

Review of the Medium-term Management Plan

~2017

Medium-term Management Plan 2018–2020

~Have more people say “JP Bank, of course”~

Medium-term Management Plan 2021–2025

~Deepening trust, and taking on the challenge for financial innovations~

Goals

- Be “the most familiar and trusted bank” in Japan providing the No. 1 service in customer satisfaction through our fine-tuned network centering on post offices
- Maintain stable profits by promoting the diversification and sophistication of investment management under appropriate risk management as one of the largest institutional investors in Japan

- Through the post office network, continue to provide solid support for the long lives of diverse individual customers throughout Japan, from small children to the elderly

- “Deepening trust, and taking on the challenge for financial innovations” to accelerate our transformation to a sustainable business model, focusing on three business strategies (Retail Business, Market Business, and Σ Business) that leverage Japan Post Bank’s unique strengths

Business Environment

- Continued low interest rates resulting in shrinking interest margins
- Diversification of households’ financial needs (“shift from savings to investment” and the expanding financial needs of the elderly)

- Declining population and super-aging society
- The shrinking regional economy, the downward spiral of concentration in the Tokyo area, and freedom from time and physical constraints
- Diversification and change in customers’ needs, such as the elimination of uncertainty about future finances

- Declining population and super-aging society
- Local economic downturn
- Advancement of the digital revolution
- Changes in lifestyles in the wake of the COVID-19 pandemic
- Prolonged ultra-low interest rate environment

- Shift in monetary policy by the Bank of Japan, rising inflation overseas, etc.
- Rapid evolution of digital technologies such as generative AI
- Promotion of the “Asset Management Nation Realization Plan” and launch of the new tax-free Nippon individual saving accounts (NISAs) for individual investors
- Growing demand for management responses that are conscious of the cost of capital and stock prices

Specific Strategies

Promoting retail services that contribute to the lifestyles and asset building of 100 million customers

- Expand total assets under management by building a stable customer base
- Expand fees and commissions in growth areas such as investment products, ATMs, and credit cards
- Reorganize the business infrastructure
- Establish a customer-oriented service delivery system (branch and ATM network, direct channel enhancement)

Enhancing the fund management strategy

- Accelerate global asset allocation
- Develop new investment areas such as alternative investments
- Prepare for advanced operational strategies

Establishing a robust management structure

- Strengthen governance as a listed company
- Further enhance the risk management system
- Promote human resource development, achieve strategic human resource allocation, and promote women’s participation in the workplace
- Establish a prompt and accurate administrative processing system
- Strengthen security, and formulate plans for next-generation systems
- Continue efforts to improve cost efficiency, including system expenses

Providing high-quality customer-oriented financial services

Sales strategy

- Expand assets under management (asset formation from savings)
- Provide customer-oriented support for asset building
- Provide new services such as account overdrafts

Diversifying and sophistication of investment management

Diversifying and improving investment management

- Promote global asset allocation
- Expand alternative investments
- Strengthen risk management

Providing funding flows to local communities

Regional vitalization funds

- Identify customers’ needs
- Expand investment in LPs, and enter the GP business
- Cooperate with regional financial institutions

Specific strategies (after review)

Retail Business innovations

Enhance strategy for complementarity between the physical and digital channels to transform into a new form of retail business that goes beyond traditional banking

- Maintain and cultivate the customer base and develop new revenue opportunities by increasing the number of Yucho Bankbook App users
- Shift to sales centered on digital/remote transaction channels linked with teller channel for the asset-building support business
- Reduce costs through drastic operational reforms by utilizing digital technology, and improve profit or loss by reviewing fees and products

Market Business enhancement

Pursue an optimal investment portfolio that combines the yen interest rate assets with risk assets, while strengthening risk management

- Seize the reversal of the trend in yen interest rates, and promote an investments from due from banks, etc. to JGBs (zero risk weighting)
- Expand balance of risk assets with remaining conscious of risk-adjusted returns, and continue selective investment in strategic investment areas
- Ensure sufficient financial soundness (maintain a capital adequacy ratio and CET1 ratio of approximately 10% in normal times)

Full-scale launch of the Σ Business

Revitalization of regional economies and creation of new corporate value through Japan Post Bank’s unique GP business

- Promote new corporate businesses that create futures for society and local communities through investment
- Realization of a “co-creation platform” for collaboration and cooperation in partnerships with regional financial institutions and other diverse businesses
- Build a sustainable revenue base going forward as the “third engine”

Strengthening the management base

Enhance human resources, system infrastructure, and internal control systems, etc. to support the three businesses

- Promote human capital management
- To realize new growth, make strategic IT investments and improve company-wide work efficiency with the use of AI and other technologies
- Promote reform of the corporate culture, strengthen internal control systems, and enhance information disclosure and investor relations activities

		FY2020 actual	FY2020 target
Profit net income target	Net ordinary income (consolidated basis)	394.2 billion yen	390 billion yen
	Net income (attributable to owners of parent consolidated basis)	280.1 billion yen	280 billion yen
Retail	Total assets under management	+9.0 trillion yen in 3 years	Approx. +1.8 trillion yen in 3 years
	Balance of investment trusts	+0.9 trillion yen in 3 years	Approx. +1.7 trillion yen in 3 years
	Net fees and commissions (compared with FY2017)	+32%	+30%
Investment management	Balance of risk assets	91.1 trillion yen	About 90 trillion yen*
	Balance of strategic investment areas	4.2 trillion yen	About 4 trillion yen–5 trillion yen*
General and administrative expenses	General and administrative expenses (compared with FY2017)	-58.2 billion yen	-30 billion yen
	Administrative efficiency (compared with FY2017)	Equivalent to -2,533 persons	-2,000 persons
Shareholder return	Dividend per share	50 yen	50 yen
Soundness indicators	Total capital adequacy ratio	15.53%	About 10% (target level)

* Values after revisions announced in May 2019

		FY2024 results	Target for FY2025 (after revision)
Financial targets (consolidated basis)	Net income (attributable to owners of parent)	414.3 billion yen	400 billion yen or more* ²
	ROE (based on shareholders’ equity)	4.28%	4.0% or more* ²
	OHR (overhead ratio) (including Gains on money held in trust, etc.)* ¹	61.38%	62% or less* ²
Retail Business	Number of accounts registered for the Yucho Bankbook App	13.59 million accounts	16 million accounts
	Number of tax-free Nippon Individual Savings Account (NISA) for individual investors	820,000 accounts	940,000 accounts
Market Business	Balance of risk assets	107.9 trillion yen	About 114 trillion yen
	Balance of strategic investment areas	13.3 trillion yen	About 14 trillion yen
Σ Business	Balance related to the GP business (based on the amount of investment commitments)	119.1 billion yen	About 400 billion yen

*¹ Given that Japan Post Bank conducts securities management, etc., using money held in trust on a reasonable scale, OHR is used as an indicator, including Gains (losses) on money held in trust—net in the denominator. Calculated as General and administrative expenses ÷ (Net interest income, etc. + Net fees and commissions). Net interest income, etc. = Net interest income – Net interest expenses (including gains/losses on sales, etc.)

*² Plans as announced on May 15, 2024. Net income (attributable to Japan Post Bank): 470 billion yen, ROE (based on shareholders’ equity): 4.7% or more, OHR (including Gains on money held in trust, etc.): 59% or less, as announced on May 15, 2025

Overview of the Medium-term Management Plan (2021–2025) and Initiatives for the Next Medium-term Management Plan

Japan Post Bank has positioned the period of its current Medium-term Management Plan (2021–2025) as the five years of “Deepening trust, and taking on the challenge for financial innovations,” and is promoting five key strategic points. In May 2024, we revised the plan for the remaining two years given changes in the business environment facing Japan Post Bank, including rising interest rates in Japan and abroad; greater-than-expected progress in the digitization of society, including the penetration of generative AI; and growing interest in realizing management with an awareness of the cost of capital and the stock price.

Basic Policies of the Revised Medium-Term Management Plan

- Accelerate the transformation to a sustainable business model with appropriate allocation of management resources in light of changes in the business environment, including rising yen interest rates and faster-than-expected advancements in the digitalization of society.
- Promote growth strategies that leverage the Bank’s unique strengths through the three business engines, aiming to continuously improve ROE and PBR.

	Retail Business innovations	Market Business enhancement	Full-scale launch of the Σ Business	Strengthening the management base	Bolester shareholder returns
Promotion of sustainability management	<ul style="list-style-type: none"> ■ Enhance strategy for complementarity between the physical and digital channels to transform into a new form of retail business that goes beyond traditional banking • Maintain and cultivate the customer base and develop new revenue opportunities by increasing the number of Yucho Bankbook App users • Shift to sales centered on digital/remote transaction channels linked with teller channel for the asset-building support business • Reduce costs through drastic operational reforms by utilizing digital technology, and improve profit or loss by reviewing fees and products 	<ul style="list-style-type: none"> ■ Pursue an optimal investment portfolio that combines the yen interest rate assets with risk assets, while strengthening risk management • Seize the reversal of the trend in yen interest rates, and promote an investments from due from banks, etc. to JGBs (zero risk weighting) • Expand balance of risk assets with remaining conscious of risk-adjusted returns, and continue selective investment in strategic investment areas • Ensure sufficient financial soundness (maintain a capital adequacy ratio and CET1 ratio of approximately 10% in normal times) 	<ul style="list-style-type: none"> ■ Revitalization of regional economies and creation of new corporate value through Japan Post Bank’s unique GP business • Promote new corporate businesses that create futures for society and local communities through investment • Realization of a “co-creation platform” for collaboration and cooperation in partnerships with regional financial institutions and other diverse businesses • Build a sustainable revenue base going forward as the “third engine” 	<ul style="list-style-type: none"> ■ Enhance human resources, system infrastructure, and internal control systems, etc. to support the three businesses • Promote human capital management • To realize new growth, make strategic IT investments and improve company-wide work efficiency with the use of AI and other technologies • Promote reform of the corporate culture, strengthen internal control systems, and enhance information disclosure and investor relations activities 	<ul style="list-style-type: none"> ■ Aim to increase dividends in line with profit growth, in accordance with a basic policy for a dividend payout ratio of approximately 50%

Continuously increase ROE and improve corporate value (to a PBR of over 1x) while controlling the cost of shareholders’ equity

Strengths unique to Japan Post Bank		
The largest customer base of any Japanese bank Approx. 120 million ordinary deposit accounts	Most extensive and stable deposit base in Japan Approx. ¥190 trillion in deposits, centered on retail banking customers	Nationwide network covering every corner of the country Network of 23,494 post offices

Outline of each business strategy for FY2024 and targets in the Medium-term Management Plan

[Innovation of the Retail Business]

- The number of registered accounts exceeded 13 million thanks to improving convenience of the Yucho Bankbook App and promotional activities.
- We improved administrative efficiency and customers’ convenience by upgrading the functions of the Madotab self-service branch terminal and developing and expanding remote channels in the asset formation support business.

[Deepening the Market Business]

- We took advantage of rising domestic interest rates to promote investment in Japanese Government Bonds (JGBs).
- Amid lingering uncertainty over policy rate cuts by the U.S. and European central banks and the economic policies of the new U.S. administration, we promoted global asset allocation in foreign and other assets with an eye on risk-adjusted return.

[Full-scale launch of the Σ Business]

- We provided capital funds to local businesses, identified potential investee companies, and promoted the introduction of products and services of investee companies and others.
- In May 2024, we established Japan Post Bank Capital Partners Co., Ltd., as a wholly owned subsidiary of Japan Post Bank, which will play a central role in our investment business.

[Strengthening our business base]

- In addition to promoting human capital management, the Bank worked to strengthen its internal control procedures and organizational culture to enhance the human capital that supports its three business strategies.
- We implemented multifaceted measures, including the development of autonomous employees, diversity management, system infrastructure improvement, and the strengthening of cybersecurity.

SECTION 1	SECTION 2	SECTION 3	SECTION 4	SECTION 5
Message from the President & CEO	Value Creation at Japan Post Bank	Strategies to Achieve Value Creation	Foundations to Support Value Creation	Corporate Information

		FY2024 results	Target for FY2025 (after revision)
Retail Business innovations	Number of accounts registered in the Yucho Bankbook App	13.59 million accounts	16 million accounts
	Number of NISA accounts	820,000 accounts	940,000 accounts
Market Business enhancement	Balance of risk assets	107.9 trillion yen	Approx. 114 trillion yen
	Balance in strategic investment areas	13.3 trillion yen	Approx. 14 trillion yen
Full-scale launch of the Σ Business	GP business-related investments (based on investment commitments)	119.1 billion yen	Approx. 400 billion yen
Strengthening the management base	Number of expert market operations professionals	90 persons* ¹	105 persons
	DX training attendance ratio (head office)	99.2%	100%
	Number of Career Challenge applicants	196 persons	100 persons or more
	Overall employee satisfaction rate* ²	65.5%	70% or more
	Ratio of females in managerial positions* ²	19.8%* ¹	20% (target by April 2026)
	Rate of employees taking childcare leave (regardless of gender)* ²	99.7%* ³	About 100%
	Rates of employee with disabilities* ²	3.0%* ⁴	3.0% or more
Promotion of sustainability management	Reduction in personnel (compared to FY2021/3)	-2,500 persons* ⁵	-3,000 persons
	GHG emissions reduction rate (compared to FY2020/3)* ^{2,6}	-60%* ⁷	-60% (target by FY2030)
	Business forms usage reduction rate (compared to FY2021/3)* ²	-20%	-20%
	Balance of ESG-themed investments and loans	6.0 trillion yen	7 trillion yen

*1 As of April 1, 2025

*2 Figures are rounded to the nearest unit.

*3 The ratio of male employees taking childcare leave in FY2024 was 100%.

*4 As of June 1, 2024

*5 As of April 1, 2024

*6 In-house emissions (Scope 1 + 2)

*7 Results for FY2023. GHG emissions in FY2024 are being compiled as of the date of this report.

Toward the Next Medium-term Management Plan

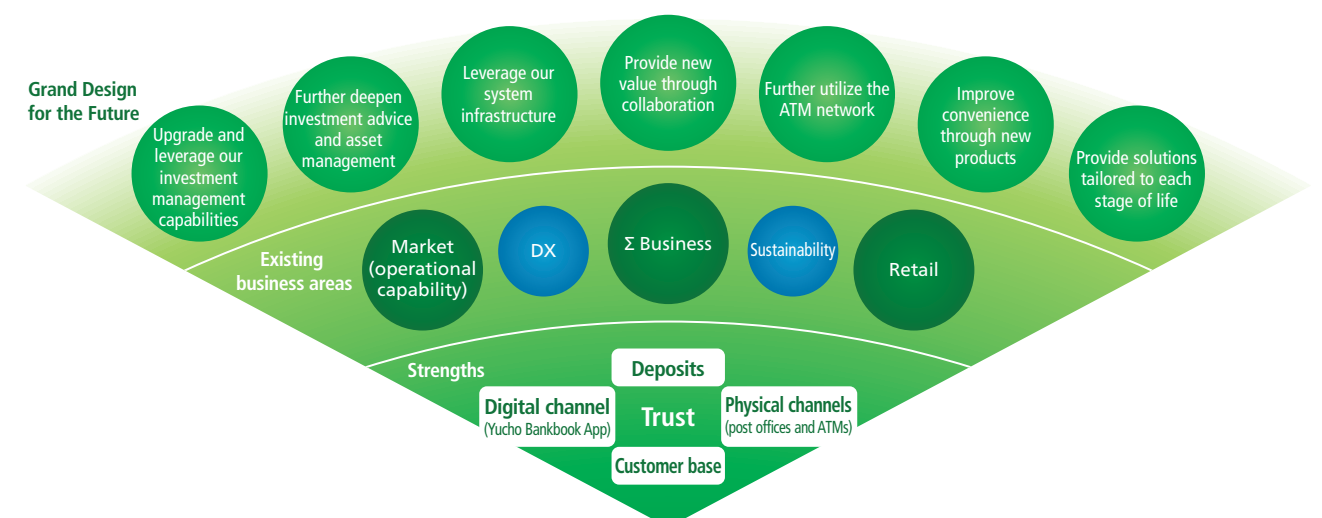
The landscape of the financial industry, including Japan Post Bank, is changing drastically on a daily basis, with such social issues as a declining population, a declining birth rate, an aging population, and widening income disparity, as well as the progress of digitization, an increase in the number of foreign residents, and diversification of Japanese people’s lifestyles.

In addition, as an event unique to Japan Post Bank, the deregulation of new business operations following the third secondary offering of Japan Post Bank stock by Japan Post Holdings has created an environment in which further

expansion of business opportunities can be expected.

In this environment, we are working to formulate our next Medium-term Management Plan and are considering specific strategies to achieve sustainable growth, while keeping an eye on future changes in the internal and external environment. We aim to become “the financial platform closest to customers” by providing customers with products and services of even higher quality and convenience through physical channels such as the post office network and digital channels such as the Yucho Bankbook App.

Become “the financial platform closest to customers” by providing high-quality, highly convenient financial instruments and services through physical channels such as the post office network and digital/remote channels



Value Proposition (Highlights)

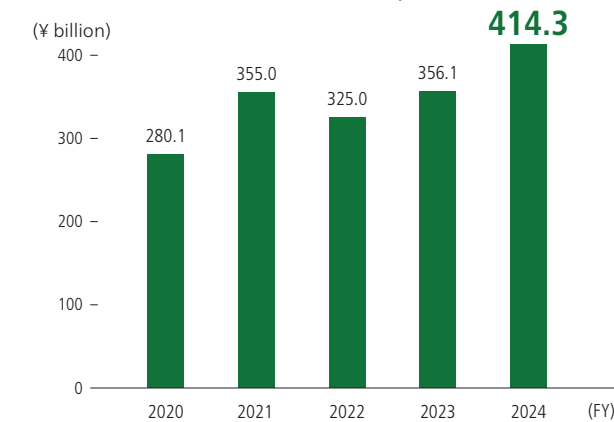
Financial Highlights

Profitability

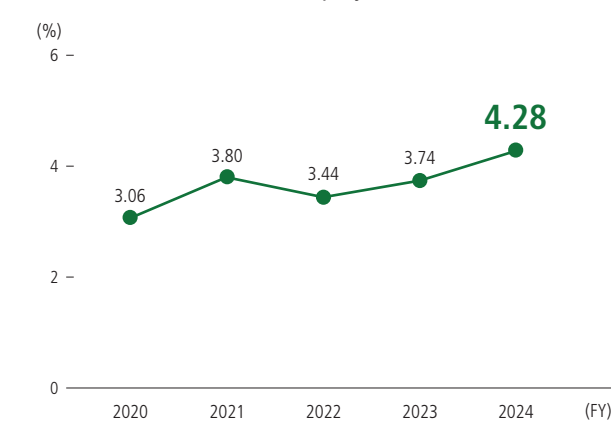
Net income attributable to owners of parent for fiscal 2024 was 414.3 billion yen, reaching the highest level since the company was listed on the stock exchange for the second consecutive year.

Net income attributable to owners of parent increased by 58.1 billion yen from the previous year, mainly due to an increase in net interest income from foreign bond investment trusts and an increase in interest on Japanese Government Bonds and interest on deposits with the Bank of Japan due to higher interest rates in Japan.

Net income attributable to owners of parent (consolidated)



ROE based on shareholders' equity (consolidated)

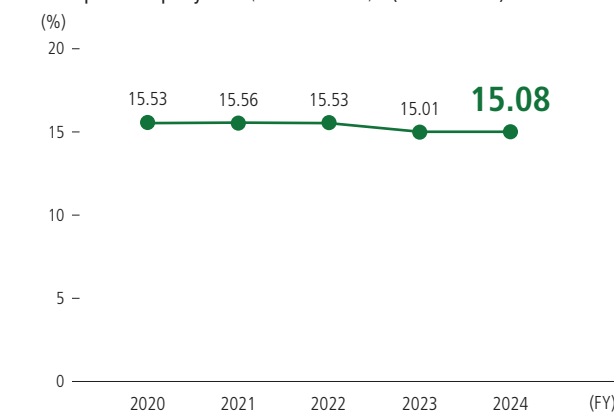


Soundness

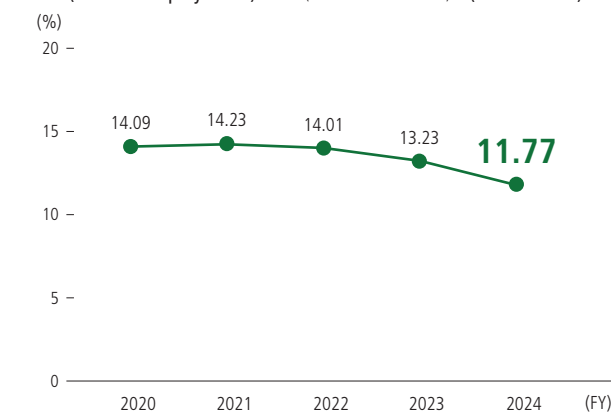
The Bank's capital adequacy ratio has remained stable, maintaining adequate financial soundness (Total capital adequacy ratio required by regulatory standards: above 4%).

At the same time, Japan Post Bank has set a CET1 ratio of approximately 10% as its normal target level, aiming for the same level of capital management as large domestic financial institutions due to the size of its overseas credit exposure.

Total capital adequacy ratio (domestic standard)*1 (consolidated)



CET1 (Common Equity Tier 1) ratio (international standard)*2 (consolidated)



Efficiency

OHR (basis including gains (losses) on money held in trust)*3 (consolidated)

FY2024 **61.38%**

Shareholder Returns

Dividend payout ratio (consolidated)

FY2024 **50.6%**

General and administrative expenses (compared with FY2020) (consolidated)

FY2024 **-94.6 billion yen**

Total shareholder yield*4

FY2024 **177.03%**

*1 Reflects the finalization of Basel III from the end of FY2024.

*2 Based on excluding unrealized gains on available-for-sale securities (some calculation items are simplified), reflecting the finalization of Basel III from the end of FY2023.

*3 Given that Japan Post Bank conducts securities management using money held in trust on a reasonable scale, OHR is used as an indicator, including gains (losses) on money held in trust—net in the denominator. Calculated as General and administrative expenses ÷ (Net interest income, etc. + Net fees and commissions). Net interest income, etc. = Net interest income – Net interest expenses (including gains/losses on sales, etc.).

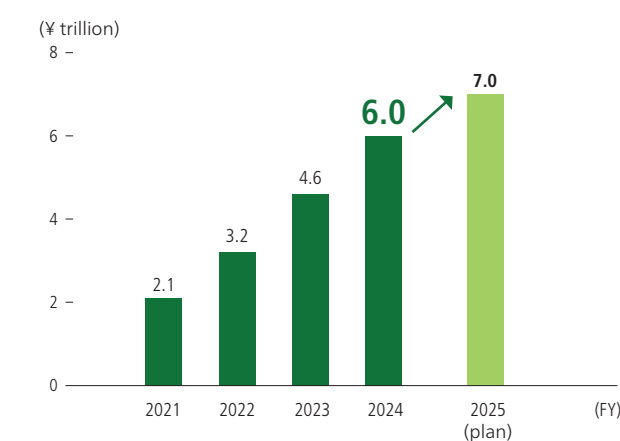
*4 Calculated as (Share price at the end of the current fiscal year + Accumulated amount of dividends per share from four fiscal years prior to the current fiscal year to each fiscal year) ÷ Share price at the end of five fiscal years prior to the current fiscal year.

Non-financial Highlights

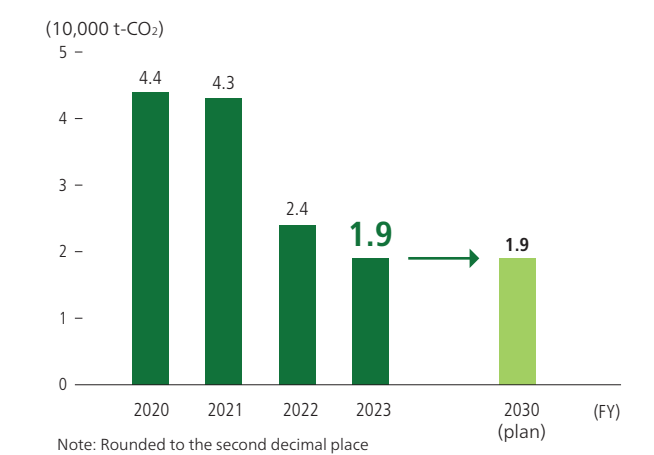
Environment and climate change related

We are promoting initiatives in line with the road map for decarbonization to achieve net zero GHG emissions by 2050 by setting a target for the balance of ESG-themed investments and financing to support decarbonization efforts through financing.

Balance of ESG-themed investments and financing



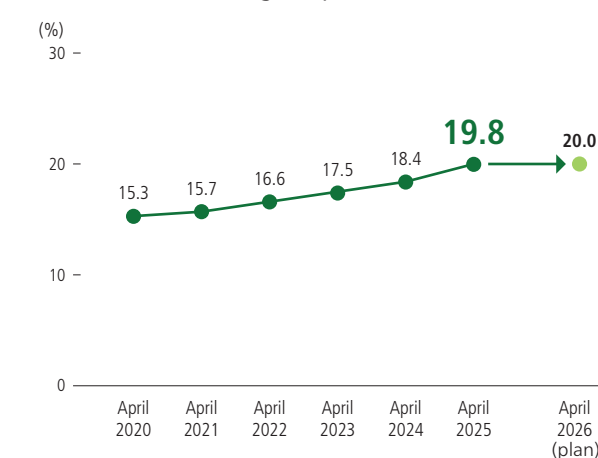
In-house GHG emissions (Scope 1 + 2)



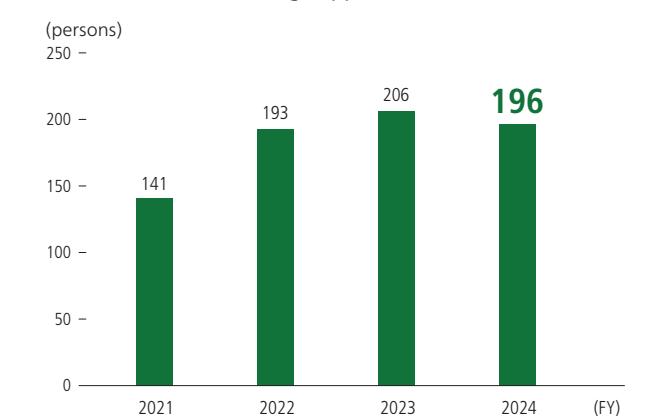
Human capital*

The company aims to enhance corporate value by promoting a human resource strategy based on the three pillars of “encouraging growth,” “drawing out the best from people’s abilities,” and “making the most of diversity,” and by encouraging diverse human capital to play an active role in the company.

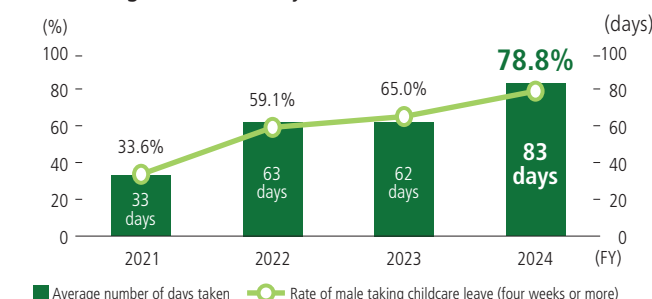
Rate of female in managerial positions



Number of Career Challenge applicants



Rate of male taking childcare leave (four weeks or more) and average number of days taken



* Figures listed under human capital are rounded to the nearest unit.

Rate of employees taking childcare leave (regardless of gender)

FY2024 **99.7%**

Note: 100% for male employees taking childcare leave

Average number of days of paid leave taken

FY2024 **19.3 days**

Message from the Executive Officer in Charge of Financial and Capital Strategy



We aim to enhance corporate value through sustained improvement in ROE

Makoto Shinmura

Senior Managing Executive Officer

Corporate Planning Department, ALM Planning Department, Research Department, Investor Relations Department, IT Strategy Department

Entering the final year of the Medium-term Management Plan (FY2021–FY2025)

In FY2024, amid ongoing geopolitical tensions around the world, some regions, such as Europe and China, experienced an economic slowdown, whereas the United States maintained a robust economy. However, the United States is also showing signs of major change following the presidential election.

In Japan, amid the continued depreciation of the yen and rising prices, the Bank of Japan changed its interest rate policy, which led to an increase in deposit interest rates, making the transition to a “world with positive interest rates” more tangible.

Japan Post Bank steadily advanced the restructuring of its yen interest rate portfolio, which had been planned for some time, promoting a shift from deposits to investments in Japanese Government Bonds (JGBs). At the same time, we hedged foreign exchange and interest rate fluctuations in advance and invested in risk assets while flexibly controlling risk in response to changes in the financial markets. As a result, we were able to secure profits that exceeded our initial plan.

Consolidated net income for FY2024 reached 414.3 billion yen, achieving record profits for the second consecutive fiscal year and enabling us to achieve the financial targets of “net income of 400 billion yen or more” and “ROE of 4% or more” set out in our Medium-term Management Plan one year ahead of schedule.

We also increased the dividend by 6 yen from the initial forecast for the fiscal year to 58 yen per share. Since listing in

2015, we have maintained a dividend of 50 yen, and we believe that the successive dividend increases in line with profit growth, to 51 yen in FY2023 and 58 yen in FY2024, represent a major step forward for Japan Post Bank.

In addition, Japan Post Holdings, the parent company of Japan Post Bank, conducted a secondary offering of its shares in the Bank in March 2025, following its March 2023 offering, based on the policy of reducing its shareholding in Japan Post Bank to 50% or less by FY2025. Japan Post Holdings voting rights in Japan Post Bank fell below 50%, and restrictions under the Postal Service Privatization Act were partially relaxed (the approval system for new business regulations was replaced by a notification system). This will give Japan Post Bank greater freedom in its management and, together with the various measures it has been promoting, such as maintaining and improving the regional financial infrastructure through cooperation with other financial institutions, will create an environment in which it can move forward with greater speed.

FY2025 will be the final year of the Medium-term Management Plan that started in FY2021. Recognizing the changes in the domestic and overseas business environment as a tailwind, we will steadily promote three businesses strategies (Retail Business, Market Business, and Σ Business) that leverage our unique strengths, achieve record profits for the third consecutive fiscal year, and make this a year of preparation for taking Japan Post Bank to the next stage.

Achievements and Review of Financial Targets

	FY2024 Target		FY2024 Actual	FY2025 Target (Announced in May 2025)	FY2025 Medium-term Management Target (Announced in May 2024)
	Initial Target (Announced in May 2024)	Revised Target (Announced in November 2024)			
Net income for the period* ¹	365 billion yen or more	400 billion yen	414.3 billion yen	470 billion yen	400 billion yen or more
ROE* ¹	3.77% or more	4.0% or more	4.28%	4.7% or more	4.0% or more
OHR* ¹	65% or less	62% or less	61.38%	59% or less	62% or less
CET1 (Common Equity Tier 1) Ratio (International Standard)* ^{1*2}	Approximately 10% (Target level in normal times)	— (No change)	11.77%	Approximately 10%* ³ (Target level in normal times)	Approximately 10%* ³ (Target level in normal times)

*¹ Consolidated basis; ROE is based on shareholders' equity, and OHR includes profits (losses) on money held in trust, etc.

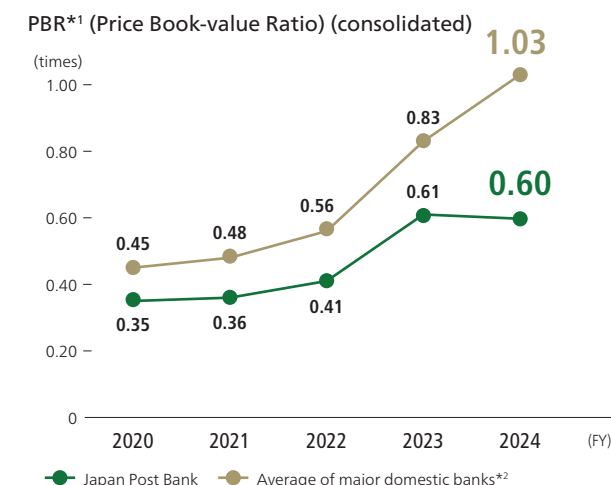
*² Excluding unrealized gains on available-for-sale securities.

*³ Based on the final and fully implemented Basel III.

Sustainable enhancement of corporate value

Although we achieved an increase in profits for the second consecutive fiscal year in FY2024, our price-to-book ratio (PBR) remained at 0.60 (as of March 31, 2025), almost unchanged from the previous fiscal year and still below 1. We recognize that we still have a

long way to go in improving our management to enhance Japan Post Bank's corporate value, and we consider this to be a major management issue. In addition, our total shareholder return (TSR) is lower than that of major banks.



*¹ Calculated based on the stock price and net asset value per share at the end of each fiscal year. Fractions less than one unit are rounded to the nearest whole number.

*² Simple average of Mitsubishi UFJ Financial Group, Mizuho Financial Group, and Sumitomo Mitsui Financial Group.

*³ Total shareholder return (TSR) is calculated as (stock price at the end of each fiscal year + cumulative dividends per share (DPS) for the eight fiscal years prior to the current fiscal year) ÷ stock price at the end of the fiscal year nine years prior to the current fiscal year.

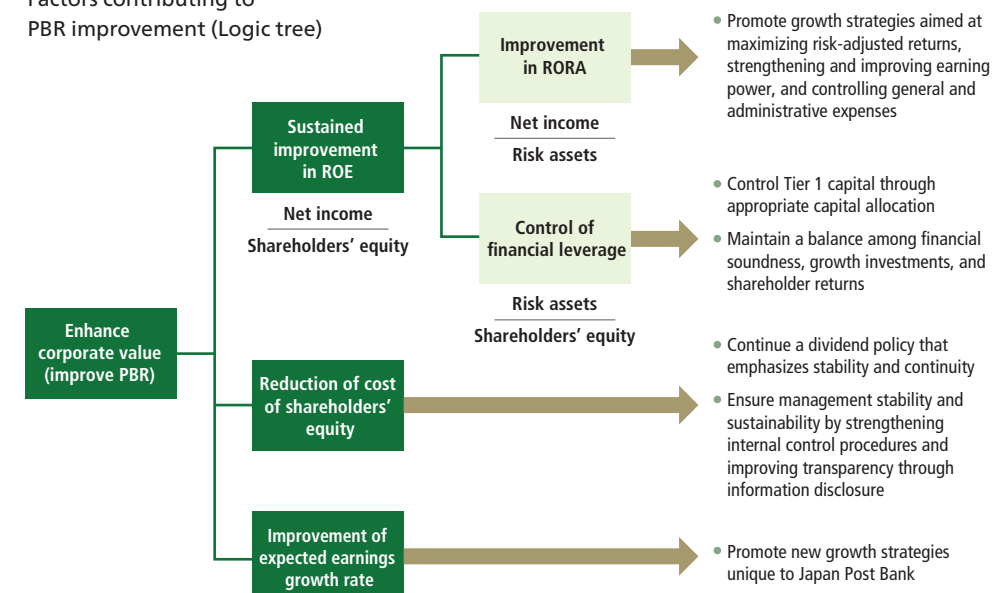
Japan Post Bank considers three drivers for improving PBR: “sustained improvement in ROE,” “control of the cost of shareholders' equity,” and “improvement in the expected earnings growth rate.” Among these, we consider improving ROE (return on equity) to be the most important. We believe that improving ROE will lead directly to enhancing corporate value (improving PBR).

In FY2024, we achieved our final target for the

Medium-term Management Plan of 4% ROE one year ahead of schedule, and our ROE has been steadily improving, but we are not satisfied with the current level.

In FY2025, we aim for ROE of 4.7% or higher, and from FY2026, when the next Medium-term Management Plan begins, we will promptly achieve 5%, which we consider to be the first step toward the target, and then continue to improve the ROE dramatically.

Factors contributing to PBR improvement (Logic tree)

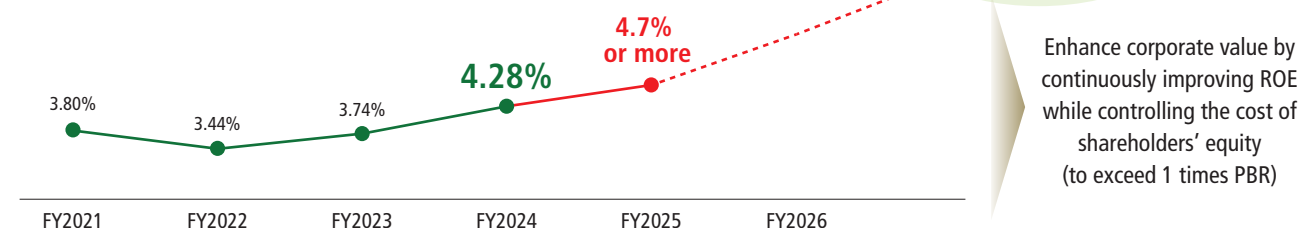


Main targets (FY2025)

Net income: 470 billion yen
ROE: 4.7% or more
OHR: 59% or less
CET1 ratio
(Target level in normal times): around 10%
Dividend payout ratio: around 50%
Balance of ESG-themed investments and financing: 7 trillion yen

Toward sustainable improvement in ROE

With the aim of improving ROE, Japan Post Bank has divided its specific strategies into two categories: “improving risk-adjusted returns” and “controlling financial leverage” through the integrated promotion of the three businesses mentioned above.



Notes:1 The dotted lines indicate a simplified image of the results if market assumptions (implied forward rates as of early April 2025) are realized.
Notes:2 The cost of shareholders' equity and the medium- to long-term ROE targets for the next Medium-term Management Plan are currently under discussion.

1. Improve risk-adjusted returns

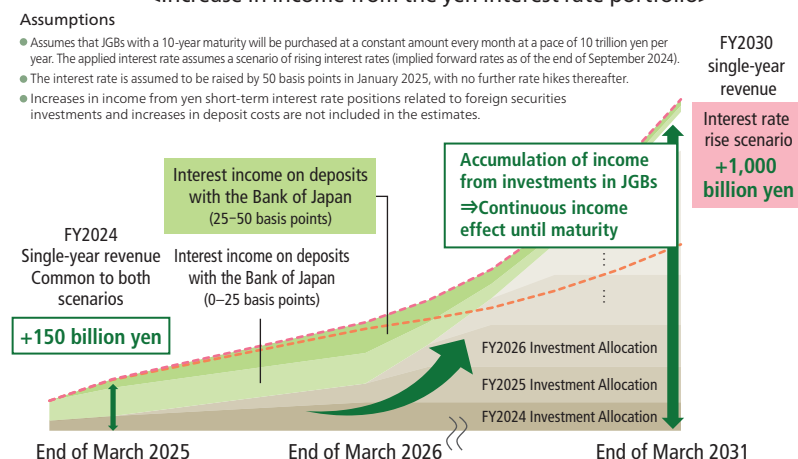
- Promote growth strategies, strengthen and improve earning power -

In the Market Business, which supports Japan Post Bank's earnings, we will continue to steadily promote the restructuring of yen interest rate portfolios through a shift in investments toward Japanese Government Bonds (JGBs), riding the tailwind of rising domestic interest rates, in addition to risk assets (alternative assets such as private

equity in addition to corporate bonds), which we have traditionally focused on. We aim to achieve significant growth in total earnings while maintaining a balance between the two.

Japan Post Bank mainly invests in 10-year JGBs and other long-term bonds, and compared to financial institutions that provide medium-term loans with floating interest rates the effects of profit growth will accumulate over time and appear in subsequent fiscal years.

<Increase in income from the yen interest rate portfolio>



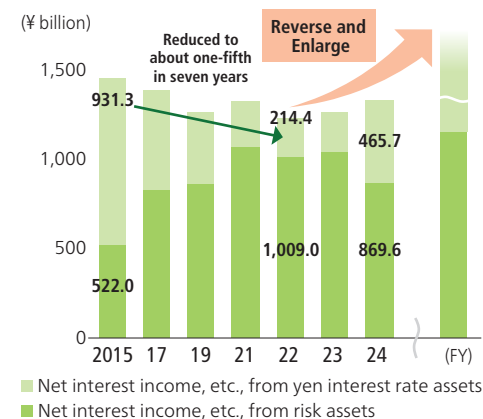
The source of funds for our market business is deposits exceeding 190 trillion yen entrusted to us by approximately 120 million customers through our nationwide network of post offices and branches. To further improve the convenience of our retail business, which is centered on deposits from long-standing customers, Japan Post Bank is focusing on the digitization of various services. For example, the Yucho Bankbook App, which was being used by more than 13 million customers as of March 31, 2025, has grown into one of our main customer channels as a digital channel, in addition to physical channels such as bank counters and remote channels such as financial contact centers.

We intend to utilize these channels as a financial platform to provide not only our own products but also those of partner companies, thereby enhancing convenience for our customers while increasing our fee income.

Furthermore, in our domestic private equity investment (Σ Business), which began full-scale operations in FY2024, we are steadily moving toward future profitability by establishing our core subsidiary, Yucho Capital Partners, and launching multiple funds with partner companies.

As described above, we aim to expand earnings through growth strategies that are unique to Japan Post Bank in each business area.

<Net interest income, etc.>



- General and administrative expenses -

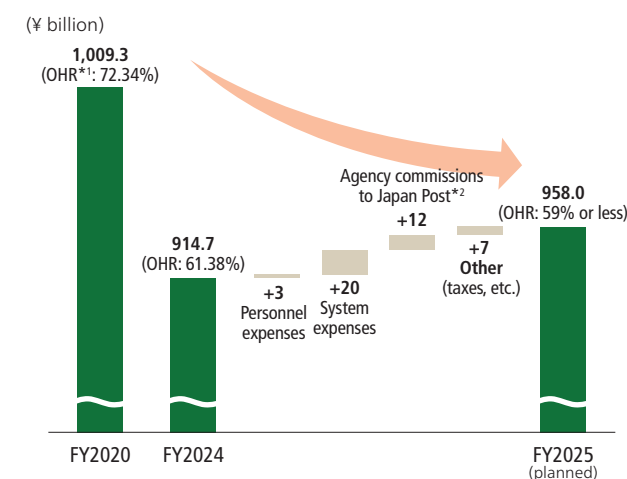
In addition to strengthening earning power, controlling expenses is an important factor in achieving sustainable improvement in ROE. While promoting DX, AML/CFT/CPF*, and cybersecurity, and investing in priority areas such as improving employee treatment and increasing the number of employees in key areas, we will continue to reduce regular expenses through

administrative efficiency. Our financial target for efficiency (OHR) is 61.38% for FY2024, and we have been steadily reducing it during the Medium-term Management Plan period.

We will continue to control expenses in a focused manner, including by taking on the challenge of fundamentally transforming our operations through the active use of AI.

* Prevention of money laundering and terrorist financing.

Expense control (changes in general and administrative expenses) (consolidated)



Comparison of expenses and OHR before and after review (consolidated)

	2025 Plan (Announced on May 15, 2024)	2025 Plan (Announced on May 15, 2025)
OHR (overhead ratio) includes gains (losses) on money held in trust*1	62% or less	59% or less
General and administrative expenses (compared with FY2020)	-69 billion yen	-51 billion yen

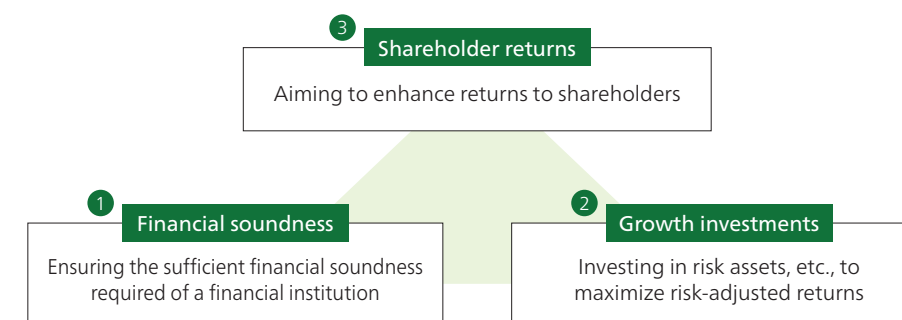
*1 Japan Post Bank has set OHR as an indicator that includes gains (losses) on money held in trust in the denominator, given that it manages securities on a scale commensurate with its size. Calculated as general and administrative expenses divided by (Net interest income, etc. + Fees and commissions income). Net interest income, etc., is calculated as interest income minus interest expenses (including gains (losses) on sales).

*2 Includes contributions to the Organization for Postal Savings, Postal Life Insurance and Post Office Network.

Note: The totals for the increases and decreases in FY2024 (actual results) do not match the figures for FY2025 (plan) due to rounding and other factors.

2. Control of financial leverage (control of Tier 1 capital through appropriate capital allocation)

Japan Post Bank's capital policy is based on the following three principles: ① maintaining sufficient capital and ensuring financial soundness, ② strengthening earning power through growth investments utilizing capital, and ③ aiming to return profits to shareholders.

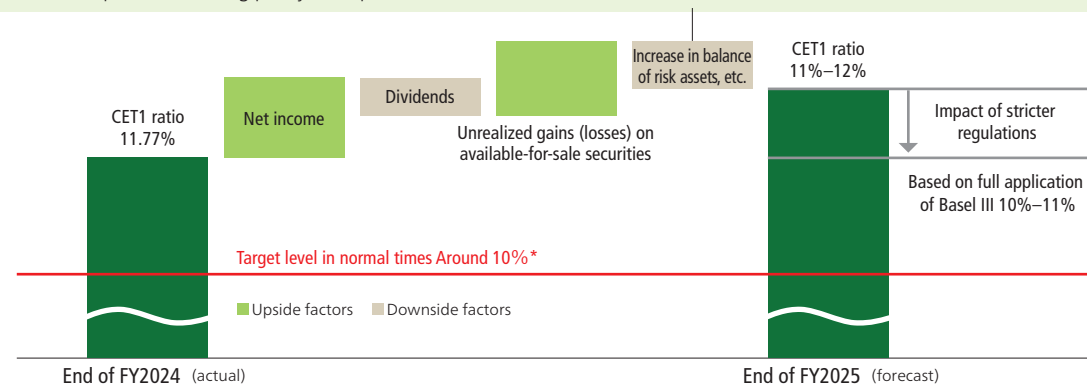


- Financial soundness -

Although Japan Post Bank is a domestic bank (regulatory capital adequacy ratio: 4% or more), it aims to manage capital at the same level as major domestic financial institutions due to the size of its overseas credit exposure. For internal management purposes, it has set a target level of around 10% for its CET1 ratio, which is the

international standard for banks with international operations. As of March 31, 2025, the CET1 ratio was 11.77%, indicating that the Bank has a certain amount of leeway. We will strive to ensure financial soundness by enhancing and upgrading our monitoring systems to quickly identify changes in the domestic and overseas environment and by conducting stress tests.

- Aim to improve ROE by utilizing capital for the expansion of risk assets and growth investments while being mindful of risk and return.
- Consider share buybacks based on market conditions, business performance, internal reserves, growth investment opportunities, and the Japan Post Group's shareholding policy for Japan Post Bank.



※ Excluding unrealized gains on available-for-sale securities. Based on the full application of Basel III regulations at the end of FY2028, the Bank aims to achieve full compliance from the end of FY2025 onward. If the ratio temporarily falls below the target level due to an increase in unrealized losses on available-for-sale securities, the Bank will strive to restore the ratio to the target level through adjustments to investment assets. Although Japan Post Bank is a domestic bank (regulatory capital adequacy ratio: 4% or more), based on its large overseas credit exposure, it aims to maintain capital management at the same level as large domestic financial institutions and has set a target level of around 10% for the CET1 ratio in normal times.

- Growth investments (investments that offer high risk-adjusted returns) -

To improve ROE, we will make investments that lead to improved return on risk assets (RORA) while considering

strategic investments that contribute to the medium- to long-term growth of Japan Post Bank and improvement of ROE.

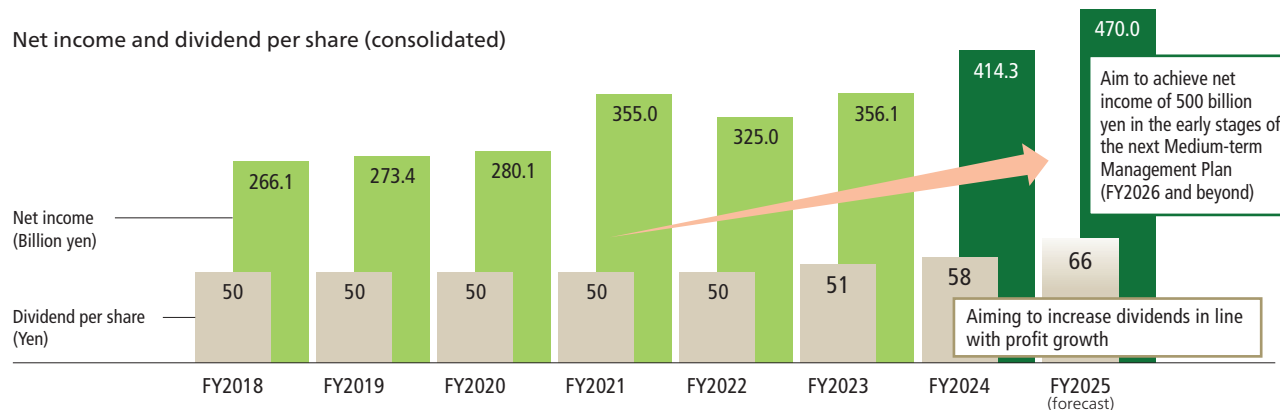
- Strengthening shareholder returns -

Shareholder returns are one of the most important themes in our capital policy. Considering the balance between financial soundness and growth investments, our basic policy is to maintain a dividend payout ratio of around 50% during the current Medium-term Management Plan period. We have set the dividend per share for FY2024 at 58 yen, an increase of 7 yen from the

previous fiscal year, with the aim of increasing the initial dividend forecast for FY2024 (52 yen). We also plan to increase the dividend per share for FY2025 by 8 yen from FY2024 to 66 yen and will continue to increase dividends in line with profit growth.

From March to May 2025, when Japan Post Holdings, Inc., sold its shares in Japan Post Bank, we repurchased treasury stock totaling approximately 60 billion yen.

Net income and dividend per share (consolidated)



Control of cost of shareholders' equity

According to the capital asset pricing model (CAPM), the cost of shareholders' equity for Japan Post Bank is calculated to be approximately 5%. However, we consider this to be a reference value calculated using a single method and under certain conditions (when using the dividend yield, the figure is approximately 6%–8%). Taking into full consideration the expectations of our stakeholders, we will hold discussions on viewing the cost of shareholders' equity from a more comprehensive perspective, together with the direction of our management strategy, for the next Medium-term

Management Plan, and will engage in dialogue with investors.

At the same time, regardless of the level of the cost of shareholders' equity, we will continue to pursue a dividend policy that takes into consideration stability, continuity, and growth, while strengthening our business base by enhancing internal control procedures and promoting human capital management. We will also strive to disclose information appropriately, including through investor relations activities.

Improvement in the expected earnings growth rate

- Enhancing corporate value through ongoing dialogue with stakeholders -

As the financial institution with the largest retail network in Japan and as one of the world's leading institutional investors, Japan Post Bank aims to be "the most familiar and trusted bank" and has been working to enhance corporate value by promoting three business strategies (Retail Business, Market Business, and Σ Business) that go beyond traditional banking.

We hope that the sale of our stocks in March 2025 will greatly expand our business opportunities and potential, but our long-term goals remain unchanged.

We want to continue to be "the most familiar and trusted bank," and we believe that this can be achieved not by competing with other companies but rather by providing a platform that enables us to co-create with other partners to deliver the services that our customers demand.

We receive many questions from our stakeholders, including shareholders and investors asking how Japan Post Bank will change and what our specific outlook is,

reflecting their expectations for our new businesses. At this stage, we can only say that details are forthcoming, but I am currently engaged in lively discussions with our motivated employees about the future and our growth story as a financial platform provider. We will continue to communicate the direction indicated by our compass and the specific path we will take through integrated reports and investor relations activities, so we ask for your continued support and look forward to walking this new path together with you.

FY2025 is the year in which our Medium-term Management Plan comes to fruition. We will continue to ensure financial soundness while enhancing profits and corporate value and strive to maximize the cycle of returning profits to our shareholders. We will also take the evaluations and opinions of our stakeholders seriously and reflect them in our next Medium-term Management Plan. We look forward to your continued understanding and support.

IR Activities (FY2024)

Activities	Details
18th Ordinary General Meeting of Shareholders (FY2024)	Held on June 18, 2024
Briefings for individual investors	The Bank holds briefing sessions for individual investors led by the managements. Number of sessions: 5, Number of participants: 1,043
Investors Meeting	President & CEO, Representative Executive Officer, Member of the Board of Directors holds half-yearly meetings mainly for institutional investors and analysts. Number of sessions: 2, Number of participants: 248
Interviews with institutional investors and analysts	The Managing Executive Officer in charge of the IR department, together with other members of the management team, including President & CEO, Representative Executive Officer, Member of the Board of Directors, holds individual meetings with institutional investors and analysts in Japan and overseas. Companies met with: 522 (including 284 overseas institutional investors)
Conferences for institutional investors hosted by securities firms	The Bank participates in conferences hosted by securities firms, and the Managing Executive Officer in charge of the IR Department holds individual interviews with overseas institutional investors. Number of attended conferences: 5
Other IR events	The Bank holds briefing sessions for small groups of analysts and institutional investors regarding revision of the Medium-term Management Plan and revision of the earnings forecasts led by the management team, including President & CEO, Representative Executive Officer, Member of the Board of Directors.
19th Ordinary General Meeting of Shareholders (FY2025)	Held on June 24, 2025

Main concerns of shareholders and investors

- Overview of the revision of the Medium-term Management Plan
- Overview of upward revisions to the fiscal 2024 earnings forecast and dividend forecast for fiscal 2024
- Progress of the restructuring of yen interest rate portfolios
- Outlook for business expansion through deregulation
- Future growth strategies and dividend policy

Examples of disclosure based on shareholder and investor feedback

- In response to requests for clarification of key messages, executive summary pages were added to Investors Meeting materials
- Disclosure of earnings simulations based on yen interest rate increases
- Continued disclosure of progress in restructuring yen interest rate portfolios
- Disclosure of future business plans after the Offering

External Environment Awareness

Financial and economic environment

Looking back at the economic conditions in fiscal 2024, the global economy varied from region to region. In the United States, the Federal Reserve cut interest rates in September, November, and December as inflation fell and the economy maintained positive growth. Meanwhile, the Eurozone economy remained sluggish with no significant recovery despite six interest rate cuts by the European Central Bank since June 2024. The Japanese economy remained firm as wages rose and domestic demand picked up. The Bank of Japan raised interest rates in July and in January 2025 amid a continuing trend of yen depreciation and rising prices.

In the financial and capital markets, U.S. long-term market interest rates were on a downward trend, reflecting the trend of declining inflation. Although there was a temporary upturn due to the results of the U.S. presidential election and other factors, they fell sharply toward the end of the period due to concerns about the economic downturn caused by the U.S. tariff policy and other factors. In addition, Japanese long-term market interest rates were on an upward trend with a view to continued interest rate hikes by the Bank of Japan, temporarily rising to around 1.6%.

Social environment

Japan Post Bank's business operations generate earnings primarily by investing deposits from customers in Japan in securities management and other investments in domestic and overseas financial markets. Therefore, it is necessary to develop a business model that considers not only the financial and economic environment in Japan and abroad but also changes in the environment of society, such as demographic changes.

The biggest change in the environment of society is the accelerating decline of the domestic population, and as a result, the concentration of the population in urban areas is expected to make depopulation in regional areas even more serious. Currently, deposits are still increasing nationwide against the backdrop of regional depopulation, with the regional growth rate sluggish and the rate for urban areas increasing. In the future, the outflow of deposits outside the region due to inheritance and other factors will also accelerate, and deposits could begin to decline in

The dollar-yen exchange rate did not change significantly from the high 151-yen range at the beginning of April to the 149-yen range at the end of the fiscal year. However, the yen depreciated to the high 161-yen range in early July and subsequently appreciated to the 140-yen range triggered by foreign exchange intervention, and other significant fluctuations were seen throughout the fiscal year.

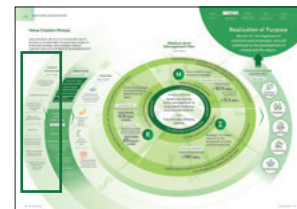
Although the S&P 500 Index fell due to concerns about the economic downturn that arose in August, it subsequently trended upward due in part to strong earnings announcements by U.S. companies and policy expectations for the new administration and reached an all-time high in February 2025. Subsequently, however, the index fell sharply due to concerns about economic deterioration caused by the U.S. tariff policy and other factors.

The Nikkei Stock Average rose to the 42,000-yen level in July, reaching an all-time high due to strong earnings announcements by Japanese companies, but like U.S. stocks, it plunged to the 31,000-yen level at one point. Although subsequently recovering to around 40,000 yen, it turned downward with the softening of U.S. equities amid growing uncertainty over U.S. tariff policy and other issues.

regions with a poor industrial base. These changes in the environment will have a significant impact on Japan Post Bank, which receives deposits from customers, mainly individuals, through its nationwide post office network.

In addition to the impact of a declining population, there are concerns that the aging of the population will make it more difficult to take over their businesses and cause local economic downturns, such as the decline of local companies.

Moreover, the declining birth rate and aging population, the progress of digitization of society, the return to a "world with positive interest rates," and the launch of the new tax-free Nippon individual saving accounts (NISAs) for individual investors are all changing the landscape, and individual lifestyles and customers' needs are changing and diversifying significantly. To ensure that customers choose Japan Post Bank, we recognize the need to respond to each customer's individual needs.



Three Business Strategies 1

Retail Business



Hideki Nakao
Managing Executive Officer



Akihiro Den
Managing Executive Officer

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

We provide financial services such as deposits, remittances/payments, payroll or pension payment transfers, asset management, cashless services, and mortgage loans (intermediary) to customers, mainly individuals in Japan, through our directly operated branches, post office and ATM network, and digital channels nationwide.

Retail business strengths and resources

Strengths

- Unparalleled number of real networks
- The largest customer base and deposit balance of any Japanese bank
- Number of accounts registered for the Yucho Bankbook App
- Accumulated know-how and expert human capital in the Retail Business
- Trust and brand power built up with the community since its establishment

Value provided to customers



Customers

- Providing safe, secure, and useful services and universal services for all customers
- Providing new service opportunities through complementarity between physical and digital channels, which also encourages a shift from savings to investment



Shareholders and Investors

- Create a new Retail Business model
- Reduce costs through administrative efficiency by leveraging digital technology



Environment

- Reduce the environmental impact through paperless operations

Achievements in the fiscal year under review and future initiatives

Business performance in fiscal 2024

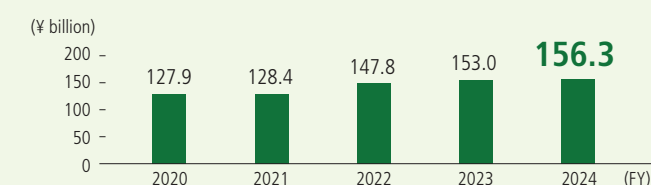
Net fees and commissions income for fiscal 2024, which mainly corresponds to fees and commissions income from retail businesses, increased by 3.3 billion yen from the previous fiscal year to 156.3 billion yen, mainly due to an increase in ATM-related commissions.

Asset formation support business strategy

Given changes in the business environment of society's progress in digitization and the launch of the new tax-free Nippon individual saving accounts (NISAs) for individual investors, the company aims to shift from a sales focus on the face-to-face channel to a sales focus on the digital/remote channel in conjunction with the teller channel.

In the face-to-face channel, our consultants will provide detailed support, and we will connect post offices

Net fees and commissions (consolidated)



nationwide with financial contact centers and other facilities remotely to enable investment trusts (NISAs) for individual investors at approximately 20,000 locations close to customers. We will build a sales system that leverages the strengths of the Japan Post Group, which integrates physical and digital operations.

TOPICS



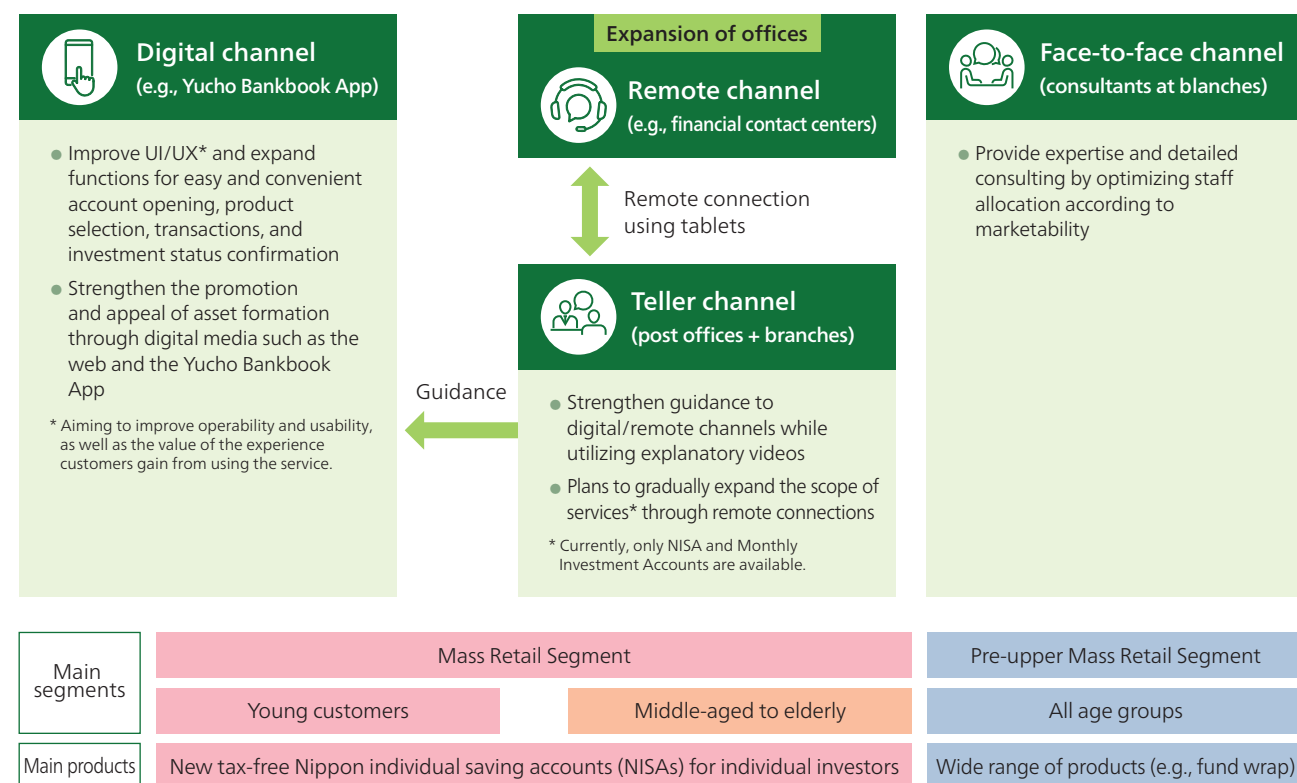
Research Department

The Research Department, designated as the "think tank" of Japan Post Bank, conducts research and analysis on the domestic and international economies and the social environment and provides information internally, mainly to the management team. In recent years, the department has also strengthened its external communications, participating in the ESP Forecast survey, a compilation of economic forecasts by leading

private-sector economists in Japan, and providing the department's forecasts monthly. In addition, the views of our employees have been published in the "Personal Opinion" section of the *Nihon Keizai Shimbun**, and we believe that the results of our efforts have been well received outside the company. We will continue to study hard to demonstrate our capabilities both inside and outside the company and strive to disseminate information with high added value.

* January 11, 2022, "Regional revitalization: Foster diversity rather than competition"; October 30, 2024, "Focus on investing in local areas"

Three Business Strategies ① Retail Business



Digital channel support for Japanese Government Bonds (JGBs) for retail customers

Given the progress of the digitization of society and the diversifying needs of customers, we launched services enabling customers to open accounts, make purchases, and check balances of individual Japanese Government

Bonds via the Yucho Bankbook App and Yucho Direct from May 2025, and strived to expand digital services that are easy to use for all customers.

Improvement of investment trust products lineup

Given that many customers who use Japan Post Bank's teller windows are new to investing, we have developed a lineup of "simple and easy-to-understand products" and carefully explain the basics of investing to all customers, such as "long-term, diversified, and savings."

On the other hand, the digital channel offers a wide variety of products to meet the needs of customers with a certain level of experience and knowledge in investing. We will continue to review our product lineup to meet the needs of more customers in the future.

Yucho MyJob

Kazuki Kirita
Financial Services
Department,
Kyoto Branch



I currently work as a financial consultant in the Kyoto Branch Financial Services Department. To protect the important financial assets entrusted to me by customers, I propose investment products that meet the life plans and needs of each individual customer.

When we consulted with a customer who was anxious about his financial preparations for retirement, we recommended measures that take advantage of the mortgage deduction, iDeCo, tax-free Nippon individual saving accounts (NISAs) for individual investors, and other taxation systems. I was impressed by the joy he expressed when he said, "Thanks Mr. Kirita, I can look forward to my retirement."

To respond to the ever-changing financial situation and needs of our customers, we will continue to improve ourselves not only in the financial instruments and services offered by Japan Post Bank but also in our efforts to acquire qualifications so that we can provide customer-oriented proposals that integrate face-to-face and digital channels.



Retail Business × DX

Digital service strategy

Based on the basic policy of "expanding digital services that are easy for all customers to use," we have further improved convenience by adding various payment and ATM deposit and withdrawal functions to the Yucho Bankbook App. Since its release in February 2020, the use of the Yucho Bankbook App has steadily expanded thanks to the effectiveness of the friendly and courteous guidance provided by the branch network, and the number of registered accounts exceeded 10 million in February 2024, achieving the target set in the Medium-term Management Plan two years ahead of schedule.

In addition, to meet the diversifying needs of customers, we are building a "co-creation platform" to

introduce co-created products and services that transcend the borders of banks through push notifications on the Yucho Bankbook App and via e-mail. We are already distributing advertising content such as fixed yield investment of "Funds" and the "Post Office Internet Shop."

Furthermore, Japan Post Bank is providing its financial functions to a variety of businesses, including non-financial companies, through immediate transfer services and the API collaboration scheme launched in April 2024.

We will continue to work toward the realization of a "co-creation platform" through collaborations with a wide variety of businesses.

UI/UX Improvement and functional expansion of the Yucho Bankbook App

- Develop digital services centered on the Yucho Bankbook App
- Improve UI/UX and expand functions to further enhance digital services that are easy for all customers to use

Promote user acquisition of the Yucho Bankbook App

- Provide friendly and courteous guidance and support to customers of all ages who visit branches and post offices

User expansion + Data analysis

Complementarity of physical and digital channels

Expand the Co-creation Platform

Promote diverse partner companies

- Engage in ongoing negotiations with potential partner companies
- Implement incentives for account users

Promote products and services, information on seminars

- Continue the trial distribution of asset management seminars to certain regions
- Notification of the company's products such as investment trusts and cashless services

Improving the advertisement distribution system (start distribution of in-app messages)

Business reform: Productivity improvement

Further expansion of services is planned for the "Yucho Tetsuzuki App" released in March 2024, which enables account opening and PIN re-registration in multiple languages via a smartphone, by adding functions for opening accounts in the name of children and updating information such as the period of stay. In the Madotab self-service sales branch terminal, which allows customers to perform various operations such as account opening at directly operated branches, a function to omit

employee confirmation for account opening using eKYC* authentication was added in May 2025, thereby promoting administrative efficiency. In addition, a function has been added to ATMs with a passbook carryover function to enable customers to switch from no-transaction book-type general accounts opened with the Yucho Tetsuzuki App or Madotab to a wired account, thereby improving convenience for customers.

*eKYC: electronic Know Your Customer

Digital channel (e.g., Yucho Bankbook App)

Reduce clerical work

- Enhance functionality of the Yucho Bankbook App and Yucho Tetsuzuki App
- Develop API for automatic debit transfers

Call Centers, Administration Service Centers

AI utilization

- Further use AI and chatbots to respond to inquiries from customers and post offices

Branches

Promotion of self-transactions

- Improve ATM functionality (e.g., sequential deployment of ATMs that support unified 2D codes for local taxes and passbook carryover, magnetic repair of passbooks)
- Expand Madotab functionality
- Distribute advertisements through digital signage at ATMs

Operation Support Centers

Expansion of automated processing

- Expand BPMS* operations
- Promote computerization of inquiry and response operations for deposits and savings from government agencies

*BPMS: Business Process Management System

Three Business Strategies 2

Market Business



Yuko Yoshida
Managing Executive Officer



Masato Tamaki
Senior Managing Executive Officer

As one of the largest institutional investors in Japan, we are committed to sound and profitable investment, while contributing to the realization of a sustainable society.

Main Businesses

We invest in domestic and foreign bonds, real estate, and private equity (investment in private companies), etc., using customers' deposits as the source of funds.

Market business strengths and value we provide

Strengths

- One of the largest deposit bases in Japan, based on highly sticky personal savings and other assets
- Sound financial base
- In-house training and external appointment of professional human capital with extensive knowledge and experience

Value provided to customers

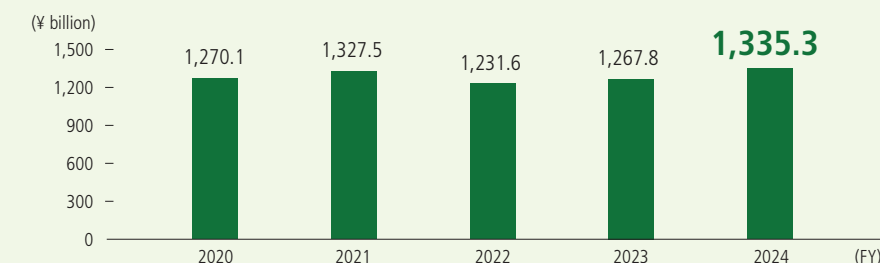
- Customers**
 - Peace of mind through stable management of deposits and interest on deposits
- Shareholders and investors**
 - Maintain stable profits
- Local communities**
 - Contribution to local communities through ESG investments and loans
- Environment**
 - Contribution to the global environment through ESG investments and loans

Achievements in the fiscal year under review and future initiatives

Business performance in fiscal 2024

Net interest income, etc., which mainly corresponds to income from the Market Business, amounted to 1,335.3 billion yen in fiscal 2024. Although there was a decrease in gains on sales of Japanese stocks in connection with operations for risk controls, the increase in income from private equity funds and the increase in interest on Japanese Government Bonds (JGBs) and interest on deposits with the Bank of Japan increased by 67.5 billion yen from the previous fiscal year.

Net interest income, etc. (consolidated)



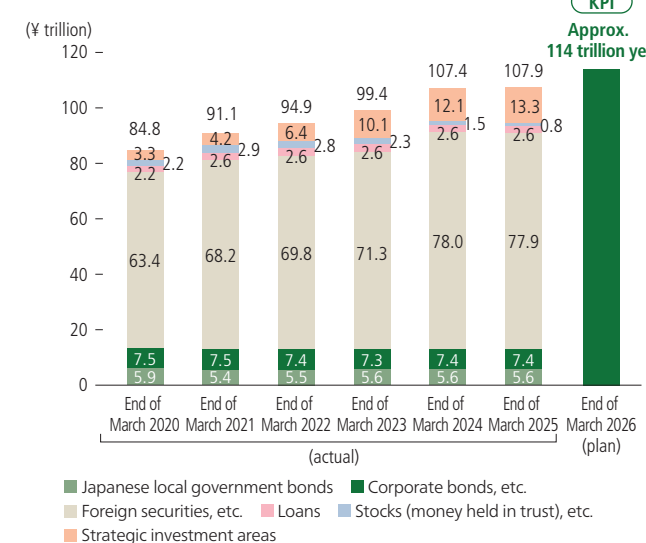
Promotion of global asset allocation

Toward the end of fiscal 2025, we will continue to utilize our capital and invest in risk assets/strategic investment areas with an awareness of risk-adjusted return. We will invest mainly in IG (Investment Grade Area) which are

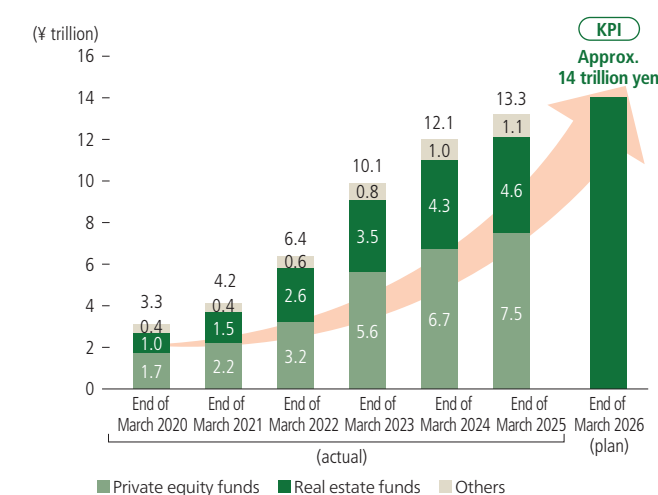
the core of our risk-worthy assets.

In strategic investment areas such as private equity and real estate, we will selectively invest in prime funds.

Balance of risk assets*1 (non-consolidated)



Balance of strategic investment areas*2 (non-consolidated)



Note: The balances of private equity funds and real estate funds are based on fair value from the end of March 2023, except for some assets.

*1 Assets other than yen interest-bearing assets (e.g., Japanese Government Bonds (JGBs))

*2 Private equity funds, real estate funds (equity and debt), direct lending funds, infrastructure debt funds, etc.



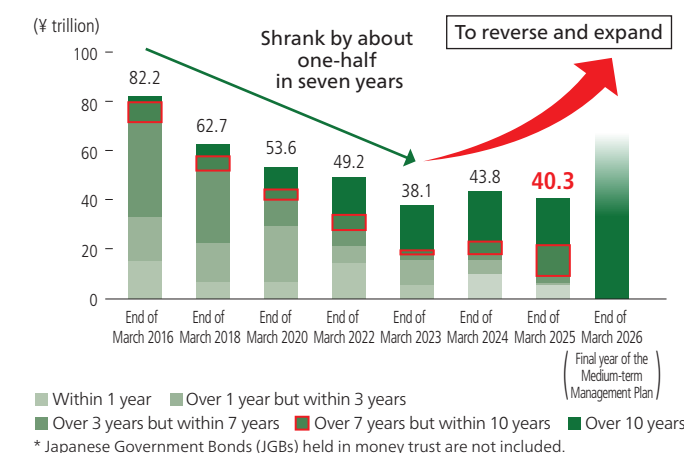
Kana Arisuda
Global Credit
Investment Department

I joined the company as a new graduate in 2010 as a career-track employee and have been engaged in global credit investments since 2013. After gaining experience in investing in overseas corporate bonds and securitized products, I currently invest in domestic corporate bonds. Specifically, I monitor investee companies, analyzing their financial conditions and making and executing investment decisions considering market conditions and other factors. I would like to continue to closely monitor the ever-changing market trends, improve my information-gathering skills, and make further studies to build an optimal portfolio. I am also a member of the Women's Activity Promotion Group within the division, and I would like to contribute to creating a comfortable working environment.

Restructuring of the yen interest rate portfolio

In response to the reversal of the upward trend in interest rates in Japan, we are promoting the restructuring of the yen interest rate portfolio by shifting investments from due from banks, etc., to Japanese Government Bonds (JGBs). As a result, the balance of JGBs, which had been declining in the low interest rate environment, reversed in fiscal 2023.

Outstanding amount of Japanese Government Bonds (JGBs)*



Three Business Strategies ② Market Business

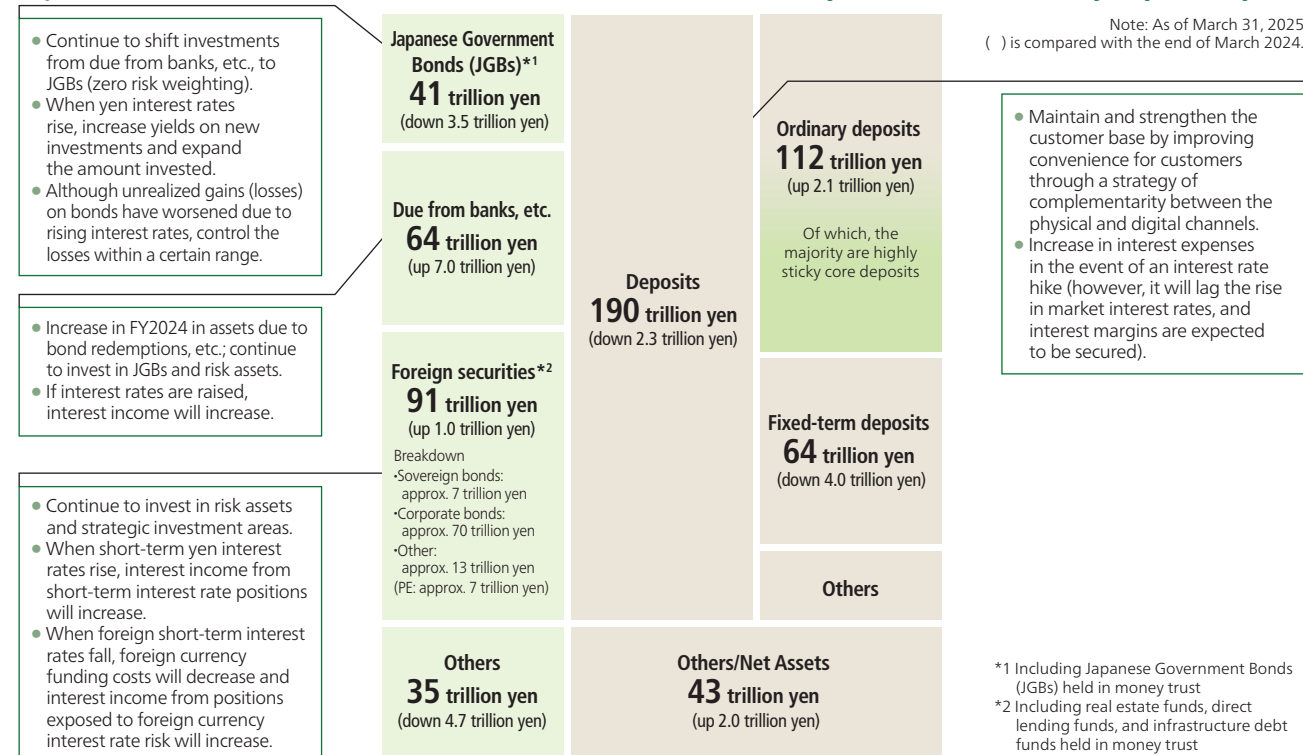
Pursuit of optimal portfolio management (ALM management direction)

Regarding deposits, which account for the majority of the funding (liabilities) side, we will continue to build a stable deposit base centered on highly sticky personal savings by strengthening our customer base through the provision of a variety of financial services in the Retail Business.

On the fund management (assets) side, the Bank has been

pursuing diversification and sophistication of investment management, focusing on foreign securities, to cope with the low interest rate environment in Japan. We will pursue an optimal portfolio that combines yen interest rate assets such as Japanese Government Bonds (JGBs) and risk assets such as foreign securities under appropriate risk management.

Japan Post Bank B/S (non-consolidated) Total assets: 233 trillion yen (down 0.3 trillion yen year on year)



Further deepening risk management

In addition to the capital adequacy ratio (domestic standard), we set and manage the CET1 ratio (based on the Uniform International Standards, excluding unrealized gains on available-for-sale securities) at a normal target level (around 10%), in the Medium-term Management Plan. In addition, the company is steadily enhancing its stress testing and monitoring to further deepen risk management. As of March 31, 2025, the total capital adequacy ratio (domestic standard) was 15.08% and the CET1 ratio was 11.77%, exceeding the normal target level (approximately 10%).

Efforts to deepen risk management

- Enhance and upgrade monitoring systems to support portfolio management (e.g., strategic investment areas, credit portfolio, foreign currency liquidity)
- Maintain sufficient financial soundness and strengthen risk management (e.g., conducting stress tests given changes in the internal and external environment)
- Respond appropriately to the revisions and strengthening of international financial regulations



I joined the company as a new graduate in 2019 as a career-track employee and have been engaged in market risk management since 2021. I quantitatively calculate the impact that floating interest rates, exchange rates, stock prices, and other market fluctuations have on Japan Post Bank using statistical methods and scenario analysis. I conduct monitoring to assess total capital adequacy with an awareness of capturing essential changes in the market, rather than merely analyzing numerical data. In addition, as a response to Basel III, the international financial regulations, we began calculating market risk equivalent from the end of March 2025. We will continue to strengthen our calculation framework by reviewing our measurement methods and developing systems. I will continue to respond flexibly to changes in market conditions and contribute to the advancement of risk management from multiple perspectives.

Establishing a robust operational structure

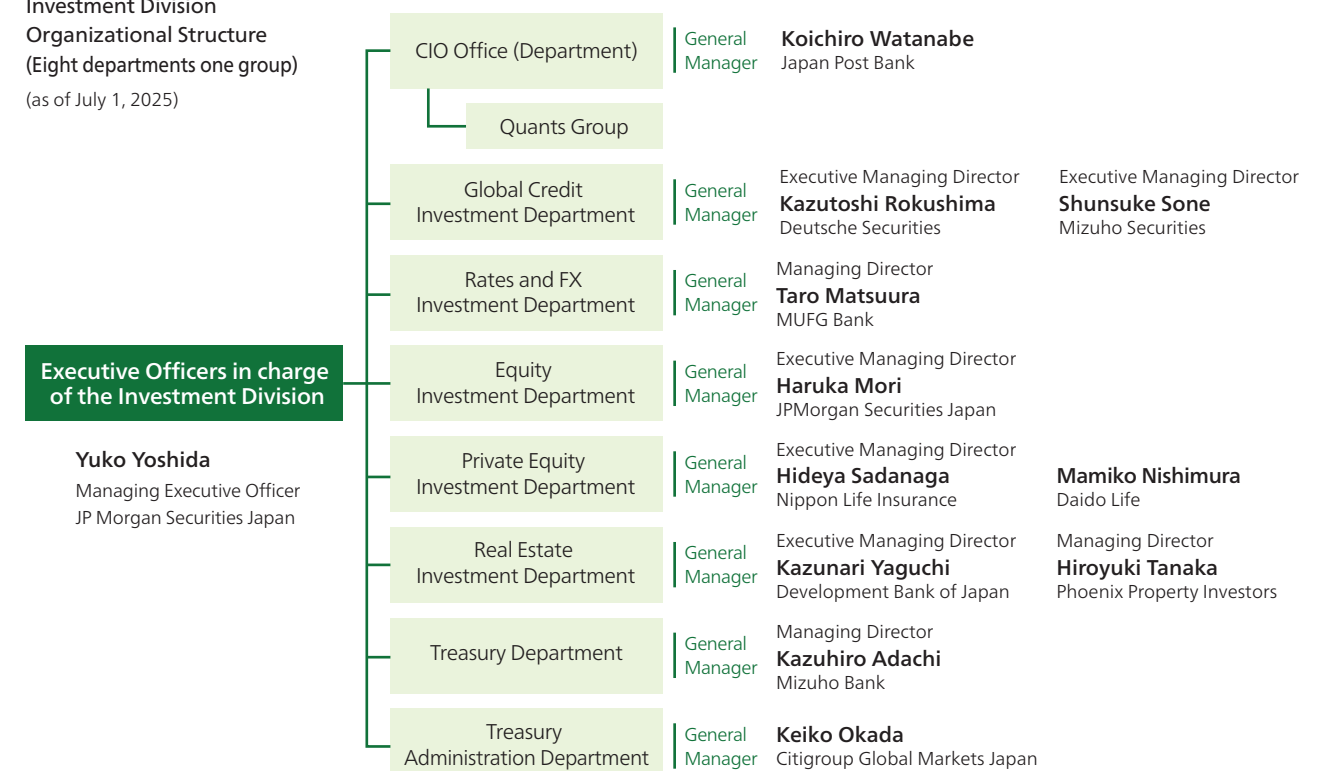


Under the supervision of the Executive Officers in charge of the Investment Division, Japan Post Bank's Investment Division consists of eight departments and one group, each specialized in its field, and the senior-level management include human resources with diverse experience. In addition, to strengthen the structure and infrastructure, including risk management, we are expanding the number of staff in market-related departments and actively

recruiting and training market-related human resources. Specifically, in addition to the appointment of investment management executives from outside the company and the ongoing recruitment of market-related human resources including those in the Risk Management Division, we continue to provide young human resources with basic and advanced training by professionals and other personnel.

Operational structure

Investment Division Organizational Structure (Eight departments one group) (as of July 1, 2025)



Note: Main former appointment listed below name.

Three Business Strategies 3

(Sigma) Business



Koji Hasukawa
Managing Executive Officer

Contributing to regional economic expansions through funding flows to local communities and strengthening relationships through a diverse framework.

Main Businesses

The Σ Business aims to realize a “co-creation platform” for the development of society and the region together with regional financial institutions and others. By promoting new businesses through the provision of capital-based financing to regional businesses, we will contribute to regional economic expansion by supporting the growth of local companies and solving issues of local communities.

Σ Business strengths and the value we provide



Achievements in the current fiscal year and future initiatives

In fiscal 2024, the year of the full-scale launch of the Σ Business, we established Japan Post Bank Capital Partners Co., Ltd., as a subsidiary that will serve as the core of the GP business typical of Japan Post Bank, and established joint funds with J-WILL Co., Ltd., and a subsidiary of MITSUI & Co., Ltd.

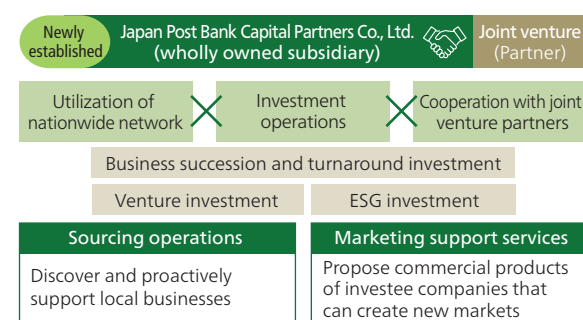
In addition, Japan Post Bank’s Regional Headquarters has started a deal sourcing business that uses its own network to find businesses.

We will continue to contribute to the revitalization of local economies by promoting investment operations while paying careful attention to the quality of investments and actively promoting deal sourcing business.

Regarding marketing support business, we will take a step forward from the introduction and intermediary services we have provided so far. We will consider establishing a system to support the growth of investee companies and helping them to solve their problems.

What are the features of GP operations that are unique to Japan Post Bank?

- Co-creation with regional financial institutions
- Utilizing a nationwide network to identify financing needs in detail
- Providing capital funds from a medium- to long-term perspective
- Supporting the growth of investee companies and helping them to solve their problems.



SECTION 1	SECTION 2	SECTION 3	SECTION 4	SECTION 5
Message from the President & CEO	Value Creation at Japan Post Bank	Strategies to Achieve Value Creation	Foundations to Support Value Creation	Corporate Information

Investment operations

In fiscal 2024, as a “GP” in private equity investment, Japan Post Bank is promoting GP operations that take advantage of its unique characteristics by sequentially launching investment vehicles with joint ventures (partners).

May 2024	Established Japan Post Bank Capital Partners Co., Ltd., as a core subsidiary for the GP business.
August 2024	Established J- Σ Investment Limited Partnership, a fund jointly managed with J-WILL Co., Ltd.
January 2025	Established M- Σ Investment Limited Partnership, a fund jointly managed with a subsidiary of Mitsui & Co., Ltd.

While steadily advancing initiatives through these funds, the Bank will further promote Japan Post’s unique GP business, which is to identify local capital needs and provide capital funds from a medium- to long-term perspective through co-creation with regional financial institutions, and to accompany and support investees in their growth investments and problem-solving efforts. We will also promote Japan Post Bank’s unique GP business more strongly.

Example of co-creation with regional financial institutions (business succession)

In the Σ Business, our basic policy is to build a “co-creation platform” through collaboration and cooperation with regional financial institutions and to promote business together. As one example, the Japan Post Bank Group provides capital-based

funds to a company operating a business in the region, and regional financial institutions provide loans to support the succession of the business in the region.

Deal sourcing business and marketing support business for investee companies

Japan Post Bank identifies potential investment candidates for the Σ Business (sourcing) and introduces and mediates the commercial products of the investee companies that could create new markets (marketing support).

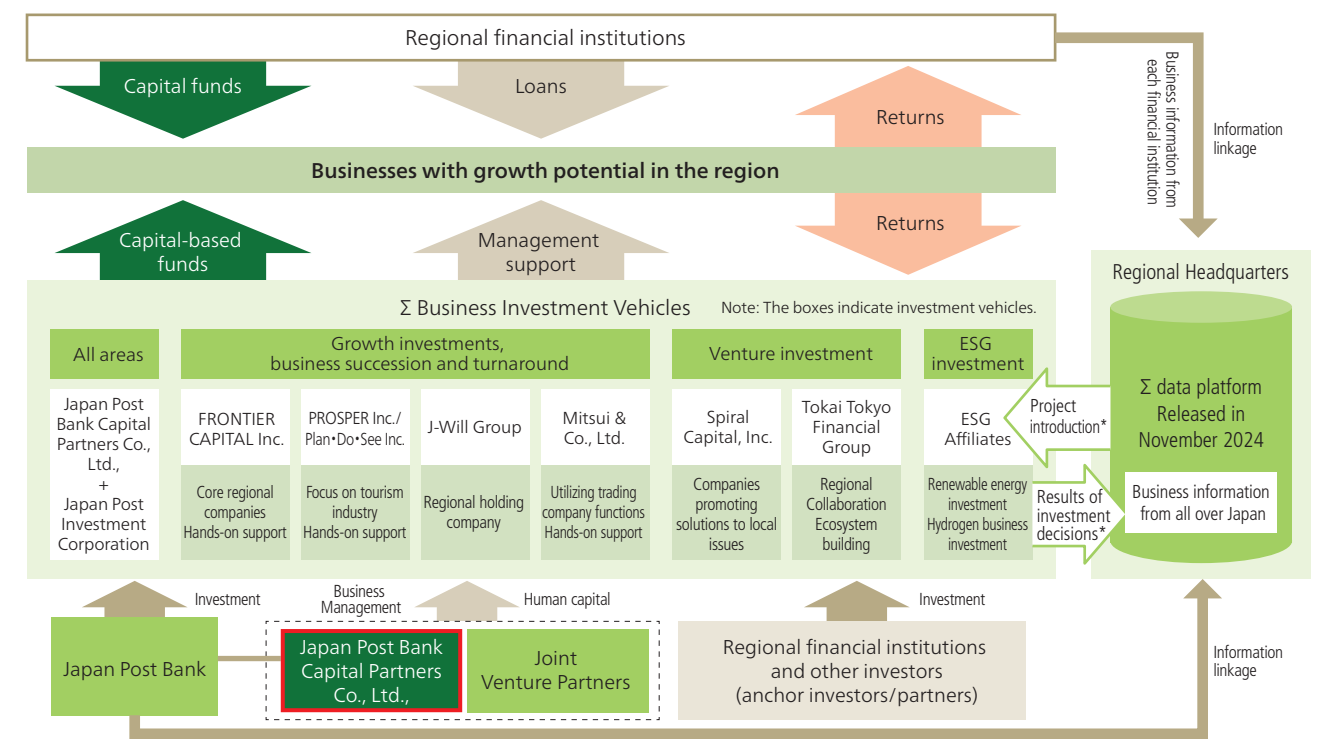
In fiscal 2024, sourcing operations were launched at a Regional Headquarters, an important regional base, and have produced positive results, including the decision to invest in the first project in July 2024.

In fiscal 2025, to further strengthen the identification (sourcing) of potential investee companies, we are reviewing our

promotion system based on the experience gained in fiscal 2024.

Specifically, head office employees with expertise will be stationed at Regional Headquarters, and collaboration between the head office and Regional Headquarters will be strengthened by utilizing the Σ data platform system to promote sourcing activities that are even closer to the local community.

In the area of the marketing support business for investee companies, we will consider establishing a system to support the growth of the investee companies and help them resolve their issues.



* Through Japan Post Bank Head Office

Three Business Strategies ③ Σ Business

Column

Σ Business Locations Spread Across the Nation

Thirteen Regional Headquarters across Japan began deal sourcing business in fiscal 2024, and as important regional hubs they have promoted the building of relationships with regional financial institutions, local governments, economic organizations, and others. We will continue to collaborate with regional financial institutions to identify detailed regional financial needs and provide solutions to the various needs of regional companies and other entities.

Heads of Regional Headquarters



Osamu Kobayashi
Hokkaido Regional
Headquarters



Koichiro Yoshida
Tokyo Regional
Headquarters



Mitsunori Yamamoto
Kanto Regional
Headquarters



Hiroshi Imai
Tohoku Regional
Headquarters



Shuji Takahashi
Kinki Regional
Headquarters



Hironobu Shiranaga
Tokai Regional
Headquarters



Kunimitsu Hori
Hokuriku Regional
Headquarters



Yuji Shinohara
Shinetsu Regional
Headquarters



Masaya Touma
South Kanto Area
Headquarters



Terumi Ota
Okinawa Regional
Headquarters



Yoshiteru Kojima
Kyushu Regional
Headquarters



Kazuhiko Tashiro
Shikoku Regional
Headquarters



Kazuyoshi Katsuragi
Chugoku Regional
Headquarters

Yucho MyJob

Kazuki Goto

Regional Revitalization
and New-Growth Business
Development Department
(seconded to PROSPER Inc.)



After working at the Hokkaido Regional Headquarters, where I was involved in the Σ Business in building relationships with regional financial institutions and economic organizations, I was transferred to an investment fund management company through the Career Challenge system in 2024, where I am engaged in back-office operations and marketing support for the company's investee companies.

I have been engaged in hands-on support for restaurants and hotels invested in by the business succession fund, and have been working with them to improve their labor operations and sales and marketing operations through the development of company regulations and the introduction of various systems.

I have always put myself in their shoes and have been thinking and practicing what I can do to resolve the management issues with corporate managers.

I will continue to be proactive, taking on various challenges in the future so that I can apply this valuable experience to Japan Post Bank's Σ Business.

TOPICS

Regional revitalization × Equity investment Initiatives for Impact Investments

In addition to the core investments made by Japan Post Bank Capital Partners Co., Ltd., and through the Japan Post Investment Regional Development and Impact Fund I, ILP, established by Japan Post Investment Corporation, the Bank is investing in companies and businesses that contribute to revitalizing regional economies and creating social impact to achieve the goals of the SDGs.

Specifically, by investing in small and medium-sized enterprises that have needs and business succession, venture companies, and regional development projects in Japan, we will contribute to the achievement of the SDGs goals by revitalizing regional economies and creating a positive impact on society through funding flows to regional communities.

DX Promotion DX Strategy

Strengthening IT investments to accelerate DX promotion

We believe that a high-quality system infrastructure is indispensable to promote strategies such as Retail Business innovation, operational reform, and productivity improvement, while promoting DX and deepening customer trust. Under the Medium-term Management Plan, plans are in place to invest approximately ¥540 billion over five years for IT investments previously undertaken in core systems to realize stable and sustainable business operations. In addition, we plan to invest approximately 135 billion yen over five years in

strategic IT investments for new growth investments. In fiscal year 2024, to improve the efficiency of head office operations, we enhanced the environment for utilizing generative AI and other new technologies by introducing a generative AI chat system capable of referencing internal information to generate responses, while implementing appropriate safety measures. And we built a system (Σ data platform) to accumulate business information and other information and utilize it for business operations.

IT Investment Plan

Basic Policy 1

Strategic IT investments for new growth

Innovation of the Retail Business

- Expand digital services that are easy for all customers to use with top priority on safety and security (e.g., enhancement of the functionality of the Yucho Bankbook App and Yucho Tetsuzuki App)
- Strengthen infrastructure and improve trust to accommodate the increased use of digital services
- Implement fundamental business reforms and improve productivity through the active utilization of digital technology at the counter and back office

Full-scale launch of the Σ Business

- Introduce a system that accumulates business information and utilizes it for sourcing and marketing support operations (Σ data platform)

Proactively utilize
new technologies
such as
generative AI

Strengthening the AML/CFT/CPF*1 framework

- Respond to stricter customer management and tighter regulations, comply with stricter regulations, and enhance data analysis

Deepening of the Market Business

- Enhance functions and administrative efficiency, such as risk measurement

Reinforcing our security posture

- Establish a robust security posture in response to changes in the environment

Plan to strategically invest about **135 billion yen** in IT over five years

Basic Policy 2

IT investments for stable and sustainable business operations

Steady implementation of system upgrades

Renewal and improvement of counter terminals/ ATMs at post offices nationwide

Plan to invest about **540 billion yen** in IT over five years

Basic Policy 3

Looking 10 years into the future, consider a sustainable future vision of the system that responds to changes in the environment of society and management

Total: Approx. 675 billion yen*2

Actively promote strategic IT investments while maintaining a high-quality system infrastructure that supports trust

*1 Prevention of money laundering and financing of terrorism and proliferation *2 Capital investment + General and administrative expenses on a cash flow basis