

Basic Policy Increased Awareness of SDGs/ESG

Key Strategy SDGs/ESG Strategy

We will contribute to the solution to social issues as members of local communities by strengthening the SDGs/ESG initiatives.

Approach to sustainability

The Hyakugo Bank Group links the SDGs to its corporate activities and management strategies based on the “Hyakugo Bank Group SDGs Declaration,” which was published in 2019, and works to achieve a sustainable society by maintaining a balance between resolving social issues in the region and developing the economy. Through the steady implementation of the Medium-term Management Plan, “Gateway to the Future II”, we will improve our corporate value by creating economic, social, and environmental value. At the same time, we will remain committed to being “a trusted and reliable bank.”

Process of determining key issues (materiality)



Hyakugo Bank Group SDGs Declaration

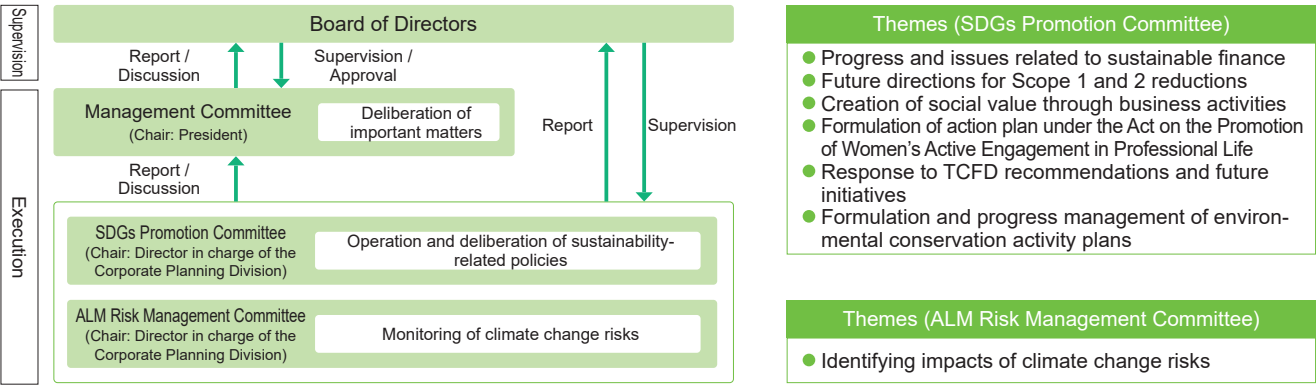
| Theme | Key issues (materiality) | Action policy | SDGs |
|-------------|---|---|------|
| Environment | Protecting Global and Regional Environments | <ul style="list-style-type: none">Contribute to realization of a sustainable global environment by supporting businesses leading to environmental preservation and a reduction in environmental burdens.Undertake forest preservation and energy-saving activities to help preserve the regional environment and raise awareness. | |
| Society | Creating a Regional Economy | <ul style="list-style-type: none">Offer financial services meeting various challenges and issues of customers, and contribute to creating regional economy.Offer advanced financial services, support local companies to enhance added value and help customers with high-quality asset formation. | |
| | Sustainable Development of Regional Societies | <ul style="list-style-type: none">Sensitively clarify issues and needs of regional societies, and contribute to their sustainable development through business activities and social contribution activities.Actively engage in education for children who will become responsible for the next generation, and contribute to the achievement of vibrant regional societies. | |
| | Promoting Diversity | <ul style="list-style-type: none">Maximize human talent based on a work environment where diverse work styles are possible, and seek to improve job satisfaction.Contribute to creating a society that allows for diversified career formation. | |
| Governance | Strengthening Business Management Systems | <ul style="list-style-type: none">Enhance and review the risk management and compliance systems for higher transparency of corporate management. | |

How does Hyakugo Bank define “region”?
● Mie Prefecture, where our headquarters is located. ● Aichi Prefecture, which has strong economic ties with and is adjacent to Mie Prefecture.
● Shingu City, Wakayama Prefecture, which has integrated with the Higashi Kishu area of Mie Prefecture.

Sustainability Governance System and Policies

Governance system

- The Hyakugo Bank Group established its Environmental Policy, Human Rights Policy, and Sustainable Investment and Loan Policy as sustainability-related policies and, united as a Group, is working to promote initiatives that contribute to solving environmental and social issues. In particular, the Hyakugo Bank Group is strengthening its responses to climate change based on the approach of the TCFD (Task Force on Climate-related Financial Disclosures) Recommendations.
- The SDGs Promotion Committee meets once every three months to discuss progress and issues related to responses to sustainability, including climate change. In addition, climate change risks are reported to the ALM Risk Management Committee as appropriate, in consideration of their importance.
- The SDGs Promotion Committee and the ALM Risk Management Committee are chaired by the Director in charge of the Corporate Planning Division, in consideration of their relevance to management strategies. These Committees are supervised by way of reporting the matters for deliberation to the Board of Directors each time they convene.



Environmental Policy

- With the awareness of the impacts of its business activities on the environment, climate, and living things, the Hyakugo Bank Group continues to work on responses to climate change, environmental conservation activities, and biodiversity conservation to mitigate its impact on the environment on a regional and global scale.

For the “**Environmental Policy**,” please scan the QR code on the right.
<https://www.hyakugo.co.jp/kankyo-houshin/>

Human Rights Policy

- The Hyakugo Bank Group recognizes that respect for human rights is a basic issue to be addressed for the development of various activities and respects the human rights of its officers and employees and of its customers. The Group also asks its stakeholders not to violate human rights and works together with local communities to resolve human rights issues.

For the “**Human Rights Policy**,” please scan the QR code on the right.
<https://www.hyakugo.co.jp/jinken-houshin/>

Sustainable Investment and Loan Policy

- To conduct responsible investment and loans as a lender of funds, the Hyakugo Bank Group will comply with the Hyakugo Bank Credit Policy before actively promoting investment and loans in businesses and other enterprises that have a positive impact on the environment and society, as exemplified below.

| | |
|---|---|
| <p><Environment></p> <ul style="list-style-type: none">Energy-saving and renewable energy businesses that reduce climate change risksResponse to companies' transition to a decarbonized society | <p><Social></p> <ul style="list-style-type: none">Business creation, creation of innovation, and business succession that contribute to the sustainable development of the regional economyBusinesses that contribute to the maintenance and development of social infrastructure and to disaster prevention and mitigation in the regionEnhancement of medical care, welfare, and education in response to issues such as population aging and the declining birthrate |
|---|---|

- We established a policy that sets forth our approach to investments and loans in businesses that are considered to have a significant impact on the environment and society and are taking appropriate measures. These businesses include coal-fired power generation businesses, businesses that involve logging and burning forests, businesses involving the manufacture of weapons of mass destruction and non-humanitarian weapons, and businesses involved in human rights violations such as forced labor.

For the “**Sustainable Investment and Loan Policy**,” please scan the QR code on the right.
<https://www.hyakugo.co.jp/sustainable-houshin/>

SDGs/ESG Initiatives

Contributions to local sustainability

Initiatives to support SDGs management

As SDGs initiatives have permeated through to companies in the region, it has become important for those companies to recognize how they themselves are addressing social issues. Hyakugo Bank provides consulting services to support our customers in their efforts to fundamentally tackle the SDGs

Our consulting services include:

- ① Holding seminars and workshops to understand SDGs
- ② Provision of SDGs assessments based on our original checklist and support for the formulation of SDGs declarations to present specific initiatives
- ③ Support for setting targets (KPIs) for the SDGs Declaration

In this way, we provide total support for our customers to advance their SDGs initiatives in a fundamental way.

SDGs assessment and SDGs declarations preparation services

| | |
|-------------------|---|
| Eligible persons: | Customers who intend to fundamentally tackle the SDGs |
| Service details: | <p>Make the status of SDGs initiatives visible with our original evaluation methods</p> <ol style="list-style-type: none"> (1) Diagnose the status of SDGs initiatives Identify matters that have already been addressed and matters that should be strengthened in the future from the perspective of the SDGs (2) Feedback of diagnosis results Feedback through a diagnosis report (3) Preparation of SDGs declaration Prepare an SDGs declaration that includes future initiatives based on diagnosis results and discussions with customers |

Number of companies that have prepared SDGs declarations **55***

* Cumulative total from April 2022 to March 31, 2024

Topics

Holding workshops with SDGs card game

Hyakugo Bank is placing efforts into developing greater understanding and penetration of the SDGs throughout entire companies. We promote workshops that use hands-on card games to familiarize not only company executives but also employees with the SDGs.



Voices of participants

- I felt that it was important to focus not only on my own interests but also to work in collaboration and cooperation with the people around me to tackle the SDGs.
- It changed the way I look at the SDGs.
- Thanks to the card game, I now communicate more with other departments, and it has also had a positive impact on my work.

Participation in Global Money Week

We support the intentions of Global Money Week, an international awareness campaign to promote financial education and financial inclusion for children and youth. In March 2024, we participated in this event as we did in 2023.

As one of our main activities during Global Money Week, we held a financial literacy course to teach high school students the kind of basic financial knowledge that they will need one day as working adults. With employees of Hyakugo Bank and Hyakugo Securities Company Limited serving as lecturers, this course was held for 275 first-year students of Yokkaichi Technical High School and 420 first-year students of Takada Senior High School. Specifically, the course explained the importance of establishing a life plan and of building assets. Feedback received from participants included comments such as 'It gave me a renewed sense that money will play an important part in my life going forward. When I go out to work, I will

be careful so that I do not fall into difficult circumstances due to a lack of money,' and 'I will always think about how much money I have and how I can increase it as I live my life.' Hyakugo Bank has been engaged in financial and economic education since 2002. As the Hyakugo Bank Group, we will continue to actively engage in education for young people who will lead the next generation and to contribute to the achievement of vibrant regional communities.



Global Money Week

Global Money Week, which began in 2012, is a global awareness-raising campaign for the promotion of financial and economic education and financial inclusion for children and youth. This campaign began in 2020 and is run by the International Network on Financial Education (INFE), which has its secretariat in the Organization for Economic Cooperation and Development (OECD). During the campaign, various organizations from around the world hold events to promote financial and economic education for children and young people. Global Money Week 2024, the 12th GMW to be held, focused on the theme of "Protect your money, secure your future." In Japan, it took place from Friday, March 1 to Sunday, March 31.



Conservation of biodiversity and formation of a circular economy

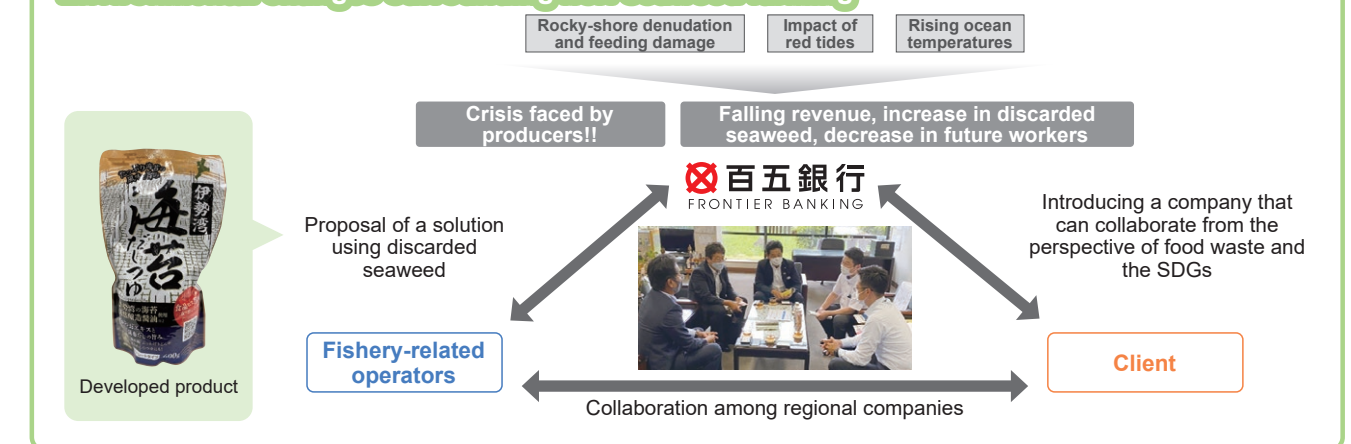
Achieving upcycling of *nori* seaweed through export support

In our efforts to support exports, Hyakugo Bank refers to the provision of practical support that goes beyond conventional frameworks as "ultra-accompanying support." In the course of our ultra-accompanying support activities for exports of fishery products, we received an inquiry from a customer about ideas for making use of *nori* seaweed that would otherwise have to be discarded. Meanwhile, we were also providing support to a client seeking to export seasonings such as soy sauce, so we made a proposal for the development of a hot pot soup base made with *nori*. Following a kick-off meeting in August 2022, after about a year of discussions and production of prototypes, "Seaweed-stock Soup Base" was launched for sale at super-

markets in September 2023. This product is now also being exported overseas. A collaboration between two Mie businesses endeavoring to export their products resulted in the creation of a new product and also led to the conservation of marine resources.

With speedy solutions made possible precisely because we are a regional financial institution with a detailed understanding of our customers' businesses in Mie, which faces the sea, we will strive to conserve marine resources that are precious and important in terms of both the environment and the regional economy.

Environmental changes surrounding *nori* seaweed farming



Initiatives for biodiversity conservation through "Hyakugo Forest"

Hyakugo Bank has been participating in the Company Forest program since 2006 in the belief that, through matching with forest owners, our participation will lead to forest conservation activities in the prefecture and, by extension, initiatives for the protection of the global environment and the conservation of biodiversity. The Bank owns two Hyakugo Forests in Haku-san-cho (Aoyama Kogen) in Tsu City and Niu in Taki-cho. In September 2023, as part of our training programs, 61 new recruits participated in forest improvements and walking trail development at Hyakugo Forest in Taki-cho together with the staff of a local NPO.

The participants worked hard to remove fallen trees and clean up walking trails while being briefed on the role of forests, their impact on the natural environment, and carbon offsets by the staff of local NPO, Miyagawa Shinsengumi. The participants also learned firsthand about the hard work of forestry workers by observing trees being cut with chainsaws.

Waste recycling initiatives with closed-loop recycling

Since September 2022, Hyakugo Group company, Hyakugo Kanri Service, has been engaging in closed-loop recycling in cooperation with a paper manufacturer and a recycling operator. Closed-loop recycling is a recycling method in which documents that have reached the end of their retention period are recycled into toilet paper for use by the Bank.

In FY2023, 200,000 rolls of recycled toilet paper were produced from 32 tons of waste paper, contributing to 647 fewer trees being felled and a reduction in CO₂ emissions of approximately 48 tons per year.

We will continue to contribute to the realization of a sustainable circular economy through closed-loop recycling initiatives.

Toilet paper produced through closed-loop recycling
200,000 rolls



CO₂ emissions
48 tons

= Number of trees that would absorb this amount of CO₂ per year
647