



Natural Capital Report

Apr. 2025

1. Message from the President



Natural capital and biodiversity

Natural capital, such as flora and fauna, air, water, soil, and minerals, is indispensable to human lives and economic activity, and it is in turn supported by biodiversity. However, human beings are destroying natural capital, and the loss of natural capital and biodiversity is increasingly being recognized as a significant risk.

Efforts to conserve and restore natural capital and biodiversity are being addressed in Japan and internationally. For example, the international community has established the Kunming-Montreal Global Biodiversity Framework, signaling its intention to take action to “halt and reverse biodiversity loss” by 2030, or in other words, to become “Nature Positive.” Similarly, in Japan, the government has established the National Biodiversity Strategy of Japan, which advocates for the “realization of nature positive economies.”

Becoming “Nature Positive”

Japan Post Bank has been implementing a wide range of environmentally friendly initiatives to date. However, in order to make our policy on natural capital clearer, we revised our Environmental Policy in April 2025 and set out our commitment to make our own proactive efforts to become “Nature Positive” through investment and financing to support other companies’ initiatives to conserve and restore natural capital.

This report discloses information on the status of our initiatives to date, based on the international disclosure framework that is the Recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD Recommendations). We believe that this helps to visualize the progress and current status of our efforts. We will continue to further enhance our initiatives while utilizing the TNFD Recommendations.

FY2025 marks the final year of our current Medium-term Management Plan. We believe that our stakeholders expect us to achieve not only various financial targets, of course, but also a balance between creating sustainable social value and improving corporate value in the medium to long term by addressing priority issues (materiality) in our business activities. We aim to continue fulfilling these expectations.

April 1, 2025

T. Kasama

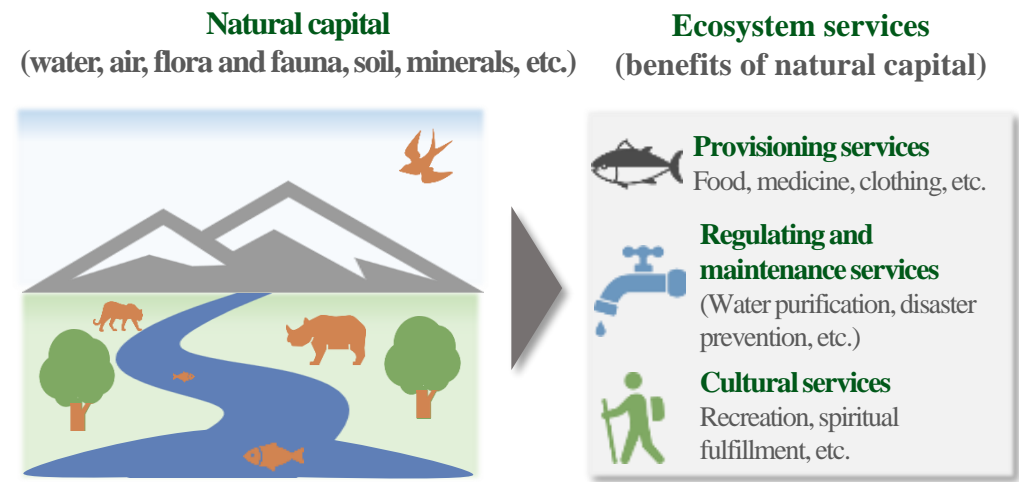
Takayuki Kasama

Director, President and Representative Executive Officer

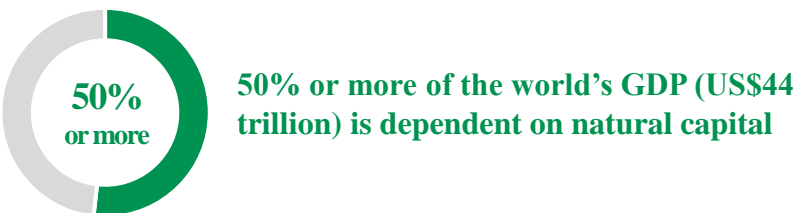
2. Natural Capital

- Natural capital consists of flora and fauna, air, water, soil, minerals, and other resources, and yields benefits for companies and society (ecosystem services).
- On the other hand, it has been reported that human economic activity gives rise to negative impacts, leading to the depletion of natural capital and decline of ecosystems (changes in nature), and nature-related risks are being recognized on a global scale.

Benefits of natural capital

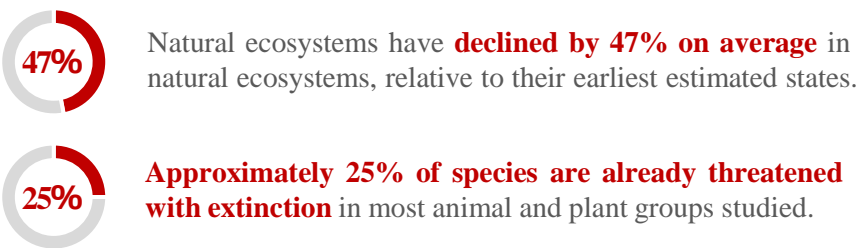


Economic value that is dependent on natural capital



Source: World Economic Forum

Depletion of natural capital



Source: IPBES, “Global Assessment Report on Biodiversity and Ecosystem Services”

Global Risks Ranked by Severity Over the Next Decade

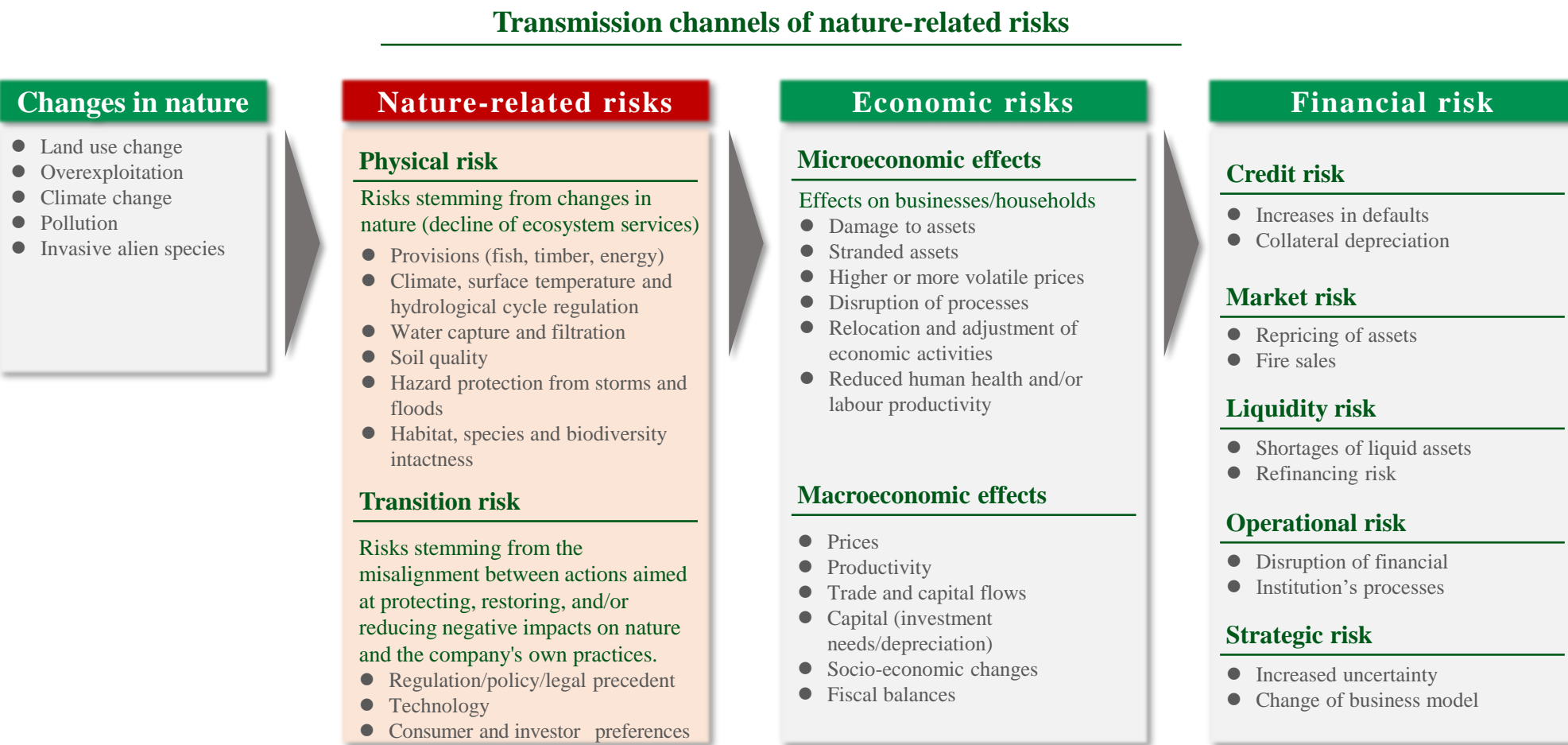
1	Extreme weather events
2	Biodiversity loss and ecosystem collapse
3	Critical change to Earth systems
4	Natural resource shortages
5	Misinformation and disinformation
6	Adverse outcomes of AI technologies
7	Inequality
8	Societal polarization
9	Cyber espionage and warfare
10	Pollution (air, soil, water)

Nature-related risks occupy top positions.

Source: World Economic Forum, “The Global Risks Report 2025”

3. Nature-related Risk Transmission Channels

- Changes in nature are recognized as having adverse impacts on the economy and finance, and such impacts are wide-ranging.
- Similarly for Japan Post Bank, changes in nature could potentially have an impact on counter services and other operations, and the financial position of our borrowers and investees may deteriorate and manifest as credit risks and market risks.



Source: Created by Japan Post Bank based on the NGFS report "Nature-related Financial Risks: a Conceptual Framework to guide Action by Central Banks and Supervisors"

4. Japan Post Bank’s Recognition of Nature-related Risks

- We have organized nature-related risks by the impact they have on Japan Post Bank and its investees and borrowers, and by their impact in the respective financial risk categories.
- We will continuously review these risks while refining and enhancing our analysis of the dependencies and impacts on Japan Post Bank and its investees and borrowers.

Impact on Japan Post Bank and its investees and borrowers

Type of risk		Impact on Japan Post Bank (Direct impact on operations)	Impact on investees and borrowers (Impact on the value chain)
Physical risks	Acute risk	<ul style="list-style-type: none"> Damage to shops and other facilities and business disruption caused by floods, forest fires, or other disasters due to changes in nature 	<ul style="list-style-type: none"> Damage to facilities and business disruption to investees and borrowers caused by floods, forest fires, or other disasters due to changes in nature
	Chronic risk	<ul style="list-style-type: none"> Deterioration in the health of employees due to gradual changes in nature (pollution, etc.) 	<ul style="list-style-type: none"> Disruption to business activities due to gradual changes in nature (pollution, etc.)
Transition risks	Policy and regulatory risk	<ul style="list-style-type: none"> Tightening of disclosure requirements in relation to natural capital, leading to an increase in administrative costs 	<ul style="list-style-type: none"> Tightening of regulations aimed at helping nature to recover, putting pressure on the profits of investees and borrowers
	Technology risk	<ul style="list-style-type: none"> — 	<ul style="list-style-type: none"> Development of technologies that are less dependent on nature / have lower impact by other companies, weakening the competitiveness of investees and borrowers
	Market risk	<ul style="list-style-type: none"> — 	<ul style="list-style-type: none"> Changes to consumer behavior, resulting in reduced need for the products and services of investees and borrowers
	Reputational risk	<ul style="list-style-type: none"> Inadequate environmental initiatives, including by investees and borrowers, leading to a decline in Japan Post Bank’s social reputation, omission from ESG indices, and divestment 	

Impact by the respective financial risk categories

Financial risk categories	Nature-related risks	
	Physical risks	Transition risks
Credit risk Market risk*1	<ul style="list-style-type: none"> Damage to the facilities of investees and borrowers caused by floods, forest fires, or other disasters due to changes in nature, resulting in a deterioration in the performance/creditworthiness of investees and borrowers and a decline in the value of securities held by Japan Post Bank Short- to long-term	<ul style="list-style-type: none"> Nature-related changes in the business environment,*2 resulting in a deterioration in the performance/creditworthiness of investees and borrowers and a decline in the value of securities held by Japan Post Bank Medium- to long-term
Liquidity risk	<ul style="list-style-type: none"> Increase in capital outflows associated with greater demand for repair funds caused by floods, forest fires, or other disasters due to changes in nature Short- to long-term	<ul style="list-style-type: none"> Increase in financing costs due to delayed response to nature-related changes in the business environment*2 Medium- to long-term
Operational risk	<ul style="list-style-type: none"> Damage to facilities and business disruption, caused by floods, forest fires, or other disasters due to changes in nature Short- to long-term	<ul style="list-style-type: none"> Increase in Japan Post Bank’s response costs due to nature-related changes in the business environment*2 Medium- to long-term
Reputational risk	<ul style="list-style-type: none"> Decline in Japan Post Bank’s social reputation due to inadequate efforts in the area of natural capital Short- to long-term	

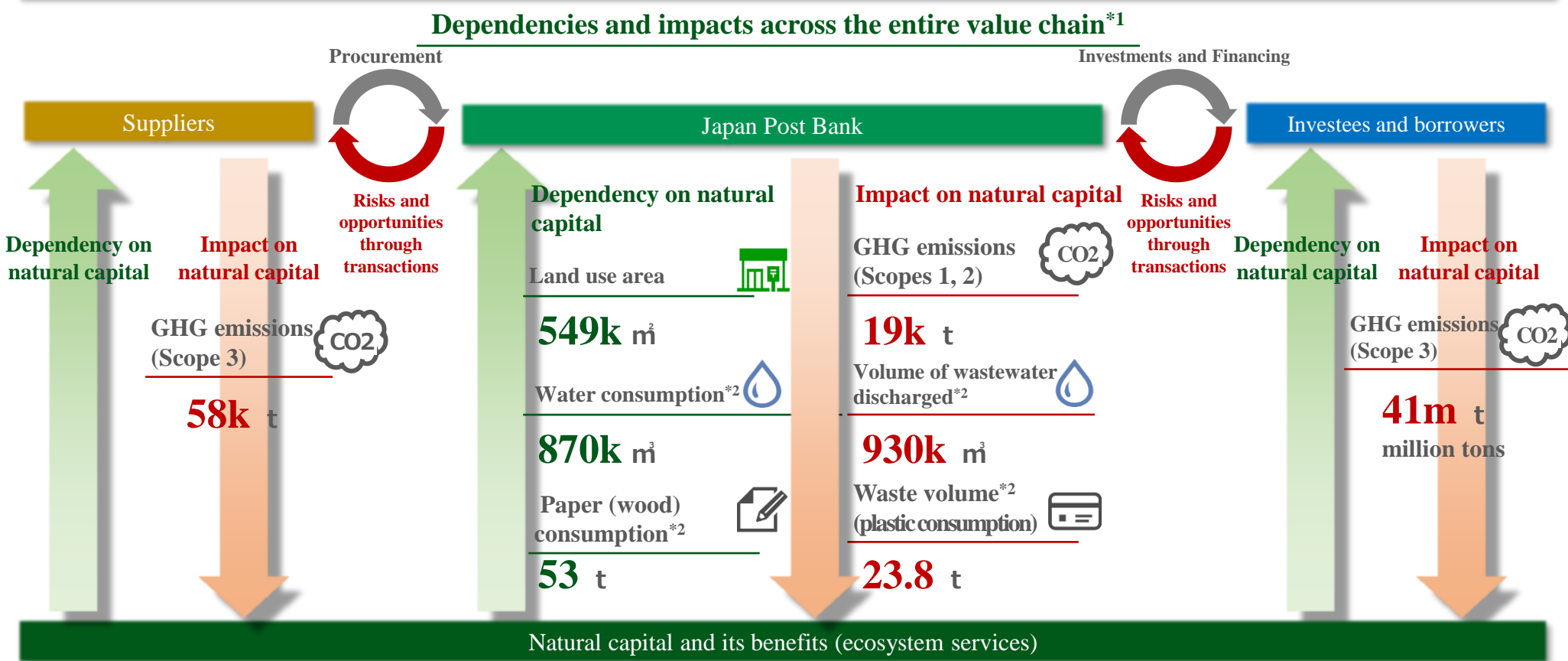
Short-term: Less than 1 year; Medium-term: 1 – 5 years; Long-term: More than 5 years

*1 As Japan Post Bank’s investments largely consist of securities, credit risk and market risk have been placed in the same category.

*2 Tighter regulations aimed at restoring natural capital, replacing existing products and services with those that are less dependent on nature / have lower impact, changes to consumer behavior, increase in raw material costs, etc.

5. Dependencies and Impacts across the Entire Value Chain

- Japan Post Bank has established a business model that invests deposits, entrusted by customers at branches across Japan, in securities such as bonds. The entire value chain is dependent on natural capital and impacted by it.
- Japan Post Bank’s investees and borrowers also have close links to nature. Therefore, in order to manage nature-related risks and win opportunities, we consider it important to fully understand the status of investees’ and borrowers’ dependency on natural capital as well as its impact on them.



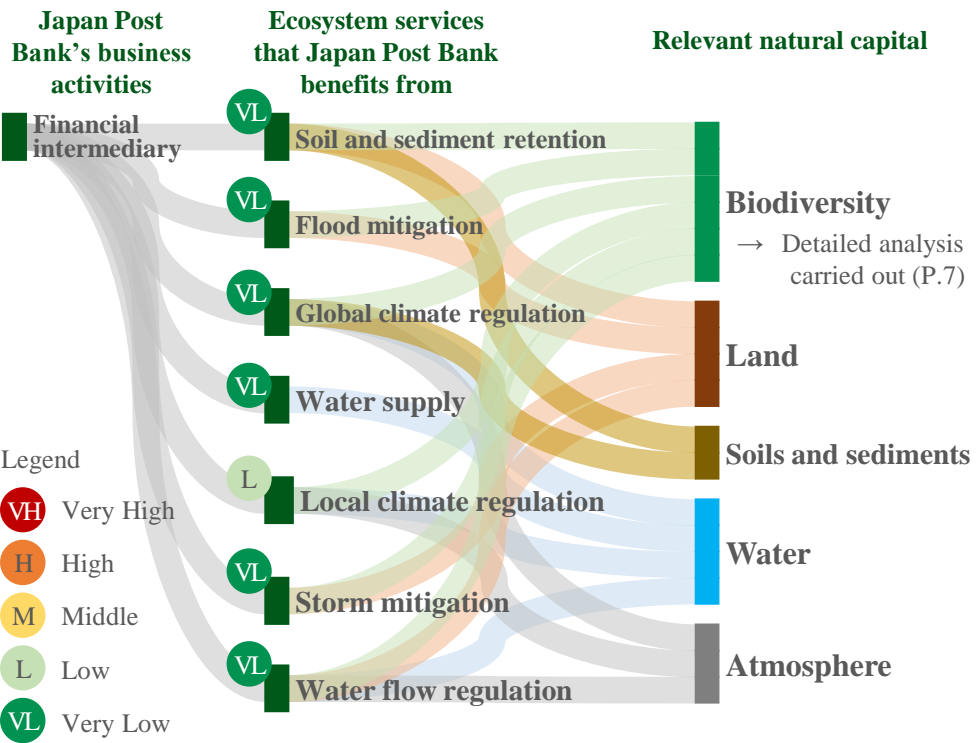
*1 The figures presented are actual results for FY2022-2023 (including estimates) and may be subject to future change resulting from changes in the scope of calculation or refinement of measurement methods.

*2 Water consumption and the volume of wastewater discharged are calculated for Japan Post Bank's main facilities and all post office buildings that house directly-operated branch offices (not only those used by Japan Post Bank). Paper (wood) consumption is the amount of photocopy paper used at the head office. Waste volume is calculated based on the amount used in cash card production, etc.

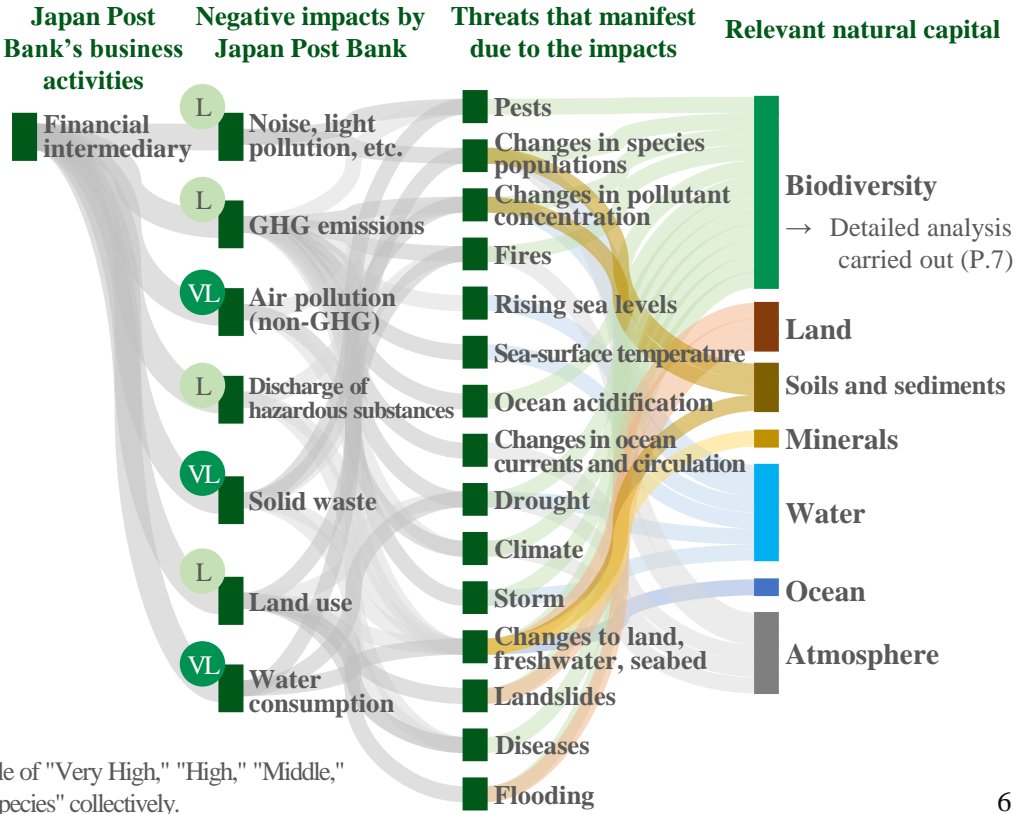
6. Dependencies and Impacts (Natural Capital related to Japan Post Bank's Operations)

- We have used “ENCORE,” a tool introduced in the Recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD Recommendations), to analyze the dependencies and impacts of our operations on natural capital and ecosystem services.
- Dependencies and impacts in financial institutions are generally considered to be lower than in other industries, and analysis using ENCORE produced the same results. However, Japan Post Bank offers banking services through Japan's largest physical network (post offices, ATMs). Therefore, compared to other companies in the same industry, we likely have significant dependencies and impacts in relation to land, water, and other natural factors.

Dependencies in Japan Post Bank's operations (banking services)



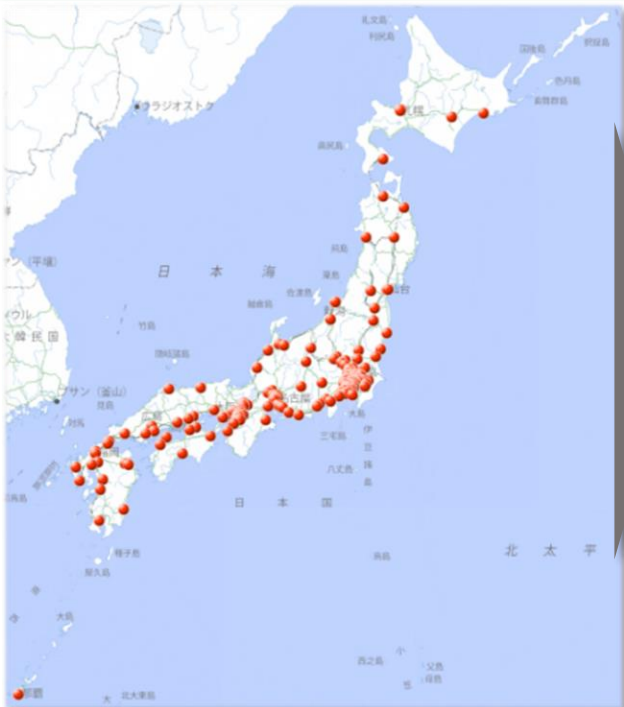
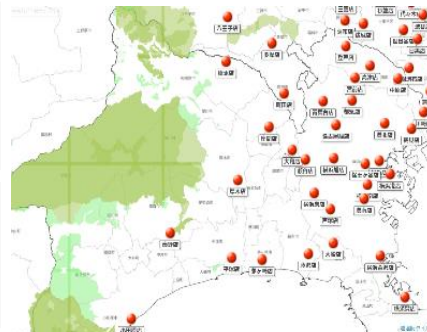
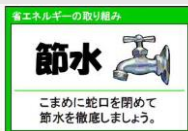
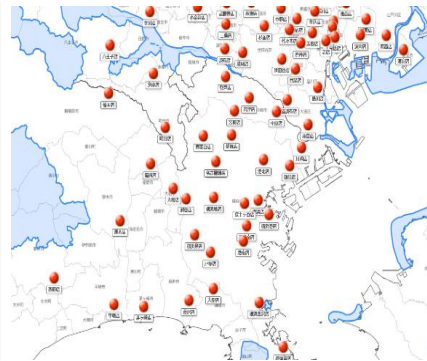
Impacts in Japan Post Bank's operations (banking services)



*Prepared by Japan Post Bank using ENCORE. ENCORE rates dependencies and impacts on a five-point scale of "Very High," "High," "Middle," "Low," and "Very Low." "Biodiversity" in the figure above represents "structural and biotic integrity" and "species" collectively.

7. Dependencies and Impacts (Analysis of Japan Post Bank's Branches and Offices)

- To study the relationship between Japan Post Bank's operations and biodiversity in greater depth, we have analyzed the relationship between directly-operated branch offices (233 branches) and key biodiversity areas, based on the "LEAP approach" recommended in the TNFD Recommendations.
- Going forward, we will consider analyzing the links with natural capital other than biodiversity (land, water) and expanding the scope of analysis (conducting analysis not only on directly-operated branch offices, but also on post offices across Japan (about 24,000 branches) that offer banking services).

Scope of analysis: 233 directly-operated branch offices in Japan	Areas of concern (key biodiversity areas)		Image of analysis	Results	Assessment/Future response
	Location			Evaluate	Assess Prepare
	Protected areas	• Natural parks*1 • Nature conservation areas		None applicable	<ul style="list-style-type: none">○ Directly-operated branch offices engage in general office administration and are therefore assessed to have low dependencies and impacts (risks) on nature.○ Using the Ecology Guidebook, which contains tips on water and energy conservation, promote operations that are less dependent on nature / have lower impact on nature. <div><p>Stickers in the Ecology Guidebook to promote water conservation</p></div>
		• Wildlife protection areas*1		Applicable 10 branches	
	Key Biodiversity Areas (KBA)*2			Applicable 2 branches	

Source: Prepared based on the National Land Information Platform Web Mapping System (Ministry of Land, Infrastructure, Transport and Tourism) to reflect the locations of Japan Post Bank's directly-operated branch offices.

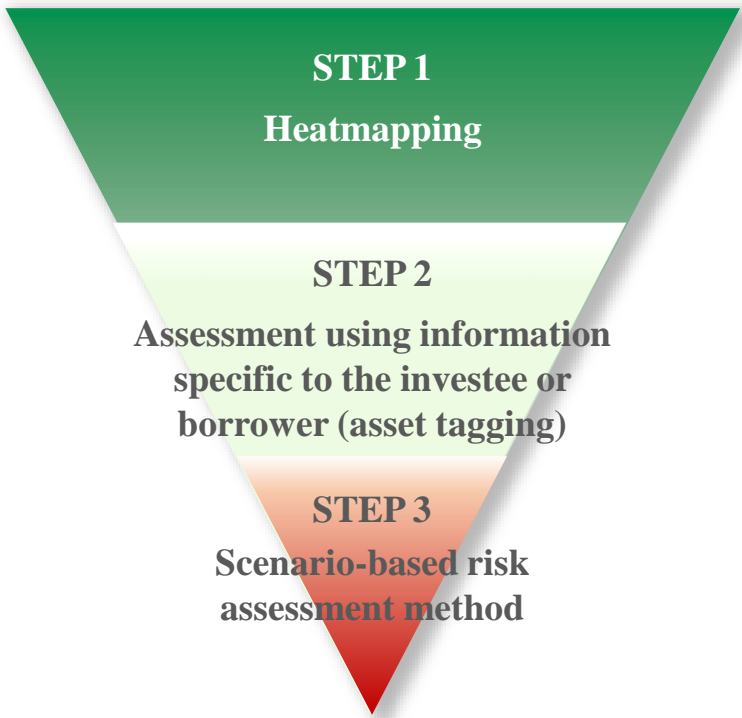
*1 National Land Numerical Information data was checked based on the National Land Information Platform Web Mapping System (Ministry of Land, Infrastructure, Transport and Tourism).

*2 Prepared and checked based on the National Land Information Platform Web Mapping System (Ministry of Land, Infrastructure, Transport and Tourism) using KBA survey results from Conservation International Japan.

8. Dependencies and Impacts (Policy for Analyzing the Investment and Financing Portfolio)

- The TNFD Recommendations propose the following three approaches for assessing nature-related risks: (1) heatmapping; (2) asset tagging; (3) scenario-based risk assessment.
- In line with this approach, we will first conduct an analysis through heatmapping, identify sectors with high dependencies and impacts on nature, then consider conducting a detailed analysis.

Methods for assessing nature-related risks



Using a heatmap, clearly identify the sectors assessed to have relatively significant dependencies and impacts on natural capital, and specify the sectors that require greater analysis.

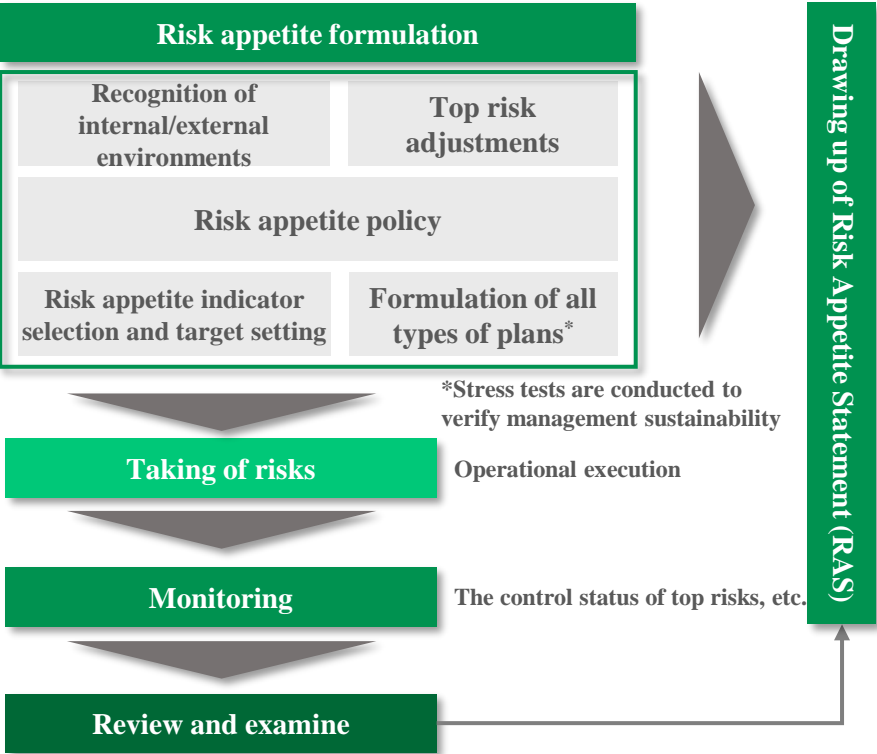
Using information specific to the investee or borrower, deepen the heatmap analysis. Through qualitative and quantitative analyses, conduct an assessment on the degree of dependency and impact on nature.

Using the scenario-based risk assessment method, estimate the value of the financial impact that nature-related risks have.

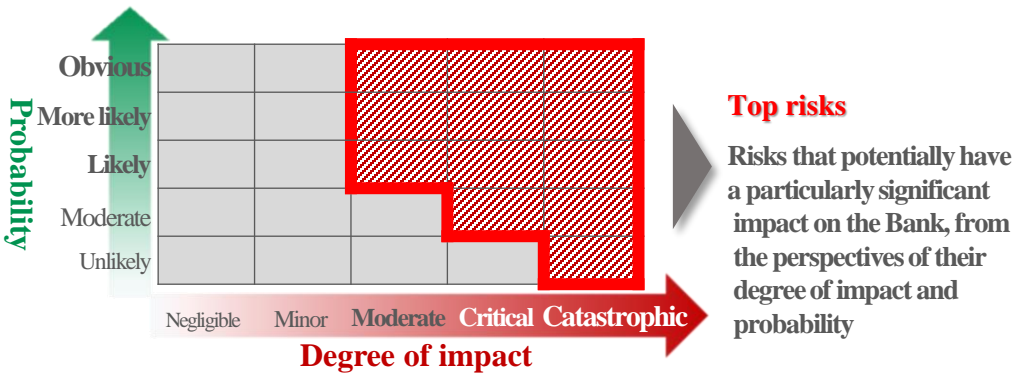
9. Risk and Impact Management (Incorporation into Company-wide Risk Management)

- Japan Post Bank introduced a Risk Appetite Framework (RAF)*1 to clarify and visualize the types and standards of appropriate risks that it should take in order to ensure stable profitability and financial soundness over the medium to long term. Climate change and nature-related risks are also assessed and managed under this framework.
- After reviewing the internal and external environments, sustainability-related risks such as climate change, natural capital, and human rights have been selected as “top risks,” and the control status of these risks is monitored on a quarterly basis.

Risk Appetite Framework (RAF)*1



Process for selecting top risks



Degree of impact	Probability
<ul style="list-style-type: none">● A quantitative criterion that assesses the value of the impact on the Bank's finances (net income and unrealized gains or losses on available-for-sale securities) on a five-point scale.● A qualitative criterion that assesses the degree of impact on business operations and reputation on a five-point scale.	<ul style="list-style-type: none">● Assesses probability on a five-point scale based on whether a risk has already occurred or, if it has not already occurred, the likelihood for occurrence within a given future timeframe.

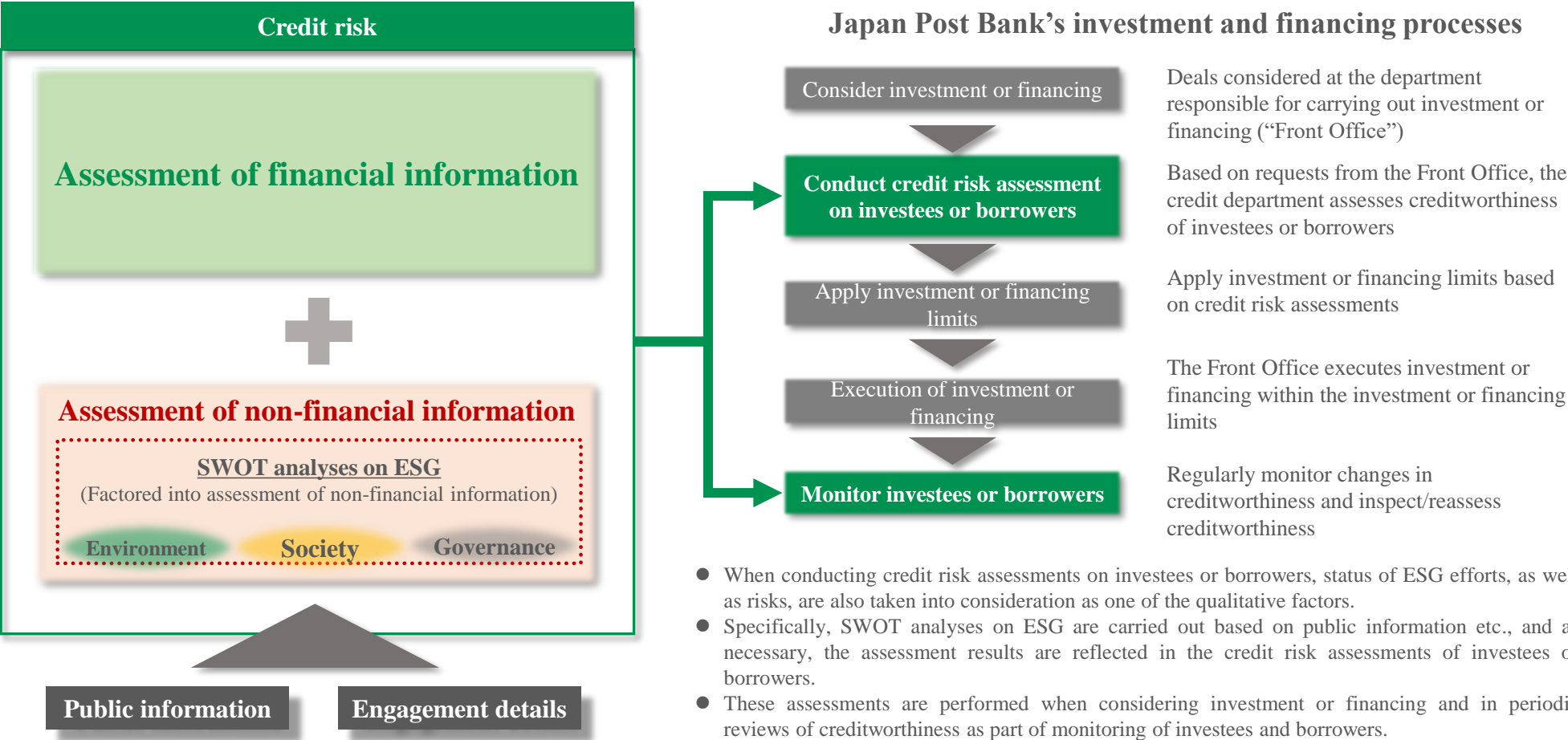
Decided by the Board of Directors following deliberation by the Executive Committee

*1: A business management framework used as common language between banks pertaining to all aspects of risk-taking policies, including the capital distribution and profit maximization of risk appetites (the type and total quantity of risks a company should willingly take on to fulfil its business plans after taking into account the unique aspects of the company's own business model).

10. Risk and Impact Management (ESG Integration)

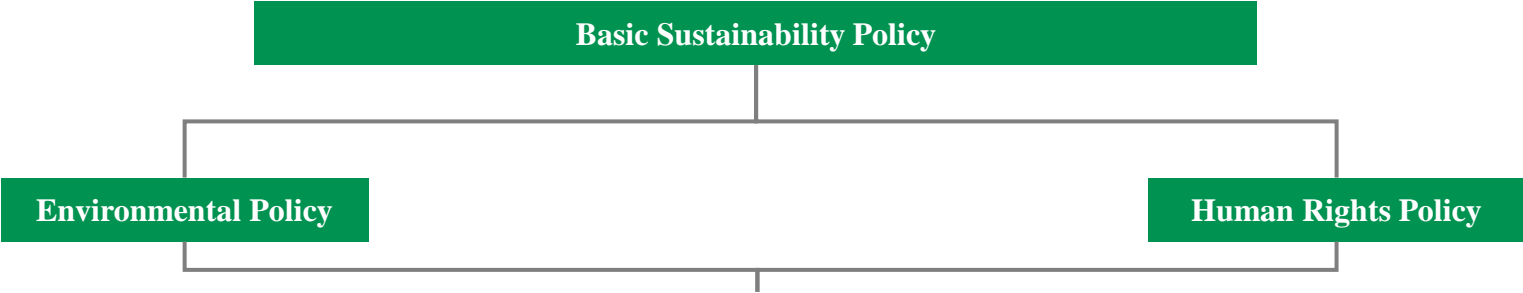
- Japan Post Bank’s investment and financing processes incorporate evaluation of investees’ or borrowers’ environmental, social, and governance (“ESG”) efforts as a part of the credit risk assessment and considers them as qualitative factors that may potentially have an impact on creditworthiness (“ESG integration”).

Credit risk assessment on investees and borrowers



11. Risk and Impact Management (Sector Policy)

- Based on the Environmental Policy and Human Rights Policy, we have established the ESG Investment and Financing Policy to appropriately address environmental issues such as climate change and biodiversity and social issues such as the violation of human rights, as well as to secure stable returns over the medium- to long-term and reduce risk.



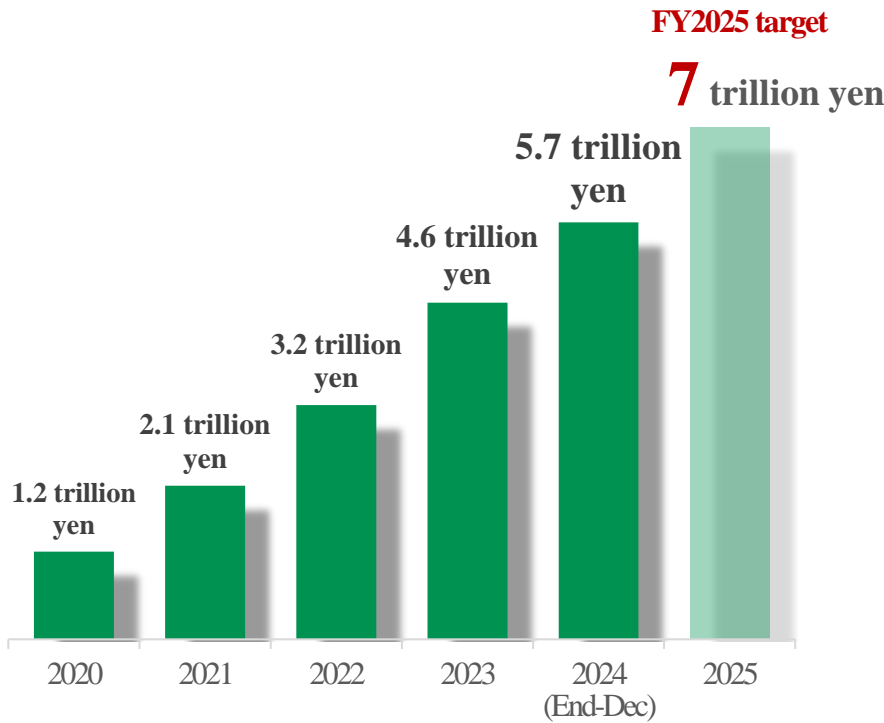
ESG Investment and Financing Policy		Target assets
Investment and financing prohibited across sectors	<ul style="list-style-type: none">● Illegal transactions and transactions for illegal purposes● Transactions which violate public order and good morals● Transactions that negatively impact wetlands designated under the Ramsar Convention● Transactions that negatively impact UNESCO-designated World Heritage Sites● Transactions violating the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington Convention)● Businesses engaged in forced labor, child labor, and human trafficking	<ul style="list-style-type: none">● Corporate finance● Project financing
Policy for specific sectors (Prohibition or careful consideration)	<ul style="list-style-type: none">● Manufacturers of weapons (cluster bombs)● Manufacturers of weapons (other than cluster bombs)● Coal-fired power generation● Coal mining (fuel coal)● Oil and gas (oil sands, Arctic development, shale oil and gas, pipeline construction)● Palm oil● Deforestation● Large-scale hydroelectric power generation	<ul style="list-style-type: none">● All investment and financing● Corporate finance● Project financing

Items in red were included due in part to the impact on natural capital

12. Opportunities (Sustainability Financing)

- The scale of the natural capital-related market is said to be \$10 trillion per year,^{*1} and capital needs are expected to increase in the future. As an institutional investor, Japan Post Bank is proactively making investments and financing (ESG-themed investments and financing) that contribute to climate change response and the conservation and restoration of natural capital.
- In addition, financing provided by Japan Post Bank is being allocated to a wide range of projects, including renewable energy projects. We estimated the effects (positive impacts) of these projects for the first time in FY2024 and will stive to improve measurement and utilization going forward.

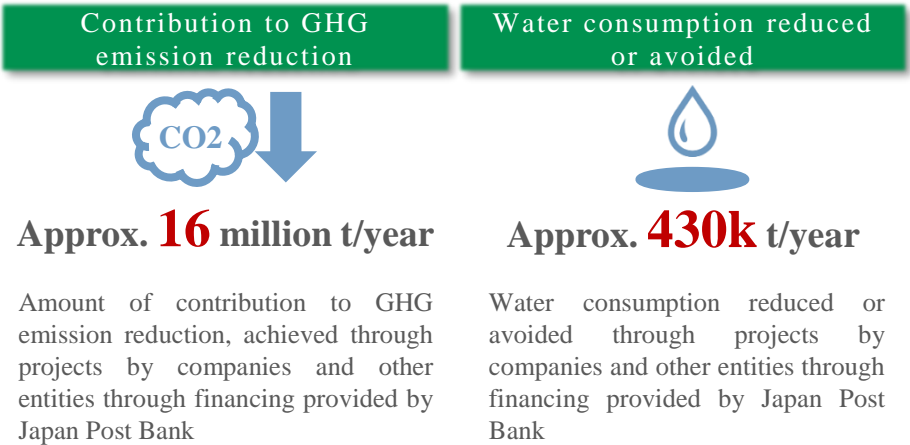
Balance of ESG-themed investments and financing ^{*2}



^{*1} World Economic Forum

^{*2} ESG bonds (green bonds, social bonds, sustainability bonds, transition bonds, etc.), credit for the renewable energy sector, regional revitalization funds, etc.

Impacts of investments and financing



Examples of investments

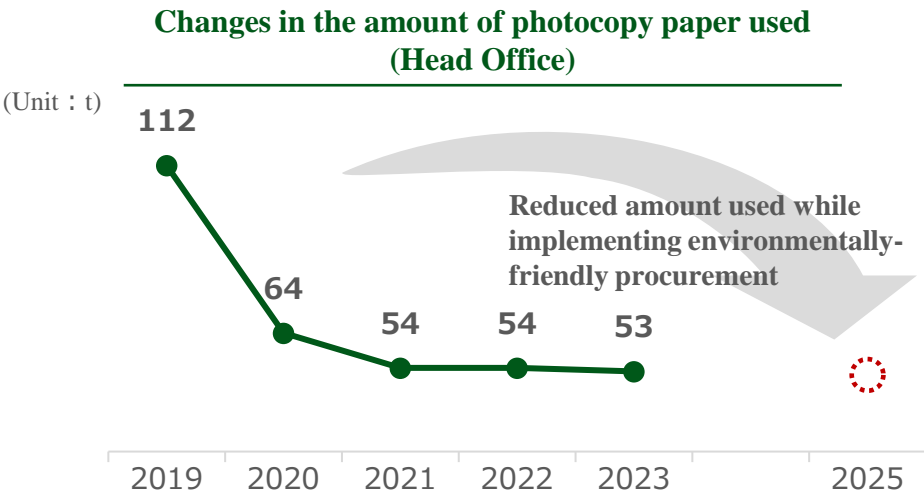


Japan Post Investment Corporation, a consolidated subsidiary of Japan Post Bank, is investing in SHINMIRAI INC., a company that has established “Sustainable Forest” as its mission, through Japan Post Investment Regional Development and Impact Fund I, ILP.

SHINMIRAI INC. contributes to forest sustainability through its coordination services for traceable timber aspects of environment, economy and society.

13. Opportunities (Improving Productivity and Efficiency by Shifting to Paperless Operations)

- We are advancing various measures to reduce the amount of photocopy paper that we use and improve business productivity, such as installing monitors in meeting spaces at the Head Office and shifting to paperless operations for major meetings attended by senior management.
- Furthermore, in order to reduce the amount of forms and ledgers used and to promote greater efficiency in counter operations, we have introduced a non-passbook general account that allows customers to check their current balances online without the issuance of any paper-based passbooks.



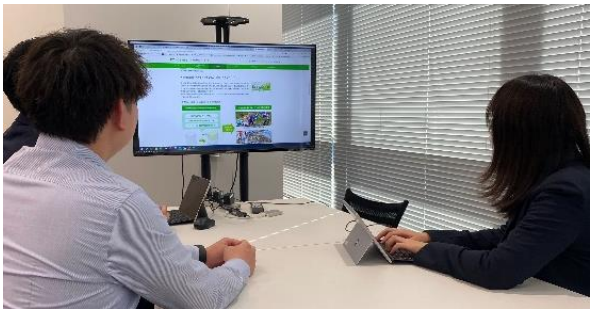
Purchase rate for recycled and environmentally-friendly paper (Head Office)

FY2019 – FY2023

100%

Initiatives for paperless office operations

Installed monitors in meeting spaces



Initiatives for paperless counter operations

Madotab, a self-service branch terminal



Yucho Direct + (Plus), a non-passbook general account

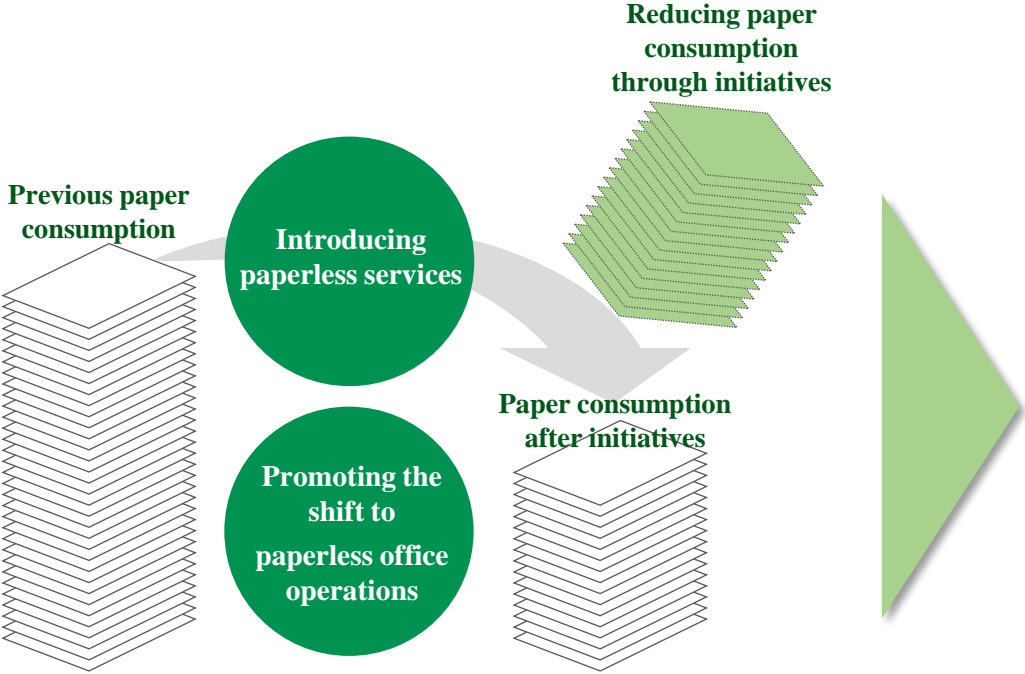


14. Opportunities (Cutting Costs by Shifting to Paperless Operations)

- Paperless initiatives also contribute to cost-cutting, such as reducing procurement costs. By donating the cost-savings to local residents and NGOs engaged in environmental conservation activities, Japan Post Bank aims to deepen mutual communication with local communities and residents, and to contribute to the sustainable development of the local community.

“Yucho Eco-Communication” initiatives

Initiatives to reduce paper consumption, which contribute to local environmental conservation



Contributing to nurturing future generations who will take on local environmental conservation activities



Satoyama conservation activities



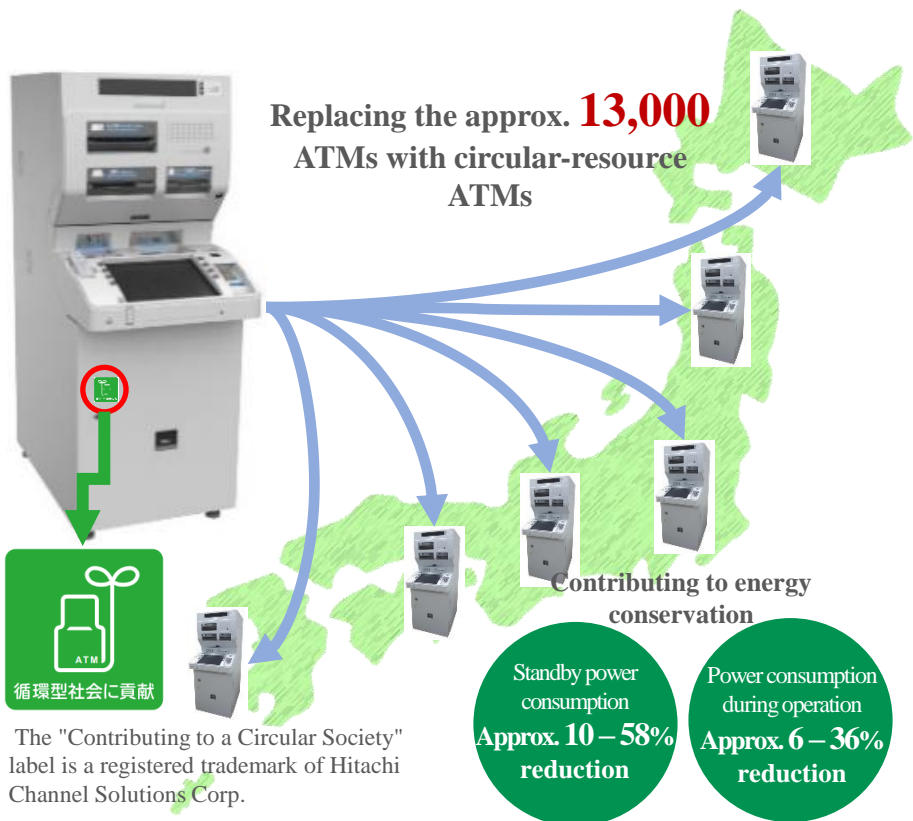
Park conservation activities

Giving back (donating) the cost- savings

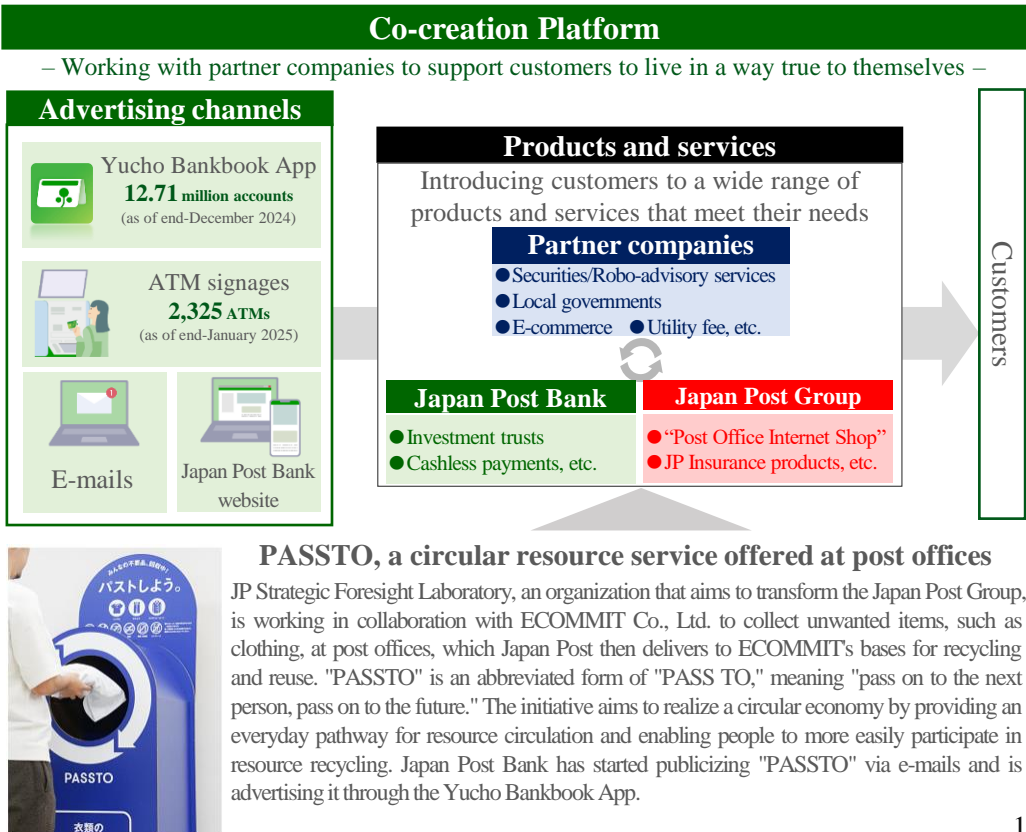
15. Opportunities (Achieving a Circular Economy)

- Since January 2025, Japan Post Bank has been working on replacing our ATMs with new environmentally-friendly ATMs (circular-resource ATMs), recovering parts and units from used and decommissioned ATMs, and using reused parts (recycled parts) whose quality has been assured through the recycling process.
- In addition, Japan Post Bank is working with a variety of businesses to establish a Co-creation Platform for introducing customers to a wide range of products and services that meet their needs, through advertising channels such as the Yucho Bankbook App, ATM signages, and the Japan Post Bank's website. One of these initiatives involves advertising the circular resource services that the Post Office provides.

Introduction of circular resource ATMs



Advertising circular resource services



16. Governance (Sustainability Promotion Framework)

- Japan Post Bank has incorporated sustainability-related measures and KPIs into its Medium-term Management Plan and yearly management plans and engages in planning and promotion management that are integrated with the management strategy.
- The status of the promotion of sustainability management is reported on a quarterly basis to the Board of Directors so that it can properly supervise the progress of sustainability promotion. Reports are also made to the Audit Committee about once a year.

Governance system



Matters discussed/reported at each meeting (FY2024)

		Matters resolved / Matters discussed	Matters reported
Supervision	Board of Directors	<ul style="list-style-type: none"> ● Review of the Medium-term Management Plan and formulation of standard management plans (establishment of sustainability-related KPI) ● Formulation of Risk Appetite Statement (selection of sustainability-related risks, such as climate change and natural capital, as top risks) ● Determination of the compensation system for executive officers, including evaluation items related to natural capital (Compensation Committee) 	<ul style="list-style-type: none"> ● Status of the promotion of sustainability management (reported in conjunction with reports on the status of the promotion of the yearly management plans every quarter) ● Status of Risk Appetite Statement (top risks reassessed every quarter) ● Status of the promotion of sustainability management (Audit Committee, about once a year)
	Executive Committee	<ul style="list-style-type: none"> ● Discussions on proposed revisions to Human Rights Policy and Environmental Policy 	<ul style="list-style-type: none"> ● Matters discussed and reported at the Sustainability Committee (twice a year)
Execution	Sustainability Committee	<ul style="list-style-type: none"> ● Status of sustainability initiatives and FY2025 plans ● Review of materiality 	<ul style="list-style-type: none"> ● Disclosures based on TNFD Recommendations

17. Governance (Compensation for Officers)

- Japan Post Bank has introduced a performance-linked compensation system for officers (executives). In FY2024, we introduced a new monetary compensation system (annual bonus) that is linked to short-term performance.
- 15% of the annual bonus is assessed based on the status of ESG-related KPIs, and ESG-related indicators are applied to all executives, including the Representative Executive Officer, President and CEO.

Compensation system for executive officers(FY2024)

Type	Performance-linked	Payment standard			Payment period	Payment method																					
Base salary	Non-linked	Fixed level of compensation based on job responsibilities			Monthly	Cash																					
Stock compensation Revised In FY2024	Non-linked	Points for each position according to job responsibilities			At the time of retirement	Stock 70% Cash 30%																					
	Linked	<div>Linked to medium- and long-term performance (0~120%)</div> <div><div><div>Basic point</div><div>Points for each position according to job responsibilities</div></div><div>×</div><table><tr><th colspan="2">Item</th><th>Evaluation weights</th></tr><tr><td rowspan="2">Quantitative evaluation</td><td>Net income attributable to parent company shareholders</td><td>50%</td></tr><tr><td>ROE (based on shareholders' equity)</td><td>50%</td></tr></table></div>					Item		Evaluation weights	Quantitative evaluation	Net income attributable to parent company shareholders	50%	ROE (based on shareholders' equity)	50%													
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Quantitative evaluation	Net income attributable to parent company shareholders	50%																									
	ROE (based on shareholders' equity)	50%																									
Bonus New setting In FY2024	Linked	<div>Linked to short-term performance (0~130%)</div> <div><div><div>Standard amount by position</div><div>Standard amount for each position according to job responsibilities</div><div>×</div><div>×</div><div>Coefficient based on individual evaluation</div></div><table><tr><th colspan="2">Item</th><th>Evaluation weights</th></tr><tr><td rowspan="5">Quantitative evaluation</td><td rowspan="2">Financial targets</td><td>Net income attributable to parent company shareholders</td><td>40%</td></tr><tr><td>OHR / Reduction of operating expenses</td><td></td></tr><tr><td rowspan="3">Target KPIs</td><td>Retail business</td><td rowspan="3">60%</td></tr><tr><td>Market business</td></tr><tr><td>Σ (Sigma) Business</td></tr><tr><td rowspan="2">Qualitative evaluation</td><td>ESG</td><td rowspan="2">±20%</td></tr><tr><td>Initiatives that contribute to enhancing corporate value</td></tr><tr><td></td><td>System trouble, etc.</td><td></td></tr></table></div>			Item		Evaluation weights	Quantitative evaluation	Financial targets	Net income attributable to parent company shareholders	40%	OHR / Reduction of operating expenses		Target KPIs	Retail business	60%	Market business	Σ (Sigma) Business	Qualitative evaluation	ESG	±20%	Initiatives that contribute to enhancing corporate value		System trouble, etc.		Yearly	Cash
Item		Evaluation weights																									
Quantitative evaluation	Financial targets	Net income attributable to parent company shareholders	40%																								
		OHR / Reduction of operating expenses																									
	Target KPIs	Retail business	60%																								
		Market business																									
		Σ (Sigma) Business																									
Qualitative evaluation	ESG	±20%																									
	Initiatives that contribute to enhancing corporate value																										
	System trouble, etc.																										

ESG Indicators	Evaluation weights
Balance of ESG-themed investments and financings	3 %
ESG ratings from major ESG rating agencies	3 %
Ratio of women in managerial positions	3 %
Ratio of employees with disabilities	2 %
Childcare leave rate for male employees(more than 4 weeks)	2 %
Evaluation based on employee engagement index	2 %

15% of the bonus is evaluated based on the achievement of ESG-related KPIs.

18. Governance (Respect for Human Rights)

- The Human Rights Policy sets out Japan Post Bank’s commitment to respecting the human rights of indigenous peoples and local residents in investment and financing activities and clearly mentions respect for the human rights of people in local communities in other business activities.
- We also check on the status of human rights practices in our engagement with investees and borrowers. For example, we have visited the nuclear power plant of a domestic investee/borrower (Power Company A) and engaged in dialogue with the company regarding its consideration for the local community and the working environment in the power plant.

JAPAN POST BANK Human Rights Policy

Commitment to respect for human rights

- JAPAN POST BANK Co., Ltd. (hereinafter "Japan Post Bank") recognizes that, as part of its Management Philosophy to become "the most accessible and trustworthy bank in Japan," it has an important social responsibility to respect human rights. Based on this recognition, Japan Post Bank respects the human rights of all people, including its officers and employees, customers, investment and financing partners, suppliers, and local communities. Japan Post Bank pledges to contribute to the realization of a safe, secure, and prosperous society by promoting initiatives that respect human rights through the business activities and social activities of Japan Post Bank and the Japan Post Group.

To investment and financing partners

- Japan Post Bank has established the ESG Investment and Financing Policy to prevent and mitigate negative environmental and social impacts through investments and financing. Based on this policy, Japan Post Bank will endeavor not to make investments in or financing to businesses that have a negative impact on the environment, including in terms of climate change, and natural capital and biodiversity, or on human rights, including those of indigenous populations and local communities.

To local communities

- Japan Post Bank pays attention to the impact of its business activities on members of local communities and strives to prevent and mitigate any negative impacts on the environment (e.g., climate change, natural capital and biodiversity) and human rights.

Engagement with investees and borrowers

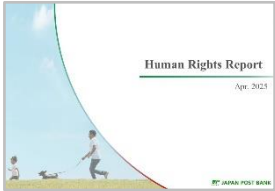
Consideration for local communities

- We visited the site of a nuclear power plant to check on its consideration for the local community, working environment, and other matters.
- We strive to improve health management and workplace environments not only within Japan Post Bank, but also for our contractors’ workforces.
- We strive to disclose information and take other measures to show consideration for local residents.

Future efforts

- We will follow up on the status of various efforts, including information disclosure, and engage in continuous dialogue. Where necessary, we will check on the status of prevention and mitigation measures.

To find out more about our human rights initiatives, please refer to our Human Rights Report.



Human Rights Report (published in April 2025)
https://www.jp-bank.japanpost.jp/en/sustainability/social/supplychain/human-rights/pdf/human-rights_report2025_en.pdf

19. Indicators and Targets

- The table below summarizes the indicators and targets related to natural capital, organized based on the TNFD Recommendations.
- In the future, we will also consider establishing indicators and targets related to investment and financing based on the additional guidance for financial institutions in the TNFD Recommendations.

Categories prescribed by TNFD			Indicators	Unit	Results			Targets
Category	Related changes in nature				FY22/3	FY23/3	FY24/3	
TNFD core global disclosure metrics	Dependencies and impacts	Climate change	GHG emissions (Scope 1, 2 emissions)	t	43k (-10%)	24k (-51%)	19k (-60%)	19k tons (-60% compared to FY2019)
		Land/freshwater/ocean-use change	Total spatial footprint (Land use area)	m ²	531k	531k	549k	—
		Pollution/pollution removal	Water consumption (Volume of wastewater discharged by the main organizations and directly-operated branch offices)	m ³	—	—	930k	— (encourage water conservation)
		Resource use/replenishment	Paper consumption (high-risk natural commodity sourced from land) (Amount of photocopy paper used (Head Office))	t	54	54	53	— (promote paperless operations)
			Purchase rate for recycled and environmentally-friendly paper	%	100	100	100	—
	Risks and opportunities	—	Value of investments in nature-related opportunities (Balance of ESG-themed investments and financing)	Trillion yen	2.1	3.2	4.6	7 trillion yen (end of FY2025)
TNFD additional global disclosure metrics	Dependencies and impacts	Land/freshwater/ocean-use change	Land-use intensity (Energy intensity per unit of output (crude oil equivalent))	Kl/m ²	0.04536	0.04512	0.03671	—
	Risks and opportunities	Market	Changes in ESG rating scores for past three years (CDP scores)	—	C	B	A-	B to A-

*For the latest results, please refer to our sustainability page (<https://www.jp-bank.japanpost.jp/sustainability/esg-index/data/environment/>).

20. Status of Response to TNFD Recommendations Disclosure Items

Items in green were included as additional guidance for financial institutions.

Category	TNFD’s recommended disclosures	Page
Governance	A) Describe the board’s oversight of nature-related dependencies, impacts, risks and opportunities.	P.16
	B) Describe management’s role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	P.9,16
	C) Describe the organization’s human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organization’s assessment of, and response to, nature-related dependencies, impacts, risks and opportunities. Financial institutions should also describe how they have worked with investee companies, counterparties or clients with whom they have financial relationships through advisory, investing, lending or re/insurance.	P.18
Strategy	A) Describe the nature-related dependencies, impacts, risks and opportunities the organization has identified over the short, medium and long term .	P.4
	B) Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organization’s business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place. Financial institutions should describe their due diligence processes in investment and lending activities, as well as any additional processes applied to high-risk counterparties. Furthermore, they should explain how nature-related dependencies, impacts, risks, and opportunities are considered in investment and lending decision-making.	P.5, P.10~11
	C) Describe the resilience of the organization’s strategy to nature-related risks and opportunities, taking into consideration different scenarios .	—
	D) Disclose the locations of assets and/or activities in the organization’s direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	P.7
Risk & impact management	A) (i) Describe the organization’s processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its direct operations.	P.6~7
	A) (ii) Describe the organization’s processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s). Financial institutions should describe their investment and lending activities, particularly in the downstream value chain.	P.8
	B) Describe the organization’s processes for managing nature-related dependencies, impacts, risks and opportunities.	P.9~11
	C) Describe how processes for identifying, assessing, prioritizing and monitoring nature-related risks are integrated into and inform the organization’s overall risk management processes. Financial institutions should describe how they identify, assess, and manage nature-related dependencies, impacts, risks, and opportunities in their direct operations and investment and lending portfolios, as well as how nature-related risks are integrated into existing risk management processes, such as credit risk, market risk, and operational risk.	P.4,P.9
Metrics & targets	A) Disclose the metrics used by the organization to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	P.19
	B) Disclose the metrics used by the organization to assess and manage dependencies and impacts on nature.	P.19
	C) Describe the targets and goals used by the organization to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	P.19

21. General Requirements

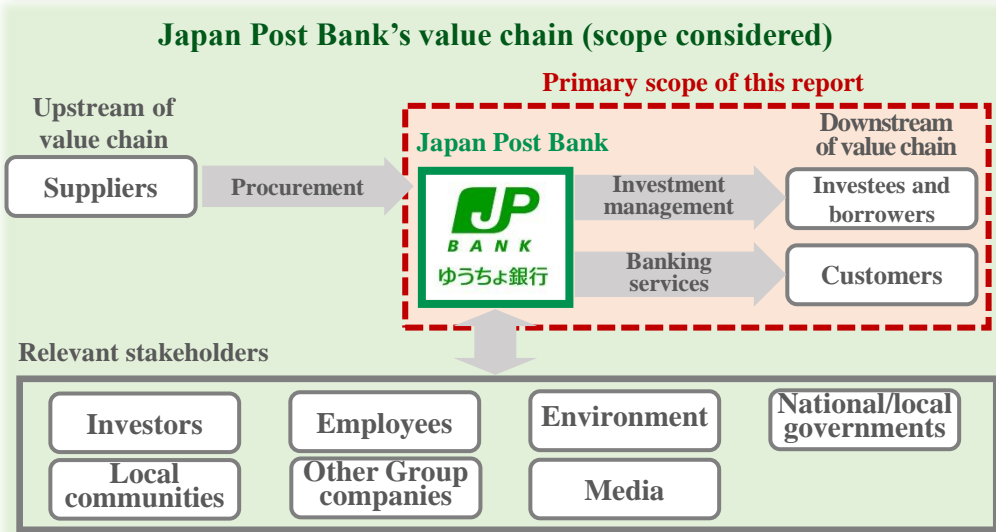
■ The TNFD Recommendations prescribe six general requirements that companies should keep in mind when disclosing information. This report was prepared based on the following considerations.

(1) Application of materiality

- We have drawn up a materiality map that organizes the social issues that we should address along two axes: the importance to stakeholders, and the impact of Japan Post Bank business activities. In principle, we take a double materiality approach.

(2) Scope of disclosures

- The information disclosed in this report mainly concerns Japan Post Bank, our investees and borrowers, and our customers (downstream of the value chain).
- We have organized information on nature-related risks and opportunities while taking into account the relevant stakeholders.



(3) Location of nature-related issues

- In this report, we have verified the relationship between our branches and offices and key biodiversity areas. The branches and offices in question operate general banking counters (banking services), so we consider the degree of dependency and impact on nature to be low.

(4) Integration with other sustainability-related disclosures

- This disclosure covered only natural capital. Going forward, we will consider making integrated disclosures that include other factors such as climate change.

(5) Time horizons considered

- We have established the following timeframes for assessing nature-related risks and opportunities: short term refers to a period of less than one year (same as in the yearly management plans), medium term refers to a period of one to five years (same as in the current Medium-term Management Plan), and long term refers to a period of five years or more.

(6) Engagement with indigenous peoples, local communities and affected stakeholders

- Japan Post Bank engages with investees and borrowers to check on the level of consideration shown for these stakeholders. We will consider engaging in dialogue with these stakeholders while continuing to advance initiatives in line with the TNFD Recommendations.

Matters to Be Noted

This report was prepared for the purpose of providing corporate and other information on JAPAN POST BANK Co., Ltd. (hereinafter referred to as “Japan Post Bank”) and its consolidated subsidiaries (hereinafter referred to as “the Japan Post Bank Group”), and does not constitute a solicitation for shares or other securities issued by Japan Post Bank, both in Japan and overseas. This report contains forward-looking statements such as forecasts, plans, and targets. These statements are based on information available to Japan Post Bank at the time this report was prepared, as well as on forecasts drawn up at such times. These statements are also based on certain assumptions. These statements or assumptions may be objectively inaccurate or may not be realized in the future. The uncertainties and risks that may lead to such situations include, but are not limited to, the following: risks related to the effectiveness of risk management policies and procedures, market risks, market liquidity risks, funding liquidity risks, credit risks, operational risks (systems, reputation, disasters, violations of laws and regulations, etc.), risks related to sustainability issues including climate change, risks related to business strategies and management plans, risks related to the expansion of the scope of business, risks related to the business environment, risks related to the relationship between Japan Post Bank and JAPAN POST HOLDINGS Co., Ltd. as well as JAPAN POST Co., Ltd., risks related to domestic and overseas monetary policies, and various other factors. Please refer to the securities report and the latest quarterly report for important facts that Japan Post Bank recognizes as being likely to have an impact on the performance and financial position of the Japan Post Bank Group. Note that the statements presented in this report are accurate as of the date of publication (or any date otherwise specified), and Japan Post Bank has no obligations or policy to update such information to the latest information at any time. Accordingly, forward-looking statements may not necessarily be consistent with actual results. Information about companies other than the Japan Post Bank Group and Japan Post Holdings contained in this report is cited from publicly available information and other sources deemed to be reliable, but Japan Post Bank has not verified, nor guarantees, the accuracy and appropriateness of such information. The contents of this report are subject to change without prior notice.

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