

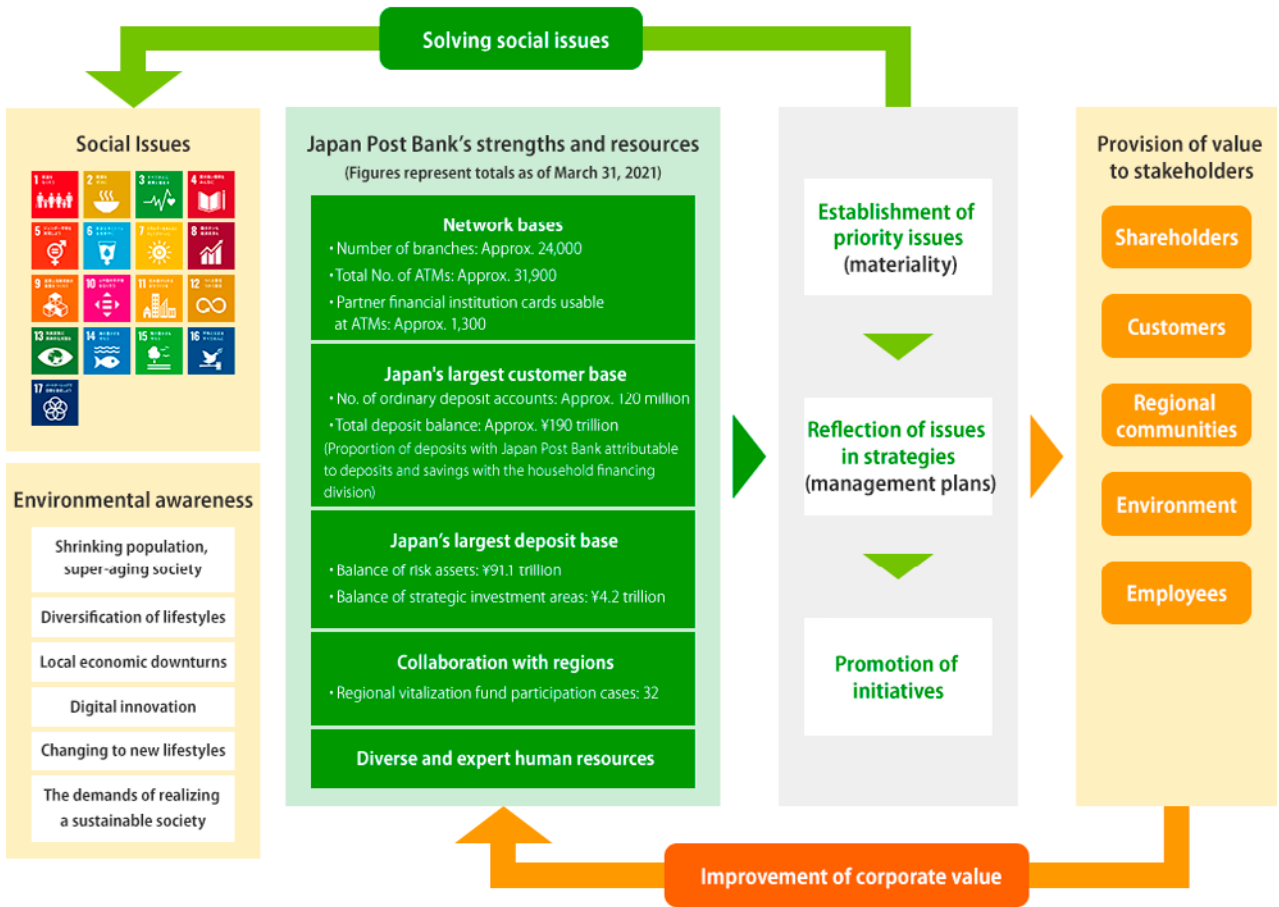
JAPAN POST BANK Priority Issues

Positioning of Priority Issues (Materiality) in Management

Japan Post Bank is engaging in the advancement of ESG management, which combines both corporate value enhancement and the solving of social issues. At the basis of this is a “cycle of value creation” – an approach that involves working to solve social issues and provide value to our various stakeholders through our business activities, which in turn is linked to the enhancement of our corporate value.

Purpose of Japan Post Bank

We aim for the happiness of customers and employees, and will contribute to the development of society and the region.



Related Information

- ▶ [Management Strategy \(Medium-term Management Plan\)](#)

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Priority Issues (Materiality)

In our Medium-term Management Plan that commenced in FY2022/3, we established priority issues (Materiality) that our company should focus on.

These have been selected from the issues that we, as a “chosen bank that continues to grow with society,” must focus on in our processes that deliver value to our stakeholders such as our customers, regional communities, the environment, and our employees. By returning to the fundamentals of our business and specifying these priority issues, we can realize the importance of growing in harmony with society, and our employees can strive to achieve this goal.

Furthermore, for each of these priority issues we have established target KPIs to manage our progress.

Priority Issues (Materiality) / Strategies / KPIs

Priority Issues(Materiality)	Specific Initiatives	Target KPIs(FY2026/3)	Connection to social issues(Realizing SDGs)
 <p>Providing “safe and secure” financial services to anyone and everyone throughout Japan</p>	<ul style="list-style-type: none"> Utilizing post offices networks across the country While putting safety and security foremost, we will expand digital services that all customers can readily use Developing an open, “Co-creation Platform” Consulting that closely centers on clients 	<ul style="list-style-type: none"> Number of accounts registered in the Yucho Bankbook app 10 million accounts Number of Cumulatetype NISA Operation Accounts 400 thousand accounts 	   
 <p>Contributing to regional economic expansions</p>	<ul style="list-style-type: none"> Flow of funds to regional communities via various frameworks We will address financial needs suited to the real conditions of each regional community as a “regional financial platform” Enhancing relationship functions of regional communities 	<ul style="list-style-type: none"> Regional vitalization fund participation cases Cumulatively 50 cases Number of financial institutions that have aggregated operational processes Roughly 20 financial institutions 	   
 <p>Reducing environmental impact</p>	<ul style="list-style-type: none"> Enhancing initiatives based on TCFD proposals*1 Advancement of shift to paperless transactions, reductions in CO2 emissions Advancement of ESG investment 	<ul style="list-style-type: none"> CO2 emissions reduction rate (FY2031/3 targets/FY2020/3 comparison) 46% ESG themed investment balance 4trillion 	   
 <p>Advancement of work style reforms, and sophistication of governance</p>	<ul style="list-style-type: none"> Make work more worthwhile for employees Advancement of diversity management Expand flexible work styles, eliminate harassment Board of directors that balances independence, diversity, and expertise 	<ul style="list-style-type: none"> Ratio of women in managerial positions 20% Ratio of employees taking childcare leave (Regardless of gender) 100% Ratio of employees with disabilities 2.7% or more 	   

*1 Abbreviation of Task Force on Climate-related Financial Disclosures. An organization established at the proposal of the Financial Stability Board for the purpose of thoroughly realizing corporate information disclosure pertaining to climate change, in which the representatives of the central banks and financial supervisory authorities, etc. of key nations participate.

*2 Abbreviation of Sustainable Development Goals. International goals for the period between 2016 to 2030, stated in “The 2030 Agenda for Sustainable Development” adopted at a United Nations summit in 2015.

The Process of Identifying Materiality

Step 1: Identifying social issues to be considered

Through the methods below, social issues were identified as comprehensively as possible.

- Analysis of international situation (various types of international frameworks, standards, and external assessments, such as SDGs*2).
- Analysis of Japan’s situation (administrative bodies, the finance industry).
- Support of international initiatives (SDGs, TCFD, CDP*3, the United Nations Global Compact*4, and GRI*5).

*3 Abbreviation for the Carbon Disclosure Project. An international NPO that manages the disclosure of information regarding the environmental impact of corporations, etc.

*4 An international framework that supports the achievement of sustainable growth, proposed by the Secretary-General of the United Nations at the 1999 World Economic Forum.

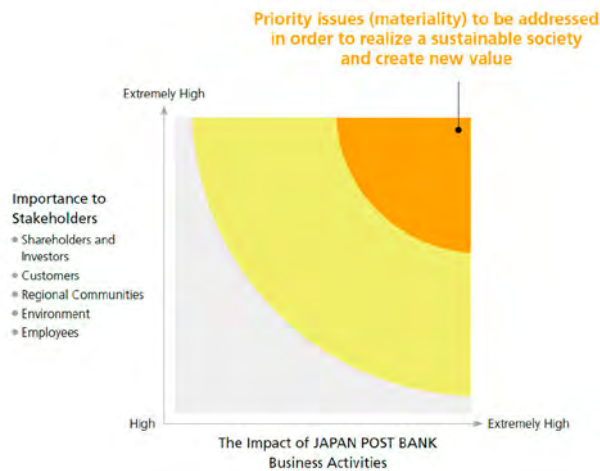
*5 Abbreviation for the Global Reporting Initiative. An international NPO that establishes guidelines for sustainability reports.

Step 2: Narrowing down social issues to be addressed

<ul style="list-style-type: none"> • Relevancy to Japan Post Bank’s business activities. 	Social issues are examined based on Japan Post Bank’s management philosophy, policies, services, and business details, and those with low relevancy to our business activities are removed.
<ul style="list-style-type: none"> • Discussion with stakeholders 	In consideration of information such as assessment results from external research agencies and external expert opinions, it is determined whether the issues selected are based on what society demands of the bank.

Step 3: Selecting Priority Issues (Materiality)

Assuming the key role, The Corporate Planning Department created a “Materiality Map” – outlining and sorting priority issues using the two criteria of “importance to our stakeholders” and “relevancy to the business of Japan Post Bank.”



Step 4: Identifying Priority Issues (Materiality)

The Executive Committee and the Board of Directors analyzed their suitability and identified four priority issues. The issues are linked to our management strategy as we continue to advance our initiatives, and the state of progression regarding them is checked on a regular basis at Executive Committee and Board of Directors meetings. It is also planned to regularly review these priority issues in light of social environment changes.



Providing “safe and secure” financial services to anyone and everyone throughout Japan



Contributing to regional economic expansions



Reducing environmental impact



Advancement of work style reforms, and sophistication of governance

Relationship with International Frameworks (SDGs)

Initiatives of the JAPAN POST GROUP

The Sustainable Development Goals (SDGs) were adopted in September 2015 by the United Nations General Assembly as a set of common worldwide goals to end poverty and pursue a sustainable future. The SDGs consist of 17 goals and 169 specific targets for reaching these goals that address worldwide issues by 2030.

Japan Post Holdings Co., Ltd., on behalf of the Japan Post Group participates in the UN Global Compact. Through this arrangement, the Group is working to help achieve the SDGs. For more details please see the following page.

Related Information

[Framework of Global Society and Sustainability of Japan Post Group \(external website\)](#)



JAPAN POST BANK Initiatives

Japan Post Bank is promoting initiative, having established individual targets and KPI for the materiality items of “Providing ‘safe and secure’ financial services to anyone and everyone throughout Japan,” “Contributing to regional economic expansions,” “Reducing environmental impact” and “Advancement of work style reforms, and sophistication of governance.” In addition, we are promoting greater understanding and penetration of Sustainability inside the company through training for all employees.

The relationship between the SDGs as well as Japan Post Bank’s materiality, initiatives, targets and KPI is as follows.

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Initiatives and Targets toward Achievement of SDGs in Japan Post Group Medium-term Management Plan 2026 (FY2022/3 to FY2026/3)

SDGs relevant to materiality	Key initiatives taken to solve issues	Target KPIs (FY2026/3)
<p>Providing “safe and secure” financial services to anyone and everyone throughout Japan</p> 	<ul style="list-style-type: none"> Utilizing post offices networks across the country While putting safety and security foremost, we will expand digital services that all customers can readily use Developing an open, “Co-creation Platform” Consulting that closely centers on clients 	<ul style="list-style-type: none"> Number of accounts registered in the Bankbook app: 10 million accounts (4.81 million accounts as of March 31, 2022) Number of Cumulate-type NISA Operation Accounts: 400 thousand accounts (170 thousand accounts as of March 31, 2022)
<p>Contributing to regional economic expansions</p> 	<ul style="list-style-type: none"> Flow of funds to regional communities via various frameworks We will address financial needs suited to the real conditions of each regional community as a “regional financial platform” Enhancing relationship functions of regional communities 	<ul style="list-style-type: none"> Regional vitalization fund participation cases: cumulatively 50 cases (Cumulatively 39 cases as of March 31, 2022) Number of financial institutions that have aggregated operational processes: roughly 20 financial institutions (Cumulatively 5 financial institutions as of March 31, 2022)
<p>Reducing environmental impact</p> 	<ul style="list-style-type: none"> Strengthen initiatives in accordance with the TFCF^{*1} recommendations Encourage the elimination of paper and reduce CO₂ emissions Advancement of ESG investing 	<ul style="list-style-type: none"> 46% reduction in CO₂ emissions compared to FY2020/3 by FY2031/3 (9.9% reduction in FY2022/3) Balance of ESG-themed investing of ¥4 trillion (Approx. ¥2.1 trillion as of March 31, 2022)
<p>Advancement of work style reform and the sophistication of governance</p> 	<ul style="list-style-type: none"> Make work more worthwhile for employees Advancement of diversity management Expand flexible work styles, eliminate harassment Board of directors that balances independence, diversity, and expertise 	<ul style="list-style-type: none"> Ratio of women in managerial positions: 20% (by April 2026)^{*2} (16.6% as of April 2022) Ratio of employees taking childcare leave: 100% (regardless of gender) (100% in FY2022/3) Ratio of employees with disabilities: 2.7% or more (2.71% as of June 2021)

*1: Abbreviation of Task Force on Climate-related Financial Disclosures. An organization established at the proposal of the Financial Stability Board for the purpose of thoroughly realizing corporate information disclosure pertaining to climate change, in which the representatives of the central banks and financial supervisory authorities, etc. of key nations participate.

*2: (Japan Post Group targets) Ratio of female managers of 30% at headquarters by April 1, 2031

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Initiatives to Achieve the Transformative Promise of the SDGs, "Leave No One Behind"

We provide deposit and remittance services through our nationwide network of approximately 24,000 post offices to enable customers in every corner of the country to use our Bank. In addition, for pension recipients who are unable to receive their payments at our branches due to advanced age or physical difficulty, we offer the Retirement Pension Delivery Service whereby pension and public employees' pension payments are home-delivered. Through operating these sorts of services as well as Japan's largest banking network, we support communities with essential social infrastructure.

Furthermore, so that all people can use the Bank with ease, accounts can be opened free of charge and without making a deposit. Foreign customers can also open a bank account if they reside in Japan, and we have made a guideline that explains important points regarding the opening of accounts available on our website titled "To all Japan Post Bank Customers of non-Japanese Citizenship." (Available in 14 different languages including English, Chinese, and Vietnamese.)

As the holder of 120 million accounts, a number roughly equivalent to the whole population of Japan, JAPAN POST BANK will continue to provide a variety of services to customers as the most accessible bank to anyone and everyone throughout Japan.

Related Information

[Retirement Pension Delivery Service \(Japanese version only\)](#)

[Open a bank account](#)



Number of branches
23,734

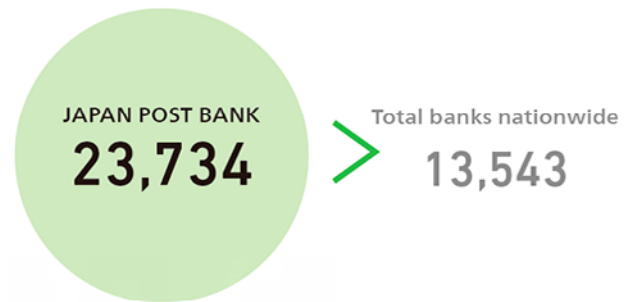


Number of partner financial institutions available at ATMs
Approx. **1,300** companies



Number of ATMs
31,774

Branch network comparison (as of March 31, 2022)



Source: Japanese Bankers Association HP "National Bank Financial Statement Analysis (National Bank Capital, Number of Stores, Number of Bank Agents, Number of Officers and Employees List)," total domestic head offices and branch offices (as of September 30, 2021)