

“Iyogin Declaration on SDGs”

Based on our corporate credo, the Bank aims to realize a bright and prosperous local community by contributing to the achievement of the Sustainable Development Goals (SDGs) advocated by the United Nations and working to overcome social and environmental issues in the region including population decline and an aging population.

1. Local economy and community

We will expand our efforts for promoting growth in local economies and regional development, and contribute to enriching the lifestyles and developing the businesses of our customers.

2. Financial and information services

We will provide advanced, high-quality, and comprehensive financial and information services, and continue to maintain the trust and meet the expectations of our customers.

3. Strong management foundation

We will work to further strengthen and enhance our management foundation, and fulfill our social responsibilities as a regional bank.

4. Diversity and work style reforms

We will promote diversity and work style reforms, and endeavor to create an organization in which various types of human resources can actively perform their roles.

5. Environmental protection

We will actively and continuously work to reduce the environmental burden and participate in activities for environmental conservation, and endeavor to preserve and protect the natural local environment.

<Environmental Protection>

Efforts with Project Finance for Renewable Energy



[Renewable energy]

Solar power generation	14
Biomass generation	4

[Number of other environmental loans executed]

Loans relating to the interest subsidy business implemented by the Ministry of the Environment	9
Arrangement of syndicated loans for investment funds for green bonds	1

Promoting paperless

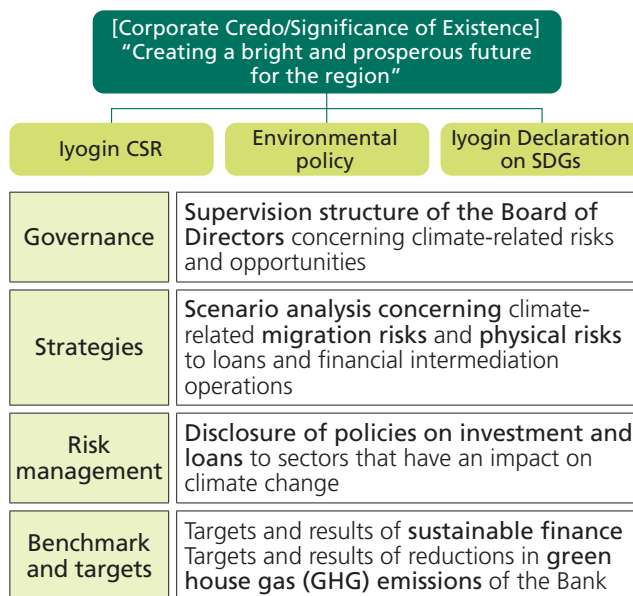
- ◆ Utilized an electronic approval system (April 2017)
- ◆ Promoted development of web databases (April 2019)
 - ➔ Digitalized application flows (123 cases)
- ◆ Introduced “CUBE” management system for properties in custody (April 2020)
 - ➔ Reduced collection slips and reception slips (11,000 books / year)



[Reduction of paper use]
Approx. 7 million sheets during the year
 ≒ approx. 600 forest planted trees

Expressed support for the TCFD Recommendations

Improving information disclosure to contribute to achieving a decarbonized society, assuming risks of climate change to customers and the Bank

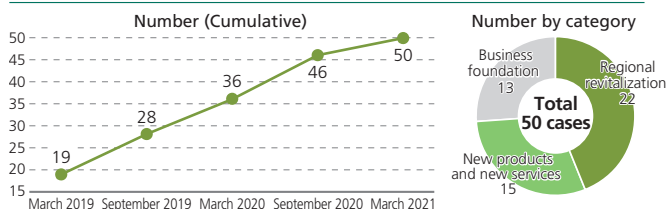


<Local Economy and Community> Business Foundation Support



Number of business foundation support	March 2019	March 2020	March 2021
Business foundation planning support	205	255	367
Of which, start-up loans (with/without Credit Guarantee Association)	93	72	301
Of which, referrals to government-affiliated financial institutions and start-up support organizations	43	50	17
Of which, venture companies registered for grants or investments	26	25	24

Crowdfunding



<Diversity and Work Style Reforms>

Change in Overtime Work under Labor Standards Act

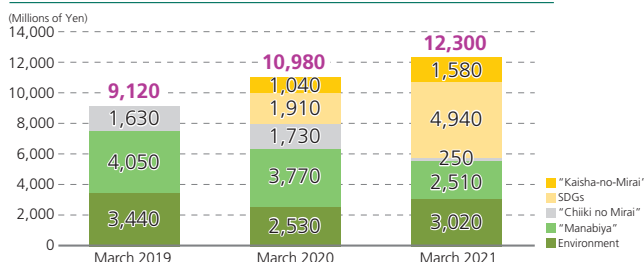


<Financial and Information Services> Iyogin SDGs Advisory Service

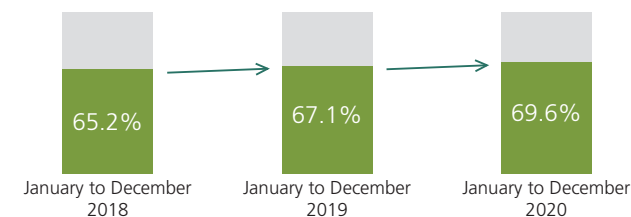


- Started operations of "Iyogin SDGs Advisory Service" in December 2020
- Number of support services provided for preparing "SDGs Declaration"
 - ➔ 18 cases (As of March 31, 2021)

ESG/SDGs Related Private Placement Bonds



Change in paid leave utilization rate



Enhancement of Employee Engagement with "wevox" Introduced

- Tool for visualizing and analyzing engagement at each office
- Improving organizational capacity and business results by implementing the PDCA cycle speedily through meetings, etc. at each office based on the results

<Governance>

Governance System



Strengthening Group Governance

Introduced the "Group Chief Officer System" from this Medium-Term Management Plan for the purpose of further strengthening the Group's management control structure

Countermeasures against Money Laundering and Terrorism Funding

<Strict customer management>

- Improving the counter reception structure
- Introducing "customer risk rating"
- Conducting "continuous customer management"

<Thorough examination and verification>

- Investigating "suspicious transactions"
- Conducting "track monitoring" for ship finance
- Monitoring overseas remittance by utilizing AI
- Investigating foreign companies based on external databases

Building Structures for AML Enhancement

- The AML Center was established at TSUBASA Alliance Co., Ltd. in October 2020. Discussions toward joint operations are promoted for more advanced, efficient, and stable AML operations.

