

FY2024 IR Presentation

May 21, 2025

Director, President and Representative Executive Officer

Takayuki Kasama



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Consolidated Subsidiaries, etc. (as of Mar. 31, 2025)

Consolidated subsidiaries	16 companies Principal companies: JAPAN POST BANK LOAN CENTER Co., Ltd. Japan Post Investment Corporation JAPAN POST BANK CAPITAL PARTNERS Co., Ltd.
Affiliates accounted for by the equity method	ATM Japan Business Service, Ltd. JP Asset Management Co., Ltd.

Notes: 1. All Japanese yen figures in the financial statements of JAPAN POST BANK Co., Ltd. (the "Bank") and its consolidated subsidiaries have been rounded down, unless otherwise noted. Accordingly, the total of each account may not be equal to the combined total of individual items.

2. This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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For more information on Financial Data (Non-consolidated Basis), see Selected Financial Information For the Fiscal Year Ended March 31, 2025.
(https://www.jp-bank.japanpost.jp/en/ir/press/2025/pdf/pr250515_02.pdf)

(1) FY2024 Results

Net income attributable to owners of parent for FY2024 exceeded the full-year forecast, reaching new record high since listing

Net income attributable to owners of parent for FY2024 exceeded the full-year forecast, reaching new record high since listing for the second consecutive fiscal year. Dividend per share was JPY 58, increasing by JPY 7 from the dividend for FY2023 (by JPY 2 from the dividend forecast for FY2024).

Results of Operations (Consolidated)

THE HIGHEST
SINCE LISTING

Net income attributable to owners of parent JPY 414.3bn
[Achievement rate to forecast 103.5%]
Net ordinary income JPY 584.5bn
[Achievement rate to forecast 101.6%]

Net interest income	JPY 956.7bn	[YoY JPY +240.9bn]
Net fees & commissions	JPY 156.3bn	[YoY JPY +3.3bn]
Net other operating income (loss)	JPY (67.4)bn	[YoY JPY +67.6bn]
G&A expenses (Exclude non-recurring losses)	JPY 915.6bn	[YoY JPY (13.4)bn]
Non-recurring gains (losses)	JPY 454.6bn	[YoY JPY (237.0)bn]

FY2024 Annual Dividend

UP Dividend per share JPY 58 [Dividend payout ratio: 50.6%]
(DPS increased by JPY 7 from the dividend for FY2023
(increased by JPY 2 from the dividend forecast for FY2024))

Investment Assets (Non-consolidated)

Investment assets	JPY 230.2tn	[YoY (0.8)tn]
Securities	JPY 143.5tn	[YoY (2.8)tn]
JGBs	JPY 40.3tn	[YoY (3.5)tn]
Foreign securities, etc.	JPY 87.4tn	[YoY +0.8tn]
More than 7 years to 10 years	JPY 12.1tn	[QoQ JPY +1.6tn]

Net Unrealized Gains (Losses) on Financial Instruments (Non-consolidated)

Unrealized Gains (Losses) on Financial Instruments (Available-for-sale)
(After taking into consideration gains (losses) from hedge accounting)
JPY (1,087.9)bn [YoY (1,210.3)bn]

Capital Adequacy Ratio and CET1 Ratio (Consolidated)

Capital adequacy ratio	15.08%	[YoY +0.07%]
CET1 ratio (estimate) *	11.77%	[YoY (1.46)%]

* On the finalized Basel III basis. Excluding unrealized gains on available-for-sale securities

While maintaining financial soundness, we aim to achieve record high profits since listing for the third consecutive fiscal year

Net income attributable to owners of parent forecast and annual dividend forecast for FY2025 are JPY 470.0bn and JPY 66 (YoY JPY +8), respectively. Compared to FY2024, we expect an increase in income from yen interest rate portfolio due to ongoing investment in JGBs.

Earnings Forecasts (Consolidated)

	FY2024 (Actual) (A)	FY2025 (Forecast) (B)	Increase (Decrease) (B) – (A) ^{*2}
Net interest income, etc. ^{*1}	1,335.3	1,476.0	141.0
Net fees and commissions	156.3	163.0	7.0
General and administrative expenses	914.7	958.0	43.0
Net ordinary income	584.5	680.0	95.0
Net income attributable to owners of parent	414.3	470.0	56.0

^{*1} Net interest income, etc. = Interest income - Interest expenses (including gains (losses) on sales, etc.)

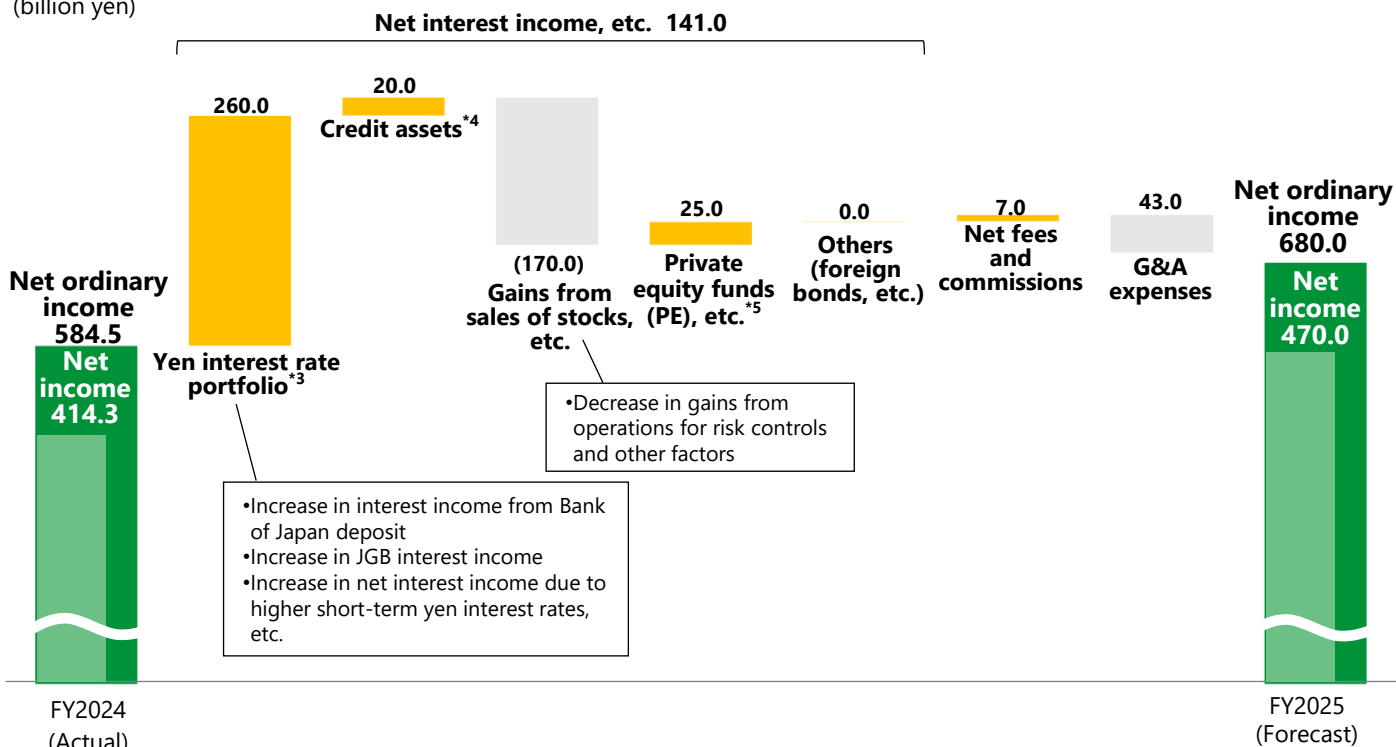
^{*2} Figures are rounded.

	FY2024 (Actual) (A)	FY2025 (Forecast) (B)	Increase (Decrease) (B) – (A)
Dividend per share	JPY 58	JPY 66	JPY 8

(billion yen) : Positive factors : Negative factors

(billion yen)

Note: The addition of total changes to the FY2024 results does not equal the forecasts for FY2025 due to rounding, other ordinary income/expenses and similar factors.



^{*3} Income from JGBs, etc., income related to yen interest rate risk-taking in risk assets, interest expenses on deposits, etc.

^{*4} Income related to foreign bond investment trusts, in-house corporate bonds, real estate funds (debt), direct lending funds, etc. (excluding income related to yen interest rate risk-taking)

^{*5} Income related to PE and real estate funds (equity) (excluding income related to yen interest rate risk-taking)

(3) Earnings and Dividends Forecasts for FY2025

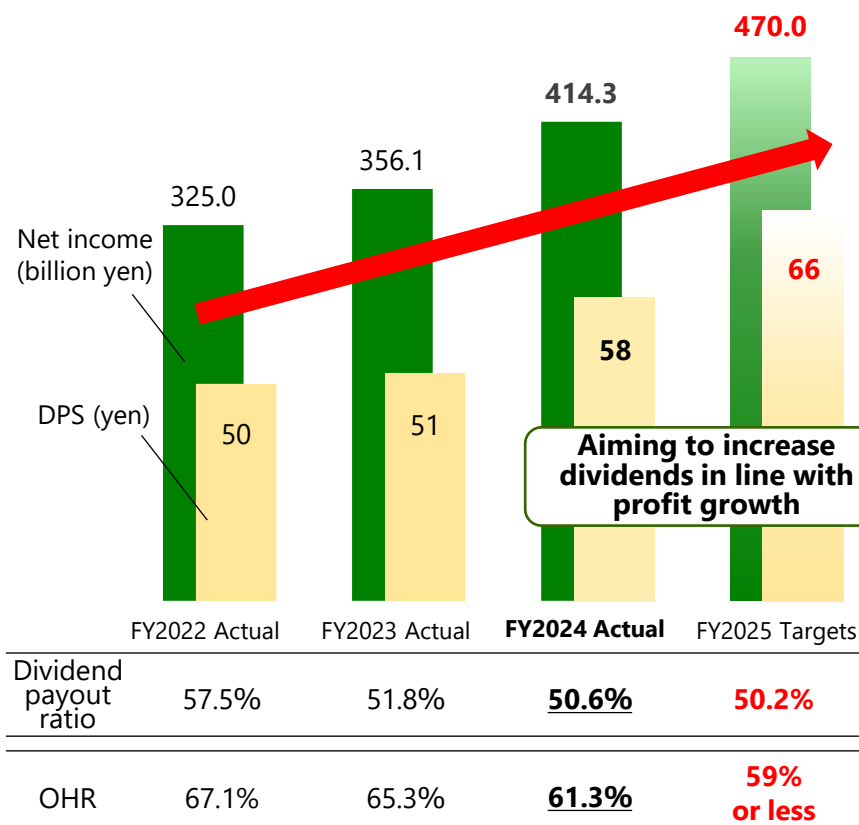
ROE target for FY2025 is 4.7% or more.

We aim to increase both earnings and dividends for three consecutive fiscal years

The ROE target for FY2025 is 4.7% or more.

We aim for an ROE of "5% or more", exceeding the cost of shareholders' equity, in the early stage of the next Mid-term Plan.

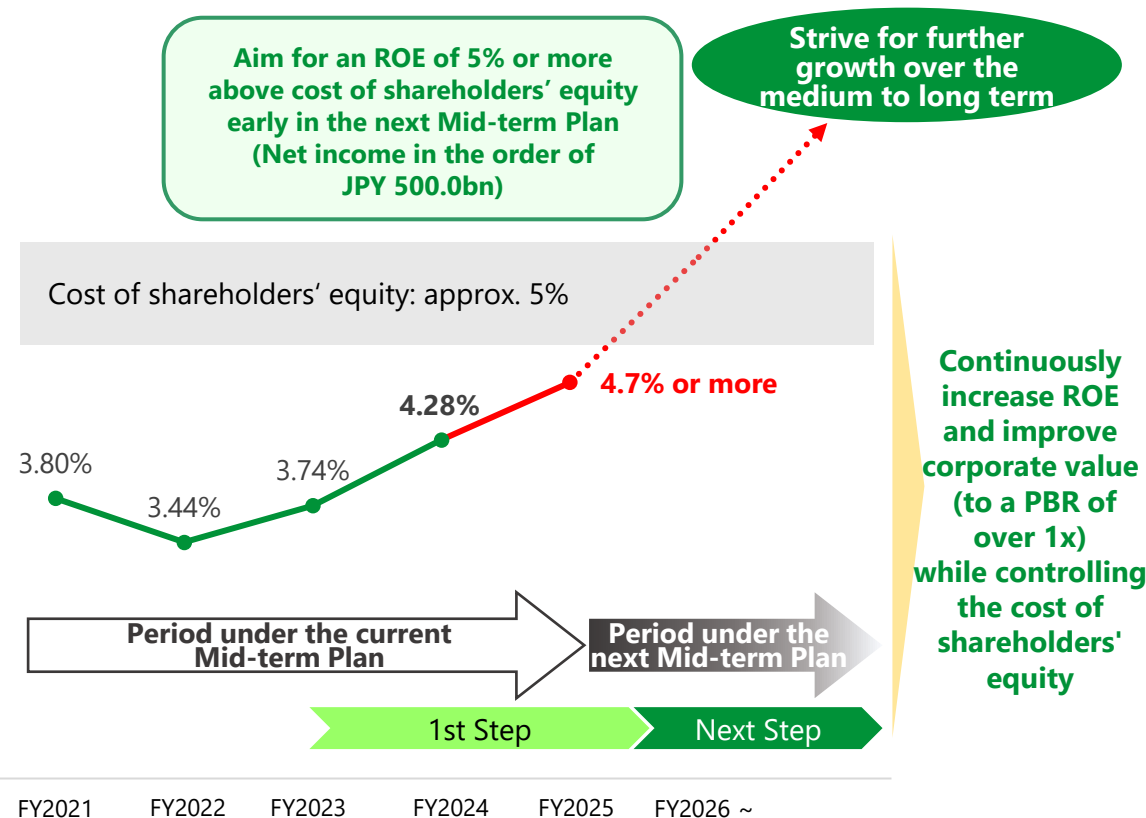
Financial Targets / Policy on Shareholder Returns



Notes: 1. Consolidated basis

2. ROE is based on shareholders' equity; OHR includes gains (losses) from money held in trust, etc.

Medium- to Long-Term ROE Targets



Notes: 3. Hypothetical ROE target trajectories assuming the implied forward rate in early April 2025 (dotted line).

The assumption is simplified for the purpose of assisting reader's understanding and may not be realized.

4. We are discussing ideal cost of shareholders' equity and mid- to long-term ROE targets for the next Mid-term Plan.

(4) Outlook for net interest income, etc.

1. Summary

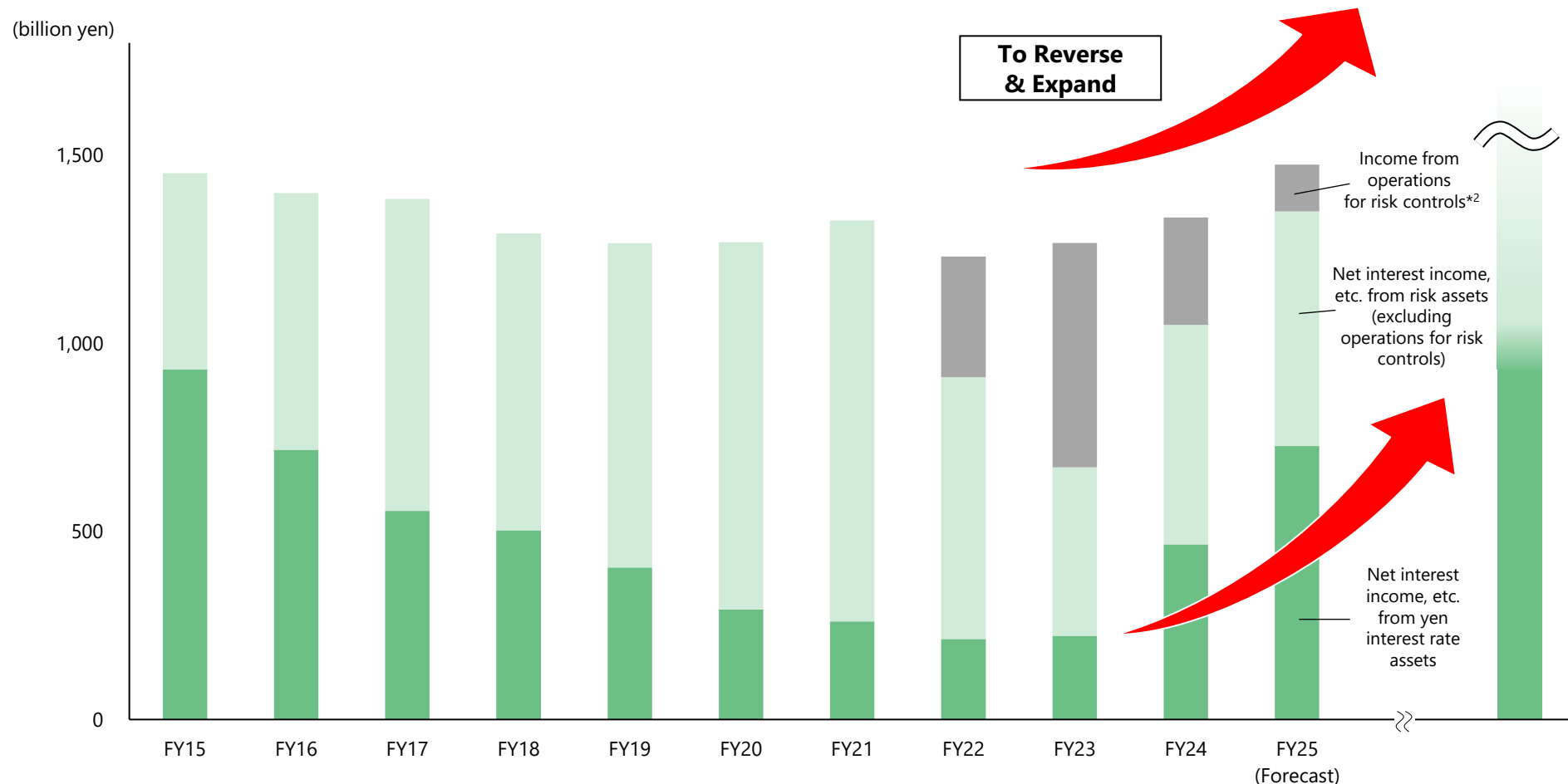
2. Forecasts

3. Progress of
Mid-term Plan

4. Appendix

With the normalization of interest rate environment, our structure of earnings has changed significantly. Earnings are bottoming out and expanding

Trends and outlook for net interest income, etc.*1

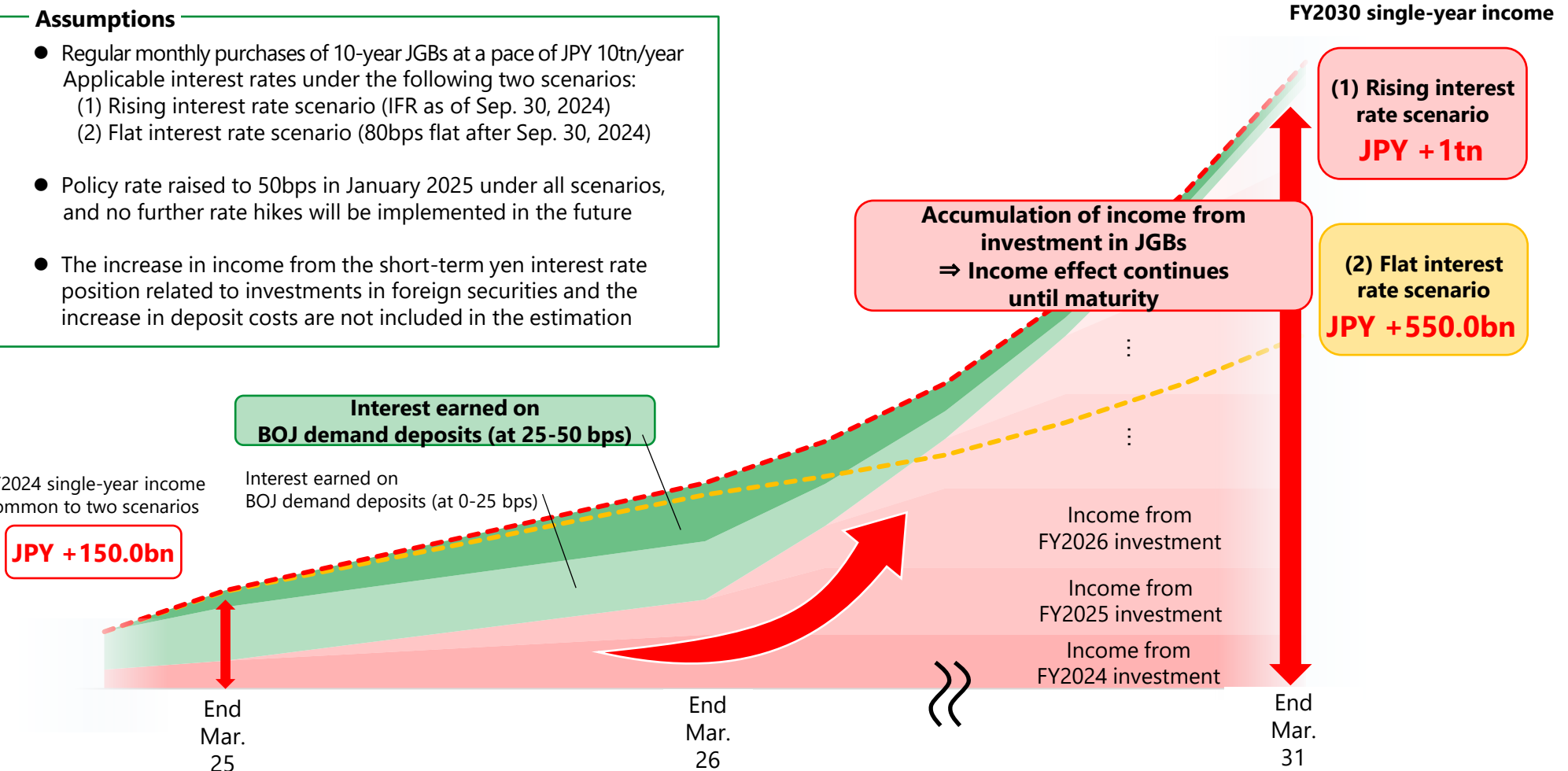


*1 Consolidated, management accounting basis (non-consolidated, management accounting basis for FY2016 and earlier). Include income and expenses related to internal fund transactions among portfolios.

*2 Gains from the sale of stocks, etc. to control the increase in risk assets of stocks due to stricter Basel III regulations

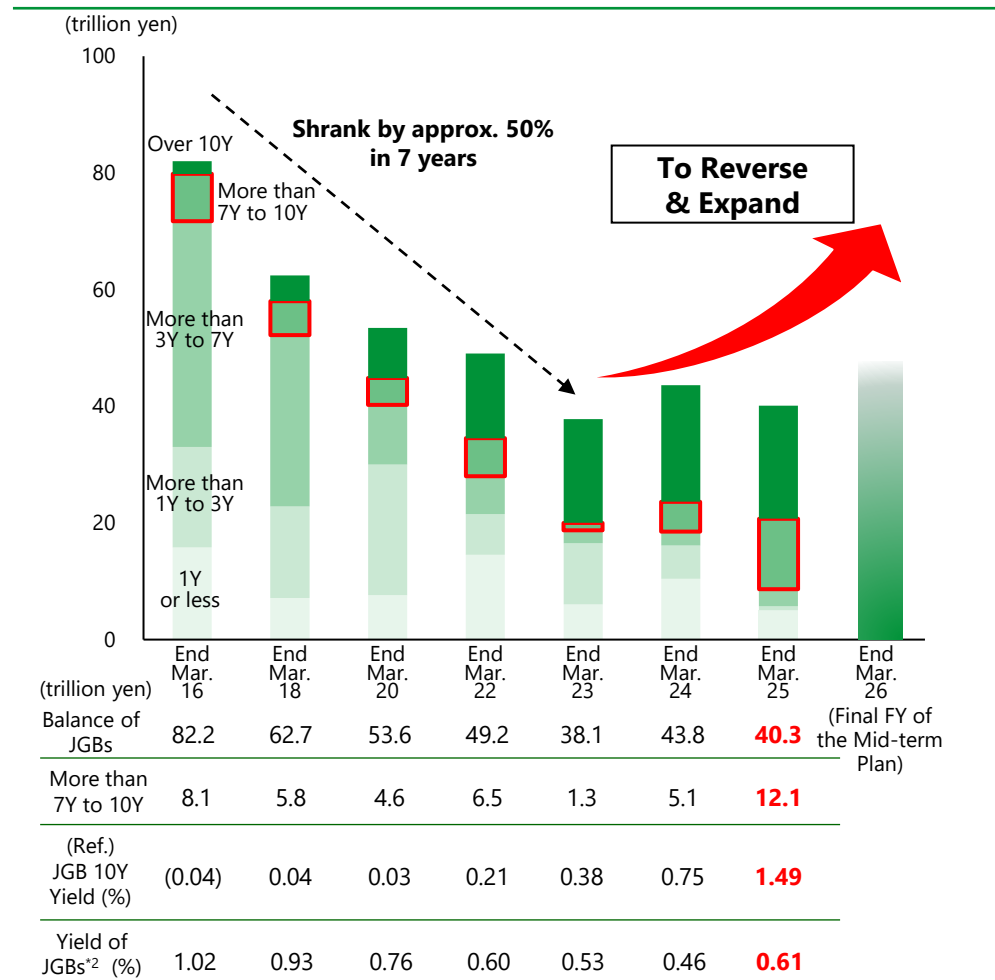
The effect of income will increase incrementally over subsequent years due to the multilayered accumulation of income from yen interest rate assets

We simulated the effect of income from holdings of JGBs and Bank of Japan demand deposits. (The actual investment amount will vary depending on market conditions and other factors, and we do not guarantee future investment activities or income.)



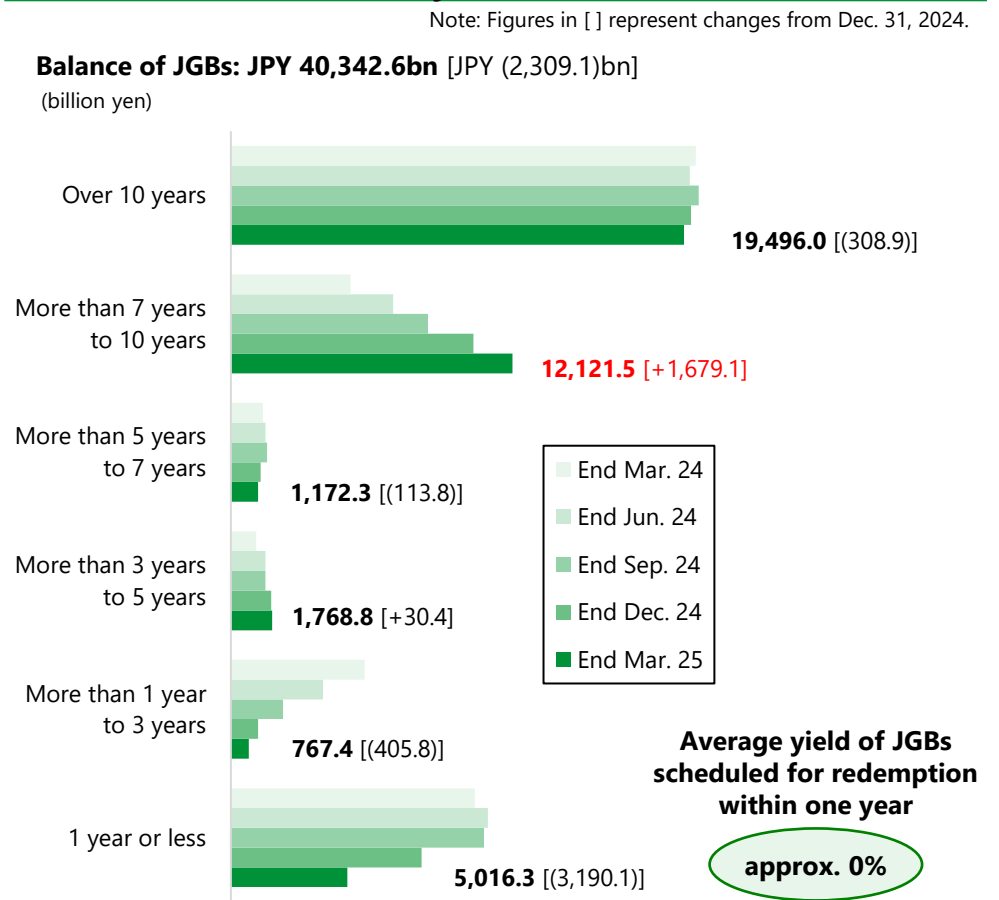
Capturing the trend of rising yen interest rates, continuously invest in JGBs and significantly improve yields

Balance of JGBs*1



*1 Except JGBs in money held in trust.
*2 Simplified estimation based on the following formula.
Interest on JGBs / [(sum of balance of JGBs at the end of the previous period and the current period) / 2] × 100

Balance of JGBs*1 Based on the Remaining Time to Maturity (As of Mar. 31, 2025)



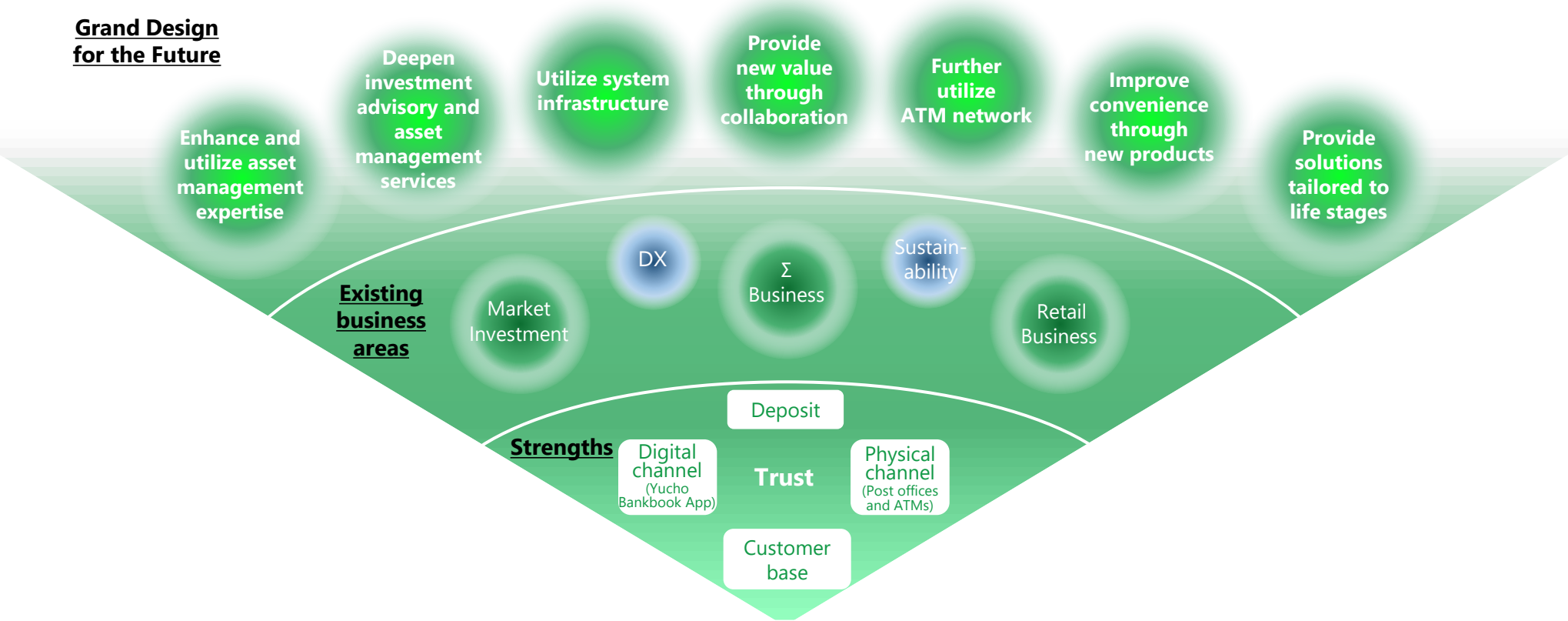
〈Balances based on the holding purpose〉
Held-to-maturity: JPY 25,037.3bn [JPY (1,844.4)bn]
Available-for-sale: JPY 15,305.2bn [JPY (464.7)bn]

Business opportunities and potential for Japan Post Bank will further expand after the offering in March 2025

Business opportunities and potential for Japan Post Bank will further expand due to the easing of restrictions under the Postal Service Privatization Act. The Bank will be “the most familiar financial platform” based on deposit and settlement services.

Be “the most familiar financial platform”
by delivering high-quality, highly convenient products and services
through both physical channels, such as Post Office Network, and digital channels

Grand Design
for the Future

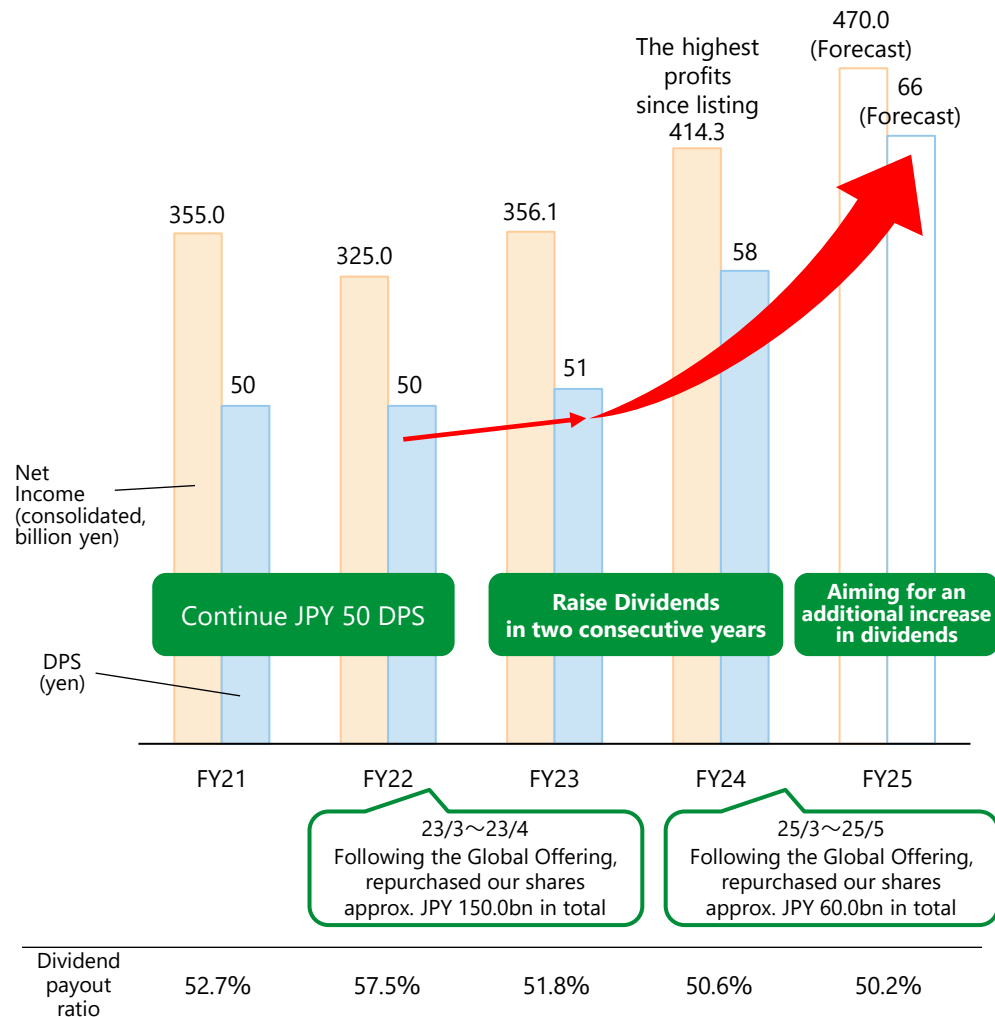


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(2) Shareholder Returns

DPS Forecast for FY2025 is JPY 66, increased by JPY 8

Increase Dividends in Line with Profit Growth



Dividends Forecasts

	FY2024 (Actual)	FY2025 (Forecast)
Dividend per share (DPS)	JPY 58 (Annual JPY 58)	JPY 66 (Annual JPY 66)
Total dividend payment	JPY 208.8bn	JPY 236.0bn
Dividend payout ratio	50.6%	50.2%

(Ref.) Additional Shareholder Returns (Share Repurchases)

Following the Global Offering by Japan Post Holdings, we repurchased our shares approx. JPY 60.0bn in total.

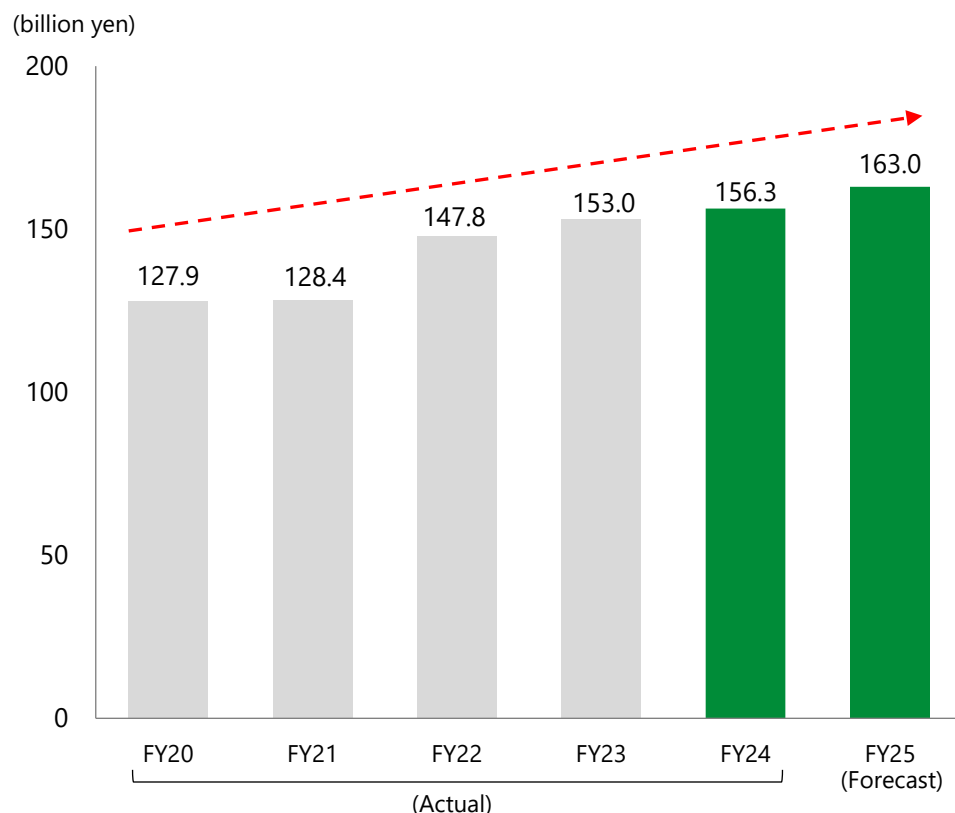
	Through ToSTNeT-3	Market purchases
Rationale	Aim to improve capital efficiency and enhance shareholder returns, while taking into consideration the supply-demand balance following the Global Offering based on our capital policy	
Shares acquired	Approx. JPY 20.0bn	Approx. JPY 40.0bn
Period	Mar. 3, 2025	Mar. 18, 2025~May 14, 2025 (end on May 14, 2025)
Shares to be cancelled	All of the shares On Mar. 12, 2025	All of the shares Scheduled on May 30, 2025

(3) Fees and Commissions / G&A (Consolidated)

We aim to increase net fees and commissions steadily. While G&A expenses will increase due to growth investments, etc., we aim to improve OHR

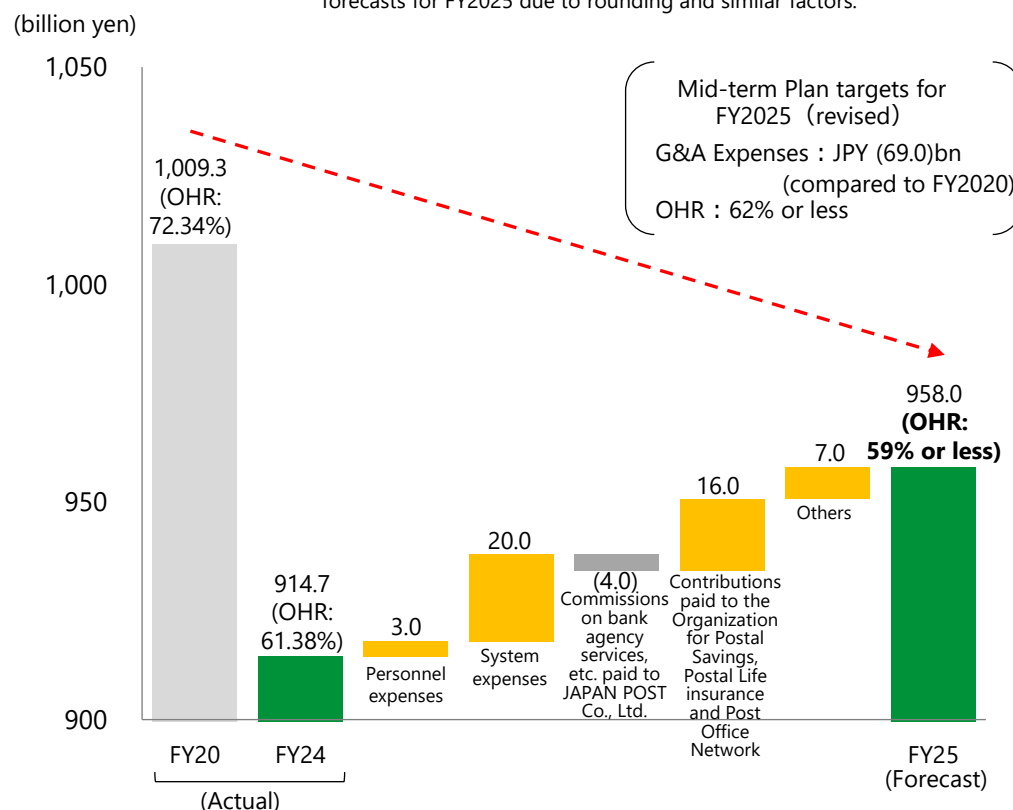
Net fees and commissions for FY2025 is expected to increase mainly due to an increase of remittances through Zengin Net. While G&A expenses is planned to increase due to growth investments, etc., OHR continues to improve. While making necessary growth investments, we are continuing our efforts to further reduce OHR.

Fees and Commissions



G&A Expenses / OHR*

Note: The addition of total changes to the FY2024 results does not equal the forecasts for FY2025 due to rounding and similar factors.



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

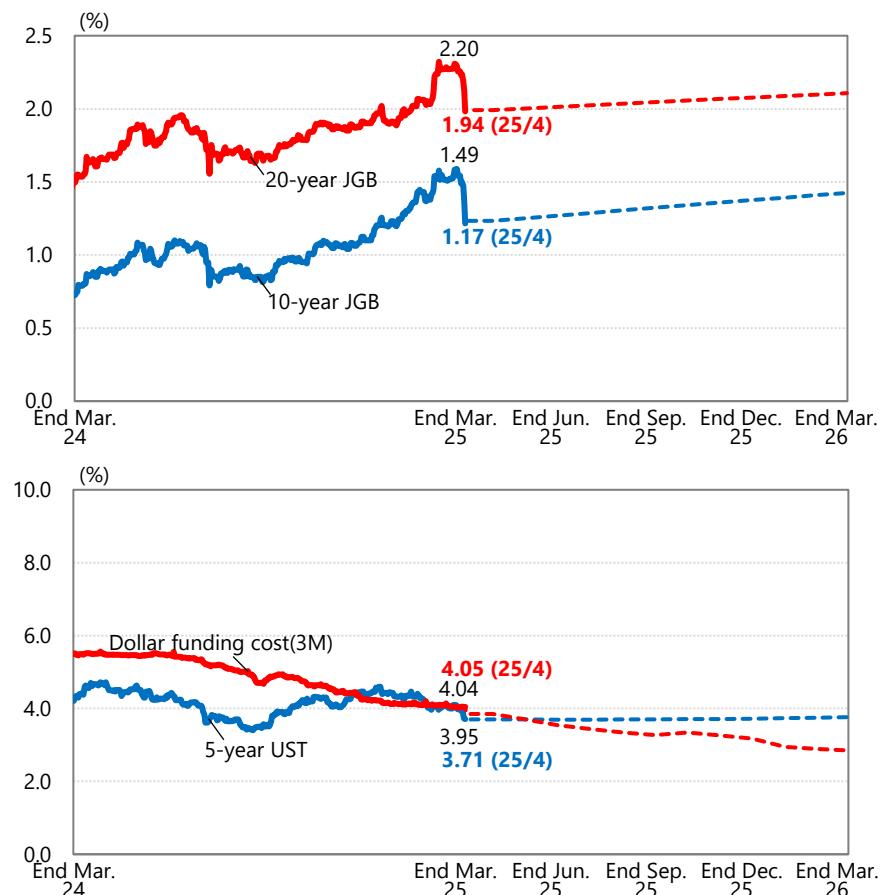
(4) Assumptions for Earnings Forecasts

Additional policy interest rate hikes by BOJ in FY2025 are not expected

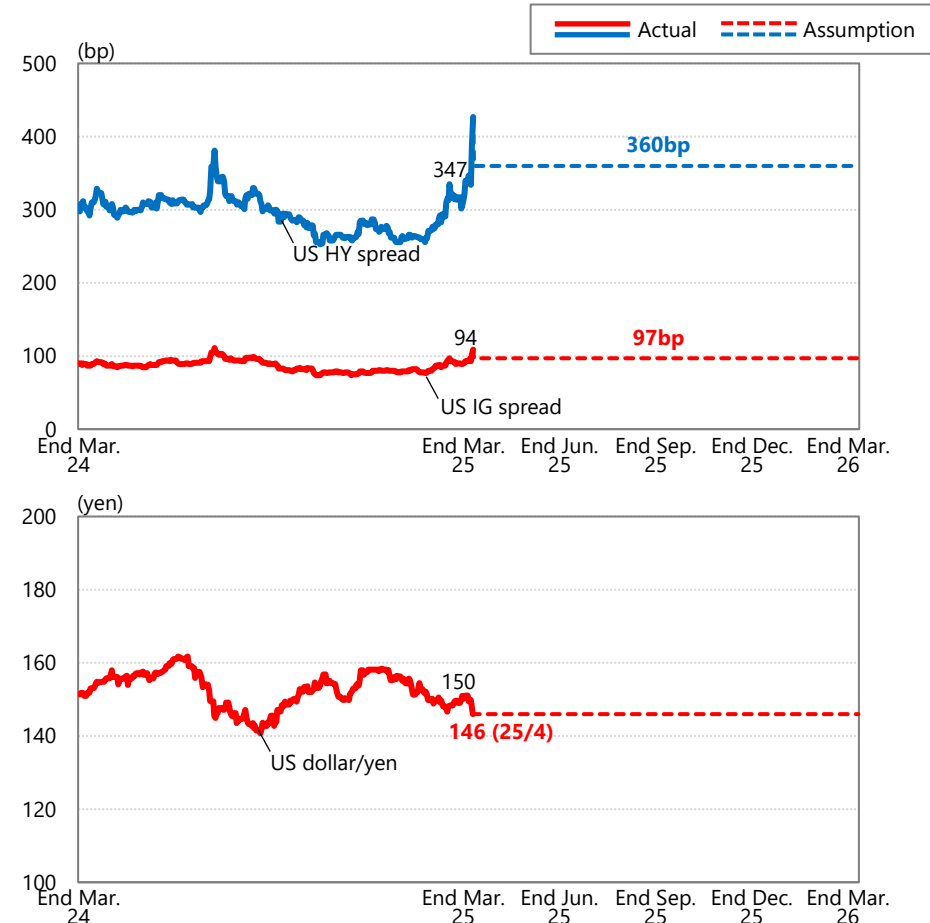
Domestic and foreign interest rates are projected to trend in line with implied forward rates in early April 2025.

Foreign credit spreads and foreign exchange rates are expected to remain largely stable around the levels in early April 2025.

Domestic and Foreign Interest Rates / Dollar Funding Cost



US IG and HY Spreads / US Dollar-Yen Rate



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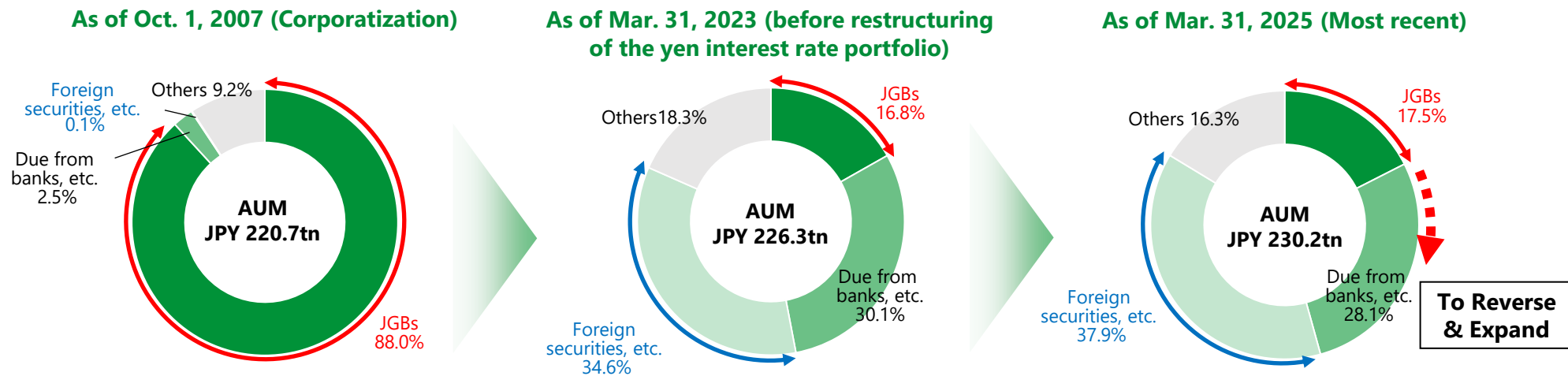
Financial / KPI Targets of Mid-term Plan

Progress toward achieving KPIs is on track

Financial Target Items <Consolidated>	Profitability			Efficiency			Soundness		
	< Result for FY2024 >		< FY2025 Target >	< Result for FY2024 >		< FY2025 Target >	< Result as of Mar. 31, 2025 >		< As of Mar. 31, 2026 Target >
	Net income	JPY 414.3bn	JPY 400.0bn or more	OHR (basis including gains (losses) on money held in trust)	61.38%	62% or less	Capital adequacy ratio (domestic standard)	15.08%	approx. 10%*1 (level in normal times)
	ROE (based on shareholders' equity)	4.28%	4.0% or more	General and administrative expenses	JPY (94.6)bn (compared to FY2020)	JPY (69.0)bn (compared to FY2020)	CET1 Ratio (international standard) (excluding unrealized gains on available-for-sale securities)	11.77%	approx. 10%*1 (level in normal times)
*1 On the finalized and fully implemented Basel III basis									
Target KPIs	Market Business			Retail Business			(Ref.) ATM Network		
	< Result as of Mar. 31, 2025 >		< As of Mar. 31, 2026 Target >	< Result as of Mar. 31, 2025 >		< As of Mar. 31, 2026 Target >	< As of Mar. 31, 2025 >		
	Balance of risk assets	JPY 107.9tn (as of Mar. 31, 2024 JPY 107.4tn)	approx. JPY 114tn	Number of accounts registered in the Yucho Bankbook App	13.59mn accounts (as of Mar. 31, 2024 10.4mn accounts)	16mn accounts	Number of ATMs	approx. 31,200	
	Balance of strategic investment areas	JPY 13.3tn (as of Mar. 31, 2024 JPY 12.1tn)	approx. JPY 14tn	Number of NISA accounts	82 ten thousand accounts (73 ten thousand accounts as of Mar. 31, 2024)	94 ten thousand accounts	Number of partner financial institutions available at ATMs	approx. 1,200	
	Sustainability*2			Σ Business			Of which institutions sharing ATM network platform*3		
< Result as of Mar. 31, 2025 >		< As of Mar. 31, 2026 Target >	< Result as of Mar. 31, 2025 >		< As of Mar. 31, 2026 Target >				
Balance of ESG-themed investments and financing	JPY 6.0tn (as of Mar. 31, 2024 JPY 4.6tn)	JPY 7tn	GP business-related investments based on investment commitments	JPY 119.1bn	approx. JPY 400.0bn				
Business forms usage reduction rate (compared to FY2020)	(20)%	(20)%							
*2 The FY2024 GHG emissions reduction rate (compared to FY2019, Scope 1 and 2) is scheduled to be announced on our website in around Aug. 2025. The FY2023 result was a 60% reduction (achieved ahead of Mid-term Plan target calling for a 60% reduction by FY2030).									
*3 A partnership arrangement for waiving fees when an ATM card of a regional financial institution is used at a JP Bank ATM. Terms and conditions for waiving fees are set by each financial institution.									
For the KPIs related to Human Resources, please refer to Page 28 (Management Base (1) Human Capital Management)									

Market Business (1) Paradigm Shift in Portfolio

From 2023 onward, we have shifted investments from due from banks, etc. to JGBs (restructuring of the yen interest rate portfolio)

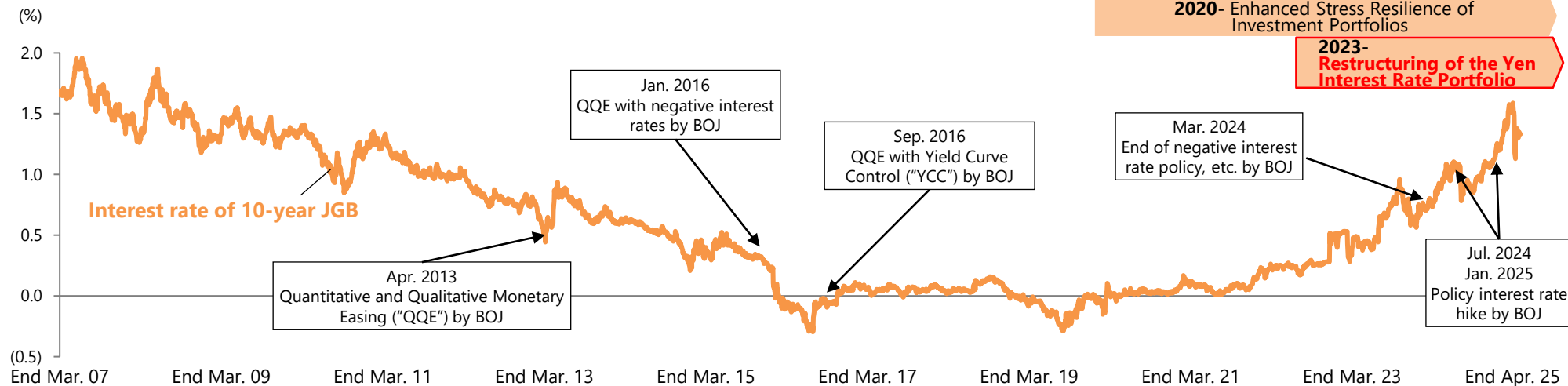


2008- Commenced and expanded Investments in Overseas Credit Assets

2016- Commenced Investments in Strategic Investment Areas Assets, and focused on them
PE and Real estate funds revenue in full swing

2020- Enhanced Stress Resilience of Investment Portfolios

2023- Restructuring of the Yen Interest Rate Portfolio



Market Business (2) Restructuring of the Portfolio

In FY2023, we reversed the balance of JGBs, turning into a phase of earnings expansion

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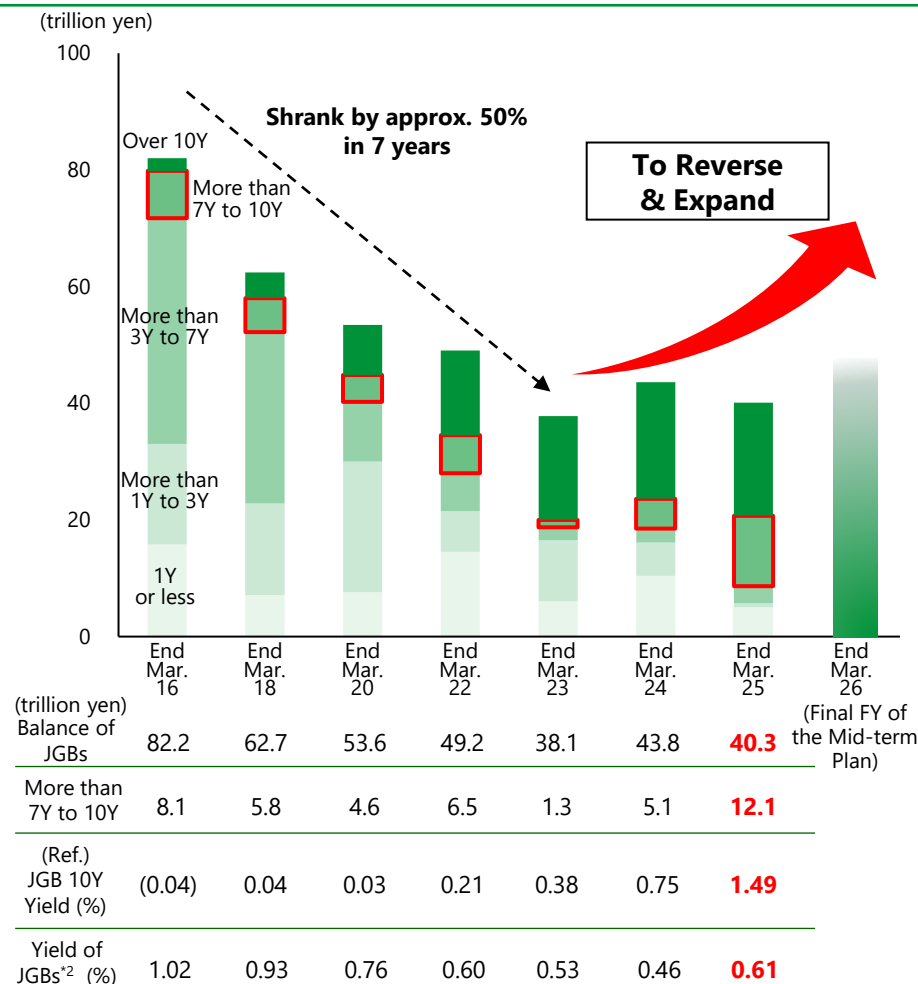
KPI

Business Strategy

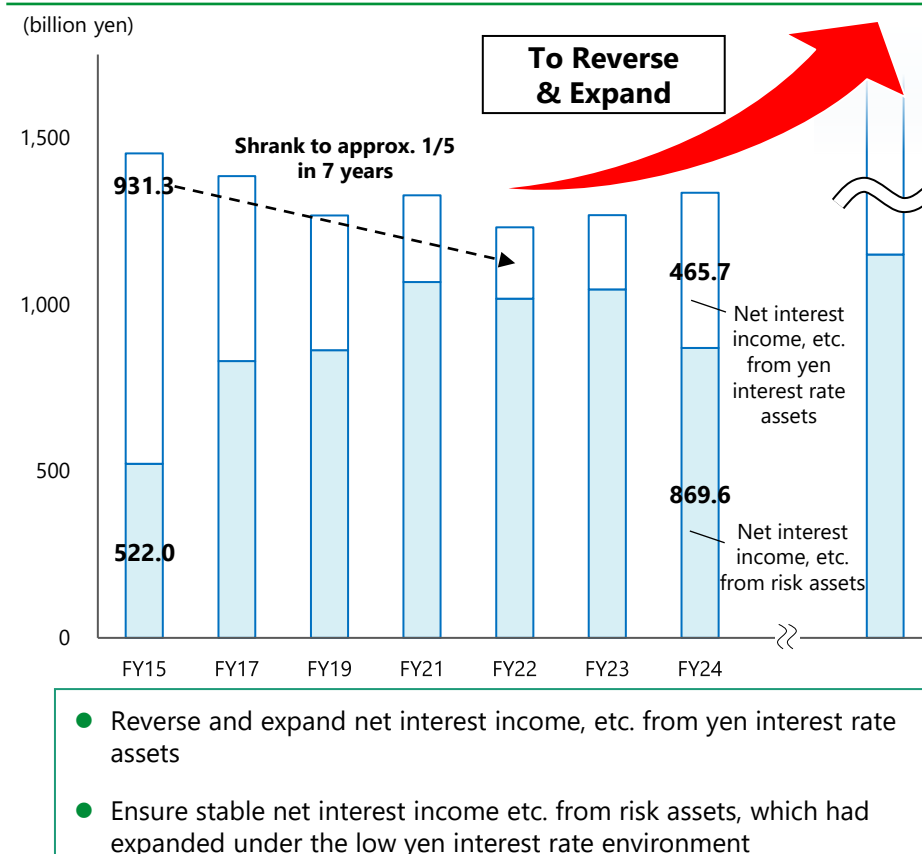
Management Base

Capital Policy

Balance of JGBs*1



Net Interest Income, etc.*3



*1 Except JGBs in money held in trust.

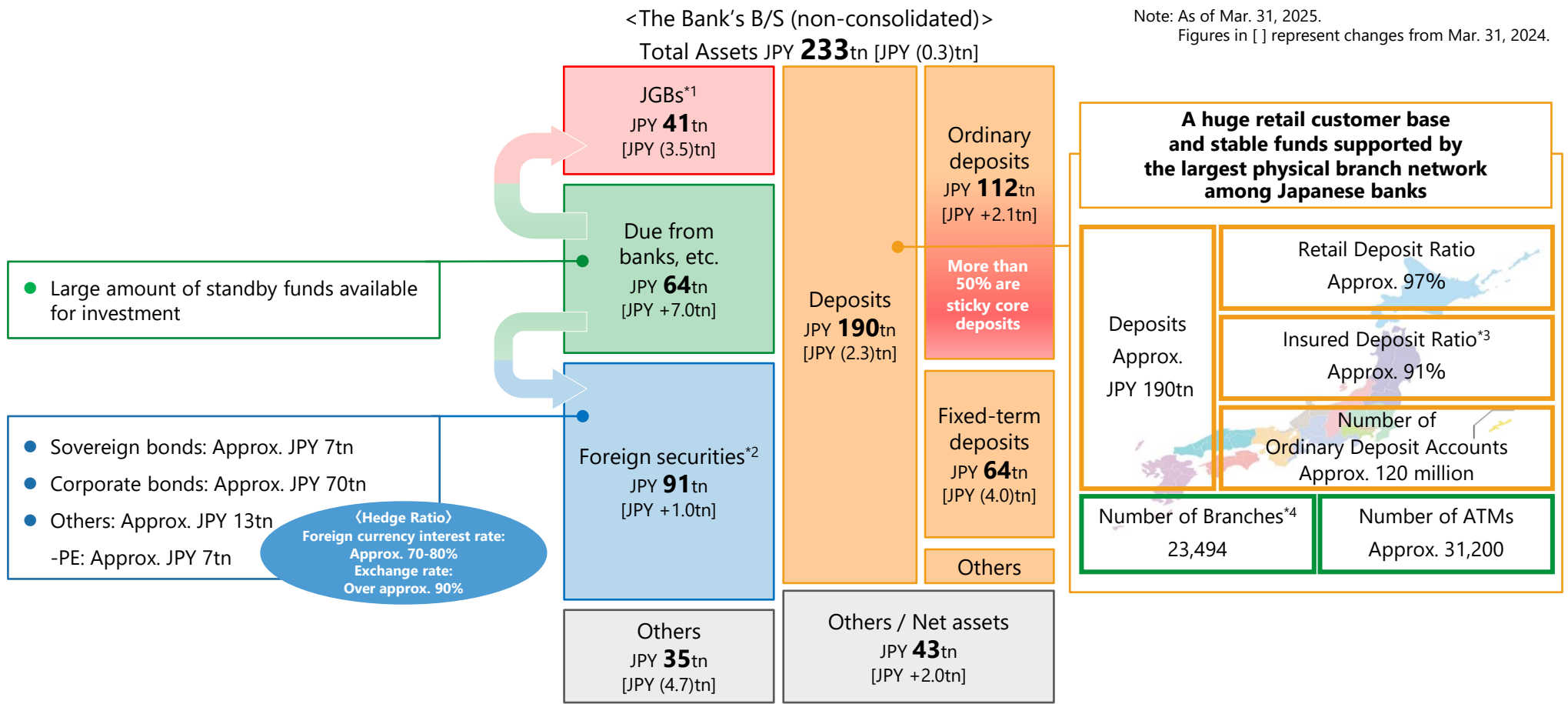
*2 Simplified estimation based on the following formula.

Interest on JGBs / [(sum of balance of JGBs at the end of the previous period and the current period) / 2] × 100

*3 Consolidated, management accounting basis (FY2015: non-consolidated, management accounting basis). "Risk assets" consist of Japanese local government bonds, corporate bonds, loans, stocks (money held in trust), foreign securities, and strategic investment areas, etc. Yen interest rate assets and risk assets include income and expenses related to internal fund transactions among portfolios.

We pursue a risk-tolerant investment portfolio based on a stable deposit base

We maintain and sustain a stable funding base and balance of deposits, particularly retail deposits. We pursue an optimal investment portfolio that combines yen interest assets (JGBs, due from banks, etc.) and risk assets (foreign securities, etc.) while strengthening risk management.



*1 Includes JGBs in money held in trust.
*2 Includes real estate funds, direct lending funds and infrastructure debt funds in money held in trust.
*3 Deposits that meet the requirement under the Deposit Insurance System in the Deposit Insurance Act divided by total deposits.
*4 Includes post offices.

Market Business (4) Impact of Interest Rate Fluctuations*1

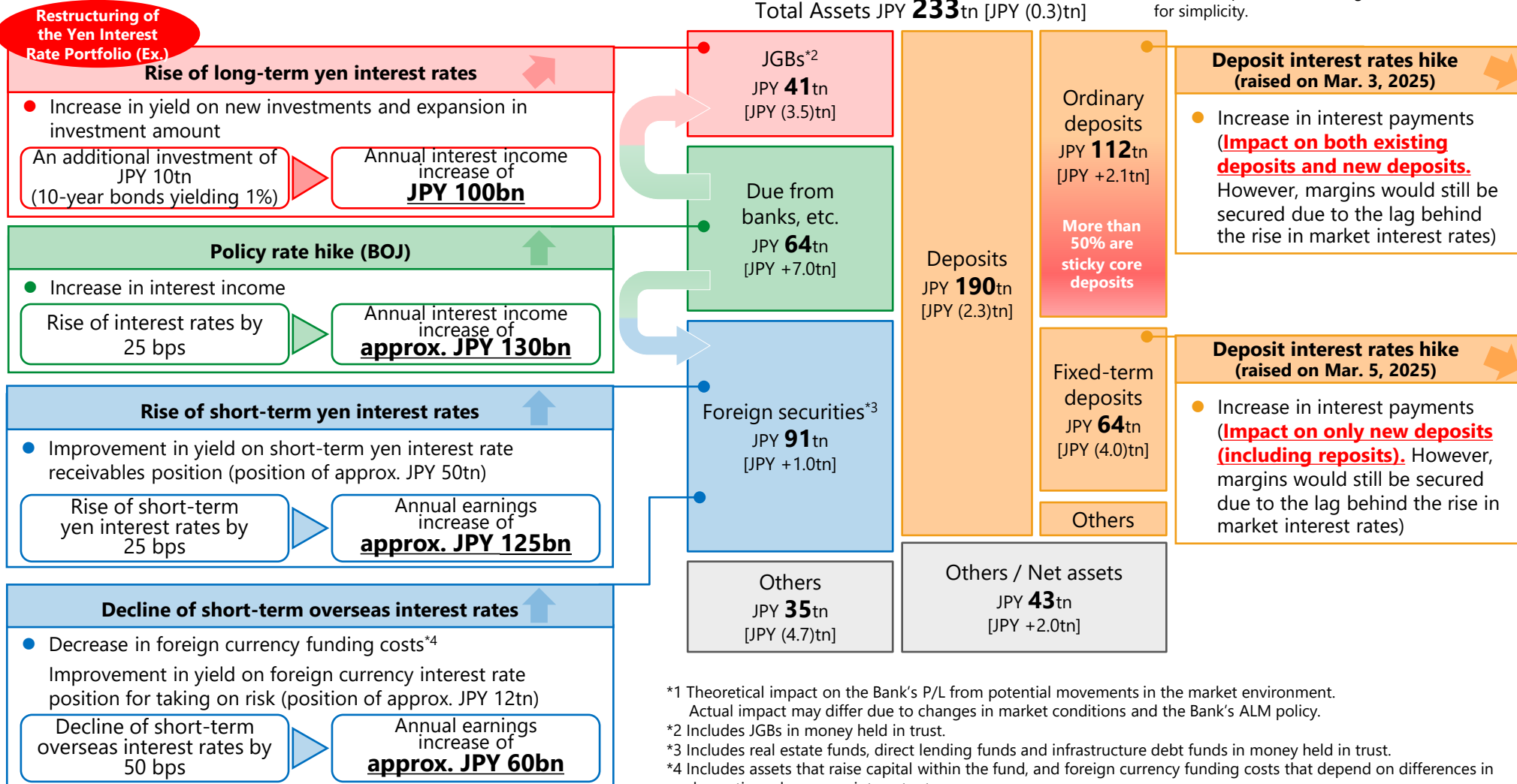
Higher long- and short-term yen interest rates and lower short-term overseas interest rates will have a positive impact on the Bank's P/L

Note: As of Mar. 31, 2025.

Figures in [] represent changes from Mar. 31, 2024.
Illustrative presentation using round numbers for simplicity.

<The Bank's B/S (non-consolidated)>

Total Assets JPY **233**tn [JPY (0.3)tn]



*1 Theoretical impact on the Bank's P/L from potential movements in the market environment.

Actual impact may differ due to changes in market conditions and the Bank's ALM policy.

*2 Includes JGBs in money held in trust.

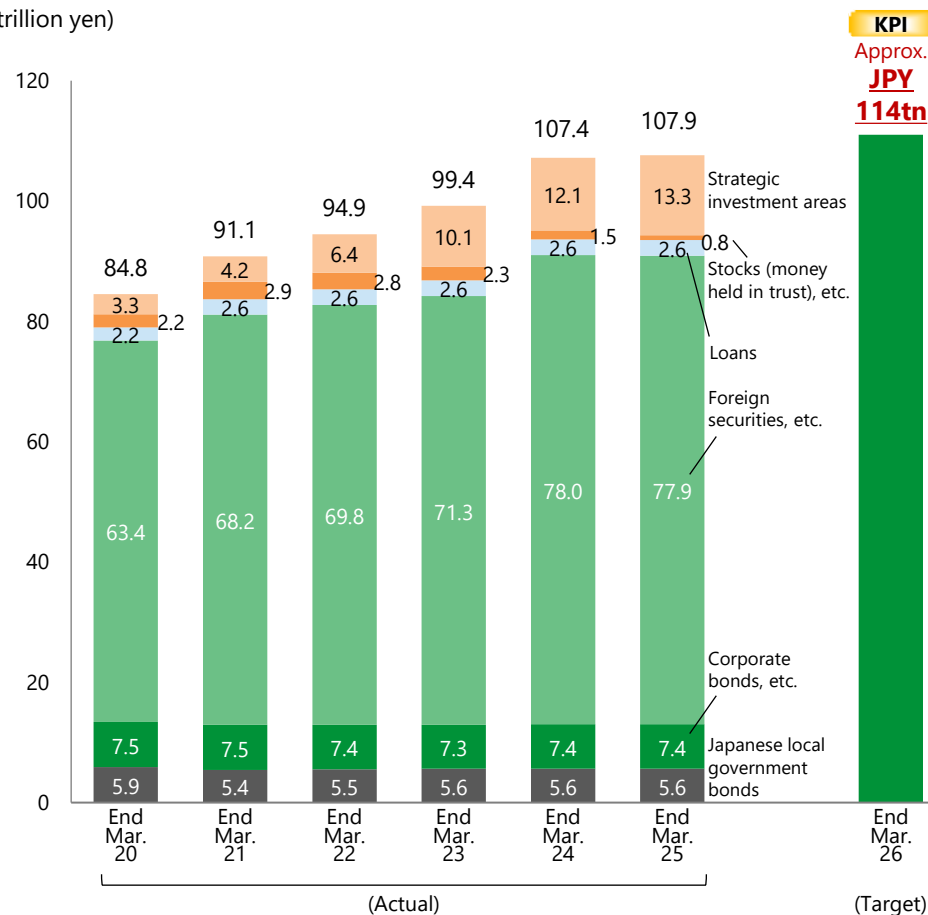
*3 Includes real estate funds, direct lending funds and infrastructure debt funds in money held in trust.

*4 Includes assets that raise capital within the fund, and foreign currency funding costs that depend on differences in domestic and overseas interest rates.

We will increase the balance of risk assets and balance in strategic investment areas, while remaining conscious of risk-adjusted returns

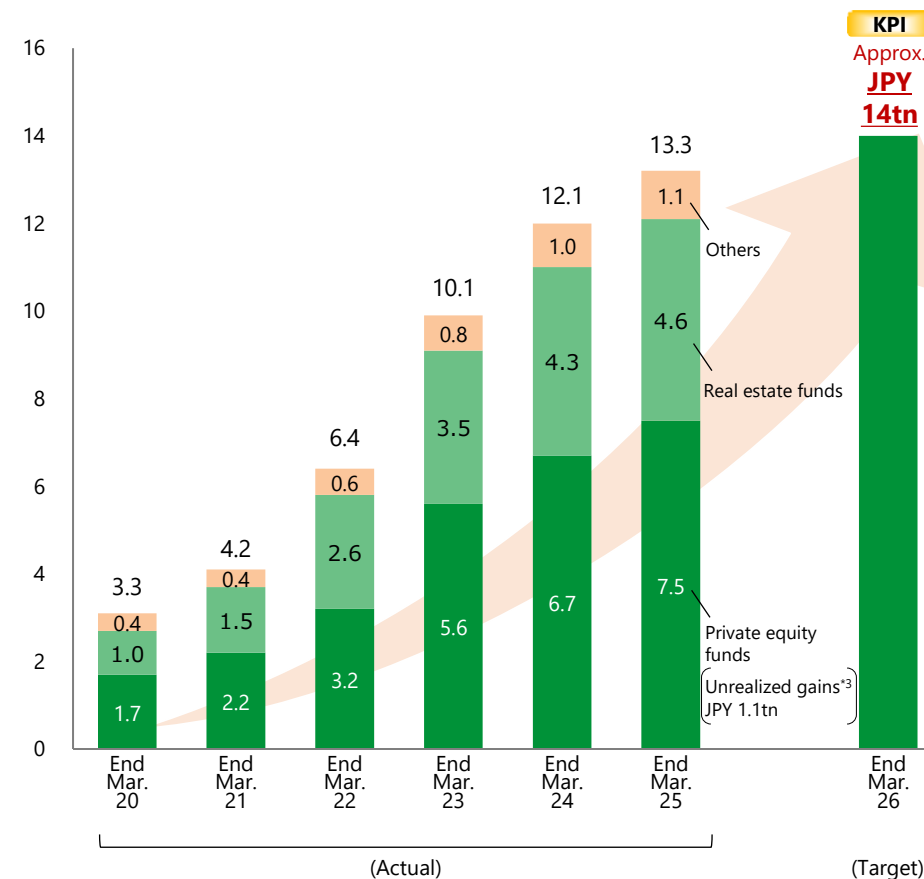
Balance of risk assets*1 (non-consolidated)

(trillion yen)



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

(trillion yen)



Note: The balances of private equity funds and real estate funds are calculated based on fair value, except for some assets, effective from March 31, 2023.

*1 Assets other than yen interest rate assets (JGBs, etc.) *2 Private equity funds, real estate funds (equity and debt), direct lending funds, infrastructure debt funds, etc.

*3 Unrealized gains on private equity funds held in investment trusts

Retail Business (1) Work Efficiency

From quantitative aspects, it shows we have steadily reduced G&A expenses and increased retail business earnings to date

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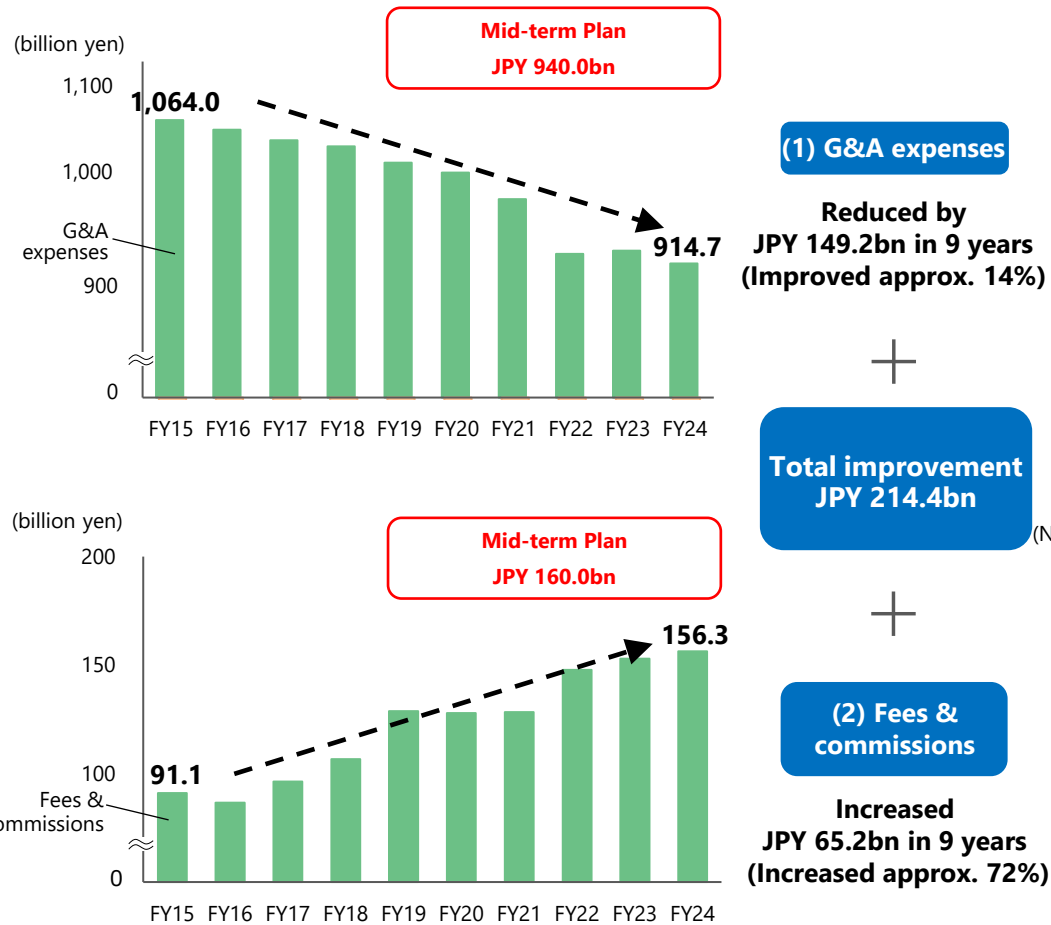
KPI

Business Strategy

Management Base

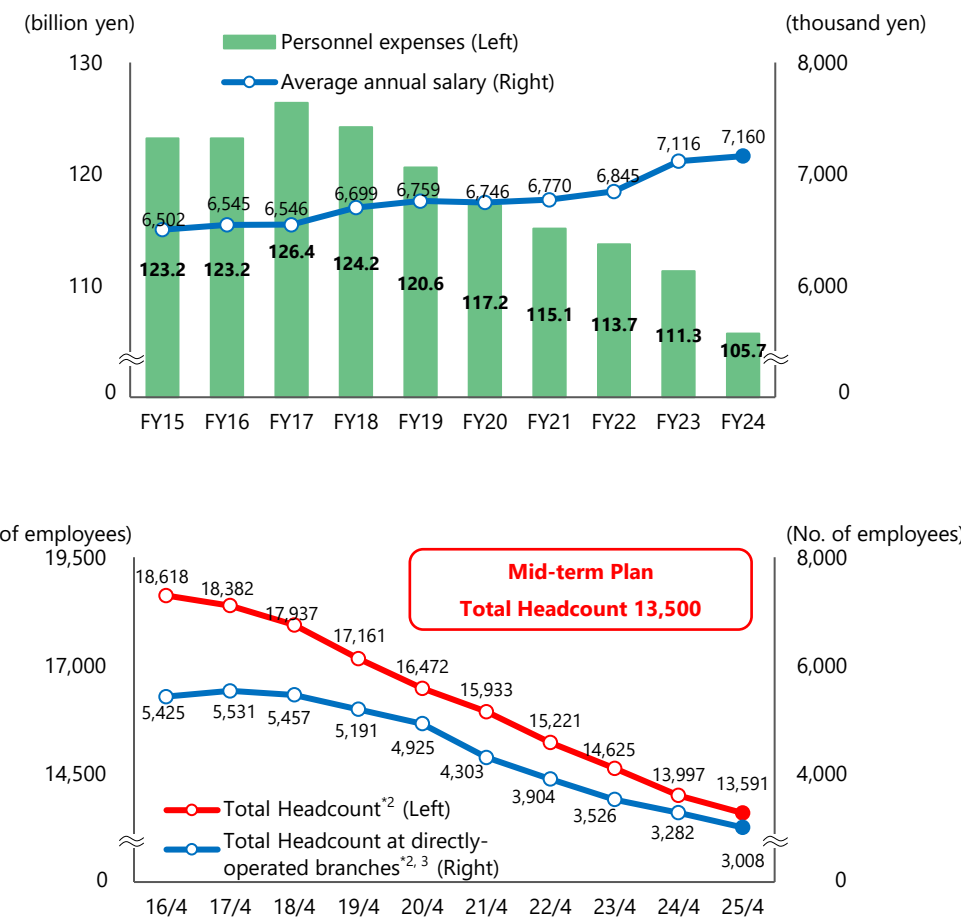
Capital Policy

G&A Expenses / Retail Business Earnings*1



*1 FY16 and earlier: non-consolidated basis, after FY17: consolidated basis

Work Reforms and Productivity Improvements



*2 Includes non-regular employees. 2025 headcount for non-regular employees is as of Mar. 31.

*3 Headcount of Financial Services and Fund managing Dept.

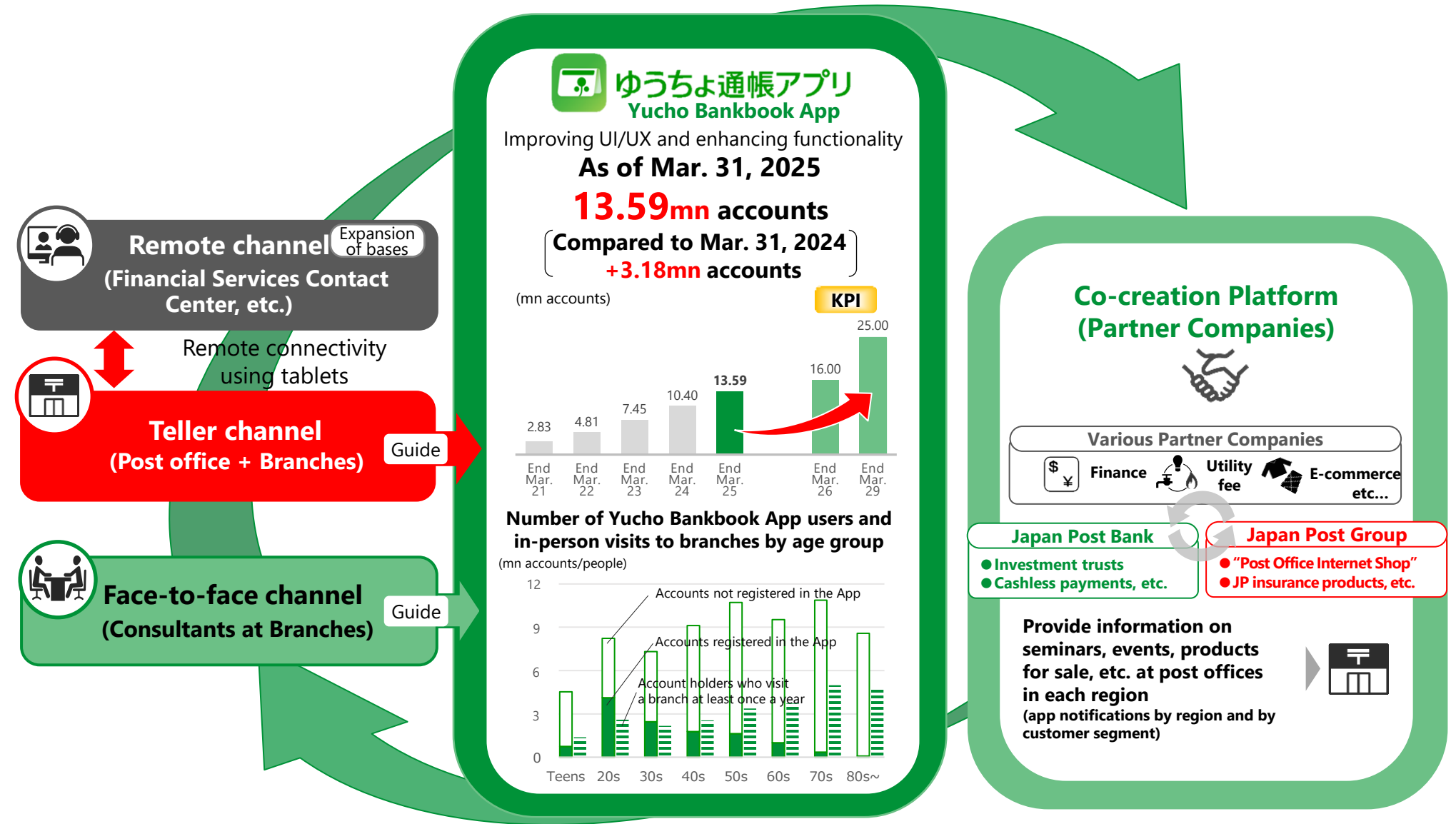
To maintain and cultivate the customer base, we will expand the users of the Yucho Bankbook App and utilize physical channels

KPI

Business Strategy

Management Base

Capital Policy



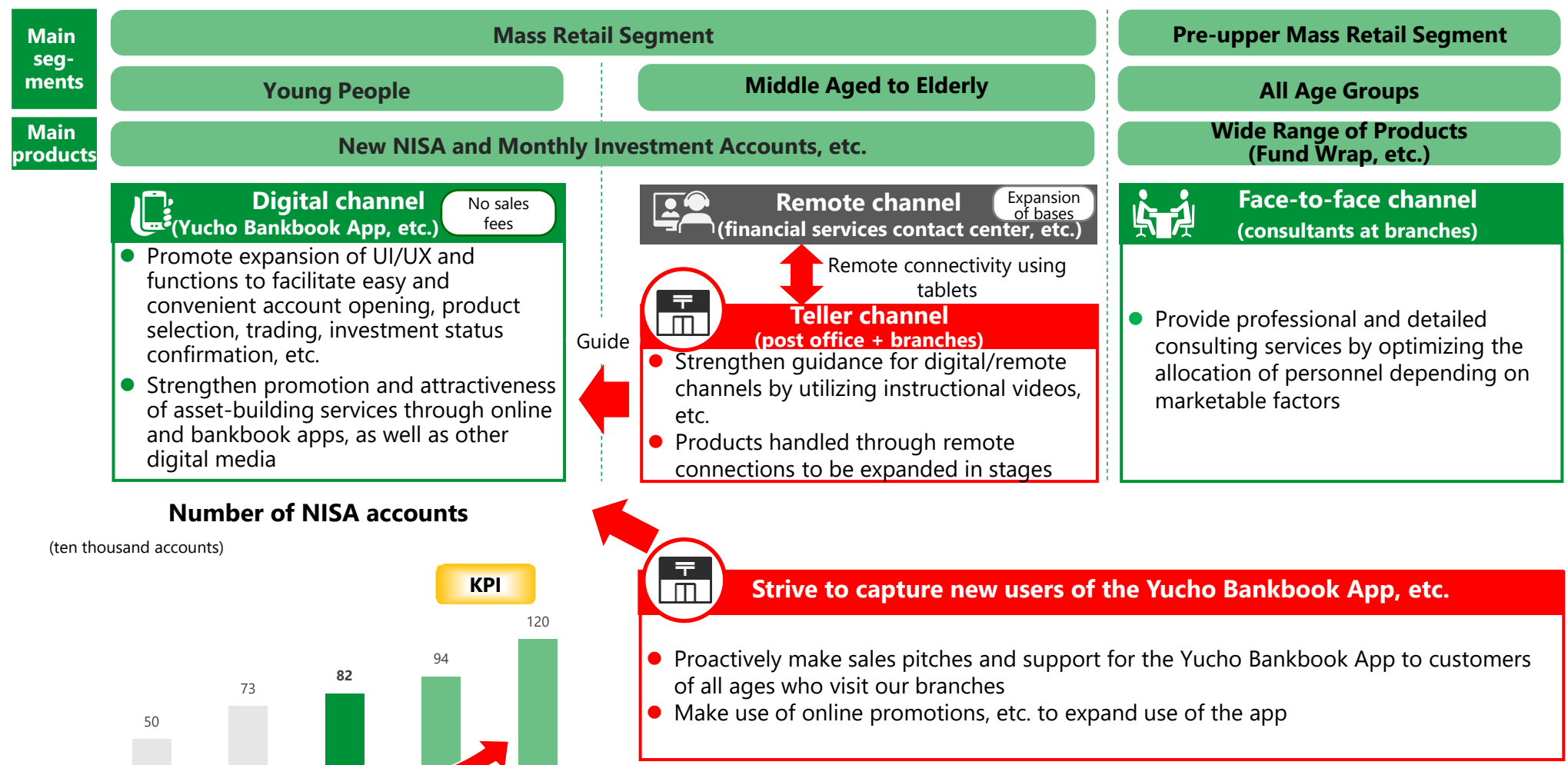
Retail Business (3) Digital Services Strategy

We will offer "safe, secure, and easy-to-use digital services for all customers", centered on Yucho Bankbook App



Retail Business (4) Asset-Building Support Business

We will expand sales via digital and remote transaction channels in addition to face-to-face sales



Σ Business: (1) Full-scale Launch

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KPI

Business Strategy

Management Base

Capital Policy

“A new corporate banking business that creates the future of society and communities through investment” is now fully underway

We create a “Co-creation platform” through partnerships and collaborations with various partners such as regional financial institutions and promote “GP* business in a JPB appropriate manner.”

Σ Business: Full-scale launch from FY2024

GP business in a JPB appropriate manner

- ✓ Promoting Co-creation with regional financial institutions, etc. for the development of society and regional economies
- ✓ Carefully identifying regional funding needs by utilizing the Bank’s nationwide network
- ✓ Providing equity funds from a medium- to long-term perspective by utilizing the Bank’s stable funding base
- ✓ Accompanying and supporting investee companies to help them achieve growth and resolve issues

Investment business

Planning to establish JVs and subsidiaries with fund companies, trading companies, etc.

JAPAN POST BANK CAPITAL PARTNERS Co., Ltd. (wholly owned subsidiary)



Co-Partners

Utilize the nationwide network



GP business



Collaboration with co-partners

Business succession and business revitalization investment

Venture capital investment

ESG investment

Deal sourcing business

Identifying customers with a willingness to grow in the region and support them actively

Marketing support business

Propose products of investee companies that have potential to create new markets

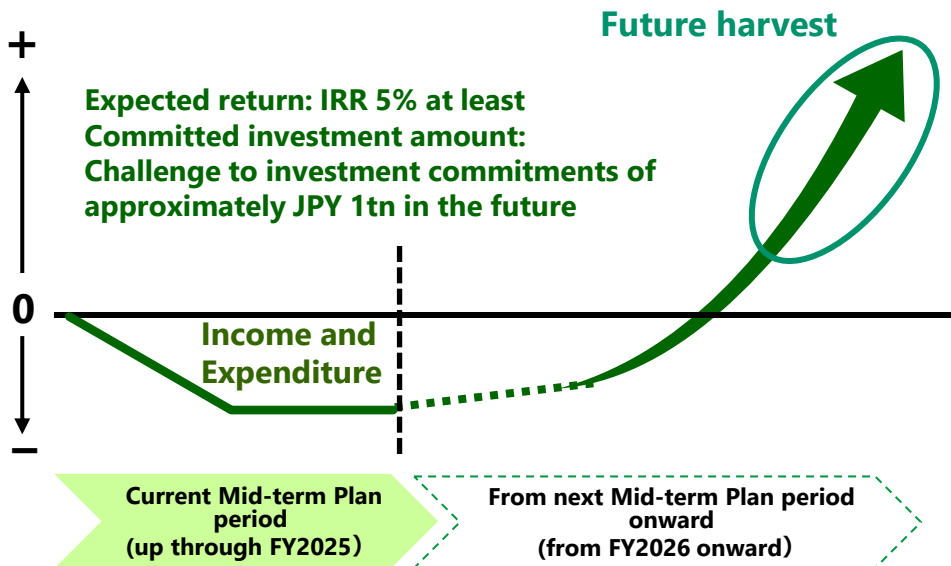
* GP (General Partner): Fund management entity responsible for selecting projects, making investment decisions, etc.

Initiatives for FY2024

Promoting our investment business with paying attention to **the quality of investments**, rather than pursuing investment volumes.

- ✓ Apr. 2024 : Commenced Deal sourcing business at Regional Headquarters
- ✓ May 2024: Established JAPAN POST BANK CAPITAL PARTNERS Co., Ltd.
- ✓ Aug. 2024: Established a joint GP fund with J-Will Group, LP investment
- ✓ Nov. 2024: Released Σ Data Platform System
- ✓ Jan. 2025: Established a joint GP fund with MITSUI & CO., LTD., LP investment

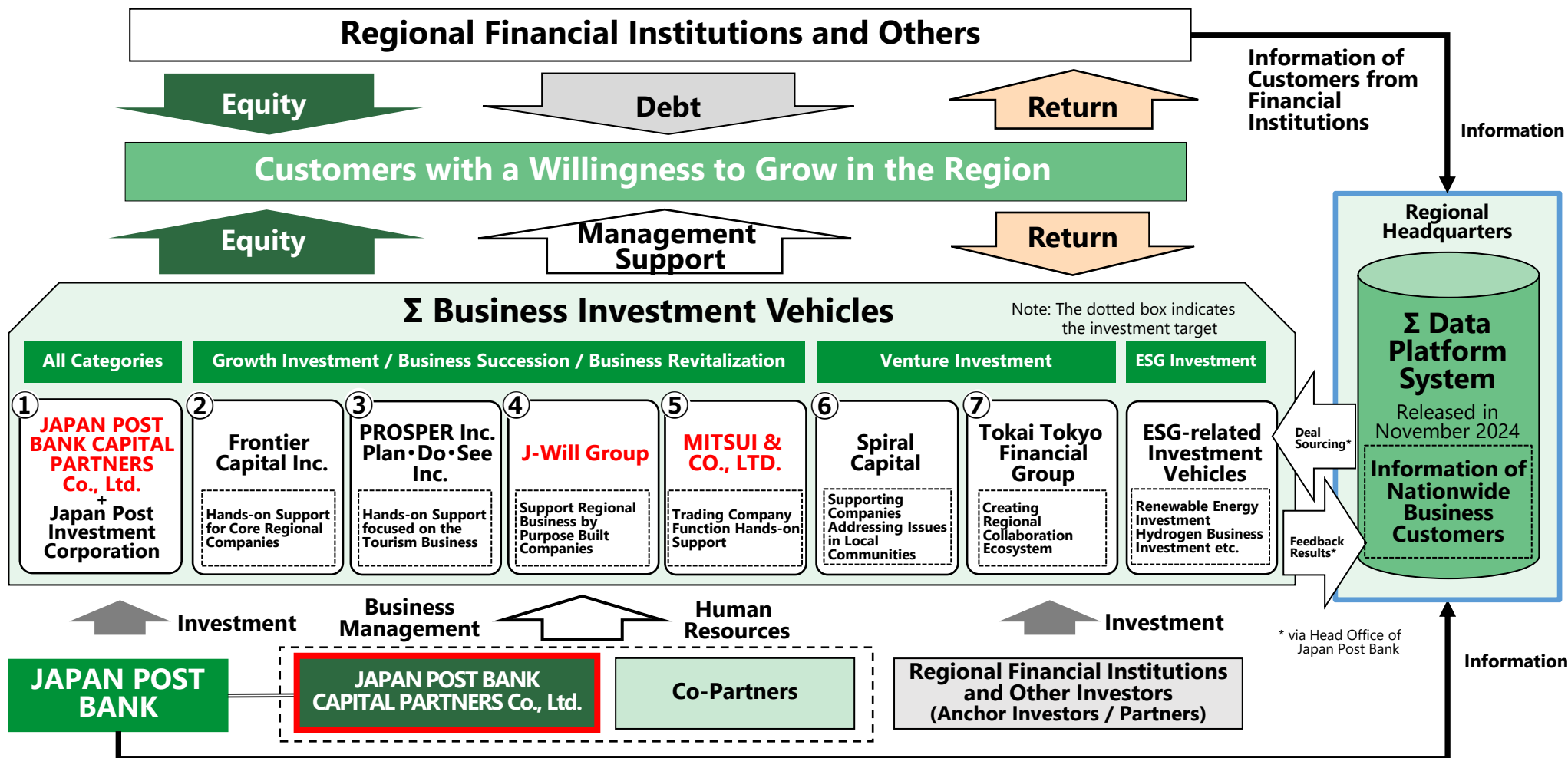
Roadmap for income and expenditure (Simple Illustration)



Σ Business: (2) Shift to Full-scale GP Business

Sequentially launching investment vehicles with partners

In May 2024, we established JAPAN POST BANK CAPITAL PARTNERS Co., Ltd., our wholly owned subsidiary. The subsidiary established joint GP funds with J-Will Group in August 2024, with MITSUI & CO., LTD. in January 2025, and promotes "GP business in a JPB appropriate manner" as the core.



Management Strategy

Purpose / Management philosophy / Mission

Management strategies

Management strategies and our vision of human capital

Individuals who share JAPAN POST BANK’s purpose, management philosophy, and mission, and who are willing to take on the challenge of financial innovation while learning to understand change and aspire to achieve it.

Retail business innovations

Market business enhancement

Full-scale launch of the Σ Business

Strengthening the management base

Linkage

Human resource strategy

Human Resource Strategy

1st pillar: Encourage growth

Nurture self-motivated employees

Actively recruit professionals

Create an environment that supports individuals taking on challenges

Strengthen cybersecurity human resources (increase the number of cyber professional certification holders)

Provide support for the activities of senior employees

Promote problem-solving tailored to each age group and organization

Further support women’s participation and advancement in the workplace

Maximize human capital performance through a human resource strategy built around three pillars

2nd pillar: Discover abilities

Strategic allocation of human resources

Improve engagement

3rd pillar: Effectively utilize diversity

Diversity management

(Ref.) Main KPIs

	Result for FY2024	FY2025 Target		Result for FY2024	FY2025 Target		Result for FY2024	FY2025 Target
Market Operations Professionals	90 [Apr. 2025] [Apr. 2024: 97]	105	Employee Satisfaction Level	65.5% [FY2023: 67.3%]	70% or more	Employees with Disabilities	3.00% [Jun. 2024] [Jun. 2023: 2.94%]	3.0% or more
DX Training Attendance Ratio <Head Office>	99.2% [FY2023: 97.4%]	100%	Women in Managerial Positions	19.8% [Apr. 2025] [Apr. 2024: 18.4%]	20% [to achieve by Apr. 2026]	Reduction in Personnel [compared to FY2020]	(2,900)* [Apr. 2025] [Apr. 2024: (2,500)]	Around (3,000)
Career Challenge Applicants	196 [FY2023: 206]	100 or more	Employees Taking Childcare Leave (regardless of gender)	99.7% [FY2023: 100%]	Around 100%	* The headcount for non-regular employees is as of Mar. 31.		

(Ref.) Examples of Developing Professionals and Strengthening Engagement

Cybersecurity Readiness

Strengthen human resources pool
to support cybersecurity operations

Develop Cybersecurity Experts

The number of cyber professional certification holders has increased. Continue to support employees in acquiring certifications

CISSP

Registered Information Security Specialist



Strengthen Cybersecurity Readiness

Through "Financials ISAC Japan," a cybersecurity organization in which domestic financial institutions participate, as well as training and various competitions sponsored by numerous cybersecurity organizations, we are strengthening our defenses against the latest threats and improving our organizational capabilities.



Personnel of JP Bank SOC (Security Operation Center), a cybersecurity organization, at work

Major cybersecurity organizations:

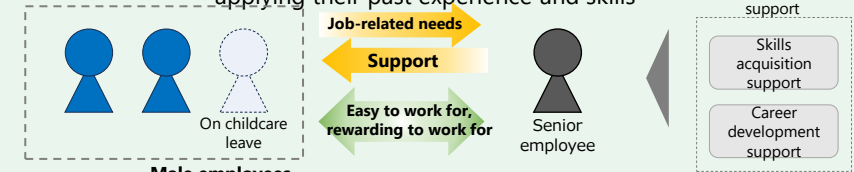
- 1) Financial Services Agency of Japan, Metropolitan Police Department
- 2) National center of Incident readiness and Strategy for Cybersecurity (NISC)
- 3) National Institute of Information and Communications Technology (NICT)

Balancing Childcare Support and Career Opportunities for Senior Employees

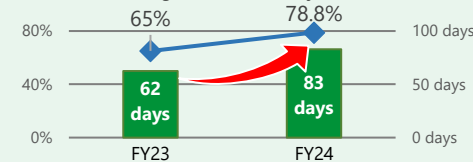
Toward becoming a company (workplace) easy and rewarding to work for

Support by Senior Employees over 60 Years Old

When a vacancy occurs due to an employee taking childcare leave, etc., senior employees support the organization to which the employee on leave belongs by applying their past experience and skills

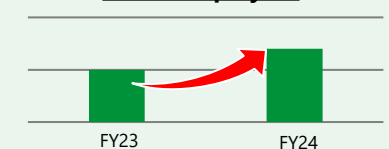


Male employees taking childcare leave (4 weeks or more) (%) / Average number of days taken



Workplace environment that facilitates the use of childcare leave, etc., regardless of gender or position

The number of senior employees

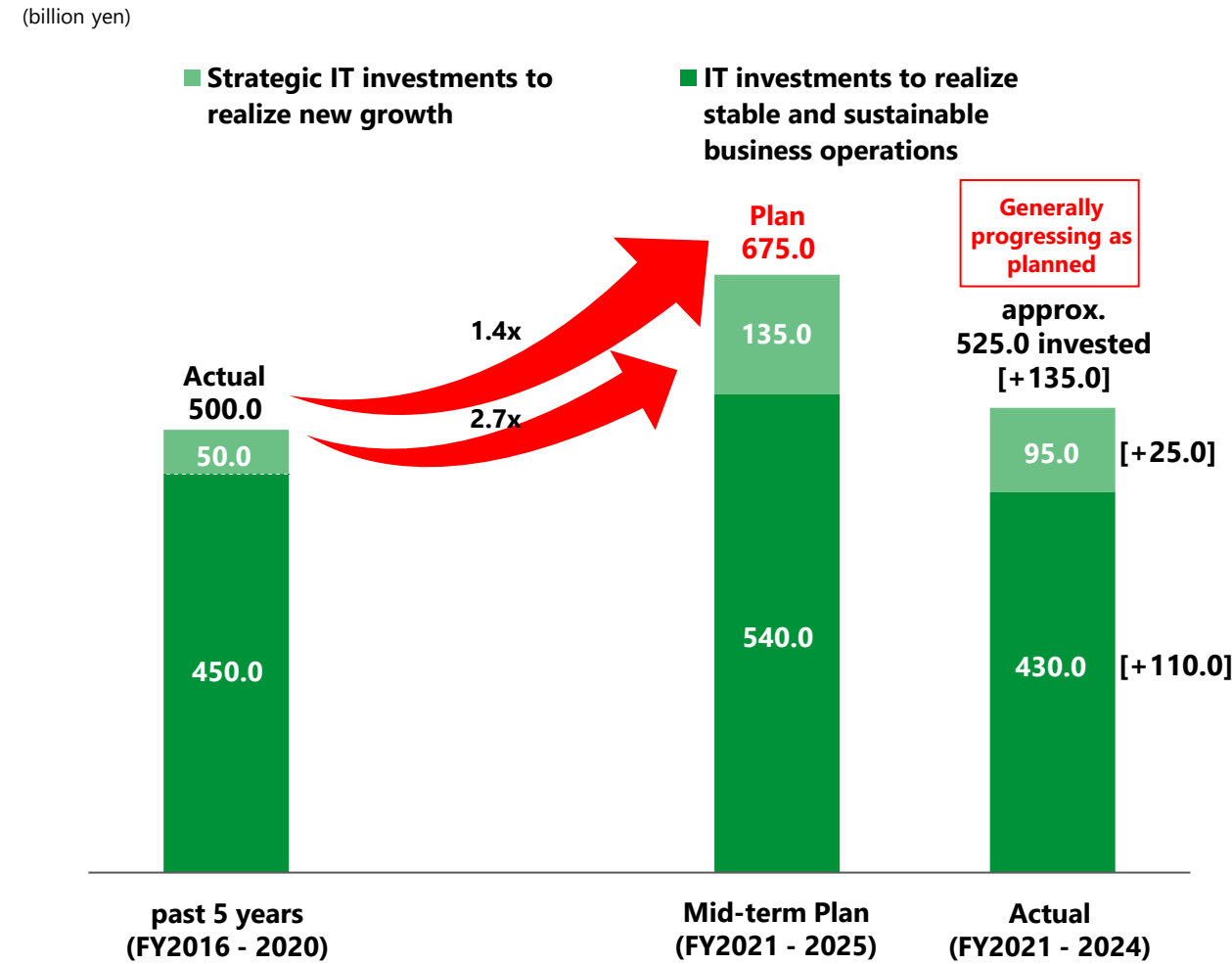


Expand areas of activity for senior employees

A "lively and exciting" workplace where employees can thrive
= greater engagement

Build an Organization that Maximizes Individual Strengths to Further Enhance Corporate Value

Trends in IT Investment (Cash Flow Basis)



IT Investments

The Bank promotes IT investment to strengthen the business base

- IT investments totaling approx. JPY 675.0bn are planned over the five years of the Mid-Term Plan
- From FY2024 onward, **we continue to promote “a study on the future vision of a sustainable system that can address changes in the social and business environment”**

- Main projects**
〔 FY2024 〕

 - Introduction of a generative AI chat system at headquarters (Apr. 2024)
 - Introduction of the Middle Risk Management System (July 2024)
 - Handling of new banknotes (July 2024)
 - Pilot study of a tablet application system for investment trusts (Aug. 2024)
 - Construction of Σ Data Platform System (Nov. 2024)
- Main projects**
〔 FY2025 〕

 - Digital channel support for retail JGB sales (May 2025)
 - Upgrading of Operation Support Center systems (May 2025)
 - Upgrading of IT systems (May 2025)
 - Addition of services for the Yucho Tetsuzuki App (opening accounts for children by parental guardian, etc.) (Within FY2025)
 - Full-scale introduction of a tablet application system for investment trusts (gradually from Oct. 2025 onward)

Note: The actual results (on preliminary basis) for FY2024 are given in square brackets.

Note: The scheduled service commencement date for each project is specified in parentheses.

We steadily promote initiatives to achieve "net zero GHG emissions by 2050", and support decarbonization efforts through financing

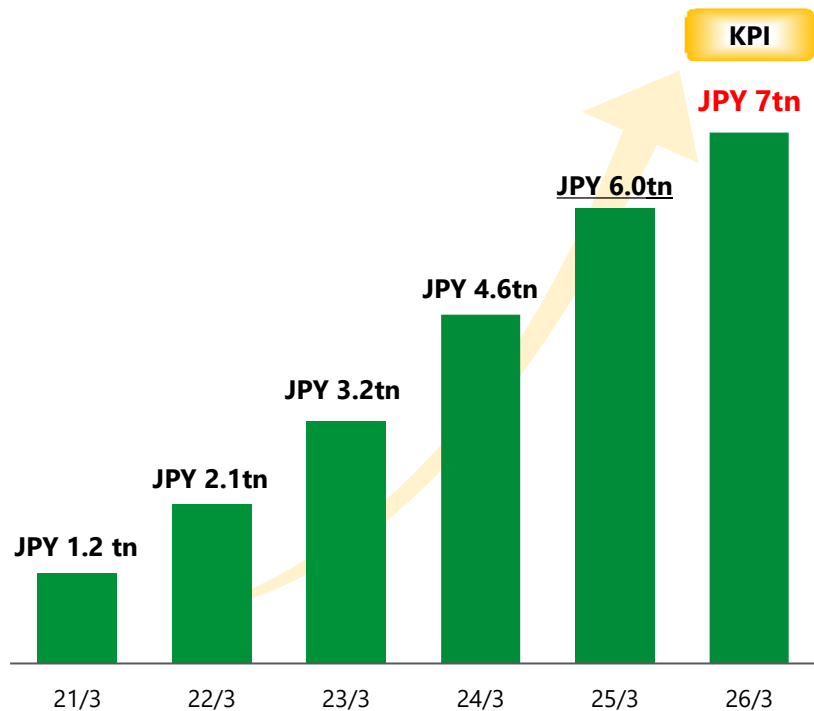
Roadmap to decarbonization

Net zero GHG emissions	Up through FY2022	FY2023	...	FY2025	...	FY2030	...	2050
Company's own emissions (Scope 1 and 2)	<div>FY2019 actual Approx. 48,000 t-CO2</div> <div>Completed conversion of power generation at company-owned facilities to renewable electricity</div>	Promotion of EV vehicle adoption, shift to renewable energy, etc.				<div>KPI</div> <div>Compared to FY2019 (60%)</div>	Net zero	
Finance portfolio emissions (Scope 3, Category 15)	Encouraging society as a whole to reduce GHG emissions through engagement				<div>Compared to FY2019 Target (50%)*1</div>			
Financing to drive decarbonization	Contribute to solving social issues through ESG investments and financing, including green bonds/loans and transition finance							
Balance of ESG-themed investments and financing	<div>Investment and financing, including green bonds</div>	<div>KPI</div> <div>End-FY2025 target JPY 7tn</div>						
Balance of project financing for the construction of coal-fired power plants	Maintain balance of Zero							

*1 Emissions per investment unit (JPY 100mn) (t-CO2/JPY 100mn)

Note: See below to download various reports regarding sustainability.
Human Rights Report and Natural Capital Report will be disclosed in late June 2025.
<https://www.jp-bank.japanpost.jp/en/sustainability/report/>

Balance of ESG-themed investments and financing*2



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

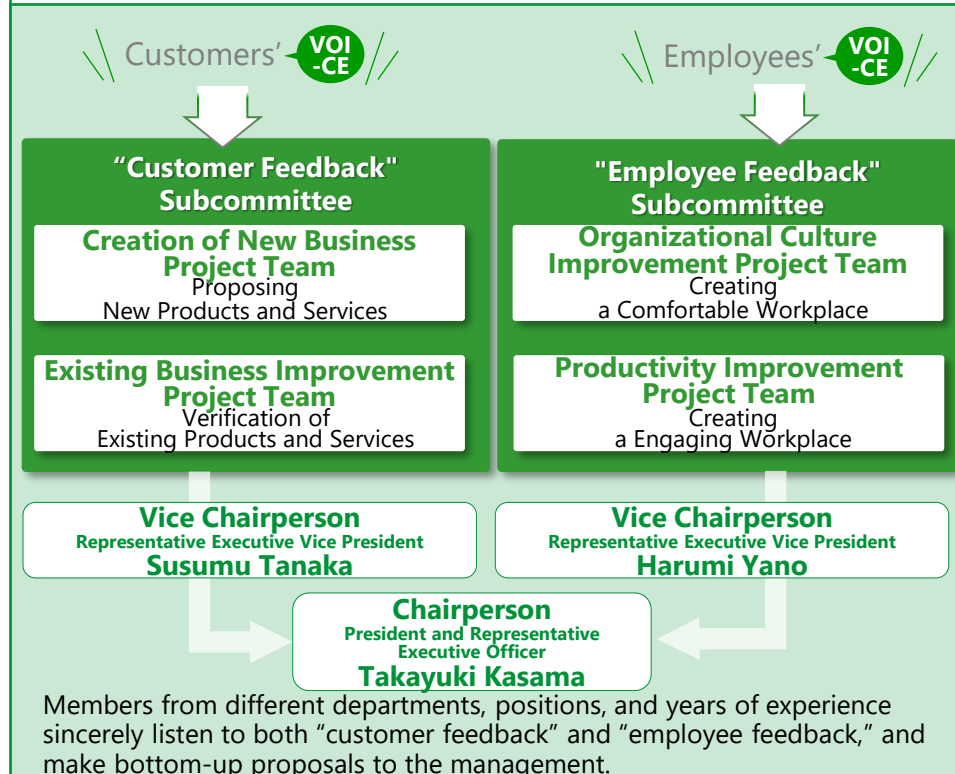
Reduction in use of business forms

We aim to reduce the amount of business forms used by 20% by FY2025 (compared to FY2020) by computerizing various procedures, etc.

By reflecting the voices of customers and employees in the way we manage the company, we will maximize organizational results

Stakeholder Engagement Committee -ECHO-

Accelerate customer and employee feedback loops and directly utilize in management

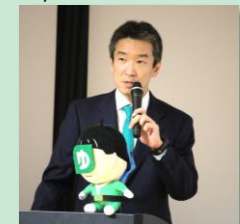


Employee Mindset Shift

Promote communication between employees and management and build a strong sense of community

Company Town Hall Meeting "COMPASS 2024"

An initiative to share the president's vision with employees aimed to bridge the gap between the leadership and employees, and foster unity



Nationwide Tour by the President

The president visited employees nationwide and held the meetings



By reflecting the voices of customers and employees in the way we manage the company, we will maximize organizational results

We will utilize capital to improve ROE, while maintaining sufficient financial soundness

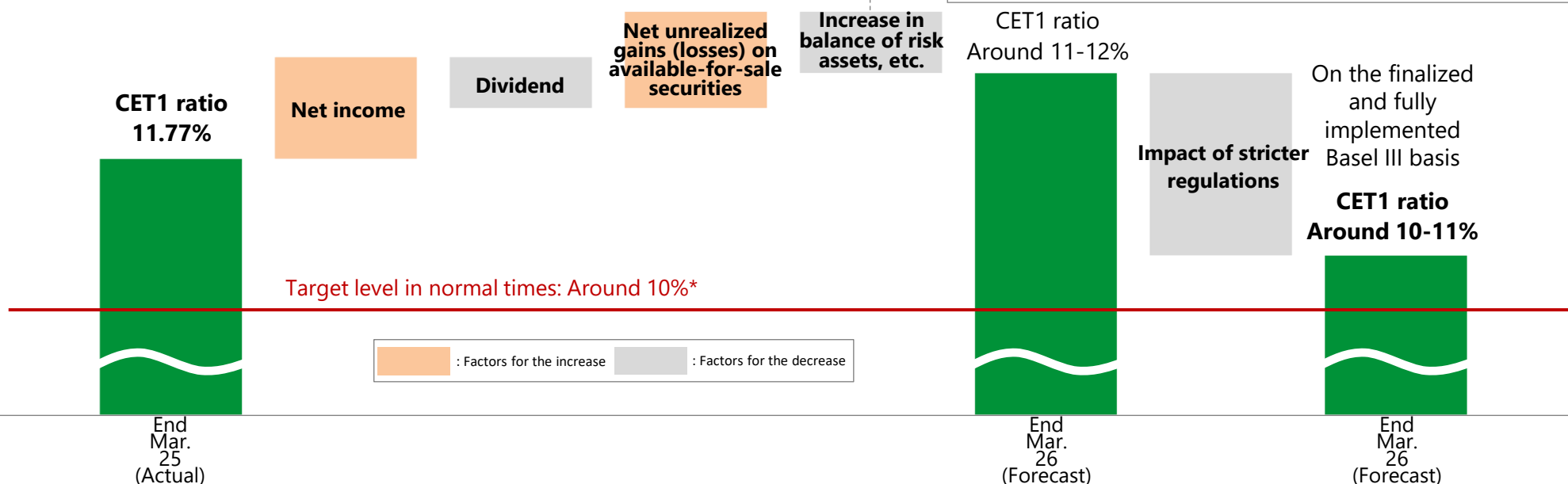
Target CET1 ratio set at "around 10%" in normal times. We aim to improve ROE by building up the balance of risk assets, paying attention to risk-return metrics, and utilizing capital to return profits to shareholders, while maintaining sufficient financial soundness. We will further strengthen risk management in line with an increase in the balance of risk assets and balance in strategic investment areas.

CET1 ratio forecast (capital allocation)

- Aim to improve ROE by utilizing capital to expand risk assets while remaining conscious of the risks and return
- The Bank will consider share repurchases based on the market environment, performance and retained earnings, opportunities for growth investment, and the Japan Post Group's policy for holding shares in the Bank

Initiatives to strengthen risk management

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



* Excluding unrealized gains on available-for-sale securities. In light of the finalization of Basel III regulations (full implementation) at the end of FY2028, the goal is to secure capital requirements equivalent to a fully applied basis from the end of FY2025 onward. If the amount temporarily falls below the target level due to an increase in unrealized losses on available-for-sale securities, we will aim to replenish capital to the target level by adjusting assets under management, etc. Although the Bank is a domestic bank (required to maintain a capital adequacy ratio of 4% or more), due to the size of its overseas credit exposure and other factors, the Bank has set a target CET1 ratio of approximately 10% in normal times, based on the idea of aiming for the same level of capital management as large domestic financial institutions.

Capital Policy (2) Shareholder Return Policy

We aim to raise dividends in line with profit growth, based on our shareholder return policy

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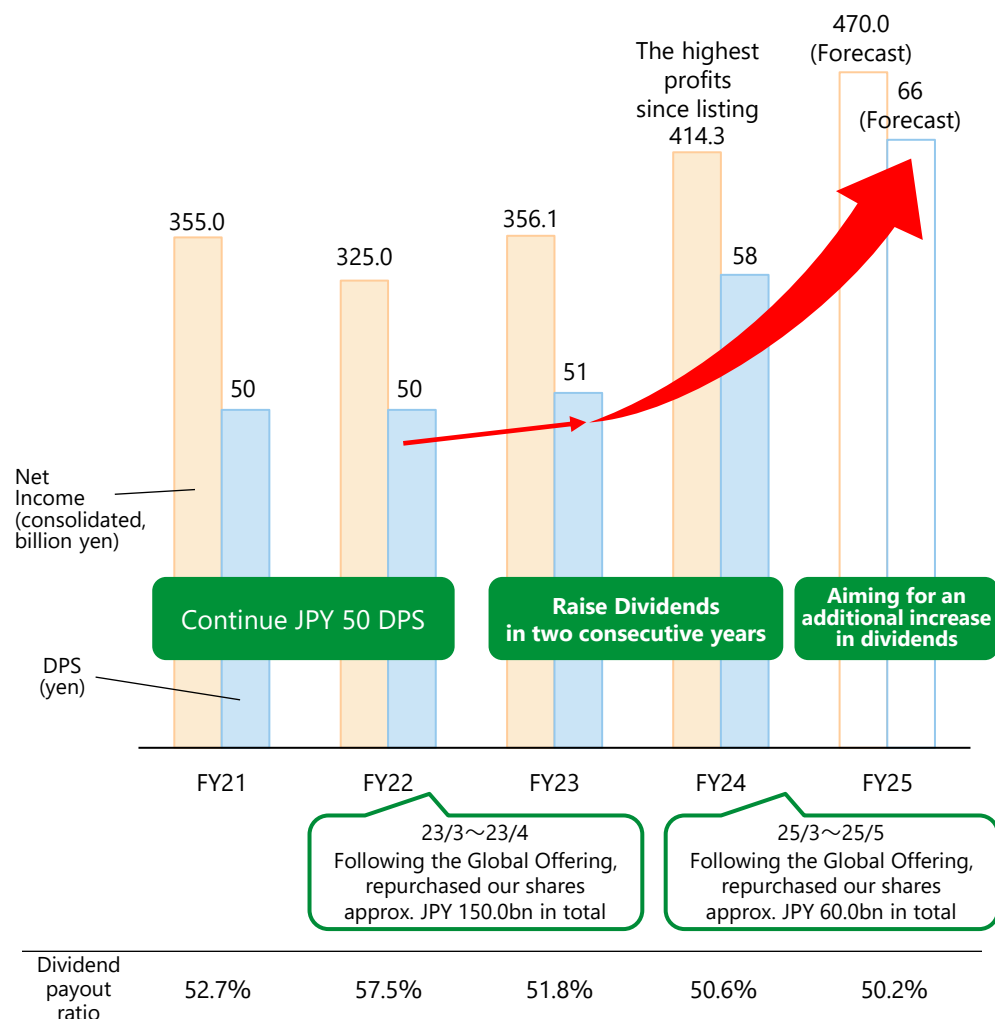
KPI

Business
Strategy

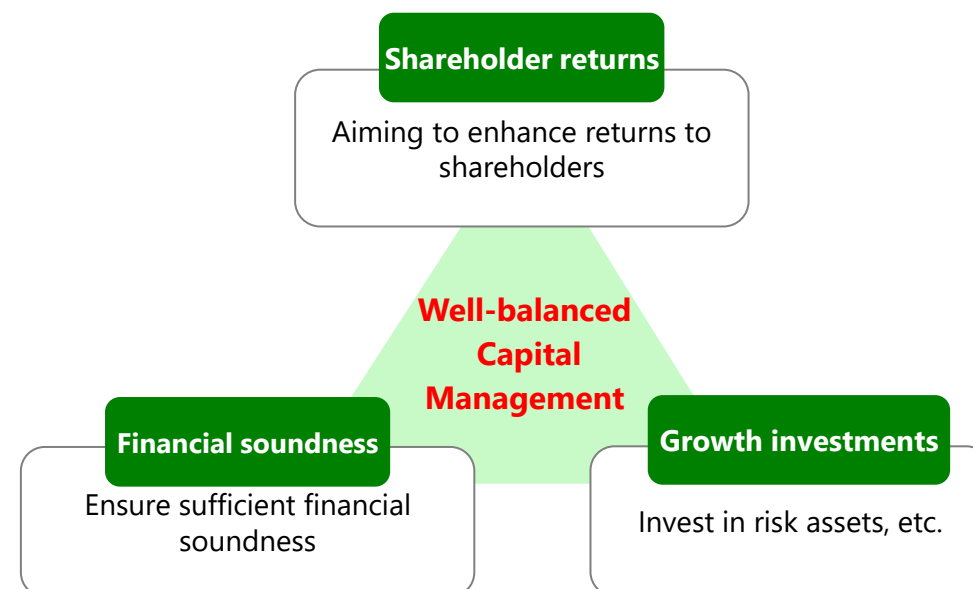
Management
Base

Capital Policy

Increase Dividends in Line with Profit Growth



Basic Thought Process



[Shareholder Return Policy]

- Considering the balance between shareholder returns, financial soundness, and investment for growth, our basic policy is to maintain a consolidated dividend payout ratio of approximately 50% during the period of the Mid-term Plan (FY2021-2025)
- However, keeping in mind the stability and sustainability of dividends and targeting a consolidated dividend payout ratio of 50% to 60%, we are increasing our initial dividend per share (DPS) forecast for FY2024, JPY 52

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Overview of FY2024 Results (1) Results

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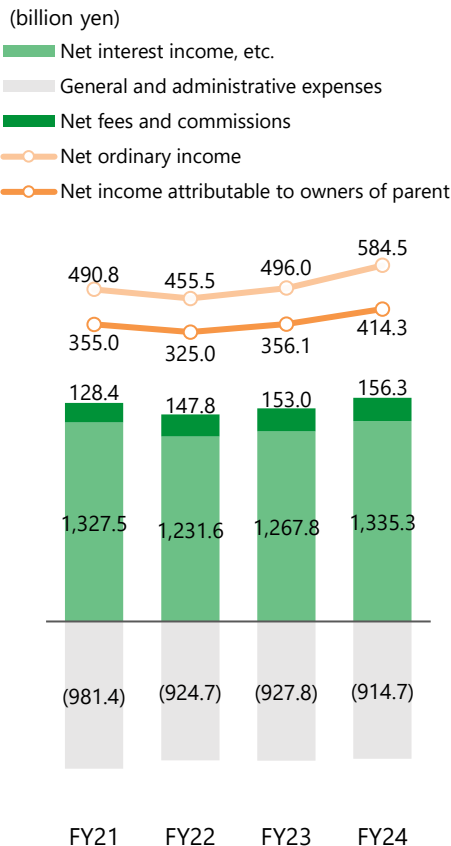
Growth
Strategy

Governance

Privatization

Net income attributable to owners of parent marked record high profits since listing for the second consecutive fiscal year. Dividend per share increased to JPY 58

Results for FY2024 (Consolidated)



	FY2023	FY2024			
	Actual (A)	Revised Forecast (B)	Actual (C)	YoY (C) – (A)	vs Forecast (C) – (B)
Net interest income, etc. ^{*1}	1,267.8	1,343.0	1,335.3	(1) 67.4	(7.6)
Net fees and commissions	153.0	155.0	156.3	(2) 3.3	1.3
General and administrative expenses	927.8	926.0	914.7	(3) (13.0)	(11.2)
Net ordinary income	496.0	575.0	584.5	88.4	9.5
Net income attributable to owners of parent [Achievement rate^{*2}]	356.1	400.0	414.3 [103.5%]	58.1	14.3
Dividend per share [Dividend payout ratio]	JPY 51 [51.8%]	JPY 56 [50.6%]	JPY 58 [50.6%]	JPY 7	JPY 2

Main drivers of increase and decrease

- (1)
- Yen interest rate portfolio [approx. JPY +243.0bn] – Impact of domestic rate hike, etc.
 - Gains from sales of stocks, etc. [approx. JPY (318.0)bn]
 - Private equity funds, etc. [approx. JPY +79.0bn]
- (2)
- ATM and investment trust related commissions
- (3)
- Commissions on bank agency services, etc., paid to JAPAN POST Co., Ltd. and Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network [approx. JPY (10.0)bn]

*1 Net interest income, etc. = Interest income - Interest expenses (including gains (losses) on sales, etc.)

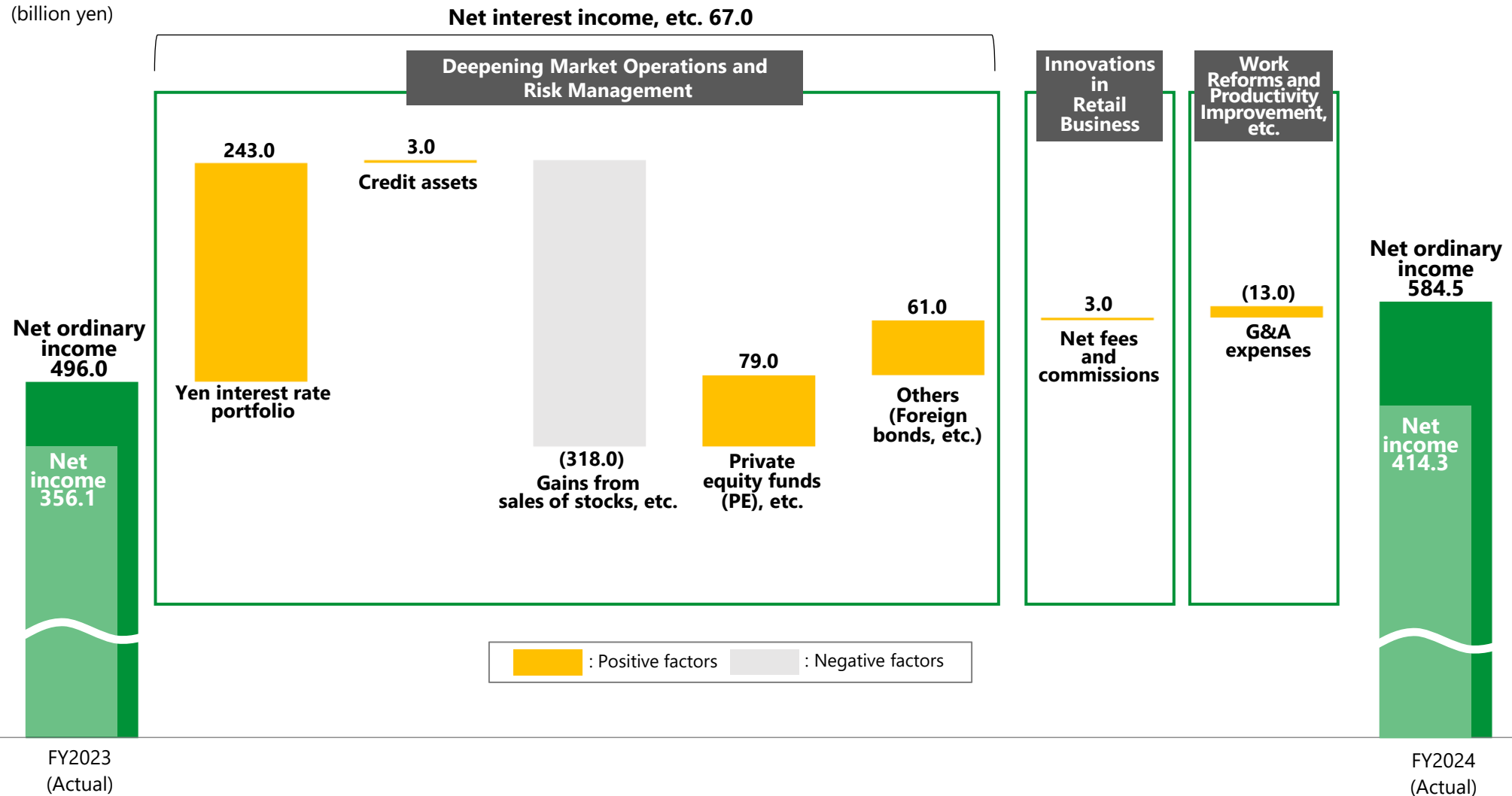
*2 The achievement rate to forecast for net income attributable to owners of parent

(Ref.) Changes in Net Ordinary Income

(1) YoY (Simple Illustration)

Causes of Changes in Net Ordinary Income (Consolidated) [FY2023 Actual vs FY2024 Actual]

Note: The addition of total changes to the FY2023 results does not equal the FY2024 results due to rounding, other ordinary income/expenses and similar factors.



(Ref.) Changes in Net Ordinary Income (2) vs Forecast (Simple Illustration)

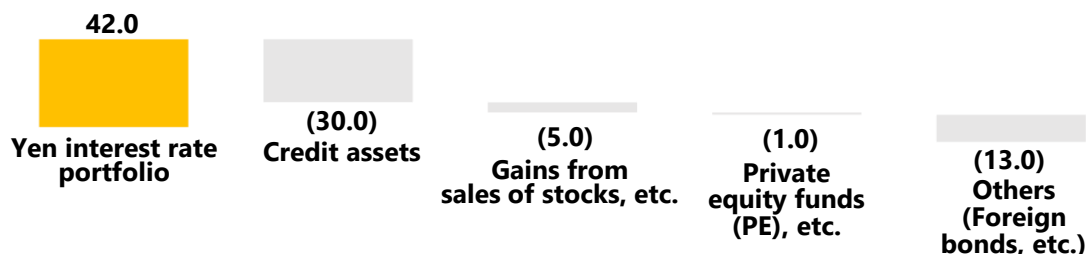
Causes of Changes in Net Ordinary Income (Consolidated) [FY2024 Revised forecast vs FY2024 Actual]

Note: The addition of total changes to the forecast for FY2024 does not equal the FY2024 results due to rounding, other ordinary income/expenses and similar factors.

(billion yen)

Net interest income, etc. (8.0)

Deepening Market Operations and Risk Management



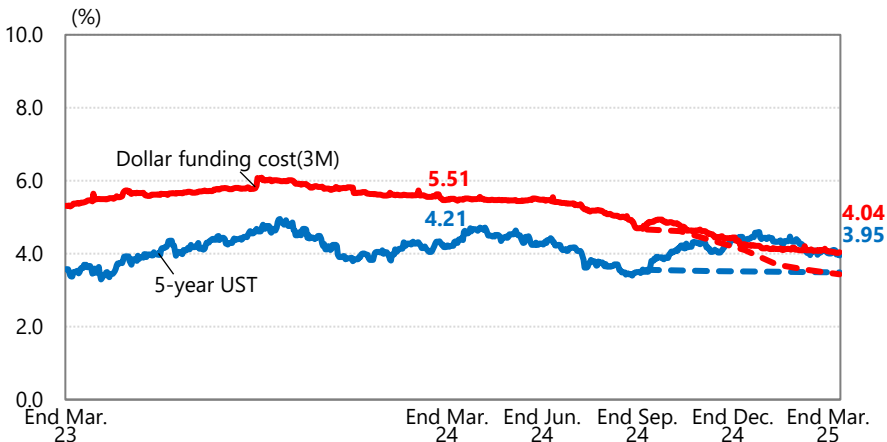
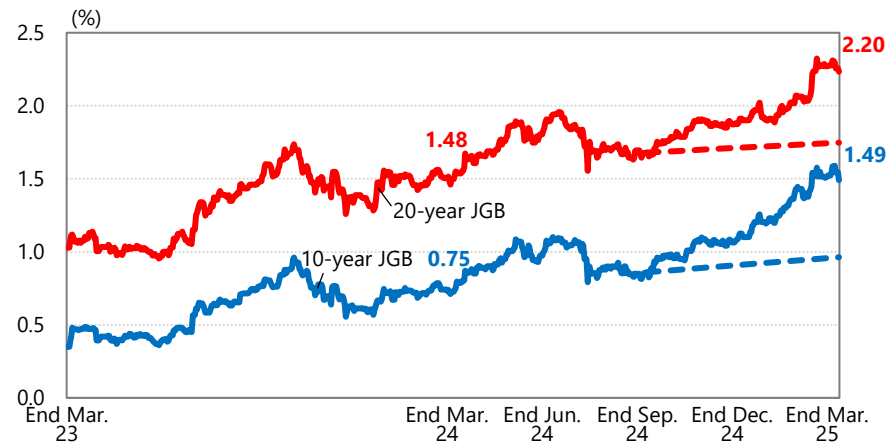
Positive factors : Negative factors

FY2024
(Revised forecast)

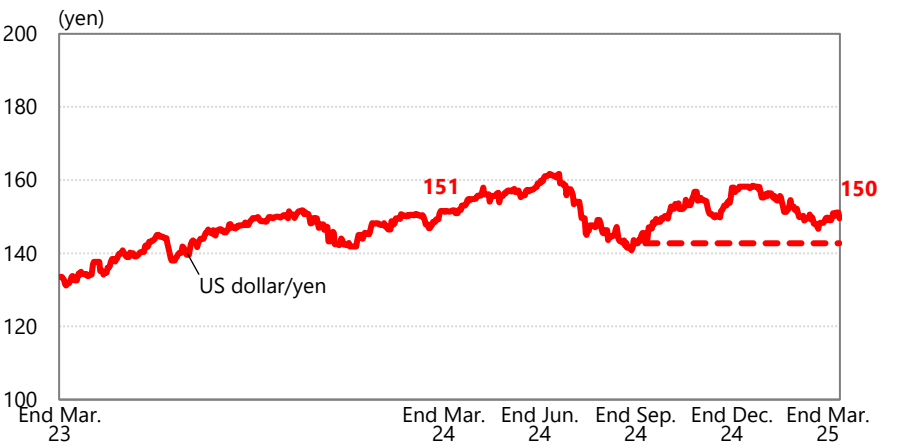
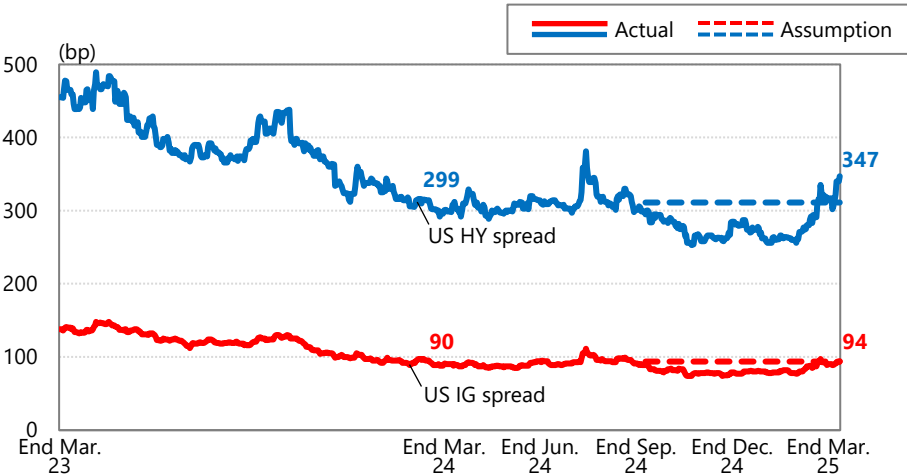
FY2024
(Actual)

In FY2024, domestic and foreign interest rates, etc. trended above expectations due to issues, such as monetary policy moves in Japan and the U.S.

Domestic and Foreign Interest Rates / Dollar Funding Cost



US IG and HY Spread / US Dollar-Yen Rate



Overview of FY2024 Results (2) CAR and CET1 Ratio

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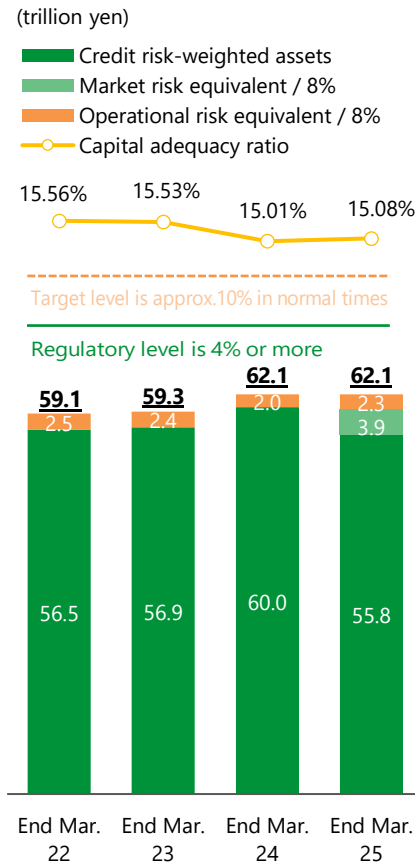
Growth Strategy

Governance

Privatization

Capital adequacy ratio has remained stable.
We have maintained sufficient financial soundness

Capital Adequacy Ratio and CET1 (Common Equity Tier1 Capital) Ratio (Consolidated)



	As of Mar. 31, 2024 (A)	As of Mar. 31, 2025 (B)	Increase (Decrease) (B) – (A)
Capital adequacy ratio	15.01%	15.08%	0.07%
Total capital	9,325.9	9,373.8	47.9
Risk-weighted assets	62,119.0	62,131.0	12.0
Credit risk-weighted assets	60,035.0	55,817.5	(4,217.5)
Market risk equivalent / 8%	—	3,970.9	(1) 3,970.9
Operational risk equivalent / 8%	2,084.0	2,342.6	258.5

Main drivers of increase and decrease

Notes: 1. The figures as of March 31, 2025 are on the finalized Basel III basis.
2. The market risk equivalent as of March 31, 2025 is calculated using the standardized approach.

(1)

- Due to the impact of the implementation of the finalized Basel III standards

	As of Mar. 31, 2024 (A)	As of Mar. 31, 2025 (B)	Increase (Decrease) (B) – (A)
CET1 ratio (estimate)	13.39%	11.77%	(1.62)%
Excluding unrealized gains on available-for-sale securities	13.23%	11.77%	(1.46)%
Total capital	8.9	8.2	(2) (0.6)
Risk-weighted assets	67.4	69.9	(3) 2.5

Notes: 1. Calculation for some items in the CET1 ratio are simplified.
2. The CET1 ratios are on the finalized Basel III basis.

(2)

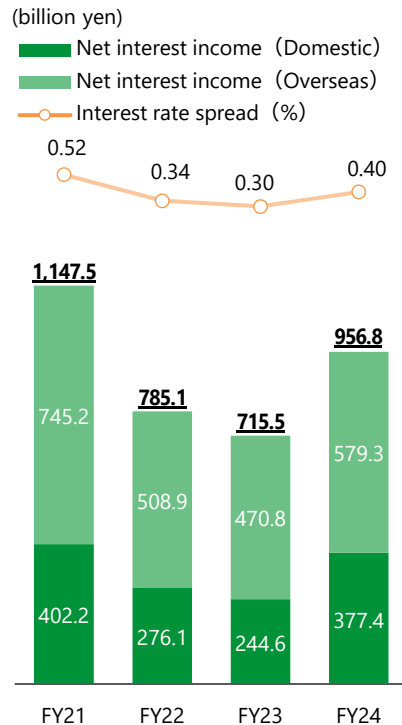
- Increase in net unrealized losses on available-for-sale securities

(3)

- Due to the impact of the gradual increase in risk weights based on the implementation of the finalized Basel III standards

Net interest income increased mainly due to rising yen interest rates

Income Analysis (Non-consolidated)



(billion yen)				Main drivers of increase and decrease
	FY2023 (A)	FY2024 (B)	Increase (Decrease) (B) – (A)	
Domestic				
Net interest income	244.6	377.4	132.7	(1) ● Increase in interest income from due from banks, etc. ● Increase in interest income from JGBs
Interest income	272.0	547.6	(1) 275.5	
Interest on Japanese government bonds	190.2	257.9	67.6	
Interest expenses	27.3	170.1	(2) 142.7	(2) ● Due to the impact of the deposit interest rate hikes
Overseas				
Net interest income	470.8	579.3	108.4	(3) ● Increase profits from foreign bond investment trusts
Interest income	1,123.5	1,250.9	127.4	
Interest on foreign securities	1,113.4	1,242.0	(3) 128.6	
Strategic investment areas	130.4	178.5	48.0	
Interest expenses	652.6	671.6	18.9	
Total				
Net interest income	715.5	956.8	241.2	
Interest income	1,396.9	1,750.2	353.3	
Interest expenses	681.3	793.4	112.0	

- Increase in interest income from due from banks, etc.
- Increase in interest income from JGBs
- Due to the impact of the deposit interest rate hikes
- Increase profits from foreign bond investment trusts

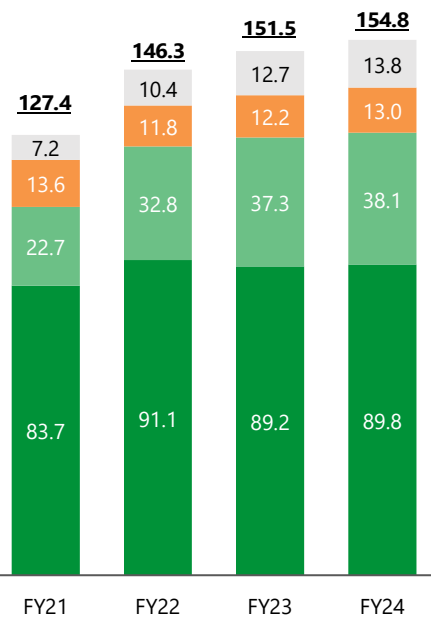
Notes: 1. "Domestic" represents yen-denominated transactions while "overseas" represents foreign currency-denominated transactions (except that yen-denominated transactions with non-residents of Japan are included in "overseas").
2. Interest income from "domestic" and expenses from "overseas" include interest on transactions between "domestic" and "overseas", respectively. The interest is offset to calculate totals.

Net fees and commissions have continuously increased

Fees and Commissions (Non-consolidated)

(billion yen)

- Exchange and settlement transactions
- ATM related commissions
- Investment trust related commissions
- Other than the above



(billion yen)

	FY2023 (A)	FY2024 (B)	Increase (Decrease) (B) – (A)
Net fees and commissions	151.5	154.8	3.3
Exchange and settlement transactions	89.2	89.8	(1) 0.6
Zengin-net fee	14.5	17.2	2.7
ATM related commissions	37.3	38.1	(2) 0.7
Investment trust related commissions*	12.2	13.0	(3) 0.7
Variable annuities	2.3	2.1	(0.1)
JGBs related commissions	2.0	2.6	(4) 0.5
Credit cards	3.6	3.5	(0.0)
Consumer loans	1.6	2.0	0.3
Others	3.0	3.5	0.4

Main drivers of
increase and decrease

- (1) Increase in the number of remittance
- (2) Increase in ATM-related fee income
- (3) Increase in the balance of Yucho Fund Wraps
- (4) Increase in retail JGB sales

* Include Yucho Fund Wraps (discretionary investment contract services).

General and Administrative Expenses

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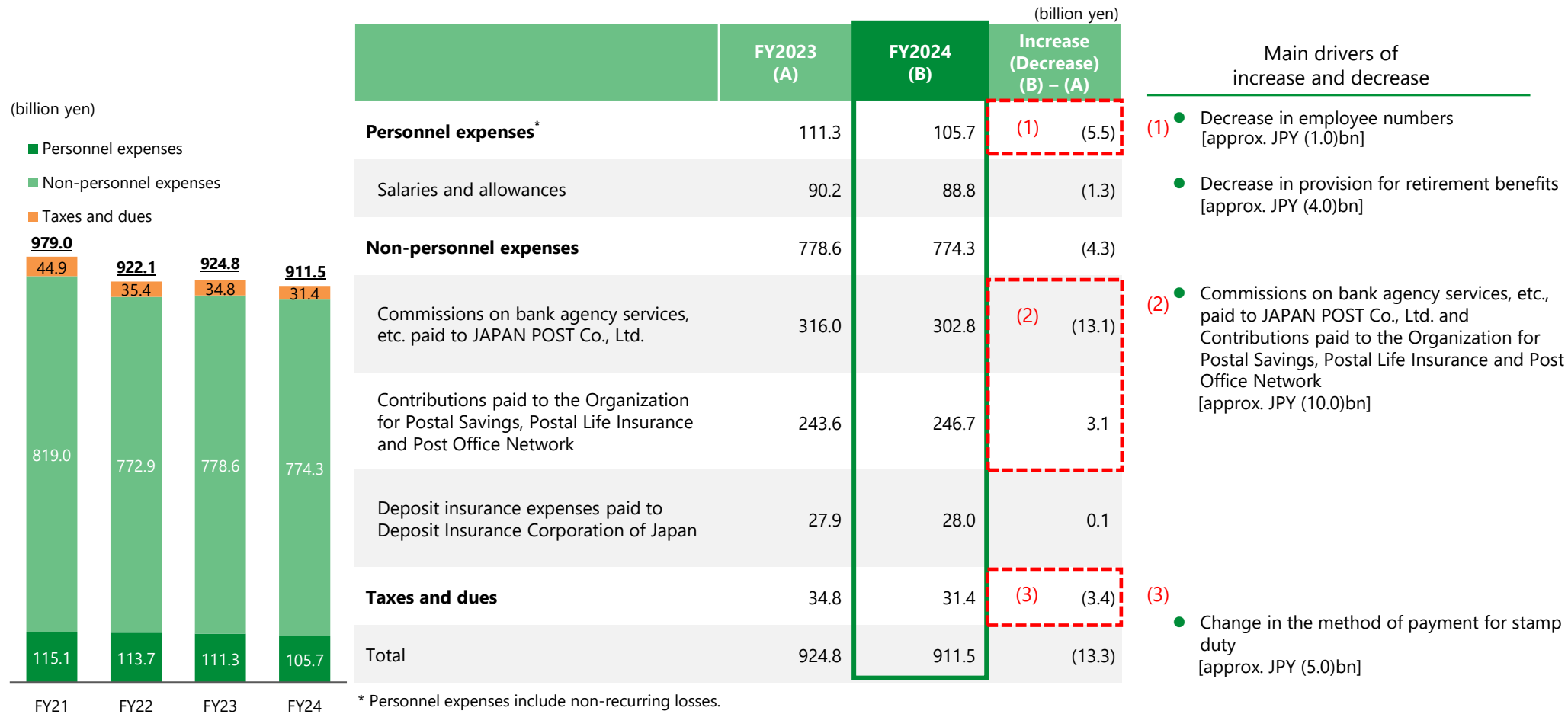
Growth
Strategy

Governance

Privatization

Expenses have steadily decreased due to strict expense management

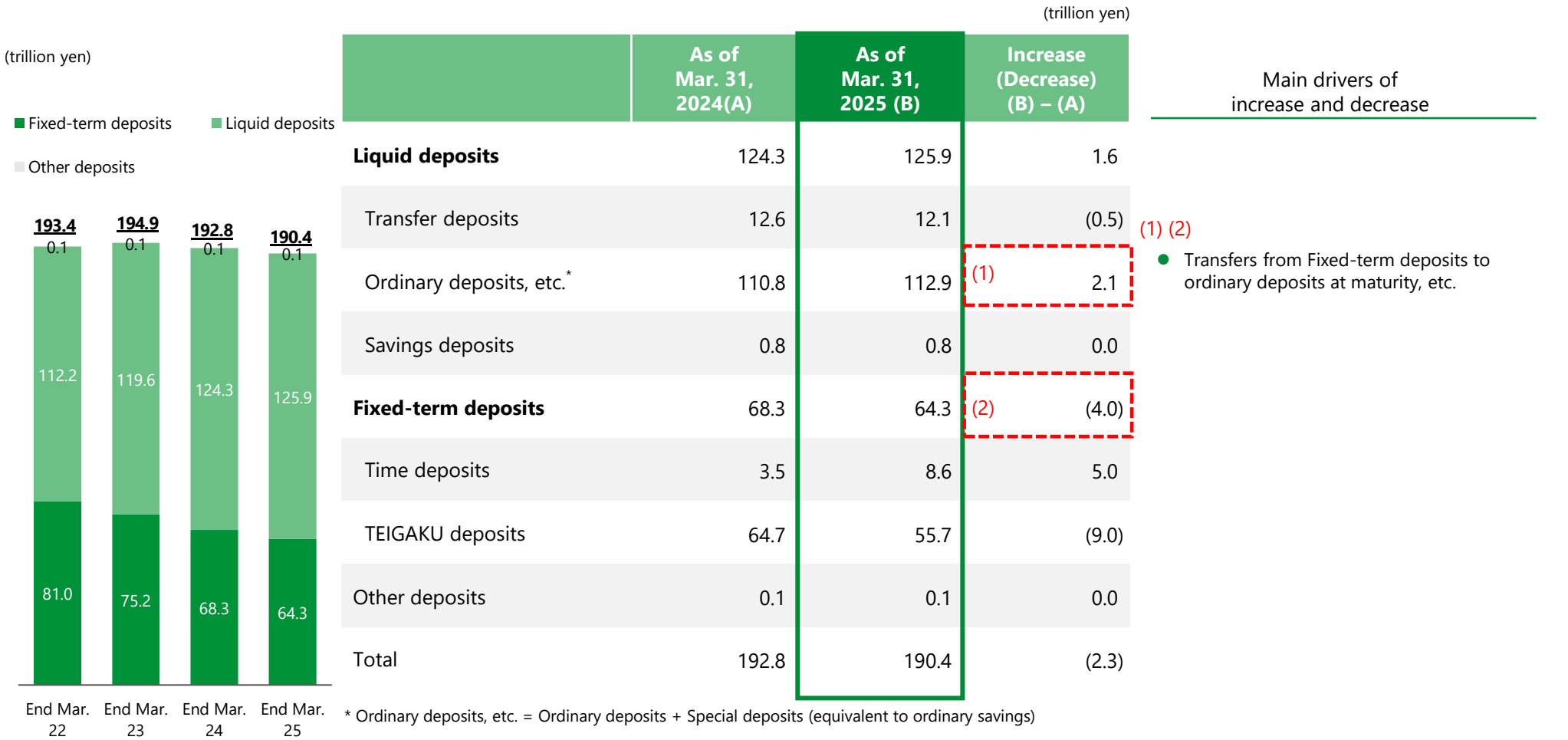
G&A Expenses (Non-consolidated)



Deposit Balance

Deposits have remained stable

Deposit Balance (Non-consolidated)

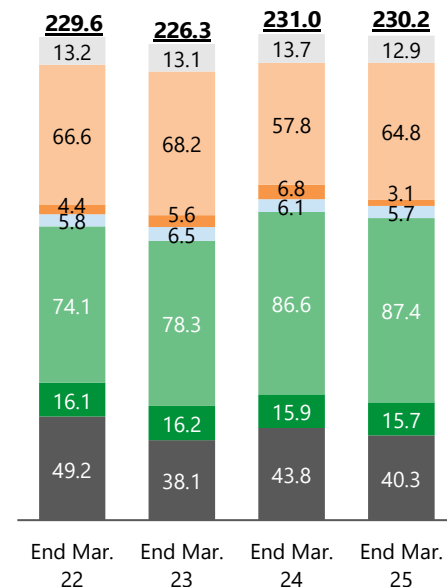


We have managed our portfolio in a timely and appropriate manner

Investment Assets (Non-consolidated)

(trillion yen)

■ Japanese government bonds
 ■ Japanese local government bonds, corporate bonds, etc.
 ■ Foreign securities, etc.
 ■ Money held in trust
 ■ Loans
 ■ Due from banks, etc.
 ■ Short-term investments and others



(billion yen)

	Balance As of Mar. 31, 2025	%	vs Mar. 31, 2024
Securities	143,565.3	62.3	(2,893.9)
Japanese government bonds	40,342.6	17.5	(1) (3,519.4)
Japanese local government bonds, corporate bonds, etc. ^{*1}	15,796.3	6.8	(196.0)
Foreign securities, etc.	87,426.3	37.9	821.4
Foreign bonds	27,823.7	12.0	(2) (1,503.0)
Investment trusts ^{*2}	59,437.3	25.8	(3) 2,281.2
Money held in trust	5,721.9	2.4	(441.6)
Domestic stocks	616.5	0.2	(510.9)
Loans	3,130.5	1.3	(4) (3,717.7)
Due from banks, etc. ^{*3}	64,888.0	28.1	(5) 7,015.7
Short-term investments and others ^{*4}	12,938.8	5.6	(775.5)
Total	230,244.8	100.0	(813.1)

Main drivers of
increase and decrease

- (1) The amount of redemptions was greater than the amount of purchases
- (2) Redemption of foreign bonds
- (3) Increase in balances of private equity funds, foreign bond investment trusts, etc.
- (4) Decrease in loans to governments (loans on deeds)
- (5) Redemption of securities

*1 "Japanese local government bonds, corporate bonds, etc." consists of Japanese local government bonds, short-term corporate bonds, Japanese corporate bonds and Japanese stocks.

*2 Investment trusts are mainly invested in foreign bonds. Investment trusts include private equity funds, etc.

*3 "Due from banks, etc." consists of Bank of Japan deposits and monetary claims bought.

*4 "Short-term investments and others" consists of call loans and receivables under resale agreements, etc.

Unrealized Gains (Losses) on Financial Instruments

Net unrealized losses increased temporarily along with yen interest rate hike phase, but within our expectation

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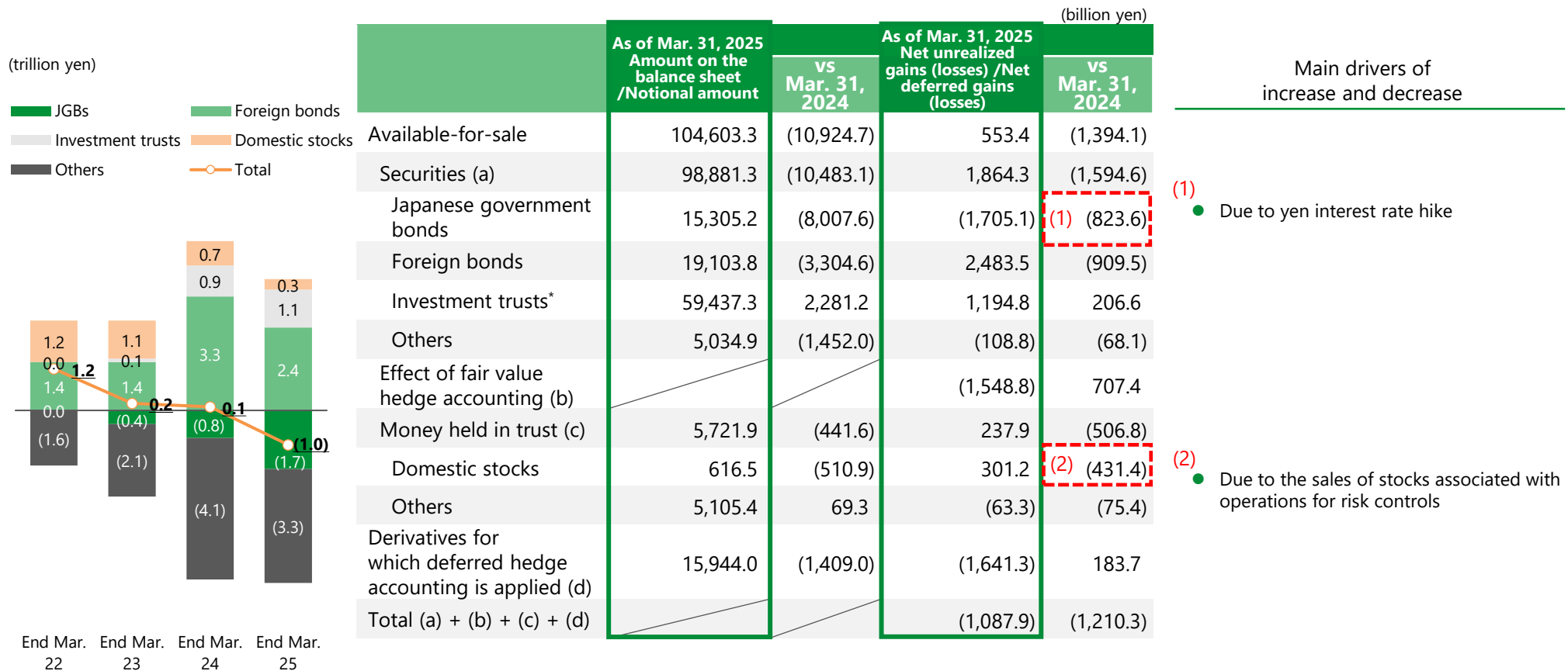
Results

Growth Strategy

Governance

Privatization

Available-for-sale Securities (Non-consolidated)

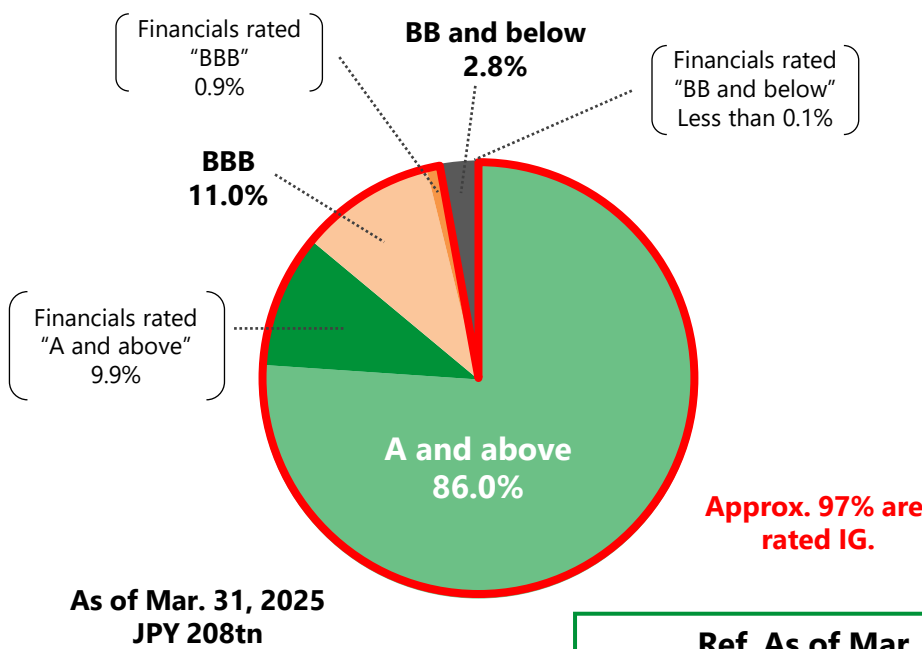


* Investment trusts are mainly invested in foreign bonds. Including unrealized gains on private equity funds (as of March 31, 2025, JPY 1,106.9bn; as of March 31, 2024, JPY 1,172.6bn).

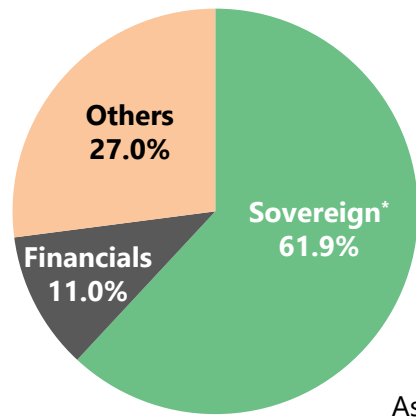
Exposure Profile of Investment Assets

We ensure investment stability through high-quality, highly-rated assets

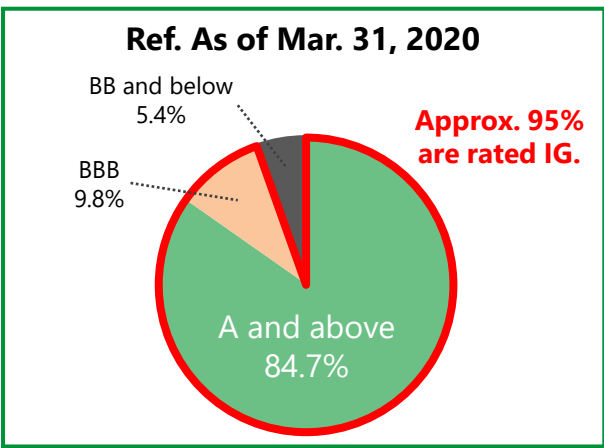
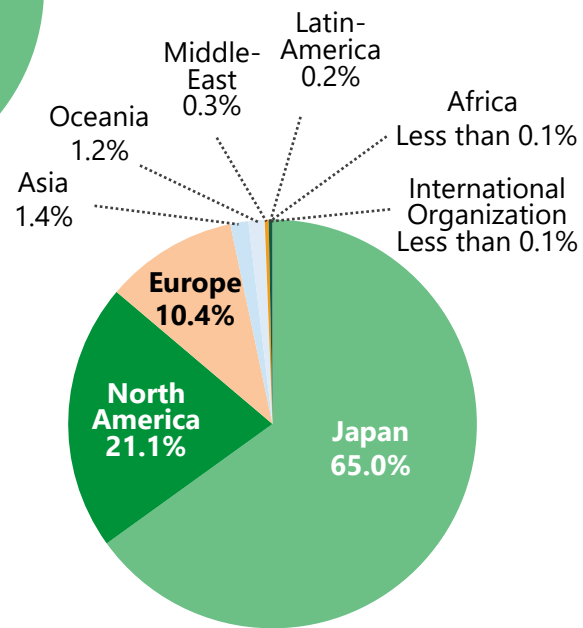
Exposures Classified by Ratings (Non-consolidated)



Exposures Classified by Sector and Region (Non-consolidated)

























* "Sovereign" includes exposures to national and local governments, central banks, etc.



Notes: 1. The range of assets covered in this page includes bonds and loans to sovereign entities, financial institutions and industrial corporations.
2. Exposures are calculated on the management accounting basis.
3. Rating categories are calculated based on the Bank's internal ratings and the external ratings.

**We conduct portfolio management flexibly
while adopting to changes in the market environment and strengthening the risk tolerance**

		Appetite (Domestic) (Overseas)		Medium-term investment policy	
Interest				<ul style="list-style-type: none">Continue to restructure the portfolio of yen interest rate assets, taking into account the Bank of Japan's monetary policy trendsFor overseas interest related assets, take on and/or curb risk according to market conditions	
Credit	IG			<ul style="list-style-type: none">In the investment grade (IG) area, invest with a focus on the income prospects of yen interest rate assetsContinue to invest in CLOs, while paying attention to market shareInvest selectively in the high yield (HY) area while monitoring market conditions, etc.	
	CLO				
	HY				
Stocks				<ul style="list-style-type: none">Take on and/or curb risk according to market conditions	
Foreign exchange				<ul style="list-style-type: none">Take on and/or curb risk according to market conditions	
Strategic investment areas	Private equity funds			<ul style="list-style-type: none">As strategic investment areas have grown to a size that will make a full-scale contribution to overall earnings, control the balance in consideration of the impact on risk assets, while continuing with the policy of selectively investing in quality funds from a medium- to long-term perspective	
	Real estate funds	Equities			
		Debts			
	Direct lending funds				
	Infrastructure debt funds				

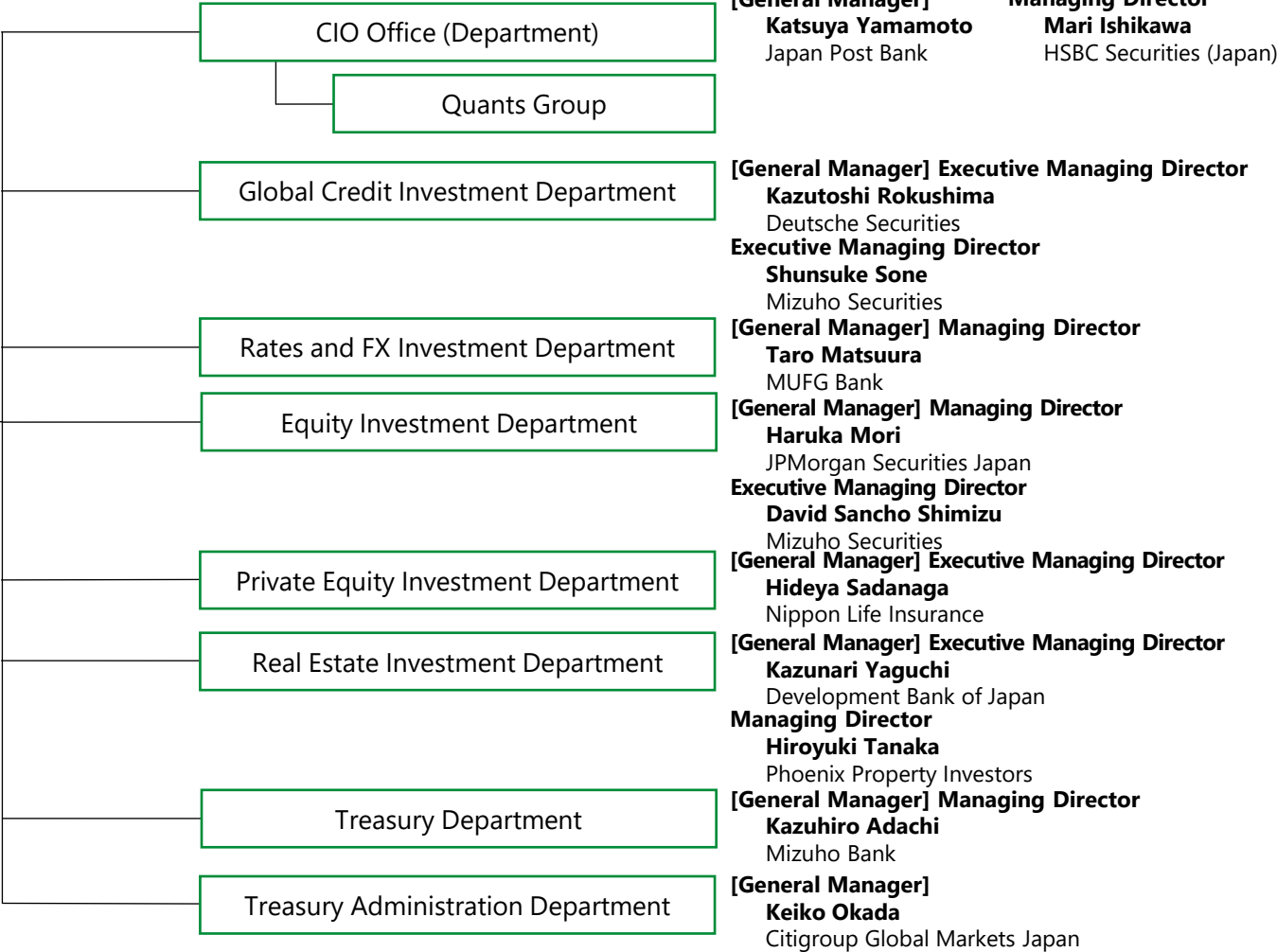
A variety of specialized personnel from within and outside the company are assigned as General Manager-level management. They are actively engaged in training young employees, as well as passing on their expertise.

Investment Division
(Eight departments and one group)
(As of Apr. 2025)

Executive Officers in charge
of the Investment Division

Managing Executive Officer
Hideki Nakao
Japan Post Bank

Executive Officer
Yuko Yoshida
JPMorgan Securities Japan

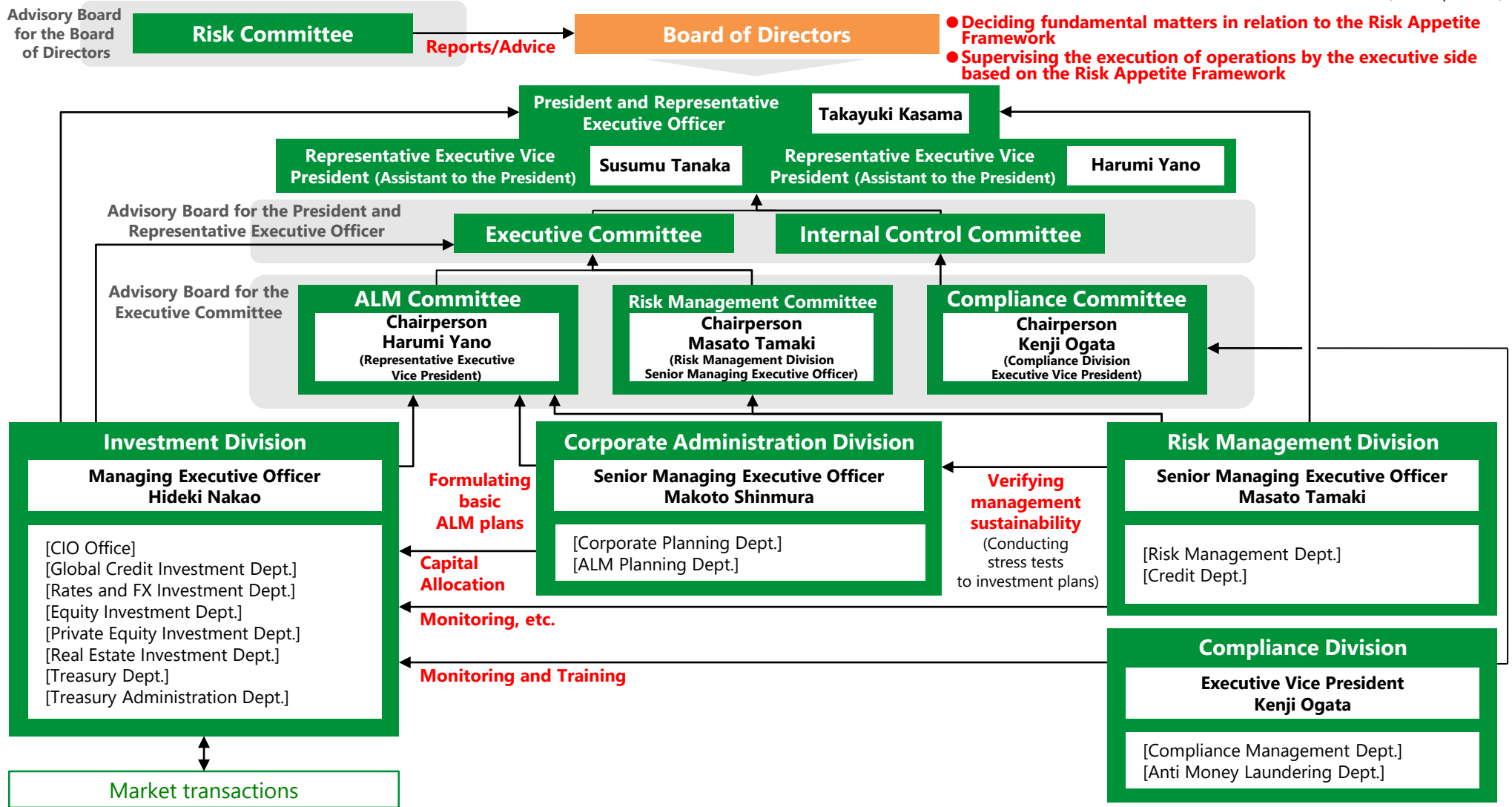


Note: Main former appointment listed below name.

Building a Strong Operational Structure (2)

We ensure adequate checks and balances by each division

(As of Apr. 2025)



Private Equity Investments (1) Current Status

Maintaining unrealized gains of JPY 1.1tn. Net Realized Gains ^{*1} improved from FY2023

1. Summary

2. Forecasts

3. Progress of
Mid-term Plan

4. Appendix

Results

Growth
Strategy

Governance

Privatization

Return Target/Actual Results

Status of Balance and Net Realized Gains

[Target]

- Net^{*2} IRR : 8.0%
- Net^{*2} TVPI : 1.30x
(TVPI: Total Value to paid in)
- Net Realized Gains :
JPY 200bn or more per
annum

[Actual Results] (as of Mar. 31, 2025)

- Net^{*2} IRR : **8.3%**
- Net^{*2} TVPI : **1.27x**

The net IRR remains
ahead of original plan.

<Balance>

The fair value reported tends to reflect the PE fund fair values from approx. **three months ago**^{*3}.

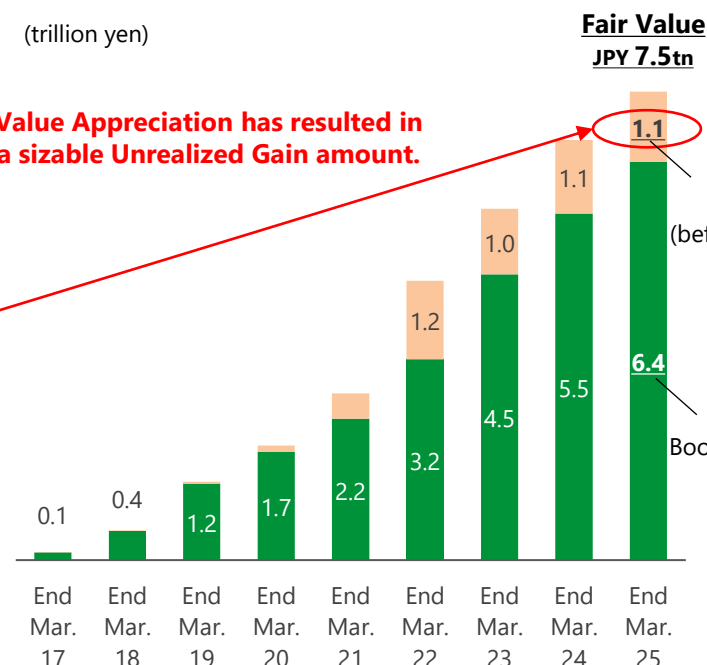
(For each PE fund, investee companies are valued using methods such as EV/EBITDA multiple method or discounted cash flow (DCF) method based on their individual circumstance, and valuation fluctuations tend to be milder, as compared to the stock price fluctuations for listed companies.)

<Net Realized Gains>

The Net Realized Gains recognized in various financial results are the Net Realized Gains of PE funds up to approx. **six months ago**.

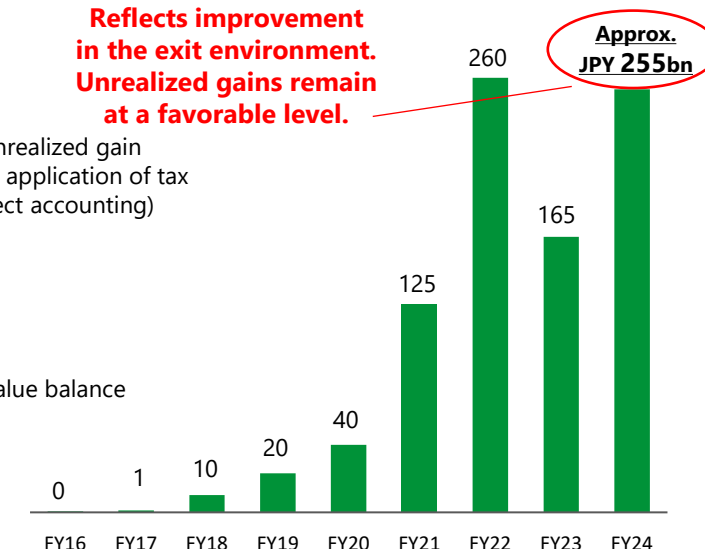
(trillion yen)

Value Appreciation has resulted in
a sizable Unrealized Gain amount.



(billion yen)

Reflects improvement
in the exit environment.
Unrealized gains remain
at a favorable level.



^{*1} The sum of interest/dividends derived from securities (interest income) and capital gains/losses arising from the disposal of securities net of cost (gains (losses) related to stocks).

^{*2} After deduction of expenses; Japanese yen basis

^{*3} In case of fund of funds such as secondary fund of funds, valuation used may be based on valuation reports from six months ago.

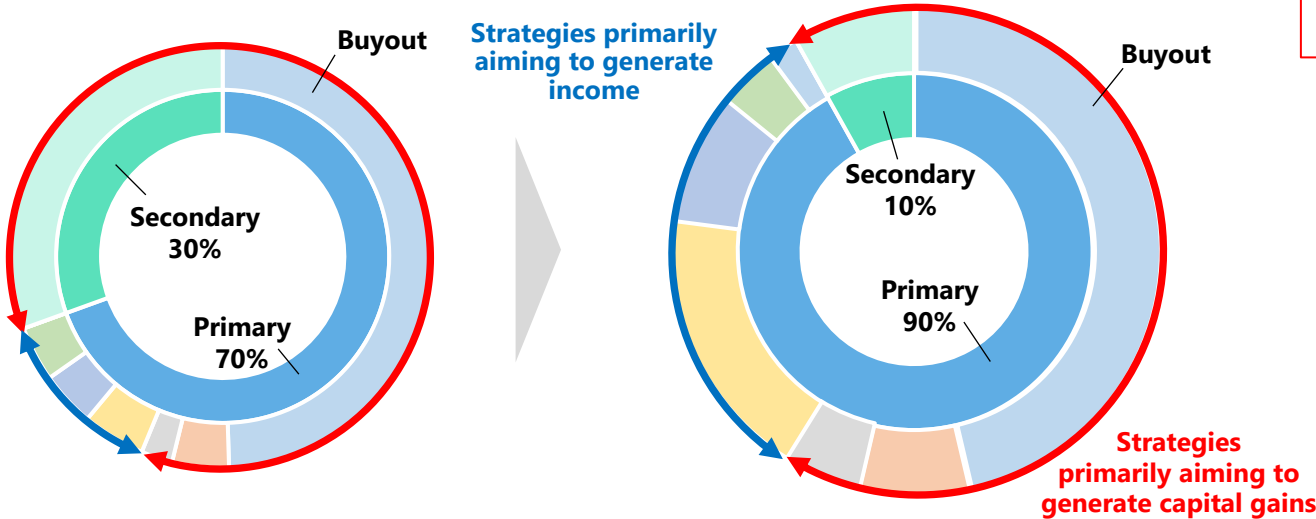
Private Equity Investments (2) The Portfolio

To earn stable returns, we aim to balance capital gain strategies and income gain strategies*

Strategy Diversification (Capital Commitment Basis)

FY2016 Strategy

FY2025 Strategy (Plan)

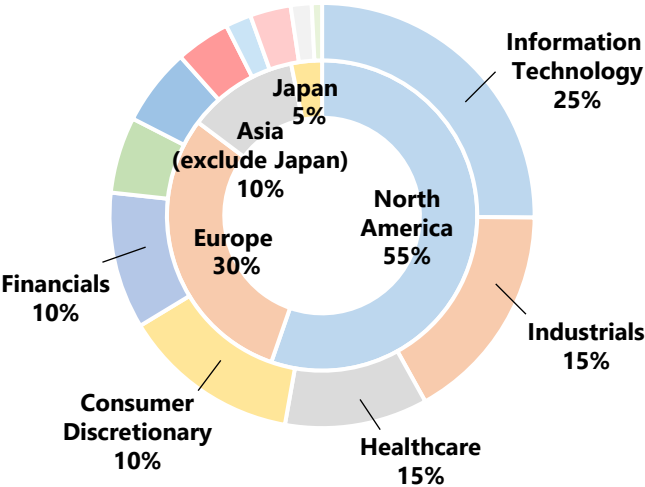


<Note>
Inner ring: primary vs. secondary split
Outer ring: investment strategy

Geography/Sector Diversification (Fair Value Basis)

As of Mar. 31, 2025

<Total number of investee companies>
approx. 54,200
(Average investment amount: **approx. JPY 134mn** per company)



<Note>
Inner ring: geographic diversification (location of the investee companies)
Outer ring: sector diversification

* Investment strategies focused primarily on generating income, such as infrastructure investments and mezzanine investments.

Real Estate Fund (1) Current Status

AUM of approximately JPY 4.7tn, and net realized gains have grown

Return Target/Actual

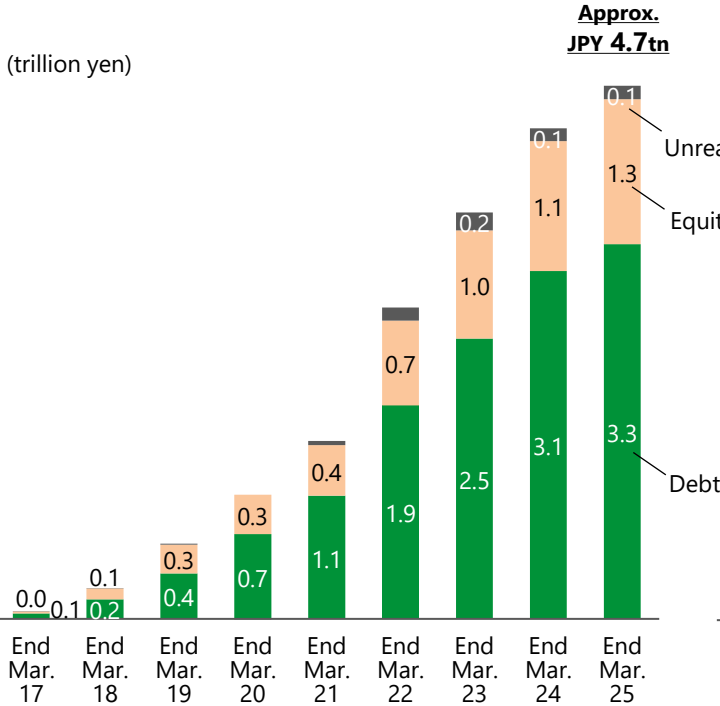
- [Target]
- Equity Net^{*2} IRR: 5-6%
 - Debt Excess spread to the corporate bond with equivalent credit risk

- [Actual (as of Mar. 31, 2025)]
- Equity Net^{*2} IRR: **5.2%**
 - Debt Excess spread of **approx. +90bps** over IG corporate bond spreads

Status of Balance and Net Realized Gains^{*1}

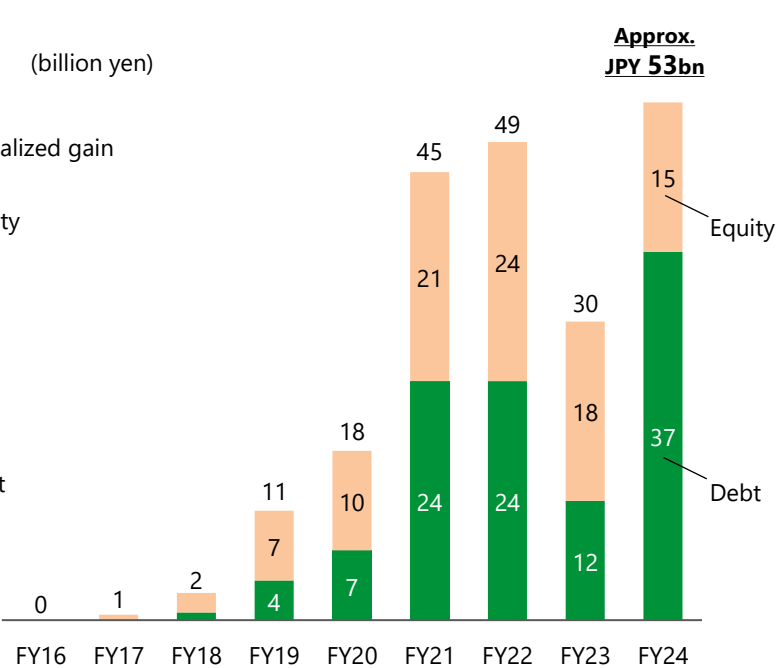
<Balance>

The reported fair value generally **lags three months** behind the fair value of real estate funds, NRL and CMBS.
(Fair values of commercial real estate are based on appraisal values which are less volatile than stock prices of listed companies.)



<Net Realized Gains>

The reported net realized gains generally **lags three months** behind the net realized gains of real estate funds, NRL and CMBS.



^{*1} Management accounting basis. Net realized gains including the amount of scheduled tax claim

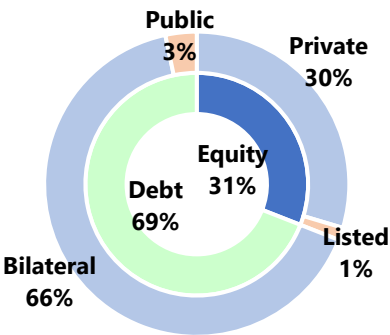
^{*2} After fees, expenses, and hedging costs

Real Estate Fund (2) The Portfolio

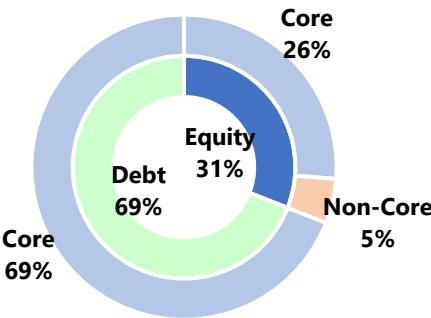
Strategically build a well-diversified portfolio

Strategy Diversification
(Fair Value Basis, As of Mar. 31, 2025)

Product Allocation



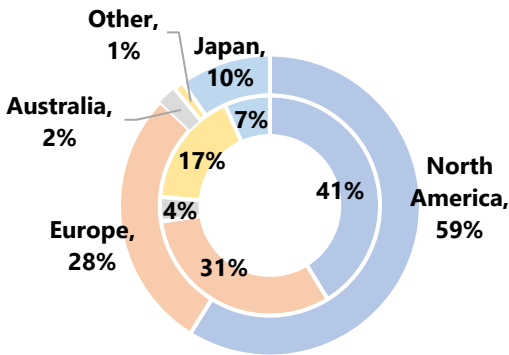
Strategy Allocation



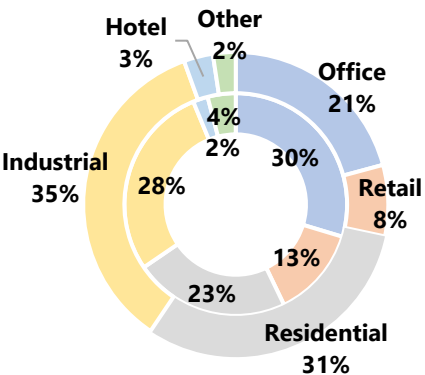
[Core]
Strategy of pursuing stable rental income earned from high occupancy properties.

[Non-core]
Strategy of pursuing greater returns than the core strategy by active property management such as lease-ups and refurbishments.

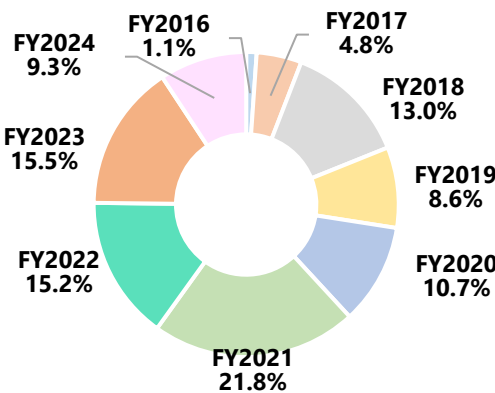
Geography Diversification
(Fair Value Basis, As of Mar. 31, 2025)



Sector Diversification
(Fair Value Basis, As of Mar. 31, 2025)



Vintage Diversification
(Capital Commitment Basis)



Investment Diversification
(As of Mar. 31, 2025)

No. of Funds	No. of Loans	No. of Underlying properties
236	322	Approx. 16,000

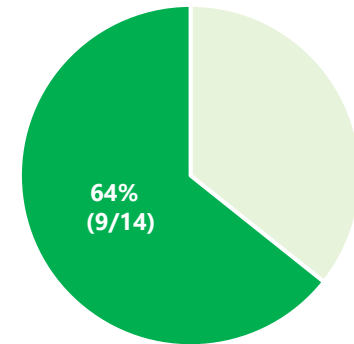
<Note>
Inner ring: Market size
(as of Dec. 31, 2023, estimated by MSCI*)
Outer ring: Portfolio (as of Mar. 31, 2025)

* Reproduced by permission of MSCI Inc. ©2025.
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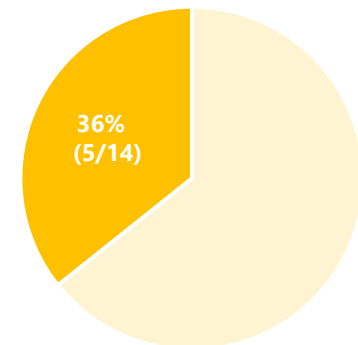
Governance - Structure and Skill Matrix of the Board of Directors

	Name	Independent Outside	Committee -related duties	Experience/Expertise								
				Management (Corporate Management)	Legal/ Compliance	Financial Accounting	Finance	Market Operation/ Risk Management	Sales/ Digital Marketing	Human Resources Develop- ment	ESG	Administ- ration
1	Takayuki Kasama		Nomination	●			●	●			●	
2	Susumu Tanaka					●	●					●
3	Harumi Yano						●	●		●	●	
4	Hiroya Masuda		Nomination Compensation	●			●				●	●
5	Katsuyo Yamazaki		Audit Risk				●			●		●
6	Keisuke Takeuchi	●	Nomination <u>Compensation</u>	●							●	
7	Makoto Kaiwa	●	<u>Nomination</u>	●		●					●	
8	Risa Aihara	●	Compensation	●					●			
9	Hiroshi Kawamura	●	<u>Audit</u>		●							
10	Kenzo Yamamoto	●	Audit <u>Risk</u>				●	●				
11	Keiji Nakazawa	●	Compensation Audit		●	●						
12	Atsuko Sato	●	Risk				●	●		●		
13	Reiko Amano	●	Nomination					●			●	
14	Akane Kato	●	Audit	●						●		

Independent
outside directors



Female directors



*1 Nomination: Nomination Committee member Compensation: Compensation Committee member Audit: Audit Committee member Risk: Risk Committee member

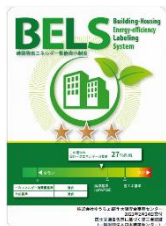
*2 Those underlined and in bold are the chairmen of their committees.

(Ref.) Overview of Executive Compensation System

Type	Degree of performance dependency	Payment standard	Payment time	Payment method
Base salary	Not linked	Fixed amount of compensation based on job responsibilities	Monthly	Cash
Stock compensation Revised in FY2024	Not linked	Fixed points based on job responsibilities	At retirement	Shares 70% Cash 30%
	Linked	<div>Linked to medium- to long-term performance (0 – 120%)</div> <div><div>Basic points</div><div>Awarded on basis of prescribed duties</div><div>×</div><div><div>Indicators</div><div>Quantitative</div><div>Consolidated net income (attributable to owners of parent)</div><div>ROE (based on shareholders' equity)</div></div></div>		
Bonuses Newly established in FY2024	Linked	<div>Linked to short-term performance (0 – 130%)</div> <div><div>Standard amount by position</div><div>Determined based on job responsibilities</div><div>×</div><div><div>Indicators</div><div>Quantitative</div><div><div>Financial Targets</div><div>Consolidated net income (attributable to owners of parent)</div><div>OHR/G&A expense reduction</div></div><div>Target KPI</div><div>Retail Business</div><div>Market Business</div><div>Σ Business</div><div>ESG</div></div><div>Qualitative</div><div>Corporate value enhancement initiatives</div><div>IT system problems, etc.</div></div>	Once per year	Cash

(Ref.) ESG Indices and External Assessments

External Assessments



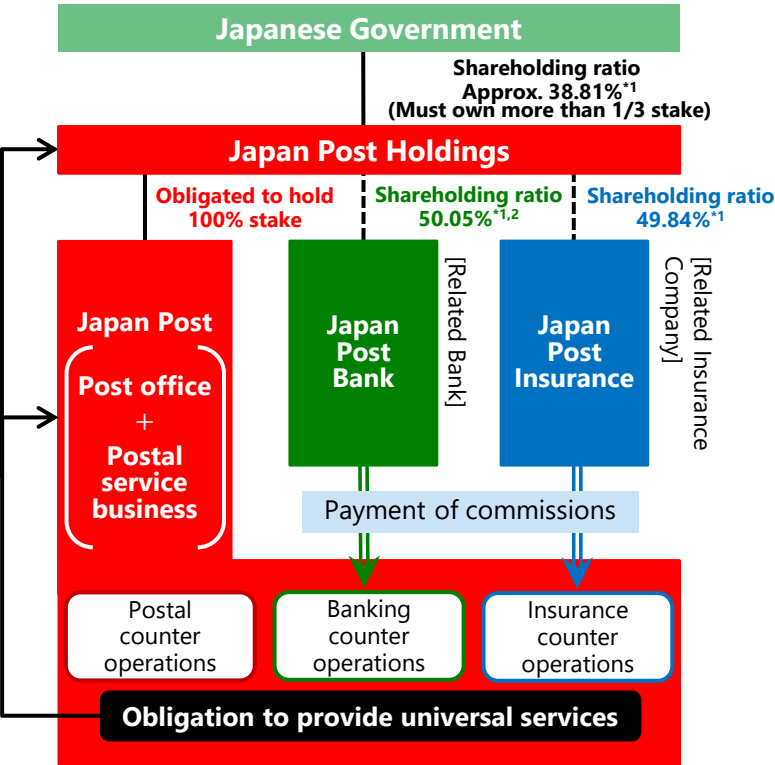
ESG Indices

- FTSE4Good Developed Index
- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- MSCI NIHONKABU ESG SELECT LEADERS INDEX
- MSCI Japan Empowering Women Index
- S&P/JPX Carbon Efficient Index
- Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)
- Euronext Sustainable World 120 Index

Note: More information for the indices and assessments, etc. can be found on our website.

<https://www.jp-bank.japanpost.jp/en/sustainability/evaluation/>

Relationship with Group Companies (As of Mar. 31, 2025)



Limitations on New Business, etc.

		Japan Post Holdings' shareholding ratio (Voting rights basis)		
		Over 50%	50% or less	0%
New business	Banking Act ^{*1}	None	None	None
	Postal Service Privatization Act ^{*1,2}	Permission	Notification	None
Owning affiliates	Banking Act ^{*1}	Notification	Notification	Notification
	Postal Service Privatization Act ^{*1}	Notification	Notification	None
Owning subsidiaries				
Banks	Banking Act ^{*1}	Permission	Permission	Permission
	Postal Service Privatization Act ^{*1}	Prohibited	Prohibited	None
Other	Banking Act ^{*1}	Permission ^{*3}	Permission ^{*3}	Permission ^{*3}
	Postal Service Privatization Act ^{*1}	Permission ^{*4}	Permission ^{*4}	None
Mergers and acquisitions (M&A)				
Financial Institutions ^{*5}	Banking Act ^{*1}	Permission	Permission	Permission
	Postal Service Privatization Act ^{*1}	Prohibited ^{*6}	Prohibited ^{*6}	None
Other	Banking Act ^{*1}	Permission	Permission	Permission
	Postal Service Privatization Act ^{*1}	Permission	Permission	None
Restrictions on the maximum amount of deposit	Banking Act ^{*1}	None	None	None
	Postal Service Privatization Act ^{*1}	Regulated	Regulated	None

*1 Excluding treasury stock. Figures are rounded to two decimal places.

*2 The shareholding ratio is expected to fall below 50% after the establishment of a trust for the divestiture of Japan Post Bank shares by Japan Post Holdings and the contribution of Japan Post Bank shares to the trust.

*1 Permission is to be sought from, and notifications are to be made to: the Commissioner of the Financial Services Agency (Japan) in the case of the Banking Act; the Commissioner of the Financial Services Agency (Japan) and also the Minister for Internal Affairs and Communications in the case of the Postal Service Privatization Act.

*2 Businesses that require permissions and notifications are limited to those businesses stipulated in Article 110 of the Postal Service Privatization Act.

*3 May provide notification for making into subsidiaries companies that exclusively perform dependent services or specific financial operations.

*4 May provide notification for making into subsidiaries companies that exclusively perform dependent services, companies engaged in financial research and studies, and companies that provide consultation in relation to the accumulation of personal wealth.

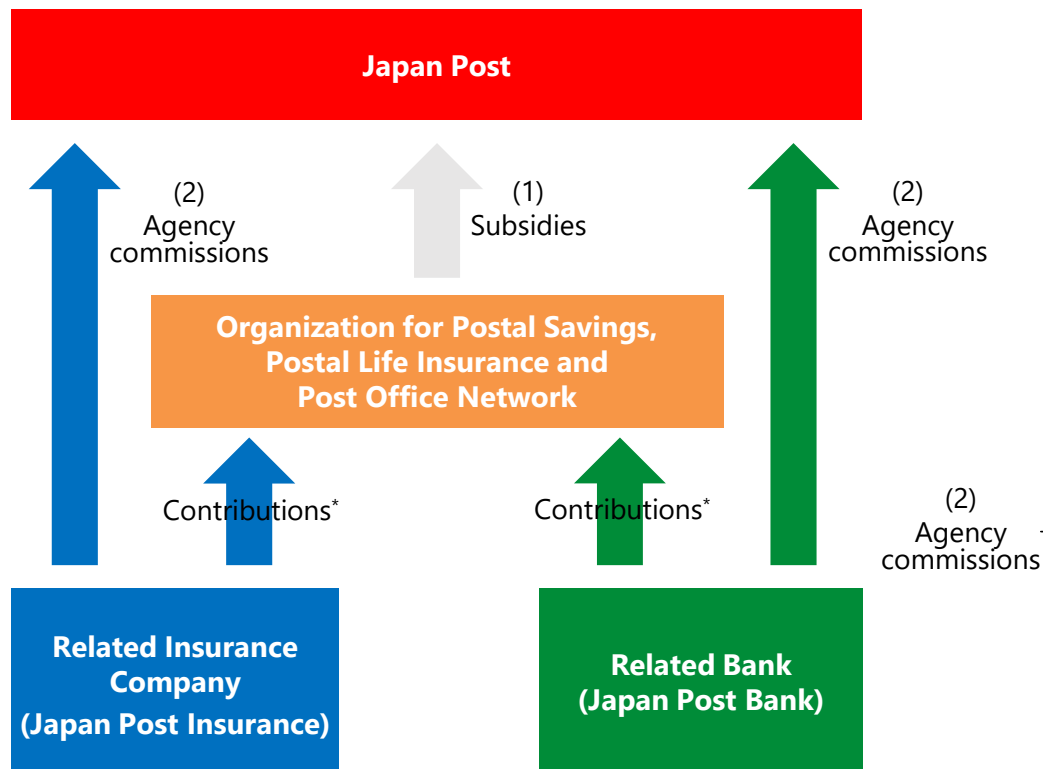
*5 Banks, long-term credit banks, shinkin banks, credit cooperatives, labor banks, shinkin bank associations, credit cooperative associations, labor bank associations, and Shoko Chukin Bank.

*6 Permitted in the case of acquisitions of operations other than deposit operations.

Current Status of Privatization

(2) Agency Commissions Paid to Japan Post, etc.

Contribution System



* Contributions refer to the amount of funds provided by Japan Post Insurance and Japan Post Bank (two financial institutions) out of the total provided proportionally by Japan Post, Japan Post Insurance, and Japan Post Bank to cover essential costs for ensuring universal services, etc.

Structure of Expenses Associated with Outsourcing to Japan Post

(1)
Subsidies
(≡ Contributions*)

- Subsidies are calculated each fiscal year by the Organization for Postal Savings, Postal Life Insurance and Post Office Network and approved by the Minister of Internal Affairs and Communications (Japan)

Basic
agency
commissions

- Commissions for operating deposits, investment trusts, and for remittance and settlement services, etc.
- Basic agency commissions are calculated by multiplying the percentage increase or decrease from the previous fiscal year's amount corresponding to the cost of agency services (based on the costs of our directly-operated branches) by the previous fiscal year's basic agency commissions

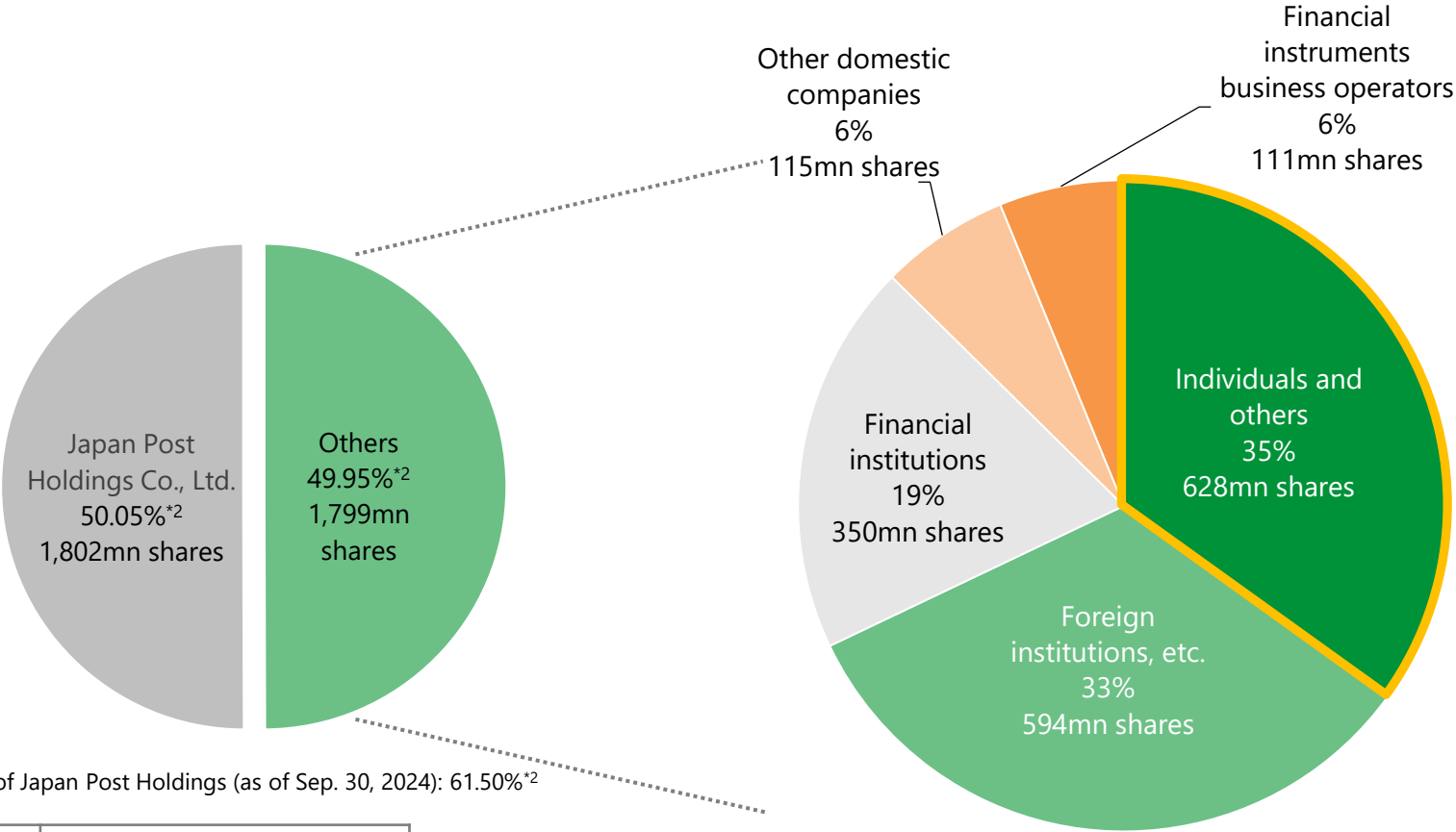
+

Sales & service
incentives

- Paid in line with achievement in sales targets and improvements in service quality

The basic agency commissions will reflect any change in operating efficiency of our directly-operated branches.

Shareholder Composition (Excluding treasury stock*1, As of Mar. 31, 2025)



(Ref. 1)
The shareholding ratio of Japan Post Holdings (as of Sep. 30, 2024): 61.50%*2

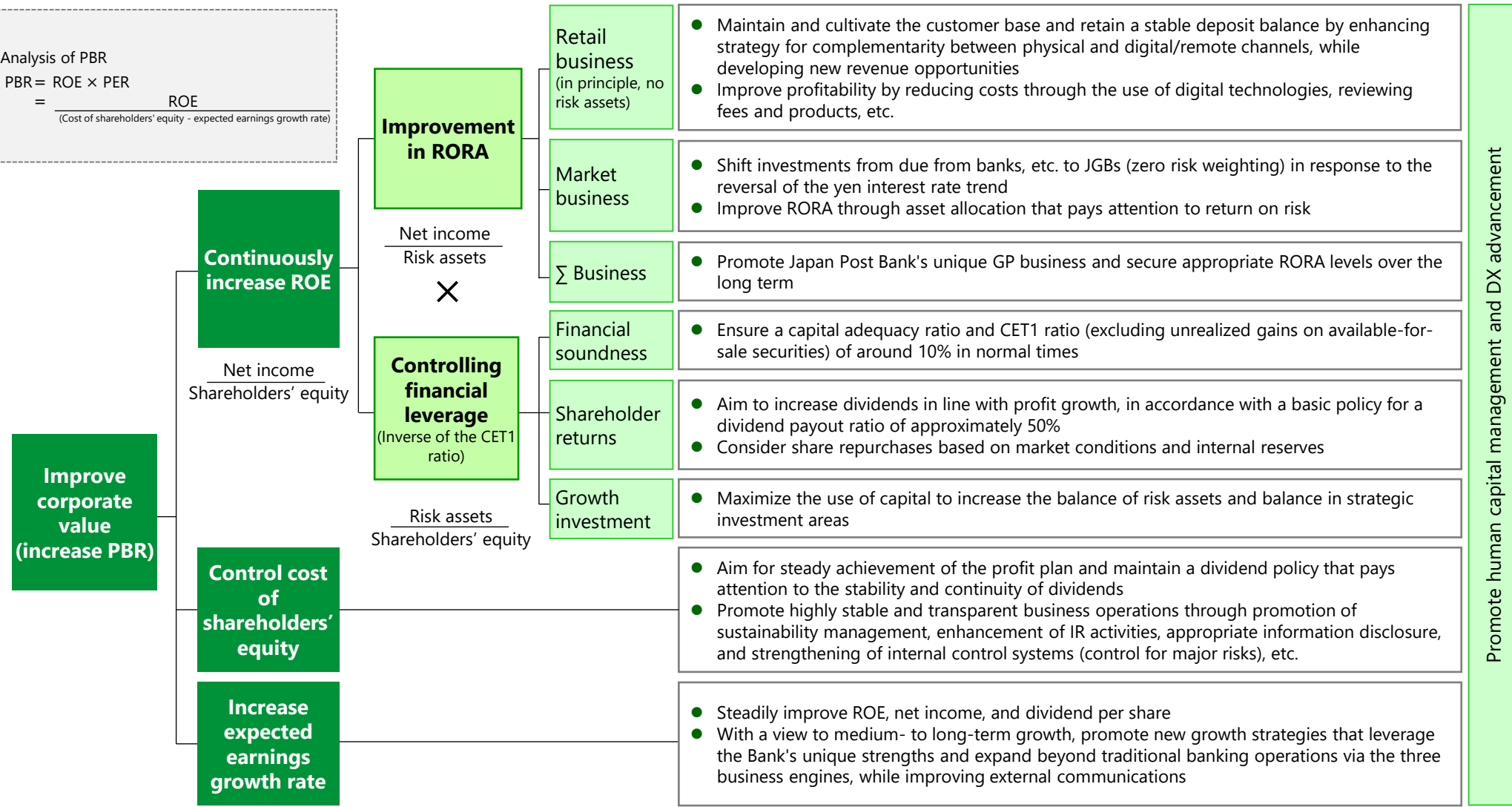
(Ref. 2)

Total No. of outstanding shares	3,604,335,520
No. of treasury stock*1	3,314,460

*1 Treasury stock excludes the Bank's shares held by stock benefit trust.
*2 Figures are rounded to two decimal places.

Note: All figures are rounded.

Relationship between Each Initiative in the Mid-term Plan and the Improvement of Corporate Value



(Ref.) Portfolio Management

Net Gains and Losses (Including Fees and Expenses) (Non-consolidated)

(Average balance: trillion yen, Net gains (losses): billion yen)

	FY2019		FY2020		FY2021		FY2022		FY2023		FY2024	
	Average balance	Net gains (losses)	Average balance	Net gains (losses)	Average balance	Net gains (losses)	Average balance	Net gains (losses)	Average balance	Net gains (losses)	Average balance	Net gains (losses)
Total portfolio	197.4	376.7	204.0	388.9	215.0	475.9	217.6	447.3	217.7	492.2	219.5	566.8
Yen interest rates assets	114.0	(480.5)	116.1	(581.8)	121.9	(580.3)	120.4	(551.0)	114.3	(540.5)	111.8	(277.9)
Customer-based funding and marketing	—	(774.3)	—	(840.7)	—	(878.4)	—	(834.0)	—	(814.4)	—	(629.4)
Investment side, etc.	—	293.7	—	258.8	—	298.1	—	283.0	—	273.9	—	351.4
Risk assets	83.4	857.3	87.9	970.8	93.0	1,056.2	97.2	998.3	103.4	1,032.7	107.6	844.7

Notes: 1. Management accounting basis.

2. Average balance of the respective portfolios is calculated as the average of the beginning and ending balances for each period.

3. Net gains and losses are calculated by the below formula. Total of net gains and losses for each portfolio is largely equal to the Bank's net ordinary income.

Net gains/losses = Net interest income, etc. (Interest income – Interest expenses (including net gains and losses on sales, etc.))
+ Net fees and commission income (Fees and commission income – Fees and commission expenses)
– Expenses (equivalent to general and administrative expenses in our statement of income)

(Ref.) Selected Historical Financial Data

Financial Data (Non-consolidated Basis) is available in Selected Financial Information.

Selected Financial Information For the Fiscal Year Ended March 31, 2025 https://www.jp-bank.japanpost.jp/en/ir/press/2025/pdf/pr250515_02.pdf

(billion yen)

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Consolidated						
Consolidated gross operating profit	1,314.0	1,319.1	1,292.0	1,056.3	733.6	1,045.6
Net interest income	976.6	961.9	1,147.4	796.3	715.7	956.7
Net fees and commissions	128.8	127.9	128.4	147.8	153.0	156.3
Net other operating income (loss)	208.4	229.1	16.0	112.1	(135.1)	(67.4)
General and administrative expenses ^{*1}	(1,021.5)	(1,011.4)	(983.2)	(926.3)	(929.1)	(915.6)
Provision for general reserve for possible loan losses	(0.0)	—	(0.0)	—	(0.0)	—
Consolidated net operating profit	292.5	307.6	308.7	130.0	(195.5)	129.9
Non-recurring gains (losses)	86.6	86.5	182.1	325.5	691.6	454.6
Net ordinary income	379.1	394.2	490.8	455.5	496.0	584.5
Extraordinary income (losses)	(0.5)	(1.5)	5.6	(1.1)	(1.9)	(0.3)
Net income attributable to owners of parent	273.4	280.1	355.0	325.0	356.1	414.3
Consolidated capital adequacy ratio (Domestic standard) ^{*2}	15.58%	15.53%	15.56%	15.53%	15.01%	15.08%
Consolidated total net assets ^{*2}	9,003.2	11,394.8	10,302.2	9,651.8	9,707.9	9,090.9
Consolidated total assets ^{*2}	210,910.8	223,870.6	232,954.4	229,582.2	233,907.9	233,601.5
Non-consolidated						
Number of employees (people) ^{*2}	12,477	12,408	12,169	11,742	11,345	10,952
Average number of temporary employees (people) ^{*2}	3,865	3,601	3,243	2,898	2,613	2,437
New employees (people) ^{*3}	234	230	147	141	141	110

^{*1} General and administrative expenses exclude non-recurring expenses. ^{*2} As of the end of each fiscal period. ^{*3} As of the beginning of each fiscal year. The number of new employees in FY2025 is 181.