

Message from an Outside Director



Board of Directors' meetings free of conjecture and reticence

As outside directors, we attend Board of Directors' meetings with an awareness toward strictly supervising the management of the Bank as representatives of its stakeholders, including its shareholders. Outside directors are appointed from candidates with wide ranging backgrounds, and their perspectives and opinions are rich in diversity. At every Board of Directors' meeting, extremely lively discussions take place in an atmosphere

that is free from conjecture and reticence. In addition, the management team and officers responsible for the executive function take our opinions seriously and operate in such a way that the recommendations of outside directors are utilized in management. This includes reviewing measures and making course corrections in certain cases. For that reason, I always feel that we have a significant role to play and bear a huge responsibility.

Drawing on my experience to contribute to the management of JAPAN POST BANK

At a foreign securities firm where I worked in the past, I had the opportunity to learn in depth about bank management when developing and underwriting the various capital securities of Japanese banks relating to their compliance with the Basel regulations. After that, I worked in the investor relations department at a private equity fund, where I learned about the complex mechanisms and management methods of funds through fundraising and investor relations. While I was working in the financial industry, the 9/11 terrorist attacks on the United States and the Lehman Brothers bankruptcy occurred, and I was faced with a state of emergency in the international financial markets. Witnessing volatility that

went far beyond the bounds of expectations during normal times, I gained a strong impression of the importance of corporate risk management.

Currently, as an associate professor, I specialize in lectures on cross-cultural management as well as international marketing theory. I am also advancing research into how the different cultures and values of each country affect ESG investment and SDGs initiatives.

Based on this kind of bank management knowledge, my experience in the fund business, and my academic research, I would like to proactively put forward proposals that will lead to the success of the Bank's current strategies.

The Bank's strengths and challenges as seen from outside the Company

My feeling is that the Bank's strengths lie in its excellent employees who possess high degrees of expertise at various levels within the organization. I also feel that there is a corporate culture that sympathizes with the Bank's purpose while endeavoring to embody its principles and intent. In particular, since the Bank plays a public role in providing universal services, the organizational sharing of the correct corporate culture is extremely

important. I believe that this leads to building strong relationships of trust with the Bank's customers.

I consider further improvements in customer trust, the promotion of contributions to resolving social issues in ways unique to the Bank, the securing of stable sources of income and the achievement of sustainable growth to be among the Bank's tasks for the future. These matters are also the subjects of constant discus-

sions at Board of Directors' meetings. Currently, interest income accounts form a large proportion of the Bank's profit structure, but it may fluctuate significantly depending on market changes. Increasing the earnings of other businesses, including the newly launched Σ (sigma) business, is expected to lead to sustainable growth and contribute to regional revitalization. At the same time, in anticipation of the ever-accelerating digital society, I think we should consider promoting DX strategies such as establishing a position in the fintech field. If such efforts are successful, I believe that they will lead to

further enhancement of the Bank's corporate value.

Another factor of importance is collaboration across departments within an organization. The Bank, in which highly specialized departments are concentrated, tends to operate vertically. Valuable information and resources are to be found in other departments, and these may serve as useful hints. As innovation often arises from serendipitous discoveries, I hope to see increasing opportunities for cross-departmental communication and training in the years to come.

Response by the Risk Committee in the first year of its launch

The Risk Committee was newly established in June 2022 as an advisory body to the Board of Directors for the purpose of supervising risk management in accordance with the Bank's management strategies and risk characteristics. In 2022, central banks around the world tightened their monetary policies, and interest rates rose sharply in a short period of time. Furthermore, at the beginning of 2023, global financial markets were in turmoil brought about by factors that included the bankruptcies of regional banks in the United States and credit instability at prominent European banks. There was also a significant impact on valuation gains and losses on the Bank's assets under management. In response, the Risk Committee conducted thorough verifications and inspections by engaging external experts in the process. This included whether the Bank's

ALM Committee was responding appropriately and promptly, whether the various risk management standards were being adhered to in market operations, and whether risk management measures were being implemented in a reliable manner.

In May 2023, the Bank underwent a large-scale system renewal, and the Risk Committee closely monitored whether this endeavor could be completed safely and without incident from the preparation stage right up to when the renewed system actually came on line. From the first fiscal year following its establishment, there have been major financial market disruptions and talking points, but even under those circumstances, I believe that the Risk Committee has been able to perform its functions in a satisfactory manner.

I expect the Bank to continue taking on challenges to realize its purpose

In March 2023, JAPAN POST HOLDINGS Co., Ltd. conducted an offering and sale of the Bank's common stock. I understand that the Japanese government's goal of privatizing the postal services is currently in progress. Over and above meetings of the Board of

Directors, we hold regular meetings of independent outside directors to discuss major themes, such as what the Bank's long-term strategy should be. We will continue to exchange opinions with the management team and officers responsible for the executive function to realize sustainable growth and improve the Bank's corporate value while considering the relationship between the Bank and the JAPAN POST GROUP.

The Bank's unwavering purpose (*raison d'être*) is to contribute to the development of society and the region by providing universal services and sustainable financial infrastructure to its customers throughout Japan. To this end, the Bank expects its employees to maintain high ethical standards, engage in their tasks with a sense of purpose, and take on the challenges of pioneering new fields and innovation. I believe that one of the extremely important roles of management-level human resources, including myself, is to firmly establish environments capable of supporting these kinds of challenges.



Message from Outside Directors

We will ensure that the Board of Directors fulfills its responsibilities while working toward improvements in the Bank's corporate value. At the same time, we will mobilize the strengths of the Bank's outside directors, who offer a diverse range of skills and expertise.



Keisuke Takeuchi
Outside Director

Aiming for further growth of the Bank through Σ business growth

Currently, the Bank has promoted its third-engine the Σ business, as one of its important businesses, and is working on a key strategy to enhance related regional relation functions. I possess 50 years of experience in executing construction projects and business investments in a wide range of fields, including energy infrastructure and life sciences. Based on the knowledge thereby gained, I will strive to contribute to the revitalization of the regional economy and the growth of the Bank, including the Σ business.



Makoto Kaiwa
Outside Director

Balancing regional revitalization with the Bank's sustainable growth

Possessing a nationwide network, the Bank is expected to fulfill functions that support regional revitalization. In addition, in the years to come the Bank will develop, in cooperation with regional financial institutions, the Σ business that supports the growth of regional businesses as a third growth engine. Drawing on the experience I have gained thus far in the management of local electric power companies and economic organizations, and based on the trust of the Bank's customers, I will truly revitalize the local economy while contributing to the Bank's sustainable growth.



Risa Aihara
Outside Director

Service evolution that leads to customer happiness

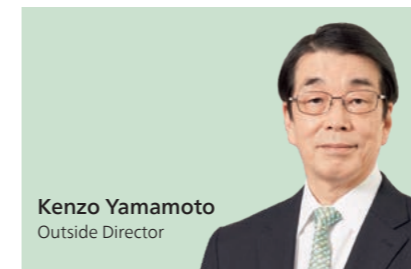
The Bank's stated goal is: "While putting safety and security foremost, we will expand digital services that all customers can readily use." Amid the spread of cashless payments and the establishment of an environment in which customers can access financial services anytime and from anywhere, the evolution of AI and other technologies will spur innovation in the digital field. Drawing on my many years of IT business management experience, I will contribute to the promotion of DX in line with the Bank's purpose.



Hiroshi Kawamura
Outside Director

Aiming for a JAPAN POST BANK that contributes to happiness

In an ever-evolving society, JAPAN POST BANK is endeavoring to become the most accessible and trustworthy bank in Japan. To this end, the Bank provides a variety of necessary services that are safe and secure in a bid to contribute to the development of society and the region. On a personal note, while drawing on the experience I have gained up to now, I would like to help the Bank realize its ideal form through which it can fulfill its important role. By focusing especially on such areas as compliance, I hope to further boost the Bank's profile and trust as it grows in concert with society.



Kenzo Yamamoto
Outside Director

Monitoring and strictly managing various risks

Having long been involved in the work of ensuring the soundness of the financial systems at the Bank of Japan, I also dealt with crises such as the Lehman Brothers bankruptcy and the Great East Japan Earthquake. The risks faced by financial institutions today are diversifying. Serious risks have emerged across the world, such as the conflict between Russia and Ukraine, an increase in cyberattacks, and the rising interest rates in Western markets. To continue protecting the precious deposits entrusted to the Bank, I will monitor various risks and strive to strictly manage them.



Keiji Nakazawa
Outside Director

Sustainable improvement of corporate value and contributions to local communities

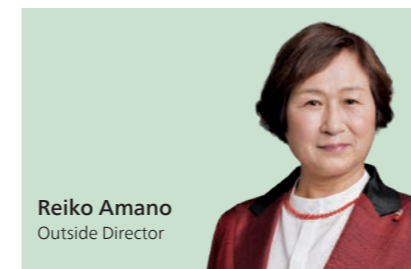
The Bank contributes to the development of local communities by providing safe, secure, convenient, and reliable financial services to its customers, shareholders, and other stakeholders. In addition to conducting sound management designed to improve the Bank's social and economic value over the medium to long term, I will fulfill my duties as an independent outside director by disclosing appropriate information.



Atsuko Sato
Outside Director

Independent and multifaceted monitoring of risk management efforts

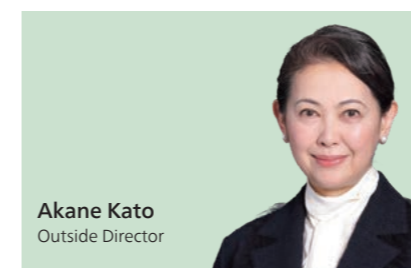
One of JAPAN POST BANK's missions is to contribute to the realization of a sustainable society while conducting sound and profitable investment as one of Japan's largest institutional investors. I am committed to monitoring and providing advice from a global and multifaceted perspective to ensure that appropriate risk management is being carried out. I am also committed to enhancing the corporate value of JAPAN POST BANK, while keeping in mind the perspectives of our stakeholders, including customers and shareholders.



Reiko Amano
Outside Director

Aiming for regional revitalization

In realizing the Bank's purpose—"We aim for the happiness of customers and employees, and will contribute to the development of society and the region"—promoting regional revitalization remains important. In order to revitalize Japanese society, which is suffering from a declining birthrate, an aging population, aging infrastructure facilities, and shrinking regional economies, I would like to make efforts to contribute to the revitalization of the region by drawing on my experience working for a construction company and supporting independent administrative agencies, especially national R&D agencies, to help people live better lives.



Akane Kato
Outside Director

Promoting human capital management to realize the Bank's purpose

In these times of uncertainty when predictions are impossible, the Bank finds itself in a transitional period of changes and challenges to strengthen its sustainable earnings base. For that very reason, what is essential are human resources and the fostering of a resilient organizational culture. Maximizing the potential of human capital that creates tangible assets, I will utilize my expertise and play a role from a variety of perspectives so that the growth of the Bank will bring about the revitalization of society and the region and lead to the development of the Japanese economy.