

CSR Report 2020



2020 CSR Report

JAPAN POST BANK

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■ CSR Report Editorial Policy

JAPAN POST BANK issues this report for the purpose of communicating to its customers, shareholders, employees and other stakeholders, and also deepening their understanding of its ideas and activities relating to ESG (Environment Social Governance) and CSR (Corporate Social Responsibility). JAPAN POST BANK referenced the SDGs (Sustainable Development Goals) and GRI Standards when deciding the report content, and created the report while promoting understanding within the Bank.

- Period Covered: April 2019–March 2020 (Some parts include information from April 2020 onwards)
Organization Covered: In principle, JAPAN POST BANK
Referenced Guidelines:
 - GRI Sustainability Reporting Standards 2016
See the reference table posted on the website for the standards referenced by this report.
 - Environmental Reporting Guidelines 2018 published by the Ministry of the Environment of Japan

Unless explicitly stated otherwise, the values and percentages published in this report are current as of March 31, 2020.

GRI Standards Reference Table

(Japanese only) https://www.jp-bank.japanpost.jp/aboutus/csr/dtgd/abt_act_dtgd_gri.html

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.

“Expertise”

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

Top Message



■ To Our Stakeholders

Throughout the more than 140 years since the establishment of postal savings, the JAPAN POST BANK has been working alongside communities throughout Japan to create history and build trust in aiming for the development of both Japanese society and the nation's economy. Even after privatization, we have been fulfilling our mission under the management philosophy of "the most accessible and trustworthy bank in Japan," guided by the needs and expectations of our customers.

Despite this background, an internal rule violation was discovered in the investment trust sales business. We deeply apologize to our customers and all our stakeholders for the great inconvenience and concern this caused.

As measures to prevent a recurrence, we are working to strengthen the instilling of internal rules through training and other means, improving and upgrading our customer-oriented sales tools, strengthening our compliance and audit systems, and reviewing sales targets. In addition, to continuously implement customer-oriented service improvements, we established the Service Improvement Committee, made up of relevant officers, as a special committee directly under the Executive Committee, with myself as chairperson.

To work toward achieving appropriate governance for the JAPAN POST GROUP as a whole, we are collaborating with JAPAN POST HOLDINGS Co., Ltd. to devise ways to strengthen the Group's governance system. Taking responsibility, we the management team intend all the more to continue promoting and implementing customer-oriented business operations.

We will then once again return to the goal stated in our Medium-term Management Plan—to have more people say "JP Bank, of course"—and provide safe, convenient, and peace of mind products and services. We will humbly strive to restore everyone's trust in us, so please continue to support us.

Norito Ikeda

Director, President and Representative Executive Officer

Solving Social Issues while Building a Sustainable Society

Japan is currently confronting a variety of challenges, including a declining birthrate and an aging population, over-concentration of its population in the Tokyo Metropolitan Area, shrinking local economies, the promotion of household asset formation, climate change, diversity and work-style reform, to which can now be added the COVID-19 outbreak. If you regard the situation outside Japan, the United Nations adopted the Sustainable Development Goals (SDGs) in 2015. Rather than pursuing economic value alone, companies must now, more than ever before, be able to assist in resolving these social issues. For its part in helping to solve problems, the Bank set goals to be achieved in four SDG themes: Customers & Markets, Regional Communities, Environment, and Employees (Diversity Management). In addition to making this commitment to our stakeholders, we are working to instill these SDGs within the company so that all employees can reflect them in their business tasks. In April 2020, we established the ESG Team within the Corporate Planning Department to strengthen the system to support these activities.

The COVID-19 outbreak has served to highlight that companies are social entities that are closely related to people's daily lives and brought them close together once more. In cooperation with the JAPAN POST GROUP, we have introduced a raft of infection prevention measures and put in place internal systems to enable us to continue providing the services that customers need to maintain social functions, such as cash deposit/withdrawal and payment operations. Henceforward, we will work to prevent the spread of infection while striving to fulfill the social missions required of us as a part of the "New Lifestyle."



Customers & Markets



JAPAN POST BANK believes its social value lies in providing safe, secure, and convenient financial services rooted in local communities to all our customers.

We are currently digitalizing and optimizing our existing businesses and started providing Yucho Pay, the QR-code payment service accessible via smartphone as a high-quality customer-oriented financial services.

QR-code payments offer the benefits of low terminal installation costs and low commission burden on the part of the stores. The service can thus be easily introduced in small-scale stores in local areas.

We begin signing up retail stores where customers can use Yucho Pay. As of March 31, 2020, this service is available at approximately 100,000 stores including major convenience store, supermarket, and restaurant chains, and local stores. We believe that for JAPAN POST BANK, a bank with a network covering the whole country at which almost all Japanese citizens have accounts, providing such a service is of great social significance.

We will continue to help solve social issues by providing largest-scale platform that allows our customers to use our services in a safe, convenient, and peace of mind way.



Have more people say “JP Bank, of course”

Regional Communities



To contribute to regional communities, we must help revitalize regional economies with initiatives such as the flow of funds to communities.

We have continued to increase our participation in regional vitalization funds. As of March 31, 2020, we participate in 28 funds partnered with about 90 regional financial institutions.

We will continue to help regional communities further by considering, for example, financial support for companies all over Japan that are negatively impacted by the COVID-19 pandemic.

In addition, we are promoting sharing of ATMs and back-office work with the aim of building relationships that makes us grow with regional financial institutions.

ATM sharing allows depositors of our partner financial institutions to use our ATMs nationwide or in specific areas free of charge. Sharing back-office work streamlines our partners' operations and enables efficient use of equipment and personnel.

In this way, we will contribute to the local community by utilizing our facilities, networks and know-how as a social infrastructure.

Environment



With regard to the environment, financial institutions must actively work toward reducing the environmental impact of their business and that of society overall. In recognition of this, the Bank endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in April 2019. We are advancing the analysis and examination of the important elements defined by TCFD, namely governance, strategy, and risk management, as well as metrics and targets.

JAPAN POST BANK is one of Japan's largest asset owners with assets under management of approximately ¥200 trillion. Given the substantial influence we have from an investing perspective and the need to address social issues, we disclosed in 2019 our ESG investment policy of making investments that heed international agreements when advancing diversified international investments, and make investments in compliance with this policy.

Going forward, we will discuss ways to expand this policy from the perspective of fulfilling our obligations, and making a contribution toward addressing climate change as an institutional investor.

JAPAN POST BANK is working simultaneously as a team to provide services that will reduce environmental impact such as cutting paper use, promote paperless operations using IT systems, and reduce CO₂ emissions by raising awareness among our employees.

Employees (Diversity Management)



Guided by the awareness that people are the source of value creation, we are promoting a human resource strategy that prioritizes diversity and training of personnel responsible for the next generation.

We must provide a working environment that allows all employees to maximize their potential if we are to create new value and respond to changes in our operating environment such as advancing digitalization and diversifying customer needs.

JAPAN POST BANK has traditionally focused on providing a working environment where a diverse workforce can harness individual talents, including training “Yucho IkuBosses” (managers who support their teams' work-life balance while delivering results for their respective organizations and modeling success in their career and private lives), teleworking, and encouraging men to participate fully in parenting.



We provide an environment where employees can take advantage of various programs for each life stage to work with a sense of security and confidence, as reflected by the fact that the percentage of paid holiday usage and the percentage of male employees taking paid childcare leave are both over 90%.

To make this possible, we make ongoing efforts to foster a corporate culture that values diversity, helps employees maintain and improve their health, and fosters human rights awareness.

We will further strengthen programs to support career development through various training and e-learning. We will also offer flexible work styles including active use of teleworking in response to the COVID-19 pandemic and a more sophisticated performance assessment system that will improve employee motivation and productivity.

■ Governance System with External Perspectives

JAPAN POST BANK has established nomination, audit and compensation committees provided under Japan's Company Law. With eight outside directors and four internal directors, outside directors account for more than half of its 12-member Board of Directors, and we make swift and decisive decisions under the supervision of and backed by diverse experience, specialized skills, and objective perspectives of the outside directors.

In addition, concerning the Bank's top four risks*1 that were established last year—"money laundering and terrorist financing," "cyber attacks,"*2 "advancements in technology and diversification of customer needs," and "natural disasters"—the Board of Directors discusses future policies based on regular checks of the situation. Particularly with regard to natural disasters, we have prepared specific business continuity plans (BCPs) and conducted training exercises that have simulated different scenarios, such as earthquakes and

typhoons. Against this backdrop, a pandemic occurred due to COVID-19. On the basis of, for example, the Bank's BCP relating to new strains of influenza and the basic government policy for dealing with COVID-19, we are currently giving maximum priority to rolling out a rapid response to ensure the safety of our customers, business partners, and all employees, and are continuing our operations by making use of teleworking and other means.

In the years to come, we will work to further enhance discussion by additional clarification of the points at question and important issues so that the Board of Directors can demonstrate its supervisory function to the maximum extent.

*1 Risks that pose a particularly serious threat to management

*2 Cases in which a person or persons illegally attack a computer system or network with malicious intent, for example to steal or destroy data or execute malicious programs.

■ Creating Value to Share with All Stakeholders

Keenly aware of the importance of gaining the understanding of shareholders and investors, JAPAN POST BANK and the JAPAN POST GROUP provide as many opportunities as we can for dialogue and do our utmost to explain and discuss our management strategy and ESG policy until all shareholders and investors are satisfied.

What I remember best about the dialogue we have had with stakeholders is that everyone is expecting JAPAN POST BANK to play a greater role in society.

We are even more committed to helping solve social issues by harnessing our outstanding strengths, such as our nationwide financial networks, substantial funds under management, and huge number of accounts held.

We ask for your continued support and understanding.

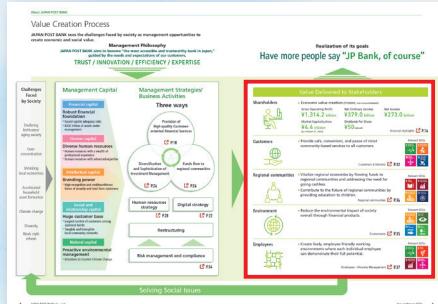
Norito Ikeda

Director, President and Representative Executive Officer

Contribution to Solve Social Issues

In this report, we discuss specific initiatives to solve social issues and the value that we provide with detailed information and abundant data. These initiatives provide value for stakeholders as part of our value creation process.

JAPAN POST BANK's Value Creation Process



From Annual Report 2020

Challenges Faced by Society	Materiality	Initiatives
Declining birthrates/aging society Over-concentration	Customers & Markets ⇒ P.10	<ul style="list-style-type: none"> Customer-oriented Business Operations Providing High-quality, Customer-oriented Financial Service Customer Protection Universal Services Response to Disasters and Accidents Digital strategies Establishing the Service Improvement Committee
Shrinking local economies	Regional Communities ⇒ P.16	<ul style="list-style-type: none"> Funds Flow to Regional Communities Financial education Promoting transactions with local governments Collaboration with regional financial institutions Providing capital support to companies affected by COVID-19
Accelerated household asset formation	Environment ⇒ P.20	<ul style="list-style-type: none"> Environmentally-friendly business Environmental Management Environmental Conservation Activities Initiatives that track the TCFD Recommendations
Climate change		
Diversity Work style reform	Employees (Diversity Management) ⇒ P.24	<ul style="list-style-type: none"> Promoting Women in the Workplace Work Style Reform Work-life Balance Management Career Formation Support Employee Awareness Reforms Hiring Diverse Personnel Initiatives on Health Management Raising Awareness and Conducting Education about Human Rights

Realization of Its Goals

Have more people say "JP Bank, of course"

Future Vision

- We continue to provide secure and convenient, community-based services to all our customers through our network of approximately 24,000 post offices nationwide.
- We aim to listen intently to the voices of our customers, use those voices as a guide in pursuing more convenient service, and provide customer-oriented "new convenience" and "peace of mind."

Relevant SDGs



- We will contribute to the development of the Japanese economy through the revitalization of local economies with new initiatives, such as the flow of funds to communities and mechanisms that meet the needs for cashless transactions.
- We will contribute to the future of regional communities by helping to raise children who have the basic skills to boldly make their own path forward, through education about money that utilizes our unique attributes as a financial institution.



- We will strive to reduce the environmental impact of our business and actively work to reduce the environmental impact of society overall through financial products.



- We will increase diversity in our corporate culture, and create lively, employee-friendly working environments where each individual employee can demonstrate their full potential, as a way to promote behavioral change among employees.



JAPAN POST BANK's ESG and CSR

JAPAN POST BANK operates all over Japan, with financial infrastructure comprising directly run branches, the nationwide JAPAN POST network, and ATMs. We are strongly aware that our activities help to solve social issues.

In the area of ESG and CSR, the Bank strives to realize its management principles through business activities. We promote ESG and CSR activities, believing that they help to ensure the sound and sustainable growth and development of our business and society as a whole.

As a Member of JAPAN POST GROUP

■ Japan Post Group CSR Basic Policy

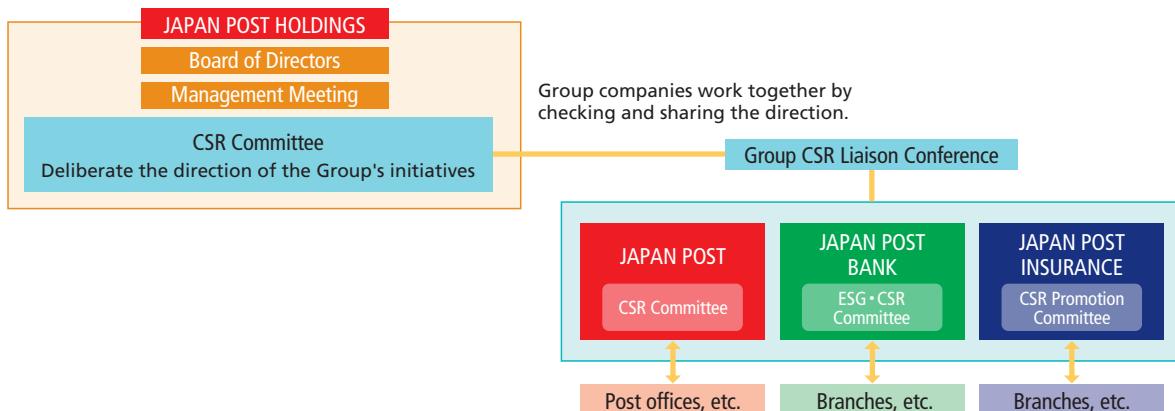
The JAPAN POST GROUP has identified CSR Priority Issues (Materiality) under the Japan Post Group CSR Basic Policy, which we address as a group in our business activities.

In compliance with the Japan Post Group CSR Basic Policy, we have established basic ESG and CSR rules that clearly state the positioning and definition of ESG and CSR.

[Web https://www.japanpost.jp/en/csr/policy.html](https://www.japanpost.jp/en/csr/policy.html)

■ JAPAN POST GROUP CSR Promotion Framework

As a JAPAN POST GROUP company, JAPAN POST BANK shares the Group's direction and status of initiatives through the Group CSR Liaison Conference and collaborates with Group members to promote ESG and CSR.



Introduction to ESG and CSR at JAPAN POST BANK

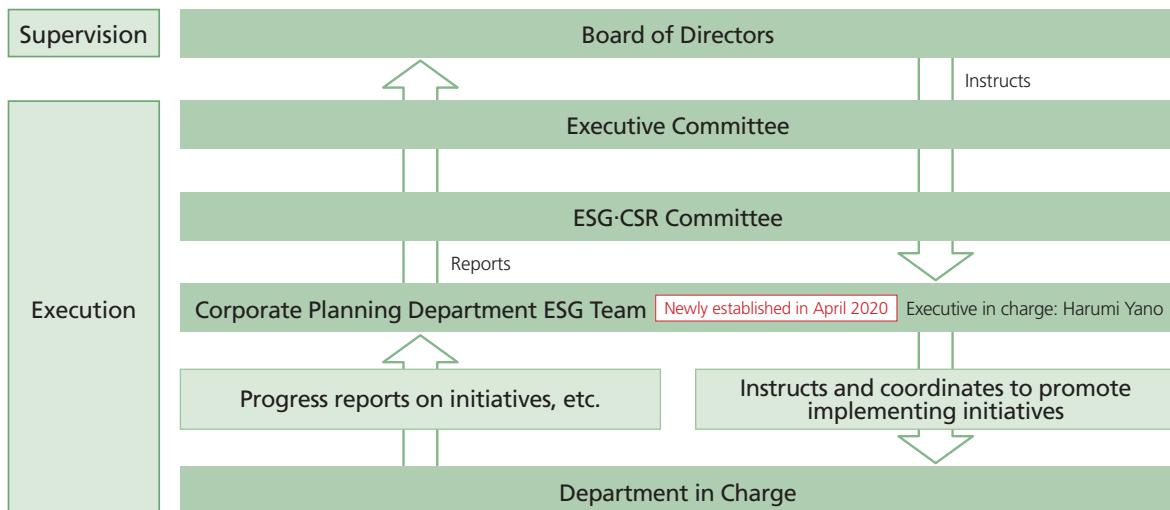
■ Concept

Have more people say “JP Bank, of course”

We aim to be “the most accessible and trustworthy bank in Japan,” guided by the needs and expectations of our customers, provide “new convenience” and “peace of mind,” and contribute to creating a sustainable society and future through our business activities, while securing sustainable growth as a company.

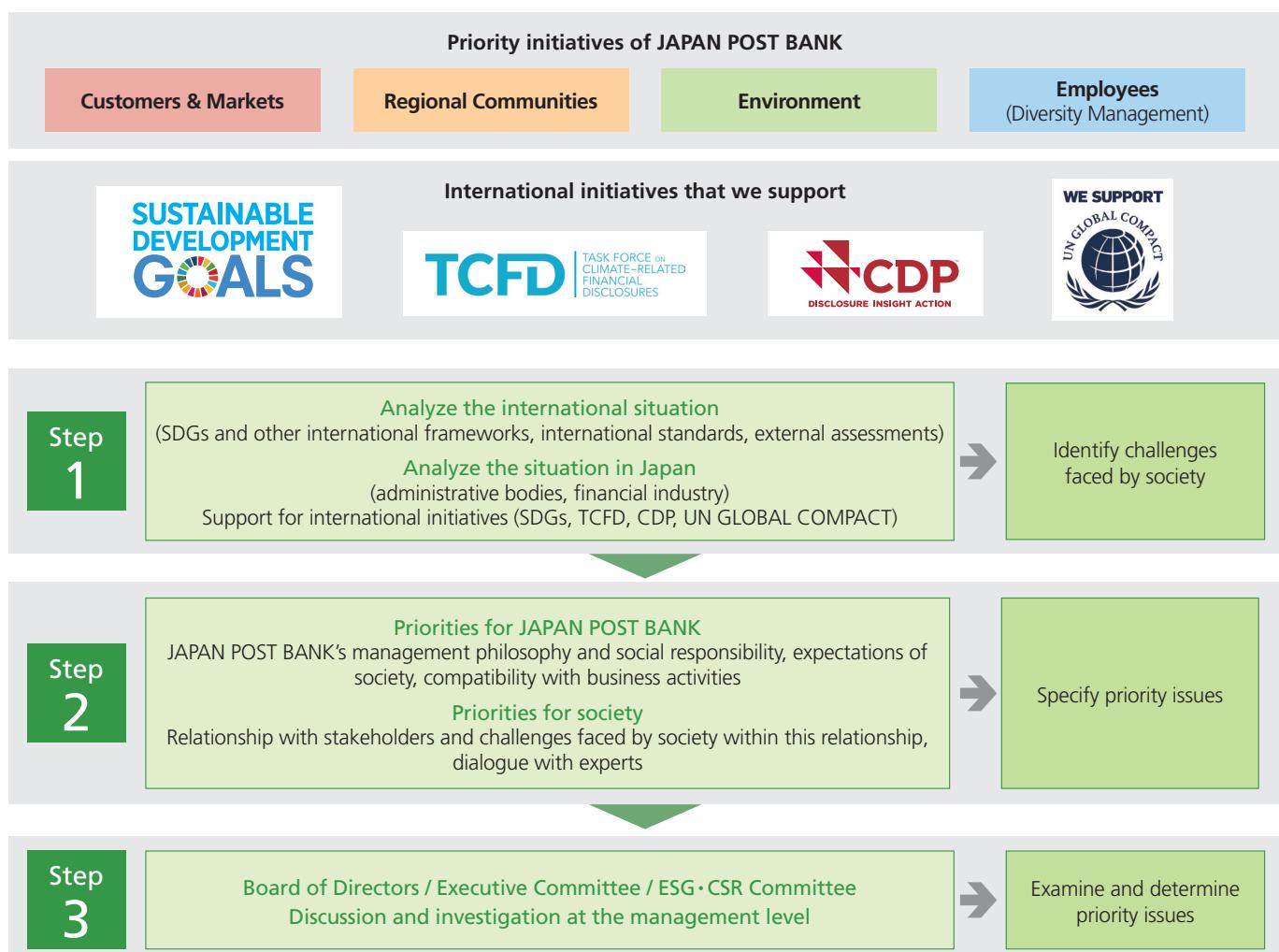
ESG and CSR Promotion Framework

JAPAN POST BANK took the following steps to enhance corporate value. In April 2020, we established the ESG Team within the Corporate Planning Department in order to advance ESG and CSR initiatives in unison with our management strategies, and we also reorganized the original CSR Committee as the ESG·CSR Committee. (under the Corporate Planning Department.)



Process for Deciding Priority Issues

JAPAN POST BANK supports international initiatives. We engage in these initiatives by specifying and addressing priority issues in consideration of trends in social issues, status of management resources at the Bank, and the expectations of our stakeholders.





Customers & Markets

JAPAN POST BANK considers the basis of all its business and the basis of its CSR to be providing secure and convenient, community-based services to all its customers through its network of approximately 24,000 post offices nationwide. We aim to listen intently to the voices of our customers, use those voices as a guide in pursuing more convenient service, and provide customer-oriented "new convenience" and "peace of mind."

1 Customer-oriented Business Operations

In addition to providing its long-used, traditional services, such as savings and fund transfers, and to respond positively to a wide range of customer needs through, for example, "asset formation support," JAPAN POST BANK adopted the Principles for Customer-oriented Business Conduct, which were published by the Financial Services Agency in March 2017, and officially announced its Basic Policy for Fiduciary Duties in June 2017. Moreover, we officially announced our Customer-oriented Business Operations Initiatives and the progress of these initiatives. (revised June 2020)

Basic Policy for Fiduciary Duties (announced on June 12, 2017)

- | | |
|--|--|
| 1 Establishing a corporate culture focusing on customer-oriented business operations | 4 Improving the system for managing conflict of interest |
| 2 Developing/providing high-quality, customer-oriented financial services | 5 Fostering human resources/performance evaluations |
| 3 Providing customer-oriented information and consulting services | 6 Status update |

Establishment of Service Improvement Committee

We have established a Service Improvement Committee with the aim of further promoting and practicing customer-oriented business operations by identifying issues related to all of our products and services and examining and implementing countermeasures. Utilizing customer feedback, such as the opinions and requests received from customers, and the suggestions, opinions and requests from employees that form employee feedback, the Service Improvement Committee will work to improve and enhance our products and services.

[Web](https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_basicpolicy_fd.html) https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_basicpolicy_fd.html

2 Providing High-quality, Customer-oriented Financial Service

JAPAN POST BANK strives to provide high-quality, customer-oriented financial service.

Customer-oriented Asset Building Support

Enhancing our product lineup

JAPAN POST BANK is working to enhance the lineup of its asset management products, so that customers can choose the right product according to their knowledge, experience, status of their property, and purpose for purchasing these products.

In November 2019, we updated the application method for investment trust accounts and tax-free savings accounts (NISA and Tsumitate NISA), allowing customers using Yucho Direct (JAPAN POST BANK's internet banking service) to apply online using PCs and smartphones.



Tsumitate NISA flyer

Financial seminars held

We hold a variety of seminars in JAPAN POST BANK branches to be able to respond to the diverse needs of our customers. In addition to providing information that helps customers to improve their financial and investment knowledge and their understanding of market trends, seminars are held in collaboration with other companies as well as in a format and at times that cater to customers who find it difficult to visit a branch on a weekday or during the day. Each of these seminars propose "life plans that match our customers' lifestyles" to our customers.

Additionally, from August 2019, customers have been able to make reservations for seminars and weekend/holiday group consultations on the website (1,847 sessions held at 233 branches in the fiscal year ended March 31, 2020).



Asset management seminar

Employee training

We are working to enhance our consulting services for customers by focusing our efforts on enhancing sales tools such as tablet devices and proposal materials, as well as the training and hiring of sales personnel.

■ Enhancing Services That Meet the Lifestyles and Needs of Our Customers

Enhancing settlement services

We are working to enhance our remittance and settlement services so that customers can use our services more securely, easily, and conveniently.

In order to improve convenience for our customers, we have collaborated with more companies on our immediate transfer service and interactive immediate transfer service*1, and are working with a total of 28 companies as of March 31, 2020.

Moreover, in aiming to encourage cashless payments we issue the mijica Visa debit card (with a prepaid option). In January 2019, we further improved the card's convenience by adding a debit charge option and enabling Visa contactless payments. In May 2019, we also launched Yucho Pay*2 smartphone payment app, thereby providing more convenient services that are closely tied to customer lifestyles.

*1 Our immediate transfer service allows customers to register their general account (only for individual customers who hold an ordinary deposit account and have their cash card issued) at JAPAN POST BANK in advance on the website of a recipient institution, so that they can make remittances between their general account and a recipient institution account immediately without inputting account information.

*2 Yucho Pay is a service that utilizes a special smartphone app to read a code and complete in-store payments. This app is directly linked to the user's account.



Expanding our ATM network

JAPAN POST BANK has a network of approximately 32,000 ATMs, and is working to further improve the convenience of these ATMs.

Since January 2017, we have subsequently installed compact ATMs in FamilyMart convenience stores and other facilities across Japan (5,251 ATMs as of March 31, 2020). In addition to customers who have a JAPAN POST BANK card, customers who have cards issued by nearly 1,400 collaborating financial institutions in Japan and financial institutions abroad can use these ATMs 24 hours per day, 365 days per year*.

Furthermore, from January 15, 2018, fees for using JAPAN POST BANK have been made free on E-net ATMs on weekdays during the day and for part of the day on Saturdays.

* These ATMs are not available from 11:55 p.m. to 12:05 a.m. the following day. Also, service starts from 7:00 a.m. every third Monday.



Housing loan agency services for Sony Bank and Shinsei Bank

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 at 41 branches directly managed by JAPAN

POST BANK. By leveraging the know-how and technology of both banks together with our nationwide network, we will deliver new value to our customers.

■ Harnessing ICT to Provide New Forms of Convenience

Enhanced web and smartphone services

We are expanding and enhancing web and smartphone services to provide new forms of convenience in our customers' daily lives in response to diversifying lifestyles and advances in ICT.

Yucho Direct is an internet banking service that allows customers to do banking anytime, including weekends and late at night, from their PCs and smartphones. Customers can use a wide range of services from checking account balances and transferring money to an account in Japan or overseas to investment trust transactions anytime, anywhere. In July 2019, we launched the Yucho Authentication App for identity verification when logging into accounts online and making money transfers.

We launched the Yucho Biz Direct (internet banking service for local governments and companies) in April 2019, and the Yucho Bankbook App for checking account balances and credit/debit transactions using smartphones in February 2020.

We also began providing the Yucho Pay smartphone settlement service in May 2019, which allows users to make a payment simply by scanning a QR-code. It is available at 100,000 stores around the country (as of March 31, 2020).

In March 2020, we began online applications for JP

BANK cards, offering all credit card management processes online from card applications to statement confirmation. In addition, we offer the mijica Smartphone App and the JAPAN POST BANK ATM Finder App.

We will continue to roll out services that provide new forms of convenience that customers can use in their everyday lives.



Cooperating on Fintech with other companies

JAPAN POST BANK is working to provide high-quality financial service to customers and contribute to revitalizing regional economies by actively incorporating financial innovation such as new technology and business ideas, while always making sure to maintain the safety and security of customers' financial transactions. Guided by these principles, we published our "Policy for Coordination and Collaboration with Settlement Agents for Electronic Settlement Systems" and established

a dedicated contact team so that we can actively partner and collaborate with other companies that hold various technologies and business ideas. We have received inquiries about connecting to our open API since it was completed and are currently in talks with some companies. We will continue to pay close attention to protecting customers while working to improve customer convenience and enhance our corporate value.

[\[Web\] \(Japanese only\) https://www.jp-bank.japanpost.jp/aboutus/activity/api/abt_act_api_index.html](https://www.jp-bank.japanpost.jp/aboutus/activity/api/abt_act_api_index.html)

3 Customer Protection

We have undertaken initiatives to protect customers so that they can use our services securely.

Providing customer-oriented information and consulting services

We offer products and services that we believe will serve our customers' interests according to their knowledge, needs, and investment experience. We also do our best to give customers a full explanation so that they understand the risks associated with our products and services before they enter into any transactions.

With asset management products in particular, we clearly state fees for each product and service and provide detailed explanations so that customers can make an informed decision when making investments and selecting products.

To prevent a recurrence of a violation of internal rules, which occurred in the sale of an investment trust to an elderly customer when the salesperson did not obtain manager's approval before solicitation, we focused on ensuring all salespeople understand the meaning of the rules, enhancing tools for selling financial products to customers, and strengthening internal management and audit structures.

As well, when there is a significant change in the investment environment such as the performance of financial markets and investment products, we strive to provide timely and detailed follow-up by offering customers useful information for making investment decisions.

We are also offering content and seminars that serve diverse customer needs, including improved financial and investment knowledge and better understanding of market trends.



Privacy protection measures

JAPAN POST BANK has established the following privacy policy and conducts business operations based on this policy. We recognize that protecting personal data, including specific personal information and numbers, is vital to offering services that can achieve a high degree of customer satisfaction.

[\[Web\] https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_privacypolicy.html](https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_privacypolicy.html)

Enhancing security of online banking transactions

Yuchō Direct services have various security features in place so that customers can securely use JAPAN POST BANK services over the Internet.

[\[Web\] \(Japanese only\) https://www.jp-bank.japanpost.jp/direct/pc/security/drsecurity/dr_pc_sc_ds_drsecurity.html](https://www.jp-bank.japanpost.jp/direct/pc/security/drsecurity/dr_pc_sc_ds_drsecurity.html)

Initiatives to prevent specific fraud cases including bank transfer scams

JAPAN POST BANK cooperates with the police and has taken various measures in order to protect our customers from bank transfer scams and other fraud.

- Strengthening screening when opening accounts, such as refusing to open accounts for people with a history of illegal account use.
- Receiving information from the National Police Agency on the "frozen account holder list" of names used for bank transfer scams and investment opportunity schemes in the past, in order to freeze accounts for parties with the same name as the information on the list and to refuse to open new accounts for the same persons on the list.
- Warning customers about fraud by distributing flyers and

displaying information on ATM screens.

- Explaining the situation to the customer when we receive a deposit or refund that is suspected of being a bank transfer scam and requesting the police to further explain the situation if necessary.
- Recommending that customers lower their own daily withdrawal limit on ATMs

Furthermore, based on the so-called Criminal Accounts Damage Recovery Act*, after dividing the remaining balance of accounts used for crimes to the amounts proportionate to the damages, these amounts are then paid to the victims.

* Act on Payment of Damage Recovery Benefits from Funds in Deposit Accounts Used for Crime, enacted June 2008.

4 Universal Services

JAPAN POST BANK is deeply engaged in training its personnel, as well as enhancing its facilities, products, and services, so that every customer can use our services securely.

■ Secure Facilities and Services

Visually impaired customers

To better serve visually impaired customers, we support Braille at ATMs and issue Braille cash cards, and offer a service that displays the customer's savings and content of various notifications in Braille.

ATM	ATM Telephone (Handset): Utilizing a handset keypad, a voice guidance system provides customers with operating instructions. Braille Guidance and Braille Displays: In addition to the use of Braille to indicate bankbook and cash card insertion slots as well as for operating buttons, ATMs are equipped with a small protruding Braille device which displays transaction amounts and other pertinent data. Earphone Jack: Our ATMs enable customers to use their personal earphones to receive detailed verbal instructions regarding transaction amounts and other pertinent data.
Bankbook & Deeds	Displays types of savings in Braille
Various Notifications	Braille support (notifications of matters concerning ordinary deposits, notifications of matters concerning TEIGAKU (fixed-amount) deposits and time deposits, notifications of various other information)
Cash Card	Issuing Braille cash cards
Other	Discounting money transfer fees at the counter (We offer discount service on money transfer fees for visually impaired customers transferring money from teller windows at branches. By presenting their physical disability certificates, these customers can transfer money from branch teller windows at the ATM rate, which is lower than the branch teller window rate.) Braille walkway blocks (Installed on paths that lead from the sidewalk to the ATM corner or inside the bank branch)



Update to ATM screens

In January 2017, the design*1 of the ATM screens was updated to incorporate Color Universal Design*2 concepts. This update has made it easier and more convenient for the majority of customers to use our ATMs.

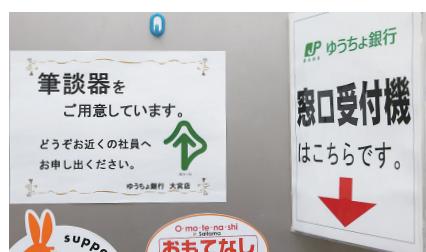
*1 Excludes information about hours of operation and fees.

*2 Color Universal Design uses a color scheme that a majority of people find easier to see, regardless of individual differences in color perception.



Hearing impaired customers

We have placed writing devices (displaying an ear mark) in branches and support hearing impaired customers with communication by writing.



Placement of writing devices
(displaying an ear mark)

Physically challenged customers and senior customers

We have placed cane holders and wheelchairs in JAPAN POST BANK branches as support tools for senior citizens and people who are physically challenged to use our services more comfortably. We have also prepared writing surfaces that can be used while seated.

We have also added ramps to eliminate steps and handrails to assist access at the entrances of our branches.



Foreign customers

Since January 2017, we have introduced compact ATMs with added functions including support for 16 different languages, and are now installing them in FamilyMart convenience stores and other facilities across Japan.

For customers seeking to open an account, we also offer a service via the JAPAN POST BANK website that enables them to prepare required application documents prior to visiting a teller window using their household personal computer or other such device. We make the service available in 16 different languages in order to provide access to non-Japanese speakers as well.

 https://jp-bank-kaisetsu.japanpost.jp/account_open/0010.php



Compact ATMs with added functions including support for 16 different languages

■ Personnel Training to Support Service

Initiatives for improving customer service skills

JAPAN POST BANK actively engages in the development of customer satisfaction (CS) promotion leaders and conducts seminars in a bid to enhance customer service. These initiatives are designed to improve the manner in which we respond to customers at frontline counters and to deliver a level of satisfaction that will ensure our continued use. At the same time, every effort is made to improve the Bank's response skills toward customers. Among a host of endeavors, we hold "No. 1 in Customer Satisfaction" customer interaction contest utilizing a role-playing format and call on outside professionals to periodically conduct surveys on our response skills.

JAPAN POST BANK also supports the cause of training "dementia supporters," which have been promoted based on the "Comprehensive Strategy for the Promotion of Dementia Measures (New Orange Plan)," and has trained employees as dementia supporters.



Scene from an All-Japan "No. 1 in Customer Satisfaction" Customer Interaction Contest

Dementia Supporter Training
Trained Employees

→ Approximately **15,600** (As of March 31, 2020)

■ Products That Support Our Customers

Retirement Pension Delivery Service / New Welfare Time Deposits

JAPAN POST BANK provides various products and services to support our customers, such as "Retirement Pension Delivery Service*1" "New Welfare Time Deposits*2" etc.

*1 Our staff home-delivers pension payments each payment month for people, such as the elderly living on their own, who have difficulty in coming to a JAPAN POST BANK branch or a post office to receive their payments.

*2 With this service, we offer one-year time deposit up to ¥3 million with preferential interest rates for recipients of certain pensions and allowances, such as the disability basic pension, the basic pension for surviving family, and child-rearing allowances, which are given to people with disabilities or surviving family members.

■ Improving Accessibility of the JAPAN POST BANK Website

With the goal of improving web accessibility, we have made the JAPAN POST BANK website compliant with Level A of Japanese Industrial Standards "Guidelines for older persons and persons with disabilities—Information and communications equipment, software and services—Part 3: Web content (JIS X8341- 3:2010)."

5 Response to Disasters and Accidents

JAPAN POST BANK takes measures to prepare for natural disasters, accidents and other emergencies.

In the event that there is an actual disaster, we also work to support the victims of the disaster.

BCP initiatives and response to COVID-19

JAPAN POST BANK has formulated a business continuity plan (BCP) to prepare for crises such as natural disasters, developed a crisis management system, and conducts crisis response training at least once a year.

To continue business operations amid the COVID-19 pandemic, we have implemented all possible measures to prevent the spread of COVID-19. These include reduced opening hours of branches with extended counter service, installing vinyl curtains, requesting customers to avoid visiting branches for nonurgent, nonessential transactions, and introducing staggered and alternating shifts for employees, putting the health and safety of customers and employees first in compliance with basic government policy.

The JAPAN POST GROUP also donated ¥100 million to the Japanese Red Cross Society to support the activities of medical workers and prevent the spread of COVID-19 amid the pandemic.

Disaster victim support

For people who have lost their savings account bankbooks, certificates or personal seals as a result of a natural disaster, we will allow them to withdraw funds up to ¥200,000 from their ordinary savings accounts, etc. Moreover, we offer a free money transfer service for disaster relief donations to the Japanese Red Cross Society, community chests, and local governments, among others, for the purpose of supporting victims.

■ Number of organizations receiving free money transfers for disaster relief donations (as of July 14, 2020)

• Disaster caused by heavy rains in July 2020	11
• COVID-19	7
• Shuri Castle fire	2
• Disaster caused by Typhoon No. 19 of 2019	12
• Power outage caused by Typhoon No. 15 of 2019	1
• Disaster caused by heavy rains in August 2019	4
• Disaster caused by the Hokkaido Eastern Iburi Earthquake in 2018	2
• Disaster caused by heavy rains in July 2018	21
• Disaster caused by heavy rains starting on July 5, 2017	3
• Disaster caused by earthquakes in the Kumamoto region of Kumamoto Prefecture in 2016	10
• Disaster caused by heavy rains from Typhoon No. 18 of 2013	1
• Great East Japan Earthquake (off the Pacific coast of Tohoku region in March 2011)	12
Total	86

Column The nationwide JAPAN POST BANK and post office branch network contributes significantly to receiving disaster relief donations

We offer free money transfers for disaster relief donations at JAPAN POST BANK and JAPAN POST branches around the country to help disaster victims. In the fiscal year ended March 31, 2020, JAPAN POST BANK and JAPAN POST received total disaster relief donations of ¥4.8 billion (198,000 donations).

6 Initiatives for Suppliers

In December 2018, we revised our Approach to Group Procurement and Purchasing Activities, and now request that our suppliers also take environmental and social issues into account to achieve the Ten Principles of the United Nations Global Compact*.

In July 2019, we formulated and announced the JAPAN POST GROUP CSR Procurement Guidelines.

* In May 2008, JAPAN POST GROUP became a signatory to the United Nations Global Compact. The Group supports the Ten Principles of the UN Global Compact regarding the four areas of human rights, labor, the environment, and anti-corruption and promotes CSR procurement activities.

[Web](https://www.japanpost.jp/en/csr/procurement/pdf/procurement_guideline.pdf) https://www.japanpost.jp/en/csr/procurement/pdf/procurement_guideline.pdf



Regional Communities

Relationships with local communities are vital to JAPAN POST BANK as a financial institution rooted in the community. We will carry on our tradition of working together with members of local communities while contributing to the development of the Japanese economy through revitalization of regional economies with new initiatives, such as the flow of funds to the regions and services that fulfill the need for cashless transactions.

Nurturing the next generation is a challenge shared by all regional communities. Various money troubles involving youth have emerged amid the spread of credit cards and e-money. JAPAN POST BANK believes that our responsibility as a financial institution is to help improve financial literacy as a step toward solving these problems. We will contribute to the future of regional communities by helping to raise children through financial literacy education programs that harness our expertise as a financial institution.

1 Vitalization of Regional Economies

■ Funds Flow to Regional Communities

Participating in regional vitalization funds

JAPAN POST BANK has decided to participate in the following funds, with the purpose of directing vital funding to customers in every part of Japan and further strengthening our collaboration with regional financial institutions to contribute to the development of regional economies. In addition, we will also consider providing capital support to companies across the country affected by the spread of COVID-19 in working to further contribute to regional economic vitalization.

(As of March 31, 2020)

Name of Fund
1. Kyushu Wide Area Reconstruction Assistance Investment LP
2. KFG Regional Enterprise Support Investment LP
3. Hokkaido Growth Companies Support Investment LP
4. Chubu / Hokuriku Region Vitalization Investment LP
5. Shiga Bank Core Business Support Investment LP
6. Toho Business Succession Investment LP
7. Kyushu Setouchi Potential Value Investment LP
8. MIYAKO Kyoto University Innovation LP
9. MBC Shisaku 1 LP
10. Michinoku Regional Vitalization Investment LP
11. Fukui Future Business Support Investment LP
12. Ehime Regional Vitalization Investment LP
13. Healthcare New Frontier Investment LP
14. Tokyo SME Support 2 LP

Name of Fund
15. Succession Investment LP, I
16. TOKYO Relationship No.1 Investment, L.P.
17. Kyoto-University-Venture NVCC No.2 Investment LP
18. Aomori Bank Regional Vitalization LP
19. Capitalization of Tourism Heritage Investment LP
20. Regional Next-generation Industry Accelerate Investment LP
21. Regional Companies Value Up Support Investment 1 LP
22. Growth Support Investment Project No.1 LLP
23. Ant Bridge No.5-A Private Equity Secondary Investment Fund, LP
24. Kiraboshi Capital-Mercuria Investment LP for the Investment Business
25. Akita City SME Promotion Investment LP
26. Towa Regional Activation Investment LP
27. Furusato Renkei Ouen Fund, L.P.
28. Wide Area Typhoon Reiwa 1 Recovery Support Investment LP

Alliances with regional financial institutions

In addition to having the Bank's ATM network used by customers of regional financial institutions free of usage fee charges, we are contributing to the development and growth of regional economies through cooperation and collaboration with regional financial institutions, for example by having commenced joint tax and public dues collection operations with Kawasaki Shinkin Bank.

Promotion of transactions with local governments

To contribute to the revitalization of regional economies, the funds entrusted by local customers are returned through the Bank's investment management operations in the form of local government bonds and local government loans.

Participation in 'SDGs for the Regional Revitalization Public-Private Partnership'

JAPAN POST BANK participates in 'SDGs for the Regional Revitalization Public-Private Partnership' led by the Cabinet Office (Office for Promotion of Regional Revitalization) of the Japanese government. We will further implement initiatives to achieve regional revitalization as well as SDGs by strengthening our partnership with diverse stakeholders.

■ Contributing to Regional Economies through Service

Measures to support management at SMEs

JAPAN POST BANK offers a variety of services to corporations and business owners, such as fund transfers, bill payments and internet banking (Yucho Biz Direct).

The support we offer to managers of small and medium-sized enterprises (SMEs) relates to improving the efficiency, facilitating the process, and reducing the cost of doing business, by focusing efforts on enhancing the quality of services that take advantage of our nationwide branch, post office and ATM network. Such services include convenient regular payments for receiving payments for goods or for collecting accounts receivable, electronic transfers, and the transfer of payroll to employees.

We do not provide management support through loans to SMEs.

Issuing the "mijica" Visa debit card (with prepaid option)

JAPAN POST BANK began issuing this debit card at some post office and JAPAN POST BANK branches in Sendai and Kumamoto in January 2017. In addition to accepting applications through the website, we now also accept applications at all JAPAN POST BANK and some post office branches.

We began issuing mijica cards featuring CHI-BA+KUN, the Chiba Prefecture mascot, in April 2018. We donate part of the total settlement amount to Chiba Prefecture's Anshin Kodomo Kikin (a children's fund).

In January 2019, we made the cards more convenient by adding a debit card function and enabled contactless payments for Visa.

We will continue to contribute toward regional economic revitalization and greater use of cashless payments through this service.



Chiba Prefecture version of mijica



The Chiba Prefecture version of mijica donates part of the total settlement amount to Chiba Prefecture's Anshin Kodomo Kikin (children's fund). A ceremony to present the donation was held in June 2019.

2 Fostering the Next Generation Human Resources

Financial education

JAPAN POST BANK has been conducting financial education classes and other visiting lessons at elementary and junior high schools since fiscal year 2014. Utilizing our proprietary teaching materials which are geared toward each grade level, we are helping children develop good financial sense by teaching them the importance of money and how to manage it.

[Web](https://www.jp-bank.japanpost.jp/aboutus/csr/action/community/abt_csr_act_cmt_edc.html) (Japanese only) https://www.jp-bank.japanpost.jp/aboutus/csr/action/community/abt_csr_act_cmt_edc.html



Visiting lessons

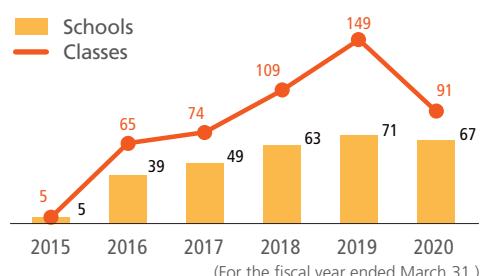
Method:

Visiting lessons/Seminars at branches/
Classes by instructors

Classes held:

91 classes at 67 schools

(in the fiscal year ended March 31, 2020)
Since the initiative started in 2014, we have run approximately 500 classes.



Original textbooks for each grade



Allowance book

Employee instructor tools



Materials

DVD

Textbooks are made according to the goals for each age group set forth in the "Courses of Study" and "Financial Education Program" specified by the Central Council for Financial Services Information.

- We cooperate with the Central Council for Financial Services Information and financial planners to innovate contents for children that are easy to understand and fun to learn.
- We also prepare materials and DVDs as a "Handbook for Curriculum by Grade" so that employees can teach in a way that is easy for children to understand.

Work experience / Workplace tours

JAPAN POST BANK welcomes students from local schools for work experiences and workplace tours. In work experiences, students take customer support manners training and learn about banking business, then greet customers and distribute flyers as employees of a financial institution in a real work environment.

(Content is arranged with each school.)

Piggy Bank Design Contest for children

The largest and most storied art contest in Japan

We hold the JAPAN POST BANK Piggy Bank Design Contest with the objectives of fostering elementary school children's artistic creativity and heightening their interest in savings by making piggy banks. The contest started in 1975 to commemorate the founding centennial of postal savings business in Japan, and the 44th annual contest was held in the fiscal year ended March 31, 2020.

[Web](https://www.jp-bank.japanpost.jp/aboutus/csr/action/community/abt_csr_act_cmt_concours.html) (Japanese only) https://www.jp-bank.japanpost.jp/aboutus/csr/action/community/abt_csr_act_cmt_concours.html

■ 44th contest in the fiscal year ended March 31, 2020



Applicant schools: 10,704

(more than 50% of all elementary schools in Japan)



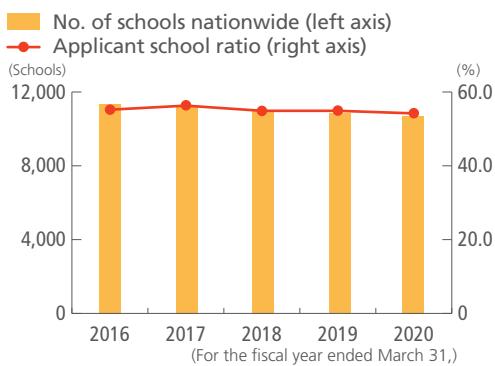
Participating students: 718,593

(more than 10% of all elementary school students in Japan)

Total participating students: Approx. 60 million

(from the fiscal years ended March 31, 1976 to March 31, 2020)

■ Applicant School Ratio



* The number of schools nationwide is taken from the "Basic School Survey" by the Ministry of Education, Culture, Sports, Science and Technology.



Exhibitions* (December 2019 to March 2020)

* We exhibited 240 prize winning piggy banks at 7 venues (in Tohoku, Kanto, Tokyo, Chubu, Kansai, Chugoku, and Kyushu). We also hold events such as "Piggy Bank-making Workshops" at each exhibition venue.



Screening and donation ceremony

The final screening took place on November 25, 2019 in Tokyo. Prizewinners were selected from 240 shortlisted in the first screening out of 718,593 pieces of artwork. We donated ¥10 for every entry (a total of ¥7,185,930) to the Japan Committee for UNICEF, Japan International Cooperation Agency (JICA), and Japanese Organization for International Cooperation in Family Planning (JOICFP). The donations will be used to help children struggling with poverty and disease in developing countries to improve their lives. We also donated 40,000 stationery items such as notebooks to JOICFP, which were delivered to children in Afghanistan.



Final screening (November 25, 2019)



Donation ceremony (November 25, 2019)



Children in Afghanistan holding notebooks donated by JAPAN POST BANK



Copyright: JOICFP

Award Winning Piggy Banks (44th contest in the fiscal year ended March 31, 2020)



3 Relationship with Regional Communities

Caring about towns all over Japan: Production of JAPAN POST BANK Machiomoi Calendar

Starting with the 2013 edition, we have published the JAPAN POST BANK Machiomoi Calendar. Its catchphrase is Machiomoi wa hitoomoi ("caring about a town is caring about its people"), which expresses our commitment to being a familiar, accessible financial institution rooted in the community.

The calendar makes everyone who sees it recall their hometown with a feeling of warmth and nostalgia.

The calendar is distributed at JAPAN POST BANK branches and JAPAN POST offices nationwide and sent to residential care homes for children.

[Web](https://www.jp-bank.japanpost.jp/aboutus/activity/calendar/abt_act_calendar.html) (Japanese only) https://www.jp-bank.japanpost.jp/aboutus/activity/calendar/abt_act_calendar.html



JAPAN POST BANK 2020 Machiomoi Calendar, which breaks Japan's 47 prefectures into four regions

Support for artists with disabilities

JAPAN POST BANK creates original clear document folders using works drawn by disabled artists with outstanding talent, and distributes these files at branches across the country.

Furthermore, with the purpose of providing a place to many artists to present their works, we introduced a total of 16 works by 4 artists with disabilities at KITTE in Tokyo on December 29 and 30, 2019.

[Web](https://www.jp-bank.japanpost.jp/aboutus/csr/action/community/abt_csr_act_cmt_clart.html) (Japanese only) https://www.jp-bank.japanpost.jp/aboutus/csr/action/community/abt_csr_act_cmt_clart.html



Exhibitions (December 29, 2019)

Original clear document folder
5th batch (Made in FY2019)
Work: Enjoy
Artist: Kei
(Belongs to Able Art Company)

Other activities

Participating in regional festivals	The JAPAN POST GROUP cooperates and participates in the Aomori Nebuta Festival, Yamagata Hanagasa Festival, and Awa Odori Dance Festival.
Sponsoring regional events	We support and cooperate with non-profit social and cultural activities conducted by organizations that serve the public interest, with the purpose of contributing to regional communities.
Sponsoring regional revitalization awards	We support and cooperate with the goal of honoring and assisting organizations that work to restore and vitalize regional communities.
Sponsoring the Tokyo Philharmonic Orchestra	We support and cooperate with various activities conducted by Japan's oldest orchestra that contribute to the creation of a rich society through the power of music, including children's education, international exchange, and disaster area support.
Accepting university interns	We accept university interns and offer project planning experiences.

Environment



Actions aimed at solving global environmental problems such as climate change, deforestation, and water pollution are the responsibility of every company in the world. JAPAN POST BANK strives to reduce the environmental impact of its business and actively works to reduce the environmental impact of society overall through financial products.

1 Supporting the TCFD Recommendations

Recognizing that responding to climate change, which has a major impact on the environment, society and business activities, is an important issue, JAPAN POST BANK along with JAPAN POST HOLDINGS Co., Ltd. and JAPAN POST INSURANCE Co., Ltd. announced their agreement with the TCFD Recommendations in April 2019.

With regard to environmental issues such as climate change, the Bank's viewpoint is to promote initiatives not only by endeavoring to act in ways that show consideration for the environment but also through its business activities. It was from that viewpoint that the Bank revised the JAPAN POST BANK Environmental Policy on the basis of the TCFD Recommendations in April 2019 and is working to make further enhancements to its activities.

[Web https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_environment.html](https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_environment.html)

Governance	<ul style="list-style-type: none"> In April 2020, we newly established the ESG Team within the Corporate Planning Department. We also put in place a system to promote ESG and CSR initiatives, including climate-related issues, in line with the management plans by reorganizing the existing CSR Committee into the ESG・CSR Committee (under the Corporate Planning Department). The Bank responded to the TCFD Recommendations by incorporating them into management plans following discussions at meetings of the Board of Directors and Executive Committee. In the years to come, we will regularly report progress to the Board of Directors and promote the recommendations appropriately. 			
Strategy	<ul style="list-style-type: none"> In combination with the formulation of management plans, we identified the risks and opportunities related to climate change as follows. To quantitatively ascertain the impact of climate change-related risks on the Bank's management portfolio, we will henceforward continue to consider scenario analysis methods, taking into account the characteristic feature that the majority of the Bank's investment portfolio is made up of market assets under management. 			
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 5px;">Physical Risks</td> <td style="padding: 5px;">Assumed as damage to the Bank's directly managed branches, ATMs and facilities/equipment due to natural disasters and an increase in the credit risk of investee companies, etc.</td> </tr> </table>	Physical Risks	Assumed as damage to the Bank's directly managed branches, ATMs and facilities/equipment due to natural disasters and an increase in the credit risk of investee companies, etc.	
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<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 5px;">Transition Risks</td> <td style="padding: 5px;">Assumed as risks that the securities holdings of the companies in which the Bank is investing, companies that are greatly affected by environmental regulations, will suffer a decline in value due to a tightening of regulations, etc.</td> </tr> </table>	Transition Risks	Assumed as risks that the securities holdings of the companies in which the Bank is investing, companies that are greatly affected by environmental regulations, will suffer a decline in value due to a tightening of regulations, etc.		
Transition Risks	Assumed as risks that the securities holdings of the companies in which the Bank is investing, companies that are greatly affected by environmental regulations, will suffer a decline in value due to a tightening of regulations, etc.			
Opportunities	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 5px;">Opportunities</td> <td style="padding: 5px;">It is assumed that there will be improvements in the capital markets and society's evaluations by appropriate measures and disclosures related to climate-related issues, and that financing opportunities for renewable energy businesses and green bond investment opportunities will increase.</td> </tr> </table>	Opportunities	It is assumed that there will be improvements in the capital markets and society's evaluations by appropriate measures and disclosures related to climate-related issues, and that financing opportunities for renewable energy businesses and green bond investment opportunities will increase.	
Opportunities	It is assumed that there will be improvements in the capital markets and society's evaluations by appropriate measures and disclosures related to climate-related issues, and that financing opportunities for renewable energy businesses and green bond investment opportunities will increase.			
Risk Management	<p>The Bank formulated its ESG Investment Policy in April 2019. Based on the policy, we are investing after taking into consideration a variety of international agreements on environmental issues. In the years to come, we will consider enhancing this policy from the perspective of fulfilling and contributing to climate change obligations as an institutional investor.</p>			
Metrics and Targets	<p>Target : Reduction of CO₂ emissions Metric : Energy usage per unit of output 25% decrease in FY2021/3 compared with FY2010/3</p> <div style="text-align: center; margin-top: 10px;"> <table border="1" style="margin: auto; border-collapse: collapse;"> <tr> <td style="text-align: center; padding: 5px; background-color: #f08080;">FY2017/3 Performance compared with FY2010/3 21.2% decrease</td> <td style="text-align: center; padding: 5px; background-color: #ffd700;">FY2018/3 Performance compared with FY2010/3 22.5% decrease</td> <td style="text-align: center; padding: 5px; background-color: #90EE90;">FY2019/3 Performance compared with FY2010/3 23.6% decrease</td> </tr> </table> </div>	FY2017/3 Performance compared with FY2010/3 21.2% decrease	FY2018/3 Performance compared with FY2010/3 22.5% decrease	FY2019/3 Performance compared with FY2010/3 23.6% decrease
FY2017/3 Performance compared with FY2010/3 21.2% decrease	FY2018/3 Performance compared with FY2010/3 22.5% decrease	FY2019/3 Performance compared with FY2010/3 23.6% decrease		

JAPAN POST BANK's ESG investment

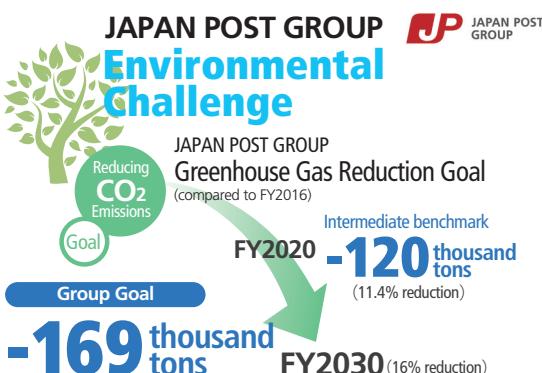
In keeping with our ESG Investment Policy, we invest in green bonds issued by companies around the world. These funds are used for green projects that assist in solving environmental problems, including global warming. While enhancing return on assets under appropriate risk management, we will contribute to forming a sustainable society through investment in green bonds.

[Web https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_esg.html](https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_esg.html)

2 Initiatives Aimed at Reducing Environmental Impact

JAPAN POST BANK strives to reduce the environmental impact of its business activities.

Greenhouse gas reduction targets (JAPAN POST GROUP)



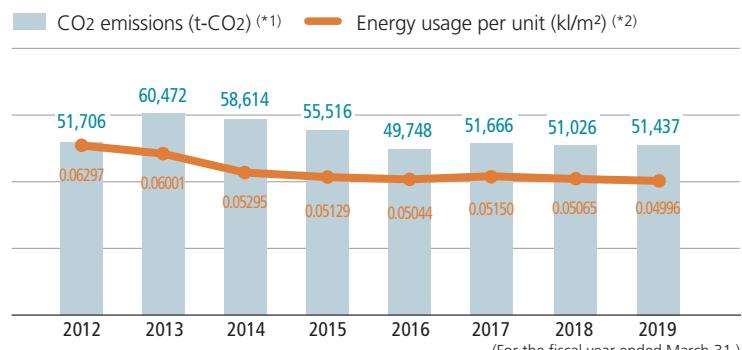
[Web] <https://www.japanpost.jp/en/csr/environmental-management/>

Endorsing COOL CHOICE



COOL CHOICE is a national movement being promoted by the Japanese government to encourage wise choices that contribute to global warming measures, such as using services and switching to lifestyles that help create a carbon-free society. The goal of this movement is to reduce greenhouse gas emissions 26% by fiscal year ending March 2031 from fiscal year ended March 2014 levels. JAPAN POST BANK endorses COOL CHOICE.

CO₂ emissions and energy usage per unit of output (JAPAN POST BANK, non-consolidated)

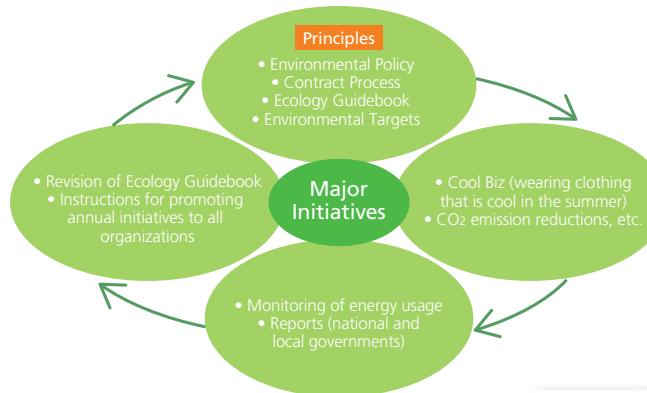


(*)1 This applies to facilities.

(*)2 Energy usage per unit is the total crude oil equivalent of energy used divided by the total floor area utilized by JAPAN POST BANK.

[Web] https://www.jp-bank.japanpost.jp/en/aboutus/activity/csr/data/en_abt_act_csr_dt_index.html

Environmental management system



Third-party assessment

The Bank received third-party verification under ISO 14064-3 for its greenhouse gas emissions in the fiscal year ended March 31, 2019.

[Web] https://www.jp-bank.japanpost.jp/en/aboutus/activity/csr/data/en_abt_act_csr_dt_index.html

3 Environmental Consideration in Procurement

In our contract processes, we declare "Consideration for the environment: We shall conduct procurement activities with consideration for conservation of the global and regional environment and effective use of resources," and conduct environment-friendly procurement such as purchase of "eco-friendly" vehicles as provided by law.

In December 2018, we reviewed the JAPAN POST GROUP's approach to procurement activities (procurement policy). In addition to showing that the JAPAN POST GROUP supports the 10 principles in the four fields (human rights, labor, environment and anti-corruption) defined in the UN Global Compact, we ask our business partners for their cooperation.

Ex: We use vegetable oil ink* to print integrated reports (disclosure report) and environmental information magazines.

* Ink made using vegetable oils, such as soybean oil and palm oil, and oil recycled from discarded cooking oil.

[Web] https://www.japanpost.jp/en/csr/procurement/pdf/procurement_guideline.pdf

4 Environmentally-friendly Business

JAPAN POST BANK continues to reduce paper usage in business operations by providing more convenient services to our customers.

Yucho Direct+ (plus) non-passbook general account



With no issuing of a passbook, this service enables customers to use their cash cards for cash deposit and withdrawal enquiries, while current balances are obtained via Yucho Direct. Instead of issuing passbooks, details of deposits and withdrawals can be confirmed for up to a maximum period of 15 months. Since the paper used for both conventional passbooks and for the various notifications sent to customers is unnecessary, this leads to a reduction in paper usage.

[Web](https://www.jp-bank.japanpost.jp/direct/pc/plus/dr_pc_pl_index.html) (Japanese only) https://www.jp-bank.japanpost.jp/direct/pc/plus/dr_pc_pl_index.html

Online service for viewing transfer receipt/payment notifications

This is a service that enables customers to check transfer receipt/payment notifications and payment handling slips from 9:00 a.m. the day after the account update on an office or home computer or smartphone. The feedback we have received from customers has included comments like "Being able to confirm transfer receipt/payment notifications via the internet is convenient" and "No longer needing to store hard copies of transfer receipt/payment notifications has made life easier." Since transactions are confirmed via an online screen instead of informing customers in writing, this is also leading to a reduction in paper usage.

[Web](https://www.jp-bank.japanpost.jp/hojin/speedy/hj_spd_web.html) (Japanese only) https://www.jp-bank.japanpost.jp/hojin/speedy/hj_spd_web.html



Promoting paperless business operations

We are developing new services that harness ICT to reduce paper usage. We are also working on cutting paper usage and waste from various angles, such as sending documents and other communications to customers in electronic form.

Internally, we are working to reduce paper from multiple perspectives by reducing paper usage and improving service through sales using tablets, eliminating paper from internal meetings, introducing a paperless, electronic decision-making system and conducting seminars through e-learning. All copy paper that we use internally is recycled paper.

Column Donation to environmental conservation organizations (Yucho Eco-Communication)

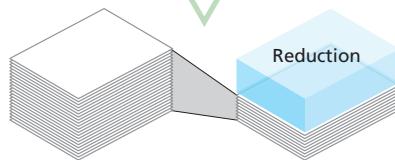
We have reduced paper usage by the increased adoption of Yucho Direct+ and online service for viewing money transfer receipts and payment notifications, which are convenient services that save paper. We donate part of the cost saved by reduced paper usage to organizations nationwide (registered NPOs) that work with local residents on environmental conservation under the Yucho Eco-Communication program. The donations started in the fiscal year ended March 31, 2018. To date, we have donated a total of ¥13 million to 26 organizations since then.

JAPAN POST BANK will continue to contribute toward training human resources who will drive sustainable development and environmental conservation of local communities.



Initiatives to reduce paper usage to help conserve the global environment

- Paperless meetings and electronic decision-making system
- Sales activities using tablets
- Introducing smartphone apps



Helping to foster the next generation of regional environmental conservation workers

Donate part of costs saved



Hirata Satoyama no Kai (Sakata City, Yamagata Prefecture) "Maintenance of Yuyunomori Forest"



Shizen Saisei Center (Matsue City, Shimane Prefecture) "Seaweed harvesting in Nakaumi Lake"

[Web](https://www.jp-bank.japanpost.jp/aboutus/csr/abt_act_csr_kankyoukihu.html) (Japanese only) https://www.jp-bank.japanpost.jp/aboutus/csr/abt_act_csr_kankyoukihu.html

5 Environmental Conservation Activities

Contributing to developing countries and regional environmental conservation

JAPAN POST BANK donates savings collected on behalf of our customers through JAPAN POST BANK Deposits for International Aid and in exchange for JP BANK Card loyalty points to the Japan International Cooperation Agency (JICA). The donations are used to help improve lives in developing countries and regions and in environmental conservation projects through the JICA Donation Fund for the People of the World.

**Donations to JICA
¥40.62 million**

(Total donated between start date of initiative and March 31, 2020)

[Web \(Japanese only\) https://www.jp-bank.japanpost.jp/aboutus/activity/fukusi/abt_act_fk_volunteer.html](https://www.jp-bank.japanpost.jp/aboutus/activity/fukusi/abt_act_fk_volunteer.html)

■ Environmental Education

External initiatives

In the fiscal year ended March 31, 2018, we published the environmental information magazine "Let's Try Ecosavings to Protect Our Future World," with the hope of having both children and adults alike enjoy thinking and acting on environmental issues in their daily lives. When publishing this environmental information magazine, we implement procurement in a way that considers the environment, for example by using timber from forest thinning*1, purchasing Green Power Certificates*2, and printing using vegetable oil inks.

in addition, the environmental information magazine is posted on the JAPAN POST BANK website.

*1 Timber produced during forest thinning, an approach to reducing concentrations of standing trees that form as forests grow.

*2 Tradable certificates that represent the environmental added-value of power obtained from natural energy. Purchasers contribute to the spread of natural energy by an equivalent degree to the amount of power listed on the certificate and are deemed to have used green power.

[Web \(Japanese only\) https://www.jp-bank.japanpost.jp/aboutus/csr/action/environment/abt_csr_act_env_edc.html](https://www.jp-bank.japanpost.jp/aboutus/csr/action/environment/abt_csr_act_env_edc.html)



Internal Initiatives

We have produced an Ecology Guidebook as a tool for employee instruction to raise employee awareness. We also hold regular employee training sessions and promote energy-saving initiatives through our business.

Reducing Scope 1 and 2 Emissions (CO ₂ emissions in the Bank's business)	Scope 3 (CO ₂ emissions by other companies related to the Bank's business)
<ul style="list-style-type: none"> Ensuring fuel-efficient driving Installing LED lighting More energy-efficient ATMs (increased use of small ATMs, etc.) Use of solar power generation systems at data centers "Cool Biz" (cooler dress code for summer) 	<ul style="list-style-type: none"> Reducing business travel by utilizing video conferencing systems Initiatives to reduce water consumption Initiatives to reduce waste Shipping a portion of documents to a pulping facility for recycling Investing in green bonds Recommending sustainable procurement

■ Environmental Conservation Activities within the Group

JP SATOYAMA Communication

In collaboration with the NPO Donguri-no-kai (Acorn Association), in October 2018 the JAPAN POST GROUP began improvement activities at Shimizuiri Ryokuchi (greenway) Park, located in Hachioji City, Tokyo, under the name JP SATOYAMA Communication.

[Web \(Japanese only\) https://www.japanpost.jp/csr/satoyama/](https://www.japanpost.jp/csr/satoyama/)

JP Children's Forest Building Movement

Since 2008, the JAPAN POST GROUP has endorsed the hands-on forest building program offered by the NPO Kodomo-no-morizukuri Suishin Network (Children's Forest Building Promotion Network), and has supported hands-on forest building activities among children attending day care centers, kindergartens, and child centers throughout Japan under the name JP Children's Forest Building Movement.

Since 2012, we have engaged in the Tohoku Recovery Green Wave, which embodies our hope for recovery of greenery damaged during the Great East Japan Earthquake.

[Web https://www.japanpost.jp/en/csr/kids/](https://www.japanpost.jp/en/csr/kids/)

Exhibiting at environmental events

The JAPAN POST GROUP participated in the SDGs EXPO as part of EcoPro 2019, held at Tokyo Big Sight in December 2019, where we introduced the initiatives of each Group company aimed at achieving the SDGs.

Employees (Diversity Management)



JAPAN POST BANK sees its employees, the driving force for customer-oriented business operations and sustainable growth, first and foremost as important stakeholders. We will increase diversity in our corporate culture, and create lively, employee-friendly working environments where each individual employee can demonstrate their full potential, as a way to promote behavioral change among employees.



1 Fostering an Inclusive Corporate Culture

JAPAN POST BANK is working to change the mindset of everyone at the Bank to realize a working environment where personnel from diverse backgrounds can better understand each other and work together. We have taken various educational measures so that executives and management employees can take the lead in building better human relationships within the workplace.

Diversity and inclusion system

JAPAN POST BANK has established the Diversity and Inclusion Department and is working to enhance the promotion of diversity management. Furthermore, in order to make sure that it takes root in the Bank, we have established the JAPAN POST BANK Diversity Committee, with representatives from 13 regions of Japan as members and the President and Representative Executive Officer at the top, and also established a Diversity Committee at our headquarters in FY2019. This committee examines policies and measures related to promoting diversity management, and offers advice according to our challenges and circumstances.

Nurturing and empowering IkuBosses

We believe IkuBosses* to be essential to achieving a workplace where each and every employee can work comfortably and enjoy their experiences, and so have worked to promote our own "Yucho IkuBoss" program. In the fiscal year ended March 31, 2020, leaders of each organization in the Bank, including the President and Representative Executive Officer made a "Yucho IkuBoss Declaration." During the fiscal year ended March 31, 2020, we strengthened efforts to nurture IkuBosses by expanding eligibility for the "IkuBoss" program to all managers, making "Yucho IkuBoss Declarations," holding "Diversity (IkuBoss) Training," and offering the "Yucho IkuBoss Certification test."

* An IkuBoss (or "New-era" Boss) is a manager/an executive who (a) considers his/her staff's work-life balance and supports their career, (b) achieves his/her organization's business targets, and (c) enjoys his/her own life outside of work.

Holding the JAPAN POST BANK Diversity Forum

We are also holding the JAPAN POST BANK Diversity Forum in order to foster awareness of diversity and to create a comprehensive mindset focused on the future. About 150 employees of varying age, gender, and occupation participated in the forum in the fiscal year ended March 31, 2020. At the forum, members of the JAPAN POST BANK Diversity Committee reported their activities to top management, and formulated action plans for promoting diversity management in the next fiscal year, through group work.

Setting up Diversity and Inclusion Month

We set up a Diversity and Inclusion Month to recognize the diversity of our employees and spark change in awareness and behavior through an intensive diversity program. In the fiscal year ended March 31, 2020, we held study sessions using information magazines, and distributed LGBT-related educational tools (Rainbow Ally stickers) and a dialogue tool to encourage employees to take paid parental leave (Yucho Papa Mama Support Card) to help employees reflect a change in awareness resulting from the previous year's program in their behavior.



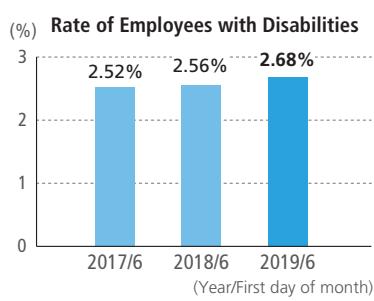
JAPAN POST BANK Diversity Forum

2 Hiring Diverse Personnel

JAPAN POST BANK actively hires and provides employment to personnel from diverse backgrounds, so as to sustainably respond to the diverse needs of our customers and society.

Employing people with disabilities

JAPAN POST BANK actively employs people who have disabilities, and employees with disabilities are active in our organizations all across Japan.



JAPAN POST GROUP Target

2.5%

Statutory Employment Rate

2.2%

In 2010, JAPAN POST BANK established and started operating the JAPAN POST BANK ARIGATO Center as a part of efforts to provide people with disabilities who are seeking employment with the opportunity to work. At this center, employees with disabilities bag candy, which is handed to customers visiting branches as a way to express customer appreciation. In the fiscal year ended March 31, 2017, we began employing visually impaired in-house massage therapists (Massage Rooms) at some operation support centers.



General view of the ARIGATO Center operation

Employing senior citizens and continuing employment of employees after the age of retirement

We employ workers who wish to continue their employment from among employees who have reached the age of retirement. (Maximum employment agreement period: Until the end of the fiscal year in which the employee reaches 65 years of age.)

3 Supporting Career Development

JAPAN POST BANK promotes career development by providing opportunities to pick up on and learn about the attributes necessary for employees to envision how they would like to grow in the future and map out a plan to reach that point for themselves.

■ Training system diagram



Mentoring program*

We offer wide-ranging follow-up support for employees, with expectations for future growth.

* The mentoring program is a method of developing human resources that supports the growth of employees with dialogue and advice from senior employees (mentoring).

Developing human resources on a global basis (overseas assignments, etc.)

To develop human resources who have a global perspective and human resources who have advanced expert knowledge of finance, management, and law, we dispatch employees to companies overseas and conduct programs of studying in Japan and abroad.

■ Number of position-based training participants and number of training hours (For the fiscal year ended March 31, 2020)

Total of **2,399** participants and **66,508** hours

* In addition to the aforementioned, we have also established a training framework that effectively facilitates training in the form of e-learning.

Providing an environment for self-development

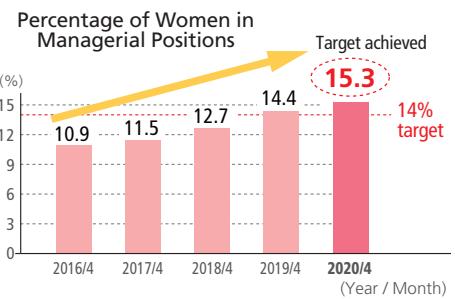
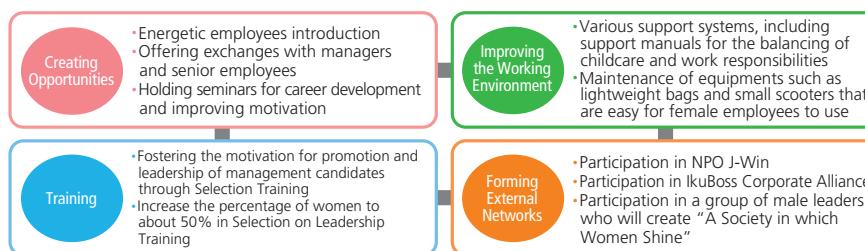
We consider enhancing basic finance skills to be the pillar for developing human resources, and so provide a self-development environment, including assistance for qualification acquisition, correspondence courses, and e-learning that is accessible to employees from their homes.

■ Conducting Fair Evaluation and Treatment of Personnel

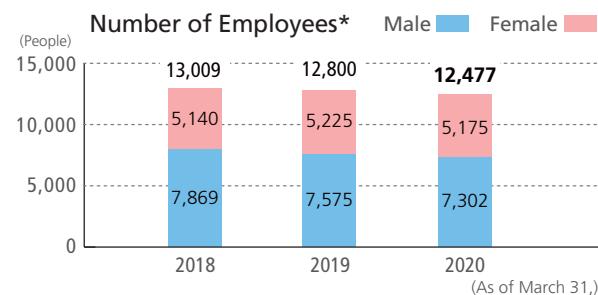
In conducting personnel evaluations, we make the evaluation criteria clear to employees and have employees evaluate themselves (self-evaluation), followed by multi-stage evaluation from high ranking executives, feedback from management-class employees, and establishing a consultation system for claims about evaluation. Furthermore, by reflecting fair evaluation results on treatment of employees, we seek to improve employee motivation.

4 Promotion of Women's Participation and Advancement in the Workplace

Based on the Act on Promotion of Women's Participation and Advancement in the Workplace, JAPAN POST BANK established a General Business Owner Action Plan and set as its goal increasing the ratio of women in management positions to 14% or more by April 1, 2021. On Apr 1 2020, we achieved 15.3%, exceeding the target.



■ Employee Data



* The number of employees excludes employees assigned to other companies by the Bank but includes employees assigned to the Bank by other companies. The figure does not include short-term contract and part-time employees.

Average Age

	March 31, 2018	March 31, 2019	March 31, 2020
Male	44.6	45.0	45.4
Female	39.4	39.6	40.3
Overall	42.5	42.8	43.3

Average Years of Employment

	March 31, 2018	March 31, 2019	March 31, 2020
Male	21.3	21.6	22.0
Female	15.7	15.8	16.0
Overall	19.0	19.2	19.5

5 Work Style Reform

JAPAN POST BANK considers it very important that we have a working environment where employees from diverse backgrounds can work to their fullest potential, to provide high-quality service to our customers. We are working to develop employee-friendly working environments that support employees with diverse backgrounds.

Greater use of teleworking (working from home)

With the goal of improving productivity in the business and allowing employees to continue to demonstrate their abilities, we launched on a trial basis a system for telecommuting at our head office in the fiscal year ended March 31, 2019 and users have been increasing in response to the need for diverse working styles. Users of this system provided comments to the effect that it offered the ability to balance work even after a child was admitted to the hospital. In the context of the COVID-19 pandemic, we encouraged more employees to work from home (teleworking) and introduced staggered working hours and alternate shifts. We intend to continue offering flexible working styles after the pandemic ends so that our employees can enjoy a good work-life balance.

Diversifying working patterns

We are establishing an environment that enables employees to choose from a variety of working styles, including offering a reduced workhour shift system and a rehiring system.

Efforts to reduce total working hours and improve productivity

By setting limits on overtime work and advancing Business Process Re-engineering (BPR), we are promoting a reduction in workloads, employees taking at least one week of continuous time off, and "refresh days," in which employees leave at a designated time. Through these measures we aim for sharp, focused employees that can contribute to improved added value and higher productivity while at the same time reducing total hours worked.

Employee satisfaction (ES) surveys

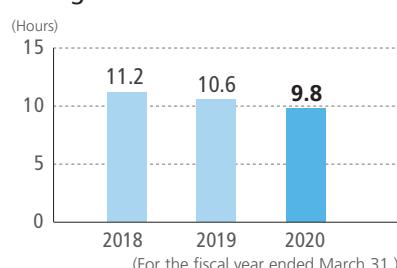
We periodically survey employees about their satisfaction regarding the Bank, workplace, and jobs, and use the results of these surveys to make a company and working environment where employees can demonstrate their strengths and find their work challenging and fulfilling.

Introducing an interval-based work system

With the goal of ensuring employees get enough time for daily living and creating a healthy working environment, since April 2018 we have had in place a system that guarantees 11-hour intervals between each day's work.

■ Related Data

Average Overtime Hours

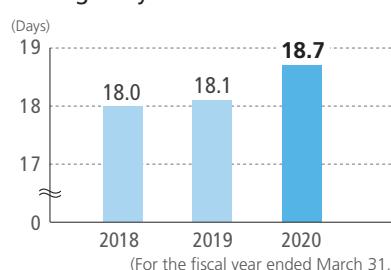


* Average overtime hours mean the average monthly overtime hours worked in a fiscal year.

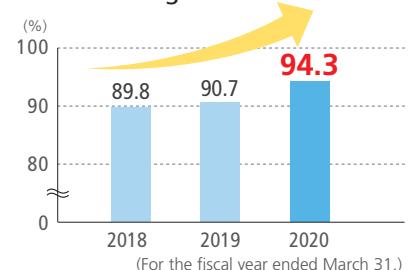
* Number of paid annual leave days is 15-20 depending on years with the company.

* All figures are per person.

Average Days of Paid Annual Leave Taken



Rate of Taking Paid Annual Leave



6 Work-life Balance Management

So that employees can continue working during times when they are needed at home, including from pregnancy to childbirth, for childcare, and for familycare, JAPAN POST BANK has established a support system exceeding the regulations in the Childcare and Familycare Leave Act. This allows these employees to independently and autonomously achieve a balance between life and work responsibilities.

We also raise awareness with lectures on work-life balance as part of training by position.

Producing manuals

In order for our employees to use these various systems, we have produced and disseminated to our employees support manuals for the balancing of childcare and work responsibilities, which cover matters that superiors should know about and deal with from when a female employee applies for maternity leave until the day she returns to work. Other manuals we provide include a work-life balance support handbook for managers, work-life balance guidebook that covers various support systems relating to childcare and familycare, and a familycare support book that covers the process when an employee has to care for a family member and ways in which managers can address this issue.

Child plan leave

We are establishing a support system called "child plan leave" for employees who receive infertility treatment.

Childcare and familycare assistance

We provide aid for various childcare-related measures, including aid for using babysitters, aid for using monthly childcare, and aid for using childcare for sick or convalescent children, as well as aid for family care to employees who are engaged in familycare.

Establishing day care centers at offices

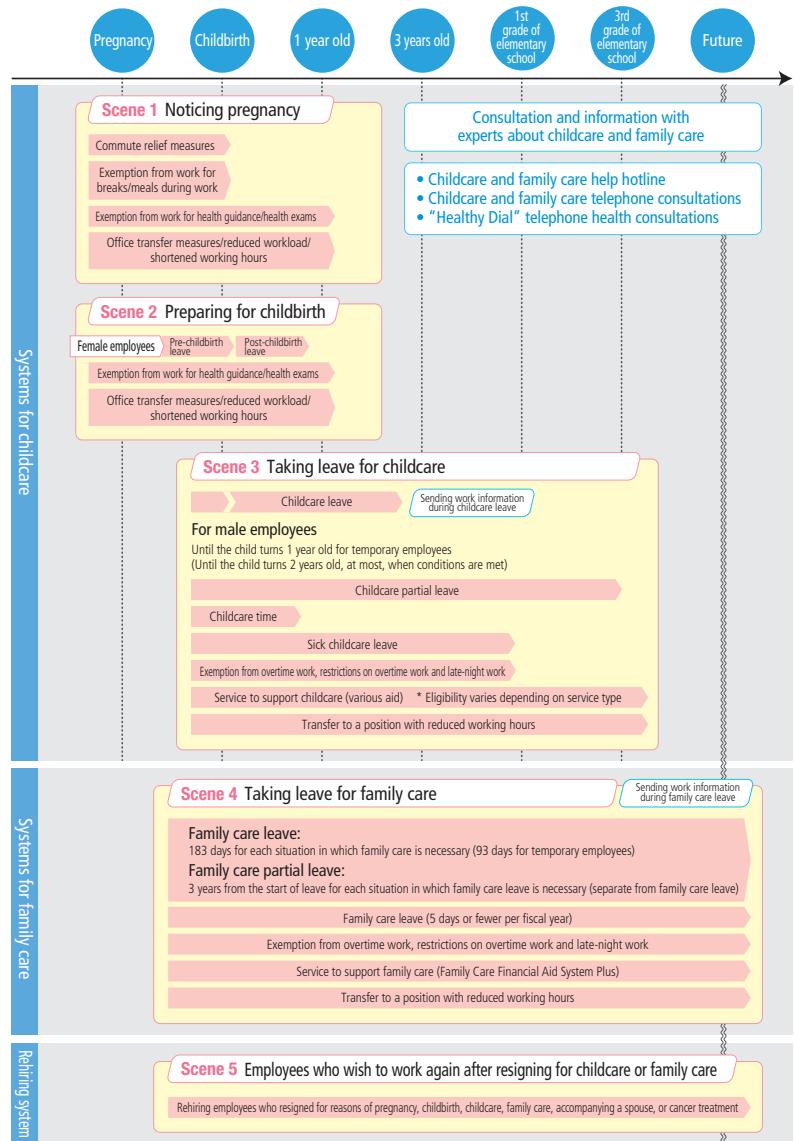
As a means of supporting a balance between childcare and work, in April 2019 we opened the Yutemachi Day Care Center, a workplace day care center at JAPAN POST GROUP's head office building in Otemachi.

Holding training and seminars

JAPAN POST BANK holds various seminars on work-life balance to support employees in balancing childcare or familycare with work, including seminars for expecting mothers and expecting fathers, seminars for childcare leave returnees, and seminars on balancing work and familycare. We also hold lectures on work-life balance in our in-house training to raise awareness.



Seminar for childcare leave returnees



Holding Family Day (a day for children to tour their parents' workplace)

We hold Family Day as an opportunity for the children of employees to learn about their parents' workplaces at the JAPAN POST GROUP, including JAPAN POST BANK, and tie this to improved employee work-life balance awareness and employee satisfaction (ES).



Family Day

Promoting men's participation in childcare

● Declaration of Full Childcare Leave for Male Employees

Director, President and Representative Executive Officer Norito Ikeda supports the "Declaration of Full Childcare Leave for Male Employees" by WORK LIFE BALANCE Co., Ltd.

Together with making childcare leave partially paid leave, the Bank recommends that men take childcare leave, for example by printing articles written by men who have taken childcare leave and interviews with superiors in our internal newsletter.

To follow up at all workplaces we are also working to create the environment for men's participation such as by giving them original "Yucho Papa Mama Support Cards" from their superiors.



Childcare leave seminars for employees and their spouses

Providing e-learning

We have set up e-learning that employees can access even when at home, and have added information useful for childbirth, childcare, and family care, as well as contents that can be used for work and management after returning to work, and training contents for each position, to aid in promoting understanding and raising awareness.

Screen image of an e-learning page

Column Promoting men's participation in childcare

JAPAN POST BANK recommends that its male employees take childcare leave. We interviewed two employees who took childcare leave.

Q What made you decide to take childcare leave? How long was your leave?

Oda: I was encouraged by superiors and colleagues who took childcare leave. I initially applied for two months' leave so I could get used to looking after my child to prepare for when my wife returns to work. I extended the leave by three weeks, because my child became ill and went into the hospital around the time I was due to return.

Nakayabu: I felt confident about taking childcare leave, because my boss and colleagues were supportive. I initially planned to take a month off, but extended it to six months after consulting with my boss, because I felt it was tough for my wife to look after two daughters on her own.



Oda, Manager, System Service Department; 10 years with JAPAN POST BANK
Has a wife and a one-year-old daughter

Q What are your thoughts about your childcare leave experience?

Oda: I was able to share with my wife our values on parenting by going to the day care center on weekdays for classroom observation and doing other things with our child together.

Nakayabu: I was happy to witness my children's growth from the start, and gained a better understanding of parenting and housework by sharing the workload as a couple. My take-home pay didn't change much thanks to the support systems, which was reassuring.



Nakayabu, Team Leader, Legal Department, 8 years with JAPAN POST BANK
Has a wife and two daughters aged three years and eight months

Q Did your attitude to work change after taking childcare leave?

Nakayabu: I gained a new perspective on my work after I returned from leave, allowing me to revise and work on improving my performance.

Oda: My attitude toward time changed dramatically after I returned to work, because I applied for childcare time* and left the office about an hour early. I clearly prioritized tasks to make results in less time and really concentrated on my work.

* Leave of up to 90 minutes per day that can be taken by employees with a child under a year old. JAPAN POST BANK offers it as paid leave.

Q What do you think about JAPAN POST BANK's childcare support system?

Oda: It's extensive and generous. There is nothing unusual about our female employees taking childcare leave, returning to work, and getting promoted, and more male employees are also taking childcare leave. I was promoted the year after returning from childcare leave and feel that my performance is assessed from multiple perspectives.

Nakayabu: The Bank continually revises its support systems, and I appreciate its attitude of encouragement as an employer toward taking childcare leave. I would like to continue enjoying family life while handling my work properly through flexible working styles.

7 Initiatives on Health Management

JAPAN POST BANK is taking the following initiatives based on the idea that maintaining and improving the mental and physical health of employees, as well as making an environment where employees can work with vitality, will contribute to improving the Bank's productivity and corporate value.

Implementing health exams and health guidance

JAPAN POST BANK provides various types of health exams based on laws and regulations. Regular health exams in particular play an important role in early discovery, as well as ascertaining one's own health status and improving problems, so we encourage all eligible persons to take these exams.

For employees who especially need to work to maintain their health according to the results of their health exam, we take follow up measures such as having public health nurses provide health guidance and recommending that employees receive treatment at medical institutions.

Initiatives in mental health countermeasures

For employees, we produce and distribute a mental health guidebook, and we have established "Mental and Physical Health Consultation" counters at health management facilities across Japan, where doctors and public health nurses offer consultation on the work and life of employees.

We have also established internal consultants for mental health issues (support staff), who help to prevent mental health issues among employees through interviews, while also offering mental health training for management employees with the purpose of helping them prevent mental health issues among their subordinates. Furthermore, we offer support by formulating a "Workplace Return Support Program" that systematizes support for employees with mental health issues when they return to work, as well as follow-up support after they return.

Implementing exercise programs

For the purpose of maintaining employee health, we invited sports club instructors as lecturers and conducted exercise programs at the head office.



Initiatives in safety and health activities

Based on laws and ordinances, JAPAN POST BANK appoints a health manager at each business location and establishes health and safety management frameworks, formulates health- and safety-related policies and targets, and promotes safety and health activities, such as those for preventing work-related injuries.

Recognized as a 2020 Certified Health & Productivity Management Organization 2020

JAPAN POST BANK was certified as a Health & Productivity Management Organizations by the Nippon Kenko Kaigi based on its responses to a health management survey conducted by the Ministry of Economy, Trade and Industry.



■ Labor-management Relations

The JAPAN POSTAL GROUP UNION and the Postal Industry Workers Union have been organized as chapters by the employees of JAPAN POST GROUP including JAPAN POST BANK. The Bank works to build positive labor-management relations with these unions through regular communication and negotiations regarding various working conditions, including employee pay and work-life balance.

8 Human Rights Policy

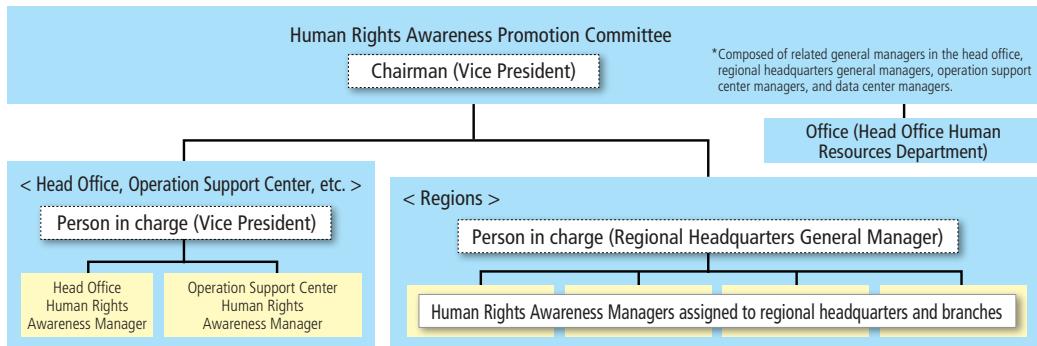
In light of increasing pressure from society on corporations to respect human rights and based on concepts such as the United Nations Guiding Principles on Business and Human Rights, in April 2019 JAPAN POST BANK fully revised our existing Basic Policy for Human Rights Awareness, and formulated the JAPAN POST BANK Human Rights Policy. We also promote human rights awareness activities to show our stance on respecting human rights and cultivate human rights awareness in each individual employee, regardless of race, skin color, sex, sexual orientation, gender identity, language, religion, political belief, faith, nationality, social upbringing, wealth status, birth or disability.

[\[Web\] https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_human_rights.html](https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_human_rights.html)

9 Raising Awareness and Conducting Education about Human Rights

JAPAN POST BANK has set forth the Basic Policy for Human Rights Awareness and JAPAN POST BANK's Guideline of Corporate Conduct, and promotes human rights awareness activities to show our stance on respecting human rights and cultivate human rights awareness in each individual employee.

Human rights awareness promotion system diagram



Implementing various types of training

Every year, we run training programs for directors, branch and facility managers, new recruits, and for each employee rank, as well as DVD training sessions and e-learning for all employees, taking various opportunities to raise awareness of human rights.

We also regularly publish newsletters and implement other educational activities on human rights to prevent harassment in the workplace and help raise awareness of various human rights issues involving people with disabilities, foreigners, senior citizens, sexual diversity, and social minorities (outcast discrimination).

Establishing a harassment consultation counter

We have developed a system where employees can securely seek consultation by staffing each organization with one male and one female harassment consultant, as a rule, who serve as internal contacts for consultation regarding various types of harassment and human rights violations. We have also set up external contact counters.

LGBT-related awareness raising activities

In aiming to become a bank in which every employee can work in a cheerful, vital manner, regardless of sexual orientation or gender identity, and a bank that can be used without fear by LGBT customers, we are raising awareness of LGBT matters by providing training to and conducting awareness surveys of all employees, as well as by distributing Ally stickers.

During the fiscal year ended March 31, 2020 we received the highest Gold rating in the PRIDE Index, which evaluates related initiatives conducted by corporations and other employers. This index was created by "work with Pride," an organization that supports the promotion and establishment of diversity management related to LGBT.

Moreover, we also endorsed and played a part in "work with Pride 2019," which aims to overcome the framework of corporations to create LGBT-friendly workplaces. Likewise, we did the same for "Tokyo Rainbow Pride 2019," an event that aims to realize a society in which everyone can be themselves and live optimistically without being exposed to discrimination or prejudice.



Other human rights awareness activities

Every year, we solicit, select, and commend human rights awareness slogans (once per year) in honor of Human Rights Week. We also apply to external organizations such as the Japanese Bankers Association.

Strengthening Our Business Foundation

Corporate Governance

— Targeting the sustainable improvement of corporate value —

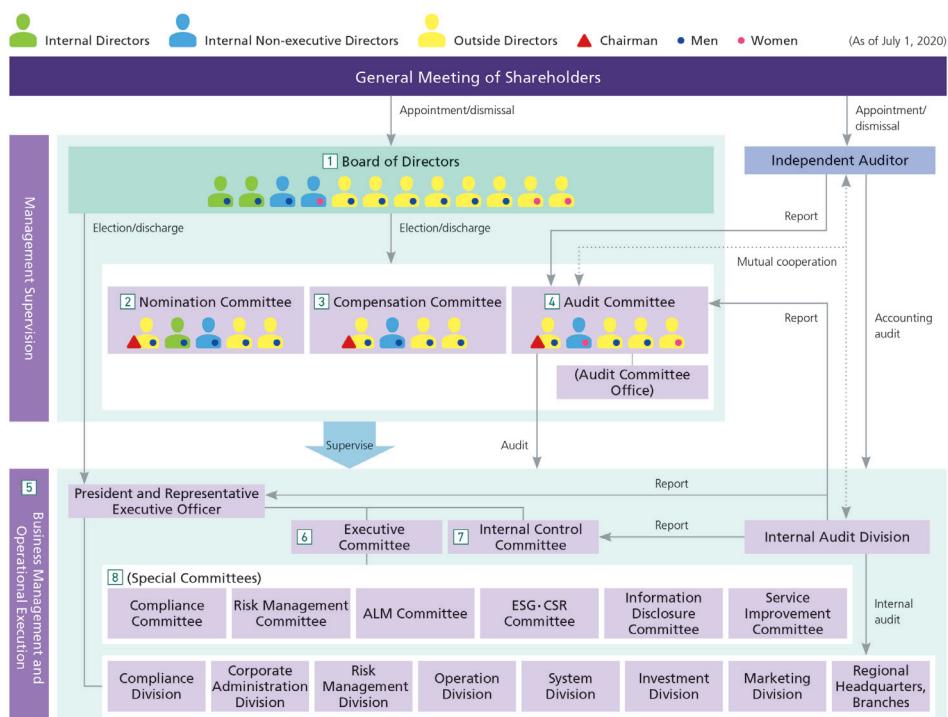
Basic Stance

With a view to its sustainable growth along with improvement of its corporate value over the medium to long term, JAPAN POST BANK attaches great importance to relationships with its all stakeholders, including shareholders, and will maintain 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

JAPAN POST BANK has adopted the company with three statutory committees system of corporate governance in order to implement rapid decision-making and to increase management transparency. Accordingly, the Bank has established the Nomination Committee, the Compensation Committee, and the Audit Committee. In this way, the Bank has a system under which the Board of Directors and the three statutory committees can provide appropriate oversight of management.



(As of July 1, 2020)

* Number of times held from June 18, 2019 to June 15, 2020 (attendance rate)

1 Board of Directors

The JAPAN POST BANK Board of Directors has 12 members. 2 of the directors also serve as Executive Officers, and the other 8 directors are Outside Directors who work to oversee the Bank's operations.

Members

Norito Ikeda, Susumu Tanaka, Hiroya Masuda, Atsuko Onodera
Outside Directors: Nobuko Akashi, Katsuaki Ikeda, Ryoji Chubachi,
Keisuke Takeuchi, Makoto Kawai, Risa Aihara,
Hiroshi Kawamura, Kenzo Yamamoto
Number of times held (Attendance rate)* 12 times (98.01%)

2 Nomination Committee

This committee determines the criteria regarding the appointment and dismissal of directors. In addition, it determines the content of proposals regarding the appointment and dismissal of directors that are submitted to general meetings of shareholders.

Members

Chairman: Makoto Kawai
Members: Ryoji Chubachi, Keisuke Takeuchi, Norito Ikeda,
Hiroya Masuda
Number of times held (Attendance rate)* 3 times (100%)

3 Compensation Committee

This committee decides the Policy for Determining the Details of Individual Compensation for Directors and Executive Officers. It also decides the content of individual compensation for executive officers and directors.

Members

Chairman: Ryoji Chubachi
Members: Katsuaki Ikeda, Keisuke Takeuchi, Hiroya Masuda
Number of times held (Attendance rate)* 3 times (100%)

4 Audit Committee

This committee audits the execution of duties by executive officers and directors and prepares audit reports and determines the content of proposals regarding the election and dismissal of accounting auditors and the refusal to reelect accounting auditors to be submitted to a shareholders meeting.

Members

Chairman: Katsuaki Ikeda
Members: Atsuko Onodera, Nobuko Akashi, Hiroshi Kawamura,
Kenzo Yamamoto
Number of times held (Attendance rate)* 14 times (100%)

5 Business Management and Operational Execution (Executive Officers)

The Executive Officers, who are selected by the Board of Directors, are responsible for conducting business operations. The President and Representative Executive Officer makes full use of the authority and responsibility delegated to him by the Board of Directors in the conduct of business operations. We have introduced a performance-linked stock compensation system utilizing a trust as part of our compensation for our Executive Officers. The objectives of the system are to further enhance the awareness of the Executive Officers of the 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. Accordingly, the compensation of the Executive Officers of the Bank shall consist of a "base salary" component as fixed compensation, and a "performance-linked stock compensation" component as variable compensation.

6 Executive Committee

The Executive Committee has been established as an advisory body to the President and Representative Executive Officer to hold discussions on important business execution matters.

7 Internal Control Committee

The Internal Control Committee has been established as an advisory body to the President and Representative Executive Officer to hold discussions on the legal, regulatory and other compliance-related issues as well as other important internal control matters.

8 Special Committees

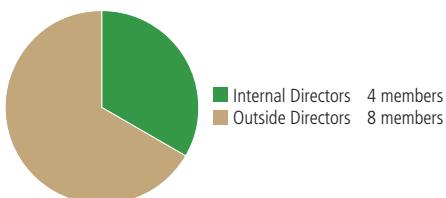
The special committees assist the Executive Committee in matters requiring specialized discussions.

Roles of Special Committees

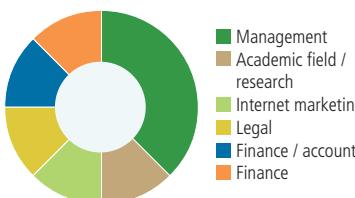
Compliance Committee	The Compliance Committee formulates compliance systems and programs and holds discussions and provides reports regarding progress in these matters.
Risk Management Committee	The Risk Management Committee formulates risk management systems and operational policies. The committee also holds discussions and provides reports regarding progress in risk management matters.
ALM Committee	The ALM Committee formulates basic ALM plans and operational policies, determines management items, and holds discussions and provides reports regarding progress in these matters.
ESG-CSR Committee	The ESG-CSR Committee formulates basic policies and action plans for ESG-CSR and holds discussions and provides reports regarding progress in these matters.
Information Disclosure Committee	The Information Disclosure Committee formulates basic information disclosure policies, holds discussions, and provides reports on disclosure content and progress in order to ensure the appropriateness and effectiveness of information disclosure.
Service Improvement Committee	The Service Improvement Committee discusses and reports on the content of the policy relating to customer-oriented business operations, the formulation of plans relating to the improvement of customer-oriented products and services and other important items including the status of implementation.

Composition of Board of Directors (As of July 1, 2020)

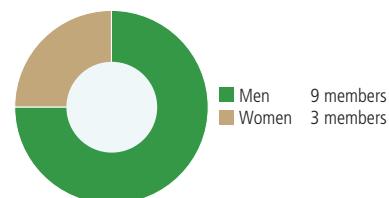
Internal Directors and Outside Directors



Backgrounds of Outside Directors



Ratio of Men to Women



[Web https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_executives.html](https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_executives.html)

Policy for Determining Amount or Calculation Method of Compensation, etc., for Directors and Executive Officers (As of July 1, 2020)

In regard to compensation for the Bank's directors and executive officers, 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.

[Web https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_stance.html](https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_stance.html)

Main Topics of Discussion at Board of Directors' Meetings in FY2020/3

- Risk Appetite Statement
- Formulation of FY2021/3 management plan
- Promotion of FY2020/3 management plan
- Customer-oriented service improvements
- Promotion of measures to counter money laundering/ the financing of terrorism
- Strengthening of cyber security management systems
- Initiatives designed to promote digitalization
- Operational status of the "Basic Policies for the Internal Control System"

Support System for Outside Directors

The Bank shall take the following actions in relation to directors to ensure the effective and smooth operation of meetings of the Board of Directors and enhance the effectiveness of supervision by outside directors, in particular.

- (1) Coordination of an annual schedule with sufficient time available
- (2) Timely and appropriate provision of information as necessary
- (3) Ensuring sufficient prior explanation and time for prior consideration of the content of agenda items
- (4) Ensuring time for questions at Board of Directors' meetings

In addition, the Bank shall allocate sufficient staff for operational support to effectively and efficiently carry out meetings of the Board of Directors, and for communication and coordination with outside directors.

Evaluation of Effectiveness of the Bank's Board of Directors

Evaluation Method

The Bank's Board of Directors conducts discussions based on the results of a survey regarding the effectiveness of the Board of Directors as a whole in light of a self-evaluation by each director, and conducts an analysis and evaluation of the effectiveness of the Bank's Board of Directors.

Summary of evaluation results

The Board of Directors comprises a majority of outside directors with diverse backgrounds and extensive knowledge and experience, as well as a high degree of specialized expertise.

The directors have appropriately overseen business execution by such means as exchanging unreserved opinions with one another from their respective standpoints and by vigorously discussing important management issues.

In FY2019, we have been working to further invigorate discussions by sharing information with outside directors and others. With regard to management issues at the Bank and medium- to long-term management strategies, there is an awareness that vigorous discussions are to be conducted.

Based on the foregoing, the Board of Directors has concluded that the effectiveness of the Board of Directors as a whole has been ensured.

However, with regard to the cases of improper investment trust sales, in light of the fact that the Board of Directors were unable to recognize the issues at an early stage—because, for example, the explanatory materials at Board of Directors' meetings did not necessarily clearly show the points for discussion—going forward the Bank will strive to further enhance governance through the initiatives set out below.

Initiatives for the future

Based on the results of this evaluation, the points for discussion and important issues will be more clearly defined from the perspective of further improving effectiveness. At the same time, the Bank will work to maximize the supervisory function of the Board of Directors, which comprises members from diverse backgrounds, by promoting the further upgrade and expansion of discussion.

Compliance

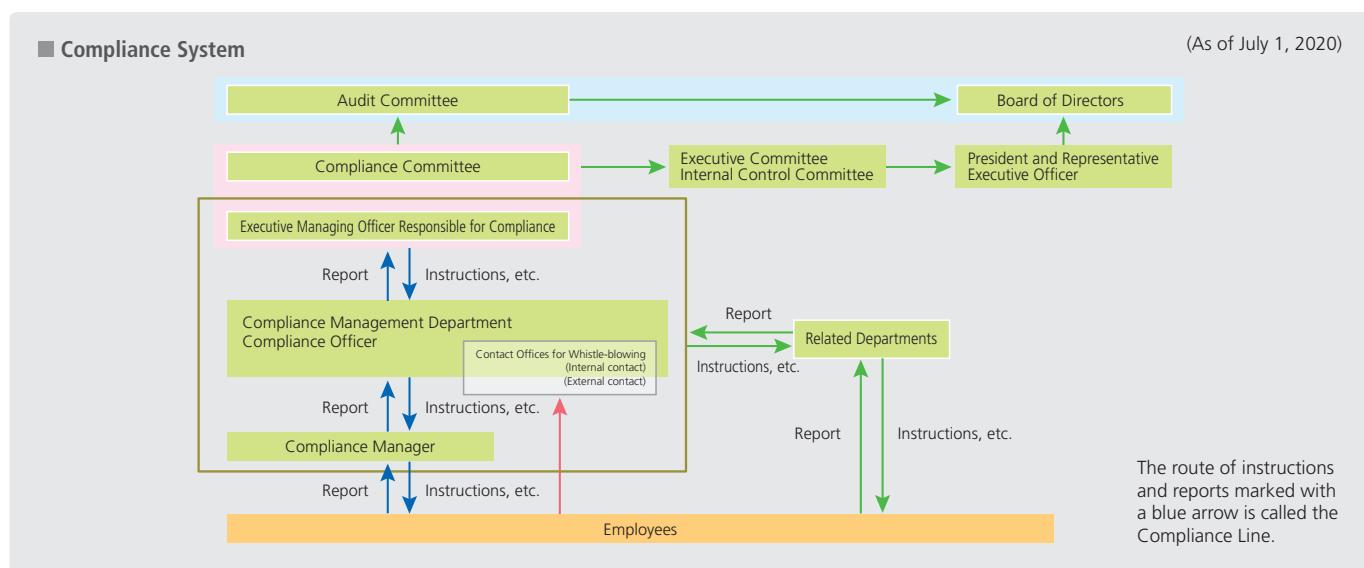
Compliance Policy

For JAPAN POST BANK, compliance comprises adherence not only to laws and regulations but also to internal rules, social standards of behavior, and corporate ethics by all directors and employees. We are striving to be the most trustworthy bank in Japan, and consequently we view compliance as an important management issue. Accordingly, we conduct rigorous compliance activities.

Compliance System

JAPAN POST BANK has established the Compliance Committee, which is composed of Executive Officers with responsibilities related to compliance issues. The committee holds discussions about important compliance-related matters and their progress reports once per month as a general rule. In addition, the Bank has established the Compliance Management Department under the leadership of the Executive Managing Officer responsible for compliance. The department formulates compliance promotion plans and manages their progress.

We have also appointed compliance officers in certain departments who are independent from business promotion and other conflicting functions. Through their activities, we monitor the progress of the implementation of compliance-related initiatives. Moreover, we have appointed compliance managers in departments and branches who are responsible for mentoring employees and promoting compliance.



Contact Offices for Whistle-blowing

JAPAN POST BANK has established contact offices for whistle-blowing for compliance, both within and outside of the Bank, and has informed our employees thereof. Our employees can directly contact these offices when they encounter compliance violations or potential compliance violations and find it difficult to report to the person responsible for compliance in their office. Through this system, JAPAN POST BANK is working to prevent compliance violations from occurring and to quickly resolve any problems that may arise.

Compliance Initiatives

Every year the Bank formulates the Compliance Program, which serves as a detailed action plan for the promotion of compliance. On the basis of this program, the Bank addresses important matters and rigorously implements compliance-related initiatives, such as conducting training sessions for employees.

Outline of Main Measures

- Prevention of fraud
- Countering money laundering and financing of terrorism
- Customer-oriented business operations and customer protection
- Creating employee-friendly working environments

In addition, to serve as a specific guide to remaining in full compliance, the Bank formulated a Compliance Manual, which brings together the Bank's approach to compliance and important action items as well as the management of conflict of interest transactions, the prohibition of acts that fall under bribery, the other laws to be observed, and the contact offices for whistleblowing. Each director and employee has received the Compliance Handbook, which contains the most important, baseline compliance items from the Compliance Manual that all JAPAN POST BANK directors and employees need to be aware of. In this way, the Bank further raises compliance awareness.

■ Initiatives to Counter Money Laundering and Financing of Terrorism

In accordance with the Financial Services Agency's Guidelines for Anti-Money Laundering and the Financing of Terrorism, JAPAN POST BANK has established a basic policy with regard to measures against money laundering and the financing of terrorism (hereinafter referred to as money laundering countermeasures) and is promoting management-driven system upgrades based on the recognition that this is a most important management issue.

Specifically, the Bank identifies and evaluates risks based on the characteristics of the business, the situation of agents, laws and regulations and from the standpoint of preventing misuse of the various operations performed by the Bank for money laundering and other illegal activities. To effectively reduce misuse, we take appropriate measures commensurate with the risk.

The management team will also independently and proactively take measures against money laundering and other criminal activities by utilizing specialized knowledge from outside the company. We are working to prevent money laundering by clarifying the roles and responsibilities of officers and employees involved in measures against such illegal activities, for example by regarding the executive officer in charge of the Compliance Department as responsible for any measures taken against money laundering.

■ Basic Policy on Antisocial Forces

In relation to antisocial forces that threaten social order and sound corporate activities, the basic policy of the Bank, as an organization in general, is to avoid any kind of involvement in illegal behavior and antisocial behavior and to isolate itself from and exclude relationships with antisocial forces while cooperating with external specialist organizations such as the police under normal circumstances.

- ① Response as an organization
- ② Breaking of all, including business, relationships
- ③ Prohibition of backroom deals and fund provision
- ④ Alliances with external specialist organizations
- ⑤ Civil and criminal legal responses in emergencies

 https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_basicpolicy_af.html

■ Measures Aimed at Managing Conflicts of Interest

The JAPAN POST GROUP has released the Japan Post Group Conflicts of Interest Management Policy. This policy governs the management of conflicts of interest transactions by our Group as a whole in order to prevent our customers' interests from being unduly harmed.

In line with this policy, JAPAN POST BANK has put in place a system for the proper management of transactions that have the potential to create conflicts of interest and to prevent customer interests from being unduly harmed. Among a host of initiatives, the Bank has set up the Compliance Management Department to assume responsibility for managing and controlling conflicts of interest.

 <https://www.japanpost.jp/en/ir/library/disclosure/2019/pdf/29.pdf>

■ Anti-Bribery Initiatives

JAPAN POST BANK has established rules for giving and receiving gifts, meals and entertainment with business partners, public servants etc., to prevent bribery and giving and receiving illicit profit. We conduct compliance training to ensure employees know and understand the rules.

Close Up Initiatives to raise compliance awareness among directors and employees

With the purpose of raising compliance awareness among directors and employees, JAPAN POST BANK conducts compliance training with various methods, including lectures by experts with broad knowledge, newsletters to propagate internal rules, DVDs recreating familiar cases in ways that are easy to understand, and e-learning to reinforce knowledge of compliance.

As we continue our efforts to become the most trustworthy bank in Japan, we work to further enhance awareness of compliance by conducting various types of training that take changes in the environment into consideration.



Training

Risk Management

We place a high priority on risk management and are taking steps to refine our sophisticated framework for risk management, including the identification and control of the risks associated with our operational activities.

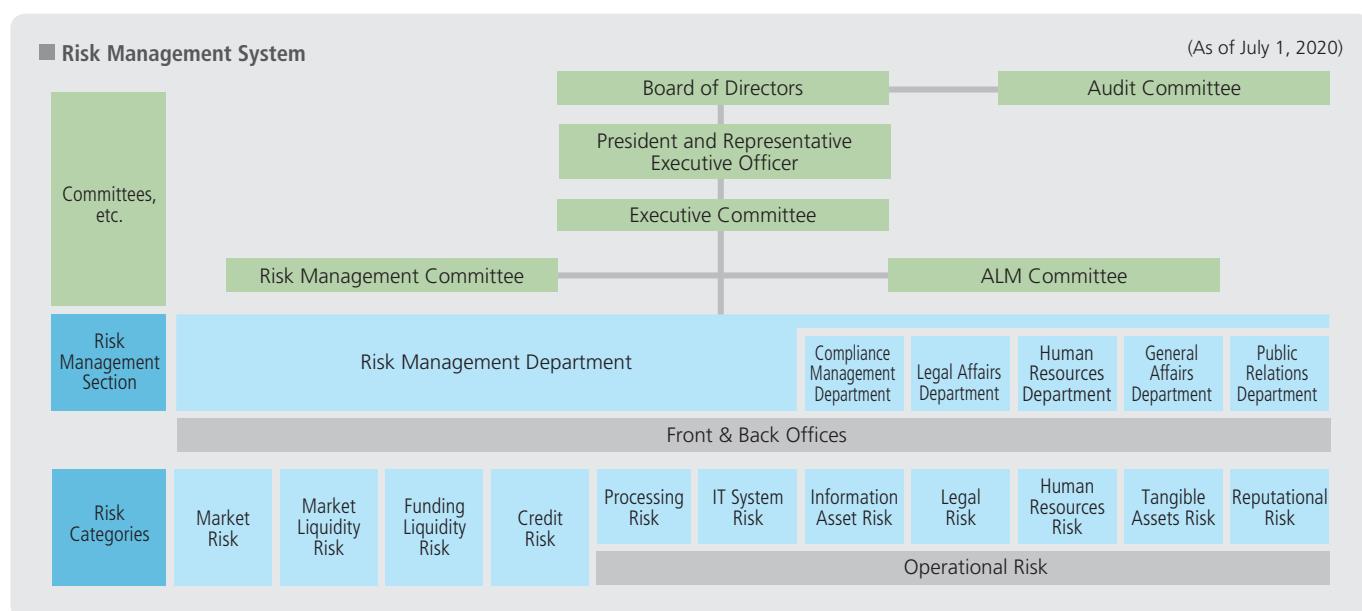
Our basic policy is to appropriately manage risks in view of our management strategies and risk characteristics and most effectively utilize our capital. By doing so, we are able to increase enterprise value while maintaining sound finances and appropriate operations.

Risk Management System

The Bank has identified certain risk categories outlined in the table below. Various entities have been established to manage each risk category. In addition, we have put in place the Risk Management Department, which is responsible for monitoring each risk category in an integrated manner in order to ensure the effectiveness of our comprehensive risk management. The Risk Management Department operates independently from other departments.

We have established special advisory committees to the Executive Committee to handle risk management responsibilities: the Risk Management Committee and the ALM Committee. These advisory committees submit risk management reports based on risk characteristics and hold discussions about risk management policies and systems.

Prior to launching new products, services, or businesses, we assess potential risks and select appropriate methods to measure risks.



Risk Appetite Framework*

The Bank introduced a Risk Appetite Framework (RAF) to ensure profitability over the medium to long term and financial soundness. Based on the RAF, risk appetite policies and indicators as well as top risks are discussed in conjunction with the formulation of management plans.

* Risk appetite = A term used to describe the framework for strengthening risk governance. This framework encompasses the means necessary to ensure the effectiveness of the supervisory function (Board of Directors) by clarifying and visualizing the appropriate types and levels of risk that should be addressed in order to secure medium- to long-term profitability and financial soundness.

Response to Cyber Security*

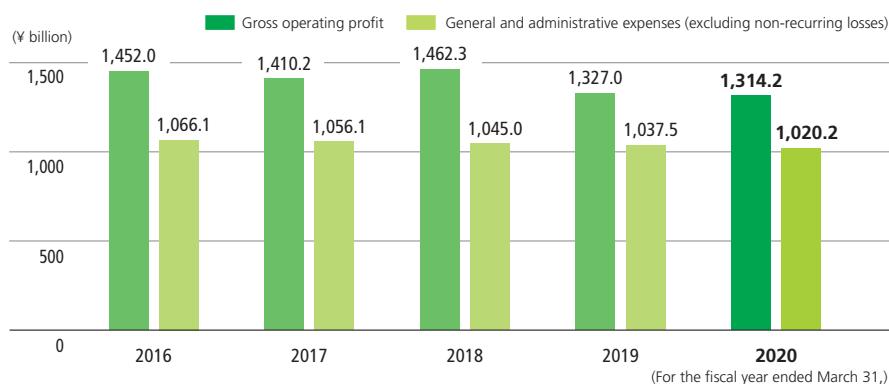
JAPAN POST BANK regards the risk of cyber attack as one of the top risks in management and works to continuously improve cyber security through management leadership.

The Bank has put in place a dedicated department for cyber security and assigned a CISO (Chief Information Security Officer) while maintaining Defense in depth and detection measures. In addition to allocating human resources with specialized knowledge, the Bank is working to be able to provide customers with safe and secure services continuously by analyzing new attack methods and taking measures in cooperation with external specialized organizations.

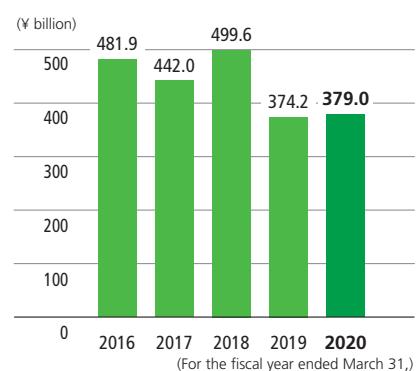
* To make sure that no problems arise, including the leakage or falsification of electronic data, failure of IT and control systems to perform their expected functions.

Financial Highlights (Non-Consolidated)

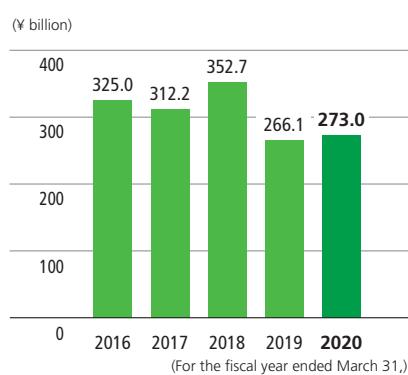
Gross Operating Profit/General and Administrative Expenses



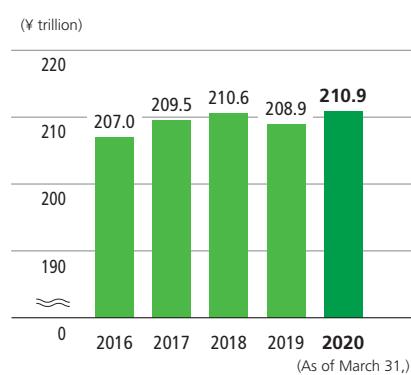
Net Ordinary Income



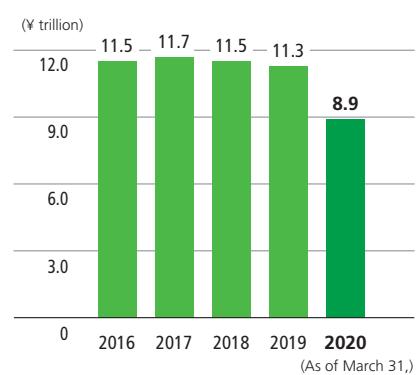
Net Income



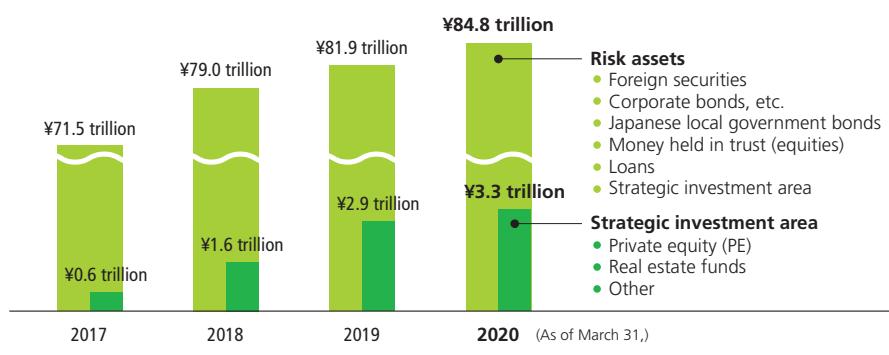
Total Assets



Total Net Assets



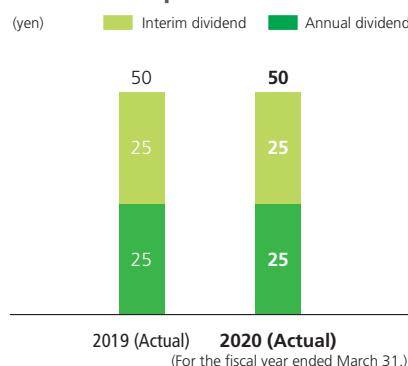
Investment in Risk Assets



Capital Adequacy Ratio (Domestic Standard)



Dividends per Share



Credit Ratings (As of March 31, 2020)

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

Non-Financial Data (Non-Consolidated)

	(As of March 31.)				
	2016	2017	2018	2019	2020
Energy consumption (GJ)	1,041,419	1,059,846	1,036,146	1,042,490	982,222
Energy usage per unit (*1) (kl/m ²)	0.05044	0.05150	0.05065	0.04996	0.04671
CO ₂ emissions (t-CO ₂)	Scope 1 5,999	5,751	5,871	5,867	5,584
	Scope 2 46,019	48,110	47,397	40,778	36,686
	Scope 3 N/A	N/A	N/A	68,639	62,208
CO ₂ emissions per unit (*2) (t-CO ₂ /m ²)	0.09652	0.10041	0.09990	0.08763	0.08664
Water consumption (m ³) (*3)	Clean water N/A	125,913	120,685	115,099	104,706
	Sewage N/A	104,335	105,727	94,837	88,161
General waste (t) (*4)	N/A Recycled general waste N/A	14.7 0.0	13.4 0.0	153.3 145.1	98.8 89.5
Industrial waste (t) (*4)	N/A Recycled industrial waste N/A	25.7 25.7	24.0 24.0	24.2 23.0	30.3 28.9

(*1) Energy usage per unit is the total crude oil equivalent of energy used divided by the total floor area utilized by JAPAN POST BANK.

(*2) The CO₂ emission total (excluding vehicle data) divided by the total floor area utilized by JAPAN POST BANK.

(*3) Scope of compilation: The main organization of JAPAN POST BANK

(*4) The amount of document disposal has been included in the amount of general waste, and the amount of large-sized refuse in the amount of industrial waste from fiscal 2019.

	(As of March 31.)				
	2016	2017	2018	2019	2020
Number of employees (people) (*5)	Male 8,066	7,978	7,869	7,575	7,302
	Female 4,839	4,987	5,140	5,225	5,175
	Total 12,905	12,965	13,009	12,800	12,477
Number of employees by age group (people)	Under 30 2,257	2,181	2,293	2,262	2,040
	30s 2,040	2,132	2,116	2,119	2,189
	40s 5,429	5,340	5,007	4,597	4,281
	Over 50 3,179	3,312	3,593	3,822	3,967
	Total 12,905	12,965	13,009	12,800	12,477
Average age	Male 44.3	44.5	44.6	45.0	45.4
	Female 39.3	39.4	39.4	39.6	40.3
	All 42.4	42.5	42.5	42.8	43.3
Average years of employment	Male 20.9	21.2	21.3	21.6	22.0
	Female 16.0	15.9	15.7	15.8	16.0
	All 19.0	19.1	19.0	19.2	19.5
New hires (people)	Male 163	213	142	91	87
	Female 302	329	262	143	143
	Total 465	542	404	234	230
	Ratio of female 64.9%	60.7%	64.9%	61.1%	62.2%
Number of mid-career workers (people)	Male 33	32	21	8	6
	Female 0	8	7	1	5
	Total 33	40	28	9	11
Number of re-employment system users (people)	129	118	154	168	198

(*5) The number of employees excludes employees assigned to other companies by the Bank but includes employees assigned to the Bank by other companies. The figure does not include short-term contract and part-time employees.

	(As of March 31.)				
	2015	2016	2017	2018	2019
Handicapped employees	People 351	364	374	380	379
	Ratio 2.21%	2.39%	2.52%	2.56%	2.68%

	(As of April 1)				
	2015	2016	2017	2018	2019
Number and percentage of women in managerial positions (total)	People 189	234	249	277	318
	Percentage 8.9%	10.9%	11.5%	12.7%	14.4%

	(As of March 31.)				
	2016	2017	2018	2019	2020
Childcare leave takers (people) (*6)	Male 152	167	160	136	139
	Female 132	155	155	155	192
	Total 284	322	315	291	331
Partial childcare leave takers (people)	Male 11	10	16	12	13
	Female 302	312	362	388	456
	Total 313	322	378	400	469
Childcare leave return rate	100%	100%	97.6%	96.2%	98.9%
Retention rate after childcare leave (*7)	94.6%	100%	96.4%	96.6%	96.2%
Familycare leave takers (people)	Male 6	3	7	7	8
	Female 6	10	9	11	20
	Total 12	13	16	18	28
Partial family care leave takers (people)	Male 1	0	2	3	2
	Female 2	1	2	6	6
	Total 3	1	4	9	8
Average overtime work (hours) (*8)	14.6	12.8	11.2	10.6	9.8
Accident rate per 1,000 people (*9)	0.37%	0.43%	0.33%	0.56%	0.35%

(*6) The number of childcare leave takers is the total number of employees who took leave in that fiscal year. This includes spouses who take paternity leave.

(*7) Retention rate = (Employees who are still with the Bank 12 months after returning from childcare leave / Total number of employees who returned from childcare leave in that fiscal year) x 100

(*8) Monthly average number of overtime hours calculated on a fiscal year basis.

(*9) Ratio of occupational accidents for each fiscal year per 1,000 employees.

Policy Index

In light of international frameworks, JAPAN POST BANK advances operations upon establishing human rights, environmental, and other required policies. Moreover, JAPAN POST BANK adequately consults expert committees regarding the progress status of initiatives related to these international frameworks, and reports on such to the Executive Committee and the Board of Directors.

Human Rights Policy

In consideration of the growing demands from society regarding respect for human rights among corporations, JAPAN POST BANK fully revised the JAPAN POST BANK Basic Policy for Human Rights Awareness based on the UN Guiding Principles on Business and Human Rights and the Japan Federation of Bar Associations Guidance on Human Rights Due Diligence. The newly formulated policy was disclosed in April 2019 as the JAPAN POST BANK Human Rights Policy.

[Web https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_human_rights.html](https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_human_rights.html)

Environmental Policy

With regard to environmental issues such as climate change, JAPAN POST BANK promotes initiatives not only by endeavoring to act in ways that show consideration for the environment but also through its business activities. It was from this viewpoint that the Bank revised the JAPAN POST BANK Environmental Policy in April 2019 and is working to make further enhancements to its activities.

[Web https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_environment.html](https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_environment.html)

Procurement Policy

In December 2018, the JAPAN POST GROUP reviewed its approach to procurement activities (procurement policy), and added an item to the effect that we support the 10 principles in the four fields (human rights, labor, environment and anti-corruption) defined in the UN Global Compact and to the effect that we also ask our business partners for their cooperation.

JAPAN POST GROUP's Approach to Procurement Activity

- | | |
|---|---|
| 1. Open, fair and appropriate procurement
2. Compliance with laws, regulations and social standards
3. Environmental considerations | 4. Building trusting relationships
5. Request to suppliers (Compliance with the UN Global Compact) |
|---|---|

[Web https://www.japanpost.jp/en/csr/procurement/pdf/procurement_guideline.pdf](https://www.japanpost.jp/en/csr/procurement/pdf/procurement_guideline.pdf)

ESG Investment Policy

Considering the growing demand from stakeholders for initiatives regarding climate change and other issues faced by society, as well as JAPAN POST BANK's endorsement of the TCFD proposals, JAPAN POST BANK formulated a policy to make investments that heed international agreements when advancing diversified international investments. This policy was disclosed in April 2019.

ESG Investment Policy

- | | |
|--|--|
| 1. JAPAN POST BANK investment activities
2. Alignment with international agreements
3. Coal-fired power generation | 4. Cluster munitions
5. Stakeholder engagement
6. Governance |
|--|--|

[Web https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_esg.html](https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_esg.html)

Basic Policy for Fiduciary Duties

In June 2017, we established our Basic Policy for Fiduciary Duties upon having adopted the Principles for Customer-oriented Business Conduct released by the Financial Services Agency in March 2017. We have developed the basic policy with the aim of actively addressing wide-ranging customer needs in part by furnishing asset formation support, in addition to providing our long-used, traditional services, such as savings and fund transfers.

 https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_basicpolicy_fd.html

Privacy Policy

We have established the following privacy policy and conducts business operations based on this policy. We recognize that protecting personal data, including specific personal information and Individual Number, is vital to offering services that can achieve a high degree of customer satisfaction.

 https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_privacypolicy.html

Basic Policy on Antisocial Forces

We strive to ensure operational appropriateness and safety by having officers and employees alike adhere to our Basic Policy on Antisocial Forces.

 https://www.jp-bank.japanpost.jp/en/aboutus/company/en_abt_cmp_basicpolicy_af.html

Conflicts of Interest Management Policy

We conduct business activities fairly based on laws, ordinances and internal regulations so that the interests of customers are not unduly impaired due to transactions that may give rise to a conflict of interest.

 <https://www.japanpost.jp/en/ir/library/disclosure/2019/pdf/29.pdf>

Dialogue with Society

To contribute to the creation of a sustainable society and future, and achieve sustainable growth as a company, JAPAN POST BANK must listen closely to the voices of everyone in society, meet their expectations, and earn their understanding and support.

Therefore, we consider it important to engage in active dialogue with members of various communities.

Dialogue with Experts

On August 20, 2019, JAPAN POST GROUP invited three outside experts to hold a dialogue session. The panel of experts offered a variety of opinions and recommendations regarding the main initiatives implemented by JAPAN POST GROUP based on the advice received during the dialogue session held last year, what is required of JAPAN POST GROUP and future visions to be pursued by JAPAN POST GROUP.



Dialogue with experts



Facilitator
Director of CSR Asia Japan
Makiko Akabane

Comments from the Experts



Non-tenured Professor,
Meiji University School of
Business Administration

Masao Seki

Climate change should be immediately recognized as a state of emergency. Regarding the greenhouse gas reduction target, rather than setting a standard consistent with the reduction level specified by Japanese government, Japan Post Group should set higher goals. Moreover, the Group should take the lead in the introduction of electric vehicles and move toward introducing new technologies, such as the use of drones and automatic driving. In addition, I believe that the incidents related to the switch over of insurance contracts with Japan Post Insurance provide an impetus for reflection on the significance of the corporate existence of Japan Post Group and its social responsibilities. I recommend monitoring the opinions of the people onsite in a bottom-up manner and holding discussions with everyone involved. Furthermore, having dialogues with a wide range of stakeholders and ensuring that such dialogues firmly take root as a corporate culture will become a catalyst to bring changes to the Group.



Chair of the Japan
Sustainable Investment
Forum

Masaru Arai

Looking at the status of the response, significant progress has been made, including the issues we pointed out last year. However, as climate change has been considered in recent years to create a financial risk for companies in the medium to long term, it would be a significant adverse factor if this were not integrated into management decisions and policies. In addition, financial education in Japan has yet to touch on the Sustainable Development Goals (SDGs) and Environmental, Social and Governance (ESG) issues and so far has failed to incorporate the essence of finance in which a financial institution creates fund flow for the development of services and products that are useful to society while making efforts to earn returns from its own business. I hope that JAPAN POST BANK becomes a leader in financial education, including education for its employees. Regarding the incidents related to the switch over of insurance contracts with JAPAN POST INSURANCE, it is necessary to further strengthen the supervisory function of the Board of Directors. Next fiscal year's disclosure should go into more detail on changes made regarding how the Board of Directors works and its checking system.



Representative of
Consumer Conference for
Sustainability

Yukiko Furuya

It is wonderful to see solid progress in the initiatives, including the establishment of the JAPAN POST GROUP Human Rights Policy and JAPAN POST GROUP's Approach to Procurement Activities. It will be good to specifically indicate issues in the JAPAN POST GROUP's value chain. In addition, fair transactions and consumer safety are the basics for creating a sustainable society, although they are not included in the SDGs. In response to the case of incidents related to the switch over of insurance contracts with JAPAN POST INSURANCE, strictly reviewing such basic issues is necessary. Regarding initiatives to be carried out by businesses for the creation of a sustainable society, ISO 26000, an international standard that provides organizations with guidance on social responsibility, should be the reference. In addition, I believe that Education for Sustainable Development (ESD) is particularly necessary for the employees. I hope that the JAPAN POST GROUP promotes ESD in the economic and financial areas for the employees as well as consumers.

Response to Experts' Comments

The fact that we need to steadily improve our initiatives and enhance our efforts for the next stage renews our resolve. I quite strongly felt the need to accelerate efforts regarding environmental issues. We are determined to promote CSR initiatives by properly grasping global trends, channeling a variety of risks and societal issues to corporate management and strategies, keeping in mind that earning customers' trust is most essential in our business.

Noriko Kinoshita
Managing Executive
Officer, Japan Post
Holdings Co., Ltd.

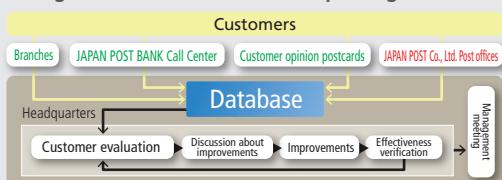


Methods for Reflecting Customers' Opinions in Improvements

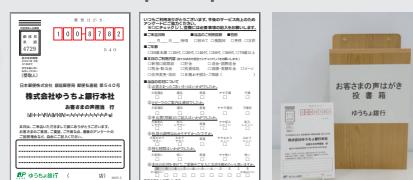
JAPAN POST BANK has a unified system for managing the opinions it receives from customers at its branches and call centers. By sharing and analyzing this information companywide, we are able to make necessary improvements based on customer feedback.

As a way for customers to have their opinions and requests heard, the Bank has put customer opinion postcards in the lobbies of its branches. The customer opinion postcards sent to us by customers help us improve customer satisfaction across the entire JAPAN POST BANK.

■ Organizational structure for improving services



■ Customer opinion postcards



■ Conducting customer satisfaction surveys

In order to provide better services, the JAPAN POST GROUP conducts customer satisfaction surveys. According to the 12th survey, conducted between October and November 2019, 71%* of customers are satisfied with our services.

* Total of very satisfied, satisfied, and slightly satisfied.

■ Examples of improvements made from hearing customer opinions

Complaint	Improvement
I would like to have a new passbook issued using an ATM	We are installing ATMs that are capable of issuing new passbooks (scheduled introduction in line with equipment upgrades)
It takes a lot of time to provide explanations and verify matters with non-Japanese customers when they apply to open general accounts at teller windows	We are rolling out a multilingual system on our website that will enable customers to prepare required application documents for opening general accounts using their household personal computer or other such device
Entering passwords and other access credentials is a hassle when logging into Yucho Direct services	We have released our Yucho Authentication App which enables customers to log into Yucho Direct online banking services by means of fingerprint or facial recognition technology, without having to enter customer numbers, passwords or other access credentials
I would like the Bank to offer a smartphone app that enables me to check my bank balances without having to apply for Yucho Direct	We have released our Yucho Bankbook App which enables customers to check account balances and details of credit/debit transactions without having to apply for Yucho Direct

We are installing ATMs that are capable of issuing new passbooks (scheduled introduction in line with equipment upgrades)
We are rolling out a multilingual system on our website that will enable customers to prepare required application documents for opening general accounts using their household personal computer or other such device
We have released our Yucho Authentication App which enables customers to log into Yucho Direct online banking services by means of fingerprint or facial recognition technology, without having to enter customer numbers, passwords or other access credentials
We have released our Yucho Bankbook App which enables customers to check account balances and details of credit/debit transactions without having to apply for Yucho Direct

The JAPAN POST BANK Call Center takes consultations and inquiries regarding products and services.

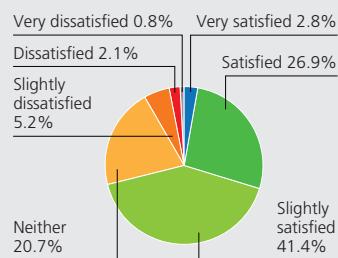
(*Only available in Japanese)

JAPAN POST BANK Call Center: 0120-108-420 (toll free in Japan)

Hours: Weekdays, 8:30 a.m.–9:00 p.m., Weekends, Public Holidays and 12/31–1/3 9:00 a.m.–5:00 p.m.

*Calls can also be made toll free from mobile phones and PHS. *IP and some other telephone services cannot be used.

Web (Japanese only) https://www.jp-bank.japanpost.jp/contact/ctt_index.html



Dialogue with Shareholders and Investors

JAPAN POST BANK holds as many face-to-face meetings as can be possible to build long-term relationships with shareholders and investors. Believing in the importance of providing detailed explanations of our business and future prospects, we engage in dialogues with shareholders and investors.

We held our 14th General Meeting of Shareholders on June 16, 2020. We asked shareholders to avoid attending in person to prevent the spread of COVID-19 and took various unprecedented steps such as live streaming the meeting and taking questions in advance to ensure that the dialogue with our shareholders was not negatively impacted.

For individual investors, we hold briefings at various locations in Japan in order to promote understanding of matters such as our main features and business strategies, as well as shareholder returns. We held 19 briefings sessions in the fiscal year ended March 31, 2020 (between April 2019 and January 2020), which were attended by a total of 821

investors. (The president and representative executive officer hosted 1 of the briefings.)

For analysts and institutional investors, we explain our financial status through teleconferences held after the announcement of earnings results every quarter and half-yearly earnings results briefings by our management. We also take part in conferences for institutional investors.

For overseas investors, the president and representative executive officer as well as other management engage in bilateral communications with overseas investors at regular intervals.

We do our best to reflect the valued opinions of these shareholders and investors in our management, in an effort to further increase our corporate value.



General Meeting of Shareholders

Dialogue with Employees

We provide opportunities for the management team and employees to actively engage in dialogue and are working towards shared recognition and mutual understanding of management policies and challenges.

Dialogue with Regional Communities

As a financial institution that is rooted in the community, JAPAN POST BANK places importance on the various "voices" that are part of these regional communities. As part of this effort, we conduct dialogue with regional financial institutes that are trusted by the community and Japanese local governments.

External Assessments

JAPAN POST BANK has been positively evaluated for its initiatives in ESG thus far, and has been included in the following Socially Responsible Investment (SRI) indices.



2019 Constituent
MSCI日本株
女性活躍指数 (WIN)

"MSCI Japan Empowering Women Index (WIN)"

An index composed of companies that are leading in promoting and maintaining gender diversity, created by MSCI

THE INCLUSION OF JAPAN POST BANK Co., Ltd. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF JAPAN POST BANK Co., Ltd. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES



Euronext Vigeo Eiris World 120 Index

An index composed of the best 120 companies as evaluated by Vigeo Eiris in terms of corporate social responsibility

JAPAN POST BANK has also been selected for the following as a company that implements initiatives to create employee-friendly workplaces.



Platinum Kurumin

Received certification by the Ministry of Health, Labour and Welfare as a childcare support company in February 2019 after assessment of initiatives at a higher level



Tomonin Mark

Certified by the Ministry of Health, Labour and Welfare as a company that takes steps to provide a working environment where employees can combine work and family care



Certified Health and Productivity Management Organization 2020

Certified by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi as an outstanding enterprise engaging in efforts for health and productivity management



LGBT PRIDE Index Gold

Highest ranking from work with Pride (private organization) with respect to its index for assessing initiatives targeting LGBT and other sexual minorities in the workplace

In addition, the four JAPAN POST GROUP companies were ranked #1 for the second year in a row since 2018 in the Finance/Insurance category of Randstad Japan's "Employer Brand Research 2019" which surveys companies with attractive workplaces.

* Surveys companies that are attractive as a workplace by universal standards and awards especially attractive employer companies



Nikkei Smart Work Management Survey 3.5 stars

During the 3rd Nikkei Smart Work Management Survey, which selects companies leading advances in productivity innovation through work style reforms, JAPAN POST BANK received 3.5 stars.

Recognition for "Characteristic Approach Case Study Category for Financial Institutions Contributing to Regional Revitalization"

"MBC Shisaku 1 LP" in which JAPAN POST BANK has invested together with regional financial institutions, was adopted as one of the cases in "Characteristic Approach Case Study Category for Financial Institutions Contributing to Regional Revitalization", which was certified by the Headquarters for Overcoming Population Decline and Vitalizing Local Economy in Japan, and received an award from the Minister of State for Regional Revitalization of the Cabinet Office (March 26, 2019)

Third-Party Assessment



Katsuhiko Kokubu

Professor, Graduate School of Business Administration, Kobe University

Profile

Doctor of Business Administration at Osaka City University.

After serving in such positions as Associate Professor at Osaka City University and Kobe University, Dr. Kokubu has been working as a Professor of the Graduate School of Business Administration at Kobe University since 2001. In 2019, he was appointed as to Vice President of Kobe University.

His works include Emerging Responsibility Management (Nikkei Publishing) and Beyond Accountability toward Management Ethics (Yuhikaku Publishing).

■ Rigorous Compliance and Governance Needed

I think that JAPAN POST BANK should take steps to prevent a recurrence of violations of internal rules governing investment trust sales in a way that is both rigorous and transparent. In this report, President Norito Ikeda expresses his resolve to prevent a recurrence and specific steps that the Bank should take. Going forward, I would like the Bank to continue explaining in detail (in the CSR Report and elsewhere) how these steps were implemented, especially the key points discussed by President Ikeda such as the “service improvement committee” and “strengthening the Group governance structure.”

■ Further Promotion of ESG and CSR

JAPAN POST BANK established the ESG Office within the Corporate Planning Department in April 2020, expressing its commitment to promoting ESG management. I expect faster progress in ESG initiatives as a result of the ESG Office working with the Corporate Planning Department. It is especially important for the Bank to incorporate ESG elements actively in its value creation process and clearly indicate the direction it wishes to take in creating social value. The SDGs related to the “value provided by JAPAN POST BANK” are set out in pp. 6–7 of this report. I believe that clarifying the relationship between initiatives and these SDGs and reflecting this in performance metrics will lead to the creation of social value in the future.

■ Agreement with TCFD Recommendations

JAPAN POST BANK has expressed its agreement with the goals of the TCFD Recommendations and disclosed the risks and opportunities related to climate change. It is commendable that the management team agrees with the TCFD Recommendations and changed course toward a low-carbon society. In disclosing risks and opportunities, the Bank not only sets out its risks, but also the potential for creating value. In my view, a key focus going forward other than efforts to reduce risk will be how the Bank connects the “opportunities” disclosed with value creation under ESG management.

■ Response to the Novel Coronavirus (COVID-19)

The Bank’s response to COVID-19 is discussed throughout this report. With branches nationwide, JAPAN POST BANK’s COVID-19 response is a major challenge for Japan. As well, financial support for companies throughout the country that have been adversely affected by the spread of COVID-19 could make or break the Japanese economy. It is an issue that will also have a big impact on work style reforms. I would like to see the Bank incorporate its COVID-19 response into its overall CSR policy and address it in multiple ways over the longer term.

Corporate Profile

Huge Nationwide Network (As of March 31, 2020)

Number of domestic branches

23,881

Number of ATMs

32,005

Number of partner financial institution cards usable at ATMs

Cards of approx.
1,400 companies

Number of ordinary deposit accounts

Approx.
120 million

Kinki Region

Number of Branches **3,419**
Number of ATMs **5,015**

Chugoku Region

Number of Branches **2,204**
Number of ATMs **2,386**

Kyushu Region

Number of Branches **3,392**
Number of ATMs **3,294**

Okinawa Region

Number of Branches **194**
Number of ATMs **269**

Hokkaido Region

Number of Branches **1,473**
Number of ATMs **1,827**

Shinetsu Region

Number of Branches **1,294**
Number of ATMs **1,391**

Hokuriku Region

Number of Branches **831**
Number of ATMs **1,084**

Tohoku Region

Number of Branches **2,532**
Number of ATMs **2,811**

Kanto Region

Number of Branches **2,564**
Number of ATMs **3,743**

Tokyo Region

Number of Branches **1,476**
Number of ATMs **3,215**

South Kanto Region

Number of Branches **1,022**
Number of ATMs **1,732**

Tokai Region

Number of Branches **2,342**
Number of ATMs **3,881**

Notes

1: The number of branches includes the following.

(1) Branches directly managed by JAPAN POST BANK

(2) Post offices contracted by JAPAN POST BANK (including sub-offices)

(3) Contracted post offices in which JAPAN POST re-entrusts our banking agency services

2: Does not include the number (one) of mobile post office (in Yamaguchi Prefecture).

Corporate name	JAPAN POST BANK Co., Ltd.
Date of establishment	September 1, 2006 (*1)
Representative Executive Officer	Norito Ikeda
Address of head office	2-3-1 Otemachi, Chiyoda-ku, Tokyo 100-8793, Japan
Total assets	¥210,905 billion
Total net assets	¥8,987 billion
Capital	¥3,500 billion
Number of employees (*2)	12,477
Main offices	Head office, Branches 234

*1 Japan Post Holdings Co., Ltd. changed its trade mark to Japan Post Bank Co., Ltd. on Oct 1, 2007.

*2 The number of employees excludes employees assigned to other companies by the Bank but includes employees assigned to the Bank by other companies.

The figure 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]).

Disclosure System



Corporate site

https://www.jp-bank.japanpost.jp/en_index.html

Financial information

Annual Report 2020



Integrated reports combine financial and non-financial information to tell the story of increasing corporate value over the medium to long term.

https://www.jp-bank.japanpost.jp/en/ir/financial/en_ir_fnc_annualreport.html

Financial information

https://www.jp-bank.japanpost.jp/en/ir/financial/en_ir_fnc_index.html

IR-related information

https://www.jp-bank.japanpost.jp/en/ir/information/en_ir_inf_index.html

Non-financial information

CSR Report



The CSR Report details initiatives to solve social issues with a focus on non-financial information such as the environment and society.

https://www.jp-bank.japanpost.jp/en/csr/en_csr_csrreports.html

Data book

https://www.jp-bank.japanpost.jp/en/aboutus/activity/csr/data/en_abt_act_csr_dt_index.html

Corporate Governance Report

<https://www.jp-bank.japanpost.jp/en/aboutus/company/pdf/report.pdf>

