

Section 4

Postal Service

1. Finance of Postal Service

Due to the sluggish growth of postal service revenues, the finance of postal service marked a deficit of 62.5 billion yen in fiscal 1998, 55.3 billion yen in fiscal 1999, and 10.0 billion yen in fiscal 2000, running into the red for three consecutive years despite the cost-cutting efforts through implementation of various efficiency measures. However, as the effects of the efficiency measures gradually turned out, the amount of deficit decreased every year, and a surplus was recorded in fiscal 2001 for the first time in four years since fiscal 1997. In fiscal 2002, a supplementary budget was compiled to leave a deficit of 37.9 billion yen due to the drop in postal service revenue.

2. Mail Volume

The total mail volume (total of the number of domestic postal items and the number of international postal items processed) in fiscal 2002 was 26.2 billion items (a 2.0% decrease from the previous year), running below the number in the previous year for the first time in eight years since fiscal 1994.

Comparing the total mail volume in various countries in fiscal 2001, Japan ranked third in the world after the United States and China. However, in terms of the annual mail volume per capita in fiscal 2001, Japan ranked 18th in the world, accounting for about 28% of the volume in top-ranking Switzerland.

3. Post Office Network

Post offices of Japan Post are located at all municipal areas and continue to provide impartial, universal services nationwide. At the end of fiscal 2002, the number of facilities engaged in postal services was 24,752 post offices (a 0.1% decrease from the previous year), 150,617 postage stamps sales agencies/revenue stamp sales agencies (a 0.7% decrease from the previous year), and 71,194 parcel acceptance contractors (a 9.8% decrease from the previous year).