

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

JAPAN POST BANK has positioned the five years under its Medium-term Management Plan as a period for “deepening trust, and taking on the challenge for financial innovations,” and is advancing its five key strategies, and aiming for innovations to its business model and enhancements to business sustainability based on its awareness of the business environment and business issues at hand, and our strengths and resources.

## Medium-term Management Plan (FY2022/3 through FY2026/3) Slogan

“Deepening trust, and taking on the challenge for financial innovations”

— Innovating our business model and enhancing business sustainability —

## Financial targets and performance

	Consolidated Basis	FY2023/3 Performance	FY2026/3 targets
Profitability	Consolidated net income (attributable to owners of parent)	¥325.0 billion	¥350.0 billion or more
	ROE (based on shareholders' equity)	3.44%	3.6% or more
Efficiency	OHR (Basis including gains (losses) on money held in trust)*1	67.15%	66% or less
	General and administrative expenses (compared with FY2021/3)	¥(84.5) billion	¥(55.0) billion
Soundness	Capital adequacy ratio (Domestic standards)	15.53%	Approx. 10%*3 (Minimum levels to be secured in ordinary times)
	Common equity tier1 (CET1) capital ratio (international standards)*2	14.01%	Approx. 10%*3 (Minimum levels to be secured in ordinary times)

\*1 Keeping in mind that JAPAN POST BANK manages securities that utilize money held in trust of a considerable scope, we have established an OHR target that includes in the denominator operational profit/loss pertaining to money held in trust. Calculated as general and administrative expenses ÷ (net interest income, etc. + net fees and commissions). Net interest income, etc. = Interest income - Interest expenses (including gains (losses) on sales etc.).  
 \*2 Excluding unrealized gains on available-for-sale securities.  
 \*3 FY2026/3 targets are based on full implementation of Basel III.

Related pages  
 A review of financial targets and results is provided on pages 8-11.

## Progress of measures by key strategic point

	Target (KPI)	FY2023/3	FY2026/3 targets
1 Innovating retail business into a new form by realizing complementarity between the physical and the digital	Key Strategic Point 1 Number of accounts registered in the Yucho Bankbook App	Approx. 7.45 million accounts	10 million accounts
	Key Strategic Point 1 Number of Tsumitate NISA Operation Accounts	Approx. 230,000 accounts	400,000 accounts
2 Business reforms and productivity improvement through the active utilization of digital technology	Key Strategic Point 2 Decrease in the number of employees (compared with FY2021/3) * Including fixed-term contract employees.	Approx. (1,200)	(3,000)
	Key Strategic Point 3 Number of regional vitalization fund contributions (cumulative)	45 cases	50 cases
3 Enhancing funds flow to regional communities and the regional relationship functions through various frameworks	Key Strategic Point 3 Number of financial institutions that have implemented the aggregation of operational processes	5 financial institutions	Approx. 20 financial institutions
	Key Strategic Point 4 Balance of risk assets	¥99.4 trillion	Approx. ¥110 trillion
4 Deepening market operations and risk management with an awareness of stress tolerance	Key Strategic Point 4 Balance of strategic investment areas	¥10.1 trillion	Approx. ¥10 trillion
	Key Strategic Point 5 Strengthening the management base to become a more trusted bank		

## Progress of key strategies

Key strategy	FY2023/3 results	1st Engine	2nd Engine	3rd Engine
1 Innovating retail business into a new form by realizing complementarity between the physical and the digital <a href="#">Details on P. 28</a>	<ul style="list-style-type: none"> <li>Increased steadily in the number of Yucho Bankbook App users</li> <li>Launched the PFM App Yucho Reco service</li> <li>Began issuing “JAPAN POST BANK Debit” and steadily expanding the number of members</li> <li>Carefully selected over-the-counter sales investment trust product lineups, and started providing Yucho Fund Wraps</li> </ul>	Retail Business		
2 Business reforms and productivity improvement through the active utilization of digital technology <a href="#">Details on P. 28</a>	<ul style="list-style-type: none"> <li>Installed Madotab, self-service branch terminals, at all directly operated branch offices</li> <li>Promoted the digitization of back-office operations, including Operation Support Centers and Administration Service Centers</li> </ul>			
3 Enhancing funds flow to regional communities and the regional relationship functions through various frameworks <a href="#">Details on P. 38</a>	<ul style="list-style-type: none"> <li>Developed a framework in collaboration with various business operators, including regional financial and other institutions, to promote the Σ Business through such measures as investment in investment companies and funds as well as the conclusion of cooperation agreements</li> <li>Promoted collaboration with various business operators, including regional financial institutions through such measures as investment in regional vitalization funds and ATM collaboration</li> </ul>	Σ Business		
4 Deepening market operations and risk management with an awareness of stress tolerance <a href="#">Details on P. 32</a>	<ul style="list-style-type: none"> <li>Expanded the balance of risk assets to strengthen the portfolio's stress tolerance and improve return relative to risk</li> <li>Made selective investments in quality funds, in strategic investment areas</li> <li>Secured earnings through dynamic portfolio management</li> <li>Reported to the Risk Committee, an advisory committee to the Board of Directors on the status of risk management, including those related to market operations</li> </ul>	Market Business		
5 Strengthening the management base to become a more trusted bank <a href="#">Details on P. 42</a>	<ul style="list-style-type: none"> <li>Established a Group-wide framework and achieved a smooth renewal in the leadup to the core system upgrade in May 2023</li> <li>Enhanced measures against anti-money laundering / terrorist financing, and proliferation financing and strengthened internal control systems, including cyber security</li> </ul>			

Related pages  
 Connection between the five key strategic points and priority issues (materiality) of the Medium-term Management Plan is on page 22.