

Japan Post Group
Sustainability Report 2020



Overview of Japan Post Group

Management Philosophy of the Japan Post Group

Stressing the security and confidence of the 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 our 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.



Customers Local communities



Provision of products and services
Contribution to local communities

Japan Post Holdings Co., Ltd.

Strategy formulation of Group management

JAPAN POST HOLDINGS

JAPAN POST

Japan Post Co., Ltd.

Postal operations; banking counter operations; insurance counter operations; domestic and international logistics business; real estate business, and merchandise sales

Post office network

Japan Post Bank Co., Ltd.

Banking business

JAPAN POST BANK

JAPAN POST INSURANCE

Japan Post Insurance Co., Ltd.

Life insurance business

Japan Post Group



A post office network supporting your lifestyle

With our post office network that stretches from urban areas to remote islands, we provide universal services, including postal, savings, and insurance services, to support customers' livings.

Number of post offices

24,341

- Number of Japan Post Bank's premises: 234
- Number of branches of Japan Post Insurance: 82

Number of postboxes

179,129

Number of ATMs

32,005

Number of employees of the Japan Post Group

410,000

Regular employees: 215,000
Non-regular employees: 193,000

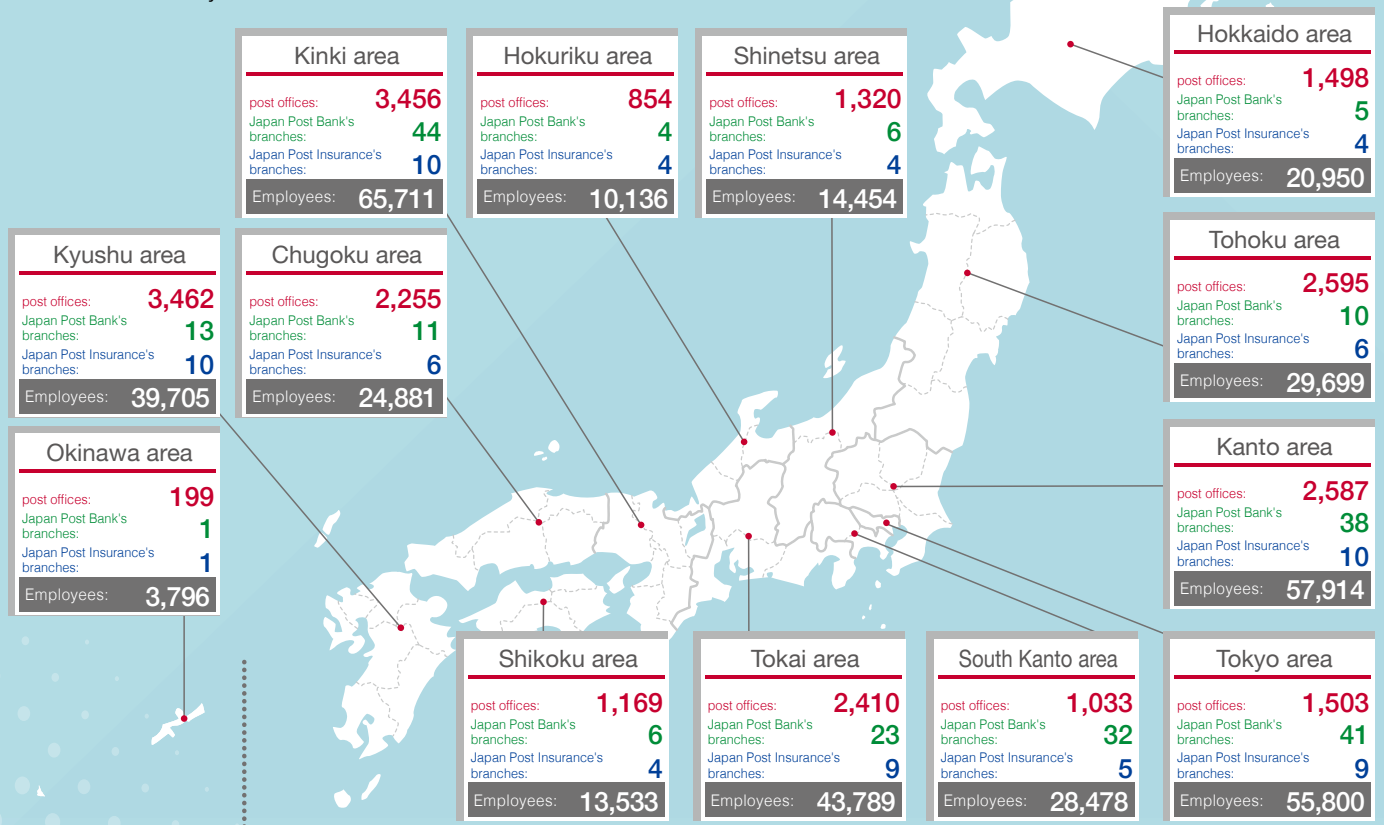
Number of countries we have international logistic bases in:

Approx. **50** countries

© As of March 31, 2020

Serving local communities by employing local people

We contribute to the development of regional economies by employing more than 400,000 people in local communities across the country.



© As of March 31, 2020

Japan Post Holdings



We pray for those who have lost their lives due to the COVID-19, typhoons, torrential rains, or other natural disasters, and wish to express our sincerest condolences to their families and friends. At the same time, we would like to express our heartfelt sympathies to all those who have been greatly affected by the pandemic or disasters.

We sincerely hope that they can return to their peaceful lives as soon as possible.

First and foremost, we would like to make deepest apologies to all customers and stakeholders concerning issues related to the solicitation quality of Japan Post Insurance products.

We, Japan Post Group, thereby will thoroughly commit ourselves to regaining customers' trust that we have lost due to such malpractice.

Returning to the Group's founding purpose

Japan Post Group has been providing universal postal, savings, and insurance services across Japan for over 100 years.

Nevertheless, a series of our issues has made us painfully aware of the importance of long-standing connections with customers, local communities, and their trust in our services. This realization has raised our consciousness for pursuing the very purpose for which we exist. Therefore, we believe that reflecting our Group's founding purpose is a first step to make a fresh restart towards regaining trust from society.

Japan Post Group Management Philosophy expresses our goals; to operate for the happiness of customers and

employees and contribute to the development of society and local communities.

Our customers' happiness is a source of delight for every employee of the Group, and this is why we strive to bring happiness to our customers through our products and services they desire.

To help grow local communities and society through the chain reaction of happiness – this is precisely the goal that we, Japan Post Group, should strive to achieve through our business.

In such regards, we believe that it is essential for all our employees to understand the Group's Management Philosophy and achieve each goal, one by one, to recover trust and start to grow as a corporation once again.

Japan Post Group's future and sustainability

Most importantly, our business activities do not stand without customers, local communities, suppliers, and our employees, who use and support the Group's products and services daily.

Moreover, as a large-scale corporation operating in number of offices and making heavy use of automobiles, we take our responsibility to tackle global environmental issues, such as climate change, for well granted.

Therefore, we will contribute to the development of a sustainable society through extending our appreciation to all who are involved in our business activities, supporting them side by side, and creating new values for the society.

Indeed, such concerns and determinations regarding sustainability are fully reflected in Japan Post Group CSR Basic Policy.

In Japan Post Group CSR Basic Policy, we not only express our resolutions on three themes to achieve our value in society and continuous growth – “together with local communities”, “together with the earth”, and “together with people”, but also display our determinations to pursue the Group's Management Philosophy.

From the perspective of sustainability in management, we have included Sustainable Development Goals (SDGs) in the framework of the Japan Post Group Medium-Term Management Plan 2020. In FY2020, the final year of the plan, we will continue to address sustainability issues



throughout our businesses.

We will commence a new medium-term management plan in the next fiscal year. Through the program, we will adopt long-term considerations on sustainability management to achieve a sustainable society.

Honestly, faithfully, humbly, always with gratitude

Since I assumed my position at Japan Post Group, I have encouraged our employees to listen to the voices of our customers persistently, faithfully, and humbly, with a sense of gratitude.

In this way, we can reflect the spirit of Hisoka Maejima, the founder of modern postal service, into our Group's Management Philosophy and CSR Basic Policy through following his words – “Do not hesitate to work behind the scenes. Always aspire yourself to bring others good.”

Once again, we, Japan Post Group, cannot stress enough the importance of our founding purpose as a basis for our mission in society and to resolve our issues step by step.

This realization will certainly drive forward the Group's growth and sustainable society all together.

However long it takes, we, Japan Post Group in unity, will strive to become society's trusted choice as ever and beyond.

I greatly appreciate your continued support and guidance.

October 2020

Japan Post Holdings Co., Ltd.
Director and Representative Executive Officer,
President & CEO

Hiroya Masuda

Japan Post



First, we would like to make deepest apologies to all customers and stakeholders concerning issues related to the solicitation quality of Japan Post Insurance products.

As Japan Post, we have operated social infrastructure and fulfilled what we recognize as our duty; to maintain universal services for local communities across Japan through postal, logistic, and financial services.

Moving forward, we will continue to do our best at each post office to pursue our social duties through providing convenience and meeting expectations for customers and local communities.

Currently, people's lives are greatly affected by the COVID-19 pandemics.

Under such circumstance, we believe that it is essential to strengthen our access, convenience, and commitment to local communities through fulfilling our duties one by one. In this way, Japan Post will contribute to the development of local communities and Sustainable Development Goals (SDGs) that we pursue.

Founded in 1871 by Hisoka Maejima, we, as a Japan's postal service business, will celebrate the 150th anniversary in April 2021.

As we approach to the major milestone, let us reflect once again on the founder's spirit to work towards regaining customers' trust and reestablishing ourselves as a customer-oriented, locally trusted corporation.

Japan Post Co., Ltd.
President & CEO (Representative Executive Officer)

Kazuhide Kinugawa

Japan Post Bank



For over 140 years since its foundation, we, Japan Post Bank, have worked across Japan to achieve social and economic growths underlined by our history and trust with local communities.

Meanwhile, we would like to make deepest apologies for causing damages and concerns through not only violating internal rules on investment trust sales but also misusing our payment services.

For the loss of trust from such misconducts, we will humbly commit ourselves to enhancing our services, such as through security improvements, and redefine our Group in the context of our ideal once again – “Have more people say ‘JP Bank, of course’”.

Currently, Japan faces an imposing array of social issues, including the declining birthrate, aging population, contraction of regional economies, climate change, and the COVID-19 pandemic.

To ensure that we are committed to our stakeholders and solve these social issues, we have set forth a range of targets related to the Sustainable Development Goals (SDGs) for each one of four themes – “customers and market”, “local communities”, “environment”, and “employees (diversity management)”. All our employees will embrace these targets and mark their work under the criteria.

In April 2020, we established the ESG Team within the Corporate Planning Department, to strengthen the system to support these activities.

We will continue to utilize our unique strengths, such as our nationwide financial network, enormous amount of operating funds, and countless number of accounts, all of which we have been trusted to guard, as a way to contribute to solving social issues through participating in regional revitalization funds, ESG investments, and other initiatives.

Japan Post Bank Co., Ltd.
Director, President and Representative Executive Officer

Norito Ikeda

Japan Post Insurance



We would like to make deepest apologies to our stakeholders for the great troubles caused by the improper solicitation of Japan Post Insurance products.

We will make every possible effort to regain customers' trust as soon as we can.

Since the establishment of 'postal life insurance', we have provided many local communities with small-time life insurance services accessible via post offices.

Our management philosophy, "Be a truthful partner for people. Always stay close with them and protect their well-being," has reflected our determination to protect and work closely with our customers.

When uncertainties, such as the COVID-19 pandemic, catastrophic natural disasters caused by climate change, and other abnormal situations, threaten people's perception toward life and health, we must prove ourselves to be an adept, reliable insurance company. Ultimately, this resolution overlaps with our path to achieve sustainable growth of society and SDGs.

For this purpose, we will advance initiatives for solving ESG issues through investment activities, including the purchase of bonds aimed at controlling the spread of the COVID-19. We will also contribute to the promotion of good health and revitalization of local communities by providing Sukoyakanpo, a health support app, and by creating opportunities to exercise through Radio Exercise. As such, we will embark on wide-ranging initiatives to achieve the SDGs at all levels.

Above all, we recognize that it is our crucial objective to make sustainable future viable through our business activities. Therefore, the Group will strive to solve social issues with our full potential.

Japan Post Insurance Co., Ltd.
Director and President, CEO, Representative Executive Officer

Tetsuya Senda

Contents

Overview of the Japan Post Group	01
Messages from the Presidents of the Japan Post Group	03
Contents/ Editorial Policy	06
Sustainability Management	07
Together with Local Communities	29
Together with the Earth	30
Together with People	31
Corporate Governance	32

Editorial Policy

- We publish this report to provide our stakeholders' with an adequate understanding of Japan Post Group's activities in local communities, our social contribution activities, and our environmental initiatives.
- In creating this report, we conducted interviews with relevant corporations, organizations, and individuals to regard their responses directly to the detailed introduction of our initiatives.

Coverage

In principle, this report covers Japan Post Holdings Co., Ltd. and their major Group companies.

*Japan Post Co., Ltd., Japan Post Bank Co., Ltd., and Japan Post Insurance Co., Ltd.

Reporting period

This report focuses mainly on initiatives taken from October 2019 to September 2020, though some articles feature initiatives taken before October 2019.

Date of publication

October 2020

Company names mentioned in this report

- In this report, "Japan Post Holdings" refers to Japan Post Holdings Co., Ltd., "Japan Post" refers to Japan Post, Co., Ltd., "Japan Post Bank" refers to Japan Post Bank, Co., Ltd., and "Japan Post Insurance" refers to Japan Post Insurance Co., Ltd.
- The fiscal year of Japan Post Group begins on April 1 and ends on March 31 of the following year.
- Initiatives, events, and other activities introduced in this report may have been cancelled, postponed, scaled down, or otherwise changed due to the spread of the COVID-19.



Sustainability Management

Japan Post Group CSR Basic Policy



Japan Post Group establishes and promotes Japan Post Group CSR Basic Policy for achieving our Management Philosophy.

Japan Post Group Management Philosophy

Stressing the security and confidence of the 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.

Japan Post Group CSR Basic Policy

Japan Post Group will achieve sustainable growth as a company and contribute to the creation of a sustainable society and future with the aim of being a "Total Lifestyle Support Group" that is of service to customers and local communities.

We will contribute to realizing a safe, secure and prosperous society by maintaining fair, transparent and sound management, while also faithfully fulfilling our role as a key infrastructure of local communities through our post office network and employees.

We will work as a group to address each of the following issues through all of our business activities, beginning with universal services in our postal, banking and insurance businesses.

1. Together with Local Communities

We shall strive for sustainable coexistence with local communities by understanding their issues and demands and communicating with stakeholders to provide the best services.

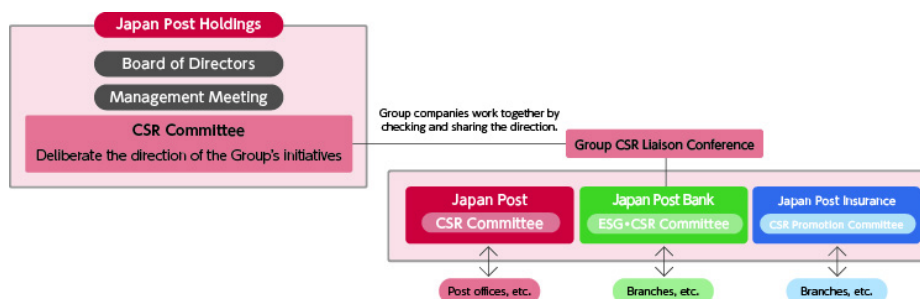
2. Together with the Earth

We shall strive to undertake business operations adapted to the impact of climate change and actively promote business and environmental conservation activities with consideration toward reducing our burden on the environment.

3. Together with People

We shall respect the human rights of all people involved in the business activities of the Group and aim to ensure a safe and friendly working environment and build a fulfilling workplace where individual employees can exercise independence and creativity.

Promotional Approach to CSR



Related information

- Japan Post Group Sustainability
- CSR Priority Issues (Materiality) of Japan Post Group

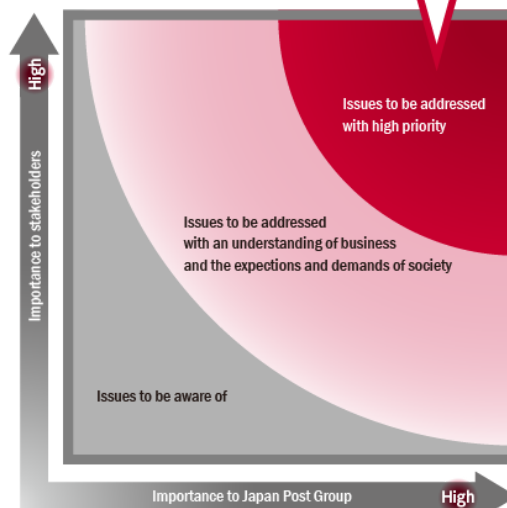
CSR Priority Issues (Materiality) of Japan Post Group



To contribute to the creation of a sustainable society and future in keeping with Japan Post Group CSR Basic Policy, Japan Post Group has conducted analyses from both the perspective of importance to Japan Post Group and that of society, including the expectations and demands of its stakeholders, and has identified CSR priority issues (materiality) to be addressed as a group.

Japan Post Group CSR Priority Issues (Materiality)

Category	Priority Issue (Materiality)	Corresponding SDGs	Reasons for Selection
Society	Development and revitalization of local communities	Goal 11 Sustainable Cities and Communities	<p>Reflecting the declining birthrate and aging population, the concentration of the population in urban areas, the increase of the frequency of disasters and other trends, people's desires for a sustainable society are increasing, so that everyone is capable of living with peace of mind wherever they are.</p> <p>For our growth through the continuation of our operations going forward, at Japan Post Group, as a corporate group operating businesses through a community-based post offices network, we believe that we should contribute to the capability of people of every generation to realize healthy, fulfilling lives by creating value that is useful in the development and revitalization of local communities, through our business activities, while coexisting in harmony with the local communities that are the foundation of our operations.</p>
	Nurturing the next generation	Goal 4 Quality Education	
	Promoting healthy living	Goal 3 Good Health and Well-Being	
Environment	Reducing greenhouse gas emissions	Goal 13 Climate Action	<p>Humanity's intensifying economic activity is one cause of the environmental issues, such as climate change, global warming, deforestation, and the loss of other resources, that we face.</p> <p>At Japan Post Group, we believe that we should strive to reduce the impact of our business activities on the global environment. We believe this is important for us to continue to operate our businesses and achieve growth into the future, as we are a corporate group that possesses a large number of business locations and vehicles in Japan and other countries.</p>
	Effective use of resources and reduction of waste	Goal 15 Life on Land	
Employees	Development of human resources	Goal 8 Decent Work and Economic Growth	<p>As the working-age population continues to decrease due to the declining birthrate and aging population, for the continued operation of our businesses and growth into the future, the Japan Post Group believes that developing organizations and systems to enable each one of our employees to engage in business activities to fully demonstrate their capabilities is a critical part of our operations.</p> <p>Japan Post Group is a corporate group that employs a large number people in Japan and other countries, and as such, we believe that we can contribute to creating diverse and inclusive work environments throughout society by pursuing better workplace environments of our own and improving the job satisfaction of our own employees.</p>
	Workstyle reform		



CSR Priority Issues (Materiality) Identification Process

CSR priority issues (materiality) are determined by the following process.

Step 1: Identify issues

Analyze demands from society such as external evaluations of various international standards including environmental, social and governance (ESG) criteria and SDGs, then identify CSR issues.

Step 2: Specify priority issues

Specify CSR priority issues by ranking those identified from the two perspectives of "importance to stakeholders" and "importance to Japan Post Group."

Step 3: Verify and decide priority issues

Decide which issues take priority through deliberation on their content and verification of their suitability by the CSR Committee and Group CSR Liaison Conference.

Related information

- [Japan Post Group Sustainability](#)
- [Japan Post Group CSR Basic Policy](#)

Framework of Global Society and Sustainability of Japan Post Group



Participation in the UN Global Compact

Japan Post Holdings joined the United Nations Global Compact in May 2008.

The UN Global Compact is the international framework advocated by then UN Secretary-General Kofi Annan at the World Economic Forum on January 31, 1999, that calls for affiliated companies to practice the Ten Principles in four areas of human rights, labour, the environment and anti-corruption, within their sphere of influence.

As of July 2015, more than 13,000 organizations (including approximately 8,300 companies) from about 160 countries are involved in this initiative. Each company aims to bring positive changes to the world by observing and implementing these principles while executing business.

WE SUPPORT



The Ten Principles of the UN Global Compact

Human Rights

1. Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
2. Principle 2: make sure that they are not complicit in human rights abuses.

Labour

1. Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
2. Principle 4: the elimination of all forms of forced and compulsory labour;
3. Principle 5: the effective abolition of child labour; and
4. Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

1. Principle 7: Businesses should support a precautionary approach to environmental challenges;
2. Principle 8: undertake initiatives to promote greater environmental responsibility; and
3. Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

1. Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.


Initiatives for Achieving SDGs

The Sustainable Development Goals (SDGs) are global goals that were adopted at the UN General Assembly in September 2015 to end poverty and pursue a sustainable future. Aiming to solve global issues by 2030, SDGs are comprised of 17 goals and 169 specific targets to achieve the goals.

Japan Post Group has selected its CSR Priority Issues (Materiality) in the three fields of local communities, the earth and people, which are key themes of Japan Post Group CSR Basic Policy, and promotes activities linked with SDGs. In addition, the Group includes SDGs in the framework of its management strategy in Japan Post Group Medium-Term Management Plan 2020 announced in May 2018, in its efforts to integrate its management strategy with initiatives for achieving SDGs.

SUSTAINABLE DEVELOPMENT GOALS



Priority Issues	Future Vision	Measures	FY2021/3 Targets
1. Provision of universal services 	Provide products and services necessary for every stage of life based on a post office network that is essential to the infrastructure of society and prioritizes the livelihood of customers	<ul style="list-style-type: none"> • Maintenance of post office network and provision of universal services 	<ul style="list-style-type: none"> • Provision of universal services through a seamless post office network
Together with local communities 2. Promotion of healthy living 3. Development of the next generation 4. Development and revitalization of regional communities   	Create a secure and prosperous society where everyone can live a safe and healthy life, and a sustainable society that will lead us into the future	<ul style="list-style-type: none"> • Expansion of Watch Over Service • Promotion of Radio Exercise • Promotion of Kampo Platinum Life Service • Promotion of letter-writing • Financial education (on-site lessons at elementary and other schools, and Japan Post Bank Piggy Bank Design Contest for Children) • Partnerships with local municipal organizations 	<ul style="list-style-type: none"> • Continued promotion of Watch Over Service and other services
Together with the Earth 5. Reduction of greenhouse gas emissions 6. Effective use of resources and reduction of waste  	Actively contribute to society through corporate activities that take into consideration climate change and global warming	<ul style="list-style-type: none"> • Regeneration of regional communities through development of green areas • Support for environmental conservation activities through expanded use of nonpassbook general accounts • Implementation of donations based on online provision of contract guidelines and policy conditions 	<ul style="list-style-type: none"> • Reduction of CO₂ emissions by 120,000tons (11.4%) compared to FY2017/3
Together with people 7. Development of human resources 8. Workstyle reform 	Create an environment where each and every employee is motivated to actively demonstrate their full capabilities	<ul style="list-style-type: none"> • Training in accordance with career paths (training by level, frontline leader training, etc.) • Group joint training (for transferees, newly appointed executives, etc.) • Promotion of active participation of female employees (promotion to higher positions including management, etc.) • Promotion of employment of people with disabilities • Acceleration of understanding of gender diversity (LGBT) • Promotion of child and family care leaves • Workstyle reform (reduction of working hours, etc.) • Promotion of employee physical and mental health maintenance and improvement 	<ul style="list-style-type: none"> • Target percentage of women in management Japan Post Holdings:11% or more Japan Post: 10% or more Japan Post Bank:14% or more Japan Post Insurance: 14% or more • Achievement and maintenance of Group target employment rate of 2.5% for people with disabilities
9. Fair business practices 	Require transparent management, comply with regulations, and contribute to the development of society and the local community	<ul style="list-style-type: none"> • Thorough Group-wide compliance • Elimination of relationships with antisocial forces 	<ul style="list-style-type: none"> • Zero internal criminal activity • Continued elimination of relationships with antisocial forces

Internal and external promotion

To promote SDGs among all our employees, we have featured sustainability-related topics, such as the Group's relationship, purpose, and business activities to achieve SDGs, in our newsletters.

In addition, we have published Japan Post Group Annual Report to provide our shareholders and investors with a detailed understanding of the SDGs and Group's relevant initiatives. In November 2019, we also issued a small booklet, "SDGs Book", to disclose our initiatives to a wide range of customers, such as those who visit our post offices.

■ [Japan Post Group SDGs Book](#) (Japanese)  [PDF:9,140KB]

■ [SDGs Book download page](#) (Japanese)

■ [Annual Report \(disclosure document\)](#)



On the Ministry of Foreign Affairs website, Japan Post Group's initiatives for achieving the SDGs are featured as "all-Japan initiatives towards the achievement of the SDGs".

[JAPAN SDGs Action Platform](#) (Click the link above to open the Ministry of Foreign Affairs' website.)

Universal Postal Union (UPU) Initiatives for achieving sustainable development

The Universal Postal Union (UPU) stipulates member states and each designated operators (in Japan: Japan Post, Co., Ltd) to implement and promote strategies to achieve sustainable development at all levels of postal service operations, from environmental, social, to economic-related activities. Indeed, Japan has contributed to the UPU initiatives, which, again, address environmental, social, and economic issues involved in the postal service business as an active member country.

[About sustainable development](#) - UPU

Related Information

- [Japan Post Group Sustainability](#)
- [Japan Post Group CSR Basic Policy](#)
- [CSR Priority Issues \(Materiality\) of Japan Post Group](#)

Stakeholder Engagement



Japan Post Group aims to become a Total Lifestyle Support Group to serve all stakeholders, including customers and local communities. For this reason, we believe it is important to accurately understand and satisfy stakeholders' requirements and expectations towards the Group through means such as dialogue.

Stakeholders	Main ways to gain stakeholder engagement
Customers	<ul style="list-style-type: none"> • Provision of information regarding products and services and the receipt of feedback and inquiries over the counter at post offices, etc. and through delivery persons, employees in charge of public relations and call centers • Provision of information on Japan Post Group website, social media and by other means • Implementation of customer satisfaction surveys • Publication of integrated reports and sustainability reports
NPOs & NGOs	<ul style="list-style-type: none"> • Cooperation with NPOs • Implementation of collaborative projects
Business partners	<ul style="list-style-type: none"> • Disclosure of procurement information on Japan Post Group websites • Disclosure of Japan Post Group's approaches to procurement activities
Shareholders & Investors	<ul style="list-style-type: none"> • General meetings of shareholders • Briefing sessions for private investors • Implementation of results briefing sessions, small meetings for institutional investors and analysts and IR conferences • Dialogues with institutional investors and analysts • Publication of integrated reports and sustainability reports • Implementation of dialogues with stakeholders
Local communities	<ul style="list-style-type: none"> • Cooperation with local public authorities • Disaster prevention activities • Monitoring activities for local communities • Workplace tours and work experience in post offices, etc. • Support for fostering the next generation • Volunteer activities
Employees	<ul style="list-style-type: none"> • Dialogues with employees • Implementation of questionnaires • Implementation of employee satisfaction surveys • Implementation of training • Publication of in-house Group newsletters • Intranet for employees • Implementation of counseling



On September 1, 2020, we invited outside experts to engage in a dialogue about the Group's CSR initiatives. In the session, three panel speakers provided us with insightful evaluations and recommendations on our future tasks, their expectations, and requests along with other relevant issues.

This dialog was held online due to the COVID-19 pandemic.



Facilitator:
Director of CSR Asia Japan
Ms. Makiko Akabane

Comments from experts



Mr. Masaru Arai, Chair of Japan Sustainable Investment Forum

First of all, I would like to give Japan Post Group high marks for spending a considerable number of pages in its Integrated Report to analyze the causes of the misconduct in the sales of Japan Post Insurance products and initiatives to prevent future incidents. Second, disclosing detailed information about initiatives for utilizing customer feedback and employee trainings is as equally important as implementing such measures.

Today, it is expected that Japanese corporations will eventually adopt the Western style of corporate governance and roles of directors. Indeed, in Europe and the United States, outside directors are responsible for supervising executive officers, and foreign investors nowadays assert that Japanese corporations should also separate business execution from its supervision. Since I believe that Japanese Corporate Governance Code will be revised in the near future, I also suggest adjusting the Group's governance to the new style of corporate governance. In addition, the Group must work earnestly to adopt to external evaluations on ESG-related issues. In doing so, it should be clearly understood that information disclosure is prerequisite for any evaluations concerning ESG, to say nothing of initiatives themselves.

Finally, I would like to commend Japan Post Group for their community-based business, which I am sure cannot be substituted by any other financial institutions. I hope that Japan Post Group will actively advance initiatives that make the best use of such unique strengths.



Mr. Masao Seki, Non-tenured Professor, Meiji University School of Business Administration

To begin with, Japan Post Group already discloses its human rights and procurement policies. Nevertheless, the Group needs to go one step further and establish a management structure based on PDCA cycles. The Group should opt for specific actions and targets to prevent human rights abuse and disclose initiatives regarding business and human rights.

The same is true for initiatives for procurement. Indeed, the scale of the Group's business and their vast supply chain make it easy for the Group to bring enormous environmental and social impacts to the society. For such matter, I strongly suggest the Group to take specific actions through PDCA cycles and disclose their achievements with transparency.

Regarding the TCFD, the Group should develop ultra-long-term scenarios of social changes, essential actions, and other relevant issues before setting ambitious goals and strategies to achieve greater competitiveness of the Group.



Ms. Yukiko Furuya, Representative, Consumer Conference for Sustainability

To put Management Philosophy and Charter of Corporate Conduct into practice, I recommend the Group to help their employees work on daily operations according to the Philosophy and Charter.

In addition, since the quality of being "customer-oriented" is abstract, there needs an explicit interpretation, perhaps in a form of company-wide standards or a system, to be applied in the Group's business management. Starting now, the Group should utilize the information collected through the "Telephone Consultation Center for Japan Post Insurance, etc. by Customer Affairs Specialists" to acquaint themselves with the real experience of consumers and customers, discuss what it takes to realize "customer-oriented" actions, and decide concrete measures accordingly.

In addition, while the Group proposes to work on a wide variety of initiatives, I have found the Group's considerations for "consumer safety and security" relatively insufficient. Indeed, the idea of "consumer safety and security" is a core element of the Group's operations and deserves full attention in the daily context.

In response to the comments by the three experts

After reviewing the dialogue last year, we reaffirmed that, through having expert meetings, we have received critical recommendations regarding our governance system, training, consumer safety, and stakeholder relationships.

This year, we once again received numerous advices for various aspects, such as business and human rights, procurement, consumer safety and security, and governance system. Thanks to those advices, we have resolved to take one step further in reviewing our current approaches, policies, initiatives, and other aspects of business.

Above all, we believe that there is a growing importance in our attitude and ability to reflect wishes from our stakeholders, especially from our customers, to the Group's business management.

Based on the opinions and recommendations by the three experts, we will promote our business operations to regain trust from the society.



Japan Post Holdings Co., Ltd.
Managing Executive Officer
Noriko Kinoshita

Customer-oriented business operations

In order to further promote customer-oriented business operations, Japan Post Group established The Basic Policies Concerning on Customer-Oriented Business Management. (Japan Post Insurance: April 2017, Japan Post Bank: June 2017, Japan Post Holdings and Japan Post: March 2018.)

Under the guidance of the management philosophy described below, Japan Post Group strives to promote customer-oriented business operations:

"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."

✚ [Basic Policy on Customer-oriented Business Operations](#) (Japanese)

Initiatives to reflect customer feedback in management

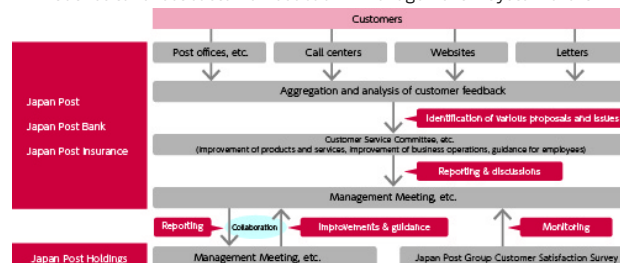
Japan Post Group collects and analyzes customer feedback, implements necessary improvements and strives to offer products and services that satisfy customers.

In addition, we embarked on new initiatives for utilizing our customers' opinions to improve our business management, such as the JP VOICE Project, in which we analyze and share customers' opinions collected from post office, call centers, posts on social networking services and other relevant platforms, and the Telephone Consultation Desk for Japan Post Insurance, etc. manned by Consumer Affairs Consultants.

✚ [The JP VOICE Project](#)

✚ [The Telephone Consultation Desk for Japan Post Insurance, etc. manned by Consumer Affairs Consultants](#)

Initiatives to reflect customer feedback in management -- System chart --



Dialogues with stakeholders and investors

To achieve sustainable growth and medium- to long-term improvement of our corporate value, we, Japan Post Group, will disclose accurate information to our shareholders, investors, and relevant stakeholders. Furthermore, we will engage in a dialogue with shareholders and investors through various opportunities, such as briefings for private investors and conferences with analysts and institutional investors, in addition to general meetings of shareholders. Japan Post Group will humbly reflect the feedback from our shareholders and investors to our business management as an effort to enhance our corporate value.

For the 15th Ordinary General Meeting of Shareholders held on Wednesday, June 17, 2020, we implemented the following measures to control the spread of COVID-19.

- We requested that shareholders exercise their voting rights in advance and refrain from attending the meeting in person.
- The meeting was streamed live on the internet.
- We received questions in advance via the internet.
- We ensured social distancing between seats.
- Shareholders, people on stage, and staff wore masks.
- We made hand sanitizer available in multiple locations.
- We checked the body temperature of attendees using thermography at the receptionist desk.



General meeting of shareholders (first venue)



General meeting of shareholders (second venue)

Related information

✚ [Japan Post Group Sustainability](#)

✚ [Japan Post Group CSR Basic Policy](#)

✚ [CSR Priority Issues \(Materiality\) of Japan Post Group](#)

Japan Post Group Human Rights Policy



Japan Post Group recognizes that the respect for human rights of all persons involved in our business activities is indispensable to the achievement of a sustainable society. Accordingly, in April 2019 the Group established Japan Post Group Human Rights Policy, in accordance with international principles, such as the United Nations Guiding Principles on Business and Human Rights. Japan Post Group will promote human rights initiatives across the Group.

Japan Post Group Human Rights Policy

1. Working to realize our management philosophy, Japan Post Group (hereinafter referred to as "the Group") recognizes that the respect for human rights is an important social responsibility. By fulfilling the responsibility, the Group will contribute to the realization of a society which is safe, secure and enriched.
2. As a signatory company of the United Nations Global Compact, the Group complies with applicable laws in the areas where it operates its business, and upholds human rights by respecting the International Bill of Human Rights, the International Labor Organization Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights.
3. This policy applies to officers and employees of the Group. The Group expects that its stakeholders will also respect human rights in the same manner.
4. The Group respects human rights, and does not discriminate on the basis of race, color, gender, sexual orientation, sexual identity, language, religion, politics or creed, nationality or social origin, poverty or wealth, birth, disability, etc. The Group also aims to avoid indirect discrimination.
5. The Group ensures safe and comfortable working environments that are free of harassment. In addition, the Group does not tolerate human rights violations, such as forced labor and child labor.
6. In order to fulfill its responsibility to respect human rights, the Group works to promote and revitalize awareness activities concerning human rights issues, such as the "Dowa issue" (Buraku discrimination). The Group also strives to deepen recognition and understanding of the issues, and to avoid and reduce negative effects on human rights. In the event that any negative effects on human rights arise, the Group will respond appropriately.
7. The Group deliberates on this policy in Japan Post Holdings CSR Committee and the Group CSR Liaison Conference, which deliberate on the Group's responses to environmental and social issues. The Group then makes decisions based on discussions in Japan Post Holdings Management Meeting. The content of the policy will be reviewed as appropriate, based on changes in the business environment and on dialogs with stakeholders.

Related information

- [Japan Post Group Sustainability](#)
- [Japan Post Group CSR Basic Policy](#)
- [CSR Priority Issues \(Materiality\) of Japan Post Group](#)

Japan Post Group's Approach to Procurement Activity



The post office network is an indispensable part of social infrastructure, and is at the heart of Japan Post Group's operations. We thus recognize issues in society to be our own, and are actively working towards a sustainable society starting from our supply chains to our entire business.

To ensure mutual understanding with our business partners and suppliers regarding our values and goals in sustainable procurement, we have released the Japan Post Group's Approach to Procurement Activity. Our approach outlined in this policy are in compliance with the Ten Principles stipulated by the UN Global Compact in the four areas of human rights, labor, environment, and anti-corruption. By defining specific requirements in the Japan Post Group CSR Procurement Guidelines, we ask for active cooperation from our business partners and suppliers.

Japan Post Group's Approach to Procurement Activity

📄 [Japan Post Group's Approach to Procurement Activity](#) 📄

CSR Procurement Guidelines

📄 [CSR Procurement Guidelines](#) 📄 [PDF : 274KB]

Related information

📄 [Japan Post Group Sustainability](#)

📄 [Japan Post Group CSR Basic Policy](#)

📄 [CSR Priority Issues \(Materiality\) of Japan Post Group](#)

ESG Investment



ESG Investment Policies

Japan Post Bank

As a responsible institutional investor advancing diversified international investments, Japan Post Bank has established and disclosed the ESG Investment Policy. Please refer to Japan Post Bank website for details of the ESG Investment Policy.

■ [ESG Investment Policy](#) -Japan Post Bank

Japan Post Insurance

As an institutional investor managing assets over the long term, Japan Post Insurance manages assets in accordance with its ESG Investment Policy. Please refer to Japan Post Insurance website for details of the ESG Investment Policy.

■ [ESG Investment Policy](#) -Japan Post Insurance

Specific examples of investment

Japan Post Bank

Through investing in green and social bonds issued by business corporations all over the world, Japan Post Bank makes use of investment activities to contribute to the development of a sustainable society.

Japan Post Insurance

Japan Post Insurance has made following investments in accordance with its ESG Investment Policy. Major examples of theme-based investment are listed below (links to the official Japan Post Insurance website).

- [Investment in Climate Awareness Bond](#) (Japanese)
- [Japan Post Insurance invests in first-ever Shogun Green Bond issued by the World Bank](#) (Japanese)
- [Investment in a social bond issued by the Japan International Cooperation Agency \(JICA\)](#) (Japanese)
- [Investment in a Sustainability Awareness Bond - the support for measures to tackle COVID-19 -](#) (Japanese)
- [Investment in a Sustainable Development Bond-- Support for measures to tackle COVID-19 -](#) (Japanese)

Related information

- [Japan Post Group Sustainability](#)
- [Japan Post Group CSR Basic Policy](#)
- [CSR Priority Issues \(Materiality\) of Japan Post Group](#)

Environmental Management System

We will strive to operate our businesses in ways that adapt to the impact of climate change. At the same time, we will be proactive in promoting business activities in an environmentally friendly manner and implementing environmental conservation activities.



Specific Policy on Promotion

In accordance with Japan Post Group CSR Basic Policy, Japan Post Group will promote business activities with consideration for climate change and environmental pollution in its efforts to achieve a sustainable society. At the same time, the Group will strive to make effective use of limited resources and reduce waste.

■ [Japan Post Group CSR Basic Policy](#)

Reduction of Greenhouse Gases

In accordance with Japan's Plan for Global Warming Countermeasures based on the Paris Agreement, we have set the Group's greenhouse gas (GHG) reduction target to achieve by FY2030 and an intermediate benchmark for FY2020. We will thus strive to reduce GHG arising from our business activities.

■ [Japan Post Group GHG Emission Reduction Target](#)

Reduction of Energy Consumption

To steadily promote measures for reducing GHG arising from our business activities, we have set the Group's FY2020 target concerning energy consumption and a specific plan to reduce the consumption. We will thus strive to reduce energy consumption in our business activities.

■ [Energy Consumption Reduction Target, Plan and the costs related to climate change](#)

Effective Resource Utilization and Waste Reduction

We will use limited resources without wasting them and promote initiatives for building a recycling-based society, such as paperless operations and reducing, reusing and recycling.

Compliance with Laws, Regulations and Other Rules

We will comply with laws, regulations, various agreements and other rules in our efforts to prevent our business activities from causing pollution and other problems.

Collaborations with External Parties

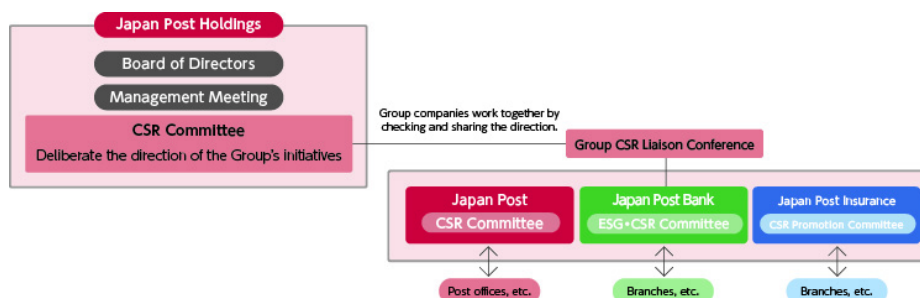
In April 2019, Japan Post Holdings, Japan Post Bank and Japan Post Insurance expressed support for the TCFD* recommendations. Moving forward, we will deepen analysis of the impact of climate change on the Group's businesses and strive to disclose even more information in accordance with the TCFD recommendations.

*TCFD stands for the Task Force on Climate-related Financial Disclosures, which was established by the Financial Stability Board.

■ [Expression of Support for the TCFD Recommendations](#)

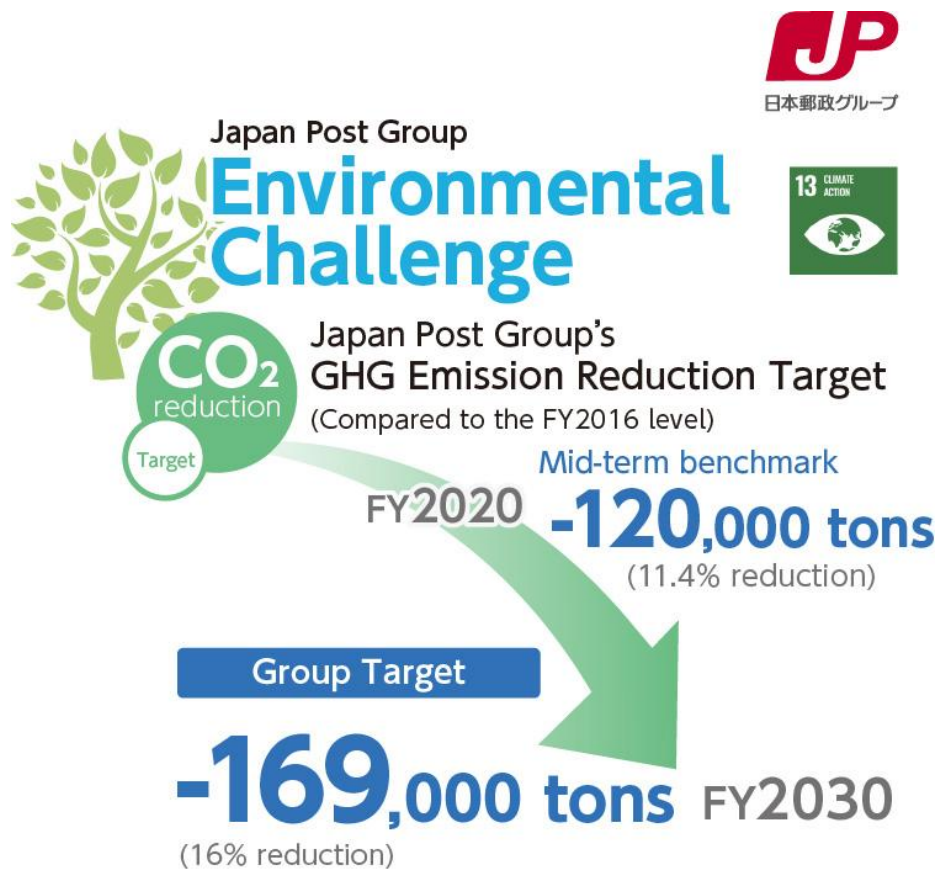
Environmental Management System

Recognizing the importance of initiatives for tackling climate change and global warming, making effective use of resources and reducing waste, we have set the CSR Committee as an advisory body to the Management Meeting. The CSR Committee deliberates on policies related to sustainability and reports the content of the deliberations to the Board of Directors and the Management Meeting. We have also established the Group CSR Liaison Conference for Group companies to check and share the direction.



We have set the Group's FY2030 GHG reduction target and an mid-term benchmark* for FY2020 for achieving the FY2030 target

*We revised the mid-term benchmark for FY2020 (December 2019) based on the reduction achieved by FY2018.



The target corresponds to the GHG reduction target (26% reduction from the FY2013 level) of Japan's Plan for Global Warming Countermeasures, which is based on the Paris Agreement.

The greenhouse gas arising from the Japan Post Group's business activities is CO₂.

Energy Consumption Reduction Target, Plan and the costs related to climate change

To achieve its GHG reduction target, Japan Post Group has set an energy consumption reduction target linked with the FY2020 intermediate benchmark.

Energy Consumption Reduction Target

FY2020 target: -835,000 GJ (4.4% reduction from the FY2016 level)

To achieve the target, Japan Post Group will mainly take the following actions. And the amount of investment needed for tackling climate change is below.

[Action for FY2020 (Process Targets)]

(millions of yen)

Company	Business	Action for FY2020 (Process Targets)	Reduction of energy consumption enabled by the action (GJ)	Type of energy	Amount of Investment Needed for Tackling climate change
Japan Post	Postal and domestic logistics business	Environmentally friendly delivery <ul style="list-style-type: none"> Introduction of electric vehicles (including 1,200 four-wheeled vehicles) Switching to fuel-efficient vehicles (approx. 7,000 four-wheeled vehicles and approx. 20,000 two-wheeled vehicles) 	-72,000	Gasoline	14,130
		Initiatives for reducing redelivery (including diversification of our channels for receiving mail)	-39,000	Gasoline	2,706
		Reduction of delivery vehicles through efficiency improvement of mail collection (1,000 four-wheeled vehicles)	-49,000	Gasoline	0
		Switching to high-efficiency air conditioning systems and LED lights (at approx. 100 post offices), etc.	-49,000	Electricity, gas, etc.	27,882
	Post office business	Switching to high-efficiency air conditioning systems and LED lights (at approx. 3,000 post offices), etc.	-196,000	Electricity, gas, etc.	17,639
Japan Post Bank	Banking business	Saving energy in offices (including introduction of LED lights)	-7,000	Electricity and gasoline	183
Japan Post Insurance	Life insurance business	Saving energy in offices (replacement of air-conditioning systems with high efficiency ones)	-200	Electricity	55
		Switching to fuel-efficient vehicles (approx. 150 vehicles)	-500	Gasoline	359
Japan Post Holdings	Accommodation facilities and hospitals	Saving energy at accommodation facilities (introduction of LED lights), etc.	-30,000	Electricity, gas, etc.	254
Total			-442,700		63,208

Performance Data

- [Data on GHG Emission and Energy Consumption](#)
- [Data on Resources \(Data on the Amount of Waste, Recycle, Copy Paper and Water Use\)](#)

Status of Progress

- [Status of Progress towards Japan Post Group GHG Emission Reduction Target and Energy Consumption Reduction Target](#)

Actions Taken in Collaboration with External Parties

Expression of Support for the TCFD Recommendations

Japan Post Holdings, Japan Post Bank and Japan Post Insurance expressed support for recommendations by the Task Force on Climate-related Financial Disclosures (TCFD), which was established by the Financial Stability Board (FSB). In Japan Post Group CSR Basic Policy, the Group declares: "We shall strive to undertake business operations adopted the impact of climate change and actively promote business and environmental conservation activities with consideration toward reducing our burden on the environment." At the same time, in Japan Post Group Medium-Term Management Plan 2020, the Group has set the reduction of greenhouse gas emissions as an action to take to achieve SDGs. The Group also promotes initiatives for helping to build a sustainable society, including investment in green bonds. In addition, Japan Post Group will deepen its analysis of the impact of climate change on the Group's businesses and strive to disclose even more information, in accordance with the TCFD recommendations.



Support for Cool Choice



未来の
ために、
いま選ぼう。

Japan Post Holdings, Japan Post, Japan Post Bank and Japan Post Insurance support Cool Choice.

Cool Choice is a national movement promoted by the Government of Japan (Ministry of the Environment). Aimed at achieving a 26% reduction in greenhouse gas emissions from the FY2013 level by FY2030, Cool Choice encourages wise choices that help tackle global warming, such as services and lifestyles that contribute to building a low-carbon society.

[▶ We support Cool Choice. \(Japanese\)](#)

Participation to the COOL CHOICE campaign

Japan Post has joined one of the COOL CHOICE campaigns supervised by the Ministry of the Environment (MOE), "Why Not Receive Your Baggage With One Delivery - Project For Working Together To Reduce Redelivery".

In this project, the Japanese government and corporations jointly promote initiatives to achieve a low-carbon society in relation to the climate change through reducing redeliveries by postal service companies and developing the awareness towards the environmental impact of postal services among each Japanese citizens.

At Japan Post, we provide our postal service users with "e-Delivery Notice" and other services to notify the delivery time or absence through emails and social networking services.

Participation to the Package-Drop Service Conference

Japan Post has participated to the Package-Drop Service Conference supervised by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) and the Ministry of Economy, Trade and Industry (METI) of the Japanese government. The Conference was established to mitigate the climate change through reducing redeliveries, cutting CO2 emissions, and resolving relevant issues, such as the shortage of delivery drivers and excessive working hours. Our new delivery service since March 2019 - "Delivery Service at Designated Spot", which enables users to receive mails at the entrance or meter box, was introduced in the 2019 Annual Report of the Environment issued by the MOE about its outlook and effectiveness.

[▶ The Annual Report of the Environment - the Ministry of the Environment](#)

Specific Actions

[▶ CSR Priority Issue: Reduction of Greenhouse Gas Emissions \(Japanese\)](#)

[▶ CSR Priority Issue: Effective Resource Utilization and Waste Reduction \(Japanese\)](#)

Related information

[▶ Japan Post Group Sustainability](#)

[▶ Japan Post Group CSR Basic Policy](#)

[▶ CSR Priority Issues \(Materiality\) of Japan Post Group](#)

External Assessments



April 2020

JP Children's Tree-Planting Campaign Tohoku Regeneration Green Wave by the Children's Tree-Planting Promotion Network (Specified Nonprofit Corporation), cosponsored by Japan Post Group, won the Outstanding Activity Award at the 2019 (15th) Association for Children's Environment Awards.

■ [Association for Children's Environment](#)

December 2019

Four companies - Japan Post Co., Ltd., Seino Transportation Co., Ltd., Nippon Express Co., Ltd., and Yamato Transport Co., Ltd. - were granted for the special award at the 18th Green Partnership Conference for the use of their joint trunk transportation, "Super-Full Trailer SF25", across Kanto and Kansai regions.

■ [Our joint trunk transportation, which uses the Super-Full Trailer SF25, won the special award for the excellent business operator at the 18th Green Partnership Conference](#) (Japanese)

May 2019

The four Japan Post Group companies (Japan Post Holdings, Japan Post, Japan Post Bank and Japan Post Insurance) were ranked first in the "Finance/Insurance" industry division of "Randstad Award: Employer Brand Research 2019" for the second year in a row.

■ [The four Japan Post Group companies were ranked first in the "Finance/Insurance" industry division of "Randstad Award: Employer Brand Research 2019" for the second year in a row.](#) (Japanese)



February 2019

During the relocation of the head office to Otemachi, Chiyoda-ku, Tokyo, Japan Post Holdings worked to introduce office space with world-class environmental performance. Based on this project, it earned the LEED (Leadership in Energy and Efficient Design) CI (Commercial Interiors) Gold Certification from the U.S. Green Building Council (USGBC).

■ [The head office of Japan Post Holdings earned the LEED-CI 2009 Gold Certification.](#) (Japanese)



December 2018

Japan Post Bank has been positively evaluated for its initiatives in ESG thus far, and has been included in the following Socially Responsible Investment (SRI) indices. The MSCI Japan Empowering Women Index (WIN) is an index composed of companies that are leading in promoting and maintaining gender diversity, created by MSCI.

For details, please visit MSCI's web pages.

■ [MSCI Japan Empowering Women Index \(WIN\)](#)

MSCI 2018 Constituent
MSCI日本株
女性活躍指数 (WIN)

February 2018

The four Japan Post Group companies (Japan Post Holdings, Japan Post, Japan Post Bank and Japan Post Insurance) were ranked first in the "Finance/Insurance" industry division of "Randstad Award: Employer Brand Research 2018."

■ [The four Japan Post Group companies were ranked first in the "Finance/Insurance" industry division of "Randstad Award: Employer Brand Research 2018."](#) (Japanese)



September 2017

JP Children's Tree Planting Campaign "Tohoku Regeneration Green Wave" was recognized as an initiative contributing to the Green Wave activities by the Japan Committee for the United Nations Decade on Biodiversity (UNDB-J).

■ [JP Children's Tree Planting Campaign "Tohoku Regeneration Green Wave" was granted a certificate for an initiative contributing to the Green Wave activities by the Japan Committee for the United Nations Decade on Biodiversity \(UNDB-J\).](#) (Japanese)



Related information

- [Japan Post Group Sustainability](#)
- [Japan Post Group CSR Basic Policy](#)
- [CSR Priority Issues \(Materiality\) of Japan Post Group](#)

Aiming to be a corporate group that meets customer expectations through working closely with local communities



In Japan Post Group Management Philosophy, it is explicitly stated that the Group's aim is to "bring the happiness to customers and employees", and the Group's mission is to "contribute to the development of society and the region". Moreover, the management philosophies of Japan Post Co., Ltd., Japan Post Bank Co., Ltd., and Japan Post Insurance Co., Ltd. are set in accordance with the spirit of the Group's Management Philosophy.

Under the guidance of Japan Post Group Management Philosophy, we aim to work in unison as a corporate group to meet expectations from our customers.

Commitments to Regain Customers' Trust

To widely announce the Group's determination to reestablish itself as a genuinely customer-oriented corporate group, Japan Post Group has formulated Commitments to Regain Customers' Trust with consultation by the JP Reform Execution Committee.

Commitments to Regain Customers' Trust

[Company we commit to becoming]

We commit to become a trusted company that gives individual customers utmost cares, satisfaction, and peace of mind.

[Actions we commit to taking]

- We will ensure that we are always customer-oriented in our business operations and will perform our work with the utmost care to deliver customer satisfaction.
- We will carefully listen to our customers and reflect their feedback to make improvements in our services.
- We will enhance our employees' expertise and provide our customers with accurate, clear explanations of our products and services.
- We will comply with laws and rules to provide our customers with reliable, high-quality services.
- We will offer products and services that can please customers and address their needs.

■ [Further details: Japan Post Group's Commitments to Regain Customers' Trust](#) 

Launch of the JP VOICE Project: Using Feedback for Change

We launched the JP VOICE Project, which is overseen directly by the President & CEO of Japan Post Holdings, to make Group-wide use of feedback and opinions from customers and employees regarding the Group.

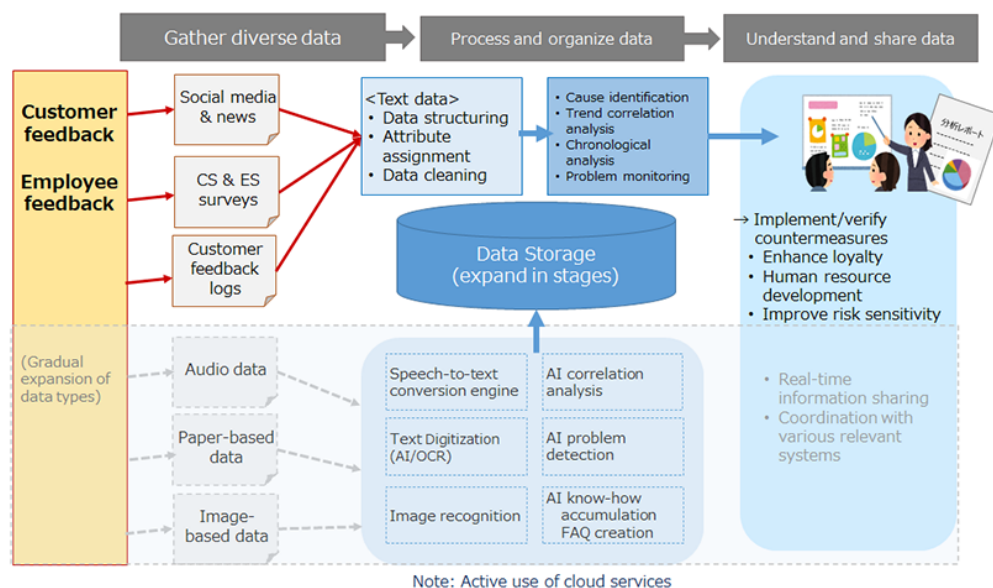
The project enables us to gather and centralize the feedback data that we analyze and share throughout the Group to improve our business management at all levels. Such data will encompass responses to individual Group companies' surveys on customer satisfaction (CS) and employee satisfaction (ES), which are supplemented by customer and employee feedback obtained from post office service counters and call centers, along with a variety of news coverage and social media posts.

Three Guiding Policies of the JP VOICE Project

1. Use feedback: Pay attention to feedback from customers and employees, and reflect it in our business management
2. Detect risk: Catch smallest changes in the feedback and implement swift, appropriate actions to fix any problems
3. Enhance preparedness: Develop a system infrastructure and build a platform for managing the feedback and other relevant data

JP VOICE Project Flow Chart

- Visualization, data processing, and analysis of the customer and employee feedback based on CS and ES survey responses
- Finding concrete measures to enhance the business management through improving the data coverage and analytical tools



The Telephone Consultation Desk for Japan Post Insurance, etc. manned by Consumer Affairs Consultants

On August 17, 2020, we established the Telephone Consultation Desk for Japan Post Insurance, etc. manned by Consumer Affairs Consultants to enable our customers to directly inquire professional consultations to receive fair and impartial advices about our insurance services.

Indeed, opening the Telephone Consultation Desk is one of our efforts to regain customers' trust from the grassroots level. With the help of the Desk, we expect that our customers would feel assured when they use the services by Japan Post Insurance.



Related Information

- [Japan Post Group Sustainability](#)
- [Japan Post Group CSR Basic Policy](#)
- [CSR Priority Issues \(Materiality\) of Japan Post Group](#)

Together with Local Communities

To work side by side and grow together with local communities.

Through making the best use of our nationwide network of post offices, we, Japan Post Group, will strive to become a beloved corporate group that provides social infrastructure and support people's daily lives at local communities.

Development of local communities

■ Number/percentage of agreements regarding cooperation with local communities (As of June 2020)

Prefectures^{*1} 33 / 70%

Municipalities^{*2} 1,694 / 97%

^{*1} Comprehensive partnership agreements concluded by Japan Post in the post-privatization period

^{*2} Agreements in which employees can report any unusual activities/damages at work ("community-watch activities", "providing information about road damage", "providing information about illegal dumping")



■ Number of regional revitalization funds that we participated

28 funds



Development of the next generation

■ Number of elementary and junior high schools visits/number of financial literacy classes held at elementary and junior high schools (FY2019)

67 schools / 91 classes



Promotion of healthy lifestyle

■ Number of venues for summer sessions, "Radio Exercise" special program, and "Minna no Taisho" ("Exercise for Everyone") program (FY2019)

42 prefectures / 51 venues



Together with the Earth

To conserve and pass down the abundant nature for the future. As a corporate group operating with a number of offices and vehicles worldwide, it is our responsibility to address the climate change and actively promote eco-friendly business activities.

Reduction of Greenhouse Gas Emissions

- The Group's FY2030 reduction target (Compared to FY2016)

▲169,000 t-CO₂ (▲16%)



- Reduction achieved as of the end of FY2019 (Compared to FY2016)

▲144,591.4 t-CO₂ (▲13.7%)



- Number of electric vehicles deployed (As of August 31, 2020)

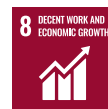
966



- Number of "HAKO POST" delivery lockers installed* (As of August 31, 2020)

720

*Including the number of PUDO stations (339 locations) installed after June 2019



Effective Use of Resources and Reduction of Waste

- Number of donations to environmental conservation groups (As of August 31, 2020)

47 Japan Post Insurance: 34 groups
Japan Post Bank: 13 groups



Together with People

To build a society where all people can continue to enjoy working.

We respect human rights of all personnel involved in the Group's business activities and commit ourselves to creating a diverse, inclusive working environment through enabling each employees to engage in their work and fully demonstrate their ability.

Workstyle Reform

■ Number of female employees at managerial positions (As of April 1, 2020)

2,971 / 8.8%

■ Number of female executive officers (As of July 1, 2020)

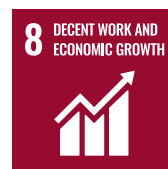
21 / 13.5%

■ Average number of paid holidays used (FY2019)

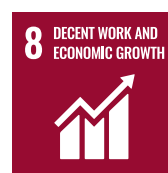
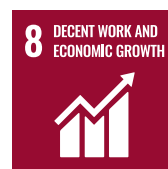
18.8

■ Number of employees who took childcare leave (FY2019)

4,309 Male 2,589
Female 1,720



×



The background features a light blue and white geometric design. A diagonal line divides the upper half of the page. The top-left triangle is light blue, and the top-right triangle is white with a pattern of small blue dots. On the far left, there is a vertical bar with three colored segments: green at the top, red in the middle, and blue at the bottom.

Corporate Governance

Japan Post Group Corporate Governance

Basic Views

Japan Post Holdings Co., Ltd. shall develop the corporate governance structure of the Japan Post Group based on the following concepts, with a view to ensuring sustainable growth of the Japan Post Group and creating corporate value over the medium to long term.

1. Japan Post Holdings shall continue to create new convenience for customers and pursue the provision of high-quality services, while generating consistent value by providing universal services of the Japan Post Group's three core businesses through the Japan Post Group's post office network.
2. Fully recognizing its fiduciary responsibility to its shareholders, Japan Post Holdings shall give consideration to appropriately secure rights and equal treatment of shareholders.
3. Japan Post Holdings shall place emphasis on dialogue with all stakeholders including customers and shareholders with an aim to ensure appropriate collaboration and sustainable coexistence. To this end, Japan Post Holdings shall strive to secure management transparency and commit to appropriate disclosure and provision of information.
4. Japan Post Holdings shall carry out swift and decisive decision-making and business execution under the effective supervision of the Board of Directors, in order to promptly cope with changes in the social and economic environment and meet the expectations of all stakeholders.

These basic views on corporate governance and our corporate governance framework are set forth in our "Japan Post Holdings' Basic Policy on Corporate Governance."

Note: For more information, please visit to the following website. <https://www.japanpost.jp/en/group/governance/>

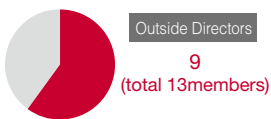
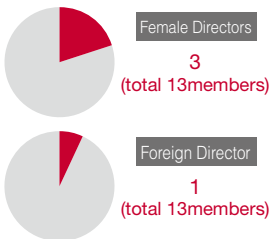
Japan Post Holdings will continue to enhance internal controls and strive to enhance corporate governance of the Japan Post Group from this perspective.

Group Operation and Management Structure Overview

Japan Post Holdings has concluded agreements on the Japan Post Group's operation and management (herein the "Japan Post Group Management Agreements") with and between Japan Post Co., Ltd., Japan Post Bank Co., Ltd., and Japan Post Insurance Co., Ltd. on the Japan Post Group's common philosophy, policies, and other basic matters concerning group management, thereby setting up a system to facilitate mutual collaboration and cooperation as well as exerting synergistic effects among the Japan Post Group companies. In addition, Japan Post is required to give prior approval or report on matters which must be done in order to conduct Group operations in a smooth and appropriate manner, as well as matters which require management based on laws and regulations. The two financial subsidiaries (Japan Post Bank and Japan Post Insurance) are required to give prior consultation or reports for the purpose of securing the independence of the two finance corporations, and the Group is promoting consolidated management as a Group and working to ensure appropriate governance. Moreover, in accordance with the Japan Post Group Management Agreements, the Group Steering Committee was established to discuss and share a common understanding of important matters concerning group management among the management of the Japan Post Group companies for the purpose of promoting effective and efficient operation of the Japan Post Group.

Characteristics of the Board of Directors

(As of July 1, 2020)

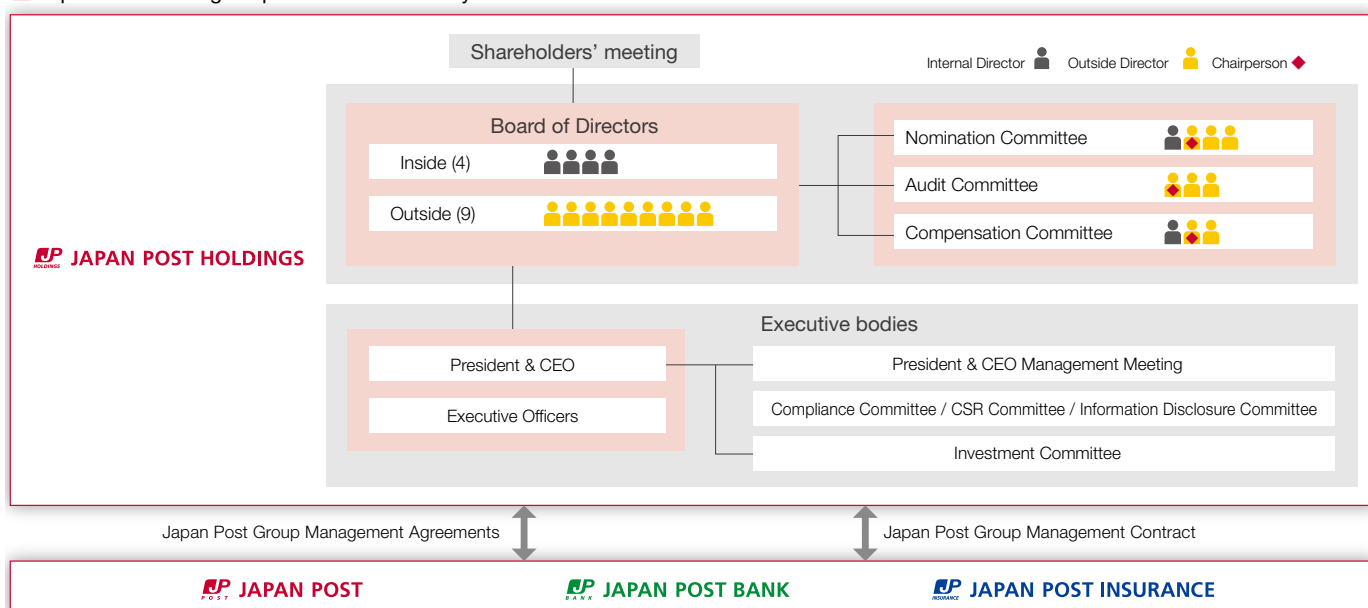
Characteristic (1)	Characteristic (2)	Characteristic (3)	Characteristic (4)
Company with nomination committee, etc.	The majority of the Board are outside directors	Putting diversity into practice	Implementation of Board of Directors' effectiveness evaluation
Since becoming a listed company in November 2015, Japan Post Holdings has maintained a system as a company with nomination committee, etc. The nomination, compensation, and audit committees have at least three members each, the majority of which are independent officers.	The Board of Directors consists of 13 directors (up to 20 as defined in the Articles of Incorporation), of which the majority nine directors are independent outside directors. 	The Board of Directors consists of diverse directors, who have a wealth of knowledge, experience, and insight. 	Every year, the Board of Directors confirms the opinions of each director regarding the Board of Directors' meetings, then analyzes and evaluates the effectiveness of the Board of Directors overall, and discloses an overview of the results, using them to improve operation of the Board of Directors.

Overview of Committees

Japan Post Holdings has adopted a “company with nomination committee, etc.” structure.

	Role and structure(As of July 1, 2020)	Operation Status (Fiscal year ended March 31, 2020)	Meetings in the fiscal year ended March 31, 2020 (average attendance rate)
Board of Directors	The Board of Directors, comprised of 13 Directors (including nine Outside Directors), determines matters such as the basic management policy required by relevant laws and regulations, as well as the matters relating to the important execution of duties, and supervises the execution of duties by Directors and Executive Officers.	In the fiscal year ended March 31, 2020, the Board of Directors discussed the Group governance system in light of issues related to the solicitation quality of Japan Post Insurance products and received reports concerning Group performance, important issues of the Group, risk management, and the state of compliance and internal audits.	17 times (99%)
Nomination Committee	The Nomination Committee, comprised of four Directors (including three Outside Directors), submits proposals to the General Meeting of Shareholders concerning the election and dismissal of Directors. In accordance with the provisions of the Act on Japan Post Holdings Co., Ltd., resolutions for the election and dismissal of Directors of the Japan Post Holdings shall not become effective without the approval of the Minister for Internal Affairs and Communications.	During the fiscal year ended March 31, 2020, we decided on candidates for the Board of Directors. We also deliberated on candidates to succeed the retiring president. In addition, we deliberated and decided on revision to the “Standards for Designating Independent Directors of Japan Post Holdings”	4 times (100%)
Compensation Committee	The Compensation Committee, comprised of three Directors (including two Outside Directors) establishes the policy for determining the amount of compensation for each Director and Executive Officer, and determines the amount for individual officers on the basis of this policy.	In the fiscal year ended March 31, 2020, the Compensation Committee decided on individual compensation for Directors and Executive Officers, and we deliberated on expanding the scope of disclosure regarding Directors' compensation. In addition, in light of issues related to the solicitation quality of Japan Post Insurance products, we deliberated and decided on items including the amount of reduction to the basic compensation for Directors and Executive Officers.	8 times (100%)
Audit Committee	The Audit Committee consists of three Directors (including three Outside Directors), who audit the execution of duties by Directors and Executive Officers, audit establishment and operation status of the internal control system, audit the validity of methods and results of auditing of financial statements by accounting auditors, and make audit reports. They also decide on the content of proposals submitted at the general shareholders' meetings regarding the election, dismissal and non-reappointment of accounting auditors.	In the fiscal year ended March 31, 2020, our audit plan designated four priority audit items: (1) The establishment and operation of the internal control system, (2) implementation of growth strategies and accurate investments, (3) appropriate business administration, and (4) workstyle reform, human resources cultivation, and diversity management. During the fiscal year ended March 31, 2020, the Audit Committee audited these items as main screening items to see whether appropriate undertakings are being made on these issues. A concern that came to light in the fiscal year ended March 31, 2020, were issues related to the solicitation quality of Japan Post Insurance products, for which we received administrative dispositions from the supervisory authorities. The Audit Committee sought explanations and obtained reports from the management of Japan Post Holdings, Japan Post Insurance, and Japan Post, and requested auditing by the Internal Audit Department. The Audit Committee then had the Audit Committee members of Japan Post Insurance and the Audit and Supervisory Board members of Japan Post exchange information. The Special Investigation Committee, consisting only of disinterested external experts, was jointly established by Japan Post Holdings, Japan Post, and Japan Post Insurance to thoroughly explicate this incident. The Audit Committee requested information and then reviewed a report on the investigation from the committee. It also audited the content of, and progress on, our business improvement plan. Furthermore, the Audit Committee made regular reports on these auditing activities to the Board of Directors, and worked to share information with directors outside the Audit Committee. They also stated their opinions to the Board of Directors and executive bodies as necessary. In light of these auditing activities, the Audit Committee has submitted an audit report for the fiscal year ended March 31, 2020, but will continue to monitor the state of progress on our business improvement plan pertaining to the solicitation quality as well as thoroughgoing customer-first business operations.	28 times (99%)

■ Japan Post Holding Corporate Governance System



Note: The number of members on the Board of Directors shall be an appropriate number of no more than 20, as stipulated in the Articles of Incorporation, and, in principle, the majority shall be composed of independent officers.

Japan Post Group Corporate Governance

Evaluation of Effectiveness of the Board of Directors

Method of Evaluation

On December 27, 2019, Japan Post Holdings, Japan Post, and Japan Post Insurance received administrative dispositions pertaining to issues related to the solicitation quality of Japan Post Insurance products from the Minister for Internal Affairs and Communications and the Financial Services Agency of Japan on the basis of legislation including the Insurance Business Act. The Minister for Internal Affairs and Communications ordered Japan Post Holdings to establish a governance system for the Japan Post Group, while the Financial Services Agency ordered us to establish a Group governance system for the implementation of effective integration and coordination functions as an insurance holding company. We took a different approach to the evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 31, 2020. Traditionally, we would be beginning with the Directors' self-evaluations. This year, however, we first considered the points raised by the supervisory authorities and the Special Investigation Committee regarding the issues related to the solicitation quality of Japan Post Insurance products, based upon which the Directors deliberated on approaches to Group governance, in the process of which we evaluated the effectiveness of the Board of Directors and considered improvement measures.

Overview of Evaluation Results

The incident in question threatens to damage our overall Group enterprise value. When this kind of scandal occurs, we need to respond as a united group in order to prevent a recurrence. That said, Japan Post Holdings has listed subsidiaries, and it stands to reason that normally it would be appropriate to run decentralized group administration that respects the autonomy and independence of the two listed companies (Japan Post Bank and Japan Post Insurance, while in abnormal times, such as the scandal in question, it would be appropriate to implement centralized group administration led by Japan Post Holdings.

The execution of this kind of Group administration is premised on the need for the Board of Directors of Japan Post Holdings to have timely access to crucial subsidiary information that could have a serious impact on business operations.

Therefore, to make the Board of Directors a more effective force for Group administration, we reclarified that the kind of information that could have a serious impact on overall Group operations will be reported by our subsidiaries in a timely manner and promptly reported to the Board of Directors, and we thoroughly instilled this policy into our subsidiaries (with our March 1, 2020, revision to our Fundamental Policy for Establishment of Internal Control System).

As we carry out the disposition of stock in our two listed companies, we see the need to continue to discuss approaches to Group governance going forward. Therefore, we will continue to incorporate external experts' views into in-depth discussions among the Board of Directors, and further enhance the effectiveness of our holding company's Board of Directors.

Independence Criteria of Outside Directors

All nine Outside Directors have been designated as independent executives having been deemed as meeting the "Standards for Designating Independent Directors of Japan Post Holdings Co. Ltd." defined by Japan Post Holdings and being Outside Directors who have no risk of conflicts of interest with general shareholders, as defined by the Tokyo Stock Exchange.

Standards for Designating Independent Directors of Japan Post Holdings Co., Ltd.

Japan Post Holdings Co., Ltd. shall designate independent officers as defined by the Tokyo Stock Exchange from among Outside Directors who do not fall under any of the following categories.

1. Anyone who has been an executive of the Japan Post Group in the past
2. Anyone for whom the Japan Post Group is a major business partner, or an executive thereof
3. Anyone who is a major business partner of the Japan Post Group, or an executive thereof
4. Member, partner, or employee of the independent auditor of the Japan Post Group
5. Consultants, accounting experts, or legal experts who receive or have received large payments of money or property from the Japan Post Group, other than executive compensation (if the party who obtains the property is a corporation, a union, or other such organization, this includes anyone who belongs to that organization now or who has belonged to that organization in the past)
6. Major shareholders of Japan Post Holdings (if that party is a legal entity

(excluding the Japanese Government), then anyone who is an executive of that legal entity)

7. Executive (or other) of companies in which Japan Post Holdings is a major shareholder
8. Major creditor of the Japan Post Group or an Executive (or other) thereof
9. The spouse or relatives within second degree of kinship of the following parties (excluding unimportant ones.)
 - (1) Anyone listed in parts 1 to 8 above
 - (2) Executives of subsidiaries of Japan Post Holdings
10. Executives of other companies in which an executive of the Japan Post Group is appointed as an outside director
11. Anyone who has received a large amount of donations from the Group (if the party who receives the donation is a corporation, a union, or other such organization, this includes anyone who is an executive of that organization)

Note: Please visit the following website for details.
https://www.japanpost.jp/group/governance/pdf/02_08.pdf (in Japanese only)

Training of Directors & Support System for Outside Directors

Training of Directors

Japan Post Holdings provides opportunities for Directors to deepen their understanding and acquire necessary knowledge about such things as the Japan Post Group's businesses, issues to be addressed, and management strategies by implementing measures such as tours of the Japan Post Group's facilities, so that Directors may properly fulfill the roles and responsibilities expected of them.

Support System for Outside Directors

Japan Post Holdings has developed an operation system for Outside Directors with consideration for the coordination of a flexible annual schedule, accurate provision of information as necessary, adequate advance explanation of proposal contents, and securing of time for preliminary consideration and question-asking by the Board of Directors to ensure smooth and effective operation of the Board and improve the effectiveness of supervision by Outside Directors. In addition, Japan Post Holdings has established the Office of the Board of Directors to streamline the deliberation and reporting processes of the Board of Directors and check on the progress of resolutions made by the Board, as well as to support management and ensure communication and coordination with Outside Directors to conduct Board of Directors' meetings effectively and efficiently.

Policy on Appointment of Directors

Scale and Composition of Candidates for Directors

The Nomination Committee nominates diverse director candidates with different types of expertise and experience while taking into consideration the balance of the Board of Directors as a whole. The number of director candidates shall be an appropriate number of no more than 20, as defined in the Articles of Incorporation, and as a rule the majority shall be composed of independent outside director candidates.

Internal Directors

The Nomination Committee nominates people who meet the following conditions as Internal Director candidates of Japan Post Holdings Co., Ltd.

- (1) Has expertise in the business of Japan Post Holdings
- (2) Has superior ability in management judgment and management execution
- (3) Has superior ability in leadership, determination, foresight, and planning
- (4) Has an appropriate personality and insight as a Director
- (5) Has no health problems when performing duties as an Internal Director

Outside Directors

The Nomination Committee nominates people who meet the following conditions as Outside Director candidates of Japan Post Holdings.

- (1) Has knowledge of a specialized field, such as management, accounting, finance, law, administration, society and culture, etc., and has achieved appropriate results in these specialized fields
- (2) Has an appropriate personality and insight as a Director
- (3) Has no health or operational problems when performing duties as an Outside Director

Japan Post Group Risk Management

Japan Post Holdings Co., Ltd., as the holding company of the Japan Post Group, recognizes that properly managing risk within the Group is one of management's highest priorities and has formulated a basic policy concerning Group risk management. Based on the shared understanding of this policy among the Group companies, Japan Post Holdings establishes a risk management system for the entire Group. In addition, considering issues related to the solicitation quality of Japan Post Insurance products, we are also enhancing cooperation among the Group companies through countermeasures such as establishing a Group Operational Risk Management Committee.

Japan Post Holdings is committed to preventing the transfer of risk from one Group company to another. Japan Post Holdings is also committed to assuring that the Group's financial companies such as Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. continue to strengthen their risk management systems as independent financial institutions and implement autonomous risk management.

Note: For details on the "Report on Issues Related to the Solicitation Quality of Japan Post Insurance Products," please see pages 10 to 21.

Group Risk Management Framework

As a basic policy concerning Group risk management, the Japan Post Group has laid down basic principles of risk management and fundamental matters that should be observed by Group companies in implementing risk management, including categories of risks that should be managed by each company. The Japan Post Group performs Group risk management based on this policy.

Directors and Executive Officers of Group companies recognize the importance of risk management and are responsible for notifying employees of risk management policy as well as working to develop and properly operate risk management systems.

In addition, Japan Post Holdings has a Risk Management Department for the purpose of monitoring risk for the entire Japan Post Group. The Risk Management Department receives reports from and has discussions with Group companies on matters related to their risk management, thereby setting up a system to properly identify and monitor risk for the Group as a whole.

In light of issues related to the solicitation quality of Japan Post Insurance products, we are also enhancing coordination between Group companies through measures such as establishing a Group Operational Risk Management Liaison Committee.

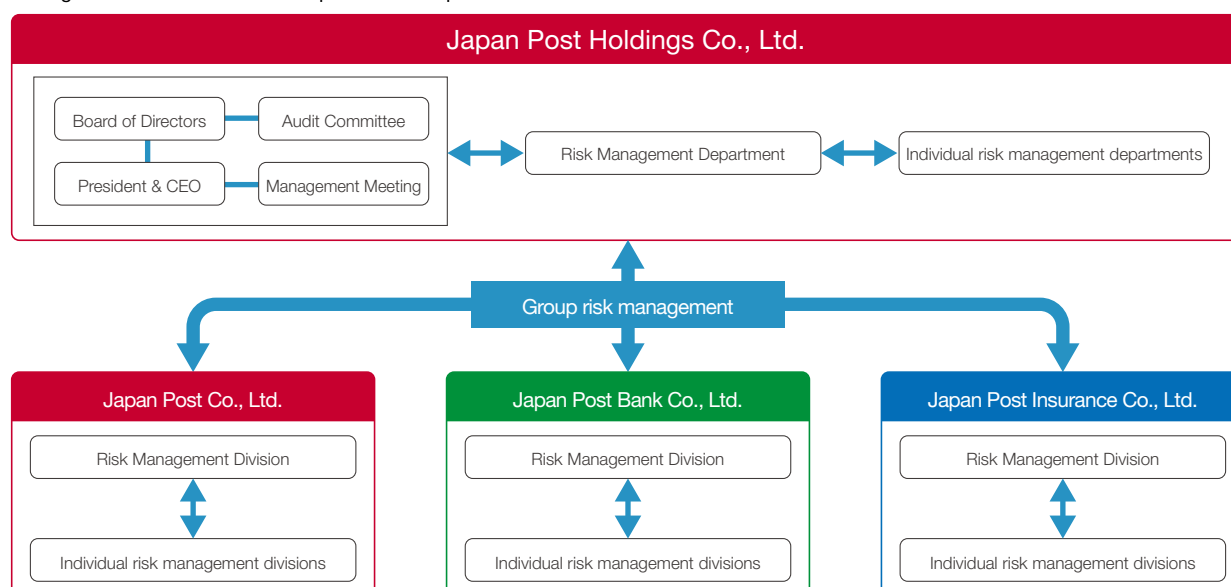
The Executive Officer in charge of risk management periodically submits Group company risk management reports to the Board of Directors and the Management Meeting. The Management Meeting also discusses the Group's risk management policies and risk management systems. In addition, the Board of Directors appropriately supervises Executive Officers who execute business.

The Japan Post Group pays particular attention to preventing any conflicts of interest when determining the authority and responsibility of organizations, executives, and employees who engage in risk management and has a system in place that ensures appropriate checks and balances among these parties.

Japan Post Bank and Japan Post Insurance are exposed to market risk, credit risk, and other types of risk that are unique to the provision of financial services. Each Group company identifies risks to be quantified and then uses VaR (value at risk, a measure of the maximum expected loss that could occur due to events with a certain probability) and other methods to objectively and appropriately measure these risks in a uniform manner.

Japan Post Holdings manages risk by confirming that the amount of risk measured at each of these two companies is suitable in relation to each Group company's equity capital.

■ Risk Management Framework for the Japan Post Group



Japan Post Holdings also checks the implementation status of stress tests conducted by Group companies to ascertain risks that cannot be determined through normal risk measurement, and reports this to the Board of Directors and the Management Meeting. In addition, Japan Post Holdings and the Japan Post Group follow internal and external financial regulations that include the Basel Capital Accord to carry out management corresponding to the capital adequacy ratio and solvency margin ratio, as well as respond or make disclosures as necessary, such as by submitting reports in response to demands from regulatory authorities.

Operational risk is managed for the business activities of Japan Post, Japan Post Bank, and Japan Post Insurance. Operational risk management is monitored on a regular basis to properly supervise this risk. In addition, actions are taken to enable Group companies to work more closely together to prevent the recurrence of problems and strengthen risk management.

Japan Post Group Risk Management System

Managing risk at Japan Post Group companies is recognized as one of management's highest priorities. After specifying risks associated with each business activity, each Group company has established a management system in accordance with the characteristics of each risk based on the basic policy for Group risk management and manages those risks autonomously. A department responsible for managing risk has been set up in each Group company and a system for checks and balances has been created together with the individual risk management departments.

■ Risk Categories and Definitions

Risk category	Definition
Insurance underwriting risk	The risk of losses arising due to change in economic conditions or insurance accident occurrence ratios as opposed to the projections made at the time when insurance premiums were set.
Credit risk	The risk of losses arising from the decline or elimination of the value of assets (including off-balance-sheet assets) due to deterioration in the financial condition of an entity to which credit is provided.
Market risk	The risk of loss resulting from changes in the value of assets and liabilities (including off-balance-sheet assets and liabilities) due to fluctuations in risk factors such as interest rates, foreign exchange rates, and stock prices and the risk of losses resulting from changes in earnings generated from assets and liabilities. There are three material market risks as follows:
1) Interest rate risk	The risk of losses resulting from changes in interest rates. As a result of a mismatch of interest rates on its assets and liabilities and/or timing differences in the maturity thereof, the company may suffer a loss or a decline in profit due to changes in interest rates.
2) Price volatility risk	The risk of declines in the value of assets due to changes in the prices of securities and other financial instruments.
3) Foreign exchange risk	The risk of losses resulting from the difference between assumed and actual foreign exchange rates in the case where the company has a long position or short position on a net basis with regard to its assets and liabilities denominated in foreign currencies.
Asset investment risk	The risk of losses arising from fluctuations in the values of assets or liabilities held (including off-balance-sheet items). Asset investment risk consists of the following credit, market, and real estate investment risks.
1) Credit risk	Same as credit risk above
2) Market risk	Same as market risk above
3) Real estate investment risk	The risk of losses due to decline in profitability of real estate caused by the changes of rental rates, or due to decrease in the value of real estate itself caused by factors such as changes in market conditions.

Risk category	Definition
Liquidity risk	1) Funding-liquidity risk: The risk of losses because a company finds it difficult to secure the necessary funds or is forced to obtain funds at far higher interest rates or the company must unavoidably trade at remarkably lower prices than usual under normal conditions because of a worsening financial condition. 2) Market-liquidity risk: The risk of losses arising due to an inability to conduct market transactions or the need to conduct transactions at far more unfavorable prices because of market turmoil.
Operational risk	The risk of losses resulting from inadequate operation processes, inadequate activities by officers and employees, and inadequate systems or from external events. There are three categories of operational risk that apply to the entire Group: (1) administrative risk, (2) IT system risk, and (3) information assets risk.
1) Administrative risk	The risk of losses resulting from the neglect by officers and employees to conduct administrative work properly, accidents caused by them, and violation of laws conducted by them in the course of the administrative work process.
2) IT system risk	The risk of losses because of a breakdown or malfunctioning of computer systems or other computer system inadequacies, or because of improper use of computer systems.
3) Information assets risk	The risk of losses arising from the loss, falsification, inappropriate use, or external leakage of information due to IT system damage or inappropriate processing.

Japan Post Group Compliance Framework

The Japan Post Group recognizes compliance as one of its highest management priorities and conducts rigorous compliance activities. Notably, in light of issues related to the solicitation quality of Japan Post Insurance products, we established a Group Compliance Committee and took other steps to enhance our Group compliance functions. At the same time, as one of our highest management priorities, we are further promoting and managing initiatives for preventing the recurrence of misconduct such as the inappropriate receipt of fees and the abandonment and concealment of mail and for the implementation of measures against money laundering and financing of terrorism, etc. All Group companies work to build an effective compliance framework giving due consideration to the public characteristics of the business.

Note: For details on the "Report on Issues Related to Solicitation Quality of Japan Post Insurance Products," please see pages 10 to 21.

Japan Post Group Compliance Framework

The Japan Post Group employs a common compliance framework. Each Group company establishes a Compliance Department to conduct integrated management of compliance-related matters.

In addition, each Group company has a Compliance Committee that provides advice to its Management Meeting to review the compliance policy, framework, specific activities, and associated issues. The director in charge of compliance then reports important matters discussed by the Compliance Committee to the Management Meeting and the Board of Directors.

A Compliance Department has been set up and placed under the control of a director in charge of compliance to propose measures to promote compliance and manage the progress of each measure.

One of our Groupwide undertakings is to work to maintain and improve the compliance functions of our overall Group by establishing a Group Compliance Committee, and sharing information on conducting coordination through regular meetings of the Committee.

■ Japan Post Group Compliance Framework

