

Results for the Fiscal Year Ended March 2026
Summary of Presentation (May 20, 2026)

Introduction

- Hello everyone. I am Takayuki Kasama, president & CEO of Japan Post Bank. Thank you very much for taking time out of your busy schedules to attend our investors meeting today.
- Today, I would like to focus on helping everyone to gain a deeper understanding of the new Medium-term Management Plan announced last week on May 15. I will cover the background and our approach to its formulation along with my own thoughts and awareness of issues that we face.
- In my discussions with investors since the briefing for our H1 financial results last fiscal year, I have often asked them to wait until the announcement in May, and I myself have been frustrated at not being able to share specific details. Today, I am delighted to finally be able to give an overall picture of the plan in my own words.
- First, I would like to talk about our recognition of the current business environment and our strategic direction going forward.
 1. In the financial markets, amid a clear divergence in monetary policy cycles among major countries, uncertainty regarding the outlook remains high. This is affected not only by economic indicators, but also by factors such as the trajectory of inflation influenced by geopolitical risks and trends in resource prices. In light of these conditions, we believe it is necessary to conduct careful business management, while comprehensively assessing various factors, including policy trends.
 2. In Japan, we think that the direction of the financial environment has remained broadly unchanged over the past half year, and we believe that the environment continues to be favorable for the Bank. After the turnaround in the policy of the Bank of Japan, we are now firmly in an era of positive interest rates. Yields on Japanese government bonds, which are our investment target, remain at relatively high levels. Regardless of whether or not additional rate hikes occur going forward, by steadily moving ahead with restructuring of yen interest rate portfolio, we believe that we can realize stable, high profit growth

over the medium to long term. In addition, with the return of positive interest rates in Japan, deposits are becoming even more valuable for financial institutions. The shift from savings to investment is continuing, and we will work to strengthen our customer and deposit base through diverse channels and means, while giving maximum consideration to customer-oriented perspectives.

3. Meanwhile, looking at overseas markets, we think the United States has reached the end of a phase of monetary tightening aimed at controlling inflation, and has now entered a stage of adjusting its policy stance. However, at present, views on the future direction of monetary policy continue to vary widely. Furthermore, the tension in the Middle East, which emerged in March, has escalated and become prolonged, and persistently high oil prices threaten to amplify inflationary pressure and the risk of economic slowdown in many countries. We are monitoring this trend carefully.
4. Individually, AI disruption and private credit have become market themes, but we consider their direct impact on the Bank's investment portfolio to be limited. Our materials include additional information regarding the status of the Bank's direct lending investments, and we hope you will find it useful.
5. On the technological innovation front, the advance of generative AI is bringing significant changes to the entire financial industry. AI has wide-ranging potential applications, such as promoting operational efficiency, improving customer experience, and creating new financial services. We will utilize AI and gradually incorporate technology as a means of enhancing and streamlining our response in the area of daily business processes and transactions.
6. In this business environment, we will maintain and cultivate the robust customer base that we have built to date and fully leverage our asset management capabilities with an emphasis on discipline and stability. Our portfolio reflects a rigorous strategic emphasis on quality over scale. For bonds, we have focused mainly on investment grade, and we also have made investments in carefully screened, high-quality alternative assets such as private equity, real estate, and direct lending. We believe this strategy supports the Bank's stable financial base and sustainable growth, even during phases of high market volatility.

7. Instead of settling for the status quo, we have taken an expansive view on the changes in the environment and worked to sophisticate our management framework to cope with various risks that we envisage across our overall business operations. In particular, since changes in the financial market environment may have a significant impact on the Bank's management, we believe it is essential for ensuring the stability of management that we are able to make rapid judgments and responses to environmental changes. Going forward, we will promote flexible and agile management while accurately grasping the changes in the market environment and economic conditions.

The new Medium-term Management Plan

- Based on this assessment, I will now explain the new Medium-term Management Plan.
- First, please look at page 3 of the materials. The five-year period of the previous Medium-term Management Plan ended, and we have now truly entered a new stage of realizing non-linear growth.
- Over this five-year period, the environment changed dramatically, with changes in population trends and social structure, digitalization and the advance of generative AI, and the arrival of an era of positive interest rates. Amid this environment, under the previous Medium-term Management Plan we achieved our highest profits since listing for third consecutive year, and our market cap broke above 10 trillion yen at one point. In addition, the Yucho Bankbook App grew to become one of the largest among Japanese banks, and we made steady progress on the privatization process with two global offerings.
- In this way, we have now truly entered a new stage of realizing non-linear growth. The central message of this new Medium-term Management Plan is that we have now entered a new stage of working toward non-linear growth. We are committed to overcoming this period of major transformation and striving for even greater heights.
- In addition, we have also formulated two medium- to long-term vision statements setting out who we want to be in 2040, looking ahead to internal and external environmental changes that we expect to gain momentum going forward.

- The first is to become “Japan’s leading comprehensive financial platform,’ meeting customers’ diverse needs and accompanying them through life.”
The second is to become “A leading global market player’ aiming to increase the value of customers’ assets and realize a sustainable society through investment in Japan and overseas.”
- The new Medium-term Management Plan is positioned as the first step toward realizing this Medium- to Long-term Vision. Through the promotion of four business strategies, which I will explain later, we aim to achieve non-linear growth that breaks from our previous trend, with net income of over 1 trillion yen and ROE of around 10% in the final fiscal year.
- In this message, I seek to express my own determination and readiness to lead Japan Post Bank to the next growth stage in an era of significant change.
- Moving on, please look at page 4. In FY2028, the final year of the new Medium-term Management Plan, we aim to achieve net income of over 1 trillion yen and ROE of around 10%. Compared with the previous Medium-term Management Plan, we will pursue accelerated growth in both net income and ROE.
- First, looking at our FY2025 financial results, net income was 525.5 billion yen, reaching a record high since listing for the third consecutive year. This result was even higher than our earnings forecast of 500.0 billion yen, which we revised in February, and was around 1.5 times the level of FY2021, the first fiscal year of the previous Medium-term Management Plan. In addition, ROE reached 5.3%. We had already announced that we would aim for ROE of 5% or higher early in the next Medium-term Management Plan, but we achieved it ahead of our target, indicating our strong financial results overall.
- With these solid results as our foundation, under the new Medium-term Management Plan, we are aiming to double net income to over 1 trillion yen, and ROE to around 10%, over the three-year period through FY2028. In the medium to long term, we will meet shareholders’ expectations by pursuing further increases in net income and ROE.

- Next, please look at page 5. On this page, I will explain our capital policy. First, with regard to dividend per share for FY2025, we increased the dividend to 74 yen in line with our profit growth. This is also around 1.5 times the level of the 50 yen paid for the first fiscal year of the previous Medium-term Management Plan. In addition, as announced in December last year, in FY2025 we conducted a 30.0 billion yen share repurchase. This was our first share repurchase conducted without an accompanying global offering. We think it demonstrates our readiness to conduct shareholder returns flexibly in various ways.
- During the new Medium-term Management Plan, we will ensure financial soundness, while aiming to increase corporate value by maximizing the cycle of growing profit through growth investments and making returns to shareholders.
- Shareholder returns are based on a dividend payout ratio of around 50%, with progressive dividend payments through profit growth, and share repurchases, etc. considered on an ongoing basis. We also set the target range for our CET1 ratio in normal times at between 11% and 13%, aiming to improve capital efficiency while maintaining a stable financial base.
- Next, please look at page 6. Under the new Medium-term Management Plan, we have set out two missions for achieving our Medium- to Long-term Vision, along with four business strategies for achieving the missions.
Specifically, the four business strategies are the “Digital Payment Business Strategy,” “Consulting Business Strategy,” “Market Operations and Asset Management Business Strategy,” and “Regional and Corporate Solutions Business Strategy.”
- Starting with the “Digital Payment Business Strategy” at the top left, we aim to provide “beneficial rewards” to customers by digitalizing their daily usage of the Bank, linking with a points ecosystem and other measures, mainly through the Yucho Bankbook App. Furthermore, we also aim to increase lifetime value and enhance customer experience through customer-centric digital marketing and advertising. In addition, we will provide new payment services using tokenized deposits. If I could ask you to look also at page 8, our KPI for this strategy is the number of accounts registered for the Yucho Bankbook App, which expanded to 16.62 million accounts at the end of FY2025. By the end of FY2028, we aim to expand this to 25 million accounts—roughly one in four among the population of Japan.

- Next, under the “Consulting Business Strategy,” on the upper right, we will enhance our lineup of products and services to meet the diverse financial needs of customers in the era of 100-year lifespans, through collaboration with partner companies. We will also build a system that can provide seamless services to customers of all generations nationwide, by enhancing three channels: the physical channel of directly operated branches and post offices, the digital channel via the app, and the remote channel where we provide online consultation by specialist personnel. For example, we will introduce an AI concierge that customers can easily consult with using a smartphone or other device, as well as strengthening the professional function of post offices as a “financial concierge”. As our KPI for this strategy, we have set the number of users of long-term asset-building systems such as NISA and iDeCo, aiming for 1.1 million users by the end of FY2028.

- Next, under the “Market Operations and Asset Management Business Strategy,” on the lower right, we will focus mainly on restructuring the yen interest rate portfolio in a new era of positive interest rates, while improving investment efficiency of risk assets — that is, risk-adjusted return — and pursue the optimal investment portfolio. We will also take on the challenge of building a distinctive asset management business centered on Japan Post Bank Asset Management Co., Ltd., which was launched on April 1, and deepen our alliances with outside asset management companies. Our KPI for this strategy is net interest income, etc., which has currently grown to around 1.5 trillion yen, and we aim to achieve over 2.3 trillion yen by FY2028.

- And finally, under the “Regional and Corporate Solutions Business Strategy,” on the lower left, we are working to enhance private equity investment in Japan through development of a general partner (GP) business centered on Japan Post Bank Capital Partners Co., Ltd. We will contribute to the revitalization of regional economies through measures such as strengthening collaboration with regional financial institutions, providing settlement solutions to regional companies, and promoting sales through workplace channels. As our KPI for this strategy, we have set a target of 60 deals executed, totaling approximately 60.0 billion yen through our subsidiary GPs by the end of FY2028.

- We will also focus on the management resources that support these four business strategies by promoting human capital management and corporate culture reforms, and enhancing our management base.

Conclusion

- Finally, to reiterate what we have stated many times in the past, to realize a sustainable increase in corporate value as a listed company, we believe it is essential to sincerely acknowledge how we are evaluated by the market. Our recently announced new Medium-term Management Plan was formulated through rigorous, continuous discussions within management based on the opinions and requests that we had received through our dialogue with shareholders and investors. We will continue to value communication with the market and work to further improve our management while listening carefully to your candid feedback.

End

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