

1st Engine: Retail Business

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



Etsuko Kishi
Managing Executive Officer



Akihiro Den
Managing Executive Officer

Main Business

Targeting customers who are mainly individuals in Japan, providing financial services, such as deposits, remittances/ payments, salary/pension receipt, asset management, cashless services, and housing loans (brokerage), through nationwide directly managed branch offices and post offices as well as our ATM network and digital channels.

External Environment and Social Issues

- Declining birthrate, shrinking and aging population
- Diversification of channels
- Entry into different industries
- Growing trend toward digitalization
- Digital divide
- Promotion of the “Policy Plan for Promoting Japan as a Leading Asset Management Center”
- Expansion of NISA system

Retail Business Strengths and Resources

Scale

- Physical network **23,557** branches
- Total Number of ATMs Approx. **31,200**
- Number of partner financial institutions (ATMs) Approx. **1,200** companies
- Customer base Approx. **120** million accounts

Diverse Human Resources

- Number of employees **11,345**
- Class FP2 and above acquisition ratio **73.6%**

Trusted Brand

- Brand strength based on the trust built since the Bank’s founding

Deposit/Capital Base

- Deposit balance **¥192.8** trillion
(Retail deposit ratio: Approx. 97%)

Strategies (Medium-term Management Plan / Retail Business innovations)

- 1 Digital Services Strategy
- 2 Asset-Building Support Business Strategy
- 3 Cashless, ATM, and Loan Business Strategies
- 4 Work Reforms and Productivity Improvements

OUTPUT

Yucho Bankbook App

- ▶ Number of registered accounts Approx. **10.4** million accounts

Asset building

- ▶ Number of NISA accounts Approx. **730,000** accounts

OUTCOME

Customers

- Providing safe and secure financial services that are accessible to all customers
- Providing new service opportunities through complementarity between physical and digital channels
- Supporting the shift from deposits to investment
- Providing universal services

Shareholders/Investors

- Building a new Retail Business model
- Reducing costs through improved operational efficiency using digital technologies

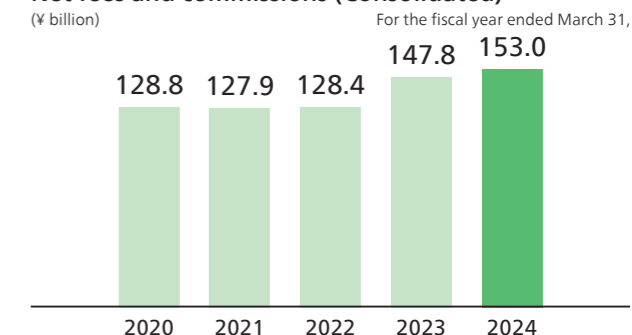
Environment

- Reducing environmental impact by shifting to paperless transactions

FY2024/3 Performance

In FY2024/3, fees and commissions income, which are mainly equivalent to commission income in the Retail Business, increased by ¥5.2 billion year on year, to ¥153.0 billion owing to such factors as the upswing in ATM-related commissions.

Net fees and commissions (Consolidated)



FY2024/3 Results and Future Initiatives

Digital Services Strategy

Guided by a basic policy of “expanding digital services that are easy for all customers to use,” JAPAN POST BANK has taken steps to further enhance convenience, including by adding various payment functions and ATM deposit and withdrawal functions to its Yucho Bankbook App. Since its launch in February 2020, use of the Bankbook App service has steadily expanded, buoyed by the friendly and courteous guidance provided at JAPAN POST’s post office network—the number of registered accounts passed the 10 million mark in February 2024, reaching the target set under the Medium-term Management Plan two years early.

In addition, to meet the diverse needs of our customers, the Bank is working to build a co-creation platform that offers products and services that transcend the boundaries of conventional banking through various means, including push notifications on the Yucho Bankbook App. The Bank is already distributing advertising content on a wide range of products, including Sony Bank’s foreign currency deposits and JAPAN POST’s post office online store.

In the future, JAPAN POST BANK will continue to work toward the realization of a co-creation platform through collaboration with a variety of businesses.

Improve UI/UX* and enhance functionality of the Yucho Bankbook App, etc.

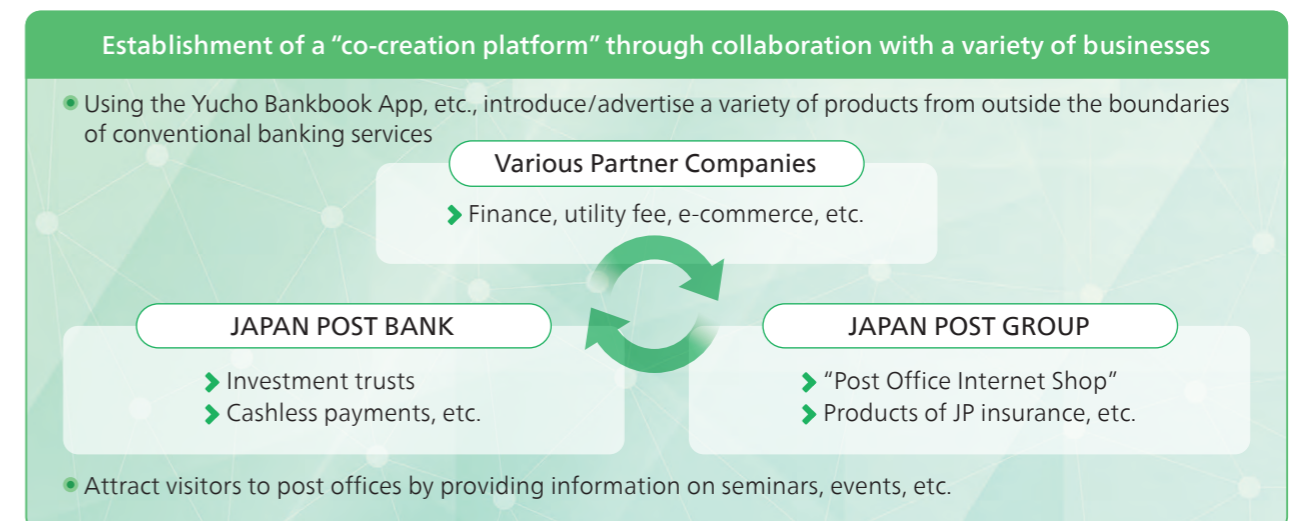
- Roll out of digital services centered on the Yucho Bankbook App
- Further expand offerings of easy-to-use digital services for all customers by promoting UI/UX improvements, functionality enhancements, application integration, etc.

Strive to capture new users of the Yucho Bankbook App

- Make friendly and courteous sales pitches and provide support for the Yucho Bankbook App, etc., to customers of all ages who visit our branches
- Make use of online promotions, etc. to expand use of the app

* 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.

Complementarity between the physical and digital channels

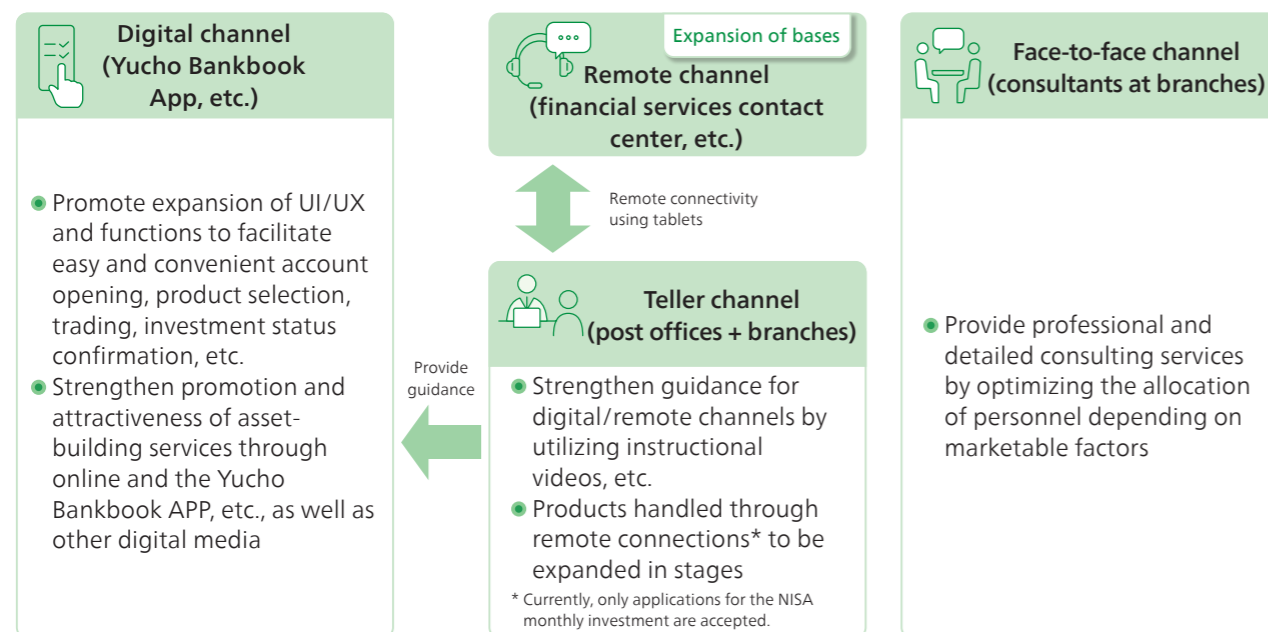


Asset-Building Support Business Strategy

JAPAN POST BANK is endeavoring to shift from sales centered on face-to-face interactions to sales via digital and remote transaction channels linked with the teller channel in response to changes in the business environment, including the progress of digitalization of society and the launch of the new NISA system.

As far as face-to-face interactions are concerned, in

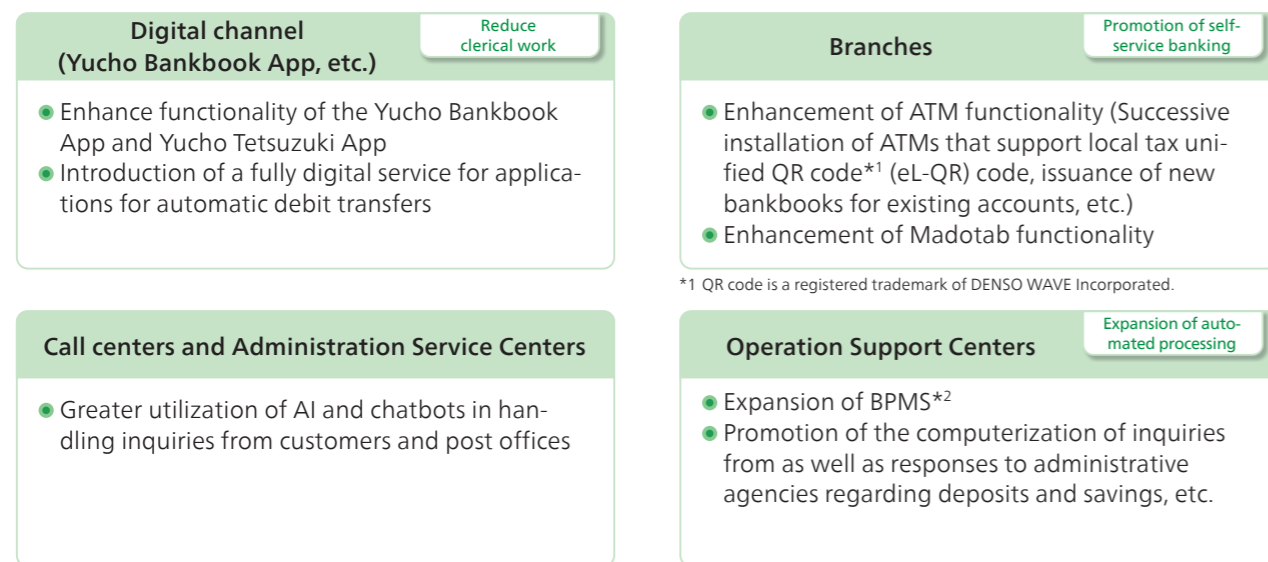
addition to the detailed efforts provided by consultants, the Bank will build a sales structure that leverages the strengths of the JAPAN POST GROUP by integrating physical and digital technologies. This includes enabling the handling of investment trusts (NISA) at approximately 20,000 locations that are familiar to customers and by remotely connecting JAPAN POST's nationwide network of post offices with financial services contact centers and other facilities.



Work Reforms and Productivity Improvements

In March 2024, JAPAN POST BANK released the Yucho Tetsuzuki App that allows users to open accounts and re-register personal identification numbers in multiple languages on their smartphones. In addition, the Bank is working to provide increasingly convenient products and services to its customers while reducing the administrative workload at teller windows and in back office operations by adding a variety of functions, including the remittance and re-registration of personal

identification numbers, to Madotab, a self-service branch terminal. This allows customers to complete such tasks as the opening of accounts at directly-operated branch offices. At the same time, we are expanding automated processing at Operation Support centers while advancing various initiatives, including efforts to improve the efficiency of inquiry handling through the use of AI in the Administration Service Centers that assist post office staff.



Toward Establishing a Co-creation Platform COLUMN

JAPAN POST BANK is promoting a host of initiatives in the process of building a co-creation platform for digital services that offer optimal products and services to meet the needs of our customers. Centered around digital channels like the Yucho Bankbook App, which currently boasts over 10 million registered accounts, the Bank is collaborating with a variety of businesses, including Group companies and non-financial business operators, in addition to offering its own products.

We made steady progress toward the realization of the co-creation platform in FY 2024/3, including a trial distribution of advertisements in the Bankbook App, providing information on Sony Bank's foreign currency deposits and JAPAN POST's post office online store.

We also set up a Co-creation Platform Planning Office in April 2024 to step up the pace of these efforts. In addition to further expanding distribution of advertisements via the App, we plan to vigorously pursue opportunities in the BaaS* field in FY 2025/3. Our aim is to provide the Bank's financial functions to a range of businesses by leveraging ATM signage as an advertising channel, offering instant transfer services, and

capitalizing on the API-based integration scheme launched in April 2024.

Through these efforts, we hope to put in place an environment in which the Bank's accounts can be used not only for our own services and those of other Group companies, but also for the services of a variety of other businesses, thus providing new value to our customers.

* Acronym of Banking as a Service. Initiatives aimed at providing bank functions and services to non-financial companies through APIs.



Hideki Fujii
Manager of Co-creation Platform Planning Office, Digital Strategy Division

Yucho My Job



Kirari Shioiri
Mihama Branch Financial Services Department

Helping Customers Realize Their Life Plans

I joined JAPAN POST BANK as a new graduate in 2018. After working as a teller at the Showa branch for the first two years, I began consulting work related to asset management in 2020. After transferring to the Nagoya Chuo Branch in 2022, I then moved to the Mihama Branch in 2023, where I work as a consultant in the Financial Services Department.

Now in my fifth year as a consultant, I am endeavoring to better understand the different potential needs of each client to help them realize their life plans and protect their valuable financial assets.

When one of my clients came to me with

concerns about inheritance planning, I suggested that we think together about ways to achieve their key future goals, including measures taking advantage of financial products, obtaining information from specialists, and drawing up a will. I was particularly impressed when the customer said, "I'm excited about the possibility of living the life I envisioned."

Moving forward, in response to ever-changing financial conditions, I will work to gain a better understanding of the Bank's products and services and continue to hone my capabilities, by acquiring qualifications and in other ways, so that I can make proposals that are centered on the customer.