We have identified our material sustainability-related risks and opportunities in line with our three key management priorities (materiality). We list the risks and opportunities, their impact on our businesses, and our measures for them in the following table.

◎…Remarkably affected business; ○…Affected business

Top Management Priorities	Risk/Opportunity		Time Horizon	Direct Impact	Measures to Prevent Risks / Grasp Opportunities	Impact on the Japan Post Group's Credibility and Reputation	Postal and Domestic Logistics	International Logistics	Post Office	Sale of Goods	Real Estate	Banking and Life Insurance	Hospital
(1) [Local community] Fulfilling our role as regional infrastructure and a lifestyle support hub	Opportunity	Reduction of shippers' GHG emissions	Short to long		Provision of low-carbon services	Acquisition of new customers	◎	○					
		Utilization of the basic infrastructure and facilities	Short to long	Remuneration for the provision of services, etc.	Contracted business, partnership, repair of facilities, etc.	Increase in the number of visitors to post offices Improved public image of post offices	○		◎		○		
(2) [People] Provision of services that support lifestyles according to needs and life stages	Opportunity	Sale of ethical products	Short to long	Acquisition of customers	Development of ethical products	Highly rated services				◎			
		Digital-minded customers	Short to long	Retention of customers and acquisition of new customers	Development of very convenient services	Spread use of services	○		◎			◎	
		Financial inclusion	Medium to long	New revenue opportunities	Provision of new services	Good reputation			◎			◎	
(3) [Trust] Strengthening of the foundation of trust from the local community and customers	Risk	More severe and frequent natural disasters (physical risk)	Short to long	Damage to facilities and suspension of business operations	Repair, relocation and recovery of facilities		◎	◎	◎	○	○	○	○
		Introduction of regulations, investment for emissions reduction, procurement of environmental attributes (transition risk)	Short to long	Higher investment costs and soaring environmental value prices	Implementation of emission reduction measures (introduction of EVs and LED devices)	Customer defection	◎	◎	○	○	○	○	○
		Employees' working conditions and working environment, and human capital	Short to long	Rising turnover rate (increase in replacement costs)		Deterioration of talent quality due to hiring difficulty	◎	○	◎	○	○	○	○
		Serious traffic/occupational accidents	Short to long	Compensation for damages, administrative penalties	Safety measures, healthcare	Loss of trust	◎	○			○		
		Human rights issues across the supply chain (including outsourcing partners)	Short to long	Customer defection	Supplier survey	Deterioration of public image	◎	◎		○	○		
		Customer protection (improper business practices)	Short to long	Compensation for damages, administrative penalties	Customer-oriented business operations	Loss of trust			◎			◎	
		Protection of customer information, information security	Short to long	Payment of damages to customers Business disruption	System measures Employee education and training	Loss of trust			◎			◎	
		International norms (against bribery)	Short to long	Response to penalties, compensation for damages	Establishment of an organizational system Employee education and training	Loss of trust	◎	◎			◎		
		International norms (against money laundering, etc.)	Short to long	Response to penalties, compensation for damages	Establishment of an organizational system Employee education and training	Loss of trust			◎			◎	

Note 1. "Postal and Domestic Logistics," "International Logistics," "Post Office," "Real Estate," "Banking and Life Insurance" refer to the businesses described in the securities report for the 21st term (in Japanese only). Whereas "sale of goods" is included in the post office business in the securities report, the "Post Office" business shown in the table above excludes the sale of goods. The "Hospital" business is included in "Other" businesses in the securities report and has relatively large impact on the Japan Post Group's credibility and reputation among the businesses.

2. The time horizon is divided into short term (within one year), medium term (within three years) and long term (more than three years).