



2019 CSR Report



JAPAN POST BANK

2019 CSR Report

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○ CSR Report Editorial Policy

JAPAN POST BANK issues this report for the purpose of communicating to its customers, shareholders, employees and other stakeholders, and also deepening their understanding of its ideas and activities relating to CSR (corporate social responsibility) that it conducts with the goal of becoming “the most accessible and trustworthy bank in Japan.” JAPAN POST BANK referenced the SDGs (Sustainable Development Goals) and GRI Standards when deciding the report content, and created the report while promoting understanding within the Bank.

Period Covered: April 2018–March 2019 (Some parts include information from April 2019 onwards)
 Organization Covered: In principle, JAPAN POST BANK.
 Referenced Guidelines: ■ GRI Sustainability Reporting Standards 2016
 See the Reference Table posted on the website for the standards referenced by this Report.
 ■ Environmental Reporting Guidelines 2018 published by the Ministry of the Environment of Japan

Unless explicitly stated otherwise, the values and percentages published in this Report are current as of March 31, 2019.

GRI Standards Reference Table

(Japanese only) https://www.jp-bank.japanpost.jp/aboutus/csr/dtgd/abt_act_dtgd_gri.html



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.

Relationship with International Frameworks

Realization of a Sustainable Society



● Relationship with the SDGs

The SDGs (Sustainable Development Goals) are a series of international objectives for 2030 that consist of the 17 goals and 169 targets listed in the “2030 Agenda for Sustainable Development,” which was adopted during a UN summit in September 2015.

JAPAN POST GROUP selected those SDGs that it must prioritize in connection to the CSR activities that it implements through business activities under the JAPAN POST GROUP CSR Basic Policy and its Medium-Term Management Plan, and in view of its operations.

JAPAN POST BANK aims to enhance its corporate value by contributing to solutions for the problems faced by society through those initiatives in its core business that are based on the SDGs.

	<div>Title</div> <div>Human Rights Policy</div> <div>Environmental Policy</div> <div>Procurement Policy</div> <div>ESG Investment Policy</div>	<div>SDGs</div> <div><div><div>2</div><div>ZERO HUNGER</div><div></div></div><div><div>5</div><div>GENDER EQUALITY</div><div></div></div><div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div><div></div></div><div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div><div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div><div><div>13</div><div>CLIMATE ACTION</div><div></div></div><div><div>14</div><div>LIFE BELOW WATER</div><div></div></div><div><div>15</div><div>LIFE ON LAND</div><div></div></div><div><div>16</div><div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div></div></div><div><div>17</div><div>PARTNERSHIPS FOR THE GOALS</div><div></div></div></div>	
<div>Materiality</div> <div>Customers & Markets</div> <div><div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div><div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div><div><div>16</div><div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div></div></div></div>	<div>Goals</div> <div>Providing secure and convenient, community-based services to all its customers through its network of approximately 24,000 post offices nationwide.</div> <div>We aim to listen intently to the voices of our customers, use those voices as a guide in pursuing more convenient service, and provide customer-oriented “new convenience” and “peace of mind.”</div>	<div>Initiatives</div> <div>Customer-oriented Business Operations</div> <div>Providing High-quality, Customer-oriented Financial Service</div> <div>Customer Protection</div> <div>Universal Services</div> <div>Response to Disasters and Accidents</div>	<div>FY2021/3 (Goal)</div> <div>Provision of High-quality Customer-oriented Financial Services</div>
<div>Regional Communities</div> <div><div><div>4</div><div>QUALITY EDUCATION</div><div></div></div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div><div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div><div></div></div><div><div>17</div><div>PARTNERSHIPS FOR THE GOALS</div><div></div></div></div>	<div>We will contribute to the development of the Japanese economy through the revitalization of local economies with new initiatives, such as the flow of funds to communities and mechanisms that meet the needs for cashless transactions.</div> <div>We will contribute to the future of regional communities by helping to raise children who have the basic skills to boldly make their own path forward, through education about money that utilizes our unique attributes as a financial institution.</div>	<div>Funds flow to regional communities</div> <div>Fostering the next generation human resources</div>	<div>Prolonged implementation of funds flow to regional communities</div> <div>(Regional vitalization funds)</div> <div>Prolonged implementation of next generation training measures (financial education/Piggy Bank Design Contest, etc.)</div>
<div>Employees</div> <div>(Diversity Management)</div> <div><div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div><div><div>5</div><div>GENDER EQUALITY</div><div></div></div><div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div></div>	<div>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.</div>	<div>Raising Awareness and Conducting Education about Human Rights</div> <div>Fostering an Inclusive Corporate Culture</div> <div>Hiring Diverse Personnel</div> <div>Career Formation Support</div> <div>Promoting Women in the Workplace</div> <div>Work-life Balance Management</div> <div>Work Style Reform</div> <div>Initiatives on Health Management</div>	<div>Ratio of female managers: At least 14% by April 2021</div> <div>Percentage of Workforce Who Are People with Disabilities: Achieve and maintain 2.5% (JAPAN POST GROUP target)</div>
<div>Environment</div>	<div>JAPAN POST BANK strives to reduce the environmental impact of its business and actively works to reduce the environmental impact of society overall through financial products.</div>	<div>Initiatives toward Environmentally Friendly Services</div> <div>Environmental Management</div> <div>Environmental Conservation Activities</div>	<div>Reduce per-unit energy usage by an average of at least 1% annually over five years</div> <div>Volume of CO₂ emissions: Reduce by 47,000t (4.4%) compared with FY2017/3 (JAPAN POST GROUP target)</div>

● Involvement with the TCFD

Recognizing that responding to climate change, which has a major impact on the environment, society and business activities, is an important issue, JAPAN POST BANK along with JAPAN POST HOLDINGS Co., Ltd. and JAPAN POST INSURANCE Co., Ltd. announced their agreement with the TCFD recommendations in April 2019.

In May 2019, JAPAN POST BANK participated in the TCFD Consortium as a forum to discuss effective means of disclosing information, and going forward will work in stages to enhance information disclosure based on the discussions during these events.



* TCFD (Task Force on Climate-related Financial Disclosures) was established in 2015 by the Financial Stability Board (FSB), an international organization that works to stabilize the financial system. In the final report published in June 2017, the TCFD presented a framework for corporations to voluntarily disclose information related to climate-related risks and opportunities.

● Governance

In light of international frameworks, JAPAN POST BANK advances operations upon establishing human rights, environmental, and other required policies. Moreover, JAPAN POST BANK adequately consults expert committees regarding the progress status of initiatives related to these international frameworks, and reports on such to the Executive Committee and the Board of Directors.

Policies

JAPAN POST BANK establishes and publishes policies for initiatives related to human rights, the environment, and other critical issues faced by society in order to contribute to the sustainable development of society and to address the expectations of a broad range of stakeholders.

Following its endorsement of the TCFD proposals of April 2019, JAPAN POST BANK has been working to improve and further enhance its internal systems, including those for formulating and disclosing new policies from the perspective of ESG.

● Newly formulated and revised policy in FY2020/3

Title	SDGs	Overview, Location
Human Rights Policy (⇒ See P. 46)		<p>In consideration of the growing demands from society regarding respect for human rights among corporations, JAPAN POST BANK fully revised the JAPAN POST BANK Basic Policy for Human Rights Awareness based on the UN Guiding Principles on Business and Human Rights and the Japan Federation of Bar Associations Guidance on Human Rights Due Diligence. The newly formulated policy was disclosed in May 2019 as the JAPAN POST BANK Human Rights Policy.</p> <p> https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_human_rights.html</p>
Environmental Policy (⇒ See P. 46)		<p>With regard to environmental issues such as climate change, JAPAN POST BANK promotes initiatives not only by endeavoring to act in ways that show consideration for the environment but also through its business activities. It was from this viewpoint that the Bank revised the JAPAN POST BANK Environmental Policy in April 2019 and is working to make further enhancements to its activities.</p> <p> https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_environment.html</p>
Procurement Policy (⇒ See P. 47)		<p>In December 2018, the JAPAN POST GROUP reviewed its approach to procurement activities (procurement policy), and added an item to the effect that we support the 10 principles in the four fields (human rights, labor, environment and anti-corruption) defined in the UN Global Compact and to the effect that we also ask our business partners for their cooperation.</p> <p> (Japanese only) https://www.japanpost.jp/procurement/index03.html</p>
ESG Investment Policy (⇒ See P. 47)		<p>Considering the growing demand from stakeholders for initiatives regarding climate change and other issues faced by society, as well as JAPAN POST BANK's endorsement of the TCFD proposals, JAPAN POST BANK formulated a policy to make investments that heed international agreements when advancing diversified international investments. This policy was disclosed in May 2019.</p> <p> https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_esg.html</p>

● Existing policies Other policies in addition to those detailed above are published and appropriately incorporated into operations.

Title	SDGs	Goal Overview, Location
Basic Policy for Customer-oriented Business Operations (⇒ See P. 21)		<p> (Japanese only) https://www.jp-bank.japanpost.jp/aboutus/company/abt_cmp_fiduciary.html</p>
Privacy Policy (⇒ See P. 23)		<p> (Japanese only) https://www.jp-bank.japanpost.jp/policy/privacy/pcy_prv_statement.html</p>
Basic Policy on Antisocial Forces (⇒ See P. 19)		<p> (Japanese only) https://www.jp-bank.japanpost.jp/aboutus/company/abt_cmp_antisocial.html</p>
Conflicts of Interest Management Policy (⇒ See P. 19)		<p> (Japanese only) https://www.jp-bank.japanpost.jp/policy/conflicts/pcy_cfl_index.html</p>

To Our Stakeholders



Norito Ikeda

Director, President and
Representative Executive Officer

○ Looking Back on the First Year of the Medium-term Management Plan

The JAPAN POST BANK Medium-term Management Plan does not focus solely on the fiscal year ending March 31, 2021, the last year in its three-year duration, but rather envisions a bank that continues to help individuals live comfortably by maintaining a long-term perspective as it walks hand-in-hand with its customers, and an organization that can achieve sustained growth over the next ten to twenty years, regardless of the many twists and turns that can come over time. The slogan of the Medium-term Management Plan, "Have more people say 'JP Bank, of course'" indicates our desire to take on new challenges, foster value unique to JAPAN POST BANK, and be an organization that truly walks hand-in-hand with our customers. We implemented a variety of measures aimed at achieving these goals in the fiscal year ended March 31, 2019, which was the first year in the Medium-term Management Plan.

Changes in society and the environment, including the ongoing advancement of digital technology and the aging of society amid a declining birthrate, have contributed to a sustained shift in the lifestyles of our customers. Improving the convenience of financial services and freeing our customers from time and physical constraints is one of the key issues moving forward for JAPAN POST BANK, which has about 120 million ordinary deposit accounts. With this in mind, JAPAN POST BANK on May 8, 2019 launched "Yucho Pay", a payment service using the smartphones

that are now so central to the lives of our customers. In cooperation with financial institutions such as the Bank of Yokohama and the Bank of Fukuoka, as well as their partner firms, the service can currently be used at about 10,000 outlets. "Yucho Pay" provides customers with a safe and secure cashless payment method, and contributes to the revitalization of local communities by advancing the shift to a cashless society. Alongside the post office network and the ATMs available throughout the country, we are continuing to evolve convenient and reliable services for our customers across Japan.

Using funds accumulated throughout Japan to help develop local communities is one of the most important social missions of JAPAN POST BANK. We have been participating in regional vitalization funds for several years, and are now active in 18 of these funds. JAPAN POST BANK has partnered with about 60 regional banks, and we are continuing our investment activities in cooperation with these regional banks in order to further contribute to the revitalization of local communities in Japan. The flow of funds, including through Japan Post Investment Corporation, which was established in February 2018, has contributed to the development of local economies in a number of ways, including by funding the venture companies that help create jobs and the technology companies that contribute to the formation of a new industrial base.



○ Being Aware of Social Issues and JAPAN POST BANK's Social Responsibility

A look across the world shows that there is an accelerating trend in efforts to solve global issues, including in regard to climate change and the alleviation of poverty. These efforts are grounded in the Sustainable Development Goals (SDGs) adopted by the United Nations. The SDGs are based on a philosophy aimed at realizing a sustainable world in which no one is left behind, and are expected to be the driving force behind regional revitalization in Japan, with initiatives coming from both the private and public sector, including the national and industrial groups, as well as regional financial institutions and regional corporations. In response to global social issues such as climate change, the Financial Stability Board in December 2015 established the Task Force on Climate-related Financial Disclosures (TCFD). In order to effectively respond to climate change, which has the potential to significantly impact corporate activity and the lives of all those on earth, companies need to actively participate in international frameworks such as these that are aimed at realizing a low-carbon society.

The underlying philosophy behind this movement conforms with the guiding philosophy held in the past by JAPAN POST BANK and the JAPAN POST GROUP, as well as our goals for the future. With its original business grounded in postal infrastructure, JAPAN POST BANK is somewhat unusual in the world in having 150 years of history and a deposit balance of about ¥180 trillion. We believe this standing compels us to actively contribute to

solving social issues. We also understand the weight of responsibility and the social mission that comes with having a network of about 24,000 postal offices and approximately 110,000 employees working in financial services, and have accordingly been working to solve social issues, including in regard to revitalizing local communities, providing financial education for the next generation, and preserving the environment.

In addition to a focus on managing our business based on the SDGs, we are in agreement with the goals of the TCFD recommendations, and have expressed our support for such. We have not only been upgrading our policies on the environment and human rights, and ensuring that our business activities are conducted in accordance with these revised policies, but we also formulated our ESG investment policy in April 2019 and will continue to contribute to the resolution of environmental and social issues through the use of financial instruments and services throughout our business. We will at the same time actively promote responsible action in line with global trends and in line with the United Nations Global Compact to which the JAPAN POST GROUP has expressed its support.



Working with Our Stakeholders

Living up to the expectations of our customers is key to the bank's existence. With this in mind, our Medium-term Management Plan focuses on putting even more effort into providing "new convenience" and "peace of mind." In particular, our efforts in providing "new convenience" involve making use of the latest technologies, including to broaden cashless payments systems such as "Yucho Pay." At the same time, we are working to ensure "peace of mind" by providing detailed asset formation support, including guidance and an enhanced lineup of asset management products that match the needs and goals of our customers. Achievement of our mission requires us to listen carefully to the needs and opinions of our customers and bearing in mind customer-oriented business operation, we remain committed to meeting the expectations of all our customers.

Unlike lending at general commercial banks, JAPAN POST BANK focuses on directing funds into regional economies through fund-based investment. This requires us to maintain and strengthen our ties and trust with local communities, including regional banks and local governments. Our cooperation with regional communities is built on face-to-face and in-depth discussions between our local staff and those living in the area. It is my goal to lead our employees in realizing the slogan of our Medium-term Management Plan and I believe it important for each employee to act together with regional banks, regional administrations, and regional companies as we work to meet the needs of each region. It is through this accumulated activity that our regional economies can be revitalized.

Other important issues for management include the development of human resources and the creation of a working environment in which each employee can perform to the best of their abilities. We have actively promoted human rights awareness and education, workstyle reforms and work-life balance, and career formation support, and these efforts have contributed to the increased appointment of women in managerial positions. JAPAN POST BANK will continue to focus on promoting diversity in human resources and creating a working environment in which each employee can work freely and enthusiastically.

Our unique CSR is based on our commitment to constructive dialogue with all our stakeholders, including our customers, local communities, employees, and shareholders so that we can contribute to the sustainable growth of society and the creation of value that meets stakeholder expectations. As we maintain our commitment to dialogue with stakeholders, we will continue to work toward improving corporate value and recognizing our social responsibilities. JAPAN POST BANK looks forward to meeting your expectations in the days ahead and asks for your continued support and understanding.

July 2019

Norito Ikeda

Director, President and
Representative Executive Officer

Corporate Profile

Corporate name	JAPAN POST BANK Co., Ltd.
Date of establishment	September 1, 2006
Representative Executive Officer	Norito Ikeda
Address of head office	2-3-1 Otemachi, Chiyoda-ku, Tokyo 100-8793, Japan
Total assets	¥208,970 billion
Total net assets	¥11,350 billion
Capital	¥3,500 billion
Number of employees*	12,800
Main offices	Head office, Branches 234

* The number of employees excludes employees assigned to other companies by the Bank but includes employees assigned to the Bank by other companies. 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]).

Huge Nationwide Network (As of March 31, 2019)

Number of domestic branches

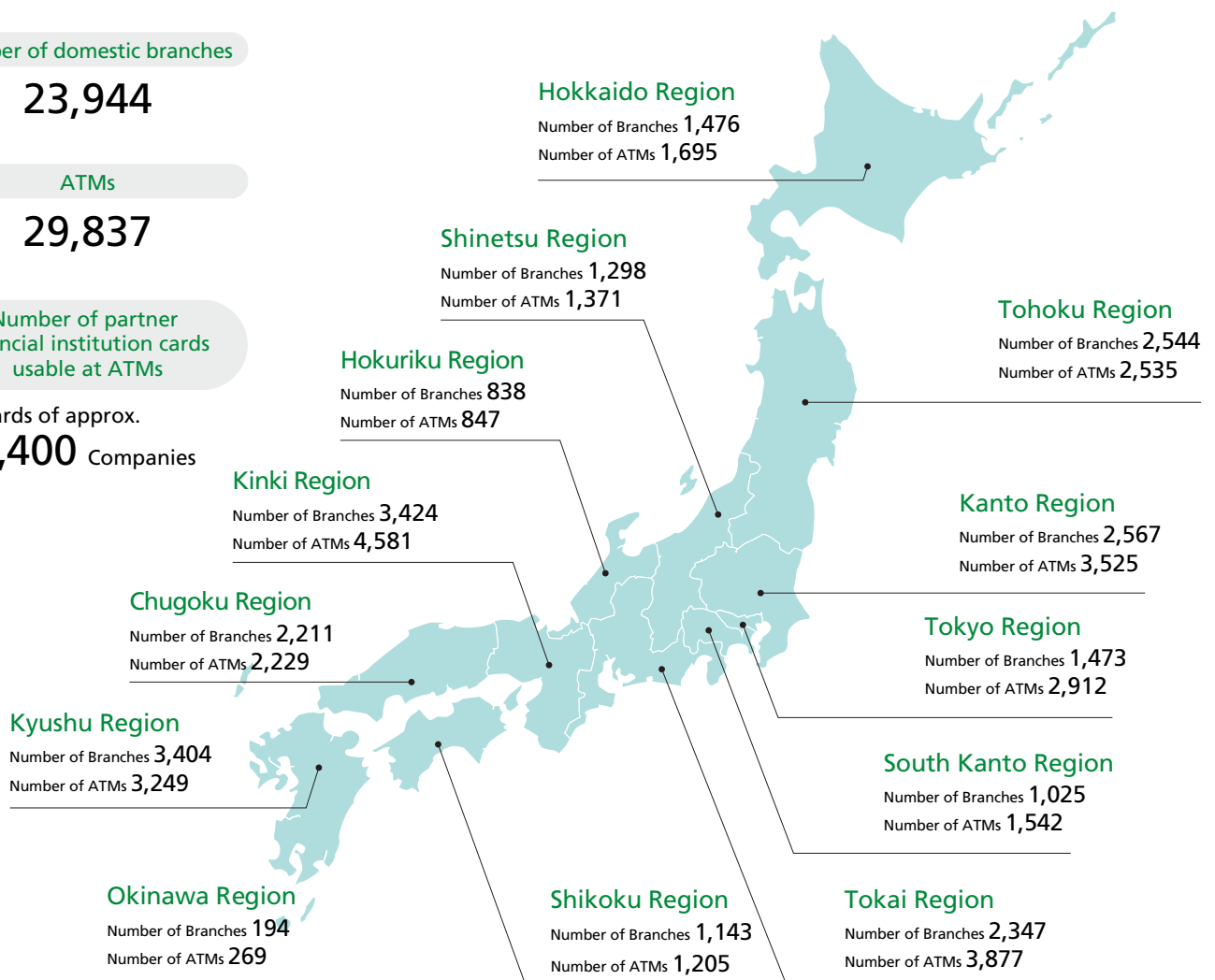
23,944

ATMs

29,837

Number of partner financial institution cards usable at ATMs

Cards of approx.
1,400 Companies



Notes

- The number of branches includes the following.
 - Branches directly managed by JAPAN POST BANK
 - Post offices contracted by JAPAN POST BANK (including sub-offices)
 - Contracted post offices in which JAPAN POST re-entrusts our banking agency services
- Does not include the number (three) of mobile post offices (in Hokkaido, Hyogo and Yamaguchi prefectures).

CSR at JAPAN POST BANK (Corporate Social Responsibility)

Companies cannot survive without fulfilling their social responsibilities.

We recognize that CSR is inseparable from our business activities and thus define CSR as one of the most critical challenges for management.

More recently, there have been major changes in the environment encompassing CSR/ESG, which can be seen through the growing response to international frameworks like the SDGs and TCFD.


While standing on a foundation of steady business execution based on our nationwide network, we are flexibly and appropriately addressing the changes in the environment of society as it aims to achieve sustainability. Likewise, we contribute through initiatives within our core business to solving the challenges faced by society in aiming to reach this goal. As an essential element for realizing our management philosophy, we will raise our corporate value by keeping step and harmonizing with society and by undertaking CSR activities through our business activities.

○ As a Member of JAPAN POST GROUP

● Japan Post Group CSR Basic Policy

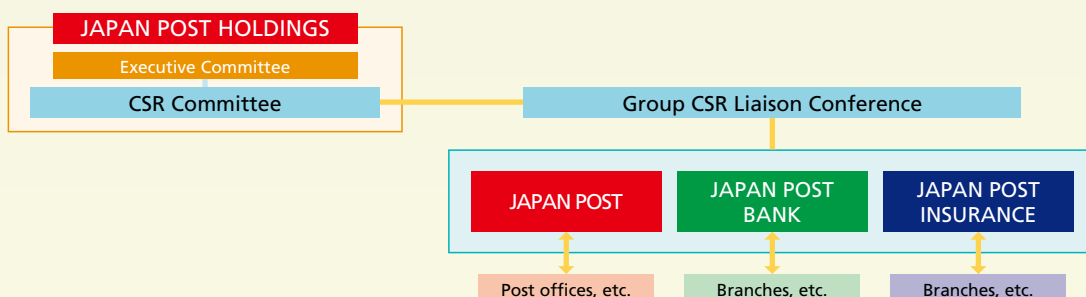
JAPAN POST GROUP promotes CSR initiatives under the Japan Post Group CSR Basic Policy and the CSR Priority Issues (Materiality) of the JAPAN POST GROUP.

Similarly, JAPAN POST BANK has established basic CSR rules based on the Japan Post Group CSR Basic Policy listed above and has clearly stated the positioning and definition of CSR.

 <https://www.japanpost.jp/en/csr/index02.html>

● JAPAN POST GROUP CSR Promotion Framework

As a member of JAPAN POST GROUP and in collaboration with Group companies, JAPAN POST BANK shares the Group direction and status of initiatives at each company at JAPAN POST HOLDINGS Co., Ltd. CSR Committee and Group CSR Liaison Conference, and works with the Group as a whole to promote CSR.



○ Introduction to CSR at JAPAN POST BANK

CSR Concept

Have more people say “JP Bank, of course”

We aim to be “the most accessible and trustworthy bank in Japan,” guided by the needs and expectations of our customers, provide **“new convenience”** and **“peace of mind,”** and contribute to creating a sustainable society and future through our business activities, while securing sustainable growth as a company.

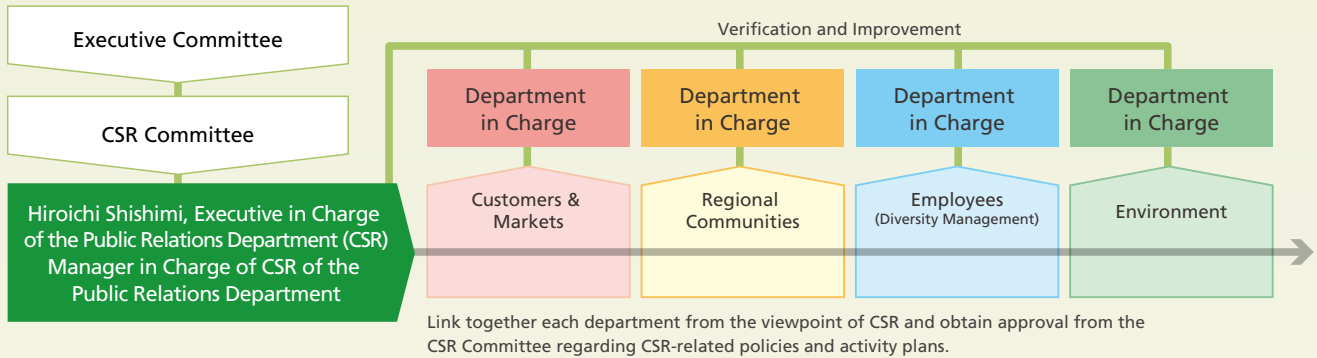
CSR Promotion System

JAPAN POST BANK, with consideration for the importance of CSR, has established the CSR Committee to hold expert consultations on CSR and receive reports from concerned departments, as an advisory body to the Executive Committee.

Each division in charge implements CSR-related measures under the guidance of the CSR Committee, and the Public Relations

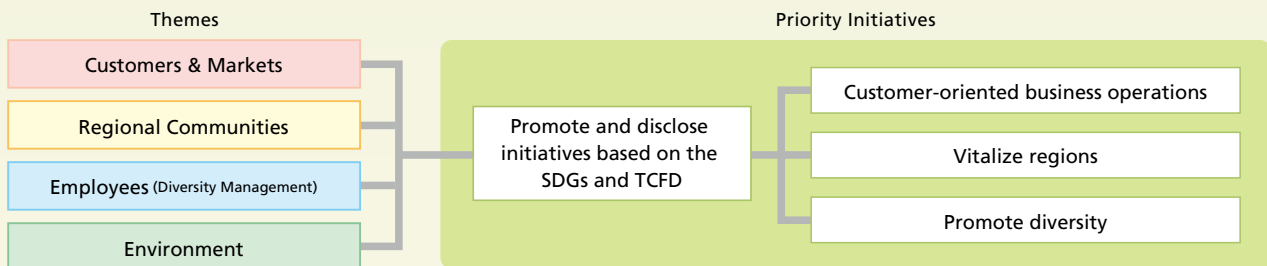
Department coordinates and promotes these measures, then reports on their status twice annually. The content of the CSR Committee meetings is always reported to the Executive Committee afterwards.

In this way, we have established a corporate structure and are working on CSR activities as a company.



Themes of Specific Initiatives

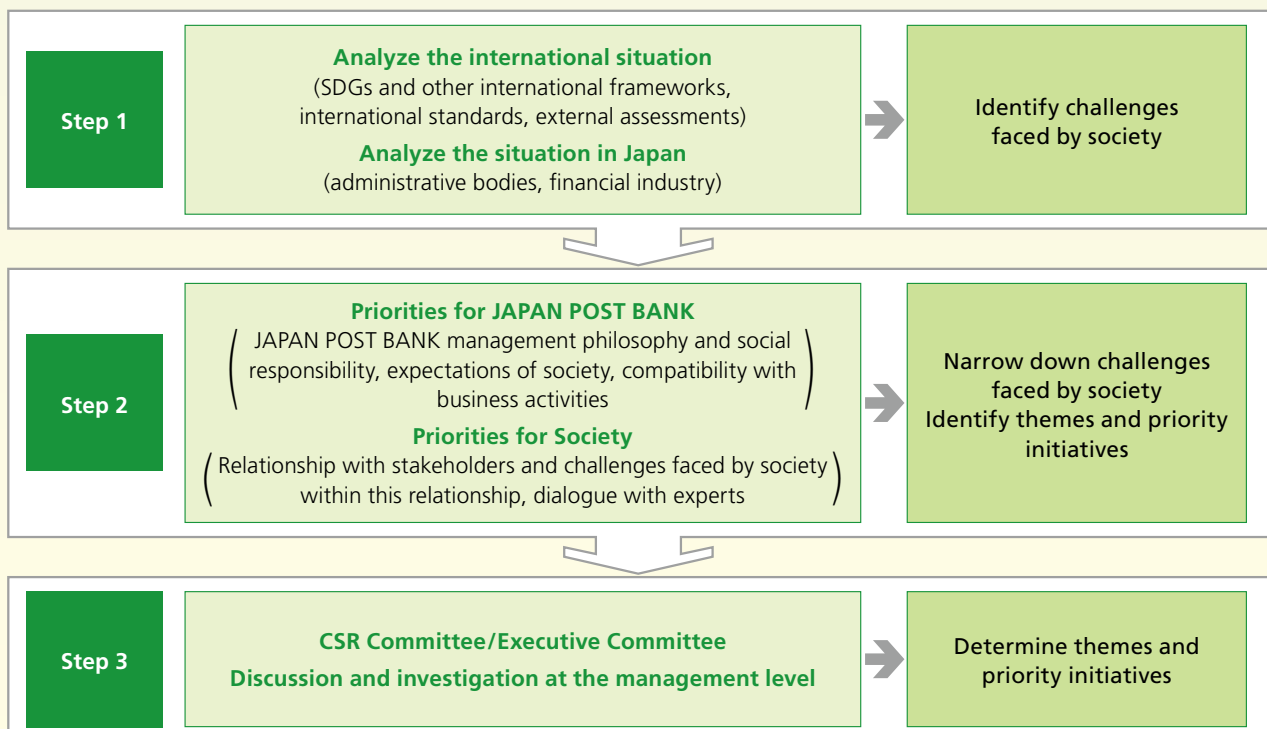
JAPAN POST BANK has set down four themes to realize the concepts described above.



In setting these themes and priority initiatives, we gave consideration to the relationship between stakeholders and JAPAN POST BANK's business activities and the social issues inherent in that relationship, and aimed to contribute to solving problems at a higher level with a particular focus on those areas in which this relationship

is deep and the impact is large.

In addition, we have engaged in dialogue with experts and JAPAN POST GROUP, and reflected the opinions we received there. (⇒Dialogue with Society P.12–13)



External Assessments

JAPAN POST BANK has been positively evaluated for its initiatives in ESG thus far, and has been included in the following Socially Responsible Investment (SRI) indices.



“MSCI Japan Empowering Women Index (WIN)”

An index composed of companies that are leading in promoting and maintaining gender diversity, created by MSCI



“Euronext Vigeo Eiris World Index 120”

An index composed of the best 120 companies as evaluated by Vigeo Eiris in terms of corporate social responsibility

JAPAN POST BANK has also been selected for the following as a company that implements initiatives to create employee-friendly workplaces.



Platinum Kurumin

Ministry of Health, Labour and Welfare: Certification as a childcare support company when certain conditions are met



Tomonin Mark

Ministry of Health, Labour and Welfare: Certification as a nursing care support company



Certified Health and Productivity Management Organization 2019

Ministry of Economy, Trade and Industry/Nippon Kenko Kaigi: Certification for corporations and other organizations that provide health management for employees (this system was designed by METI)



LGBT PRIDE Index Gold

work with Pride (private organization): Assessment index for initiatives targeted at LGBT and other sexual minorities in the workplace

The four JAPAN POST GROUP companies were ranked first in the “Finance/Insurance” industry division of the “Randstad Award: Employer Brand Research 2018”*.

* Surveys companies that are attractive as a workplace by universal standards and awards especially attractive employer companies

Dialogue with Society

To contribute to the creation of a sustainable society and future, and achieve sustainable growth as a company, JAPAN POST BANK must listen closely to the voices of everyone in society, meet their expectations, and earn their understanding and support.

Therefore, we consider it important to engage in active dialogue with members of various communities.



Relationship with various members of society

Dialogue with Experts

On August 28, 2018, JAPAN POST GROUP invited three experts to hold a dialogue. These experts offered various opinions and proposals regarding JAPAN POST GROUP's future aspirations and the primary initiatives it implemented based on the advice received during the previous year's dialogue.

Comments from the Experts



Non-tenured Professor of Meiji University School of Business Administration
Masao Seki

In addition to disclosing results looking back over the past, more recently companies have also become faced with the question of how they illustrate strategies for the future. Strategies based on back-casting^(*) and ensuring disclosure of the risks and opportunities thereof are important. Moreover, I feel that companies must also expand their scope of vision when it comes to people, and cover the human rights of all those involved in their business activities, not just those in their group. As big as it is, JAPAN POST GROUP also has a large social impact. So I truly hope it comes to serve as a model from which other companies can learn.



Representative of Consumer Conference for Sustainability
Yukiko Furuya

It is important to present a stance that links an awareness of the challenges faced by society with a set of initiatives. For example, although JAPAN POST GROUP has disclosed the employment data for the number of regular and contract employees, these data only take on meaning when presented in consideration of the challenges of human rights and disparity. Along with defining both the positive and negative influences the Group has on society and the environment, it is important for the Group to offer a perspective that covers what it must do to achieve the society for which it is aiming.



Dialogue with Experts



Facilitator
Director of CSR Asia Japan
Makiko Akabane



Chair of the Japan Sustainable Investment Forum
Masaru Arai

Although the new CSR Basic Policy is easier to understand than before, what concerns me is its lack of clear statements regarding important elements for investors, like productivity improvements, corporate value creation, promotion of timely and appropriate disclosure, compliance, and ensuring internal controls. Moreover, CDP^(*) is becoming the global standard for reducing environmental impact, so I recommend that JAPAN POST GROUP provides answers to CDP Climate Change Questionnaire in order to satisfy the expectations of investors, as well.

(*) Back-casting: A method for considering what must be done at present by defining a target at some point in the future and working backwards from there

(*) CDP: A UK-based NPO that asks companies to disclose climate change-related information, etc. and reports on the survey results

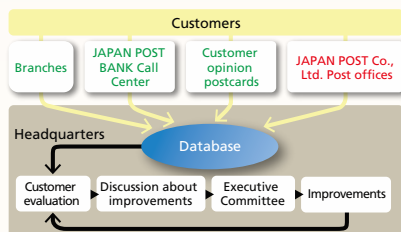
Methods for Reflecting Customers' Opinions in Improvements

JAPAN POST BANK has a unified system for managing the opinions it receives from customers at its branches and call centers. By sharing and analyzing this information companywide, we are able to make necessary improvements based on customer feedback.

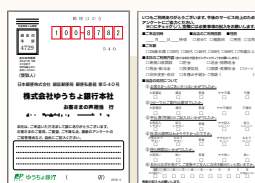
As a way for customers to have their opinions and requests

heard, the Bank has put customer opinion postcards in the lobbies of its branches. The customer opinion postcards sent to us by customers help us improve customer satisfaction across the entire JAPAN POST BANK.

Organizational structure for improving services



Customer opinion postcards



Conducting customer satisfaction surveys

In order to provide better services, the JAPAN POST GROUP conducts customer satisfaction surveys. According to the 11th survey, conducted in October 2018, 76.8%* of customers are satisfied with our services.

* Total of very satisfied, satisfied, and slightly satisfied.

Examples of improvements made from hearing customer opinions

Complaint

Having to write down a family tree on the Inheritance Confirmation Form despite having a will is inconvenient.

Not being able to proceed without entering a PIN when making Japan Post Bank Direct transactions is inconvenient

I would like to receive electronic issuances of investment trust transaction reports without being sent a paper version

It is difficult to send salary deposit data at least three business days before internet transfers

Improvement

When there is a will, small inheritance values do not require the submission of an Inheritance Confirmation Form

The PIN is no longer required for Japan Post Bank Direct transactions

We began an electronic issuance service in May 2019

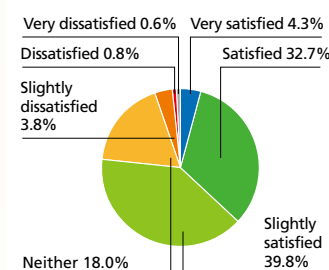
With Biz Direct salary transfers, the deadline can be extended to at least one business day before

The JAPAN POST BANK Call Center takes consultations and inquiries regarding products and services. (*Only available in Japanese)

JAPAN POST BANK Call Center: 0120-108420 (toll free in Japan)

Hours: Weekdays, 8:30 a.m.–9:00 p.m., Weekends, Public Holidays and 12/31–1/3 9:00 a.m.–5:00 p.m.

*Calls can also be made toll free from mobile phones and PHS. *IP and some other telephone services cannot be used.



Dialogue with Shareholders and Investors

JAPAN POST BANK holds as many face-to-face meetings as can be possible to build long-term relationships with shareholders and investors. Believing in the importance of providing detailed explanations of our business and future prospects, we engage in dialogues with shareholders and investors.

We held our 13th General Meeting of Shareholders on June 18, 2019, and 495 shareholders attended the meeting. We presented our business report and other statements and received valued opinions and questions from 12 shareholders.

For individual investors, we hold briefings at various locations in Japan in order to promote understanding of matters such as our main features and business strategies, as well as shareholder returns. We held 29 briefings sessions in the fiscal year ended March 31, 2019, which were attended by a total of 1,799 investors. (The president and representative executive officer hosted three of

the briefings.)

For analysts and institutional investors, we explain our financial status through teleconferences held after the announcement of earnings results every quarter and half-yearly earnings results briefings by our management. We also take part in conferences for institutional investors.

For overseas investors, the president and representative executive officer as well as other management engage in bilateral communications with overseas investors at regular intervals.

We do our best to reflect the valued opinions of these shareholders and investors in our management, in an effort to further increase our corporate value.



General Meeting of Shareholders

Dialogue with Employees

We provide opportunities for the management team and employees to actively engage in dialogue and are working towards shared

recognition and mutual understanding of management policies and challenges.

Dialogue with Regional Communities

As a financial institution that is rooted in the community, JAPAN POST BANK places importance on the various “voices” that are part of these regional communities. As part of this effort, we conduct

dialogue with regional financial institutes that are trusted by the community and Japanese local governments.

Strengthening Our Business Foundation

Corporate Governance

— Targeting the sustainable improvement of corporate value —

Basic Stance

With a view to its sustainable growth along with improvement of its corporate value over the medium and long terms, JAPAN POST

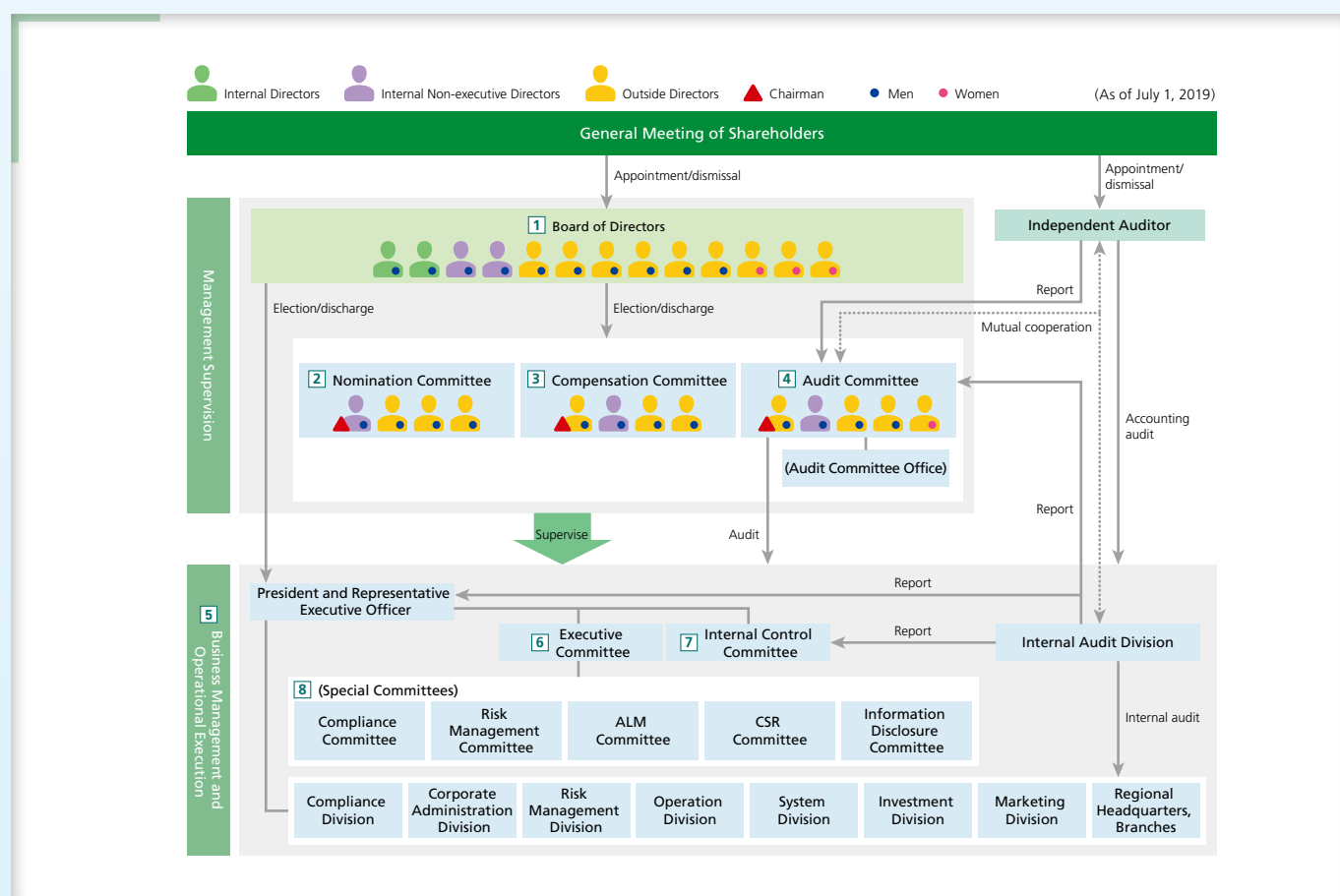
BANK establishes its corporate governance system based on the following stance.

- 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

JAPAN POST BANK has adopted the company with three statutory committees system of corporate governance in order to implement rapid decision-making and to increase management transparency. Accordingly, the Bank has established the Nomination Committee,

the Compensation Committee, and the Audit Committee. In this way, the Bank has a system under which the Board of Directors and the three statutory committees can provide appropriate oversight of management.



(As of July 1, 2019)

* Number of times held from June 19, 2018 to June 17, 2019 (attendance rate)

1 Board of Directors

The JAPAN POST BANK Board of Directors has 13 members. Two of the directors also serve as Executive Officers, and the other nine directors are Outside Directors who work to oversee the Bank's operations.

Members

Norito Ikeda, Susumu Tanaka, Masatsugu Nagato, Ryoichi Nakazato
Outside Directors: Tomoyoshi Arita, Sawako Nohara, Tetsu Machida,
Nobuko Akashi, Katsuaki Ikeda, Ryoji Chubachi, Keisuke Takeuchi,
Makoto Kaiwa, Risa Aihara

Number of times held (Attendance rate)* 12 times (98.48%)

2 Nomination Committee

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.

Members

Chairman: Masatsugu Nagato
Members: Tomoyoshi Arita, Ryoji Chubachi, Makoto Kaiwa

Number of times held (Attendance rate)* 3 times (91.66%)

3 Compensation Committee

This committee decides the Policy for Determining the Details of Individual Compensation for Directors and Executive Officers. It also decides the content of individual compensation for executive officers and directors.

Members

Chairman: Ryoji Chubachi
Members: Masatsugu Nagato, Katsuaki Ikeda, Keisuke Takeuchi

Number of times held (Attendance rate)* 3 times (91.66%)

4 Audit Committee

This committee prepares audits and audit reports on the execution of the duties of executive officers and directors. In addition, it decides the content of proposals regarding the appointment, dismissal and non-reappointment of the accounting auditor that are submitted to general meetings of shareholders.

Members

Chairman: Tomoyoshi Arita
Members: Ryoichi Nakazato, Sawako Nohara, Tetsu Machida,
Katsuaki Ikeda

Number of times held (Attendance rate)* 16 times (97.5%)

5 Business Management and Operational Execution (Executive Officers)

The Executive Officers, who are selected by the Board of Directors, are responsible for conducting business operations. The President and Representative Executive Officer makes full use of the authority and responsibility delegated to him by the Board of Directors in the conduct of business operations. We have introduced a performance-linked stock compensation system utilizing a trust as part of our compensation for our Executive Officers. The objectives of the system are to further enhance the awareness of the Executive Officers of the 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. Accordingly, the compensation of the Executive Officers of the Bank shall consist of a "base compensation" component as fixed compensation, and a "performance-linked stock compensation" component as variable compensation.

6 Executive Committee

The Executive Committee has been established as an advisory body to the President and Representative Executive Officer to hold discussions on important business execution matters.

7 Internal Control Committee

The Internal Control Committee has been established as an advisory body to the President and Representative Executive Officer to hold discussions on the legal, regulatory and other compliance-related issues as well as other important internal control matters.

8 Special Committees

The Special Committees assist the Executive Committee in matters requiring specialized discussions.

Roles of Special Committees**■ Compliance Committee**

The Compliance Committee formulates compliance systems and programs and holds discussions and provides reports regarding progress in these matters.

■ Risk Management Committee

The Risk Management Committee formulates risk management systems and operational policies. The committee also holds discussions and provides reports regarding progress in risk management matters.

■ ALM Committee

The ALM Committee formulates basic ALM plans and operational policies, determines management items, and holds discussions and provides reports regarding progress in these matters.

■ CSR Committee

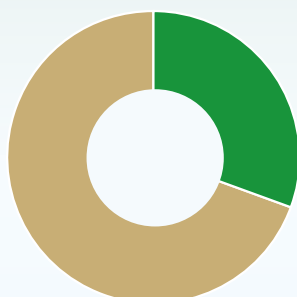
The CSR Committee formulates basic CSR policies and action plans and holds discussions and provides reports regarding progress in these matters.

■ Information Disclosure Committee

The Information Disclosure Committee formulates basic information disclosure policies, holds discussions, and provides reports on disclosure content and progress in order to ensure the appropriateness and effectiveness of information disclosure.

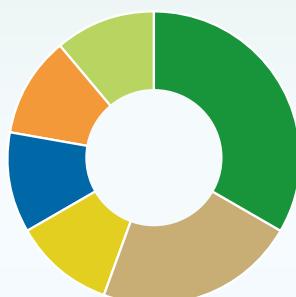
○ Composition of Board of Directors (As of July 1, 2019)

Internal Directors and Outside Directors



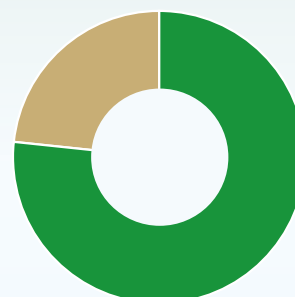
Internal Directors	4 members
Outside Directors	9 members

Backgrounds of Outside Directors




Management	3 members
Academic field / research	2 members
Legal	1 member
Finance / accounting	1 member
Journalist	1 member
Internet marketing	1 member

Ratio of Men to Women




Men	10 members
Women	3 members

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

○ Policy for Determining Amount or Calculation Method of Compensation, etc., for Directors and Executive Officers (As of July 1, 2019)

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.

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

○ Main Topics of Discussion at Board of Directors' Meetings in the fiscal year ended March 31, 2019

- Risk Appetite Statement
- FY2020/3 management plan
- Confirmation of state of progress with FY2019/3 management plan
- Evaluations of effectiveness of the Bank's Board of Directors
- Operational status of the Basic Policies for the Internal Control System

○ 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) Timely and appropriate 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 Board of Directors' meetings

In addition, the Bank shall 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.

○ Evaluation of Effectiveness of the Bank's Board of Directors

Evaluation method

The Bank's Board of Directors conducts discussions based on the results of a survey regarding the effectiveness of the Board of

Directors as a whole in light of a self-evaluation by each director, and conducts an evaluation of the effectiveness of the Bank's Board of Directors.

Summary of Evaluation Results

The Board of Directors comprises a majority of Outside Directors with diverse backgrounds and extensive knowledge and experience, as well as a high degree of specialized expertise.

The directors have appropriately overseen business execution by such means as exchanging unreserved opinions with one another from their respective standpoints and by vigorously discussing important management issues.

In the fiscal year under review, on the basis of progress made with the Medium-term Management Plan, the Bank's Board of Directors actively discussed medium- and long-term issues.

The Board of Directors understands that the diversification and enhancement of discussion has made steady progress compared with last year.

Based on the foregoing, the Board of Directors has concluded that the effectiveness of the Board of Directors as a whole has been ensured.

In light of these evaluation results, from the viewpoint of further improvements in effectiveness, we will encourage more discussion by working to share information in a more appropriate and timely manner than ever before, while working to enable the Board of Directors to exert its supervisory function to the fullest extent.

Compliance

○ Compliance Policy

For JAPAN POST BANK, compliance comprises adherence not only to laws and regulations but also to internal rules, social standards of behavior, and corporate ethics by all directors and employees.

We are striving to be the most trustworthy bank in Japan, and consequently we view compliance as an important management issue. Accordingly, we conduct rigorous compliance activities.

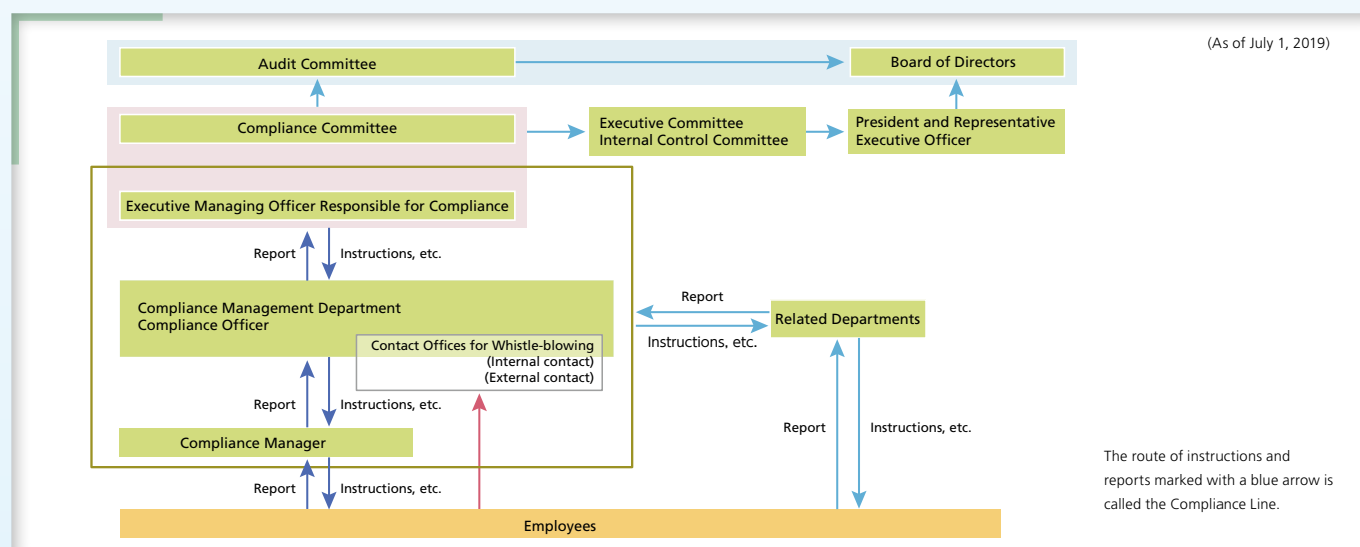
○ Compliance System

JAPAN POST BANK has established the Compliance Committee, which is composed of Executive Officers with responsibilities related to compliance issues. The committee holds discussions about important compliance-related matters and their progress reports once per month as a general rule. In addition, the Bank has established the Compliance Management Department under the leadership of the Executive Managing Officer responsible for compliance. The department formulates compliance promotion

plans and manages their progress.

We have also appointed compliance officers in certain departments who are independent from business promotion and other conflicting functions. Through their activities, we monitor the progress of the implementation of compliance-related initiatives. Moreover, we have appointed compliance managers in departments and branches who are responsible for mentoring employees and promoting compliance.

● Compliance System



● Contact Offices for Whistle-blowing

JAPAN POST BANK has established contact offices for whistle-blowing for compliance, both within and outside of the Bank, and has informed our employees thereof. Our employees can directly contact these offices when they encounter compliance violations or potential compliance violations and find it difficult to report to the person responsible for compliance in their office. Through this system, JAPAN POST BANK is working to prevent compliance violations from occurring and to quickly resolve any problems that may arise.

○ Compliance Initiatives

Every year the Bank formulates the Compliance Program, which serves as a detailed action plan for the promotion of compliance. On the basis of this program, the Bank addresses important matters and rigorously implements compliance-related initiatives, such as conducting training sessions for employees.

Outline of Main Measures

- Prevention of fraud
- Countering money laundering and financing of terrorism
- Individual customer-oriented customer protection

In addition, to serve as a specific guide to remaining in full compliance, the Bank formulated a Compliance Manual, which brings together the Bank's approach to compliance and important action items as well as the management of conflict of interest transactions, the prohibition of acts that fall under bribery, the other laws to be observed, and the contact offices for whistle-blowing.

Each director and employee has received the Compliance Handbook, which contains the most important, baseline compliance items from the Compliance Manual that all JAPAN POST BANK directors and employees need to be aware of. In this way, the Bank further raises compliance awareness.

● Money Laundering and Terrorism Financing Countermeasures

In recent years, there has been growing international requirement to implement countermeasures against money laundering and terrorism financing. In response, JAPAN POST BANK established the Anti Money Laundering Department and is addressing the Act on Prevention of Transfer of Criminal Proceeds, laws and ordinances such as the Foreign Exchange and Foreign Trade Act, and the Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism issued by the Financial Services Agency. Beyond this, we are working to strengthen measures that will enable us to appropriately address changes in international and social demands.

● Basic Policy on Antisocial Forces

In relation to antisocial forces 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.

- | | |
|--|---|
| ① Response as an Organization | ② Alliances with external specialist organizations |
| ③ Breaking of all, including business, relationships | ④ Civil and criminal legal responses in emergencies |
| ⑤ Prohibition of backroom deals and fund provision | |



(Japanese only) https://www.jp-bank.japanpost.jp/aboutus/company/abt_cmp_antisocial.html

● Measures Aimed at Managing Conflicts of Interest

The JAPAN POST GROUP has released the Japan Post Group Conflicts of Interest Management Policy. This Policy governs the management of conflicts of interest transactions by our Group as a whole in order to prevent our customers' interests from being unduly harmed.

In line with this Policy, JAPAN POST BANK has put in place a system for the proper management of transactions that have the potential to create conflicts of interest and to prevent customer interests from being unduly harmed. Among a host of initiatives, the Bank has set up the Compliance Management Department to assume responsibility for managing and controlling conflicts of interest.



(Japanese only) https://www.jp-bank.japanpost.jp/policy/conflicts/pcy_cfl_index.html

Close Up Initiatives to improve compliance awareness among directors and employees

With the purpose of improving compliance awareness among directors and employees, JAPAN POST BANK conducts compliance training with various methods, including lectures by experts with broad knowledge, newsletters to propagate internal rules, DVDs recreating familiar cases in ways that are easy to understand, and e-learning to reinforce knowledge of compliance.

As we continue our efforts to become the most trustworthy bank in Japan, we work to further enhance awareness of compliance by conducting various types of training that take changes in the environment into consideration.



Training

Risk Management

We place a high priority on risk management and are taking steps to refine our sophisticated framework for risk management, including the identification and control of the risks associated with our operational activities.

Our basic policy is to appropriately manage risks in view of our management strategies and risk characteristics and most effectively utilize our capital. By doing so, we are able to increase enterprise value while maintaining sound finances and appropriate operations.

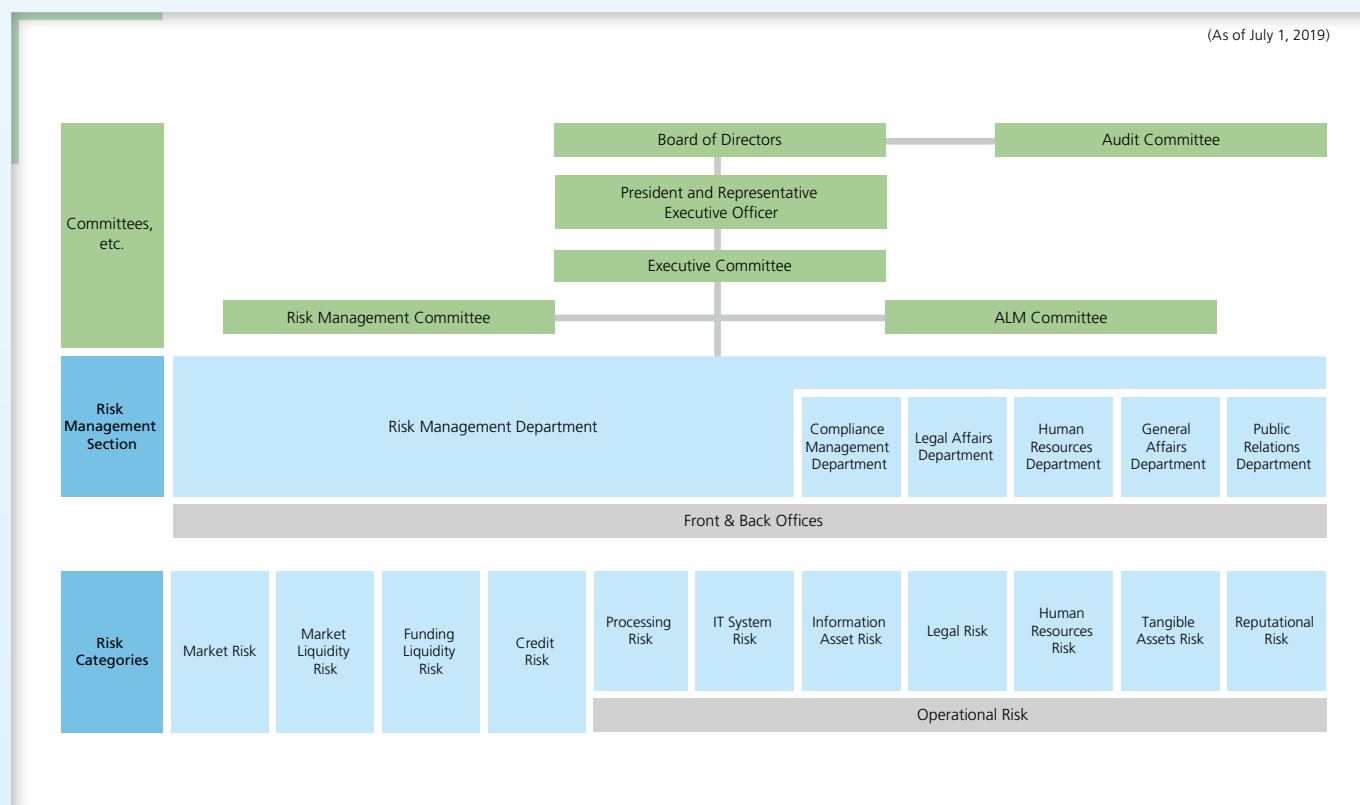
○ Risk Management System

The Bank has identified certain risk categories outlined in the table below. Various entities have been established to manage each risk category. In addition, we have put in place the Risk Management Department, which is responsible for monitoring each risk category in an integrated manner in order to ensure the effectiveness of our comprehensive risk management. The Risk Management Department operates independently from other departments.

We have established special advisory committees to the Executive Committee to handle risk management responsibilities: the Risk Management Committee and the ALM Committee. These advisory committees submit risk management reports based on risk characteristics and hold discussions about risk management policies and systems.

Prior to launching new products, services, or businesses, we assess potential risks and select appropriate methods to measure risks.

● Risk Management System



Customers & Markets




JAPAN POST BANK considers the basis of all its business and the basis of its CSR to be providing secure and convenient, community-based services to all its customers through its network of approximately 24,000 post offices nationwide. We aim to listen intently to the voices of our customers, use those voices as a guide in pursuing more convenient service, and provide customer-oriented “new convenience” and “peace of mind.”

Topic 1 Customer-oriented Business Operations

In addition to providing its long-used, traditional services, such as savings and fund transfers, and to respond positively to a wide range of customer needs through, for example, “asset formation support,” JAPAN POST BANK adopted the Principles for Customer-oriented Business Conduct, which were published by the Financial Services Agency in March 2017 and officially announced its Basic Policy for Customer-oriented Business Operations in June 2017. Moreover, we officially announced our Customer-oriented Business Operations Initiatives and the progress of these initiatives. (revised June 2019)

Basic Policy for Customer-oriented Business Operations (announced on June 12, 2017)

- | | |
|--|---|
| 1 Establishing a corporate culture focusing on customer-oriented business operations | 4 Improving the system for managing conflicts of interest |
| 2 Developing / providing high-quality, customer-oriented financial services | 5 Fostering human resources / performance evaluations |
| 3 Providing customer-oriented information and consulting services | 6 Status updates |

 (Japanese only) https://www.jp-bank.japanpost.jp/aboutus/company/abt_cmp_fiduciary.html

Topic 2 Providing High-quality, Customer-oriented Financial Service

JAPAN POST BANK strives to provide high-quality, customer-oriented financial service.

Customer-oriented Asset Building Support

Enhancing our product lineup

JAPAN POST BANK is working to enhance the lineup of its asset management products, so that customers can choose the right product according to their knowledge, experience, status of their property, and purpose for purchasing these products.

For example, we added new investment trust products in May 2018, which brought the number of items in the investment trust product lineup to 142. For iDeCo (individual-type Defined Contribution pension plan), we have expanded our lineup, lowered trust fees, and started introductions in post offices

across Japan (except contracted post offices) since October 2017. Moreover, in April 2019 we began direct consulting services at post offices that handle investment trusts.



Financial seminars held

We hold a variety of seminars in JAPAN POST BANK branches to be able to respond to the diverse needs of our customers. In addition to providing information that helps customers to improve their financial and investment knowledge and their understanding of market trends, seminars are held in collaboration with other companies as well as in a format and at times that cater to customers who find it difficult to visit a branch on a weekday or during the day. Each of these seminars propose “life plans that match our customers’ lifestyles” to our customers. (the fiscal year ended March 31, 2019: 2,615 seminars held at 233 branches)



Asset management seminar

Increasing post offices handling investment trusts and training employees

We are working to enhance our consulting services for customers by increasing the number of post offices that handle or introduce investment trusts (As of March 31, 2019: 1,540 handling post offices, 18,211 introducing post offices), and by focusing our efforts on enhancing sales tools such as tablet devices and proposal materials, as well as the training and hiring of sales personnel.

Enhancing Services That Meet the Lifestyles and Needs of Our Customers

Enhancing settlement services

We are working to enhance our remittance and settlement services so that customers can use our services more securely, easily, and conveniently.

In order to improve convenience for our customers, we have collaborated with more companies on our immediate transfer service and interactive immediate transfer service*, and are working with a total of 25 companies as of March 31, 2019.

* Our immediate transfer service allows customers to register their general account (only for individual customers who hold an ordinary deposit account and have their cash card issued) at JAPAN POST BANK in advance on the website of a recipient institution, so that they can make remittances between their general account and a recipient institution account immediately without inputting account information

Moreover, in aiming to encourage cashless payments we issue the mijica Visa debit card (with a prepaid option). In January 2019, we further improved the card's convenience by adding a debit charge option and enabling Visa contactless payments. In May 2019, we also launched Yucho Pay* smartphone payment app, thereby providing more convenient services that are closely tied to customer lifestyles.

* Yucho Pay is a service that utilizes a special smartphone app to read a code and complete in-store payments. This app is directly linked to the user's account.



Expanding our ATM network

JAPAN POST BANK has a network of approximately 29,800 ATMs, and is working to further improve the convenience of these ATMs.

Since January 2017, we have subsequently installed compact ATMs in FamilyMart convenience stores and other facilities across Japan (2,849 ATMs as of March 2019). In addition to customers who have a JAPAN POST BANK card, customers who have cards issued by nearly 1,400 collaborating financial institutions in Japan and financial institutions abroad can use these ATMs 24 hours per day, 365 days per year*.

* These ATMs are not available from 11:55 p.m. to 12:05 a.m. the following day. Also, service starts from 7:00 a.m. every third Monday.

Furthermore, from January 15, 2018, fees for using JAPAN POST BANK have been made free on E-net ATMs on weekdays during the day and for part of the day on Saturdays.



Enhancing our online and smartphone services

In order to respond to customers' needs of using JAPAN POST BANK no matter the time or place, we are also working to enhance our online and smartphone services.

Japan Post Bank Direct is a convenient service to connect to JAPAN POST BANK through computers or smartphones. Customers can use services such as balance inquiry and payment at any time.

In January 2018 we started offering an international remittance service via Japan Post Bank Direct titled "Japan Post Bank Direct International Remittance," with the goal of further enhancing our service.

We also launched the smartphone app for mijica in January 2017, the JAPAN POST BANK ATM Finder App in September 2017, and the Japan Post Bank Direct Balance Inquiry App in January 2018.



Moreover, in May 2019 we launched Yucho Pay smartphone payment app, thereby providing new convenient services that customers can use on a daily basis.



Yucho Pay



ATM Finder App



Cooperating on Fintech with other companies

JAPAN POST BANK is working to provide high-quality financial service to customers and contribute to revitalizing regional economies by actively incorporating financial innovation such as new technology and business ideas, while always making sure to maintain the safety and security of customers' financial transactions.

By actively partnering and collaborating with other companies that possess various technologies and business ideas, while at the same time taking due consideration of our customers' protection, going forward we aim to offer products and services that can better address the various needs of our customers and enhance the corporate value of JAPAN POST BANK. One such example is Yucho Pay, a novel payment service that utilizes new technologies.

Topic 3 Customer Protection

We have undertaken initiatives to protect customers so that they can use our services securely.

Providing customer-oriented information and consulting services

We offer products and services that we believe will serve customer's interests, according to their knowledge, needs, and investment experience. We also have customers engage in transactions after giving them an adequate explanation, so they understand the risks associated with our products and services.

Especially when it comes to asset management products, we clearly state fees for each product or service and strive to give detailed explanations that aid customers in deciding how to invest and select products.

When the operating environment changes significantly, we provide information useful for customers' investment decisions, such as market conditions and management status, and strive to provide a timely and careful follow up service.

We also work to provide content and seminars that are useful for improving one's knowledge of finance and investment as well as understanding market trends, according to our customers' diversifying needs for asset management.



Privacy Protection Measures

In providing highly satisfactory services to its customers, JAPAN POST BANK recognizes that the proper protection and handling of personal information, including specific personal information and numbers are important themes. We have thus established and enforce a policy (privacy policy) on the protection of such personal information.



(Japanese only)

https://www.jp-bank.japanpost.jp/policy/privacy/pcy_prv_statement.html

Enhancing security of online banking transactions

Japan Post Bank Direct services have various security features in place so that customers can securely use JAPAN POST BANK services over the Internet.



(Japanese only)

https://www.jp-bank.japanpost.jp/direct/pc/security/dr_pc_sc_index.html

Initiatives to prevent specific fraud cases including bank transfer scams

JAPAN POST BANK cooperates with the police and has taken various measures in order to protect our customers from bank transfer scams and other fraud.

- Strengthening screening when opening accounts, such as refusing to open accounts for people with a history of illegal account use.
- Receiving information from the National Police Agency on the "frozen account holder list" of names used for bank transfer scams and investment opportunity schemes in the past, in order to freeze accounts for parties with the same name as the information on the list and to refuse to open new accounts for the same persons on the list.

- Warning customers about fraud by distributing flyers and displaying information on ATM screens.
- Explaining the situation to the customer when we receive a deposit or refund that is suspected of being a bank transfer scam and requesting the police to further explain the situation if necessary
- Recommending that customers lower their own daily withdrawal limit on ATMs

Furthermore, based on the so-called Criminal Accounts Damage Recovery Act*, after dividing the remaining balance of accounts used for crimes to the amounts proportionate to the damages, these amounts are then paid to the victims.

* Act on Payment of Damage Recovery Benefits from Funds in Deposit Accounts Used for Crime, enacted June 2008.

Topic 4 Universal Services

JAPAN POST BANK is deeply engaged in training its personnel, as well as enhancing its facilities, products, and services, so that every customer can use our services securely.

Secure Facilities and Services

Visually impaired customers

To better serve visually impaired customers, we support Braille at ATMs and issue Braille cash cards, and offer a service that displays the customer's savings and content of various notifications in braille.

ATM	<p>ATM Telephone (Handset): Utilizing a handset keypad, a voice guidance system provides customers with operating instructions.</p> <p>Braille Guidance and Braille Displays: In addition to the use of Braille to indicate bankbook and cash card insertion slots as well as for operating buttons, ATMs are equipped with a small protruding Braille device which displays transaction amounts and other pertinent data.</p> <p>Earphone Jack: Our ATMs enable customers to use their personal earphones to receive detailed verbal instructions regarding transaction amounts and other pertinent data.</p>
Bankbook & Deeds	Displays types of savings in Braille
Various Notifications	Braille support (notifications of matters concerning ordinary deposits, notifications of matters concerning TEIGAKU (fixed-amount) deposits and time deposits, notifications of various other information)
Cash Card	Issuing Braille cash cards
Other	<p>Discounting money transfer fees at the counter (We offer discount service on money transfer fees for visually impaired customers transferring money from teller windows at branches. By presenting their physical disability certificates, these customers can transfer money from branch teller windows at the ATM rate, which is lower than the branch teller window rate.)</p> <p>Braille walkway blocks (Installed on paths that lead from the sidewalk to the ATM corner or inside the bank branch)</p>



Update to ATM screens

In January 2017, the design^{*1} of the ATM screens was updated to incorporate Color Universal Design^{*2} concepts. This update has made it easier and more convenient for the majority of customers to use our ATMs.

^{*1} Excludes information about hours of operation and fees.

^{*2} Color Universal Design uses a color scheme that a majority of people find easier to see, regardless of individual differences in color perception.



Hearing impaired customers

We have placed writing devices (displaying an ear mark) in branches and support hearing impaired customers with communication by writing.



Placement of writing devices (displaying an ear mark)

Physically challenged customers and senior customers

We have placed cane holders and wheelchairs in JAPAN POST BANK branches as support tools for senior citizens and people who are physically challenged to use our services more comfortably. We have also prepared writing surfaces that can be used while seated.

We have also added ramps to eliminate steps and handrails to assist access at the entrances of our branches.



Foreign customers

Since January 2017, we have introduced compact ATMs with added functions including support for 16 different languages, and are now installing them in FamilyMart convenience stores and other facilities across Japan.

(The 16 languages supported by compact ATMs are Japanese, English, Chinese (simplified), Chinese (traditional), Korean, Thai, Malaysian, Filipino, Indonesian, Vietnamese, French, German, Portuguese, Spanish, Russian, and Arabic)



Personnel Training to Support Service

Initiatives for improving customer service skills

JAPAN POST BANK actively engages in the development of customer satisfaction (CS) promotion leaders and conducts seminars in a bid to enhance customer service. These initiatives are designed to improve the manner in which we respond to customers at frontline counters and to deliver a level of satisfaction that will ensure our continued use. At the same time, every effort is made to improve the Bank's response skills toward customers. Among a host of endeavors, we hold "No. 1 in Customer Satisfaction" customer interaction contest utilizing a role-playing format and call on outside professionals to periodically conduct surveys on our response skills.

JAPAN POST BANK also supports the cause of training "dementia supporters," which have been promoted based on the "Comprehensive Strategy for the Promotion of Dementia Measures (New Orange Plan)," and has trained employees as dementia supporters.



Scene from an All-Japan "No. 1 in Customer Satisfaction" Customer Interaction Contest

Dementia Supporter Training
Trained Employees

➔ Approximately **15,000** (As of March 31, 2019)

Products That Support Our Customers

JAPAN POST BANK provides various products and services to support our customers, such as "Retirement Pension Delivery Service^{*1}", "New Welfare Time Deposits^{*2}, etc."

^{*1} Our staff home-delivers pension payments each payment month for people, such as the elderly living on their own, who have difficulty in coming to a JAPAN POST BANK branch or a post office to receive their payments.

^{*2} With this service, we offer one-year time deposit up to ¥3 million with preferential interest rates for recipients of certain pensions and allowances, such as the disability basic pension, the basic pension for surviving family, and child-rearing allowances, which are given to people with disabilities or surviving family members.

Improving accessibility of the JAPAN POST BANK website

With the goal of improving web accessibility, we have made the JAPAN POST BANK website compliant with Level A of Japanese Industrial Standards "Guidelines for older persons and persons with disabilities—Information and communications equipment, software and services—Part 3: Web content" (JIS X8341- 3:2010)".

Topic 5 Response to Disasters and Accidents

JAPAN POST BANK takes measures to prepare for natural disasters, accidents and other emergencies.

In the event that there is an actual disaster, we also work to support the victims of the disaster.

Business Continuity Plan (BCP) initiatives

JAPAN POST BANK has formulated a BCP in preparation for crises such as natural disasters, developed a crisis management system, and conducts training for crises at least once per year. We are also working to train disaster prevention experts.

Disaster victim support

For people who have lost their savings account bankbooks, certificates or personal seals as a result of a natural disaster, we will allow them to withdraw funds up to ¥200,000 from their ordinary savings accounts, etc. Moreover, we offer a free money transfer service for disaster relief donations to the Japanese Red Cross Society, community chests, and local governments, among others, for the purpose of supporting victims.

Number of organizations currently receiving free money transfers for disaster relief donations (As of July 1, 2019)

● Disaster caused by the Hokkaido Eastern Iburi earthquake in 2018	6
● Disaster caused by heavy rains in July 2018	25
● Disaster caused by heavy rain on July 5, 2017	3
● Disaster caused by heavy rain from Typhoon No. 10 of 2016	1
● Disaster caused by earthquakes in the Kumamoto region of Kumamoto Prefecture in 2016	10
● Disaster caused by heavy rain from Typhoon No. 18	1
● Great East Japan Earthquake (The 2011 off the Pacific coast of Tohoku Earthquake)	12
Total	58

Column The nationwide JAPAN POST BANK and post office branch network contributes significantly to receiving disaster relief donations.

Among the organizations that accept donations, the total disaster relief donations received by the Japanese Red Cross Society during the fiscal year ended March 31, 2019 for domestic purposes was ¥31.2 billion (345,000 donations).

Of this, ¥5.3 billion (240,000 donations), or 70% of the total on a donation basis, was collected through the JAPAN POST BANK and post office branch free money transfer service.

Topic 6 Initiatives for Suppliers

In December 2018, we revised our Approach to Group Procurement and Purchasing Activities, and now request that our suppliers also take environmental and social issues into account in working to achieve the 10 principles from the United Nations Global Compact*.

* The United Nations Global Compact was proposed by then UN Secretary-General Kofi Annan at the World Economic Forum held on January 31, 1999, requesting that each participating organization practice 10 principles in four fields (human rights, labor, environment, and anti-corruption), within the scope of their influence.



(Japanese only)

<https://www.japanpost.jp/procurement/index03.html>

Other Activities

Volunteer Savings

We keep 20% of interest (after tax) as donations and use these to improve living conditions in developing countries.

Regional Communities



We believe that the Japanese economy can only develop so long as local economies develop. Therefore, relationships with local communities are very important to JAPAN POST BANK, as a financial institution rooted in the community. We will carry on our tradition of working hand in hand with members of local communities, while contributing to the development of the Japanese economy through revitalization of local economies with new initiatives, such as the flow of funds to communities and mechanisms that meet the needs for cashless transactions.

Fostering the next generation is a common challenge for communities. In particular, all sorts of new money-related problems involving youth have arisen with the spread of credit cards and e-money. Furthermore, the impact on youth from the spread of poverty is growing stronger, but we at JAPAN POST BANK believe that it is our responsibility to contribute to the improvement of financial literacy as a way to help solve these problems. We will contribute to the future of regional communities by helping to raise children who have the basic skills to boldly make their own path forward, through education about money that utilizes our unique attributes as a financial institution.

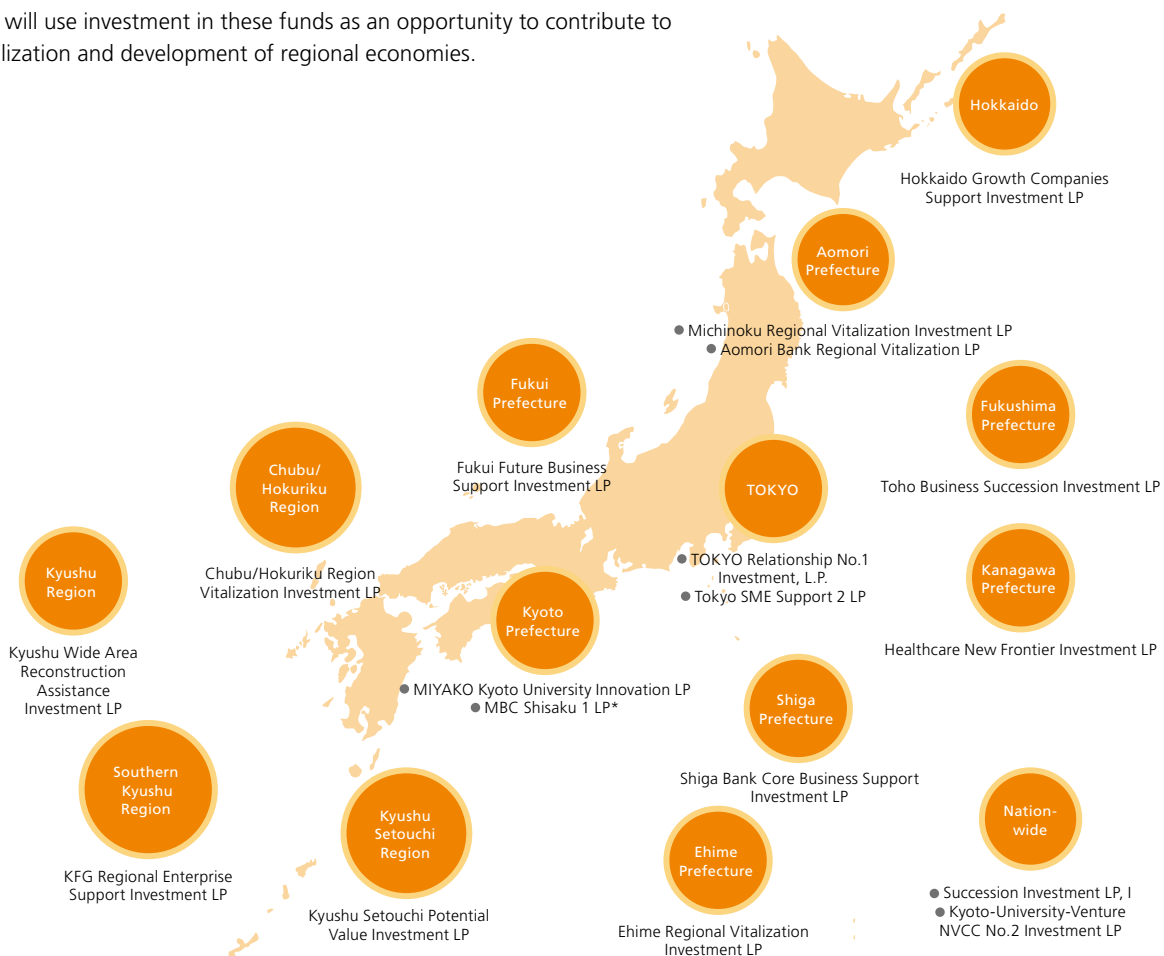
Topic 1 Vitalization of regional economies

Funds Flow to Regional Communities

Participating in Regional Vitalization Funds

JAPAN POST BANK has decided to participate in the following funds, with the purpose of directing vital funding to customers in every part of Japan and further strengthening our collaboration with regional financial institutions to contribute to the development of regional economies.

We will use investment in these funds as an opportunity to contribute to the vitalization and development of regional economies.



* Received the Minister's Award in Characteristic Approach Case Study Category for Financial Institutions Contributing to Regional Revitalization (March 2019)

Recirculating funds to regional economies through local government bonds and loans to local public agencies

To help restore and revitalize communities, JAPAN POST BANK recirculates funds to local communities by earmarking the cash deposited by local customers for local government bonds and loans to local public agencies.

Contributing to regional economies through service

Measures to Support Management at SMEs

JAPAN POST BANK offers a variety of services to corporations and business owners, such as fund transfers, bill payments and Internet banking (Yucho Biz Direct).

The support we offer to managers of small and medium-sized enterprises (SMEs) relates to improving the efficiency, facilitating the process, and reducing the cost of doing business, by focusing efforts on enhancing the quality of services that take advantage of our nationwide branch, post office and ATM network. Such services include convenient regular payments for receiving payments for goods or for collecting accounts receivable, electronic transfers, and the transfer of payroll to employees.

We do not provide management support through loans to SMEs.

Issuing the "mijica" Visa Debit Card (with prepaid option)

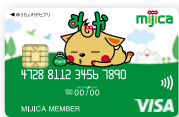
JAPAN POST BANK began issuing this debit card at some post office and JAPAN POST BANK branches in Sendai and Kumamoto in January 2017. In addition to accepting applications through the website, we now also accept applications at all JAPAN POST BANK and some post office branches.

We have improved the convenience of mijica. For example, in January 2019 we added a debit charge function and enabled Visa contactless payments.

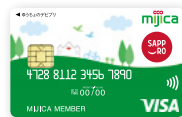
We will contribute to regional economic revitalization and greater use of cashless payments through this service. In fact, there is a large number of stores that offer double or triple points in Sapporo, Sendai, and Kumamoto, as well as in Chiba Prefecture.

mijica

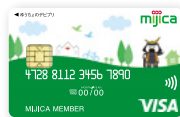
- Application fee and annual membership fees are free!
- Use your card at 53 million Visa member stores worldwide.
(You can get double or triple points at selected stores)



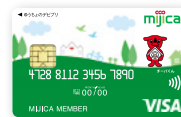
mijica version



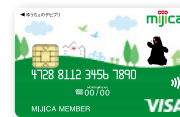
Sapporo City version



Sendai City version



Chiba Prefecture version



Kumamoto City version

Topic 2 Fostering the next generation human resources

My First New Year's Gift and Greeting Cards



When a new ordinary deposit account is opened and an application form is also submitted for children less than 1 year of age during our campaign period, JAPAN POST and JAPAN POST BANK give a New Year's Gift of ¥1,000 and deliver a New Year's card in January, in a way to support the upbringing of children from the financial side of their life. (Implementation in the fiscal year ended March 31, 2019)

Financial Education

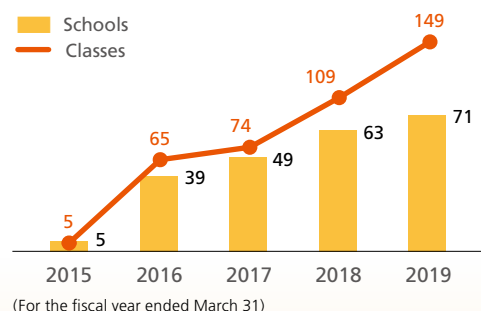
JAPAN POST BANK conducts financial education classes and other visiting lessons at elementary and junior high schools. Utilizing our proprietary teaching materials, we are helping children develop good financial sense by teaching them the importance of money and how to manage their money.



Visiting lessons

Method: Visiting lessons/Seminars at branches/Classes by instructors

Classes held: 149 classes at 71 schools (in the fiscal year ended March 31, 2019)



Original textbooks for each grade

Elementary school
1st/2nd gradesElementary school
3rd/4th gradesElementary school
5th/6th gradesJunior
high school

Allowance book



Materials



DVD

- Textbooks are made according to the goals for each age group set forth in the "Courses of Study" and "Financial Education Program" specified by the Central Council for Financial Services Information.
- We cooperate with the Central Council for Financial Services Information and financial planners to innovate contents for children that are easy to understand and fun to learn.
- We also prepare materials and DVDs as a "Handbook for Curriculum by Grade" so that employees can teach in a way that is easy for children to understand.

Piggy Bank Design Contest for Children

The largest and most storied art contest in Japan

We hold the JAPAN POST BANK Piggy Bank Design Contest with the objectives of fostering elementary school children's artistic creativity and heightening their interest in savings by making piggy banks. The contest started in 1975 to commemorate the founding centennial of postal savings business in Japan, and the 43rd annual contest was held in the fiscal year ended March 31, 2019.

Applicant schools: **10,834**Participating students: **758,820**

(43rd contest held in the fiscal year ended March 31, 2019)

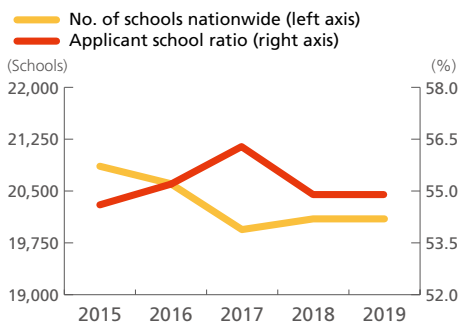
Total participating students: **Approx. 59 million**

(from the fiscal years ended March 31, 1976 to March 31, 2019)

* The number and content of winning piggy banks is for the 43rd contest, held in the fiscal year ended March 31, 2019

Applicant School Ratio

For the fiscal year ended March 31,



* The number of schools nationwide is taken from the "Basic School Survey" by the Ministry of Education, Culture, Sports, Science and Technology



Exhibitions (January 2019 to March 2019)

* We exhibited 240 prize winning piggy banks at 7 venues (in Tohoku, Kanto, Tokyo, Chubu, Kansai, Chugoku, Kyushu). We also hold events such as "Piggy Bank Making Workshops" at each exhibition venue.

Piggy Bank Design Contest Selection Process

1 Participants: Used their summer vacation to make piggy banks

758,820 piggy banks

2 Selection in Schools: Elementary schools selected one piggy bank from each grade as their "representative piggy banks" and submitted them to the contest. Each school may submit a total of six piggy banks, one piggy bank for each grade.

* Schools that have submissions from a special class for handicapped children may submit one piggy bank from that class in addition to the six other piggy banks.

48,028 piggy banks

3 Primary Selection: Conducted a document screening for each grade using pictures of the piggy banks to select the piggy banks, which then advanced to the final screening.

240 piggy banks

4 Final Screening: Conducted a screening to decide the winners from among the top 240 piggy banks using the actual piggy banks.

This screening was done with the utmost scrutiny by art educators, art experts, members of supporter organizations, members of cooperating organizations, and the organizer.

Minister of Education Award*

Post Office Award



JAPAN POST BANK Award

Honorable Mention Award

Good Design Idea Award

* Minister of Education, Culture, Sports, Science and Technology Award

5 Announcing Winners: Winners were given certificates and prizes, students whose works were selected as representative works for their schools were given an "original stationery set," and all students who participated were given "idea notebooks."

6 Award Winner Exhibitions: The 240 winning piggy banks were exhibited at 7 locations across Japan.

Award Winning Piggy Banks (43rd contest in the fiscal year ended March 31, 2019)



* Minister of Education, Culture, Sports, Science and Technology Award

In the fiscal year ended March 31, 2019, we donated ¥10 for every piggy bank entry received (a total of ¥7,588,200) to the Japan Committee for UNICEF (United Nations Children's Fund), JICA (Japan International Cooperation Agency), and JOICFP (Japanese Organization for International Cooperation in Family Planning).

These donations are used to improve the living conditions of children suffering from poverty and illness in developing countries.

In addition, we donated stationery including approximately 50,000 notebooks to JOICFP, who then delivered them to children in Afghanistan.



Final screening
(November 20, 2018)



Donation ceremony
(November 20, 2018)



Children in Afghanistan holding notebooks
donated by JAPAN POST BANK

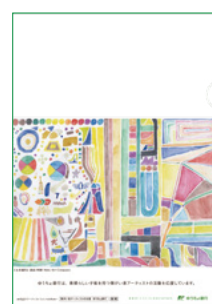
Work Experience / Workplace Tours

JAPAN POST BANK welcomes students from local schools for work experiences and workplace tours. In work experiences, students take customer support manners training and learn about banking business, then greet customers and distribute flyers as employees of a financial institution in a real work environment.
(Content is arranged with each school.)

Support for Artists with Disabilities

JAPAN POST BANK creates original clear document folders using works drawn by disabled artists with outstanding talent, and distributes these files at branches across the country.

Furthermore, with the purpose of providing a place to many artists to present their works, we introduced a total of 15 works by 11 artists with disabilities at KITTE in Tokyo on January 6 and 7, 2019.



Exhibitions (January 6, 2019)

Original clear document folder
4th batch (Made in 2018)
Work: Mirai Toshi
(City of the Future)
Artist: Toshihiro Minoda
(Belongs to Able Art Company)

Other Activities

Sponsoring regional events	We support and cooperate with non-profit social and cultural activities conducted by organizations that serve the public interest, with the purpose of contributing to regional communities.
Using the bank as a town exhibition hall	JAPAN POST BANK customer lobbies are used to exhibit paintings by local elementary school students and other art works.
Participating in regional festivals	JAPAN POST GROUP cooperates and participates in the Aomori Nebuta Festival, Yamagata Hanagasa Festival, and Awa Odori Dance Festival.
Creating the JAPAN POST BANK Machiomoi Calendar	We publish calendars with content closely tied to regional communities and distribute them at JAPAN POST BANK branches and post offices nationwide. We also distribute these to childcare facilities nationwide.
Sponsoring regional revitalization awards	We support and cooperate with the goal of honoring and assisting organizations that work to restore and vitalize regional communities.
Sponsoring the Tokyo Philharmonic Orchestra	We support and cooperate with various activities conducted by Japan's oldest orchestra that contribute to the creation of a rich society through the power of music, including children's education, international exchange, and disaster area support.
Accepting university interns	We accept short-term university interns and offer project planning experiences at our head office.

Employees (Diversity Management)



JAPAN POST BANK sees its employees, the driving force for customer-oriented business operations and sustainable growth, first and foremost as important stakeholders. 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.

Top Message



Norito Ikeda

Director, President and Representative Executive Officer

In order for JAPAN POST BANK to keep pace with customer's diverse life stages while meeting their needs and to grow sustainably, it is necessary for us to improve the activities of individual employees both qualitatively and quantitatively.

To do so, we acknowledge that it is essential for each employee to understand and acknowledge each other's ideas and work styles, demonstrate their individual skills and strengths, and take on new challenges to start a behavioral revolution.

For this reason, we feel we must fundamentally reform the corporate culture in order to realize a workplace in which every employee can be themselves and work with vitality in line with the JAPAN POST BANK Human Rights Policy.


Since the fiscal year ended March 31, 2018, we have focused on fostering managers as "Yucho IkuBosses"* who will serve as key persons in advancing these reforms. During the fiscal year ended March 31, 2019, along with holding training sessions around the country led by outside lecturers, we asked all managers to make the "Yucho IkuBoss Declaration" and to put this concept into practice in each workplace.

Drastic reform of corporate culture cannot be accomplished overnight, but I will continue to actively promote diversity management based on the three pillars of "fostering an inclusive corporate culture," "work-life balance management," and "career formation support."

* 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.
c) enjoys his/her own life outside of work.

Topic 1 Human Rights Policy

In light of increasing pressure from society on corporations to respect human rights and based on concepts such as the United Nations Guiding Principles on Business and Human Rights, in April 2019 JAPAN POST BANK fully revised our existing Basic Policy for Human Rights Awareness, and formulated the JAPAN POST BANK Human Rights Policy. We also promote human rights awareness activities to show our stance on respecting human rights and cultivate human rights awareness in each individual employee.

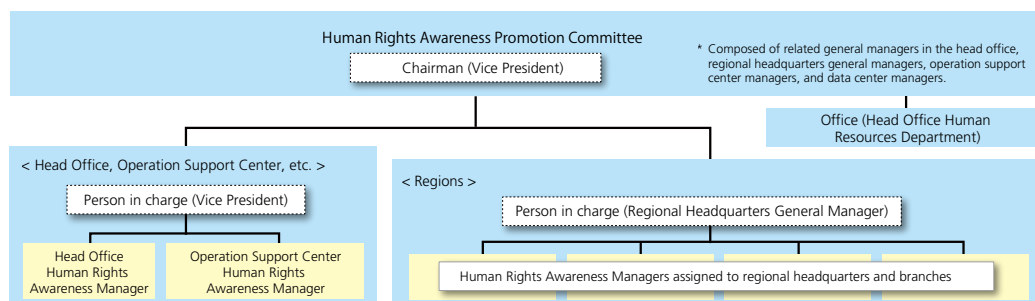
 https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_human_rights.html

Topic 2

Raising Awareness and Conducting Education about Human Rights

JAPAN POST BANK has set forth the Basic Policy for Human Rights Awareness and JAPAN POST BANK's Guideline of Corporate Conduct, and promotes human rights awareness activities to show our stance on respecting human rights and cultivate human rights awareness in each individual employee.

Human rights awareness promotion system diagram



Implementing various types of training

We conduct human rights awareness training for all employees and conduct education through newsletters published monthly and training by position regarding various human rights problems, such as the prevention of harassment in the workplace, as well as problems related to people with disabilities, foreigners, seniors, sexual diversity, and social minorities (outcast discrimination). During the fiscal year ended March 31, 2019, we provided harassment prevention training to all officers and provided DVD training regarding LGBT to all employees.

Establishing a harassment consultation counter

We have developed a system where employees can securely seek consultation by staffing each organization with one male and one female harassment consultant, as a rule, who serve as internal contacts for consultation regarding various types of harassment and human rights violations. We have also set up external contact counters.

LGBT-related awareness raising activities

In aiming to become a bank in which every employee can work in a cheerful, vital manner, regardless of sexual orientation or gender identity, and a bank that can be used without fear by LGBT customers, we are raising awareness of LGBT by providing training to and conducting awareness surveys of all employees, as well as by distributing Ally stickers.

During the fiscal year ended March 31, 2019, we received the highest Gold rating in the PRIDE Index, which evaluates related initiatives conducted by corporations and other employers. This index was created by "work with Pride," an organization that supports the promotion and establishment of diversity management related to LGBT.

Moreover, we also endorsed and played a part in "work with Pride 2018," which aims to overcome the framework of corporations to create LGBT-friendly workplaces. Likewise, we did the same for "Tokyo Rainbow Pride 2019," an event that aims to realize a society in which everyone can be themselves and live optimistically without being exposed to discrimination or prejudice.



Other human rights awareness activities

We solicit, select, and commend human rights awareness slogans (once per year). We also apply to external organizations such as the Japanese Bankers Association.

Topic 3

Fostering an Inclusive Corporate Culture

JAPAN POST BANK is working to change the mindset of everyone at the Bank in order to realize a working environment where personnel from diverse backgrounds can better understand each other and work together. We have taken various educational measures so that executives and management employees can take the lead in building better human relationships within the workplace.

Diversity and Inclusion System

JAPAN POST BANK has established the Diversity and Inclusion Department and is working to enhance the promotion of diversity management.

Furthermore, in order to make sure that it takes root in the Bank, we have established the JAPAN POST BANK Diversity Committee, with representatives from 13 regions of Japan as members and the President and Representative Executive Officer at the top. This committee examines policies and measures related to promoting diversity management, and offers advice according to our challenges and circumstances.

Nurturing and empowering IkuBosses

We believe IkuBoss to be essential to achieving a workplace where each and every employee can work comfortably and enjoy their experiences, and so have worked to promote our own “Yucho IkuBoss” program. In the fiscal year ended March 31, 2018, leaders of each organization in the Bank, including the President and Representative Executive Officer made a “Yucho IkuBoss Declaration.” During the fiscal year ended March 31, 2019, we strengthened efforts to nurture IkuBosses by expanding eligibility for the “IkuBoss” program to all managers, making “Yucho IkuBoss Declarations,” holding “Diversity (IkuBoss) Training,” and offering the “Yucho IkuBoss Certification test.”

Holding the JAPAN POST BANK Diversity Forum

We are also holding the JAPAN POST BANK Diversity Forum in order to foster awareness of diversity and to create a comprehensive mindset focused on the future. About 140 employees of varying age, gender, and occupation participated in the forum in the fiscal year ended March 31, 2019. At the forum, members of the JAPAN POST BANK Diversity Committee reported their activities to top management, and formulated action plans for promoting diversity management during the fiscal year ended March 31, 2020, through group work.



JAPAN POST BANK Diversity Forum

Implementing the Diversity and Inclusion Month

In order to recognize the diversity and unconscious biases of our employees, as well as to connect this recognition to a change in awareness and behavior, we established the Diversity and Inclusion Month, during which we intensively tackle diversity, review individual behaviors, and promote reforms.

During this month, we held study sessions using informational pamphlets, held the Yucho IkuBoss Certification test, and distributed educational tools (Rainbow (Ally) stickers) related to LGBT.

Providing e-learning

We have set up e-learning that employees can access even when at home, and have added information useful for childbirth, child rearing, and family care, as well as content that can be used for work and management after returning to work, and training content for each position, to aid in promoting understanding and raise awareness.



Screen image of an e-learning page

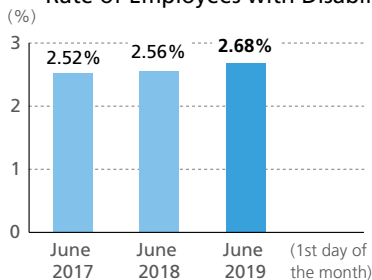
Topic 4 Hiring Diverse Personnel

JAPAN POST BANK actively hires and provides employment to personnel from diverse backgrounds, so as to sustainably respond to the diverse needs of our customers and society.

Employing people with disabilities

JAPAN POST BANK actively employs people who have disabilities, and employees with disabilities are active in our organizations all across Japan.

Rate of Employees with Disabilities



JAPAN POST GROUP Target 2.5%
Statutory Employment Rate 2.2%

Operating ARIGATO Center

In 2010, JAPAN POST BANK established and started operating the JAPAN POST BANK ARIGATO Center as a part of efforts to provide people with disabilities who are seeking employment with the opportunity to work. At this center, employees with disabilities bag candy, which is handed to customers visiting branches as a way to express customer appreciation.

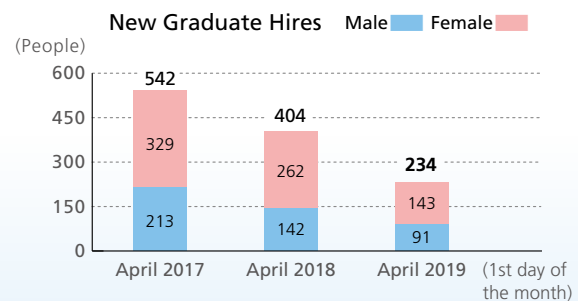


General view of the ARIGATO Center operation

Employing senior citizens and continuing employment of employees after the age of retirement

We employ workers who wish to continue their employment from among employees who have reached the age of retirement. (Maximum employment agreement period: Until the end of the fiscal year in which the employee reaches 65 years of age.)

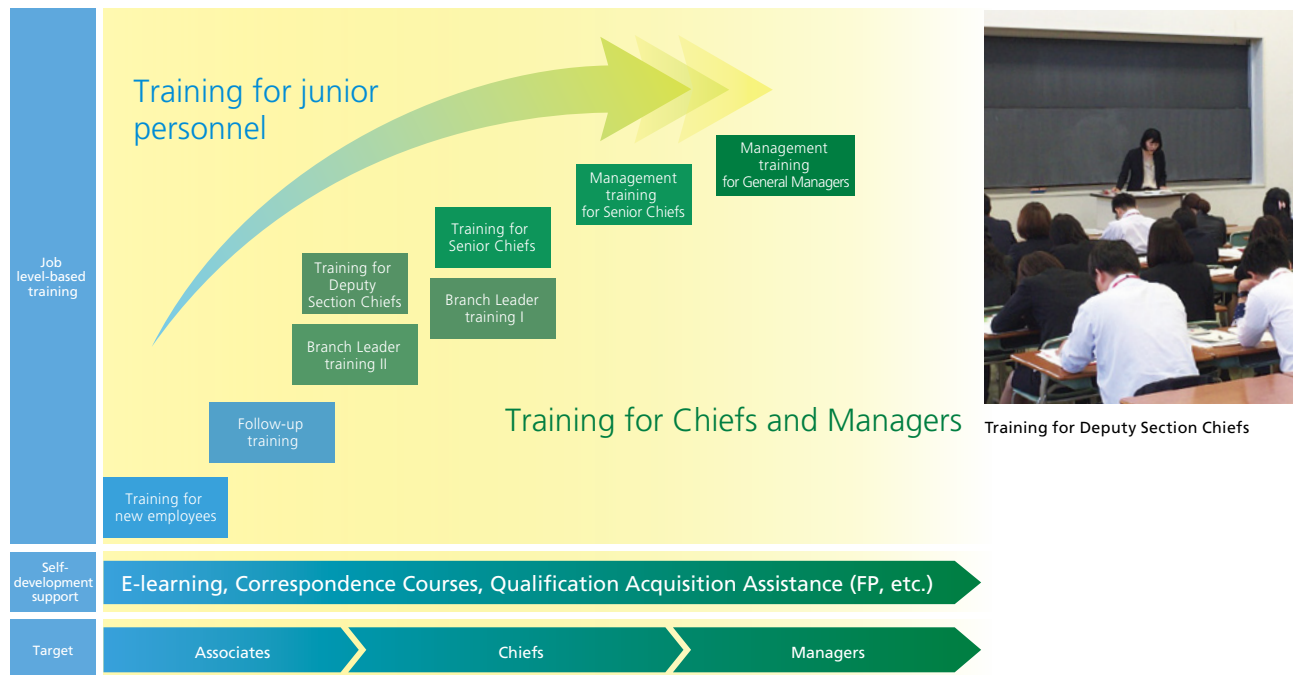
Related Data



Topic 5 Supporting career development

JAPAN POST BANK promotes career development by providing opportunities to pick up on and learn about the attributes necessary for employees to envision how they would like to grow in the future and map out a plan to reach that point for themselves.

Training system diagram



Mentoring program*

We offer wide-ranging follow-up support for employees, with expectations for future growth.

* The mentoring program is a method of developing human resources that supports the growth of employees with dialogue and advice from senior employees (mentoring).

Number of position-based training participants and number of training hours (For the fiscal year ended March 31, 2019)

Total of 3,251 participants and 90,627 hours

Developing human resources on a global basis (overseas assignments, etc.)

To develop human resources who have a global perspective and human resources who have advanced expert knowledge of finance, management, and law, we dispatch employees to companies overseas and conduct programs of studying in Japan and abroad.

Providing an environment for self-development

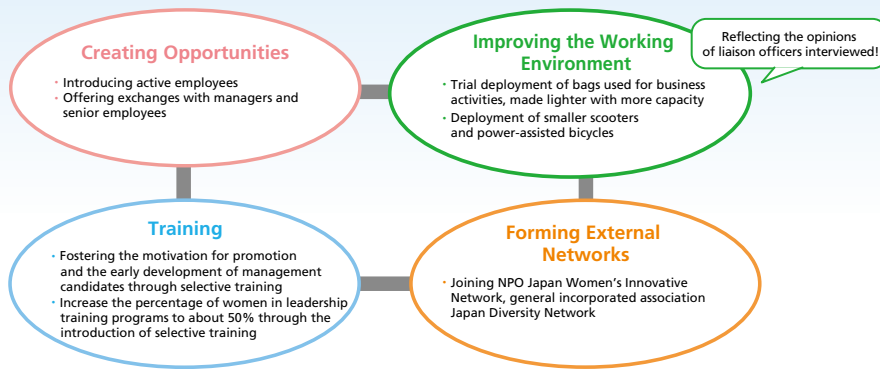
We consider enhancing basic finance skills to be the pillar for developing human resources, and so provide a self-development environment, including assistance for qualification acquisition, correspondence courses, and e-learning that is accessible to employees from their homes.

Conducting fair evaluation and treatment of personnel

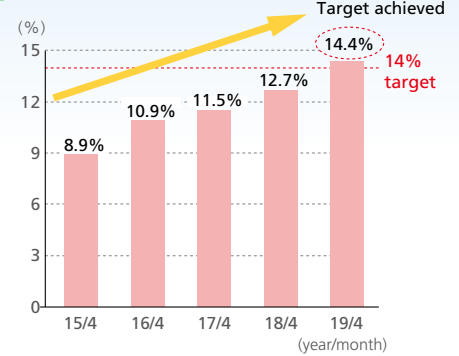
In conducting personnel evaluations, we make the evaluation criteria clear to employees and have employees evaluate themselves (self-evaluation), followed by multi-stage evaluation from high ranking executives, feedback from management-class employees, and establishing a consultation system for claims about evaluation. Furthermore, by reflecting fair evaluation results on treatment of employees, we seek to improve employee motivation.

Topic 6 Promoting Women in the Workplace

JAPAN POST BANK has put in place a general business owner action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace. This plan aimed to increase the percentage of women in managerial positions to 14% or more by April 1, 2021, but achieved 14.4% as of April 1, 2019, to reach this target.



Percentage of Women in Managerial Positions



Topic 7 Work-life Balance Management

So that employees can continue working during times when they are needed at home, including from pregnancy to childbirth, for childcare, and for nursing family members, JAPAN POST BANK has established a support system exceeding the regulations in the Child Care and Family Care Leave Act. This allows these employees to independently and autonomously achieve a balance between life and work responsibilities.

We also raise awareness with lectures on work-life balance as part of training by position.

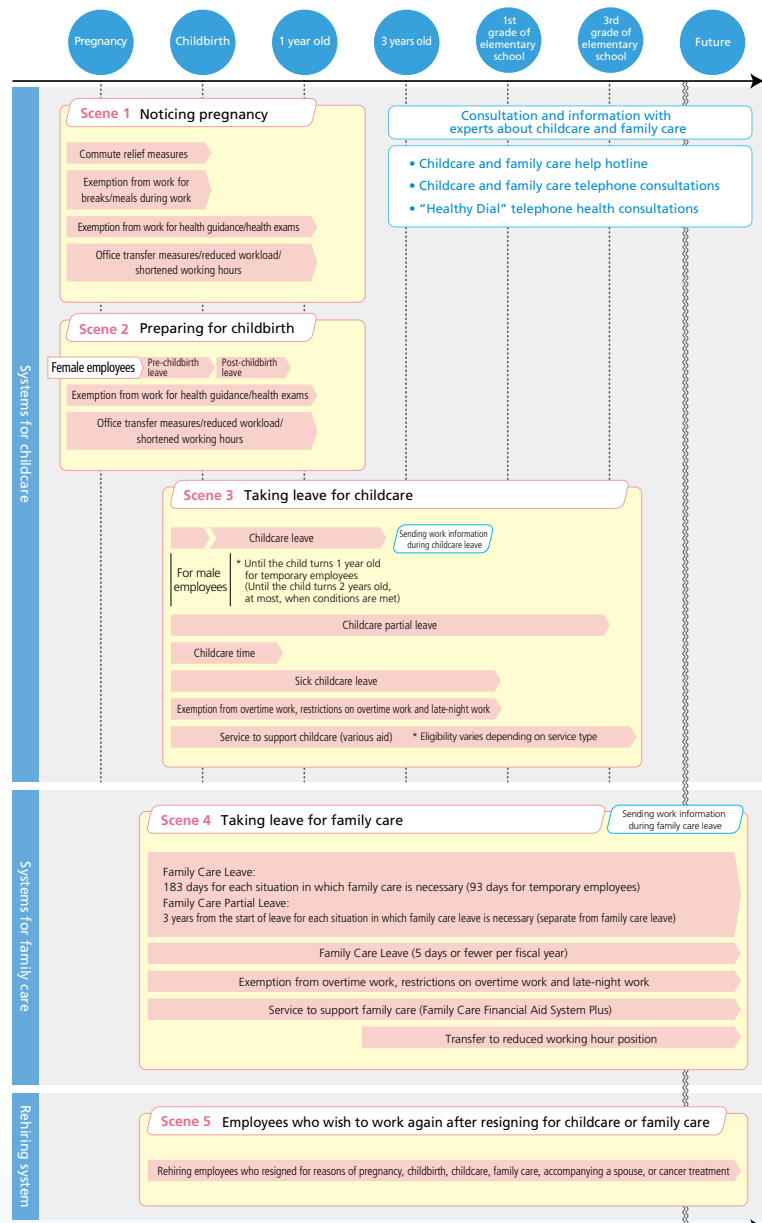
Producing manuals and operating support systems for childcare and family care

We have produced and disseminated to employees support manuals for the balancing of childcare and work responsibilities, which cover matters that superiors should know and deal with from the time that a female employee applies for pregnancy leave until she returns to the workplace, a work-life balance support handbook for managers, a work-life balance guidebook that covers various support systems relating to childcare and family care, and a family care support book that covers the process when an employee is faced with family care and ways in which managers can address this issue.

In October 2018, we newly established Child Plan Vacations that can be used when receiving fertility treatments, and provide aid for various childcare-related measures, including aid for using babysitters, aid for using monthly childcare, and aid for using childcare for sick or convalescent children, as well as aid for family care to employees who are engaged in family care.

Establishing day care centers at offices

As a means of supporting a balance between childcare and work, in April 2019 we opened the Yutemachi Day Care Center, a workplace day care center at JAPAN POST GROUP's head office building in Otemachi.



Holding training and seminars

JAPAN POST BANK holds various seminars on work-life balance to support employees in balancing childcare or family care with work, including seminars for expecting mothers and expecting fathers, seminars for childcare leave returnees, and seminars on balancing work and family care. We also hold lectures on work-life balance in our in-house training to raise awareness.



Seminar for childcare leave returnees

Promoting men's participation in childcare

Together with making childcare leave partially paid leave, the Bank recommends that men take childcare leave, for example by printing articles written by men who have taken childcare leave and interviews with superiors in our internal newsletter.

We are also working to create an environment for following up at all workplaces.



Seminar on childcare leave to attend with spouse

Holding Family Day (a day for children to tour their parents' workplace)

We hold Family Day as an opportunity for the children of employees to learn about their parents' workplaces at JAPAN POST GROUP, including JAPAN POST BANK, and tie this to improved employee work-life balance awareness and employee satisfaction (ES).



Family Day

Acquired certification based on the Act on Advancement of Measures to Support Raising Next-Generation Children (Kurumin)

JAPAN POST BANK received certification from the Ministry of Health, Labour and Welfare as a "child rearing support company," and in 2018 received the special Platinum Kurumin accreditation mark.



Acquired accreditation to promote the development of "work environments that enable the balancing of work and nursing care" (Tomonin)

JAPAN POST BANK was accredited by the Ministry of Health, Labour and Welfare in November 2016.



Related Data

Childcare Leave Takers*¹ (People)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Men	167	160	136
Women	155	155	155
Overall	322	315	291

Family Care Leave Takers (People)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Men	3	7	7
Women	10	9	11
Overall	13	16	18

Childcare Leave Return Rate (%)

Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
100	97.6	96.2

*1 Total number of employees who took leave in that fiscal year.
Includes spouses who take maternity leave

Childcare Partial Leave Takers (People)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Men	10	16	12
Women	312	362	388
Overall	322	378	400

Family Care Partial Leave Takers (People)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Men	0	2	3
Women	1	2	6
Overall	1	4	9

Retention Rate After Childcare Leave Return*² (%)

Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
100	96.4	96.6

*2 Retention Rate = $\frac{\text{Employees who are still with the Bank 12 months after returning from childcare leave}}{\text{Total number of employees who returned from childcare leave in that fiscal year}} \times 100$

Topic 8 Work Style Reform

JAPAN POST BANK considers it very important that we have a working environment where employees from diverse backgrounds can work to their fullest potential, to provide high-quality service to our customers. We are working to develop employee-friendly working environments that support employees with diverse backgrounds.

Introducing an interval-based work system

With the goal of ensuring employees get enough time for daily living and creating a healthy working environment, since April 2018 we have had in place a system that guarantees 11-hour intervals between each day's work.

Telecommuting (working from home) on a trial basis

With the goal of improving productivity in the business and allowing employees to continue to demonstrate their abilities, we launched on a trial basis a system for telecommuting at our head office in the fiscal year ending March 31, 2019. Users of this system provided comments to the effect that it offered the ability to balance work even after a child was admitted to the hospital.

Diversifying working patterns

We are establishing an environment that enables employees to choose from a variety of working styles, including offering a reduced workhour shift system and a rehiring system.

Efforts to reduce total working hours and improve productivity

By setting limits on overtime work and advancing Business Process Re-engineering (BPR), we are promoting a reduction in workloads employees taking planned time off at least one week of continuous time off, and "refresh days," in which employees leave at a designated time. Through these measures we aim for sharp, focused employees that can contribute to improved added value and higher productivity while at the same time reducing total hours worked.

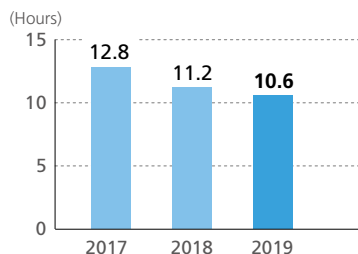
Employee Satisfaction (ES) Surveys

We periodically survey employees about their satisfaction regarding the Bank, workplace, and jobs, and use the results of these surveys to make a company and working environment where employees can demonstrate their strengths and find their work challenging and fulfilling.

Related Data

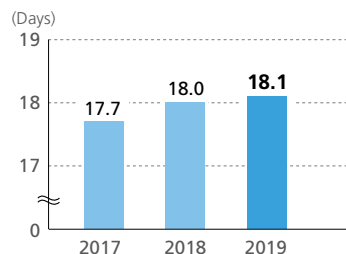
Average Overtime Hours

For the fiscal year ended March 31,



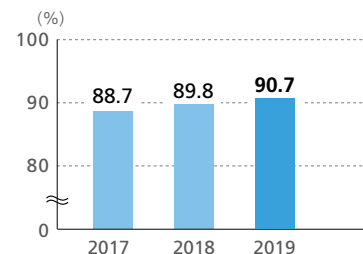
Average Days of Paid Leave Taken

For the fiscal year ended March 31,



Rate of Taking Paid Leave

For the fiscal year ended March 31,



* Rate of taking paid leave and average overtime hours are announced in the "Database of Companies Promoting Women's Participation and Advancement in the Work Place" (Ministry of Health, Labour and Welfare)
 * 20 days of paid leave given per year
 * All figures are per person.

Topic 9 Initiatives on Health Management

JAPAN POST BANK is taking the following initiatives based on the idea that maintaining and improving the mental and physical health of employees, as well as making an environment where employees can work with vitality, will contribute to improving the Bank's productivity and corporate value.

Implementing health exams and health guidance

JAPAN POST BANK provides various types of health exams based on laws and regulations. Regular health exams in particular play an important role in early discovery, as well as ascertaining one's own health status and improving problems, so we encourage all eligible persons to take these exams.

For employees who especially need to work to maintain their health according to the results of their health exam, we take follow up measures such as having public health nurses provide health guidance and recommending that employees receive treatment at medical institutions.

Implementing exercise programs

For the purpose of maintaining employee health, during the fiscal year ended March 31, 2019, we invited sports club instructors as lecturers and conducted exercise programs at the head office. We will expand the locations where these programs are held over time.

Initiatives in mental health countermeasures

For employees, we produce and distribute a mental health guidebook, and we have established “Mental and Physical Health Consultation” counters at health management facilities across Japan, where doctors and public health nurses offer consultation on the work and life of employees.

We have also established internal consultants for mental health issues (support staff), who help to prevent mental health issues among employees through interviews, while also offering mental health training for management employees with the purpose of helping them prevent mental health issues among their subordinates. Furthermore, we offer support by formulating a “Workplace Return Support Program” that systematizes support for employees with mental health issues when they return to work, as well as follow-up support after they return.



Implementing stress checks

As part of strengthening mental health measures, we conduct stress checks at all business locations. Employees are notified of the results of these examinations to promote awareness of stress among the employees themselves and reduce the risk of individual mental health issues. We also collectively analyze the results of these stress checks and use them to improve the working environment.

Promoting safety and health activities

Based on laws and ordinances, JAPAN POST BANK appoints a health manager at each business location and establishes health and safety management frameworks, formulates health- and safety-related policies and targets, and promotes safety and health activities, such as those for preventing work-related injuries.

Certification as a Health and Productivity Management Organization 2019 (White 500)

Based on its responses to a health management survey conducted by the Ministry of Economy, Trade and Industry, JAPAN POST BANK was certified by the Nippon Kenko Kaigi (Japan Health Council) as a corporation practicing good health management and was certified as a Health and Productivity Management Organization 2019 (White 500).



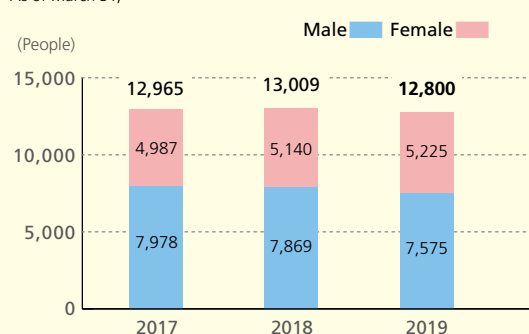
Labor-management relations

The JAPAN POSTAL GROUP UNION and the Postal Industry Workers Union have been organized as chapters by the employees of JAPAN POST GROUP including JAPAN POST BANK. The Bank works to build positive labor-management relations with these unions through regular communication and negotiations regarding various working conditions, including employee pay and work-life balance.

Employee Data

Number of Employees

As of March 31,



* The number of employees excludes employees assigned to other companies by the Bank but includes employees assigned to the Bank by other companies.
The figure does not include short-term contract and part-time employees.

Average Age

(Age)

	March 31, 2017	March 31, 2018	March 31, 2019
Male	44.5	44.6	45.0
Female	39.4	39.4	39.6
Overall	42.5	42.5	42.8

Average Years of Employment

(Years)

	March 31, 2017	March 31, 2018	March 31, 2019
Male	21.2	21.3	21.6
Female	15.9	15.7	15.8
Overall	19.1	19.0	19.2

Environment



Actions aimed at solving global environmental problems such as climate change, deforestation, and water pollution are the responsibility of every company in the world. JAPAN POST BANK strives to reduce the environmental impact of its business and actively works to reduce the environmental impact of society overall through financial products.

Topic 1 Environmental Policy

Recognizing that responding to climate change, which has a major impact on the environment, society and business activities, is an important issue, JAPAN POST BANK along with JAPAN POST HOLDINGS Co., Ltd. and JAPAN POST INSURANCE Co., Ltd. announced their agreement with the TCFD recommendations in April 2019.

With regard to environmental issues such as climate change, the Bank's viewpoint is to promote initiatives not only by endeavoring to act in ways that show consideration for the environment but also through its business activities. It was from that viewpoint that the Bank revised the JAPAN POST BANK Environmental Policy on the basis of the TCFD proposals in April 2019 and is working to make further enhancements to its activities.



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

Topic 2 Environmentally-friendly Business

Japan Post Bank Direct+ (plus) Non-Passbook General Account

ゆうちょダイレクト プラス

With no issuing of a passbook, this service enables customers to use their cash cards for cash deposit and withdrawal enquiries, while current balances are obtained via Japan Post Bank Direct. Instead of issuing passbooks, details of deposits and withdrawals can be confirmed for up to a maximum period of 15 months. Since the paper used for both conventional passbooks and for the various notifications sent to customers is unnecessary, this leads to a reduction in paper usage.

Donation to environmental conservation organizations (Yucho Eco-Communication)

Since paper usage is being reduced by the increasingly widespread adoption of the Japan Post Bank Direct+ service, we donated an amount equivalent to the number of Japan Post Bank Direct+ accounts opened in the fiscal year ended March 31, 2018, under the title Yucho Eco-Communication, to 13 organizations (non-profit organizations) across Japan that are engaged with local residents in activities that have both an environmental conservation and a social contribution aspect. These donations were used for activities lasting from January to December 2018.

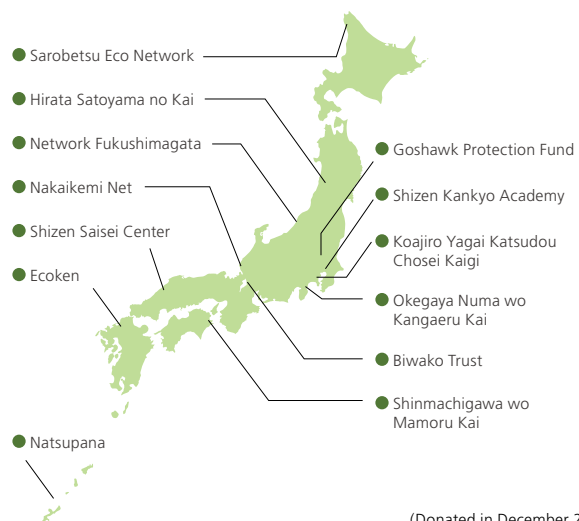
We aim to deepen mutual communications with local communities and local residents and contribute to the sustainable development of local communities.



Hirata Satoyama no Kai (Sakata City, Yamagata Prefecture)
"Maintenance of Yuyunomori Forest"



Shizen Saisei Center (Matsue City, Shimane Prefecture)
"Seaweed harvesting in Nakaumi Lake"



(Donated in December 2017)



(Japanese only) https://www.jp-bank.japanpost.jp/aboutus/csr/abt_act_csr_kankyokih.html

Online Service for Viewing Transfer Receipt/Payment Notifications

This is a service that enables customers to check transfer receipt/payment notifications and payment handling slips from 9:00 a.m. the day after the account update on an office or home computer*. The feedback we have received from customers has included comments like “Being able to confirm transfer receipt/payment notifications via the Internet is convenient,” “No longer needing to store hard copies of transfer receipt/payment notifications has made life easier.” Since transactions are confirmed via an online screen instead of informing customers in writing, this is also leading to a reduction in paper usage.

* Access by smartphone is scheduled for launch in January 2020.



Column End of postal mail service for “Notification of Transaction History (for parts not printed in passbook)”

When the number of entries that remain unprinted in a customer’s passbook for ordinary deposits exceeds 30 rows, JAPAN POST BANK prints the total number and total amount of deposits and withdrawals. Until now, we have sent a “Notification of Transaction History (for parts not printed in passbook)” with a detailed breakdown of the totaled transactions to the customers by postal mail. However, as a result of considering how to save environmental resources (paper) and listening to opinions from customers, we have decided not to send this notification from October 2018 onwards. We have successfully contributed to environmental conservation through cooperation with our customers.

* We will continue to send the notification to customers who request it.

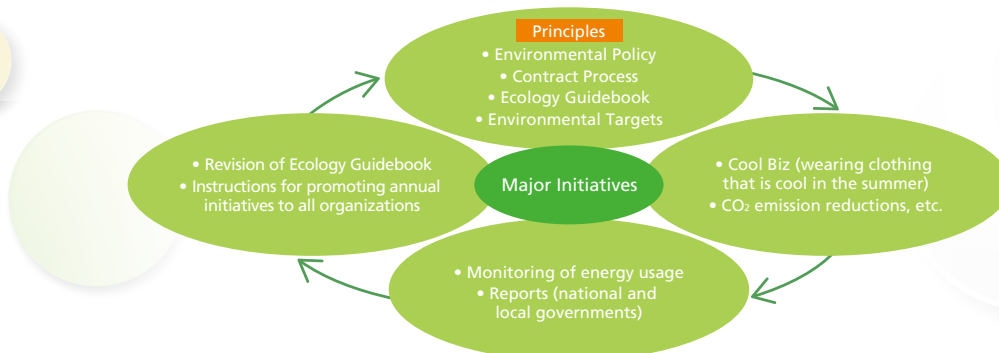
Consideration for and Contribution to Environmental Issues in Investment and Financing Activities, Such as Investing in Green Bonds

As stipulated in our ESG Investment Policy, JAPAN POST BANK is committed to making investments that take into account various forms of international agreements related to environmental issues.

We are also investing in green bonds issued by companies in developed countries. These funds are used for green projects that assist in solving environmental problems, including global warming. While enhancing returns on assets under appropriate risk management, we will contribute to forming a sustainable society through investment in green bonds.

Topic 3 Environmental Management

Initiatives aimed at reducing environmental impact



Environmental Targets

Targets

Energy Usage

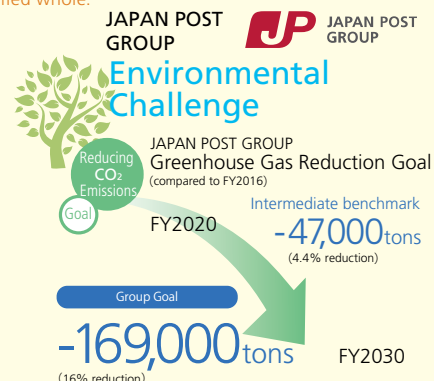
Numerical targets (best effort targets)

Reduce per-unit energy usage by an average of at least 1% annually over five years

Achieve an annual average reduction of 1.1% by the fiscal year ended March 31, 2018, from levels during the fiscal year ended March 31, 2014.

Group Targets (Environmental Challenge)

JAPAN POST GROUP undertakes environmental challenges as a unified whole.



This Goal has been set based on the greenhouse gas reduction Goal (26% reduction compared to FY2013) listed in Japan’s “Plan for Global Warming Countermeasures” defined in line with the Paris Agreement.

Greenhouse gas emissions arising from Japan Post Group business activities refer to CO₂.

Endorsing COOL CHOICE

COOL CHOICE is a national movement being promoted by the Japanese government to encourage wise choices that contribute to global warming measures, such as using services and switching to lifestyles that help create a carbon-free society. The goal of this movement is to reduce greenhouse gas emissions 26% by fiscal year ending March 2031 from fiscal year ended March 2014 levels. JAPAN POST BANK endorses COOL CHOICE.



Raising awareness internally

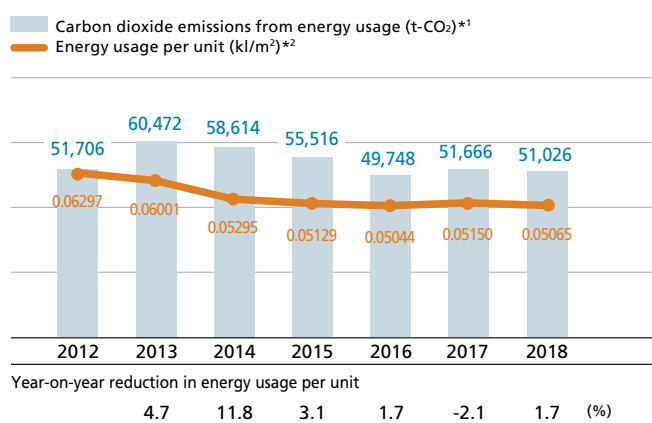
JAPAN POST BANK has created the “Ecology Guidebook,” which shows specific ways to realize consideration for the environment, and is using this for employee guidance and to promote energy-saving initiatives through our business.

Energy conservation initiatives, etc.

CO ₂ emissions reduction	<ul style="list-style-type: none"> • Cool Biz (wearing clothing that is cool in the summer), office temperature adjustment • Reduced electricity consumption by expanding the use of the day in which employees leave at a designated time • Turning off all or half of lights during lunch break • Turning off lights in meeting rooms, restrooms, water heater rooms when not in use • Taking measures that remind people to turn off the lights (visualization, use of checklists, etc.) • Promoting “2 floors up, 3 floors down” movement under which employees are encouraged to use the stairs instead of elevators when going up two floors or down three floors • Reducing power use in ATMs (adopting compact ATMs, etc.) • Use of green energy (solar power)
Paper consumption reduction	<ul style="list-style-type: none"> • Promoting screen check before printing, 2 sided/2-up printing, using the back side of used paper • Implementing various types of e-training • Promoting paperless work by introducing and using tablet devices • Introducing electronic approval systems at our head office
Initiatives to conserve water	Continuous initiatives to reduce water consumption
Reduction of electric power consumption for business trips	Initiatives to reduce power consumption for business trips, such as combining different business trips and using videoconferences or teleconferences
Separation of garbage	Thoroughly sort garbage and promote recycling

Results (energy usage data)

For the fiscal year ended March 31,



*1 Carbon dioxide emissions is the total sum of energy usage multiplied by a pre-determined emissions index for each class of energy.

*2 Energy usage per unit is the total crude oil equivalent of energy used divided by the total floor area utilized by JAPAN POST BANK.

*3 The scope of data compilation is the entire organization of JAPAN POST BANK. Calculated using the under the Greenhouse Gas (GHG) Emissions Accounting, Reporting, and Disclosure System, in accordance with the Act on Promotion of Global Warming Countermeasures.

 https://www.jp-bank.japanpost.jp/en/aboutus/activity/csr/data/en_abt_act_csr_dt_index.html

* Results are regularly conveyed as feedback to each of the organizations as a way to help improve initiatives.

Environmental consideration in procurement

In our contract processes, we declare “Consideration for the environment: We shall conduct procurement activities with consideration for conservation of the global and regional environment and effective use of resources,” and so conduct environmentally friendly procurement.

In December 2018, we reviewed the JAPAN POST GROUP’s approach to procurement activities (procurement policy). In addition to showing that the JAPAN POST GROUP supports the 10 principles in the four fields (human rights, labor, environment and anti-corruption) defined in the UN Global Compact, we ask our business partners for their cooperation.

Ex: We use vegetable oil ink* to print integrated reports (disclosure report) and environmental information magazines.

* Ink made using vegetable oils, such as soybean oil and palm oil, and oil recycled from discarded cooking oil.

Topic 4 Environmental Education

Environmental education

Environmental information magazine

In the fiscal year ended March 31, 2018, we published the environmental information magazine “Let’s try ecosavings to protect our future world,” with the hope of having both children and adults alike enjoy thinking and acting on environmental issues in their daily lives. When publishing this environmental information magazine, we implement procurement in a way that considers the environment, for example by using timber from forest thinning*¹, purchasing Green Power Certificates*², and printing using vegetable oil inks.

In addition, the Environmental Information Magazine is posted in the JAPAN POST BANK website.

*1 Timber produced during forest thinning, an approach to reducing concentrations of standing trees that form as forests grow.

*2 Tradable certificates that represent the environmental added-value of power obtained from natural energy. The cost paid for Green Power Certificates is used to maintain and expand natural energy power generation facilities. Purchasers contribute to the spread of natural energy by an equivalent degree to the amount of power listed on the certificate and are deemed to have used green power.



Topic 5 Environmental Conservation Activities

JAPAN POST BANK Deposits for International Aid

Donations from customers taken by the “JAPAN POST BANK Deposits for International Aid” handled by JAPAN POST BANK are used for environmental conservation in developing countries and regions, via the “JICA Donation Fund for the People of the World.”

Environmental conservation activities within the Group

Exhibiting at environmental events

JAPAN POST GROUP participated in the SDGs EXPO as part of EcoPro 2018, held at Tokyo Big Sight in December 2018, where we introduced the initiatives of each Group company aimed at achieving the SDGs.

JP SATOYAMA Communication

In collaboration with the NPO Donguri-no-kai (Acorn Association), in October 2018 JAPAN POST GROUP began improvement activities at Shimizuri Ryokuchi (greenway) Park, located in Hachioji City, Tokyo, under the name JP SATOYAMA Communication.

JP Children’s Forest Building Movement

Since 2008, JAPAN POST GROUP has endorsed the hands-on forest building program offered by the NPO Kodomo-no-mori-zukuri Suishin Network (Children’s Forest Building Promotion Network), and has supported hands-on forest building activities among children attending day care centers, kindergartens, and child centers throughout Japan under the name JP Children’s Forest Building Movement.

Since 2012, we have engaged in the Tohoku Recovery Green Wave, which embodies our hope for recovery of greenery damaged during the Great East Japan Earthquake.

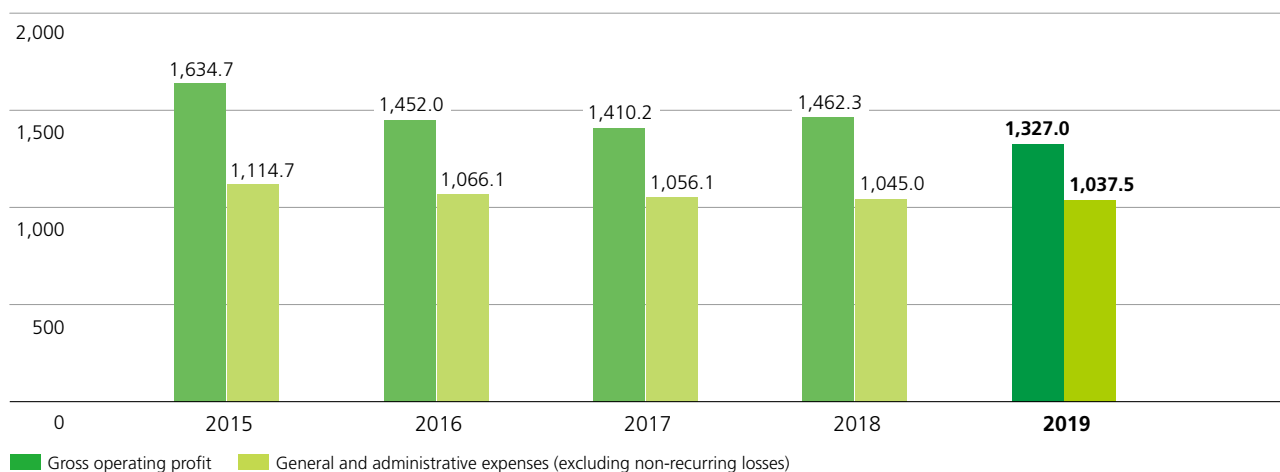
Recycling (used paper recycling, etc.)

We safely transport some documents that have passed their storage period to processing plants, where they are reused for toilet paper or boxed tissues.

Financial Highlights (Non-Consolidated)

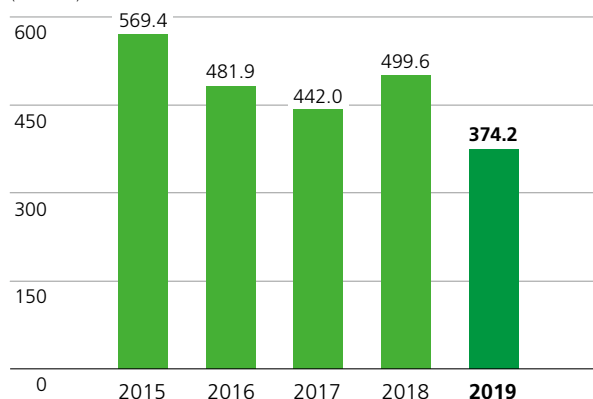
Gross Operating Profit/General and Administrative Expenses

For the fiscal year ended March 31,
(¥ billion)



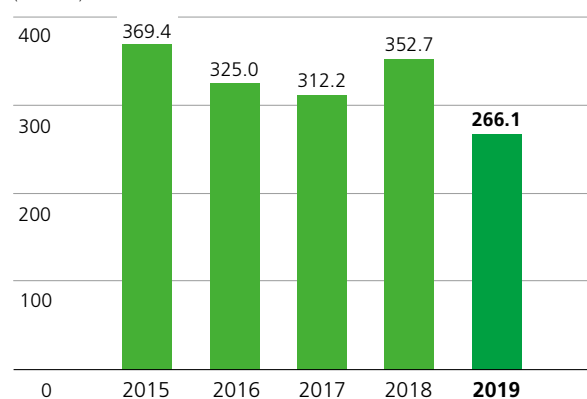
Net Ordinary Income

For the fiscal year ended March 31,
(¥ billion)



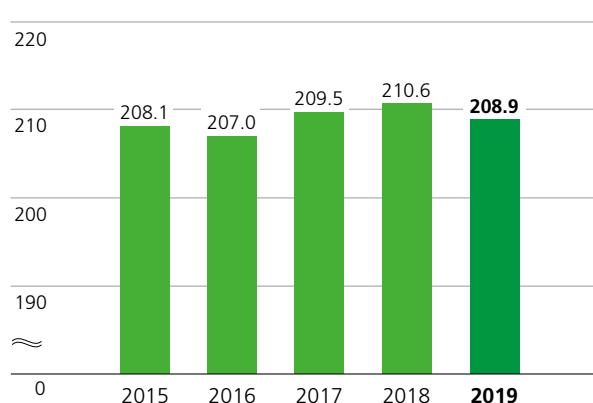
Net Income

For the fiscal year ended March 31,
(¥ billion)



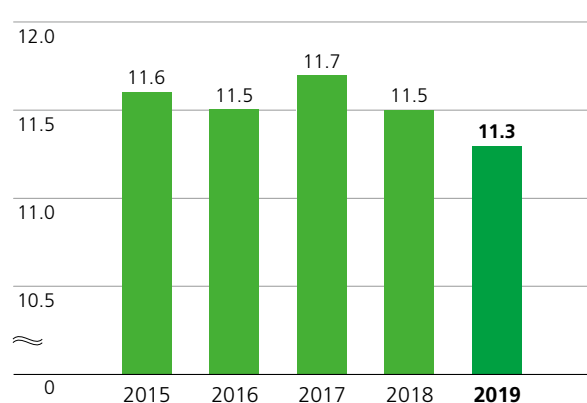
Total Assets

As of March 31,
(¥ trillion)



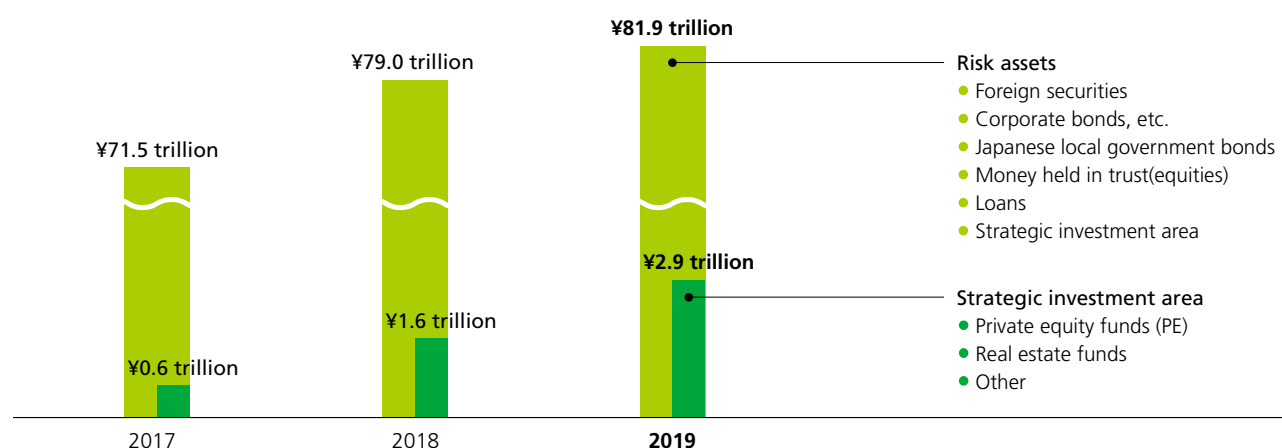
Total Net Assets

As of March 31,
(¥ trillion)



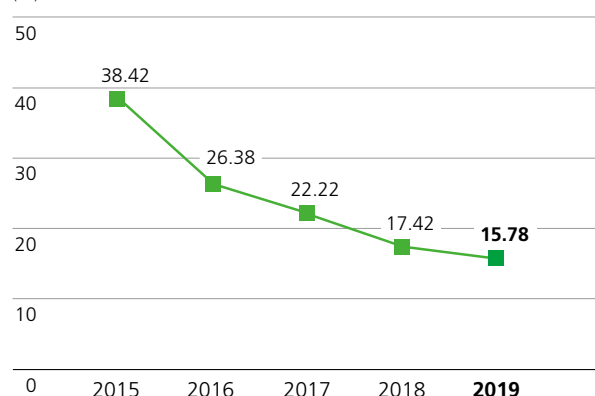
Investment in Risk Assets and Earning Generation

As of March 31,



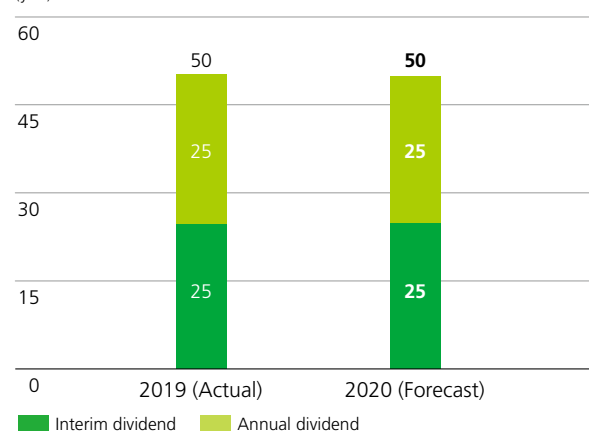
Capital Adequacy Ratio (Domestic Standard)

As of March 31,
(%)



Dividends per Share

For the fiscal year ended March 31,
(yen)



Credit Ratings

As of March 31, 2019

Rating Agency	Long-term	Short-term
Moody's	A1	P-1
S&P	A+	A-1

Third-Party Assessment



Katsuhiko Kokubu

Professor, Graduate School of Business Administration, Kobe University

Profile

Doctor of Business Administration at Osaka City University. After serving in such positions as Associate Professor at Osaka City University and Kobe University, Dr. Kokubu has been working as a Professor of the Graduate School of Business Administration at Kobe University since 2001. In 2019, he was promoted to Vice President of Kobe University. His works include *Emergent-type Responsibility Management* (Nikkei Publishing) and *Beyond Accountability toward Management Ethics* (Yuhikaku Publishing).

Comprehensive CSR Policy

A noteworthy feature of the 2019 CSR Report is JAPAN POST BANK's efforts to upgrade and expand its policies toward such important social issues as human rights and the environment. The Bank is to be commended for newly formulating and revising its Human Rights, Environmental, Procurement and ESG Investment policies, while further clarifying the connection between its business activities and the Sustainable Development Goals (SDGs) adopted by the United Nations. Moreover, the fact that steps were taken to outline the Bank's thoughts on coal fired power generation in its ESG Investment Policy is especially important. However, given the limitations of the current policy, which simply details those areas in which JAPAN POST BANK will not invest or is considering carefully, I would ask the Bank to insert in its policy details of those areas in which it is looking to proactively invest, such as the green bonds outlined in the report.

Diversity Management

JAPAN POST BANK engages in a wide range of diverse CSR activities. Among its many activities, the Bank's diversity management endeavors span an especially broad area. Of particular note is the comprehensive nature of its activities which encompass nine topics. Taking into consideration the specific nature of its business, the scope of the Bank's initiatives extend well beyond its own boundaries also impacting the diversity management of local communities. In this context, it is important to respond in a manner that will provide a model for others to follow while at the same time

promoting proprietary measure across local communities where diversity management is yet to take hold. In particular, I would like the Bank to actively pursue work style reform. Efforts to promote work-life balance and diverse working arrangements are sure to impact the nation as a whole.

Relationships with International Frameworks

JAPAN POST BANK continues to clarify its relationships with various international frameworks including SDGs and the Task Force on Climate-related Financial Disclosures (TCFD). In addition to establishing its priorities from among the various SDGs, the Bank has expressed its assent to the TCFD in conjunction with JAPAN POST HOLDINGS Co., Ltd. and JAPAN POST INSURANCE Co., Ltd. While holding high expectations of the Bank's SDG-related initiatives going forward, I would like to see JAPAN POST BANK clarify its aspirations through to 2030 and to declare its commitment at an early stage. As far as the TCFD is concerned, how best to disclose the risks associated with climate change is an important issue. Japan's corporate sector lags well behind its counterparts in Europe and the U.S. when it comes to the disclosure of risk information. Referring not only to JAPAN POST BANK, how the JAPAN POST GROUP will address this issue is sure to attract wide-ranging attention.

Reference

Human Rights Policy



JAPAN POST BANK Human Rights Policy

- ① With the goal of realizing our management philosophy of becoming "the most accessible and trustworthy bank in Japan," JAPAN POST BANK (hereafter, the Company) contributes to a safe, secure, and prosperous society by recognizing that respect for human rights is an important social responsibility and fulfilling our role accordingly.
- ② As a member of JAPAN POST GROUP, a signatory to the United Nations Global Compact, the Company will not only comply with all applicable laws in regions in which it operates, but in respect to human rights will also adhere to the International Bill of Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work, as well as the United Nations' Guiding Principles on Business and Human Rights.
- ③ Our human rights policy applies to all Company officers and employees, who will work to build stronger ties with our customers by engaging in all business activities with the customer's point of view in mind. We also expect our stakeholders to respect human rights based on this policy.
- ④ The Company does not discriminate, including on the grounds of race, color, gender, sexual orientation, gender identity, language, religion, political affiliation, beliefs, nationality, social background, economic status, place of birth, or disability. We also aim to avoid indirect discrimination.
- ⑤ The Company respects each of its officers' and employees' human rights and is committed to providing a safe and comfortable working environment free from behaviors such as sexual harassment, power harassment, maternity harassment, bullying, and discrimination. Moreover, the Company will not tolerate human rights violations such as forced labor and child labor.
- ⑥ With the goal of fulfilling our responsibility in respecting human rights, we will promote educational activities aimed at raising awareness of various human rights issues, deepen the understanding of the importance of respect for human rights by each officer and employee, and work to reduce and avoid any negative impact on human rights. We will respond appropriately to any infringement on human rights.
- ⑦ The Company has established this policy after careful deliberation by the JAPAN POST BANK Human Rights Awareness Promotion Committee, which is charged with addressing human rights issues. We may review and revise this policy at any time based on changes to the business environment or discussions with stakeholders.

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

Environmental Policy




JAPAN POST BANK Environmental Policy

I Basic Philosophy

As "the most accessible and trustworthy bank in Japan," JAPAN POST BANK will engage in environmentally friendly activities, and work to resolve environmental issues, to protect nature and the environment of regional communities, and preserve the irreplaceable global environment for the next generation.

II Basic Policies

- ① We will comply with laws, regulations and ordinances concerning the environment, as well as sign various agreements, and make further efforts to reduce the burden on the global environment and prevent environmental pollution.
- ② We will set and systematically implement environmental objectives and environmental goals, and construct a framework to regularly review them, aiming for continuous improvement of our environmental management system.
- ③ We will work actively to save resources and energy, recycle resources, use environmentally friendly goods, and manage industrial waste, as well as decrease the impact on the global environment of our business while taking into consideration the influence of our business on environment. We will also contribute to the realization of a recycling society and preserve the global environment by promoting environmental awareness in society and effectively addressing the issue of climate change in our business activities.
- ④ We will strive to improve awareness of environmental problems by actively disclosing information concerning the environment both inside and outside the Bank, as well as promote environmental education and awareness raising activities.
- ⑤ We will continue to improve environmental activities through effective communication with local communities.
- ⑥ We will broadly announce the policy to the public.

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

Procurement Policy



JAPAN POST GROUP's Approach to Procurement Activity

- ① Open, fair and appropriate procurement
 - The Group opens the door widely to suppliers and offer fair entry opportunities.
 - The Group selects suppliers based on a comprehensive and appropriate evaluation of quality, price, delivery period, technology, business condition and other factors.
- ② Compliance with laws, regulations and social standards
 - The Group complies with all applicable laws, regulations and social standards and carries out procurement activity in good faith.
 - In its procurement activity, the Group forms no relationship with anti-social forces that pose a threat to the order and safety of civil society.
- ③ Environmental considerations
 - The Group carries out procurement activity in consideration of global and local environmental preservation and the effective use of resources.
- ④ Building trusting relationships
 - Through good communication with suppliers, the Group builds strong trust and strives for mutual prosperity.
 - The Group appropriately manages information about suppliers that it obtains through its procurement activity.
- ⑤ Request to suppliers (Compliance with the UN Global Compact)
 - The Group supports the Ten Principles of the UN Global Compact regarding the four areas of human rights, labor, the environment and anti-corruption and promotes CSR procurement activity. The Group expects its suppliers to understand the above and asks for their proactive cooperation.



(Japanese only) <https://www.japanpost.jp/procurement/index03.html>

ESG Investment Policy



ESG Investment Policy

JAPAN POST BANK Investment Activities

Given the importance of its social mission, JAPAN POST BANK does not invest contrary to the public or social good.

Alignment with International Agreements

Based on adherence to international agreements such as sustainable development goals (SDGs) as well as the Task Force on Climate-related Financial Disclosures (TCFD), JAPAN POST BANK promotes internationally diversified investment and after focusing on the following items, enacts investment with sufficient care given to how the funding from investment in securities will be used.

- a) Illegal transactions and transactions for illegal purposes
- b) Transactions which violate public order and good morals
- c) Transactions that negatively impact wetlands designated under the Ramsar Convention
- d) Transactions that negatively impact UNESCO-designated World Heritage Sites
- e) Transactions violating the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington Convention)*
- f) Transactions involving the use of child labor or forced labor

* Taking into account country-specific considerations

Coal-fired Power Generation

When considering investment in the coal-fired power generation sector, our focus in the allocation of funding is on a long-term environmental impact reduction.

Cluster munitions

Given the inhumane nature of these products, we do not invest in companies manufacturing cluster munitions, regardless of how the funding from investment will be used.

Stakeholder Engagement

JAPAN POST BANK as a matter of basic policy aims to improve constructive communication through dialog and ties with all its stakeholders.

Governance

JAPAN POST BANK policy on governance was determined through discussions by various committees, including those of management. We intend to regularly review our policy and make improvements when necessary.



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

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