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JAPAN POST BANK

NOTICE OF CONVOCATION OF THE 14TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Date and Time	Tuesday, June 16, 2020 at 10:00 a.m. Japan time (Reception starts at 9:00 a.m.)
Place	Ballroom B2 The Prince Park Tower Tokyo 8-1, Shibakoen 4-chome, Minato-ku, Tokyo, Japan (Please refer to the map at the back of this notice for the location.)

[Request to Shareholders]
Japan Post Bank will work to prevent the spread of COVID-19. We request your understanding and cooperation.

1. **Request to refrain from attending the meeting in person**
   This year, in order to avoid the spread of COVID-19, Japan Post Bank strongly requests that shareholders refrain from attending the General Meeting of Shareholders in person. As an alternative method of attending the meeting, the General Meeting of Shareholders will be streamed live.
2. **Request to exercise voting rights in advance**
   Please exercise voting rights in advance by sending the Voting Rights Exercise Form or via the Internet as the preferred method.

► Deadline for the exercise of voting rights in writing
Votes shall arrive no later than Monday, June 15, 2020 at 5:15 p.m. Japan time

► Deadline for the exercise of voting rights via the Internet
No later than Monday, June 15, 2020 at 5:15 p.m. Japan time

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JAPAN POST BANK Co., Ltd.
Securities Identification Code: 7182

Management Philosophy

Japan Post Bank aims to become “the most accessible and trustworthy bank in Japan,” guided by the needs and expectations of our customers.

“Trust”

We comply with laws, regulations, and other standards of behavior and value trusted relationships with customers, markets, shareholders, and employees and consistently serve as a responsible corporate citizen.

“Innovation”

We work sincerely to improve our management and business operations in response to requests from customers and changes in the business environment.

“Efficiency”

We pursue improvements in speed and efficiency of our management and business operations in order to provide customer-oriented financial instruments and services.

“Expertise”

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

To Our Shareholders

I would like to express my sincere gratitude for your continued support.

I would also like to express my heartfelt sympathy to all those who were affected by the COVID-19 pandemic.

We formulated and started a three-year Medium-term Management Plan in May 2018 with the slogan “Have more people say ‘JP Bank, of course.’”, and we are working on a variety of measures to offer “new convenience” and “peace of mind” to our customers as we walk hand in hand with them.

Japan Post Bank is vigorously pushing ahead with the three key strategies of “Provision of high-quality customer-oriented financial services,” “Diversification and sophistication of investment management,” and “Funds flow to regional communities,” while focusing on strengthening measures for dealing with key management risks facing the Bank, namely, money laundering and terrorist financing, cyber attacks, advancements in technology, diversification of customer needs, and natural disasters.

I intend to pursue management of the Company with enthusiasm and a deep sense of responsibility so the Bank can achieve growth moving forward by contributing to society through business and shareholders and investors can share in the improved corporate value as a result of this growth. I humbly request the continued understanding and support of you, our shareholders, in these efforts.

IKEDA Norito
Director, President and Representative Executive Officer
JAPAN POST BANK Co., Ltd.

(Securities Identification Code: 7182)
June 1, 2020

Dear Shareholders:

IKEDA Norito
Director, President and Representative Executive Officer
JAPAN POST BANK Co., Ltd.
Location of Headquarters:
3-1, Otemachi 2-chome, Chiyoda-ku, Tokyo, Japan
(Location of Registered Head Office: 7-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan)

NOTICE OF CONVOCATION OF THE 14TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce that the 14th Ordinary General Meeting of Shareholders of JAPAN POST BANK Co., Ltd. ("Japan Post Bank") will be held for the purposes described below.

Currently, the government and prefectural governors are strongly requesting citizens to refrain from outdoor activity in order to prevent the spread of COVID-19.

After careful consideration following such request, we have decided to hold this meeting by taking appropriate measures to prevent infection.

In light of the government request to refrain from outdoor activities, we strongly urge our shareholders to refrain from attending the meeting regardless of your health condition, and exercise your voting rights in writing by submitting the Voting Rights Exercise Form or via electromagnetic means (the Internet, etc.) in advance as much as possible to prevent the spread of infection.

With regard to the exercise of voting rights in advance, please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:15 p.m. Japan time, Monday, June 15, 2020 in accordance with the "Guidance on the Exercise of Voting Rights."

1. **Date and Time:** Tuesday, June 16, 2020 at 10:00 a.m. Japan time (Reception starts at 9:00 a.m.)

2. **Place:** Ballroom B2
The Prince Park Tower Tokyo
8-1, Shibakoen 4-chome, Minato-ku, Tokyo, Japan

3. **Meeting Agenda:**
Matters to be reported: The Business Report, Non-consolidated Financial Statements, Consolidated Financial Statements, and Audit Results of Consolidated Financial Statements by Independent Auditor and Audit Committee for the 14th fiscal year (from April 1, 2019 to March 31, 2020)
Matters to be resolved:
Proposal: Election of Twelve (12) Directors

-End-

- Of the documents required to be provided in this notice of convocation, the Notes to the Non-consolidated Financial Statements and the Notes to the Consolidated Financial Statements have been posted on **our website** in accordance with relevant laws and regulations and Article 15 of the Articles of Incorporation of Japan Post Bank, and are therefore not included in the attachments of

this notice of convocation. The Non-consolidated Financial Statements and the Consolidated Financial Statements audited by the Independent Auditor and the Audit Committee include the Notes to the Non-consolidated Financial Statements and the Notes to the Consolidated Financial Statements posted on **our website**.

- Any updates to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, and the Consolidated Financial Statements will be posted on **our website**.
  Website of Japan Post Bank **https://www.jp-bank.japanpost.jp/en_index.html**

Response to prevent the spread of COVID-19 at the venue

The following is a guide to our response to prevent the spread of COVID-19 at the 14th Ordinary General Meeting of Shareholders.
Japan Post Bank asks for the understanding and cooperation of all shareholders in this matter.

<Response by Japan Post Bank>

1. If you appear to be unwell or are not wearing a mask, staff may ask you to refrain from entering the meeting venue.
2. The body temperature of all attendees will be measured automatically before the reception to the meeting. Attendees who appear to have a fever will be requested for cooperation in checking their temperature separately.
3. Masks will be provided at the reception. Please cooperate by wearing a mask.
4. Please use alcohol disinfectant available at several places within the venue.
5. Because seats in the venue are widely spaced, significantly fewer seats (about 200 seats) will be available than in previous years. For this reason, entry may be denied once capacity has been reached.
6. Officers who speak at the podium and staff in the venue will be wearing masks.
7. For the purpose of preventing the spread of COVID-19, reporting including audit results and detailed explanations of the proposals on the floor will be made shorter in order to reduce the time that shareholders stay inside the venue.
   Japan Post Bank asks that all shareholders read the Notice of Convocation in advance.
8. Japan Post Bank will post notices concerning any major changes made to how the General Meeting of Shareholders is to be held or operated due to the status of the spread of COVID-19, or due to announcements by the Japanese government or prefectural governors up to the day of the General Meeting of Shareholders on the Japan Post Bank website (https://www.jp-bank.japanpost.jp/en_index.html).

<Information about the live stream>

The 14th Ordinary General Meeting of Shareholders will be live streamed online so that all shareholders can refrain from attending and watch the proceedings at home.

1. Date and time of live stream: from 10:00 a.m. on Tuesday, June 16, 2020.
2. How to watch: Please watch the meeting live-streamed by accessing an Internet link on the Japan Post Bank website given below.
3. Notes
   (1) You are not be able to exercise your voting rights or ask questions via the live stream.
   (2) The meeting will be shot from the back of the venue and due care will be taken so as not to include images of attending shareholders. In some cases, however, images of shareholders may unavoidably appear in the streaming.
   (3) Please be careful about handling personal information as the comments of attending shareholders will be included in the audio of the live stream.
   (4) Video and audio of the General Meeting of Shareholders may be faulty due to the environment of the PC used (model, performance, etc.), Internet connection environment (line status, connection, speed, etc.), viewer traffic, and other factors. For various other reasons, the live stream may be interrupted or cut short.
   (5) Shareholders are responsible for telecommunications fees and other costs charged for viewing the live stream.

<Reception of questions in advance>

Japan Post Bank plans to take questions from shareholders about the matters to be reported and the matters to be resolved for the 14th Ordinary General Meeting of Shareholders.
Japan Post Bank will post notices once details are determined on the website given below. Please visit the Japan Post Bank website below to check for details.
< Japan Post Bank website for the 14th Ordinary General Meeting of Shareholders >
Home > Investor Relations > Stock Information > General Meeting of Shareholders
https://www.jp-bank.japanpost.jp/en/ir/stock/en_ir_stk_meeting.html

Guidance on the Exercise of Voting Rights

For those attending the Ordinary General Meeting of Shareholders

Please submit your Voting Rights Exercise Form at the reception.

Date and Time **Tuesday, June 16, 2020 at 10:00 a.m. Japan time**
(Reception starts at 9:00 a.m.)

Place Ballroom B2
The Prince Park Tower Tokyo
8-1, Shibakoen 4-chome, Minato-ku, Tokyo, Japan

For those unable to attend the Ordinary General Meeting of Shareholders

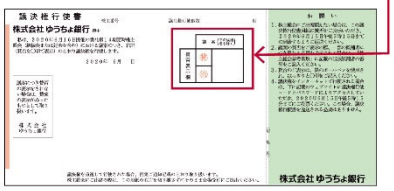


Exercise of Voting rights in writing

Voting Deadline **Votes shall arrive no later than Monday, June 15, 2020 at 5:15 p.m. Japan time**

Please indicate your approval or disapproval of each proposal on the enclosed Voting Rights Exercise Form and return it by post to reach us no later than the above voting deadline.

How to fill out your Voting Rights Exercise Form



Please indicate your approval or disapproval of the proposal inside this box.

Proposal	In case you approve all the candidates	→	Please circle the **"approval"** "**賛**"column
	In case you disapprove all the candidates	→	Please circle the **"disapproval"** "**否**"column
	In case you disapprove certain candidates	→	Please circle the **"approval"** "**賛**"column and fill in the candidate number(s) of the candidate(s) you disapprove

If there is no indication of approval or disapproval for the proposal, it will be deemed as an indication of approval.



Exercise of voting rights via the Internet

Voting Deadline **No later than Monday, June 15, 2020 at 5:15 p.m. Japan time**

Please access the **voting website (https://www.web54.net)**, follow the on-screen guidance and indicate your approval or disapproval for the proposal by no later than the voting deadline. Please refer to the next page for details.

Exercise of voting rights via the Internet

Access procedures via the Internet

Please access **the voting website** using computers, smartphones or tablets, enter the "Voting Rights Exercise Code" and "Password" printed on the enclosed Voting Rights Exercise Form, then follow the on-screen guidance and indicate your approval or disapproval for the proposal.
You may also access the voting website by reading the QR code on the left using smartphones and other means with the function to read barcodes.

*QR Code is a registered trademark of DENSO WAVE INCORPORATED.

Voting Website https://www.web54.net

1 Access the voting website



Click "Next." 次へすすむ

2 Login



Enter the **"Voting Rights Exercise Code"** printed on the enclosed Voting Rights Exercise Form and click **"Login."** ログイン

3 Follow the on-screen guidance and enter information as necessary.

Handling of multiple exercises of voting rights

(1) If you vote both by mail and via the Internet, your vote via the Internet will be treated as effective.

(2) If you vote more than once via the Internet, your last vote will be treated as effective.

NOTE

- Connection fees, broadband fees and other fees incurred in using the voting website shall be borne by shareholders.
- The voting website might not be accessible depending on the Internet environment, the service subscribed or the model used.

Should you have any questions, please contact the below.

Inquiries regarding voting via the Internet	**[Administrator of Shareholder Registry]** **Stock Transfer Agency Business Planning Department,** **Sumitomo Mitsui Trust Bank, Limited** **0120-652-031** (toll free in Japan) (Open from 9:00 a.m. to 9:00 p.m.)

For Institutional Investors

The Electronic Voting Platform, operated by ICJ Co., Ltd., is available for institutional investors that have applied in advance to use the platform.

Regarding Dividends

At the meeting of the Board of Directors held on May 15, 2020, we have resolved as follows.

1 **Annual dividends**

¥25 per share

2 **Effective date (Payment start date)**

June 17, 2020

At the meeting of the Board of Directors held on May 15, 2020, we have resolved to pay an annual dividend of ¥25 per share with an effective date (payment start date) of June 17, 2020.

Together with an interim dividend of ¥25 per share that has been paid out, the total dividends per share for the fiscal year ended March 31, 2020 is ¥50 per share.

"Annual Dividend Receipt" ("Dividend Calculation Sheet" and "Payment of Dividend via Bank Transfer" for shareholders who have requested dividend payment via bank transfer) will be enclosed and delivered with Notice of Resolution of the 14th Ordinary General Meeting of Shareholders to be held on June 16, 2020.

Description of main procedures, queries and other matters

- Procedures for designating the method of receiving dividend payments
- Procedures for change of address, name and other details
- Procedures for requesting the buyback or additional purchase of shares constituting less than a full unit
- Inheritance procedures

Contact

Securities companies and other entities where brokerage accounts are opened

Description of main procedures, queries and other matters

- Queries about dividends after the payment period has passed
- Queries about the shipping and return of shipment
- Procedures for the issuance of various certifications
- General inquiries about other stock handling matters

Contact

2-8-4 Izumi, Suginami-ku, Tokyo 168-0063, Japan
Stock Transfer Agency Business Planning Department,
Sumitomo Mitsui Trust Bank, Limited
+81-3-3323-7111 (in English)

0120-581-841 (toll free in Japan)
(Open weekdays except holidays from 9:00 a.m. to 5:00 p.m.)

Reference Documents for the General Meeting of Shareholders

Proposal and References

Proposal: Election of Twelve (12) Directors

The term of office of all the twelve (12) Directors will expire at the closing of this Ordinary General Meeting of Shareholders. It is therefore proposed to elect twelve (12) Directors based on the decision of the Nomination Committee. Candidates for Directors are as follows:

No.		Name	Current positions and responsibilities at Japan Post Bank	
1	Re-elected	IKEDA Norito	Director, President and Representative Executive Officer	
2	Re-elected	TANAKA Susumu	Director and Representative Executive Vice President	
3	Newly elected	MASUDA Hiroya		
4	Newly elected	ONODERA Atsuko	Managing Executive Officer	
5	Re-elected	AKASHI Nobuko	Director	Outside Director Independent
6	Re-elected	IKEDA Katsuaki	Director Member of the Audit Committee Member of the Compensation Committee	Outside Director Independent
7	Re-elected	CHUBACHI Ryoji	Director Chairman of the Compensation Committee Member of the Nomination Committee	Outside Director Independent
8	Re-elected	TAKEUCHI Keisuke	Director Member of the Compensation Committee	Outside Director Independent
9	Re-elected	KAIWA Makoto	Director Chairman of the Nomination Committee	Outside Director Independent
10	Re-elected	AIHARA Risa	Director	Outside Director Independent
11	Newly elected	KAWAMURA Hiroshi		Outside Director Independent
12	Newly elected	YAMAMOTO Kenzo		Outside Director Independent

Outside Director: Outside Director candidate; Independent: Independent Director candidate

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
1	IKEDA Norito (Dec. 9, 1947) Re-elected Director, President and Representative Executive Officer Number of years in office as Director 4 years Status of attendance at the meetings of: Board of Directors 100% (12/12 meetings)	Apr. 1970 Joined The Bank of Yokohama, Ltd. Jun. 1996 Director and General Manager, Credit Management Department of The Bank of Yokohama, Ltd. Jun. 1997 Director and General Manager, General Planning Department of The Bank of Yokohama, Ltd. Apr. 2001 Representative Director, Chief Financial Officer (CFO) of The Bank of Yokohama, Ltd. Apr. 2002 Representative Director, Chief Personnel Officer (CPO) of The Bank of Yokohama, Ltd. Jun. 2003 Director of The Bank of Yokohama, Ltd. Representative Director and Chairman of Yokohama Capital Co., Ltd. Dec. 2003 President and Representative Director of The Ashikaga Bank, Ltd. Jun. 2004 President and Chief Executive Officer (CEO) of The Ashikaga Bank, Ltd. Sept. 2008 Special Advisor of A.T. Kearney K.K. Feb. 2012 President & CEO of The Corporation of Revitalizing Earthquake affected Business Apr. 2016 President and Representative Executive Officer of JAPAN POST BANK Co., Ltd. Jun. 2016 Director, President and Representative Executive Officer of JAPAN POST BANK Co., Ltd. (current position) Director of JAPAN POST HOLDINGS Co., Ltd. (current position) Significant concurrent positions: Director of JAPAN POST HOLDINGS Co., Ltd. Outside Director of FANCL CORPORATION <u>Reasons for the election as candidate for Director</u> Mr. IKEDA Norito successively held various posts including Director of The Bank of Yokohama, Ltd. and President of The Ashikaga Bank, Ltd., and has been responsible for the management of Japan Post Bank as President and Representative Executive Officer, and as such Japan Post Bank expects that, with his abundant experience and achievements, he will sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors.	8,900 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
2	TANAKA Susumu (Aug. 23, 1959) Re-elected Director and Representative Executive Vice President (Assistant to the President and matters concerning operations of Corporate Administration Division (excluding matters concerning Research Department, Financial Accounting Department, Investor Relations Department, Public Relations Department, Customer Satisfaction Department, Cyber Defense Office of IT Strategy Department and General Affairs Department)) Number of years in office as Director 7 years Status of attendance at the meetings of: Board of Directors 100% (12/12 meetings)	Apr. 1982 Joined the Ministry of Posts and Telecommunications Jul. 2000 General Manager of International Affairs Section, Postal Bureau of the Ministry of Posts and Telecommunications Jan. 2001 General Manager of International Planning Office, Postal Planning Section, Postal Services Planning Bureau of the Ministry of Internal Affairs and Communications Jul. 2001 General Manager of Savings and Management Planning Section, Postal Services Planning Bureau of the Ministry of Internal Affairs and Communications Jan. 2003 General Manager of Fund Management, Savings Department of Postal Services Agency Apr. 2003 General Manager of Business Planning Division, Postal Savings Business Headquarters of Japan Post Corporation Jun. 2004 Director of Preparatory Office for Privatization of Postal Services of the Cabinet Secretariat Sept. 2006 General Manager of Business Planning Division, Postal Savings Business Headquarters, Financial Business Headquarters of Japan Post Corporation Oct. 2007 Executive Officer of JAPAN POST BANK Co., Ltd. Jun. 2009 Managing Executive Officer of JAPAN POST BANK Co., Ltd. Oct. 2010 Managing Executive Officer of JAPAN POST HOLDINGS Co., Ltd. (current position) Apr. 2012 Senior Managing Executive Officer of JAPAN POST BANK Co., Ltd. Jun. 2013 Director and Executive Vice President of JAPAN POST BANK Co., Ltd. Mar. 2015 Director and Representative Executive Vice President of JAPAN POST BANK Co., Ltd. (current position) Significant concurrent positions: Managing Executive Officer of JAPAN POST HOLDINGS Co., Ltd. <u>Reasons for the election as candidate for Director</u> Mr. TANAKA Susumu successively held various important posts at our Corporate Administration Division and others, and has been responsible for the management of Japan Post Bank as Representative Executive Vice President, and as such Japan Post Bank expects that, with his abundant experience and achievements, he will sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors.	5,600 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
3	MASUDA Hiroya (Dec. 20, 1951) Newly elected – Number of years in office as Director – year Status of attendance at the meetings of: Board of Directors –% (–/– meetings)	Apr. 1977 Joined the Ministry of Construction Jul. 1994 Director for Construction Disputes Settlement, Construction Industry Division, Economic Affairs Bureau, Ministry of Construction Apr. 1995 Governor of Iwate Prefecture Aug. 2007 Minister for Internal Affairs and Communications Minister of State for Special Missions Apr. 2009 Advisor of Nomura Research Institute, Ltd. Visiting Professor of Graduate School of Public Policy, The University of Tokyo (current position) Jan. 2020 Representative Executive Officer, President & CEO of JAPAN POST HOLDINGS Co., Ltd. (current position) Significant concurrent positions: Representative Executive Officer, President & CEO of JAPAN POST HOLDINGS Co., Ltd. (Scheduled to assume the office of Director, Representative Executive Officer, President and CEO of the company on June 17, 2020) Director of JAPAN POST Co., Ltd. (Scheduled to assume the office on June 24, 2020) Director of JAPAN POST INSURANCE Co., Ltd. (Scheduled to assume the office on June 15, 2020) Visiting Professor of Graduate School of Public Policy, The University of Tokyo <u>Reasons for the election as candidate for Director</u> Mr. MASUDA Hiroya successively held various important posts in government administration, including Governor of Iwate Prefecture and Minister for Internal Affairs and Communications, as well as serving as Chairman of the Postal Service Privatization Committee, and has sufficient knowledge about Japan Post Group. In addition, he has been responsible for the management of overall Japan Post Group as Representative Executive Officer, President & CEO of the parent company, JAPAN POST HOLDINGS Co., Ltd., and as such Japan Post Bank expects that, with his abundant experience and achievements, he will sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors.	0 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
4	ONODERA Atsuko (Apr. 11, 1957) Newly elected Managing Executive Officer (Matters concerning operations of Research Department, Customer Satisfaction Department and General Affairs Department, Corporate Administration Division) Number of years in office as Director – year Status of attendance at the meetings of: Board of Directors –% (–/– meetings)	Apr. 1981 Joined the Ministry of Posts and Telecommunications Jun. 1998 Head of Council Office, Secretarial Division, Minister's Secretariat of the Ministry of Posts and Telecommunications Jul. 2001 Director of Marketing Section, Postal Life Insurance Department of the Postal Services Agency Apr. 2003 General Manager of Public Relations Department, Public Relations Division of Japan Post Corporation Jul. 2006 Vice President of Kanto Regional Office of Japan Post Corporation Oct. 2007 Executive Officer of Japan Post Network Co., Ltd. (current JAPAN POST Co., Ltd.) Mar. 2012 Executive Officer and President of Hokkaido Regional Office of Japan Post Network Co., Ltd. Sept. 2013 Executive Officer and Principal of Postal College of JAPAN POST HOLDINGS Co., Ltd. Jun. 2017 Managing Executive Officer of JAPAN POST BANK Co., Ltd. (current position) Significant concurrent positions: None <u>Reasons for the election as candidate for Director</u> Ms. ONODERA Atsuko successively held various important posts at JAPAN POST HOLDINGS Co., Ltd. and JAPAN POST Co., Ltd., and has experience in the management of Japan Post Bank as Managing Executive Officer, and as such Japan Post Bank expects that, with her abundant experience and achievements, she will sufficiently fulfill her role in enhancing the decision making function and supervision function of the Board of Directors.	2,500 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
5	AKASHI Nobuko (Apr. 24, 1956) Re-elected Outside Director Independent Director Director Number of years in office as Director 5 years Status of attendance at the meetings of: Board of Directors 100% (12/12 meetings)	Aug. 1979 Joined Japan Airlines Co., Ltd. Apr. 1988 Joined Temporary Center Inc. (current Pasona Inc.) Dec. 1989 Joined Image Plan Co., Ltd. Nov. 1996 Representative Director of Brighton Y.K. (current position) Mar. 2003 Chairman and Secretary General of a non-profit organization, Japan Manners & Protocol Association Dec. 2012 Board chairman of a non-profit organization, Japan Manners & Protocol Association (current position) Sept. 2013 Expert Member of Liaison Conference for the Promotion of Gender Equality, Cabinet Office, Government of Japan Jun. 2015 Director of JAPAN POST BANK Co., Ltd. (current position) Apr. 2019 Member of Expert Council for the Promotion of Development and Support for Children and Young People, Cabinet Office, Government of Japan (current position) May 2019 Outside Director of YOSHINOYA HOLDINGS CO., LTD. (current position) Jun. 2019 Member of the Board of Governors of Japan Broadcasting Corporation (current position) Significant concurrent positions: Board chairman of a non-profit organization, Japan Manners & Protocol Association Representative Director of Brighton Y.K. Outside Director of YOSHINOYA HOLDINGS CO., LTD. Member of the Board of Governors of Japan Broadcasting Corporation <u>Reasons for the election as candidate for Outside Director</u> Ms. AKASHI Nobuko has worked as a board chairman of a non-profit organization and an expert member of government meetings, and has deep insights on events surrounding corporate management such as service improvement and gender equality. As such Japan Post Bank expects that with her abundant experience and insights, she will sufficiently fulfill her role in enhancing the decision making function and supervision function of the Board of Directors.	1,700 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
6	IKEDA Katsuaki (Sept. 8, 1951) Re-elected Outside Director Independent Director Director, Member of the Audit Committee, Member of the Compensation Committee Number of years in office as Director 4 years 10 months Status of attendance at the meetings of: Board of Directors 100% (12/12 meetings) Audit Committee 100% (15/15 meetings) Compensation Committee 100% (2/2 meetings)	Apr. 1974 Joined Taisho Marine & Fire Insurance Co., Ltd. Jun. 1999 General Manager of Accounting Department of Mitsui Marine & Fire Insurance Co., Ltd. Jun. 2003 Director, Executive Officer and General Manager of Accounting Department of Mitsui Sumitomo Insurance Company, Limited Apr. 2005 Director and Managing Executive Officer (Principal Accounting Officer) of Mitsui Sumitomo Insurance Company, Limited Apr. 2006 Director, Managing Executive Officer and General Manager of Financial Service Division (Principal Financial Officer and Principal Investment Officer) of Mitsui Sumitomo Insurance Company, Limited Apr. 2008 Director of Mitsui Sumitomo Insurance Group Holdings, Inc. Apr. 2010 Director and Senior Executive Officer of Mitsui Sumitomo Insurance Company, Limited Director and Executive Officer of MS&AD Insurance Group Holdings, Inc. Jun. 2011 Corporate Auditor of MS&AD Insurance Group Holdings, Inc. Aug. 2015 Director of JAPAN POST BANK Co., Ltd. (current position) Significant concurrent positions: None <u>Reasons for the election as candidate for Outside Director</u> Mr. IKEDA Katsuaki has been involved in management of financial organizations for a long time, and has deep insights as a specialist of corporate management gained through his career as well as professional knowledge on finance and accounting. As such Japan Post Bank expects that with his abundant experience and insights, he will sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors.	3,400 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
7	CHUBACHI Ryoji (Sept. 4, 1947) Re-elected Outside Director Independent Director Director, Chairman of the Compensation Committee, Member of the Nomination Committee Number of years in office as Director 2 years Status of attendance at the meetings of: Board of Directors 100% (12/12 meetings) Nomination Committee 100% (3/3 meetings) Compensation Committee 100% (2/2 meetings)	Apr. 1977 Joined Sony Corporation Jun. 1999 Corporate Vice President of Sony Corporation Jun. 2002 Corporate Senior Vice President of Sony Corporation Jun. 2003 Executive Vice President, Executive Officer of Sony Corporation Jun. 2004 Executive Deputy President, Corporate Executive Officer and Chief Operation Officer of Sony Corporation Apr. 2005 Electronics Chief Executive Officer of Sony Corporation Jun. 2005 President and Representative Corporate Executive Officer, Member of the Board of Sony Corporation Apr. 2009 Member of the Board, Representative Corporate Executive Officer, Vice Chairman of Sony Corporation Apr. 2013 President of National Institute of Advanced Industrial Science and Technology (incorporated administrative agency) Apr. 2015 President of National Institute of Advanced Industrial Science and Technology (after changed legal status to a national research and development institution) Jun. 2018 Director of JAPAN POST BANK Co., Ltd. (current position) Apr. 2020 Grand Emeritus Advisor of National Institute of Advanced Industrial Science and Technology (current position) Significant concurrent positions: Grand Emeritus Advisor of National Institute of Advanced Industrial Science and Technology <u>Reasons for the election as candidate for Outside Director</u> Mr. CHUBACHI Ryoji has been involved in corporate management of a publicly traded company for a long time, and Japan Post Bank expects him to sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors as an Outside Director, based on his abundant experience and insights as a specialist of corporate management gained through his career.	1,700 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
8	TAKEUCHI Keisuke (Nov. 18, 1947) Re-elected Outside Director Independent Director Director, Member of the Compensation Committee Number of years in office as Director 1 year Status of attendance at the meetings of: Board of Directors 100% (10/10 meetings) Compensation Committee 100% (1/1 meeting)	Apr. 1970 Joined Japan Gasoline Co., Ltd (current JGC HOLDINGS CORPORATION) Jun. 2000 Director of JGC HOLDINGS CORPORATION Jun. 2001 Managing Director of JGC HOLDINGS CORPORATION Jun. 2002 Senior Managing Director of JGC HOLDINGS CORPORATION Jun. 2006 Director and Vice President of JGC HOLDINGS CORPORATION Mar. 2007 President and Representative Director of JGC HOLDINGS CORPORATION Jun. 2009 Chairman and Representative Director of JGC HOLDINGS CORPORATION Jun. 2014 Principal Corporate Advisor of JGC HOLDINGS CORPORATION Jun. 2019 Director of JAPAN POST BANK Co., Ltd. (current position) Significant concurrent positions: Outside Director of BROTHER INDUSTRIES, LTD. Outside Director of Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development <u>Reasons for the election as candidate for Outside Director</u> Mr. TAKEUCHI Keisuke has been involved in corporate management of a publicly traded company for a long time, and Japan Post Bank expects him to sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors as an Outside Director, based on his abundant experience and insights as a specialist of corporate management gained through his career.	700 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
9	KAIWA Makoto (Sept. 25, 1949) Re-elected Outside Director Independent Director Director, Chairman of the Nomination Committee Number of years in office as Director 1 year Status of attendance at the meetings of: Board of Directors 100% (10/10 meetings) Nomination Committee 100% (2/2 meetings)	Apr. 1973 Joined Tohoku Electric Power Co., Inc. Jun. 2005 Director and General Manager of Corporate Planning Dept. of Tohoku Electric Power Co., Inc. Jun. 2007 Senior Executive Officer and General Manager of Niigata Branch Office of Tohoku Electric Power Co., Inc. Jun. 2009 Representative Director & Executive Vice President in charge of Investor Relations of Tohoku Electric Power Co., Inc. Jun. 2010 Representative Director & President of Tohoku Electric Power Co., Inc. Jun. 2015 Representative Director & Chairman of the Board of Tohoku Electric Power Co., Inc. (current position) Jun. 2019 Director of JAPAN POST BANK Co., Ltd. (current position) Significant concurrent positions: Representative Director & Chairman of the Board of Tohoku Electric Power Co., Inc. Chairman of TOHOKU ECONOMIC FEDERATION <u>Reasons for the election as candidate for Outside Director</u> Mr. KAIWA Makoto has been involved in corporate management of a publicly traded company for a long time, and Japan Post Bank expects him to sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors as an Outside Director, based on his abundant experience and insights as a specialist of corporate management gained through his career.	0 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
10	AIHARA Risa (Family Register Name: SHIRAISHI Risa) (Mar. 28, 1974) Re-elected Outside Director Independent Director Director Number of years in office as Director 1 year Status of attendance at the meetings of: Board of Directors 90% (9/10 meetings)	Apr. 1996 Joined Nippon Telegraph and Telephone Corporation (current NTT Communications Corporation) May 2000 Joined Recruit Co., Ltd. Jan. 2003 Representative Director and President of Ai-LAND Co., Ltd. (current position) Jun. 2019 Director of JAPAN POST BANK Co., Ltd. (current position) Significant concurrent positions: Representative Director and President of Ai-LAND Co., Ltd. <u>Reasons for the election as candidate for Outside Director</u> Ms. AIHARA Risa has been involved in corporate management of Internet service businesses for a long time and has deep insights into Internet marketing. As such Japan Post Bank expects that with her abundant experience and insights, she will sufficiently fulfill her role in enhancing the decision making function and supervision function of the Board of Directors.	600 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
11	KAWAMURA Hiroshi (Jan. 16, 1952) Newly-elected Outside Director Independent Director – Number of years in office as Director – year Status of attendance at the meetings of: Board of Directors –% (–/– meetings)	Apr. 1977 Appointed as Public Prosecutor of Tokyo District Prosecutors Office Jul. 2008 Director-General, Trial Department of Supreme Public Prosecutors Office Jan. 2009 Chief Prosecutor of Chiba District Public Prosecutors Office Apr. 2010 Chief Prosecutor of Yokohama District Public Prosecutors Office Jan. 2012 Superintending Prosecutor of Sapporo High Public Prosecutors Office Jan. 2014 Superintending Prosecutor of Nagoya High Prosecutors Office Mar. 2015 Outside Corporate Auditor of Asahi Glass, Limited. (current AGC Inc.) Apr. 2015 Professor, Faculty of Law of Doshisha University (current position) Jun. 2015 Outside Auditor of ISHII IRON WORKS CO., LTD. Jun. 2016 Outside Director of ISHII IRON WORKS CO., LTD. (current position) Significant concurrent positions: Professor, Faculty of Law of Doshisha University Outside Director of ISHII IRON WORKS CO., LTD. <u>Reasons for the election as candidate for Outside Director</u> Mr. KAWAMURA Hiroshi has been in the legal profession for a long time, and Japan Post Bank expects him to sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors as an Outside Director, based on his abundant experience and insights gained through his career as a legal professional. Mr. KAWAMURA previously has not been involved in corporate management except as outside officer. However, we have determined that he has the capabilities to appropriately execute duties as Outside Director due to the above reasons.	900 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
12	YAMAMOTO Kenzo (Jan. 21, 1954) Newly elected Outside Director Independent Director – Number of years in office as Director – year Status of attendance at the meetings of: Board of Directors –% (–/– meetings)	Apr. 1976 Joined the Bank of Japan Feb. 2002 Director-General, Financial Markets Department of the Bank of Japan May. 2003 Associate Director-General, Representative Office in New York of the Bank of Japan Dec. 2003 General Manager for the Americas and Chief Representative in New York of the Bank of Japan Jul. 2005 Director-General, Payment and Settlement Systems Department of the Bank of Japan Jul. 2006 Director-General, Financial System and Bank Examination Department of the Bank of Japan May. 2008 Executive Director of the Bank of Japan Jun. 2012 Chairman of NTT Data Institute of Management Consulting, Inc. Mar. 2016 Member of the Board as Outside Director of Bridgestone Corporation (current position) Jun. 2018 Representative of Office KY Initiative (current position) Feb. 2019 Director of TOMIYAMA CULTURAL FOUNDATION (current position) Jul. 2019 Outside Director of SUMITOMO LIFE INSURANCE COMPANY (current position) Significant concurrent positions: Representative of Office KY Initiative Member of the Board as Outside Director of Bridgestone Corporation Outside Director of SUMITOMO LIFE INSURANCE COMPANY <u>Reasons for the election as candidate for Outside Director</u> Mr. YAMAMOTO Kenzo successively held various important posts at the Bank of Japan, and Japan Post Bank expects him to sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors as an Outside Director, based on his abundant experience and insights in the financial market and financial system gained through his career.	0 shares

Notes:
1. JAPAN POST HOLDINGS Co., Ltd. where Mr. MASUDA Hiroya serves as Representative Executive Officer, President & CEO, is the parent company of Japan Post Bank holding 89% of its shares (excluding treasury stock). Japan Post Bank has concluded an agreement with Japan Post Holdings on group management and is paying a brand license fee thereto based on such agreement as well as has a transaction relationship on real estate leases, etc. There are no special conflicts of interest between the other candidates for Directors and Japan Post Bank.
2. Of the candidates for Directors, Ms. AKASHI Nobuko, Mr. IKEDA Katsuaki, Mr. CHUBACHI Ryoji, Mr. TAKEUCHI Keisuke, Mr. KAIWA Makoto, Ms. AIHARA Risa Mr. KAWAMURA Hiroshi and Mr. YAMAMOTO Kenzo are candidates for Outside Directors as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
3. Ms. AKASHI Nobuko, Mr. IKEDA Katsuaki, Mr. CHUBACHI Ryoji, Mr. TAKEUCHI Keisuke, Mr. KAIWA Makoto and Ms. AIHARA Risa are Independent Directors which appointment is required by Tokyo Stock Exchange, Inc. for the purpose of protecting general shareholders. In addition, Mr. KAWAMURA Hiroshi and Mr. YAMAMOTO Kenzo satisfy the requirements for Independent Director stipulated by Tokyo Stock Exchange, Inc., and the independent director appointment standards of Japan Post Bank. Therefore, upon approval of their election, Japan Post Bank intends to file them as Independent Director to the said Exchange.
4. The term of office of Ms. AKASHI Nobuko as Outside Director of Japan Post Bank will be five (5) years, that for Mr. IKEDA Katsuaki will be four (4) years and ten (10) months, and that for Mr. CHUBACHI Ryoji will be two (2) years and that for Mr. TAKEUCHI Keisuke, Mr. KAIWA Makoto and Ms. AIHARA Risa will be one (1) year at the closing of this Ordinary General Meeting of Shareholders.

5. Japan Post Bank has entered into liability limitation agreements with Ms. AKASHI Nobuko, Mr. IKEDA Katsuaki, Mr. CHUBACHI Ryoji, Mr. TAKEUCHI Keisuke, Mr. KAIWA Makoto and Ms. AIHARA Risa to limit their liabilities to the minimum liability amount as stipulated in Article 425, Paragraph 1 of the Companies Act. Subject to the approval of election of these candidates, Japan Post Bank will continue the above-mentioned liability limitation agreements with each of them. In addition, if the election of Mr. MASUDA Hiroya, Ms. ONODERA Atsuko, Mr. KAWAMURA Hiroshi and Mr. YAMAMOTO Kenzo is approved, Japan Post Bank will enter into similar liability limitations agreement with each of them.

Criteria for Nomination of Director Candidates

Article 1 (Purpose)

These criteria prescribe criteria when nominating candidates for the position of director in the Nomination Committee.

Article 2 (Size and composition of director candidates)

1 The Nomination Committee shall nominate diverse director candidates with differing expert knowledge and experience while considering the balance of the Board of Directors as a whole.

2 The number of director candidates shall be an appropriate number of persons not exceeding 20, as prescribed by the Articles of Incorporation, and in principle at least one third shall comprise independent outside director candidates. In addition, at least one person with expertise regarding finance and accounting shall be included.

Article 3 (Criteria for nomination of internal director candidates)

The Nomination Committee shall nominate persons that satisfy the following conditions as internal director candidates of the Bank.

(1) Having expert knowledge regarding the Bank's business operations
(2) Having excellent management judgment and management execution capability
(3) Having excellent leadership ability, decision-making ability, foresight and planning capability
(4) Having character and insight that is suitable as a director
(5) Having no health impairment in executing duties as a director

Article 4 (Criteria for nomination of external director candidates)

The Nomination Committee shall nominate persons that satisfy the following conditions as outside director candidates of the Bank.

(1) Having expertise in specialist areas such as management, finance, accounting, law, government administration, and social and cultural affairs and have made suitable achievements in these specialist areas
(2) Having character and insight that is suitable as a director
(3) Having no health or business-related impairment in executing duties as an outside director

Article 5 (Grounds for disqualification)

The Nomination Committee shall not nominate persons that fall under the following conditions as director candidates.

(1) Persons who fall under the grounds for disqualification prescribed in Article 331, Paragraph 1 of the Companies Act
(2) A person who has been adjudicated as bankrupt and whose rights have not yet been restored or a person who is treated in the same manner under the laws and regulations of a foreign state

Article 6 (Revision or abolition)

Any revision or abolition of these criteria shall be by a resolution of the Nomination Committee.

[Reference] [JAPAN POST BANK Co., Ltd., Independent Director Appointment Standards]

Japan Post Bank shall appoint Independent Directors stipulated by the Tokyo Stock Exchange from Outside Directors who do not fall under any of the following.

1. Those who have served as an Executive of the Japan Post Group in the past
2. Those who have served as a Director who is not an Executive of the parent company of Japan Post Bank in the past
3. Entities which hold Japan Post Bank as major client or an Executive thereof, etc.
4. Entities which are major clients of Japan Post Bank or an Executive thereof, etc.
5. Consultant, accounting expert or legal expert who acquire, or have acquired substantial money or other property from Japan Post Bank other than officers' compensation (in case of an organization including corporation, association, etc., those who are, or have been affiliated to such organization in the past)
6. Major shareholder of Japan Post Bank (in case of a corporation, an Executive thereof, etc.)
7. Spouse or relative within the second degree of kinship of the following (excluding those without significance).
   (1) Those listed in 1 to 6 above
   (2) Executive of the Japan Post Group (excluding Japan Post Bank)
   (3) Director who is not an Executive of the parent company of Japan Post Bank
8. Those who execute business in a company in which those who execute business, etc. of Japan Post Bank serve as outside officer
9. Those who receive a substantial amount of donation from Japan Post Bank (in case of an organization including corporation, association, etc., those who execute business, etc. thereof, or similar)

Appendix

1. The definitions of the terms in these Standards are as follows.

Japan Post Group	Japan Post Bank, its parent company, subsidiaries and fellow subsidiaries of the parent company
Executive	An executive stipulated in Article 2, Paragraph 3, Item 6 of the Ordinances for the Enforcement of the Companies Act
Executive, etc.	An Executive or those who have been an Executive in the past
Entities which hold Japan Post Bank as major client	An entity which the average annual cash amount paid from Japan Post Bank thereto in the past three fiscal years is over 2% of annual average consolidated total net sales thereof in the past three fiscal years
Entities which are major clients of Japan Post Bank	An entity which the average annual cash amount paid therefrom to Japan Post Bank in the past three fiscal years is over 2% of annual average consolidated ordinary income of Japan Post Bank in the past three fiscal years
Substantial money	Individuals: An average annual cash amount of over ¥10 million in the past three fiscal years Organizations: The average annual cash amount paid from Japan Post Bank to such entity in the past three fiscal years

	which is over 2% of annual average consolidated total net sales of such entity in the past three fiscal years
Major shareholders	Major shareholders stipulated in Article 163, Paragraph 1 of the Financial Instruments and Exchange Act
Substantial amount of donation	An average annual donation of over ¥10 million in the past three fiscal years

2. In case transactions or donations relating to the independent directors satisfy the following standards of immateriality, statement on the attribute information of independent directors will be omitted on the judgment that there are no effects on the independence of such independent directors.
   (1) Transactions
      1) The average annual amount paid from Japan Post Bank to such entity in the past three fiscal years is less than 1% of annual average consolidated total net sales of such entity in the past three fiscal years
      2) The average annual amount paid from such entity to Japan Post Bank in the past three fiscal years is less than 1% of annual average consolidated ordinary income of Japan Post Bank in the past three fiscal years
   (2) Donations
      An annual average donation from Japan Post Bank is less than ¥5 million in the past three fiscal years

[Attachment of the Notice of Convocation of the 14th Ordinary General Meeting of Shareholders]
Business Report (From April 1, 2019 to March 31, 2020)

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

(1) Progress and Results of Business, etc.
1) Details of main business

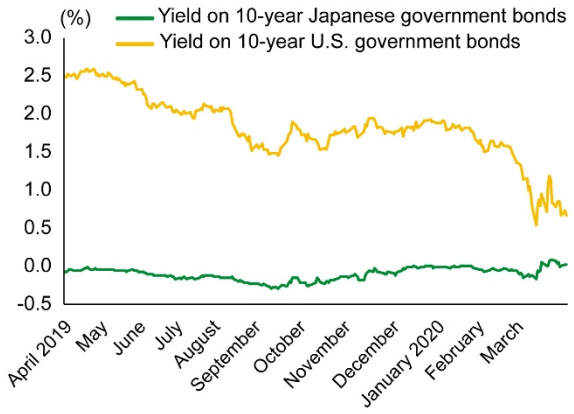
JAPAN POST BANK Co., Ltd. (“Japan Post Bank”) is engaged in banking operations as a member of the Japan Post Group. The principal operations comprise deposit-taking, syndicated loans and other lending, securities investment, domestic and foreign exchange, retail sales of Japanese government bonds and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

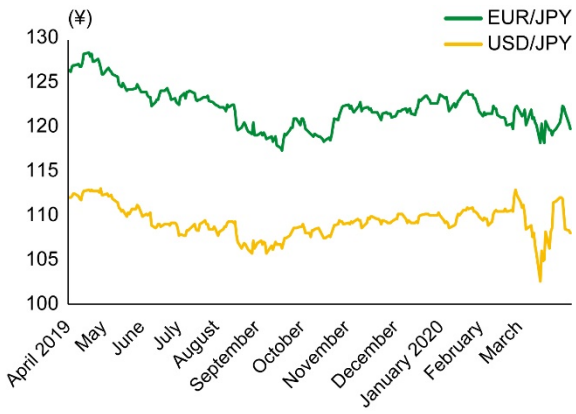
2) Financial and economic environment

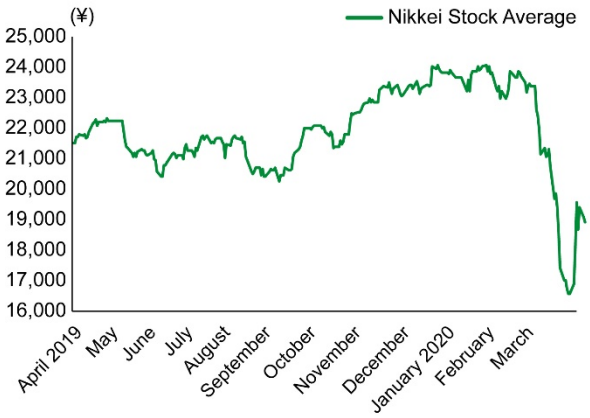
Looking back on the economic situation for the fiscal year ended March 31, 2020, the global economy slowed down until December 2019 against a backdrop of intensifying trade frictions between the U.S. and China and growing uncertainty over the Brexit. Under these circumstances, the Federal Reserve Board shifted to an accommodative stance of monetary policy, and in July, it took a precautionary interest rate cut. In financial and capital markets, the yield on 10-year U.S. government bonds fell from the 2.5% level to 1.4% level, and then rose to the 1.9% level in December on the back of progress in trade talks between the U.S. and China. The yield on 10-year Japanese government bonds generally remained in the range of negative 0.1% to 0% as the Bank of Japan maintained its policy, although the yield fell to around negative 0.3% for a period of time due to the rising prospect of additional easing by the Bank of Japan. In the foreign exchange market, although the difference in interest rates between the U.S. and Japan narrowed, the yen was generally in the ¥105 to ¥110 yen range against the U.S. dollar. The yen appreciated against the Euro as a result of factors including the Brexit situation. After hovering around at ¥21,000 until around September, the Nikkei Stock Average rose to the ¥24,000 level towards the end of the year.

Since entering 2020, the spread of COVID-19 has forced economic activity to a halt due to restrictions on human movement and other activities starting from February in China, and then followed by Europe, the U.S., and emerging countries such as India. Governments and central banks have announced a series of large-scale measures to avoid situations such as corporate bankruptcies. The Japanese economy has deteriorated further with the impact of COVID-19 in addition to the reactionary decline after the consumption tax hike.

Against this backdrop, risk aversion has intensified and volatility has increased substantially in financial and capital markets. The yield on 10-year U.S. government bonds has fluctuated wildly. It briefly plummeted to the 0.3% level in March and then reversed sharply to the 1.2% level. The yield on the 10-year Japanese government bonds fell to around negative 0.2% in late February and March, and then rose to the 0.1% level. In the foreign exchange market, the yen temporarily appreciated to the ¥101 level against the U.S. dollar, but then weakened to the ¥111 level in late March. The Nikkei Stock Average plunged to the ¥16,000 level before the amount of decline was scaled down by factors including increased purchases of exchange-traded funds (ETFs) by the Bank of Japan.







3) Response to COVID-19

COVID-19 has become a major threat to the international community and the global economy. The number of infected people in Japan has also increased, and it has become a situation that could have an enormous impact on the lives of the people and the national economy, as evidenced by the state of emergency that was declared by the government on April 7, 2020.

Under these circumstances, we set up a Crisis Management Committee, and in cooperation with Head Office-Group Joint Countermeasures Headquarters formed of Japan Post Group companies, we have introduced measures to prevent the spread of infection and put in place an internal operational framework to ensure that we can continue to provide services that customers need to maintain the function of society, such as cash deposits and withdrawals and settlement services.

Specifically, while all post offices, branches, and ATMs of the Bank will continue to operate in principle, in order to ensure the safety of customers and employees, we have introduced staggered working hours, shift work, and teleworking for employees. We have also taken measures to prevent the spread of infection such as reduced number of counters and shortened operating hours of some branches, suspension of proactive sales activities through visits and at counters, installation of plastic sheets to prevent droplet infection at counters, and requesting customers to consider using the Japan Post Bank Direct Internet banking service as well as to avoid congestion on pension payment dates, etc.. In addition, a business continuity system has been ensured through flexible staffing and backup from multiple locations for important operations such as cash deposits, withdrawals and settlements, which are necessary for customers' daily lives, and the smooth handling of the special fixed-benefit payment under the Emergency Economic Measures to Cope with COVID-19.

In the event that an employee is confirmed to have been infected, we will take the necessary measures in cooperation with the local health center.

We will continue to make efforts to prevent the spread of infection and ensure the continuity of important operations.

4) Business progress and results

Results for the fiscal year ended March 31, 2020

Net ordinary income	Net income	Dividends per share	Dividend payout ratio
¥379.0 billion	¥273.0 billion	¥50	68.5%
(+¥4.7 billion year on year)	(+¥6.8 billion year on year)	(Annual dividends of ¥25)	

[Results of Operations]

In the extremely challenging business environment with yen interest rates remained at a low level and deteriorating market environment due to the spread of COVID-19, gross operating profit for the fiscal year ended March 31, 2020 decreased by ¥12.8 billion year on year to ¥1,314.2 billion. Of this, net interest income decreased by ¥39.3 billion year on year to ¥976.8 billion, mainly due to a decrease in interest on Japanese government bonds. Net fees and commissions increased by ¥22.1 billion year on year to ¥128.8 billion. Net other operating income increased by ¥4.3 billion year on year to ¥208.4 billion.

General and administrative expenses (excluding non-recurring losses) decreased by ¥17.2 billion year on year to ¥1,020.2 billion.

As a result, net operating profit increased by ¥4.4 billion year on year to ¥293.9 billion and net ordinary income increased by ¥4.7 billion year on year to ¥379.0 billion. Net income increased by ¥6.8 billion year on year to ¥273.0 billion.

(Billions of yen)

	FY19/3	FY20/3	Increase (decrease)
Gross operating profit (1)	1,327.0	1,314.2	(12.8)
Net interest income	1,016.1	976.8	(39.3)
Net fees and commissions	106.7	128.8	22.1
Net other operating income (loss)	204.1	208.4	4.3
General and administrative expenses (excluding non-recurring losses) (2)	1,037.5	1,020.2	(17.2)
Personnel expenses	126.3	122.5	(3.7)
Non-personnel expenses	841.6	844.3	2.6
Taxes and dues	69.5	53.3	(16.1)
Provision for general reserve for possible loan losses (3)	–	0.0	0.0
Net operating profit (4) = (1) - (2) - (3)	289.4	293.9	4.4
Non-recurring gains (losses) (5)	84.8	85.1	0.3
Net ordinary income (6) = (4) + (5)	374.2	379.0	4.7
Net income	266.1	273.0	6.8

Selected ratios are shown in the chart below.

	FY19/3	FY20/3	Increase (decrease)
Net income to assets (ROA)	0.12%	0.13%	0.00 %
Net income to equity (ROE)	2.32%	2.68%	0.35 %
Overhead ratio (OHR)	78.18%	77.63%	(0.55)%

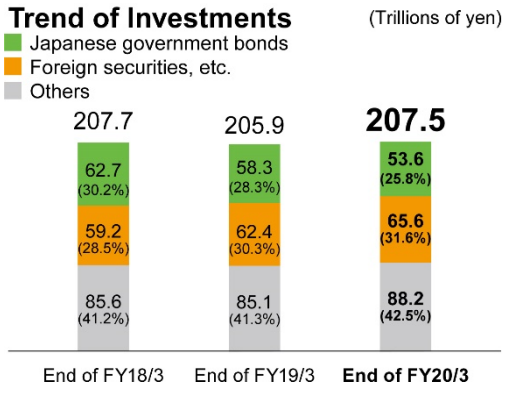
Consolidated net ordinary income was ¥379.1 billion. Net income attributable to owners of parent was ¥273.4 billion, which equated to 101.2% of the earnings forecasts of ¥270.0 billion.

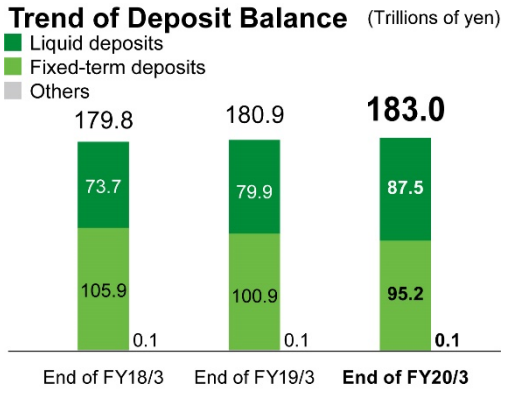
[Financial Condition]

Total assets at the end of the fiscal year ended March 31, 2020 increased by ¥1,934.6 billion from the end of the previous fiscal year to ¥210,905.1 billion. Of investments, securities decreased by ¥1,936.8 billion from the end of the previous fiscal year to ¥135,198.4 billion. Of these, while the balance of Japanese government bonds decreased due to persistent low yen interest rates, the balance of foreign securities, etc., increased as a result of promoting diversified investments in foreign assets.

With respect to major interest-bearing liabilities, we maintained a stable balance of deposits, which increased by ¥2,005.5 billion from the end of the previous fiscal year to ¥183,004.7 billion.

Shareholders' equity increased by ¥85.6 billion from the end of the previous fiscal year, valuation and translation adjustments decreased by ¥2,448.7 billion from the end of the previous fiscal year, and net assets amounted to ¥8,987.6 billion. Of shareholders' equity, retained earnings amounted to ¥2,563.3 billion.





[Trend of Capital Adequacy Ratio]

As we promote diversification and sophistication of investment management, we ensured a necessary and sufficient capital adequacy ratio from the perspective of financial soundness. Although it has decline from the end of the previous fiscal year, the ratio maintained a higher level than the minimum requirement of 4% based on capital adequacy standards.

	FY19/3	FY20/3	Increase (decrease)
Capital adequacy ratio (Non-consolidated, domestic standard)	15.78%	15.55%	(0.22)%

[Credit Ratings]

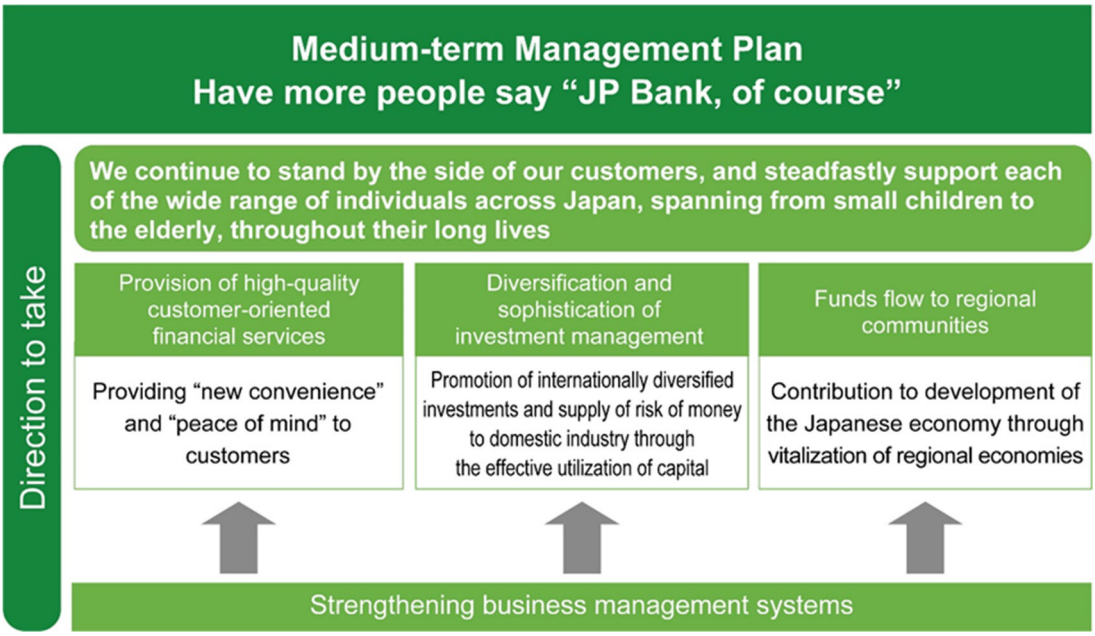
We obtained the highest level rating among Japanese financial institutions from two rating agencies.

(As of March 31, 2020)

Rating agency	Long-term	Short-term
Moody's	A1	P-1
S&P	A	A-1

Overview of Business

Japan Post Bank implemented various measures based on the “Provision of high-quality customer-oriented financial services,” “Diversification and sophistication of investment management,” “Funds flow to regional communities,” and “Strengthening the business management system” in order to achieve the vision aimed for in the Medium-term Management Plan for the period from the fiscal year ended March 31, 2019, to the fiscal year ending March 31, 2021.



Provision of High-Quality Customer-Oriented Financial Services

- Customer-oriented business operations

In connection with the sale of investment trusts by solicitation to aged customers, for the “pre-solicitation” and “pre-sales” acceptance administrative approvals as stipulated by internal rules at the Bank and Japan Post Co., Ltd., there was a failure in getting “pre-solicitation” approvals.

For this reason, in cooperation with Japan Post Co., Ltd., we have followed up with the customers affected by this incident to confirm their awareness of the investment products they are holding. We conducted an internal investigation while taking into consideration the opinions of external attorneys-at-law to determine whether there were any cases in which we had failed to provide explanations required from the perspective of the principle of suitability* to customers for which there were deemed to be concerns regarding their awareness. The internal investigation found no such case.

As recurrence prevention measures, we took steps to further instill the purpose of our internal rules through training and other means, improve and enhance our sales tools for customers, and strengthen our compliance and audit systems. We will strive to sell investment trusts in a more careful and prudent manner to elderly customers and customers who are new to investing. In addition, to further improve the quality of customer-centered financial services, we have conducted and will continue to conduct regular after-sales follow-up services for all elderly customers.

Furthermore, the Service Improvement Committee chaired by the President and Representative Executive Officer has been established to continuously improve services for all customers, not just the elderly. We, including the management team, will make concerted and united efforts to restore the trust of customers and further instill customer-oriented business operations.

* The principle stipulated in the Financial Instruments and Exchange Act, etc., that business must not be conducted in a manner that is found to be inappropriate in light of the customer's knowledge, experience, the status of property or the purpose of investment, which results in or is likely to result in insufficient protection of the investors.

- Contributing to customers' asset building

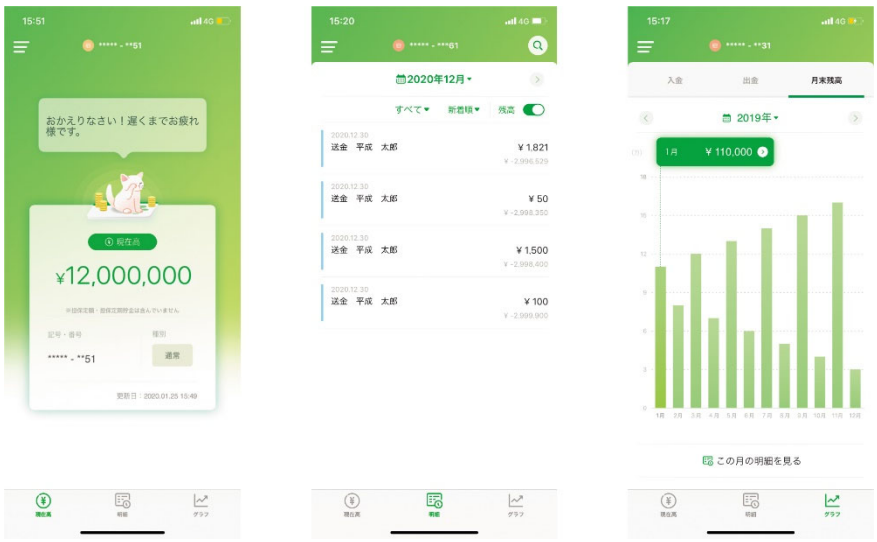
In order to meet the needs of customers and help them build their assets, we have worked to upgrade our consulting services according to the life plans of customers.

Specifically, we focused on human resource development by continuing to increase the number of financial consultants and enhancing guidance, training, and support for activities of financial consultants. In addition, the Bank, Japan Post Holdings Co., Ltd., Daiwa Securities Group Inc., and Daiwa Securities Co., Ltd. reached an agreement in May 2019 to consider a new collaboration in the area of asset building to support medium- to long-term asset building that meets the lifestyle needs of individual customers.

- Enhancing settlement services, etc.

We began offering the "Yucho Pay" smartphone settlement service in May 2019. We have worked to increase the number of Yucho Pay users and expand stores that accept Yucho Pay, and as of the end of March 2020, the service can be used at approximately 100,000 stores.

In addition, we have launched the "Japan Post Bank Bankbook App" service, which allows our customers to check their balance and details of deposits and withdrawals at any time using their smartphones.



Images of Japan Post Bank Bankbook App screens

We newly launched an internet banking service for corporate customers, "Japan Post Bank Biz Direct," etc. We also increased the installation of compact ATMs in highly convenient locations.

In order to promote digital banking and cashless strategies in an integrated manner through smartphones, the Internet, prepaid cards, debit cards, and credit cards and provide even further "new convenience" for customers, we decided to establish the Digital Services Business Department as a dedicated department to consolidate related operations that had been spread across multiple departments.

- Responding to the diverse needs of customers

In order to meet the housing loan needs of our customers, we began housing loan agency service for Sony Bank Incorporated in October 2019 and for Shinsei Bank, Limited in March 2020.

Diversification and Sophistication of Investment Management

- Diversification and sophistication of investments management

Amid persistent low yen interest rates and increasing uncertainty about the global economy, we promoted internationally diversified investments based on appropriate risk management in order to ensure stable profits. In addition to accumulating overseas credit assets while paying attention to credit quality (creditworthiness of the investee), we invested selectively in private equity funds (funds that invest in unlisted companies for which growth is expected) and real estate funds, which are strategic investment areas, in light of changes in the market environment.

Japan Post Investment Corporation that was established through a joint investment with JAPAN POST INSURANCE Co., Ltd. has achieved steady investment results through JP Investment I, ILP that was formed in April 2018.

Furthermore, in response to the worsening market environment caused by the spread of COVID-19, the ALM Committee (a committee that conducts specialized discussions regarding the comprehensive management of assets and liabilities) and the Executive Committee confirmed the impact on the Bank, discussed investment policies and risk management system, and responded appropriately.

- Ensuring financial soundness

As we promote diversification and sophistication of investment management, we are ensuring a necessary and sufficient capital adequacy ratio from the perspective of financial soundness. In addition, we used a risk appetite framework* to decide on the investment policy after clarifying the appropriate types and levels of risks to be taken by the Bank in order to achieve both stable profits and financial soundness.

* A mechanism that strengthens risk governance by increasing the effectiveness of the supervisory function (Board of Directors) through clarifying and visualizing “Risk appetite (appropriate types and levels of risks Japan Post Bank should take as necessary for ensuring medium to long-term stable profits and financial soundness)”.

Funds Flow to Regional Communities

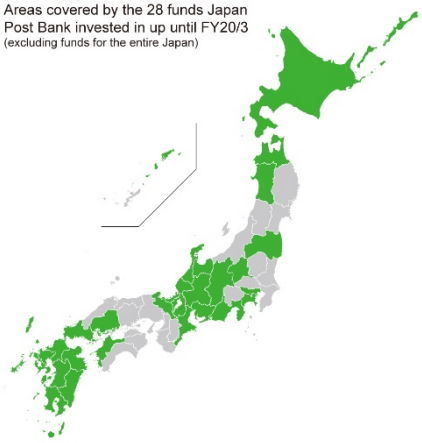
- Contribution to regional vitalization

In order to flow precious customer funds entrusted by our customers to regional communities, Japan Post Bank has been actively promoting participation in regional vitalization funds since the fiscal year ended March 31, 2017 in collaboration with regional financial institutions. In the fiscal year ended March 31, 2020, we participated in ten new regional vitalization funds (a total of 28 funds so far) for the purpose of supporting business succession as well as the startups, etc.

We also endeavored to strengthen collaboration with regional financial institutions through the use of the ATM network, such as partially making free of charge for the usage fees of our ATMs for the customers of the Ehime Bank and the Bank of Nagoya in April 2019.

Moreover, we worked to improve the administrative efficiency of the Bank and regional financial institutions and the efficient operation of the equipment and personnel through means such as adoption of joint tax and public dues collection operations with Kawasaki Shinkin Bank from October 2019.

(Reference)
Areas covered by the 28 funds Japan Post Bank invested in up until FY20/3
(excluding funds for the entire Japan)



New funds Japan Post Bank invested in during FY20/3	Participated year/month
❶ Capitalization of Tourism Heritage Investment LP	June 2019
❷ Regional Next-generation Industry Accelerate Investment LP	July 2019
❸ Regional Companies Value Up Support Investment 1 LP	July 2019
❹ Growth Support Investment Project No.1 LLP	July 2019
❺ Ant Bridge No.5-A Private Equity Secondary Investment Fund, LP	September 2019
❻ Kiraboshi Capital-Mercuria Investment LP for the Investment Business	October 2019
❼ Akita City SME Promotion Investment LP	November 2019
❽ Towa Regional Activation Investment LP	November 2019
❾ Furusato Renkei Ouen Fund, L.P.	January 2020
❿ Wide Area Typhoon Reiwa 1 Recovery Support Investment LP	January 2020

Strengthening the Business Management System

- Customer-oriented business operations and strengthening the compliance system

In accordance with the Management Philosophy of the Bank, we have incorporated customer feedback in our management, and made further efforts to implement customer-oriented business operations, while further raising compliance awareness through various training programs. We have established the “Basic Policy for Fiduciary Duties,” and key performance indicators (KPIs) to regularly check the status of efforts based on this policy. We have released the results of these checks as part of efforts towards the “provision of high-quality customer-oriented financial services.” Furthermore, the Service Improvement Committee chaired by the President and Representative Executive Officer has been established to continuously make improvements to customer-oriented services. The management team is also taking responsibility for further promoting and implementing customer-oriented business operations.

- Strengthening risk governance

We are phasing in a risk appetite framework that forms the core of risk governance. In the fiscal year ended March 31, 2020, we worked to enhance our business management system by expanding the scope of a risk appetite framework from ALM (Asset Liability Management) and investment operations to all of our operations.

- Strengthening systems against cyber attacks

We have developed a system to monitor unauthorized access and prevent resulting damages in response to cyber attacks that are becoming increasingly complex and sophisticated. In particular, we have strengthened our response in light of the growing threat of cyber attacks in the run-up to the Tokyo Olympic and Paralympic Games.

- Strengthening measures to counter money laundering and terrorist financing

In response to growing international and social demands towards countering money laundering and terrorist financing, we have strengthened our internal control measures and reviewed our product and service features.

- Human resource strategy

We concentrated on the development of human resources mainly in growth and focus areas and promoted diversity management (utilization of diverse human resources) through the preparation of a comfortable workplace environment to accommodate employee diversity, such as by encouraging male employees to take childcare leave.

External Assessments

Acquired “Platinum Kurumin” certification from the Ministry of Health, Labour and Welfare as a company engaged in a higher level of efforts aimed at achieving a work-life balance

Acquired “Excellent Enterprise of Health and Productivity Management 2020” certification from the Ministry of Economy, Trade and Industry as an outstanding company engaged in health and productivity management

Awarded the highest rating of “Gold” under the “PRIDE Index” that evaluates efforts related to LGBT*, etc. for the second consecutive year

*LGBT stands for lesbian, gay, bisexual, and transgender.

- Thorough implementation of cost management and effective use of IT

We promoted greater operational efficiency through the use of digital technology, including the expansion of RPA (robotic process automation) at Operation Support Centers.

We also worked to enhance customer service by reallocating management resources from transaction services (routine services at bank counters, etc.) to consulting services along with the streamlining of transaction services, and promoting the effective use of human resources.

Furthermore, in order to provide customers with safe, convenient, and advanced financial services through cooperation between the Bank and external business operators, we moved ahead with policies including the establishment and expansion of the system infrastructure (API: application programming interface) needed to strengthen collaboration between our system and the systems of other companies, as well as the introduction of biometric authentication to Japan Post Bank Direct from the perspective of strengthening security through the start of the “Yucho Authentication App” service.

- ESG (Environmental, Social, and Governance)

We recognize that ESG is an integral part of our business activities, and we have decided to establish the ESG Team within the Corporate Planning Department as a specialized department to deal with ESG issues in an integrated manner.

In consideration of the Sustainable Development Goals (SDGs) that are common global goals as well, we have set the four themes of “customers and markets,” “regional communities,” “employees (diversity management),” and “environment,” and conducted activities that take advantage of the characteristics of our business.

Among these themes, with regard to the environment, we endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD*) regarding the response to climate change in April 2019. In order to promote initiatives to address climate change through our business

activities based on the recommendations, we have put in place a system by revising the Japan Post Bank Environmental Policy and formulating the ESG Investment Policy.

* Task Force on Climate-related Financial Disclosures

An organization established under the recommendations of the Financial Stability Board joined by representatives from central banks and financial regulators from the major countries for the purpose of enhancing corporate information disclosure relating to climate change. In June 2017, The TCFD published a proposal on voluntary information disclosure with regard to climate-related financial information.

5) Issues to be addressed

Japan Post Bank has generated stable profits with stable funding supported by our individual customer base with the post office network as our main channel, our solid capital base, and our ALM (Asset Liability Management) and investment strategy that leverage those special features.

Amid a business environment that is expected to remain severe, Japan Post Bank has formulated a Medium-term Management Plan for the period from the fiscal year ended March 31, 2019, to the fiscal year ending March 31, 2021 in its effort to ensure stable profits and strengthen the business management system.

In the fiscal year ending March 31, 2021, the final year of the Medium-term Management Plan, we will work toward the “Provision of high-quality customer-oriented financial services,” “Diversification and sophistication of investment management,” and “Funds flow to regional communities.” With respect to the “Strengthening the business management system,” we will make company-wide efforts to promote customer-oriented business operations with the aim to become “the most accessible and trustworthy bank in Japan,” guided by the needs and expectations of our customers in accordance with the Management Philosophy.

In addition, with regard to response to COVID-19, we will continue to make efforts to prevent the spread of the infection and ensure the continuity of important operations.

Provision of High-Quality Customer-Oriented Financial Services

- Contributing to customers’ asset building

The management team will take responsibility for further instilling customer-oriented business operations, and all employees will strive to provide high-quality customer-oriented financial products and services.

We will establish consulting services tailored to the life plans of our customers and expand our products and services to meet the asset building needs of each customer based on customer-oriented business operations. We will provide “peace of mind” to customers by enhancement of consulting according to asset building objectives and life events such as employment, retirement and inheritance, etc., which will support them throughout their lives.

Specifically, in addition to fostering financial consultants and enhancing tools to support understanding the needs of our customers through the use of tablets, we will also work towards the launch of “discretionary investment management services*” as agreed with the Daiwa Securities Group in May 2019. In addition, we will meet the long-term asset building needs of our customers by providing information on products eligible for “installment-type NISA” accounts.

In order to prevent the spread of COVID-19, we will respond through means such as the suspension of proactive sales activities and reduction in the number of counters.

* Investment management services in which buy and sell decisions are fully or partially made by a portfolio manager for the client’s account based on investment discretionary contracts

- Service enhancement and operational efficiency through digitalization

We will work to provide “new convenience” that can be used anywhere, anytime through the use of new technologies such as Fintech (intersection of the financial services and technology sectors) in addition to further enhancing and expanding financial channels for the convenience of customers. For the “Yucho Pay” smartphone settlement service, we will develop relationships with stores adopting Yucho Pay, work to spread use of the service and expand the service. For the “Japan Post Bank Bankbook App,” we will add functions and promote use of the service.

In addition, we will continue to focus on encouraging corporate customers to migrate to “Japan Post Bank Biz Direct” as an Internet banking service with features requested by many customers.

Moreover, we will improve the quality of customer services and operational efficiency through the

use of digital technology, such as the introduction of AI in call centers, etc.

We are working to enhance customer services by reallocating management resources from transaction services (routine services at bank counters, etc.) to consulting services by digitizing these services and improving the efficiency of operations using digital technology.

Diversification and Sophistication of Investment Management

- Diversification and sophistication of investment management

Amid persistent low yen interest rates and concerns over deterioration of the global economy and continued turmoil in financial markets due to the spread of COVID-19, the investment environment is extremely challenging and uncertain.

For this reason, we will promote ALM (Asset Liability Management) and investment operations in a restrictive manner that reduces risks until the end of turmoil in financial markets. When we see the prospect of the end of the turmoil, we will ensure additional profits within a range of acceptable risk while keeping an eye on market trends.

- Ensuring financial soundness

Amid the uncertainty about the future of the global economy and financial markets, we will ensure a necessary and sufficient capital adequacy ratio for diversification and sophistication of investment management from the perspective of a balanced financial structure to achieve financial soundness.

Furthermore, we will enhance our risk management system in light of changes in the market environment and the characteristics of the portfolio and products.

Funds Flow to Regional Communities

We will continue to contribute to the development and growth of regional economies through partnerships and collaboration with regional financial institutions.

We will deepen our cooperative relationships with regional financial institutions by promoting investments in regional vitalization funds as well as through use of the ATM network and sharing of administrative work, partnering with parties including Japan Post Group companies, etc.

We will also consider providing capital support to companies across the country affected by the spread of COVID-19 as well as selecting projects and making investment decisions with the aim of further contributing to the revitalization of local economies.

Strengthening the Business Management System

- Customer-oriented business operations

We are united in our efforts to conduct customer-oriented business operations, led by the Service Improvement Committee. We utilize customer feedback and questionnaires submitted to branches and call centers nationwide in order to promote the improvement of products and services based on customer’s voice. Moreover, we will strengthen guidance and training on compliance and ensure appropriate investment solicitation and sales processes from the perspective of customers.

For initiatives aimed at strengthening customer-oriented business operations, the status of efforts will be announced for each initiative.

- Strengthening risk governance

We will conduct business operations based on a company-wide risk appetite framework to further enhance our business management system.

In addition, we will strive to improve corporate governance by strengthening communication between the branches, etc. and the Head Office, strengthening the checking function of the Compliance Division, and strengthening the independence and objectivity of the Internal Audit Division.

- Strengthening systems against cyber attacks

We monitor unauthorized access and conduct measures to prevent resulting damages, and we will continue to strengthen our cyber security systems based on the latest trends to take measures against cyber attacks that are becoming increasingly complex and sophisticated. In particular, we will strengthen our response in light of the growing threat of cyber attacks in the run-up to the Tokyo Olympic and Paralympic Games that have been postponed to the summer of 2021.

- Strengthening the compliance system

We will continue efforts to raise compliance awareness and ensure appropriate sales activities of asset management products.

We will also reinforce our measures to counter money laundering and terrorist financing, which are taken as part of our global responsibilities as well. We intend to fulfill our social responsibility through such efforts.

- Human resource strategy

We will promote diversity management (utilization of diverse human resources) through measures such as support for career formation including a rise in the ratio of female management employees, improvement of productivity by reforming work styles, and preparation of a comfortable workplace environment to accommodate employee diversity.

We will concentrate on development of human resources mainly in growth and focus areas, including consulting services and diversification and sophistication of investment management.

- ESG (Environmental, Social, and Governance)

We will promote measures in response to Sustainable Development Goals (SDGs) that are common global goals adopted by the United Nations and ESG measures in an integrated manner with our management and business strategies, and aim to enhance improvements in our corporate value. Specifically, we will continue activities that take advantage of the characteristics of our business in response to the themes of customers and markets, regional communities, employees (diversity management), and environment.

Among these themes, with regard to the environment, based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we will reflect initiatives and indicators related to climate change in our management plans, and strengthen our ESG promotion system in order to disclose these efforts.

Japan Post Bank will work to enhance corporate value through these initiatives. We ask for the continued understanding and support of all our shareholders.

(2) Financial Condition and Results of Operations

(Billions of yen)

As of and for the fiscal year ended March 31	2017	2018	2019	**2020**
Deposits	179,434.6	179,882.7	180,999.1	**183,004.7**
Fixed-term deposits	111,280.7	105,989.3	100,927.1	**95,298.9**
Others	68,153.9	73,893.4	80,071.9	**87,705.8**
Loans	4,064.1	6,145.5	5,297.4	**4,961.7**
Loans to individuals	189.4	172.6	155.8	**142.1**
Loans to small and medium-size enterprises	—	—	2.5	**2.0**
Others	3,874.7	5,972.8	5,139.0	**4,817.5**
Trading account securities	0.0	0.0	0.0	**0.0**
Securities	138,792.4	139,201.2	137,135.2	**135,198.4**
Japanese government bonds	68,804.9	62,749.7	58,356.5	**53,636.1**
Others	69,987.4	76,451.5	78,778.6	**81,562.3**
Total assets	209,568.8	210,630.6	208,970.4	**210,905.1**
Domestic exchange transaction volume	42,314.9	46,011.9	50,999.8	**60,390.7**
Foreign exchange transaction volume	(Millions of U.S. dollars) 1,169	(Millions of U.S. dollars) 1,267	(Millions of U.S. dollars) 1,054	(Millions of U.S. dollars) **725**
Net ordinary income	(Millions of yen) 442,085	(Millions of yen) 499,669	(Millions of yen) 374,299	(Millions of yen) **379,077**
Net income	(Millions of yen) 312,264	(Millions of yen) 352,745	(Millions of yen) 266,178	(Millions of yen) **273,044**
Net income per share	(Yen) 83.28	(Yen) 94.09	(Yen) 71.00	(Yen) **72.83**

Notes:

1. The figures are rounded down.
2. Deposits correspond to “deposits” recorded under liabilities pursuant to the Ordinance for the Enforcement of the Banking Act.
3. Net income per share is calculated by the following formula.

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

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

(Billions of yen)

As of and for the fiscal year ended March 31	2017	2018	2019	**2020**
Ordinary income	—	2,044.9	1,845.4	**1,799.5**
Net ordinary income	—	499.6	373.9	**379.1**
Net income attributable to owners of parent	—	352.7	266.1	**273.4**
Comprehensive income	—	(80.4)	23.3	**(2,177.2)**
Net assets	—	11,521.6	11,362.3	**9,003.2**
Total assets	—	210,629.8	208,974.1	**210,910.8**

Notes:

1. The figures are rounded down.
2. We have prepared consolidated financial statements beginning from the fiscal year ended March 31, 2018.

(3) Employees

	As of March 31, 2020	As of March 31, 2019
Number of employees	**12,477**	12,800
Average age	**43 years, 4 months**	42 years, 10 months
Average years of service	**19 years, 7 months**	19 years, 3 months
Average monthly salary	**¥425 thousand**	¥401 thousand

Notes:

1. The number of employees does not include part-time employees (including those who have converted to indefinite term employment based on the system for conversion to indefinite term employment (associate employees)).
2. The figures for average age, average years of service and average monthly salary are rounded down.
3. Average years of service includes years of service prior to the establishment of Japan Post Bank (before privatization).
4. Average monthly salary is the average monthly salary for March, excluding bonuses but including overtime allowance, etc.

(4) Branches, etc.

1) Change in the number of branches

	As of March 31, 2020		As of March 31, 2019	
	Number of branches	**[Number of sub branches]**	Number of branches	[Number of sub branches]
Hokkaido	**5**	**[4]**	5	[4]
Tohoku	**10**	**[9]**	10	[9]
Kanto	**70**	**[69]**	70	[69]
Tokyo	**41**	**[40]**	41	[40]
Shinetsu	**6**	**[5]**	6	[5]
Hokuriku	**4**	**[3]**	4	[3]
Tokai	**23**	**[22]**	23	[22]
Kinki	**44**	**[43]**	44	[43]
Chugoku	**11**	**[10]**	11	[10]
Shikoku	**6**	**[5]**	6	[5]
Kyushu	**13**	**[12]**	13	[12]
Okinawa	**1**	**[−]**	1	[−]
Domestics total	**234**	**[222]**	234	[222]
Overseas total	−	**[−]**	−	[−]
Total	**234**	**[222]**	234	[222]

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 (7,254 places as of March 31, 2020).
2. The address of the location of Yokohama Midori Sub-Branch of Saitama Branch was changed in October 2019 to 32-30, Nakayama 4-chome, Midori-ku, Yokohama-shi from 149-4, Nakayama-cho, Midori-ku, Yokohama-shi.

2) Newly-established branches during the fiscal year

Not applicable.

3) List of bank agent

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 principal bank
Sony Bank Incorporated
Shinsei Bank, Limited

Note: Japan Post Bank terminated its bank agency service for Suruga Bank Ltd. in the fiscal year ended March 31, 2020.

(5) Capital Investment

1) Total amount of capital investment

(Millions of yen)

Total amount of capital investment	24,296

Note: The figure is rounded down.

2) New installation, etc., of significant equipment

(Millions of yen)

Details	Amount
Development of Japan Post Bank Total Information System	10,897

Note: The figure is rounded down.

(6) Parent Company and Principal Subsidiaries, etc.

1) Parent company

Company name	Location	Main business	Date of establishment	Capital	Percentage of voting rights of Japan Post Bank held by the parent company	Others
JAPAN POST HOLDINGS Co., Ltd.	Chiyoda-ku, Tokyo	A holding company	January 23, 2006	3,500,000 (Millions of yen)	89.00%	—

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

2) Subsidiaries, etc.

Company name	Location	Main business	Date of establishment	Capital	Percentage of voting rights of subsidiaries, etc., held by Japan Post Bank	Others
SDP CENTER Co., Ltd.	Chuo-ku, Tokyo	Administrative agency services including loans for individuals	May 28, 1980	2,000 (Millions of yen)	100.00%	—
ATM Japan Business Service, Ltd.	Minato-ku, Tokyo	Management of ATMs, for example cash loading and withdrawal	August 30, 2012	100 (Millions of yen)	35.00%	—
JP Asset Management Co., Ltd.	Chuo-ku, Tokyo	Invest management business, Type II Financial Instruments Business	August 18, 2015	500 (Millions of yen)	45.00%	—
Japan Post Investment Corporation	Chiyoda-ku, Tokyo	Investment management operations of securities	February 9, 2018	750 (Millions of yen)	50.00%	—

Notes:

1. The ratio of voting rights is rounded down to the second decimal place.
2. SDP CENTER Co., Ltd. changed its trade name to JAPAN POST BANK LOAN CENTER Co., Ltd. on April 1, 2020.

- 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 the year ending March 31, 2020, 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 necessary expenses for Japan Post Co. to maintain its post office network to provide universal services. 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, Japan Post Bank has reviewed to cover the expenses of agency services provided by Japan Post Co. 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 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 (3 banks), foreign banks (2 banks), regional banks (64 banks), second-tier regional banks (38 banks), other banks (13 banks), The Shoko Chukin Bank, Ltd. (1 bank), *shinkin* banks (259 banks), credit cooperatives (119 cooperatives), labor banks (13 banks), credit federations of agricultural cooperatives (32 cooperatives), agricultural cooperatives (614 cooperatives), credit federations of fishery cooperatives (28 cooperatives), fishery cooperatives (73 cooperatives), securities firms (12 firms), life insurance companies (8 companies), credit card companies (48 companies) and other companies (6 companies)

(7) Business Transfer, etc.

Date of business transfer, etc.	Details of business transfer, etc.
December 19, 2019	Japan Post Bank acquired common stock issued by SDP CENTER Co., Ltd., making it a wholly-owned subsidiary of Japan Post Bank from the fiscal year ended March 31, 2020.

(8) Other Important Matters Concerning the Current Status of Japan Post Bank

Not applicable.

II. Matters Concerning Directors and Executive Officers

(1) Directors and Executive Officers

Directors (As of March 31, 2020)

Name	Position and assignment	Significant concurrent positions	Others
IKEDA Norito	Director	Director of JAPAN POST HOLDINGS Co., Ltd. Outside Director of FANCL CORPORATION	—
TANAKA Susumu	Director	Managing Executive Officer of JAPAN POST HOLDINGS Co., Ltd.	—
NAKAZATO Ryoichi	Director Member of the Audit Committee		—
ARITA Tomoyoshi	Director (Outside Director) Member of the Audit Committee (Chairman) Member of the Nomination Committee	Attorney-at-law External Director of WDB Holdings Co., Ltd. Outside Director of Fukuyama Transporting Co., Ltd. Outside Audit & Supervisory Board Member of T. HASEGAWA CO., LTD.	—
NOHARA Sawako	Director (Outside Director) Member of the Audit Committee	President and CEO of IPSe Marketing, Inc. Outside Director of Sompo Holdings, Inc. Outside Audit & Supervisory Board Member of TOKYO GAS CO., LTD. Member of the Board (Outside) of DAIICHI SANKYO COMPANY, LIMITED	—
MACHIDA Tetsu	Director (Outside Director) Member of the Audit Committee	Independent economic journalist	—
AKASHI Nobuko	Director (Outside Director)	Board Chairman of a non-profit organization, Japan Manners & Protocol Association Representative Director of Brighton Y.K. Outside Director of YOSHINOYA HOLDINGS CO., LTD. Member of the Board of Governors of Japan Broadcasting Corporation	—

Directors (As of March 31, 2020)

Name	Position and assignment	Significant concurrent positions	Others
IKEDA Katsuaki	Director (Outside Director) Member of the Audit Committee Member of the Compensation Committee		Mr. IKEDA Katsuaki has a considerable amount of professional knowledge on finance and accounting through his long history of involvement in management of financial institutions.
CHUBACHI Ryoji	Director (Outside Director) Member of the Compensation Committee (Chairman) Member of the Nomination Committee	President of National Institute of Advanced Industrial Science and Technology	—
TAKEUCHI Keisuke	Director (Outside Director) Member of the Compensation Committee	Outside Director of BROTHER INDUSTRIES, LTD. Outside Director of Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development	—
KAIWA Makoto	Director (Outside Director) Member of the Nomination Committee (Chairman)	Representative Director & Chairman of the Board of Tohoku Electric Power Co., Inc. Chairman of TOHOKU ECONOMIC FEDERATION	—
AIHARA Risa	Director (Outside Director)	Representative Director and President of Ai-LAND Co., Ltd.	—

Notes:

1. Mr. IKEDA Norito and Mr. TANAKA Susumu concurrently serve as Executive Officers.
2. Mr. NAKAZATO Ryoichi 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. ARITA Tomoyoshi, Ms. NOHARA Sawako, Mr. MACHIDA Tetsu, Ms. AKASHI Nobuko, Mr. IKEDA Katsuaki, Mr. CHUBACHI Ryoji, Mr. TAKEUCHI Keisuke, Mr. KAIWA Makoto and Ms. AIHARA Risa) are Independent Directors as stipulated by Tokyo Stock Exchange, Inc.
4. Mr. TAKEUCHI Keisuke, Mr. KAIWA Makoto and Ms. AIHARA Risa were newly elected as Directors at the Ordinary General Meeting of Shareholders held on June 18, 2019, and assumed their positions on the same date.
5. As of the conclusion of the Ordinary General Meeting of Shareholders held on June 18, 2019, Mr. NOMOTO Hirofumi resigned from his position of Director due to expiration of his term of office.
6. Mr. ARITA Tomoyoshi resigned from his position of Outside Auditor of BROTHER INDUSTRIES, LTD. on June 24, 2019. Meanwhile, Mr. ARITA Tomoyoshi assumed his position of Outside Audit & Supervisory Board Member of T. HASEGAWA CO., LTD. on December 19, 2019.
7. Ms. NOHARA Sawako assumed her position of Member of the Board (Outside) of DAIICHI

SANKYO COMPANY, LIMITED on June 17, 2019. Meanwhile, Ms. NOHARA Sawako resigned as Project professor at Keio University Graduate School of Media and Governance on September 30, 2019.

8. Ms. AKASHI Nobuko assumed her positions of Outside Director of YOSHINOYA HOLDINGS CO., LTD. on May 23, 2019 and of Member of the Board of Governors of Japan Broadcasting Corporation on June 20, 2019.
9. Mr. CHUBACHI Ryoji resigned from his position of President of National Institute of Advanced Industrial Science and Technology on March 31, 2020.

Director who resigned after the day following the day of the conclusion of the 13th Ordinary General Meeting of Shareholders (At the time of resignation)

Name	Position and assignment	Significant concurrent positions	Others
NAGATO Masatsugu	Director Member of the Nomination Committee (Chairman) Member of the Compensation Committee	Director of JAPAN POST HOLDINGS Co., Ltd. Director of JAPAN POST Co., Ltd. Director of JAPAN POST INSURANCE Co., Ltd.	Resigned on January 11, 2020

Note: Mr. NAGATO Masatsugu resigned from his position of Representative Executive Officer, President and CEO of JAPAN POST HOLDINGS Co., Ltd. on January 5, 2020, and from his positions of Director of JAPAN POST HOLDINGS Co., Ltd., Director of JAPAN POST Co., Ltd., and Director of JAPAN POST INSURANCE Co., Ltd. on January 11, 2020.

Executive Officers (As of March 31, 2020)

Name	Position and assignment	Significant concurrent positions	Others
IKEDA Norito	President and Representative Executive Officer	Director of JAPAN POST HOLDINGS Co., Ltd. Outside Director of FANCL CORPORATION	—
TANAKA Susumu	Representative Executive Vice President (Assistant to the President and matters concerning operations of Corporate Administration Division (excluding operations of Research Department, Financial Accounting Department, Investor Relations Department, Public Relations Department, Customer Satisfaction Department, Cyber Defense Office, IT Strategy Department and General Affairs Department))	Managing Executive Officer of JAPAN POST HOLDINGS Co., Ltd.	—
HAGINO Yoshinori	Executive Vice President (Matters concerning operations of System Division and Cyber Defense Office, IT Strategy Department, Corporate Administration Division)	Director of JAPAN POST INFORMATION TECHNOLOGY Co., Ltd.	—
TAHARA Kunio	Executive Vice President (Matters concerning operations of Investment Division)		—
MURASHIMA Masahiro	Senior Managing Executive Officer (Matters concerning operations of Marketing Division and supervision of operations of directly-operated branches and regional headquarters)	Director of SDP CENTER Co., Ltd.	—
SHISHIMI Hiroichi	Senior Managing Executive Officer (Matters concerning operations of Financial Accounting Department, Investor Relations Department and Public Relations Department, Corporate Administration Division and Assistant to the Representative Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to IFRS Planning Office, Corporate Planning Department, Corporate Administration Division))		—
YANO Harumi	Senior Managing Executive Officer (Assistant to the Representative Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to Corporate Planning Department (excluding operations related to New Business Planning Office) and ALM Planning Department, Corporate Administration Division))		—

Executive Officers (As of March 31, 2020)

Name	Position and assignment	Significant concurrent positions	Others
NISHIMORI Masahiro	Managing Executive Officer (Matters concerning operations of Compliance Division)		—
ONODERA Atsuko	Managing Executive Officer (Matters concerning operations of Research Department, Customer Satisfaction Department and General Affairs Department, Corporate Administration Division)		—
TAMAKI Masato	Managing Executive Officer (Matters concerning operations of Risk Management Division)		—
KOTOUDA Minoru	Managing Executive Officer (Matters concerning operations of Operation Division)		—
YAZAKI Toshiyuki	Managing Executive Officer (Matters concerning operations of Internal Audit Division)		—
TANAKA Takayuki	Managing Executive Officer (Assistant to the Senior Managing Executive Officer in charge of Marketing Division and supervision of operations of directly-operated branches and regional headquarters)		—
MAKINO Yoko	Executive Officer (Assistant to the Representative Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to Diversity and Inclusion Department, Corporate Administration Division))		—
AMAHA Kunihiko	Executive Officer (Assistant to the Managing Executive Officer in charge of Research Department, Corporate Administration Division)		—
SHINMURA Makoto	Executive Officer (Assistant to the Managing Executive Officer in charge of Risk Management Division (limited to supervision of operations related to Risk Management Department, Risk Management Division))	Director of SDP CENTER Co., Ltd.	—
OGATA Satoru	Executive Officer (Assistant to the Executive Vice President in charge of System Division and Cyber Defense Office, IT Strategy Department, Corporate Administration Division)		—
ONO Toshiharu	Executive Officer (Assistant to the Managing Executive Officer in charge of Internal Audit Division)	Audit & Supervisory Board Member of SDP CENTER Co., Ltd.	—

Executive Officers (As of March 31, 2020)

Name	Position and assignment	Significant concurrent positions	Others
SAKURAI Shigeyuki	Executive Officer (Assistant to the Representative Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to Human Recourses Department, Corporate Administration Division))	Director of JAPAN POST STAFF Co., Ltd.	—
NAGURA Shinobu	Executive Officer (Matters concerning the missions entrusted by the President and Representative Executive Officer including Task Force for Promoting Digitization and assistant to the Representative Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to New Business Planning Office, Corporate Planning Department, Corporate Administration Division))		—
FUKUOKA Nobuhiro	Executive Officer (Assistant to the Representative Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to Legal Affairs Department, Corporate Administration Division))		—
YAMADA Ryotaro	Executive Officer (Matters concerning Southern Kanto Regional Headquarters and assistant to the Managing Executive Officer who assists the Senior Managing Executive Officer in charge of supervision of operations of directly-operated branches and regional headquarters)		—
TSUKIOKA Haruchika	Executive Officer (Assistant to the Executive Officer who assists the Executive Vice President in charge of System Division (limited to supervision of operations related to System Development Department 2, System Division))		—
NAKAO Hideki	Executive Officer Assistant to the Executive Vice President in charge of Investment Division (limited to supervision of operations related to CIO Office, Investment Division)	Outside Director of Japan Post Investment Corporation	—

Executive Officers (As of March 31, 2020)

Name	Position and assignment	Significant concurrent positions	Others
KISHI Etsuko	Executive Officer (Assistant to the Managing Executive Officer who assists the Senior Managing Executive Officer in charge of Marketing Division (limited to supervision of operations related to Marketing Department, Marketing Division))		—

Notes:

1. Mr. IKEDA Norito and Mr. TANAKA Susumu concurrently serve as Directors.
2. Mr. TAHARA Kunio was elected as Executive Vice President and Mr. YAZAKI Toshiyuki was elected as Managing Executive Officer at the meeting of the Board of Directors held on March 22, 2019, and assumed their positions on April 1, 2019.
3. Mr. TSUKIOKA Haruchika, Mr. NAKAO Hideki and Ms. KISHI Etsuko 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, 2019, and assumed their positions on July 1, 2019.
4. At the first meeting of the Board of Directors convened after the conclusion of the Ordinary General Meeting of Shareholders held on June 18, 2019, Titled Executive Officers were elected as follows.

Name	Position (before the change)	Position (after the change)	Date of the change
YANO Harumi	Managing Executive Officer	Senior Managing Executive Officer	June 18, 2019
TANAKA Takayuki	Executive Officer	Managing Executive Officer	June 18, 2019

5. 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, 2019, Mr. AIDA Masaya, Mr. HAYASHI Suzunori, Mr. ISHII Masatoshi and Ms. KONDO Ikuyo resigned from their positions of Executive Officers due to the expiration of their terms of office.
6. Mr. SHINMURA Makoto assumed his position of Director of SDP CENTER Co., Ltd. on January 23, 2020.
7. Mr. ONO Toshiharu assumed his position of Audit & Supervisory Board Member of SDP CENTER Co., Ltd. on January 23, 2020.
8. Mr. SAKURAI Shigeyuki assumed his position of Director of JAPAN POST STAFF Co., Ltd. on June 20, 2019.

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

(Millions of yen)

Category	Number of persons compensated	Compensation, etc.	Base compensation	Performance-linked stock compensation	Retirement benefit	Others
Directors	11 persons	93	93	-	-	0
Executive Officers	29 persons	732	619	100	9	2
Total	40 persons	826	713	100	9	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. Performance-linked stock compensation above represents the amount accounted for as expense during the fiscal year ended March 31, 2020.
5. 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.

- Policy for Determining Amount or Calculation Method of Compensation, etc. 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) and performance-linked stock compensation, and shall function as a sound incentive for 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 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, and performance-linked stock compensation that reflects the state of achievement of management targets, and the like.

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.

In regard to stock compensation, based on the viewpoint of a sound incentive for sustainable growth, points that are calculated by multiplying the sum of basic points corresponding to separately prescribed duties and evaluation points based on individual evaluation by a coefficient that varies according to the state of achievement of management targets shall be granted every year, 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.

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 a base salary that refers to the level of compensation at other companies instead of compensation corresponding to duties.

(3) Liability Limitation Agreement

Name	Overview of the contracts for limitation of liability
NAKAZATO Ryoichi	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.
ARITA Tomoyoshi	
NOHARA Sawako	
MACHIDA Tetsu	
AKASHI Nobuko	
IKEDA Katsuaki	
CHUBACHI Ryoji	
TAKEUCHI Keisuke	
KAIWA Makoto	
AIHARA Risa	

Note: The same contract for limitation of liability had been entered into with Mr. NAGATO Masatsugu, who resigned on January 11, 2020.

III. Matters Concerning Outside Directors

(1) Concurrent Positions and Other Details on Outside Directors

Name	Concurrent positions and other details
ARITA Tomoyoshi	Attorney-at-law External Director of WDB Holdings Co., Ltd. Outside Director of Fukuyama Transporting Co., Ltd. Outside Audit & Supervisory Board Member of T. HASEGAWA CO., LTD.
NOHARA Sawako	President and CEO of IPSe Marketing, Inc. Outside Director of Sompo Holdings, Inc. Outside Audit & Supervisory Board Member of TOKYO GAS CO., LTD. Member of the Board (Outside) of DAIICHI SANKYO COMPANY, LIMITED
MACHIDA Tetsu	Independent economic journalist
AKASHI Nobuko	Board Chairman of a non-profit organization, Japan Manners & Protocol Association Representative Director of Brighton Y.K. Outside Director of YOSHINOYA HOLDINGS CO., LTD. Member of the Board of Governors of Japan Broadcasting Corporation
CHUBACHI Ryoji	President of National Institute of Advanced Industrial Science and Technology
TAKEUCHI Keisuke	Outside Director of BROTHER INDUSTRIES, LTD. Outside Director of Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development
KAIWA Makoto	Representative Director & Chairman of the Board of Tohoku Electric Power Co., Inc. Chairman of TOHOKU ECONOMIC FEDERATION
AIHARA Risa	Representative Director and President of Ai-LAND Co., Ltd.

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

(2) Main Activities of Outside Directors

Name	Term of office	Attendance at meetings of the Board of Directors	Remarks made at meetings of the Board of Directors and other activities
ARITA Tomoyoshi	9 years, 9 months	Attended 12 out of 12 meetings of the Board of Directors held during the fiscal year ended March 31, 2020 (100%) Attended 3 out of 3 meetings of the Nomination Committee held during the fiscal year ended March 31, 2020 (100%) Attended 15 out of 15 meetings of the Audit Committee held during the fiscal year ended March 31, 2020 (100%)	He expresses opinions on management issues, etc., of Japan Post Bank as needed from his professional perspectives based on his abundant experience and insights as a legal professional, which he gained through his career as an attorney-at-law, etc. In addition, he hosts meetings of the Audit Committee as a chairman of said Committee.
NOHARA Sawako	5 years, 9 months	Attended 12 out of 12 meetings of the Board of Directors held during the fiscal year ended March 31, 2020 (100%) Attended 15 out of 15 meetings of the Audit Committee held during the fiscal year ended March 31, 2020 (100%)	She expresses opinions on management issues, etc., of Japan Post Bank as needed from her professional perspectives with deep insights on advanced business strategies, which she gained as she successively held various important posts at many research centers and others and also as many panels of experts of government meetings.
MACHIDA Tetsu	5 years, 9 months	Attended 11 out of 12 meetings of the Board of Directors held during the fiscal year ended March 31, 2020 (91%) Attended 14 out of 15 meetings of the Audit Committee held during the fiscal year ended March 31, 2020 (93%)	He expresses opinions on management issues, etc., of Japan Post Bank as needed from his professional perspectives with deep insights on events surrounding corporate management, which he gained through his activities as an economic journalist.
AKASHI Nobuko	4 years, 9 months	Attended 12 out of 12 meetings of the Board of Directors held during the fiscal year ended March 31, 2020 (100%)	She expresses opinions on management issues, etc., of Japan Post Bank as needed from her professional perspectives with deep insights on events surrounding corporate management, which she gained through her activities as a board chairman of a non-profit organization and an expert member of government meetings.

Name	Term of office	Attendance at meetings of the Board of Directors	Remarks made at meetings of the Board of Directors and other activities
IKEDA Katsuaki	4 years, 7 months	Attended 12 out of 12 meetings of the Board of Directors held during the fiscal year ended March 31, 2020 (100%) Attended 2 out of 2 meetings of the Compensation Committee held during the fiscal year ended March 31, 2020 (100%) Attended 15 out of 15 meetings of the Audit Committee held during the fiscal year ended March 31, 2020 (100%)	He expresses opinions on management issues, etc., of Japan Post Bank as needed by capitalizing on his abundant experience and insights, as he was involved in management of financial organizations for a long time and has professional knowledge on finance and accounting gained through his career.
CHUBACHI Ryoji	1 year, 9 months	Attended 12 out of 12 meetings of the Board of Directors held during the fiscal year ended March 31, 2020 (100%) Attended 3 out of 3 meetings of the Nomination Committee held during the fiscal year ended March 31, 2020 (100%) Attended 2 out of 2 meetings of the Compensation Committee held during the fiscal year ended March 31, 2020 (100%)	He expresses opinions on management issues, etc., of Japan Post Bank as needed by capitalizing on his abundant experience and insights as a specialist of corporate management, which he gained as he was involved in corporate management of a publicly traded company for a long time. In addition, he hosts meetings of the Compensation Committee as a chairman of said Committee.
TAKEUCHI Keisuke	9 months	Attended 10 out of 10 meetings of the Board of Directors held during the fiscal year ended March 31, 2020, after his appointment (100%) Attended 1 out of 1 meetings of the Compensation Committee held during the fiscal year ended March 31, 2020, after his appointment (100%)	He expresses opinions on management issues, etc., of Japan Post Bank as needed by capitalizing on his abundant experience and insights as a specialist of corporate management, which he gained as he was involved in corporate management of a publicly traded company for a long time.

Name	Term of office	Attendance at meetings of the Board of Directors	Remarks made at meetings of the Board of Directors and other activities
KAIWA Makoto	9 months	Attended 10 out of 10 meetings of the Board of Directors held during the fiscal year ended March 31, 2020, after his appointment (100%) Attended 2 out of 2 meetings of the Nomination Committee held during the fiscal year ended March 31, 2020, after his appointment (100%)	He expresses opinions on management issues, etc., of Japan Post Bank as needed by capitalizing on his abundant experience and insights as a specialist of corporate management, which he gained as he was involved in corporate management of a publicly traded company for a long time. In addition, he hosts meetings of the Nomination Committee as a chairman of said Committee.
AIHARA Risa	9 months	Attended 9 out of 10 meetings of the Board of Directors held during the fiscal year ended March 31, 2020, after her appointment (90%)	She expresses opinions on management issues, etc., of Japan Post Bank as needed from her professional perspectives with deep insights on Internet marketing, which she gained as she was involved in corporate management of Internet service businesses for a long time.

(3) 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.	10 persons	65	—

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

(4) 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 3,749,475 thousand shares
(excluding 750,524 thousand shares of treasury stock)

Note: The treasury stock does not include the Bank's shares held by the stock benefit trust (682 thousand shares).

(2) Total Number of Shareholders as of March 31, 2020: 439,763

(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.	3,337,032 thousand shares	88.99%
The Master Trust Bank of Japan, Ltd. (Trust Account)	33,597 thousand shares	0.89%
Japan Trustee Services Bank, Ltd. (Trust Account)	18,066 thousand shares	0.48%
STATE STREET BANK WEST CLIENT-TREATY 505234	13,428 thousand shares	0.35%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	11,710 thousand shares	0.31%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	11,384 thousand shares	0.30%
Japan Post Bank Employee Shareholding Association	9,237 thousand shares	0.24%
STATE STREET BANK AND TRUST COMPANY 505103	6,094 thousand shares	0.16%
Japan Trustee Services Bank, Ltd. (Trust Account 1)	5,823 thousand shares	0.15%
Japan Trustee Services Bank, Ltd. (Trust Account 2)	5,279 thousand shares	0.14%

Notes:

1. The number of shares held, etc. is rounded down.
2. The Bank holds 750,524 thousand shares (the percentage of shares held is 16.67%) of treasury stock, which are not included in the above list of major shareholders. The treasury stock does not include the Bank's shares held by the stock benefit trust (682 thousand shares).
3. The percentage of shares held is calculated excluding treasury stock (750,524 thousand shares) and is rounded down to the second decimal place.

(4) Other Significant Matters Concerning Shares

- Performance-Linked Stock Compensation System for Executive Officers

Japan Post Bank introduced a performance-linked stock compensation system 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.

V. Matters Concerning Stock Acquisition Rights, etc. of Japan Post Bank

(1) Stock Acquisition Rights, etc., of Japan Post Bank Held by Directors and Executive Officers as of March 31, 2020

Not applicable.

(2) Stock Acquisition Rights, etc., of Japan Post Bank Granted to Employees, etc., during the Fiscal Year Ended March 31, 2020

Not applicable.

VI. Matters Concerning Independent Auditor

(1) Independent Auditor

(Millions of yen)

Name	Compensation, etc., for the fiscal year ended March 31, 2020	Others
KPMG AZSA LLC OZAWA Yoichi Designated Limited Liability Partner KANNO Masako Designated Limited Liability Partner OKADA Hideki Designated Limited Liability Partner	195	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 the fiscal year ended March 31, 2020, 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 ¥217 million.

(2) Liability Limitation Agreement

Not applicable.

(3) 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:

SDP CENTER Co., Ltd. is audited by Ernst & Young ShinNihon LLC.

VII. Basic Policy Concerning Persons Who Control the Decisions on Financial and Business Policies

Not applicable.

VIII. Systems to Ensure the Appropriate Conduct of Operations

[Basic Stance on Corporate Governance]

With a view to its sustainable growth along with improvement of its corporate value over the medium and long terms, Japan Post Bank establishes its corporate governance system based on the following stance.

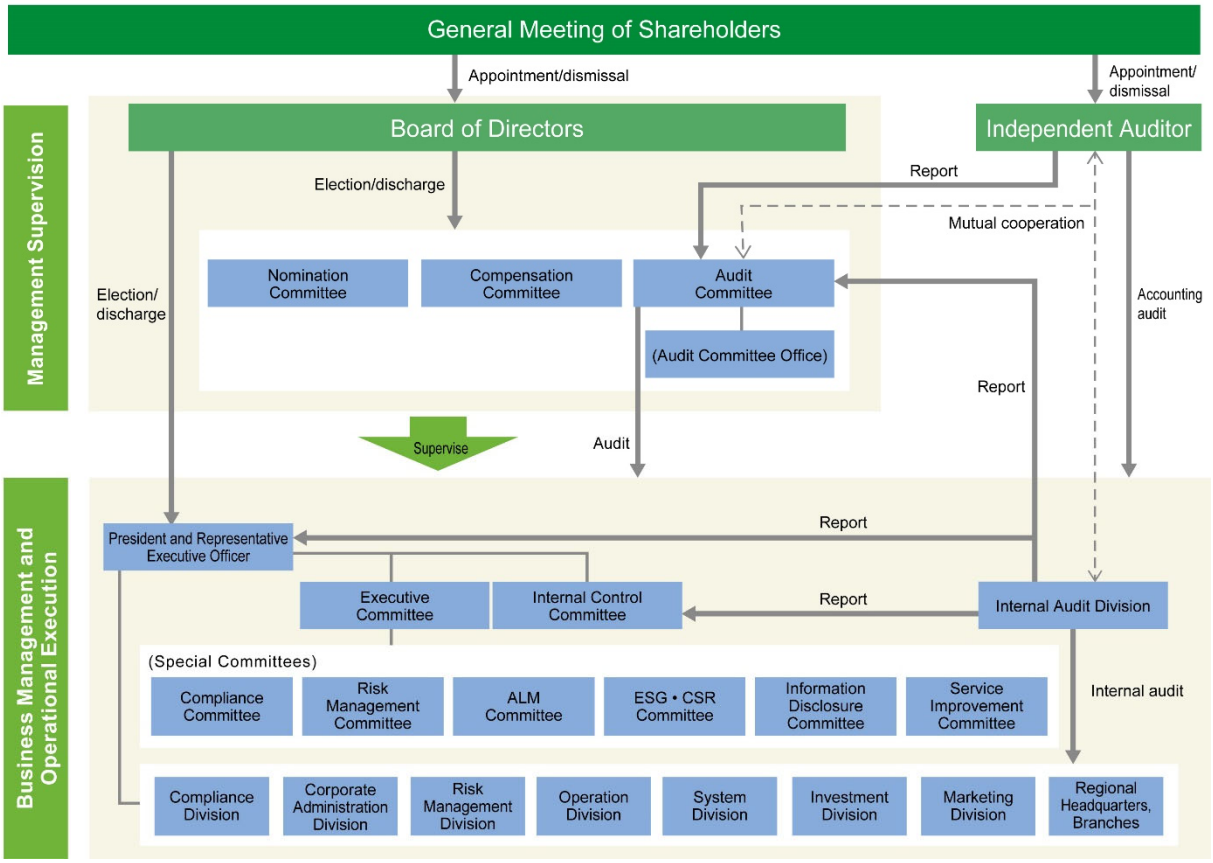
(1) We will engage in constant value creation by providing banking services through the distribution network based on the post office, while continuously creating new convenience for customers, in pursuit of providing higher quality of service.

(2) Fully recognizing fiduciary responsibilities to shareholders, we will give consideration to ensure the rights and equality of shareholders in an appropriate manner.

(3) We will value the dialogue with all stakeholders including shareholders, and seek appropriate collaboration and sustainable coexistence therewith. To this end, we will ensure management transparency and strive for disclosure and provision of adequate information.

(4) In order to promptly adapt to changes in economic and social environment and meet the expectation of all stakeholders, we will make swift decision-making in a firm attitude and conduct businesses under the effective supervision by the Board of Directors.

Corporate Governance System (Outline)



[Establishment of Systems to Ensure the Appropriate Conduct of Operations]

With regard to system to ensure the appropriate conduct of operations subject to a resolution of the Board of Directors of a corporation adopting a committee system such as the Nomination Committee in accordance with Article 416, Paragraph 1, Item 1 (b) and (e) of the Companies Act and Article 112, Paragraph 1 and 2 of the Ordinance for the Enforcement of the Companies Act, Japan Post Bank has established by a resolution of the Board of Directors “Basic Policies for the Internal Control System.”

The details for the fiscal year ended March 31, 2020 are as follows.

(1) System for Ensuring That the Execution of Duties by Executive Officers and Employees Complies with Laws and Regulations and Our Articles of Incorporation

We are required to do the following:

a. Establish basic policies regarding the management, such as our management philosophy and management plans, to ensure that our Executive Officers and employees are thoroughly informed of and will comply with laws and regulations in all areas of our business activities. Furthermore, we must establish rules regarding compliance and maintain a compliance framework.
b. Periodically hold meetings of the Internal Control Committee, comprised of Executive Officers appointed by the President and Representative Executive Officer, to discuss the most important matters relating to internal controls, such as compliance with laws and regulations.
c. Promote compliance through means such as establishing a department that manages compliance, formulating compliance programs each year as specific plans for ensuring compliance and periodically reviewing developments of such programs, and establish a committee for compliance to discuss specific practices and address various issues regarding compliance and to report the results to the Internal Control Committee, the Executive Committee and Audit Committee.
d. Ensure compliance through (i) formulating a compliance manual which states specific guidelines of the matters with which Executive Officers and employees must comply and the explanations for laws and regulations relating to our corporate activities and (ii) conducting training regarding laws and regulations as well as internal rules with which Executive Officers and employees must comply.
e. Take measures necessary to guide and manage Japan Post Co., which is our authorized agent, in order to ensure that its compliance system and operational management are sound, through means such as (a) establishing liaison conferences with Japan Post Co., comprised of officers such as the President and Representative Executive Officer, to discuss matters relating to strengthening and enhancing the internal control system with respect to compliance, (b) providing operational instructions and conducting training to promote compliance and (c) monitoring the operations of Japan Post Co.
f. With respect to anti-social forces that pose a threat to the social order and sound corporate activities, (a) establish our corporate policy on the relationship with them through “rules regarding anti-social forces” and other internal rules and manuals and (b) avoid involvement at all times with illegal and anti-social activities through close cooperation with external specialists, such as the police, to cut any ties and prevent any interaction with any anti-social forces.
g. Mindful that there exists the possibility that the products and services that we provide could be used fraudulently, we have stipulated our policies and regulations and have in place systems to guard against money laundering and the financing of terrorism.
h. Formulate rules regarding internal control over financial reporting and maintain a framework for valuation and reporting of internal controls over financial reporting, to ensure the appropriateness of the documents regarding our financial, accounting and other information.
i. Create a whistle-blowing rule for reporting violations or suspected violations of laws and regulations or internal rules, establish contact offices for whistle-blowing, inside and outside the company, and ensure that our Executive Officers and employees are thoroughly informed of it.
j. To ensure thorough customer-oriented business operations, we have in place systems to provide high-quality, customer-oriented financial services through, for example, the establishment of basic

policies, the formulation of promotion plans, and the conducting of training for executives and employees.

k. Establish our internal audit system by formulating rules regarding internal audits and others. Further, an Internal Audit Division, which is independent from the divisions that it audits, conducts effective internal audit regarding the appropriateness of general corporate activities including compliance with laws and regulations and reports the status of internal audit and the internal audit system to the Internal Control Committee, the Executive Committee and Audit Committee.

(2) System for Storing and Managing Information Relating to the Execution of the Duties of Our Executive Officers

We establish rules relating to document management that clarify the system and methods for storing and managing information relating to the execution of the duties of Executive Officers, such as minutes of the Executive Committee and circulated draft approvals. In addition, we allow the Audit Committee and Internal Audit Division to inspect or copy requested documents.

(3) Rules and System Related to the Risk Management of Losses

a. We manage risks by establishing risk management rules and by creating a risk management system.
b. We establish a department to supervise risk management and to understand, analyze and manage risks, as well as to review and revise our corrective actions and risk-handling methods. We also establish a Risk Management Committee, whose role is to discuss our operational and organizational risk management system and procedures and to report any important issues to the Executive Committee and Audit Committee.
c. We establish a crisis management system and countermeasures against crises, including internal rules for crisis management, so that we can take quick and appropriate action and corrective measures in the event that a risk that could seriously impact our business is actualized.

(4) System for Ensuring That the Duties of Executive Officers are Executed Effectively

a. We establish an Executive Committee, comprised of Executive Officers appointed by the President and Representative Executive Officer, that meets regularly and discusses matters to be resolved by the Board of Directors, matters to be resolved by the President and Representative Executive Officer or other matters deemed necessary by the President and Representative Executive Officer. Also, if necessary, a specialized subcommittee is established to act as an advisory body to the Executive Committee.
b. By establishing rules relating to organizational structure and professional duties, we clarify the division of duties, administrative authority and responsibilities of Executive Officers in order to increase the efficiency of the execution of their duties.

(5) System for Ensuring Appropriate Operations among the Japan Post Group

a. We have entered into the Japan Post Group agreement with Japan Post Holdings, Japan Post Co. and Japan Post Insurance, as well as the contract concerning the operation of the Japan Post Group and the memorandum of understanding on rules concerning the operation of the Japan Post Group with Japan Post Holdings, thereby we discuss in advance and report any matters necessary for appropriate and smooth operations.
b. We establish rules that govern the management of our subsidiaries, and create a system for correctly managing the business operations.
c. We establish internal rules that govern intragroup transactions, and engage in these transactions appropriately.

(6) Matters Regarding Employees that Support the Duties of the Audit Committee
We establish an Audit Committee Office, which supports the Audit Committee in performing its duties, and is staffed with employees with the requisite knowledge and skills to provide such support.

(7) Matters Regarding the Independence of Employees that Support the Duties of the Audit Committee from Our Executive Officers
The hiring, transferring, evaluating and disciplining of employees of the Audit Committee Office must first be approved by the Audit Committee or its member(s) appointed by the Audit Committee.

(8) Matters Regarding the Ensuring of Effective Instructions to the Employees that Support the Duties of the Audit Committee
When an employee of the Audit Committee Office is supporting the duties of the Audit Committee, he or she must work only at the direction or order of the Audit Committee.

(9) System of Reporting to the Audit Committee
a. Our Executive Officers report to the Audit Committee, on a regular basis, the status of the execution of our Executive Officers' duties.
b. Directors (excluding Directors who concurrently serve as the member of the Audit Committee), Executive Officers and employees must promptly report to the members of the Audit Committee any important matters that could have a material impact on the management of our business.
c. At the request of the Audit Committee, Executive Officers and employees, along with the Directors, Corporate Auditors and employees of subsidiaries, must report to it the status of the execution of their duties.
d. Anyone who reports to the Audit Committee cannot be treated unfavorably because of such reporting.

(10) Matters Regarding the Procedures Relating to the Pre-payment and Compensation of Costs that Arise during the Execution of the Audit Committee's Duties and Policies Related to Settlement of Other Costs and Liabilities that Arise during the Execution of these Duties
If a member of the Audit Committee requests payment for costs necessary to execute his or her duties, then such request cannot be denied unless it is found that such cost was not necessary.

(11) Other Steps to Ensure That the Audit Committee's Audit is Performed Effectively
a. The President and Representative Executive Officer makes an effort to deepen mutual understanding between him or her and the Audit Committee, by having regular informational sessions with the committee about matters important to management, such as basic management policies, issues to be addressed, the status of functions of the internal control system and other matters.
b. In formulating its internal audit plans, the Internal Audit Division obtains both the consent of the Audit Committee and the approval of the President and Representative Executive Officer. Regularly reporting the status and results of internal audits to the Audit Committee, the Internal Audit Division also promptly reports to the members of the Audit Committee any important matters that could have a material impact on the management of our business.
c. Changes to the Executive Officer in charge of the Internal Audit Division and the head of the Internal Audit Planning Department shall be made upon obtaining the consent of the Audit Committee or an Audit Committee member selected by the Audit Committee.
d. The Audit Committee receives an explanation from the independent auditor in advance of the financial audit plan and regularly receives status updates of the financial audits, as well as communicates with the independent auditor as necessary, so that they are aware of all important

issues regarding financial audit at all times.

e. When performing its duties, the Audit Committee strives to coordinate with the audit committee of Japan Post Holdings, such as through regularly exchanging opinions and ideas.

[Implementation of Systems to Ensure the Appropriate Conduct of Operations]

(1) System for Ensuring That the Execution of Duties by Executive Officers and Employees Complies with Laws and Regulations and Our Articles of Incorporation

a. Compliance system

Legal compliance is clearly stated in our management philosophy and management plans and basic rules on compliance are stipulated, in order to convey the importance of compliance, including customer protection structure, to employees through messages from the top management on a regular basis, as well as various trainings, etc.

On the other hand, we formulate the compliance program each fiscal year while holding the Compliance Committee to verify the progress and discuss tasks on the subject. In addition, the Internal Control Committee discusses the most important matters relating to internal controls, such as compliance with laws and regulations.

b. Reporting system for compliance violations, etc.

The duty of reporting along the Compliance Line in case of potential of actual violations of compliance is stipulated, as well as the accessibility of the whistle-blowing contact offices for such reporting, and we thoroughly convey the use of the contact offices through trainings and other measures.

c. System for responding to harassment

We have established a Harassment Investigation Committee chaired by an external attorney-at-law to deal with harassment cases in an objective, impartial and fair manner.

d. Measures for combating money laundering and the financing of terrorism

We have established policies and rules while taking into account the possibility that the products and services we provide will be used in money laundering and the financing of terrorism, and work to strengthen the management system by identifying and assessing the risks, reviewing the products and services, and strengthening customer management.

e. Responses to anti-social forces

With respect to anti-social forces, we regularly discuss among concerned departments and collaborate with external specialists, to cut any ties and prevent any interaction with any anti-social forces.

f. Customer-oriented business operations

We compile analyses of the causes and countermeasures based also on the opinions of the Board of Directors in response to cases of failure in getting pre-sales approvals in connection with the sale of investment trusts to elderly customers in proceeding with improvement efforts. In addition, in order to further promote customer-oriented efforts, we newly established a Service Improvement Committee as an advisory body of the Executive Committee in continuing efforts to improve our products and services.

(2) System for Storing and Managing Information Relating to the Execution of the Duties of Our Executive Officers

We established Documentation Management Rules, etc. to clarify the system and methods for the safekeeping, storing and management of documents, while verifying more than once a year the status of management of such documents.

(3) Rules and System Related to the Risk Management of Losses

We formulate Policies for Handling Risk Management each fiscal year, under which important matters related to risk management are discussed or reported at the Risk Management Committee, etc.

We have the independent Risk Management Division which establishes a system to examine the appropriateness of management plans, etc., from the standpoint of management sustainability.

We are committed to further enhancing our risk governance system and to establish a risk appetite

framework to achieve both stable profits and financial soundness through appropriate risk taking and risk control.
Furthermore, we formulate and implement an action plan to bolster our system for responding to cyber attacks and carry out cyber incident exercises.
While we review the Crisis Management Rules and Business Continuity Plan (BCP) as needed, we organize a training at least once a year in accordance with the Crisis Management Rules and Business Continuity Plan (BCP).

(4) System for Ensuring That the Duties of Executive Officers are Executed Effectively
We discuss issues such as matters to be resolved by the Board of Directors and scope of authority of the President and Representative Executive Officer at the Executive Committee held weekly, while organizing various specialized subcommittees as advisory bodies to the Executive Committee.
Rules relating to professional duties stipulate that Executive Officers shall supervise the execution of operation of which they are in charge, in accordance with the division of duties. Resolutions of the Board of Directors are required for any changes to the division of duties of Executive Officers that clarifies the responsibilities of Executive Officers.

(5) System for Ensuring Appropriate Operations among the Japan Post Group
We have entered into the Japan Post Group agreement based on which we discuss in advance and report any matters necessary for appropriate and smooth operations. Meanwhile, for management matters of subsidiaries and affiliates required to be approved by Japan Post Bank under the Rules for Managing the Business of Subsidiaries, including the formulation of business plans, convocation of General Meetings of Shareholders and resolutions for proposals, we give approval based on verification of the appropriateness of such matters.

(6) System for Ensuring That the Audit Committee's Audit is Performed Effectively
The Audit Committee receives monthly reports from Executive Officers on the status of business execution in order to ensure effective implementation of audits, while having regular informational sessions with the President and Representative Executive Officer, the Internal Audit Division and the Independent Auditor, respectively, on the matters such as basic management policies and the status of functions of the internal control system.
In addition, in order to enhance independence and objectivity of the Internal Audit Division, prior approval from the Audit Committee is obtained with regard to the medium-term and annual audit plan and important changes of Executive Officers and employees of the Internal Audit Division.
Furthermore, employees of the Audit Committee Office carry out operations by solely following the instructions from the Audit Committee, and expenses required for the duties for the Committee are duly provided for.

IX Matters Concerning Specified Wholly-Owned Subsidiaries
Not applicable.

X Matters Concerning Transactions with Parent Companies and Others
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, Corporate Planning Department and other departments, 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 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.

XI Matters Concerning Accounting Advisors

Not applicable.

XII 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.

In the Medium-Term Management Plan for the period from the fiscal year ended March 31, 2019 to the fiscal year ending March 31, 2021, we have the basic policy of aiming to pay a stable per-share dividend ensuring dividends of ¥50 per share through the end of the fiscal year ending March 31, 2021 and considering additional shareholder return, while taking into account developments on regulations, earnings growth and accumulation of retained earnings, etc.

Under our basic dividend policy, we declared dividends per share of ¥50 for the fiscal year ended March 31, 2020 (interim dividends of ¥25, dividend payout ratio of 68.5%).

NON-CONSOLIDATED FINANCIAL STATEMENTS

Non-Consolidated Balance Sheet (As of March 31, 2020)

(Millions of yen)

Account	Amount
Assets:	
Cash and due from banks	51,663,901
Cash	333,373
Due from banks	51,330,528
Call loans	1,040,000
Receivables under resale agreements	9,731,897
Receivables under securities borrowing transactions	112,491
Monetary claims bought	315,812
Trading account securities	31
Trading Japanese government bonds	31
Money held in trust	4,549,736
Securities	135,198,460
Japanese government bonds	53,636,113
Japanese local government bonds	5,986,349
Commercial paper	806,975
Japanese corporate bonds	9,108,252
Japanese stocks	3,255
Other securities	65,657,514
Loans	4,961,733
Loans on deeds	4,817,573
Overdrafts	144,159
Foreign exchanges	147,469
Due from foreign banks	147,469
Other assets	2,816,117
Domestic exchange settlement accounts - debit	24,721
Prepaid expenses	2,302
Accrued income	207,314
Initial margins for future transactions	147,125
Derivatives other than trading	331,589
Cash collateral paid for financial instruments	292,377
Other	1,810,685
Tangible fixed assets	193,752
Buildings	78,895
Land	67,250
Construction in progress	1,426
Other	46,179
Intangible fixed assets	47,114
Software	37,020
Other	10,094
Deferred tax assets	127,662
Reserve for possible loan losses	(1,031)
Total assets	210,905,152

(Millions of yen)

Account	Amount
Liabilities:	
Deposits	183,004,733
Transfer deposits	7,712,325
Ordinary deposits	78,425,052
Savings deposits	508,971
Time deposits	5,225,651
Special deposits	921,218
TEIGAKU deposits	90,073,256
Other deposits	138,256
Payables under repurchase agreements	14,855,624
Payables under securities lending transactions	2,219,384
Borrowed money	10,100
Borrowings	10,100
Foreign exchanges	511
Foreign bills payable	511
Other liabilities	1,596,945
Domestic exchange settlement accounts - credit	36,254
Income taxes payable	22,222
Accrued expenses	435,545
Unearned income	68
Variation margins for future transactions	403
Derivatives other than trading	873,531
Cash collateral received for financial instruments	21,237
Asset retirement obligations	172
Other	207,507
Reserve for bonuses	7,331
Reserve for employees' retirement benefits	141,628
Reserve for employee stock ownership plan trust	605
Reserve for management board benefit trust	311
Reserve for reimbursement of deposits	80,324
Total liabilities	201,917,500
Net assets:	
Capital stock	3,500,000
Capital surplus	4,296,285
Legal capital surplus	3,500,000
Other capital surplus	796,285
Retained earnings	2,563,307
Other retained earnings	2,563,307
Retained earnings brought forward	2,563,307
Treasury stock	(1,300,881)
Total shareholders' equity	9,058,711

(Millions of yen)

Account	Amount
Net unrealized gains (losses) on available-for-sale securities	256,880
Net deferred gains (losses) on hedges	(327,940)
Total valuation and translation adjustments	(71,060)
Total net assets	8,987,651
Total liabilities and net assets	210,905,152

Non-Consolidated Statement of Income (For the fiscal year ended March 31, 2020)

(Millions of yen)

Account	Amount	
Ordinary income		1,799,283
Interest income	1,318,014	
Interest on loans	11,113	
Interest and dividends on securities	1,279,986	
Interest on call loans	62	
Interest on receivables under resale agreements	(4,663)	
Interest on receivables under securities borrowing transactions	674	
Interest on deposits with banks	27,824	
Other interest income	3,016	
Fees and commissions	160,564	
Fees and commissions on domestic and foreign exchanges	82,352	
Other fees and commissions	78,212	
Other operating income	212,888	
Gains on foreign exchanges	202,139	
Gains on sales of bonds	10,748	
Other ordinary income	107,815	
Recoveries of written-off claims	23	
Gains on sales of stocks and other securities	23,131	
Gains on money held in trust	75,239	
Other	9,420	
Ordinary expenses		1,420,205
Interest expenses	346,634	
Interest on deposits	55,096	
Interest on payables under repurchase agreements	78,877	
Interest on payables under securities lending transactions	49,605	
Interest on commercial paper	614	
Interest on interest rate swaps	160,939	
Other interest expenses	1,500	
Fees and commissions	31,673	
Fees and commissions on domestic and foreign exchanges	4,789	
Other fees and commissions	26,884	
Other operating expenses	4,390	
Losses on sales of bonds	2,651	
Expenses on derivatives other than for trading or hedging	1,739	
General and administrative expenses	1,018,320	
Other ordinary expenses	19,186	
Provision for reserve for possible loan losses	116	
Losses on sales of stocks and other securities	11,295	
Losses on devaluation of stocks and other securities	290	
Losses on money held in trust	2,401	
Other	5,081	
Net ordinary income		379,077

(Millions of yen)

Account	Amount	
Extraordinary loss		450
Losses on sales and disposals of fixed assets	450	
Losses on impairment of fixed assets	0	
Income before income taxes		378,626
Income taxes: Current	101,266	
Income taxes: Deferred	4,315	
Total income taxes		105,581
Net income		273,044

Non-Consolidated Statement of Changes in Net Assets (For the fiscal year ended March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings
					Retained earnings brought forward
Balance at the beginning of the fiscal year	3,500,000	3,500,000	796,285	4,296,285	2,477,736
Changes during the fiscal year					
Cash dividends					(187,473)
Net income					273,044
Repurchase of treasury stock					
Disposal of treasury stock					
Net changes in items other than shareholders' equity					
Total changes during the fiscal year	—	—	—	—	85,571
Balance at the end of the fiscal year	3,500,000	3,500,000	796,285	4,296,285	2,563,307

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	(1,300,926)	8,973,095	2,440,064	(62,353)	2,377,710	11,350,806
Changes during the fiscal year						
Cash dividends		(187,473)				(187,473)
Net income		273,044				273,044
Repurchase of treasury stock	(358)	(358)				(358)
Disposal of treasury stock	404	404				404
Net changes in items other than shareholders' equity			(2,183,184)	(265,586)	(2,448,771)	(2,448,771)
Total changes during the fiscal year	45	85,616	(2,183,184)	(265,586)	(2,448,771)	(2,363,154)
Balance at the end of the fiscal year	(1,300,881)	9,058,711	256,880	(327,940)	(71,060)	8,987,651

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet (As of March 31, 2020)

(Millions of yen)

Account	Amount
Assets:	
Cash and due from banks	51,665,251
Call loans	1,040,000
Receivables under resale agreements	9,731,897
Receivables under securities borrowing transactions	112,491
Monetary claims bought	315,812
Trading account securities	31
Money held in trust	4,549,736
Securities	135,204,565
Loans	4,961,733
Foreign exchanges	147,469
Other assets	2,816,182
Tangible fixed assets	193,952
Buildings	79,008
Land	67,250
Construction in progress	1,427
Other	46,265
Intangible fixed assets	47,318
Software	37,215
Other	10,103
Deferred tax assets	125,468
Reserve for possible loan losses	(1,031)
Total assets	210,910,882

(Millions of yen)

Account	Amount
Liabilities:	
Deposits	183,001,984
Payables under repurchase agreements	14,855,624
Payables under securities lending transactions	2,219,384
Borrowed money	10,100
Foreign exchanges	511
Other liabilities	1,597,067
Reserve for bonuses	7,478
Liability for retirement benefits	134,232
Reserve for employee stock ownership plan trust	605
Reserve for management board benefit trust	311
Reserve for reimbursement of deposits	80,324
Total liabilities	201,907,626
Net assets:	
Capital stock	3,500,000
Capital surplus	4,296,285
Retained earnings	2,563,840
Treasury stock	(1,300,881)
Total shareholders' equity	9,059,245
Net unrealized gains (losses) on available-for-sale securities	256,874
Net deferred gains (losses) on hedges	(327,940)
Accumulated adjustments for retirement benefits	5,131
Total accumulated other comprehensive income	(65,935)
Non-controlling interests	9,945
Total net assets	9,003,256
Total liabilities and net assets	210,910,882

Consolidated Statement of Income (For the fiscal year ended March 31, 2020)

(Millions of yen)

Account	Amount	
Ordinary income		1,799,544
Interest income	1,317,832	
Interest on loans	11,113	
Interest and dividends on securities	1,279,804	
Interest on call loans	62	
Interest on receivables under resale agreements	(4,663)	
Interest on receivables under securities borrowing transactions	674	
Interest on deposits with banks	27,824	
Other interest income	3,016	
Fees and commissions	160,564	
Other operating income	212,888	
Other ordinary income	108,258	
Recoveries of written-off claims	23	
Other	108,235	
Ordinary expenses		1,420,406
Interest expenses	346,634	
Interest on deposits	55,096	
Interest on payables under repurchase agreements	78,877	
Interest on payables under securities lending transactions	49,605	
Interest on commercial paper	614	
Other interest expenses	162,439	
Fees and commissions	31,673	
Other operating expenses	4,390	
General and administrative expenses	1,019,570	
Other ordinary expenses	18,136	
Provision for reserve for possible loan losses	116	
Other	18,019	
Net ordinary income		379,137
Extraordinary income		48
Gains on negative goodwill	48	
Extraordinary loss		554
Losses on sales and disposals of fixed assets	532	
Losses on impairment of fixed assets	0	
Losses on step acquisitions	21	
Income before income taxes		378,631
Income taxes: Current	101,366	
Income taxes: Deferred	4,314	
Total income taxes		105,680
Net income		272,950
Net loss attributable to non-controlling interests		(485)
Net income attributable to owners of parent		273,435

Consolidated Statement of Changes in Net Assets (For the fiscal year ended March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	3,500,000	4,296,286	2,477,878	(1,300,926)	8,973,237
Changes during the fiscal year					
Cash dividends			(187,473)		(187,473)
Net income attributable to owners of parent			273,435		273,435
Repurchase of treasury stock				(358)	(358)
Disposal of treasury stock				404	404
Changes in equity of parent due to transactions with non-controlling shareholders		(0)			(0)
Net changes in items other than shareholders' equity					
Total changes during the fiscal year	—	(0)	85,962	45	86,007
Balance at the end of the fiscal year	3,500,000	4,296,285	2,563,840	(1,300,881)	9,059,245

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	2,440,024	(62,353)	6,488	2,384,159	4,968	11,362,365
Changes during the fiscal year						
Cash dividends						(187,473)
Net income attributable to owners of parent						273,435
Repurchase of treasury stock						(358)
Disposal of treasury stock						404
Changes in equity of parent due to transactions with non-controlling shareholders						(0)
Net changes in items other than shareholders' equity	(2,183,150)	(265,586)	(1,357)	(2,450,094)	4,977	(2,445,116)
Total changes during the fiscal year	(2,183,150)	(265,586)	(1,357)	(2,450,094)	4,977	(2,359,109)
Balance at the end of the fiscal year	256,874	(327,940)	5,131	(65,935)	9,945	9,003,256

[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

May 11, 2020

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

KPMG AZSA LLC
Tokyo Office, Japan
OZAWA Yoichi (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

KANNO Masako (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

OKADA Hideki (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and the related notes, and the supplementary schedules of JAPAN POST BANK Co., Ltd. ("the Company") as at March 31, 2020 and for the 14th fiscal year from April 1, 2019 to March 31, 2020 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the non-consolidated financial statements and the supplementary schedules referred to above 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.

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 including 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, related safeguards.

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

Our firm and its designated engagement partners do not have any interest in the Company which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Independent Auditor's Report

May 11, 2020

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

KPMG AZSA LLC
Tokyo Office, Japan
OZAWA Yoichi (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

KANNO Masako (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

OKADA Hideki (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of JAPAN POST BANK Co., Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2020 and for the consolidated fiscal year from April 1, 2019 to March 31, 2020 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above 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.

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 including 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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, related safeguards.

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

Our firm and its designated engagement partners do not have any interest in the Company and its subsidiaries which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Copy of the Audit Report by the Audit Committee

(TRANSLATION)

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 14th fiscal year from April 1, 2019 to March 31, 2020 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 systems), 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, 2020 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 Division, etc., 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 a subsidiary, the Audit Committee communicated and exchanged information with the Directors and the Audit & Supervisory Board Member of the subsidiary, and received reports concerning 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 on October 28, 2005) 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, 2020.

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.
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 12, 2020

Audit Committee of JAPAN POST BANK Co., Ltd.

Member of the Audit Committee	ARITA Tomoyoshi (seal)
Member of the Audit Committee	NOHARA Sawako (seal)
Member of the Audit Committee	MACHIDA Tetsu (seal)
Member of the Audit Committee	IKEDA Katsuaki (seal)
Member of the Audit Committee	NAKAZATO Ryoichi (seal)

(Note) Members of the Audit Committee, Mr. ARITA Tomoyoshi, Ms. NOHARA Sawako, Mr. MACHIDA Tetsu and Mr. IKEDA Katsuaki are Outside Directors as provided in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.

【Precautions when Attending the Meeting】

1. We request attendees to wear a face mask and spray your hands with sanitizers.
2. The Bank's staff may ask attendees who appear unwell to refrain from entering the venue.
3. The body temperature of attendees will be automatically checked at the reception.
   Attendees who appear to have a fever will be individually asked to check their temperature.

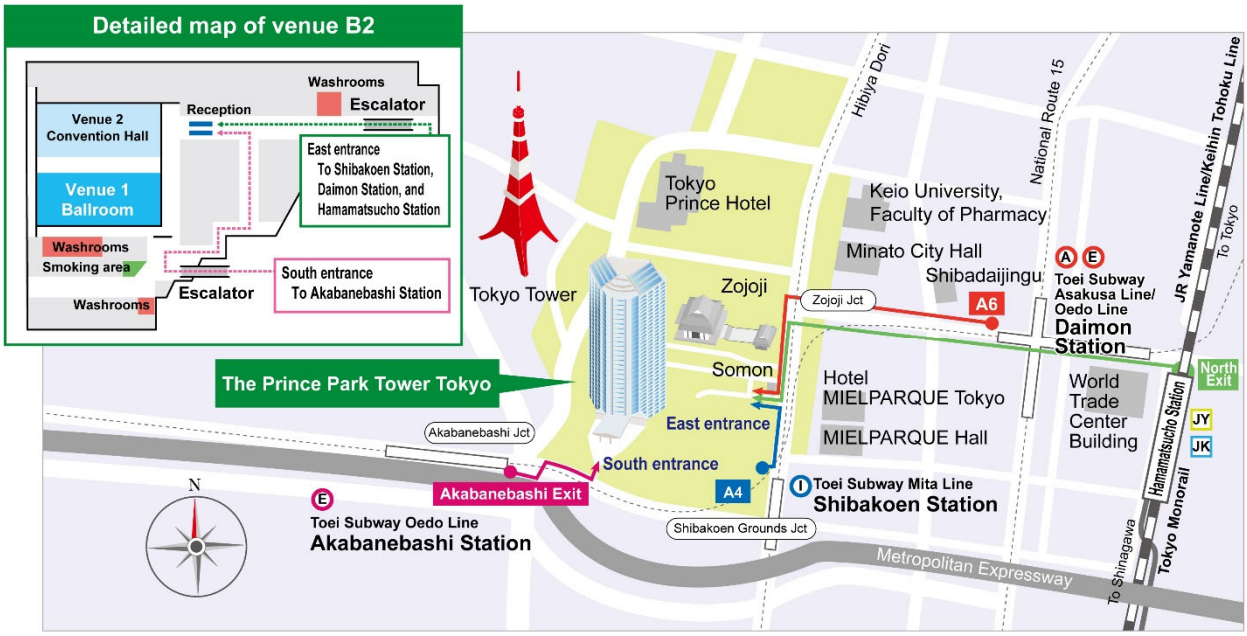
Information Map of the General Meeting of Shareholders

Venue

Ballroom B2 The Prince Park Tower Tokyo

8-1, Shibakoen 4-chome, Minato-ku, Tokyo, Japan

* Please be careful not to confuse the venue with the Tokyo Prince Hotel.



Transportation Guide

I Toei Subway Mita Line	Shibakoen Station	Exit A4	approx. 6-minute walk	Route
E Toei Subway Oedo Line	Akabanebashi Station	Akabanebashi Exit	approx. 8-minute walk	Route
A E Toei Subway Asakusa Line/Oedo Line	Daimon Station	Exit A6	approx. 13-minute walk	Route
JY JK JR Yamanote Line/Keihin Tohoku Line	Hamamatsucho Station	North Exit	approx. 15-minute walk	Route

No parking is available. Please use public transportation.

- Souvenirs will not be offered at this Ordinary General Meeting of Shareholders.
- For shareholders attending the meeting, please submit your Voting Right Exercise Form at the reception.
- Please bring this convocation notice to conserve paper resources.