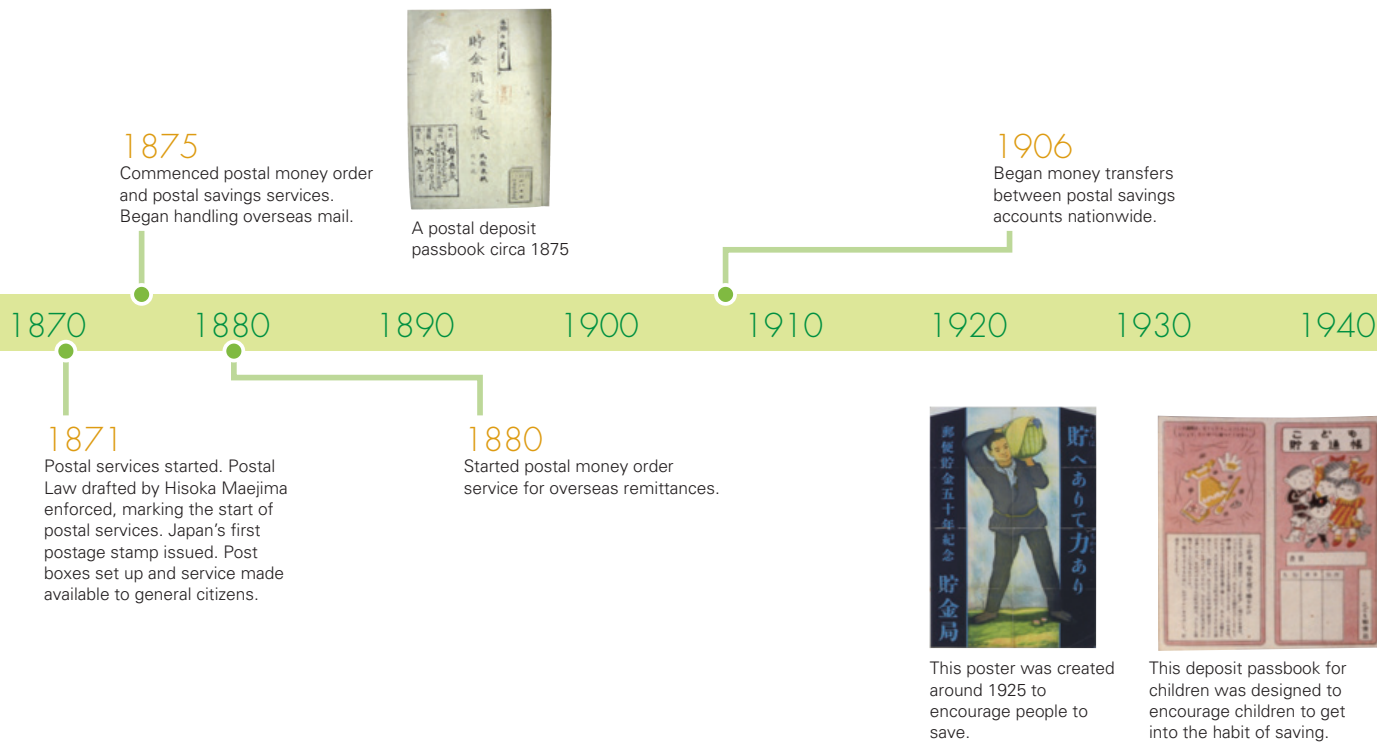


# HISTORY

From its first day in business, JAPAN POST BANK has continuously provided retail financial services that are available to every person in Japan.



## Origins

Postal savings and money order services in Japan can be traced back to 1875, four years after the birth of Japan's postal system, when Hisoka Maejima—who is referred to as the father of Japan's modern postal services—began offering postal savings in Tokyo and Yokohama.



Hisoka Maejima

On a fact-finding mission in the UK, Maejima found that the post offices there were not only involved in the postal business but also offered postal money order and postal savings services. He learned that postal savings services had played a significant role in the betterment of people's lives in the UK and the development of the nation as a whole. Maejima returned to Japan determined to provide postal savings services in his home country. His countrymen at the time embraced postal savings with open arms. In fact, within only the first three years of service, postal savings had attracted 10,000 customers.

## Before the Second World War

From 1878, postal savings were invested by depositing them with the Ministry of Finance, and until the turn of the century, Japanese Government Bonds accounted for the majority of that investment. Subsequently, the scope of these investments was gradually expanded to include bank debentures and Japanese local government bonds. In this way, postal savings were utilized in the formation of social capital throughout Japan. Through this investment approach, postal savings became widely known among the Japanese people as not just the safest way of depositing money, but also as a means of contributing to the development of local communities and the nation as a whole.

Services were subsequently expanded to increase convenience for the people of Japan. For example, in 1910, the Post Office began to distribute pension payments. As a result of this expansion, postal savings reached ¥10 billion in 1942.



1950      1960      1970      1980      1990      2000      2010      2020

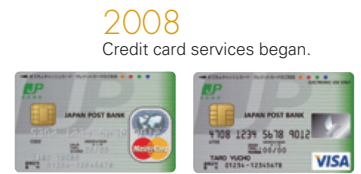
**2001**  
In accordance with the central government reform, the Postal Services Agency established.

**2007**  
JAPAN POST BANK Co., Ltd. established together with three other operational companies.



**1981**  
ATM services were first offered.

**2003**  
JAPAN POST (Nippon Yusei Kosha, government-owned corporation) established.



**2008**  
Credit card services began.

## After the Second World War

In 1949, the Ministry of Posts and Telecommunications was formed, and the postal savings system was relaunched. Subsequently, the amount of postal savings continued to grow, centered on TEIGAKU savings, which had especially attractive interest rates in comparison with the products of other banks. Postal savings reached ¥1 trillion in 1960 and ¥100 trillion in 1985.

Over that period, postal savings were deposited with the Ministry of Finance and then used for a variety of national investment and loan programs. Through these programs, postal savings were used as financing for the construction of expressways, airports and other major national projects that require vast sums of capital. Postal savings were also made available as operating funds for small and medium-sized companies; and as funds for the construction of housing for the Japanese people, greatly assisting with the development of corporations and the betterment of people's lives. All of these uses of postal savings contributed to the development of Japan's post-war economy. The Japanese people became more affluent. This, in turn, resulted in further increases in the amount of savings. Consequently, a virtuous cycle was started, with the growth in savings leading to further increases in the amount of investment in social development. In this way, postal savings increased in tandem with Japan's post-war economic growth.

## Steps to Privatization

As Japan's economy matured, the role of national investments and loans began to decline gradually, and in April 2001, the government stopped using postal savings to fund national investments and loans. In January 2001, the Japanese government reorganized its ministries and agencies, resulting in the birth of the new Postal Services Agency. Since April 2001, the agency has expanded independent investment of postal savings.

In 2003, the government reorganized the Postal Services Agency into JAPAN POST (Nippon Yusei Kosha), and subsequently, in October 2005, the government formulated the Postal Service Privatization Act.

In January 2006, JAPAN POST HOLDINGS Co., Ltd. was separately founded and began to prepare and plan for the privatization of postal services. On October 1, 2007, JAPAN POST (Nippon Yusei Kosha) transferred its businesses to four separate companies—JAPAN POST NETWORK Co., Ltd., JAPAN POST SERVICE Co., Ltd., JAPAN POST BANK Co., Ltd. and JAPAN POST INSURANCE Co., Ltd.—with JAPAN POST HOLDINGS as their holding company.

On May 8, 2012, the "Act for Partial Revision of the Postal Service Privatization Act and others\*" was promulgated.

\* Please refer to page 9 for a discussion on the impact of this amendment.