

The background of the slide features a low-angle photograph of a modern, multi-story building with a glass facade. The building's lines converge towards the top of the frame. In the foreground on the right, there are lush green leaves and branches of a tree, partially obscuring the building. The overall color palette is dominated by blues, greys, and greens.

JAPAN POST BANK
Themed Investors Meeting

「ESG Initiatives」

March 21, 2024

1 The Outline of Sustainability strategy

2 The Basic Approach to HR Strategies and Main Measures

3 The Organizational Culture and Climate Reforms

4 Japan Post Bank's Governance

1 The Outline of Sustainability strategy

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4 Japan Post Bank's Governance

Hello everyone. My name is Harumi Yano, and I am an Executive Vice President of Japan Post Bank.

The first thing I would like to say is that even before the concepts of ESG, sustainability, and SDGs became popularized, Japan Post Bank was consistently addressing these themes as the cornerstones of management from the time of its establishment. The functions of the banking industry are generally defined as handling deposits, loans, and domestic and foreign exchange transactions. In the case of our bank, however, our aspirations to find solutions to social problems and contribute to the improvement of people's lives are inseparable from our functions, and in this sense, we are proud to be a unique entity that is different from ordinary banks.

I hope that today's speakers will give you a sense of the passion with which the Bank's officers and employees are engaged in ESG management, and their strong commitment to our mission to contribute to the sustainable growth of Japanese society as well as to enhance the Bank's corporate value.

Let me begin by providing an outline of Japan Post Bank's sustainability strategy, highlighting the key points.

The spirit since our founding

- The spirit of providing financial services equitably throughout the nation, this is the heart of Japan Post Bank since its founding.
- It has remained consistent with one of the central principles of the SDGs, “leave no one behind”.

The point of “Postal savings service” established in 1875

(Provisional Translation) To provide a simple and reliable savings method to all citizens, ensuring stability in their economic lives and promoting their welfare.

- Article 1 of the Postal Savings Law

The definition of “Universal services in finance”

(Provisional Translation) Universal service means that postal services, simple savings, remittance, and settlement of debts and credits, and life insurance services that can be used easily should be integrally made available at post offices in a user-oriented and convenient manner, and should continue to be available nationwide and fairly in the future.

- Article 7-2 of the Postal Service Privatization Act and Article 5 of the Act on Japan Post Holdings Co., Ltd.

Main history



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3

Please refer to page 3 of the reference materials.

Japan Post Bank started as a private bank after the privatization of the postal service in 2007, but its origins date back to 1875, when it was established to provide postal money order and savings services. The purpose of establishing postal savings services was to provide a simple and secure means of savings to the public that would be equally accessible to everyone.

In addition, as a member of the Japan Post Group, Japan Post Bank is legally obligated to provide universal financial services, which means it has a responsibility to make services, such as for deposits, domestic and foreign exchange transactions, and remittances, fairly and readily accessible to all, everywhere in Japan.

Looking at it this way, it can be seen that since its inception, Japan Post Bank's business has remained consistent with one of the central principles of the SDGs, “leave no one behind,” as conveyed by the key concept of providing services equitably throughout the nation.

Meeting the social challenge of “leave no one behind” from the perspective of financial services lies at the heart of Japan Post Bank's sustainability strategy and is the foundation of the attributes unique to the Bank.

ESG Management

- Under the medium-term Management Plan(FY2022/3 toFY2026/3),we will reaffirm our purpose and clarify the Three Missions of JAPAN POST BANK, aiming for ESG management that combines corporate value enhancement and solutions for issues facing society.

Purpose of JAPAN POST BANK

We aim for the happiness of customers and employees, and will contribute to the development of society and the region.

The Management Philosophy of JAPAN POST BANK

We aims to become "the most accessible and trustworthy bank in Japan," guided by the needs and expectation of our customers.

The Mission of JAPAN POST BANK

Providing "reliable and thorough" financial services "safely and securely" to anyone and everyone throughout Japan.

Contributing to the development of regional community economies by enhancing funds flow to ,and relationships with, communities using various frameworks.

As one of the largest institutional investors in Japan, Japan Post Bank will work to both realize sound and profitable operations, and contribute to the realization of a sustainable society.

Realizing both the enhancement of corporate value, and contributing to the solution issues such as SDGs(ESG management)

Please refer to page 4 of the reference materials.

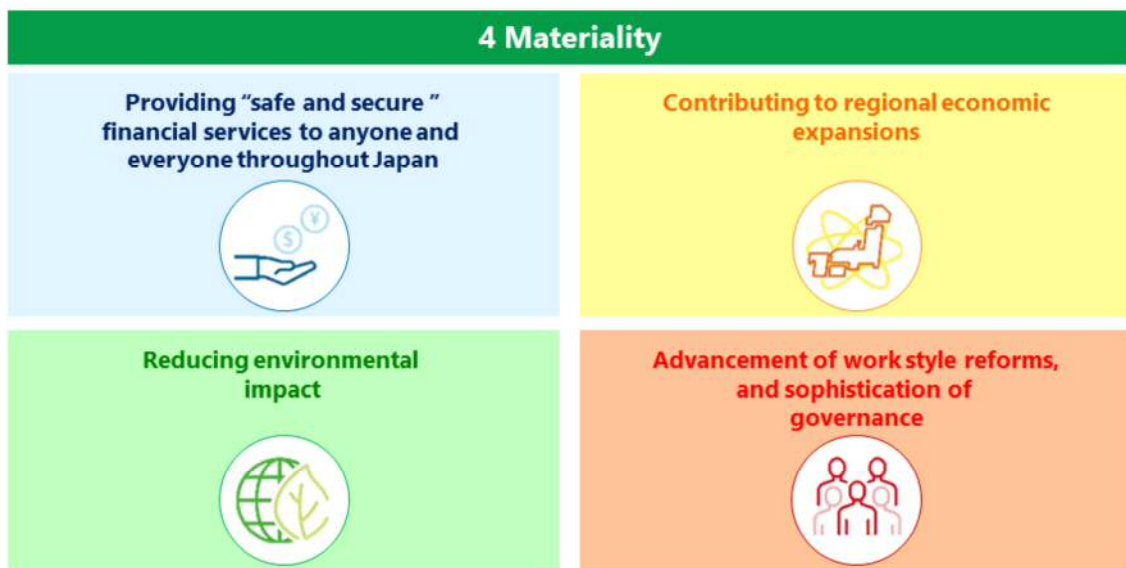
In 2021, the Bank formulated and announced its current Medium-term Management Plan (hereinafter referred to as the Mid-term Plan), covering the period through FY2025. At that time, we reaffirmed our purpose and management philosophy, and clarified the three missions we are committed to fulfilling.

As shown in the slide, woven into the concepts are key ESG and SDG expressions, such as the "happiness of customers and employees (well-being)," "development of society and regional economies," "services for anyone and everyone throughout Japan," and the "realization of a sustainable society".

The Mid-term Plan was formulated based on the above and is thoroughly infused with the concept of ESG management, which aims to both solve social issues and enhance corporate value through business in a sustainable manner.

Solutions for issues facing society through business activities

- From the two perspectives of importance to stakeholders and the impact of our business activities, we have established 4 Materiality to be addressed among those facing society.



For details, please refer to page 5.

In the Mid-term Plan, we describe the social issues that we believe we should focus on solving through our business, narrowed down based on two perspectives: the importance to stakeholders and the impact of our business activities, and have defined four priority issues (the most material issues) as shown.

In addition, by firmly linking our management strategies with the material sustainability issues set forth in the Mid-term Plan, we are illuminating the path of our ESG management, which is aimed at both solving social issues and enhancing corporate value through business activities.

The 5 key strategies in the Mid-term Plan

- Linking 4 Materiality to our 5 key strategies points in the Mid-term Plan, we are promoting ESG initiatives in unison with the management.
- In promoting ESG Management, while adhering to the spirit of “leave no one behind”, we will challenge of financial innovations.

“ Deepening trust, and taking on the challenge for financial innovations”
 ~Innovating our business model and enhancing business sustainability~

5 key strategies		<Relevance to Materiality>	
①	Innovating retail business into a new form by realizing complementarity between the physical and the digital		Advancing ESG management
②	Business reforms and productivity improvement through the active utilization of digital technology		
③	Enhancing funds flow to regional communities and the regional relationship functions through various frameworks		
④	Deepening market operational and risk management with an awareness of stress tolerance		
⑤	Strengthening the management base to become a more trusted bank		

Combining Management Strategies with Materiality

The relationship between this Materiality and the Mid-term Plan is shown on page 6.

By explicitly stating the relationship between ESG management and the Bank’s business, we make it clear that the solid performance of individual duties by each and every officer and employee, in accordance with the key strategies of the Mid-term Plan, is linked to ESG management for the Bank as a whole. In other words, we present ESG management in a form that is tangible, so that it can be understood at a personal level, rather than as an empty theory preceded by a philosophy.

The most important thing to keep in mind here is that while the spirit of “leave no one behind” that underpins ESG management has remained unchanged since the Bank’s founding, the strategies for achieving it change with the times and with changes in society and the business environment.

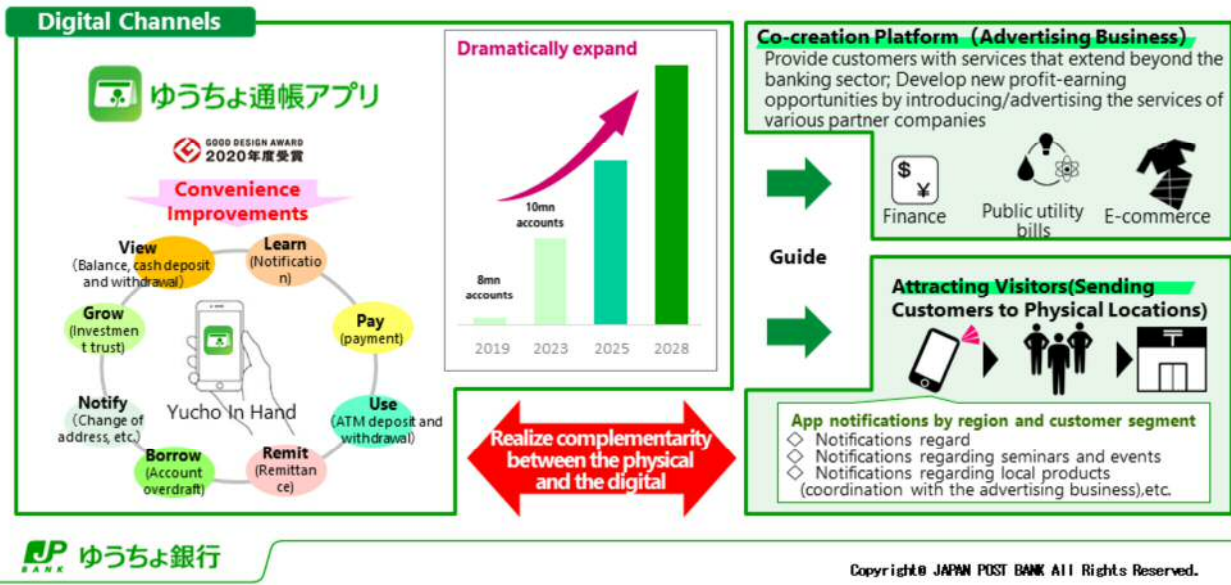
The core concept of the Mid-term Plan is: Deepening trust, and taking on the challenge for financial innovations. To realize this in a rapidly changing business environment while adhering to the spirit of “leave no one behind” in the world of financial services, it is necessary to promote financial innovation and evolve business models into new ones. Our sustainability strategy is premised on demonstrating this spirit of challenge.

As such, for each of the four materiality, the following is a brief overview of the kind of financial innovation challenges we will set upon to address the issues.

First, I would like to talk about providing “safe and secure” financial services to anyone and everyone throughout Japan.



- We are promoting the expansion of digital services that all customers can easily access and use by innovating the retail business into a new form through the realization of complementarity between the physical and the digital. Making the most of our physical branch network, we are carefully informing customers of all ages about our "Yucho bankbook App", which incorporates basic banking functions.
- Starting with the Yucho Bankbook App, the bank is promoting its "Co-creation Platform" strategy to collaborate with various partner companies. The challenge is to build a new retail business model that provides customers with a variety of services beyond banking services by utilizing the app's notification and announcement functions to prompt customers to visit post offices (physical locations), and to advertise the products and services of our partner companies.



Please refer to page 7.

The key concept for addressing this material issue is realizing the "complementarity between the physical and the digital".

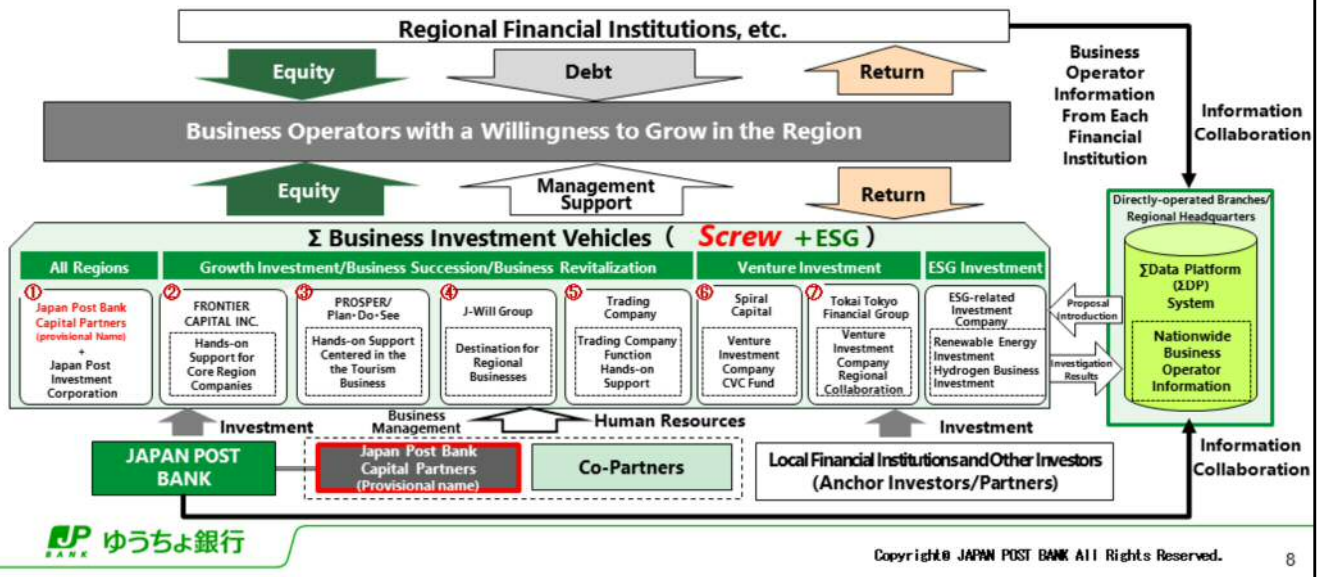
To cite one example, the Bank has released the "Yucho Bankbook App," which features basic banking functions and has been promoting its adoption. What I would like to emphasize on this matter is that we have been providing careful guidance to our customers through our physical branch network to make our convenient digital service, the Yucho Bankbook App, available to all customers, including the elderly, and thereby carrying out the principle of "leave no one behind".

In the future, we will continue to aim for a dramatic expansion of users while leveraging our physical network and strategically utilizing the Yucho Bankbook App as a co-creation platform in collaboration with partner companies. We will undertake the challenge of building a new retail business model that provides customers with a variety of services that transcend the banking industry, providing such services in a safe, secure, easy, and convenient manner, and monetize them.



Contributing to regional economic expansions

- To stimulate the development of regional economies, we launched the “Σ(Sigma) Business” as a new corporate banking business to create futures for society and regional economies through equity investment.
- Leveraging the strengths of our nationwide network covering every corner of the country, our deposit base that is the most extensive and stable in Japan, and diverse fund management experience, including in private equity investment, we engage in the fund management business(GP Business) to provide equity capital to businesses nationwide that have the drive to pursue growth.
- In cooperation with regional financial institutions and other fund providers, we promote a uniquely Japan Post way of meticulously identifying local funding needs, providing investment funds from a medium- to long-term perspective, and accompanying investee companies to support their growth.



Next is the issue of contributing to regional economic expansions. Please refer to page 8 of the reference materials.

As the Bank’s mission is to contribute to the development of society and regional economies, this material issue is our number one priority. To this end, the Bank, as a group including its subsidiaries, has launched the Σ (Sigma) Business, a new corporate banking business oriented toward creating futures for society and regional economies through equity investment.

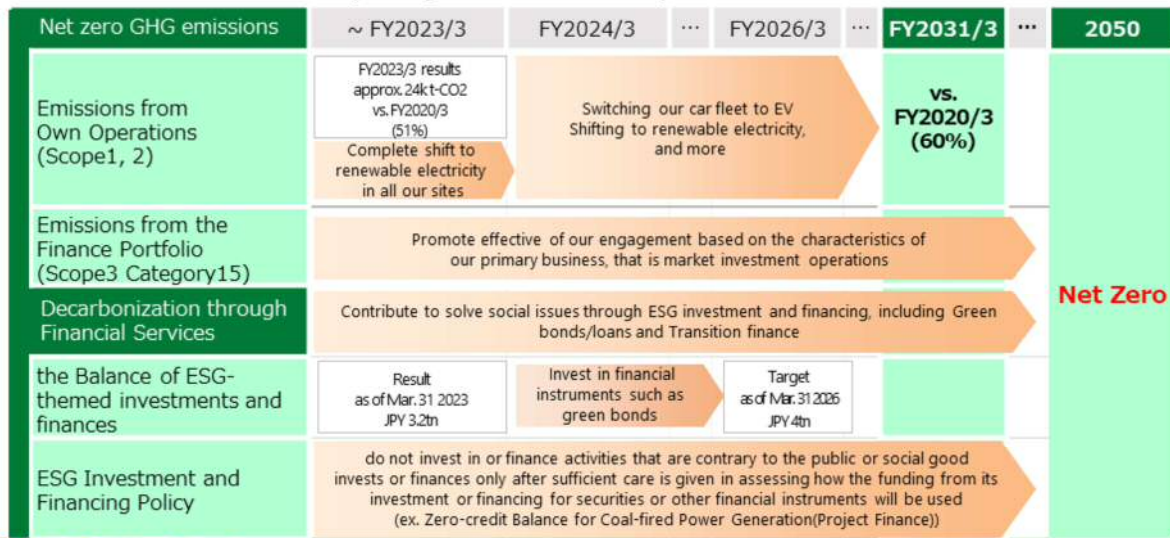
The Bank’s strengths include its nationwide network covering every corner of the country, a deposit base that is the most extensive and stable in Japan, and a diverse track record in fund management, including in private equity investment.

Leveraging these strengths and in cooperation with regional financial institutions and other partners, we will take on the challenge of fund management business (GP Business) to provide equity capital to businesses throughout Japan that have the drive to pursue growth. We will do this in a uniquely Japan Post Bank way by meticulously identifying regional funding needs, providing investment capital from a medium- to long-term perspective rather than a short-term one, and accompanying investee companies to support their growth.



Reducing environmental impact

- We are working to reduce our environmental impact through the two pillars of “Net zero GHG emissions by 2050” and “Decarbonization through Financial Services”.
- Regarding the reduction of emissions from the finance portfolio (Scope 3, Category 15), which accounts for the majority of our GHG emissions, given that the Bank’s primary business is market investment and considering the social significance of its position as a bond investor, it is important for us to take on the challenge of improving the effectiveness of our engagement (divestment is a last resort).
- We are focusing on expanding the balance of ESG-themed investments and finances from the perspective of contributing to the realization of a sustainable society through market investment operations.



Finally, there is the issue of reducing environmental impacts. Please refer to page 9 of the reference materials.

We are working to reduce environmental impacts with the recognition that climate change is a serious risk that could not only severely affect society and the economy, but also damage our corporate value.

The key point to be emphasized is that the Bank, by virtue of its business model, does not conduct bilateral lending, and its primary business is market investment operations, concentrated in securities investments.

In other words, we will strive to improve the effectiveness of our engagement in view of the social significance of our position as a bond investor, while taking into account the fact that Scope 3 emissions account for the majority of our GHG emissions and that our operations center on securities investment.

I apologize for my somewhat abbreviated remarks, but this concludes my address for this part of today’s briefing. I look forward to hearing your comments and questions later.

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Now, Mr. Takayuki Tanaka, Managing Executive Officer in charge of Human Resources, will continue with an explanation of Japan Post Bank's Basic Approach to HR Strategies and our main measures in this area.

Basic Approach to HR Strategies

- We have established our Basic Approach to HR Strategies through the combination of three pillars: 1) encourage growth, 2) discover abilities, and 3) effectively utilize diversity.
- In particular, we will promote efforts with the fostering of an organizational culture that young people and female employees can actively participate.

Basic Approach to HR Strategies

We will nurture employees who develop themselves through challenges, and develop an environment in which their abilities can be maximized. Accordingly, we aim to work alongside our employees to build a lively and exciting company that allows diverse human resources to thrive, and to enhance our corporate value.

1 Encourage Growth
 <Improve motivation, knowledge and experience>



2 Discover Abilities
 <Development of an environment for demonstrating abilities>



3 Effectively Utilize Diversity
 <Respect for diversity>

Maximizing the value of human capital, Achieve purpose, etc.

Purpose · Management Philosophy · Mission

We believe that to realize our bank's "leave no one behind" financial services, above all, the growth and success of our human resources are essential.

Therefore, the creation of an environment and structure that allow each and every employee of the Bank to maximize his or her value is a necessity to enhance corporate value, and is the primary reason why the Bank invests in human capital.

To create such a system, we have established our Basic Approach to HR Strategies through the combination of three pillars: 1) encourage growth, 2) discover abilities, and 3) effectively utilize diversity. We are focusing on the promotion of human capital management to build a lively and exciting company where a diverse range of human resources can thrive.

The words "lively" and "exciting" express our wish that our employees will be motivated to work and proactively welcome the challenges.

In these rapidly changing times, it is important to identify and meet the needs of our customers.

We will continue to nurture employees who are willing to boldly take on new business challenges, such as the Σ Business.

While gaining an in-depth understanding of the Bank's purpose and management philosophy, our diverse personnel can grow and develop on the strength of their own initiatives by embracing the challenges, and as a company, Japan Post Bank will fully commit resources to encourage them to demonstrate their abilities.

Initiatives related to specific human resource strategies are described on the following page.

Major Initiatives

1 Encourage Growth

<Improve motivation, knowledge and experience>

2 Discover Abilities

<Development of an environment for demonstrating abilities>

3 Effectively Utilize Diversity

<Respect for diversity>

KPI

- Number of market operations professionals
93person(23.10) ⇒ 105person(25.4)
- Number of employees dispatched to other companies (Σ Business, etc.)
19person(FY2023/4)⇒ around 30person

- Employees satisfaction level
67.4%(FY2023/3) ⇒ 70% or more
- Participation rate of Health Management Event
14%(FY2023/3) ⇒ 30%

- Ratio of women in managerial positions
17.5%(as of 2023/4) ⇒ 20%(as of 2026/4)
- Ratio of employees taking childcare leave (regardless of gender)
100%(FY2023/3)⇒100%

Major Initiatives

- Active Recruitment of Specialized Personnel in Enhancement Areas
- Development of Autonomous Employees
- Career Development Support
- Selective training programs
- Expansion of 1-on-1 meetings etc.
- Career discussions by external lecturers



- Implement initiatives to increase employees engagement
- Promotion of Health and Productivity Management
- Expansion of flexible work styles



- Creating an environment for women's success
- Implement initiatives to motivate the next generation of leaders to advance to higher positions
- Support for childcare generation
- Promoting employment of persons with disabilities
- Organize talk sessions by external lecturers

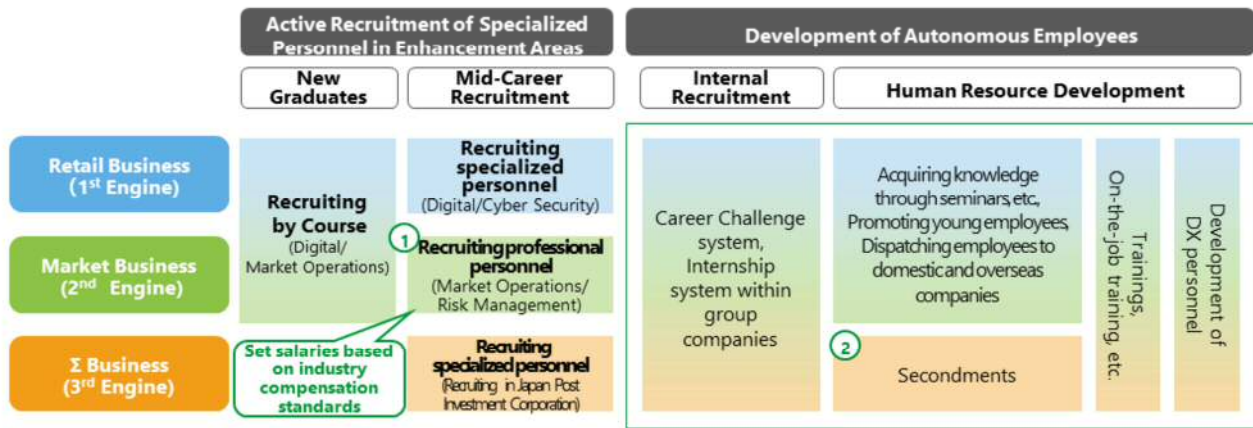


This page illustrates the three pillars of the human capital strategy, as well as specific initiatives and target KPIs tied to these pillars.

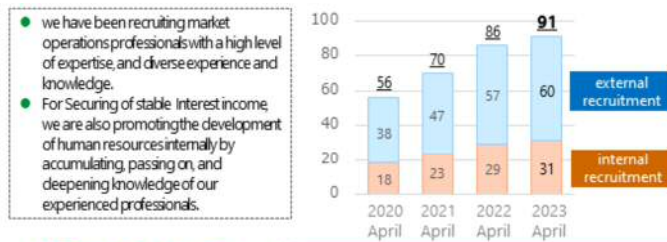
Today, I would like to take this opportunity to discuss human capital development related to the three engines of growth toward realizing the Bank's business strategies.

Now, please take a look at page 13.

HR Development System



① Number of market operations professionals



② Number of human resources dispatched to other companies (Σ Business, etc.) (total)



The Bank is working to secure human resources to support three strategic operations: 1) retail business, 2) market business, and 3) Σ Business.

It is doing this through pathway-specific hiring of new graduates and mid-career hiring of talented people with expertise in specific areas.















First, as of April 2023, the number of market operations professionals, who make up the core of our talent pool in market investment operations, was approximately 90, of which 60 were hired from outside the organization and 30 were promoted internally.

Since 2016, when we established the position for market operations professionals, we have been actively recruiting from external sources to secure human resources with a high level of expertise, and diverse experience and knowledge. In addition, we are also promoting the development of human resources internally by accumulating, passing on, and deepening knowledge of our experienced professionals, and the number of our market operations professionals is increasing year by year.

Next, in preparation for the full-fledged deployment of the Σ Business, we are striving to develop a human capital pool that will form the core of the business. Specifically, we have dispatched or seconded a total of approximately 60 employees to cooperating companies as of FY2023 to develop employees with diverse perspectives, knowledge, and experience that cannot be gained solely from within the Bank.

We will provide opportunities for positive challenges and learning so as to continuously develop the human capital needed to support the Bank's businesses.

(Reference) External Assessments

 <p>"White 500" 2024 Certified Health & Productivity Management Outstanding Organizations Recognition (Large Enterprise Category) Program Ministry of Economy Trade and Industry / Nippon Kenko Kaigi Certification for corporations and other organizations that provide health management for employees.</p>	 <p>FTSE4Good Developed Index The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance(ESG) practices.</p>
 <p>Eruboshi (3stars) Certified by the Ministry of Health, Labor and Welfare as "a company with excellent implementation status of efforts related to women's participation and advancement".</p>	 <p>FTSE Blossom Japan Index The FTSE Blossom Japan Index is designed to measure the performance of Japanese companies demonstrating strong Environmental, Social and Governance(ESG) practices.</p>
 <p>Platinum Kurumin We received the Platinum Kurumin certification from the Ministry of Health labor and Welfare for providing a higher standard of childcaresupport.</p>	 <p>Bloomberg Gender-Equality Index 2023 NEW As a company superior in information disclosure about the gender and the approach to a gender equality, our company has chosen "Bloomberg gender equality index"</p>
 <p>Tomonin Mark Japan Post Bank was accredited by the Ministry of Health, Labor and Welfare for its activities as a company promoting the development of work environments that enable the balancing of work and nursing care.</p>	 <p>MSCI Japan Empowering Women Index An index composed of companies that are leading in promoting and maintaining gender diversity, created by MSCI.</p>
 <p>PRIDE Index Gold We received the highest ranking from work with Pride, general incorporated association, in its assessment index for initiatives targeted at LGBT and other sexual minorities in the workplace.</p>	 <p>NIKKEI Smart Work Management Survey 3.5 Stars During the 7th NIKKEI Smart Work Management Survey, which selects companies leading advances in productivity innovation through work style reforms, Japan post Bank received 3.5 stars.</p>
 <p>Sports Yell Company The company actively promoting measures to improve employees' health through sports, by The Japan Sports Agency.</p>	 <p>NIKKEI SDGs Management Survey 3.5 Stars The survey is a comprehensive examination of corporate attitudes towards solutions to environmental, social, and economic issues (contributions to the SDGs), as well as the details of SDGs-related businesses.</p>
 <p>Human Capital Management Certification Silver Grade 2023 2023 NEW Japan Post Bank received "Human Capital Management Certification Silver Grade 2023" in the "Human Capital Survey 2023" (HR Technology Consortium and others), which selects companies that are implementing high-level human capital management that lead to increased corporate value.</p>	 <p>Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J) An index created by Morningstar that evaluates companies' efforts regarding gender diversity. The constituent companies are classified into five gender priority groups based on the evaluation, and Japan Post Bank was selected as "Group 1", the highest rated of the five.</p>

As a result of these efforts to date, the Bank has been highly commended and has been selected as a component of various indices.

On another matter, I understand that the Bank has received a great number of inquiries from investors since the notice of the change in the President and Representative Executive Officer was issued on February 28, 2024. I wanted to take this opportunity to have the Chairman of the Nomination Committee explain the management change, but unfortunately, Director Makoto Kaiwa, the Chairman of the Nomination Committee, is unable to be here today.

First of all, regarding the reason for the appointment of a new president, the Bank is structured as a "company with a nomination committee, etc.," and our Nomination Committee, which is composed of a majority of independent outside directors, is tasked with supervising the succession plan of the President and Representative Executive Officer. This appointment was made as a result of thorough discussions regarding the successor. I will refrain from giving specific details, but as part of the selection process by the Nomination Committee, the requirements for the Bank's CEO were established first, for the purpose of identifying a suitable candidate for the position of President, and then many candidates were considered and discussed.

In addition, a series of discussions were held to take into consideration the unique circumstances of our Bank, which differs from other banks, as well as the type of bank we should aim to become.

In addition to these discussions, I understand that President Ikeda has made a conscious effort over the past few years to nurture a successor and devise a succession plan, and that he has decided to pass the baton on to his successor, having laid the groundwork for last year's additional stock offering and the launch of the Σ Business with a view to working with regional financial institutions.

The decision to have a new president assume office on April 1 was based on the judgment that it is better to have the president newly take the helm of an organization from the beginning of a fiscal year than to change the top management in the middle of a fiscal year. Also, President Ikeda plans to step down from all his appointments within the Japan Post Group.

I would like to refrain from commenting further regarding the future at this time. Thank you for your understanding.

That is all from me. Thank you.

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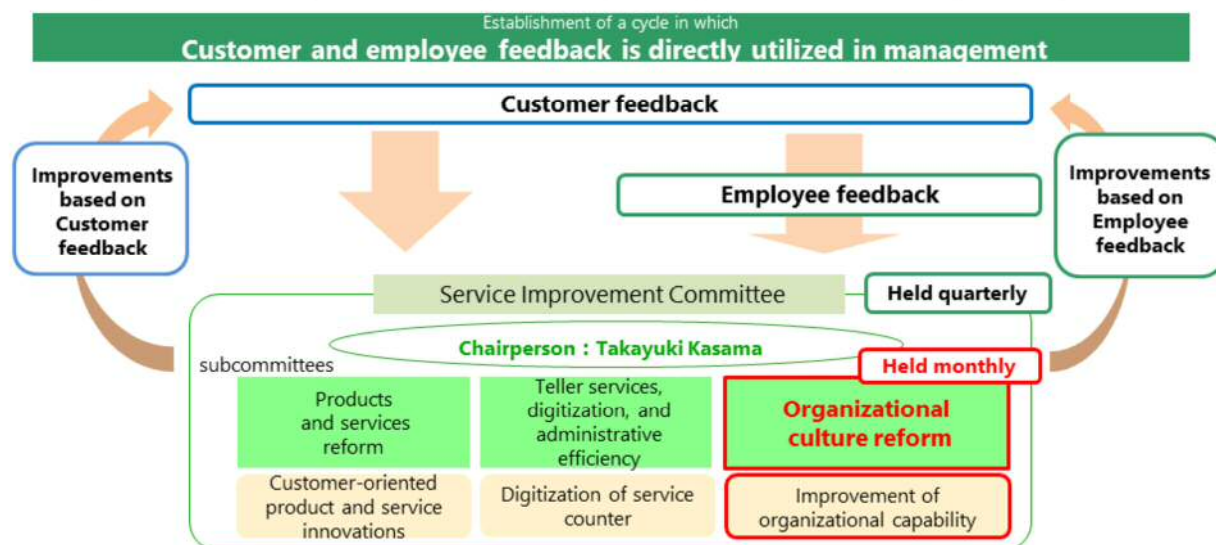
3 The Organizational Culture and Climate Reforms

4 Japan Post Bank's Governance

Now, I, the General Manager of the Sustainability Management Office will report on the Bank's efforts to reform its organizational culture and climate.

Organizational culture/climate reforms①

- In 2020, the Service Improvement Committee was established under the direct supervision of the president to promote customer-oriented business operations (carry out our fiduciary duty), instituted as a result of the revelation of inappropriate sales of investment trusts.
- Subcommittees have been established to improve customer-oriented products and services, digitalize teller services, and strengthen organizational capabilities by drawing on customer and employee opinions.



In 2020, a violation of internal company rules was discovered related to the sale of investment trusts. This resulted in a great deal of inconvenience and concerns for our customers. Believing that one of the causes of the transgression was a blockage in the flow of information vertically and horizontally between organizations, we established the Service Improvement Committee to promote business operations that conscientiously reflect the customer's point of view. The new committee is directly supervised by the president and includes the participation of many executive officers.

Moreover, to improve our services by listening in all sincerity to customer and employee feedback, we have established three subcommittees under the umbrella of the Service Improvement Committee.

In this way, we have been working to improve our customer-oriented products and services, digitalize our teller services to keep pace with the advancement of digitalization, and enhance our organizational capabilities by reforming our organizational culture and corporate climate.

Organizational culture/climate reforms②

- The Organizational Culture Reform Subcommittee is working to solve the issue of blockages in information by facilitating mutual communication among employees and creating employee-friendly working environments.
- The goal is to create an organization that creates new value by fostering a sense of camaraderie and maximizing results as a team.

Facilitation of communication

President's Direct-line Opinion Box

Employees

President's Direct-line Opinion Box

President and Representative Executive Officer

Supported by each department etc.

Reporting to Service Improvement Committee and Executive Committee

ゆうちょ銀行

Life

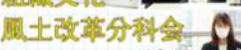
- ✓ Distributes content such as executive self-introductions and employee introductions.
- ✓ Promotes inner communication through comment functions among employees, etc.



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組織文化・風土改革分科会



Creating employee-friendly working environment

productivity improvement and decluttering movement

- ✓ Penetration of digital tools (Teams Chat, Generated AI: Bing Chat)



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Please see page 17 of the materials.

I'd like to share with you some of the initiatives implemented by the Organizational Culture Reform Subcommittee.

First is the "President's Direct-line Opinion Box". This was set up to allow management to respond directly to the opinions of employees. Next is the in-house Web magazine Yucho Life♣. It is designed to strengthen internal communication between organizations and can be viewed by employees on a computer at work or on a smartphone while commuting or at home.

To create a comfortable workplace, measures are being taken to further spread the adoption of flextime, as well as the use of the Chat function on Microsoft Teams and generative AI to improve productivity and reduce workloads.

I am also a member of this subcommittee. The subcommittee is made up of a diverse group of members, and includes Vice President Kasama, executive officers, head office employees in their 20s to 50s, branch employees, and employees stationed at the call centers. We gather around a round table on a monthly basis and engage in lively discussions about how to improve the culture and climate of the company.

The subcommittee aims to develop the Bank into an organization that can maximize results as a team to "create the kind of new value that only Japan Post Bank can create, and that can be achieved because we are Japan Post Bank".

The subcommittee will continue to work on various measures to realize this goal.

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Outside Director's Introduction



Kenzo Yamamoto

Profile

Apr.1976	Joined the Bank of Japan
Feb.2002	Director-General, Financial Markets Department of the Bank of Japan
May.2003	Associate Director-General, Representative Office in New York of the Bank of Japan
Dec.2003	General Manager for the Americas and Chief Representative in New York of the Bank of Japan
Jul.2005	Director-General, Payment and Settlement Systems Department of the Bank of Japan
Jul.2006	Director-General, Financial System and Bank Examination Department of the Bank of Japan
May.2008	Executive Director of the Bank of Japan
Jun.2012	Chairman of NTT Data Institute of Management Consulting, Inc.
Mar.2016	Member of the Board as Outside Director of Bridgestone Corporation(current position)
Jun.2018	Representative of Office KY Initiative(current Position)
Feb.2019	Director of TOMIYAMA CULTURAL FOUNDATION(current position)
Jul.2019	Outside Director of SUMITOMO LIFE INSURANCE COMPANY(current position)
Jun.2020	Director of JAPAN POST BANK Co., Ltd.(current position)



Atsuko Sato

Profile

Apr.1989	Joined Goldman Sachs(japan)LTD.
Dec.2000	Managing Director, Goldman
Feb.2002	Managing Director and Head of Capital Market Division, Goldman Sachs(japan)Ltd.
Jul.2005	Founded Ciel Bleu Co., Ltd. and became Representative Director and President
Aug.2007	Director, Investor Relations, Unison Capital Inc.
Sep.2013	Professor, School of Hospitality & Tourism Management of Meikai University
Apr.2017	Associate Professor, Department of International Studies, Faculty of Economics of Takasaki City University of Economics (current position)
Apr.2018	Adjunct Faculty, National Graduate Institute for Policy Studies
Jun.2019	Outside Corporate Auditor of DeNA Co., Ltd. (current position)
Feb.2022	Outside Director of Japan Management Succession Support Co. Ltd.
Jun.2022	Director of JAPAN POST BANK Co., Ltd. (current position)

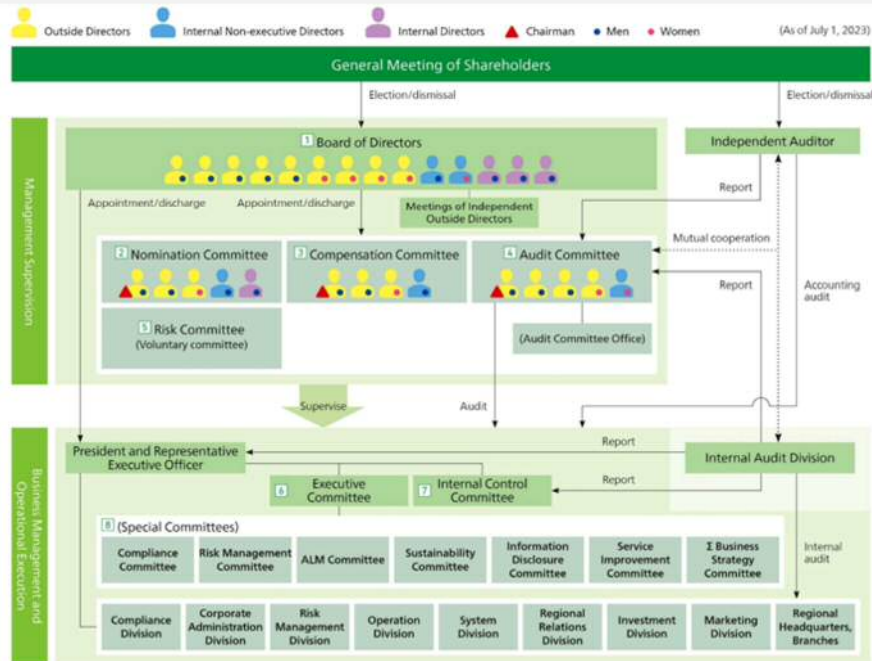
Hello, I'm Outside Director Kenzo Yamamoto. Thank you for attending today.

I was appointed to the post of an outside director in June 2020 and am now serving in my fourth year. As for my background, I worked at the Bank of Japan for 36 years before retiring in 2012. At the Bank of Japan, I was involved in the formulation of monetary policy and market operations, and for the 10 years before my retirement, I was in charge of financial stability, in addition to that, the soundness of payment and settlement systems, and business continuity plan, and was involved in conceiving policies in response to the global financial crisis of 2008 and the Great East Japan Earthquake.

Today, I will give you a brief introduction to the Bank's governance structure and discuss the activities of the Board of Directors and the committees in which I am involved.

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.



First, regarding the Bank's corporate governance structure, from its privatization in 2007, it adopted a "company with committees" governance system and has transitioned since then to a "company with nomination committee, etc." system.

The Board of Directors is composed of 14 members, of which 5 are non-independent directors, and 3 of those 5 are directors who serve in an executive capacity (1 is the president, 2 are vice presidents). The Board of Directors also includes 1 non-independent director who does not service in an executive capacity (full-time Audit Committee member), as well as President Hiroya Masuda from Japan Post Holdings, who serves as a non-independent director.

Features of JAPAN POST BANK Corporate Governance

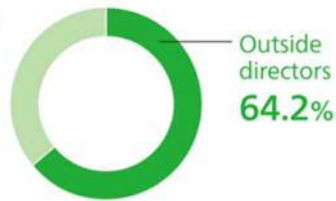
■ we will build a sophisticated corporate governance system befitting a bank listed on the Prime Market.

Ratio of outside directors

(As of July 1, 2023)

Outside directors

9/14



Ratio of Men to Women

(As of July 1, 2023)

Women

5/14



Various Expertise of Outside Directors



There are 9 independent outside directors who all have diverse knowledge and a wealth of experience. Specifically, among them are experts from the industrial, financial, legal, IT, and customer service fields.

Of the 14 directors, 5 are women.

Skills Matrix

(As of July 1, 2023)

Name	Experience/expertise									Committee staffing status				
	Management Corporate Management	Legal/Compliance	Financial Accounting	Finance	Material Risk/Management	Sales/ Digital Marketing	Human Resources Development	ESG	Administration	Board of Directors	Nomination Committee	Compensation Committee	Audit Committee	Risk Committee (Voluntary committee)
Outside Directors	Keisuke Takeuchi	●						●		●	●	★		
	Makoto Kaiwa	●		●				●		●	★			
	Risa Aihara	●				●				●	●			
	Hiroshi Kawamura		●							●			★	
	Kenzo Yamamoto				●	●				●			●	★
	Keiji Nakazawa		●	●						●		●	●	
	Atsuko Sato				●	●	●			●				●
	Reiko Amano					●		●		●	●			
	Akane Kato	●						●		●			●	
Internal Nonexecutive Directors	Hiroya Masuda	●			●			●	●	●	●			
	Katsuyo Yamazaki				●		●		●	●		●	●	
Internal Directors	Norito Ikeda	●			●	●		●		●	●			
	Susumu Tanaka			●	●				●	●				
	Takayuki Kasama				●	●				●				
External experts	Takao Yajima	Chairman of specified non-profit organization CIO Lounge												●
	Hiromi Yamaoka	Board Director of Future Corporation, Director Group CSO & CLO												●



※ The ★ mark refers to committee chairperson

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In addition to the three statutory committees — Nomination Committee, Compensation Committee, and Audit Committee — there is the Risk Committee, which is a voluntary committee under the Board of Directors. Further, a separate official meeting of independent outside directors has been established.

I am currently a member of the Audit Committee and Chairman of the Risk Committee. I also chair the official meeting of Independent Outside Directors.

The chairmanship is not a position with any authority, but rather a post that gives the person the responsibility for setting the agenda and facilitating the proceedings.

Now, I'd like to speak to you about the activities of the Board of Directors and its committees.

The Board of Directors, with 14 members, engages in open and ardent discussions.

As a “company with nomination committee, etc.,” the execution of business is delegated to the executive officers, while the Board of Directors is responsible for (1) making decisions on important matters related to corporate management and (2) supervising the execution of those decisions. My own belief is that outside directors are neither advisors nor consultants. They participate in discussions from a broad perspective from the standpoint of decision makers of important management matters, and also supervise the execution of those matters from a broad perspective.

As a function of this position, at recent board meetings, the members have been actively discussing ways to improve ROE, for example. As you know, during the state-run era, almost all of the postal savings went to the Fiscal Investment and Loan Program (FILP). Even when the company was a public entity, most of the investments were in government bonds. The fact that we have now become Japan Post Bank, and have been able to reconfigure our portfolio to be profitable and pay a constant dividend to our shareholders is a result of the tremendous efforts of our past management teams.

However, it is also true that we have yet to achieve an ROE that more than meets investor expectations. There is no denying that the financial environment of extremely low interest rates over the years has been difficult. At the same time, one problem is that the source of income is skewed toward reliance on securities management.

As long as we are a bank—that is, as long as we hold your savings and are responsible for protecting the principal of your savings—it is essential that we manage risk to the fullest extent. In parallel, the pursuit of a higher level of ROE will inevitably require diversification of revenue sources. We will strive to build a well-balanced banking business while nurturing our retail business and what we call our Σ Business, a corporate banking business for creating futures for society and regional economies through investing.

The Risk Committee is a new committee formed two years ago. Many U.S. banks established risk committees after the 2008 global financial crisis, and in Japan, in addition to Japan Post Bank, the megabanks and other banks have also established such committees. The Bank's Risk Committee holds active discussions with outside specialists in the areas of (1) asset-liability management and securities management and (2) system development and operation, which are the areas where the threat of risk that is considered to be potentially high.

Although Japan Post Bank is classified as a domestic standard bank by the Japanese regulatory authorities, our internal risk management is based on international standards, which are more stringent than domestic standards. Specifically, we identify and analyze risks in each risk field, such as credit risk and interest rate risk, and develop multiple scenarios, including basic scenarios, risk scenarios, and stress scenarios, and

project future capital adequacy according to each of these scenarios. In addition, we try to project an intentionally extreme stress scenario, and also confirm the system and procedures to be followed in case of an emergency and how to respond flexibly in crisis situations.

As for system development, large-scale system renewal work was carried out in May last year. Prior to the renewal, at each development milestone, we consulted with external IT experts to have them evaluate and confirm our progress, and we also conducted thorough inspections and discussions internally. In addition, to prepare for the possibility of the cutover hitting a snag, we have also been taking steps to ensure customer awareness, public relations preparedness, and taking other measures with the cooperation of Japan Post. Fortunately, the cutover went smoothly and did not require a crisis response, but we think our efforts were a good experience for ensuring readiness in our future endeavors. The official meeting of Independent Outside Directors was initiated three years ago as a forum for the free exchange of information among outside directors. So far, we have mainly exchanged information on governance-related matters.

For example, we have been deliberating the nature of board resolutions and reports. Although there is the impression that financial institutions have more matters to report than other types of businesses, we were discussing how the Board of Directors could spend more time on important management issues, returning to the principle underlying that of a “company with nomination committee, etc.,” which is to delegate business execution to the executive officers.

Another issue has to do with how governance should be structured after Japan Post Holdings sells all its shares in the Bank, but we have just started looking into this. If Japan Post Holdings proceeds with the sale of its shares, there are matters that will naturally need to be reviewed, including the amendment of the Japan Post Group Agreement. At the same time, there is no doubt that Japan Post Holdings and Japan Post will remain the most important partners for the Bank even after all the shares are sold off. Then how do we organize and restructure the relationships in that context? As that is a discussion to be taken up going forward, we will continue to explore the issue further.

We will strive to further enhance the effectiveness of the Board of

Directors, taking into account the valuable opinions and insights we hope you will share with us today at this briefing. Thank you for your cooperation.

This concludes my remarks for today.

Up next is Director Sato.

My name is Atsuko Sato, and I am also an outside director. I was appointed to the Bank's Board of Directors in 2022, and I am currently serving my second term as a member of the Risk Committee.

As for my experience, I have had a long career in the financial industry. I worked in the Investment Banking and Capital Markets Division of Goldman Sachs for approximately 17 years, during which time I was responsible for underwriting bank capital securities in compliance with Basel regulations.

After that, I worked at a private equity fund called Unison Capital for about three years, where I was mainly responsible for investor relations.

Then I turned to academia, and now as a university faculty member, I teach courses in international marketing and cross-cultural management study. I am also conducting research in the field of international management.

Now, as to why the two of us outside directors were asked to be speakers today, we were told that you are interested in hearing from us.

When this briefing was first planned, the Bank wanted to make sure it would be able to display its diversity through its selection of outside directors who would speak at this meeting.

So, I heard that first of all, it was decided to have both men and women take the stage.

From there, consideration was given to the number of years of experience as a director of the Bank, and subject areas of expertise. Also, due to the schedule, it is not possible to have all directors speak,

so the two of us were selected to present this time.

We understand that the Bank would continue providing opportunities for dialogue in the future, and would be happy if you deepen the dialogue with other outside directors as well.

As for the diversity of the board, I am often asked questions such as, "What initiatives are you undertaking or what role do you play as a

female director?”

In this regard, I think the fact that each of the Bank’s directors has a different background is a major strength. Each person, regardless of gender, actively expresses his or her own opinion, and we have very dynamic discussions.

When it comes to gender diversity, I would venture to say that there is an urgent need to address certain issues. One is that we want to increase the percentage of women in management positions at the Bank, and not necessarily in the composition of the Board of Directors.

The Board of Directors is discussing how to raise this percentage in the overall workplace, rather than just in terms of filling quota.

Even the Bank’s targets in this regard in the Mid-term Plan are low compared to other banks. Despite the presence of so many female employees and workplaces offering attractive career growth prospects, there is an aspect of meekness to be Bank.

We recognize that this is a major issue and it is also one that has been pointed out by outside directors.

Since Director Yamamoto has spoken about the status of discussions at the Risk Committee, I will talk about my assessment of the market business and human resources development in this area.

An area of particular focus in our market business is what is generally referred to as alternative investments, in which The Norinchukin Bank has been a pioneer. Although we were a latecomer to the field, we have made great strides in building a highly diversified portfolio with a total value of 10 trillion yen by controlling the amount invested per transaction.

While the idea of alternative investments may seem straightforward as far as the terminology goes, they are less so in practice because alternative investments are not as liquid as other investments, and in particular, PE funds are difficult to monitor and manage because of the differing formats of each investment.

In managing the portfolio, it is essential to create a system that does not overlook risks.

Currently, the Bank has a well-functioning monitoring and risk management system in place, and its structure, therefore, is not like the old FILP system.

In establishing the system, we acquired highly competitive human resources from outside the company, and we believe the key is continuous team building.

However, it is often the case that personnel who are active in the market business are scouted by other companies.

As such, going forward, it is very important to continue pursuing and promoting the internalization of human resource development, and career path building. The Risk Committee is monitoring these efforts with a high degree of interest.

Next, I would like to talk about matters related to the Bank's human capital management in general, not limited to the market business. I would like to comment on our assessment and awareness of the issues as members of the Board of Directors.

First of all, from the perspective of sustainability, the basic premise is that management is required to be attentive to stakeholders on all sides.

This means not just responding to shareholder demands, but also securing and developing human resources and increasing employee satisfaction, as well as building relationships with business partners and group companies.

Since "finance is all about people," we are asking the executive side to make efforts toward human capital management.

The biggest challenges are those related to businesses identified as growth areas in the Mid-term Plan and IT and DX needs in addition to the market business.

Moreover, it is necessary to develop human resources ahead of time in accordance with the strategies and to implement measures promptly, and communication across divisions has also been discussed as an issue.

The Bank, to this day, has been able to maintain a sizeable volume of deposits to serve its customers, and this is undeniably attributable to the high level of attention of our employees involved in the Bank's retail business, as well as Japan Post Bank and post offices nationwide.

Unfortunately, however, intra-departmental crime still occurs, and this must be eliminated completely.

As the Japan Post Group is large in size and has many organizations, compliance requires careful attention, and we conduct thorough supervision.

In order to continue growing, in our discussions about governance as well, we are approaching it from various angles, including taking the proactive actions as well as exercising restraint.

Since I mentioned earlier that we will be attentive to stakeholders on all sides, let me also touch on the protection of the interests of minority shareholders.

As a parent-subsidary listed company, we outside directors have a

role and responsibility to protect the interests of minority shareholders, and we recognize that this is an important issue. I cannot give you the details, but as Director Yamamoto mentioned earlier, we have started to discuss the future of our bank. Together, we outside directors will continue to work as one, to protect the interests of minority shareholders.

Finally, I would like to talk about sustainability management of the Bank in general.

It has been a long time since the concepts of "Purpose Management" and "Mission" have been advocated. By comparison, the Mid-term Plans generally cover periods of three to five years, and thus approach matters from a somewhat short-term perspective.

Sustainability management, however, requires a longer-term view. Also, in the case of our bank, what needs to be done to fully privatize the bank? We are aware that serious discussion on this topic is needed.

We cannot be too conservative nor too aggressive for that matter. A characteristic of the Bank is that it is affected by a variety of macroeconomic factors.

Given that, how should we fine tune the system? We will be tackling this in an ongoing manner.

I believe this is the key to sustainability management for the Bank.

That is all from me. Thank you.

Appendix



Reducing environmental impact

■ Regarding GHG emissions, reductions of Emissions from the finance portfolio(Scope3) is an issue.

Achieve reductions in GHG emissions

Emissions from Own Operations (Scope1, 2)

In FY2023/3, JPB achieved **reductions 24k t-CO2, 50.8% compared to FY2020/3.**
※ **Complete shift to renewable electricity in all our sites** in FY2023/3.

Emissions from the Finance Portfolio

Scope3 Category15

Engage with investees and borrowers about responses to climate change since 2021. We will continue to enhance dialogue contents so that it will become even more useful.

Dialogue Content (E. g.)

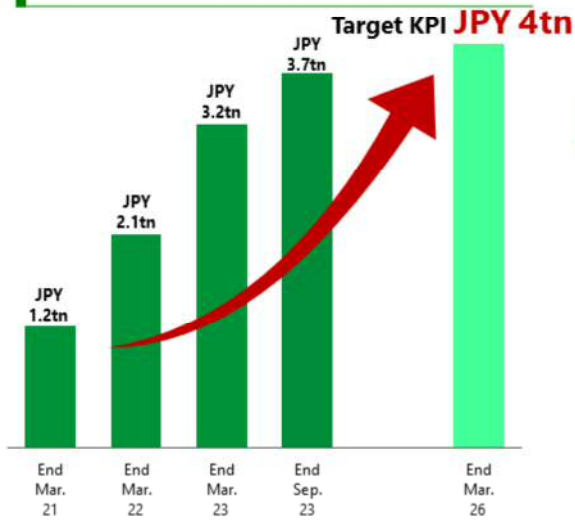
Investees and borrowers (E.g.)	Dialogue Content	Future Action
Gas Sector Company A 2023/5	<ul style="list-style-type: none"> Identified emission reductions of emissions issues (technology development, value chain). We requested for disclosure related to expected increase in Scope 1 and 2 emissions due to the transition. We were exchanged opinion, the financial impacts by climate change and disclosures that should be expanded. 	<ul style="list-style-type: none"> Follow up on the expected values of Scope 1 and 2 requested by JAPAN POST BANK with public information, etc.



Reducing environmental impact

- As a financial institution, support decarbonization through financing.

The Balance of ESG-themed investments and finances*



* ESG bonds (green bonds, social bonds, sustainability bonds, etc.), loans to the renewable energy sector, and regional revitalization funds, etc.

Major Cases of Investment and Financing

- Investments in Japan Climate Transition Bonds
- Participation in project financing through Sumitomo Mitsui Banking Corporation's "SDGs Green Loan"

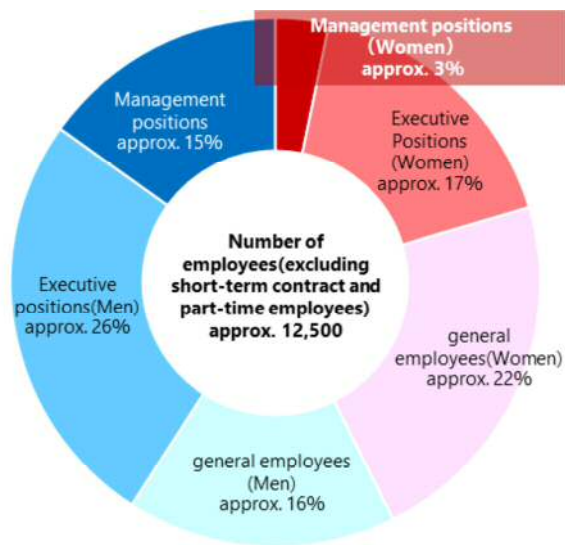
ESG Investment and Financing Policy

Policy for Specific Sectors(E. g.)

- **Coal-fired power generation**
 - Do not invest in or finance businesses where funding will be used in the construction of new coal-fired power plants or the expansion of existing facilities.
- **Coal mining**
 - Do not invest in or finance businesses where funding will be used in new operations for the mining of thermal coal.
- **Large-scale hydroelectric power generation**
 - Where funding will be used in the construction of large-scale hydroelectric power plants, JAPAN POST BANK carefully considers investment or financing after verifying the environmental and social considerations implemented by the applicable business.

Employees Composition

Job position structure



Ratio of men and women

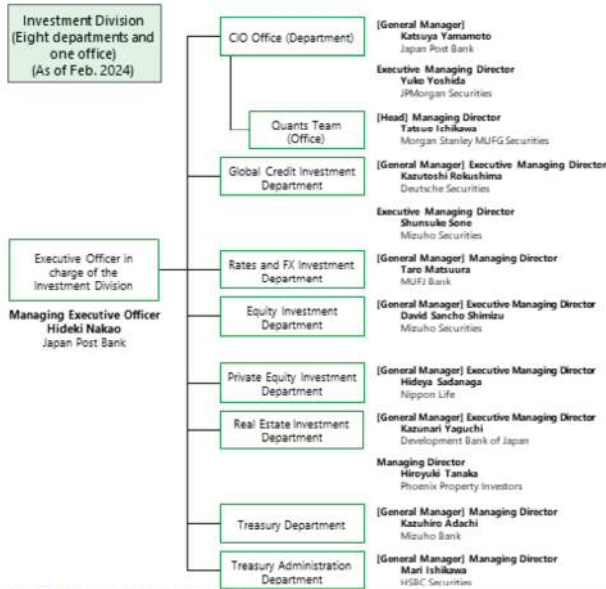
	Men	Women
Total	57.3%	42.7%
Managers	82.5%	17.5%
New hires (FY2024/3)	49.6%	50.4%

※ Composition of full-time and rehired employees as of April 2023

Structure of Investment Division

Operational Structure of market operations professionals

- The organization is comprised, specializing in different fields, under the supervision of the dedicated Executive Officer in charge of the Investment Division.
- A variety of specialized personnel are assigned as General Manager-level management. They are actively engaged in passing on their expertise, as well as training young employees.



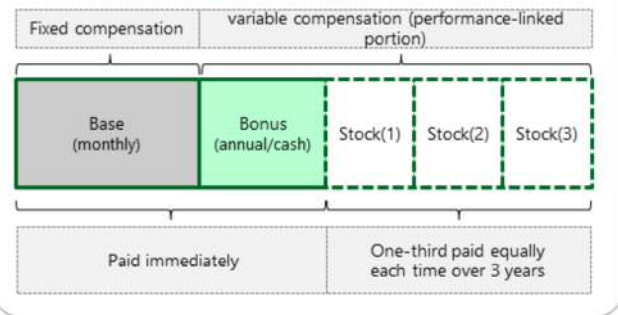
Note: Main former appointment listed below name.



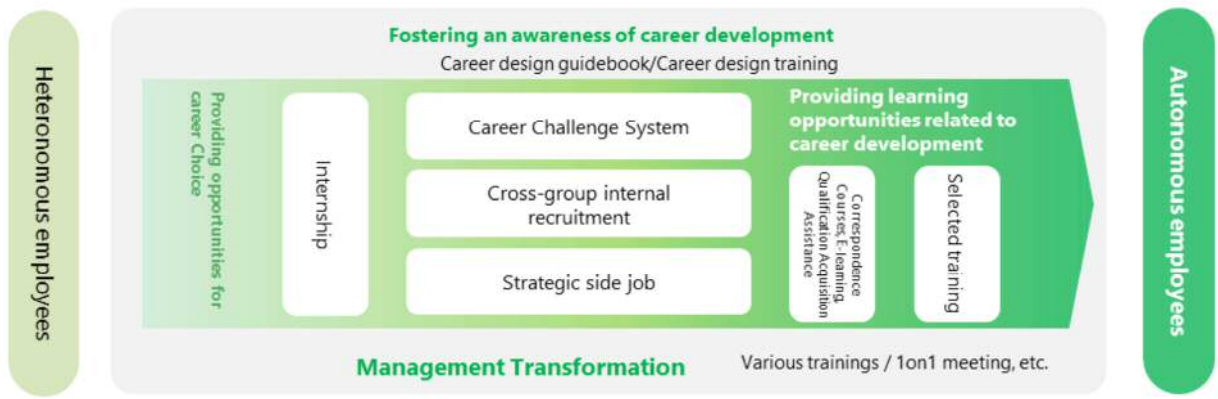
Employee stock ownership plan for market operations professionals

- The compensation of management employees of the Bank's Investment Division consists of fixed compensation and variable compensation (performance-linked portion)
- The variable compensation contains stock-based rewards, in addition to cash, as a compensation payment method that emphasizes the creation of longer-term corporate value
- In light of Japanese and overseas regulations and guidelines, the plan is implemented with a three-year deferral for granting the Bank's shares

Employee stock ownership for professional personnel



Development of Autonomous Employees



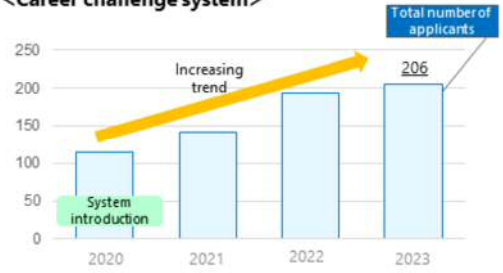
<Career discussion event>

	Theme
1st	Creating a comfortable working environment for long-term career development
2nd	Talk with the instructor ! [Career ownership] (External lecturers)
3rd	The manager's rewarding job and true feelings, etc.

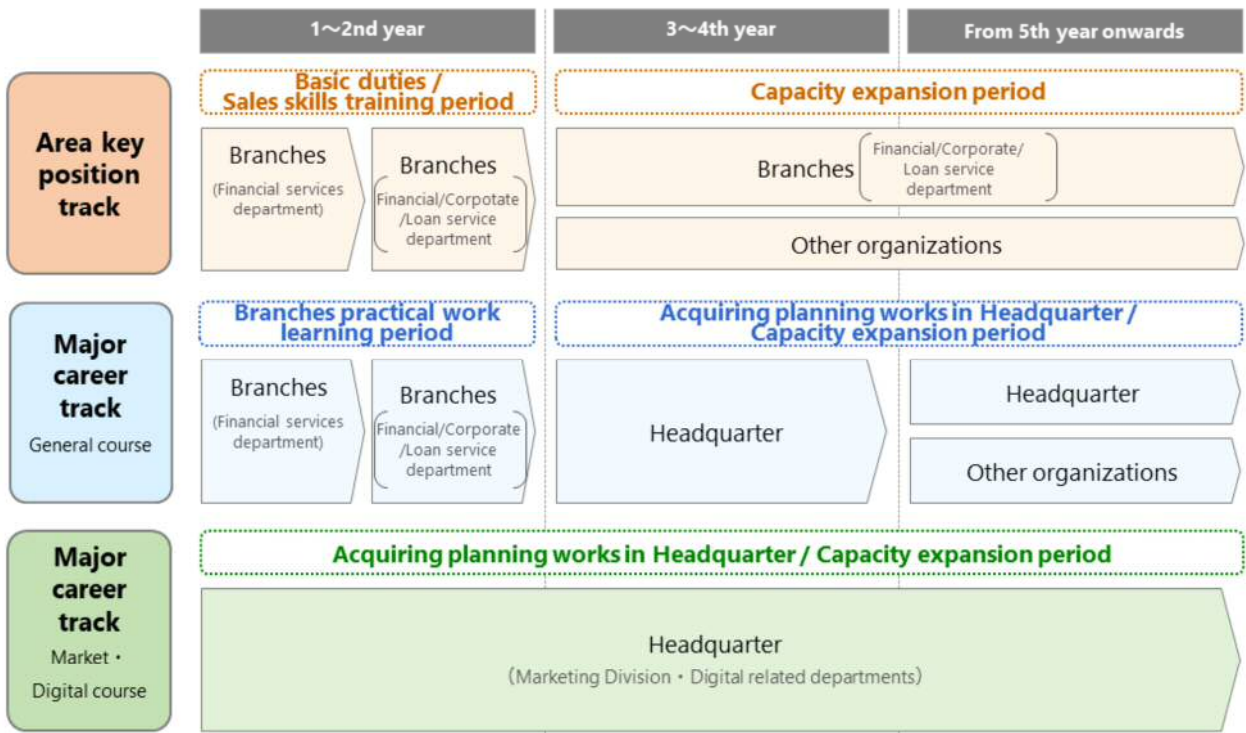


Situation at career discussion event

<Career challenge system>

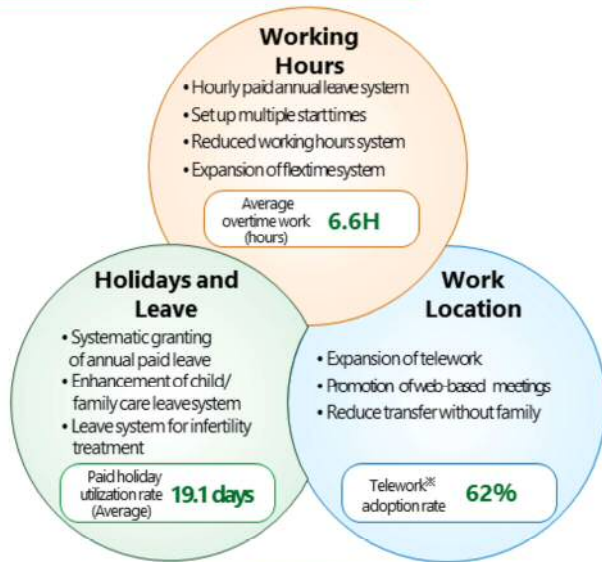


Career path (Image)



Expansion of Flexible Working Styles, Diversity of HR

Expansion of Flexible Working Styles



Choose of diverse work styles will create an environment that maximizing the ability of employees to demonstrate theirs.

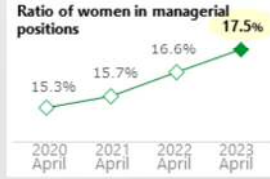
(*) Telework adoption rate=Telework adoption rate as of April 1/Number of employees at telework sites as of April 1×100



Diversity of HR

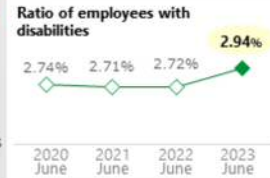
Promotion of Women's Participation and Advancement in the Workplace

- Training to change the awareness of officers and managers
- Training for the purpose of encouraging the desire to be promoted among women
- Dispatched employees to external female leader training programs



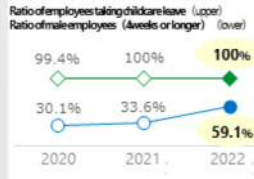
Promoting the hiring and Retention of employees with Disabilities

- Established and Operating the JAPAN POST BANK ARIGATO Center
- Employment of in-house physiotherapists (Health Keepers)
- Hosting trainees from schools for special needs students



Support the Work Activities of Generations Providing Childcare

- Certified as Platinum Kurumin
- offering partially paid childcare leave
- Introduction of a training program specializing in childcare leave
- Raising awareness and Promoting Childcare Leave Planning Sheet as well as the Support Guide

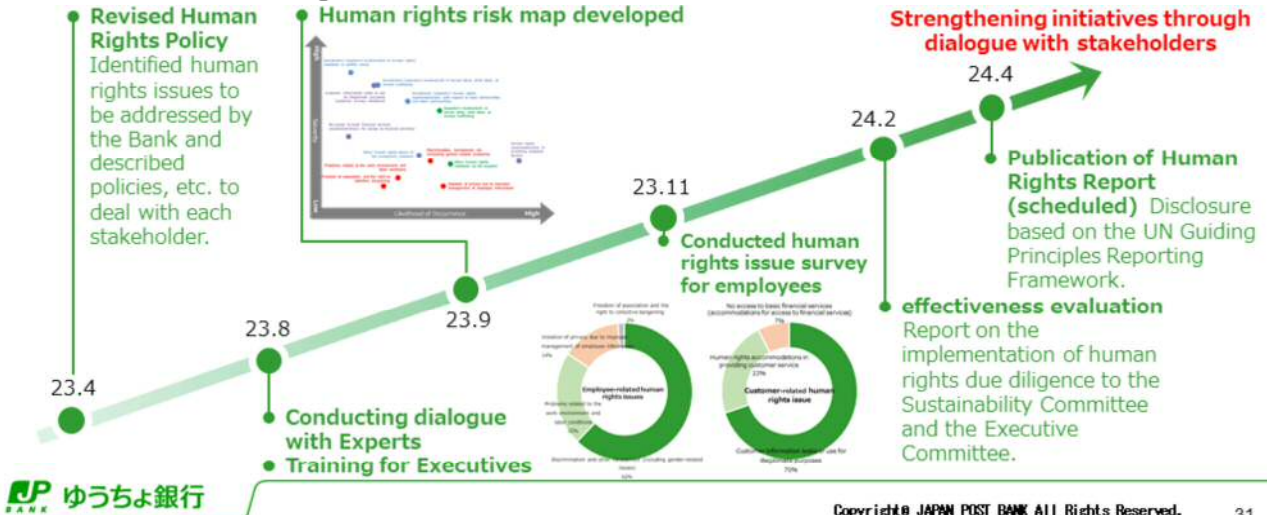


Initiatives regarding respect for human rights

- In light of the trend toward the legalization of human rights due diligence in Japan and abroad, the Bank has also strengthened its response.
- The Bank's first "Human Rights Report" summarizing its efforts is scheduled to be published in April 2024.

Progress in FY2024/3

- Implemented various initiatives, including revision of JAPAN POST BANK Human Rights Policy.
- The status of efforts to date is reported to the Sustainability Committee, which is attended by the executive officer in charge of each division, and to the Executive Committee.



Compensation for executive officers

Type	Performance-linked	Payment standard	Payment Period/meth	Composition of remuneration of all executive officers ^{※2}
Base salary	Fixed amount	A certain level of a fixed amount of compensation corresponding to duties	Monthly /Cash	79%
Stock compensation	Performance-linked	Calculate base points using the following calculation ① Basic points (awards correspond to prescribed duties) + ② Evaluation points (award based on individual evaluation)	Performance-linked range determined based on quantitative and qualitative evaluations (0~150%) <Topics to be evaluated in FY2022> ① Quantitative evaluations (Status of achievement of management plan ^{※1}) <ul style="list-style-type: none"> • Net income for the period • OHR/Reduction of operating expenses • Retail Business • Market business • Regional relation • ESG ② Qualitative evaluation <ul style="list-style-type: none"> • Status of ESG management promotion (Excluding those reflected in quantitative indicators. Includes results of external institutional evaluation.) • Events that may have a significant impact on customers (initiatives concerning customer-oriented business operations, system troubles, compliance violations, etc.) 	At time of retirement Stock70% Cash30% 21% ^{※2}

※ 1 Evaluation based on the status of achievement of each KPI, etc. set forth in the mid-term management plan (number of accounts registered in the Yucho Bankbook app, number of Tsumitate NISA operation accounts, Regional vitalization fund participation cases, balance of risk assets, RORA (Return on Risk-Weighted Assets), balance of ESG-themed investments, and Ratio of women in managerial positions, etc.)
 ※ 2 Performance-linked stock compensation is calculated by multiplying the points granted based on fiscal 2022 performance by the stock price on the date the points are granted for those who remain in office and by the stock price on the date of retirement for those who retire. In addition, in the event of serious misconduct or violation by an Executive Officer, the company has a system that allows for a reduction or forfeiture of the points that form the basis for calculating the shares to be paid to the Executive Officer in question.
 ※ 3 Rounded to the nearest whole number

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