

Responding to Climate Change

Responding to climate change is emerging as a common concern everywhere as the world grapples with growing devastation caused by abnormal weather and large-scale natural disasters. For customers and the Bank alike, these problems are becoming factors that heavily impact both the business environment and management itself. Prompted by these conditions, San-in Godo Bank gave its endorsement to the TCFD recommendations in April 2021. Going forward, we will continue steps to strengthen our response to climate change, while moving for more sophisticated information disclosure proposed as part of the TCFD recommendations.



Governance

- We established the Sustainability Committee, chaired by the president, as a body to deliberate climate change and other sustainability-related matters, developing a structure whereby the committee reports to and is monitored by the Board of Directors.
- We established the Sustainability Promotion Office to strengthen our bank-wide SDGs/ESG initiatives, and plan and promote group-wide activities.
- We established the SDGs/ESG Promotion Working Group at San-in Godo Bank headquarters. In addition to promoting initiatives across the organization, this body regularly reports to the Sustainability Committee and Board of Directors on the status of specific initiatives regarding responses to climate change and other ESG issues.

- We hold Group Company Sustainability Liaison Meetings to share information on climate change response policies and other matters throughout the Group.
- Sustainability Committee Agendas (FY2021)

- Revised investment and loan policy based on the Sustainability Declaration (in May)
- Status of ESG-related Initiatives and Future Policies (in August)
- Set long-term goals for sustainable finance (in October)
- Policy for carbon neutrality (in December)
- Establishment of policy on purchasing activities (in February)
- Status of ESG-related Initiatives and Future Policies (in March)
- Progress of the study of entry into the electric power business (in March)

Strategy

The Group has formulated a Sustainability Declaration and has designated addressing environmental conservation, including climate change, as a priority issue for the realization of sustainable local communities. We have posited addressing climate change as one of our key management issues, and are taking steps to address both opportunities and risks.

Opportunity

Sustainable Finance Consulting Initiatives

We recognize that green finance for renewable energy projects and other projects, transition finance to facilitate the transition toward decarbonization, and consulting initiatives to assist businesses in dealing with climate change will provide opportunities for us.

Entering the renewable energy power generation business

Recognizing the challenges in the San-in region, such as the insufficient supply of renewable energy and the slow transition to decarbonized management, we have established "GOGIN Energy", a subsidiary wholly owned by the Bank, which is engaged in renewable energy power generation business. Gogin Energy Co., Ltd. will be responsible for increasing the supply of renewable energy and promoting local production for local consumption, and will be linked to regional and corporate growth strategies through the early realization of regional decarbonization and carbon neutrality, and the strengthening of the competitiveness of local companies through increased use of renewable energy.

Risk

In terms of climate change-related risk, we recognize the increased frequency of natural disasters and abnormal weather due to climate change as events that bring the risk of physical harm (physical risk), and risk associated with transitioning to a carbon-free society, particularly responding to stronger climate regulations and carbon-free technology (transition risk).

Physical risk

In this area, possible scenarios include a potential surge in credit risk as companies financed by the Bank see assets and business activities impacted by natural disasters and other issues caused by climate change, as well as operational risk these pose if Group business branches are damaged.

[Examples of physical risks]

	Physical risk
Acute	● Increased damage due to extreme weather events such as typhoons and floods
Chronic	● Change in precipitation patterns and extremes in weather patterns ● Rising average temperatures ● Rising sea levels

Transition risk

In this area, one possible scenario is significant credit risk from companies financed by the Bank if business activities are impacted by advancements in technological innovation for meeting climate regulations and curbing carbon emissions.

[Examples of transition risk]

	Transition risk
Policies and Regulations	● Increases in the price of greenhouse gas emissions (carbon tax) ● Regulations on existing products and services ● Litigation
Technology	● Shift to products and services with lower greenhouse gas emissions ● Failure to invest in new technologies ● Transition costs to low emission technologies
Market	● Changes in customer behavior ● Rising raw material prices
Reputation	● Change in consumer preferences ● Condemnation of certain sectors ● Increased stakeholder interest and negative feedback

Scenario analysis

We conduct scenario analyses to assess the impact of climate change-related risks and opportunities on our finance. These analyses assume the greatest impact on credit expenses, such as an increase in natural disasters due to climate change or the tightening of various regulations to achieve a decarbonized society.

Physical Risk

We estimated the impact of damage to collateral properties held by our bank on credit-related expenses by using multiple scenarios, including the Intergovernmental Panel on Climate Change (IPCC) scenario of 2°C or less, in terms of credit-related costs due to flood damage, which has been occurring frequently across Japan in recent years.

Risks included in the analysis	Risk of damage to collateral property (buildings) due to flooding caused by rivers overflowing owing to torrential rainfall, etc.
Targets	Credit customers that have pledged their buildings as collateral
Reference scenario	● RCP1.9 (1.5°C scenario) ● RCP2.6 (2.0°C scenario) ● RCP8.5 (4.0°C scenario) (Source: IPCC)
Period covered	Up to 2050
Result of analysis	Up to 2.8 billion yen

Transition risk

We estimated the impact of the introduction of a carbon tax as a response to climate change on the cost of credit to credit customers under multiple scenarios, including the 2°C or lower scenario of the Central Banks and Supervisors Network for Greening the Financial System (NGFS).

Risks included in the analysis	Risk of deterioration in the financial condition of borrowers due to increased costs in the event of the introduction of a carbon tax
Target	Credit customers (corporations) that have provided us with financial information
Reference scenario	● Net Zero 2050 (1.5°C scenario) ● Nationally Determined Contributions (2.0°C scenario) ● Current Policies (4.0°C scenario) (Source: NGFS)
Period covered	Up to 2050
Results of analysis	Up to 7.5 billion yen

As a result of the analysis, we estimated the maximum impact amounts by 2050 to be approximately 2.8 billion yen for the physical risk and 7.5 billion yen for the transition risk. These impact amounts are only a portion of the risks we have identified, and we will continue to work toward expanding the scope of our analysis and improving the method for calculating impact amounts.

Risk Management

Recognizing initiatives for the environment, including climate change, as one of our key management concerns, we drafted an Investment and financing policy that takes into account the Sustainability Declaration, which includes policies for responding to climate change.

We recognize the impact that physical and transition risks may pose to the Group's business lines, strategies and financial scope over the medium to long term. At San-in Godo Bank, we position risk management for maintaining management stability and soundness as our most important issue, with a risk management approach led by the Board of Directors. Going forward, we will also explore initiatives for achieving an integrated risk management process for climate-related risks.

Indicators and Targets

Reduction of greenhouse gas emissions

Indicators: Greenhouse gas emissions

Targets: 50% reduction from FY 2013 levels by FY 2023 (Scope 1 and 2)

Net zero for Scope 1 and 2 by FY2030

Net zero for Scope 1, 2, and 3 by FY2050

Results: FY2021 results 8,106t-CO₂ (FY2013 ▲35.0%) ※Consolidated basis

[Greenhouse gas (GHG) emissions, energy use, and electricity use (consolidated)]

Measurement Items		Unit	FY2019	FY2020	FY2021	
CO ₂ emissions	Scope1 (direct emissions)	Heavy oil, kerosene, light diesel oil, gasoline, city gas, propane gas, etc.	t-CO ₂	1,381	1,512	1,483
	Scope2 (indirect emissions)	Electricity	t-CO ₂	8,025	7,480	6,623
	Total (Scope1,2)		t-CO ₂	9,406	8,992	8,106
Total energy consumption (crude oil equivalent)			kL	3,860	3,959	3,838
Total energy use (calorific value)			GJ	149,594	153,423	148,752
Electricity consumption			Thousand kWh	12,752	12,917	12,511

[Greenhouse gas (GHG) emissions, energy use, and electricity use (non-consolidated)]

Measurement Items		Unit	FY2019	FY2020	FY2021	
CO ₂ emissions	Scope1 (direct emissions)	Heavy oil, kerosene, light diesel oil, gasoline, city gas, propane gas, etc.	t-CO ₂	1,324	1,457	1,424
	Scope2 (indirect emissions)	Electricity	t-CO ₂	7,786	7,229	6,361
	Total (Scope1,2)		t-CO ₂	9,110	8,686	7,785
Total energy consumption (crude oil equivalent)			kL	3,747	3,836	3,717
Total energy use (calorific value)			GJ	145,226	148,669	144,051
Electricity consumption			Thousand kWh	12,399	12,522	12,099

[Greenhouse gas (GHG) emissions (Scope 3) (non-consolidated)]

Category	Measurement Items	Unit	FY2019	FY2020	FY2021	
1	Products and services purchased	Consumable miscellaneous supplies, equipment, telephone and communication expenses, and Data communication costs, water and sewerage charges, books and publications	t-CO ₂	4,446	4,240	3,375
2	Capital goods	Assets	t-CO ₂	14,768	2,065	3,491
4	Transportation and delivery (upstream)	Postal and shipping costs, interoffice mail	t-CO ₂	1,652	1,508	1,779
6	Business trip	Business trip	t-CO ₂	246	246	250
7	Commuting to work	Commuting to work	t-CO ₂	838	853	863
Scope3			t-CO ₂	21,950	8,912	9,758

※ FY2019 capital goods are impacted by the transition of the core system.

※ The Scope 3 calculation method is based on the "Basic Guidelines for Calculating Greenhouse Gas Emissions through Supply Chains Ver. 2.4 (Ministry of the Environment, Japan, Ministry of Economy, Trade and Industry)".

※ For Scope 3 calculations, emission factors are based on the "Emission Unit Database Ver. 3.2 (Ministry of the Environment and Ministry of Economy, Trade and Industry)" for calculating greenhouse gas emissions of organizations through the supply chain.

Sustainable finance

Indicators: Amount of sustainable finance invested

Target: FY2021–FY2030 1.5 trillion yen (including 500 billion yen in the environmental sector)

Results: FY2021: 127.7 billion yen (including 45.5 billion yen in the environmental sector)

[Sustainable Finance Goals and Achievements]

	Amount invested in FY2021	Cumulative target for FY2030
Sustainable finance	127.7 billion yen	1.5 trillion yen
Environmental Sector	45.5 billion yen	500 billion yen
Of which, for renewable energy business	26.2 billion yen	—
Social Sector	82.2 billion yen	1 trillion yen

[Definition of Sustainable Finance]

Sustainable finance covers investments and loans that contribute to solving environmental and social issues that conform to international principles, government guidelines, and examples of eligible projects and uses of funds.

Sector	Business
Environmental Sector	Businesses that contribute to climate change mitigation/adaptation and consideration for the environment Examples: Renewable energy business, energy conservation business, decarbonization/low-carbon business, etc.
Social Sector	Businesses that contribute to regional economic revitalization and sustainable communities Examples: Basic infrastructure development, essential services, job creation, etc.

Status of Carbon-related assets (Loan balance)

Carbon-related assets as a percentage of the Bank's loans outstanding as of March 31, 2022 are as follows

Carbon-related assets	Ratio
Energy	2.2%
Transportation	8.4%
Materials & Buildings	13.4%
Agriculture, food and forestry products	5.0%

※ Loans to renewable energy projects are excluded.

Initiatives to Reduce Environmental Impact

Initiatives to save energy and electricity

Starting in FY2021, we are measuring greenhouse gas emissions for the entire group, including consolidated subsidiaries.

[Greenhouse gas (GHG) emissions, energy use, and electricity use (consolidated)]




Measurement Items			Unit	FY2019	FY2020	FY2021
CO ₂ emissions	Scope1 (direct emissions)	Heavy oil, kerosene, light diesel oil, gasoline, city gas, propane gas, etc.	t-CO ₂	1,381	1,512	1,483
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Setting recommended cooling and heating temperatures in-house, we are careful not to make excessive adjustments. We encourage “Cool Biz & Warm Biz” and have introduced business casual attire at the branches and office casual attire at the headquarters so that employees can spend their time comfortably under appropriate room temperatures. At each branch, we are considering and implementing energy-saving and power-saving measures that each and every employee can take.

Commitment to energy creation

Electricity used at some branches is partially covered by solar power generation equipment having been introduced at these locations as part of our “initiatives to lessen our environment impact.”

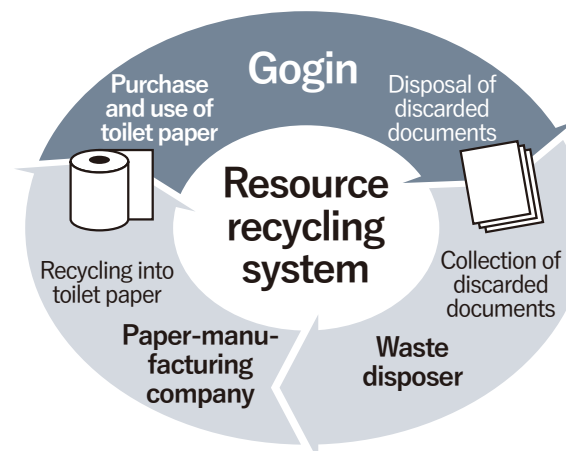
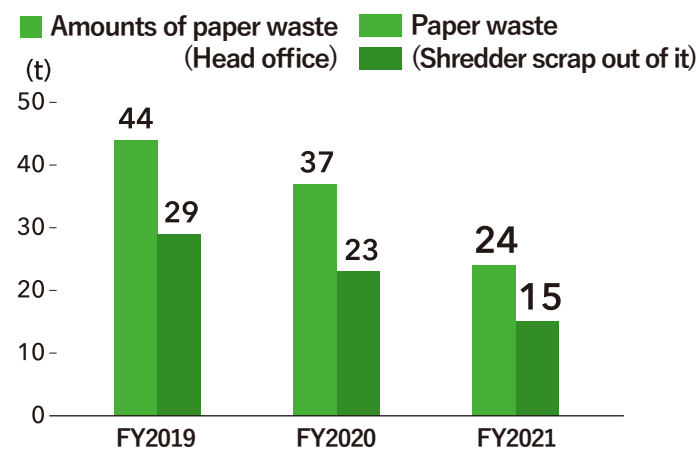
Toward realizing zero or low carbon, consideration is also underway to proactively adopt this equipment at branches, etc., that will be newly constructed or renovated in the future.

Yonago Branch ● Location: Yonago City, Tottori Prefecture ● Panel output: 10 kWh 	Kita Branch ● Location: Matsue City, Shimane Prefecture ● Panel output: 7.5 kWh 	Shimane-idaidori Branch ● Location: Izumo City, Shimane Prefecture ● Panel output: 10 kWh 
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Commitment to going paperless

We are striving to reduce the use of “paper” in all business operations by proceeding with digitalization in-house and enhancing the environment in which operations can be performed without using “paper.”

We are engaged in resource recycling such that most of the paper waste generated at the Head Office is discarded through a waste disposer and is recycled into toilet paper.



Policy regarding purchasing activities

Basic Concept

With the aim of creating a sustainable society, the San-in Godo Bank Group is committed to environmentally and socially responsible purchasing of goods and services, including office supplies, information systems, and outsourced services necessary for business activities (hereinafter referred to as “purchasing activities”). In addition, we will disclose this policy to the public and work together with suppliers of goods, services, and other commodities (hereinafter referred to as “suppliers”).

- (1) Fair selection of suppliers**
We will strive to select suppliers fairly, based on quality, service content, price, reliability, compliance with laws and regulations, respect for human rights, and efforts to consider the environment.
- (2) Compliance with laws, regulations and social norms**
We will comply with laws, regulations and rules, and strive to conduct purchasing activities based on high ethical standards.
- (3) Respect for human rights**
In our purchasing activities, we will respect basic human rights, give due consideration to occupational health and safety, and strive to do business with suppliers who do not engage in human rights abuses such as unfair discrimination, forced labor, and child labor, and purchase goods and services from them.
- (4) Environmental considerations**
We will strive to protect the environment and reduce environmental impact in our purchasing activities.
- (5) Collaboration with suppliers**
We will seek cooperation from our suppliers and collaborate with them to implement environmentally and socially responsible purchasing practices throughout our supply chain.
- (6) Building partnerships**
We aim to build relationships of trust with our suppliers and work together with them to achieve sustainable growth.

Environmental Protection Activities in Collaboration with the Region

Nihon no Mori wo Mamoru Chiho Ginko Yushi no Kai (2008~2021)

(volunteer association of local banks protecting Japan's forests)

~San-in-originated initiatives for forest conservation activities by the Bank are developing into a nationwide campaign~

This volunteer association, inaugurated in 2008, has for the last 14 years, until 2021, worked to share know-how and information on activities tackled by each bank in order to widen the scope of forest conservation and environmental protection activities nationwide. The Bank served as secretariat from its inception, and reached the point where 64 regional banks across Japan joined as members, of which 49 banks started forest conservation activities. In recent years, while “SDGs” aiming at a sustainable society by solving not only environmental problems but also wide-ranging issues have attracted worldwide attention, this association was disbanded in February 2021 as it was decided to transfer the role having been fulfilled by the association to the “sub-committee on PR & SDGs” of the Regional Banks Association of Japan evolutionally.



Initiatives in cleanup activities, etc., in the region “Nationwide Cleanup Movements”

As part of 「Chisana Shinsetsu (Small Kindness)」 Movement activities, we carry out coastline cleanup activities on a yearly basis in 18 locations in both Shimane and Tottori Prefectures hand in hand with the people of the region.



Initiatives to conserve the water quality of Lake Shinji

Reed-cutting volunteer activities (2013~)

With support the activities being undertaken by Shinji-ko Mizu Kankyo Kaizen Kyogikai (Lake Shinji Water Environment Improvement Association) for the purpose of purifying the water of Lake Shinji, and participate in reed-cutting volunteer activities. Reeds function to make water clean, but those that wither in winter are left as deposits and become sludge at the bottom of the Lake. Cutting reeds prevents the nitrogen and phosphorus absorbed in them from flowing out into the lake again.

We use name cards made of reed paper.



Joined the Initiative based on the Declaration of Biodiversity by Keidanren (June 2022)

Having endorsed the Declaration of Biodiversity by Keidanren formulated by the Keidanren Committee on Nature Conservation and Keidanren, we joined the Initiative based on the Declaration of Biodiversity by Keidanren. The purpose of this declaration is to promote corporate management that recognizes the importance of biodiversity. As a corporation, we endorse this declaration and are committed to protecting irreplaceable ecosystems and passing on the richness of nature and its blessings to future generations.



Declaration of Biodiversity by Keidanren

- (1) Management Responsibilities**
We aspire to manage our business in harmony with the activities of nature toward the realization of a sustainable society.
- (2) Global Perspective**
Acting with a global perspective on the biodiversity crisis
- (3) Voluntary efforts**
Voluntary and steady commitment to actions that contribute to biodiversity
- (4) Environmentally integrated management**
Promote environmentally integrated management
- (5) Creation of regions utilizing natural capital**
Have a reverence for nature and contribute to the creation of local communities through the use of natural capital
- (6) Partnership**
Collaborate and cooperate with related organizations in Japan and abroad
- (7) Environmental education and human resource development**
Taking the initiative in environmental education and human resource development to create a society that fosters biodiversity

Contribution to Sustainability as a Financial Institution

Sustainable finance

Examples of Initiatives **Gogin Sustainability Linked Loan** Contract signed with Yamato Juken Co., Ltd. (June 2022)

Yamato Juken Co., Ltd. (Kobe City, Hyogo Prefecture, residential construction business) develops their own brand of healthy and comfortable housing with a focus on natural solid materials, and their own brand of products with higher confidentiality, insulation and energy-saving performance. In November 2018, Yamato Juken Co., Ltd. announced the "Yamato Juken SDGs Declaration," placing SDGs initiatives at the core of its management.

■ Sustainability goals set by Yamato Juken Co., Ltd.

Sustainability Goals	Percentage of ZEH
Targets	80%

The company has received a 6-star rating, the highest rating possible for a ZEH builder. The company has also received numerous awards and is highly regarded as a top runner in the field of energy-efficient housing.

※ZEH (Net Zero Energy House) is a house that aims to achieve an annual primary energy consumption balance of zero by achieving substantial energy savings and introducing renewable energy, etc.

Examples of Initiatives **Gogin Green Loan** Agreement signed with Heisei Electric Co., Ltd. (March 2022)

Heisei Electric Co., Ltd. (Osaka City, Osaka Prefecture; renewable energy power generation business) has made environmental and other SDG initiatives a core part of its management, including its own fleet of approximately 40 solar power plants.

■ Use of Proceeds

Purchase of solar power plants

The Company has obtained a second opinion from Rating and Investment Information, Inc. on the conformity of this transaction with the Green Loan Principles 2021 and the Ministry of Environment's Green Loan and Sustainability Linked Loan Guidelines 2020.

Eco-friendly products

Through the provision of eco-friendly products, etc., we support our customers' environmentally friendly initiatives.

Preferential interest rates for housing loans

We offer preferential interest rates for purchasing or building new homes using lumber produced in Shimane and Tottori Prefectures.

Gogin SDGs Private Placement Bonds

In step with responding to clients' diverse financing needs, San-in Godo Bank, with the achievement of SDGs objectives in mind, handles private placement bonds in partnership with their issuing companies to support initiatives linked to solving regional issues.

Initiatives for Regional Contribution through Time Deposit Campaigns

■ Cheering on the region

~ Let's energize San-in! Serving regional industry and rediscovering the charm of the San-in region! ~

● Gogin Natsu-Toku Time Deposit Campaign (June 6, 2022 - September 30, 2022)

In order to encourage the people of the region during the COVID-19 pandemic, we conducted a campaign where participants could win San-in's specialties in a drawing. As campaign prizes, San-in's delicious things were adopted to cheer on the regional industry, which also provided opportunities for customers who have made deposits to rediscover the deliciousness of the San-in region.

■ Environmental conservation

~ Protecting the irreplaceable nature of the region ~

● Gogin Waku-Waku Time Deposits Campaign (December 9, 2021 - March 31, 2022)

The Bank contributed an amount equivalent to 0.01% of the total amount of time deposits to the Daisen-Oki National Park and San-in Kaigan National Park conservation organizations through the Oki Islands Geopark Management Bureau.

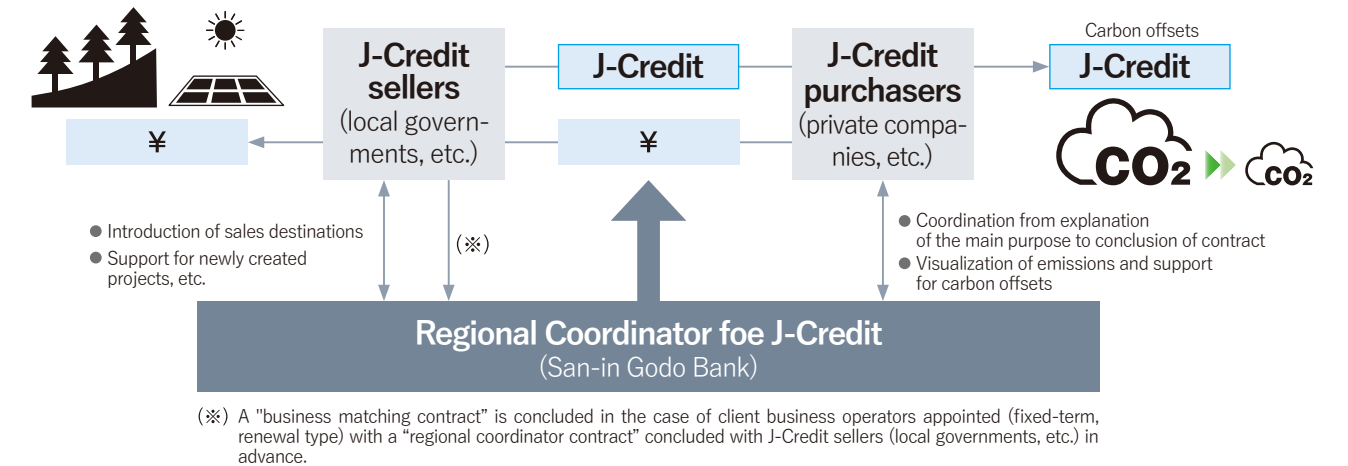
Amount donated **782,719 yen**

Support for clients' initiatives to reduce CO₂ emissions

■ Initiatives for carbon offsets through the Utilization of San-in-originated "J-Credit"

San-in Godo Bank has engaged in supporting the utilization of J-Credit created by local governments and forestry business operators, etc., for many years. Early on in the promotion of these initiatives, we brokered sales of J-Credits derived from the absorbed amounts of greenhouse gases by proper maintenance and management of hometown forests, but in February 2020, we also started to broker sales of J-Credits derived from the amounts of greenhouse gas emissions reduced through the installation of residential solar electric generation facilities, and we now contribute to promoting regional environmental protection together with clients by supporting a wider range of carbon offsets through the utilization of J-Credit.

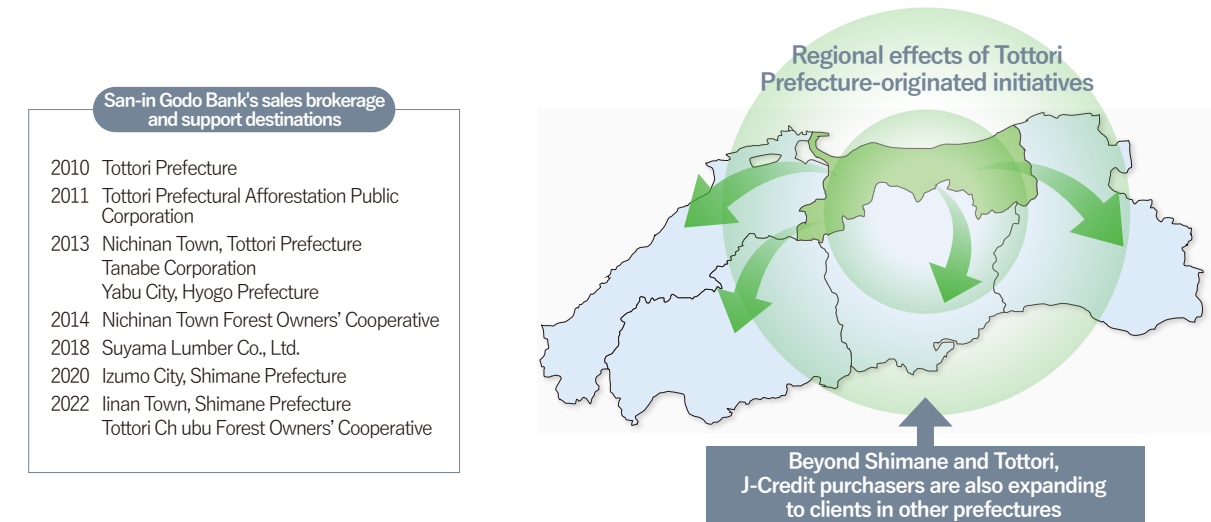
Investments in new carbon dioxide sinks and reduction projects



Sales brokerage and support

Triggered by support for designing the "J-Credit Regional Coordinator System," which was established by Tottori Prefecture in 2010, the adoption of the system has rippled through Tottori Prefectural Afforestation Public Corporation; Nichinan Town, Tottori Prefecture; as well as Yabu City, Hyogo Prefecture, and other municipalities. In addition, through the utilization of the business matching structure, we started sales brokerage of J-Credits created by client forestry business operators, and in FY2022, we added two new destinations, we now support sales of J-Credits at ten destinations as well.

In recent years, there is now a well-established recognition that contribution to the achievement of SDGs and practice of ESG management towards the realization of carbon neutrality/carbon-free society are extremely important for strengthening corporate management bases and gaining new revenue opportunities. In response to such changes in the external environment, inquiries regarding the purchase of J-Credits from clients and about the creation of J-Credits from local governments, etc., are increasing, to which we offer advice.



As part of the initiatives toward the achievement of SDGs by practicing ESG/carbon-free management, the number of clients who purchase J-Credits are expanding not only in the San-in region of Shimane and Tottori, but also in the Sanyo and Kansai regions. In FY2021, we recorded record-high sales support of 2,504t-CO₂, and as a result of steady progress in the current fiscal year, our sales results exceeded 8,000t-CO₂ in August 2022. We can actually feel the growing interest in J-Credits as specific initiatives by clients to address environmental protection and climate change.

Extensive Support for the Region through Relationship Banking Activities

Regional revitalization and local regrowth

We contribute to local regrowth, striving to revitalize the region by making the utmost use of our management resources and solving regional issues, such as growth of regional industries and job creation.

Support for sustainable town development

We contribute to the formation of a sustainable regional society through active participation in regional social capital improvement projects.

Conclusion of PPP agreements with MLIT

Under "PPP agreements" we concluded with the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) in FY2018, we hold seminars for local municipalities and private companies, and provide individual consultations. We are the only financial institution partner in the Chugoku region.

PPP (Public-Private-Partnership)

Execution of this concept is based on providing government-led public services through a collaborative effort between the government and diverse constituent entities; a general term for public-private collaborative methods, including outsourcing to private sectors, PFI, designated administrator system, privatization, regional cooperation, and industry-academia-government collaboration.

Origination of financing for PPP/PFI businesses

We contribute to improving public infrastructure that supports a sustainable society by providing proactive financial support, capitalizing on the PPP/PFI-related expertise and know-how we have accumulated.

PFI (Private-Finance-Initiative)

Execution of this concept is based on construction, maintenance management, operations, etc., of public facilities being performed by utilizing the management know-how, technical capabilities, funds, etc., of private businesses.

Examples of Initiatives Origination of financing for PFI business ~Izumo City New Gymnasium Development and Operation Business~

Izumo Arena Partners Co., Ltd., a PFI project implemented by Izumo City, through syndicated project financing in collaboration with regional financial institutions, with San-in Godo Bank as the lead arranger.

Image courtesy of Azusa Sekkei Co., Ltd.



Initiatives toward solving regional issues

We promote collaboration between client companies and local governments, aiming at sustainable development for both parties.

Promotion of regional revitalization through utilization of a corporate of furusato nozei

We concluded "partnership agreements" with local business operators, aiming at solving regional issues as well as regional revitalization through the utilization of a corporate version of furusato nozei (hometown tax payment).

Currently, we have concluded contracts with three municipalities in Shimane Prefecture and seven municipalities in Tottori Prefecture for the "corporate version of furusato nozei support service".

*"corporate version of furusato nozei support service" is a service that provides various types of support to contracting municipalities for effective utilization of the corporate version of furusato nozei through the Regional Problem Solving Platform.

【Contracting municipality】

Shimane Prefecture: Yasugi City, Iinan Town, Tsuwano Town
Tottori Prefecture: Kurayoshi City, Sakaiminato City, Kofu Town, Misasa Town, Nanbu Town, Nichinan Town, Yazu Town

Initiatives for solving social issues

We are working to promote and expand the use of PFS (Pay for Success)/SIBs (Social Impact Bonds), which are attracting attention as a new public-private partnership scheme aimed at solving social issues faced by local communities. In July 2022, we made an investment in the largest fund for SIBs in Japan, creating a structure that can provide a stable supply of project funds to SIBs implemented by municipalities in the San-in region.

In addition, in July 2022, we signed a "Memorandum of Understanding for Social Impact Bond Research" with Matsue City, and will actively consider the use of SIBs to solve social issues in the future.

Examples of Initiatives PFS/SIB promotion seminar in collaboration with Shimane Prefecture

In September 2022, we held the first "PFS/SIB Promotion Seminar" in San-in region, jointly with Shimane Prefecture, to promote understanding among local government officials and other concerned parties and to build momentum for project formation. At the event, Results-Based Business Promotion Office of Cabinet Office provided an overview of the program and local governments in Shimane Prefecture gave presentations on their initiatives.

We also took the stage to speak on "The Role of Regional Financial Institutions in PFS/SIBs" and provided information on its support menu.



Support for founding and new business development

We support the creation of business models originating from San-in field to regional resource utilization and solutions to regional issues.

Commercialization of intellectual property and research seeds of universities ~Support for university-originated venture businesses~

In January 2015, San-in Godo Bank established two funds designed to provide financial and managerial support for university-originated venture businesses: Shimane University Industry-Academia Collaboration Fund, and Tottori University Industry-Academia Collaboration Fund. To date, we have invested ¥1,953 million in a total of 10 projects, supporting the commercialization of venture businesses that utilize patents and other intellectual property, as well as research results, held by Shimane University and Tottori University.

Sowing new business seeds in San-in region ~SAN-IN Innovation Program (SIP)~

From FY2018 to FY2019, we launched the "SAN-IN Innovation Program (SIP), a program to spur creative business ideas based on wants yet to evolve into needs, as well as raise the bar on "outside-the-box" business concepts. To date, 12 businesses (including the establishment of 7 companies) have been launched as a result program. In bringing business concepts to life, we provide continuous support for business commercialization, taking advantage of regional economic ecosystem functions made possible through industry-government-academia-finance and other collaborations.

Examples of Initiatives Advanced workcation program utilizing stress science through industry-academia-government collaboration

The "Matsue-style Workcation Program," defined as "work" and "communication", is being promoted by a consortium established through industry-academia-government collaboration.

The establishment of Workat Inc. as the consortium's secretariat was supported by the SAN-IN Innovation Program, which helped create and realize the business concept.

Examples of Key Initiatives by Financial Institutions and other Contributing to Regional Revitalization

This initiative was selected and commended in the "Examples of Key Initiatives by Financial Institutions and other Contributing to Regional Revitalization (FY2021). We are selected for the fifth time in four consecutive years, and the most awarded in the financial institutions in Chugoku region.

Deeper relationships with local governments

We promote operational reforms, including greater efficiency and digitalization in government administrative affairs, and regional revitalization through government-private sector collaboration.

Support for local government to promote digital transformation ~Partnership agreements with local governments~

In September 2021, we concluded "partnership agreements" with Nanbu town, Tottori Prefecture for the purpose of realizing a sustainable regional society and administrative services by building a digital society. We will accelerate digitalization in the region and town office and contribute to improving resident services through a collaborative effort between Nanbu Town with the "Digital Promotion Section" newly established for the local government to put into digital transformation practice and San-in Godo Bank with "promotion of digital transformation" raised as a strategic field in its medium-term management plan.

In September 2022, we also concluded "partnership agreements" with Nichinan Town, Tottori Prefecture, to expand our municipal digital transformation initiatives.

Supporting the development of sales channels for regionally products ~Planning and running of Regional Trading Company TOTTORI Co., Ltd.~

In October 2017, "Regional Trading Company TOTTORI Co., Ltd.," was established to sell outside the region farm and marine products as well as processed foods mainly in the eastern part of Tottori Prefecture, to solve issues faced by producers and revitalize the region. San-in Godo Bank has played a central role from the establishment stage to the present by providing support such as lobbying the government and support organizations, making equity investments, dispatching personnel, and introducing suppliers and sales channels.

Providing clues to solving regional issues ~Start of initiatives for smart agriculture~

In October 2021, we concluded collaboration agreements with the Chugoku-Shikoku Branch of Yanmar Agri Japan Co., Ltd., for the purpose of solving issues in the agricultural field by introducing smart agriculture to realize sustainable agriculture.

With an increasing level of seriousness in issues related to the agricultural field, such as a decline in the farming population due to aging and a shortage of successors, as well as expansion of abandoned farmland, we will strive to solve such issues through the utilization of cutting-edge farm machines and smart agriculture using data in collaboration with producers and local public organizations.



In Hamada City, Shimane Prefecture, we are conducting a demonstration experiment in organic agricultural products.

Resolving issues of our business partners through business support activities

In order for clients to grow and continue business, we provide support to our clients in solving their issues, improving added value, and growing their businesses, and contribute to regional economic revitalization.

Approach to the problem of human resource shortages

Concerning the problem of human resources shortages in local SMEs, we provide support in every way.

Response to many management issues as a member of the management ~On site consulting~

We perform "on site consulting" to support execution with our staff stationed full-time at client sites.

Securing human resources with advances skills ~Recruitment consultancy service~

We enhance the sustainability of the region through response to the problem of shortages of human resources in areas where population is declining and support for securing managers and skilled professionals. While work styles are diversifying, we connect urban professional personnel and local companies to support business growth.

Examples of Initiatives Second job personnel support production process improvement and productivity enhancement

One of our clients was experiencing a rapid increase in order volume as a result of successful sales promotion strategies, and product production was not keeping pace. We needed to improve the production process and increase productivity, so we proposed to make drastic improvements with the help of our expert personnel. Therefore, the client signed a contract with a person who could actually visit the factory and provide guidance. The client is considering having the person work as the core of production management in the future.

(Management issues)

- Expansion of new plant
- Improved productivity through shorter delivery times and reduced costs

(Contracted personnel)

- A person in his 50s, who has experience in manufacturing technology and development, including equipment design and process improvement related to production, as well as consulting experience in improving productivity and quality in the manufacturing industry.

Support for construction of personnel systems that promote growth of employees ~Personnel consulting~

While diverse work styles and initiatives for productivity improvement are drawing attention as the "work-Style Reform Laws" were enforced sequentially from April 2019, we started providing a "personnel consulting" service in June 2021.

A personnel system realizes corporate development as it promotes the growth of employees by defining the personnel qualities sought after by the company itself, objectively evaluating the employees in consideration of the definition, and appropriately reflecting the evaluation in remuneration. We will support clients in constructing personnel systems, contributing to sustainable development of the regional economy.

Providing services that contribute to business stability and development ~Gogin Manager Club Service~

Gogin Manager Club Service provides users with the latest management information and services that contribute to business stability and development. In cooperation with Nikkei Business Publications, Inc., from July 2022 we began offering the Nikkei Business e-edition and an unlimited access to more than 200 seminars and training videos to deliver even more useful information for management.

Lectures and seminars achievements	Period	No. of participants
● Gogin New Year Lecture	2022.1	688
● Gogin Human Resources Utilization Seminar	2022.2	92
● Gogin SDGs Seminar	2022.5	519
● Invoice System & Electronic Bookkeeping Law Seminar	2022.6	738
● Seminar on mandatory anti-harassment measures	2022.7	104

Examples of Initiatives Invoice System & Electronic Bookkeeping Law Seminar

With the introduction of the invoice system in October 2023 and the revision of the Electronic Bookkeeping Law in January 2022, the environment surrounding accounting operations will change dramatically. We held the seminar as an effort to help clients resolve issues related to the invoice system and the Electronic Bookkeeping Law.

In total, more than 700 clients participated in the three days of the event. Of those who responded to the survey, approximately 100 clients expressed interest in support by the Bank. Based on the results of the survey, we will proceed with support tailored to the challenges faced by our clients.

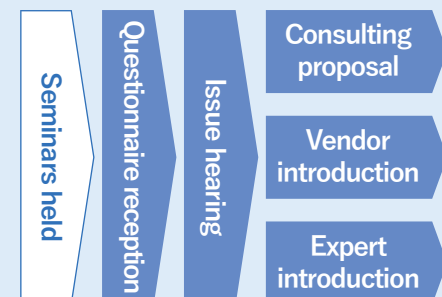
Personnel consulting menu

- Analysis of current situation (Summarization of issues in the design and operational aspects of the existing personnel system, employee satisfaction survey)
- Construction of ranking system
- Support for transition to a new system
- Construction of evaluation system
- New system operations support
- Construction of a wage system

Service Menu

- Lectures, Seminars and Workshops
- Book Services (information magazine mailing service)
- Nikkei Business e-edition
- Contents for viewing
- Information Services
- Comprehensive compensation system

Flow after Invoice Seminar



Gogin Mirai Academy (Workshop for next generation managers)

Inaugurated in September 2019, this workshop program for the next generation and next leaders included "Creating Uniforms as a Recruitment Strategy" in the first phase and "Creating a Logo for Small and Medium Enterprises" in the second phase. The theme of the third phase is "Building Original SDGs Activities," and through Mirai Academy, we aim to expand the circle of change among our clients and the community, and grow together.



In August 2022, a booklet summarizing the workshop's activities, results, and reason for existence was published.

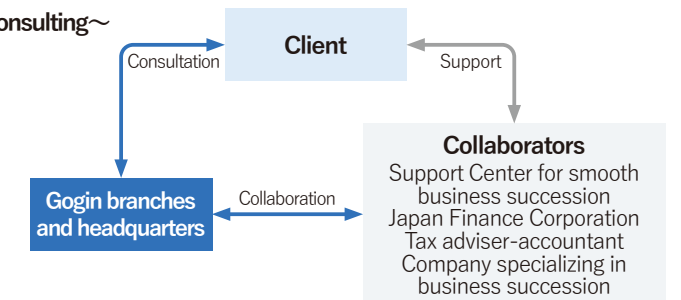
Initiatives for corporate sustainability

With respect to successor and business continuity problems, we support smooth business succession and management improvement.

Supporting corporate development and continuation by smooth business succession ~Business succession consulting~

As a result of conducting a survey on the status of "business succession" with about 1,200 client companies in the San-in region, it turned out that "successor-absent companies" including those with "successors not yet determined" was approximately 40%.

In particular, the smaller the business scale, the more respondents answered that "Our succession issue is not progressing because we do not know who can talk to about business succession;" therefore, our branches and headquarters that are close to our clients collaborate with each organization to support business succession.



Examples of Initiatives Initiatives for investees by Gogin business succession funds

In August 2021, we invested in Nomuragumi, K.K. (Masuda City, Shimane Prefecture), through the "Gogin Business Succession Investment Business Limited Partnership" (commonly called Gogin business succession funds), a wholly owned subsidiary of the Gogin Group.

After the investment, the Gogin business succession funds, together with the company, is working on various initiatives, such as strengthening governance, to ensure smooth business succession and sustainable growth. We will continue to leverage the resources of the Gogin Group to support the development of this company, which is indispensable to the region and supports the development of major social infrastructure in the region.

Through the Gogin business succession funds, we will contribute to solving business succession issues of our clients and revitalizing the local economy.

Strengthening of support for third-party succession (M&A) ~M&A advisory~

In recent years, with the visible problem of the absence of successors in SMEs and the increase in companies aiming to expand into other regions or other types of business, consultations about M&As from clients have increased rapidly.

We have a history of over 25 years in M&A advisory services, during which know-how has been accumulated and a network has been built with experts, however, in order to promptly respond to such client needs, we established a new management succession support group as an independent function involved in management and capital policies, such as M&A advisory services, within the Corporate Business Department in July 2021.

In addition, we respond to the diversifying needs of our clients through a business alliance with Nomura Securities Co., Ltd., and Nihon M&A Center Inc., that enables us to provide nationwide-scale information to clients, and which has allowed us to construct a system capable of consistently supporting small-scale enterprises to large companies.

Initiatives to support growth

We support venture companies and companies looking to step up to the next stage.

Establishment of "Gogin Capital No.5 Investment Limited Partnership"

San-in Godo Bank and Gogin Capital Co., Ltd. have established the "Gogin Capital No. 5 Investment Limited Partnership" ("GC No.5 Fund") to support promising growth companies that will play a key role in the future regional economy.

The objective of the GC No.5 Fund is to provide companies with technologies and services that can be expected to contribute to the regional economy and solve social issues with a variety of non-financial management support in addition to supplying the necessary funds until they grow into core companies in the region.

Provision of Stable Financial Infrastructure to All Customers

Response to digital society

Use of tablets for in-branch acceptance of application

At Bank branches, digital tablets serve as the reception desk for opening ordinary saving accounts, as well as the location for product description and acceptance of applications for loan products, investment trusts and insurance products for individual customers. This shift to paperless for applications and procedures, coupled with shorter times to fill in documents and related processing, is leading to improved customer convenience and greater clerical efficiency.



Promotion of cashless payments

As initiatives prompting the shift to cashless payment spread across the region, San-in Godo Bank will support efforts to address the new lifestyle patterns that cashless settlement makes possible, while working to elevate customer convenience. We have conducted numerous campaigns that prominently feature the credit card to encourage the everyday use of credit cards. Along with spurring the spread of cashless payments, the Bank is working to expand opportunities for consumers to spend and use credit cards in the region.

Promoting Cashless Municipalities

We are promoting the introduction of cashless payment for various certificates and other payments at local government counters. **[Municipalities that have introduced]**
Tottori Prefecture: Tottori Prefecture, Nanbu Town, Kurayoshi City
Shimane Prefecture: Matsue City, Iinan Town, Ama Town

Signed an agreement with Kawamoto Town, Shimane Prefecture, for an electronic payment dissemination project (June 2022)

J-Coin Pay points will be awarded for payments made with J-Coin Pay at participating stores in Kawamoto Town, and the use of the points will be limited to those stores. It is expected to increase the effectiveness of the town's economic revitalization through consumption circulation.



The first regional financial institution to receive certification in the Chugoku/Shikoku area as a "Digital Transformation Certified Business" (April 2022)

The Digital Transformation certification system was established by the government in 2020 with the aim of encouraging management reform on the digital side of our country's enterprises. The Bank has been working on full-scale promotion of Digital Transformation in its mid-term management plan starting in FY2021, and has recently been recognized as meeting the criteria of this system in many areas, including management vision, business model, strategy, organization, and IT system.

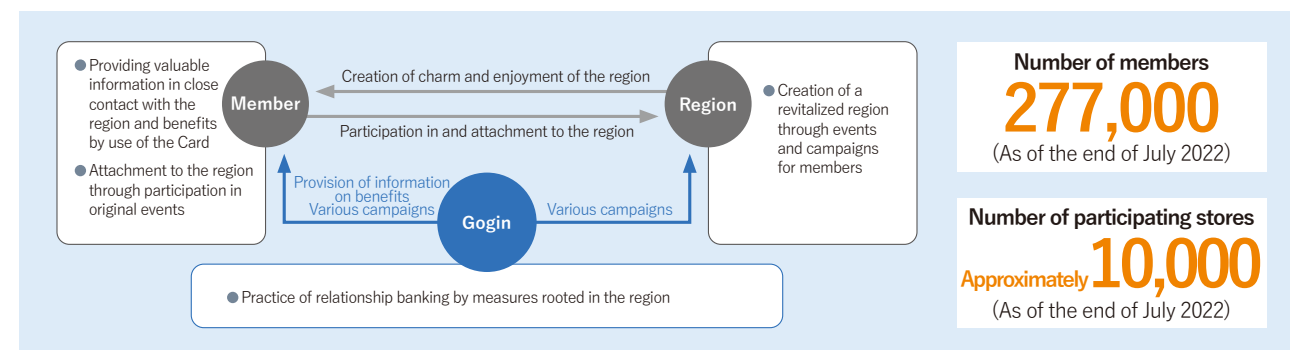


Regional revitalization through the utilization of the regional card

Gogin Duo Card

Sustainable community development by regional circulation of people, goods, and money

We have constructed a unique structure for both members and Participating stores to receive benefits through the utilization of the Duo Card. We will promote regional revitalization by widespread use of the Duo Card as a "regional card" to support sales promotions of local companies and to promote consumption in the region.



Duo Kore

As one of the Bank's unique point exchange programs, this service allows exchange of amassed points for regional specialties or gift certificates. Through the utilization of points, we contribute to the regional economy and discovery of the attractiveness of regional specialties.

Support for asset formation in an aging society

Thinking about asset formation and asset life

We are strengthening our consulting capabilities by enhancing our product lineup and using simulation tools, etc. In addition, through the provision of information by e-mail and the utilization of online seminars, we provide opportunities working generations to think about the importance of investments and asset life for their second life after retirement.

Thinking about asset management and asset succession

Through consulting services, we explain the importance of family cooperation in asset management. We also provide opportunities to think about inheritance by holding seminars on inheritance measures, sending DMs, etc., while explaining the importance of preparing for cognitive decline. By enhancing our product lineup, we assist in smooth inheritance and asset succession.

Initiatives ensuring customer-oriented business conduct

To ensure an extensive commitment to carry out customer-oriented business philosophy, we have formulated a Policy for Customer-Oriented Conduct on asset management and asset formulation businesses. Under this policy, we strive to enrich the lives of customers by providing the optimal products and services for their individual needs.

Consulting implementation

- We strive to propose the optimal products and services to fulfill our clients' dreams listening to their intentions and needs from various perspectives, including their life plans, as well as their knowledge, experience, financial situation, investment objectives, investment policies, income patterns, occupations, and motivations for using our products and services.
- Using asset management guides and asset design tools, we strive to propose the optimal products and services for our clients by comparing them with similar products and services.
- In making proposals, we confirm the client's family structure, life events, asset situation, and other circumstances, and simulate the life plan together with the client to ensure courteous consulting services that are easy to understand.

Appropriate sales procedures

- We strive to propose products and services that contribute to stable asset formation from the customer's perspective, without being bound by the amount of fees for the products and services we handle.
- In the securities business, we handle an extensive lineup of products from our business partner, Nomura Securities Co., Ltd., enabling us to meet the sophisticated investment needs of our clients.

Policy for Customer-Oriented Business Conduct

For the full text, see our website
▶ URL: <https://www.gogin.co.jp/about/policy/customeroriented/>

Sales of structured bonds

For structured bonds, which are considered to be particularly risky, the Bank has established criteria for solicitation at the time of sale and sells only to customers who understand the risks and wish to purchase the bonds.

Percentage of structured bonds to total assets under custody

0.8%

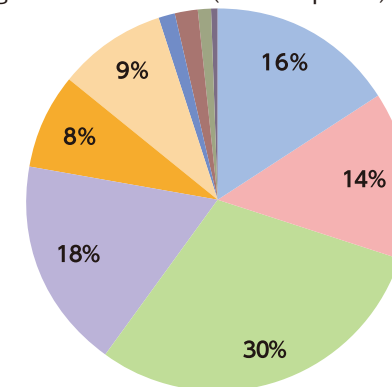
(As of the end of March 2022)

※ Assets under custody cover financial instruments including insurance (excluding deposits).

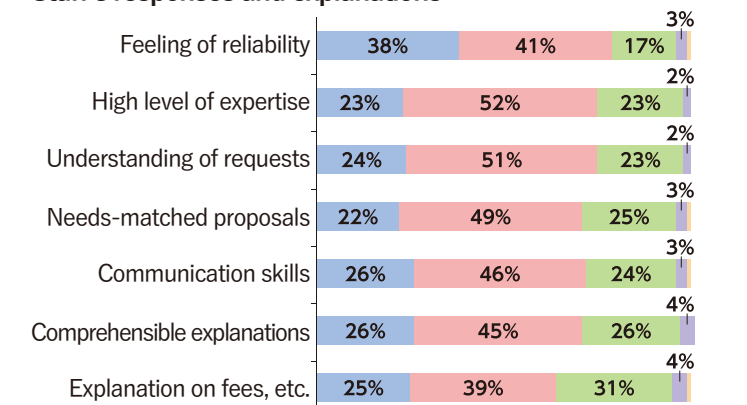
Implementation of customer questionnaires

Through the implementation of questionnaires with customers under contract of asset management products, we will confirm if our "initiatives ensuring customer-oriented business conduct" meet customer expectations, and also strive for further quality improvements of products and services.

Customer Questionnaires Results Degree of satisfaction (Max. 10 points)



Staff's responses and explanations



Questionnaire implementation details Target: Approximately 5,000 customers who have conducted purchase transactions or applied for insurance contracts in-person in the financial products intermediary business since October 2021
Response rate: 37%

Initiatives for Improvement of Services to Elderly Customers and Customers with Disabilities

Provision of financial products and services that correspond to cognitive decline, etc.

With an aging population, it is expected that the number of customers who will have difficulty in conducting transactions due to cognitive decline or a similar impairment will increase. We work to promote understanding of and preparation for cognitive decline by explaining the importance of preparing for cognitive decline and family asset management during consultations on asset formation and daily consulting services. Since needs related to inheritance are also increasing, we offer opportunities to think about inheritance by holding seminars, etc. To protect precious customer assets and offer each family peace of mind, we provide financial services according to changes in the times.

Gogin guardianship support savings

In order to prevent fraudulent withdrawal of savings by guardian, which has in recent years become a social problem, and to protect the assets of a ward, money that is not in ordinary use is managed separately from money that is used on a daily basis out of the assets of customers who use the adult guardianship system.

Handling of insurance products that prepare for nursing care and cognitive decline

Upgrading and expanding the lineup of insurance products that prepare for expenditures related to nursing care and dementia, we make proposals to customers and their families to live a more affluent life with peace of mind in the era of the 100-year lifespan.

Helping to bequeath precious assets to loved ones

We assist with smooth inheritance through high-quality consulting services by experts.

Performance of inheritance-related services (July 2013 to the end of March 2022)

- Testamentary trusts 165 cases
- Legacy consolidation operations 36 cases
- Property succession planning 16 cases

Performance of trust products (July 2018 to the end of March 2022)

- Testamentary substitute trust 42 cases (305 million yen)
- Calendar year gift type trust 74 cases (1,353 million yen)

Responses to elderly customers to protect their precious assets

Transaction limits for the elderly in selling risk-based financial products

We have established rules for the elderly in selling risk-based products to limit contracts on the day when products are introduced to customers in order to secure sufficient time for them to understand and review them in the case of relatively high-risk products.

ATM transaction limits

For elderly customers, we set usage limits per day based on the past the ATM use status in the past.

Collaboration with the region and related agencies, etc.

Participation in regional networks

We aim at creating a town in which people can live with peace of mind in familiar surroundings in collaboration with the regional comprehensive support center.

- Concluded agreements regarding "the Elderly Watching Network" with Matsue City (2018)
- Registered in the "Tottori City Demented Elderly and Neighborhood Watching Cheer Squad" (2021)

Project to support activities to watching villages in hilly and mountainous areas of Tottori Prefecture (2021)

We promote creation of communities in which people can live safely and securely by constructing a framework for early detection of abnormalities in the daily lives of people in the community in collaboration with governmental agencies.

Enrolled in the Japan Financial Gerontology Institute (2021)

We learn financial gerontology, deepen understanding of physical and conditions, etc., of elderly customers, and respond politely to the best of our ability. In addition, we respond to customers flexibly with due consideration for their circumstances, and offer optimal products and services to each customer.

※ Financial gerontology is a disciplinary field of study of the effects of age-related changes in physical and cognitive abilities related to economic and financial behavior.

Universal Initiatives

We strive to make branches user-friendly and offer products and services to elderly customers and customers with disabilities. In addition, bank staff are provided with education and training through implementation of practical training, learning by utilizing self-learning educational materials, and sharing response examples, etc., and provide appropriate responses in consideration of customer circumstances, so that all customers can use the Bank with peace of mind.

Improvements in branches

- Elimination of steps and uneven floor differences and installation of Braille blocks at branches
- Installation of ATMs for the visually impaired

Universal service

- Braille recognition for the visually impaired on all cash cards issued to individual customers
- Braille services (bankbooks, etc.)
- Reduction in window-service money transfer fees for the visually impaired
- Installation of communication tools
Loudspeaker (voice assistant device), communication board (multilingual), simplified speech-to-text device, etc.
- Installation of doorbells for those with disabilities to request support at ATMs and at branch entrances
- Telephone Relay Service

Registered dementia supporters

Approximately **520**
(As of March 31, 2022)



Communication board in Bank branches

Education and training for bank staff

Seminar on financial gerontology ~Fostering of "dementia supporters"~	Seminar to foster dementia supporters Held twice in FY2020 / Held twice in FY2021
Manual for responding to elderly customers and customers with disabilities	Improvement in response skills with due consideration for elderly customers and customers with disabilities
Reception training	Improvement in practical skills and promotion of understanding in response to customers with due consideration for their circumstances through lectures, seminars, etc., on universal etiquette
Study Session for reception improvement	Approaches made to improve reception at each branch
Ai Support Movement ※	As an Ai Support certified company, all bank staff are certified as "Ai Supporters"

※ This movement was started by Tottori Prefecture for the purpose of creating a society where people with disabilities can live comfortably by ensuring that everyone understands the characteristics of various disabilities, and puts into practice prompt help and consideration when they have difficulties.



Concluded comprehensive collaborative agreements related to support for social participation of people with disabilities with Tottori Prefecture and the Tottori Prefecture Board of Education (2017)

In cooperation with the region, we contribute to improving employment opportunities for people with disabilities and social participation of people with disabilities.

Main Activities

Provision of "internships" and "training programs"

With parallel establishment of training space in Gogin Challenged Tottori, we accept internships and provide training programs, centering on disabled employees from other job sites and students from special needs schools.

Building of corporate initiative models based on the Ai Support Ordinance

In accordance with the spirit of the "Ai Support Ordinance," we work to improve branches so as to be user-friendly with due consideration for people with disabilities.

Promotion of parasports

We engage in PR activities, etc., to support parasport athletes and to promote understanding of parasports together with Tottori Prefecture.

Active dissemination of our activities through the utilization of the Bank's branch network and provision of information on employment of people with disabilities and support systems, etc.

Including transmission of information on prefecture events and art exhibits created by people with disabilities, we provide customers who visit the Bank's branches with PR and information on our activities to support social participation of people with disabilities.

Initiatives for Promoting Awareness of the SDGs

With increasing interest in SDGs, response to social issues is demanded of the region, companies, and people in their own way. We aim to realize a sustainable regional society through activities to disseminate the principles of SDGs across the regional society and customers, as well as support for regional and client SDGs initiatives, in addition to the Bank's own efforts on SDGs as a regional leading company.

Dissemination to the region

With the implementation of SDGs business consulting at our Head Office, we are developing awareness activities to deepen understanding of SDGs, by conducting seminars and offering advice regarding SDGs at local enterprises, local governments, educational institutions etc. In addition, we actively participate in relevant platforms to promote cooperation with local governments, etc.

Participating Organizations

- SDGs for Regional Revitalization Public-Private Partnership Platform (Cabinet Office)
- Tottori SDGs Promotion Council (Tottori Kenmin Katsudo Kasseika Center)
- Tottori SDGs Network (Tottori Prefecture)

Workshop

Through workshops, we offer opportunities to experience ways of thinking about SDGs that are effective for regional revitalization and approaches with respect to contributions to SDGs through business, etc.

Student Internships (September 2022)

We introduced the significance of working on regional revitalization, SDGs, and case studies to the students who participated in the internship. With group work, the presentation was well received by the students, who were able to deepen their understanding.



Tottori SDGs Ambassador

First financial institution employee in Tottori Prefecture
I keep in mind how to enable people to see things as their own business, "applying them to respective activities" for corporate management and regional development.

Gogin Energy co., Ltd.
Mitsunobu Inoue, Deputy Director, Sales Strategy Dept.
(on secondment from the Bank)

Seminars on SDGs, etc., held

144 times

(FY2018 to the end of September 2022)

Support for SDGs project in local newspaper (August 2022)

We supported a feature article in the Nihonkai Shimbun newspaper that introduced the necessity of the SDGs and corporate initiatives, and introduced our efforts to achieve carbon neutrality in the region.

Lecture at Tottori Consumers University (June 2022)

San-in Godo Bank Chairman Ishimaru served as a lecturer at the "Life Economy and Law Lecture," where students and prefectural residents can acquire specialized knowledge about consumer affairs. The lecture, titled "The Situation and Challenges Surrounding Regional Banks," focused on SDG initiatives and challenges.



Support for clients' SDGs Initiatives

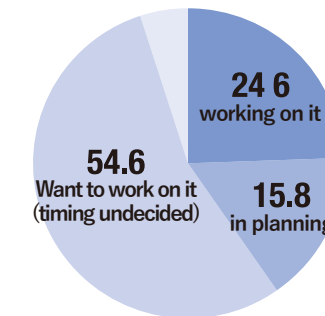
Considering together the impact of each client's transition to a carbon-free society on their business, we make effective proposals and offer consulting services for future business development. In addition, as social demands for SDGs increase, we provide opportunities and information to think about SDGs, support SDGs initiatives through business such as how to incorporate SDGs into business content how to utilize them in management, and make proposals on financial products that contribute to SDGs and solutions of issues that lead to the creation of business opportunities and improvement of added value.

Holding of seminars on SDGs for clients

At the Gogin Management Club, we held an online seminar via Zoom for clients to understand the purpose of SDGs and to work together toward solving regional issues.



Status of SDGs Initiatives (%)



(From SDGs seminar survey)

In a post-seminar survey, 95% of participants responded positively to SDGs initiatives. We will continue to provide opportunities to raise awareness of SDGs in the community and encourage initiatives.

Local company presentations on how to respond to a decarbonized society

At a local company presentation attended by clients, President Yamasaki explained that local businesses are increasingly being asked to take decarbonization initiatives, starting with the government and large domestic and international corporations.



Fostering Awareness of the SDGs among Directors, Executive Officers, and Employees

In order to raise everyone's interest in SDGs and work throughout the Bank, we make efforts to raise awareness in-house as well. Seminars on SDGs are held, learning content is created, and certification tests, etc., are utilized so that directors, executive officers, and employees learn SDGs voluntarily to deepen the understanding of SDGs. While supporting regional and customer SDGs/ESG initiatives, each person gains the opportunity to think about and put into practice what they can do in their daily lives.

SDGs/ESG Financial Officer Certification Test Number of participants who passed the test

116

(As of March 31, 2022)

FY2020 - FY2021 Number of participants who took the learning content course on SDGs/ESGs

Total 4,017

Support for Active Careers for Diverse Human Resources

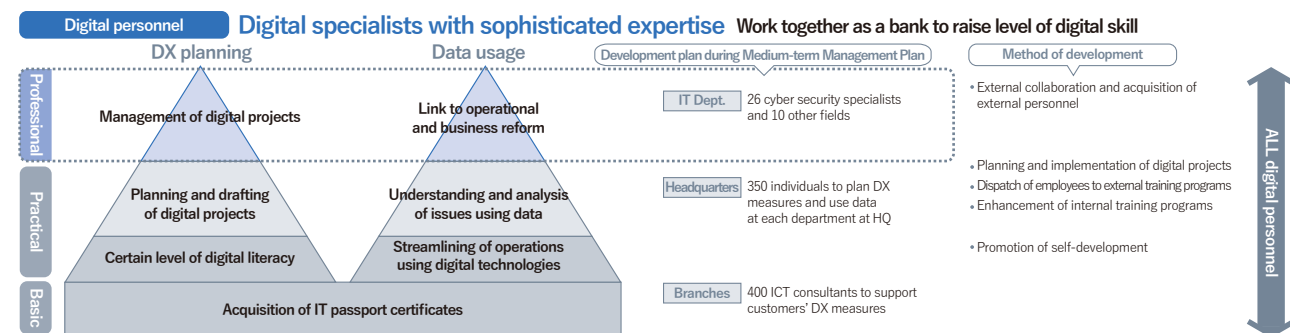
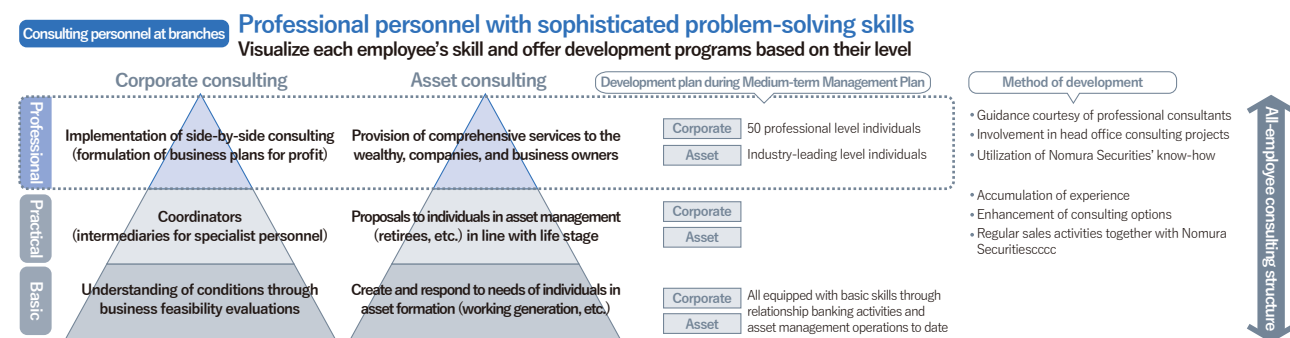
In order to continue to support the region even under a severe environment, we strive to train personnel who can act to solve regional issues and to create an organization in which diverse human resources can maximize their abilities.

Personnel development Pursuing expertise

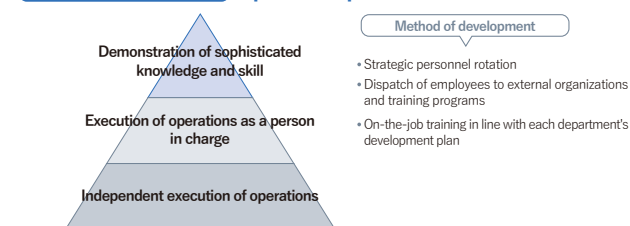
We are working to develop professional human personnel with advanced knowledge, skills, and mindsets in every fields.

Level-based development curriculum

We visualize each employee's skills and issues through skill checks, and conduct periodic interviews with their superiors. In addition, we will work to systematically improve our employees' expertise through our original recognition system.



Specialist at HQ Specialist personnel who can lead each department



Outside training

The Bank actively participates in training related to fostering of female corporate business staff, and training associated with cultivation of specialists at headquarters for upskilling.

Number of participants in outside training
32
(FY2021)

MBA

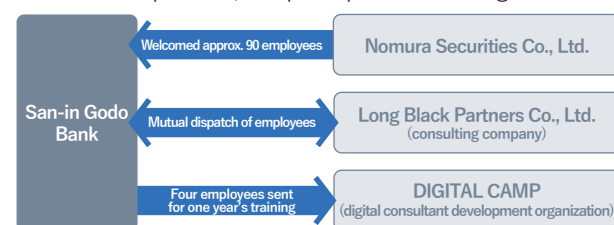
The Bank is developing human resources with diverse and specialized knowledge through study abroad programs at U.S. graduate schools (MBA courses).

Enhancement of training aimed at improving expertise

We will enhance our training programs aimed at boosting consulting skills, in order for employees to improve levels of expertise through proactive participation in these programs.

Development through interaction with diverse specialist personnel

We will promote the acquisition of specialist knowledge among our employees through interaction with external organizations and business partners, and participation in training.



Motivating employees to take on new challenges

We will enhance our range of support to promote independent career development.



Enhancement of career support system

We are currently working to create an environment that allows employees to take the initiative in developing their own careers. In addition, to offering support for the formulation of career plans, we implement career training for all employees to develop the necessary mindset, and are creating opportunities for reskilling to help employees brush up the skills they need to achieve their career plans.

Enhancement of opportunities for independent learning

We are enhancing our self-development content and hosting seminars on days off. In FY2021, we newly introduced programs from Globis Manabihodai and Digital Knowledge, and hosted seminars on strengthening corporate sales on employees' days off. Many employees are actively using these programs and attending these seminars.

Fair employee evaluation

We are reinforcing our personnel development methods by enhancing the feedback we give to employees. For each employee, we carefully explain in detail the reasons behind the results of their individual evaluations. In addition to boosting understanding among employees of their results, this initiative is also helping to increase motivation.

Initiatives to respect human rights

- Human-rights policies (Formulated in May 2020)**
- Respect for international norms
 - Elimination of discrimination
 - Cultivation of corporate culture that respects human rights
 - Establishment of comfortable work environments
 - Implementation of fair recruitment
 - Implementation of human rights training

Human rights awareness framework

San-in Godo Bank has established the Anti-discrimination Training Promotion Committee chaired by the President with the objectives of seeking a better understanding of all issues related to human rights and discrimination including the problem of Buraku (hamlet) discrimination, being actively engaged in solving issues, and creating discrimination-free workplaces. The Bank strives to revitalize workplaces through respect for human rights, including awareness activities through training workshops and study sessions, and the assignment of promoters to departments and branches.

Provision of ethics training

The Bank provides ethics training on a continuous basis by hierarchical level from new bank employees to management level employees to deepen their understanding of respect for human rights and harassment.

Initiatives to build a regional society that gives people the opportunity to live their own life, and a society in which LGBT is respected ~ LGBT housing loans ~

In recent years, with increasing social concern about local government initiatives toward and understanding of LGBT, which continues to rapidly expand, the Bank offers LGBT-friendly housing loans as part of its initiatives that aims to realize gender equality.

Through housing loans made available to same-gender partners, we will contribute to building a regional society in which everyone can live their own life with peace of mind, eliminating discrimination based on sexual orientation and gender identity.

Career training for all permanent employees



Support for Active Careers for Diverse Human Resources Enabling diverse, flexible workstyles ~ Diversity & Inclusion ~

We are currently working to increase opportunities for employees to play active roles while at the same time creating rewarding workplaces. By promoting flexible workstyles in line with the employee's life stage, striving to enhance their work-life balance, and supporting both their physical and mental health, we will make every effort to create environments that facilitate success in their careers over the long term.

Increasing opportunities for diverse personnel to play active roles

By increasing opportunities for diverse personnel to play active roles within the company, we will aim to increase job satisfaction.

Promoting female's participation in the workplace

We are striving to increase female's motivation in the workplace and provide them with rewarding environments where they can fully demonstrate their capabilities. In creating diverse career paths and reinforcing our practical training and support systems, we are proactively supporting female's career development efforts.

Wage differentials between male and female (FY2021)

As of the end of March 2022, wage differences between male and female employees are caused by the difference proportions of courses selected between male and female employees, as well as by the different average ages of tenured employees due to their length of service. The personnel system was revised in FY2022, integrating the area job course into the comprehensive job course. After FY2022, the wage difference caused by the course system is expected to be eliminated.

Ratio of male to female permanent employees by course (As of the end of March 2022)

	Male	Female
Regular position	907 persons (94.1%)	57 persons (5.9%)
Area job	29 persons (3.7%)	760 persons (96.3%)

Enhancement of work-life balance

By enabling flexible workstyles and enhancing each employee's work-life balance, we are aiming to improve our working environments.

Support for child rearing, nursing care, and work

We support the balance between work and family with improved systems related to childcare leave and nursing care leave so that employees can work with peace of mind, playing an actively at the Bank for a long time.

Childcare leave system / Nursing care leave system

Childcare leave	Available until the child becomes 3 years old
Short-time work, exemption from or limitation on after-hours work, etc.	Available until the child completes the 3rd grade of elementary school
Nursing care leave	Available within 365 days up to three times at a maximum per family member concerned if nursing care is required for a family member
Short-time work for nursing care, limitation on after-hours work, etc.	Available twice within three years after the start of use at a maximum per family member concerned if nursing care is required for a family member

Smile Mama Meeting (Return to work support)

We hold informal get-togethers and meetings to prepare those on childcare leave for returning to work. These opportunities to interact with employees on leave and those with experience who returned to work lead to more relaxing childcare leave, while creating a company that can assist one another upon return to work.

Postpartum Papa maternity leave, split acquisition

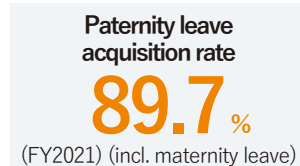
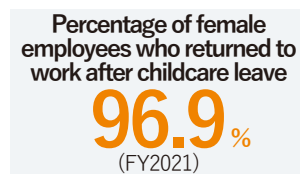
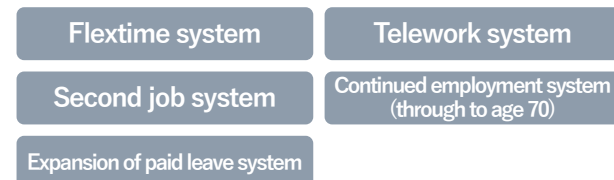
In line with the October 1, 2022 revision of the Child Care and Family Care Leave Law, we will introduce the "Childcare Leave at Birth System (commonly known as "Postpartum Papa Maternity Leave")" and "Split Childcare Leave System". With the introduction of this system, we will "encourage male employees to take childcare leave" and "encourage female employees to return to work flexibly.



Average age and average length of service of permanent employees (As of the end of March 2022)

	Male	Female
Average age	43.8 years old	37.1 years old
Average length of service	20.2 years	14.8 years

【Introduction of various systems in FY2021】



Eruboshi and Platinum Kurumin certification

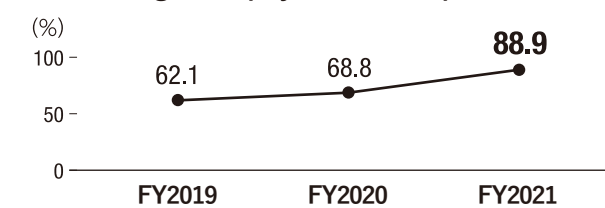
San-in Godo Bank obtained "Eruboshi certification" based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace, and "Platinum Kurumin certification" based on the Act on Advancement of Measures to Support Raising Next-Generation Children in December 2016, and in December 2018, respectively.



Workstyle reform

From the perspective of balancing work with child rearing and nursing care responsibilities, along with health management, we encourage employees across the entire Bank to limit after-hours work and to take paid leave. We also introduced telework, flextime, and side business systems with the goal of making diverse working styles possible for our employees. We strive to improve the environment so that all employees can realize a fulfilling work-life balance.

Percentage of employees who took paid leave



Expansion/upgrade of leave systems Encouraging use of paid leave	"Spot holiday," "mini consecutive holidays," and "time-unit holiday" systems were newly introduced in April 2021. We expanded/upgraded leave systems so that each employee can take paid leave flexibly.
Telework system	Introduced in April 2021, the telework system is available to all employees for the purpose of responding to crisis management and realizing flexible work styles. This makes possible mobile work at home or on business trips.
Flextime system	Introduced in April 2021, the flextime system based on regular working hours enables flextime work with no core time set.
Second job system	Introduced in October 2021, the second job system is available for the purpose of "regional contribution," "self-realization and expansion of growth opportunities," and "return of knowledge and experience accumulated from a second job" in addition to realization of flexible work styles.

Initiatives for health management

The Bank formulated the "Health Management Declaration" in September 2018, and has been working across the entire Group led by the president in charge, to keep and enhance the mental and physical health of each employee.

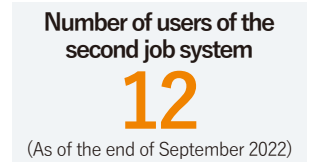
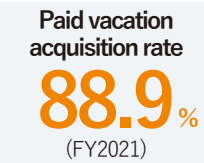
Certified "White 500" For four consecutive years

On March 2022, San-in Godo Bank was recognized as a "Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category) "White 500" under the certification system enacted by Japan's Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Conference).

Seven affiliates of the San-in Godo Bank Group were recognized in the small-and medium-sized enterprise category.



Health checkups	Percentage of employees who had regular checkups: 100% (FY2021) The special "medical leave" that was newly introduced in April 2021 is available for multiphasic health screenings and re-examinations.
No smoking during working hours, no smoking within the premises	Since April 2020, smoking has been banned on the premises of the San-in Godo Bank Group, and during working hours.
Improvement in mental health counseling systems	In addition to the collaborative counseling system with Shimane University, we take the initiative to care for the Bank's employees and prevent illness through arrangement with a psychiatric specialist as a mental health adviser.

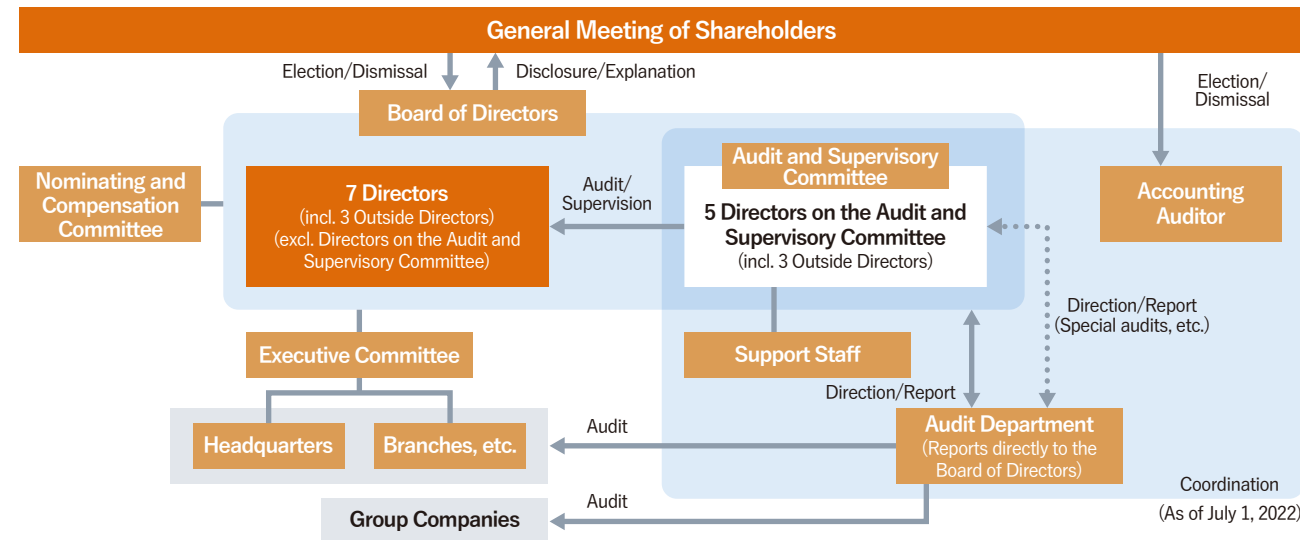


Health Management Declaration

For San-in Godo Bank, every Bank employee represents an irreplaceable asset. Accordingly, we take straightforward yet powerful measures to maintain and promote the physical and mental wellbeing of our workforce. From limiting after-hours work to encouraging the taking of paid vacation, for example, we do whatever possible to create an environment that allows everyone at San-in Godo Bank to work energetically and with a sense that their job is worthwhile.

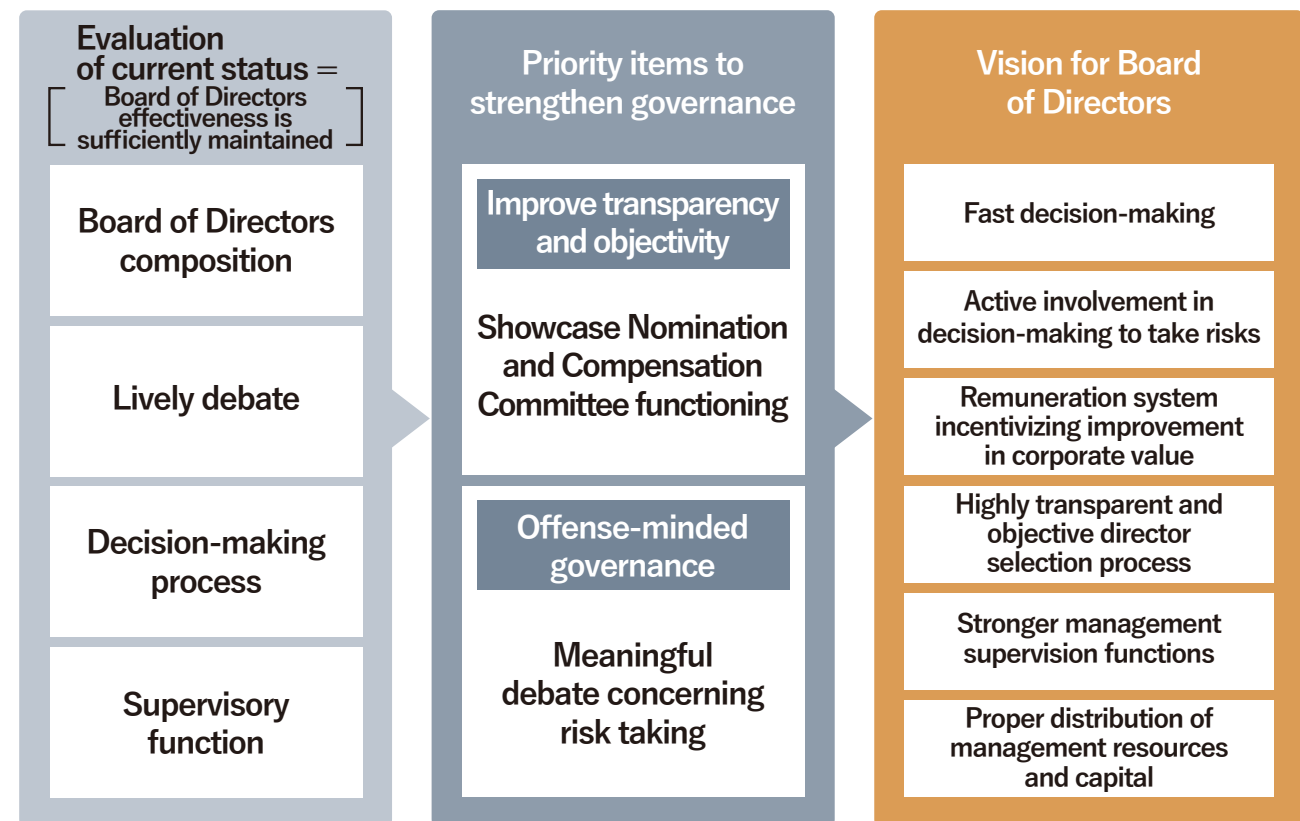
Corporate Governance

Corporate Governance System



Strengthen Corporate Governance Structure

In order to meet stakeholder expectations and achieve ongoing improvements in corporate value, we remain committed to efforts to strengthen our corporate governance structure going forward.



Discussions by the Board of Directors

The Board of Directors consists of 12 directors with deep insight into San-in Godo Bank's business operations and a high level of expertise in international business, finance and accounting, legal affairs, and other areas, who engage in lively discussions aimed at enhancing our corporate value. Three of the 12 directors are female, thus ensuring diversity. Our outside directors, who make up half of the Board of Directors, are from Shimane and Tottori prefectures. This means that they are well positioned to understand the realities and characteristics of the San-in region, enabling them to offer a variety of suggestions to help us play a more sustainable role in the local community.

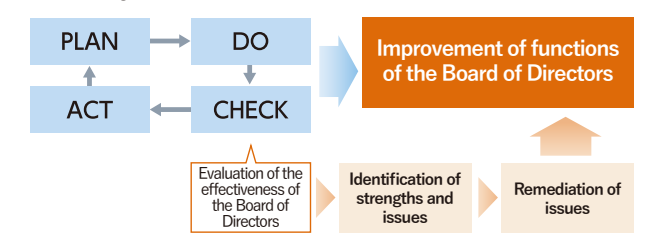
Skills matrix for directors

Name		Expertise					
		Business management	Finance	International business	Finance & accounting	Legal	ESG and community sustainability
Fumio Ishimaru (Male)		●	●				●
Toru Yamasaki (Male)		●	●				●
Shuichi Ida (Male)		●	●				●
Hiroshi Yoshikawa (Male)		●	●				●
Yasuyuki Kuratsu (Outside, Independent, Male)			●	●			●
Yasuhiro Goto (Outside, Independent, Male)				●			●
Chie Motoi (Outside, Independent, Female)							●
Koji Miyauchi (Male)			●	●			
Mamiko Nakamura (Female)			●				
Shoichi Imaoka (Outside, Independent, Male)					●		
Tamaki Adachi (Outside, Independent, Female)						●	
Tomoaki Seko (Outside, Independent, Male)					●	●	

Summary of the Results of the Analysis and Evaluation of the Effectiveness of the Board of Directors

Based on the perspectives of whether the Board of Directors is contributing to the enhancement of corporate value and functioning properly and achieving results, with support from an external organization, we conduct a questionnaire survey of directors and analyze and evaluate the effectiveness of the Board of Directors based on their responses. Based on the results of analysis and evaluation, we are working to improve the functions of the Board of Directors by implementing the PDCA cycle and working to remedy issues.

PDCA cycle of the Board of Directors



Evaluation methods	<ul style="list-style-type: none"> Conducted the Questionnaire on the Effectiveness of the Board of Directors among directors. (January 2022) Based on the responses, analyzed and evaluated the effectiveness of the Board of Directors, and discussed policies for dealing with issues. (Board of Directors meetings in March, April, and May 2022) In the current fiscal year, we introduced support from an external organization with the aim of improving the effectiveness of the evaluation process by ensuring objectivity and transparency.
Summary of analysis and evaluation results	<ul style="list-style-type: none"> We confirmed that our Board of Directors has established an appropriate structure and implemented appropriate initiatives with respect to each of the evaluation items, and that its effectiveness is sufficiently ensured. We also confirmed that each director actively expresses their opinions in accordance with their abilities and experience, and fulfills their roles as directors in an appropriate manner. At the same time, from the perspective of further enhancing the effectiveness of the Board of Directors, we recognize that we need to take steps to further invigorate discussion between the directors.
Efforts to address issues from the previous fiscal year	<ul style="list-style-type: none"> In the previous year's evaluation, we identified "invigoration of discussions on management issues and business strategies" as an issue. In the current fiscal year, we confirmed that the issue has been improved by establishing a number of agenda items for discussion focusing on medium- and long-term management strategies, among others.
Addressing future issues to improve effectiveness	<p>In order to further invigorate discussions at the Board of Directors meetings, we will address the following two issues.</p> <ol style="list-style-type: none"> Deepen discussions on key points and issues in the medium- to long-term management strategy Deepen discussions throughout the year on key points in the management strategy, including enhancement of consulting services, promotion of digital transformation, and human resources development. Establish a forum for discussion outside of Board of Directors meetings Provide a platform for the exchange of opinions between outside directors and internal management, with the lead outside director serving as a liaison with internal management to enhance discussions on a wide range of topics.

Information Provision to Outside Directors

For outside directors and other directors to acquire and update knowledge necessary for fulfillment of their roles and responsibilities, the Bank provides opportunities for them to receive explanations from each department concerned on the right contents.

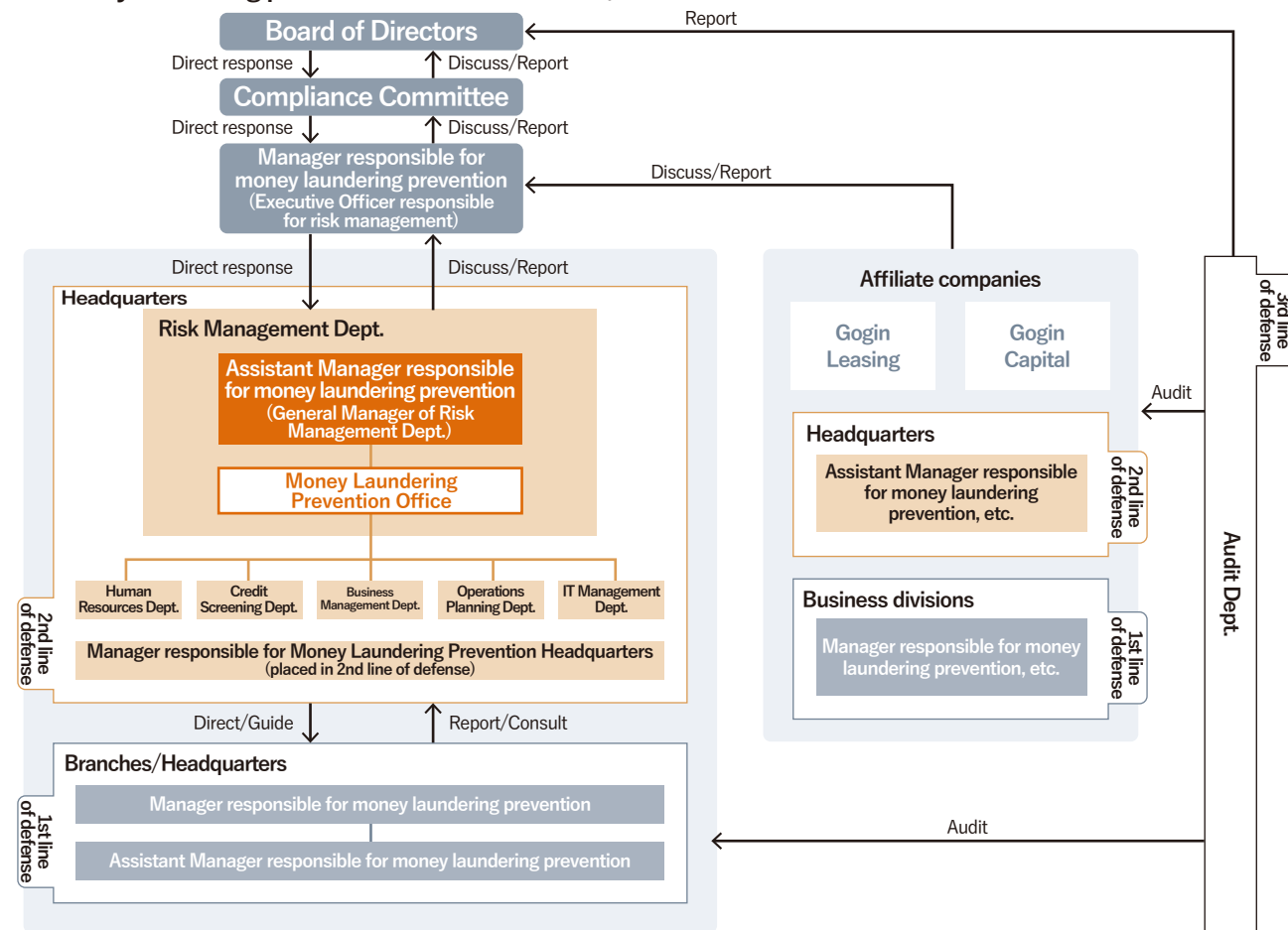
- Reporting of operations by executive officers in charge of the Bank areas, central branch managers, and managers of department concerned
- Reporting of operations by representatives for companies related to the Bank
- Legal and compliance training for directors
- Study sessions for newly appointed outside directors

Risk Management

Initiatives to Prevent Money Laundering

At San-in Godo Bank, we recognize it our responsibility as financial institutions to take measures to combat money laundering and the financing of terrorism (hereinafter, referred to as “money laundering, etc.”), of which the international community expects, and have positioned upholding a stance to prevent money laundering, etc. as a key management issue. In preventing clients, directors, executive officers, employees and others from participating or being unwittingly caught up in money laundering, etc., we are contributing to the maintenance and development of a sound financial system.

Money laundering prevention framework (as of July 1, 2022)

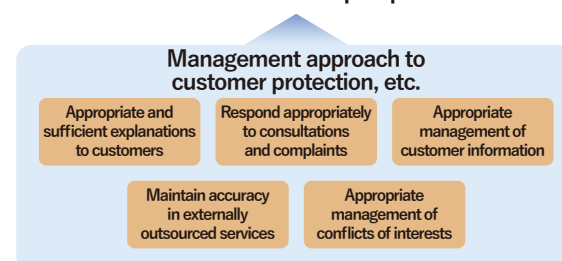


Initiatives to Safeguard Clients

From the viewpoint of protecting and improving convenience for the customers who use San-in Godo Bank, we have further enhanced a number of policies, such as “offering appropriate and sufficient explanations to customers,” “responding appropriately to consultations and complaints,” “appropriately managing client information,” “maintaining accuracy and appropriate responses to client data and customers in externally outsourced services” and “appropriate management of conflicts of interests.” Our aim is to establish and maintain the management structure to further enhance safeguard of customers. Additionally, we make sure that directors, executive officers and employees are keenly aware of the importance of safeguarding clients and related concerns during regular trainings and seminars on compliance, in a commitment to protecting customers and improving their convenience.

Extensive safeguarding of customers and improved customer convenience

Inspect and improve all operations, from the customer's perspective



Response to Cybersecurity

In light of the increasing sophistication and subtlety of cyber attacks, we recognize the importance of cybersecurity and are working to strengthen our cybersecurity management system in order to provide safe and secure financial services to our customers.

Cybersecurity management system

To combat the many cyber attacks that San-in Godo Bank and Group companies confront, we have established a Computer Security Incident Response Team (CSIRT) with related departments to put a structure in place to manage such risk and prevent the spread of any damage. Specifically, the team develops cybersecurity-related regulations, collects information on the latest attack methods and vulnerabilities, plans and implements cyber attack countermeasures, conducts periodic inspections and monitoring, and provides security education to employees. In addition, it conducts periodic response drills to ensure that we can respond promptly in the event of an incident, thereby improving our effectiveness.

Main initiatives

Adapting to new lifestyles

We have introduced a telework system to enable flexible work styles and to respond to the need for crisis management that emerged with the COVID-19 pandemic. In introducing the system, we have implemented measures to prevent information leaks and unauthorized access, and have also provided in-house education on rules for telework. In addition we have also established a web conferencing environment, which is used for remote meetings with clients as well as for in-house training, etc.

Response to financial crime

With the rapid development of electronic payment services on the Internet, cyber crime targeting online services is increasing. We are taking various measures to ensure that our customers can use our online services with peace of mind, such as by stepping up personal and transaction authentication when applying for online services like Internet banking, as well as through monitoring to detect unusual or unauthorized transactions.

Response to Emergency Situations

To better react when unforeseen emergencies arise, we have defined a set of basic regulations on crisis management that enable the Bank, encompassing Group companies, to address them accordingly. More specifically, we have drafted codes of conduct for the head office, branches, and directors, executive officers and employees, along with response measures, that place highest priority on customer safety during in the event of storm and flooding, fires, earthquakes or other natural disasters, human-made disasters such as theft, armed attack or accidents, and other emergency situations. By minimizing damage and injury to people and property, we constantly strive to ensure the Bank's continuing operations and its social contributions. In addition, in preparation for emergencies, we conduct failure response drills for staff at headquarters and branches.

Crisis response according to crisis level

In the event of a crisis event, the situation may change over time, requiring a crisis response by an appropriate responder according to the changes in the situation. For this reason, we have established crisis level classifications I~III according to the severity of the situation, and will promptly establish an appropriate crisis response system (escalation) in accordance with the crisis level.

Crisis level	Responder	Crisis event
Level I	Risk perceiver [※] / Branch (workplace disaster prevention team)	<p>Definition An event in which the damage or escalation of impact can be contained by the response of the risk perceiver or the workplace disaster prevention team</p> <p>Examples Small fires, illnesses, torrential rain, traffic accidents, etc.</p>
Level II	Incident response department (department in charge at headquarters)	<p>Definition ①An event in which the damage of the expansion of the impact can be controlled mainly through the initiative of the incident response department (department in charge at headquarters) in cooperation with branches, etc. ②An event for which a response by the incident response department (department in charge at headquarters) is determined</p> <p>Examples Earthquakes (intensity 5 or lower), fires, typhoons, new strains of influenza (low pathogenic), prolonged power outages, equipment damage, reputational risks (payoff response), etc.</p>
Level III	Emergency Response headquarters	<p>Definition ①An event that has caused or is expected to cause serious damage ②An event that particularly warrants judgement and direction by management ③An event that particularly warrants a coordinated response among divisions at head office and branches, or a unified bank-wide response</p> <p>Examples Earthquakes (intensity 5 or higher), large-scale fires, large-scale floods, new strains of influenza (highly pathogenic), serious reputational risks (payoff response), etc.</p>

※ Risk perceivers are those who identify risks and crisis events and implement initial response on site

Participation in Initiatives

TCFD (Task Force on Climate-related Financial Disclosures)

The TCFD recommends that all companies disclose their assessment of climate change-related risks and opportunities and their financial implications for a smooth transition to a decarbonized society.

In order to contribute to the realization of a decarbonized society while understanding and assessing the risks and opportunities that climate change poses to our customers and the Bank, we endorse the TCFD recommendations, will work to enhance information disclosure, and will actively support our communities and customers in their climate change efforts to decarbonize through our financial intermediary functions, including investment and lending activities.



PCAF (Partnership for Carbon Accounting Financials)

PCAF is an international initiative that develops methods to measure the greenhouse gas emissions of companies financed by financial institutions. We are committed to measuring and disclosing our greenhouse gas emissions while utilizing the PCAF database to achieve carbon neutrality by 2050.



The Valuable 500

Guided by the belief that “inclusive business makes for an inclusive society,” this international initiative, which is intended for the world’s companies to act so that people with disabilities can realize the potential value they bring to business, society and the economy, supports their activities, and strives to ensure their success. The Bank’s operations of Gogin Challenged and other commitments are in line with the objectives of The Valuable 500, and being a member of this initiative, we will further develop our continuous commitments.



Principles for Financial Action for the 21st Century

The principles are an action guideline for financial institutions that seek to fulfill responsibilities and roles necessary for the formation of a sustainable society. We will continue to contribute to realizing a sustainable regional society through further enhancement of initiatives for regional environmental protection and social contribution, and by providing solutions to regional and customer issues.



Initiative based on the Declaration of Biodiversity by Keidanren

The purpose of this declaration is to promote corporate management that recognizes the importance of biodiversity. As a corporation, we endorse this declaration and are committed to protecting irreplaceable ecosystems and passing on the richness of nature and its blessings to future generations.



External Evaluation

SOMPO Sustainability Index

In recognition of the Bank’s ESG-related initiatives, etc., the Bank’s stock was selected as a component of the “SOMPO Sustainability Index” operated by SOMPO Asset Management Co., Ltd. The “SOMPO Sustainability Index” is composed of approximately 300 companies with outstanding performance in ESG (environment, society, governance) initiatives, which is utilized for “SOMPO Sustainable Management” by SOMPO Asset Management Co., Ltd.



2022 Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category [White 500])

Under the certification system implemented by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi, we were certified as a health & productivity management outstanding organization for the fourth consecutive year.

In addition, seven San-in Godo Bank Group affiliates were also certified as a health & productivity management outstanding organization in the Small and Medium-Sized Enterprise Category.



Platinum Kurumin Certification

We obtained “Platinum Kurumin Certification” based on the Act on Advancement of Measures to Support Raising Next-Generation children.

As a company that actively promotes the development of children of the next generation and beyond, in addition to the “Kurumin Certification” from the Minister of Health, Labour and Welfare, we have received certification as a company with a record of performance that progressively promotes higher-level of support for raising next-generation children as in the use status of our male employees taking childcare leave.



Eruboshi Certification

We obtained “Eruboshi Certification” based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace. We have received certification as a company with an excellent status in promoting initiatives for female participation and career advancement in the second stage of three stages from the Minister of Health, Labour and Welfare.



Excellence Award (Forestry Agency Director-General Award) at the Forest x Decarbonization Challenge 2022

In recognition of our 15 years of forest conservation activities, we received an excellence award (Forestry Agency Director-General Award) at the Forest x Decarbonization Challenge 2022, a newly established initiative by the Forestry Agency.



ESG Data

Data related to the environmental field

	Unit	FY2019	FY2020	FY2021	Cumulative total from the start of initiative	GRI Item	Remarks
Greenhouse gas (GHG) emissions, Energy use, and Electricity use (consolidated)							
GHG emissions							
Scope 1 (direct emissions)	t-CO ₂	1,381	1,512	1,483	—	GRI305-1	
Scope 2 (indirect emissions)	t-CO ₂	8,025	7,480	6,623	—	GRI305-2	
Total (Scope 1,2)	t-CO ₂	9,406	8,992	8,106	—		
Total energy consumption (crude oil equivalent)	kL	3,860	3,959	3,838	—	GRI302-1	
Total energy use (calorific value)	GJ	149,594	153,423	148,752	—	GRI302-1	
Electricity consumption	1,000kWh	12,752	12,917	12,511	—	GRI302-1	

	Unit	FY2019	FY2020	FY2021	Cumulative total from the start of initiative	GRI Item	Remarks
Greenhouse gas (GHG) emissions, Energy use, and Electricity use (non-consolidated)							
GHG emissions							
Scope 1 (direct emissions)	t-CO ₂	1,324	1,457	1,424	—	GRI305-1	
Scope 2 (indirect emissions)	t-CO ₂	7,786	7,229	6,361	—	GRI305-2	
Total (Scope 1,2)	t-CO ₂	9,110	8,686	7,785	—		
Total energy consumption (crude oil equivalent)	kL	3,747	3,836	3,717	—	GRI302-1	
Total energy use (calorific value)	GJ	145,226	148,669	144,051	—	GRI302-1	
Electricity consumption	1,000kWh	12,399	12,522	12,099	—	GRI302-1	
Water consumption (Public water supply)	1,000m ³	35	36	33	—	GRI303-5	Excluding usage at company dormitory, housing, and tenant-occupied properties

	Unit	FY2019	FY2020	FY2021	Cumulative total from the start of initiative	GRI Item	Remarks
Greenhouse Gas (GHG) emissions Scope3							
Category 1 Products and services purchased	t-CO ₂	4,446	4,240	3,375	—	GRI305-3	
Category 2 Capital goods	t-CO ₂	14,768	2,065	3,491	—	GRI305-3	
Category 4 Transportation and delivery (upstream)	t-CO ₂	1,652	1,508	1,779	—	GRI305-3	
Category 6 Business trip	t-CO ₂	246	246	250	—	GRI305-3	
Category 7 Commuting to work	t-CO ₂	838	853	863	—	GRI305-3	
Scope 3 (other relevant indirect emissions)	t-CO ₂	21,950	8,912	9,758	—	GRI305-3	

Data related to the social field

	Unit	FY2019	FY2020	FY2021	Cumulative total from the start of initiative	GRI Item	Remarks
Employees							
No. of employees (non-consolidated)	Persons	1,890	1,893	1,858	—	GRI102-7	
Males	Persons	1,049	1,033	1,000	—	GRI102-8	
Females	Persons	841	860	858	—	GRI102-8	
Percentage of males	%	55.5	54.6	53.8	—	GRI102-8	
Percentage of females	%	44.5	45.4	46.2	—	GRI102-8	
No. of employees (consolidated)	Persons	2,181	2,133	2,025	—	GRI102-7	
No. of temporary employees	Persons	778	750	721	—	GRI102-8	
Males	Persons	53	55	58	—	GRI102-8	
Females	Persons	725	695	663	—	GRI102-8	
Percentage of temporary employees	%	29.2	28.4	27.3	—	GRI102-8	Temporary employees / (Employees non-consolidated + temporary employees)
Average length of service	Year	17.4	17.6	17.8	—		
Males	Year	20.5	19.8	20.2	—		
Females	Year	14.1	14.6	14.8	—		

	Unit	FY2019	FY2020	FY2021	Cumulative total from the start of initiative	GRI Item	Remarks
Average age	Age	40.3	40.5	40.6	—		
Males	Age	43.8	43.2	43.8	—		
Females	Age	36.4	36.7	37.1	—		
No. of management level employees	Persons	788	768	764	—		As of the end of each FY
Males	Persons	612	597	586	—		
Females	Persons	176	171	178	—		
Percentage of males	%	77.7	77.8	76.7	—		
Percentage of females	%	22.3	22.2	23.3	—		
No. of job turnovers (excluding those retiring at retirement age)	Persons	91	97	92	—	GRI401-1	
Males	Persons	45	49	46	—	GRI401-1	
Females	Persons	46	48	46	—	GRI401-1	
Turnover rate	%	4.3	4.7	4.5	—	GRI401-1	
Turnover rate of new graduates within 3 years	%	10.5	11.9	10.0	—		
No. of employees continuously employed after age 65	Persons	—	—	14	—		Institutionalized from FY2021
Males	Persons	—	—	7	—		
Females	Persons	—	—	7	—		

	Unit	FY2019	FY2020	FY2021	Cumulative total from the start of initiative	GRI Item	Remarks
Personnel training							
Annual expenses for training	Million yen	32	16	51	—	GRI404-2	
Per-capita training expenses	Yen	11,339	7,986	25,290	—	GRI404-2	
No. of employees dispatched to external training	Persons	26	0	32	—	GRI404-2	No. of participants in training by Regional Banks Association of Japan
Per-capita training time	Hours	39	32	45	—	GRI404-1	Annual average enrollment time per trainee
Males	Hours	34	33	47	—	GRI404-1	
Females	Hours	43	30	43	—	GRI404-1	
Qualification acquired							
1st-grade FP	Persons	96	97	100	—		
2nd-grade FP (consulting services on personal assets)	Persons	905	972	990	—		
2nd-grade FP (consulting services on assets of owners of SMEs)	Persons	634	669	685	—		
Small and Medium Enterprise Management Consultant	Persons	10	10	11	—		
Information Technology Passport	Persons	9	85	171	—		
No. of new recruits	Persons	89	70	69	—	GRI401-1	
Males	Persons	32	28	22	—	GRI401-1	
Females	Persons	57	42	47	—	GRI401-1	
Percentage of males	%	36.0	40.0	31.9	—	GRI401-1	
Percentage of females	%	64.0	60.0	68.1	—	GRI401-1	
No. of mid-career employees	Persons	7	15	13	—	GRI401-1	
Males	Persons	3	2	5	—	GRI401-1	
Females	Persons	4	13	8	—	GRI401-1	
Percentage of males	%	42.9	13.3	38.5	—	GRI401-1	
Percentage of females	%	57.1	86.7	61.5	—	GRI401-1	
No. of scholarship repayment support system users	Persons	81	102	108	—		

	Unit	FY2019	FY2020	FY2021	Cumulative total from the start of initiative	GRI Item	Remarks
Diversity							
No. of employees with disabilities	Persons	61	59	62	—	GRI405-1	
No. of Gogin Challenges Matsue employees	Persons	18	18	17	—	GRI405-1	
No. of Gogin Challenges Tottori employees	Persons	8	9	14	—	GRI405-1	
Employment rate of people with disabilities	%	2.48	2.65	2.57	—	GRI405-1	
No. of employees who participated in the training seminar on human rights	Persons	765	673	469	—	GRI412-2	No. of employees who participated in hierarchical training seminar
No. of human rights slogan entries	Entries	1,400	1,776	1,544	—	GRI412-2	
No. of employees who participated in the course for dementia supporters	Persons	87	160	179	—		
No. of employees who took childcare leave	Persons	60	79	83	—	GRI401-3	
Males	Persons	4	15	19	—	GRI401-3	
Females	Persons	56	64	64	—	GRI401-3	
No. of males who took childcare leave	Persons	11	20	16	—	GRI401-3	
Percentage of males who took childcare leave or childbirth leave	%	35.7	64.8	89.7	—	GRI401-3	
Childcare leave return to work rate							
Males	%	100.0	100.0	100.0	—	GRI401-3	
Females	%	96.2	95.4	96.9	—	GRI401-3	
No. of short-time workers in childcare	Persons	58	62	63	—	GRI401-3	
Males	Persons	0	0	0	—	GRI401-3	
Females	Persons	58	62	63	—	GRI401-3	

	Unit	FY2019	FY2020	FY2021	Cumulative total from the start of initiative	GRI Item	Remarks
No. of employees who took nursing care leave	Persons	2	1	3	—		
Males	Persons	0	0	0	—		
Females	Persons	2	1	3	—		
No. of short-time workers in nursing care	Persons	4	3	3	—		
Males	Persons	0	0	0	—		
Females	Persons	4	3	3	—		

Health and safety

Taking paid leave rate	%	62.1	68.8	88.9	—		Based on the health management report
Average no. of paid leave days taken	Days	11	12	16	—		Based on the health management report
Annual total working time	Hours	2,160	2,010	2,024	—	GRI403-9	
Average monthly after-hours work	Hours	17:13	12:42	14:29	—	GRI403-9	
No. of industrial accidents	Cases	25	33	36	—	GRI403-9	
Traffic accidents resulting in commuting to work	Cases	12	11	12	—	GRI403-9	
Industrial accidents	Cases	13	22	14	—	GRI403-9	
Regular health checkup rate	%	100.0	100.0	100.0	—		Excluding those who were absent from work on temporary leave, or took childbirth leave, childcare leave, etc.
Smoking rate	%	16.0	13.1	11.5	—		Calculated at age 40 and up
Employees diagnosed with metabolic syndrome rate	%	12.2	12.9	12.2	—		Calculated at age 40 and up
No. of employees on temporary leave for reasons of mental health	Persons	28	33	36	—		Having an absence of one month or more within the fiscal year (including those who were retired or returned to work)

Labor practice

Average annual salary	Thousand yen	6,649	6,416	6,472	—	GRI405-2	
Union membership rate	%	55.1	54.8	55.8	—		Employees excluding administrative supervisors, senior managing directors, and managing directors
No. of ethics trainings conducted	Times	—	—	11	—		
No. of participants in ethics training	Persons	—	—	795	—		

Relationship banking activities

No. of business destinations of main transactions (top in balance of loan receivables)	Clients	8,539	8,529	8,505	—		
Sustainable finance							
Amount executed	Billion yen	—	—	12.77	12.77		Set a target for the cumulative amount to be executed from FY2021 to FY2030 and begin measuring it.
Environmental sector	Billion yen	—	—	45.5	45.5		
No. of businesses started with the Bank's involvement	Clients	482	539	384	—		
Business matching							
Support for sales channel development	Clients	710	414	344	—		Impact from COVID-19 in FY2020 and FY2021
Support for attracting companies to the local area	Clients	4	4	4	—		
Private placement bonds							
Bonds issued	Entries	225	169	233	—		
Amount issued	Million yen	22,450	18,340	24,210	—		
SDGs private placement bonds amount donated and equivalent monetary value of donated goods	Thousand yen	15,720	22,340	30,500	—		Donated goods are 0.2% of the amounts of educational, sports, regional, and medical type bonds issued
No. of business succession consulting contracts	Entries	18	8	20	—		
M&A advisory							
No. of contracts serviced	Entries	24	17	31	—		
No. of contracts concluded	Entries	9	5	12	—		
Utilization of SME Revitalization Support Committee							
No. of consulting services brought in	Clients	16	94	67	—		
No. of revitalization planning destinations	Clients	18	53	59	—		
J-Credit sales support							Initiative started in 2010
Quantify	t-CO ₂	939	443	2,504	6,799		
No. of clients	Clients	18	14	90	184		

Social contribution activities

Expenditures for social contribution activities	Thousand yen	117,997	100,200	99,721	—		
Forest conservation activities							
No. of participants	Persons	896	0	356	9,766		Cancelled in FY2020 due to the impact from COVID-19 Reduced participation in FY2021 due to infection control measures
Trees planted	Trees	640	0	300	17,660		Cancelled in FY2020 due to the impact from COVID-19 Reduced participation in FY2021 due to infection control measures

	Unit	FY2019	FY2020	FY2021	Cumulative total from the start of initiative	GRI Item	Remarks
Gogin Hitotsubu no Mugu no Kai							Initiative started in 1981
No. of recipients	Recipients	42	4	5	1,194		
Equivalent monetary value of donated goods	Thousand yen	2,843	3,191	2,700	127,636		
Amount donated by bank employees	Thousand yen	2,920	3,117	2,664	128,064		
Gogin Cultural Promotion Foundations (Former name : Gogin Shimane Cultural Promotion Foundation)							In April 2022, merged with Gogin Tottori Cultural Promotion Foundation
No. of recipients	Recipients	79	16	26	1,329		Impact from COVID-19 in FY2020 and FY2021
Amount of grants-in-aid	Thousand yen	6,466	2,126	4,360	163,622		Impact from COVID-19 in FY2020 and FY2021
Gogin Tottori Cultural Promotion Foundation							
No. of recipients	Recipients	75	22	34	1,257		Impact from COVID-19 in FY2020 and FY2021
Amount of grants-in-aid	Thousand yen	6,233	2,603	5,274	163,020		Impact from COVID-19 in FY2020 and FY2021
“Small Kindness” Movements							Initiative started in 1997
Participants in “Nationwide Cleanup Movements”	Persons	2,200	0	100	69,700		Cancelled in FY2020 due to the impact from COVID-19 Held in FY2021 only 2 venues due to weather and the impact from COVID-19
Seed bags distributed in “Nationwide Cosmos Movements”	Bags	7,000	5,500	—	309,550		Discontinued operations from FY2021
ECO-Cap collection weight	kg	1,990	1,806	2,812	17,787		
Amount of used stamps, etc., donated	Yen	19,030	27,798	74,696	1,041,942		
No. of wheelchairs, etc., donated	Units	4	4	4	134		
Walking cane donation destinations	Cities / towns	4	0	0	24		Combined with wheelchair donation in FY2020
No. of child support donation destinations	Recipients	2	4	4	20		
No. of schools visited for “Picture-story Show Caravan”	Schools	18	0	12	207		Impact from COVID-19 in FY2020

Data related to governance

	Unit	FY2019	FY2020	FY2021	Cumulative total from the start of initiative	GRI Item	Remarks
Board of Directors held	Times	13	12	12			
No. of directors	Persons	13	13	12		GRI405-1	
Percentage of female directors	%	7.6	7.6	16.6		GRI405-1	
Percentage of independent outside directors	%	38.4	38.4	50.0			
Average percentage of attendance of directors	%	100.0	100.0	97.9			
Total amount of directors' remuneration	Million yen	372	357	335			
No. of cases handled at whistle-blowing/consultation window	Cases	4	3	2		GRI419-1	
Statutory an regulatory violations in social and economic fields	Cases	0	0	0		GRI419-1	
Compliance training provided	Times	41	32	31			
Information security training provided	Times	30	22	22			
Amount of tax paid	Million yen	7,079	6,351	7,711		GRI207-1	

※ Values without annotations are on a non-consolidated basis of San-in Godo Bank.