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Corporate Governance Report

CORPORATE GOVERNANCE

JAPAN POST BANK Co., Ltd.

Last Update: Apr. 01, 2024

JAPAN POST BANK Co., Ltd.

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<https://www.jp-bank.japanpost.jp/>

The corporate governance of JAPAN POST BANK Co., Ltd. (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

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.

Reasons for Non-compliance with the Principles of the Corporate Governance Code

The Bank has entirely implemented each principle of the Corporate Governance Code.

Disclosure Based on the Principles of the Corporate Governance Code

[Principle 1-4]

The Bank does not hold listed shares as cross-shareholdings.

[Principle 1-7]

In regard to the framework of procedures in the case of conducting transactions with related parties, the Bank has prescribed the following in the "Composition and role of the Board of Directors" in the "Basic Policy on Corporate Governance" .

- If transactions involving a conflict of interest arise between the Bank and the Bank's directors and executive officers, the Board of Directors shall respond appropriately in accordance with the Companies Act. Moreover, with regard to important

transactions between the Bank and Group companies as well as atypical transactions between the Bank and the Bank's major shareholders, the Board of Directors shall conduct surveillance to ensure that the interests of the Bank or the joint interests of shareholders are not harmed by approving such transactions based on investigations at a meeting of the Board of Directors.

[Principle 2-4-1]

The Bank has disclosed its stance of ensuring diversity in the hiring and promotion of core personnel, as well as its voluntary, measurable goals and progress with regard to ensuring diversity, as follows.

<Stance of ensuring diversity in the hiring and promotion of core personnel>

Due to the nature of its business, the Bank has not set goals for hiring or promoting foreign nationals. However, we have long had a policy of promoting people to managerial positions according to capability and aptitude, regardless of gender or nationality, or whether new graduate or mid-career hires.

Moreover, in line with the stance set forth in our Basic Policy on Diversity Management, we will increase diversity in our corporate culture, and create lively, employee-friendly working environments where each individual employee can demonstrate their full potential, as a way to promote behavioral change among employees. We will increase diversity in our corporate culture, and create lively, employee-friendly working environments where each individual employee can demonstrate their full potential, as a way to promote behavioral change among employees.

<Voluntary, measurable goals and progress with regard to ensuring diversity>

The Bank's Medium-term Management Plan calls for the ratio of women in managerial positions, which was 17.5% as of April 2023, to be increased to 20% by April 2026.

As of April 2023, mid-career hires account for 11.5% of all managerial positions. Going forward, we will continue to promote mid-career hires to managerial positions, primarily in specialized fields.

*Reference: Ratio of mid-career hires in managerial positions to all mid-career hires: 40.8% (as of April 2023)

*Reference: Statistics related to ensuring diversity are disclosed on our website ("Society" section on the ESG and CSR Data page).

<https://www.jp-bank.japanpost.jp/en/sustainability/esg-index/data/#anchor02>

The Bank sees human resources as a source of competitiveness and value creation, and advances Human Resources Strategies (HR Strategies) that link to its purpose, management philosophy, and mission. Specifically, through the combination of the three pillars of encourage growth, discover abilities, and effectively utilize diversity, the Bank aims to build a lively and exciting company that allows a diverse range of human resources to thrive, and to enhance our corporate value. For this purpose, the Bank has formulated the Basic Approach to HR Strategies and engaged in promoting human capital management, including fostering human resources and improving the internal environment to help a diverse range of human resources to thrive.

In particular, the key initiatives for the Bank's diversity management include: promoting a diverse workforce and the empowerment of women, fostering an inclusive corporate culture, promoting work-life balance, and supporting career development.

* Details of diversity management and various other initiatives are disclosed on our website.

https://www.jp-bank.japanpost.jp/en/sustainability/social/human_capital/

[Principle 2-6]

The Bank does not conduct corporate pension fund management.

[Principle 3-1]

(i) The Bank has disclosed its management philosophy and Medium-term Management Plan on the Bank's website and through other media.

- Management philosophy

https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_management.html

- Medium-term Management Plan

https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_strategy.html

(ii) The Bank has stated its basic stance on corporate governance in "I.1 Basic Views" in this report and also prescribed them in "Basic Stance on Corporate Governance" in the "Basic Policy on Corporate Governance". In addition, the Bank has disclosed the "Basic Policy on Corporate Governance" on the Bank's website.

<https://www.jp-bank.japanpost.jp/en/sustainability/governance/report/pdf/governance.pdf>

(iii) The Bank has described the policy and procedures for determining the compensation of executive officers and directors in "II. 1. [Remuneration for Directors and Executive Officers] Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof" in this report, and has disclosed the "Policy for determining the details of individual compensation for directors and executive officers" on the Bank's website.

<https://www.jp-bank.japanpost.jp/en/sustainability/governance/report/pdf/compensation.pdf>

(iv) In regard to the policy and procedures for electing executive officers and nominating director candidates, the Bank has disclosed "Criteria for Election or dismissal of Executive Officers" and "Criteria for Nomination of Director Candidates" on the Bank's website.

- Criteria for Election or dismissal of Executive Officers

<https://www.jp-bank.japanpost.jp/en/sustainability/governance/report/pdf/criteriaelection.pdf>

- Criteria for Nomination of Director Candidates

<https://www.jp-bank.japanpost.jp/en/sustainability/governance/report/pdf/criterianomination.pdf>

(v) The Bank has disclosed reasons for nominating director candidates and reasons for electing executive officers on its website.

- Reasons for the Nomination as Candidate for Director

<https://www.jp-bank.japanpost.jp/en/sustainability/governance/report/pdf/reasonsnomination.pdf>

- Reasons for Electing Executive Officers

<https://www.jp-bank.japanpost.jp/en/sustainability/governance/report/pdf/reasonselecting.pdf>

[Principle 3-1-3]

- The Bank positions the promotion of sustainability as a top management priority and aims to achieve both the creation of sustainable social value and enhancement of corporate value over the medium to long term by addressing materiality in its business activities as follows:

(1) The Bank will work to develop and provide "safe and secure" financial services that can be used by anyone and everyone throughout Japan.

(2) As a community-based financial institution, the Bank will contribute to the development of the regional economies and society.

(3) To protect nature and the environment and pass them on to future generations, the Bank will engage in environmentally friendly activities and work to resolve environmental issues.

(4) The Bank will conduct its business activities in a manner that respects human rights and will ensure a work environment where employees can work in a healthy and safe manner and where diverse personalities and work

styles are respected. In addition, the Bank will strive to develop human resources who can think and act on their own, and to improve their work-life balance and job satisfaction.

Details of sustainability initiatives are disclosed on the Bank's website.

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

- The Bank has disclosed the value creation process, including investment in and utilization of human capital and intellectual capital, on its website.

https://www.jp-bank.japanpost.jp/en/ir/policy/en_ir_plc_valuecreation.html

For more details on the promotion of human capital management, please refer to the column of [Principle 2-4-1].

- Recognizing that responding to climate change, which has a major impact on the environment, society and business activities, is an important issue, the Bank announced its agreement with the TCFD Recommendations in April 2019. Since then, the Bank has incorporated various initiatives into its management strategies, increasing the level of its response to climate change.

The Bank has disclosed the details of initiatives for climate changes, including the TCFD Recommendations, on its website.

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

[Principle 4-1-1]

The Bank has prescribed the scope of delegation to executive officers as follows in "Composition and role of the Board of Directors" in the "Basic Policy on Corporate Governance" and disclosed the "Regulations of the Board of Directors" that has been specified matters to be resolved and reported on its website. Moreover, the Bank has annually reviewed the criteria for matters to be resolved and reported.

- The Board of Directors shall encourage swift management decision-making by entrusting all decisions regarding the Bank's business execution to executive officers, except matters to be exclusively decided by the Board of Directors on a legal basis and particularly important decisions on business execution. In addition, the Board of Directors shall receive reports regarding such business execution from executive officers in a timely and appropriate manner, and shall develop a system to supervise such business execution.

<https://www.jp-bank.japanpost.jp/en/sustainability/governance/report/pdf/regulations.pdf>

[Principle 4-1-3]

At the Bank, the Nomination Committee appropriately deliberates and supervises succession plans for executives, including the President and Representative Executive Officer, with the aim of achieving sustainable corporate growth and enhancing corporate value over the medium to long term.

The Bank has disclosed the initiatives for succession plans on its website.

<https://www.jp-bank.japanpost.jp/en/sustainability/governance/system/#anchor06>

[Principle 4-8]

The Bank has prescribed the action policy to appoint independent directors to at least one third of the positions on the Board of Directors as follows in the "Composition and role of the Board of Directors" in the "Basic Policy on Corporate Governance".

- The Board of Directors shall comprise diverse directors with extensive knowledge and experience coupled with deep insight. Moreover, the number of directors shall be an appropriate number that does not exceed 20, as prescribed by the Articles of Incorporation, and the majority shall comprise independent directors.

[Principle 4-9]

The "Independent Director Appointment Standards" prescribed by the Bank are described in "II. 1. [Matters Concerning Independent Directors] Other Matters Concerning Independent Directors" in this report, and the "Independent Director Appointment Standards" have been disclosed on the Bank's website.

<https://www.jp-bank.japanpost.jp/en/sustainability/governance/report/pdf/independent.pdf>

[Principle 4-10-1]

Since the Bank is a company with three statutory committees, it is not subject to this Supplementary Principle.

[Principle 4-11-1]

The "Criteria for Nomination of Director Candidates", which prescribe viewpoints regarding a balance between knowledge, experience and ability, as well as diversity and size of the Board of Directors as a whole, along with the qualification conditions for the Board of Directors that the Bank requires, have been disclosed on the Bank's website.

<https://www.jp-bank.japanpost.jp/en/sustainability/governance/report/pdf/criterionomination.pdf>

The skills matrix, which summarizes the knowledge, experience, and abilities of each director, is also disclosed on our website.

<https://www.jp-bank.japanpost.jp/en/sustainability/governance/system/#anchor04>

[Principle 4-11-2]

The status of concurrent positions held by directors has been disclosed on the Bank's website.

https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_executives.html

[Principle 4-11-3]

In "Basic Policy on Corporate Governance", the Bank has prescribed analyzing and evaluating the effectiveness of the Board of Directors as a whole and disclosing a summary of the results every year. Specifically, in regard to the Bank's Board of Directors and each committee, the Bank has conducted a survey regarding their effectiveness, including a self-evaluation by each director, and held multiple discussions based on the results of this survey at the Board of Directors.

A summary of the results of the evaluation of the effectiveness of the Bank's Board of Directors has been disclosed on its website.

<https://www.jp-bank.japanpost.jp/en/sustainability/governance/report/#anchor03>

[Principle 4-14-2]

The basic policy on training for directors and other personnel has been prescribed as follows in "Acquisition of information and information sharing by outside directors" and "Education of corporate officers" in the "Basic Policy on Corporate Governance".

- To enable outside directors to appropriately fulfill the roles and obligations expected of them, the Bank shall create opportunities for them to deepen their understanding and acquire necessary knowledge regarding the Bank's business activities, challenges, management strategy, and the like. These opportunities shall include implementing measures such as inspections of the Bank's facilities, etc.
- To enable corporate officers, including newly appointed executive officers, to appropriately fulfill the roles and obligations expected of them, the Bank shall regularly provide opportunities where they can deepen understanding of their roles and obligations and acquire necessary knowledge.

[Principle 5-1]

The system and measures to promote constructive dialogue with shareholders have been prescribed as follows in "Dialogue

with shareholders" in the "Basic Policy on Corporate Governance".

- The Bank shall engage in constructive dialogue with shareholders to contribute to the enhancement of the Bank's sustainable growth and medium- to long-term corporate value.
- The framework and measures to promote constructive dialogue with shareholders shall be as follows.
 - (1) Directors and others shall handle dialogue with shareholders to a reasonable extent.
 - (2) The executive officer in charge of the IR Department shall oversee dialogue with shareholders and strive to encourage constructive dialogue.
 - (3) In the case of dialogue with shareholders, the IR Department and relevant departments shall cooperate organically in providing assistance.
 - (4) The Bank shall strive to provide means for dialogue such as investor briefings.
 - (5) Opinions of shareholders that are obtained through dialogue shall be reported regularly to the Board of Directors, etc.
 - (6) When conducting dialogue, the Bank shall appropriately control insider information in accordance with company regulations.

[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]

The action to implement management that is conscious of cost of capital and stock price has been disclosed on pages 7 to 9 of the Bank's IR Materials of Investors Meeting FY2024/3 H1.

https://www.jp-bank.japanpost.jp/en/ir/financial/pdf/en_pr231115.pdf

[Status of Dialogue with Shareholders]

The status of dialogue with shareholders has been disclosed in III. 2. Status of IR-related Activities in this report and on the Bank's website.

<https://www.jp-bank.japanpost.jp/en/sustainability/management/engagements/#anchor05>

2. Capital Structure

Foreign Shareholding Ratio	Less than 10%
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Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
Japan Post Holdings Co., Ltd.	2,224,866,500	60.62
The Master Trust Bank of Japan, Ltd. (Trust Account)	76,659,500	2.08
JP JPMSE LUX RE UBS AG LONDON BRANCH EQ CO	30,418,700	0.82
STATE STREET BANK WEST CLIENT-TREATY 505234	29,273,600	0.79
Custody Bank of Japan, Ltd. (Trust Account)	18,239,200	0.49
SSBTC CLIENT OMNIBUS ACCOUNT	12,279,075	0.33
Japan Post Bank Employee Shareholding Association	11,874,000	0.32
JP MORGAN CHASE BANK 385770	11,719,614	0.31
STATE STREET BANK AND TRUST COMPANY 505103	10,595,079	0.28
JP MORGAN CHASE BANK 385765	9,018,224	0.24

Name of Controlling Shareholder, if applicable (excluding Parent Company)	_____
Name of Parent Company, if applicable	Japan Post Holdings Co., Ltd. (Listed Stock Exchange: Tokyo) (Code) 6178

Supplementary Explanation

Based on the Postal Service Privatization Act, it was stipulated that JAPAN POST HOLDINGS Co., Ltd., the parent company of JAPAN POST BANK, would dispose of the shares of the Bank and JAPAN POST INSURANCE Co., Ltd. (hereinafter the “two finance companies”) as soon as possible in order to dispose of all their shares while taking into account the impact on the management status of the two finance companies and ensuring universal services.

Moreover, JAPAN POST HOLDINGS Co., Ltd. announced a policy of aiming to reduce the ratio of its shareholdings in the two finance companies to 50% or less as soon as possible during the period of the Medium-term Management Plan (FY2022/3 to FY2026/3). In March 2023, Japan Post Holdings Co., Ltd. implemented a second offering of the Bank’s common stock. At the same time, the Bank acquired and canceled treasury stock. As of March 31, 2023, Japan Post Holdings Co., Ltd. held 60.62% of the Banks’s shares. The Bank will continue to steadily promote the privatization process in line with this policy.

※The shareholding ratio has been calculated excluding treasury stock (20,347,703shares) and has been rounded down to the second decimal place.

※The Bank holds 20,347,703 shares (the ratio of the number of shares held against the total number of shares issued is 0.55%) of treasury stock, which are not included in the above list of major shareholders.

※The above "Major shareholders" are as of March 31, 2023.

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Prime Market
Fiscal Year-End	March
Business Sector	Banking
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) as of the End of the Previous Fiscal Year	¥1 trillion or more
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Fewer than 10

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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), and establish a framework to appropriately manage the transactions conducted within the Japan Post Group. Moreover, with regard to important transactions between the Bank and Japan Post Group companies as well as atypical transactions between the Bank and the Bank's major shareholders, the Board of Directors conducts surveillance to ensure that the interests of the Bank or the joint interests of shareholders are not harmed by approving such transactions based on discussions at meetings of the Board of Directors.

5. Other Special Circumstances which May have Material Impact on Corporate Governance

Japan Post Holdings Co., Ltd. is the parent company of the Bank, and the Bank is the only bank in the corporate group of Japan Post Holdings Co., Ltd. (referred to as "Japan Post Group" hereafter).

The Bank has close personal, capital and other relationships with Japan Post Holdings Co., Ltd., but it makes decisions based on the Bank's responsibility and conducts management and business operations independently.

With a view to displaying the effects of mutual collaboration, cooperation and synergies in the Japan Post Group between Japan Post Holdings Co., Ltd., Japan Post Co., Ltd. and Japan Post Insurance Co., Ltd. as well as increasing the value of Group companies and, in turn, that of the entire Japan Post Group, the Bank has prescribed fundamental matters relating to Group management such as principles and policies common to the Group, and has concluded the Japan Post Group Agreement aimed at contributing to smooth Group operations.

Following this agreement, the 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. Furthermore, the above agreement stipulates that the operating subsidiaries of Japan Post Holdings, including the Bank, will take advantage of the fact that it belongs to the Japan Post Group and carry out independent and autonomous management.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Corporate Governance System	Company with three statutory committees
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Directors

Number of Directors Stipulated in Articles of Incorporation	20
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	13

Outside Directors

Number of Outside Directors	9
Number of Independent Directors	9

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Keisuke Takeuchi	From another company												
Makoto Kaiwa	From another company												
Risa Aihara	From another company												
Hiroshi Kawamura	Attorney-at-law												
Kenzo Yamamoto	From another company												
Keiji Nakazawa	From another company												
Atsuko Sato	Scholar												
Reiko Amano	From another company												
Akane Kato	From another company												

*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business of the Company or a subsidiary
- Person who executes business or a non-executive director of a parent company
- Person who executes business of a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for such person/entity
- Major client of the Company or a person who executes business for such client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to director/Audit and Supervisory Board Member compensation from the Company
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to self only)
- Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
- Person who executes business for an entity receiving contributions from the Company (applies to self only)
- Other

Outside Directors' Relationship with the Company (2)

Name	Membership of Committee			Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
	Nomination Committee	Compensation Committee	Audit Committee			
Keisuke Takeuchi	○	○		○	Significant concurrent positions: Outside Director of	Mr. Keisuke Takeuchi has been involved in corporate management of a publicly traded company for a long time, and

				BROTHER INDUSTRIES, LTD.	<p>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> <p>In addition, the Bank designated him as an Independent Officer because it believes he is an Outside Director who entails no risk of causing conflicts of interest with general shareholders, as he has not contravened the independence criteria prescribed by the Tokyo Stock Exchange and has fulfilled the independence judgment criteria prescribed by the Bank.</p>
Makoto Kaiwa	○			<p>Significant concurrent positions: Special Advisor of Tohoku Electric Power Co., Inc.</p>	<p>Mr. Makoto Kaiwa 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> <p>In addition, the Bank designated him as an Independent Officer because it believes he is an Outside Director who entails no risk of causing conflicts of interest with general shareholders, as he has not contravened the independence criteria prescribed by the Tokyo Stock Exchange and has fulfilled the independence judgment criteria prescribed by the Bank.</p>
Risa Aihara		○		<p>Significant concurrent positions: Representative Director and President of Ai-LAND Co., Ltd.</p>	<p>Ms. Risa Aihara 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> <p>In addition, the Bank designated her as an Independent Officer because it believes she is an Outside Director who entails no risk of causing conflicts of interest with general shareholders, as she has not contravened the independence criteria prescribed</p>

						by the Tokyo Stock Exchange and has fulfilled the independence judgment criteria prescribed by the Bank.
Hiroshi Kawamura			○	○	Significant concurrent positions: Attorney-at-law Outside Director of ISHII IRON WORKS CO., LTD.	Mr. Hiroshi Kawamura 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. In addition, the Bank designated him as an Independent Officer because it believes he is an Outside Director who entails no risk of causing conflicts of interest with general shareholders, as he has not contravened the independence criteria prescribed by the Tokyo Stock Exchange and has fulfilled the independence judgment criteria prescribed by the Bank.
Kenzo Yamamoto			○	○	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	Mr. Kenzo Yamamoto 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. In addition, the Bank designated him as an Independent Officer because it believes he is an Outside Director who entails no risk of causing conflicts of interest with general shareholders, as he has not contravened the independence criteria prescribed by the Tokyo Stock Exchange and has fulfilled the independence judgment criteria prescribed by the Bank.
Keiji Nakazawa		○	○	○	Significant concurrent positions: None	Mr. Keiji Nakazawa successively held various important posts at publicly traded companies 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 in finance and accounting gained through his career. In addition, the Bank designated him as an Independent Officer because it believes he is an Outside Director who entails no risk of causing conflicts of

						interest with general shareholders, as he has not contravened the independence criteria prescribed by the Tokyo Stock Exchange and has fulfilled the independence judgment criteria prescribed by the Bank.
Atsuko Sato				○	Significant concurrent positions: Associate Professor, Department of International Studies, Faculty of Economics of Takasaki City University of Economics Outside Corporate Auditor of DeNA Co., Ltd.	Ms. Atsuko Sato successively held various important posts at Goldman Sachs (Japan) Ltd. and positions as university professor, and 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 in market operations, risk management and human resource development gained through her career. In addition, the Bank designated her as an Independent Officer because it believes she is an Outside Director who entails no risk of causing conflicts of interest with general shareholders, as she has not contravened the independence criteria prescribed by the Tokyo Stock Exchange and has fulfilled the independence judgment criteria prescribed by the Bank.
Reiko Amano	○			○	Significant concurrent positions: Outside Director of East Japan Railway Company Outside Director of Yokogawa Bridge Holdings Corp.	Ms. Reiko Amano successively held various important posts at publicly traded companies and national research and development agencies for a long time, and 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 in risk management gained through her career. In addition, the Bank designated her as an Independent Officer because it believes she is an Outside Director who entails no risk of causing conflicts of interest with general shareholders, as she has not contravened the independence criteria prescribed by the Tokyo Stock Exchange and has fulfilled the independence judgment criteria prescribed by the Bank.
Akane Kato			○	○	Significant concurrent positions: Representative Director of AKANE IDENTITIES INC. Outside Director of SUMCO CORPORATION	Ms. Akane Kato worked as a human resources development consultant for a long time, and 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 in human resources development gained through her career. In addition, the Bank designated her as an Independent Officer because it believes she is an Outside Director who entails no risk of causing conflicts of interest with general shareholders, as she has not contravened the independence criteria prescribed by the Tokyo Stock Exchange and has fulfilled the independence judgment criteria prescribed by the Bank.
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Supervisory Committees

Composition of Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Nomination Committee	5	0	2	3	Outside Director
Compensation Committee	4	0	1	3	Outside Director
Audit Committee	5	1	1	4	Outside Director

Executive Officers

Number of Executive Officers	25
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Status of Additional Duties

Name	Representative Authority	Concurrent Duties as Director			Concurrent Duties as Employee
			Nomination Committee Member	Compensation Committee Member	
Takayuki Kasama	Yes	Yes	○	×	No
Susumu Tanaka	Yes	Yes	×	×	No
Harumi Yano	Yes	No	×	×	No
Kenji Ogata	No	No	×	×	No
Minoru Kotouda	No	No	×	×	No
Masato Tamaki	No	No	×	×	No
Hisashi Matsunaga	No	No	×	×	No
Makoto Shinmura	No	No	×	×	No
Takayuki Tanaka	No	No	×	×	No
Shinobu Nagura	No	No	×	×	No
Satoru Ogata	No	No	×	×	No
Hideki Nakao	No	No	×	×	No

Koji Imura	No	No	×	×	No
Etsuko Kishi	No	No	×	×	No
Masaya Touma	No	No	×	×	No
Akihiro Den	No	No	×	×	No
Katsuya Fukushima	No	No	×	×	No
Koji Hasukawa	No	No	×	×	No
Koichiro Yoshida	No	No	×	×	No
Hisanori Kato	No	No	×	×	No
Jun Yamamoto	No	No	×	×	No
Yasumitsu Toyoda	No	No	×	×	No
Junko Fujie	No	No	×	×	No
Hiroshi Ueda	No	No	×	×	No
Kenji Aono	No	No	×	×	No

Auditing Structure

Appointment of Directors and/or Employees to Support the Audit Committee

Appointed

Matters Related to the Independence of Such Directors and/or Employees from Executive Officers

In addition to establishing the Audit Committee Office as an organization to assist the work of the Audit Committee, the Bank has assigned specialist staff with the knowledge and ability required to assist the work of the Audit Committee. Recruitment, transfers, personnel evaluation, and disciplinary action relating to staff of the Audit Committee Office are carried out after obtaining the approval of the Audit Committee or Audit Committee members selected by the Audit Committee.

Cooperation among Audit Committee, Accounting Auditors and Internal Audit Department

The Internal Audit Division conducts internal audits based on its Basic Policy on Internal Auditing, etc. The implementation status and results of internal audits are reported to the Audit Committee on a regular basis or when the occasion demands. The Internal Audit Division also promptly reports important matters that could have a significant material impact on management to the members of the Audit Committee.

Receiving reports from the Internal Audit Division, the Audit Committee requests explanations or investigations when these are deemed necessary. Furthermore, the Audit Committee receives an explanation of the audit plan from the accounting auditor in advance, receives regular audit implementation reports, and discusses key audit matters. At the same time, it works on coordination by, for example, exchanging opinions as necessary to keep track of important points arising from accounting audits.

In addition, the Internal Audit Division, the Audit Committee and Accounting Auditor are striving to reinforce cooperation by exchanging information when necessary in order to conduct appropriate audits.

Matters Concerning Independent Directors

Number of Independent Directors

9

Other Matters Concerning Independent Directors

All outside directors that fulfill the qualification of independent directors have been designated as independent directors. The criteria for determining the independence of outside directors are as follows.

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

Incentives

Implementation Status of Measures related to Incentives Granted to Directors and/or Executive Officers

Introduction of Performance-linked Remuneration Scheme

Supplementary Explanation for Applicable Items

At a meeting of the Bank's Compensation Committee held on December 24, 2015, it was decided to introduce a performance-linked stock compensation system for executive officer compensation. Details of this system are described in "[Remuneration for Directors and Executive Officers] Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof".

Persons Eligible for Stock Options

—

Supplementary Explanation for Applicable Items

—

Remuneration for Directors and Executive Officers

Status of Disclosure of Individual Directors' Remuneration

Individual compensation has not been disclosed

Status of Disclosure of Individual Executive Officers' Remuneration

Individual compensation has not been disclosed

Supplementary Explanation for Applicable Items

The number of persons and total amount has been disclosed based on internal officers (including executive officers) and outside officers.

Policy on Determining Remuneration Amounts and the Calculation Methods Thereof

Established

Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof

In regard to compensation for the Bank's directors and executive officers, 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.

Support System for Outside Directors

The Bank shall take the following actions in relation to directors to ensure the effective and smooth operation of meetings of the Board of Directors and enhance the effectiveness of supervision by outside directors, in particular.

- (1) Coordination of an annual schedule with sufficient time available
- (2) Accurate provision of information as necessary
- (3) Ensuring sufficient prior explanation and time for prior consideration of the content of agenda items
- (4) Ensuring time for questions at meetings of the Board of Directors

In addition, the Bank shall establish the Board of Directors Office and allocate sufficient staff for operational support to effectively and efficiently carry out meetings of the Board of Directors, and for communication and coordination with outside directors.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)

1. Board of Directors and committees, etc.

As of the date this report was submitted, the Board of Directors has 13 members (five of whom are female). Nine members are outside directors, two are internal directors who do not concurrently serve as executive officers (hereafter, "Internal Non-executive Director"), and two are directors who serve concurrently as executive officers (hereafter, "Internal Director").

The Board has three statutory committees - the Nomination Committee, the Compensation Committee and the Audit Committee – of which outside directors comprise a majority as stipulated in the Company Act of Japan. The Board also maintains the voluntary Committee, etc.

In FY2023/3, the Board met 13 times to discuss important matters involved in the management strategy, including formulation of the FY2024/3 management plan, establishment of the "Basic Policy on Internal Auditing", upgrade and expansion of the corporate governance system, as well as the capital policy regarding the offering of shares of the Bank's common stock held by Japan Post Holdings Co., Ltd., and the repurchase and cancellation of the Bank's shares. In addition, from the perspective of ensuring the propriety of operations, the Board appropriately supervises business execution. The attendance of each director is shown below.

< Outside Directors >

- Katsuaki Ikeda*¹ : 2/2 meetings (100%)
- Ryoji Chubachi : 13/13 meetings (100%)
- Keisuke Takeuchi : 13/13 meetings (100%)
- Makoto Kaiwa : 13/13 meetings (100%)
- Risa Aihara : 13/13 meetings (100%)
- Hiroshi Kawamura : 13/13 meetings (100%)
- Kenzo Yamamoto : 12/13 meetings (92%)
- Shihoko Urushi : 13/13 meetings (100%)
- Keiji Nakazawa *² : 11/11 meetings (100%)
- Atsuko Sato *² : 11/11 meetings (100%)

< Internal Non-executive Directors >

- Hiroya Masuda : 13/13 meetings (100%)
- Atsuko Onodera *¹ : 2/2 meetings (100%)

- Toshiyuki Yazaki *² : 11/11 meetings (100%)

< Internal Directors >

- Norito Ikeda : 13/13 meetings (100%)
- Susumu Tanaka : 13/13 meetings (100%)

*¹ Retired on June 16, 2022.

*² Elected and appointed as of the Ordinary General Meeting of Shareholders held on June 16, 2022.

(Three statutory committees)

[Nomination Committee]

As of the date this report was submitted, the Nomination Committee has five members (three of whom are outside directors). This Committee determines the criteria regarding the appointment and dismissal of directors. In addition, it determines the content of proposals regarding the appointment and dismissal of directors that are submitted to general meetings of shareholders.

In FY2023/3, the Nomination Committee met 13 times and decided on candidates for directors and discussed plans for a successor to the president and other matters. The attendance of each member is shown below.

< Chairman of the Nomination Committee >

- Makoto Kaiwa : 13/13 meetings (100%)

< Members of the Nomination Committee >

- Ryoji Chubachi : 13/13 meetings (100%)
- Keisuke Takeuchi : 13/13 meetings (100%)
- Hiroya Masuda : 13/13 meetings (100%)
- Norito Ikeda : 13/13 meetings (100%)

[Compensation Committee]

As of the date this report was submitted, the Compensation Committee has four members (three of whom are outside directors). This Committee decides the Policy for Determining the Details of Individual Compensation for Directors and Executive Officers. The Committee also decides the content of individual compensation for executive officers and directors.

In FY2023/3, the Compensation Committee met four times and decided on individual compensation for directors and executive officers as well as performance-linked compensation for executive officers. The Committee also discussed officer compensation levels. The attendance of each member is shown below.

< Chairman of the Compensation Committee >

- Ryoji Chubachi : 4/4 meetings (100%)

< Members of the Compensation Committee >

- Katsuaki Ikeda*¹ : 2/2 meetings (100%)
- Keisuke Takeuchi : 4/4 meetings (100%)
- Shihoko Urushi *² : 2/2 meetings (100%)
- Hiroya Masuda : 3/4 meetings (100%)

*¹ Retired on June 16, 2022.

*² Elected and appointed to the Compensation Committee as of the meeting of the Board of Directors held on June 16, 2022.

[Audit Committee]

As of the date this report was submitted, the Audit Committee has five members (four of whom are outside directors). This Committee audits the execution of duties by executive officers and directors and prepares audit reports. The Committee also determines the content of proposals regarding the election and dismissal of accounting auditors as well as the refusal to reelect accounting auditors to be submitted to general meetings of shareholders.

In FY2023/3, the Audit Committee met 14 times, and, based on the audit plan set forth as of the start of the period, audited the priority audit items, which included initiatives to improve the internal control system, initiatives to maintain and develop the business, initiatives toward strengthening the outsourcing management system concerning the Bank's agent, Japan Post Co., Ltd., and initiatives to realize more effective internal audits. The attendance of each member is shown below.

< Chairman of the Audit Committee >

- Katsuaki Ikeda *¹ : 4/4 meetings (100%)
- Hiroshi Kawamura*² : 14/14 meetings (100%)

< Full-time Audit Committee members >

- Atsuko Onodera*¹ : 4/4 meetings (100%)
- Toshiyuki Yazaki*³ : 10/10 meetings (100%)

< Members of the Audit Committee >

- Kenzo Yamamoto : 14/14 meetings (100%)
- Keiji Nakazawa*³ : 10/10 meetings (100%)

*¹ Retired on June 16, 2022.

*² Nominated and appointed as the Audit Committee Chairman as of the meeting of the Board of Directors held on June 16, 2022.

*³ Elected and appointed to the Audit Committee as of the meeting of the Board of Directors held on June 16, 2022.

(Voluntary Committee, etc.)

[Risk Committee] (Established June 2022)

As of the date this report was submitted, the Risk Committee comprises three directors (two of whom are outside directors) and two outside experts. This Committee serves as an advisory body to the Board of Directors, deliberates on important matters mainly concerning the status of risk management, and reports or advises the Board of Directors on such matters.

In FY2023/3, the Risk Committee met five times to deliberate on risks related to market operation and IT system in light of the Bank's risk characteristics. In particular, it discussed the investment plan and the result of its assessment as well as the preparation status for system updates, and it reported or advised the Board of Directors on important matters among its discussions. The attendance of each member is shown below.

< Chairman of the Risk Committee >

- Kenzo Yamamoto : 5/5 meetings (100%)

< Members of the Risk Committee >

- Atsuko Sato : 5/5 meetings (100%)
- Toshiyuki Yazaki : 5/5 meetings (100%)

<Members of the Risk Committee (Outside experts)>

- Takao Yajima : 5/5 meetings (100%)
- Hiromi Yamaoka : 5/5 meetings (100%)

*The Committee is also attended by other Audit Committee members who is not Risk Committee members.

[Meetings of independent outside directors]

The Bank established the Meetings of independent outside directors to exchange information and share viewpoints on key management issues and key governance matters of the Bank from an independent and objective standpoint. Meanwhile the Bank assigns all outside directors as independent directors as stipulated by the Tokyo Stock Exchange.

At the meetings of independent outside directors, one independent outside director is chosen by the members to contact and coordinate with executive officers.

2.Executive officers, Executive Committee, Internal Control Committee, special committees, and managing directors

Executive officers are elected by the Board of Directors and fulfill the business execution function of management.

In addition to the Board of Directors, the statutory committees, and the voluntary committee established in relation to corporate governance, the Executive Committee and Internal Control Committee have been established as consultative bodies to the President and Representative Executive Officer to ensure rationality and appropriateness in decision making in business execution. Important matters concerning the execution of business operations are discussed at the Executive Committee, and most important matters concerning internal control such as compliance with laws and regulations are discussed at the Internal Control Committee. The Executive Committee discusses important matters related to business execution, and the Internal Control Committee discusses the most important matters regarding internal controls, such as compliance with laws and regulations. Matters that require specialized debate are discussed in special committees, namely, the Compliance Committee, the Risk Management Committee, the ALM Committee, the Sustainability Committee, the Information Disclosure Committee, the Service Improvement Committee, and the Σ Business Strategy Committee which are consultative bodies to the Executive Committee.

Furthermore, the Bank has established a system under which certain employees execute business operations by using their expertise as managing directors.

The role of each Special Committee is as follows.

[Compliance Committee]

This committee formulates the compliance program and discusses and reports its state of progress and other matters.

[Risk Management Committee]

In terms of matters related to the framework of risk management, this committee formulates the risk management system and operation policy, and discusses and reports the state of risk management and other matters.

[ALM Committee]

This committee formulates basic plans and operation policy for ALM, establishes management items and discusses and reports their state of progress and other matters.

[Sustainability Committee]

This committee formulates activity plans for sustainability, and discusses and reports their state of progress and other matters.

[Information Disclosure Committee]

To ensure the appropriateness and effectiveness of information disclosure, this committee formulates the basic policy relating to information disclosure and discusses and reports on the content of disclosure and the implementation status of disclosure.

[Service Improvement Committee]

This committee discusses and reports on the content of the policy relating to customer-oriented business operations, the formulation of plans relating to the improvement of customer-oriented products and services and other important items including the status of implementation.

[Σ Business Strategy Committee]

This committee deliberates and reports on the strategies and plans for new JPB-appropriate wholesale banking business through investment (we call “Σ business”). This committee also holds discussions and provides reports regarding progress in these matters.

3.Summary of contracts for limitation of liability

Based on the provisions of Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation, in relation to liability in Article 423, Paragraph 1 of the Act, the Bank has entered into contracts to limit liability to the minimum amount prescribed in Article 425, Paragraph 1 of the Act when directors (excluding those who are executive directors (gyoumu sikko torisimariyaku)) perform their duties in good faith and without gross negligence.

3. Reasons for Adoption of Current Corporate Governance System

The Bank has adopted the system of a company with a Nomination Committee to speed up decision-making and enhance the transparency of management. The Board of Directors, statutory committees, and voluntary committee comprise the system that is able to reliably check management.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Shareholders Meeting	The Bank sent out the convocation notice for the 17th Ordinary General Meeting of Shareholders held on June 20, 2023, on June 1. Prior to that, from May 22, the Bank had also uploaded the convocation notice to the Bank's website and published the notice on TDnet (Tokyo Stock Exchange) and the electronic voting platform operated by ICJ, Inc.
Scheduling of the General Shareholders Meeting During Non-Peak Days	The Bank strives to hold general meetings of shareholder on a day that is easy for many shareholders to attend. The 17th Ordinary General Meeting of Shareholders: Held on June 20, 2023
Electronic Exercise of Voting Rights	With a view to improving the environment for exercising shareholders' voting rights, the Bank enables voting via the Internet on voting sites designated by the Bank.
Participation in a Platform for the Electronic Exercise of Voting Rights	The Bank uses the electronic voting platform operated by ICJ, Inc.

and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	
Provision of Notice (or Summary of Notice) of the General Shareholders Meeting in English	The Bank prepares English translations of convocation notices and publishes them on TDnet (Tokyo Stock Exchange) and the electronic voting platform operated by ICJ, Inc.
Other	The Bank strives to manage general meetings of shareholders in ways that are easy for shareholders to understand, such as by presenting business reports in visual form. At the 17th Ordinary General Meeting of Shareholders, the Bank delivered the information live online and accepted questions in advance via the Bank's website. Extraordinary reports on the results of exercising voting rights are posted on the Bank's website.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The Bank discloses its "Disclosure Policy" on its website. https://www.jp-bank.japanpost.jp/en/ir/policy/en_ir_plc_disclosure.html	
Regular Investor Briefings held for Individual Investors	The Bank holds briefing sessions for individual investors several times a year led by members of management so that they can gain an understanding of, for example, the Bank's characteristics, business strategies, and shareholder returns. Number of sessions held in FY2023/3: 2, Participants: 326	Held
Regular Investor Briefings held for Analysts and Institutional Investors	The Director, President and Representative Executive Officer and other members of management hold briefing sessions for institutional investors and analysts regarding the Bank's financial condition. Number of Investor Meetings held in FY2023/3: 2, Participants: 230 Number of Teleconferences held in FY2023/3: 4	Held
Regular Investor Briefings held for	Led by the executive officer in charge of investor relations, the Director, President and Representative Executive Officer and other members of management hold individual meetings with institutional investors and analysts, both domestically and overseas. Moreover, the Bank participates in conferences for institutional investors sponsored by securities firms.	Held

Overseas Investors	Companies met with in FY2023/3: 374 (155 of which were overseas institutional investors) Conferences attended in FY2023/3: 3
Online Disclosure of IR Information	On its website the Bank posts financial information, such as financial statements, timely disclosure materials other than financial information, securities reports and quarterly reports, the status of corporate governance, convocation notices for general meetings of shareholders, and materials for briefing sessions for investors. https://www.jp-bank.japanpost.jp/en/ir/en_ir_index.html
Establishment of Department and/or Placement of a Manager in Charge of IR	Officer in charge: Makoto Shinmura, Senior Managing Executive Officer Unit in charge: IR Department, Corporate Administration Division
Other	<p>[Other IR Events]</p> <p>In order to promote constructive dialogue with shareholders and investors, the Bank holds IR events led by members of management, persons in charge of each division, and working-level representatives based on the desires of shareholders, etc., and the main matters of interest during individual meetings.</p> <p>Moreover, the Bank holds briefing sessions for small groups of analysts and institutional investors regarding private equity and real estate investments, etc. These sessions are led by the Executive Officer in charge of the Investment Division and the investment representatives.</p> <p>[Disclosure Examples Based on Shareholder and Investor Opinions]</p> <p>Based on dialogue with shareholders and investors, as well as on the feedback provided afterwards, the Bank acts to enhance disclosure.</p> <p>Past Disclosure Examples:</p> <ul style="list-style-type: none"> - Overview of private equity investments and real estate investments - Impact of rising domestic interest rates on the Bank's financial statements - HR strategies regarding human capital - Measures for increasing PBR/ROE

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	These are prescribed in the Bank's management philosophy and the Japan Post Group's Group Charter of Corporate Conduct.
Implementation of Environmental Preservation Activities and CSR	The Bank has positioned the promotion of sustainability as one its most important management measures and has formulated the Basic Sustainability Policy following

Activities, etc.	<p>deliberations by the Executive Committee and Board of Directors.</p> <ul style="list-style-type: none"> • Basic Sustainability Policy <p>https://www.jp-bank.japanpost.jp/en/aboutus/company/pdf/sustainability.pdf</p> <p>In the Medium-term Management Plan, the planning period for which runs from FY2022/3 through FY2026/3, the Bank has positioned ESG management as one of its basic policies for improving corporate value and solving social issues that include SDGs.</p> <p>As issues that should be prioritized in promoting ESG management, the Bank has specified four priority issues (materialities): providing safe and secure financial services to anyone and everyone throughout Japan; contributing to regional economic expansion; reducing environmental impact; and advancement of work style reforms and sophistication of governance. The Bank is working to connect the four materialities to management strategies and specific initiatives and to advance ESG management after setting KPIs.</p> <p>In March 2022, we announced the Japan Post Bank Net Zero GHG Emissions Declaration, which aims to achieve net zero GHG (greenhouse gas) emissions within the Bank and the investment and loan portfolio, and we are promoting efforts to realize a decarbonized society.</p> <p>In addition to posting specific details in integrated reports, the Bank also posts a variety of data on its website and engages in information disclosure.</p>
Formulation of Policies, etc. on Provision of Information to Stakeholders	<p>The Japan Post Group's Group Charter of Corporate Conduct stipulates the following.</p> <p>" We fulfill our responsibility to explain our operations by conducting highly transparent business operations and disclosing information in a fair manner"</p>

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development

The Bank determined the Basic Policies for the Internal Control System in the Board of Directors. The details of this policy 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:

- (1) 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.
- (2) 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.
- (3) 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 the Compliance Committee as an advisory body to the Executive Committee 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.

- (4) 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.
- (5) 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.
- (6) 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.
- (7) 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.
- (8) 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.
- (9) 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.
- (10) 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.
- (11) Establish our internal audit system by formulating a basic policy regarding internal audits and other rules. 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

- (1) We establish the Risk Committee as an advisory body to the Board of Directors and the Risk Management Committee as an advisory body to the Executive Committee. In addition, we manage risks by establishing risk management rules and by creating a risk management system.
- (2) 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. In addition, the Risk Management Committee deliberates on matters related to the operational and organizational risk management system and procedures and reports any important issues to the Executive Committee, Risk Committee and Audit Committee.
- (3) 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

- (1) 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.
- (2) 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

- (1) 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.
- (2) We establish rules that govern the management of our subsidiaries, and create a system for correctly managing the business operations.
- (3) 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

- (1) Our Executive Officers report to the Audit Committee, on a regular basis, the status of the execution of our Executive Officers' duties.
- (2) 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.
- (3) 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.
- (4) 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

- (1) 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.
- (2) 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.
- (3) 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.
- (4) 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.
- (5) 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.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

1. Basic viewpoints relating to exclusion of antisocial forces

In relation to antisocial forecasts that threaten social order and sound corporate activities, the basic policy of the Bank, as an organization in general, is to avoid any kind of involvement in illegal behavior and antisocial behavior and to isolate itself from and exclude relationships with antisocial forces while cooperating with external specialist organizations such as the police under normal circumstances.

2. Framework in place for the elimination of antisocial forces

(1) Internal Rules

The Bank outlines the specific details of its internal rules based on the above Basic Policy.

(2) Response Management Department and Unreasonable Demands Prevention Officers

The Bank has established a Response Management Department responsible for ensuring the Bank is not involved in relationships with antisocial forces. The department carries out planning and management etc., of the Bank's response to antisocial forces. Unreasonable Demands Prevention Officers have also been staffed in locations such as our headquarters and branches, in charge of countering unreasonable demands from antisocial forces.

(3) Alliances with external specialist organizations

The Bank's branches etc., respond to antisocial forces through alliances with external specialist organizations, such as the Center for Removal of Criminal Organizations. As part of normal practice, we also build close relationships with the organizations such as the police, reporting to them in the event of emergencies, and we engage in consultation with lawyers whenever necessary.

(4) Collection and management of information relating to antisocial forces.

The Response Management Department for antisocial forces is responsible for the collection of information relating to antisocial forces and arranging a system for its integrated management.

(5) Status of development of response manual

The Bank has created a manual outlining a specific framework for responding to antisocial forces in order to facilitate a systematic and integrated response.

(6) Training activities

The Bank recognizes its response to antisocial forces as an important matter concerning compliance, and it is working to properly educate employees through compliance training, etc.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures

Not Adopted

Supplementary Explanation for Applicable Items

The Bank has stipulated in the Articles of Incorporation that it will be possible to adopt a resolution regarding the introduction of anti-takeover defense measures to prevent the corporate value of the Bank being unfairly damaged.

However, based on the provisions of the Banking Act, a party that holds more than 5% of the voting rights of the Bank is required to file a "Written Notice of Holding Bank's Voting Rights" to the Prime Minister. Furthermore, based on this Act, a party that could end up holding 20% or more of the total voting rights of the Bank or a party that could become a holding company of which the Bank is a subsidiary must receive the approval of the Prime Minister in advance.

2. Other Matters Concerning the Corporate Governance System

Summary of timely disclosure system

1. Basic viewpoints

The "Japan Post Group Charter of Corporate Conduct" stipulates that the Group should fulfill its corporate accountability and ensure trust through highly transparent business operations and fair disclosure. To realize this, the Bank is striving to ensure prompt, accurate and impartial disclosure of information to customers, shareholders, investors and other parties.

Moreover, the Bank has enacted a "Disclosure Policy" that clearly specifies the Bank's basic policy relating to information disclosure, and has published it on its website. In addition, the Bank has enacted its "Disclosure Rules" to ensure accurate, impartial and appropriate information disclosure based on this policy. As another measure, executives have determined company rules to make the Bank's officers and employees aware of and understand these rules and prevent insider trading, and they are striving to foster a corporate culture that emphasizes timely disclosure.

2. Internal system relating to timely disclosure

(1) Information Disclosure Officer

To oversee disclosure, the Bank has appointed the executive officer in charge of the Financial Accounting Department, the executive officer in charge of the Public Relations Department and the executive officer in charge of IR Department as Information Disclosure Officers, and the executive officer in charge of the Public Relations Department is the "Information Handling Officer" prescribed in the listing regulations of the Tokyo Stock Exchange.

(2) Managers of departments responsible for information disclosure

In relation to disclosure, the Bank has appointed the heads of the divisions and departments in charge of disclosure matters as

managers of departments responsible for information disclosure. The managers of departments responsible for information disclosure develop and manage internal control relating to information disclosure in relevant divisions and departments.

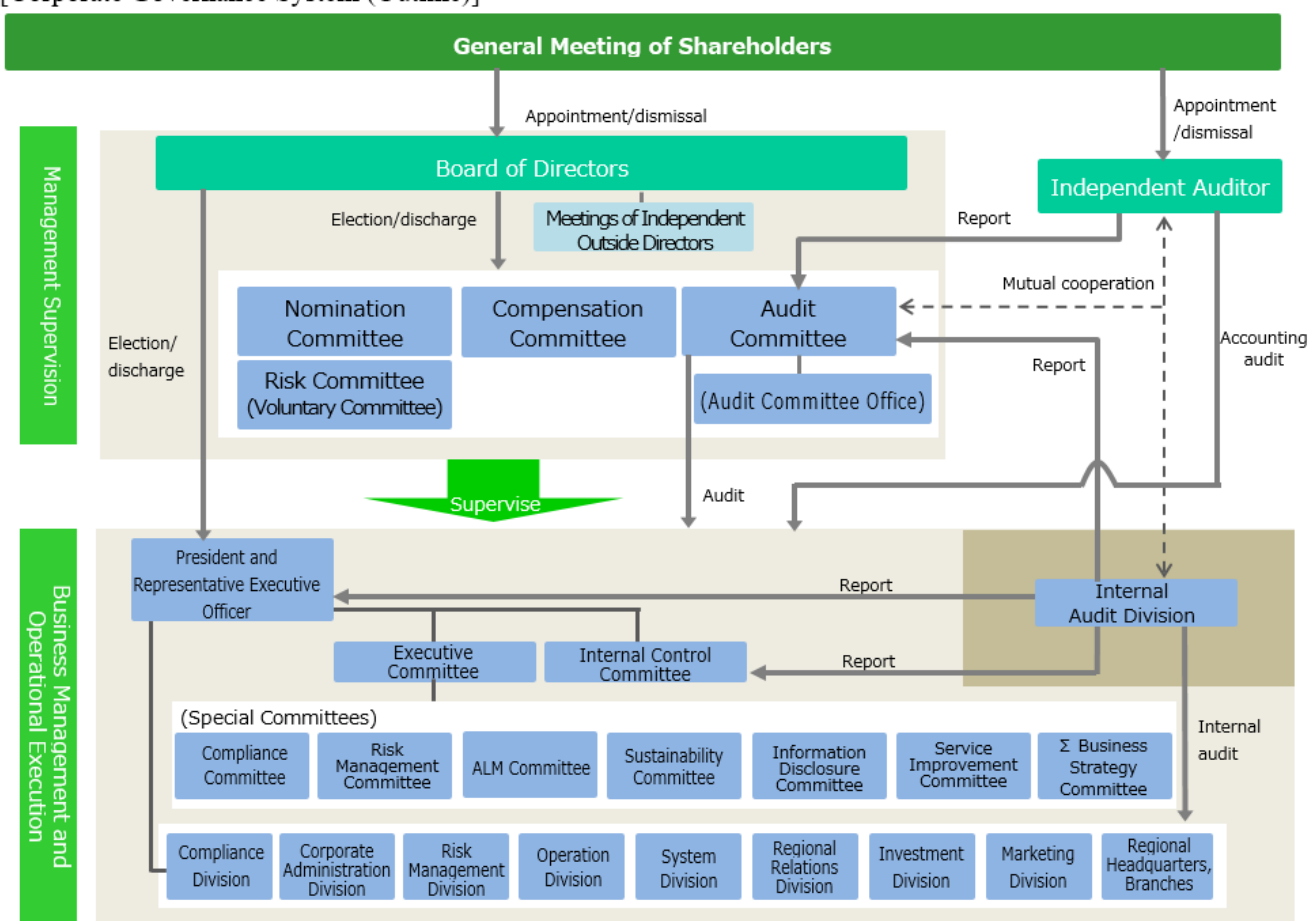
(3) Information Disclosure Committee

To ensure the appropriateness and effectiveness of information disclosure, this committee formulates the basic policy relating to information disclosure and discusses and reports on the content of disclosure and the implementation status of disclosure.

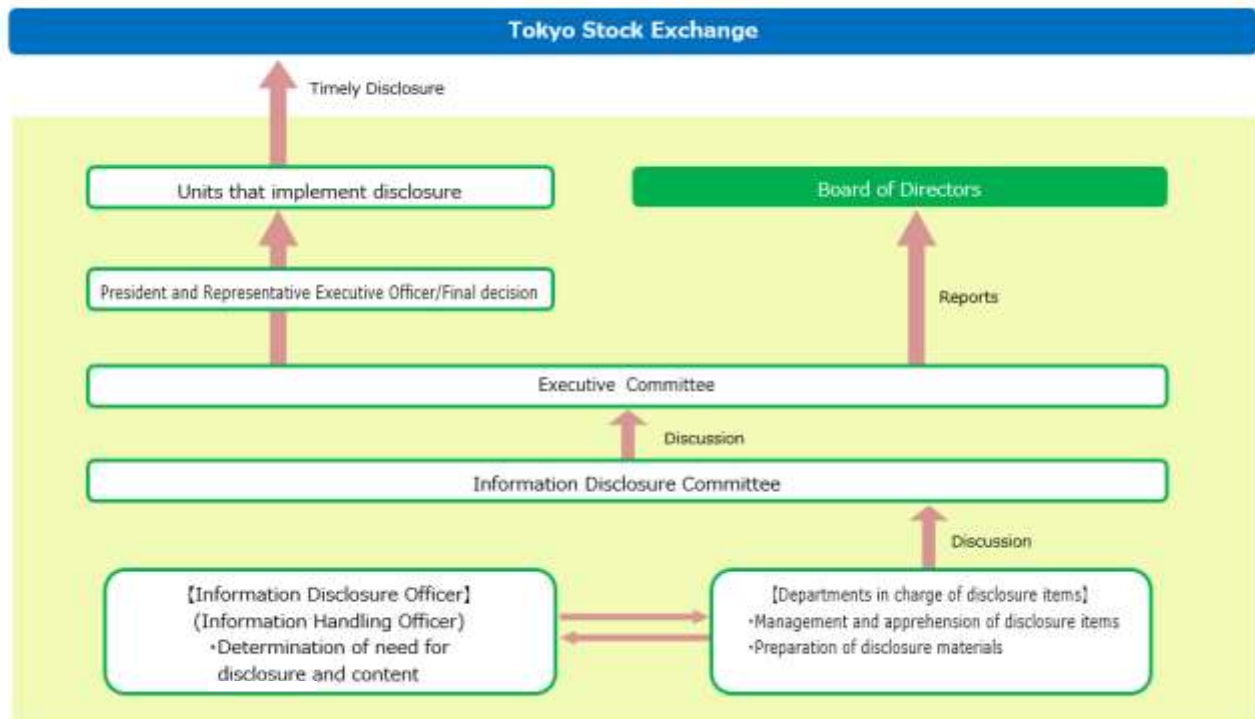
(4) Disclosure implementation and audit departments

The Public Relations Department is responsible for handling disclosure and media reports based on methods prescribed by the Financial Instruments and Exchange Act of Japan and the Regulations of the Tokyo Stock Exchange, as well as by means of press releases and the Bank's website. The Internal Audit Planning Department conducts audits on the information disclosure system and provides reports to the Audit Committee.

[Corporate Governance System (Outline)]



[Summary of Timely Disclosure System (Schematic Diagram)]



※ The Internal Audit Planning Department conducts audits on the information disclosure system and provides reports to the Audit Committee.

END