

UNOFFICIAL TRANSLATION

Although the Company pays close attention to provide English translation of the information disclosed in Japanese, the Japanese original prevails over its English translation in the case of any discrepancy.

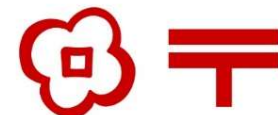
JP Vision 2025

Building a “Co-creation Platform” to Support Customers and Local Communities

May 14, 2021



JAPAN POST GROUP



郵政創業150年

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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Introduction

- ⌘ Since FY2019, scandals related to products and services of our two financial subsidiaries seriously damaged the trust placed in us by our customers and other stakeholders. We sincerely regret this situation and will work to regain trust in us as soon as possible by thoroughly implementing customer-oriented business operations.
- ⌘ Meanwhile, the Group is facing an extremely challenging business environment due to factors including the decrease in the number of mail items and the continuing low interest rate environment. This situation is expected to continue in the long term. In response, the Group will continue to maintain and enhance corporate value. To continue to serve as a “Co-creation Platform” to support customers and local communities by resolving issues in society (including those covered by the SDGs, etc.) and contributing to the development of a sustainable society, it is essential that we utilize digital technologies and other methods to enhance and strengthen our core businesses – the postal and domestic logistics business, the banking business, and the life insurance business, including universal services – and that we convert our business portfolio by developing new businesses and securing new opportunities for revenue, etc.
- ⌘ We expect to see major changes to society in and after with COVID-19 pandemic, in the form of non-contact and non-face-to-face services, the digitalization of communication, as well as new lifestyles and work styles, etc. The Group, therefore, needs to reform its business model in line with these changes.
- ⌘ Taking into account the amount of time required to establish specific new businesses, we developed the Group Medium-term Management Plan “JP Vision 2025,” a 5-year plan covering the period from FY2021 to FY2025. We will draw a timetable to monitor the progress of the initiatives under the plan. We will review the plan in approximately three years to keep up with increasingly rapid changes to the business environment.
- ⌘ Year 2021 marks the 150th anniversary of the modern postal service in Japan, which began in 1871. As we reach this historic milestone, we will ensure the thorough implementation of the growth strategy under JP Vision 2025 to take the Group into a new era.

I. Main points of JP Vision 2025

Vision of the Japan Post Group

- The Japan Post Group aims to become a “Co-creation Platform” to support customers and local communities.
- We will implement the following initiatives to achieve this goal:
 - (1) Fusion of the real-world post office network and digital technologies (“digital post offices”) through the promotion of digital transformation
 - (2) Achieving new growth for our Group by enhancing and strengthening our core business (the postal and domestic logistics business, banking business, and life insurance business), including universal services. We will also transform our business portfolio through the expansion of our real estate business and the promotion of new businesses, etc. to achieve this goal.



A “Co-creation Platform” to support customers and local communities

We will leverage our network of post offices, the Group’s greatest strength, to provide integrated services of the Group while seeking partnership with a diverse range of companies, etc. outside the Group, which we have never had.

Such efforts will help local customers enjoy safe, secure, comfortable, and prosperous lives.



Vision of the Japan Post Group

Challenges we face to become the “Co-creation Platform” to support customers and local communities, and our Group’s strengths

Changes in social environmental surrounding the Group

Continuing low birth rate and aging population

⇒ Increasing need for responding to ultra-aging society

⇒ Rising social concerns over the increase in elderly single-person households, etc.

⇒ Concerns over the sustainability of social infrastructure

Further digitalization

⇒ Increasing use of services that can be fully used via smartphones

⇒ Penetration of cashless transactions

⇒ Emergence of digital divide issues

Identify challenges that we should tackle to grow

Japan Post Co.

- Utilizing motorcycle mobility for the last one mile of logistics
- Service and operational reforms with maximum use of data we possess

Japan Post Bank

- Enhancing safe and secure services and business reform through the promotion of DX
- Boosting the flow of funds into local communities; strengthen community relations functions

Japan Post Insurance

- Transitioning to a new sales style
- Providing insurance services satisfying diverse protection needs of customers in all age groups

Japan Post Holdings

- Strengthening coordination within the Group
- Proactively forming partnership with companies, etc. outside the Group
- Growth strategies to provide new value

JP Vision 2025

Regaining customers' trust

Aiming for new growth

Managing progress with the timetable

Value Creation

A “Co-creation Platform” to support customers and local communities

Providing lifelong support in an age of 100-year life

Customers Providing high quality customer-oriented services

Supporting local communities across Japan

Local communities Contributing to regional development and revitalization

Shareholders Enhancing shareholder returns

Employees Creating friendly workplaces for employees

Environment Creating a sustainable society

Group's Strengths

Nationwide network of post offices

Delivery network and finance network

Vast customer base

Trust in post offices and deep understanding of local communities

Extensive customer data

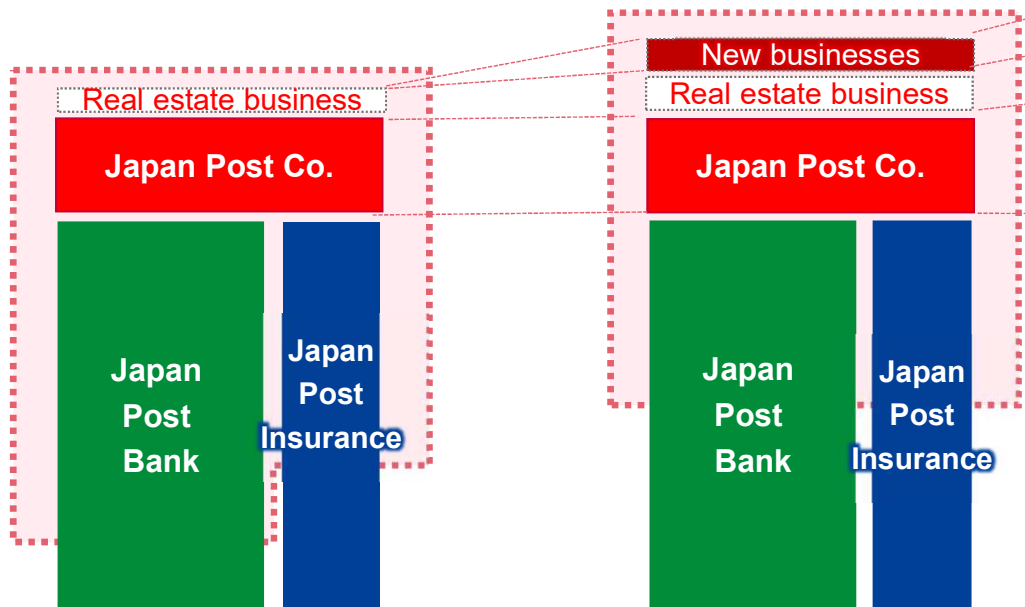
Vision of the Japan Post Group

Disposal of shares in our two financial subsidiaries and the future of the Japan Post Group

Present

»»» During JP Vision 2025 Period »»»

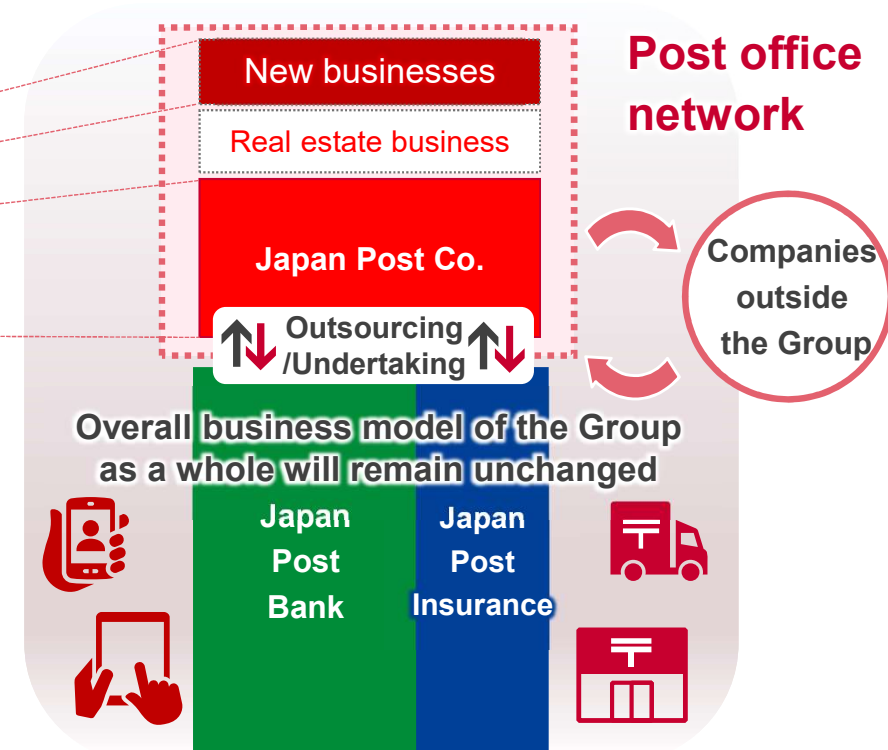
We aim to reduce our stakes in the two financial subsidiaries to 50% or less as early as possible in the JP Vision 2025 period.



 indicates the Group's consolidated profit

Future of the Group

(After full disposal of our shares in the two financial subsidiaries)



A “Co-creation Platform” to support customers and local communities

Group-wide promotion of DX to provide new value

- Group-wide promotion of DX will integrate our network of physical post offices with a digital platform (digital post offices), providing new value to customers of a wide range of ages and communities.

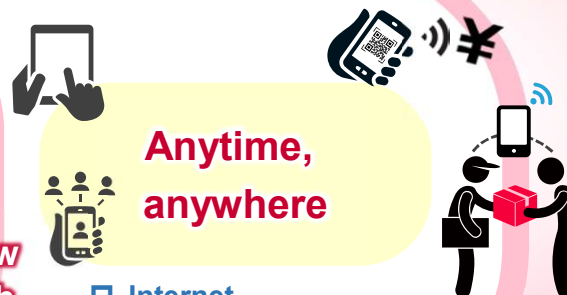
Japan Post Group's "Co-creation" Platform

A Network of Physical Post Offices



- Digital equipment including tablets to assist employees
- Responses to the digital divide

Digital Post Offices



- Internet
- Smartphone apps
- Remote services

Fusion
Providing new value through integrated services



Partnership with local governments



Partnership and collaboration with other companies



- Implementing data-driven operations (P-DX)*



Data platform and data utilization within the Group

Utilizing feedback from customers and employees

Digitalization of customer contacts

A foundation for partnership with partners

- Cyber security measures



- Utilizing the latest technologies to create a more sophisticated and efficient transport and delivery network

- Creating a data platform that manages customer data of both physical and digital post offices in an integrated manner



- Analyzing feedback from customers and employees with AI and other tools



- Utilizing AI/OCR/RPA to boost efficiency
- Teleworking for a work-style reform



- Introducing and enhancing a smartphone app (group platform app)



- Reducing paper use and CO₂ emissions through digitalization, promotion of the SDGs

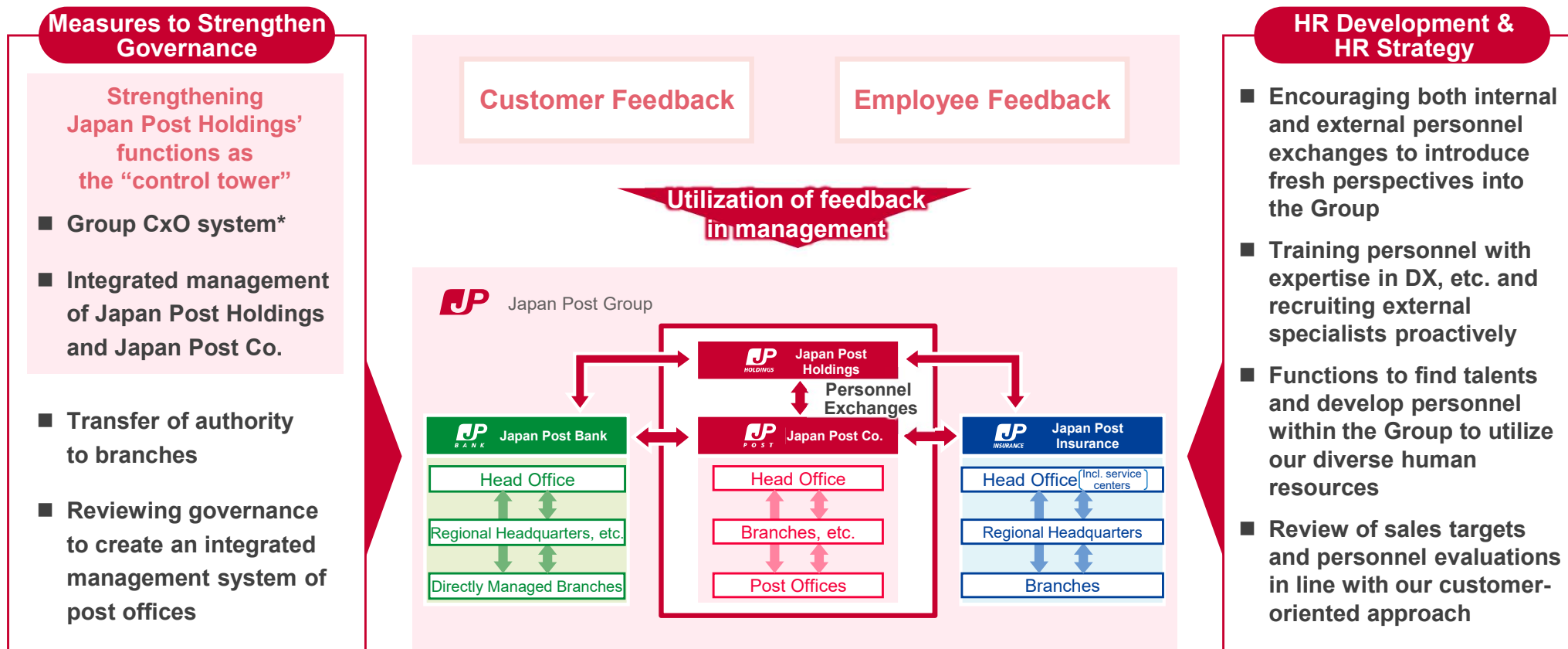


Digitalization Initiatives

Regaining customers' trust and reforming corporate culture

- We will faithfully do our utmost to regain customers' trust which has been greatly damaged by the scandals related to products and services of our financial subsidiaries.
- We will provide customer-oriented services and take bold steps to reform our corporate culture.

Group's Corporate Culture Reformation



* Introduction of a system with Group CEO (Chief Executive Officer), Group CFO (Chief Financial Officer), Group CCO (Chief Compliance Officer), etc.

Major targets

- The Group will set major targets for FY2025 for the Group and subsidiaries. We will strive to achieve those targets.

Japan Post Group

Financial Targets

Consolidated net income 510 billion yen

* Includes consolidated net income attributable to non-controlling interests (interests other than the parent company, Japan Post Holdings)

Consolidated net income attributable to Japan Post Holdings 280 billion yen (*)

* Assuming an approx. 89% stake in Japan Post Bank, we aim to achieve a net income of 420 billion yen

ROE (based on shareholders' equity)

Approx. 4% (Aiming for further improvement in future)

Dividend policy

Stable issue of annual dividend of 50 yen per share

ESG Targets

To build a sustainable society, the Group will provide lifelong support in an era where anyone can live to 100, and contribute to the development and revitalization of regional communities all over Japan.

Greenhouse Gas Emissions

46% reduction by FY2030 (compared to FY2019) (*1, *2)

Aiming to achieve carbon neutral by FY2050 (*2)

Women in Management Roles

Ratio of women in management positions at our Head Office: 30% by FY2030 (*3,4)

Financial Targets (*) Calculated on the assumption of a 50% stake in Japan Post Bank and a 49.9% stake in Japan Post Insurance. Japan Post Insurance resolved at a meeting of its Board of Directors on May 14, 2021 to acquire treasury stock through ToSTNeT-3, and Japan Post Holdings resolved at a meeting of its Board of Directors on the same day to sell its shares corresponding to that treasury stock acquisition and to establish an equity disposal trust. Accordingly, the Company's stake in Japan Post Insurance is assumed at 49.9%.

ESG Targets (*1) Includes Scope 1 (direct emissions from our companies) and Scope 2 (emissions from the use of electricity, etc. supplied by other companies) emissions. Increases due to new businesses, including real estate business, are not included.

(*2) The achievement of these targets assumes that Japan will become carbon neutral to a considerable degree through the widespread adoption of renewable energy, etc. The Group will assist the push toward carbon neutral societies in both Japan and the rest of the world.

(*3) The figure is the percentage of management positions filled by women at the head offices of our four main Group companies. The target is the percentage as of April 1, 2031 as the results of initiatives up to the end of FY2030.

(*4) The Group will also work to improve the work environment and train human resources to boost the number of employees pursuing management and executive positions thereby increasing the number of women in management positions in locations other than our head offices.

Japan Post Co.

Consolidated net operating income 49 billion yen
Consolidated net income 22 billion yen

Operating income

Postal and domestic logistics business 33 billion yen
Post office business 5 billion yen
International logistics business 12 billion yen

Revenue from package delivery, etc. 890 billion yen
Number of Yu-Pack handled 1,360 million

Japan Post Bank

Consolidated net income at least 350 billion yen
ROE (based on shareholders' equity) at least 3.6%

Capital adequacy ratio/CET1 ratio*1 approx. 10% (level to be secured)
OHR*2 66% or less (based on inclusion of profit/loss, etc. from money trust management)
General and administrative expenses (compared to FY2020) Down 55 billion yen

Targeting the level of approximately 50 to 60% payout ratio and aiming to increase DPS from the initial forecast in FY 2021 (Please refer to JPB's Midterm Management Plan for the detail)

Japan Post Insurance

Consolidated net income 91 billion yen
EV growth ratio (RoEV*3) Aim for 6% to 8% growth

Customer satisfaction NPS® *4 Aim for 90% or more
Aim for One of the highest in the industry

Number of policies in force 20 million or more policies

Dividends per share (DPS) In principle aim not to decrease but to increase dividend per share for the period of the Medium-term Management Plan

*3 Calculated by excluding economic variance factors

*4 NPS® is an abbreviation for "Net Promoter Score" and a registered trademark of Bain & Company, Inc., Fred Reichheld, and Satmetrix Systems, Inc.

*1 The capital adequacy ratio based on the domestic standard and the CET1 ratio based on the international standard. (Basel III totally implemented, ordinary base excluding net unrealized gains on available-for-sale securities)

*2 Costs ÷ (net interest income + income from fees and commissions, etc.)

Investment plan

- We will formulate a detailed investment plan to facilitate investment for growth of the Group.

Amounts of investment in the 5 years to FY2025

Strategic DX/IT Investment

Postal and Domestic Logistics
business (P-DX promotion, etc.)
approx. 180 billion yen

Our Two financial subsidiaries
(Digital service enhancement, etc.)
approx. 230 billion yen

Digital post offices, etc.
(Co-creation Platform, digitalization of
post office operations, etc.)
approx. 20 billion yen

Approx. 430 billion yen

Real Estate Investment

Group real estate holdings
approx. 300 billion yen

Real estate outside the Group
approx. 200 billion yen

Approx. 500 billion yen

Investment in New Businesses, etc.

New business including M&As, etc.
approx. 500 billion yen
~ approx. 1 trillion yen

Investment in venture businesses,
etc.
approx. 50 billion yen

Approx. 550 billion yen

~ Approx. 1 trillion yen

* The strategic IT investment includes non-personnel expenses related to strategic IT as well as the investment component of financial accounting.

* The real estate investment is investment by Japan Post Co., Ltd. and Japan Post Real Estate Co., Ltd.

* The investment in iventure businesses, etc. is investment by Japan Post Capital Co., Ltd.

Initiatives to improve efficiency and productivity

- The entire Group will strive to boost operating efficiency and invest in priority areas to improve productivity. We expect that improved efficiency will reduce workforce by an amount equivalent to approx. 35,000 employees at our four main group companies. (* The workforce by an amount equivalent to Approx. 390,000 employees in FY2020)
- Based on forecasts of workforce, we will allocate personnel appropriately (including a natural decline in our workforce caused by control of number of new hires.)

	Overview of Initiatives to Improve Efficiency and Productivity	Workforce Forecasts	Cost Reductions
Japan Post Co.	<ul style="list-style-type: none"> □ Boosting efficiency by fully implementing measures including P-DX promotion, operational reforms, and digitalization of post office operations. □ A 30,000 personnel or 8% decrease in our workforce between April 2020 and April 2025 after reducing workloads through more efficient operations and optimal staff placement while maintaining the current level of network. □ Strengthening investment in priority areas to improve productivity and boost our future profitability. 	<p>Decrease by an amount equivalent to 30,000 employees</p> <p><small>* Excluding the effects of the dispatch of consultants, etc. (approx. 13,000 employees) to Japan Post Insurance for the creation of a new sales system</small></p>	<p>Decrease by 160 billion yen</p> <p><small>* Including the effects of the dispatch of consultants, etc. (approx. 13,000 employees) to Japan Post Insurance for the creation of a new sales system</small></p>
Japan Post Bank	<ul style="list-style-type: none"> □ In addition to increasing personnel in enhancement areas such as our digitization response, etc. through planned skill increases, we will drastically reduce workloads through work reforms and plan for a reduction in overall personnel of 3,000 individuals. □ In addition to assertive investments into focal areas such as DX advancement, we will drastically reduce predetermined expenses and drastically reduce expenses overall by 55 billion yen. 	<p>Decrease by 3,000 employees</p>	<p>Decrease by 55 billion yen</p>
Japan Post Insurance	<ul style="list-style-type: none"> □ Improving productivity of back office operations, etc. by promoting DX to shift personnel to priority areas, including customer support □ Ensuring the efficient use of existing costs necessary for operational management and boosting investments in priority areas. 	<p>Decrease by 1,500 employees</p>	<p>Decrease by 28 billion yen</p>

- (Notes)
1. The workload forecasts are based on the current projected workload. Actual workload may vary due to increases/decreases in workload.
 2. The workload forecasts compare the figures for April 2020 and April 2025 (forecast). The cost reductions compare the figures for FY2020 and FY2025 (forecast). For Japan Post Insurance, however, the figures compare those for FY2021, which is after the transition to the new sales stance, and FY2025 (forecast) due to the suspension of operations in FY2020.
 3. Data includes that of employees on fixed-term contracts.
 4. The cost reductions at each company are calculated by each company, and adjustments resulting from the Group consolidation have not been taken into account. The figure for Japan Post Co. is for employment costs, while those for Japan Post Bank and Japan Post Insurance are for general and administrative expenses.

II . JP Vision 2025

1. Efforts by the Japan Post Group to regain customers' trust

1-1. The first step is to regain customers' trust

1-2. Providing customer-oriented services

1-3. Corporate culture reformation (1)

Reforming targets and evaluation system of sales personnel of financial subsidiaries

Corporate culture reformation (2)

Utilizing customer and employee feedback for management

Corporate culture reformation (3)

Promoting personnel exchanges within our Group, etc.

Corporate culture reformation (4)

Strengthening governance

1-1. The first step is to regain customers' trust

- We will faithfully do our utmost to regain customers' trust which has been greatly damaged by the scandals related to products and services of our financial subsidiaries.
- By returning to our origins and delivering on the “Pledge to Regain Customers' Trust,” the Japan Post Group will transform into a truly customer-oriented corporate group.

Pledge to Regain Customers' Trust

Pledge for our vision

We pledge to remain close beside each and every one of our customers, giving top priority to customer satisfaction and peace of mind, and to be a company that they can trust.

Pledge for our activities

- We are committed to customer-oriented business operations and providing satisfying and courteous services for customers.
- We will carefully listen to feedback from customers in order to reflect it in the improvement of our services.
- We will enhance the expertise of our employees so that they can provide accurate and easy-to-understand explanations to satisfy our customers.
- We will comply with laws and regulations and provide high-quality services that our customers can use with a peace of mind.
- We will provide products and services that will bring joy to our customers based on their needs.

1-2. Providing customer-oriented services

- **The Japan Post Group will take a customer-oriented approach to develop products and services that meet the needs of our customers. We will deliver safety and peace of mind to our customers through a customer-oriented service provision style.**

Item	Company	Details
Develop and provide attractive products and services that meet customer needs (Strategic review of the product lineup)	Japan Post Co.	<ul style="list-style-type: none"> • Providing a wide variety of products and services to meet regional needs (e.g., administrative work contracts from local governments, etc.) • Developing and providing products and services that meet customer needs, including measures to make sending and receiving packages more convenient
	Japan Post Bank	<ul style="list-style-type: none"> • Reducing asset management products that are suitable for our customers consisted of many investment beginners • Giving our top priority to making peace of mind and safety by expanding digital services that are easy to use for all customers
	Japan Post Insurance	<ul style="list-style-type: none"> • Developing products to satisfy the protection needs of customers in all age groups
Reform into a customer-oriented services provision style, and establish a customer-oriented check function and other systems	Japan Post Co.	<ul style="list-style-type: none"> • Improving the value we offer to customers through a fusion of physical and digital post offices
	Japan Post Bank	<ul style="list-style-type: none"> • Strengthening our organization to follow up complaints, consultations, etc. from customers.
	Japan Post Insurance	<ul style="list-style-type: none"> • Ensuring that employees have accurate knowledge and sales methods so that their proposals are based on customer's intentions.
Ensure the peace of mind and safety of customer service	Japan Post Co.	<ul style="list-style-type: none"> • Continuing initiatives to eliminate improper solicitation
	Japan Post Bank	<ul style="list-style-type: none"> • Implementing a high level of security measures and strengthening our IT governance and security verification approach to eliminate new risks
	Japan Post Insurance	<ul style="list-style-type: none"> • Following up customers in finest and elaborated ways from the customer's perspective

1-3. Corporate culture reformation (1): Reforming targets and evaluation system of financial sales personnel

- We recognize that our sales target system used to focus on sales amounts (particularly new insurance policies) and our personnel evaluation system used to attach weight to sales amounts, resulting in sales activities failing to meet customers' benefits and intentions.
- We will comprehensively review sales targets and the evaluation system of employees involved in financial services to ensure the customer-oriented approach of sales activities (proposals, etc. in line with customers' benefits and intentions). These efforts will enhance employees' awareness of our customer-oriented approach.

Review of Sales Targets (Individual policies)

Before the end of FY2019

*No sales targets set in FY2020

- Focused on new policies

▼ (Cancelled and extinguished policies were not considered.)

From now (during the JP Vision 2025 period)

- Targets will be reviewed to focus on the net increase amount (sales amount less extinguished amount) to give new policies and continuing policy contracts the same weight (No targets set for FY2021, gradual introduction of targets from FY2022)
- Transition to a target system focusing on customer-oriented sales activities
 - Sales process
 - Sales quality
 - Follow-up activities

Increased weight
(From FY2021)

There will be no targets for sales amounts of investment trusts in FY2021.
Net increase-based targets will be considered from FY2022.

Review of Personnel Evaluation System (Individual policies)

Before the end of FY2019

*No sales performance evaluations in FY2020

- Focus on sales of new policies

▼

From now (during the JP Vision 2025 period)

- Past evaluations placed too much weight on sales of new policies. The system will be reviewed to provide more balanced evaluations of customer-oriented sales activities
 - Sales performance.....weight decreased
 - Sales process
 - Sales quality
 - Follow-up activities

weight increased
(from FY2021)

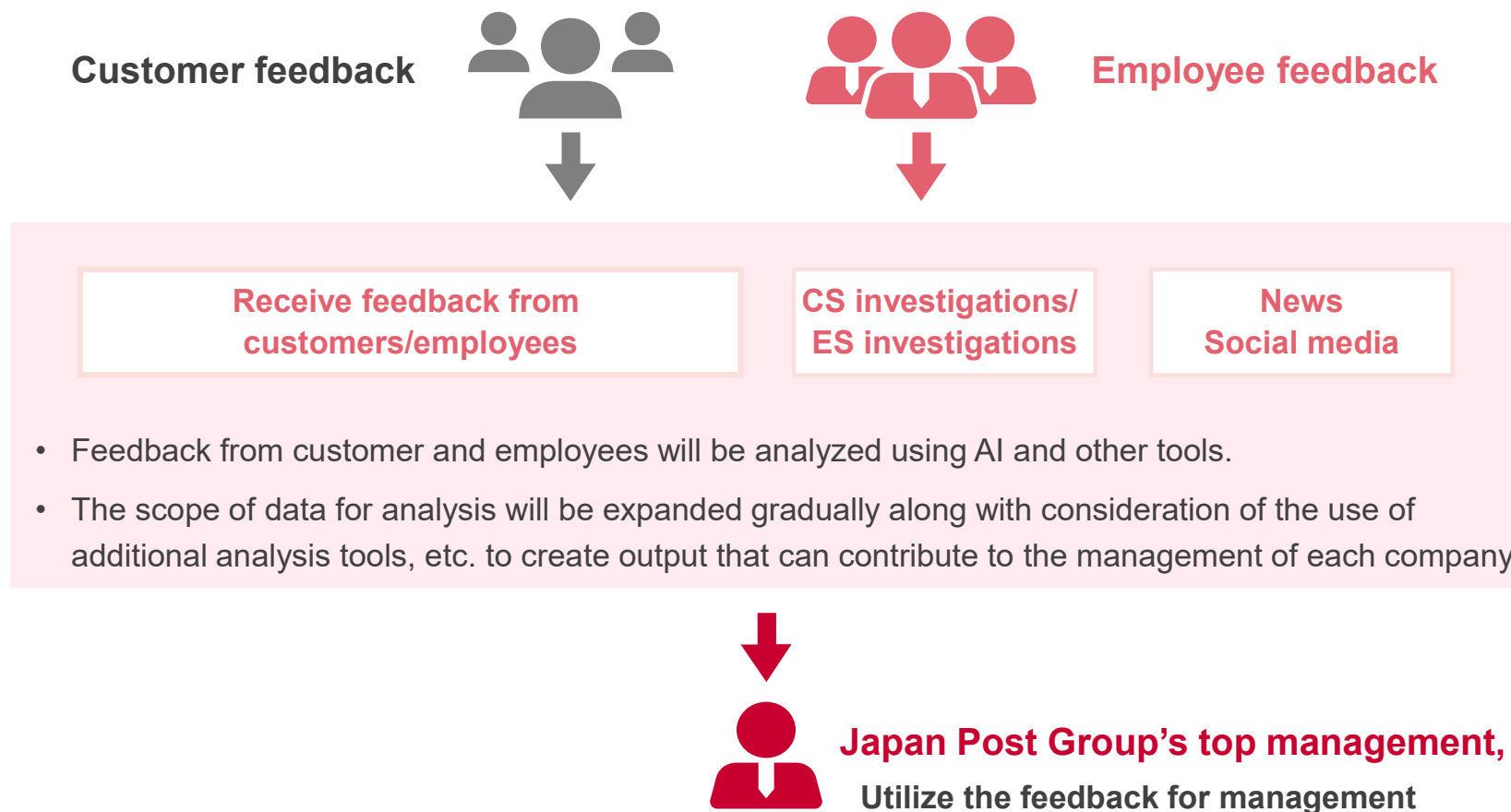
(No evaluations in FY2021. Evaluations will begin in FY2022 in response to target setting)

- Introduction and expansion of evaluation based on customer feedback (customer satisfaction) from FY2021

The same reviews will be carried out for other financial products including investment trusts.

1-3. Corporate culture reformation (2): Utilizing customer and employee feedback for management

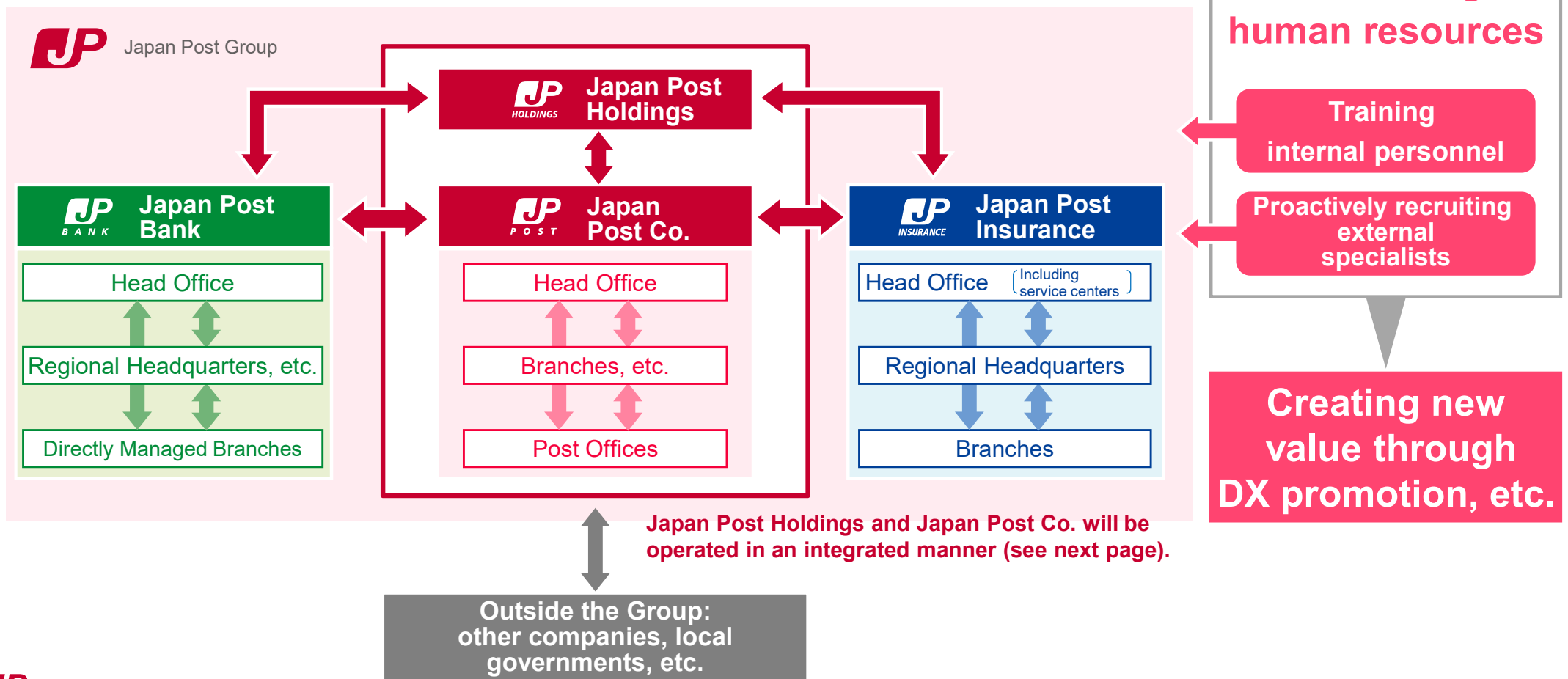
- We will share feedback from customers and employees among the management teams of main Group companies, and they will utilize the feedback for management of the companies.
- Specifically, we will utilize the outcomes of the JP VOICE Project implemented in FY2020 to ensure that everyone's opinions and requests are used Group-wide to improve operations, etc.



1-3. Corporate culture reformation (3): Group's human resources strategy

- We will promote personnel exchanges to improve open communication within the Group (between the head office, branches, the front line, between Group companies, and with those outside the Group)
- We will develop internal personnel to further enhance human resources within the Group to facilitate creation of new value through the promotion of DX. We will also recruit specialists from outside the Group more proactively.

Promoting personnel exchanges inside and outside the Group



1-3. Corporate culture reformation (4): Strengthening governance

- We will introduce a Group CxO system to appoint executives overseeing the cross-organizational functions of the Group and operate Japan Post Holdings and Japan Post Co. in an integrated manner to strengthen the governance of the Group.
- We will strengthen the management functions of branches and the frontline by transferring authority to branches and reviewing the management structure to operate post offices in an integrated manner.
- We will build a system that can detect and respond to “conduct risks” promptly and manage risks of the Group as a whole.

1 Group CxO system

- Introducing a Group CxO system to allow Japan Post Holdings to fully utilize its cross-organizational functions as a holding company
- Group CxOs* will implement cross-organizational adjustments and provide advice, as well as taking responsibility for the Group’s main fields including finance and accounting, IT, compliance, risk management, human resources, etc.

2 Integrated operation of Japan Post Holdings and Japan Post Co.

- Japan Post Holdings and Japan Post Co. will operate the Group, placing post offices at its core. Executives will concurrently hold positions in both organizations and the companies will be operated in an integrated manner by combining human resource management of their head offices and recruitment, etc.

3 Transfer of authority to branches

- Transferring the authority and responsibilities held by the head office to branches to give each branch more independence and flexibility to respond to the situation in each local community.

4 Reviewing management structure for integrated operation of post offices

- The current management system of relatively large post offices handles each of the functions of the postal and logistics services, the counter services, and the financial services independently. We will review this system to operate a post office in an integrated manner.

5 Integrated Group risk management

- We will build a Group-wide system that can promptly detect and respond to conduct risks, or incidents conduct risks that prevent our customer-oriented operations, and will manage risks in an integrated manner across the Group.

2. Efforts by the Japan Post Group aimed at new growth



2-1. Improving and strengthening the Group's core businesses and creating new businesses

(1) Japan Post Group

(2) Japan Post Co.

- Postal and domestic logistics business

- Post office business

- International logistics business

(3) Japan Post Bank

(4) Japan Post Insurance

(5) Real estate business

2-2. Capital strategy, HR strategy, and ESG management

(1) Capital strategy of Japan Post Holdings (shareholder returns)

(2) HR strategy (promote work style reform from the perspective of employees)

(3) Aims of the Japan Post Group's ESG Management

2. Efforts by the Japan Post Group aimed at new growth
 - 2-1. Improving and strengthening the Group's core businesses and creating new businesses

(1) Japan Post Group

- Group-wide promotion of DX to provide new value
- Utilizing customer data with a customer-oriented approach
- Creating a foundation for Group DX
(Investment, security, measures against the digital divide, personnel training and strengthening of our systems)
- Improving efficiency by consolidating operations (BPR/DX)
- Creating new businesses aimed at solving social issues

Group-wide promotion of DX to provide new value

■ The Group-wide promotion of DX will create a fusion of a network of physical post offices and digital technologies (“digital post offices”), providing new value to customers of a wide range of ages and regions.

- Physical and digital post offices will provide experiences satisfying customers of a wider range of ages in an integrated manner
- By creating infrastructure for partnership and utilizing data, we will provide new services through partnership and collaboration with companies outside the Group and local governments
- Digitalization of all work processes will create a workplace where employees can work efficiently at ease, allowing them to focus on services for customers

Japan Post Group’s “Co-creation Platform”

Providing customers of all ages and regions with experiences and services tailored for their life stages and lifestyles

Physical Post Offices

Physical post offices let customers use our services more at ease placing trust in us

- Consulting and support services tailored for customers
- Digitalization of post office counter procedures, making them easier to use



● Achieving data-driven operations (P-DX)



● Using the latest technologies for a more advanced, more efficient network for transport and delivery

The Group’s data infrastructure and data utilization



Utilizing feedback from customers and employees

Digitalization of points of contact for customers

Digitalization Initiatives

Partnership and collaboration with companies outside the Group and local governments



Digital Post Offices

Anytime, anywhere
Easier to use, more accessible for more customers

- Access to post office services anytime, anywhere online
- Providing information and services tailored for each customer



● Boosting work efficiency with AI, OCR, RPA, etc.; work-style reform using telework



Infrastructure for partners to collaborate



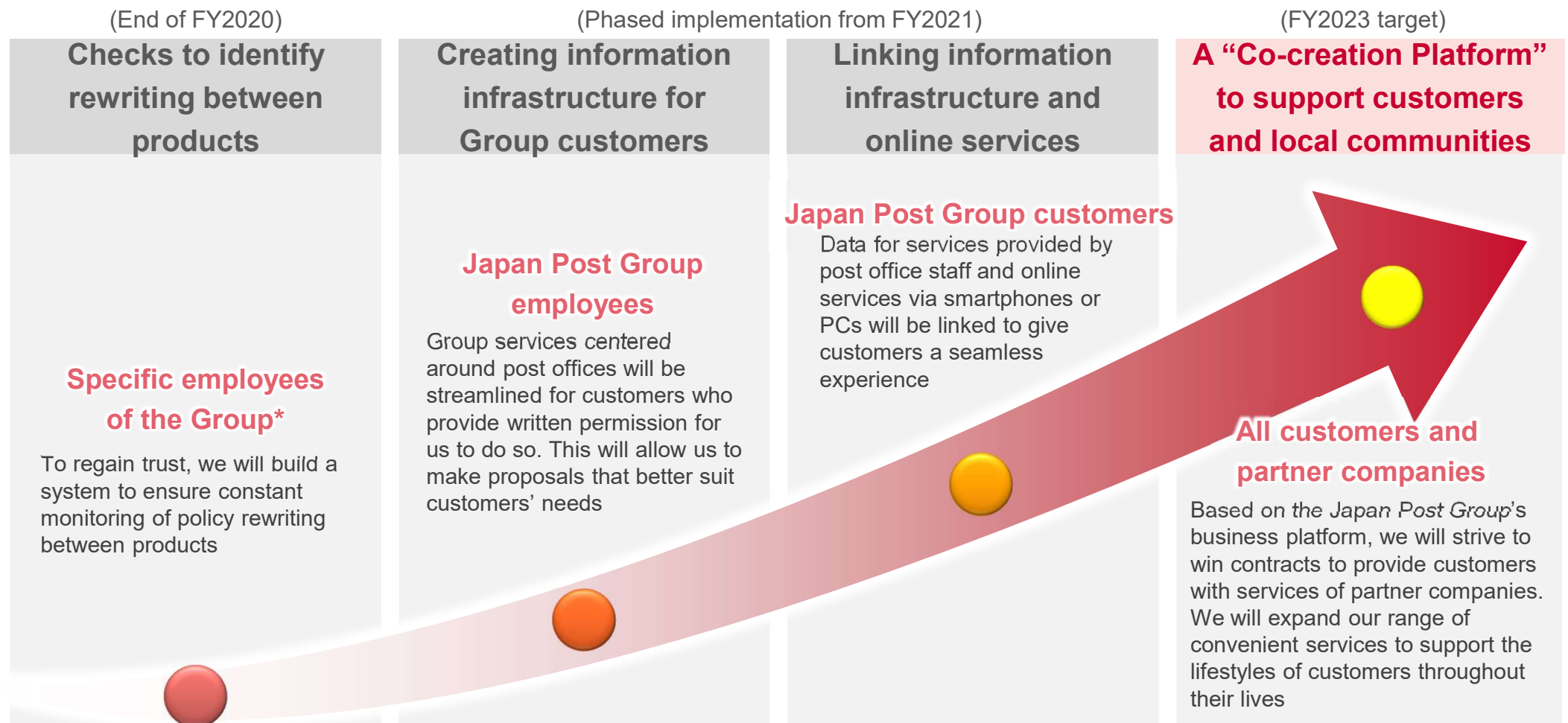
● Reducing paper use and CO₂ emissions through digitalization, promoting the SDGs



Utilizing customer data with a customer-oriented approach

- We will manage customer data held by each of our companies in an integrated manner to provide a streamlined customer experience of the various products and services provided by the Japan Post Group.
- The data we manage will be utilized in a manner that ensures full protection of personal information. That will help create a “Co-creation Platform” to support customers and local communities, allowing us to develop new services providing customers with new value.

Expanded use of data



*Indicates employees responsible for monitoring of policy rewriting between products

Creating a foundation for Group DX

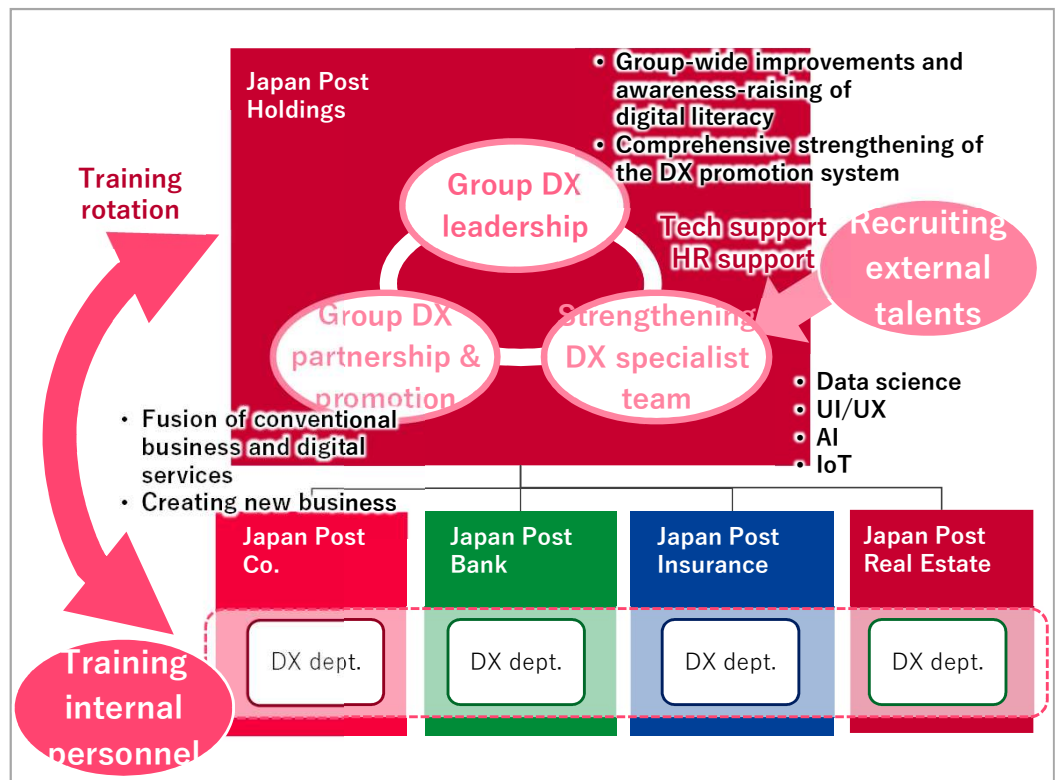
(Investment, security, responding to the digital divide, personnel training and strengthening of our systems)

- The Group will make strategic IT investments of approx. 430 billion yen during the JP Vision 2025 period with the aim of promoting DX, etc.
- We will strive to constantly improve the level of our security, giving our top priority to safety and peace of mind.
- We will strive to close the digital divide by utilizing our network of post offices as points of contact for customers who cannot access our digital services.
- We will implement in-house training to create specialist personnel (data scientists, etc.) as well as recruiting specialists from outside the Group to promote DX speedily.

Strategic IT investments

Investment	Initiative Details	Amount *
Data driven reform of postal and domestic logistics business	P-DX Promotion <ul style="list-style-type: none"> More convenient services for sending and receiving parcels More efficient operations 	Approx. 180 billion yen
Enhancing high-quality digital financial services with safety and peace of mind as our top priorities	Enhancing Digital Services <ul style="list-style-type: none"> Security measures, fraud prevention Expanded Bankbook App functions Digitalization of customer contact points 	Approx. 230 billion yen
Fusion of a network of physical post offices with digital post offices	Co-Creation Platform <ul style="list-style-type: none"> Group customer data foundation Working with partners Data analysis/AI utilization Smartphone app (Group platform app) 	Approx. 10 billion yen
	Digitalization of post office operations <ul style="list-style-type: none"> Use of tablets, digitalization of procedures Boosting consulting services Responses to the digital divide 	Approx. 10 billion yen
Total		Approx. 430 billion yen

Training Personnel and strengthening system to achieve DX



*Includes non-personnel expenses related to strategic IT in addition to the investment component of financial accounting.

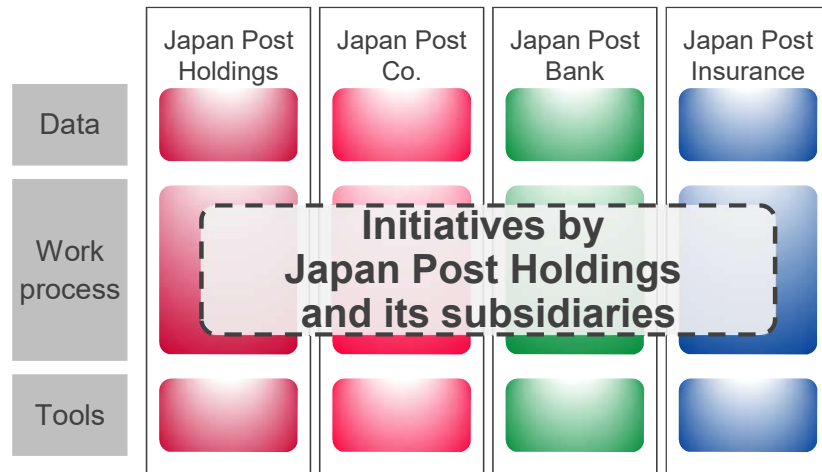
Improving efficiency by consolidating operations (BPR/DX)

- Considering the current status of business activities at each Group company, we will consolidate operations across the Group and conduct business process re-engineering (BPR) and DX to improve efficiency if we conclude that such a consolidation will bring a significant improvement in efficiency.

Japan Post Group now

Initiatives for higher efficiency are implemented by subsidiaries and divisions independently

- The scope of initiatives and investment is limited
- Difficult to ascertain the situation of the entire Group



Consolidation of operations

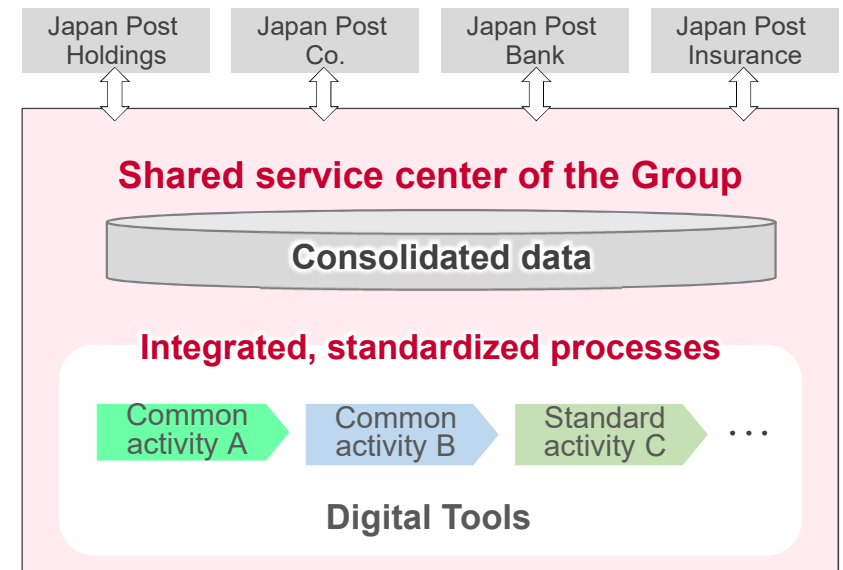
BPR for all work processes

Total digitalization

Our vision

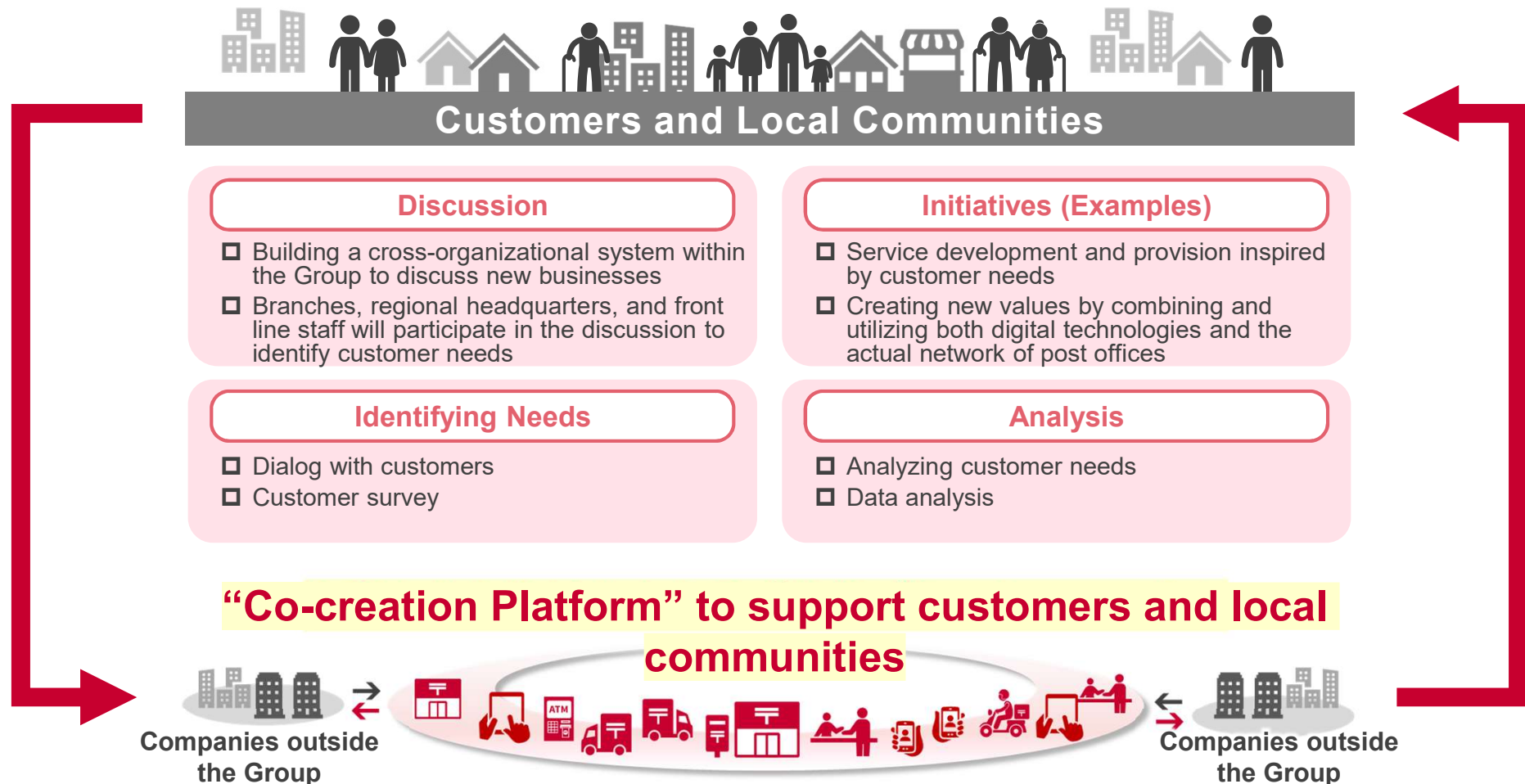
Cross-organizational initiatives to achieve higher efficiency and productivity

- Sweeping reforms and optimization of investment
- Data-based management decisions



Creating new businesses aimed at solving social issues

- Through grasping customers' potential needs and building up a cross-organizational system, we will focus on creating new businesses aimed at solving social issues.
- Based on our “Co-creation Platform” to support customers and local communities, we will co-create with companies outside the Group and engage in M&A as necessary to create new businesses.



2. Efforts by the Japan Post Group aimed at new growth

2-1. Improving and strengthening the Group's core businesses and creating new businesses

(2) Japan Post Co.

Postal and domestic logistics business

- Promoting P-DX (data-driven postal and logistics business reforms)
- Strengthening competitiveness through a strategic review of products, services, and operations

Post office business

- Promoting the digitalization of post office operations
- Group-wide efforts to build a new system for insurance sales
- A diverse range of products and services satisfying regional needs

Postal and domestic logistics business

Post office business

- Initiatives to boost productivity

International logistics business

- Transition to an Asia-focused management structure

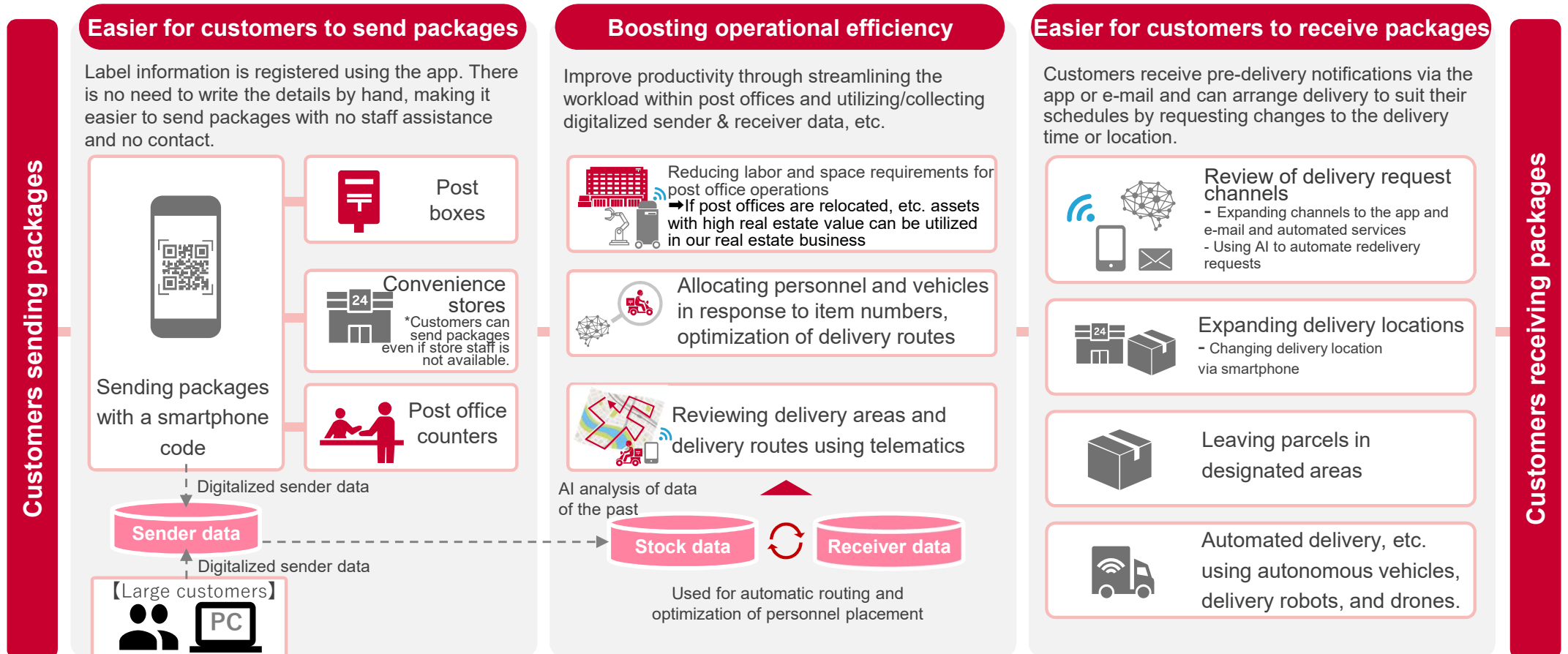
Postal and domestic logistics business

P-DX* Promotion (Data-driven postal and logistics business reforms)

- Taking advantage of the difference in speed between data and goods caused by full digitalization and leveraging data we have, including receiver data, we will provide a delivery service that can beat competitors in the package delivery market, which is highly competitive.
- We will work to boost operational efficiency based on digitalized data, while striving to create a system that makes it easier for customers to send and receive packages.
- During the JP Vision 2025 period, we will invest approx. 300 billion yen in P-DX and operational reforms (IT, facilities and equipment).

* P-DX (Postal-Digital transformation): Postal and logistics business reforms utilizing digitalized sender data and the Group's proprietary delivery ledger data to achieve data-driven operations.

Data-Driven Postal and Logistics Business reform



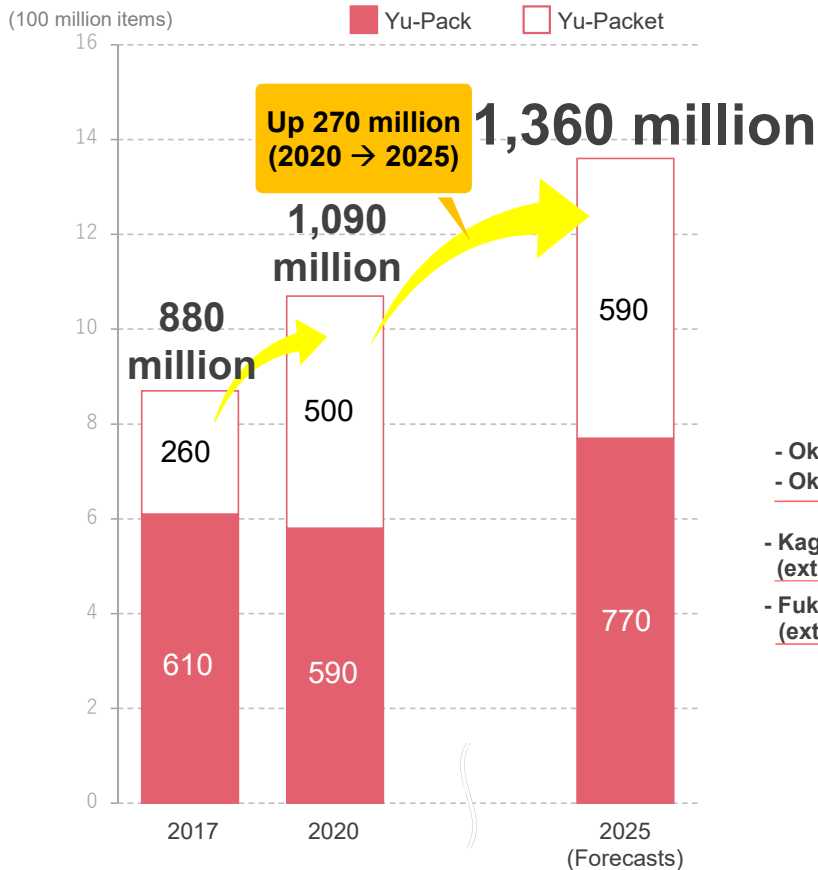
Postal and domestic logistics business

Boosting competitiveness through a strategic review of products, services, and operations

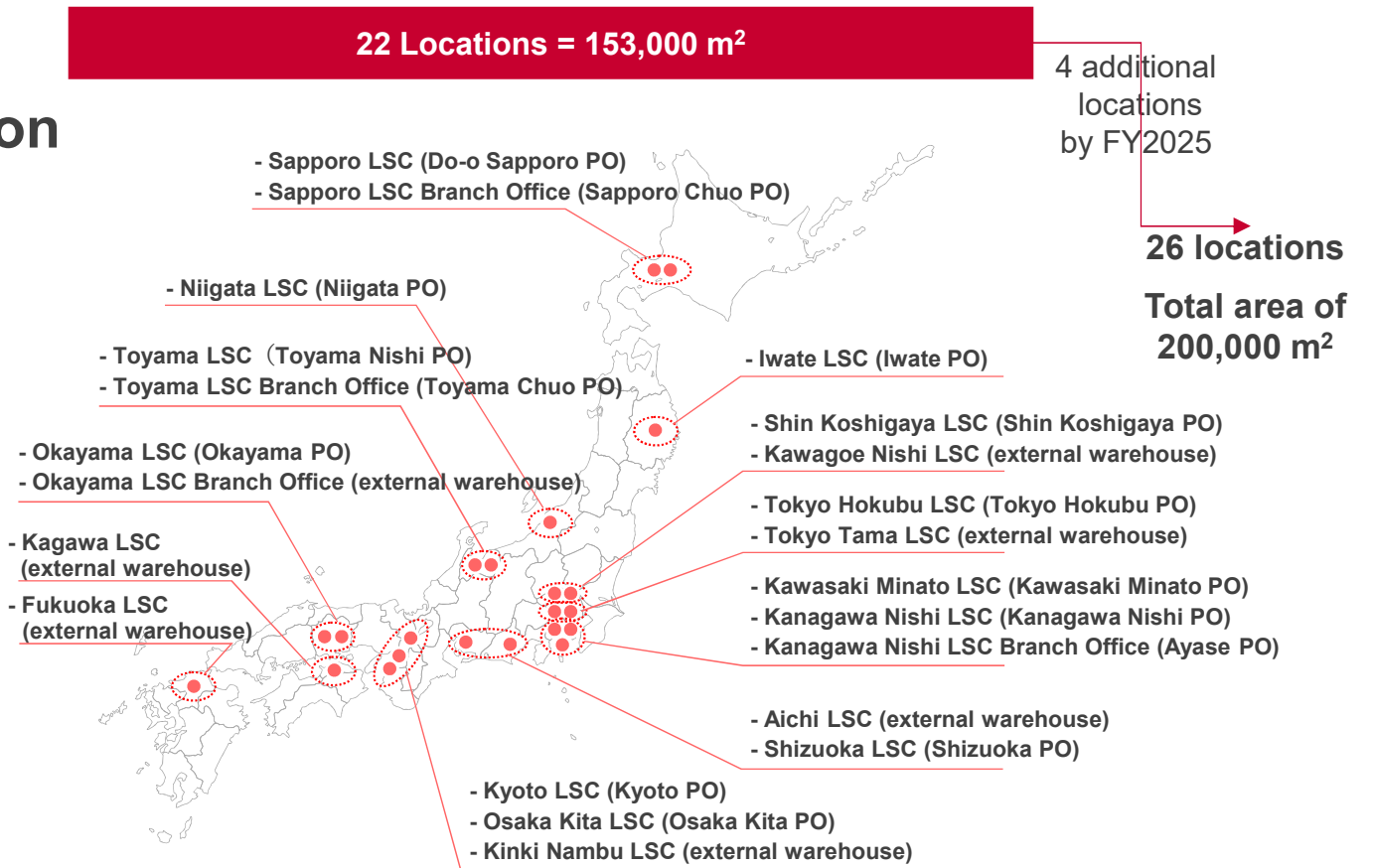
- An integrated, strategic review of products, services, and operations according to customer needs will ensure that we can take full advantage of the growing e-commerce market and online flea market sectors. That will increase income from packages.
- We will expand 3PL, focusing on our expansion of warehouses, to assist in resolving issues faced by customers running e-commerce businesses.

* 3PL (Third Party Logistics): Providing total logistics services for customers running e-commerce businesses, including inventory management, freight handling, etc. as well as parcel deliveries

Number of Packages (Yu-Pack)



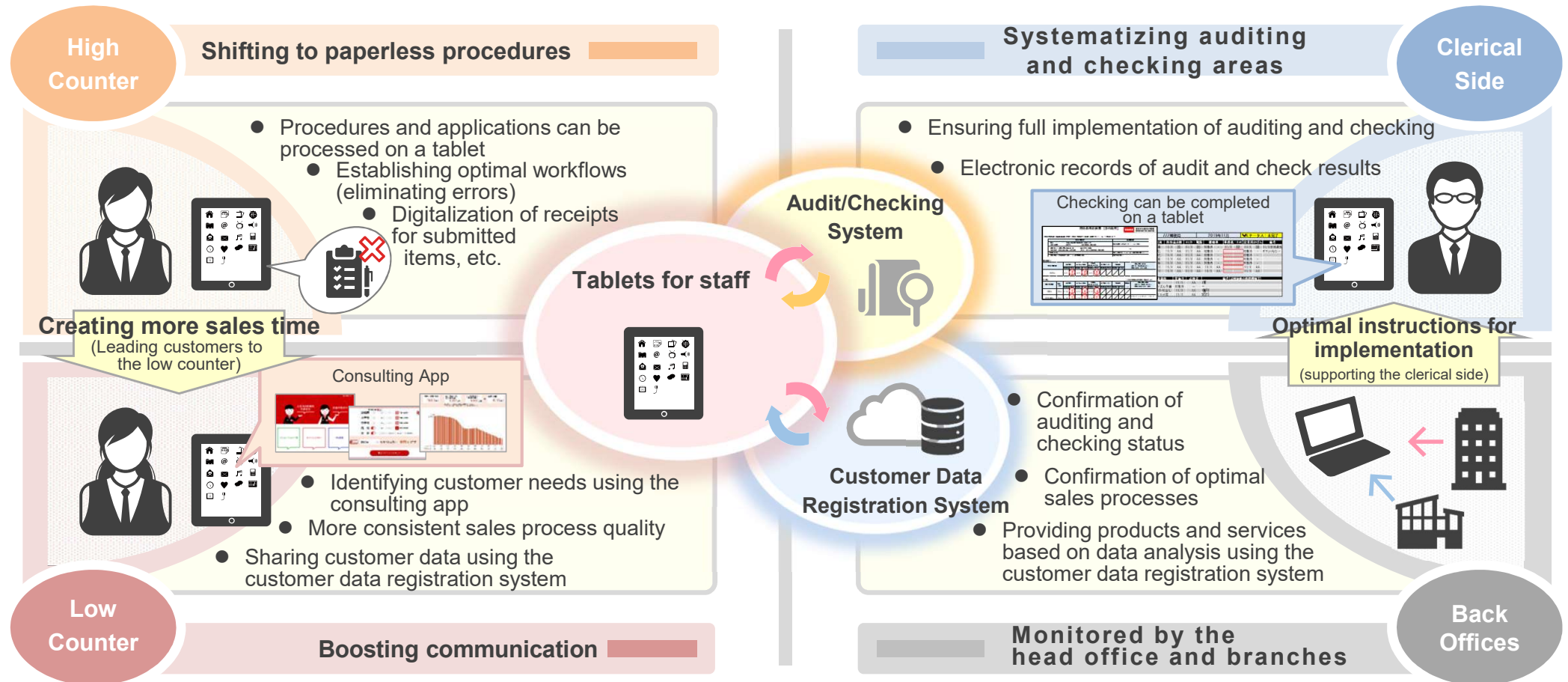
[List of Sales Warehouse Locations from FY2021 Onward (Planned)]



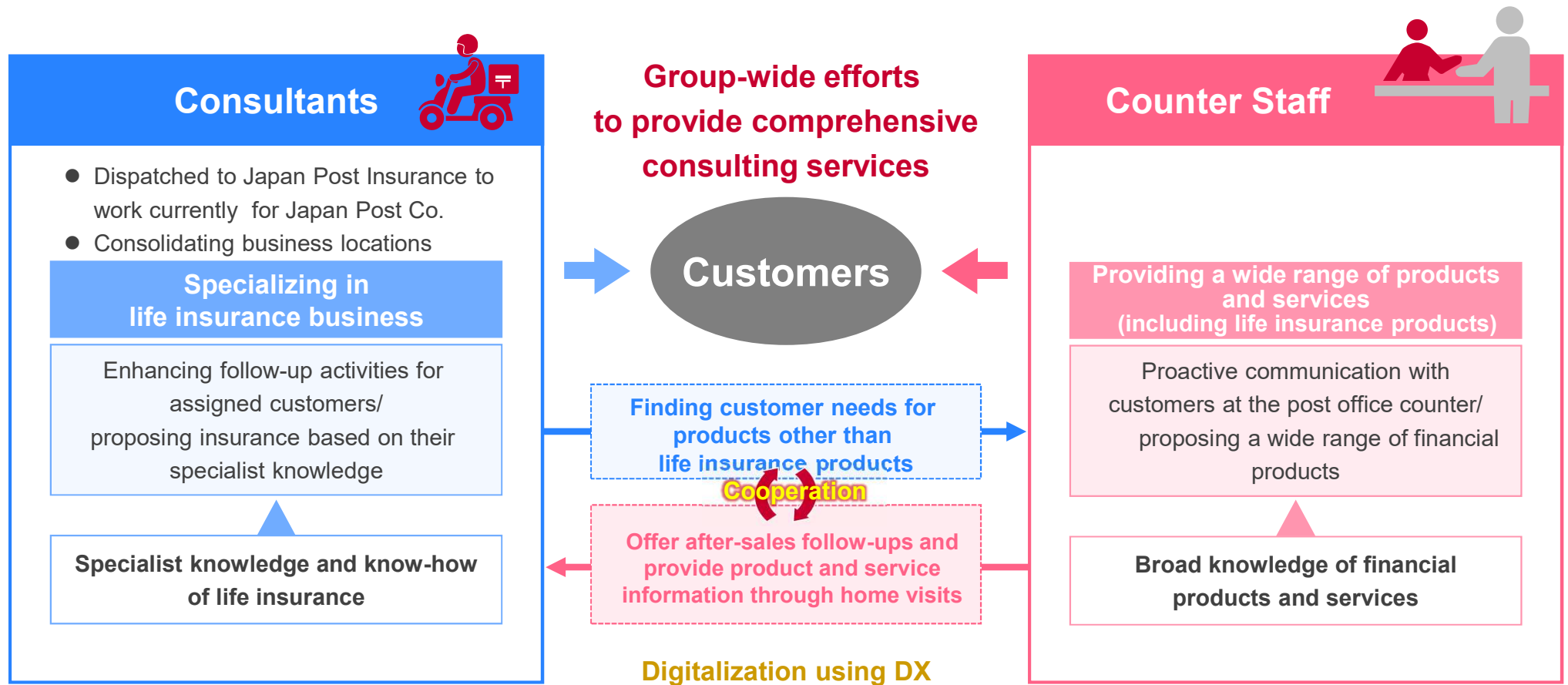
Promoting the digitalization of post office operations

Post office business

- We will digitalize a range of procedures by using tablets to ensure more effective operations. The excess resources created by these efforts will be utilized to develop real-world services.
- Consulting apps and digitalized sales activity records will be utilized to provide consulting services that suit customers' needs.



- Consultants with a high degree of mobility and specialist knowledge and staff at post office counters responding to a diverse range of customer needs will demonstrate their respective skills to the greatest extent, creating comprehensive Group-wide consulting services with specialty and extensiveness.



Enhancing non-face-to-face services (Online reservations/online consultations, etc.)

Post office business

A diverse range of products and services satisfying regional needs

- We will utilize the unique advantages of the Japan Post Co., including the trust in post offices that exists in local communities, to expand our services through winning administrative work contracts from local governments, strengthening our partnership with regional financial institutions, and winning contracts for local train stations, etc.
- We will strive to increase the value of our network of post offices and secure our universal services, while utilizing grants for maintaining our network of post offices.
- Also, we will optimize arrangement of post office locations and make operating hours more flexible based on customers' convenience.

Expanding services meeting regional needs

■ Winning administrative work contracts from local governments

(1) Issuing certifications

- Issuing official certifications on behalf of local governments at post offices via fax.

*Some post offices carries out PC input on customers' behalf.

(2) Public services other than (1)

- Receiving applications for national pension-related services and accepting family register notifications. Scheduled revisions to laws will also make it possible for us to accept change of address notifications, hand over change of address certificates, make personal seal registration cancellation applications, etc.

(3) Contracted counter services, etc.

Selling products including bus passes, coupon tickets, etc. to customers

Issuing senior citizen bus/train passes to customers

Handling of procedures for local governments

(4) Electronic certificate-related services for Individual Number Cards

■ Opening post offices inside local government facilities

- Providing a one-stop service by opening post offices in branches of local governments

■ Accepting and handling banking procedures at post offices

- Accepting applications for address changes, name changes, personal seal changes, as well as to handling account closures, funds transfers, etc. for individual customers of regional financial institutions.

■ Regional financial institution ATMs

- Lending parts of the post office floors to regional financial institutions to let them install ATMs.



■ Integrated operation of post offices and station ticket counters

- Integrated operation with station ticket office services
- They provide post office services as well as providing station ticket office services such as regular train ticket sales, etc.



■ Combined placement of convenience stores and post offices

- Combined placement of convenience stores and post offices.



Post Offices



Physical post offices as regional service hubs

Postal and domestic logistics business

Post office business

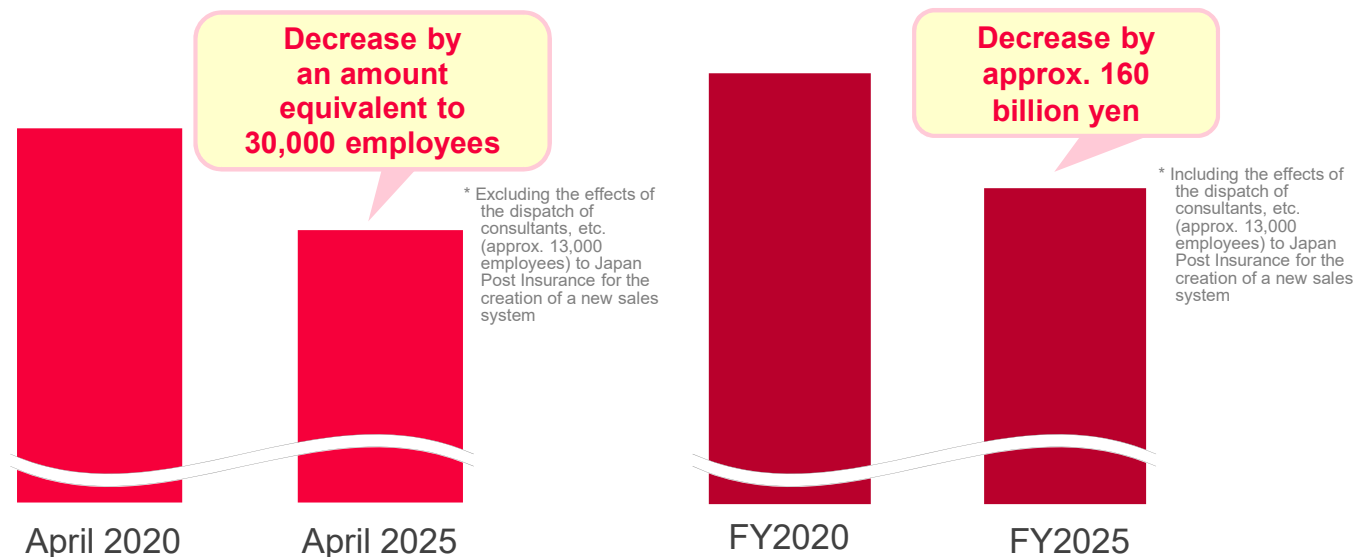
Initiatives to boost productivity

- Boost efficiency by fully implementing measures including P-DX promotion, operational reforms, and digitalization of post office operations.
- We expect a 30,000 personnel or 8% decrease in our workforce between April 2020 and April 2025 after reducing workloads through more efficient operations and optimal staff placement while maintaining the current level of network.
- We will strengthen investment in priority areas to improve productivity and boost our future profitability.

Projected workforce
(workload equivalent)

Reductions in
employment costs

Investment in priority areas



- P-DX promotion (includes upgrading to a next-generation core system)

- Operational reforms

- Promoting digitalization of post office operations (providing more tablets, etc. to personnel)

- Real estate development, etc.

* Projection is based on current expected workloads. Actual figures may vary in accordance with workload increases/decreases.

* Data includes that of employees on fixed-term contracts.

International Logistics Business

Transition to an Asia-focused management structure

- We will reduce costs by withdrawing from unprofitable businesses and streamlining other businesses with the aim of returning to a net profit after tax (NPAT).
- We will move away from a business model dependent on Australia and aim to grow by shifting to a business model focused on Asia including Japan.

[Promotion of Initiatives to Improve Efficiency]

Withdrawal from unprofitable businesses

- ❑ Selling off the global express business
- ❑ Withdrawal from the unprofitable contracted logistics business (hazardous material transport business, etc.)

Streamlining Australian business

- ❑ Streamlining personnel placement, etc. for Head Office functions
- ❑ Streamlining personnel placement, etc. for the contracted logistics business

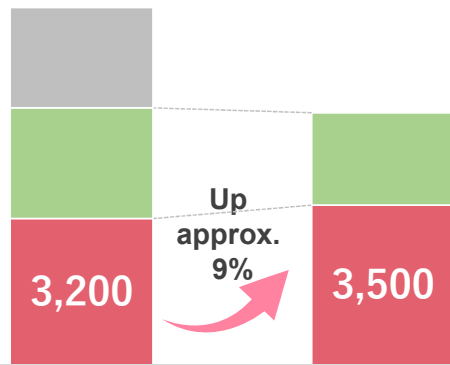
Transition to an Asia-focused business model

- ❑ Expand business by focusing on selected countries with high growth potential in the Asian region
- ❑ Leverage Toll Express Japan and JP TOLL LOGISTICS to expand B-to-B business in Japan

[Operating Income]

(Millions of AUD)

■ Asia, etc. (incl. Japan) ■ Australia ■ Express



Up approx. 9%

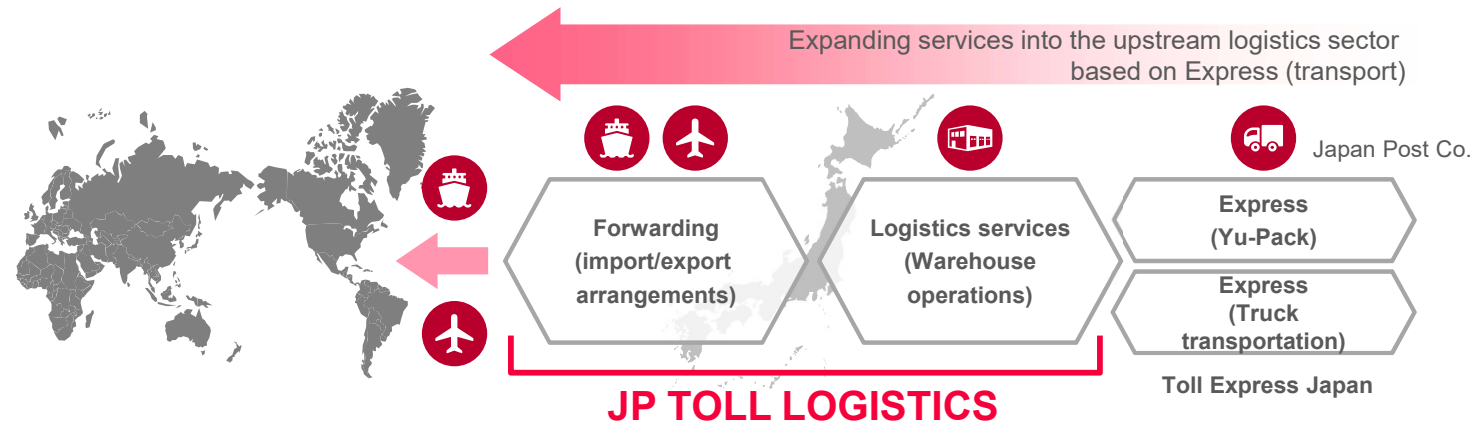
FY2020

FY2025 Plan

* The increase does not include the impact of special demand due to the COVID-19 pandemic

* The figures include operating income of JP TOLL

[Expansion of B2B Business in Japan]



(Example) Company X is using Toll Express Japan and Japan Post Co. for transport services. With JP TOLL LOGISTICS carrying out warehouse and storage services for products (contract logistics business) and handling import and export arrangements for products, the Japan Post Group proposes solutions to optimize and boost efficiency of supply chain management (SCM).

Promoting a transition to an Asia-focused business model

2. Efforts by the Japan Post Group aimed at new growth
 - 2-1. Improving and strengthening the Group's core businesses and creating new businesses

Japan Post Bank

- **Deployment of digital services strategy**
- **Wealth management support business and new business**
- **Reform of operations at directly managed branch counters and operation centers, etc.**
- **Improvement of productivity by shifting management resources**
- **Strengthening of flow of money to regions and regional relations functions**
- **Enhancement of investment operations and risk management**

Digital services strategy

- In addition to expanding digital services that put safety and security first, and can be readily used by all customers, we will promote the dissemination of digital services by actively utilizing post-office network.
- We will develop an open, “Co-creation Platform” that actively utilizes our customer base and provides optimized services through collaborations with various business operators.

Customers choose their optimal channels

Physical channels



- Provision of services through the post-office network
- Guide customers to channels optimal for them
- Intimate support for digital services
- While enhancing Group cooperation, enhance businesses such as digital services to corporate clients

Utilize network of approx. 24,000 post offices across the country

Support Channel



- Enhance posture and implement expert support

Enhance call centers, etc.

Digital channels



- Continually improve UI/UX while putting safety and security foremost, and expand digital services that all customers can readily use

Expand functions and usage of bankbook app (Include basic banking functions)

Apps for household accounting and household finance consulting (newly developed)

Apps that allow customers to personally confirm the present and future conditions of their household finances, and choose products and services that align with their intentions

Providing optimal services through cooperation with various business operators



Cooperate with the Group platform app as well

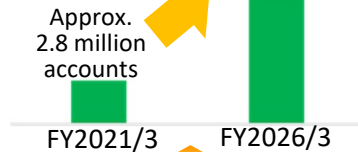
Complementarity of the physical and the digital



Reflect customer opinions in service improvements

KPI Number of accounts registered in the bankbook app

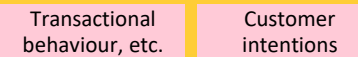
10 million accounts



Japan's largest customer base (120 million ordinary deposit accounts)

Database utilization image

Integrated database

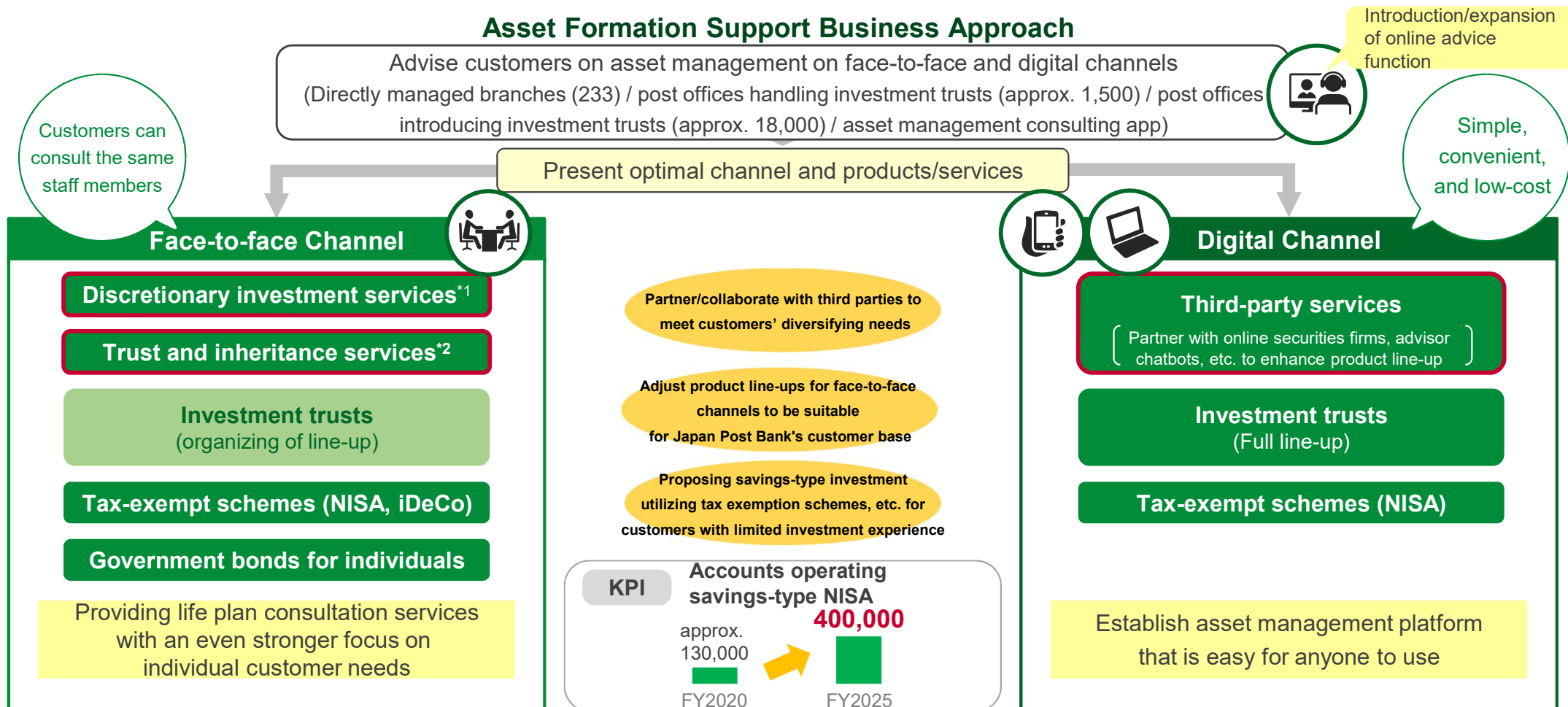


Proposing optimal products and services to customers (Propose using app-based publications and push notifications, etc.)

Establish and utilize customer databases that integrate transactions, etc. of various channels

Asset formation support business and new businesses

- We will adjust the asset management product line-up for our face-to-face channel to suit Japan Post Bank customers, many of whom are first-time investors. Our post office network will be utilized to propose mainly savings-type investment to customers with limited investment experience. The digital channel will be used to build an web/app environment that is easy to use for everyone with competitive fees.
- We will partner with divers enterprises, including capital operation alliances, to offer new services to meet customer needs (discretionary investment services, trust and inheritance services, direct handling of Flat 35, account overdraft services, etc.).



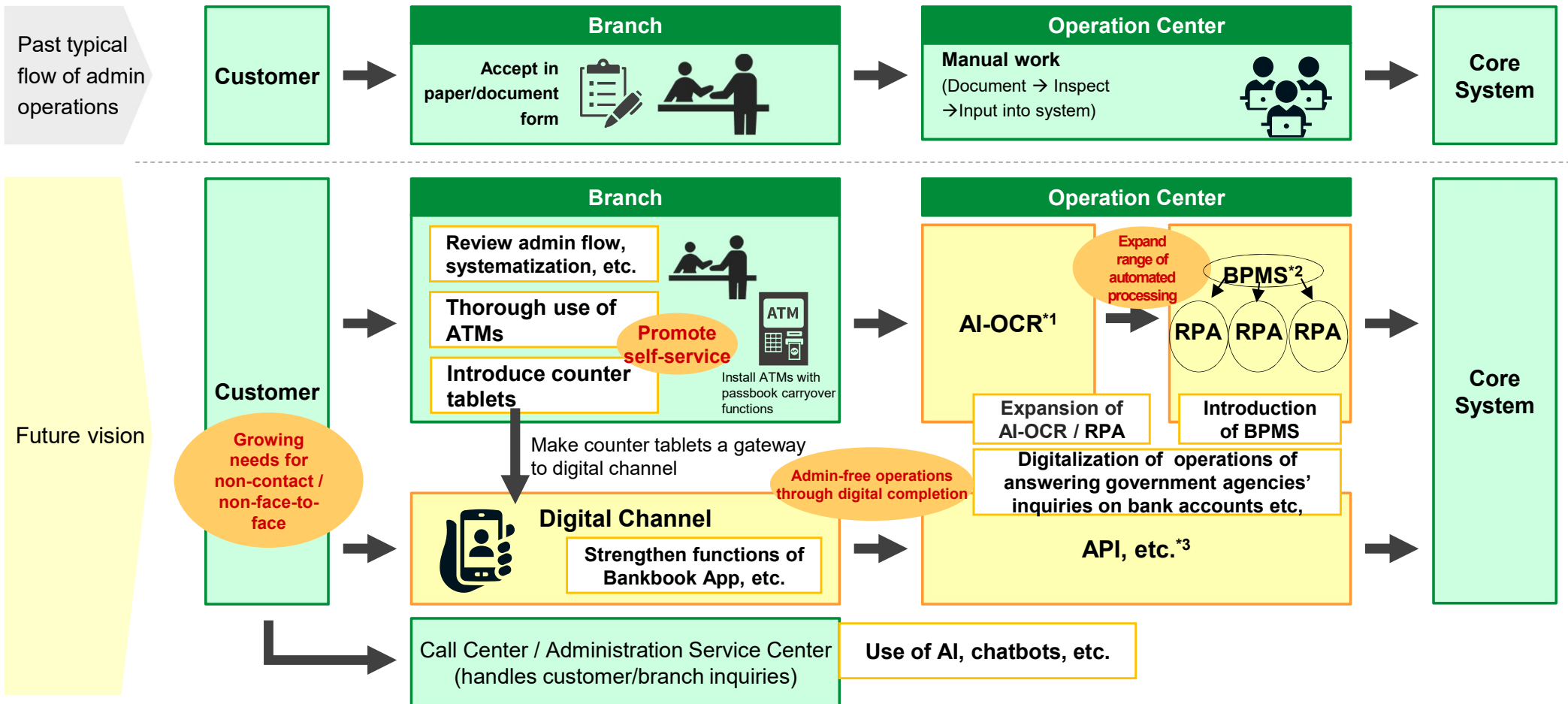
Notes: Products/services in red frames to be newly introduced during Medium-term Management Plan period

*1 Brokerage service in which customer entrusts investment decisions to the service and buy/sell decisions, management, etc. are made at the discretion of the service (government authorization required)

*2 Brokerage service for products offered by trust banks, etc., e.g., testamentary trusts, inheritance trusts, estate settlement services, etc. (government authorization required)

Reform of operations at directly managed branch counters and operation centers, etc.

- We will introduce self-service (counter tablets, etc.) for standard transactions and, alongside expansion of the digital channel, expand customers' transaction channel options and improve efficiency of counter operations.
- We will reform operation-center operations through the automation of general operations that combines digital technologies.



*1 OCR that uses AI for improved rate of recognition of handwritten text, etc.

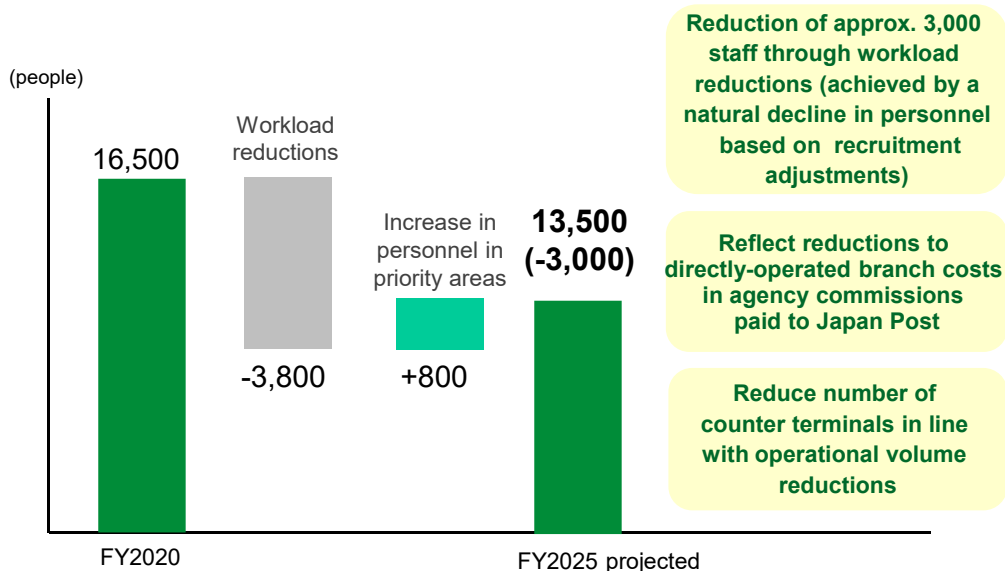
*2 Short for Business Process Management System. System that automatically conducts process management by systematically controlling operational flow, e.g., launching RPA or seeking human confirmation

*3 Short for Application Programming Interface. Standard technology for connecting digital channels (e.g., smartphone apps, external systems) to the bank's internal system

Improvement of productivity by shifting management resources

- In addition to increasing personnel in enhancement areas such as our digitalization response, etc. through planned skill increases, we will drastically reduce workloads through work reforms and plan for a reduction in overall personnel of 3,000 individuals.
- In addition to assertive investments into focal areas such as DX advancement, we will drastically reduce predetermined expenses and drastically reduce expenses overall by 55 billion yen.

Personnel planning



Reducing workloads

- Work optimization at directly-operated branches and operation support centers via the utilization of digital technology and the expansion of digital service use, etc.
- Work optimization throughout the company via work reviews, etc.

Increasing personnel in enhancement areas

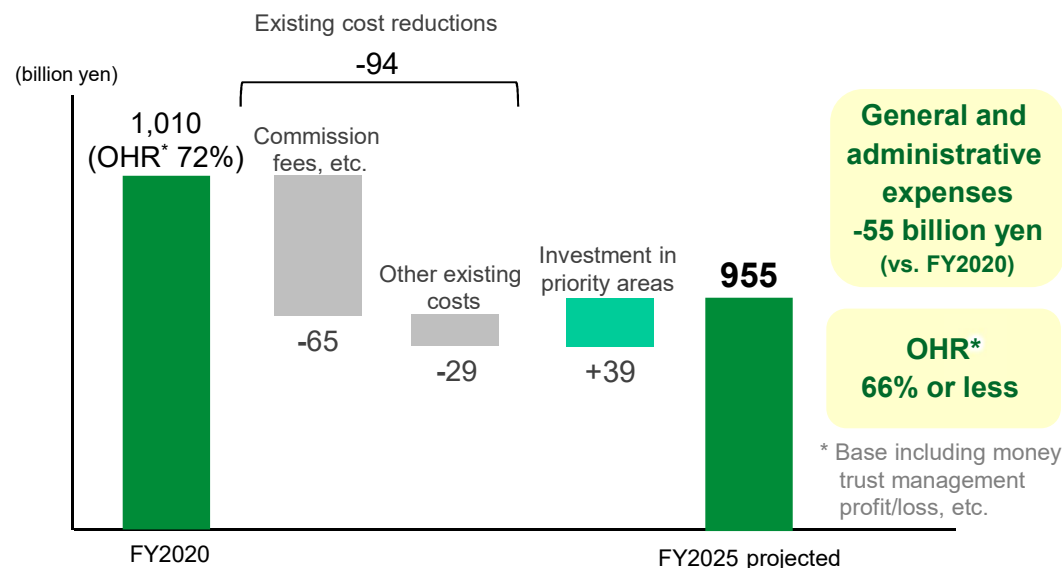
- Strengthening loans and corporate sales of directly managed branches, and increase the number of senior life advisors*1
- Personnel enhancements, etc. for specialized areas such as markets, GP*2, DX, cyber security, etc.

Improving productivity

*1 Employees who provide more delicate and sophisticated responses to elderly customers.

*2 GP (General Partner) : a fund operator that selects projects and makes investment decisions.

Reductions in G&A expenses, and OHR*3 improvements



Reducing predetermined expenses

- Reductions in commissions paid to Japan Post
- Personnel reductions through workload reductions
- Efficient distribution of ATMs outside branches
- Reductions to costs associated with deposits and bankbooks
- Reductions to various non-personnel expenses, etc.

Investments into key areas

- Increasing personnel in enhancement areas
- Investments in DX advancements
- Security enhancements
- Enhancements to AML/CFT*4
- New business advancements, etc.

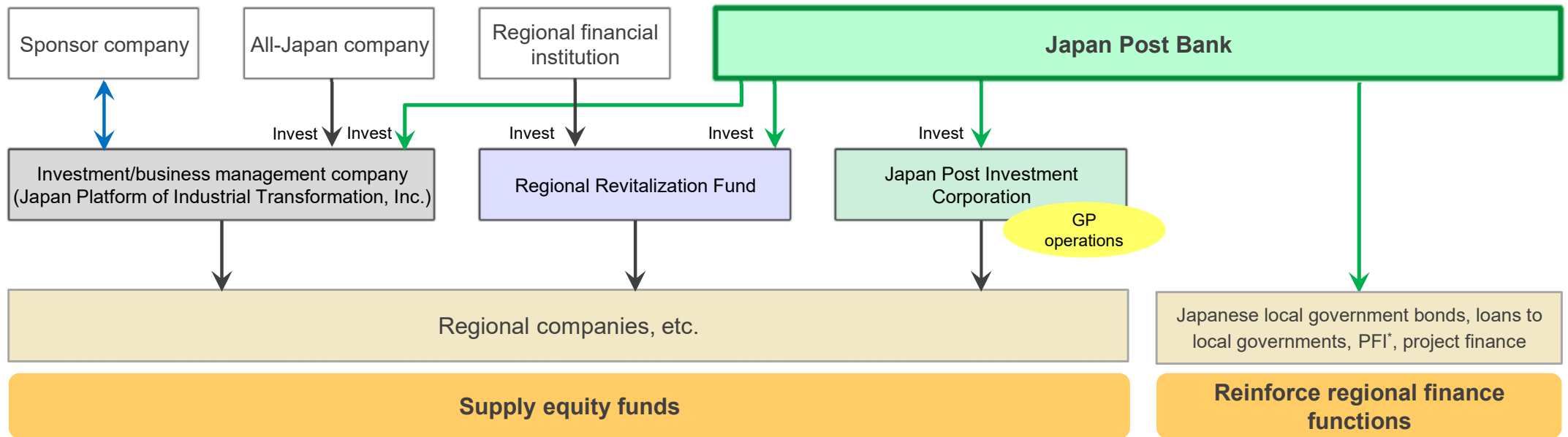
*3 Basis including gains (losses) on money held in trust

*4 "anti-money laundering" and "combating the financing of terrorism"

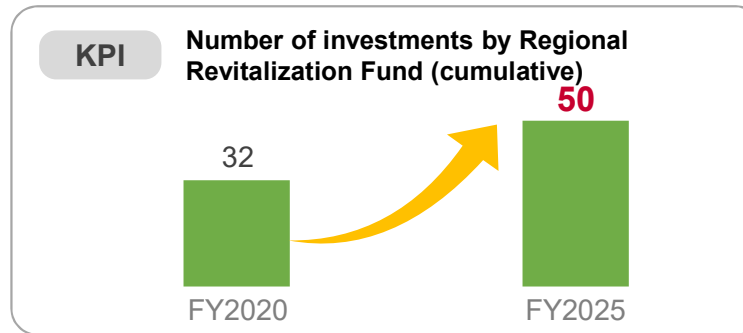
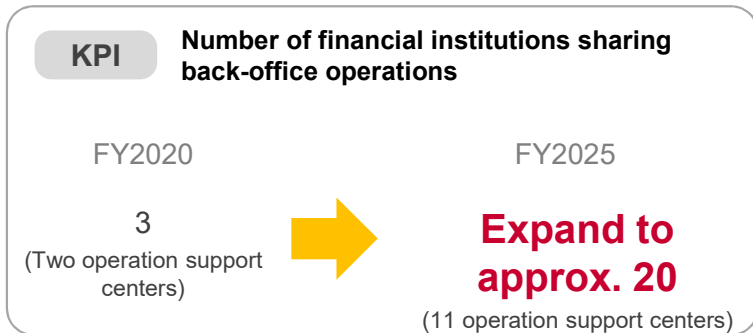
Strengthening of flow of money to regions and regional relations functions

- We will contribute to the vitalization of regional communities by supplying assets (the equity funding) via various frameworks
- We will act as a “regional financial platform” to respond to financial needs suited to the actual conditions of each region
- We will strengthen the regional relationship function and take on the challenge of creating new business opportunities by utilizing regional information.

Regional Funds Flow Policy



Considering regional-circulation investment schemes in which regional funds are used to finance regional projects



* Short for Private Finance Initiative. Method of using private funds/capabilities for construction of public facilities, etc.

(Ref) Balance of finance to regions:
Approx. 7 trillion yen (end of FY2020)

Enhancement of investment operations and risk management

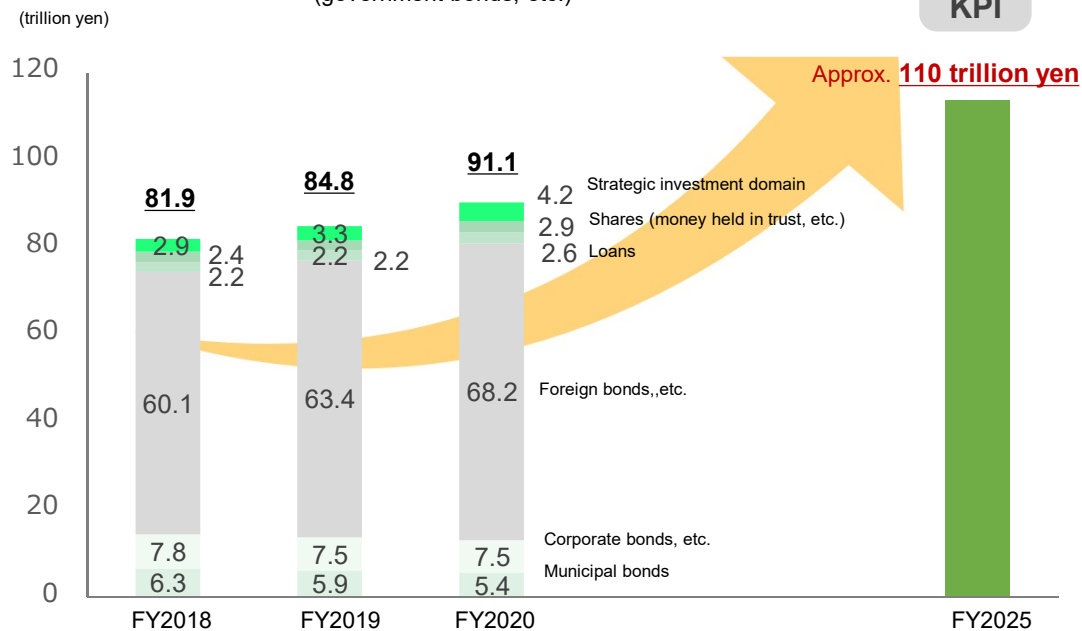
- We will build up our risk asset balance, focusing on the investment grade (IG) area, based on a Risk Appetite Framework,*¹ and pursue selective investment in strategic investment areas, to secure stable core profits.
- In preparation for occurrence of stress events, we will strive to build a stress-resistant portfolio, deepen risk management and set minimum standards of 10% capital adequacy ratio (Japan standard) and 10% CET1 ratio.*²
- We will strengthen our ESG investments, such as expanding balance of investments with ESG themes, to contribute to the realization of a sustainable society.

*1 Management framework that uses risk appetite (type and amount of risk that should be willingly taken to achieve business plan, based on individuality of own company's business model) as a common in-house language regarding all aspects of risk-taking policy, including capital distribution and profit maximization.

*2 Based on complete implementation of Basel III in FY2025. Excludes net unrealized gains on available-for-sale securities.

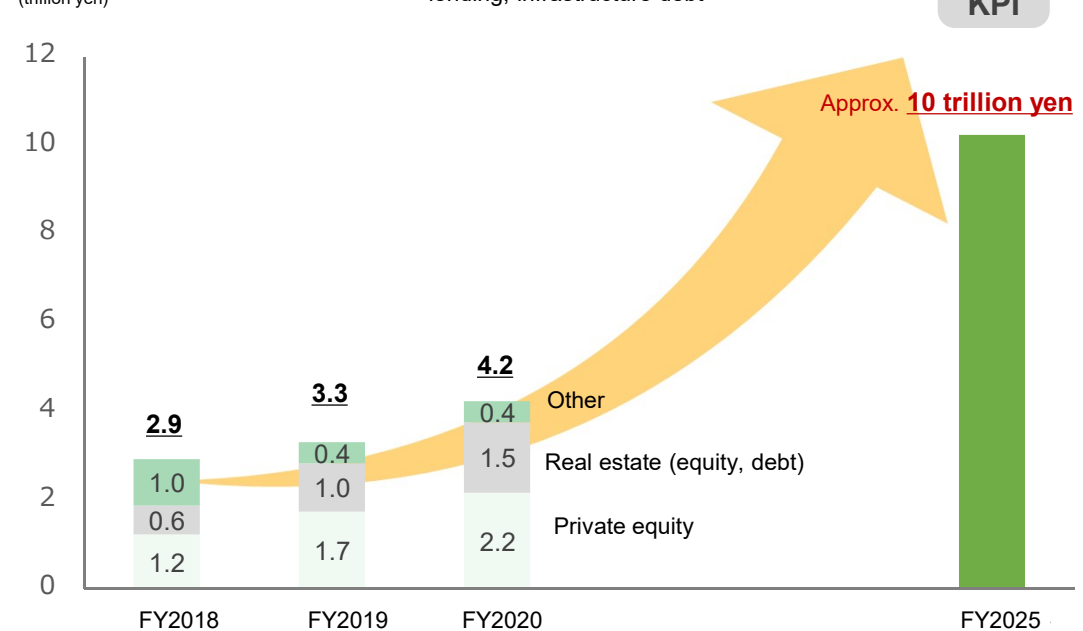
Risk Asset Balance ^(*3)

*3 Risk assets: Assets other than yen interest (government bonds, etc.)



Strategic Investment Areas Balance ^(*4)

*4 Strategic investment areas: Private equity, real estate (equity, debt), direct lending, infrastructure debt



Revenue from Japanese government bonds and gain on redemption of foreign bonds will fall, while profit in strategic investment domains will gain momentum (J-curve effect)

2. Efforts by the Japan Post Group aimed at new growth

2-1. Improving and strengthening the Group's core businesses and creating new businesses

(4) Japan Post Insurance

- **Basic Policy of Medium-term Management Plan (FY2021-FY2025) Targets**
- **Establishment of new Japan Post Insurance sales system**
- **Enhancement of insurance services**
- **Boosting efficiency of business operations**
- **Achieving greater depth and sophistication of asset management**
- **Improving customer experience value (CX)**

Basic Policy of Medium-term Management Plan (FY2021-FY2025) Targets

- We will transform into a company that is truly trusted by its customers and shift to a business model that positions customer experience value as its top priority to ensure sustainable growth.**

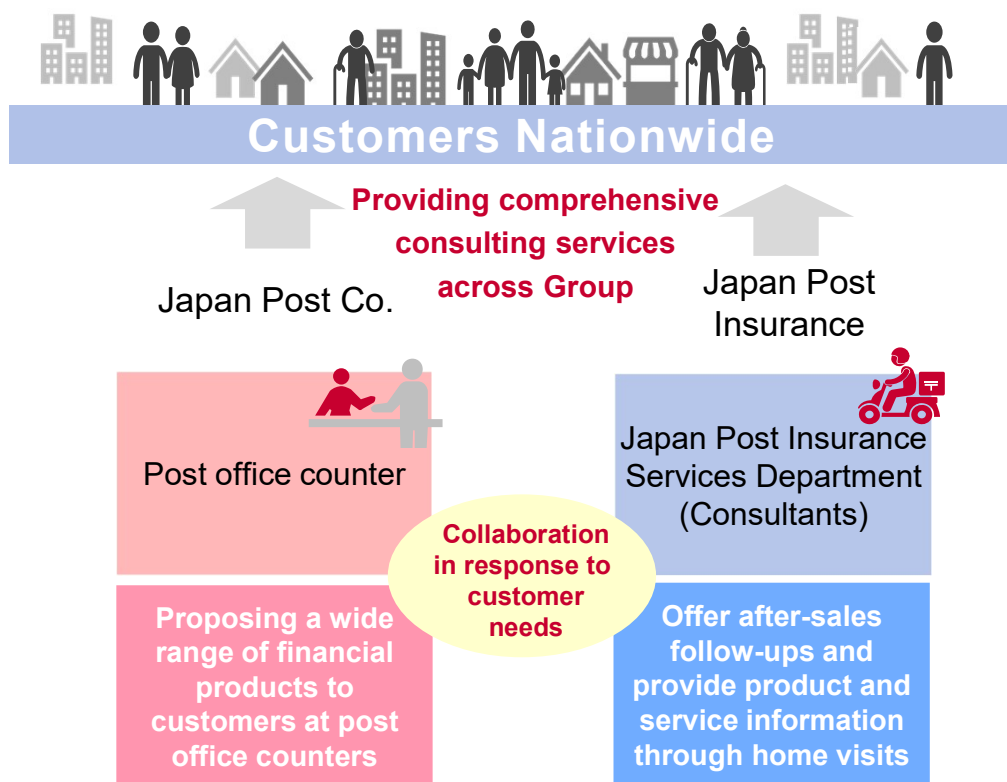
		Basic Policy	Main initiatives
Reconstruction	Continue efforts to regain trust	<ul style="list-style-type: none"> Thoroughly implement customer-oriented business operations and regain customers' trust 	<ul style="list-style-type: none"> Based on appropriate solicitation processes, deploy activities for customers to understand and be satisfied with our insurance services Rebuild relationships of trust through careful after-sales follow-ups of customers
	Reinforce business foundations	<ul style="list-style-type: none"> Improve profitability by responding to the protection needs of customers in all age groups and through efficient business operations 	<ul style="list-style-type: none"> Build new Japan Post Insurance sales system with the aim of strengthening initiatives, etc. for the protection-centered insurance market Enhance insurance services to meet the coverage needs of customers of all generations Improving efficiency of business operations by DX¹ promotion Achieve greater depth and sophistication of asset management in anticipation of a new capital regulation
Sustainable Growth	Improve customer experience value	<ul style="list-style-type: none"> Build systems for provision of services that position customer experience value (CX²) as our top priority 	<ul style="list-style-type: none"> Transition to business model that positions customer experience value (CX) as our top priority while promoting DX through expanding our customer with services that impress them as the core
	Promote ESG management (Contribute to solutions to social issues)	<ul style="list-style-type: none"> Contribute to solutions to social issues around sustainability and achieve SDGs and sustainable growth 	<ul style="list-style-type: none"> Contribute to the resolution of social issues through the achievement of the Company's social mission Provide services that are closely connected to social issues including health promotion, nursing care, inheritance, etc.
Foundations for Reconstruction and Sustainable Growth			
Corporate culture and work-style reform		<ul style="list-style-type: none"> Reform into a corporate culture that allows every employee, feel employee satisfaction (ES) while growing together with the company 	<ul style="list-style-type: none"> Reinvigorate communication between management and employees and share future vision Support diverse career formation, reinforce management capabilities Achieve more flexible and diverse work styles
Reinforcement of governance, solvency policy		<ul style="list-style-type: none"> Through more sophisticated risk sensitivity, ensure soundness in business operations and realize sustainable growth 	<ul style="list-style-type: none"> Reinforce corporate governance Reinforce prevent money laundering and criminal activity, etc. Based on ERM³, maintain the financial soundness while secure revenue and appropriately return to shareholders

1 DX is an abbreviation for Digital Transformation. /2 CX is an abbreviation for Customer Experience. /3 ERM is an abbreviation for Enterprise Risk Management.

Establishment of new Japan Post Insurance sales system

- To offer insurance services that will meet the diverse coverage needs of our customers, we will build a new Japan Post Insurance sales system with specialty and extensiveness and realize a comprehensive consulting service across the entire Group.
- Consultants will be dedicated to proposing life insurance and providing after-sales follow-ups. Further, with the introduction of a customer assignment system, they will also give customers high-quality, attentive after-sales follow-ups.

New Japan Post Insurance sales system



Features of the new Japan Post Insurance sales system

- | | | |
|---|---|---|
| 1 | Establishing consultants as insurance specialists | <ul style="list-style-type: none">● Consultants will be dedicated to proposing life insurance and providing after-sales follow-ups. They will engage in high quality sales activities by ensuring proper solicitation quality● Japan Post Insurance will create a new system allowing it to hold direct responsibility for the management of consultants |
| 2 | Introduction of a customer assignment system | <ul style="list-style-type: none">● A customer assignment system will be introduced, and consultants will take responsibility for providing attentive customer service to each customer with a view to building long-term, continuous relationships of trust |
| 3 | Consolidating consultant operation bases | <ul style="list-style-type: none">● Consultant operation bases will be consolidated in line with market potential including the number of policies in force and population |

Enhancement of insurance services

- We will progress the development of insurance services that respond to the protection needs of customers of all generations in an age of 100-year life.
- We will provide insurance products that connect the generations and support the lives of our customers

Responding to insurance coverage needs for all age groups and situations



Want to prepare against risk with low premiums

- Young and middle-aged needs for generous protection at low premiums

Want to prepare against economic uncertainty

- Traditional insurance needs, such as unexpected injury and illness, risk of nursing care needs, and corporate employee welfare and benefits needs

Want to live a secure and healthy old age

- Needs for living a secure and healthy old age, striving for health promotion and improved well-being*, while preparing against the risk of prolonged old age

※Well-being : Everything is fulfilled physically, mentally and socially.

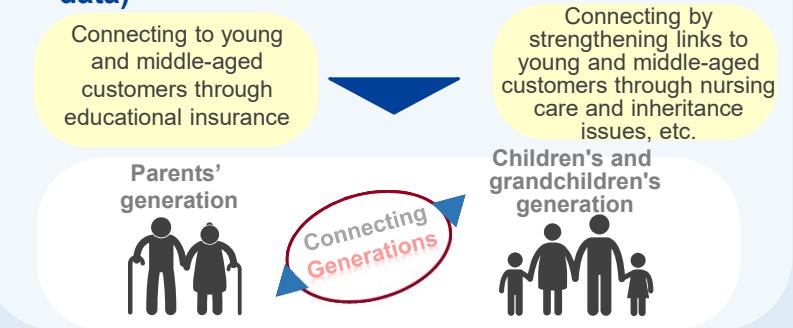
Want to prepare for inheritance and asset succession

- Senior citizens' needs concerning inheritance and asset succession to children and grandchildren

Insurance services that meet customers' protection needs

Future product development directions

- Provide balanced protection at low premiums (revision of enhancement of medical rider coverage, etc.)
- In light of the age of 100-year life, expand products that meet protection needs, etc. for the elderly and middle-aged and senior adults (expand of coverage ,etc.)
- Research products that will contribute to healthy longevity (collection and use of health promotion data)



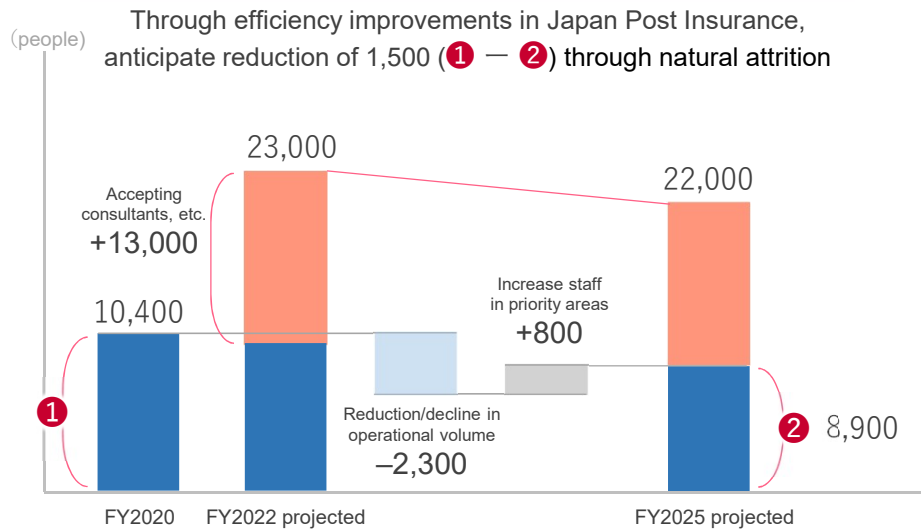
Services that support the lives of our customers

- Japan Post Insurance will become a trusted part of customers' lifestyles, providing not only services to support major life events but also support for the challenges they face in everyday life.

Boosting efficiency of business operations

- We will improve customer service, boost the efficiency of operations, and reduce costs by promoting digitalization.
- The management resources freed up by higher efficiency will be shifted to priority areas such as customer support and DX promotion.

Outlook of Personnel Numbers



* Premised on accepting 13,000 temporarily assigned consultants, etc. in April 2022
 * Anticipate improvements in admin. area due to CX/DX promotion, and concentration of operations in shared divisions

Major reduction of workload

Workload equivalent to reduction of 2,300 staff, etc.

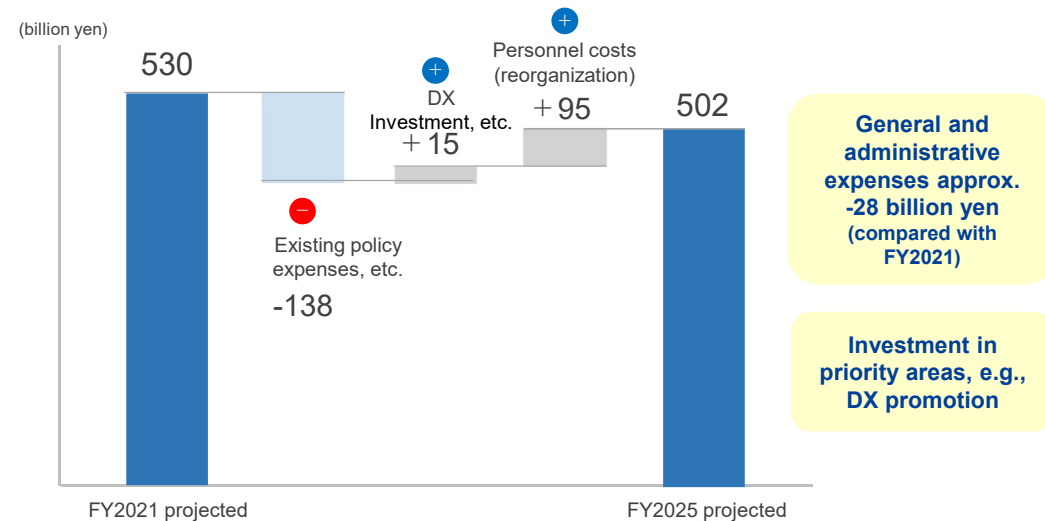
- Efficiency improvements in service centers, etc. through DX promotion

More personnel in priority areas

+800 staff
Shift to priority areas (e.g., customer support area)

- Reinforcement of customer support operations (customer service centers, etc.)

Reduction of Necessary Expenses / Investment in Priority Areas



General and administrative expenses approx. -28 billion yen (compared with FY2021)

Investment in priority areas, e.g., DX promotion

Reduction in expenses

- Productivity improvements in system development, etc.
- Reduction of various policy expenses, decline in depreciation and amortization, decline in commission fees, etc.

Investment in priority areas

- Investment in systems for DX promotion, etc.

[Reference] Scale of strategic IT investment during the Medium-term Management Plan: 100 billion yen in five years

Achieving greater depth and sophistication of asset management

- Under the ERM framework, we aim to secure stable asset management earnings based on ALM anagement.
- We will achieve greater depth and sophistication of asset management in terms of both portfolio building and each investment field such as alternative investment, while responding appropriately to the introduction of the new solvency regulation.
- We will progress ESG investment that create a sense of warmth unique to Japan Post Insurance.

Deepening asset management

- Set up specialized departments, e.g., Alternative and Global Credit Investment Departments, and reinforce management for each investment field
- More sophisticated portfolio building based on the use of highly elaborate risk analysis
- Recruit and cultivate sophisticated management personnel with the introduction of a specialist profession personnel system
- Reinforce risk management readiness through the establishment of various risk scenarios and impact analysis, etc.

Responses to new solvency regulations

- Implement asset allocation processes in anticipation of the introduction of a new economic value-based solvency regulation
- Aim to improve and stabilize ESR while reducing interest rate risk, etc.
- Diversification of portfolio management method responses to the introduction of the new solvency regulation

Promotion of ESG investment

Aiming for investments that create a feeling of warmth unique to Japan Post Insurance



- Promoting theme-based investment and financing focusing on priority areas of well-being* improvement, regional and social development, and environmental conservation including climate change based on our ESG investment approach.
- More proactive investment and financing that contributes to the achievement of a carbon-neutral society
- Start and improve ESG integration on all investments
- Measure, analyse, and disclose carbon footprint of investment portfolio

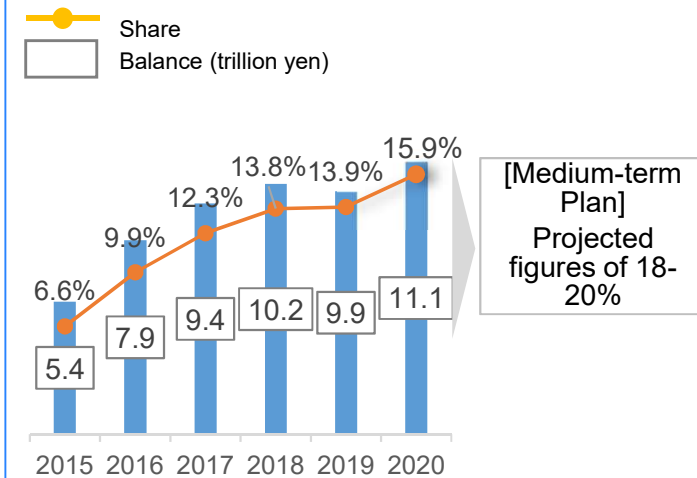


Investment in solar power generation business

*Well-being : Everything is fulfilled physically, mentally and socially.

[Reference] ESG Investment Policy (URL https://www.jp-life.japanpost.jp/aboutus/csr/responsible_investment/esg.html)

Return Seeking Assets



ESG Investment

Total power generation output from renewable energy facilities that we lend money to and invest in

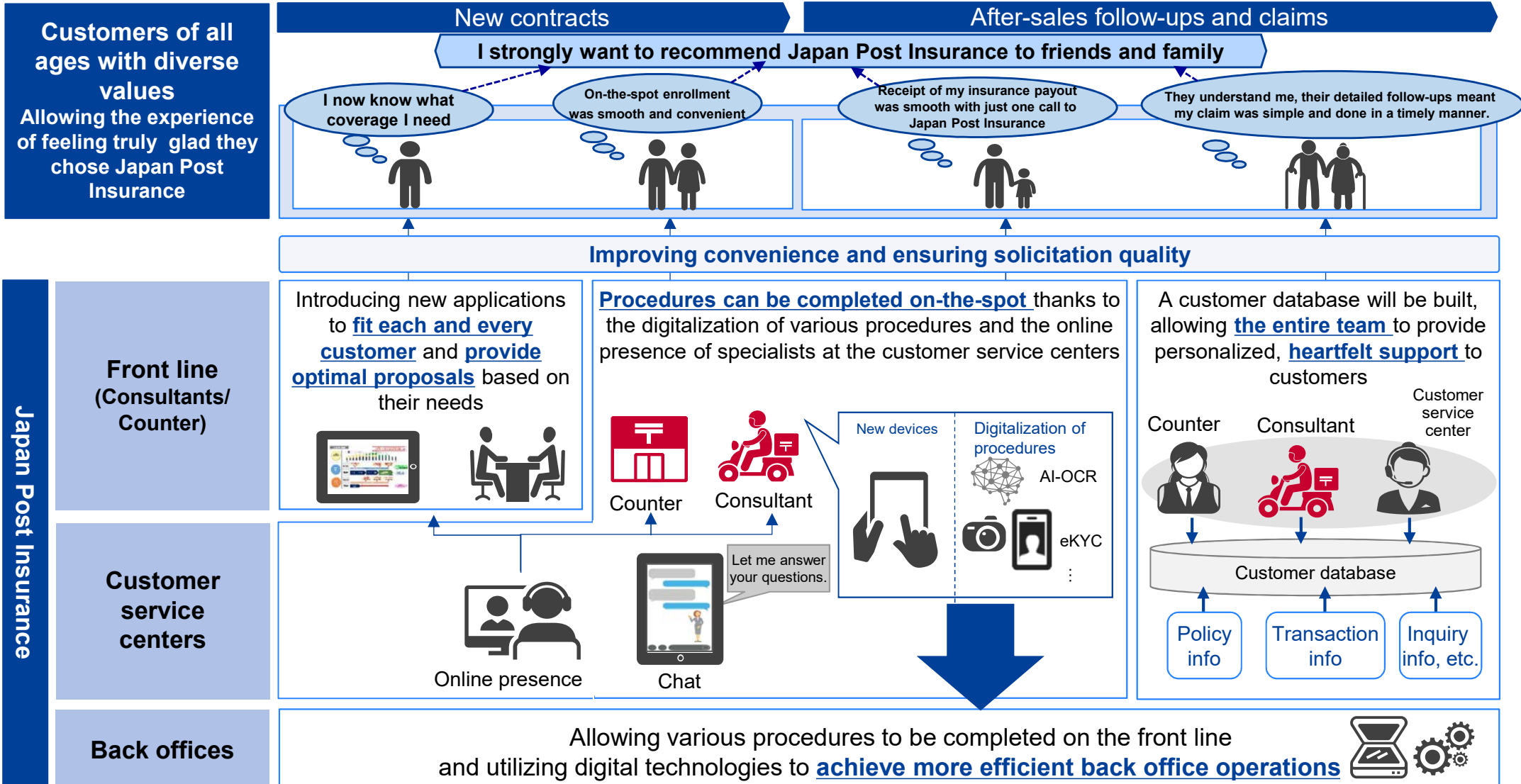
March 31, 2021	Output*
Domestic (equity)	18.8
Domestic (debt)	14.0
Overseas (equity)	19.7
Overseas (debt)	8.2
Total	60.7

Target of 1.5 million kW under the Medium-term Plan

* Unit: 10,000 kW, after calculating the Company's holdings

Improving customer experience value (CX)

- We will implement a sweeping review of insurance services from the perspective of boosting customer experience value and improve customer convenience and solicitation quality to ensure customers feel truly glad they chose Japan Post Insurance.
- Customers who are satisfied with the customer experience value will communicate the experience to their family members, friends, regions and society as a whole, expanding our customer base.



2. Efforts by the Japan Post Group aimed at new growth
 - 2-1. Improving and strengthening the Group's core businesses and creating new businesses

(5) Real Estate Business

- **Grow real estate business into one of the pillars of revenue**
- **The Japan Post Group's real estate business will leverage DX to provide experience as well as space**
- **Numerical targets for real estate business**

Grow real estate business into one of the pillars of revenue

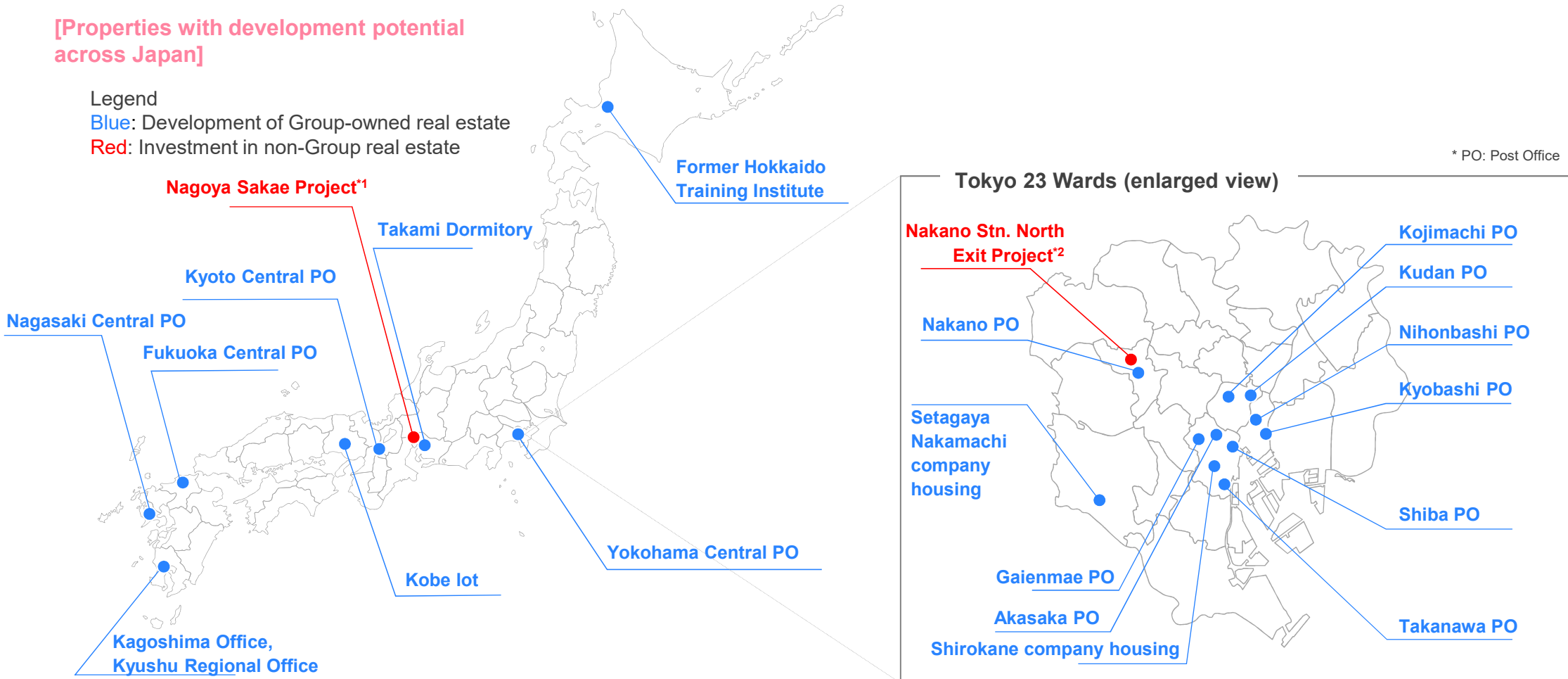
- From the perspective of strengthening our core businesses, through the promotion of operational efficiency improvements in P-DX, we will integrate and improve the efficiency of business facilities, promote their use in the real estate business, and pursue investments in real estate outside the Group (careful selection of and investment in properties that are capable of stable profits), to achieve major expansion in profit in the real estate business.
- Through partnerships with other companies and M&As, we will strengthen and expand our real estate business and build up profits.

[Properties with development potential across Japan]

Legend

Blue: Development of Group-owned real estate

Red: Investment in non-Group real estate



*1 Japan Post Real Estate participation in group represented by Mitsubishi Estate

*2 Japan Post Real Estate participation in group represented by Nomura Real Estate Development

The Japan Post Group's real estate business will leverage DX to provide experience as well as space

- Customers such as office workers and visitors are able to acquire new customer experiences and useful information via our real estate platform that aggregates data on the status of each space and facility in buildings and various experience by customers.
- We will provide the platform in four real estate development projects (Hiroshima Station South Exit, Kuramae, Gotanda, and Umeda 3 Chome) and create new value of the real estate.

In Toranomom and Azabudai projects, we will cooperate with partnership companies to implement the projects.

New experience linked to smartphones in physical places



The Status of the real estate (physical) and each space and facility

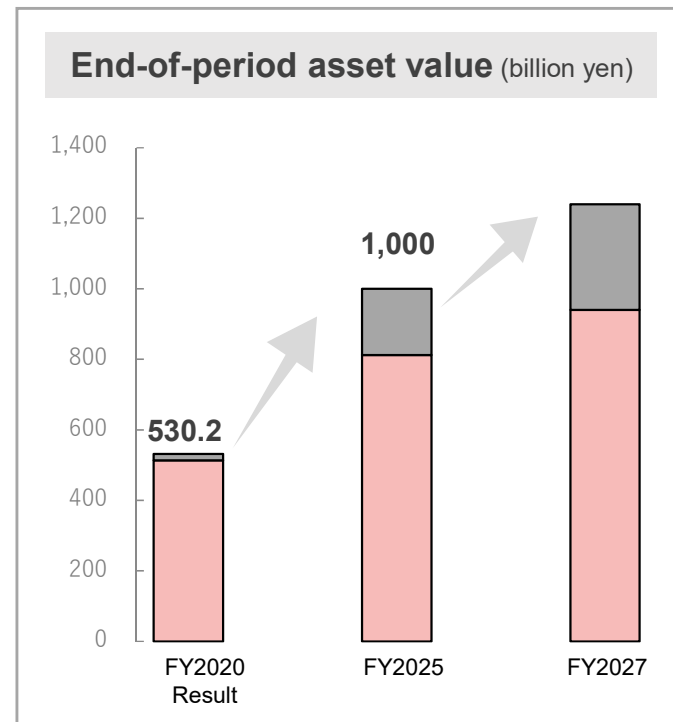
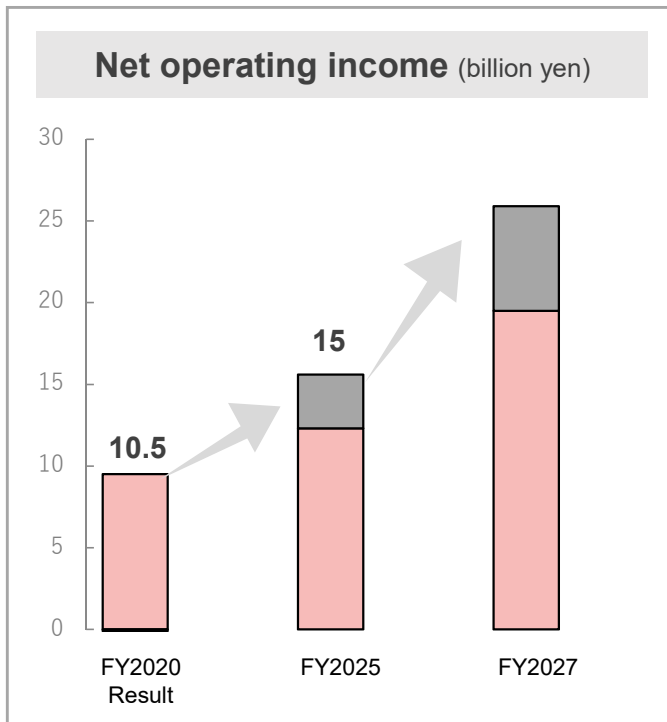
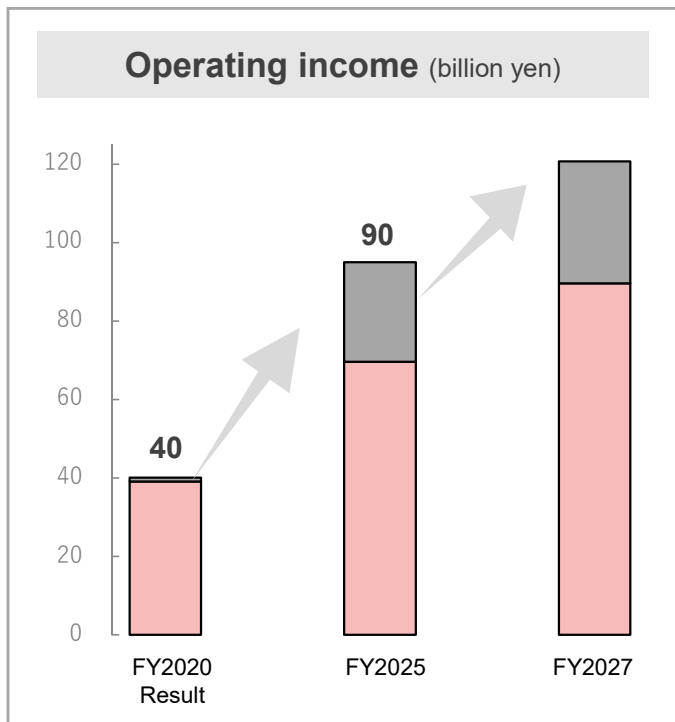


Real Estate Platform

The Status of customers' devices (virtual) and various experience



Numerical targets for real estate business



Development of Group-owned real estate
 Investment in non-Group real estate

Note: This plan runs for five years from FY2021 to FY2025, but due to the long periods from commencement of deliberation to earning profits in the real estate business, projections for up to FY2027 have been included as reference.

2. Efforts by the Japan Post Group aimed at new growth

2-1. Improving and strengthening the Group's core businesses and creating new businesses

- (1) Japan Post Group
- (2) Japan Post Co.
 - Postal and domestic logistics business
 - Post office business
 - International logistics business
- (3) Japan Post Bank
- (4) Japan Post Insurance
- (5) Real estate business



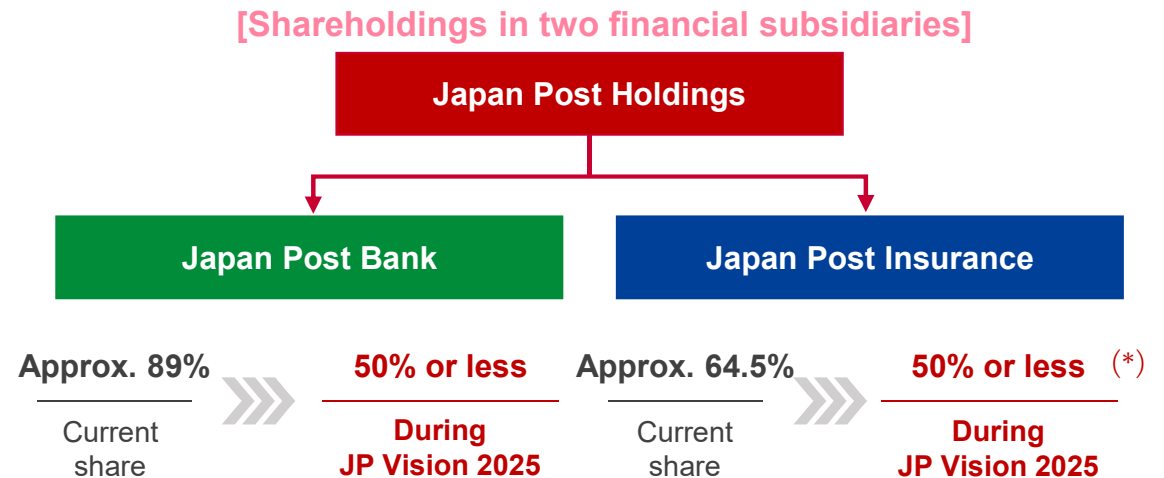
2-2. Capital strategy, HR strategy, and ESG management

- (1) Capital strategy of Japan Post Holdings (shareholder returns)
- (2) HR strategy (promoting work style reform from the perspective of employees)
- (3) Aims of the Japan Post Group's ESG Management

Improvement of the management flexibility through early disposal of shares in the two financial subsidiaries

- We will aim to dispose of our equity interests in the two financial subsidiaries to lower the holding ratio to 50% or less as early as possible during the period of JP Vision 2025.
- After that, we will proceed with deliberations on the disposal of our equity interests in the two financial subsidiaries.

- We will aim to dispose of our equity interests in Japan Post Bank and Japan Post Insurance to lower the holding ratio to 50% or less as early as possible during the period of JP Vision 2025.
- This will relax the additional statutory operational regulations on new operations imposed on these two companies and ensure steady progress in their privatization, including a shift to an advance notification system.



After that, we will proceed with deliberations based on the intent of the Postal Service Privatization Act and from Group management perspectives, while taking the following factors into account, and build a Japan Post Group that does not rely on capital relationships.

- Condition of business of two financial subsidiaries
- Impact on universal services
- Ensuring Group unity
- Japan Post Holdings' demand for funds
- Impact on consolidated business results
- Market trends

(Reference) Divestment of Japan Post Holdings shares

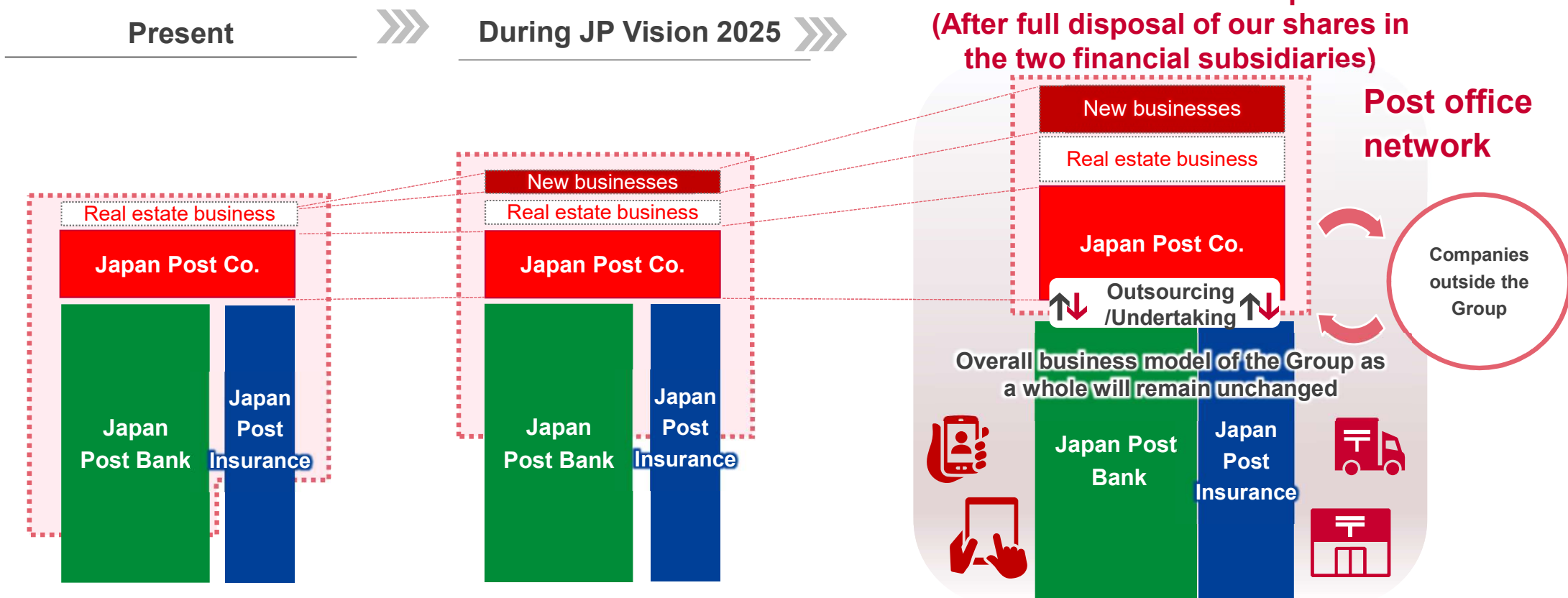
As the divestment of Japan Post Holdings shares is an issue directly related to securing funds for reconstruction after the Great East Japan Earthquake, Japan Post Holdings will strive toward the improvement of corporate value and fair information disclosure and proceed with practical preparations as required.

* Japan Post Insurance resolved at a meeting of its Board of Directors on May 14, 2021 to acquire treasury stock through ToSTNeT-3, and Japan Post Holdings resolved at a meeting of its Board of Directors on the same day to sell its shares corresponding to that treasury stock acquisition and to establish an equity disposal trust. Accordingly, the Company's stake in Japan Post Insurance will become 49.9%.

Conversion of business portfolio

- As a “Co-creation Platform” that supports our customers and regional communities, to continue contributing to the solution of the SDGs and other social issues and to the sustainable development of society, in addition to improving and strengthening our core businesses of postal and domestic logistics, banking, and life insurance, we will convert our business portfolio, such as developing new business and securing earnings opportunities.
- * In our investment in new business, through the introduction of a new risk appetite framework (RAF) that includes non-financial business, we will proceed to secure new profit while maintaining the soundness of our financial position, based on appropriate risk-taking and risk control.

[Image of Conversion of Business Portfolio]



A “Co-creation Platform” to support customers and local communities

 indicates the Group’s consolidated profit

Japan Post Holdings' shareholder returns and improvement of capital efficiency

- Regarding shareholder returns, during the period of JP Vision 2025, we will continue to provide stable dividend as 50 yen per share annually. Also, we will flexibly implement acquisition of treasury stock to improve capital efficiency.
- While acquiring treasury stock, we will also use debt financing for the funds necessary for growth to improve capital efficiency.

Shareholder Return Policy

Dividend policy

- During JP Vision 2025, we will provide stable dividend as 50 yen per share annually.

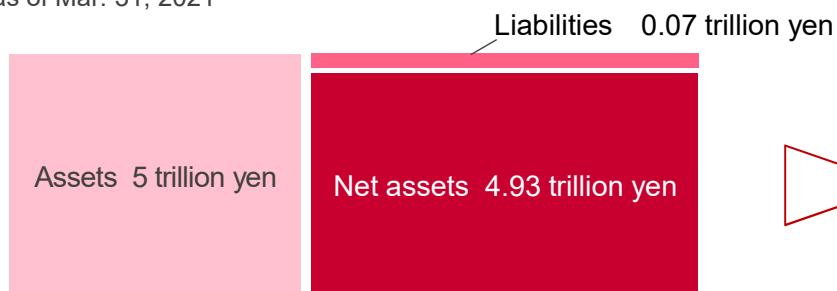
Share buyback

- During JP Vision 2025, we strive to improve capital efficiency by flexibly implementing acquisition of treasury stock.

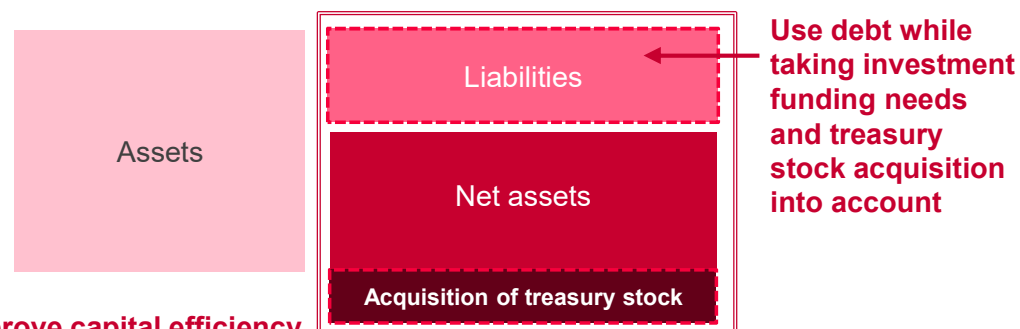
Improvement of Capital Efficiency

- In addition to flexible acquisition of treasury stock, we will use debt financing to increase the financial leverage of Japan Post Holdings (non-consolidated) with the aim of reducing capital costs.
- We will improve capital efficiency (ROE) by reducing capital costs as well as improving profits.

Japan Post Holdings' non-consolidated BS
as of Mar. 31, 2021



Japan Post Holdings' non-consolidated BS
as of the end of JP Vision 2025



Aim to reduce cost of capital and improve capital efficiency

Promoting work style reform from the perspective of employees

- **Employees are the driving force behind the development of the Japan Post Group, and we promote work style reform from the perspective of employees as a company that values our employees.**
- **We aim to enhance labor productivity by improving the human resources capabilities (ability and motivation) of employees, achieve new growth for the Group, and further contribute to the community and society.**

[[Create a comfortable workplace	Reduce overtime work, promote telework, etc.	<ul style="list-style-type: none">• Reduce overtime work through operational efficiency improvements (e.g., use of RPA/AI, review of contents of operations), expand trial of regulation of minimal intervals between shifts, establish environment for telework (work from home, satellite offices, mobile work)
	Support child care, nursing care, and treatment of illness for a balance with work	<ul style="list-style-type: none">• Encourage employees to take advantage of various schemes, promote telework, expand support measures for treatment of illness, etc.
	Realize HR systems that accommodate environmental changes	<ul style="list-style-type: none">• Realize simple, more convincing salary and allowance schemes• Take appropriate measures for equal pay for equal work, continue promoting seasonal workers to permanent employees• Review composition of workforce in light of future vision of business• Improve treatment in light of state of management of individual Group companies
	Eradicate harassment, e.g., abuse of power, sexual harassment	<ul style="list-style-type: none">• Raise awareness, conduct various training, build advice framework that can be trusted, prompt investigation and severe punishment
	Promote health management	<ul style="list-style-type: none">• Roll out health promotion measures with employee participation• Roll out effective measures through analysis of health check results data and provide health guidance using ICT

Promoting work style reform from the perspective of employees

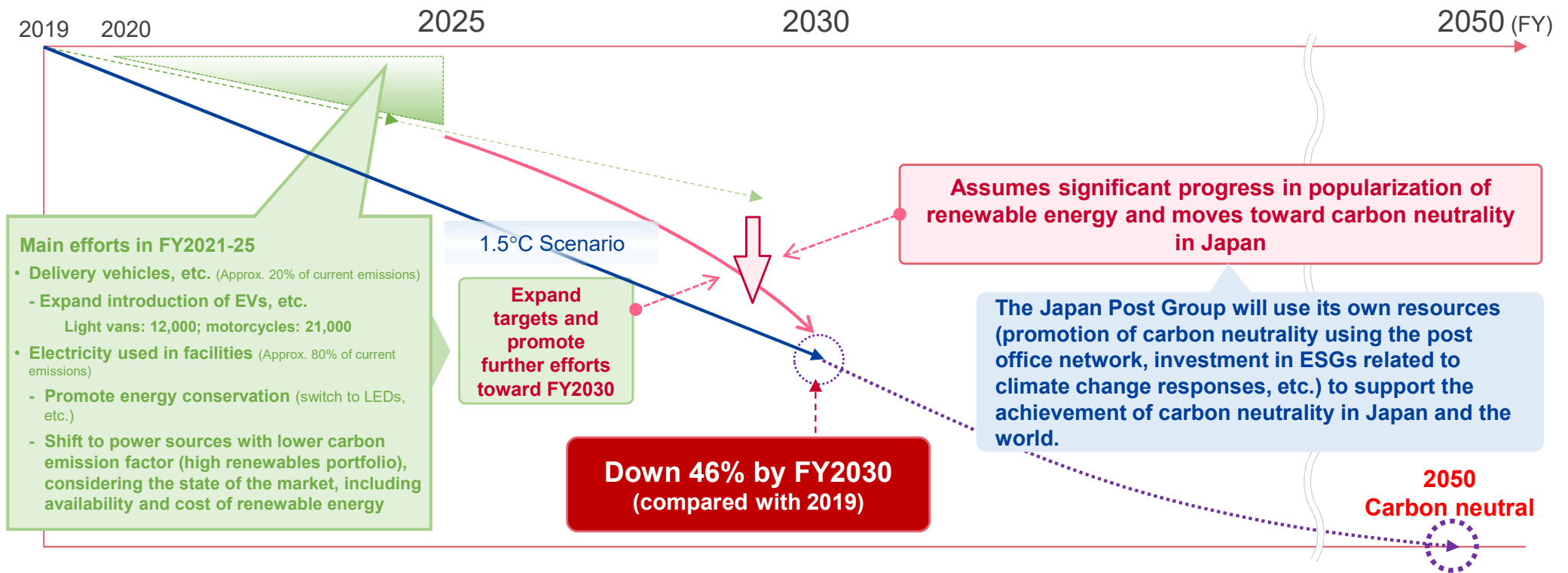
[II] Promote diversity Create an organization where diverse human resources can play active roles	Awareness raising & behavioral reform	<ul style="list-style-type: none">• Raise awareness of principles and vision of diversity promotion at all levels / behavioral reform• Analysis of issues involved in promotion, planning and implementation of measures, verification of effects, steady promotion
	Promote women's advancement (increase percentage of women in management roles)	<ul style="list-style-type: none">• Achieve a rate of 30% of female managers in head offices by FY2030 (*)• To increase female managers outside head office, work on establishing the environment and developing human resources to increase the number of employees aspiring to be managers or executives
	Promote employment of senior citizens	<ul style="list-style-type: none">• Establish a scheme in which employees can work until 70 years of age if they wish
	Promote employment of people with disabilities	<ul style="list-style-type: none">• Achieve rate of employment of people with disabilities of 2.5% for the Group
	Respond to gender diversity	<ul style="list-style-type: none">• Deepen understanding of gender diversity among employees and enhance support measures

* The figure is the percentage of management positions filled by women at the head offices of our four main Group companies. The target is the percentage as of April 1, 2031 as the results of initiatives up to the end of FY2030.

[III] Human resource development	Train human resources capable of providing customer-oriented services	<ul style="list-style-type: none">• Improve consulting skills and strengthen management skills
	Train human resources who will support the growth of the Japan Post Group	<ul style="list-style-type: none">• Strengthen skills needed to solve management challenges (promotion of Group management, new value creation and reform through DX, operational reform using ICT)• Personnel exchanges among Group companies, mid-career recruitment of specialist personnel

Japan Post Group's initiatives aimed at carbon neutrality

- We will aim to be carbon neutral by 2050.
- In FY2021-2025, in addition to the expanded introduction of electric vehicles (EV), etc., we will transition in stages toward electricity with lower carbon emission factor, considering the state of the market, including availability and cost of renewable energy. Through such moves, we will steadily reduce the emissions of greenhouse gases from our vehicles and facilities.
- We will further expand our efforts by FY2030, with the aim of reducing greenhouse gas emissions by 46% (compared with FY2019). Achieving this will require the further popularization of renewable energy in Japan. The Japan Post Group will support the achievement of carbon neutrality in Japan and the world.



Notes: Covers the Scope 1 (direct emissions by the Company) and Scope 2 (emissions from use of electricity, etc. supplied by other enterprises) emissions of the four main Group companies.

- Regarding Scope 3 (indirect emission through supply chain and investments), no targets have been set in the Medium-term Management Plan, but we will pursue efforts toward Science Based Targets (SBT) accreditation after the release of the SBT financial sector guidance. *The SBT financial sector guidance is due to be released hereafter.
- Increases from the real estate business and other new business are not included.

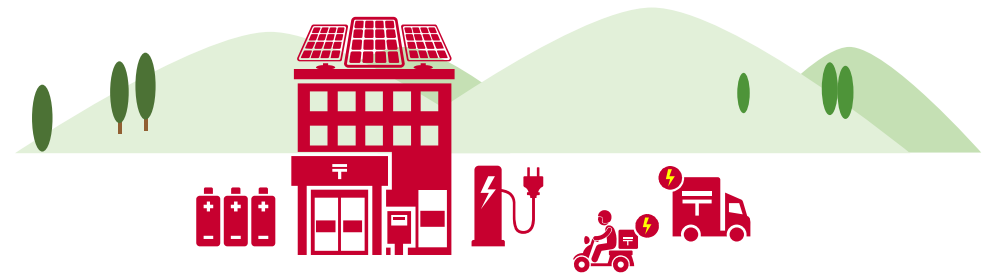
Promotion of carbon neutrality in the regions using the post office network

- Along with expanding the introduction of EVs for postal vans, we will install charging equipment in postal depots and provide charging services, etc. to local residents to assist the local region in becoming carbon neutral.
- We will promote the construction of environmentally-friendly post offices (+eco post offices (tentative name)) that combine the use of CLT* and low-environmental-load private power generation, etc.

*CLT (Cross-laminated timber): Thick wood panels made from gluing together layers of long planks of wood at perpendicular angles to each other to give them excellent strength and insulation, curbing the generation of CO2 compared with concrete and iron.

Helping regional communities to become carbon neutral by utilizing charging equipment, etc. installed at post offices

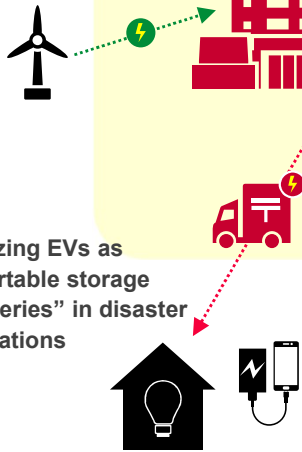
Promotion of environmentally responsible post offices



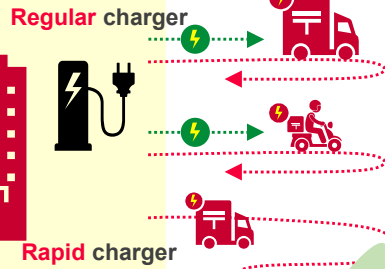
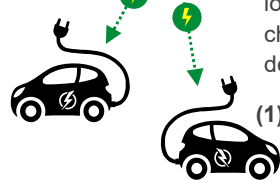
Local postal depots

(3) Utilizing solar power generation

(2) Switching to renewable energy to power post offices



(4) Utilizing EVs as "portable storage batteries" in disaster situations



EV postal vans operating over long distances will use rapid chargers when they return to the depot during the day

(1) Providing use of charging equipment for postal vans to EV users in the region

Category	Measure	Effect
Building	Post office buildings built with CLT	Use of recyclable resources, revitalization of forestry industry
	Private power generation, heating using wood biomass	Use of renewable energy
	Solar power generation / wall-mounted solar power generation	Reduced lighting and heating expenses
	Installation of storage batteries	Use as a disaster-readiness base for the region
	Installation of LED lighting	Energy-saving lighting
	Installation of EV charging stations	No use of gasoline, popularization of EVs
Outside	Introduction of EVs	No use of gasoline
Counter	Energy-conservation devices such as motion sensors on air conditioning equipment	Reduced lighting and heating expenses
	Insulating films, block-out curtains on windows	
Other	Use of recycled paper/paperless operations, installation of collection machines for plastic bottles, etc., reduction in plastic bag use, etc.	Resource conservation

Promotion of ESG management (sustainability management)

■ We will aim for the Group's sustainable growth and the creation of medium- to long-term corporate value by leveraging our network of post offices to contribute to local communities through our business and address social issues such as the SDGs.







Sustainable Growth / Creation of Medium- to Long-term Corporate Value



Active Contribution to Issues such as SDGs




● Japan Post Group ● Japan Post Co.
● Japan Post Bank ● Japan Post Insurance



	Vision toward FY2025	Specific Efforts (Initiatives)
<p>1. Providing lifelong support in an age of 100-year life</p>  	<ul style="list-style-type: none"> • Maintain post office network and provide universal services • Quality financial services that meet customers' needs / Safe and secure financial services • Realize healthy and bountiful lifestyles (radio gymnastic exercises, health support app) • Next-generation education (promotion of letter-writing, financial education) 	<ul style="list-style-type: none"> ● User-friendly services utilizing digital technologies ● Establish foundations needed for a diverse society and lifestyles that support the age of 100-year life through establishment of daycare centers, facilities for senior citizens, and cultural facilities ● Enhance Watch Over and end-of-life preparation services (elderly welfare services utilizing digital technologies) ● Giving our top priority to making peace of mind and safety by expanding digital services that take into account the needs of the elderly and socially disadvantaged people, etc. ● Provide basic protection and services for all generations ● Develop products in light of the social needs of the age of 100-year life ● Support fitness through health support such as radio gymnastic exercises and health support apps
<p>2. Supporting local communities across Japan</p>  	<ul style="list-style-type: none"> • Maintain post office network and provide universal services • Establish resilient logistics infrastructure in response to expansion of EC market • Resolve local issues through provision of diverse products and services that meet needs of local communities • Provide sustainable universal services through thorough low-cost operations • Flow of money to regions 	<ul style="list-style-type: none"> ● Support for revitalization and creation of excitement in local communities and for building communities, contribute to sustainable town development in partnership with local municipalities, such as construction of disaster-resilient buildings, with the aims of prevention and mitigation of disasters ● Expand comprehensive administrative work contracts from local governments, strengthen cooperation with regional financial institutions, promote integrated management of post offices and local train stations ● Promotion of P-DX, utilization of advanced technology ● Contribute to local communities and support recovery at times of disaster ● Flow of money to regions (Financing through investment to Regional Fund and various frameworks) ● Respond to financial needs that correspond to actual circumstances in the regions by strengthening regional relations functions

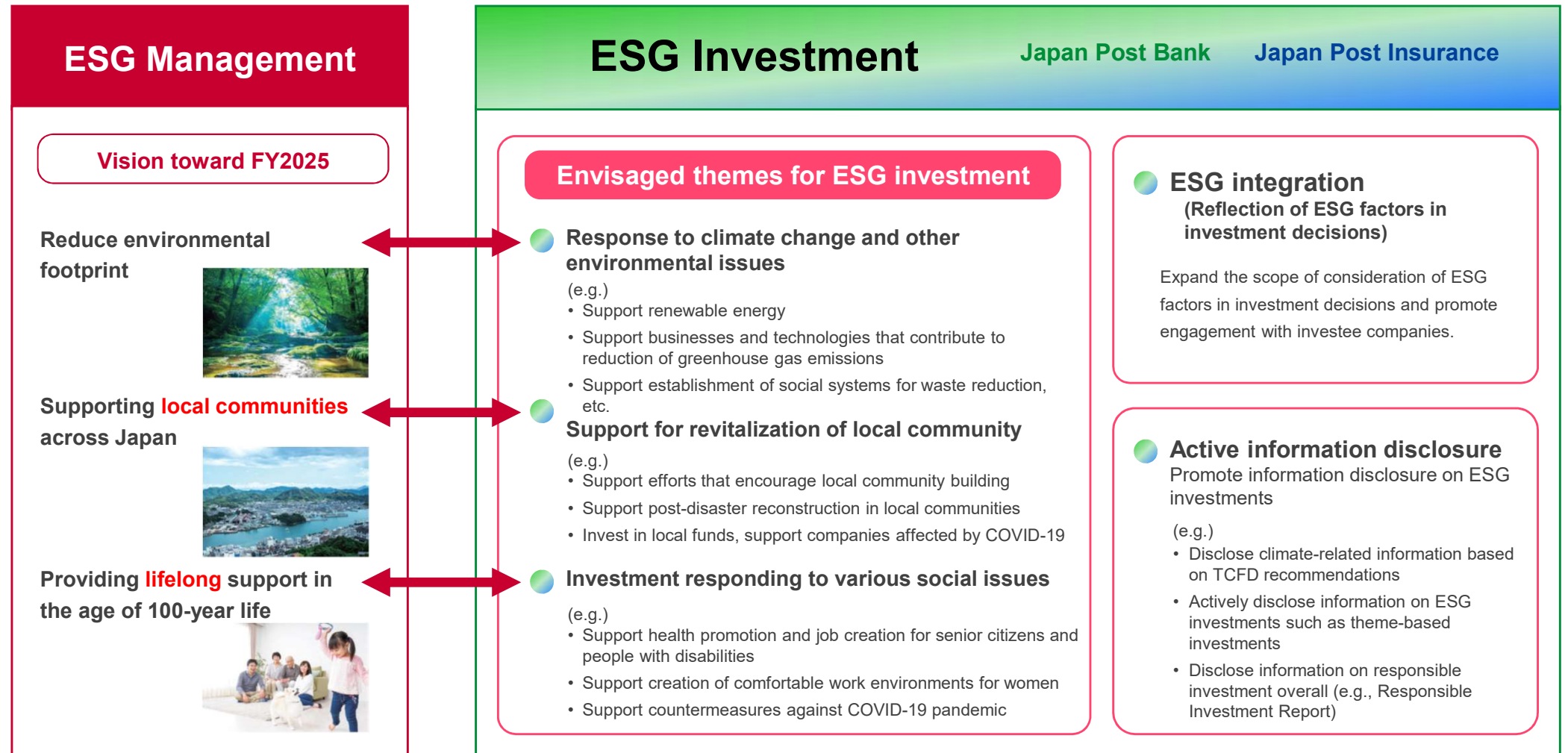
Promotion of ESG management (sustainability management)

● Japan Post Group ● Japan Post Co. ● Japan Post Bank ● Japan Post Insurance

	Ideal Vision towards FY2025	Specific Efforts (Examples of Measures)
<p>3. Reduction of environmental footprint</p> 	<ul style="list-style-type: none"> • Reduce greenhouse gas emissions • Promote business activities that consider reduction of regional environmental footprint • Strengthen ESG investment 	<ul style="list-style-type: none"> ● Reduce environmental footprint and address climate change by expanding introduction of renewable energy and environmentally responsible technologies ● Gradually shift to renewable energy and electricity with low carbon emission factor ● Promote paperless operations ● Promote carbon neutrality in local communities using post office network (environmentally responsible post offices, combining electric vehicles, renewable energy utilization, charging/storage facilities, CLT, wood biomass, solar power generation, and LED) ● Promote ESG investment on climate change and other environmental issues, promote investment in consideration of various international agreements
<p>4. HR strategy</p> 	<ul style="list-style-type: none"> • Promote work style reform from the perspective of employees • Promote diversity (create an organization where diverse human resources can play active roles) • Enhance labor productivity (ability and motivation) 	<ul style="list-style-type: none"> ● Create a comfortable workplace (Reduce overtime work, promote telework, support balance between work and caring for children/elderly relatives or treatment of illness, realize HR schemes that accommodate environmental changes, eradicate harassment (abuse of power and sexual harassment), promote health management) ● Promote diversity (Awareness raising, behavioral reform, promotion of women's advancement (increase percentage of women in management roles), promote employment of senior citizens, promote employment of people with disabilities, respond to gender diversity) ● Human resource development (Train human resources capable of providing customer-oriented services and who will support the growth of the Japan Post Group)
<p>5. Governance</p> 	<ul style="list-style-type: none"> • Strengthen the governance of the Group • Strengthen the management functions of branches and the frontline • Manage risks of the Group as a whole 	<ul style="list-style-type: none"> ● Introduction of Group CXO system ● Integrated management of Japan Post Holdings and Japan Post Co. ● Transfer of authority to branches ● Reviewing governance to create an integrated management system of post offices ● Build a system that can promptly detect and respond to conduct risks

ESG investment

- When managing funds, we will give due consideration to the public and social nature of funds and actively contribute to the revitalization of the community and the building of a sustainable society.



Facts and Figures

- Details of major targets, etc.
- Investment plans



Details of major targets, etc. (1)

- Details of the major targets of the Group and the individual companies for FY2025, the final year of JP Vision 2025, and for FY2023, when JP Vision 2025 will be reviewed, are as follows:

		FY2020 (result)	FY2023	FY2025
Japan Post Group	Net ordinary income	914.1 billion yen	760.0 billion yen	880.0 billion yen
	Consolidated net income (Note 1)	508.7 billion yen	430.0 billion yen	510.0 billion yen
	Consolidated net income attributable to Japan Post Holdings (Note 2)	418.2 billion yen	—	280.0 billion yen
	Consolidated net income attributable to Japan Post Holdings * Assuming an approx. 89% stake in Japan Post Bank	418.2 billion yen	350.0 billion yen	420.0 billion yen
	ROE (based on shareholders' equity)	3.88%	Approx. 3%	Approx. 4%
	Dividend policy (FY2021 – FY2025)	—	Stable issue of annual dividend of 50 yen per share	

Note 1. Includes consolidated net income attributable to non-controlling interests (interests other than the parent company, Japan Post Holdings).

Note 2. Calculated on the assumption of a 50% stake in Japan Post Bank and a 49.9% stake in Japan Post Insurance. Japan Post Insurance resolved at a meeting of its Board of Directors on May 14, 2021 to acquire treasury stock through ToSTNeT-3, and Japan Post Holdings resolved at a meeting of its Board of Directors on the same day to sell its shares corresponding to that treasury stock acquisition and to establish an equity disposal trust. Accordingly, the Company's stake in Japan Post Insurance is assumed at 49.9%.

Japan Post Co.	Consolidated net operating income	155 billion yen	107 billion yen	49 billion yen
	Consolidated net income	53.4 billion yen	44 billion yen	22 billion yen
	Postal and logistics business Net Operating margin	123.7 billion yen	65 billion yen	33 billion yen
	Post office business Net operating income	37.7 billion yen	35 billion yen	5 billion yen
	International logistics business Net operating income (EBIT)	3.5 billion yen	9 billion yen	12 billion yen
	Revenue from package delivery, etc.	710 billion yen	820 billion yen	890 billion yen
	Number of Yu-Pack handled	1.09 billion units	1.28 billion units	1.36 billion units

* Interest, exchange rates and share prices on which individual financial targets are premised have been set based on the situation as of December 31, 2020.

Details of major targets, etc. (2)

- Details of the major targets of the Group and the individual companies for FY2025, the final year of JP Vision 2025, and for FY2023, when JP Vision 2025 will be reviewed, are as follows:

		FY2020 (result)	FY2023	FY2025
Japan Post Bank	Consolidated net income	280.1 billion yen	at least 280 billion yen	at least 350 billion yen
	ROE (based on shareholders' equity)	3.06%	at least 3.0%	at least 3.6%
	Capital adequacy ratio (domestic standard)	15.53%	approx. 10% (level to be secured)	approx. 10% (level to be secured)
	CET1 ratio (international standard) (Excluding net unrealized gains on available-for-sale securities, Base I III totally implemented base for FY 2025)	14.09%	approx. 10% (level to be secured)	approx. 10% (level to be secured)
	OHR (including profit/loss, etc. from money trust management)	72.34%	72% or less	66% or less
	Operating costs (compared to FY2020)	–	down 25 billion yen	down 55 billion yen
	Dividend policy (FY2021 – FY2025)	–	Targeting the level of approximately 50 to 60% payout ratio and aiming to increase DPS from the initial forecast in FY 2021 (Please refer to JPB's Midterm Management Plan for the detail)	
Japan Post Insurance	Consolidated net income	166.1 billion yen	78 billion yen	91 billion yen
	EV growth ratio (RoEV*)	5.0%	Aim for 6% to 8% growth	
	Customer satisfaction NPS® *	–	Aim for 90% or more	
	Number of policies in force	24.91 million policies	Aim for One of the highest in the industry	
	DPS	76 yen	20 million or more policies	
			In principle aim not to decrease but to increase dividend per share	
Real Estate Business (Note 1)	Operating income	40 billion yen	approx. 75 billion yen	approx. 90 billion yen
	Net operating income	10.5 billion yen	(Note 2) approx. 8.5 billion yen	approx. 15 billion yen
	End-of-period assets value	530.2 billion yen	approx. 900 billion yen	approx. 1 trillion yen

*Calculated by excluding economic variance factors

®NPS is an abbreviation for "Net Promoter Score" and a registered trademark of Bain & Company, Inc., Fred Reichheld, and Satmetrix Systems, Inc.

Note 1. Group-wide figures that combine figures of Japan Post Real Estate Co., Ltd. and figures of real estate business (including Japan Post Building Management) of Japan Post. This is not a reportable segment based on accounting standards for disclosure of segment information.

Note2. Earnings are expected to decline from FY2020 due to one-off expenses incurred by the completion of large-scale buildings in FY2023.

* Interest, exchange rates and share prices on which individual financial targets are premised have been set based on the situation as of December 31, 2020.

Investment plans

■ Major investment plans up to FY2025 are as follows:

Segment	Investment Amount	Measures
Postal and logistics business	620 billion yen	P-DX measures (200 billion yen), operational reforms (100 billion yen), Deployment of EVs (40 billion yen), etc.
Post office business	340 billion yen	Redevelopment business (140 billion yen), LED promotion works at post offices (7.5 billion yen), etc.
International logistics business	80 billion yen	Facility and equipment investment (65 billion yen), Systems investments (15 billion yen), etc.
Banking business	240 billion yen	DX promotion, strengthening security system, and etc. (50 billion yen), Replacement of core system, ATMs, and counter terminals (150 billion yen), etc.
Life insurance business	250 billion yen	Application development (70 billion yen), Replacement of system equipment, etc. (140 billion yen)
Other business	480 billion yen	Real estate investment and business investment by subsidiaries (420 billion yen), Foundation of “Co-creation Platform” (10 billion yen), etc.
Total	2.01 trillion yen	

*Excluding the amount of investment in New business including M&As, etc.

Appendix

- Group-wide corporate management and risk management
- Specific methods of reducing carbon emissions

Group-wide corporate management and risk management

- We will clarify the type and amount of risk to be taken to achieve a business plan, conduct corporate management with an awareness of risk and return, and aim to improve corporate value as a group.

- * RAF (Risk Appetite Framework): RAF is a corporate management framework that aims for executive management approval of the type and amount of risk to be taken to achieve a business plan and enhance corporate value by avoiding unexpected losses, improving risk and return, and securing accountability.
- * Japan Post Bank has already introduced RAF, and Japan Post Insurance has already introduced ERM, which is a similar mechanism to RAF.

RAF Operation Process

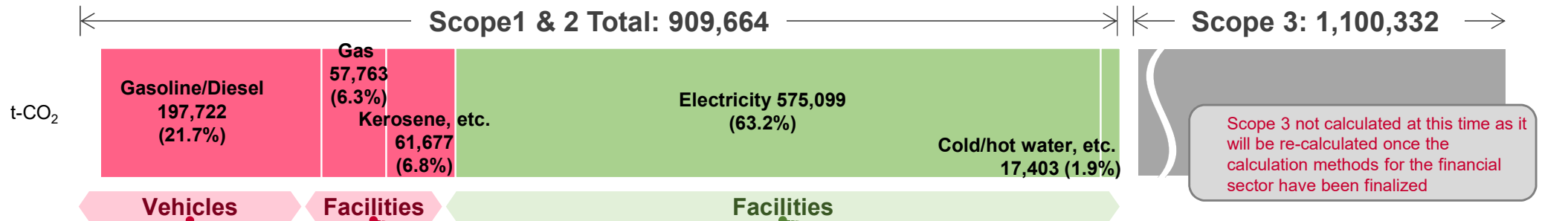


Specific methods of reducing carbon emissions

- **As immediate efforts, we will actively implement measures that include expanding the introduction of electric vehicles, promoting the use of LED at post offices, etc., and transitioning in stages toward electricity with a lower carbon emission factor.**

[FY2019 greenhouse gas emissions by our four main group companies]

- Scope 1: Direct emissions by the Company
- Scope 2: Emissions from use of electricity, etc. supplied by other enterprises
- Scope 3: Indirect emissions through supply chain



Scope 3 not calculated at this time as it will be re-calculated once the calculation methods for the financial sector have been finalized

- Expand introduction of EVs for postal vans**
 - Introduce 12,000 light vans and 21,000 motorcycles over next 5 years (planned) → CO₂ reduction effect: approx. 29,000 t-CO₂
 - Based on improvement of vehicle performance, further acceleration of plan will be considered
 - Power for EVs will also be shifted to primarily renewable energy sources
 - Other vehicles will also be updated to low-fuel-consumption vehicles
 - Reduction of re-deliveries
 - Suspension of deliveries on Saturdays
- Replace aging facilities
 - Shift to energy-saving air-conditioning
 - Consolidate facilities, etc
- Update to LED lights at post offices, etc. Down approx. 48,000 t-CO₂
 - Update ATMs inside/outside post offices Down approx. 10,000 t-CO₂
 - Transition in stages to electricity with a lower carbon emission factor Down approx. 34,000 t-CO₂
- * Electricity costs may increase as the transition toward electricity with a lower carbon emission factor proceeds. Efforts will be needed to minimize cost increases in procurement negotiations.
- Other: Installation of solar power generation equipment for private power generation, etc.**

Assumes significant progress in popularization of renewable energy and moves toward carbon neutrality in Japan.

The Japan Post Group aims to use our resources to promote and achieve carbon neutrality.

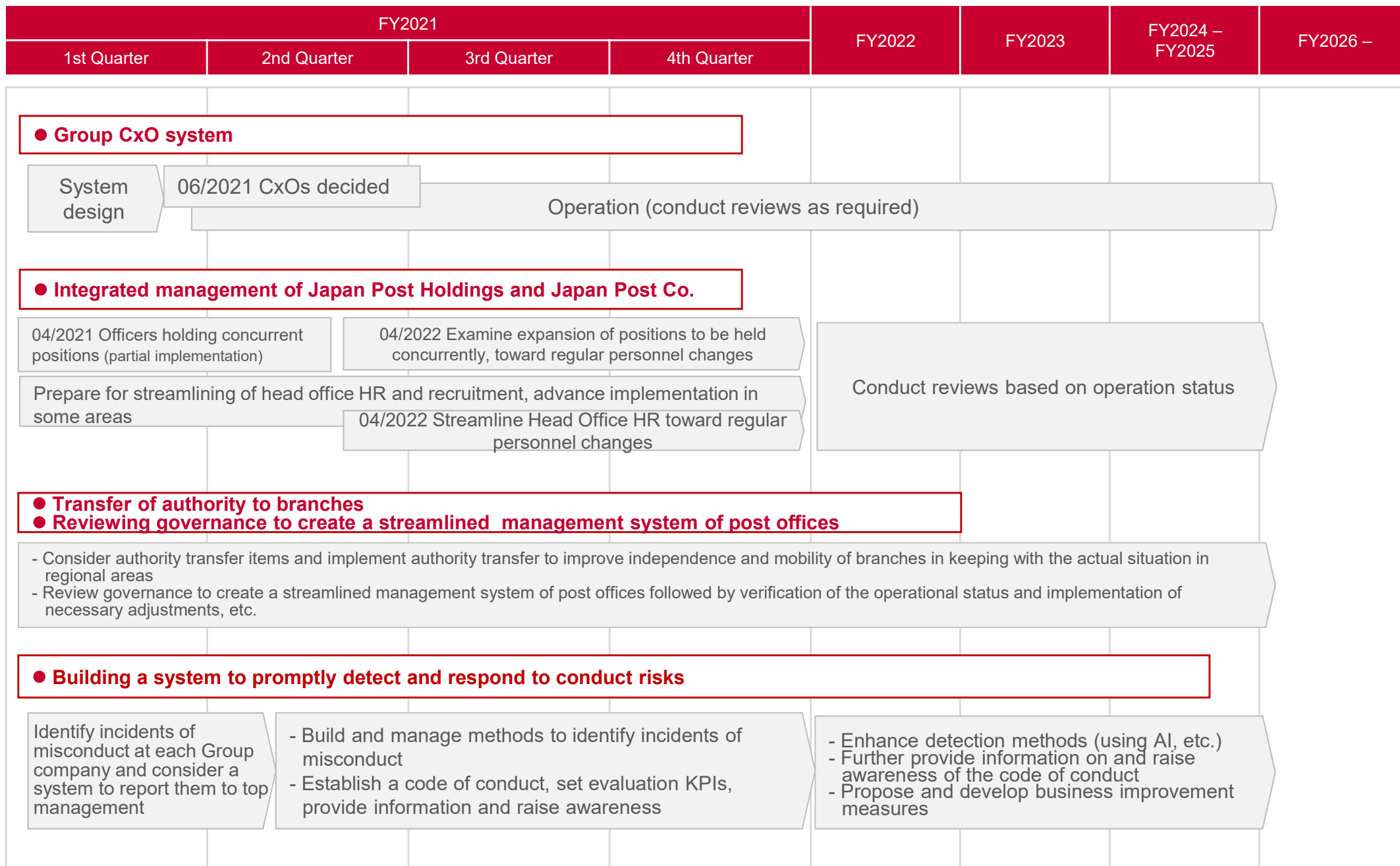
* Stated volume reductions (t-CO₂) are forecast figures between FY2021 and FY2025.

Aim to achieve 46% (compared with FY2019) reduction by FY2030 and carbon neutrality by 2050

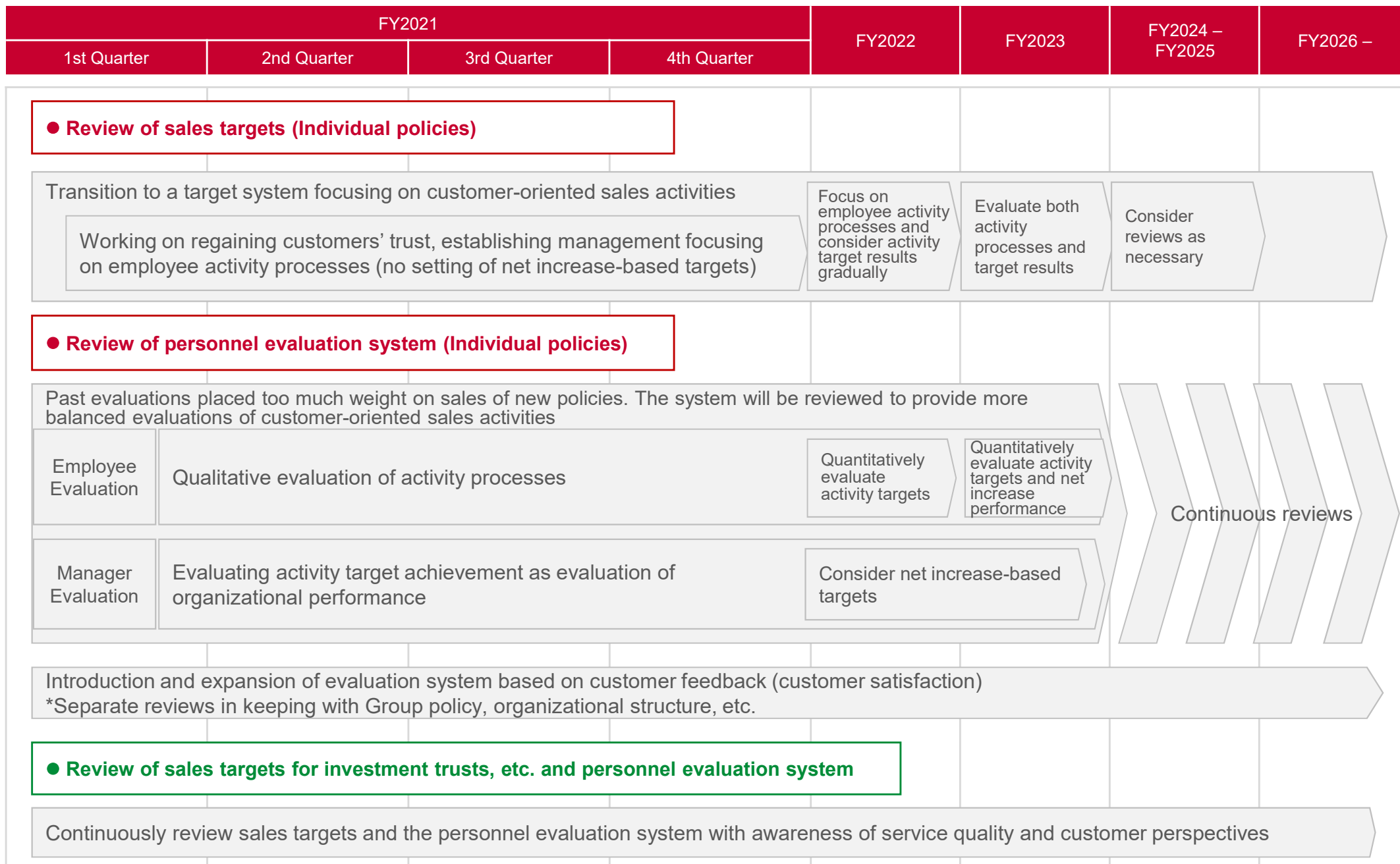
Notes: (1) Consideration will be given at a later date regarding how Scope 3 calculations will be made to achieve FY2030 and FY2050 targets. (2) Excludes increases from new businesses, such as real estate business. (3) We calculated the Scope 1 and 2 emissions on this page using a basic emission factor. For the calculation of greenhouse gas emissions from electricity consumption, the Group plans to change the factor it uses from a basic emission factor to an adjusted emission factor (figures from FY2019 onward will be retrospectively revised).

III. Timetable for JP Vision 2025

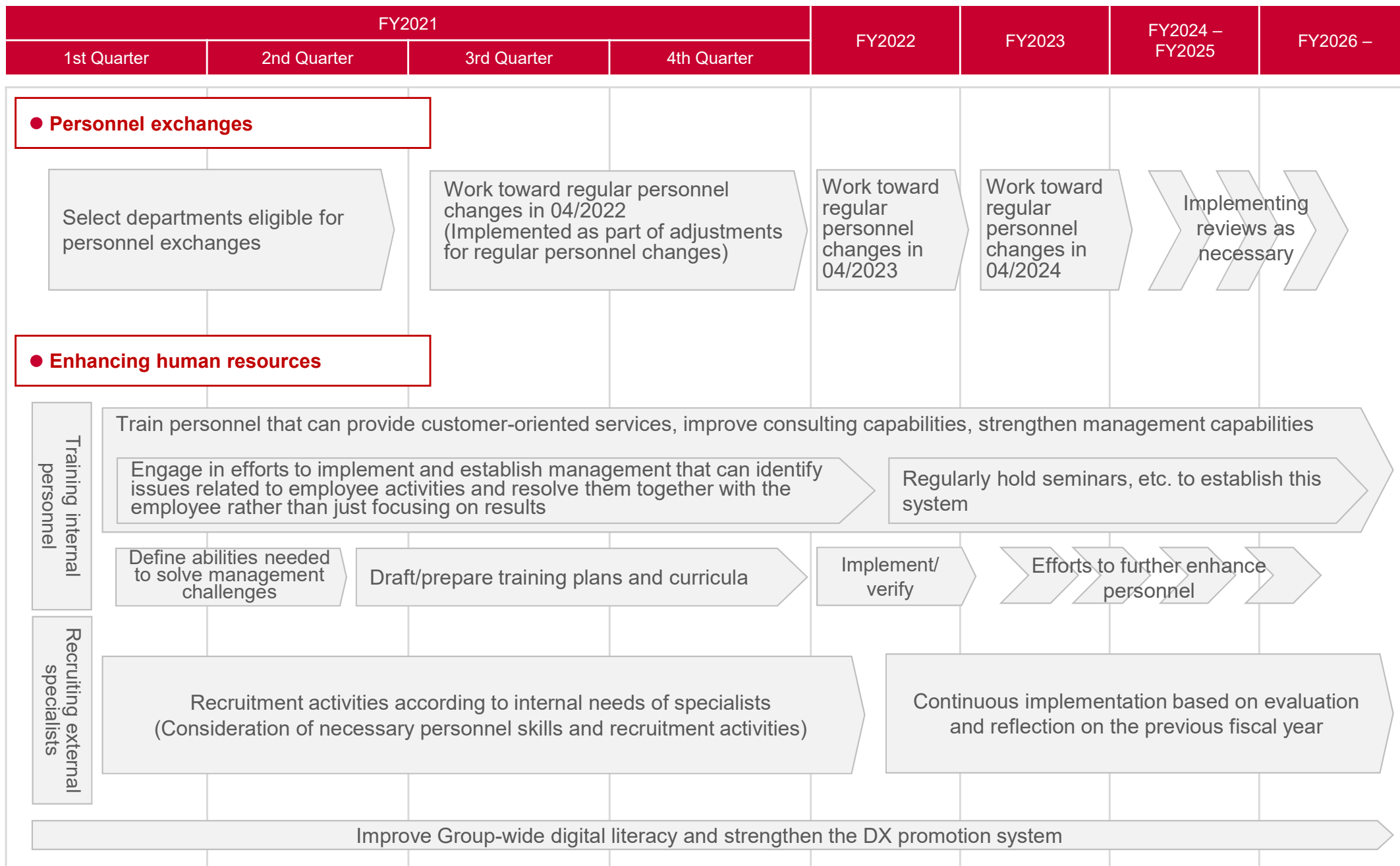
1. Efforts to regain customers' trust – Strengthening governance



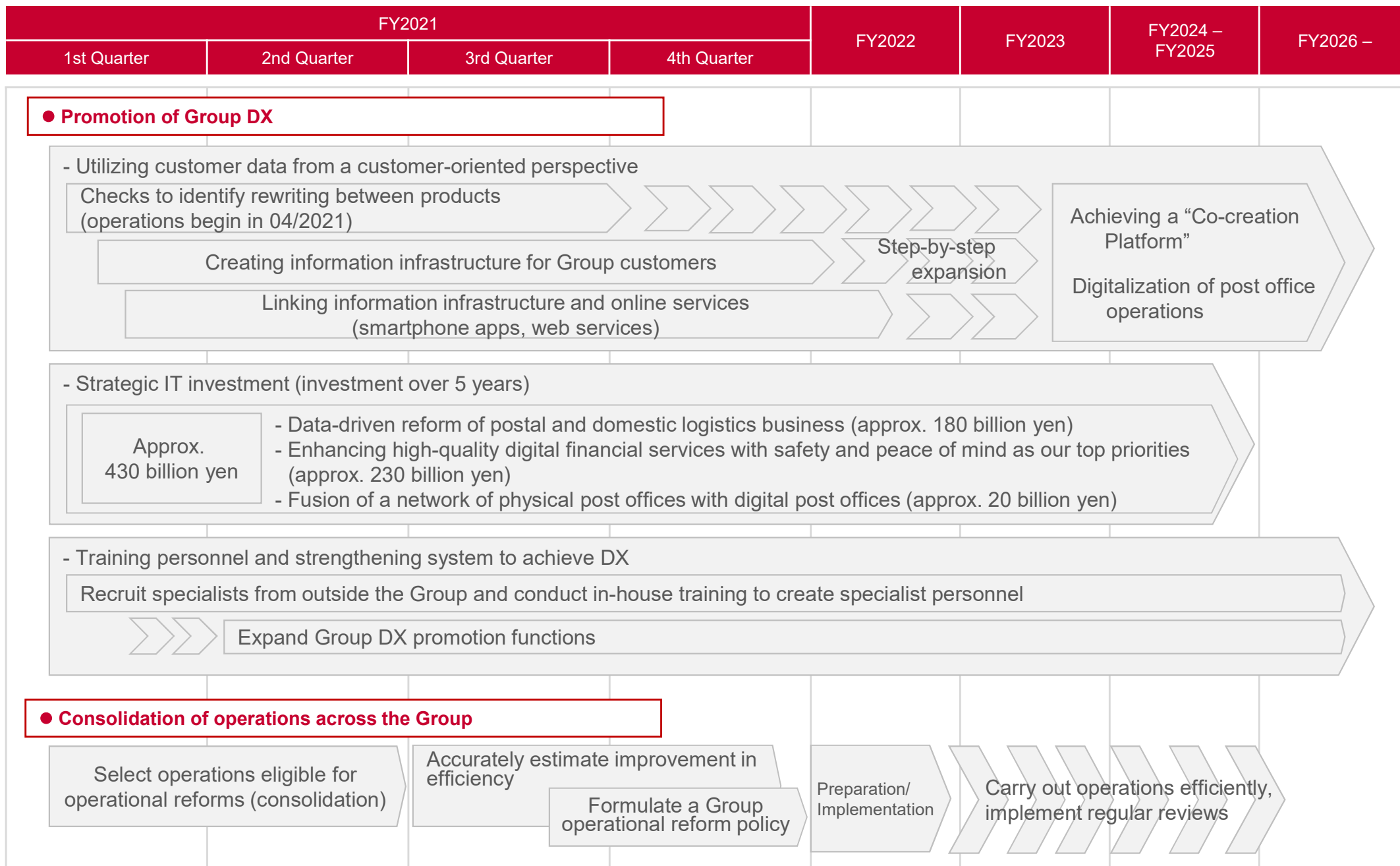
1. Efforts to regain customers' trust – Reforming targets and evaluation system of sales personnel of financial subsidiaries



1. Efforts to regain customers' trust – The Group's human resources strategy



2. Efforts aimed at new growth – Japan Post Group



2. Efforts aimed at new growth – Japan Post Co. (Postal and domestic logistics business)

FY2021				FY2022	FY2023	FY2024 – FY2025	FY2026 –
1st Quarter	2nd Quarter	3rd Quarter	4th Quarter				
<p>● Data-driven reform of postal and domestic logistics business</p>							
Development of a system development foundation to achieve DX, testing, and system migration				System release/stable operations/post-release verification			
Further enhancing convenience for customers sending and receiving parcels - Expand delivery notices and pick-up date, time and location change service (make it more flexible) - Use post boxes, etc. to further expand unassisted acceptance and receipt of packages				Boost convenience/expand usage			
<p>● Investment in P-DX/operational reform</p>							
Optimize transport/delivery and sorted mail network				Establishment and deployment of operations using new technologies such as robotics			
Introduce robotics, etc. at logistics bases (introduced at some post offices ahead of schedule)				Enhance transport management (consider introduction of new technologies, etc. for transport management)			
Enhance transport management (consider introduction of new technologies, etc. for transport management)				Establishment and deployment of enhance transport management)			
Utilize the latest technologies to create a more sophisticated transport and delivery network; promote efforts to achieve this goal							
Utilize telematics (reviewing delivery routes, delivery areas, etc.)							
Enhance package delivery operations (automatic routing systems, etc.)							
Utilize AI voice recognition technology, etc. (call centers)							
Enhance delivery (using drones, delivery robots, etc.)							

2. Efforts aimed at new growth – Japan Post Co. (post office business 1 of 2)

FY2021				FY2022	FY2023	FY2024 – FY2025	FY2026 –
1st Quarter	2nd Quarter	3rd Quarter	4th Quarter				
<p>● Digitalization of post office operations</p>							
<p>Procedures and applications can be processed on a tablet</p>							
Introduce some products on a trial basis (in selected regions)		Expand trial regions		Expand nationwide (scheduled)	Consider/develop additional functions		
Consider/make adjustment for tablet-based processing of various products and services							
Use consulting app		* 10/2021 onward, as soon as preparations are complete					
Deployed at approx. 1,900 post offices		Enhance app functions/expand to approx. 4,000 post offices		Expand to other post offices, as necessary Consider creating links with various systems			
Develop a customer data registration system, introduce assistance systems for maintenance, etc.							
* System release scheduled for 03/2022 onward							
Development decision making, defining requirements, procurement		Development		Introductory training	Full implementation (scheduled)	Consider/develop additional functions	
Confirm proper sales processes		Consider management using systems		Introductory training	Monitoring by Head Office and branches	Continued monitoring, review and establishment of monitoring methods	
Provide products and services through data analysis by the customer data registration system							
Consider analysis methods				Analyze stored data Consider provision methods for products and services			

2. Efforts aimed at new growth – Japan Post Co. (post office business 2 of 2)

FY2021				FY2022	FY2023	FY2024 – FY2025	FY2026 –
1st Quarter	2nd Quarter	3rd Quarter	4th Quarter				
<div style="border: 1px solid red; padding: 5px; margin-bottom: 10px;"> ● Provision of comprehensive consulting services </div>							
Establishment of new Japan Post Insurance sales system		Consultants specializing in insurance business		Start operation under new system			
Prepare to consolidate operating locations				Start operation under new system			
<div style="border: 1px solid red; padding: 5px; margin-bottom: 10px;"> ● Enhancing non-face-to-face services </div>							
Online consultation reservation system				Expand to other post offices, as necessary			
* 07/2021 onward, as soon as preparations are complete Introduced at approx. 2,000 post offices nationwide							
Online consultations for investment trusts							
Trial implementation/verification			Expansion of trial post offices		Expansion as soon as preparations are complete		
(handling between suggesting post offices ⇔ handling post offices) *For savings-type NISA only							
Selection of trial post offices	Trial implementation/verification		Expansion of trial post offices		Expansion as soon as preparations are complete		
Online consultations and application processing for cancer insurance				Trial implementation/verification		Expansion to other post offices, as necessary	
Online consultations, etc. for other financial products							
Adjustments with commissioning organizations or companies supplying products							

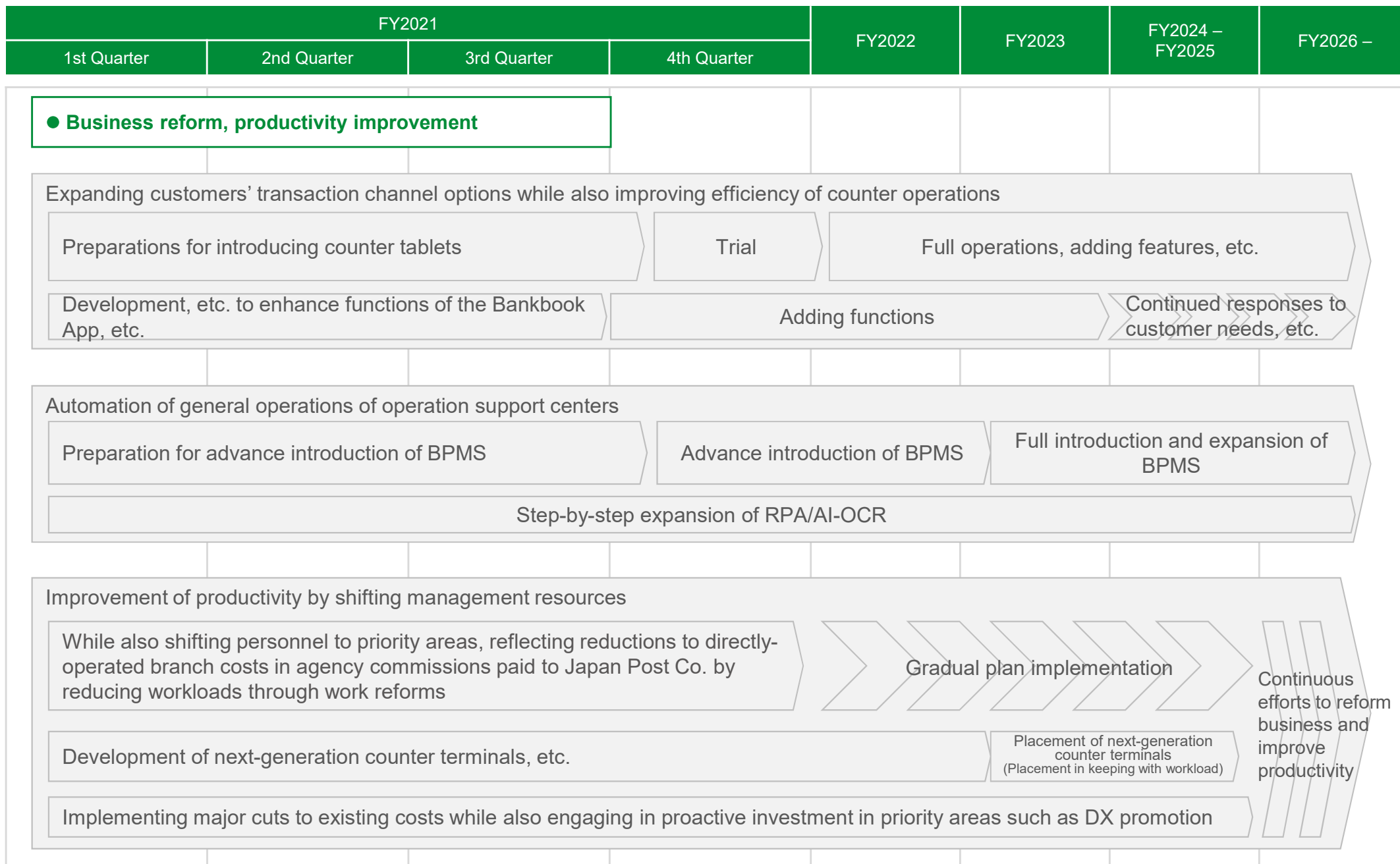
2. Efforts aimed at new growth – Japan Post Co. (Other)

FY2021				FY2022	FY2023	FY2024 – FY2025	FY2026 –
1st Quarter	2nd Quarter	3rd Quarter	4th Quarter				
<p>● A wide variety of products and services to meet regional needs</p> <p>Expand the number of eligible post offices in keeping with regional needs</p> <p>Winning administrative work contracts from local governments, accepting and handling banking procedures at post offices, placing regional bank ATMs, integrated operation of post offices and station ticket counters, opening post offices inside local government facilities, combined placement of convenience stores and post offices</p> <p>Continuously consider and implement post office placement to respond to changes in the community and improve convenience for customers</p>							
<p>● Boosting operating efficiency / reducing employment costs</p> <p>[Postal and domestic logistics business]</p> <ul style="list-style-type: none"> - Automation of operations, enhanced task management through visualization of work processes - Postal area structuring using telematics in keeping with the number of postal items and workload, structuring reviews, P-DX achievement to utilize data in advance to optimize delivery vehicle structuring - Review of manager duties and planned duties, consolidation of call center duties and responsibilities, utilization of AI <p>[Post office business]</p> <ul style="list-style-type: none"> - Promotion of digitalization of counter operations, ensuring proper placement of personnel 							
<p>● Transition to an Asia-focused business model for international logistics business</p> <p>Business expansion focusing on selected countries with high growth potential within the Asian region Expansion of contracted logistics business and forwarding business utilizing warehouses</p>							

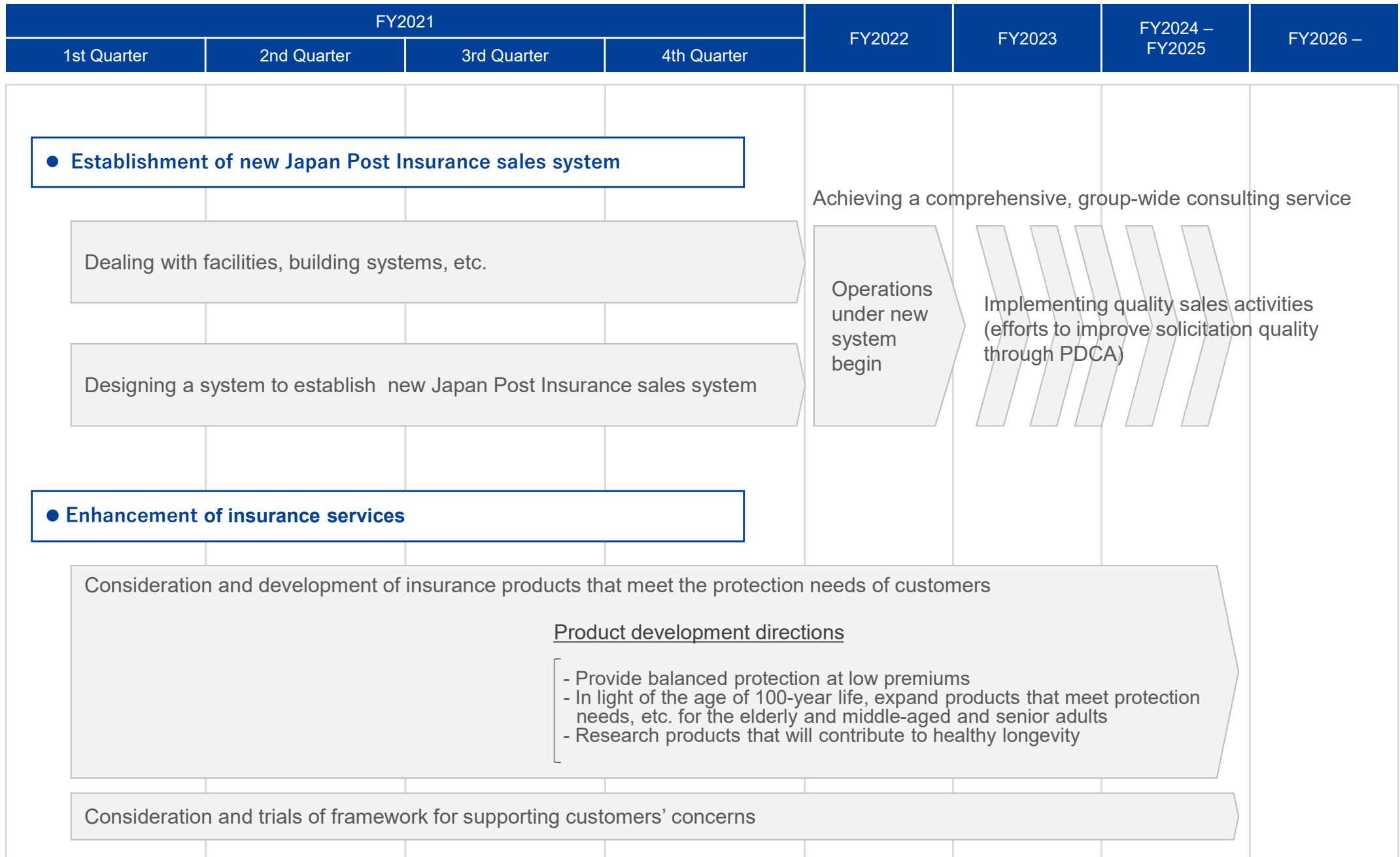
2. Efforts aimed at new growth – Japan Post Bank (1 of 2)

FY2021				FY2022	FY2023	FY2024 – FY2025	FY2026 –
1st Quarter	2nd Quarter	3rd Quarter	4th Quarter				
<p>● Retail business reform</p>							
<p>Deployment of digital services strategy</p>							
<p>Development to expand functions of the Bankbook App, etc.</p>				<p>Adding functions</p>		<p>Continued responses to customer needs, etc.</p>	
<p>Development to create a new app for household account book and household account advice services</p>				<p>Adding functions</p>		<p>Continued responses to customer needs, etc.</p>	
<p>Consideration and implementation of integration with third-party apps utilizing customer bases</p>							
<p>Promotion of asset formation support business</p>							
<p>Utilizing the post office network to propose mainly savings-type investment trusts to customers who are first-time investors</p>							
<p>Arranging and enhancing the product line-up</p>							
<p>Introduction of online consultations at directly managed branches nationwide (05/2021)</p>		<p>Further expansion of utilizing online tools</p>					
<p>Promotion of new business</p>							
<p>Commencement of direct handling of Flat 35 and account overdraft services (from 05/2021)</p>		<p>Consideration and implementation toward the introduction of new services (discretionary investment services,* services for the elderly [investment trust cancellation delegation service/trust and inheritance service*], etc.)</p>					
<p>* Require authorization</p>							

2. Efforts aimed at new growth – Japan Post Bank (2 of 2)



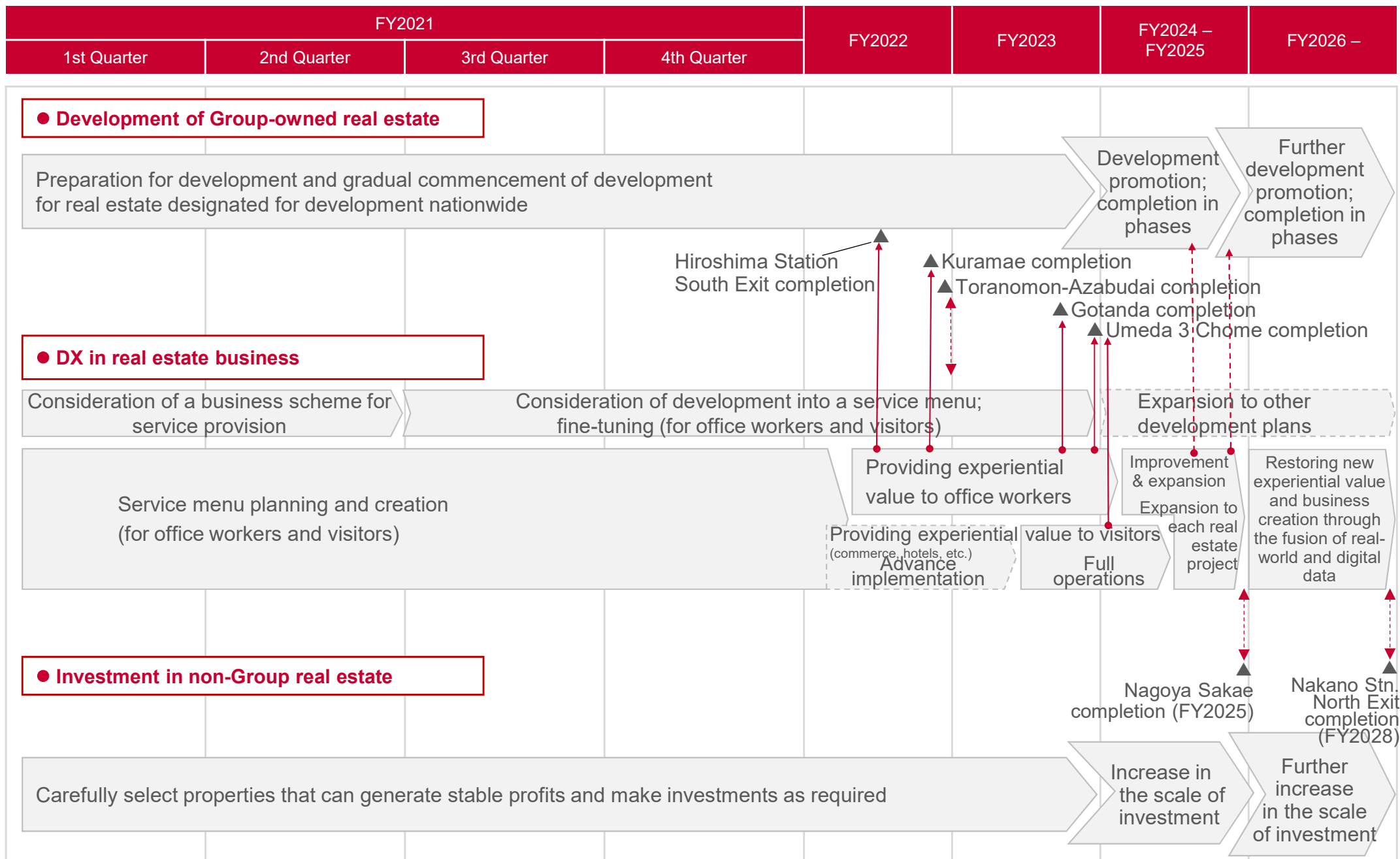
2. Efforts aimed at new growth – Japan Post Insurance (1 of 2)



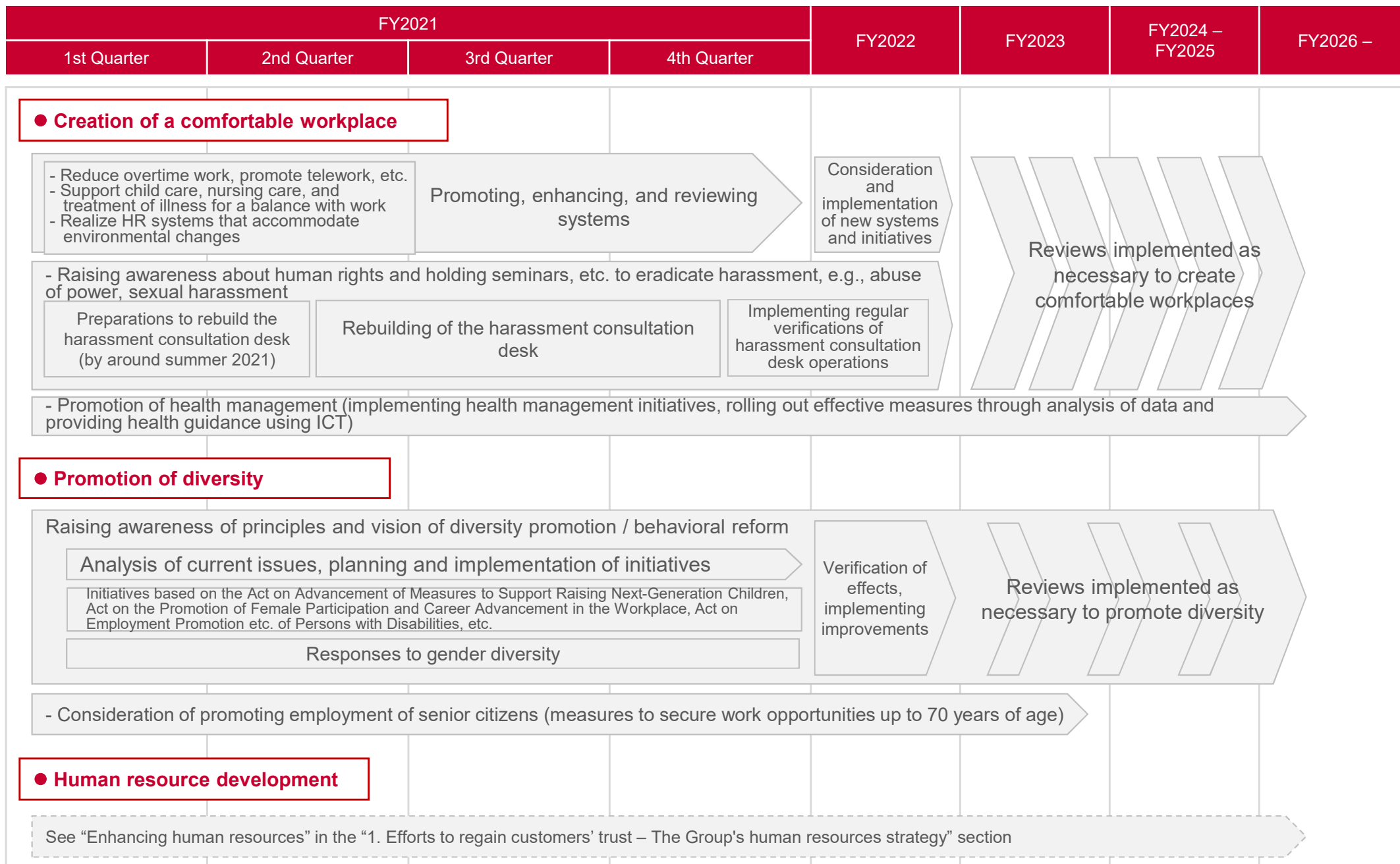
2. Efforts aimed at new growth – Japan Post Insurance (2 of 2)

FY2021				FY2022	FY2023	FY2024 – FY2025	FY2026 –
1st Quarter	2nd Quarter	3rd Quarter	4th Quarter				
<p>● Improving customer experience value(CX) and boosting efficiency of business operations</p>							
<p>Preparations and step-by-step introduction of initiatives to increase convenience for customers</p> <p>Example of increased convenience (expanding online claims, partial commencement of the service to assist remote procedures)</p>					Expanding scope	Regular reviews	
<p>Preparations and step-by-step introduction of initiatives for more efficient back-office operations</p> <p>Example of more efficient operations (instant processing when receiving applications, etc. at the counter, utilization of AI and OCR)</p>						Regular reviews	
<p>Reduction of necessary expenses</p> <p>Example of reducing necessary expenses (improving productivity of system costs, reducing costs for various initiatives)</p>						Regular reviews	
<p>Investment in priority areas (investment in systems for DX promotion)</p>							

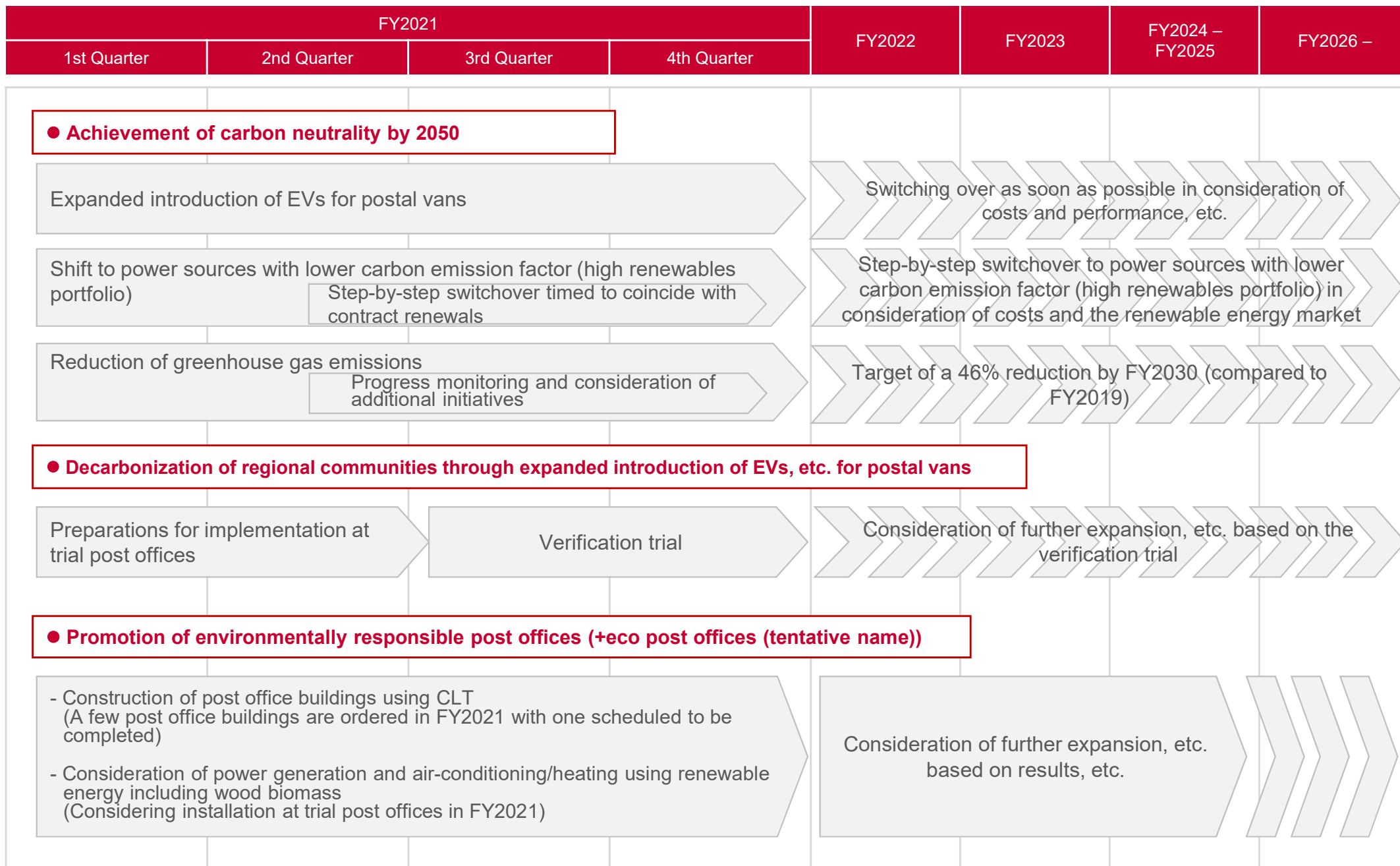
2. Efforts aimed at new growth – Real estate business



2. Efforts aimed at new growth – HR strategy



2. Efforts aimed at new growth – Aims of the ESG management



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