

Medium-term Management Plan

KEY STRATEGIES ③

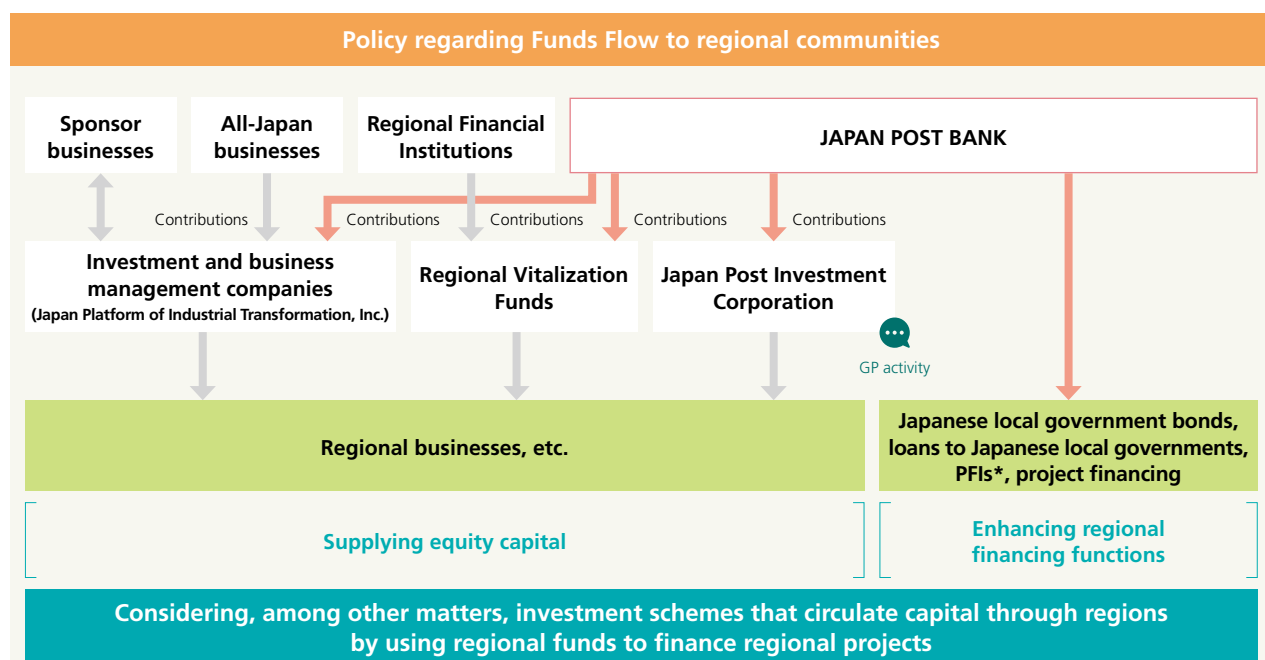
Enhancing funds flow to regional communities and the regional relationship functions through various frameworks

ACTION Funds flow to regional communities

Responding to the risk money needs of regional communities

In order to flow precious customer funds entrusted by our customers to regional communities, we will strive to contribute to the vitalization of regional communities by supplying funds through various frameworks. In particular, we will respond to the risk money needs of regional

communities by supplying equity funds through “regional vitalization funds,” as well as through the actions of Japan Platform of Industrial Transformation, Inc. (JPIX) and Japan Post Investment Corporation.



* Abbreviation of Private Finance Initiative. A method that conducts construction of public facilities, and other similar efforts, utilizing the funding and capabilities of the public. (Reference) Balance of financing to regions: approximately ¥7 trillion (as of the end of FY2021/3)



We designated the number of regional vitalization fund contributions (cumulative) as a KPI, and are working towards “Funds flow to regional communities.”



Number of regional vitalization fund contributions (cumulative)

FY2021/3

FY2026/3

32 cases

50 cases

Overview of Regional Vitalization Funds (As of March 31, 2021)

Name of Fund	Year/month of participation	Name of Fund	Year/month of participation
1 Kyushu Wide Area Reconstruction Assistance Investment LP	2016/7	18 Aomori Bank Regional Vitalization LP	2019/3
2 KFG Regional Enterprise Support Investment LP	2016/11	19 Capitalization of Tourism Heritage Investment LP	2019/6
3 Hokkaido Growth Companies Support Investment LP	2016/11	20 Regional Next-generation Industry Accelerate Investment LP	2019/7
4 Chubu / Hokuriku Region Vitalization Investment LP	2017/4	21 Regional Companies Value Up Support Investment 1 LP	2019/7
5 Shiga Bank Core Business Support Investment LP	2017/6	22 Growth Support Investment Project No.1 LLP	2019/7
6 Toho Business Succession Investment LP	2017/8	23 Ant Bridge No.5-A Private Equity Secondary Investment Fund, LP	2019/9
7 Kyushu Setouchi Potential Value Investment LP	2017/10	24 Kiraboshi Capital-Mercuria Investment LP for the Investment Business	2019/10
8 MIYAKO Kyoto University Innovation LP	2017/11	25 Akita City SME Promotion Investment LP	2019/11
9 MBC Shisaku 1 LP	2017/12	26 Towa Regional Activation Investment LP	2019/11
10 Michinoku Regional Vitalization Investment LP	2018/3	27 Furusato Renkei Ouen Fund, L.P.	2020/1
11 Fukui Future Business Support Investment LP	2018/3	28 East Japan Typhoon Reiwa 1 and COVID-19 Recovery Support Investment LP	2020/1
12 Ehime Regional Vitalization Investment LP	2018/3	29 Kansai Innovation Network Investment Limited Partnership	2020/4
13 Healthcare New Frontier Investment LP	2018/8	30 Kansai and Chubu Regions Recovery Support Investment Limited Partnership	2020/7
14 Tokyo SME Support 2 LP	2018/8	31 MIYAKO Kyoto University Innovation II L.P.	2020/10
15 Succession Investment LP, I	2018/10	32 Dogan Regional Value Fund	2020/12
16 TOKYO Relationship No.1 Investment, L.P.	2018/12		
17 Kyoto-University-Venture NVCC No.2 Investment LP	2019/3		

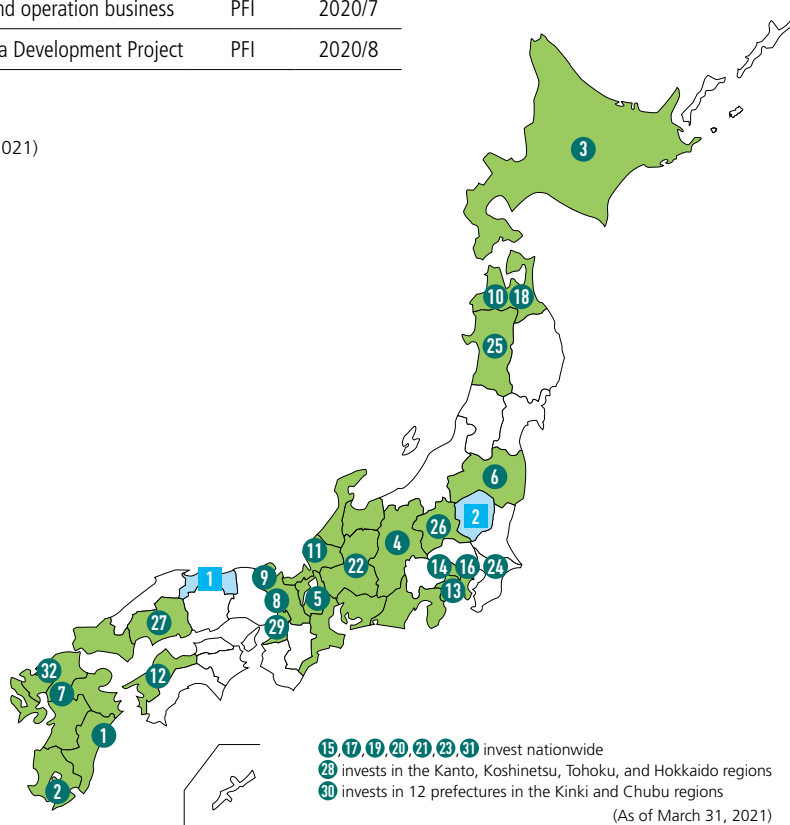
Overview of Major Regional Finance Projects (As of March 31, 2021)

Finance project name	Schemes	Project period
1 Tottori Prefecture hydroelectric plant re-improvement and operation business	PFI	2020/7
2 Tochigi Prefecture Comprehensive Sports Zone East Area Development Project	PFI	2020/8

JAPAN POST BANK's Network (As of March 31, 2021)

Numbers of branches / ATMs in Japan

Regions	Number of branches	Number of ATMs
Hokkaido Region	1,469	1,814
Tohoku Region	2,523	2,805
Kanto Region	2,553	3,728
South Kanto Region	1,018	1,727
Tokyo Region	1,478	3,205
Shinetsu Region	1,290	1,385
Hokuriku Region	827	1,077
Tokai Region	2,339	3,885
Kinki Region	3,407	5,002
Chugoku Region	2,201	2,371
Shikoku Region	1,130	1,345
Kyushu Region	3,386	3,291
Okinawa Region	194	266
Total fund amount	23,815	31,901



*1 The total number of branches includes the following.

- (1) Branches directly managed by JAPAN POST BANK
- (2) Post offices contracted by JAPAN POST BANK (including sub-offices)
- (3) Contracted post offices in which JAPAN POST re-entrusts our banking agency services

*2 Does not include the number (two) of mobile post offices (in Yamaguchi Prefecture and Kumamoto Prefecture).

Value Creation

Medium-term Management Plan **KEY STRATEGIES** ③

Enhancing funds flow to regional communities and the regional relationship functions

ACTION Realizing regional finance platforms

Use of JP Bank's ATM Network and Aggregation of Operational Processes

As the core of the "regional financial platform," we will work with regional financial institutions to meet the financial needs of each region by utilizing our ATM network and sharing administrative work.

Use of JP Bank's ATM Network

Japan's largest ATM network



Total No. of ATMs

Approx. 31,900

Of which are compact ATMs

(Installed in FamilyMart convenience stores, etc.)

Approx. 5,400

No. of partner financial institutions

Approx. 1,300

(As of March 31, 2021)



Developing platforms for JAPAN POST BANK ATMs*

Banks developing platforms

Free of fees across the country

11 banks

Limited to certain regions, conditionally free of fees

5 banks

Total

16 banks

(As of March 31, 2021)

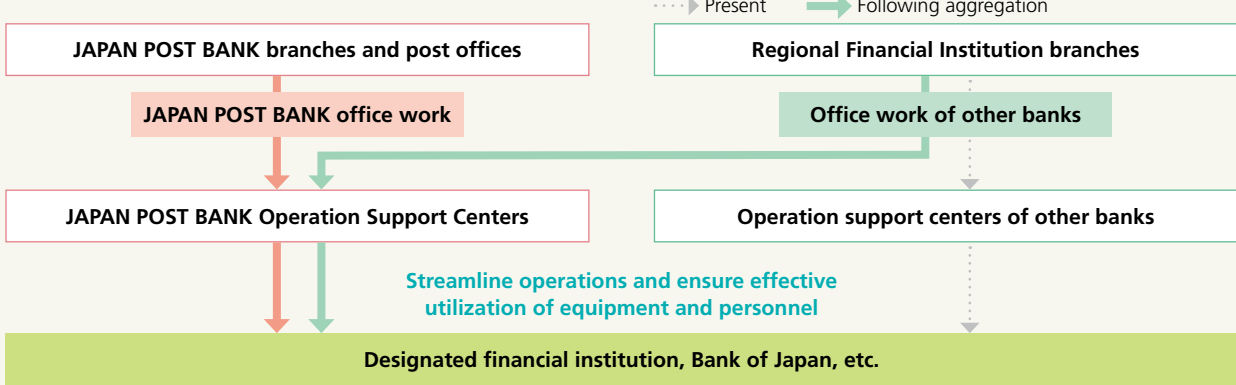


Promotion of additional expansions

* A partnership arrangement for waiving fees when an ATM card of a regional financial institution is used at a JP Bank ATM. Terms and conditions for waiving fees are set by each financial institution.

Aggregation of Operational Processes

Image of the aggregation of operational processes encompassing tax and public money collection



Forming “Regional financial platforms” by promoting the aggregation of operational processes, which is a “noncompetitive area” in the banking industry



KPI

We designated the number of financial institutions that have implemented the aggregation of operational processes as a KPI, and will work to further strengthen relationships with regional financial institutions.



Number of financial institutions that have implemented the aggregation of operational processes

FY2021/3

3 financial institutions
(2 Operation Support Centers)

FY2026/3

Expanded to approx.

20 financial institutions
(11 Operation Support Centers)

ACTION Enhancing implement systems

With regard to efforts to revitalize regional communities, we established a new Regional Relations Division in April 2021 to promote these efforts while further strengthening our relationships with local governments and regional financial institutions.

The 3 Missions of JAPAN POST BANK

Providing “reliable and thorough” financial services “safely and securely” to anyone and everyone throughout Japan.

Contributing to the development of regional community economies by enhancing funds flow to, and relationships with, communities using various frameworks.

As one of the largest institutional investors in Japan, JAPAN POST BANK will work to both realize sound and profitable operations, and contribute to the realization of a sustainable society.

Business departments that address our missions

Marketing Division

Regional Relations Division
(Newly established April 2021)

Investment Division

Business work processing systems that foment customer trust, such as high quality system bases and Operation Support Centers

Compliance and internal control systems that ensure customer-oriented business operations