FY2025 H1
IR Presentation

November 20, 2025

President & CEO, Representative Executive Officer

Member of the Board of Directors

Takayuki Kasama

JAPAN POST BANK

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Consolidated Subsidiaries, etc. (as of Sep. 30, 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.

For more information on Financial Data, see Selected Financial Information For the Six Months Ended September 30, 2025.
(https://www.jp-bank.japanpost.jp/en/ir/press/2025/pdf/pr25111407.pdf)

(1) FY2025 H1 Results

Progress rate for the full-year earnings forecast is strong, at 51.1%

For FY2025 H1, net income attributable to owners of parent increased by JPY 17.5bn year on year to JPY 240.3bn.
It equated to 51.1% of the full-year earnings forecast and remained strong, and the full-year earnings forecast and annual dividend forecast remain unchanged.

Results of Operations (Consolidated)

Net income attributable to owners of parent	JPY 240.3bn	[Progress rate to forecast 51.1%]
Net ordinary income	JPY 354.0bn	[Progress rate to forecast 52.0%]

Net interest income	JPY 567.0bn	[YoY JPY +114.4bn]
Net fees & commissions	JPY 84.0bn	[YoY JPY +5.3bn]
Net other operating income (loss)	JPY (32.1)bn	[YoY JPY (29.2)bn]
G&A expenses (Exclude non-recurring losses)	JPY 475.7bn	[YoY JPY +11.4bn]
Non-recurring gains (losses)	JPY 211.0bn	[YoY JPY (46.2)bn]

FY2025 Full-year Forecast Annual Dividend Forecast (Unchanged)

Net income (consolidated) : JPY 470.0bn

Dividend per share : JPY 66 (Dividend payout ratio: 50.2%)

Investment Assets (Non-consolidated)

Investment assets	JPY 229.9tn	[vs Mar. 31, 2025 JPY (0.3)tn]
Securities	JPY 144.2tn	[vs Mar. 31, 2025 JPY +0.7tn]
JGBs	JPY 40.5tn	[vs Mar. 31, 2025 JPY +0.2tn]
Foreign securities, etc.	JPY 87.8tn	[vs Mar. 31, 2025 JPY +0.4tn]

More than 7 years to 10 years JPY 15.4tn [QoQ JPY +1.7tn]

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 (740.2)bn [vs Mar. 31, 2025 JPY+347.6bn]

Capital Adequacy Ratio and CET1 Ratio (Consolidated)

Capital adequacy ratio	15.67%	[vs Mar. 31, 2025 +0.59%]
CET1 ratio (estimate) *	12.43%	[vs Mar. 31, 2025 +0.66%]

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

(2) FY2025 H1 Results

Net income attributable to owners of parent exceeded our earnings forecast mainly due to an increase in net interest income, etc.

Results and Earnings Forecasts (Consolidated)

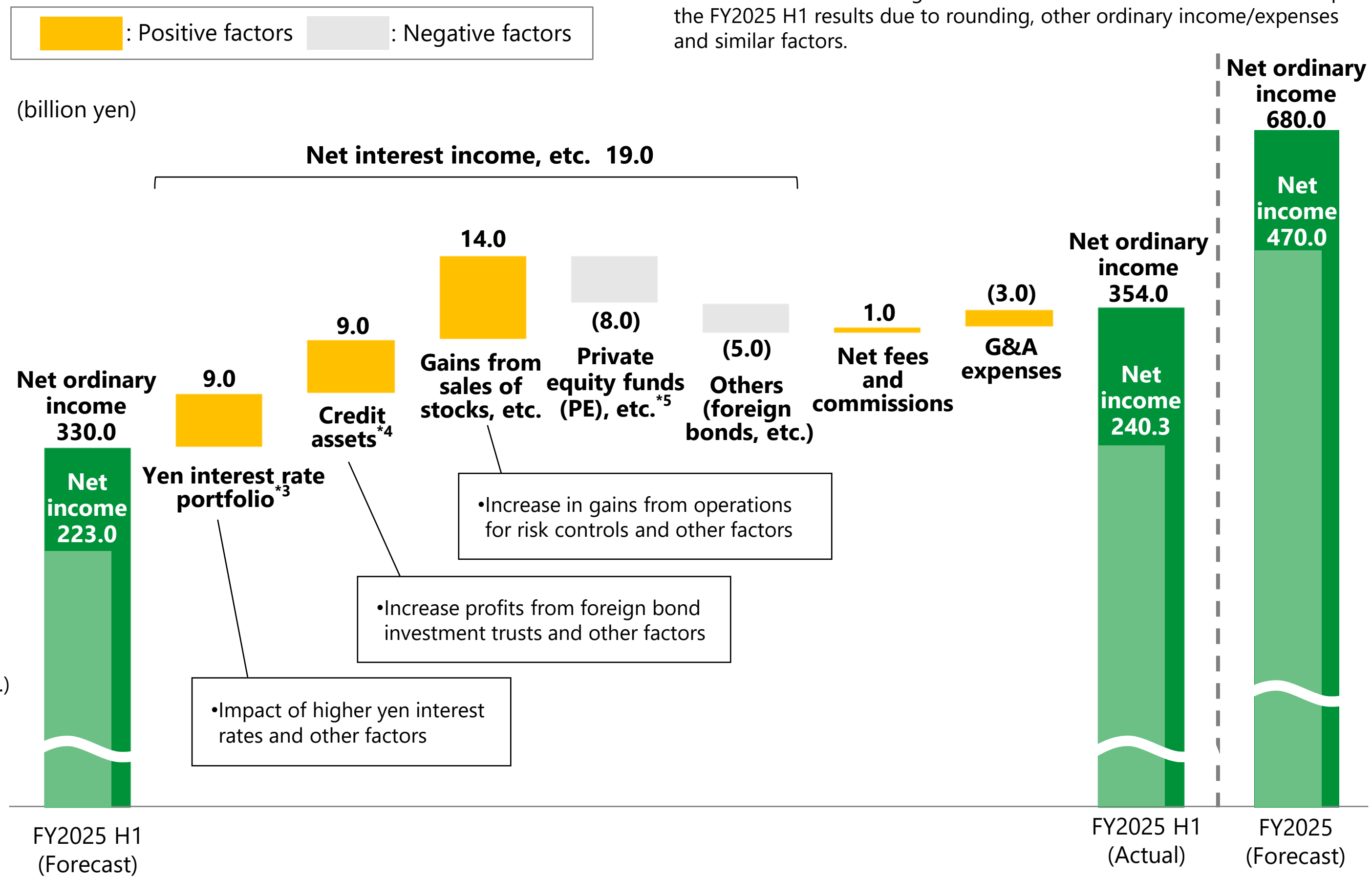
(billion yen)

	FY2025 H1 (Forecast) (A)	FY2025 H1 (Actual) (B)	Increase (Decrease) (B) – (A)[*2]
Net interest income, etc.[*1]	726.0	745.4	19.0
Net fees and commissions	83.0	84.0	1.0
General and administrative expenses	479.0	475.8	(3.0)
Net ordinary income	**330.0**	**354.0**	**24.0**
Net income attributable to owners of parent [Progress rate]	**223.0**	**240.3 [51.1%]**	**17.0**

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

*2 Figures are rounded

Note: The addition of total changes to the forecast for FY2025 H1 does not equal the FY2025 H1 results 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.

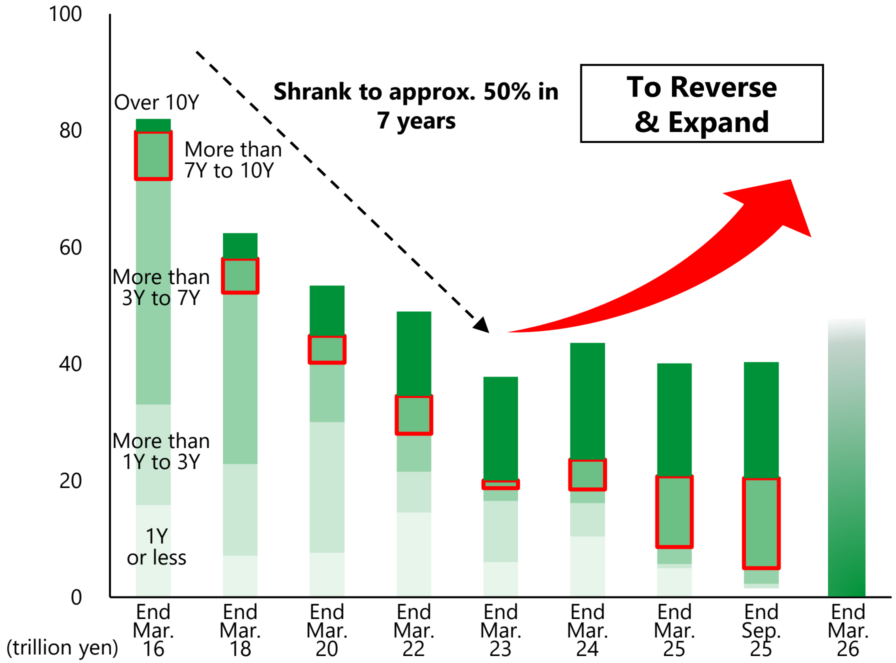
*4 Income related to foreign bond investment trusts, in-house corporate bonds, real estate funds (debt), direct lending funds, etc. (excluding income related to yen interest rate risk-taking)

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

(3) Restructuring of the Yen Interest Rate Portfolio

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

Balance of JGBs*1



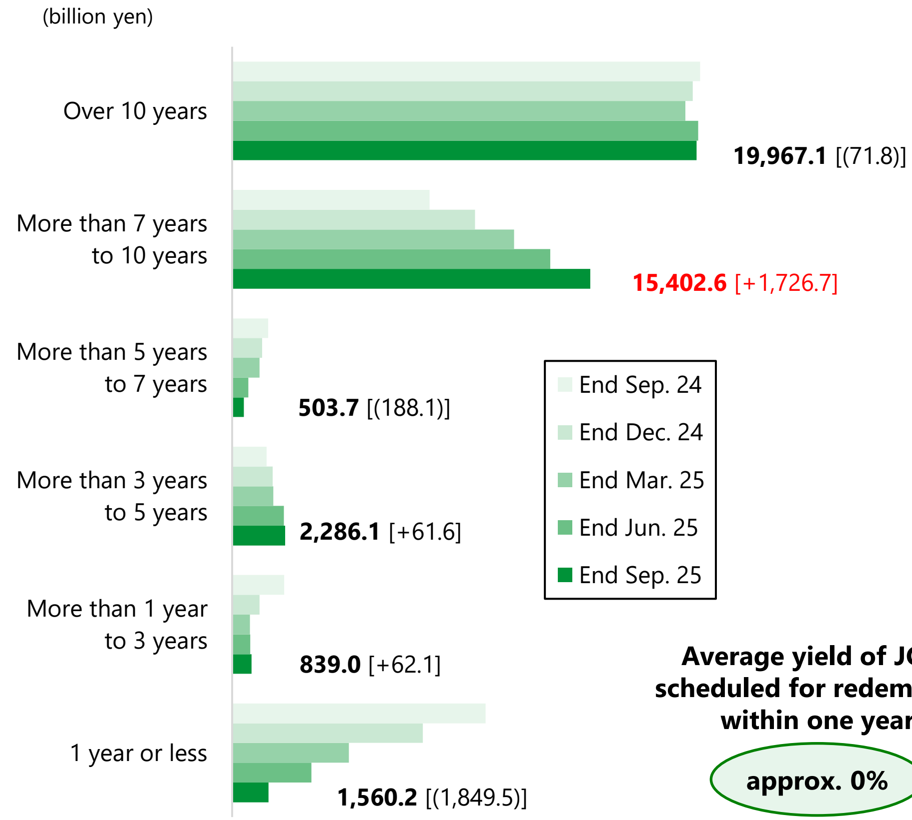
(trillion yen)	End Mar. 16	End Mar. 18	End Mar. 20	End Mar. 22	End Mar. 23	End Mar. 24	End Mar. 25	End Sep. 25
Balance of JGBs	82.2	62.7	53.6	49.2	38.1	43.8	40.3	**40.5**
More than 7Y to 10Y	8.1	5.8	4.6	6.5	1.3	5.1	12.1	**15.4**
(Ref.) JGB 10Y Yield (%)	(0.04)	0.04	0.03	0.21	0.38	0.75	1.49	**1.66**
Yield of JGBs*2 (%)	1.02	0.93	0.76	0.60	0.53	0.46	0.61	**0.82*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 Annualized basis.

Balance of JGBs*1 Based on the Remaining Time to Maturity (As of Sep. 30, 2025)

Note: Figures in [ ] represent changes from Jun. 30, 2025.

Balance of JGBs: JPY 40,559.0bn [JPY (258.9)bn]



Average yield of JGBs scheduled for redemption within one year

approx. 0%

〈Balances based on the holding purpose〉
Held-to-maturity: JPY 28,235.9bn [JPY +1,810.0bn]
Available-for-sale: JPY 12,323.1bn [JPY (2,069.0)bn]

JAPAN POST BANK

(4) Outline of Next Mid-term Plan (New)
The Vision of Japan Post Bank in Next 10 to 20 Years

Medium- to Long-term Vision (10 to 20 Years in the Future)

- Comprehensive financial platform
  - ➢As a platform to support an era of 100-year lifespans, we provide diverse financial services for customers throughout Japan together with partner companies
- A leading global market player
  - ➢As one of Japan's largest institutional investors, we refine our asset management capabilities and develop a distinctive asset management business

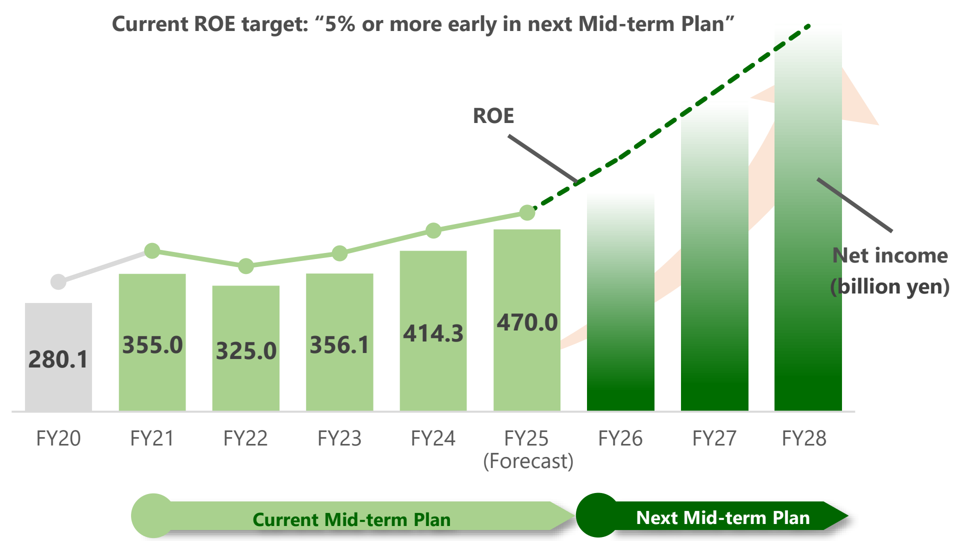
Direction for Capital Policy

- Shareholder returns
  - ➢We aim for progressive dividends in line with profit growth, etc.
- Growth investments
  - ➢We aim to enhance investments including inorganic to achieve further growth
- Soundness
  - ➢We aim to maintain and improve stable financial base

Net Income Trend and Upward Revision of ROE Target

- ROE target review in light of profit growth

We will revise our ROE target upward in light of profit growth

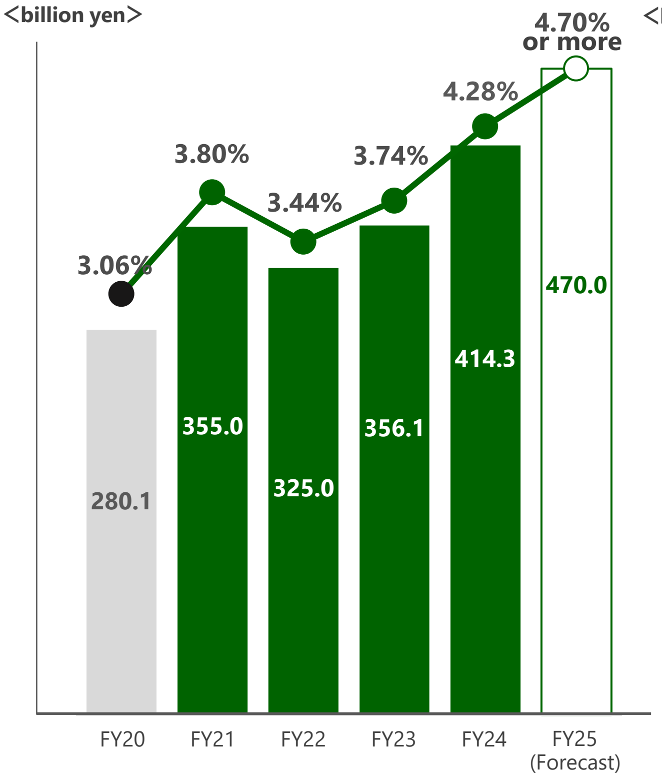


Direction for Next Mid-term Plan (1)
Review of Current Mid-term Plan (FY2021 to FY2025) (Financial Targets)

We achieved our profitability target for FY2025 ahead of schedule. We broadly achieved our efficiency target and expect the soundness to remain above the target level throughout current Mid-term Plan.

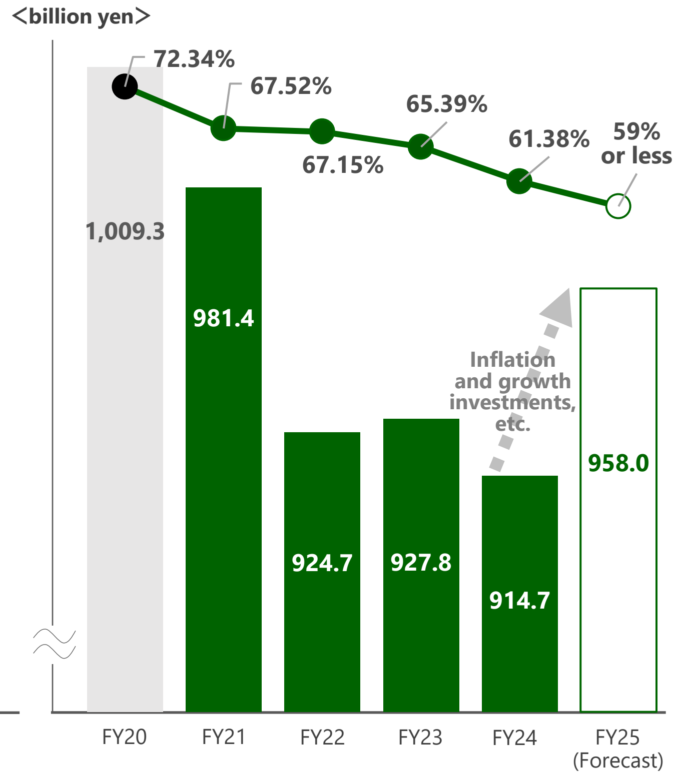
Profitability — Achieved ahead of schedule

FY2025 Target
- ✓ Net income : JPY 400.0bn or more
- ✓ ROE : 4% or more



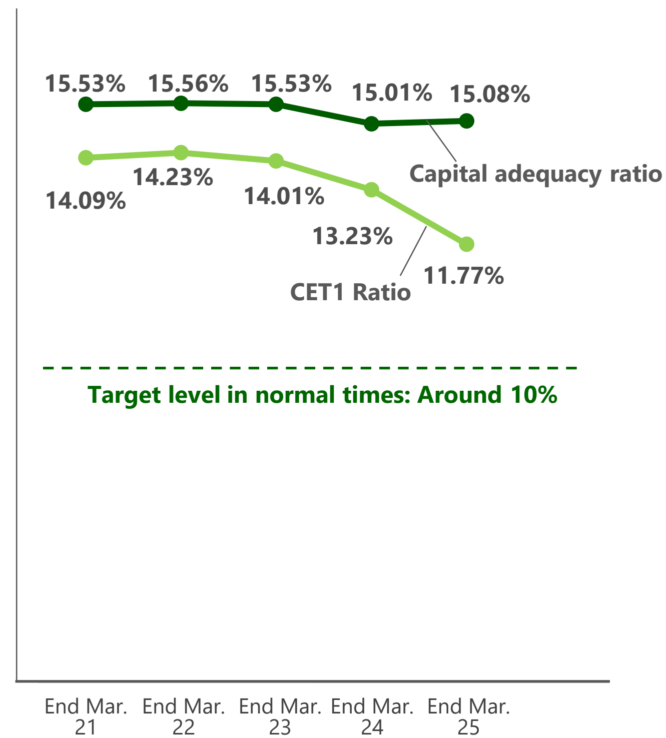
Efficiency — Broadly achieved

FY2025 Target
- ✓ G&A expenses : JPY (69.0) bn (compared to FY2020)
- ✓ OHR : 62% or less



Soundness — Expected to be achieved

FY2025 Target
- ✓ Capital adequacy ratio : approx. 10%
- ✓ CET1 Ratio* : approx. 10%



* International standard. Excluding unrealized gains on available-for-sale securities. Figures through to End Mar. 25 are based on the transitional final Basel III framework, and the target for FY2025 is based on the full implementation of Basel III framework.

Direction for Next Mid-term Plan (2)
Review of Current Mid-term Plan (FY2021 to FY2025) (Growth Strategy)

Under current Mid-term Plan, we are steadily promoting our growth strategy through three business engines (retail business, market business, and Σ (sigma) business).

Mission of current Mid-term Plan

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

Contribute to the development of regional economies by enhancing funds flow to, and relationships with, local 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

Growth strategy through the three business engines and outlook for next Mid-term Plan (FY2026 to FY2028)

Main results and challenges for current Mid-term Plan

Retail Business

Policy: Enhance strategy for complementarity between the physical and digital channels to transform into a new form of retail business

- Results: The number of Yucho Bankbook App users grew to more than 15 million, the largest scale among Japanese banks.
- Challenges: Strengthening the customer base through expansion and refinement of products and services, including renewed implementation of JP Group governance, is an urgent priority.

Market Business

Policy: Pursue an optimal investment portfolio that combines the yen interest rate assets with risk assets, while strengthening risk management

- Results: We simultaneously shifted investment to JGBs and improved the quality of risk assets, etc.
- Challenges: It is necessary to secure stable income and tackle new initiatives beyond the existing market operation business.

Σ Business

Policy: Revitalization of regional economies and creation of new corporate value through Japan Post Bank's unique GP[*1] business

- Results: We established wholly owned subsidiary JAPAN POST BANK CAPITAL PARTNERS Co., Ltd. and established a system to promote business operations.
- Challenges: Ensuring adequate investment record (to increase presence in the domestic PE[*2] market) and enhancing comprehensive capabilities for regional solutions.

*1 General Partner. Fund management entity responsible for selecting projects, making investment decisions, etc.
*2 Private equity. Investments in unlisted stocks.

Direction for next Mid-term Plan

- In the retail business, we will reorganize our strategy into **"Digital Payment Business Strategy"** and **"Consulting Business Strategy,"** as the importance of DX promotion including AI utilization, etc. is increasing even further and customer needs are also becoming more diverse.
- In the market business, we will execute **"Market Operation and Asset Management Business Strategy"** where we advance our existing business and take on the challenge of new businesses.
- In the Σ business, we will move into **"Regional and Corporate Solution Business Strategy"** that aims to provide comprehensive regional solutions in addition to domestic PE investment.

Direction for Next Mid-term Plan (3)

New Missions and Business Strategies under the Medium- to Long-term Vision and Next Mid-term Plan

Changes in the internal and external environments

Rising yen interest rate, progression of digital innovation, changes in population trends and lifestyles, etc.

Purpose

We aim for the happiness of our customers and employees, and to contribute to the development of societies and local communities

Management Philosophy

We aim to be "the most familiar and trusted bank" by using customer feedback as our compass for tomorrow

Our purpose and management philosophy

Backcasting from

NEW

Medium- to Long-term Vision (10 to 20 Years in the Future)

- Japan's leading "comprehensive financial platform," meeting customers' diverse needs and accompanying them through life
- "A leading global market player" aiming to increase the value of customers' assets and realize a sustainable society through investment in Japan and overseas

REVIEW

Two Missions in Next Mid-term Plan (FY2026 to FY2028)

(1) As a platform to support an era of 100-year lifespans, we provide diverse financial services for customers throughout Japan together with partner companies.

(2) As one of Japan's largest institutional investors, we refine our asset management capabilities and develop a distinctive asset management business.

Four New Business Strategies and Management Base

-The Strategies supported by the Management Base and backed by Customers and Deposits that Post Offices attract-

■ Digital Payment Business Strategy

- Realize "safe, secure, and easy-to-use" + "beneficial" services centered on the Yucho Bankbook App (target: 25 million users)

■ Consulting Business Strategy

- Expand new services and refine the combination of "physical, remote, and digital" channels to provide diverse consulting services

Fulfilling customer and deposit base

■ Regional and Corporate Solution Business Strategy

- Strengthen domestic PE investment (Σ business) centered on JAPAN POST BANK CAPITAL PARTNERS Co., Ltd., and promote co-creation with regional financial institutions and corporate solution business

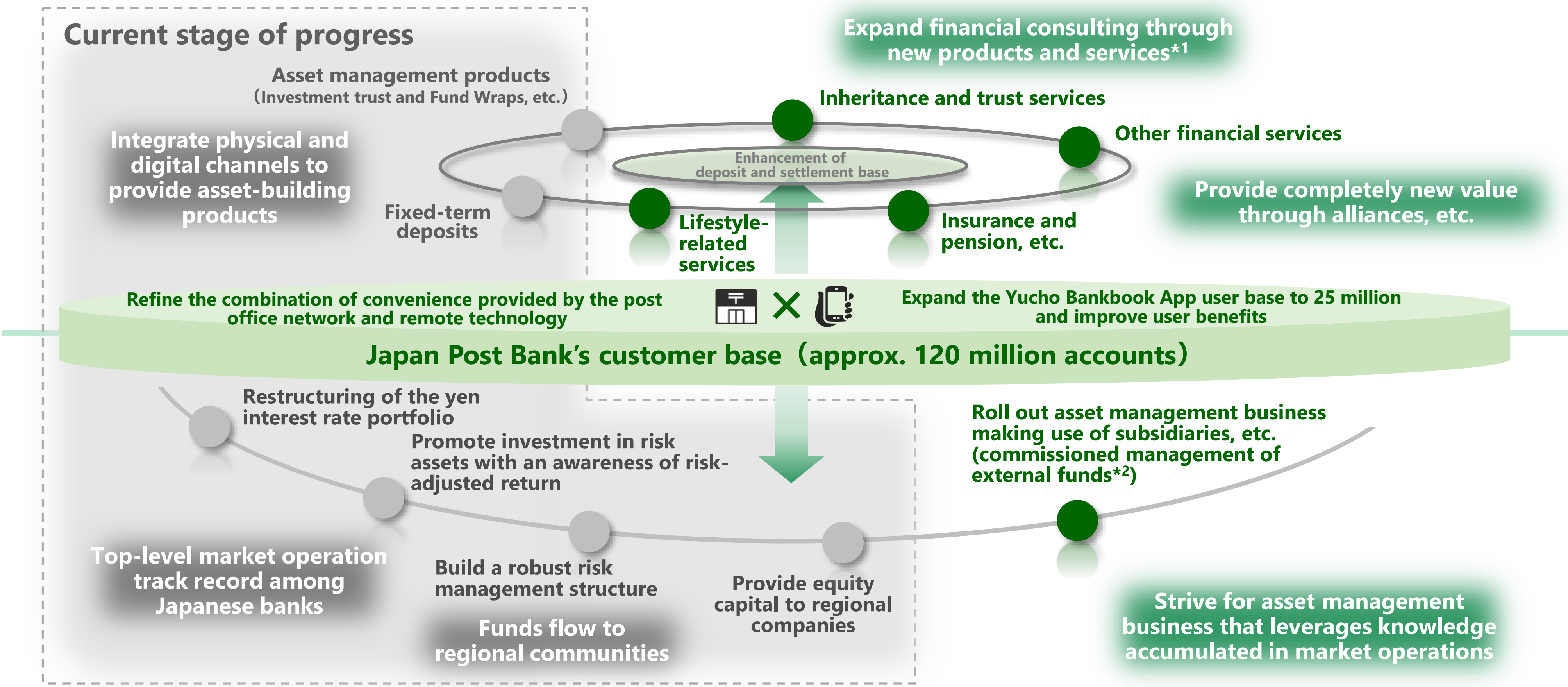
■ Market Operation and Asset Management Business Strategy

- Pursue the optimal asset management portfolio of yen interest rate assets and risk assets, and take on the challenge of an asset management business

Collaborate with Partner Companies, Promote Human Capital Management and Corporate Culture Reforms, and Improve the Management Base

Direction for Next Mid-term Plan (4)
Our Medium- to Long-term Vision (Japan Post Bank in Next 10 to 20 Years)

Japan's leading "comprehensive financial platform," meeting customers' diverse needs and accompanying them through life

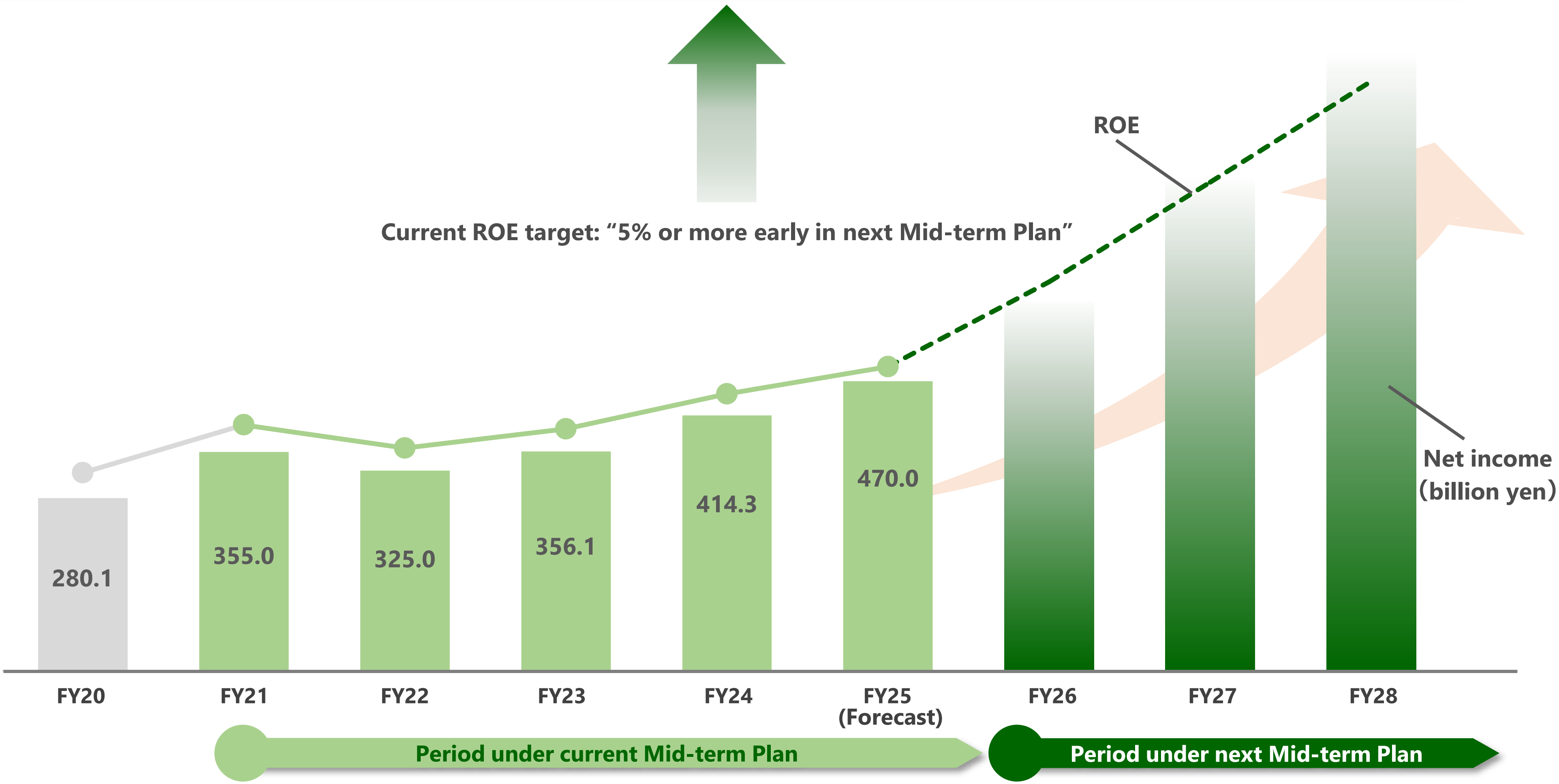


"A leading global market player" aiming to increase the value of customers' assets and realize a sustainable society through investment in Japan and overseas

*1 Assuming care to ensure fair competition with other financial institutions and appropriate provision of services to users.
*2 Start by accepting funds entrusted by institutional investors, and expand to include funds from individual investors in the future.

Direction for Next Mid-term Plan (5)
Net Income Trend and Upward Revision of ROE Target

For next Mid-term Plan, we will revise our ROE target upward in light of profit growth through the four business strategies.

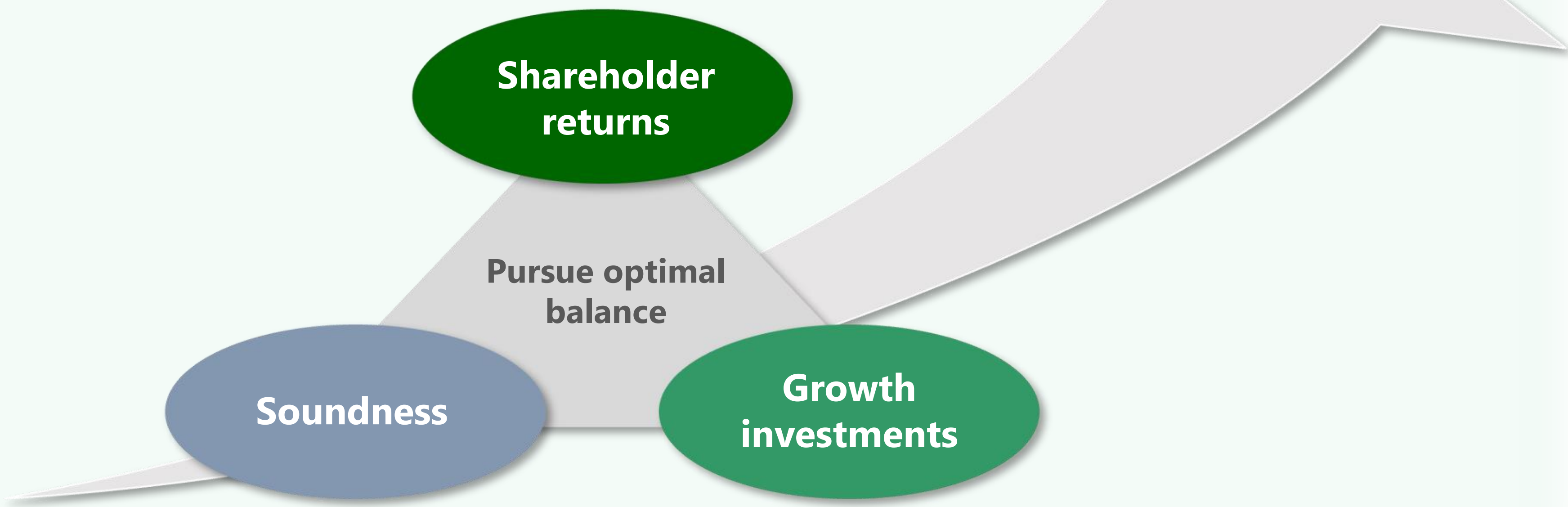


Direction for Next Mid-term Plan (6)
Direction for Capital Policy under Next Mid-term Plan

Anticipating solid growth in net income, we aim to achieve the optimal balance of shareholder returns, growth investments, and financial soundness.

Further enhancement of corporate value

- **Further enhance dividends in line with profit growth, etc. (aim for progressive dividends)**
- **Consideration of share repurchases will be based on market conditions, and the shareholding ratio of Japan Post Holdings**



- **Maintain and improve stable financial base**
- **Enhance investments including inorganic to improve profitability and achieve further growth**

Financial / KPI Targets

Progress toward achieving KPIs is on track

Financial Target Items <Consolidated>

Profitability

	〈Result for FY2025 H1〉	〈FY2025 Target*1〉
Net income	JPY 240.3bn	JPY 400.0bn or more ↓ <u>JPY 470.0bn</u>
ROE (based on shareholders' equity)	4.90%*2	4.0% or more ↓ <u>4.7% or more</u>

Efficiency

	〈Result for FY2025 H1〉	〈FY2025 Target*1〉
OHR (basis including gains (losses) on money held in trust)	57.35%	62% or less ↓ <u>59% or less</u>
General and administrative expenses	JPY (27.9)bn (compared to FY2020 H1)	JPY (69.0)bn (compared to FY2020)

*1 The upper row shows the targets for the final year of the Mid-term Plan at the time of the revision of the plan (announced in May 2024).
The bottom row, which is underlined, shows the targets based on the FY2025 earnings forecasts (announced in May 2025).

*2 Annualized basis

Soundness

	〈Result as of Sep. 30, 2025〉	〈As of Mar. 31, 2026 Target〉
Capital adequacy ratio (domestic standard)	15.67%	approx. 10%*3 (level in normal times)
CET1 Ratio (international standard) (excluding unrealized gains on available-for-sale securities)	12.43%	approx. 10%*3 (level in normal times)

*3 On the finalized and fully implemented Basel III basis

Target KPIs

Market Business

	〈Result as of Sep. 30, 2025〉	〈As of Mar. 31, 2026 Target〉
Balance of risk assets	JPY 108.2tn (as of Mar. 31, 2025 JPY 107.9tn)	approx. JPY 114tn
Balance of strategic investment areas	JPY 13.7tn (as of Mar. 31, 2025 JPY 13.3tn)	approx. JPY 14tn

Sustainability

	〈Result as of Sep. 30, 2025〉	〈As of Mar. 31, 2026 Target〉
Balance of ESG-themed investments and financing	JPY 6.4tn (as of Mar. 31, 2025 JPY 6.0tn)	JPY 7tn

Retail Business

	〈Result as of Sep. 30, 2025〉	〈As of Mar. 31, 2026 Target〉
Number of accounts registered in the Yucho Bankbook App	15.07mn accounts (as of Mar. 31, 2025 13.59mn accounts)	16mn accounts
Number of NISA accounts	84 ten thousand accounts (as of Mar. 31, 2025 82 ten thousand accounts)	94 ten thousand accounts

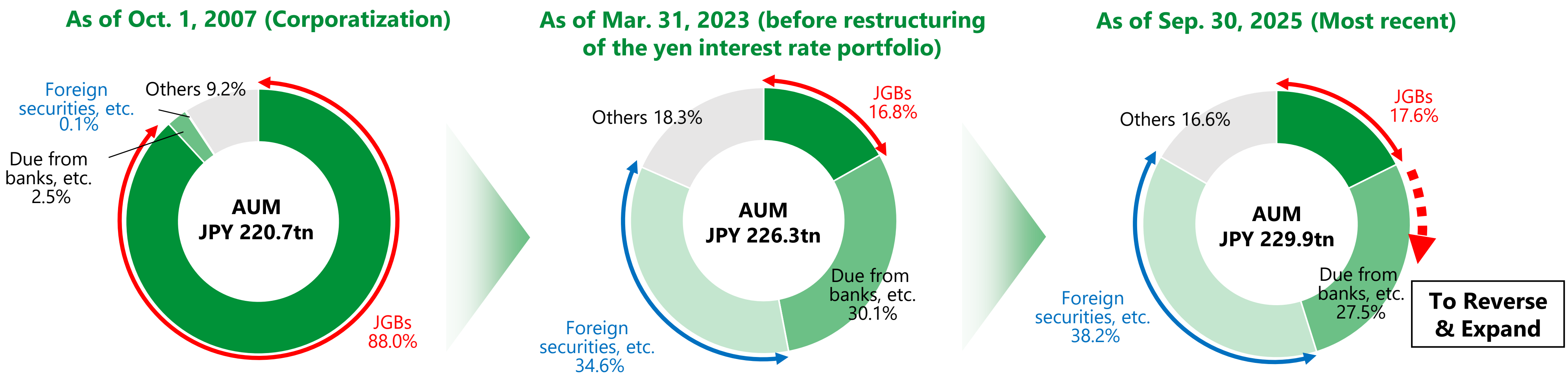
(Ref.) ATM Network

	〈As of Sep. 30, 2025〉
Number of ATMs	approx. 31,200
Number of partner financial institutions available at ATMs	approx. 1,200
Of which institutions sharing ATM network platform*4	21

*4 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.

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)



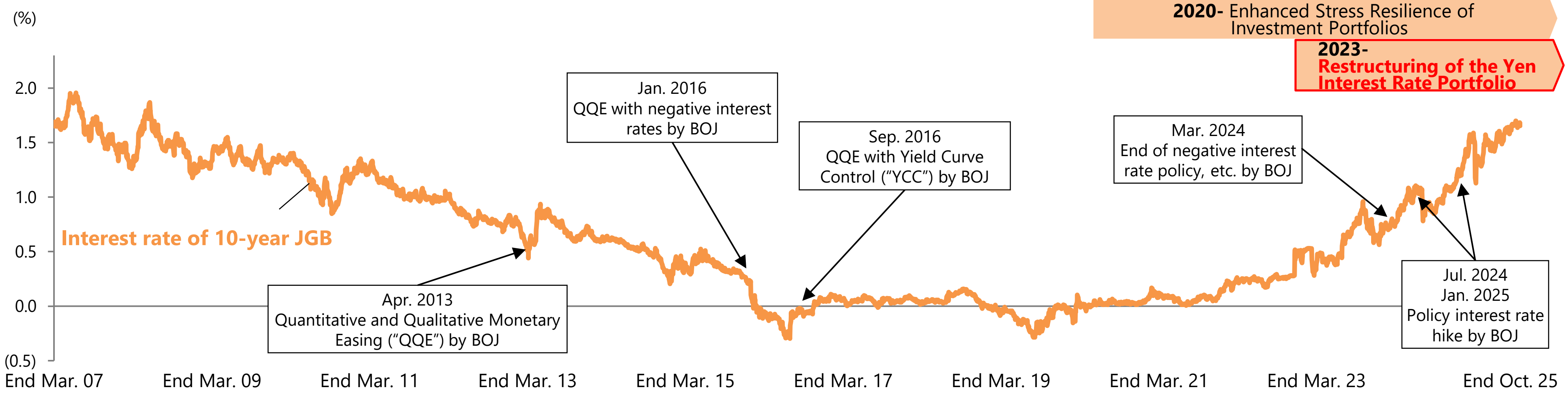
2008- Commenced and expanded Investments in Overseas Credit Assets

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

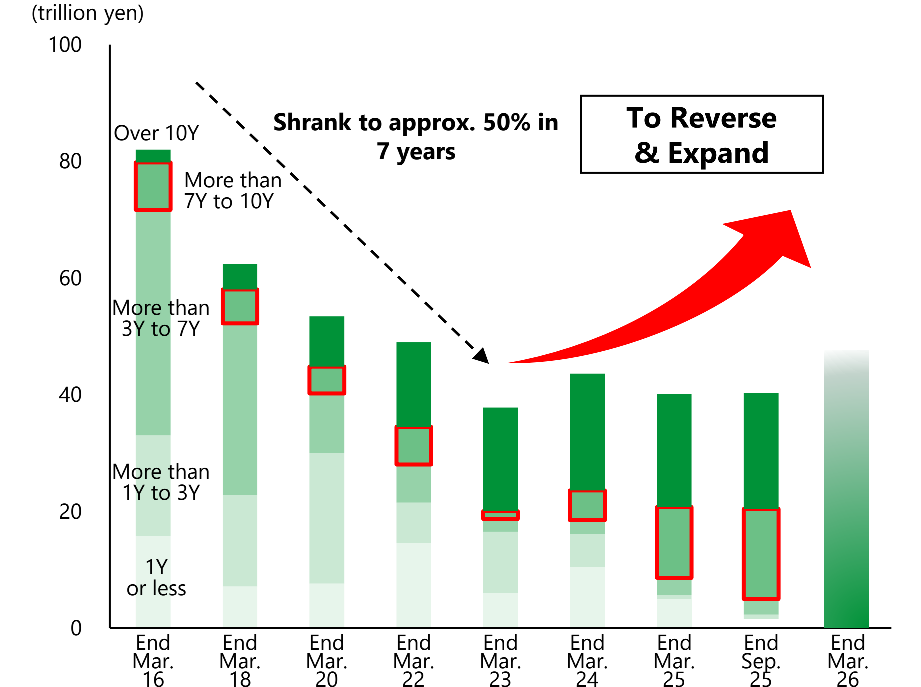
2023- Restructuring of the Yen Interest Rate Portfolio



Market Business (2) Restructuring of the Portfolio

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

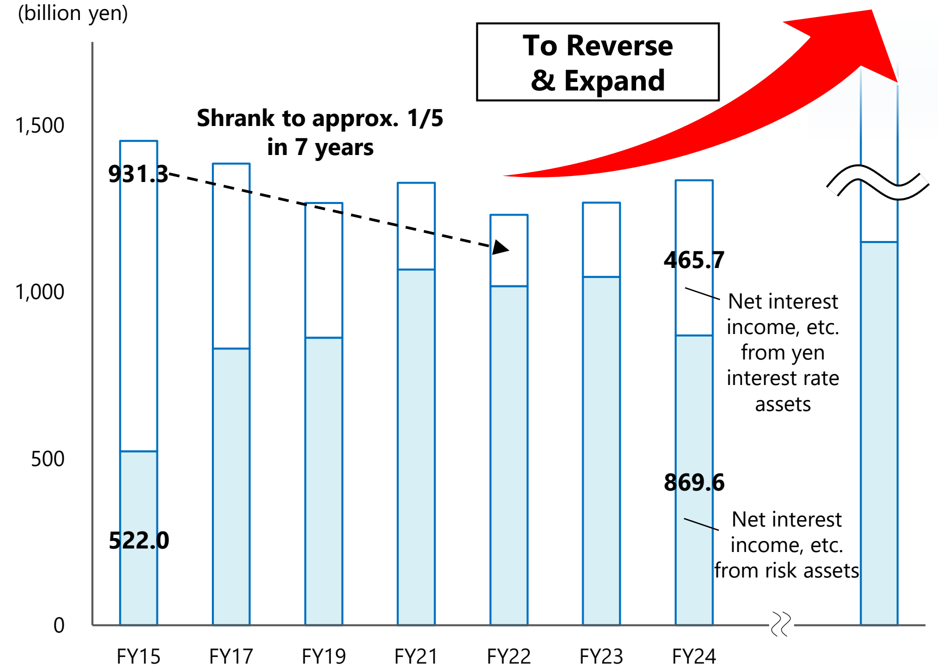
Balance of JGBs*1



(trillion yen)	End Mar. 16	End Mar. 18	End Mar. 20	End Mar. 22	End Mar. 23	End Mar. 24	End Mar. 25	End Sep. 25	End Mar. 26 (Final FY of the Mid-term Plan)
Balance of JGBs	82.2	62.7	53.6	49.2	38.1	43.8	40.3	**40.5**	
More than 7Y to 10Y	8.1	5.8	4.6	6.5	1.3	5.1	12.1	**15.4**	
(Ref.) JGB 10Y Yield (%)	(0.04)	0.04	0.03	0.21	0.38	0.75	1.49	**1.66**	
Yield of JGBs*2 (%)	1.02	0.93	0.76	0.60	0.53	0.46	0.61	**0.82***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 Annualized basis.

Net Interest Income, etc.*4



- Reverse and expand net interest income, etc. from yen interest rate assets
- Ensure stable net interest income, etc. from risk assets, which had expanded under the low yen interest rate environment

*4 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.

Market Business (3) Restructuring of the Portfolio

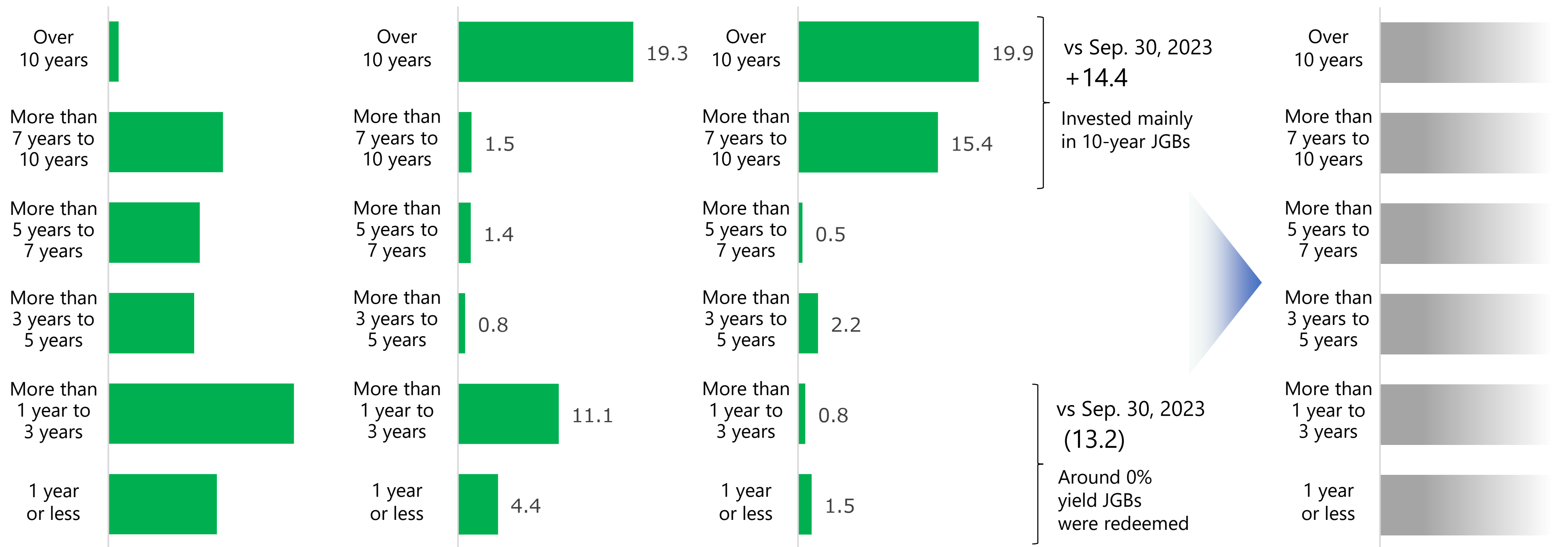
Restructuring of the Yen Interest Rate Portfolio is progressing steadily

Trends in Balance of JGBs Based on the Remaining Time to Maturity (trillion yen)

【As of Mar. 31, 2015】
Before BOJ introduced negative interest rates

【As of Sep. 30, 2023】
Before restructuring of the yen interest rate portfolio
Balance of JGBs: JPY 38.9tn

【As of Sep. 30, 2025】
Balance of JGBs: JPY 40.5tn



The duration is expected to average out through steady investment going forward

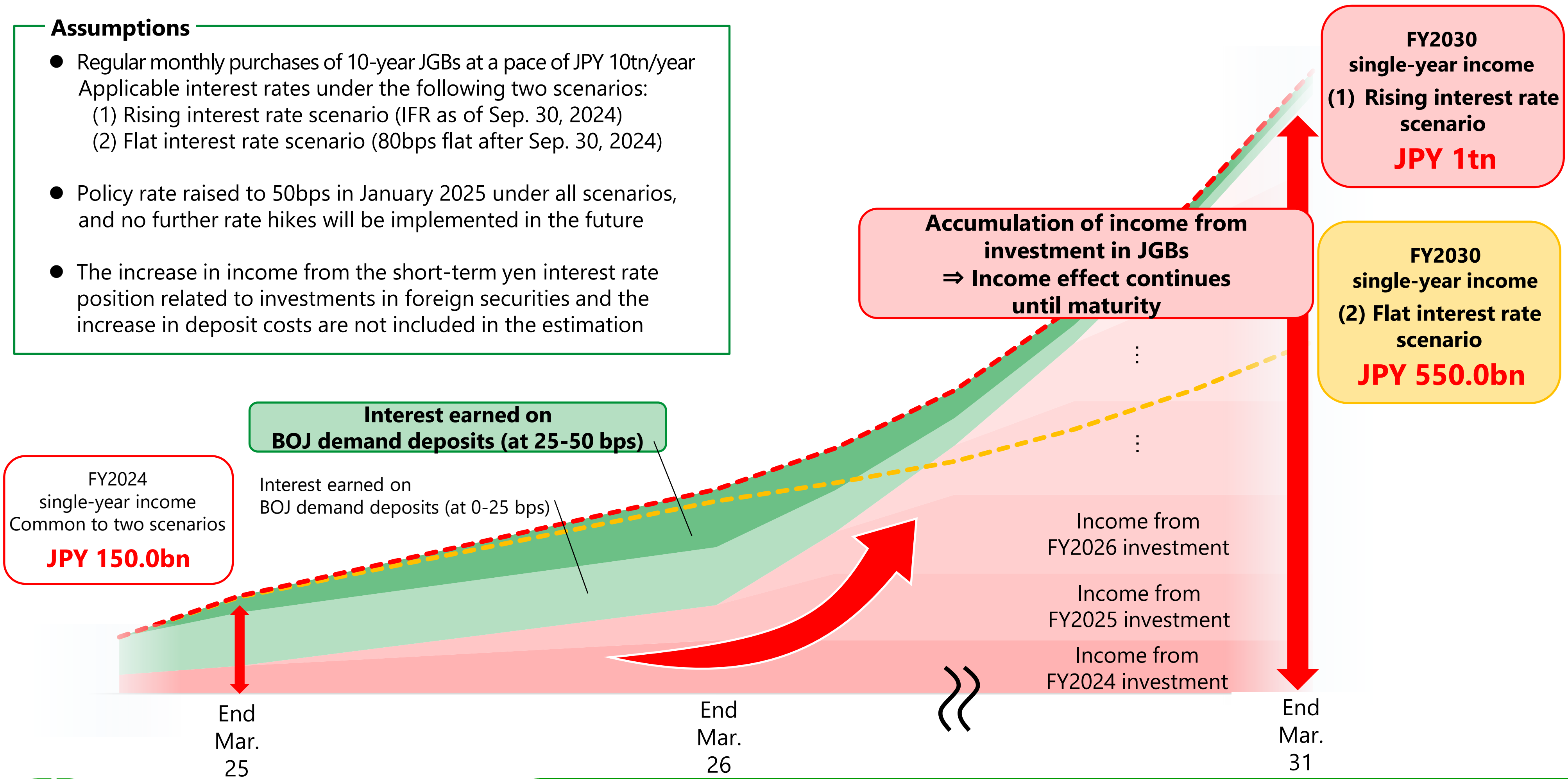
Market Business (4) The Simulation (repost)

The effect of income will increase incrementally over subsequent years due to the multilayered accumulation of income from JGBs, etc.

At the start of restructuring of the Yen Interest Rate Portfolio, 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.)

Assumptions

- Regular monthly purchases of 10-year JGBs at a pace of JPY 10tn/year
  Applicable interest rates under the following two scenarios:
  (1) Rising interest rate scenario (IFR as of Sep. 30, 2024)
  (2) Flat interest rate scenario (80bps flat after Sep. 30, 2024)
- Policy rate raised to 50bps in January 2025 under all scenarios, and no further rate hikes will be implemented in the future
- The increase in income from the short-term yen interest rate position related to investments in foreign securities and the increase in deposit costs are not included in the estimation



Market Business (5) ALM Policy

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.

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

Total Assets JPY **232**tn [JPY (0.6)tn]

Note: As of Sep. 30, 2025.
Figures in [ ] represent changes from Mar. 31, 2025.

Assets

- JGBs*1: JPY **41**tn [JPY +0.2tn]
- Due from banks, etc.: JPY **63**tn [JPY (1.6)tn]
  - Large amount of standby funds available for investment
- Foreign securities*2: JPY **91**tn [JPY +0.4tn]
  - Sovereign bonds: Approx. JPY 7tn
  - Corporate bonds: Approx. JPY 70tn
  - Others: Approx. JPY 14tn
    - -PE: Approx. JPY 7tn
  - **〈Hedge Ratio〉 Foreign currency interest rate: Approx. 70-80% Exchange rate: Over approx. 90%**
- Others: JPY **36**tn [JPY +0.2tn]

Liabilities / Net assets

- Deposits: JPY **188**tn [JPY (2.0)tn]
  - Ordinary deposits: JPY **112**tn [JPY (0.2)tn]
    - **More than 50% are sticky core deposits**
  - Fixed-term deposits: JPY **62**tn [JPY (1.5)tn]
  - Others
- Others / Net assets: JPY **44**tn [JPY +1.3tn]

A huge retail customer base and stable funds supported by the largest physical branch network among Japanese banks

Deposits Approx. JPY 188tn	
Retail Deposit Ratio	Approx. 97%
Insured Deposit Ratio*3	Approx. 90%
Number of Ordinary Deposit Accounts	Approx. 120 million

Number of Branches*4	Number of ATMs
23,494	Approx. 31,200

*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 As of Mar. 31, 2025, includes post offices.

Market Business (6) 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 Sep. 30, 2025.
Figures in [ ] represent changes from Mar. 31, 2025.
Illustrative presentation using round numbers for simplicity.

Restructuring of the Yen Interest Rate Portfolio (Ex.)

Rise of long-term yen interest rates

- Increase in yield on new investments and expansion in investment amount

An additional investment of JPY 10tn (10-year bonds yielding 1%) ▶ Annual interest income increase of **JPY 100bn**

Policy rate hike (BOJ)

- Increase in interest income

Rise of interest rates by 25 bps ▶ Annual interest income increase of **approx. JPY 130bn**

Rise of short-term yen interest rates

- Improvement in yield on short-term yen interest rate receivables position (position of approx. JPY 50tn)

Rise of short-term yen interest rates by 25 bps ▶ Annual earnings increase of **approx. JPY 125bn**

Decline of short-term overseas interest rates

- Decrease in foreign currency funding costs*4
Improvement in yield on foreign currency interest rate position for taking on risk (position of approx. JPY 12tn)

Decline of short-term overseas interest rates by 50 bps ▶ Annual earnings increase of **approx. JPY 60bn**

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

Total Assets JPY **232**tn [JPY (0.6)tn]

Assets		Liabilities / Net assets	
JGBs*2 JPY **41**tn [JPY +0.2tn]		Deposits JPY **188**tn [JPY (2.0)tn]	Ordinary deposits JPY **112**tn [JPY (0.2)tn] More than 50% are sticky core deposits
Due from banks, etc. JPY **63**tn [JPY (1.6)tn]			Fixed-term deposits JPY **62**tn [JPY (1.5)tn]
Foreign securities*3 JPY **91**tn [JPY +0.4tn]			Others
Others JPY **36**tn [JPY +0.2tn]		Others / Net assets JPY **44**tn [JPY +1.3tn]	

Deposit interest rates hike (raised on Mar. 3, 2025)

- Increase in interest payments (**Impact on both existing deposits and new deposits.** However, margins would still be secured due to the lag behind the rise in market interest rates)

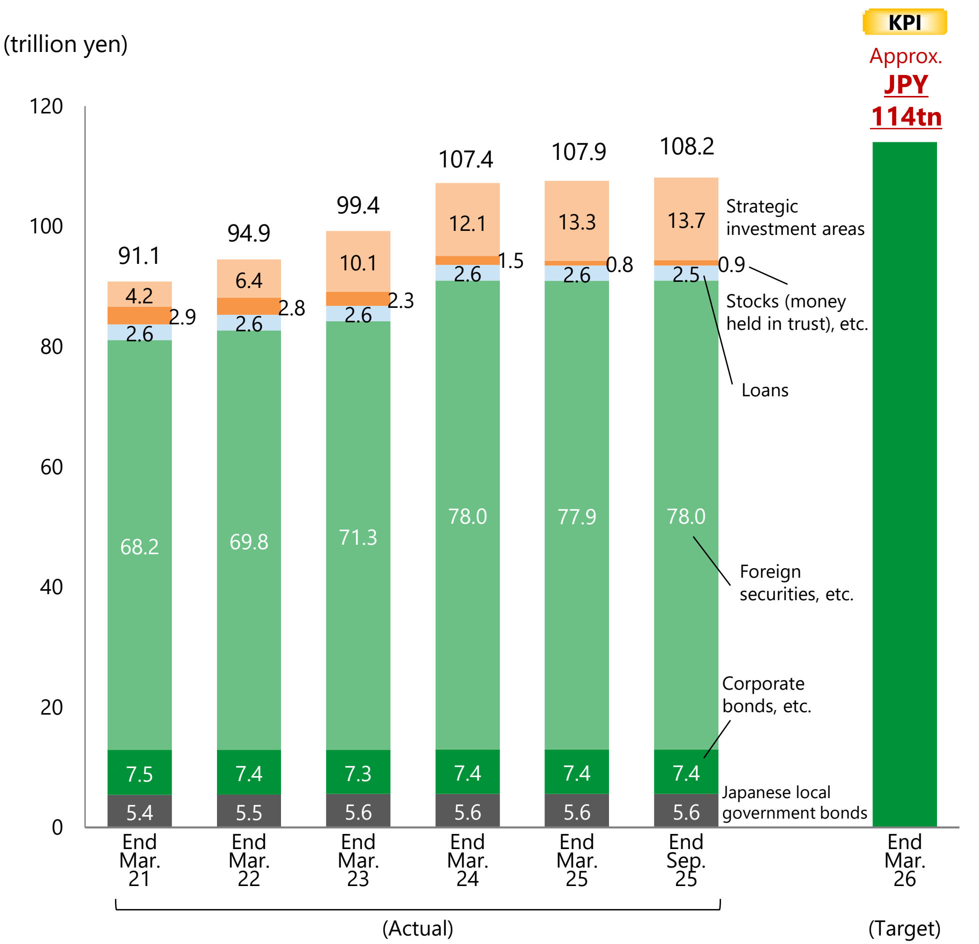
Deposit interest rates hike (raised on Mar. 5, 2025)

- Increase in interest payments (**Impact on only new deposits (including reposits).** However, margins would still be secured due to the lag behind the rise in market interest rates)

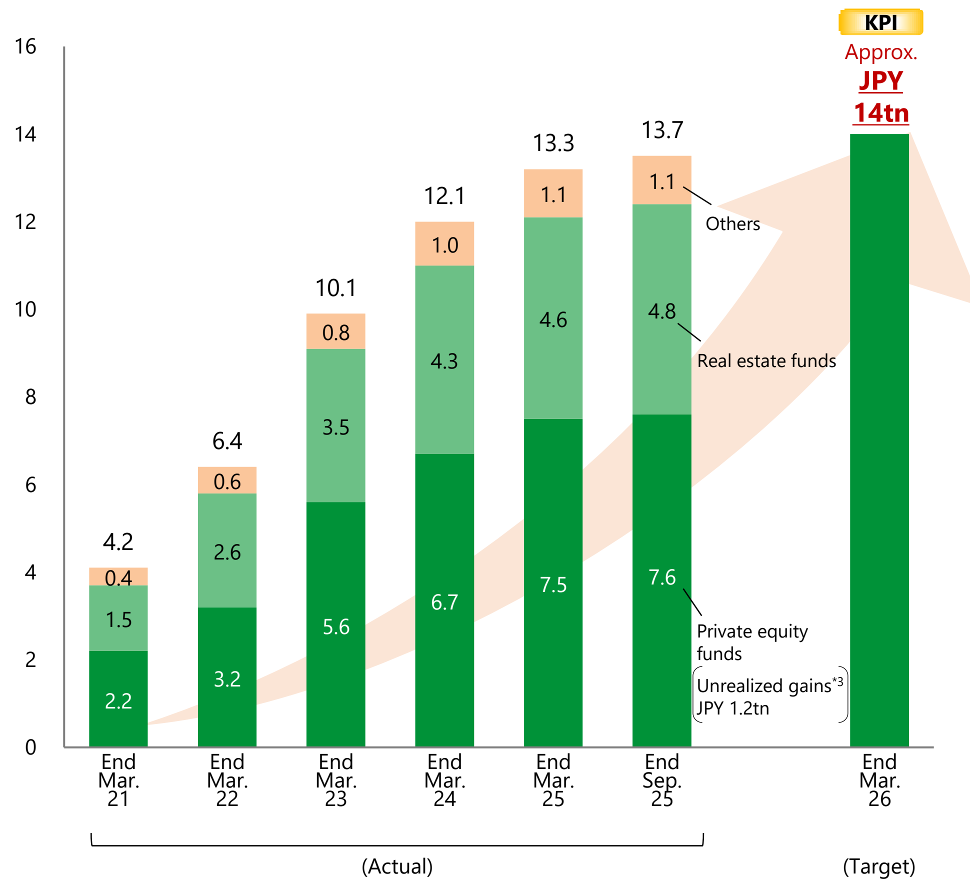
*1 Theoretical impact on the Bank's P/L from potential movements in the market environment. Actual impact may differ due to changes in market conditions and the Bank's ALM policy.
*2 Includes JGBs in money held in trust.
*3 Includes real estate funds, direct lending funds and infrastructure debt funds 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.

Market Business (7) Diversified Investment
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)



Balance of strategic investment areas*2 (Non-consolidated)



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) "Phygital" Synergy

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

Remote channel Expansion of bases
(Financial Services Contact Center, etc.)

Remote connectivity using tablets

Teller channel
(Post office + Branches) Guide

Face-to-face channel
(Consultants at Branches) Guide

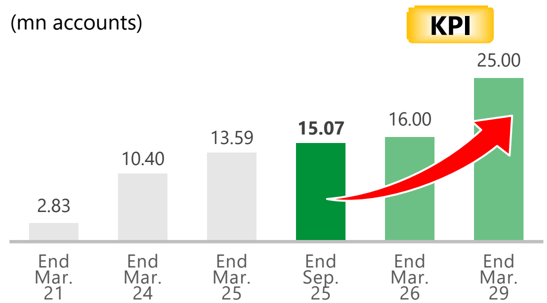
ゆうちょ通帳アプリ
Yucho Bankbook App

Improving UI/UX and enhancing functionality

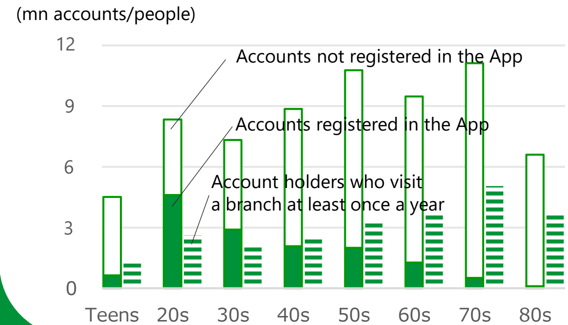
As of Sep. 30, 2025

15.07mn accounts

Compared to Mar. 31, 2025
+1.47mn accounts



Number of Yucho Bankbook App users and in-person visits to branches by age group



Co-creation Platform (Partner Companies)

Various Partner Companies

Finance | Utility fee | E-commerce etc.

Japan Post Bank
- Investment trusts
- Cashless payments, etc.

Japan Post Group
- "Post Office Internet Shop"
- JP Insurance products, etc.

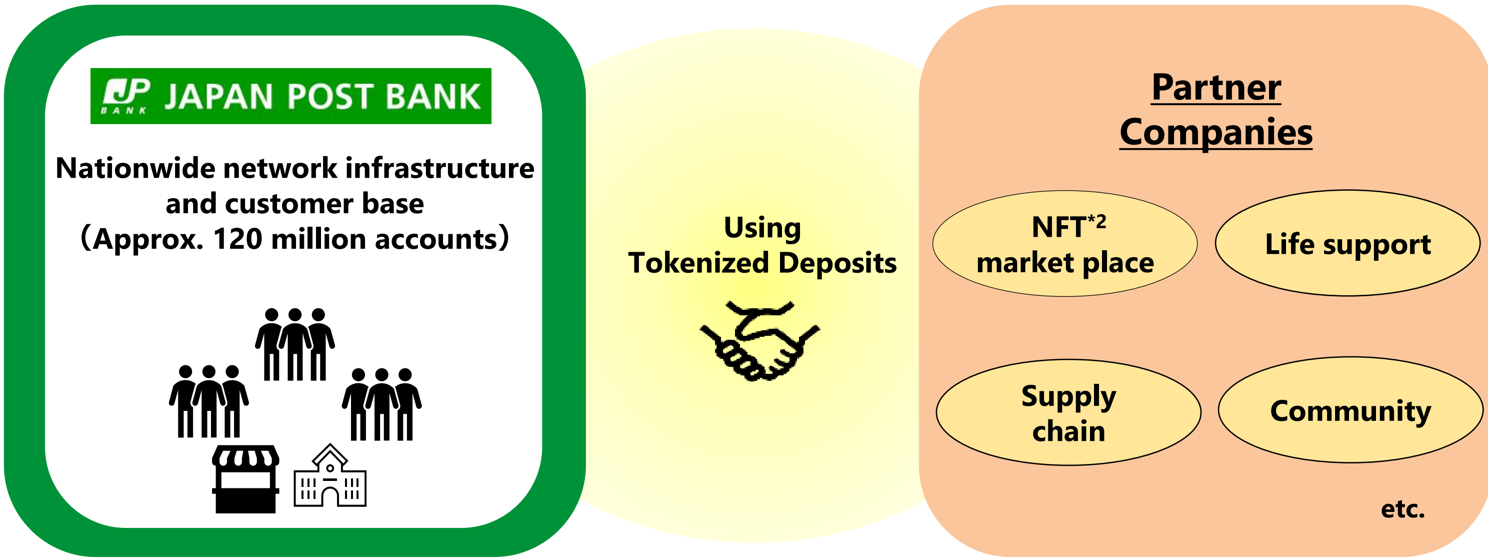
Provide information on seminars, events, products for sale, etc. at post offices in each region
(app notifications by region and by customer segment)

Retail Business (2) Initiatives for Tokenized Deposits

Using Tokenized Deposits, we aim to strengthen the customer base and expand our Co-creation platform

We are considering launching a service of Tokenized Deposits*1 around FY2026.

Using Tokenized Deposits, we aim to increase customer convenience, strengthen the customer base, and expand our Co-creation platform.



Increasing customer convenience and revitalizing accounts

Strengthening the customer base

Expanding our Co-creation platform

*1 A system that utilizes technologies such as blockchain for bank deposits, enabling deposits to be handled digitally
*2 NFT is an abbreviation of "Non-Fungible Token." A token issued on a blockchain that can prove its uniqueness and cannot be replaced

Retail Business (3) Asset-Building Support Business
We will expand sales via digital and remote transaction channels in addition to face-to-face sales

Main segments	**Mass Retail Segment**		**Pre-upper Mass Retail Segment**
	Young People	**Middle Aged to Elderly**	**All Age Groups**
Main products	**NISA and Monthly Investment Accounts, etc.**		**Wide Range of Products (Fund Wrap, etc.)**

Digital channel (Yucho Bankbook App, etc.)
No sales fees

- Promote expansion of UI/UX and functions to facilitate easy and convenient account opening, product selection, trading, investment status confirmation, etc.
- Strengthen promotion and attractiveness of asset-building services through online and the bankbook app, as well as other digital media

Guide

Remote channel (financial services contact center, etc.)
Expansion of bases

Remote connectivity using tablets

Teller channel (post office + branches)

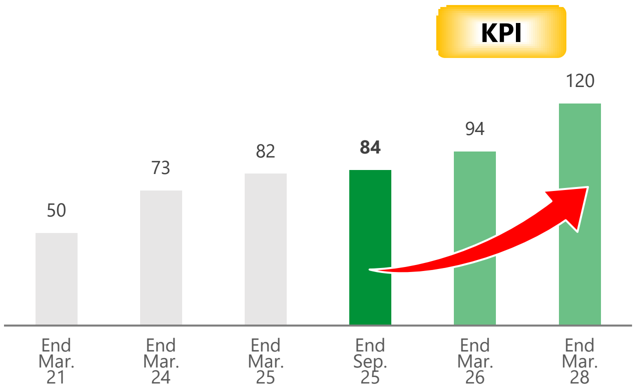
- Strengthen guidance for digital/remote channels by utilizing instructional videos, etc.
- Products handled through remote connections to be expanded in stages

Face-to-face channel (consultants at branches)

- Provide professional and detailed consulting services by optimizing the allocation of personnel depending on marketable factors

Number of NISA accounts

(ten thousand accounts)



Strive to capture new users of the Yucho Bankbook App, etc.

- Proactively make sales pitches and support for the Yucho Bankbook App to customers of all ages who visit our branches
- Make use of online promotions, etc. to expand use of the app

Σ Business: Full-scale Launch “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. We promote GP* business in co-creation with regional economies, with JAPAN POST BANK CAPITAL PARTNERS Co., Ltd., established in May 2024, at the core.

Σ Business: Full-scale launch from FY2024

GP business in co-creation with regional economies

- ✓ 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	Marketing support
Identifying customers with a willingness to grow in the region and support them actively	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.

Key Initiatives to Date

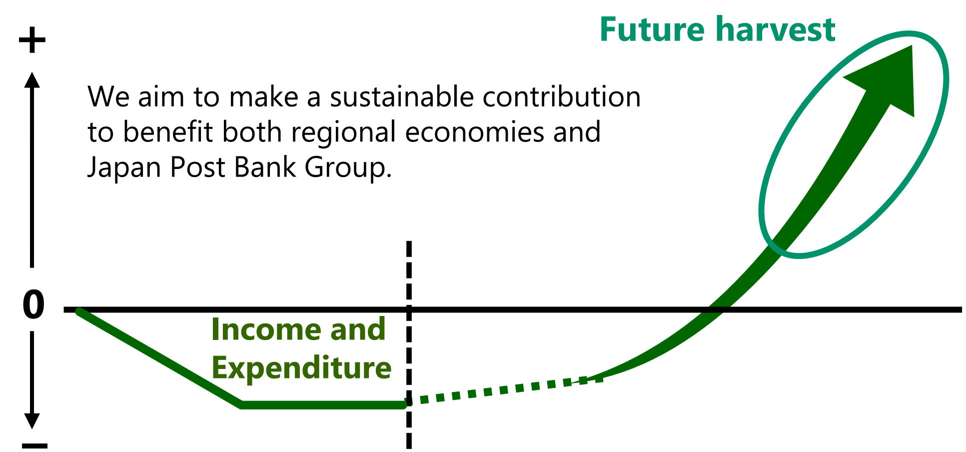
Promoting our investment business with paying attention to **the quality of investments**, rather than pursuing investment volumes.

Promoting the accumulation of investment track records through joint funds with our co-partners.

Making preparations and considerations for the solo GP business.

- ✓ May 2024: Established **JAPAN POST BANK CAPITAL PARTNERS Co., Ltd.**
- ✓ Aug. 2024: Established a joint GP fund with J-Will Group, LP investment
- ✓ Jan. 2025: Established a joint GP fund with MITSUI & CO., LTD., LP investment

Roadmap for income and expenditure (Simple Illustration)



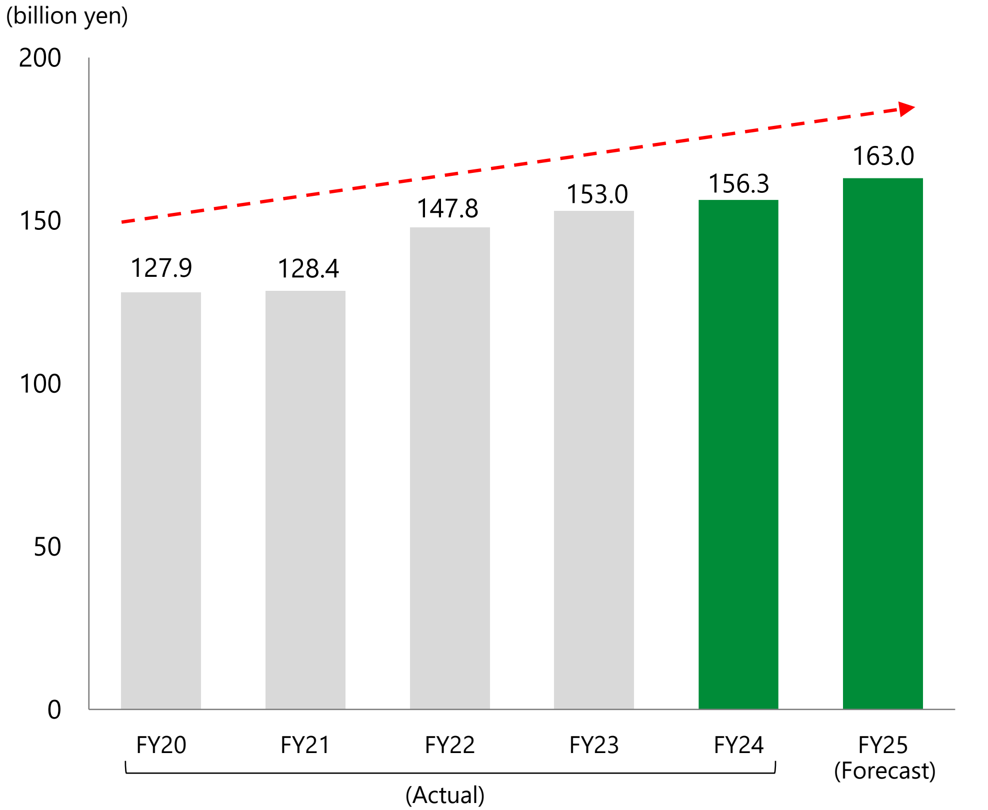
Current Mid-term Plan period (up through FY2025) | **From next Mid-term Plan period onward (from FY2026 onward)**

Fees and Commissions / G&A (Consolidated)

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

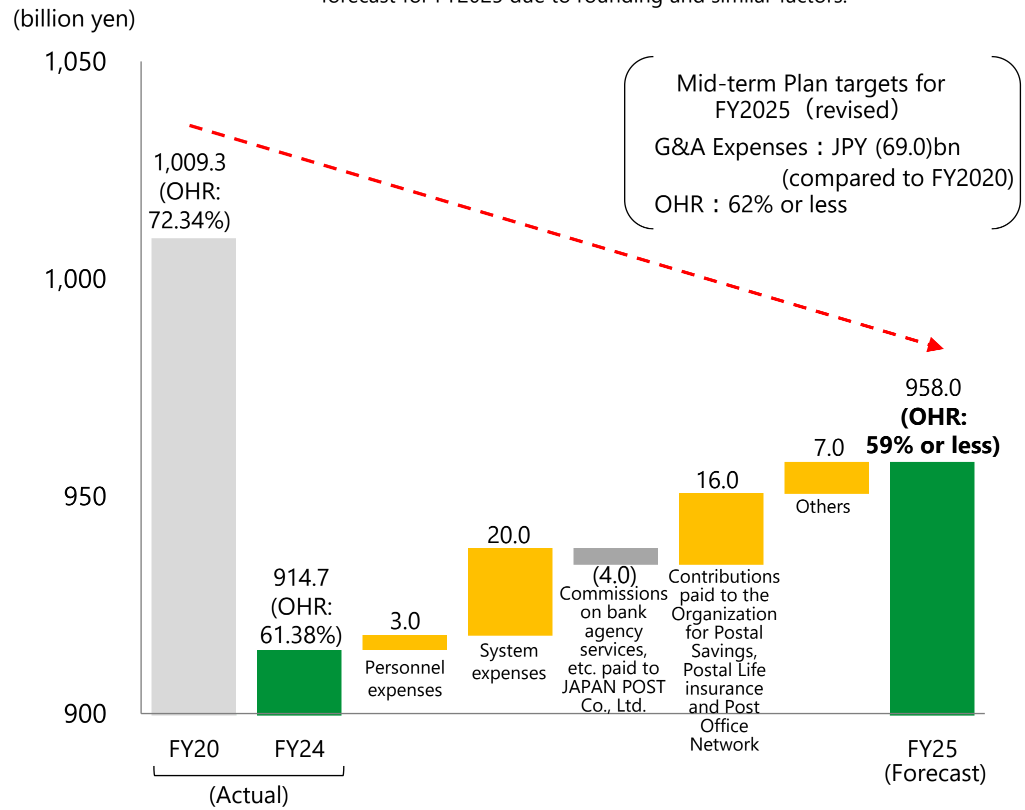
Net fees and commissions for FY2025 is expected to increase mainly due to an increase of remittances through Zengin Net. While G&A expenses is planed to increase due to growth investments, etc., OHR continues to improve. While making necessary growth investments, we are continuing our efforts to further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

Fees and Commissions



G&A Expenses / OHR*

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

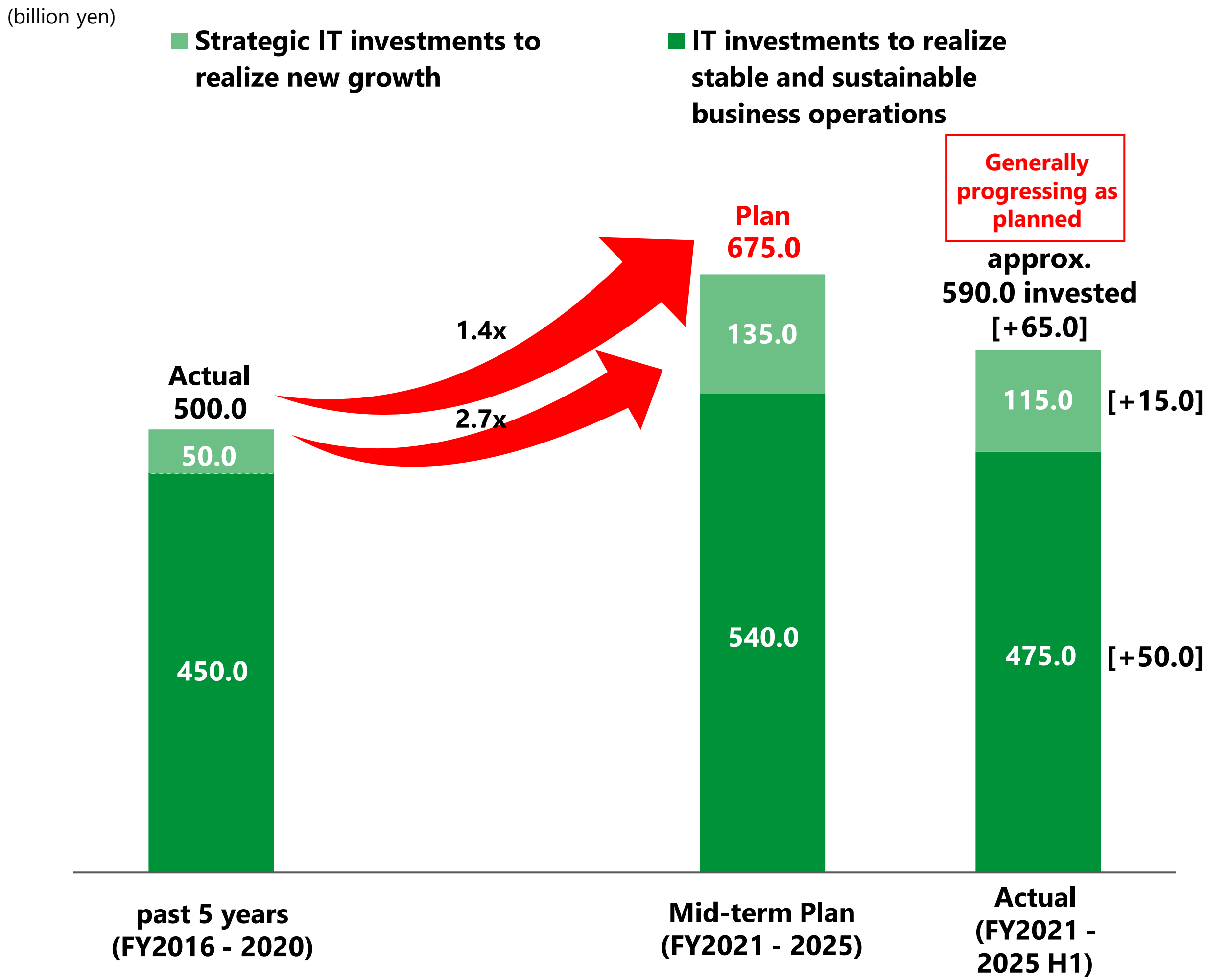


* Basis including gains (losses) on money held in trust

Management Base (1) IT Investment Plan

We promote aggressive and efficient IT investment in strengthened areas

Trends in IT Investment (Cash Flow Basis)



Note: The actual results (on preliminary basis) for FY2025 H1 are given in square brackets.

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 (FY2025 H1)

- Digital channel support for retail JGB sales (May 2025)
- Renewal of Japan Post Bank Operational System (May 2025)
- Renewal of Japan Post Bank Informational System (May 2025)
- Developing international remittance system for the new SWIFT format (July 2025)

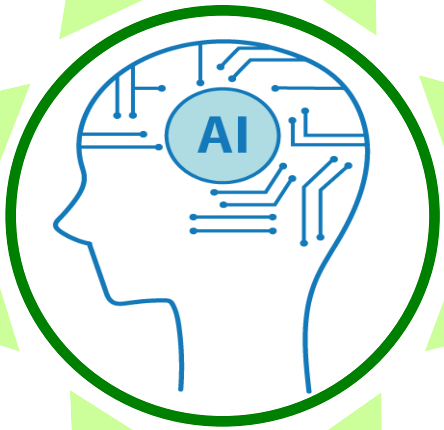
Main projects (FY2025 H2-)

- Full-scale introduction of a tablet application system for investment trusts (gradually from Oct. 2025 onward)
- Introduction of "Japan Post Bank PCs" and system infrastructure (Jan. 2026-)
- Utilization of a cloud service for FAQ and knowledge system for call centers (Jan. 2026-)

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

Management Base (2) Evolve Operations With the Use of AI

Aiming to improve productivity by utilizing AI, pursuing business transformation, and identifying profit-earning opportunities



Improvement in the handling of customer inquiries, etc.

Aiming to expand automation of guidance through various procedures and answer inquiries with the use of chatbots/voicebots.

Providing guidance for suitable services with the use of AI

Transactions and activity history, individual attributes → Analysis → Guidance about suitable services

Efficiency improvement of Operation Support Center operations

AI-OCR*1 → DATA → RPA / RPA / RPA (BPMS)

*1 OCR: Optical Character Recognition

Automated robo-advertising services in alliance with other companies (introduce services through advertisements distribution, etc.)

Enhance the ∑ data platform

- Projected success of considering investment vehicle options in sourcing operations
- Improve efficiency in collecting corporate information, etc.

Improve efficiency and sophistication of market operations

- Streamline front-end to back-office operations, develop analytical tools, etc.
- AI-based credit estimation

Boost sophistication of in-house operations through the use of generative AI tools

- Support and automate document preparation
- Increase the sophistication of data analysis on dashboards, etc.

Strengthen AML, CFT, CPF measures*2

- Improve measures for detecting fraudulent accounts, etc.
- "Special fraud" prevention measures using AI image analysis of security camera footage

*2
AML: Anti-Money Laundering
CFT : Countering the Financing of Terrorism
CPF : Counter Proliferation Financing

Catch up with advanced technologies and leading examples, and build a system to deploy them within the company, combined with initiatives to further enhance IT governance (e.g., establish communication channels with system partners, establish an organization to accelerate digitalization of internal departments and provide relevant consultation, etc.)

Management Base (3) Sustainability Management

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

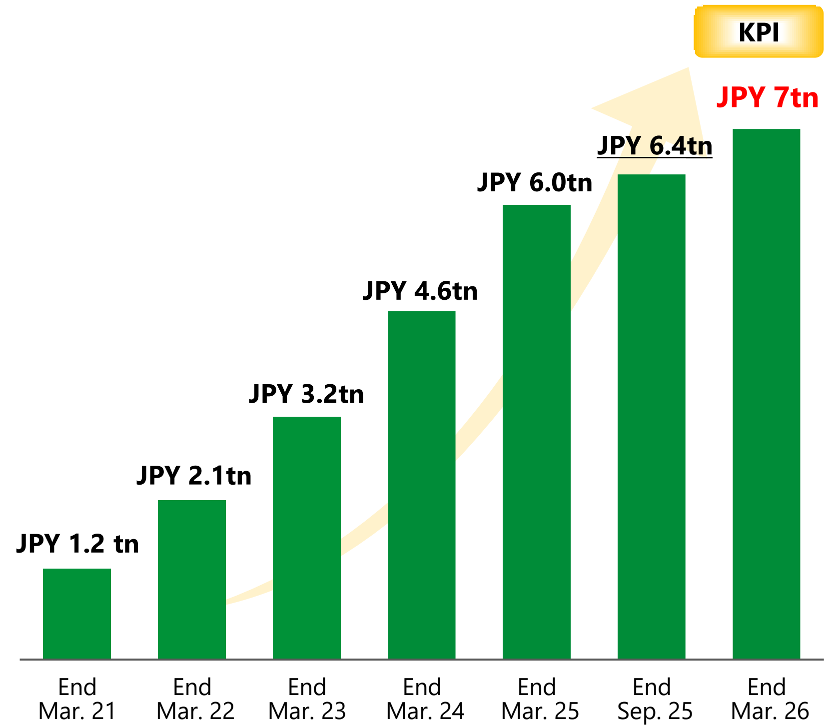
Roadmap to decarbonization

Net zero GHG emissions	Up through FY2022	FY2023	…	FY2025	…	FY2030	…	2050
Company's own emissions (Scope 1 and 2)	FY2019 actual Approx. 48,000 t-CO2 Completed conversion of power generation at company-owned facilities to renewable electricity	Promotion of EV vehicle adoption, shift to renewable energy, etc.				KPI Compared to FY2019 (60)%		Net zero
Finance portfolio emissions (Scope 3, Category 15)	Encouraging society as a whole to reduce GHG emissions through engagement					Compared to FY2019 Target (50)%*1		
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	Investment and financing, including green bonds			KPI End-FY2025 target JPY 7tn				
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.
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 KPI

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

Management Base (4) Human Capital Management
We are building a “lively and exciting” company together with our employees to improve our corporate value

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

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

Promote problem-solving tailored to each age group and organization

Further support women’s participation and advancement in the workplace

2nd pillar: Discover abilities

- **Strategic allocation of human resources**
- **Improve engagement**

3rd pillar: Effectively utilize diversity

- **Diversity management**

For more information, please refer to pages 58-65 of ‘Annual Report 2025’ available at the link below.
https://www.jp-bank.japanpost.jp/en/ir/financial/en_ir_fnc_annualreport.html

Management Base (5) Corporate Culture Reform

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

Customers' VOICE

"Customer Feedback" Subcommittee

- **Creation of New Business Project Team**
  Proposing New Products and Services
- **Existing Business Improvement Project Team**
  Verification of Existing Products and Services

Vice Chairperson
Deputy President, Representative Executive Officer
Kenji Ogata

Employees' VOICE

"Employee Feedback" Subcommittee

- **Organizational Culture Improvement Project Team**
  Creating a Engaging Workplace
- **Productivity Improvement Project Team**
  Creating a Comfortable Workplace

Vice Chairperson
Deputy President, Representative Executive Officer
Harumi Yano

Chairperson
President & CEO, Representative Executive Officer
Takayuki Kasama

Members from different departments, positions, and years of experience sincerely listen to both "customer feedback" and "employee feedback," and make bottom-up proposals to the management.

Employee Mindset Shift

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

Company Town Hall Meeting "COMPASS 2025"

Conducted an initiative to communicate the President & CEO's thoughts directly to employees for the second consecutive year since appointment. This effort aimed to bridge the gap between the leader and employees, and foster unity.



Nationwide Tour by the President & CEO

The President & CEO visited employees nationwide to exchange opinions.



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

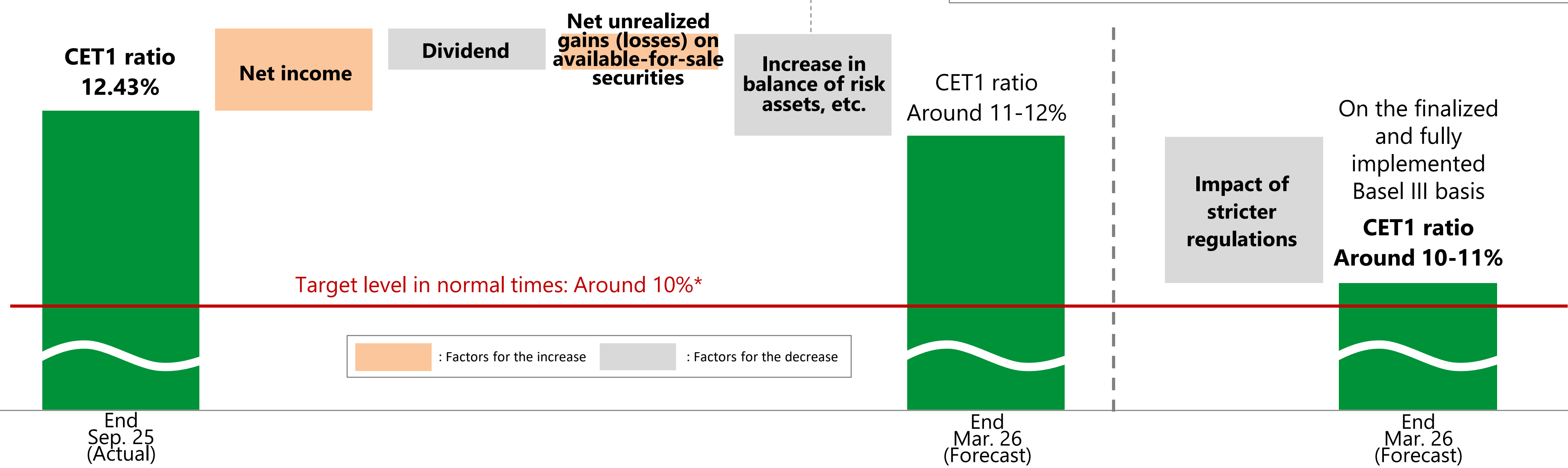
Capital Policy (1) Capital Allocation and Risk Control

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

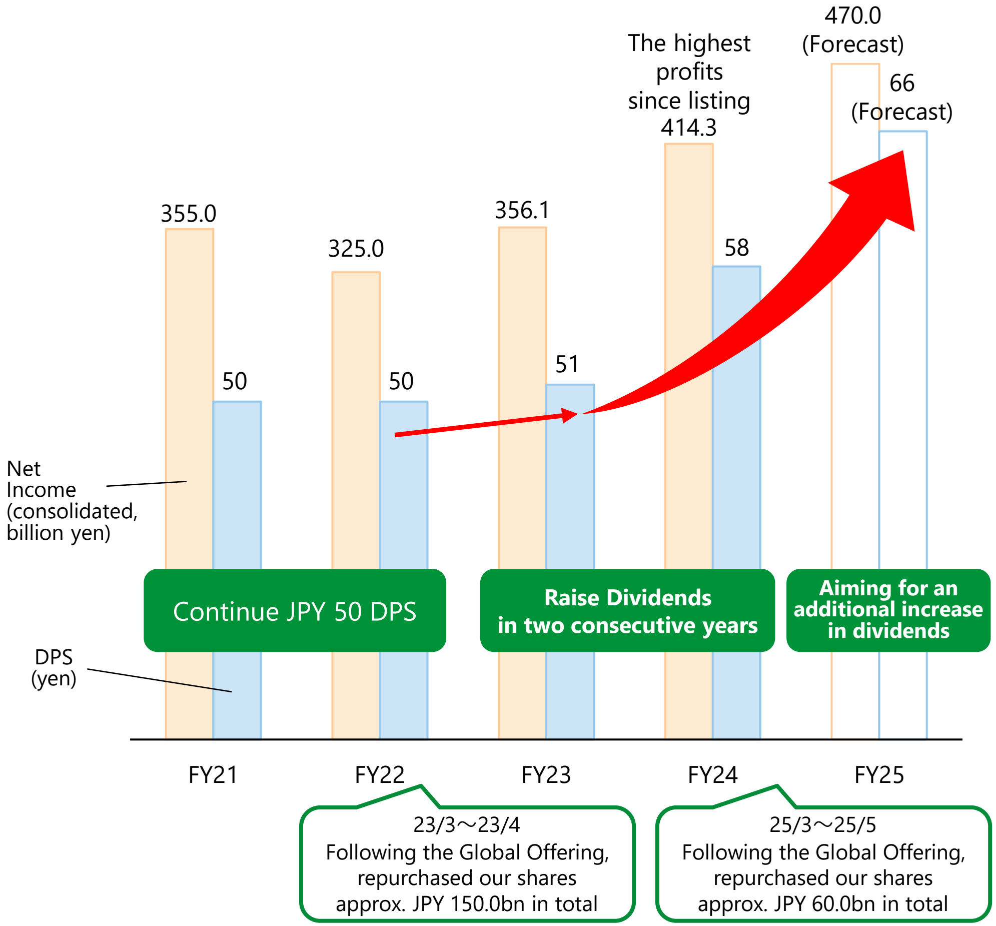
- Enhance and upgrade monitoring systems to support portfolio management (strategic investment areas, credit portfolio, foreign currency liquidity, etc.)
- Maintain sufficient financial soundness and strengthen risk management systems (e.g., conduct stress tests in light of changes in the internal and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

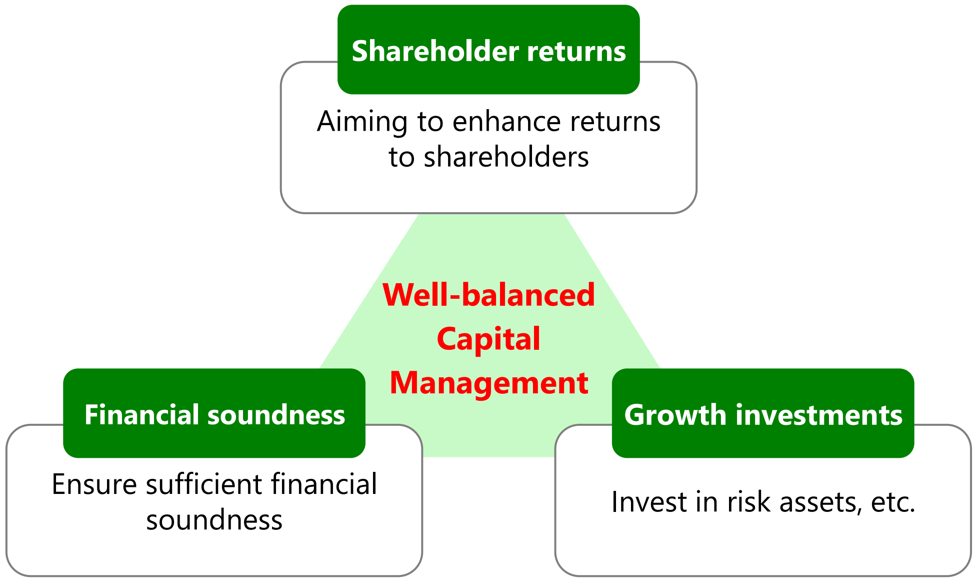
We aim to raise dividends in line with profit growth, based on our shareholder return policy

Increase Dividends in Line with Profit Growth



	FY21	FY22	FY23	FY24	FY25
Dividend payout ratio	52.7%	57.5%	51.8%	50.6%	50.2%

Basic Thought Process

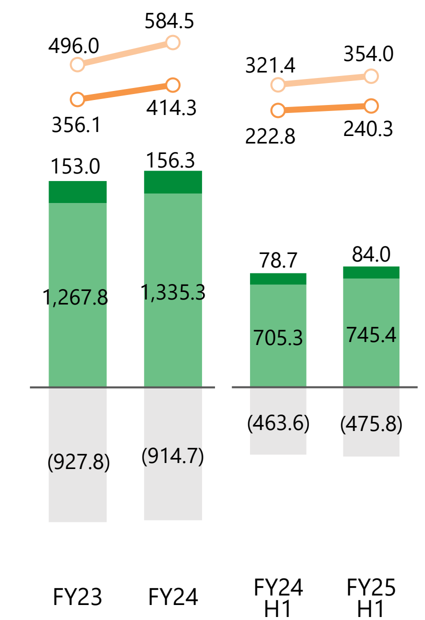


[Shareholder Return Policy]

- 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

Overview of FY2025 H1 Results (1) Results
Progress rate for the full-year earnings forecast is strong, at 51.1%

Results for FY2025 H1 (Consolidated)



(billion yen)

	FY2024 H1 Actual (A)	FY2025 H1 Actual (B)	FY2025 H1 Increase (Decrease) (B) – (A)	FY2025 Forecast	(Ref.) FY2024 Actual
Net interest income, etc.*1	705.3	745.4	(1) 40.0	1,476.0	1,335.3
Net fees and commissions	78.7	84.0	(2) 53	163.0	156.3
General and administrative expenses	463.6	475.8	(3) 12.1	958.0	914.7
Net ordinary income	**321.4**	**354.0**	**32.6**	**680.0**	**584.5**
Net income attributable to owners of parent [Progress rate*2]	**222.8**	**240.3 [51.1%]**	**17.5**	**470.0**	**414.3**
Dividend per share [Dividend payout ratio]	—	—	—	**JPY 66 [50.2%]**	**JPY 58 [50.6%]**

*1 Net interest income, etc. = Interest income - Interest expenses (including gains (losses) on sales, etc.)
*2 The progress rate to forecast for net income attributable to owners of parent

Main drivers of increase and decrease

(1)
- Yen interest rate portfolio
  − Impact of domestic rate hike, etc.
  (Refer to P.38 for details)

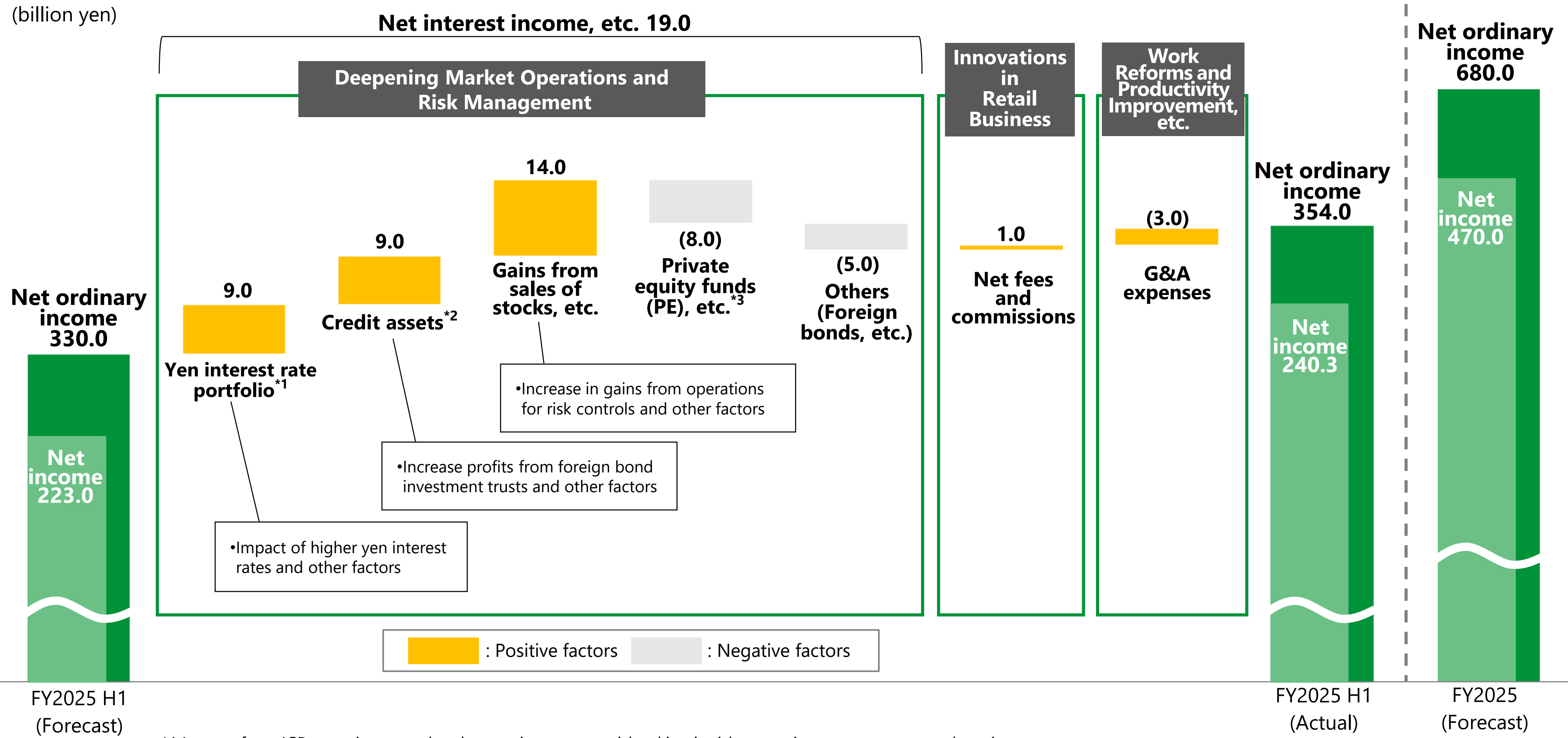
(2)
- Exchange and settlement transactions, etc.

(3)
- Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network and System expenses, etc.

(Ref.) Changes in Net Ordinary Income (1) vs Forecast (Simple Illustration)

Causes of Changes in Net Ordinary Income (Consolidated) [FY2025 H1 Forecast vs FY2025 H1 Actual]

Note: The addition of total changes to the forecast for FY2025 H1 does not equal the FY2025 H1 results due to rounding, other ordinary income/expenses and similar factors.

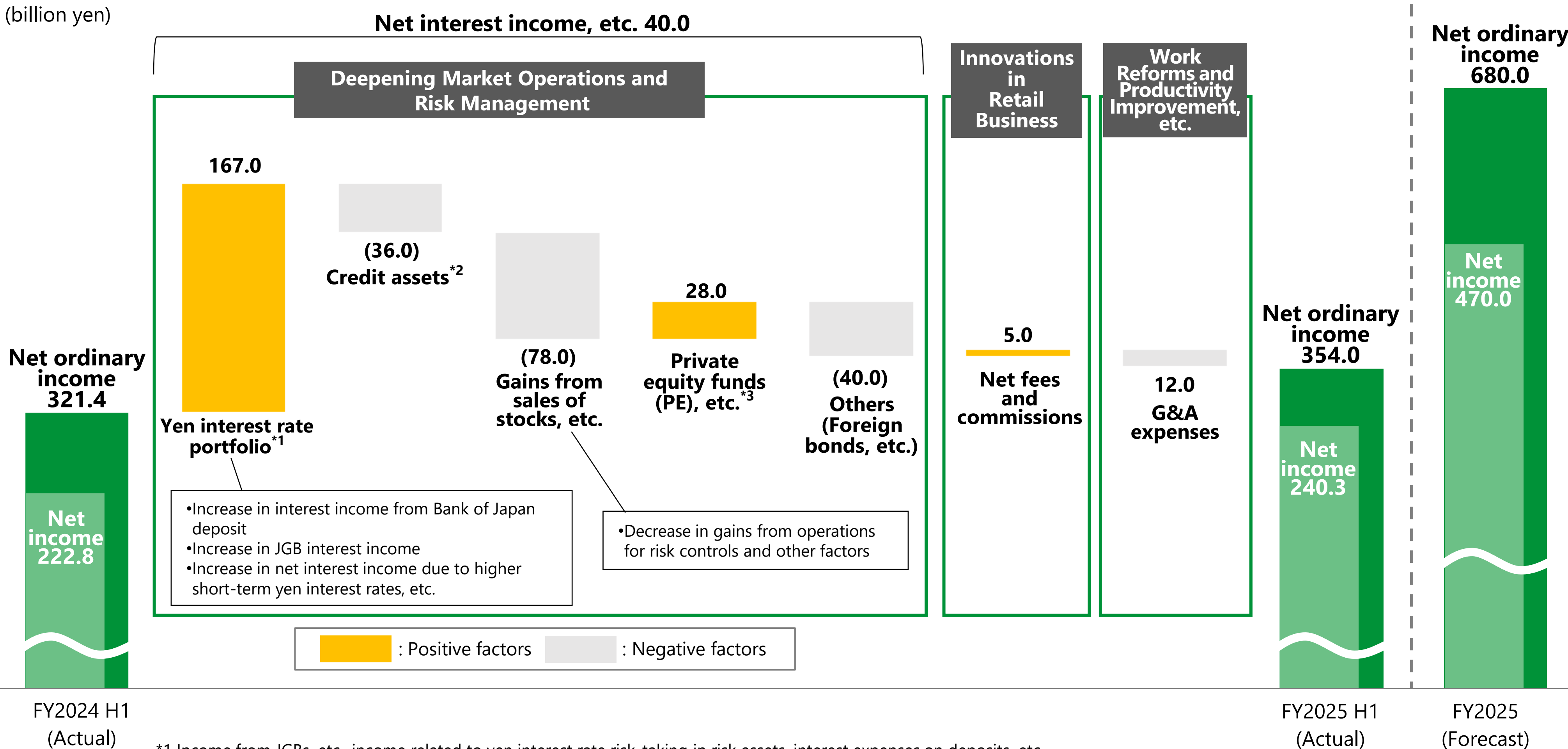


*1 Income from JGBs, etc., income related to yen interest rate risk-taking in risk assets, interest expenses on deposits, etc.
*2 Income related to foreign bond investment trusts, in-house corporate bonds, real estate funds (debt), direct lending funds, etc. (excluding income related to yen interest rate risk-taking)
*3 Income related to PE and real estate funds (equity) (excluding income related to yen interest rate risk-taking)

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

Causes of Changes in Net Ordinary Income (Consolidated) [FY2024 H1 Actual vs FY2025 H1 Actual]

Note: The addition of total changes to the FY2024 H1 results does not equal the FY2025 H1 results due to rounding, other ordinary income/expenses and similar factors.

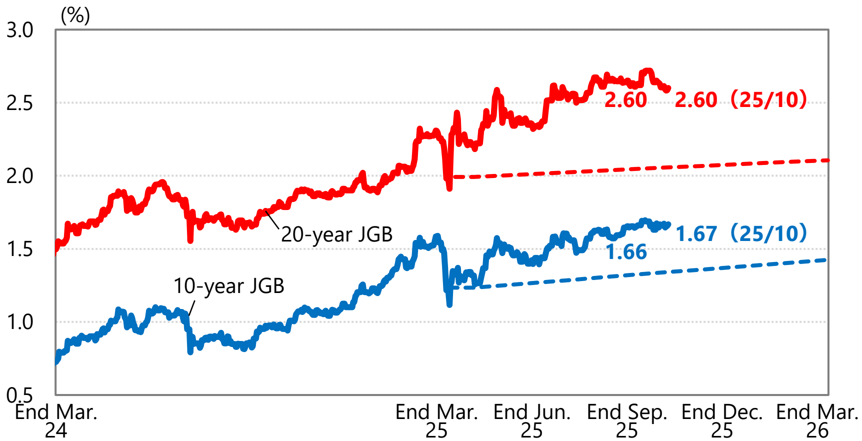


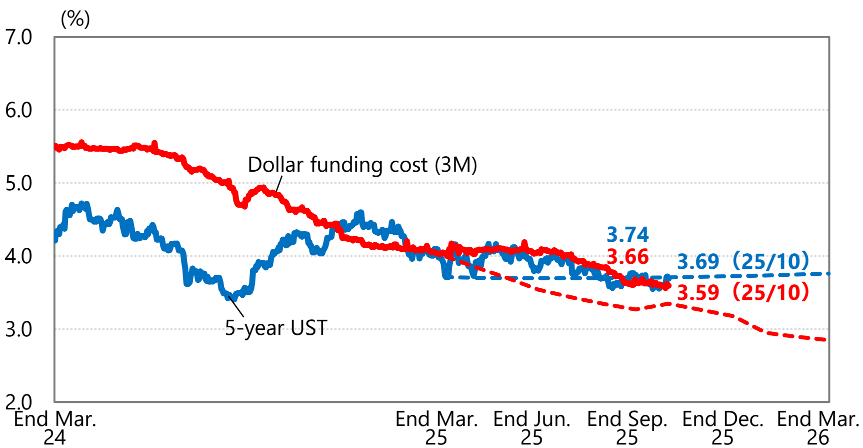
*1 Income from JGBs, etc., income related to yen interest rate risk-taking in risk assets, interest expenses on deposits, etc.
*2 Income related to foreign bond investment trusts, in-house corporate bonds, real estate funds (debt), direct lending funds, etc. (excluding income related to yen interest rate risk-taking)
*3 Income related to PE and real estate funds (equity) (excluding income related to yen interest rate risk-taking)

Market Situation

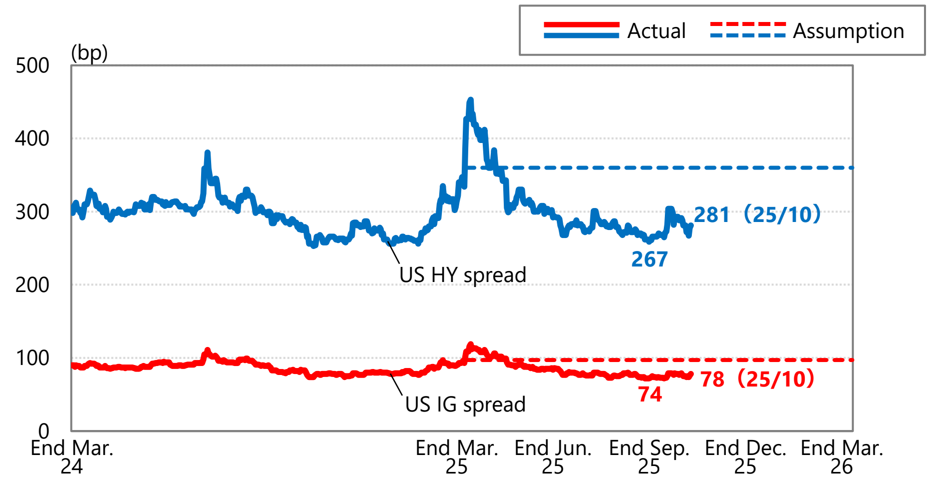
Market environment has been stable; domestic interest rates remain above assumptions

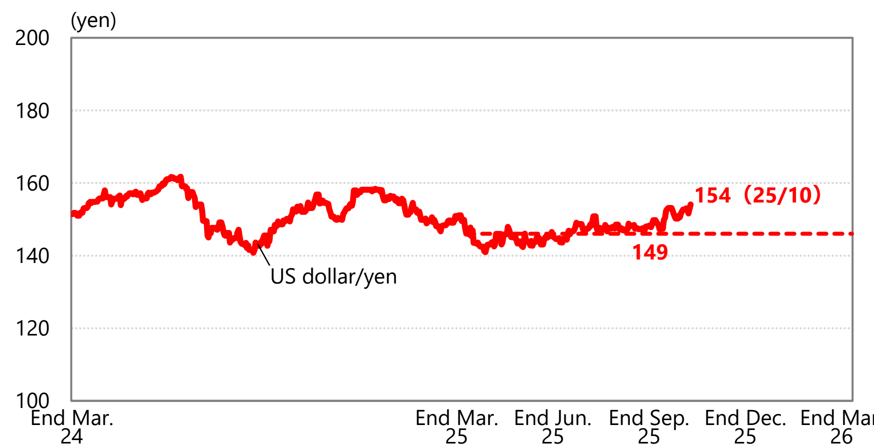
Domestic and Foreign Interest Rates / Dollar Funding Cost





US IG and HY Spread / US Dollar-Yen Rate

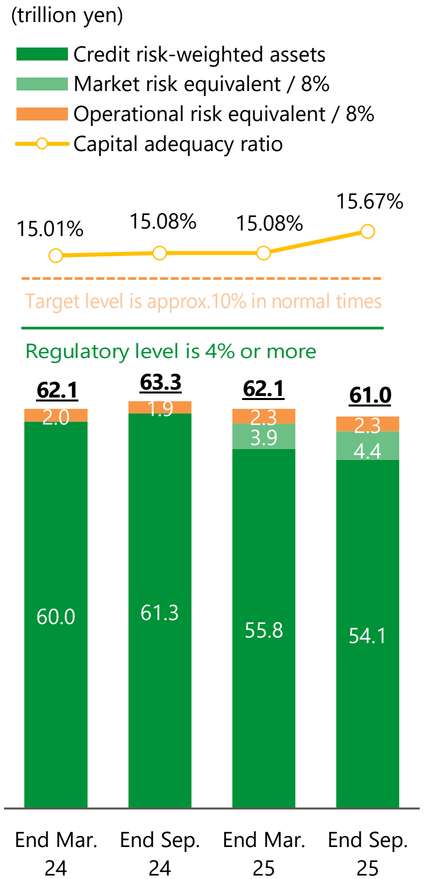




Overview of FY2025 H1 Results (2) CAR and CET1 Ratio

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

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



(billion yen)

	As of Mar. 31, 2025 (A)	As of Sep. 30, 2025 (B)	Increase (Decrease) (B) – (A)	Main drivers of increase and decrease
Capital adequacy ratio	15.08%	15.67%	0.59%	
Total capital	9,373.8	9,568.7	(1) 194.8	(1) ● Due to the profit for FY2025 H1
Risk-weighted assets	62,131.0	61,026.3	(1,104.7)	
Credit risk-weighted assets	55,817.5	54,169.1	(1,648.3)	
Market risk equivalent / 8%	3,970.9	4,473.7	502.7	
Operational risk equivalent / 8%	2,342.6	2,383.4	40.8	

Notes: 1. The finalized Basel Ⅲ basis (from March 31, 2025).
2. The market risk equivalent is calculated using the standardized approach (from March 31, 2025).

(trillion yen)

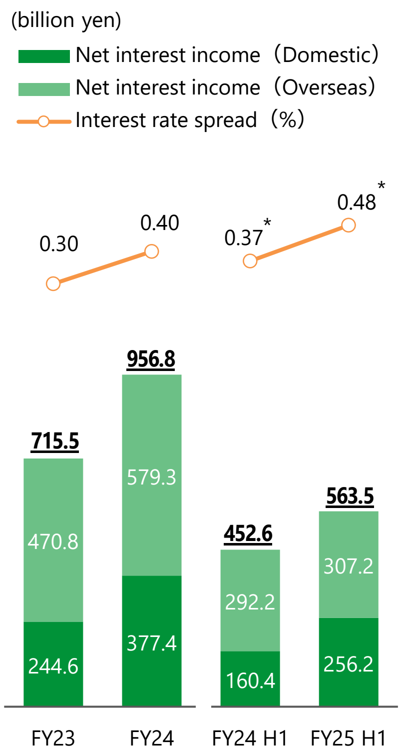
	As of Mar. 31, 2025 (A)	As of Sep. 30, 2025 (B)	Increase (Decrease) (B) – (A)	Main drivers of increase and decrease
CET1 ratio (estimate)	11.77%	12.43%	0.66%	
Excluding unrealized gains on available-for-sale securities	11.77%	12.43%	0.66%	
Total capital	8.2	8.6	(2) 0.4	(2) ● Decrease in net unrealized losses on available-for-sale securities ● Due to the profit for FY2025 H1
Risk-weighted assets	69.9	69.8	(0.1)	

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

Income Analysis

Net interest income increased mainly due to rising yen interest rates

Income Analysis (Non-consolidated)



* Annualized basis

(billion yen)

	FY2024 H1 (A)	FY2025 H1 (B)	Increase (Decrease) (B) – (A)
Domestic			
Net interest income	160.4	256.2	95.8
Interest income	206.5	458.7	(1) 252.1
Interest on Japanese government bonds	115.4	167.7	52.3
Interest expenses	46.1	202.4	(2) 156.3
Overseas			
Net interest income	292.2	307.2	15.0
Interest income	624.8	634.3	9.5
Interest on foreign securities	619.8	631.5	11.6
Interest expenses	332.6	327.1	(5.5)
Total			
Net interest income	452.6	563.5	110.9
Interest income	821.1	1,024.4	203.2
Interest expenses	368.5	460.9	92.3

Main drivers of increase and decrease

(1)
- Increase in interest income from due from banks, etc.
- Increase in interest income from JGBs

(2)
- Due to the impact of the deposit interest rate hikes

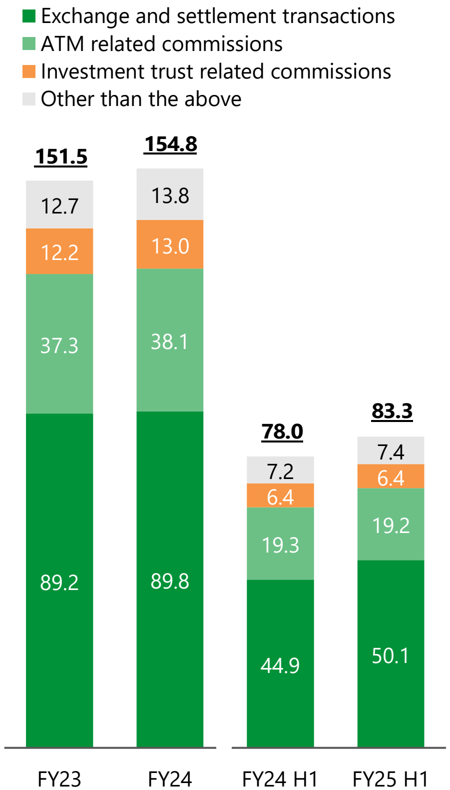
Notes: 1. "Domestic" represents yen-denominated transactions while "overseas" represents foreign currency-denominated transactions (except that yen-denominated transactions with non-residents of Japan are included in "overseas").
2. Interest income from "domestic" and expenses from "overseas" include interest on transactions between "domestic" and "overseas", respectively. The interest is offset to calculate totals.
3. Net interest income includes net income related to strategic investment areas (six months ended September 30, 2025, JPY 78.4 billion; six months ended September 30, 2024, JPY 83.7 billion).
Furthermore, net income related to strategic investment areas also contributes to non-recurring gains(losses).

Fees and Commissions

Net fees and commissions have steadily increased

Fees and Commissions (Non-consolidated)

(billion yen)



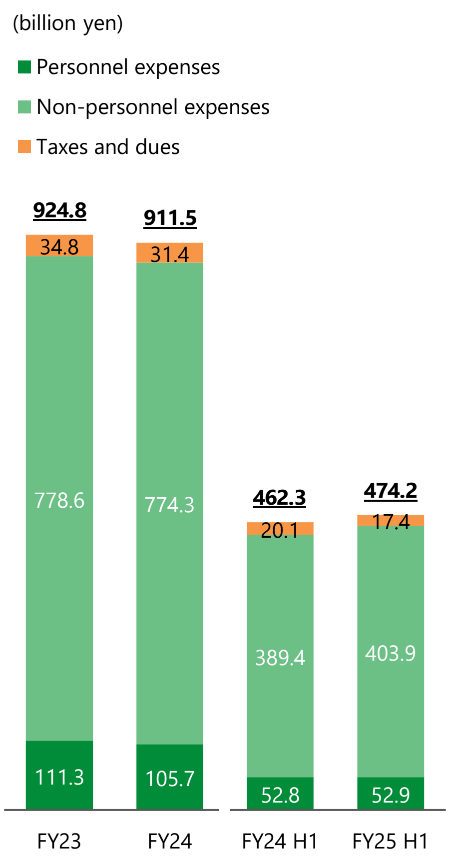
(billion yen)

	FY2024 H1 (A)	FY2025 H1 (B)	Increase (Decrease) (B) – (A)	Main drivers of increase and decrease
Net fees and commissions	78.0	83.3	5.2	
Exchange and settlement transactions	44.9	50.1	(1) 5.1	(1) ● Increase in service usage, etc.
Zengin-net fee	7.7	9.7	1.9	
ATM related commissions	19.3	19.2	(0.1)	
Investment trust related commissions*	6.4	6.4	(0.0)	
Variable annuities	1.3	0.8	(0.5)	
JGBs related commissions	1.3	1.6	(2) 0.3	(2) ● Increase in retail JGB sales, etc.
Credit cards	1.6	1.9	0.2	
Consumer loans	1.0	1.0	0.0	
Others	1.8	1.9	0.0	

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

General and Administrative Expenses
While expanding growth investments, we have restrained regular expenses

G&A Expenses (Non-consolidated)



(billion yen)

	FY2024 H1 (A)	FY2025 H1 (B)	Increase (Decrease) (B) – (A)
Personnel expenses*	52.8	52.9	0.1
Salaries and allowances	44.5	44.2	(0.3)
Non-personnel expenses	389.4	403.9	(1) 14.4
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	157.7	154.2	(2) (3.4)
Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network	123.3	131.5	8.1
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	14.0	13.8	(0.1)
Taxes and dues	20.1	17.4	(3) (2.6)
Total	462.3	474.2	11.9

* Personnel expenses include non-recurring losses.

Main drivers of increase and decrease

(1)
- Increase in system expenses [approx. JPY 8.0bn]

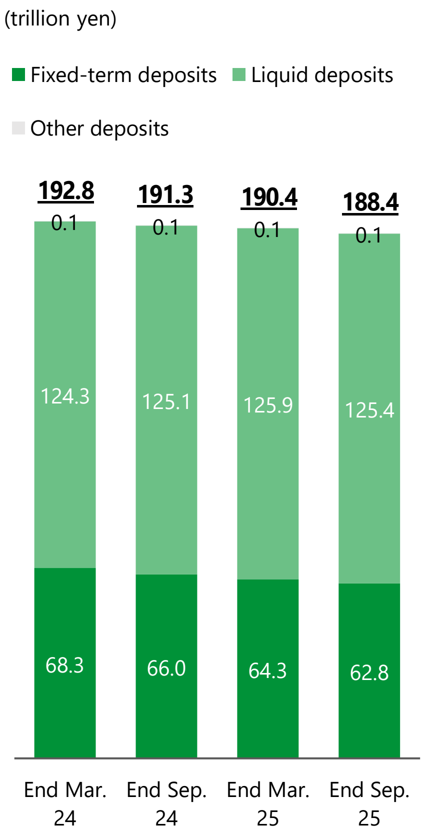
(2)
- Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd. and Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network [approx. JPY 5.0bn]

(3)
- Decrease in stamp duty [approx. JPY (3.0)bn]

Deposit Balance

Deposit balance decreased by JPY 2.0 tn compared to the end of March 2025

Deposit Balance (Non-consolidated)



(trillion yen)

	As of Mar. 31, 2025 (A)	As of Sep. 30, 2025 (B)	Increase (Decrease) (B) – (A)
Liquid deposits	125.9	125.4	(0.5)
Transfer deposits	12.1	11.9	(0.2)
Ordinary deposits, etc.*	112.9	112.7	(1) (0.2)
Savings deposits	0.8	0.8	(0.0)
Fixed-term deposits	64.3	62.8	(1.5)
Time deposits	8.6	9.7	(2) 1.1
TEIGAKU deposits	55.7	53.1	(3) (2.6)
Other deposits	0.1	0.1	(0.0)
Total	190.4	188.4	(2.0)

* Ordinary deposits, etc. = Ordinary deposits + Special deposits (equivalent to ordinary savings)

Main drivers of increase and decrease

(1) (3)

- Transfers from TEIGAKU deposits to ordinary deposits at maturity, etc.
- Withdrawals for funding needs amid inflation and for purchasing retail JGBs, etc.

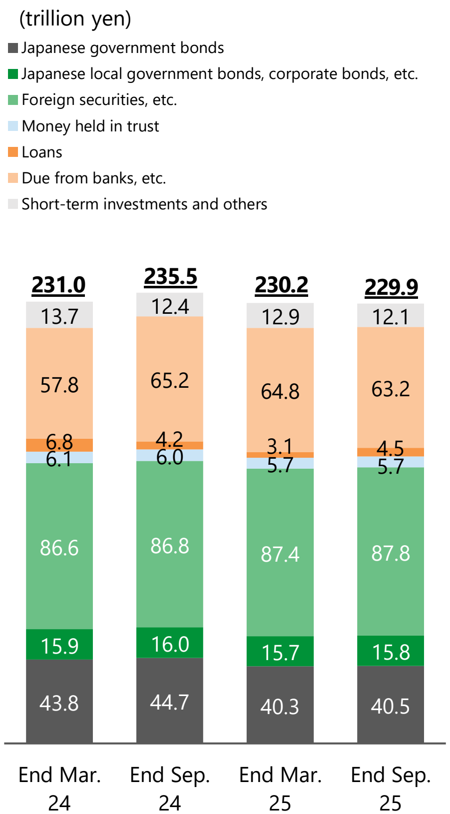
(2)

- Transfers from TEIGAKU deposits to time deposits, etc.

Investment Assets

We have managed our portfolio in a timely and appropriate manner

Investment Assets (Non-consolidated)



(billion yen)

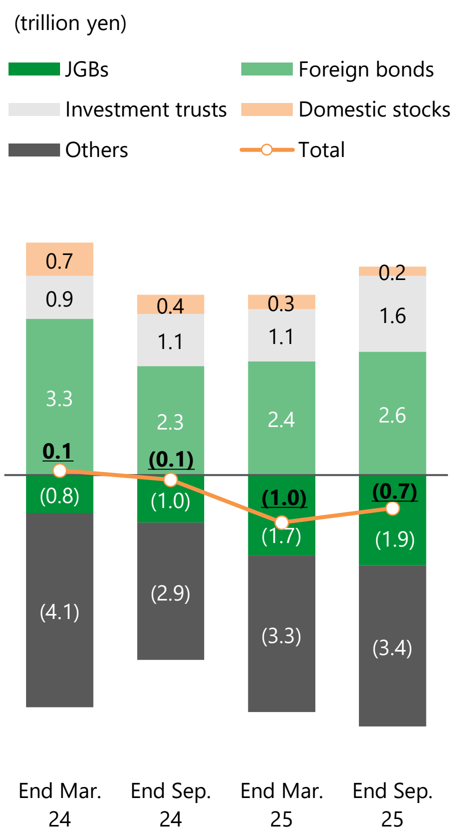
	Balance As of Sep. 30, 2025	%	vs Mar. 31, 2025	Main drivers of increase and decrease
Securities	144,267.1	62.7	701.7	
Japanese government bonds	40,559.0	17.6	(1) 216.3	(1) ● Accumulation of balances
Japanese local government bonds, corporate bonds, etc.*1	15,839.9	6.8	43.6	
Foreign securities, etc.	87,868.1	38.2	441.7	
Foreign bonds	27,999.5	12.1	175.7	
Investment trusts*2	59,711.9	25.9	274.6	
Money held in trust	5,729.5	2.4	7.5	
Domestic stocks	651.2	0.2	34.6	
Loans	4,527.2	1.9	(2) 1,396.6	(2) ● Increase in loans to governments
Due from banks, etc.*3	63,264.6	27.5	(1,623.4)	
Short-term investments and others*4	12,121.2	5.2	(817.5)	
Total	229,909.8	100.0	(335.0)	

*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

Unrealized Gains (Losses) are improving, although they remain negative due to rising yen interest rates

Available-for-sale Securities (Non-consolidated)



(billion yen)

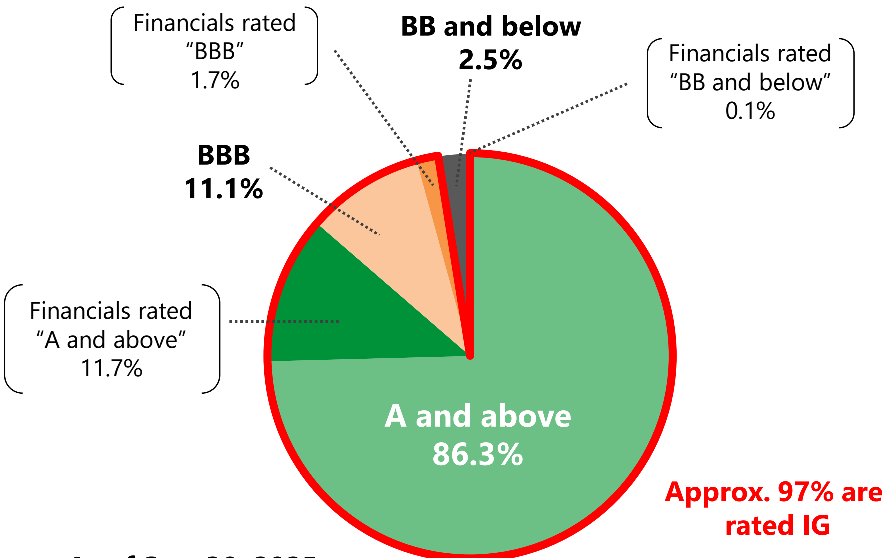
	As of Sep. 30, 2025 Amount on the balance sheet /Notional amount	vs Mar. 31, 2025	As of Sep. 30, 2025 Net unrealized gains (losses) /Net deferred gains (losses)	vs Mar. 31, 2025	Main drivers of increase and decrease
Available-for-sale	101,314.7	(3,288.6)	984.6	431.2	
Securities (a)	95,585.1	(3,296.1)	2,278.1	413.7	
Japanese government bonds	12,323.1	(2,982.1)	(1,911.7)	(1) (206.5)	(1) ● Due to yen interest rate hike
Foreign bonds	18,836.1	(267.7)	2,679.6	196.0	
Investment trusts*	59,711.9	274.6	1,621.1	(2) 426.2	(2) ● Due to tightening overseas credit spreads, etc.
Others	4,713.9	(320.9)	(110.8)	(2.0)	
Effect of fair value hedge accounting (b)			(1,501.9)	46.8	
Money held in trust (c)	5,729.5	7.5	208.5	(29.3)	
Domestic stocks	651.2	34.6	285.8	(15.4)	
Others	5,078.2	(27.1)	(77.3)	(13.9)	
Derivatives for which deferred hedge accounting is applied (d)	15,716.1	(227.9)	(1,724.8)	(83.5)	
Total (a) + (b) + (c) + (d)			(740.2)	347.6	

* Investment trusts are mainly invested in foreign bonds. Including unrealized gains on private equity funds (as of September 30, 2025, JPY 1,204.7bn; as of March 31, 2025, JPY 1,106.9bn).

Exposure Profile of Investment Assets

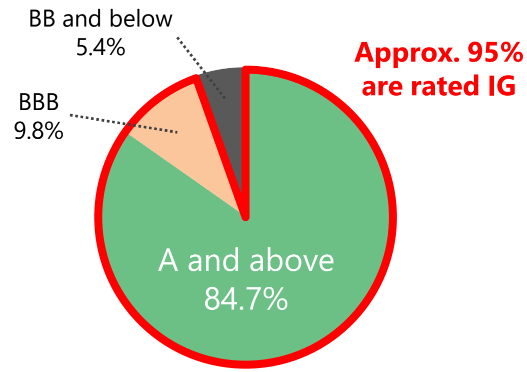
We ensure investment stability through high-quality, highly-rated assets

Exposures Classified by Ratings (Non-consolidated)

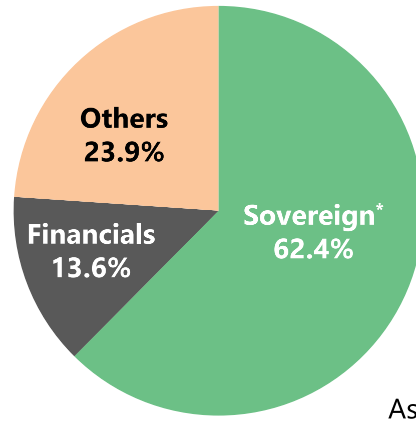


As of Sep. 30, 2025
JPY 207tn

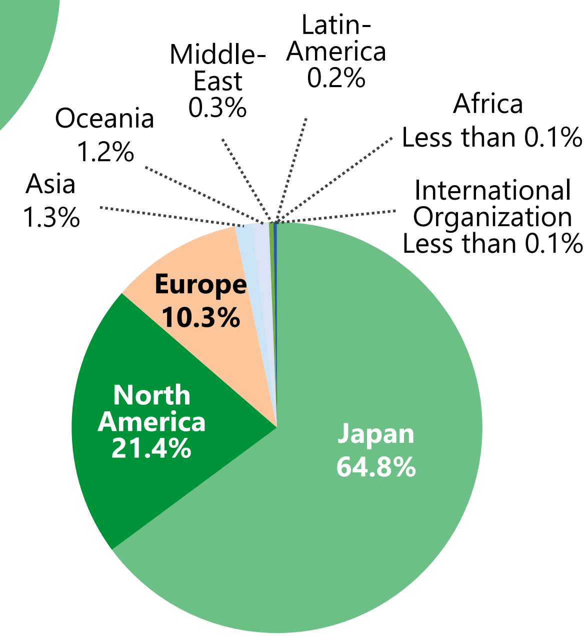
Ref. As of Mar. 31, 2020



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, etc. 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.

Investment Policy (Risk Appetite)

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

		Appetite (Domestic)	Appetite (Overseas)	Medium-term investment policy
Interest		↗	→	● Continue to restructure the portfolio of yen interest rate assets, taking into account the Bank of Japan's monetary policy trends ● For overseas interest related assets, take on and/or curb risk according to market conditions
Credit	IG	→	→	● In the investment grade (IG) area, invest with a focus on the income prospects of yen interest rate assets ● Continue to invest in CLOs, while paying attention to market share ● Invest selectively in the high yield (HY) area while monitoring market conditions, etc.
Credit	CLO	—	→	
Credit	HY	—	↘	
Stocks		→	→	● Take on and/or curb risk according to market conditions
Foreign exchange		—	→	● Take on and/or curb risk according to market conditions
Strategic investment areas	Private equity funds	→	→	● 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
Strategic investment areas	Real estate funds: Equities	→	→	
Strategic investment areas	Real estate funds: Debts	—	→	
Strategic investment areas	Direct lending funds	—	→	
Strategic investment areas	Infrastructure debt funds	—	→	

Building a Strong Operational Structure (1)
A variety of specialized personnel from within and outside the company are assigned and actively engaged in training

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
(Nine departments and one group)
(As of Oct. 2025)

Executive Officers in charge of the Investment Division

Managing Executive Officer
Yuko Yoshida
JPMorgan Securities Japan

- CIO Office (Department) — **[General Manager]** **Koichiro Watanabe**, Japan Post Bank
  - Quants Group
- Global Credit Investment Department — **[General Manager] Executive Managing Director** **Kazutoshi Rokushima**, Deutsche Securities
- Investment Analysis Department — **[General Manager] Executive Managing Director** **Shunsuke Sone**, Mizuho Securities
- Rates and FX Investment Department — **[General Manager] Managing Director** **Taro Matsuura**, MUFG Bank
- Equity Investment Department — **[General Manager] Executive Managing Director** **Haruka Mori**, JPMorgan Securities Japan
- Private Equity Investment Department — **[General Manager] Executive Managing Director** **Hideya Sadanaga**, Nippon Life Insurance
- Real Estate Investment Department — **[General Manager] Executive Managing Director** **Kazunari Yaguchi**, Development Bank of Japan; **Managing Director** **Hiroyuki Tanaka**, Phoenix Property Investors
- Treasury Department — **[General Manager] Managing Director** **Kazuhiro Adachi**, Mizuho Bank
- Treasury Administration Department — **[General Manager]** **Keiko Okada**, Citigroup Global Markets 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 Oct. 2025)

Advisory Board for the Board of Directors

Risk Committee

Reports/Advice

Board of Directors

- Deciding fundamental matters in relation to the Risk Appetite Framework
- Supervising the execution of operations by the executive side based on the Risk Appetite Framework

President & CEO, Representative Executive Officer — Takayuki Kasama

Deputy President, Representative Executive Officer (Assistant to the President & CEO) — Harumi Yano

Deputy President, Representative Executive Officer (Assistant to the President & CEO) — Kenji Ogata

Advisory Board for the President & CEO, Representative Executive Officer

Executive Committee

Internal Control Committee

Advisory Board for the Executive Committee

ALM Committee
Chairperson
Makoto Shinmura
(Corporate Administration Division Senior Managing Executive Officer)

Risk Management Committee
Chairperson
Masato Tamaki
(Risk Management Division Senior Managing Executive Officer)

Compliance Committee
Chairperson
Kenji Ogata
(Deputy President, Representative Executive Officer)

Investment Division
Managing Executive Officer
Yuko Yoshida

[CIO Office]
[Global Credit Investment Dept.]
[Investment Analysis Dept.]
[Rates and FX Investment Dept.]
[Equity Investment Dept.]
[Private Equity Investment Dept.]
[Real Estate Investment Dept.]
[Treasury Dept.]
[Treasury Administration Dept.]

Market transactions

Formulating basic ALM plans

Capital Allocation

Corporate Administration Division
Senior Managing Executive Officer
Makoto Shinmura

[Corporate Planning Dept.]
[ALM Planning Dept.]

Verifying management sustainability
(Conducting stress tests to investment plans)

Risk Management Division
Senior Managing Executive Officer
Masato Tamaki

[Risk Management Dept.]
[Credit Dept.]

Monitoring, etc.

Monitoring and Training

Compliance Division
Managing Executive Officer
Etsuko Kishi

[Compliance Management Dept.]
[Anti Money Laundering Dept.]

Private Equity Investments (1) Current Status
Unrealized Gains is JPY 1.2tn. Net Realized Gains [*1] reach cumulative JPY 1tn

Return Target/Actual Results

[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 Sep. 30, 2025)

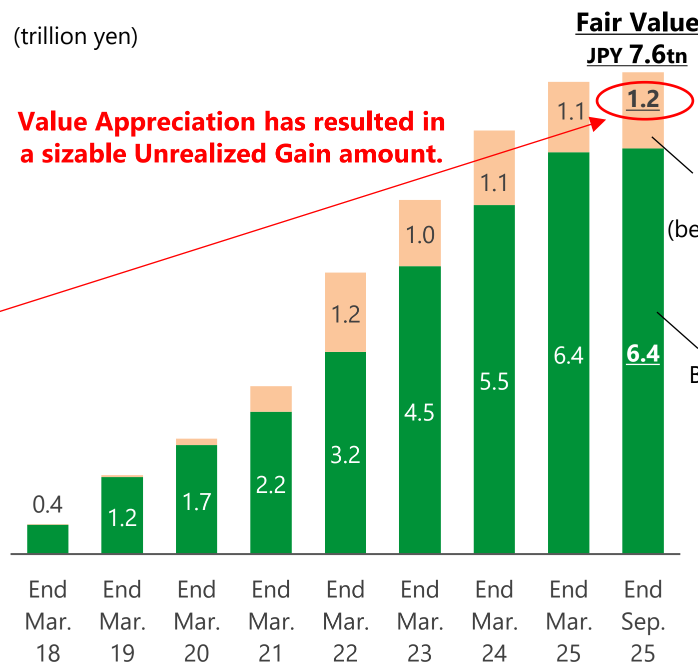
- **Net[*2] IRR : 8.1%**
- **Net[*2] TVPI : 1.28x**

The net IRR remains ahead of original plan.

Status of Balance and Net Realized Gains

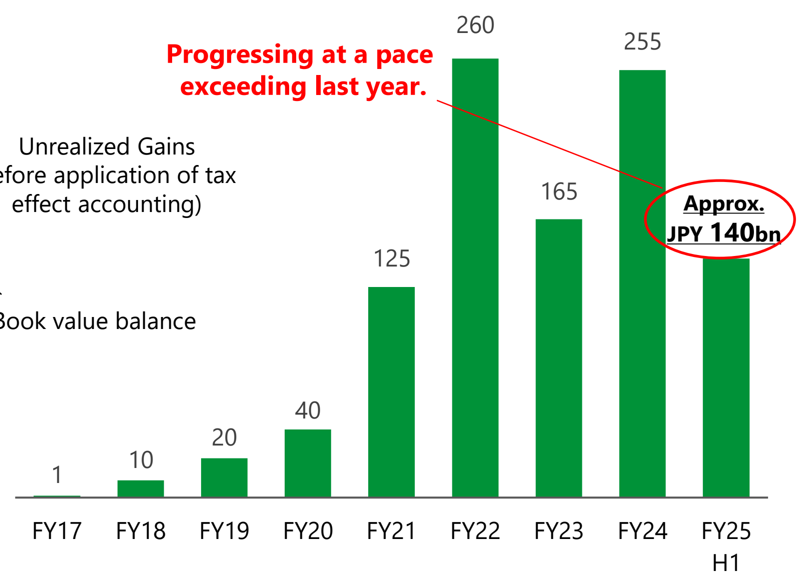
<Balance>

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.



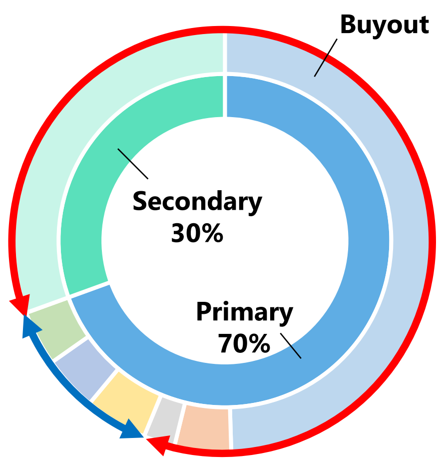
*1 The sum of interest/dividends derived from securities (interest income) and capital gains/losses arising from the disposal of securities net of cost (gains (losses) related to stocks).
*2 After deduction of expenses; Japanese yen basis
*3 In case of fund of funds such as secondary fund of funds, valuation used may be based on valuation reports from six months ago.

Private Equity Investments (2) The Portfolio

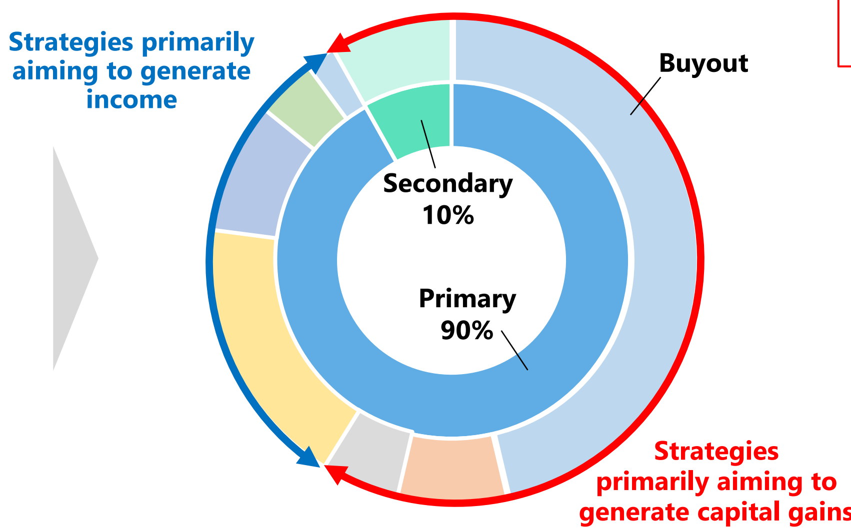
To earn stable returns, we aim to balance capital gain strategies and income gain strategies*

Strategy Diversification
(Capital Commitment Basis)

FY2016 Strategy



FY2025 Strategy (Plan)

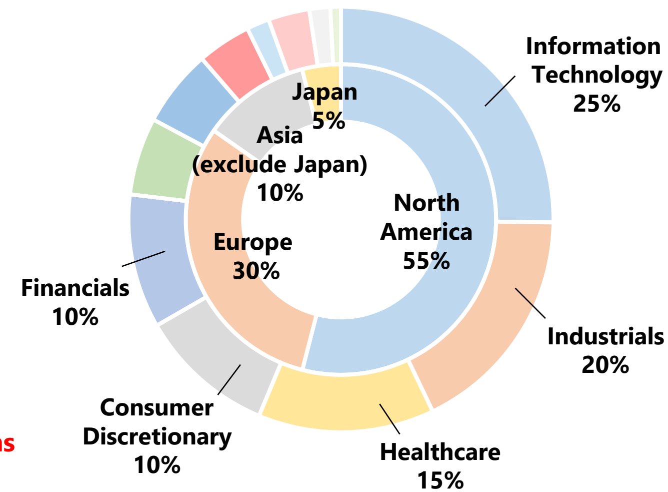


<Note>
Inner ring: primary vs. secondary split
Outer ring: investment strategy

Geography/Sector Diversification
(Fair Value Basis)

As of Sep. 30, 2025

<Total number of investee companies>
approx. 56,000
(Average investment amount: **approx. JPY 136mn** 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 4.9tn, and net realized gains have increased

Return Target/Actual

[Target]

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

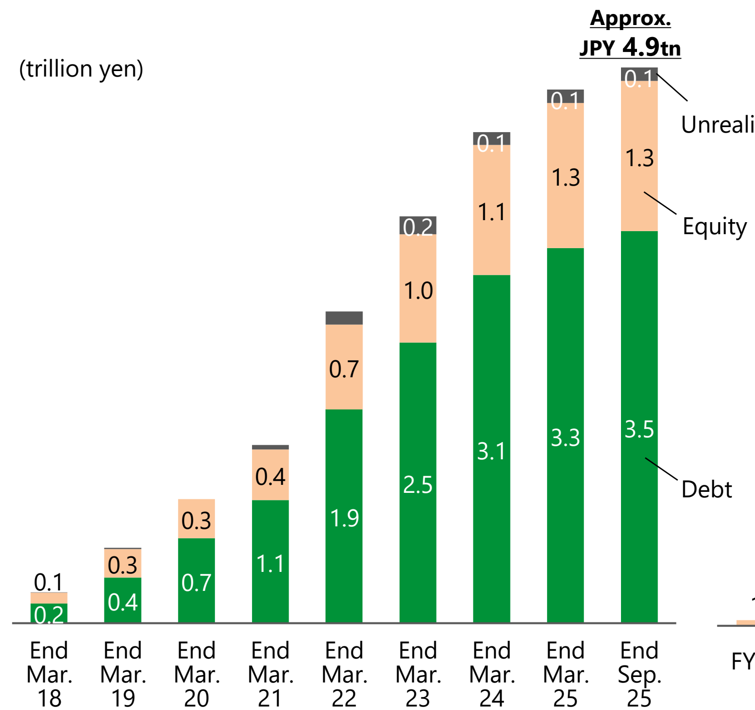
[Actual (as of Sep. 30, 2025)]

- **Equity**
  Net[*2] IRR: 4.7%
- **Debt**
  Excess spread of approx. +90bps over IG corporate bond spreads

Status of Balance and Net Realized Gains[*1]

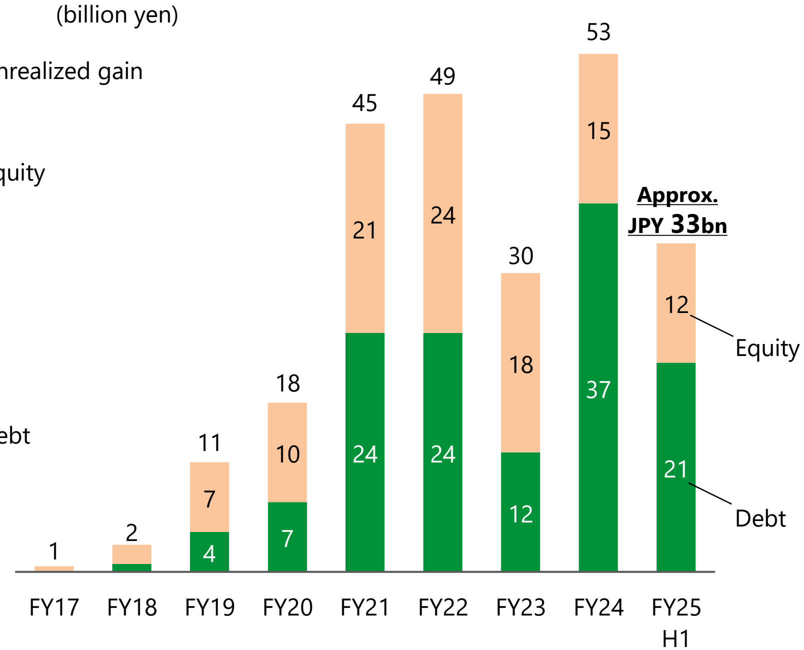
<Balance>

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.



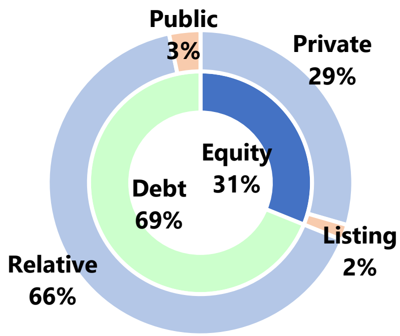
*1 Management accounting basis. Net realized gains including the amount of scheduled tax claim
*2 After fees, expenses, and hedging costs

Real Estate Fund (2) The Portfolio

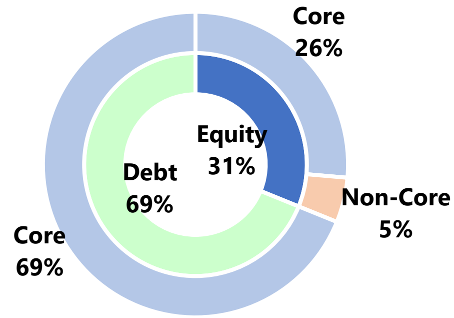
Strategically build a well-diversified portfolio

Strategy Diversification
(Fair Value Basis, As of Sep. 30, 2025)

Product Allocation



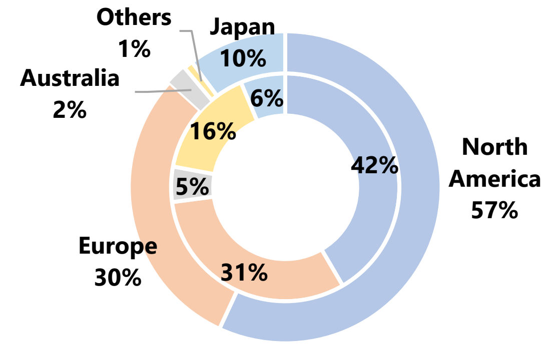
Strategy Allocation



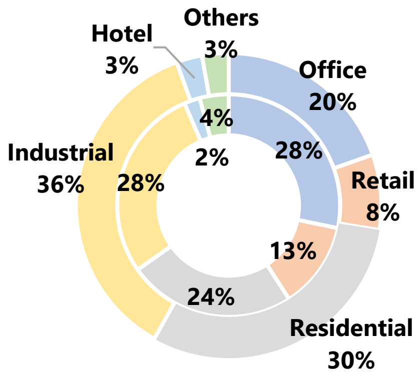
[Core]
Strategy of pursuing stable rental income earned from high occupancy properties.

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

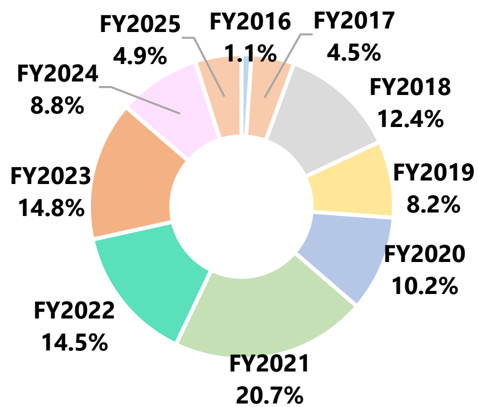
Geography Diversification
(Fair Value Basis, As of Sep. 30, 2025)



Sector Diversification
(Fair Value Basis, As of Sep. 30, 2025)



Vintage Diversification
(Capital Commitment Basis)



Investment Diversification
(As of Sep. 30, 2025)

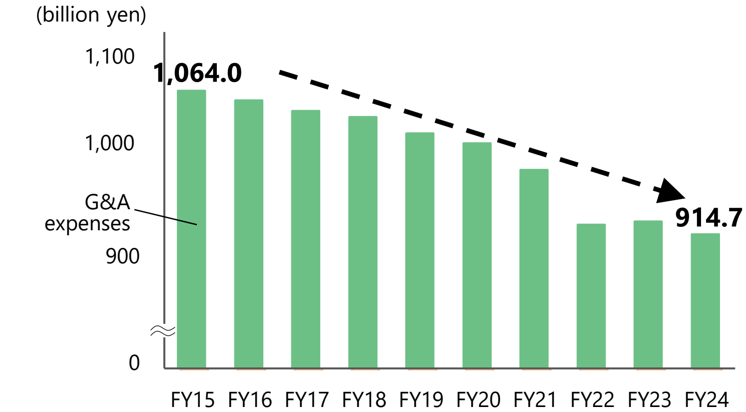
No. of Funds	No. of Loans	No. of Underlying properties
244	339	Approx. 17,000

<Note (Geography Diversification, Sector Diversification) >
Inner ring: Market size (as of Dec. 31, 2024, estimated by MSCI*)
Outer ring: Portfolio (as of Sep. 30, 2025)

Retail Business: Work Efficiency

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

G&A Expenses / Retail Business Earnings*1



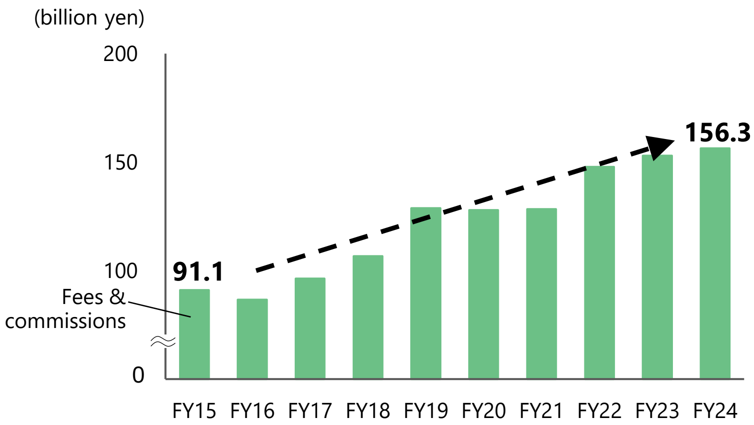
(1) G&A expenses

Reduced by JPY 149.2bn in 9 years (Improved approx. 14%)

Total improvement JPY 214.4bn

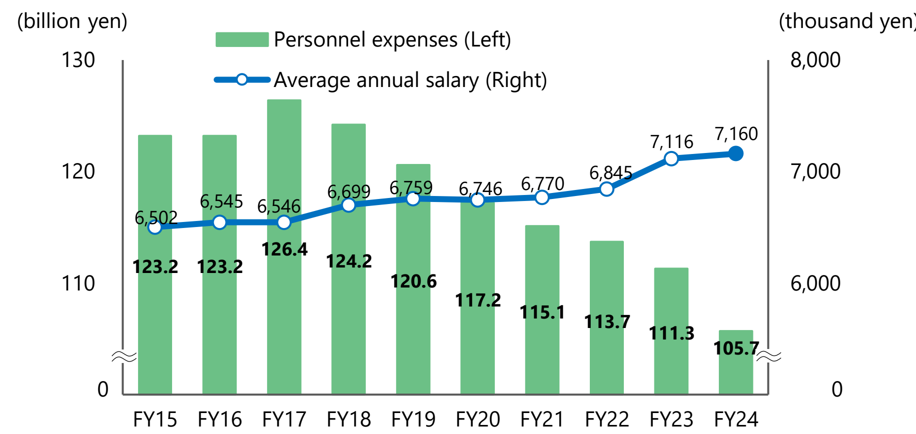
(2) Fees & commissions

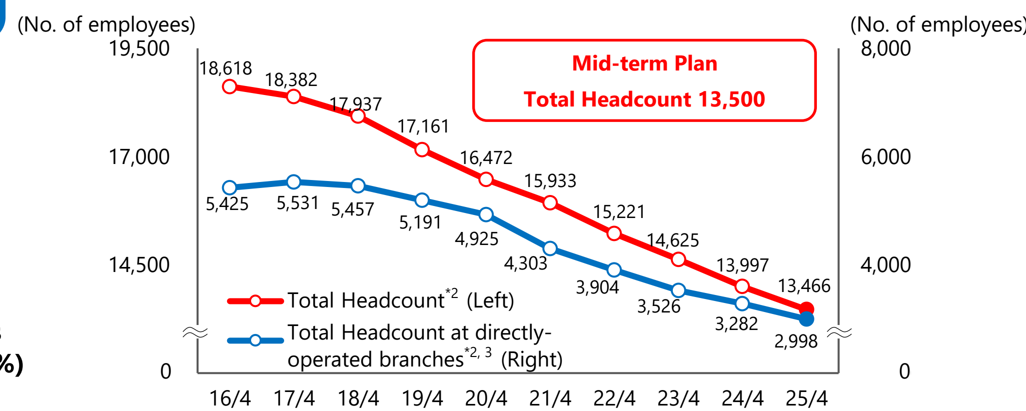
Increased JPY 65.2bn in 9 years (Increased approx. 72%)



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

Work Reforms and Productivity Improvements





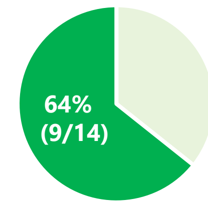
*2 Includes non-regular employees.
*3 Headcount of Financial Services and Fund managing Dept.

Governance: Structure and Skill Matrix of the Board of Directors

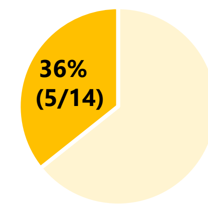
	Name	Indepen-dent Outside	Committee-related duties [1,2]	Management (Corporate Management)	Legal / Compliance / Risk Management	Financial Accounting	Finance / Market Operation	IT / Digital Transfor-mation	Sales / Marketing	Human Resource Develop-ment	Sustain-ability
1	Takayuki Kasama		Nomination	●	●		●				●
2	Harumi Yano						●	●		●	●
3	Kenji Ogata				●	●	●				●
4	Kazuyuki Negishi		Nomination Compensation		●		●		●		●
5	Miho Ichiki		Audit Risk		●				●	●	
6	Makoto Kaiwa	●	**Nomination**	●		●					●
7	Hiroshi Kawamura	●	**Audit**		●						
8	Kenzo Yamamoto	●	Audit **Risk**		●		●				
9	Keiji Nakazawa	●	Compensation Audit		●	●		●	●		
10	Atsuko Sato	●	Risk		●		●		●	●	
11	Reiko Amano	●	**Compensation**		●						●
12	Akane Kato	●	Audit	●					●	●	
13	Shigeki Mori	●	Nomination Compensation	●	●					●	●
14	Junko Moro	●	Nomination						●	●	●

*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 chairperson of their committees.

Independent Outside Members of the Board of Directors



Female Members of the Board of Directors



Direct dialogue between Outside Members of the Board of Directors and investors

● Small Meeting (June 2025)

Speakers	Makoto Kaiwa Hiroshi Kawamura Risa Aihara（at that time)
Main topics	● Evaluations and issues of the governance system and the Board of Directors ● Evaluation of cost of shareholders' equity and ROE ● Our future vision

(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	Not linked	Fixed points based on job responsibilities	At retirement	Shares 70% Cash 30%
	Linked	Linked to medium- to long-term performance (0 – 120%) **Basic points** – Awarded on basis of prescribed duties × Indicators: Quantitative: Consolidated net income (attributable to owners of parent); ROE (based on shareholders' equity)		
Bonuses	Linked	Linked to short-term performance (0 – 130%) **Standard amount by position** – Determined based on job responsibilities × **Coefficient based on an evaluation of the individual** × Indicators: Quantitative – Financial Targets: Consolidated net income (attributable to owners of parent); OHR/G&A expense reduction Quantitative – Target KPI: Retail Business; Market Business; Σ Business; Strengthening the management base, etc. Qualitative: Corporate value enhancement initiatives; IT system problems, etc.	Once per year	Cash

(Ref.) ESG Indices and External Assessments

External Assessments

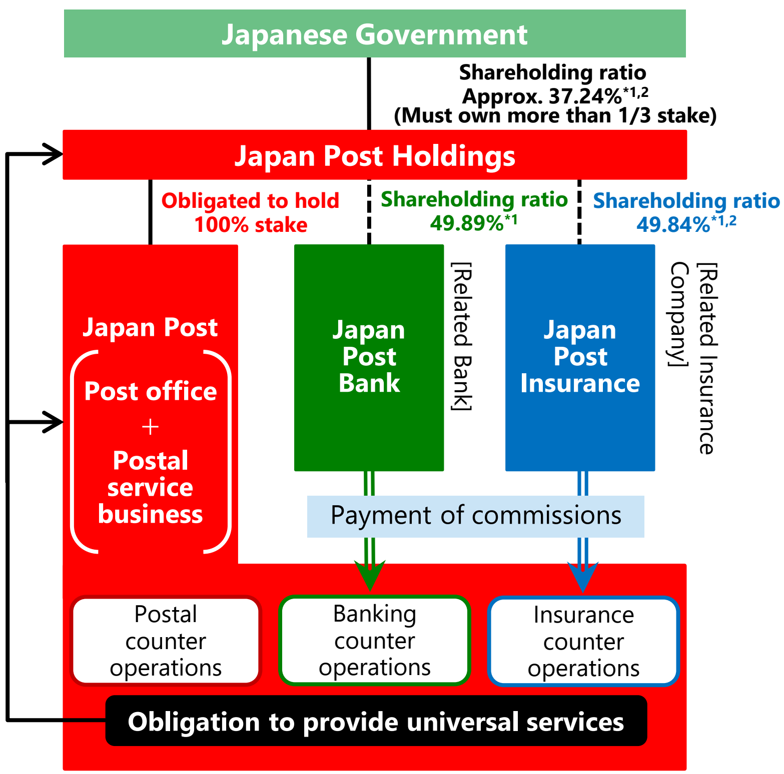
ESG Indices

- 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)
- Sompo Sustainability 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/

Current Status of Privatization (1) Relationship, etc.
Japan Post Holdings' shareholding ratio in the Bank is 49.89%

Relationship with Group Companies (As of Sep. 30, 2025)



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

Limitations on New Business, etc.

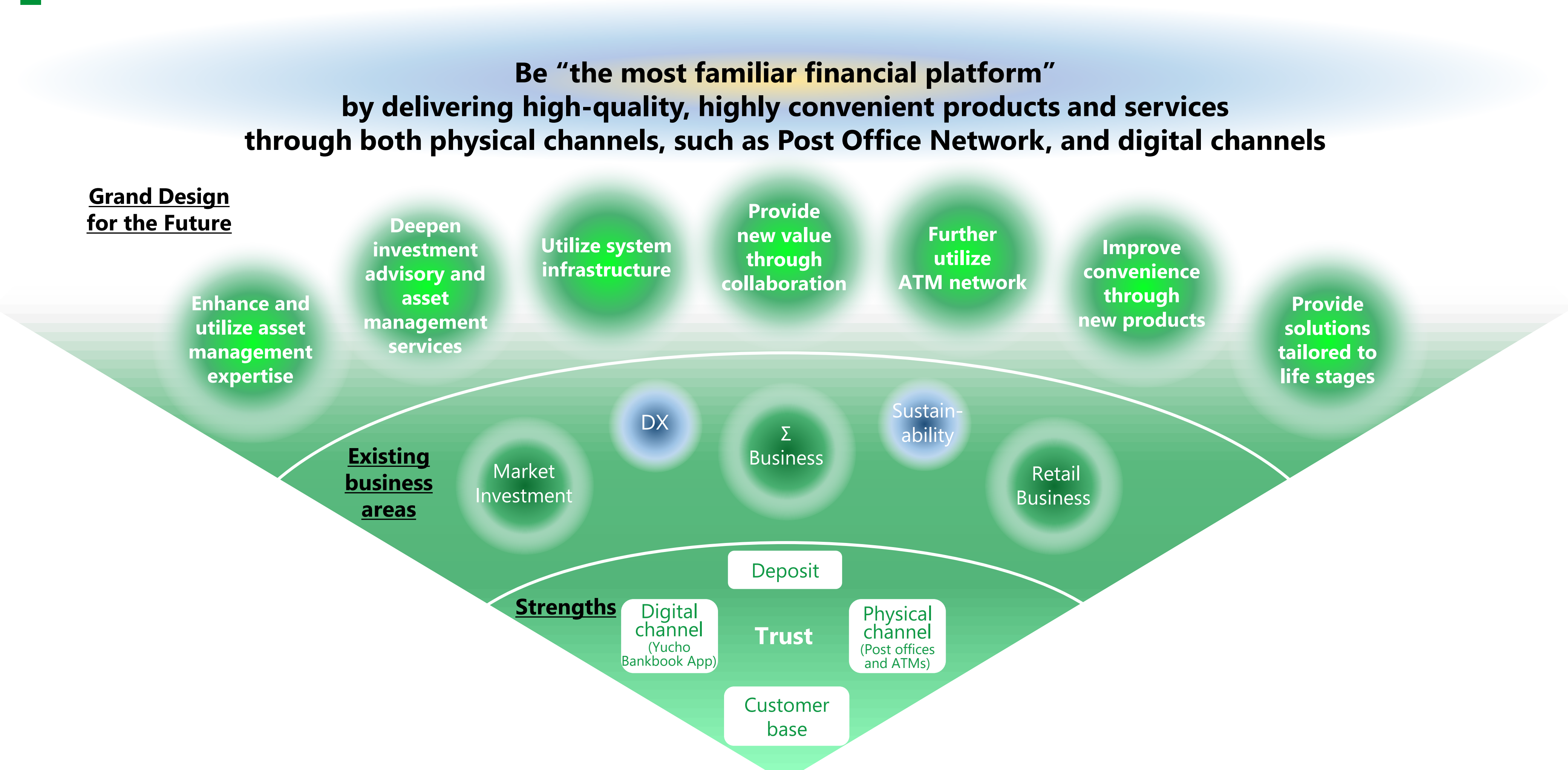
E.g. : Personal loans, trust and inheritance services and bilateral loans for corporations

			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 (E.g. : Banks)	Banking Act*1	Permission	Permission	Permission
		Postal Service Privatization Act*1	Prohibited*6	Prohibited*6	None
	Other (E.g. : Securities firms)	Banking Act*1	Permission	Permission	Permission
		Postal Service Privatization Act*1	Permission	Permission	None
Restrictions on the maximum amount of deposit Ordinary deposits: JPY 13mn Fixed-term deposits: JPY 13mn		Banking Act*1	None	None	None
		Postal Service Privatization Act*1	Regulated	Regulated	None

*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.

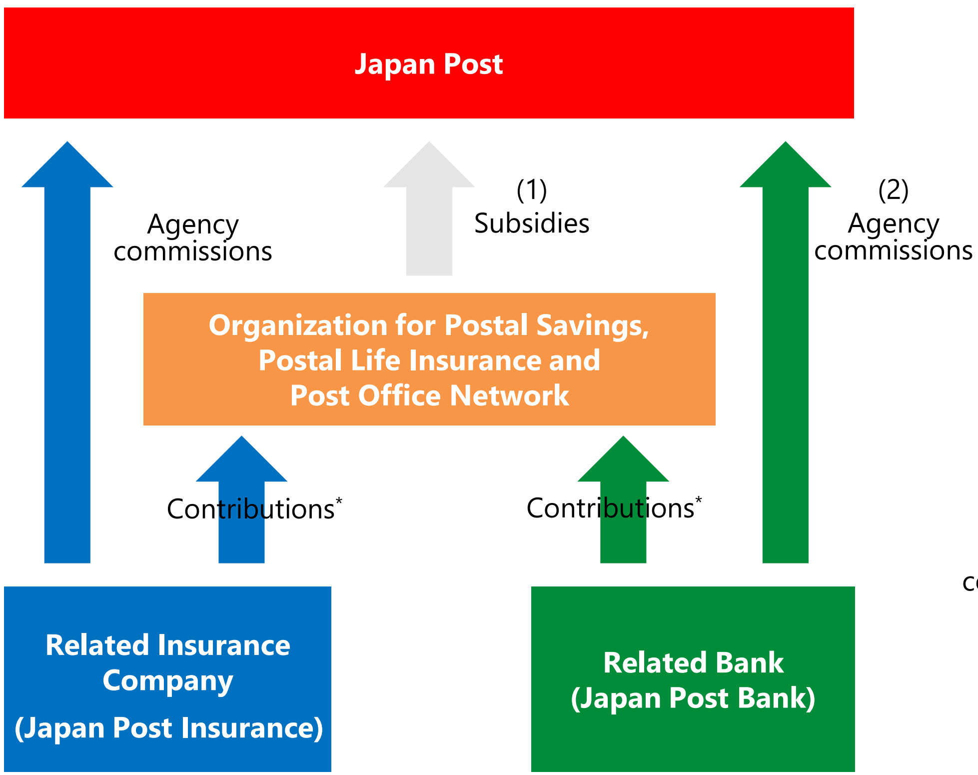
Current Status of Privatization (2) Future Grand Design Plan
Business opportunities and potential for Japan Post Bank will further expand after the offering in March 2025

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.



Current Status of Privatization (3) 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)

(2) Agency commissions

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

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

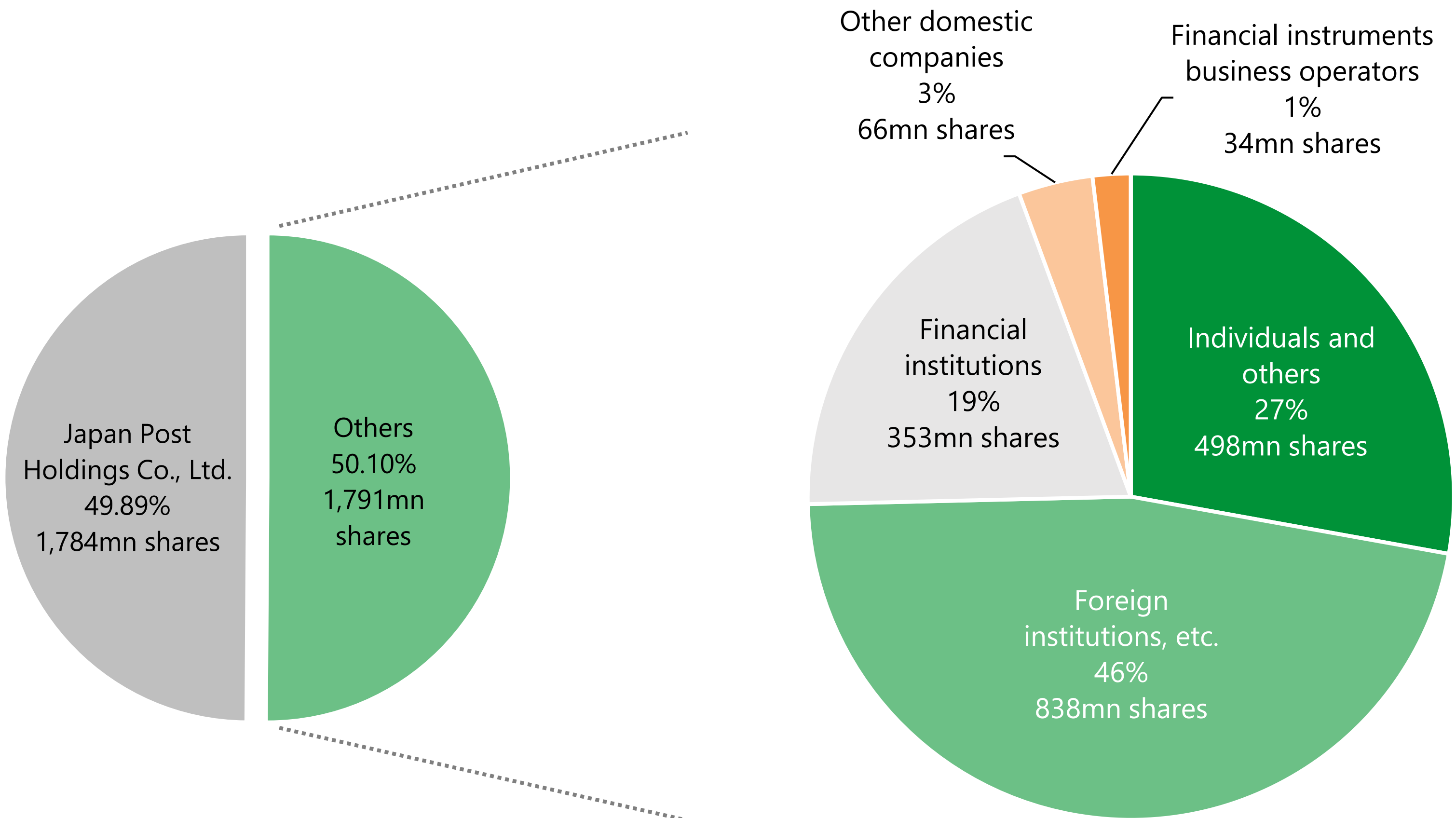
＋

Sales & service incentives

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

Current Status of Privatization (4) Shareholder

Shareholder Composition (Excluding treasury stock*, As of Sep. 30, 2025)



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

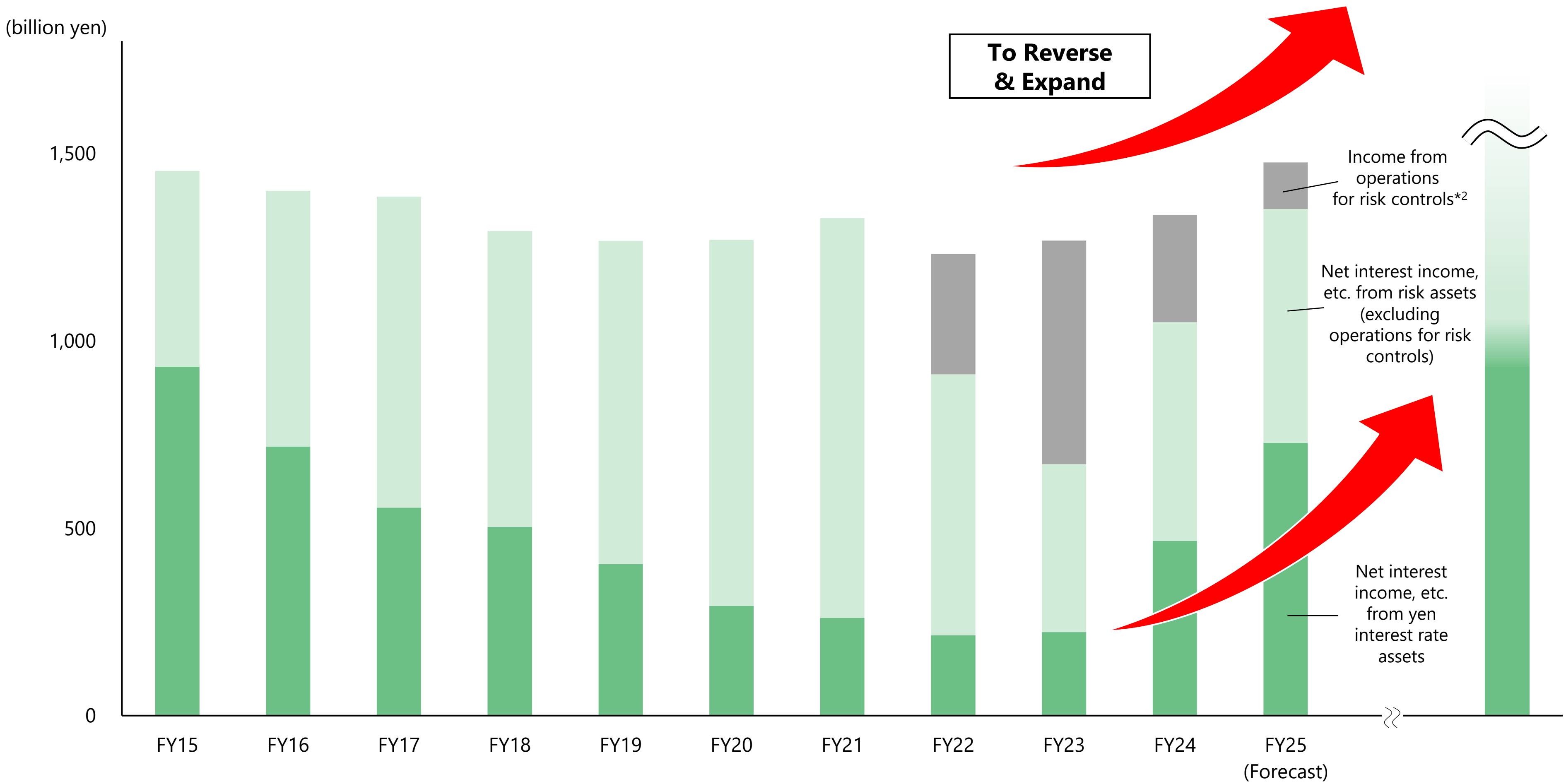
Total number of outstanding shares	3,575,878,720
Number of treasury stock*	70,113

* Treasury stock excludes the Bank's shares held by stock benefit trust.

(Ref.) Outlook for net interest income, etc. (repost)

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

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

Analysis of PBR

$$PBR = ROE \times PER$$
$$= \frac{ROE}{\text{(Cost of shareholders' equity - expected earnings growth rate)}}$$

Improve corporate value (increase PBR)

- **Continuously increase ROE** ($\frac{\text{Net income}}{\text{Shareholders' equity}}$)
  - **Improvement in RORA** ($\frac{\text{Net income}}{\text{Risk assets}}$) ×
    - Retail business (in principle, no risk assets)
      - Maintain and cultivate the customer base and retain a stable deposit balance by enhancing strategy for complementarity between physical and digital/remote channels, while developing new revenue opportunities
      - Improve profitability by reducing costs through the use of digital technologies, reviewing fees and products, etc.
    - Market business
      - Shift investments from due from banks, etc. to JGBs (zero risk weighting) in response to the reversal of the yen interest rate trend
      - Improve RORA through asset allocation that pays attention to return on risk
    - ∑ Business
      - Promote Japan Post Bank's unique GP business and secure appropriate RORA levels over the long term
  - **Controlling financial leverage** (Inverse of the CET1 ratio) ($\frac{\text{Risk assets}}{\text{Shareholders' equity}}$)
    - Financial soundness
      - Ensure a capital adequacy ratio and CET1 ratio (excluding unrealized gains on available-for-sale securities) of around 10% in normal times
    - Shareholder returns
      - Aim to increase dividends in line with profit growth, in accordance with a basic policy for a dividend payout ratio of approximately 50%
      - Consider share repurchases based on market conditions and internal reserves
    - Growth investment
      - Maximize the use of capital to increase the balance of risk assets and balance in strategic investment areas
- **Control cost of shareholders' equity**
  - Aim for steady achievement of the profit plan and maintain a dividend policy that pays attention to the stability and continuity of dividends
  - Promote highly stable and transparent business operations through promotion of sustainability management, enhancement of IR activities, appropriate information disclosure, and strengthening of internal control systems (control for major risks), etc.
- **Increase expected earnings growth rate**
  - Steadily improve ROE, net income, and dividend per share
  - With a view to medium- to long-term growth, promote new growth strategies that leverage the Bank's unique strengths and expand beyond traditional banking operations via the three business engines, while improving external communications

Promote human capital management and DX advancement

(Ref.) Japan Post Bank at a glance

1 History
▶ P.59

Transition from the savings department of the state-run postal service to a private-sector corporation
1875 State-run ⇒ **2007** Privatization ⇒ **2015** Listed

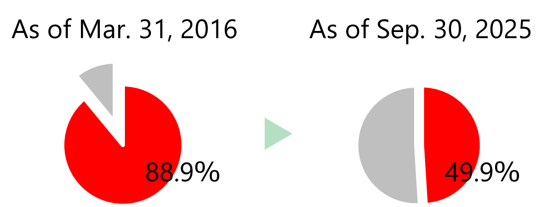
◆Relationship with Group Companies

Japanese Government
Govt shareholding ratio 37.2%
Japan Post Holdings
- **100% Japan Post**
- **49.9% Japan Post Bank**
- **49.8% Japan Post Insurance**

2 Progress of Privatization
▶ P.62

Japan Post Holdings' shareholding ratio has decreased due to the offering of the Bank's shares
The shareholding ratio has been below 50% with the 3rd offering in March 2025

◆Japan Post Holdings' shareholding ratio



3 Business scale
▶ P.20

Branches 23,494
Ordinary deposit accounts approx. 120mn
Deposit balance approx. JPY 188tn
Investment assets approx. JPY 230tn

◆The Bank's B/S

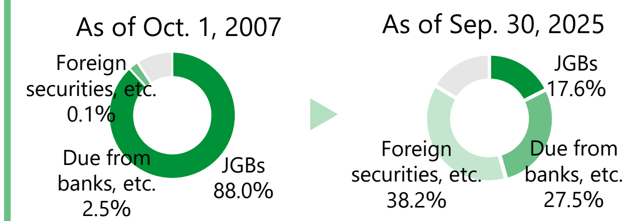
Assets		Liabilities / Net assets	
JGBs JPY **41**tn		Deposits JPY **188**tn	Ordinary deposits JPY **112**tn (More than 50% are sticky core deposits)
Due from banks, etc. JPY **63**tn			Fixed-term deposits JPY **62**tn
Foreign securities JPY **91**tn			Others
Others JPY **36**tn		Others / Net assets JPY **44**tn	

Note: Due to regulations under the Postal Service Privatization Act, etc., the Bank does not conduct bilateral loans for corporations. Therefore, the balance of loans is very small.

4 Paradigm Shift in Portfolio
▶ P.16

Flexible operation strategy aligned with the market environment
Shift back to yen interest rate assets due to the recent trend of rising yen interest rates

◆Ratio of JGBs and Foreign Securities



5 Business strategy of the Future
▶ P.60

New Future Grand Design leveraging strengths
Consideration of various possibilities for enhancing corporate value

◆Future Grand Design Plan