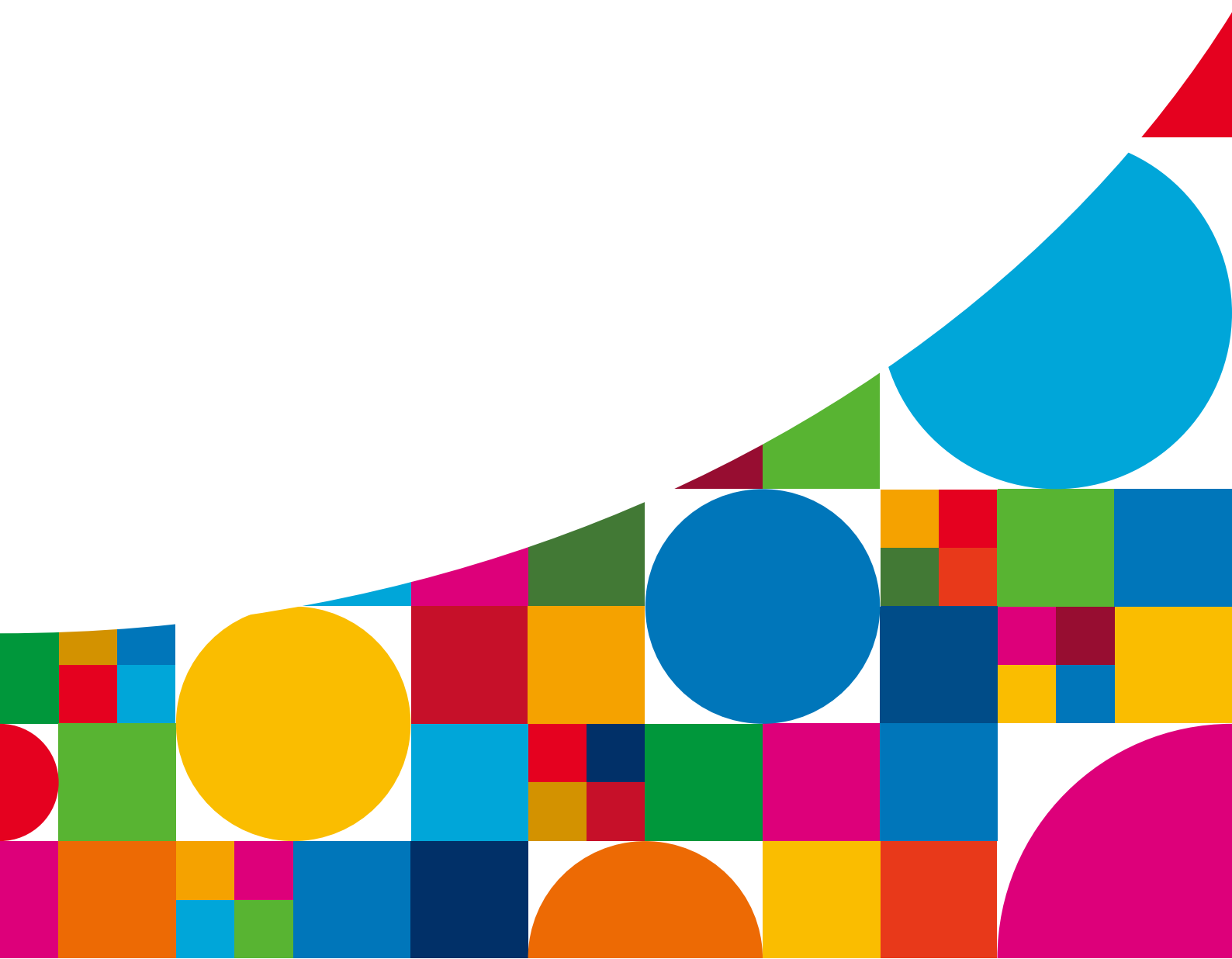


The JBA SDGs Report 2024-2025



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Introduction

Although weaknesses remained in some areas, such as the Hokuriku region, which was affected by the Noto Peninsula earthquake in January 2024, Japan's domestic economy in 2024 marked steady progress for a virtuous economic cycle to take hold, overcoming the challenges posed by the COVID-19 crisis. The global economy also remained generally stable, showing resilient growth led by the U.S. economy, as inflationary pressures gradually eased. The Bank of Japan made a pivotal decision to raise interest rates for the first time in 17 years, signaling a return to a "world with interest rates." This marked a significant milestone for the banking industry.

Under these circumstances, the Japanese Bankers Association (JBA) positioned FY2024 as "a year for contributing to establishing a virtuous cycle in the Japanese economy amidst the progress of the paradigm shift," and it continued to actively promote initiatives related to the SDGs.

Specifically, regarding the banking industry's efforts to achieve carbon neutrality, the JBA submitted its views to domestic and international public consultations, and promoted information sharing based on its carbon neutrality initiatives by updating a dedicated climate change website and hosting the JBA CNI Compass Program.

In addition, in pursuit of a secure, safe, and highly convenient future-oriented financial infrastructure, the JBA continued to promote the digitization of bills and checks and the use of QR codes for local tax payments while also advancing measures to address the growing threat of financial crimes.

These activities, along with other achievements, have been included in the "JBA SDGs Report 2024–2025."

The SDGs, which began in 2016, have reached the halfway point, and it is now necessary to take even more proactive steps toward achieving them by 2030. The JBA will continue to closely monitor the environment surrounding Japan with a high sense of urgency and responsibility, engage in sincere discussions with various stakeholders, and do its utmost to support the efforts of its member banks in addressing and achieving the specific challenges of the SDGs. We hope that the publication of this report will further advance concrete initiatives related to the SDGs within the banking industry.

June 2025

Japanese Bankers Association

SUSTAINABLE DEVELOPMENT GOALS



The JBA's SDGs Promotion Framework and Key Initiatives

(1) Background

The SDGs were adopted in September 2015 at the United Nations Sustainable Development Summit together with a declaration for all United Nations member states to act towards achieving, in the interim from 2016 to 2030, their goals for sustainable development. Since the establishment of the SDGs Promotion Headquarters in May 2016, which is headed by the prime minister, the Japanese government has advanced various initiatives. These include the adoption of the "SDGs Action Plan 2023" in March 2023 and the revision of the "SDGs Implementation Guidelines" in December 2023.

The financial industry has been seeing progress in discussions surrounding ESG (Environment, Social, and Governance) finance, i.e., finance with consideration of ESG, and the disclosure of non-financial information (sustainability disclosure) based on sustainable finance and TCFD* recommendations. At the same time, expectations continue to be high regarding the role that financial institutions should play in responding to climate change issues.

Japan's banking industry, as a provider of customer services and as a cornerstone of social infrastructure, has traditionally been engaged in various kinds of efforts, including the development of financial infrastructure and social contribution activities. Additionally, in order to strengthen medium- and long-term efforts surrounding the issues set out in the SDGs, in March 2018 the JBA decided to establish an SDGs promotion framework and determine key initiatives related to the 17 SDGs, and it has been promoting specific measures attended by reviews as the need arises.

*TCFD: Task Force on Climate-related Financial Disclosures

The TCFD was established at the request of the finance ministers and central bank governors of the G20. Its recommendations, etc. on climate-related financial disclosures were published in June 2017. Its initiatives reached fruition with the integration of the IFRS Sustainability Disclosure Standards, which are internationally unified standards, in June 2023. Its responsibility for monitoring the progress of climate-related disclosures has been transferred to the IFRS Foundation.

(2) The SDGs Promotion Framework

The challenges posed by the SDGs are very diverse, and it is vital to address them over the medium- and long-term. In order to allow the cross-sectional participation of all JBA working committees and to enable a well-grounded approach, the JBA has set up a Working Committee on the SDGs/ESG, under the auspices of its Planning Committee, and it has established a framework for comprehensive measures regarding SDGs in ongoing coordination with relevant individual working committees. In light of the continuously shifting parameters in society and in the environment of the banking industry, the JBA determined that the SDGs are to be addressed over the medium- and long-term. Specifically, with reference to the PDCA (Plan/Do/Check/Action) cycle application, which is centered on the Working Committee on the SDGs/ESG, the framework provides for the drafting of measures (P), and the handling of general matters while enabling the delegation of tasks to the project-relevant working committees(D), with periodic progress checks and necessary revisions (C/A).

The FY2024 SDGs promotion framework is shown on page 7.

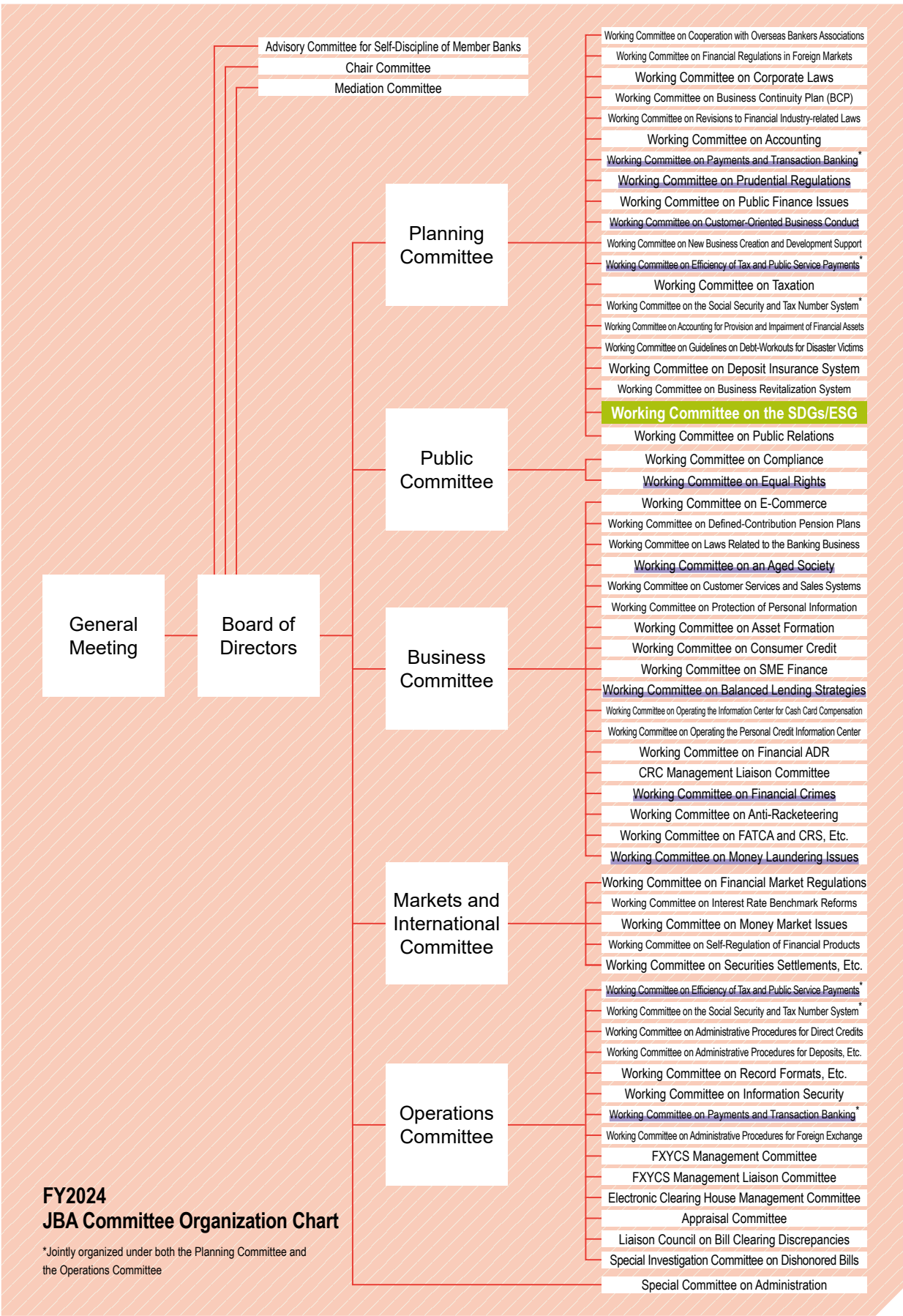
(3) Key Initiatives of the JBA

After deciding on key initiatives at its Board of Directors meeting in March 2018, the JBA carried out specific efforts while conducting reviews as necessary. The key initiatives for FY2024 are shown on pages 8 to 10.

The JBA's SDGs Promotion Framework and Key Initiatives

JBA FY2024 SDGs Promotion Framework

*Underlined parts indicate the relevant working committees






Key SDG Initiatives for FY2024

Issues (main items)	Issues (sub-items)	FY2024 specific initiatives
1 Further promoting of member banks' SDG/ESG initiatives (Common to all Goals) Responsible body: Working Committee on the SDGs/ESG	Further promote the SDGs/ ESG initiatives implemented by member banks	<ul style="list-style-type: none"> Follow up on key initiatives for SDGs and review the requirements in light of the environment surrounding the banking industry. Continue to conduct surveys for assessing the progress of SDG initiatives implemented by member banks as well as provide information through means such as publishing the JBA SDGs Report in order to disseminate and promote initiatives by member banks.
     2 Fulfilling the role expected of the banking industry in achieving a sustainable society, such as a "just transition" to carbon neutrality/net zero emissions by 2050 (Goal 7, 12, 13, 14, and 15) Responsible body: Working Committee on the SDGs/ESG, Working Committee on Prudential Regulations	(1) Fulfill the role expected of the banking industry in achieving a sustainable society, such as a "just transition" to carbon neutrality/net zero emissions by 2050	<ul style="list-style-type: none"> Support member banks' initiatives regarding engagement and hold study sessions inviting stakeholders such as relevant industrial organizations and ministries. Follow the trends in assessment guidance/ criteria regarding sustainable finance, share examples of leading initiatives, participate in relevant government councils and share the banking industry's views. Disseminate and follow up on discussions regarding the progress of sustainable finance, such as trends in transition finance and impact finance, and request the government to provide support measures, based on deeper cooperation with small- and medium-sized business associations. For enhancing the disclosure of sustainability and non-financial information at companies and our member banks, monitor the progress of disclosure, and follow up on and share views about domestic and global developments, such as the International Sustainability Standards Board (ISSB) of the IFRS Foundation and the Financial System Council of JFSA. Participate in domestic and international discussions on climate-related financial risks as well as follow up on and share views about the progress of consideration at the relevant ministries and agencies. Follow up on international discussions on natural capital and biodiversity, and gather information in a flexible manner utilizing the TNFD Forum, etc.
	(2) Conduct research on the progress of initiatives implemented by member banks for carbon neutrality by 2050	<ul style="list-style-type: none"> Continue to conduct follow-up surveys on the progress of the banking industry's environmental initiatives, including JBA's new goals, which are related to <i>Keidanren</i> plans such as "Carbon Neutrality Action Plan" and the "Voluntary Action Plan for Establishing a Sound Material-Cycle Society". Survey items include CO2 emissions, recycled paper and eco-friendly paper purchase rates, paper recycling rates, the ratio of member banks launching "passbook-less products," long-term global warming countermeasures, goals for plastic waste reduction, and conservation of biodiversity.
 3 Implementing activities for regional economic revitalization and local invigoration (Goal 8) Responsible body: Working Committee on Balanced Lending Strategies	Implement activities for regional economic revitalization and local invigoration	<ul style="list-style-type: none"> Follow up on measures for local invigoration by the Headquarters for Overcoming Population Decline and Vitalizing Local Economy in Japan and the relevant ministries and agencies, municipalities, etc., as well as implement measures such as responding as necessary to requests for survey cooperation or dissemination. Conduct surveys on example initiatives for local invigoration implemented by member banks and release information externally. Collect information related to local invigoration through the "SDGs for Regional Revitalization Public-Private Partnership Platform" etc., as well as support initiatives by individual banks for local invigoration, such as by sharing information with member banks as necessary.

The JBA's SDGs Promotion Framework and Key Initiatives

Issues (main items)	Issues (sub-items)	FY2024 specific initiatives
 4 Improving the financial literacy of the Japanese people by promoting financial literacy education activities (Goal 4) Responsible body: Working Committee on the SDGs/ESG, Working Committee on Customer-Oriented Business Conduct	Expand activities for financial literacy education by JBA and member banks as well as improve cooperation with related financial organizations, etc., in order to promote said activities to be more for the public good	(Responses to the establishment of Japan Financial Literacy and Education Corporation (J-FLEC) and other activities) <ul style="list-style-type: none"> • Appropriately engage in activities for establishing and operating J-FLEC. • Appropriately collaborate with other financial related organizations in line with the establishment of J-FLEC. (Fundamental review of the JBA's activities) <ul style="list-style-type: none"> • Considering the increasing demand and interest in financial and economic education, engage in financial and economic educational activities in line with the establishment of J-FLEC, and appropriately hand them over to the J-FLEC. (Cooperation measures with other financial organizations and the like) <ul style="list-style-type: none"> • In line with the establishment of J-FLEC, engage in necessary activities, based on the MOU with the Japan Securities Dealers Association, in order to contribute to improving the financial literacy of the Japanese people and solving the problem of poverty for children and the youth.
 5 Promoting wider access to finance and financial services for the elderly and other users (Goal 8) Responsible body: Working Committee on Aged Society, Working Committee on the SDGs/ESG, Working Committee on Equal Rights	Promote efforts for wider access to finance and financial access services for the elderly and other users	<ul style="list-style-type: none"> • Follow up on the trends at the government and related organizations as well as the progress of initiatives implemented by member banks regarding financial transactions with elderly customers and provide relevant information to member banks as necessary. Also, research and implement measures for updating the concept and creating new concepts regarding carrying out financial transactions by substitutes and improved collaboration between banks and regional public organizations, social welfare agencies, etc. • Continue to conduct surveys for assessing the progress of barrier-free initiatives implemented by member banks, express opinions during follow-up hearings for discussions with relevant ministries and agencies, and share information with member banks.
 6 Promoting digitization and providing safe, secure and highly-convenient financial services (Goal 9) Responsible body: Working Committee on Payment and Transaction Banking, Working Committee on Efficiency of Tax and Public Service Payment	(1) Promote the usage of the Zengin EDI System (ZEDI) through encouragement at relevant ministries and agencies and relevant industrial organizations as well as seamless linkage with electronic invoices	<ul style="list-style-type: none"> • Follow up on the progress of ZEDI development shared by Zengin-Net. • Continue to encourage the relevant ministries and agencies as well as relevant industrial organizations to promote the usage of ZEDI.
	(2) Promote initiatives for the full digitization of bills and checks	<ul style="list-style-type: none"> • Follow up on the progress of initiatives in the banking industry to achieve the final target (reducing the number of bills and checks exchanged at the electronic clearing house to zero by the end of FY2026), based on the "Voluntary Action Plan for the Full Digitization of Bills and Checks" that was formulated in the financial industry, as well as perform intermediate assessment of the initiatives, and consider how to manage the electronic clearing house in the future. • Collaborate with the relevant ministries and agencies, such as the Financial Services Agency and the Small and Medium Enterprise Agency to encourage the industrial sector toward the full digitization of bills and checks. • Conduct dissemination and public relations activities related to the digitization of bills and checks in collaboration with densai.net. • Collaborate with the relevant institutions, ministries, and agencies to implement initiatives to minimize the number of exchanged securities, excluding bills and checks (other types of securities).
	(3) Promote efficiency improvements in the collection of taxes and public dues (digitize tax notices and other documents, and promote the use of unified QR codes for local taxes and public dues)	<ul style="list-style-type: none"> • Monitor the progress of increasing in targeting local tax items for adding the eL-QR code and the trends in government activities for expanding the use of the eL-QR code for local public dues. • Assess issues regarding the electronic payment of taxes and public dues through hearings and the like with member banks, and implement activities for requesting that related parties promote electronic payment of taxes and public dues. Regarding the electronic payment of tuition, follow future trends, based on discussions in the Regulatory Reform Promotion Council. • Research and implement effective measures for promoting the spread of electronic payment of taxes and public dues, including new electronic payment schemes for special collection of local taxes, treasury money, etc. and the digitization of local tax notices and other documents.

Issues (main items)	Issues (sub-items)	FY2024 specific initiatives
 7 Implementing measures to prevent financial crimes and money laundering, and actions to meet FATF recommendations (Goal 16) Responsible body: Working Committee on Financial Crimes, Working Committee on Money Laundering Issues	(1) Prevent damages from financial crimes	<ul style="list-style-type: none"> Expand initiatives in light of trends in crime, such as emerging types of fraud and phishing (implement awareness activities for preventing financial crimes, etc.). Research and implement measures such as providing information or giving warnings to member banks as well as dissemination and public relations activities for customers in light of current criminal tactics, such as unauthorized withdrawals for internet banking and the like.
	(2) Create a more sophisticated AML/CFT response	<ul style="list-style-type: none"> Provide information and consider measures regarding FATF-related issues. Collect information on AML/CFT trends and provide information such as leading initiatives and translations of important documents. Implement dissemination and public relations activities for customers. Improve collaboration with the relevant authorities and other industries (including cooperative financial institutions) through the Public and Private Sectors Liaison Meeting on Advanced Measures against Money Laundering.
  8 Expanding initiatives in light of trends regarding human rights and diversity (Goals 5, 10) Responsible body: Working Committee on Equal Rights, Working Committee on the SDGs/ESG	(1) Expand initiatives in light of trends regarding human rights and diversity	<ul style="list-style-type: none"> Provide relevant information (hold lectures on human rights, issue a human rights newsletter, etc.). Implement support for human rights awareness activities and the like (create human rights texts, hold applications/awards for human rights awareness mottos, etc.).
	(2) Provide support to promote understanding and initiatives related to human resources	<ul style="list-style-type: none"> Provide support to member banks to promote understanding and initiatives related to human resources.

Status of Activities of the JBA in FY2024

In FY2024, the JBA promoted efforts based on eight key initiatives relevant to the 17 SDGs. This report summarizes individual efforts and presents the results achieved in FY2024.

1

Further Promoting of Member Banks' SDG/ESG Initiatives



As a common approach of the banking industry to achieve the 17 SDGs and monitor and support the efforts of member banks, the JBA conducts surveys on the SDGs and ESG, and it introduces reports on case examples of initiatives by the JBA and member banks.

(1) Surveys on the SDGs and ESG

In order to understand the status of member banks' efforts and further promote their efforts by providing feedback on the findings, a survey is conducted of full members to assess the actual status of each bank's initiatives related to the SDGs and ESG, and the aggregated results are shared with them. In FY2024, 113 banks responded to the survey (as of the end of July 2024), indicating steady progress in SDG and ESG-related initiatives.

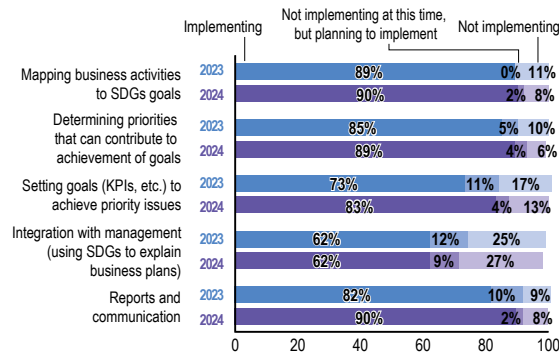
In addition, the survey has expanded its scope to include items related to diversity, taking into account the request made in the "Basic Policy on Gender Equality and Empowerment of Women 2024," which calls on industry associations, including the JBA, to understand the efforts of leading companies in each region and raise awareness of the best practices of companies promoting women's empowerment at the regional level. The survey collects and compiles information on the initiatives of member banks in this area. (For details, please refer to pages 12–13 and 45–50.) Going forward, to further support the initiatives of member banks, the survey will continue to be conducted on an ongoing basis, with necessary updates.

FY2024 SDGs and ESG Survey Results (Summary)

*As of the end of July 2024

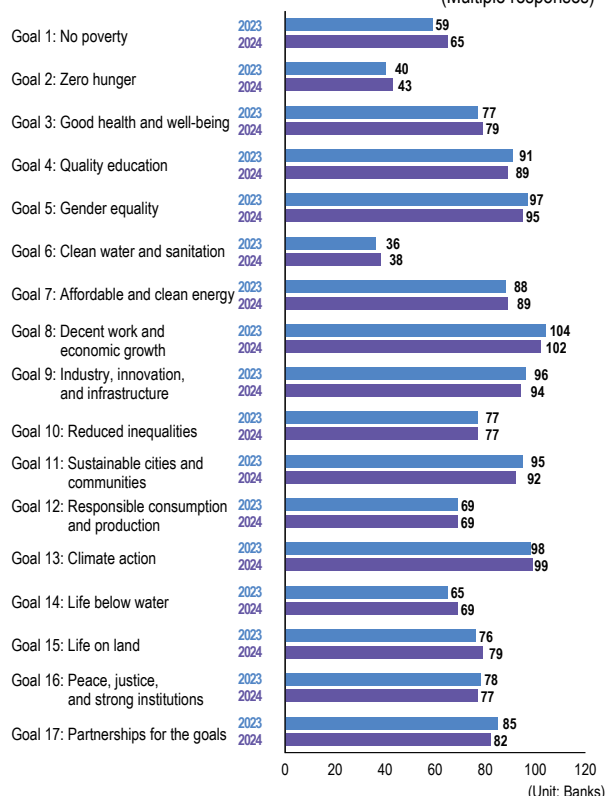
- Out of the 113 banks that responded, 83 (73%) have established specialized departments or divisions to address initiatives related to the SDGs and ESG (FY2023: 76 banks [67%]).
- Out of the 113 banks that responded, 110 (97%) have disclosed information on initiatives related to the SDGs and ESG (FY2023: 111 banks [97%]).

Status of member banks' SDG and ESG-related efforts



Goals that member banks are working on among the 17 SDGs

(Multiple responses)



For an explanation about diversity, including the data below, please refer to page 34 of this report.

Overview of diversity-related data from the FY2024 SDGs and ESG survey

(113 responses collected)

Item(s)	Number of responses (percentage)
Status of officers (*1)	
Percentage of female officers (average)	8.8 %
Setting KPIs for the ratio of female officers	10 banks (9%)
Status of managers (*2)	
Percentage of female managers (average)	20.0%
Setting KPIs for the percentage of female managers	93 banks (82%)
Presence of action plan toward achieving KPIs	
Presence of action plan toward achieving KPIs if KPIs are set for the percentage of female officers and managers	84 banks (90%) (*3)
Contents of action plans toward achieving KPIs (*4)	
1. Implementation of training, seminars, and networking events for the development of officers and managers	71 banks (85%)
2. Sending employees to external training sessions and networking events	47 banks (56%)
3. Development of prospective officers by current officers (e.g., mentorship and sponsorship programs)	24 banks (29%)
4. Planned talent development of managers and officers appointed through the formulation of succession plans, etc.	24 banks (29%)
5. Formulation of individualized development plans based on each person's characteristics and preferences	22 banks (26%)
6. Implementation of job category restructuring (e.g., abolition of clerical-track positions and unification into management-track hiring)	23 banks (27%)
7. Promotion of motivated and capable individuals and expansion of work opportunities (e.g., early regional transfers and assignment to core operations)	40 banks (48%)
8. Proactive placement of women in departments or roles with low female representation	29 banks (35%)
9. Development of workplace environments and HR systems to support continued employment and compatibility with childcare or nursing care and improvement of the work-life balance (e.g., restrictions on transfer locations, telework, flextime systems, and performance evaluations based on hourly results)	74 banks (88%)
10. Messages and commitments from top management	26 banks (31%)
11. Implementation of training on unconscious bias and diversity for employees, managers, and officers	50 banks (60%)
12. Deployment of tools, partnerships with external services, and implementation of training to support health issues specific to women	28 banks (33%)
13. Other	20 banks (24%)
Presence of KPIs for the rate of paternity leave and similar leave taken by men	88 banks (78%)
Measures related to closing the gender pay gap	
Presence of KPIs for closing the gender pay gap	14 banks (12%)
Specific initiatives to close the gender pay gap	
1. Analysis of factors behind the current gender pay gap	78 banks (69%)
2. Consideration of initiatives based on analysis of the current gender pay gap	55 banks (49%)
3. Implementation of training, seminars, and networking events for the development of officers and managers	67 banks (59%)
4. Sending employees to external training sessions and networking events	58 banks (51%)
5. Development of prospective officers by current officers (e.g., mentorship and sponsorship programs)	20 banks (18%)
6. Planned talent development of managers and officers appointed through the formulation of succession plans, etc.	27 banks (24%)
7. Formulation of individualized development plans based on each person's characteristics and preferences	24 banks (21%)
8. Implementation of job category restructuring (e.g., abolition of clerical-track positions and unification into management-track hiring)	46 banks (41%)
9. Promotion of motivated and capable individuals and expansion of work opportunities (e.g., early regional transfers and assignment to core operations)	53 banks (47%)
10. Proactive placement of women in departments or roles with low female representation	33 banks (29%)

11. Development of workplace environments and HR systems to support continued employment and compatibility with childcare or nursing care and improvement of the work-life balance (e.g., restrictions on transfer locations, telework, flextime systems, and performance evaluations based on hourly results)	91 banks (81%)
12. Messages and commitments from top management	32 banks (28%)
13. Implementation of training on unconscious bias and diversity for employees, managers, and officers	67 banks (59%)
14. Other	5 banks (4%)
Challenges related to promoting women's empowerment	
Select the items that are considered challenges related to promoting women's empowerment	
1. There are few female candidates for officers and department heads, etc.	91 banks (81%)
2. Insufficient initiatives to encourage the appointment of female officers and managers	59 banks (52%)
3. Insufficient internal awareness building for female appointments	28 banks (25%)
4. Imbalance in the percentage of women and women's empowerment across job categories and departments	81 banks (72%)
5. Impact of traditional course-based employment management and the placement of men in core operations, such as corporate sales	73 banks (65%)
6. Difficulty balancing career advancement through transfers with childcare, etc.	27 banks (24%)
7. Insufficient commitments and messages from top management	5 banks (4%)
8. Not positioned in the corporate strategy	6 banks (5%)
9. Elimination of the gender pay gap	19 banks (17%)
10. Other	7 banks (6%)
Items that could be reasons for answering "2. Insufficient initiatives to encourage the appointment of female officers and managers" (*5)	
1. Insufficient development of role models for female officers and managers	54 banks (92%)
2. Lack of systems and work styles that make it easier for women to aim for officer and manager positions	19 banks (32%)
3. Current managerial workload is heavy, leading to rigid work styles	35 banks (59%)
4. Failure to carefully understand and address the individual circumstances that act as barriers for women aiming for officer and manager positions	24 banks (41%)
5. Other	2 banks (3%)
Products and services for companies actively promoting women's empowerment (*6)	
1. Handling of loans for companies actively working on promoting and appointing women	34 banks (71%)
2. Handling of loans for female entrepreneurs and business owners	11 banks (23%)
3. Other (Example) Handling of mortgage loan products offering four benefits for employed women and holding seminars aimed at supporting female entrepreneurs	19 banks (40%)

*1 Officers under the Companies Act (directors, accounting advisors, and auditors), as well as people whose duties and responsibilities are equivalent to those of officers (regardless of their titles, if their duties and responsibilities are deemed equivalent to those of officers) (as defined in the Act on the Promotion of Women's Active Engagement in Professional Life)

*2 The total number of workers who are "section chiefs" or in "positions higher than section chief (excluding officers)" (as defined by the Act on the Promotion of Women's Active Engagement in Professional Life)

*3 The percentage (%) is calculated based on the number of banks that answered they have set KPIs for either the percentage of female officers or the percentage of female managers, as well as the number of banks that answered they have set KPIs for both (total = 93 banks), which is used as the denominator.

*4 The percentage (%) is calculated based on the number of banks that answered they have formulated an action plan for achieving KPIs (total = 84 banks), which is used as the denominator.

*5 The percentage (%) is calculated based on the number of banks that answered "2. Insufficient initiatives to encourage the appointment of female officers and managers" (total = 59 banks), which is used as the denominator.

*6 The percentage (%) is calculated based on the number of banks that answered they offer products and services for companies actively promoting women's empowerment (total = 48 banks), which is used as the denominator.

(2) Issuance of the JBA SDGs Report

The "JBA SDGs Report" has been published since FY2018 to do the following: strengthen the external presentation of the banking community's efforts surrounding the SDGs and ESG, enhance member banks' understanding of issues from the perspective of SDGs and ESG, and further support member banks' voluntary efforts. Moreover, to widely publicize the efforts of the Japanese banking community among global audiences, the JBA publishes an English version of the JBA SDGs Report.

Along with the main activities of the JBA in FY2024, this FY2024 report also includes examples of member banks' activities related to the SDGs and expert commentary on the latest domestic and international trends in the SDGs.

2

Fulfilling the Role Expected of the Banking Industry in Achieving a Sustainable Society, such as a “Just Transition” to Carbon Neutrality/Net Zero Emissions by 2050



The Paris Agreement, which came into effect in 2016, established a global goal to limit the average global temperature increase to well below 2°C compared to preindustrial levels and to pursue efforts to limit the increase to 1.5°C. In Japan, to achieve the goals of the Paris Agreement, the Act on the Promotion of a Smooth Transition to a Decarbonized Growth-Oriented Economic Structure (GX Promotion Act) was enacted in May 2023 and came into effect in June 2023. It has been determined that, over the next decade, the public and private sectors combined will execute GX investments and loans over 150 trillion yen. In July 2024, the GX Acceleration Agency (Organization for the Promotion of Decarbonized Growth Economic Structure Transition) began operations, with financial support, such as loan guarantees from the Agency, planned to encourage public-private investment.

In addition, the importance of integrated efforts for biodiversity (nature-positivity) and the circular economy to address climate change issues is increasing. In December 2022, the “Kunming-Montreal Global Biodiversity Framework” was adopted, setting global goals to halt and reverse nature loss through 2030. In Japan, the “National Biodiversity Strategy 2023–2030” was adopted by the Cabinet in March 2023, and the “Fifth Basic Plan for Establishing a Recycling-Oriented Society” was adopted by the Cabinet in August 2024.

In achieving a sustainable society, not only the government and local authorities but also companies, as one of the main actors in socio-economic activities, play an indispensable role, with disclosure of information being one of the key elements. In June 2023, the International Sustainability Standards Board (ISSB), which is part of the IFRS Foundation, developed the “IFRS Sustainability Disclosure Standards (ISSB Standards),” which serves as the global standard for corporate sustainability disclosures.* Currently, discussions are underway in various jurisdictions regarding the application of these standards.

In Japan, a Japanese version of the sustainability disclosure standards (SSBJ Standards) is developed by the Sustainability Standards Board of Japan (SSBJ), which is part of the Financial Accounting Standards Foundation. In March 2023, a draft proposal was published for public consultation. The standards are scheduled to be finalized by March 2025. In the Financial System Council’s “Working Group on Disclosure and Assurance of Sustainability-Related Financial Information,” discussions are underway regarding the phased mandatory application of these standards for companies listed on the Tokyo Stock Exchange’s Prime Market, after 2026, based on company size.

In addition to the efforts of individual companies, there is a growing expectation for financial institutions, including banks, to contribute and play a role in financing.

In this context, to support the achievement of SDGs such as “7. Affordable and clean energy,” “12. Responsible consumption and production,” “13. Climate action,” “14. Life below water,” and “15. Life on land,” the JBA actively promotes and supports the initiatives of its member banks through the JBA Carbon Neutrality Initiative and its participation in the Action Plan for Carbon Neutrality of *Keidanren* (Japan Business Federation), including the setting of specific goals.

* In May 2024, the ISSB announced that it would continue to focus on supporting the application of ISSB standards in various jurisdictions, including Japan, and that it would also begin working on the development of standards related to natural and human capital as a new theme.

(1) Activities Based on JBA Initiatives

It is an urgent and important issue, even in the banking industry, to provide the firm support that is required for the realization of carbon neutrality/net zero in order for the entire socio-economic environment to achieve the 1.5°C target while also supporting corporate cash management as financial and social infrastructure.

In December 2021, the JBA formulated the “JBA Carbon Neutrality Initiative,” which sets forth basic policies and priority areas to be addressed to further strengthen efforts in the banking industry to achieve carbon neutrality from a medium- to long-term perspective.

Based on this initiative, the JBA is implementing various measures and efforts that contribute to achieving carbon neutrality/net zero by 2050 in Japan. This initiative is reviewed annually, and considering that three years have passed since the first publication, significant revisions and updates have been carried out and the updated version, “JBA Carbon Neutrality Initiative 2025,” has been compiled and published.

In FY2024, the JBA implemented initiatives to support effective engagement between client companies and member banks by updating reference materials for smooth dialogues (engagement) on decarbonization management and responses to climate change. The JBA has also been working with industrial sectors, relevant government ministries and agencies to promote measures to address climate change issues. This includes holding 11 seminars for member banks, hosting lectures at local chambers of commerce, etc., establishing a website dedicated to climate change*, and providing information on the information platform where JBA member banks can refer to key policies and documents by theme.

*The dedicated climate change website: <https://www.zenginkyo.or.jp/climate-change/> (Japanese only)



(2) Follow-up on Discussions and Advocacy Activities on Sustainable Finance Overseas

To achieve a sustainable society, including carbon neutrality, discussions are progressing at the global level on topics such as transition finance and other sustainable finance initiatives, sustainability (non-financial) information disclosures, which include climate-related information, and the analysis and management of climate-related risks.

Numerous efforts have been made to ensure the reliability and effectiveness of transition finance, primarily through initiatives by overseas authorities and private sectors, and these efforts also focus on the development and disclosure of transition plans.

Regarding sustainability information disclosures, in June 2023, the ISSB, which is part of the IFRS Foundation, released the IFRS Sustainability Disclosure Standards (S1: General Requirements for Disclosure of Sustainability-Related Financial Information and S2: Climate-Related Disclosures). In addition to supporting the introduction of S1 and S2 standards, projects are underway on the research of disclosure associated with new themes, such as biodiversity ecosystems and ecosystem services (BEES) and human capital.

In the European Union (EU), which has advanced climate-related regulations, the mandatory disclosure of sustainability information began to be implemented gradually in 2024 in some member states under the Corporate Sustainability Reporting Directive (CSRD). From 2028, the scope of this requirement is expected to be expanded to include non-EU companies with EU operations over certain thresholds. In July 2024, the Corporate Sustainability Due Diligence Directive (CSDDD) came into effect. Meanwhile, a simplification proposal for these reporting regulations on sustainability finance, including CSRD, CSDDD, and the EU Taxonomy, called the “Omnibus Package,” was released in February 2025. Discussions are ongoing regarding narrowing the scope of their application, simplifying the requirements, and postponing their implementation.

In the United States, the Securities and Exchange Commission (SEC) published the “Climate-Related Disclosure Rules” in March 2024; however, following a series of lawsuits from various parties, its effectiveness was suspended the following month. Following changes in the political situation, developments in the United States shall be followed closely.

Various entities (including the Financial Stability Board [FSB], the Basel Committee on Banking Supervision [BCBS], and the Network for Greening the Financial System [NGFS]) are examining the analysis and management of climate-related risks. In particular, overseas authorities and central banks are experimenting with stress tests on climate-related risk management for financial institutions, and issues, such as the lack of specific methodologies and necessary data for scenario analysis, have been identified. In response, the NGFS has published common scenarios to enhance scenario analysis, with Phase V released in November 2024.

In addition, the BCBS issued several key documents, including "Principles for the Effective Management and Supervision of Climate-Related Financial Risks" (June 2022), "FAQ on Climate-Related Financial Risks" (December 2022), and "Disclosure of Climate-Related Financial Risks (Consultative Document)" (November 2023). These documents encourage financial institutions to incorporate climate-related risk factors into their risk management frameworks.

The JBA proactively submits its opinions and shares its views on various international initiatives related to sustainable finance, including advocating overseas authorities.

(3) Follow-up on Discussions and Advocacy Activities on Sustainable Finance in Japan

Various discussions and initiatives regarding sustainable finance are underway in Japan, based on the discussions that are being held globally.

In July 2024, discussions were held at the Financial Services Agency's "Dialogue on Enhancing Sustainability Investment Products," which focused on offering an expanded range of attractive sustainability investment products for individuals. In addition, "Insights from Dialogue" was published, and in August of the same year, the TCFD Consortium published "Transition Plan Guidebook," aimed at companies and investors.

In addition, regarding sustainability information disclosures, the Sustainability Standards Board of Japan (SSBJ), which is part of the Financial Accounting Standards Foundation, is developing a Japanese version of the sustainability disclosure standards (SSBJ Standards) based on the ISSB Standards. A draft proposal was published for public consultation in March 2024. Based on the feedback received on the draft proposal, the standards were finalized in March 2025. Additionally, discussions are ongoing in the Financial System Council's "Working Group on Disclosure and Assurance of Sustainability-Related Financial Information" regarding the timing and scope of applying the SSBJ standards, as well as assurance and safe harbor rules. Considerations are underway for the phased mandatory application of these standards, based on company size, for companies listed on the Tokyo Stock Exchange Prime Market after in 2026.

The JBA actively participates as a member or observer on the Financial Services Agency's "Expert Panel on Sustainable Finance," as well as on the other councils and study groups of ministries and agencies, to communicate the banking sector's perspectives. While following up on the actions of the government, it also proactively submits its opinions as necessary.

Currently, discussions on the promotion of impact finance, which aims to create environmental and social impacts, are gaining momentum. The JBA is also participating in the Impact Consortium, which was established in November 2023.

(4) Sustainability Information Disclosure Survey

In recent years, the banking industry has been increasingly required to make investment and lending decisions that respond to opportunities and risks related to climate change and solve environmental, social, and other sustainability-related problems. Against this background, since FY2018 the JBA has conducted an annual survey on domestic and international trends surrounding the TCFD's final report (TCFD recommendations) and domestic and international examples of investment and lending policies. And it has compiled them into the "Survey on Efforts and Investment and Lending Policy Formulation in Response to TCFD recommendations" and provided a report to its member banks. In FY2023, taking into account the significant environmental changes surrounding sustainability information disclosures, including the finalization of the ISSB standards, the report was revised and released as the "Sustainability Information Disclosure Report." In FY2024, the JBA continued to provide member banks with information on domestic and international trends surrounding sustainability information disclosures, as well as examples of disclosure by member banks. Additionally, the JBA participated in discussions aimed at standardizing sustainability information disclosures, with a focus on small- and medium-sized enterprises.

(5) Determination of Targets Under the “Keidanren Carbon Neutrality Action Plan” and Implementation of Follow-up Surveys

Since FY2001, the JBA has participated in setting goals for *Keidanren*'s “Carbon Neutrality Action Plan” for reducing carbon dioxide emissions and the “Voluntary Action Plan for Establishing a Sound Material-Cycle Society” for recycling, and conducted follow-up research on full members to understand the status of their efforts on environmental issues.

*Includes preceding voluntary action plans

JBA Goals for the Carbon Neutrality Action Plan and the Voluntary Action Plan for Establishing a Sound Material-Cycle Society:

Plan	Goal	FY2024 Survey Results (on FY2023 results) *Survey period from April 2023 to March 2024, targeting 114 full members
Carbon Neutrality Action Plan	Phase II goal	Reduce CO ₂ emissions in FY2030 by 51% compared to FY2013 <ul style="list-style-type: none"> The CO₂ emissions of full member banks amount to 647,796 tons Achieved a 60.3% reduction compared to the base year of the target
	FY2050 goal	Promote a just transition to carbon neutrality/net zero for society as a whole, with the entire banking community working together to achieve virtually zero CO ₂ emissions <ul style="list-style-type: none"> Of the total, 71 banks (including those with a goal of net zero by 2030), or 62.3%, answered that they have set a goal to mitigate global warming by 2050.
Voluntary Action Plan for Establishing a Sound Material-Cycle Society	Goals related to paper recycling rates, recycled paper purchase rates, etc.	<ul style="list-style-type: none"> Paper recycling rate of 90% or more by FY2025 Purchase rate of recycled paper and eco-friendly paper in FY2025 of 75% or more 80% or more of member banks handle deposit products without issuing passbooks in FY2025 <p>Note: Based on the continuation of <i>Keidanren</i>'s plan, the existing goal for FY2020 has been extended to FY2025.</p> <p>Note: Based on the continuation of <i>Keidanren</i>'s plan, the existing goal for FY2020 has been extended to FY2025.</p> <p>Note: The goal was set in January 2021 based on the continuation of <i>Keidanren</i>'s plan.</p>
		<ul style="list-style-type: none"> Paper recycling rate of 90.4% Purchase rate of recycled paper and eco-friendly paper of 77.1% Of the total, 110 banks, or 96.5%, handle deposit products without issuing passbooks.
		<ul style="list-style-type: none"> Of the total, 114 banks, or 100%, said they are separating used PET bottles.
	Plastic-related goals	<ul style="list-style-type: none"> Of the total, 96 banks, or 84.2%, said they are implementing measures to reduce marine plastic waste.
		<ul style="list-style-type: none"> Attain a 100% ratio of member banks practicing garbage separation of used PET bottles (Target year: FY2030)
		<ul style="list-style-type: none"> Attain a 100% ratio of member banks implementing measures to reduce marine plastic waste, such as cleaning activities (Target year: FY2030)
	Practice efficient use of resources and reduce waste throughout the banking community	<p>[Case examples]</p> <ul style="list-style-type: none"> Conduct cleanup activities at beaches or other similar public places Reduce the amount of plastic used by stopping the use of plastic products or other similar measures Switch from plastic products to paper products or other similar items
	Actively support throughout the banking community companies that engage in activities to reduce plastic waste that are in line with government policy	<ul style="list-style-type: none"> Of the total, 22 banks, or 19.3%, actively support companies that engage in activities to reduce plastic waste that are in line with government policy.

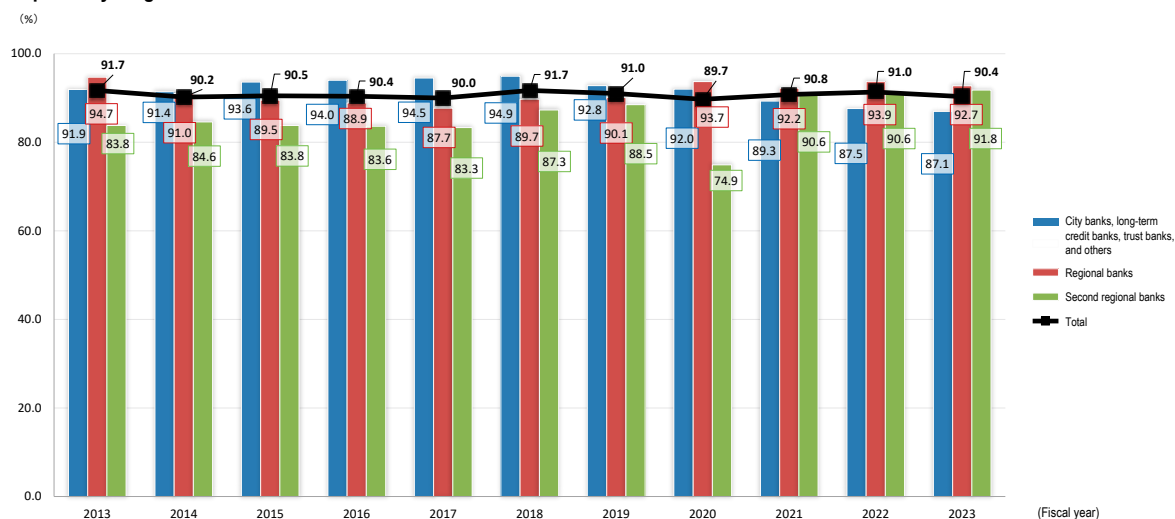
The results of the follow-up survey in FY2024 (for the results in FY2023) are shown in the table on the previous page.

Of these results, the goals for 2030 and 2050 in the "Carbon Neutrality Action Plan" were revised in January 2023, based on the government's carbon neutrality declaration and the Cabinet's decision on the global warming countermeasures plan. CO₂ emissions have already been reduced by 60.3% compared to the original target of 51% by FY2030, indicating the steady progress of the relevant efforts.

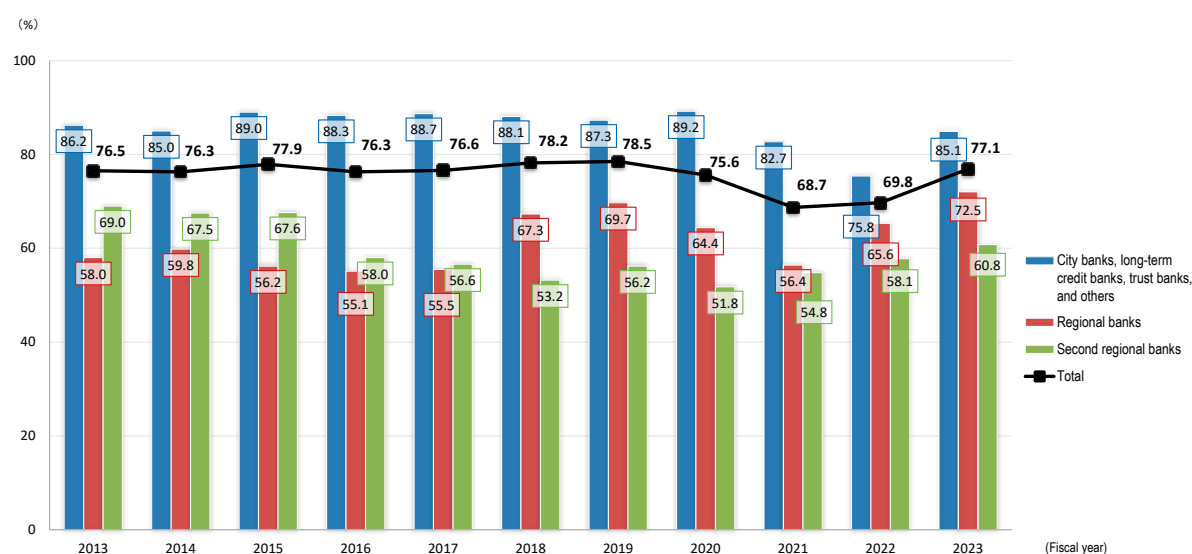
Due to the operational nature of the banking industry, efforts are primarily centered on reducing electricity consumption in each branch, though the specific measures depend on each individual bank. Member banks have reported effective initiatives, including not only physical measures as in the previous survey, such as the continued adoption of energy-efficient air conditioning and highly-efficient lighting fixtures (including LEDs), but also the proactive use of energy-saving electrical products and reducing the operating times of air conditioning systems. Additionally, the survey found that many banks were using renewable energy sources, specifically solar and wind power. Regarding financing and non-financing products related to global environmental issues, more than 80% of banks responded that they continue to consider or offer such products.

The JBA will continue to conduct follow-up surveys to support member banks in achieving the above goals.

Paper Recycling Rate



Purchase Rate of Recycled Paper and Eco-Friendly Paper



3

Implementing Activities for Regional Economic Revitalization and Local Invigoration



Efforts at local invigoration are considered to contribute to achieving Goal No. 8 of the SDGs, “Decent work and economic growth.” The JBA has designated local invigoration as one of its key initiatives with regard to the SDGs and will engage, in the medium and long term, in measures to promote member banks’ proactive efforts for local invigoration.

Since FY2018, as part of these endeavors, the JBA has conducted an annual survey on case examples of member banks’ efforts for local invigoration. The results are communicated to member banks, and published on the JBA’s website.

Case examples of local invigoration by member banks are also presented in this report so that member banks can further promote these efforts.

JBA website

“Local invigoration initiatives” <https://www.zenginkyo.or.jp/abstract/efforts/contribution/sousei/> (Japanese only)

Case examples by member banks* (Results of the FY2024 survey)

- Creating attractive communities where people can gather and live with peace of mind
 - Sumitomo Mitsui Banking Corporation - Kobe City “Shiawase no Mura” Revitalization: “Wan Park! Project”
 - Sumitomo Mitsui Banking Corporation - Chiyoda Corporation, Kikai Town, Sumitomo Mitsui Finance & Leasing, and Sumitomo Mitsui Banking Corporation’s collaboration to promote “Kikai Town Regional Decarbonization Vision”
 - Saitama Resona Bank - Opening Resona Koedo Terrace, utilizing the former Kawagoe branch, a nationally registered tangible cultural property
 - Sumitomo Mitsui Trust Bank - Building the Kyushu Circular Economy Model
- Promoting the active participation of diverse talent
 - Resona Bank - Business Process Visualization and Structuring Workshop “Procedure Manual Created by the Field Staff - 5BOX5POINT”
- Other initiatives
 - Mizuho Bank - Strengthening efforts for local invigoration through the establishment of the Local Invigoration Desk
 - Sumitomo Mitsui Trust Bank - “Promotion Agreement for the Use of Kitayama Cedar in Buildings and Other Structures” Activities

*Case examples from regional banks and second regional banks are available on the following websites of the Regional Banks Association of Japan and the Second Association of Regional Banks.

Regional Banks Association of Japan website

“Local invigoration cases” https://www.chiginkyo.or.jp/regional_banks/initiative/creation/ (Japanese only)

Second Association of Regional Banks website

“Local invigoration” https://www.dainichiginkyo.or.jp/membership/region_activate.html (Japanese only)

Additionally, the JBA has joined the “Regional Revitalization SDGs Public-Private Partnership Platform,” established by the Cabinet Office’s Local Invigoration Promotion Office in August 2018, and the “National Two-Region Residence Promotion Public-Private Partnership Platform,” established by the Ministry of Land, Infrastructure, Transport and Tourism in October 2024. Through these platforms, the JBA facilitates information sharing and feedback to its member banks.

4

Improving the Financial Literacy of Japanese People by Promoting Financial Literacy Education Activities



The JBA has traditionally been actively engaged in financial and economic educational activities aimed at improving financial literacy, including not only promoting understanding of the roles and functions of banks but also enhancing knowledge and awareness regarding household management, life planning, and financial transactions.

The meaning and purpose of this financial and economic education relate to “enabling each Japanese citizen to achieve financial independence and lead a better life, contributing to the realization of a fair and sustainable society, by encouraging financial institutions to offer financial products with good quality and effectively using household financial assets to improve financial literacy” (Report of Study Group on Financial Education, April 2013). Meeting these objectives will help attain Goal No. 4 of the SDGs, “Quality education,” which aims to “ensure that all learners acquire the knowledge and skills needed to promote sustainable development.” The JBA’s financial and economic educational activities have been transferred to the Japan Financial Literacy and Education Corporation*, established in April 2024 and fully operational since August of the same year. However, to continue promoting further efforts among member banks, improving national financial literacy through financial and economic educational activities is set as one of the key SDG initiatives, with plans for long-term promotion of these efforts.

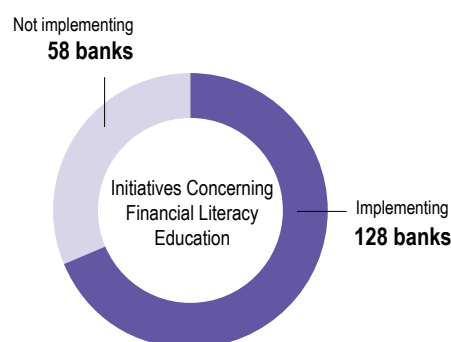
*The Japan Financial Literacy and Education Corporation (J-FLEC) is a public-private entity established to provide financial and economic educational opportunities nationwide that cater to a wide range of age groups and address the needs of the public. This report outlines the activities conducted by the JBA before their transfer to the Japan Financial Literacy and Education Corporation, including on-site lectures and various educational materials.

(1) Member Bank Survey Concerning Initiatives for Financial and Economic Education

In FY2023, a survey was conducted among full, associate, and sub-associate members with the aim of understanding the status of financial and economic educational activities at member banks and using the results to further promote such initiatives. Responses were received from 186 institutions, and the aggregated results, including examples of initiatives, were shared with member banks. A summary of the results of this survey is provided below.

FY2024 Survey Results (Summary) *FY2023 results

- Of the 186 responding banks, 128 (69%) (among full members, 111 banks out of 113 respondents [98%]) provided financial and economic education.
- The breakdown of educational activities implemented in FY2023 is shown below (number of banks implementing activities, total number of activities, and total number of participants). Activities were held for around 600,000 participants (excluding duplicates).



Implementation status of various activities related to financial and economic education in FY2023

	Lecturer dispatch	Guided tours of banking premises	Donation-funded lectures	Seminars	Events	Internships	Total
Number of banks implementing activities	110	101	50	92	93	103	—
Total number of activities	15,341	901	156	18,649	439	1,371	36,857
Total number of participants	270,759	11,333	15,830	204,562	26,626	30,826	559,936

- The following are examples of the financial and economic educational activities of member banks.
 - Held NISA seminars with on-site childcare services
 - Organized family events for group employees that incorporated financial and economic education
 - Delivered financial and economic educational lectures in English for students at an international school
 - Invited junior high and high school students to the office to do the following: learn the basics of stock trading and participate in trading simulations, tour a trading floor, and engage in a Q&A session with employees via a video call with an overseas office
 - In collaboration with an NPO, conducted an online seminar for high school students under social care (such as those in institutional care or foster families) to provide financial knowledge that is essential for independent living

(2) Public Relations Activities Related to Household Budget Management and Asset Formation

With an aging society in mind, the importance of asset management tailored to long life expectancies, often referred to as the “100-Year Life Era,” is increasing. Systems, such as NISA and iDeCo, have been established as mechanisms to widely promote stable asset formation for the public. The JBA has identified efforts to encourage the transition from saving to asset formation as an important issue and has been emphasizing activities themed on the necessity of asset formation.

These activities are specifically targeted at the young working-age population. Additionally, considering the rapid development of digitization, a variety of media, including websites and smartphone apps, are being utilized, along with advertising strategies involving celebrities and influencers with broad public appeal.

As outlined in the first and second pillars of the government’s “Asset Income Doubling Plan,” the use of NISA and iDeCo is essential in contributing to stable asset formation by the public and, ultimately, the realization of a country focused on asset management. Therefore, in FY2024, a special website was launched with the concept of “promoting asset formation by a familiar figure,” featuring actor Yuka Kageyama, who actively practices NISA and iDeCo herself.

(3) Dispatching Lecturers Nationwide

From FY2003 through the end of September 2024*, the JBA operated lecturer dispatch services, where lecturers, including staff of the JBA, traveled nationwide in response to requests for classroom lectures, consumer seminars, or instructor training sessions.

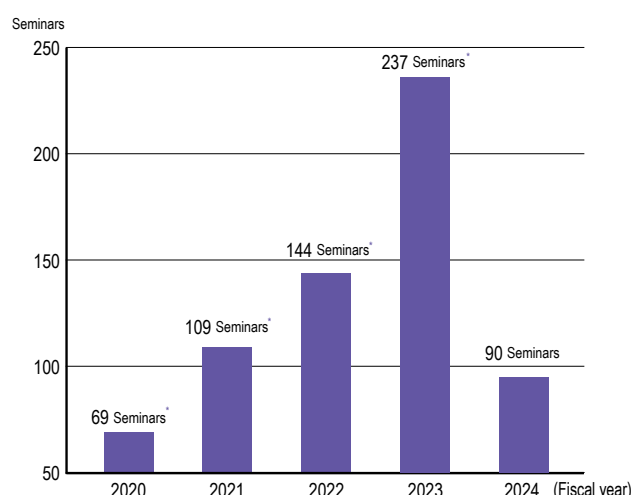
*The program of dispatching lecturers nationwide was transferred to the Japan Financial Literacy and Education Corporation at the end of September 2024, following the organization’s establishment and commencement of operations.

In FY2024, during the approximately six-month activity period from April through the end of September, 90 lecturers were dispatched, both in-person and online. (The main topics covered are listed below.)

Type of Audience and Main Topics

Target Audience	Main Topic
Junior high school and high school students	Banks’ functions
	Financial mechanisms and their relation to society
High school and university students	How loans and credit work and how to use money
	Financial considerations to be aware of when becoming a working adult
University students	Trends in the banking industry
General consumers, etc.	Points to consider when choosing financial products for beginners
	Financial crimes and countermeasures
Teachers, etc.	Implementation of financial and economic education
Workplace	How to start household budgeting and asset formation

Transition in the Number of Lectures in the Last Five Years



*Some lectures were postponed between FY2020 and 2023 due to the COVID-19 pandemic.

(4) Designated Schools for Financial and Economic Educational Research and Educational Activities by High School Students to Prevent Special Types of Fraud

Designated schools for financial and economic educational research are selected from junior high and high schools that actively engage in financial and economic education. This initiative began in FY2010 and it supports these schools by providing educational tools such as teaching materials and dispatching lecturers. To encourage more active involvement from local boards of education, the JBA has collaborated with them since FY2012 in selecting designated schools for financial and economic education.

Lectures are open to nearby schools to facilitate the geographical spread of financial and economic education across regions. Examples of these lectures are posted on the JBA's website with the aim of promoting the broader use of teaching materials in classrooms.

In FY2024, in collaboration with the Tottori Prefectural Board of Education and jointly with the Japan Financial Literacy and Education Corporation, Tottori Chuo Ikuei High School was designated as a research school. As part of this initiative, civics classes were conducted on the following themes: "Economic Agents and Economic Circulation," "Life Planning and Finance – Entering Society from Age 18," and "Mechanisms of Production and Enterprises (Asset Formation and the Economy)."

*The "Designated School Program for Financial and Economic Educational Research" was transferred to the Japan Financial Literacy and Education Corporation at the end of July 2024, following the organization's establishment and commencement of operations.



At a class of a designated school

Schools Designated for Financial and Economic Educational Research - Implementation Data

Fiscal year	Board of Education	Designated schools
2020	Gunma Prefecture Osaka City	Gunma Prefectural Isesaki High School, Ota Girls' High School Osaka Prefectural Higashi High School (previously Osaka City Higashi High School)
2021	Yamanashi Prefecture	Yamanashi Prefectural Kofu Higashi High School
2022	Tochigi Prefecture	Tochigi Prefectural Tochigi Shonan High School
2023	Aichi Prefecture	Aichi Prefectural Inuyama High School
2024	Tottori Prefecture	Tottori Prefectural Tottori Chuo Ikuei High School



Distributing goods and conducting educational activities

"Educational Activities by High School Students to Prevent Special Types of Fraud" is an initiative designed to support students' social contribution efforts, with the expectation that such activities will take root and become self-sustaining at the regional level. The program also aims to: raise students' awareness of special types of fraud as a societal issue present in their everyday lives, deepen their understanding of preventive measures, and encourage them to implement student-led anti-fraud initiatives. Launched in FY2016, the initiative leverages existing frameworks, such as home economics clubs, which are part of the high school home economics curriculum guidelines. The JBA provides support through financial contributions, various forms of advice, and the provision of materials to assist with these activities.

In FY2024, the JBA commissioned Tottori Koryo High School in Tottori Prefecture to carry out the initiative. In collaboration with the local police department, the school conducted activities, such as handing out goods and flyers to residents, to promote awareness. This initiative was featured in local newspaper articles and television broadcasts.

School Activities to Raise Awareness for the Prevention of Special Types of Fraud - Implementation Data

Fiscal year	Board of Education	Designated schools
2020	Gunma Prefecture	Gunma Prefectural Tatebayashi Girls High School
2021	Yamanashi Prefecture	Yamanashi Prefectural Yamanashi High School
2022	Toyama Prefecture	Toyama Prefectural Shikino High School
2023	Tochigi Prefecture	Tochigi Prefectural Oyama Jonan High School
2024	Tottori Prefecture	Tottori Prefectural Tottori Koryo High School

(5) Educational Materials

As part of its PR activities, the JBA has been creating brochures and videos that introduce banking operations for users, such as consumer centers, schools, and individuals. In addition, societal requirements for improved financial and economic education are growing, such as issues raised by the publication of the "Financial Literacy Map,"^{*1} concerns over the lowered age of majority, the implementation of new educational curriculum guidelines, and the necessity for asset formation and management aligned with 100-year life expectancies, etc. The JBA has organized content suitable for each target audience (junior high school students, high school students, university students, people of working age, the elderly, etc.) for educational and information activities, and it has created teaching materials, such as booklets and videos, according to their needs.^{*2}

^{*1} Financial Literacy Map

The Financial Literacy Map presents by age bracket the specific minimum requirements of financial literacy described in the "Study Group on Financial Education Report" (released by the Financial Services Agency in April 2013). The Financial Literacy Map was compiled by the Committee for the Promotion of Financial Education and released in June 2014 (partly revised in June 2015 and June 2023).

^{*2} The roles of developing and distributing various teaching materials were transferred to the Japan Financial Literacy and Education Corporation at the end of September 2024, following its establishment and commencement of operations.

From April through the end of September 2024, the JBA distributed the following teaching materials. (The main target audiences are shown in parentheses.)

- Talking about Money for the First Time (Junior high school students)
- From the Perspective of Your Favorite Artist - Banks and You (Junior high school students and older)
- Life Plan and Money Plan Game (Junior high school students and older)
- Teaching Materials Series - Money Basics (High school students and older)
- Introduction to Sustainable Finance: Using Financial Power to Save Earth! (High school students and older)
- Introduction to Financial Knowledge Series (University students and older)
- Learning with Animals - About Bills and Checks (Working age population)
- Financial Products and Services Provided by Banks (Working age population)
- Financial Crime Safety Check List (Working age population and the elderly)
- Financial Preparedness for a 100-Year Lifespan (The elderly)
- For Your Peace of Mind - Information on Financial Products (The elderly)

(6) Memorandum of Understanding with the Japan Securities Dealers Association

In December 2021, the JBA and the Japan Securities Dealers Association (JSDA) concluded a memorandum of understanding (MOU) to collaborate and cooperate in the promotion of financial and economic education and initiatives on child and youth poverty issues. The MOU was renewed in September 2024. Based on the MOU, the following initiatives were carried out in FY2024.

Major Initiatives for Collaboration and Cooperation:

Shared use of instructors and personnel in financial and economic education (April–September 2024)	<ul style="list-style-type: none"> • In FY2022, following the JSDA's system, a new Financial Instructor System was implemented. Instructors who were registered with both associations were dispatched to seminars under this system.
Collaboration and cooperation in measures to address child and youth poverty	<ul style="list-style-type: none"> • With the primary aim of contributing to the resolution of poverty issues in the banking and securities sectors and further encouraging member engagement, the Goods Support Project was implemented from October to December 2024 for members of both associations. (See page 24, item [7].)
Collaboration and cooperation in events and seminars, etc.	<ul style="list-style-type: none"> • Leveraged joint content (lecture outlines) developed in collaboration with the JSDA on household budget management and asset formation (April–September 2024) • From April to June 2024, delivered on-demand video themed "Asset Formation and the New NISA", which was sponsored by the Tokyo Chamber of Commerce and Industry (TCCI) and co-sponsored by the JBA and the JSDA (on-demand video available to non-members of the TCCI).

(7) Initiatives Regarding the Issue of Child and Youth Poverty

As part of the collaborative project with the JSDA (see page 23, item [6]) and with the primary aim of contributing to the resolution of poverty issues among children and young people in both the banking and securities sectors—while also further encouraging member engagement—the Goods Support Project was carried out from October to December 2024 for members of both associations. Conducted in cooperation with the Japan National Council of Food Banks, this initiative provided material support to meet the needs of food bank organizations across the country. Participation was voluntary, as some members were already engaged in similar activities.

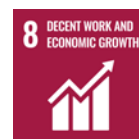
As a result of the initiative, a total of 53 entities participated in the Goods Support Project, including 30 JBA member banks, 21 JSDA member firms, and the secretariats of both associations. Together, they provided 657 boxes of goods to 45 food bank organizations.



Donated goods

5

Promoting Wider Access to Finance and Financial Services for the Elderly and Other Users



In light of the fact that more people now live to a very old age, promoting wider access to finance and financial services for the elderly and other users is seen as contributing to attaining Goal No. 8 of the SDGs, “Decent work and economic growth,” which targets the expansion of financial services, etc.

The JBA identified “Wider access to finance and financial services for the elderly and other users” as one of its key initiatives in relation to the SDGs. The JBA will continue to promote and expand these activities since the importance of this goal will continue growing in the future.

(1) Establishing a System at Member Banks

To assist member banks conducting financial transactions with elderly customers (especially those with impaired cognitive judgment) and their representatives, in cooperation with social welfare organizations, the JBA compiled “Views on Financial Transaction Representation” and “Strengthening Cooperation Between Banks and Local Governments and Social Welfare Organizations” in FY2020.

Many banks have started to offer products and services designed for individuals with diminished cognitive abilities or to prepare them for future cognitive declines. In FY2024, the JBA worked to further strengthen initiatives across the banking sector by sharing the results of a follow-up survey conducted in FY2023. The survey aimed to gain a comprehensive understanding of member banks’ frameworks and practices, including the scope of permitted financial transaction representation, the status of collaboration with local governments and social welfare organizations, and unique initiatives undertaken by member banks.

(2) Implementation of Training Sessions for Support Staff for Customers Suffering from Dementia

With the aim of increasing the number of dementia supporters in the banking community, the JBA has been sponsoring dementia supporter training sessions for member banks, etc. each year since FY2007, with the cooperation of the National Caravan-Mate Coordinating Committee. “Dementia supporters” refers to people who have a proper understanding of dementia and empathy for dementia sufferers and their families.



Training session

At the “6th Liaison Conference of Relevant Ministries and Agencies for the Development of Dementia- and Aging-Friendly Communities,” held in July 2017 under the overall strategy for the promotion of relief measures for dementia sufferers (the so-called “New Orange Plan”), the target for the number of dementia supporters was revised from 8 million at the end of FY2017 to 12 million by the end of FY2020. In June 2019, the New Orange Plan was expanded to include the “National Framework for Promotion of Dementia Policies,” which aims to promote measures against dementia from two perspectives: coexistence and prevention.

In light of this background, the JBA holds dementia supporter training sessions for member banks once a year in principle, and it invites external lecturers to conduct the program.

(3) Production and Distribution of Financial Literacy Teaching Materials for Seniors

The JBA has been implementing financial literacy measures for the elderly with the aim of preventing damage to them from financial crimes and grievances arising in connection with the sale of financial products and to inform them about appropriate asset management and investment.

Continuing from FY2023, the JBA distributed financial literacy materials for the elderly from April through the end of September 2024. These materials focused on the themes of “Raising Awareness of Financial Crime Prevention” and “Types, Features, and Risks of Financial Products and Services.”

- Financial Preparedness for a 100-Year Lifespan
- Introduction to Financial Knowledge Series (An Introduction to Inheritance - A Guidebook)
- Financial Crime Safety Check List
- For Your Peace of Mind - Information on Financial Products

*The roles of developing and distributing various teaching materials were transferred to the Japan Financial Literacy and Education Corporation at the end of September 2024, following its establishment and commencement of operations.

(4) Surveys on Efforts to Accommodate People with Disabilities

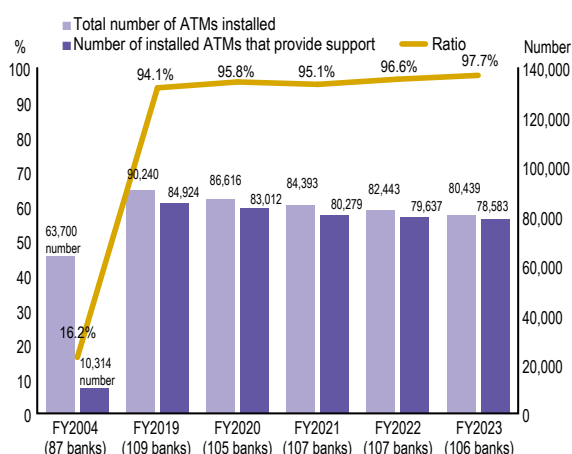
To understand the status of member banks' universal services, the JBA has been conducting surveys of full members every year since FY2004 regarding their efforts to accommodate people with disabilities.

In FY2024, the JBA conducted a survey of full members (114 banks) about the status of their efforts as of the end of March 2024.

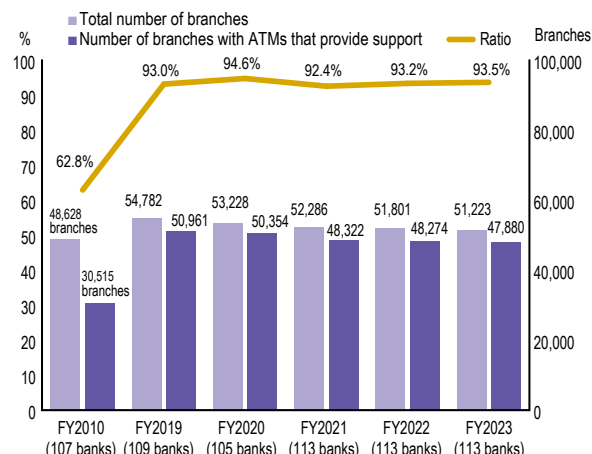
Since the survey started in FY2004, member banks' efforts have steadily progressed. For example, 97.7% of all ATMs are now designed for customers with visual impairments, an increase of 81.5 percentage points compared with FY2004 (16.2%). In addition, the percentage of banking premises with ATMs designed for customers with visual impairments has risen to 93.5%, an increase of 30.7 percentage points from FY2010, the year this item was added to the survey.

The JBA will continue to conduct surveys, and update them as necessary, to support further efforts by member banks.

**Number of ATMs Designed for Customers with Visual Impairments
(Totals by Fiscal Year)**



**Number of Banking Premises with ATM Designed for Customers
with Visual Impairments (Including Unmanned Premises)**



* Surveys of relevant item started in FY2010.

(5) Follow-Up Discussions Regarding Barrier-Free Initiatives by Relevant Ministries and Agencies

The JBA participates in exchanges of opinions at meetings with organizations for people with disabilities that are sponsored by the relevant authorities. It also implements initiatives, such as providing special services for people with disabilities and it shares the opinions and requests received from related organizations with its member banks.

In FY2024, the JBA undertook the following activities: (1) It revised the Barrier-Free Handbook for Banks; (2) it participated in the Financial Services Agency's opinion exchange meetings with organizations for people with disabilities and financial institution associations; (3) it participated in the Ministry of Land, Infrastructure, Transport and Tourism's follow-up meetings on the design standards for buildings that facilitate smooth mobility for the elderly and people with disabilities; and (4) it hosted seminars on supporting people with disabilities. In addition, the JBA shared requests received from disability organizations with member banks to further raise awareness and promote understanding.

(6) Production of the Revised Edition of the Barrier-Free Handbook

In March 2006, the JBA produced the Barrier-Free Handbook for Banks for member banks with the aim of improving barrier-free services at bank branches. The handbook was designed to serve as a reference for member banks' internal manuals and codes of conduct, and it includes guidance on attitudes regarding customer service, methods of communication, and necessary considerations to enhance service accessibility. Following a previous revision in March 2011, the handbook was revised again in July 2024 in response to the enforcement of the amended Act for Eliminating Discrimination against People with Disabilities in April 2024, as well as changes in social conditions.

In this latest revision, examples of "reasonable accommodation" that may be provided by banks were added, accompanied by illustrations to make various situations easier to understand. In addition, improvements and requests proposed by a range of disability organizations were incorporated to the extent possible, and the sections on how to interact with people with disabilities were significantly updated.



(7) Hosting Seminars to Promote Initiatives for Supporting People with Disabilities

In April 2024, the amended Act for Eliminating Discrimination against People with Disabilities came into effect, leading to increased public interest in improving support for people with disabilities.

Against this backdrop and with the primary aim of further promoting efforts across the banking sector and raising awareness among member banks to help realize a more inclusive society, the JBA held an online seminar in February 2025 for member banks titled "Seminar on Promoting Initiatives to Support People with Disabilities."

On the day of the seminar, presentations were delivered by representatives from the Secretariat of the Cabinet Office's Commission on Policy for People with Disabilities, disability advocacy organizations, and experts. A summary of the seminar is provided below.

- "Current Government Initiatives to Eliminate Discrimination against People with Disabilities"
Lecturer: Mr. Katsufumi Furuya, Director for Policy for Persons with Disabilities, Directorate General for Policies on Cohesive and Mutual Assistance Society, Cabinet Office
- "Considerations for Deaf and Hard-of-Hearing People in the Banking Sector"
Lecturer: Mr. Izumi Kobayashi, Executive Director, Japanese Federation of the Deaf
- "Toward the Realization of an Inclusive Society"
Lecturer: Ms. Kazuyo Masuda, Managing Director, NPO Japan Council Disability
- "Support for People with Disabilities at Financial Institutions – In Light of the Amended Act for Eliminating Discrimination against People with Disabilities –"
Lecturer: Mr. Susumu Mizuta, Partner Attorney-at-Law, TMI Associates

6

Promoting Digitization and Providing Safe, Secure, and Highly-Convenient Financial Services



Banks provide financial settlement services, such as remittances, bills, and checks, to settle claims and obligations between companies, individuals, government agencies, etc. The infrastructure underpinning these financial settlement services consists of inter-bank settlement systems. As for the settlement systems in Japan, in addition to final settlements conducted on the current account of the Bank of Japan (BOJ-NET), the JBA plays an important role by managing the Foreign Exchange Yen Clearing System (FXYCS) for yen settlements for foreign exchange transactions and the clearing houses for the settlement of bills and checks (electronic exchanges). In addition, the Japanese Banks' Payment Clearing Network (Zengin-Net) plays a key role by managing the Domestic Funds Transfer System (the Zengin System) for transfers and remittances. These systems form the foundation for efficient fund settlement services provided by banks as part of the public infrastructure for economic activities.

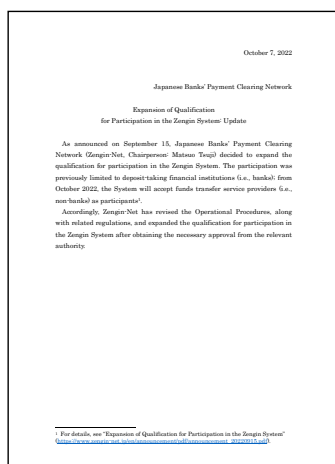
Pursuing the convenience of financial services for all users and promoting the advancement of settlement systems and cashless payment systems will contribute to attaining Goal No. 9 of the SDGs, which concerns "industry, innovation and infrastructure." Given the importance of this objective, the JBA will continue to strengthen its efforts in this regard.

(1) Implementation of Activities to Advance the Zengin System and Enhance the Convenience of Financial Settlements

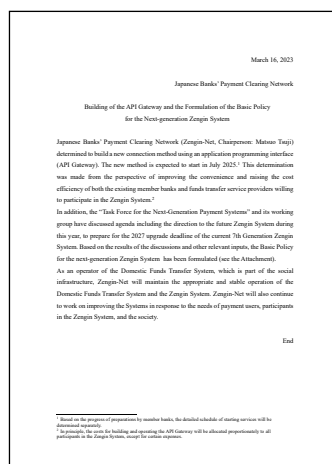
The Zengin System, operated by Zengin-Net, is an online system for transmitting messages regarding inter-bank domestic fund transfers among member financial institutions (1,097 member financial institutions as of the end of March 2025, hereinafter referred to as "member banks"). It also calculates the settlement amounts of member banks that arise from such transactions. In this way, the system fulfills a critically important role as one of the core settlement systems in Japan.

The advantages of the Zengin System, which was the first in the world to offer real-time deposits, are a high level of safety¹ and reliability and the convenience of a nationwide network that covers almost all financial institutions located in Japan. In recent years, in view of the increasing number of cashless payments due to the progress of digitization and the development of advanced settlement technologies, there have been growing expectations for greater interoperability of payment services and the realization of highly convenient remittance services.

Zengin-Net held discussions with banks, authorities, academics, payment-related business operators, system-related businesses, and other stakeholders in the "Task Force for the Next-Generation Payment Systems" and the subordinate "Working Group for the Next-Generation Payment Systems" to expand the range of entities eligible to participate in the Zengin System, which was previously limited to banks and other deposit-taking financial institutions, to include fund transfer service providers (non-banks), beginning in October 2022. In October 2024, a fund transfer service provider was approved for membership for the first time, following the expansion of eligibility criteria.



Released on October 7, 2022
"Expansion of Qualification for Participation in the Zengin System"



Released on March 16, 2023
"Building the API Gateway and Formulation of the Basic Policy for the Next-Generation Zengin System"

In March 2023, the basic policy for a next-generation Zengin System was formulated with the aim of building a payment system intended to underpin sustainable economic growth. Based on this basic policy, development has begun with a view to launching a system in May 2028 that will incorporate requirements aimed at enhancing scalability and flexibility, and improving security and reliability.

In addition, as part of these upgrades to the Zengin System, Zengin-Net has decided to use APIs to establish a new connection method (API Gateway) by November 2025 as development progresses.

Going forward, additional functions and features will be considered in view of the planned launch of the next-generation API Gateway in 2029 and the renewal of the core Zengin System infrastructure scheduled for 2033.

Zengin-Net, in consideration of customers' and society's need for domestic fund transfers, will continue to work with the JBA to improve the Zengin System and enhance the convenience of payments and settlements.

*Following a system failure that occurred over two days, from October 10 to 11, 2023, that resulted in a complete suspension of telegraphic transfer transactions at some member banks, Zengin-Net compiled improvement and recurrence prevention measures, and it submitted a report to the Financial Services Agency on November 30, 2023. Since April 2024, Zengin-Net has been reporting the progress of improvement and recurrence prevention measures to the Financial Services Agency every quarter. With its member banks, Zengin-Net will continue to work to restore public confidence in the system, which is one of the most important infrastructures in Japan.

(2) Expanding the Use of ZEDI

Typically, business-to-business payments are consolidated and processed on a monthly basis. This can obscure which transactions the payments relate to, complicating the accounts receivable verification process (reconciliation) for recipient companies. The Zengin EDI System (ZEDI)*, launched in December 2018, enables the inclusion of detailed payment information with transfer data. Specifically, by attaching invoice numbers and payment notification dates to bulk transfer data, companies can now easily discern the corresponding transaction payments and understand the breakdown of transfer amounts. This not only streamlines the verification of accounts receivable (reconciliation) for the recipient companies but also makes it easier for paying companies to handle inquiries.

As part of its activities in FY2024, the JBA gave presentations to various stakeholders to explain the use of systems such as ZEDI, participated in meetings to promote the utilization of ZEDI, and monitored discussions held by relevant government ministries and industry associations. Specifically, the JBA participated in the Billing and Payment Data Integration Promotion Working Group, established under the Task Force for the Next-Generation Payment Systems within Zengin-Net. In the working group, relevant stakeholders presented reports and exchanged opinions regarding initiatives to promote the integration of billing and payment data.

In addition, Zengin-Net continued to participate as an observer in the Gifu Prefecture Council for Promoting the Use of Digital Invoices, which discusses the promotion and adoption of digital invoices.

The JBA continues its efforts to expand the use of ZEDI.

*ZEDI transitioned to a new system, the second-generation Zengin EDI System, on February 3, 2025.

(3) Promotion of the Full Digitization of Bills and Checks

The Japanese government's "Action Plan for a Growth Strategy," released in June 2021, specified that the government would promote efforts to abolish the use of promissory notes within five years (2026) and fully digitize checks. As a result, the JBA, serving as the secretariat for the Study Group on the Promotion of the Full Digitization of Bills and Checks (the "Study Group"), established in April 2021, conducted a comprehensive study within the Study Group, and it formulated the "Voluntary Action Plan for the Full Digitization of Bills and Checks" (the "Voluntary Action Plan") in July 2021. The goal of the Voluntary Action Plan is to reduce the number of bills and checks exchanged at the clearing houses to zero by the end of FY2026. The financial community has been working closely with companies, related ministries, and agencies to achieve this goal. In June 2023, the government reaffirmed its policy of abolishing the use of promissory notes and checks by clearly stating in the "Grand Design and Action Plan for a New Form of Capitalism 2023 Revised Version" that it would follow up on efforts toward their abolition. Additionally, in November 2023, based on the capability to track the number of internally exchanged bills and checks at the electronic clearing house, which started exchange settlements in November 2022, the Voluntary Action Plan was revised to include all bills and checks, even those exchanged internally, in the reduction targets.

Against this backdrop, the following initiatives were undertaken in FY2024.

- Explained the status of initiatives within the financial sector regarding the full digitization of bills and checks for financial institutions (from May onward)
- Provided explanations on the full digitization initiatives at meetings of industry associations and local chambers of commerce and industry (from July onward)
- Created flyers, posters, and short videos as tools for awareness and public relations (October)
- Designated November as the "Month for Strengthening Digital Settlement and Accounting Operations" and implemented the following measures:
 - magazine and newspaper advertisements targeting regions and industries with high usage of bills and checks (November to December)
 - transportation advertisements (digital signage at major train stations) (November to February)
 - video advertisements on YouTube and TVer targeting management executives of small- and medium-sized enterprises nationwide (October to February)
- Conducted a follow-up survey on the status of initiatives at financial institutions (December to January)
- Held online-seminars for companies regarding the full digitization of bills and checks co-sponsored by densai.net, an affiliate of the JBA, with support provided by the Financial Services Agency, the Ministry of Economy, Trade and Industry, the Small and Medium Enterprise Agency, the Japan Chamber of Commerce and Industry, and *Keidanren* (May to July and October to January for a total of 44 sessions)
- Conducted an interim evaluation as specified in the Voluntary Action Plan and examined the future of the electronic clearing house based on the evaluation (March)

At the Study Group meeting held in March 2025, an interim evaluation on the digitization of bills and checks was conducted. While some progress was recognized, it was assessed that achieving the target would be difficult based solely on the efforts made thus far. Based on the interim evaluation and the consensus reached within the Study Group, the JBA decided to implement fundamental measures in addition to the efforts made thus far to further promote digitization initiatives among stakeholders and enhance the effectiveness of achieving the final goal of the Voluntary Action Plan. It was decided to abolish the exchange of bills and checks at the electronic clearing house starting from the beginning of FY2027.^{*1} In addition, taking into account the interim evaluation and the above-mentioned fundamental measures, the JBA decided not to upgrade the electronic clearing house system, which was established as a transitional measure toward full digitization. This decision also reflects the aim of promoting digitization and reducing other paper-based securities besides bills and checks to enhance productivity and reduce costs in Japan.^{*2}

^{*1} The use of bills and checks will not be discontinued at the beginning of FY2027. However, since settlements will no longer be conducted through the electronic clearing house starting from the beginning of FY2027, financial institutions will need to handle bilateral settlements (such as individual collections) by mail or other means. As a result, the handling of bills and checks may change depending on the decisions of each financial institution.

^{*2} The system maintenance period is scheduled to end in June 2029. Maintenance can be extended until June 2031, subject to separate decisions and procedures related to the extension.



Promotional flyer (Toward the abolition of promissory notes in 2026 and the full digitization of checks in 2026)

In addition, densai.net, together with participating financial institutions, undertook initiatives to encourage companies currently using bills and checks to make the transition to electronically recorded monetary claims (densai).

In one such initiative, a new service, densai light, was launched in November 2024 that does not require an internet banking (IB) contract or a basic service fee. Densai light is an affordable service that can be accessed via smartphones and tablets, lowering the barrier for companies that had been hesitant to transition to densai due to their unfamiliarity with computers or their limited usage of bills. In addition, a dedicated webpage for densai light was launched to provide up-to-date information and persuade companies currently using bills and checks to consider using the service. Furthermore, to raise awareness of densai light, online advertisements were placed to increase traffic to the dedicated densai light webpage, and active promotional efforts were carried out to publicize the service.

In FY2024, active efforts were made for full digitization of bill and check functions by the end of FY2026. These included broadly conducting online briefing sessions for the business partners of companies still using bills and checks and companies that are members of industry associations.

*densai light dedicated webpage
<https://www.densai.net/densai-light/> (Japanese only)



densai light promotional flyer

(4) Efficiency Improvements in the Collection of Taxes and Public Dues

Currently, national and local taxes are commonly being paid in cash with printed forms taken to bank counters. However, this over-the-counter payment method requires the payer to visit a bank, and there is a deadline on when payment can be accepted. It is also costly and inefficient for administrative agencies and financial institutions to process payment forms and cash. The streamlining of the collection and payment of taxes and public dues refers to initiatives aimed at reducing the time and effort required for all parties involved by improving the efficiency of the entire series of procedures. The following section provides an overview of past efforts and initiatives undertaken by the JBA.

FY2017–FY2020:

- The Study Group on Efficiency Improvements in the Collection and Payment of Taxes and Public Dues (the “Study Group”), for which the JBA serves as the secretariat, and its operational-level working groups conducted discussions and exchanges of views between the public and private sectors. Each year, the Study Group compiled and published a survey report.

FY2021–FY2023:

- National policy has been determined to allow the payment of local taxes, such as automobile tax and property tax (which do not require declarations and have a predetermined taxable amount), using QR codes through smartphones and other devices. The JBA, in collaboration with the Ministry of Internal Affairs and Communications, has established a unified standard for QR codes. Since April 2023, QR code-based payments have been implemented for the four primary local taxes: property tax, city planning tax, automobile tax (by category), and light motor vehicle tax (by category).
- The national government has decided on a policy to enable QR code-based payments not only for local taxes but also for local public dues, such as national health insurance premiums.

FY2024:

- Since April 2024, QR code-based payments have been introduced for local taxes other than the four primary taxes, specifically for assessed taxes that do not require declarations and have predetermined tax amounts.
- In the government-private sector study group at the Ministry of Internal Affairs and Communications, discussions were held on achieving paperless payments—where tax notices are sent electronically instead of by paper—as well as on the digitization of tax payment certificates and local tax payment services.

In light of the shift away from face-to-face interactions prompted by the COVID-19 pandemic and the need to enhance convenience in people's daily lives, the importance of reviewing the current payment methods, which involve the exchange of paper and cash in person, and promoting their digitization has grown significantly. The JBA will continue its efforts to improve the efficiency and digitization of the collection of taxes and public dues.

7

Implementing Measures to Prevent Financial Crimes and Money Laundering, and Actions to Meet the FATF Recommendations



To ensure that all users can use banking services with peace of mind, the JBA has been actively engaging in efforts to prevent financial crimes. These include awareness-raising activities on special types of fraud, such as impersonation scams (so-called "ore ore" or "It's me" scams), investment fraud, and unauthorized internet banking transfers, and the promotion of countermeasures against money laundering, which is a major source of funding for serious organized crime groups.

These activities are thought to contribute to the promotion of a peaceful and inclusive society, which comes under Goal No. 16 of the SDGs, "Peace, justice and strong institutions." In view of its importance, the JBA has identified this goal as one of its key initiatives in relation to the SDGs, and it promotes relevant activities over the medium and long terms.

(1) Promoting Initiatives to Prevent Fraudulent Transfers with Internet Banking

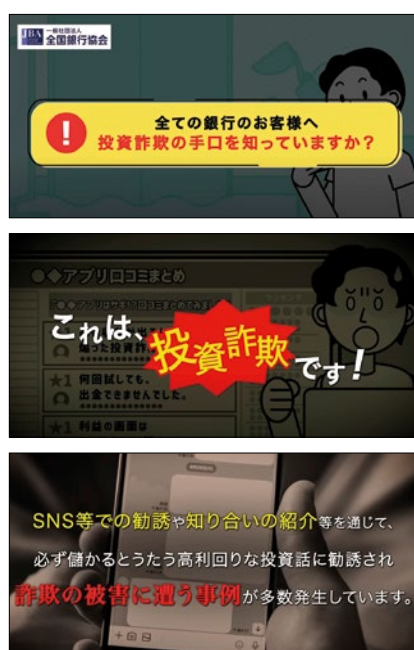
The JBA is aware that the risk of fraudulent deposit withdrawals through internet banking poses a serious threat to bank deposit security and may undermine customers' trust in the banking industry. Aiming to promote discussions and implementation of internet banking security measures to prevent fraudulent money transfers at member banks, the JBA conducts surveys for full members, associate members, and sub-associate members, and it holds seminars in which it invites external instructors to attend.

Given their importance, the JBA intends to continue conducting surveys and seminars in the future.

(2) Financial Crime Prevention Activities Concerning Special Types of Fraud

The JBA has been actively involved in activities to promote the eradication of special types of fraud since FY2008. However, losses from special types of fraud remain at high levels, according to the statistics issued by police authorities. In light of this situation, there are expectations for the JBA to engage in further information-providing activities to raise awareness and prevent losses.

In FY2024, in response to the sharp increase in SNS-based investment fraud in which scammers impersonated celebrities and used false advertisements about investments to lure victims through social media and then defraud them of their money, the JBA created an awareness video to help prevent such fraud and posted it on YouTube.



Awareness video

(3) Measures to Accommodate the FATF Follow-up of Mutual Evaluations of Japan

Measures to prevent money laundering and terrorist financing (“Anti-Money Laundering/Countering the Financing of Terrorism” or “AML/CFT” for short) are urgent and increasingly important issues that the international community must address in response to threats, particularly those stemming from terrorism.

The Financial Action Task Force (FATF)¹ is the originator of the FATF recommendations, established as international standards against money laundering and terrorist financing, the implementation of which is subject to mutual examination by the countries participating in the FATF. Japan underwent the fourth round of mutual evaluations in October and November 2019. The examination results were announced in August 2021, and Japan was evaluated as a “Country Requiring Enhanced Follow-Up.” Follow-up surveys have been conducted by the FATF on matters that require improvement, as indicated in the examination results, and Japan is required to further enhance its AML/CFT system. (The Report on the First Follow-up Survey for Japan was published by the FATF on September 13, 2022.)

To promote cooperation between the public and private sectors, the JBA held the “Public and Private Sectors Liaison Meeting on Advanced Measures against Money Laundering” in April 2018, and it exchanged information with relevant authorities on AML/CFT. In addition, to further support and promote the efforts of member banks throughout the banking industry, the JBA provides member banks with translations of important overseas documents on money laundering.

Furthermore, the JBA conducts activities to raise awareness among bank users about the risks of money laundering and the importance of anti-money laundering measures while also calling for cooperation in customer management at banks.

In FY2024, new public awareness materials (videos and posters) were created, and industry-wide, public-private promotional activities were conducted in collaboration with the Financial Services Agency, the National Police Agency, the National Association of Shinkin Banks, the Shinkumi Banks Association of Japan, and the National Association of Labour Banks. These activities were carried out through various media, including online advertisements and in-branch displays at financial institutions.

In addition, the Cooperation agency for Anti-Money Laundering (CAML), established by the JBA in January 2023 to advance and centralize AML/CFT operations, launched its “Advanced Operations Support Service” in FY2024. This service aims to facilitate information sharing among financial institutions and enhance the expertise of AML/CFT personnel.

¹FATF: Financial Action Task Force

It is a multilateral framework for promoting the international coordination of money laundering countermeasures, based on the 1989 Grande Arche G7 Summit Economic Declaration. Measures against terrorism financing were added in the wake of the 2001 terrorist attacks on the United States. As of October 2024, its members include 38 nations, including members of the G7, and two regional organizations.



Video



Poster

8

Expanding Initiatives in Light of Trends
Regarding Human Rights and Diversity

With a view to member banks' human rights educational activities, the JBA has long been engaged in sponsoring seminars and formulating human rights maxims (awareness mottos).

These activities are seen as contributing to attaining Goal No. 5 of the SDGs, "Gender equality," and Goal No. 10, "Reduced inequalities."

In light of the importance of these goals, the JBA treats these human rights and diversity-related efforts as one of its key initiatives that will be promoted over the medium and long term.

(1) Promotion of Initiatives for Achieving a Gender-Equal Society

The "Basic Policy on Gender Equality and Empowerment of Women 2024," released in June 2024, included a provision that industry associations, including the JBA, should identify the efforts of leading regional companies and promote awareness of best practices for advancing women's participation in the workplace in each region. In response, the JBA expanded the diversity-related items in its SDGs questionnaire for members and compiled a summary of their initiatives. In addition, to serve as a reference for member banks, examples of initiatives promoting gender equality were provided in the case studies section of this report. (For the survey results, please refer to pages 12–13.)

(2) Seminars on Human Rights and the Issues of Discrimination against Social Minorities Based on Descent

For the purposes of member banks' human rights educational activities, the JBA has since 1981 sponsored seminars held twice annually by specialists on human rights and the issues of discrimination against social minorities based on descent to promote a keener awareness of human rights issues and provide information on questions surrounding human rights. To date, various lectures have been held on topics such as the issues of discrimination against social minorities based on descent and human rights issues in industry and banking, as well as issues regarding harassment, LGBTQ issues, and discrimination against people who have disabilities or are from other countries.

In FY2024, lectures in the form of online seminars were held on the following themes:

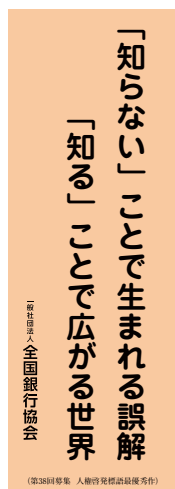
[July] "The Current State of the Information Society and Information Ethics"

Lecturer: Ms. Maiko Shichijo, Visiting Researcher, ICT Usage Environment Awareness Support Office, LAC Co., Ltd. Cyber Grid Japan

[December] "Efforts on Business and Human Rights"

— What Human Rights Due Diligence Is Expected of Companies Today?"

Lecturer: Mr. Hiroshi Ishida, Executive Director and Secretary-General, Caux Round Table Japan



Mizuho Trust & Banking
Ms. Miho Hata



Master Trust Bank of Japan
Ms. Aya Sekine

(3) Human Rights Maxims Contest

To raise awareness of human rights among member banks' employees, the JBA has since 1987 been inviting them to submit maxims (awareness mottos) about human rights.

In FY2024, the 38th round of solicitations for human rights maxims (awareness mottos) brought nearly 74,000 proposals. From among these, 40 entries were selected for awards (2 grand prizes, 8 awards of excellence, and 30 high-quality awards).

(4) Issuance of the "Human Rights Newsletter"

The "Human Rights Newsletter" has been published periodically since FY2018 to provide information on human rights on a regular basis and to support member banks' human rights educational activities.

In FY2024, the twelfth issue was published in September and the thirteenth in March 2025. The contents of these newsletters are summarized below.

	Contents
Issue No. 12 (Published in September)	<ul style="list-style-type: none"> • Seminars on Human Rights and the Issues of Discrimination against Social Minorities Based on Descent (Rights of the Elderly) • Human Rights Topics (Communication in "Easy Japanese" — Aiming for Understandable Japanese Expressions) • What to Do About Harassment? Q&A • Human rights-related laws and regulations
Issue No. 13 (Published in March)	<ul style="list-style-type: none"> • Winning entries of the 38th round of solicitations for human rights maxims • Seminars on Human Rights and the Issues of Discrimination against Social Minorities Based on Descent (Current State of the Information Society and Information Ethics) • What to Do About Harassment? Q&A • Human rights-related laws and regulations

(5) Creation of “Human Rights Awareness Video (for Training Purposes)”

In response to requests from member banks for a second video following the human rights awareness video on the prevention of power harassment that was created in FY2022, a new training video focusing on workplace diversity—a topic that received strong interest in the member survey—was produced in March 2025. The video is designed to foster a workplace culture and corporate environment that encourages mutual respect for diversity. It aims to raise individual employees' awareness of unconscious bias and promote the elimination of microaggressions, which are subtle and often unintentional actions or remarks in everyday interactions that can be hurtful to others.



Human Rights Awareness Video for In-House Training

(6) Publication of Human Rights Educational Booklet

As material to be used for the proactive advancement of human rights education and training activities for new hires of member banks, the JBA has since 2003 annually revised and issued a publication entitled “For the Protection of Everyone's Human Rights,” with editorial supervision by the Center for Human Rights Education and Training. The booklet covers a wide range of newly emerging topics and issues related to corporate activities and human rights.

The editorials comprise articles such as “Relationship between Companies and Human Rights: Corporate Responsibility,” “Human Rights Issues Surrounding Companies: Banking and Human Rights” (concerning human rights of people from other countries, people with disabilities, the elderly, etc.), and “Human Rights and Respect for Individuality in the Workplace” (concerning harassment, discrimination against women, LGBTQ issues, etc.).

In FY2024, the booklet was revised, primarily in the following ways, and published in March 2025.

- Overview of customer harassment (customer harassment explained)
- Addition of content on “unconscious bias” and “microaggressions”



Human Rights Educational Booklet

Efforts of Member Banks

1 Financial and Economic Education Initiatives



Yamanashi Chuo Bank, Ltd.



Establishment of the “Financial Education Corner” at Yamanashi Chugin Financial Museum

Summary of the Initiative

Yamanashi Chugin Financial Museum established the “Financial Education Corner” in November 2023. It was designed with the concept in mind of “learning about money through having fun and hands-on experiences,” allowing children, including elementary and junior high school students, to gain financial knowledge enjoyably.

In particular, the main attraction of the Financial Education Corner is a life planning simulation game, which allows participants to experience life events and related expenses from their 20s to 50s while taking psychological quizzes. With the establishment of the Financial Education Corner, Yamanashi Chugin Financial Museum has been transformed into a comprehensive financial education facility in which visitors can learn not only about the history of money but also about money in a broader, more practical context.

Background of the Initiative

In recent years, as the need to improve financial literacy has grown across society, Yamanashi Chuo Bank recognized that there was a lack of accessible places to learn about finance as a key issue.

Yamanashi Chuo Bank operates Yamanashi Chugin Financial Museum, a museum focused on the history of money. With the aim of providing a space where visitors can also improve their financial literacy in an enjoyable way, we have also established the Financial Education Corner.

Results of the Initiative

The establishment of the Financial Education Corner has also attracted attention from educational institutions, such as schools, and it has been recognized as an engaging and noteworthy initiative. Its use has been expanded to include field trips and extracurricular learning from distant areas, as well as training programs organized by Yamanashi Prefectural Board of Education. Visitors to the Financial Education Corner have shared comments such as, “I realized that there are many life events ahead and that it’s important to learn about money in advance,” and “I was able to enjoyably learn how challenging it is to prepare a substantial amount of money by the time of retirement.”

Future Issues and Objectives

Yamanashi Chugin Financial Museum, which houses a rich collection of approximately 2,000 types of currency, including *Wadōkaichin* (the first currency in Japan) and *Kōshūkin* (the currency of Kai province), as well as the newly established Financial Education Corner, is one of the few currency museums of its kind. However, due to limited public awareness, it has long remained a “hidden gem” that is known only to a select few. Going forward, we hope to broaden the museum’s reach beyond Yamanashi Prefecture to include visitors across Japan and actively promote its use for school field trips, lifelong learning, and other educational purposes by strengthening our outreach efforts.

Reference URL

https://www.yamanashibank.co.jp/aboutus/museum/financial_education.html (Japanese only)



Financial Education Corner



A Scene from an Event Utilizing the Financial Education Corner



The Tottori Bank, Ltd. TOTTORI BANK

The Game “Real-Life Money Sugoroku”

Summary of the Initiative

Since January 2024, Tottori Bank, in collaboration with the local securities firm Daisen Hinomaru Securities Co., Ltd., has been conducting the “Real-Life Money *Sugoroku*” program under the theme “Fun Financial Classes for Parents and Children.” The initiative aims to promote financial and economic education by providing local residents with the opportunity to learn about money through engaging game-based experiences.

This initiative features a life-sized, original *Sugoroku* board game designed for elementary school students, where the children act as pieces of the game. Each space on the board presents money-related quizzes and events that teach essential financial habits and knowledge that children should acquire from a young age. Participants can experience key financial activities—earning, spending, saving, and borrowing—through the game by opening a deposit account, depositing money they have earned in the game, receiving wages for sorting waste, and so on.

In addition, the program also provides parents with opportunities to gain new insights into financial literacy by participating with their children in the game.

Background of the Initiative

As community-based financial institutions, Daisen Hinomaru Securities and Tottori Bank have shared challenges, including the promotion of financial education and the revitalization of the local

community. Leveraging their respective strengths with the expectation of creating a more enriching event, the two institutions jointly implemented the program from its outset.

Results of the Initiative

In 2024, the program was held four times in Tottori Prefecture, attracting 106 children (elementary school age and younger) and 83 parents.

Through experiencing the joy of gaining money and the disappointment of losing it, participants were able to learn the value of money and how to manage it in a realistic and meaningful way. According to the parent survey, the event received high satisfaction ratings, with many expressing positive feedback, such as “It was a great opportunity to think about money together with my child through the game” and “The quizzes were very informative.”

Future Issues and Objectives

The number of participants in financial education programs is one of the indicators in Tottori Bank’s medium-term management plan. Going forward, we will continue to hold events and deliver outreach classes, striving to enhance financial literacy in the local community.

Reference URL

<https://www.tottoribank.co.jp/torijin/csr/kouken/event/> (Japanese only)



A Scene from the Game “Real-Life Money *Sugoroku*”



Kid's Bank

2 Environmental Initiatives



Mitsubishi UFJ Financial Group, Inc.



Mitsubishi UFJ Financial Group

Implementation of Carbon Neutrality (CN) Initiatives

Summary of the Initiative

In May 2021, MUFG announced the “MUFG Carbon Neutrality Declaration,” and it became the first bank in Japan to announce its commitment to achieving net-zero GHG emissions from its financial portfolio by 2050 and net-zero GHG emissions from its operations by 2030.

Background of the Initiative

MUFG has established priority issues in its sustainability management to realize a sustainable environment and society. Among them, Achievement of Carbon Neutral Society has been actively addressed through various initiatives, including the formulation of the “MUFG Environmental and Social Policy Framework” to appropriately identify and manage risks associated with business activities. Under the CN Declaration, MUFG is accelerating its group and global initiatives.

Results of the Initiative

MUFG has been pursuing various initiatives based on three unwavering commitments: helping achieve the 1.5°C target, supporting a smooth transition to a decarbonized society, and creating a sustainable society by fostering a virtuous cycle between the environment and the economy.

In the area of financing support, MUFG has set a cumulative sustainable finance target from FY2019 to FY2030. In response to growing demand for funds for carbon neutral initiatives, we raised the target from 35 to 100 trillion yen in April 2024, with the anticipation of even broader support for green bonds and renewable energy project financing. As of the end of September 2024, our cumulative amount of sustainable finance reached 37.7 trillion yen, of which 15.1 trillion yen is for environment areas, indicating steady progress. Through the expansion of sustainable financing, we will not only generate positive environmental impacts, such as CO₂ reduction from renewable energy project financing, but will also create various environmental and social impacts.

Pathways toward carbon neutrality differ by country and region due to differences in geographical characteristics, industrial structures, and energy compositions. Therefore, it is important for MUFG to gain an understanding of these pathways from stakeholders across society in order to support accountable transition. In the Whitepapers 1.0 and 2.0, published in 2022 and 2023, respectively, MUFG summarized the differences in the pathways and the policy approaches to carbon neutrality in each country and region, and engaged in dialogues with various stakeholders, both in Japan and overseas. Through these dialogues, the “MUFG Transition Whitepaper 2024 (Whitepaper 3.0),” issued in September 2024, outlines key issues for overcoming the global common challenge of the “price pass-through barrier” and promoting the social implementation of technologies necessary for achieving carbon neutrality. It also emphasized the importance of ensuring business profitability, fostering public understanding of technologies, and strengthening international collaborations.

MUFG, in cooperation with our customers, will continue to play a role in laying the groundwork for inter-industry collaborations, industry-government cooperation, and both domestic and international collaborations.

Future Issues and Objectives

The trend toward the realization of a sustainable society, including decarbonization, is irreversible. MUFG aims to realize a decarbonized society with our customers through dialogues and engagement activities, as well as the provision of products, services, and information.

Achievement of a Carbon-Neutral Society

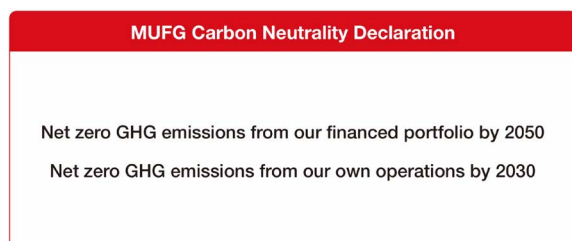
<https://www.muftg.jp/english/csr/environment/tcfd/index.html>

Climate Report

<https://www.muftg.jp/english/csr/report/progress/index.html>

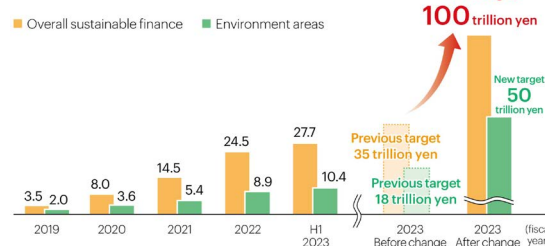
Transition Whitepaper

<https://www.muftg.jp/english/csr/report/transition/index.html>



MUFG Carbon Neutrality Declaration

Cumulative financing over time (trillions of yen)



New Sustainable Finance Target and Cumulative Financing Over Time



Sumitomo Mitsui Banking Corporation



SUMITOMO MITSUI
BANKING CORPORATION

Initiatives for “SMBC's Forests” and the Conservation of Biodiversity

Summary of the Initiative

In May 2024, SMBC acquired approximately 220 hectares of forest located in Isehara City, Kanagawa Prefecture, and designated it as “SMBC's Forests.” This forest is home to a rich and diverse ecosystem, including rare species of flora and fauna. In September of the same year, it was certified as a “Nationally Certified Sustainably Managed Natural Site” that contributes to the global target known as “30by30.”

At SMBC's Forests, the following initiatives will be promoted.

1. Conservation and restoration of biodiversity based on vegetation surveys
2. Generation of forest-derived credits
3. Establishment of an environmental education site and implementation of environmental programs
4. Revitalization of the forestry industry through the use of biomass power generation and thinned wood

Background of the Initiative

The SMBC Group has identified five key issues — Environment; DE&I/Human Rights; Poverty & Inequality; Declining Birthrate & Aging Population; and Japan's Regrowth — as priority issues (materiality) that are to be proactively addressed by the Group. As one of the goals toward resolving these issues, the Group is committed to the conservation and restoration of natural capital.

As a financial institution, we believe it is important to take a long-term perspective and actively contribute to achieving a “nature-positive society.” By using SMBC's Forests as one of our key field sites, we aim to promote biodiversity conservation, foster environmental awareness, and explore related business opportunities.

Results of the Initiative

In November 2024, we opened “SMBC's Forests Isehara Nature School.” This school is the eighth branch of the environmental education facility “Furano Shizenjuku,” which is led by screenwriter Sō Kuramoto, with whom SMBC has been collaborating since 2006.

Through programs such as “Earth Path,” which traces the 4.6-billion-year history of Earth over a distance of approximately 460 meters with dramatic explanations by instructors, the school aims to foster people who can actively contribute to building a sustainable society by deepening their appreciation for the natural environment.

In addition, we have concluded a basic agreement with Isehara City, which is where the forest is located, to collaborate on the following: conservation of the natural environment in the Hinata area, regional revitalization, environmental education, and the preservation of biodiversity.

Future Issues and Objectives

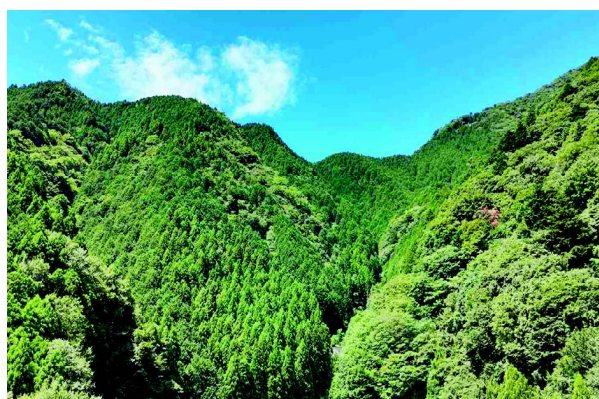
The SMBC Group aims to contribute to the realization of a nature-positive society through its initiatives while leveraging its knowledge and experience to support its customers in their efforts to conserve natural capital.

Going forward, we will continue to engage in initiatives that contribute to the realization of a nature-positive society and the creation of social value.

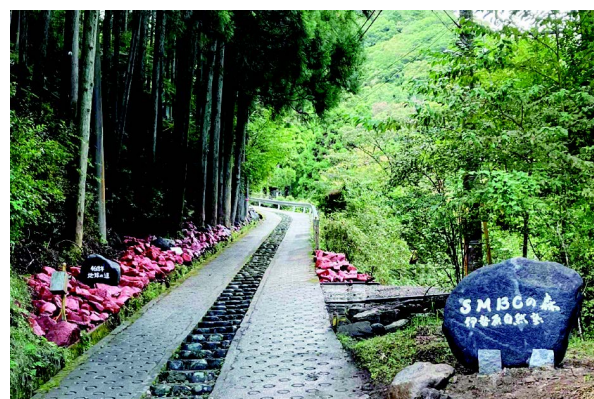
Acquisition and Utilization of Forests in the Hinata Area of Isehara City
https://www.smbc.co.jp/news/pdf/j20240401_02.pdf (Japanese only)

Obtaining Certification as a “Nationally Certified Sustainably Managed Natural Site” for SMBC's Forests from the Ministry of the Environment
https://www.smbc.co.jp/news/pdf/j20240927_03.pdf (Japanese only)

Conclusion of the Basic Agreement with Isehara City on the Utilization of the Hinata Area Following the Acquisition of SMBC's Forests
https://www.smbc.co.jp/news/pdf/j20241126_01.pdf (Japanese only)



SMBC's Forests



Isehara Nature School



The Ashikaga Bank, Ltd.



Carbon Management Consulting Service

Summary of the Initiative

Ashikaga Bank is committed to providing comprehensive support for its customers in advancing decarbonized business operations. The support provided includes “calculating CO₂ emissions,” “formulating reduction targets and action plans,” “assisting with the acquisition of SBT (Science Based Targets) certification,” and proposing feasible reduction measures, such as energy-efficient equipment upgrades and introducing renewable energy.

Customers have shared positive feedback, such as: “By quantifying our energy-saving and environmental initiatives, we are now able to promote them both internally and externally,” “We were uncertain about calculating our emissions, but having an external perspective helped us organize the necessary information,” and “Our efforts toward SBT certification had a positive impact on our recruitment activities.”

Background of the Initiative

Through business feasibility assessments and similar processes, we have identified that many customers face challenges related to the SDGs, decarbonization, and carbon neutrality, but they are unable to take appropriate action due to a lack of resources.

Against this backdrop, to promote regional decarbonization and raise awareness of decarbonized business practices, we have introduced a consulting service in collaboration with partners who possess specialized expertise.

Results of the Initiative

Since the launch of the service in April 2022, there have been 132 applications as of the end of November 2024. The service has led to the adoption of self-consumption solar power systems and has supported financing through instruments such as PIF (Positive Impact Finance) and SLL (Sustainability-Linked Loans).

In addition, collaboration is advancing through information exchanges with local governments and chambers of commerce, as well as by dispatching speakers to decarbonization seminars. As a result of these efforts, regional initiatives are gaining momentum—for example, four cities in Tochigi Prefecture have established subsidy programs to support small- and medium-sized enterprises in obtaining SBT certification.

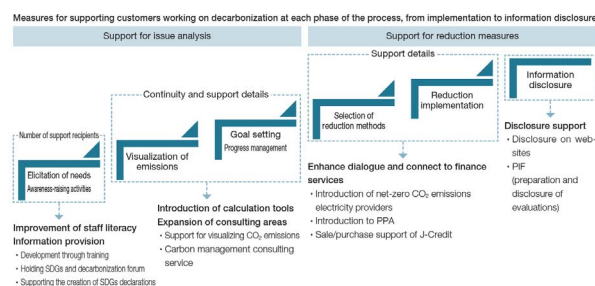
Future Issues and Objectives

Policies aimed at building a decarbonized society are advancing rapidly, including the introduction of emissions trading schemes and carbon pricing mechanisms. In this context, to provide customers with timely and relevant information, “Decarbonization Advisors” have been assigned to each branch starting in FY2024. Through training programs, these advisors are enhancing their knowledge and skills to better support customer needs.

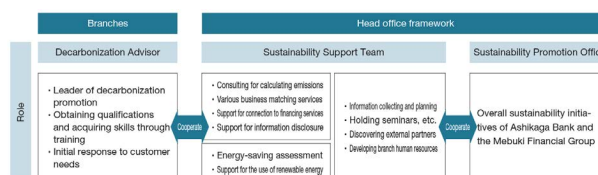
At the head office, the number of staff members has been increased, and efforts are underway to expand the range of services by enhancing specialized support and developing new solution offerings.

Reference URL

<https://pdf.irpocket.com/C0060/efCi/mHC7/LmYt.pdf> (Japanese only)
<https://pdf.irpocket.com/C0060/JS39/Xdik/JJOL.pdf> (Japanese only)



Corporate Initiatives in Decarbonized Management and Corresponding Support Services



Support Framework



The Bank of Yokohama, Ltd.



Bank of Yokohama

CONCORDIA
Financial Group

Hamagin Environmental Education Program

Summary of the Initiative

In May 2022, The Bank of Yokohama established the “Regional Decarbonization Platform” to support decarbonization efforts by local governments in Kanagawa Prefecture. As part of this platform’s initiatives, we are promoting the “Hamagin Environmental Education Program.” One of the educational themes focuses on Sustainable Aviation Fuel (SAF), a next-generation aviation fuel derived from used cooking oil from households.

Since July 2023, with the cooperation of related companies, a pilot program has been implemented at Yokohama Municipal Nishimae Elementary School, where children call on their communities and families to collect used cooking oil. Educational materials were developed to support this initiative. Currently, this initiative is being expanded to other municipalities in Kanagawa Prefecture.

Background of the Initiative

Concordia Financial Group is promoting regional decarbonization through collaborations with industry, academia, the government and finance, with the aim of supporting the sustainable development of local communities.

According to a survey conducted in FY2019, the household sector was the second-largest source of greenhouse gas emissions in Kanagawa Prefecture after the industrial sector, accounting for 21.1% of the total, and it showed an upward trend. However, the number of citizens actively engaged in decarbonization efforts remains limited. Creating ways to encourage citizens to take the initiative in decarbonization has become a shared challenge among local governments.

In response, an approach that encourages behavioral changes in parents through their children was considered effective, leading to a focus on the used cooking oil from households. Educational materials were developed with the aim of collecting this oil and converting it into SAF, and

they are being provided to schools to encourage behavioral changes in households and local communities through children’s activities.

Results of the Initiative

At Nishimae Elementary School, 689 kg of used cooking oil was collected from households, the school, and the local community through this program (from October 2023 to January 2024). This amount corresponds to an estimated reduction of approximately 1,777 kg of CO₂ emissions.

Teachers who participated in the program noted that “the children not only became more aware of environmental issues, they also developed proactiveness and a sense of cooperation.” The students felt “they were able to contribute to improving the environment by engaging with their school and local community.”

Future Issues and Objectives

In FY2024, the program was launched at two schools in Yokohama City and one in Atsugi City.

A key challenge going forward is to further promote the collection of used cooking oil and create more opportunities for individuals to directly contribute to decarbonization, thereby fostering greater awareness and encouraging behavioral changes. To achieve this, it is essential to establish a more effective collection system and strengthen public outreach to raise awareness among citizens.

To address these challenges, efforts will continue through public-private collaborations toward the ultimate goals of promoting decarbonization across the entire community and building a sustainable future.

Reference URL

https://ssl4.eir-parts.net/doc/7186/ir_material/35/207265/00.pdf (Japanese only)



Overview Diagram of the Environmental Education Program



Initiative at Yokohama Municipal Nishimae Elementary School



Hiroshima Bank, Ltd.



Initiatives to Support the Promotion of Carbon Neutrality in the Casting Process for Automotive Parts Manufacturing

Summary of the Initiative

Among the various processes involved in automobile manufacturing, casting is one of the processes with high CO₂ emissions. In particular, during the process where iron is melted, a significant amount of CO₂ is emitted due to the combustion of coal coke, the primary fuel. To achieve carbon neutrality, local casting suppliers are working to develop biomass fuels^{*1} as alternatives to coal coke.

To support the development of biomass fuels, Hiroshima Bank utilized the Ministry of the Environment's "ESG Regional Finance Promotion Program"^{*2}, and it worked on exploring suitable fuel materials and building a stable supply chain.

As a specific initiative, a model case was considered in which waste materials from oyster rafts, which are used for oyster farming, a specialty of Hiroshima Prefecture, would be utilized as biomass fuel. Efforts included identifying challenges for building a fuel manufacturing supply chain, examining the manufacturing processes, and developing an action plan to address the identified issues.

^{*1} An initiative to produce biomass fuel by carbonizing waste materials and unused resources

^{*2} A program by the Ministry of the Environment that supports regional financial institutions in developing processes for business feasibility assessments that take ESG factors into consideration

Background of the Initiative

We believe that contributing to the realization of sustainable regional economic development by supporting the automobile industry, a core sector of Hiroshima Prefecture's economy, is part of its mission as a regional financial institution.

In addition to recognizing that addressing carbon neutrality is a major challenge for companies related to the automobile industry,



Oyster Rafts near Miyajima

we also saw this initiative as having significant potential to contribute to the overall reduction of CO₂ emissions in Hiroshima Prefecture. Based on this understanding, the Bank began considering support measures.

Results of the Initiative

During the review process, we made full use of its network to gather a wide range of opinions from stakeholders, including local governments, food manufacturers, oyster farming businesses, and industrial waste management companies. This allowed the Bank to comprehensively understand both the current challenges faced by these stakeholders and the initiatives underway to address them.

As a result, it was confirmed that although there are numerous challenges to be addressed, building a supply chain for alternative fuels utilizing regional resources is sufficiently feasible and represents an initiative that can contribute to the reduction of CO₂ emissions.

Future Issues and Objectives

A key challenge going forward is that some of the issues identified cannot be resolved through the efforts of a single company alone. Therefore, a coordinated, community-wide approach involving local governments and other regional businesses will be necessary to realize the supply chain.

If a "local production for local consumption" system for this biomass fuel can be realized, it will also help solve the problem of oyster raft waste, which is a challenge faced by oyster farming businesses.

As an initiative contributing to the development of a circular economy in the region, we aim to realize a biomass fuel supply chain, including the exploration of other locally sourced carbon-neutral fuel materials in addition to oyster rafts.

ESG Regional Finance Practice Guide – Supplementary Materials: Case Studies (FY2023 Support Examples)
<https://www.env.go.jp/content/000212810.pdf> (Japanese only)

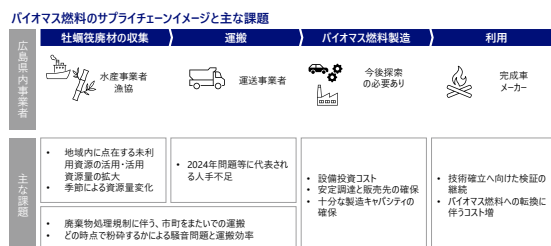


Image of the Biomass Fuel Supply Chain and Key Challenges

3 Diversity Promotion Initiatives



Mizuho Financial Group



Initiatives for LGBT+ Inclusion: Toward a Workplace Where Diverse Employees Can Thrive

Summary of the Initiative

Mizuho's Commitment to Diversity, Equity & Inclusion sets out our three commitments of "Celebrate diversity," "Promote work-life satisfaction," and "Create an inclusive culture." As part of these efforts, we are actively working to raise employee awareness and create a workplace where LGBT+ employees can work with peace of mind without experiencing any disadvantages. Initiatives include establishing HR and welfare systems that are accessible to everyone regardless of their partner's gender, setting up multiple internal and external consultation desks, responding to individual employee inquiries, providing training programs for all employees (as described below), and organizing and participating in events open to both employees and non-employees.

Background of the Initiative

At Mizuho, we believe that enabling different types of diversity to thrive as their authentic selves is essential to meeting ever-evolving business needs and continuously driving innovation. Based on this belief, we are committed to continuously improving the workplace environment and further acceptance for LGBT+ employees.

In addition to awareness-raising activities centered on training, we have been conducting regular company-wide surveys since 2020 to better understand the actual state of employee awareness. The survey results revealed that many employees believe there are no LGBT+ individuals where they work, or they feel anxious because, although they know about them, they are unsure how to interact with LGBT+ individuals. In response, starting in FY2022, in addition to providing knowledge through conventional training programs, we have been organizing annual events to offer opportunities to learn about the experiences of LGBT+ individuals and to support employees in taking concrete actions.

Results of the Initiative

Feedback from employees who participated in the events included comments such as, "I was struck by the idea that it's not that there are no LGBT+ individuals where I work, they are not easily visible," and "I want to start by putting myself in the other person's shoes." These responses show that the events provided opportunities not just to gain knowledge but also to deepen understanding through personal reflection and experience. In addition, a survey conducted in 2024 revealed that the number of employees who answered "there are no LGBT+ individuals around me" had halved compared to four years earlier.

These ongoing initiatives have also been recognized externally, with Mizuho receiving the highest rating of "Gold" under the PRIDE Index in the "work with Pride" initiative for eight consecutive years, from 2017 to 2024.

Future Issues and Objectives

While an increasing number of employees are becoming aware that there are LGBT+ individuals where they work, some still feel uncertain about whether they are interacting appropriately or worry about unintentionally causing harm. Going forward, we will continue our efforts by increasing opportunities for employees to access information that enables both LGBT+ individuals and their colleagues to communicate with confidence. Our aim is to remain an organization that respects each individual's SOGI (Sexual Orientation and Gender Identity) as part of their unique identity.

By deepening the understanding of each and every employee, we will further enhance customers' trust and confidence in Mizuho. We will leverage this understanding to develop products and improve services that meet diverse needs, thereby creating new value for society.

Mizuho Financial Group Website: Promoting Diversity, Equity & Inclusion

<https://www.mizuhogroup.com/sustainability/social/employees/dei>

Integrated Report (Annual Review)

<https://www.mizuhogroup.com/investors/financial-information/annual>

Human Capital Report

https://www.mizuhogroup.com/sustainability/report#human_capital_report



Received the Highest "Gold" Rating under the PRIDE Index



Providing Opportunities for Employee Awareness through Training



Juroku Bank, Ltd. JUROKU Financial Group

Creating a Workplace Where Diverse Employees Can Thrive

Summary of the Initiative

In April 2023, Juroku Bank introduced a new human resources system and has been promoting various initiatives by establishing new programs to support the growth and challenges of diverse employees, including employees balancing childcare or nursing care responsibilities, employees with specialized expertise, and employees with external experience, in order to maximize the value of its human capital.

In addition, we are expanding the scope of our internal recruitment program to encourage employees to take on new challenges across a wide range of business areas.

Background of the Initiative

Along with the implementation of the new human resources system, all employees of Juroku Bank were transferred to Juroku Financial Group, the holding company, enabling optimal allocation of human resources across subsidiaries, including the Bank, and personnel transfers that make the most of each employee's individuality and talents. We are also working to create opportunities for growth by promoting changes in employee mindsets and behaviors, enabling diverse employees to thrive.

Results of the Initiative

The "Retention System" allows employees to use shortened working hours childcare and exemption from overtime work until their child completes the third grade of elementary school. The working hours under the shortened working hours program can be set flexibly within the start and end of regular working hours to either six or seven hours. In FY2024, 121 employees utilized the system, helping create an environment where childcare and work can be balanced.

The "Expert System" is a program that certifies individuals with specialized knowledge and experience as "experts." Employees certified as experts are not transferred to other departments without their consent, and their specialized expertise is given priority in promotions. Currently, there are employees active as experts in fields such as DX, systems, market operations, and risk management.

The "Job Return System" is a program that rehires former employees who have gained experience at other companies or who have experienced life events, such as marriage or childbirth. We have rehired two former employees so far, and they are now actively leveraging their accumulated experience on the front lines.

The "Career Challenge System" is an internal recruitment program designed to support employees who wish to take on new roles and challenges. The program has been utilized across a wide range of roles, including the founding members of new companies, new business areas, secondments to external companies, and overseas assignments. Since FY2021, a total of 362 employees have applied, and 35 employees have been selected. A culture that encourages employees to take on challenges has been fostered, supporting the active participation of diverse employees.

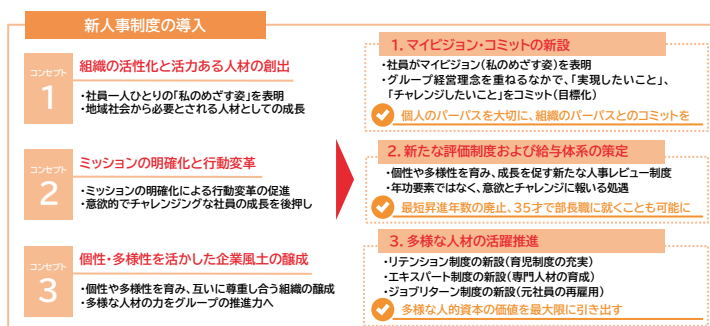
Future Issues and Objectives

To adapt to changes in the external environment and achieve sustainable growth, it is essential for each employee to demonstrate their individuality and continue to grow. We will continue to enhance and promote the use of various programs, aiming to create a workplace where diverse employees can thrive.

Integrated Report 2024: Promotion of Diversity and Inclusion (pages 57–64)
https://www.16fg.co.jp/ir/disclosure/files/tougou2024_04.pdf (Japanese only)



Concept of the New Personnel System



Overview of the New Personnel System



Hyakugo Bank, Ltd.



Initiatives to Promote Childcare Participation by Male Employees

Summary of the Initiative

Hyakugo Bank has positioned diversity promotion as a management strategy, aiming to create a workplace environment where each employee can feel a sense of fulfillment and fully demonstrate their abilities. In particular, Hyakugo Bank has developed support systems to help employees balance work and childcare, and it is implementing various initiatives to enable male employees to actively participate in both their professional roles and child-rearing.

(1) Expansion of the Childcare Leave System

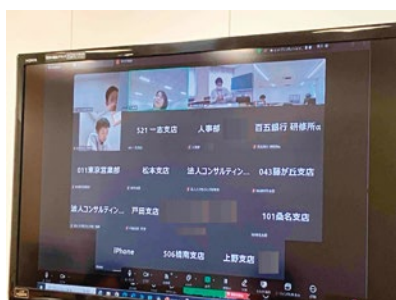
In October 2022, the childcare leave system was revised to allow up to four separate periods of leave, including "postpartum paternity leave," until the end of the month preceding the child's third birthday. In addition, up to 10 business days of childcare leave, combined with postpartum paternity leave, are treated as special leave, making the system more flexible and easier for employees to use.

(2) Holding Pre-Fatherhood Meetings and Other Events

Pre-Fatherhood Meetings are held twice a year for male employees expecting a child to provide information on the childcare leave system and how to spend their time during leave. In addition, study sessions are held for department heads to promote male participation in childcare. Furthermore, workplace-wide efforts are being made to reform work styles by reviewing and streamlining tasks, enabling eligible employees to take childcare leave without hesitation.

(3) Distribution of Work-Childcare Balance Guidebooks and Establishment of Consultation Services

A work-childcare balance guidebook explaining the childcare leave system and application procedures in an easy-to-understand manner has been created and distributed to employees. In addition, multiple consultation desks, including one in the Human Resources Department, have been established to provide employees with easy access to support.



Pre-Fatherhood Meeting via Zoom

Background of the Initiative

Amid the continued low rate of paternity leave uptake nationwide, there is a growing need to promote male participation in childcare from the perspectives of work style reform and gender equality. At Hyakugo Bank, we believe it is important to create an environment where each employee can build their career while valuing time with their family. Based on this belief, we are working to foster a workplace culture where male employees feel comfortable taking childcare leave.

Results of the Initiative

The paternity leave uptake rate was 109% in FY2022 and 106% in FY2023, and it has continued to exceed 100% in FY2024 as well.

Male employees who took childcare leave actively participated in housework and childcare, which has also contributed to improving employee satisfaction through the enhanced work-life balance.

In FY2024, many employees participated in the "Daddy Childcare Leave Promotion: Workplace Episode Awards" organized by Mie Prefecture, and one employee was selected for the Good Episode Award in the "Ikuboss" category. This achievement helped widely promote Hyakugo Bank's initiatives throughout the region.

Future Issues and Objectives

While maintaining a paternity leave uptake rate of over 100%, Hyakugo Bank is now focusing on increasing the number of leave days taken as the next challenge. We will continue to support diverse working styles for our employees and strive to build a sustainable organization. Furthermore, as a leading bank in the region, we will also work to promote the uptake of paternity leave throughout society.

Website

<https://www.hyakugo.co.jp/about/diver/> (Japanese only)

Integrated Report

<https://www.hyakugo.co.jp/about/pdf/jintekishihonkeiei-no-torikumi.pdf> (Japanese only)

Annual Report (English Version of the Integrated Report)

<https://www.hyakugo.co.jp/ir/english/2024/pdf/19.pdf>



Male Employee Engaged in Childcare



Keiyo Bank, Ltd.



Couple-Participation Seminar "Family Café"

Summary of the Initiative

At Keiyo Bank, as part of our efforts to support the balance between work and childcare, we have been hosting "Family Café," a seminar for couples, since fiscal year 2016.

To allow partners working at other companies to participate, the seminar is held on weekends. Children are cared for in a separate nursery room while couples enjoy sweets and tea in a café-like setting, providing them with an opportunity to thoughtfully reflect together on the future shape of their family. The program includes a lecture by an external speaker on key points for balancing work and childcare, a workshop for couples to reassess the division of childcare and household responsibilities, and opportunities for participants to exchange information with one another.

Background of the Initiative

At Keiyo Bank, we promote diversity and work-life balance with the aim of creating a workplace environment where everyone can work with peace of mind over the long term. In particular, with regard to childcare, we view active involvement as an opportunity not only to strengthen family bonds but also to foster diverse values and personal growth. Based on this perspective, we have long established support systems and programs that exceed the legal requirements to help employees balance work and family responsibilities.

Regarding men's participation in childcare, we have introduced a measure to reform internal awareness by including the status of male subordinates' childcare leave as an evaluation item in managers' personnel assessments. This encourages supervisors to actively promote the use of childcare leave.

To promote not only the taking of childcare leave but also greater daily awareness of childcare responsibilities, we have been

continuously holding Family Café since FY2016.

Purpose of the Event

- (1) Gain insights into balancing work and childcare, such as tips on fatherhood and communication with one's partner
- (2) Provide an opportunity to learn about Keiyo Bank's support systems for balancing work and family responsibilities, as well as its workplace environment
- (3) Facilitate the exchange of information on both work and childcare through interactions with colleagues who are currently raising children, including both senior and junior employees, and provide an opportunity for network building

Results of the Initiative

Since the launch of Family Café, the rate of male employees taking childcare leave gradually increased from 69% in FY2017 to 100% FY2022, where it has remained. In addition to promoting the use of childcare leave, we have worked to create a workplace environment that supports balancing fertility treatment and work, in line with the Act on Advancement of Measures to Support Raising Next-Generation Children. As a result, we were certified with the "Platinum Kurumin Plus" designation in December 2022.

Future Issues and Objectives

At Keiyo Bank, we will continue to create a workplace environment where everyone can work with peace of mind, enabling all employees to fully demonstrate their abilities. We will continue these efforts with the goal of maintaining a 100% childcare leave utilization rate among male employees.

Integrated Report/Disclosure Magazine 2024

https://www.keiyo-bank.co.jp/ir/shared/pdf/ar_2024.pdf

Keiyo Bank Website

<https://keiyo-bank.co.jp/sustainability/social/diversity/ikuji/> (Japanese only)



Couple-Participation Seminar "Family Café"



Scene from a Seminar with an External Speaker



Aichi Bank, Ltd.



Initiatives to Promote the Active Participation of Diverse Employees by the Diversity Promotion Committee (“Ai Team”)

Summary of the Initiative

At Aichi Bank, we have established the Diversity Promotion Committee, commonly known as “*Ai Team*,” which is composed of ten employees with diverse ages, genders, and backgrounds. The committee analyzes issues related to diversity promotion, exchanges opinions on initiatives, and discusses policies for future efforts.

Meetings are generally held every three months, during which the committee engages in ongoing discussions on a wide range of topics, including “Women’s Empowerment,” “Balancing Work with Childcare, Nursing Care, and Medical Treatment,” “Active Roles for Senior Employees,” “Development of Young Employees,” “Men’s Participation in Childcare,” and “Employee Satisfaction (ES).”

To promote diversity across the entire bank, it is important to incorporate employees’ diverse perspectives and ways of thinking into the consideration and decision-making processes for various initiatives. The discussions held by *Ai Team* have been reflected in many of these initiatives.

Background of the Initiative

At Aichi Bank and Chukyo Bank, the predecessor of the new Aichi Bank, the Diversity Promotion Office was established in 2015. Furthermore, at Aichi Bank, a Diversity & Inclusion Promotion Group was established in September 2022, advancing diversity initiatives with a focus on “Corporate Culture Reform and Talent Development” as a key strategy.

To promote the active participation of diverse employees, it is essential to listen to employees’ voices and incorporate a variety of perspectives into initiatives. To achieve this, *Ai Team* was established as a working group dedicated to these efforts.

Since its launch in November 2019, *Ai Team* has continuously exchanged ideas, with members rotating over time.

Results of the Initiative

In 2024, *Ai Team* engaged in discussions on various topics, including initiatives to improve the paid leave utilization rate, the introduction of a leave system for fertility treatment (Family Support Leave), measures to enhance employee satisfaction (ES), strategies to promote integration among the merging banks, and the adoption of a free dress code. These discussions have been reflected in various initiatives while also serving as opportunities for the members of *Ai Team* to broaden their perspectives and grow.

As a unique initiative that recognized that fostering unity among employees was essential for the upcoming merger of Aichi Bank and Chukyo Bank in January 2025, *Ai Team* proposed and implemented a countdown to the merger through the Bank’s internal groupware, featuring photos from each workplace. This initiative was well received by many workplaces and is believed to have contributed to fostering unity among employees and boosting morale in preparation for the merger.

Additionally, by directly reflecting members’ ideas into the headquarters’ initiatives, it enhances their sense of involvement in management.

Future Issues and Objectives

As strengthening diversity initiatives becomes increasingly important as a key element of our human capital strategy, we face a wide range of challenges that must be addressed.

Going forward, *Ai Team* will continue to value each member’s free and creative ideas and work toward creating a workplace environment where all employees can thrive and remain engaged.

Aichi Financial Group’s Sustainability Initiatives: “Promoting the Success of Diverse Employees”

[https://www.aichi-fg.co.jp/sustainability/attempt/action/\(Japanese only\)](https://www.aichi-fg.co.jp/sustainability/attempt/action/(Japanese%20only))



Members of *Ai Team*



Scene from a Meeting



Minato Bank, Ltd.



Initiatives to Support Full-Time Work

Summary of the Initiative

Starting from June 1, 2024, Minato Bank introduced "Full-Time Work Support Allowance" to assist employees raising children aged one and older before they enter elementary school with the financial burden of childcare in cases where they resume full-time work early without utilizing the reduced working hours initiative.

This system is designed to support the balance between work and family by helping to alleviate the financial burden of childcare costs.

Background of the Initiative

Although women are making progress in social advancement, many still give up on career development due to marriage, childbirth, and childcare. Additionally, with the increase in dual-income households, there has been a rise in employees balancing work while raising children. Recognizing the need to create an environment where not only women but also men can participate in childcare while working full-time, we have established this system to address modern social issues, such as work-life balance support and the promotion of women's participation in the workforce.

Results of the Initiative

The allowance is paid twice a year, with the first payment scheduled for the end of February 2025. Feedback from those receiving the allowance includes, "Childcare fees are never cheap, so this system is a great help," and "I believe more employees will choose full-time work

without utilizing reduced hours when returning from parental leave." By utilizing this system, women who hesitate to work full-time due to childcare responsibilities will find it easier to continue their careers, which we believe will also contribute to the development of female leaders. Moreover, as this system is available for men and women, it is expected to improve employee satisfaction.

Future Issues and Objectives

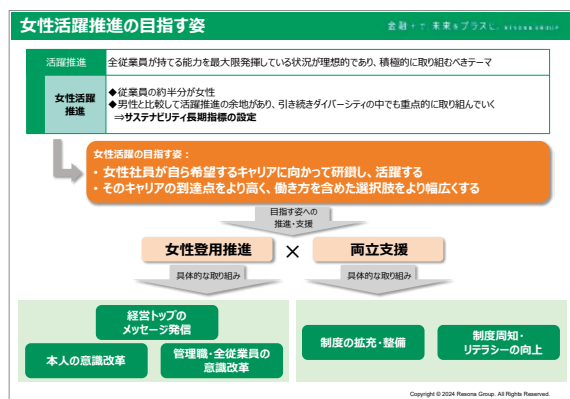
There are two main issues. The first issue is increasing the percentage of female managers. The proportion of women in executive and managerial positions is low, and women often believe that they are not suited for positions of responsibility. As a result, their lack of confidence leads to a low willingness to pursue managerial roles.

The second issue is promoting the uptake of paternity leave. The low uptake of paternity leave by men increases the childcare burden on women, making it more difficult for them to balance work and family.

For this issue, it is necessary to promote the creation of an environment where childcare support systems are accessible for both men and women. Regarding the increase in the percentage of female managers, we aim to create a company that inspires hope for the next generation of female leaders by conducting training and seminars and actively sharing examples of successful female leaders.

Reference URL

<https://www.minatobk.co.jp/about/csr/diversity.html> (Japanese only)



The Vision for Promoting Women's Employment

制度周知・リテラシー向上	
■ 育児復帰後の本人の心構えや育児・介護に対する上司の意識改革や職場の理解浸透を目的として各種セミナー等を実施	
実施案	目的等
パパ・ママ入門セミナー	✓ 子が産まれる前の従業員を対象とした配属型セミナー ✓ 産後に関する制度や先輩社員からのアドバイスを提供
復職支援セミナー	✓ 育児復帰前の従業員を対象としたオンラインセミナー ✓ 業務別講義や先輩社員パネルディスカッション等を通じて復職後のタイムマネジメントを学ぶ場として開催
育児復帰者応援セミナー	✓ 育児復帰後の従業員を対象としたオンラインセミナー ✓ 今後のキャリアやライフイベントとの両立について考えるきっかけとして開催
仕事と育児両立支援ガイドブック	✓ 育児と両立しながら働くための制度を周知
子育て支援ガイドブック	✓ 子の出産前後に係る制度や育児と両立しながら働くための制度を周知
介護セミナー	✓ 介護に関する情報を提供し、仕事と介護の両立について考えるためのセミナー ✓ グループ合同開催
仕事と介護両立支援ガイドブック	✓ 介護と両立しながら働くための制度を周知
健康講座	✓ 女性のキャリアアップと切り離すことのできない女性特有の健康課題に対する男女相互の理解浸透を目的として実施

Raising Awareness of the System and Improving Literacy

4 Initiatives Regarding People with Disabilities and the Elderly



Hyakujushi Bank, Ltd. THE HYAKUJUSHI BANK, LTD.

Initiatives in the Medical and Nursing Care Sectors

Summary of the Initiative

At Hyakujushi Bank, we provide various forms of support, including paid consulting services, to medical and nursing care providers in an effort to help establish a regional healthcare system where local residents, including the elderly and people with disabilities, can access medical and nursing care services with peace of mind. Specifically, our support covers a wide range of areas, including assistance with new business openings, management improvements, employee retention, and business successions.

In addition, with the cooperation of Kagawa Prefecture and the medical association, among others, we organize seminars aimed at realizing the “Regional Healthcare Vision” established by Kagawa Prefecture to build a sustainable healthcare system. We also work in collaboration with the medical association to connect practicing physicians facing succession challenges with doctors who wish to open their own practices.

Through these initiatives, we enhance the business continuity of healthcare and nursing care providers facing succession challenges and management issues, which contributes to the stable provision of care to local elderly residents and others.

Background of the Initiative

Kagawa Prefecture, the base of Hyakujushi Bank, has been facing a shortage of healthcare providers due to an aging and declining population. Additionally, with changes in the environment, such as the tightening of medical and nursing care fees and rising construction and commodity costs, the number of cases where business continuity becomes difficult has been increasing. Against this backdrop, we aim to enhance its consulting capabilities and, in collaboration with our branches and local stakeholders, support healthcare institutions and nursing care providers. We strive to build

a regional healthcare system where individuals in need of care, such as the elderly, can receive the necessary care in their own communities, which they are familiar with.

Results of the Initiative

- Since the launch in April 2021, through paid consulting, we have been involved in formulating business plans for new openings and management improvements, providing support for enhancing management, and assisting with initiatives to prevent the outflow of personnel. To date, we have supported numerous healthcare institutions and nursing care providers. We believe that these efforts contribute to improving the sustainability of regional healthcare, allowing elderly people and others to use services with peace of mind.
- Our initiatives for supporting the continuity of regional healthcare through collaboration between us, Kagawa Prefecture, and Kagawa Medical Association, such as the “Cooperation Agreement on Medical Succession” signed with Kagawa Medical Association in April 2022 and the regional healthcare vision seminars co-hosted with Kagawa Prefecture in 2021 and 2023, were recognized and awarded by the Minister of State for Regional Revitalization of the Cabinet Office with the 2023 “Distinctive Initiatives of Financial Institutions Contributing to Regional Revitalization.”

Future Issues and Objectives

Going forward, we aim to address more advanced management challenges through further enhancing our consulting capabilities. In addition, by leveraging digital technologies for telemedicine, promoting regional collaboration, and working with local governments, we will continue to strive to build a sustainable regional healthcare and nursing care infrastructure that ensures local residents can receive the care they need when they need it.

Reference URL

https://www.114bank.co.jp/ir/annual_report_shareholders_meeting/



Scene from the Award Ceremony



Scene from the Medical Seminar



Scene from the Online Medical Seminar

5 Initiatives to Reduce Poverty



Saitama Resona Bank, Limited

 Saitama Resona Bank

Initiatives to Support Safe Spaces for Children

Summary of the Initiative

In August 2020, Saitama Resona Bank signed a cooperation agreement with Saitama Prefecture and the Saitama Prefectural Council of Social Welfare to support children's cafeterias and other safe spaces for children.

In the same month, we launched the "Saitama Resona SDGs Will Trust/My Trust," a trust product that allows customers to contribute their valuable assets to child support through bequests. A portion of the handling fees is also donated to the designated fund.

Subsequently, in April 2022, the Bank began donating a portion of the fees from corporate private bond issuances, which was followed by donating a portion of mutual fund sales commissions, starting in April 2023.

In addition to offering financial products, the Bank has also introduced a support initiative in April 2020 at employee cafeterias in its head office and the Urawa Chuo Building where special "children's cafeteria support menu" items are served, with a portion of the price of the meal donated to support children's cafeterias.

In addition to monetary donations, the Bank is expanding its efforts through food drive activities in which employees collect unused food items from their homes for donations. Collaborating with local support organizations, the Bank also donates other essential items such as no longer used children's clothing, picture books and study materials no longer in use, and unused school backpacks. There are also several cases where the Bank has invited its clients to participate and collaborate in these initiatives.

In October 2022, the Bank opened a children's safe space called "Resona YOUTH BASE" on the third floor of its Sengen-dai Branch, utilizing a previously unused area, and it is offering it free of charge to local child support organizations. Currently, the space is being used by multiple organizations to provide free learning support and Japanese language assistance for children with foreign backgrounds, with voluntary participation by our dedicated employees. During Christmas, the summer holidays, and other occasions, the Bank co-hosts events with child support organizations, and it has also organized numerous events in collaboration with clients who have offered their support.

In August 2024, the Bank opened "Resona YOUTH BASE Urawa" as its second child support hub, following the Sengen-dai branch, using a former in-house daycare space. The Bank is actively working to strengthen collaboration with local support organizations through this new facility.



Weekday Learning Support at Resona YOUTH BASE (Sengen-dai)

In February 2025, the Bank repurposed the seminar room at its Kawagoe Branch to open "Resona YOUTH BASE Kawagoe." Through this initiative, the Bank aims to further expand safe spaces for children in collaboration with local learning support organizations, with a focus on promoting equal educational opportunities.

Background of the Initiative

In Japan, it is said that one in nine children lives in poverty. Increasing attention is being paid to children who need support, including those from financially disadvantaged households and young carers who take on caregiving responsibilities in their families. Against this backdrop, the creation of safe and supportive spaces for children is becoming increasingly important.

Support for creating safe spaces for children is positioned as an important theme in Saitama Prefecture's five-year plan. As a member of the local community, the Bank has been engaging in dialogues with the prefectural government, the Saitama Prefectural Council of Social Welfare, and local support organizations to explore how it can contribute, and it is steadily advancing initiatives one step at a time.

Results of the Initiative

Donations to prefecture-related funds supporting safe spaces for children (as of September 2024): Over 100 million Japanese Yen

Food Drive Results (as of the end of September 2024): Conducted at 91 locations, with 30,940 items donated

Recipient of the FY2022 "SAITAMA Social Contribution Award" from Saitama Prefecture

Recipient of the FY2024 "Tsunagaru SAITAMA Award – Excellence Award" from Saitama Prefecture

Future Issues and Objectives

As a regional financial institution, we believe there is much we can do for children who will shape the future of our communities. We will continue to work in collaboration with local communities to advance these initiatives.

Saitama Resona Bank Press Release

https://www.resona-gr.co.jp/holdings/news/hd_c/detail/20221017_2753.html (Japanese only)

Recipient of the FY2022 "SAITAMA Social Contribution Award" from Saitama Prefecture
https://www.pref.saitama.lg.jp/a0302/syakaikouken_pt/r4hyousyou.html (Japanese only)

Recipient of the FY2024 "Tsunagaru SAITAMA Award – Excellence Award" from Saitama Prefecture

<https://www.pref.saitama.lg.jp/a0601/kodoku-koritsu/hyosyo/r6hyosyoshiki.html> (Japanese only)



Opening Ceremony of Resona YOUTH BASE (Urawa)



The Higo Bank, Ltd.



Initiatives for Achieving the SDGs and Supporting Child-Rearing in Collaboration with Stakeholders

Summary of the Initiative

Higo Bank is implementing the “*Kodomo Mannaka Project*” in collaboration with Kumamoto City and local companies with the aim of achieving the SDGs, supporting child-rearing, and promoting resource circulation.

The project collects children's clothes that are no longer being used from employees of the Bank, city officials, and partner companies, as well as food items nearing their expiration dates from households, and distributes them to families in need and child-related organizations.

The project has been implemented four times since FY2022, gradually expanding its circle of stakeholders and broadening the scope of its activities with each round.

Background of the Initiative

The project was launched with the aim of collecting children's clothes that are no longer being used and giving them a new life by being worn by another child, thereby contributing to resource circulation and spreading more smiles through each piece of clothing.

In its first year, the project focused on collecting and distributing children's clothing. However, starting in FY2023, it has also included the collection and distribution of food items, aiming not only to support child-rearing but also to reduce food waste in the community.

Results of the Initiative

Over the course of four rounds, the project has collected approximately 1.8 tons of children's clothing and about 1 ton of food

items, and it has distributed them to more than 1,200 people. In addition, the number of companies and organizations supporting this project has increased yearly. In FY2024, high school students also participated by helping with collection and on-site operations.

Recognition of the project has been gradually increasing, and inquiries from local governments and companies in the prefecture are on the rise. In fact, there have been cases where other municipalities have implemented similar initiatives for collecting and distributing children's clothing based on this project's framework, demonstrating its expansion across regions.

Future Issues and Objectives

Currently, the collection of children's clothing and food items is limited to employees of partner organizations. However, we have also received requests from local residents expressing their desire to help with collection. To further expand the scope of the initiative, we aim to explore the development of a new framework through collaboration with a wide range of stakeholders.

We will continue to work together with local communities to promote initiatives aimed at realizing a sustainable regional society.

Press Release: Announcement of the Fourth Round

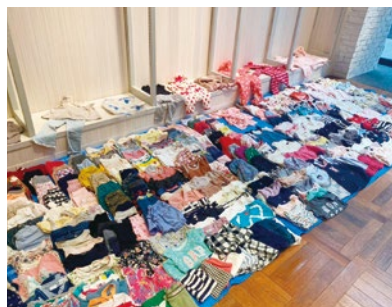
<https://www.higobank.co.jp/showimage/pdf?fileNo=2741> (Japanese only)

Press Release: Report on the Fourth Round

<https://www.higobank.co.jp/showimage/pdf?fileNo=2779> (Japanese only)



Scene from the Project Day



Collected Children's Clothing



Collected Food Items

6 ESG Loans, etc. and Regional Revitalization Initiatives



77 Bank, Ltd.

77 七十七銀行
BANK

Building a Blue Economy in the Coastal Areas of Miyagi Prefecture

Summary of the Initiative

At 77 Bank, we are utilizing support from the "FY2023 ESG Regional Financial Promotion Program" by the Ministry of the Environment to implement initiatives aimed at improving the sustainability of the fisheries industry in collaboration with local governments and businesses.

[Initiatives anticipated at the time of public application]

- (1) Building a network with stakeholders, such as local governments, universities, and businesses, for the development of a blue economy
- (2) Conducting estimates and tracking trends related to changes in fish species and fluctuations in catch volumes due to rising sea temperatures
- (3) Enhancing the business evaluations of fisheries operators based on estimated data
- (4) Marine resource conservation, increased carbon absorption, and blue carbon creation in the coastal areas of Miyagi Prefecture

Background of the Initiative

The fisheries industry, one of the main industries in Miyagi Prefecture, is being impacted by rising sea temperatures caused by climate change, which is causing changes to fish species and fluctuations in catch volumes. In light of this situation, we recognize the need for support to reduce risks related to the business continuity of fisheries operators and to enhance sustainability, which is why we are implementing this initiative.

Results of the Initiative

To improve the sustainability of the fisheries industry, we have engaged in dialogues with stakeholders, such as local governments, businesses,

and universities, identified regional issues, and organized an action plan.

(1) Building a network with stakeholders

To build a support system for fisheries operators, we are exploring future collaboration frameworks through dialogues with stakeholders.

(2) Understanding future trends in the fisheries industry

We have collected data on the recent trends in catch volumes at major fishing ports off the coast of Miyagi Prefecture, in relation to changes in fish species and fluctuations in catch volumes due to rising sea temperatures, and we have conducted interviews with experts.

(3) Organization of the action plan

As it becomes increasingly necessary for the fisheries industry to be aware of the global market, we have recorded the actions that Japanese fisheries operators can take in the future, such as ensuring traceability.

Future Issues and Objectives

(1) Support measures aligned with the needs of fisheries operators

After understanding, as a regional financial institution, the challenges fisheries operators are facing and their concerns regarding future business continuity, we are considering support measures, such as system development, business matching, and financing.

(2) Revitalization of fishing ports and fishing grounds

We are exploring projects involving stakeholders, such as local governments and fishery cooperatives.

(3) Decarbonization of the fisheries industry and port areas

We are exploring projects aimed at creating blue carbon.

Reference URL

https://www.77bank.co.jp/pdf/newsrelease/23071004_esg.pdf (Japanese only)

宮城県 政策の基本的方向	水産業者の 取り組みアクション	具体的な支援策	ファイナンス支援
持続性・収益性が高く、 経済的な漁業・漁業生産 体制の確立	漁業・ 漁業漁業	・トレーサビリティ確保(ASC認証取 得に向けた支援事業等の紹介 ・養殖事業・等漁業・漁業業者 等との協業による投資計画の立 付け支援、マッチング支援	・設備資金の融資(サステナブル ファイナンス等認定)
社会・経済環境の激化に 対応する漁業・漁業の 体制構築と水産物の 販売力強化	MSC認証取得・ FIPへの参加 (トレーサビリティの確 保)	・トレーサビリティ確保(ASC認証取 得に向けた支援事業等の紹介 ・サステナブル・フードの販売先確 保、販路拡大の支援	・認証取得に係る経費の融資
水産物の販売力強化	新規漁業者・ 新事業支援		・宮城県沿岸部における持続可能 なブルー・エコノミー産業に資する法 定化・ファンド運用の検討
結果にわたって持続す る漁業・漁業・漁業・漁業 の体制構築と水産物の 販売力強化	漁業・漁業の 有効活用 (漁業)	・自治体・漁業、水産業、漁業地域の 関係者に関する情報交換会への参加 ・水産物・漁業・漁業・漁業・漁業 ・漁業・漁業・漁業・漁業・漁業 ・漁業・漁業・漁業・漁業・漁業 ・漁業・漁業・漁業・漁業・漁業	・(資金需要発生時)運転資金・ 設備資金の融資
海の豊かさを支える 漁業・漁業・漁業・漁業 の体制構築と水産物の 販売力強化	水産物・ 漁業地域の 販路拡大に 向けた取組	・(レジリエンス化する場合)クレジット 制度・銀行支援、需要家との 引き合わせ	

※(出所) 宮城県「水産業の振興に関する基本的な計画(第1期)」

Overall Picture of the Action Plan Organized



Speaking at the "Tokyo Sustainable Seafood Summit,"
One of the Largest Events in the Fisheries Industry



Iyo Bank, Ltd.



Tourism and Town Development Project Using Historical Resources

Summary of the Initiative

- In April 2018, the partnership agreement for “tourism, utilizing historical townhouses and old houses in Ozu City” was signed by Iyo Bank, Value Management Co., Ltd., Noto Association, NOTE Co., Ltd., and Ozu City, representing cooperation between tourism industry, government, and financial sectors.
- In the same year, based on the agreement, the Ozu City established the local DMO (Destination Management Organization) “Kita Management Association” with its corporate philosophy “connect local culture to the future.” Iyogin Capital Company Limited made a partial investment in KITA Co., Ltd., which is responsible for renovating, leasing, and managing historical townhouses and old houses. Additionally, the Bank, in collaboration with the Organization for Promoting Urban Development, established the “Ozu Town Development Fund” (¥200 million).
- Iyo Bank has seconded one general affairs manager to Kita Management Association since its establishment and one representative director since 2021.

[Main Initiatives]

- Development of Japan's largest “renovated and distributed hotel (NIPPONIA HOTEL Ozu Castle Town)” by renovating historic buildings and attracting tenants
- “Ozu Castle Stay” provides the first experience in Japan of staying in a wooden castle tower
- Private breakfast and tea ceremony experiences at “Garyu Sanso,” a nationally designated Important Cultural Property

Background of the Initiative

- Against the backdrop of the aging of the owners of townhouses and traditional houses and issues related to inheritances, the maintenance of vacant houses has become difficult, leading to the loss of buildings of scenic value. Since many historical buildings are left abandoned, decayed, or demolished, the project was initiated out of a sense of urgency to preserve the beautiful townscape of the old castle town.



The Early Development Stage of “NIPPONIA HOTEL Ozu Castle Town”

- The goal is to create a system that allows money to flow into the town and circulate through the revitalization of the local economy and the creation of jobs by turning vacant houses into lodging and other amenities to attract tourists. These efforts will lead to the development of civic pride, which will be passed on to the next generation.

Results of the Initiative

- 36 townhouses renovated, 27 businesses engaged, and 134 new jobs created
- 2021 Good Design Award
- 2022 Commissioner of the Japan Tourism Agency Award
- Selected for two consecutive years in 2022 and 2023 as one of the “Top 100 Sustainable Tourism Destinations in the World”
- Winner of the Silver Award in the “Green Destinations Award” in 2024
- Winner of the Silver Award at the 2024 “Global Sustainable Tourism Destination Awards”

Future Issues and Objectives

- Increase in weekday overnight stays

On the hardware side, there is a need to expand restaurants and stores offering gourmet food and local specialties, and on the software side, strengthening corporate training, incentive travel, small MICE (meetings, incentives, conferences, and exhibitions), and attracting inbound tourism are necessary.

- Enhancement of activities for extended stays

By enhancing experiential activities and deepening collaborations with neighboring municipalities, we aim to increase stay durations and improve satisfaction, thereby boosting tourism spending and amplifying economic ripple effects in the region.

Official Website

<https://kita-m.com> (Japanese only)

STORY BOOK

https://jp.visitozu.com/ebook/STORY_BOOK_en/?wovn=en#page=1



2018 Collaboration Agreement Signing Ceremony

Domestic and International Trends Regarding SDGs/ESG in 2024

The Japan Research Institute, Limited
Senior Counselor

Eiichiro Adachi



Graduated from Hitotsubashi University's Faculty of Economics in 1986. Joined the Japan Research Institute in 1990. Appointed counselor after positions in the Corporate Strategy Research Department and the Technology Research Department. Member of the Expert Panel on Sustainable Finance of the Financial Services Agency and Chairperson of the National Committee for ISO/TC322.



Note: This article was prepared based on information as of
December 17, 2024.

Adoption of the “Pact for the Future”

On September 22, 2024, at the United Nations Headquarters in New York, “The Pact for the Future,” including “the Global Digital Compact” and “the Declaration on Future Generations,” was adopted.^{*1} The United Nations positions this pact as the culmination of a comprehensive, years-long process to adapt international cooperation to the realities of today and the challenges of today and tomorrow. It is said to be the most wide-ranging international agreement in many years, covering entirely new areas as well as issues on which agreement has not been possible in decades. United Nations Secretary-General António Guterres stated, “We can’t create a future fit for our grandchildren with systems built for our grandparents.”^{*2}

The pact addresses a wide range of issues, including peace and security, sustainable development, climate change, digital cooperation, human rights, gender, youth and future generations, transformation of global governance. Overall, it is designed to accelerate the achievement of the SDGs. Specifically, it includes a total of 56 actions. Each item begins with the subject “We, the Heads of State and Government, representing the peoples of the world,” and it lists the actions that “we decide to” take moving forward.

For example, Action 12 states, “We remain steadfastly focused and committed to achieving the Sustainable Development Goals by 2030. We will sustain our efforts to build the future we want by addressing existing, new and emerging challenges to sustainable development by 2030 and beyond,” and it includes the sentence, “Invite the high-level political forum, under the auspices of the General Assembly, to consider in September 2027 how we will advance sustainable development by 2030 and beyond, as a priority and at the centre of our work.” This means that the discussions on the next global agenda, or the post-SDGs agenda, will officially intensify after September 2027.

Action 53 states, “We recognize that sustainable development must be pursued in a balanced and integrated manner. We reaffirm the need to urgently develop measures of progress on sustainable development that complement or go beyond gross domestic product. These measures should reflect progress on the economic, social and environmental dimensions of sustainable development, including in the consideration of informing access to development finance and technical cooperation.” This strongly suggests the direction for developing new integrated indicators.

^{*1} https://www.un.org/sites/un2.un.org/files/soft-pact_for_the_future_adopted.pdf

^{*2} <https://news.un.org/en/story/2024/09/1154476>

Furthermore, in the Declaration on Future Generations, which is a defining feature, specific measures are included to consider future generations in various decision-making processes, and to appoint a Special Envoy for Future Generations is also being considered. It is written as a commitment to provide more meaningful opportunities, especially at the global level, for young people to participate in decisions that shape their lives.

Progress Toward Achieving Delayed SDGs

On the other hand, it cannot be denied that progress toward achieving the goals of the SDGs has been slow. According to the Sustainable Development Report 2024 (formerly known as the SDG Index and Dashboards)^{*3}, published in June 2024 by the international research organization Sustainable Development Solutions Network (SDSN), on average, only 16 percent of the SDG targets are on track to be met globally by 2030, with the remaining 84 percent showing limited progress or a reversal of progress. At the global level, SDG progress has been stagnant since 2020, with SDG 2 (Zero Hunger), SDG 11 (Sustainable Cities and Communities), SDG 14 (Life Below Water), SDG 15 (Life on Land) and SDG 16 (Peace, Justice and Strong Institutions) particularly off track. Reports indicate that progress in meeting the SDG targets related to food and land systems are particularly off-track. Globally, 600 million people will still suffer from hunger by 2030; obesity is increasing; and greenhouse gas emissions from agriculture, forestry, and other land use (AFOLU) account for almost a quarter of total annual global GHG emissions. It has been pointed out that among country groups, Nordic countries continue to lead on SDG achievement, with the BRICS countries making significant progress while poor and vulnerable nations lag far behind.

Similarly, The Sustainable Development Goals Report 2024^{*4} by the United Nations Department of Economic and Social Affairs in June 2024 also highlights that progress is being made – with reductions in child mortality, HIV infections, and the cost of remittances and improvements in access to water, sanitation, energy, and mobile broadband. However, based on the latest data and estimates, it provides a detailed explanation of the challenging situation the world faces in achieving the SDGs. The report concludes that scarring effects of the COVID-19 pandemic, escalating conflicts, geopolitical tensions, and growing climate chaos are hitting SDG progress hard, and with just six years remaining,

current progress falls far short of what is required to meet the SDGs. At the same time, the report highlights where action must accelerate, particularly in critical areas undermining SDG progress - climate change, peace and security, inequalities among and between countries, among others. In response to this report, the United Nations Secretary-General António Guterres warned that the Goals are facing massive headwinds. More than 4 out of 5 SDG targets are off track.^{*5}

In the country-level assessment of the aforementioned Sustainable Development Report 2024, Japan's achievement of the SDGs ranked 18th out of 167 countries, showing an improvement of three places from the previous year's lowest ranking of 21st out of 166 countries. The report evaluates the progress of each country's efforts for each of the 17 goals in the following four categories: "Achieved," "Remaining Challenges," "Significant Issues," and "Severe Issues." Of these, the five goals for which Japan was rated as having "Severe Issues" are SDG 5 "Gender Equality," SDG 12 "Responsible Consumption and Production," SDG 13 "Climate Action," SDG 14 "Life Below Water," and SDG 15 "Life on Land." This collection has not changed from last year's report. For SDG 5 "Gender Equality," the low proportion of female members in the House of Representatives and the gender wage gap continue to be cited as ongoing issues.

Trends Surrounding Gender Equality and Women's Empowerment

A major feature of 2024 was the renewed international criticism of Japan's delayed progress on gender equality.

Working Group on the issue of human rights and transnational corporations and other business enterprises prepared a report in May 2024 on its visit to Japan from July 24 to August 4, 2023 (A/HRC/56/55/Add.1: Visit to Japan)^{*6}. The report summarizes that "challenges remain concerning the business community's capacity to understand and implement human rights due diligence across value chains. The Working Group also expressed concern about the significant difficulties observed in addressing deeply embedded harmful gender and social norms, which was particularly evident in the workplace discrimination and harassment experienced by women, indigenous peoples, *Buraku* people, persons with disabilities, migrant workers and LGBTQI+ persons, among other groups."

^{*3} <https://s3.amazonaws.com/sustainabledevelopment.report/2024/sustainable-development-report-2024.pdf>

^{*4} <https://unstats.un.org/sdgs/report/2024/The-Sustainable-Development-Goals-Report-2024.pdf>

^{*5} <https://news.un.org/en/story/2024/09/1154811>

^{*6} <https://documents.un.org/doc/undoc/gen/g24/068/47/pdf/g2406847.pdf>

The report on gender equality states, "The Working Group expresses its concern about the persistent gender wage gap in Japan, as it was ranked 125 out of 146 countries in the 2023 gender gap index. Full-time female workers earn only 75.7 per cent of their male counterparts' wages. Moreover, women are frequently restricted to roles involving assistance, temporary employment, or part-time work, resulting in limited career advancement opportunities and fewer benefits. Women account for 68.2 per cent of non-regular workers, earning only 80.4 per cent of what their male counterparts earn." The report also states, "the current underrepresentation of women in executive management, at merely 15.5 per cent of employed individuals, remains a concerning trend that demands greater attention from the government and the private sector. Reports of women being denied promotions and worrying cases of sexual harassment highlight the need to promote gender diversity in leadership and decision-making roles." Furthermore, while the government's introduction of one of the world's most generous paternity leave provisions marks another positive step in addressing gender inequality in the workplace, the low uptake (17.13 per cent in 2022) falls significantly short of the government's goal of achieving a 50 per cent ratio by 2025. Concurrently, addressing concerns about instances of pregnant women facing job dismissals requires immediate attention."

The final observations of the Committee on the Elimination of Discrimination against Women (CEDAW), an expert body established by the United Nations Human Rights Council, regarding the ninth periodic report of Japan on the implementation of the Convention on the Elimination of All Forms of Discrimination against Women,^{*7*} were published on October 29, 2024. In its final observations, the Committee notes with concern that "no steps have been taken to revise article 750 of the Civil Code requiring married couples to use the same surname, which in practice often compels women to adopt their husbands' surnames, the provision in the Family Register Law concerning the discriminatory description in relation to birth notification for children born out of wedlock has been retained." In addition, regarding Employment, the Committee "notes with concern: (a) That the gender pay gap remains wide, which is partly attributable to the inadequate enforcement of the principle of equal pay for work of equal value and continued horizontal and vertical segregation in the labour market; (b) That the share of women in management roles is just 15 per cent, which is well below the 30 per cent target set by

the State party; (c) That the vestiges of the two-track employment management style have resulted in the concentration of women in low-paying clerical positions and part-time or lower-paid work, including in the informal economy, owing to their family responsibilities, which affects their pension benefits, as well as that there are persistent reports of discrimination based on maternity and childbirth."

Japan's Response and the Current Situation in the Banking Sector

In Japan, the government has set priorities for efforts to "Further promote active participation by women in companies, etc.," "Further advance initiatives to increase women's income and achieve their economic empowerment," "Realize a society that can safeguard individual dignity, as well as safety and peace of mind," and "Further accelerate initiatives to promote gender equality and the empowerment of women." As part of this, in June 2024, the government decided on "The Basic Policy on Gender Equality and Empowerment of Women 2024 (The Intensive Policy for Gender Equality and the Empowerment of Women 2024)."^{*9} Additionally, in terms of systems, in May 2024, the Act on Childcare Leave/Caregiver Leave and the Act on Advancement of Measures to Support Raising Next-Generation Children were amended, and measures were introduced, such as "Measures to achieve flexible ways of working according to the age of children," "expanded disclosure obligations regarding the ratio of men who take childcare leave and enhanced measures of the Act on Advancement of Measures to Support Raising Next-Generation," and "enhanced support enabling employees to balance work with caregiving". Additionally, it was indicated to consider expanding the obligation to publish pay differences between men and women under the Act on the Promotion of Women's Active Engagement in Professional Life to general employers with 101 to 300 regular employees, based on the implementation status. As such, gender equality is the greatest challenge for achieving the SDGs in Japan, and there is a strong expectation for the public and private sectors to collaborate in promoting its advancement.

The Japanese Bankers Association conducts an annual survey on SDG and ESG initiatives among its member banks. A survey conducted regarding the initiatives as of the end of July 2024 (with responses from 113 banks) expanded questions related to diversity.

^{*7} <https://www.mofa.go.jp/mofaj/files/100752116.pdf>

^{*8} https://www.gender.go.jp/international/int_kaigi/int_teppai/pdf/report_241030_j.pdf (Japanese only)

^{*9} https://www.gender.go.jp/english_contents/pdf/241001.pdf

The results of the survey revealed that many challenges regarding gender equality remain in Japan's banking industry.

Firstly, the ratio of female officers (on average) among member banks remains at 8.8%. Only 10 banks (9%) have set KPIs for the ratio of female officers. The ratio of female managers (on average) among member banks is 20.0%. Furthermore, the results show that only 14 banks (12%) have set KPIs for addressing the gender wage gap. The Act on the Promotion of Women's Active Engagement in Professional Life stipulates in Article 4 (Responsibilities of Employers): "Employers must, pursuant to the fundamental principles, endeavor to implement themselves the active provision of opportunities regarding working lives for women workers whom they employ or intend to employ, establish an employment environment that contributes to both the working and family lives of the workers to be employed, and other initiatives for the promotion of women's active engagement in professional life, and cooperate with the measures for the promotion of women's active engagement in professional life implemented by the national or local governments." Therefore, in the Japanese banking industry, further strengthening of efforts is required.

Policy Trends Related to GX (Green Transformation)

In 2024, progress was made in Japan regarding GX (Green Transformation).^{*10} Given that over 150 trillion yen in public and private GX investments will be required over the next 10 years, the government will implement investment promotion measures over the long term. Based on the Act on the Promotion of a Smooth Transition to a Decarbonized Growth-Oriented Economic Structure (GX Promotion Act), the government plans to issue 20 trillion yen of "GX Economy Transition Bonds." Additionally, the GX Economic Transition Bonds (and their refinancing bonds) are set to be redeemed by fiscal year 2050 by using the revenue from fossil fuel levies and specific business operator contributions. On February 14, 2024, the first auction was held for individual securities called Japan Climate Transition Bonds. Five auctions (including reopenings) were held in 2024, with the total amount raised reaching 2.6485 trillion

yen.^{*11} In the Japanese banking sector, several banks have made investments in these government bonds, with some banks voluntarily making investment declarations.

On July 1, 2024, the GX Acceleration Agency (Organization for the Promotion of Decarbonized Growth Economic Structure Transition) began its operations. The Agency will provide financial support, such as loan guarantees, based on financial support standards. Specifically, when facilitating the social implementation of new GX technologies, the organization will identify the risks that cannot be fully covered by private financial institutions and it will provide risk supplementation for those portions. Its capital is 10.98 billion yen (as of May 15, 2024), and several banks from the Japanese banking sector are investors.

Trends Surrounding the Transition Plan

In 2024, "climate transition plans" garnered global attention. A climate transition plan is an action plan where an organization describes its strategy to transition all its processes, operations, and business models to meet its public commitments within a specified timeframe. This plan is a vehicle for providing stakeholders with the details behind how an organization will achieve their GHG reduction targets and the implications to the organization's business model, strategy, and financials.^{*12}

In the UK, which has been working on the introduction of such climate transition plans from early on, the Treasury established the Transition Plan Taskforce (TPT) in March 2022. This initiative brought together leaders from industry, academia, and regulatory authorities to develop best practices for disclosing transition plans in both the financial sector and the wider economy. The taskforce released The final Report of the Transition Plan Taskforce on October 31, 2024^{*13}, and concluded its activities. In the meantime, documents on information disclosure frameworks, sector-specific guidance, legal considerations for transition plans, and technical mappings to various standards and frameworks were developed. From June 2024, the IFRS Foundation took over responsibility for disclosure-specific materials from the TPT.

^{*10} "Green Transformation" is a term unique to Japan that was created specifically for policy purposes. In February 2022, the government adopted this term in the "GX League Basic Concept" by the Ministry of Economy, Trade, and Industry's Industrial Technology and Environment Bureau, and it was also featured in the name of the GX Implementation Council, which was established in July. At the first meeting of the council, it was explained that the GX Implementation Council would examine the necessary measures for executing GX (Green Transformation), with the goals of transitioning the fossil fuel-centric economic, social, and industrial structure, which has existed since the Industrial Revolution, to one centered around clean energy and also reforming the entire socio-economic system.

^{*11} <https://www.mof.go.jp/jgbs/topics/JapanClimateTransitionBonds/index.html> (Japanese only)

^{*12} <https://www.epa.gov/climateleadership/climate-transition-planning>

^{*13} <https://tpn.global/wp-content/uploads/2024/11/Final-Report-Progress-Achieved-and-the-Path-Ahead-TPT.pdf>

Additionally, the European Financial Reporting Advisory Group (EFRAG), the body responsible for developing and supporting the implementation of the European Sustainability Reporting Standards (ESRS), released the Implementation Guidance (draft) on Transition Plan for Climate Change Mitigation^{*14} on November 4, 2024. This guidance is designed to assist companies reporting under the ESRS in accordance with the Corporate Sustainability Reporting Directive (CSRD). On November 13 of the same year, the International Organization of Securities Commissions (IOSCO) released the "Report on Transition Plans Disclosures,"^{*15} stating that disclosures of transition plans disclosures can support the objectives of investor protection and market integrity. It emphasizes the need for a series of coordinated actions, particularly for ensuring consistency and comparability. Where transition plans are published, encouraging consistency and comparability through guidance on transition plan disclosures, alignment of guidance on transition plans disclosures as key so that investors can understand and compare information across different jurisdictions, even though national transition plans requirements may differ.

In Japan, the TCFD Consortium, a voluntary organization, published the "Transition Plan Guidebook"^{*16} on August 30, 2024. The guidebook characterizes transition plans as "decision-useful information that provides the clearest possible picture of how a company can balance value creation with the transition to a low-carbon, decarbonized society," which makes it a distinctive document.

Transition plans not only clarify the path for banks to achieve their greenhouse gas reduction targets toward net zero, they also serve as an important source of information when engaging with corporate clients and others. From this, it can be said that there should be an increasing focus on discussions and trends regarding the structural requirements of transition plans, both domestically and internationally, moving forward.

The Polarization of the Financial Industry and the Stance Expected from the Japanese Banking Sector and Individual Banks

The International Institute of Finance (IIF), which is composed of commercial banks, investment banks, asset management companies, insurance companies, sovereign wealth funds, hedge

funds, central banks, and development banks (approximately 490 institutions globally), published a staff report in September 2024 titled "Resetting the debate on the role of private finance in the net zero transition."^{*17} The report states that "many policymakers, regulators, and civil society actors have focused significantly on the role of the financial sector, and in particular, on regulated private financial institutions." It further explained, "While the financial industry is strongly supportive of global climate goals, it is an enabler of the transition—not its sole driver. The success of financial sector efforts to support the real economy transition remains fundamentally contingent on real economy dynamics; private sector financial intermediation can only support economic transformation if the business case for transition investment is strong, demand for transition finance is evident, and market signals are clear." The report expresses concern over the view that financial institutions can and should drive action in the real economy, stating that it "overestimates the capacity of financial institutions to influence client, counterparty, and investee company decision-making. Not only is it not feasible for FIs to steer real economy decarbonization, it is also not appropriate."

In October 2024, a study commissioned by the UK Treasury and the Department for Energy Security and Net Zero, which was conducted by The City of London Corporation, titled "Scaling Transition Finance: Findings of the Transition Finance Market Review" was published.^{*18} The study pointed out that the global green finance flows to technologies such as wind, solar, batteries, and electric vehicles have grown to around US\$1.3 trillion annually; however, this only represents a fraction of the US\$8.4 trillion needed each year until 2030 to support the global transition. The UK, as a major financial center, is assessed to have the potential to lead transition finance in supporting both domestic and global decarbonization efforts.

In this way, it became clear in 2024 that there are two distinct views within the financial industry. In 2025, a new administration will be established in the United States, which is skeptical of climate change measures and hesitant about international cooperation. The stance on initiatives related to the SDGs and ESG will likely be reassessed for both the Japanese banking sector as a whole and individual banks.

^{*14} <https://www.efrag.org/system/files/sites/webpublishing/Meeting%20Documents/2410151235139050/04-02%20-%20Transition%20Plan%20IG%20V1.7.5.pdf>

^{*15} <https://www.iosco.org/news/pdf/IOSCONEWS747.pdf>

^{*16} https://tcfd-consortium.jp/pdf/news/24083001/Transition_Plan_Guidebook_J.pdf (Japanese only)

^{*17} https://www.iif.com/portals/0/Files/content/Regulatory/32370132_iif_staff_position_paper_on_net_zero_transition_final_publication.pdf

^{*18} <https://www.theglobalcity.uk/PositiveWebsite/media/Research-reports/Scaling-Transition-Finance-Report.pdf>

The JBA's 2024 SDG-Related Publications

1. Further Promoting of Member Banks' SDG/ESG Initiatives	
Publication of JBA's SDGs REPORT 2023–2024 (final version)	https://www.zenginkyo.or.jp/news/2024/n061301/ (Japanese only)
Review of Key Initiatives Regarding SDGs by the Japanese Bankers Association, and publication of JBA's SDGs REPORT 2024–2025 (preliminary version)	https://www.zenginkyo.or.jp/news/2025/n031403/ (Japanese only)
2. Fulfilling the Role Expected of the Banking Industry in Achieving a Sustainable Society, such as a “Just Transition” to Carbon Neutrality/ Net Zero Emissions by 2050	
JBA comments on the EBA Consultation Paper: “Draft Guidelines on the Management of ESG Risks”	https://www.zenginkyo.or.jp/fileadmin/res/abstract/opinion/opinion360417.pdf
JBA comments on the “Draft Standards for Financial support operations by the GX Acceleration Agency”	https://www.zenginkyo.or.jp/fileadmin/res/abstract/opinion/opinion360606.pdf (Japanese only)
JBA comments on the BCBS Discussion Paper: “The Role of Climate Scenario Analysis in Strengthening the Management and Supervision of Climate-Related Financial Risk”	https://www.zenginkyo.or.jp/fileadmin/res/abstract/opinion/opinion360742.pdf
JBA comments on the “Exposure Drafts of Sustainability Disclosure Standards to be applied in Japan”	https://www.zenginkyo.or.jp/fileadmin/res/abstract/opinion/opinion360730.pdf (Japanese only)
JBA comments on the “Revised Green Bond and Sustainability-Linked Bond Guidelines 2024 (Draft)” and the “Revised Green Loan and Sustainability-Linked Loan Guidelines 2024 (Draft)”	https://www.zenginkyo.or.jp/fileadmin/res/abstract/opinion/opinion360819.pdf (Japanese only)
Updated “JBA Eco-Map”	https://www.zenginkyo.or.jp/news/2024/n100901/ (Japanese only)
JBA comments on the “Draft GX2040 Vision”	https://www.zenginkyo.or.jp/fileadmin/res/abstract/opinion/opinion370134.pdf (Japanese only)
JBA comments on supplemental guidance “Nature in Net-Zero Transition Plans” workstream consultation paper by the Glasgow Financial Alliance for Net Zero (GFANZ)	https://www.zenginkyo.or.jp/fileadmin/res/abstract/opinion/opinion370144.pdf
JBA comments on the TNFD discussion paper on nature transition plans	https://www.zenginkyo.or.jp/fileadmin/res/abstract/opinion/opinion370141.pdf
JBA comments on the UK Green Taxonomy consultation	https://www.zenginkyo.or.jp/fileadmin/res/abstract/opinion/opinion370206.pdf
JBA announces “Carbon Neutrality Initiative 2025”	https://www.zenginkyo.or.jp/en/news/2025/031401/
JBA comments on the Taxonomy Delegated Acts amendment	https://www.zenginkyo.or.jp/fileadmin/res/abstract/opinion/opinion370325.pdf
Enhancement of Information on the climate change dedicated website	https://www.zenginkyo.or.jp/news/2025/n033103/ (Japanese only)

3. Implementing Activities for Regional Economic Revitalization and Local Invigoration	
Survey Results on Regional Revitalization Initiatives Among Member Banks	https://www.zenginkyo.or.jp/fileadmin/res/abstract/efforts/contribution/sousei/sousei_202502.pdf (Japanese only)
4. Improving the Financial Literacy of Japanese People by Promoting Financial Literacy Education Activities	
Commissioning Tottori Prefectural Tottori Central Ikuei High School as a "Designated School for Financial and Economic Education Research" for FY2024	https://www.zenginkyo.or.jp/news/2024/n061701/ (Japanese only)
Commissioning Tottori Prefectural Tottori Koryo High School to conduct "Educational Activities to Prevent Special Types of Fraud" for FY2024	https://www.zenginkyo.or.jp/news/2024/n061702/ (Japanese only)
Results of the "Material Support Project" for Addressing Child and Youth Poverty Targeting Members of the JBA and the Japan Securities Dealers Association	https://www.zenginkyo.or.jp/news/2025/n031901/ (Japanese only)
5. Promoting Wider Access to Finance and Financial Services for the Elderly and Other Users	
JBA comments on the "Draft Guidelines for Lifelong Support Service Providers for the Elderly and Others"	https://www.zenginkyo.or.jp/fileadmin/res/abstract/opinion/opinion360517.pdf (Japanese only)
6. Promoting Digitization and Providing Safe, Secure, and Highly-Convenient Financial Services	
Summary of discussions (Zengin-Net Experts Meeting, Task Force for the Next-Generation Payment Systems, and ZEDI Utilization and Promotion Working Group) and Zengin-Net Research Report	https://www.zengin-net.jp/zengin_net/epm_tf/ (Japanese only)
Establishment of the "Task Force for the Next-Generation Payment Systems" and related working groups in FY2024	https://www.zengin-net.jp/announcement/pdf/announcement_20240418.pdf (Japanese only)
Setting and Implementing a Month for Strengthening Digital Settlement and Accounting Operations	https://www.zenginkyo.or.jp/news/2024/n101801/ (Japanese only)
Fundamental Initiatives Based on Interim Evaluations of the Digitization of Bills and Checks – Abolition of Bill and Check Exchange at Electronic Exchange Starting from FY2027	https://www.zenginkyo.or.jp/news/2025/n032601/ (Japanese only)
Online Seminars Regarding the Full Digitization of Bills and Checks and densai light	https://www.densai.net/support/seminar/ (Japanese only)
Implementation of the "Month for the Promotion of densai" (November 2024)	https://www.densai.net/info/20241018-9396/ (Japanese only)
Announcement of the Release of "densai light"	https://www.densai.net/info/20241118-9871/ (Japanese only)
Request for the Promotion of Electronic Payment of Taxes and Public Dues	https://www.zenginkyo.or.jp/news/opinion/2024/103101/ (Japanese only)
7. Implementing Measures to Prevent Financial Crimes and Money Laundering, and Actions to Meet FATF Recommendations	
Establishment of the "Financial Crime Eradication Promotion Month"	https://www.zenginkyo.or.jp/news/2024/n11501/ (Japanese only)
Cross-Industry Publicity Campaign on Financial Crime Prevention	https://www.zenginkyo.or.jp/news/2024/n121001/ (Japanese only)
8. Expanding Initiatives in Light of Trends Regarding Human Rights and Diversity	
Efforts to Protect Human Rights (Human Rights Maxims Contest and Seminars on Human Rights and the Issues of Discrimination against Social Minorities Based on Descent)	https://www.zenginkyo.or.jp/abstract/efforts/contribution/human-rights/# (Japanese only)



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