

## Section 9 Promotion of postal administration

### 1. Summary

#### (1) Initiatives so far

The postal network, which had been developed nationwide in Japan since the establishment of postal services in 1871, had over 24,000 offices before the privatization of the services on October 1, 2007. Even after the privatization, postal offices are intended to remain estab-

lished for widespread use throughout the country.

The MIC is working to ensure the provision of universal services by postal offices and to utilize them as bases for public services in local communities.

#### (2) Future challenges and directions

In Japan, the social environment has undergone significant changes, including an aging population, concentration of population in urban areas, frequent natural disasters, and the overall digitalization of society including the online processing of administrative procedures. Particularly in rural areas, the importance of postal offices as public infrastructure remaining in the community has been increasing due to the withdrawal of public enterprises fulfilling essential roles in daily life and the closure of local government branch offices providing administrative services.

postal offices and the services they provide to contribute to the improvement of convenience for citizens and users, as well as to the local community.

The MIC needs to ensure the sound management of the Japan Post Group and fair and free competition on a continual basis, while also ensuring the stable provision of universal services by post offices. Additionally, it is necessary for the ministry to advance initiatives to improve convenience for citizens and users and to contribute to local communities by enhancing the effective utilization of the network of approximately 24,000 post offices and the deployment of diverse and flexible services adapted to a new era, as well as operational efficiency improvements, while also responding to the progress of digitalization.

Therefore, it is important for the Japan Post Group to ensure its performance as a private enterprise while maintaining the postal office network and universal services in the medium to long term. It is also crucial for

### 2. Promotion of postal administration

#### (1) Ensuring universal service in postal business

##### A Review of postal rates and its system in response to changes in the business environment surrounding postal services

In FY 2022, a decrease in postal volume due to the widespread use of the Internet and social media, coupled with the impact of soaring fuel and other price increases, resulted in net operating loss in Japan Post's postal services, marking the first deficit since the privatization of the services, and the subsequent outlook remained quite severe. In light of this situation, on June 13, 2024, the MIC amended the Ordinance for Enforcement of the Postal Act (Ministry of Internal Affairs and Communications Ordinance No. 5 of 2003), which provides for the upper limit for the rates of standard postal items weighing 25g or less. Accordingly, on the same day, the Japan Post filed a notification of postal rate revisions with the MIC, and the rates were revised on October 1 of the same year.

the aforementioned amendment of the ordinance was discussed, the MIC was requested to consider reviewing the postal rate system in consideration of the necessity to ensure the stable provision of postal services. In response, in June 2024, the MIC consulted the Information and Communications Council on the postal rate system in light of the environmental changes made to postal services, and discussions began by the Postal Policy Committee established under the Postal Policy Division of the same council. Specifically, the committee has deliberated on issues including (1) a desirable postal rate system amid changes in the environment surrounding postal services and (2) a transparent and appropriate method to set the rates of postal items. The committee will submit a report to the MIC by the summer of 2025.

At the ministerial meeting on price issues, at which

##### B Grant and contribution system to support the maintenance of the postal office network

In June 2018, a grant and contribution system was established to support the maintenance of the postal office network and ensure the stable provision of universal postal services. The system began operation in April 2019. The Organization for Postal Savings, Postal Life Insurance and Post Office Network is responsible for

the disbursement of grants and the collection of contributions. For FY2025, the amount of grants to Japan Post is approximately 320.7 billion yen, with contributions amounting to approximately 263.1 billion yen from Japan Post Bank and approximately 57.7 billion yen from Japan Post Insurance.

## (2) Promoting the use of post offices as “Community Hubs” in society with decreasing population

### A Contribution of post offices to local communities in the digital society

In Japan, the declining birth rate, aging and decreasing population, coupled with the spread of the COVID-19, have further exacerbated the exhaustion of local communities. As a result, there is increasing anticipation for the contribution of post offices, which are present throughout the country, to local communities. In this context, it is important to determine the role that post offices should play in local communities by leveraging the benefits of digitalization and utilizing their usefulness as local hubs. In October 2022, the MIC consulted the Information and Communications Council on the contribution of post offices to local communities in the digital society, and discussions began in the Postal Policy Division of the same council. The Division deliberated on various points, including (1) collaboration between local governments and other local public infrastructure and post offices, (2) contribution of post offices to local communities through DX and data utilization, and (3) the role of post boxes (mailboxes) in the contribution of post offices to local communities. Subsequently, in June 2024, the Division made a preliminary report on the contribution of post offices to local communities. The

preliminary report proposed strategies for furthering the contribution of post offices to local communities, such as the “realization of post offices as Community Hubs in local regions” and the “utilization of data held by post offices”. The report says it is desirable to provide and promote “Community Hubs” at post offices, where some of the public services conventionally provided by local governments, organizations, and companies will be offered, particularly in regions where the maintenance of an independent local economy is becoming difficult with the provision of public services to local residents due to a decrease in the number of local governments’ and financial institutions’ branches. Also, in the report, the Division expected that post offices could serve as a foundation to promote the revitalization of the regional economy and society by promoting collaboration with private enterprises and organizations as well as utilizing various functions and digital technologies concentrated at the post offices. Additionally, the report outlined the role of post offices in providing “Community Hubs” and the approach to cost sharing by stakeholders, and called for the MIC and the Japan Post Group to conduct studies for the provision of “Community Hubs.”

### B Promoting utilization as an administrative service counter

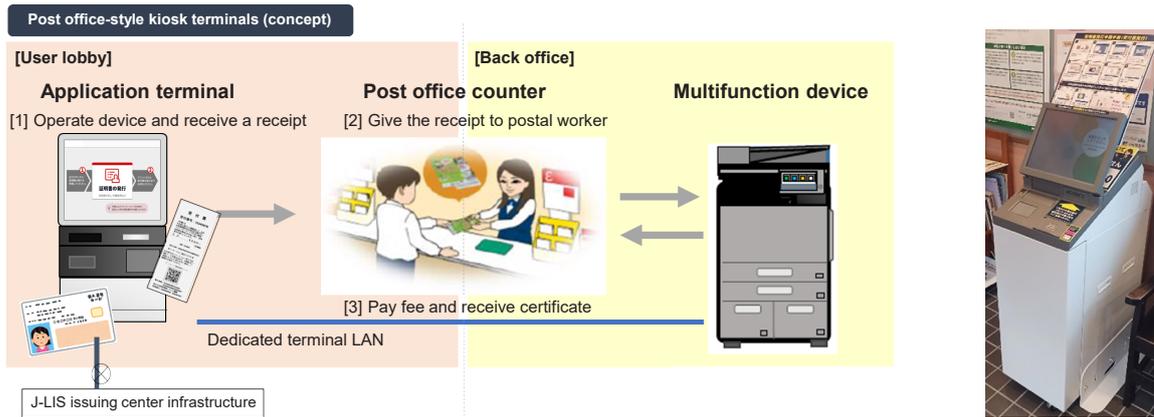
Post offices handle various local government office tasks, such as issuing copies of resident registers and other public certificates. As mentioned earlier, the importance of post offices as public infrastructure remaining in local regions has been increasing as more local government branch offices providing administrative services have been closed down. In June 2023, the Act on Handling of Certain Services of Local Governments at Postal Offices (Act No. 120 of 2001) was amended, expanding the specific services that post offices can undertake from local public entities to include new tasks such as accepting applications for the issuance of My Number Cards.

Funded by the FY2021 supplementary budget, the MIC conducted a demonstration of the development of “Post Office-type My Number Card Usage Terminals” (post office kiosk terminals) that can be introduced at low cost to digitalize the procedures to issue certificates such as copies of resident registers, enabling post offices to complete the issuance on their own, not going through local municipalities (Figure 2-2-9-1). Through

the “Subsidy for the Installation of Certificate Issuance Service Terminals” to which fund was allocated in the FY2022 second supplementary budget, support was provided for the introduction of certificate issuance service terminals, including the post office kiosk terminals, mainly in municipalities without convenience stores, resulting in their introduction in 20 local governments and 36 post offices (post office kiosk terminals were introduced in 15 local governments and 28 post offices.).

Also, to enhance resident services using My Number Cards, local governments have been receiving special grant tax measures (at a rate of 0.7) since FY2023 to cover the expenses for introducing certificate issuance services at post offices and other locations. Moreover, in order to ensure the sustainability of administrative services, special grant tax measures (at a rate of 0.5) will be provided to cover initial costs incurred when local governments contract post offices to provide counter services in depopulated areas, including administrative and daily life support services, in and after FY2025.

Figure 2-2-9-1 Post office kiosk terminals



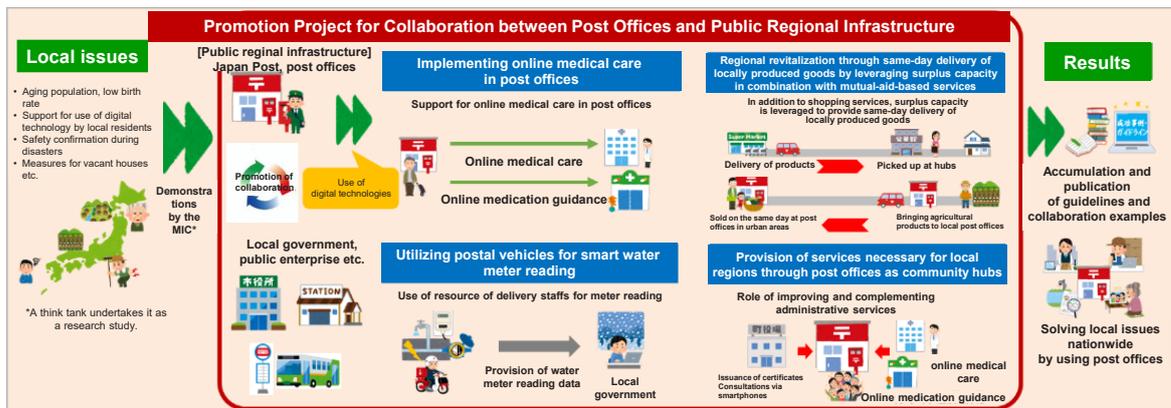
**C Providing life support service for citizens**

The MIC conducted demonstrations under the nationwide model project “Post Office Activation Promotion Project (Post Office × Local Public Entities × ICT)” from FY2019 to FY2021 to utilize the strengths of post offices to address various regional issues and improve user convenience.

Additionally, since FY2022, the MIC has been conducting demonstrations under the “Promotion Project for Collaboration between Post Offices and Public Regional Infrastructure” (Figure 2-2-9-2) to promote the resolution of regional issues by leveraging the power of digital technology through collaboration between post offices, which have bases throughout the country, and local governments and other entities that provide public infrastructure in the region. Demonstration projects implemented in FY2024 included those for online medical treatment and medication counseling on an isolated island (Yanai City, Yamaguchi Prefecture), combination of shopping support service with local specialty delivery service using vacant space in transportation vehicles

(Shizuoka City, Shizuoka Prefecture), smart water meter reading using postal delivery vehicles (Aomori City, Aomori Prefecture), and provision of necessary regional services by using post offices as “Community Hubs” (in Akiota Town, Hiroshima Prefecture), which helped identify the challenges to be met for the social implementation and spread use of such services. (Figure 2-2-9-3)<sup>1</sup> In FY2025, based on the report submitted by the Information and Communications Council, the MIC will conduct demonstration projects (Figure 2-2-9-4) to make use of the public and regional features of post offices to provide multiple functions and services for the solution of regional issues and regional sustainability. Also, as mentioned above, special grant tax measures (at a rate of 0.5) will be provided to cover initial costs incurred when local governments contract post offices to provide counter services in depopulated areas, including administrative and daily life support services. (Figure 2-2-9-5).

Figure 2-2-9-2 Promotion Project for Collaboration between Post Offices and Public Regional Infrastructure Providers



<sup>1</sup> Promotion Project for Collaboration between Post Offices and Public Regional Infrastructure Providers: <https://www.soumu.go.jp/yusei/kas-seika.html>

Figure 2-2-9-3 Regional demonstration

Implementing online medical care at a post office  
(Yanai City, Yamaguchi Prefecture)



Using postal office monitoring service for disaster prevention  
by the use of digital technologies  
(Yusuhara Town, Kochi Prefecture)



Figure 2-2-9-4 Project to utilize post offices to ensure regional sustainability



Figure 2-2-9-5 Special grant tax measures to ensure the provision of administrative and other services by the effective use of post offices in depopulated areas

### 1. Eligible municipalities

Municipalities that outsource operations such as the issuance of official certificates (e.g., copies of family registers) to post offices and similar facilities located in depopulated areas\*2 based on the Act on Handling of Certain Services of Local Governments at Postal Offices, etc\*1.

\*1 This also includes outsourcing based on Article 34 of the Act on Reform of Public Services.

\*2 Article 4 (2) (iii) of the Ordinance for Enforcement of the Act on Japan Post Holdings Co., Ltd. (remote islands, Amami, mountainous areas, Ogasawara, peninsulas, depopulated areas, and remote islands in Okinawa).

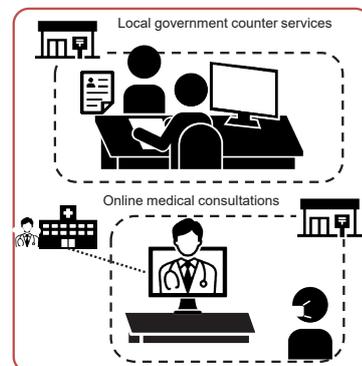
### 2. Eligible expenses

Initial costs associated with outsourcing administrative services, including counter services, and resident livelihood support services

\*Excluding those separately covered by fiscal measures

(Examples of the scope of eligible projects)

- Administrative services (support for applications to municipalities, online consultations, etc.)
  - Expenses related to system development, network line and equipment installation, layout modification, and public relations
- Livelihood support services for citizens
  - Expenses related to system development, equipment purchases, and public relations for shopping support
  - Expenses related to system development, network line and equipment installation, and layout modification for online medical consultations



### 3. Local fiscal measures

Special local allocation tax measures (coverage ratio: 0.5)

### (3) Utilization of data acquired and held by post offices

The MIC is promoting the effective use of data acquired and held by post offices while ensuring the appropriate handling of the secrecy of correspondence, the secrets of others known through postal items, and personal information. Since December 2022, the ministry has been holding the meetings of the “Post Office Data Utilization Advisory Board” to obtain advice from experts and others for the implementation of initiatives by Japan Post and the MIC. As a specific initiative for the utilization of post office data, in January 2024, following the occurrence of the Noto Peninsula Earthquake, the MIC closely collaborated with Ishikawa Prefecture, Japan Post, and relevant ministries and agencies. As a result, Japan Post improved the accuracy of the list of persons whose safety was unknown as announced by the prefectural government by comparing it with resident data held by Japan Post and sent notifications to those who had moved out of the disaster area based on the information from change of address notifications to en-

sure that administrative information reached the affected individuals. Additionally, since June 2023, Japan Post has been providing a bar association with the relevant information when the bar association inquires about the new address information of an opposing party of a lawsuit, etc., which is difficult for the association to ascertain because the party has moved to the address without changing the resident register (limited to cases where the bar association determines that there is no apparent connection with domestic violence, stalking, or child abuse). Also, following the partial amendment of the Vacant Houses Special Measures Act (Act No. 127 of 2014) in 2023, vacant houses not managed appropriately were included in the category of vacant houses for which Japan Post can provide information about the change of address notifications upon inquiries from local governments. The MIC will continue to work on the utilization of post office data, taking into account the needs of public institutions and others.

### (4) Response to new initiatives by Japan Post Insurance and Japan Post Bank

Based on the Postal Service Privatization Act (Act No. 97 of 2005), Japan Post Insurance made a notification about the expansion of asset management method in March 2025.

Japan Post Bank is promoting a new corporate business (Σ Business) that supports the growth of local businesses with growth aspirations by providing capital funds, thereby contributing to the revitalization of the regional economy from a medium- to long-term perspective. In February 2024, the MIC and the Financial Ser-

vices Agency received an application from Japan Post Bank for approval based on the Postal Services Privatization Act to own a subsidiary engaged in investment management operations and a specialized investment company under its umbrella, with the aim of advancing private equity investment management and operations in this business. Approval was granted in May 2024. The subsidiary is implementing measures including establishing a joint fund with other investment companies.

### (5) Review of operations at the Organization for Postal Savings, Postal Life Insurance and Post Office Network concerning the repayment of fixed-term postal savings deposited before postal privatization

The Organization for Postal Savings, Postal Life Insurance and Post Office Network, which took over fixed-term postal savings deposited before postal privatization, has been implementing operations to respond to repayment claims for savings that have been treated as rights extinguished<sup>2</sup> under certain criteria. If it is determined that there were truly unavoidable circumstances for not making a repayment claim after receiving a demand notice, the organization has been responding to such claims.

Given that this operation has been in place for over ten years, the MIC requested the organization in September 2023 to review its operations to make the repay-

ment process less burdensome for claimants, including ensuring that the confirmation of circumstances is conducted in a manner that is more considerate of depositors<sup>3</sup>.

Subsequently, the organization announced a review of its operational criteria on December 20, 2023, and began implementing the new criteria in January 2024. Under the new criteria, the method of confirming truly unavoidable circumstances has been revised. As a general rule, responses are now based on verifying the details stated in the claim form rather than requiring the submission of certificates (Figure 2-2-9-6).

<sup>2</sup> According to the provisions of the former Postal Savings Act (Act No. 144 of 1947), which is deemed to be still in effect, if 20 years have passed since the maturity date and no claim for repayment is made within two months after a demand notice is issued, the depositor's rights are considered to be extinguished.

<sup>3</sup> Request for review of the handling of refunds for fixed-term postal savings deposited before the privatization of postal services: [https://www.soumu.go.jp/menu\\_news/s-news/01ryutsu16\\_02000066.html](https://www.soumu.go.jp/menu_news/s-news/01ryutsu16_02000066.html)

Figure 2-2-9-6 Points of review of operations at the Organization for Postal Savings, Postal Life Insurance and Post Office Network

	Before review	After review
Subject to repay	<p>Five instances where it is deemed that there were truly unavoidable circumstances (*)</p> <p>* Even after receiving a demand, cases where it is impossible to request a withdrawal due to circumstances such as disasters, accidents, or illnesses.</p>	<p><b>Broadly categorized into three items</b> (subject to any of the following being judged as truly unavoidable circumstances)</p> <ol style="list-style-type: none"> <li>1. Not recognizing the existence of the saving.</li> <li>2. Not recognizing the existence or content of the demand notice.</li> <li>3. Not requesting a withdrawal.</li> </ol> <p>Additionally, newly exemplify in the standards cases such as "having to care for or nurse a relative."</p>
How to check situation	<p>Certificate is necessary for fact-checking</p>	<p><b>Check based on contents in statement</b></p> <p>Additionally checking situation even if the content only includes "I did not know the rule".</p>

### 3. Promotion of postal administration in the international field

#### (1) Response to the Universal Postal Union (UPU)

The Universal Postal Union (UPU), a specialized agency of the United Nations, was established in 1874 with the aim of developing a global postal network and services, thereby contributing to international cooperation in cultural, social, and economic fields by establishing rules of international mail. The UPU celebrated its 150th anniversary in 2024. In recent years, despite the challenging situation where the total volume of international mail has not recovered post the COVID-19 pandemic, the UPU is increasingly expected to play a significant role in the development of international logistics by formulating appropriate international postal frameworks in response to the expansion of cross border e-commerce.

In this context, since January 2022, Mr. METOKI Masahiko from Japan has been serving as the Director General of the UPU as the only Japanese heading a UN specialized agency (term: one term of four years, with a maximum of two terms), and he is leading initiatives to enhance the UPU's functions and rebuild its finance. His great leadership is highly recognized by UPU members, and the Government of Japan will support Mr. Metoki in

the election of the Director General of the UPU at the Congress to be held in Dubai, the UAE in September 2025 to enable him to continue to assume the position for the next term (2026 to 2029). Japan is also running as a candidate for a member of the Council of Administration (41 member countries) and the Postal Operations Council (48 member countries). Japan has been proactively approaching the governments of UPU member countries to receive their firm support for the elections.

Furthermore, the MIC is actively supporting Director-General Metoki's leadership and aims to further contribute to the UPU. Based on the Memorandum of Cooperation with the UPU, the MIC supports the implementation of cooperation projects among UPU member countries, such as efforts to build a disaster-resilient postal network, initiatives for the economic and social utilization of the postal network, and those to address climate change through the establishment of a postal network designed to minimize environmental impact. Through such support, Japan aims to contribute to the further development of the global postal network and services.

#### (2) Support for overseas deployment of Japanese postal infrastructure

The MIC is promoting the overseas deployment of the Japanese postal infrastructure system as part of the government's "Infrastructure System Overseas Promotion Strategy 2030"<sup>4</sup> (decided by the Ministerial Meeting on

Strategy relating to Infrastructure Export and Economic Cooperation on December 24, 2024). In order to implement these measures in an effective manner through further public-private collaboration and based on the

<sup>4</sup> Infrastructure System Overseas Promotion Strategy 2030 (decided by the Ministerial Meeting on Strategy relating to Infrastructure Export and Economic Cooperation in December 2024)

recognition of recent issues faced in postal services, the MIC has been organizing the “Global Postal Strategy Task Force” since December 2023 and compiled and published a report on the public-private immediate measures for global expansion of the postal services in July 2024<sup>5</sup>.

The overseas deployment of the Japanese postal infrastructure system will support emerging and developing countries in improving the quality of their postal services and optimizing their postal operations through the sharing of Japan’s advanced postal technologies, systems and operational know-how. To date, efforts have primarily targeted Southeast Asia, but in recent years, initiatives have been extended to new markets in Central and Eastern Europe, the Caucasus region and Central Asia. The MIC encourages the entry of Japanese companies having relevant technologies and expertise by searching for possibilities in peripheral businesses such as the supply of equipment used in sorting centers, un-

derstanding the needs and challenges related to the overall postal business in the recipient countries, and exploring new business opportunities in areas such as the growth in small parcel volumes due to e-commerce, digital transformation, and green transition.

In FY2024, surveys were conducted to optimize the postal network and operations at international exchange offices in the Philippines, as well as to optimize operations at sorting centers and the management of logistics and transportation in Kazakhstan Post. Furthermore, a pilot project was implemented to enhance the functions of sorting centers of Azerbaijan Post. The MIC will continue to enhance cooperation projects with various countries. Also, through active participation in international postal conferences and basic research on the postal situation in various countries, the ministry will build relationships with postal operators in other countries and promote the overseas deployment of the Japanese postal infrastructure system.

## 4. Trends in correspondence delivery business

Under the Act on Correspondence Delivery by Private Business Operators (Act No. 99 of 2002), operators in the private sector are also allowed to engage in the correspondence<sup>6</sup> delivery business.

The correspondence delivery business is categorized into two types: nationwide general correspondence delivery business and specified correspondence delivery business featured with the provision of (1) large-scale, (2) express and (3) high value-added delivery services. As of the end of FY2024, 623 operators were conducting the specified correspondence delivery business, with 27 companies newly launching the business in FY2024. Services provided by these specified correspondence delivery service providers include services tailored to customer needs, such as circulating a fixed route and sequentially collecting and delivering correspondence

at each point, an express delivery service for relatively short distances or within limited areas, and a telegram-like service that delivers congratulatory or condolence messages along with a decorated card. The service providers are thus offering a range of creative services<sup>7</sup>. For FY2023, net sales in the business amounted to approximately 18.8 billion yen with the total number of postal items delivered reaching about 21.16 million items, hitting a record high.

To promote understanding of the purpose and system of the correspondence delivery service and ensure proper correspondence delivery, the MIC is raising the public’s awareness about the definition of correspondence and the correspondence delivery system by organizing explanatory sessions and other activities.

<sup>5</sup> Global Postal Strategy Task Force [https://www.soumu.go.jp/main\\_sosiki/kenkyu/postalservice\\_globalstrategy/index.html](https://www.soumu.go.jp/main_sosiki/kenkyu/postalservice_globalstrategy/index.html)

<sup>6</sup> Document addressed to a specified recipient to share the ideas of the sender or to inform the addressee of a fact (as provided for in Article 4.2 of the Postal Act)

<sup>7</sup> There were no companies that launched the general correspondence delivery business.