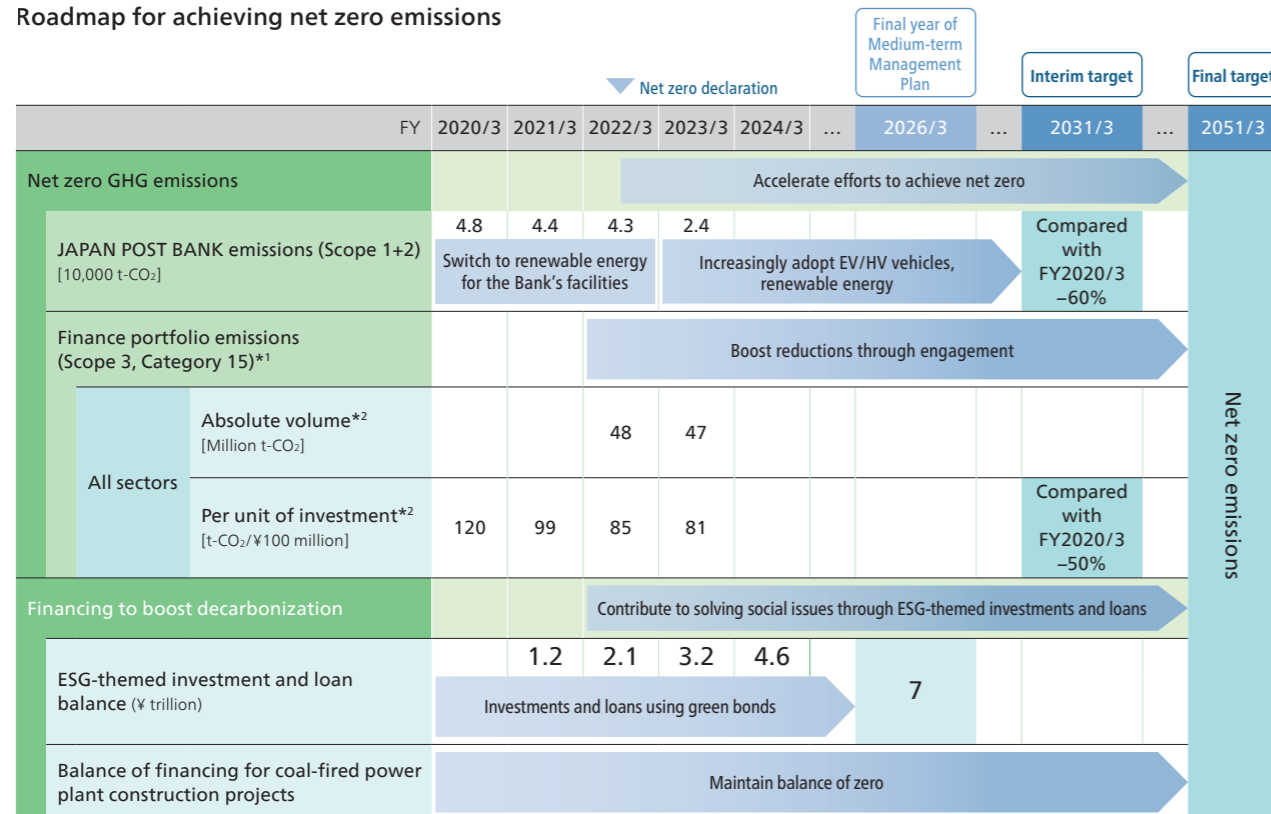


Addressing Climate Change

Basic Stance

In response to the global social issue of climate change, JAPAN POST BANK is promoting efforts to create a carbon neutral, decarbonized society for Japan by FY2051/3. In FY2024/3, the Bank published a roadmap for achieving net zero emissions.

Roadmap for achieving net zero emissions



*1 Finance portfolio emissions may be revised retroactively in the future if there is a change in the vendor acquiring the emissions data or the calculation method is improved.
 *2 The absolute figures for FY2022/3 have been changed from those disclosed in the past due to the refinement of calculation methods, such as the expansion of the scope of investee and borrower companies (e.g., from non-consolidated to consolidated).
 In addition, the attribution factor used to obtain the values in the table above is calculated using corporate value based on book value.

Governance/ Risk Management

Climate Change Promotion System

The JAPAN POST BANK governance system is constructed in such a way that, under the leadership of the Sustainability Management Office, Corporate Planning Department, the Bank debates and reports on climate change action policies and initiative statuses to the Sustainability Committee, Executive Committee, and the Board of Directors, through

which the Board of Directors supervises the Bank's standing in our response to climate change risks and opportunities.

Along with establishing priority issues (materiality) and target KPI regarding climate change in the Medium-term Management Plan (FY2022/3 to FY2026/3), the Bank has stated as part of the Plan our intention to address climate change in unison with the management strategies.

Establishment of a Working Group to Enhance Sustainability Promotion Systems

JAPAN POST BANK is implementing various measures with the aim of ensuring that each employee understands and practices sustainability promotion initiatives in their own work.

In FY2024/3, the Bank established the Climate Change Working Group (WG), with the Sustainability Management Office serving as its secretariat, to further strengthen collaboration with each department with the aim of strengthening its response to various sustainability-related issues. Including representatives from investment-related

departments, such as the Risk Management Department and the CIO Office of the Investment Division, as well as the Public Relations Department and Financial Accounting Department, this WG considers not only various disclosure issues but also responses to risk management, ESG-themed investments and loans, and efforts to reduce GHG emissions. By enhancing our organizational structure in this way, we are strengthening our responses to a variety of sustainability issues.

Risk Management System

JAPAN POST BANK has introduced a Risk Appetite Framework (RAF) and positions risks related to climate change, etc., as one of the top risks facing the Bank. These risks are reflected in the Bank's management plans, and the Sustainability Management Office which has been established in the Corporate Planning Department acts as necessary following regular checks of the status of control.

For more details on the Risk Appetite Framework, please see page 86.

The Bank has put in place the ESG Investment and Financing Policy which specifies the investments and loans that it will actively promote. Having reviewed our investment and loan policy in April 2024, we are working to increase its sophistication to, for example, newly expand the scope of prohibited investments to certain specified sectors and to appropriately respond to environmental issues such as climate change and biodiversity issues, and social issues such as human rights violations.

Strategy/Metrics and Targets

Climate Change-related Risks and Opportunities

JAPAN POST BANK has identified the risks and opportunities related to climate change as follows.

Risks and Opportunities	Details	Period*1	Financial Impact*2
Physical Risks	• Damage to the Bank's assets such as ATMs due to natural disasters, etc., and an increase in the credit risk of companies receiving investments and financing.	Short term	Small
Transition Risks	• The securities holdings of the companies that are receiving JAPAN POST BANK investment and loan (companies that are greatly affected by environmental regulations) will suffer a decline in value due to a tightening of regulations.	Medium to long term	Medium
Opportunities	• Improvements in capital markets and society's evaluations owing to steps by the Bank to take appropriate measures and make disclosures related to environmental issues. • Investment and financing opportunities for renewable energy businesses and green bond investment opportunities will increase.	Short to long term	Medium

*1 The period until the relevant risks and opportunities occur or manifest. Short-term: Less than 1 year, Medium-term: 1 year to less than 3 years, Long-term: 3 years or more
 *2 Financial Impact on B/S and P/L: Small: Less than ¥1 billion per year, Medium: ¥1 billion to less than ¥10 billion per year, Large: ¥10 billion or more per year

In order to quantitatively understand the climate change risk of loans belonging to sectors that are highly impacted by climate change, we aggregate, manage, and monitor carbon-related assets quarterly based on TCFD recommendations. In our ESG Investment and Financing Policy, we have stipulated, with respect to investments in, and financing of, coal-fired power generation projects, which are said to have a large impact on the environment, that we will not invest in, or finance for, construction of new, or expansion of existing,

coal-fired power plant facilities. Furthermore, as of the end of March 2024, we had no balances for financing projects that involve the construction of coal-fired power plants.

Going forward, JAPAN POST BANK will conduct ongoing analyses that take into account the long-term impacts of climate change, while continuing to closely monitor the impacts of climate change and support the initiatives of our investment and lending clients through engagement and other means.

Initiatives as a Business Company

We switched all the electricity used at our Bank-owned facilities to renewable energy sources by FY2023/3. As our branches are located in facilities owned by JAPAN POST, we will support JAPAN POST's shift to renewable energy

electricity. Another initiative, which started from FY2024/3 is to switch from gasoline-powered four-wheel vehicles used in sales activities to environmentally friendly vehicles such as EVs and HVs. Through these initiatives, we will link our operations to the Bank's own emissions reductions

Category	Intermediate Target for FY2031/3	2050 Target
Company Emissions	-60% (compared with FY2020/3)	Net zero

Initiatives as an Institutional Investor

- JAPAN POST BANK is accelerating its efforts to support the reduction of greenhouse gas (GHG) emissions throughout society and to achieve net zero by 2050 through engagements with investment and financing recipient companies that have a large impact on climate change response. In FY2024/3, we conducted ESG-related engagement with 25 companies. Examples of these engagements are described below.

Proposals from Outside Directors

With regard to Scope 3 (emissions of companies receiving investment and loans) initiatives to reduce GHG emissions, when engaging with companies receiving investment and loans, emphasis should be placed not only on numerical targets but also on qualitative initiatives such as reduction plans.

Company	Topic	Content of dialogue
Company A Gas utility	Climate change	Identification of emission reduction issues (technology development, value chain). Request for disclosure related to expected increase in Scope 1 and 2 emissions accompanying transition. Discussions on the financial impact of climate change and expansion of disclosure content.
Company B Electric power utility		Verification of efforts to achieve goals. Confirmation and exchange of views on potential for further increase in adoption of renewable energy.
Company C Food company	Natural capital	Confirmation of the status of identification of categories with high dependence or impact and analyses of risks and opportunities. Review of the status of recycling-related initiatives. Exchange of views on financial impact (capital expenditures) and future research and development.

To fulfill its social responsibility to address environmental and social issues as an institutional investor going forward as well, JAPAN POST BANK will continue dialogue to support corporate efforts to decarbonize through engagements for continuously checking on the progress and disclosure status of

corporate transition plans and strategies. We will also continue looking for ways to enhance the content of our engagements and reflect the results thereof in our policies, etc., with the goal of helping to reduce GHG emissions across communities even more.

Category	Intermediate Target for FY2031/3	2050 Target
Finance Portfolio Emissions Emissions per unit of investment (t-CO ₂ /¥100 million)	-50% (compared with FY 2020/3)	Net zero

Publication of Sustainability Progress Report 2024

In June 2024, JAPAN POST BANK published Sustainability Progress Report 2024, its first progress report. This report provides institutional investors and other stakeholders with a summary of the background to our sustainability initiatives and primarily the progress made in FY2024/3.



More information
Sustainability Progress Report

https://www.jp-bank.japanpost.jp/en/sustainability/report/pdf/sustainability-progress-report_en.pdf

Natural Capital and Biodiversity Conservation Initiatives

In September 2022, JAPAN POST BANK joined the Taskforce on Nature-related Financial Disclosures (TNFD) Forum. We seek to increase awareness of natural capital and biodiversity conservation as well as contribute to the realization of a sustainable society by further promoting initiatives that are conducive to the conservation of natural capital and biodiversity.



The Bank's Approach to the Conservation and Restoration of Natural Capital

Nurturing a prosperous future with nature

- Economic activities are highly dependent on natural capital, and all enterprises, including our bank, are related to natural capital. As a financial institution, we have a role of the fund provider to enterprises involved with natural capital, and we recognize that it is generally desirable to analyze and manage our investments and loans in order to promote a response.
- On the other hand, the Bank, which operates throughout Japan through its network of post offices, also recognizes the importance of involvement in the conservation and restoration of nature, which is rooted in local communities, with the aim of promoting the sound development of Japanese society and local communities. In addition to responding to our investment and loan clients, we will implement a wide range of environment-related initiatives as a unified group.

Concrete Steps

Yucho Direct+ (plus) Non-Passbook General Account

Instead of issuing paper passbooks, customers can use "Yucho Direct" to check their current balances, which leads to a reduction in paper usage.

Online service for viewing transfer receipt / payment notifications

This service enables customers to check transfer receipt/payment notifications and payment handling slips via an online screen instead of receiving them in writing. This not only improves convenience but also leads to a reduction in paper usage.

Yucho Volunteer deposits

We offer the JAPAN POST BANK Deposits for International Voluntary Aid to help provide as much support as possible to people and nature conservation around the world who are in need of assistance. Part of the interest received from customers is used as donations to improve livelihoods in developing countries and regions and for environmental conservation. (Cumulative total from the launch of transactions until March 31, 2024: ¥36.57 million)

Donations to environmental conservation organizations, Yucho Eco-Communication

The Bank contributes to organizations engaged in activities that protect endangered species and conserve the environment, as well as to initiatives and awareness-raising activities related to preserving the



Donguri-Mongori Japan (Aichi Prefecture), tree-planting activities

biodiversity of tree planting as one example. Specifically, we donate a portion of the cost savings associated with reduced paper usage through Yucho Eco-Communication to certified non-profit and other organizations throughout Japan that work with local communities on promoting environmental conservation. (Cumulative total from the start of initiatives until March 31, 2024: ¥32.5 million)

Environmental consideration in procurement (climate, biodiversity, etc.)

In our contract processes, we have made the following consideration for the environment declaration: We shall conduct procurement activities with consideration for conservation of the global and regional environment and effective use of resources, and so conduct environmentally friendly procurement. For example, vegetable oil-based ink*1 is used for printing our Annual Report, Environmental Data Book and other publications. We also check the materials used in the items we procure and are gradually changing item specifications to more environmentally friendly materials.*2 We also continuously promote green purchasing.

In addition, having reviewed the Group's Approach to Procurement Activities (procurement policy) in December 2018, the JAPAN POST GROUP now asks that its business partners give consideration toward environmental and social issues to work to realize the 10 principles in the four fields (human rights, labor, environment and anti-corruption) defined in the UN Global Compact. In July 2019, we formulated and published the JAPAN POST GROUP's CSR Procurement Guidelines. We have asked all business partners to comply with these guidelines since December 2020.

*1 Ink made from recycled oil containing vegetable oil, such as soy oil, palm oil, and/or waste oil
*2 An initiative to reduce plastic waste