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Matters to Be Provided Electronically
Business Report for the 18th Fiscal Year
(from April 1, 2023 to March 31, 2024)

[Business Report]

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

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

Matters Concerning Directors and Executive Officers

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[Financial Statements]

Non-consolidated Balance Sheet

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Consolidated Statement of Income

[Audit Report]



JAPAN POST BANK

Business Report (From April 1, 2023 to March 31, 2024)

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

(2) Financial Condition and Results of Operations

(Millions of yen)

As of and for the fiscal year ended March 31	2021	2022	2023	2024
Deposits	189,593,469	193,441,929	194,951,503	192,802,939
Fixed-term deposits	88,145,649	81,022,589	75,217,326	68,379,585
Others	101,447,819	112,419,339	119,734,176	124,423,353
Loans	4,691,723	4,441,967	5,604,366	6,848,393
Loans to individuals	97,383	83,582	80,419	73,236
Loans to small and medium-size enterprises	2,240	2,500	2,500	—
Others	4,592,100	4,355,885	5,521,447	6,775,156
Trading account securities	13	11	19	54
Securities	138,183,264	139,549,103	132,769,420	146,459,322
Japanese government bonds	50,493,477	49,259,766	38,114,711	43,862,083
Others	87,689,786	90,289,336	94,654,708	102,597,239
Total assets	223,847,547	232,922,083	229,545,202	233,854,645
Domestic exchange transaction volume	65,702,968	70,133,978	75,677,300	83,348,755
Foreign exchange transaction volume	(Millions of U.S. dollars) 396	(Millions of U.S. dollars) 333	(Millions of U.S. dollars) 299	(Millions of U.S. dollars) 219
Net ordinary income	394,325	491,459	448,242	494,819
Net income	279,837	354,945	324,607	354,303
Net income per share	(Yen) 74.64	(Yen) 94.68	(Yen) 86.72	(Yen) 97.92

Notes:

1. The figures are rounded down.
2. Net income per share is calculated by the following formula.

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

3. Japan Post Bank has applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of FY2022/3, and the figures are after the application of such accounting standards, etc.

The application of Accounting Standard for Revenue Recognition, etc. is subject to the transitional treatment stipulated in the proviso to Paragraph 84 of Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of FY2022/3, was added to or subtracted from the beginning balance of retained earnings of FY2022/3, and thus the new accounting policy was applied from such beginning balance.

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

(Millions of yen)

As of and for the fiscal year ended March 31	2021	2022	2023	2024
Ordinary income	1,946,728	1,977,640	2,064,251	2,651,706
Net ordinary income	394,221	490,891	455,566	496,059
Net income attributable to owners of parent	280,130	355,070	325,070	356,133
Comprehensive income	2,470,383	(910,994)	(364,552)	292,767
Net assets	11,394,827	10,302,261	9,651,874	9,707,923
Total assets	223,870,673	232,954,480	229,582,232	233,907,990

Note: The figures are rounded down.

(3) Employees

	As of March 31, 2024
Number of employees	11,345
Average age	45.2 years old
Average years of service	20.7 years
Average annual salary	¥7,116 thousand

Notes:

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

(4) Branches, etc.

1) Number of branches

	As of March 31, 2024	
	Number of branches	[Number of sub branches]
Hokkaido	5	[4]
Tohoku	10	[9]
Kanto	70	[69]
Tokyo	42	[41]
Shinetsu	6	[5]
Hokuriku	4	[3]
Tokai	23	[22]
Kinki	44	[43]
Chugoku	11	[10]
Shikoku	6	[5]
Kyushu	13	[12]
Okinawa	1	[-]
Domestics total	235	[223]
Overseas total	-	[-]
Total	235	[223]

- Notes: 1. The number of branches excludes the number of offices where bank agents, for which Japan Post Bank serves as a principal bank, operate bank agency services and unmanned sub branches of Japan Post Bank (6,526 places as of March 31, 2024).
2. In May 2023, Harumi Sub-Branch of the Head Office was relocated from Triton Square Tower X 43F, 1-8-10, Harumi, Chuo-ku, Tokyo to 3-17-2 Kikukawa, Sumida-ku, Tokyo, and renamed Kikukawa Sub-Branch of the Head Office.
3. In January 2024, the address of Hamamatsu Sub-Branch of Nagoya Branch was changed from 8-1 Asahi-cho, Naka-ku, Hamamatsu-shi, Shizuoka to 8-1 Asahi-cho, Chuo-ku, Hamamatsu-shi, Shizuoka.

2) Newly-established branches during the fiscal year

Not applicable

3) List of bank agent

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

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

Trade name or name of financial institutions for which Japan Post Bank serves as a bank agent
Sony Bank Incorporated
SBI Shinsei Bank, Limited

(5) Capital Investment

1) Total amount of capital investment

	(Millions of yen)
Total amount of capital investment	64,885

Note: The figure is rounded down.

2) New installation, etc., of significant equipment

	(Millions of yen)
Details	Amount
Japan Post Bank Total Information System	39,012
ATMs	14,382

Note: The figures are rounded down.

(6) Parent Company and Principal Subsidiaries, etc.

1) Parent company

Company name	Location	Main business	Capital	Percentage of voting rights of JAPAN POST BANK held by the parent company	Others
JAPAN POST HOLDINGS Co., Ltd.	Chiyoda-ku, Tokyo	A holding company	3,500,000 (Millions of yen)	61.50%	—

Notes:

1. The ratio of voting rights is rounded down to the second decimal place.
2. We have entered into the “JAPAN POST GROUP Agreement” with JAPAN POST HOLDINGS Co., Ltd., JAPAN POST Co., Ltd. and JAPAN POST INSURANCE Co., Ltd., which prescribed fundamental matters relating to Group management such as principles and policies common to the Group aimed at contributing to smooth Group operations.
Following this agreement, Japan Post Bank has entered into contracts regarding operations of the JAPAN POST GROUP with JAPAN POST HOLDINGS Co., Ltd. and these contracts decide important matters for Group operations that will be discussed in advance with and reported to JAPAN POST HOLDINGS Co., Ltd. but specify that JAPAN POST HOLDINGS Co., Ltd. will not hinder or restrain the decision-making of the Bank.
In addition, we have entered into the trademark management agreement with JAPAN POST HOLDINGS Co., Ltd., JAPAN POST Co., Ltd. and JAPAN POST INSURANCE Co., Ltd., for the purpose of maintaining and increasing brand value of the JAPAN POST GROUP, and have entered into the trademark management contract with JAPAN POST HOLDINGS Co., Ltd. Based on these agreement and contract, we are permitted to use the trademarks such as “Yucho” (Japan Post Bank), which JAPAN POST HOLDINGS Co., Ltd. centrally manages.
Furthermore, we pay brand license fee to JAPAN POST HOLDINGS Co., Ltd. as consideration of benefit by belonging to the JAPAN POST GROUP, and the calculation method would not be changed unless special circumstances such as significant changes in the economic situation occur.

2) Subsidiaries, etc.

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

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

- Overview of Significant Business Alliances

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

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

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

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

- 3 ATM/CD alliance services

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

City banks (5 banks), trust banks (4 banks), foreign banks (2 banks), regional banks (62 banks), second-tier regional banks (37 banks), other banks (13 banks), The Shoko Chukin Bank, Ltd. (1 bank), shinkin banks (254 banks), credit cooperatives (118 cooperatives), labor banks (13 banks), credit federations of agricultural cooperatives (32 cooperatives), agricultural cooperatives (528 cooperatives), credit federations of fishery cooperatives (10 cooperatives), fishery cooperatives (70 cooperatives), securities firms (10 firms), life insurance companies (5 companies), credit card companies (48 companies) and other companies (8 companies)

- (7) Business Transfer, etc.

Not applicable.

II. Matters Concerning Directors and Executive Officers

(1) Directors and Executive Officers

Directors

(As of March 31, 2024)

Name	Position and assignment	Significant concurrent positions	Others
IKEDA Norito	Director Member of the Nomination Committee	Director of JAPAN POST HOLDINGS Co., Ltd.	Mr. IKEDA resigned on March 31, 2024
TANAKA Susumu	Director	Managing Executive Officer of JAPAN POST HOLDINGS Co., Ltd.	—
KASAMA Takayuki	Director		—
MASUDA Hiroya	Director Member of the Nomination Committee Member of the Compensation Committee	Director, Representative Executive Officer, President and CEO of JAPAN POST HOLDINGS Co., Ltd. Director of JAPAN POST Co., Ltd. Director of JAPAN POST INSURANCE Co., Ltd.	—
YAMAZAKI Katsuyo	Director Member of the Audit Committee Member of the Risk Committee		—
TAKEUCHI Keisuke	Director (Outside Director) Member of the Nomination Committee Member of the Compensation Committee (Chairman)	Outside Director of BROTHER INDUSTRIES, LTD.	—
KAIWA Makoto	Director (Outside Director) Member of the Nomination Committee (Chairman)	Special Advisor of Tohoku Electric Power Co., Inc.	—
AIHARA Risa	Director (Outside Director) Member of the Compensation Committee	Representative Director and President of Ai-LAND Co., Ltd.	—
KAWAMURA Hiroshi	Director (Outside Director) Member of the Audit Committee (Chairman)	Attorney-at-law Outside Director of ISHII IRON WORKS CO., LTD.	—
YAMAMOTO Kenzo	Director (Outside Director) Member of the Audit Committee Member of the Risk Committee (Chairman)	Representative of Office KY Initiative Member of the Board as Outside Director of Bridgestone Corporation Outside Director of SUMITOMO LIFE INSURANCE COMPANY	—

Directors

(As of March 31, 2024)

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

Notes:

1. Mr. IKEDA Norito, Mr. TANAKA Susumu and Mr. KASAMA Takayuki concurrently serve as Executive Officers.
2. Ms. YAMAZAKI Katsuyo is a full-time member of the Audit Committee. The reason for electing a full-time member of the Audit Committee is to enhance the effectiveness of audits performed by the Audit Committee by attending important meetings other than the meetings of the Board of Directors and having coordination with the Internal Control Division closely.
3. Nine of Outside Directors (Mr. TAKEUCHI Keisuke, Mr. KAIWA Makoto, Ms. AIHARA Risa, Mr. KAWAMURA Hiroshi, Mr. YAMAMOTO Kenzo, Mr. NAKAZAWA Keiji, Ms. SATO Atsuko, Ms. AMANO Reiko and Ms. KATO Akane) are Independent Directors as stipulated by Tokyo Stock Exchange, Inc.
4. Mr. KASAMA Takayuki, Ms. YAMAZAKI Katsuyo, Ms. AMANO Reiko and Ms. KATO Akane were newly elected as Directors at the Ordinary General Meeting of Shareholders held on June 20, 2023, and assumed their positions on the same date.
5. As of the conclusion of the Ordinary General Meeting of Shareholders held on June 20, 2023, Mr. YAZAKI Toshiyuki, Dr. CHUBACHI Ryoji and Ms. URUSHI Shihoko resigned from their positions of Director due to expiration of their terms of office.
6. Mr. IKEDA Norito resigned from his position of Director of JAPAN POST HOLDINGS Co., Ltd. on March 31, 2024.
7. Ms. SATO Atsuko resigned from her position of Outside Director of Japan Management Succession Support Co. Ltd. on June 28, 2023.

Executive Officers

(As of March 31, 2024)

Name	Position and assignment	Significant concurrent positions	Others
IKEDA Norito	President and Representative Executive Officer	Director of JAPAN POST HOLDINGS Co., Ltd.	Mr. IKEDA resigned on March 31, 2024
TANAKA Susumu	Representative Executive Vice President (Assistant to the President)	Managing Executive Officer of JAPAN POST HOLDINGS Co., Ltd.	—
KASAMA Takayuki	Representative Executive Vice President (Assistant to the President)		—
YANO Harumi	Executive Vice President (Matters concerning operations of Corporate Planning Department, ALM Planning Department, and IT Strategy Department, Corporate Administration Division (excluding operations of Cyber Defense Office))		—
OGATA Kenji	Executive Vice President (Matters concerning operations of Compliance Division, Customer Satisfaction Department and Legal Affairs Department, Corporate Administration Division)		—
KOTOUDA Minoru	Senior Managing Executive Officer (Matters concerning operations of Marketing Division and supervision of operations of directly-operated branches and Regional Headquarters)	Director of JAPAN POST BANK LOAN CENTER Co., Ltd.	—
TAMAKI Masato	Senior Managing Executive Officer (Matters concerning operations of Risk Management Division)		—
MATSUNAGA Hisashi	Senior Managing Executive Officer (Matters concerning operations of System Division)	Director of JAPAN POST INFORMATION TECHNOLOGY Co., Ltd.	—
TANAKA Takayuki	Managing Executive Officer (Matters concerning operations of Human Resources Department, Diversity and Inclusion Department and General Affairs Department, Corporate Administration Division)	Director of JAPAN POST CORPORATE SERVICE Co., Ltd.	—

Executive Officers

(As of March 31, 2024)

Name	Position and assignment	Significant concurrent positions	Others
SHINMURA Makoto	Managing Executive Officer (Matters concerning operations of Financial Accounting Department, Investor Relations Department and Public Relations Department, Corporate Administration Division)	Director of JAPAN POST BANK LOAN CENTER Co., Ltd.	—
NAGURA Shinobu	Managing Executive Officer (Matters concerning operations of Operation Division)		—
OGATA Satoru	Managing Executive Officer (Matters concerning operations of Cyber Defense Office, IT Strategy Department, Corporate Administration Division and assistant to the Senior Managing Executive Officer in charge of System Division)		—
NAKAO Hideki	Managing Executive Officer (Matters concerning operations of Investment Division)		—
IIMURA Koji	Managing Executive Officer (Matters concerning operations of Internal Audit Division)		—
KISHI Etsuko	Executive Officer (Matters concerning Tokyo Regional Headquarters and assistant to the Senior Managing Executive Officer in charge of supervision of operations of directly-operated branches and Regional Headquarters)		—
TOUMA Masaya	Executive Officer (Matters concerning South Kanto Regional Headquarters and assistant to the Senior Managing Executive Officer in charge of supervision of operations of directly-operated branches and Regional Headquarters)		—
DEN Akihiro	Executive Officer (Assistant to the Managing Executive Officer in charge of Operation Division (limited to supervision of operations related to Operation Management Department, Operation Division))		—
FUKUSHIMA Katsuya	Executive Officer (Assistant to the Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to Corporate Planning Department, Corporate Administration Division))		—

Executive Officers

(As of March 31, 2024)

Name	Position and assignment	Significant concurrent positions	Others
HASUKAWA Koji	Executive Officer (Assistant to the Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to ALM Planning Department, Corporate Administration Division))		—
YOSHIDA Koichiro	Executive Officer (Assistant to the Senior Managing Executive Officer in charge of Marketing Division (limited to supervision of operations related to Marketing Department, Marketing Division))		—
KATO Hisanori	Executive Officer (Assistant to the Executive Vice President in charge of Compliance Division (limited to supervision of operations related to Compliance Management Department, Compliance Division))		—
YAMAMOTO Jun	Executive Officer (Assistant to the Senior Managing Executive Officer in charge of Risk Management Division (limited to supervision of operations related to Risk Management Department, Risk Management Division))		—
TOYODA Yasumitsu	Executive Officer (Matters concerning Kyushu Regional Headquarters and assistant to the Senior Managing Executive Officer in charge of supervision of operations of directly-operated branches and Regional Headquarters)		—
FUJIE Junko	Executive Officer (Assistant to the Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to Customer Satisfaction Department, Corporate Administration Division))		—
UEDA Hiroshi	Executive Officer (Assistant to the Senior Managing Executive Officer in charge of Marketing Division (limited to supervision of operations related to Digital Service Business Department and Payment Cards Business Department, Marketing Division))		—

Executive Officers

(As of March 31, 2024)

Name	Position and assignment	Significant concurrent positions	Others
AONO Kenji	Executive Officer (Matters concerning operations of Regional Relations Division)	Director of Japan Post Investment Corporation Director of Frontier Capital Inc.	—

Notes:

- Mr. IKEDA Norito, Mr. TANAKA Susumu and Mr. KASAMA Takayuki concurrently serve as Directors.
- Mr. OGATA Kenji, Mr. MATSUNAGA Hisashi, Ms. FUJIE Junko, Mr. UEDA Hiroshi and Mr. AONO Kenji were newly appointed as Executive Officers at the first meeting of the Board of Directors convened after the conclusion of the Ordinary General Meeting of Shareholders held on June 20, 2023. Mr. OGATA Kenji and Mr. MATSUNAGA Hisashi assumed their positions on June 20, 2023 and Ms. FUJIE Junko, Mr. UEDA Hiroshi and Mr. AONO Kenji assumed their positions on July 1, 2023.
- At the first meeting of the Board of Directors convened after the conclusion of the Ordinary General Meeting of Shareholders held on June 20, 2023, Titled Executive Officers were elected as follows.

Name	Position (before the change)	Position (after the change)	Date of the change
KASAMA Takayuki	Senior Managing Executive Officer	Representative Executive Vice President	June 20, 2023
YANO Harumi	Senior Managing Executive Officer	Executive Vice President	June 20, 2023
OGATA Kenji	(Newly elected)	Executive Vice President	June 20, 2023
TAMAKI Masato	Managing Executive Officer	Senior Managing Executive Officer	June 20, 2023
MATSUNAGA Hisashi	(Newly elected)	Senior Managing Executive Officer	June 20, 2023
NAKAO Hideki	Executive Officer	Managing Executive Officer	June 20, 2023
IIMURA Koji	Executive Officer	Managing Executive Officer	June 20, 2023

- As of the conclusion of the first meeting of the Board of Directors convened after the conclusion of the Ordinary General Meeting of Shareholders held on June 20, 2023, Mr. HAGINO Yoshinori, Mr. AMAHA Kunihiko, Ms. YAMAZAKI Katsuyo and Ms. MAKINO Yoko resigned from their positions of Executive Officers due to the expiration of their terms of office.
- Mr. TANIGAKI Kunio resigned from his position of Executive Vice President of the Bank on June 18, 2023 and assumed his position as Director and President, CEO Representative Executive Officer of JAPAN POST INSURANCE Co., Ltd. on June 19, 2023.
- Mr. IKEDA Norito resigned from his position of Director of JAPAN POST HOLDINGS Co., Ltd. on March 31, 2024.
- Mr. MATSUNAGA Hisashi assumed his position as Director of JAPAN POST INFORMATION TECHNOLOGY Co., Ltd. on June 23, 2023.
- As a change of Executive Officer that occurred after the end of FY2024/3, at the Board of Directors held on February 28, 2024, Titled Executive Officers were elected as follows.

Name	Position (before the change)	Position (after the change)	Date of the change
KASAMA Takayuki	Representative Executive Vice President	President and Representative Executive Officer	April 1, 2024
YANO Harumi	Executive Vice President	Representative Executive Vice President	April 1, 2024
SHINMURA Makoto	Managing Executive Officer	Senior Managing Executive Officer	April 1, 2024

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

(Millions of yen)

Category	Number of persons compensated	Compensation, etc.	Base compensation	Performance-linked stock compensation	Retirement benefit	Others
Directors	13 persons	133	133	—	—	0
Executive Officers	31 persons	875	645	202	24	2
Total	44 persons	1,008	778	202	24	2

Notes:

1. The figures for compensation, etc. are rounded down.
2. If a person holds concurrent positions as Director and Executive Officer, we do not pay compensation for services as Director to such person.
3. Number of Directors compensated excludes one Director without pay.
4. Compensation, etc. for incumbent Directors and Executive Officers as well as for three Directors and five Executive Officers who resigned during FY2024/3 and for one Executive Officer who resigned on March 31, 2024 are all included.
5. Performance-linked stock compensation above represents the amount accounted for as expense during FY2024/3.
6. Although the retirement benefits program to Executive Officers was abolished in June 2013, retirement benefits will be paid upon retirement to Executive Officers who remain in their positions since then, for their term of service up to the day of abolishment of the program.

[Matters Concerning Performance-linked Compensation]

(Overview of the performance-linked stock compensation system)

With regard to the performance-linked stock compensation system, please refer to “IV. Matters Concerning Shares - (5) Other Significant Matters Concerning Shares.”

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

With regard to the performance-linked stock compensation paid to Executive Officers, points to be granted are calculated by multiplying the sum of basic points awarded corresponding to Executive Officers' duties and evaluation points awarded based on individual evaluation by the coefficient that varies according to business results for FY2024/3, including the state of achievement of management targets. Individual evaluation of Executive Officers is conducted separately for the results of the business in which each Executive Officer in charge, and for the status of initiatives implemented, among others. The indicators related to business results are set from multiple different categories in order to make a comprehensive judgment on the state of achievement of management targets, etc. These indicators are set according to the “Goals and actual performances for FY2024/3 by indicators related to performance-linked compensation” given below, as they are appropriate for our business format and content.

In addition, a system is in place under which if an Executive Officer has committed a serious fraud or violation, the points serving as the basis for calculating shares to be granted to such Executive Officer can be reduced and forfeited.

No policy for determining the ratio of the performance-linked compensation and other types of compensation is established.

(Goals and actual performances for FY2024/3 by indicators related to performance-linked compensation)

Indicator	Goal	Actual performance
Net income attributable to owners of parent	¥335.0 billion	¥356.1 billion
OHR (Overhead Ratio)	67.0%	65.39%
Reduction in General and administrative expenses (vs FY2021/3)	¥65.0 billion reduction	¥81.5 billion reduction
Progress status in terms of the Medium-term Management Plan of market operations, retail business, the enhancement of funds flow to regional communities and regional relation functions, etc., and progress status of ESG management-related indicators		Progress generally in line with the plan
Status of ESG management promotion (excluding quantitative indicators), customer-oriented initiatives, situation of system troubles and compliance violations, etc.		<ul style="list-style-type: none"> - Enhancing functions of apps, ATMs, etc. - Building a foundation for the new corporate banking business (Σ business) - Achieving a significant increase in the Bank's share price and improvement in price book-value ratio - Occurrence of internal crimes at directly-operated branches, etc.

[Reason why the Compensation Committee judged that the details of individual compensation for Directors and Executive Officers for FY2024/3 were in accordance with the policy]

In accordance with the "Policy for Determining the Details of Individual Compensation for Directors and Executive Officers" below, the Bank's Compensation Committee considers various aspects such as the appropriateness of the level of compensation according to duties and job positions of Directors and Executive Officers and determines the "basic salary by job position," "calculation standard for granting points by job position" and "JAPAN POST BANK Co., Ltd. Stock Compensation Rules for Executive Officers" which stipulates performance-linked stock compensation for Executive Officers.

Based on these standard and rules, the Compensation Committee determines points related to basic salary and performance-linked stock compensation to be granted to individuals, and the Compensation Committee has judged that the detail of individual compensation is in accordance with the policy.

- Policy for Determining the Details of Individual Compensation for Directors and Executive Officers
In regard to compensation for directors and executive officers of Japan Post Bank, the Compensation Committee has prescribed the policy for determining the details of individual compensation for directors and executive officers as follows, and it determines the amount of compensation in accordance with this policy.

1 Compensation system

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

2 Compensation for directors

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

3 Compensation for executive officers

Compensation for executive officers shall be paid in the form of a certain level of base salary (a fixed amount of compensation), in light of differences in responsibility that varies according to the job position, and performance-linked stock compensation that reflects the state of achievement of management targets, and the like.

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

In regard to stock compensation, based on the viewpoint of a sound incentive for sustainable growth, points that are calculated by multiplying the sum of basic points corresponding to separately prescribed duties and evaluation points based on individual evaluation by a coefficient that varies according to the state of achievement of management targets shall be granted every year, and shares corresponding to the points accumulated at the time of retirement from office shall be provided. However, a certain percentage of this shall be paid in the form of money obtained by converting the shares into cash.

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

(3) Liability Limitation Agreement

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

(4) Indemnity Agreement

1) Indemnity agreement with Directors and Executive Officers in office

Not applicable.

2) Matters concerning execution of indemnity agreement

Not applicable.

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

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

III. Matters Concerning Outside Directors

(1) Concurrent Positions and Other Details on Outside Directors

(As of March 31, 2024)

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

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

(2) Main Activities of Outside Directors

Name	Term of office	Attendance at meetings of the Board of Directors and other meetings	Remarks made at meetings of the Board of Directors and other meetings, and other activities
TAKEUCHI Keisuke	4 years, 9 months	<p>Attended 12 out of 12 meetings of the Board of Directors held during FY2024/3 (100%)</p> <p>Attended 8 out of 8 meetings of the Nomination Committee held during FY2024/3 (100%)</p> <p>Attended 5 out of 5 meetings of the Compensation Committee held during FY2024/3 (100%)</p>	<p>He provided recommendations on formulating business and capital strategies and vitalizing regional community economies through the promotion of Σ business and others by utilizing his abundant experience and insight he gained as a corporate manager for a long time. He also led the Compensation Committee as its Chairman for discussions on determining appropriate compensation for Directors and Executive Officers, and actively expressed opinions on the appointment of Director candidates as a member of the Nomination Committee.</p>
KAIWA Makoto	4 years, 9 months	<p>Attended 12 out of 12 meetings of the Board of Directors held during FY2024/3 (100%)</p> <p>Attended 8 out of 8 meetings of the Nomination Committee held during FY2024/3 (100%)</p>	<p>He provided recommendations on formulating business strategies, vitalizing regional community economies through the promotion of Σ business, strengthening the management base and others by utilizing his abundant experience and insight he gained as a corporate manager for a long time. He also led the Nomination Committee as its Chairman for discussions on the appointment of Director candidates.</p>

Name	Term of office	Attendance at meetings of the Board of Directors and other meetings	Remarks made at meetings of the Board of Directors and other meetings, and other activities
AIHARA Risa	4 years, 9 months	Attended 12 out of 12 meetings of the Board of Directors held during FY2024/3 (100%) Attended 3 out of 3 meetings of the Compensation Committee held during FY2024/3, after her appointment (100%)	She provided recommendations on formulating business strategies, promoting digital services and DX and others by utilizing her abundant experience and professional knowledge with deep insight including digital marketing. She also served as a member of the Compensation Committee and actively expressed opinions on determining appropriate compensation for Directors and Executive officers.
KAWAMURA Hiroshi	3 years, 9 months	Attended 12 out of 12 meetings of the Board of Directors held during FY2024/3 (100%) Attended 14 out of 14 meetings of the Audit Committee held during FY2024/3 (100%)	He provided recommendations on formulating business strategies, strengthening the management base, including compliance system, and others by utilizing his abundant experience and professional knowledge as a long-serving legal professional. He also led the Audit Committee as its Chairman for discussions on audits of the execution of duties.
YAMAMOTO Kenzo	3 years, 9 months	Attended 12 out of 12 meetings of the Board of Directors held during FY2024/3 (100%) Attended 14 out of 14 meetings of the Audit Committee held during FY2024/3 (100%) Attended 7 out of 7 meetings of the Risk Committee held during FY2024/3 (100%)	He provided recommendations on formulating business strategies and others by utilizing his abundant experience and professional knowledge with deep insight into the financial market and financial system. He also led the Risk Committee as its Chairman for discussions on sophisticating risk management systems, led Meetings of Independent Outside Directors as its Chairman for discussions on improving governance, and actively expressed opinions on audits of the execution of duties as a member of the Audit Committee.

Name	Term of office	Attendance at meetings of the Board of Directors and other meetings	Remarks made at meetings of the Board of Directors and other meetings, and other activities
NAKAZAWA Keiji	1 year, 9 months	<p>Attended 12 out of 12 meetings of the Board of Directors held during FY2024/3 (100%)</p> <p>Attended 14 out of 14 meetings of the Audit Committee held during FY2024/3 (100%)</p> <p>Attended 3 out of 3 meetings of the Compensation Committee held during FY2024/3, after his appointment (100%)</p>	<p>He provided recommendations on formulating business and capital strategies, disclosing information to stakeholders and others by utilizing his abundant experience and insight he gained through successively holding various important posts at publicly traded companies and his professional knowledge in finance and accounting. He also served as a member of the Compensation Committee and the Audit Committee and actively expressed opinions on determining appropriate compensation for Directors and Executive Officers and audits of the execution of duties.</p>
SATO Atsuko	1 year, 9 months	<p>Attended 12 out of 12 meetings of the Board of Directors held during FY2024/3 (100%)</p> <p>Attended 7 out of 7 meetings of the Risk Committee held during FY2024/3 (100%)</p>	<p>She provided recommendations on formulating business strategies, market operations, promoting human capital management and others by utilizing her abundant experience and professional knowledge with deep insight including market operations, risk management, and human resource development. She also served as a member of the Risk Committee and actively expressed opinions on sophisticating risk management systems.</p>

Name	Term of office	Attendance at meetings of the Board of Directors and other meetings	Remarks made at meetings of the Board of Directors and other meetings, and other activities
AMANO Reiko	9 months	<p>Attended 10 out of 10 meetings of the Board of Directors held during FY2024/3, after her appointment (100%)</p> <p>Attended 6 out of 6 meetings of the Nomination Committee held during FY2024/3, after her appointment (100%)</p>	<p>She provided recommendations on formulating business strategies, vitalizing regional community economies, strengthening the management base and others by utilizing her abundant experience and insight she gained through successively holding various important posts at publicly traded companies and her professional knowledge on matters such as risk management. She also served as a member of the Nomination Committee and actively expressed opinions on the appointment of Director candidates.</p>
KATO Akane	9 months	<p>Attended 10 out of 10 meetings of the Board of Directors held during FY2024/3, after her appointment (100%)</p> <p>Attended 10 out of 10 meetings of the Audit Committee held during FY2024/3, after her appointment (100%)</p>	<p>She provided recommendations on formulating business strategies, promoting human capital management, reform of organizational culture and others by utilizing her abundant experience and professional knowledge with deep insight including human resource development. She also served as a member of the Audit Committee and actively expressed opinions on audits of the execution of duties.</p>

(3) Compensation, etc. for Outside Directors

(Millions of yen)

	Number of persons compensated	Compensation, etc. from Japan Post Bank	Compensations, etc. from the parent company, etc. of Japan Post Bank
Total amount of compensation, etc.	11 persons	103	—

Notes: 1. The figures for compensation, etc. are rounded down.

2. Compensations, etc. for incumbent Outside Directors and for two Directors who resigned during FY2024/3, are all included.

(4) Opinions of Outside Directors

Not applicable.

IV. Matters Concerning Shares

(1) Number of Shares

Total number of authorized shares 18,000,000 thousand shares

Total number of outstanding shares 3,617,532 thousand shares

(excluding 70 thousand shares of treasury stock)

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

2. The treasury stock does not include the Bank's shares held by the stock benefit trust (1,379 thousand shares).

(2) Total Number of Shareholders as of March 31, 2024: 568,655

(3) Major Shareholders

Name of shareholder	Number of shares held and percentage of shares held	
	Number of shares held, etc.	Percentage of shares held
JAPAN POST HOLDINGS Co., Ltd.	2,224,866 thousand shares	61.50%
The Master Trust Bank of Japan, Ltd. (Trust Account)	279,774 thousand shares	7.73%
Custody Bank of Japan, Ltd. (Trust Account)	83,444 thousand shares	2.30%
STATE STREET BANK WEST CLIENT-TREATY 505234	33,738 thousand shares	0.93%
JPMorgan Securities Japan Co., Ltd.	26,643 thousand shares	0.73%
JP MORGAN CHASE BANK 385781	20,095 thousand shares	0.55%
SSBTC CLIENT OMNIBUS ACCOUNT	14,338 thousand shares	0.39%
STATE STREET BANK AND TRUST COMPANY 505103	13,419 thousand shares	0.37%
Japan Post Bank Employee Shareholding Association	11,880 thousand shares	0.32%
TADA Katsumi	11,738 thousand shares	0.32%

Notes:

1. The number of shares held, etc. is rounded down.
2. The percentage of shares held is calculated excluding treasury stock (70 thousand shares) and is rounded down to the second decimal place.

(4) Shares Granted to Directors and Executive Officers of the Bank as Consideration of Execution of Duties in FY2024/3

	Number of officers to whom shares were granted	Number of shares
Directors (excluding Outside Directors) and Executive Officers	6 persons	44,100 shares
Outside Directors	—	—

Note: Shares were granted in accordance with the performance-linked stock compensation system described in “II. Matters Concerning Directors and Executive Officers – (2) Compensation, etc., for Directors and Executive Officers.” Under the system, the Bank grants the Bank’s shares, as well as a certain portion of the Bank’s shares in the form of money in an amount obtained by converting the shares into cash at their fair value at the time of retirement. The number of shares above does not include the portion paid in cash.

(5) Other Significant Matters Concerning Shares

- Performance-Linked Stock Compensation System for Executive Officers

Japan Post Bank introduced a performance-linked stock compensation system using a trust for its Executive Officers. The objectives of the system are to further enhance the awareness of the Executive Officers of Japan Post Bank regarding the importance of contributing to sustainable growth and enhancing the Bank’s corporate value over the medium and long terms, by clarifying the link between the Executive Officers’ compensation and the share value of the Bank.

- Stock Ownership Plan for Management Employees

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

- Share Repurchases and Cancellation of Shares

At the Board of Directors meeting held on February 27, 2023, the Bank passed a resolution on matters relating to the repurchase of its own shares pursuant to Article 39, Paragraph 1 of the Bank’s Articles of Incorporation complying with Article 459, Paragraph 1, Item 1 of the Companies Act and a resolution on matters relating to the cancellation of its own shares pursuant to provisions of Article 178 of the Companies Act, and implemented the share repurchases and cancellation of its own shares through market purchases as follows.

1 Reasons for the share repurchases and the cancellation of shares

To improve capital efficiency and strengthen shareholder returns, etc., as well as to mitigate the impact of the offering of the Bank’s common stock announced in the “Notice Concerning the Offering of Shares” on February 27, 2023, on the supply and demand for shares.

2 Details of matters related to the repurchase by using the method of market purchases

- (1) Class of shares repurchased: Common stock of the Bank
- (2) Total number of repurchased shares: 72,418,800 shares
- (3) Aggregate repurchase price of repurchased shares: ¥79,999,985,300
- (4) Repurchase period: From March 22, 2023 to April 27, 2023
(excluding the period from March 27 to 31, 2023)
- (5) Method of repurchase: Market purchases under discretionary transaction contracts with respect to the repurchase of shares

3 Details of matters related to the cancellation of the shares repurchased by using the method of market purchases

- (1) Class of shares cancelled: Common stock of the Bank
- (2) Total number of shares cancelled: 72,418,800 shares
- (3) Date of cancellation: May 31, 2023

V. Matters Concerning Independent Auditor

(1) Independent Auditor

(Millions of yen)

Name	Compensation, etc., for FY2024/3	Others
KPMG AZSA LLC MAENO Atsuji Designated Limited Liability Partner KANNO Masako Designated Limited Liability Partner OKADA Hideki Designated Limited Liability Partner	216	1) The Audit Committee gave consent to the amount of compensation, etc. for the Independent Auditor as provided in Article 399, Paragraph 1 of the Companies Act, considering the appropriateness of estimates for audit hours and compensation for FY2024/3, after checking the content of the Independent Auditor's audit plan as well as the audit plan and actual audit performance for the previous fiscal year. 2) Japan Post Bank paid consideration to the Independent Auditor for consignment, etc., of capital adequacy assessment process based on procedures agreed on by Japan Post Bank and Independent Auditor, which are not included among the services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act.

Notes:

1. The figure is rounded down.
2. The audit contract between Japan Post Bank and the Independent Auditor does not separate the compensation for the audit pursuant to the Companies Act from the compensation for the audit in accordance with Financial Instruments and Exchange Act. Moreover, it is practically impossible to separate the two. Accordingly, the above amount is total of such compensation.
3. The total amount of monetary and other property benefits that are to be paid by Japan Post Bank and its subsidiary corporations or entities is ¥261 million.

(2) Liability Limitation Agreement

Not applicable.

(3) Indemnity Agreement

1) Indemnity agreement with the Independent Auditor in office

Not applicable.

2) Matters concerning execution of indemnity agreement

Not applicable.

(4) Other Matters Concerning Independent Auditor

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

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

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

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

Not applicable.

VI. Matters Concerning Transactions with Parent Companies and Others

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

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

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

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

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

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

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

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

Not applicable.

VII. Others

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

Article 39, Paragraph 1 of the Articles of Incorporation of Japan Post Bank stipulates that "Japan

Post Bank shall prescribe rules on each Item provided for in Article 459, Paragraph 1 of the Companies Act by resolution of the Board of Directors, unless otherwise stipulated by laws and regulations.”

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

In the pre-revised Medium-term Management Plan for FY2022/3 to FY2026/3, our basic policy was “to maintain a dividend payout ratio of approximately 50%, taking into consideration the balance between shareholder returns, financial soundness and growth investments. However, the target dividend payout ratio will be set between 50% and 60% while keeping in mind the stability and sustainability of dividends, and we will target increases to dividends per share compared to projected dividend levels for FY2022/3.”

Under our basic dividend policy, we declared dividends per share of ¥51 for FY2024/3 (dividend payout ratio of 51.8%), an increase of ¥1 from the forecast, as a result of the higher-than-expected net income attributable to owners of parent for FY2024/3, and comprehensively taking into consideration factors such as the business environment going forward.

In the revisions to the Medium-term Management Plan announced on May 15, 2024, the Bank revised “we will target increases to dividends per share compared to projected dividend levels for FY2022/3” to “we seek to increase the dividend per share (DPS) from the level of the initial dividend forecast for FY2025/3.”

NON-CONSOLIDATED FINANCIAL STATEMENTS

Non-Consolidated Balance Sheet (As of March 31, 2024)

(Millions of yen)

Account	Amount
Assets:	
Cash and due from banks	57,701,930
Cash	285,554
Due from banks	57,416,375
Call loans	2,010,000
Receivables under resale agreements	9,742,621
Monetary claims bought	515,606
Trading account securities	54
Trading Japanese government bonds	54
Money held in trust	6,163,585
Securities	146,459,322
Japanese government bonds	43,862,083
Japanese local government bonds	5,634,828
Short-term corporate bonds	891,924
Japanese corporate bonds	9,443,422
Japanese stocks	22,177
Other securities	86,604,885
Loans	6,848,393
Loans on deeds	6,773,866
Overdrafts	74,527
Foreign exchanges	181,332
Due from foreign banks	181,332
Other assets	3,888,973
Domestic exchange settlement accounts - debit	29,177
Prepaid expenses	3,492
Accrued income	253,571
Initial margins for future transactions	153,827
Derivatives other than trading	156,230
Cash collateral paid for financial instruments	1,780,423
Other	1,512,251
Tangible fixed assets	198,034
Buildings	70,388
Land	63,720
Construction in progress	17
Other	63,908
Intangible fixed assets	87,008
Software	69,156
Other	17,851
Deferred tax assets	58,850
Reserve for possible loan losses	(1,066)
Total assets	233,854,645

(Millions of yen)

Account	Amount
Liabilities:	
Deposits	192,802,939
Transfer deposits	12,694,358
Ordinary deposits	110,416,248
Savings deposits	818,257
Time deposits	3,581,797
Special deposits	385,603
TEIGAKU deposits	64,797,788
Other deposits	108,885
Payables under repurchase agreements	24,042,626
Payables under securities lending transactions	2,373,799
Borrowed money	1,984,900
Borrowings	1,984,900
Foreign exchanges	1,273
Foreign bills payable	1,273
Other liabilities	2,925,056
Domestic exchange settlement accounts - credit	42,282
Income taxes payable	53,725
Accrued expenses	197,119
Unearned income	15,754
Derivatives other than trading	2,362,389
Asset retirement obligations	77
Other	253,707
Reserve for bonuses	7,249
Reserve for employees' retirement benefits	3,641
Reserve for employee stock ownership plan trust	510
Reserve for management board benefit trust	427
Reserve for reimbursement of deposits	50,950
Total liabilities	224,193,373
Net assets:	
Capital stock	3,500,000
Capital surplus	3,500,000
Legal capital surplus	3,500,000
Retained earnings	2,571,077
Other retained earnings	2,571,077
Retained earnings brought forward	2,571,077
Treasury stock	(1,523)
Total shareholders' equity	9,569,554

(Millions of yen)

Account	Amount
Net unrealized gains (losses) on available-for-sale securities	1,357,803
Net deferred gains (losses) on hedges	(1,266,085)
Total valuation and translation adjustments	91,718
Total net assets	9,661,272
Total liabilities and net assets	233,854,645

Non-Consolidated Statement of Income (For the fiscal year ended March 31, 2024)
(Millions of yen)

Account	Amount
Ordinary income	2,650,083
Interest income	1,396,938
Interest on loans	9,676
Interest and dividends on securities	1,343,868
Interest on call loans	575
Interest on receivables under resale agreements	(4,177)
Interest on receivables under securities borrowing transactions	43
Interest on deposits with banks	32,077
Other interest income	14,875
Fees and commissions	181,084
Fees and commissions on domestic and foreign exchanges	89,583
Other fees and commissions	91,500
Other operating income	4,833
Gains on sales of bonds	4,833
Other ordinary income	1,067,226
Recoveries of written-off claims	22
Gains on sales of stocks and other securities	45,478
Gains on money held in trust	1,007,703
Other	14,021
Ordinary expenses	2,155,263
Interest expenses	698,339
Interest on deposits	10,487
Interest on payables under repurchase agreements	323,741
Interest on payables under securities lending transactions	125,204
Interest on commercial paper	0
Interest on borrowings	1,760
Interest on interest rate swaps	234,260
Other interest expenses	2,883
Fees and commissions	29,554
Fees and commissions on domestic and foreign exchanges	3,231
Other fees and commissions	26,323
Other operating expenses	142,974
Losses on foreign exchanges	120,470
Losses on sales of bonds	20,510
Expenses on derivatives other than for trading or hedging	1,992
General and administrative expenses	924,842
Other ordinary expenses	359,553
Provision for reserve for possible loan losses	37
Losses on sales of stocks and other securities	333,756
Losses on devaluation of stocks and other securities	19
Losses on money held in trust	10,853
Other	14,887
Net ordinary income	494,819

(Millions of yen)

Account	Amount
Extraordinary loss	1,903
Losses on sales and disposals of fixed assets	1,692
Losses on impairment of fixed assets	210
Income before income taxes	492,916
Income taxes - current	144,901
Income taxes - deferred	(6,288)
Total income taxes	138,612
Net income	354,303

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet (As of March 31, 2024)

(Millions of yen)

Account	Amount
Assets:	
Cash and due from banks	57,724,492
Call loans	2,010,000
Receivables under resale agreements	9,742,621
Monetary claims bought	515,606
Trading account securities	54
Money held in trust	6,163,585
Securities	146,490,662
Loans	6,848,393
Foreign exchanges	181,332
Other assets	3,889,102
Tangible fixed assets	198,302
Buildings	70,560
Land	63,720
Construction in progress	17
Other	64,004
Intangible fixed assets	87,624
Software	69,773
Other	17,851
Deferred tax assets	58,062
Reserve for possible loan losses	(1,075)
Reserve for possible investment losses	(775)
Total assets	233,907,990

(Millions of yen)

Account	Amount
Liabilities:	
Deposits	192,800,717
Payables under repurchase agreements	24,042,626
Payables under securities lending transactions	2,373,799
Borrowed money	1,984,900
Foreign exchanges	1,273
Other liabilities	2,935,310
Reserve for bonuses	7,496
Liability for retirement benefits	2,056
Reserve for employee stock ownership plan trust	510
Reserve for management board benefit trust	427
Reserve for reimbursement of deposits	50,950
Total liabilities	224,200,067
Net assets:	
Capital stock	3,500,000
Capital surplus	3,500,000
Retained earnings	2,574,567
Treasury stock	(1,523)
Total shareholders' equity	9,573,043
Net unrealized gains (losses) on available-for-sale securities	1,358,768
Net deferred gains (losses) on hedges	(1,266,085)
Accumulated adjustments for retirement benefits	1,101
Total accumulated other comprehensive income	93,784
Non-controlling interests	41,094
Total net assets	9,707,923
Total liabilities and net assets	233,907,990

Consolidated Statement of Income (For the fiscal year ended March 31, 2024)

(Millions of yen)

Account	Amount
Ordinary income	2,651,706
Interest income	1,397,149
Interest on loans	9,676
Interest and dividends on securities	1,344,078
Interest on call loans	575
Interest on receivables under resale agreements	(4,177)
Interest on receivables under securities borrowing transactions	43
Interest on deposits with banks	32,077
Other interest income	14,875
Fees and commissions	181,628
Other operating income	4,833
Other ordinary income	1,068,095
Recoveries of written-off claims	22
Other	1,068,072
Ordinary expenses	2,155,647
Interest expenses	698,339
Interest on deposits	10,487
Interest on payables under repurchase agreements	323,741
Interest on payables under securities lending transactions	125,204
Interest on commercial paper	0
Interest on borrowings	1,760
Other interest expenses	237,144
Fees and commissions	28,612
Other operating expenses	139,949
General and administrative expenses	927,804
Other ordinary expenses	360,942
Provision for reserve for possible loan losses	42
Other	360,900
Net ordinary income	496,059
Extraordinary loss	1,998
Losses on sales and disposals of fixed assets	1,787
Losses on impairment of fixed assets	210
Income before income taxes	494,060
Income taxes - current	145,243
Income taxes - deferred	(6,310)
Total income taxes	138,932
Net income	355,128
Net loss attributable to non-controlling interests	(1,005)
Net income attributable to owners of parent	356,133

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

Independent Auditor's Report

May 10, 2024

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

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

KANNO Masako
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

OKADA Hideki
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and the related notes, and the supplementary schedules of JAPAN POST BANK Co., Ltd. ("the Company") as at March 31, 2024 and for the 18th fiscal year from April 1, 2023 to March 31, 2024 in accordance with Article 436-2-1 of the Companies Act.

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

Basis for Opinion

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

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The Audit Committee is responsible for overseeing the Executive Officers and the Directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

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

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

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

We have nothing to report in this regard.

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

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

the preparation of non-consolidated financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

Independent Auditor's Report

May 10, 2024

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

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

KANNO Masako
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

OKADA Hideki
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of JAPAN POST BANK Co., Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2024 and for the consolidated fiscal year from April 1, 2023 to March 31, 2024 in accordance with Article 444-4 of the Companies Act.

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

Basis for Opinion

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

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The Audit Committee is responsible for overseeing the Executive Officers and the Directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

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

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

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

Audit Report

The Audit Committee audited the execution of the duties of the Directors and the Executive Officers of JAPAN POST BANK Co., Ltd. ("Japan Post Bank") during the 18th fiscal year from April 1, 2023 to March 31, 2024 and hereby reports the auditing method and the results thereof as follows:

1. Auditing Method and Details Thereof

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

- 1) The Audit Committee established audit plans for the fiscal year ended March 31, 2024 in accordance with Audit Committee Regulations, Audit Rules of the Audit Committee, assignment of duties based on the resolution of the Audit Committee, etc. Also, having coordination with the internal control divisions, etc., and utilizing web conferencing and other tools, the Audit Committee attended important meetings, received reports from Directors and Executive Officers, etc. regarding the matters related to the execution of duties, requested explanations when necessary, reviewed important documents for approval, etc., and examined the business and financial condition at the Head Office, etc.

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

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

Based on the above-described methods, the Audit Committee examined the business report and the supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes) and the supplementary schedules thereto, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes), for the fiscal year ended March 31, 2024.

2. Audit Results

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

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

As described in the Business Report, steps have been continuously taken to prevent internal crimes at our directly operated branch offices and post offices by organizing and strengthening comprehensive crime prevention measures and building a system to promote these measures throughout the Japan Post Group, among others. The Audit Committee has confirmed that steps for improvement are continuously being taken.

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

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

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

(3) Results of Audit of Consolidated Financial Statements

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

May 14, 2024

Audit Committee of JAPAN POST BANK Co., Ltd.

Member of the Audit Committee KAWAMURA Hiroshi (seal)

Member of the Audit Committee YAMAMOTO Kenzo (seal)

Member of the Audit Committee NAKAZAWA Keiji (seal)

Member of the Audit Committee KATO Akane (seal)

Member of the Audit Committee YAMAZAKI Katsuyo (seal)

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