

Responsible Investment Report 2025

JAPAN POST INSURANCE Co., Ltd.

Social Mission (Purpose) of Japan Post Insurance

We will remain trusted and selected by customers, thereby protecting their lives by providing life insurance products.

Management Philosophy

Be a trustworthy partner for people, always being close at hand and endeavoring to protect their well-being.

A base for the day-to-day thoughts, decisions, and actions of all employees

1. The value of our existence becomes most apparent when people tell us "Thank you for being here."
We are a company that customers can rely on when they are anxious or when they want support.
2. We will continue to develop, grow, and exist as a company so that we can always protect the lives of all our customers.
3. To this end, each and every one of us will independently think, act, and challenge ourselves every day.



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Daiwa Securities Group Inc. × Cadira Capital Management Co., Ltd. × JAPAN POST INSURANCE Co., Ltd.
 Ms. TASHIRO Keiko × Mr. SHIMIZU Yu × HARUNA Takayuki

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 Mr. SUDO Nao × Mr. KATO Masahiro × NOMURA Hiroyuki
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■ This report is available on our website.

Sustainability Website of Japan Post Insurance

<https://www.jp-life.japanpost.jp/english/aboutus/sustainability/index.html>



* This report focuses on activities from July 1, 2024 to June 30, 2025, but also includes information on some activities from July 2025 onward.

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Introduction

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Message from CEO

We will keep providing peace of mind for customers while inheriting the DNA that has been passed down since our founding.

Japan Post Insurance was established in 1916 as the Postal Life Insurance business of the former Ministry of Communications, with the social mission of “protecting the means of fundamental livelihood of the public through simple procedures.” Even today, after privatization, our mission remains unchanged: to provide peace of mind to customers through life insurance, based on our Management Philosophy, “Be a trustworthy partner for people, always being close at hand and endeavoring to protect their well-being.”

For over 100 years, we have been supporting our customers as society and lifestyles change with the times, including by becoming the first Japanese life insurance company to launch an educational endowment insurance. In recent years, we have been working to improve the customer experience value by using digital technology to simplify procedures and establish a system for speedy insurance claim payments.

Moreover, in order to fulfill our social responsibilities to all stakeholders, we are committed, as an asset owner that manages precious premiums entrusted by our customers over the long term, to secure stable investment income and improving profitability in order to ensure reliable payments of insurance claims, etc. In addition, we have launched our own impact investment framework, the Impact “K” Project, with the aim of expanding impact investments that aim to achieve both financial and social returns. We are actively working on this project. The DNA of conducting a sound insurance business while contributing to the communities and society through investments and loans funded by premiums, etc. received from customers that has been continuously passed down ever since our founding remains at the core of our asset management even today.

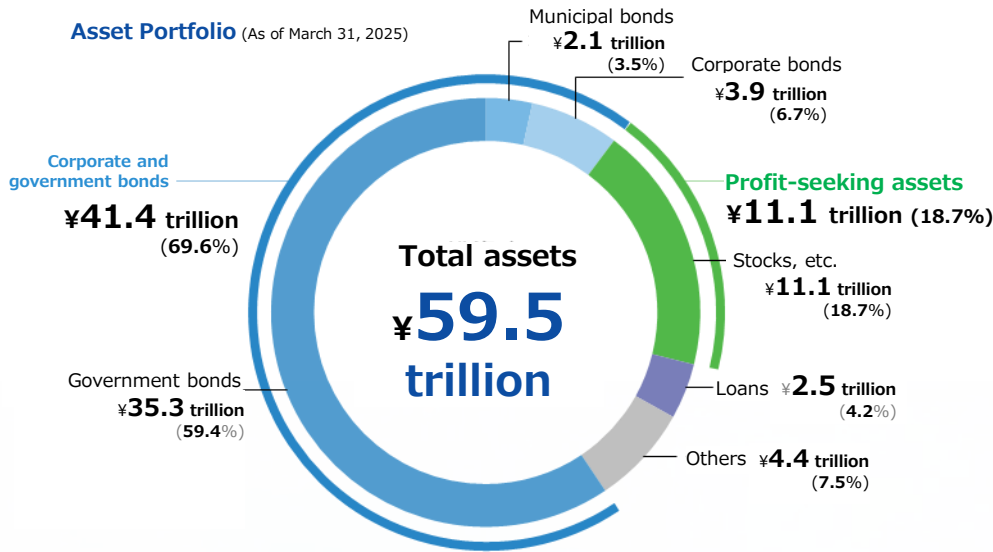
Japan Post Insurance strives to create a future that provides peace of mind to customers, sustainability to society, and hope to the next generation in order to pass on a sustainable, hopeful, and abundant society to the next generations for decades to come, with the aim of continuing to protect the well-being of all people. We will continue to keep an eye on the changing times, and as a life insurance company and responsible institutional investor, we will use the power of finance to steadily continue to protect the well-being of all people.

TANIGAKI Kunio

Director and President, CEO, Representative Executive Officer



Overview of Our Responsible Investments



Company Profile

Name	JAPAN POST INSURANCE Co., Ltd.
Address	OTEMACHI PLACE WEST TOWER 3-1, Otemachi 2-chome, Chiyoda-ku, Tokyo 100-8794, Japan
President, CEO, Representative Executive Officer	TANIGAKI Kunio
Business description	Life insurance business

Paid-in Capital **¥500.0 billion**

Number of Employees **17,952**
(As of March 31, 2025)

Main Offices **82 branches nationwide**

The Responsible Investment Report is published to communicate our approaches and initiatives related to responsible investment.

- Financial and non-financial information about the Company is available on our website below.
- ▶ Japan Post Insurance Corporate Website: <https://www.jp-life.japanpost.jp/english/index.html>
- ▶ Annual Report: https://www.jp-life.japanpost.jp/english/aboutus/financial/en_abt_fnc_ar.html
- ▶ Financial Information (IR Website) Annual Securities Reports, Financial Results & Corporate Strategy Meeting Materials, Shareholder Newsletters, and other financial materials: <https://www.jp-life.japanpost.jp/IR/en/index.html>
- ▶ Non-financial Information (Sustainability Website) Sustainability Report, Corporate Governance Report, and Responsible Investment Report: <https://www.jp-life.japanpost.jp/english/aboutus/sustainability/index.html>

Impact "K" Project

Certification status (at the end of FY2024)
Cumulative total of **9 projects** **¥27.9 billion**

Certification targets (at the end of FY2025)
15 projects **¥50.0 billion**

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Academic-industrial Collaboration

Signing of memorandums of understanding and agreements with university corporations, etc. regarding collaboration and cooperation **7**

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Stewardship Activities

Dialogue with companies (July 2024 – June 2025)

Domestic equity (in-house)	132 companies	Domestic corporate bonds (in-house)	35 companies
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Exercise of shareholder voting rights (July 2024 – June 2025)

In-house	402 proposals	External investment	32,516 proposals
	129 companies		1,850 companies

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* In principle, shareholder voting rights are exercised for all in-house and external equity investments.

Sustainability Themes

Scope 3 Category 15^{*1}
GHG emission reduction targets for our investment portfolio^{*2}

Compared to the end of FY2020: **28.8%** reduction → **50%** reduction → **Net zero**

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Carbon footprint
Scope 1&2 + direct suppliers of Scope 3 **1.02 tCO₂e/million yen**
(as of March 31, 2025)

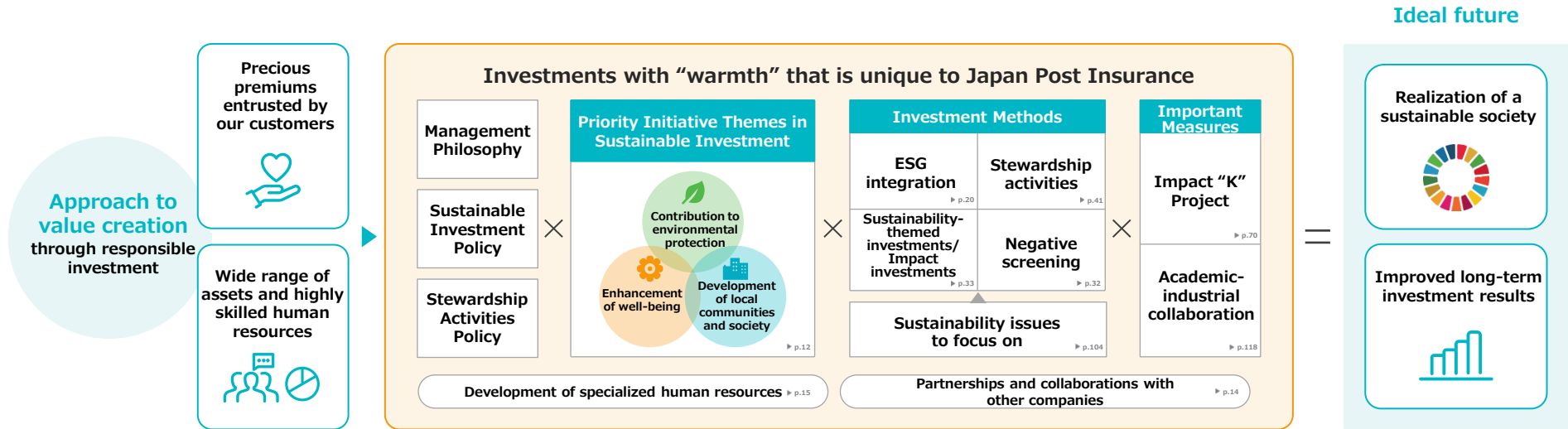
- *1 Indirect emissions in the supply chain other than Scope 1 and Scope 2. They are classified into 15 categories. Emissions from investment portfolios fall into Category 15.
- *2 Our target for Scope 3 Category 15 emissions represents the sum of Scope 1 and Scope 2 emissions of investee companies multiplied by our ownership ratio. The assets covered are domestic and foreign listed equities and domestic and foreign corporate bonds (including corporate loans).

Mission of Japan Post Insurance's Asset Management

Management Philosophy

Be a trustworthy partner for people, always being close at hand and endeavoring to protect their well-being.

<p>As a “life insurance company”</p> <p>We will carefully invest precious premiums entrusted by our customers in preparation for future insurance claims and other payments</p>	<p>As a “universal owner”</p> <p>We will contribute to the sustainable growth of the economy and society as an institutional investor with a high investment amount and a broad diversification across capital markets</p>	<p>As a “listed company”</p> <p>We will aim for sustainable growth and increase of the corporate value over the medium to long term</p>
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History of Responsible Investments at Japan Post Insurance

2008 – 2014

- Japan Post Group participated in “United Nations Global Compact”
- Accepted Japan’s Stewardship Code
Announced our policy on Japan’s Stewardship Code

2016

- Started investment in ESG bonds
- Implemented ESG investment in domestic equity investment

2017

- Signed PRI
- Started collaborative engagement at the Life Insurance Association of Japan
- Established the Responsible Investment Advisory Committee (predecessor of the Responsible Investment Advisory Sectional Meeting)

2018

- Japan Post Group incorporated SDGs into the management framework in the Medium-term Management Plan

2019

- Announced the ESG Investment Policy (later changed to “Sustainable Investment Policy”)
- Endorsed the recommendations of the TCFD

2020

- Started negative screening in investment
- Started stewardship activities for investment of domestic corporate bonds

[Developments around the world]

- 2006 ▶ Publication of the Principles for Responsible Investment (PRI)
- 2015 ▶ Adoption of Sustainable Development Goals (SDGs), adoption of Paris Agreement
- 2017 ▶ Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
▶ First revision of Japan’s Stewardship Code
- 2020 ▶ Second revision of Japan’s Stewardship Code

2022 Launched the Impact “K” Project

- Launched the Impact “K” Project to expand impact-oriented investments and loans
- Set GHG emission reduction targets for investment portfolio
- Participated in the initiatives CDP, Climate Action 100+, Advance, and Japan Stewardship Initiative (JSI)
- Signed a memorandum of understanding to facilitate collaboration and cooperation in promoting the circulation of funds centered on academia
 - Keio University

[Developments around the world]

- ▶ Establishment of Advance
- ▶ Inclusion of “impact investment” in the Japanese government’s Basic Policy on Economic and Fiscal Management and Reform for the first time

2023

- Disclosed initial analysis results on natural capital risks in our investment portfolio
- Set natural capital, human rights, and human capital along with climate change as key sustainability themes for dialogue
- Signed a memorandum of understanding to facilitate collaboration and cooperation in promoting the circulation of funds centered on academia
 - Osaka University (currently The University of Osaka)
 - The Ritsumeikan Trust
- Endorsed the principles of the Taskforce on Nature-related Financial Disclosures (TNFD)
Participated in the Triple I for Global Health initiative, and became a TNFD Adopter

[Developments around the world]

- ▶ Recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD)
- ▶ Establishment of Triple I for Global Health

2025

- Signed a memorandum of understanding and agreements to facilitate collaboration and cooperation in promoting the circulation of funds centered on academia
 - The University of Tokyo, Division of University Corporate Relations
 - Waseda University
 - Tokyo University of Science
 - Kobe University

- Participation in “Ownership Works Japan”

[Developments around the world]

- ▶ Announcement of Sustainability Disclosure Standards (Japanese Standards) by the Sustainability Standards Board of Japan (SSB)
- ▶ Launch of the GIIN Japan Working Group
- ▶ Third revision of Japan’s Stewardship Code

2021 Enhanced responsible investment initiatives

- Introduced ESG integration for entire asset portfolio
- Participated in the Social Impact Management Initiative (SIMI) and Japan Climate Initiative (JCI)
Signed the Japan Impact-driven Financing Initiative
- Participated in GRESB as a real estate investor member
*the first among Japanese life insurance companies to participate

[Developments around the world]

- ▶ Establishment of Japan Impact-driven Financing Initiative

2024

- Established the Responsible Investment Office
- Participated in the initiatives “Impact Consortium,” “Spring,” and “Global Impact Investing Network (GIIN) *the first among Japanese life insurance companies to participate”
- Set KPIs for the Impact “K” Project in the Medium-term Management Plan (through FY2025)
- Acceptance of the Asset Owner Principles

[Developments around the world]

- ▶ Formulation of Asset Owner Principles
- ▶ Announcement of “Basic Guidelines on Impact Investment (Impact Finance)” by Financial Services Agency
- ▶ Establishment of Impact Consortium
- ▶ Establishment of Spring
- ▶ Issuance of Green Transformation (GX) Economy Transition Bonds

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Sustainable Investment Initiatives

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Daiwa Securities
Group Inc. Ms. TASHIRO Keiko



Cadira Capital
Management
Co., Ltd. Mr. SHIMIZU Yu



JAPAN POST
INSURANCE
Co., Ltd. HARUNA Takayuki

Enhancement of Governance Structure for Promoting Responsible Investments

Since signing the PRI in 2017, Japan Post Insurance has been working to promote and enhance its responsible investments to fulfill its responsibilities to stakeholders. In 2021, we introduced ESG integration for all assets under management and set priority themes for sustainable investments, and in the next year, 2022, we launched the Impact “K” Project aimed at expanding impact-oriented investments and loans. Moreover, we have been engaged in our proprietary initiatives while keeping up with the times, such as signing memorandums of understanding with several university corporations to promote a cycle of funds centered on academia. Going forward, in order to secure stable investment income over the medium to long term, we will further step up our initiatives to improve investment income by accurately capturing changes in the market environment, and to realize a sustainable society through investment.

		Diversification and enhancement of asset management			Deepening and enhancement of asset management			Achieving greater depth and evolution of asset management		
		2017	2018	2019	2020	2021	2022	2023	2024	2025
Policies, etc.	Sustainable Investment Policy (formerly known as “ESG Investment Policy”)	▶ PRI signature)		▶ Enactment		▶ Revision Addition of ESG integration for all assets under management, sustainable investment priority initiative themes, etc. (enhancement of well-being/development of local communities and society/contribution to environmental protection)			▶ Revision Reflected the deepening and enhancement of our approach to responsible investment, etc.	
	Stewardship Activities Policy	▶ Enacted in 2014					▶ Revision Expanding the scope of engagement to include all assets under management, etc.	▶ Revision Set natural capital, human rights, and human capital along with climate change as key sustainability themes		▶ Revision Compliance with third revision of Japan’s Stewardship Code (Dec. 2025)
	Policy on Exercise of Shareholder Voting Rights	▶ Enacted in 2016		▶ Revision		▶ Revision				▶ Revision Standards for the Exercise of Shareholder Voting Rights (criteria for selection of directors and outside directors, etc.)
Organization	Meeting body	▶ Establishment Responsible Investment Advisory Committee (one outside expert)				▶ Reorganization Responsible Investment Advisory Sectional Meeting (two outside experts)				—
	Investment execution departments	▶ Global Equity and Fixed Income Investment Department, Credit and Alternative Investment Department, Loan Department ▶ Global Equity and Fixed Income Investment Department, Credit and Alternative Investment Department (Alternative Investment Office), Loan Department				▶ Global Equity and Fixed Income Investment Department, Global Credit Investment Department, Alternative Investment Department			(Development of investment specialists with expertise in various asset classes) (Strengthening of asset management capabilities through alliances and further development of collaborative strategies)	
	Planning and management departments			▶ Establishment Representative in charge of Responsible Investment Promotion Team: 3 staff members		▶ 5 staff members	▶ 5 staff members	▶ 6 staff members	▶ Reorganization Responsible Investment Office: 6 staff members	▶ 7 staff members
Initiatives	Asset management-related	▶ PRI		▶ TCFD		▶ Japan Impact-driven Financing Initiative ▶ SIMI ▶ JCI	▶ CDP ▶ PCAF ▶ Climate Action 100+ ▶ Advance ▶ ISI	▶ Triple I for Global Health ▶ TNFD Forum	▶ Impact Consortium ▶ Spring ▶ Global Impact Investing Network	▶ Ownership Works Japan
Impact Investment	Impact “K” Project			▶ Enhancement of governance structure for promoting responsible investments			▶ Target: Medium-term Management Plan (through FY2025) KPI: Cumulative total of 15 projects, ¥50.0 billion			
	Development of human resources with specialized knowledge						▶ End of March 2023: Cumulative total of 2 projects, ¥11.25 billion ▶ Number of people selected: 2 persons	▶ End of March 2024: Cumulative total of 6 projects, ¥22.55 billion ▶ 1 person	▶ End of March 2025: Cumulative total of 9 projects, ¥27.9 billion ▶ 2 persons	
Environment	GHG emission reduction						Target <GHG emission reduction in the investment portfolio>: 50% reduction by the end of March 2030 (compared to the end of FY2020), carbon neutrality by 2050			End of March 2025: 28.8% reduction
Academic-industrial collaboration	Signing of memorandums of understanding and agreements regarding collaboration and cooperation					▶ Keio University	▶ Osaka University (currently The University of Osaka) ▶ The Ritsumeikan Trust			▶ The University of Tokyo, Division of University Corporate Relations ▶ Waseda University ▶ Tokyo University of Science ▶ Kobe University
	Investments in Academic-industrial Collaboration Funds							▶ Investment in KII3, LPS	▶ Investment in Impact Capital I Limited Partnership ▶ Investment in D3 Bio Healthcare Fund II Limited Partnership	

● Policies Related to Responsible Investments and Main Approaches

— Policies Related to Responsible Investments

As a universal owner managing a wide range of assets over the long term, we have established the following policies to promote responsible investment and are working on them. Furthermore, in 2024, we announced our agreement with and acceptance of the provisions of the Asset Owner Principles. At present, we are steadily implementing initiatives based on five principles.

Sustainable Investment Policy

This policy clarifies our basic approach to carrying out sustainable investment. It stipulates that in all assets under management, sustainability (medium- to long-term sustainability, including ESG factors) should be incorporated into our investments and loans and that we should engage in constructive dialogue (engagement) and appropriate shareholder voting rights.



https://www.jp-life.japanpost.jp/english/aboutus/sustainability/assets/pdf/sasutena_houshin.pdf

Stewardship Activities Policy

This policy sets out our basic approach to stewardship activities aimed at enhancing the corporate value of investee companies, etc. In December 2025, we made revisions to the policy in accordance with the third revision of Japan's Stewardship Code, published in May 2025.



https://www.jp-life.japanpost.jp/english/aboutus/sustainability/assets/pdf/stewardship_policy.pdf

Policy on Exercise of Shareholder Voting Rights

We have established our approach for in-house domestic equity investment to ensure the appropriate exercise of shareholder voting rights. In May 2025, we revised our Standards for the Exercise of Shareholder Voting Rights, which set forth specific criteria for making decisions on individual proposals, and also revised our criteria for appointing directors and outside directors, etc.



https://www.jp-life.japanpost.jp/english/aboutus/sustainability/esg/stewardship/shareholder_voting_policy.html (in Japanese)

In addition, the Company's human rights policy stipulates not to tolerate any form of discrimination, and from the perspective of fulfilling our social responsibility through the companies we invest in and finance, we will respect human rights in our stewardship activities, including how we make decisions on investment and financing, and engage in dialogue with the companies we invest in and finance.

▶ For details on human rights initiatives, please refer to "Sustainability Themes: Human Rights" (p.115).

— Main Approaches

We take a systematic approach, using and combining various methods that take each asset's characteristics into account.

ESG integration

When making investment decisions (evaluation and selection) on investees, we systematically incorporate non-financial information, including sustainability factors, in addition to financial information.

Sustainability-themed investments/Impact investments

- We make investments in and provide loans for themes and projects that help resolve sustainability issues.
- Through these investments and loans, we aim to balance financial returns with measurable social and environmental impacts.

Engagement/Exercise of shareholder voting rights

We engage in constructive dialogue and exercise shareholder voting rights in accordance with Japan's Stewardship Code, aiming for medium- to long-term value enhancement and sustainable growth of our investees.

Negative screening

We exclude certain industries and businesses from our potential investees, such as manufacturers of inhumane weapons and new projects related to coal-fired power generation.

Three Priority Initiative Themes

Based on the Management Philosophy of “Be a trustworthy partner for people, always being close at hand and endeavoring to protect their well-being,” we promote investments and loans with the warmth that is unique to Japan Post Insurance with the aim of fulfilling our social responsibilities to all our stakeholders. As a long-term investor, we look to the future of Japan and the rest of the world as we pursue both social and economic value.

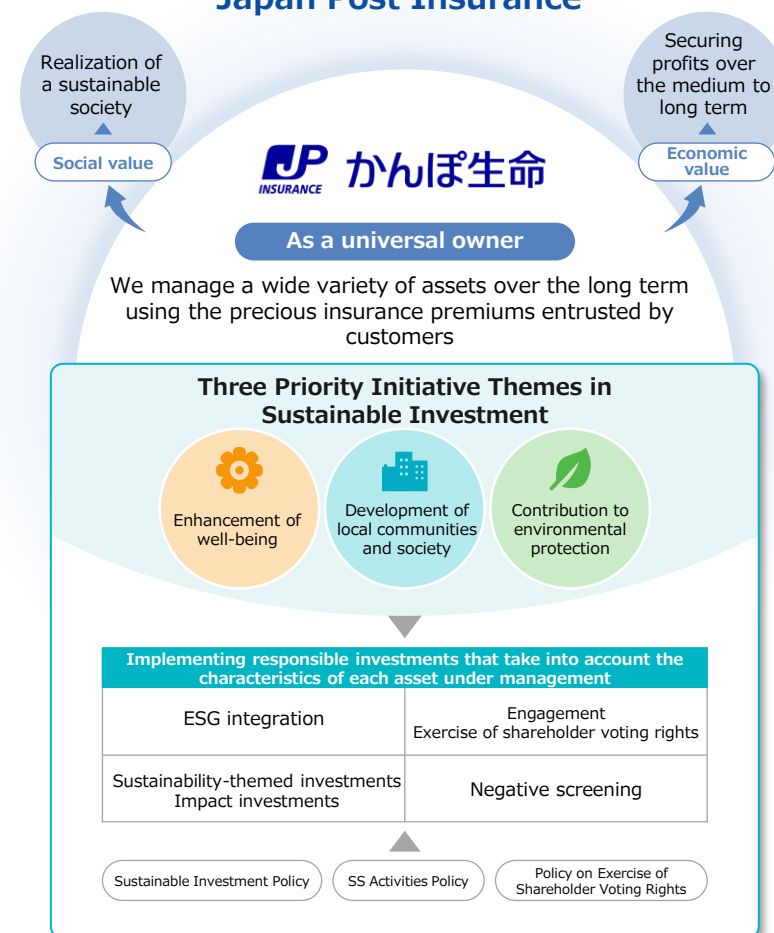
As a universal owner managing a wide variety of assets over the long term using the precious insurance premiums entrusted by customers, we have set three priority initiative themes for sustainable investment: “enhancement of well-being,” “development of local communities and society,” and “contribution to environmental protection.” These themes serve as our compass for putting into action our desire of always endeavoring to protect the well-being of people, as embodied in our Management Philosophy, and for realizing a sustainable society by solving social issues and improving long-term investment results. We carry out sustainable investment with a focus on effectiveness in addressing increasingly complex social issues through an appropriate approach that takes into account the characteristics of our assets under management. We support the enhancement of resilience from multiple perspectives, including improving quality of life in the areas of health, medicine, and education, strengthening social infrastructure through regional economies and industry-academia collaboration, and addressing climate change and natural capital issues.

Japan Post Insurance will fulfill its public mission as a life insurance company and its responsibilities as an asset owner, connecting people and society with the power of finance while building a prosperous and sustainable future for generations to come.

<Three Priority Initiative Themes>



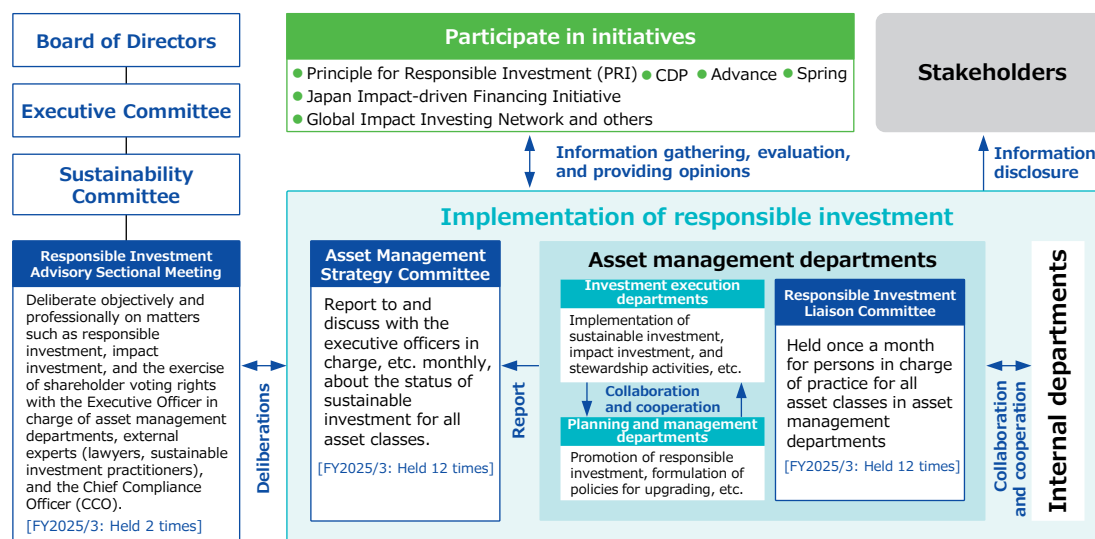
Protect the well-being of people across life stages and generations Investments with “warmth” that is unique to Japan Post Insurance



Governance Structure for Promoting Responsible Investments

To promote and advance responsible investment, we established the Responsible Investment Advisory Sectional Meeting, which is composed of external experts with knowledge in a variety of specialized fields and our executives. The Meeting deliberates objectively and professionally on matters that contribute to socially responsible investment as an institutional investor, as well as matters related to conflicts of interest that may affect the exercise of shareholder voting rights, etc., and reports the results to the Sustainability Committee, an advisory body to the Executive Committee.

The insights gained from these deliberations are reflected in improvements to our responsible investment policies and internal processes, leading to the increased effectiveness and transparency of our initiatives. The progress of our responsible investments is monitored through meetings such as the Asset Management Strategy Committee, attended by the executive officers in charge, etc., and the Responsible Investment Liaison Committee, attended by persons in charge of practice at asset management departments. At these meetings, the progress of each department is shared and issues are identified, in order to solidify and steadily improve the initiatives. Through participation in various initiatives and dialogue with external experts, we also aim to continuously evolve our responsible investments in line with global trends and leading examples.



Status of Responsible Investment Advisory Sectional Meeting

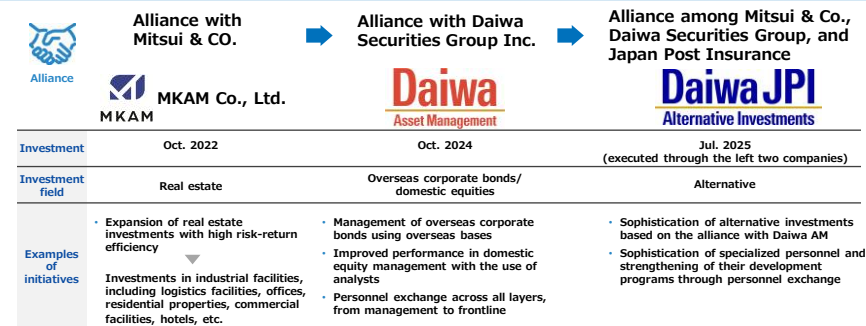
The Meeting deliberates on a wide range of topics, including revisions to the Stewardship Activities Policy and the Standards for the Exercise of Shareholder Voting Rights, progress towards GHG emission reduction targets, impact investment initiatives, and issues and future directions related to responsible and sustainable investments.

Meeting date	Oct. 2024	Mar. 2025	Oct. 2025
Main agenda items	<ul style="list-style-type: none"> Response to the PRI Annual Assessment Report (2024) and future policies Progress towards GHG emission reduction targets in the investment portfolio (as of March 31, 2024) Status of the Impact "K" Project certification (first half of FY2024) Deliberation of revision of the Standards for the Exercise of Shareholder Voting Rights Results of exercising shareholder voting rights for in-house investment 	<ul style="list-style-type: none"> Summary of FY2024 and action in FY2025 Revision of the Standards for the Exercise of Shareholder Voting Rights Introduction of sector-specific guidelines Status of the Impact "K" Project certification (second half of FY2024) Proposal for the update of TCFD and TNFD disclosures Stewardship Activities Plan for FY2025 Organizing our stance on carbon offsetting 	<ul style="list-style-type: none"> Revision of the Stewardship Activities Policy Progress towards GHG emission reduction targets in the investment portfolio (as of March 31, 2025) Status of the Impact "K" Project certification (first half of FY2025) Results of exercising shareholder voting rights for in-house investment Direction of our sustainable investments
Attendance rate of members	100%	100%	100%

Toward Expanding the Asset Management Foundation

Strengthening Asset Management Capabilities through Alliances

We are promoting alliances with other companies to strengthen our asset management capabilities. Thus far, we have stepped up our initiatives in the real estate field, including entering into an alliance with Mitsui & CO., LTD. in June 2022 and taking capital participation in MKAM Co., Ltd.. In May 2024, we entered into alliances with Daiwa Securities Group Inc. and Daiwa Asset Management. By taking capital participation in Daiwa Asset Management, we are working to enhance our investment structure and human resource portfolio. Furthermore, in March 2025, Daiwa Securities Group Inc., Japan Post Insurance, and Mitsui & CO. entered into a capital and business alliance in the alternative asset management field, and thus, we expect to create synergies in the alternative area. We will continue to create synergies and further enhance our asset management capabilities by developing collaborative strategies through alliances with other companies.



Promoting Outsourcing of Management to Emerging Managers

As one of Japan's leading asset owners, we have decided to proceed with outsourcing investment management more proactively than ever before by setting aside a total of ¥300.0 billion over five years from FY2024 to be managed by the so-called "Emerging Managers" (EMs), up-and-coming asset managers with a relatively low track record of investment, in order to contribute to promoting Japan as a leading asset management center. Through this framework, we will support the discovery of new investment human resources and investment capabilities, and the formation of an ecosystem. We will also contribute to building momentum for investment and revitalizing the asset management industry through the active utilization of EMs, thereby contributing to the realization of Japan as a leading asset management center.

- Of the funds to be entrusted, approximately ¥10.0 billion will be managed externally after selecting companies with high asset management capabilities, with the investment universe set to include EMs registered in the EM Showcase formulated by The Organization of Global Financial City Tokyo*.
- In February 2025, we launched the Emerging Managers Program (EMP) jointly with Daiwa Securities Group Inc. and its consolidated subsidiary, Daiwa Asset Management Co. Ltd. Over a period of approximately five years, we aim to invest roughly ¥50.0 billion in funds managed by EMs. In March 2025, as the first project, we invested in the "Cadira Japan Equity Fund," which is effectively managed by Cadira Capital Management Co., Ltd., an independent emerging manager established in 2022.

[Related press releases]

- ▶ (Jun. 26, 2024) Policy on entrusting asset management to emerging managers to contribute to promoting Japan as a leading asset management center https://www.jp-life.japanpost.jp/information/press/2024/abt_prs_id001976.html (in Japanese)
- ▶ (Feb. 25, 2025) Notice regarding the Emerging Managers Program (EMP) initiative by Japan Post Insurance and Daiwa Securities Group to promote Japan as a leading asset management center https://www.jp-life.japanpost.jp/information/press/2025/abt_prs_id002024.html (in Japanese)
- ▶ (Mar. 21, 2025) Notice regarding the Investment Execution for the First Project under the Emerging Managers Program (EMP) by Japan Post Insurance and Daiwa Securities Group https://www.jp-life.japanpost.jp/information/press/2025/abt_prs_id002036.html (in Japanese)

* An organization to conduct various public private financial promotional activities, which was established under the "Global Financial City: Tokyo" Vision formulated by the Tokyo Metropolitan Government in November 2017. The organization has its mission to boost the attractiveness of Tokyo's financial ecosystem, raising its profile as a top-class global financial city.

- ▶ Please see p.16 for the interview of Ms. Keiko Tashiro, Director and Deputy President of Daiwa Securities Group Inc. and Mr. Yu Shimizu, Representative Director, Chief Investment Officer of Cadira Capital Management, "Policy Plan for Promoting Japan as a Leading Asset Management Center and EMP."

– Developing and Securing Investment Specialists

Since life insurance is a long-term financial product, in order to ensure that future insurance claims are paid out, our basic policy is to make steady investments using ALM (asset liability management), with a focus on national government bonds, under an ERM (enterprise risk management) framework. Moreover, we aim to improve profitability by promoting the diversification of investments while conducting asset management with appropriate risk management.

In our asset management departments, we focus on developing and operating a robust investment system by recruiting and developing investment specialists necessary to realize this investment policy. To reinforce our organization, we secure diverse human resources through a combination of mid-career recruitment, new graduate recruitment (quantitative analyst and asset management tracks), and transfers from other departments. To help employees envision their future career paths, we are also clarifying the necessary abilities and skills and strengthening support in terms of training and systems. Additionally, to help employees develop a global perspective and enhance their expertise, we have developed a support program for obtaining MBAs overseas, overseas training, and overseas trainee program, providing opportunities for employees to learn about the latest trends in asset management and sustainable investment, as well as to gain knowledge from specialist institutions overseas. Through these initiatives, we aim to enhance the expertise of our human resources, promote knowledge sharing through appropriate job rotations, and raise the overall level of our organization while sharing each other's knowledge.

Going forward, we will continue to work on developing our human resources to secure stable investment income over the medium to long term and fulfill our responsibilities as a life insurance company and institutional investor.

<Recruitment and development of investment specialists>



Employee voices

Recruited from quantitative analyst track

Long-term, stable investment supported by honed expertise and mathematical approaches

Since joining the company through the quantitative analyst track, I have been responsible for mathematical analysis to formulate medium- to long-term investment policies based on ALM. As life insurance supports customers over the long term, every day I feel a heavy responsibility in formulating asset allocation strategies that aim to improve profitability while ensuring the payment of insurance claims, which serve as this foundation. Japan Post Insurance provides strong support for employees to improve their expertise. This has enabled me to gain the latest financial engineering knowledge through its in-house training programs and apply it to my daily work. I plan to continue using mathematical approaches to improve our medium- to long-term profitability and fulfill our social responsibility as an institutional investor.

Investment
Planning
Department
Y. H.



Selected for the Corporate-sponsored Global MBA Program

Driving our Global Presence through Multifaceted Insights Forged in the U.S.

Since joining the company through the quantitative analyst track, I have focused on formulating long-term asset allocation strategies based on ALM and complying with new capital regulations. My professional growth was further accelerated by a full-time MBA program in the U.S., where collaborating with peers from over 30 nations helped me cultivate a truly global perspective. Upon graduation, I was appointed to the Credit Investment Team at Daiwa Asset Management's New York office. There, I conducted fundamental credit research on U.S. corporations, working directly within a diverse, local team. Committed to excellence as a member of a world-class institutional investor, I look forward to further expanding our asset management footprint on the global stage.

Investment
Planning
Department
H. G.



Policy Plan for Promoting Japan as a Leading Asset Management Center and EMP

As social issues become increasingly complex, there is a growing need to once again consider the roles and responsibilities that asset management should fulfill. With the introduction of the asset owner action principles and the permeation of sustainable investment, asset management organizations are now required more than ever to balance economic returns with the creation of social value. A new framework attracting attention as a catalyst for this trend is the “Japanese EMP,” the central aim of which is to develop emerging managers. In this interview, three individuals working to spread the EMP to promote Japan as a leading asset management center discuss the current situation, challenges they face, and future prospects.



HARUNA Takayuki
Senior Managing Executive Officer,
JAPAN POST INSURANCE Co., Ltd.

Joined The Norinchukin Bank in 1991. After serving as Director and COO of Japan Alternative Investment Co., Ltd., he joined Japan Post Insurance in 2016. Now, as a Senior Managing Executive Officer, he is in charge of the investment execution departments. He also serves as Board Member of The Organization of Global Financial City Tokyo and more.

Mr. SHIMIZU Yu
Representative Director, Chief
Investment Officer, Head of Investment
Management, Portfolio Manager,
Cadira Capital Management Co., Ltd.

Joined Daiwa Securities in 1998. After working at a number of asset management companies, at his former job at SPARX Asset Management, he started investment with a sustainable investment strategy in 2012. Since 2023, he has been responsible for investment departments at Cadira Capital Management.

Ms. TASHIRO Keiko
Director and Deputy President
Daiwa Securities Group Inc.

After serving successively as the Head of Investor Relations Office and the Head of the Daiwa Direct Planning Dept., she held posts such as the Head of Fixed Income, Currency, and Commodities and the Head of Overseas Operations. Now, as a Corporate Executive Officer and Deputy President, she is the Head of Asset Management, Sustainability, and Financial Education.

Required perspective for promoting Japan as a leading asset management center

-Please tell us about the background to this interview, the significance of the “Policy Plan for Promoting Japan as a Leading Asset Management Center,” and the challenges facing Japan’s asset management industry.

Haruna For this interview, we have invited two individuals with whom we have connections through the EMP*, and I would like us to discuss issues toward promoting Japan as a leading asset management center from the perspective of the investment chain. Currently in Japan, normalization of the interest rate environment and market reforms are progressing, and the importance of connecting asset management with daily life and with the future is increasing. At the same time, the era has changed, such that the asset management side is now required not only to maximize profits but also to make socially meaningful investments. Amid this environment, we are advancing the “Japanese EMP” initiative in collaboration with Daiwa Securities Group to take on the challenge of developing emerging managers (“EMs”). As a life insurance company, we bear a heavy responsibility as we manage our customers’ precious insurance premiums, but when considering investment in

EMs, the increasing sophistication and complexity of risk management and other systems sometimes stood as a barrier to embracing new challenges. Therefore, we determined that internal controls could be verified through on-site inspections and other means, and revised our approach, no longer limiting our evaluations of investment performance to asset management companies, and instead expanding them to encompass individual portfolio managers, emphasizing their track records at the investment companies where they previously worked and their career histories. Tapping into the knowledge of Daiwa Securities Group, we were able to partially revise our guidelines and establish a system that enables multifaceted evaluation of EMs, and I feel that this constituted significant progress.

Mr. Shimizu Asset management companies are now required to directly confront the question of “What value does investment create for society?” Against the backdrop of corporate governance reforms and ESG proliferation, asset management is being reevaluated as an endeavor that leads to industrial development and the creation of social value. I also view the “Policy Plan for Promoting Japan as a Leading Asset Management Center” as a development that further clarifies the roles required of EMs. On the other hand, the

biggest challenge facing the asset management side is the “chicken and egg” structure of “you can’t attract funds without a track record, and you can’t build a track record without funds.” A license can be obtained through effort, but attracting funds after launching the business necessarily entails internal adjustment by the financial institutions that are the fund providers. Being selected this time is significant progress for us, but for EMs to grow over the long term, I feel this is still a major structural hurdle, and an issue that the entire industry must confront.

Ms. Tashiro Changes on the asset management side should also benefit the individuals who are the ultimate asset owners. However, in Japan, opportunities for financial education are limited, and not many people are able to form a mental picture of “where their money is being used and what impact it is having on society.” The proportion of assets kept in the form of cash and deposits is high, but behind that lies a structural problem, namely that the role and value of asset management have not been sufficiently understood. That’s precisely why it’s essential for asset managers to carefully communicate what they emphasize and what judgment criteria they use for investing, and to keep engaging in dialogue with individuals.

* The Emerging Managers Program (EMP) is a program for supporting emerging managers.

Interview “Policy Plan for Promoting Japan as a Leading Asset Management Center and EMP”

Ms. Tashiro Also, this heightened awareness of investment value is steadily spreading to the corporate side, too. When I myself was working as an investor relations officer, acting as a bridge between the company and investors, from 1999 to the mid-2000s, I witnessed firsthand how themes such as governance, women’s career activities, and environmental issues were brought in from overseas, and how they really shook up attitudes on the corporate side.

At that time, these were areas that were difficult for companies to voluntarily and proactively address, and I feel that it was pressure from asset owners that was the driving force for change. To promote Japan as a leading asset management center, it will be important to expand such chains of change, and advance human resource development and dialogue mechanism building across the entire industry.

To promote Japan as a leading asset management center, it will be important to expand such chains of change, and advance human resource development and dialogue mechanism building across the entire industry



Shifts in attitudes prompted by action principles

- **The “Asset Owner Principles” have been established as a code of conduct for asset owners. What impact has this had on yourselves, your business partners, the market, and so on?**

Ms. Tashiro The Asset Owner Principles are extremely weighty principles for those entrusted with asset management, but an issue is that their significance has not been sufficiently communicated to individual investors. What’s truly important for individual investors is being able to concretely envision “how their money is being used and what value it will create.” However, not many people understand how responsible asset management connects to society. That’s exactly why securities companies also need to devise ways to provide information and communicate the meaning of investment in an easy-to-understand manner.

I think that carefully presenting one’s own stance and initiatives, in the way that Japan Post Insurance’s Responsible Investment Report does, is incredibly meaningful in deepening investors’ understanding.

Haruna The introduction of the Asset Owner Principles became an opportunity to verbalize the discipline and stance we have emphasized and review our daily investment decisions. We’re not only an asset owner but also a universal owner, as we invest huge sums of money in a wide range of areas, so it’s essential to conduct responsible asset management over the long term. While the principles have no legally binding force, they call for a stance close to the ideals we ourselves have declared, and if adoption spreads among major asset owners, it will also lead to qualitative improvement in the markets. Since we’re entrusted with precious assets, we intend to put even more effort into carefully communicating the perspective of being responsible for the future of society.

Mr. Shimizu What I sense through dialogue with asset owners is that the Asset Owner Principles are positioned to inherit the trend seen with the establishment of the Stewardship Code and the Corporate Governance Code over the past 10 years. That said, it’s not that this trend has caused Japan Post Insurance to change its stance. Rather, I see it as a policy-level clarification of practices that the company had already been following at a high standard for some time.

However, I’ve also noticed a change that the actions of public asset owners are gradually becoming more open, with increasing opportunities for dialogue. While the Asset Owner Principles will not immediately produce dramatic changes, I view them as an important first step in reexamining the state of asset management across Japan as a whole.

While the Asset Owner Principles will not immediately produce dramatic changes, I view them as an important first step in reexamining the state of asset management across Japan as a whole



Interview

“Policy Plan for Promoting Japan as a Leading Asset Management Center and EMP”

New forms of capital circulation enabled by the EMP

- Please tell us about Japan Post Insurance’s progress with the Japanese EMP and the issues that have come up.

Haruna Launching the Japanese EMP with Daiwa Securities Group in February 2025 was a major turning point. During our involvement in EM development through The Organization of Global Financial City Tokyo, the biggest challenge was connecting with asset managers, and significant progress was made with the official establishment by the Tokyo Metropolitan Government of the “EM Showcase.” With increasing encouragement from the Financial Services Agency, we also put together a support program based on this trend, and its first investment was in the “Cadira Japan Equity Fund.”



From my own experience in my previous role, where I was mainly involved in investing in new funds and conducting due diligence, I’ve seen many cases of asset managers who had previously devoted themselves to asset management finding themselves unable to concentrate on that after spinning out due to increased administrative work, and struggled in their corporate management as a result. In Japan, there’s a tendency to emphasize formal track records, so I feel that for EMs to grow, an EMP mechanism that supports not only asset

management but also middle- and back-office functions, which are burdensome, is essential.

Ms. Tashiro With this EMP, Daiwa Asset Management Co. Ltd. serves as the gatekeeper, with a policy of investing in funds managed by EMs such as Cadira. By combining strengths with Japan Post Insurance, Daiwa Asset Management can demonstrate its capabilities in areas such as product structuring, identifying investor needs, providing middle- and back-office services, and engaging in dialogue with investors. Daiwa Asset Management’s role is to support the building of mechanisms to grow capital over the long term, leveraging the knowledge we have gained from interacting with diverse investors. On the other hand, the environment in Japan is such that independent funds have difficulty growing, as risk-taking approaches and due diligence methods are still developing. Behind the EMP being positioned as policy, I believe there was clear intent to address such issues.

Mr. Shimizu It’s been one year since we started managing assets, and I feel the current arrangement is functioning extremely well. With Japan Post Insurance demonstrating a long-term perspective as an asset owner and Daiwa Securities Group assisting us from both securities and asset management perspectives, we have been blessed to get started in such a supportive environment. Going forward, I believe that new EMs entering this framework will contribute to promoting diversity in the industry and market soundness.

During the recent due diligence process, we earned high marks mainly for our corporate stance and philosophy of realizing world-class sustainable investment in Japanese equities. However, EMs incur fixed costs upfront, so for a considerable period it’s difficult for them to take the plunge on strengthening their investment system and investing in human resources. Such constraints are unique to the startup phase, and to overcome them, long-term relationship building with asset owners who understand the asset manager’s philosophy is vital. We therefore also emphasize dialogue above everything else.

EMP issues and possibilities

- What do you think about the relationship between the EMP and sustainable investment or impact investment, and the balance with required returns?

Haruna While we have actively promoted impact investment, I feel that given the increasing complexity of social issues these days, more diverse approaches are required. Although companies may lean toward profit as top priority after listing, social issues always exist regardless of a company’s growth stage. That’s precisely why it’s increasingly important to achieve both social issue resolution and economic returns through “crossover investment,” namely investment in both listed and unlisted companies, so as to create value over the medium to long term.

Impact investment is defined by four elements: “clear intent,” “economic returns,” “wide range of asset classes,” and “measurability of impact,” but the most debated aspect is the balance with returns. Without economic returns, it’s basically a donation, but we can’t invest in ethically unacceptable businesses even if they’re highly profitable. Therefore, what’s important is for asset owners and managers to share the same philosophy and continue to engage in dialogue on how to achieve both social issue resolution and economic viability. I view the EMP as a key framework for supporting that dialogue.

Interview “Policy Plan for Promoting Japan as a Leading Asset Management Center and EMP”

Ms. Tashiro Sustainable investment and impact investment are closely related, but the biggest point of debate is “what level of economic returns do we expect?” Some people pursue the same level of economic returns as with regular investments, at the same time also seeking impact, while others are satisfied if they can obtain a certain level of financial return. So, values currently differ widely among investors. Even globally, methods of measuring impact aren’t yet established, and evaluation criteria vary greatly depending on what investors consider an acceptable outcome.

Particularly in the area of environmental problems, it takes time to see results, so the key point is whether you can maintain a long-term perspective. That being the case, I feel that the EMP is highly compatible with impact investment in terms of “building mechanisms to grow capital over the long term.” Impact investment

enables investors’ own philosophies and judgments to be more strongly reflected, and I think there’s great potential to shape new investment methods.

Mr. Shimizu I strongly agree that the EMP and sustainable investment are suited to each other. What constitutes meaningful investment and what level of impact or returns to seek differs from investor to investor, so the EMP’s approach of having diverse asset managers serve as “small vessels” to broaden the options available can be said to be highly compatible with this area. On the other hand, investment in listed companies tends to create more distance between investors and the investee’s operations than investment in unlisted companies does, and the key is how to instill an impact orientation into corporate decision-making. Therefore, through repeated dialogue with investor relations departments, sustainability officers, and management, as well as communication of our

evaluation criteria and direction, we’re contributing to sustainable impact creation through corporate activities themselves.

Furthermore, in recent years, we’ve been focusing on communication, and by leveraging the agility of our small scale to present new concepts and stances, we’re increasingly being approached by large companies for exchanges of views. As the company side also explores the relation between non-financial information and corporate value, I feel there’s a growing movement to utilize the EMP in the manner of R&D to incorporate new perspectives.



Ms. TASHIRO Keiko
Director and Deputy President,
Daiwa Securities Group Inc.

HARUNA Takayuki
Senior Managing Executive Officer,
JAPAN POST INSURANCE Co., Ltd.

Mr. SHIMIZU Yu
Representative Director,
Chief Investment Officer,
Head of Investment Management, Portfolio Manager,
Cadira Capital Management Co., Ltd.

Expectations and prospects for the EMP

Ms. Tashiro To promote Japan as a leading asset management center, improving financial literacy across the population as a whole will be critical. Financial institutions need to play a central role in developing the environment for this. I look forward to working together to expand opportunities for learning, including in educational settings.

Mr. Shimizu Being selected as the first project means we bear a heavy responsibility, but it’s also an opportunity for a new challenge for us. If we can demonstrate new values through asset management, it should encourage other EMs to also take on challenges. We hope we can be part of a foundation that produces legends 20 or 30 years from now.

Haruna Our intent behind this EMP isn’t for Cadira to become a giant asset manager. It’s for them to continue refining Cadira’s unique values and culture so that in 10 or 20 years, we can proudly say, “They’re a great asset manager, and I’m glad we came across them back then.” Creating that future together is sure to prove that launching the EMP was worth it.

3

ESG Integration

- **Japan Post Insurance's ESG Integration** [p.21](#)
- **Initiatives by Asset Class**
[in-house/externally managed] [p.22](#)
- **Negative Screening** [p.32](#)

Japan Post Insurance's ESG Integration

Implementation of ESG Integration for All Assets Under Management

To improve medium- to long-term investment results, we implement ESG integration for all assets under management. In addition to financial information, we incorporate ESG and other sustainability-related non-financial information into the investment process. Sustainability issues including climate change and human rights issues are key factors that can influence the future cash flows, cost of capital, and creditworthiness, etc. of companies and issuers. By appropriately incorporating non-financial information like this into the investment decision-making process, we are aiming to gauge risks and growth opportunities that cannot be understood with financial information alone to improve the quality of our portfolio and strengthen risk management.

In implementing ESG integration, according to the characteristics and investment style of each asset, we comprehensively analyze the status of sustainability initiatives of investees, engagement (purposeful dialogue), monitoring results, quantitative data on GHG, etc., and external ESG evaluation data. The results of these analyses are used to make decisions on investments and loans and investment ratio adjustments, as well as for post-investment monitoring and dialogue with companies. As a particularly important process, our analysts engage in dialogue based on thorough analyses and assessment results. Information gained from this is incorporated into performance forecasts and creditworthiness assessments, and used continuously for assessment reviews and investment decisions. Moreover, we also apply ESG integration to alternative assets including private equity, real estate, and infrastructure. As alternative assets are traditionally less liquid than stocks and bonds and held for longer investment periods, they are easily impacted by medium- to long-term sustainability issues such as climate change and changes in social structure, and sustainability factors must therefore be considered in the investment process. Rather than mechanically applying uniform criteria, we conduct effective assessments based on specific characteristics, taking into account the asset manager's ESG promotion system and strategy, PRI signatory status, and asset-specific initiatives (participation in GRESB, etc.).

<Approach to incorporating sustainability factors by asset class>

In-house	Government bonds and quasi-government bonds	Analysis and evaluation based on financial information	<ul style="list-style-type: none"> ▶ When making investment decisions and during monitoring, we evaluate the investee's sustainability factors with reference to scores from external ESG ratings agencies. ▶ When making sustainability-themed investments, we invest in projects that can broadly contribute to the achievement of the SDGs and the resolution of issues, after checking how funds will be used and project feasibility. ▶ We measure and evaluate sustainability outcomes for sustainability-themed bonds in which we have invested with the intention of contributing to the resolution of environmental and social issues. 	Consider sustainability for every investment asset
	Domestic and foreign corporate bonds		<ul style="list-style-type: none"> ▶ When making investment decisions and during monitoring, we evaluate the investee's sustainability factors with reference to scores from external ESG ratings agencies. ▶ When making investment decisions, we assess and consider investee companies' responses to climate change, including their efforts to reduce greenhouse gas emissions. ▶ We evaluate the status of investee company sustainability-related initiatives through dialogues with them and by utilizing the information obtained therein. ▶ When making sustainability-themed investments, we invest in projects that can broadly contribute to the achievement of the SDGs and the resolution of issues, after checking how funds will be used and project feasibility. 	
	Domestic equities		<ul style="list-style-type: none"> ▶ We use our uniquely developed ESG scoring system to evaluate our equity portfolio and manage three types of domestic equity ESG funds (dividend funds, growth funds, and undervalued dividend funds). ▶ ESG scoring method: Items that affect future cash flow and cost of capital are extracted and evaluated for each of the three elements of environment (E), social (S), and governance (G). 	
	Project finance		<ul style="list-style-type: none"> ▶ We check environmental impact and other factors when assessing potential investments or loans before making decisions on each. ▶ We do not invest additionally in coal-fired power generation projects regardless of location because those emit a large amount of CO₂, and we are concerned about an impact on climate change. 	
	Domestic municipal bonds and loans		<ul style="list-style-type: none"> ▶ We consider sustainability factors when selecting municipalities for investment, loans or dialogue (Specifically, when selecting municipalities for investment, loans, or dialogue, we regularly check their sustainability-related initiatives, such as certification under the Zero Carbon City and SDGs Future City programs.) ▶ We evaluate the sustainability-related initiatives of municipalities for investment or loans through regular dialogues with them and by utilizing the information obtained therein. ▶ We invest in SDG bonds with the aim of contributing to the sustainable growth of local communities. 	
Externally managed	Equities, real estate, infrastructure, PE, etc.		<ul style="list-style-type: none"> ▶ When selecting and monitoring external asset managers, we check their sustainable investment initiatives (policies and attitudes toward sustainability, specific investment approaches, etc.) using our proprietary questionnaire and take these into consideration when making investment decisions. ▶ When deciding whether to invest, we consider the specifications of the eligible funds and check whether their negative screening and other efforts to exclude specific businesses, etc. are appropriate in light of Japan Post Insurance's negative screening criteria. 	

Initiatives by Asset Class **In-house**

Equity Investment

We believe that sustainability factors are closely related to the medium- to long-term creation of corporate value and implement ESG integration for all in-house* domestic equity funds. In the equity investment process, we analyze the impacts that sustainability factors could have on a company's competitiveness and sustainability from both a risk and opportunity perspective. By reflecting the results of these analyses into performance forecasts and valuation assessments based on our unique corporate value model, we ensure the selection of companies with real potential for sustainable growth.

Dividend funds	Investment in high-dividend companies expected to increase their corporate value over the medium to long term, based on a comprehensive evaluation of the company's ESG initiatives in addition to its financial information
Growth funds	Investment in companies using environmental and social initiatives as growth opportunities, evaluating their contribution to business performance and growth potential with regard to technological capabilities and business infrastructure contributing to achieving the SDGs and solving social issues, while considering financial information
Undervalued dividend funds	Investment in undervalued companies expected to ensure income revenue and offer high returns during market recovery based on a comprehensive evaluation of the company's ESG initiatives in addition to its financial information

* In line with capital and business alliances, includes funds transferred to certain asset managers without changing the style of investment.

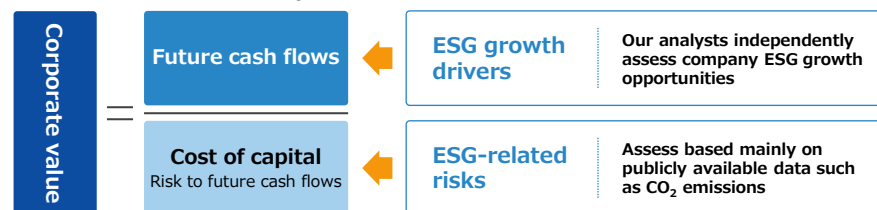
<Selection of companies with potential for sustainable growth>

Determination of investment target universe	1 Negative screening	Specific exclusion criteria have been set to address sustainability issues and realize a sustainable society	Investment Universe <small>(Stocks above a certain level in terms of market capitalization, etc.)</small>
	2 Quantitative screening	Perform screening by liquidity, credit risk, and other measurable factors corresponding to strategies of each fund	
Company selection through analysis and evaluation	3 Financial information	Analyze and evaluate financial information (sales, liabilities, sales volume, and other information which can be measured in numbers and quantities) from financial documents and other sources	Investment Target Universe
	4 Non-financial information	Select companies based on qualitative judgments and the overall ESG score	
Portfolio establishment	5 Execution of investment	Determination of investee companies, weights, etc.	Investment Targets
Stewardship activities	6 Engagement Exercise of shareholder voting rights	Engage in dialogue with companies about issues necessary for enhancing corporate value and exercise of shareholder voting rights based on our Policy on Exercise of Shareholder Voting Rights	

Proprietary ESG scoring system for domestic equity investments

The general corporate value evaluation model calculates value by discounting the future cash flow by the cost of capital. However, as shown in the diagram below, we believe that ESG factors affect both future cash flows and the cost of capital. Based on this view, we calculate ESG score for each company and incorporate this into our investment decisions.

<Connection between corporate value and ESG factors>



Impact on future cash flow

ESG factors are expected to have a significant impact on corporate performance, such as the many business opportunities created by SDGs and the future large economic benefits estimated worldwide. And we believe that it is difficult to assess growth opportunities based on publicly available information alone. Therefore, our analysts carefully research the investee companies to independently assess their growth opportunities based on ESG.

Impact on cost of capital

We assess factors which pose risks in assessing corporate value, such as CO₂ emissions and plant safety management, using mainly quantitative data published by companies. As it is difficult to evaluate our priority initiative themes in sustainable investment of the enhancement of well-being and the development of local communities and society, as well as governance, using only quantitative data, our analysts also use qualitative judgment.

● Process and Initiatives (ESG Score Calculation Flow)

1 Estimate ESG-related sales (sales of ESG-related businesses and products)

In estimating ESG-related sales, we establish the following two criteria of (1) expected contribution to materiality (key issues) and (2) expected sustainable growth potential for the business, and estimate the weighting of ESG-related sales in total sales for each segment. The financial information disclosed by companies rarely discloses the sales of such ESG-related businesses and products. Therefore, our analysts independently make estimates based on dialogue with companies and comprehensive analysis of various information. For example, for Chemical Company A, one of the world's top chemical companies in materials for lithium-ion batteries used in cars, our analysts estimate sales of such materials based on company comments and information on capital investments if the sales of such materials are not disclosed.

Publicly available financial information



Data estimated independently by our analysts using dialogue content and various information

2 Evaluate the company's ESG score based on our proprietary assessment system

We extract items believed to affect a company's future cash flows and cost of capital for each of the ESG elements of environment (E), social (S), and governance (G), and evaluate the target company's ESG score on a three-level scale (1 to 3) in accordance with our proprietary assessment system.

<ESG score assessment system>

ESG score (Out of 100)

E Environment	▶ ESG growth drivers	• ESG-related sales
	▶ ESG-related risks	• Evaluation using quantitative data (CO ₂ emissions, etc.)
S Social	▶ ESG growth drivers	• ESG-related sales
	▶ ESG-related risks	• Qualitative evaluation (enhancement of well-being, development of local communities and society) • Evaluation using quantitative data (ratio of female managers, etc.)
G Governance	▶ ESG-related risks	• Evaluation using quantitative data (ratio of outside directors, etc.) • Qualitative judgments (status of improvements in governance, attitude toward dialogue, etc.)

● Two Key Points in Equity Investment

POINT 1

Delve into Growth Drivers in the Growth Fund

For growth funds that invest in companies that view environmental and social initiatives as growth opportunities with a focus on environment- and social-related growth drivers, we create an environmental and social initiative assessment sheet in addition to calculating ESG scores to delve into these initiatives when establishing our portfolio, and select companies with high strategic growth potential related to environmental and social factors.

1 Estimate ESG-related sales

2 Evaluate the company's ESG score

3 Create an environmental and social initiative assessment sheet

The environmental and social initiative assessment sheet is used to evaluate whether a company's technological capabilities and business foundation related to solving environmental and social issues serve as growth drivers. For companies that are investee candidates for growth funds, this assessment sheet is prepared to delve into their corporate environment and social initiative-related growth drivers.

4 Select companies with environmental and social initiative rating of A

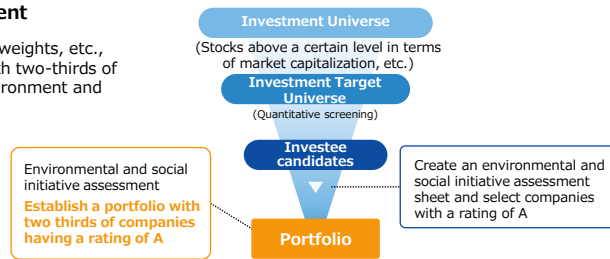
Items that meet any of the following assessment items are rated A.

■ Assessment item

- Environment- and society-related sales: 20% or more
- Growth contribution of environment- and society-related sales: 20% or more
- Environment- and society-related profit: 20% or more
- Growth contribution of environment- and society-related profit: 20% or more

5 Portfolio establishment

Determine investees and weights, etc., to establish a portfolio with two-thirds of companies having an environment and social rating of A



POINT 2

Connection Between Sustainability Investment Priority Initiative Themes and Assessment Items Used in the Calculation of ESG Scores

For calculating ESG scores, we use items believed to contribute to the improvement of relevant social issues as evaluation criteria, with due consideration of our priority initiative themes in sustainable investment.

<Identification of assessment items>

Priority Initiative Themes	Related Social Issues	Assessment Items Used in the Calculation of ESG Scores	
Enhancement of well-being	<ul style="list-style-type: none"> Disparities in the lives of children Social inclusion of the aging population, people with disabilities, etc. Gender gap Improvement of health and hygiene 	ESG-related sales	Businesses related to education, social inclusion, health promotion, etc.
		Quantitative items	Gender indicators such as the ratio of female managers, indicators related to human rights and supply chain
		Qualitative items	Contribution to health promotion, etc.
Development of local communities and society	<ul style="list-style-type: none"> Support for local business revitalization and attraction of companies Support for building local community 	ESG-related sales	Businesses related to local community development, etc., and businesses related to social infrastructure
		Quantitative items	Contribution to job creation in rural areas, etc.
Contribution to environmental protection	<ul style="list-style-type: none"> Support for renewable energy GHG emission reduction Conservation of natural resources Biodiversity protection 	ESG-related sales	Businesses related to climate change, circular economy, and nature resource conservation
		Quantitative items	GHG emissions per unit of sales, amount of waste, water consumption, and wastewater discharge Environmental impact mitigation policies, supply chain environmental impact mitigation measures

● Analysis Report Verification of ESG Evaluation of Portfolio Constituent Companies (As of March 31, 2025)

Comparison of ESG scores of portfolio constituent companies and of TOPIX500

For the 130 constituent companies of the dividend fund, growth fund, and undervalued dividend fund in domestic equity management, the weighted average ESG score exceeded the benchmark TOPIX500 for each of the E, S, G categories.

■ ESG score*1 comparison

	TOPIX500*2	Portfolio constituent companies ³ (130 companies)
Environment (E)	22.9	23.5 ↗
Social (S)	24.9	26.5 ↗
Governance (G)	20.8	21.9 ↗
Total	68.7	71.9 ↗

<Comparison analysis>

Environment (E) The score outperformed the benchmark due to many companies having ESG-related sales (business expected to have a contribution to environmental protection) above the market average.

Social (S) The score outperformed the benchmark due to many companies having ESG-related sales (businesses that are expected to contribute to the enhancement of well-being and the development of local communities and society) as well as a ratio of female managers and other factors that are above the market average.

Governance (G) The score outperformed the benchmark both quantitatively and qualitatively, due to the inclusion of items related to capital efficiency during screening.

*1 Weighted average values

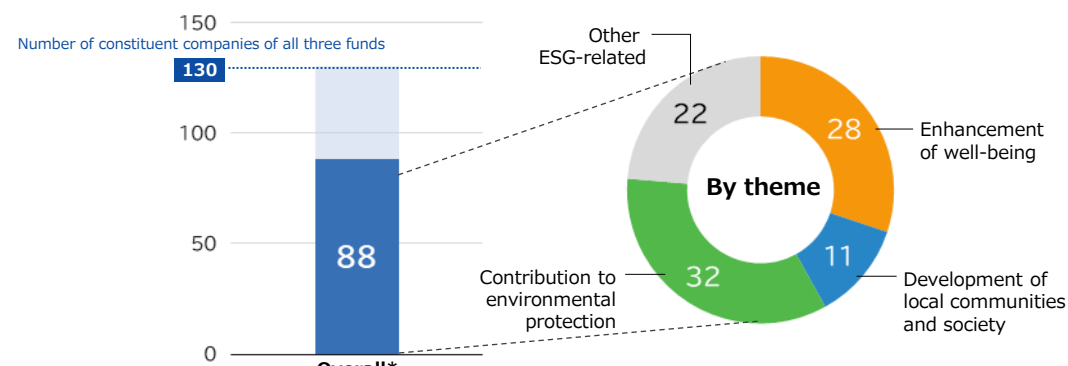
*2 TOPIX500 ESG scores are calculated based on our assessment system used for domestic equity investments

*3 Constituent companies of three funds: dividend fund, growth fund, and undervalued dividend fund

ESG-related sales as a percentage of constituent companies

Of the 130 constituent companies held for domestic equity management in the three funds, 88 had ESG-related sales that exceeded 20% of the total.

■ Number of stocks with ESG-related sales ratio of 20% or more



* Because ESG-related sales may consist of multiple themes, the number of companies (88 companies) under "Overall" in the table above does not match the sum of companies by theme.

<Characteristics of constituent companies by theme>

Enhancement of well-being	Development of local communities and society	Contribution to environmental protection	Other ESG-related
Companies which have businesses that contribute to an improvement in healthcare	Companies which have businesses that contribute to social infrastructure, local job creation, and local community interaction	Companies which have businesses that contribute to climate change measures such as reducing GHG emissions	Companies which have businesses related to labor productivity improvement, technological innovation, etc.

● **Analysis Report** Effect of GHG Emission Reduction as a Result of ESG Integration (March 31, 2025)

Comparison of portfolio constituent companies and TOPIX

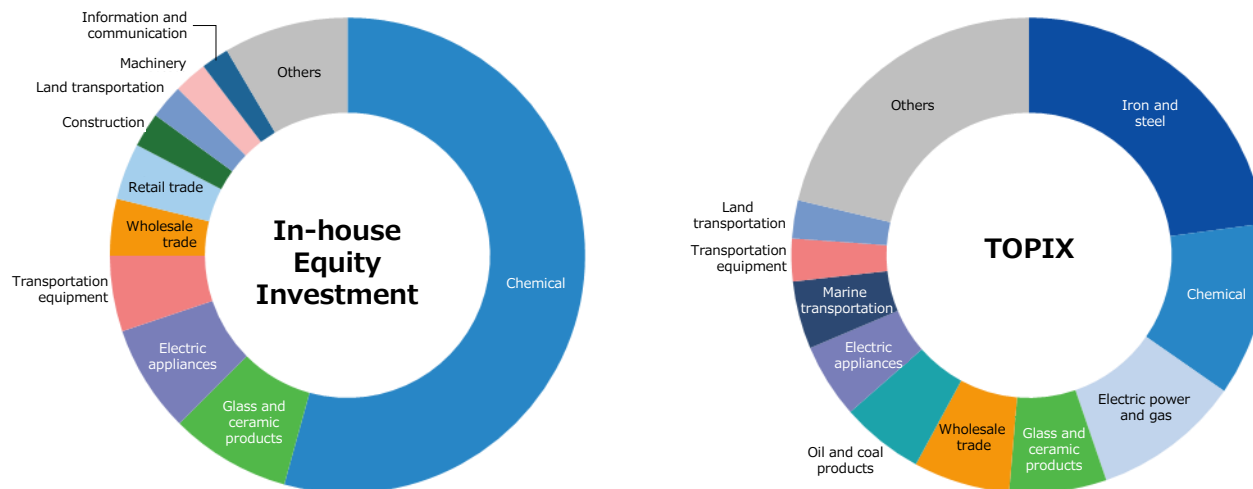
The GHG emissions (Scope 1 + 2) from stocks held in domestic equity investment were measured to be lower than the GHG emissions by TOPIX companies. Therefore, we believe that ESG integration contributes to the reduction of GHG emissions. We will continue to make investment decisions in consideration of ESG factors including GHG emissions and encourage our investee companies to address them through dialogue.

<Measurement results>

GHG emissions (Scope 1 + 2)	
In-house equity investment	175,366
TOPIX*	275,853

* Benchmark figures are calculated based on the emissions of a benchmark holding the same amount as our investment balance.

■ **Breakdown of GHG emissions by industry**



Source: ©2025, S&P Trucost Limited, Japan Post Insurance

Corporate Bond Investment

For bond investments, we place importance on certainty until redemption and focus on reducing downside risks. Specifically, we analyze the impacts that ESG risks, such as governance shortcomings and environmental regulation violations, could have on the issuer’s creditworthiness and financing capabilities, and reflect the results of this analysis on issuer assessment and company selection. Aiming to avoid future credit risks that are difficult to gauge with financial information alone, and in turn secure stable profits, we are promoting ESG integration which incorporates sustainability factors and other non-financial information in addition to conventional financial analyses.

	Evaluation based on financial information, etc.		Evaluation based on non-financial information including sustainability factors
Ongoing enhancement (review)	1 Selection of investment universe <ul style="list-style-type: none"> Analysis of financial and business risks and sector trends 	+	<ul style="list-style-type: none"> Taking into account assessments from external ESG assessment organizations, we conduct screenings based on a comprehensive review of sustainability factors in general. Our own ESG scores are assigned to certain industries.
	2 Company selection and investment execution <ul style="list-style-type: none"> Term, price, sector allocation of the portfolio, etc. 		<ul style="list-style-type: none"> We check for negative news related to governance, such as money laundering, as needed, and ensure strict risk management including the suspension of new investments in investee companies where problems are observed. For sustainability-themed bonds, we verify the use of funds and the effectiveness of the project.
	3 Monitoring and reporting <ul style="list-style-type: none"> Bond issuers are continuously monitored, and the results are reported to the relevant departments on a monthly basis. 	+	<ul style="list-style-type: none"> We confirm the status of improvement of non-financial indicators and the progress of relevant measures through annual reports and other disclosure materials. For sustainability-themed bonds, we regularly check on the allocation of funds.
	4 IR meetings <ul style="list-style-type: none"> We confirm recent performance and future forecasts, etc. We encourage companies to change their behavior by sharing our views as an investor and providing feedback for improvement. 	+	<ul style="list-style-type: none"> We confirm our key sustainability themes. For sustainability-themed bonds, we check the timing of the issuance of impact reports and the degree of quantification of the disclosed content, etc. We conduct letter-based engagement as necessary with some issuers, including overseas companies.

Proprietary ESG score evaluation process

To perceive investee companies’ initiatives from an objective and in-depth perspective, for certain industries, we have introduced an evaluation system using proprietary ESG scores.

Formulation and scoring of assessment items : Based on assessment items that are established in line with our Stewardship Activities Plan and sustainability-related topics, we conduct quantitative and qualitative analyses and score companies based on disclosure materials and information obtained through dialogue. In addition to using these scores as bases for making our investment decisions, we also use them as important indicators in dialogue.

Ongoing enhancement (review): In principle, we do not fix assessment items or criteria and conduct revisions once a year. We are able to constantly maintain a highly effective evaluation system by reflecting changes in the market environment and results of dialogue into the next fiscal year’s evaluation system.

Management process of sustainability-themed bonds

To eliminate concerns surrounding greenwashing, etc. and ensure transparency, we adopt an integrated management process from the investment exploration stage to the post-investment stage. We also conduct centralized management of all stocks held and regularly share the status of each bond through internal meetings, etc. to maintain control.

Prior confirmation (pre-investment): We confirm use of funds (plans) through issuers’ reports and IR meetings, etc. We also check the timing of the issuance of impact reports and the degree of quantification of the disclosed content through interviews and use our findings in investment decisions.

Annual monitoring: In principle, once a year, we confirm the status of allocation of funds and project progress through IR meetings and issuers’ reports, etc.

Government Bonds and Quasi-Government Bonds

Based on the items we prioritize as priority initiative themes in sustainable investment (enhancement of well-being, development of local communities and society, and contribution to environmental protection), we conduct our own proprietary ESG scoring and incorporate it into investment decisions.

1 Select items that are consistent with our policies using World Bank data

We select items judged to reflect the factors emphasized in our Sustainable Investment Policy from the database published by the World Bank.

E	Natural resources and transition risks	<ul style="list-style-type: none"> Natural resources and transition risks Food security
S	Health and equality	<ul style="list-style-type: none"> Health and nutrition Poverty and inequality
G	Political conditions and public freedom	<ul style="list-style-type: none"> Public voice and accountability Regulatory quality

2 Conduct ESG scoring of each country

[Image]



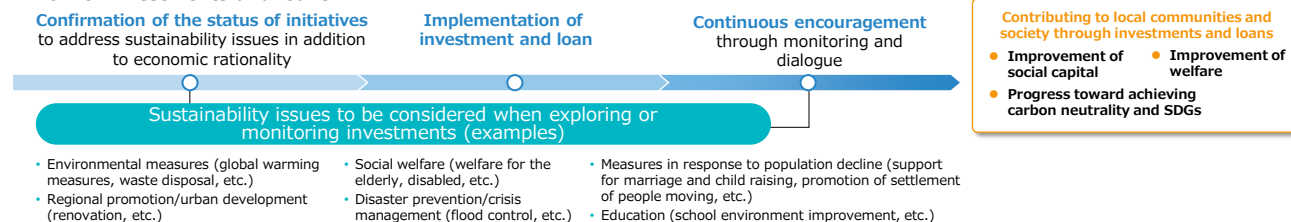
3 Make a comprehensive investment decision while referring to ESG factors



Domestic Local Government Bonds and Loans

In addition to economic rationality, such as yield levels and financial conditions, in investments and loans to local governments, efforts toward our priority initiative themes in sustainable investment (enhancement of well-being, development of local communities and society, contribution to environmental protection) are also incorporated as bases for making decisions. Specifically, we execute investments and loans upon evaluating responses to sustainability issues, including the status of Zero Carbon City^{*1} declaration and the SDGs Future City^{*2} certification. Moreover, after the execution of investments and loans, we continuously check the status of initiatives and encourage the resolution of issues through regular dialogue and monitoring with local governments. In addition, information obtained through dialogue is reflected in the ensuing evaluation process for the local government.

<Flow of investments and loans>



▶ Please see p.69 for details on constructive dialogue (engagement) with local governments.

*1 As announced by the Ministry of the Environment, the local government where the municipality or its chief executive has announced that the municipality aims to reduce greenhouse gas emissions or CO₂ emissions to net zero by 2050.

*2 The Cabinet Office selects "municipalities proposing outstanding initiatives for the achievement of the SDGs."

Project Finance

In making decisions on investments or loans in project finance primarily for renewable energy power generation facilities (solar power, etc.) in Japan and overseas, we confirm the environmental impact with the operator and other relevant parties, and make comprehensive judgments based on the results of on-site inspections, economic rationale, and other considerations. Note that in accordance with our negative screening, we do not make any new investments or loans related to coal-fired power generation.

[Points to confirm/examples]

Interaction with the local community

Information provision, preliminary briefing implementation, etc. for the residents of the surrounding area have been appropriately carried out.

Impact on the surrounding environment

Third-party surveys of the surrounding environment have been conducted, and appropriate measures in terms of safety and impacts on the environment and the ecosystem, etc. have been taken.

Initiatives by Asset Class Externally managed

As an asset owner that outsources the management of many assets to external asset managers, we also apply ESG integration to externally managed assets from the perspective of managing assets appropriately to fulfil our fiduciary responsibility. In the same way as in-house management, by linking the analysis and assessment of non-financial information and ESG initiatives with engagement activities, we are improving the quality of investment decisions and strengthening risk management.

When selecting external asset managers and conducting post-investment monitoring, in addition to basic items including investment performance and system, we use our proprietary responsible investment questionnaire to check their approach to considering sustainability factors, engagement policy and performance, and participation in initiatives. In addition to selecting asset managers based on a comprehensive analysis and assessment of such combined information, we also ensure ongoing monitoring and dialogue after investment. Through dialogue with asset managers, alongside the sharing of our perspectives and level of expectations, we check the execution of improvement measures and their reflection into investment processes, thereby promoting the enhancement of ESG integration in an effort to continuously improve quality and maximize returns. We also conduct regular reviews of our responsible investment questionnaire in line with external environmental changes, and in FY2023, for example, we made updates reflecting the revision to PRI assessment items.

Our proprietary ESG scores based on the characteristics of each asset

In order to analyze and evaluate the ESG integration conducted by asset managers in external investments more adequately, we have established our own ESG score according to the characteristics of the asset. We calculate scores based on responses to the responsible investment questionnaire and various ESG-related information. By using the results of this analysis and assessment in dialogue with and monitoring of asset managers, we are gauging the status of ESG integration initiatives and engaging in dialogue for further improvements. Based on the investment environment and sustainability-related trends, we conduct regular reviews of the assessment items and the assessment criteria.

<Examples of changes to items and criteria>

Domestic equity funds	By reviewing assessment criteria and weighted averages and breaking down the evaluation results, we ensure more precise evaluation of asset managers' initiatives.
Domestic credit funds	We made changes to criteria in line with sustainability disclosure status and sustainability themes we focus on as an asset owner.

Equity Funds

We continuously monitor responsible investment initiatives by external asset managers and funds both at the time of making investment decisions and after investment. Specifically, in addition to checking the presence of responsible investment policies and promotion systems among asset managers, we conduct careful examinations of how ESG factors are considered and integrated in actual investment processes and in each stage of portfolio building (company selection and screening).

Questionnaires and interviews regarding responsible investment

We check the status of responsible investment policies and promotion systems among asset managers and their specific investment methods, etc.

Negative screening

We consider the specification of the eligible funds and check whether their negative screening defined by the funds and other efforts to exclude businesses, etc. are appropriate in light of Japan Post Insurance's negative screening criteria.

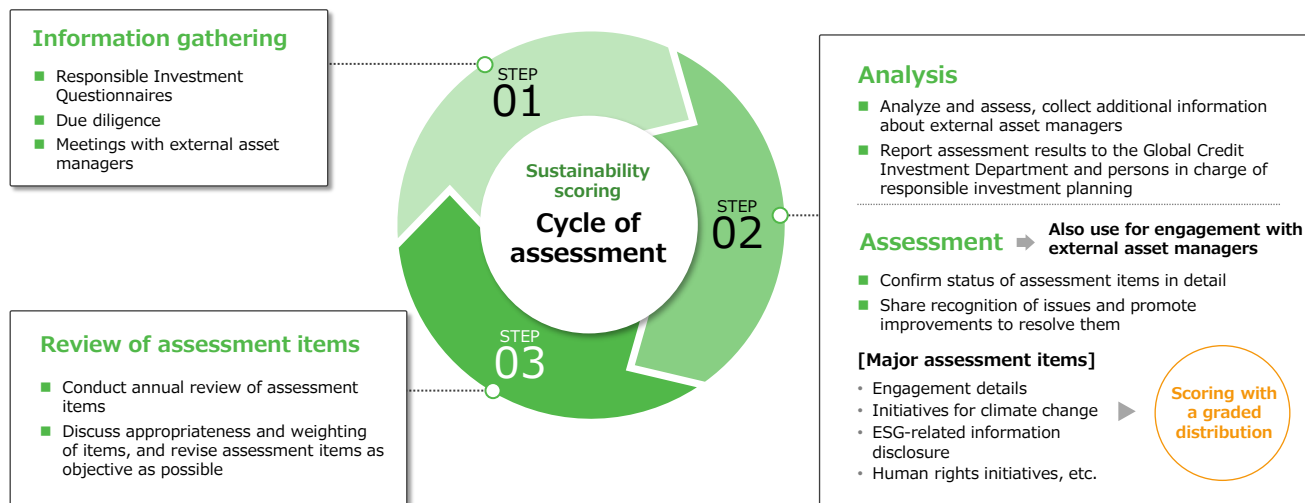
Annual evaluation of asset managers

In annual evaluations of equity funds, we include the status of ESG integration initiatives in our scoring process. Moreover, to appropriately evaluate the initiatives of each company, we conduct reviews of assessment criteria as necessary.

Credit Funds

In principle, once a year, we conduct proprietary sustainability scoring for all investee companies, both new and existing, and use the results in our investment process and in dialogue.

This method was developed in-house based on our Sustainable Investment Policy, and is characterized by objectivity and enhancement through annual reviews. In dialogue with asset managers, we promote ongoing improvements to initiatives based on our assessment results.



Infrastructure Funds

When selecting an external asset manager, we emphasize consistency with our Sustainable Investment Policy and check its sustainability action policy and implementation status of ESG integration. After selection, we conduct ongoing checks through monitoring. In addition, in fund-of-funds-style operations, when external asset managers conduct due diligence on investment target funds, we ask that they check the status of sustainable investment initiatives, and we verify the results. Note that based on our negative screening, we do not make any new investments in project financing related to coal-fired power generation.

Points to confirm on the status of initiatives	<ul style="list-style-type: none"> PRI signatures External indicators (SFDR, GRESB ratings, etc.) Status of establishment of sustainable investment system (policies, regulations, expertise) Status of implementation of ESG integration in investment decision-making processes Status of regular disclosure of sustainability information to investors
Negative screening	<ul style="list-style-type: none"> Common: Companies involved in inhumane weapons, project financing for coal-fired power generation Domestic: Military-related facilities Overseas: Companies involved in the manufacture and sale of illicit drugs

Real Estate Funds

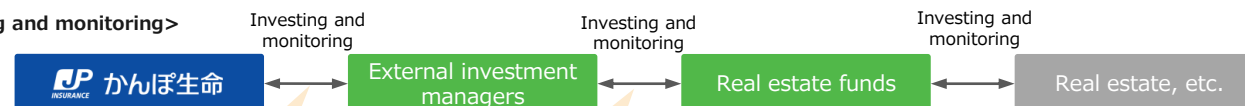
For real estate fund investments, we invest in several real estate funds mainly through outsourced management using an external investment manager. Both during the selection of external investment managers and after the start of investment, we conduct direct engagement with the fund asset manager through the external asset manager, and check the status of sustainability initiatives using the responsible investment questionnaire (in principle, once a year after the start of investment). Moreover, in addition to continuous monitoring, we are aiming to enhance our assessment methods using GRESB and other external indicators to promote more effective engagement. For GRESB in particular, since becoming the first Japanese life insurance company to join as an investor member in December 2021, we have used the framework to enhance ESG integration and gauge industry trends, share information between investors, and more, and thus enhancing our initiatives.



GRESB
REAL ESTATE

Established in 2009, GRESB is a benchmark tool to evaluate sustainability performance of companies and funds that own and manage real estate and infrastructure. GRESB is also an organization that operates the benchmark tool. The GRESB Real Estate Assessment, a real estate benchmark, covers a wide range of assessment criteria, including the ESG performance of properties held, corporate governance, and stakeholder engagement performance.

<Flow of investing and monitoring>



Confirmation of status of ESG initiatives

We confirm specific initiatives of external investment managers such as sustainability-related policies and frameworks, and their approach to sustainable investment.

Conducting active engagement

With the aim of promoting the spread of sustainable real estate with high environmental value, we confirm the acquisition status of environmental certifications and encourage certification acquisition for candidate properties to be included in the fund. We also conduct monitoring after investment that involves collecting data on the properties included in the fund, such as GHG emissions, and verifying their participation and evaluation results in the GRESB Real Estate Assessment, and proactively conduct dialogue based on this information.

Private Equity Fund

For investments in private equity funds, we primarily use gatekeepers. In conducting due diligence and post-investment monitoring of investee candidates through gatekeepers, we incorporate research and evaluation of sustainability initiatives into the process. We have also participated in the ESG Data Convergence Initiative (EDCI) from 2022 in order to enhance ESG integration and improve its effectiveness in the private equity market, where the impact of laws and regulations on the disclosure of sustainability information is limited.



ESG Data Convergence Initiative

Officially launched in 2021, the ESG Data Convergence Initiative aims to standardize ESG-related reporting and improve information transparency and portfolio comparability in the private equity industry, and contribute to the development of the industry. We support data collection, benchmark creation, and other projects led by the ESG Data Convergence Initiative.

Selection of asset manager

In our due diligence for investee candidates, we use the responsible investment questionnaire to confirm the asset managers' own initiatives, such as policies and systems related to responsible investment and stewardship, and how ESG is incorporated into their investment process.

Monitoring after the start of investment

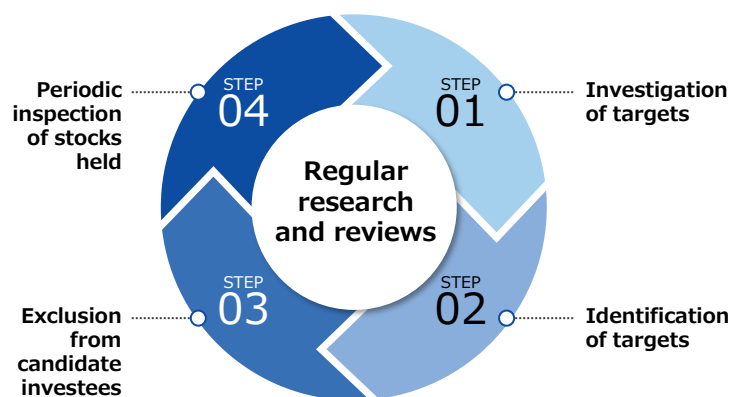
We regularly monitor, analyze, and evaluate the sustainable investment initiatives of the asset manager and investee funds, as well as conduct engagement through pipeline meetings and investment reporting meetings to promote further involvement in sustainability initiatives.

Negative Screening

As a responsible institutional investor, we aim to solve sustainable issues and achieve a sustainable society by setting criteria for negative screening and incorporating ESG integration into portfolio establishment.

Screening Targets

Planning and management departments investigate and identify screening targets, then notify investment execution departments who exclude them from candidate investee companies. We also inspect investee companies on our investment portfolio regularly. The basis of negative screening is reviewed on an ongoing basis, taking into account social conditions in Japan and overseas.



Inhumane weapons

Cluster bombs, anti-personnel mines, biological and chemical weapons

Because controversial weapons (cluster bombs, anti-personnel mines, biological and chemical weapons) inflict enormous damage on civilians indiscriminately, we do not invest in companies that manufacture these weapons.



New domestic and foreign project finance related to coal-fired power generation

Coal-fired power generation emits large amounts of CO₂ and there are concerns about its impact on climate change. For this reason, we will not invest in new domestic or foreign project finance related to coal-fired power generation, regardless of its generation efficiency.

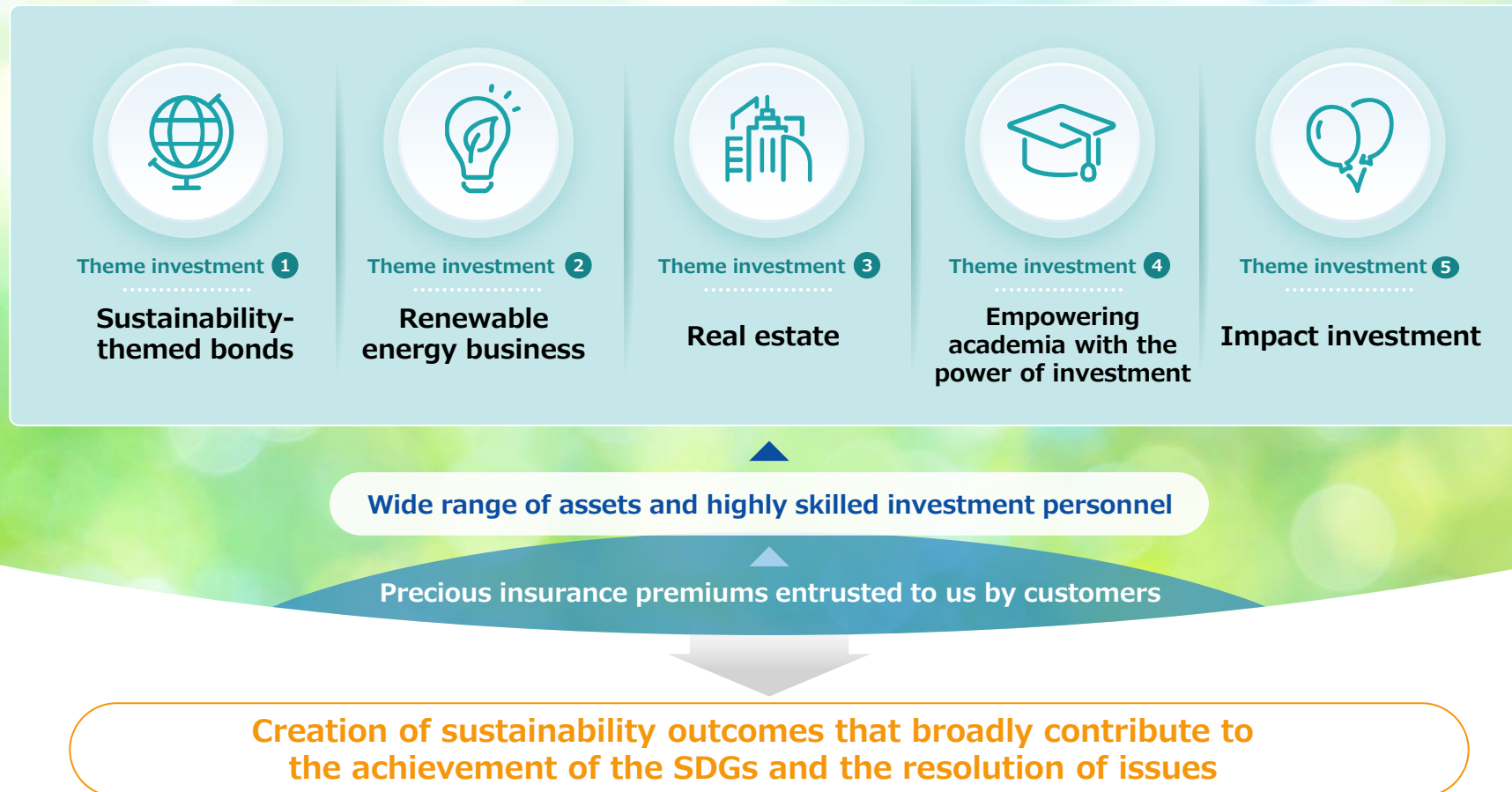
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Sustainability-themed Investments

- **Promotion of Sustainability-themed Investment** p.34
 - (1) **Sustainability-themed Bonds** p.35
 - (2) **Renewable Energy Businesses** p.37
 - (3) **Real Estate** p.38
 - (4) **Empowering Academia with the Power of Investment** p.38
 - (5) **Impact investment** p.39
- **<Special Feature> Loans to Local Governments (Using Postal Life Insurance Funds)** p.40

Promotion of Sustainability-themed Investment

- Aiming to realize a sustainable society and improve long-term investment results, we are promoting sustainability-themed investments that consider sustainability factors.
- We invest in companies and projects that can broadly contribute to the achievement of the SDGs and the resolution of social issues through diverse assets, after confirming the use of funds and feasibility.
- Since 2021, we have quantitatively measured and disclosed sustainability outcomes for society that have been created through investments in sustainability-themed bonds issued by international agencies.





① Sustainability-themed Bonds

Blue Bonds

Investment in the Blue Bond* issued by the Republic of Indonesia, the world's largest island nation

Proceeds are allocated to projects that contribute to the development of the Blue Economy as defined in the SDGs Government Securities Framework formulated by the Government of Indonesia.

* Bonds for which the use of raised funds is limited to finance projects related to the marine environment, such as improvement and conservation of the marine environment, sustainable fishing, and the prevention of marine pollution



Green Transition Bonds

Investment in the Green Transition Bonds issued by the European Bank for Reconstruction and Development

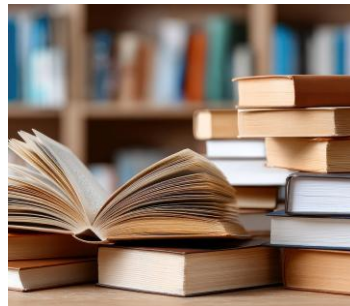
Proceeds are allocated to projects aiming for transition to decarbonization in industry sectors with high environmental impact, which will lead to significant reductions in their GHG emissions. This includes projects to improve fuel efficiency at energy plants and those that promote the shift to clean fuel to reduce GHG emissions.



Education Bonds

Investment in the Education Bond issued by Asian Development Bank

Proceeds are allocated to projects in school education and vocational training, such as providing equal access to education and continuous learning, for women in the Asia-Pacific region who are at higher risk of dropping out of school.



Sustainable Development Bond

Investment in the Sustainable Development Bond issued by Inter-American Development Bank (IDB)

Proceeds are allocated to projects led by IDB to promote social development that co-exists in harmony with the environment of member countries, including supporting the introduction of the One Health approach to nature conservation and zoonotic infectious disease research projects in Latin America and the Caribbean.





① Sustainability-themed Bonds

To quantitatively understand the extent to which our investments contribute to sustainability outcomes created through sustainability-themed bonds issued by international agencies, we use impact reports published by issuers to measure the portion attributable to our investment. Moving forward, in addition to improving the effectiveness and transparency of our investments through these measurements, we will promote the enhancement of our disclosures through dialogue with issuers.

<Flow from investment to generation of sustainability outcomes>



[Assessment target]

Of the sustainability-themed bonds issued by international agencies that we hold, the bonds which we have selected based on the criteria of availability of quantitative indicators

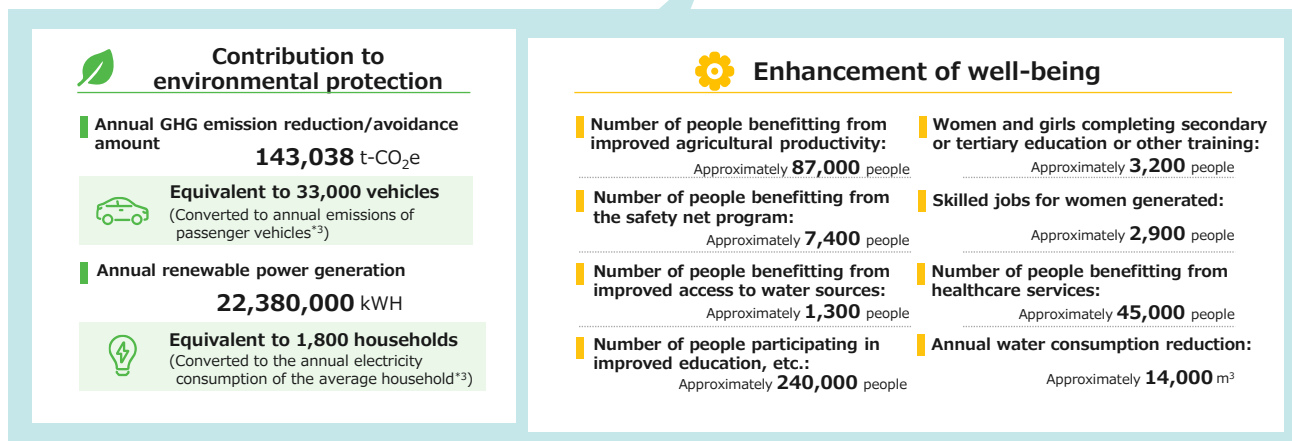
[Assessment method]

Calculate our contribution [project outcomes x (our investment amount / entire financial scale of the project)] based on the issuer's disclosure documents²

[Quantitative indicators]

Selected based on the intention at the start of investment. We confirm that negative impact is appropriately managed and mitigated by the issuer.

- *1 The investment amounts displayed have been converted using the exchange rate at the time of the investment.
- *2 Sustainability outcomes are calculated for the bonds held during the measurement period.
- *3 We use the US EPA Greenhouse Gas Equivalencies Calculator. Emissions from passenger vehicles and electricity consumption by the average household are national averages.





② Renewable Energy Business

We make investments in renewable energy businesses such as solar power generation that help ensure a stable supply of electricity using inexhaustible renewable energy, thereby supporting the transition to a low-carbon society.

Renewable Energy Business Investment example

At a renewable energy power generation facility we provided financing for in 2020, steps are being taken to ensure the long-term, stable operation of the business, such as building consensus in the local area and taking due consideration for the natural environment and the wildlife that inhabits it, through such measures as giving prior explanation for local residents, conducting appropriate investigations and responses in accordance with environmental assessment procedures, and carrying out conservation activities for flora and fauna in the area. In some projects, neighborhood association members and other local residents hold discussions with business operators to help install emergency power sources or to develop spaces for residents to mingle, thereby giving back profits generated by the business to help ensure safe living and contribute to social activities in the local community.

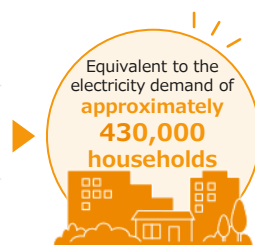
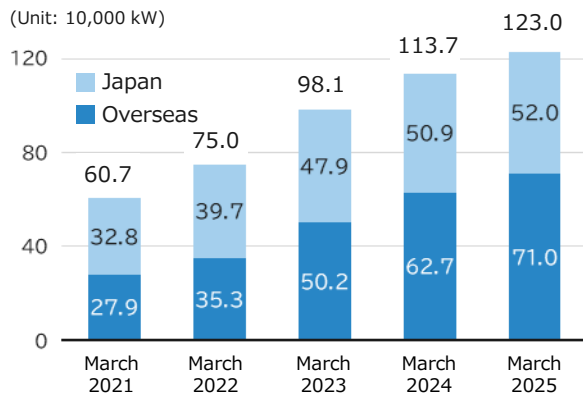
While renewable energy businesses are seen as a promising way to combat climate change, there are also concerns about the safety, environment, ecosystems, and landscapes that accompany the installation of solar panels and wind turbines. We therefore pay close attention to whether these businesses are being operated while striving to co-exist harmoniously with local communities.

▶ Total power generation output from renewable energy facilities that we loan to and invest in

We measure the total power generation output of renewable energy facilities as a sustainability outcome from investments and loans in renewable energy businesses such as solar power generation.

Total power generation output from renewable energy facilities that we loan to and invest in

(Unit: 10,000 kW)



Total power generation output from renewable energy facilities that we loan to and invest in (FY2024)

Overseas **¥96.0 billion/710,000 kW**

Japan **¥133.1 billion/520,000 kW**

* As of March 31, 2025
(as of September 30, 2024 for some projects)

Kinki **¥34.22 billion/93,000 kW**

Chugoku **¥18.22 billion/66,000 kW**

Kyushu & Okinawa **¥16.36 billion/50,000 kW**

Chubu **¥22.32 billion/51,000 kW**

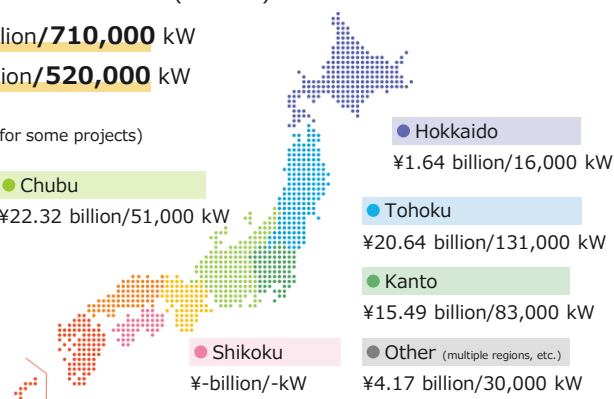
Shikoku **¥-billion/-kW**

Hokkaido **¥1.64 billion/16,000 kW**

Tohoku **¥20.64 billion/131,000 kW**

Kanto **¥15.49 billion/83,000 kW**

Other (multiple regions, etc.) **¥4.17 billion/30,000 kW**





③ Real Estate

While aiming to maintain and improve medium- to long-term asset value, Japan Post Insurance invests in real estate with a focus on sustainability considerations to improve living environments, revitalize local communities, and contribute to the resolution of social issues including climate change, natural disasters, and childcare shortages.

Investment in a sustainability-conscious real estate fund

We invested in the MBRM Fund, which is managed by Mitsui & Co., Realty Management Ltd. (MBRM), and which targets investments in a diverse range of real estate including logistics facilities, commercial facilities, and office buildings expected to have stable occupancy over the medium to long term.

The fund conducts sustainability-conscious investments and strives to reduce environmental impact through the acquisition of environmental certifications such as CASBEE for real estate and the DBJ Green Building certification, as well as by measuring GHG emissions for each investment property. Moreover, MBRM is a signatory of the Principle for Responsible Investment (PRI) through its shareholder Mitsui & Co. Asset Management Holdings (MAH), while it also supports the Task Force on Climate-related Financial Disclosures (TCFD).

Investment in a fund that invests in licensed nursery schools in Tokyo

We invested in the Nursery School Mirai Fund III, which invests in real estate that accommodate licensed nursery schools in Tokyo.

We aim to solve the social issue of children on waiting lists through investing in this fund that attracts nursery schools operated by quality nursery school operators to urban areas with large numbers of children on waiting lists for nursery schools and provides safe and secure childcare.



④ Empowering Academia with the Power of Investment

Academic research is expected to result in the creation of technologies that can contribute to solving various social issues, and is indispensable for the creation of a sustainable social structure and economic growth in Japan. As such, we are working on industry-academia collaboration in the field of asset management to contribute to the development of university education systems and advanced research results.

▶ Please see “Academic-industrial Collaboration” (p.118) for details on initiatives for the academic-industrial collaboration via asset management.



Signing of memorandums of understanding, etc. with university corporations, etc. regarding collaboration and cooperation



Investments in academic-industrial collaboration funds



Providing financial support to universities through investments in university bonds



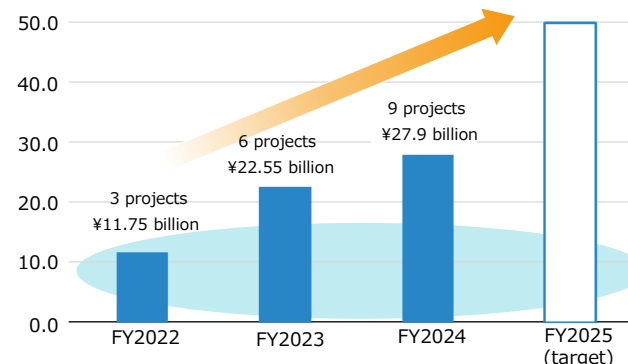
(5) Impact Investment

We are proactively promoting impact-oriented investments. Impact investments, which simultaneously aim for financial returns and the resolution of social issues, have a high level of affinity with the asset management style of life insurance companies, which pursues stable profits over the long term, and therefore will also contribute to enhancing our future corporate value.

In 2022, we launched our impact investment framework, the Impact “K” Project, and we internally certify and manage impact investment projects that meet our proprietary criteria. The progress of this project has been set as a KPI in the Medium-Term Management Plan. For details, please see “Impact “K” Project” (p.70) of this report.

KPIs in the Medium-Term Management Plan (to FY2025)

(Unit: billion yen)



Impact “K” Project-certified Funds
15 projects*
¥50.0 billion*

Impact “K” Project

* Cumulative number of projects since the start of certification in FY2022 and the amount invested by the Company (the amount invested or committed, depending on the type of fund)

Investing in various assets, such as domestic listed equity, private equity, and academic-industrial collaboration funds that invest in university-originated startups

Radio-Taiso

The Postal Life Insurance Bureau of the Ministry of Communications, the origin of the Company established “Radio-Taiso” as National Health Exercise Program in 1928. It was widely spread through radio broadcasts by the NHK (Japan Broadcasting Corporation). We have assumed the role of promoting Radio-Taiso, first undertaken by the Ministry of Communications and then by its successors, namely the Ministry of Posts and Telecommunications, the Postal Service Agency and Japan Post prior to privatization. We have been working together with Japan Broadcasting Corporation and the NPO Japan Radio-taiso Federation to promote the program. In the age of the 100-year life, we will continue to convey the warmth and appeal of “Radio-Taiso” to help solve social issues such as improving the health of everyone and revitalizing local communities.

Japan Post Insurance Portal Site <“Radio-Taiso” and “Minna no Taiso”>

Including the Festival of 10 Million People’s “Radio-Taiso” and “Minna no Taiso” and All-Japan Elementary School “Radio-Taiso” Competition, we are providing information and useful contents about our Radio-Taiso events.

<https://www.jp-life.japanpost.jp/radio/>
(in Japanese)



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Loans to Local Governments (Using Postal Life Insurance Funds)

Since our establishment as a life insurance business by the former Ministry of Communications in 1916, we have been providing investments and loans to local governments. These funds have been utilized to develop public facilities and infrastructure, such as school buildings and citizens' halls, thereby contributing to the development of local communities and society as a whole. Even today, plaques inscribed with the words "Postal Life Insurance Service financing facility" can be seen throughout Japan, serving as a tangible reminder of our history of contributing to the development of local communities and society.

Loans to local governments by Japan Post using Postal Life Insurance funds

From 1919 until the privatization in 2007, Japan Post used Postal Life Insurance funds to provide loans to local governments. The funds have contributed to the development of infrastructure in local communities, such as the development of elementary and junior high schools, the construction of public housing, and the spread of public sewerage systems, as well as the improvement of the welfare of residents.

Management after the privatization of the postal service

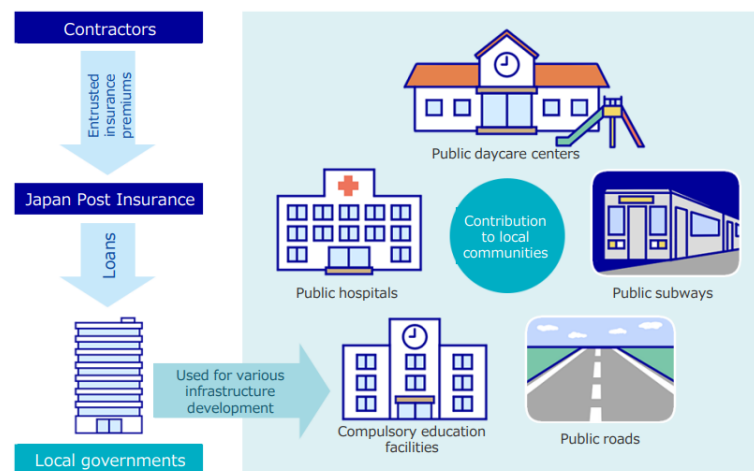
The Postal Life Insurance funds relating to loans to local governments were carried on by the Organization for Postal Savings, Postal Life Insurance and network of post offices in accordance with the Act on Preparation, etc. of Relevant Acts Accompanying Enforcement of the Postal Service Privatization Act, etc. Japan Post Insurance currently undertakes credit management duties for these loans under an operations consignment agreement with the Organization.

Contribution to local communities

Loans to local governments have been used for various infrastructure development across Japan, and continue to support local communities to this day.

Investees	Total loans
Approx. 1,600 local governments	Approx. ¥1.5 trillion

(As of December 31, 2025)



Notice concerning loans to local governments

<https://www.jp-life.japanpost.jp/aboutus/lending/> (in Japanese)



5

Stewardship Activities

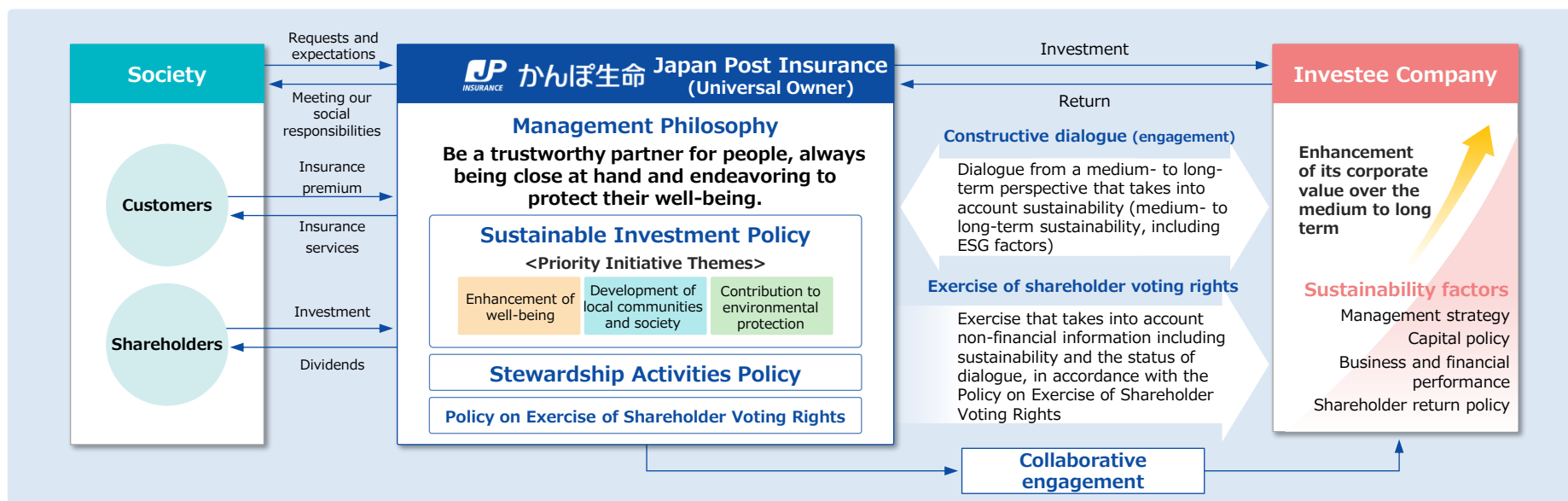
- **Japan Post Insurance's Stewardship Activities** p.42
- **Equity Investment** p.45
- **Corporate Bond Investment** p.50
- **External Equity Investment** p.55
- **<Special Feature> Alternative Asset Dialogue** p.56
- **Exercise of Shareholder Voting Rights** p.57
- **Collaborative Engagement and Policy Engagement** p.64
- **Compliance with Japan's Stewardship Code and Self-assessment** p.67
- **<Special Feature> Constructive Dialogue (Engagement) with Local Governments** p.69

Japan Post Insurance's Stewardship Activities

Japan Post Insurance's mission is long-term and stable asset management to fulfill the promises we have made to customers through life insurance contracts and ensure secure payment of insurance claims, etc. As an institutional investor that diversifies investments across a wide range of assets using the precious insurance premiums entrusted to us by customers, we respond to social demands, including compliance with Japan's Stewardship Code, while supporting the enhancement of corporate value and the sustainable growth of investees. Furthermore, we aim to translate the sustainable growth of the entire market into medium- to long-term investment returns and realize a virtuous cycle for the overall economy, including the ultimate beneficiaries. While considering the characteristics of assets, we will fulfill our stewardship responsibilities by engaging in constructive dialogue with investees and appropriately exercising voting rights, as well as by participating in initiatives in Japan and overseas and utilizing collaborative engagement.

 Sustainability Website of Japan Post Insurance
<Stewardship Activities>

<https://www.jp-life.japanpost.jp/english/aboutus/sustainability/esg/stewardship.html>



- Realization of a sustainable society, improvement of investment results over the long term
- Building further relationships of trust with customers by contributing to resolving social issues

– Implementing Stewardship Activities

In our stewardship activities, we promote sustainable growth and medium- to long-term enhancement of corporate value through engagement (constructive dialogue with investees). As an investor, we continuously monitor company circumstances, with the aim of encouraging changes in corporate behavior from a medium- to long-term perspective. Based on this, we engage in phased and flexible dialogue, comprehensively considering company size and growth stage, non-financial information, past dialogue content and voting rights exercise results, social conditions, and other factors. To enhance dialogue effectiveness, we assign personnel with skills and knowledge and establish appropriate structures, while also determining issues and making proposals that consider feasibility and time horizons based on companies' visions. Furthermore, if we do not anticipate any progress in terms of their willingness to cooperate in constructive dialogue or their efforts to address issues, we consider escalation, such as requesting meetings with management, exercising our voting rights, or revising the allocation of our assets, thereby fulfilling our stewardship responsibilities in an appropriate manner.

We view corporate sustainability initiatives as important factors that significantly impact investee company value, as they not only mitigate business risks but also present growth opportunities. Positioning these initiatives at the core of our management and actively promoting them not only contribute to increasing profitability and sustainability, but also help resolve long-term social issues. We consider it our responsibility as a life insurance company to work toward shaping a future in which our customers can live with peace of mind. Through stewardship activities, we support corporate initiatives, bringing sustainable economic returns to customers while also creating a better future. In addition, based on this thinking, we have prioritized four issues in our Stewardship Activities Policy: "the realization of a decarbonized society," "protection of biodiversity," "human rights," and "human capital."

Dialogue with investees is an important opportunity to deepen our understanding of management circumstances and challenges that contribute to the enhancement of corporate value, as well as to consider future directions. As an institutional investor, we base our asset management on long term investments. Accordingly, we will continuously conduct stewardship activities while building relationships of trust with companies.

<Steps>

1

Gaining insight into investee companies

Experienced analysts rigorously monitor and analyze company circumstances based on public information (financial and non-financial information) as well as past dialogue content and voting rights exercise results to identify topics for dialogue.

■ Confirmation items

- Business and financial performance, medium- to long-term management strategies, shareholder return policy, capital policy, governance structure
- Status of initiatives related to sustainability issues
- Importance to our portfolio (market share, etc.)
- Relevance to our three sustainable investment priority initiative themes (e.g., GHG emissions, etc.)
- Sustainability issues facing investee companies
- Results of past dialogue, shareholder voting, and monitoring

2

Selection of dialogue partners

After discussion within the team, and based on the management circumstances and identified issues of investee companies, the dialogue partners and dialogue policy are determined.

3

Constructive dialogue (engagement)

From a medium- to long-term perspective, the status of sustainability initiatives, as well as management and business strategy, financial strategy, and governance structure are confirmed. Issues we recognize as an investor are shared, and the investee company is asked to improve their response or enhance their information disclosure. We strive to ensure that discussions are not uniform or formulaic by considering each company's size, stage of growth, as well as content of past dialogues and social conditions, for the realization of their vision. Moreover, we engage in collaborative engagement and lobby policymakers, considering effectiveness as necessary.

■ Changes in dialogue content

- 1 Sharing of issues ⇒ 2 Enhancing understanding ⇒ 3 Introduction of good examples from other companies ⇒ 4 Commitment from the company to change ⇒ 5 Ongoing progress toward improvement ⇒ 6 Implementation of operational changes and new disclosures by the company

4

Exercise of shareholder voting rights

Voting rights for all holdings are exercised based on the Policy on Exercise of Shareholder Voting Rights. Rather than being uniform in our approach, we decide whether to vote for or against proposals after reflecting on past dialogue and assessing the status of the company's initiatives and its future direction. Depending on the situation, we create opportunities for dialogue with companies before exercise to confirm background and intent, and make flexible judgments.

5

Multiple attempts

Even after dialogue and voting rights exercise, we continuously monitor and evaluate progress with the process, such as progress on addressing issues, disclosure content, and changes in business performance, and utilize the results in future investment decisions, dialogue, and voting rights exercise.

⇒ Consideration of escalation

If, upon multiple attempts, we do not anticipate any progress in addressing issues, we will consider, as necessary, requesting meetings with management, exercising our voting rights, or revising the allocation of our assets in an escalating manner.

● Ongoing Dialogue

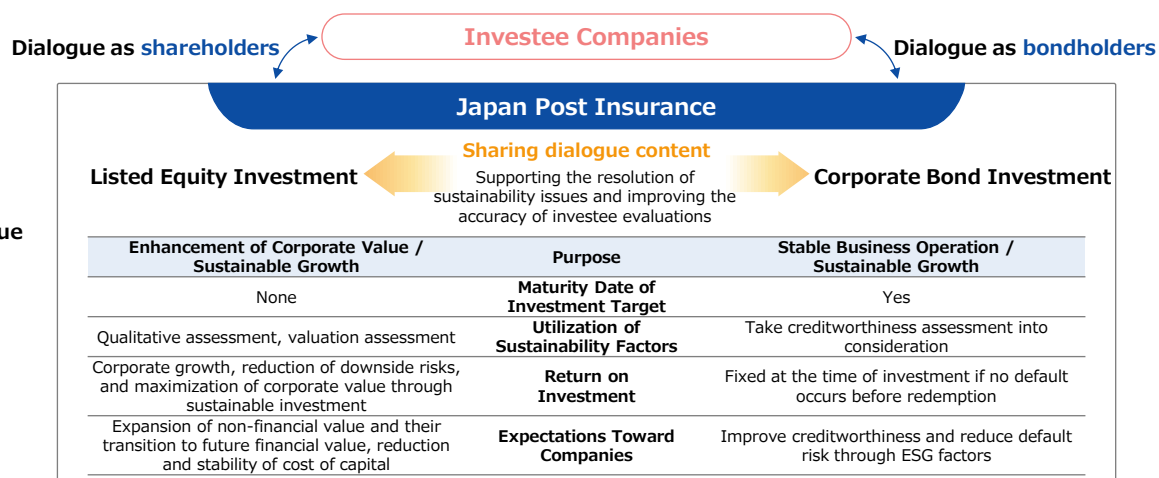
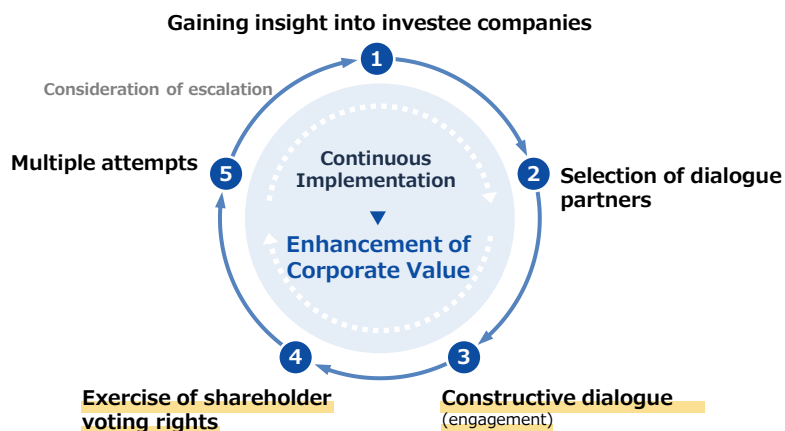
As a life insurance company, we manage assets using the precious insurance premiums entrusted to us by customers, and the premise is therefore long-term investment. Because of this, we continuously monitor company circumstances from a medium- to long-term perspective and conduct stewardship activities. With the hope that dialogue aimed at sustainable corporate growth and medium- to long-term value enhancement will lead to changes in corporate behavior, we make phased proposals and share good examples from other companies as necessary, while taking into account the company’s views and policies. Understanding that results may take several years to emerge, we adapt to the pace of each company as we encourage them to take action to respond to environmental changes and achieve sustainable growth.

● Governance

As a universal owner, and based on the recognition that the sustainable growth of the entire market contributes to improving medium- to long-term investment returns, we have established our Stewardship Activities Policy, Policy on Exercise of Shareholder Voting Rights, and other policies. These reflect the characteristics of each asset, including equities and bonds, and are designed to promote dialogue and sustainable growth across the entire investment chain. These policies are regularly reviewed to take into account changes in importance and the external environment, and the revised versions are published on our website. In December 2025, we revised our Stewardship Activities Policy to reflect the third revision of the Stewardship Code. Furthermore, to ensure the effectiveness of stewardship activities, the Responsible Investment Advisory Sectional Meeting, which includes external experts, deliberates on related policy revisions, annual plans, and voting rights exercise results. In this way, we are working to continuously advance our overall stewardship activities.

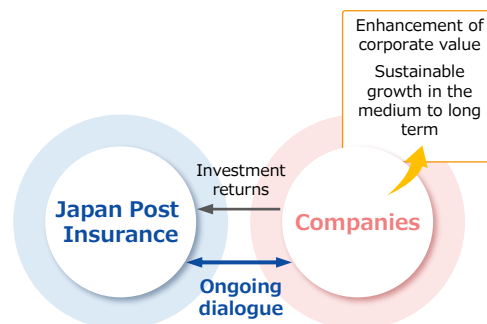
● Initiatives When Holding the Same Investee as a Different Asset Type

The points that require consideration differ between equities and bonds, in terms of ESG integration methods and factors to consider when making investment decisions. A particularly significant difference is the fact that bondholders do not have voting rights like shareholders. Meanwhile, we believe that like shareholders, bondholders also hold an important position in corporate management since they maintain long-term relationships with investees as direct contributors of funds. Although there are differences in terms of rights, our goal of helping investee companies enhance their corporate value and achieve sustainable growth through dialogue is common to both. Therefore, as one way to ensure that dialogue with an investee company is effective, when we invest in both equities and bonds of the same company, the respective investment managers in charge share the dialogue content in advance and coordinate with one another while engaging in dialogue with said investee. In this way, we strive to communicate messages to companies without inconsistency and with coherence.



Equity Investment

Since beginning in-house equity investment in 2016, we have been conducting ongoing dialogues with investee companies, aiming to generate investment returns that enhance their corporate value while promoting the sustainable growth of the stock market. Analysts in charge operate from a medium- to long-term perspective, building relationships of trust with investee companies and striving to organize dialogue topics in a non-formulaic way and share successful examples from other companies with them. They also act consistently from ESG integration and engagement to the exercise of shareholder voting rights and steadily advance dialogue through such initiatives.



Main Content of Dialogue

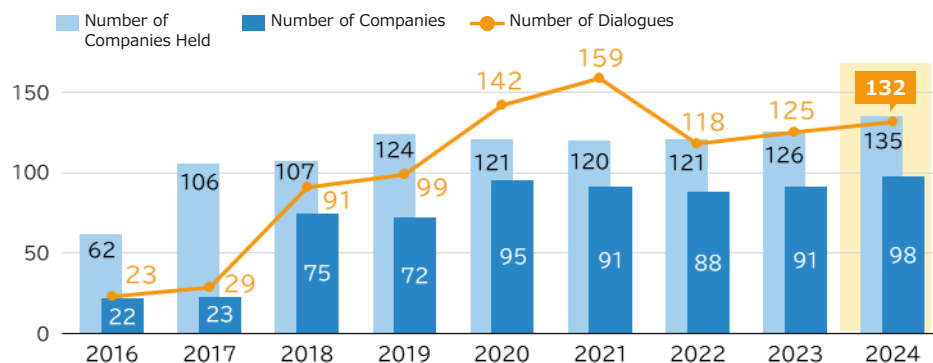
- 1 Medium- to Long-Term Management Strategies**
 - Measures to improve ROE
 - Measures to achieve the Medium-term Management Plan
- 2 Capital Strategy and Shareholder Return Policies**
 - Dividend policy
 - Total return ratio including share buybacks
 - Cross-shareholdings
- 3 Sustainability**
 - Medium- to long-term sustainability, including ESG factors
 - Sustainability factors in the supply chain
 - GHG emission reduction
- 4 Information Disclosure Policies**
 - Disclosure of Annual Report
 - Disclosure of non-financial information
 - Policy for addressing climate change

Results of Activities in FY2024/2025 (July 2024 to June 2025)

In FY2024/2025, we held a total of 132 dialogues with 98 of the 135 companies in our domestic equity portfolio. Our dialogues focus on confirming the status of sustainability initiatives that impact corporate value, in addition to medium- to long-term management strategies. When selecting a dialogue partner, we focus on their importance to our portfolio and the need for dialogue to confirm details and make requests, aiming for effective engagement confirm details and make requests. We also place importance on opportunities for direct dialogue with executive management. In the current fiscal year, 28 discussions were held with executive management. We consider these opportunities valuable for promoting mutual understanding and improving engagement effectiveness.

Dialogue Performance	Ratio of companies we held dialogue with relative to the number of companies we hold	Number of dialogue companies	Number of dialogues	Number of discussions that included executives or above
	72.6%	98 companies	132	28
Priority Selection Criteria	<ul style="list-style-type: none"> Importance within the portfolio Potential for improvement in medium- to long-term management strategies and governance Sustainability challenges, including human rights, human capital, natural capital, and GHG emissions 			

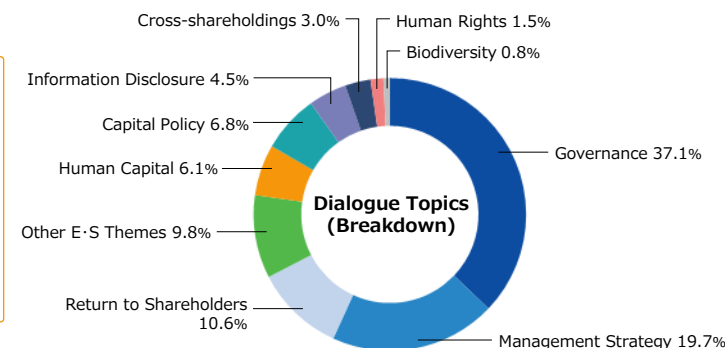
Number of dialogues and number of times contact was made with companies




Number of times contact was made with companies

Dialogues: **132**

Number of discussions that included executives or above: **28**



▶ Dialogue on Environment (E) (Electric Appliance Company A )

Topic | Proactive Management Strategy for Climate Change Response

- An example where significant progress with initiatives was seen after climate change issues were shared

Vision

Actively addressing global environmental issues as a leading company

Background

This company advocates for the “realization of a prosperous society,” and positions global environmental issues such as climate change and resource depletion as the greatest barriers to this. In addition, while increasing environmental burdens caused by warming and resource consumption pose risks to its corporate activities, it recognizes that contributing to the realization of a carbon-neutral economy will directly enhance its corporate value. Therefore, we conducted dialogue about progress with and disclosure of environmental strategy.

Dialogue content

While confirming the status of initiatives toward reducing Scope 3 emissions by 2030, we discussed areas where the company feels that the hurdles are high. Specifically, the issues raised included difficulty in obtaining third-party certification for calculating CO₂ emissions per product and measurement methods for areas difficult for the company to control, such as power decarbonization during electric operation. We therefore deepened discussions on approaches to determining certain assumptions in calculations and ensuring validity.

Progress and outcomes

The company set Medium-term goals of net-zero CO₂ emissions by 2030 and weight targets for annual reductions, and committed to further reductions as a long-term goal. In addition, efforts were also observed to broaden these initiatives horizontally: clarifying policies for realizing a circular-economy society, disclosing more detailed formulas for calculating reduction volumes, and beginning the process of obtaining third-party certification for Scope 3. In joint projects with other companies, the company is also emphasizing circular business approaches, such as commending proposals that make use of recycled materials or contribute to resource use reduction.

Future policies

We highly commend the company’s management stance that “resolving global environmental issues is essential to realizing a prosperous society” and the fact that it has set itself ambitious Scope 3 reduction targets. Going forward, we will confirm specific actions and outcomes toward realization through continuous dialogue.

▶ Dialogue on Social (S) (Chemical Company B )

Topic | Connection Between Diversity and Corporate Value

- An example of a company setting new KPIs

Vision

Leveraging all forms of diversity to create corporate value

Background

We recognize that the source of this company’s value creation lies in diverse intangible assets such as technology accumulated through business development, human resources, and touchpoints with the market. We believe that connecting these diverse assets to each other will contribute to business portfolio transformation and the sustainable enhancement of corporate value, and therefore conducted dialogue about specific initiatives and progress in human resource strategy.

Dialogue content


The company utilizes employee engagement surveys to measure and disclose scores related to diversity and psychological safety. In dialogue, we communicated that we highly commend, from a corporate value creation perspective, the fact that improving the working environment so that diverse human resources can thrive and continuously disclosing quantitative data are closely aligned with management strategy. The company responded that awareness of these indicators has permeated each organization, and that bottom-up measures for improvement are being implemented.

Progress and outcomes

In its Medium-term Management Plan, as part of its human resource strategy, the company added target KPIs for employee engagement surveys. Commitment to aim for further score improvement while maintaining the upward trend seen to date was clearly demonstrated.

Future policies

Since the utilization of diverse intangible assets is extremely important and has significant influence on the company’s value creation, we commend the fact that strengthening non-financial capital such as diversity and psychological safety is incorporated into management strategy. We will continue to monitor the progress and outcomes of measures through continuous dialogue.

▶ Dialogue on Governance (G) (Information and Communications Company C )

Topic | Governance System of the Board of Directors

- An example where governance issues were shared, and the company changed its practices

Vision

Strengthening of governance functions and maximizing of corporate value

Background

The company’s main business, game content and related operations, has significant social influence and sometimes faces harsh scrutiny, so the company’s outside directors were predominantly people with backgrounds related to discipline and supervision such as the National Police Agency personnel, National Tax Agency personnel, attorneys, accountants, and tax accountants. Recognizing that these personnel are strong in defensive areas such as legal compliance, risk management, and the strengthening of supervisory functions, and lack expertise and diversity from the perspective of advising on business strategy and medium- to long-term growth challenges, we conducted dialogue.

Dialogue content


During the dialogue, we demonstrated our understanding of the background to the company having emphasized legal compliance and risk management, given its history of development. However, considering the current situation, where the areas in which it does business are expanding from domestic to overseas, we pointed out that diversity, and particularly personnel with knowledge of overseas business and digital fields, are important for medium- to long-term growth, and recommended that they review their directors’ skills matrix and increase the number of directors. The company also acknowledged that it must strengthen corporate governance as it increases diversity and expands its overseas operations.

Progress and outcomes

In addition to increasing the number of outside directors, the company also added a female director and an expert in international finance and economics, giving its board a more diverse set of backgrounds. As a result, a certain degree of progress was seen in transitioning from its traditional focus on legal affairs and auditing to a structure incorporating global business perspectives.

Future policies

We highly commend the appointment of an expert in international finance as contributing to improving market discipline and credibility as a global company. On the other hand, legal affairs and auditing personnel continue to account for a large proportion of the directors, with experts in business development and digital fields still lacking, presenting continuous challenges. Going forward, we will be urging, through dialogue, for the board to be further strengthened to achieve an optimal composition of skills. We will also continue dialogue while monitoring how effectively the advice from the new directors is being deployed in management.

▶ Dialogue on Human Rights (Machinery Company D )

Topic | Addressing Human Rights-related Risks

● An example where human rights issues were shared, and the company changed its practices

Vision **Fostering a culture of respect for human rights throughout the value chain**
Establishing a sustainable procurement ecosystem

Background

This company's main business is manufacturing metal processing machines, and as its operations are characterized by multi-product small-lot production, it has numerous group companies and suppliers. Operating in a supply chain primarily composed of SMEs, a lack of human rights policies and variations in awareness are risk factors for the company. Recognizing that initiatives on human rights covering the entire supply chain are essential to achieve coexistence and co-prosperity with small and medium-sized suppliers and reduce risk across the entire corporate group, we conducted dialogue.

Dialogue content	While demonstrating our understanding that many suppliers likely still lack human rights policies and that the difficulty level of conducting fact-finding surveys is high, we communicated the importance of continuous corrective processes. Specifically, to increase transparency in human rights disclosure, we encouraged the company to provide more detailed disclosures, including its methodology for determining the scope of its human rights due diligence and the questions it asks in surveys.
Progress and outcomes	Since December 2024, the company has conducted human rights due diligence through written surveys and hearings targeting key domestic and overseas group companies and suppliers. The company has also presented a policy to strengthen the due diligence framework going forward, expanding the survey scope in phases, and identifying and disclosing human rights issues to be prioritized.
Future policies	We were able to confirm the company's positive stance on building effective mechanisms to address human rights issues. Since human rights risks are fluid and difficult to completely eliminate, we will continue dialogue going forward, engaging in ongoing discussion and monitoring toward further information disclosure, including the status of human rights due diligence, and the deepening of initiatives.

▶ Dialogue on Human Capital (Chemical Company E )

Topic | Human Capital Strategies


● An example of enhanced disclosure or issuance of new reports

Vision **Creating human resources who resolve social issues**

Background

While we recognize that this company is competitive in terms of human resources, given that a large proportion of personnel are engaged in R&D, it is important that the company accurately grasp latent social needs and deliver innovation that leads to solutions to customers' problems. We conducted dialogue to confirm specifics of the company's human resource strategy and the action it is taking to develop "society-oriented human resources," namely personnel who can go beyond technology development to discern market trends and social needs and translate them into commercial outcomes.

Dialogue content	We shared our perception that for this R&D-oriented company to realize sustainable expansion of corporate value, it will be important for it to develop and produce human resources who can push beyond its current business domains to embrace the challenge of resolving social issues. In addition, after communicating that we highly commend the fact that the company is already including concrete examples of human capital initiatives in its disclosures, at a level that is top class in the industry, we encouraged the company to continue strengthening, in both qualitative and quantitative terms, its disclosure of initiatives.
Progress and outcomes	In the Medium-term Management Plan, R&D expenses by business domain and research institute personnel allocation plans were disclosed in detail, providing quantitative data attesting to the company's policy of concentrating management resources on growth fields. Furthermore, we observed that the proportion of positive responses in employee surveys regarding human resource development had improved from the previous year, demonstrating that the measures the company is taking are also being well received by employees.
Future policies	Since we believe human capital initiatives have a significant impact on enhancing corporate value, we will continue to conduct discussion and monitoring to confirm further information disclosure, including progress with human capital strategy execution, and the deepening of initiatives.

▶ Dialogue on Natural Capital and Biodiversity (Food Company F )

Topic | Natural Capital (TNFD's LEAP Approach)

● An example of a company promising change

Vision **Advancing initiatives related to sustainability**
Further expanding disclosure

Background

This company is highly dependent on natural capital such as water resources and agricultural products, particularly in raw ingredient procurement and manufacturing processes, and needs to quantitatively grasp the impact of its business activities on the natural environment. In addition, there is a possibility that climate change and biodiversity loss will directly impact the stable supply and quality of raw ingredients. Recognizing this company's need for early risk detection and development of response strategies, we conducted dialogue to confirm its response policies and measures as a company proactively working on sustainability.

Dialogue content	The company explained that in the scoping phase of the LEAP approach, it comprehensively evaluated dependencies and impacts on natural capital, and determined actionable regions and targets, ranking them in order of priority, after which it conducted analysis and assessment of risk and opportunity. It also presented a policy of expanding analysis and assessment to encompass other agricultural products and raw ingredients. We expressed understanding of this policy and communicated our hope and encouragement that the company will lead the stock market, by strengthening approaches to water resources and being a pioneer in information disclosure, in particular.
Progress and outcomes	Based on the LEAP approach, the company has identified priority agricultural products for which more detailed risk and opportunity assessment should be conducted, and presented a clear plan to move forward with analysis in line with the LEAP approach for approximately 10 priority agricultural products.
Future policies	Our policy is to ascertain progress with initiatives related to natural capital, and continue dialogue while monitoring the processes by which assessment results are reflected in management decisions and business strategy, and natural capital management is integrated into corporate value enhancement.

- ▶ Dialogue on Information Disclosure
(Transportation Equipment Company G )

Topic | Formulation of Management Policy and Enhancement and Sophistication of Information Disclosure

● An example of a company promising change

Vision

Transition to management conscious of cost of capital
Clear disclosure of financial and non-financial targets

Background

This company has a long track record of success, including development of the Indian market, under the strong leadership of its former chairman. On the other hand, there was a tendency not to sufficiently reflect ROE and cost of capital metrics such as WACC in management decisions, and the market was demanding improvement in capital efficiency and the strengthening of shareholder returns. Given this background, we conducted dialogue with expectations for a transition to management conscious of cost of capital and the clear disclosure of goals.

Dialogue content

After the chairman's retirement, a roadmap for future growth was presented at growth strategy briefings toward 2030 and other opportunities, but we communicated that in addition to that, the formulation and announcement of a medium-term plan conscious of cost of capital is necessary, and deepened discussions, particularly on policy for reducing cross-shareholdings and the details of that. The company expressed the view that these are matters closely related to growth strategy and shareholder returns, and that management also recognizes the need to reduce cross-shareholdings, with discussions toward this progressing.

Progress and outcomes

In its new Medium-term Management Plan (FY2025–FY2030) announced on February 20, 2025, the company disclosed specific management targets of an ROE of 13% and an operating profit margin of 10%, premised on cost of capital of 10%. In addition, regarding the financial strategy underlying that growth strategy, details of capital allocation, including figures for capital investment and R&D expenses for the period of the plan, were provided. There were also announcements concerning shareholder returns, such as dividend index DOE of 3% or more, progressive increases in dividends, and flexible share buybacks.

Future policies

We commend the proactive stance of setting DOE at 3.0%, viewing it as a return policy that is conscious of cost of capital. On the other hand, since this is still a conservative level compared to market averages and the company's competitors, we will continue dialogue going forward to encourage disclosure of total payout ratio targets, which include share buybacks, and presentation of a clear policy regarding the sale of cross-shareholdings.

Voice

Equity Investment Topics

Global Equity and Fixed Income
Investment Department

C. B.



● **Persuading Investee Companies to Reduce Cross-Shareholdings and Ultimately Achieve a Target of Zero Cross-Shareholdings Through Dialogue**

From the perspective of improving capital efficiency, we expect investee companies to steadily reduce cross-shareholdings until they eventually reach zero, with the sale proceeds effectively utilized for growth investment and shareholder returns. In addition, when we can confirm through dialogue that a company has set a clear timeline, such as “zero by the end of FY20XX,” and has shifted course toward management that emphasizes capital efficiency, we commend it as evidence of a strong determination to transform.

When the balance of cross-shareholdings exceeds the threshold set forth in our Standards for the Exercise of Shareholder Voting Rights, we oppose the election of the representative directors, but even if it is below the threshold, when we judge that reduction target setting or progress with reduction is insufficient, we will continue asking the company for reduction through dialogue.

● **Third-Party Allotment Proposals for the Purpose of Contributing Shares to Foundations, etc.**

When shares are to be contributed to foundations, etc., we make our approval conditional on the voting rights for the contributed shares being exercised by independent third parties. This is because it is inappropriate from an independence perspective for foundations, etc. themselves to exercise voting rights, and furthermore, even if the voting rights are not exercised, this would be expected to work in favor of companies in the case of proposals that may disadvantage shareholders.

When this requirement is not being met, we conduct dialogue with the company and ask that voting rights be exercised by independent third parties.

▶ Dialogue on Governance (G)

Topic | Capital Strategy and Shareholder Return Policies

<Subtopic> Total Return Ratio Including Share Buybacks

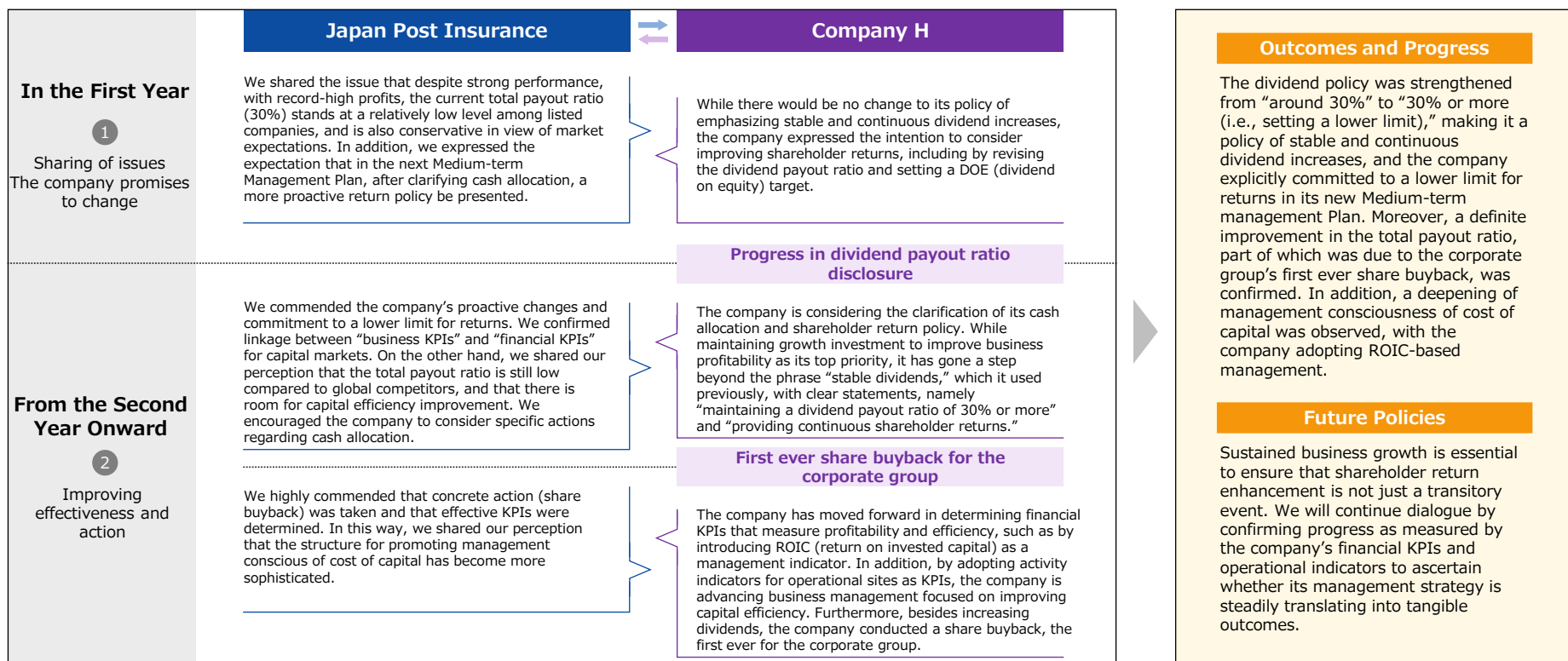
● An example where a company promised change and took concrete action

(Precision Equipment Company H )

Background

- We recognized that the company's total payout ratio (30%) remained at a relatively low level even among listed companies. In addition, regarding the company's publicly disclosed cash allocation policy, we felt there was room to increase transparency.
- We believed that clarifying uses of funds, reducing uncertainty in management strategy, and increasing predictability would contribute to reducing cost of capital and enhancing corporate value.

Vision ▶ Building a structure to deliver sustainable profit growth through management conscious of cost of capital

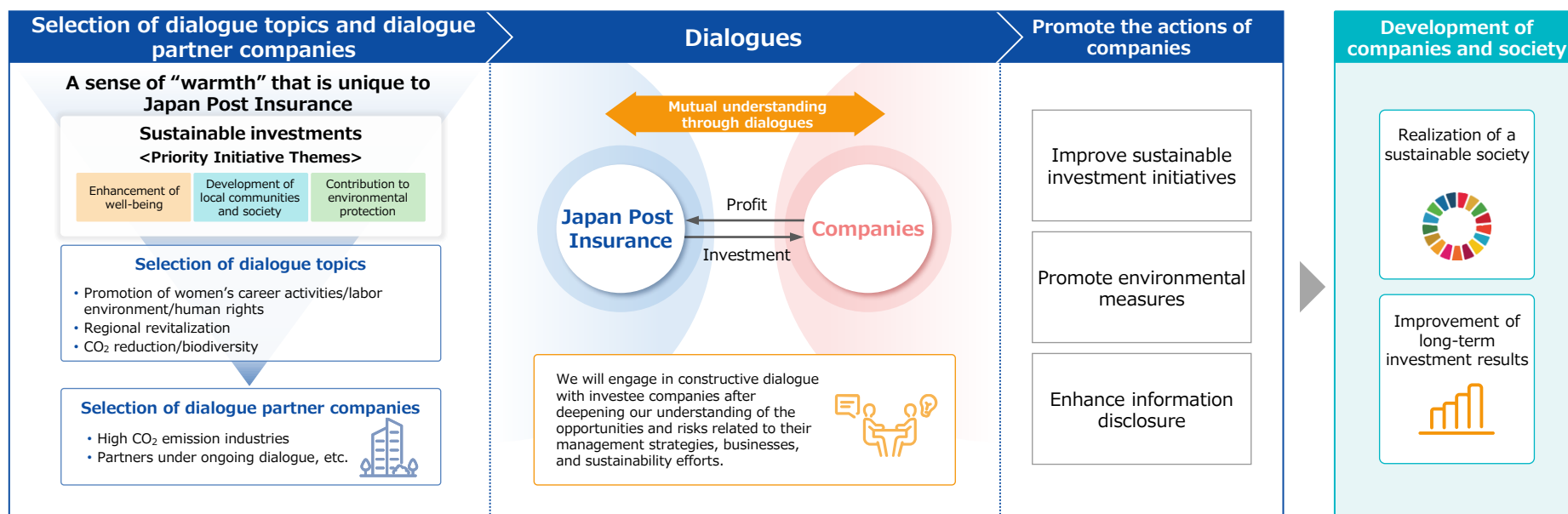


Corporate Bond Investment

As a life insurance company, we intend to contribute to the enhancement of stability and sustainability of business operations over the medium to long term through our investment in ultra-long-term bonds. In corporate bond investment, we believe that sustainability initiatives are essential to enhancing the medium- to long-term stability of business operations. Under this policy, based on our sustainable investment priority initiative themes, we mainly conducted engagements in the following three areas: promotion of women's career activities, labor environment, and human rights; regional revitalization; and CO₂ reduction and biodiversity. When engaging in dialogue, we kept in mind the concept of sustainable investments with the warmth that is unique to Japan Post Insurance. In line with a basic principle of mutual understanding, we go beyond one-way hearings, endeavoring to communicate in both directions by explaining and sharing the Japan Post Insurance approach to sustainable investment and our assessment of the investee companies.

We value our stance of supporting companies that work to solve sustainability, ESG, and SDGs issues through investments. Corporate bond investors do not possess the right to directly influence companies, as shareholder voting rights do, but opportunities for dialogue are steadily increasing as the sustainability-related bonds market expands and understanding of the importance of investor dialogue deepens. Leveraging these opportunities and fostering relationships of trust, we will engage in ongoing dialogue on priority matters we prioritize as a corporate bond investor and our expectations for companies, mutually identifying issues, and supporting companies' proactive initiatives.

<Flow of Dialogue in Corporate Bond Investment>



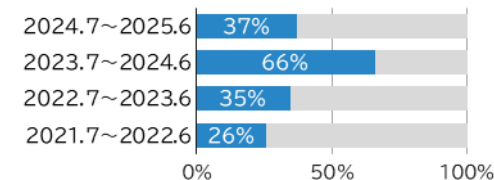
Results of Activities in FY2024/2025 (July 2024 to June 2025)

In FY2024/2025, based on our sustainable investment priority initiative themes, we engaged in dialogue with 35 companies primarily on the topics of the promotion of women's career activities/labor environment/human rights, regional revitalization, and CO₂ reduction/biodiversity. When selecting dialogue partners, we prioritized high CO₂ emission companies and those deemed to require ongoing dialogue from a governance perspective.

Dialogue Performance	Number of dialogue companies	Partners under ongoing dialogue*	Dialogue retention rate
	35	13	37%
Priority Selection Criteria	Prioritized high CO ₂ emission companies and those deemed to require ongoing dialogue from a governance perspective.		

* Partners engaged in dialogue at least twice in the past three years

Trends in dialogue retention rate



Priority Dialogue Topics

In FY2025, we engaged in dialogue with 35 companies, discussing five topics related to our priority initiative themes with each of them. We also received questions from investee companies in our dialogue and shared information mainly on Japan Post Insurance's corporate bond investment policy and our investment stance sustainability-related theme bonds.

Priority initiative themes	Dialogue topics	Our viewpoint as an investor	Companies' reactions and trends
Enhancement of well-being	Promotion of women's career activities	<ul style="list-style-type: none"> Initiatives to promote women's career activities Targets, results, etc. 	<ul style="list-style-type: none"> We confirmed that initiatives such as providing support for career development and raising awareness are being advanced and there has been progress in areas such as enhancing disclosure content and setting targets. Companies are implementing a wide range of initiatives to promote women's career activities. Some companies have been struggling to make progress toward their targets due to the nature of their industries and occupations, and we recognize that changing workforce composition in a short period of time is no easy task. However, we confirmed that initiatives towards these targets and disclosure of the status of those initiatives are being shared through dialogue and that each company is taking steps to make changes from a long-term perspective.
	Human rights	<ul style="list-style-type: none"> Formulation of human rights initiatives policy and disclosure status 	<ul style="list-style-type: none"> There were companies that have expanded their human rights initiatives from the headquarters to the group level, as well as companies that have drastically improved the depth of their related disclosures. Some companies were seen making efforts to improve employee's understanding of human rights within the company, as well as initiatives to enhance awareness among local employees in overseas businesses. An increasing number of companies are formulating policies on human rights initiatives and expanding human rights policies to encompass their entire corporate groups. Mentions in reports of such topics as worker rights in the supply chain and employee treatment at overseas subsidiaries are also increasing.
Development of local communities and society	Regional revitalization	<ul style="list-style-type: none"> Initiatives related to regional contribution and revitalization Frequency of implementation, number of participants, etc. 	<ul style="list-style-type: none"> Collaboration with local governments and regional organizations is increasing. Some companies realized the importance of relationships with local communities, prompting them to deepen cooperation. There were increasing examples of progress with quantitative targets and disclosure of initiatives, and some companies are working to enhance the content of their disclosures.
Contribution to environmental protection	Climate change	<ul style="list-style-type: none"> GHG emission reduction targets and progress Initiatives to reduce emissions 	<ul style="list-style-type: none"> Many companies have set targets of GHG emission reduction for 2030 and carbon neutral for 2050. Progress has been solid on the whole. Efforts are being made not only to describe specific initiatives, but also to increase the likelihood of achieving progress toward targets.
	Biodiversity	<ul style="list-style-type: none"> Biodiversity protection initiatives Quantitative targets Adhering to TNFD recommendations 	<ul style="list-style-type: none"> Overall, we sensed a growing awareness toward biodiversity conservation. Natural capital conservation activities that each company has been carrying out, such as eco-friendly construction work and green space development that takes regional characteristics into account, as well as the disclosure of these efforts, have been enhanced in integrated reports and on corporate websites. Having assessed their dependence on natural capital and impact on biodiversity, and identified the risks and opportunities in their nature-related business activities, an increasing number of companies are preparing to disclose information or already disclosing some information in accordance with TNFD framework.

▶ Dialogue on Enhancement of Well-Being (Human Capital)

(Chemical Company I )

Topic | Setting of New Targets Related to Human Capital Measures

● An example of a company setting new KPIs

Vision

Advancing diverse ways of working and improving overall social well-being

Background

This company aims to realize sustainable enhancement of corporate value and well-being for society as a whole by promoting work styles that respect diversity and health/productivity management. It positions the continuous development of initiatives that contribute to employee and social well-being as a key management task. We conducted dialogue to confirm target setting as a demonstration of progress with initiatives and management commitment to measure the effectiveness of human capital management.

Dialogue content	We discovered that while “actual data” such as the proportion of female managers and the ratio of men taking childcare leave is included in disclosures such as the company’s integrated reports, specific numerical targets have not been set. We explained that to enhance the effectiveness of human capital management, in addition to qualitative initiatives, management based on quantitative target setting is also important, and asked the company to set new targets. In response, while the company conveyed the practical concern that “uniform target setting for the entire corporate group would be difficult,” they also explained that “the actual working environment is steadily improving through the improvement of systems and the fostering of a more conducive culture.” They also responded that they already recognize the necessity of target setting internally and will give it serious consideration.
Progress and outcomes	After the dialogue, they demonstrated their commitment by setting and disclosing a specific numerical target for “the ratio of men taking childcare leave” for the first time.
Future policies	We commend the fact that an indicator related to well-being improvement has been introduced, and that progress is being made with initiatives toward improvement. Going forward, we expect to see regular disclosure of progress and outcomes against set targets, and will be conducting continuous follow-up.

▶ Dialogue on Development of Local Communities and Society

(Chemical Company J )

Topic | Enhancing Disclosure of Local Community Contribution Activities

● An example of enhanced disclosure or disclosure of reports

Vision


Rooted in local communities, contributing to sustainable development while supporting social infrastructure

Background

This company fulfills an important social function, supporting social infrastructure through business operations rooted in its local region, and also actively pursues regional contribution activities. On the other hand, regional population decline and economic contraction could become structural risk factors that threaten its medium- to long-term business foundation. As a corporate bond investor, we sought to assess the company’s creditworthiness, and therefore conducted dialogue with the purpose of understanding whether such activities constitute strategic initiatives that will contribute to the medium- to long-term maintenance and development of its business in the region, and not merely efforts to benefit the community.

Dialogue content	While referring to publicly available information, we exchanged views on the status of regional contribution activities and how the company connects local community collaboration with business strategy and risk management. The company explained that it has begun initiatives to recruit human resources locally and provide support for sports promotion. Through this dialogue, we learned that the company positions its relationship with the local community as beneficial from a management perspective, as it will contribute to credit risk reduction and corporate value enhancement. In light of that explanation, we encouraged the company to consider expanding disclosure of the outcomes of the activities.
Progress and outcomes	In the company’s integrated report, which was published after the dialogue, the company newly included the specific examples of regional contribution activities that they had told us about during the dialogue, and the report stated that the company emphasizes that coexistence with its local community helps it to build a sustainable management foundation. In this way, the company has significantly enhanced its information disclosure.
Future policies	We commend the progress in enhancement of information disclosure. Going forward, we expect regional contribution activities to be clearly positioned as an important medium- to long-term management practice, not merely as aid for the community. We also hope that disclosure will be deepened to a level that can be utilized by ESG ratings agencies and bond investors to assess business sustainability. From the perspective of a corporate bond investor, we will continue to confirm the sustainability and resilience of the company’s regional business, its contribution to social stability, and its progress with enhancing its disclosures.

▶ Dialogue on Contribution to Environmental Protection (Natural Capital)

(Food Company K )

Topic | Biodiversity and TNFD

● An example of enhanced disclosure or disclosure of reports


Vision

Conserving natural capital and ensuring sustainable supply system

Background

This company is responsible for stable food supply through businesses such as livestock and processed foods, but it also emphasizes natural capital conservation. Since water resources are vital management resource for the company, and their pollution or depletion could become serious risk factors directly threatening business sustainability, the company is working on pollution prevention, environmental impact reduction, effective use, and conservation based on its environmental policy. Given these factors, we conducted dialogue about the status of progress and the management structure for the quantitative targets for water usage reduction that the company has set.

Dialogue content	While confirming progress status for the quantitative targets for water usage reduction that the company has set, we conducted dialogue about specific measures toward achieving the targets, the path to target achievement, and recognition of issues. Since we were able to confirm that initiatives are steadily progressing and that there is awareness of issues, we explained that such non-financial information is important for corporate valuation by investors, and asked that details of measures and processes for making progress be included in the company’s integrated report and other disclosures going forward.
Progress and outcomes	In the integrated report published after the dialogue, the company clearly presented the specific initiatives related to water resources that had been the focus of our dialogue, along with the measures it is taking to address the associated issues. Progress was seen in the company’s stance of endeavoring to disclose the processes for making progress toward targets with a high degree of transparency.
Future policies	We commend the progress in its information disclosure related to water resources. Going forward, while regularly monitoring achievement status for quantitative targets and progress with initiatives, we will encourage further enhancement of information disclosure regarding the verification of the effects of environmental measures and improvement processes.

▶ Dialogue on Human Rights
(Steel and Non-Ferrous Metals Company L 

Topic | Formulation and Disclosure of New Human Rights Policy

● An example of a company promising change and changing its practices

Vision

Aiming to achieve a safe, secure, and prosperous society through the promotion of initiatives toward respect for human rights

As it operates globally, addressing human rights risks across the entire supply chain is one of the most critical tasks for preventing damage to this company's corporate value, and the company has therefore been gradually expanding its human rights disclosures. Recognizing the need for a stronger structure and greater transparency, such as by establishing fundamental policies and concrete due diligence mechanisms, in line with global standards, we conducted dialogue with a focus on confirming specific progress, recognition of issues, and current initiatives in supply chain management.

Background

Dialogue content

We exchanged views regarding governance structures and specific measures related to human rights. We conveyed that we commend the fact that the company's human rights disclosures have improved in recent years. We also shared our view that addressing human rights risks translates directly into long-term corporate value, and that stakeholder expectations surrounding responses to international human rights issues have increased. We then asked the company to take concrete measures to align with international standards and to further enhance information disclosure. In response, the company indicated that it would be giving these matters serious consideration.

Progress and outcomes

In the integrated report published after the dialogue, we confirmed that the company had formulated and announced a new human rights policy covering the entire supply chain. The report also clearly stated the company's intention to continue promoting human rights initiatives, and there were indications of progress in internal awareness-building and the development of concrete governance policies.

Future policies

We highly commend the fact that the company has established a human rights policy and expanded information disclosure. Going forward, we will continue dialogue while confirming and monitoring the expansion of the scope of initiatives related to "business and human rights" and whether the newly formulated policy is being implemented effectively.

▶ Dialogue on Human Capital
(Gas and Electricity Company M 

Topic | Setting of New Targets Related to Human Capital Measures

● An example of a company promising change

Vision

Contributing to growth by supporting sustainable infrastructure through the enhancement of expertise and the active utilization of diverse human resources

This company is strengthening its human capital by enhancing employee expertise and promoting the career activities of diverse human resources, in order to support a safe and stable energy infrastructure. For a company that seeks sustainable growth together with its local community, such a human capital strategy is a critical issue directly linked to the stability of its business foundation and business growth over the medium to long term. Therefore, we conducted dialogue on the gap between the company's target for the ratio of men taking childcare leave and the government's target, with the aim of sharing recognition of the issue and the future direction.

Background

Dialogue content


We confirmed the company's current quantitative target for the ratio of men taking childcare leave (which remains relatively low compared to that for women), and exchanged views on the gap with the government's target and the company's perception of the issue. We then asked that the company raise the target to accelerate human capital management and demonstrate a stronger commitment externally. In response, the company expressed a positive attitude, stating that it is exploring specific measures to address the issue.

Progress and outcomes

In the integrated report published after the dialogue, the company mentioned for the first time that it is "considering raising the target," which confirms that internal discussions were actively promoted.

Future policies

We commend the fact that the company is being sincere and considering revising the target. Although this did not immediately lead to changes in target figures, our interpretation is that a concrete shift in awareness has occurred. Going forward, we will monitor the setting and disclosure of the quantitative target currently under consideration, as well as the improvement and operation of related systems, and will continue to support the advancement of the company's human capital management.

▶ Dialogue on Environment (E)
(Steel and Non-Ferrous Metals Company N 

Topic | Biodiversity and TNFD

● An example of progress toward disclosure based on the TNFD framework

Vision

Prioritizing protection of biodiversity while aligning with an international framework

Operating in the steel industry, this company's business model depends heavily on natural capital, including raw material extraction and the use of water resources, and it has therefore actively pursued biodiversity and environmental conservation initiatives. However, in light of recent international expectations (such as the TNFD), there appeared to be room for further enhancement of related disclosures. Recognizing the importance of understanding the company's current approach and future plans, we conducted dialogue.

Background

Dialogue content

Since the company had indicated in its integrated report that it "will advance disclosures related to TNFD," the dialogue focused on its policies for responding to international frameworks such as the TNFD, as well as its specific initiatives in the areas of natural capital and biodiversity. The company explained that internal analysis and investigation were progressing, and that it was considering the direction for future disclosures. In response, we communicated the usefulness of disclosing the process even before the analysis is fully complete, and urged the company to provide more concrete disclosures aligned with the TNFD framework.

Progress and outcomes

In the integrated report published after the dialogue, the company newly disclosed the results of its assessment based on the "LEAP approach" recommended by the TNFD framework, along with its future strategies and response policies. This confirmed that the company is committed to deepening initiatives related to natural capital and biodiversity and to communicating them externally with greater transparency, in line with an international framework.

Future policies

We commend the fact that the company is steadily enhancing information disclosure aligned with the TNFD framework. Going forward, we will continue to conduct dialogue, focusing on progress in the analysis of risks and opportunities and on the company's formulation of related policies, and will monitor the effectiveness of its biodiversity conservation initiatives.

▶ Priority Initiative Theme: Contribution to Environmental Protection

Topic | CO₂ Reduction / Biodiversity<Subtopic> Enhancing Information Disclosures on Climate Change and Natural Capital (TNFD)
Aligned with Business Characteristics

● An example where a company promised change and took concrete action

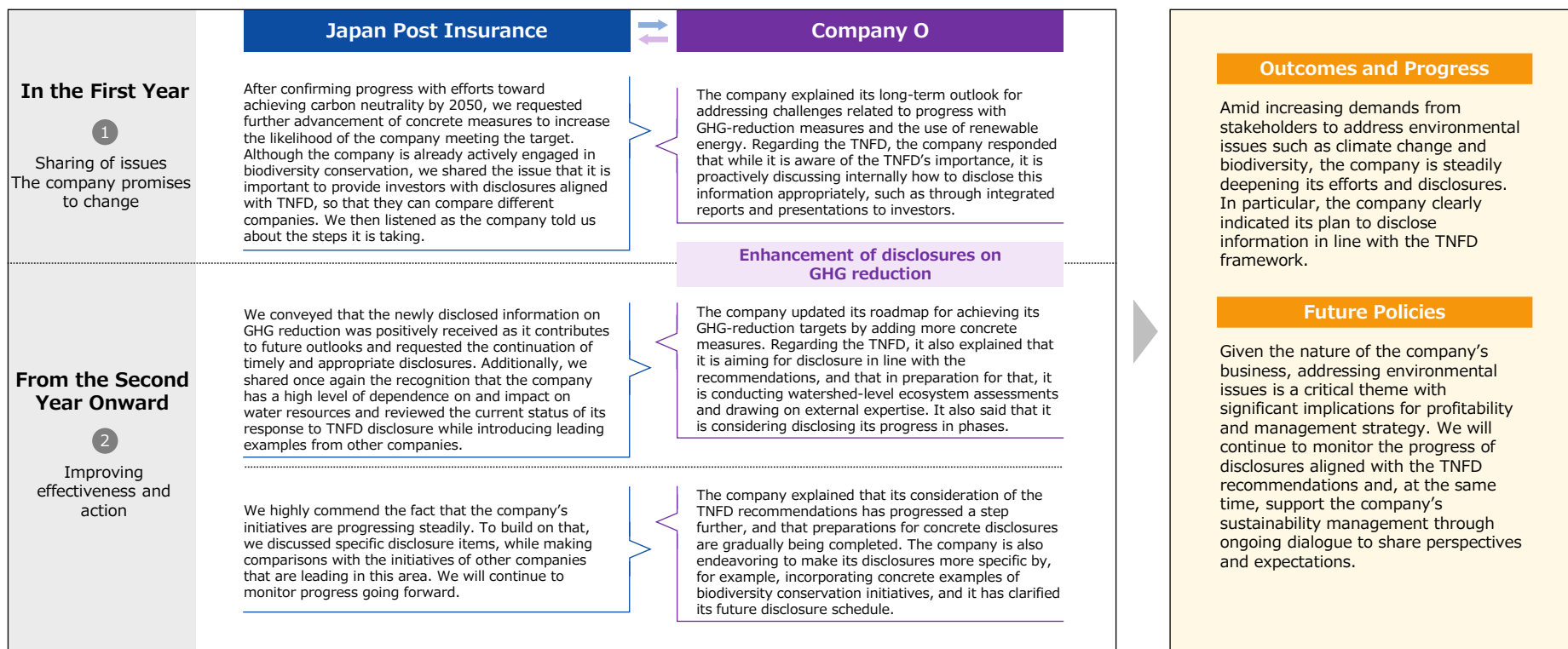
(Electric Power and Gas Company O )

Background

- As a company in the electric power sector, this company has significant GHG emissions from business activities and a high dependence on and impact on water resources.
- Recognizing that, alongside climate change initiatives, the identification of biodiversity- and TNFD-related issues and the disclosure of responses to these issues are essential for assessing the company's sustainability, we conducted continuous dialogue.

Vision

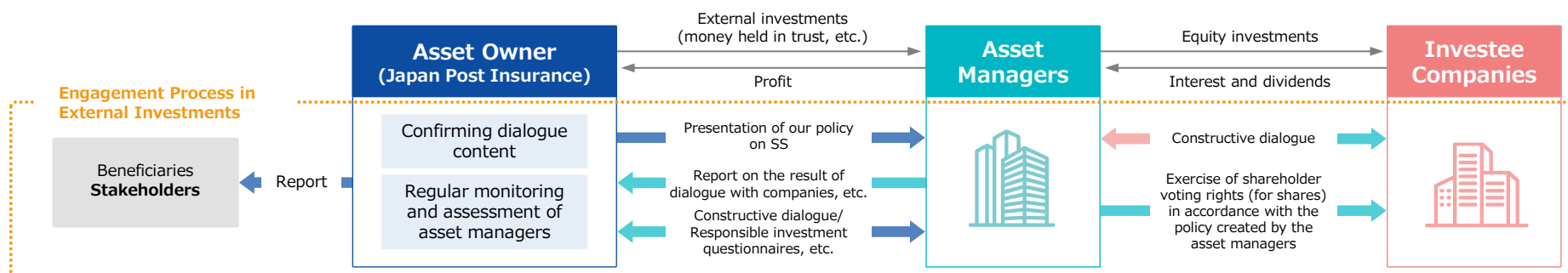
- ▶ Achieving a sustainable society and the sustainable growth of the company through carbon neutrality and environmentally friendly corporate activities



External Equity Investment

In external equity investment, we invest in a wide range of companies through asset managers. In order to fulfill our responsibilities as an asset owner, in our external investments, we aim to engage in stewardship activities to influence not only the asset managers we entrust with asset management but also the companies in which we invest through these asset managers. Therefore, we expect asset managers to engage in dialogue that aligns with our Sustainable Investment Policy and Stewardship Activities Policy.

By leveraging the specialized management capabilities of asset managers, with the goal of maintaining stable and continuous relationships, we regularly receive not only investment performance reports from asset managers but also the results of stewardship activities and responses to our responsible investment questionnaires. Additionally, through dialogue with asset managers, we confirm their compliance with the Stewardship Code and the status and outcomes of their engagement activities.



▶ Please see p.59 for details of initiatives regarding the exercise of shareholder voting rights in external equity investment.

<Dialogue with asset managers>

Confirmation of responsible investments	As a general rule, once a year, we confirm the initiatives of asset managers regarding responsible investment through responses to a questionnaire on responsible investment and interviews. We check whether the effectiveness of the investment structure that takes sustainability factors into account is ensured (such as related policies, staffing structure, and management oversight), whether there have been any changes to guidelines or processes, and other initiatives or effects.
Confirmation of stewardship activities	As a general rule, once a year, we conduct questionnaires on Japan's Stewardship Code and hold interviews to confirm the stewardship activities and engagement of asset managers. <ul style="list-style-type: none"> ■ Stewardship activities: Policies, organizations, systems, etc. ■ Engagement: <ul style="list-style-type: none"> Definition, frequency, number of engagements, examples of improvements made, persons in charge/managers, method to decide which company to engage with, whether or not independent outside directors, corporate auditors, etc., participate, perspectives and key points for implementation, status of post-engagement response (sharing of content, monitoring systems) ■ In addition to the above, their approach to conflicts of interest, etc.

<Examples of dialogue between asset managers and companies>

From a medium- to long-term perspective, dialogue has been conducted to encourage the improvement of corporate value, taking into account the individual circumstances of the company.

Environmental Strategy | An example of progress in initiatives

(Retail trade)

Asset Manager As the company is lagging in its efforts to meet its FY2030 CO₂ reduction target, the asset manager suggested that perhaps the company needed to provide a clear roadmap toward achieving the target, which could involve expanding the use of renewable energy to enable it to reduce total CO₂ emissions even as it increases the number of stores.

Company In the vision for its corporate group, the company announced an initiative for renewable energy distribution, whereby surplus electricity generated from rooftop solar installations would be diverted for use at the company's stores and logistics centers. It also stated that it would aim to further strengthen its response to climate change issues.

Corporate Governance | An example of a company changing its practices

(Other products)

Asset Manager The company has introduced takeover defense measures, but the asset manager urged it to reconsider this approach, communicating that the prevention of corporate value impairment as a result of a takeover should be achieved through initiatives to improve business performance and efforts to enhance corporate value through, for example, shareholder returns.

Company The company stated that its primary focus is on making a takeover more difficult by enhancing its corporate value, and explained that it will make this more feasible by improving its future Medium-term Management Plan. Subsequently, an amendment to its articles of incorporation to abolish the takeover defense measures was approved at the shareholders meeting for the fiscal year ended March 31, 2025.

Alternative Asset Dialogue

Participation in Ownership Works Japan

We participate as a limited partner in Ownership Works Japan, established in Japan by Ownership Works, a U.S. non-profit organization that promotes employee ownership programs. While collaborating with major domestic and international organizations, we are supporting the introduction and implementation of programs that contribute to improving employee engagement and economic stability.

Ownership programs are mechanisms that enable employees at investee companies of private equity funds, etc. to receive fair shares of their contributions to corporate value growth and results. Providing all employees with opportunities to proactively participate as “owners who together build medium- to long-term growth for the company,” while aligning the interests of companies and employees, leads to improved business performance and a broadening of employees’ economic opportunities.

We do not confine our view of corporate growth to the company-side perspective of “investment and management,” but instead believe that the fair sharing of the value created by employees is the ideal situation, and we endorse the Ownership Works philosophy of establishing in society a mechanism that puts both employees and shareholders together “in the same boat.”

We are confident that the introduction of these programs will contribute to fostering an employee ownership culture and inclusive wealth building in Japan, and establishing the country as a “leading asset management center.”



 [Related Press Release] (October 20, 2025)
Participation in Ownership Works Japan

https://www.jp-life.japanpost.jp/information/press/2025/abt_prs_id002110.html (in Japanese)



Activities as a GRESB Real Estate Investor Member



GRESB is an international organization that conducts annual assessments of the ESG initiatives of companies and funds that own and operate real estate and infrastructure. Investor members include institutional investors from Europe, the U.S., Australia, Asia, and other regions, and approximately 150 organizations worldwide utilize the assessment results for investment due diligence and monitoring.

Japan Post Insurance became the first Japanese life insurance company to become a GRESB real estate investor member in 2021, and has been working to promote and advance sustainable investment in real estate by engaging in repeated dialogue with investee companies while utilizing GRESB data and assessment results.

Networking Event for Stakeholders of Impact “K” Project-certified Funds

A gathering to bring together practitioners from Impact “K” Project-certified funds was organized by Daiwa JPI Alternative Investments Co., Ltd., an asset manager that serves as the gatekeeper for the private equity asset management program and supports the Impact “K” Project. During the event, practitioners working to promote and advance impact investment engaged in active opinion exchanges and discussions about issues and concerns shared by different companies and funds, as well as the future outlook.

Voice



Alternative
Investment
Department
M.S.

Currently, 9 PE funds are certified funds, and this was an extremely valuable opportunity for practitioners from funds covering a wide range of investment areas to get together. I was reminded that our impact investment is being conducted toward resolving a wide range of social issues, and by attending the gathering, I realized that it is important for funds and investors to work together as one while each fulfilling their respective roles in creating social impact, and to expand the circle of impact investment. Going forward, together with certified funds, we will continue working to resolve social issues through impact investment, and by managing assets in ways that enrich people’s lives, we will endeavor to strengthen connections within the impact investment circle.

▶ Please see p.70 for details on the Impact “K” Project.

Exercise of Shareholder Voting Rights

As a universal owner, through the exercise of shareholder voting rights, we aim to enhance the medium- to long-term corporate value and sustainable growth of investee companies, thereby maximizing the interests of our shareholders and policyholders. In principle, shareholder voting rights are exercised for all shares held. Furthermore, in line with the spirit of Japan's Stewardship Code and the Principles for Responsible Investment (PRI), we have established processes that ensure accountability and transparency as an asset owner. To report to stakeholders in a timely and appropriate manner, and ensure that investee companies understand our approaches and expectations as an investor, we have established and publicly disclosed the Policy on Exercise of Shareholder Voting Rights (our basic approach) and the Standards for the Exercise of Shareholder Voting Rights (specific quantitative standards and qualitative judgment criteria that serve as practical decision guidelines). We review these standards annually in light of social developments, the regulatory environment, and behavioral shifts among investee companies.

Decision-making Process and the Use of Dialogue

When deciding on approval or disapproval, we do not limit ourselves to a uniform or formal judgment, but instead, consider the circumstances of each company, non-financial information including sustainability factors, the contents of dialogue, and other aspects, with a comprehensive assessment of whether the medium- to long-term interests of shareholders will be maximized and whether it will contribute to the company's sustainable growth. In particular, we consider connection with dialogue essential for enhancing the effectiveness of our exercise of voting rights, and we therefore also follow an integrated process for shareholder voting rights exercise that places strong emphasis on dialogue.

Consideration of dialogue content

For important proposals or those deemed problematic from the perspective of ensuring effective corporate governance (including proposals that could result in impairment of shareholder interests), the analyst in charge engages in dialogue with the company before we exercise our voting rights, as necessary. We clearly communicate our concerns and expectations, and work to build shared awareness and mutual understanding. In addition, even when we ultimately cast an opposing vote, we explain our criteria carefully and request efforts toward future improvement, thereby fulfilling our role as a constructive shareholder.

Items for review by theme: Climate change (TCFD, ISSB, etc.)

Calculation methods for certain data are not standardized, and due to this, it is often difficult to compare companies. We therefore confirm each company's disclosures, indicators, and progress on target-setting individually through dialogue, and encourage the enhancement of disclosure.

Response to shareholder proposals

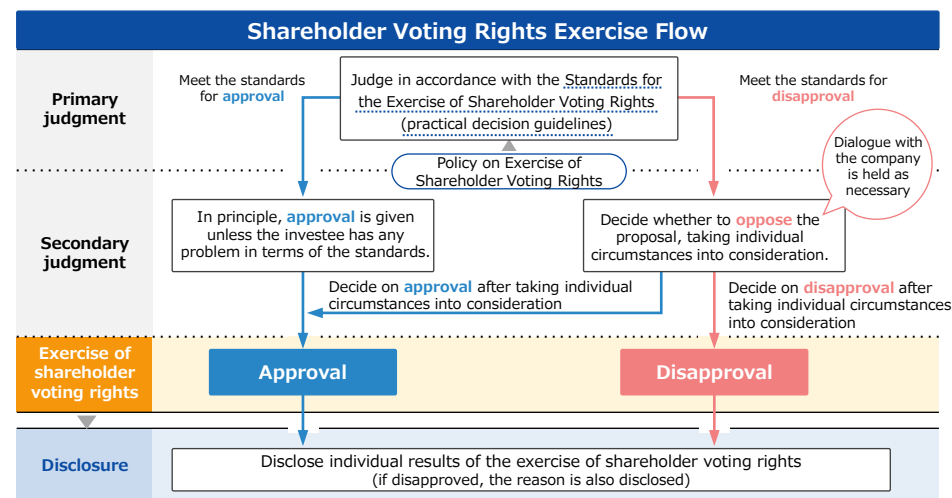
Shareholder proposals are reviewed individually from the same perspective as company proposals, and we support them when they are deemed to contribute to increases in corporate value or the effectiveness of corporate governance.

Non-standard judgments

Even when a proposal is not explicitly covered by the Standards for the Exercise of Shareholder Voting Rights, or when it formally meets the criteria for opposition, we will make a final decision following a careful judgment based on the individual circumstances and whether the decision will contribute to maximizing long-term shareholder interests.

Stepwise response (Escalation)

While we prioritize improvement through dialogue, if constructive dialogue or medium- to long-term progress cannot be expected in addressing issues, we escalate our response, such as by increasing the frequency of dialogues, requesting dialogue with management, or ultimately voting against the proposal.



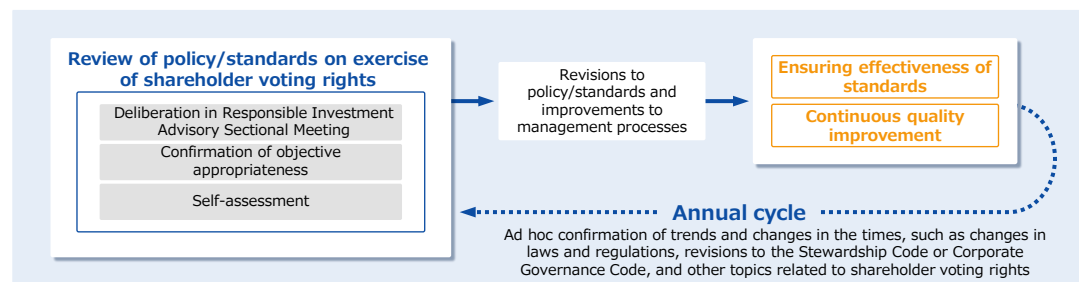
* For the purpose of verification against our decisions to exercise shareholder voting rights, we use Institutional Shareholder Services, Inc. (ISS), a voting advisory firm, to receive recommendations for decisions based on our Policy on Exercise of Shareholder Voting Rights. We do not use advice based on the ISS Voting Rights Exercise Policy.

Structure and Governance

Review and Revision Process of Policy and Standards on Exercise of Shareholder Voting Rights

We consider reviewing the policy and standards for the exercise of shareholder voting rights every year, in light of revisions to Japan's Stewardship Code and Corporate Governance Code as well as changes in corporate behavior, and shifts in social conditions. Any revisions are discussed in the Responsible Investment Advisory Sectional Meeting and implemented following approval by executive officers in charge.

We also analyze divergences between our decisions and those of other asset managers, including external managers, both quantitatively and qualitatively, to objectively confirm the appropriateness of our standards, thus ensuring that they are effective and continuously improved. We conduct self-assessments based on such factors as trends in the percentage of proposals opposed, the content of dialogues with companies, and variances with other companies. The findings are reflected in necessary revisions to our policy and standards, as well as improvements to asset management processes. In addition, when standards are revised, we clearly disclose the content, background, and rationale, and endeavor to promote understanding and encourage appropriate responses among investee companies.



Policy on Exercise of Shareholder Voting Rights <Basic Approach>

- 1 | We seek to increase investment returns on our equity investment through the exercise of voting rights for the benefit of our shareholders and policyholders.
- 2 | We recognize the importance of ESG (Environmental, Social, and Corporate Governance) factors in achieving a sustainable society, improving long-term investment results, and reducing risk, and request appropriate corporate activities that consider the environment and society as well as high corporate governance.
- 3 | In making decisions on the exercise of voting rights, we do not make conventional judgments, but will make individual decisions from the perspective of whether the interests of shareholders will be maximized in the long term, based on non-financial information and the content of dialogue.
- 4 | We do not use the exercise of voting rights as a means to resolve specific social or political issues.
- 5 | In principle, we shall exercise voting rights for all shares under our management and shall not waive or abstain from voting.
- 6 | To ensure that the interests of our shareholders and policyholders are not unreasonably impaired, the investment management division will make decisions independently regarding the exercise of voting rights, and will make appropriate decisions regardless of whether or not there is a business relationship with the investee company.

Disclosure of Results of the Exercise of Shareholder Voting Rights

To maintain and enhance the appropriateness and transparency of the process, we disclose how we voted and the rationales for our voting decisions for all proposals (including sub-proposals) for all holdings on our website. In addition to PDF files, we also publish the results in a machine-readable Excel format suitable for aggregation and analysis.

 Sustainability Website of Japan Post Insurance
<Stewardship Activities>

<https://www.jp-life.japanpost.jp/english/aboutus/sustainability/esg/stewardship.html>



● Review of Conflicts of Interest

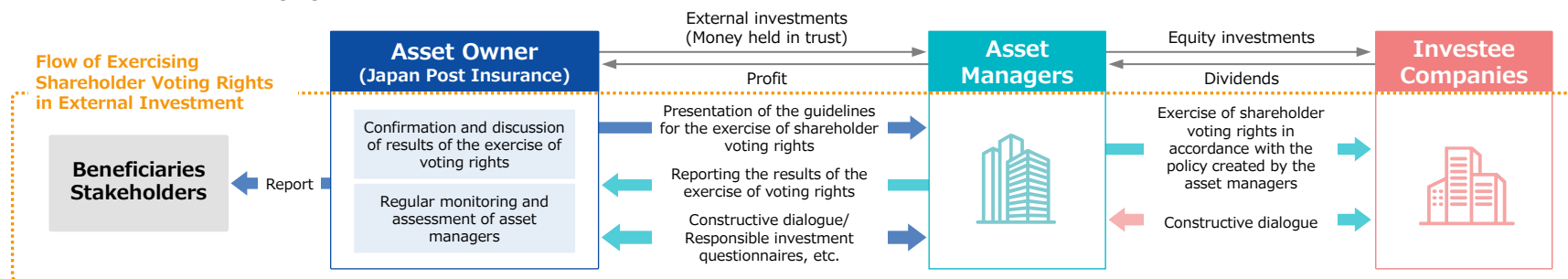
When making decisions on the exercise of shareholder voting rights, we carefully examine each proposal based on our policy and standards, and identify and manage potential conflicts of interest. In addition, at the Responsible Investment Advisory Sectional Meeting, which includes executive officers in charge of compliance and external members, discusses the presence of conflicts of interest, their management, and the appropriateness of decisions on a regular basis (in principle, annually).

Results of Deliberations for 2024/2025 (Held on October 23, 2025)

- Shareholdings in listed companies in the Japan Post Group: There were no shareholdings in listed companies in the Japan Post Group.
- Proposals for which approval or disapproval differs from the Policy on Exercise of Shareholder Voting Rights established by the Company: There were no proposals where approval or disapproval differed from the Policy on Exercise of Shareholder Voting Rights.
- Details of proposals that did not agree or disagree with code in external equity investment: We cross-checked the results of the exercise of shareholder voting rights in external equity investment with the decisions for approval or disapproval for self-managed stock. As a result, we confirmed that although there were eight proposals whose approval or disapproval differed from those of all asset managers, all of them were decisions in line with the policy and standards for the exercise of shareholder voting rights.

● Exercise of Shareholder Voting Rights in Externally Managed Equity Investment

We also conduct regular monitoring of the domestic and international asset managers to which we partially entrust equity investment, in order to ensure the effectiveness of their exercise of shareholder voting rights.



Provision of Guidelines	External asset managers formulate their own policies for the exercise of shareholder voting rights, and, in principle, exercise shareholder voting rights for all holdings. While we entrust, in principle*, individual decisions to these asset managers, we clearly communicate our approach by providing them with guidelines for the exercise of shareholder voting rights, which include matters that should be kept in mind by asset managers.
Monitoring	We regularly assess and monitor asset managers through dialogue, sustainability questionnaires, and various reports, focusing on the consistency of how they voted with their stated policies, their organizational structures, decision-making processes, and conflict-of-interest management. When confirming how they have exercised shareholder voting rights, we also share qualitative insights from dialogue, including the reasoning behind specific decisions.
Dialogues	Based on monitoring results and the results of the exercise of voting rights, we engage in in-depth dialogue with asset managers. Where necessary, we request additional disclosure and explanation or improvements, and work to build relationships that enhance the effectiveness of the entire investment chain by sharing concerns and solutions with asset managers. Details of the results of the exercise of voting rights by external asset managers are reviewed and analyzed, and then discussed at the Responsible Investment Advisory Sectional Meeting.

Activities in FY2024/2025 (July 2024 to June 2025)

● Revision to Standards for the Exercise of Shareholder Voting Rights, etc.

In response to the adoption of stricter decision criteria by institutional investors and voting advisory firms, we revised the standards and the revisions took effect in April 2025. The revisions primarily affected the standards related to “criteria for appointment of directors and outside directors,” “criteria for retirement bonuses and retirement benefits,” and “rules on the disposal of shares through contribution to foundations.”

<Flow of Revision of the Standards, etc. for the Exercise of Shareholder Voting Rights>

	2019 –	2020 –	2021 –	2022 –	2025 –
Background and approach of the revision	* We incorporated into the standards our request for appropriate corporate activities that consider the environment and society as well as high corporate governance, based on the recognition of the importance of ESG factors in achieving a sustainable society and improving long-term investment results			* Response in line with the revision of Japan’s Corporate Governance Code	* Response to stricter standards among institutional investors and voting advisory firms
1 Corporate structure, directors, and board of directors	<ul style="list-style-type: none"> ▶ Appointment and reappointment of directors Addition of standards: “Directors who are deemed to be liable for acts which may have a profound impact on the environment or society” 	<ul style="list-style-type: none"> ▶ Outside directors whose independence is deemed to be impaired Addition of standards: “Whether or not the director has been notified to the financial instruments exchange as an independent officer” ▶ Appointment of representative directors for listed subsidiaries Stricter standards for disapproval in principle: “Outside directors do not account for the majority” 	<ul style="list-style-type: none"> ▶ Appointment and reappointment of directors Addition of standards: “Directors who are deemed to be liable for events which may have a profound impact on the environment, society, or corporate governance” 	<ul style="list-style-type: none"> ▶ Appointment of representative directors Stricter standards for disapproval: “Outside directors do not account for at least one third, or multiple outside directors have not been appointed,” “(in the case of a listed subsidiary) Outside directors do not account for the majority, or multiple outside directors have not been appointed, and no permanent special committees have been established,” “Cross shareholdings account for 20% or more of consolidated net assets and 10% or more of consolidated total assets.” “Companies facing major issues, such as those related to the environmental, social and corporate governance themes, that have shown no improvement despite ongoing dialogue” ▶ Ratio of outside directors Addition of standards for listed subsidiaries: “Outside directors account for the majority of the board of directors, or a permanent special committee has been established.” ▶ Outside directors whose independence is deemed to be impaired Addition of standards: “Persons whose term of office as a director is 12 years or more at the time of the general meeting of shareholders (including term of office as an outside director),” “Persons who have worked at cross shareholding investees (in which the company holds 10% or more of voting rights; have worked at the investee within the past five years)” 	<ul style="list-style-type: none"> ▶ Appointment of representative directors Stricter standards for disapproval: “In cases where at least one female director has not been appointed” ▶ Ratio of outside directors Stricter standards for disapproval: Removal of the standard of “We approve the appointment of all outside directors if the ratio is at least one third (or a majority or establishment of a permanent special committee in the case of listed companies with a parent company, etc.) excluding outside directors with independence issues” ▶ Determining the appropriateness of the execution of duties by outside directors Stricter standards: “Increase the required attendance rate at past board of directors and board of corporate auditors meetings from at least two thirds to 75%”
2 Corporate auditors and board of corporate auditors	<ul style="list-style-type: none"> ▶ Appointment and reappointment of corporate auditors Addition of standards: “Corporate auditors who are deemed to be liable for acts which may have a profound impact on the environment or society” 	<ul style="list-style-type: none"> ▶ Outside corporate auditors whose independence is deemed to be impaired Addition of standards: “The person has not been notified, or there are no plans to be notified, to the financial instruments exchange as an independent officer” 	<ul style="list-style-type: none"> ▶ Appointment of corporate auditors Addition of standards: “Corporate auditors who are deemed to be liable for events which may have a profound impact on the environment, society, or corporate governance” 	<ul style="list-style-type: none"> ▶ Outside corporate auditors whose independence is deemed to be impaired Addition of standards: “Persons whose term of office as a corporate auditor is 12 years or more at the time of the general meeting of shareholders (including term of office as an outside director),” “Persons who have worked at cross shareholding investees (10% or more of voting rights of investee companies; within the past five years)” ▶ Determining the appropriateness of the execution of duties by outside corporate auditors Addition of standards: “Past attendance rate of board of directors meetings” 	<ul style="list-style-type: none"> ▶ Determining the appropriateness of the execution of duties by outside corporate auditors Stricter standards: “Increase the required attendance rate at past board of directors and board of corporate auditors meetings from at least two thirds to 75%”
3 Executive compensation, etc.	<ul style="list-style-type: none"> ▶ Increase in compensation, bonus payments, payment of retirement benefits Addition of standards: “The occurrence of acts which may have a profound impact on the environment or society” 		<ul style="list-style-type: none"> ▶ Increase in compensation, bonus payments, payment of provision of retirement benefit Addition of standards: “Occurrence of events which may have a profound impact on the environment, society, or corporate governance” 	<ul style="list-style-type: none"> ▶ Payment of retirement benefits Stricter standards: In principle, we oppose the payment of retirement benefits when the amount is not disclosed ▶ Executive compensation, etc. Relaxation of standards: Allow stock options to be granted to outside directors 	<ul style="list-style-type: none"> ▶ Payment of retirement benefits Stricter standards: “In principle, we oppose the payment of retirement benefits unless lump-sum payments upon dismissal are proposed simultaneously” ▶ Payment of retirement bonuses Addition of standards: “In principle, we oppose the payment of retirement bonuses”
4 Appropriation of surplus					
5 Reorganization					
6 Capital policy		<ul style="list-style-type: none"> ▶ Addition of standards: “In principle, we oppose the payment of bonuses to outside directors, directors who are audit and supervisory committee members, or corporate auditors, unless there are reasonable grounds for the payment.” 			<ul style="list-style-type: none"> ▶ Contribution of shares to foundations Addition of standards: “We approve the contribution if all of the following standards are met: (1) the activities of the foundation contribute to shareholder value, (2) no significant dilution (exceeding 1%), and (3) voting rights are entrusted to a third party and exercised by the third party”
7 Amendments to the articles of incorporation			<ul style="list-style-type: none"> ▶ Addition of standards: “Shareholder proposals related to environmental and social issues shall be assessed from the perspective of maximizing shareholder returns over the long term and the degree of environmental and social impact.” 		
8 Shareholder proposal		<ul style="list-style-type: none"> ▶ Stricter standards for approving takeover defense measures: “Independent outside directors account for a majority of the board of directors after the conclusion of the general meeting of shareholders.” 			
9 Takeover defense measures	<ul style="list-style-type: none"> ▶ “Various ESG factors, etc.” was added to decision-making factors 				
10 Others					<ul style="list-style-type: none"> ▶ Scope of representative directors Addition of standards: “Add chairman and president without representative authority”

In-House Management

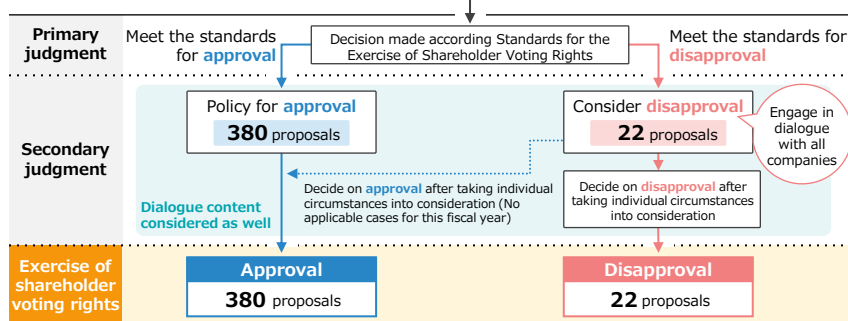
We exercised our shareholder voting rights for 402 proposals at the general meetings of shareholders of 129 domestically listed companies held from July 2024 to June 2025. As a result of the application of the stricter Standards for the Exercise of Shareholder Voting Rights in April 2025, the percentage of proposals opposed increased by 3.1 points from the previous year to 5.5%. This opposition rate is lower compared to externally managed equity investment, which mainly involves passive management. We believe the reason is that all of our in-house management is active management and we hold many stocks with good earnings performance and governance. Details of individual proposals (including sub-proposals) and reasons for approval/disapproval are available on our website.

 Sustainability Website of Japan Post Insurance <Stewardship Activities>

<https://www.jp-life.japanpost.jp/english/aboutus/sustainability/esg/stewardship.html>



Company Proposals: 129 companies / 402 proposals



* Some external asset managers exercise voting rights based on our Standards for the Exercise of Shareholder Voting Rights, these votes are therefore included in the above figures.

<Notes to the table on the right>

*1 Executive compensation includes revision of executive compensation, issuance of stock options, introduction and revision of performance-linked remuneration system, and bonuses for executives.

*2 Reorganization-related includes mergers, business transfer/acquisition, share exchange, share transfer, and company split.

*3 Other proposals on capital policy include share repurchases, reduction of legal reserve, capital increase through third-party allotment, capital reduction, and reverse stock split.

*4 The results are based on parent proposals.

Individual Cases of Exercising Shareholder Voting Rights

Examples of cases in which we have determined that dialogues are necessary in advance of exercising shareholder voting rights (Type of shareholder meeting: Ordinary / Proposer: Company)

Proposal type	Approval/Disapproval	Reasons for approval/disapproval
Proposals on Appointment of Corporate Auditors	Disapproval	A candidate for outside corporate auditor was found to come from a financial institution that is both a major business partner of and a significant lender to the company, and that institution is also a top shareholder (stable shareholder). As five years had not elapsed since the candidate's departure from that institution, there were concerns regarding independence, and we opposed the proposal in accordance with our standards.
Other Proposals (Foundation Establishment)	Disapproval	Regarding the contribution of treasury shares to a foundation, the voting rights attached to the shares allocated to the foundation would not be exercised by an independent third party, and we therefore opposed the proposal in accordance with our standards.

Examples of shareholder voting rights exercised on shareholder proposals related to sustainability (Type of shareholder meeting: Ordinary / Proposer: Shareholders)

Proposal type	Approval/Disapproval	Reasons for approval/disapproval
Proposals on the Articles of Incorporation	Disapproval	Shareholder proposal regarding disclosure of information related to financial risk audits by the audit committee. As the company was considered to have already provided sufficient disclosure regarding its risk management framework and the activities of its audit committee (including audit and oversight of risk management) in its audit reports and supplementary explanations, we opposed the proposal.
Proposals on the Articles of Incorporation	Approval	Proposal to relax the word limit on shareholder proposals. This could be expected to make it easier for the company and other shareholders to properly assess the reasonableness of proposals and improve the quality of discussion. In addition, by clarifying the intent of proposals, constructive dialogue with the company would be facilitated and management accountability and transparency would be enhanced. We voted in favor of the proposal, as it contributes to shareholder value.

Company Proposals

	Total	Approval	Disapproval	Abstain	Opposition rate
Appointment and dismissal of Directors	169	153	16	0	9.5%
Proposals regarding Corporate Organization	58	56	2	0	3.4%
Appointment and dismissal of Corporate Auditors	2	2	0	0	0.0%
Appointment and dismissal of Accounting Auditors	2	2	0	0	0.0%
Proposals on Executive Compensation	62	61	1	0	1.6%
Executive compensation*1	0	0	0	0	0.0%
Payment of retirement benefits to retiring officers	0	0	0	0	0.0%
Proposals regarding Capital Policy (excluding proposals on the Articles of Incorporation)	85	85	0	0	0.0%
Appropriation of surplus	0	0	0	0	0.0%
Reorganization-related*2	0	0	0	0	0.0%
Introduction, renewal, and repeal of takeover defense measures	0	0	0	0	0.0%
Other proposals on capital policy*3	4	4	0	0	0.0%
Proposals on the Articles of Incorporation	19	19	0	0	0.0%
Other Proposals	3	0	3	0	100.0%
Company Proposals Total	402	380	22	0	5.5%

Shareholder Proposals

	Total	Approval	Disapproval	Abstain	Opposition rate
Shareholder Proposals Total	31	2	29	0	93.5%

▶ Dialogue on Governance (G)

Topic | Governance System of the Board of Directors

<Subtopic> Ratio of Outside Directors and Independence of Outside Directors

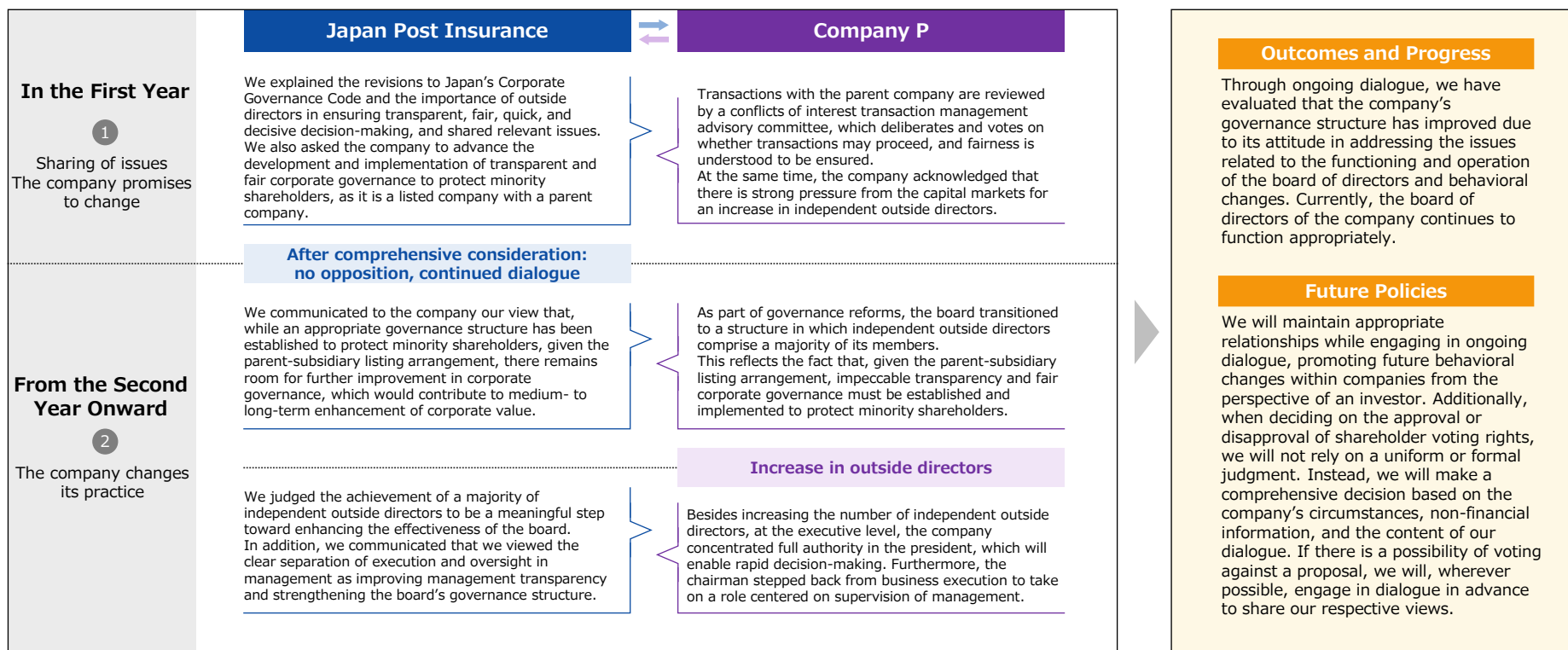
● An example of a company promising change and changing its practices

(Information and Communications Company P )

Background

- In response to the revision of Japan's Corporate Governance Code in 2021, we reviewed the governance standards expected of companies and made revisions to the Standards for the Exercise of Shareholder Voting Rights concerning functions of the Board of Directors and independence of outside officers.
- This company, a listed subsidiary with a parent company, does not have a majority of outside directors, and from the perspective of board functionality, we judged it necessary to increase the number of outside directors.

Vision ▶ Establishing a board of directors with a majority of outside directors for whom there are no issues regarding independence



External Equity Investment

Shareholder voting rights were exercised for 32,516 proposals at the general meetings of shareholders of 1,850 listed companies in Japan held from July 2024 to June 2025. The opposition rate to all company proposals was 16.0%, down 4.2% from the previous year. In addition, regarding the confirmation and analysis of these exercises of voting rights, we engage in dialogue with asset managers, and discussions are held at the Responsible Investment Advisory Sectional Meeting.

■ Analysis of the Opposition Rate

- As in the previous fiscal year, proposals for the appointment and dismissal of the board of directors and the appointment and dismissal of corporate auditors continued to account for the majority of opposition (5,197 proposals).
- The primary reason for the decrease in the opposition rate was a restructuring of the Tokyo Stock Exchange Price Index (TOPIX) by the TSE, which resulted in the removal from the TOPIX of companies with relatively poor performance or governance concerns. (The number of companies subject to the exercise of shareholder voting rights was 2,134 in the previous fiscal year and 1,850 in the current year, a decrease of 284 companies.)
- Because passive investments without stock selection effect are included, there is a tendency for the opposition rate to be higher compared to in-house investments in companies with good governance and no performance issues.

Topics of Dialogue with Asset Managers

Reinforcement and Improvement of Engagement	Some asset managers make concrete suggestions for improvement to the top GHG emitters, and if no improvements are seen after the dialogue, and the companies' response to climate change is judged to be relatively slow, their policy is to oppose the election of directors who have served for a certain number of years or more. We highly commend these efforts to encourage companies to take action on climate change.
Standards for the Exercise of Shareholder Voting Rights	We engaged in discussions to confirm the processes and future direction for changes to the Standards for the Exercise of Shareholder Voting Rights (such as stricter standards for electing female directors, cross-shareholdings standards, ROE standards, etc.).
ESG Scores and GHG Emissions by Investment Portfolio	We reviewed the trends in ESG scores and GHG emissions by investment portfolio, as well as compared them against benchmarks. While there are challenges such as difficulty in making simple comparisons due to annual changes in ESG scoring criteria, we will continue to monitor and discuss the situation regularly.

Company Proposals

		Total	Approval	Disapproval	Abstain	Opposition rate
Proposals regarding Corporate Organization	Appointment and dismissal of Directors	14,502	10,662	3,840	0	26.5%
	Appointment and dismissal of Corporate Auditors	4,147	3,742	405	0	9.8%
	Appointment and dismissal of Accounting Auditors	243	243	0	0	0.0%
Proposals on Executive Compensation	Executive compensation* ¹	3,971	3,720	251	0	6.3%
	Payment of retirement benefits to retiring officers	252	9	243	0	96.4%
Proposals regarding Capital Policy (excluding proposals on the Articles of Incorporation)	Appropriation of surplus	6,776	6,529	247	0	3.6%
	Reorganization-related* ²	108	106	2	0	1.9%
	Introduction, renewal, and repeal of takeover defense measures	191	10	181	0	94.8%
	Other proposals on capital policy* ³	177	176	1	0	0.6%
Proposals on the Articles of Incorporation		2,094	2,083	11	0	0.5%
Other Proposals		55	39	16	0	29.1%
Company Proposals Total		32,516	27,319	5,197	0	16.0%

Company Proposals

		Total	Approval	Disapproval	Abstain	Opposition rate
Shareholder Proposals Total		1,938	182	1,756	0	90.6%

*1 Executive compensation includes revision of executive compensation, issuance of stock options, introduction and revision of performance-linked remuneration system, and bonuses for executives.

*2 Reorganization-related includes mergers, business transfer/acquisition, share exchange, share transfer, and company split.

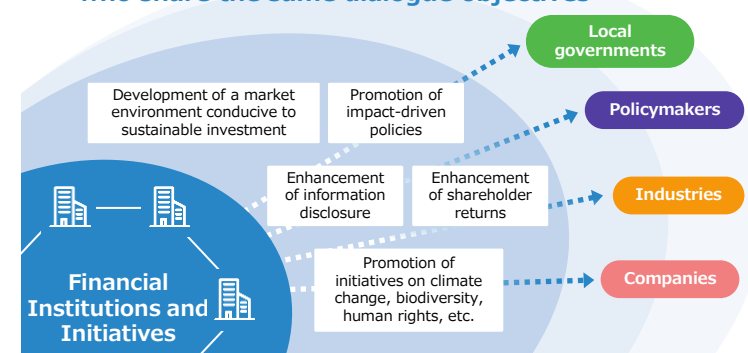
*3 Other proposals on capital policy include share repurchases, reduction of legal reserve, capital increase through third-party allotment, capital reduction, and reverse stock split.

*4 Some external asset managers exercise voting rights based on our Standards for the Exercise of Shareholder Voting Rights, but these votes are not included in the above figures.

Collaborative Engagement and Policy Engagement

Inigorating the investment chain requires not only dialogue with individual investee companies but also collaboration with a broad range of stakeholders, including policymakers, the public sector, and the organizers of various initiatives. In addition, the revision of Japan's Stewardship Code has further heightened the importance of constructive dialogue. Recognizing this, in order to fulfill our stewardship responsibilities, we participate in major domestic and international bodies and initiatives such as the Life Insurance Association of Japan, CDP, and Climate Action 100+, and promote opinion-sharing and collaborative engagement aimed at expanding the market for sustainable and impact investments. Through these activities that transcend individual companies, we believe we have been able to further drive changes leading to enhanced corporate value. Furthermore, to further enhance the effectiveness of our dialogue activities, we have also contributed to the building of cross-sector corporate relationships and the sharing of best practices that raise the overall standard of the market. In addition, regarding themes that are common to many companies, we will work to address social and environmental negative externalities through policy engagement with policymakers, thereby contributing to the sound development and sustainable growth of the market as a whole.

Collaborative engagement with investors who share the same dialogue objectives



Open Engagement Initiatives through Online Seminars

As part of promoting stewardship activities, we have conducted open engagement with issuers at an online seminar hosted by Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. since 2022. In the five seminars held so far, we invited top management to speak and engaged in dialogue from a medium- to long-term perspective, aiming for the sustainable growth of companies and the enhancement of corporate value. By providing an opportunity for market participants to observe the process of engagement between companies and investors, which is usually not public, we hope to promote a shared understanding of engagement and contribute to the overall uplift of the market. As a past example, we held a dialogue with ITO EN, LTD., which was made public via an online seminar in March 2024.

Example of Dialogue

ITO EN, LTD.

Made public in March 2024



We held a dialogue with ITO EN, LTD., a leading company in the tea industry, regarding the progress of their Medium-term Management Plan, dividend policy, and sustainability issues such as human rights and climate change. The company operates a business deeply rooted in "natural capital" such as tea leaves and water, and based on the "ITO EN Group Environmental Policy," focuses on reducing environmental impact across its entire value chain. The company is known as a leader in sustainability management, having received the highest rating in CDP's "Supplier Engagement Assessment" for two consecutive years in 2022 and 2023*. During the dialogue, given the importance of the impact of factors such as climate change on the company's business foundation, discussions focused in particular on addressing environmental challenges throughout the entire product lifecycle, and the company described its initiatives toward building an integrated circular model "from field to tea grounds." In the area of resource recycling, we also learned that the company has established its own upcycling technology leveraging the antibacterial and deodorizing effects of used tea leaves, and has already developed over 100 types of recycled product. These used tea leaves serve as an alternative raw material to paper and resin, and they also have the effect of sequestering CO₂ absorbed by the tea into the products for long periods. Through this dialogue, we reaffirmed that the company is succeeding to a high degree in both "resolving environmental challenges" and "creating economic value" through its proprietary technologies, and we shared our perspectives on future business management.

* The content presented here is based on information available at the time the seminar was held. The company has been selected for the "A List," the highest rating, in both the "climate change" and "water security" categories in CDP 2025. For more details, see the website.
 ■ ITO EN, LTD. Corporate Website "Sustainability" <https://www.itoen-global.com/sustainability/>

Example 1 | Collaborative Engagement through the Life Insurance Association of Japan (Ongoing Participation Since 2017)

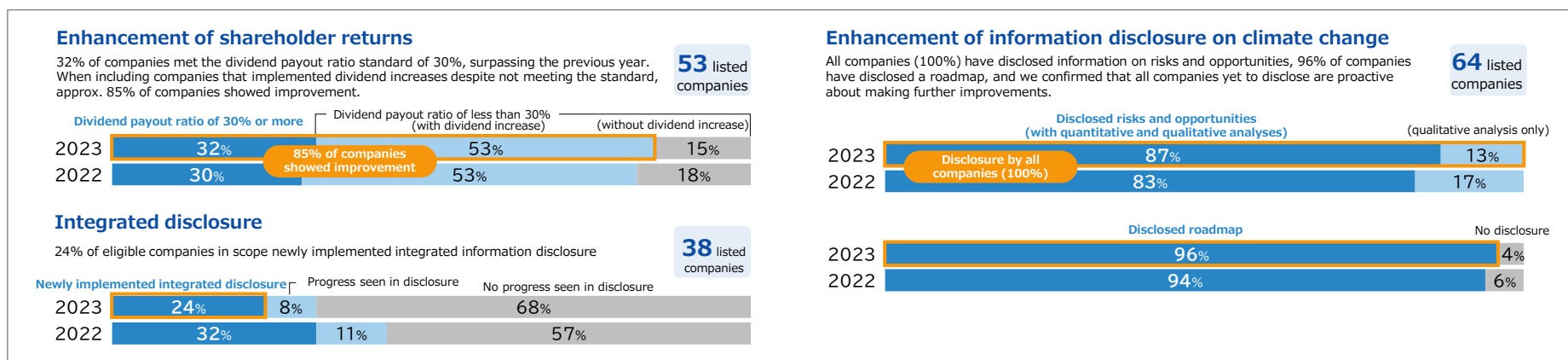
Collaborative engagement in which life insurance companies participating in the Life Insurance Association of Japan's Stewardship Activities WG convey their awareness of issues as institutional investors to companies. In FY2024, we sent letters jointly with 10 companies and engaged in dialogue to explain our intent to 143 listed companies (146 in total).

Campaign Period	FY2024 (December 2024 to November 2025)
Eligible Companies	143 listed companies (146 in total)
Major Dialogue Milestones	<p>Common issues among participating life insurance companies</p> <ul style="list-style-type: none"> • Enhancement of shareholder returns • Management that is conscious of cost of capital and stock price • Integrated disclosure • Enhancement of information disclosure on climate change



*1 Including recipients from last year *2 Overlap with the top companies in GHG emissions (Scope 1 and 2) above

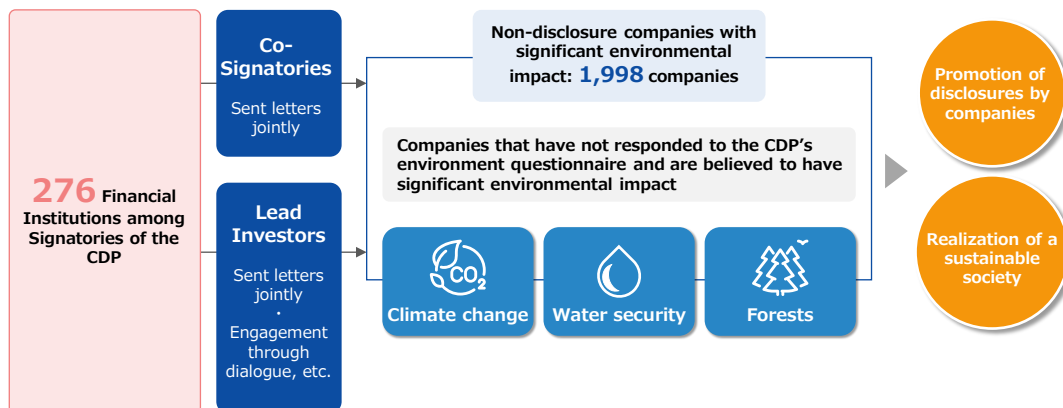
Results of Collaborative Engagement in FY2023 (December 2023 to November 2024)



Source: Prepared by Japan Post Insurance, based on the Life Insurance Association of Japan's "Initiatives by Life Insurers to Reinvigorate the Equity Market and Achieve a Sustainable Society through Asset Management"

Example 2 | CDP Non-disclosure Campaign (NDC) (Ongoing Participation Since 2022)

Collaboration	An initiative where CDP signatories, utilizing their influence and market position as financial institutions, directly engage with companies to promote information disclosure through CDP. At Japan Post Insurance, we jointly signed engagement letters to encourage responses to CDP questionnaires and promote information disclosure.	Campaign Period	2024
		Eligible Companies	1,998 companies selected by the CDP that are considered to have a significant environmental impact but insufficient disclosure
		Major Dialogue Milestones	<ul style="list-style-type: none"> • Climate change • Forests • Water security



Source: Prepared by Japan Post Insurance based on information from the official CDP website

Results of Collaborative Engagement in FY2023

- ▶ 288 financial institutions participated
- ▶ Engagement on climate change, forests, and water security was conducted with a record 1,590 companies, of which 317 companies carried out disclosure through CDP. Companies targeted through the NDC are 2.2 times more likely to disclose to CDP across all themes compared to companies not targeted.

Climate change	: 1,134 companies	→	221 companies
Forests	: 414 companies	→	58 companies
Water security	: 463 companies	→	66 companies

Example 3 | Other Major Communication of Opinions and Policy Engagement

Participated in an impact investment discussion as an external committee member	We presented practical considerations for financial institutions and investors when making impact investments, as well as our opinions on expanding impact investment aimed at creating new businesses that contribute to solving social and environmental challenges.
Communicated opinion through the Life Insurance Association of Japan's recommendations report	To contribute to the revitalization of the equity market and the realization of a sustainable society, we formulated recommendations through the Stewardship Activities WG and the ESG Investment and Finance WG. We then made recommendations for the revitalization of the equity market and the realization of a sustainable society from the standpoint of both a shareholder and an investor.

Compliance with Japan's Stewardship Code and Self-assessment (1)

Principle 1	Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities, and publicly disclose it.
Response Policy	We support the intent of Japan's Stewardship Code and pursue stewardship activities with the aim of enhancing the value and sustainable growth of investees through investments from a medium- to long-term perspective. As a responsible institutional investor, we have formulated a "Stewardship Activities Policy" and a "Sustainable Investment Policy," and maintain a highly effective governance framework based on these policies. We also revise our policies as appropriate to reflect social developments and the revision of the Code, thereby maintaining a highly effective governance framework.
Initiatives	We revised our Stewardship Activities Policy in December 2025 to reflect the June 2025 revision of the Code. Specifically, from the perspective of facilitating dialogue between companies and investors and fostering mutual trust, we have established information provision and disclosure arrangements aimed at "improving transparency for substantial shareholders." We have decided that when an investee company requests disclosure of our holdings, we will appropriately disclose information such as the number of shares we hold, for the purpose of promoting constructive dialogue. We have also reaffirmed our commitment to actively promoting collaborative engagement. We continue to engage in dialogue with investee companies, not only in equities and bonds but also in alternative assets, and we endeavor to incorporate discussion of sustainability issues appropriate to the characteristics of each asset class. ▶ https://www.jp-life-japanpost.jp/english/aboutus/sustainability/esg/stewardship.html
Self-assessment	We assess that, in fulfilling our stewardship responsibilities as an asset owner, we are promptly reflecting changes in the external environment and code revisions into our policies, and making revisions and disclosures as appropriate. We will continue to strive to enhance effectiveness.
Principle 2	Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.
Response Policy	We categorize and manage situations where conflicts of interest may arise. To avoid conflicts of interest, judgments regarding the exercise of voting rights will be independently determined by the investment divisions. We reinforce our governance concerning any conflicts of interest by establishing the Responsible Investment Advisory Sectional Meeting, comprised of external experts, compliance divisions and investment divisions, for the verification of the process and results of exercising voting rights.
Initiatives	During the voting rights exercise period from July 2024 to June 2025, we continued to properly adhere to our measures for managing conflicts of interest. The Responsible Investment Advisory Sectional Meeting convened and deliberated from an objective standpoint on the status of conflict of interest management.
Self-assessment	During this period, no suspicious information sharing related to conflicts of interest was identified in the course of stewardship activities, and our assessment is that the management process has been followed appropriately. Going forward, we will continue to strictly enforce information barriers within the Japan Post Group and strive to maintain a high level of transparency and rigorous management, thereby securing the trust of our beneficiaries.
Principle 3 Principle 4	Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship responsibilities with an orientation towards the sustainable growth of the companies. Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.
Response Policy	We conduct multifaceted research and analysis based on both financial and non-financial information to accurately gauge the status of investee companies. During dialogue sessions, analysts and fund managers work together to pursue "purposeful dialogue (engagement)" that encompasses sustainability issues. While we normally conduct dialogue independently, we also proactively utilize "collaborative engagement" with other institutional investors as necessary, effectively promoting shared understanding and issue resolution with the aim of enhancing corporate value.
Initiatives	Through ongoing dialogue with investee companies and participation in financial results briefings and IR meetings, we carry out multifaceted corporate analysis from both quantitative and qualitative perspectives. With our in-house equity management, we engaged in dialogue with 98 of our 135 investee companies, working to share constructive perspectives toward enhancing corporate value. In domestic corporate bond management, we conducted ongoing dialogue with 35 companies, deepening mutual understanding of the impact of sustainability challenges on future creditworthiness and urging concrete action. Moreover, with external investment, we confirm the status of engagement and the results from the perspective of an asset owner, through documentation received from asset managers describing their stewardship activities and hearings with these managers. In addition, we contribute to raising overall standards in the market through participation in working groups of the Life Insurance Association of Japan, international initiatives such as Climate Action 100+, and collaborative engagement. We have also completed the disclosure of an explanatory approach aimed at improving transparency for substantial shareholders, in response to the revision of the Stewardship Code.
Self-assessment	Through effective dialogue tailored to each company's circumstances, concrete behavioral changes, such as changes to capital policies and enhanced disclosure, have been confirmed at multiple investee companies, so we are seeing effectiveness from our stewardship activities. Going forward, we will continue striving to improve and deepen engagement effectiveness through dialogue and collaborative engagement suited to the individual circumstances and challenges of our investee companies.

* This report focuses on activities from July 1, 2024 to June 30, 2025, but also includes information on some activities from July 2025 onward.

Compliance with Japan's Stewardship Code and Self-assessment (2)

Principle 5	Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies.
Response Policy	We position the exercise of voting rights as an important means of “dialogue with companies,” and our fundamental approach is to exercise those rights based on our own responsibility and judgment, rather than referring to the judgment of others. We make decisions that reflect not only formal criteria but also the individual circumstances of each company and the content of our dialogue with them. We establish a “Policy on Exercise of Shareholder Voting Rights” and “Standards for the Exercise of Shareholder Voting Rights,” and exercise voting rights, in principle, for all holdings based on our own responsibility and judgment. We also conduct regular reviews to ensure that this policy and these standards contribute to enhancing the corporate value of investee companies. In external investment, we provide asset managers with the guidelines for the exercise of shareholder voting rights, and ask them to formulate their policies regarding the exercise of voting rights with reference to the guidelines. ▶ https://www.jp-life.japanpost.jp/english/aboutus/sustainability/esg/stewardship.html
Initiatives	We revised the “Standards for the Exercise of Shareholder Voting Rights” in May 2025. In response to the adoption of stricter decision criteria by institutional investors and voting advisory firms, we revised the standards, with the revisions primarily affecting the “criteria for appointment of directors and outside directors,” “retirement bonuses and retirement benefits,” and “disposal of shares through contribution to foundations.” The revisions were determined following deliberations by the Responsible Investment Advisory Sectional Meeting. We do not limit ourselves to uniform or formal judgments, but instead, engage in in-depth discussion, through dialogue with investee companies, of their willingness to improve and the implications for their future corporate value, and decide whether to vote for or against proposals based on the circumstances. We are committed to highly transparent disclosure, so for every proposal, we disclose how and why we voted on our website and via other channels.
Self-assessment	We assess that we are properly fulfilling our stewardship responsibilities, revising our standards in accordance with changes in the external environment and reflecting the content of dialogues with investee companies in our decision-making. We believe that our continued disclosure of our voting rationales for all proposals has made a meaningful contribution to improving the governance of investee companies. Going forward, we will continue to monitor the external environment and trends with other institutional investors, and will endeavor to regularly review our standards and ensure that they are applied in a highly effective manner.
Principle 6	Institutional investors in principle should report periodically on how they fulfill their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.
Response Policy	As a “responsible institutional investor” entrusted with the management of precious assets on behalf of our customers, we regularly publish details of our stewardship activities and information on how we have exercised voting rights on our website and in our “Responsible Investment Report.”
Initiatives	This fiscal year, too, we published the “Responsible Investment Report 2025,” summarizing our activities to date and details of progress with dialogues. Regarding voting rights exercise, on our website we fully disclose how and why we voted for all proposals, and are continuously striving for greater transparency. In addition to PDF files, we also publish the results in xlsx format to enhance convenience. Our personnel also spoke at relevant seminars to deepen stakeholders’ understanding of our activities. ▶ https://www.jp-life.japanpost.jp/english/aboutus/sustainability/esg/stewardship.html
Self-assessment	We assess that reporting to our customers and beneficiaries is being conducted in a timely and appropriate manner. We believe that providing specific examples of dialogue and fully disclosing how we exercised voting rights for every proposal are effective in helping stakeholders understand the nature of our activities. We will continue to expand and improve the content of our reporting going forward.
Principle 7	To contribute positively to the sustainable growth of investee companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the investee companies and their business environment and consideration of sustainability consistent with their investment management strategies.
Response Policy	To conduct appropriate stewardship activities that contribute to the medium- to long-term enhancement of the corporate value of investees and other companies, we establish the necessary structures and strive to develop human resources with high levels of expertise. To drive continuous improvement in our activities, we receive advice from the Responsible Investment Advisory Sectional Meeting, which comprises external experts, and by conducting regular self-assessments and reviewing our policies in light of social trends and revisions to the Stewardship Code, we will continuously strengthen our capabilities as an organization.
Initiatives	With strong commitment from management and recommendations provided by the expert members of the Responsible Investment Advisory Sectional Meeting, we are continuously endeavoring to enhance our stewardship activities. In terms of organizational structure, we replaced the Responsible Investment Promotion Team, which was established in 2020, with a “Responsible Investment Promotion Office” in April 2024. In addition, experienced professionals have been assigned as fund managers and analysts within the investment execution departments, and we are working to increase our organizational capabilities through knowledge sharing via the “Responsible Investment Liaison Committee” and the “Asset Management Strategy Committee.” With regard to external collaboration, we actively participate in collaborative engagement initiatives such as CDP Non-disclosure Campaign and those organized by the Life Insurance Association of Japan, and are endeavoring to make these initiatives more effective.
Self-assessment	We assess that our ability to appropriately carry out stewardship activities is steadily improving, through the strengthening of dedicated organizations and the assignment of specialized personnel, as well as the construction of frameworks that incorporate diverse external expertise. Going forward, we will continue to leverage the Responsible Investment Liaison Committee and Asset Management Strategy Committee, which now include personnel responsible for alternative assets in addition to equities and credit, to drive efforts aimed at improving our overall organizational capabilities.

Constructive Dialogue (Engagement) with Local Governments

Japan Post Insurance has contributed to the development and improvement of infrastructure in local communities through making investments and loans to local governments for more than 100 years since its founding, including the days of its predecessor, Postal Life Insurance. The spirit of contributing to local communities and society by channeling the precious insurance premiums entrusted to us by customers into investments and loans while operating a sound insurance business has been passed down and remains at the core of Japan Post Insurance's investments and loans to local communities. As one of the largest investors in local governments in Japan, we currently not only provide funding through investments in bonds issued by local governments, but also engage in dialogue with them from a medium- to long-term perspective to promote regional sustainability and sustainable growth.



Selection of Dialogue Partners




We regularly monitor the status of sustainability initiatives, including the Zero Carbon City declaration and the SDGs Future City certification, in order to select organizations.

Between April 2021 and March 2025, we conducted a total of 57 dialogues with 29 local governments. Furthermore, beginning in FY2025, we have newly committed to requesting dialogue with all market-publicized organizations within the three-year period through FY2027. During this period, we aim to maintain and build relationships with local governments where further dialogue is deemed necessary, so as to lead to more effective initiatives. We engaged in dialogue with 17 local governments between April and December 2025.

Dialogue Policies

In addition to the information disclosed by local governments, we also refer to the selection and accreditation status of SDGs Future Cities and other information from supervisory ministries and agencies. Based on this, we assess the initiatives related to our three priority themes. In our dialogue, we deepen mutual understanding with local government representatives and, as an investor, encourage the advancement of initiatives and the expansion of information disclosure by presenting our requests and sharing good examples from other organizations.

Key Dialogue Themes

 Enhancement of well-being	<ul style="list-style-type: none"> • Prioritizing education and childcare support, we assess current challenges and the status of our initiatives based on quantitative indicators related to childcare support systems and countermeasures for nursery waiting lists (number of children waiting for nurseries and after-school care, ratio of taking childcare leave, etc.).
 Development of local communities and society	<ul style="list-style-type: none"> • Prioritizing initiatives aimed at achieving the SDGs, we engage in dialogue mainly based on SDGs Future City accreditation status. • For organizations that have been selected, progress evaluation sheets (follow-up sheets) submitted to the Cabinet Office are reviewed. For organizations that have not been selected, we confirm plans and implementation statuses of projects related to the same themes from comprehensive plans and other sources.
 Contribution to environmental protection	<ul style="list-style-type: none"> • Prioritizing climate change response, dialogues are primarily conducted based on local governments' Zero Carbon City declarations. • For organizations that have made the declaration, we review relevant materials published by each organization. For those that have not made the declaration, we confirm plans and implementation statuses of projects related to the same theme from comprehensive plans and other sources.

6

Impact “K” Project

- **Our Philosophy on Impact Investment** p.71
- **Japan Post Insurance’s Impact Investment Framework: Impact “K” Project** p.75
- **Approach to Social Issues** p.80
- **Evolution and Deepening of Impact Investment** p.93
- **Initiatives to Spread the Value of Impact Orientation** p.96
- **<Special Feature> Initiatives for Global Impact Investing Network (GIIN)** p.98
- **<Interview> Impact Investments** p.99

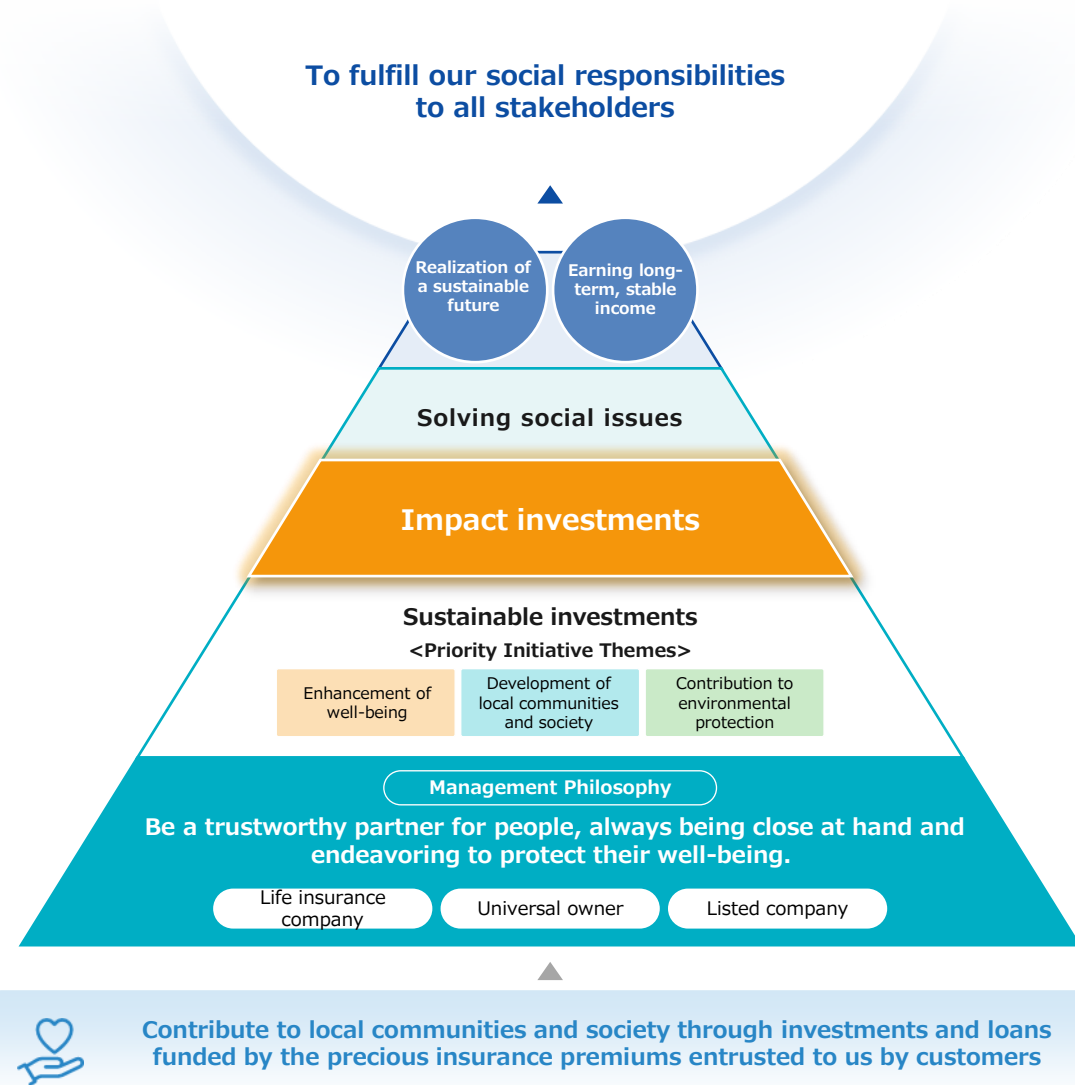
Impact Frontiers Global Impact Investing Network	Ms. SUDO Nao	✕	Mitsubishi UFJ Trust and Banking Corporation	Mr. KATO Masahiro	✕	JAPAN POST INSURANCE Co., Ltd.	NOMURA Hiroyuki
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- **<Special Feature> Participation in the Social Issue Resolution Program Comorebi** p.103

Our Philosophy on Impact Investment

The foundation of Japan Post Insurance's asset management lies in its Management Philosophy, "Be a trustworthy partner for people, always being close at hand and endeavoring to protect their well-being." Based on this philosophy, as a life insurance company, universal owner, and listed company, we are promoting impact investments to fulfil our social responsibilities toward all stakeholders.

The Company's roots can be traced back to the foundation of the Postal Life Insurance business by the former Ministry of Communications in 1916. Since then, we have invested in and made loans to local governments for over 100 years. The funds we lent to local governments prior to our privatization contributed to the development of local communities and society as they were used to construct public facilities and infrastructure such as school buildings and gymnasiums, citizens' halls, public housing, art museums, and so on. The DNA of contributing to local communities and society through investments and loans funded by the precious premiums entrusted by our customers while operating a sound insurance business has been continuously passed down ever since the Company's founding. That spirit has led to sustainable and impact investments at Japan Post Insurance and continues to evolve.

It is our belief that making impact investments while envisioning the future for the next several decades with a long-term perspective is one solution to respond to the demands that society makes of life insurance companies. As an asset owner that manages approximately ¥60 trillion in assets, we aim not only to pursue income, but also to play a role in providing security and hope to future generations. We will actively engage in impact investing so that a prosperous society and a better future will have been built by the time our customers and their family members receive insurance benefits along with their thoughts and feelings.



– Affinity Between Asset Management and Impact Investment at Japan Post Insurance

Life insurance is financial product for which contract periods are long. To ensure that we are able to pay future insurance claims we have promised customers, we make diversified investments aimed at delivering stable returns over the medium to long term based on appropriate risk management.

As for impact investment, we invest in businesses that take on the challenge of new technologies and innovative business models to resolve social issues that have not been sufficiently addressed through conventional economic activities alone. Such technologies and business models are expected to have high competitiveness and medium- to long-term growth potential by capturing latent demand and expectations. Impact investment has a high level of affinity with Japan Post Insurance’s long-term stable asset management style and time horizon, and we believe it will sustainably contribute to improving our investment income and corporate value.

– Expected Effects from Impact Investment Promotion

Impact investment simultaneously seeks to resolve social issues and earn long-term financial returns, and differs from investments that merely seek short-term profits. By promoting impact investment across a wide range of assets, we are expected to have three main effects.

<Three expected effects>

Effect 1 Cultivating sustainable and stable society and markets

By creating positive impacts (social and environmental impacts) toward solving social issues, we enhance the sustainability of society and markets and promote stable growth.



Effect 2 Identifying excellent businesses

New technologies and innovative business models that contribute to resolving social issues are highly competitive and have medium- to long-term growth potential, and by discovering investees with these qualities, future improvements in corporate value can be expected.



Effect 3 Establishing a new ecosystem

By actively providing funds to impact creation-oriented companies, engaging in dialogues with asset managers and investee companies, and participating in initiatives, collaboration in the investment chain is deepened and an ecosystem that realizes a sustainable future is established.



– Japan Post Insurance's Aims with Impact Investment

As a universal owner, Japan Post Insurance invests in industries and infrastructure that form the foundation for abundant living and economic activities through various assets. These play important roles in stably maintaining modern social life, and we aim to support their sustainable growth and development through asset management. On the other hand, in impact investment, we focus on areas that are difficult to be addressed through extensions of existing business approaches. We consider two axes: "Importance/urgency of the social issue" and "Degree of contribution to resolving the social issue," with the aim of investing in companies and businesses that independently and directly attempt to resolve newly emerged issues or unresolved challenges.

1 Impact investments in the narrow sense (our focus areas)

We believe that fields where social issues are highly important and urgent and where investee companies can play active roles or make contributions to their resolution (1 in the figure) are areas where we should focus in impact investment.

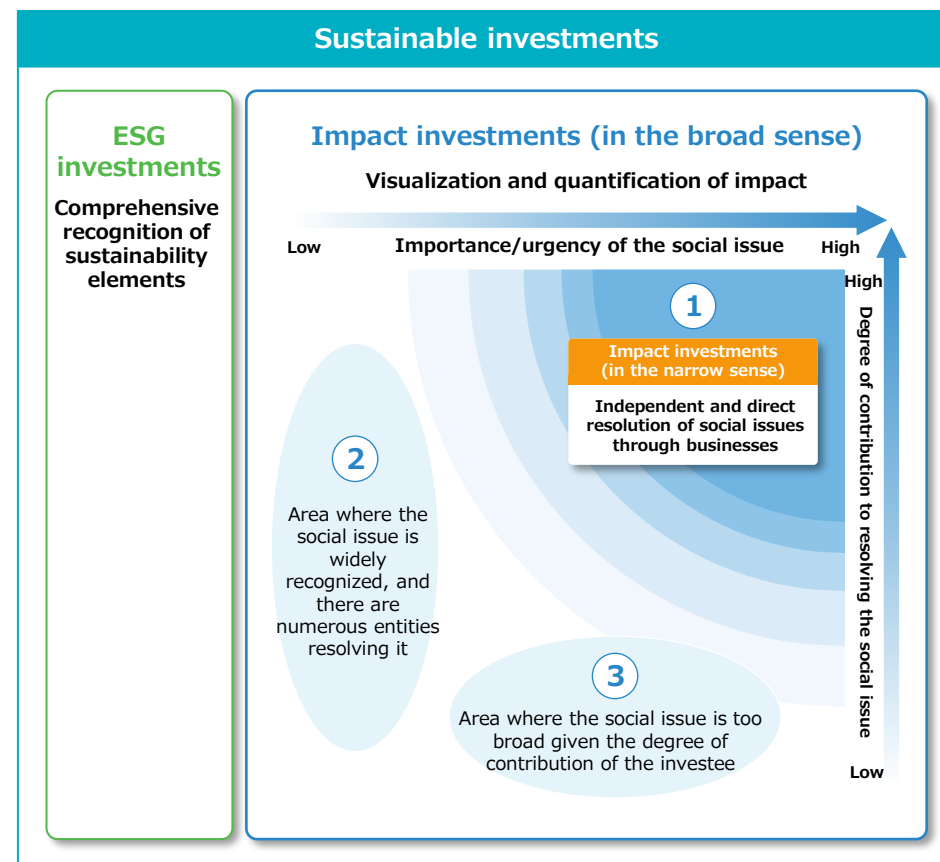
2 Approach to area selection

Importance/urgency of the social issue

In many cases, existing industries and business models are positioned in areas where the importance and urgency of the social issues they intend to solve are relatively low (impact investments in the broad sense) (2 in the figure). These were innovative businesses that led to resolving social issues or the time when they started. However, with changes in the era, the entry of competitors, and the penetration of businesses into society (maturation of the business), the targeted social issues shift to issues already solved or issues generally being solved for stakeholders. Investments in such areas have social significance and may fall under the category of impact investments in the broad sense. However, their roles differ from those of impact investments in the narrow sense. We position investments in companies and businesses addressing newly emerged issues or issues not adequately addressed through existing frameworks as impact investments in the narrow sense.

Degree of contribution to resolving the social issue

The extent to which an investee company plays an essential role in resolving social issues is also an important factor. For example, in many cases such as climate change, there are limits to what a single company can do to address social issues that are extremely important and urgent on a global scale (3 in the figure). On the other hand, in cases of business models that involve new technologies or change industrial structures, a company has the potential to create a significant impact as a game changer in solving a wide range of issues, and thus falls under the category of impact investments in the narrow sense. In addition, not limited to individual companies, we believe it is possible to make an evaluation similarly when asset managers and others demonstrate ingenuity in various ways and make a high level of contribution for the entire portfolio.



– Social Issues that Japan Post Insurance Considers

We believe that there are several areas regarding the issues that investee companies face depending on the scope of their impact and the approach taken to resolving them.

First, what many companies primarily address in their daily business activities are internal company issues. We believe that securing sustainable profits, pursuing corporate value improvement, and strengthening our own competitiveness are important foundations for corporate activities, and that solidifying these foundations is the basis for generating efforts toward environmental and social considerations and long-term value creation.

Next, there are industry issues as structural problems unique to the industry to which a company belongs. Solving structural problems facing the industry can contribute not only to strengthening a company’s own competitiveness but also to the development of the entire industry. In this area, alongside economic development, consideration for social costs such as burdens on the environment and society (external diseconomies) is another important point.

There are also customer issues as the starting point for the development of a company’s services and products. This refers to the concerns and needs that our customers face in daily life or business activities, and companies aim to solve them through their own services and products. In many cases, they engage in competition and ingenuity within existing business models and market frameworks to improve services and products or explore new solutions. However, it is not unusual for solutions to already exist in that area.

In addition to these areas, social issues are gaining attention with the spread of impact investments. These issues cannot be sufficiently addressed through existing businesses or services alone, and new innovations, construction of business models, and approaches from a perspective that overlooks society as a whole are needed to aim for fundamental solutions. As a life insurance company that is closely aligned with customers, Japan Post Insurance hopes to solve the difficulties that customers feel and face in their daily lives and problems that they have been forced to accept as unavoidable. There are companies that use a strong solution-oriented approach toward these social issues as motivation for business promotion, pursuing both resolution and business growth simultaneously through innovative ideas and business models. We aim to realize both a sustainable future and financial returns by investing in such companies.



Japan Post Insurance's Impact Investment Framework

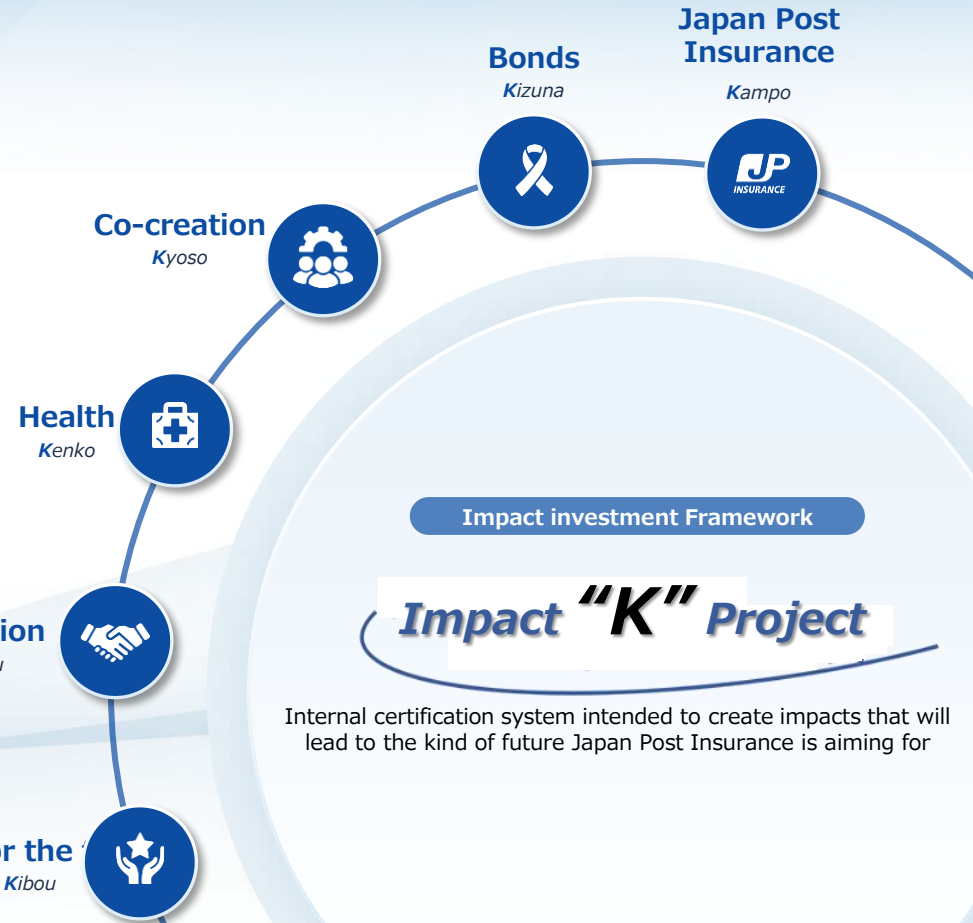
Impact "K" Project

In 2022, with the aim of expanding impact-oriented investments and loans as a responsible asset owner, we have launched the Impact "K" Project, our proprietary impact investment framework.

This project is an internal certification system intended to create impacts that will lead to the kind of future we are aiming for. The "K" in the project name embodies thoughts such as *Kampo* (Japan Post Insurance), *kizuna* (bonds), *kyoso* (co-creation), *kenko* (health), *kyoryoku* (cooperation), and *kibo* (hope for the future) in Japanese.

When making impact investments via funds, we specify the criteria and processes for ensuring the quality and transparency, and announce funds that have met these criteria as Impact "K" Project-certified Funds. We view all the managers of certified funds as partners aiming to create impacts alongside us over the long term.

Based on this framework, we collaborate with the asset managers entrusted with fund management, as well as investee companies, with the goal of making impact-oriented investments and loans that will make a genuine contribution to social issue resolution, in the sense of spurring the transformation of systems to structurally address social issues.



Internal certification system intended to create impacts that will lead to the kind of future Japan Post Insurance is aiming for

Features of Impact “K” Project








— Ensuring the Quality and Transparency of Impact Creation

● Certification requirements and evaluation perspectives

In addition to impact creation processes such as setting KPIs (key performance indicators) and employing IMM (impact measurement and management), we place importance on the social issues recognized by investees, theories of change, logical models, and secondary effects of impact creation (including unexpected negative impacts), as well as consistency with our three priority initiative themes for sustainable investment (enhancement of well-being, development of local communities and society, and contribution to environmental protection). As the concept of impact investment spreads, there may be concerns related to the formal setting of measurement indicators or premature labeling of impact, so-called impact washing (superficial impact investment) and risks associated with potential negative impact occurrences. These recent circumstances make it even more important to ensure transparency for the effective spread of impact investments. We have developed our own certification requirements and schemes that incorporate domestic and international guidelines and approaches, and we are building a foundation for the continuous expansion of effective impact investments while ensuring validity and transparency. In addition, for investments that can be expected to deliver impacts that are in line with our intentions, we do not stop at formal requirement fulfillment but make decisions and assessments in a comprehensive manner through a series of in-depth dialogues with asset managers and other efforts.

<Impact “K” Project certification requirements>

<p>1 Consistency with Japan Post Insurance’s Management Philosophy and our three priority initiative themes</p> 	<p>We confirm the consistency of the impacts created by investees with our Management Philosophy and three priority initiative themes for sustainable investment.</p>	<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 5px; margin-right: 10px;">Management Philosophy and priority initiative themes</div> <div style="margin-right: 10px;">▶</div> <div style="text-align: center;"> <p>Be a trustworthy partner for people, always being close at hand and endeavoring to protect their well-being.</p> <div style="display: flex; justify-content: space-around; font-size: 8px;"> Enhancement of well-being Development of local communities and society Contribution to environmental protection </div> </div> </div>
<p>2 Creates not only economic returns but also social returns at the same time</p> 	<p>In addition to demanding a positive impact on society or the environment, we also assess whether an investment can be expected to deliver returns on par with the level normally required of its asset class (equity, corporate bond, PE, real estate, etc.).</p>	
<p>3 Clear intent to create positive and new social impact</p> 	<p>We evaluate from multiple perspectives, whether the operators or businesses have committed to identifying or targeting a specific issue from among various social issues for a particular reason, and whether they are firmly committed to creating an impact. (Intentionality)</p>	
<p>4 Addresses environmental or social needs that have yet to be satisfied</p> 	<p>We verify the clarity of the path from the recognition of a social issue to its resolution, focusing on what the investee creates and how it will contribute to society. (Additionality / Contribution)</p>	
<p>5 Quantitative KPI setting and regular monitoring are possible</p> 	<p>For the impact created, we require quantitative target setting and progress to be confirmed in terms of how the results of impact will be manifested in resolving the targeted social issues. As impact components, we conduct analysis with reference to the “five dimensions of impact” put forward by the IMP (Impact Management Project, now called “Impact Frontiers”).</p>	



Features of Impact "K" Project

● Multifaceted discussions with confirmation sheet

As part of the certification flow for the Impact "K" Project, we have created the Impact "K" Project Confirmation Sheet, and the investment execution departments and the planning and management departments engage in multifaceted discussions.

This sheet is formulated by comprehensively organizing definitions and best practices related to impact investment in Japan and overseas as references, and it enables comprehensive confirmation of the selection points for impact investments that we aim to achieve. Specifically, we check for alignment with our concept of impact, the clarity of intent to create impact, and whether sufficient framework and knowledge are in place to realize an impact.

This sheet is not yet in its final form. We will be revising and updating it as needed based on insights gained from accumulating track record and experience in impact investment, as well as evolution in definitions and techniques.



Impact "K" Project Confirmation Sheet					
					Submission date
					Name of person in charge
Outline of Investee					
Name of fund					
Name of asset manager / gatekeeper					
Fund establishment date / planned establishment date					
Investment amount	Amount invested by us		Fund scale		
Fund Concept					
Social issues to be solved					
Intentionality					
Additionality	Contribution				
	Specialty / Expertise				
Consistency with the Japan Post Insurance's materiality	Enhancement of well-being	Development of local communities and society	Contribution to environmental protection	Other (Management Philosophy, etc.)	
Logic Model / Theory of Change					
Investment target / purpose of funding					Setting quantitative outcome indicators (OPIs)
Outputs					
Direct results of business or project					
Beneficiaries(who)					
Outcomes (what, how much)					
Initial or Medium-term outcomes/changes for beneficiaries as a result of outputs					
Impacts (contribution, risk)	Positive				
	Negative		Countermeasure		
Long-term and fundamental changes for the realization of a sustainable society					
Measurement					
Specifics of KPIs (Changes in indicators)	Current status				
	KPIs				
KPI measurement tools					
KPI measurement timing/frequency					
Comment from department in charge of investment					
					Assessment date
Investment Planning Department Assessment by Responsible Investment Office	Impact "K" Project certification				
	View				

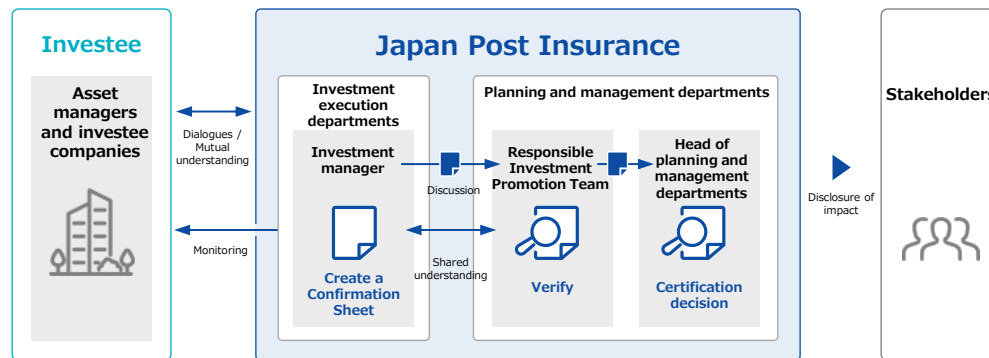
Features of Impact "K" Project



● Certification process and function of restraining the activities of the other

The certification process is designed to ensure that the investment execution departments and the planning and management departments cooperate with each other, while the planning and management departments appropriately demonstrate their function of restraining the activities of the other. The investment execution departments prepare the Confirmation Sheet through, for example, dialogue with investees, clarify issues, and submit it to the planning and management departments. The planning and management departments carefully examine the content of the Confirmation Sheet, and if necessary, engage in dialogue with the investment execution departments or investees.

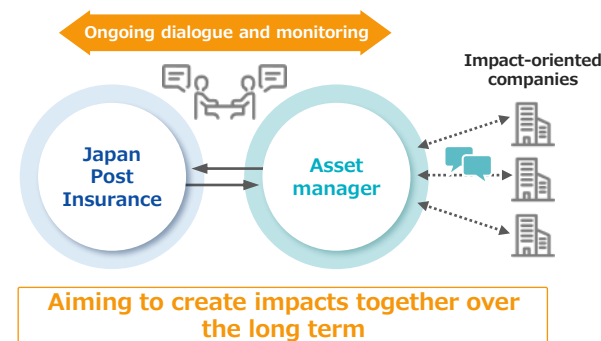
Because the concept of impact is perceived differently depending on the entity involved, confirming each other's thoughts is very important for long-term support of the investment. They confirm that our wishes and the thoughts of the investee are aligned, and if they have any doubts or notice any issues, they urge the investee to resolve them. The head of the planning and management departments makes the final decision on the certification after comprehensive judgments and assessments based on a series of dialogues as partners in creating an effective and substantial impact, rather than merely confirming requirements as for a formality. In addition, overviews of certified funds and such are regularly reported at the Asset Management Strategy Committee and Responsible Investment Advisory Sectional Meeting attended by executive officers in charge and external experts.



● Dialogue and monitoring

After certification, we continue to engage in dialogue with the investee and to monitor them, as we endeavor to establish healthy partnerships with them. We take appropriate measures to maintain transparency and credibility when issues arise. The manifestation of impact and changes in social structures take a long time. As an asset owner, we have a long-term perspective and work with asset managers and their investee companies by sharing the current status and desired direction. We connect this to enhancing the value of investee companies, their sustainable growth, and further expansion of the impact created.

We have an obligation to maintain and improve risk-return levels over the long term under constraints and regulations as a life insurance company. Creating an impact also takes a long time. Therefore, as an asset owner, we believe that we should be cautious about short-sighted performance assessment and incentive setting.



Features of Impact "K" Project

— Accumulation of Diverse Impact Investment Projects

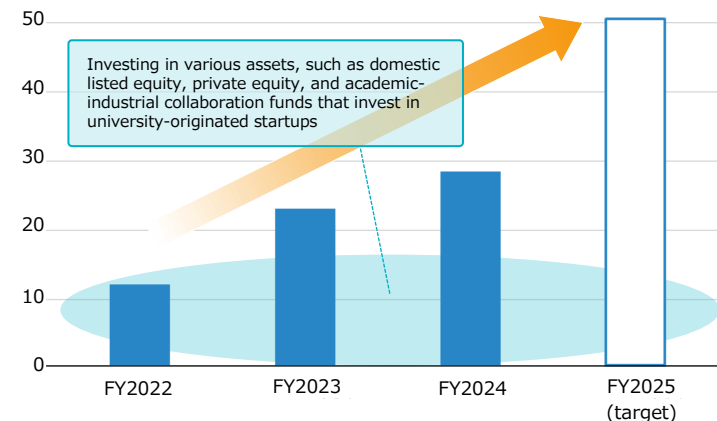
Measuring and managing the social and environmental impacts created is an important part of impact investment aimed at solving social issues. However, depending on the asset class or the growth stage of the investee company, there may be cases where setting KPIs from the initial stage or quantitative IMM is difficult, or areas that are not conducive to quantification itself. Furthermore, it takes a long time for impacts to appear, and the process is diverse. Logic models and the nature of impacts aimed for will also change depending on the growth stage of the business or company, changes in the circumstances of society, etc.

Recently, discussions on how the social and environmental impacts created are reflected in a company's financial value and what influence they have on company assessment or investment decisions have become active, and efforts to further develop impact investments are continuously carried out.

However, we believe that hesitating to invest in companies and businesses that are taking on challenges in an effort to have a positive impact on society or the environment, on the grounds that it would be difficult to quantitatively measure the impact or identify the effects produced by the impact, would result in a significant loss for society and the environment, which are facing many challenges. Based on this recognition, we carefully analyze and assess the certainty of the path to issue resolution aimed by each investee, firmly understand their thoughts and intentions, while working to accumulate flexible and diverse portfolio of impact investment projects. Currently, in addition to PE (private equity) funds, which are the most popular vehicle for impact investment, we have been accumulating impact investment projects in a wide range of assets, such as domestic listed equity funds, which have the potential to generate bigger impacts, and academic-industrial collaboration funds, which invest in startups that leverage the innovative technologies and research from academia. In our Medium-Term Management Plan (to FY2025), we set KPIs of 15 projects, ¥50.0 billion for the Impact "K" Project. As of March 31, 2025, we have invested in 9 projects amounting to ¥27.9 billion.

■ KPIs in the Medium-term Management Plan (to FY2025)

(Unit: billion yen)



FY2022	FY2023	FY2024	KPIs in the Medium-term Management Plan
3 projects	6 projects	9 projects	15 projects
¥11.75 billion	¥22.55 billion	¥27.9 billion	¥50.0 billion

Approaching various social issues alongside asset managers and investee companies

Investee Companies

Approach to Social Issues

Impact "K" Project

An impact investment certification framework uniquely defined by Japan Post Insurance

Asset Managers



Enhancement of well-being

Contribution to environmental protection

Development of local communities and society

- Ichirou Inc.**
Custom-made elderly care service business ▶ p.81
- Real estate management business in desirable urban locations**
Attracting daycare centers (Real estate fund investments)
- S-Pool, Inc.**
Employment support service for people with disabilities/ BPO services for local governments
- Neusignal Therapeutics Inc.**
Development of next-generation drugs for treating Alzheimer's disease
- Recruit Holdings Co., Ltd.**
Online job matching and recruitment platform management ▶ p.82
- J-Pharma Co., Ltd.**
Specific cancer treatment drug development business
- Boston Medical Sciences**
Development of Laxative-Free Virtual Colonoscopy System ▶ p.83
- neumo, Inc.**
Neuroscience-based auditory improvement solutions ▶ p.84

- Little Leaf Farms**
High-tech hydroponic cultivation of leafy vegetables business
- SAKA NO TOCHU Co., Ltd.**
Distribution and sales of agricultural products
- Advance Composite**
Development of high-performance metal-based composite materials ▶ p.85

- NIHON AGRI, INC.**
Production, processing, export, and sale of agricultural produce / agricultural management consulting business
- Money Forward, Inc.**
Cloud services business for corporate clients
- newmo, Inc.**
Taxi and rideshare business
- Aeronext Inc.**
Industrial drone development and solution provision ▶ p.86

- Resolution of Labor Shortages in the Long-term Care Industry and Alleviation of Burdens on Family Caregivers
- Elimination of the problem of children being wait-listed for nursery schools in urban areas
- Lack of employment opportunities for people with intellectual and mental disabilities/lack of employment opportunities for women in rural areas
- Fulfillment of unmet medical needs
- Expansion of employment opportunities for all job seekers
- A society where terminal cancer patients and their families can have hope
- Eradication of Colorectal Cancer Deaths through Improved Screening Rates
- Hearing loss prevention and auditory improvement — with downstream impact on dementia risk reduction

- Enhancement of the food production sustainability
- Sustainability of agriculture and living
- Supporting our future with our materials

- Restructuring agriculture to transform it into a sustainable growth industry
- Shortage of labor in SMEs due to the decline in the working-age population
- Reducing the number of people with mobility issues and realizing diverse ways of working
- Contribution to solving regional logistics issues

* The investee companies described in this document are examples and are not all-inclusive.

Asset	Private equity fund
Fund	Fast Track Initiative 4th Investment Limited Partnership

Ichirou Inc.

(Custom-made elderly care service business)



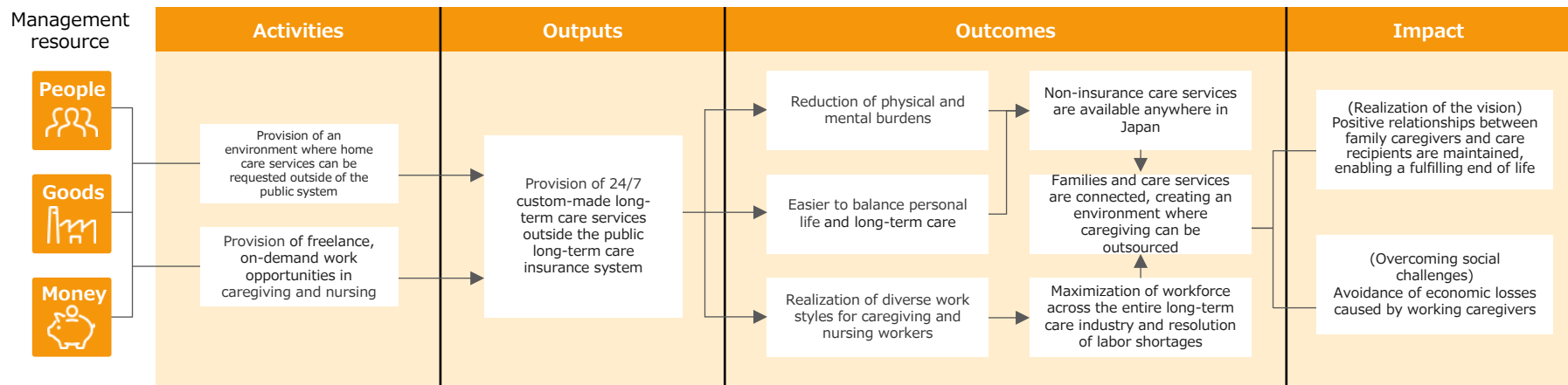
Social issues to be solved

Japan, which is one of the world's first super-aging societies, faces various social issues related to long-term care. In particular, there is a lack of flexible support tailored to the needs of families caring for those who need care, leading to many situations where family caregivers are unable to arrange the care they need, and must prioritize caregiving over their own lives and work in order to continue providing in-home care. On the other hand, the shortage and aging of home helpers is becoming even more serious, making it increasingly difficult to maintain the supply system for home care services. Reducing burdens on family caregivers and advancing the utilization of caregiving personnel to prevent economic losses throughout society is an important issue in current Japanese society.

Business activities and initiatives for social issues

Ichirou provides 24/7 custom-made long-term care services outside of public long-term care and medical insurance systems. Long-term care-related issues, including employees leaving their jobs to provide care, are underpinned by structural problems where public insurance systems for home care services have many restrictions on rules, time, and service content, making them insufficient for responding to diversifying nursing care needs. Therefore, Ichirou has built a system that flexibly responds to the needs of those requiring care and their families by specializing in providing services outside of nursing care insurance. By combining nursing care insurance and non-insurance nursing care services, Ichirou supports the balance between caregivers' own lives and work with nursing care, aiming to create an environment where in-home care can be continued. The company will continue to address social issues facing the long-term care industry with a commitment to both social contribution and the pursuit of profit, including obtaining international B Corp Certification for ESG management in November 2024.

Logic model





[Social issues to be solved]

Expansion of Employment Opportunities for All Job Seekers

Asset	Domestic listed stocks
Fund	Impact investment fund

Recruit Holdings Co., Ltd.

(Online job matching and recruitment platform management)



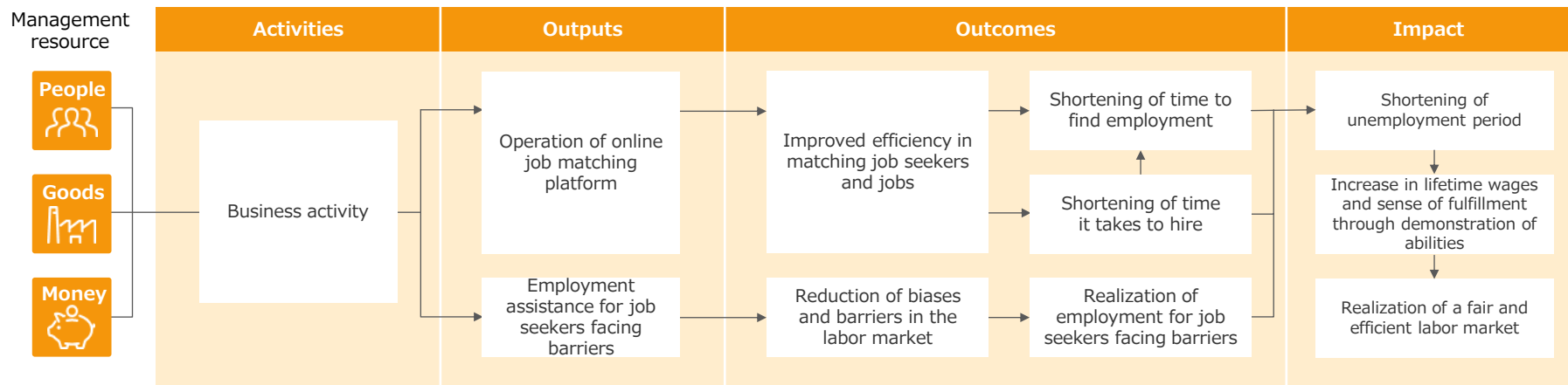
Social issues to be solved

Work is the foundation that supports daily life for many people around the world. According to an OECD survey, about 40% of people worldwide cannot maintain their standard of living for more than three months if they suddenly lose income due to unemployment or similar reasons. On the other hand, survey results show that about half of job seekers are looking for work longer than they can maintain their standard of living, so shortening unemployment periods is a serious social issue. To shorten the time it takes to find employment, it is necessary to use data and technology to improve the speed and accuracy of matching job seekers with jobs. It is also important to reduce labor market barriers that have little to do with skills and abilities, such as a job applicant's educational background, criminal record, disability, or military experience.

Business activities and initiatives for social issues

Recruit Holdings has clearly demonstrated an intent to solve social issues by being committed to creating a social impact through business activities in the field of work, which is an essential foundation for people's lives. Indeed, operated by Recruit Holdings, has over 610 million job seeker profiles and is the world's No. 1 job platform that covers not only searches but also applications, interviews, and hiring. By improving matching accuracy using abundant data on job seekers and hiring companies, the company is promoting the shortening of the job search period and the enhancement of the value of job advertisements. The company is also working on expanding skills-first hiring, which evaluates skills acquired by job seekers through practical experience or vocational training programs and identifies candidates who have potential for success. Through these initiatives, companies can hire highly capable human resources from a larger pool without missing them, in a short period of time. Job seekers are also provided with employment opportunities that allow them to make the most of the skills they have developed over the years.

Logic model





[Social issues to be solved]

Eradication of Colorectal Cancer Deaths through Improved Screening Rates

Asset	Private equity fund
Fund	Beyond Next Ventures 3rd Investment Limited Partnership

Boston Medical Sciences

(Development of Laxative-Free Virtual Colonoscopy System)



Social issues to be solved

Colorectal cancer is the second leading cause of both cancer incidence and mortality worldwide, and in Japan it ranks first in incidence and second in mortality. Approximately one million people die from the disease each year globally, with annual medical costs reaching around ¥2 trillion in the U.S. and ¥0.6 trillion in Japan.

It is a disease where the risk of dying from cancer can be significantly reduced through timely screening and appropriate treatment — making early detection critically important.

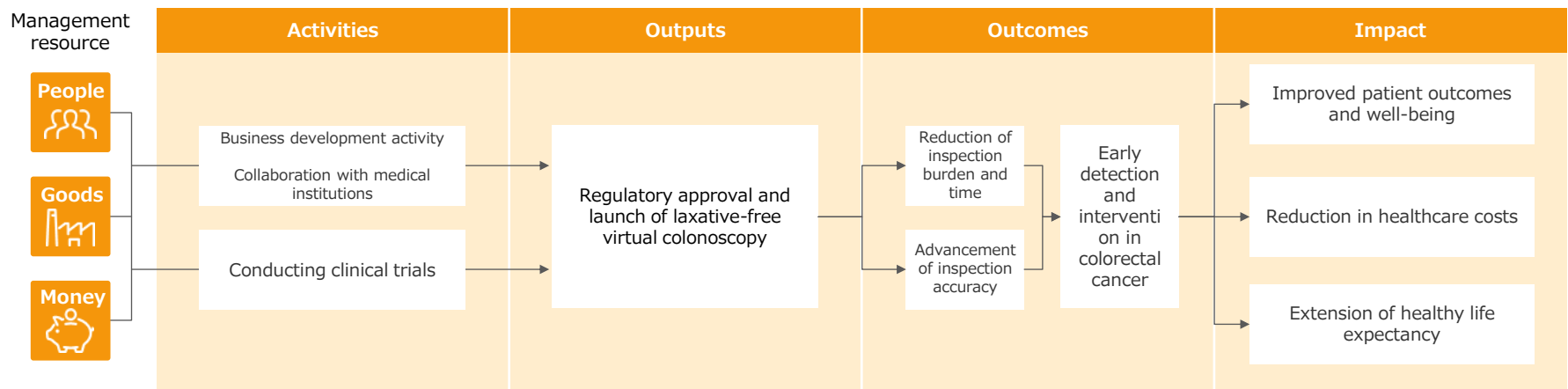
Despite being highly preventable through early detection and appropriate treatment, screening uptake remains suboptimal. This is largely due to the invasiveness and patient burden associated with existing diagnostic procedures, including colonoscopy. The requirement for large-volume bowel preparation and the discomfort associated with endoscopic insertion create significant barriers to screening, resulting in tens of millions of unscreened individuals annually in both Japan and the United States.

Logic model

Business activities and initiatives for social issues

Boston Medical Sciences is developing a high-precision, AI-powered laxative-free virtual colonoscopy system, integrating proprietary virtual bowel cleansing and polyp detection technologies. The company has completed clinical trials in Japan and is currently preparing for regulatory submission. Where conventional colonoscopy takes several hours or more from laxative pre-treatment through to the procedure, this CT- and AI-based system enables a complete examination in approximately ten minutes — eliminating both laxative intake and rectal insertion, while achieving polyp detection performance comparable to conventional methods. Improving screening rates requires raising public awareness of colorectal cancer and the screening options available. To that end, the company is advancing disease awareness and promoting understanding of available screening options, including educational initiatives in collaboration with medical institutions across Japan, covering what colorectal cancer is and what screening methods exist.

Through improving both screening accessibility and diagnostic accuracy, the company aims to enable earlier detection and treatment of colorectal cancer. Ultimately, this is expected to contribute to a substantial reduction in colorectal cancer mortality worldwide, while simultaneously reducing healthcare costs and enhancing quality of life.





[Social issues to be solved]

Hearing loss prevention and auditory improvement – with downstream impact on dementia risk reduction

Asset	Private equity fund
Fund	D3 Bio Healthcare Fund II Investment Limited Partnership

neumo, Inc.

(Neuroscience-based auditory improvement solutions)



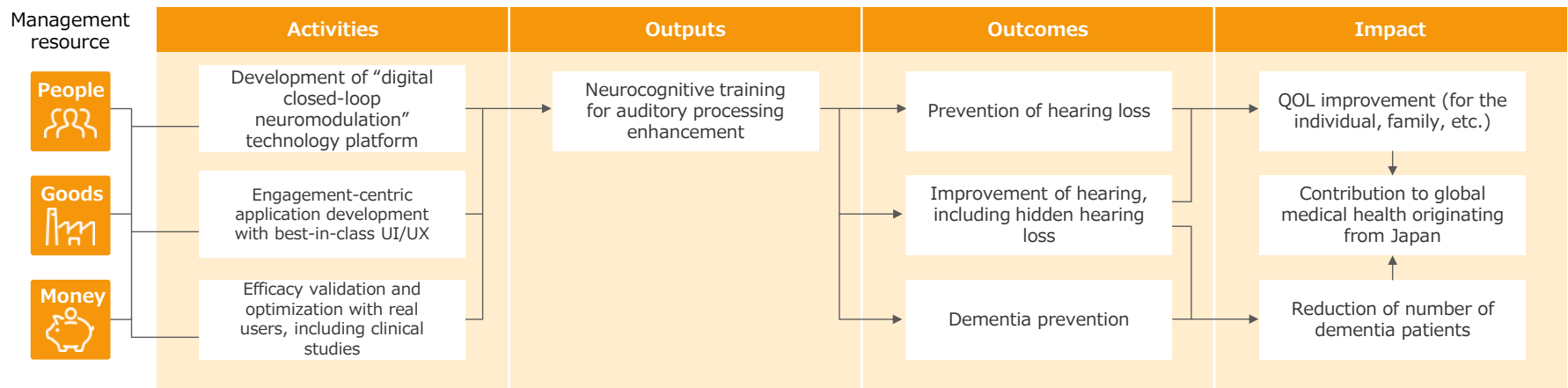
Social issues to be solved

With the aging of society and the increasing use of earphones in daily life, the number of people with hearing loss worldwide has exceeded 1.5 billion, and the number of people suffering from so-called “hidden hearing loss” (mild hearing loss or unaware hearing decline) in the precursor group is also increasing. Hearing loss not only lowers the individual’s quality of life (QOL), but also has a serious impact on communication with family members and those around them. Furthermore, recent studies (Lovingston et al., 2020, The Lancet) have shown that hearing loss is one of the major factors in dementia, and the importance of prevention and improvement is widely recognized. Although policy measures are being implemented mainly in the U.S., for age-related hearing loss, which has a significant social impact, effective means to replace or supplement hearing aids have not been established, and new approaches are strongly needed worldwide.

Business activities and initiatives for social issues

The company, neumo Inc., is a BrainTech startup that collaborates with researchers globally and aims to solve social issues based on neuroscience. Currently, the company is building a “digital closed-loop neuromodulation” platform that monitors and intervenes in brain activity in real-time, and it has been developing hearing improvement technology as an application of this infrastructure. The personalized hearing improvement app “Kikumore,” released in 2025, which trains hearing on smartphones, has shown remarkable hearing improvement effects exceeding existing prior studies during the PoC (proof of concept) stage. This presents a new solution to the challenges of hearing loss and its precursors for affecting 14.3 million people in Japan alone, for whom effective remedies have been limited until now. Moreover, this technology is anticipated to deliver a substantial contribution to the prevention of dementia, among other benefits, with the aim of generating and achieving a significant worldwide social impact.

Logic model





[Social issues to be solved]

Supporting our future with our materials

Asset	Private equity fund
Fund	EEI Fund 5 Innovation & Impact Investment Limited Partnership

Advance Composite

(Development of high-performance metal-based composite materials)



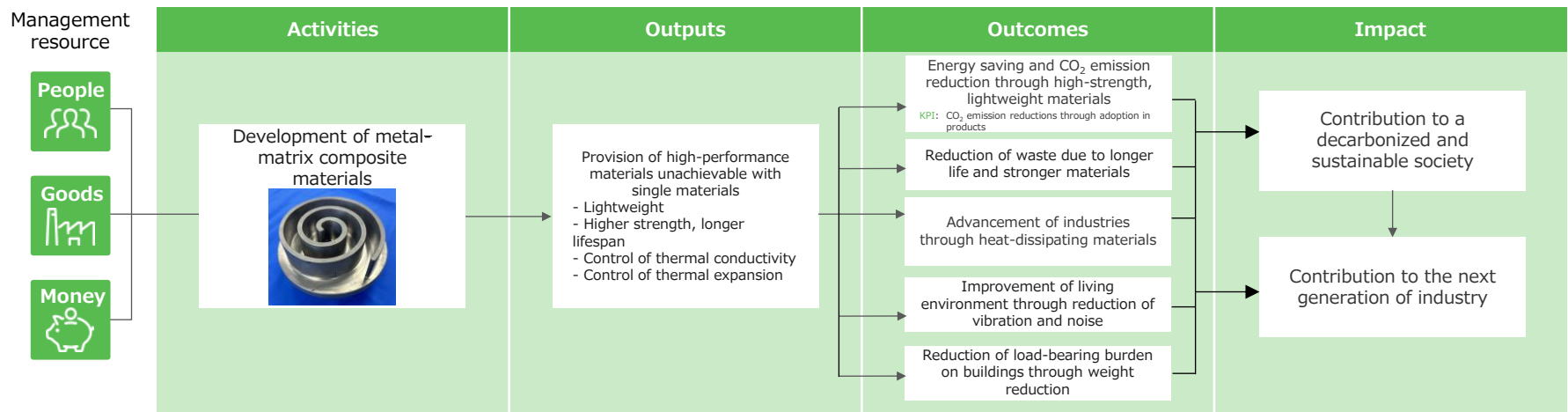
Social issues to be solved

The materials sector, which supports the foundations of all industries, requires high value-added products in order to realize a decarbonized and sustainable society. In particular, according to the International Energy Agency (IEA), the air conditioning sector accounts for about 10% of global final energy consumption, and its demand is expected to grow by about three times the current level by 2050. Such growth in demand could further increase the environmental burden through increased energy consumption and CO₂ emissions, making energy efficiency improvement an urgent issue. As the economy grows and industries become even more advanced, development of materials that balance environmental load reduction (energy saving) and productivity improvement is essential.

Business activities and initiatives for social issues

Advance Composite utilizes unique know-how cultivated through years of development to develop metal matrix composite materials using the world class squeeze casting technology. By combining materials with different properties, the company provides high-performance materials with characteristics difficult to achieve with single materials, such as weight reduction, high strength, thermal conductivity control, and thermal expansion control. These materials achieve improved production efficiency, energy saving, decarbonization, and longer lifespan in a wide range of industrial sectors such as air conditioning, automobiles, semiconductors, and electronic components. In particular, the use of the company's materials in scrolls for compressors, which are important components of air conditioning equipment, achieves overwhelming weight reduction, enabling high-speed rotation with energy saving, and is expected to contribute to low-carbonization. Furthermore, amid global demands for a transition to low-GWP refrigerants (refrigerants with low global warming potential) based on the Kigali Amendment to the Montreal Protocol, the company's technology is attracting attention as an ecofriendly refrigerant-compatible material. Under its mission of "Support our future with our materials," the company will advance research and development, secure specialized personnel, and contribute to the realization of a decarbonized and sustainable society through the development of a variety of products.

Logic model





[Social issues to be solved]

Contribution to solving regional logistics issues

Asset	Private equity fund
Fund	Impact Capital I Limited Partnership

Aeronext Inc.

(Industrial drone development and solution provision)



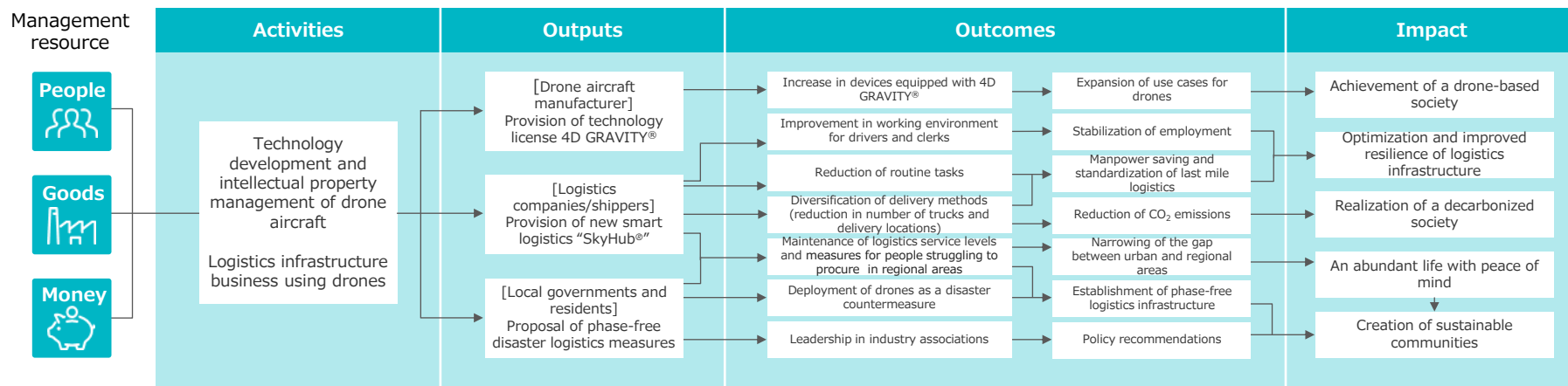
Social issues to be solved

In Japan, complex social issues are becoming increasingly serious, including aging of existing infrastructure, natural disasters, environmental problems, the 2024 problem in logistics, a declining workforce due to the falling birthrate and aging population, and regional depopulation. Especially in the logistics sector, a “logistics crisis” has become apparent due to labor shortages and rapid increase in delivery demand, increasing regions where procuring daily necessities has become difficult. There is also an urgent need to address the elderly and those vulnerable with regard to logistics, who are hard to reach for assistance in the event of a disaster. Furthermore, issues such as inadequate management of distributed supply centers and the disruption of roads during disasters highlight the vulnerability of the disaster prevention infrastructure. Therefore, it is essential to establish new logistics and disaster prevention systems to build a sustainable local community.

Business activities and initiatives for social issues

Aeronext, with the mission of “A new societal infrastructure for the 100-year life era, a world where enrichment is spread to every corner of the world,” engages in businesses such as licensing drone airframe design using proprietary technology 4D GRAVITY®, and the new smart logistics SkyHub® business. Through these businesses, the company aims to improve working environments in the logistics industry, maintain regional logistics in normal times, and build “phase-free logistics infrastructure” that functions even in disasters. Over the medium to long term, social implementation of drones is expected to contribute to the optimization and improved resilience of logistics infrastructure and the creation of sustainable communities, where local residents can enjoy an abundant life with peace of mind. Furthermore, as an entity contributing to system change (industry transformation), the company involves local governments and upstream/downstream companies in the logistics industry, and has an abundant track record in demonstration projects and policy proposals toward social implementation. After the round lead investment by Impact Capital I, IMM is regarded as one of the footholds of its management, and together it is working to identify core KPIs and establish a monitoring system.

Logic model



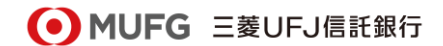
Fast Track Initiative 4th Investment Limited Partnership



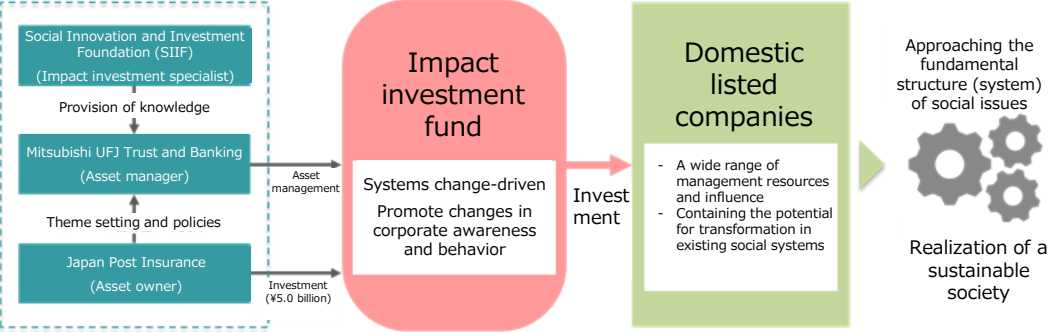
Investment company	Fast Track Initiative, Inc.	Investment targets	(Biotech, medtech, and healthtech fields) (University/entrepreneur-led startups)
Fund establishment date	August 1, 2024	Fund scale	¥20.0 billion
URL	https://us.fasttrackinitiative.com/		

Theory of change	<ul style="list-style-type: none"> This fund promotes the social implementation of innovations through investments in startups that can create a high social impact in the medical and health fields. Beyond just providing funds, the fund provides accompanying support through commercialization, clinical development, international expansion, corporate collaborations, and exit strategies, as it builds a mechanism to spread social value on a global scale. <div style="display: flex; justify-content: space-between;"> <ul style="list-style-type: none"> ◆ Activities: Investment, management and clinical support, collaboration with overseas companies, et ◆ Outputs: Clinical progress, business partnerships and development agreements, expansion of service population, etc. <ul style="list-style-type: none"> ◆ Outcomes: Improvement of access to healthcare, expansion of treatment options, realization of exits, etc. ◆ Impact: Improvement in QOL, reduction in healthcare cost, enhancement of industrial competitiveness, etc. </div>		
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<p>This fund aims to foster people’s health and welfare by utilizing new technologies and services created by research institutions such as universities or entrepreneur-led initiatives and providing new solutions to patients and users worldwide with unmet health and medical needs.</p> <p>[Investment policy]</p> <ul style="list-style-type: none"> Invest in innovative technologies based on scientific evidence and clinical utility <p>Commercialize proprietary technologies owned by universities, research institutes, and medical professionals to solve unmet medical needs.</p> <ul style="list-style-type: none"> Accompanying investment from the company establishment stage to growth <p>Conduct lead investments from the early founding stage, and consistently support clinical, regulatory, business development, fundraising, and global expansion. Envision execution up to an exit strategy.</p> <ul style="list-style-type: none"> Quantitative evaluation and transparency of social and medical returns <p>Emphasize the monitoring and management of social and medical returns, and establish evaluation indicators based on international impact measurement frameworks Visualize the social value obtained through investment activities and continuously work to improve and enhance the transparency of these activities.</p>	<p>FTI 4th fund’s approach to value creation</p> <p>This fund aims to solve issues in the medical and health sectors and create a social impact through initiatives such as the following.</p> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid #ccc; padding: 5px; width: 20%;"> <p style="font-size: small; text-align: center;">Specialization in the medical and health field</p> <p style="text-align: center;">Specialized VC</p> <p style="font-size: x-small;">Founded in 2004, FTI is one of the pioneer specialized VCs in Japan’s life science and healthcare fields.</p> </div> <div style="border: 1px solid #ccc; padding: 5px; width: 20%;"> <p style="font-size: small; text-align: center;">Startup creation support</p> <p style="text-align: center;">Company Creation</p> <p style="font-size: x-small;">Immediately after its foundation, FTI began creating startups through collaborations with academic institutions in Japan.</p> </div> <div style="border: 1px solid #ccc; padding: 5px; width: 20%;"> <p style="font-size: small; text-align: center;">Expansion into overseas clinical and business partnerships</p> <p style="text-align: center;">Global Investment</p> <p style="font-size: x-small;">FTI engages in carefully selected overseas investment that contributes to increases in value through connectors with the Japanese market.</p> </div> <div style="border: 1px solid #ccc; padding: 5px; width: 20%;"> <p style="font-size: small; text-align: center;">Creation of medical and social value</p> <p style="text-align: center;">Impact Investment</p> <p style="font-size: x-small;">FTI is a signatory to the Japan Impact-driven Financing Initiative, aiming to realize better life and living .</p> </div> </div> <div style="margin-top: 20px;"> <p>Main contributions to the SDGs</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p style="font-size: x-small;">3 GOOD HEALTH AND WELL-BEING</p> </div> <div style="text-align: center;"> <p style="font-size: x-small;">9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> </div> <div style="text-align: center;"> <p style="font-size: x-small;">17 PARTNERSHIPS FOR GOALS</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px solid #ccc; padding: 5px; width: 30%;"> <p style="text-align: center;">Global Expansion</p> <p style="font-size: x-small;">FTI opened a U.S. office in 2019, expanding its activity scope.</p> </div> <div style="border: 1px solid #ccc; padding: 5px; width: 30%;"> <p style="text-align: center;">Cross Border Portfolios</p> <p style="font-size: x-small;">FTI invests in global biotech startups with sites in Japan and overseas.</p> </div> <div style="border: 1px solid #ccc; padding: 5px; width: 30%;"> <p style="text-align: center;">Institutional LPs</p> <p style="font-size: x-small;">FTI is supported by the government, financial institutions, operating companies, and Japan’s leading institutional LPs.</p> </div> </div> </div>
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Impact investment fund

Investment company	Mitsubishi UFJ Trust and Banking Corporation	Investment targets	Domestic listed stocks
Fund establishment date	May 2025	Fund scale	¥6.0 billion (as of January 2026, market capitalization)
URL	https://www.tr.mufg.jp/english/		
Theory of change	With the impact themes of “enhancement of well-being,” “development of local communities and society,” and “contribution to environmental protection,” the fund approaches the fundamental structure (system) of social issues through creation of social impact and innovation by listed companies, in an aim to both increase investment returns and solve social issues.		
Fund concept	<ul style="list-style-type: none"> • This fund is managed by Mitsubishi UFJ Trust and Banking as the asset manager, with impact themes of “enhancement of well-being,” “development of local communities and society,” and “contribution to environmental protection,” which are emphasized by the asset owner Japan Post Insurance in a sustainable investment. In addition, while utilizing advice from the Japan Social Innovation and Investment Foundation (SIIF), which has advanced knowledge on system change concepts, the fund incorporates system change perspectives into the investment process. By doing so, the fund aims to promote changes in awareness and behavior of listed companies that have a wide range of management resources and influence and containing the potential for transformation in existing social systems, in order to contribute to solving social issues at the system level. • Under the investment philosophy that “long-term investment in companies aiming to solve social issues through business activities can create an impact that enhances societal sustainability and obtain long-term returns,” the fund invests in carefully selected companies based on three impact themes. Intentions to create impact of investee companies are essential to solving social issues, and the fund emphasizes sharing this intention through engagement. • The three parties—Japan Post Insurance, Mitsubishi UFJ Trust and Banking, and SIIF—through this fund, aim to expand the base of the impact investment market for listed companies in Japan, and to pave the way for a new future for the impact investment market in Japan, thereby helping to realize a sustainable future and solve social issues. 		

Beyond Next Ventures 3rd Investment Limited Partnership



Investment company	Beyond Next Ventures Inc.	Investment targets	Deep-tech startups solving global social issues through innovative science and technology
Fund establishment date	March 31, 2023	Fund scale	¥25.7 billion (as of December 2025)
URL	https://beyondnextventures.com/		

Theory of change	<ul style="list-style-type: none"> The company upholds the management philosophy of “Solving social issues, Advancing science and Technology, Pursuing Happiness” and works with researchers and entrepreneurs to solve global issues. The fund invests in deep-tech fields solving global social issues, and engages in impact measurement and management (IMM) for all investments to build good practices in seed and early stage impact investment. 		
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Fund concept	<ul style="list-style-type: none"> The fund continuously invests as a lead investor from the seed stage in deep-tech startups mainly in five business fields (Healthcare, Biotech / Drug Discovery, Agri-Food, Digital / Space, and Climate Tech), based on the concept of “addressing global societal challenges through innovative science and technology.” In addition to company creation that matches management human resources to researchers with promising technology seeds support their path to commercialization, the fund sets the maximum cumulative investment per company at ¥2.0 billion as it leads financing from seed to growth phases for deep-tech startups. In line with the IMM policy, the fund invests with the intent to create positive impact and contribute to accelerating and maximizing the realization of impact. The fund conducts impact due diligence integrated with business due diligence, and performs impact screening with reference to the Five Dimensions of Impact (What, Who, How Much, Contribution, Risk) method. Through dialogue with investee company executives, the fund verifies the impact each company aims to achieve. After investment, the fund provides hands-on support for business growth toward realizing that impact. 	<p>Investment fields</p> <ul style="list-style-type: none"> Healthcare Digital health / Ultra-compact and mobile medical devices / Telemedicine / Digital hospitals Biotech Drug Discovery Genome editing technology / Microbiome / Regenerative, cell medicine, gene therapy Agri-Food Alternative proteins New agricultural materials Smart agriculture Digital Space Space / Semiconductors / AI / Robots / Metaverse / Quantum computing Climate Tech Batteries / Next generation energy / Carbon neutrality 	<p>Key SDG contributions of this fund</p>
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D3 LLC
Discovery Development Deployment

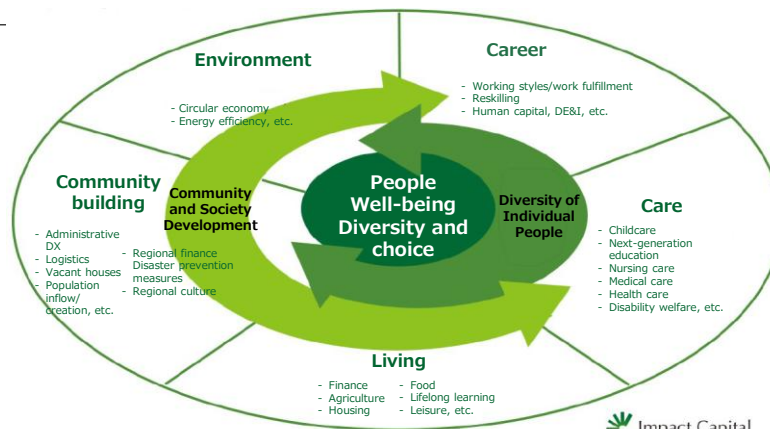
D3 Bio Healthcare Fund II Investment Limited Partnership

Investment company	D3LLC	Investment targets	Japanese bio healthcare startups that contribute to global medical health (through pharmaceuticals and medical devices, data and analytics, next-generation (well-being, anti-aging, food and agriculture, etc.))
Fund establishment date	July 1, 2024	Fund scale	Undisclosed
URL	https://www.d3growth.com/		
Theory of change	<ul style="list-style-type: none"> Our purpose: driving global health impact from Japan. Grounded in the belief that economic and social returns in healthcare should be inseparable, we operate as entrepreneurs ourselves — pursuing bold, unconventional approaches to investment and portfolio support. Our engagement spans three stages: Discovery — providing capital; Development — embedding business and science expertise to build alongside founders on Japan-originated ideas; and Deployment — bringing products and services to global health markets to deliver social impact and economic returns simultaneously. 		
Fund concept	<ul style="list-style-type: none"> Driven by a purpose — advancing global health from Japan — we invest in and support Japanese science, technology, and entrepreneurial ventures with the potential to transform healthcare worldwide.. Under the name of D3 — Discovery, Development, Deployment — we provide hands-on growth support through Development, while placing particular emphasis on Deployment: translating innovation into real-world healthcare impact. Backed by professionals fluent in both science and business, we offer more than funding: we provide world-class, hands-on portfolio support built on global standards. By aspiring to “investment that creates winning horses” rather than “investment that rides winning horses,” the fund takes risks that have the potential to greatly contribute to global medical care and health, creatively manages those risks, and promotes the development of unprecedented investment methods. The fund also aims to contribute to creating an environment in which independent GPs with diverse investment hypotheses emerge one after another. <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p style="text-align: center;">Basic philosophy</p> <p>Japan possesses world-class bio and healthcare seeds</p> <p>[Experience based on senior members]</p> <ul style="list-style-type: none"> Academia in Japan (medical, pharmaceutical, biotechnology) Major North American global bio/healthcare VC Major global strategy consulting firm <hr/> <p>World-class methodology breeds world-changing startups</p> <p>[Keys]</p> <ul style="list-style-type: none"> Specialization Hands-on with science and business Fewer bets, deeper support <hr/> <p>Contribution to global medical health originating from Japan</p> <ul style="list-style-type: none"> Track records only Japan can deliver Confidence and expertise on the global stage <p style="text-align: center; background-color: #fff9c4; padding: 5px;">Researchers, entrepreneurs, and investors: Potential to mass-produce success with confidence and know-how</p> </div> <div style="width: 48%;"> <p style="text-align: center;">Investment theme Investing broadly across healthcare with global</p> <p><Core Investment Policy> Startups and technologies that broadly contribute to healthcare (medical health)</p> <div style="display: flex;"> <div style="width: 48%; border: 1px solid #ccc; padding: 5px;"> <p style="text-align: center;">Priority themes</p> <p>Therapeutics Technologies that treat diseases</p> <ul style="list-style-type: none"> Biotechnology and drug discovery Digital therapeutics <p>Next Generation (well-being) Well-being and anti-aging</p> <ul style="list-style-type: none"> Food, sports, and entertainment Mental health </div> <div style="width: 48%; border: 1px solid #ccc; padding: 5px;"> <p style="text-align: center;">Priority Attributes</p> <p>Disease management Prevention, early intervention, and treatment optimization</p> <ul style="list-style-type: none"> Digital health (measurement and analysis) AI/informatics <p>Businesses and technologies with the potential to contribute beyond Japan’s domestic market to global healthcare</p> <p>We do not pursue “time-machine” strategies — importing US trends into Japan. Instead, we prioritize themes with genuine originality and competitive advantage that stand on their own in global markets.</p> </div> </div> </div> </div>		

Impact Capital I Limited Partnership




Investment company	Impact Capital Limited	Investment targets	Businesses that create social impact in the fields of Career, Care, Living, Community and Environment by focusing on the Well-being of people and contributing to diversity and choice
Fund establishment date	May 15, 2024	Fund size	¥7.0 billion
URL	https://impactcapital.jp/en/		
Theory of change	The fund contributes to “creating a vibrant colorful society where diversity is recognized and choices of life and work are made based on individual’s value” through the practice of “achieving both business growth and impact expansion in investee companies,” “realizing collaboration and cooperation between industry, academia and government,” and “redefining the value of capital markets.		
Fund concept	<ul style="list-style-type: none"> Under the mission of “Impact Investment Pursuing People’s Well-being,” the fund invests in businesses that create diverse choices in areas of Career, Care, Living, Community and Environment, focused on well-being. This fund has established “Seven Impact Investment Policies,” and prior to considering investments, it analyzes the impact aspects of the investment in addition to the traditional analysis of the economic aspects. The fund only invests in companies that meet all seven investment policies. (1) Alignment with the fund’s theory of change, (2) Intentionality of the management team, (3) Potential to create outcomes for beneficiaries, (4) Business additionality, (5) Potential to contribute as an impact investor, (6) Consideration of sustainability risks, (7) Potential to transform the structure of issues in the industry The fund has structured fund operations in accordance with the theory of change, and has a consistent design and objective at the fund level for IMM to be practiced at each step of the investment process. <div style="display: flex; align-items: center; margin-top: 10px;"> <div style="margin-right: 20px;">Investment process</div> </div> <div style="display: flex; align-items: center; margin-top: 10px;"> <div style="margin-right: 20px;">IMM process</div> </div>		



EEI Fund 5 Innovation & Impact Investment Limited Partnership



Energy & Environment Investment, Inc.

Investment company	Energy & Environment Investment, Inc.	Investment targets	Startups addressing environmental and social issues with a focus on energy transition, mobility and transportation, and smart society
Fund establishment date	September 15, 2022	Fund scale	¥30.0 billion
URL	https://ee-investment.jp/en/		
Theory of change	<ul style="list-style-type: none"> • Since its establishment in 2006, the firm has consistently operated as a venture capital specialized in the environmental and energy sectors, creating and investing in startups that address environmental and social challenges, guided by its mission “Sustainability through innovation and entrepreneurship.” • As the largest impact VC fund in Japan, the fund provides risk capital to support the growth of startups, thereby encouraging increased investment in the sector and contributing to the realization of a sustainable society. 		
Fund concept	The company believes that environmental and social impact is the driving force that generates sustainable returns. The fund invests in startups with potential to grow with speed and scalability, combining innovative technology with environmental and social value creation with a visionary approach to environmental and social issues, with a focus on decarbonization.		
	Investment	<p><The company’s three focus areas></p> <ul style="list-style-type: none"> • Energy Transition: Structural transformation of energy toward realizing a decarbonized society • Mobility & Transportation: CO₂ emission reduction in transportation-related sectors and solving social issues • Smart Society: Making society smarter and building sustainable foundations to respond to environmental changes and resource shortages 	
	Growth & Impact	Based on its proprietary impact evaluation framework referencing international standards, the fund implements consistent monitoring and support from the time of investment through business expansion and exit. Beyond capital provision, the fund simultaneously supports portfolio companies in creating environmental and social impact and scaling their businesses through growth strategies, technical support, and impact design.	
	Ecosystem	As a domain-specific VC pioneer, the fund contributes to building new industries by leveraging its industry and domestic and international networks to create an ecosystem of startups, financial institutions, and operating companies that address related issues.	
	Global	The fund discovers Japanese entrepreneurs, technologies, and businesses expected to succeed globally, and through global expansion support, it supports the growth of startups that impact the world from the Japanese market.	
<p style="text-align: center;">Investment by the fund</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>Capital Risk capital needed for startup growth</p> </div> <div style="text-align: center;">  <p>Knowledge Experienced investors, industry knowledge, and know-how</p> </div> <div style="text-align: center;">  <p>Network Networks in environmental and energy sectors</p> </div> <div style="text-align: center;">  <p>Business growth and impact creation by portfolio companies Building ecosystems and attracting funds to startups addressing environmental and social issues</p> </div> <div style="text-align: center;">  <p>Toward building a sustainable society SUSTAINABLE DEVELOPMENT GOALS</p> </div> </div>			

● Evolution and Deepening in Impact Investment

In Japan, impact investment, which has been attracting attention since the early 2010s, has rapidly developed in the 2020s along with the expansion of ESG investment and SDGs initiatives, and it can be said that it is becoming a social trend. Currently, with the expansion of the market, investors and investment fields are diversifying. However, the situation remains unchanged, with further funding still needed to resolve social issues intertwined with various complex problems. At the Company, building on our efforts up until now, we are taking on challenges in investments that incorporate new perspectives toward solving issues more fundamentally.

— Impact Investment Targeting Listed Equities

Why is impact investment in listed companies necessary now? The biggest reason is the great influence of impact investment on the entire social system. Impact investment in Japan has primarily focused on venture companies and private equities until now, but the effects of changing the behavior of listed companies, which have sales ranging from hundreds of billions to trillions of yen and extensive value chains, are not limited to improvements in a single company. Instead, they have the potential to develop into social transformations accompanied by changes in industry practices and regulations. We believe that solving social issues can become a source of medium- to long-term business competitiveness. As an asset owner that supplies long-term funds, we encourage listed companies with an impact orientation to align solving social issues with their approach to business growth and incorporate it into their management strategies, thereby enhancing the sustainability of the listed equity market as a whole.



[Related press releases]



(May 27, 2025)

Commencement of management of systems change-driven impact investment fund targeting domestic listed companies

—Japan Post Insurance, Mitsubishi UFJ Trust and Banking Corporation, and Japan Social Innovation and Investment Foundation collaborate to aim for structural resolutions of social issues—

https://www.jp-life.japanpost.jp/information/press/2025/abt_prs_id00206_8.html (in Japanese)



(December 24, 2025)

Commencement of management of impact fund targeting small- and medium-cap equities of domestic listed companies

—Japan Post Insurance and Asset Management One Co., Ltd. nurturing Japan’s future together—

https://www.jp-life.japanpost.jp/information/press/2025/abt_prs_id00212_8.html (in Japanese)



(May 23, 2022)

Investment in the “Commons Impact Fund” targeting domestic listed equities

—Realizing impact investment together with Commons Asset Management—

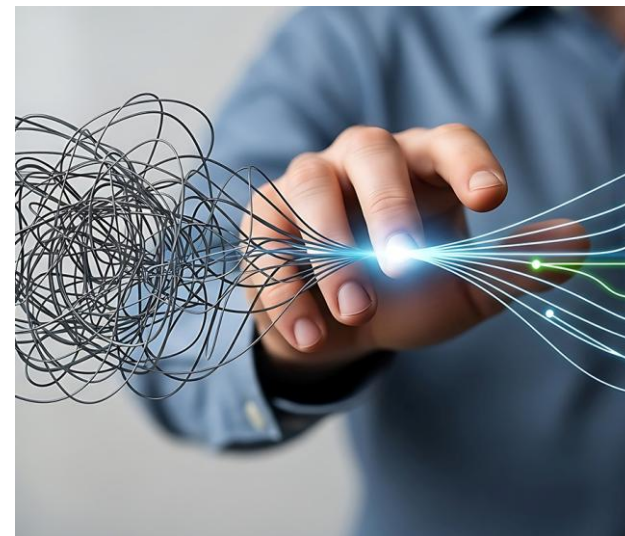
https://www.jp-life.japanpost.jp/information/press/2022/abt_prs_id00179_5.html (in Japanese)



– Systems Change-Driven Investment

In order to achieve the fundamental resolution of increasingly complex social issues, an approach is needed that goes beyond investment in a single company or project, surveying the entire mechanism by which the issue arises and addressing its structural defects. For example, in issues related to marine pollution, investment in technology to collect leaked microplastics is important, and at the same time, understanding and tackling the structural defects that cause the pollution is also essential. In the case of marine pollution, structural analysis identifies that fine plastics used in industrial products and daily items such as facial cleansers, as well as fibers from clothing, are the main causes of pollution, thus, investment actions that encourage material manufacturers, etc. to shift business structures or transition to biodegradable materials are important. In this manner, we aim for systems change-driven investment that uncovers the mechanisms deeply underlying social issues, identifies effective intervention points (leverage points), and acts on them to promote transformation of the entire industrial structure and supply chain.

However, system analysis and IMM regarding the structural factors of social issues are highly advanced and difficult processes due to the complexity of supply chains and the multifaceted nature of businesses, requiring specialized knowledge and significant resources. Although these processes may appear as costs in the initial stages of implementation, they are directly related to risk reduction in essence, and thus require ingenuity to establish them as business models that can be recouped through medium- to long-term returns. Precisely because this is an area without established methods, we recognize that expanding systems change orientation requires investing in funds with that orientation, while collaborating with stakeholders to spread values and significance to the market and explore best practices.



– Investment in Small- and Medium-Cap Equities and Cornerstone Investment

We conduct impact investments and cornerstone investments targeting small- and medium-cap equities to remove the barriers between unlisted and listed companies and support the entire lifecycle of impact-driven emerging companies. In Japan’s capital market, there are cases where emerging companies that received support from impact-driven investors during their founding period experience changes in shareholder structure after listing, with an increase in opinions from shareholders emphasizing short-term returns, which makes it difficult to maintain the founding mission or aspirations for solving social issues. Another structural issue is that it is difficult to obtain sufficient opportunities for investment and dialogue with institutional investors, the main providers of funds to the stock market, due to factors such as the size of market capitalization.

In light of this situation, we support impact-driven emerging companies from the unlisted stage through PE (private equity) funds and academic-industrial collaboration funds, and provide seamless funding from the unlisted stage to post-listing through impact funds targeting and cornerstone investments in small and medium-cap equities. Through this, we will create a foundation where the aspirations for solving issues fostered during the startup phase and impact-driven management are maintained even after listing, allowing continuous efforts toward expanding impact along with the scale of the business.

– Collaboration with Various Stakeholders

For impact investment to truly exert its effects on society, it is essential that many market players collaborate while leveraging their respective strengths and grow the market as a whole. Solving social issues intricately intertwined with various factors requires stakeholders such as companies, the government, NPOs, academia, and financial institutions to divide roles, mutually complement each other, and address them together. Currently in Japan, initiatives related to impact investment such as Impact Consortium, Japan Impact-driven Financing Initiative, and the GIIN Japan Working Group have been established, and the systematization of practices and dissemination of information to the international community are progressing under an “all-Japan” structure. We are exploring the approach of impact investment in Japan considering Japan’s unique social structure, systems, and strengths. Although the importance and priority of social issues and approaches to solving them vary greatly from country to country and region to region, precisely because Japan is sometimes called a country at the forefront of social issues, conducting practices and information dissemination ahead of the world is essential for finding clues to resolving global social issues and proactively participating in building international standards, etc. While there are differences in interpretation regarding the concepts and definitions of impact investment depending on the entities involved, a certain common understanding is being formed. During this transitional period, we will actively participate in initiatives and working groups, strive to deepen understanding while sharing knowledge and experience, build relationships with diverse stakeholders, and work on market development from the aspects of systems and framework creation.

– Role as a Catalyst

The presence of investors and trends can sometimes serve as a catalyst for the creation of new capital flows. We aim to become a stimulus for private funds toward solving social issues through collaboration with impact-driven investors and investments in diverse funds, while contributing to improving the quality and expanding the market of impact investment in Japan by upgrading investment methods and sharing best practices. In addition, highly specialized human resources proficient in many fields such as engineering, medicine, and social sciences, in addition to knowledge of industrial structures and finance, are essential to conduct structural analysis of social issues and IMM necessary for market maturity. However, because the number of such human resources is still insufficient, finding and training them is a common challenge for the entire market. We will also contribute to building a virtuous cycle of knowledge related to impact investment by connecting human resources and knowledge as a nexus for diverse stakeholders. Furthermore, to spread this virtuous cycle to society as a whole, it is important that the investment philosophy of what to invest in and what kind of impact to create is shared throughout society. We actively engage in external communication through presentations at seminars, lectures at educational institutions, and owned media, etc., to widely demonstrate that institutional investors view solving social issues and creating impact as one aspect of corporate value, thereby raising awareness of impact investment in the market and society, and striving to foster momentum toward solving social issues.

– Outlook for the Future

While changes in social structures and the manifestation of impact take a long time, judgments of investment performance and monitoring of investment risks are generally made within a short-term time frame. For investors, accepting this time gap and continuing to accompany investees with a long-term perspective is a major challenge in the spread and promotion of impact investment. However, we believe that resolving this issue is the key to paving the way for a future where the term “impact investment” is no longer something special, and the impact perspective is naturally incorporated into the regular business activities of companies. As a life insurance company, we will tackle the difficult task of balancing the resolution of social issues and economic growth in collaboration with many stakeholders, and as an institutional investor capable of supplying long-term funds looking decades into the future, we will continue to promote impact investment while continuing to ask what we can do and what we should do.



Initiatives to Spread the Value of Impact Orientation

Through participation in initiatives in Japan and overseas, we share best practices through dialogues with diverse experts from industry, government, academia, and finance, strengthen the cycle of acquiring new perspectives, learning, and implementation, and proactively make proposals in rulemaking such as disclosure and data and index development. We also strive to promote impact-driven values and engage in broad dissemination of them.



Participation in initiatives

- **Japan Impact-driven Financing Initiative (IDFI):** Committee member, AO/AM Working Group, Regional Finance Working Group, Debt Working Group, VC Working Group, Impact-Driven Corporate Value Enhancement Alliance
 - **Impact Consortium:** Market Research & Formation Subcommittee (discussion member), Data and Indicator Working Group
 - **Global Impact Investing Network (GIIN) Japan Working Group:** Co-chair
- ▶ For details on participation in other initiatives, please see "Participation in Initiatives" (p.128), and for details on the GIIN Japan Working Group, please see "<Special Feature> Initiatives for Global Impact Investing Network (GIIN)" (p.98).



Presentations at Seminars and Events Related to Impact Investment

By taking part in seminars and events related to impact investment and sponsoring Social Impact Day, one of Japan's biggest social impact-related annual conferences, we endeavor to spread the values of impact investment and lift up the impact investment market.

Key presentations

2024.10

"Corporate Value Seen through Impact Investing: Case Studies of Listed Companies and the Perspective of Impact Investors"
[Organizer: Japan Impact-driven Financing Initiative]

2025.2

"The Convergence of New Engagement Trends and Impact"
[Organizer: Japan Impact-driven Financing Initiative]

2025.4

"Creating the Future Together: The Role and Use of LPs in Social Impact Investment"
[Organizer: General Incorporated Foundation Japan Network for Public Interest Activities (JANPIA)]



2025.5

Keio University Innovation Salon #02 "Pursuing the Depth of Impact"
[Organizer: Keio University Office of Innovation and Entrepreneurship]

2025.7

IVS Official Side Event "Impact Investing Night by JANPIA: Meetup to Think About Regional Issues with LPs/GPs and Financial Institutions!"
[Organizer: IVS KYOTO Executive Committee]

"Future of Engagement Based on Impact Information—Using Reporting Norms—Roundtable Discussion"
[Organizers: Japan Impact-driven Financing Initiative, Impact Frontiers]

2025.9

PRI Webinar "Impact-driven Investing: Exploring Future Growth Potential"
[Organizer: PRI Japan Advisory Committee]

2025.10

"GIIN Impact Forum"
[Organizer: Global Impact Investing Network (GIIN)]



Main sponsorships

2025.5

"Social Impact Day 2025"
[Organizer: Social Impact Management Initiative (SIMI)]

2025.7

"Moving Beyond Modern Investment Theory: β Activism Seminar"
[Organizers: Japan Impact-driven Financing Initiative, Japan Institute for Overseas Investment]

Cooperation in the Production of Books, Reports, etc.

- “Finance with Intent: All About Impact Finance” [Supervisor] Takeshi Mizuguchi, [Author] Japan Impact-driven Financing Initiative
- “Regional Positive Impact Finance (PIF) Practical Guidance” Regional Finance Working Group of Japan Impact-driven Financing Initiative

Communication via Media

Japan Post Insurance's Owned Media

Kampo Junction

We utilize owned media to deepen understanding among a broad spectrum of stakeholders by providing easy-to-understand information.



Kampo Junction was established in 2022 as a hub for people, information, and communities. It is a new form of web media that delivers diverse and attractive information from Japan Post Insurance.

<https://www.jp-life.japanpost.jp/junction/> (in Japanese)

▶ Video presentation on impact investment

- What is the “impact investment” that Japan Post Insurance actively pursues?
 - Japan Post Insurance gives a presentation at one of the world’s largest events!—



https://youtu.be/CryEHi_0l8c?si=hYPnkFucT7MQfEXm (in Japanese)

▶ Delivering the voices of planners working on the Impact “K” Project

We deliver the real voice of planners working on the Impact “K” Project in an interview format.



<https://www.jpcast.japanpost.jp/2023/05/346.html> (in Japanese)

- Japan Post Insurance and Keio University! What is co-creative academic-industrial collaboration, and how can it drive Japan’s economic growth and solve social issues?



https://youtu.be/y_qamUdfRcl?si=7xRpkzHnwvkGoMdy (in Japanese)

* The links are accessible at the time of the release of this report, but please understand that we do not guarantee that they will be so indefinitely.

OKASAN SECURITIES GROUP INC.

Okasan SustaiNavi

We were invited to make a guest appearance in Okasan SustaiNavi, a video project by OKASAN SECURITIES GROUP, which provides viewers with hints and opportunities for building a better future by introducing important sustainability topics such as environmental issues and social challenges, and corporate initiatives.



Selected for the List of “100 People Who Will Shape the ‘Future of the Impact Economy’” in the March 2025 Edition of Forbes JAPAN

Japan Post Insurance’s HARUNA Takayuki, Senior Managing Executive Officer, and NOMURA Hiroyuki, Executive Officer, were chosen as two of the “100 People Who Will Shape the ‘Future of the Impact Economy’” in the March 2025 edition of Forbes JAPAN (published on January 24, 2025). Aiming to establish an ecosystem that contributes to a sustainable future, we are committed to doing what we ought to do to create a better society.



Initiatives for Global Impact Investing Network (GIIN)

Inauguration of GIIN Japan Working Group and appointment as co-chair

In May 2025, the GIIN Japan Working Group was established to expand discussions and efforts toward scaling up impact investment in Japan, and our Executive Officer, NOMURA Hiroyuki, was appointed as Co-chair. It aims to promote the sharing of ideas and practices between Japan and the global network, focusing on global trends and Japan-specific issues related to impact investment, and to disseminate information to the world.



Executive Officer
NOMURA Hiroyuki

Japan's impact investment market has expanded by approximately three times in the past three years, and global interest in Japan is also growing. The GIIN Japan Working Group will connect the world and Japan, further deepen understanding of impact investment, and continue to discuss ways toward advancing and refining impact investment considering Japan-specific issues, as well as building new ecosystems.

▶ "GIIN Impact Forum 2025" (at Berlin, Germany)

The GIIN Impact Forum was held in Berlin, Germany over a period of three days from October 7 to 9, 2025, bringing together approximately 1,300 investors, entrepreneurs, and experts from over 60 countries around the world. This year's forum focused not only on investment in respective investees, but also on the importance of approaches toward transforming social and market mechanisms, so-called systems, and a shift in mindset from quantity to quality to ensure reliability. Discussions were also held on the need to shift from a single effort to a collaborative effort to address structural challenges. Active discussions were held on how the impact investment industry will respond to the urgent and large-scale challenges facing the world, along with a wide-ranging exchange of information on the latest trends, such as the expansion of impact creation capabilities due to AI evolution, changes in investment practices, and the results of GIIN's annual market survey. The forum served as a strong reminder that impact investment is shifting to become one of the mainstream asset management approaches in the world. NOMURA Hiroyuki, our Executive Officer, participated in the following two sessions, introducing the current trends of impact investment in Japan and our initiatives.



[Speaker sessions]

Shaping Japan's Impact Investing Landscape : Insight and Dialog from Key Market Players

October 9, 2025 (Thu)

The Japan session "Shaping Japan's Impact Investing Landscape," held to enhance Japan's global presence, featured six participants from Japan and focused on the status in Japan. Each speaker shared and discussed insights and implications from practice, such as market expansion and leadership by asset owners. The Company's NOMURA, representing asset owners in Japan, introduced specific initiatives at Japan Post Insurance. A larger number of overseas participants than expected gathered, which reminded us of the high expectations for the Japanese market.

Executive IAO (Institutional Asset Owner) Roundtable Lunch

October 8, 2025 (Wed)

In the asset owner session hosted by GIIN, perspectives on the future of global impact investment, proactive roles as asset owners, and examples of specific initiatives were shared. The Company's NOMURA, as a representative of Asia, focused on the uniqueness of social issues in each country and region and commented on the importance of practices suited to each situation, as well as GIIN's important role as a global ecosystem builder.

Interview

Impact Investments

“Impact investment” aims to simultaneously achieve the resolution of social and environmental issues and the acquisition of economic returns. Over the past three years, the environment for such investment has been improved, and it is rapidly attracting attention both in Japan and overseas. On the other hand, the question of how to spread the impact approach across a wide range of asset classes, including listed equities, while balancing that with economic returns, remains the central issue for investors. In this interview, three individuals at the forefront of the field engaged in multifaceted debate on the theme of impact investment in listed equity markets, discussing the latest trends, mechanisms for creating impact, a fund example, and future challenges and prospects.



NOMURA Hiroyuki

Executive Officer
Senior General Manager of Investment
Planning Department
JAPAN POST INSURANCE Co., Ltd.



Ms. SUDO Nao

Director
Impact Frontiers
Senior Advisor
Global Impact Investing Network



Mr. KATO Masahiro

Fellow
Sustainable Investment Division
Mitsubishi UFJ Trust and Banking
Corporation

Why impact investment is gaining momentum

- Please give us some background to this interview and tell us how you became involved with impact investment.

Nomura Impact investment really took off when the government clearly positioned it for promotion in the Basic Policy on Economic and Fiscal Management and Reform in 2022. Since then, the environment for it has been improved, and impact investment has seen its profile rapidly increase over the last three years. With the growing popularity of ESG investment also a background factor, I have come to recognize the importance of investment that looks toward potential positive effect (impact), alongside conventional evaluations of investment performance. Based on this recognition, we have deepened our involvement in impact investment through active participation in international discussions. For example, we have signed up for the Japan Impact-driven Financing Initiative, launched our own certification framework, the Impact “K” Project, and joined the Global Impact Investing Network (GIIN). I myself served as co-chair of the 2025 GIIN’s Japan Working Group, and as a panelist at the Japan Session of the GIIN Impact Forum in 2025. We are also strengthening academic-industrial collaboration and endeavoring to fund businesses that utilize

academic research results.

Ms. Sudo My initial exposure to impact investing was around 2012 while studying for my MBA at Wharton. Through classes and an internship during that period, I learned about methods for resolving social and environmental issues through investment activities, and their significance. This, combined with my background of proximity to the dynamism of capital markets at Japan Exchange Group, was pivotal in broadening my perspective. Currently, as a director at Impact Frontiers, an American organization specializing in knowledge development for impact management, and as a senior advisor to the GIIN, I am working on field building for impact investment.

Mr. Kato After working in financial analysis as an analyst, I took charge of product planning for responsible investment funds, and that got me interested in this area. I came across impact investment in 2019, and with the cooperation of SIIF, I was involved in launching the domestic listed equity impact investment fund in 2021. Currently, I am working on elevating the systems change investment approach by incorporating it into an existing fund.

- Why is impact investment considered important now?

Ms. Sudo The background includes structural changes surrounding society. While awareness of social and environmental issues has grown thanks to the high profile of

the SDGs, their resolution remains a long way off. As areas that governments and non-profit organizations can’t adequately address on their own increase, impact investment, which aims for both social and environmental issue resolution and economic returns, is attracting attention as a powerful way for the private sector to contribute proactively.

Mr. Kato In the investment practical field, social and environmental issues are becoming more complex, and understanding them at the fundamental level is becoming increasingly important. Investing over the long term in companies that can provide solutions to these issues and contributing to problem-solving through repeated dialogue lies at the heart of impact investment. And I believe its importance will continue to grow.

Nomura For Japan’s sustainable growth, issue resolution through innovation and social system transformation is essential. Amid growing concern that conventional approaches are no longer sufficient to prevail in global competition, the significance of asset owners, who manage money over the long term, supplying capital to impact-oriented companies that emphasize innovation has increased significantly.

- Please tell us about the current state of the domestic impact investment market.

Ms. Sudo There are three major global trends in impact investment: technological advancement, player expansion, and standardization of evaluation methods. In particular, technological innovation is widening the range of areas where it is possible to achieve both social issue resolution and economic returns. The entry of mainstream financial institutions in Japan is also generating a lot of interest globally.

Mr. Kato As practice in Japan steadily progresses, what is especially noteworthy is the “systems change investment,” which aims for fundamental resolution of complex social and environmental issues. It is also a major theme at the GIIN, and Japan’s efforts have already reached international standards.

Nomura Japan’s impact investment is characterized by an “all Japan” structure, whereby industry, government, academia, and finance all collaborate. This arrangement of diverse entities working together as one on market formation is rare, and attracting high levels of interest from overseas, too. That expectation is also reflected in the establishment of the GIIN’s Japan Working Group, which was launched in May 2025. Mr. Kato and I serve as co-chairs of the working group, and Ms. Sudo as a senior advisor. We have been accelerating our efforts to systematize domestic knowledge and to communicate it to the international community.

Japan’s impact investment is characterized by an “all Japan” structure, whereby industry, government, academia, and finance all collaborate

NOMURA JAPAN POST
Hiroyuki INSURANCE Co., Ltd.

Joined the Dai-ichi Mutual Life Insurance Company in 1991. After serving as General Manager of the Fixed Income Investment Department, he joined Japan Post Insurance in 2017. Now, as Executive Officer, he is in charge of the Investment Planning Department and the Responsible Investment Office. He is also co-chair of the GIIN’s Japan Working Group and a committee member of the Japan Impact-driven Financing Initiative, among other posts.

Why does impact lead to returns?

- To achieve both impact creation and acquisition of returns, what perspectives, practical innovations, and theoretical knowledge are important?

Ms. Sudo Impact investment is investment that seeks economic returns and positive changes to society and the environment in parallel, so investors conduct impact evaluation in addition to financial evaluation. We analyze “whose problems are being addressed, which specific issues are targeted, and how they are to be resolved,” using internationally established tools like the 5 Dimensions of Impact and IRIS+. Impact investment is about investing in the potential to create change for end beneficiaries. It is important to assess how much change can be expected in the future and how feasible it is, and this directly connects to business viability evaluation as well. When people hear the term “impact evaluation,” they tend to focus on indicator setting and data collection, but it is important to keep improving it.

There is also progress in academically verifying questions like, “Through what path does impact orientation lead to the creation of α , and what is the impact on β ?”

Nomura Many of the targets of impact investment relate to social issues that have seen little progress toward resolution over many years. If we can invest in businesses that create positive change in such areas, we can expect to see improvements in economic returns alongside issue resolution. What is important is how to identify businesses that create added value, and I believe achieving both impact and returns requires both asset owners and asset managers to demonstrate discernment in investee companies selection through shared awareness of problems and the building of partnerships.

Impact investment is about investing in the potential to create change for beneficiaries. It is important to assess how much change can be expected and how feasible it is.

Ms. SUDO Nao Impact Frontiers
Global Impact Investing Network

Joined Japan Exchange Group in 2005. She took up her current position in 2021, and has been involved in IMM knowledge development. GIIN Senior Advisor. Author of *The Basics of Impact Investing*. She holds an MBA from The Wharton School.



Mr. Kato When you think about where impact comes from, you realize that since impact is created from companies’ real-world business activities, it is natural for the impact to expand as the business grows. So you could say impact isn’t anything special. We emphasize that the intent—what is going to be achieved through impact—is shared by the management of companies and investors, and we aim for an expansion of total demand—the creation of net positive change—through issue resolution. To realize this, it is essential to have the analytical capability to identify the structures and root causes of issues and the discernment to select companies with the capabilities to resolve the issues.

Current status of systems change investment

- Please give us some background on the establishment of systems change investment and your expectations for the fund.

Nomura We want to enlarge the investment chain originating from Japan Post Insurance, the asset owner, and contribute to expanding impact investment across Japan as a whole. Systems change investment is an approach that creates change by taking a holistic view of the entire social system rather than focusing on individual companies. This perspective aligned with Mr. Kato's team, leading to the formation of a strong partnership. This fund places significant value on implementing asset owner-led systems change investment in collaboration with asset managers with discernment, and by actively engaging investee companies. We hope it will have a ripple effect on other asset owners.

We are also focusing on building mechanisms to avoid impact washing (superficial efforts) and ensure the credibility of our actions. For our own certification framework, the Impact "K" Project, we designed a process to discuss the intent and degree of contribution to social issues for each investment project and document the information on a Confirmation Sheet. We use this Confirmation Sheet to determine eligibility, and aim to create the impact we intend. By clearly distinguishing Impact "K" Project-certified investments from other investments, we are building a foundation for the continuous expansion of impact investment.

Mr. Kato We established the domestic listed equity impact investment fund in 2021, but investee companies were limited to 30-50 companies, and there were issues with the scale of impact. So we have incorporated the

concept of systems change investment, and are focusing on expanding investors' contribution. What hasn't changed is fiduciary responsibility. We define unresolved issues as supply-demand gaps and aim to achieve both impact and returns. Based on this definition, if companies can provide products that contribute to problem-solving, needs for those products (supply) increase and the supply-demand gap (problem) shrinks. This not only contributes to problem-solving, but also leads to impact creation, and the company's sales and profits will grow, which will translate into improved returns, we believe. As a new initiative to strengthen the impact creation framework, we jointly developed a system map with SIIF that provides a bird's-eye view of situations where various issues are complexly intertwined around the theme of women's career activities, analyzed the root causes of the issues, and visualized leverage points. As we steadily expanded the range of issues for which we performed system map analysis, we also took concrete action to broaden the scope of dialogue. For example, we have conducted multi-stakeholder meetings, engaging not only existing investee companies of the domestic listed equity impact investment fund but also non-investee companies.

Furthermore, to accurately identify companies creating value in areas with significant social needs, we expanded our potential investees from the usual approximately 800 companies to all listed companies, and established a system that employs AI screening to ensure that companies with hidden potential aren't overlooked.

Ms. Sudo There are two points worth noting about this fund. One is "Who gets to decide?"—that is, which social issues are prioritized, and who determines those priorities. With impact investment, investors intentionally determine the issues, so there is a possibility that their values and biases will enter the equation. Therefore, the question of how to reflect the voices of beneficiaries and end stakeholders in decision-making is an important one and widely discussed

internationally.

The other is "How can investors contribute?" For impact to take root among corporate managers, it is vital for investors to be by their side every step of the way. This fund aims not only to support conventional one-on-one dialogue but also to engage passive investee companies and build a foundation in which impact perspectives are naturally incorporated into management decisions. Through these two approaches, I am very much looking forward to the impact taking root and continuing to develop.

We expanded potential investees from the usual approximately 800 companies to all TOPIX-listed companies, and established a system that employs AI screening to ensure that SMEs with hidden potential aren't overlooked.

Mr. KATO Masahiro
Mitsubishi UFJ Trust and Banking Corporation

Having gained experience as an analyst, he has been involved in responsible investment since 2004. He also works on product development, voting rights exercise and engagement practice, leading the planning and promotion of impact investment since 2019.



Where is Japanese impact investment headed?

- Finally, please tell us about the challenges and prospects for impact investment.

Ms. Sudo Practical knowledge of impact investment is accumulating worldwide, and a lot of activity is also being seen with the development of various norms related to impact investment. As the market expands in Japan and practitioners increase, the world expects to see an attitude of sharing insights and examples of investment in one's own country, and proactively engaging in the establishment of future international norms. Japanese practitioners need to move beyond simply "selecting" globally developed frameworks and instead play a central role in "developing" them. Addressing this shift is a critical issue that calls for coordinated efforts across industry, government, and academia.

As for future prospects, rather than being overly specific about the differences among sustainable finance, ESG finance, and impact finance, it is important for players to collaborate across the team toward the common purpose of resolving social and environmental issues. While definitions and methodologies will continue to evolve, it is imperative not to get caught up in wording, but instead to be flexible in choosing the optimal tools.

Mr. Kato Since impact investment is an area that can't be completed by individual companies alone, a key question is "How far can we expand our network of partners?" At present, we are advancing dialogue on the theme of women's career activities, but going forward, it will be essential to expand the range of themes, broaden the scope of the regions and companies targeted, and strengthen collaboration among the respective players. Also, it took around 20 years for ESG to make it into the mainstream, and ESG information disclosure became established as a result of that. So similarly, there is a possibility that information disclosure from an impact perspective will also become mainstream in the future. When that happens, it will be important for asset managers to clarify what they consider impact and which issues they prioritize, and share this with asset

owners.

A big issue will be how to demonstrate impact outcomes. Alongside quantitative data, qualitative changes such as processes toward outcomes and corporate initiatives will also constitute valuable information. A required role of asset managers will be to obtain such information through dialogue with companies and, while considering the time horizons for impacts and returns, communicating it in an easy-to-understand way to all stakeholders.

Nomura The challenge going forward is to expand impact investment across a wide range of asset classes, from private equity to listed equities, and to embed it within the market. To that end, it is essential for companies and financial institutions to keep engaging in dialogue while sharing the common purpose of achieving sustainable growth through the resolution of social issues.

Also, to prevent impact washing, financial institutions will need to improve credibility by making their impact measurement and management more sophisticated. Going forward, it will be important to utilize Annual Reports and Responsible Investment Reports to share impact outcomes with the entire industry. Furthermore, we are entering a stage where outcomes will be demonstrated not just through the accumulation of individual examples, but also from the perspective of changes in social systems, namely, "systems change." In addition, nurturing specialized personnel who can analyze social issues is also imperative. As the layer of specialized personnel deepens, practical models and ecosystems originating from Japan will mature, and we can also expect to see global expansion.



Participation in the Social Issue Resolution Program Comorebi

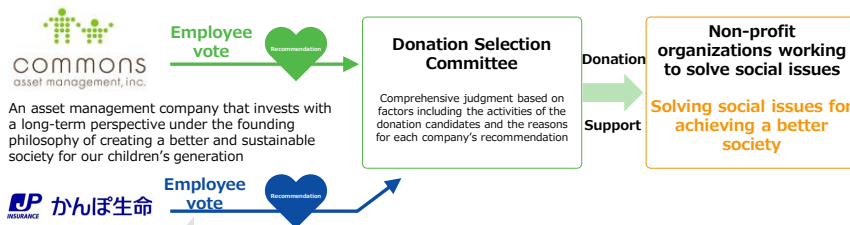
—Toward the Realization of a
Better Society for the Future—

About Comorebi

Comorebi is a donation program for resolving social issues started in 2023 by Commons Asset Management Inc. (hereinafter, “Commons Asset Management”), related to “Commons Impact Fund—Co-creation—,” in which Japan Post Insurance has invested. The company views donations as investments in the future that bring social returns to the future of the next generation. By using a portion of the fund’s trust fees as a source of funds, it aims to connect a better society to the next generation through donations to activities for solving social issues. Comorebi donates an amount equivalent to 1% of the trust fees of the Commons Impact Fund.

Background of Japan Post Insurance’s Participation

Japan Post Insurance has been participating as a member of the Donation Selection Committee since the 1st Comorebi. We were approached by Commons Asset Management as the fund’s external investment manager for the purpose of “creating a program that reflects the thoughts of the fund’s stakeholders.” In the 3rd Comorebi program, under the theme of “parents and children leading to well-being,” we recommended one of the three organizations nominated by Commons Asset Management to the Donation Selection Committee. In selecting the organization to recommend, we conducted an internal employee vote to deepen the understanding of and interest in impact investment within the Company.



<Voice of Japan Post Insurance employees (comments from the internal vote)>

- This project is exciting and very fun, as it allows me to check and be involved in decisions about donation candidates and sponsorships myself.
- It is great that employees vote on which organizations to recommend to the Donation Selection Committee, so that they can feel that they are contributing to society.
- Under Japan Post Insurance’s management philosophy of “Be a trustworthy partner for people, always being close at hand and endeavoring to protect their well-being,” I have great expectations for this activity to enable employees to proudly share with society at large the idea that every individual’s aspirations become the driving force for the future.

Implementation of the donation by the 3rd Comorebi

In the 3rd Comorebi program, “General Incorporated Association El Sistema Japan” (hereinafter, “El Sistema Japan”) was selected as the donation recipient, and in October 2025, a donation of ¥712,000 was made by Commons Asset Management.

In addition, the final candidates for donation, Specified Nonprofit Corporation Kamonohashi project and Specified Nonprofit Corporation Chaibora, each received donations of ¥89,000.



[Scene of the awards ceremony] From the left Mr. Kaneko, Portfolio Manager, and Mr. Ii, President of Commons Asset Management
Mr. Kikugawa, Executive Director of Friends of El Sistema Japan
Mr. Hanada, Ms. Ozaki, and Mr. Eguchi, Executive Officers of Japan Post Insurance

- ▶ Commons Asset Management’s website: Notice of Decision on Donation Recipients for the 3rd Comorebi (social impact program)

<https://www.common30.jp/release/7468/> (in Japanese)

General Incorporated Association Friends of El Sistema Japan

El Sistema Japan is an organization that has spread the activities of El Sistema, a music education program that originates from Venezuela, South America, in Japan based on the philosophy of providing first-class artistic experiences, especially to children in need. The program started in Soma, Fukushima in 2012, with the initial purpose of helping children affected by the Great East Japan Earthquake recover their confidence and dignity through experiences with music and cultivate the power to carve out their own lives. The main activities include support for children’s orchestras and choruses, support through schools such as club activities and music classes, and other forms of support such as purchasing, repairing, and lending musical instruments free of charge.

- ▶ General Incorporated Association Friends of El Sistema Japan’s Website

<https://www.elsistemajapan.org/english-top>




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Sustainability Themes

- **Key Sustainability Themes of Japan Post Insurance** [p.105](#)
- **Climate Change** [p.106](#)
- **Natural Capital** [p.112](#)
- **Human Rights** [p.115](#)
- **Human Capital** [p.117](#)

Key Sustainability Themes of Japan Post Insurance

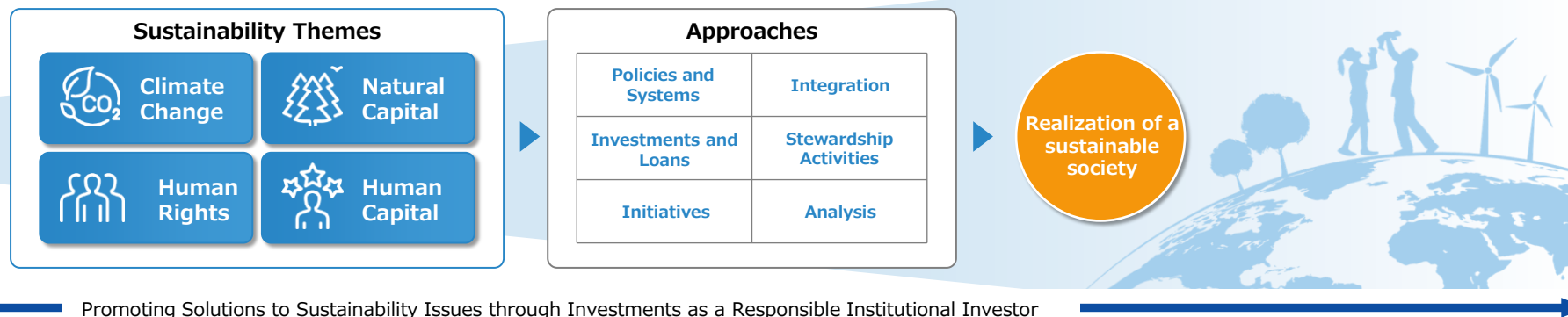
As a responsible institutional investor, we seek to leverage our investments to solve sustainability issues, aiming to bring about a sustainable society. We take into account internal and external trends to select sustainability themes to emphasize in our investments and reflect them in our investment decisions, and also encourage investees to expand and enhance their information disclosures by exercising stewardship toward investees, participating in various initiatives, conducting risk and opportunity analysis, and lobbying with policymakers. In addition, we are also appropriately addressing other themes including cybersecurity and taxation transparency, while closely monitoring social trends. We disclose these initiatives to address the sustainability issues in our investment and loan activities on our website and in our Responsible Investment Report.

 Sustainability Website of Japan Post Insurance
<Initiatives for Climate Change>

<https://www.jp-life.japanpost.jp/english/aboutus/sustainability/environment/tcfd.html>



▶ Please see p.64 for our collaborative engagement on sustainability themes.



Promoting Solutions to Sustainability Issues through Investments as a Responsible Institutional Investor

Included in the CDP's "Corporate A List 2025," the highest rating, in the climate change area

In the 2025 survey conducted by CDP, an international non-profit organization, we were selected as an "A List" company, the highest rating, in recognition of our climate change initiatives and information disclosure. We believe that we received this rating due to CDP recognizing our ongoing activities to reduce the greenhouse gas emissions emitted through our business activities, as well as our proactive support for decarbonization as an institutional investor through dialogue (engagement) with our investees, and our highly transparent information disclosure. We also received "B" scores in the respective categories of water security and forests, demonstrating our recognition not only in the area of climate change, but also for our initiatives and information disclosure regarding the conservation of natural capital.





Climate Change

Initiative Policy

Based on the Paris Agreement, a treaty on climate change, we have set a target of net-zero greenhouse gas emissions from our investment and loan portfolio by 2050 (including an interim target for 2030). We evaluate the climate change-related risks and opportunities of investees and reflect them in our investment decisions. We also conduct engagement centered on investees for which climate change poses a considerable risk, and encourage them to reduce greenhouse gas emissions. We also actively invest and provide loans in renewable energy power generation projects and companies promoting the transition to decarbonized operations. We will endeavor to enhance the disclosure of progress with these initiatives and the climate change-related risks analysis of our portfolio in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework. We are also establishing a system with an eye to disclosing annual securities reports in accordance with the SSBJ Standards.

<Approach to Climate Change in Our Investment Portfolio>

	2021	2025	- 2030	- 2050
Policies and systems	▶ Set GHG emission reduction targets for our investment portfolio, measure and manage progress		▶ Measure and manage progress	Interim target: 50% reduction → Net zero
Integration	▶ Incorporate environment (E) into company assessment ▶ Set negative screening criteria for environmental protection			
Investments and loans	▶ Invest in sustainability-themed bonds and renewable energy businesses ▶ Measure total power generation output from renewable energy facilities that we loan to and invest in		▶ Promote investments and loans that contribute to reducing GHG emissions Increase sustainability outcomes and impact	
Stewardship activities	▶ Engage in dialogue with investees to support their initiatives for reducing GHG emissions ▶ Collaborative engagement (Life Insurance Association of Japan, CDP, CA100+, etc.)	▶ Set guidelines for electric power sector		▶ Continue appropriate dialogue based on the circumstances of our investees to support their initiatives
Initiatives	▶ Participate in climate change initiatives (CDP, TCFD, CA100+, etc.)		▶ Collaborate with financial institutions and other organizations with shared goals	
Analysis	▶ Analysis and disclosure based on TCFD recommendations, risks and opportunities, etc.	▶ Preparations for adhering to the SSBJ Standards		▶ Adapt to the SSBJ Standards

Initiatives

Participation in Climate Change Initiatives

We participate in and endorse global initiatives aimed at realizing a decarbonized society.

- **CDP** : An initiative to encourage the world's leading companies to disclose information on climate change, water security, forests, and other issues and conduct collaborative engagement
- **TCFD** : An organization established to consider how to disclose climate-related information and how financial institutions should respond
- **CA100+** : An international investor initiative that seeks to address climate change through collaborative engagement



Integration

Negative Screening Criteria for Environmental Protection

As a responsible institutional investor, we aim to solve sustainable issues and achieve a sustainable society by setting criteria for negative screening and incorporating ESG integration into portfolio establishment. Coal-fired power generation emits large amounts of CO₂, and there are concerns about its impact on climate change. For this reason, we will not invest in new domestic or foreign project finance related to coal-fired power generation, regardless of its generation efficiency.

▶ Please see “Negative Screening” (p.32) for details on initiatives.

Investments and Loans

Sustainability-themed Bonds and Investments in Renewable Energy Businesses

Green Transition Bonds	Supports the transition of carbon-intensive industries to low-carbon businesses	European Bank for Reconstruction and Development (EBRD) approximately ¥22.5 billion
Investment in renewable energy businesses such as solar power generation	(launched in 2017)	

Investments and Loans

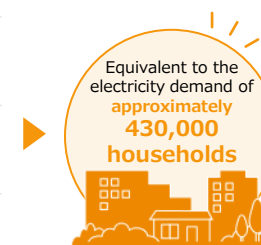
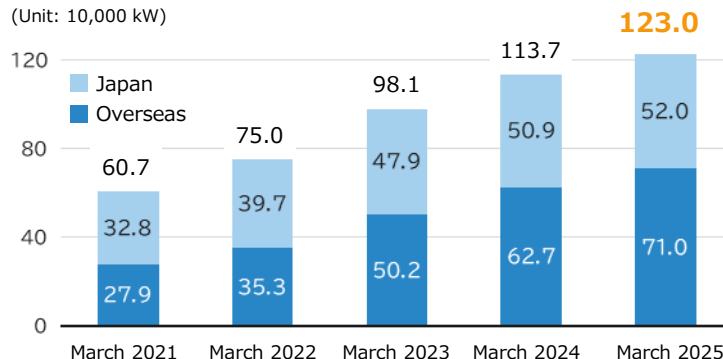
Total Power Generation Output from Renewable Energy Facilities That We Loan to and Invest in

We measure the total power generation output of renewable energy facilities as a sustainability outcome from investments and loans in renewable energy businesses such as solar power generation.



Total power generation output from renewable energy facilities that we loan to and invest in

(Unit: 10,000 kW)



Integration

Incorporation into Company Assessment

We set “contribution to environmental protection” as our sustainable investment priority initiative theme and promote to make investments and provide loans that contribute to the realization of a decarbonized society. Climate change poses a serious risk that could have an enormous impact on society and the economy, including physical damage to companies and supply chain disruptions. However, it also presents an opportunity for growth by expanding demand for new products and services that contribute to a decarbonized society. Taking into account both these risks and opportunities, we aim to balance resolving climate change issues with the sustainable growth of our investee companies through our investment activities. When constructing portfolios and selecting asset managers, we conduct multifaceted evaluations that take into account companies’ decarbonization initiatives and the outcomes of our dialogue, as well as utilizing corporate disclosure and data from external ESG ratings agencies. Furthermore, when conducting dialogue, we confirm companies’ information disclosure in line with the TCFD framework, setting of and progress with targets and implementation status of specific measures in connection with reducing GHG emissions, and encourage them to further enhance their initiatives and expand disclosure on this front.

The level the electric power sector should aim for in 2030
Emission intensity 195 - 270 g-CO₂/kWh

We set this target level with reference to the Net Zero Emissions by 2050 Scenario (NZE Scenario) and the Announced Pledges Scenario (APS Scenario) in the World Energy Outlook 2024 of the International Energy Agency (IEA).

We will review this target as appropriate, taking into account changes in the external environment, updates to the scenarios, and other factors.

Stewardship Activities

Dialogue with Companies

Examples of Dialogue (Industry: Construction)

Theme: Progress on GHG emission reduction targets

Issues and background	The company has set FY2026 and FY2030 reduction targets for Scope 1 and 2 GHG emissions. We engaged in dialogue to confirm current emissions trends and its specific path toward achieving these targets.
Dialogue content	Due to the nature of the construction business and related operations, total Scope 1 and 2 emissions, including from fuel combustion, are on the rise alongside growth in the volume of construction orders increases (business growth). While visibility over achieving the interim target for FY2026 remains unclear, the company indicated that it will not revise its target downward, and will ramp up emission reductions through the expansion of renewable energy (green power) and the utilization of digital transformation to increase productivity. The company also said that it will disclose progress in its <i>Annual Report and other media</i> .
Future policies	We commend the company for its stance to address the structural issue of “business expansion leading to increased emissions” through technological innovation and the streamlining of production processes. We will continue to engage in dialogue and continuously monitor the effectiveness and progress of its measures.

▶ Examples of dialogue concerning climate change are also presented in “Stewardship Activities” (p.41).

Policies and Systems

GHG Emission Reduction Targets for Our Investment Portfolio

We are taking action as an both an operating company and an institutional investor to promote the transition to a low-carbon society and enhance the resilience of our business. With regard to the GHG emission^{*2} for our investment portfolio^{*1}, as an institutional investor, we aim to achieve carbon neutrality by 2050, and have set an interim target of a 50% reduction compared to FY2020 by FY2029 (March 31, 2030). This target is based on a special report^{*3} from the IPCC, and are also aligned with long-term targets under the Paris Agreement and from Japanese government. After progress is discussed and reported at the Responsible Investment Advisory Sectional Meeting, we take appropriate measures as necessary. Through these actions, we will aim to realize a carbon neutral society and improve investment outcomes over the medium to long term.

*1 The assets covered are domestic and foreign listed equities and domestic and foreign corporate credits (including corporate loans). (Hereafter, the same applies to p.109 to p.111.)

*2 The sum of the Scope 1 (direct GHG emissions) and Scope 2 (indirect emissions from purchased electricity) emissions of investee companies multiplied by our ownership ratio.

*3 IPCC (2018) Global Warming of 1.5°C an IPCC special report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty.

▶ Please see our Sustainability Website “Initiatives for Climate Change” for details on our reduction targets and initiatives as an operating company. <https://www.jp-life.japanpost.jp/english/aboutus/sustainability/environment/tcf.html>

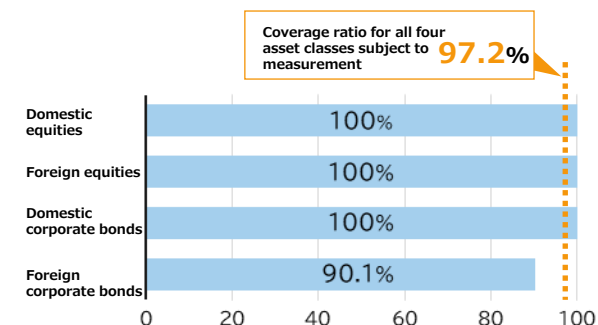


Analysis (Analysis and Disclosure Based on TCFD Recommendations) (1)

Measurement of GHG Emissions in Investment Portfolio (As of March 31, 2025)

Asset Classes Subject to Measurement and Measured Coverage Ratio

In accordance with the TCFD recommendations, we have been measuring GHG emissions and related metrics (carbon footprint, carbon intensity, weighted average carbon intensity) for four asset classes in our investment portfolio (domestic equities, foreign equities, domestic corporate bonds, and foreign corporate bonds) since FY2020 (as of March 31, 2021) in order to assess climate-related risks and opportunities. The coverage ratios are calculated using market capitalization shares of securities for which public figures disclosed by companies and modeled figures provided by S&P Trucost are available. As a result of continuous data collection, the overall coverage ratio for the four asset classes for this fiscal year was 97.2%. The number of stocks subject to measurement remained the same as last year, maintaining a high level.



Measurement Results

For the GHG emissions from our investment portfolio, the sum of Scope 1 and Scope 2 emissions was approximately 7.39 million tCO₂e, which marks an approximately 0.43 million tCO₂e decrease from the previous fiscal year. Although GHG emissions from domestic equities increased as a result of higher share prices leading to an increase in the investment balance, a decline in GHG emissions from domestic corporate bonds contributed to a fall in emissions from our portfolio as a whole.

Emission-related indicators Measurement range	GHG emissions ^{*1} < Scope 1&2 >		GHG emissions ^{*1} < Scope 1&2&3 >		Carbon Footprint ^{*2} <Scope 1&2 + direct suppliers of Scope 3>		Weighted average carbon intensity ^{*3} <Scope 1&2 + direct suppliers of Scope 3>	
	(Unit)	(tCO ₂ e)	(tCO ₂ e)	(tCO ₂ e)	(tCO ₂ e/million yen)	(tCO ₂ e/million yen)	(tCO ₂ e/million yen)	(tCO ₂ e/million yen)
Asset Class	As of March 31, 2024	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025
Domestic equities	1,763,185	1,767,782	4,500,812	4,433,374	0.76	0.72	1.12	0.85
Foreign equities	264,768	248,633	479,534	425,060	0.45	0.38	1.34	1.18
Domestic corporate bonds	4,362,862	3,993,876	5,751,539	5,209,706	2.53	2.16	4.72	3.21
Foreign corporate bonds	1,440,332	1,389,361	2,177,547	2,177,214	0.77	0.71	2.46	2.07
Total	7,831,148	7,399,652	12,909,432	12,245,354	1.15	1.02	2.33	1.75

*1 Carbon emissions are calculated as follows.

$$\sum_i \left(\frac{\text{current value of investment } i}{\text{issuer's market capitalization } i} \times \frac{\text{issuer's Scope 1 and Scope 2 GHG emissions } i}{\text{issuer's market capitalization } i} \right)$$

*2 EVIC is an abbreviation for Enterprise Value Including Cash, which is the value of a company including cash. It is calculated as follows: market capitalization of preferred stock + total debt (book value) + minority interests.

*3 *i* represents the portfolio companies that are included in the portfolio.

*2 Carbon Footprint is the amount of GHG emissions per million yen of portfolio balance.

*3 Weighted Average Carbon Intensity indicates the carbon efficiency of the portfolio company. It is calculated by multiplying the GHG emissions per sales of the investee company by the ownership ratio in the portfolio and adding them together.

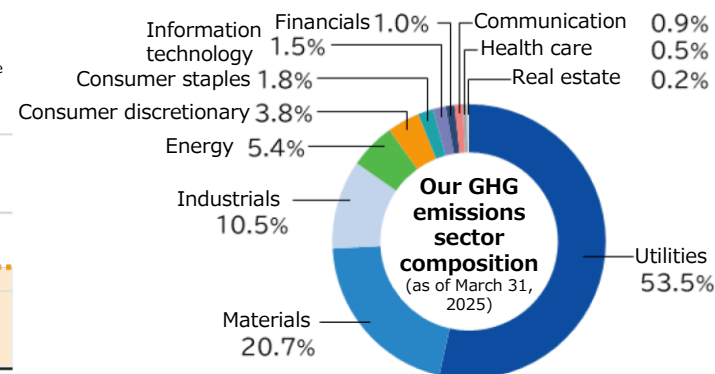
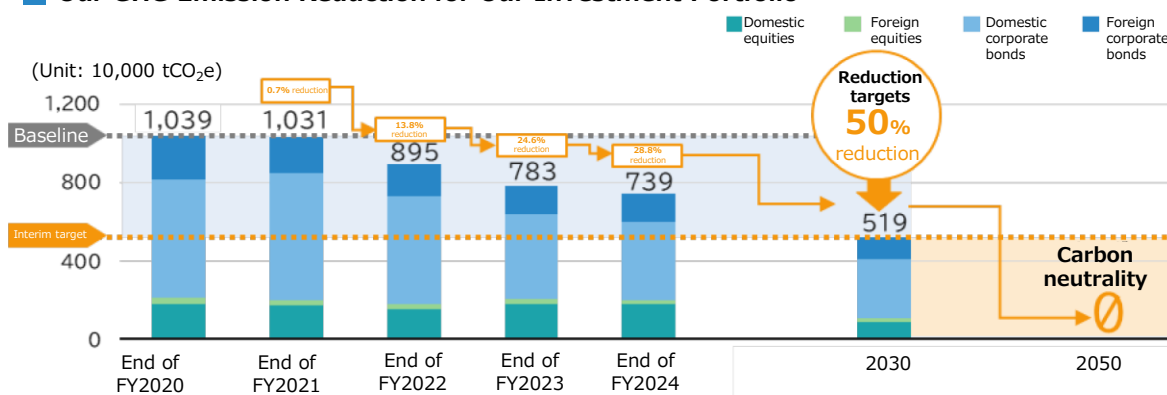
Analysis (Analysis and Disclosure Based on TCFD Recommendations) (2)

Analysis of GHG Emission Measurement in the Investment Portfolio (As of March 31, 2025)

GHG Emission Reduction for Our Investment Portfolio and GHG Emissions Sector Composition

As of March 31, 2025, the GHG emissions in our investment portfolio decreased by 28.8% (down by 2.98 million tCO₂e) compared to FY2020, marking steady progress toward our interim target for March 31, 2030 (50% reduction).

Our GHG Emission Reduction for Our Investment Portfolio

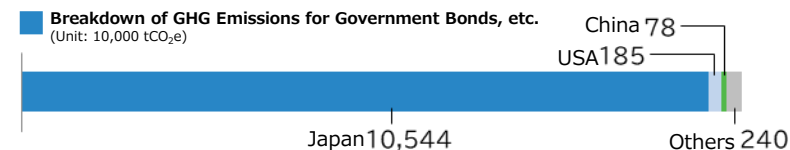


Analysis (Analysis and Disclosure Based on TCFD Recommendations) (3)

Greenhouse Gas Emissions-related Indicators for Other Assets

(As of March 31, 2025)

We measured GHG emissions for government bonds, etc. (including semi-sovereign bonds such as bonds issued by government-related organizations or local governments, and including entrusted investment) We will continue our initiatives as an institutional investor to help realize a low-carbon society by promoting the reduction of GHG emissions across our entire investment portfolio.



$$* \text{ GHG emissions } \sum_i \left(\frac{\text{book value of government bonds etc.}_i}{\text{GDP}_i \text{ after adjusting for purchasing power parity (PPP)}_i} \times \text{CO}_2 \text{ emissions}_i \right)$$

* GHG emissions are the sum of Scope 1&2&3

* GHG emissions for each country include LULUCF (Land Use, Land-Use Change, and Forestry)

Analysis (Analysis and Disclosure Based on TCFD Recommendations) (4)

Analysis on the Impact of Carbon Cost on Investee Companies

As we transition to a decarbonized society, finances of investee companies could be impacted by higher carbon costs as a result of carbon pricing, e.g., the introduction of carbon taxes by national governments. Therefore, with respect to our domestic/overseas equity and corporate bond portfolio, we analyzed the impact of higher carbon costs on the finances of investee companies based on two scenarios of low carbon price and high carbon price. For the scenarios, which represent assumptions about carbon costs, we adopted the Unpriced Cost of Carbon (UCC) by S&P Trucost. UCC is based on sources such as carbon pricing scenarios from the IEA. Taking account the attributes of the region and sector in which the company operates, and assuming that its greenhouse gas emissions remain constant at the current level, it estimates the additional carbon costs that will be borne by the company at future point in time. For our analysis, we used two scenarios: low carbon price and high carbon price.

Sustainability Website of Japan Post Insurance <Initiatives for Climate Change>

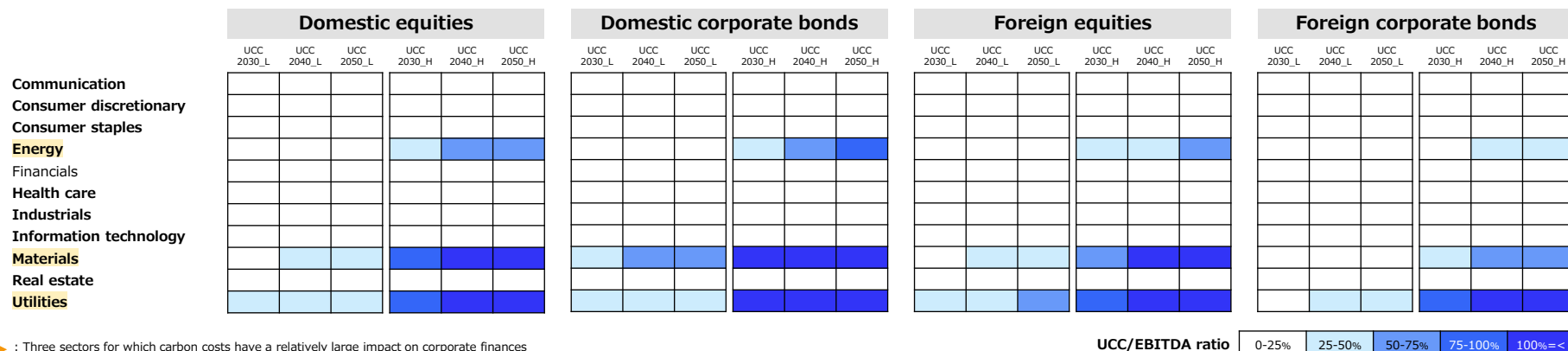
<https://www.jp-life.japanpost.jp/english/aboutus/sustainability/environment/tcdf.html>



* The same disclosure as this document is available on the above website.

Analysis Results on the Impact of Carbon Cost on Our Investee Companies

Using EBITDA (earnings before interest, tax, depreciation, and amortization) as a corporate financial indicator, we calculated the ratio of UCC to EBITDA for each asset class and each sector in 2030, 2040, and 2050. The higher this ratio, the greater the impact of higher carbon costs on a company's finances, suggesting the possibility that its financial situation becomes more fragile. The colored areas of the chart indicate that UCC is 25% or more of EBITDA, and the darker the color, the higher the ratio is. The analysis confirmed that, for all asset classes, carbon costs have a relatively large impact on the finances of companies in three sectors: energy, materials, and utilities. In particular, it can be inferred that under the high carbon price scenario (H), which assumes that aggressive policies will be implemented to promote decarbonization, the financial risks in these sectors could be high. Going forward, we will continue, through our engagement activities, to encourage companies, especially ones in these sectors where the potential financial impact is significant, to transition to decarbonization, and by supplying funds to a broad range of companies and businesses for decarbonization, we will endeavor to mitigate the climate change-related risks in our investment portfolio.



Source: ©2023, S&P Trucost Limited, Japan Post Insurance

* Note that this analysis employs simplified simulations that are calculated using current EBITDA and GHG emissions and based on assumed carbon costs. It does not take into account variable factors such as future changes in the economy and business environment or policy responses, and the financial impact on investees could be significantly different as a result.



Natural Capital

Initiative Policy

Companies' business activities are dependent on the blessings of nature and the ecosystem (such as water resources, forest resources, and raw materials/ingredients for food and daily necessities). At the same time, the excessive extraction of resources and the release of toxic substances may adversely affect the natural environment. In accordance with the Kunming-Montreal Global Biodiversity Framework and the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), which are both international guidelines related to the natural environment, we make investment decisions that take into account the risks and opportunities companies face with regard to the natural environment, with a focus on industries with high exposure on this front. Through dialogue with investees, we also encourage them to implement nature risk management and enhance related information disclosure.

Initiatives

Initiatives for the Taskforce on Nature-related Financial Disclosures (TNFD) Recommendations

We support the philosophy of TNFD, a framework for the evaluation and disclosure of dependencies and impacts related to natural capital, and, after joining the TNFD Forum to support its activities, we registered as an Early Adopter* in December 2023. We will continue to work toward enhancing our disclosure in line with the TNFD recommendations.



* Companies and organizations that have registered their intention to disclose information in line with the TNFD recommendations on the TNFD website by January 10, 2024.

Investments and Loans

Investment in Sustainability-themed Bonds

Blue Bonds	Allocated to projects that contribute to the development of the Blue Economy as defined in the SDGs Government Securities Framework formulated by the Government of Indonesia	Republic of Indonesia approximately ¥14.7 billion
Sustainable Development Bond	Allocated to projects led by IDB to promote social development that co-exists in harmony with the environment of member countries, including supporting the introduction of the One Health approach to nature conservation and zoonotic infectious disease research projects in Latin America and the Caribbean	Inter-American Development Bank approximately ¥5.0 billion

* Bonds for which the use of raised funds is limited to finance projects related to the marine environment, such as improvement and conservation of the marine environment, sustainable fishing, and the prevention of marine pollution

Tackling the plastic problem

To achieve carbon neutrality, Japan Post Insurance is taking action as an operating company to promote the transition to a low-carbon society and enhance the resilience of our business.

To tackle plastic waste, a global problem that has become more pressing in recent years, we are taking measures to reduce, reuse, and recycle plastic resources. We also support the "Plastics Smart" initiative led by the Ministry of the Environment and work to protect the natural environment through practical activities volunteered by employees such as beach cleanups.



Integration

Incorporation into Company Assessment

Social and economic activities depend on natural capital, such as forests, soil, water, and air, and the biodiversity that these resources support. While the damage and depletion of natural capital pose a significant risk to business continuity, pioneering conservation initiatives create new business opportunities. As preserving natural capital and biodiversity is an important management issue that both manages risks and creates opportunities, we believe it is important for both investee companies and investors to accurately identify and address these issues. We strive to understand the actual state of our investees' biodiversity-conscious raw material procurement, business operations, land use, and water resource management. When issues related to natural capital become apparent, we focus on verifying the impact and causes, measures to address them going forward, and appropriate disclosure. During our dialogue, we verify the status of information disclosure in line with the TNFD framework and encourage further enhancement. However, there are a wide variety of TNFD indicators, and as they are more difficult to quantify than, for example, GHG emissions, many companies find disclosure to be a hurdle or burden. Recognizing this reality, we share a sense of purpose with companies by carefully explaining that a certain level of information disclosure is essential to incorporating sustainability factors into investment decisions, and that disclosure is a means of achieving the goal of protecting natural capital and biodiversity. On that basis, our basic stance is to first understand dependencies and impacts of companies and help them build an internal consensus on information disclosure, and then support them in taking gradual and steady action to the extent possible.

Stewardship Activities

Dialogue with Companies

Examples of Dialogue

(Industry: Retail)

Theme: TNFD-related initiatives and information disclosure

Issues and background	While the company does not operate in an industry with relatively high biodiversity risks, it is still carrying out proactive initiatives on this front. In its first TNFD report, released last year, the company disclosed information in accordance with the LEAP approach and clearly explained the connection with its business. However, it did not include a scenario analysis based on risk analysis, so we verified future plans.
Dialogue content	We commended the company for its TNFD report and verified its plans for conducting a scenario analysis. The company told us that it is making preparations, including by obtaining external knowledge, to disclose information in accordance with the TNFD framework by 2025. Furthermore, while it will take some time to confirm that the company is making disclosures in line with the TNFD framework, we did confirm that it has been taking a wide range of steps in the area of biodiversity for a long period.
Future policies	With the currents surrounding sustainability moving incredibly fast recently, we commend the company for sincerely taking action for some time. Because TNFD-based disclosures require considerable research, analysis, and resources, we believe that each company needs to take an approach tailored to the circumstances. However, we will continue encouraging the company to move forward, keeping in mind that differences are emerging in the progress seen in published materials.

▶ Examples of dialogue concerning natural capital are also presented in "Stewardship Activities" (p.41).



Analysis

The Relationship Between Natural Capital and Our Investment and Loan Portfolio

As an institutional investor, we have begun analyzing the relationship between natural capital and our investment and loan portfolio based on the TNFD recommendations. Reflecting the interactions between the business activities of investees and nature, we have specified “nature-related risks and opportunities in our investment/loan activities,” and analyzed the “main nature-related dependencies and impacts of our equity and bond portfolio.” Based on the results of our analysis and demands from society, we will incorporate nature-related issues into our investment decisions, engage appropriately with portfolio companies, and make investments that contribute to the maintenance and improvement of the natural environment.

Main Nature-related Dependencies and Impacts of Equity and Corporate Bond Portfolio

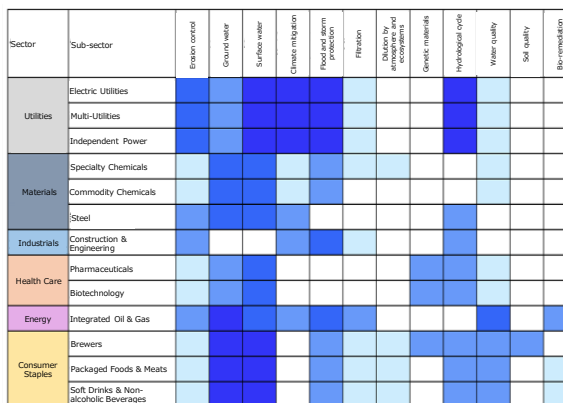
Companies depend on natural capital to conduct their business activities, but also impact natural capital through those business activities. To determine the nature-related dependencies and impacts that we should emphasize in our portfolio, we prepared sector-based heatmaps. Specifically, we selected sectors based on three points: (1) assessments of the degrees of dependence and impact of each sector performed using ENCORE*1, 2 (a nature-related risk analysis tool developed by the Natural Capital Finance Alliance etc.), (2) our investment balance in each sector, and (3) the TNFD priority sectors, and visualized the nature-related risks we should focus on. Regarding dependence, the results confirmed heavy reliance on water resources in sectors such as electric utilities, food & beverages, and integrated oil & gas. As for impact, the results showed strong effects on terrestrial, freshwater, and marine ecosystems from infrastructure construction etc. in sectors such as electric utilities, integrated oil & gas, and construction & engineering. As the effects from water usage, pollution, and waste have also been confirmed in many sectors, we recognize that these issues require continued monitoring.

*1 Natural Capital Finance Alliance (Global Canopy, UNEP FI, and UNEP-WCMC) (2022).
 *2 ENCORE: Exploring Natural Capital Opportunities, Risks and Exposure. [On-line], [11/2022], Cambridge, UK: the Natural Capital Finance Alliance. Available at: <https://www.encorenature.org/en>

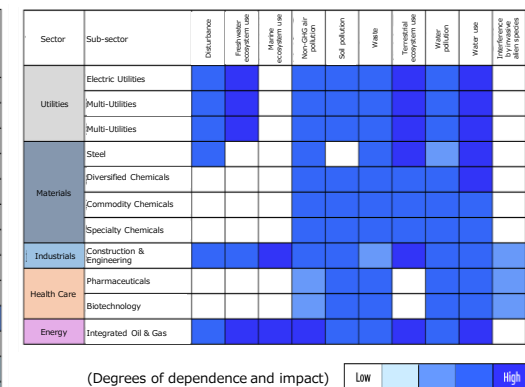
Nature-related Risks and Opportunities in Our Investment/Loan Activities

Type	Our Recognition
Physical Risks	Increased costs for portfolio companies due to the decline, deterioration, and depletion of natural capital and ecosystem services on which portfolio companies depend, such as water resources, and loss of value of portfolio assets due to production disruptions
Transition Risks	Increased costs for portfolio companies due to stricter environmental protection laws, regulations, and social demands, litigation risk, and loss of value of investment assets due to increased reputational risk
Opportunities	Increase in the value of portfolio companies and expansion of investment and financing opportunities due to the need for environmentally protective technologies and alternative products and services with a smaller environmental impact

Dependency Heatmap



Impact Heatmap



<Method of Selection of Sectors Shown in the Heatmaps>

- (1) Based on the ENCORE assessment of dependence and impact in each sector, we put the overall degrees of dependence and impact for each sector into numerical form.
- (2) We specified sectors in the top one-third for (1) degrees of dependence and impact and in the top one-third for our investment balance.
- (3) From among the sectors in (2), we selected ones corresponding to the TNFD “priority sectors”

Sustainability Website of Japan Post Insurance
 <Initiatives for Biodiversity Conservation>

<https://www.jp-life.japanpost.jp/english/aboutus/sustainability/environment/biodiversity.html>

* The same disclosure as this document is available on the above website.





Human Rights

Initiative Policy

Human rights are a universal value tied to human dignity. With the globalization of value chains, the risks of human rights violations faced by investees in our asset management operations are becoming more diverse and complex. We respect international guidelines on protecting human rights, such as the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights (UNGPs), and the International Labour Organization Declaration on Fundamental Principles and Rights at Work. Accordingly, we make investment decisions while checking the governance (including human rights policies) of investees, as well as their human rights due diligence, relief systems, and other efforts, with a focus on industries and companies identified to have potentially high risk of human rights violations. Through dialogue with these investees, we also encourage them to enhance their responses to human rights-related risks.

Systems and Policies, etc.

Human Rights Policy

Japan Post Insurance's human rights policy states that we do not tolerate discrimination of any kind based on race, color, gender, sexual orientation, gender identity, language, religion, politics or creed, nationality or social origin, poverty or wealth, birth, disability, etc. In addition to the executives and employees of the Company, the policy expects all stakeholders, including customers, suppliers, and investees, to respect human rights.

Initiatives

Endorsement of Advance

We have endorsed Advance, a collaborative stewardship initiative for institutional investors to act on human rights and social issues.



Systems and Policies, etc.

Human Rights Due Diligence

We have initiated human rights due diligence initiatives based on the United Nations Guiding Principles on Business and Human Rights, among others. This is an ongoing process to prevent and mitigate negative impacts on human rights in our corporate activities. We will strive to achieve respect for human rights and sustainable business by implementing this process on a regular basis, taking into account the opinions of outside experts.



We identify risks of negative human rights impacts that could occur not only on our employees, but also on our customers, suppliers, and investees. Specifically, while referring to various international norms and guidelines as well as issues that have occurred within the insurance sector, we determine and assess material human rights risks for each stakeholder, and will continue to do so into the future. We are also working to mitigate negative impacts on human rights, and will be reviewing these initiatives from time to time based on assessments of their effectiveness.

▶ Please see the sustainability section of our website for our initiatives related to human rights, including our Human Rights Policy, promotion system for respecting human rights, human rights due diligence, and training for raising awareness of human rights.

https://www.jp-life.japanpost.jp/english/aboutus/sustainability/social/human_rights.html

Investments and Loans

Investment in Sustainability-themed Bonds

Education Bonds

Proceeds are allocated to projects in school education and vocational training, such as providing equal access to education and continuous learning, so that women in the Asia-Pacific region who are at higher risk of dropping out of school are not left behind.

Asian Development Bank (ADB)
Approximately ¥5.0 billion

Integration

Negative Screening Criteria for Inhumane Weapons

As a responsible institutional investor, we aim to solve sustainable issues and achieve a sustainable society by setting criteria for negative screening and incorporating ESG integration into portfolio establishment. From the perspective of human rights risk management in particular, we aim to prevent and mitigate human rights violations at our investees. As part of these efforts, we do not invest in companies that manufacture inhumane weapons (cluster bombs, anti-personnel mines, biological and chemical weapons) that indiscriminately kill or injure civilians or cause irreparable damage to those affected.

▶ Please see “Negative Screening” (p.32) for details on initiatives.

Integration

Incorporation into Company Assessment

We consider a company’s efforts to address human rights issues to be a key evaluation factor when making our investment decisions, and recognize the importance of corporate management in mitigating human rights risks. Failure to appropriately address these issues pose the risk of facing litigation, administrative penalties, strikes, suspension of business transactions, or employee outflows, which could significantly damage corporate value. On the other hand, we believe that proactive initiatives for respecting human rights help contribute to a company’s sustainable growth and corporate value enhancement by strengthening their supply chain, ensuring the psychological safety of employees and improving their motivation, enabling the company to acquire and retain excellent human resources. Based on this recognition, we expect our investee companies to proactively address human rights issues and engage in dialogue based on the United Nations Guiding Principles on Business and Human Rights (UNGPs). We continuously monitor whether a company has formulated and published a human rights policy and whether it is conducting human rights due diligence. Furthermore, when serious human rights issues become apparent, we maintain our stance as an investor of requesting that appropriate measures be taken and information disclosed, and ask for explanations on the cause, impact, and measures to be taken going forward. We will continue to support the human rights initiatives of our investee companies to help them avoid risk and enhance their corporate value, as well as strive to contribute to the promotion of the protection and respect of human rights in global society.

- Human rights procedures, human rights policies, etc.
- Human rights due diligence processes and the effectiveness thereof
- Relief processes and the effectiveness thereof
- Enhance information disclosure

Stewardship Activities

Dialogue with Companies

Examples of Dialogue (Industry: Electricity and gas)

Theme: Progress with human rights initiatives

Issues and background	As the company has set key performance indicators (KPIs) for reducing human rights violation risks, we conducted interviews to learn about the progress toward these indicators and other initiatives.
Dialogue content	The company shared its plans to disclose the latest progress toward achieving its KPIs in its upcoming Annual Report. The company also shared that, with regard to the recent delays with improving the key issues (materiality) of harassment and work hour management, it is taking steps to thoroughly implement measures to prevent recurrence and disclose this information, working to gradually resolve these issues in stages.
Future policies	The company’s stance on positively addressing human rights issues in order of importance has been confirmed. Looking ahead, we intend to continue engaging in dialogue with the company to encourage it to disclose more information about human rights and take bolder measures .

▶ Examples of dialogue concerning human rights are also presented in “Stewardship Activities” (p.41).

Status of Material Human Rights Risks in Our Investment and Loan Portfolio

In addition to working to identify issues related to negative impacts on human rights that could occur at investees, we confirm, with reference to various guidelines etc., material human rights issues in our investment and loan portfolio, focusing on sectors where we regard the potential risk of human rights issues occurring as high.



Human Capital

Initiative Policy

With the servitization and digitalization of the economy, the talent and skills of companies' employees are becoming increasingly important as a source of sustainability. We evaluate investees' human resource initiatives and reflect them in our investment decisions. We consider factors such as consistency between business strategies and human resources strategies, investments in human resources, efforts to secure and develop human resources, and efforts to enhance the diversity and inclusiveness of the workforce. Through dialogue with investees, we also share issues related to human capital and encourage the enhancement of information visualization and disclosure.

Integration

Incorporation into Company Assessment

We view human resources as more than just a workforce or resource, but as capital that serves as the source of value creation. We recognize that maximizing this value is essential to enhancing management foundation and delivering sustainable growth, regardless of industry. Given that proactive human capital initiatives, such as stepping up recruitment, improving productivity, raising employee motivation, and ensuring employee retention, are expected to enhance corporate value over the medium to long term, we view them as a key evaluation factor when making investment decisions. During our dialogue with companies, we carefully explain that the visualization of human capital initiatives and actively disclosing information on this front is key to receiving appropriate valuations from the capital markets. Specifically, we support the promotion of human capital management by urging companies to formulate policies on human capital investment, develop human resources strategies that are linked to their management strategies, and enhance disclosure of the status on relevant initiatives they are taking. However, the human capital issues are not all the same, as they vary depending on the business characteristics, management policies, and human resources strategies of each company. As such, rather than make the same requests for all investees, we aim to conduct highly effective dialogue by deeply understanding the circumstances of each company and sharing issues and proposing improvements that are in line with their actual circumstances.

Stewardship Activities

Dialogue with Companies

<Examples of Topics Related to Human Capital>

	Management strategies and policies, etc.	Disclosure of related matters
Human resource development	Secure, develop, and retain excellent human resources	Training hours, training costs, training participation rate, types and targets of skill improvement programs, etc.
Employee engagement	Formulate policies for human resource development and for internal environment development, and measure employee engagement levels	Stretch assignments based on engagement levels, current engagement levels, targets, progress, etc.
Liquidity	Formulate policies for human resource development and for internal environment development, succession planning for CEO, etc.	Employee turnover rate, employee retention rate, total number and ratio of new hires, and explanation of initiatives to secure and retain personnel, etc.
Diversity	Policies for human resource development aimed at ensuring diversity Policies and procedures for appointing directors	Employee-management ratio by attribute, employee gender wage gap, number of employees taking childcare leave by gender, etc.

Examples of Dialogue (Industry: Electric power)

Theme: Number of days of childcare leave taken by male employees

Issues and background	The company, operating in an industry with a low proportion of female employees, is actively taking measures to promote women's career activities and is making steady progress toward its action plan. However, it has set a relatively conservative target for the number of days of childcare leave taken by male employees.
Dialogue content	We confirmed its current status regarding the number of days of childcare leave taken by male employees. While the publicly disclosed target for the number of days of childcare leave taken by male employees is 10 days or more, the company shared that the actual amount of childcare leave taken is approximately two months, an indication that the notion of male employees taking childcare leave was instilled across the company. As this contributes to the enhancement of corporate value, we requested that the company disclosed this information in its Annual Report, and received a positive response.
Future policies	We positively view the progress made with entrenching human capital initiatives across the company. We will continue to closely monitor its disclosure status going forward. We intend to continue engaging in dialogue with the company to encourage it to disclose more information about other human capital initiatives and take bolder measures.

▶ Examples of dialogue concerning human capital are also presented in "Stewardship Activities" (p.41).

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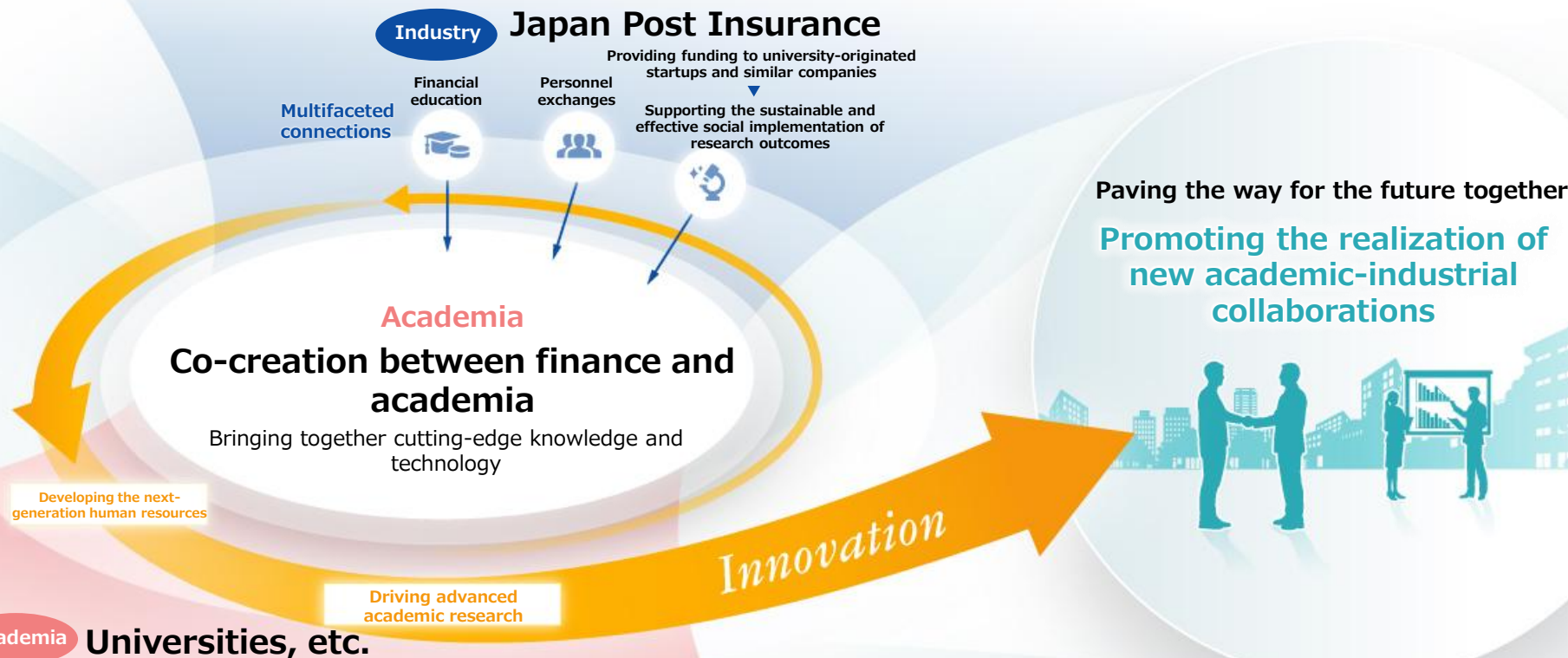
Academic-industrial Collaboration

- **Creating New Value Through Academic-industrial Collaboration** [p.119](#)
- **Collaboration and Cooperation with Universities, etc.** [p.120](#)
- **Main Initiatives for Academic-industrial Collaboration** [p.121](#)
- **Financial Education for Students and Children Who Will Lead the Next Generation** [p.124](#)

Creating New Value Through Academic-industrial Collaboration

Through collaboration with universities and other academic institutions, we aim to form an innovation ecosystem centered on academia. Academia brings together cutting-edge knowledge and technology to create innovation, and it also drives next-generation human resources and advanced academic research, making it essential for the creation of a sustainable social structure and economic growth in Japan. Traditionally, academic-industrial collaboration in Japan has mainly involved “business matching” centered on joint research and technology transfers between companies and universities. However, the social implementation of research outcomes owned by universities and their broad dissemination into the real world presents numerous challenges, including securing funding, developing entrepreneurial expertise and management talent, and building business networks. We thus believe that the true potential of academic-industrial collaboration is not being fully realized.

By providing funding to university-originated startups and similar companies, we support the sustainable and effective social implementation of research outcomes. We also engage in initiatives such as financial education and personnel exchanges, and by establishing multifaceted connections with universities, we build relationships between finance and academia through “co-creation,” promoting the realization of new academic-industrial collaborations that pave the way for the future together.



● Collaboration and Cooperation with Universities, etc.

To form an innovation ecosystem centered on academia, we have signed memorandums of understanding and agreements on collaboration and cooperation with educational institutions and other academic organizations, and are working to link the potential of universities with our long-term funds and practical knowledge.

At plenary meetings, executives, directors, and stakeholders from both parties gather regularly to report on the progress of collaboration initiatives and discuss a wide range of potential collaborations, including asset management, the creation of new services that align with customers' lifestyles, future joint research, the circulation of talent between academia and the financial industry, and regional revitalization. By doing so, we aim to create synergies that leverage the strengths of both parties and build mutually beneficial relationships.

■ Parties to the MOU and agreements (As of December 31, 2025)

Keio University Concluded in January 2022	The University of Osaka Concluded in January 2023	The Ritsumeikan Trust Concluded in March 2023
The University of Tokyo, Division of University Corporate Relations Concluded in March 2025	Waseda University Concluded in April 2025	Tokyo University of Science Concluded in July 2025
Kobe University Concluded in November 2025		

● Reports on the plenary meetings

Reports on these plenary meetings have been published on the official websites of the University of Osaka and Keio University. Further information on these meetings can be found on these websites, including details on the discussions and introductions of the outlook for future collaboration.

<Plenary meeting example>

Purpose	<ul style="list-style-type: none"> Sharing progress and challenges of collaboration initiatives, as well as new ideas Direct interaction between persons in charge and experts to identify and deepen specific initiatives
Contents	<ul style="list-style-type: none"> Sharing and exchanging ideas on themes that are expected to create synergies (e.g., aging society, Radio-Taiso, personnel exchanges) Introduction of examples of systems and environments that support entrepreneurship Presentations on cutting-edge research and tours of research facilities



Keio University website
"Keio University and Japan Post Insurance Held a Collaboration Event (plenary meeting)"

<https://www.keio.ac.jp/ja/news/20251008-169865/> (in Japanese)



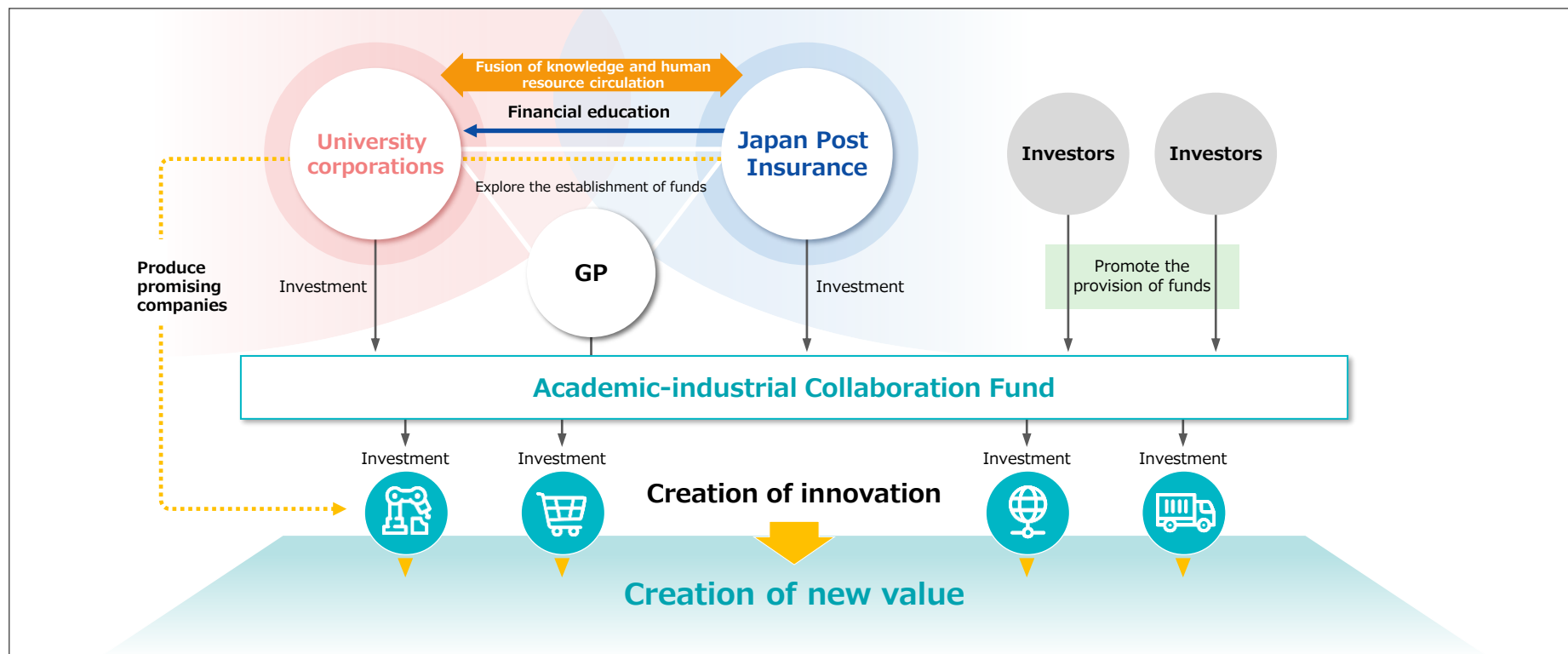
The University of Osaka website
"Japan Post Insurance & the University of Osaka Held a Meeting to Promote Collaboration"

<https://www.osaka-u.ac.jp/en/news/topics/2025/09/03001>



Main Initiatives for Academic-industrial Collaboration

As a responsible institutional investor, we seek to leverage our investments to solve sustainability issues, aiming to bring about a sustainable society. Taking into account internal and external trends, we select themes to emphasize in our asset management, and, in addition to considering sustainability themes when making investment decisions, we are exercising stewardship toward investees, engaging with policymakers, and pursuing various initiative activities, encouraging investees to expand and enhance their disclosures. In addition, we are also appropriately addressing other themes including cybersecurity and taxation transparency, while closely monitoring social trends. We disclose these initiatives to address the sustainability issues in our investment and loan activities on our website and in our Responsible Investment Report.



Formation of an Academic-industrial Collaboration Fund

We promote the provision of funds to university-originated startups and similar companies through academic-industrial collaboration funds. By injecting risk money into promising research seeds, we support the creation of socially transformative innovations and the birth of future unicorn companies, simultaneously pursuing improved investment results and the creation of social value.

When forming an academic-industrial collaboration fund, the three parties—a specialized venture capital, an educational institution, and Japan Post Insurance—hold extensive discussions from the fund concept formulation stage, sharing our respective visions and philosophies regarding investment targets and the social issues we aim to solve. To flexibly provide risk money to promising research seeds, we also customize the fund scheme and investment policy to meet the needs of each university, including establishing a channel to provide investment project information from the university to the fund. As of December 2025, we have invested in three academic-industrial collaboration impact funds.

Since 2019, we have provided funds to university seeds through private equity investments. In recent years, we have seen a steady rise in appetites for investing in university seeds in Japan. In light of this situation, we believe that our academic-industrial collaboration fund initiatives will go beyond simple investment, promoting the provision of funds to university-originated startups, potentially attracting funding from other institutional investors, and also contribute to the formation of an innovation ecosystem centered on academia.

	Name of fund	Investment company	Investment targets	Our investment amount
Keio University	KII3, LPS	Keio Innovation Initiative, Inc.	Deep-tech startup companies working to transform society with digital technology and resolve social issues in the field of medical care and health in line with the principle of the “Realize a society in which each and every person can live in health and happiness”	¥10.0 billion
The Ritsumeikan Trust	Impact Capital I Limited Partnership	Impact Capital Limited	Businesses that creates social impact in the fields of careers, care, lifestyles, urban development, and the environment, with a focus on maximizing people’s well-being and contributing to the provision of diversity and choices	¥3.0 billion
The University of Osaka	D3 Bio Healthcare Fund II Investment Limited Partnership	D3 LLC	Japanese startups that contribute to global medical health (through pharmaceuticals and medical devices, analytics software, next-generation well-being, anti-aging, food and agriculture, etc.)	¥1.0 billion

Our academic-industrial collaboration with Keio University: Impact fund “KII3”

Video about KII3, LPS, which was established by Keio University, Keio Innovation Initiative, Inc. (Keio University’s official venture capital), and Japan Post Insurance after multiple three-way discussions regarding the social issues we wish to solve and the fields we will invest in, can be viewed on the website. The fund’s goal is to realize a society in which all people can achieve healthy and happy lives (a society whose citizens remain active throughout their lives). To achieve this, it engages in impact investment in university-originated venture companies that are working to solve issues related to medicine and healthcare.

Videos about our academic-industrial collaboration can be viewed on Japan Post Insurance’s owned media “Kampo Junction.”



かんぽ生命がよくわかる！Webメディア
かんぽジャンクション

Japan Post Insurance and Keio University!

What is co-creative academic-industrial collaboration, and how can it drive Japan’s economic growth and solve social issues?

https://youtu.be/y_qamUdfRcl?si=6qo59of0Q-UlJWNN (in Japanese)



– Personnel Exchanges

For undergraduate and graduate students, we conduct open company programs and internships for recruiting specialized human resources in the digital and scientific fields. We also encourage broad participation from students whose ambitions lie outside the financial industry, providing learning opportunities for them to improve their financial literacy.



– Investment in University Bonds

We invest in university bonds issued to provide funding for high-level education, research and development, facility development, etc., contributing to strengthening universities' research and human resource development capabilities. Through investment in university bonds, we provide a stable supply of funds to meet the various funding needs of universities, including the renewal of large-scale, state-of-the-art facilities, the provision of campus environments that enable campus users to focus on education and research, and the enhancement of online education systems.

Type	Name	Investment amount
Sustainability Bond	THERS Commons Bonds	¥0.3 billion
	Tohoku University Future Creation Bonds	¥1.3 billion
	Tokyo Institute of Technology Tsubame Bonds	¥3.0 billion

– Collaboration in Non-asset Management Fields

We share and explore themes with a high level of affinity with both Japan Post Insurance's business and academic research that we expect to generate synergies.

▶ News release published on September 11, 2025: Start of Collaboration with Keio University to Create a Comprehensive Support System for Elderly People Living Alone
https://www.jp-life.japanpost.jp/information/press/2025/abt_prs_id002099.html (in Japanese)

Potential for development of local communities and society

We believe that universities can play an important role in the sustainable development of the local communities in which they are located. Strengthening the competitiveness of local companies and establishing mechanisms for fund circulation are essential to resolving local issues and achieving sustainable local growth. By functioning not only as an educational institution but also as a core hub for creating innovation, universities can attract talented people and various technological seeds from Japan and overseas and promote the creation of new university-originated startups. The development of these companies in the local communities as well as their growth into major industries are expected to stimulate fund circulation, and further strengthen the local industrial infrastructure through the influx of additional talent, the creation of new businesses, expanded collaboration with existing local companies, etc. We believe that the formation of an innovation ecosystem centered on academia has the potential to significantly contribute to the development of local communities.



Financial Education for Students and Children Who Will Lead the Next Generation

As a life insurance company and institutional investor, we actively promote financial education, a key point of focus in the Japanese government's "New Form of Capitalism" initiative. We support the development of human resources that will lead the next generation and contribute to the sustainable development of society. To fulfill our responsibility to protect our customers' lives into the future, we recognize that one of our important roles is not only to provide life insurance products that meet customer needs and ensure that insurance claims are paid out, but also to widely promote the importance of life insurance and other financial products and asset management. Based on this belief, we are actively engaged in a variety of initiatives, including financial education for students and children and personnel exchanges, with the aim of raising awareness and promoting financial well-being and the fields of finance and economics.



On-site Lectures at Universities, etc.

Executives and employees from our asset management departments deliver lectures on topics such as the social roles and characteristics of life insurance companies and institutional investors, the fundamental of asset management, and the significance of sustainable investment and impact investment, thereby providing students with an opportunity to deepen their understanding of finance and economics. These lectures explain how life insurance companies use the precious insurance premiums entrusted by customers to manage their assets over the long term in preparation for future insurance claims and other payments. They also provide information about the virtuous cycle of the investment chain, in which investment promotes corporate growth and technological development, which in turn leads to economic development, increased investment returns, and social and household prosperity. We also cover the background behind the focus on sustainability, recent trends, and practical examples. We partner with universities to design curriculums based on students' majors, so that students can become familiar with finance and take the initiative in understanding it as something personally relevant to them. Ignoring social and environmental risks could undermine social and economic sustainability, which serves as the foundation of all businesses. In this context, we believe that sustainability-conscious funding will return to society and households through the investment chain in the form of prosperity, and that this holistic approach will provide the next generation of a necessary life skill to survive in a rapidly changing society. As such, we offer lectures to students on an ongoing basis across a variety of fields, not just economics and finance.



Lectures held | The University of Osaka, Keio University, The Ritsumeikan Trust, and Hiroshima University of Economics

<Example of initiative: The University of Osaka>

We held a total of eight lectures, primarily for graduate students majoring in science and engineering, focusing on the role and investment methods of institutional investors and the fundamentals of sustainable investment. We incorporated an entrepreneurial perspective and gave specific examples, such as on financial frameworks, the mechanisms for supplying risk money to research seeds, the function of the investment chain in helping to resolve social issues, and analyst jobs that utilize scientific and mathematical knowledge. Thanks to this, the students started to take a more proactive and positive interest in finance and investment.

Financial Education for Children in the Higher Grades of Elementary School

In order to improve financial literacy as a necessary life skill for children, we create educational materials primarily for children in the higher grades of elementary school and conduct on-site classes on finance. We use Sugoroku-style original teaching materials, so that students can learn about the importance of financial preparedness and the means to do so, such as through savings and insurance, in a fun and practical way.



Japan Post Insurance original teaching material
“Money and the Future”



Videos about our financial education can be viewed on Japan Post Insurance's owned media “Kampo Junction.”



かんぽジャンクション

Financial literacy for the younger generation!
Japan Post Insurance's financial education
<https://youtu.be/WV8RUhUY718?si=A-qj269qGAVg1nda> (in Japanese)



Distribution of “Radio-Taiso” Attendance Cards

Since 1952, Japan Post Insurance has been creating “Radio-Taiso” Attendance Cards every year as a way to easily check children’s progress with their daily “Radio-Taiso” efforts, with the hope of encouraging them to wake up early and maintain an orderly lifestyle even during summer vacation. These cards are distributed to children nationwide, and printable versions are also available on our website.

Since the cards are undated,

They can be used year-round, not just during summer vacation!

Japan Post Insurance Portal Site
<“Radio-Taiso” Attendance Card>

<https://www.jp-life.japanpost.jp/radio/information/index.html> (in Japanese)



Hosting the All-Japan Elementary School Students “Radio-Taiso” Competition

We host this competition with the aim of increasing opportunities for many elementary school students to actively practice Radio-Taiso and to support the improvement of their physical and mental health and fitness. Aiming to promote Radio-Taiso among elementary school students, the competition not only assesses whether the exercises are being performed correctly, but also considers daily efforts and whether the children are having fun doing the exercises.

Japan Post Insurance Portal Site
<What is the All-Japan Elementary School “Radio-Taiso” Competition?>

<https://www.jp-life.japanpost.jp/radio/radi-con/index.html> (in Japanese)



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Other Initiatives

- **Participation in Initiatives** p.127
- **External Evaluation** p.128
- **Spreading Opinions and Information** p.129
- **Spreading Information in Multiple Directions (Web Media, Reports, etc.)** p.131
- **Message from CIO** p.132

Participation in Initiatives

We participate in domestic and international investment-related initiatives that share the same objectives and awareness of issues related to sustainable investment, such as climate change and impact investment, and we work to enhance our initiatives based on the knowledge we gain from these initiatives.

▶ Principles for Responsible Investment (PRI) Participated in 2017

- It is an action principle proposed by the United Nations and consists of six principles, including the incorporation of ESG issues into the investment decision-making process.



▶ CDP Participated in 2022

- It is an initiative to encourage the world's leading companies to disclose information on climate change, water, forests, and other issues and conduct collaborative engagement.
- Participation in collaborative engagement Non-disclosure Campaign (NDC)



▶ TCFD Participated in 2019

- It is an organization that recommends the disclosure of financial information related to climate change.



▶ Impact Consortium Participated in 2024

- An organization established as a forum for a wide range of stakeholders, including investors, financial institutions, corporations, and local governments, to engage in open discussions on impact investment and other issues, and to engage in dialogue and communication with networks in Japan and overseas.
- Discussion member of the Market Research & Formation Subcommittee from the same year.

▶ Climate Action 100+ Participated in 2022

- It is an international investor initiative that seeks to address climate change through collaborative engagement (dialogue with companies).



▶ TNFD Forum Participated in 2023

- We support the philosophy of TNFD, an international initiative to develop a framework for appropriate evaluation and disclosure of business risks and opportunities related to natural capital, and in June 2023, we joined the TNFD Forum to support its activities.
- Registered as a TNFD Adopter in 2024.



▶ Japan Impact-driven Financing Initiative Participated in 2021

- An initiative to implement impact-driven investments and loans based on the idea that the purpose of financial institutions is to holistically understand the impact and lead to solutions for environmental and social issues.
- Committee member since 2024.



▶ Advance Participated in 2022

- It is a collaborative stewardship initiative for institutional investors to act on human rights and social issues.



▶ Spring Participated in 2024

- This initiative is for investors to generate positive impacts on nature through stewardship activities.



▶ Global Impact Investing Network Participated in 2024

- This international network of investors was established in the U.S. in 2009 to expand the scale and improve the effectiveness of impact investment.
- Co-chair of the GIIN Japan Working Group since 2025.



▶ SIMI Participated in 2021

- It is a multisector initiative to promote social impact management throughout Japan.



▶ Triple I for Global Health Participated in 2023

- It is an initiative that aims to contribute to sustainable fund procurement and the solving of social issues in the global healthcare by expanding impact investment in this field.



External Evaluation

PRI assessment results Assessment period: April 2023 through March 2024


We signed the Principles for Responsible Investment (PRI) in October 2017. We promote sustainable investments in accordance with the PRI and report the status of the initiatives once a year. We also designate the results of the PRI's assessment of these reports as a key indicator in our initiatives, carefully reviewing the results and making improvements as necessary to further enhance sustainable investment.

As a result of implementing various measures and disclosures, the assessment results for the Company in FY2024 improved from those of the previous year. We received high scores for eight of the assessment modules, greatly surpassing the median evaluation of signatories (global), and received the highest possible evaluation, five stars, for three of the eight modules and four stars for five modules.

Assessment item	Assessment results	
Policy, governance, strategy (responsible investment approach, structure, etc.)	★★★★★	
Assets under management (assessment by asset class of manager selection, appointment, monitoring and other initiatives)	Listed equity (passive)	★★★★★
	Listed equity (active)	★★★★★
	Fixed income (active)	★★★★☆
	Private equity	★★★★☆
	Real estate	★★★★☆
Infrastructure	★★★★☆	
Confidence-building Measures (approach in the review and verification of data reported to PRI)	★★★★☆	










* Assessment results are awarded up to five stars based on the status of initiatives, with five stars (★★★★★) being the highest rank.

* In the 2024 annual assessment, no assessment was carried out for in-house investments approaches by asset owners, including the Company.

Signatory of:  **PRI** PRINCIPLES FOR RESPONSIBLE INVESTMENT

Other evaluations


As of January 2026, we have received the following recognition by advancing sustainability efforts and information disclosure. Please visit our website for information on other external evaluations we have received.

FTSE4Good Index Series  FTSE4Good	S&P Global Sustainability Yearbook Member 	Morningstar Japan ex-REIT Gender Diversity Tilt Index^{*1} 	MSCI Japan ESG Select Leaders Index^{*3} 2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX
FTSE JPX Blossom Japan Index  FTSE JPX Blossom Japan Index	S&P Global Industry Mover 	ISS ESG^{*2} 	MSCI Japan Empowering Women Index (WIN)^{*3} 2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)
FTSE JPX Blossom Japan Sector Relative Index  FTSE JPX Blossom Japan Sector Relative Index	S&P/JPX Carbon Efficient Index 	CDP 2025 (Climate change) 	

^{*1} Morningstar, Inc. and/or one of its affiliated companies (individually and collectively, "Morningstar") has authorized Japan Post Insurance Co., Ltd. to use of the Morningstar® Japan ex-REIT Gender Diversity Tilt Index Logo ("Logo") to reflect the fact that, for the designated ranking period, Japan Post Insurance Co., Ltd. ranks within the top group of companies comprising the Morningstar® Japan ex-REIT Gender Diversity Tilt Index ("Index") on the issue of gender diversity in the workplace. Morningstar is making the Logo available for use by Japan Post Insurance Co., Ltd. solely for informational purposes. Japan Post Insurance Co., Ltd.'s use of the Logo should not be construed as an endorsement by Morningstar of Japan Post Insurance Co., Ltd. or as a recommendation, offer or solicitation to purchase, sell or underwrite any security associated with Japan Post Insurance Co., Ltd. The Index is designed to reflect gender diversity in the workplace in Japan, but Morningstar does not guarantee the accuracy, completeness or timeliness of the Index or any data included in it. Morningstar makes no express or implied warranties regarding the Index or the Logo, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Index, any data included in it or the Logo. Without limiting any of the foregoing, in no event shall Morningstar or any of its third-party content providers have any liability for any damages (whether direct or indirect), arising from any party's use or reliance on the Index or the Logo, even if Morningstar is notified of the possibility of such damages. The Morningstar name, Index name and the Logo are the trademarks or services marks of Morningstar, Inc. Past performance is no guarantee of future results.

^{*2} ISS ESG is the responsible investment division of Institutional Shareholder Services (ISS), a voting advisory firm that provides sustainability rating assessments. (<https://www.issgovernance.com/esg/ratings/>)

^{*3} THE INCLUSION OF JAPAN POST INSURANCE Co., Ltd. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF JAPAN POST INSURANCE Co., Ltd. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

 External Evaluation and Support for Initiatives

<https://www.jp-life.japanpost.jp/english/aboutus/sustainability/initiative/index.html>



● Spreading Opinions and Information

As a universal owner contributing to the sustainable growth of society as a whole, we communicate our opinions and lobby policymakers through initiatives to promote responsible investment. We also focus on sharing information with all stakeholders, including our customers. Because the sustainability of the life insurance business is intrinsically linked to the health of the environment and society, our responsibilities as an institutional investor with a vision that spans decades into the future are more important than ever. We believe that communicating our role and approach not only across our asset management fields but also widely across inside and outside the Company will serve as the foundation that builds society's trust in us. With an eye to the future, we will communicate how insurance premiums are used and value is created, striving to gain a deep understanding and empathy from our stakeholders.

● Spreading our opinions through initiatives, etc.

As part of our efforts to influence the investment chain, we promote the use of global networks and external knowledge, and actively participate in domestic and international public-private joint initiatives and public institution study groups. As an asset owner, we are also involved in rulemaking for engagement methods, data and indicator development, etc., in order to help improve the quality of sustainable investment and impact investment and revitalize the market.

<p>External committee membership, etc.</p>	<ul style="list-style-type: none"> • Member of the ESG Investment and Finance Working Group and the Stewardship Activities Working Group, The Life Insurance Association of Japan • Member of the Working Group on Impact Investment (Financial Services Agency) • Member of the Study Group on Impact Investment (Financial Services Agency, GSG-NAB Japan) • Committee member of Japan Impact-driven Financing Initiative (IDFI) • Discussion member of the Market Research & Formation Subcommittee, Impact Consortium • Co-chair of Global Impact Investing Network (GIIN)'s Japan Working Group • Board Member of The Organization of Global Financial City Tokyo • Director of the Future Design Initiative by Science and Finance (FDSF) • Associate member of the Japan Local Government Bond Association
<p>Policy engagement/ recommendations</p>	<ul style="list-style-type: none"> • Dialogue and exchange of opinions with policymakers and relevant authorities in various countries • Communication of opinions for the revitalization of the stock market and the realization of a sustainable society through policy recommendation reports (The Life Insurance Association of Japan) • Sharing opinions through initiatives, etc. (CDP, etc.) <ul style="list-style-type: none"> ▶ See "Collaborative Engagement and Policy Engagement" (p.64) for more details.



External communication

We actively spread information through seminars and conferences both in Japan and overseas to share our values regarding sustainable investment and impact investment and broaden its reach. We consider these opportunities important forums for dialogue, and strive to convey not just our own case studies but also the thought processes of institutional investors. By having our executives speak personally, we demonstrate our commitment to responsible investment, sending a message of long-term value creation to beneficiaries, market participants, and policymakers. We also view investment practitioners externally communicating their experiences and awareness of issues as an opportunity to share knowledge. We believe that practitioners sharing specific examples and practical challenges will create a learning cycle that moves through phases of theory and practice, leading to the maturation and skill improvement of the market as a whole. In this way, we will strive to deepen fundamental discussions, having both management and people in the field share their respective perspectives.

Executive speeches	<ul style="list-style-type: none"> “Corporate Value Seen Through Impact Investing: Case Studies of Listed Companies and the Perspective of Impact Investors” Organizer: Japan Impact-driven Financing Initiative “MUMSS Sustainable Finance Seminar 2024” Organizer: Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. “JAPAN INVESTMENT CONFERENCE 2025: Moving Forward to a Global Asset Management Power” Organizer: CFA Society Japan “Moving Beyond Modern Investment Theory: β Activism Seminar” Organizers: Japan Impact-driven Financing Initiative, Japan Institute for Overseas Investment PRI Webinar, “Impact-driven Investing: Exploring Future Growth Potential” Organizer: PRI Japan Advisory Committee “GIIN Impact Forum” Organizer: Global Impact Investing Network (GIIN) “FDSF Impact Conference 2025” Organizer: Future Design Initiative by Science and Finance
Practitioner speeches	<ul style="list-style-type: none"> “The Convergence of New Engagement Trends and Impact” Organizer: Japan Impact-driven Financing Initiative “TECHNIUM Global Conference 2025” Organizer: TECHNIUM Global Conference Organizing Committee “Social Impact Day 2025” Organizer: Social Impact Management Initiative “Okasan SustaiNavi Vol. 1” Organizer: OKASAN SECURITIES GROUP INC. “Sustainability Paving the Way for Next-Generation Value Creation: Steady Progress toward Impact Creation and Corporate Value Enhancement” Organizer: Media Business, Nikkei Inc.
Lectures at universities and other educational institutions	<ul style="list-style-type: none"> The University of Osaka, Keio University, Waseda University, The Ritsumeikan Trust, Hiroshima University of Economics, etc. ▶ For other initiatives for academic-industrial collaboration for asset management, see “Academic-industrial Collaboration” (p.119).



In-house dissemination initiatives

Furthermore, to continue promoting responsible investment, we believe it is important for this philosophy to be disseminated throughout the Company. We continue to take a multifaceted approach to doing so, including introducing basic knowledge and initiatives through our company newsletter, distributing video messages from executives, and hosting in-house study sessions. In our university collaboration initiatives, we invite non-asset management departments to also participate, thereby raising awareness and expanding reach throughout the Company, while also promoting cross-departmental co-creation.

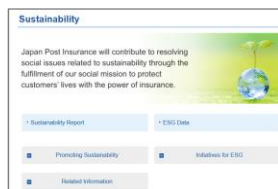
Spreading Information in Multiple Directions

We spread information about responsible investment through various forms of media, including our Sustainability Website (Japan Post Insurance corporate website), Annual Report, Responsible Investment Report, owned media, shareholder newsletter, and educational endowment insurance brochures.

Web media

Sustainability Website

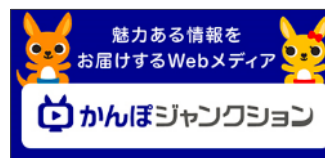
We communicate to all stakeholders the results of our initiatives to realize a sustainable society, including our approach to sustainability and reports on activities in each area.



<https://www.jp-life.japanpost.jp/english/aboutus/sustainability/index.html>

Kampo Junction

Kampo Junction was established in 2022 as a hub for people, information, and communities. It is a new form of web media that delivers diverse and attractive information from Japan Post Insurance.



<https://www.jp-life.japanpost.jp/junction/> (in Japanese)

JP CAST

It is a form of web media that spreads vibrant information about the Japan Post Group, such as the initiatives of the Group, the new challenges it is taking on, the thoughts of employees involved in these efforts, and trivia that you'll want to share with others.



<https://www.jpcast.japanpost.jp/> (in Japanese)

Report

Annual Report

In order to provide stakeholders with an easy-to-understand explanation of Japan Post Insurance's initiatives to create sustainable value, this report includes an overview of the Company, its business strategies, and management issues.



https://www.jp-life.japanpost.jp/english/aboutus/financial/en_abt_fnc_ar.html

Responsible Investment Report

The purpose of this report is to communicate to all stakeholders our approach to sustainable investment and stewardship activities and the details of specific initiatives.



<https://www.jp-life.japanpost.jp/english/aboutus/sustainability/esg/stewardship.html>

Well-being

Radio-Taiso App

Under the spirit of "anytime, anywhere, for anyone," we have released the "Radio-Taiso App" with the aim of protecting and improving the health of as many people as possible.



ラジオ
体操
かんぽ生命



<https://www.jp-life.japanpost.jp/radio/app/index.html> (in Japanese)

Message from CIO

Driven by the mission we have upheld for over 100 years, we will deepen our asset management while flexibly responding to the changing economic and market environment to continue providing peace of mind to our customers into the future.



TACHIBANA Atsushi
Senior Managing Executive Officer

Japan Post Insurance has been supporting the peace of mind of its customers nationwide for over 100 years since the foundation of the Postal Life Insurance business in 1916, by its predecessor, former Ministry of Communications. Our mission is to steadily fulfill our role as a life insurance company, as well as to responsibly manage the precious insurance premiums entrusted to us by our customers to ensure the reliable payment of future insurance claims as a universal owner of long-term funds.

In FY2025, the final year of our Medium-term Management Plan announced in 2021, we have been working to “achieve greater depth and evolution of asset management,” as one of the three pillars of our growth strategy that leverages our strengths. While engaging in the long-term management of approximately ¥60 trillion in assets, we are currently pursuing the optimal balance of risk, return, and liquidity led by the concept of ERM (enterprise risk management), taking into consideration the shift to a world with interest rates. We aim to build a stable revenue base by developing a portfolio strategy that steadily captures income opportunities, particularly in an environment of rising interest rates, leveraging the various diversification benefits of alternative assets in addition to traditional assets such as bonds, equities, and real estate.

Furthermore, we are strengthening our asset management capabilities and enhancing our sources of long-term growth through partnerships and capital alliances with domestic and international institutional investors. To support these efforts, we are also focusing on developing globally-minded specialized human resources, building our organization, and establishing efficient next-generation administrative and system infrastructure. We aim to establish systems that enable us to respond flexibly and swiftly to an increasingly complex market environment, and to create an environment in which each and every employee truly understands the significance of management operations and is inspired to take on new challenges.

Our asset management goes beyond simply securing and pursuing returns. Guided by our Management Philosophy of “Be a trustworthy partner for people, always being close at hand and endeavoring to protect their well-being,” we are carrying out initiatives to fulfill our role as a responsible institutional investor toward all

stakeholders. In addition to becoming a PRI signatory, endorsing Japan’s Stewardship Code, and formulating a Sustainable Investment Policy, we are also undertaking unique initiatives since 2022, such as launching the Impact “K” Project with the aim of expanding impact-oriented investments and loans that contribute to social issue resolution, and investing in impact funds through academic-industrial collaboration.

As an institutional investor with the characteristics of a life insurance company, we have broad and long-term responsibilities. For example, it is important for us to take a long-term investment approach, looking decades into the future, so that when children who are insured through our educational endowment insurance become adults, they can enjoy a more comfortable society and environment than they do today. As such, when engaging in dialogue with investee companies, we not only consider financial matters such as profit margins, capital policy, and financial strategy, as well as their governance structures, but also actively engage in sustainability-related dialogue, focusing on whether companies are accurately grasping the risks and opportunities presented by long-term megatrends related to sustainability and flexibly responding to changes in society and policy trends.

In recent years, the environment surrounding sustainability has been undergoing major changes, such as the diversification of evaluations and interpretations in international sustainable investment, intensifying geopolitical risks and climate change, and policy trend shifts. Amid these circumstances, we position social and environmental stability as the foundation supporting the sustainability of our life insurance business and asset management, and will persistently implement effective initiatives in a flexible and steady manner, in line with current trends.

Going forward, to further ensure the peace of mind we provide to our customers, we will continue our efforts to improve investment income by capturing changes in the market environment and realizing a sustainable society through investment, with a sense of “warmth” that is unique to Japan Post Insurance.

Responsible Investment Report 2025

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<Important Notes>

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