

Sustainability Management

Aiming for sustainability management that contributes to the building of a sustainable society



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The Japan Post Group has 24,000 post offices, a nationwide delivery network, 400,000 employees, and a vast amount of financial assets entrusted to it by its customers. It is our social responsibility as a group to apply these resources and assets toward helping resolve social and environmental issues under proper governance. It is also the foundation of the Group's existence to have vibrant local communities and a society where a wide variety of customers can enjoy their lives.

If the Japan Post Group fails to fully meet its social responsibilities, there is a greater risk of losing stakeholder support. On the other hand, we can increase our corporate value by addressing such issues as quickly as possible. The Group will continue to manage its business of aiming for these two aspects of sustainability: contributing to the creation of a sustainable society and achieving sustainable growth and development as a company.

Specifically, in the current Medium-Term Management Plan "JP Vision 2025," the environmental, social, and governance (ESG) goals are "To build a sustainable society, the Group will provide lifelong support in an era of the 100-year lifespan, and contribute to the development and revitalization of regional communities all over Japan." Furthermore, as one of the quantitative targets for ESG, the Japan Post Group as a whole is currently aiming to achieve carbon neutrality in greenhouse gas (GHG) emissions by 2050 and, as a milestone, to reduce GHG emissions by 46% compared to the fiscal year ended March 31, 2020 by the fiscal year ending March 31, 2031.

To achieve this goal, Japan needs to promote the spread of renewable energy and smoothly switch to electricity with a low carbon emission factor. As a group, we are also promoting efforts to reduce GHG emissions across society through the use of our available resources. As part of this, we have conducted demonstration experiments such as the operation of electric vehicles (EVs) with a long range in local areas and the opening of rapid chargers in local communities, in collaboration with other companies. These experiments are well underway, and we are preparing to switch 50% of our collection and delivery light vans (13,500 vehicles) and 40% of our motorcycles (28,000 motorcycles) to EVs by the fiscal year ending March 31, 2026.

We are also establishing "+Eco Post Offices" that reduce environmental impact, and as of March 31, 2023, a total of eight such post offices have opened. These post offices not only utilize eco-friendly building materials such as CLT but also give back surplus electricity from solar power generation to the local communities.

These various initiatives and disclosures have been recognized and the three companies of the Japan Post Group (Japan Post Holdings, Japan Post Bank, and Japan Post Insurance) have been selected as constituents of the FTSE Blossom Japan Index, made up of Japanese companies demonstrating strong environmental, social, and governance (ESG) practices.

Furthermore, in addition to promoting these initiatives, it is also important that we address sustainability issues as key management issues.

The Japan Post Group, from the standpoint of "the impact on the corporate value of the Japan Post Group" and "the importance for and expectations from the stakeholders," has summarized the important topics and related topics, in six areas, (1) Local communities and economies, (2) Responding to the aging society, (3) Access to services, (4) Environment, (5) Human resources and human capital, and (6) Management base.

Furthermore, we formed a visual model of a virtuous cycle in which the act of demonstrating the Japan Post Group's strengths to address these material issues leads to the creation of value (see page 55). This can be summarized as utilizing the strengths of the Japan Post Group, such as the nationwide network of post offices, while addressing material issues relating to sustainability through "improvement of value-creation capabilities by means of the 'Co-creation Platform'" and "strengthen the functions and improve the efficiency of the business foundation," and aiming to "achieve the sustainable improvement of corporate value."

Meanwhile, regions throughout Japan are not only facing the challenge of becoming carbon neutral but also various environmental and social issues. These issues are diverse and vary by region and there is no single universal solution. The familiar presence of the local post offices can serve as a regional hub to connect and liaise between the initiatives taken to help resolve these issues by each region, and we hope that in this way, these initiatives will become sustainable and raise the sustainability of the local communities themselves.

It is imperative that each and every employee adheres to these principles and takes action with a greater awareness of the sustainability of the Japan Post Group and the community. Furthermore, by encouraging them to take action on these issues as a company, we will support and expand the initiatives of each region through our nationwide network of post offices. In the future, we will continue to create these virtuous cycles together while passing the baton on to the next generation.

Concept of Sustainability Management

The Japan Post Group in the Japan Post Group Basic Sustainability Policy articulates that it will endeavor to achieve sustainable growth for the Group and increase the corporate value over the medium to long term, by resolving social issues relating to sustainability through the Group’s business activities.

Under the current Medium-Term Management Plan JP Vision 2025, we will promote sustainability management

while setting the ESG goals of “To build a sustainable society, the Group will provide lifelong support in an era of the 100-year lifespan, and contribute to the development and revitalization of regional communities all over Japan.” The current Medium-Term Management Plan, JP Vision 2025 has been approved by the Management Meeting and the Board of Directors.

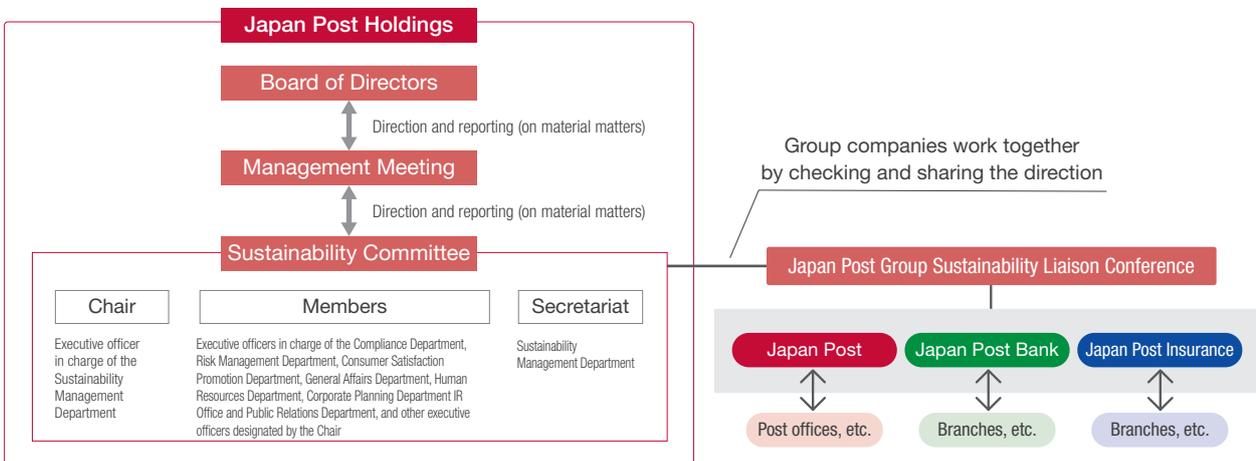
Sustainability Promotion System

The Sustainability Committee (chaired by the executive officer in charge of the Sustainability Management Department and meets about four times a year), which was established as an advisory body to the Management Meeting, deliberates the risks and opportunities relating to sustainability, policies for addressing sustainability, metrics and targets, and progress on the initiatives, and reports the results of the deliberations to the Management Meeting and the Board of Directors.

In addition, the Japan Post Group Sustainability Liaison Conference, whose members include executive

officers in charge of sustainability at each Group company, is also held along with the Sustainability Committee to promote sustainability management as a unified Group.

In the fiscal year ended March 31, 2023, we determined material issues relating to sustainability, in addition to conducting deliberations on initiatives for attaining carbon neutrality, increasing the ratio of women in management roles and the promotion of ESG investments, which are promoted in JP Vision 2025. The deliberation status of the Sustainability Committee is reported to the Management Meeting and the Board of Directors.



Convening of the Sustainability Committee in the Fiscal Year Ended March 31, 2023

Items	Agenda
Sustainability strategies	<ul style="list-style-type: none"> Determination of material issues relating to sustainability Consideration of the direction to be taken by sustainability initiatives
Promotion of ESG management in JP Vision 2025	<ul style="list-style-type: none"> Consideration of the plan to reduce GHG emissions Promoting regional carbon neutrality Increasing the ratio of women in management roles Promotion of ESG investments
Responding to each stakeholder	<ul style="list-style-type: none"> Dealing with disclosures for ESG assessors Conducting TCFD quantitative analysis

ESG Targets Set in JP Vision 2025 and the Status of Progress

In the Medium-Term Management Plan, “JP Vision 2025,” Group targets have been set for the following two items, which are believed to be especially essential as issues to be addressed by the Group as a whole in the assessment, management, and monitoring of risks and opportunities.

The progress on these two items is managed by the Sustainability Committee and the Japan Post Group Sustainability Liaison Conference and reported to the Management Meeting and the Board of Directors.

ESG Targets Set in JP Vision 2025

GHG Emissions	46% reduction by the fiscal year ending March 31, 2031 (compared to the fiscal year ended March 31, 2020) ^{*1} Aiming to achieve carbon neutrality by 2050 ^{*2}
Women in Management Roles	Ratio of women in management positions at our head offices: 30% by the fiscal year ending March 31, 2031 ^{*3, *4}

*1 Includes Scope 1 (direct emissions from our companies) and Scope 2 (emissions from the use of electricity, etc. supplied by other companies). Increases due to new businesses, including the real estate business, are not included.

*2 The achievement of these targets assumes that Japan will become carbon neutral to a considerable degree through the widespread adoption of renewable energy, etc. The Group will assist the push toward carbon-neutral societies in both Japan and the rest of the world.

*3 The figure is the percentage of management positions filled by women at the head offices of our four main Group companies. The target is the percentage as of April 1, 2031 as the result of initiatives up to the end of the fiscal year ending March 31, 2031.

*4 The Group will also work to improve the work environment and train human resources to boost the number of employees pursuing management and executive positions thereby increasing the number of women in management positions in locations other than our head offices.

Status of Progress

GHG Emissions

(Unit: 10,000 t-CO₂)

Item	2020/3 (base year)	2021/3 (results)	2022/3 (results)
Total emissions	164	151	114
Cumulative reduction volume (compared to 2020/3)	—	-13	-49
Cumulative reduction rate (compared to 2020/3)	—	-8.1%	-30.3%

Notes 1. Scope 1 and Scope 2 results of Japan Post Holdings, Japan Post, Japan Post Bank, Japan Post Insurance, Japan Post Transport, and Toll Holdings, which account for the greater part of the Group's total emissions.

2. Reduction results include the accommodation business and the express business of Toll Holdings, which has been sold.

3. The results for the fiscal year ended March 31, 2023 have been posted on the Company's website.

<https://www.japanpost.jp/sustainability/library/data/#emissions> (in Japanese only)

Women in Management Roles (Head offices of the four main Group companies)

Item	Four main Group companies
Ratio of women in management positions at our head offices (As of April 1, 2023)	15.2%

Material Issues Relating to Sustainability

Based on the deliberation of the impact on the corporate value of the Japan Post Group and the importance for and expectations from the stakeholders, the important

topics and related topics were summarized in six areas, as material issues relating to sustainability, and the direction to be taken by the initiatives were considered.

The Determination Process of Material Issues Relating to Sustainability

The material issues were determined through the following process upon discussions by the Sustainability Committee, the Management Meeting, and the Board of Directors.



Material Issues Relating to Sustainability of the Japan Post Group (Six Areas and the Direction Taken by the Initiatives)

Material issues	Direction of the initiatives	Corresponding SDGs issue
Local communities and economies	Provide solutions corresponding to regional issues through the utilization of the Japan Post Holdings network	 
Responding to the aging society	Giving lifelong support in an era of the 100-year lifespan by providing services that support the aging society	 
Access to services	Contribute to an enriched life by providing user-friendly services that align with the various needs of the people	 
Environment	Lessen the environmental load of business operations and contribute to a low-environmental load society	    
Human resources and human capital	A workplace where employees can work with "pride and fulfillment"	   
Management base	Establish a management base that is trusted by our customers and contributes to resolving social issues	

Specific Initiatives

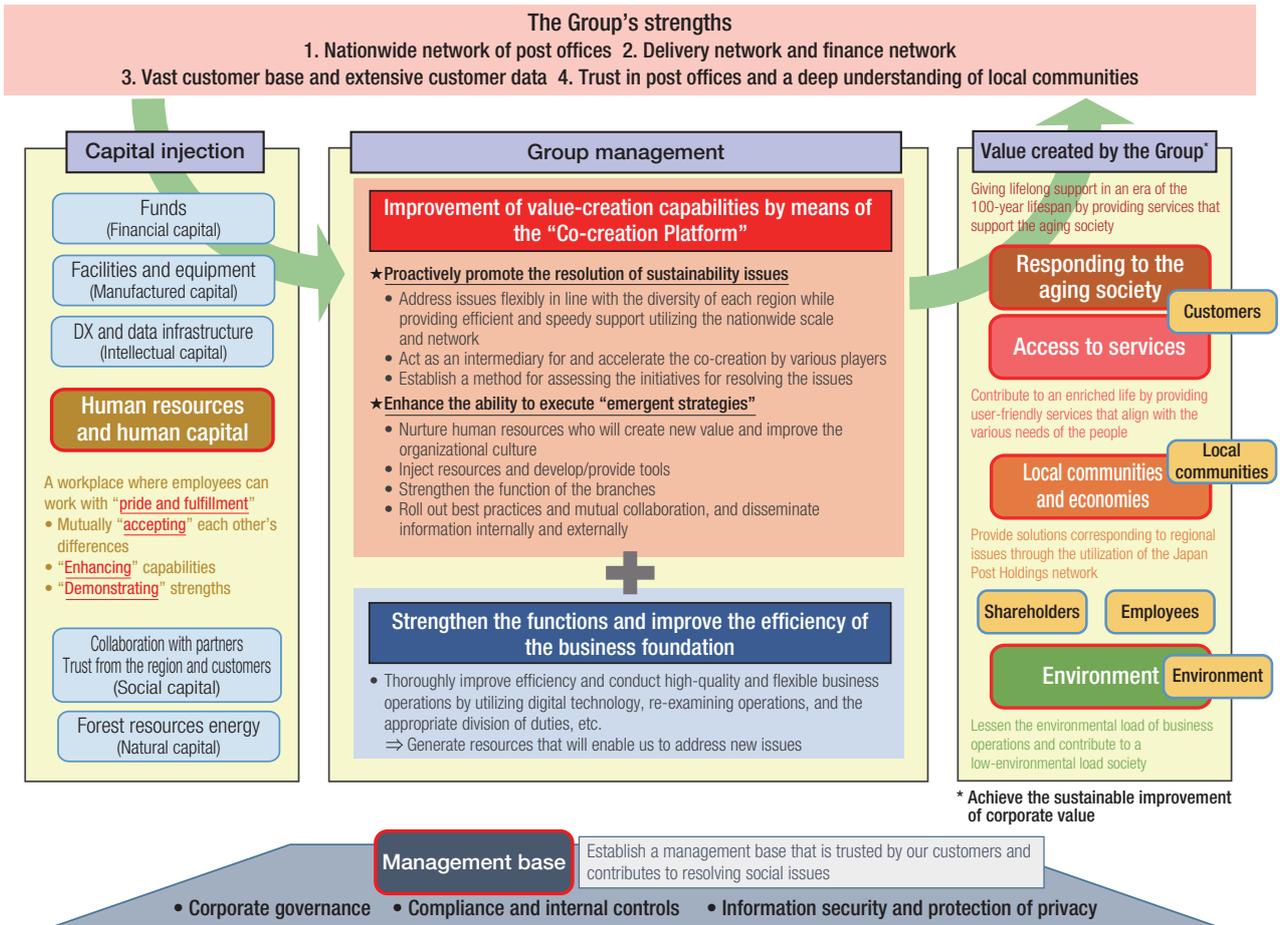
The specific initiatives for dealing with the risks and opportunities associated with the material issues relating to sustainability are confirmed and their progress is managed by the Sustainability Committee and the Japan

Post Group Sustainability Liaison Conference. The following initiatives are carried out for the material issues in each of the six areas.

Material issues	Specific initiatives	Indicators
Local communities and economies	<ul style="list-style-type: none"> Promote collaboration and cooperation with companies and local governments, including railway companies and regional banks Participate in regional vitalization funds 	<ul style="list-style-type: none"> Number of initiatives per measure, etc.
Responding to the aging society	<ul style="list-style-type: none"> Improve Watch Over Service and End-of-life Planning Services Support the customers' asset formation through proactive proposals including proposals for Tsumitate NISA 	<ul style="list-style-type: none"> Number of users of each service (the number of active accounts for Tsumitate NISA), etc.
Access to services	<ul style="list-style-type: none"> Provide the various services of the Group at post offices across the nation Provide basic protection and services to people of all generations Improve digital services and provide services that combine the network of post offices and digital contact points Support communications with foreign nationals and persons with disabilities at the counters 	<ul style="list-style-type: none"> For new initiatives, the actual accessibility of each service, etc.
Environment	<ul style="list-style-type: none"> Reduce GHG emissions in business activities (expand the fleet of EVs, use LED lighting at post offices, and proactively switch to electricity sourced from renewable energy) Go paperless and expand the use of FSC® certified paper, for example, in postcards Deploy measures to promote regional carbon neutrality by utilizing the Group's resources Expand theme-specific investments such as investments for the purpose of addressing climate change and promote the decarbonization of the investment/loan portfolio 	<ul style="list-style-type: none"> Volume of resources used, etc., relating to each environmental load Status of initiatives implemented and investment amounts to contribute to the achievement of a low-environmental load society <p>* ESG targets have been set in JP Vision 2025 for the reduction of GHG emissions.</p>
Human resources and human capital	<ul style="list-style-type: none"> See the Human Resource Strategy section on page 68 	
Management base	<ul style="list-style-type: none"> Improve the compliance framework Expand the internal reporting system Grasp events of misconduct Ensure cybersecurity readiness Address the risk of information leaks Develop a system of data governance 	<ul style="list-style-type: none"> The status of usage, etc., for newly adopted systems

Positioning in the Flow of Value Creation

The positioning of these newly established material issues relating to sustainability in the Japan Post Group value creation process is as follows.



Column

Initiatives for Achieving the SDGs

Japan Post Holdings joined the United Nations Global Compact in May 2008 and has been actively engaged in achieving the SDGs.

In specific terms, the Company steadily promotes the initiatives set out in the material issues relating to sustainability, as well as supporting the education of the next generation, conducting responsible procurement, and promoting ESG investments to contribute to the building of a sustainable society.



Initiatives to Promote Sustainability

Reduction of GHG Emissions

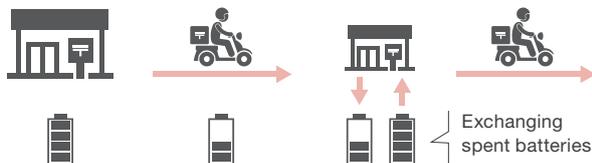
Adoption of EVs

Japan Post has been adopting EVs in phases to reduce GHG emissions, and by the fiscal year ending March 31, 2026, plans to switch 13,500 light vans for collection and delivery and 28,000 motorcycles to EVs. As a result, in the fiscal year ending March 31, 2026, 50% of the light

vans and 40% of the motorcycles will have switched to EVs. Furthermore, we are also promoting various initiatives to effectively utilize EVs.

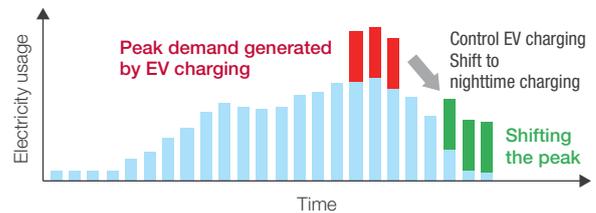
Motorcycle battery charging relay system

The range of EVs when traveling long distances and on hilly terrain has become a pressing issue. To address this issue, we are testing efficient operations which utilize the network of post offices for exchanging batteries at post offices on the delivery routes to enable continuous delivery without having to go back to charge the batteries.



Shifting the peak time for charging

Through a collaboration with Yanekara, a start-up at the University of Tokyo, we conducted a demonstration experiment to shift the time for charging EVs to avoid charging during time slots when electricity demand for the region is at its peak. We will consider deploying this system to other regions in order not only to cut back on the Company's costs but also to stabilize the supply and demand of energy in the region.



Promote Carbon Neutrality in Local Communities

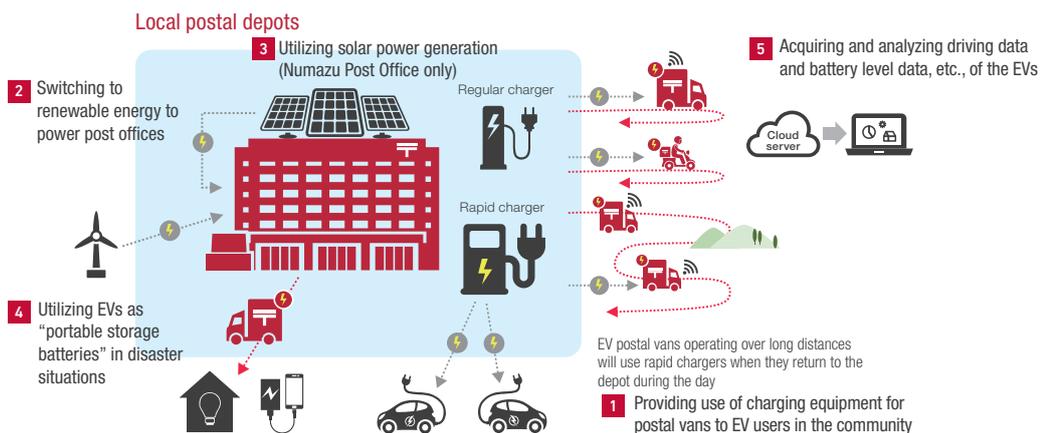
(1) Strategic partnership with the TEPCO Group and MITSUBISHI MOTORS CORPORATION

Based on the strategic alliance with Tokyo Electric Power Company Holdings, Inc. (TEPCO) to promote carbon neutrality, we have been conducting demonstration experiments since November 2021 at the Oyama Post Office (Oyama City, Tochigi Prefecture) and the Numazu Post Office (Numazu City, Shizuoka Prefecture).

rapid chargers available to the community, contributing to the promotion of regional EVs, and are utilizing solar power generation and switching to renewable energy to reduce the use of electricity.

To meet the challenge of making regional post offices' EVs compatible with long-distance driving, both post offices installed rapid chargers to be used when EVs returned temporarily to the post office to extend the EVs' range. In addition, the post offices made these

MITSUBISHI MOTORS CORPORATION is also involved in this demonstration experiment, promoting eco-drive by analyzing driving data and changes in the battery levels of the EVs, as well as reducing GHG emissions associated with delivery. Furthermore, by working to improve the overall driving performance of the commercial EV fleet, we will contribute to the spread of EVs across Japan.



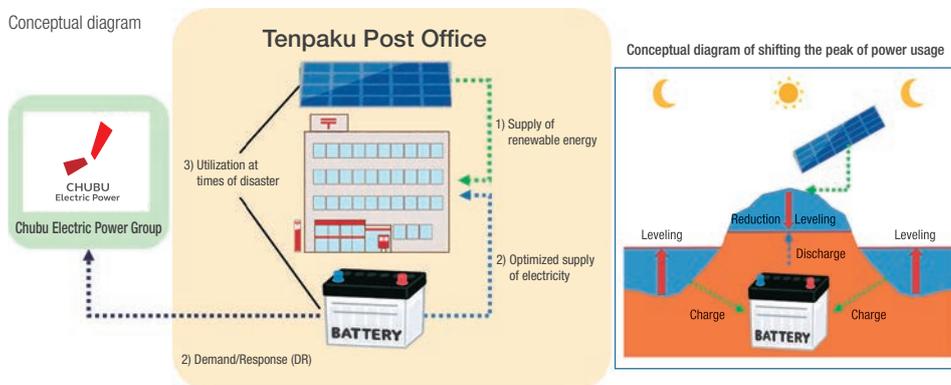
(2) Strategic alliance with Chubu Electric Power Co., Inc.

In January 2023, we signed an agreement of strategic cooperation with Chubu Electric Power Group to promote regional carbon neutrality and strengthen the resilience of local communities against disasters.

Based on this agreement we will install solar power generation equipment and storage batteries at the Tenpaku Post Office (Nagoya City, Aichi Prefecture) by the end of the fiscal year ending March 31,

2024, and conduct studies and make preparations to enable trials on using renewable energy and optimizing energy use, as well as using such energy during power outages, to contribute to making the communities more resilient toward disasters.

Going forward, we will continue to study and carry out cooperation with various partners to promote regional carbon neutrality.



(3) +Eco Post Offices

At Japan Post, we are promoting the establishment of eco-friendly “+Eco Post Offices” that use renewable energy such as solar panels and CLT* to reduce the Company’s GHG emissions, as well as promote regional carbon neutrality.

In March 2022, when the Maruyama Post Office (Minamiboso City, Chiba Prefecture) was relocated and opened as the first post

office as +Eco Post Office, we opened a new post office building utilizing CLT. The Toma Post Office (Toma-cho, Kamikawa-gun, Hokkaido), which opened in February 2023, utilizes CLT and has also become the first post office to install thermal utilization equipment using biomass (wood chip boiler), which is used for heating and regular electricity consumption.

* CLT (Cross-laminated timber):

Thick wood panels made from gluing together layers of long planks of wood at perpendicular angles to each other to give them excellent strength and insulation, curbing the generation of CO₂ compared with concrete and iron

Status of +Eco Post Offices (As of March 31, 2023)

Name of post office	Maruyama	Munakata Togo	Itozaki	Iyo	Shiroyama	Isshinden	Toma	Sendai Oide
Location	Minamiboso City, Chiba Prefecture	Munakata City, Fukuoka Prefecture	Mihara City, Hiroshima Prefecture	Iyo City, Ehime Prefecture	Sagamihara City, Kanagawa Prefecture	Tsu City, Mie Prefecture	Toma-cho, Kamikawa-gun, Hokkaido	Sendai City, Miyagi Prefecture
Date opened	March 2022	November 2022	December 2022	January 2023	January 2023	February 2023	February 2023	March 2023



Exterior of the Maruyama Post Office



Lobby counter of the Toma Post Office



Boiler for thermal use of wood chips

Initiatives to Promote Sustainability

Initiatives for Social Issues

The following are examples of our endeavors to promote environment-, people-, and society-friendly ethical consumption.

Trial Run of Ethical Deliveries

During July and August 2022, at the 96 post offices within the Toshima-ku and Nerima-ku areas in Tokyo, a limited number of Ethical “Furusato Kozutsumi” (Hometown Parcels) with mangoes and pineapples grown in Okinawa were sold on a trial basis.

These “Furusato Kozutsumi” parcels contained the following ethical elements.

(1) Provided the option of carbon offsetting

Customers were given the choice of the regular price or a price supporting carbon offsetting*, in which 100 yen was added to the regular price. The 100-yen carbon offset portion would be set aside toward supporting the forest protection project through the government-accredited “J-credit” system.

(2) Food loss prevention measures

We contributed to food loss prevention measures by using irregular products such as fruits that were not uniform in size or appearance but that tasted good just the same.

(3) Reforms of the work styles of the producers

The producers were allowed to ship their products at will according to the stage of the produce’s growth and maturity. Additionally, shipping the products after a certain number of orders were received also allowed the producers to concentrate their manpower and for the post office to carry out batch collection, thereby reducing the workload.

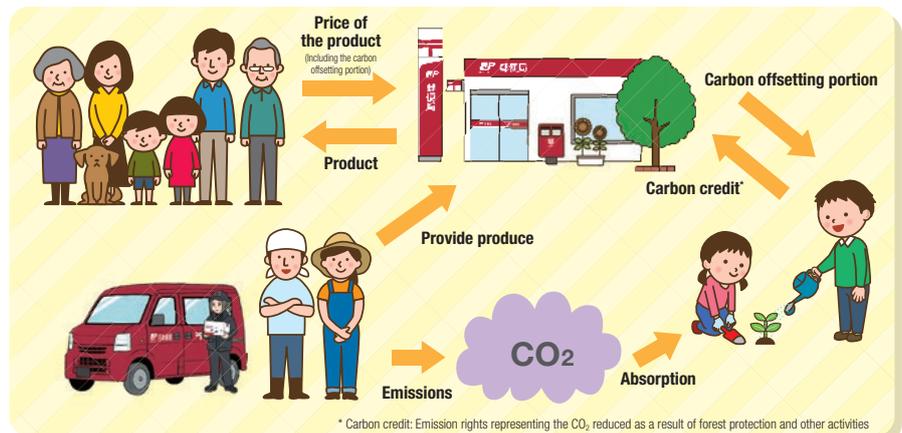
Furthermore, we made efforts to clearly explain these ethical elements to the customers through leaflets and other materials. As a result, nearly 80 percent of the customers chose the carbon offsetting products, far exceeding our expectations, and also demonstrating the unique strengths of the post offices with real contact points with the customers.

Keeping in mind the ethical needs and issues gleaned from this trial run, we will further pursue possibilities for disseminating the ethical concept and expanding the product lineup.

* Carbon offsetting refers to the concept of making efforts to reduce GHG emissions such as CO₂, with regard to unavoidable emissions in everyday life and economic activities as much as possible, and offsetting the unavoidable emissions by investing in activities to reduce GHGs commensurate with the emissions.



Leaflet explaining the ethical elements



System of carbon offsetting

Columns

COLUMN
01

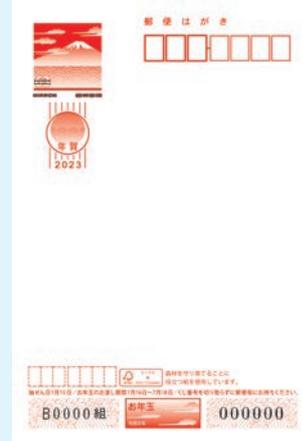
FSC® Certification Postcards

Japan Post uses Forest Stewardship Council® (FSC) certified paper, an international certification system that seeks to promote appropriate forest management, for New Year's postcards and regular postcards. FSC® is an international forest certification system that identifies well-managed forests and the forest products that originate from those forests, reclaimed materials, and other products made from raw materials from controlled sources.

To be FSC® certified, the products must be properly managed from various perspectives in all processes from production to processing and distribution, including not only protecting the rich natural environment and mitigating adverse effects but also ensuring the rights and safety of workers and building a good relationship with local communities.

The adoption of FSC® certified paper will promote the conservation of the world's forests and biodiversity, as well as the sustainable use of forest resources.

* All postcards produced for Japan Post in the fiscal year ending March 31, 2024 will be made from FSC® certified paper.



Japan Post Holdings
acquired FSC
Promotion Licence

COLUMN
02

Partnership with WWF Japan

In December 2022, Japan Post concluded a corporate partnership agreement with the World Wide Fund for Nature Japan (hereinafter referred to as "WWF Japan") to jointly aim for a sustainable future in which humans and nature can live harmoniously.

Under this partnership, we will donate 75 million yen over three years to support forest conservation activities carried out by WWF Japan.

Additionally, we will cooperate with WWF Japan to further promote the sustainability management of Japan Post and seek WWF's advice on ways to sustainably use natural resources, realize a decarbonized society, and contribute to the achievement of a "circular social and economic system (circular economy)," while at the same time aim for the formulation of procurement policies of forestry products through the exchange of opinions between the two parties, progress inspections, and assessments.



About WWF Japan

WWF is an environmental conservation organization operating in more than 100 countries around the world, established in Switzerland in 1961. To build a future in which humans live in harmony with nature, WWF is currently promoting the achievement of a sustainable society. It is particularly focused on projects to recover biodiversity, which is rapidly being lost, and to realize a decarbonized society to prevent global warming. (<https://www.wwf.or.jp/eng/>)

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Initiatives to Promote Sustainability

The following are initiatives to revitalize our relationships with local communities and residents.

Agriculture-Welfare Cooperation*

To contribute to further revitalizing local communities and achieving an inclusive society through the employment and work of persons with disabilities in the agriculture, forestry, and fisheries fields, in March 2023, Japan Post Holdings and Japan Post entered into a comprehensive cooperation agreement with the Agriculture-Welfare Cooperation Association to promote the cooperation between agriculture and welfare.

Currently, certain post offices operate unmanned sales at the post office counters run by local social welfare agencies and sell “Furusato Kozutsumi” (Hometown Parcels) of produce from the agriculture-welfare cooperation programs. Going forward, we will continue contributing to the promotion of agriculture-welfare cooperation by expanding the sales channels of agriculture-welfare cooperation produce and planning and discussing the holding of agriculture-welfare cooperation events.

Additionally, as part of the “Local Co-creation Initiative,” Japan Post employees have been seconded to General Incorporated Association Ishinomaki Farm. Ishinomaki Farm was awarded the 2022 Challenge Award of the Noufuku Awards, which is given to outstanding cases of agriculture-welfare cooperation by the Ministry of Agriculture, Forestry and Fisheries, in recognition of its cultivation of hops and vegetables at its social farm as well as creating employment opportunities for the socially vulnerable through its beer brewery activities.

* Agriculture-welfare cooperation is an initiative for persons with disabilities to find self-affirmation and fulfillment and participate in society by taking an active role in the agriculture, forestry, and fisheries fields.



Unmanned sales at a post office in Ikoma City, Nara Prefecture



Employees of the Ishinomaki Tachimachi Post Office with Isinomaki Farm produce (dried sweet potatoes)

Community-Based Shopping Service

Through the “Local Co-creation Initiative,” an employee of Japan Post Holdings has been seconded to Nara City, Nara Prefecture, and is playing an active role in the former Tsukigase village area. On the suggestions of this employee, demonstration experiments were carried out for approximately one month from February to March 2023, to establish a Community-based Shopping Service in the eastern part of Nara City including Tsukigase.

With this service, foods such as perishable foods and frozen food sold by AEON Net Super (an online supermarket) in the applicable areas are delivered utilizing extra space in the delivery vehicles operated daily by Japan Post and existing delivery routes. We are aiming to become a sustainable service also in sparsely populated areas by delivering multiple orders in bulk to a single drop-off point and enhancing the convenience of the users in the community, while at the same time cutting back on transportation costs.

Additionally, by having the users manage the drop-off points as well as the products' receipt and delivery, we are encouraging daily communications within the applicable area and strengthening the community. Furthermore, to make the drop-off points an exchange hub for the community as well as a hub for shopping, we are focusing on building places and opportunities for people to gather by selling produce grown by the residents and ensuring that the environmental value of using these services can be grasped visually.



Scene of a delivery. We deliver using existing delivery routes.



Scene of a drop-off point. This service is especially popular among families raising children.

Supporting Letter-Writing Workshop Programs

Japan Post is working to pass down the culture of letter-writing. Under this program, Japan Post supports letter-writing workshops for elementary, junior high, and high school students in the hope that they will learn to enjoy writing letters and experience the joy of receiving letters through the exchange of actual letters in school classes. In addition, various events are being held in cooperation with schools and local residents.

In the fiscal year ended March 31, 2023, a total of approximately 4.893 million children took part in the letter-writing workshops at 14,130 primary schools (69.9% of the total), 4,844 junior high schools (43.2% of the total), and 2,302 high schools (33.7% of the total).

We also support organizations that strive to solve regional and social issues through the aid for social contribution projects using the funds donated through New Year's postcards. Among these projects, the certified NPO Japan Kodomo-Shokudo Support Center MUSUBIE utilizes the funds for operating a comprehensive meal support program for the purpose of building a sustainable community using the Kodomo-Shokudo ("children's restaurant") as a hub, while also planning and conducting Picture Letter-writing Workshops and Picture Letter-writing contests at children's places such as Kodomo-Shokudo. We believe that these events, as these children learn how to write New Year's postcards, provide an opportunity for them to personally experience postcards and letters and take in a cultural experience by learning about the Chinese zodiac, and for some children writing a New Year's postcard for the first time.

We will continue working to provide opportunities to learn about letter writing and the lessons and relationships that are born from letter writing.



Letter-writing workshop at MUSUBIE



Scene from a Letter-writing Workshop Program

Collaboration with Tokyo Metropolitan Chihaya High School

Since the fiscal year ended March 31, 2022, Japan Post Holdings, together with the local post offices, has been collaborating with Tokyo Metropolitan Chihaya High School, which has been putting efforts into SDGs initiatives. In the fiscal year ended March 31, 2023, we conducted classes for second-year students on passing down the letter-writing culture and the stories behind postage stamps.

As for the third-year students, we engaged in various collaborations including asking the students to cooperate in the demonstration experiments for Ethical "Furusato Kozutsumi" (Hometown Parcels) (page 58) and giving presentations on proposed initiatives by post offices toward resolving social issues at the Japan Post Holdings head office. Regarding the trial run of ethical deliveries, we asked them to deliberate methods of effectively communicating the concept of "ethical" to the customers.

These collaborative efforts not only provided opportunities for next-generation education but also made us aware of various ideas including communications with the local communities and new perspectives about the Group.

We will continue to cooperate with various partners and seek ways of providing value that are unique to the Group in order to realize a sustainable society.



Scene of communicating the concept of "ethical" to customers by the students



Class for second-year students

Endorsement of the TCFD Recommendations

The Japan Post Group operates in close proximity with local residents through its network of 24,000 post offices nationwide, and we recognize that climate change is a challenge that has a significant impact on the Group's business, including the possibility of the post office network and the provision of associated services being cut off.

In addition to our commitment to reducing GHG emissions as part of our efforts to achieve the SDGs in the Japan Post Group Sustainability Basic Policy, the Group has also contributed to the realization of a sustainable society through investments in green bonds.

In addition, in April 2019 we announced our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and based on the recommendations we deepened our analysis of the impact of climate change on the business of each company in the Group and are promoting disclosure of information.



Status of the Japan Post Group's Response Based on TCFD Recommendations

Item	Japan Post Group's response
Governance	<ul style="list-style-type: none"> The Japan Post Group's response to climate change is appropriately supervised by the Board of Directors, which has the Group CEO (Representative Executive Officer, President and CEO of Japan Post) as the highest officer and the Group companies' CEOs as its members. <Supervision Process of the Board of Directors on Climate Change Response> <ul style="list-style-type: none"> At the Sustainability Committee, established as an advisory body to the Management Meeting (the chairperson is the executive officer in charge of the Sustainability Management Department, and the Committee meets about four times a year), Committee members deliberate on the progress of the Group's climate change risk and opportunity identification, response policies, targets, and initiatives. The deliberations of the Sustainability Committee are reported to the Management Meeting and the Board of Directors and approved by the Board of Directors.
Strategy	<ul style="list-style-type: none"> The Japan Post Group has set the reduction of GHG emissions to achieve carbon neutrality as one of its main goals in JP Vision 2025 and is promoting climate change responses as part of its management strategy. The Group has conducted a scenario analysis to identify climate change risks and opportunities related to the Group's main business and to understand their impact on the business portfolio. Going forward, we will further deepen our consideration of specific countermeasures to identified climate change risks and opportunities, and analyze the quantitative impact on the business portfolio.
Risk management	<ul style="list-style-type: none"> The key issues relating to the sustainability of the Japan Post Group ("key issues") are deliberated by the Sustainability Committee and the Japan Post Group Sustainability Liaison Conference and determined by the Management Meeting and the Board of Directors. In the discussion of key issues, the Sustainability Management Department and the relevant departments will work together to address appropriately the various risks relating to sustainability, upon identification and assessment of the risks and opportunities and deliberations of the management methods. In the deliberations of key issues in the fiscal year ended March 31, 2023, environmental issues including those involving climate change were selected as one of the most crucial issues, and the identification of priority risks associated with this issue was also deliberated by the Sustainability Committee and the Japan Post Group Sustainability Liaison Conference and reported to the Management Meeting and the Board of Directors.
Metrics and targets	<ul style="list-style-type: none"> The Japan Post Group has set the ultra-long-term goal of "aiming to achieve carbon neutrality by 2050" in JP Vision 2025, and as a milestone to steadily promote this goal it has set a target of "46% reduction by the fiscal year ending March 31, 2031 (compared to the fiscal year ended March 31, 2020)" based on the 1.5°C scenario and promotes climate change responses as part of its business strategy. Japan Post Group's Scope 1, Scope 2, and Scope 3 emissions https://www.japanpost.jp/en/sustainability/library/data/

Impact Analysis and Response Policies in the Postal and Domestic Logistics Business and the Post Office Business

Scenario Analysis

Scenarios	Physical risk: IPCC RCP1.9 (1.5°C scenario) / RCP2.6 (2°C scenario) / RCP8.5 (4°C scenario) Transition risk: IEA WEO NZE 2050 (1.5°C scenario) / WEO STEPS (2.5°C-4°C scenario) * In the analysis of physical risk, if the required parameters are not in the 1.5°C scenario (RCP1.9), the parameters of the 2°C scenario (RCP2.6) are used.	Applicable period	2030 2050
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Classification		Expected occurrence period ¹	Financial impact ²	Critical risks and opportunities, possible impacts (Scenario analysis)
Physical Risks	Acute	Short Term	Small to Large	<ul style="list-style-type: none"> Due to the increase of short-time heavy rain, river flooding and high tides may occur, and some or all of the post office buildings in river basins or coastal areas where flooding occurs may collapse, requiring time and money to repair. In addition, there is a risk that businesses cannot continue due to damage to post office buildings and roads, etc., which may hinder the provision of universal services, and sales may drop. [1.5°C scenario] Due to the increase in heavy rainfall, it is expected that river flooding, high tides, and landslides will have a certain impact on post office buildings. [4°C scenario] Due to significant increases in heavy rainfall, there is a possibility that there will be impacts such as the collapse of post office buildings on a wider scale than in the case of the 1.5°C scenario. Impacted costs: Recovery and operating costs (torrential rains and floods), premiums for property insurance and personnel insurance
	Chronic	Short Term	Small to Medium	<ul style="list-style-type: none"> Climate change will increase the risk of heatstroke for employees engaged in outdoor work by increasing the number of days on which the temperature exceeds 30°C (hot summer days) and days on which the temperature exceeds 35°C (extremely hot days). This will increase labor costs, etc. [1.5°C scenario] The risk of employee heatstroke is expected to increase due to an increase in average annual temperature and an increase in the number of hot summer days. [4°C scenario] The risk of employee heatstroke is expected to increase significantly as the average annual temperature rises significantly and the number of hot summer days also increases significantly. Impacted cost: Decline in productivity of outdoor work
Transition Risks	Policy Regulation	Medium to Long Term	Medium to Small	<ul style="list-style-type: none"> If a carbon tax based on amount of fossil fuel used is imposed, costs may increase. Due to fluctuations in fossil fuel and electricity prices with changes in the energy mix, there is a risk of an increase in the cost of energy used in vehicles and facilities. [1.5°C scenario] It is assumed that the government will impose a carbon tax as a measure to reduce GHG emissions. [4°C scenario] It is thought that a carbon tax is unlikely to be introduced. Impacted costs: Carbon tax (Scope 1 + 2), cost of fossil fuels, and electricity costs
	Reputation	Short to Medium Term	Small to Large	<ul style="list-style-type: none"> If investors view the Group as being reluctant to take action on climate change, there may be a negative vote against the election of directors at the General Meeting of Shareholders and related proposals, or investors may stop investing in Japan Post Holdings. In addition, as customers become increasingly aware of the environment and choose products and services with a lower environmental impact, products and services judged to have insufficient environmental credentials may be rejected by customers, leading to a drop in sales.
Opportunities				<ul style="list-style-type: none"> By expanding the installation of rapid chargers for EVs, encouraging use by everyone in local communities, and developing and providing environmentally friendly delivery services and products, we may be able to increase sales by responding to customer needs (taking advantage of climate change as a business opportunity). Also, by taking steps such as renovating facilities and equipment, and introducing and expanding EVs, we may be able to reduce the increase in cost if a carbon tax is imposed (enabling the avoidance of risk).

* 1 Expected occurrence period: Classified as short term (to approx. 1 year), medium term (to approx. 3 years), and long term (more than 3 years).

* 2 Financial impact: At present, we have classified risks into [large (more than 10 billion yen), medium (more than 1 billion yen, less than 10 billion yen), and small (less than 1 billion yen), but we will continue to analyze the quantitative impacts in the future.

Analysis of Financial Impact

To understand the impact of climate change risk on the postal and domestic logistics business and post office business portfolio, we conducted scenario analyses mainly on the physical risks associated with increasing extreme weather and the transition risks associated with changes in policy regulations.

As for the financial impact of physical risk, we conducted calculations using weather data, hazard maps, and other materials disclosed by Intergovernmental Panel on Climate Change (IPCC) and other organizations,

assuming that the business scale, bases, and number of employees will be mostly the same as they are now.

For the financial impact of transitional risk, also, we conducted calculations based on the forecasted carbon prices, carbon emissions coefficients, and electricity prices disclosed by International Energy Agency (IEA) and others, assuming that the business scale will be mostly the same as it is now. Carbon prices are expected to be 130 USD/t in 2030 and 250 USD/t in 2050, based on the forecasts by IEA.

Quantified Items

In the current calculation of the financial impact, among the risks associated with the postal and domestic logistics business and post office business, we selected the following as items for which correlation is relatively clear between the data disclosed by the IPCC, IEA, and other

organizations and the said businesses and conducted calculations under certain assumptions.

Going forward we hope to expand the scope of quantified items and carefully examine the calculation results by carrying out further analyses.

Physical Risks

Operating and recovery costs	Amount of loss when operations are disrupted due to damage from torrential rains and floods as a result of extreme weather and the costs required for recovery
Insurance premiums	Premiums for property insurance and personnel insurance caused by a rise in the rate of disasters due to increasing extreme weather
Decline in productivity of outdoor work	Impact in case of declining labor productivity due to an increase in extremely hot days (35°C and higher)

Transition Risks

Cost of fossil fuels	Impact due to fluctuations in the cost of fossil fuels
Electricity costs	Impact due to fluctuations in electricity costs or rise in air-conditioner use as a result of rising temperatures
Carbon tax	Impact (Scope 1 + 2) due to the introduction of the carbon tax

Results of Calculations of the Financial Impact of Risks and Opportunities of Climate Change (2030/2050)

Figures ■ Increased cost ■ Decreased cost Unit: Billions of yen

Category	Factors causing impact	4°C scenario		1.5°C scenario	
		2030	2050	2030	2050
Physical risks	Operating and recovery costs	16.01	28.79	7.53	10.86
	Insurance premiums	1.52	3.58	1.08	1.48
	Decline in productivity of outdoor work	3.75	9.27	1.82	2.18
Transition risks	Cost of fossil fuels	1.05	2.46	4.52	6.03
	Electricity costs	3.15	7.26	3.66	9.49
	Carbon tax	0.00	0.00	8.31	6.95

Notes: 1. The above calculations apply to the postal and domestic logistics business and post office business of Japan Post.

2. The above calculations represent a simulation of future risks using forecast data disclosed by IPCC, IEA, and other organizations and are not meant as a business plan.

3. The calculations may fluctuate in the event that the data used as assumptions are revised or changed, and we will continue to reinforce our understanding of risks by reassessing the impact of climate change on our business portfolio.

Future Response Policies

The response policies for controlling the impact of climate change on the postal and domestic logistics business and post office business portfolio and creating new earnings opportunities are indicated in the following table. Going forward we will continue to consider and implement specific countermeasures based on these response policies.

Category	Category	Response policy
Physical risks	Visualize the risks of torrential rains and floods and bolster resilience toward such risks	<ul style="list-style-type: none"> Short-term initiatives: <ul style="list-style-type: none"> Visualize risks for each facility Formulate business continuity plan (BCP) measures for facilities with a high risk of disaster damage, shorten the recovery time after a disaster and establish alternative functions, and establish measures to secure the safety of employees, etc. Medium- to long-term initiatives: <ul style="list-style-type: none"> Rebuild the logistics network, consolidate or relocate logistics facilities, etc. Relocate bases to avoid and mitigate the risk of damage from disasters and utilize hazard maps when building new bases, etc.
	Maintaining the productivity of outdoor work	<ul style="list-style-type: none"> Short-term initiative: <ul style="list-style-type: none"> Formulate plans for adopting mitigation measures assuming the existing operations Medium- to long-term initiative: <ul style="list-style-type: none"> Deliberate mitigation measures based on a re-examination of services and methods of offering services
Transition risks	Strengthen the decarbonization of facilities and vehicles	<ul style="list-style-type: none"> Reduce GHG emissions through the adoption of energy-saving technology and renewable energy Materialize the plans for turning buildings including post offices into net zero energy buildings (ZEBs) (Consider viability)
		<ul style="list-style-type: none"> Switch vehicles used for post and parcel deliveries to EVs <ul style="list-style-type: none"> Switch approximately 13,500 light vans and approximately 28,000 motorcycles to EVs in the five years until the fiscal year ending March 31, 2026 Formulate an EV expansion plan for the fiscal year ending March 31, 2027, and beyond (including Scope 3) Make essential transport carbon neutral <ul style="list-style-type: none"> Promote carbon neutrality by combining transport modes that are even more low-carbon Switch to vehicles and fuels that are even more low-carbon, keeping in mind factors such as technology and costs Participate in examinations for the social implementation of fuel cell vehicles (FCVs)
Opportunities	Create earnings opportunities that look toward a decarbonized society	<ul style="list-style-type: none"> Build a system for gathering customer needs relating to environmental quality through sales activities and sharing such needs within Japan Post Develop and expand products and services that are high in environmental quality that capture customer needs Build a system in which the sales staff understand and can explain to the owner of the goods the problems including climate change risk and the company's initiatives
Management	Decarbonized management	<ul style="list-style-type: none"> Monitor GHG emissions of each product and service Consider the adoption of Internal Carbon Pricing (ICP)

Impact Analysis and Response Policies of Other Businesses

Banking	Japan Post Bank's Response to the TCFD Recommendations	
	https://www.jp-bank.japanpost.jp/en/sustainability/environment/climate/tcfd/	
	Japan Post Bank Annual Report	
	https://www.jp-bank.japanpost.jp/en/ir/financial/en_ir_fnc_index.html	
	Japan Post Bank TCFD Report	
	https://www.jp-bank.japanpost.jp/en/sustainability/environment/climate/tcfd/pdf/tcfd_report.pdf	
Life Insurance Services	Japan Post Insurance's Response to the TCFD Recommendations	
	https://www.jp-life.japanpost.jp/english/aboutus/sustainability/environment/tcfd.html	
	Japan Post Insurance Annual Report	
	https://www.jp-life.japanpost.jp/english/aboutus/financial/en_abt_fnc_ar.html	
Real Estate Business		
	https://www.japanpost.jp/sustainability/environmental_management/real_estate_scenario.html	

Initiatives of Each Company



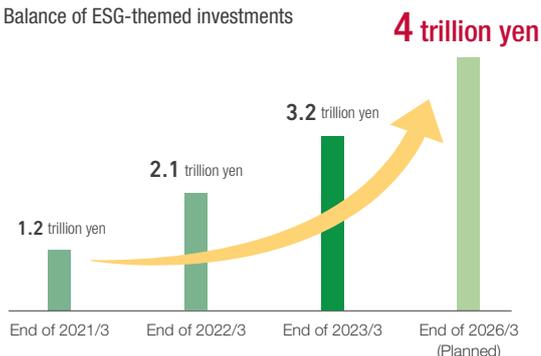
ESG Investment

Considering the growing demand from stakeholders, Japan Post Bank formulated a policy to make ESG investments that heed environmental issues and international agreements when advancing diversified international investments.

We are also investing in green bonds, etc., issued by companies in countries throughout the world. These funds are used for green projects that assist in resolving environmental problems, including global warming. In our current Medium-Term Management Plan (FY2021–FY2025), we have set the target to increase the balance of our ESG-themed investments¹ to 4 trillion yen² by the fiscal year ending March 31, 2026.

While enhancing returns on assets under appropriate risk management, we will contribute to forming a sustainable society through investment in green bonds, etc.

Balance of ESG-themed investments



¹ ESG bonds (green bonds, social bonds, sustainability bonds, etc.), loans to the renewable energy sector, regional revitalization funds, etc.
² The balance target increased from 2 trillion yen to 4 trillion yen in March 2022.

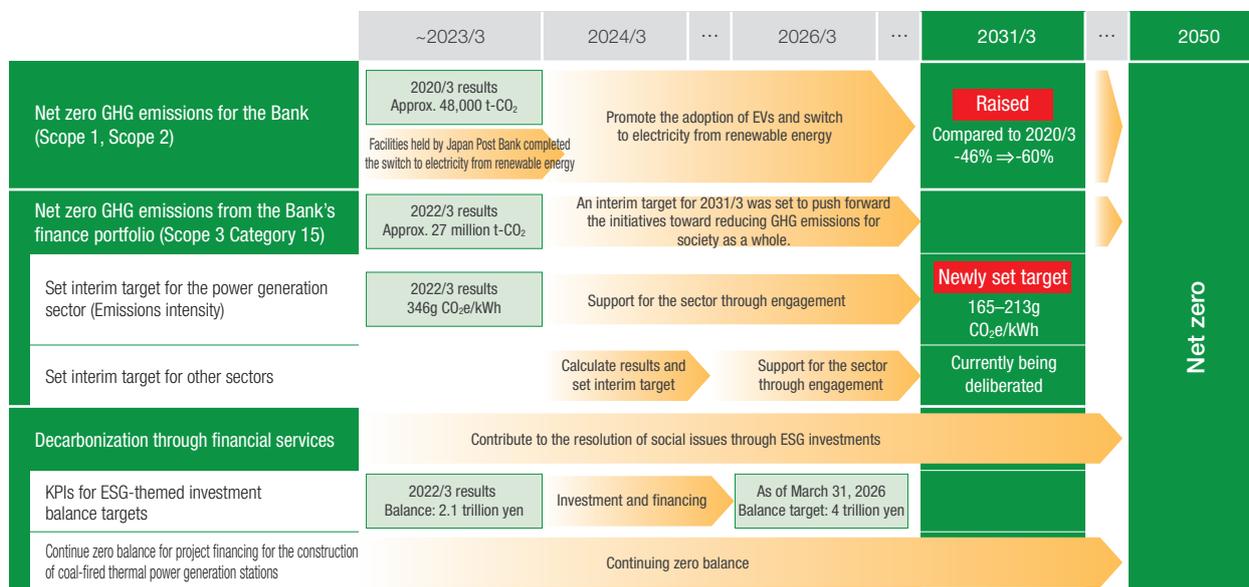
Initiatives by the Japan Post Bank toward Achieving Net Zero GHG Emissions

Japan Post Bank announced details of the Japan Post Bank Net Zero GHG Emissions Declaration in March 2022 and committed to achieving net zero emissions for the Bank as well as its finance portfolio by 2050.

In addition, in March 2023 Japan Post Bank raised its interim target for GHG emissions in the fiscal year ending March 31, 2031.

Category	Interim targets for 2031/3	Target for 2050
Emissions for the Bank	-60% (compared to 2020/3) * Raised from -46% (compared to 2020/3)	Net zero
Emissions from the Bank's finance portfolio	Power generation sector: 165–213g CO ₂ e/kWh	

Japan Post Bank will continue to strive to lessen the environmental load of the business while encouraging initiatives to reduce GHG emissions of society as a whole through engagement (constructive dialogue) with portfolio companies and contribute to the achievement of a decarbonized society.

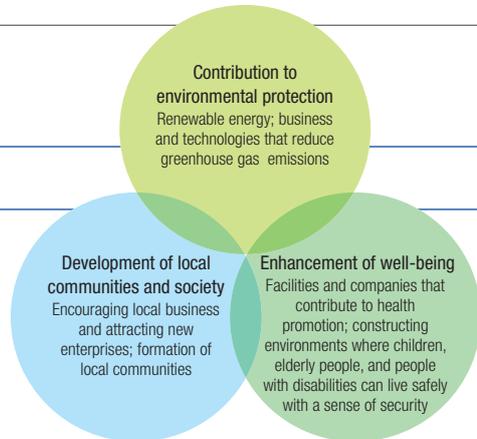


Note: Results and targets are subject to change in the future due to the upgrade and expansion of data on emissions from companies and data vendors as well as increasingly sophisticated estimation.

ESG Investment

As a universal owner that manages a wide range of assets over the long term, Japan Post Insurance is actively promoting ESG investment. Based on our management philosophy of “Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being,” Japan Post Insurance aims to utilize the precious insurance premiums entrusted to us by our customers to realize a sustainable society and improve investment returns in the long term.

Considering the various factors of ESG for all management assets, we will promote investments that create a sense of “warmth” unique to Japan Post Insurance, with the themes of “enhancement of well-being,” “development of local communities and society,” and “contribution to environmental protection” as the focus of our efforts.



Japan Post Insurance's Priority Initiative Themes of ESG Investments

Framework for ESG Investments

We are committed to ESG investment based mainly on the following four methods.

ESG integration	Engagement and exercising voting rights
ESG-themed investments and impact investments	Negative screening

Academic-Industrial Collaboration

We signed a memorandum of understanding for collaboration and cooperation to proactively promote investments in innovative technology development and projects of the academic world. Currently, we are deliberating the funding of venture companies that utilize the research results of academia, mainly in the impact investment domain.

2022/3	Keio University
2023/3	Osaka University, Ritsumeikan University

Impact “K” Project



In the fiscal year ended March 31, 2023, Japan Post Insurance launched its own independently formulated investment framework, Impact “K” Project, to expand impact investments that contribute toward addressing social issues, while also maintaining economic returns.

In the Impact “K” Project, we emphasize linkage with the Priority Initiative Themes of ESG Investments, and we are promoting impact-oriented investments and loans that relate to our vision for the society of the future and to addressing the social issues connected to this.

Example of investment	A domestic listed equity fund that aims to achieve both economic and social returns by investing companies that are actively engaged in creating social impact	
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Initiatives in Response to Sustainability Issues as an Institutional Investor

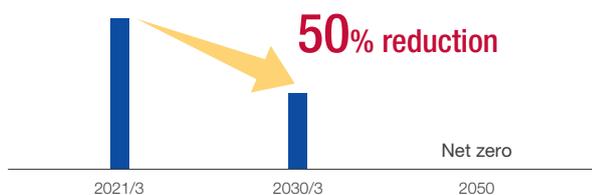
Climate Change

Japan Post Insurance, as an institutional investor, reflects the risks and opportunities associated with climate change in its investment strategies, thereby aiming to achieve a carbon-neutral society and improve investment performance in the medium to long term.

GHG emission reduction targets for investment portfolio¹

With regard to the GHG emissions in our investment portfolio, while aiming for carbon neutrality in 2050, we set an interim goal of reducing GHG emissions by 50% by the fiscal year ending March 31, 2030 (compared to the fiscal year ended March 31, 2021 level).

Goal for GHG emissions in our investment portfolio²



¹ The targets noted above are based on current forecasts, and may need to be revised in line with future social trends or changes in the state of technological innovation.

² Total emissions of Scope 1 and Scope 2 from investee companies (domestic and foreign listed equities and credits including corporate loans) after calculating by the ratio of our holdings.

Targets¹ for total power output² of renewable energy facilities of investee companies

As a KPI for ESG investment, we have set the goal of achieving a total power output of 1.5 million kW for the renewable energy facilities of investee companies during the period of the Medium-Term Management Plan (FY2021–FY2025).

	2023/3 results ³	Period of this medium-term plan
Total power output	953,000 kW	Aim for 1.5 million kW

¹ The targets noted above are based on current forecasts, and may need to be revised in line with future social trends or changes in the state of technological innovation

² Limited to the power output from renewable energy facilities that we lend money and invest in after converting the Company's equity interest

³ 2023/3 results are preliminary figures and may be updated later.

Investments that contribute to the realization of a decarbonized society

- 7 RENEWABLE AND CLEAN ENERGY
- 11 SUSTAINABLE USES AND COMMUNITIES
- 13 CLIMATE ACTION
- Investments and loans to renewable energy projects such as solar power generation, wind power generation and biomass power generation
- Investment in a private real estate fund that invests in ESG-friendly residential properties for leasing

Other Sustainability Issues

In the engagement with investee companies, we promote initiatives that take into account “natural capital,” “human rights,” and “human capital,” as socially important sustainability issues, in addition to “climate change.”

Human Resource Strategy

Creating workplaces with a thorough customer orientation enabling employees to maximize capabilities



MAKI Hirohisa

Executive Officer, Senior General Manager of Human Resources Department, Japan Post Holdings Co., Ltd.
Executive Officer, Japan Post Co., Ltd.

The Japan Post Group is working to realize a “Co-creation Platform” supporting customers and local communities based on the Medium-Term Management Plan “JP Vision 2025.” To this end, it has become more important than ever to align the Group’s human resource strategy with the Group’s management strategies. Accordingly, we have formulated the Group Human Resources Policy to provide basic direction to the Group’s human resources measures. To ensure that all employees of the Japan Post Group find “pride and fulfillment” in their work, we have established the three focal points of “Mutually accepting each other’s differences,” “Mutually enhancing each other’s capabilities,” and “Demonstrating strengths,” and aligned our vision, human resources measures, indicators, and targets along these points. We will steadily promote human resources measures based on this policy, as well as develop new initiatives and aim to realize a workplace where all employees can work with “pride and fulfillment.”

First, we will strive to build an environment that will become a foundation for diverse employees to respect each other and where they can work comfortably regardless of their circumstances. Specifically, we will proactively support employees facing certain circumstances including childcare, nursing care, illness, etc., promote diversity management (active roles for women, gender equality, eradication of harassment, employment of persons with disabilities, active roles for elderly persons, etc.), promote teleworking, improve the treatment of fixed-term employees, and plan and carry out training and seminars for various employees.

In particular, to establish a corporate culture where employees can balance work and childcare, i.e., a corporate culture where both male and female employees take childcare leave as a matter of fact, we are reinforcing our efforts to encourage male employees to acquire childcare leave and aiming for a “father’s childcare leave rate of 100%.” In specific terms, since May 2023, the acquisition of the paid leave portion (3 days) of childcare leave became mandatory and managers are now required to confirm employees’ wishes regarding childcare leave (4 weeks or more) and encourage them to do so. Maintaining and improving employees’ health is also another crucial issue. The employees and the Company will work together to promote health management, while at the same time, the Company will make

efforts to provide an environment where everyone can continue to work with peace of mind. Specifically, in addition to improving sick leave and the leave system and expanding the leave system for fertility treatment, in the fiscal year ending March 31, 2024, we will focus on the health conditions unique to each age group, such as menopause, and develop measures for supporting and deepening the understanding of such conditions.

Additionally, in light of the current climate where a company’s stance toward respecting human rights and its social responsibility is coming under increasing scrutiny, the Group, based on a framework of human rights due diligence, is taking care so that everyone who is involved in the business operations of the Group can have their human rights respected, fully demonstrate their capabilities and personalities, and live a fulfilling life with peace of mind.

By building such a foundation, we will strive to provide opportunities and an environment where employees can enhance their capabilities and demonstrate their strengths and creativity from a customer-oriented perspective. We will encourage and support employees to challenge themselves by providing opportunities for taking on challenges with an emphasis on raising their motivation, including opportunities for internal and external personnel exchanges, and evaluating their efforts. We believe that supporting employees’ proactive capability enhancement and demonstration of strengths will lead to nurturing a corporate culture where the enhancement of motivation and capabilities is prized and where employees show mutual respect.

For the postal business, which is highly dependent on the workforce, employees are our greatest capital for business operations. We believe that the employees on the front lines who are in contact with customers on a daily basis are the key to our business operations. By implementing various human resources measures based on the Group Human Resources Policy, we will strive to achieve a workplace where all employees, especially the employees on the front lines, find “pride and fulfillment” in their work, as well as sustainably improve corporate value, and contribute to the greater happiness of the customers and the development of local communities.

Initiatives Relating to Human Capital

At the Japan Post Group, to put human capital-oriented management into practice, we have formulated the Group Human Resources Policy to provide basic direction to our efforts in achieving management strategies and human resources strategies based on the Medium-

Term Management Plan, “JP Vision 2025.”

Through this policy, we will further contribute to our customers, the local communities, and society, and improve corporate value.

Group Human Resources Policy (Policy for Human Resources Development and Policy for the Improvement of the Internal Environment)

The Japan Post Group aims to become a company where all employees can work with “**pride and fulfillment**.”

To achieve this, we will work toward human resources development and the improvement of the internal environment based on the focal points of “**Mutually accepting** each other’s differences,” “**Enhancing** capabilities,” and “**Demonstrating** strengths,” to support the development and challenges of employees.

By practicing this type of human capital management, we ensure the sustainable improvement of corporate value and contribute to the happiness of our customers and the development of the local communities.

Details

- The positive stance and actions of our employees toward their work will contribute to the customers, local communities, and society, and in this way, we will ensure the enhancement of corporate value in a broader sense. Thus, we will provide all employees, who are “working behind the scenes” for the customers every day, a workplace where they can find pride and fulfillment and positively engage in their work.

* The credo of MAEJIMA Hisoka, the founder of the postal business: “Do not hesitate to work behind the scenes. Always aspire yourself to bring others good.”

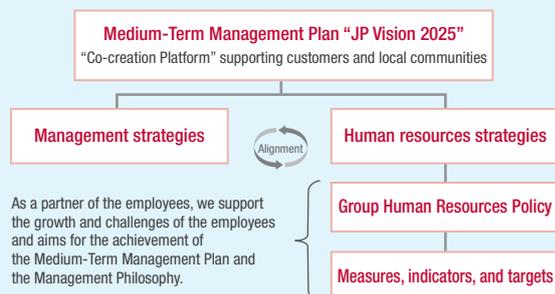
- To make it possible for employees to find pride and fulfillment in their work, the Company will provide a workplace where employees can respect each other’s differences, i.e., a foundation (= “Mutually accepting each other’s differences”) and an environment that supports proactive efforts to enhance capabilities and motivation (= “Enhancing capabilities” and “Demonstrating strengths”).
 - To achieve “Mutually accepting each other’s differences,” we will provide a workplace that encourages employees to maintain both a healthy mind and body, without harassment, to mutually respect and accept the diverse lifestyles and individual circumstances of each employee regardless of gender or age and fosters a sense of security.
 - As for “Enhancing capabilities,” we will provide opportunities for employees to acquire skills, knowledge, and technology so that they can adapt to the changes in services and ways of offering services brought on by the changing business environment, and so that they can proactively choose their work styles.
 - As for “Demonstrating strengths,” we will provide employees with opportunities to take on challenges while reinforcing the systems for evaluating such endeavors and establish an organization and culture that encourages employees to demonstrate their strengths and creativity and take on challenges for the customers.
 - Through these initiatives, we will nurture human resources capable of “mutually accepting each other’s differences, enhancing capabilities, and demonstrating strengths.”
- In recognition of the fact that the demonstration of the employees’ capabilities and enhanced motivation will lead to the expansion of business, we are planning and implementing human resources measures and promoting the expansion of businesses together with our employees.



Background of the Group Human Resources Policy

We sorted the narratives and concepts underlying the various human resources measures and included them in the Group Human Resources Policy. The policy determines the basic direction for the efforts required in achieving the management strategies and human resources strategies based on the Medium-Term Management Plan. Through this policy, we will expand our contribution to the customers, local communities, and society and ultimately to the improvement of corporate value. At the same time, we are addressing the social demands to disclose our initiatives relating to “human capital” that form our intangible assets.

The majority of our 400,000 employees who are on the front lines responding to customers make up the foundation of the Group’s businesses. So, special emphasis was placed on those on the front lines. We place a premium on their mutual acceptance and the enhancement of their motivation and capabilities. We also recognize that the series of recent scandals have impacted the pride and fulfillment of those on the front lines and have lowered their motivation and engagement. We believe that restoring and improving them is essential for our business.



Improvement of “Pride and Fulfillment,” the Core of the Human Resources Policy

Our Vision and Human Resources Measures

We will achieve employee happiness and improved productivity by enhancing employees’ pride and fulfillment (engagement).

To enhance their pride and fulfillment, we believe that providing an environment of “mutually accepting each other’s differences” as a foundation, “enhancing capabilities” of individual employees, and individual employees “demonstrating strengths” are indispensable,

and to this end, we will set specific measures, indicators, and targets and strive to achieve them, as described below.

At the same time, we will periodically monitor to what extent the employees are finding pride and fulfillment, analyze and share the results with the employees, and identify any issues and formulate countermeasures.

Measures, Indicators, and Targets

Applicable companies	Measures, indicators, and targets	Results
The Company and its operating subsidiaries	<ul style="list-style-type: none"> Quantitatively measure employees’ “pride and fulfillment” on a regular basis (From 2024/3: The Group Employee Satisfaction Survey will be revised) Share survey results with employees and carry out continuous improvement measures 	—

Focal Point (1) of the Human Resources Policy: “Mutually accepting each other’s differences”

Approach

- Achieve “true diversity” in which diverse perspectives and values are respected

We will aim to become an organization where diverse perspectives and values reflecting individual differences in experience, skills, and attributes are mutually accepted and respected, allowing each employee to play an active role with peace of mind and bringing about innovation.

- Promote flexible and diverse work styles

By developing flexible work and leave systems under appropriate labor management and nurturing a culture where such systems are easily used, we will promote diverse work styles where employees can work comfortably, maintain their health, and maintain a balance between work and life events.

Our Vision, Measures, Indicators, and Targets

We will encourage a sense of security and the creation of innovation and enhance employees’ pride and fulfillment by aiming for an environment where employees mutually accept and respect each other’s differences and skills and diverse work styles, upon ensuring their health.

Applicable companies	Measures, indicators, and targets	Results
The Company and its operating subsidiaries	<ul style="list-style-type: none"> Achieve Health Management KPIs (2025/3) Rate of employees requiring medical attention 1 and 2*: 1% or less Rate of no longer requiring Specified Health Guidance: 23% or higher Childcare leave acquisition rate for both men and women: 100% Average days of childcare leave acquired by men: 1 month or more Recognized cases of harassment: Less than the previous fiscal year Employment rate for persons with disabilities: 2.5% (2025/3) 	1.12% (2023/3) 23.3% (2023/3) • Women: 100% Men: 76.7% (2023/3) • Average 30.5 days (2023/3) • — • 2.42% (June 2022)
Head offices of the Company and its operating subsidiaries	<ul style="list-style-type: none"> Ratio of women in management positions at our head office: 30% (2031/3) 	• 15.2% (2023/3)

* Persons requiring emergency or urgent medical attention

Specific Human Resources Measures

Promoting Health Management

We believe that a healthy body and mind are vital for each individual employee to take full advantage of their skills and work energetically. Therefore, the Group companies are working together with employees to implement health maintenance and promotion measures. These measures include “reducing long work hours,” “health guidance toward prevention of

lifestyle diseases,” and “mental healthcare” while establishing the Japan Post Group Health Management Promotion System. In May 2022, we established the Japan Post Group Declaration on Health to promote Group-wide health management.



Japan Post Group Declaration on Health

The Japan Post Group believes that the foundation of our management lies first and foremost in the physical and mental well-being of our employees in order to realize our Management Philosophy, which aims for the happiness of our customers and employees.

The employees will personally maintain and enhance their “healthy minds and bodies” and we will work to build work environments that support such endeavors.

Furthermore, each individual employee will take full advantage of their skills and work energetically and, in turn, aim to realize the happiness of the customers.

Balancing Work with Childcare, Nursing Care, and Illness

Regarding childcare and nursing care, we have established a support system exceeding the legal obligation and is implementing various support measures so that both male and female employees can continue working during times they are needed at home, including from pregnancy to childbirth, for childcare, and for nursing family members.

In particular, by making it mandatory for male employees to take the paid leave portion (3 days) of childcare leave and for managers to encourage male employees to take leave and to confirm the employees’ wishes regarding childcare leave (4 weeks or more) with the aim of achieving a “father’s childcare leave rate of 100%,” we are working to spread understanding in order to foster an organizational culture in which it is normal for both men and women to take childcare leave.

Additionally, with regard to employee healthcare treatment, we are taking steps to improve work environments and a work–life balance, including the enhancement of sick leave, the leave system, and the leave for infertility treatments so that employees can continue working with peace of mind.

In the fiscal year ending March 31, 2024, as further promotion measures, we will implement measures to improve the work environment by deploying initiatives to deepen the understanding of such conditions as menopause, by sharing basic information on menopause at the workplace, raising awareness of the poor physical health that may afflict this generation, and improving the health literacy of those employees who are themselves suffering from menopause.

Promoting the Active Participation of Women

In recognizing that the further participation of female employees is indispensable for the growth and development of the Group amid diversifying consumer needs, work styles, and other changes in the social environment, we established targets for the ratio of female managers among head office managers. In addition, while evaluating and reflecting as we work toward achieving our goals, we formulate an initiative plan for each year, and work toward improving the environment to make it more comfortable for employees to work in by (1) reducing overtime work and improving work and childcare balance support systems, (2) raising awareness through manager seminars aimed at creating a work

environment that allows both men and women to be active, and (3) providing training to develop career awareness among female employees.

Eradicating Harassment

At the Japan Post Group, efforts to eradicate harassment include messages from senior management pertaining to harassment, the enlightenment and edification of all employees, supervisory training using case studies, and the distribution of booklets and other materials.

Furthermore, with regard to consultations and reporting by employees, we developed rules to thoroughly protect whistleblowers, while establishing, in addition to internal and external consultation counters, a “one-stop consultation and internal platform” where employees have access at any time to harassment consultation staff and an internal reporting contact and can consult or report with peace of mind under robust security.

Addressing Sexual Diversity

The Japan Post Holdings’ Basic Policy on Corporate Governance advocates the promotion of diversity management aimed at creating a work environment where sexual minority employees can work comfortably. Specifically, we provide a hotline for employees to report human rights violations or harassment incidents, we attempt to raise awareness and understanding regarding LGBT issues, including awareness seminars conducted by LGBT-related parties and training at each workplace, we enacted the Japan Post Holdings’ Basic Policy on Human Rights, and we sponsor Tokyo Rainbow Pride.

In addition, starting in 2022, we extended allowances such as dependency allowances and family care leave, as well as the holiday system and company housing to same-sex partners.

Reducing Overtime Work, Promoting Telework

We are making efforts to reduce overtime through improved work efficiency (utilization of RPA and AI, revised job descriptions) and introduce a system of an interval between working.

We have been promoting telework with the aim of improving business productivity and realizing diverse work styles, and will further improve the environment for telework.

Specific Human Resources Measures

Promoting the Employment of Persons with Disabilities

Recognizing that it is our social responsibility as a corporation to provide appropriate employment opportunities to persons with disabilities, the Japan Post Group promotes (1) the proactive recruitment of persons with disabilities, (2) the establishment of work environments and training aimed at job retention, (3) the establishment and proactive utilization of a special subsidiary company, and (4) the acceptance for work training and employment of persons from special needs schools, with the immediate goal of raising the Group's employment rate for persons with disabilities to 2.5% (2.42% as of June 2022).

Initiatives Related to Respecting Human Rights

Considering the growing social demand for companies to respect human rights, we formulated the Japan Post Group Human Rights Policy in April 2019 based on the United Nations (UN) Guiding Principles on Business and Human Rights and other concepts.

Through this policy, we demonstrate our respect for human rights and through building a framework for human rights due diligence and identifying negative impacts on human rights, we promote human rights awareness activities to foster a sense of human rights among all employees. We also support the UN Children's Rights and Business Principles and will promote the realization of children's rights. Human rights awareness activities will be reviewed periodically through

Identification of Priority Risks

- Power harassment and sexual harassment
- Excessive and unfair work hours
- Insufficient wages, unpaid wages, living wage

Major Initiatives to Address Priority Risks

- Raising awareness of human rights and training on preventing harassment (for all employees)
- Training for harassment consultation staff
- Confirmation of excessive overtime of each department, management of working hours by utilizing IC cards, monitoring of working hours, etc.

For consultations on various types of harassment and human rights violations, we have established a system where employees can have consultations with peace of mind, by establishing internal and external consultation contact points such as the Group internal reporting system.

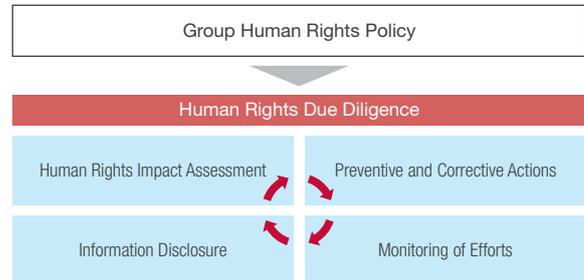
Promoting Senior Employment

As the labor force population shrinks due to declining birthrates and aging populations, the Group aims to further leverage the abilities and experience of senior employees. Recognizing the need to create an environment where employees can work while maintaining motivation, we raised the retirement age to 65 years old from the fiscal year ended March 31, 2022. As for securing employment opportunities up to the age of 70 years old, we will proceed with specific examinations by considering such factors as concrete work styles and measures for securing safety after reaching the age of 65 years old.

deliberations by the Sustainability Committee and the Japan Post Group Sustainability Liaison Conference, taking into account changes in corporate activities and the business environment.

In the fiscal year ended March 31, 2023, an in-house seminar on business and human rights was held for all employees of Japan Post Holdings by inviting a lecturer from the Tokyo Legal Affairs Bureau. Each employee is learning the importance of being considerate of the human rights of all people, through involvement with various stakeholders including employees, consumers, business partners, shareholders and investors, and the local communities.

Human Rights Due Diligence Overview



VOICE

JAPAN POST HOLDINGS

In order to realize a workplace in which diverse perspectives and values are respected and which provides a sense of security, as a group, we will raise awareness and engage in behavioral reforms to promote flexible and diverse work styles.



OHASHI Motohiro Department Manager, Human Resources Department, Japan Post Holdings Co., Ltd.

JAPAN POST BANK

By providing an environment that nurtures employees who aspire for growth through challenges and demonstrate their capabilities to the maximum extent, we will build a lively and exciting company that allows diverse human resources to thrive, and improve corporate value.



HAYAKAWA Miyu Diversity and Inclusion Department, Japan Post Bank Co., Ltd.

JAPAN POST

We will work toward the sustainable growth of businesses by deepening the understanding and practicing "diversity management." We will promote initiatives to ensure that all employees understand and accept diversity and that such diverse human resources can demonstrate their capabilities to the maximum extent.



KIRIHATA Masanori Senior Specialist, Diversity Promotion Office, Personnel Affairs Division, Japan Post Co., Ltd.

JAPAN POST INSURANCE

We will meet the diversifying needs of society and enhance employee and customer satisfaction by respecting, recognizing, and enhancing each other's "individuality," fulfilling our given roles and producing results.



FUKUDA Hiroyuki Section Manager, Diversity Promotion Office, Human Resources Strategy Department, Japan Post Insurance Co., Ltd.

Focal Point (2) of the Human Resources Policy: “Enhancing capabilities”

Approach

- Support career formation by providing opportunities for challenges and raising capabilities**
 We will support career formation that emphasizes the motivation of employees by building a system in which employees can feel “employees who try hard are rewarded,” while also providing learning opportunities including employees’ own vision of their future selves, as well as opportunities for challenges and growth.
- Promote DX, acquire skills, and enhance expertise**
 We will raise the efficiency of business operations through the promotion of DX and other means, while re-examining the business model and workflows and supporting the acquisition of skills in new operations and the enhancement of expertise in each operation.

Our Vision, Measures, Indicators, and Targets

We will emphasize the willingness to take on challenges and grow and raise the pride and fulfillment of employees by providing a tangible sense that efforts get rewarded through the acquisition of skills necessary for proactive career formation and the promotion of DX.

Applicable companies	Measures, indicators, and targets	Results
The Company and its business subsidiaries	<ul style="list-style-type: none"> Implement measures for career formation and support (Carrying out re-skilling measures for senior employees, etc.) 	—
Head offices of the Company and its business subsidiaries	<ul style="list-style-type: none"> Head offices (all employees), branches (applicable employees) Attendance rate of DX training: 100% (2026/3) 	<ul style="list-style-type: none"> Head offices* Attendance rate: 95.3% (2023/3)

* Excluding associated organizations, etc.

Specific Human Resources Measures

Realizing a Human Resource System Adaptive to Environmental Changes

In light of rapid changes in the business environment, the Group is reviewing its labor force composition with an eye on future business and responding to laws and regulations related to equal pay for equal work. Regarding employee treatment, we will continue to promote employees from contract worker to full-time employee status, further improve employee treatment, and make efforts to realize a simple and more acceptable salary system.

Training to enhance expertise

We collaborate with the Japan Post Bank and Japan Post Insurance and carry out training, particularly for employees who handle financial instruments, including training for banking agency services, investment trusts and various insurance products, for understanding and acquiring knowledge and skills in operations and compliance, as well as training to provide skills required for consulting services to thoroughly enforce customer-oriented sales activities.

Internship among the Group

To raise the motivation of the employees by creating opportunities that utilize their sense of challenge and deepen their understanding of other operations, which interest them, as well as encourage future career formation, we offer internships among the head offices of the four main Group companies.

The internship program is also being expanded to the branches of Japan Post and by making further efforts to revitalize the organizations

within the Group, we are aiming to nurture an even more transparent corporate culture.

Improving operational efficiency through the promotion of DX and supporting the acquisition of new skills for new services

We are working to upgrade our training program and build an environment where the newly acquired skills can be put to use, in order to create new businesses through DX and push forward with improvements in services and operations. We are also further upgrading our work environment so that employees can obtain training that matches their work using tablets and other means while remaining at the post office.

Supporting proactive career formation that encourages challenges and the enhancement of capabilities

We are providing opportunities for employees to proactively think about their career formation and their work styles. As part of support for the career formation of female employees, we are holding career support seminars for junior to mid-level employees sponsored by Aflac and the four companies. Learning about work styles in other companies provides an opportunity for participants to think about ideal leadership and future career vision.



Scene from the “Discourse on Model Cases of Diverse Leaders,” a joint seminar by the Japan Post Group and Aflac held in September 2022 (A total of approximately 180 employees participated from each Group company)

Focal Point (3) of the Human Resources Policy: “Demonstrating strengths”

Approach

- **Human resources development and assigning the right person to the right job to ensure customer-oriented services**
We will provide customer-oriented services under the optimal assignment of personnel based on our management strategies, by nurturing employees who can demonstrate their strengths and creativity for customers and building an environment where the right person is assigned to the right job.
- **Demonstrating strengths and creativity through corporate culture reforms**
We will carry out reforms to achieve a transparent corporate culture by such means as promoting internal and external personnel exchanges and proactively recruiting outside talent and to provide an environment where employees can demonstrate their strengths and creativity to the maximum extent.

Our Vision, Measures, Indicators, and Targets

We will encourage employees to demonstrate their strengths and creativity by ensuring employees work with a sense of the right person being assigned to the right job and through reforms to ensure a transparent organization, raise the employees’ pride and fulfillment.

Applicable companies	Measures, indicators, and targets	Results
The Company and its business subsidiaries	<ul style="list-style-type: none"> • Establish indicators for placing the right person in the right job (Identify specified items from the survey on pride and fulfillment) • Average days taken for leave of 18 days or more • Maintain 2022/3 levels* for the number of persons participating in inter-Group personnel exchanges 	<ul style="list-style-type: none"> • — • Average of 18.9 days (2023/3) • Achieved in 2023/3
Head offices of the Company and its business subsidiaries	<ul style="list-style-type: none"> • Number of persons engaged in strategic side businesses: Greater than the previous fiscal year • Promotion of mid-career recruits 	<ul style="list-style-type: none"> • 28 persons (2023/3) • 67 persons (2023/3)

* Number of employees involved in personnel exchanges between the four main Group companies: Approx. 1,500

Specific Human Resources Measures

Development of Internal Human Resources

Each Group company sets roles expected for each course according to employee work styles and conducts training according to position and skill improvement training according to function. To create new value through the promotion of DX, we will implement DX training for planning staff within each Group company to improve their skills, as part of the development of internal human resources.

Adoption of Systems that Values Employees Who Take on New Challenges and Corporate Culture Reforms

To provide an environment conducive to employees taking on challenges, we are studying the possibility of a new personnel evaluation system where employees rate their own challenges. In addition, we will also work to raise the awareness of the managers and reflect such awareness in the evaluations so that the managers will support the challenges of their subordinates.

Recruitment and Appointment of Mid-Career and Foreign Nationals

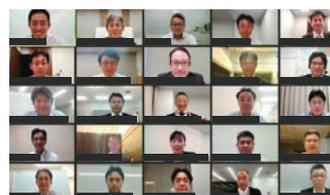
Regarding mid-career recruits, we have been working on recruiting and hiring managers mainly in specialized fields in line with business characteristics (including real estate, legal affairs, IT fields, investment and market management, risk management, and actuaries) and will continue to implement more proactive recruitment and hiring in the future.

With regard to foreign nationals, although we do not intend to expand recruitment given the content of our current business, we will recruit foreign nationals and appoint managers as necessary for business development in the future.

It should be noted that we do not differentiate candidates based on nationality when hiring foreign nationals or appointing them for managerial positions.

Initiatives to “Enhance the Management Capabilities” of Post Office Heads and Other Managers

To build a workplace where employees can demonstrate their strengths and creativity for the customers, we are focusing on coaching-based management training for post office heads and other managers to raise the employees’ motivation and encourage actions. We will enhance the management capabilities of managers and thoroughly practice customer-oriented services and sales and compliance awareness.



Scene from the 2023/3 “Long-term Management Training” for post office heads (Participants: Approx. 150)



Alumni Network

We have established an alumni network so that alumni (former Group employees), who know the Group well and who have accumulated new experiences and capabilities outside of the Group, will once again play an active role in the Group. Going forward, by providing the latest internal information, conducting outsourcing and side businesses, and through mid-career recruits, we hope to build a long-term and beneficial relationship with the alumni and by leveraging the Group's superiority of having one of the biggest workforces in the country, we will aim to enhance corporate value through the active participation of the Group's single biggest advantage, "our diverse human resources."

Omokata (Omoi-wo-katachi-ni, Giving Shape to Wishes) Challenge (a system for proposing new businesses within the Group)

We started a trial run of a cross-sectional system for proposing new businesses within the Group, the Omokata (Omoi-wo-katachi-ni, Giving Shape to Wishes) Challenge, in which employees can propose new businesses that will benefit the Group in the future. In the fiscal year ended March 31, 2023, the system was implemented in a limited area but in the fiscal year ending March 31, 2024, we are planning to expand the system nationwide.

We are encouraging the proactive actions by the employees taken from the customers' perspective and supporting the employees as they take on challenges to demonstrate their strengths and creativity.

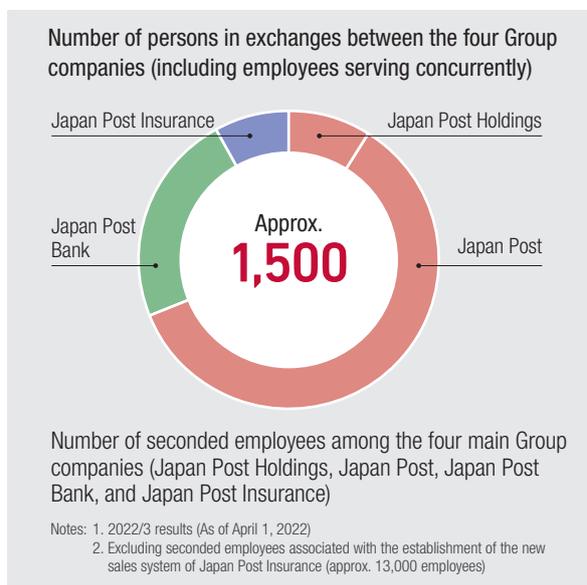
Strategic Side Businesses

In strategic side businesses, head offices of the four main Group companies have simultaneously commenced trial runs of three types of side businesses, i.e. (1) outside side businesses by employees, (2) accepting personnel from outside the Group who are engaged in side businesses, and (3) side businesses among the Group. Through these trial runs, we will ensure that the career of each employee is being fully utilized in these operations and that these side businesses will lead to career formation going forward. Especially with regard to (1) outside side businesses by employees, we are supporting the employee's challenges by making it possible for employees

to cut back their work by a maximum of one day a week, in addition to after-hours work, to engage in these side businesses.

Promotion of Personnel Exchanges within the Group

The Japan Post Group is characterized by the integrated provision of postal, logistics, banking, and insurance services through its nationwide network of post offices. Therefore, it is extremely important to support the lives of customers in local communities while strengthening the unity and coordination of the Group. In addition, in order to improve the efficiency of operations and optimize personnel allocation that goes beyond the boundaries between companies, the Group actively promotes personnel exchanges throughout the Group. From the fiscal year ended March 31, 2023, we conducted cross-sectional, open recruitment between the head offices of the four main Group companies and conducted personnel exchanges where the selected employees can join the Group company or division of their choice.



Overview of Proposed Measures to Promote Personnel Exchanges

