

Initiatives for ESG/SDGs

- The Bank expressed its support for the TCFD recommendations in June 2021. It now contributes to resolving climate change issues.



The Hyakugo Bank Group SDGs Policy



(Hyakugo Bank Group Sustainability Policy)

The Hyakugo Bank Group will contribute to the achievement of a sustainable society by setting the SDGs as important indicators for both the resolution of regional social challenges and achievement of economic development, and linking these SDGs to the Group's corporate activities.

























Expresses its support for TCFD recommendations in June 2021

- To scenario analysis on risks and opportunities of climate change
- Consider setting indicators and targets in both risks and opportunities of climate change

Accelerate discussions at the SDGs Promotion Committee



Relationship between five factors of materiality, Action Policy and SDG targets

Materiality	Action policy	SDGs
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 	     
Creating regional economy	<ul style="list-style-type: none"> Offer financial services meeting varied challenges and issues of customers, and contribute to creating regional economy Offer advanced financial services, support local companies to enhance value-added and help customers to accumulate quality wealth 	    
Sustainably developing regional societies	<ul style="list-style-type: none"> Sensitively clarify issues and needs of regional societies, and contribute to their sustainable development through business and community activities Actively committed to education of children that will be responsible for the next generation, and contribute to the achievement of vital regional societies 	      
Promoting Diversity	<ul style="list-style-type: none"> Maximize personnel potential based on a work environment having diversity and inclusion, and seek to improve employment satisfaction Contribute to creating a society allowing diversified career formations 	  
Strengthening business management systems	<ul style="list-style-type: none"> Constantly review and enhance the risk management and compliance systems for higher transparency of corporate management 	

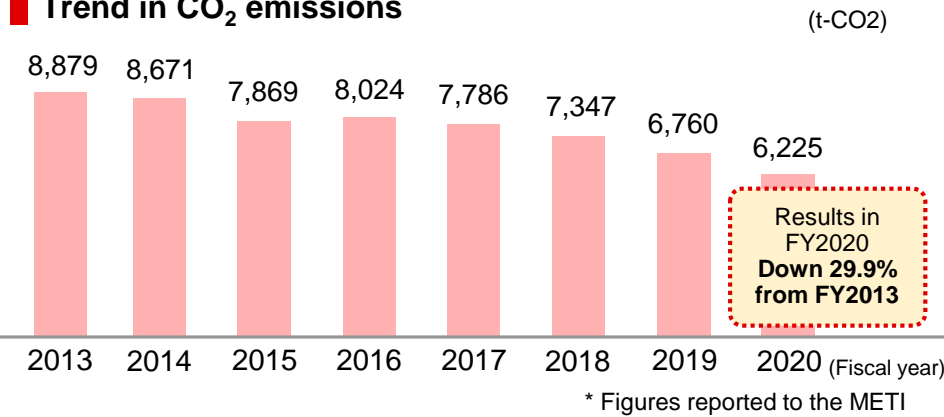


● Environment: Initiatives with higher environmental awareness



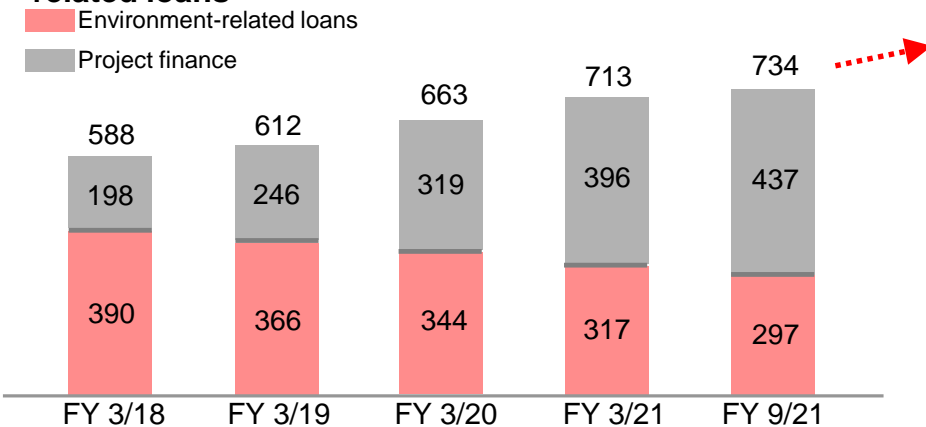
The Bank's initiatives for environment preservation

Trend in CO₂ emissions



Efforts through its main, financial services

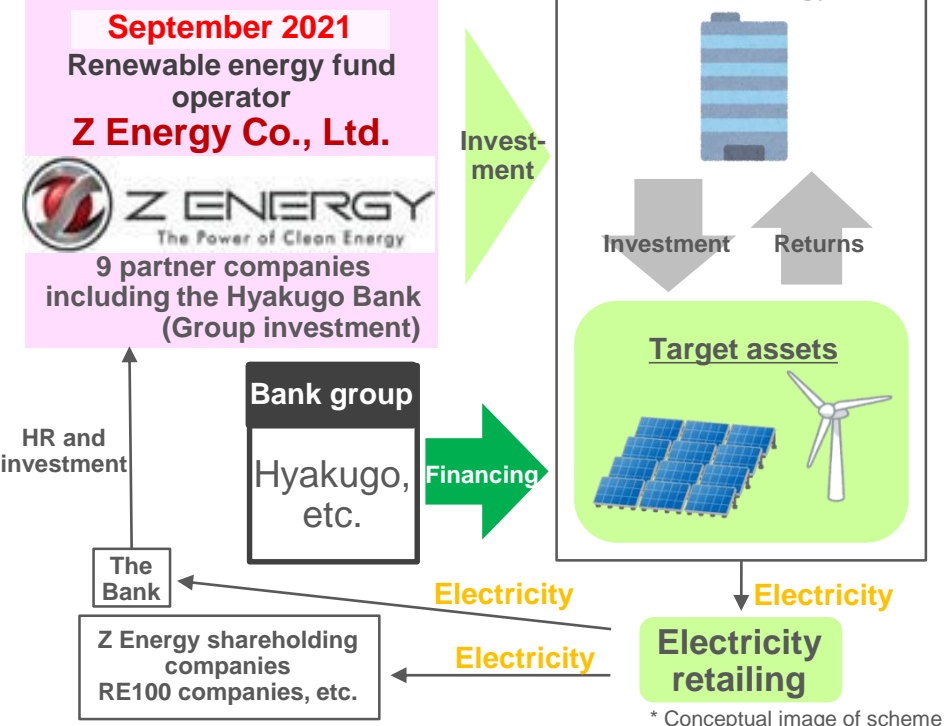
Trends in balance of renewable energy-related loans



* Renewable energy-related loans are a sum of those for solar power, biomass, and wind power generation

Participation in renewable energy fund

Efforts in the renewable energy power generation business

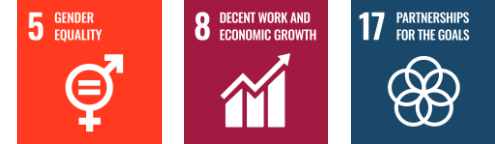


This scheme covers the entire process from the production of renewable electricity to consumption by partner companies and related parties

Active contribution to climate change issues



● **Social: Initiatives for sustainable development of regional societies**



Promoting Diversity

Creating workplaces of diversity and building an organization where workers are motivated and feel a sense of unity

The Bank is awarded highest 3-star “Eruboshi” certification



— The Bank provides active career support for women

- Appoints women as branch managers at a pace faster than the average for regional banks. (Ratio of women in posts equivalent to or higher than branch head as of the end of March 2021: average for 62 regional banks: 7.5%, the Bank: 10.0%)
- Expands the range of positions available to female employees and effectively utilizes its human resources.
- Has established a Diversity Promotion Department to provide proactive career support to female employees.

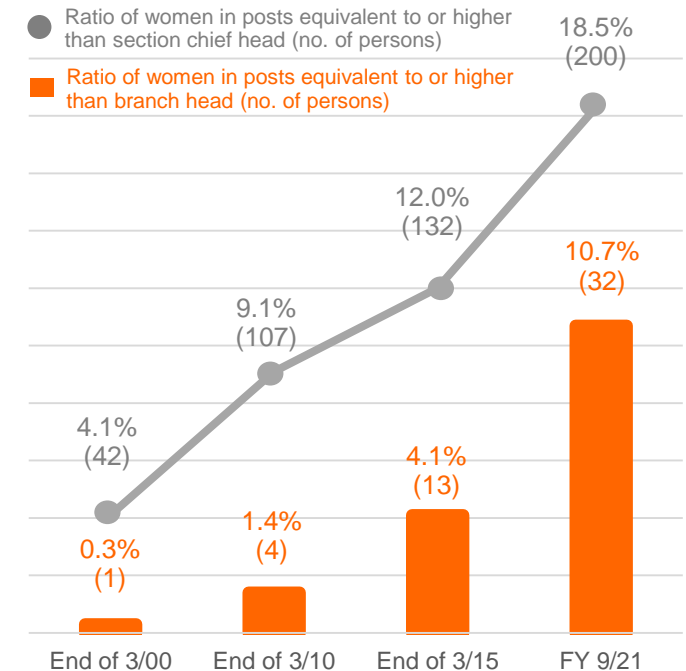
The Bank is awarded “Platinum Kurumin” certification



— The Bank has established an environment for a good work and family life balance, which exceeds legal requirements

- The period of childcare leave is extended until the child is 3 years old.
- The period of shorter working hours is extended to the beginning of the 4th year of elementary school.
- Partnerships with company-led daycare centers
- Encouraging male employees to take childcare leave

Trend in the ratio of female managers



The Hyakugo Bank is the FIRST among financial institutions in the three Tokai prefectures to be awarded both the “3-star Eruboshi” and “Platinum Kurumin” certifications by the Ministry of Health, Labour and Welfare.

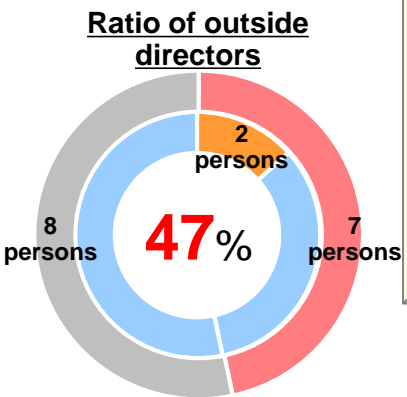
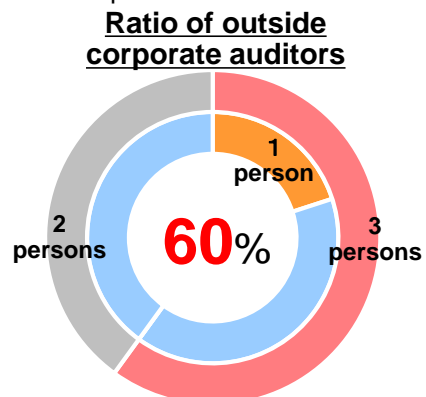
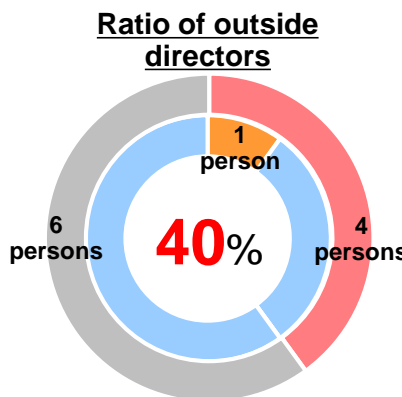


● Governance: Strengthening corporate governance

Strengthen corporate governance with selective and diversified outside directors and corporate auditors

Ratio of outside directors * As of Sep. 2021

Outside Inside Female Male



[Future policy]

A female outside director joined in June 2020. Seek further selection and diversification of outside directors and corporate auditors

* Seven outside directors and corporate auditors are all independent.

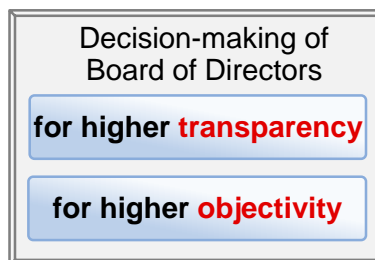
Strengthen governance with appropriate commitment and advice of outside directors and corporate auditors

Corporate governance meeting (non mandatory nomination/remuneration committee)

Chairperson is elected from among **outside directors**

Title	No. of persons
Outside directors	4
Inside directors (representative director)	2
Total	6

* The figures are as of September 2021.



[Functions]

Providing advice on the following matters to Board of Directors

- **Matters concerning candidates for directors and auditors**
- **Matters concerning remunerations, etc. to directors**
- **Other significant matters concerning management**