



Message from the President & CEO

Building the Next Japan Post Bank Together

Takayuki Kasama

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JAPAN POST BANK Co., Ltd.

Photographed in the Postmaster's room, former Tokyo Central Post Office (KITTE Marunouchi)

Our journey and enduring strength — Carrying customer trust forward into the future

“What kind of bank is Japan Post Bank?” Since assuming the role of President, this is the question I have most frequently encountered from our stakeholders, including investors. I have taken this question to heart.

Let me state it clearly once again. We are a bank that carry forward the trust placed in us by our customers into the future, and it is my mission to ensure we steadily advance that commitment.

The world is undergoing profound changes. In the process of addressing this question, listening carefully to the voices of our stakeholders, and envisioning the future, I have also come to reaffirm the strengths of both Japan Post Bank and the Japan Post Group.

The source of that strength lies in our nationwide network of more than 20,000 post offices and our robust customer base of approximately 120 million accounts—one of the largest in Japan. These are irreplaceable assets to the Bank and tangible proof of the trust we have built with our customers over the course of our history by remaining close to their daily lives in communities across Japan.

In contrast, our business model differs from that of a typical commercial bank, which generates profits by lending out funds raised through deposits. Instead, we generate earnings by investing the valuable savings entrusted to us by

customers throughout Japan in global markets.

The savings entrusted to us are more than just funds. They represent trust, an invisible yet precious asset. Carrying the weight of that trust and managing those assets responsibly is our commitment to our customers.

At the same time, we are a retail bank deeply rooted in communities across Japan and one of the world's largest institutional investors. It is this unique business model, combining these two distinct roles, that makes Japan Post Bank truly unique. I believe that the combination of our customer base and investment capabilities is the fundamental strength that sets us apart from other banks.

In our market operations, we have responded with agility to a constantly evolving financial environment. We boldly executed a paradigm shift in our investment, transforming a portfolio once concentrated in Japanese Government Bonds into foreign securities and alternative assets such as private equity and real estate. Through these efforts, we established our position as a global institutional investor.

I, myself joined Japan Post Bank on November 4, 2015, one business day before its listing as it embarked on a new stage of growth. As a member of the team responsible for this transformation of our investment operations, I have helped drive these reforms.

Since 2023, Japan has seen the return of a “world with positive interest rates,” which has ushered in a new phase of growth. In response to rising interest rates, we began the rebuilding of the yen interest rate portfolio by increasing investments in Japanese Government Bonds. We have

continued to enhance our capabilities to withstand changes in the operating environment and manage diverse risks, while dynamically reviewing our investment portfolio as market conditions evolve.

As a result, our earnings have continued to grow steadily in recent years, and in fiscal 2025 we achieved a record-high profit for the third consecutive year since our listing.

By fully leveraging its unique strengths, Japan Post Bank is entering a new stage of growth with the aim of becoming a truly professional financial institution, achieving an even higher level of excellence in both customer-oriented financial consulting and investment as an institutional investor.

I am fortunate to be supported by a team of dedicated and highly capable employees. Together, management and employees will continue to accelerate our efforts to enhance our corporate value with even greater determination.

A clearer path ahead — Charting a new course for the future

Over the past year, as a representative of one of Japan's leading financial institutions, I have had numerous opportunities to engage in candid discussions on the financial and economic landscape with leaders from around the world, including government officials in Japan and overseas, globally renowned CEOs, and asset managers.

Sharing market perspectives with people from such diverse backgrounds has been extremely constructive for gaining a holistic view of the markets from a broader perspective, and serves as a valuable opportunity to gain fresh insights and discoveries.

Over the past year, Japan's financial markets have reached a major turning point. This change is also reflected in capital market valuations, with many banks, including Japan Post Bank, achieving a price-to-book (P/B) ratio of more than 1.0, highlighting the growing expectations placed on the banking sector in particular.

At Japan Post Bank, our share price reached an all-time high, and our market capitalization surpassed 10 trillion yen, setting a new record since our listing.

I do not view this simply as a tailwind from favorable market conditions. Rather, I believe it reflects the fact that the structural reforms we have pursued and the forward-looking initiatives we have undertaken are finally beginning to be recognized by the capital markets.

We have received a strong response to our recent announcements of various new business initiatives. These include the establishment of Japan Post Bank Asset Management Co., Ltd., a new payment service based on tokenized deposits utilizing blockchain technology, a new credit card for younger customers, and partnerships with companies such as Kurashiru, Inc. and neoAI.

I believe many stakeholders have recognized the potential of Japan Post Bank to move beyond the image of a traditional bank and become a driving force in creating new forms of finance.

On the other hand, issues and challenges that must be addressed from a Group governance perspective have also become clear, including the inappropriate handling of information within the Japan Post Group.

While I believe the outlook for the Bank's future is bright, if managing a company can be likened to a voyage, I see myself as the captain of a great ship called Japan Post Bank, with the responsibility of continually charting the course ahead.

Even amid rough seas, we must determine the direction in which we should proceed and continue to chart our course forward. With this in mind, we formulated our Medium- to Long-term Vision, which outlines the future we aim to achieve by 2040, and in May 2026 announced our new Medium-term Management Plan as the first step toward realizing that vision.

We now stand at the threshold of a new stage of non-linear growth. By successfully navigating this period of profound transformation, we will strive to reach even greater heights.

Our vision for 2040 Japan's leading comprehensive financial platform and a leading global market player

The first pillar of our Medium- to Long-term Vision for 2040 is to become Japan's leading comprehensive financial platform, meeting customers' diverse needs and accompanying them through life.

The second is to become a leading global market player, aiming to increase the value of customers' assets and realize a sustainable society through investment in Japan and overseas.

Our vision of becoming a comprehensive financial platform embodies our commitment to being a bank that serves customers, providing the reassurance and convenience of knowing that, with Japan Post Bank and the post office network, they have a trusted financial partner by their side anytime, anywhere, and at every stage of life.

This vision is deeply rooted in the credo of Hisoka Maejima, the founding figure of the Japan Post Group and who is known as the father of Japan's modern postal system “Never shy away from being a hidden force for good. Always have a heart that wishes for the best for others.” This spirit is the very essence of what we strive for as a comprehensive financial platform we aspire to become.

Under a robust operational framework, we will continue to meet our customers' increasingly diverse needs and accompany them through their life's journey.

The vision of becoming a leading global market player reflects our strong determination to become an institution recognized around the world.

Our business model is distinguished by the unique characteristics of our balance sheet. Unlike a typical commercial bank, Japan Post Bank generates earnings as a major asset owner by investing customer deposits, which are recorded as liabilities, in securities such as Japanese Government Bonds. and foreign securities, which are recorded as assets.

Our customers entrust us not only with their valuable savings but also with their trust. That is why we have a responsibility to manage entrusted funds from a long-term perspective and deliver results that justify that trust. We aim to return the fruits of our performance to customers and shareholders while also reinvesting in our own growth to deliver new products or services. This, in turn, fosters deeper, longer-lasting relationships with our customers. We are committed to creating a virtuous cycle of growth and value creation.

Building on the investment capabilities we have cultivated as an asset owner, we will position our market operations business itself as a growth driver.

Given that changes in the financial market conditions can significantly impact our business, the ability to make timely

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decisions and respond swiftly to changing circumstances is essential. We have already begun to see the positive results of this agility in this area.

One initiative we have pursued in anticipation of the shift from ‘savings to investment’ was the establishment of Japan Post Bank Asset Management Co., Ltd. in April 2026. Through this new company, we will develop a unique asset management business by leveraging the scale of the Bank’s investment portfolio to provide access to investment opportunities, offering products from the perspective of an asset owner, and opening up investment opportunities that have not previously been available to individual customers.

To meet growing demand for investment products, I am committed to delivering truly valuable investment solutions, products that I would personally want to invest in if I were in my twenties today.

To achieve this, we aim not merely to expand our product lineup, but to make sophisticated investment products that have traditionally been available only to institutional investors accessible to individual customers as well.

I also believe this represents an important social responsibility for Japan Post Bank. In addition to advancing our market operations business, it is one way in which we can contribute to the realization of the government’s vision of establishing Japan as a leading asset management nation.

In addition, with the aim of contributing to the revitalization of regional economies over the medium to long term, Japan Post Bank Capital Partners Co., Ltd. established a flagship fund of approximately 30 billion yen in April 2026 to support business succession in regional communities.

I believe that our ability to make these forward-looking investments stems from the management environment we have built since the return of interest rates to Japan, one that allows us to take a long-term perspective and carefully formulate bold and substantive initiatives.

By making the fullest use of Japan Post Bank’s unique strengths and creating a new model for the circulation of capital, I am more determined than ever to grow the Bank into a financial institution that is recognized and chosen around the world.

Achieving discontinuous growth Doubling net income in the next stage of growth

In our new Medium-term Management Plan (FY2026 through FY2028), which represents the first step toward realizing our Medium- to Long-term Vision, we have set targets of more than doubling net income from 525.5 billion yen in fiscal 2025 to over 1 trillion yen in fiscal 2028, the final year of the plan, and increasing ROE from 5.3% to approximately 10%.

These targets are aimed at achieving growth that goes beyond our previous growth trajectory. They reflect my strong determination to lead Japan Post Bank into its next stage of growth amid a rapidly changing environment.

I am confident that these goals will be fully achieved through the steady execution of our plan, and we will move forward with conviction toward successful attainment.

Even amid a dramatically changing environment surrounding the Bank, our ability to steadily enhance

corporate value is the result of the initiatives we have pursued over the past several years.

Through dynamically revising our portfolio, including the rebuilding of our yen interest rate portfolio, we have significantly bolstered the stability and sustainability of our earnings structure. At the same time, Yucho Bankbook App, which serves as a key customer touchpoint, has grown to become one of the largest banking platforms in Japan, significantly enhancing our ability to deliver value through digital channels.

In addition, the privatization process advanced significantly through two secondary offerings of Japan Post Bank shares by Japan Post Holdings, bringing greater flexibility and agility to our business operations.

Against this backdrop, I can clearly sense the high expectations that stakeholders have for the Bank. We are also receiving an increasing number of proposals and ideas relating to business partnerships and new business opportunities.

Within the Bank, we are deepening our internal dialogue on a daily basis. I believe this process itself is helping to strengthen the organization and represents both an important opportunity to enhance future corporate value and a valuable asset for the Bank.

Reflecting these environmental shifts and the insights gained through these discussions, our new Medium-term Management Plan sets out two missions and four business strategies aimed at realizing our Medium- to Long-term Vision.

I am convinced that the three years covered by the new plan will be a critical period for the growth of Japan Post Bank.

Japan Post Bank manages assets totaling more than 200 trillion yen. How we leverage this vast asset base and create a virtuous cycle of sustainable value creation lies at the heart of our new Medium-term Management Plan.

In addition to promoting investment in Japanese Government Bonds, we will work to expand investment income by optimizing the risk/return profile of credit assets and strategic investment areas such as private equity and real estate. We will also increase fee income from services such as ATMs and payment solutions.

Active expansion into new business necessitates indispensable growth investment.

In the field of AI in particular, technological advances are occurring at a rapid pace. However, our focus is on whether these technologies can directly enhance the value of the customer experience and deliver fundamental improvements in productivity.

Japan Post Bank operates one of the largest system infrastructures in Japan, supporting approximately 120 million accounts. The stable operation of this infrastructure is fundamental to our business. Alongside strategic investments, we will continue to invest in infrastructure necessary to provide customers with safe, secure, and reliable services, while also taking every possible measure to strengthen our cybersecurity and ensure the stability expected of a financial institution.

Although we anticipate a certain degree of cost increase in the current inflationary environment, we will continue to make the necessary investments in IT and human capital while maintaining disciplined control over operating expenses.

At all times, we will remain focused on what we should do and avoid being distracted by short-term trends or external noise.

Regardless of these investments, we expect to achieve net

income of more than 1 trillion yen in fiscal 2028. While expanding earnings is fundamentally important, our true priorities lie in enhancing convenience for our customers and building long-term relationships.

For investors, I believe the appeal of Japan Post Bank as an investment lies in its potential for profit growth, and above all, in the extraordinary level of trust we have built over many years.

The next three years, during which we will enter a phase of non-linear growth, will be a pivotal period for the Bank. They will also represent a major challenge for me personally, a source of great excitement for me.

To achieve both social and economic value and grow into a sustainable company over the medium to long term, I am committed to leading it with a strong sense of responsibility.

Our driving force — Creating the future through teamwork

The primary driving force behind the large ship, Japan Post Bank, is the strength of each and every employee and the organizational capability created through their unity. For a growing organization such as ours to continue moving steadily forward, it is essential that each individual maintains a spirit of challenge while bringing their strengths together as one team.

In my management, I place the greatest importance on how to maximize this organizational potential. Even among colleagues aboard the same ship, each person has different values, backgrounds, perspectives, and time horizons. Yet I am convinced that an organization is strongest when everyone is aligned as a single entity moving in the same direction supported by robust two-way communication.

This philosophy is being put into practice through the Stakeholder Engagement Committee, which I personally launched in June 2024 and serve as Chair.

The committee has established teams around four themes: organizational culture reform, productivity improvement, new business creation, and the review of existing businesses. In fiscal 2026, the committee’s third year of operation, approximately 150 employees are participating through a voluntary application process.

Employees from a wide range of departments, from junior

employees to seasoned veterans, have joined with a shared passion for making the Bank better and are playing active roles in these efforts.

The changes may be gradual, but I can already sense that Japan Post Bank is beginning to change for the better. Little by little, yet steadily, positive change is taking root across the organization.

Since assuming the role of President, I have visited our offices and branches across Japan, listening carefully to the voices of our employees. Over the past two years, I have had the opportunity to engage in direct dialogue with employees from more than 140 organizations across the Bank. This is one of the initiatives I value most, and I am committed to continuing it.

Why am I so dedicated to these visits? It is because I want to witness for myself the many outstanding locations that make up our nationwide network and the talented employees who work there. I also want to be able to speak with confidence to investors and other stakeholders about their strengths and the value they create.

To maximize the potential of our employees, we are accelerating our efforts to advance human capital management and to build a sustainable management framework. For example, we are promoting work styles that accommodate employees at different stages of life while enhancing the use of digital technologies, including AI.

I am directly involved in developing the next generation of leaders, such as by providing senior management with challenging assignments. While responsibility for succession planning for the President rests with the Nomination Committee, I am fortunate to be surrounded by executives and employees who are driving the Bank’s business forward with great energy and dedication. I also frequently receive candid yet supportive advice from our outside directors, which I find immensely encouraging.

The Japan Post Bank brand is built on the unwavering trust we have cultivated throughout our history.

Building on that foundation of trust, we will continue to embrace change and challenge ourselves to create new values. Together with our stakeholders, we will do our utmost to further enhance the Japan Post Bank brand and achieve sustainable growth.

The reason I stand here today

Because I love this country in which I was born and raised.

As a university student majoring in Applied Chemistry, I spent my days immersed in polymer research. During that time, an encounter with a senior student sparked my interest in industrial finance. Driven by a desire to help revitalize Japanese industry and to contribute to the society, I entered the financial industry nearly 30 years ago.

Today, standing at the forefront of that mission, I am excited by the opportunity to be able to help shape the future of this country together with my colleagues and to pass it on to the next generation.

My career began during a turbulent period at the Long-Term Credit Bank of Japan. In many ways, I have

journeyed through the profound transformation of Japan’s financial industry.

Yet it was neither systems nor theories that shaped who I am today. Rather, it was the places, the times, and the countless people I encountered along the way.

The connections I formed in the places where I spent my childhood—Okayama, Kanagawa, Toyama, Osaka, and Hiroshima—remain a source of strength and motivation for me to this day.

As a member of “the most familiar and trusted bank,” I am committed to supporting people’s lives and contributing to the growth of Japanese society. This is the mission to which I continue to dedicate myself.

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Questions & Answers

Q1 The targets of the previous Medium-term Management Plan were achieved one year ahead of schedule. How do you evaluate this accomplishment as President?

A1 Amid significant changes in the operating environment, including developments in the global situation, geopolitical risks, and the Bank of Japan’s interest rate hikes, we have consistently made flexible and agile management decisions while carefully identifying opportunities.

During the period covered by the previous Medium-term Management Plan, we pursued our growth strategy based on three business engines: the Retail Business, the Market Business, and the Σ (Sigma) Business.

In the Retail Business, Yucho Bankbook App, which we positioned as the cornerstone of our digital strategy, grew to become one of the largest banking platforms in Japan, strengthening our connections with customers.

In the Market Business, we established strong

investment capabilities and a solid earnings base as one of Japan’s largest institutional investors.

In the Σ(Sigma) Business, we made steady progress, including the establishment of Japan Post Bank Capital Partners Co., Ltd., our wholly owned subsidiary responsible for General Partner operations, in May 2024.

As a result, we achieved our original financial target of net income of at least 400 billion yen and ROE of at least 4% one year ahead of schedule. We have also delivered record profit for three consecutive years since our listing.

At the same time, achieving our financial targets is merely a milestone, and we are by no means satisfied with the status quo. To drive further growth, we will continue to make the best possible management decisions.

Q2 The external environment is changing dramatically, with rising interest rates, geopolitical risks, and the AI revolution. How do you assess these developments as President?

A2 The environment surrounding Japan Post Bank is undergoing significant changes. In the financial markets, the direction of monetary policy in countries around the world has become increasingly difficult to predict, and uncertainty remains elevated amid geopolitical risks and fluctuations in commodity prices.

In particular, the escalation of tensions in the Middle East that emerged in February 2026 could amplify inflationary pressures and the risk of economic slowdown around the world through sustained high oil prices. We are therefore monitoring developments and their potential impact closely.

The Bank of Japan’s policy shift has brought about the return of interest rates, and yields on Japanese Government Bonds. have remained at relatively high

levels. We view this as a significant opportunity for the Bank. By continuing the rebuilding of our yen interest rate portfolio, we believe we can achieve stable and sustained profit growth over the medium to long term.

Digital innovation, including generative AI, is also bringing about significant changes across the financial industry. At Japan Post Bank, we will incorporate these technologies in a phased and deliberate manner, leveraging generative AI to enhance customer experiences, create new financial services, and achieve fundamental improvements in operational efficiency.

As a bank with a customer base comparable to the size of Japan’s total population, we are uniquely positioned to view these changes as opportunities and take on the challenges of creating new value.

Q3 Some investors would like to see greater shareholder returns, while others believe growth investments should take priority. How do you plan to allocate capital going forward?

A3 Our capital policy under the new Medium-term Management Plan is based on a cycle of maintaining financial soundness, achieving profit growth through growth investments, and returning value to shareholders.

Specifically, we aim to maintain a dividend payout ratio of approximately 50% and provide progressive dividends through earnings growth. We will also consider additional shareholder returns, including share buybacks, as appropriate.

We will also pursue growth investments more aggressively than ever before to strengthen earnings capacity in areas such as the Retail Business and Market Business, while building a more resilient earnings base that is less susceptible to fluctuations in market conditions.

In particular, when it comes to growth investments, it is important to maintain a clear understanding of the risks involved and focus not on setting investment targets in terms of amount, but on seizing opportunities that we believe will

contribute to enhancing the Bank’s corporate value.

In the previous Medium-term Management Plan, our target Common Equity Tier 1 (CET1) ratio under normal conditions was “approximately 10%”. However, as the Bank enters a new stage under the new Medium-term Management Plan and we anticipate further increases in the CET1 ratio driven by earnings growth, management engaged in extensive discussions regarding the appropriate capital level going forward.

As a result, we concluded that it would be more appropriate to present a target range rather than a single target level. Based on extensive simulations that took into account the characteristics of our portfolio, including the high proportion of securities investments within our investment portfolio, we established a range of 11% to 13%.

Looking ahead, we will continue to monitor market conditions closely and manage our capital within this range, ensuring financial soundness in our capital management.

Q4 With the return of interest rates, how do you see Japan Post Bank’s portfolio evolving going forward?

A4 The return of interest rates represents a significant opportunity for the Bank. While continuing to focus on the rebuilding of our yen interest rate portfolio, we will seek to improve risk-adjusted returns through more efficient investment in risk assets, with the aim of achieving an optimal investment portfolio.

With respect to investments in risk assets within our investment portfolio, we maintain a highly selective approach focused on quality, including credit assets and alternative assets such as private equity, real estate, and direct lending.

We believe this investment approach supports the stability of the Bank’s financial base and its sustainable growth, even during periods of heightened market

volatility.

We will also take on the challenge of building a distinctive asset management business, centered by Japan Post Bank Asset Management Co., Ltd., which was established in April 2026, while deepening partnerships with external asset management companies.

Through these initiatives, we aim to increase net interest income and other income from approximately 1.5 trillion yen today to more than 2.3 trillion yen by fiscal 2028.

Alongside these efforts, we will maintain and strengthen our ability to respond swiftly to a wide range of risks, including changes in interest rate and credit conditions.

Q5 How do you plan to create new businesses that are uniquely Japan Post Bank and unlike those of any other financial institution?

A5 We began formulating this Medium-term Management Plan even before Japan Post Holdings conducted its share offerings. Throughout the process, we continually asked ourselves what the world would look like after the offerings and engaged in extensive discussions based on the views and requests we received through dialogue with our stakeholders.

In addition to the new Medium-term Management Plan, we developed our Medium- to Long-term Vision, which sets out where we aspire to be by 2040.

To realize our Medium- to Long-term Vision over the next 15 years, we will execute four business strategies over the three-year period from fiscal 2026 through fiscal 2028: (1) the Digital Payment Business Strategy, (2) the Consulting Business Strategy, (3) the Market Operations and Asset Management, and (4) the Regional and

Corporate Solutions Business Strategy.

Through these four business strategies, we intend to further strengthen the customer and deposit base built on our nationwide post office network, which remains one of the Bank’s greatest strengths.

Each of these strategies builds on businesses we have been developing for many years. They represent the evolution of our existing businesses and the result of efforts we have been making for several years to create new sources of growth.

We will steadily execute these strategies and continue delivering value to our customers. We hope you will look forward to the next chapter of Japan Post Bank as we build on the extraordinary trust and strong customer base that set us apart.

Column

We endeavor to advance to the Next Stage together with Shohei Ohtani

Japan Post Bank has entered into a brand ambassador agreement with Shohei Ohtani, of the Los Angeles Dodgers, a Major League Baseball team.

Mr. Ohtani continues to inspire Japan with courage and hope, having realized his own dream through tireless efforts, as he continues to set unprecedented records one after another in a world-class career. Meanwhile, outside of his activities as an athlete, Mr. Ohtani has also taken an interest in various sports-based activities that support the children of Japan and the future of our communities.

Mr. Ohtani’s stance is the embodiment of Japan Post Bank’s Medium- to Long-term Vision.

Japan Post Bank will continue working with Mr. Ohtani to contribute to the development of a vibrant society and thriving communities in Japan.



Shohei Ohtani
Brand Ambassador

Takayuki Kasama
President & CEO