

Human Capital Management

| Message from the officer in charge

A company where all employees
can work with confidence and pride

TACHIBANA Atsushi
Senior Managing Executive Officer



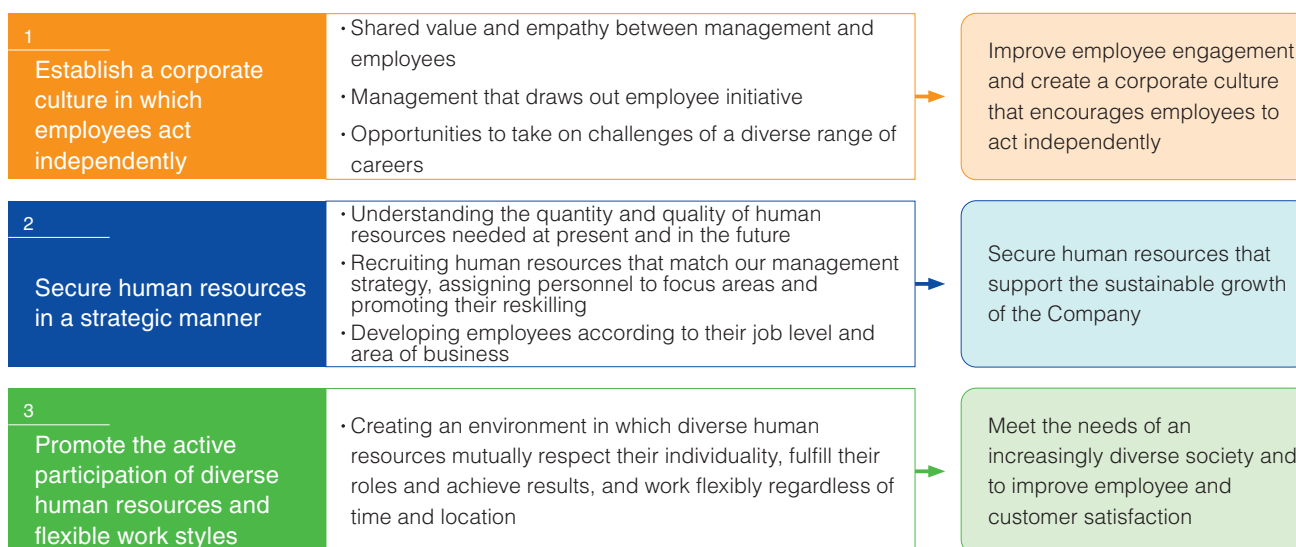
Recognizing that human capital is an important form of management capital, we are actively investing in human capital to promote the growth of people, the source of our corporate value. We aim to make our company a place where all executives and employees can grow together with the company and work with confidence, pride, and dignity.

In June 2023, we formulated the Three Basic Principles of Human Capital Management. By making the direction of these initiatives clearer, we are further supporting the independent growth of employees and promoting human capital management that enables both the company and its employees to grow together.

As a specific initiative, we arrange discussions between management and employees on themes such as enhancing our sales force. These talks provide opportunities for employees to autonomously and proactively consider organizational issues. We are working as a whole company to address challenges such as the improvement of our sales force. We are also committed to creating a workplace where a diverse range of people can thrive. In 2024, we were selected for the “Next Nadeshiko: Companies Supporting Dual-career and Co-parenting,” an initiative that recognizes companies for outstanding efforts in providing support for both men and women to enable dual-career and co-parenting. We also strive to be an LGBT-friendly company, retaining our “PRIDE INDEX” gold certification by continuously working on a range of related measures.

To achieve our vision, we will continue measuring the effectiveness of our various initiatives and working to improve them. We will also continue to promote human capital management, which enables executives and employees to grow together with the company.

| Three Basic Principles of Human Capital Management



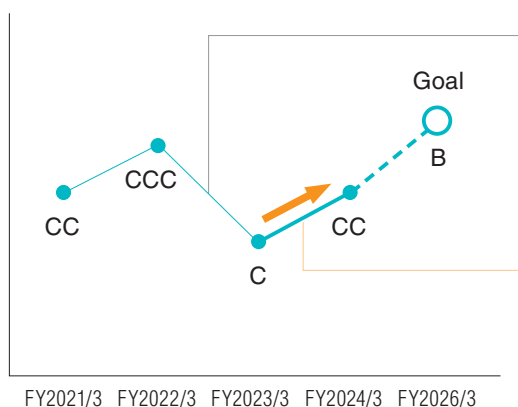
[Basic Principle 1] Establish a Corporate Culture in Which Employees Act Independently

We will enact measures to stimulate communication between management and employees, deepening mutual understanding and strengthening management skills to encourage employees to take the initiative. Furthermore, we will support the career development of employees, thereby promoting their autonomous growth and increasing employee engagement.

ES Surveys

In order to objectively assess employee engagement, we carry out the engagement score (ES) survey twice a year to identify issues and problems related to the workplace environment at each site and make ongoing improvements. We set a target of achieving “B” or above, the peer average, in the fiscal year ending March 31, 2026.

ES results



Note: C is the 9th from the top of all 11 levels, CC is the 8th from the top, CCC is the 7th from the top and B is the 6th from the top.

FY2022/3→FY2023/3

- The score declined due to challenges in building company-wide cohesion and a sense of unity, as approximately 10,000 employees, equivalent to half of all employees post-transition, newly joined the Company as a result of the transition to the new Japan Post Insurance sales system starting in April 2022.

FY2023/3→FY2024/3

- The score improved by one grade, as we have advanced the transition to our new structure, and the entire Company including employees who joined us through the new Japan Post Insurance sales system has become more united in tackling challenges.
- The score improved in all organizational categories (head office, regional headquarters, and branches). In particular, the Retail Service Division of the branches, to which the consultants mainly belong, improved its score.
- In terms of evaluation items, by stimulating communication and better conveying to employees the Company's philosophy, policies, and business situation, we have achieved improved satisfaction with the foundation of the Company, which has also led to an improvement in items such as trust in senior management.

While the score improved in the fiscal year ended March 31, 2024, we recognize the need for further improvements in our company foundation, organizational culture, and human capital so that we can meet our goals for the fiscal year ending March 31, 2026. We will continue to work on stimulating communication between management and employees and strengthening management skills to encourage employees to act independently, thereby creating an environment where employees feel motivated and engaged.

Stimulating Communication between Management and Employees

Front-line Meetings

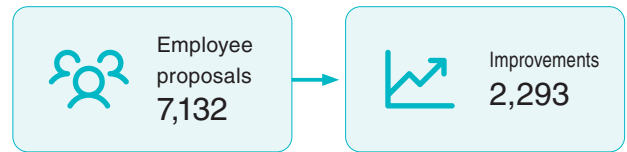
To revitalize communication between management and employees, we hold discussions between management and employees (front-line meetings). This is a forum for fostering a sense of trust and unity between management and employees. It gives management a chance to talk directly with employees about the Company's management policy and expectations of its employees, while employees also benefit from directly communicating with management. In the fiscal year ended March 31, 2024, all bases held two sessions, one in the first half of the year and another in the second half, on themes such as strengthening our sales force and future growth strategies.



Front-line meeting at Kawagoe Branch

Direct Suggestions to the President

We have introduced a system called Direct Suggestions to the President of Japan Post Insurance, an initiative that allows employees to make proposals directly to the President. The opinions received from employees are shared with management and related departments, who consider their effectiveness and feasibility and channel them toward business improvements. The system also serves as an effective mechanism for detecting risks.



Examples of improvements: Improving the content of leaflets given to customers

I think customers would gain a deeper understanding of life insurance premium deductions if there were leaflets that gave them an idea of how much they could actually get reimbursed.



Suggestion

(From left) MORIKAWA Akihiro
Retail Service Division, Yamatotakada Post Office, Nara Branch
SOTANI Yukari
Retail Service Control Division, Nara Branch

To help customers understand how much their income and inhabitant taxes could be reduced, we included model cases of life insurance premium deductions based on different family structures and annual incomes in the leaflet.



Improvements

Solicitation tool development staff, Sales Promotion Department



President's Message

We issue the President's Message through which the President communicates the Company's direction to all employees. Employees have responded positively, saying they understand and empathize with the Company's vision and management's thinking. This shows that the President's Message is working as a tool for communication between management and employees.



Besides boosting communication between management and employees, we are taking the following steps to improve communication between the head office and the front line and also among employees.

Collaborative projects between the head office and front lines

Instead of planning solely at the head office, we involve the front line in collaborations. Each department uses this approach, aiming to use feedback from the work sites to create more effective plans.

<p>Case 1</p> <p>Creating an environment where female employees can play more active roles</p>	<p>We spoke with female employees working in sales about creating an environment where they can play more active roles. Based on concerns that women shared about conducting sales activities alone, we created the Guide to Safe Behavior for Insurance Consultants, a tool for reducing anxiety so that women can conduct business with a sense of security.</p>
<p>Case 2</p> <p>Creating solicitation materials that are easy for customers to understand</p>	<p>Front-line employees and head office employees work together on solicitation materials, discussing how to make them easy for customers to understand. Their ideas are reflected in the actual materials we use.</p>

Small meetings

With the aim of stimulating communication among employees, we decide on a theme every time and set up opportunities at each workplace for employees to exchange opinions. This is done by splitting into small groups, which makes it easier for each employee to express their own ideas.

Strengthening Management Skills to Encourage Employees to Act Independently

In addition to ensuring validity and objectivity in personnel evaluations, we hold Human Resource Development Meetings to discuss how to approach each employee's development, based on the employee's own career aspirations. Furthermore, by clarifying the roles required of managers and improving management methods through the introduction of coaching training, we are encouraging employees to act independently.

Career Development Support

We have introduced a career challenge system that allows employees to take on the challenge of new tasks in a different job or environment from their current one for the purpose of encouraging autonomous growth. This system allows employees to take on new tasks on their own, improve their skills and broaden their perspectives in that area, thereby enhancing their ability to solve problems through new ideas, and also promotes mutual understanding between organizations by stimulating personnel exchanges.

Voice



I realized the importance of working with a customer-first approach

After working at a branch, I was assigned to the regional headquarters where I had more opportunities to interact with people at the head office. This made me interested in working at the head office, so I applied for the career challenge system. At the head office, I was assigned to the Human Resources Strategy Department, and was given responsibility for Direct Suggestions to the President, the system where employees can submit proposals for improving business issues. Every day, I saw suggestions come in from employees all over the country. It made me realize how important it is to listen to the opinions of employees working in the field. I now work in the Sales Agency Support Department at a branch. I want to listen to the opinions of the teams working at the post offices, and to help build an environment where customers can use insurance services with peace of mind.

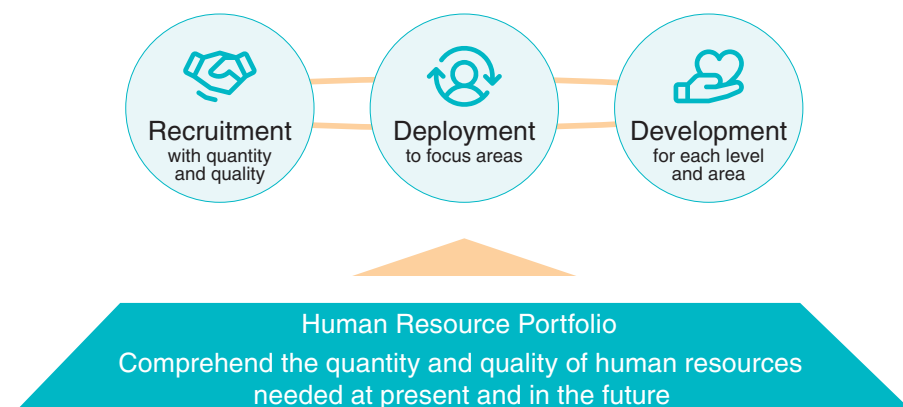
SHIBUYA Haruna, Sales Agency Support Department, Sapporo Branch

[Basic Principle 2] Secure Human Resources in a Strategic Manner

Development of Human Resource Portfolio

As a tool to support the business expansion and transformation of each division from the organizational and human resource perspectives, we are developing a human resource portfolio that visualizes the quantity and quality of the human resources needed at present and in the future. This will make it possible to identify priority organizations that need enhancement and human resources that will be required in each area, and by analyzing the gap between the ideal and current situation, we will hire, allocate and train human resources strategically to fill the gap.

Secure human resources to support the Company's sustainable growth through the recruitment, deployment, and development of human resources aligned with management strategy



Recruitment

In recruiting new graduates, we are working on career development support through activities such as company information sessions and internships, as well as proactive activities by recruiters. For mid-career recruitment, we are promoting employment through referrals from employees to hire specialists in the sales, actuaries,^(Note) asset management and risk management, and IT and digital fields.

We are also building an alumni network for the Japan Post Group. The aim is to bring retired former employees back to work in the organization, while also enabling collaboration with former employees and recruitment of experienced employees.

Note: An actuary is a professional who uses methods such as probability and statistics to evaluate uncertain future events and perform actuarial work and risk management.

Deployment

As a result of transforming our business model through means such as streamlining back-office operations, including document screening and data entry of claim details at branches and Services Centers, we will reskill personnel engaged in such operations and shift them to focus areas such as divisions that handle customer service.

Human Resources Development

Developing next generation leaders

We have established a next-generation leader development program for the purpose of strategically developing employees in the context of a long-term plan to continuously produce management leaders who will support the Company's growth. With an eye to the future, we implement employee training tailored to each level.

Overview of the Next Generation Leader Development Program

Management positions	Management leadership development program	We provide employees who are candidates for management leadership positions with strategic assignments and selective training to strengthen management skills, based on career paths with a view to promotion to management leadership positions.
Executive positions	Core human resource development program	We conduct training and other programs to "improve management skills and management literacy" and "raise awareness among young and mid-career employees."
General employees	Basic program	We implement training programs by year for the purpose of "forming a foundation of business skills."

Human resources development for sales personnel

The Kampo GD System has been launched for the comprehensive and quantitative evaluation of the ability and growth of each sales employee, whereby we will be developing sales personnel from a medium- to long-term perspective. (See page 28 for details on the Kampo GD system)

Human resources development in the digital field

In order to systematically develop human resources in the digital field, we have implemented a separate development curriculum for each type of human resource. We have prepared a training lineup that is unique and tailored to our business operations, while utilizing the common training programs of the Japan Post Group. We have also established an environment in which employees can learn necessary skills and knowledge by pairing them with experienced employees, incorporating knowledge from outside the company, and providing on-the-job training (OJT) in the course of actual work. In the future, we will build a framework for continuously producing digital human resources and accelerate the promotion of digital transformation.

[Basic Principle 3] Promote the Active Participation of Diverse Human Resources and Flexible Work Styles

We are committed to creating a diverse and vibrant organization, respecting the human rights of all people involved in our business activities, ensuring a safe and comfortable work environment, and creating a rich workplace where individual employees can exercise their independence and creativity

Promoting Expanding Roles of Female Employees

We are working to ensure gender equality so that more female employees can play active roles in various workplaces and positions. We aim to increase the ratio of female managers at the head office (including Services Centers) to 30% or more by the fiscal year ending March 31, 2031.

Our initiatives in the fiscal year ended March 31, 2024 focused on training aimed at fostering awareness for female employees who are future managers. Achieving our goals will require us to strengthen our initiatives further. As well as fostering awareness, we will provide opportunities for employees to gain practical skills to prepare them for managerial roles. By focusing on these initiatives, we will work toward achieving our goals.

Training and networking for female employees

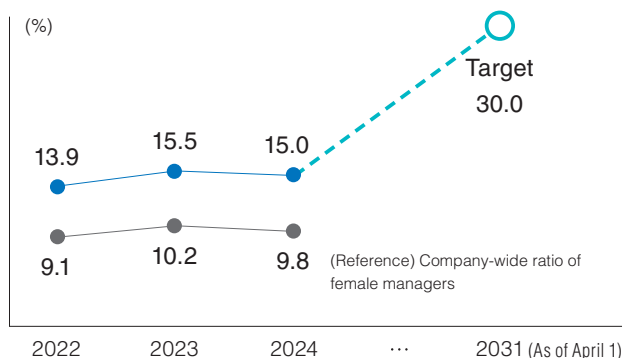
Training for future managers

This training is provided to employees who are expected to play an active role as managers in the future. The aim is to foster awareness about higher positions, enabling employees to gain skills and build relationships with each other.

Conference/roundtable discussion for female consultants

Since the percentage of female consultants is small, each area holds roundtable discussions attended by female consultants, with the aim of strengthening cooperation among female consultants. In the fiscal year ended March 31, 2024, we also held a conference at our head office for female consultants in management positions from across the country.

Ratio of female managers at the head office



Notes: 1. Partial amendments have been made to the calculation procedures from FY2024/3 (excluding the employees assigned from other companies and including those assigned from the Company to other companies).
2. Partial amendments have been made to the calculation procedures from FY2025/3 (the scope of head office functions has been expanded due to organizational reform, etc.).



Retail Service Division female employee roundtable discussion at the Kyushu Regional Headquarters

Voice



Aiming to be a role model so others can take an interest in management

I'm in my second year as a manager, having started my role in April 2023. Before I became a manager, I was worried about the increased responsibilities, but I wanted to have ownership over my decisions. So, with the support of my boss, I took on the challenge. I've been able to look at the company from a different perspective, and be involved in employee development, and this all has been more rewarding and fulfilling than I had ever imagined. I would like to see many others pursue the role of manager so they can gain a wide range of experience.

OIWA Seina, General Affairs Unit, Tokyo Administration Services Center, Business Process Services Department

We will share information from the perspective of female managers so that women can play an active role in various fields and positions

I have been the Deputy Senior Manager of the Retail Service Division since April 2024. I did worry about whether I'd be able to balance work and family life while raising my elementary school daughter. But with the cooperation of both my workplace and family, I've been able to work hard every day as a manager. There are still only a few female managers in the Retail Service Division. So, I'd like to share information that will enable women to play an active role in various fields and positions.



IWASAKI Noriko, Retail Service Division, Kumamotogashi Post Office, Kumamoto Branch

Support for balancing work with childcare and nursing care

We aim for a workplace culture where it is commonplace for both men and women to play an active role while balancing work and family lives. We regularly communicate information, such as taking childcare leave and nursing care leave to all employees.

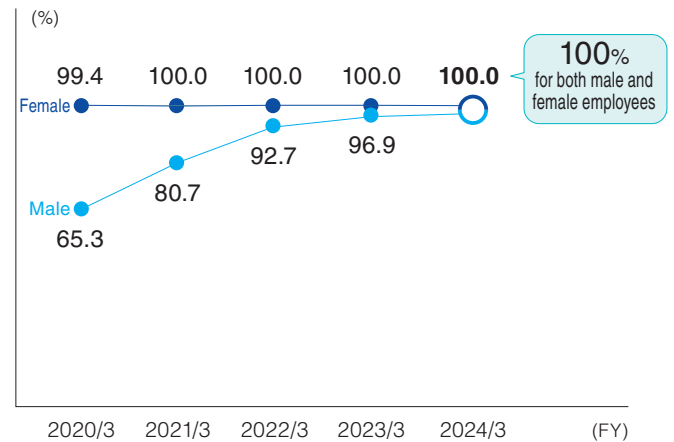
To ensure that employees can continue to work with peace of mind while raising children, we are working to thoroughly implement the return-to-work support program for employees who have taken childcare leave. We also hold seminars to help employees achieve a balance between work and childcare, targeting a 100% rate of taking childcare leave among eligible male and female employees.

Since May 2023, it has become compulsory to take paid childcare leave. In the fiscal year ended March 31, 2024, the rate of taking paid childcare leave reached 100% among eligible male and female employees. We will continue to carry out various initiatives to maintain a 100% uptake rate.

We also recognize that our future challenge is not only to maintain the rate of taking childcare leave among male employees, but also to enhance the quality of this leave, including the number of days taken. Our view is that childcare leave is a leave system for truly doing childcare and housework. We want all employees to understand its significance and the benefits of male participation.

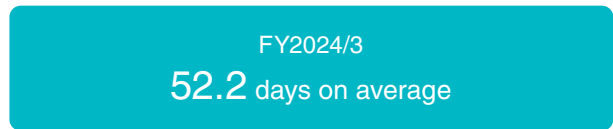
Toward this end, we will continue our efforts to support balancing work with childcare and nursing care.

Rate of taking childcare leave



Note: Partial amendments have been made to the calculation procedures from FY2024/3 (excluding the employees assigned from other companies, and including those assigned from the Company to other companies).

Number of childcare leave days taken by male employees



Promoting Support and Employment for People with Disabilities

We actively promote the employment of people with disabilities, recognizing that fairly evaluating their work skills and providing work opportunities for a diverse population is a part of our corporate social responsibility. The Japan Post Group as a whole aims to reach a ratio of employees with disabilities of 3.0% by the fiscal year ending March 31, 2026.

We are promoting a range of measures to support the retention of people with disabilities. We have set up a dedicated consultation service for employees with disabilities and held roundtable discussions. We also provide such employees with opportunities for dialogue with leaders who promote the employment of people with disabilities, who are assigned to each regional headquarters and Services Centers. Additionally, we are also expanding the areas of work and workload, such as starting the operation of an in-house café, as we work to create an environment where employees with disabilities can actively demonstrate their full potential.

Ratio of employees with disabilities (for the entire Japan Post Group)

FY2026/3 targets	FY2024/3 results
3.0%	2.56%

Note: Ratio of employees with disabilities (for the entire Japan Post Group) represents the number employed by all six companies of the Japan Post Group as of June 1 of each fiscal year.



Preparing mail for delivery to other departments



Preparing to sell bread

LGBT Friendly

We are conducting training to deepen the understanding of polymorphous sexuality and promoting the expansion of allies who understand and support LGBTQ+, aiming to become an LGBT friendly company. We continue to take these initiatives to create a diverse and inclusive working environment, so that each and every employee can work with energy and vitality.



Our trademarked LGBT ALLY logo

Health Management

In line with the policy that physical and mental health is important for each and every employee to fully demonstrate his or her abilities and work vigorously, we have established the Japan Post Group Health Management Promotion System. We work on measures to maintain and promote health, such as curbing long working hours, health guidance to prevent and improve lifestyle-related diseases, and mental health care.

	FY2024/3 Results
Monthly average amount of overtime per employee	9.2 hours
Stress check implementation rate	94.2%

External Evaluation

In March 2024, we were selected for the “Next Nadeshiko: Companies Supporting Dual-career and Co-parenting” as a company recognized for outstanding efforts in providing support for both men and women to enable dual-career and co-parenting, becoming one of the first year’s recipients for this award. We have also received the following recognition for various initiatives.

Advancement of women



Eruboshi Certification

Support for balancing work with childcare



Next Nadeshiko: Companies Supporting Dual-career and Co-parenting

Support for balancing work with nursing care



Tomonin

LGBT friendly



PRIDE Index

Flexible workstyles



Top Hundred Telework Pioneers

Health management



Certified Health and Productivity Management Outstanding Organization



Sports Yell Company

Japan Post Group initiatives—Group Human Resources Policy—

The Group Human Resources Policy has been formulated to determine the basic direction for implementing management strategies and personnel strategies.

The policy identifies four elements to focus on: “pride and fulfillment” as the vision, three axes for achieving this vision, “recognizing each other’s differences,” “enhancing capabilities,” and “demonstrating strengths,” and identifies specific indicators and targets.

Key indicators and targets	Consolidated results of 4 Group companies (FY2024/3)
Employee engagement (pride and satisfaction) score: At least the score in the previous fiscal year	3.31pt
Average number of childcare leave days taken by male employees: More than 30 days	35.0 days
Ratio of female managers at the head office : 30% (by FY2031/3)	16.2%
Number of personnel applied for open recruitment within the Group ^(Note) : At least the figure in the previous year	—
Right person to the right job score: At least the score in the previous fiscal year	2.70pt
Average number of days of annual paid leave taken: 18 days or more	19.5 days

Note: Implemented among organizations of the head office from FY2023/3. From FY2025/3, we plan to spread the scheme company-wide, including front-line organizations.