

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.

JAPAN POST BANK

NOTICE OF CONVOCAION OF THE 15TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Date and Time	Thursday, June 17, 2021 at 10:00 a.m. Japan time (Reception starts at 9:00 a.m.)
Place	Ballroom B2 The Prince Park Tower Tokyo 8-1, Shibakoen 4-chome, Minato-ku, Tokyo, Japan (Please refer to the map at the back of this notice for the location.)

[Request to Shareholders]

In order to prevent the spread of COVID-19, Japan Post Bank requests that shareholders refrain from attending the General Meeting of Shareholders in person and exercise your voting rights in writing or via the Internet, etc. in advance as long as circumstances permit.

► **Deadline for the exercise of voting rights in writing**

Votes shall arrive no later than Wednesday, June 16, 2021 at 5:15 p.m. Japan time

► **Deadline for the exercise of voting rights via the Internet**

No later than Wednesday, June 16, 2021 at 5:15 p.m. Japan time

Contents	
▪ Notice of Convocation of the 15th Ordinary General Meeting of Shareholders	3
▪ Guidance on the Exercise of Voting Rights	6
▪ Reference Documents for the General Meeting of Shareholders	9
Proposal: Election of Twelve (12) Directors	
[Attachment of the Notice of Convocation of the 15th Ordinary General Meeting of Shareholders]	
▪ Business Report	27
▪ Non-consolidated Financial Statements	78
▪ Consolidated Financial Statements	84
▪ Audit Report.....	88

JAPAN POST BANK Co., Ltd.

Securities Identification Code: 7182

Management Philosophy

Japan Post Bank aims to become “the most accessible and trustworthy bank in Japan,” guided by the needs and expectations of our customers.

“Trust”

We comply with laws, regulations, and other standards of behavior and value trusted relationships with customers, markets, shareholders, and employees and consistently serve as a responsible corporate citizen.

“Innovation”

We work sincerely to improve our management and business operations in response to requests from customers and changes in the business environment.

“Efficiency”

We pursue improvements in speed and efficiency of our management and business operations in order to provide customer-oriented financial instruments and services.

“Expertise”

We continually strive to strengthen our expertise for the aim of services meeting the expectations of our customers.

To Our Shareholders

I would like to express my sincere gratitude for your continued support.

I would also like to express my heartfelt sympathy to all those who were affected by the COVID-19 pandemic.

We formulated a new Medium-term Management Plan in May 2021. Taking account of the time required to strengthen our profit base and business foundation fundamentally, we made it a five-year plan.

The business environment faced by Japan Post Bank is changing drastically, including a declining population and super-aging society, the contracting regional economies, advance in the digital innovation, and changes to new lifestyles in the wake of the COVID-19 pandemic. Based on our recognition of the challenges regarding this changing environment, as well as our strengths and management resources, we have formulated a new Medium-term Management Plan (FY2022/3 through FY2026/3) for “deepening trust, and taking on the challenge for financial innovations,” and we will aim for innovations in our business model and enhancements to business sustainability.

In order to become an even more trusted company, all of us at Japan Post Bank will work together to realize “Customer-oriented Business Operations” and enhance corporate value. I humbly request the continued understanding and support of you, our shareholders, in these efforts.

IKEDA Norito
Director, President and Representative Executive Officer
JAPAN POST BANK Co., Ltd.

May 31, 2021

Dear Shareholders:

IKEDA Norito
Director, President and
Representative Executive
Officer
JAPAN POST BANK Co., Ltd.
Location of Headquarters:
3-1, Otemachi 2-chome,
Chiyoda-ku, Tokyo, Japan
(Location of Registered Head
Office: 7-2, Marunouchi 2-
chome, Chiyoda-ku, Tokyo,
Japan)

NOTICE OF CONVOCAION OF THE 15TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce that the 15th Ordinary General Meeting of Shareholders of JAPAN POST BANK Co., Ltd. ("Japan Post Bank") will be held for the purposes described below.

As the spread of COVID-19 continues to be a concern, we request our shareholders to refrain from attending the meeting in person and exercise your voting rights in writing by submitting the Voting Rights Exercise Form or via electromagnetic means (the Internet, etc.) in advance as long as circumstances permit.

With regard to the exercise of voting rights in advance, please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:15 p.m. Japan time, Wednesday, June 16, 2021 in accordance with the "Guidance on the Exercise of Voting Rights."

- 1. Date and Time:** Thursday, June 17, 2021 at 10:00 a.m. Japan time (Reception starts at 9:00 a.m.)
- 2. Place*:** Ballroom B2
The Prince Park Tower Tokyo
8-1, Shibakoen 4-chome, Minato-ku, Tokyo, Japan
- 3. Meeting Agenda:**
Matters to be reported: The Business Report, Non-consolidated Financial Statements, Consolidated Financial Statements, and Audit Results of Consolidated Financial Statements by Independent Auditor and Audit Committee for the 15th fiscal year (from April 1, 2020 to March 31, 2021)
Matters to be resolved:
Proposal: Election of Twelve (12) Directors

-End-

***Response to prevent the spread of COVID-19 at the venue**

- On the day of the meeting, we will take the body temperature of all attendees before the reception to the meeting. You may be asked to refrain from entering the venue if you have a fever or appear to be unwell.
- Please wear a mask at all times while you are at the venue and disinfect your hands with alcohol.
- Please note that the number of seats available at the venue will be limited to ensure space between seats, and that you may be asked to refrain from entering the venue if there is not sufficient seating.

- In the event of any major changes in the way the General Meeting of Shareholders will be held or operated due to future circumstances, we will post a notice on **our website**.
- Of the documents required to be provided in this notice of convocation, the Notes to the Non-consolidated Financial Statements and the Notes to the Consolidated Financial Statements have been posted on **our website** in accordance with relevant laws and regulations and Article 15 of the Articles of Incorporation of Japan Post Bank, and are therefore not included in the attachments of this notice of convocation. The Non-consolidated Financial Statements and the Consolidated Financial Statements audited by the Independent Auditor and the Audit Committee include the Notes to the Non-consolidated Financial Statements and the Notes to the Consolidated Financial Statements posted on **our website**.
- Any updates to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, and the Consolidated Financial Statements will be posted on **our website**.
Website of Japan Post Bank https://www.jp-bank.japanpost.jp/en_index.html

Information about the live stream and reception of questions in advance

In order to prevent the spread of COVID-19, the number of seats available at the venue will be limited and you may be asked to refrain from entering the venue. We will be, therefore, streaming the event live and questions will be accepted in advance as follows.

<Live stream>

The 15th Ordinary General Meeting of Shareholders will be live streamed online so that all shareholders can refrain from attending and watch the proceedings at home.

1. Date and time of live stream: from 10:00 a.m. on Thursday, June 17, 2021.
2. How to watch: Please watch the meeting live-streamed by accessing an Internet link on the Japan Post Bank website given below.
3. Notes
 - (1) You are not be able to exercise your voting rights or ask questions via the live stream.
 - (2) The meeting will be shot from the back of the venue and due care will be taken so as not to include images of attending shareholders. In some cases, however, images of shareholders may unavoidably appear in the streaming.
 - (3) Please be careful about handling personal information as the comments of attending shareholders will be included in the audio of the live stream.
 - (4) Video and audio of the General Meeting of Shareholders may be faulty due to the environment of the PC used (model, performance, etc.), Internet connection environment (line status, connection, speed, etc.), viewer traffic, and other factors. For various other reasons, the live stream may be interrupted or cut short.
 - (5) Shareholders are responsible for telecommunications fees and other costs charged for viewing the live stream.

<Reception of questions in advance>

From 10:00 a.m. on Monday, May 31, 2021 to 5:00 p.m. on Thursday, June 10, 2021, Japan Post Bank will take questions from shareholders about the matters to be reported and the matters to be resolved for the 15th Ordinary General Meeting of Shareholders on its website as described below.

< Japan Post Bank website for the 15th Ordinary General Meeting of Shareholders >

[Home](#) > [Investor Relations](#) > [Stock Information](#) > [General Meeting of Shareholders](#)

https://www.jp-bank.japanpost.jp/en/ir/stock/en_ir_stk_meeting.html

Guidance on the Exercise of Voting Rights

For those who wish to exercise their voting rights in advance
(please exercise your voting rights in advance as long as circumstances permit)



Exercise via the Internet

Voting Deadline

No later than Wednesday, June 16, 2021 at 5:15 p.m. Japan time

Procedures for Smart Voting

① Access the voting website for smartphones

Use a smartphone or tablet device to scan the QR code on the bottom right of the Voting Rights Exercise Form.

*QR Code is a registered trademark of DENSO WAVE INCORPORATED.



You can easily exercise your voting rights without entering your Voting Rights Exercise Code or password.

② Follow the on-screen guidance and exercise your voting rights by entering your approval or disapproval of each proposal.



NOTE

If you wish to change your votes after you have exercised your voting rights, please access the voting website shown on the right to change your votes.

*Connection fees, broadband fees and other fees incurred in using the Internet shall be borne by shareholders.

*The smart voting procedures or the voting website might not be accessible depending on the Internet environment, the service subscribed or the model used.

Should you have any questions, please contact the below.

**Inquiries regarding
voting via the Internet**

[Administrator of Shareholder Registry]
Stock Transfer Agency Business Planning Department,
Sumitomo Mitsui Trust Bank, Limited

0120-652-031

(toll free in Japan) (Open from 9:00 a.m. to 9:00 p.m.)

Method of voting via Voting Website

① Access the voting website

<https://www.web54.net>



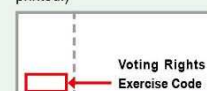
Click "Next." [次へ進む](#)

② Enter the Voting Rights Exercise Code

Enter the "Voting Rights Exercise Code" shown on the lower left of the back of the Voting Rights Exercise Form and click "Login." [ログイン](#)



Back of the Voting Rights
Exercise Form
(Number of shares you hold is
printed.)



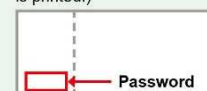
③ Enter the Password

Please enter the "Password" shown on the lower left of the back of the Voting Rights Exercise Form and click "Next." [次へ](#)

*Set a new password on the next screen. Please keep the new password you set.



Back of the Voting Rights
Exercise Form
(Number of shares you hold
is printed.)



④ Follow the on-screen guidance and exercise your voting rights by entering your approval or disapproval of each proposal.



Exercise in Writing

**Voting
Deadline**

Votes shall arrive no later than Wednesday, June 16, 2021 at 5:15 p.m. Japan time

Please indicate your approval or disapproval of each proposal on the enclosed Voting Rights Exercise Form and return in by post to reach us no later than the above voting deadline.

How to fill out your Voting Rights Exercise Form

The form includes sections for: 1. 議決権行使書 (Voting Rights Exercise Form), 2. 承認 (Approval), 3. 反対 (Disapproval), and 4. その他 (Others). A red box is drawn around the '承認' and '反対' columns, with an arrow pointing to them from the instruction text.

Please indicate your approval or disapproval of the proposal inside this box.

Proposal

- | | | |
|---|---|--|
| In case you approve all the candidates | → | Please circle the “approval” “賛” column |
| In case you disapprove all the candidates | → | Please circle the “disapproval” “否” column |
| In case you disapprove certain candidates | → | Please circle the “approval” “賛” column and fill in the candidate number(s) of the candidate(s) you disapprove |

If there is no indication of approval or disapproval for the proposal, it will be deemed as an indication of approval.

Handling of multiple exercises of voting rights

- (1) If you vote both by mail and via the Internet, your vote via the Internet will be treated as effective.
- (2) If you vote more than once via the Internet, your last vote will be treated as effective.

For Institutional Investors

The Electronic Voting Platform, operated by ICJ Co., Ltd., is available for institutional investors that have applied in advance to use the platform.

If you attend the venue in person

Please submit your Voting Rights Exercise Form at the reception.

Date and Time

Thursday, June 17, 2021 at 10:00 a.m. Japan time (Reception starts at 9:00 a.m.)

Place

Ballroom B2 The Prince Park Tower Tokyo
8-1, Shibakoen 4-chome, Minato-ku, Tokyo, Japan

Regarding Dividends

At the meeting of the Board of Directors held on May 14, 2021, we have resolved as follows.

1 Annual dividends

¥50 per share

2 Effective date (Payment start date)

June 18, 2021

At the meeting of the Board of Directors held on May 14, 2021, we have resolved to pay an annual dividend of ¥50 per share with an effective date (payment start date) of June 18, 2021.

“Annual Dividend Receipt” (“Dividend Calculation Sheet” and “Payment of Dividend via Bank Transfer” for shareholders who have requested dividend payment via bank transfer) will be enclosed and delivered with Notice of Resolution of the 15th Ordinary General Meeting of Shareholders to be held on June 17, 2021.

Description of main procedures, queries and other matters

- Procedures for designating the method of receiving dividend payments
- Procedures for change of address, name and other details
- Procedures for requesting the buyback or additional purchase of shares constituting less than a full unit
- Inheritance procedures

Contact

Securities companies and other entities where
brokerage accounts are opened

Description of main procedures, queries and other matters

- Queries about dividends after the payment period has passed
- Queries about the shipping and return of shipment
- Procedures for the issuance of various certifications
- General inquiries about other stock handling matters

Contact

2-8-4 Izumi, Suginami-ku, Tokyo 168-0063, Japan
Stock Transfer Agency Business Planning Department,
Sumitomo Mitsui Trust Bank, Limited
+81-3-3323-7111 (in English)

 **0120-581-841** (toll free in Japan)
(Open weekdays except holidays from 9:00 a.m. to 5:00 p.m.)

Reference Documents for the General Meeting of Shareholders

Proposal and References

Proposal: Election of Twelve (12) Directors

The term of office of all the twelve (12) Directors will expire at the closing of this Ordinary General Meeting of Shareholders. It is therefore proposed to elect twelve (12) Directors based on the decision of the Nomination Committee. Candidates for Directors are as follows:

No.		Name	Current positions and responsibilities at Japan Post Bank	
1	Re-elected	IKEDA Norito	Director, President and Representative Executive Officer Member of the Nomination Committee	
2	Re-elected	TANAKA Susumu	Director and Representative Executive Vice President	
3	Re-elected	MASUDA Hiroya	Director Member of the Nomination Committee Member of the Compensation Committee	
4	Re-elected	ONODERA Atsuko	Director Full-time Member of the Audit Committee	
5	Re-elected	IKEDA Katsuaki	Director Chairman of the Audit Committee Member of the Compensation Committee	Outside Director Independent
6	Re-elected	CHUBACHI Ryoji	Director Chairman of the Compensation Committee Member of the Nomination Committee	Outside Director Independent
7	Re-elected	TAKEUCHI Keisuke	Director Member of the Nomination Committee Member of the Compensation Committee	Outside Director Independent
8	Re-elected	KAIWA Makoto	Director Chairman of the Nomination Committee	Outside Director Independent
9	Re-elected	AIHARA Risa	Director	Outside Director Independent
10	Re-elected	KAWAMURA Hiroshi	Director Member of the Audit Committee	Outside Director Independent

No.		Name	Current positions and responsibilities at Japan Post Bank	
11	Re-elected	YAMAMOTO Kenzo	Director Member of the Audit Committee	Outside Director Independent
12	Newly elected	URUSHI Shihoko		Outside Director Independent

Outside Director: Outside Director candidate; Independent: Independent Director candidate

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
1	<p>IKEDA Norito (Dec. 9, 1947)</p> <p>Re-elected</p> <p>Director, President and Representative Executive Officer, Member of the Nomination Committee</p> <p>Number of years in office as Director 5 years</p> <p>Status of attendance at the meetings of: Board of Directors 100% (13/13 meetings) Nomination Committee 100% (1/1 meeting)</p>	<p>Apr. 1970 Joined The Bank of Yokohama, Ltd.</p> <p>Jun. 1996 Director and General Manager, Credit Management Department of The Bank of Yokohama, Ltd.</p> <p>Jun. 1997 Director and General Manager, General Planning Department of The Bank of Yokohama, Ltd.</p> <p>Apr. 2001 Representative Director, Chief Financial Officer (CFO) of The Bank of Yokohama, Ltd.</p> <p>Apr. 2002 Representative Director, Chief Personnel Officer (CPO) of The Bank of Yokohama, Ltd.</p> <p>Jun. 2003 Director of The Bank of Yokohama, Ltd. Representative Director and Chairman of Yokohama Capital Co., Ltd.</p> <p>Dec. 2003 President and Representative Director of The Ashikaga Bank, Ltd.</p> <p>Jun. 2004 President and Chief Executive Officer (CEO) of The Ashikaga Bank, Ltd.</p> <p>Sept. 2008 Special Advisor of A.T. Kearney K.K.</p> <p>Feb. 2012 President & CEO of The Corporation of Revitalizing Earthquake affected Business</p> <p>Apr. 2016 President and Representative Executive Officer of JAPAN POST BANK Co., Ltd.</p> <p>Jun. 2016 Director, President and Representative Executive Officer of JAPAN POST BANK Co., Ltd. (current position) Director of JAPAN POST HOLDINGS Co., Ltd. (current position)</p> <p>Significant concurrent positions: Director of JAPAN POST HOLDINGS Co., Ltd.</p> <p><u>Reasons for the election as candidate for Director</u> Mr. IKEDA Norito successively held various posts including Director of The Bank of Yokohama, Ltd. and President of The Ashikaga Bank, Ltd., and has been responsible for the management of Japan Post Bank as President and Representative Executive Officer, and as such Japan Post Bank expects that, with his abundant experience and achievements, he will sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors.</p>	11,400 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
2	<p>TANAKA Susumu (Aug. 23, 1959)</p> <p>Re-elected</p> <p>Director and Representative Executive Vice President (Assistant to the President and matters concerning operations of Corporate Administration Division (excluding matters concerning Research Department, Financial Accounting Department, Investor Relations Department, Public Relations Department, Customer Satisfaction Department, Cyber Defense Office of IT Strategy Department and General Affairs Department))</p> <p>Number of years in office as Director 8 years</p> <p>Status of attendance at the meetings of: Board of Directors 100% (13/13 meetings)</p>	<p>Apr. 1982 Joined the Ministry of Posts and Telecommunications</p> <p>Jul. 2000 General Manager of International Affairs Section, Postal Bureau of the Ministry of Posts and Telecommunications</p> <p>Jan. 2001 General Manager of International Planning Office, Postal Planning Section, Postal Services Planning Bureau of the Ministry of Internal Affairs and Communications</p> <p>Jul. 2001 General Manager of Savings and Management Planning Section, Postal Services Planning Bureau of the Ministry of Internal Affairs and Communications</p> <p>Jan. 2003 General Manager of Fund Management, Savings Department of Postal Services Agency</p> <p>Apr. 2003 General Manager of Business Planning Division, Postal Savings Business Headquarters of Japan Post Corporation</p> <p>Jun. 2004 Director of Preparatory Office for Privatization of Postal Services of the Cabinet Secretariat</p> <p>Sept. 2006 General Manager of Business Planning Division, Postal Savings Business Headquarters, Financial Business Headquarters of Japan Post Corporation</p> <p>Oct. 2007 Executive Officer of JAPAN POST BANK Co., Ltd.</p> <p>Jun. 2009 Managing Executive Officer of JAPAN POST BANK Co., Ltd.</p> <p>Oct. 2010 Managing Executive Officer of JAPAN POST HOLDINGS Co., Ltd. (current position)</p> <p>Apr. 2012 Senior Managing Executive Officer of JAPAN POST BANK Co., Ltd.</p> <p>Jun. 2013 Director and Executive Vice President of JAPAN POST BANK Co., Ltd.</p> <p>Mar. 2015 Director and Representative Executive Vice President of JAPAN POST BANK Co., Ltd. (current position)</p> <p>Significant concurrent positions: Managing Executive Officer of JAPAN POST HOLDINGS Co., Ltd.</p> <p><u>Reasons for the election as candidate for Director</u> Mr. TANAKA Susumu successively held various important posts at our Corporate Administration Division and others, and has been responsible for the management of Japan Post Bank as Representative Executive Vice President, and as such Japan Post Bank expects that, with his abundant experience and achievements, he will sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors.</p>	7,900 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
3	<p>MASUDA Hiroya (Dec. 20, 1951)</p> <p>Re-elected</p> <p>Director, Member of the Nomination Committee, Member of the Compensation Committee</p> <p>Number of years in office as Director 1 year</p> <p>Status of attendance at the meetings of: Board of Directors 100% (11/11 meetings) Nomination Committee 100% (1/1 meeting) Compensation Committee 100% (2/2 meetings)</p>	<p>Apr. 1977 Joined the Ministry of Construction</p> <p>Jul. 1994 Director for Construction Disputes Settlement, Construction Industry Division, Economic Affairs Bureau, Ministry of Construction</p> <p>Apr. 1995 Governor of Iwate Prefecture</p> <p>Aug. 2007 Minister for Internal Affairs and Communications Minister of State for Special Missions</p> <p>Apr. 2009 Advisor of Nomura Research Institute, Ltd. Visiting Professor of Graduate School of Public Policy, The University of Tokyo (current position)</p> <p>Jan. 2020 Representative Executive Officer, President & CEO of JAPAN POST HOLDINGS Co., Ltd.</p> <p>Jun. 2020 Director of JAPAN POST BANK Co., Ltd. (current position) Director and Representative Executive Officer, President & CEO of JAPAN POST HOLDINGS Co., Ltd. (current position) Director of JAPAN POST Co., Ltd. (current position) Director of JAPAN POST INSURANCE Co., Ltd. (current position)</p> <p>Significant concurrent positions: Director and Representative Executive Officer, President & CEO of JAPAN POST HOLDINGS Co., Ltd. Director of JAPAN POST Co., Ltd. Director of JAPAN POST INSURANCE Co., Ltd. Visiting Professor of Graduate School of Public Policy, The University of Tokyo</p> <p><u>Reasons for the election as candidate for Director</u> Mr. MASUDA Hiroya successively held various important posts in government administration, including Governor of Iwate Prefecture and Minister for Internal Affairs and Communications, as well as serving as Chairman of the Postal Service Privatization Committee, and has sufficient knowledge about Japan Post Group. In addition, he has been responsible for the management of overall Japan Post Group as Director and Representative Executive Officer, President & CEO of the parent company, JAPAN POST HOLDINGS Co., Ltd., and as such Japan Post Bank expects that, with his abundant experience and achievements, he will sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors.</p>	0 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
4	<p>ONODERA Atsuko (Apr. 11, 1957)</p> <p>Re-elected</p> <p>Director, Full-time Member of the Audit Committee</p> <p>Number of years in office as Director 1 year</p> <p>Status of attendance at the meetings of: Board of Directors 100% (11/11 meetings) Audit Committee 100% (14/14 meetings)</p>	<p>Apr. 1981 Joined the Ministry of Posts and Telecommunications</p> <p>Jun. 1998 Head of Council Office, Secretarial Division, Minister's Secretariat of the Ministry of Posts and Telecommunications</p> <p>Jul. 2001 Director of Marketing Section, Postal Life Insurance Department of the Postal Services Agency</p> <p>Apr. 2003 General Manager of Public Relations Department, Public Relations Division of Japan Post Corporation</p> <p>Jul. 2006 Vice President of Kanto Regional Office of Japan Post Corporation</p> <p>Oct. 2007 Executive Officer of Japan Post Network Co., Ltd. (current JAPAN POST Co., Ltd.)</p> <p>Mar. 2012 Executive Officer and President of Hokkaido Regional Office of Japan Post Network Co., Ltd.</p> <p>Sept. 2013 Executive Officer and Principal of Postal College of JAPAN POST HOLDINGS Co., Ltd.</p> <p>Jun. 2017 Managing Executive Officer of JAPAN POST BANK Co., Ltd.</p> <p>Jun. 2020 Director of JAPAN POST BANK Co., Ltd. (current position)</p> <p>Significant concurrent positions: None</p> <p><u>Reasons for the election as candidate for Director</u> Ms. ONODERA Atsuko successively held various important posts at JAPAN POST HOLDINGS Co., Ltd. and JAPAN POST Co., Ltd., and has experience in the management of Japan Post Bank as Managing Executive Officer, and as such Japan Post Bank expects that, with her abundant experience and achievements, she will sufficiently fulfill her role in enhancing the decision making function and supervision function of the Board of Directors.</p>	6,900 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
5	<p>IKEDA Katsuaki (Sept. 8, 1951)</p> <p>Re-elected</p> <p>Outside Director Independent Director</p> <p>Director, Chairman of the Audit Committee, Member of the Compensation Committee</p> <p>Number of years in office as Director 5 years 10 months</p> <p>Status of attendance at the meetings of: Board of Directors 100% (13/13 meetings) Audit Committee 100% (18/18 meetings) Compensation Committee 100% (4/4 meetings)</p>	<p>Apr. 1974 Joined Taisho Marine & Fire Insurance Co., Ltd.</p> <p>Jun. 1999 General Manager of Accounting Department of Mitsui Marine & Fire Insurance Co., Ltd.</p> <p>Jun. 2003 Director, Executive Officer and General Manager of Accounting Department of Mitsui Sumitomo Insurance Company, Limited</p> <p>Apr. 2005 Director and Managing Executive Officer (Principal Accounting Officer) of Mitsui Sumitomo Insurance Company, Limited</p> <p>Apr. 2006 Director, Managing Executive Officer and General Manager of Financial Service Division (Principal Financial Officer and Principal Investment Officer) of Mitsui Sumitomo Insurance Company, Limited</p> <p>Apr. 2008 Director of Mitsui Sumitomo Insurance Group Holdings, Inc.</p> <p>Apr. 2010 Director and Senior Executive Officer of Mitsui Sumitomo Insurance Company, Limited Director and Executive Officer of MS&AD Insurance Group Holdings, Inc.</p> <p>Jun. 2011 Corporate Auditor of MS&AD Insurance Group Holdings, Inc.</p> <p>Aug. 2015 Director of JAPAN POST BANK Co., Ltd. (current position)</p> <p>Significant concurrent positions: None</p> <p><u>Reasons for the election as candidate for Outside Director and a summary of the roles expected of the candidate</u> Mr. IKEDA Katsuaki has been involved in management of financial organizations for a long time, and has deep insights as a specialist of corporate management gained through his career as well as professional knowledge on finance and accounting. As such Japan Post Bank expects that with his abundant experience and insights, he will sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors.</p>	4,700 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
6	<p>CHUBACHI Ryoji (Sept. 4, 1947)</p> <p>Re-elected</p> <p>Outside Director Independent Director</p> <p>Director, Chairman of the Compensation Committee, Member of the Nomination Committee</p> <p>Number of years in office as Director 3 years</p> <p>Status of attendance at the meetings of: Board of Directors 100% (13/13 meetings) Nomination Committee 100% (2/2 meetings) Compensation Committee 100% (4/4 meetings)</p>	<p>Apr. 1977 Joined Sony Corporation</p> <p>Jun. 1999 Corporate Vice President of Sony Corporation</p> <p>Jun. 2002 Corporate Senior Vice President of Sony Corporation</p> <p>Jun. 2003 Executive Vice President, Executive Officer of Sony Corporation</p> <p>Jun. 2004 Executive Deputy President, Corporate Executive Officer and Chief Operation Officer of Sony Corporation</p> <p>Apr. 2005 Electronics Chief Executive Officer of Sony Corporation</p> <p>Jun. 2005 President and Representative Corporate Executive Officer, Member of the Board of Sony Corporation</p> <p>Apr. 2009 Member of the Board, Representative Corporate Executive Officer, Vice Chairman of Sony Corporation</p> <p>Apr. 2013 President of National Institute of Advanced Industrial Science and Technology (incorporated administrative agency)</p> <p>Apr. 2015 President of National Institute of Advanced Industrial Science and Technology (after changed legal status to a national research and development institution)</p> <p>Jun. 2018 Director of JAPAN POST BANK Co., Ltd. (current position)</p> <p>Apr. 2020 Grand Emeritus Advisor of National Institute of Advanced Industrial Science and Technology (current position)</p> <p>Significant concurrent positions: None</p> <p><u>Reasons for the election as candidate for Outside Director and a summary of the roles expected of the candidate</u></p> <p>Dr. CHUBACHI Ryoji has been involved in corporate management of a publicly traded company for a long time, and Japan Post Bank expects him to sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors as an Outside Director, based on his abundant experience and insights as a specialist of corporate management gained through his career.</p>	4,600 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
7	<p>TAKEUCHI Keisuke (Nov. 18, 1947)</p> <p>Re-elected</p> <p>Outside Director Independent Director</p> <p>Director, Member of the Nomination Committee, Member of the Compensation Committee</p> <p>Number of years in office as Director 2 years</p> <p>Status of attendance at the meetings of: Board of Directors 100% (13/13 meetings) Nomination Committee 100% (1/1 meeting) Compensation Committee 100% (4/4 meetings)</p>	<p>Apr. 1970 Joined Japan Gasoline Co., Ltd (current JGC HOLDINGS CORPORATION)</p> <p>Jun. 2000 Director of JGC HOLDINGS CORPORATION</p> <p>Jun. 2001 Managing Director of JGC HOLDINGS CORPORATION</p> <p>Jun. 2002 Senior Managing Director of JGC HOLDINGS CORPORATION</p> <p>Jun. 2006 Director and Vice President of JGC HOLDINGS CORPORATION</p> <p>Mar. 2007 President and Representative Director of JGC HOLDINGS CORPORATION</p> <p>Jun. 2009 Chairman and Representative Director of JGC HOLDINGS CORPORATION</p> <p>Jun. 2014 Principal Corporate Advisor of JGC HOLDINGS CORPORATION</p> <p>Jun. 2019 Director of JAPAN POST BANK Co., Ltd. (current position)</p> <p>Significant concurrent positions: Outside Director of BROTHER INDUSTRIES, LTD. Outside Director of Japan Platform of Industrial Transformation, Inc.</p> <p><u>Reasons for the election as candidate for Outside Director and a summary of the roles expected of the candidate</u> Mr. TAKEUCHI Keisuke has been involved in corporate management of a publicly traded company for a long time, and Japan Post Bank expects him to sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors as an Outside Director, based on his abundant experience and insights as a specialist of corporate management gained through his career.</p>	2,100 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
8	<p>KAIWA Makoto (Sept. 25, 1949)</p> <p>Re-elected</p> <p>Outside Director Independent Director</p> <p>Director, Chairman of the Nomination Committee</p> <p>Number of years in office as Director 2 years</p> <p>Status of attendance at the meetings of: Board of Directors 100% (13/13 meetings) Nomination Committee 100% (2/2 meetings)</p>	<p>Apr. 1973 Joined Tohoku Electric Power Co., Inc.</p> <p>Jun. 2005 Director and General Manager of Corporate Planning Dept. of Tohoku Electric Power Co., Inc.</p> <p>Jun. 2007 Senior Executive Officer and General Manager of Niigata Branch Office of Tohoku Electric Power Co., Inc.</p> <p>Jun. 2009 Representative Director & Executive Vice President in charge of Investor Relations of Tohoku Electric Power Co., Inc.</p> <p>Jun. 2010 Representative Director & President of Tohoku Electric Power Co., Inc.</p> <p>Jun. 2015 Representative Director & Chairman of the Board of Tohoku Electric Power Co., Inc.</p> <p>Jun. 2019 Director of JAPAN POST BANK Co., Ltd. (current position)</p> <p>Apr. 2021 Director & Chairman Emeritus of Tohoku Electric Power Co., Inc. (current position)*</p> <p>Significant concurrent positions: Director & Chairman Emeritus of Tohoku Electric Power Co., Inc.*</p> <p>Chairman of TOHOKU ECONOMIC FEDERATION</p> <p>* Mr. KAIWA Makoto is scheduled to retire as Director of Tohoku Electric Power Co., Inc. at the closing of the said company's ordinary general meeting of shareholders scheduled for June 2021, and to be appointed as Chairman Emeritus on the date of the said ordinary general meeting of shareholders.</p> <p><u>Reasons for the election as candidate for Outside Director and a summary of the roles expected of the candidate</u></p> <p>Mr. KAIWA Makoto has been involved in corporate management of a publicly traded company for a long time, and Japan Post Bank expects him to sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors as an Outside Director, based on his abundant experience and insights as a specialist of corporate management gained through his career.</p>	0 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
9	<p>AIHARA Risa (Mar. 28, 1974)</p> <p>Re-elected</p> <p>Outside Director Independent Director</p> <p>Director</p> <p>Number of years in office as Director 2 years</p> <p>Status of attendance at the meetings of: Board of Directors 100% (13/13 meetings)</p>	<p>Apr. 1996 Joined Nippon Telegraph and Telephone Corporation (current NTT Communications Corporation)</p> <p>May 2000 Joined Recruit Co., Ltd.</p> <p>Jan. 2003 Representative Director and President of Ai-LAND Co., Ltd. (current position)</p> <p>Jun. 2019 Director of JAPAN POST BANK Co., Ltd. (current position)</p> <p>Significant concurrent positions: Representative Director and President of Ai-LAND Co., Ltd.</p> <p><u>Reasons for the election as candidate for Outside Director and a summary of the roles expected of the candidate</u></p> <p>Ms. AIHARA Risa has been involved in corporate management of Internet service businesses for a long time and has deep insights into Internet marketing. As such Japan Post Bank expects that with her abundant experience and insights, she will sufficiently fulfill her role in enhancing the decision making function and supervision function of the Board of Directors.</p>	1,600 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
10	<p>KAWAMURA Hiroshi (Jan. 16, 1952)</p> <p>Re-elected</p> <p>Outside Director Independent Director</p> <p>Director, Member of the Audit Committee</p> <p>Number of years in office as Director 1 year</p> <p>Status of attendance at the meetings of: Board of Directors 100% (11/11 meetings) Audit Committee 100% (14/14 meetings)</p>	<p>Apr. 1977 Appointed as Public Prosecutor of Tokyo District Prosecutors Office</p> <p>Jul. 2008 Director-General, Trial Department of Supreme Public Prosecutors Office</p> <p>Jan. 2009 Chief Prosecutor of Chiba District Public Prosecutors Office</p> <p>Apr. 2010 Chief Prosecutor of Yokohama District Public Prosecutors Office</p> <p>Jan. 2012 Superintending Prosecutor of Sapporo High Public Prosecutors Office</p> <p>Jan. 2014 Superintending Prosecutor of Nagoya High Prosecutors Office</p> <p>Mar. 2015 Outside Corporate Auditor of Asahi Glass, Limited. (current AGC Inc.)</p> <p>Apr. 2015 Professor, Faculty of Law of Doshisha University (current position)</p> <p>Jun. 2015 Outside Auditor of ISHII IRON WORKS CO., LTD.</p> <p>Jun. 2016 Outside Director of ISHII IRON WORKS CO., LTD. (current position)</p> <p>Jun. 2020 Director of JAPAN POST BANK Co., Ltd. (current position)</p> <p>Significant concurrent positions: Professor, Faculty of Law of Doshisha University Outside Director of ISHII IRON WORKS CO., LTD.</p> <p><u>Reasons for the election as candidate for Outside Director and a summary of the roles expected of the candidate</u></p> <p>Mr. KAWAMURA Hiroshi has been in the legal profession for a long time, and Japan Post Bank expects him to sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors as an Outside Director, based on his abundant experience and insights gained through his career as a legal professional.</p> <p>Mr. KAWAMURA previously has not been involved in corporate management except as outside officer. However, we have determined that he has the capabilities to appropriately execute duties as Outside Director due to the above reasons.</p>	1,200 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
11	<p>YAMAMOTO Kenzo (Jan. 21, 1954)</p> <p>Re-elected</p> <p>Outside Director Independent Director</p> <p>Director, Member of the Audit Committee</p> <p>Number of years in office as Director 1 year</p> <p>Status of attendance at the meetings of: Board of Directors 90% (10/11 meetings) Audit Committee 100% (14/14 meetings)</p>	<p>Apr. 1976 Joined the Bank of Japan</p> <p>Feb. 2002 Director-General, Financial Markets Department of the Bank of Japan</p> <p>May. 2003 Associate Director-General, Representative Office in New York of the Bank of Japan</p> <p>Dec. 2003 General Manager for the Americas and Chief Representative in New York of the Bank of Japan</p> <p>Jul. 2005 Director-General, Payment and Settlement Systems Department of the Bank of Japan</p> <p>Jul. 2006 Director-General, Financial System and Bank Examination Department of the Bank of Japan</p> <p>May. 2008 Executive Director of the Bank of Japan</p> <p>Jun. 2012 Chairman of NTT Data Institute of Management Consulting, Inc.</p> <p>Mar. 2016 Member of the Board as Outside Director of Bridgestone Corporation (current position)</p> <p>Jun. 2018 Representative of Office KY Initiative (current position)</p> <p>Feb. 2019 Director of TOMIYAMA CULTURAL FOUNDATION (current position)</p> <p>Jul. 2019 Outside Director of SUMITOMO LIFE INSURANCE COMPANY (current position)</p> <p>Jun. 2020 Director of JAPAN POST BANK Co., Ltd. (current position)</p> <p>Significant concurrent positions: Representative of Office KY Initiative Member of the Board as Outside Director of Bridgestone Corporation Outside Director of SUMITOMO LIFE INSURANCE COMPANY</p> <p><u>Reasons for the election as candidate for Outside Director and a summary of the roles expected of the candidate</u> Mr. YAMAMOTO Kenzo successively held various important posts at the Bank of Japan, and Japan Post Bank expects him to sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors as an Outside Director, based on his abundant experience and insights in the financial market and financial system gained through his career.</p>	500 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
12	<p>URUSHI Shihoko (Family Register Name: ABE Shihoko) (Apr. 4, 1961)</p> <p>Newly elected</p> <p>Outside Director Independent Director</p> <p>–</p> <p>Number of years in office as Director – year</p> <p>Status of attendance at the meetings of: Board of Directors –% (–/– meetings)</p>	<p>Apr. 1986 Worked at a combined private junior high and high school for girls in Tokyo</p> <p>Apr. 1989 Worked at Shinagawa Joshi Gakuin</p> <p>Apr. 2006 Principal of Shinagawa Joshi Gakuin</p> <p>Sept. 2014 Member of the Education Rebuilding Implementation Council (Cabinet Office) (current position)</p> <p>Feb. 2016 Outside Director of Kewpie Corporation (current position)</p> <p>Apr. 2017 President of Shinagawa Joshi Gakuin (current position)</p> <p>Apr. 2018 Outside Director of Culture Convenience Club Co., Ltd. (current position)</p> <p>Jun. 2019 Outside Director of Nisshin Fire & Marine Insurance Co., Ltd. (current position)*1</p> <p>Jun. 2021 Audit & Supervisory Board Member of Tokio Marine & Nichido Fire Insurance Co., Ltd.*2</p> <p>Significant concurrent positions: President of Shinagawa Joshi Gakuin Outside Director of Kewpie Corporation Outside Director of Culture Convenience Club Co., Ltd. Outside Director of Nisshin Fire & Marine Insurance Co., Ltd.*1 Audit & Supervisory Board Member of Tokio Marine & Nichido Fire Insurance Co., Ltd.*2</p> <p>*1 Ms. URUSHI Shihoko is scheduled to retire as Outside Director of Nisshin Fire & Marine Insurance Co., Ltd. at the closing of the said company's annual general meeting of shareholders scheduled for June 2021.</p> <p>*2 Ms. URUSHI Shihoko is scheduled to be elected and assume the office of Audit & Supervisory Board Member of Tokio Marine & Nichido Fire Insurance Co., Ltd. at the said company's ordinary general meeting of shareholders of scheduled for late June 2021.</p> <p><u>Reasons for the election as candidate for Outside Director and a summary of the roles expected of the candidate</u></p> <p>Ms. URUSHI Shihoko has long served as president of an incorporated educational institution and a member of a government council, and has deep insight into school management, education and human resource development. Japan Post Bank expects her to sufficiently fulfill her role in enhancing the decision making function and supervision function of the Board of Directors as an Outside Director, based on her abundant experience and insights into these areas. Ms. URUSHI Shihoko previously has not been involved in corporate management except as outside officer. However, we have determined that she has the capabilities to appropriately execute duties as Outside Director due to the above reasons.</p>	0 shares

Notes:

1. JAPAN POST HOLDINGS Co., Ltd. where Mr. MASUDA Hiroya serves as Director and Representative Executive Officer, President & CEO, is the parent company of Japan Post Bank holding 89% of its shares (excluding treasury stock). Japan Post Bank has concluded an agreement with Japan Post Holdings on group management and is paying a brand license fee thereto based on such agreement as well as has a transaction relationship on real estate leases, etc. There are no special conflicts of interest between the other candidates for Directors and Japan Post Bank.

2. Of the candidates for Directors, Mr. IKEDA Katsuaki, Dr. CHUBACHI Ryoji, Mr. TAKEUCHI Keisuke, Mr. KAIWA Makoto, Ms. AIHARA Risa, Mr. KAWAMURA Hiroshi, Mr. YAMAMOTO Kenzo and Ms. URUSHI Shihoko are candidates for Outside Directors as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
3. Mr. IKEDA Katsuaki, Dr. CHUBACHI Ryoji, Mr. TAKEUCHI Keisuke, Mr. KAIWA Makoto, Ms. AIHARA Risa, Mr. KAWAMURA Hiroshi and Mr. YAMAMOTO Kenzo are Independent Directors which appointment is required by Tokyo Stock Exchange, Inc. for the purpose of protecting general shareholders. In addition, Ms. URUSHI Shihoko satisfies the requirements for Independent Director stipulated by Tokyo Stock Exchange, Inc., and the independent director appointment standards of Japan Post Bank. Therefore, upon approval of her election, Japan Post Bank intends to file her as Independent Director to the said Exchange.
4. The term of office of Mr. IKEDA Katsuaki as Outside Director of Japan Post Bank will be five (5) years and ten (10) months, that for Dr. CHUBACHI Ryoji will be three (3) years and that for Mr. TAKEUCHI Keisuke, Mr. KAIWA Makoto and Ms. AIHARA Risa will be two (2) years, and that for Mr. KAWAMURA Hiroshi and Mr. YAMAMOTO Kenzo will be one (1) year at the closing of this Ordinary General Meeting of Shareholders.
5. Japan Post Bank has entered into liability limitation agreements with Mr. MASUDA Hiroya, Ms. ONODERA Atsuko, Mr. IKEDA Katsuaki, Dr. CHUBACHI Ryoji, Mr. TAKEUCHI Keisuke, Mr. KAIWA Makoto, Ms. AIHARA Risa, Mr. KAWAMURA Hiroshi and Mr. YAMAMOTO Kenzo to limit their liabilities to the minimum liability amount as stipulated in Article 425, Paragraph 1 of the Companies Act. Subject to the approval of election of these candidates, Japan Post Bank will continue the above-mentioned liability limitation agreements with each of them. In addition, if the election of Ms. URUSHI Shihoko is approved, Japan Post Bank will enter into similar liability limitations agreement with her.
6. Japan Post Bank has entered into a directors and officers liability insurance contract with an insurance company. The insurance policy covers compensation for damages and litigation expenses that may be incurred by the insured parties, which include each of the Directors, as a result of claims for damages for the action (including omission) that the insured parties took as officer of the Bank. Japan Post Bank plans to renew the contract with the same content at next renewal.

Criteria for Nomination of Director Candidates

Article 1 (Purpose)

These criteria prescribe criteria when nominating candidates for the position of director in the Nomination Committee.

Article 2 (Size and composition of director candidates)

- 1 The Nomination Committee shall nominate diverse director candidates with differing expert knowledge and experience while considering the balance of the Board of Directors as a whole.
- 2 The number of director candidates shall be an appropriate number of persons not exceeding 20, as prescribed by the Articles of Incorporation, and in principle at least one third shall comprise independent outside director candidates. In addition, at least one person with expertise regarding finance and accounting shall be included.

Article 3 (Criteria for nomination of internal director candidates)

The Nomination Committee shall nominate persons that satisfy the following conditions as internal director candidates of the Bank.

- (1) Having expert knowledge regarding the Bank's business operations
- (2) Having excellent management judgment and management execution capability
- (3) Having excellent leadership ability, decision-making ability, foresight and planning capability
- (4) Having character and insight that is suitable as a director
- (5) Having no health impairment in executing duties as a director

Article 4 (Criteria for nomination of external director candidates)

The Nomination Committee shall nominate persons that satisfy the following conditions as outside director candidates of the Bank.

- (1) Having expertise in specialist areas such as management, finance, accounting, law, government administration, and social and cultural affairs and have made suitable achievements in these specialist areas
- (2) Having character and insight that is suitable as a director
- (3) Having no health or business-related impairment in executing duties as an outside director

Article 5 (Grounds for disqualification)

The Nomination Committee shall not nominate persons that fall under the following conditions as director candidates.

- (1) Persons who fall under the grounds for disqualification prescribed in Article 331, Paragraph 1 of the Companies Act
- (2) A person who has been adjudicated as bankrupt and whose rights have not yet been restored or a person who is treated in the same manner under the laws and regulations of a foreign state

Article 6 (Revision or abolition)

Any revision or abolition of these criteria shall be by a resolution of the Nomination Committee.

[Reference] [JAPAN POST BANK Co., Ltd., Independent Director Appointment Standards]

Japan Post Bank shall appoint Independent Directors stipulated by the Tokyo Stock Exchange from Outside Directors who do not fall under any of the following.

1. Those who have served as an Executive of the Japan Post Group in the past
2. Those who have served as a Director who is not an Executive of the parent company of Japan Post Bank in the past
3. Entities which hold Japan Post Bank as major client or an Executive thereof, etc.
4. Entities which are major clients of Japan Post Bank or an Executive thereof, etc.
5. Consultant, accounting expert or legal expert who acquire, or have acquired substantial money or other property from Japan Post Bank other than officers' compensation (in case of an organization including corporation, association, etc., those who are, or have been affiliated to such organization in the past)
6. Major shareholder of Japan Post Bank (in case of a corporation, an Executive thereof, etc.)
7. Spouse or relative within the second degree of kinship of the following (excluding those without significance).
 - (1) Those listed in 1 to 6 above
 - (2) Executive of the Japan Post Group (excluding Japan Post Bank)
 - (3) Director who is not an Executive of the parent company of Japan Post Bank
8. Those who execute business in a company in which those who execute business, etc. of Japan Post Bank serve as outside officer
9. Those who receive a substantial amount of donation from Japan Post Bank (in case of an organization including corporation, association, etc., those who execute business, etc. thereof, or similar)

Appendix

1. The definitions of the terms in these Standards are as follows.

Japan Post Group	Japan Post Bank, its parent company, subsidiaries and fellow subsidiaries of the parent company
Executive	An executive stipulated in Article 2, Paragraph 3, Item 6 of the Ordinances for the Enforcement of the Companies Act
Executive, etc.	An Executive or those who have been an Executive in the past
Entities which hold Japan Post Bank as major client	An entity which the average annual cash amount paid from Japan Post Bank thereto in the past three fiscal years is over 2% of annual average consolidated total net sales thereof in the past three fiscal years
Entities which are major clients of Japan Post Bank	An entity which the average annual cash amount paid therefrom to Japan Post Bank in the past three fiscal years is over 2% of annual average consolidated ordinary income of Japan Post Bank in the past three fiscal years

Substantial money	Individuals: An average annual cash amount of over ¥10 million in the past three fiscal years Organizations: The average annual cash amount paid from Japan Post Bank to such entity in the past three fiscal years which is over 2% of annual average consolidated total net sales of such entity in the past three fiscal years
Major shareholders	Major shareholders stipulated in Article 163, Paragraph 1 of the Financial Instruments and Exchange Act
Substantial amount of donation	An average annual donation of over ¥10 million in the past three fiscal years

2. In case transactions or donations relating to the independent directors satisfy the following standards of immateriality, statement on the attribute information of independent directors will be omitted on the judgment that there are no effects on the independence of such independent directors.

(1) Transactions

- 1) The average annual amount paid from Japan Post Bank to such entity in the past three fiscal years is less than 1% of annual average consolidated total net sales of such entity in the past three fiscal years
- 2) The average annual amount paid from such entity to Japan Post Bank in the past three fiscal years is less than 1% of annual average consolidated ordinary income of Japan Post Bank in the past three fiscal years

(2) Donations

An annual average donation from Japan Post Bank is less than ¥5 million in the past three fiscal years

I. Matters Concerning the Current Status of JAPAN POST BANK Co., Ltd.

(1) Progress and Results of Business, etc.

1) Details of main business

JAPAN POST BANK Co., Ltd. ("Japan Post Bank") is engaged in banking operations as a member of the Japan Post Group. The principal operations comprise deposit-taking, syndicated loans and other lending, securities investment, domestic and foreign exchange, retail sales of Japanese government bonds and investment trusts as well as insurance products, intermediary services of mortgages, and credit card operations.

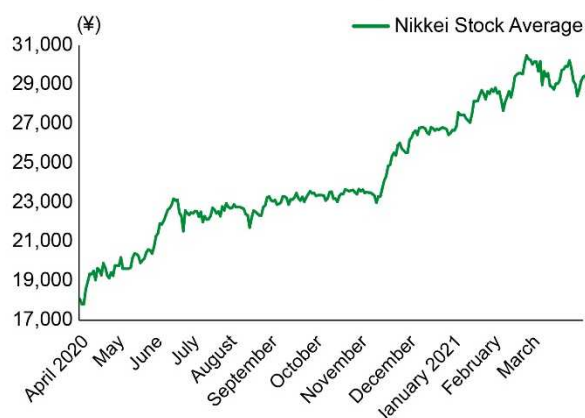
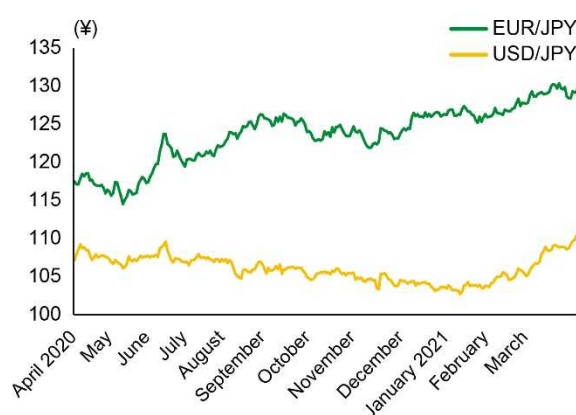
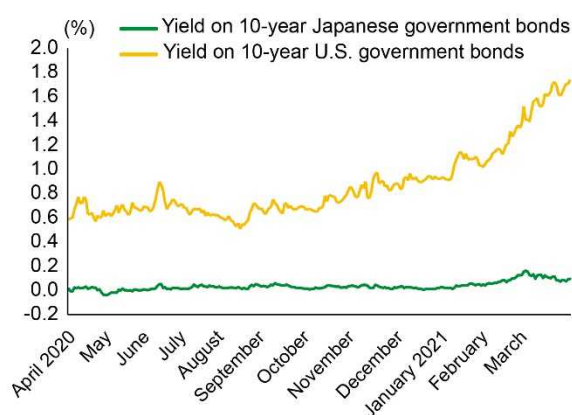
2) Financial and economic environment

Looking back on the economic situation for the fiscal year ended March 31, 2021, the global economy picked up after unprecedented deterioration resulting from the spread of COVID-19, due to the gradual resumption of economic activities backed by large-scale economic support measures by governments and central banks. China's economy picked up significantly in the April to June period, ahead of Japan, the U.S. and Europe, and has since been recovering steadily. The Japanese, U.S. and European economies also generally began to pick up from the July-September period. However, Europe (the Eurozone) has experienced negative growth for the second consecutive quarter since the October to December period due to the reemergence of COVID-19 and tighter restrictions on economic activities. There are many uncertain factors related to the containment of COVID-19, such as the timing of vaccine dissemination and the trend of variants, and the future economic situation remains uncertain.

In financial and capital markets, as a result of large-scale and rapid liquidity provision and credit support by central banks in Japan, the U.S. and Europe, the yield on 10-year U.S. government bonds hovered around 0.7% until October, and then, after the presidential and congressional elections in November and the passage of additional large-scale economic stimulus measures by the new administration, it rose to the 1.7% level in March 2021. The yield on 10-year Japanese government bonds also rose to the 0.1% level after hovering slightly above 0% for most of the period. In addition, overseas credit spreads, which had widened sharply at the end of the previous fiscal year, rapidly narrowed and then remained low.

In the foreign exchange market, the yen temporarily appreciated to the 102-yen level against the U.S. dollar due to the decline in real interest rates in the U.S. and the risk-on mood driven by progress in vaccine development and the conclusion of the U.S. presidential election. However, it reversed to the 110-yen level from January onward due to the rise in US interest rates. The yen weakened against the euro on the back of the EU recovery fund agreement.

The Nikkei Stock Average, which had fallen below ¥19,000 at the beginning of April incorporating the rapid deterioration of the economy, turned to an upward trend backed by large-scale economic support measures by the government and the Bank of Japan, while also reflecting expectations of economic recovery due to the resumption of economic activities in major countries, as well as high U.S. stock prices. Since the beginning of 2021, the Nikkei Stock Average remained approximately ¥28,000 to ¥30,000 in the end of March after recovering to ¥30,000 level for the first time in about 30 years and a half in February due to expectations of a rapid recovery in the global economy following additional economic stimulus measures in the U.S. and progress in vaccinations in Europe and the U.S.



3) Business progress and results

Results for the fiscal year ended March 31, 2021				
Net ordinary income	Net income	Net income attributable to owners of parent	Dividends per share	Dividend payout ratio
¥394.3 billion	¥279.8 billion	¥280.1 billion	¥50	66.9%
(+¥15.2 billion year on year)	(+¥6.7 billion year on year)	(+¥6.6 billion year on year)	(Annual dividends of ¥50)	

[Results of Operations]

Gross operating profit for the fiscal year ended March 31, 2021 increased by ¥4.8 billion year on year to ¥1,319.0 billion. Of this, net interest income decreased by ¥14.9 billion year on year to ¥961.8 billion, due to a decrease in interest on securities in the challenging business environment with yen interest rates remained at a low level. Net fees and commissions decreased by ¥0.9 billion year on year to ¥127.9 billion. Net other operating income increased by ¥20.7 billion year on year to ¥229.2 billion, by factors including a decrease in foreign currency funding costs.

General and administrative expenses (excluding non-recurring losses) decreased by ¥10.0 billion year on year to ¥1,010.1 billion.

As a result, net operating profit increased by ¥14.9 billion year on year to ¥308.8 billion and net ordinary income increased by ¥15.2 billion year on year to ¥394.3 billion. Net income increased by ¥6.7 billion year on year to ¥279.8 billion.

	(Billions of yen)		
	FY20/3	FY21/3	Increase (decrease)
Gross operating profit (1)	1,314.2	1,319.0	4.8
Net interest income	976.8	961.8	(14.9)
Net fees and commissions	128.8	127.9	(0.9)
Net other operating income (loss)	208.4	229.2	20.7
General and administrative expenses (excluding non-recurring losses) (2)	1,020.2	1,010.1	(10.0)
Personnel expenses	122.5	119.3	(3.2)
Non-personnel expenses	844.3	834.2	(10.0)
Taxes and dues	53.3	56.5	3.2
Provision for general reserve for possible loan losses (3)	0.0	—	(0.0)
Net operating profit (4) = (1) - (2) - (3)	293.9	308.8	14.9
Non-recurring gains (losses) (5)	85.1	85.4	0.3
Net ordinary income (6) = (4) + (5)	379.0	394.3	15.2
Net income	273.0	279.8	6.7

Selected ratios are shown in the chart below.

	FY20/3	FY21/3	Increase (decrease)
Net income to assets (ROA)	0.13%	0.12%	(0.00)%
Net income to equity (ROE)	2.68%	2.75%	0.06 %
Overhead ratio (OHR)	77.63%	76.58%	(1.04)%

Consolidated net ordinary income was ¥394.2 billion. Net income attributable to owners of parent was ¥280.1 billion, which equated to 103.7% of the earnings forecasts of ¥270.0 billion.

[Financial Condition]

Total assets at the end of the fiscal year ended March 31, 2021 increased by ¥12,942.3 billion from the end of the previous fiscal year to ¥223,847.5 billion. Of investments, securities increased by ¥2,984.8 billion from the end of the previous fiscal year to ¥138,183.2 billion. Of these, while the balance of Japanese government bonds decreased due to persistent low yen interest rates, the balance of foreign securities, etc., increased as a result of promoting diversified investments in foreign assets.

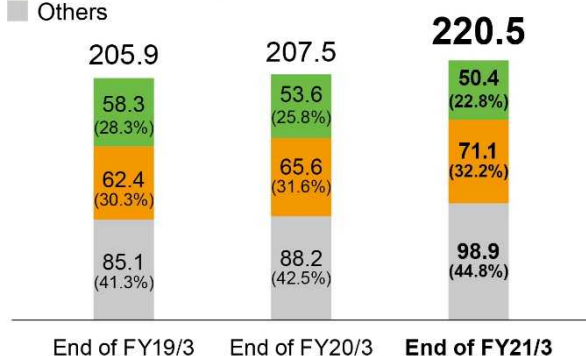
With respect to major interest-bearing liabilities, the balance of deposits increased by ¥6,588.7 billion from the end of the previous fiscal year to ¥189,593.4 billion.

Shareholders' equity increased by ¥186.1 billion from the end of the previous fiscal year, valuation and translation adjustments increased by ¥2,188.3 billion from the end of the previous fiscal year, and net assets amounted to ¥11,362.1 billion. Of shareholders' equity, retained earnings amounted to ¥2,749.4 billion.

Trend of Investments

Japanese government bonds
Foreign securities, etc.
Others

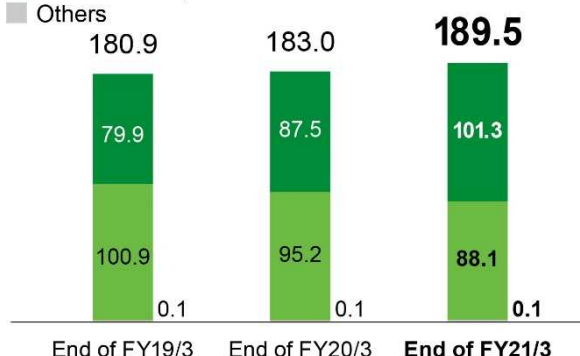
(Trillions of yen)



Trend of Deposit Balance

Liquid deposits
Fixed-term deposits
Others

(Trillions of yen)



[Trend of Capital Adequacy Ratio]

As we promote diversification and sophistication of investment management, we ensured a necessary and sufficient capital adequacy ratio from the perspective of financial soundness. The ratio maintained a higher level than the minimum requirement of 4% based on capital adequacy standards.

		FY20/3	FY21/3	Increase (decrease)
Capital adequacy ratio (Domestic standard)	Consolidated	15.58%	15.53%	(0.04)%
	Non-consolidated	15.55%	15.51%	(0.04)%

(Reference)

International standard (consolidated, estimate*)

	FY21/3
CET1 (Common equity tier1 capital) ratio	17.73%
Excluding unrealized gains on available-for-sale securities**	14.09%

* Calculation for some items are simplified.

** After taking into consideration of gains (losses) from hedge accounting.

[Credit Ratings]

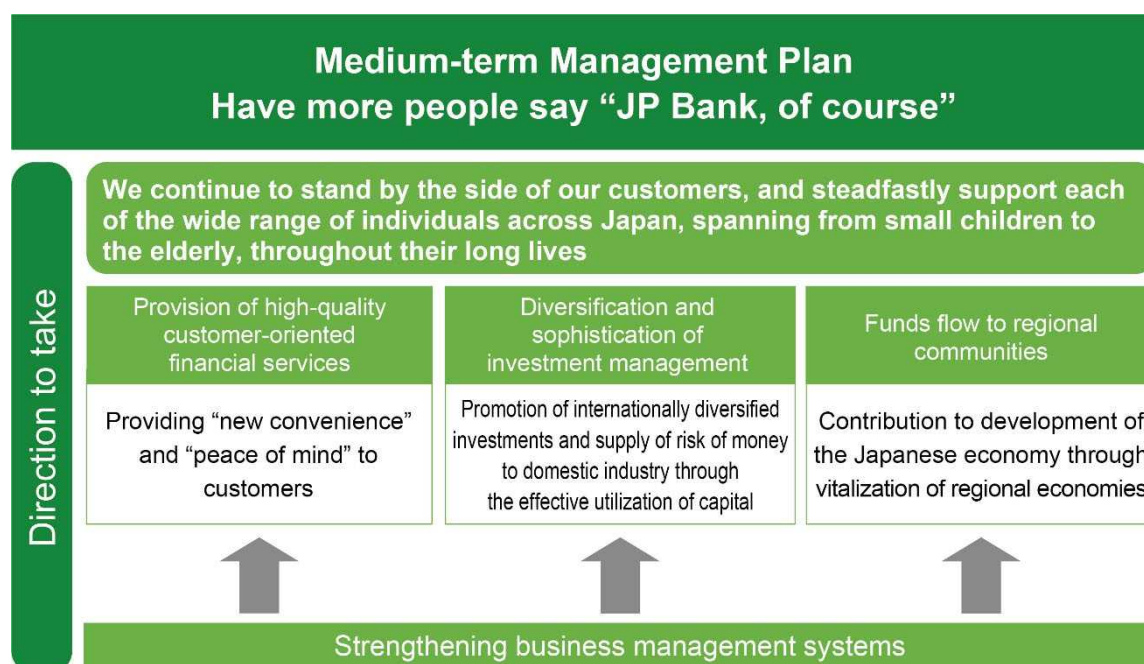
We obtained the highest level rating among Japanese financial institutions from two rating agencies.

(As of March 31, 2021)		
Rating agency	Long-term	Short-term
Moody's	A1	P-1
S&P	A	A-1

Overview of Business

In the midst of a challenging business environment, including a prolonged period of low interest rate, Japan Post Bank worked on the "Provision of high-quality customer-oriented financial services," "Diversification and sophistication of investment management," "Funds flow to regional communities," and "Strengthening the business management system" as the vision aimed for in the Medium-term

Management Plan for the period from the fiscal year ended March 31, 2019 to the fiscal year ending March 31, 2021, and it made progress in laying the foundation for the realization of this vision.



Provision of High-Quality Customer-Oriented Financial Services

- Status of various responses to fraudulent use of cashless payment services

Japan Post Bank has been working to enhance its cashless payment services from the perspective of improving customer convenience in light of the major trend toward cashless transactions.

The Bank’s immediate transfer service and mijica (Visa debit/prepaid card) were used fraudulently by malicious third parties, causing a great deal of inconvenience to our customers.

In response to this, we suspended services that have been used fraudulently from the beginning of September 2020, and also compensated the affected customers. In addition, the Security Review Task Force was established under the direct supervision of the Bank’s President and Representative Executive Officer to reconfirm the robustness of the security of our cashless payment services and the system for monitoring customer usage.

As for the immediate transfer service, the service was later resumed from January 2021, starting with those companies whose security systems have been confirmed. As for mijica, we are preparing for the transition to a new branded debit card in the spring of 2022.

Furthermore, with regard to the governance issues surrounding the response to the fraudulent use of our services, we have been taking steps to improve the situation based on the recommendations of the JP Reform Execution Committee, which was established by the Audit Committee of Japan Post Bank and the four companies of the Japan Post Group and whose members include external experts (see pages 35 and 41 below).

We consider the cashless payment service as one of our most important management policies, and based on our experience and reflection, we will further strengthen the security of our services so that our customers can use them safely and securely, and we will make further efforts to improve our sensitivity to risks and customer-oriented business operations.

- Service enhancement and higher operational efficiency through digitalization

We worked to provide “new convenience” that can be used anywhere, anytime through the use of new technologies such as Fintech (intersection of the financial services and technology sectors) in addition to further enhancing and expanding financial channels for the convenience of customers.



In the Top Publisher Awards*, the Japan Post Group was awarded first place in the finance category as a breakthrough app publisher. Of Japan Post Bank apps, its most downloaded app, the Bankbook App, has been used by a large number of customers with 2.8 million registered accounts (as of March 2021).

* This award is presented by App Annie to app publishers (companies that provide apps) that have made significant contributions to the growth of the app market.

Specifically, we increased the number of stores that accept our “Yucho Pay” smartphone payment service, and implemented measures such as the “Post Office Cashless Payment Campaign” for customers who used our cashless payment services such as Yucho Pay at post offices.

At the same time, we focused on encouraging corporate customers to migrate to “Yucho Biz Direct,” an Internet banking service equipped with functions frequently requested by customers, through web seminars for offices.

We also worked to improve the quality and operational efficiency of our customer service by utilizing digital technology, through means such as the introduction of an AI system to our call center in October 2020 and expanding the range of answers that can be provided by the chatbot on our website in November 2020.

Furthermore, in order to meet the needs of customers of a wide range of generations, we applied for approval from the Financial Services Agency and the Ministry of Internal Affairs and Communications in December 2020 for the launch of new services such as the direct offering of Flat 35^{*1} and overdraft service^{*2}, and obtained approval in April 2021 (service started May 2021).

In addition, in March 2021, we decided to invest in DeCurret Inc., with the prospect of participating in initiatives and platform development for the realization of privately-issued digital currency.

*1 Fixed interest rate mortgage loans for individuals from the Japan Housing Finance Agency

*2 A service that automatically provides a loan for the amount of the deficiency when using various payment services such as refunds and automatic payments that exceed the account balance

- Contributing to customers’ asset building

From the perspective of further instilling customer-oriented business operations, we worked to enhance consulting services that meet customer needs.

Specifically, we developed sales tools for customers that summarize the contents of our products in an easy-to-understand manner, trained employees to provide consultations on asset building for customers and enhanced after-sales follow-up services, and assigned “senior life advisors^{*1}” on a trial basis to strengthen our services for elderly customers.

In addition, we reviewed our sales targets and personnel evaluation systems to make them more conscious of “sales quality” and the “customer-oriented perspective.”

Furthermore, we proceeded with the preparations for launching “discretionary investment services^{*2}” that we agreed with the Daiwa Securities Group in May 2019. In addition to this, we have started to consider trust and inheritance services as a new service for the elderly.

*1 Employees who provide more delicate and sophisticated responses to elderly customers

*2 A service that delegates the dissolution of investment trusts retained by customers to designated family members

Diversification and Sophistication of Investment Management

- Diversification and sophistication of investments management

Although the turmoil in the market caused by the spread of COVID-19 is beginning to subside, the outlook remains uncertain, and the investment environment remains challenging due to the low interest rate environment in Japan. In the midst of this severe investment environment, we have expanded the balance of risk assets to ¥91.1 trillion as of March 31, 2021, while monitoring risk-return and credit quality (creditworthiness of investees). Among risk assets, with regard to investments in strategic investment areas*, we made selective investments in quality projects and increased the balance to ¥4.2 trillion.

* Strategic investment areas include private equity funds (funds that invest in unlisted companies with growth potential) and real estate funds.

- Ensuring financial soundness

We have secured a sufficient capital adequacy ratio from the perspective of financial soundness even as we continue to promote the sophistication and diversification. In addition, utilizing the risk appetite framework (RAF)*, we have clarified the appropriate types and levels of risk to be taken by the Bank, and have determined an investment policy that takes into consideration the balance between stable profits and financial soundness.

* The framework for business management using risk appetite (the type and total amount of risk that should be accepted for the achievement of business plans based on the distinctiveness of the Bank business model) as a common term within the bank in relation to general risk taking policies including the distribution of capital and the maximization of profits.

Funds Flow to Regional Communities

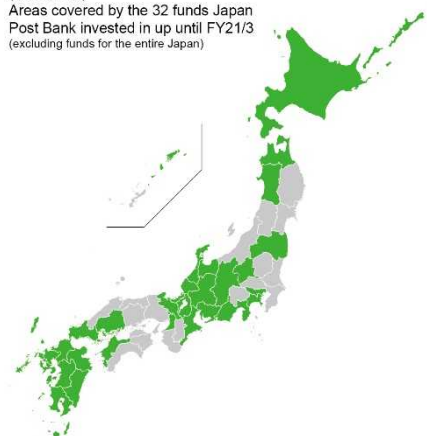
- Contribution to regional vitalization

In order to flow precious customer funds entrusted by our customers to regional communities and contribute to the vitalization of regional communities, Japan Post Bank has been actively promoting participation in regional vitalization funds since the fiscal year ended March 31, 2017 in collaboration with regional financial institutions. In the fiscal year ended March 31, 2021, we participated in four new regional vitalization funds (a total of 32 funds so far) for the purpose of supporting business succession, entrepreneurship and start-ups, and supporting companies affected by the spread of COVID-19. In January 2021, we invested in Japan Platform of Industrial Transformation, Inc. (JPiX), an investment and business management company that is working toward regional revitalization from a long-term perspective.

In addition, for joint tax and public dues collection operations that started in October 2019, we took steps to strengthen cooperation starting in March 2021 with regional financial institutions, such as THE KYOTO SHINKIN BANK and AMAGASAKI SHINKIN BANK.

(Reference)

Areas covered by the 32 funds Japan Post Bank invested in up until FY21/3 (excluding funds for the entire Japan)



New funds Japan Post Bank invested in during FY21/3		Participated year/month
①	Kansai Innovation Network Investment Limited Partnership	April 2020
②	Kansai and Chubu Regions Recovery Support Investment Limited Partnership*	July 2020
③	MIYAKO Kyoto University Innovation II L.P.	October 2020
④	Dogan Regional Value Fund*	December 2020

* Includes support for companies affected by the spread of COVID-19 in its investment objectives

Strengthening the Business Management System

- Customer-oriented business operations

In the case of the fraudulent use of cashless payment services, Japan Post Bank's Audit Committee reviewed the status of the establishment and operation of governance related to the case and reported its recommendations for improvement. The JP Reform Execution Committee also announced the results of its review of the Bank's governance, and proposed plans for improvements to strengthen governance. Based on these recommendations, we established the Customer Satisfaction Department in January 2021 and the Cashless Damage Consultation Desk in March 2021 as part of our efforts to develop a system to centrally manage customer complaints and consultations, from receipt to resolution. In addition, we decided to establish the New Products and Services Examination Subcommittee (Sales/Administration) and the System Risk Subcommittee in April 2021 as subordinate organizations of the Risk Management Committee in order to strengthen our ongoing security verification system during and after the introduction of new products and services.

Furthermore, we made company-wide efforts to strengthen our customer-oriented business operations, centered around the Service Improvement Committee, which was established in February 2020 and is chaired by the President and Representative Executive Officer. Specifically, in order to strengthen communication between management and employees at branches nationwide who receive customer feedback, we have been working on organizational climate and culture reforms, such as the regular distribution of the "message video from the President" to all employees, and the establishment of an opinion box on the company intranet that all employees can access.

- Strengthening risk governance

Japan Post Bank has introduced a "risk appetite framework (RAF)" as the core of its risk governance, and based on the RAF framework, Japan Post Bank has strengthened its management control framework by continuously selecting and managing risk appetite policies^{*1}, indicators^{*2}, and top risks^{*3}.

In addition, we have worked to improve cross-organizational risk governance by moving away from a vertically-integrated organization through such measures as strengthening cooperation among the specialized committees such as the Service Improvement Committee and the Compliance Committee that serve as advisory bodies to the Executive Committee.

^{*1} Basic policy on what kind of risk the company as a whole takes to earn profit (risk appetite)

^{*2} Target indicators for achieving a balance between profitability and financial soundness based on the risk appetite policy

^{*3} Risks that may have a particularly significant impact on business, operating results and financial position

- Strengthening systems against cyber attacks

In response to increasingly complex and sophisticated cyber attacks, we are working to strengthen our cyber security systems to monitor unauthorized access and prevent damage. In particular, we strengthened preparations for the growing threat of cyber attacks in the run-up to the Tokyo Olympics and Paralympics, and took measures in light of the incidents of unauthorized use of cashless payment services.

- Strengthening the compliance system

In the midst of the Group's concerted efforts to restore trust in our business operations, we take seriously the increasing number of internal crimes, including the case of long-term and high-value cash fraud at the post office in Nagasaki Prefecture announced on April 6, 2021. In each of these cases, we will compensate the affected customers, and we are working with Japan Post Co. Ltd. to analyze the causes of the incidents and consider measures to prevent recurrence, pushing ahead toward the elimination of scandals through thorough and stricter compliance.

In addition, we have worked to ensure appropriate sales of asset management products and to improve our internal reporting system.

Moreover, we took steps to strengthen our measures to counter money laundering and terrorist financing, which are taken as part of our global responsibilities, by reviewing our products and services, sophisticating our monitoring operations, and preparing for the establishment of new systems.

- Human resource strategy

We have promoted diversity management by creating a comfortable work environment that accommodates the diversity of our employees while also improving productivity through means such as increasing the ratio of female managers, support for career development through the introduction of career challenges (internal recruitment), training of IkuBoss^{*1}, development of telework and web conference environments in response to the spread of COVID-19, and promotion of the flextime system.

In addition, while improving the efficiency of transaction services (routine services at bank counters, etc.), we worked to secure and develop human resources necessary for enhancing the sophistication and diversification of operations, and also for growth areas such as cyber and digital.

* An IkuBoss (or “New-era” Boss) is a manager/an executive who (a) considers his/her staff’s work-life balance and supports their career, (b) achieves his/her organization’s business targets, and (c) enjoys his/her own life outside of work.

(Reference) External Assessments



Acquired “Platinum Kurumin” certification from the Ministry of Health, Labour and Welfare as a company engaged in a higher level of efforts aimed at achieving a work-life balance



Acquired “Excellent Enterprise of Health and Productivity Management 2021” certification from the Ministry of Economy, Trade and Industry as an outstanding company engaged in health and productivity management



Awarded the highest rating of “Gold” under the “PRIDE Index” that evaluates efforts related to LGBT, etc. for the third consecutive year

- ESG (Environmental, Social, and Governance)

Japan Post Bank considers the promotion of ESG and CSR as one of the most important management policies. In the fiscal year ended March 31, 2021, in consideration of the Sustainable Development Goals (SDGs) that are common global goals, we have set the four themes of “customers and markets,” “regional communities,” “employees (diversity management),” and “environment,” and promoted ESG initiatives.

As a concrete example of our efforts, we established the ESG Team in April 2020 and reorganized the existing “CSR Committee” into the “ESG • CSR Committee (under the Corporate Planning Department).” In addition, we initiated scenario analysis of climate change risks based on the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) and revised our ESG investment policy, etc.

4) Issues to be addressed

Response to COVID-19

Although vaccines for COVID-19 have been developed and vaccination has begun in some regions, factors such as the emergence of variants have become a major threat to the international community and the global economy.

As measures to prevent the spread of infection among customers and employees, we are distributing quarantine supplies such as masks and plastic curtains, and providing information on non-face-to-face transactions using Japan Post Bank Direct and ATMs. In addition, we will continue to promote teleworking, limit business trips, and prohibit social gatherings.

Furthermore, through flexible staffing and backup by multiple locations, we are ensuring the business continuity of cash deposits and withdrawals, payment services, and other operations necessary for customers' daily lives.

Outline of the new Medium-term Management Plan (FY2022/3 through FY2026/3)

Under our previous medium-term management plan (from FY2019/3 through FY2021/3), we worked on the Provision of High-quality Customer-oriented Financial Services, Diversification and Sophistication of Investment Management, Funds Flow to Regional Communities, and Strengthening the Business Management System based on the slogan "Have more people say 'JP Bank, of course.," and we took steady steps toward solidifying the foundation necessary to realize our ideal state.

On the other hand, the business environment faced by Japan Post Bank is changing drastically, including a declining population and super-aging society, the contracting regional economies, advance in the digital innovation, and changes to new lifestyles in the wake of COVID-19 pandemic. We have formulated a new Medium-term Management Plan (FY2022/3 through FY2026/3) based on our recognition of the challenges regarding this changing environment, as well as our strengths and management resources.

The period of the new Medium-term Management Plan has been set at five years, taking into consideration the period required to fundamentally strengthen the revenue base and business foundation.

We will position the period of the Medium-term Management Plan as a five-year period for "deepening trust, and taking on the challenge for financial innovations," and aim for innovations to our business model and enhancements to business sustainability through the five key strategies formulated as specifically strategies.

Reviewing our previous medium-term management plan (FY2019/3 through FY2021/3)

Even under challenging management environments, we steadily worked toward solidifying the foundation necessary to realize our ideal state

Provision of High-quality Customer-oriented Financial Services	Advanced efforts such as "savings and asset formation," and thoroughness of payment services, and service transactions, etc. Net fees and commissions increased by 32% compared to FY2018/3	Strengthening of Business Management Systems
Funds Flow to Regional Communities	In collaboration with regional financial institutions, advance investments into regional vitalization funds (cumulative total of 32), etc.	
Diversification and Sophistication of Investment Management	Increase risk asset balance to ¥91tn, strategic investment area* balance to ¥4.2tn	

*Private equity, real estate, etc.

Japan Post Bank's strengths and resources

Japan's largest customer base (120 million ordinary deposit accounts)	Post offices and ATM networks encompassing all of Japan
Japan's largest deposit base	Diverse and expert human resources

*DX is an abbreviation of "digital transformation." Refers to the innovation of work and business models into superior forms through the active use of data and digital technology

Basic Policies of the Medium-term Management Plan (FY2022/3 through FY2026/3)



(Financial targets)

We have set the following financial targets for the period of the Medium-Term Management Plan.

Under these financial targets, Japan Post Bank will provide high-quality financial services to customers nationwide through its network of approximately 24,000 post offices, while at the same time taking steps to improve profitability and efficiency.

<Consolidated Basis>		FY2021/3 Performance	FY2024/3 targets	FY2026/3 targets
Profitability	Consolidated net income (attributable to owners of parent)	¥280.1bn	¥280.0bn or greater	¥350.0bn or greater
	ROE (based on shareholders' equity)	3.06%	3.0% or greater	3.6% or greater
Efficiency	OHR (Basis including gains (losses) on money held in trust)* ¹	72.34%	72% or less	66% or less
	General and administrative expenses (compared to FY2021/3)	-	¥(25.0)bn	¥(55.0)bn
Soundness	Capital adequacy ratio (Domestic standards)	15.53%	Approx. 10% (Levels to be secured)	Approx. 10% (Levels to be secured)
	CET1 (Common equity tier1 capital) ratio (international standards)* ²	14.09%	Approx. 10% (Levels to be secured)	Approx. 10% (Levels to be secured)

*¹ Abbreviation for overhead ratio. A measure of the efficiency of a bank's operations, generally defined as the ratio of expenses to gross operating profit. Keeping in mind that Japan Post Bank manages securities that utilize money held in trust of a considerable scope, we will establish OHRs as targets that include in the denominator operational profit/loss pertaining to money held in trust.

*² Calculated as general and administrative expenses ÷ (net interest income etc. + net fees and commissions). Net interest income etc. = Interest income - Interest expenses (including gains (losses) on sales etc.).

*² Basis that excludes available-for-sale securities. FY2026/3 targets are based on full implementation of Basel III.

Innovating retail business into a new form by realizing complementarity between the physical and the digital

- Development of digital service strategies

Placing top priority on safety and security, we will expand digital services that are easy for all customers to use, and promote the spread of digital services by utilizing our post office network. In addition, we will endeavor to build an open “co-creation platform” that leverages our customer base to provide optimal services through collaboration with a wide range of businesses.

Specifically, we will work to strengthen security including the identity verification function for various digital services, expand the functions of the “Bankbook App,” build the “Household Account Book/Household Budget Consultation App, and continuously improve UI/UX*.

In addition, through the utilization of the nationwide network of post offices, we will guide customers to the most suitable channels and provide careful support for digital services.

As we have the largest customer base of any Japanese bank, we will work to expand our customer base in the digital domain with a focus on the “Bankbook App” and strive to promote digital services that can be used safely and conveniently by many customers.

* Abbreviations of User Interface/User Experience. In addition to making the services easier to operate and use, we will work to improve the value of the experience customers gain from using services.

- Promotion of the asset building support business

In the asset building support business, we will provide optimal services to customers through the “face-to-face channel,” where customers can consult with our regular employees, and through the “digital channel,” which is easy, convenient, and low-cost, based on customer-oriented business operations.

In the face-to-face channel, we will offer a lineup of asset management products to suit our customer base, while we will mainly offer cumulate-type investments to beginner investors. In addition, we will introduce and expand the online consultation function and train “financial consultants” to provide more personalized life plan consulting services to our customers.

Meanwhile, in the digital channel, we will strive to develop an asset management platform that is

easy for everyone to use by expanding services on our website and apps using competitive fee levels.

- Promotion of new businesses

We will develop new services that support the lives of customers over the long term and new services that further enhance convenience.

Specifically, we have started direct handling of “account overdraft services” and “Flat 35” in May 2021. In addition, we will prepare for the launch of “discretionary investment services” and “trust and inheritance services.”

Business Reform and Productivity Improvement through the Active Utilization of Digital Technology

At our branches, we will expand the system to enable self-processing of routine transactions by introducing the teller tablet system, and enhance the digital channel to improve the efficiency of counter operations while expanding the options of transaction channels for our customers.

At Operation Support Centers, we will promote comprehensive business automation by combining digital technologies, such as expanding AI-OCR^{*1} and RPA^{*2}, and introducing BPMS^{*3}.

Through these efforts, we will reduce the workload of directly-operated branches and Operation Support Centers, while shifting personnel to focus areas through systematic skill development, in order to improve our systems and productivity.

In addition, we will aim to improve management efficiency by reducing predetermined expenses while strengthening investments in strategic IT and other priority areas.

^{*1} AI-OCR: OCR that utilizes AI to enhance recognition rates of handwritten characters, etc.

^{*2} RPA: Abbreviation of Business Process Management System. This system automatically activates RPAs, and systematically controls work flows that require human confirmation work, etc., and conducts automatic process management.

^{*3} BPMS: Abbreviation of Application Programming Interface. Standard technology that links together digital channels such as smartphone apps and external systems with the internal systems of banks.

Enhancing Funds Flow to Regional Communities and Regional Relationship Functions through Various Frameworks

In order to flow precious customer funds entrusted by our customers to regional communities, we will strive to contribute to the revitalization of regional communities by supplying funds through various frameworks. In particular, we will meet the needs of equity funds (risk money) in the regional communities by supplying funds through our subsidiary Japan Post Investment Corporation as well as Japan Platform of Industrial Transformation, Inc. (JPiX) and “regional vitalization funds.”

In addition, as the core of the “regional financial platform,” we will work with regional financial institutions to meet the financial needs of each region by utilizing our ATM network and sharing administrative work.

With regard to these efforts to revitalize regional communities, we established a new Regional Relationship Division in April 2021 to promote these efforts while further strengthening our relationships with local governments and regional financial institutions.

Deepening Market Operations and Risk Management with an Awareness of Stress Tolerance

- Advancement of global asset allocation

Amidst a severe business environment where interest rates remain low, we will expand our global asset allocation based on a “risk appetite framework,” clarifying the types and levels of risks to be taken, while being conscious of returns against risks and aiming to improve profitability.

Specifically, we will build up the balance of risk assets, mainly in the investment grade (IG) area. In addition, we will selectively invest in strategic investment areas with the aim of increasing the balance among risk assets.

In addition, in preparation for the occurrence of stress events, we will promote the construction of a stress-resistant portfolio, and make further efforts to deepen our risk management by upgrading stress tests and strengthening monitoring.

Strengthening the Management Base to Become a More Trusted Bank

We will strive for the following internal reforms in order to realize “customer-oriented business operations” by all employees and to become a more trusted company.

- Organizational culture reforms

The Service Improvement Committee will play a central role in continuously reforming the corporate culture to ensure that each and every employee practices customer-oriented business operations in his or her daily activities. Specifically, in addition to the internal penetration of our management philosophy, we will further reflect the customer-oriented approach in our organization and employee evaluation system.

- Improving internal control systems

In the rapidly changing socio-economic environment, we will improve our risk sensitivity and strengthen our various management systems, while responding quickly and flexibly to changes, and working together with external partners.

Specifically, we will reinforce our risk management system by strengthening the autonomous management of the first line (Marketing and Operation Divisions) and the cross-company checks of the first line by the second line (Management Division) and third line (Internal Audit Division). In addition, we will strive to “ensure safety and security” by implementing advanced security measures and strengthening IT governance and security verification systems to prepare for new risks.

With regard to the compliance system, we will work with Japan Post to prevent internal crimes, and with regard to the advancement of measures against money laundering and terrorist financing, we will continue to work on the advancement of monitoring and the construction of new systems.

Promotion of ESG Management

In the Medium-term Management Plan, we have positioned “ESG management” as one of our basic policies to enhance our corporate value and solve social issues at the same time.

We have identified four priority issues to be tackled in order to promote ESG management: providing “safe and secure” financial services to anyone and everyone throughout Japan; contributing to regional economic expansions; reducing environmental impact; and Advancement of work style reforms, and sophistication of governance. We will promote ESG management by connecting each priority issue to management strategies and specific initiatives, and by setting KPIs.

Among these priority issues, for reducing the environmental impact, we have set KPIs to reduce CO₂ emissions by 46% by the fiscal year ending March 31, 2031 compared to the fiscal year ended March 31, 2020, and to increase the balance of ESG-themed investments to around ¥2 trillion by the end of the fiscal year ending March 31, 2026.

Capital Policy

Our capital policy is operated by balancing shareholder returns, financial soundness, and growth investments. In addition, as a Japan Post Group policy, Japan Post Holdings Co., Ltd. aims to make its shareholding ratio in Japan Post Bank 50% or less as soon as possible during the mid-term management plan. Japan Post Bank has been steadily driving forward the privatization process in line with the policy.

- Shareholder returns

In addition to securing the capital necessary for growth investments and to maintain soundness,

we will strive to enhance shareholder returns. The specific policy for returning profits to shareholders are described below.

- Financial soundness

We will set a capital adequacy ratio (domestic standard) of approximately 10%, and a CET1 ratio of approximately 10% as minimum levels to be secured in ordinary times, and ensure thorough financial soundness.

- Growth investment

We will utilize internal reserves as risk-taking resources, and, by expanding our risk asset balance to approximately ¥110 trillion and our strategic investment area balance to approximately ¥10 trillion by FY2026/3, we will improve our net interest income, etc. and ROE.

Shareholder Return Policy

- Shareholder return policy

- Taking into consideration the balance between shareholder returns, financial soundness and growth investments, throughout the term of the Medium-term Management Plan (FY2022/3 through FY2026/3), the basic policy is to maintain a dividend payout ratio of approximately 50%.
- However, the target dividend payout ratio will be set between 50% and 60% while keeping in mind the stability and sustainability of dividends and we will target increases to dividends per share (DPS) compared to projected dividend levels* for FY2022/3.

* DPS forecast for FY2022/3: 40 yen (dividend payout ratio: 57.6%)

- Other policies pertaining to shareholder returns, etc.

- We will also consider implementing additional shareholder return policies depending on future expansions in income, the repleteness of internal reserves and the status of regulatory trends, etc.
- In order to express our gratitude to our shareholders for their daily support, enhance the appeal of investing in Japan Post Bank's shares and thereby increase the number of our shareholders, among other reasons, throughout the duration of the Medium-term Management Plan period (FY2022/3 through FY2026/3), we will also consider providing shareholder benefits (details will be disclosed following a decision on the matter).
- As for the frequency of dividends, taking into consideration the status of Japan Post Bank's investment portfolio, our policy will be to issue annual dividends once each year while the market remains significantly opaque due to the effects of COVID-19, among other factors.

Japan Post Bank will work to enhance corporate value through these initiatives. We ask for the continued understanding and support of all our shareholders.

(2) Financial Condition and Results of Operations

(Millions of yen)

As of and for the fiscal year ended March 31	2018	2019	2020	2021
Deposits	179,882,759	180,999,134	183,004,733	189,593,469
Fixed-term deposits	105,989,336	100,927,190	95,298,907	88,145,649
Others	73,893,423	80,071,943	87,705,825	101,447,819
Loans	6,145,537	5,297,424	4,961,733	4,691,723
Loans to individuals	172,658	155,851	142,159	97,383
Loans to small and medium-size enterprises	—	2,500	2,000	2,240
Others	5,972,878	5,139,073	4,817,573	4,592,100
Trading account securities	32	2	31	13
Securities	139,201,254	137,135,264	135,198,460	138,183,264
Japanese government bonds	62,749,725	58,356,567	53,636,113	50,493,477
Others	76,451,529	78,778,696	81,562,347	87,689,786
Total assets	210,630,601	208,970,478	210,905,152	223,847,547
Domestic exchange transaction volume	46,011,959	50,999,801	60,390,778	65,702,968
Foreign exchange transaction volume	(Millions of U.S. dollars) 1,267	(Millions of U.S. dollars) 1,054	(Millions of U.S. dollars) 725	(Millions of U.S. dollars) 396
Net ordinary income	499,669	374,299	379,077	394,325
Net income	352,745	266,178	273,044	279,837
Net income per share	(Yen) 94.09	(Yen) 71.00	(Yen) 72.83	(Yen) 74.64

Notes:

1. The figures are rounded down.
2. Deposits correspond to “deposits” recorded under liabilities pursuant to the Ordinance for the Enforcement of the Banking Act.
3. Net income per share is calculated by the following formula.

$$\text{Net income per share} = \frac{\text{Net income reported on statement of income}}{\frac{\text{The average number of common stock outstanding during the fiscal year}}{\text{The average number of treasury stock during the fiscal year}}}$$

(Reference Financial Condition and Results of Operations of Japan Post Bank Group)

(Millions of yen)

As of and for the fiscal year ended March 31	2018	2019	2020	2021
Ordinary income	2,044,940	1,845,413	1,799,544	1,946,728
Net ordinary income	499,654	373,978	379,137	394,221
Net income attributable to owners of parent	352,775	266,189	273,435	280,130
Comprehensive income	(80,426)	23,376	(2,177,244)	2,470,383
Net assets	11,521,680	11,362,365	9,003,256	11,394,827
Total assets	210,629,821	208,974,134	210,910,882	223,870,673

Note: The figures are rounded down.

(3) Employees

	As of March 31, 2021
Number of employees	12,408
Average age	43.8 years old
Average years of service	19.9 years
Average annual salary	¥6,746 thousand

Notes:

1. The number of employees excludes employees assigned to other companies by Japan Post Bank but includes employees assigned to Japan Post Bank by other companies. In addition, the figure does not include part-time employees (including those who have converted to indefinite term employment based on the system for conversion to indefinite term employment (associate employees)).
2. The figures for average age and average years of service are rounded down to the first decimal place.
3. Average years of service includes years of service prior to the establishment of Japan Post Bank (before privatization).
4. Average annual salary includes bonuses and extra wages, and figures are rounded down.

(4) Branches, etc.

1) Number of branches

	As of March 31, 2021	
	Number of branches	[Number of sub branches]
Hokkaido	5	[4]
Tohoku	10	[9]
Kanto	70	[69]
Tokyo	41	[40]
Shinetsu	6	[5]
Hokuriku	4	[3]
Tokai	23	[22]
Kinki	44	[43]
Chugoku	11	[10]
Shikoku	6	[5]
Kyushu	13	[12]
Okinawa	1	[—]
Domestics total	234	[222]
Overseas total	—	[—]
Total	234	[222]

Note: The number of branches excludes the number of offices where bank agents, for which Japan Post Bank serves as a principal bank, operate bank agency services and unmanned sub branches of Japan Post Bank (7,145 places as of March 31, 2021).

2) Newly-established branches during the fiscal year

Not applicable.

3) List of bank agent

Name	Location of a principal branch or office	Main business other than bank agency service
JAPAN POST Co., Ltd.	Chiyoda-ku, Tokyo	Postal services, insurance counter services, sales of revenue stamps, contracted services from Japanese local governments, agency services of life insurance and nonlife insurance, domestic and international logistics business, logistics business, real estate business, sale of goods, and others

4) Bank agency services, etc., operated by a bank

Trade name or name of financial institutions for which Japan Post Bank serves as a bank agent
Sony Bank Incorporated
Shinsei Bank, Limited

(5) Capital Investment

1) Total amount of capital investment

(Millions of yen)

Total amount of capital investment	40,658
------------------------------------	--------

Note: The figure is rounded down.

2) New installation, etc., of significant equipment

(Millions of yen)

Details	Amount
Japan Post Bank Total Information System	13,102
ATMs	7,313

Note: The figures are rounded down.

(6) Parent Company and Principal Subsidiaries, etc.

1) Parent company

Company name	Location	Main business	Capital	Percentage of voting rights of Japan Post Bank held by the parent company	Others
JAPAN POST HOLDINGS Co., Ltd.	Chiyoda-ku, Tokyo	A holding company	3,500,000 (Millions of yen)	89.00%	—

Notes:

1. The ratio of voting rights is rounded down to the second decimal place.
2. We have entered into the Japan Post Group Agreement with Japan Post Holdings Co., Ltd., Japan Post Co., Ltd. and Japan Post Insurance Co., Ltd., which prescribed fundamental matters relating to Group management such as principles and policies common to the Group aimed at contributing to smooth Group operations.

Following this agreement, Japan Post Bank has entered into contracts regarding Japan Post Group operations with Japan Post Holdings Co., Ltd. and these contracts decide important matters for Group operations that will be discussed in advance with and reported to Japan Post Holdings Co., Ltd. but specify that Japan Post Holdings Co., Ltd. will not hinder or restrain the decision-making of the Bank.

In addition, we have entered into the trademark management agreement with Japan Post Holdings Co., Ltd., Japan Post Co., Ltd. and Japan Post Insurance Co., Ltd., for the purpose of maintaining and increasing brand value of the Japan Post Group, and have entered into the trademark management contract with Japan Post Holdings Co., Ltd. Based on these agreement and contract, we are permitted to use the trademarks such as “Yucho” (Japan Post Bank), which Japan Post Holdings Co., Ltd. centrally manages.

Furthermore, we pay brand license fee to Japan Post Holdings Co., Ltd. as consideration of benefit by belonging to the Japan Post Group, and the calculation method would not be changed unless special circumstances such as significant changes in the economic situation occur.

2) Subsidiaries, etc.

Company name	Location	Main business	Capital	Percentage of voting rights of subsidiaries, etc., held by Japan Post Bank	Others
JAPAN POST BANK LOAN CENTER Co., Ltd.	Chuo-ku, Tokyo	Administrative agency services including loans for individuals	2,000 (Millions of yen)	100.00%	—
ATM Japan Business Service, Ltd.	Minato-ku, Tokyo	Management of ATMs, for example cash loading and withdrawal	100 (Millions of yen)	35.00%	—
JP Asset Management Co., Ltd.	Chuo-ku, Tokyo	Invest management business, Type II Financial Instruments Business	500 (Millions of yen)	45.00%	—
Japan Post Investment Corporation	Chiyoda-ku, Tokyo	Investment management operations of securities and investment advisory business	750 (Millions of yen)	50.00%	—

Note: The ratio of voting rights is rounded down to the second decimal place.

- Overview of Significant Business Alliances

- 1 Pursuant to the provisions of Article 98, Paragraph 2, Item 2 of the Postal Service Privatization Act, Japan Post Bank consigns bank agency services to JAPAN POST Co., Ltd. ("Japan Post Co.") In addition, Japan Post Bank has entered into a bank counter services agreement with Japan Post Co. to enable it to perform the duties as set forth in Article 5 of Japan Post Company Act.

Pursuant to amendments to the Act on the Management Organization for Postal Savings and Postal Life Insurance that took effect on December 1, 2018, beginning with the year ending March 31, 2020, Japan Post Bank and JAPAN POST INSURANCE Co., Ltd. are required to contribute to the Organization for Postal Savings, Postal Life Insurance and Post Office Network a share of the necessary expenses for Japan Post Co. to maintain its post office network to provide universal services. The Organization for Postal Savings, Postal Life Insurance and Post Office Network in turn delivers these funds to Japan Post Co.

With the introduction of contribution for the support of postal service network, Japan Post Bank has reviewed to cover the expenses of agency services provided by Japan Post Co. using contribution and newly allocated agency commissions, such expenses have been paid out of the agency commissions paid to Japan post Co. by Japan Post Bank.

- 2 Pursuant to the provisions of Article 15 of the Act on Management Organization for Postal Savings, Postal Life Insurance and Post Office Network, an independent administrative agency, Japan Post Bank is entrusted with the management of postal savings deposits that were passed on to the Management Organization for Postal Savings, Postal Life Insurance and Post Office Network, an independent administrative agency, by Japan Post Corporation.

- 3 ATM/CD alliance services

Japan Post Bank has formed an alliance with the following financial institutions and provides services such as cash withdrawal using ATMs, etc.

City banks (5 banks), trust banks (3 banks), foreign banks (2 banks), regional banks (62 banks), second-tier regional banks (38 banks), other banks (14 banks), The Shoko Chukin Bank, Ltd. (1 bank), *shinkin* banks (259 banks), credit cooperatives (119 cooperatives), labor banks (13 banks), credit federations of agricultural cooperatives (32 cooperatives), agricultural cooperatives (576 cooperatives), credit federations of fishery cooperatives (28 cooperatives), fishery cooperatives (73 cooperatives), securities firms (11 firms), life insurance companies (8 companies), credit card companies (47 companies) and other companies (7 companies)

- (7) Business Transfer, etc.

Not applicable.

- (8) Other Important Matters Concerning the Current Status of Japan Post Bank

Not applicable.

II. Matters Concerning Directors and Executive Officers

(1) Directors and Executive Officers

Directors

(As of March 31, 2021)

Name	Position and assignment	Significant concurrent positions	Others
IKEDA Norito	Director Member of the Nomination Committee	Director of JAPAN POST HOLDINGS Co., Ltd.	—
TANAKA Susumu	Director	Managing Executive Officer of JAPAN POST HOLDINGS Co., Ltd.	—
MASUDA Hiroya	Director Member of the Nomination Committee Member of the Compensation Committee	Director, Representative Executive Officer, President and CEO of JAPAN POST HOLDINGS Co., Ltd. Director of JAPAN POST Co., Ltd. Director of JAPAN POST INSURANCE Co., Ltd. Visiting Professor of Graduate School of Public Policy, The University of Tokyo	—
ONODERA Atsuko	Director Member of the Audit Committee		—
AKASHI Nobuko	Director (Outside Director) Member of the Audit Committee	Board chairman of a non-profit organization, Japan Manners & Protocol Association Representative Director of Brighton Y.K. Outside Director of YOSHINOYA HOLDINGS CO., LTD. Member of the Board of Governors of Japan Broadcasting Corporation	—
IKEDA Katsuaki	Director (Outside Director) Member of the Audit Committee (Chairman) Member of the Compensation Committee		Mr. IKEDA Katsuaki has a considerable amount of professional knowledge on finance and accounting through his long history of involvement in management of financial institutions.
CHUBACHI Ryoji	Director (Outside Director) Member of the Compensation Committee (Chairman) Member of the Nomination Committee		—

Directors		(As of March 31, 2021)	
Name	Position and assignment	Significant concurrent positions	Others
TAKEUCHI Keisuke	Director (Outside Director) Member of the Nomination Committee Member of the Compensation Committee	Outside Director of BROTHER INDUSTRIES, LTD. Outside Director of Japan Platform of Industrial Transformation, Inc.	—
KAIWA Makoto	Director (Outside Director) Member of the Nomination Committee (Chairman)	Representative Director & Chairman of the Board of Tohoku Electric Power Co., Inc. Chairman of TOHOKU ECONOMIC FEDERATION	—
AIHARA Risa	Director (Outside Director)	Representative Director and President of Ai-LAND Co., Ltd.	—
KAWAMURA Hiroshi	Director (Outside Director) Member of the Audit Committee	Professor, Faculty of Law of Doshisha University Outside Director of ISHII IRON WORKS CO., LTD.	—
YAMAMOTO Kenzo	Director (Outside Director) Member of the Audit Committee	Representative of Office KY Initiative Member of the Board as Outside Director of Bridgestone Corporation Outside Director of SUMITOMO LIFE INSURANCE COMPANY	—

Notes:

1. Mr. IKEDA Norito and Mr. TANAKA Susumu concurrently serve as Executive Officers.
2. Ms. ONODERA Atsuko is a full-time member of the Audit Committee. The reason for electing a full-time member of the Audit Committee is to enhance the effectiveness of audits performed by the Audit Committee by attending important meetings other than the meetings of the Board of Directors and having coordination with the Internal Control Division closely.
3. Eight of Outside Directors (Ms. AKASHI Nobuko, Mr. IKEDA Katsuaki, Dr. CHUBACHI Ryoji, Mr. TAKEUCHI Keisuke, Mr. KAIWA Makoto, Ms. AIHARA Risa, Mr. KAWAMURA Hiroshi and Mr. YAMAMOTO Kenzo) are Independent Directors as stipulated by Tokyo Stock Exchange, Inc.
4. Mr. MASUDA Hiroya, Ms. ONODERA Atsuko, Mr. KAWAMURA Hiroshi and Mr. YAMAMOTO Kenzo were newly elected as Directors at the Ordinary General Meeting of Shareholders held on June 16, 2020, and assumed their positions on the same date.
5. As of the conclusion of the Ordinary General Meeting of Shareholders held on June 16, 2020, Mr. NAKAZATO Ryoichi, Mr. ARITA Tomoyoshi, Ms. NOHARA Sawako and Mr. MACHIDA Tetsu resigned from their positions of Director due to expiration of their term of office.
6. Mr. IKEDA Norito resigned from his position of Outside Director of FANCL CORPORATION on June 20, 2020.
7. Mr. TAKEUCHI Keisuke resigned from his position of Outside Director of Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development on June 29, 2020. Meanwhile, Mr. TAKEUCHI Keisuke assumed his position of Outside Director of Japan Platform of Industrial Transformation, Inc. on December 25, 2020.

Executive Officers

(As of March 31, 2021)

Name	Position and assignment	Significant concurrent positions	Others
IKEDA Norito	President and Representative Executive Officer	Director of JAPAN POST HOLDINGS Co., Ltd.	—
TANAKA Susumu	Representative Executive Vice President (Assistant to the President and matters concerning operations of Corporate Administration Division (excluding operations of Research Department, Financial Accounting Department, Investor Relations Department, Public Relations Department, Customer Satisfaction Department, Cyber Defense Office, IT Strategy Department and General Affairs Department))	Managing Executive Officer of JAPAN POST HOLDINGS Co., Ltd.	—
HAGINO Yoshinori	Executive Vice President (Matters concerning operations of System Division and Cyber Defense Office, IT Strategy Department, Corporate Administration Division)	Director of JAPAN POST INFORMATION TECHNOLOGY Co., Ltd.	—
MURASHIMA Masahiro	Senior Managing Executive Officer (Matters concerning operations of Marketing Division and supervision of operations of directly-operated branches and regional headquarters)	Director of JAPAN POST BANK LOAN CENTER Co., Ltd.	—
YANO Harumi	Senior Managing Executive Officer (Matters concerning Research Department, Corporate Administration Division and Assistant to the Representative Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to Corporate Planning Department (excluding operations related to New Business Planning Office) and ALM Planning Department, Corporate Administration Division))		—
KASAMA Takayuki	Senior Managing Executive Officer (Matters concerning operations of Investment Division)		—
NISHIMORI Masahiro	Managing Executive Officer (Matters concerning operations of Compliance Division)		—
TAMAKI Masato	Managing Executive Officer (Matters concerning operations of Risk Management Division)		—

Executive Officers

(As of March 31, 2021)

Name	Position and assignment	Significant concurrent positions	Others
KOTOUDA Minoru	Managing Executive Officer (Matters concerning operations of Operation Division and matters concerning the missions entrusted by the President and Representative Executive Officer concerning digitalization of counter services and administration processes)		—
YAZAKI Toshiyuki	Managing Executive Officer (Matters concerning operations of Internal Audit Division)		—
TANAKA Takayuki	Managing Executive Officer (Assistant to the Senior Managing Executive Officer in charge of Marketing Division and supervision of operations of directly-operated branches and regional headquarters and matters concerning the missions entrusted by the President and Representative Executive Officer concerning improvement of products and services)		—
SHINMURA Makoto	Managing Executive Officer (Matters concerning operations of Financial Accounting Department, Investor Relations Department and Public Relations Department, Corporate Administration Division and Assistant to the Representative Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to IFRS Planning Office, Corporate Planning Department, Corporate Administration Division))	Director of JAPAN POST BANK LOAN CENTER Co., Ltd.	—
SAKURAI Shigeyuki	Managing Executive Officer (Assistant to the Representative Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to Human Resources Department, Corporate Administration Division))	Director of JAPAN POST STAFF Co., Ltd.	—
FUKUOKA Nobuhiro	Managing Executive Officer (Matters concerning operations of Customer Satisfaction Department and General Affairs Department, Corporate Administration Division)		—

Executive Officers

(As of March 31, 2021)

Name	Position and assignment	Significant concurrent positions	Others
MAKINO Yoko	Executive Officer (Assistant to the Representative Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to Diversity and Inclusion Department, Corporate Administration Division))		—
AMAHA Kunihiko	Executive Officer (Assistant to the Senior Managing Executive Officer in charge of Research Department, Corporate Administration Division)		—
OGATA Satoru	Executive Officer (Assistant to the Executive Vice President in charge of System Division and Cyber Defense Office, IT Strategy Department, Corporate Administration Division)		—
ONO Toshiharu	Executive Officer (Assistant to the Managing Executive Officer in charge of Internal Audit Division)	Audit & Supervisory Board Member of JAPAN POST BANK LOAN CENTER Co., Ltd.	—
NAGURA Shinobu	Executive Officer (Matters concerning the missions entrusted by the President and Representative Executive Officer including Task Force for Promoting Digitization and assistant to the Representative Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to New Business Planning Office, Corporate Planning Department, Corporate Administration Division))		—
YAMADA Ryotaro	Executive Officer (Assistant to the Managing Executive Officer in charge of Corporate Administration Division (limited to supervision of operations related to Customer Satisfaction Department, Corporate Administration Division))		—
TSUKIOKA Haruchika	Executive Officer (Assistant to the Executive Officer who assists the Executive Vice President in charge of System Division (limited to supervision of operations related to System Development Department 2, System Division))		—

Executive Officers

(As of March 31, 2021)

Name	Position and assignment	Significant concurrent positions	Others
NAKAO Hideki	Executive Officer Assistant to the Senior Managing Executive Officer in charge of Investment Division (limited to supervision of operations related to CIO Office, Investment Division)	Outside Director of Japan Post Investment Corporation	—
KISHI Etsuko	Executive Officer (Assistant to the Managing Executive Officer who assists the Senior Managing Executive Officer in charge of Marketing Division (limited to supervision of operations related to Marketing Department, Marketing Division))		—
IIMURA Koji	Executive Officer (Assistant to the Representative Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to IT Strategy Department, Corporate Administration Division) and Assistant to Executive Officer who assists Executive Vice President in charge of Cyber Defense Office, IT Strategy Department, Corporate Administration Division)		—
TOUMA Masaya	Executive Officer (Assistant to the Managing Executive Officer who assists the Senior Managing Executive Officer in charge of Marketing Division (limited to supervision of operations related to Digital Service Business Department, Marketing Division))		—

Notes:

1. Mr. IKEDA Norito and Mr. TANAKA Susumu concurrently serve as Directors.
2. Mr. KASAMA Takayuki, Mr. IIMURA Koji and Mr. TOUMA Masaya were newly appointed as Executive Officers at the first meeting of the Board of Directors convened after the conclusion of the Ordinary General Meeting of Shareholders held on June 16, 2020. Mr. KASAMA Takayuki assumed his position on the same date, and Mr. IIMURA Koji and Mr. TOUMA Masaya assumed their positions on July 1, 2020.
3. At the first meeting of the Board of Directors convened after the conclusion of the Ordinary General Meeting of Shareholders held on June 16, 2020, Titled Executive Officers were elected as follows.

Name	Position (before the change)	Position (after the change)	Date of the change
KASAMA Takayuki	(Newly elected)	Senior Managing Executive Officer	June 16, 2020
SHINMURA Makoto	Executive Officer	Managing Executive Officer	June 16, 2020
SAKURAI Shigeyuki	Executive Officer	Managing Executive Officer	June 16, 2020
FUKUOKA Nobuhiro	Executive Officer	Managing Executive Officer	June 16, 2020

4. As of the conclusion of the first meeting of the Board of Directors convened after the conclusion of the Ordinary General Meeting of Shareholders held on June 16, 2020, Mr. TAHARA Kunio, Mr. SHISHIMI Hiroichi and Ms. ONODERA Atsuko resigned from their positions of Executive Officers due to the expiration of their terms of office.
5. Mr. IKEDA Norito resigned from his position of Outside Director of FANCL CORPORATION on June 20, 2020.

(2) Compensation, etc., for Directors and Executive Officers

(Millions of yen)

Category	Number of persons compensated	Compensation, etc.	Base compensation	Performance-linked stock compensation	Retirement benefit	Others
Directors	13 persons	91	91	-	-	0
Executive Officers	28 persons	722	617	90	11	2
Total	41 persons	814	709	90	11	2

Notes:

1. The figures for compensation, etc. are rounded down.
2. If a person holds concurrent positions as Director and Executive Officer, we do not pay compensation for services as Director to such person.
3. Number of Directors compensated excludes one Director without pay.
4. Performance-linked stock compensation above represents the amount accounted for as expense during the fiscal year ended March 31, 2021.
5. Although the retirement benefits program to Executive Officers was abolished in June 2013, retirement benefits will be paid upon retirement to Executive Officers who remain in their positions since then, for their term of service up to the day of abolishment of the program.

[Matters Concerning Performance-linked Compensation]

(Overview of the performance-linked stock compensation system)

With regard to the performance-linked stock compensation system, please refer to “IV. Matters Concerning Shares.”

(Indicators concerning the performance-linked compensation system, reasons that the indicators were chosen, and the method for determining the amounts of the performance-linked compensation)

The indicators related to business results are set from multiple different categories in order to make a comprehensive judgment on the level of achievement of the management plan. These indicators are “net income,” “expansion of sales of assets under management as well as of fees and commissions” and “increased sophistication of asset and risk management,” as they are appropriate for our business format and content.

With regard to the method for determining the amounts of the performance-linked compensation for Executive Officers, please refer to “Policy for Determining Amount or Calculation Method of Compensation, etc. for Directors and Executive Officers - 3 Compensation for executive officers” below.

(Goals and actual performances for the fiscal year ended March 31, 2021 by indicators related to performance-linked compensation)

Indicator	Goal	Actual performance
Net income	Net income attributable to owners of parent: ¥280.0 billion	Net income attributable to owners of parent: ¥280.1 billion
Expansion of sales of assets under management as well as of fees and commissions	1) Balance of asset management products: +¥321.5 billion 2) Net fees and commissions: +¥130.5 billion	1) Balance of asset management products: ¥(2.9) billion 2) Net fees and commissions: +¥127.9 billion
Increased sophistication of asset and risk management	1) Evaluation of management performance 2) Expansion of risk assets and strategic investment areas	1) Total gains (losses) were improved under risk-controlled portfolio management, which includes limited risk taking during the market recovery phase (securing investment opportunities when markets were undervalued), and postponing hedging stocks. 2) Risk assets and strategic investment areas expanded under appropriate risk management. Balance of risk assets: ¥91.1 trillion (including ¥4.3 trillion in strategic investment areas) Reference: Previous fiscal year - Balance of risk assets: ¥84.9 trillion (including ¥3.3 trillion in strategic investment areas)

[Reason why the Compensation Committee judged that the details of individual compensation for Directors and Executive Officers for the fiscal year ended March 31, 2021 were in accordance with the policy]

In accordance with the “Policy for Determining Amount or Calculation Method of Compensation, etc. for Directors and Executive Officers” below, the Bank’s Compensation Committee considers various aspects such as the appropriateness of the level of compensation according to duties and job positions of Directors and Executive Officers and determines the “compensation standard for directors and executive officers” which stipulates basic salary according to their job positions, and the “rules regarding management board benefit” which stipulates performance-linked stock compensation for Executive Officers.

Based on these standard and rules, the Compensation Committee determines points related to basic salary and stock compensation to be granted to individuals, and the Compensation Committee has judged that the detail of individual compensation is in accordance with the policy.

- Policy for Determining Amount or Calculation Method of Compensation, etc. for Directors and Executive Officers

In regard to compensation for directors and executive officers of Japan Post Bank, the Compensation Committee has prescribed the policy for determining the details of individual compensation for directors and executive officers as follows, and it determines the amount of compensation in accordance with this policy.

1 Compensation system

- (1) When serving concurrently as a director and executive officer, compensation shall be paid for the position of executive officer.

- (2) Compensation that directors of the Bank receive shall be paid in the form of a fixed amount of compensation corresponding to duties, in light of the scope and scale of responsibility relating to management, and the like.
- (3) Compensation that executive officers of the Bank receive shall be paid in the form of a base salary (a fixed amount of compensation) and performance-linked stock compensation, and shall function as a sound incentive for sustainable growth.

2 Compensation for directors

Compensation for directors shall be paid as a certain level of a fixed amount of compensation corresponding to duties, in light of the main role of supervision of management, and the level shall be an appropriate one that takes into account the scale of duties as a director and the current situation of the Bank.

3 Compensation for executive officers

Compensation for executive officers shall be paid in the form of a certain level of base salary (a fixed amount of compensation), in light of differences in responsibility that varies according to the job position, and performance-linked stock compensation that reflects the state of achievement of management targets, and the like.

The level of base salary shall be an appropriate one that takes into account the scale of duties of the executive officer and the current situation of the Bank.

In regard to stock compensation, based on the viewpoint of a sound incentive for sustainable growth, points that are calculated by multiplying the sum of basic points corresponding to separately prescribed duties and evaluation points based on individual evaluation by a coefficient that varies according to the state of achievement of management targets shall be granted every year, and shares corresponding to the points accumulated at the time of retirement from office shall be provided. However, a certain percentage of this shall be paid in the form of money obtained by converting the shares into cash.

In the case of a person who is an executive officer in charge of an area that requires special knowledge and skills and, based on the compensation corresponding to his/her duties, would receive a significantly lower level of compensation than what an officer in charge of such an area would generally receive at other companies, it shall be permitted to adopt a base salary that refers to the level of compensation at other companies instead of compensation corresponding to duties.

(3) Liability Limitation Agreement

Name	Overview of the contracts for limitation of liability
MASUDA Hiroya	<p>The overview of contracts for limitation of liability entered into with Directors (excluding Directors with executive functions) in accordance with provisions of Article 427, Paragraph 1 of the Companies Act and Articles of Incorporation, are as follows.</p> <p>For liabilities provided for in Article 423, Paragraph 1 of the Companies Act, when the Directors (excluding Directors with executive functions) performed their duties in good faith and without gross negligence, they shall be liable to the minimum liability amount prescribed under Article 425, Paragraph 1 of the Companies Act.</p>
ONODERA Atsuko	
AKASHI Nobuko	
IKEDA Katsuaki	
CHUBACHI Ryoji	
TAKEUCHI Keisuke	
KAIWA Makoto	
AIHARA Risa	
KAWAMURA Hiroshi	
YAMAMOTO Kenzo	

(4) Indemnity Agreement

1) Indemnity agreement with Directors and Executive Officers in office

Not applicable.

2) Matters concerning execution of indemnity agreement
Not applicable.

(5) Matters Concerning the Directors and Officers Liability Insurance (D&O Insurance) Agreement

Scope of the insured	Overview of details of D&O insurance agreement
Directors	This agreement is to compensate for damages and litigation expenses incurred by the insured due to a claim for damages caused by the insured's acts (including omission) in the course of business as Director or Executive Officer. However, measures are taken so as not to impair the appropriateness of execution of duties by Directors and Executive Officers, by excluding criminal acts such as bribery and damages to officers who intentionally commit illegal acts from the coverage. All insurance premiums will be borne by the Bank.
Executive Officers	

III. Matters Concerning Outside Directors

(1) Concurrent Positions and Other Details on Outside Directors

Name	Concurrent positions and other details
AKASHI Nobuko	Board Chairman of a non-profit organization, Japan Manners & Protocol Association Representative Director of Brighton Y.K. Outside Director of YOSHINOYA HOLDINGS CO., LTD. Member of the Board of Governors of Japan Broadcasting Corporation
TAKEUCHI Keisuke	Outside Director of BROTHER INDUSTRIES, LTD. Outside Director of Japan Platform of Industrial Transformation, Inc.
KAIWA Makoto	Representative Director & Chairman of the Board of Tohoku Electric Power Co., Inc. Chairman of TOHOKU ECONOMIC FEDERATION
AIHARA Risa	Representative Director and President of Ai-LAND Co., Ltd.
KAWAMURA Hiroshi	Professor, Faculty of Law of Doshisha University Outside Director of ISHII IRON WORKS CO., LTD.
YAMAMOTO Kenzo	Representative of Office KY Initiative Member of the Board as Outside Director of Bridgestone Corporation Outside Director of SUMITOMO LIFE INSURANCE COMPANY

Note: Japan Post Bank has invested in Japan Platform of Industrial Transformation, Inc. Apart from this, there are no significant relationships to be stated between Japan Post Bank and the other concerned parties above.

(2) Main Activities of Outside Directors

Name	Term of office	Attendance at meetings of the Board of Directors	Remarks made at meetings of the Board of Directors and other activities
AKASHI Nobuko	5 years, 9 months	<p>Attended 13 out of 13 meetings of the Board of Directors held during the fiscal year ended March 31, 2021 (100%)</p> <p>Attended 14 out of 14 meetings of the Audit Committee held during the fiscal year ended March 31, 2021, after her appointment (100%)</p>	<p>She actively provided recommendations on formulating the Medium-Term Management Plan, improving services, promoting diversity and others by utilizing her abundant experience and professional knowledge she gained through her career including as board chairman of a non-profit organization and an expert member of government meetings. She also served as a member of the Audit Committee and contributed to deepening discussions by expressing objective opinions at the Service Improvement Committee.</p>
IKEDA Katsuaki	5 years, 7 months	<p>Attended 13 out of 13 meetings of the Board of Directors held during the fiscal year ended March 31, 2021 (100%)</p> <p>Attended 18 out of 18 meetings of the Audit Committee held during the fiscal year ended March 31, 2021 (100%)</p> <p>Attended 4 out of 4 meetings of the Compensation Committee held during the fiscal year ended March 31, 2021 (100%)</p>	<p>He actively provided recommendations on formulating the Medium-Term Management Plan, risk management in asset management and others by utilizing his abundant experience and insight as well as professional knowledge on finance and accounting he gained as a manager of financial organizations. He also led the Audit Committee as its Chairman to enhance the internal control system of Japan Post Bank, while also contributing to vigorous discussions by actively expressing opinions as a member of the Compensation Committee.</p>

Name	Term of office	Attendance at meetings of the Board of Directors	Remarks made at meetings of the Board of Directors and other activities
CHUBACHI Ryoji	2 years, 9 months	<p>Attended 13 out of 13 meetings of the Board of Directors held during the fiscal year ended March 31, 2021 (100%)</p> <p>Attended 2 out of 2 meetings of the Nomination Committee held during the fiscal year ended March 31, 2021 (100%)</p> <p>Attended 4 out of 4 meetings of the Compensation Committee held during the fiscal year ended March 31, 2021 (100%)</p>	<p>He actively provided recommendations on formulating the Medium-Term Management Plan, strengthening governance and others by utilizing his abundant experience and insight he gained as a corporate manager for a long time. He also led the Compensation Committee as its Chairman through the appropriate process of considering and determining compensation for Directors and Executive Officers, while also contributing to vigorous discussions by actively expressing opinions as a member of the Nomination Committee.</p>
TAKEUCHI Keisuke	1 year, 9 months	<p>Attended 13 out of 13 meetings of the Board of Directors held during the fiscal year ended March 31, 2021 (100%)</p> <p>Attended 1 out of 1 meeting of the Nomination Committee held during the fiscal year ended March 31, 2021, after his appointment (100%)</p> <p>Attended 4 out of 4 meetings of the Compensation Committee held during the fiscal year ended March 31, 2021 (100%)</p>	<p>He actively provided recommendations on formulating the Medium-Term Management Plan, reviewing of business strategies and others by utilizing his abundant experience and insight he gained as a corporate manager for a long time. He also contributed to improving management transparency by actively expressing opinions as a member of the Nomination Committee and the Compensation Committee.</p>
KAIWA Makoto	1 year, 9 months	<p>Attended 13 out of 13 meetings of the Board of Directors held during the fiscal year ended March 31, 2021 (100%)</p> <p>Attended 2 out of 2 meetings of the Nomination Committee held during the fiscal year ended March 31, 2021 (100%)</p>	<p>He actively provided recommendations on formulating the Medium-Term Management Plan, promoting ESG management and others by utilizing his abundant experience and insight he gained as a corporate manager for a long time. He also led the Nomination Committee as its Chairman through the process of considering and determining appointment of Directors, while also contributing to improving management transparency.</p>

Name	Term of office	Attendance at meetings of the Board of Directors	Remarks made at meetings of the Board of Directors and other activities
AIHARA Risa	1 year, 9 months	Attended 13 out of 13 meetings of the Board of Directors held during the fiscal year ended March 31, 2021 (100%)	She actively provided recommendations on formulating the Medium-Term Management Plan, digital service strategies and others by utilizing her abundant experience and professional knowledge with deep insight into areas including Internet marketing. She also contributed to deepening discussions by expressing objective opinions at the Service Improvement Committee.
KAWAMURA Hiroshi	9 months	Attended 11 out of 11 meetings of the Board of Directors held during the fiscal year ended March 31, 2021, after his appointment (100%) Attended 14 out of 14 meetings of the Audit Committee held during the fiscal year ended March 31, 2021, after his appointment (100%)	He actively provided recommendations on formulating the Medium-Term Management Plan, enhancing compliance system and others by utilizing his abundant experience and professional knowledge as a long-serving legal professional. He also contributed to vigorous discussions by actively expressing opinions as a member of the Audit Committee.
YAMAMOTO Kenzo	9 months	Attended 10 out of 11 meetings of the Board of Directors held during the fiscal year ended March 31, 2021, after his appointment (90%) Attended 14 out of 14 meetings of the Audit Committee held during the fiscal year ended March 31, 2021, after his appointment (100%)	He actively provided recommendations on addressing issues over bank management, such as formulating the Medium-Term Management Plan and deepening of risk management, by utilizing his abundant experience and professional knowledge with deep insight into the financial market and financial system. He also contributed to vigorous discussions by actively expressing opinions as a member of the Audit Committee.

(3) Compensation, etc. for Outside Directors

(Millions of yen)

	Number of persons compensated	Compensation, etc. from Japan Post Bank	Compensations, etc. from the parent company, etc. of Japan Post Bank
Total amount of compensation, etc.	11 persons	63	—

Note: The figures for compensation, etc. are rounded down.

(4) Opinions of Outside Directors

Not applicable.

IV. Matters Concerning Shares

(1) Number of Shares

Total number of authorized shares 18,000,000 thousand shares

Total number of outstanding shares 3,749,475 thousand shares

(excluding 750,524 thousand shares of treasury stock)

Note: The treasury stock does not include the Bank's shares held by the stock benefit trust (721 thousand shares).

(2) Total Number of Shareholders as of March 31, 2021: 427,764

(3) Major Shareholders

Name of shareholder	Number of shares held and percentage of shares held	
	Number of shares held, etc.	Percentage of shares held
JAPAN POST HOLDINGS Co., Ltd.	3,337,032 thousand shares	88.99%
The Master Trust Bank of Japan, Ltd. (Trust Account)	33,237 thousand shares	0.88%
Custody Bank of Japan, Ltd. (Trust Account)	11,792 thousand shares	0.31%
STATE STREET BANK WEST CLIENT-TREATY 505234	11,371 thousand shares	0.30%
Japan Post Bank Employee Shareholding Association	10,413 thousand shares	0.27%
Custody Bank of Japan, Ltd. (Trust Account 5)	8,571 thousand shares	0.22%
Custody Bank of Japan, Ltd. (Trust Account 6)	7,595 thousand shares	0.20%
STATE STREET BANK AND TRUST COMPANY 505103	6,848 thousand shares	0.18%
Custody Bank of Japan, Ltd. (Trust Account 1)	6,797 thousand shares	0.18%
THE BANK OF NEW YORK MELLON 140044	5,683 thousand shares	0.15%

Notes:

1. The number of shares held, etc. is rounded down.
2. The Bank holds 750,524 thousand shares (the percentage of shares held is 16.67%) of treasury stock, which are not included in the above list of major shareholders. The treasury stock does not include the Bank's shares held by the stock benefit trust (721 thousand shares).
3. The percentage of shares held is calculated excluding treasury stock (750,524 thousand shares) and is rounded down to the second decimal place.

(4) Shares Granted to Directors and Executive Officers

	Number of officers to whom shares were granted	Number of shares
Directors (excluding Outside Directors) and Executive Officers	3 persons	53,900 shares
Outside Directors	—	—

(5) Other Significant Matters Concerning Shares

- Performance-Linked Stock Compensation System for Executive Officers

Japan Post Bank introduced a performance-linked stock compensation system using a trust for its Executive Officers. The objectives of the system are to further enhance the awareness of the Executive Officers of Japan Post Bank regarding the importance of contributing to sustainable growth and enhancing the Bank's corporate value over the medium and long terms, by clarifying the link between the Executive Officers' compensation and the share value of the Bank.

- Stock Ownership Plan for Management Employees

Japan Post Bank introduced an employee stock ownership plan using a trust for management employees. It is intended for management employees in the Investment Division, particularly those utilizing sophisticated, expert knowledge to execute their business duties. The objective of the plan is to motivate the management employees to contribute further to the enhancement of Japan Post Bank's earnings performance and corporate value over the medium and long terms.

V. Matters Concerning Stock Acquisition Rights, etc. of Japan Post Bank

(1) Stock Acquisition Rights, etc., of Japan Post Bank Held by Directors and Executive Officers as of March 31, 2021

Not applicable.

(2) Stock Acquisition Rights, etc., of Japan Post Bank Granted to Employees, etc., during the Fiscal Year Ended March 31, 2021

Not applicable.

VI. Matters Concerning Independent Auditor

(1) Independent Auditor

(Millions of yen)

Name	Compensation, etc., for the fiscal year ended March 31, 2021	Others
KPMG AZSA LLC MAENO Atsuji Designated Limited Liability Partner KANNO Masako Designated Limited Liability Partner OKADA Hideki Designated Limited Liability Partner	196	1) The Audit Committee gave consent to the amount of compensation, etc. for the Independent Auditor as provided in Article 399, Paragraph 1 of the Companies Act, considering the appropriateness of estimates for audit hours and compensation for the fiscal year ended March 31, 2021, after checking the content of the Independent Auditor's audit plan as well as the audit plan and actual audit performance for the previous fiscal year. 2) Japan Post Bank paid consideration to the Independent Auditor for consignment, etc., of capital adequacy assessment process based on procedures agreed on by Japan Post Bank and Independent Auditor, which are not included among the services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act.

Notes:

1. The figure is rounded down.
2. The audit contract between Japan Post Bank and the Independent Auditor does not separate the compensation for the audit pursuant to the Companies Act from the compensation for the audit in accordance with Financial Instruments and Exchange Act. Moreover, it is practically impossible to separate the two. Accordingly, the above amount is total of such compensation.
3. The total amount of monetary and other property benefits that are to be paid by Japan Post Bank and its subsidiary corporations or entities is ¥225 million.

(2) Liability Limitation Agreement

Not applicable.

(3) Indemnity Agreement

1) Indemnity agreement with the independent auditor in office

Not applicable.

2) Matters concerning execution of indemnity agreement

Not applicable.

(4) Other Matters Concerning Independent Auditor

1) Policy for Decision on Dismissal or Non-Reappointment of Independent Auditor

The Audit Committee has a policy to dismiss the Independent Auditor when it has judged that the Independent Auditor falls under each Item of Article 340, Paragraph 1 of the Companies Act.

In addition, the Audit Committee has a policy to determine the content of a proposal to be submitted to the General Meeting of Shareholders concerning the dismissal or non-reappointment of Independent Auditor when it is judged necessary upon comprehensive review of the status, etc., on the execution of duties of the Independent Auditor.

2) In the Case of a Large Company as Stipulated in Article 444, Paragraph 3 of the Companies Act, and Where an Audit (Limited to Those under the Provisions of the Companies Act or the Financial Instruments and Exchange Act, or Equivalent Laws in Foreign Jurisdictions) of Financial Statements (And Their Equivalents) of Important Subsidiary Corporations or Entities of a Bank is Conducted by the Audit Firm (Including a Body with an Equivalent Qualification in a Foreign Jurisdiction), or an Audit is Conducted by a Certified Public Accountant (Including a Foreign Certified Public Accountant as Provided in Article 16-2 Paragraph 5 of the Certified Public Accountants Act) Other than the Independent Auditor of the Bank, Details Thereof:

Not applicable.

VII. Basic Policy Concerning Persons Who Control the Decisions on Financial and Business Policies

Not applicable.

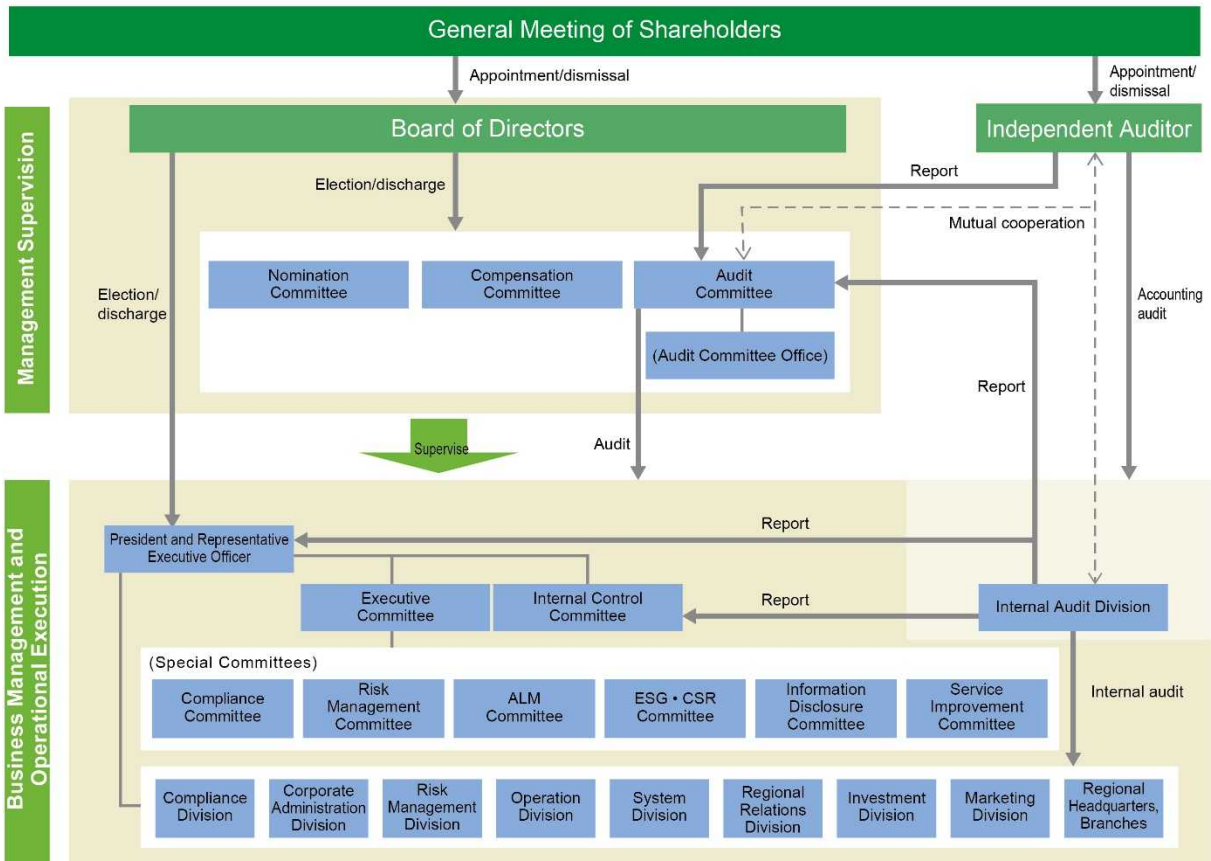
VIII. Systems to Ensure the Appropriate Conduct of Operations

[Basic Stance on Corporate Governance]

With a view to its sustainable growth along with improvement of its corporate value over the medium and long terms, Japan Post Bank establishes its corporate governance system based on the following stance.

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

Corporate Governance System (Outline)



[Establishment of Systems to Ensure the Appropriate Conduct of Operations]

With regard to system to ensure the appropriate conduct of operations subject to a resolution of the Board of Directors of a corporation adopting a committee system such as the Nomination Committee in accordance with Article 416, Paragraph 1, Item 1 (b) and (e) of the Companies Act and Article 112, Paragraph 1 and 2 of the Ordinance for the Enforcement of the Companies Act, Japan Post Bank has established by a resolution of the Board of Directors “Basic Policies for the Internal Control System.”

The details for the fiscal year ended March 31, 2021 are as follows.

(1) System for Ensuring That the Execution of Duties by Executive Officers and Employees Complies with Laws and Regulations and Our Articles of Incorporation

We are required to do the following:

- a. Establish basic policies regarding the management, such as our management philosophy and management plans, to ensure that our Executive Officers and employees are thoroughly informed of and will comply with laws and regulations in all areas of our business activities. Furthermore, we must establish rules regarding compliance and maintain a compliance framework.
- b. Periodically hold meetings of the Internal Control Committee, comprised of Executive Officers appointed by the President and Representative Executive Officer, to discuss the most important matters relating to internal controls, such as compliance with laws and regulations.
- c. Promote compliance through means such as establishing a department that manages compliance, formulating compliance programs each year as specific plans for ensuring compliance and periodically reviewing developments of such programs, and establish a committee for compliance to discuss specific practices and address various issues regarding compliance and to report the results to the Internal Control Committee, the Executive Committee and Audit Committee.
- d. Ensure compliance through (i) formulating a compliance manual which states specific guidelines of the matters with which Executive Officers and employees must comply and the explanations for laws and regulations relating to our corporate activities and (ii) conducting training regarding laws and regulations as well as internal rules with which Executive Officers and employees must comply.
- e. Take measures necessary to guide and manage Japan Post Co., which is our authorized agent, in order to ensure that its compliance system and operational management are sound, through means such as (a) establishing liaison conferences with Japan Post Co., comprised of officers such as the President and Representative Executive Officer, to discuss matters relating to strengthening and enhancing the internal control system with respect to compliance, (b) providing operational instructions and conducting training to promote compliance and (c) monitoring the operations of Japan Post Co.
- f. With respect to anti-social forces that pose a threat to the social order and sound corporate activities, (a) establish our corporate policy on the relationship with them through “rules regarding anti-social forces” and other internal rules and manuals and (b) avoid involvement at all times with illegal and anti-social activities through close cooperation with external specialists, such as the police, to cut any ties and prevent any interaction with any anti-social forces.
- g. Mindful that there exists the possibility that the products and services that we provide could be used fraudulently, we have stipulated our policies and regulations and have in place systems to guard against money laundering and the financing of terrorism.
- h. Formulate rules regarding internal control over financial reporting and maintain a framework for valuation and reporting of internal controls over financial reporting, to ensure the appropriateness of the documents regarding our financial, accounting and other information.
- i. Create a whistle-blowing rule for reporting violations or suspected violations of laws and regulations or internal rules, establish contact offices for whistle-blowing, inside and outside the company, and ensure that our Executive Officers and employees are thoroughly informed of it.
- j. To ensure thorough customer-oriented business operations, we have in place systems to provide high-quality, customer-oriented financial services through, for example, the establishment of basic

policies, the formulation of promotion plans, and the conducting of training for executives and employees.

- k. Establish our internal audit system by formulating rules regarding internal audits and others. Further, an Internal Audit Division, which is independent from the divisions that it audits, conducts effective internal audit regarding the appropriateness of general corporate activities including compliance with laws and regulations and reports the status of internal audit and the internal audit system to the Internal Control Committee, the Executive Committee and Audit Committee.

(2) System for Storing and Managing Information Relating to the Execution of the Duties of Our Executive Officers

We establish rules relating to document management that clarify the system and methods for storing and managing information relating to the execution of the duties of Executive Officers, such as minutes of the Executive Committee and circulated draft approvals. In addition, we allow the Audit Committee and Internal Audit Division to inspect or copy requested documents.

(3) Rules and System Related to the Risk Management of Losses

- a. We manage risks by establishing risk management rules and by creating a risk management system.
- b. We establish a department to supervise risk management and to understand, analyze and manage risks, as well as to review and revise our corrective actions and risk-handling methods. We also establish a Risk Management Committee, whose role is to discuss our operational and organizational risk management system and procedures and to report any important issues to the Executive Committee and Audit Committee.
- c. We establish a crisis management system and countermeasures against crises, including internal rules for crisis management, so that we can take quick and appropriate action and corrective measures in the event that a risk that could seriously impact our business is actualized.

(4) System for Ensuring That the Duties of Executive Officers are Executed Effectively

- a. We establish an Executive Committee, comprised of Executive Officers appointed by the President and Representative Executive Officer, that meets regularly and discusses matters to be resolved by the Board of Directors, matters to be resolved by the President and Representative Executive Officer or other matters deemed necessary by the President and Representative Executive Officer. Also, if necessary, a specialized subcommittee is established to act as an advisory body to the Executive Committee.
- b. By establishing rules relating to organizational structure and professional duties, we clarify the division of duties, administrative authority and responsibilities of Executive Officers in order to increase the efficiency of the execution of their duties.

(5) System for Ensuring Appropriate Operations among the Japan Post Group

- a. We have entered into the Japan Post Group agreement with Japan Post Holdings, Japan Post Co. and Japan Post Insurance, as well as the contract concerning the operation of the Japan Post Group and the memorandum of understanding on rules concerning the operation of the Japan Post Group with Japan Post Holdings, thereby we discuss in advance and report any matters necessary for appropriate and smooth operations.
- b. We establish rules that govern the management of our subsidiaries, and create a system for correctly managing the business operations.
- c. We establish internal rules that govern intragroup transactions, and engage in these transactions appropriately.

- (6) Matters Regarding Employees that Support the Duties of the Audit Committee
We establish an Audit Committee Office, which supports the Audit Committee in performing its duties, and is staffed with employees with the requisite knowledge and skills to provide such support.
- (7) Matters Regarding the Independence of Employees that Support the Duties of the Audit Committee from Our Executive Officers
The hiring, transferring, evaluating and disciplining of employees of the Audit Committee Office must first be approved by the Audit Committee or its member(s) appointed by the Audit Committee.
- (8) Matters Regarding the Ensuring of Effective Instructions to the Employees that Support the Duties of the Audit Committee
When an employee of the Audit Committee Office is supporting the duties of the Audit Committee, he or she must work only at the direction or order of the Audit Committee.
- (9) System of Reporting to the Audit Committee
- Our Executive Officers report to the Audit Committee, on a regular basis, the status of the execution of our Executive Officers' duties.
 - Directors (excluding Directors who concurrently serve as the member of the Audit Committee), Executive Officers and employees must promptly report to the members of the Audit Committee any important matters that could have a material impact on the management of our business.
 - At the request of the Audit Committee, Executive Officers and employees, along with the Directors, Corporate Auditors and employees of subsidiaries, must report to it the status of the execution of their duties.
 - Anyone who reports to the Audit Committee cannot be treated unfavorably because of such reporting.
- (10) Matters Regarding the Procedures Relating to the Pre-payment and Compensation of Costs that Arise during the Execution of the Audit Committee's Duties and Policies Related to Settlement of Other Costs and Liabilities that Arise during the Execution of these Duties
If a member of the Audit Committee requests payment for costs necessary to execute his or her duties, then such request cannot be denied unless it is found that such cost was not necessary.
- (11) Other Steps to Ensure That the Audit Committee's Audit is Performed Effectively
- The President and Representative Executive Officer makes an effort to deepen mutual understanding between him or her and the Audit Committee, by having regular informational sessions with the committee about matters important to management, such as basic management policies, issues to be addressed, the status of functions of the internal control system and other matters.
 - In formulating its internal audit plans, the Internal Audit Division obtains both the consent of the Audit Committee and the approval of the President and Representative Executive Officer. Regularly reporting the status and results of internal audits to the Audit Committee, the Internal Audit Division also promptly reports to the members of the Audit Committee any important matters that could have a material impact on the management of our business.
 - Changes to the Executive Officer in charge of the Internal Audit Division and the head of the Internal Audit Planning Department shall be made upon obtaining the consent of the Audit Committee or an Audit Committee member selected by the Audit Committee.
 - The Audit Committee receives an explanation from the independent auditor in advance of the financial audit plan and regularly receives status updates of the financial audits, as well as communicates with the independent auditor as necessary, so that they are aware of all important

issues regarding financial audit at all times.

- e. When performing its duties, the Audit Committee strives to coordinate with the audit committee of Japan Post Holdings, such as through regularly exchanging opinions and ideas.

[Implementation of Systems to Ensure the Appropriate Conduct of Operations]

(1) System for Ensuring That the Execution of Duties by Executive Officers and Employees Complies with Laws and Regulations and Our Articles of Incorporation

a. Compliance system

Legal compliance is clearly stated in our management philosophy and management plans and basic rules on compliance are stipulated, in order to convey the importance of compliance, including customer protection structure, to employees through messages from the top management on a regular basis, as well as various trainings, etc. We formulate the compliance program each fiscal year while holding the Compliance Committee to verify the progress and discuss tasks on the subject. In addition, the Internal Control Committee discusses the most important matters relating to internal controls, such as compliance with laws and regulations.

In addition, we delegate bank agency services and others to JAPAN POST Co., Ltd., and, in response to the discovery of scandals such as long-term internal crimes involving a large amount of money, we made progress in collaboration with JAPAN POST Co., Ltd. and Japan Post Holdings Co., Ltd. to strengthen the compliance system including recurrence prevention measures.

b. Reporting system for compliance violations, etc.

The duty of reporting along the Compliance Line in case of potential of actual violations of compliance is stipulated, as well as the accessibility of the whistle-blowing contact offices for such reporting, and we thoroughly convey the use of the contact offices through trainings and other measures.

c. System for responding to harassment

We have established a Harassment Investigation Committee chaired by an external attorney-at-law to deal with harassment cases in an objective, impartial and fair manner.

d. Measures for combating money laundering and the financing of terrorism

We have established policies and rules while taking into account the possibility that the products and services we provide will be used in money laundering and the financing of terrorism, and work to strengthen the management system by identifying and assessing the risks, reviewing the products and services, and strengthening customer management.

e. Responses to anti-social forces

With respect to anti-social forces, we regularly discuss among concerned departments and collaborate with external specialists, to cut any ties and prevent any interaction with any anti-social forces.

f. Customer-oriented business operations

In order to further instill customer-oriented management philosophy, we continue our efforts for the improvement of our products and services and reform of organizational culture through the Service Improvement Committee, etc.

In addition, in response to the cases of unauthorized use of cashless settlement services, based on the opinions at the Board of Directors, we have developed a system for managing complaints/consultations centrally from customers and taking responsibility from their reception to solution, in order to strengthen the comprehensive complaints/consultation response system.

(2) System for Storing and Managing Information Relating to the Execution of the Duties of Our Executive Officers

We established Documentation Management Rules, etc. to clarify the system and methods for the safekeeping, storing and management of documents, while verifying more than once a year the status of management of such documents.

(3) Rules and System Related to the Risk Management of Losses

We formulate Policies for Handling Risk Management each fiscal year, under which important matters related to risk management are discussed or reported at the Risk Management Committee, etc.

We have the independent Risk Management Division which establishes a system to examine the appropriateness of management plans, etc., from the standpoint of management sustainability. We are committed to further enhancing our risk governance system and to establish a risk appetite framework to achieve both stable profits and financial soundness through appropriate risk taking and risk control.

Furthermore, we formulate and implement an action plan to bolster our system for responding to cyber attacks and carry out cyber incident exercises.

In response to the cases of unauthorized use of cashless settlement services, based on the opinions at the Board of Directors, we have clarified the examination criteria when introducing new products and services and established a new meeting body that discusses new products and services in order to strengthen the security verification system. We have also developed a system for continuous risk assessment and management system and the system responding to occurrence of unauthorized use, etc.

While we review the Crisis Management Rules and Business Continuity Plan (BCP) as needed, we organize a training at least once a year in accordance with the Crisis Management Rules and Business Continuity Plan (BCP). In addition, in response to the spread of COVID-19, we hold the Crisis Management Committee as needed, and make efforts to prevent the spread of the infection to customers and employees and to ensure business continuity.

(4) System for Ensuring That the Duties of Executive Officers are Executed Effectively

We discuss issues such as matters to be resolved by the Board of Directors and scope of authority of the President and Representative Executive Officer at the Executive Committee held weekly, while organizing various specialized subcommittees as advisory bodies to the Executive Committee.

Rules relating to professional duties stipulate that Executive Officers shall supervise the execution of operation of which they are in charge, in accordance with the division of duties. Resolutions of the Board of Directors are required for any changes to the division of duties of Executive Officers that clarifies the responsibilities of Executive Officers.

(5) System for Ensuring Appropriate Operations among the Japan Post Group

We have entered into the Japan Post Group agreement based on which we discuss in advance and report any matters necessary for appropriate and smooth operations. Meanwhile, for management matters of subsidiaries and affiliates required to be approved by Japan Post Bank under the Rules for Managing the Business of Subsidiaries, including the formulation of business plans, convocation of General Meetings of Shareholders and resolutions for proposals, we give approval based on verification of the appropriateness of such matters.

(6) System for Ensuring That the Audit Committee's Audit is Performed Effectively

The Audit Committee receives monthly reports from Executive Officers on the status of business execution in order to ensure effective implementation of audits, while having regular informational sessions with the President and Representative Executive Officer, the Internal Audit Division and the Independent Auditor, respectively, on the matters such as basic management policies and the status of functions of the internal control system.

In addition, in order to enhance independence and objectivity of the Internal Audit Division, prior approval from the Audit Committee is obtained with regard to the medium-term and annual audit plan and important changes of Executive Officers of the Internal Audit Division.

Furthermore, employees of the Audit Committee Office carry out operations by solely following the instructions from the Audit Committee, and expenses required for the duties for the Committee are duly provided for.

In addition, in response to occurrence of the various cases of unauthorized use of cashless

settlement services, the Audit Committee instructed the Internal Audit Division to perform investigations, and also received reports from Executive Officers. Based on these investigation results, the Audit Committee verified the implementation of governance relating to the unauthorized use cases and reported the verification result to the Board of Directors.

IX Matters Concerning Specified Wholly-Owned Subsidiaries

Not applicable.

X Matters Concerning Transactions with Parent Companies and Others

1) Matters to Avoid Compromising Our Own Interest in Such Transactions

We have concluded agreements, and are conducting transactions with members of Japan Post Group which is comprised of the parent company, Japan Post Holdings, and its subsidiaries and affiliates.

At the time of conclusion and revision of the agreements, we check their purpose and necessity, appropriateness of the transaction terms (in accordance with arm's-length rule set out under the Banking Act).

2) Determination at the Board of Directors Regarding Whether or Not Such Transactions Compromise Our Own Interest and Reasons Thereof

We have set out internal rules that govern intragroup transactions to establish a framework whereby the contracting departments confirm the purpose and necessity of transactions and appropriateness of the transaction terms in advance, which when necessary undergo an examination by Legal Affairs Department, Corporate Planning Department and other departments, and moreover, receive a resolution by the Board of Directors.

The Board of Directors confirmed that the transactions with Japan Post Holdings is duly appropriate based on its confirmation that the Bank's framework for managing intragroup transactions is operating appropriately, as described above.

While we maintain close relationship with Japan Post Holdings including personal and capital relations, we make decisions at our own responsibility, and independently manage and operate our business.

3) Opinions of the Board of Directors If They Differ from Those of Outside Directors

Not applicable.

XI Matters Concerning Accounting Advisors

(1) Liability Limitation Agreement

Not applicable.

(2) Indemnity Agreement

1) Indemnity agreement with accounting advisors in office

Not applicable.

2) Matters concerning execution of indemnity agreement

Not applicable.

XII Others

Where specified in the Articles of Incorporation in accordance with provisions in Article 459, Paragraph 1 of the Companies Act, Japan Post Bank's policies for the exercise of authorities granted to the Board of Directors under the said provisions of the Articles of Incorporation (Policy for Determining Distribution of Surplus, etc.)

Article 39, Paragraph 1 of the Articles of Incorporation of Japan Post Bank stipulates that “Japan Post Bank shall prescribe rules on each Item provided for in Article 459, Paragraph 1 of the Companies Act by resolution of the Board of Directors, unless otherwise stipulated by laws and regulations.”

Providing returns to our shareholders is one of our most important management goals. Our basic dividend policy is to provide stable dividends to shareholders while maintaining sufficient retained earnings for sound operations in light of the public nature of the banking business.

In the Medium-Term Management Plan (for the period from the fiscal year ended March 31, 2019 to the fiscal year ending March 31, 2021), we had the basic policy of aiming to pay a stable per-share dividend ensuring dividends of ¥50 per share through the end of the fiscal year ending March 31, 2021 and considering additional shareholder return, while taking into account developments on regulations, earnings growth and accumulation of retained earnings, etc.

Under our basic dividend policy, we declared dividends per share of ¥50 for the fiscal year ended March 31, 2021 (dividend payout ratio of 66.9%)

Taking into consideration the balance between shareholder returns, financial soundness and growth investments, throughout the term of the Medium-term Management Plan (the fiscal year ended March 31, 2022 through the fiscal year ending March 31, 2026), the basic policy is to maintain a dividend payout ratio of approximately 50%. However, the target dividend payout ratio will be set between 50% and 60% while keeping in mind the stability and sustainability of dividends and we will target increases to dividends per share (DPS) compared to projected dividend levels for the fiscal year ended March 31, 2022.

NON-CONSOLIDATED FINANCIAL STATEMENTS

Non-Consolidated Balance Sheet (As of March 31, 2021)

(Millions of yen)	
Account	Amount
Assets:	
Cash and due from banks	60,768,034
Cash	303,841
Due from banks	60,464,192
Call loans	1,390,000
Receivables under resale agreements	9,721,360
Monetary claims bought	362,212
Trading account securities	13
Trading Japanese government bonds	13
Money held in trust	5,547,574
Securities	138,183,264
Japanese government bonds	50,493,477
Japanese local government bonds	5,493,814
Commercial paper	1,869,535
Japanese corporate bonds	9,145,414
Japanese stocks	13,755
Other securities	71,167,266
Loans	4,691,723
Loans on deeds	4,592,100
Overdrafts	99,623
Foreign exchanges	80,847
Due from foreign banks	80,847
Other assets	2,857,518
Domestic exchange settlement accounts - debit	24,717
Prepaid expenses	3,992
Accrued income	178,038
Initial margins for future transactions	150,929
Variation margins for future transactions	147
Derivatives other than trading	114,058
Cash collateral paid for financial instruments	313,549
Other	2,072,084
Tangible fixed assets	197,940
Buildings	84,074
Land	67,250
Construction in progress	91
Other	46,523
Intangible fixed assets	47,992
Software	29,214
Other	18,777
Reserve for possible loan losses	(935)
Total assets	223,847,547

(Millions of yen)	
Account	Amount
Liabilities:	
Deposits	189,593,469
Transfer deposits	9,150,117
Ordinary deposits	90,808,248
Savings deposits	612,591
Time deposits	4,709,291
Special deposits	738,060
TEIGAKU deposits	83,436,358
Other deposits	138,801
Payables under repurchase agreements	14,886,481
Payables under securities lending transactions	1,504,543
Borrowed money	3,917,500
Borrowings	3,917,500
Foreign exchanges	514
Foreign bills payable	514
Other liabilities	1,535,953
Domestic exchange settlement accounts - credit	37,070
Income taxes payable	45,974
Accrued expenses	242,335
Unearned income	59
Derivatives other than trading	905,395
Asset retirement obligations	143
Other	304,973
Reserve for bonuses	7,408
Reserve for employees' retirement benefits	141,740
Reserve for employee stock ownership plan trust	535
Reserve for management board benefit trust	303
Reserve for reimbursement of deposits	73,830
Deferred tax liabilities	823,134
Total liabilities	212,485,414
Net assets:	
Capital stock	3,500,000
Capital surplus	4,296,285
Legal capital surplus	3,500,000
Other capital surplus	796,285
Retained earnings	2,749,408
Other retained earnings	2,749,408
Retained earnings brought forward	2,749,408
Treasury stock	(1,300,844)
Total shareholders' equity	9,244,849

(Millions of yen)	
Account	Amount
Net unrealized gains (losses) on available-for-sale securities	2,487,770
Net deferred gains (losses) on hedges	(370,486)
Total valuation and translation adjustments	2,117,283
Total net assets	11,362,133
Total liabilities and net assets	223,847,547

Non-Consolidated Statement of Income (For the fiscal year ended March 31, 2021)

(Millions of yen)

Account	Amount
Ordinary income	1,946,224
Interest income	1,198,278
Interest on loans	10,186
Interest and dividends on securities	1,161,897
Interest on call loans	191
Interest on receivables under resale agreements	(3,675)
Interest on receivables under securities borrowing transactions	331
Interest on deposits with banks	28,031
Other interest income	1,315
Fees and commissions	157,376
Fees and commissions on domestic and foreign exchanges	86,754
Other fees and commissions	70,621
Other operating income	293,684
Gains on foreign exchanges	254,666
Gains on sales of bonds	38,503
Income from derivatives other than for trading or hedging	513
Other ordinary income	296,886
Reversal of reserve for possible loan losses	59
Recoveries of written-off claims	24
Gains on sales of stocks and other securities	8,654
Gains on money held in trust	277,072
Other	11,074
Ordinary expenses	1,551,899
Interest expenses	241,154
Interest on deposits	38,323
Interest on payables under repurchase agreements	13,368
Interest on payables under securities lending transactions	6,908
Interest on commercial paper	250
Interest on borrowings	1,000
Interest on interest rate swaps	180,581
Other interest expenses	721
Fees and commissions	29,433
Fees and commissions on domestic and foreign exchanges	5,096
Other fees and commissions	24,336
Other operating expenses	64,484
Losses on sales of bonds	64,484
General and administrative expenses	1,008,089
Other ordinary expenses	208,738
Losses on sales of stocks and other securities	197,135
Losses on money held in trust	4,323
Other	7,279
Net ordinary income	394,325

(Millions of yen)	
Account	Amount
Extraordinary loss	1,564
Losses on sales and disposals of fixed assets	557
Losses on impairment of fixed assets	1,006
Income before income taxes	392,760
Income taxes: Current	124,123
Income taxes: Deferred	(11,200)
Total income taxes	112,923
Net income	279,837

Non-Consolidated Statement of Changes in Net Assets (For the fiscal year ended March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings
					Retained earnings brought forward
Balance at the beginning of the fiscal year	3,500,000	3,500,000	796,285	4,296,285	2,563,307
Changes during the fiscal year					
Cash dividends					(93,736)
Net income					279,837
Repurchase of treasury stock					
Disposal of treasury stock					
Net changes in items other than shareholders' equity					
Total changes during the fiscal year	—	—	—	—	186,100
Balance at the end of the fiscal year	3,500,000	3,500,000	796,285	4,296,285	2,749,408

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	(1,300,881)	9,058,711	256,880	(327,940)	(71,060)	8,987,651
Changes during the fiscal year						
Cash dividends		(93,736)				(93,736)
Net income		279,837				279,837
Repurchase of treasury stock	(295)	(295)				(295)
Disposal of treasury stock	332	332				332
Net changes in items other than shareholders' equity			2,230,890	(42,546)	2,188,344	2,188,344
Total changes during the fiscal year	36	186,137	2,230,890	(42,546)	2,188,344	2,374,481
Balance at the end of the fiscal year	(1,300,844)	9,244,849	2,487,770	(370,486)	2,117,283	11,362,133

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet (As of March 31, 2021)

(Millions of yen)

Account	Amount
Assets:	
Cash and due from banks	60,769,486
Call loans	1,390,000
Receivables under resale agreements	9,721,360
Monetary claims bought	362,212
Trading account securities	13
Money held in trust	5,547,574
Securities	138,204,256
Loans	4,691,723
Foreign exchanges	80,847
Other assets	2,857,615
Tangible fixed assets	198,137
Buildings	84,182
Land	67,250
Construction in progress	93
Other	46,611
Intangible fixed assets	48,286
Software	29,386
Other	18,899
Deferred tax assets	93
Reserve for possible loan losses	(935)
Total assets	223,870,673

(Millions of yen)	
Account	Amount
Liabilities:	
Deposits	189,588,549
Payables under repurchase agreements	14,886,481
Payables under securities lending transactions	1,504,543
Borrowed money	3,917,500
Foreign exchanges	514
Other liabilities	1,536,281
Reserve for bonuses	7,582
Liability for retirement benefits	133,542
Reserve for employee stock ownership plan trust	535
Reserve for management board benefit trust	303
Reserve for reimbursement of deposits	73,830
Deferred tax liabilities	826,179
Total liabilities	212,475,846
Net assets:	
Capital stock	3,500,000
Capital surplus	4,296,514
Retained earnings	2,750,234
Treasury stock	(1,300,844)
Total shareholders' equity	9,245,904
Net unrealized gains (losses) on available-for-sale securities	2,488,982
Net deferred gains (losses) on hedges	(370,486)
Accumulated adjustments for retirement benefits	5,687
Total accumulated other comprehensive income	2,124,183
Non-controlling interests	24,739
Total net assets	11,394,827
Total liabilities and net assets	223,870,673

Consolidated Statement of Income (For the fiscal year ended March 31, 2021)

(Millions of yen)

Account	Amount
Ordinary income	1,946,728
Interest income	1,198,391
Interest on loans	10,186
Interest and dividends on securities	1,162,011
Interest on call loans	191
Interest on receivables under resale agreements	(3,675)
Interest on receivables under securities borrowing transactions	331
Interest on deposits with banks	28,031
Other interest income	1,315
Fees and commissions	157,375
Other operating income	293,680
Other ordinary income	297,280
Reversal of reserve for possible loan losses	59
Recoveries of written-off claims	24
Other	297,196
Ordinary expenses	1,552,506
Interest expenses	241,154
Interest on deposits	38,323
Interest on payables under repurchase agreements	13,368
Interest on payables under securities lending transactions	6,908
Interest on commercial paper	250
Interest on borrowings	1,000
Other interest expenses	181,303
Fees and commissions	29,433
Other operating expenses	64,484
General and administrative expenses	1,009,358
Other ordinary expenses	208,075
Other	208,075
Net ordinary income	394,221
Extraordinary loss	1,566
Losses on sales and disposals of fixed assets	560
Losses on impairment of fixed assets	1,006
Income before income taxes	392,654
Income taxes: Current	124,350
Income taxes: Deferred	(11,225)
Total income taxes	113,124
Net income	279,529
Net loss attributable to non-controlling interests	(600)
Net income attributable to owners of parent	280,130

Consolidated Statement of Changes in Net Assets (For the fiscal year ended March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	3,500,000	4,296,285	2,563,840	(1,300,881)	9,059,245
Changes during the fiscal year					
Cash dividends			(93,736)		(93,736)
Net income attributable to owners of parent			280,130		280,130
Repurchase of treasury stock				(295)	(295)
Disposal of treasury stock				332	332
Changes in equity of parent due to transactions with non-controlling shareholders		228			228
Net changes in items other than shareholders' equity					
Total changes during the fiscal year	—	228	186,393	36	186,659
Balance at the end of the fiscal year	3,500,000	4,296,514	2,750,234	(1,300,844)	9,245,904

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	256,874	(327,940)	5,131	(65,935)	9,945	9,003,256
Changes during the fiscal year						
Cash dividends						(93,736)
Net income attributable to owners of parent						280,130
Repurchase of treasury stock						(295)
Disposal of treasury stock						332
Changes in equity of parent due to transactions with non-controlling shareholders						228
Net changes in items other than shareholders' equity	2,232,108	(42,546)	556	2,190,118	14,793	2,204,912
Total changes during the fiscal year	2,232,108	(42,546)	556	2,190,118	14,793	2,391,571
Balance at the end of the fiscal year	2,488,982	(370,486)	5,687	2,124,183	24,739	11,394,827

[The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report (issued in the Japanese language) as required by the Companies Act.]

Independent Auditor's Report

May 12, 2021

To the Board of Directors of
JAPAN POST BANK Co., Ltd.

KPMG AZSA LLC
Tokyo Office, Japan
MAENO Atsuji (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

KANNO Masako (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

OKADA Hideki (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and the related notes, and the supplementary schedules of JAPAN POST BANK Co., Ltd. ("the Company") as at March 31, 2021 and for the 15th fiscal year from April 1, 2020 to March 31, 2021 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the non-consolidated financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial condition and the results of operations of the Company for the period, for which the non-consolidated financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements and Others* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit Committee for the Non-consolidated Financial Statements and Others

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit committee is responsible for overseeing the executive officers and directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements and Others

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements and the supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The audit procedures shall be selected and applied as

determined by the auditor.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the non-consolidated financial statements and the supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the non-consolidated financial statements and the supplementary schedules, including the disclosures, and whether the non-consolidated financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Independent Auditor's Report

May 12, 2021

To the Board of Directors of
JAPAN POST BANK Co., Ltd.

KPMG AZSA LLC
Tokyo Office, Japan
MAENO Atsuji (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

KANNO Masako (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

OKADA Hideki (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of JAPAN POST BANK Co., Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2021 and for the consolidated fiscal year from April 1, 2020 to March 31, 2021 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial condition and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit committee is responsible for overseeing the executive officers and directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The audit procedures shall be selected and applied as determined by the auditor.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company and its subsidiaries which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Audit Report

The Audit Committee audited the execution of the duties of the Directors and the Executive Officers of JAPAN POST BANK Co., Ltd. ("Japan Post Bank") during the 15th fiscal year from April 1, 2020 to March 31, 2021 and hereby reports the auditing method and the results thereof as follows:

1. Auditing Method and Details Thereof

The Audit Committee received reports regularly from Directors, Executive Officers and employees, etc. regarding the contents of resolutions made by the Board of Directors on matters set forth in Article 416, Paragraph 1, Item 1 (b) and (e) of the Companies Act and the status of the systems established and operated based on such resolutions (internal control system), requested explanations when necessary, and expressed its opinions regarding such reports. In addition, the Audit Committee conducted an audit according to the following methods.

- 1) The Audit Committee established audit plans for the fiscal year ended March 31, 2021 in accordance with Audit Committee Regulations, Audit Rules of the Audit Committee, assignment of duties based on the resolution of the Audit Committee, etc. Also, having coordination with the internal control divisions, etc., and utilizing web conferencing and other tools, the Audit Committee attended important meetings, received reports from Directors and Executive Officers, etc. regarding the matters related to the execution of duties, requested explanations when necessary, reviewed important documents for approval, etc., and examined the business and financial condition at the Head Office, etc.
With respect to subsidiaries, the Audit Committee communicated and exchanged information with the Directors and the Audit & Supervisory Board Member of the subsidiaries, and received reports concerning their business.
- 2) Regarding the matters that were considered in Article 118, Item 5 (a) of the Ordinance for Enforcement of the Companies Act and the judgment and the reason of (b) of the same Item described in the Business Report, the Audit Committee considered the contents based on the status of deliberations at the Board of Directors and others.
- 3) The Audit Committee monitored and verified as to whether the independent auditor conducted audits in an appropriate manner while maintaining an independent positioning, received reports from the independent auditor on the execution status of its duties, and, when necessary, requested explanations regarding those reports from the independent auditor. The Audit Committee also received notification from the independent auditor regarding the "system for ensuring appropriate execution of duties of the independent auditor" (as set forth in each Item of Article 131 of the Company Accounting Regulation Ordinance) in accordance with the "Quality Control Standards for Auditing" (issued by the Business Accounting Council on October 28, 2005) and other relevant standards, and, when necessary, requested explanations.

Based on the above-described methods, the Audit Committee examined the business report and the supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes) and the supplementary schedules thereto, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes), for the fiscal year ended March 31, 2021.

2. Audit Results

(1) Audit Results on the Business Report, etc.

- 1) In our opinion, the business report and the supplementary schedules present fairly the condition of Japan Post Bank in conformity with the applicable laws and regulations of Japan as well as the Articles of Incorporation of Japan Post Bank.
- 2) With regard to the execution of duties by Directors and Executive Officers, we have found no evidence of misconduct or material facts in violation of the applicable laws and regulations of Japan or the Articles of Incorporation of Japan Post Bank.
- 3) In our opinion, the content of the resolutions of the Board of Directors regarding the internal control system is appropriate. In addition, we have found no matters to be pointed out regarding the contents described in the Business Report about such internal control system and the execution

of duties by Directors and Executive Officers.

As described in the Business Report, Japan Post Bank is taking steps to improve its internal control system in response to the incidents of fraudulent use of cashless payment services, and the Audit Committee will continue to monitor and verify its status of improvement.

We are also monitoring the status of improvement of Japan Post Bank's involvement in measures to prevent internal crimes at post offices, to which work is contracted.

- 4) Regarding transactions with the parent company as described in the Business Report, we found no matters to be pointed out on the matters that were considered not to harm interests of Japan Post Bank for implementing such transactions and on the judgment and the reason of the Board of Directors concerning whether such transactions will harm interests of Japan Post Bank or not.

(2) Results of Audit of Non-Consolidated Financial Statements and Supplementary Schedules

In our opinion, the method and the results of the audit conducted by KPMG AZSA LLC, the independent auditor, are appropriate.

(3) Results of Audit of Consolidated Financial Statements

In our opinion, the method and the results of the audit conducted by KPMG AZSA LLC, the independent auditor, are appropriate.

May 13, 2021

Audit Committee of JAPAN POST BANK Co., Ltd.

Member of the Audit Committee	IKEDA Katsuaki (seal)
Member of the Audit Committee	AKASHI Nobuko (seal)
Member of the Audit Committee	KAWAMURA Hiroshi (seal)
Member of the Audit Committee	YAMAMOTO Kenzo (seal)
Member of the Audit Committee	ONODERA Atsuko (seal)

(Note) Members of the Audit Committee, Mr. IKEDA Katsuaki, Ms. AKASHI Nobuko, Mr. KAWAMURA Hiroshi and Mr. YAMAMOTO Kenzo are Outside Directors as provided in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.

[Precautions when Attending the Meeting]

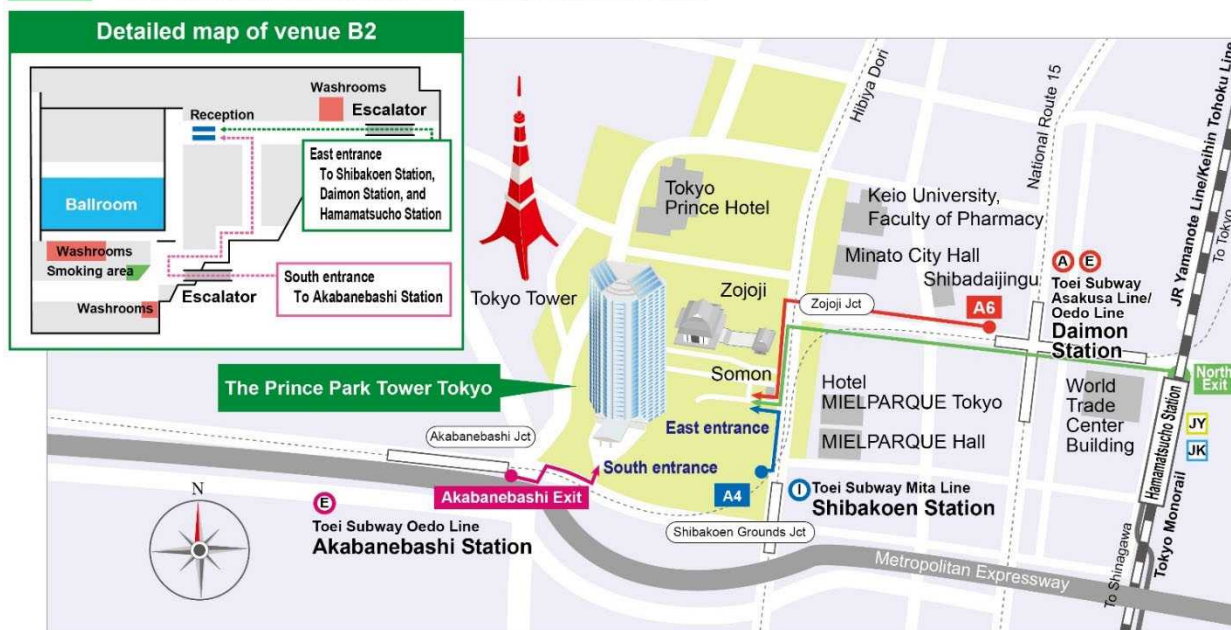
1. On the day of the meeting, we will take the body temperature of all attendees before the reception to the meeting. You may be asked to refrain from entering the venue if you have a fever or appear to be unwell.
2. Please wear a mask at all times while you are at the venue and disinfect your hands with alcohol.
3. Please note that the number of seats available at the venue will be limited to ensure space between seats, and that you may be asked to refrain from entering the venue if there is not sufficient seating.

Information Map of the General Meeting of Shareholders

Venue Ballroom B2 The Prince Park Tower Tokyo

8-1, Shibakoen 4-chome, Minato-ku, Tokyo, Japan

* Please be careful not to confuse the venue with the Tokyo Prince Hotel.



Transportation Guide

	Toei Subway Mita Line	Shibakoen Station	Exit A4	approx. 6-minute walk	→ Route
	Toei Subway Oedo Line	Akabanebashi Station	Akabanebashi Exit	approx. 8-minute walk	→ Route
	Toei Subway Asakusa Line/Oedo Line	Daimon Station	Exit A6	approx. 13-minute walk	→ Route
	JR Yamanote Line/Keihin Tohoku Line	Hamamatsucho Station	North Exit	approx. 15-minute walk	→ Route

No parking is available. Please use public transportation.

- Souvenirs will not be offered at this Ordinary General Meeting of Shareholders.
- For shareholders attending the meeting, please submit your Voting Right Exercise Form at the reception.
- Please bring this convocation notice to conserve paper resources.