




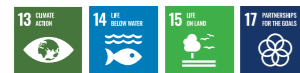




Priority Social Issues (Materiality) to be Addressed

Working through its Executive Committee and the Board of Directors, JAPAN POST BANK takes steps to examine the substance of material issues. In addition to linking the materialities identified to the Bank management strategies, energies are then directed toward promoting initiatives aimed at solving social issues through business activities. After deliberating on these initiatives, the status of progress is reported to the Sustainability Committee, the Executive Committee, and the Board of Directors on a regular basis.

Meanwhile, in line with the revision of the Medium-term Management Plan, the Bank undertook a review of materialities and specific initiatives in May 2024.

Materiality	Risks and Opportunities	Specific Initiatives	Target KPIs	Results (FY2024/3)	Targets (FY2026/3)
 <p>Providing "safe and secure" financial services to anyone and everyone throughout Japan</p> 	<p>Risks</p> <ul style="list-style-type: none"> Decrease in transactions due to the declining birthrate, aging population, and inadequate response to changes in DX and customer needs Loss of social credibility due to such factors as cyber-attacks and system failures <p>Opportunities</p> <ul style="list-style-type: none"> Enhancing the Bank's image through differentiation from other banks Increase in the number of users by providing services that are easy for everyone to use Increase in financial needs through financial literacy education 	<p>R Retail Business</p> <ul style="list-style-type: none"> Provide services through the post office network and support the use of digital services (address the digital divide) Expand offerings of digital/remote services that are accessible and easy to use by all customers, with top priority placed on safety and security Support asset building such as with the new NISA investment program, etc. focusing on retail customers <p>P.36</p>	<p>Number of accounts registered in the Yucho Bankbook App</p> <p>Number of NISA accounts</p>	<p>10.4 million accounts</p> <p>730 thousand accounts</p>	<p>16.0 million accounts</p> <p>940 thousand accounts</p>
 <p>Contributing to regional economic expansion</p> 	<p>Risks</p> <ul style="list-style-type: none"> Downturn in the market due to a decrease in the local population Reduced opportunities due to inadequate engagement with local communities <p>Opportunities</p> <ul style="list-style-type: none"> Market expansion through revitalization of the local economy Upswing in opportunities through collaboration with diverse partners and efforts to address local equity needs 	<p>R Retail Business</p> <p>M Market Business</p> <p>Σ Business</p> <ul style="list-style-type: none"> Realization of "co-creation platform" with regional financial institutions, etc. The challenge to revitalize local economies and create new corporate value through "JAPAN POST BANK's unique GP business" Flow of funds to regional communities via various frameworks <p>P.36, P.40, P.46</p>	<p>GP business-related investments (based on investment commitments)</p>	<p>¥48.9 billion</p>	<p>Approx. ¥400 billion</p>
 <p>Reducing environmental impact</p> 	<p>Risks</p> <ul style="list-style-type: none"> Damage to the Bank's assets such as ATMs due to natural disasters, etc., and an increase in the credit risk of investee companies. Decrease in the value of marketable securities of companies held in market operations that have been significantly affected by stricter environmental regulations Decrease in corporate value in the event the response to environmental issues is assessed as inadequate <p>Opportunities</p> <ul style="list-style-type: none"> Enhancement of evaluations of JAPAN POST BANK in capital markets and society through appropriate initiatives and disclosures on environmental issues More opportunities to invest in renewable energy projects and green bonds, etc. 	<p>R Retail Business</p> <p>M Market Business</p> <p>Σ Business</p> <ul style="list-style-type: none"> Enhancing initiatives based on TCFD proposals Reduce GHG (greenhouse gas) emissions, promote shift to paperless operations Promote ESG investments and loans <p>P.36, P.40, P.46</p>	<p>GHG emissions reduction rate*¹: (compared to FY2020/3 levels)</p> <p>Business forms usage reduction rate (compared to FY2021/3)</p> <p>ESG-themed investment and loan balance</p>	<p>-50.8%</p> <p>—</p> <p>¥4.6 trillion</p>	<p>-60%</p> <p>-20%</p> <p>¥7 trillion</p>
 <p>Diversity promotion of human resources and sophistication of governance</p> 	<p>Risks</p> <ul style="list-style-type: none"> Inability to execute management strategies due to lack of human resources, etc. Low morale due to poor employee engagement Loss of social credibility due to such factors as misconduct, compliance violations, and inadequate measures against money laundering/financing of terrorism <p>Opportunities</p> <ul style="list-style-type: none"> Creation of innovation by diverse human resources Organizational revitalization and an increase in corporate value through human capital investment and human capital strategies linked to management strategies Increased productivity through diverse work styles 	<p>Strengthening the management base</p> <ul style="list-style-type: none"> Promote human capital management based on the principles of "Encourage growth" + "Discover abilities" + "Effectively utilize diversity" Further improve the effectiveness of the Board of Directors <p>P.54, P.74</p>	<p>Overall employee satisfaction rate</p> <p>Ratio of women in managerial positions*²</p> <p>Rate of employees taking childcare leave (Regardless of gender)</p> <p>Rates of employees with disabilities*⁴</p>	<p>67.3%</p> <p>18.4%</p> <p>100%</p> <p>2.94%</p>	<p>70% or higher</p> <p>20%*³</p> <p>100%</p> <p>3.0% or higher</p>

*1 FY 2023/3 Results, FY 2031/3 Targets
 *2 Results as of April 1, 2024, April 2026 Targets
 *3 The JAPAN POST GROUP is targeting a ratio of female managers of 30% at headquarters by April 1, 2031.
 *4 Results as of June 1, 2023, June 2025 Targets