at Japan Post Bank

Strategies to Achieve

Value Creation

Support Value Creation

Stakeholder Engagement Committee





Company-wide Town Hall Meeting "COMPASS 2024"

With the aim of further promoting and implementing customer-oriented business operations, we established a special committee directly under the President & CEO, Representative Executive Officer in 2020 and have built a cycle for directly incorporating customer and employee feedback into management.

In fiscal 2024, with the aim of becoming a more trusted bank and strengthening the cycle of utilizing feedback in management, we relaunched the committee under the name "Stakeholder Engagement Committee" based on suggestions from employees. We are working across the organization to create new value not only through the improvement and enhancement of products and services but also through the facilitation of internal communication and the resulting improvement of organizational capabilities. Members from different sections, positions, and years of experience listen sincerely to the voices of our customers and employees, make bottom-up proposals to management, and engage in lively discussions.

Organizational structure

Customer Feedback

Customer Feedback Subcommittee

Creation new Business PT* **Existing Business Improvement PT** Employee comments 🖊

Employee Voices Subcommittee Person in charge: Yuko Yoshida,

Managing Executive Officer

Organizational Culture Improvement PT Productivity Improvement PT

*PT: Project team



Vice Chair Kenji Ogata Deputy President Representative xecutive Officer



Vice Chair Harumi Yano Deputy President, Representative Executive Officer



Introduction to PT activities for fiscal 2024

Creation new Business PT



"Thinking about a new 'Yucho'"

Yuki Takata Digital Strategy Division Retail Marketing Office

We are a project team exploring new business opportunities.

We aim to create exciting new businesses that will make customers think, "Japan Post Bank is such a great bank," by combining the voices of our customers with those of our employees. All our members freely share their exciting ideas.

Organizational Culture Improvement PT



"Realizing a workplace with job satisfaction"

Kenji Toge Leader, Senior Manager Global Credit Investment Department

"Vibrant and exciting" is our motto! We are a project team that transforms job satisfaction into organizational strength.

Team "Yucho" is just getting started. To break down barriers between departments and strengthen the sense of unity across the entire company, Japan Post Bank held its first-ever company-wide town hall meeting, "COMPASS 2024." We will continue to move Japan Post Bank forward every day, guided by the voices of our employees.

Existing Business Improvement PT



"Reviewing the current state of Yucho"

Kotaro Toda Leader, Senior Manager Corporate Planning Department

We are not satisfied with the current situation. This is a project team tasked with reviewing existing businesses and improving them.

We are reviewing our products and services, focusing on those that receive many comments and requests from customers, as well as those for which our employees frequently request improvements in their daily work, and are addressing these issues head-on.

Productivity Improvement PT



"Creating a comfortable workplace"

Manabu Takeda Leader, Senior Manager Corporate Planning Department

Times are always changing. Our project team is working to create a better working environment through administrative efficiency and decluttering.

By improving productivity across the entire company, we aim to create "time to think" and "time to generate profits" for every employee, thereby fostering a workplace where high-quality work can be performed. We are engaging in dialogue to determine what employees truly want and are moving forward with a sense of urgency.

Note: Store and department names are as of March 31, 2025

Company-wide Town Hall Meeting "COMPASS 2024" Held













Value Creation at Japan Post Bank Strategies to Achieve

Foundations to Value Creation Support Value Creation

SECTION 5

What I Think "Yucho-spirit" Is



Tottori Branch

Hiroaki Nakano **Financial Services**

"The bank closest to you"

We strive to act in ways that benefit our customers so that they feel close to us.



"Friendliness"

With "customers as our focus" in mind, we will continue to work closely with as many customers as possible.



Head Office

Rina Togawa Administrative Support Department

"Yucho = Physical x Digital"

While promoting digitization and utilization through technology, we provide live support to ensure that customers unfamiliar with our system and those who only visit our offices receive accurate information.



Natsuki Fuiita

"A workplace where you can find job satisfaction by taking on new challenges"

We strive to ensure smooth information dissemination and communication, and to create working environments where all employees can work energetically and take on challenges.

Nagano Branch

Shiho Takizawa **Corporate Services**

"Sense of security and stability"

We will contribute to the development of society and local communities with the aim of ensuring the happiness of our customers and employees.

"Peace of mind" and "trust"

We continually strive to improve our skills so that we can respond quickly and accurately to administrative inquiries from post office staff.

Japan Post Bank's Purpose is to contribute to the development of society and local communities with the aim of bringing happiness to customers and employees throughout Japan.

Here, we introduce how employees across the country imagine and work toward the "Yucho-spirit" embodied in our Purpose.



Tokyo Regional Headquarters

Fusanosuke Araya **General Affairs**

"Imagine the satisfaction of our customers"

By supporting and training store employees, I want to ensure warm service for our customers—the ultimate beneficiaries of our work.

Aichi Administration

Service Centers*4

Takayuki Hiomo

First Partner Division

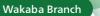


Nagoya Branch

Yukari Sakashita **Financial Services**

"'Thank you' is a magical phrase."

We value creating an atmosphere where customers naturally communicate "thank you" with a smile.



Mayumi Enoomote **Financial Services**

"Trust"

We value communication with our customers so that they will say, "It's Yucho, after all."



Otaru Operation Support Center*3

Seita Ishioka **Deposits Services**

"A familiar and natural presence"

We will follow up and provide support to ensure that employees can perform accurate administrative tasks without delay.

The Purpose of Japan Post Bank

We aim for the happiness of our customers and employees, and to contribute to the development of societies and local communities.

- *1 Financial Services Department: Handles financial products at counters, proposes products and services to individual customers at their homes and at counters, and provides consulting services related to asset management, such as investment trusts.
- *2 Corporate Services Department: Proposes and supports various services for corporations and business
- *3 Operation Support Centers: Handle specialized operations such as inheritance and review various applications received through digital channels and at counters.

 *4 Administration Service Centers: Provide administrative and sales support to post offices and respond to
- administrative inquiries from post offices.

Note: Branch and department names are as of March 31, 2025.



Value Creation

Strategies to Achieve

Value Creation

Support Value Creati

Japan Post Bank's Value Creation Story

We will continue to strive to be the bank of choice for our customers for the next 150 years, contributing to the development of society and local communities.

On May 2, 2025, Japan Post Bank celebrated the 150th anniversary of the founding of its postal savings business.

Since its founding, Japan Post Bank has been used by customers of all ages throughout Japan, and the brand, deposits, and customer base built up through long-standing trust from our customers are a major strength and asset that no other bank can match. While carefully protecting these assets, we have worked to enhance corporate value and solve social issues through a variety of businesses. Although the times and environment have changed significantly, and the products and services we offer to our customers have also changed, our starting point has always been the creed established 150 years ago by our founder, Hisoka Maejima: "Never shy away from being a hidden force for good. Always have a heart that wishes for the best for others."

Today, this belief has become our Purpose: "We aim for the happiness of our customers and employees, and to contribute to the development of societies and local communities." To achieve this, we have established the following Management Philosophy: We aim to become "the most accessible and trustworthy bank in Japan," guided by the needs and expectations of our customers.

In the next 150 years, even as the times and environment continue to change rapidly, we will protect and utilize the assets we have cultivated and continue to provide services that all customers can use with peace of mind, safety, and convenience through both physical and digital channels.

Beyond that, we believe that there will be a world where our Purpose, which is to aim for the happiness of our customers and employees and to contribute to the development of societies and local communities, will be realized.

Medium-term Management Plan 2025

Deepening trust, and taking on the challenge for financial innovations

Details on page 34

JAPAN POST BANK aims to become the most accessible and

"the most accessible and trustworthy bank in Japan," guided by the needs and expectations of our customers.

Management

PURPOSE

We aim for the happiness of our customers and employees, and to contribute to the development of societies and local communities.

Trust

We comply with laws, regulations, and other standards of behavior and value trusted relationships with customers, markets, shareholders, and employees and consistently serve as a responsible corporate citizen.

Innovation

We work sincerely to improve our management and business operations in response to requests from customers and changes in the business environment.

Efficiency

We pursue improvements in speed and efficiency of our management and business operations in order to provide customer-oriented financial instruments and services.

Expertise

We continually strive to strengthen our expertise for the aim of services meeting the expectations of our customers.

Materiality

Social issues to be prioritized

Details on page 28

Mission of Japan Post Bank —

- ▶ Provide "reliable and thorough" financial services "safely and securely" to anyone and everyone throughout Japan.
- ▶ Contribute to the development of regional economies by enhancing funds flow to, and relationships with, local 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.

Balancing the enhancement of corporate value and the resolution of social issues such as SDGs (Sustainability Management)

Annual Report 2025 15

Value Creation Process

Japan Post Bank will strive to maximize the value it provides to its stakeholders through value creation in its business activities, while aiming to enhance corporate value and contribute to the development of society and local communities.



Trusted Brand

management and

human capital

management

Materiality Details on page 28. participation of diverse human capital and enhancing governance

Accelerating strategies and "friendly and attentive", for complementarity between physical and Business innovations digital channels Yucho Bankbook App Number of registered accounts **Approximately** 13.59 million accounts

Asset formation Number of tax-free Nippon Individual Savings Account (NISA) for individual investors **Approximately** 820 thousand

accounts

Advancing Dy

R

Contributing to the realization of a sustainable and profitable asset management portfolio

Promote global asset allocation

Promote global asset sustainable society while conducting the sustainable assets

107.9 trillion

Realance of strategic structure and source the sustainable society while conducting the sustainable society while s Management Plan

Medium-term

Advancing Sustainability Management worthy ds and JAPAN POST BANK aims to become "the most accessible and trustworthy bank in Japan," guided by the needs and expectations of our customers.

Values Trust, Innovation, Efficiency, Strengthening Our Business Base

Full-scale launch of the Zausices

a "co-creation actorm" for the development of society and local communities

i.elated balance an committed investments

¥ 119.1 billion

Contributing to Local economic expansion through fundamental relationships with them and strengthening relationships with the strengt

Realization of Purpose

We aim for the happiness of customers and employees, and to contribute to the development of society and local communities.

Creating social value and

corporate value

Shareholders and investors

Customers







SECTION 1

President & CEO

Value Creation at Japan Post Bank

SECTION 2

Strategies to Achieve F
Value Creation Supp

SECTION 3

Foundations to
Support Value Creation

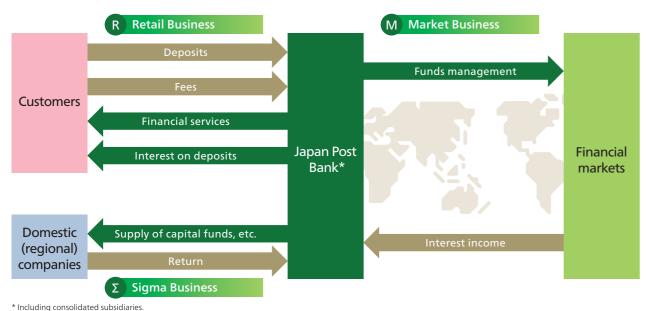
SECTION 4

SECTION 5

Corporate
Information

Business Model

Japan Post Bank aims to be "the most familiar and trusted bank" while engaging in three businesses: the Retail Business, which provides safe, secure, and convenient products and services to a wide range of customers through the post office network; the Market Business, which maintains stable profits by promoting the diversification and sophistication of investment management as one of the largest institutional investors in Japan; and the Σ Business, which creates the future of society and local communities through investment.



Features and profit structure of the three businesses

Most of Japan Post Bank's revenues are derived from net interest income, etc., which is mainly generated by the Market Business. In recent years, however, net fees and commissions income, which is mainly derived from the Retail Business, has also been expanding. We will continue to strive to improve the profitability of the Retail and Market businesses, while aiming to make the Σ Business profitable in the future. We also intend to further increase profits through cost control measures, including business reforms.

Achievements in fiscal 2024 and earnings forecast for fiscal 2025 (consolidated)

			(¥ billion)
FY2024 (initial forecast)	FY2024 (revised forecast)	FY2024 (actual results)	FY2025 (forecast)*1
1,312.0	1,343.0	1,335.3	1,476.0
150.0	155.0	156.3	163.0
936.0	926.0	914.7	958.0
525.0	575.0	584.5	680.0
365.0	400.0	414.3	470.0
	1,312.0 150.0 936.0 525.0	(initial forecast) (revised forecast) 1,312.0 1,343.0 150.0 155.0 936.0 926.0 525.0 575.0	(initial forecast) (revised forecast) (actual results) 1,312.0 1,343.0 1,335.3 150.0 155.0 156.3 936.0 926.0 914.7 525.0 575.0 584.5

Future Direction
 Improve the profitability of the Market Business Monetize the Σ Business Improve earning power through complementarity between the physical and digital channels Control costs through business reform and productivity improvement initiatives Grow profits through revenue expansion and cost reduction

R Retail Business

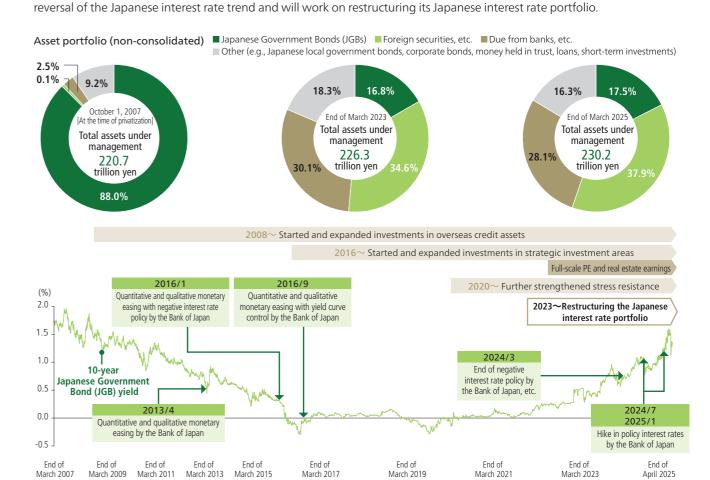
Financial services such as deposits, remittances, payroll, pension payments, asset management, cashless services, and mortgage brokerage

Leveraging our strengths, namely our solid customer base and network, we are accelerating our strategy of complementarity between the physical and digital channels, thereby promoting innovation in retail banking that goes beyond traditional banking services. We are steadily improving our earning power by expanding our digital and cashless services and strengthening our asset formation support and ATM businesses.

Market Business

Management of deposits entrusted to the Bank in securities and other instruments in domestic and overseas financial markets

Before privatization, the company mainly invested in Japanese Government Bonds (JGBs), but since privatization, it has promoted diversification and sophistication of investment management by taking on more risk, mainly in risky assets. From fiscal 2023 onward, the company has promoted a shift in investments from due from banks, etc., to JGBs in response to the



Σ Sigma Business

Corporate business that creates the future of society and local communities through investment

The Σ Business, which is positioned as a corporate business that creates the future of society and local communities through investment, promotes the provision of capital funds to local businesses (investment operations), the discovery of potential investee companies that will become the seeds of new businesses (sourcing operations), and the introduction and mediation of investee companies' products and services (marketing support operations).

(1) Investment operations

"Co-creation with regional financial institutions," "utilizing our nationwide network to identify detailed funding needs," "supplying capital from a medium- to long-term perspective," and "providing support to investees to help them grow and solve problems." With Japan Post Bank Capital Partners Co., Ltd., a wholly owned subsidiary of Japan Post Bank, at its core, the Σ Business will engage in business succession and revitalization investments, venture investments, ESG investments, and other activities in collaboration with joint venture partners.

(2) Deal sourcing business

We will utilize our nationwide network and collaborate with regional financial institutions to discover local businesses that have the potential to become investees for the Σ Business.

(3) Marketing support business for investees

We will introduce and mediate products and services that have the potential to create new markets for products that do not yet have apparent demand and support the growth of investee companies.

^{*1} FY2025 forecast announced on May 15, 2025.

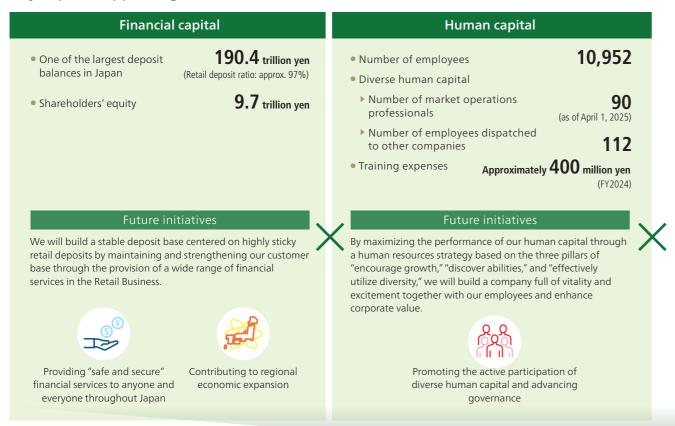
^{*2} Net interest income, etc. = Interest income – interest expenses (including gains and losses on sales, etc.)

SECTION 3

Management Capital and Strengths (Competitive Advantages)

Throughout its 150-year history, Japan Post Bank has consistently strengthened its financial capital based on deposits entrusted by customers, its diverse human capital that responds to the needs of the moment, its intellectual capital cultivated over its long history, and its social and relationship capital centered on its nationwide network of branches to continue to be "the most familiar and trusted bank."

Key capital supporting our business



In the next 150 years, we will continue to enhance corporate value by leveraging these strengths, while providing our stakeholders with a sense of security that will remain unchanged.



Approximately

Intellectual capital

- Skills and know-how in each business
- IT investment

Approximately 525* billion yen (total for FY2021-FY2024)

Approximately 135* billion yen

* Total amount of "strategic IT investments for new growth" and "IT investments for stable and sustainable business operations"

Future initiatives

We will promote "strategic IT investments for new growth" and "IT investments for stable and sustainable business operations," while considering a sustainable future vision for our systems that responds to changes in the social and business environment with a view to the next 10 years.



Providing "safe and secure" financial services to anyone and

everyone throughout Japan

Promoting the active participation of diverse human capital and advancing governance

Social and relationship capital

- The largest customer base among 120 million accounts Japanese banks
- Number of accounts registered 13.59 million with the Yucho Bankbook App
- 23,494 branches Nationwide network
 - Number of ATMs Approximately 31,200
- Number of affiliated financial institutions Approximately 1,200 available through our ATMs

Note: Figures are as of March 31, 2025.

Future initiatives

We will accelerate our strategy of complementarity between the physical and digital channels to provide "safe and secure" financial services to anyone and everyone throughout Japan. At the same time, we will build a "co-creation platform" through collaboration with a wide range of businesses to offer products and services that go beyond the scope of



Providing "safe and secure" financial services to anyone and everyone throughout Japan

Contributing to regional economic expansion

Strengths derived from capital

Funding and capital base

Stable funding and capital base

Japan Post Bank is one of the world's leading institutional investors, managing a huge amount of funds totaling 230 trillion yen, which is sourced from highly sticky individual deposits.

While maintaining sufficient financial soundness, we have expanded our global asset allocation and promoted the diversification and sophistication of investment management. From fiscal 2023, we have also begun restructuring our Japanese interest rate portfolio.

Asset portfolio management (non-consolidated)



■ Japanese Government Bonds (JGBs)

Foreign securities, etc. ■ Due from banks, etc. Other (e.g., Japanese local government bonds. corporate bonds money held in trust, loans short-term investments)

Diverse human capital

Specialized human capital

We have introduced a professional position system to strengthen our market operations structure, and we are focusing not only on recruiting highly specialized human capital but also on developing human capital within the company.

In addition, we have introduced a highly specialized management position system in the areas of market risk management and ALM and are working to expand our pool of human capital with advanced and specialized knowledge.

We are also implementing the Career Challenge system and dispatching employees to business partners in preparation for the full-scale launch of the Σ Business.

Number of market operations professionals



Scale

An overwhelming network of branches and ATMs covering the whole of Japan

As one of Japan's largest financial institutions, we have a nationwide network of branches and ATMs as physical channels and 13.59 million registered accounts for the Yucho Bankbook App as a digital channel, giving us an overwhelming advantage in terms of access for individual customers.

Branch network comparison As of March 31, 2025

Japan Post Bank (including post offices)

23,494

Total of the national banks 13,493

of Capital Stock, Number of Branches, Number of Bank Agents, and Number of Employees of National Banks)" Total domestic head offices and branch offices (as of September 30, 2024)

The largest customer base among Japanese banks

Japan Post Bank **Approximately 120** million accounts

Approximately 120 million

Source: Population Estimates, Statistics Bureau, Ministry of Internal Affairs and Communications (as of December 1, 2024)

Trusted brand

The most familiar bank used by people throughout Japan

We have approximately 120 million accounts, equivalent to the entire population of Japan, and deposits of 190.4 trillion yen, accounting for approximately 20% of total individual deposits in Japan. This is a testament to the trust we have earned from our customers since our founding, and to our role as an indispensable financial infrastructure that supports the lives of many people.

We will continue to strive to be "the most familiar and trusted bank" for everyone in Japan.

Japan Post Bank's share of household deposits (estimate)

Approximately 20%*

* Japan Post Bank's individual deposits divided by total household deposits in the Bank of Japan's "Money Circulation Statistics" (as of December 31, 2024)

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Message from the President & CEO

at Japan Post Bank

Strategies to Achieve

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From "Postal Savings" to "Yucho" — 150 Years of History —

1875 1900 1920 1940 1960 1980 2000

Social Needs and Expectations, and Japan Post Bank's Mission

Formation of the post office network

1906 • Started the postal transfer

The History of Japan Post Bank and Its Three Businesses

Contributing to the development of a savings culture among the Japanese people

1875 • Start of postal money order and postal savings services



"Never shy away from being a hidden force for good. Always have a heart that wishes for the best for others." (Hisoka Maejima)

1885 Ministry of Communications

R The Origins of the Retail Busines



1880

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1923 • Implemented emergency confirmation payments during the Great Kanto Earthquake



 Started TEIGAKU deposits and savings deposits

Ministry of Posts and Telecommunications



1970 • Introduced EDPS (Electronic Data Processing System)



1973 • Launched the "Yuyu Loan" deposit loan program

1975 • 100th anniversary of the postal savings First Original Piggy Bank Design Contest (now The Japan Post Bank Piggy Bank Design Contest)



The beginning of fund management

1980 • Cash dispensers that dispense

cash using cash cards

Started comprehensive

passbook services

introduced

1981 • Started ATM services

1987 • Started independent management of postal savings

R Expansion of the Retail Busines

M The Origins of the Market Busine

1991 • Established international volunteer savings

Expansion of ATM services

1999 • Started ATM alliance services with general financial institutions

Ministry of Internal Affairs and Communications/ Postal Services Agency

2002 • Launched Yucho Internet Home service

2003 Japan Post

2005 • Started sales of investment

The Origins of Our Online Network

1978 • Online system service launched

▶FY1940

2.76%

7.9 billion yen

1950

The postal money order and postal savings services, which began in 1875, helped to raise awareness of savings among people who did not have the habit of saving at that time. In 1906, Japan Post began offering money transfers via postal transfers. These services were handled by post offices located throughout the country, forming the post office network (infrastructure).

During the Great Kanto Earthquake of 1923, Japan Post Bank implemented an "emergency confirmation payment" system to enable people who did not have their passbooks or seals to withdraw their deposits. Today, as part of its "emergency handling of deposits," Japan Post Bank provides a limited range of services, such as refunding deposits, to people who have lost their passbooks, certificates, or seals due to a disaster or other emergency.

1925

1930

<Changes in postal deposit balances and ordinary deposit interest rates>



1910

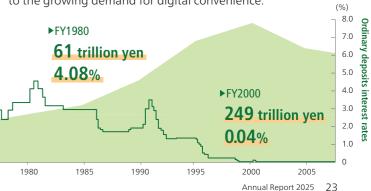
During the period of rapid economic growth, we worked to provide new products and services to meet the diverse needs of our customers. In addition, deposits collected from across the country were used as national investment and loan programs for public works projects that were essential to society, contributing to the development of local communities.

In 1975, the 100th anniversary of the postal savings business, we launched The Japan Post Bank Piggy Bank Design Contest. We believe that this initiative, which aims to foster children's interest in saving as a first step toward acquiring financial literacy, is an important opportunity for Japan Post Bank to promote its wide range of services.

1970

1975

In 1978, we introduced an online system, and in 1981, we launched ATM services that enabled customers to make deposits and withdrawals. In an era of innovation, from paper slips to automation, Japan Post Bank decided to invest heavily in system development, worked with system development companies to improve its skills, and continues to operate its systems stably today. We have one of the largest numbers of ATMs in Japan and provide various services to people across the country through our ATM network. In 1999, in response to customer requests, we launched an ATM alliance service with other financial institutions, and in 2002, we launched the Yucho Internet Home Service, responding to the growing demand for digital convenience.



Message from the

President & CEO

at Japan Post Bank

Strategies to Achieve

Value Creation

Corporate Information

2007

society and local communities through further financial innovation based on strengths cultivated over 150 years of history

Contributing to the development of

History of Japan Post Bank and its three businesses

Japan Post Bank Co., Ltd. (privatization)

- 2007 Japan Post Bank Co., Ltd. established
- 2008 Invested in SDP CENTER Co., Ltd. (currently Yucho Loan Center Co., Ltd.)
- 2009 Started transfer services with other financial institutions through the Zengin system
- 2013 Invested in ATM Japan Business Service, Ltd.

2015

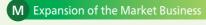
Listed on the First Section of the Tokyo Stock Exchange

2015 • Invested in JP Asset Management Co., Ltd.



Securing market human resources Start of secondment to companies engaged in GP operations

- 2016 Introduced professional position
 - Started investment in Regional Vitalization Funds



Σ Initiatives for regional revitalization

 Expanded small ATM installation at FamilyMart and other locations



2020

- Japan Post Investment Corporation established and investment activities commenced
- Balance of strategic investment areas expanded

Improving convenience

• Yucho Bankbook App service launched



2021 Current Medium-term Management Plan

Complementarity between the physical and digital channels



- Transitioned to the Tokyo Stock Exchange Prime Market
- Started discretionary investment services (Yucho Fund wraps)
- Gradually introduced "Maditab" self-service terminals
- Announced the Σ Business

Σ Launch of the Σ Business

Launch of household account book app

2025

 Complied with listing requirements for the Tokyo Stock Exchange Prime Market

Revised the Medium-term 2024 Management Plan

2024

- Started advertising distribution in collaboration with partner companies
- Established Japan Post Bank Capital Partners Co., Ltd.



8.0

7.0

- Third secondary offering of Japan Post Bank shares by Japan Post Holdings
- 150th anniversary of the foundation of the postal savings business The birth of the Japan Post Bank corporate character



Japan Post Bank corporate character "Haricho"

- Second secondary offering of Japan Post Bank shares by Japan Post Holdings
- (Yucho Reco) service

Strengths cultivated over 150 years (as of March 31, 2025)

Deposit base

190.4 trillion ven Deposit balance:

Assets under management: 230.2 trillion ven

Diverse human capital

Number of employees on secondment: 112

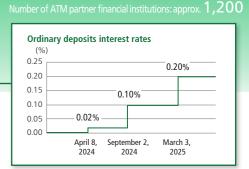
Scale

Number of ordinary

approx. 120 million deposit accounts:

23,494

approx. 31.200



After being privatized in 2007 and becoming JAPAN POST BANK Co., Ltd., the company went public in 2015 and was listed on the First Section of the Tokyo Stock Exchange to enhance its independence and freedom of management in the market. The initial public offering price was 1,680 yen, exceeding the offering price of 1,450 yen. In our Market Business after privatization, we have continued to innovate our investment portfolio in response to changes in the macroeconomic environment. In response to the low interest rate environment in Japan since privatization, we reduced the ratio of Japanese Government Bonds (JGBs) from 88.0% at the time of privatization on October 1, 2007, to 16.8% at the end of fiscal 2022, and promoted diversified investment in foreign and other assets (including foreign securities). We will continue to pursue an optimal investment portfolio that combines Japanese interest rate

2010

2011

2012

2013

2014

assets and risk assets under appropriate risk management. At the same time, we are working to enhance our investment management capabilities through measures such as the introduction of a professional position system and the active recruitment of external human capital.

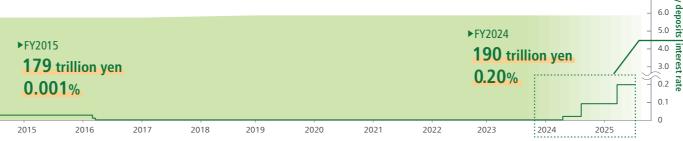
Our Mission is to contribute to the development of local economies by accurately identifying the needs of society in every era, using the voices of our customers as our compass, and providing "safe and secure" financial services to everyone throughout Japan. In 2016, we began investing in Regional Vitalization Funds. In 2024, we established Japan Post Bank Capital Partners Co., Ltd., a wholly owned subsidiary that provides capital funds to regional businesses. Contributing to regional economic expansion through these initiatives, we are working to realize a "co-creation platform" in collaboration with regional financial institutions.

Department and built a system to advance management and sustainability in an integrated manner. We participate in and support initiatives such as the TCFD Recommendations, and we have promoted our efforts while enhancing the transparency of our sustainability-related information disclosure through the expansion of our sustainability website and the publication of various reports. As an institutional investor, we have set a target KPI in our Medium-term Management Plan starting in fiscal 2021 to increase the balance of ESG-themed investments and financing to 7 trillion yen by the end of fiscal 2025.

Our 150-year history has taught us that the trust of our customers and local communities is essential to continuing to provide services throughout Japan.

In fiscal 2020, we established a specialized organization for

promoting sustainability within the Corporate Planning



depc 200 ▶FY2007 182 trillion ven

Annual Report 2025 25

2007 Annual Report 2025

0.21%

2008

Value Creation at Japan Post Bank Strategies to Achieve Value Creation

Details on page 43

Foundations to Support Value Creation

Co-creating Value with Stakeholders

To contribute to the creation of a sustainable society and the future, as well as to achieve sustainable growth as a corporation, we must sincerely listen to our stakeholders, meet their expectations, and gain their understanding and support.

As Japan's "most familiar and trusted bank," we will strive to enhance corporate value and solve social issues while maintaining an ongoing dialogue with our stakeholders.

Details on page 66

Co-creating value through environmental initiatives

To protect local nature and the environment for future generations, we will strive to reduce the environmental impact of our business and actively work to reduce the environmental impact of society as a whole through financial products and other means.

Communication Tools

- Participation in TCFD and TNFD forums, etc.
- Engagement with investee companies
- Donations to environmental conservation organizations ("Yucho Eco-Communication")

Examples of Initiatives

Yucho Eco-Communication

Contributing to initiatives and educational activities related to biodiversity conservation such as endangered species protection, environmental conservation activities, and tree planting, conducted by the organizations receiving donations.

Solving social issues through co-creation with stakeholders

Environment

Providing Value with Stakeholders **Employees**

Co-creating value with shareholders and investors

We are committed to building strong relationships with our shareholders and investors. In addition to deepening their understanding of Japan Post Bank's business, we aim to reflect the opinions and expectations of our shareholders and investors in our management as we strive to achieve sustainable growth investments and enhance corporate value.

Communication Tools

- Shareholders' meeting
- Shareholder newsletter
- Individual investors meetings
- Briefings for individual investors
- Meetings with institutional investors and analysts
- Conferences for institutional investors sponsored by securities firms

Examples of Initiatives

Enhancing information disclosure based on the opinions of shareholders and investors

Details on page 58

Shareholders and investors

Customers



Co-creating value with employees

We will nurture employees who can grow through challenges and create an environment in which they can maximize their abilities. By doing so, we aim to enhance corporate value by working with our employees to build a company filled with "enthusiasm and excitement" where diverse human capital can play an active role.

Communication Tools

- Engagement survey
- Yucho Life , a web-based in-house newsletter
- President's Direct-line Opinion Box
- Career development support (e.g., discussion events, Career Challenge system, DX training, selectable training, one-on-one
- Japan Post Bank company-wide town hall meetings

Examples of Initiatives

- Creating open working environments based on employee feedback
- Strengthening inter-organizational cooperation and communication

Details on page 57

Co-creating value with local communities

As a regional financial institution, Japan Post Bank's relationship with local communities is important. Inheriting our tradition of working together with local residents, we will not only provide funding to regional communities but also contribute to the future of the region by educating children about money and other topics that leverage the characteristics of regional financial institutions.

Communication Tools

- Financial education
- The Japan Post Bank Piggy Bank Design Contest
- Production of the Japan Post Bank Machiomoi Calendar
- Support for artists with disabilities
- Participation in local festivals, etc.

Examples of Initiatives

The Postal Museum Japan held a "Japan Post Bank Financial Classroom" for elementary school students.



Local

communities

Co-creating value with customers

We take the feedback from our customers seriously, and we will further strengthen our "customer-oriented business operations" to become a truly trustworthy company.

Communication Tools

- Customer feedback postcard
- Publication of initiatives and progress on customer-oriented business operations
- Customer satisfaction survey

Examples of Initiatives

Improving products and services based on customers' feedback ⇒Review of JP BANK card design, etc.

Value Creation President & CEO at Japan Post Bank

Strategies to Achieve Value Creation

Foundations to Support Value Creation

Priority Social Issues (Materiality)

At Japan Post Bank, we consider the appropriateness of issues at the Management Committee and Board of Directors meetings, link the identified materiality to our management strategy, and work to resolve social issues through our business activities.

In addition, the Sustainability Committee identifies issues that will be considered for materiality in discussions toward the formulation of the next Medium-term Management Plan. Given changes in the internal and external environment, we will continue to review the materiality that should be prioritized over the medium to long term for our sustainable growth and the development of customers, shareholders, and other stakeholders, as well as of society and the economy.



discussions toward the formulation of the next Medium-term Management Plan. Given changes in the												
Identification process	Materiality		Risks and opportunities	Specific initiatives	KPI	Results (FY2024)	Target (FY2025)					
Identification of materiality The Management Committee and the Board of Directors review the appropriateness and have identified four materialities. STEP 3 Creation of a materiality map Japan Post Bank has created a materiality map by organizing the	Providing "safe and secure" financial services to anyone and everyone throughout Japan	Risks	 Decline in transactions due to the declining birth rate and aging population, inadequate response to DX, and changing customers' needs Loss of public trust due to cyberattacks, system failures, etc. Enhance differentiation from other banks Increase the number of users by providing easy-to-use services for everyone Increase in financial needs through financial literacy education 	R Retail Business Providing services through the post office network and supporting digital services (addressing the digital divide) Expanding digital and remote services that are accessible to all customers, with the highest priority on safety and security Supporting asset building, including the new tax-free Nippon Individual Savings Account (NISA), for individual investors, with a focus on small-lot trading customers Details on page 45	Yucho Bankbook App Number of registered accounts	13.59 million accounts	16 million accounts					
		Opportunities			Number of tax-free Nippon Individual Savings Account (NISA) for individual investors	820,000 accounts	940,000 accounts					
social issues to be addressed by the bank based on the two axes of "importance to stakeholders" and "impact of Japan Post Bank's business activities." Social issues (materiality) to be prioritized to realize a sustainable society and create new value Extremely high	Contributing to regional economic expansion 8 ***Contributing to regional economic expansion 10 ***Contributing to regional economic expansion 10 ***Contributing to regional economic expansion 11 ***Contributing to regional economic expansion	Risks Opportunities	 Decline in the market due to a decline in the local population Decreased opportunities due to insufficient engagement with local communities Market expansion due to revitalization of the local economy Expansion of opportunities through collaboration with diverse partners and addressing local capital funding needs 	R Retail Business M Market Business Σ Sigma Business Realize a "co-creation platform" with regional financial institutions, etc. Revitalize regional economies and create new corporate value through Japan Post's unique GP business Fund regional communities through various frameworks Details on pages 45, 48, and 52	Balance related to the GP business (based on the amount of investment commitments)	119.1 billion yen	Approx. 400 billion yen					
High Extremely high Impact of Japan Post Bank's business activities STEP 2 Narrowing down the social	Risks Reducing environmental impact	Risks	impacted by stricter environmental regulations Decrease in corporate value if the Bank's response to environmental issues is assessed as inadequate Improve Japan Post Bank's reputation in the capital markets and society through appropriate initiatives	R Retail Business M Market Business Sigma Business Strengthen initiatives in line with the TCFD Recommendations Reduce GHG emissions, promote paperless operations Promote ESG investments and loans Details on pages 45, 48, and 52	GHG emission reduction rate*1,*2,*6 (compared with FY2019, Scope 1 and 2)	-60%	-60%					
issues to be targeted From among the selected social issues, narrow down those to be targeted by Japan Post Bank based					Business forms usage reduction (compared with FY2020)	-20%*7	-20%					
on its Purpose, Management Philosophy, and business activities, as well as the results of evaluations by external research organizations and the opinions of external experts.	13 chel 14 minoral 15 min 17 minoral 15 min 17 minoral 15 min 17 minoral 18 min 18 minoral 18 minor	Opportunities			Balance of ESG-themed investments and financing	6 trillion yen	7 trillion yen					
STEP 1 Identification of social	Promoting diverse human capital and advanced governance Opportunities hindering t Decline in m Loss of pub compliance for money Create inno Revitalize t corporate of management investment	Insufficient human capital and other factors hindering the execution of management strategies	Strengthening our business base	Overall employee satisfaction*6	65.5%	70% or more						
Comprehensively identify social issues based on analysis of the international situation (international frameworks and standards such as the SDGs), analysis of the domestic situation (government agencies and financial industry), and support for international initiatives (e.g., SDGs, TCFD, GRI).		Risks	Decline in morale due to low employee engagement Loss of public confidence due to misconduct, compliance violations, and lack of preparedness for money laundering/terrorist financing, etc.	Promote human capital management based on the principles of "promoting growth," "drawing out the best of employees' abilities," and "making the most of	Rate of female in managerial positions*2,*6	19.8%	20%*3					
		Create innovation through diverse human capital Revitalize the organization and enhance corporate value through human capital	best of employees abilities, and making the most of diversity" • Further improve the effectiveness of the Board of Directors Details on pages 58 and 82	Rate of eligible employees taking childcare leave*4,*6 (regardless of gender)	99.7%	About 100 %						
				Rate of employees with disabilities*5,*6	3.0%	3.0 % or more						

^{*1} Actual results for fiscal 2023; target for fiscal 2030 *2 Actual results as of April 1, 2025; target for April 2026 *3 The Japan Post Group target is a 30% ratio of female managers at the Head Office by April 1, 2031.

*4 Of eligible male employees, 100% took maternity leave in fiscal 2024. *5 Actual results as of June 1, 2024; target for June 2025. *6 Fractions less than a unit are rounded off.

Value Creation at Japan Post Bank Strategies to Achieve Value Creation

Foundations to Support Value Creation

Advancing Sustainability Management



Sustainability Committee

Message from the Chair

Japan Post Bank, which has the largest customer base of any Japanese bank, recognizes that its raison d'etre (purpose) is to contribute to the development of society and local communities by aiming for the happiness of its customers and employees throughout Japan, and is developing its business to provide "safe and secure" financial services to everyone, in the same spirit that it has maintained since its establishment. Based on this basic philosophy, we will promote sustainability by recognizing Japan's social issues, such as the declining birth rate and aging population, as well as global social issues, such as climate change, natural capital, and human rights, and by continually discussing what we can do through our business activities.

- Sustainability Progress Report and Human Rights Report published
- Set a reduction target for the investment and financing portfolio (down 50% from fiscal 2019 per investment unit)
- Raised the target for the balance of ESG-themed investments and financing from 4 trillion yen to 7 trillion yen
- Partial revision of materiality
- Revised the Human Rights Policy
- Raised the in-house emission reduction target from 46% to 60% (compared with FY2019; target for FY2030)

2023

2024

- Declaration of net-zero GHG emissions
- Raised the balance of ESG-themed investments and financing from 2 trillion yen to 4 trillion yen
- Revised the ESG Investment and Financing Policy
- TCFD report published

Basic Sustainability Policy established

2021

2022

Basic Sustainability Policy

- The Bank will work to develop and provide "safe and secure" financial services that can be used by anyone and everyone throughout Japan.
- As a community-based financial institution, the Bank will contribute to the development of the regional
- To protect nature and the environment and pass them on to future generations, the Bank will engage in environmentally friendly activities and work to resolve environmental issues.
 - The Bank will conduct its business activities in a manner that respects human rights and will ensure a work environment where employees can work in a healthy and safe manner and where diverse personalities and work styles are respected. In addition, the Bank will strive to develop human resources who can think and act on their own, and to improve their work-life balance and job satisfaction.

Revision of the Human Rights Policy and the Environmental Policy

Publication of the Natural Capital Report and the Human Rights Report



https://www.jp-bank.japanpost t/biodiversity/pdf/natural-capit al_report2025_en.pdf an-rights_report2025_en.pdf

Realization of **Purpose**

Create sustainable social value and enhance corporate value over the medium to long term

2025

System for Promoting Sustainability Management

<Discussion status in Fiscal 2024>

Formulation of the

Plan and annual

Board of Director

Supervision

Execution

Japan Post Bank integrates sustainability initiatives into its Medium-term Management Plan and annual management plans, thereby promoting sustainability management in an integrated manner with its business strategy. In addition, the Bank has established a company-wide system to promote sustainability by incorporating sustainability-related evaluation items into the business performance compensation of all Executive Officers.

Items to be resolved/

Medium-term Management

management plans (setting

sustainability-related KPIs)

Formulation of the Risk Appetite

Statement (selecting the most

risks such as climate change,

the Environmental Policy

Sustainability initiatives and

plans for FY2025

Review of materiality

significant sustainability-related

natural capital, and human rights)

Governance Structure

Board of Directors

Discussion/ Supervision Reporting

Discussion/



Executive Committee



Instructions

Sustainability Committee

Discussion/ Reporting

Corporate Planning Department Sustainability Management Office



Each department in charge of business operations

JAPAN POST BANK Environmental Policy https://www.jp-bank.japanpost.jp/en/sustainability/environment/management/policy/ JAPAN POST BANK Human Rights Policy https://www.jp-bank.japanpost.jp/en/sustainability/social/supplychain/policy/

Status of the Risk Appetite Statement (quarterly reassessment of the most significant risks)

Matters to be reported

Progress of sustainability

management (reported

quarterly along with the

progress of the annual

management plans)

Determination of executive Progress of sustainability compensation systems, including management (Audit Committee, sustainability evaluation items (Compensation Committee) approximately once a year)

Discussion of proposed revisions Matters to be discussed and to the Human Rights Policy and reported by the Sustainability Committee (twice a year)

> Status of the implementation of human rights due diligence

Disclosure based on the TNFD Recommendations

Details on page 66