

Medium-term Management Plan

KEY STRATEGIES ①

Innovating retail business into a new form by realizing complementarity between the physical and the digital



Minoru Kotouda
Senior Managing Executive Officer

Working to innovate retail business into a new form by realizing complementarity between the physical and the digital

In addition to expanding digital services that put safety and security first, and can be readily used by all customers by continually improving UI/UX, we will promote the dissemination of digital services by actively utilizing our post-office network.

We will provide customers with information on optimal products and services in consultations via both our face-to-face and digital channels when they consult with us about asset management.

We offer life plan consultation services with an even stronger focus on individual customer needs in the face-to-face channel, which enables customers to consult the same staff members. We will establish an asset management platform that is easy for anyone to use in the digital channel, which is simple, convenient, and low-cost.

Consequently, JAPAN POST BANK will provide “reliable and thorough” financial services “safely and securely” to anyone and everyone throughout Japan.

FY2021/3 Initiatives

Status of various responses to fraudulent use of cashless payment services

The Bank’s immediate transfer services and mijica (Visa debit/prepaid card) were used fraudulently by malicious third parties, causing a great deal of inconvenience to our customers.

In response to this, we suspended the use of the immediate transfer services for certain companies and some mijica functions from September 2020, and also compensated the affected customers. In addition, the Security Review Task Force was established under the direct supervision of the Bank’s President and Representative Executive Officer to reconfirm the robustness of the security of our cashless payment services and the system for monitoring customer usage.

As for the immediate transfer services, the service was later resumed from January 2021, starting with those companies whose security systems have been confirmed to be free of problems. As for mijica, we are preparing for

the transition to a new branded debit card in the spring of 2022.

Furthermore, with regard to the governance systems surrounding the response to the fraudulent use of our services, we have been taking steps to improve the situation based on the recommendations of the JP Reform Execution Committee, which was established by the Audit Committee of JAPAN POST BANK and the four companies of the JAPAN POST GROUP and whose members include external experts.

We consider the cashless payment service as one of our most important management policies, and based on our experience and reflection, we will further strengthen the security of our services so that our customers can use them safely and securely, and we will make further efforts to improve our sensitivity to risks and customer-oriented business operations.

ACTION Digital service strategies

Deploying digital service strategies as an innovation in the retail business

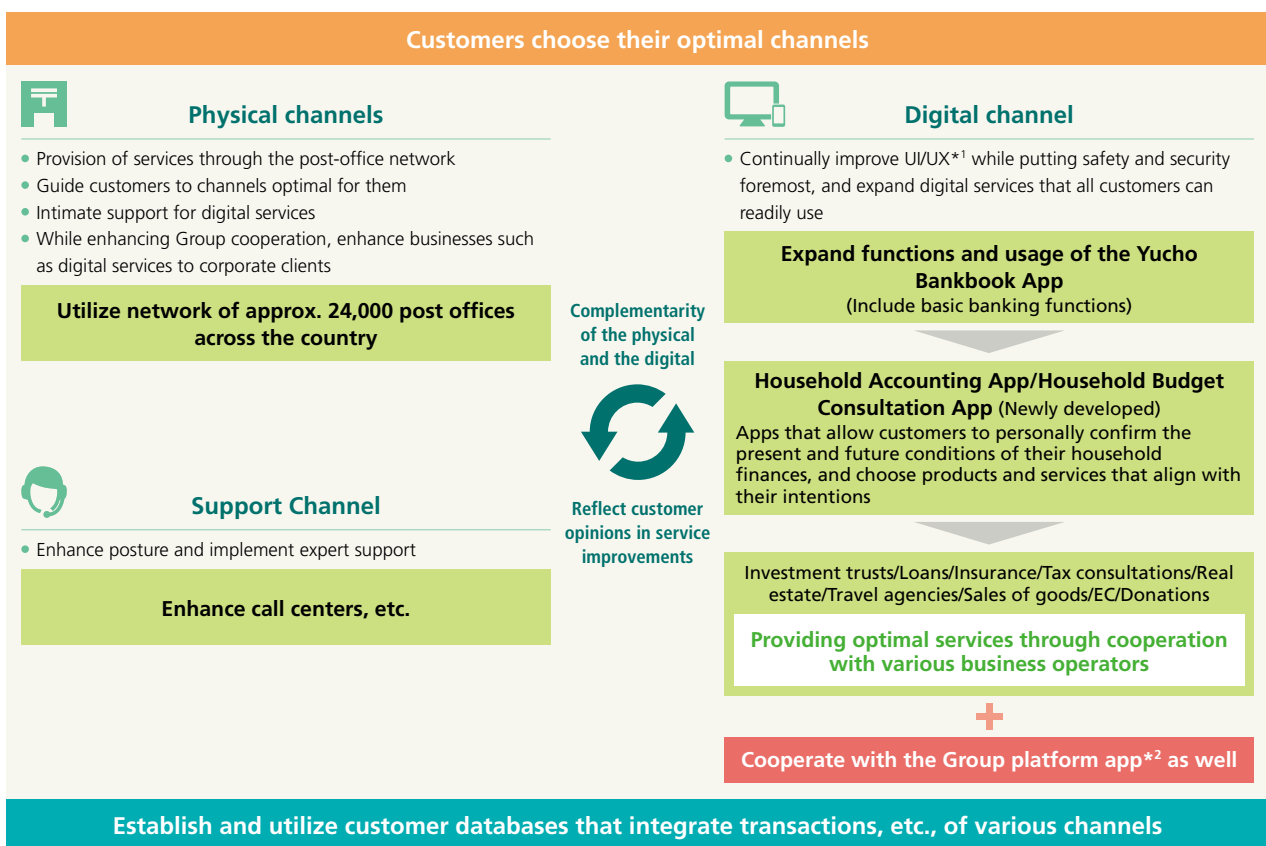
Placing top priority on safety and security, we will expand digital services that are easy for all customers to use, and promote the spread of digital services by utilizing our post office network. In addition, we will endeavor to build an open “co-creation platform” that leverages our customer base to provide optimal services through collaboration with a wide range of businesses.

Specifically, we will work to strengthen security including the identity verification function for various digital services, expand the functions of the “Yucho Bankbook App,” build the “Household Accounting App/

Household Budget Consultation App, and continuously improve UI/UX*¹.

In addition, through the utilization of the nationwide network of post offices, we will guide customers to the most suitable channels and provide careful support for digital services.

As we have the largest customer base of any Japanese bank, we will work to expand our customer base in the digital domain with a focus on the “Yucho Bankbook App” and strive to promote digital services that can be used safely and conveniently by many customers.



*1 Abbreviations of User Interface/User Experience. In addition to making the services easier to operate and use, we will work to improve the value of the experience customers gain from using services.

*2 Based on the concept of “Post-Office in Hand,” this singular platform app allows users to use the various products and services offered by the Japan Post Group in a cross-sectional manner (under development).



We designated the number of registered the Yucho Bankbook App accounts as a KPI, and will use this App as a launching point for our goal of disseminating digital services founded on our customer base, the largest among Japanese banks.



Number of accounts registered in the Yucho Bankbook App

FY2021/3

FY2026/3

Approx. 2.8 million accounts

10 million accounts

Japan's largest customer base
(120 million ordinary deposit accounts)

Value Creation

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ACTION Asset building support business


Providing optimized services to customers through face-to-face and digital channels

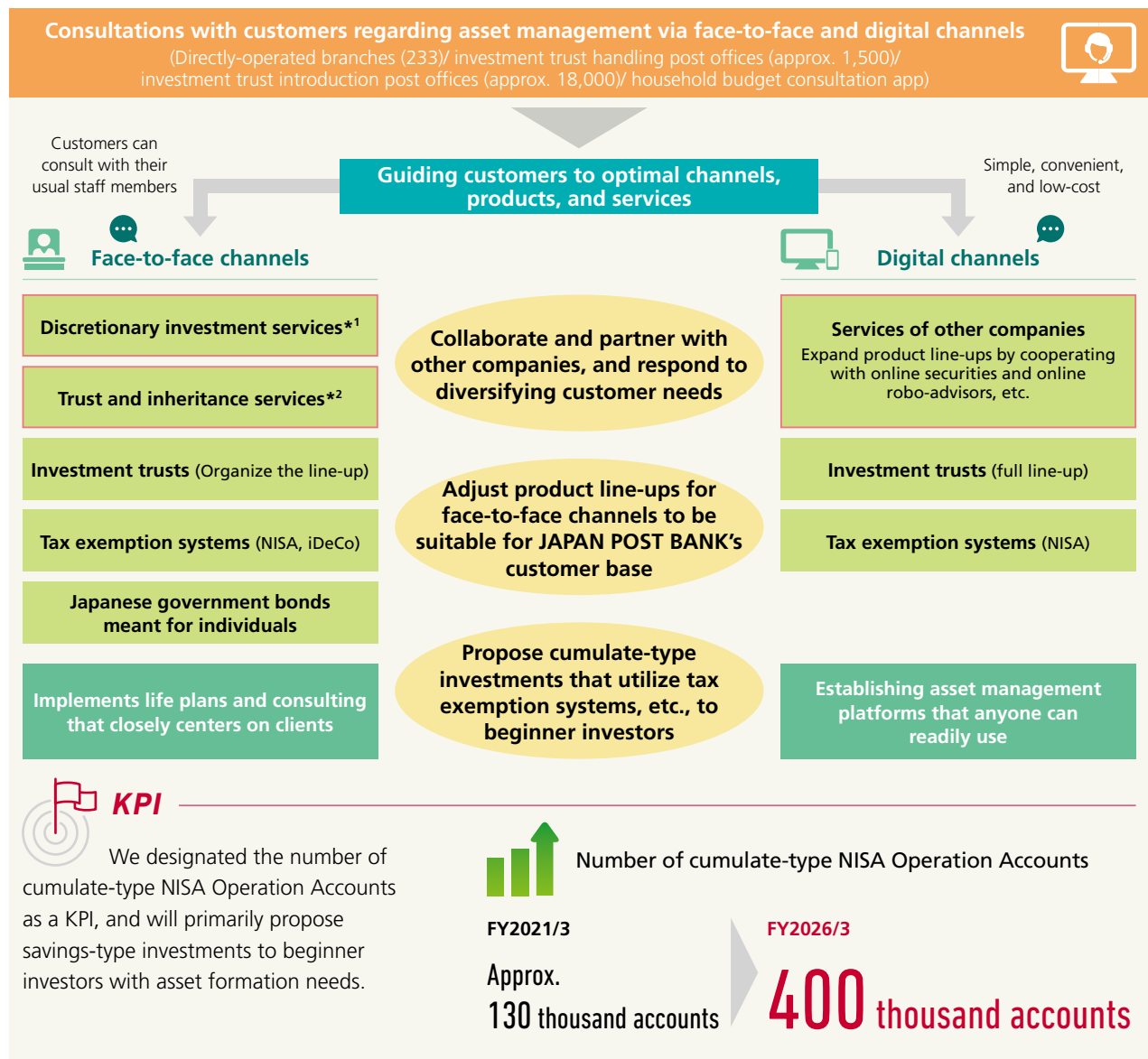
In the asset building support business, we will provide optimal services to customers through the “face-to-face channel,” where customers can consult with our regular employees, and through the “digital channel,” which is easy, convenient, and low-cost, based on customer-oriented business operations.

In the face-to-face channel, we will offer a lineup of asset management products to suit our customer base, while we will mainly offer cumulate-type investments to

beginner investors. In addition, we will introduce and expand the online consultation function and train “financial consultants” to provide more personalized life plan consulting services to our customers.

Meanwhile, in the digital channel, we will strive to develop an asset management platform that is easy for everyone to use by expanding services on our website and apps using competitive fee levels.

Introduction and expansion of online consultation functions 



Note) Products and services in red frames are planned for introduction during the medium-term plan period

*1 This service has "accept discretion from the customer to make investment decisions, and mediates products that have the Bank conduct everything from sales to management of investments based on such investment decisions (authorization required).

*2 This service conducts mediation for products handled by trust banks that engage in testamentary trusts, inheritance trusts, and inheritance adjustment business (authorization required).

ACTION New business

Creating new business to provide value

We will develop new services that support the lives of customers over the long term and new services that further enhance convenience.

Specifically, we have started "account overdraft

services" and direct handling of "Flat 35" in May 2021. In addition, we will prepare for the launch of "discretionary investment services" and "trust and inheritance services."



*1 Authorization required

*2 A service that delegates the dissolution of investment trusts retained by customers to designated family members