

Protecting Global and Regional Environments



Hyakugo Forest

Aiming for a sustainable, recycle-based society, the Bank has been engaged in forest conservation activities since 2006. To date, we established “Hyakugo Forest” at four locations in Mie Prefecture, and planted approximately 3,100 saplings with participating executives, employees, and their families.

In addition, in May 2018, we partnered with Mie Prefecture, the town of Taki, and an NPO for the fifth Hyakugo Forest (in Niu, Taki-cho). To date, executives and new employees of the Bank participated twice in forest conservation activities, such as forest maintenance and path maintenance.

Summary of forest conservation activities



| Date | Activity | Location | Plant/tree number | Participants |
|-------------------------------|---|--|-------------------------------------|--------------|
| October 2006 April 2016 | Tree planting Additional tree planting | Geino-cho, Tsu (Shakujo Lake area) | Broad-leaved trees Total 580 | Total 216 |
| October 2008 November 2014 | Tree planting Additional tree planting | Hakusan-cho, Tsu (Aoyama Highland) | Broad-leaved trees Total 645 | Total 210 |
| November 2010 May 2017 | Tree planting Clearing undergrowth | Misugi-cho, Tsu (Next to Michi-no-eki Misugi) | Broad-leaved trees Total 550 | Total 277 |
| February 2013 March 2015 | Tree planting Additional tree planting | Higashitoyohama-cho, Ise (Artificial coastal bank) | Japanese black pines Total 1,340 | Total 427 |
| May 2018 April–May 2019 | Forest maintenance Path maintenance | Niu, Taki-cho (Mountain forest) | — | Total 155 |

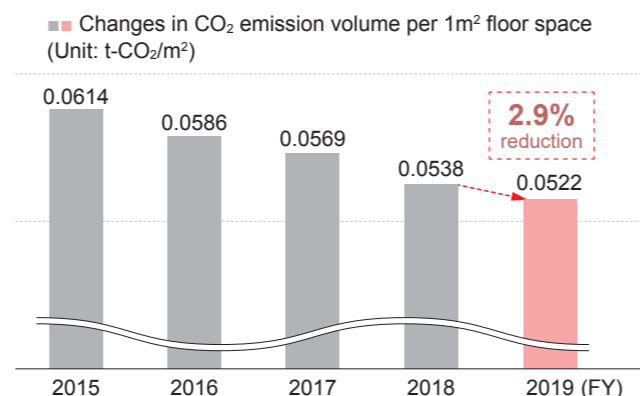


Initiative for CO₂ Emission Reductions

Under independently formulated environmental conservation action plans, the Bank has set forth a target to reduce the volume of electricity consumption by not less than 1% compared with the prior fiscal year, and it has been taking initiative to save energy in the course of its daily business.

In addition to measures to save energy on the facilities side, such as installment of LED lighting at cash corners and branch offices, other measures including the reduction of overtime work hours through work-style reforms resulted in a 2.9% decrease in CO₂ emissions per square meter compared with the prior fiscal year.

CO₂ emissions



Hyakugo SDGs/ESG loans “Sustainable 105”

In order to offer financial support for corporate and self-employed customers engaged in environmentally-friendly management, we launched the Hyakugo environmentally rated loan program “Eco Frontier” in 2010.

As of the end of September 2019, a cumulative total of 210 deals totaling ¥32.7 billion in financing were made. In October 2019, we newly launched the Hyakugo SDGs/ESG loans “Sustainable 105,” which expanded the merchantability of “Eco Frontier.”

The new financial product offers preferential interest rates based on the rating evaluation in accordance with the SDGs and ESG initiatives of each corporate or individual customer.

Through our primary business, the Bank will make efforts to achieve the SDGs such as environmental conservation, together with our stakeholders in the region.

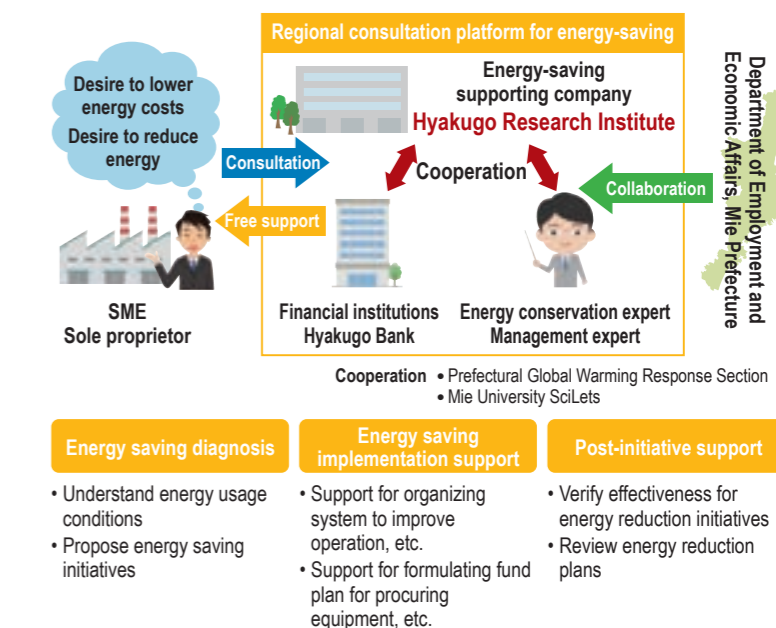


Managing regional platform creation project for energy-saving consultations

Hyakugo Research Institute, one of our group companies, participates in the regional platform creation project for energy-saving consultations by the Ministry of Economy, Trade and Industry, and serves as an energy-saving consultation counter across the entire regions of Mie Prefecture. Specifically, it offers a wide range of support (free of charge) in accordance with each phase of the entire energy-saving initiatives. This includes identifying SMEs who want to work on energy-saving initiatives, performing energy-saving diagnostics, and follow-up on initiatives including proposals for operational improvements and capital investment.

The Institute worked on six cases in FY2018, and 14 cases in FY2019, helping to resolve issues related to cost and lack of human resources with expertise, which have become hurdles in tackling energy-saving initiatives. It has been promoting initiatives to achieve environmental friendliness through energy reduction efforts, in addition to helping to improve substantive profit.

Initiatives of Hyakugo Research Institute Company Limited



Energy-saving success story

(1) Food company

By overhauling the setting of multiple boilers with different performance and prioritizing the operation of highly-efficient boilers while terminating the operation of useless ones, reduction of utility costs by ¥4.60 million per year was anticipated.

(2) Casting refractory manufacturing company

Improvements to unbalanced usage of intake/exhaust fans for drying process were expected to reduce utility costs by ¥0.84 million per year as a result of reduced fan operations. In addition, there was an improvement in the working environment by removing odor.