JAPAN POST BANK

Sustainability Focus Report
2026

May 2026

Contents

Message from the President

Sustainability Management: Our approach to finding solutions to social issues as well as enhancing corporate value

Takayuki Kasama
President & CEO,
Representative Executive Officer
Member of the Board of Directors

In our new Medium-term Management Plan announced in May 2026, we set out a new medium- to long-term vision and articulated our policy of enhancing corporate value by addressing social issues through our business. Our sustainability management initiatives are essential to our new Medium-term Management Plan and we have published this report to provide our institutional investors and other stakeholders with additional key information about these initiatives that could not be fully conveyed in the new Medium-term Management Plan itself.

Sustainability-related social issues are rapidly changing. In Japan, the declines in population and birthrate are rapidly accelerating, and regional revitalization efforts to address these challenges cannot afford to be delayed in any way. On global issues such as climate change and biodiversity, the world continues to face a crisis, even as a range of developments, including policy shifts in various countries, continue to unfold. In addition, risks to the safety and reliability of financial services are also on the rise.

Amid these changes in our operating environment, we recognize that the role expected of the Bank is significant, both as a bank providing services across Japan and as one of the largest institutional investors in the country. Based on this recognition, in formulating the new Medium-term Management Plan, we discussed materiality in an integrated manner and identified four new material issues linked to our business strategies. We also set a new KPI of approximately 10 trillion yen for cumulative sustainable finance investments by the end of fiscal year 2030.

Since joining the Bank, I have been involved in market investment operations, mainly credit investments, and have analyzed a wide range of companies. I am pursuing these initiatives with the conviction that they will contribute to enhancing corporate value over the long term. I also recognize that sustainability management is itself a core part of our management strategy, and that stable and transparent business operations contribute to reducing the cost of equity.

The Bank will continue to promote and accelerate sustainability management and, together with our stakeholders, contribute to realizing a sustainable environment and society.

Japan Post Bank's Progress to Date

Under the previous Medium-term Management Plan, the Bank committed itself to sustainability management (formerly ESG management) and worked on a wide range of themes, including the environment, natural capital, and human rights, to simultaneously enhance corporate value while also addressing social issues. In conjunction with the start of the new Medium-term Management Plan, we have formulated new material issues.

2019

- **Endorsement of the TCFD recommendations**
- Revision of the Japan Post Bank Environmental Policy
- Establishment of the ESG Investment Policy (currently the Sustainability Investment and Financing Policy)
- Establishment of the Human Rights Policy

2020

- Establishment of the ESG Office (currently the Sustainability Management Office) within the Corporate Planning Department

2021

- **Determination of materiality and inclusion of ESG management in the Medium-term Management Plan**
- Establishment of the Basic Sustainability Policy
- Participation in Climate Response Financing Operations
- Target set for the balance of ESG-themed investments and financing (2 trillion yen)
- Publication of the Sustainability Report

2022

- PCAF membership
- Became CDP signatory
- **Announcement of the GHG emissions net-zero declaration**
- Interim target set for own emissions
- Disclosure of financed emissions
- Revision of the target for the balance of ESG-themed investments and financing (4 trillion yen)
- Publication of the TCFD Report

2023

- Became UN Global Compact signatory
- Revision of the interim target for own emissions
- Revision of the Human Rights Policy

2024

- Publication of the Human Rights Report
- Revision of the target for the balance of ESG-themed investments and financing (7 trillion yen)
- Interim target set for financed emissions (entire portfolio)
- **Publication of the Sustainability Progress Report**

2025

- Revision of the Human Rights Policy
- Revision of the Environmental Policy
- Publication of the Natural Capital Report
- Publication of the Human Rights Report

2026

- **Review of materiality**
- **Revision of the sustainable finance target (approximately 10 trillion yen)**
- **Revision of the Sustainability Investment and Financing Policy**
- **Publication of the Sustainability Focus Report**

This report

Previous Medium-term Management Plan (FY2021-2025)

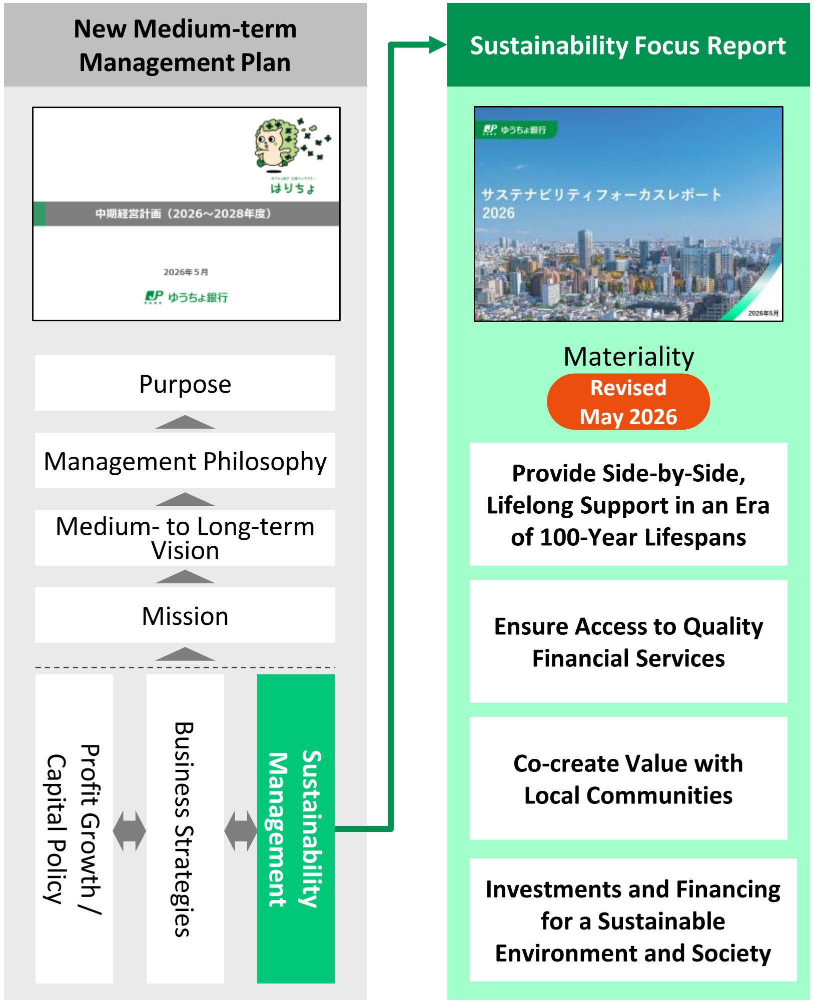
New Medium-term Management Plan
FY2026-28

The table above is presented by calendar year (January–December).

Positioning of this Report

This report aims to provide a more detailed explanation of the Bank's sustainability management under the new Medium-term Management Plan announced on May 15, 2026. The Bank determines the audience of each type of disclosure material and tailors it to the needs of readers accordingly.

Relationship between this report and the new Medium-term Management Plan



New Medium-term Management Plan

Purpose

Management Philosophy

Medium- to Long-term Vision

Mission

Profit Growth / Capital Policy

Business Strategies

Sustainability Management

Sustainability Focus Report

Materiality

Revised May 2026

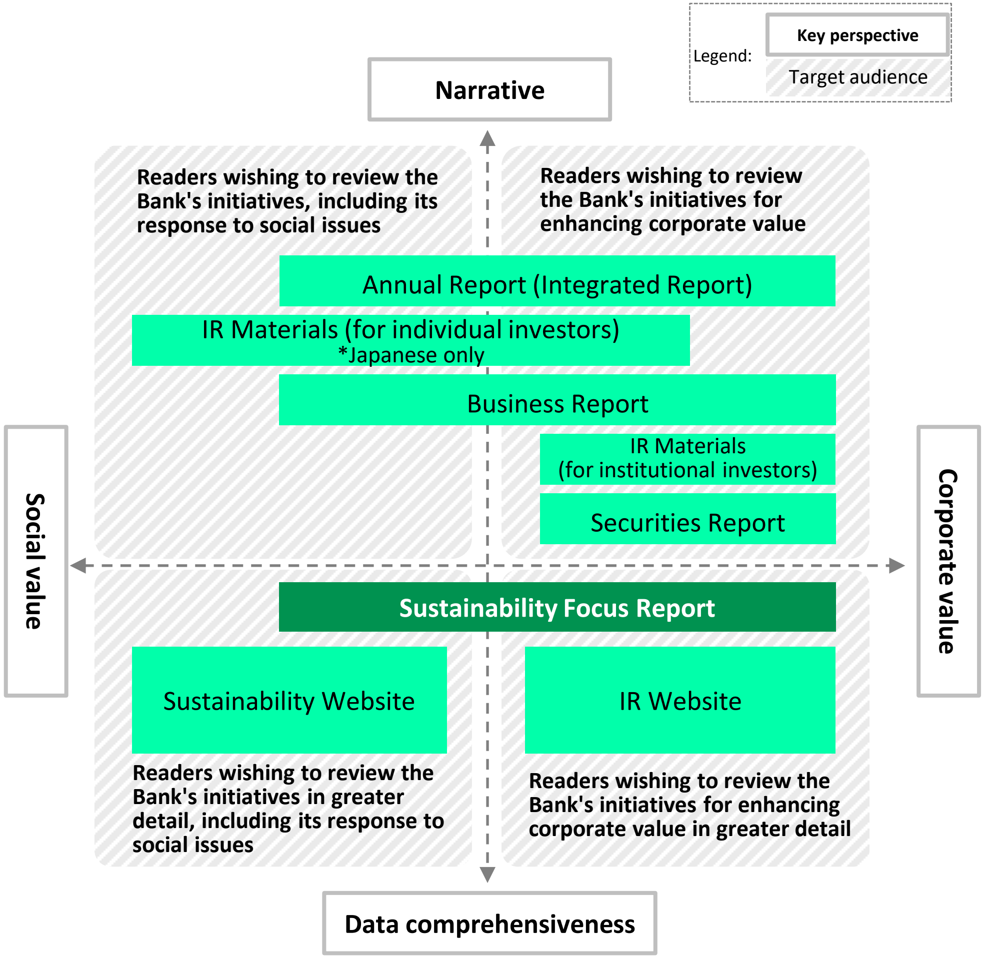
Provide Side-by-Side, Lifelong Support in an Era of 100-Year Lifespans

Ensure Access to Quality Financial Services

Co-create Value with Local Communities

Investments and Financing for a Sustainable Environment and Society

Positioning of each type of disclosure material



Legend: **Key perspective** / Target audience

Narrative

Data comprehensiveness

Social value

Corporate value

Readers wishing to review the Bank's initiatives, including its response to social issues

Readers wishing to review the Bank's initiatives for enhancing corporate value

Annual Report (Integrated Report)

IR Materials (for individual investors)
*Japanese only

Business Report

IR Materials
(for institutional investors)

Securities Report

Sustainability Focus Report

Sustainability Website

IR Website

Readers wishing to review the Bank's initiatives in greater detail, including its response to social issues

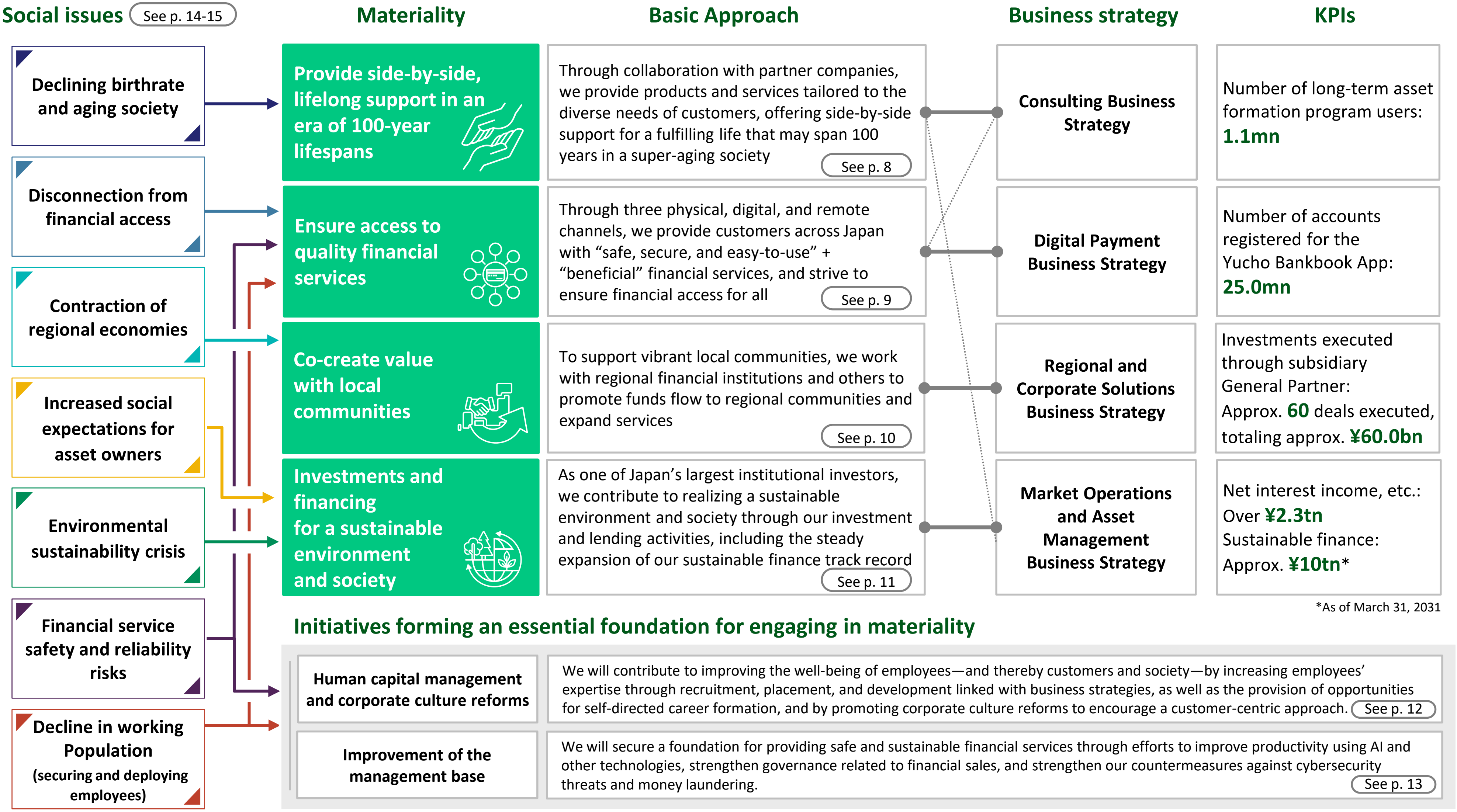
Readers wishing to review the Bank's initiatives for enhancing corporate value in greater detail

Material Issues Our Business Will Address

(Materiality)

Materiality in the New Medium-term Management Plan

In light of the social issues the Bank should address, we have identified four material issues linked to our business strategies. Human capital management, corporate culture reforms, and improvement of the management base are positioned as the critical foundations essential to addressing our materiality.



Social issues See p. 14-15

- **Declining birthrate and aging society**
- **Disconnection from financial access**
- **Contraction of regional economies**
- **Increased social expectations for asset owners**
- **Environmental sustainability crisis**
- **Financial service safety and reliability risks**
- **Decline in working Population (securing and deploying employees)**

Materiality	Basic Approach	Business strategy	KPIs
Provide side-by-side, lifelong support in an era of 100-year lifespans	Through collaboration with partner companies, we provide products and services tailored to the diverse needs of customers, offering side-by-side support for a fulfilling life that may span 100 years in a super-aging society See p. 8	**Consulting Business Strategy**	Number of long-term asset formation program users: **1.1mn**
Ensure access to quality financial services	Through three physical, digital, and remote channels, we provide customers across Japan with "safe, secure, and easy-to-use" + "beneficial" financial services, and strive to ensure financial access for all See p. 9	**Digital Payment Business Strategy**	Number of accounts registered for the Yucho Bankbook App: **25.0mn**
Co-create value with local communities	To support vibrant local communities, we work with regional financial institutions and others to promote funds flow to regional communities and expand services See p. 10	**Regional and Corporate Solutions Business Strategy**	Investments executed through subsidiary General Partner: Approx. **60** deals executed, totaling approx. **¥60.0bn**
Investments and financing for a sustainable environment and society	As one of Japan's largest institutional investors, we contribute to realizing a sustainable environment and society through our investment and lending activities, including the steady expansion of our sustainable finance track record See p. 11	**Market Operations and Asset Management Business Strategy**	Net interest income, etc.: Over **¥2.3tn** Sustainable finance: Approx. **¥10tn***

*As of March 31, 2031

Initiatives forming an essential foundation for engaging in materiality

Human capital management and corporate culture reforms	We will contribute to improving the well-being of employees—and thereby customers and society—by increasing employees' expertise through recruitment, placement, and development linked with business strategies, as well as the provision of opportunities for self-directed career formation, and by promoting corporate culture reforms to encourage a customer-centric approach. See p. 12
Improvement of the management base	We will secure a foundation for providing safe and sustainable financial services through efforts to improve productivity using AI and other technologies, strengthen governance related to financial sales, and strengthen our countermeasures against cybersecurity threats and money laundering. See p. 13

Provide Side-by-Side, Lifelong Support in an Era of 100-Year Lifespans

The rapid progression of population decline has exacerbated anxieties over the sustainability of the social security system and future financial security. Through partnerships with partner companies, the Bank provides products and services that address the diverse needs of its customers, supporting a fulfilling life in a super-ageing society at a time when living to 100 is becoming the norm.

Background social issues

- **Concerns and challenges over the sustainability of the social security system and individuals' life plans due to rapid progression of an ageing society with declining birthrates**
- **Need to advance appropriate asset formation across Japan to address these challenges**

Why the Bank addresses these issues

Risks and opportunities

- **Outflow of deposits due to inheritance, etc.**
- **Increase assets under management by earning customer trust**

Strategic direction

- **Provide products and services that address diverse customer needs by working with partner companies**

Intended impact

Contribute to stable asset formation for customers by promoting consulting services tailored to customers' diverse financial needs

Specific initiatives

Investment Products

- Upgrade operations at directly managed branches and post offices, while strengthening the remote center approach to improve customer convenience.
- Utilize AI and other technologies to provide an environment where customers can easily seek advice about wealth-building through digital channels.
- Expand the product line-up to comprehensively and attentively address customers' anxieties and needs related to wealth-building.

Inheritance/Trust Services, and Housing Loans, etc.

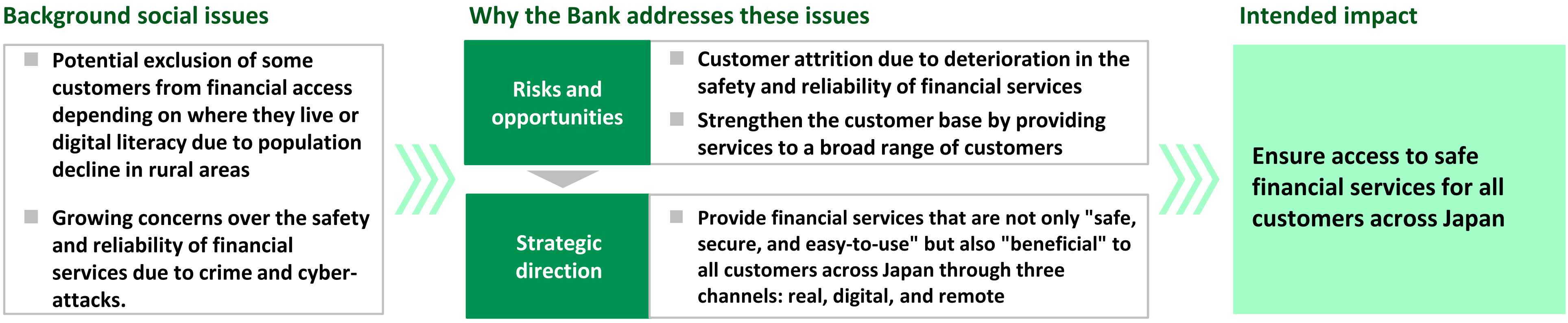
- To strengthen the Bank's ability to address the needs of customers considering generational wealth transfer, add insurance products and Testamentary trust, estate settlement services (intermediary services) to the product line-up.
- Continue handling housing loans (Flat 35, intermediary products) to meet customers' home purchase needs, and consider expanding the product line-up.

Other (Asset Management, Securities)

- Expand into the asset management business, leveraging expertise cultivated through market investment operations.
- Explore partnerships with securities companies and other institutions to address customer needs for products not currently handled by the Bank (investment trusts, savings bonds, etc.).

Ensure Access to Quality Financial Services

In response to regional and digital disparities in access to financial services and concerns over their safety and reliability, the Bank endeavors to ensure financial access for all customers across Japan by providing financial services that are not only “safe, secure, and easy-to-use" but also "beneficial," through three channels: real, digital, and remote.



Background social issues

- **Potential exclusion of some customers from financial access depending on where they live or digital literacy due to population decline in rural areas**
- **Growing concerns over the safety and reliability of financial services due to crime and cyber-attacks.**

Why the Bank addresses these issues

Risks and opportunities

- **Customer attrition due to deterioration in the safety and reliability of financial services**
- **Strengthen the customer base by providing services to a broad range of customers**

Strategic direction

- **Provide financial services that are not only "safe, secure, and easy-to-use" but also "beneficial" to all customers across Japan through three channels: real, digital, and remote**

Intended impact

Ensure access to safe financial services for all customers across Japan

Specific initiatives

Yucho Bankbook App

- To further improve customer convenience, the Bank will enhance the functions of the "Yucho Bankbook App" (considering features such as authentication functions at the time of remittance, multi-language support, and improved visibility).
- The Bank will leverage the benefits available through point ecosystems and other programs, as well as the Bankbook App, to encourage customers to use their Bank accounts for everyday transactions.
- The Bank will work with diverse partner companies to provide services that are not only "safe, secure, and easy-to-use" but also beneficial."

Tokenized deposits

- Consider the introduction of Yucho DCJPY, a tokenized deposit that uses blockchain technology to provide immediacy and transparency in settlements. Also consider providing services through collaboration with various businesses.

ATMs

- In response to the continued need for cash even as cashless payments become more common, improve customer convenience by promoting ATM partnerships and other measures.

Cashless payments

- In response to different generations of customers and their needs, newly issue the d Card GOLD U Japan Post Bank Design alongside the existing Japan Post Bank Debit and JP BANK Card. Also provide rewarding services tied to d Points.

Embedded finance

- To meet the needs of businesses for immediate fund transfers, utilize the immediate transfer service and API collaboration scheme to provide financial functions to various businesses, including non-financial operators.

Co-create Value with Local Communities

Efforts to revitalize regional economies and create rich living environments, thereby restoring vitality to Japan as a whole, are urgently needed. The Bank collaborates with regional financial institutions and others to promote the circulation of funds to local areas and the expansion of services in support of vibrant local communities.

Background social issues

- **Intensifying concerns over the contraction of regional economies due to the concentration of population in the greater Tokyo area and the shortage of labor in rural areas**
- **Need to revitalize regional economies to realize sustainable local communities**

Why the Bank addresses these issues

Risks and opportunities

- **Decline in deposits due to contraction of regional economies, etc.**
- **Secure a customer base and investment opportunities in regional areas**

Strategic direction

- **Collaborate with regional financial institutions and others to promote the circulation of funds to local areas and the expansion of services for corporate clients**

Intended impact

Promote the revitalization of regional economies in a multifaceted manner through the supply of equity capital to regional companies and the provision of various solutions

Specific initiatives

Deepen Regional Private Equity Investment

- Build a foundation for regional PE investment, with the aim of achieving sustainable development for both regional communities and the Bank Group. Steadily accumulate an investment track record and enhancing credibility and presence.
- Strengthen collaboration with a range of business partners, while strengthening the framework of Japan Post Bank Capital Partners Co., Ltd. as the core entity.

Financial Institution Relationship Management

- Strengthen initiatives such as ATM partnerships leveraging the Bank's ATM platform and participation in syndicated loans.
- With a focus on regional financial institutions and other such organizations, reinforce collaboration with local communities and advance further initiatives aimed at resolving regional challenges.

Provide Solutions to Corporate Clients

- Strengthen customer base and expand fee-based revenues through the provision of payment solutions, including embedded finance, to corporate clients, as well as through workplace-based sales and other initiatives.

Investments and Financing for a Sustainable Environment and Society

Many of the challenges that pose a threat to environmental and social sustainability are closely related to economic activity. As one of Japan's largest institutional investors, the Bank contributes to a sustainable environment and society through its investment and financing activities, including the steady expansion of its sustainable finance track record.

Background social issues

- **Range of critical issues related to social sustainability, including climate change, biodiversity, and human rights**
- **Many issues closely related to economic activity, and growing importance of the role required of asset owners**

Why the Bank addresses these issues

Risks and opportunities

- **Risk that the value of securities held by the Bank may decline due to the impact of climate change, etc.**
- **Secure investment opportunities in green bonds and similar instruments**

Strategic direction

- **Create positive value for the environment and society through investment and financing activities and continue negative screening.**

Intended impact

Contribute to a sustainable environment and society through investment and financing activities, including the steady expansion of the Bank's sustainable finance track record

Specific initiatives

See p. 20-27

Promote sustainable finance

- To contribute to a sustainable environment and society, promote ESG bonds (green bonds, etc.), credit for the renewable energy sector, and private equity investments that contribute to the environment and local communities
- Set new KPI to achieve approximately ¥10 trillion (cumulative new investments and financing from FY2020) by the end of FY2030. Appropriately manage progress.

Impact measurement and management

- Quantitative measurement and disclosure of impacts reported by issuers of green bonds and other instruments that the Bank has invested in.

Negative screening

- Continue negative screening in investment and financing decisions.
- Periodically revise the Investment and Financing Policy.

Engagement with investees and borrowers

- Conduct continuous engagement to understand the status of climate change response.
- In relation to climate change response, confirm impacts on human rights and natural capital.

ESG integration

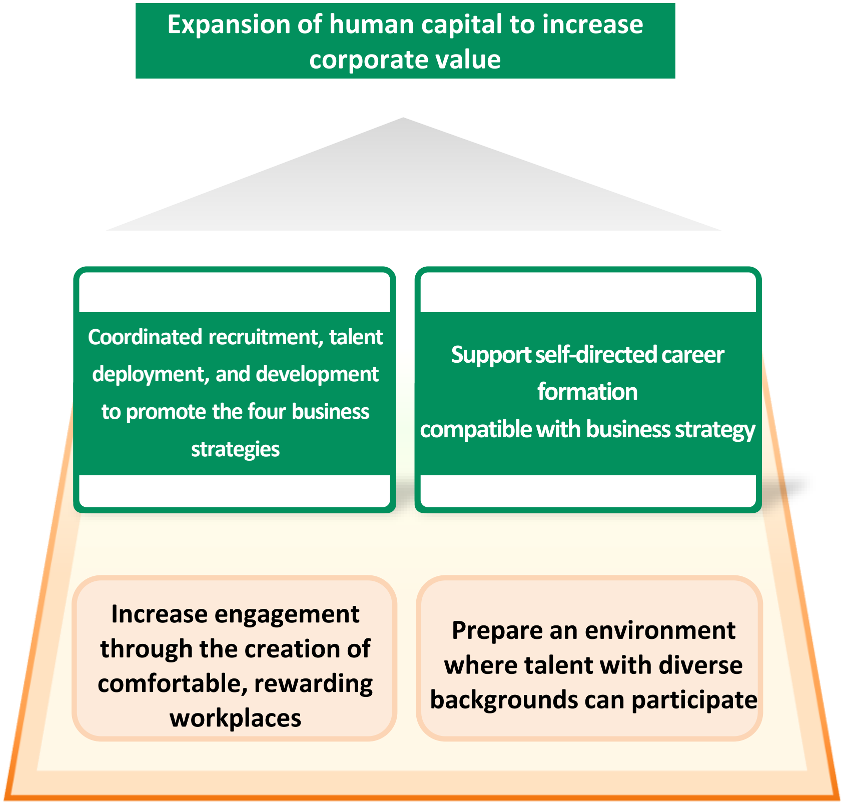
- In the process of assessing creditworthiness of investees and borrowers, review their environmental, social, and governance (ESG) initiatives.

Human Capital Management

The Bank engages in recruitment, talent deployment, and development of human capital and provides opportunities for autonomous career development, which are all linked to the four business strategies of the new Medium-term Management Plan. In addition, the Bank enhances corporate value from a human resource strategy perspective through various initiatives aimed at improving the individual well-being of employees from diverse backgrounds.

From the perspective of pursuing enhanced corporate value powered by our employees, the Bank has established the employee engagement score as a KPI in the new Medium-term Management Plan.

Overall Picture of Human Capital Management



Expansion of human capital to increase corporate value

Coordinated recruitment, talent deployment, and development to promote the four business strategies

Support self-directed career formation compatible with business strategy

Increase engagement through the creation of comfortable, rewarding workplaces

Prepare an environment where talent with diverse backgrounds can participate

Specific Initiatives

Details of progress on initiatives are disclosed in the Annual Report

Item	Specific initiatives	Target
Coordinated recruitment, talent deployment, and development to promote the four business strategies	To build a human capital portfolio that best supports its business strategy, the Bank is pursuing a range of initiatives, including using its talent management system to map employee skills and experience, developing specialized expertise, placing people in the right roles, and proactively recruiting specialized talent.	**New Medium-term Management Plan KPI** Employee engagement score (FY2028) **52.0** Score based on survey results provided by Link and Motivation Inc. The average score among companies using the same survey is 50 (deviation value).
Support self-directed career formation compatible with business strategy	The Bank supports employees' autonomous career development by offering opportunities to explore, learn about, and realize new career paths, including through the Career Challenge System, which allows employees to voluntarily apply for new roles.	
Increase engagement through the creation of comfortable, rewarding workplaces	The Bank works to enhance job satisfaction for every employee through measures including reviewing its personnel and salary systems to motivate employees to take on challenges and improving the management capabilities of supervisors.	
Prepare an environment where talent with diverse backgrounds can participate	By creating more opportunities for open dialogue and building a culture that respects and values the unique experiences, personalities, and perspectives of every employee, the Bank will further accelerate the inclusion and contribution of its diverse workforce.	

Corporate Culture Reforms and Improving the Management Base

To foster a corporate culture of self-driven initiative, the Bank is strengthening its cycle of systematically incorporating feedback from customers and employees into management decisions. In addition, the Bank is advancing the foundational initiatives that support its core banking operations, including strengthening governance over financial sales, fundamentally improving productivity through the use of AI and other technologies, and strengthening countermeasures against various risks, thereby securing the base for providing safe and sustainable financial services.

Corporate Culture Reforms (Stakeholder Engagement Committee)

The Bank has established the Stakeholder Engagement Committee, chaired by the President & CEO, Representative Executive Officer, as a cross-cutting mechanism for making bottom-up proposals based on feedback from customers and employees. In April 2026, the Bank further strengthened this framework by establishing the ECHO Office as a dedicated division.

The Committee continuously discusses concrete measures for creating new businesses, improving existing ones, facilitating internal communication, and improving productivity.

In FY2025, the Bank launched the Project to Articulate the Bank's "Customer-Oriented Approach," which identifies and clearly articulates the values and challenges that frontline employees experience through their daily work.

As part of these activities, the Bank incorporated feedback from employees and developed workplace environments that contribute to enhanced engagement, such as renovating employee break rooms. The Bank also held study sessions on generative AI to help employees learn convenient use cases and application scenarios, as well as the risks and other aspects requiring careful attention, thereby supporting productivity improvements in areas such as creating documents and finding information.

#ECHO

VOL. 06 2025

1 「みんなの声委員会 -ECHO-」とは？

2 「ECHO BOX」を設置します！

Initiatives for Improving the Management Base

To further enhance trust, the Bank is strengthening governance over financial sales by reviewing its support and monitoring systems for post offices with respect to financial products. In preparation for future declines in the working population, the Bank is also promoting the use of AI and similar technologies for company-wide operational efficiency. Through strategic IT investments such as the introduction of AI, RPA (technology that automates routine operations using software robots), and BPMS (a digital management system for entire business workflows) at the Operation Support Centers, the Bank has implemented fundamental business workflow reforms.

The Bank will continue to promote initiatives such as enhancing customer phone support, expanding the Yucho Tetsuzuki App's functions, and reducing the burden of inheritance procedures, from the perspectives of improving employee productivity and enhancing the quality of customer-facing services.

The Bank is also using digital tools and other means to enhance its management systems in response to rising risks around the safety and reliability of financial services, including the need to strengthen cybersecurity systems and countermeasures against money laundering, the financing of terrorism and proliferation financing.

Materiality Identification Process: Materiality Matrix

To identify material issues (materiality), the Bank conducted a quantitative analysis based on the concept of double materiality for 22 topics.

Screening and evaluating materiality topics

Initial identification **371 topics**

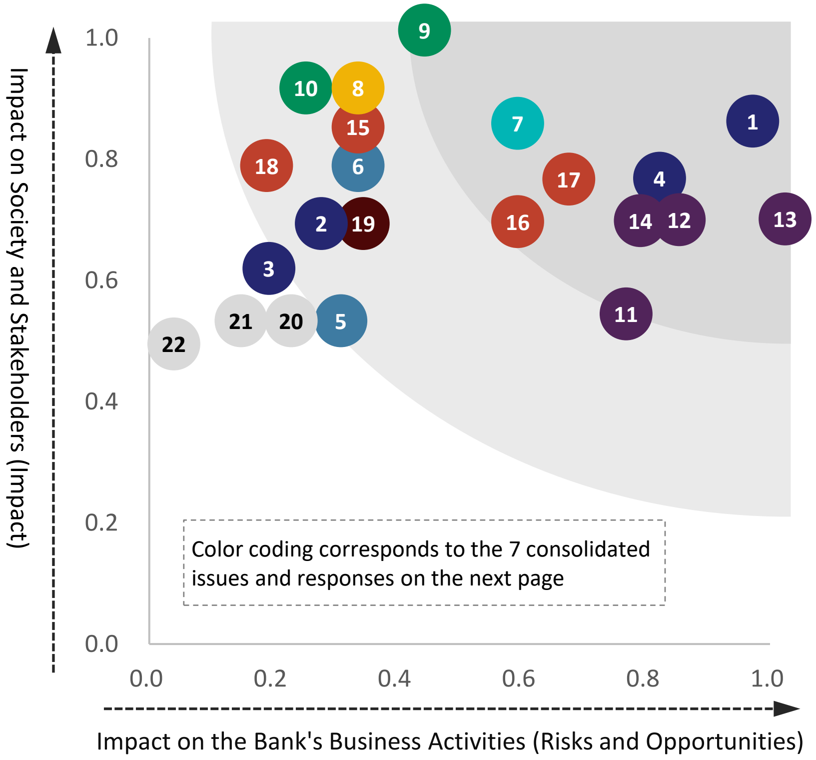
Long list **82 topics**

Short list **22 topics**

Issues identified from guidelines (SASB, GRI, etc.) and government and private-sector reports were narrowed down based on the following criteria:

- Removal of similar items and duplicates
- Consolidation through grouping
- Removal of items with low relevance to the Bank

Evaluation Results for the 22 Candidate Materiality Topics



Color coding corresponds to the 7 consolidated issues and responses on the next page

22 materiality topics

1. Response to ageing
2. Response to declining birthrate / childcare support
3. Financial education / creative education
4. Customer-oriented business operations
5. Relative poverty / widening inequality
6. Financial inclusion
7. Development of regional economies
8. ESG investments and financing / sustainable finance
9. Response to climate change
10. Biodiversity / natural capital
11. Compliance / business ethics
12. Response to security threats such as cyber-attacks and fraudulent transfers
13. Prevention of money laundering, etc.
14. Service continuity and systemic risk
15. Respect for human rights
16. Declining working-age population / DX and productivity improvement
17. Promotion of human capital management
18. Promotion of DEI
19. Corporate governance
20. Promotion of innovation
21. Supply chain management
22. Promotion of collective impact (addressing social issues through stakeholder collaboration)

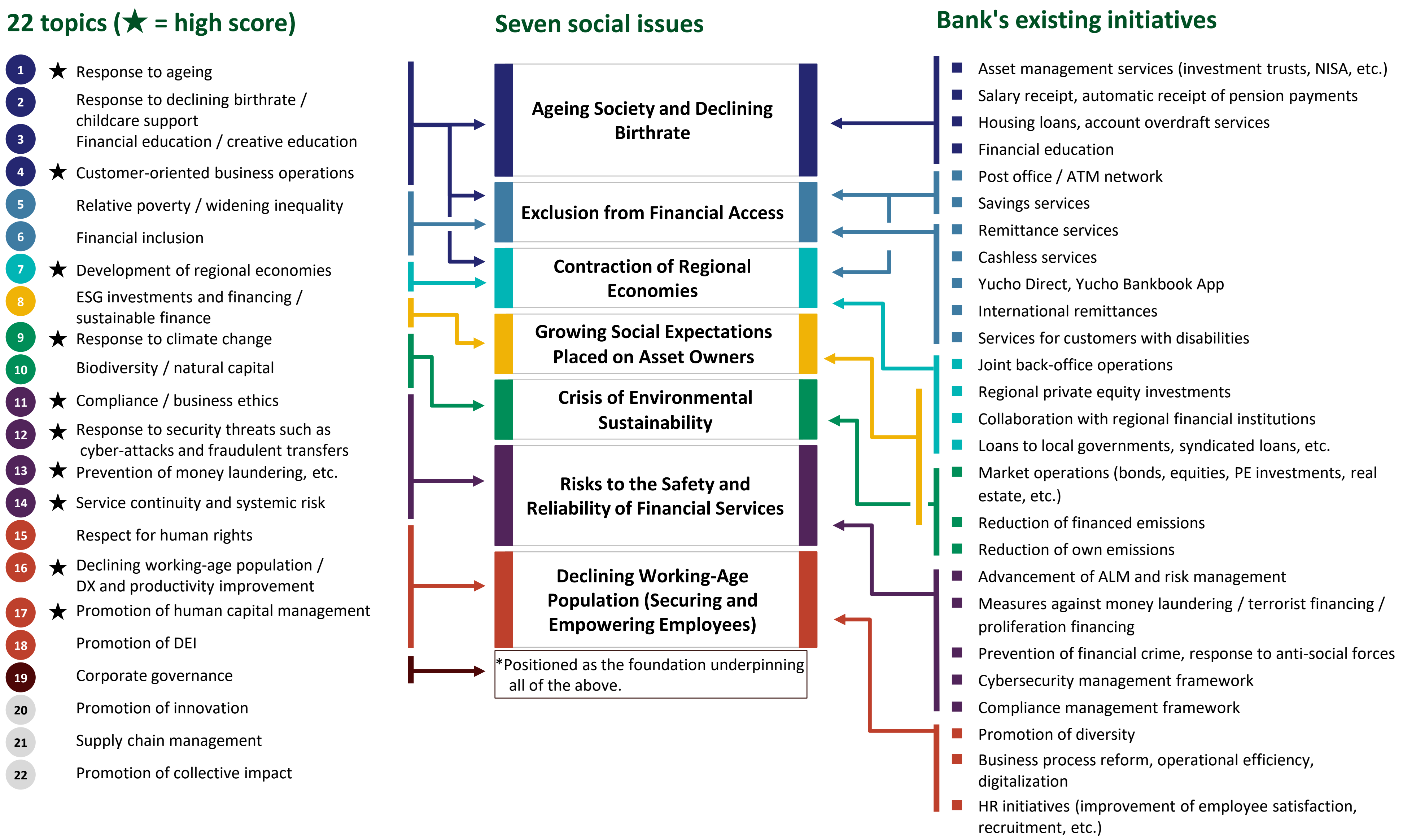
Evaluation criteria

Evaluations were conducted based on the following criteria, and scores were adjusted based on discussions with relevant department heads within the Bank, expert dialogues, and information gathered through customer, employee, and business partner surveys.

Perspective	Evaluation Criteria
Impact on society and stakeholders (impact)	Based on the guidelines of the European Financial Reporting Advisory Group (EFRAG), positive and negative impacts are each evaluated based on scale, likelihood, and other factors, then aggregated and normalized. (Scale + Scope + Difficulty of remediation (negative impacts only)) × Likelihood of occurrence
Impact on the Bank's business activities (risks and opportunities)	The same criteria as the Risk Appetite Framework are applied. Risks and opportunities are each evaluated based on impact and likelihood, then aggregated and normalized. Impact × Likelihood Impact: Negligible: 1 pt, Minor: 2 pts, Moderate: 4 pts Major: 8 pts, Severe: 16 pts Likelihood: Low: 1 pt, Moderate: 2 pts, Somewhat high: 3 pts, High: 4 pts, Materialized: 5 pts

Materiality Identification Process: Issues the Bank Should Address

Social issues that the bank should address were consolidated into seven categories from both the perspective of the 22 topics initially identified from guidelines and other sources, and the perspective of the Bank's existing initiatives. Materiality was identified through several rounds of internal discussions on these seven social issues.



22 topics (★ = high score)

1 ★ Response to ageing
2 Response to declining birthrate / childcare support
3 Financial education / creative education
4 ★ Customer-oriented business operations
5 Relative poverty / widening inequality
6 Financial inclusion
7 ★ Development of regional economies
8 ESG investments and financing / sustainable finance
9 ★ Response to climate change
10 Biodiversity / natural capital
11 ★ Compliance / business ethics
12 ★ Response to security threats such as cyber-attacks and fraudulent transfers
13 ★ Prevention of money laundering, etc.
14 ★ Service continuity and systemic risk
15 Respect for human rights
16 ★ Declining working-age population / DX and productivity improvement
17 ★ Promotion of human capital management
18 Promotion of DEI
19 Corporate governance
20 Promotion of innovation
21 Supply chain management
22 Promotion of collective impact

Seven social issues

Ageing Society and Declining Birthrate

Exclusion from Financial Access

Contraction of Regional Economies

Growing Social Expectations Placed on Asset Owners

Crisis of Environmental Sustainability

Risks to the Safety and Reliability of Financial Services

Declining Working-Age Population (Securing and Empowering Employees)

*Positioned as the foundation underpinning all of the above.

Bank's existing initiatives

- Asset management services (investment trusts, NISA, etc.)
- Salary receipt, automatic receipt of pension payments
- Housing loans, account overdraft services
- Financial education
- Post office / ATM network
- Savings services
- Remittance services
- Cashless services
- Yucho Direct, Yucho Bankbook App
- International remittances
- Services for customers with disabilities
- Joint back-office operations
- Regional private equity investments
- Collaboration with regional financial institutions
- Loans to local governments, syndicated loans, etc.
- Market operations (bonds, equities, PE investments, real estate, etc.)
- Reduction of financed emissions
- Reduction of own emissions
- Advancement of ALM and risk management
- Measures against money laundering / terrorist financing / proliferation financing
- Prevention of financial crime, response to anti-social forces
- Cybersecurity management framework
- Compliance management framework
- Promotion of diversity
- Business process reform, operational efficiency, digitalization
- HR initiatives (improvement of employee satisfaction, recruitment, etc.)

Governance

Sustainability Promotion Framework

The Bank views management strategy and the promotion of sustainability as intertwined, and has established the Sustainability Management Office within the Corporate Planning Department to oversee sustainability across the entire organization.

Sustainability-related initiatives are discussed by the Sustainability Committee, which is attended by Executive Officers from all divisions. The matters discussed are then deliberated and reported at the Executive Committee, and reported to the Board of Directors for appropriate supervision.

Governance Structure

Board of Directors

Discussions & reporting ↑ ↓ Supervision

Executive Committee
Chairperson: Takayuki Kasama
(President & CEO, Representative Executive Officer, Member of the Board of Directors)

Discussions & reporting ↑ ↓ Issues directives

Sustainability Committee
Chairperson: Harumi Yano
(Deputy President, Representative Executive Officer, Member of the Board of Directors)

Discussions & reporting ↑ ↓ Issues directives

Corporate Planning Department
Sustainability Management Office

Reporting ↑ ↓ Confirmation

Each department in charge

Key Matters Discussed FY2025

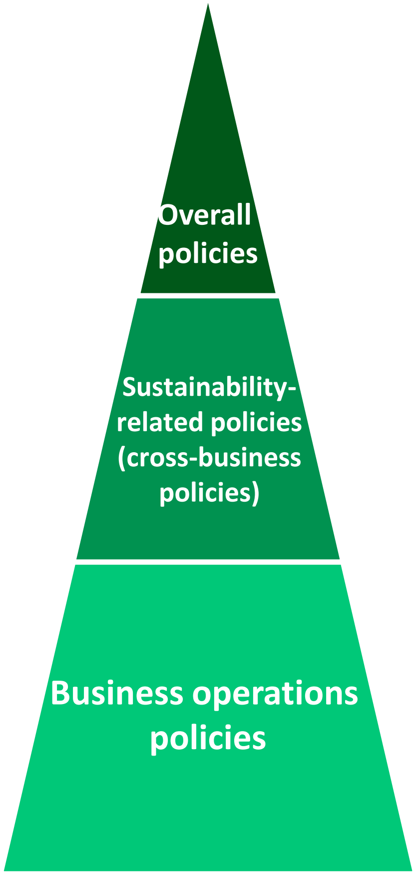
	Matters discussed / resolved	Matters reported
Board of Directors	• Discussion of the new Medium-term Management Plan and formulation of the annual management plan (setting of materiality and sustainability-related KPIs) • Formulation of the Risk Appetite Statement (selecting the most significant sustainability-related risks such as climate change, natural capital, and human rights)	• Progress of sustainability management (reported quarterly along with the progress of the annual management plans) • Status of the Risk Appetite Statement (quarterly reassessment of the most significant risks)
Statutory committees	• Determination of executive compensation systems, including sustainability evaluation items (Compensation Committee)	• Progress of sustainability management (Audit Committee, approximately once a year)
Executive Committee	• Discussion of proposed revisions to the Sustainability Investment and Financing Policy and the Basic Sustainability Policy	• Matters discussed and reported by the Sustainability Committee (twice a year)
Sustainability Committee Executive Officers from all divisions	• Sustainability initiatives and plans for FY2026 • Status of materiality discussions for the new Medium-term Management Plan • Review of sustainable finance targets	• Status of the implementation of human rights due diligence • Status of response to sustainability disclosure standards (SSBJ Standards)

Sustainability-Related Policies

In the Basic Sustainability Policy, the Bank defines the material issues (materiality) to be addressed through its business activities and promotes initiatives that balance addressing social issues with enhancing corporate value.

In addition to formulating and publishing company-wide policies on key themes such as the environment and human rights, the Bank has also developed policies for individual business areas such as investments and financing and procurement.

Policy Framework



Overview of Each Policy

Basic Sustainability Policy	Defines sustainability as "both the creation of sustainable social value and enhancement of corporate value over the medium to long term," and sets out the Bank's materiality.
Sustainability Promotion Procedures	Based on the Basic Sustainability Policy, stipulates the organization, roles and responsibilities, framework, reporting to committees, and other matters for promoting sustainability.
Environmental Policy	Sets out the Bank's approach to addressing climate change as well as natural capital and biodiversity, as part of initiatives to reduce the burden on the global environment.
Human Rights Policy	Sets out the Bank's policy on respecting the human rights of all people, including customers, suppliers, employees, investees and borrowers, and local communities.
Sustainability Investment and Financing Policy	Stipulates investments and financing to be actively pursued, those to be prohibited or carefully considered, and engagement with investees and borrowers. See p. 25
Japan Post Group CSR Procurement Guidelines	Stipulates CSR items requested of suppliers in order to share with them the values and goals concerning the Japan Post Group's CSR procurement.

In addition to the above, policies on corporate governance, personal information protection, and other matters are disclosed on the "List of Policies" page.

Reflection in Executive Compensation

Sustainability-related initiatives are reflected in the performance-linked executive (Executive Officer) compensation system.

From FY2024, the Bank introduced a monetary compensation system (annual bonus) linked to short-term performance, and 15% of the annual bonus is evaluated based on the achievement of ESG-related KPIs. This indicator applies to all Executive Officers, including President &CEO, Representative Executive Officer.

Compensation System for Executive Officers (FY2025)

<table>
<tr><th>Type</th><th>Link to performance</th><th>Payment standard</th><th>Payment timing</th><th>Payment method</th></tr>
<tr><td>Base salary</td><td>Non-linked</td><td>Fixed level of compensation based on job responsibilities</td><td>Monthly</td><td>Cash</td></tr>
<tr><td rowspan="2">Stock compensation</td><td>Non-linked</td><td>Points for each position according to job responsibilities</td><td rowspan="2">At retirement</td><td rowspan="2">Stock 70%
Cash 30%</td></tr>
<tr><td>Linked</td><td>Linked to medium- and long-term performance (0–120%)
<table>
<tr><th>Basic points</th></tr>
<tr><td>Points for each position according to job responsibilities</td></tr>
</table>
×
<table>
<tr><th colspan="2">Item</th><th>Evaluation weight</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>
</td></tr>
<tr><td>Bonus
Introduced in FY2024</td><td>Linked</td><td>Linked to short-term performance (0–130%)
<table>
<tr><th>Standard amount by position</th></tr>
<tr><td>Standard amount for each position according to job responsibilities</td></tr>
<tr><td>×</td></tr>
<tr><td>Coefficient based on individual evaluation</td></tr>
</table>
×
<table>
<tr><th colspan="3">Item</th><th>Evaluation weight</th></tr>
<tr><td rowspan="6">Quantitative evaluation</td><td rowspan="2">Financial targets</td><td>Net income attributable to parent company shareholders</td><td rowspan="2">40%</td></tr>
<tr><td>OHR / Reduction of operating expenses</td></tr>
<tr><td rowspan="4">Target KPIs</td><td>Retail Business</td><td rowspan="4">60%</td></tr>
<tr><td>Market Business</td></tr>
<tr><td>Σ (Sigma) Business</td></tr>
<tr><td>Strengthening the management base, etc.</td></tr>
<tr><td colspan="2" rowspan="2">Qualitative evaluation</td><td>Initiatives that contribute to enhancing corporate value</td><td rowspan="2">±20%</td></tr>
<tr><td>System trouble, etc.</td></tr>
</table>
</td><td>Yearly</td><td>Cash</td></tr>
</table>

Breakdown of "Strengthening the Management Base, Etc."

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

Item	Weight
Balance of ESG-themed investments and financing	**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 (4 weeks or more)	**2%**
Employee engagement indicator	**2%**

Sustainable Finance

Overview of Sustainable Finance

The Bank promotes "sustainable finance," which is intended to create positive value for the environment and society.

Going beyond the mere execution of investments and financing, the Bank strives to measure and aggregate the social impacts created, making the Bank's influence on society visible.

Categories of Sustainable Finance at the Bank

Category	Definition	Eligible Assets	Investment and Financing Amount	Going Forward	(Reference) Depth of Engagement*2
Sustainable Finance	Investments and financing that the Bank actively promotes to contribute to the realization of a sustainable environment and society	ESG bonds (green bonds, etc.), credit for the renewable energy sector, private equity investments contributing to the environment and local communities, and others See p. 22	**¥7.3** trillion (as of March 31, 2026)	Steadily build track record toward the target of approximately ¥10 trillion by the end of FY2030	Intent / Strategy
Investments and Financing for which Positive Impact Is Measured	Investments and financing for which the Bank quantitatively measures and discloses impacts reported by investees and borrowers through impact reports and similar documents	Green bonds, social bonds, sustainability bonds, transition bonds See p. 23	**¥1.6** trillion (as of March 31, 2025*1)	Consider incorporating these into internal processes while refining measurement results and improving the efficiency of measurement processes	Measurement
Impact Investing	Investments and financing in which the Bank confirms the intention to generate impact, sets appropriate KPIs, and conducts proactive monitoring	Contributions to the Japan Post Investment Regional Development and Impact Fund I, ILP managed by Japan Post Bank Asset Management Co., Ltd., a consolidated subsidiary of the Bank	**¥3.5** billion (as of March 31, 2026)	Continue to identify and review projects in line with impact goals and priority themes	Management

*1 For "investments and financing for which positive impact is measured," as the impact measurement work requires time, the balance as of March 31, 2025 (the most recent measurement result) is presented.

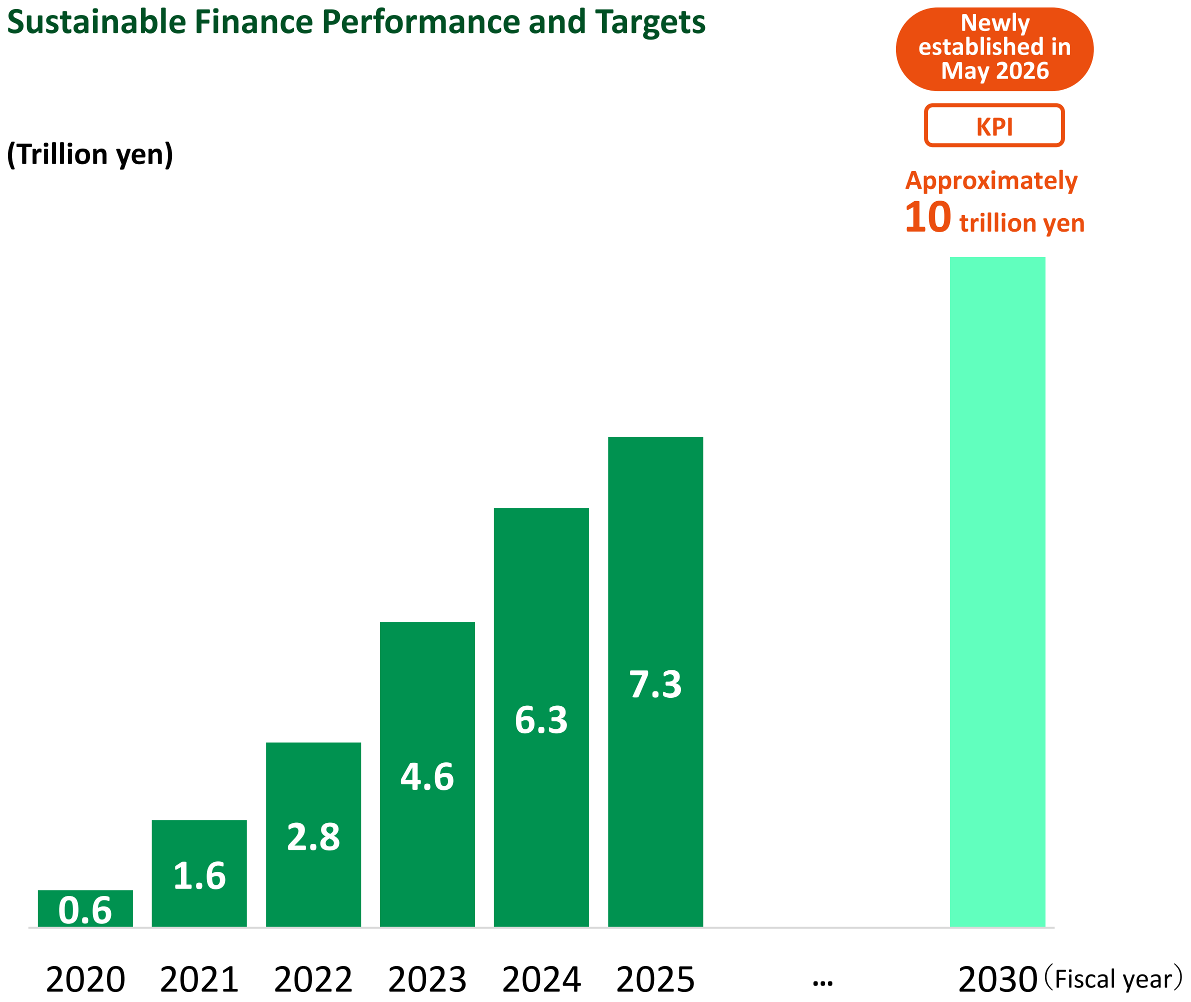
*2 An illustration of the depth of engagement in impact investing, based on domestic and international guidelines.

Sustainable Finance Performance and Targets

As an institutional investor, the Bank takes into account medium- to long-term risks and returns and provides sustainable finance on one of the largest scale in Japan for projects that generate positive environmental and social impact.

In the new Medium-term Management Plan, the Bank has newly set a KPI of approximately 10 trillion yen by the end of FY2030 (cumulative new investments and financing from FY2020).

Sustainable Finance Performance and Targets



Eligibility Assets

Eligible assets that contribute to "the environment," "addressing social issues," "local communities," and similar areas are determined based on the following criteria:

- Whether there is third-party certification
- Whether the use of proceeds is restricted and appropriate reporting is conducted
- If the use of proceeds is not restricted, whether KPIs and similar metrics are monitored, and whether some form of response is implemented in the event of non-achievement

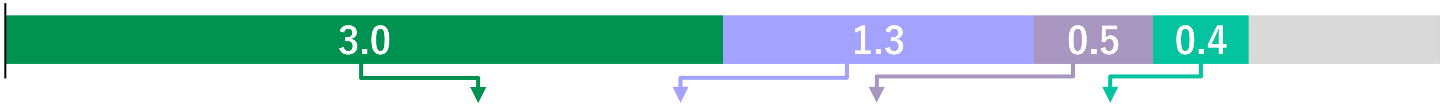
Bonds	- Green bonds - Social bonds - Sustainability bonds - Sustainability-linked bonds - Transition bonds - Credit for the renewable energy sector
Other	- Green loans - Social loans - Sustainability loans - Sustainability-linked loans - Positive impact finance - Private equity investments contributing to the environment and local communities

Positive Impacts of Investments and Financing

Of the "sustainable finance" mentioned previously, the Bank continuously calculates the positive impacts created by projects to which it has provided funding through green bonds, social bonds, and other instruments.

These projects have generated diverse environmental and social effects, such as climate change mitigation, conservation and restoration of natural capital, and improved access to healthcare and education. In FY2025, the Bank newly included transition bonds in the scope and calculated their impact.

Positive Impacts



Balance of sustainable finance
(trillion yen, as of March 31, 2025)

Category		Impact	Green bonds	Social bonds	Sustainability bonds	Transition bonds	Total	Scale
Environment	Climate change	Contribution to GHG emissions reduction	**9,420,000**	—	**195,000**	**85,000**	**9,700,000** t-CO2/year	Equivalent to the annual GHG emissions absorbed by forests covering an area approximately 5.0× the size of the Tokyo metropolitan area.
		Energy savings	**265,000**	—	**45,000**	—	**310,000** MWh/year	Equivalent to the annual energy use of approximately 78,000 Japanese households.
		Renewable energy generation	**109,000**		**5,500**	**500**	**115,000** MWh/year	Equivalent to the annual energy use of approximately 29,000 Japanese households.
	Natural capital	Reduction or avoidance of water consumption	**400,000**	—	—	—	**400,000** ton/year	Equivalent to the annual water consumption of approximately 49,000 people in Japan.
		Habitat restoration / conservation / creation	**1,000**	—	**13,000**	—	**14,000** km²/year	Equivalent to an area approximately 6.3× the size of the Tokyo metropolitan area.
Health	Human rights	Health service beneficiaries	—	**56,500**	**500**	—	**57,000** persons/year	—
		Persons with improved health	—	**78,700**	**300**	—	**79,000** persons/year	—
Employment / Education		Job creation	—	**1,100**	**8,500**	—	**9,600** persons/year	—
		Facilities / equipment for persons with disabilities	—	—	**1,500**	—	**1,500** cases/year	—
		Persons who became able to attend school	—	**150**	—	—	**150** people/year	—

Other examples of impacts Long-term maintenance of expressways, etc.; strengthening of earthquake resistance of school buildings, etc.; introduction of scholarships; installation of platform doors at railway stations; promotion of energy-efficient housing.

(Calculation method) The contribution is calculated from the Bank's investment balance against the impact reported by the issuer of each ESG bond. In cases where the reported impact includes the impact from funding sources other than the bonds in which the Bank has invested, the contribution is calculated by taking those amounts into account. For verifiable bonds, the impact attributable to refinancing is excluded.

Specific Examples of Investments and Financing

In terms of specific themes for sustainable finance, the Bank makes investments and financing that contribute to the "environment," "addressing social issues," "local communities," and other areas.

In addition, Japan Post Bank Asset Management Co., Ltd., a consolidated subsidiary of the Bank, has established "local communities," "the environment," and "well-being" as the Theory of Change for the Japan Post Investment Regional Development and Impact Fund I, ILP.

Investment in a Sustainability Bond

In 2025, the Bank made an investment in a sustainability bond issued by Osaka Metro Co., Ltd. Osaka Metro Group has adopted "e METRO," an urban MaaS (Mobility as a Service) concept, as its management strategy, and strives to create new value and contribute to urban development in Osaka by continuously evolving its safe, reliable, comfortable, and convenient railway and bus services, and integrating these with a range of services that give people a reason to travel. The proceeds from this bond are allocated to refinancing for capital expenditure related to 32A and series 400 rolling stock (railway operations) and EV buses (bus operations), which contribute to the reduction of CO_2 emissions.

32A and series 400 rolling stock
(railway operations)

EV buses
(bus operations)

(Source: Osaka Metro website)

Investment Case Study by Japan Post Bank Asset Management Co., Ltd.

Japan Post Bank Asset Management Co., Ltd., a consolidated subsidiary of the Bank, employs logic models in its investment deliberations for the Japan Post Investment Regional Development and Impact Fund I, ILP. In 2024, with a view to addressing the social issue of increasing numbers of vacant houses, it made an impact investment in Crassone Co., Ltd., a company that aims to promote regional regeneration through digital transformation of the demolition industry and optimization of its supply chain.

Example of logic model

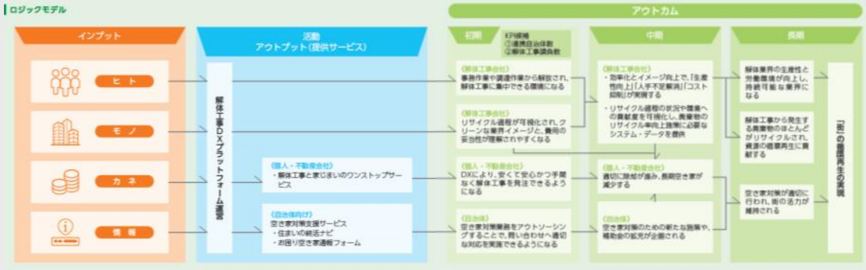


Illustration of demolition operations by Crassone Co., Ltd.

(Source: Japan Post Investment Co., Ltd. (now Japan Post Bank Asset Management Co., Ltd.) Sustainability Report 2025)

Negative Screening (Investment and Financing Policy)

To appropriately address environmental issues such as climate change and biodiversity, as well as social issues such as human rights violations, the Bank stipulates in its Sustainability Investment and Financing Policy the companies and businesses subject to negative screening in investment and financing decisions.

Previously named "ESG Investment and Financing Policy,“ it was renamed and partially revised in April 2026.

Investment Consideration Process

Candidate company/business

🟢 Climate change 🟠 Natural capital 🔵 Human rights

Investment consideration target

All businesses
(active promotion of investments and financing contributing to local revitalization, climate change, and addressing social issues)

Cross-sector prohibition policy

The Bank prohibits investments and financing whose proceeds are used for the following businesses:

- Illegal businesses or businesses for illegal purposes 🔵
- Businesses that violate public order and morality 🔵
- Businesses that negatively impact wetlands designated under the Ramsar Convention 🟢🟠
- Businesses that negatively impact UNESCO World Heritage sites 🟠🔵
- Businesses that violate the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) 🟠🔵
- Businesses engaged in forced labor, child labor, or human trafficking 🔵

Sector-specific prohibition policy

The Bank prohibits investments and financing whose proceeds are used for the following businesses:

- Weapons manufacturing, cluster munitions manufacturers 🔵
- Coal-fired power generation and coal mining (thermal coal) 🟢🟠🔵
- **Mountaintop removal mining (excluding thermal coal)** 🟠🔵 Added in April 2026

Careful consideration in specific sectors

The Bank carefully considers investments and financing whose proceeds are used for the following businesses:

- Oil and gas 🟢🟠🔵
- Palm oil plantation development 🟢🟠🔵
- Deforestation (large-scale plantation development, etc.) 🟢🟠🔵
- Large-scale hydroelectric power generation 🟠🔵
- **Mining excluding thermal coal (excluding mountaintop removal)** 🟠🔵 Added in April 2026
- **Woody biomass power generation** 🟢🟠🔵 Added in April 2026

Periodic verification of investment/ financing execution and holdings

Each department coordinates with the Sustainability Management Office to periodically review holdings.

Eligible Assets

The Bank's direct investments and financing where the use of proceeds falls under the relevant businesses:

- Project finance
- Loans

For cluster munitions manufacturers, also includes:

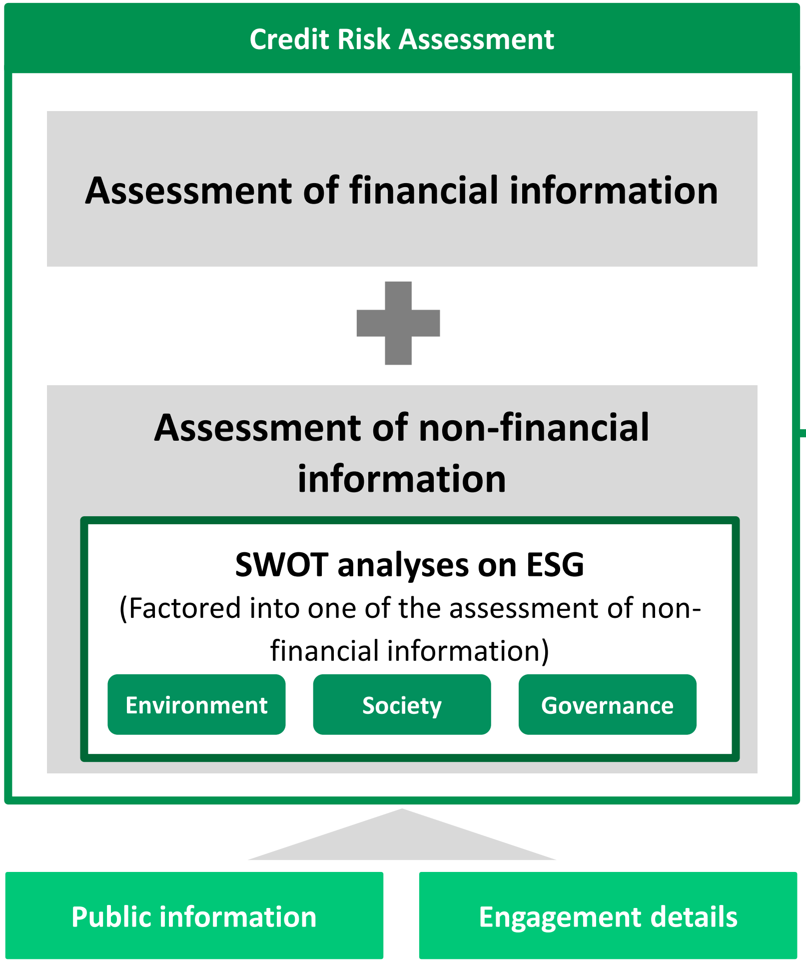
- Bond investments
- Equity investments

ESG Integration

When making investment and financing decisions, the Bank reviews the environmental, social, and governance (ESG) initiatives of investees and borrowers in its process of assessing their creditworthiness.

The Bank puts ESG integration into practice by incorporating the findings into qualitative elements to assess creditworthiness of each investee and borrower.

Credit Risk Assessment of Investees and Borrowers



Credit Risk Assessment

Assessment of financial information

Assessment of non-financial information

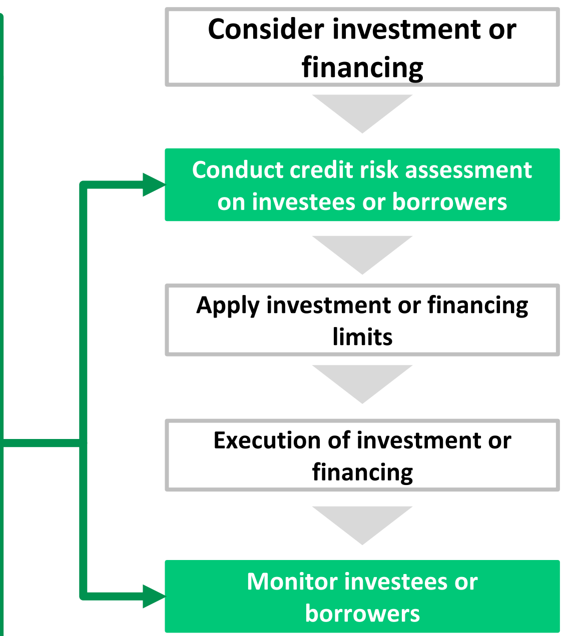
SWOT analyses on ESG

(Factored into one of the assessment of non-financial information)

Environment | **Society** | **Governance**

Public information | **Engagement details**

Investment and Financing Process



Consider investment or financing	Deals are considered at the department responsible for carrying out investment or financing ("Front Office").
Conduct credit risk assessment on investees or borrowers	Based on requests from the Front Office, the credit department assesses the creditworthiness of investees or borrowers.
Apply investment or financing limits	Apply investment or financing limits based on the credit risk assessments.
Execution of investment or financing	The Front Office executes investment or financing within the investment or financing limits.
Monitor investees or borrowers	Regularly monitor changes in creditworthiness and inspect/reassess creditworthiness.

- When conducting credit risk assessments of investees and borrowers, the Bank takes ESG initiatives and related risks into consideration as one of the qualitative factors.
- Specifically, SWOT analyses on ESG are conducted based on publicly disclosed information and other sources, and as necessary, the assessment results are reflected in the credit risk assessments of investees and borrowers.
- These assessments are performed when considering investments and financing, and in periodic reviews of creditworthiness as part of the monitoring of investees and borrowers.

Engagement with Investees and Borrowers

The Bank maintains ongoing engagement with investees and borrowers, primarily to understand their responses to climate change.

Through these engagements, the Bank reviews the feasibility of their targets to reduce emissions, as well as their policies to address risks related to environmental changes. The Bank also evaluates the impacts on human rights and natural capital as a part of these discussions.

The Bank's Engagement Activities

1. Issue Identification		2. Target Selection	3. Implementation	4. Follow-up
Topic	**Objective**	**Investee / Borrower**	**Content of Dialogue**	**Future Action**
Climate Change	Engage in dialogue with high emitting investees and borrowers to achieve net zero Assess the financial impact of the investments and financing into climate-related risks and opportunities	Energy suppliers and network providers	• Reviewed progress on emissions reduction initiatives embedded in business operations, including an introduction of renewable energy, network upgrades, and improvement in energy efficiency through equipment renewal. • Discussed the impact of changes in government policies, regulations, and demand for electricity and telecommunications, and confirmed that current targets and transition plans will be maintained while taking these external factors into account.	• Monitor progress on the emission reduction targets and key initiatives identified in the dialogue, using publicly available information. • Closely monitor the impact of changes in policies, regulatory environment, and demand trends on business plans.
		Consumer services and logistics providers	• Confirmed that emission reductions are being advanced through a combination of measures, including the electrification of vehicles and equipment, the use of renewable energy, and energy efficiency measures.	• Monitor the progress on emission reduction initiatives using publicly available information.
Natural Capital	Discuss initiatives in industries with relatively high dependence on natural capital	Infrastructure businesses closely linked to the natural environment	• Confirmed the adoption of environmentally friendly equipment, construction methods to minimize impacts on ecosystems and landscapes, as well as the vegetation management and conservation initiatives that account for the habitats of rare species.	• Monitor the extent to which natural capital considerations are incorporated into business plans and disclosures.
Human Rights	Discuss management systems to prevent unintended involvement in human rights violations	Infrastructure businesses closely connected to local communities	• Reviewed safety measures and emergency response systems to mitigate damage in the event of disasters and accidents, including consideration for surrounding communities and facilities, as well as initiatives to ensure occupational safety and enhance working conditions.	• Continue engagement and dialogue as necessary, given the significant impact on surrounding communities and workers.

* The investees, borrowers, dialogue content, and future actions presented in this table do not refer to any specific company; rather, they represent a comprehensive summary of engagements with multiple investees and borrowers within the same sector.

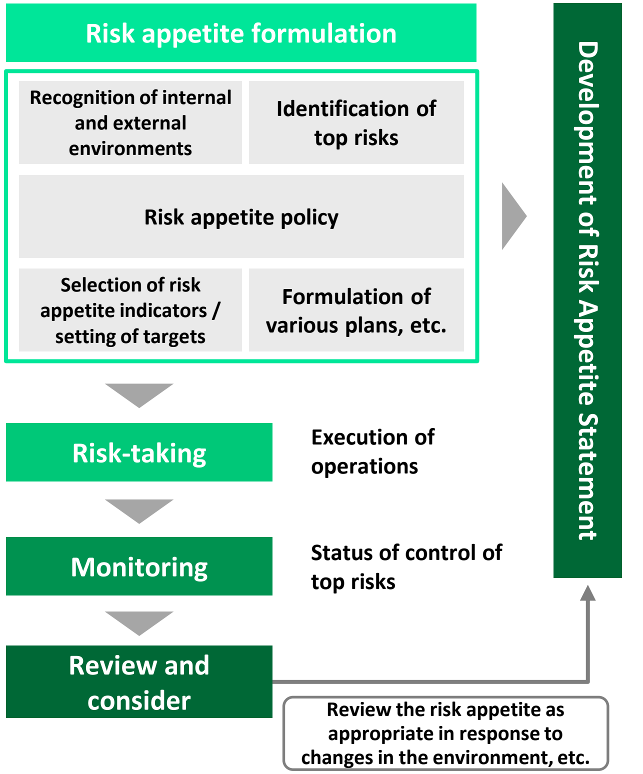
Climate Change and Biodiversity

Risk Management

The Bank is committed to realizing a sustainable environment and society and has been advancing efforts toward achieving net-zero GHG emissions and initiatives that contribute to nature positivity.

At the same time, the Bank recognizes that risks related to climate change and biodiversity may directly impact the sustainability of the Bank's earnings and profits, including through declines in the value of securities held and increases in funding costs, and has therefore positioned them as one of the top risks within the Risk Appetite Framework.

Risk Appetite Framework*1



Risk appetite formulation

- Recognition of internal and external environments
- Identification of top risks
- Risk appetite policy
- Selection of risk appetite indicators / setting of targets
- Formulation of various plans, etc.

Risk-taking — Execution of operations

Monitoring — Status of control of top risks

Review and consider — Review the risk appetite as appropriate in response to changes in the environment, etc.

Development of Risk Appetite Statement

Climate-related and Nature-related Risk Impact

Climate change | Natural capital

Category	Physical risk (Short to long term*2)	Transition risk (Medium to long term*2)
Credit risk / Market risk*3	Damage to the facilities of investees and borrowers caused by floods, forest fires, or other disasters resulting from climate change or changes in nature, leading to deterioration of business performance / creditworthiness and a decline in the value of securities held by the Bank	Climate-related and nature-related changes in the business environment*4 resulting in deterioration of business performance / creditworthiness of investees and borrowers, and a decline in the value of securities held by the Bank
Liquidity risk	Increase in capital outflows due to higher demand for repair funding caused by floods, forest fires, or other disasters resulting from climate change or changes in nature	Increase in funding costs due to delayed response to climate-related and nature-related changes in the business environment*4
Operational risk	Damage to facilities and business disruption caused by floods, forest fires, or other disasters resulting from climate change or changes in nature	Increase in the Bank's response costs due to delayed response to climate-related and nature-related changes in the business environment*4
Reputational risk	Decline in the Bank's social reputation due to inadequate efforts in addressing climate change and natural capital	

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*1 A business management framework that uses risk appetite (the type and total amount of risk that should be willingly accepted to achieve business plans) as the common language within the Bank for risk-taking policies in general, including capital allocation and profit maximization.

*2 Short term: within 1 year; Medium term: 1–5 years; Long term: more than 5 years.

*3 As the Bank's investments largely consist of securities, credit risk and market risk are presented in the same category.

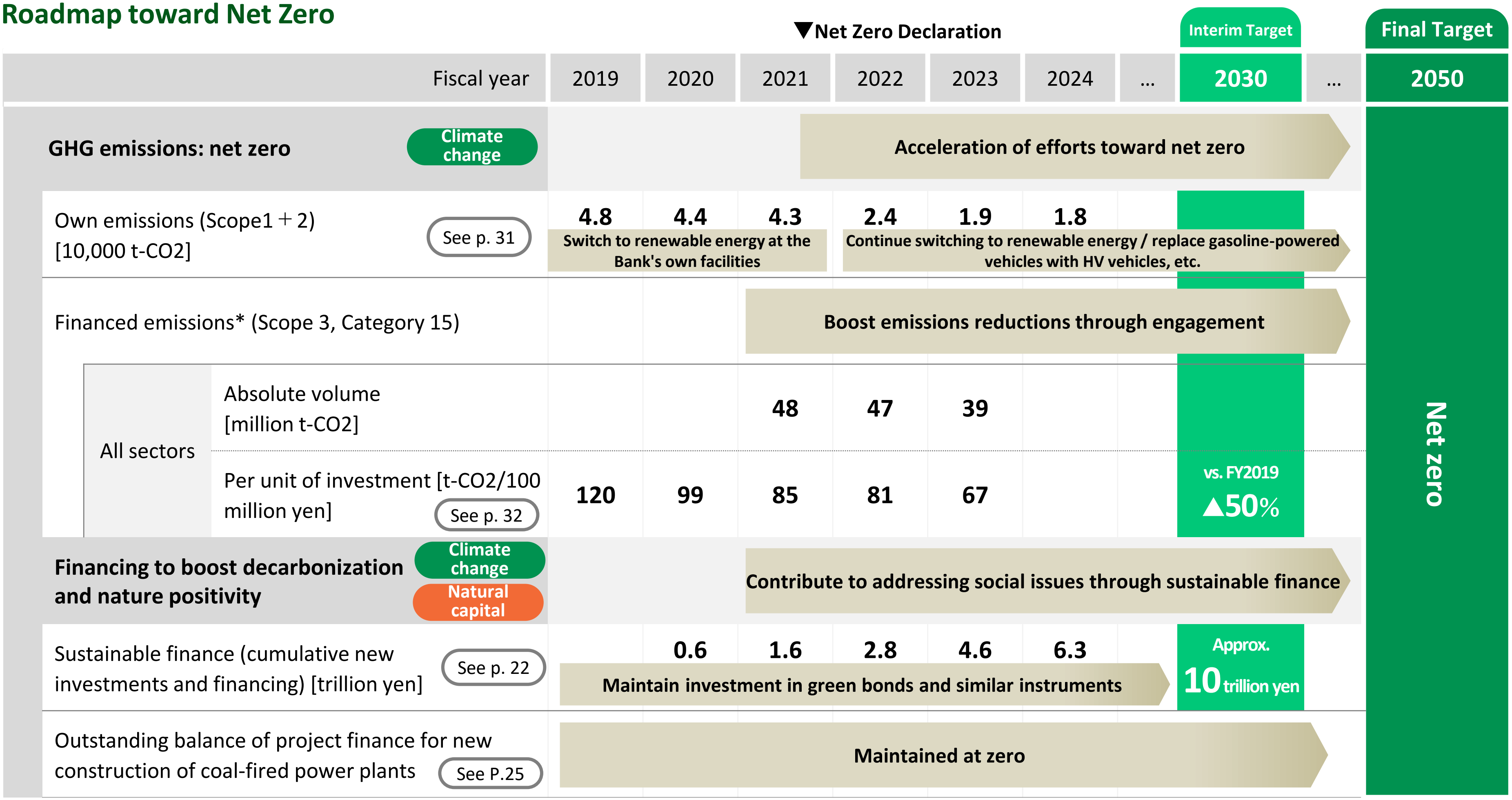
*4 Climate-related changes in the business environment: Tightening of regulations on GHG emissions, replacement of existing products and services with low-carbon ones, changes in consumer behavior, increase in raw material costs, etc.; Nature-related changes in the business environment: Tightening of regulations aimed at restoring natural capital, replacement of existing products and services with those less dependent on / having lower impact on nature, changes in consumer behavior, increase in raw material costs, etc.

Strategy (Roadmap)

In response to climate-related risks and opportunities (business opportunities), the Bank has set targets for GHG emissions reduction and the promotion of sustainable finance and has formulated a roadmap toward achieving net zero.

For natural capital and biodiversity as well, the Bank is promoting financing aimed at realizing nature positivity.

Roadmap toward Net Zero



▼Net Zero Declaration (2021)

Fiscal year		2019	2020	2021	2022	2023	2024	…	Interim Target 2030	…	Final Target 2050
GHG emissions: net zero	Climate change				Acceleration of efforts toward net zero						Net zero
Own emissions (Scope1＋2) [10,000 t-CO2]	See p. 31	4.8 Switch to renewable energy at the Bank's own facilities	4.4	4.3	2.4 Continue switching to renewable energy / replace gasoline-powered vehicles with HV vehicles, etc.	1.9	1.8				
Financed emissions* (Scope 3, Category 15)				Boost emissions reductions through engagement							
All sectors: Absolute volume [million t-CO2]				48	47	39					
All sectors: Per unit of investment [t-CO2/100 million yen]	See p. 32	120	99	85	81	67			vs. FY2019 ▲50%		
Financing to boost decarbonization and nature positivity	Climate change Natural capital			Contribute to addressing social issues through sustainable finance							
Sustainable finance (cumulative new investments and financing) [trillion yen]	See p. 22	Maintain investment in green bonds and similar instruments	0.6	1.6	2.8	4.6	6.3		Approx. 10 trillion yen		
Outstanding balance of project finance for new construction of coal-fired power plants	See P.25	Maintained at zero									

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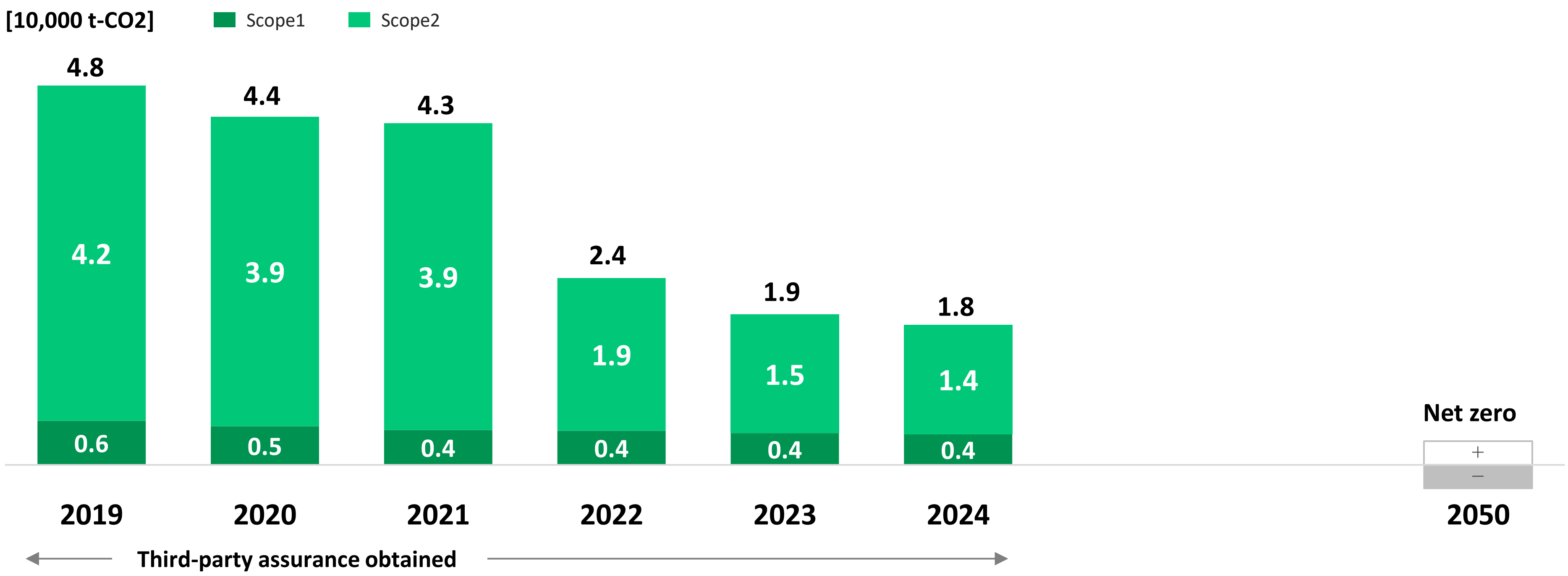
* Finance portfolio emissions may be revised retroactively in the future if there is a change in the vendor acquiring the emissions data or the calculation method is improved. The values above are calculated using the corporate value used in the attribution factor based on book value.

Metrics and Targets (Own Emissions)

For GHG emissions associated with its own business activities, the Bank is steadily advancing reductions through the introduction of renewable energy and other measures.

The interim target toward net zero by 2050 will be re-disclosed once the scope of emissions calculation is finalized in conjunction with the Bank's response to the Sustainability Disclosure Standards (SSBJ Standards), which are expected to apply from the fiscal year ending March 31, 2027.

Scope 1 + 2 Emissions Reduction Roadmap



- Switch to renewable energy for facilities solely owned by the Bank

- Continued switching to renewable energy
- Replacement of gasoline-powered vehicles with hybrid vehicles, etc.
- Procurement of environmental value

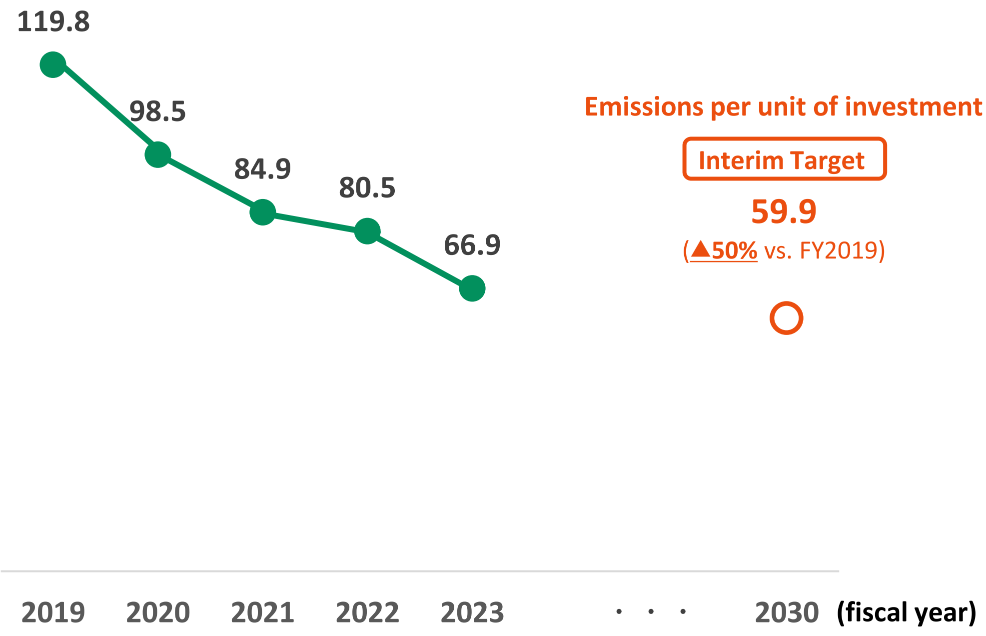
Metrics and Targets (Financed Emissions)

From the perspective of supporting the realization of net-zero emissions by 2050, the Bank has set an interim target for emissions across the entire investment and financing portfolio.

To achieve the interim target, the Bank will continue to advance various initiatives, including engagement with investees and borrowers.

GHG Emissions per Unit of Investment
(Actual Results and Interim Target)

[t-CO2 / 100 million yen]



Interim Target Details

Year criteria were set		FY2019 (March 31, 2020)
Scope of coverage	**Asset class**	Corporate bonds, equities, loans
	Sector	All sectors (industries)
	Value chain	Scope 1 and 2 emissions of investees and borrowers
Metric		Emissions per unit of investment (t-CO2 / 100 million yen)
Calculation Method*		$\dfrac{\sum \left(\text{Emissions of the investee or borrower} \times \overset{\text{Attribution factor}}{\dfrac{\text{The Bank's }\textbf{investment/financing amount}\text{ toward the investee or borrower}}{\textbf{Corporate value}\text{ of the investee or borrower}}} \right)}{\textbf{The Bank's portfolio balance}\ \text{[investees and borrowers for which emissions data can be obtained]}}$

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* Calculation method:

Calculated based on the methodology of PCAF (Partnership for Carbon Accounting Financials), using GHG emissions and financial-related data provided by S&P Global Trucost.

The corporate value used in the attribution factor is presented based on book value (using net assets) instead of market value (using market capitalization), so that the evaluation can be made primarily based on factors such as the GHG emissions reduction efforts of investees and borrowers and the Bank's stock reshuffling, regardless of changes in the stock price of the investees and borrowers (see figure on the right).

Attribution factor

$$\frac{\text{The Bank's investment/financing amount toward the investee or borrower}}{\boxed{\textbf{Corporate value}}\text{ of the investee or borrower}}$$

The corporate value used in the interim target is managed on a book value basis.
Book value: interest-bearing debt + net assets
Market value: interest-bearing debt + market capitalization + preferred stock + minority interests

Respect for Human Rights

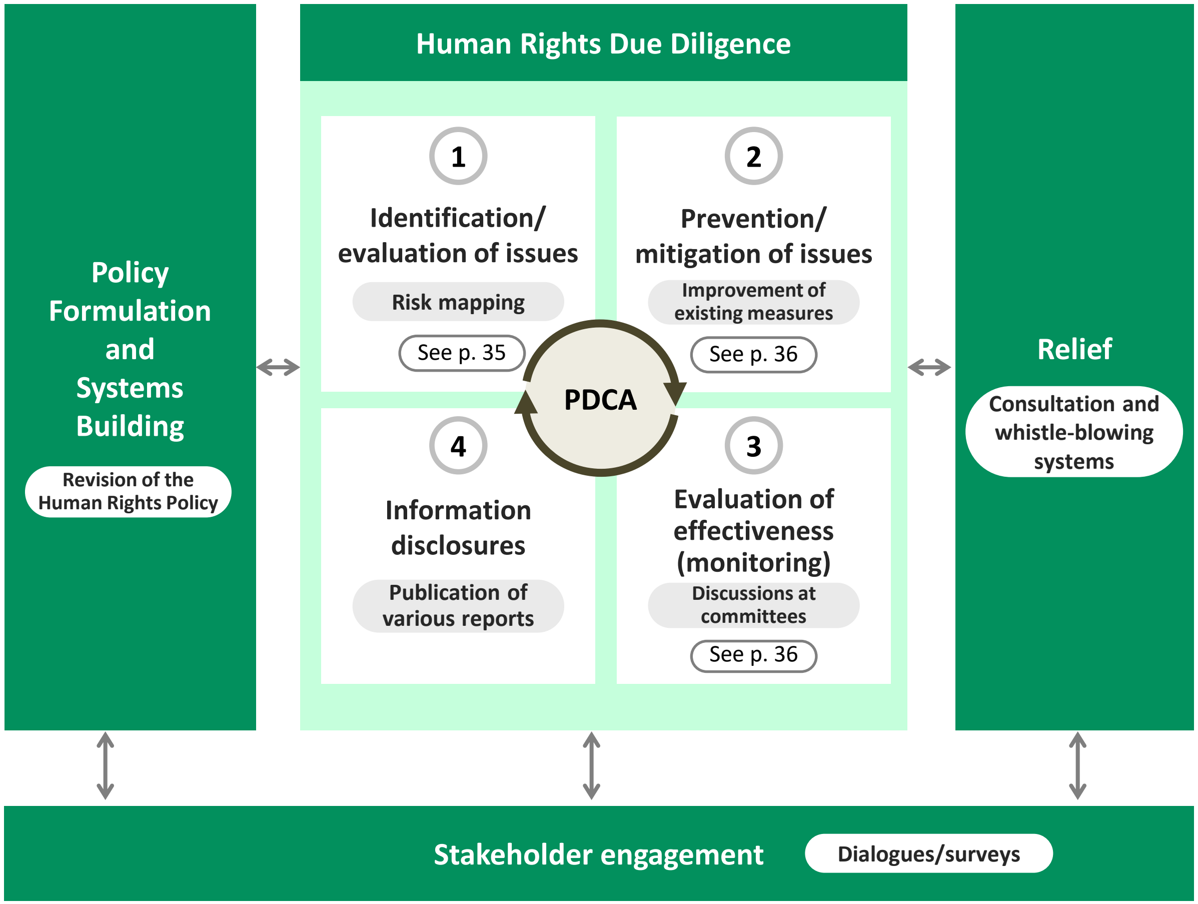
Overview of Initiatives for Respect for Human Rights

In pursuing our Management Philosophy of becoming "the most accessible and trustworthy bank," the Bank recognizes that respect for human rights is an important social responsibility. Based on this recognition, the Bank established the JAPAN POST BANK Human Rights Policy in 2019 and has been promoting and strengthening various initiatives accordingly.

In promoting these initiatives, the Bank respects the human rights of all people, including "customers," "suppliers," "employees," and "investees and borrowers."

Overview of Initiatives

Legend **Main Initiatives**



Policy Formulation and Systems Building

Revision of the Human Rights Policy

Human Rights Due Diligence

1 **Identification/ evaluation of issues**

Risk mapping

See p. 35

2 **Prevention/ mitigation of issues**

Improvement of existing measures

See p. 36

PDCA

4 **Information disclosures**

Publication of various reports

3 **Evaluation of effectiveness (monitoring)**

Discussions at committees

See p. 36

Relief

Consultation and whistle-blowing systems

Stakeholder engagement

Dialogues/surveys

Policy Formulation and Information Disclosure

JAPAN POST BANK Human Rights Policy

The Bank established its Human Rights Policy in April 2019, taking into account growing social demand to ensure respect for human rights and the concepts set out in the UN Guiding Principles on Business and Human Rights. Based on deliberation by the Sustainability Committee and the Executive Committee, the Policy was revised in April 2023 and again in April 2025.

Human Rights Report

Reflecting opinions received from stakeholders on the Human Rights Report published in FY2024, the Bank continued to publish an enhanced Human Rights Report in FY2025.

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Identification and Evaluation of Human Rights Issues

The Bank confirms international guidelines and the roles required of financial institutions, identifies the human rights issues to be addressed, and evaluates them along two axes: severity and likelihood of occurrence. The risk mapping results are continuously reviewed against changes in the internal and external environments.

Formulation Process

STEP 1: Confirmation of international guidelines, etc.

- Identify the human rights issues that the Bank should address based on publicly available materials from international guidelines such as the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the Guiding Principles on Business and Human Rights, as well as from initiatives such as UNEP FI.

STEP 2: Evaluation along two axes: severity and likelihood of occurrence

- "Severity" is calculated based on the scale of human rights violations (e.g., impact on human life), the range of individuals affected (e.g., number of persons), and the difficulty of providing relief (e.g., difficulty of restoring matters to their original state).
- "Likelihood" uses external data* to convert risks into scores by country and by industry. These scores are combined with the country-specific and industry-specific shares of the Bank's procurement partners and investees and borrowers to calculate likelihood.

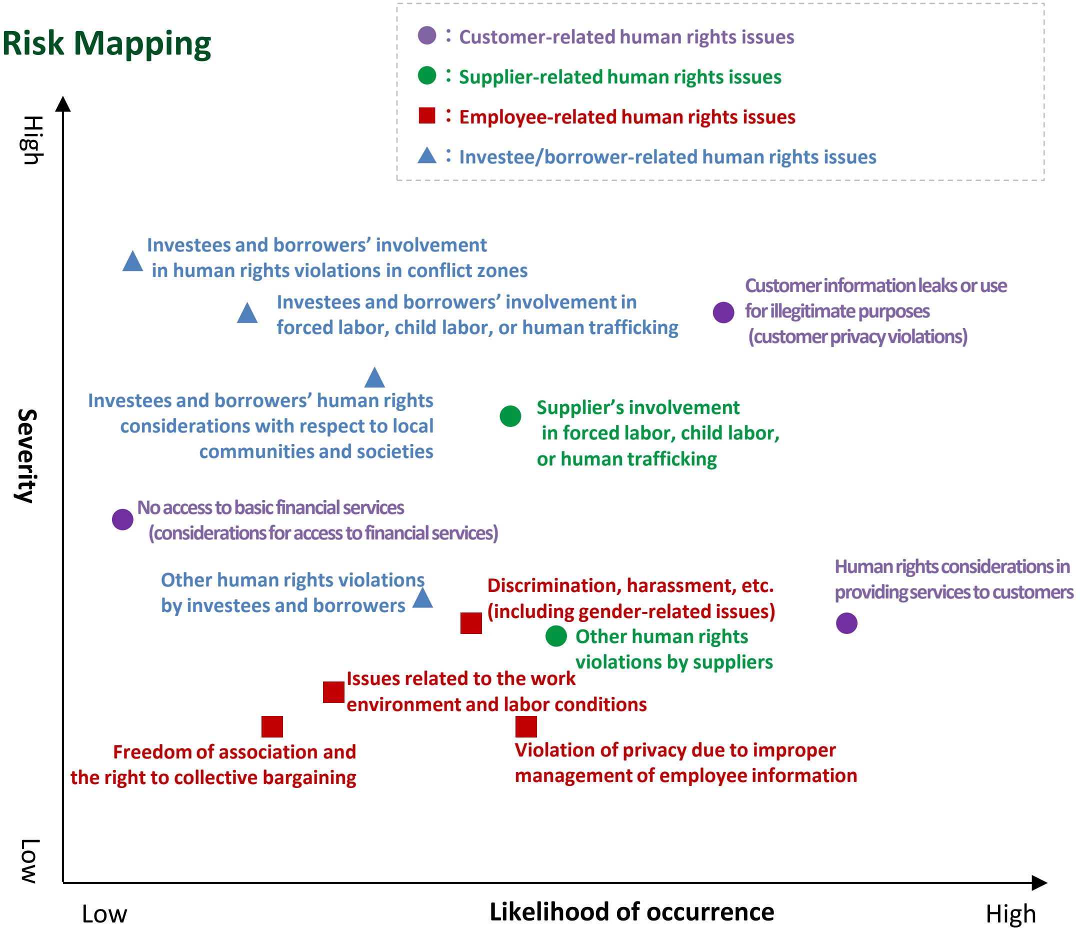
STEP 3: Implementation of risk mapping and response based on results

- Confirm consistency between the mapping results of human rights issues that the Bank should address and the results of the employee survey.
- Revise the Sustainability Investment and Financing Policy and the Japan Post Group CSR Procurement Guidelines, reflecting trends such as the relatively high severity of human rights issues related to investees and borrowers and suppliers

STEPs 1–3 are repeated at regular intervals.

* Data sources include country-specific indicators commonly published by international organizations, data from the Business & Human Rights Resource Centre (BHRRC), and data from FACTIVA.

Risk Mapping



Human rights issues not included in risk mapping

- Relief systems (various consultation channels, etc.)
- AML/CFT/CPF (prevention of money laundering and similar issues), anti-corruption measures such as anti-bribery, response to climate change, etc.

Status of Human Rights Due Diligence Implementation

In conducting its business activities, the Bank implements human rights-conscious initiatives for each rights-holder (those whose human rights should be protected) so as not to cause adverse human rights impacts. The Bank also evaluates the effectiveness of these initiatives by setting monitoring indicators.

Main Concrete Initiatives

Initiatives for Customers	**Providing services that are easy for all customers to use** The Bank strives to ensure barrier-free universal design for all its branches and ATMs, and to provide multi-language support for its various services, so that all customers can easily use the Bank's services.
Initiatives for Suppliers	**Japan Post Group CSR Procurement Guidelines** The Bank incorporates CSR clauses into its contracts that require prompt reporting in cases where serious human rights violations, such as forced labor or child labor, are suspected or confirmed, and stipulate provisions for contract termination.
Initiatives for Employees	**Creation of the Customer Harassment Response Manual** With the aim of helping employees understand and respond appropriately to customer harassment, the manual defines the responsibilities of managers and others and clearly sets out specific examples of customer harassment and response procedures.
Initiatives for Investees and Borrowers	**Revision of the Sustainability Investment and Financing Policy** In consideration of human rights issues such as forced labor, new regulations relating to mining and woody biomass power generation have been added.

Initiatives for All Rights-holders	**Establishment of the Japan Post Group AI Policy** The Japan Post Group established this policy with the aim of further promoting AI utilization and strengthening the governance system that supports it. While striving to enhance customer experience value through the proactive AI utilization, the Group will also address AI-specific risks.

Effectiveness Evaluation and Monitoring

Monitoring indicators are reviewed annually and reported to the Sustainability Committee. In addition to confirming monitoring indicators, other forms of verification are also conducted, such as employee surveys to assess awareness of and trust in the various consultation desks.

Rights-Holder	Monitoring indicators	FY2024	FY2025 Apr–Dec
Customer	Rate of increase/decrease in personal information leakage cases (Using the number of cases in FY2023 as 100)	**97**	**84**
Supplier	Number of confirmed violations of CSR clauses	**0**	**0**
Employee	No. of whistleblower reports (Including reports other than harassment)	**196**	**136**
	Number of Harassment-Related Reports and Consultations	**128**	**104**
	Number of certified harassment cases	**11**	**10**
Investees and borrowers	Number of cases subject to negative screening	**0**	**0**

* Full-year results for FY2025 and other information are scheduled to be disclosed after the publication of this report on the "Respect for Human Rights" page of the Sustainability Website.

Stakeholder Engagement

The Bank recognizes that, in order to contribute to the creation of a sustainable society and future while realizing its own sustainable growth, it is essential to listen carefully to the voices of its stakeholders, meet their expectations, and earn their understanding and support.

Based on this thinking, the Bank actively engages in dialogue through various disclosures, including responses to external rating agencies.

External Evaluations

The Bank has endeavored to comprehensively enhance its disclosures through its responses to major external rating agencies, including incorporating their assessments into its executive compensation system. As recognition of these efforts, in FY2025, the Bank was selected for the first time as an A List company, the highest rating in CDP's climate change survey, and was also selected as a Yearbook Member in S&P Global's The Sustainability Yearbook 2026.


S&P Global

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JAPAN POST BANK Co., Ltd.

Banks

Sustainability Yearbook Member

Corporate Sustainability Assessment (CSA) 2025

66/100 | Score date

Ratings from Each Agency

	FY2023	FY2024	FY2025
S&P Global	**52**	**62**	**66**
CDP	**A－**	**A－**	**A**
MSCI	**BBB**	**A**	**AA**
FTSE	**3.7**	**3.7**	**4.5**

ESG Indices the Bank Is Included in

- FTSE JPX Blossom Japan Index
- FTSE JPX Blossom Japan Sector Relative Index
- FTSE4Good Developed Index
- MSCI NIHONKABU ESG SELECT LEADERS INDEX
- MSCI Japan Empowering Women Index (WIN)
- S&P/JPX Carbon Efficient Index
- Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)
- Sompo Sustainability Index

Publication of Reports

The Bank regularly publishes various reports summarizing its sustainability initiatives. Through these reports, the Bank will continue to promote its initiatives while fostering dialogue with stakeholders and earning their understanding.


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Links to References

Item	Publication date	Summary	Link
New Medium-term Management Plan	May 2026	The Medium-term Management Plan for FY2026–FY2028, newly announced in May 2026. The plan sets out a new medium- to long-term vision and describes the missions and business strategies for achieving that vision.	Reference Page
Annual Report	July 2025	An integrated report covering the period from April 2024 to March 2025, containing financial information, management strategies, and sustainability information. *The 2026 edition is scheduled for publication in July 2026.	Reference Page
Natural Capital Report	April 2025	Describes the Bank's initiatives related to natural capital and biodiversity conservation, in line with the framework of the TNFD Recommendations.	Reference Page
Human Rights Report	April 2025	Describes the Bank's initiatives regarding respect for human rights, including framework development, identification of human rights issues, prevention and mitigation of issues, and relief measures.	Reference Page
Sustainability Website (top page)	-	Provides information on the Bank's sustainability activities from the perspectives of management, the environment, society, and governance.	Reference Page
Climate Change Initiatives	-	Provides detailed information on climate-related metrics and targets, mitigation and adaptation measures, and financed emissions.	Reference Page
Sustainability Investment and Financing Policy	-	The policy applicable to all investments and financing directly conducted by the Bank, aimed at addressing social issues while securing medium- to long-term returns and reducing risks.	Reference Page
ESG Data	-	Comprehensive ESG data covering the environment, society, compliance and labor practices, governance, and other topics.	Reference Page

Introducing Japan Post Bank corporate character "Haricho"

Haricho is a corporate character created in 2025. The main concept behind Haricho is to be a “partner" of the Bank as it strives to become "the most accessible and trustworthy bank.” Haricho was created as part of a staff participation project involving executives and employees alike. Emphasis was placed on internal communication, including an open call for ideas from employees and an internal vote, with the aim of creating a mascot that would be warmly embraced by a wide range of customers and cherished by employees for years to come.

Disclaimer

This report is based on information and data that the Bank recognizes to be reliable, but the Bank does not guarantee its accuracy or completeness. In addition, the forward-looking statements contained in this report are based on certain assumptions and are not intended to suggest or guarantee future performance.

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