A Story of Value Creation Progress and Results of Management Base to A Story of Value Creation Three Growth Engines Support Sustainable Growth Appendix/Corporate Data

JAPAN POST BANK's Value Creation Process

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

External Environment

Declining birthrate shrinking and aging population

Local economic downturns

> Entry into different industries

Digital innovation

Continued low interest rate environment in Japan

High inflation and rising interest rates overseas

Demands of a sustainable society

Input

Financial Capital

 Deposit balance: ¥194.9 trillion Net assets: ¥9.6 trillion

Credit ratings: Moody's: A1, S&P: A

Human Capital

• Number of employees:

human resources:

11,742

• Investment Division professional market 91 (As of April 1, 2023)

• Active hiring of digital specialists

• DX training (basic): 2,014 participants

• FY2023/3 training costs:

Approx. ¥0.5 billion

Intellectual Capital

- Skills and expertise in each business field
- High-quality systems bases and business work processing systems that support massive financial settlements
- Strategic IT investment to realize new growth (FY2023/3):

Approx. ¥20 billion

Social and Relationship Capital

- Trust built with local communities throughout Japan
- Japan's largest customer base Number of ordinary deposit accounts: Approx. 120 million accounts
- Network bases

Number of branches:

23,642 Number of ATMs: 31,454

Number of partner financial institutions available at ATMs:

Approx. 1,250 companies

Natural Capital

- Total energy consumption:
 - 949,073GJ (FY2022/3)
- Global environment and natural resources
- JAPAN POST BANK Environmental Policy

Business development through three growth engines

Provide safe and secure services to customers throughout Japan through complementarity between the physical and the digital

Secure stable earnings through sophisticated and diversified investment management utilizing one of the largest deposit bases in Japan and specialized human resources

Σ Business

New corporate banking business in a JPB appropriate manner that contributes to social and regional development, and enhances our corporate value

Materiality (Priority Issues)

Organizational Culture Reforms

Foundation Supporting Value Creation

Corporate Governance

Risk Management

Deposit Capitals/Bases

Outcome

Results and Performance (FY2023/3)

KPIs and Targets (FY2026/3)

mum levels to be secured in ordinary times)

(minimum levels to be secured in ordinary times)

* Based on full implementation of Basel III

* Based on full impleme

shareholder returns

Financial Capital

Profitability (Consolidated)

Consolidated net income (attributable to owners of parent):

¥325 billion

¥350 billion or higher

ROE (based on shareholders' equity): 3.44% ...▶ 3.6% or higher Soundness (Consolidated)

Capital adequacy ratio (Domestic standards): 15.53% ···▶ Approx. 10%

Common equity tier1 (CET1) capital ratio

14.01% ···▶ Approx. 10% * Based on excluding unrealized gains on available-for-sale securities.

57.5% ···▶ Continue to provide substantial Deepening market operations and risk management

¥99.4 trillion ···▶ Approx. ¥110 trillion Balance of risk assets: ¥10.1 trillion ··· > Approx. ¥10 trillion Balance of strategic investment areas:

Human Capital

Increase employee engagement

67.4% **... > 70%** or more Employee satisfaction Number of applicants for Career Challenge system: 193 ...▶ 100 or more Ratio of women in managerial positions:

17.5% ... 20% (April 2026) (As of April 2023) Ratio of employees taking childcare leave: 100% ⋯▶ 100% * Regardless of gender Ratio of employees with disabilities: 2.72% ... 2.7% or more

Intellectual Capital

Work reforms in the retail and other businesses

Productivity improvements

OHR (Consolidated):

(Including gains (losses) on money held in trust)

General and administrative expenses (Consolidated):

—¥84.5 billion (Compared with FY2021/3)

—→ —¥55 billion (Compared with FY2021/3)

Promote retail business innovation, including personal financial management apps, through strategic IT investment

67.15% ···▶ 66% or lower

··· > Promote strategic IT investments to realize new growth (Plans for cumulative investment of approximately ¥130 billion over the period from EY2022/3 to EY2026/3)

••• Strengthen the profitability of service transaction fees

... Establish systems and a structure for full-fledged development of the Σ business

Social and Relationship Capital

Innovations in the retail business

Number of accounts registered in the Bankbook App: Approx. 7,450,000 accounts ⋯► 10,000,000 accounts

Number of Tsumitate NISA operation accounts: Approx. 230,000 accounts ···► 400,000 accounts

Flow of funds to regional communities / Enhance relationships with regional communities

Regional vitalization fund participation cases (Cumulative

operational processes (Cumulative): 5 financial institutions ... Approx. 20 financial institutions

45 cases ... ➤ 50 cases Number of financial institutions that have aggregated

Natural Capital

Contribute to the realization of a decarbonized society CO₂ emissions reduction rate: (Compared with FY2020/3 / FY2022/3 results)

Balance of ESG-themed investments:

···▶ Net zero (2050)

9.9% ··· > 60% (Compared with FY2020/3, FY2031/3)

¥3.2 trillion ··· > ¥4 trillion

Providing value to stakeholders



Shareholders / **Investors**

 Increase the Bank's share price through sustained improvements in its corporate value and enhance shareholder returns



Customers

Provide safe and secure services to customers throughout Japan through complementarity between the physical and the digital



Regional communities

- Collaborate and cooperate toward regional revitalization
- Flow of funds to regional communities



Employees

- Promote diversity management
- Provide a rewarding workplace and growth opportunities



Environment

Maintain a rich global environment and natural resources by addressing such environmental issues as climate change

Driven by its three growth engines, JAPAN POST BANK is committed to enhancing its corporate value through a virtuous cycle in which working capital is strengthened and expanded while serving as a resource for the next stage of value creation.

Financial Capital

Achieve both growth and returns to shareholders by building a robust financial foundation, and providing capital reserves that enable flexible investment and high capital efficiency.

Human and Intellectual Capital

Drive all aspects of value creation through the active efforts of a diverse workforce of highly specialized professionals

Social and Relationship Capital

Foster relationships of trust over many years and a nationwide customer base network / Continuously create value based on relationships built with each stakeholder

Contribute to the conservation of the global environment by reducing environmental impact through the appropriate management of energy consumption in offices and data centers

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