

Section 12 Trends in postal service and correspondence delivery business

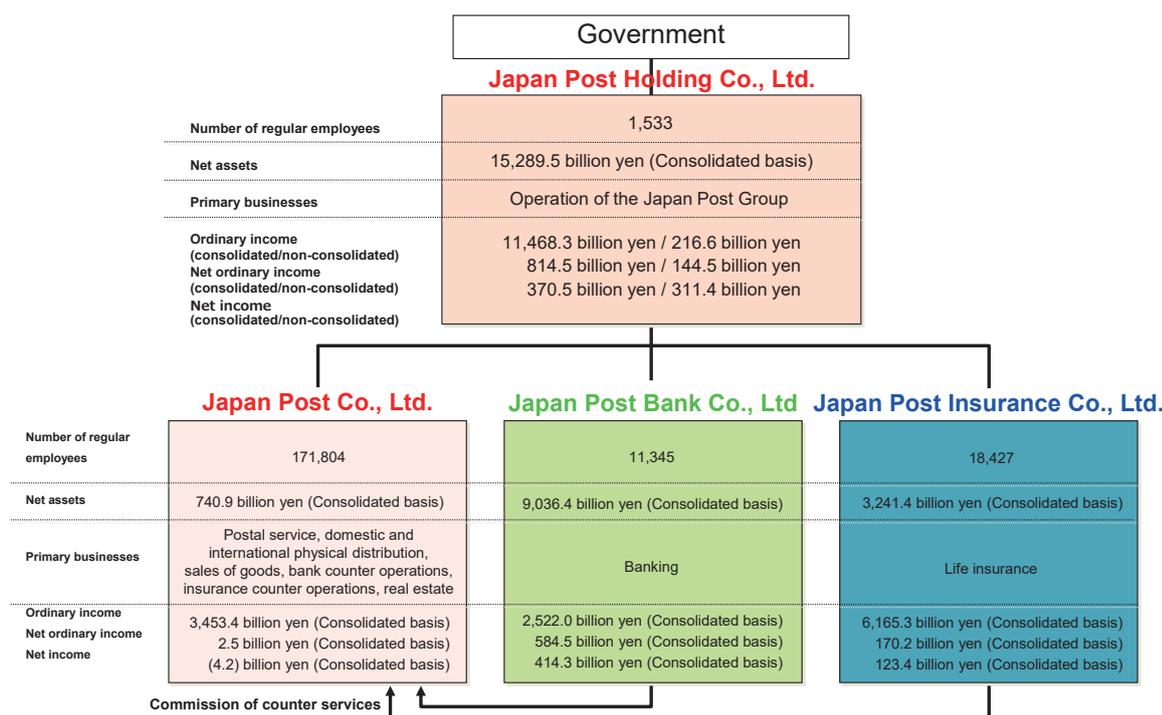
1. Postal service

(1) Japan Post Group

Since October 1, 2012, the Japan Post Group has been operating under a four-company structure with Japan Post Holding as the holding company. (Figure 2-1-12-1). Japan Post Holdings holds 100% of the issued shares

of Japan Post as well as 50.04% of the voting rights of Japan Post Bank and 49.8% of the voting rights of Japan Post Insurance (as of the end of March 2025).

Figure 2-1-12-1 Japan Post Group organization chart



*1 The "net income" of each company is the net income attributable to parent company shareholders.

(Source) Prepared based on financial results for the period ending March 2025 and Japan Post Group Integrated Report 2024 (disclosure report)

Japan Post Group's consolidated financial results for FY2024 show ordinary income of approximately 11 tril-

lion yen and net income of 370.5 billion yen (Figure 2-1-12-2).

Figure 2-1-12-2 Japan Post Group management status

(100 million yen)

Fiscal year	2019	2020	2021	2022	2023	2024
Ordinary income	119,501	117,204	112,647	111,385	119,821	114,683
Net ordinary income	8,644	9,141	9,914	6,576	6,683	8,145
Net income	4,837	4,182	5,016	4,310	2,686	3,705

(Source) Prepared based on Japan Post Holdings "Financial Highlights"

(2) Japan Post Co., Ltd.

A Financial status

For FY2024, Japan Post (consolidated) reported 3,442.3 billion yen in operating income, 3.5 billion yen in net operating income, 2.5 billion yen net ordinary income, and 4.2 billion yen in net loss, indicating an increase in revenue and a decrease in profit.

By business segment, the postal and domestic logis-

tics business recorded 2,080.8 billion yen in operating income, 2,119.2 billion yen in operating expenses, and 38.3 billion yen in net operating loss, an improvement of 30.4 billion yen compared with the previous fiscal year. The post office business recorded 1,008.7 billion yen in operating income, 985.5 billion yen in operating expens-

es, and 23.1 billion yen in net operating income, a decrease of 25.3 billion yen¹ compared to the previous fis-

cal year (Figure 2-1-12-3).

Figure 2-1-12-3 Changes in net operating income (loss) of Japan Post (consolidated)

(100 million yen)

Fiscal year	2019	2020	2021	2022	2023	2024
Postal and Domestic Logistics Business	1,475	1,237	1,022	328	△688	△383
Post Office Business	445	377	245	493	729	231
Real Estate Business	-	-	-	-	-	139
International Logistics Business	△86	35	287	107	95	133
Japan Post (consolidated)	1,790	1,550	1,482	837	63	35

* Starting from the fiscal year ending March 2025, the business segment classification was changed, and the results of the new "real estate business segment" are disclosed.

(Source) Prepared based on Japan Post Holdings "Financial Highlights"

In addition, the postal business of Japan Post recorded net operating loss of 89.6 billion yen for FY2023.



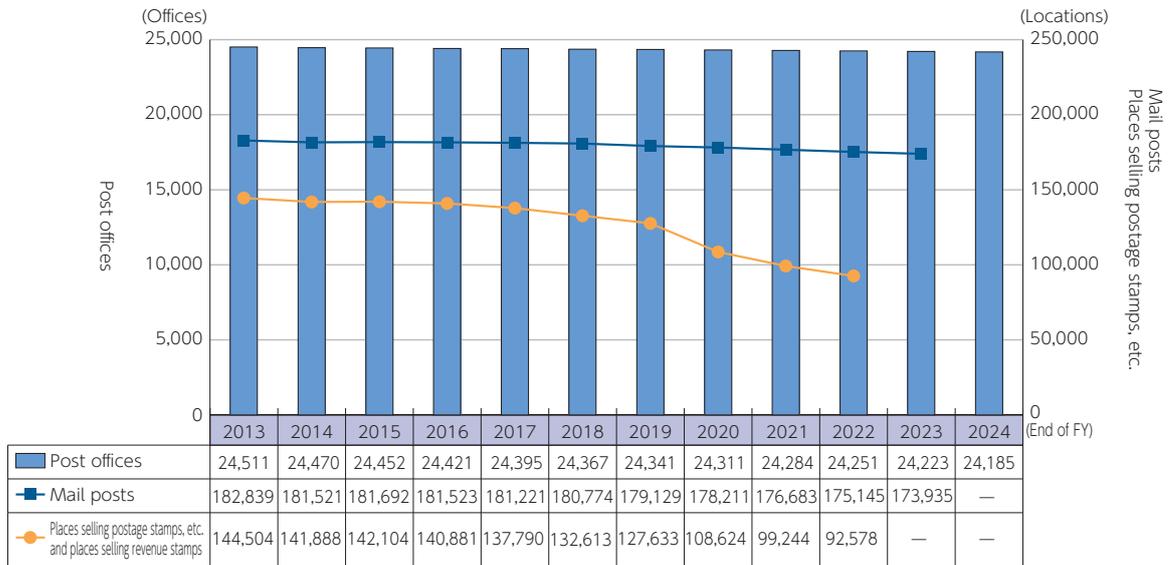
Figure (related data) Income and expenditure of the postal business

Source: Prepared based on Japan Post "Status of Income and Expenditure of the Postal Business"
 URL: <https://www.soumu.go.jp/johotsusintokei/whitepaper/ja/r07/html/datashu.html#f00369>
 (Data collection)

B Number of postal facilities

As of the end of FY2024, the number of postal offices stood at 24,185, remaining stable (Figure 2-1-12-4).

Figure 2-1-12-4 Changes in the number of facilities related to postal services



(Source) Prepared based on Japan Post Group Integrated Report 2024 (disclosure report) and "Information on the number of postal offices (open data)" on the website of Japan Post

This includes 20,133 directly managed post offices (including branch offices and temporarily closed post offices) and 4,052 simplified post offices (including temporarily closed simplified post offices).



Figure (related data) Breakdown of the number of post offices (as of the end of FY2024)

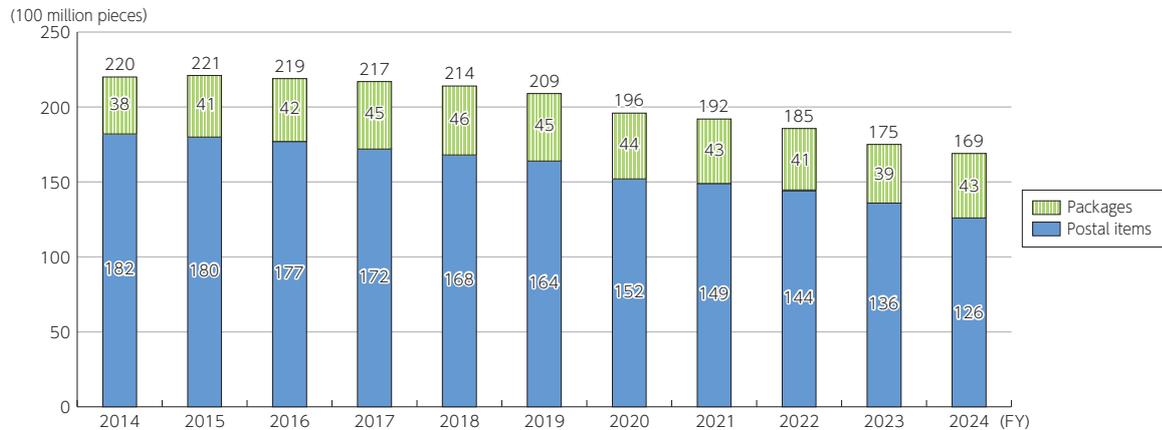
Source: Prepared based on "Information on the number of postal offices (open data)" on the website of Japan Post
 URL: <https://www.soumu.go.jp/johotsusintokei/whitepaper/ja/r07/html/datashu.html#f00371>
 (Data collection)

¹ The difference from operating profit of the post office business in FY2023 after the reclassification to align with the change in the business segment classification from FY2024

C Volume of accepted postal items

The total volume of accepted postal items for FY2024 was 16.9 billion pieces (Figure 2-1-12-5).

Figure 2-1-12-5 Changes in the total number of postal items accepted



* Following the privatization of postal services, Yu-Pack and Yu-Mail are now provided as packages as defined by the Motor Truck Transportation Business Act, etc., and not as parcels as defined by the Postal Act.

(Source) Prepared based on Japan Post "Number of Accepted Postal Items" for each FY

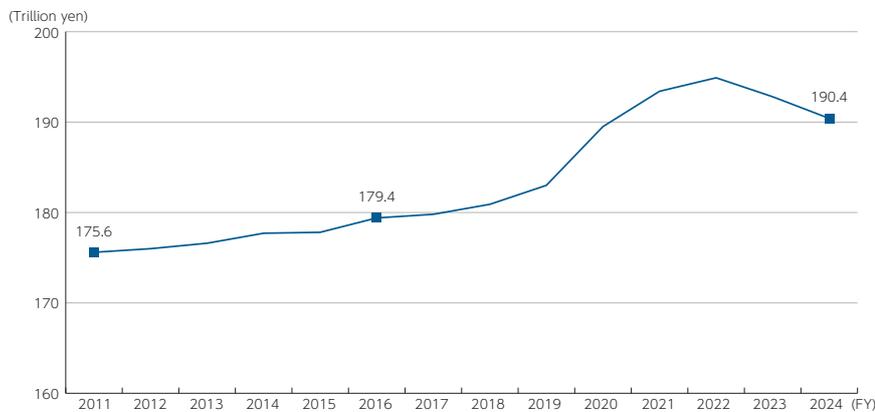
(3) Japan Post Bank Co., Ltd.

Japan Post Bank operates through its directly managed branches (233 branches) and delegates banking agency operations to post offices (approximately 20,000 offices).

The balance of deposits at Japan Post Bank, including

postal savings from the government-owned era, was 190.4 trillion yen at the end of FY2024, a decrease of 69.6 trillion yen (26.8%) from the peak of 260.0 trillion yen at the end of FY1999 (Figure 2-1-12-6).

Figure 2-1-12-6 Changes in the balance of deposits of Japan Post Bank



* The figure is the sum of savings before and after postal service privatization.

(Source) Prepared based on Japan Post Bank Annual Securities Report

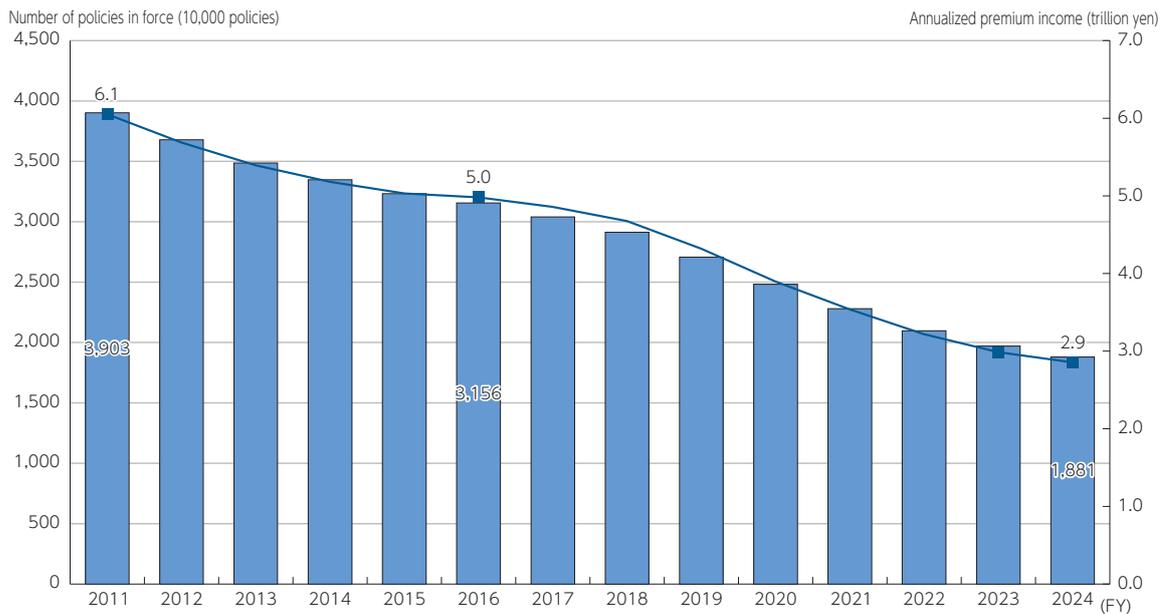
(4) Japan Post Insurance Co., Ltd.

Japan Post Insurance operates through its branches (82 branches) and delegates insurance solicitation operations to post offices (approximately 20,000 offices).

The number of policies in force, including postal life insurance from the government-owned era, was 18.81 million at the end of FY2024, a decrease of 65.51 million

(77.7%) from the peak of 84.32 million at the end of FY1996. The annualized premium income was 2.9 trillion yen at the end of FY2024, a decrease of 4.8 trillion yen (62.3%) compared with the end of FY2008 (7.7 trillion yen) (Figure 2-1-12-7).

Figure 2-1-12-7 Changes in the number of policies in force and annualized premium income of Japan Post Insurance



(Source) Prepared based on Japan Post Insurance Securities Report

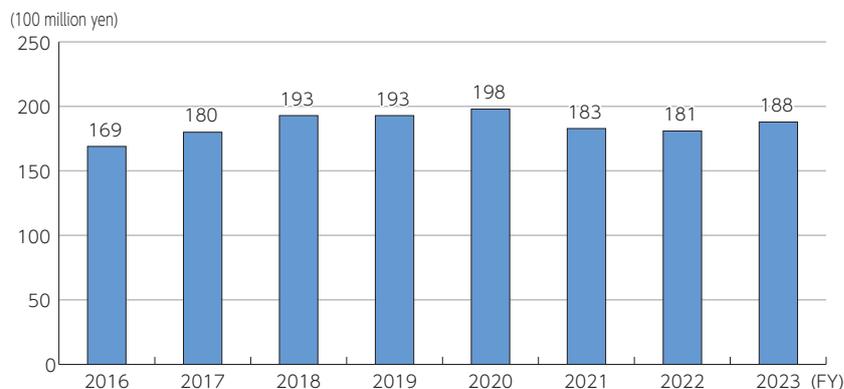
2. Correspondence delivery service

(1) Sales of correspondence delivery business

The sales of the specified correspondence delivery business for FY2023 were 18.8 billion yen, an increase of

3.9% from the previous fiscal year (Figure 2-1-12-8).

Figure 2-1-12-8 Changes in the sales of correspondence delivery service operators



(2) Number of correspondence delivery service providers

Since the enforcement of the Act on Correspondence Delivery by Private Business Operators (Act No. 99 of 2002) in April 2003, there have been no new entrants into the general correspondence delivery business², but as of the end of FY2024, 623 providers have entered the

specified correspondence delivery business³. In addition, by type of services provided, the number of entrants into the class 1 and class 3 services has been increasing.



Figure (related data) Changes in the number of specified correspondence delivery service operators

URL: <https://www.soumu.go.jp/johotsusintokei/whitepaper/ja/r07/html/datashu.html#f00376>

(Data collection)

² "Nationwide full-scale entry" business that can deliver all types of correspondences on condition of providing general correspondence delivery service across the country.

³ "Specific service type" business with ingenuity. The organization must perform one of three types of specified correspondence delivery service (Class 1 to 3).



Figure (related data) Changes in the number of business operators by type of service provided

URL: <https://www.soumu.go.jp/johotsusintokei/whitepaper/ja/r07/html/datashu.html#f00377>

(Data collection)

(3) Correspondence delivery handling performance

The number of accepted correspondence delivery items for FY2023 was 21.16 million pieces, an increase of 5.8% from the previous fiscal year.



Figure (related data) Changes in the number of correspondences accepted

URL: <https://www.soumu.go.jp/johotsusintokei/whitepaper/ja/r07/html/datashu.html#f00378>

(Data collection)