

Value Creation Process

JAPAN POST BANK aims to maximize the value it provides to its stakeholders by increasing the value created through its business activities, while at the same time enhancing its corporate value and contributing to the development of society and the region.

PURPOSE
We aim for the happiness of customers and employees, and will contribute to the development of society and the region.

INPUT

(As of March 31, 2024)

Financial Capital

- Japan's largest deposit balance
¥192.8 trillion
(Retail deposit ratio: Approximately 97%)
- Shareholders' equity
¥9.5 trillion

Human Capital

- Number of employees
11,345
- Diverse Specialized Human Resources
- Number of market operations professionals (As of April 1, 2024)
97
- Training costs
Approx. ¥440 million

Intellectual Capital

- Skills and expertise in each business
- IT investment
Approx. ¥675.0 billion
(Cumulative total over the period of the Medium-term Management Plan)
- Approx. ¥150.0 billion
(FY2024/3)

Social and Relationship Capital

- Japan's largest customer base
Approx. 120 million accounts
- Nationwide network
23,557 branches
- Number of ATMs
Approx. 31,200
- Trusted brand

Natural Capital

- Energy consumption (Scope 1, 2)
947,280GJ
(FY2023/3)

BUSINESS

Materiality

- Providing "safe and secure" financial services to anyone and everyone throughout Japan
- Contributing to regional economic expansion
- Reducing environmental impact
- Diversity promotion of human resources and sophistication of governance

Strategies (Medium-term Management Plan)

- Advancing DX
- Promotion of sustainability management
- Strengthening the management base

R Retail
Retail business innovations

M Market
Market business enhancement

Σ Business
Full-scale Launch of the Σ Business

OUTPUT

(As of March 31, 2024)

R (Retail business)
Yucho Bankbook App

- Number of registered accounts
Approx. 10.4 million accounts

Asset Formation

- Number of NISA Accounts
Approx. 730 thousand accounts

M (Market business)
Pursue diversified investment in foreign assets

- Balance of risk assets
¥107.4 trillion
- Balance of strategic investment areas
¥12.1 trillion

Σ (Σ Business)
Flow of funds to regional communities

- GP business-related investments (based on investment commitments)
¥48.9 billion

OUTCOME

(Results: FY2024/3 ▶ Targets: FY2026/3)

Financial Capital (Consolidated Basis)

Net income (attributable to owners of parent):
¥356.1 billion ▶ **¥400 billion or higher**

ROE (based on shareholders' equity): 3.74% ▶ **4.0% or higher**

Capital adequacy ratio (Domestic standards): 15.01% ▶ **Approx. 10%*2**
(Target level in normal times)

CET1 (Common Equity Tier 1 Capital) ratio: 13.23% (International standards)*1 ▶ **Approx. 10%*2**
(Target level in normal times)

Dividend payout ratio: 51.8% ▶ **A basic policy for approx. 50%**

OHR*3: 65.39% ▶ **62% or lower**

General and administrative expenses: -¥81.5 billion (Compared with FY2021/3) ▶ **-¥69.0 billion**
(Compared with FY2021/3)

Human Capital

Overall employee satisfaction rate: 67.3% ▶ **70% or more**

Number of Career Challenge applicants: 206 ▶ **100 or more**

Ratio of women in managerial positions: 18.4% (As of April 1, 2024) ▶ **20% (April 1, 2026)**

Intellectual Capital

Maintain a high-quality system base that can support trust in JAPAN POST BANK

Assertively advance strategic investments in IT

Social and Relationship Capital

Maintain and improve the trust we have built with local communities throughout Japan

Number of partner financial institutions where cards can be used at JAPAN POST BANK ATMs: Approx. 1,200 companies

Holdings of the JAPAN POST BANK Piggy Bank Design Contest

Conducting Financial Education

Natural Capital

GHG emissions reduction rate: -50.8% ▶ **-60%**
(Compared with FY2020/3 / FY2023/3 results)

ESG-themed investment and loan balance: ¥4.6 trillion ▶ **¥7 trillion**