

“How Post Offices Should Contribute to Local Communities  
in the Digital Society”  
First Report Overview

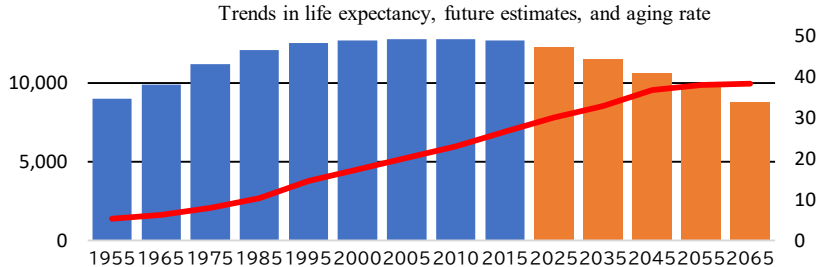
June 2024  
Information and Communications Council

# Background of the Study

## Changes in the social environment around post offices

### (1) Low birthrate, aging society and declining population

Japan's population continues to decline against a backdrop of low birthrates and an aging population.



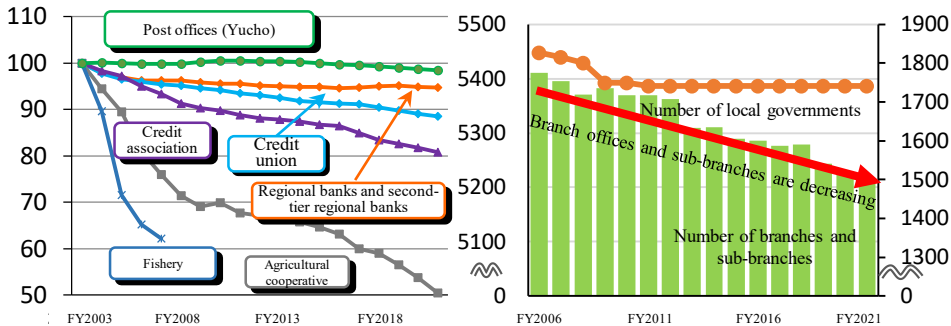
Source: "2023 White Paper on Aging Society", Cabinet Office

### (2) Social issues facing the regions

- Due to the contraction of the regional economy caused by population decline, an increasing number of regions are experiencing the consolidation of various private services.
- The number of local government branch offices and sub-branches have decreased. According to a survey conducted in FY2023 ("FY2023 Survey") for local governments, 22% of local governments reported that they sometimes "maintaining branch and local offices is sometimes difficult".

Changes in the number of branches of banks, etc.

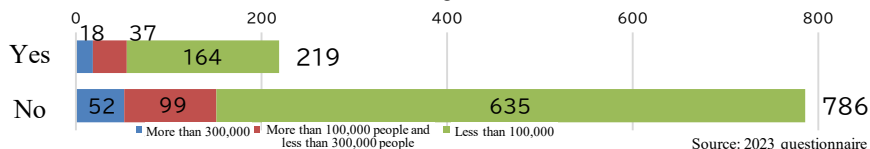
Number of local governments and branch offices



Source: 25th Information and Communications Council's Postal Policy Subcommittee Document 25-2

Source: Ministry of Internal Affairs and Communications "Public Facility Conditions Survey Annual Comparison Table"

Are there difficulties in maintaining branches and sub-branches?



Source: 2023 questionnaire survey

## Current status of post offices, etc.

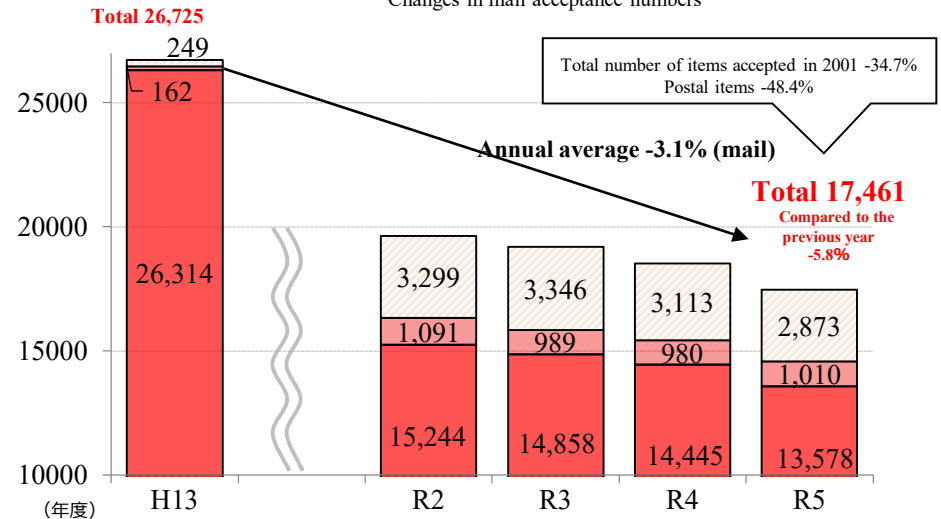
### (1) Ensure universal service for postal services

Pursuant to the law, Japan Post Holdings and Japan Post have a responsibility to ensure that the following services are available in a fair and equitable manner throughout Japan at post offices: (1) Postal services, (2) Simple savings, remittance and debt settlement services, and (3) Easily accessible life insurance services.

### (2) Current status of post offices

- One or more post offices must be established in every municipality, and in depopulated areas, the level of the post office network must be maintained at the level it was when the revised postal privatization law (October 1, 2012) was implemented.
- The number of postal items received has decreased by 48.4% compared to the peak in FY2001.
- The share of "Yu-Pack" in the home delivery market has decreased when compared to FY2021 and FY2022.
- The income and expenditures of Japan Post in FY2022 is extremely severe, showing a deficit for the second consecutive year in operations related to the universal services category.

Changes in mail acceptance numbers



## Features and strengths of the post office

### (1) Nationwide network of 24,000 post offices

- There are more convenience stores than post offices, but they are concentrated in urban areas, while post offices are located across Japan, including regions where there are no convenience stores.
- Post offices play an important role in the community as a daily life infrastructure. Additionally, postal personnel understand the public mission inherited from the time of nationalization, providing a sense of security to the residents.

Comparison of distribution of post offices and major convenience store chains

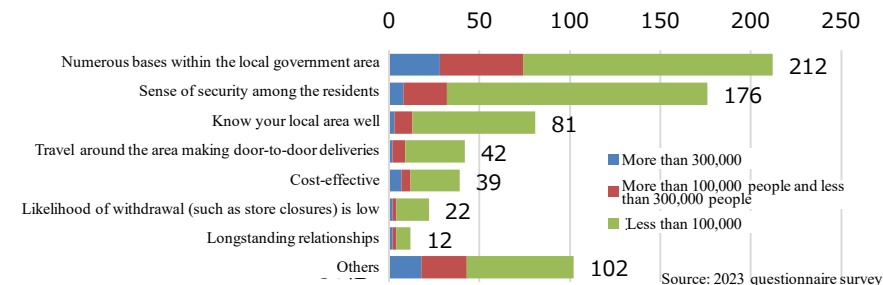


Source: Maps created by Nyankosoba (@ShinagawaJP)

### (2) Trust in post offices in the local community

- According to a survey asking local governments that outsourced administrative tasks to post offices about their reasons for outsourcing, the most common response was “many branches present within the municipality”.
- In hearings with local governments, the strong trust from the local residents is also cited as a potential strength of post offices.

Reasons why local governments outsource services to post offices



Source: 2023 questionnaire survey

### (3) Presence of a delivery network

- Japan Post is obligated to provide postal services fairly and universally across Japan based on the Postal Act (Act No. 165 of 1947).
- For this reason, postal vehicles and motorcycles are used daily to collect mail from mailboxes and deliver mail to each household. By this, various information can be collected about the region and any unusual changes in the community detected. The delivery network enables face-to-face contact with each household.
- Japan Post, through its postal and logistics services, can hold and acquire large volumes of data in the most real-time form, including residential, map, road damage, and illegal dumping information.

## Current status of cooperation between the post office and the community

### (1) Improvement and supplement of administrative services

Post offices, which are located in large numbers throughout Japan and are public institutions accessible to residents, undertake various administrative tasks from local governments. They contribute to improving the convenience of residents and play a complementary role in administrative services by aiding in the efficient provision of administrative services and the rationalization of organization and operations in local governments (Total of 376 municipalities and 5,154 post offices).

#### (i) Entrusted with administrative work in accordance with the Post Office Handling Act

There are several cases, such as Yasuoka Village in Nagano Prefecture, where local governments have begun outsourcing their administrative work to post offices following the abolition of local government branches and sub-branches

#### (ii) Entrusted with administrative work other than that specified by the Post Office Handling Act

Receipt of various official document notifications, etc. (85 bureaus in 34 municipalities)  
Original services of local governments (sales of gift certificates, etc.) (4,830 bureaus in 285 municipalities), etc.

#### (iii) Clerical work related to My Number Card

Utilize the post office for clerical work related to the My Number Card.

- Promote acquisition of My Number Cards (provide support for applications, etc.)
- Issuance of My Number cards through post offices  
(The law was amended in 2023 to allow issuance at post offices.)
- Utilizing post offices to improve convenience for residents using My Number cards (Issuance and update of electronic certificates, change of PIN numbers, installation of kiosk terminals)

### (2) Role as a provider of daily life support

Some post offices, considering the characteristics of their regions, are providing unique daily life support services in collaboration with local governments and public regional infrastructure (such as medical institutions and transportation business operators).



Post office monitoring service using smart speakers

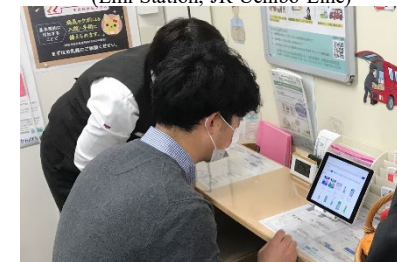


Integrated operation of post office counter and station counter services

(Emi Station, JR Uchibo Line)



Online medical consultations at post offices



Shopping assistance through post offices



### [Basic concept of post office contributions to local communities]

**In addition to providing universal services through the integration of the three core businesses of postal service, savings, and insurance, post offices are expected to contribute to the local community as an important part of their operations.**

## (1) Improvement and supplement of administrative services

### Expectations from outsourced municipal services

#### Status

- Many municipalities expect post offices to complement administrative services (Expected benefits include effective use of vacant spaces in public facilities and improved one-stop services for citizens)
- On the other hand, one reason for the relatively low number (154) of organizations implementing outsourcing of administrative services based on the Post Office Handling Act is that outsourcing does not reduce the administrative burden on local governments.



Outsourcing administrative services of local government in Taifu Village, Nagano Prefecture

#### Challenges and preferred image

- Outsourcing to the post office does not reduce administrative work
  - > **Issuance of certificates at kiosk terminals that does not require work by personnel of local governments**
- Kiosk terminals at convenience stores can be used as an alternative for issuing certificates
  - > **Post offices can handle administrative tasks that cannot be managed by kiosk terminals (such as the issuance, renewal, and delivery of My Number card digital certificates, etc.). Therefore, even in areas with convenience stores, the role of post offices in complementing administrative services is important.**
  - > **As the interaction between municipalities and residents becomes more diverse through the use of My Number Cards, they have a role to support elderly individuals who are not familiar with digital devices for accessing administrative procedures**

### Expectations from the promotion of the dissemination and use of My Number cards

#### Status

- Utilize the post office for clerical work related to the My Number Card
- Promote acquisition of My Number Cards (provide support for applications, etc.)
- Issuance of My Number Cards through Post Offices (Outsourcing started in 2024 in Miyakonojo City, Miyazaki Prefecture)
- Utilization of post offices to improve convenience for residents with My Number Card



Installation of kiosk terminals in post offices

#### Challenges and preferred image

- To improve convenience of communities, the Ministry of Internal Affairs and Communications and Japan Post will collaborate to encourage local governments to consider outsourcing card issuance services
- Anticipating a rapid increase in the number of cards issued and the future rise in administrative services related to updates of digital certificates, local governments are encouraged to consider actively outsourcing administrative services to post offices to reduce the burden on service counters of local governments

## (2) Role as a provider of diverse daily life support

### Role as a center for diverse daily life support

#### Status

In areas where various daily life support services are being withdrawn, the post offices are expected to provide the necessary services for residents to continue living in such areas.

- Shopping assistance  
Shopping services through the delivery network, providing a means to purchase daily life necessities at post offices, etc.
- Healthcare, nursing care, and health  
Community monitoring, online medical consultations at remote post offices, etc.
- Disaster prevention  
Provision of postal delivery vehicles as emergency vehicles, mutual sharing of information such as status of shelter opening and lists of evacuation sites, and support bases for daily life assistance during emergencies such as disasters, etc.
- Roles in other daily life support services  
This includes tasks such as accepting contracts for counter operations of local financial institutions and railway stations, infrastructure management and maintenance of roads, and transportation (cooperation with demand-based transportation and MaaS), etc.



Commissioned to conduct a survey of vacant houses in Tamaki Town, Mie Prefecture

#### Challenges and preferred image

- The expectations from post offices are very high, and it is expected that post offices will play a role in daily life support.
- However, when the post office takes on this role, bearing the cost burden is an issue for both the outsourcing (provider of daily life services) and contracted (post offices) parties.
- When considering the cost burden of projects in collaboration with the local community, the following types can be typically considered.
  - (1) Projects implemented with cost burdens on local governments from the perspective of citizen services.
  - (2) Projects where cost burdens are borne by the stakeholders who benefit from the project (such as business operators, consumers, etc.)
- Regarding (2), it might be possible to increase the potential for commercialization and broader application by appropriately sharing information about the proof of concept to stakeholders and requesting a certain cost contribution from stakeholders who benefit as compensation for the benefits they receive.

⇒ Examination based on specific examples in each individual pilot project, etc.



In-store sales at the Higashi-mozumi Post Office in Hida City

## Utilization of data held by the post office

- Since the personnel of post offices use motorcycles, etc., for delivery to households across Japan every day, they possess valuable big data, such as information about roads. They are implementing data utilization for contributing to regional development.

(Examples of recent initiatives)

- Under the FY2023 Public Regional Infrastructure Collaboration Promotion Project by Post Offices, a pilot project was implemented in Nagaoka City, Niigata Prefecture. The project provided local governments with information on road damage, obtained by analyzing image data collected by Japan Post delivery vehicles during delivery (November 2023 to January 2024).
- Provided information on damaged roads in the Oku-Noto region affected by the Noto Peninsula earthquake to local governments (March 2024).

- Post offices retain household information that could be postal addresses and information related to change of address notifications to conduct postal operations smoothly.

Implement data utilization that contributes to the community while ensuring appropriate handling in light of the Postal Act, the Act on the Protection of Personal Information, etc.

(Examples of recent initiatives)

- The accuracy of the missing persons list concerning the Noto Peninsula earthquake was improved during by cross-checking the list of missing persons published by Ishikawa Prefecture with household information held by Japan Post (January 2024).
- To deliver administrative information to the victims of the Noto Peninsula Earthquake properly, Ishikawa Prefecture sent out notices to those who moved out of the affected areas after the disaster, utilizing information related to notification of change of address (February 2024).

**Local governments have high expectations for further utilization of the data held by post offices.**



**To effectively utilize data held by post offices based on local government needs, it is important to establish an environment to provide data in cooperation with local communities, recognizing the diverse needs across different regions.**

## 1. Realization of post offices as local “Community hubs”

### Significance and necessity of “community hubs”

Municipalities expect post offices to play a role as a provider of public and daily life services

In particular, in areas where maintaining an independent local economy is becoming difficult,

- Reduction in physical locations of local governments and financial institutions
- Difficulty for residents to use public services



- **Realization and dissemination of “Community hubs”** that provide all or part of the public services offered by various organizations and businesses, such as municipalities
- By utilizing consolidated diverse functions and digital technologies, the post offices are expected to become a **“Promotional base for local economic and social revitalization”** through new collaborations with private businesses and organizations.

### Role and possible functions of post offices

- Comprehensive partnership agreements signed with approximately 84% of municipalities
- Expanded handling of local government services, etc.
- Disaster prevention, disaster response, and **results of daily life support** such as shopping and monitoring.



- **To realize a “Community hub”**, post offices, which operate with the trust of the local community, play an **important role at the center**
- **Contribution to citizen services utilizing information and data acquired by the post office** is also expected
- Attention is also **focused on initiatives aimed at establishing community hubs and developing new business ventures**

(Illustration)

Part of the functions of public services that various organizations and businesses, such as local governments, have been providing

### Post offices as local “Community hubs”

#### Improvement and supplement of administrative services

- Outsourced municipal services - Issuance of various certificates
- Clerical work related to the My Number Card



#### A base that provides essential services to the local community

- Support for community safety, crime prevention, surveillance, disaster prevention
- Shopping assistance, medical care, health, etc.

**Developing post offices as centers for maintaining and securing administrative and private services**

*\* Operations are based on fair cost-sharing with beneficiaries bearing the costs*



## Initiatives by the Japan Post Holdings Group

(Mainly Japan Post)

The following initiatives are expected from the perspective of the potential role of a “Community hub”

- Identify the types of daily life support that can be provided by individual post offices and make effective and practical proposals to local governments
- Take initiatives proactively to understand regional needs by maintaining regular communication with municipalities
- When there are significant demands from the region, and there is potential for specific response by local post offices, **the need for and the realization of a “Community hub” should be examined** among local post offices, regional economic organizations, and financial institutions centered around municipalities

## Initiatives by the Ministry of Internal Affairs and Communications

The following initiatives are expected for further utilization of post offices

- Support diverse partnerships, such as disseminating developed case studies and demonstration results to local governments, promoting the outsourcing of administrative services, proactive utilization of kiosk terminals for certificate issuance, and outsourcing of private service contracts
- Collaborate with relevant government ministries to organize and analyze the types of “Community hubs” and the participating organizations and institutions and inform the local governments
- Examine measures to promote the realization of a “Community hub”

## 2. Utilization of data held by the post office

Local governments have high expectations regarding the utilization of the data held by post offices.

### Specific measures

- Japan Post, based on its previous efforts and experiences from pilot projects, is expected to continue utilizing data for contributing to the community, considering the needs of local governments, etc.
- The Ministry of Internal Affairs and Communications is required to ensure the proper handling of confidential correspondence and personal information of others obtained through mail while enhancing and expanding examples of data utilization that contribute to regional development, considering the needs of local governments and related organizations. Specifically, the “Advisory Board for the Utilization of Post Office Data” a panel of experts organized by the Ministry of Internal Affairs and Communications, is required to examine ways to promote further utilization of data held by post offices.

## Background and purpose

- In Japan, the progress of low birthrate, an aging population, a declining population, and the spread of COVID-19 have further weakened the local communities. As a result, expectations for the contribution to local communities made by post offices, which exist in every corner of the country, are increasing.
- In this context, it is important for post offices to determine how to contribute to the region by leveraging the advantages of digitalization, which can enable them to overcome geographical and time constraints, and their usefulness as regional hubs.
- Based on the above, the Information and Communications Council will deliberate on how post offices should contribute to local communities in the digital society.

## Examination items

- (1) How post offices should cooperate with local public infrastructure, including local public bodies
- (2) How post offices can contribute to the community through digital transformation and data utilization
- (3) Role of Postboxes in the Community Contribution of Post Offices
- (4) Others

25th (October 14, 2022)	Consultation matters How the digital society should contribute to the community Japan Post Holdings and Japan Post Hearings
26th (November 21, 2022)	Maebashi City hearing Kakogawa City hearing Kaga City hearing Results of questionnaire survey on community contribution required from post offices Discussions of the postal privatization committee
27th (December 9, 2022)	Hida City hearing Yasuoka Village hearing Interim report (Draft)
28th (December 21, 2022)	Interim report discussion
29th (February 20, 2023)	Japan Post Hearing (Contribution to the community by utilizing data) Uwajima City hearing Japan Post Hearing (Vacant house monitoring) Japan Post Hearing (Open innovation)
30th (March 14, 2023)	Ishioka City hearing Japan Post Holdings Hearing (Shopping assistance) Japan Post Holdings Hearing (Real estate business) Japan Post Hearing (Tokai branch)
31st (April 4, 2023)	Status of efforts to promote and utilize my number card Public Regional Infrastructure Collaboration Promotion Project Post office data utilization advisory board Local revitalization project utilizing post offices Japan Post Holdings and Japan Post Hearings (Business plan) Japan Post Hearing (Regional revitalization and contribution to community)

32nd (May 18, 2023)	Role of Postboxes in the Community Contribution of Post Offices Main opinions so far
33rd (July 27, 2023)	Japan Post Hearing (Mailbox)
34th (October 23, 2023)	Japan Post Hearing (Mailbox) Japan Post Hearing (Advancement of delivery operations) Questionnaire survey regarding mailbox Information on pilot projects
35th (November 20, 2023)	Questionnaire survey on outsourced municipal services Draft summary of issues
36th (March 26, 2024)	First report (draft)
37th (May 1, 2024)	First report (draft)
38th (June 24, 2024)	First report