

03 Funds Flow to Regional Communities

In line with our efforts to direct the important funds of our customers to local communities, we have been working with local financial institutions since the fiscal year ended March 31, 2017 to actively promote participation in regional vitalization funds. We will continue to contribute to the development and growth of regional economies through partnerships and collaboration with regional financial institutions. We will deepen our cooperative relationships with regional financial institutions by promoting investments in regional vitalization funds as well as through use of the ATM network and sharing of administrative work, etc.

With the aim of contributing further, we also seek to enter the field of fund management as a general partner (GP) that selects projects and makes investment decisions.

Performance in the Fiscal Year Ended March 31, 2019

In the fiscal year ended March 31, 2019, JAPAN POST BANK invested in six funds, for example for the purposes of supporting business succession or the starting or founding of a business, and is currently participating in 18 funds.

We actively promote cooperation with regional

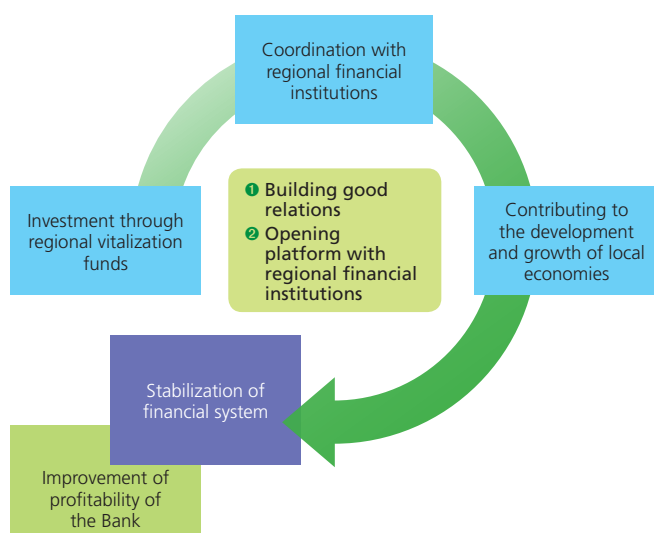
financial institutions that utilize ATM networks.

In addition, since August 2018, Aozora Bank's existing ATMs have been steadily replaced with Japan Post Bank ATMs in sequence. In the years to come, we will continue to form alliances with regional financial institutions through our ATM network.

Alliances with Regional Financial Institutions and ATM Networks

- April 2018** The Juroku Bank (for certain transactions customers can use nationwide ATMs for free up to four times a month)
- October 2018** The Bank of Kyoto (free use of ATMs in Osaka, Shiga, Nara, Hyogo and Aichi prefectures as well as the Tokyo Metropolitan Area [during the day, weekdays])
- March 2019** The Kagoshima Bank (free use of ATMs in Okinawa Prefecture [during the day, weekdays])
- April 2019** The Ehime Bank (use of nationwide ATMs for free up to four times a month [weekdays]), The Bank of Nagoya (for certain transactions customers can use nationwide ATMs for free up to four times a month [during the day, weekdays])

Funds Flow to Regional Communities



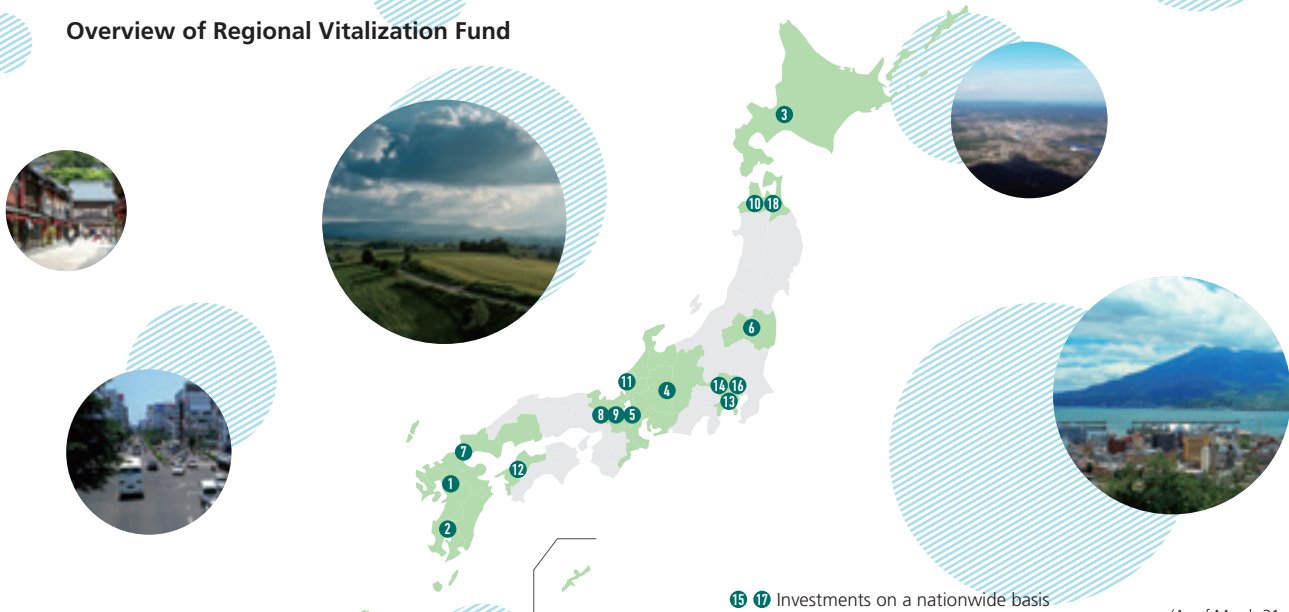
Achievement of Win-Win-Win by satisfying funding needs

| | |
|---------------------------------|--|
| Regional companies | Diversification of funding |
| Regional financial institutions | Supply of short-term and operating funds |
| JAPAN POST BANK | Supply of equity funding |

Strengthening of Finance Function

On April 1, 2019, to strengthen the financing function relating to "funds flow to regional communities," the Financial Institutions Business Department was renamed and reorganized the Financial Institutions Department. Within the department, adding to the Regional Creation Finance Office, which has jurisdiction over regional funds, we established a Market/Alliance Finance Office to take charge of local government and PFI loans.

Overview of Regional Vitalization Fund



15 17 Investments on a nationwide basis

(As of March 31, 2019)

| Name of Fund | Year/month of participation | Total fund amount | Partnership Members Other Than JAPAN POST BANK*3 |
|--|-----------------------------|------------------------|---|
| 1 Kyushu Wide Area Reconstruction Assistance Investment LP | 2016/7 | Around ¥11.7billion | Long Black Partners Co., Ltd. (general partner)/REVIC Capital Co., Ltd. (general partner)/THE OITA BANK, LTD./The Kagoshima Bank, Ltd./The Kitakyushu Bank, Ltd./The Kumamoto Bank, Ltd./THE BANK OF SAGA LTD./THE SAGA KYOEI BANK, LTD./The Eighteenth Bank, Ltd./The Shinwa Bank, Ltd./The Chikuhō Bank, Ltd./The Bank of Nagasaki, Ltd./THE NISHI-NIPPON CITY BANK, LTD./The Higo Bank, Ltd./THE BANK OF FUKUOKA, LTD./THE FUKUOKA CHUO BANK, LTD./THE HOWA BANK, LTD./The Minami-Nippon Bank, Ltd./The Miyazaki Bank, Ltd./The Miyazaki Taiyo Bank, Ltd./Regional Economy Vitalization Corporation of Japan |
| 2 KFG Regional Enterprise Support Investment LP | 2016/11 | ¥ 2.5billion | Kyushu Kizuna Capital, Ltd. (general partner)/The Kagoshima Bank, Ltd./The Higo Bank, Ltd. |
| 3 Hokkaido Growth Companies Support Investment LP | 2016/11 | ¥ 0.2billion*1 | North Pacific Capital, Ltd. (general partner)/Hokkaido Research Institute for the Twenty-first Century Co., Ltd. (general partner) /North Pacific Bank, Ltd. |
| 4 Chubu / Hokuriku Region Vitalization Investment LP | 2017/4 | ¥ 5.0billion minimum*2 | Business entities under Nippon Sangyo Suishin Kiko, Ltd.(general partner)/Regional Economy Vitalization Corporation of Japan/Tokai Tokyo Investment Co., Ltd./Mie Bank, Ltd./The Chukyo Bank, Ltd./The Aichi Bank, Ltd./KitaiseUeno Shinkin Bank/CHITA SHINKIN BANK/THE HEIKAI SHINKIN BANK. |
| 5 Shiga Bank Core Business Support Investment LP | 2017/6 | ¥ 0.6billion | Shigagin Lease & Capital Co., Ltd.(general partner)/YAMADA Consulting Group Co., Ltd. (general partner)/THE SHIGA BANK . LTD . |
| 6 Toho Business Succession Investment LP | 2017/8 | ¥ 0.5billion | Toho Lease Co., Ltd. (general partner)/YAMADA Consulting Group Co., Ltd. (general partner)/The Toho Bank, Ltd |
| 7 Kyushu Setouchi Potential Value Investment LP | 2017/10 | ¥ 2.3billion*1 | DOGAN, Inc.(general partner)/The Kitakyushu Bank, Ltd./The Eighteenth Bank, Ltd./THE HOWA BANK, LTD./Momiji Bank, Ltd./The Yamaguchi Bank, Ltd./EISHINKAN Co., Ltd./OCHI HOLDINGS CO., LTD./KANTO BUSSAN CO.,LTD./SHIN-IDEMITSU Co., Ltd./DAIICHI KOUTSU SANGYO Co., Ltd./TOKUSUI CORPORATION/Nishi-Nippon Railroad Co., Ltd./MASUDA GROUP/MEIJI SANGYO COMPANY |
| 8 MIYAKO Kyoto University Innovation LP | 2017/11 | Around ¥ 2.0billion*1 | MIYAKO CAPITAL and related partnership(general partner)/MUFG Bank, Ltd./The Senshu Ikeda Bank, Ltd./The Bank of Kyoto, Ltd./THE KYOTO SHINKIN BANK/Kyoto Chuo Shinkin Bank/Mizuho Securities Co., Ltd./Organization for Small & Medium Enterprises and Regional Innovation, JAPAN/Operating Company, etc. |
| 9 MBC Shisaku 1 LP*4 | 2017/12 | Around ¥ 2.0billion*2 | Darma Tech Labs Inc. (general partner)/The Bank of Kyoto, Ltd./DMG MORI CO., LTD. |
| 10 Michinoku Regional Vitalization Investment LP | 2018/3 | ¥ 0.5billion | YAMADA Consulting Group Co., Ltd. (general partner)/THE MICHINOKU BANK, LTD. |
| 11 Fukui Future Business Support Investment LP | 2018/3 | Around ¥ 0.5billion*1 | Fukui Capital and Consulting Co., Ltd. (general partner)/REVIC Capital Co., Ltd. (general partner)/Fukui Prefectural Government/The Fukui Bank, Ltd./THE FUKUHO BANK, LTD./FUKUI SHINKIN BANK/THE ECHIZEN SHINKIN BANK/Tsuruga Shinkin Bank/Obama Shinkinbank |
| 12 Ehime Regional Vitalization Investment LP | 2018/3 | ¥ 0.3billion | HIMEGIN LEASE Co., Ltd. (general partner)/Future Venture Capital Co., Ltd. (general partner)/The Ehime Bank, Ltd. |
| 13 Healthcare New Frontier Investment LP | 2018/8 | ¥1.25billion | Capital Medica Ventures Co.,Ltd. (general partner)/Kanagawa Prefectural Government/The Kagoshima Bank, Ltd./THE KANAGAWA BANK, LTD./Suruga Bank Ltd./The Bank of Yokohama, Ltd./cocokara fine Inc./TODA CORPORATION/Japan Social Impact Investment Foundation/Organization for Small & Medium Enterprises and Regional Innovation, JAPAN |
| 14 Tokyo SME Support 2 LP | 2018/8 | ¥ 2.0billion | Tokyo Revital Co., Ltd (general partner)/Kiraboshi Bank, Ltd./AdachiSeiwa Shinkin Bank/The Kameari Shinkin Bank/The Sawayaka Shinkin Bank/The Shiba Shinkin Bank/THE SEIBU SHINKIN BANK/The Takinogawa Shinkin Bank/The Tama Shinkin Bank/The Tokyo Higashi Shinkin Bank/TOKYO GUARANTEE/Organization for Small & Medium Enterprises and Regional Innovation, JAPAN |
| 15 Succession Investment LP, I | 2018/10 | ¥ 3.0billion | AJ Capital Co., Ltd (general partner)/Aozora Bank, Ltd./The Ehime Bank, Ltd./Kirayaka Bank, Ltd./THE TOWA BANK, LTD./THE TOTTORIBANK, LTD./The Bank of Toyama, Ltd./The Hokuto Bank, Ltd./The Miyazaki Taiyo Bank, Ltd./FPG Co., Ltd./Japan Asia Investment Company, Limited, etc. |
| 16 TOKYO Relationship No.1 Investment, L.P. | 2018/12 | ¥ 3.4billion | Japan Private Equity Co., Ltd.(general partner)/Tokyo Metropolitan Government/Kiraboshi Bank, Ltd./THE SEIBU SHINKIN BANK /FORVAL CORPORATION |
| 17 Kyoto-University-Venture NVCC No.2 Investment LP | 2019/3 | ¥ 5.4billion | Nippon Venture Capital Co., Ltd. (general partner)/ The Bank of Kyoto, Ltd./THE SHIGA BANK, LTD. /The Nanto Bank, Ltd., etc. |
| 18 Aomori Bank Regional Vitalization LP | 2019/3 | Around ¥ 0.3billion | Hongo Tsuji Business Consulting (general partner)/The Aomori Bank, Ltd. |

*1. As of establishment *2. Targeted investment amount *3. As of the date of press release issue

*4. Received the Minister's Award in Characteristic Approach Case Study Category for Financial Institutions Contributing to Regional Revitalization (March 2019)