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Matters to Be Provided Electronically
Business Report for the 19th Fiscal Year
(from April 1, 2024 to March 31, 2025)

[Business Report]

**Matters Concerning the Current Status of JAPAN POST BANK
Co., Ltd.**

Progress and Results of Business, etc., Financial Condition and Results of Operations, Employees, Branches, etc., Capital Investment, Parent Company and Principal Subsidiaries, etc., Business Transfer, etc.

Matters Concerning Directors and Executive Officers

Matters Concerning Outside Directors

Matters Concerning Shares

Matters Concerning Independent Auditor

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[Financial Statements]

Non-consolidated Balance Sheet

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Consolidated Statement of Income

[Audit Report]

Independent Auditor's Report

**Independent Auditor's Report on the Consolidated Financial
Statements**

The Audit Report by the Audit Committee



JAPAN POST BANK

I. Matters Concerning the Current Status of JAPAN POST BANK Co., Ltd.

(1) Progress and Results of Business, etc.

1) Details of main business

JAPAN POST BANK Co., Ltd. (“Japan Post Bank”) is engaged in banking operations as a member of the JAPAN POST GROUP. The major businesses comprise deposit-taking, securities investment, syndicated loans and other lending, domestic and foreign exchange, retail sales of Japanese government bonds and investment trusts as well as insurance products, mortgage intermediary services, and credit card operations.

2) Financial and economic environment

Looking back on the economic situation during FY2025/3, the global economy varied by region. In the U.S., as the economy maintained positive growth and inflation eased, the Federal Reserve Board cut interest rates in September, November, and December of 2024. Meanwhile, the Eurozone economy remained sluggish despite the European Central Bank cutting interest rates six times from June 2024, with no significant recovery observed. The Japanese economy was steady due to rising wages and a recovery in domestic demand. With the yen’s depreciation trend continuing and prices continuing to rise, the Bank of Japan raised interest rates in July 2024 and January 2025.

In the financial and capital markets, long-term market interest rates in the U.S. were on a declining path, reflecting the downward trend in inflation. Although there was a temporary rise after the presidential election results, concerns about economic downturns due to U.S. tariff policies led to a significant decline towards the end of the period. In Japan, long-term market interest rates tracked an upward trend amid inflation expectations, briefly reaching around 1.6%.

The dollar-yen exchange rate started at the upper ¥151 range in early April 2024 and ended the fiscal year in the ¥149 range, showing little change overall. However, there were significant fluctuations throughout the fiscal year, including the yen weakening to the upper ¥161 range in early July, later strengthening to the ¥140 range following currency intervention.

Although the S&P 500 Index initially dropped in August 2024 amid concerns of an economic downturn, it later rose steadily, driven by strong earnings reports from U.S. companies and optimism about the new administration’s policies, reaching a record high in February 2025. However, it subsequently fell sharply due to concerns about economic downturns stemming from U.S. tariff policies, among others.

The Nikkei Stock Average rose to the ¥42,000 range in July 2024, reaching a record high following strong earnings reports from Japanese companies. However, like U.S. stocks, it temporarily plummeted to the ¥31,000 range. After recovering to around ¥40,000, the market turned downward alongside weak U.S. stocks amid growing uncertainty over matters such as U.S. tariff policies.

3) Business progress and results

Results for FY2025/3

Net ordinary income	Net income	Net income attributable to owners of parent	Dividends per share	Dividend payout ratio
¥573.5 billion	¥410.5 billion	¥414.3 billion	¥58	50.6%
(+¥78.6 billion year on year)	(+¥56.2 billion year on year)	(+¥58.1 billion year on year)	(Annual dividends of ¥58)	

[Results of Operations]

Net interest income for FY2025/3 increased by ¥241.2 billion year on year to ¥956.8 billion, mainly due to increases in income related to foreign bond investment trusts, interest on Japanese government bonds and interest on Bank of Japan deposits. Net fees and commissions increased by ¥3.3 billion year on year to ¥154.8 billion. Net other operating income increased by ¥69.7 billion year on year to ¥(68.4) billion, due to increases in gains (losses) on foreign exchanges and gains (losses) on bonds. As a result, gross operating profit increased by ¥314.3 billion year on year to ¥1,043.2 billion.

General and administrative expenses (excluding non-recurring losses) decreased by ¥13.7 billion year on year to ¥912.5 billion.

Non-recurring gains decreased by ¥249.3 billion year on year to ¥442.7 billion, due to a decrease in gains on sales of stocks associated with operations for risk controls, while income from private equity funds, etc. increased.

As a result, net ordinary income increased by ¥78.6 billion year on year to ¥573.5 billion. Net income increased by ¥56.2 billion year on year to ¥410.5 billion.

	FY24/3	FY25/3	Increase (decrease)
			(Billions of yen, non-consolidated)
Gross operating profit (1)	728.9	1,043.2	314.3
Net interest income	715.5	956.8	241.2
Net fees and commissions	151.5	154.8	3.3
Net other operating income (loss)	(138.1)	(68.4)	69.7
General and administrative expenses (excluding non-recurring losses) (2)	926.2	912.5	(13.7)
Provision for general reserve for possible loan losses (3)	0.0	–	(0.0)
Net operating profit (4) = (1) - (2) - (3)	(197.2)	130.7	328.0
Non-recurring gains (losses) (5)	692.1	442.7	(249.3)
Net ordinary income (6) = (4) + (5)	494.8	573.5	78.6
Net income	354.3	410.5	56.2

Consolidated net ordinary income was ¥584.5 billion. Net income attributable to owners of parent was ¥414.3 billion, which equated to 103.5% of the full-year earnings forecast of ¥400.0 billion.

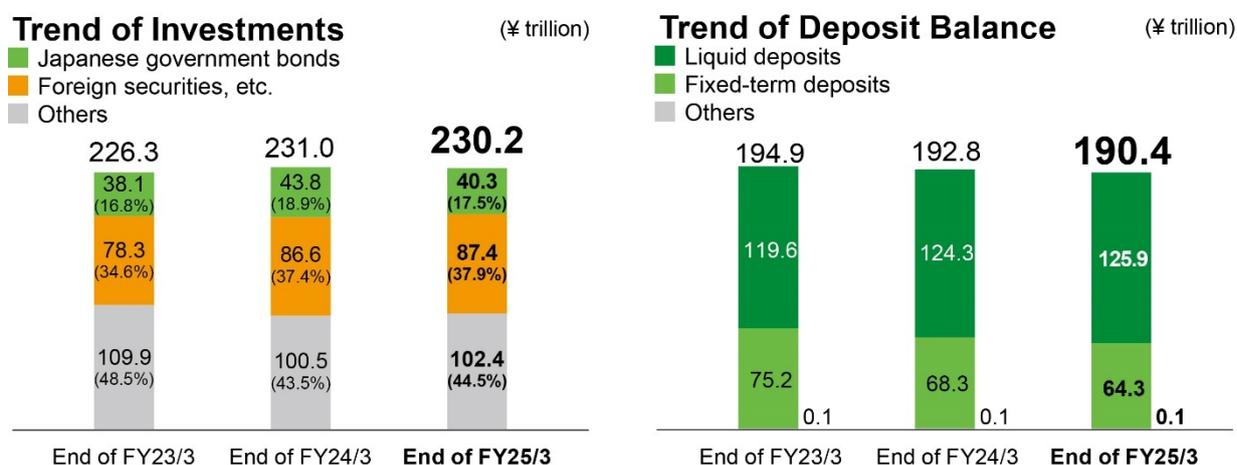
[Financial Condition]

Total assets at the end of the fiscal year ended March 31, 2025 decreased by ¥306.8 billion from the end of the previous fiscal year to ¥233,547.8 billion.

Of investments, securities decreased by ¥2,893.9 billion from the end of the previous fiscal year to ¥143,565.3 billion. Of these, the balance of Japanese government bonds decreased despite our continued new investments in response to the rise in interest rates in Japan, as a significant amount of redemption at maturity was scheduled for the fiscal year ended March 31, 2025. The balance of foreign securities, etc., increased as a result of the promotion of internationally diversified investments.

With respect to major interest-bearing liabilities, the balance of deposits decreased by ¥2,337.9 billion from the end of the previous fiscal year to ¥190,465.0 billion.

Shareholders' equity increased by ¥201.2 billion from the end of the previous fiscal year, valuation and translation adjustments decreased by ¥826.1 billion from the end of the previous fiscal year, and net assets amounted to ¥9,036.4 billion. Of shareholders' equity, retained earnings amounted to ¥2,777.2 billion.



[Trend of Capital Adequacy Ratio]

Pursuing diversification and sophistication in our investment management, we ensured a necessary and sufficient capital adequacy ratio from the perspective of financial soundness with a capital adequacy ratio (domestic standard, consolidated) of 15.08% as of the end of FY2025/3. The ratio maintained a higher level than the minimum requirement of 4% based on capital adequacy standards.

The CET1 (common equity Tier 1 capital) ratio (consolidated basis, excluding unrealized gains on available-for-sale securities, estimate) was 11.77% as of the end of FY2025/3.

[Credit Ratings]

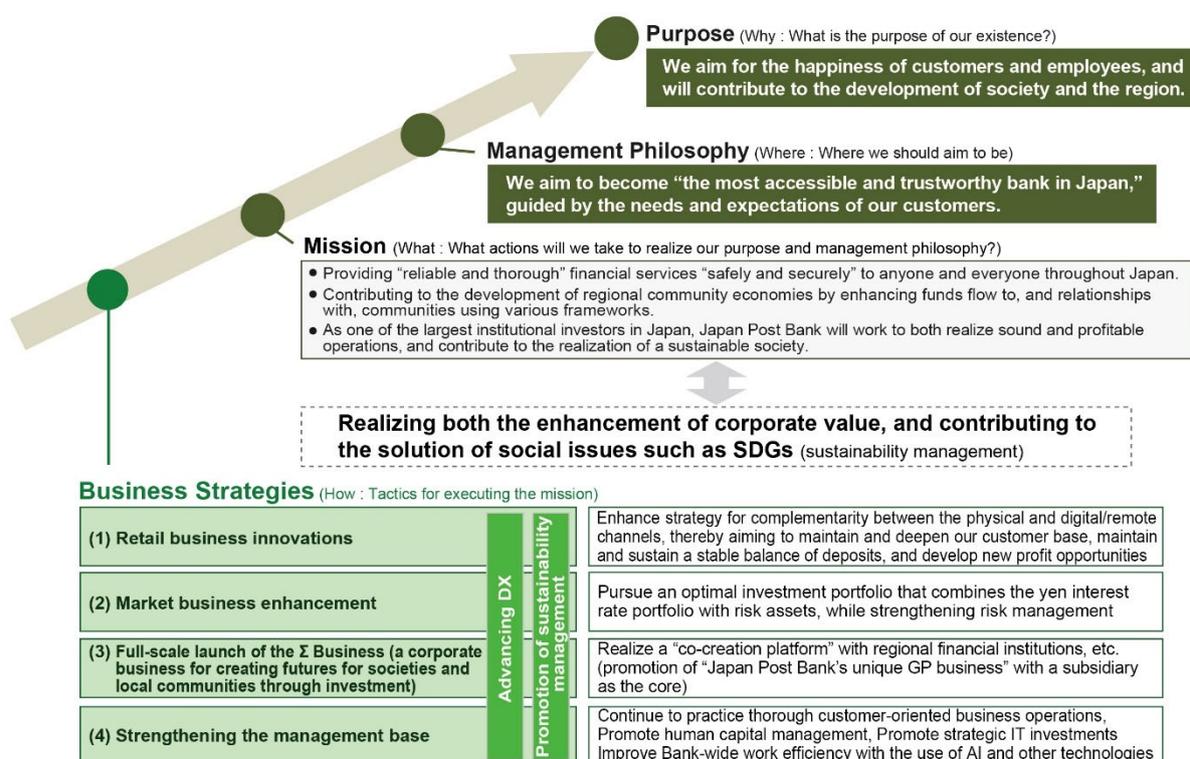
We obtained the highest level rating among Japanese financial institutions from two rating agencies (Moody's, S&P).

Overview of business

Japan Post Bank has established three missions (social missions) aligned to our purpose of “We aim for the happiness of customers and employees, and will contribute to the development of society and the region” and our management philosophy of “We aim to become ‘the most accessible and trustworthy bank in Japan,’ guided by the needs and expectations of our customers.” We are working to achieve these missions by carrying out our Medium-term Management Plan with a plan period of FY2022/3 through FY2026/3.

In FY2025/3, as outlined in the revised Medium-term Management Plan announced in May 2024, we advanced three business strategies leveraging our unique strengths: retail business, market business, and Σ Business (a corporate business for creating futures for societies and local communities through investment). We also focused on strengthening our management base to support these strategies.

Our purpose, management philosophy, mission and business strategies



Retail business innovations

In the retail business, we accelerated customer-oriented business development through the complementarity between physical and digital channels, aiming for deepening and strengthening our customer base in response to changes in the financial and economic environment in Japan. We also drove innovation towards a new retail business model that goes beyond traditional banking operations.

In digital services, we improved the convenience of the Yucho Bankbook App (the “Bankbook app”), which allows basic banking transactions on smartphones. To further expand its use, we promoted various campaigns, including expanding the points program, as well as other measures such as actively providing guidance at service counters. As a result, the number of registered accounts has surpassed 13 million.

We also enhanced customer convenience and operational efficiency through DX* by improving the functionality of “Madotab,” a self-service branch terminal that allows customers to open accounts and conduct various transactions independently at directly operated branches, and the Yucho Tetsuzuki App, which enables account opening and other transactions via smartphone.

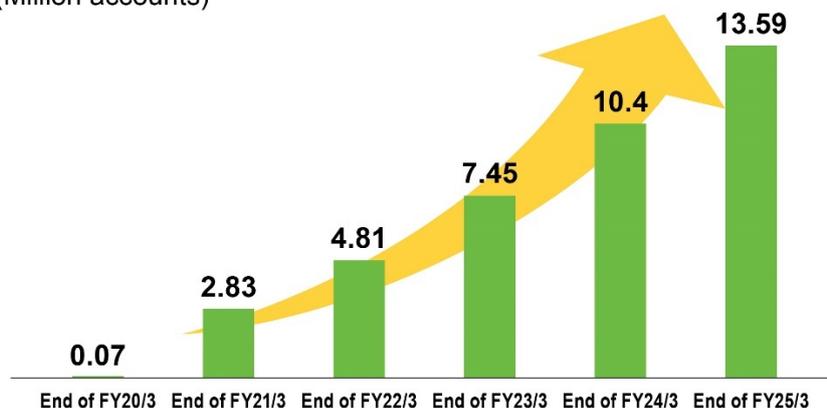
In the asset-building support business, we expanded our lineup of investment trust products and improved the convenience of digital channels. Additionally, we developed and expanded remote channels for providing various guidance services, which involve using tablets to link our directly operated branches and post offices with remote centers staffed with specialized consultants. We have also launched the “Masumasu Wakaru Investment Trust Follow-up Service,” which delivers information such as the base prices of investment trusts and market trends via email. These initiatives integrate physical and digital channels to seamlessly meet customers’ asset-building needs.

In addition to these various initiatives, we actively used TV commercials and social media advertising in promotions aimed at encouraging customers to use our bank accounts and services.

*Digital transformation: Initiatives for using digital technology to change business and daily life.

Number of registered accounts on the Bankbook app

(Million accounts)



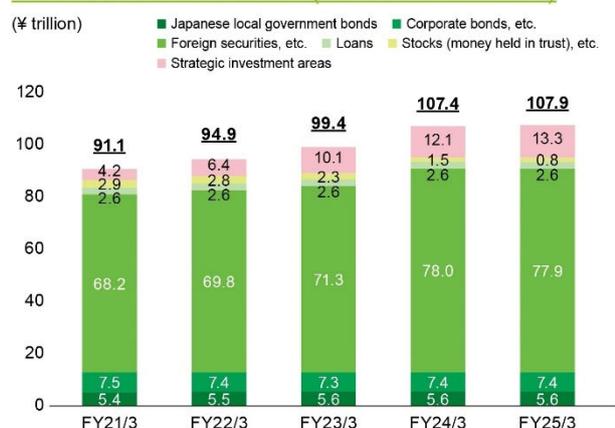
Market business enhancement

In the market business, we promoted an investment shift from due from banks, etc. to Japanese government bonds, capitalized on the domestic interest rate rise following changes in the Bank of Japan's monetary policy.

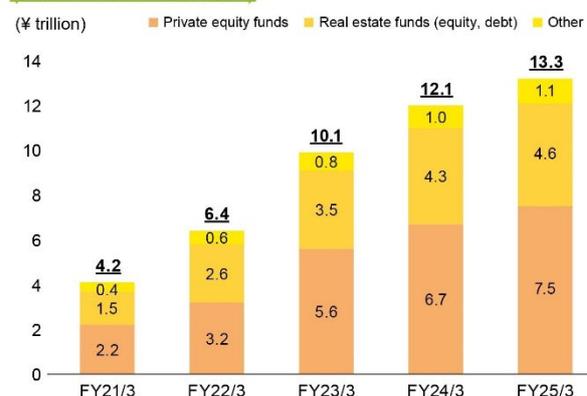
Amid ongoing uncertainty surrounding policy rate cuts by central banks in the U.S. and Europe, as well as the economic policies of the new U.S. administration, we pursued diversified investment in foreign assets, while remaining conscious of risk-adjusted returns. We expanded our balance of risk assets to ¥107.9 trillion mainly for foreign corporate bonds in the investment grade area. In the strategic investments areas* of risk assets, such as private equity funds, we also selectively invested in quality deals and increased the balance to ¥13.3 trillion.

Meanwhile, we worked to strengthen our risk management, including enhancing our monitoring systems to support portfolio management. As of March 31, 2025, we maintained sufficient financial soundness with a capital adequacy ratio (consolidated, domestic standard) of 15.08%.

Balance of risk assets (non-consolidated)



Balance of strategic investment areas (non-consolidated)



* Strategic investment areas include private equity funds (funds that invest in unlisted companies with growth potential) and real estate funds.

Full-scale launch of the Σ Business

In the Σ Business, which we position as a corporate business for creating futures for societies and local communities through investment. In FY2025/3, we made efforts to provide capital funds to regional businesses (GP business (Investment business)), identify investee companies that have the potential of new businesses (Deal sourcing business), and introduce and mediate products and services of investee companies (Marketing support business).

Specifically, in May 2024, we established JAPAN POST BANK CAPITAL PARTNERS Co., Ltd., a wholly-owned subsidiary of Japan Post Bank that takes the lead in investment operations, enabling us to prepare for the full-scale launch of the Σ Business. Additionally, to advance our GP business (Investment business), we established a joint fund with J-Will Corporation Ltd. and another joint fund with a subsidiary of MITSUI & CO., LTD.

Strengthening the management base

We advanced human capital management to strengthen the talent responsible for the aforementioned business strategies, while also improving internal control systems and reforming our corporate culture.

In advancing human capital management, we focused on maximizing human capital performance through HR strategies linked to our management strategies. These strategies include the development of autonomous employees through enhanced career design training among other measures, active assignment of human resources in key areas, and diversity management to create a workplace where diverse talent can thrive.

We improved our internal control systems from a number of perspectives, including enhancing our system infrastructure, bolstering cybersecurity and anti-money laundering measures, and advancing governance centered around the Board of Directors.

Additionally, the Service Improvement Committee, chaired by the President and Representative Executive Officer, was reorganized and renamed the "Stakeholder Engagement Committee -ECHO-." This committee actively promoted proposals and improvements for products and services based on customer feedback, as well as workplace improvements based on employee input, with all officers and employees working together. Through this initiative, we aimed to advance our customer-oriented business operations and reform our corporate culture.

Progress in the privatization process through share offerings

Japan Post Holdings, the parent company of Japan Post Bank, announced a policy to reduce its ownership stake in Japan Post Bank to 50% or less by FY2026/3. Based on this policy, in March 2025, Japan Post Holdings sold shares of Japan Post Bank, reducing its voting rights in Japan Post Bank to below 50%*. As a result, some restrictions under the Postal Service Privatization Act, which do not apply to other banks, have been eased (a shift from a licensing system to a notification system for new services). This is expected to boost agility and freedom in launching new services and marks steady progress in our journey toward full privatization.

*As of March 31, 2025, Japan Post Holdings held a 50.05% voting rights ratio in Japan Post Bank. Japan Post Holdings has announced plans to establish a stock disposal trust for common shares of Japan Post Bank that it holds and contribute these shares to the trust. The voting rights ratio is expected to be approximately 49.90% after common shares of Japan Post Bank are contributed to the trust.

4) Issues to be addressed

The business environment surrounding Japan Post Bank is undergoing significant changes, driven by shifts in monetary policies by central banks worldwide, demographic changes, and the advancement of digitalization in society including the spread of generative AI. Concerns about financial market turmoil and the risk of a global economic downturn are rising, particularly due to the tariff policies of the new U.S. administration.

In FY2026/3, the final fiscal year of the current Medium-term Management Plan, we will focus on adapting nimbly to this changing environment. We will further accelerate the promotion of three business strategies and strengthening of the management base that supports them. At the same time, we will work to raise corporate value and map out the path for the next Medium-term Management Plan.

Business strategies

- Three business strategies

In the retail business, we prioritize customer-oriented sales activities, focusing on maintaining and deepening our customer base as a key task. We will advance various initiatives to sustain long-term connections with our customers by accelerating our strategy of complementarity between physical and digital channels. Specifically, we will work to expand use of the Bankbook app, making it a core part of our digital service rollout in the next Medium-term Management Plan and beyond, while also leveraging the post office network. We will also advance operational reforms using digital technology, further enhancing our sales framework for asset management products and streamlining various administrative procedures. Through these initiatives, we will work to improve convenience, support customers in building their assets, and boost productivity by reducing workload.

In the market business, we will continue to promote an investment shift from due from banks, etc. to Japanese government bonds, seizing the rising trend in domestic interest rates. Additionally, we will invest in risk assets with consideration for the earnings outlook of yen interest rate assets and their impact on risk-weighted assets. While strengthening risk management, we will pursue an optimal investment portfolio that combines yen interest rate assets and risk assets.

In the Σ Business, we will promote investment operations focusing more on investment quality through investment vehicles established by our subsidiary, JAPAN POST BANK CAPITAL PARTNERS Co., Ltd., with other partners. We will also work on establishing sourcing methods that consider regional characteristics, as well as improving and revising our marketing support operations. We aim to support the growth of local businesses and address community challenges to further contribute to regional economic development and revitalization. Our goal is to establish a sustainable revenue base for the future.

- Strengthening the management base

To advance the aforementioned business strategies, we will continue to focus on strengthening the management base.

We see our human resources as a key asset that drives competitiveness and value creation. By pursuing HR strategies built on three pillars of “encourage growth,” “discover abilities” and “effectively utilize diversity,” such as strategic human resources assignments and measures for improving engagement, we aim to develop individuals who are willing to take on the challenge of financial innovation while learning to understand change and aspire to achieve.

In response to incidents at post offices where non-public financial information in deposit was used to attract customers to post offices for insurance, investment trust and Japanese government bond sales without their prior consent, we will step up oversight of Japan Post Co., Ltd., our banking services contractor. The Japan Post Group will work together to strengthen personal information management systems and put in place measures to prevent any recurrence. We will also reinforce internal control systems to guard against internal misconduct.

In addition, we will promote customer-oriented business operations and corporate culture reform through schemes that use input from customers and employees to develop new services and improve operations.

Financial targets and capital policy, etc.

In FY2025/3, we achieved the net income target of ¥400.0 billion or more for FY2026/3 set in the Medium-term Management Plan, a year ahead of schedule. Reflecting this, we have revised our net income target for FY2026/3 to ¥470.0 billion, above the level achieved in FY2025/3.

We also aim to achieve a ROE (return on equity) target of 4.7% or more for FY2026/3. We are committed to steadily working towards achieving 5% or more early in the next Medium-term Management Plan (from FY2027/3).

Financial targets

<Consolidated basis>		FY2025/3 Actual	FY2026/3 Targets
Profitability	Consolidated net income (attributable to owners of parent)	¥ 414.3billion	¥ 470.0 billion
	ROE (based on shareholders' equity)	4.28%	4.7% or more
Efficiency	OHR (expense ratio) (including gains (losses) from money held in trust, etc.) ^{*1}	61.38%	59% or less
	General and administrative expenses (compared with FY2021/3)	¥ (94.6)billion	¥ (51.0)billion
Soundness	Capital adequacy ratio (domestic standards)	15.08%	Approx. 10% (target level in normal times)
	Common equity tier1 (CET1) capital ratio (international standards) ^{*2}	11.77%	Approx. 10% (target level in normal times)

*1 Considering that Japan Post Bank manages securities by using money held in trust of a considerable scope, the OHR is set as an indicator that includes investment gains (losses) related to money held in trust in the denominator.

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. In light of the finalization of Basel III regulations (full implementation) at the end of FY2029/3, the goal is to secure capital requirements equivalent to a fully applied basis from the end of FY2026/3 onward. If the amount temporarily falls below the target level due to an increase in unrealized losses on available-for-sale securities, we will aim to replenish capital to the target level by adjusting assets under management, etc. Although Japan Post Bank is a domestic bank (required to maintain a capital adequacy ratio of 4% or more), due to the size of its overseas credit exposure and other factors, Japan Post Bank has set a target CET1 ratio of approximately 10% in normal times, based on the idea of aiming for the same level of capital management as large domestic financial institutions.

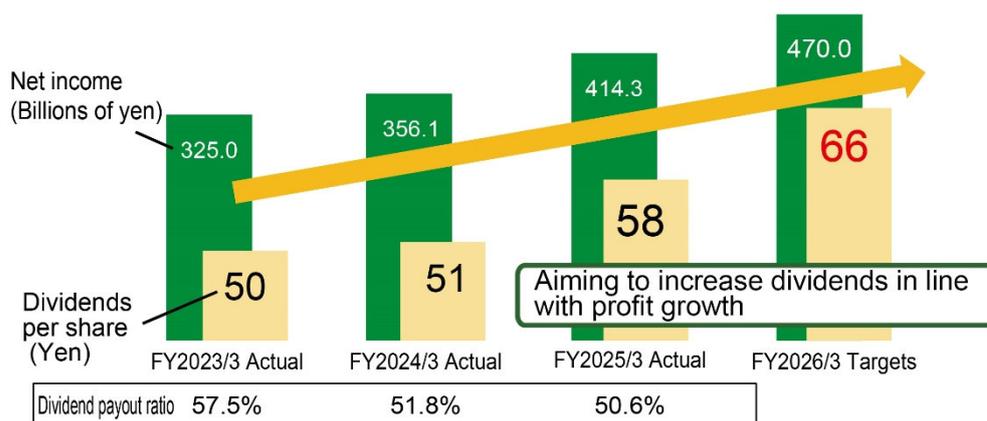
We will continue to strive for a balanced approach in our capital policy, focusing on shareholder returns, financial soundness, and growth investments. We recognize shareholder returns as one of the major management priorities. Under the shareholder return policy outlined in our Medium-term Management Plan, we aim to increase dividends in line with profit growth. We increased the annual dividend per share for FY2025/3 from ¥52 in the initial dividend forecast to ¥58, and on February 27, 2025, we decided to repurchase and cancel treasury stock up to a total of ¥60.0 billion.

In addition, we appreciate the ongoing support we receive from our shareholders, and we are implementing a shareholder special benefit program to increase the attractiveness of investment in Japan Post Bank's shares and thereby encourage more people to hold shares in Japan Post Bank.

Policy on shareholder returns

- Considering the balance between shareholder returns, financial soundness, and investment for growth, our basic policy is to maintain a dividend payout ratio of approximately 50% during the period of the Medium-term Management Plan (FY2022/3-FY2026/3).
- However, based on the stability and continuity of dividends, Japan Post Bank seeks to increase the dividend per share (DPS) from the level of the initial dividend forecast for FY2025/3, by aiming for a payout ratio in the range of 50% to 60%.

<Actual and planned net income and dividends per share>



5) Sustainability initiatives

We have established a basic sustainability policy that sets forth our fundamental policy for promoting sustainability. This policy defines sustainability as “the creation of sustainable social value and enhancement of corporate value,” and it promotes sustainability as the most important management policy.

We have also established the “JAPAN POST BANK Environmental Policy” and the “JAPAN POST BANK Human Rights Policy,” and are working on business activities that take the environment and human rights into consideration. We revised these policies in April 2025, taking into account international external standards. We will continue to improve our business activities through ongoing revisions of the policies.

Based on these policies, among the social issues, we have identified four priority issues (materiality) in our business activities, which we are working to achieve through the business strategies in our Medium-term Management Plan.

Materiality	Specific Initiatives to Solve Priority Issues
 <p>Providing "safe and secure" financial services to anyone and everyone throughout Japan</p>	<ul style="list-style-type: none"> • Provide services through the post office network and support the use of digital services (address the digital divide) • Expand offerings of digital/remote services that are accessible and easy to use by all customers, with top priority placed on safety and security • Support asset-building such as with the new NISA investment program, etc. focusing on retail customers
 <p>Contributing to regional economic expansions</p>	<ul style="list-style-type: none"> • Realization of "co-creation platform" with regional financial institutions, etc. • The challenge to revitalize local economies and create new corporate value through “Japan Post Bank’s unique GP business” • Fund flows to regional areas through various frameworks
 <p>Reducing environmental impact</p>	<ul style="list-style-type: none"> • Strengthen efforts in accordance with TCFD* recommendations • Reduce GHG (greenhouse gas) emissions, promote shift to paperless operations • Promote ESG investments and loans
 <p>Participation of diverse human resources, and sophistication of governance</p>	<ul style="list-style-type: none"> • Promote human capital management based on the principles of “Encourage growth” + “Discover abilities” + “Effectively utilize diversity” • Further improve the effectiveness of the Board of Directors

* International recommendations for enhancing corporate information disclosure on climate change

Of these, in terms of our initiatives for reducing environmental impact, we will move forward with our Roadmap to Decarbonization with the aim of achieving the “JAPAN POST BANK Net Zero GHG Emissions Declaration” announced in March 2022 through promoting renewable electricity and engagement with investment recipients for GHG emissions for Japan Post Bank (Scope 1, 2) and GHG emissions from the finance portfolio (Scope 3).

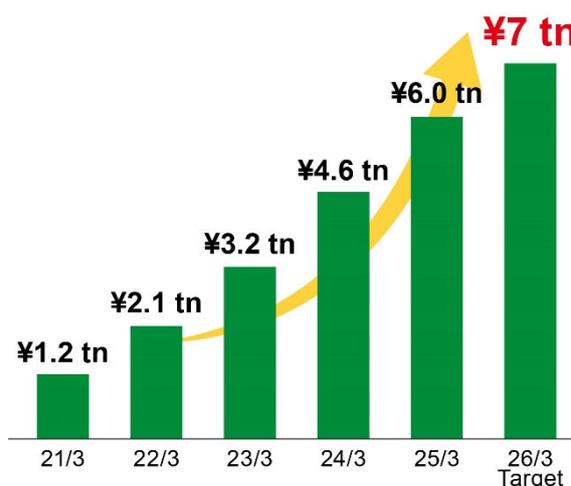
We have also set our target balance of ESG-themed investments and financing by the end of FY2026/3 at ¥7 trillion, and further promote decarbonization throughout society through ESG investments and loans.

Roadmap to decarbonization

Net zero GHG emissions	Up through FY2023/3	FY2024/3	...	FY2026/3	...	FY2031/3	...	2050
Company's own emissions (Scope 1 and 2)	FY2020/3 actual Approx. 49,000 t-CO ₂ Completed conversion of power generation at company-owned facilities to renewable electricity	Promotion of EV vehicle adoption, shift to renewable energy, etc.				Compared to FY2020/3 Target -60%*		
Investment and loan portfolio emissions (Scope 3, category 15)	Encouraging society as a whole to reduce GHG emissions through engagement				Compared to FY2020/3 Target -50%*			
Financing to drive decarbonization	Contribute to solving social issues through ESG investments and loans, including green bonds/loans and transition finance							Net zero
Balance of ESG-themed investments and financing	Investment and loans, including green bonds		End-FY2026/3 target ¥7tn					
Balance of project financing for the construction of coal-fired power plants	Maintain balance of Zero							

*1 Emissions per ¥100 million invested (tCO₂/¥100 million)

Balance of ESG-themed investments and financing *2



*2 ESG bonds (green bonds, social bonds, sustainability bonds, transition bonds, etc.) and loans to the renewable energy sector, regional revitalization funds, etc.

Japan Post Bank has been selected as an ESG index constituent stock in recognition of our sustainability efforts as follows and received various recognition from other external sources.

[ESG Index]

- FTSE4Good Developed Index	- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index	- MSCI NIHONKABU ESG Select Leaders Index
- MSCI Japan Empowering Women Index (WIN)	- Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)
- S&P/JPX Carbon Efficient Index	- Euronext Sustainable World 120 Index

Highlights of external recognition

 <p>3325 健康経営優良法人 ホワイト500</p>	<p>2025 Certified Health & Productivity Management Outstanding Organization Recognition Program White 500 Certified by Japan’s Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi as a corporation that practices excellent health management. For four consecutive years, we have been certified the “White 500,” an acknowledgement given to the top 500 companies for their efforts.</p>
 <p>work with Pride Gold 2024</p>	<p>PRIDE Index Gold (7th Consecutive Year) We received the highest evaluation in the evaluation index for LGBTQ+ initiatives in the workplace by the general incorporated association “work with Pride.”</p>
 <p>3325 健康経営優良法人 プラチナKurumin</p>	<p>Platinum Kurumin Certified by Japan’s Ministry of Health, Labour and Welfare in recognition of a higher standard of achievements as a company that supports childcare.</p>
 <p>3325 健康経営優良法人 Eruboshi</p>	<p>Eruboshi (3 stars) Certified by Japan’s Ministry of Health, Labour and Welfare as a company with excellent initiatives for promoting women's participation. We have been certified the highest rating, 3 stars, for meeting all five evaluation criteria.</p>

*We have also received various other evaluations such as Tomonin Mark and SPORTS YELL COMPANY.

(2) Financial Condition and Results of Operations

(Millions of yen)

As of and for the fiscal year ended March 31	2022	2023	2024	2025
Deposits	193,441,929	194,951,503	192,802,939	190,465,032
Fixed-term deposits	81,022,589	75,217,326	68,379,585	64,323,902
Others	112,419,339	119,734,176	124,423,353	126,141,130
Loans	4,441,967	5,604,366	6,848,393	3,130,595
Loans to individuals	83,582	80,419	73,236	65,172
Loans to small and medium-size enterprises	2,500	2,500	—	—
Others	4,355,885	5,521,447	6,775,156	3,065,422
Trading account securities	11	19	54	224
Securities	139,549,103	132,769,420	146,459,322	143,565,339
Japanese government bonds	49,259,766	38,114,711	43,862,083	40,342,652
Others	90,289,336	94,654,708	102,597,239	103,222,686
Total assets	232,922,083	229,545,202	233,854,645	233,547,839
Domestic exchange transaction volume	70,133,978	75,677,300	83,348,755	97,145,616
Foreign exchange transaction volume	(Millions of U.S. dollars) 333	(Millions of U.S. dollars) 299	(Millions of U.S. dollars) 219	(Millions of U.S. dollars) 207
Net ordinary income	491,459	448,242	494,819	573,511
Net income	354,945	324,607	354,303	410,557
Net income per share	(Yen) 94.68	(Yen) 86.72	(Yen) 97.92	(Yen) 113.55

Notes:

1. The figures are rounded down.
2. The decrease in loans in FY2025/3 compared to FY2024/3 was primarily due to a decrease in loans to Japanese government.
3. Net income per share is calculated by the following formula.

Net income reported on statement of income

$$\text{Net income per share} = \frac{\text{Net income reported on statement of income}}{\text{The average number of common stock outstanding during the fiscal year} - \text{The average number of treasury stock during the fiscal year}}$$

4. Japan Post Bank has applied "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022), etc. from the beginning of FY2025/3, and the figures are after the application of such accounting standards, etc.

With regard to the classification of corporate taxes, the revision is subject to the transitional treatment stipulated in the proviso to Paragraph 20-3 of the Accounting Standard for Current Income Taxes. The cumulative effect of the retroactive application, assuming the new accounting policy had been applied to periods prior to the beginning of FY2025/3, was added to or subtracted from the beginning balance of retained earnings of FY2025/3, and the corresponding amount was added to or subtracted from the appropriate category of valuation and translation adjustments. Thus, the new accounting policy was applied from such beginning balance.

(Reference Financial Condition and Results of Operations of Japan Post Bank Group)

(Millions of yen)

As of and for the fiscal year ended March 31	2022	2023	2024	2025
Ordinary income	1,977,640	2,064,251	2,651,706	2,522,052
Net ordinary income	490,891	455,566	496,059	584,533
Net income attributable to owners of parent	355,070	325,070	356,133	414,324
Comprehensive income	(910,994)	(364,552)	292,767	(409,164)
Net assets	10,302,261	9,651,874	9,707,923	9,090,989
Total assets	232,954,480	229,582,232	233,907,990	233,601,531

Note: The figures are rounded down.

(3) Employees

	As of March 31, 2025
Number of employees	10,952
Average age	45.6 years old
Average years of service	21.0 years
Average annual salary	¥7,160 thousand

- Notes: 1. The number of employees excludes employees assigned to other companies by Japan Post Bank but includes employees assigned to Japan Post Bank by other companies. The figure does not include part-time employees (including the indefinite-term employees (associates) based on the indefinite-term employment conversion system).
2. The figures for average age and average years of service are rounded down to the first decimal place.
3. Average years of service includes years of service prior to the establishment of Japan Post Bank (before privatization).
4. Average annual salary includes bonuses and extra wages, and figures are rounded down.

(4) Branches, etc.

1) Number of branches

	As of March 31, 2025	
	Number of branches	[Number of sub branches]
Hokkaido	5	[4]
Tohoku	10	[9]
Kanto	70	[69]
Tokyo	42	[41]
Shinetsu	6	[5]
Hokuriku	4	[3]
Tokai	23	[22]
Kinki	44	[43]
Chugoku	11	[10]
Shikoku	6	[5]
Kyushu	13	[12]
Okinawa	1	[-]
Domestics total	235	[223]
Overseas total	-	[-]
Total	235	[223]

Notes: 1. The number of branches excludes the number of offices where bank agents, for which Japan Post Bank serves as a principal bank, operate bank agency services and unmanned sub branches of Japan Post Bank (6,595 places as of March 31, 2025).

2. In July 2024, Osaka Branch was relocated from 1-3-1 Umeda, Kita-ku, Osaka-shi, Osaka to 3-2-2 Umeda, Kita-ku, Osaka-shi, Osaka.

2) Newly-established branches during the fiscal year

Not applicable.

3) List of bank agents

Name	Location of a principal branch or office	Main business other than bank agency service
JAPAN POST Co., Ltd.	Chiyoda-ku, Tokyo	Postal services, insurance counter services, sales of revenue stamps, contracted services from Japanese local governments, agency services of life insurance and nonlife insurance, domestic and international logistics business, logistics business, real estate business, sale of goods, and others

4) Bank agency services, etc., operated by a bank

Trade name or name of financial institutions for which Japan Post Bank serves as a bank agent

Sony Bank Incorporated

SBI Shinsei Bank, Limited

(5) Capital Investment

1) Total amount of capital investment

	(Millions of yen)
Total amount of capital investment	52,108

Note: The figure is rounded down.

2) New installation, etc., of significant equipment

	(Millions of yen)
Details	Amount
Japan Post Bank Total Information System	35,876
ATMs	2,925

Note: The figures are rounded down.

(6) Parent Company and Principal Subsidiaries, etc.

1) Parent company

Company name	Location	Main business	Capital	Percentage of voting rights of JAPAN POST BANK held by the parent company	Others
JAPAN POST HOLDINGS Co., Ltd.	Chiyoda-ku, Tokyo	Formulation of the Group's management strategy	3,500,000 (Millions of yen)	50.05%	—

Notes: 1. The percentage of voting rights is rounded down to the second decimal place. In March 2025, a third secondary offering of the Bank's common stock by JAPAN POST HOLDINGS Co., Ltd. and a repurchase and cancellation of treasury stock by Japan Post Bank were conducted. In addition, treasury stock acquired by Japan Post Bank between March 2025 and May 2025 is scheduled to be canceled on May 30, 2025. The percentage of voting rights shown above is as of March 31, 2025.

2. We have entered into the "JAPAN POST GROUP Agreement" with JAPAN POST HOLDINGS Co., Ltd., JAPAN POST Co., Ltd. and JAPAN POST INSURANCE Co., Ltd., which prescribed fundamental matters relating to Group management such as principles and policies common to the Group aimed at contributing to smooth Group operations. Following this agreement, Japan Post Bank has entered into contracts regarding operations of the JAPAN POST GROUP with JAPAN POST HOLDINGS Co., Ltd. and these contracts decide important matters for Group operations that will be discussed in advance with and reported to JAPAN POST HOLDINGS Co., Ltd. but specify that JAPAN POST HOLDINGS Co., Ltd. will not hinder or restrain the decision-making of the Bank.

In addition, we have entered into the trademark management agreement with JAPAN POST HOLDINGS Co., Ltd., JAPAN POST Co., Ltd. and JAPAN POST INSURANCE Co., Ltd., for the purpose of maintaining and increasing brand value of the JAPAN POST GROUP, and have entered into the trademark management contract with JAPAN POST HOLDINGS Co., Ltd. Based on these agreement and contract, we are permitted to use the trademarks such as "Yucho" (Japan Post Bank), which JAPAN POST HOLDINGS Co., Ltd. centrally manages.

Furthermore, we pay brand license fee to JAPAN POST HOLDINGS Co., Ltd. as consideration of benefit by belonging to the JAPAN POST GROUP, and the calculation method would not be changed unless special circumstances such as significant changes in the economic situation occur.

2) Subsidiaries, etc.

Company name	Location	Main business	Capital	Percentage of voting rights of subsidiaries, etc., held by Japan Post Bank	Others
JAPAN POST BANK LOAN CENTER Co., Ltd.	Sumida-ku, Tokyo	Credit guarantee operations for account overdraft lending services of the Bank and administrative agency services	2,000 (Millions of yen)	100.00%	—
ATM Japan Business Service, Ltd.	Minato-ku, Tokyo	Management of ATMs, for example cash loading and withdrawal	100 (Millions of yen)	35.00%	—
JP Asset Management Co., Ltd.	Chuo-ku, Tokyo	Investment Management Business, Type II Financial Instruments Business	500 (Millions of yen)	45.00%	—
Japan Post Investment Corporation	Chiyoda-ku, Tokyo	Investment management operations of securities and investment advisory business	750 (Millions of yen)	50.00%	—
JAPAN POST BANK CAPITAL PARTNERS Co., Ltd.	Chiyoda-ku, Tokyo	Investment management operations	1,000 (Millions of yen)	100.00%	—

Note: The percentage of voting rights is rounded down to the second decimal place.

- Overview of Significant Business Alliances

- 1 Pursuant to the provisions of Article 98, Paragraph 2, Item 2 of the Postal Service Privatization Act, Japan Post Bank consigns bank agency services to JAPAN POST Co., Ltd. ("Japan Post Co.") In addition, Japan Post Bank has entered into a bank counter services agreement with Japan Post Co. to enable it to perform the duties as set forth in Article 5 of Japan Post Company Act.

Pursuant to amendments to the Act on the Management Organization for Postal Savings and Postal Life Insurance that took effect on December 1, 2018, beginning with FY2020/3, Japan Post Bank and JAPAN POST INSURANCE Co., Ltd. are required to contribute to the Organization for Postal Savings, Postal Life Insurance and Post Office Network a share of the costs that are indispensable for securing the universal services (except for those incurred by Japan Post Co.). The Organization for Postal Savings, Postal Life Insurance and Post Office Network in turn delivers these funds to Japan Post Co.

With the introduction of contribution for the support of postal service network, the expenses of agency services provided by Japan Post Co. are covered using contribution and newly allocated agency commissions, such expenses have been paid out of the agency commissions paid to Japan Post Co. by Japan Post Bank.

- 2 Pursuant to the provisions of Article 15 of the Act on Management Organization for Postal Savings, Postal Life Insurance and Post Office Network, an independent administrative agency, Japan Post Bank is entrusted with part of the management of postal savings deposits that were passed on to the Management Organization for Postal Savings, Postal Life Insurance and Post Office Network, an independent administrative agency, by Japan Post Corporation.

- 3 ATM/CD alliance services

Japan Post Bank has formed an alliance with the following financial institutions and provides services such as cash withdrawal using ATMs, etc.

City banks (5 banks), trust banks (4 banks), foreign banks (2 banks), regional banks (61 banks), second-tier regional banks (36 banks), other banks (14 banks), The Shoko Chukin Bank, Ltd. (1 bank), shinkin banks (254 banks), credit cooperatives (118 cooperatives), labor banks (13 banks), credit federations of agricultural cooperatives (31 cooperatives), agricultural cooperatives (507 cooperatives), credit federations of fishery cooperatives (10 cooperatives), fishery cooperatives (69 cooperatives), securities firms (9 firms), life insurance companies (3 companies), credit card companies (46 companies) and other companies (9 companies)

- (7) Business Transfer, etc.

Not applicable.

II. Matters Concerning Directors and Executive Officers

(1) Directors and Executive Officers

Directors

(As of March 31, 2025)

Name	Position and assignment	Significant concurrent positions	Others
KASAMA Takayuki	Director Member of the Nomination Committee	Director of JAPAN POST HOLDINGS Co., Ltd.	—
TANAKA Susumu	Director	Managing Executive Officer of JAPAN POST HOLDINGS Co., Ltd.	—
YANO Harumi	Director		—
MASUDA Hiroya	Director Member of the Nomination Committee Member of the Compensation Committee	Director, Representative Executive Officer, President and CEO of JAPAN POST HOLDINGS Co., Ltd. Director of JAPAN POST Co., Ltd. Director of JAPAN POST INSURANCE Co., Ltd.	—
YAMAZAKI Katsuyo	Director Member of the Audit Committee Member of the Risk Committee		—
TAKEUCHI Keisuke	Director (Outside Director) Member of the Nomination Committee Member of the Compensation Committee (Chairman)	Outside Director of BROTHER INDUSTRIES, LTD.	—
KAIWA Makoto	Director (Outside Director) Member of the Nomination Committee (Chairman)	Special Advisor of Tohoku Electric Power Co., Inc.	—
AIHARA Risa	Director (Outside Director) Member of the Compensation Committee	Representative Director and President of Ai-LAND Co., Ltd.	—
KAWAMURA Hiroshi	Director (Outside Director) Member of the Audit Committee (Chairman)	Attorney-at-law Outside Director of ISHII IRON WORKS CO., LTD.	—
YAMAMOTO Kenzo	Director (Outside Director) Member of the Audit Committee Member of the Risk Committee (Chairman)	Representative of Office KY Initiative Member of the Board as Outside Director of Bridgestone Corporation Outside Director of SUMITOMO LIFE INSURANCE COMPANY	—

Directors

(As of March 31, 2025)

Name	Position and assignment	Significant concurrent positions	Others
NAKAZAWA Keiji	Director (Outside Director) Member of the Audit Committee Member of the Compensation Committee		Mr. NAKAZAWA Keiji has a considerable amount of professional knowledge on finance and accounting through his long history of involvement in corporate management and operations of finance departments of stock companies.
SATO Atsuko	Director (Outside Director) Member of the Risk Committee	Associate Professor, Department of International Studies, Faculty of Economics of Takasaki City University of Economics Outside Corporate Auditor of DeNA Co., Ltd. Outside Director of YOMEISHU SEIZO CO., LTD.	—
AMANO Reiko	Director (Outside Director) Member of the Nomination Committee	Outside Director of Yokogawa Bridge Holdings Corp.	—
KATO Akane	Director (Outside Director) Member of the Audit Committee	Representative Director of AKANE IDENTITIES INC. Outside Director of SUMCO CORPORATION	—

- Notes: 1. Mr. KASAMA Takayuki, Mr. TANAKA Susumu and Mr. YANO Harumi concurrently serve as Executive Officers.
2. Ms. YAMAZAKI Katsuyo is a full-time member of the Audit Committee. The reason for electing a full-time member of the Audit Committee is to enhance the effectiveness of audits performed by the Audit Committee by attending important meetings other than the meetings of the Board of Directors and having coordination with the Internal Control Division closely.
3. Nine of Outside Directors (Mr. TAKEUCHI Keisuke, Mr. KAIWA Makoto, Ms. AIHARA Risa, Mr. KAWAMURA Hiroshi, Mr. YAMAMOTO Kenzo, Mr. NAKAZAWA Keiji, Ms. SATO Atsuko, Ms. AMANO Reiko and Ms. KATO Akane) are Independent Directors as stipulated by Tokyo Stock Exchange, Inc.
4. Mr. YANO Harumi was newly elected as Director at the Ordinary General Meeting of Shareholders held on June 18, 2024, and assumed his position on the same date.
5. Mr. KASAMA Takayuki assumed his position as Director of JAPAN POST HOLDINGS Co., Ltd. on June 19, 2024.
6. Ms. SATO Atsuko assumed her position as Outside Director of YOMEISHU SEIZO CO., LTD. on June 27, 2024.
7. Ms. AMANO Reiko resigned from her position of Outside Director of East Japan Railway Company on June 20, 2024.

Executive Officers

(As of March 31, 2025)

Name	Position and assignment	Significant concurrent positions	Others
KASAMA Takayuki	President and Representative Executive Officer	Director of JAPAN POST HOLDINGS Co., Ltd.	—
TANAKA Susumu	Representative Executive Vice President (Assistant to the President)	Managing Executive Officer of JAPAN POST HOLDINGS Co., Ltd.	—
YANO Harumi	Representative Executive Vice President (Assistant to the President)		—
OGATA Kenji	Executive Vice President (Matters concerning operations of Compliance Division and Legal Affairs Department, Corporate Administration Division)		—
TAMAKI Masato	Senior Managing Executive Officer (Matters concerning operations of Risk Management Division)		—
MATSUNAGA Hisashi	Senior Managing Executive Officer (Matters concerning operations of System Division)	Director of JAPAN POST INFORMATION TECHNOLOGY Co., Ltd.	—
SHINMURA Makoto	Senior Managing Executive Officer (Matters concerning operations of Corporate Planning Department, ALM Planning Department, Research Department, Investor Relations Department and IT Strategy Department, Corporate Administration Division)		—
NAGURA Shinobu	Managing Executive Officer (Matters concerning operations of Financial Accounting Department and Public Relations Department, Corporate Administration Division)	Director of JAPAN POST BANK LOAN CENTER Co., Ltd.	—
OGATA Satoru	Managing Executive Officer (Matters concerning operations of Cybersecurity Department and General Affairs Department (limited to supervision of operations related to Crisis Management Office), Corporate Administration Division, and assistant to the Senior Managing Executive Officer in charge of System Division)		—
NAKAO Hideki	Managing Executive Officer (Matters concerning operations of Investment Division)		—
IIMURA Koji	Managing Executive Officer (Matters concerning operations of Internal Audit Division)		—
KISHI Etsuko	Managing Executive Officer (Matters concerning operations of Marketing Division and supervision of operations of directly-operated branches and Regional Headquarters)	Director of JAPAN POST BANK LOAN CENTER Co., Ltd.	—

Executive Officers

(As of March 31, 2025)

Name	Position and assignment	Significant concurrent positions	Others
DEN Akihiro	Managing Executive Officer (Matters concerning operations of Operation Division)		—
TOUMA Masaya	Executive Officer (Matters concerning South Kanto Regional Headquarters and assistant to the Managing Executive Officer in charge of supervision of operations of directly-operated branches and Regional Headquarters)		—
FUKUSHIMA Katsuya	Executive Officer (Assistant to the Senior Managing Executive Officer in charge of Corporate Administration Division (limited to supervision of operations related to Corporate Planning Department, Corporate Administration Division))		—
HASUKAWA Koji	Executive Officer (Assistant to the Senior Managing Executive Officer in charge of Corporate Administration Division (limited to supervision of operations related to ALM Planning Department and Research Department, Corporate Administration Division))		—
YOSHIDA Koichiro	Executive Officer (Matters concerning Tokyo Regional Headquarters and assistant to the Managing Executive Officer in charge of supervision of operations of directly-operated branches and Regional Headquarters)		—
KATO Hisanori	Executive Officer (Assistant to the Executive Vice President in charge of Compliance Division (limited to supervision of operations related to Compliance Management Department, Compliance Division))		—
TOYODA Yasumitsu	Executive Officer (Matters concerning Kyushu Regional Headquarters and assistant to the Managing Executive Officer in charge of supervision of operations of directly-operated branches and Regional Headquarters)		—

Executive Officers

(As of March 31, 2025)

Name	Position and assignment	Significant concurrent positions	Others
FUJIE Junko	Executive Officer (Matters concerning operations of Customer Satisfaction Department and General Affairs Department (excluding operations related to Crisis Management Office), Corporate Administration Division)		—
UEDA Hiroshi	Executive Officer (Assistant to the Managing Executive Officer in charge of Marketing Division (limited to supervision of operations related to Marketing Department, Marketing Division))		—
AONO Kenji	Executive Officer (Matters concerning operations of Regional Relations Division)	Director of JAPAN POST BANK CAPITAL PARTNERS Co., Ltd.	—
YAMAMOTO Hirokazu	Executive Officer (Matters concerning operations of Human Recourses Department and Diversity and Inclusion Department, Corporate Administration Division)	Director of JAPAN POST CORPORATE SERVICE Co., Ltd.	—
YANO Tomotake	Executive Officer (Assistant to the Managing Executive Officer in charge of Marketing Division (limited to supervision of operations related to Digital Strategy Department and Digital Service Business Department, Marketing Division))		—
IMAI Kenichi	Executive Officer (Assistant to the Senior Managing Executive Officer in charge of Corporate Administration Division (limited to supervision of operations related to Investor Relations Department, Corporate Administration Division))		—
YOSHIDA Yuko	Executive Officer (Assistant to the Managing Executive Officer in charge of Investment Division)		—

- Notes: 1. Mr. KASAMA Takayuki, Mr. TANAKA Susumu and Mr. YANO Harumi concurrently serve as Directors.
2. Mr. YAMAMOTO Hirokazu, Mr. YANO Tomotake, Mr. IMAI Kenichi and Ms. YOSHIDA Yuko were newly appointed as Executive Officers at the first meeting of the Board of Directors convened after the conclusion of the Ordinary General Meeting of Shareholders held on June 18, 2024, and assumed their positions on July 1, 2024.
3. At the first meeting of the Board of Directors convened after the conclusion of the Ordinary General Meeting of Shareholders held on June 18, 2024, Titled Executive Officers were elected as follows.

Name	Position (before the change)	Position (after the change)	Date of the change
KISHI Etsuko	Executive Officer	Managing Executive Officer	June 18, 2024
DEN Akihiro	Executive Officer	Managing Executive Officer	June 18, 2024

4. As of the conclusion of the first meeting of the Board of Directors convened after the conclusion of the Ordinary General Meeting of Shareholders held on June 18, 2024, Mr. KOTOUDA Minoru, Mr. TANAKA Takayuki and Mr. YAMAMOTO Jun resigned from their positions of Executive Officers due to the expiration of their terms of office.
5. Mr. KASAMA Takayuki assumed his position as Director of JAPAN POST HOLDINGS Co., Ltd. on June 19, 2024.
6. Mr. SHINMURA Makoto resigned from his position of Director of JAPAN POST BANK LOAN CENTER Co., Ltd. on June 24, 2024.
7. Mr. NAGURA Shinobu assumed his position as Director of JAPAN POST BANK LOAN CENTER Co., Ltd. on June 24, 2024.
8. Ms. KISHI Etsuko assumed her position as Director of JAPAN POST BANK LOAN CENTER Co., Ltd. on June 24, 2024.
9. Mr. AONO Kenji resigned from his position of Director of Frontier Capital Inc. on April 12, 2024, and from his position of Director of Japan Post Investment Corporation on May 21, 2024. He assumed his position as Director of JAPAN POST BANK CAPITAL PARTNERS Co., Ltd. on May 21, 2024.
10. Mr. YAMAMOTO Hirokazu assumed his position as Director of JAPAN POST CORPORATE SERVICE Co., Ltd. on July 24, 2024.
11. As a change of Executive Officer that occurred after the end of FY2025/3, Mr. YAMADA Ryotaro was newly appointed as Executive Officer at the meeting of the Board of Directors held on March 3, 2025, and assumed his position on April 1, 2025.

(2) Compensation, etc., for Directors and Executive Officers

(Millions of yen)

Category	Number of persons compensated	Compensation, etc.	Base compensation	Stock compensation		Bonus	Retirement benefit	Others
				Non-performance-linked	Performance-linked	Performance-linked		
Directors	10 persons	149	149	—	—	—	—	0
Executive Officers	29 persons	1,096	645	76	188	183	—	2
Total	39 persons	1,245	794	76	188	183	—	2

- Notes:
1. The figures for compensation, etc. are rounded down.
 2. If a person holds concurrent positions as Director and Executive Officer, we do not pay compensation for services as Director to such person.
 3. Number of Directors compensated excludes one Director without pay.
 4. Compensation, etc. for incumbent Directors and Executive Officers as well as for three Executive Officers who resigned during FY2025/3 are all included.
 5. Stock compensation and bonus above represent the amount accounted for as expense during FY2025/3.
 6. Although the retirement benefits program to Executive Officers was abolished in June 2013, retirement benefits will be paid upon retirement to Executive Officers who remain in their positions since then, for their term of service up to the day of abolishment of the program.

[Matters Concerning Performance-linked Compensation]

(Overview of performance-linked compensation)

Performance-linked compensation consists of performance-linked monetary compensation (annual bonus) and performance-linked stock compensation, both of which are paid to Executive Officers.

(Indicators concerning the performance-linked compensation system, reasons that the indicators were chosen, and the method for determining the amounts of the performance-linked compensation)

1. Performance-linked monetary compensation (annual bonus)

The performance-linked monetary compensation (annual bonus) is monetary compensation that is linked to short-term performance so that it functions as an incentive to steadily achieve the performance targets for a single fiscal year.

In calculating payment amounts, the standard amount corresponding to each job position according to each Executive Officer's responsibilities is multiplied by a coefficient based on their individual evaluation according to their job performance and a coefficient that varies according to the achievement status of performance targets set in the management plan for the fiscal year. The resulting amount is paid to each Executive Officer at a specific time each year. The Compensation Committee determines those coefficients, and the payment amounts calculated using the coefficients.

Individual evaluation of Executive Officers according to their job performance is conducted separately for the results of the business of which each Executive Officer is in charge, and for the status of initiatives implemented, among others.

As for the indicators of the achievement status of performance targets set in the management plan for the fiscal year, multiple indicators from different categories are set to enable a comprehensive judgment on the achievement level of management performance, and they are appropriate for our business format and content.

In addition, in the event of a serious fraud or violation by an Executive Officer eligible for payment, a system (clawback clause) is in place that makes it possible to recover all or part of the bonus amount paid to such Executive Officer.

2. Performance-linked stock compensation

Performance-linked stock compensation is stock-based compensation that is linked to medium- to long-term performance, facilitated through a trust. This compensation is designed to further motivate Executive Officers to contribute to the Bank's sustainable growth and enhance corporate value over the medium to long term.

For the performance-linked stock compensation, points are granted to Executive Officers after the end of the final fiscal year of the medium-term management plan. The points are calculated by multiplying the basic points corresponding to each job position according to each Executive Officer's responsibilities by a coefficient that varies according to the state of achievement of performance targets set in the medium-term management plan. Upon the retirement of an Executive Officer, the number of the Bank's common shares corresponding to the cumulative total of points granted to the Executive Officer, along with cash equivalent to the value of a specified proportion of the Bank's common shares measured at fair value as of the retirement date (hereinafter referred to as the "Common Shares of the Bank"), will be provided to the Executive Officer from the trust, contingent upon the Executive Officer meeting the eligibility criteria outlined in the Stock Compensation Regulations for Executives. The Compensation Committee determines the coefficient, and the points calculated using the coefficient.

For the performance targets, based on which the coefficient is determined, medium- to long-term targets and indicators set in the medium-term management plan shall be adopted so that performance-linked stock compensation functions as a sound incentive to enhance corporate value and achieve sustainable growth over the medium to long term. The indicators we have adopted are "net income attributable to owners of parent" and "ROE (based on shareholders' equity)", which are key indicators in the current Medium-term Management Plan.

In addition, in the event of a serious fraud or violation by an Executive Officer eligible for payment, a system (malus clause) is in place that allows for a reduction or forfeiture of the points that form the basis for calculating the number of shares to be granted to such Executive Officer.

(Goals and actual performances for FY2025/3 by indicators related to performance-linked compensation)

The goals for the indicators associated with the performance-linked compensation are established as follows:

Indicator	Goal	Actual performance
Net income attributable to owners of parent	¥365.0 billion (revised upward to ¥400.0 billion in November 2024)	¥414.3 billion
OHR (expense ratio)	65.0% or less	61.38%
Reduction in General and administrative expenses (vs FY2021/3)	¥73.0 billion reduction	¥94.6 billion reduction
Retail business, market business, Σ Business, ESG		Progress generally in line with the plan
Initiatives to enhance corporate value, compliance violation, etc.		<ul style="list-style-type: none"> - Incident of improperly attracting customers to post offices through the use of non-public financial information - Stable execution of the third secondary offering of the Bank's common stock - Enhancing functions of apps, ATMs, etc. - Receiving Award for Excellence at the NIKKEI Integrated Report Award, etc.

[Matters Concerning Non-monetary Compensation]

(Overview of non-monetary compensation)

Non-monetary compensation consists of non-performance-linked stock compensation and performance-linked stock compensation, both of which are paid to Executive Officers.

The Bank has established a stock compensation system that utilizes a framework known as a Board Benefit Trust. The Bank's common shares are acquired from the stock market through the trust using cash contributed by the Bank to the Board Benefit Trust as a funding source. These Common Shares of the Bank will be awarded to Executive Officers via the trust in line with the predetermined stock compensation regulations. The Bank shall not exercise the voting rights associated with the Bank's common shares held within the trust's assets.

1. Non-performance-linked stock compensation

For the non-performance-linked stock compensation, points corresponding to each job position according to each Executive Officer's responsibilities are granted to Executive Officers after the end of each fiscal year. Upon the retirement of an Executive Officer, the number of Common Shares of the Bank corresponding to the cumulative total of points granted to the Executive Officer will be provided to the Executive Officer from the trust.

In addition, in the event of a serious fraud or violation by an Executive Officer eligible for payment, a system (malus clause) is in place that allows for a reduction or forfeiture of the points that form the basis for calculating the number of shares to be granted to such Executive Officer.

2. Performance-linked stock compensation

Details regarding the performance-linked stock compensation are outlined above under [Matters Concerning Performance-linked Compensation].

(Reference: Diagram of the Compensation System for Executive Officers of Japan Post Bank)

The diagram below shows the compensation system for Executive Officers of Japan Post Bank.

Type	Degree of performance dependency	Payment standard	Payment time	Payment method
Base salary	Not linked	Fixed amount of compensation based on job responsibilities	Monthly	Cash
Stock compensation	Not linked	Fixed points based on job responsibilities	At retirement	Shares 70% Cash 30%
	Linked	<p>Linked to medium- to long-term performance (0–120%)</p>		
Bonuses	Linked	<p>Linked to short-term performance (0–130%)</p>	Once per year	Cash

- Policy for Determining the Details of Individual Compensation for Directors and Executive Officers
In regard to compensation for directors and executive officers of Japan Post Bank, 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.

1 Compensation system

- (1) When serving concurrently as a director and executive officer, compensation shall be paid for the position of executive officer.
- (2) Compensation that directors of the Bank receive shall be paid in the form of a fixed amount of compensation corresponding to duties, in light of the scope and scale of responsibility relating to management, and the like.
- (3) Compensation that executive officers of the Bank receive shall be paid in the form of a base salary (a fixed amount of compensation), bonuses that serve as short-term incentives, and stock compensation (both non-performance-linked and performance-linked) that serve as medium- to long-term incentives, and shall function as a sound incentive for the achievement of performance targets and sustainable growth.

2 Compensation for directors

Compensation for directors shall be paid as a certain level of a fixed amount of compensation corresponding to duties, in light of the main role of supervision of management, and the level shall be an appropriate one that takes into account the scale of duties as a director, the role in each committee, and the current situation of the Bank.

3 Compensation for executive officers

Compensation for executive officers shall be paid in the form of a certain level of base salary (a fixed amount of compensation), in light of differences in responsibility that varies according to the job position, a short-term incentive in the form of a bonus, and a mid-to-long-term incentive in the form of stock compensation (both non-performance-linked and performance-linked).

The level of base salary shall be an appropriate one that takes into account the scale of duties of the executive officer and the current situation of the Bank.

The bonus shall function as an incentive to steadily achieve the performance targets for a single fiscal year. It shall be calculated by multiplying the standard amount according to the responsibilities by a coefficient based on the individual evaluation and a coefficient that varies according to the achievement status of the management plan, and the cash will be paid every year.

In regard to stock compensation, based on the viewpoint of a sound incentive for improving mid-to long-term corporate value and sustainable growth, a fixed amount of points according to the responsibilities shall be granted every year, and points that are calculated by multiplying the sum of basic points corresponding to duties by a coefficient that varies according to the state of achievement of the management plan shall be granted after the end of the final fiscal year of the medium-term management plan, and shares corresponding to the points accumulated at the time of retirement from office shall be provided. However, a certain percentage of this shall be paid in the form of money obtained by converting the shares into cash.

Furthermore, in the case of a person who is an executive officer in charge of an area that requires special knowledge and skills and, based on the compensation corresponding to his/her duties, would receive a significantly lower level of compensation than what an officer in charge of such an area would generally receive at other companies, it shall be permitted to adopt compensation that refers to the level of compensation at other companies instead of compensation corresponding to duties.

[Reason why the Compensation Committee judged that the details of individual compensation for Directors and Executive Officers for FY2025/3 were in accordance with the policy]

In accordance with the “Policy for Determining the Details of Individual Compensation for Directors and Executive Officers” above, the Bank’s Compensation Committee considers various aspects such as the appropriateness of the level of compensation according to responsibilities and job positions of Directors and Executive Officers and determines the “basic salary by job position,” “calculation standard for granting points by job position,” “JAPAN POST BANK Co., Ltd. Stock Compensation Regulations for Executives” which stipulates stock compensation for Executive Officers, and “JAPAN POST BANK Co., Ltd. Bonus Regulations for Executives” which stipulates performance-linked monetary compensation (annual bonus) for Executive Officers.

Based on these standards and rules, the Compensation Committee determines points related to basic salary and performance-linked stock compensation and the amounts of monetary compensation (annual bonus) to be granted to individuals, and the Compensation Committee has judged that the detail of individual compensation is in accordance with the above policy.

(3) Liability Limitation Agreement

Name	Overview of the contracts for limitation of liability
MASUDA Hiroya	The overview of contracts for limitation of liability entered into with Directors (excluding Directors with executive functions) in accordance with provisions of Article 427, Paragraph 1 of the Companies Act and Articles of Incorporation, are as follows. For liabilities provided for in Article 423, Paragraph 1 of the Companies Act, when the Directors (excluding Directors with executive functions) performed their duties in good faith and without gross negligence, they shall be liable to the minimum liability amount prescribed under Article 425, Paragraph 1 of the Companies Act.
YAMAZAKI Katsuyo	
TAKEUCHI Keisuke	
KAIWA Makoto	
AIHARA Risa	
KAWAMURA Hiroshi	
YAMAMOTO Kenzo	
NAKAZAWA Keiji	
SATO Atsuko	
AMANO Reiko	
KATO Akane	

(4) Indemnity Agreement

1) Indemnity agreement with Directors and Executive Officers in office

Not applicable.

2) Matters concerning execution of indemnity agreement

Not applicable.

(5) Matters Concerning the Directors and Officers Liability Insurance (D&O Insurance) Agreement

Scope of the insured	Overview of details of D&O insurance agreement
Directors, Executive Officers, Officers of certain subsidiaries, etc., certain outside dispatched officers	This agreement is to compensate for damages and litigation expenses incurred by the insured due to a claim for damages caused by the insured's acts (including omission) in the course of business as Director or Executive Officer. However, measures are taken so as not to impair the appropriateness of execution of duties by Directors and Executive Officers, by excluding criminal acts such as bribery and damages to the insured who intentionally commit illegal acts from the coverage. All insurance premiums will be borne by the Bank.

III. Matters Concerning Outside Directors

(1) Concurrent Positions and Other Details on Outside Directors

(As of March 31, 2025)

Name	Concurrent positions and other details
TAKEUCHI Keisuke	Outside Director of BROTHER INDUSTRIES, LTD.
AIHARA Risa	Representative Director and President of Ai-LAND Co., Ltd.
KAWAMURA Hiroshi	Attorney-at-law Outside Director of ISHII IRON WORKS CO., LTD.
YAMAMOTO Kenzo	Representative of Office KY Initiative Member of the Board as Outside Director of Bridgestone Corporation Outside Director of SUMITOMO LIFE INSURANCE COMPANY
SATO Atsuko	Associate Professor, Department of International Studies, Faculty of Economics of Takasaki City University of Economics Outside Corporate Auditor of DeNA Co., Ltd. Outside Director of YOMEISHU SEIZO CO., LTD.
AMANO Reiko	Outside Director of Yokogawa Bridge Holdings Corp.
KATO Akane	Representative Director of AKANE IDENTITIES INC. Outside Director of SUMCO CORPORATION

Note: There are no significant relationships to be stated between Japan Post Bank and the above concerned parties above.

(2) Main Activities of Outside Directors

Name	Term of office	Attendance at meetings of the Board of Directors and other meetings	Remarks made at meetings of the Board of Directors and other meetings, and other activities
TAKEUCHI Keisuke	5 years, 9 months	<p>Attended 13 out of 13 meetings of the Board of Directors held during FY2025/3 (100%)</p> <p>Attended 7 out of 7 meetings of the Nomination Committee held during FY2025/3 (100%)</p> <p>Attended 6 out of 6 meetings of the Compensation Committee held during FY2025/3 (100%)</p>	<p>He provided recommendations on formulating business and capital strategies, vitalizing regional community economies through the promotion of Σ Business, promoting human capital management, reform of organizational culture and others by utilizing his abundant experience and insight he gained as a corporate manager for a long time. He also led the Compensation Committee as its Chairman for discussions on determining appropriate compensation for Directors and Executive Officers, and actively expressed opinions on the appointment of Director candidates as a member of the Nomination Committee.</p>
KAIWA Makoto	5 years, 9 months	<p>Attended 13 out of 13 meetings of the Board of Directors held during FY2025/3 (100%)</p> <p>Attended 7 out of 7 meetings of the Nomination Committee held during FY2025/3 (100%)</p>	<p>He provided recommendations on formulating business and capital strategies, strengthening the management base, promoting human capital management, reform of organizational culture and others by utilizing his abundant experience and insight he gained as a corporate manager for a long time. He also led the Nomination Committee as its Chairman for discussions on the appointment of Director candidates.</p>

Name	Term of office	Attendance at meetings of the Board of Directors and other meetings	Remarks made at meetings of the Board of Directors and other meetings, and other activities
AIHARA Risa	5 years, 9 months	Attended 13 out of 13 meetings of the Board of Directors held during FY2025/3 (100%) Attended 6 out of 6 meetings of the Compensation Committee held during FY2025/3 (100%)	She provided recommendations on formulating business strategies, promoting digital services and DX and others by utilizing her abundant experience and professional knowledge with deep insight including digital marketing. She also served as a member of the Compensation Committee and actively expressed opinions on determining appropriate compensation for Directors and Executive officers.
KAWAMURA Hiroshi	4 years, 9 months	Attended 13 out of 13 meetings of the Board of Directors held during FY2025/3 (100%) Attended 14 out of 14 meetings of the Audit Committee held during FY2025/3 (100%)	He provided recommendations on formulating business strategies, strengthening the management base, including compliance system, and others by utilizing his abundant experience and professional knowledge as a long-serving legal professional. He also led the Audit Committee as its Chairman for discussions on audits of the execution of duties.
YAMAMOTO Kenzo	4 years, 9 months	Attended 13 out of 13 meetings of the Board of Directors held during FY2025/3 (100%) Attended 14 out of 14 meetings of the Audit Committee held during FY2025/3 (100%) Attended 6 out of 6 meetings of the Risk Committee held during FY2025/3 (100%)	He provided recommendations on formulating business strategies, strengthening the management base and others by utilizing his abundant experience and professional knowledge with deep insight into the financial market and financial system. He also led the Risk Committee as its Chairman for discussions on sophisticating risk management systems and actively expressed opinions on audits of the execution of duties as a member of the Audit Committee.

Name	Term of office	Attendance at meetings of the Board of Directors and other meetings	Remarks made at meetings of the Board of Directors and other meetings, and other activities
NAKAZAWA Keiji	2 years, 9 months	<p>Attended 13 out of 13 meetings of the Board of Directors held during FY2025/3 (100%)</p> <p>Attended 14 out of 14 meetings of the Audit Committee held during FY2025/3 (100%)</p> <p>Attended 6 out of 6 meetings of the Compensation Committee held during FY2025/3 (100%)</p>	<p>He provided recommendations on formulating business and capital strategies and others by utilizing his abundant experience and insight he gained through successively holding various important posts at publicly traded companies and his professional knowledge in finance and accounting. He also led Meetings of Independent Outside Directors as its Chairman for discussions on improving governance, and served as a member of the Compensation Committee and the Audit Committee and actively expressed opinions on determining appropriate compensation for Directors and Executive Officers and audits of the execution of duties.</p>
SATO Atsuko	2 years, 9 months	<p>Attended 13 out of 13 meetings of the Board of Directors held during FY2025/3 (100%)</p> <p>Attended 6 out of 6 meetings of the Risk Committee held during FY2025/3 (100%)</p>	<p>She provided recommendations on formulating business strategies, market operations, promoting human capital management and others by utilizing her abundant experience and professional knowledge with deep insight including market operations, risk management, and human resource development. She also served as a member of the Risk Committee and actively expressed opinions on sophisticating risk management systems.</p>

Name	Term of office	Attendance at meetings of the Board of Directors and other meetings	Remarks made at meetings of the Board of Directors and other meetings, and other activities
AMANO Reiko	1 year, 9 months	Attended 13 out of 13 meetings of the Board of Directors held during FY2025/3 (100%) Attended 7 out of 7 meetings of the Nomination Committee held during FY2025/3 (100%)	She provided recommendations on formulating business strategies, vitalizing regional community economies through the promotion of Σ Business and others by utilizing her abundant experience and insight she gained through successively holding various important posts at publicly traded companies and her professional knowledge on matters such as risk management. She also served as a member of the Nomination Committee and actively expressed opinions on the appointment of Director candidates.
KATO Akane	1 year, 9 months	Attended 13 out of 13 meetings of the Board of Directors held during FY2025/3 (100%) Attended 14 out of 14 meetings of the Audit Committee held during FY2025/3 (100%)	She provided recommendations on formulating business strategies, promoting human capital management, reform of organizational culture and others by utilizing her abundant experience and professional knowledge with deep insight including human resource development. She also served as a member of the Audit Committee and actively expressed opinions on audits of the execution of duties.

(3) Response to Violation of Laws and Regulations or the Articles of Incorporation and Other Unjust Execution of Business

In March 2025, the Bank received a request for reporting under Article 24 of the Banking Act from the Financial Services Agency, regarding the improper use of non-public financial information at post offices. The Bank's Outside Directors were unaware of the conduct until it came to light; however, they have consistently provided recommendations on formulating the importance of governance and internal control from a legal compliance perspective. Upon becoming aware of the misconduct, they have diligently fulfilled their respective duties, including directing the implementation of measures to prevent the recurrence of such incident.

(4) Compensation, etc. for Outside Directors

(Millions of yen)

	Number of persons compensated	Compensation, etc. from Japan Post Bank	Compensations, etc. from the parent company, etc. of Japan Post Bank
Total amount of compensation, etc.	9 persons	119	—

Note: The figures for compensation, etc. are rounded down.

(5) Opinions of Outside Directors

Not applicable.

IV. Matters Concerning Shares

(1) Number of Shares

Total number of authorized shares	18,000,000 thousand shares
Total number of outstanding shares	3,601,021 thousand shares (excluding 3,314 thousand shares of treasury stock)

Notes: 1. The number of shares is rounded down.

2. The treasury stock does not include the Bank's shares held by the stock benefit trust (1,064 thousand shares).

3. The shares repurchased by the Bank from March to May 2025 will be cancelled on May 30, 2025. The total number of outstanding shares and treasury stock indicate the numbers as of March 31, 2025.

(2) Total Number of Shareholders as of March 31, 2025: 635,451

(3) Major Shareholders

Name of shareholder	Number of shares held and percentage of shares held	
	Number of shares held, etc.	Percentage of shares held
JAPAN POST HOLDINGS Co., Ltd.	1,802,167 thousand shares	50.04%
The Master Trust Bank of Japan, Ltd. (Trust Account)	247,240 thousand shares	6.86%
Custody Bank of Japan, Ltd. (Trust Account)	71,608 thousand shares	1.98%
STATE STREET BANK WEST CLIENT-TREATY 505234	38,916 thousand shares	1.08%
STATE STREET BANK AND TRUST COMPANY 505001	38,196 thousand shares	1.06%
JPMorgan Securities Japan Co., Ltd.	34,286 thousand shares	0.95%
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	27,224 thousand shares	0.75%
JP MORGAN CHASE BANK 385781	26,554 thousand shares	0.73%
Morgan Stanley MUFG Securities Co., Ltd.	20,945 thousand shares	0.58%
Goldman Sachs Japan Co., Ltd. BNYM	19,485 thousand shares	0.54%

Notes: 1. The number of shares held, etc. is rounded down.

2. The percentage of shares held is calculated excluding treasury stock (3,314 thousand shares) and is rounded down to the second decimal place.

3. The shares repurchased by the Bank from March to May 2025 will be canceled on May 30, 2025. The percentage of shares held indicates the percentage as of March 31, 2025.

(4) Shares Granted to Directors and Executive Officers of the Bank as Consideration of Execution of Duties in FY2025/3

	Number of officers to whom shares were granted	Number of shares
Directors (excluding Outside Directors) and Executive Officers	4 persons	134,200 shares
Outside Directors	—	—

Note: Shares were granted to Executive Officers in accordance with the stock compensation system. Under the system, the Bank grants the Bank's shares, as well as a certain portion of the Bank's shares in the form of money in an amount obtained by converting the shares into cash at their fair value at the time of retirement. The number of shares above does not include the portion paid in cash.

(5) Other Significant Matters Concerning Shares

- Stock Compensation System for Executive Officers

Japan Post Bank introduced a stock compensation system (performance-linked and non-performance-linked) using a trust for its Executive Officers. The objectives of the system are to further enhance the awareness of the Executive Officers of Japan Post 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.

- Stock Ownership Plan for Management Employees

Japan Post Bank introduced an employee stock ownership plan using a trust for management employees. It is intended for management employees in the Investment Division, particularly those utilizing sophisticated, expert knowledge to execute their business duties. The objective of the plan is to motivate the management employees to contribute further to the enhancement of Japan Post Bank's earnings performance and corporate value over the medium and long terms.

- Share Repurchases and Cancellation of Shares

At the Board of Directors meeting held on February 27, 2025, the Bank passed a resolution on matters relating to the repurchase of its own shares, pursuant to Article 39, Paragraph 1 of the Bank's Articles of Incorporation complying with Article 459, Paragraph 1, Item 1 of the Companies Act. Additionally, at the same meeting, the Bank passed a resolution on matters relating to the cancellation of its own shares pursuant to provisions of Article 178 of the Companies Act.

1 Reasons for the share repurchases and the cancellation of shares

To improve capital efficiency and strengthen shareholder returns, etc., as well as to mitigate the impact of the offering of the Bank's common stock announced in the "Notice Concerning the Offering of Shares" on February 27, 2025, on the supply and demand for shares.

2 Details of matters related to the repurchase through ToSTNeT-3

- (1) Class of shares repurchased: Common stock of the Bank
- (2) Total number of repurchased shares: 13,266,900 shares
- (3) Aggregate repurchase price of repurchased shares: ¥19,999,851,750
- (4) Date of repurchase: March 3, 2025
- (5) Method of repurchase: Purchases through the off-auction own share repurchase trading on the Tokyo Stock Exchange Trading NeTwork system (ToSTNeT-3)

3 Details of matters related to the cancellation of the shares repurchased through ToSTNeT-3

- (1) Class of shares cancelled: Common stock of the Bank
- (2) Total number of shares cancelled: 13,266,900 shares
- (3) Date of cancellation: March 12, 2025

4 Details of matters related to the repurchase by using the method of market purchases (plan)

- (1) Class of shares to be repurchased: Common stock of the Bank
- (2) Total number of shares to be repurchased: 40,000,000 shares (maximum)
- (3) Aggregate repurchase price of shares to be repurchased: ¥40,000,000,000 (maximum)
- (4) Repurchase period: From March 18, 2025 to May 14, 2025 (excluding the period from March 25 to 31, 2025)
- (5) Method of repurchase: Market purchases under discretionary transaction contracts with respect to the repurchase of shares

(Reference) Total number of shares repurchased by using the method of market purchases (as of March 31, 2025)

- (1) Total number of repurchased shares: 3,244,300 shares
- (2) Aggregate repurchase price of repurchased shares: ¥5,154,057,551

5 Details of the planned cancellation of the shares repurchased by using the method of market purchases

- (1) Class of shares to be cancelled: Common stock of the Bank
- (2) Total number of shares to be cancelled: All shares repurchased through the method outlined in Item 4 above
- (3) Planned date of cancellation: May 30, 2025

V. Matters Concerning Independent Auditor

(1) Independent Auditor

(Millions of yen)

Name	Compensation, etc., for FY2025/3	Others
KPMG AZSA LLC MAENO Atsuji Designated Engagement Partner KANNO Masako Designated Engagement Partner OKADA Hideki Designated Engagement Partner	216	1) The Audit Committee gave consent to the amount of compensation, etc. for the Independent Auditor as provided in Article 399, Paragraph 1 of the Companies Act, considering the appropriateness of estimates for audit hours and compensation for FY2025/3, after checking the content of the Independent Auditor's audit plan as well as the audit plan and actual audit performance for the previous fiscal year. 2) Japan Post Bank paid consideration to the Independent Auditor for consignment, etc., of capital adequacy assessment process based on procedures agreed on by Japan Post Bank and Independent Auditor, which are not included among the services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act.

Notes: 1. The figure is rounded down.

2. The audit contract between Japan Post Bank and the Independent Auditor does not separate the compensation for the audit pursuant to the Companies Act from the compensation for the audit in accordance with Financial Instruments and Exchange Act. Moreover, it is practically impossible to separate the two. Accordingly, the above amount is total of such compensation.
3. The total amount of monetary and other property benefits that are to be paid by Japan Post Bank and its subsidiary corporations or entities is ¥300 million.

(2) Liability Limitation Agreement

Not applicable.

(3) Indemnity Agreement

1) Indemnity agreement with the Independent Auditor in office

Not applicable.

2) Matters concerning execution of indemnity agreement

Not applicable.

(4) Other Matters Concerning Independent Auditor

1) Policy for Decision on Dismissal or Non-Reappointment of Independent Auditor

The Audit Committee has a policy to dismiss the Independent Auditor when it has judged that the Independent Auditor falls under each Item of Article 340, Paragraph 1 of the Companies Act.

In addition, the Audit Committee has a policy to determine the content of a proposal to be submitted to the General Meeting of Shareholders concerning the dismissal or non-reappointment of Independent Auditor when it is judged necessary upon comprehensive review of the status, etc., on the execution of duties of the Independent Auditor.

2) In the Case of a Large Company as Stipulated in Article 444, Paragraph 3 of the Companies Act, and Where an Audit (Limited to Those under the Provisions of the Companies Act or the Financial Instruments and Exchange Act, or Equivalent Laws in Foreign Jurisdictions) of Financial Statements (And Their Equivalents) of Important Subsidiary Corporations or Entities of a Bank is Conducted by the Audit Firm (Including a Body with an Equivalent Qualification in a Foreign Jurisdiction), or an Audit is Conducted by a Certified Public Accountant (Including a Foreign Certified Public Accountant as Provided in Article 16-2 Paragraph 5 of the Certified Public Accountants Act) Other than the Independent Auditor of the Bank, Details Thereof:

Not applicable.

VI. Matters Concerning Transactions with Parent Company and Other Related Companies

1) Matters to Avoid Compromising Our Own Interest in Such Transactions

We have concluded agreements, and are conducting transactions with members of JAPAN POST GROUP which is comprised of the parent company, JAPAN POST HOLDINGS, and its subsidiaries and affiliates.

At the time of conclusion and revision of the agreements, we check their purpose and necessity, appropriateness of the transaction terms (in accordance with arm's-length rule set out under the Banking Act).

2) Determination at the Board of Directors Regarding Whether or Not Such Transactions Compromise Our Own Interest and Reasons Thereof

We have set out internal rules that govern intragroup transactions to establish a framework whereby the contracting departments confirm the purpose and necessity of transactions and appropriateness of the transaction terms in advance, which when necessary, undergo an examination by Legal Affairs Department and Corporate Planning Department, and moreover, receive a resolution by the Board of Directors.

The Board of Directors confirmed that the transactions with JAPAN POST HOLDINGS is duly appropriate based on its confirmation that the Bank's framework for managing intragroup transactions is operating appropriately, as described above.

While we maintain a close relationship with JAPAN POST HOLDINGS including personal and capital relations, we make decisions at our own responsibility, and independently manage and operate our business.

3) Opinions of the Board of Directors If They Differ from Those of Outside Directors

Not applicable.

VII. Others

Where specified in the Articles of Incorporation in accordance with provisions in Article 459, Paragraph 1 of the Companies Act, Japan Post Bank's policies for the exercise of authorities granted to the Board of Directors under the said provisions of the Articles of Incorporation (Policy for Determining Distribution of Surplus, etc.)

Article 39, Paragraph 1 of the Articles of Incorporation of Japan Post Bank stipulates that "Japan Post Bank shall prescribe rules on each Item provided for in Article 459, Paragraph 1 of the Companies Act by resolution of the Board of Directors, unless otherwise stipulated by laws and regulations."

Providing returns to our shareholders is one of our most important management goals. Our basic dividend policy is to provide stable dividends to shareholders while maintaining sufficient retained earnings for sound operations in light of the public nature of the banking business.

Regarding dividends for FY2025/3, we declared dividends per share of ¥58 (dividend payout ratio of 50.6%), an increase of ¥2 from the most recent dividend forecast, as a result of net income attributable to owners of parent surpassing the performance forecasts released on November 14, 2024, and considering factors such as the shareholder return policy during the period of the Medium-term Management Plan (FY2022/3 to FY2026/3), which is presented below.

(Policy on shareholder returns)

Considering the balance between shareholder returns, financial soundness, and investment for growth, our basic policy is to maintain a dividend payout ratio of approximately 50% during the period of the Medium-term Plan (FY2022/3-FY2026/3).

However, based on the stability and continuity of dividends, the Bank seeks to increase the dividend per share (DPS) from the level of the initial dividend forecast (¥52) for FY2025/3, by aiming for a payout ratio in the range of 50% to 60%.

NON-CONSOLIDATED FINANCIAL STATEMENTS

Non-Consolidated Balance Sheet (As of March 31, 2025)

(Millions of yen)

Account	Amount
Assets:	
Cash and due from banks	64,607,384
Cash	280,120
Due from banks	64,327,264
Call loans	2,135,000
Receivables under resale agreements	8,463,537
Monetary claims bought	593,739
Trading account securities	224
Trading Japanese government bonds	224
Money held in trust	5,721,973
Securities	143,565,339
Japanese government bonds	40,342,652
Japanese local government bonds	5,600,875
Short-term corporate bonds	678,731
Japanese corporate bonds	9,483,343
Japanese stocks	33,383
Other securities	87,426,352
Loans	3,130,595
Loans on deeds	3,062,399
Overdrafts	68,195
Foreign exchanges	134,261
Due from foreign banks	134,261
Other assets	4,459,004
Domestic exchange settlement accounts - debit	31,209
Prepaid expenses	4,029
Accrued income	276,842
Initial margins for future transactions	47,000
Derivatives other than trading	177,353
Cash collateral paid for financial instruments	2,205,844
Other	1,716,724
Tangible fixed assets	191,678
Buildings	66,264
Land	63,720
Construction in progress	64
Other	61,629
Intangible fixed assets	101,053
Software	67,136
Other	33,916
Prepaid pension costs	4,107
Deferred tax assets	440,981
Reserve for possible loan losses	(1,043)
Total assets	233,547,839

(Millions of yen)

Account	Amount
Liabilities:	
Deposits	190,465,032
Transfer deposits	12,166,082
Ordinary deposits	112,670,829
Savings deposits	840,749
Time deposits	8,601,820
Special deposits	321,067
TEIGAKU deposits	55,722,082
Other deposits	142,399
Payables under repurchase agreements	26,985,038
Payables under securities lending transactions	2,004,678
Borrowed money	2,510,100
Borrowings	2,510,100
Foreign exchanges	924
Foreign bills payable	924
Other liabilities	2,494,629
Domestic exchange settlement accounts - credit	53,430
Income taxes payable	47,191
Accrued expenses	218,120
Unearned income	28,540
Derivatives other than trading	1,984,601
Cash collateral received for financial instruments	81
Asset retirement obligations	40
Other	162,623
Reserve for bonuses	7,253
Reserve for bonuses for management board	183
Reserve for employee stock ownership plan trust	414
Reserve for management board benefit trust	630
Reserve for reimbursement of deposits	42,534
Total liabilities	224,511,418
Net assets:	
Capital stock	3,500,000
Capital surplus	3,500,000
Legal capital surplus	3,500,000
Retained earnings	2,777,217
Other retained earnings	2,777,217
Retained earnings brought forward	2,777,217
Treasury stock	(6,384)
Total shareholders' equity	9,770,832
Net unrealized gains (losses) on available-for-sale securities	392,541
Net deferred gains (losses) on hedges	(1,126,952)
Total valuation and translation adjustments	(734,411)
Total net assets	9,036,421
Total liabilities and net assets	233,547,839

Non-Consolidated Statement of Income (For the fiscal year ended March 31, 2025)
(Millions of yen)

Account	Amount
Ordinary income	2,509,855
Interest income	1,750,285
Interest on loans	12,140
Interest and dividends on securities	1,555,220
Interest on call loans	5,756
Interest on receivables under resale agreements	8,609
Interest on receivables under securities borrowing transactions	568
Interest on deposits with banks	149,801
Other interest income	18,190
Fees and commissions	184,109
Fees and commissions on domestic and foreign exchanges	91,192
Other fees and commissions	92,917
Other operating income	3,157
Gains on sales of bonds	2,993
Income from derivatives other than for trading or hedging	164
Other ordinary income	572,302
Reversal of reserve for possible loan losses	16
Recoveries of written-off claims	15
Gains on sales of stocks and other securities	82,829
Gains on money held in trust	460,912
Other	28,529
Ordinary expenses	1,936,343
Interest expenses	813,244
Interest on deposits	104,253
Interest on payables under repurchase agreements	332,517
Interest on payables under securities lending transactions	117,323
Interest on borrowings	2,713
Interest on interest rate swaps	254,005
Other interest expenses	2,431
Fees and commissions	29,237
Fees and commissions on domestic and foreign exchanges	3,715
Other fees and commissions	25,521
Other operating expenses	71,571
Losses on foreign exchanges	69,781
Losses on sales of bonds	1,789
General and administrative expenses	911,511
Other ordinary expenses	110,779
Losses on sales of stocks and other securities	96,703
Losses on money held in trust	9,378
Other	4,697
Net ordinary income	573,511
Extraordinary loss	351
Losses on sales and disposals of fixed assets	348
Losses on impairment of fixed assets	3

(Millions of yen)

Account	Amount
Income before income taxes	573,159
Income taxes - current	167,730
Income taxes - deferred	(5,128)
Total income taxes	162,602
Net income	410,557

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet (As of March 31, 2025)

(Millions of yen)

Account	Amount
Assets:	
Cash and due from banks	64,639,102
Call loans	2,135,000
Receivables under resale agreements	8,463,537
Monetary claims bought	593,739
Trading account securities	224
Money held in trust	5,721,973
Securities	143,588,016
Loans	3,130,595
Foreign exchanges	134,261
Other assets	4,459,237
Tangible fixed assets	191,935
Buildings	66,422
Land	63,720
Construction in progress	64
Other	61,728
Intangible fixed assets	101,559
Software	67,610
Other	33,948
Asset for retirement benefits	1,432
Deferred tax assets	442,748
Reserve for possible loan losses	(1,057)
Reserve for possible investment losses	(775)
Total assets	233,601,531

(Millions of yen)

Account	Amount
Liabilities:	
Deposits	190,461,748
Payables under repurchase agreements	26,985,038
Payables under securities lending transactions	2,004,678
Borrowed money	2,510,100
Foreign exchanges	924
Other liabilities	2,496,676
Reserve for bonuses	7,555
Reserve for bonuses for management board	235
Liability for retirement benefits	4
Reserve for employee stock ownership plan trust	414
Reserve for management board benefit trust	630
Reserve for reimbursement of deposits	42,534
Total liabilities	224,510,541
Net assets:	
Capital stock	3,500,000
Capital surplus	3,500,000
Retained earnings	2,784,473
Treasury stock	(6,384)
Total shareholders' equity	9,778,088
Net unrealized gains (losses) on available-for-sale securities	390,850
Net deferred gains (losses) on hedges	(1,126,952)
Accumulated adjustments for retirement benefits	(1,833)
Total accumulated other comprehensive income	(737,936)
Non-controlling interests	50,836
Total net assets	9,090,989
Total liabilities and net assets	233,601,531

Consolidated Statement of Income (For the fiscal year ended March 31, 2025)

(Millions of yen)

Account	Amount
Ordinary income	2,522,052
Interest income	1,750,168
Interest on loans	12,140
Interest and dividends on securities	1,555,103
Interest on call loans	5,756
Interest on receivables under resale agreements	8,609
Interest on receivables under securities borrowing transactions	568
Interest on deposits with banks	149,801
Other interest income	18,190
Fees and commissions	184,839
Other operating income	3,157
Other ordinary income	583,886
Reversal of reserve for possible loan losses	10
Recoveries of written-off claims	15
Other	583,860
Ordinary expenses	1,937,518
Interest expenses	813,244
Interest on deposits	104,253
Interest on payables under repurchase agreements	332,517
Interest on payables under securities lending transactions	117,323
Interest on borrowings	2,713
Other interest expenses	256,436
Fees and commissions	28,483
Other operating expenses	70,590
General and administrative expenses	914,753
Other ordinary expenses	110,446
Other	110,446
Net ordinary income	584,533
Extraordinary loss	355
Losses on sales and disposals of fixed assets	352
Losses on impairment of fixed assets	3
Income before income taxes	584,178
Income taxes - current	168,051
Income taxes - deferred	(5,149)
Total income taxes	162,901
Net income	421,277
Net income attributable to non-controlling interests	6,952
Net income attributable to owners of parent	414,324

[The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report (issued in the Japanese language) as required by the Companies Act.]

Independent Auditor's Report

Independent Auditor's Report

May 8, 2025

To the Board of Directors of
JAPAN POST BANK Co., Ltd.

KPMG AZSA LLC
Tokyo Office, Japan
MAENO Atsuji
Designated Engagement Partner
Certified Public Accountant

KANNO Masako
Designated Engagement Partner
Certified Public Accountant

OKADA Hideki
Designated Engagement Partner
Certified Public Accountant

Opinion

We have audited the accompanying non-consolidated financial statements of JAPAN POST BANK Co., Ltd. ("the Company"), which comprise the non-consolidated balance sheet as at March 31, 2025, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and the related notes, and the supplementary schedules for the 19th fiscal year from April 1, 2024 to March 31, 2025 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the accompanying non-consolidated financial statements and the supplementary schedules present fairly, in all material respects, the financial condition and the results of operations of the Company for the period, for which the non-consolidated financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements and Others* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The audit committee is responsible for overseeing the executive officers' and the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the non-consolidated financial statements and the supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements and the supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements and the supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Non-consolidated Financial Statements and Others

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements and the supplementary schedules that are

free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit committee is responsible for overseeing the executive officers' and directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements and Others

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements and the supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The audit procedures shall be selected and applied as determined by the auditor.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the non-consolidated financial statements and the supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the non-consolidated financial statements and the supplementary schedules, including the disclosures, and whether the non-consolidated financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Independent Auditor's Report

May 8, 2025

To the Board of Directors of
JAPAN POST BANK Co., Ltd.

KPMG AZSA LLC
Tokyo Office, Japan
MAENO Atsuji
Designated Engagement Partner
Certified Public Accountant

KANNO Masako
Designated Engagement Partner
Certified Public Accountant

OKADA Hideki
Designated Engagement Partner
Certified Public Accountant

Opinion

We have audited the accompanying consolidated financial statements of JAPAN POST BANK Co., Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2025, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes for the consolidated fiscal year from April 1, 2024 to March 31, 2025 in accordance with Article 444-4 of the Companies Act.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial condition and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The audit committee is responsible for overseeing the executive officers' and the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit committee is responsible for overseeing the executive officers' and directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial

reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The audit procedures shall be selected and applied as determined by the auditor.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Audit Report

The Audit Committee audited the execution of the duties of the Directors and the Executive Officers of JAPAN POST BANK Co., Ltd. ("Japan Post Bank") during the 19th fiscal year from April 1, 2024 to March 31, 2025 and hereby reports the auditing method and the results thereof as follows:

1. Auditing Method and Details Thereof

The Audit Committee received reports regularly from Directors, Executive Officers and employees, etc. regarding the contents of resolutions made by the Board of Directors on matters set forth in Article 416, Paragraph 1, Item 1 (b) and (e) of the Companies Act and the status of the systems established and operated based on such resolutions (internal control system), requested explanations when necessary, and expressed its opinions regarding such reports. In addition, the Audit Committee conducted an audit according to the following methods.

- 1) The Audit Committee established audit plans for the fiscal year ended March 31, 2025 in accordance with Audit Committee Regulations, Audit Rules of the Audit Committee, assignment of duties based on the resolution of the Audit Committee, etc. Also, having coordination with the internal control divisions, etc., and utilizing web conferencing and other tools, the Audit Committee attended important meetings, received reports from Directors and Executive Officers, etc. regarding the matters related to the execution of duties, requested explanations when necessary, reviewed important documents for approval, etc., and examined the business and financial condition at the Head Office, etc.

With respect to subsidiaries, the Audit Committee communicated and exchanged information with the Directors and the Audit & Supervisory Board Member, etc. of the subsidiaries, and received reports concerning their business.

- 2) Regarding the matters that were considered in Article 118, Item 5 (a) of the Ordinance for Enforcement of the Companies Act and the judgment and the reason of (b) of the same Item described in the Business Report, the Audit Committee considered the contents based on the status of deliberations at the Board of Directors and others.
- 3) The Audit Committee monitored and verified as to whether the independent auditor conducted audits in an appropriate manner while maintaining an independent positioning, received reports from the independent auditor on the execution status of its duties, and, when necessary, requested explanations regarding those reports from the independent auditor. The Audit Committee also received notification from the independent auditor regarding the "system for ensuring appropriate execution of duties of the independent auditor" (as set forth in each Item of Article 131 of the Company Accounting Regulation Ordinance) in accordance with the "Quality Control Standards for Auditing" (issued by the Business Accounting Council) and other relevant standards, and, when necessary, requested explanations.

Based on the above-described methods, the Audit Committee examined the business report and the supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes) and the supplementary schedules thereto, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes), for the fiscal year ended March 31, 2025.

2. Audit Results

(1) Audit Results on the Business Report, etc.

- 1) In our opinion, the business report and the supplementary schedules present fairly the condition of Japan Post Bank in conformity with the applicable laws and regulations of Japan as well as the Articles of Incorporation of Japan Post Bank.
- 2) With regard to the execution of duties by Directors and Executive Officers, we have found no evidence of misconduct or material facts in violation of the applicable laws and regulations of Japan or the Articles of Incorporation of Japan Post Bank.
- 3) In our opinion, the content of the resolutions of the Board of Directors regarding the internal control system is appropriate. In addition, we have found no matters to be pointed out regarding the contents described in the Business Report about such internal control system and the execution of duties by Directors and Executive Officers.

As described in the Business Report, following the improper use of nonpublic financial information at post offices, Japan Post Bank is working with Group companies to prevent recurrence, including strengthening the management and supervisory system for JAPAN POST Co., Ltd., and is working to improve internal control systems, such as preventing internal crimes. The Audit Committee will continue to closely monitor the progress of these initiatives.

4) Regarding transactions with the parent company as described in the Business Report, we found no matters to be pointed out on the matters that were considered not to harm interests of Japan Post Bank for implementing such transactions and on the judgment and the reason of the Board of Directors concerning whether such transactions will harm interests of Japan Post Bank or not.

(2) Results of Audit of Non-Consolidated Financial Statements and Supplementary Schedules

In our opinion, the method and the results of the audit conducted by KPMG AZSA LLC, the independent auditor, are appropriate.

(3) Results of Audit of Consolidated Financial Statements

In our opinion, the method and the results of the audit conducted by KPMG AZSA LLC, the independent auditor, are appropriate.

May 14, 2025

Audit Committee of JAPAN POST BANK Co., Ltd.

Member of the Audit Committee /S/ KAWAMURA Hiroshi

Member of the Audit Committee /S/ YAMAMOTO Kenzo

Member of the Audit Committee /S/ NAKAZAWA Keiji

Member of the Audit Committee /S/ KATO Akane

Member of the Audit Committee /S/ YAMAZAKI Katsuyo

(Note) Members of the Audit Committee, Mr. KAWAMURA Hiroshi, Mr. YAMAMOTO Kenzo, Mr. NAKAZAWA Keiji and Ms. KATO Akane are Outside Directors as provided in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.