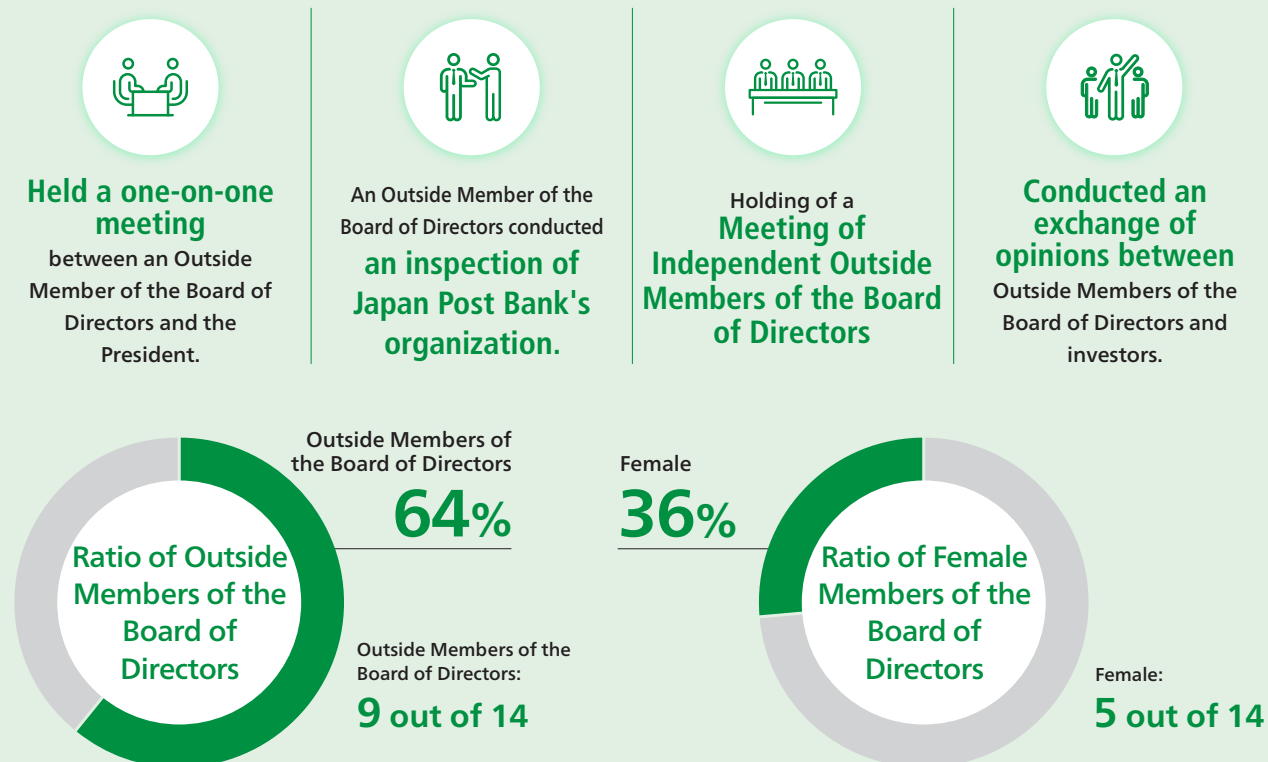


Corporate Governance

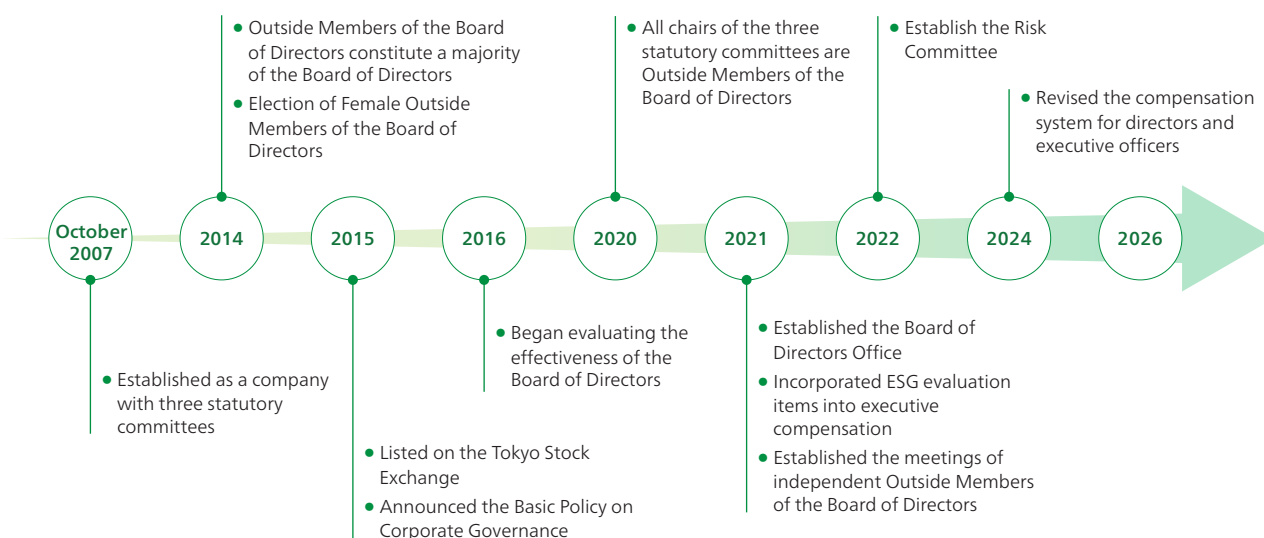
Features of the Corporate Governance of JAPAN POST BANK Co., Ltd. (as of July 1, 2026)



Transition in Strengthening Corporate Governance

At Japan Post Bank, we have continuously enhanced and strengthened our corporate governance framework to ensure that we keep delivering the distinctive value that is uniquely Japan Post Bank to all our customers. Going forward, we will further advance our corporate governance

by clearly defining the roles and responsibilities of the Board of Directors and enhancing its effectiveness, while responding to changes in our business environment and the expectations of our various stakeholders.



Basic stance on corporate governance

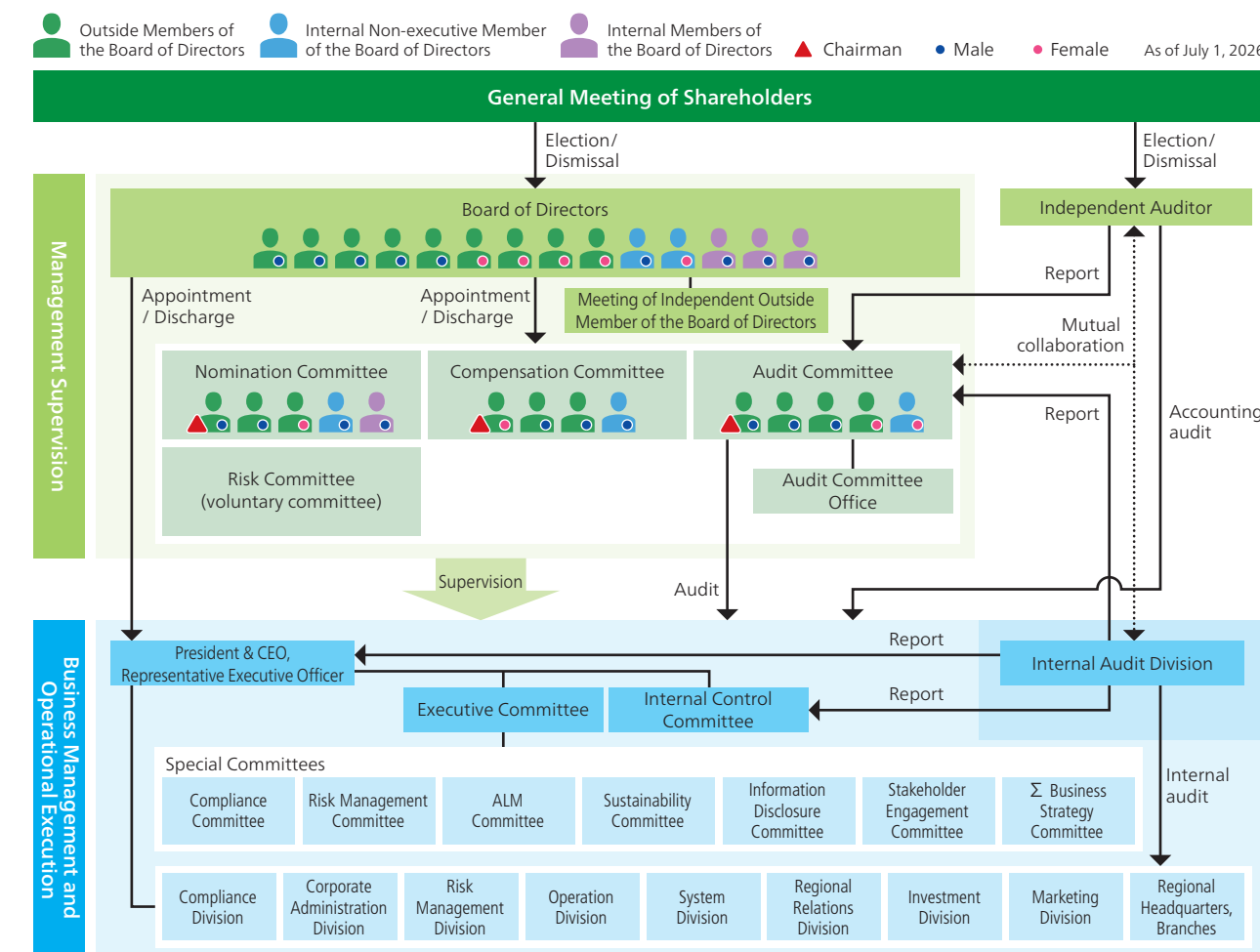
With a view to its sustainable growth along with improvement of its corporate value over the medium to long term, JAPAN POST BANK attaches great importance to

- 1) We will engage in constant value creation by providing banking services through the distribution network based on the post office, while continuously creating new convenience for customers, in pursuit of providing higher quality of service.
- 2) Fully recognizing fiduciary responsibilities to shareholders, we will give consideration to ensure the rights and equality of shareholders in an appropriate manner.
- 3) We will value the dialogue with all stakeholders including shareholders, and seek appropriate collaboration and sustainable coexistence therewith. To this end, we will ensure management transparency and strive for disclosure and provision of adequate information.
- 4) In order to promptly adapt to changes in economic and social environment and meet the expectations of all stakeholders, we will make swift decision-making in a firm attitude and conduct businesses under the effective supervision by the Board of Directors.

Corporate Governance System

JAPAN POST BANK adopted the company with three statutory committees system of corporate governance to implement rapid decision-making and to increase management transparency. This is deemed to be a system

under which the Board of Directors and each statutory and voluntarily established committee can provide appropriate oversight of management.



	Role
Meeting of Independent Outside Members of the Board of Directors	The purpose of this meeting is for Independent Outside Members of the Board of Directors to exchange information and share their views on important issues related to the management and governance of Japan Post Bank from an independent and objective standpoint. All Outside Members of the Board of Directors of Japan Post Bank are designated as independent officers as defined by the Tokyo Stock Exchange.

 For details of the “Corporate Governance System”, please see the following:
<https://www.jp-bank.japanpost.jp/en/sustainability/governance/system/>

Corporate Governance

List of Directors (As of July 1, 2026)

Outside Member of the Board of Directors

 Kenzo Yamamoto Outside Member of the Board of Directors Affiliated committees : Audit Committee, Risk Committee Significant concurrent positions : Representative of Office KY Initiative Outside Director of SUMITOMO LIFE INSURANCE COMPANY. Attendance at Board of Directors meetings 93% (15/16 meetings) Attendance at Audit Committee meetings 100% (14/14 meetings) Attendance at Risk Committee meetings 100% (6/6 meetings)	 Keiji Nakazawa Outside Member of the Board of Directors Affiliated committees : Audit Committee, Compensation Committee. Significant concurrent positions : None. Attendance at Board of Directors meetings 100% (16/16 meetings) Attendance at Audit Committee meetings 100% (14/14 meetings) Attendance at Compensation Committee meetings100% (6/6 meetings)
 Atsuko Sato Outside Member of the Board of Directors Affiliated committees : Risk Committee Significant concurrent positions : Professor, Department of International Studies, Faculty of Economics of Takasaki City University of Economics Outside Corporate Auditor of DeNA Co., Ltd.; Outside Director of YOMEISHU SEIZO Co., Ltd. Attendance at Board of Directors meetings 100% (16/16 meetings) Attendance at Risk Committee meetings 100% (6/6 meetings)	 Reiko Amano Outside Member of the Board of Directors Affiliated committees : Compensation Committee. Significant concurrent positions : None. Attendance at Board of Directors meetings 100% (16/16 meetings) Attendance at Nomination Committee meetings 100% (2/2 meetings) Attendance at Compensation Committee meetings100% (4/4 meetings)
 Akane Kato Outside Member of the Board of Directors Affiliated committees : Audit Committee Significant concurrent positions : Representative Director of AKANE IDENTITIES INC. Attendance at Board of Directors meetings 100% (16/16 meetings) Attendance at Audit Committee meetings 100% (14/14 meetings)	 Shigeki Mori Outside Member of the Board of Directors Affiliated committees : Nomination Committee, Compensation Committee Significant concurrent positions : Advisor of Nippon Sheet Glass Co., Ltd. Member of the Board as Outside Director of Bridgestone Corporation Attendance at Board of Directors meetings 100% (13/13 meetings) Attendance at Nomination Committee meetings 100% (5/5 meetings) Attendance at Compensation Committee meetings100% (4/4 meetings)
 Junko Moro Outside Member of the Board of Directors Affiliated committees : Nomination Committee Significant concurrent positions : Advisor of Mitsui O.S.K. Lines, Ltd. Outside Director of LIFE CORPORATION Visiting Professor of Okayama University Attendance at Board of Directors meetings 100% (13/13 meetings) Attendance at Nomination Committee meetings 100% (5/5 meetings)	 Takao Nakayama Outside Member of the Board of Directors (Newly elected) Affiliated committees : Audit Committee Significant concurrent positions : Counsel of Anderson Mori & Tomotsune
 Toshimitsu Misawa Outside Member of the Board of Directors (Newly elected) Affiliated committees : Nomination Committee Significant concurrent positions : Senior Vice President of Oracle Corporation Director, Corporate Executive Officer, President of Oracle Corporation Japan	

Member of the Board of Directors

 Takayuki Kasama President & CEO, Representative Executive Officer, Member of the Board of Directors Affiliated committees : Nomination Committee Significant concurrent positions : Director of JAPAN POST HOLDINGS Co.,Ltd. Attendance at Board of Directors meetings 100% (16/16 meetings) Attendance at Nomination Committee meetings 100% (7/7 meetings)	 Harumi Yano Deputy President, Representative Executive Officer, Member of the Board of Directors Affiliated committees : - Significant concurrent positions : None Attendance at Board of Directors meetings 100% (16/16 meetings)
 Kenji Ogata Deputy President, Representative Executive Officer, Member of the Board of Directors Affiliated committees : - Significant concurrent positions : Managing Executive Officer of JAPAN POST HOLDINGS Co.,Ltd. Attendance at Board of Directors meetings 100% (13/13 meetings)	 Kazuyuki Negishi Member of the Board of Directors Affiliated committees : Nomination Committee, Compensation Committee. Significant concurrent positions : Director and Representative Executive Officer, President & CEO of JAPAN POST HOLDINGS Co., Ltd. Director of JAPAN POST Co., Ltd. Director of JAPAN POST INSURANCE Co., Ltd. Attendance at Board of Directors meetings 100% (13/13 meetings) Attendance at Nomination Committee meetings 100% (5/5 meetings) Attendance at Compensation Committee meetings100% (4/4 meetings)
 Miho Ichiki Member of the Board of Directors Affiliated committees : Audit Committee, Risk Committee Significant concurrent positions : None Attendance at Board of Directors meetings 100% (13/13 meetings) Attendance at Audit Committee meetings 100% (10/10 meetings) Attendance at Risk Committee meetings 100% (4/4 meetings)	

Note: Attendance at Board of Directors or other committee meetings is based on actual attendance in fiscal 2025

Note: Kenzo Yamamoto, Keiji Nakazawa, Atsuko Sato, Reiko Amano, Akane Kato, Shigeki Mori, Junko Moro, Takao Nakayama and Toshimitsu Misawa are Outside Members of the Board of Directors as defined in Article 2, Item 15 of the Companies Act

For details on the biographical information of the members of the Board of Directors, please refer to the Japan Post Bank website https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_executives.html

Detailed list of skills and reasons for selection

Skills	Detailed list	Reasons for selection
Management (corporate management)	Extensive experience and insight as a corporate executive	Because high expertise in management is required for management strategies based on Japan Post Bank's purpose, Management Philosophy and medium- to long-term vision, and from the perspective of enhancing corporate value.
Legal, Compliance, and Risk Management	Legal experts who contribute to strengthening governance, and others with comparable specialized experience and insight.	We aim to be the most trusted financial institution that customers can use safely and securely through compliance with laws and regulations and appropriate risk management.
Finance and Accounting	Experience and knowledge as a certified public accountant or in corporate accounting and bookkeeping.	From the perspective of maximizing corporate value, it is necessary for the planning, promotion and supervision of financial strategies such as shareholder returns, financial soundness and growth investments.
Finance and Market Operations	Extensive experience and broad expertise in banks, securities firms, and insurance companies.	As one of the largest institutional investors in Japan, we aim to capture trends in the financial markets and develop our business.
IT/DX	Insights on IT and digital transformation (DX) necessary for business reforms and productivity improvement	To promote new businesses, operational reforms, and productivity improvements while further strengthening the trust of our customers.
Sales/Marketing	Experience and insights in financial sales and corporate lending/relations, and insights in marketing	To enhance Japan Post Bank's corporate value by maximizing customer-experience value through customer-oriented sales activities and by revitalizing regional economies through strengthening regional relations.
Human Resource Development	Management experience and insights regarding human resource development and education	Because fostering and developing human resources, which are the 'source' of competitiveness and value creation and an 'asset', is indispensable for enhancing corporate value.
Sustainability	Management experience that takes into consideration environmental and social issues, or equivalent experience and insight, with a view to realizing a sustainable society	To promote initiatives that balance the resolution of social issues and the enhancement of corporate value, and to achieve priority issues (materialities).

Skills Matrix of Members of the Board of Directors

Name		Experience and expertise							
		Management (corporate management)	Legal, compliance and risk management	Finance and accounting	Finance and market operations	IT/DX	Sales/Marketing	Human resource development	Sustainability
Outside Member of the Board of Directors	Kenzo Yamamoto		●		●				
	Keiji Nakazawa		●	●		●	●		
	Atsuko Sato		●		●		●	●	
	Reiko Amano		●						●
	Akane Kato	●					●	●	
	Shigeki Mori	●	●					●	●
	Junko Moro						●	●	●
	Takao Nakayama		●					●	
	Toshimitsu Misawa	●				●	●		●
Internal non-executive Members of the Board of Directors	Kazuyuki Negishi	●	●				●		●
	Miho Ichiki		●				●	●	
Internal Members of the Board of Directors	Takayuki Kasama	●	●		●				●
	Harumi Yano				●	●		●	●
	Kenji Ogata		●	●	●				●

Corporate Governance

Board of Directors Number of meetings held: 16 times (FY2025)

Role	Main Agenda and Operational Status
The Board of Directors is composed of 14 Members of the Directors (of whom 5 are female). Of the 14, 9 are Outside Members of the Board of Directors, 2 are Internal Non-executive Directors, and 3 are Internal Members of the Board of Directors. Directors with diverse experience and expertise perform the Board’s management oversight function.	In FY2025, we discussed important matters involved in the management strategy, including formulation of the FY2026 management plan, discussions on the formulation of the Medium-term Management Plan (FY2026 through FY2028), the compliance system, human capital management, and capital policies such as the repurchase and cancellation of the Bank’s shares, as well as other matters including the improper use of non-public financial information at post offices. In addition, from the perspective of ensuring the propriety of operations, the Board appropriately supervises business execution.

Status of Discussions in FY2025

Main topics discussed by the Board of Directors in FY2025	
• Deliberations toward the formulation of the new Medium-term Management Plan (FY2026–FY2028) • Promotion of sustainability management • Risk appetite statement for FY2026 • Formulation of the FY2026 Management Plan • Progress of the FY2025 Management Plan • Capital and dividend policy (including revisions to earnings and dividend forecasts) • Repurchase of treasury stock	• Strengthening management systems for post offices in light of improper use of non-public financial information • Enhancement of the corporate governance system • Strengthening of the compliance framework • Improvement of customer-oriented services • Promotion of human capital management • Promotion of measures against money laundering, terrorist financing and proliferation financing • Strengthening IT governance and cybersecurity management systems • Establishment of a framework to ensure operational resilience

Main supervisory and deliberative matters

Supervise the steady progress of the previous Medium-term Management Plan.	Formulation of a “Medium-to-Long-term Vision” toward the new Medium-term Management Plan	Strengthening the management framework for post offices
Regarding progress of the previous Medium-term Management Plan, in addition to KPIs we substantively monitored the implementation status of initiatives and exercised appropriate oversight. In addition, with respect to capital policy, and taking into account steady progress, we actively discussed measures such as the repurchase of bank’s shares and revisions to earnings forecasts and dividend forecasts, including by convening extraordinary meetings of the Board of Directors.	Towards the formulation of the new medium-term management plan, and based on our assessment of domestic and international environments, Japan Post Bank established a new “medium- to long-term vision” derived from its Purpose and Management Philosophy, and held multifaceted discussions on four business strategies and capital policy, etc. In addition, we selected four materialities (priority issues) linked to the business strategies.	In March 2025, we received a request for reporting from the Financial Services Agency regarding the improper use of non-public financial information at post offices. We have received timely reports on the progress of measures to prevent recurrence and on coordination with Japan Post Co., Ltd., and have conducted multifaceted discussions.

Evaluation of the Effectiveness of the Board of Directors

Japan Post Bank’s Board of Directors annually analyzes and evaluates the effectiveness of the Board of Directors and each committee, taking into account, among other things, each director’s self-evaluation, and discloses an outline of the results.

1. Evaluation Method

(1) Consideration of Evaluation Methods	
The Board of Directors considered the use of an independent third-party evaluator to assess the effectiveness of the Board. However, it concluded that, at this stage, the existing self-	evaluation process, consisting of questionnaires and discussions among Directors, remains the most appropriate approach. Accordingly, the evaluation was conducted in accordance with the following procedures.

period	Procedure details
July–August 2025	Discussion on the utilization of third-party evaluation organizations (Board of Directors)
December 2025 to January of the following year	Exchange of opinions on questionnaire items (Meeting of Independent Outside Directors)
February 2026	A questionnaire was conducted for all Members of the Board of Directors.
March	Share the questionnaire results and each Member of the Board of Directors’ recognition of issues with all Members of the Board of Directors. Confirm opinions and requests to the Board of Directors regarding execution. Discussed improvement measures in response to the Members of the Board of Directors’ recognition of issues (Board of Directors).
April	At the Board of Directors meeting, the Board of Directors resolved the FY2025 evaluation of the effectiveness of the Board of Directors.

(2) Survey items

The major sections of the questionnaire are as follows. Each question is evaluated on a 10-point scale, and a free-text field is provided for comments regarding each item.

• Role of the Board of Directors • Composition of the Board of Directors and each committee (number of members, composition ratios, diversity of knowledge and experience, etc.) • Operation of the Board of Directors (meeting times, materials, etc.) • Status of discussions at the Board of Directors (appropriateness	- of matters for resolution and reporting, deliberation of matters related to management strategy, appropriate oversight, etc.) • Support system through prior briefings and information provision to Outside Members of the Board of Directors • Collaboration between the Board of Directors and each committee • Overall evaluation
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2. Overview of Evaluation Results

In FY2025, the Board of Directors placed particular emphasis on preparing a new Medium-term Management Plan by conducting analysis of internal and external environments, building a value-creation story that leverages Japan Post Bank’s strengths, and indicating the broad direction of corporate strategy.

(1) Results of the Effectiveness Evaluation of the Board of Directors for FY2025

Based on the analysis and evaluation, the Board of Directors concluded that its overall effectiveness in FY2025 was ensured. This assessment was based on the recognition that Directors with diverse experience engaged in strategic	discussions from their respective areas of expertise and that steady progress had been made in addressing the issues identified in the previous year’s evaluation.
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(2) Response to issues identified in last year’s evaluation

① Further enhancement of strategic discussions	
• Toward the formulation of a new Medium-term Management Plan, monthly deliberations were held from July 2025 onward. Based on forecasts that take into account changes in the domestic and external environment and by backcasting from Japan Post Bank’s purpose and Management Philosophy, we established a new “medium- to long-term vision” and engaged in multifaceted discussions on various business strategies, capital policies and other related matters.	• Based on the steady progress of the previous medium-term management plan, the company actively discussed capital strategies, such as share buybacks and revisions to earnings and dividend forecasts, including by holding an extraordinary meeting of the Board of Directors.

② Further enhancement of governance framework in response to changes in domestic and international environments	
• Regarding the strengthening of the management framework for post offices, which are the consignees of bank agency services, appropriately supervised them through timely reports to the Board of Directors and exchanges of views with Japan Post Co., Ltd.	

③ Developing an environment to facilitate information gathering by Outside Members of the Board of Directors	
• For matters to be submitted to the Board of Directors, materials were shared in advance and the department in charge explained the key points. • Shared, on an ongoing basis, the executive side’s meeting materials and minutes for Executive Committee meetings and other management meetings. Also provided an environment in which data related to management and business performance can be checked at any time.	• Provided, in a timely manner, information that could affect management—such as incidents of misconduct or system troubles—including details on their occurrence and the status of responses. • Enhanced training, study sessions, and site visits to various organizations to further deepen understanding of the Bank.

(3) Issues to be addressed for improvement

• Continued deliberation is required, from a more long-term perspective, regarding Japan Post Bank’s vision and the form of its governance.	• For the execution of the new Medium-term Management Plan and appropriate risk-taking, and to support implementation, sharing awareness of issues is important, and it is necessary to enhance exchanges of views between the Board of Directors and the executive side.
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3. Initiatives going forward

The Board of Directors of Japan Post Bank, based on this evaluation result, confirmed that it will work on the following matters to further enhance effectiveness.

- Continue discussions on the Bank’s long-term vision and management strategy from a long-term perspective
- Enhance discussions with executive management on key management issues to facilitate appropriate risk-taking, and enhance oversight of the new Medium-term Management Plan by monitoring not only KPIs but also its substantive progress.
- Further enhancement of the governance framework through strengthened coordination between the Board of Directors and each committee.

The Board of Directors of Japan Post Bank will, through these measures, work to further invigorate discussions at the Board of Directors and to further enhance its supervisory functions, aiming to achieve the sustainable enhancement of Japan Post Bank’s corporate value.

Corporate Governance

Nomination Committee Number of meetings held: 7 times (FY2025)



Shigeki Mori
Chair of the Nomination Committee
Outside Member of the Board of Directors

The Nomination Committee is composed of 5 Members of the Board of Directors (of whom 3 are Outside Members of the Board of Directors) and determines the criteria for the appointment and dismissal of Members of the Board of Directors. It also determines the content of proposals concerning the appointment or dismissal of Members of the Board of Directors to be submitted to the General Meeting of Shareholders.

Main Agenda and Operational Status

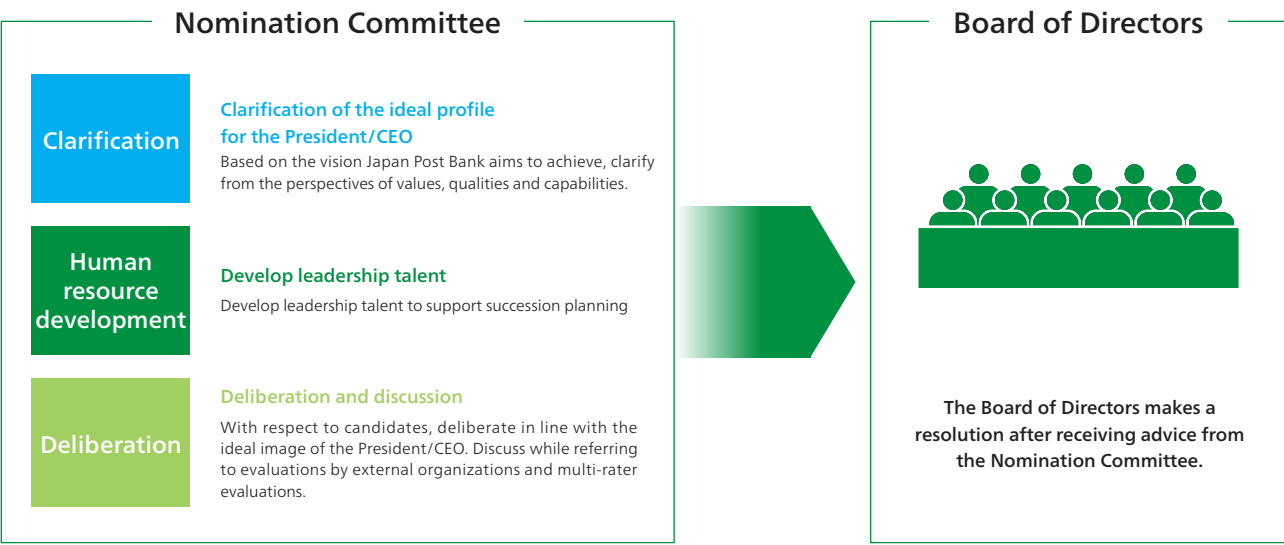
In FY2025, we decided on candidates for directors and engaged in ongoing discussions toward the appointment of directors for the next term. We also engaged in ongoing discussions regarding the president’s succession plan and related matters.

Succession Plan

To support the Bank’s sustainable growth and enhance its corporate value over the medium to long term, the Nomination Committee continuously discusses succession planning for the President & CEO, Representative Executive Officer. Based on the Bank’s vision for the future, the Committee has defined the desired profile of the President & CEO in terms of values, qualities, and capabilities, and

established objective evaluation criteria. In reviewing successor candidates, the Committee also takes into account individual assessments and multi-rater evaluations conducted by external experts. In addition, the Bank develops its leadership talent to ensure a robust succession pipeline, based on the evaluation criteria established for the desired President & CEO, Representative Executive Officer.

Election Process for the President & CEO, Representative Executive Officer



Election and Dismissal of Executive Officers / Nomination of Director Candidates

With regard to the policies and procedures for electing or dismissing Executive Officers and nominating candidates for the Board of Directors, the Bank has established the “Criteria for Election or Dismissal of Executive Officers” and the “Criteria for Nomination of Candidates for the Board of Directors.”

- Criteria for Election or Dismissal of Executive Officers
<https://www.jp-bank.japanpost.jp/en/sustainability/governance/system/pdf/criteriaelection.pdf>
- Criteria for Nomination of Director Candidates
https://www.jp-bank.japanpost.jp/en/sustainability/governance/system/pdf/Criteria_for_Nomination_of_Director_Candidates.pdf

Compensation Committee Number of meetings held: 6 times (FY2025)



Reiko Amano
Chair of the Compensation Committee
Outside Member of the Board of Directors

The Compensation Committee is composed of four Members of the Board of Directors, including three Outside Members of the Board of Directors. It determines the policy for deciding the compensation of individual Executive Officers and Directors, as well as the compensation of each individual Executive Officer and Director.

Main Agenda and Operational Status

For fiscal year 2025, we determined the individual compensation for executive officers and Members of the Board of Directors, as well as performance-linked compensation for executive officers. In addition, we discussed the level of officers’ compensation and related matters.

Compensation for Executive Officers

Policy regarding decisions on the amount of Executive Officers’ remuneration and the calculation method of such amounts

The Compensation Committee has established the Policy for determining the details of individual compensation for Directors and Executive Officers, as set out below. The compensation of the Bank’s Directors and Executive Officers is determined in accordance with this policy.

1. Compensation system

- 1 If a Member of the Board of Directors concurrently serves as an Executive Officer, compensation shall be paid for the Executive Officer position.
- 2 Regarding compensation received by Members of the Board of Directors of Japan Post Bank, taking into account the scope and magnitude of responsibilities for management, etc., fixed-amount compensation commensurate with their duties shall be paid.
- 3 With respect to compensation payable to Executive Officers of Japan Post Bank, the Bank shall provide base compensation (fixed-amount compensation) corresponding to responsibilities, bonuses as short-term incentives, and stock-based compensation as medium- to long-term incentives (non-performance-linked and performance-linked), and shall establish a framework that functions as a sound incentive for achieving performance targets and sustainable growth.

2. Compensation of Members of the Board of Directors

In light of their primary role of overseeing management, Directors receive fixed compensation commensurate with their responsibilities. The level of compensation is determined at an appropriate amount, taking into consideration the scope of each Director’s responsibilities, their role on each committee, and the Bank’s business performance and financial condition.

3. Compensation of Executive Officers

With respect to compensation for executive officers, taking into account differences in responsibilities associated with each position, a certain level of base compensation (fixed-amount compensation) commensurate with their duties, bonuses as short-term incentives, and stock-based compensation as medium- to long-term incentives (non-performance-linked and performance-linked) are paid. With respect to the level of base compensation, it shall be set at an appropriate level taking into consideration the magnitude of the responsibilities of Executive Officers and the current condition of Japan Post Bank. Bonuses will be granted annually as monetary payments calculated by multiplying a base amount corresponding to job responsibilities by a coefficient based on individual evaluations and a coefficient that varies according to the achievement status of the management plan, etc., so that they function as an incentive to steadily achieve annual performance targets. Stock-based compensation is designed to serve as a sound incentive for enhancing corporate value over the medium to long term and achieving sustainable growth. Under this program, a fixed number of points based on each Executive Officer’s responsibilities is awarded annually. In addition, following the final fiscal year of the Medium-term Management Plan, performance-linked points are awarded by applying a performance coefficient, determined based on the achievement of the management plan and other factors, to the base points assigned according to each Executive Officer’s responsibilities. Shares corresponding to the cumulative points are delivered upon retirement. However, a certain portion of such shares is converted into cash and paid as a monetary benefit. In addition, where an Executive Officer is responsible for an area that requires special business knowledge and skills and compensation based on such duties would result in an amount that is significantly lower than the level of compensation generally paid to officers at other companies who oversee that area, the Company may, in lieu of compensation based on duties, set compensation with reference to the compensation levels at other companies.

Corporate Governance

Compensation System for Executive Officers

To provide sound incentives not only for achieving short-term business performance but also for promoting initiatives that support the Bank's long-term and sustainable growth, the compensation of Executive Officers reflects their performance in promoting sustainability management, in addition to their overall management and business execution. The evaluation criteria will be reviewed as necessary in response to changes in the external environment and the Bank's business environment.

FY2025 Compensation System for Executive Officers

Category	Business performance linkage	Payment standard	Payment period	Payment method																						
Basic compensation	Non-linked	Fixed compensation at a certain level commensurate with responsibilities	Every month	Cash																						
Performance-linked stock compensation	Non-linked	Points based on rank and responsibilities	Upon leaving office	70% stocks, 30% cash																						
	linkage	Medium- to long-term performance-linked (0~120%) Performance-linked index (Evaluation of Medium-term Management Plan Achievement) Basic points Points based on rank and responsibilities × <table><tr><th colspan="2">Item</th><th>Evaluation weight</th></tr><tr><td rowspan="2">Quantitative evaluation</td><td>Net income attributable to owners of parent</td><td>50%</td></tr><tr><td>ROE based on shareholders' equity</td><td>50%</td></tr></table>			Item		Evaluation weight	Quantitative evaluation	Net income attributable to owners of parent	50%	ROE based on shareholders' equity	50%														
Item		Evaluation weight																								
Quantitative evaluation	Net income attributable to owners of parent	50%																								
	ROE based on shareholders' equity	50%																								
Bonuses	linkage	Short-term performance-linked (0~130%) Performance-linked index Standard amounts by position Standard amount based on rank and responsibilities × Coefficient based on individual evaluation × <table><tr><th colspan="2">Item</th><th>Evaluation weight</th></tr><tr><td rowspan="5">Quantitative evaluation</td><td>Objective</td><td>Net income attributable to owners of parent</td><td rowspan="2">40%</td></tr><tr><td></td><td>OHR (overhead ratio) / Reduction of general and administrative expenses</td></tr><tr><td rowspan="3">Targets and KPIs</td><td>Retail Business*1</td><td rowspan="3">60%</td></tr><tr><td>Market Business*2</td></tr><tr><td>Σ (Sigma) Business*3 (Corporate business that creates the future of society and local communities through investments that reduce operating expenses)</td></tr><tr><td></td><td>Improving the Management Base, etc.*4</td><td rowspan="2">±20%</td></tr><tr><td>Qualitative evaluation</td><td>Initiatives that contribute to enhancing corporate value*5</td></tr><tr><td></td><td>System trouble, etc.*6</td><td></td></tr></table>	Item		Evaluation weight	Quantitative evaluation	Objective	Net income attributable to owners of parent	40%		OHR (overhead ratio) / Reduction of general and administrative expenses	Targets and KPIs	Retail Business*1	60%	Market Business*2	Σ (Sigma) Business*3 (Corporate business that creates the future of society and local communities through investments that reduce operating expenses)		Improving the Management Base, etc.*4	±20%	Qualitative evaluation	Initiatives that contribute to enhancing corporate value*5		System trouble, etc.*6		Once a year	Cash
Item		Evaluation weight																								
Quantitative evaluation	Objective	Net income attributable to owners of parent	40%																							
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	Improving the Management Base, etc.*4	±20%																								
Qualitative evaluation	Initiatives that contribute to enhancing corporate value*5																									
	System trouble, etc.*6																									

Stock-based compensation: subject to malus.
Bonuses: subject to clawback.

*1 Evaluated based on the Number of accounts registered for the Yucho Bankbook App and the number of tax-free Nippon Individual Saving Accounts (NISA) for individual investors.
*2 Evaluated based on the balance of risk assets, the balance of strategic investment areas, and RORA (Return on Risk-Weighted Assets).
*3 Valuation based on domestic GP-related investment commitments.
*4 As items related to strengthening the management base, etc., evaluations are based on the balance of ESG-themed investments and financing, evaluations by major ESG rating agencies (FTSE, MSCI, CDP, S&P CSA), the rate of female in managerial positions, the employment rate of persons with disabilities, the rate of male employees taking childcare leave (4 weeks or more), and employee engagement indicators. The evaluation weighting for strengthening the management base, etc. in short-term performance-linked compensation is 15%. The indicators related to strengthening the management base, etc. apply to all executive officers, including the President and Representative Executive Officer.

Strengthening the management base, etc.	Climate change-related	Valuation weight
the balance of ESG-themed investments and financing	○	3%
Evaluation by major ESG rating agencies (FTSE, MSCI, CDP, S&P CSA)	○	3%
Rate of female in managerial positions		3%
Rate of employees with disabilities		2%
Rate of male taking childcare leave (4 weeks or more)		2%
Employee Engagement Indicators		2%
Total		15%

Supplementary note: Indicators related to climate change are "ESG-themed investments and financing" and "evaluations by major ESG rating agencies." The balance of ESG-themed investments and financing refers to targets concerning the outstanding balance of investments and financing in instruments such as ESG bonds whose use of proceeds is for climate change mitigation and adaptation. Evaluations by major ESG rating agencies include items related to climate change and provide an objective assessment of Japan Post Bank's efforts on climate change.

*5 Only particularly noteworthy initiatives that enhance corporate value, such as customer-oriented business operations, Digital Transformation (DX) Promotion, and human capital management, will be added.
*6 Points are deducted based on system trouble, non-compliance status, etc.

Number of recipients and remuneration by officer category (FY2025) (Unit: million yen)

Category	Number of recipients	Compensation, etc.	Basic compensation	Stock compensation		Bonuses	Retirement gratuity	Others
				Non-performance linked	Performance-based	Performance-linked		
Member of the Board of Directors	13 people	153	153	—	—	—	—	0
Executive Officers	27 people	1,076	650	87	139	181	14	3
Total	40 people	1,230	804	87	139	181	14	3

Note
1 The amounts stated are displayed after rounding down amounts less than the unit.
2 For those who concurrently serve as both a Member of the Board of Directors and an Executive Officer, compensation as a Member of the Board of Directors is not provided.
3 The number of Members of the Board of Directors does not include two Members of the Board of Directors who do not receive compensation.
4 Includes compensation, etc., for 3 Members of the Board of Directors who retired during the fiscal year, 1 executive officer who retired during the fiscal year, and 2 executive officers who resigned at the end of the fiscal year.
5 Performance-linked stock compensation and bonuses are recorded at the amount expended during the current fiscal year.
6 The retirement benefits program to Executive Officers was abolished in June 2013, but retirement benefits of Executive Officers for the period of service prior to the abolition of the program will be paid to Executive Officers who remain in office at the time of retirement.

Audit Committee Number of meetings held: 14 (FY2025)



The Audit Committee is composed of five Members of the Board of Directors (four of whom are Outside Members of the Board of Directors) and audits the execution of duties by executive officers and Members of the Board of Directors, and prepares audit reports. It also determines the content of proposals to be submitted to the General Meeting of Shareholders concerning the appointment and dismissal of the Independent Auditor, as well as proposals regarding not reappointing the Independent Auditor.

Main Agenda and Operational Status

In fiscal 2025, we focused our audits on improvements to the internal control system and on initiatives aimed at maintaining and developing the business. In particular, we are closely monitoring the status of efforts to strengthen the internal management framework, including the dissemination and implementation of measures to prevent recurrence following incidents of improper use of non-public financial information at post offices and internal criminal incidents.

Key audit focus areas

- (1) Initiatives to Improve the Internal Control System

 - Thorough implementation of measures to prevent recurrence, etc., in relation to cases of inappropriate use of non-public financial information
 - Strengthening internal crime countermeasures and other compliance framework
 - Strengthening the AML, CFT and CPF framework
 - Strengthening of risk management systems, etc. (coordination with the Risk Committee)
 - Smooth operation of the risk management systems
 - Defense against cyber attacks and prevention of unauthorized fund transfers
 - Strengthening the operational risk management framework
 - Strengthening the crisis management system and ensuring operational resilience
- (2) Initiatives to Maintain and Develop The Business

 - Innovation of the Retail Business
 - Strengthening the Customer Base
 - Digital Service Strategy
 - Asset-formation Support Business strategy
 - ATMs, embedded finance, card payments, loans, etc.
 - Full-scale launch of the Σ Business
 - Promotion of dialogue with stakeholders and enhancement of disclosure, etc.
 - Promotion of sustainability management
 - Utilization of AI, business reforms and productivity improvement
- (3) Initiatives to Strengthen the Management Base

 - Promotion of human capital management
 - Promotion of organizational culture reform
 - Further promotion of customer-oriented business operations
- (4) Initiatives Toward Realizing More Effective Internal Audits

Corporate Governance

Risk Committee (voluntary committee) Number of meetings held: 6 times (FY2025)



The Risk Committee is composed of 3 Members of the Board of Directors (including 2 Outside Members of the Board of Directors) and 1 external expert, and, as an advisory body to the Board of Directors, deliberates on important matters concerning the status of risk management and reports to or advises the Board of Directors.

Main Agenda and Operational Status

In FY2025, taking into account Japan Post Bank’s risk characteristics, we deliberated on market- and asset-liability management (ALM)-related risks as well as system-related risks. In particular, we discussed the operation plan and the results of its verification, the cybersecurity posture, and the status of consideration of system renewals, and reported or provided advice to the Board of Directors on the important matters among these.

Main matters for deliberation

(1)Market and ALM-related Risks

- 1. Compliance status of various risk management standards
- 2. Status of implementation of risk management measures and FY2026 initiatives
- 3. Status and evaluation of the formulation of the asset liability management (ALM) basic plan, and the operational policy
- 4. Implementation status of integrated stress tests and verification results
- 5. Risk management framework for regional private equity (PE) investments

(2) Cyber and System-related Risks

- 1. Report on cybersecurity
 - a. Status of compliance with international Standards
 - b. Initiatives human resource development, cyberattacks countermeasures and prevention of unauthorized transfers
- 2. Development and Implementation of AI Governance
- 3. Consideration of the Next-Generation System development
- 4. Status of responses regarding operational resilience

Column

Speech by Outside Members of the Board of Directors to Executive Officers.

With the aim of achieving sustainable growth for Japan Post Bank and enhancing corporate value over the medium to long term, we regularly hold talks by Outside Members of the Board of Directors to Executive Officers as part of our succession plan. In FY2025, Member of the Board of Directors, Mr. Yamamoto participated in November and Member of the Board of Directors, Mr. Nakazawa participated in February.

Mr. Yamamoto, a Member of the Board of Directors, drew on his experience at the Bank of Japan Disaster Response Headquarters during the Great East Japan Earthquake to give a talk on the importance, for financial institutions in a crisis, of first protecting the



Session with Member of the Board of Directors, Mr. Yamamoto.



Session with Member of the Board of Directors, Mr. Nakazawa.

“deposits” and “settlement” systems, of establishing an organizational structure that can operate autonomously, and of leadership that makes swift and clear decisions.

Also, Mr. Nakazawa, a Member of the Board of Directors, drawing on his experience at the Sony Group and McDonald’s Japan Co., Ltd., gave a talk on the importance of Japan Post Bank’s brand value and on how proactively taking on new businesses ahead of changes in the management environment and overcoming short-term difficulties can lead to medium- to long-term success and enhanced corporate value.

We received vivid presentations from the two speakers, and active Q&A sessions and exchanges of views took place.

Support System for Outside Members of the Board of Directors

Japan Post Bank established a Board of Directors Office in October 2021 with the aim of strengthening the system to enhance the effective and efficient operation of the Board of Directors and to bolster support for Outside Members of the Board of Directors.

Currently, the Board of Directors Office has 5 members serving as dedicated staff, and, in addition to its functions as the Board Secretariat, undertakes initiatives to strengthen the corporate governance of Japan Post Bank.

To facilitate the smooth operation of the Board of Directors, we promote the development of annual schedules

well in advance, the digitalization of Board meetings and meeting materials through the use of IT tools, and greater efficiency in preparing meeting minutes.

We also provide important information that could affect management in a timely and appropriate manner, and by posting meeting materials and minutes, etc. on a dedicated website accessible to members of the Board of Directors and by updating data relating to management and business performance as needed, we aim to further stimulate discussions at the Board of Directors.

Provision of Information and Other Matters to Outside Members of the Board of Directors

1. Initiatives to ensure the smooth operation of the Board of Directors

To eliminate information asymmetry between Internal Members of the Board of Directors and Outside Members of the Board of Directors and to invigorate discussions at the Board of Directors, we distribute materials in advance of Board meetings and the department in charge conducts pre-meeting briefings.

In addition, with respect to opinions and proposals raised at the Board of Directors, we coordinate with the relevant departments to appropriately manage the status of responses, and provide materials and minutes for the Executive Committee, etc., thereby establishing an environment in which the executive side can check the status of discussions and deliberations on an ongoing basis.

2. Inspection of business offices and other facilities

In order to gain a more concrete and practical perspective on Japan Post Bank’s operations, we conduct on-site visits to Japan Post Bank’s facilities. In FY2025, we visited multiple areas and inspected, in addition to counter operations at directly operated branches and post offices, the promotion of automation and digitization at Operation Support Centers responsible for administrative processing, and the use of generative AI at Administration Service Centers that provide sales and administrative support to post offices. Furthermore, we exchanged views with various employees about actual business operations and related issues.

Site visit to the Operation Support Centers by the Outside Member of the Board of Directors



3. Implementation of training, study sessions, etc.

We provide training and other programs to management executives, including Outside Members of the Board of Directors, with the aim of deepening their understanding of Japan Post Bank’s business activities, challenges, and management strategies, and of enabling them to acquire the knowledge necessary to appropriately fulfill their expected roles and responsibilities.

For newly elected Outside Members of the Board of Directors, we schedule multiple dates before and after their assumption of office and hold individual study sessions.

In addition, for Independent Outside Directors we utilize opportunities such as the Meeting of Independent Outside Directors to hold study sessions and exchanges of views on

Japan Post Bank’s operations, supporting them so they can more effectively supervise the management of Japan Post Bank.

Additionally, at the request of Members of the Board of Directors, we provide opportunities for individual briefings on topics of high interest.

Main Themes of Training, etc.

- Shareholders’ Meeting, Investor Relations (IR)
- Cybersecurity
- Anti-Money Laundering, Counter Financing of Terrorism, and Counter-Proliferation Financing
- Systems, digital services, etc.

Corporate Governance

Strategic Shareholdings

Japan Post Bank has prescribed the policy on strategic shareholdings as follows in the “Strategic Shareholdings” in the “Basic Policy on Corporate Governance”.

- Japan Post Bank may hold strategic shareholdings when it recognizes the significance of such holdings, for example, it is deemed to contribute to the medium to long-term improvement of the Bank’s corporate value.
- Japan Post Bank’s Board of Directors shall annually assess the appropriateness of holding listed shares, which are strategic shareholdings, from the perspective of economic rationality, such as return on capital requirements, and the purpose for holding such shares, such as the contribution to regional development and strengthening of long-term and stable business relationships. Furthermore, the Bank shall disclose results of the assessment.
- Japan Post Bank shall comprehensively decide whether to approve or disapprove of the exercise of voting rights for strategic shareholdings from the perspective of improving the medium- to long-term corporate value of the strategic shareholding company and the Bank. Of these, the Bank shall decide whether to approve or disapprove proposals that it believes will have a significant impact on their corporate value, etc., through means such as dialogue with the strategic shareholding company, as required.

Protection of Minority Shareholders

1. Policy on Group Management

Japan Post Holdings Co., Ltd. is the parent company of Japan Post Bank, and Japan Post Bank is the only bank in the Japan Post Group.

Japan Post Holdings Co., Ltd., Japan Post Co., Ltd., Japan Post Bank, and Japan Post Insurance Co., Ltd., have entered

into the Japan Post Group agreement and other agreements, and have agreed on the Group’s common philosophy, policies, and other basic matters related to Group operations. Through these agreements, each Group company cooperates and collaborates with one another to create synergies.

2. Approach to Ensuring Independence from the Parent Company, etc.

Japan Post Bank has close relationships with Japan Post Holdings, including human and capital relationships, but makes decisions on its own responsibility and conducts its management and business operations independently.

In accordance with the Japan Post Group agreement, Japan Post Bank has entered into a contract concerning the operation of the Japan Post Group with Japan Post Holdings, and important matters concerning Group operations are subject to prior consultation with Japan Post Holdings or reporting to Japan Post Holdings. In addition, from the perspective of strengthening Group governance, the same individuals serve as Members of the Board Directors of both Japan Post Bank and Japan Post.

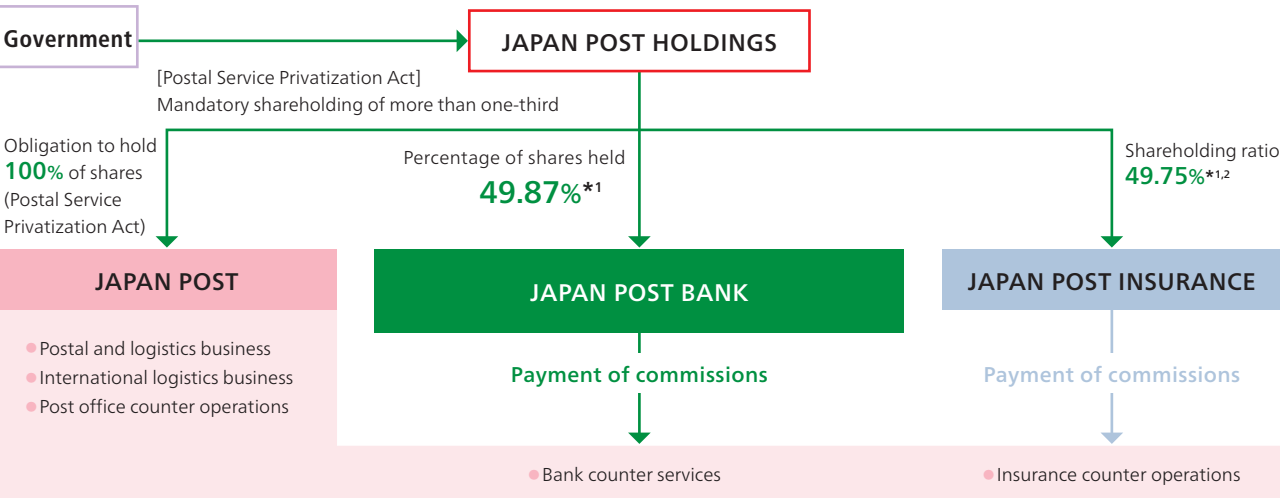
On the other hand, Japan Post Bank has adopted a system of

corporations with a Nomination Committee and other committees in place to improve management transparency and speed up decision-making. The Board of Directors and each of the statutory and voluntary committees are composed of a majority of Independent Outside Member of the Board of Directors, and a system is in place to ensure that management is properly monitored from the perspective of protecting minority shareholders.

In addition, the Japan Post Group agreement clearly stipulates that Japan Post Holdings will not interfere with or restrict the decision-making of Japan Post Bank, and that Japan Post Holdings and its operating subsidiaries, including Japan Post Bank, will conduct independent and autonomous management by utilizing the interests belonging to the Japan Post Group

 Japan Post Group agreement
Japan Post Home ▶ Group Information ▶ Group Governance

Current Japan Post Group organization chart (As of March 31, 2026)



Note
1: Percentage of shares held as a proportion of the total number of shares issued, excluding treasury stock. 2: Figures are rounded to the third decimal place.

Business Risks

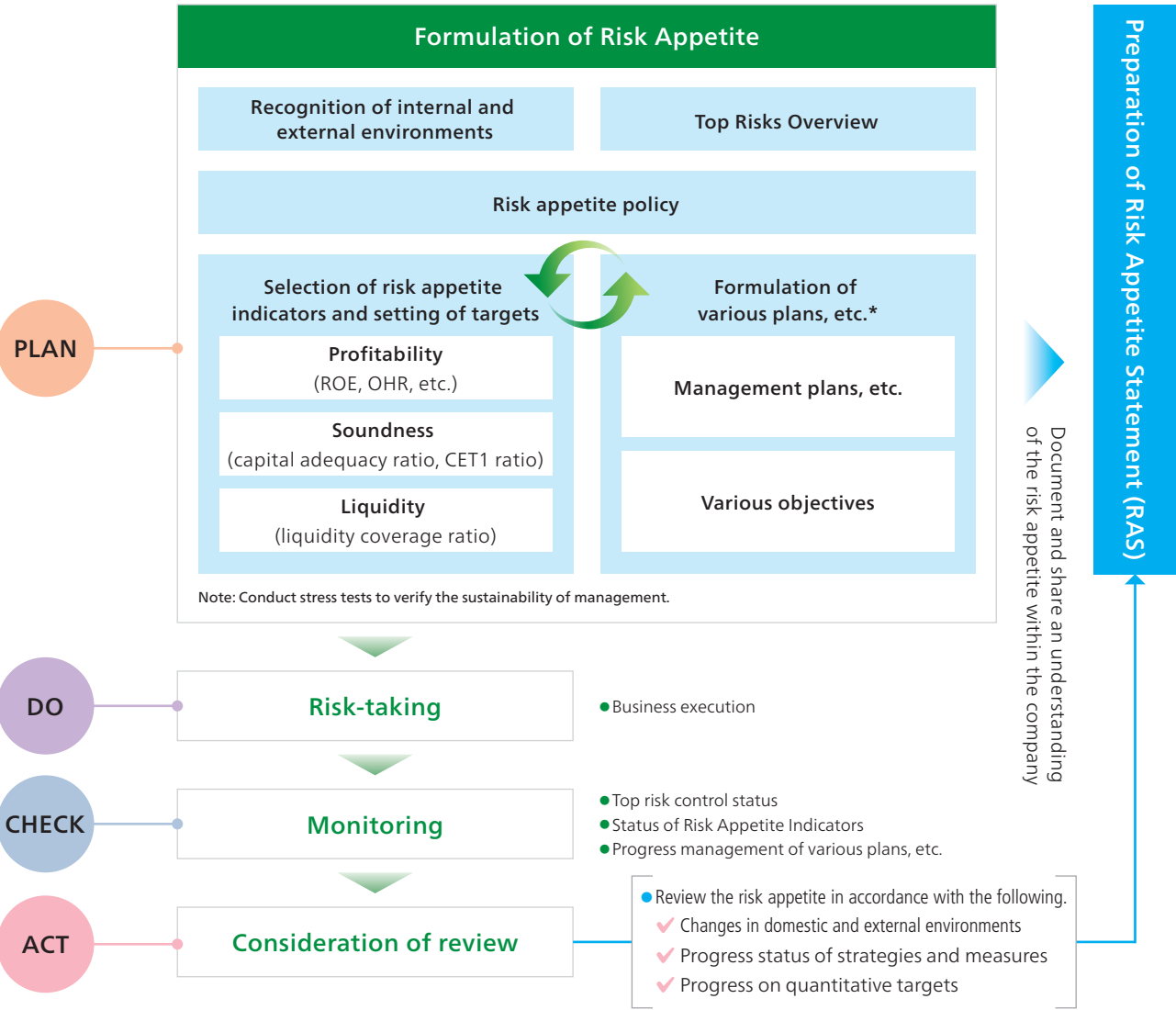
Risk Appetite Framework (RAF) *

Japan Post Bank has introduced RAF to secure stable medium- to long-term earnings while maintaining financial soundness. Based on this framework, risk appetite policies and indicators, as well as top risks, are discussed and set in an integrated manner with management plans.

* Risk appetite (the types and total amount of risk that should be willingly accepted to achieve business plans, based on the uniqueness of the Bank’s business model) is used as a common term within the Bank for risk-taking policies in general, including capital allocation and profit maximization.

Risk Appetite Framework operating process

Items in parentheses are the main risk appetite indicators.



Selection of Top Risks

Risks that are recognized as having a significant impact on the Japan Post Bank Group’s business, business performance, financial position, and the like are discussed by the Board of Directors and the Executive Committee within the framework of the risk appetite framework and are selected as top risks based on their impact and likelihood. Responses to the selected top risks are reflected in Japan Post Bank’s management plans, and the status of controls is regularly reviewed, with additional measures taken as necessary. From FY2024, we have clarified the responsibilities for cross-organizational prevention and response to each top risk event, and from FY2025, we have been reviewing the monitoring framework to further enhance top risk management.

Business Risks

Top Risks for FY2026

Top risk	Main measures
Rapid changes in the market environment such as a sharp widening of overseas credit spreads and rapid increases in interest rates. Downward deviation from the assumed exit timing of private equity funds. Increase in deposit funding costs due to deposit interest rate hikes higher than assumed.	- Continuation of strengthening the portfolio's risk tolerance. - Selective investments with careful consideration of risk exposure - Strengthening of human capital specializing in asset management, risk management, and ALM - Extension of funding periods for illiquid assets
Cyber attack	- Strengthening of systems based on third-party evaluations conducted in accordance with international standards. - Confirmation of security measures when introducing a new system, adding functions, and after service launch
Occurrence of a system failure.	- Enhancing availability through redundancy of equipment and communication lines. - Redundancy measures through the installation of a disaster recovery data center - Selection and inspection of priority inspection systems
Occurrence of large-scale disasters, etc.	- Seismic strengthening of facilities - Deployment of stockpiled supplies, etc., in the event of a disaster - Establishment of a remote environment
Promotion of digital transformation (DX) and administrative efficiency, and responses to the competitive environment are insufficient (changes in the banking industry).	Steady promotion of the strategies and measures of the Medium-term Management Plan and the Annual Management Plan
Occurrence of misconduct, leakage or loss of personal information, and compliance violation incidents such as inappropriate conduct by officers and employees.	- Examination and implementation of systematic and institutional measures to prevent recurrence, based on past incidents and cases at other companies. - Conducting regular training sessions - Strengthening monitoring of post offices
Impediment to strategy execution caused by human resources shortages, etc.	- Human resources strategy linked to the Medium-term Management Plan and the Annual Management Plan, promotion of human capital investment, and optimization of the human resources portfolio. - Strengthening development through recruitment of specialist personnel and by means such as training and the Career Challenge System. - Improving engagement through enhancing working environments and related measures - Continued consideration of fundamental administrative efficiency improvements and securing of human resources, etc., aimed at ensuring the sustainability of medium- to long-term business operations.
Measures to maintain and strengthen the customer base are insufficient.	Steady promotion of the strategies and measures of the Medium-term Management Plan and the Annual Management Plan.
Deficiencies in the framework against money laundering, terrorist financing, and proliferation financing	- Identification and evaluation of risks, and formulation and implementation of measures to reduce them. - Verification of the effectiveness of measures and implementation of continuous improvement activities. - Enhancement of measures by leveraging AI and other technologies, collaborating with authorities, and drawing on insights from external organizations.
Risk that customers may suffer disadvantages if customer-oriented business operations are not thoroughly implemented.	- Establishment of a system to centrally manage customer feedback - Implementation of various training programs, etc.
Risks arising from sustainability-related issues such as climate change, natural capital and biodiversity, and human rights	- Strengthening the governance and progress management of "Sustainability Management," which promotes sustainability initiatives integrated with management strategy - Setting targets and monitoring investment and loan portfolio emissions, and periodically revising the sustainability investment and financing policy.

Risk Management

Japan Post Bank recognizes risk management as a key management issue and is working to enhance its risk management capabilities by identifying and controlling the risks that it faces.

The basic principle of Japan Post Bank's risk management is

to "manage risk appropriately in accordance with management strategies and risk characteristics, and to utilize capital effectively in order to enhance corporate value while ensuring financial soundness and the appropriateness of operations."

Risk management systems

Japan Post Bank has established departments to manage each risk category and, in order to ensure the effectiveness of the function that manages overall risk in an integrated manner, has also set up a department that consolidates the management of each risk category (Risk Management Department), which is established while ensuring independence from each business division.

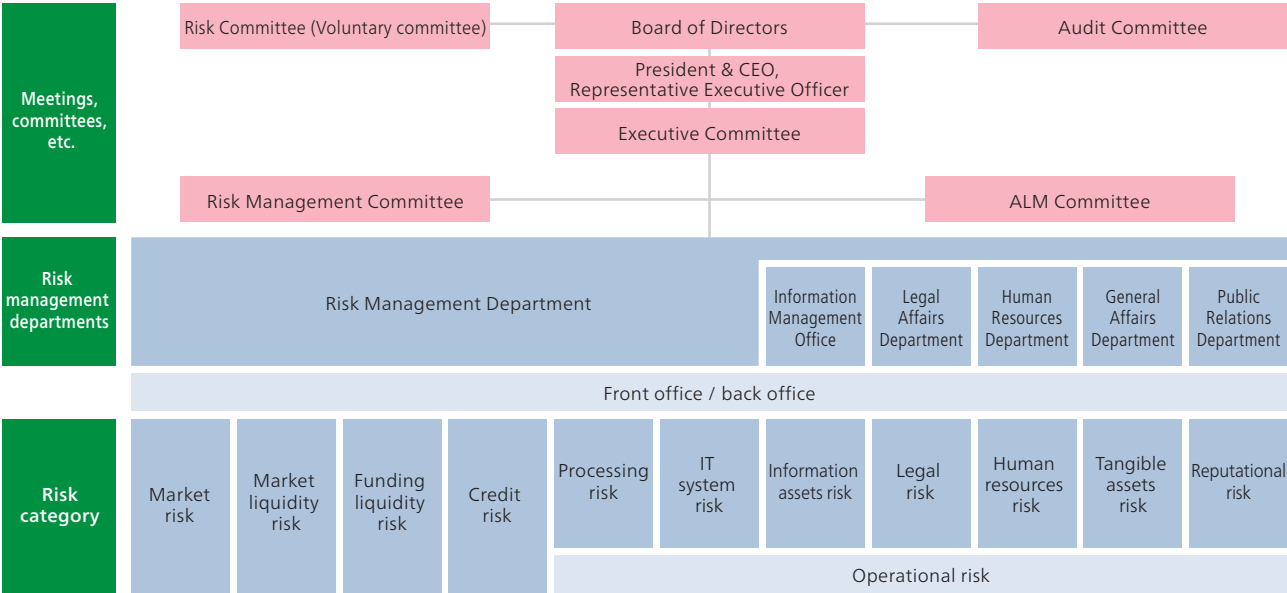
For risk management and operations, we have established special committees (Risk Management Committee and ALM Committee) as advisory bodies to the Executive Committee.

These committees report on the status of risk management, considering the characteristics of various risks, and discuss risk management policies and risk management systems. The Executive Officer in charge of the Risk Management Division reports on the status of risk management to the Board of Directors, the Audit Committee, and the Risk Committee on a regular basis and as necessary.

We have established a system to appropriately manage risks associated with new products and services by conducting risk assessments in advance of their introduction.

Risk management system

(As of July 1, 2026)



For details on the Classification and Definition of Risks, please refer to page P.4 in the Japanese reference materials.

Integrated risk management

Japan Post Bank manages risks in five categories using both quantitative and qualitative methods.

For quantitative management, we have introduced integrated risk management to quantify and control risks. Specifically, we set in advance the total amount of risk-taking that can be covered by total capital, allocate risk to risk-taking operations according to the type of risk and the characteristics of the business (risk capital allocation), and use value-at-risk (VaR)—a statistical method for estimating

the maximum loss that might occur with a certain probability on assets and liabilities held—as a uniform measure to quantify market and credit risk and to control the risks taken. In addition, we conduct stress tests based on multiple stress scenarios that assume a deteriorating macroeconomic environment to verify the appropriateness of management plans from a forward-looking perspective and from the standpoint of management sustainability.

Method for Conducting Stress Tests

Flow	Overview
1 Preparation of scenario proposals	- Based on the risks to be noted and the economic outlook recognized by market participants such as international organizations, national authorities, and financial institutions, the stress events to be reflected in scenarios are examined. - Create multiple scenario proposals based on the likelihood and impact of stress events.
2 Scenario confirmation	- Discuss the draft scenario with the relevant departments in advance. - The scenario draft that had undergone prior consultations is discussed at the ALM Committee, and the scenario is finalized.
3 Estimated amount of impact	Estimate, for each scenario, the impact amounts on the capital adequacy ratio, unrealized gains (losses) on securities, net interest income, risk amounts, and so on.
4 Report of the Board of Directors, etc.	- Verification of the appropriateness of management plans from the perspective of management sustainability based on the results of the estimates. - Reporting of the results of the verification to the Board of Directors.

Qualitative management is conducted in conjunction with quantitative management in accordance with the characteristics of each type of risk. For example, regarding operational risk, we have established a PDCA cycle that includes a unified process for risk identification, assessment, management, and reduction.

The allocation of risk capital is determined by the President & CEO, Representative Executive Officer based on the total amount of allocated capital approved by the Board of Directors, following consultation with the ALM Committee and the Executive Committee.

For details on the risk capital allocation chart, please refer to page P.5 of the Japanese reference materials.

Cybersecurity

With the remarkable development of digital technology in recent years, transactions using the Internet and smartphones are increasing, and Japan Post Bank is promoting the expansion of services through digital channels. On the other hand, cyberattack methods leveraging frontier AI and other technologies are becoming increasingly sophisticated and ingenious, and cyber risks

surrounding financial institutions are increasing. Japan Post Bank has announced the Japan Post Group Executive Declaration on Cybersecurity, positioning the risk of cyberattacks as one of its top management risks. We will continue to strengthen our cybersecurity system under management-led initiatives to provide our customers with safer and more secure services.

Governance structure

To strengthen our cybersecurity system under the leadership of management, we have established a dedicated organization, the Cybersecurity Department, under the President & CEO, Representative Executive Officer and the executive officer responsible for cybersecurity (Chief Information Security Officer (CISO)*1). By providing regular and ad hoc reports to the Board of Directors and the

Executive Committee, we have established a governance framework that enables timely and appropriate management decisions in response to changes in the operating environment. Through these initiatives, we continue to enhance our cybersecurity system and strengthen our resilience against cyberattacks.

*1 Abbreviation of Chief Information Security Officer

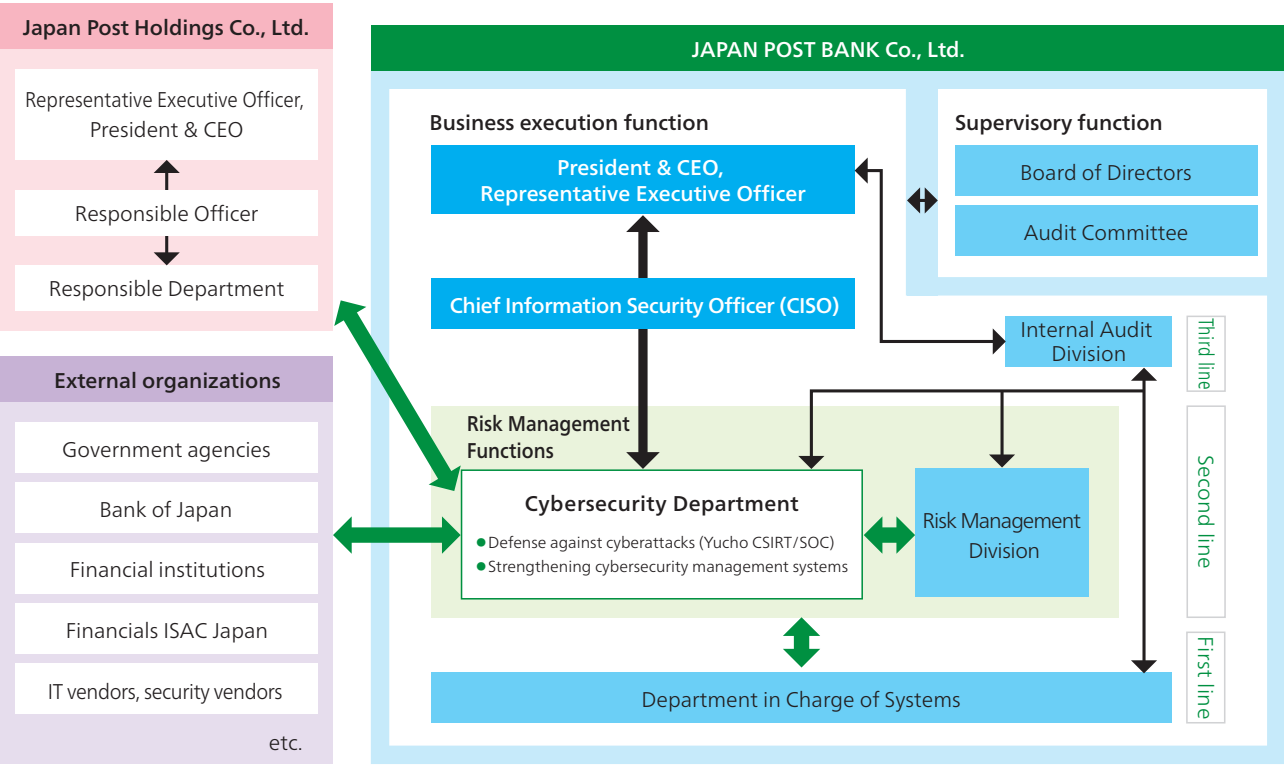
Management system

As part of our cybersecurity framework, we have established Yucho CSIRT*2, which is responsible for preventing and responding to cybersecurity incidents, and Yucho SOC*3, which monitors logs from security devices and network equipment to detect and analyze signs of potential cyber incidents. Through these dedicated functions, we work continuously to strengthen our defenses against cyberattacks. To ensure swift and effective information sharing, decision-making, public communications, and incident response in the event of a cybersecurity incident, we conduct regular training and simulation exercises.

We also implement advanced security measures that reflect the latest cybersecurity trends while building a robust cybersecurity framework aligned with international standards. In addition, we undergo third-party assessments and work closely with government agencies, industry peers, and relevant organizations to analyze emerging cyber threats and strengthen our multilayered detection and defense capabilities.

*2 Abbreviation for Computer Security Incident Response Team
*3 Abbreviation for Security Operation Center

Cybersecurity management system



Key initiatives in cybersecurity

Japan Post Bank is working to enhance identity verification and authentication, implement virus countermeasures and vulnerability measures, analyze threat trends, detect

cyberattacks, and monitor fraudulent transactions so that customers can use the services provided through digital channels with greater peace of mind and security.

Strengthening identity verification	To prevent fraudulent registrations that impersonate customers, we have introduced eKYC*1.
Strengthening of identity verification	To further strengthen identity verification for important transactions such as remittances, we have introduced a FIDO*2-compliant “Yucho Authentication App” and tokens, devices that generate one-time passwords (OTPs) that can be used only once.
Measures against viruses	Free distribution of the anti-fraud software “PhishWall Premium,” which detects attacks that steal customers’ PINs and other information used for fraudulent transfers.
Vulnerability countermeasures	Collect and implement countermeasures against daily cyberattack threats and vulnerability information.
Monitoring of fraudulent transactions	Monitoring unauthorized access to the internet banking system and preventing damage such as fraudulent transfers.
Measures against spoofed e-mails	Implementation of measures against suspicious emails by introducing sender domain authentication technologies such as DMARC*3 and by displaying brand logos in emails.

*1 Abbreviation for electronic Know Your Customer. A technology that matches the IC data on identity verification documents with the facial data photographed at the time of registration, enabling identity verification to be completed online.
*2 Abbreviation for Fast Identity Online. An international standard for online authentication.
*3 Abbreviation for Domain-based Message Authentication, Reporting and Conformance. A mechanism by which the sender specifies whether to deliver to the recipient messages that are judged to be spoofed or tampered with.

Human resources development to support cybersecurity

As the use of digital technologies such as cloud services and AI advances, it has become indispensable to address cybersecurity risks in all aspects of business activities. Japan Post Bank has assigned cybersecurity specialists to strengthen the management base to become a more trusted bank. We have also systematically organized the necessary skills and are promoting planned human resource development tailored to job responsibilities and skillsets, working to enhance expertise. Furthermore, each employee, including management, is raising awareness of cybersecurity and actively acquiring the basic knowledge required to implement countermeasures.

Cybersecurity education
In order to improve awareness of and basic knowledge about cybersecurity, we conduct cybersecurity training for management and targeted attack e-mail drills for all employees. In addition, we conduct employee education by publishing an internal newsletter that raises awareness of cyberattacks and disseminates countermeasures, and by providing e-learning content that allows learning from basic knowledge to the latest specialized knowledge.

Development of cybersecurity specialist human resources
To strengthen our cybersecurity system and enhance practical defensive capabilities against cyberattacks, we have developed a training plan based on the required expertise and experience, and conduct skill-enhancement lectures, support for acquiring certifications, incident response training, and other measures.

We also actively participate in external initiatives—such as the financial industry’s information-sharing organization “Financials ISAC Japan” and various training programs hosted by the Financial Services Agency and the Metropolitan Police Department—to build specialized knowledge and experience and strengthen our operational readiness.



Scenes of operations at “Yucho SOC”

Compliance

Basic Approach

At Japan Post Bank, we consider “compliance” to mean that all officers and employees comply with laws, various rules, internal regulations, social norms and corporate ethics, and act to meet the expectations of customers, society and local communities, shareholders and other stakeholders.

We aim to be the financial institution most trusted by customers, positioning compliance as an important management issue and working to ensure its thorough implementation.

Compliance System

Japan Post Bank has established a Compliance Committee composed of the relevant officers, and holds meetings once a month to discuss important compliance matters and report on the status of implementation. It also reports to the Internal Control Committee, the Board of Directors and the Audit Committee.

Also, under the Executive Officer in charge of compliance, we have established a “Compliance Management Department” that carries out planning, promotion and management related to compliance.

In addition, we assign Compliance Officers to business and other departments to monitor the implementation of compliance initiatives. We also appoint Compliance Managers in each department to promote and provide guidance on compliance within their respective organizations.

Employees who identify actual or potential compliance issues are required to report them to their supervisors, the compliance line, or the contact offices for whistle-blowing established both within and outside the Bank. Through this reporting framework, we strive to prevent the occurrence and escalation of compliance issues and ensure their prompt resolution.

 Compliance System
Home ▶ Sustainability Site ▶ Governance ▶ Compliance System

Initiatives to Promote Compliance

Each year, Japan Post Bank establishes a compliance program as a specific action plan for promoting compliance. Based on this program, we are working to promote compliance by addressing important issues and regularly reviewing the status of implementation. We also conduct training for executives and employees to ensure thorough compliance.

Furthermore, as a specific guide for achieving compliance, we have established the Compliance Manual, which summarizes our compliance framework and important initiatives, as well as the management of conflicts of interest, the prevention of corruption such as bribery and money laundering involving public officials, and other laws and regulations that must be observed. Moreover, we distribute the Compliance Handbook, which explains the main points of the Compliance Manual, to all officers and employees (including non-regular employees), and strive to raise awareness of compliance through compliance training and other measures.

Main Initiatives

- Prevention of fraudulent acts
- Measures against money laundering, terrorist financing and proliferation financing
- Response to anti-social forces
- Customer-oriented business operations and customer protection
- Establishing a comfortable work environment

Initiatives for the Protection of Personal Information

Japan Post Bank recognizes that the appropriate protection and handling of personal information, including specific personal information and personal identification numbers (hereinafter “personal information”), is an important issue in providing high-quality services to its customers. Therefore, Japan Post Bank has established and implemented a policy on the protection of personal information (Privacy Policy).

 Privacy Policy
Home ▶ Privacy Policy

Efforts to Combat Money Laundering, Terrorist Financing, and Proliferation Financing

The importance of addressing international money laundering, terrorist financing and proliferation financing (hereinafter “ML/TF, etc.”) has been increasing year by year, and financial institutions are required to continuously enhance their ML/TF management frameworks in response to changes in ML/TF risks. Japan Post Bank, in accordance with the Financial Services Agency’s “Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism” has established basic policies and, recognizing ML/TF countermeasures as a top management priority, is strengthening its framework under management leadership by, for example, appointing the executive officer in charge of the Compliance Division as the overall person responsible for ML/TF countermeasures and by clarifying the roles and responsibilities of officers and employees involved in such countermeasures.

Specifically, from the perspective of preventing the products and services provided by Japan Post Bank from being misused for money laundering or other malfeasance, we identify and assess risks and take appropriate measures commensurate with those risks to effectively mitigate them.

In recent years various financial crimes have occurred, and their methods have become sophisticated and advanced. To protect customers’ deposits and assets, we are working to prevent and curb financial crimes through customer management measures, detection and reporting of suspicious transactions, review of products and services, responses to economic sanctions, analysis of past criminal methods, system upgrades, and data enhancement. In addition, when we detect accounts that are at high risk of being victims of investment fraud and similar schemes, we have established a system to share the relevant information with the police and are working to mitigate the damage.

Response to Anti-social Forces

Japan Post Bank, as an organization as a whole, is committed to blocking and eliminating any relationship with antisocial forces that threatens social order and sound corporate activities, regardless of any illegal or antisocial activities, and in cooperation with external specialized agencies such as the police, on a routine basis.

 Basic Policy on Antisocial Forces
Home ▶ Sustainability ▶ Governance ▶ Compliance System ▶ Basic Policy for Combating against antisocial Forces

Measures for Managing Conflicts of Interest

Japan Post Group has published the “Policy on Management of Conflicts of Interest in the Japan Post Group” and, based on this policy, manages transactions across the Group that may involve conflicts of interest to ensure that customers’ interests are not unfairly harmed.

Japan Post Bank, based on this policy, has established a unit that oversees conflicts of interest management (Compliance Management Department) and has put in place a framework to appropriately manage transactions that may give rise to conflicts of interest so that customers’ interests are not unjustly harmed.

 Conflict of Interest Management Policy
Home ▶ Sustainability ▶ Governance ▶ Compliance System ▶ Conflict of Interest Management Policy

Internal Audit

Internal audit system

With the objective of contributing to sound and proper business operations by verifying the status of Japan Post Bank's management activities and internal control system, Japan Post Bank has established at its Head Office an Internal Audit Division independent from the business execution division and put in place a system to collect, in a timely and appropriate manner, important information concerning the operational status of audited departments.

The Internal Audit Division formulates the internal audit plan based on Japan Post Bank's Basic Policy for Internal Audit*, etc. In preparing the plan, it explains to the Audit Committee the draft internal audit plan, including audit resources, the risk assessment on which it is based, priority audit items, staffing plans and business objectives; after obtaining the Audit Committee's consent to the internal audit plan, it receives the approval of the President & CEO, Representative Executive Officer Member of the Board of Directors.

In addition, in accordance with the internal audit plan, we conduct audits of all operations at head office departments, regional headquarters, branches, administration service centers, operation support centers, the Seal Card Management Center, ATM management centers, data centers and the Credit Card Collection Service Center, among others, to verify the appropriateness and effectiveness of the internal control system, including the execution of management activities, compliance and risk management.

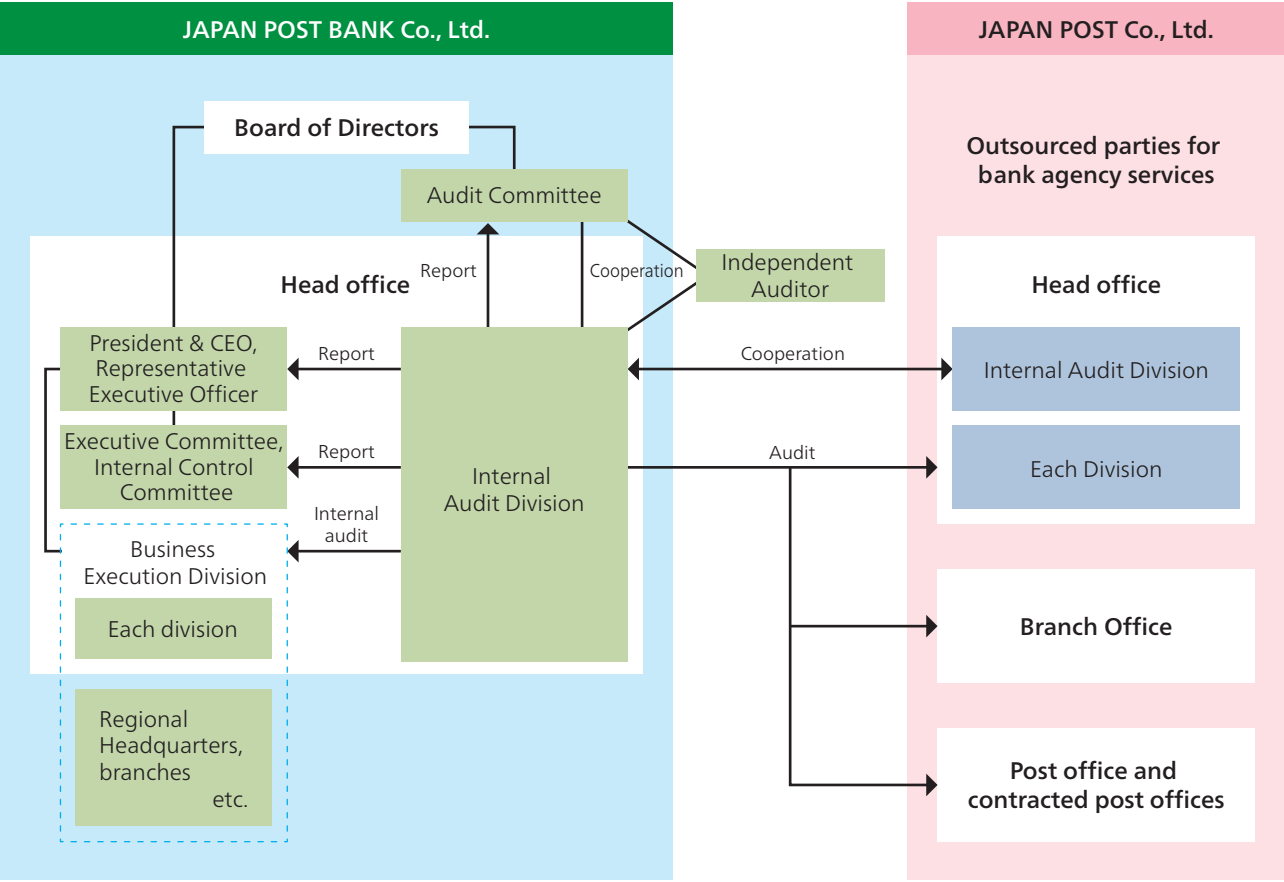
Furthermore, the Internal Audit Division audits Japan Post Co., Ltd., which is entrusted with bank agency services, to verify the appropriateness of its internal control system, including compliance and risk management related to bank agency services.

For significant issues identified in audits, such as making recommendations for correction or improvement, the status of implementation and the results of internal audits, as well as the status of corrective or improvement measures taken by the audited departments, are reported directly to the President & CEO, Representative Executive Officer, the Board of Directors and the Audit Committee, and instructions are received.

To enhance the independence and objectivity of the Internal Audit Division, significant personnel changes within the Internal Audit Division require the consent of the Audit Committee. In addition, the Audit Committee conducts reviews and evaluations of the establishment and operational status of the internal audit function, including the status of the performance of duties and responsibilities, audit methods and human resource development, and the content and implementation status of measures to continuously enhance and strengthen internal audits.

* Japan Post Bank's basic policy on internal audit is to follow the fundamental concepts of the Global Internal Audit Standards, which are the mandatory components of the Institute of Internal Auditors (IIA)'s "International Professional Practices Framework."

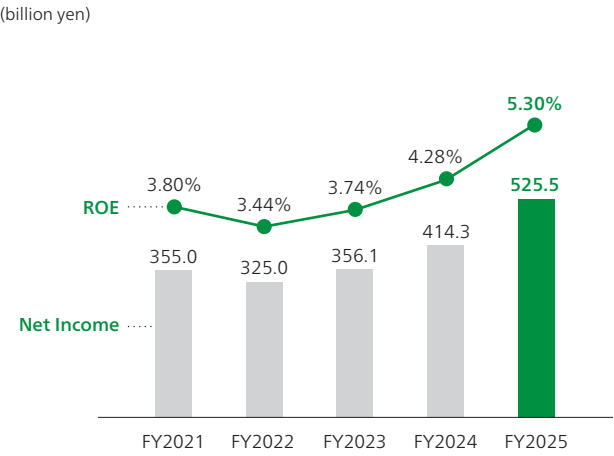
Internal audit system



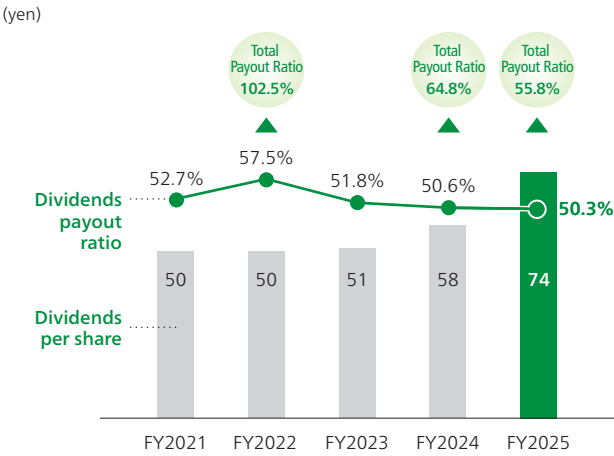
Performance Highlights

Financial Highlights (consolidated)

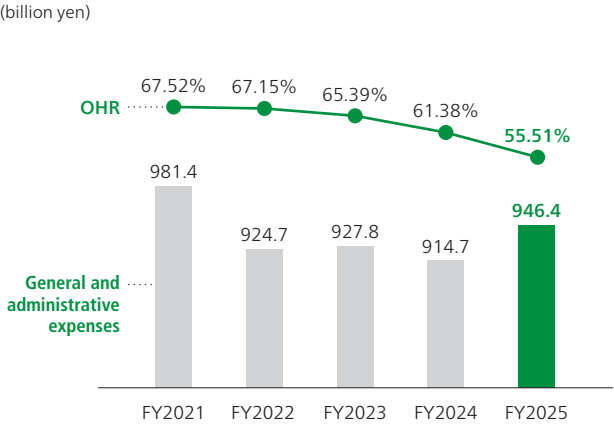
Profitability: Net income attributable to owners of parent, ROE based on shareholders' equity



Shareholder Returns: Dividend per share (DPS), dividend payout ratio, Total Payout Ratio

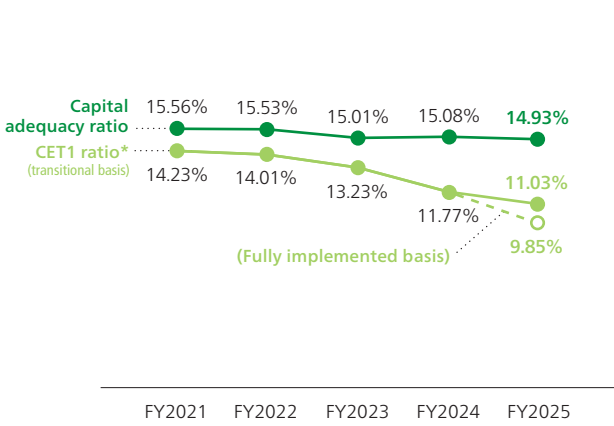


Efficiency: General and administrative expenses, OHR*



* Basis including gains (losses) on money held in trust

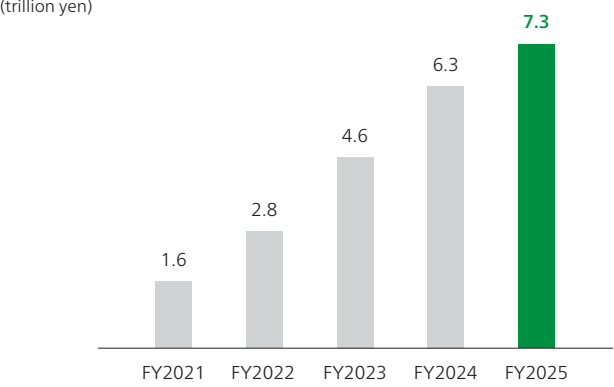
Soundness: Capital adequacy ratio, CET1 ratio



* Based on international standards (finalization of Basel III, excluding unrealized gains on available-for-sale securities)

Non-financial Highlights

Cumulative amount of new sustainable finance investments and financing



Rate of female in managerial positions

