

# JAPAN POST BANK'S Priority Issues (Materiality)

JAPAN POST BANK is promoting measures aimed at solving social issues through its business activities.

In specific terms, this entails engaging in ESG management that links materiality issues to the Bank's management strategies. Meanwhile, the status of activities is regularly discussed and reported to the Sustainability Committee, Executive Committee, and the Board of Directors.

Specific Process	Materiality	Specific Initiatives	Target KPIs (FY2026/3)	Risks and Opportunities	Relevance to the Medium-term Management Plan
<p><b>STEP 4 Identifying Materiality</b></p> <p>The Executive Committee and the Board of Directors to analyze suitability and identify four materialities</p> <p><b>STEP 3 Creating a Materiality Map</b></p> <p>Create a materiality map by organizing social issues that the bank should address based on the two axes of importance to stakeholders and to the impact of JAPAN POST BANK's business activities.</p> <p style="color: green; text-align: center;">Priority Issues (Materiality) to be addressed in order to realize a sustainable society and create new value</p> <p><b>STEP 2 Narrowing Down Social Issues to be Addressed</b></p> <p>Narrow down social issues applicable to the Bank from among those identified taking into consideration a variety of factors, including the Bank's purpose, management philosophy, and business activities as well as the evaluation results of external research agencies and opinions of outside experts.</p> <p><b>STEP 1 Identifying Social Issues to Consider</b></p> <p>Comprehensively identify social issues taking into consideration analyses of international circumstances (various international frameworks/standards such as the SDGs), analyses of conditions in Japan (government agencies/financial sector), and support for international initiatives (including the SDGs, TCFD, and GRI, etc.).</p>	<p><b>Providing "safe and secure" financial services to anyone and everyone throughout Japan</b></p>	<ul style="list-style-type: none"> <li>Utilizing post offices networks across the country</li> <li>While putting safety and security foremost, we will expand digital services that all customers can readily use</li> <li>Developing an open, "Co-creation Platform"</li> <li>Consulting that closely centers on clients</li> </ul>	<p>Number of accounts registered in the Yucho Bankbook app <b>10 million accounts</b></p> <p>Number of Tsumitate NISA Operation Accounts <b>400 thousand accounts</b></p>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Decrease in transactions due to the declining birthrate, aging population, and inadequate response to changes in DX and customer needs</li> <li>Loss of social credibility due to such factors as cyber-attacks and system failures</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Enhancing the Bank's image through differentiation from other banks</li> <li>Increase in the number of users by providing services that are easy for everyone to use</li> <li>Increase in financial needs through financial literacy education</li> </ul>	<p>Key Strategic Point ①</p> <p>Key Strategic Point ②</p> <p>Key Strategic Point ⑤</p>
	<p><b>Contributing to regional economic expansions</b></p>	<ul style="list-style-type: none"> <li>Flow of funds to regional communities via various frameworks</li> <li>We will address financial needs suited to the real conditions of each regional community as a "regional financial platform"</li> <li>Enhancing relationship functions of regional communities</li> </ul>	<p>Number of regional vitalization fund contributions (cumulative) <b>50 cases</b></p> <p>Number of financial institutions that have implemented the aggregation of operational processes <b>Roughly 20 financial institutions</b></p>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Downturn in the market due to a decrease in the local population</li> <li>Reduced opportunities due to inadequate engagement with local communities</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Market expansion through revitalization of the local economy</li> <li>Upswing in opportunities through collaboration with diverse partners and efforts to address local equity needs</li> </ul>	<p>Key Strategic Point ③</p> <p>Key Strategic Point ④</p>
	<p><b>Reducing environmental impact</b></p>	<ul style="list-style-type: none"> <li>Enhancing initiatives based on TCFD proposals</li> <li>Advancement of shift to paperless transactions, reductions in CO<sub>2</sub> emissions</li> <li>Advancement of ESG investment</li> </ul>	<p>CO<sub>2</sub> emissions reduction rate <b>60%</b> <small>(Compared with FY2020/3) (FY2031/3) increased from -46% compared with FY2020/3</small></p> <p>Balance of ESG-themed investments <b>¥4 trillion</b></p>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Damage to the Bank's assets such as ATMs due to natural disasters, etc., and an increase in the credit risk of investee companies.</li> <li>Decrease in the value of marketable securities of companies held in market operations that have been significantly affected by stricter environmental regulations</li> <li>Decrease in corporate value in the event the response to environmental issues is assessed as inadequate</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Enhancement of evaluations of JAPAN POST BANK in capital markets and society through appropriate initiatives and disclosures on environmental issues</li> <li>More opportunities to invest in renewable energy projects and green bonds, etc.</li> </ul>	<p>Key Strategic Point ②</p> <p>Key Strategic Point ④</p>
	<p><b>Advancement of work style reforms, and sophistication of governance</b></p>	<ul style="list-style-type: none"> <li>Make work more worthwhile for employees</li> <li>Advancement of diversity management</li> <li>Expand flexible work styles, eliminate harassment</li> <li>Board of directors that balances independence, diversity, and expertise</li> </ul>	<p>Ratio of women in managerial positions <b>20%*</b></p> <p>Ratio of employees taking childcare leave <b>100%</b> <small>(Regardless of gender)</small></p> <p>Ratio of employees with disabilities <b>2.7% or more</b></p>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Inability to execute management strategies due to lack of human resources, etc.</li> <li>Low morale due to poor employee engagement</li> <li>Loss of social credibility due to such factors as misconduct, compliance violations, and inadequate measures against money laundering/financing of terrorism</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Creation of innovation by diverse human resources</li> <li>Organizational revitalization and an increase in corporate value through human capital investment and human capital strategies linked to management strategies</li> <li>Increased productivity through diverse work styles</li> </ul>	<p>Key Strategic Point ⑤</p>

\* Goals for achievement by April 2026. (JAPAN POST GROUP targets) Ratio of female managers of 30% at headquarters by April 1, 2031.