

2023

ANNUAL REPORT

Year ended March 31, 2023

PURPOSE

We aim for the happiness of customers and employees, and will contribute to the development of society and the region.

(The Management Philosophy of JAPAN POST GROUP)

MANAGEMENT PHILOSOPHY

We aim 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.

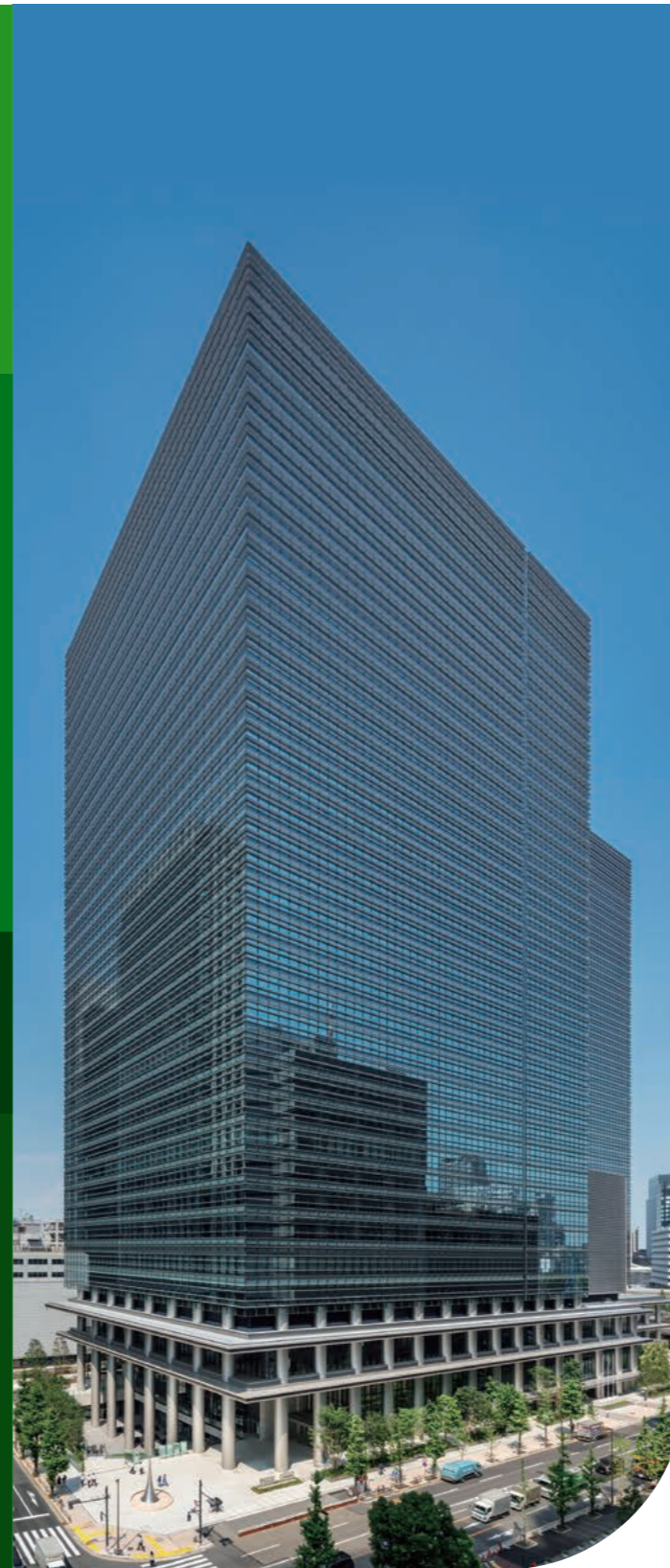
EXPERTISE

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

MISSION

- || Providing “reliable and thorough” financial services “safely and securely” to anyone and everyone throughout Japan.
- || Contributing to the development of regional community economies by enhancing funds flow to, and relationships with, communities using various frameworks.
- || As one of the largest institutional investors in Japan, JAPAN POST BANK will work to both realize sound and profitable operations, and contribute to the realization of a sustainable society.

Realizing both the enhancement of corporate value, and contributing to the solution of social issues such as SDGs (ESG management)



Contents

Management Message

- 2 Message from the President
- 8 Financial and Capital Strategies

A Story of Value Creation

- 12 The Purpose of JAPAN POST BANK
- 14 The Path of Value Creation
- 16 JAPAN POST BANK’s Strengths (Competitive Advantages)
- 18 JAPAN POST BANK’s Value Creation Process
- 20 Business Model
- 22 JAPAN POST BANK’s Priority Issues (Materiality)
- 24 Value Creation (Highlights)

Progress and Results of the Strategy

- 26 Progress of the Medium-term Management Plan (FY2022/3 through FY2026/3)

Three Growth Engines

- 28 1st Engine: Retail Business
- 32 2nd Engine: Market Business
- 36 Special Feature: An operational structure that brings together investment professionals with advanced expertise and knowledge.
- 37 Interview with Management
- 38 3rd Engine: Σ Business (Regional Vitalization)
- 42 Strengthening the management base to drive the three engines of growth

Management Base to Support Sustainable Growth

- 44 Human capital management
- 52 Special Feature: Initiatives regarding respect for human rights
- 54 Stakeholder Communication
- 60 Environment
- 64 Message from an Outside Director
- 68 Corporate Governance
- 72 Board of Directors, Executive Officers and Managing Directors
- 77 Concerning the JAPAN POST GROUP Agreement
- 78 Risk Management
- 82 Cybersecurity
- 84 Compliance
- 86 Internal Auditing

Appendix/Corporate Data

- 88 Financial and Economic Environment
- 89 Financial and Non-financial Data
- 90 Risk Management (details)
- 96 Corporate Data

Referenced Guidelines

- International Integrated Reporting Framework, IFRS Foundation
- Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation, Ministry of Economy, Trade and Industry

Editorial Policy

To foster a deeper understanding of JAPAN POST BANK’s corporate value among shareholders, investors and stakeholders, for this Annual Report we produced an integrated report that offers extensive information on management strategy and environmental, social and governance (ESG) as well as financial information.

Target Period

Operating performance for the fiscal period from April 1, 2022 to March 31, 2023. The report also includes some activities outside this period.

This report is not a solicitation for the shares or other securities of the JAPAN POST GROUP. Furthermore, this report contains forward-looking statements, such as the Bank’s forecasts and targets. These statements were written according to the Bank’s judgment based on information available, forecasts, and assumptions made at the time when the report was created; they therefore encompass risks and uncertainties, and are not a guarantee of future results. You should bear in mind that actual business results may differ from those described in this report, because they are subject to a wide range of risks and factors such as changes in the assumed conditions relating to the business environment, economic and business trends, changes in laws and regulations, the occurrence of major disasters, fluctuations in the value of assets held by the Bank, and the impact of rumor and hearsay. The Bank undertakes no obligation to publicly update or revise any forward-looking statements in light of new information or future events. All finance-related figures and percentages in this report are rounded down for presentation, and therefore the totals may not be equal to the sum of the presented figures. The figures and percentages are information as of March 31, 2023, unless separately noted. Unless the context states otherwise, references in this report to “we,” “us,” “our,” the “Bank” or similar terms are to JAPAN POST BANK. Unless otherwise individually noted, this integrated report contains non-consolidated numerical values.