



## About the Cover

The cover illustration was designed with the notion of "Sustainable growth into the future" in mind. The tree represents growth of the region and customers as well as San-in Godo Bank, conveying the image of "sustainable growth" with an awareness of the colors of the 17 Sustainable Development Goals (SDGs). An impression of sustainability of the Bank is formed in images of the Bank's initiatives, such as relationship banking and regional contribution activities, serving to nourish and lead to growth of the entire region.

### Gogin Challenged

## Matsue × Tottori

- Value creation through collaboration showcasing the talents of employees from both business sites. -

Drawings by Gogin Challenged Matsue employees were used for the illustration, designed by employees from Gogin Challenged Tottori.

Gogin Challenged is a business site for people with disabilities operated by San-in Godo Bank. Artwork production is the main focus of Gogin Challenged Matsue operations, while Gogin Challenged Tottori is largely responsible for tasks that revolve around IT skills.

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# Sustainability Report 2021

SAN-IN GODO BANK Sustainability Report 2021

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**Editorial Policy**

We have prepared a sustainability report summarizing San-in Godo Bank's initiatives for sustainability. Prepared with reference to the "GRI Standards" and "TCFD Recommendations," this report is comprised of ESG information, such as sustainability-related policies, systems, specific initiatives, and cases. Based on the concept that a sustainable regional society and the Bank's sustainable growth are one and the same, we recognize sustainability as a key issue for management and are committed to providing solutions to social issues through core operations and regional contribution activities. The prepared report is intended to convey information about our long-standing initiatives to our stakeholders.

**Scope of Reporting**

In principle, this report covers all of San-in Godo Bank.

**Reporting Period**

FY2020 (April 1, 2020 - March 31, 2021). Part of our activities in FY2021 are also included.

**Structure of Information Disclosure**



**Referenced Guidelines**

**GRI Standards** \* GRI (Global Reporting Initiative): An international organization that was established for the purpose of disseminating global common guidelines for "Sustainability Reports" in 1997.

**TCFD Recommendations** \* TCFD (Task Force on Climate-related Financial Disclosures): A task force to encourage companies to disclose climate-related information, which was established by the Financial Stability Board (FSB) with participation from central banks, financial supervisory authorities, etc., of major countries in 2015.

**Message regarding Forecasts**

The materials contained in this report include statements regarding future business performance. Please be aware that actual future business performance may differ due to changes in operating environment and other factors.

# Message from the President

Thank you for your continued support and encouragement of San-in Godo Bank.

We are pleased to announce the publication of our first “SAN-IN GODO BANK Sustainability Report 2021” to promote a better understanding of the Bank’s initiatives toward realizing a sustainable environment and regional society as well as sustainable growth for San-in Godo Bank. The Bank has long been engaged in activities that contribute to improving regional sustainability. Please read this Report for expanded information on these activities.

## 1. Facing Regional Issues

The San-in region where our management is primarily based is the so-called most challenging region in Japan, faced with issues that include a shrinking population, a declining birthrate, and an aging population. These structural problems have various effects on the regional economy and society, such as issues related to business succession problems caused by labor shortages and other issues related to sustainability of the regional economy, as well as problems related to maintenance and strengthening of the social infrastructure, including healthcare and nursing care due to an aging population these are accelerating at a faster pace than other regions. Additionally, environmental problems and response to climate change, etc., have moved to the forefront as regional issues in recent years. Under such an operating environment, San-in Godo Bank has faced these wide-ranging issues with the region raising its role in relationship banking. Aiming to solve regional issues within the region, we have declared our role as a company that operates in a region faced with multiple challenges and put into practice our initiatives toward

solving regional issues. In recent years, ESG management has gained the spotlight, and we are convinced that this is exactly the case we advocate in relationship banking and regional contribution activities that have taken root in the Bank as its policies and culture.

## 2. Initiatives toward Solving Regional Issues

In order to solve regional issues and enhance sustainability, we believe that “people” who can act for the region and for customers with enthusiasm are key. The Bank strives to enhance each individual employee’s level of job satisfaction and ease in work and support their autonomous growth so that such human resources can grow and play an active role.

In addition, as regional support through relationship banking, in recent years, we have increasingly devoted our energies to initiatives toward regional revitalization, such as energizing the community in collaboration with local governments from the perspective of “towns, people, and jobs,” in addition to expanding the range of business support, including digitalization and securing of human resources.

In addition, our distinctive long-running regional contribution activities includes “forest conservation activities” to protect hometown forests through our regional network, “Gogin Challenged” to support the independence and social participation of people with disabilities, and “Shofukan” to foster sensibilities and resourcefulness of children who will forge the future of the region.

## 3. Toward Realizing a Sustainable Regional Society

Survival of regional financial institutions is integrally tied with sustainability of the regional economy and regional society. The Bank will continue to further strengthen initiatives that contribute to solving social and environmental issues, aiming at sustainable development together with the regional economy and regional society.

We ask for your continued support and encouragement.

February 2022

President and  
Representative Director

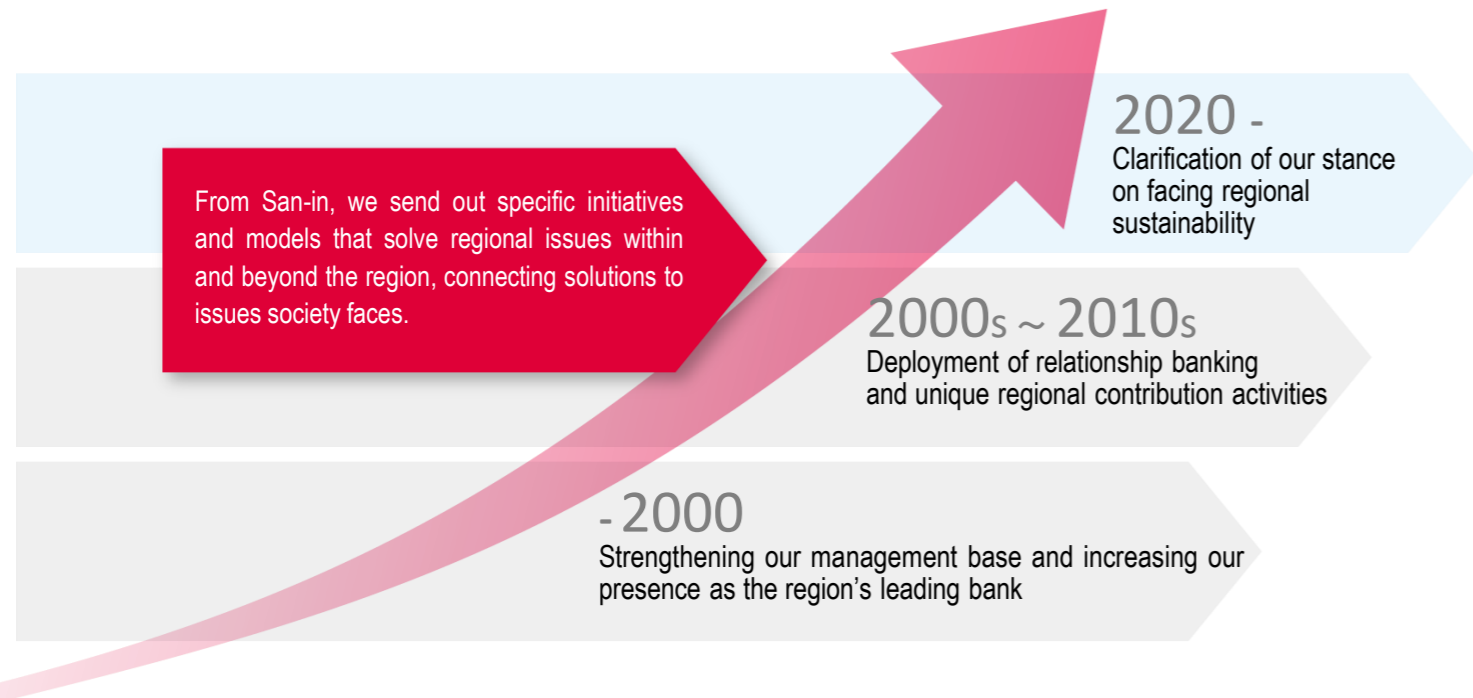



# Sustainability of Gogin

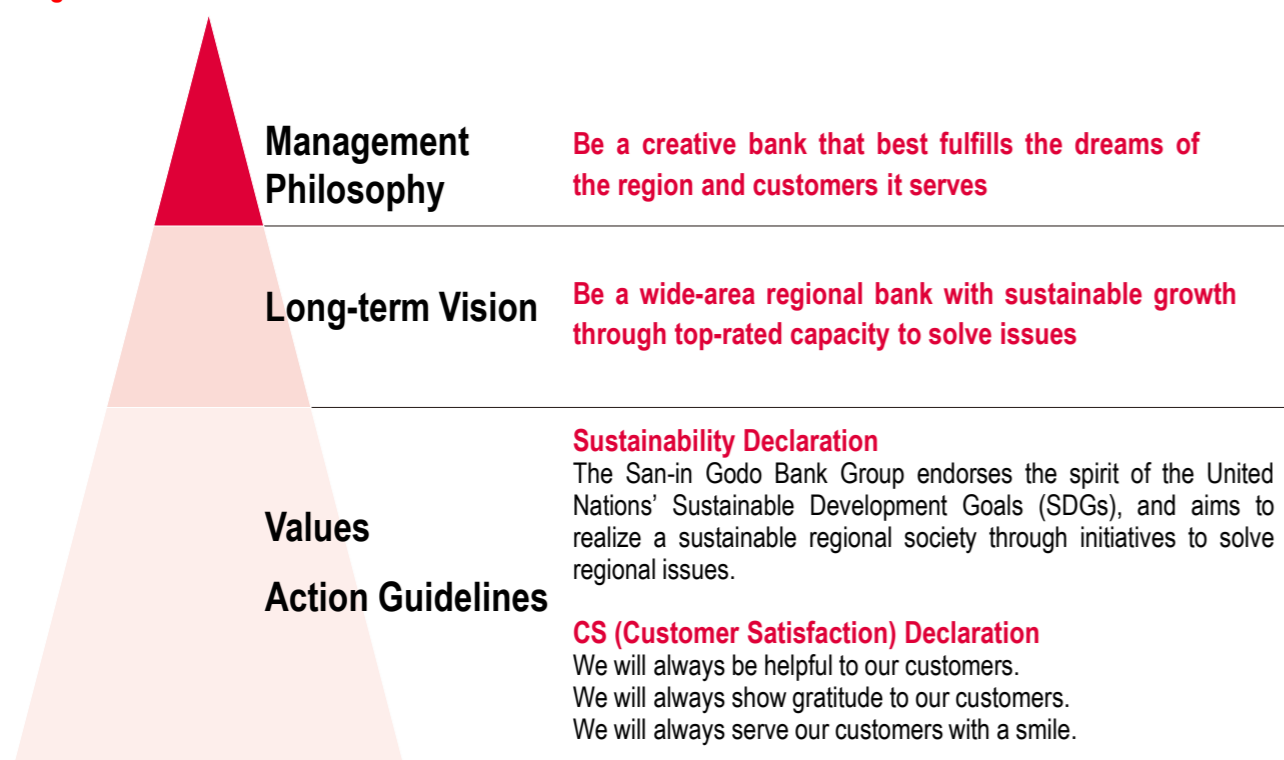
## Continue walking in step with the region and customers

For the San-in region to be sustainable where economic foundations are weak, all of San-in needs to face regional issues and grow the entire region. San-in Godo Bank is closely tied with the region and develops its activities based on the concept that regional issues should be solved within the region.

No matter what era we are in, our core concern of “playing a beneficial role for the region and for customers” remains unchanged and our stance on being deeply rooted in the region and continuing to face regional sustainability will not change in the future.

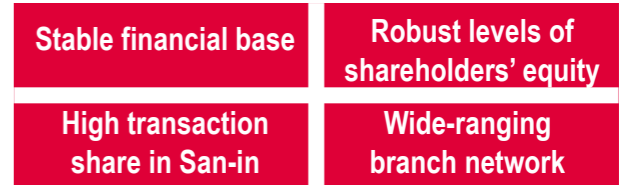


## Management Policies



## Strong Management Base

In order to respond to changes in the surrounding environment and customer needs and to meet expectations as the region's leading bank, the Bank constantly strives to strengthen its management base, maintain soundness by raising its earnings capacity, and continuously provide cutting-edge financial services and expertise.



## Sustainable Growth to Support the Region

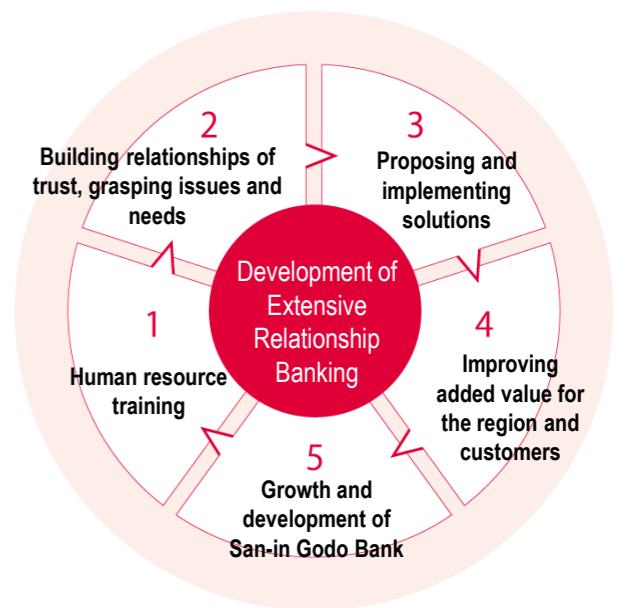
We contribute to energizing the community and regional economic revitalization by striving to solve regional and customer issues as our core business. In order to continue to support the region through our core business, we aim at an ideal of playing a beneficial role for the region and customers and growing together by acquiring additional problem-solving skills.



## Development of Relationships with the Region

Based on the concept that “ESG management and relationship banking are one and the same,” we have positioned relationship banking as a universal business model and developed it extensively.

In addition, we continue our activities to enhance regional sustainability, while maintaining deep local ties in every aspect of regional contribution activities.



## Initiatives for Unique Regional Contribution Activities

We aim to advance and improve the regional society by actively developing various regional contribution activities. Among them, environmental protection, diversity (support for the independence of people with disabilities), and youth education are the three major pillars of our regional contribution activities, and as a business and industry leader, we consistently pursue our initiatives for unique activities: “forest conservation activities,” “Gogin Challenged,” and “Shofukan.”

Environmental Protection	Diversity (Support for the Independence of People with Disabilities)	Youth Education
<b>Forest Conservation Activities</b> <p>Practical activities to conserve forests in various parts of San-in with the participation of directors, executive officers, employees, and their families</p>	<b>Gogin Challenged</b> <p>Business establishments that specialize in the employment of people with disabilities</p>	<b>Shofukan</b> <p>Learning with the aim of emphasizing the importance of students engaging all of their senses to thoroughly experience the background and true nature of the world around them</p>

# Policies regarding Initiatives for Sustainability

## - Accelerating initiatives toward solving environmental issues and social issues as well as regional issues under new promotion systems -

Following the announcement of the “Sustainability Declaration” in May 2019, we have established environmental policies, human-rights policies, and various other policies as well as in-house systems, and have committed to solving issues toward realizing a sustainable regional society.

### Sustainability Declaration

The San-in Godo Bank Group endorses the spirit of the United Nations’ Sustainable Development Goals (SDGs), and is striving to realize a sustainable regional society through initiatives to solve regional issues.

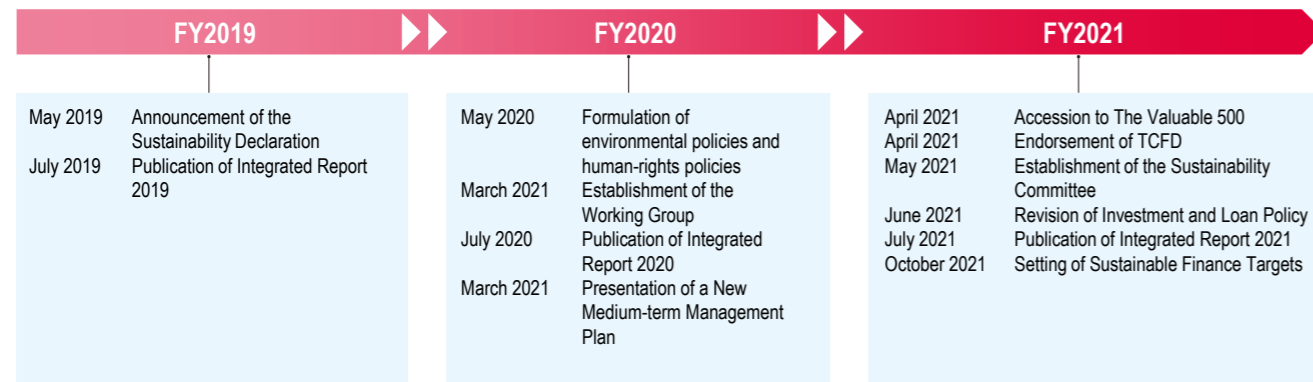
**Sustainability Declaration** <https://www.gogin.co.jp/about/csr/sustainability/> (Japanese only)

In recent years, while worldwide interest in SDGs and ESG management has increased, regional banks are also being required to actively engage on these issues and take on the role of expanding them regionally.

Aiming for regional sustainability, San-in Godo Bank has engaged in a wide range of initiatives including relationship banking, regional revitalization, CSR activities. Since the concepts of SDGs and ESG are the same as those of the Bank’s business model and philosophy, through a renewed announcement as our “Sustainability Declaration” that endorses the spirit of SDGs, we will further raise the awareness of our directors, executive officers, and employees, and extend the reach of these philosophies to the regional society and customers, aiming at realizing a society in which the region and the Bank can grow sustainably.

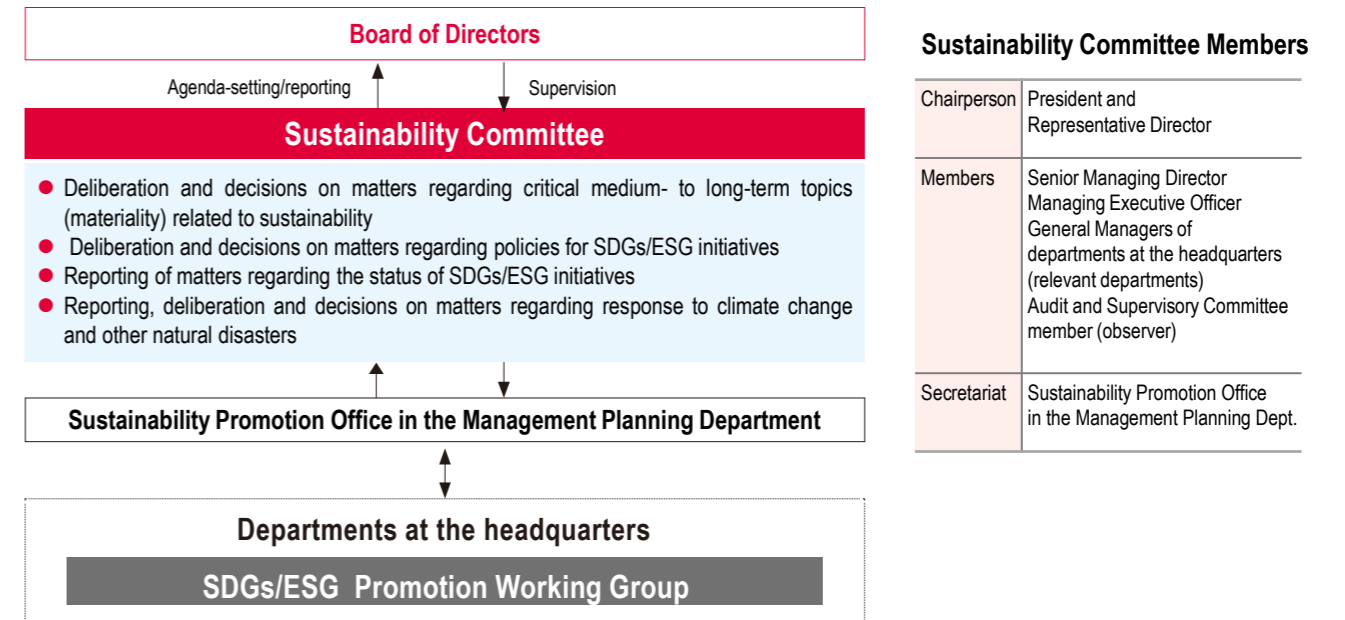


### Initiatives toward Strengthening the Promotion of Sustainability



### Sustainability Promotion System

To promote initiatives for SDGs/ESG, we established the Sustainability Committee chaired by the President in May 2021 to strengthen governance. In addition, we established the Sustainability Promotion Office specializing in sustainability-related planning and overall management in the Management Planning Department in October 2021. And, the SDGs/ESG Promotion Working Group composed of members from departments at the headquarters is implementing cross-organizational initiatives, including responses to climate change.



### Sustainability Committee Performance

Since the establishment of the Committee in May 2021, meetings have been held three times prior to October 2021. Details of the Committee meeting agendas, etc., are as follows.

Time	Date	Theme	Content	Main issues and matters to be addressed in the future
1st	May 11, 2021	Revision of the investment and loan policy	Redefinition of “fields to be actively addressed” and “fields to be avoided” based on social trends, environmental policies, and human-rights policies <ul style="list-style-type: none"> <li>Strict controls on commitments such as investments and loans for entities where involvement with human rights violations, child labor or forced labor is recognized, and investments and loans to fund new construction of coal-fired power generation plants</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of periodic reviews</li> <li>Review of policies as needed, and sophistication of operations</li> </ul>
2nd	August 20, 2021	ESG initiative issues and future policies	Reporting of the status of initiatives for ESG issues set in the medium-term management plan and FY2021 operating plan and others, and deliberation on future policies <ul style="list-style-type: none"> <li>Strengthening of SDGs/ESG dissemination and awareness activities</li> <li>Development of new businesses that contribute to decarbonization of the region</li> <li>Development of products and services for the elderly and people with disabilities that contribute to financial inclusion</li> <li>Strengthening of initiatives for green, transition, and other environmental finance initiatives</li> <li>Enhancement of response to climate change and disclosure based on TCFD Recommendations</li> <li>Enhancement of disclosure of non-financial information</li> <li>Initiatives toward early achievement of carbon neutrality, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening and continuation of SDGs/ESG dissemination and awareness activities (bank staff, region, clients)</li> <li>Contribution to solving environmental and social issues through our core business</li> <li>Enhance sophistication of disclosure based on the TCFD Recommendations (implementation of scenario analysis, etc.)</li> <li>Formulation of specific plans toward achievement of carbon neutrality</li> </ul>
3rd	October 22, 2021	Setting of sustainability-related KPIs	Deliberation on setting of “sustainable finance targets” in order to accelerate initiatives toward solving environmental issues, social issues, regional issues, etc. <ul style="list-style-type: none"> <li>New execution amount by FY2030: 1.5 trillion yen (of which 500 billion yen is in the environmental field)</li> </ul>	<ul style="list-style-type: none"> <li>Expansion and enhancement of the setting items of KPIs related to sustainability</li> </ul>

## Policies regarding Initiatives for Sustainability

### Sustainability-related Policies

#### Policies on environment-related initiatives

The San-in Godo Bank Group recognizes that sound social development is vital to its own sustainability and is founded on the existence of a sustainable society, while, as a good corporate citizen walking hand in hand with society, engaging in proactive and consistent environmental protection activities designed to pass on an abundant natural environment to future generations.

**Environmental policies** <https://www.gogin.co.jp/about/csr/environment/> (Japanese Only)

#### Policies on human rights-related initiatives

The San-in Godo Bank Group works to foster a corporate culture and working environment that respects the basic human rights of customers, employees and all other stakeholders.

**Human-rights policies** <https://www.gogin.co.jp/about/policy/humanrights/> (Japanese Only)

#### Investment and loan policies

In light of the principles of the United Nations' Sustainable Development Goals (SDGs), in order to realize a sustainable regional society and environment through its business, the San-in Godo Bank Group has defined policies in fields to be actively addressed and fields to be avoided with respect to investments and loans.

##### ■ Fields to be Actively Addressed

We make proactive investments in and loans to businesses that contribute to the region's sustainable development and businesses that contribute to the conservation of biodiversity and the realization of a carbon-free society, etc.

##### ■ Fields to be Avoided

###### <Policies regarding special sectors>

- (1) We do not make investments in and loans to entities involved in the development, manufacture or possession of biochemical weapons, cluster bombs or similar weaponry.
- (2) We do not make investments in and loans the purpose of which is to fund new construction of coal-fired power generation plants as a rule.
- (3) We give careful consideration to investments and loans for palm oil plantation development after verification of status in obtaining certification and other requirements.

**Investment and loan policies** <https://www.gogin.co.jp/about/csr/investmentandloan/> (Japanese Only)

San-in Godo Bank has established long-term goals related to sustainable finance targeting FY2030, to achieve SDGs. We define sustainable finance as investments and loans that contribute to solving environmental and social issues, and support the regional SDGs/ESG management that go hand in hand.

Sustainable Finance Target  
**Cumulative execution amount from FY2021 to FY2030:**  
**1.5** trillion yen  
 (of which 500 billion yen is in the environmental field)

#### ● Definition of sustainable finance

It shall be investments and loans that contribute to solving environmental and social issues, etc., in line with examples of targeted projects and fund usage that matches various international principles and government guidelines, and target the following projects.

Field	Project	Specific Example
Environmental field	Projects that contribute to climate change mitigation and adaptation, and environmentally friendly initiatives	Renewable energy projects, energy conservation projects, carbon-free and low-carbon projects, etc.
Social field	Projects that contribute to regional economic revitalization and a sustainable regional society	Basic infrastructure construction, essential services (healthcare, education, etc.), job creation (business startups), etc.

## Materiality

### - Aiming at sustainable growth for the entire region through extensive support for the region -

To ensure the entire region's growth, San-in Godo Bank has for many years consistently engaged in activities designed to solve social issues. At the same time, recognizing the need itself to showcase a strong physical presence in order to maintain support for the region, San-in Godo Bank works consistently to strengthen its management base.

In formulating the Medium-term Management Plan set to launch from fiscal 2021, by ascertaining risks and opportunities, we have identified several key issues to be addressed (materiality), taking into account the rapid changes in social structure caused by the COVID-19 pandemic, as well as long-standing trends in the external environment. By moving to resolve regional and customer issues as part of core operations, including regional revitalization and environmental measures, a virtuous cycle is emerging in the regional economy as we eye sustainable growth for the entire region.

### Sustainable growth for the entire region

#### Extensive support for the region

	Key Issues to be Addressed	Main initiatives between 2020 and 2021
<b>Environment</b>	Environmental business initiatives	Establishment of long-term goals for sustainable finance
	Response to Climate Change	Endorsement of the TCFD Recommendations and disclosure Revision of the investment and loan policies
	Reduction in environmental impact	FY2020 CO <sub>2</sub> emissions (compared with FY2013) 28.9% reduction
<b>Society</b>	Sustainability and growth of regional businesses	Establishment of Gogin business succession funds with Gogin Capital in January 2021
	Formation of a safe, secure society	Expansion and enhancement of non-face-to-face channels Support for asset formation in collaboration with Nomura Securities Co., Ltd.
	Contribution to regional society	Lineup of SDGs private placement bonds - "Donation to medical institution-type"
	Support for regional and customer SDGs/ESG	Start of "Gogin SDGs management support service"
	Diversity promotion	Employment rate of people with disabilities: 2.48%→2.65% Percentage of female managers: 22.5%→22.6% (March 2020 - March 2021)
<b>Governance</b>	Strengthening of group governance	Change in directors composition, June 2021 Six independent outside directors (50%), Two female directors (16.6%)
	Enhancement of risk management	Consideration of expansion of the scope of RAF

#### Social issues recognized by the Bank

- Population decline and aging society
- Low economic growth
- Response to digital society
- Change and diversification in working styles and values
- Realization of a carbon-free society

See Integrated Report 2021 for details.

# Stakeholder Engagement

- Contribute to solving social issues and forming a sustainable society through conversations with stakeholders involved in our business activities -

**Placing importance on communications with customers in daily operating activities, we strive to offer high-quality consulting services and further improve products and services.**

- Strengthening of points of contact with customers and consulting through communications
  - Building relationships of trust and solving client issues starting with business feasibility evaluations
  - Strengthening contact points starting with non-face-to-face transactions, and advanced consulting through face-to-face channels
- Collection of customer feedback, customer questionnaires

See pages 28 – 47 for details.

**Aiming at a sustainable society, we strive to solve regional and customer issues together with business partners.**

- Collaboration with many outside experts, external institutions, etc., in order to provide optimum solutions to clients' management issues
- Business alliance with Nomura Securities Co., Ltd., aiming to establish a regional securities business model

See pages 24 – 39 for details.

**We make efforts to strengthen two-way communication between the management and employees so as to be a dynamic company in which employees work energetically.**

- Opinion exchanges meeting with the Bank President
- Initiatives toward sharing the management philosophy
- Communication between the management and bank staff
- Delivery of messages from the Bank President
- Enhancement of career planning support and feedback
- Employee surveys and whistle-blowing system

See pages 54 – 63 for details.

**As a member of the regional society and to fulfill our responsibilities to the regional society, we are committed to activities rooted in the region.**

- Cooperation with regional revitalization, local regrowth, participation in platforms
- Unique regional contribution activities, participation in local communities
- Participation in initiatives

See pages 12 - 13, pages 48 – 53 for details.

**In order to pass on an abundant natural environment to future generations, we are engaged in environmental protection activities in collaboration with the region and customers.**

- Response to climate change
- Environmental protection activities
- Reduction in environmental impact
- Support for clients' environmental management through financial products

See pages 16 - 27 for details.

**We are increasing management transparency through appropriate information disclosure and communication opportunities.**

- Proactive information disclosure
- Ordinary General Meeting of Shareholders
- Corporate briefings

See page 67 for details.



## Participation in Initiatives

- Making a declaration to society through participation in initiatives, and fulfilling an active role as a member of society toward solving social issues and realizing a sustainable society -

### TCFD (Task Force on Climate-related Financial Disclosures)

The task force, which was established by the Financial Stability Board (FSB) with participation from central banks, financial supervisory authorities, etc., of major countries, recommends that all companies should disclose assessments of climate-related risks and opportunities for smooth transition to a carbon-free society as well as their financial effects.

In order to contribute to realizing a carbon-free society while grasping and assessing risks and opportunities posed by climate change to customers and San-in Godo Bank, we, endorsing the TCFD Recommendations, will strive to enhance information disclosure, and proactively support the region's and customers' response to climate change toward decarbonization through financial intermediary functions, such as investment and loan activities.



### 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.

Among 500 companies endorsing The Valuable 500 around the world, the number of Japanese companies totals 53, of which only 2, including the Bank, are participating as regional financial institutions.

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.



## External Evaluation

- Our initiatives for sustainability are highly valued -

### 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.



### 2021 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 third consecutive year.

Among the Group companies, San-in General Lease Co., Ltd., Matsue Real Estate Co., Ltd., Gogin Business Services Co., Ltd., Gogin Credit Co., Ltd., San-in Servicing Co., Ltd., and San-in Office Services Co., Ltd., were also certified in the Small and Medium-Sized Enterprise Category for the second consecutive year.



### 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-levels 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.



### Registered Business Operator under Japan's Whistleblowing Compliance Management System Certification (Declaration of Conformity Registration System)

In August 2019, we became the first regional financial institution registered under Japan's Whistleblowing Compliance Management System Certification (declaration of conformity registration system) certified by the Consumer Affairs Agency, and the registration is updated annually.



## Initiatives for Dissemination and Awareness of SDGs

**Key Issue** Society **Support for regional and customer SDGs/ESG**

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.

- Matsue Daiichi Junior High School (June 2021)

A workshop was held for all the 3rd-grade classes under the theme of regional revitalization in collaboration with an official SDGs facilitator in Matsue City.



### Participation in Dissemination and Production of Public Awareness TV Programs

Participating as an adviser in planning the TV program titled "Road to 2030 – Think about the Future of Our Hometown with SDGs –," which is produced and broadcast by Chukai Cable Television System Operator (Yonago City, Tottori Prefecture) for dissemination and awareness of SDGs, we support a program that will continue until 2030.

On the occasion of the planning of the program, we held advance seminars for all the employees of Chukai Cable Television to support in-house dissemination on the nature of SDGs, etc.

#### 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.

**Mitsunobu Inoue**, Assistant Manager  
Regional Development Group, Regional Development Department

#### Seminars on SDGs, etc., held

**71 times**  
(FY2018 to the end of October 2021)

**Donated SDGs-related Books**  
Gogin Shimane Cultural Promotion Foundation and Gogin Tottori Cultural Promotion Foundation support the provision of high-quality education for the next-generation children through the donation of SDGs-related books to all elementary schools in both prefectures of Shimane and Tottori.



## Support for Clients' Transition to a Carbon-free Society and 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 and 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.



### Start of "Gogin SDGs Management Support Service"

We grasp the status of SDGs initiatives by each client, and support them in making SDGs Declarations in respect of delivering information externally. Analyzing the current status of each company and improving the accuracy of extracting issues, we share findings with each client, and propose various solutions.



### Examples of financial products and services that lead to contributions to SDGs

- Sustainable finance ▶ P24
- Utilization of J-Credit ▶ P26
- SDGs private placement bonds ▶ P51

#### Simple diagnostic tool for compatibility with SDGs (free version)

**Number of user companies 204**  
(As of the end of September 2021)

## Fostering Awareness of 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.

### Holding of "SDGs Utilization Seminar Linked to Business Support Activities"

In September 2021, we held an "SDGs Utilization Seminar Linked to Business Support Activities" for corporate business personnel, with the assistance of Sampo Risk Management Inc. and Sampo Japan Insurance Inc.

50 bank staff members participated in the seminar to learn how to make proposals on SDGs to clients.

#### SDGs/ESG Financial Officer Certification Test

**Number of participants who passed the test**

**55**  
(As of September 30, 2021)

#### FY2020 - FY2021

**Number of participants who took the learning content course on SDGs/ESG**

**Total 3,276**  
(As of the end of October 2021)

## Environment



We engage in environmental protection hand in hand with customers toward the realization of a carbon-free society.



### Environmental Policies (Formulated in May 2020)

#### 1. Compliance with various environment-related laws and regulations

We comply with environment-related laws and regulations as well as agreements, etc.

#### 2. Promotion of environmental protection activities through financial products and services

We contribute to environmental protection by offering financial products and services.

#### 3. Promotion of resource conservation, energy saving, and recycling

We strive to reduce environmental impacts on business activities by promoting resource conservation, energy saving, and recycling.

#### 4. Promotion of environmental protection activities in collaboration with the regional society

We proactively engage in environmental protection activities in collaboration with the regional society.

#### 5. Implementation of environmental education and awareness activities

As these policies are well known to all directors, executive officers, and employees, each of us voluntarily and actively engages in environmental protection activities.

## Response to Climate Change

- Responding more robustly to climate change while aiming for more sophisticated information disclosure -

### Key Issue **Environment** Response 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 on both the business environment and management itself.

Prompted by these conditions, San-in Godo Bank gave its endorsement to the "TCFD (Task Force on Climate-related Financial Disclosures)" recommendations in April 2021. Going forward, we will continue to strengthen our response to climate change, while moving toward more sophisticated information disclosure proposed as a part of the TCFD recommendations.

<b>Governance</b>	<ul style="list-style-type: none"> <li>■ 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.</li> <li>■ In order to strengthen initiatives for SDGs/ESG bank-wide, we established the Sustainability Promotion Office to plan and promote the entire Group's activities.</li> <li>■ 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.</li> </ul>
<b>Strategies</b>	<p>The Group has formulated a Sustainability Declaration, which defines our commitment to emphasizing efforts concerning environmental protection, including climate change, in order to make a regional society sustainable. We position response to climate change as an important management issue, and advance initiatives that target both the opportunities and risks emerging.</p> <ul style="list-style-type: none"> <li>■ <b>Opportunities</b> We are bolstering both green financing for renewable energy projects and transition financing to promote the shift toward a zero- or low-carbon society, supporting the region and clients in making this important transition.</li> <li>■ <b>Risk</b> 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 transitioning to carbon-free technologies (transition risk). <ul style="list-style-type: none"> <li><b>Physical risk</b> 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.</li> <li><b>Transition risk</b> 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.</li> </ul> </li> <li>■ <b>Scenario analysis</b> Going forward, we are exploring the potential for implementing scenario analysis to better assess the impact that climate-change related physical and transition risks may pose to our credit portfolio.</li> </ul>
<b>Risk management</b>	<ul style="list-style-type: none"> <li>■ Recognizing initiatives for the environment, including climate change, as one of our key management concerns, we drafted "investment and loan policies that take into account the Sustainability Declaration," which includes policies for responding to climate change.</li> <li>■ We recognize the impact that physical and transition risks arising from climate change 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 explore initiatives for achieving an integrated risk management process for climate-related risks, as well.</li> </ul>
<b>Indicators and targets</b>	<p>(1) Greenhouse gas (CO<sub>2</sub>) emissions reduction target and performance</p> <ul style="list-style-type: none"> <li>■ <b>Target</b> Greenhouse gas (CO<sub>2</sub>) emission reduction target: 50% reduction in FY2023 vs. FY2013</li> <li>■ <b>Monitoring indicator</b> Scope 1 (direct emissions) and Scope 2 (indirect emissions) CO<sub>2</sub> emissions</li> <li>■ <b>Performance</b> FY2020 emissions performance: 8,686 t-CO<sub>2</sub> (down 28.9% vs. FY2013)</li> </ul> <p>(2) Sustainable finance target: cumulative execution amount</p> <ul style="list-style-type: none"> <li>■ <b>FY2021 - FY2030</b> 1.5 trillion yen (of which 500 billion yen is in the environmental field)</li> </ul>

# Initiatives to Lessen Our Environmental Impact

**Key Issue** → **Environment**    Reduction in environmental impact

At San-in Godo Bank, we strive to reduce the environmental impact of our business activities by promoting resource conservation, energy saving and recycling activities.

- **Improving energy-conservation awareness**  
By requesting energy- and electricity-saving measures, we are raising the level of awareness at the Bank for the need to conserve energy.
- **Adoption of energy-saving, eco-friendly products**  
We are adopting the use of energy-saving and eco-friendly products such as air conditioners, LED lighting, solar panels, and electric vehicles.
- **Going paperless and recycling**  
San-in Godo Bank is making progress in going paperless by shifting to digital for internal documents and reducing paper copies and printing. We also recycle waste paper into toilet paper and recycle other waste into solid fuel resources.

### 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 environmental impact."

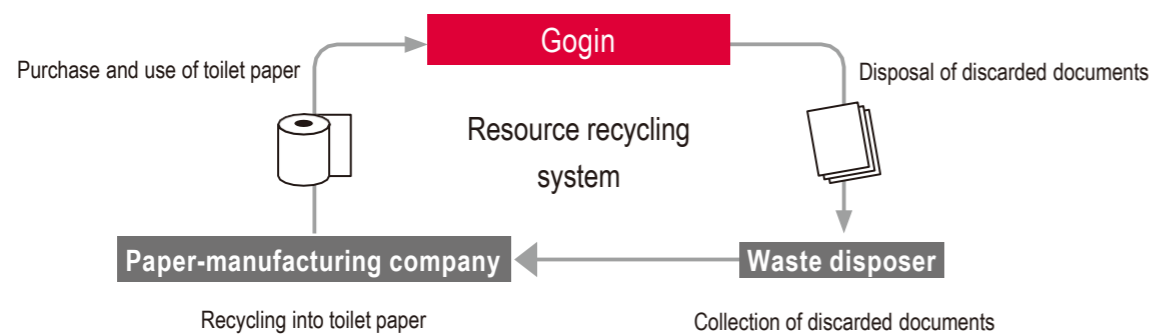
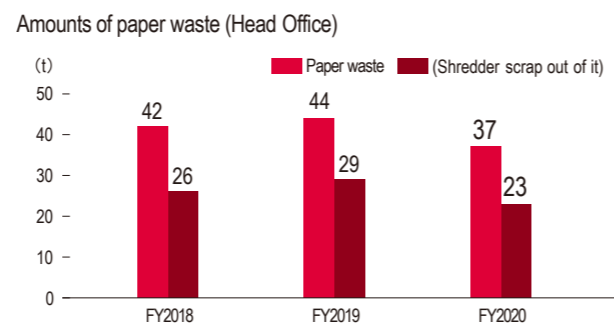
Toward realizing zero or low carbon, consideration is also underway to proactively adopt this equipment at branches, etc., that will be newly constructed or renovated in the future.

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

### 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.



### Initiatives to save energy and electricity

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 headquarters so that employees can work comfortably at appropriate room temperatures, while employees who work at branches are allowed to exercise their own discretion in wearing neckties year-round. At each of our branches, all employees think about and strive for energy- and electricity-saving measures.

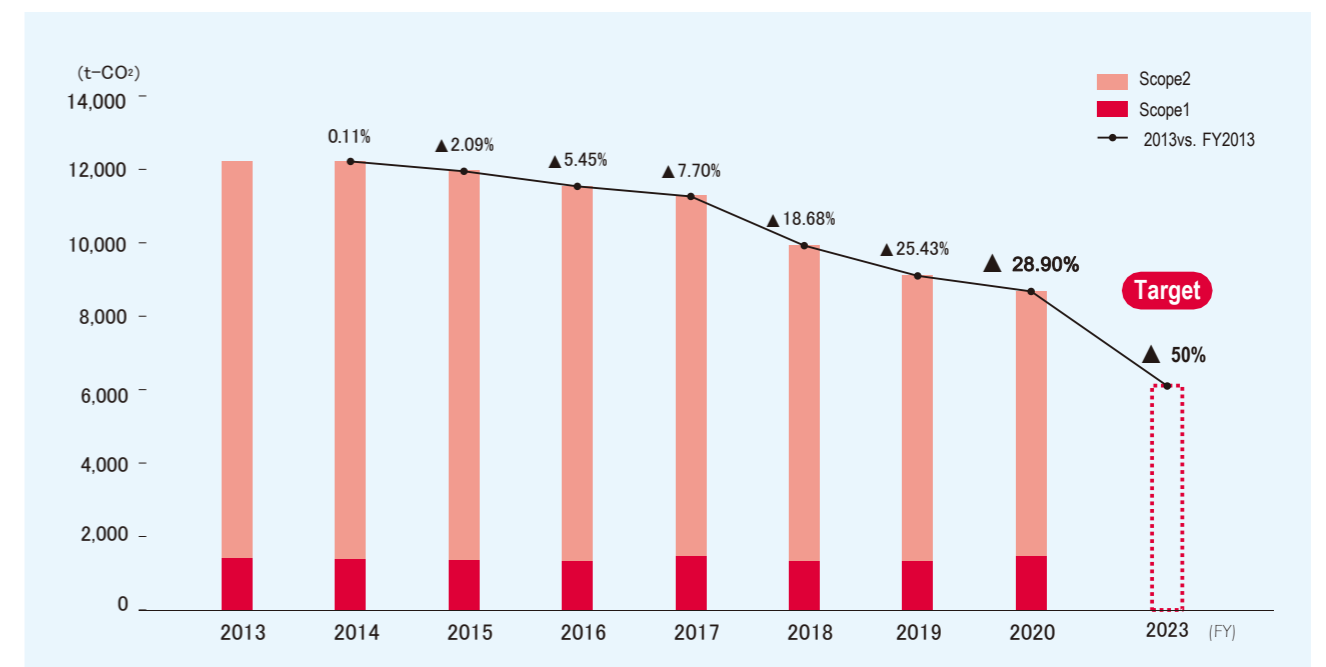


### Greenhouse gas (CO<sub>2</sub>) emissions, energy and electricity usage

Measurement categories		Unit	FY2018	FY2019	FY2020
CO <sub>2</sub> emissions	Scope 1 (direct emissions) Heavy oil, kerosene, light diesel oil, gasoline, city gas, propane gas, etc.	t-CO <sub>2</sub>	1,324	1,324	1,457
	Scope 2 (indirect emissions) Electricity	t-CO <sub>2</sub>	8,610	7,786	7,229
	Total (Scope 1 + Scope 2)	t-CO <sub>2</sub>	9,934	9,110	8,686
Total energy usage (crude oil equivalent)		kL	3,855	3,747	3,836
Total energy usage (crude oil equivalent)		GJ	149,435	145,226	148,669
Electricity usage		1,000 kWh	12,842	12,399	12,522

### Greenhouse gas (CO<sub>2</sub>) emissions and targets (Scope 1 & 2)

San-in Godo Bank has set a "50% reduction in CO<sub>2</sub> emissions volumes compared with fiscal 2013" as a target for fiscal 2023. Initiatives are underway to meet this goal ahead of the Japanese government's own target for fiscal 2030 of a "46% reduction in CO<sub>2</sub> emissions volumes compared with fiscal 2013," as part of the Bank's contribution to national efforts to achieve carbon neutrality as quickly as possible. In fiscal 2020, San-in Godo Bank reduced emissions volumes by 28.9% compared with fiscal 2013 levels.



# Environmental Protection Activities in Collaboration with the Region

Key Issue **Environment** Reduction in environmental impact

## PICK UP

**Forest conservation activities**

### Activities to nurture forests and pass them on to future generations

Guided by the philosophy of "Protecting the natural beauty of our home region" and "Continuing commitment to enabling everyone to do what is within their power to help," San-in Godo Bank joins forces with others across the region in activities designed to responsibly manage forests for the sake of future generations.

Through practical forest conservation activities by directors, executive officers, and employees and exchanges with regional volunteer groups, we have provided information on the importance of forest conservation and the present conditions of forests, and we have engaged in activities to widen the scope of forest development projects for many years. San-in-originated initiatives for forest conservation activities by the Bank in collaboration with the region are developing into a nationwide campaign.



### "Gogin Kibo no Mori (Forests of Hope)" (since 2006)

The Bank's directors, executive officers, employees, and their families conduct practical conservation activities at six forest locations across Shimane and Tottori Prefectures.

Gogin Kibo no Mori Distribution Map



Total number of participants in forest conservation activities  
**9,506**  
(cumulative total from the start in FY2006 to the first half of FY2021)

Number of trees planted  
**17,360**  
(cumulative total from the start in FY2006 to the first half of FY2021)

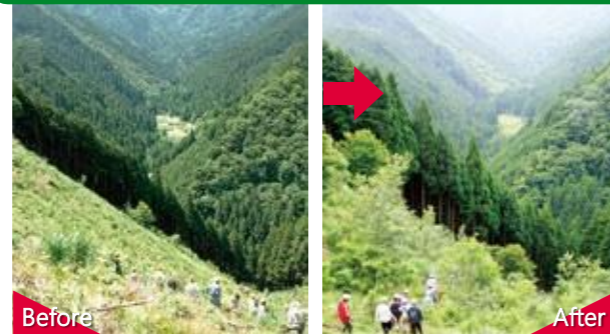
### "Gogin Kibo no Mori Chizu" - Over 15 years of activities completed -

In August 2006, we participated in Tottori Prefecture's "Tottori Kyosei-no-Mori" promotion support project as the first business enterprise, and on October 21 of the same year, the Bank's first activities started in a 2.8ha privately owned forest in Chizu Town, Tottori Prefecture.

The site had been left untouched by humans with undergrowth uncut after Japanese cedars and other trees were once logged; therefore, we first worked on returning the forest to a pristine state. Through 15 years of activities the broad-leaved trees having been planted after that grew big enough that acorns from these trees became a source of food for wild animals and trees became a source of bed logs for shiitake mushrooms. In this way, the planted trees were found to have achieved a certain level of growth, and the work during the growing season such as cutting the undergrowth was in sight and, in 2021, we completed activities at "Gogin Kibo no Mori Chizu."

The forest conservation activities by such a unique business category as banking was appreciated by local people because these activities inspired young people to become interested in environmental protection.

The mountain has undergone a rejuvenation through 15 years of activities.



Performance at the Chizu site

Number of times of activities	<b>18</b>
Total number of participants	<b>1,494</b>
Number of trees planted	<b>5,500</b>

### Policy for future activities

Based on the activities to protect and nurture forests that occupy most of the San-in region, we will continue activities that lead to conservation of the sea and rivers, and pass on the significance and importance of our natural environment to future generations through actual effort and sweat as a team.



### Protect Our Forests! The San-in Network Council (since 2006)

#### - Initiatives to widen the scope of forest conservation activities in collaboration with the region -

This networking organization with a membership consisting mainly of volunteer groups and NPOs from across the Sai-in region. The Bank serves as secretariat for the council, which works to provide opportunities for members to interact with each other and exchange information, and to widen the scope of forest conservation activities within Shimane and Tottori Prefectures.



Number of members  
**50 groups**  
(As of September 2021)

#### Exchanges of practical activities with members

##### - Friendship Branch System -

Through cooperation and friendship between members and branches, we are fostering momentum for environmental protection by disseminating the importance of forest conservation activities and the present conditions of forests around the region. In addition, by subsidizing workshops and exchange events, we provide places for members and other groups as well as different industries and organizations to collaborate with each other.

#### Examples of our activities by the "Friendship Branch" System

- Branches visiting member groups
- Participation in events, etc., held by members
- Cooperation with members in their PR activities

### Nihon no Mori wo Mamoru Chiho Ginko Yushi no Kai (volunteer association of local banks protecting Japan's forests) (2008 - 2021)

#### - 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.



## Environmental Protection Activities in Collaboration with the Region

Key Issue **Environment** Reduction in environmental impact

### Initiatives in cleanup activities, etc., in the region

#### “Nationwide Cleanup Movements”

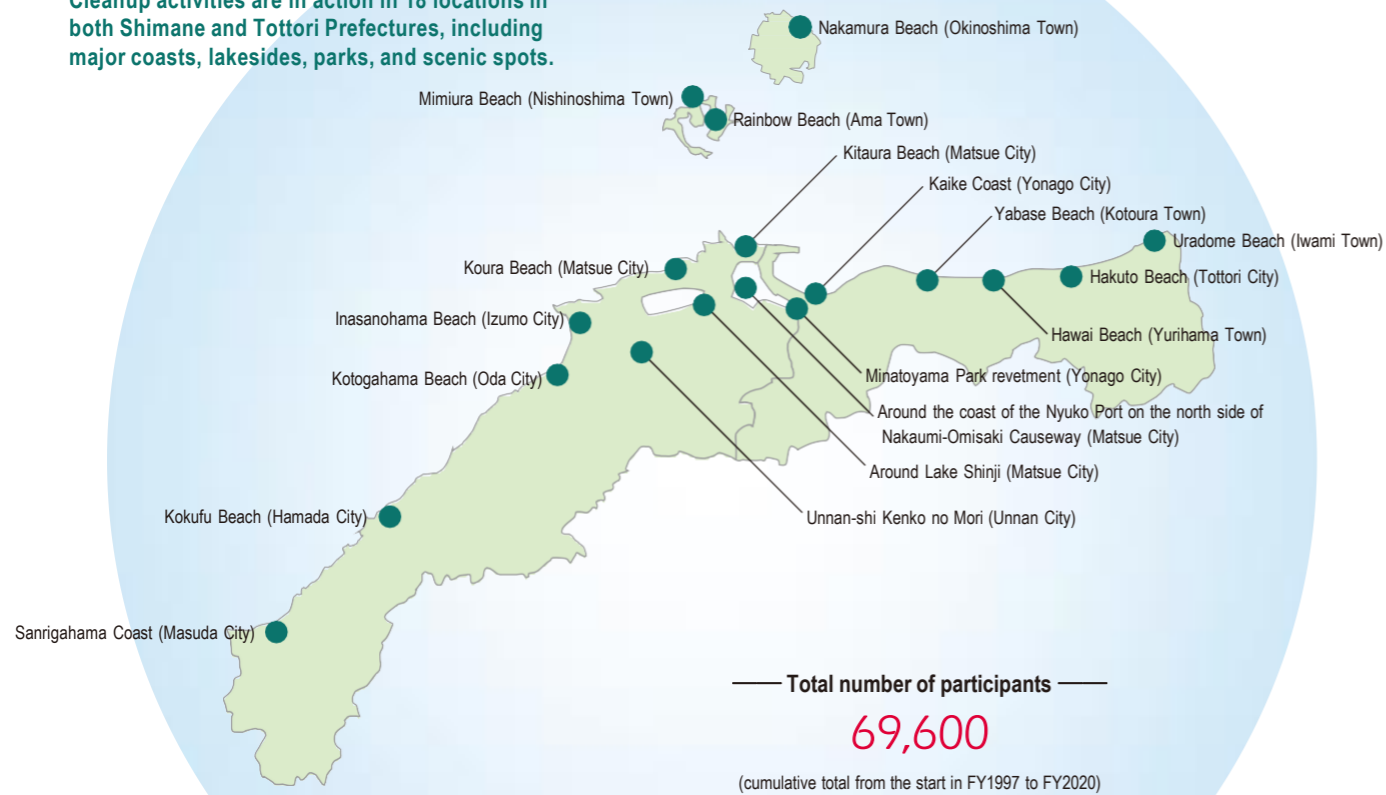
As part of Chiisana Shinsetsu (Small Kindness) Movement activities, we carry out coastline cleanup activities on a yearly basis in 18 locations in both Shimane and Tottori Prefectures hand in hand with the people of the region.

So far, a cumulative total of about 70,000 people have participated in the activities.

See page 49 for the “Chiisana Shinsetsu” Movement.



Cleanup activities are in action in 18 locations in both Shimane and Tottori Prefectures, including major coasts, lakesides, parks, and scenic spots.



#### We also carry out cleanup activities in many other locations.

We participate in volunteer cleanup activities together with local residents and corporations early in the morning of the day following the “Matsue Suigosai Festival” along the shore of Lake Shinji where the Festival is held, and its surroundings. We work to conserve the beautiful landscape of Matsue, the City of Water, and to protect the environment of Lake Shinji.

We also voluntarily participate in cleanup activities conducted in many other locations.

## Initiatives to conserve the water quality of Lake Shinji

### Reed-cutting volunteer activities (since 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.



### Creation of reed-paper name cards

We use name cards made of reed paper.



One reed-paper name card has the effect of purifying about 20 liters of water.



Reed-paper name cards are printed by Gogin Challenged Matsue employees.

See page 60 for Gogin Challenged.

### Key Initiative

#### Official national park partnership with the Ministry of the Environment

– First financial institution in the Chugoku District –

San-in Godo Bank has developed initiatives for regional environmental protection, such as forest conservation and coastline cleanup activities, and collaboration with environmental protection groups, in the Daisen-Oki National Park, Sanin Kaigan National Park, and their surrounding areas.

Henceforward, we, as an official national parks partner, will contribute to regional revitalization by deepening understanding of environmental protection and encouraging more visitors to the country's national parks in collaboration with the Ministry of the Environment and other relevant government bodies.



### Details of initiative

- Implementation of forest conservation activities, coastline cleanups, etc. (continuation)
- Dissemination of the attractiveness of and information on national parks through the utilization of disclosures, etc.
- Dissemination of information related to national parks at Bank-sponsored seminars, training events, etc.



Signing ceremony (Courtesy of the Ministry of the Environment)

### Key Initiative

#### Participation in the National Tree Planting Festival Shimane 2021 with prefectural residents

As a pre-event for the National Tree Planting Festival that was held on May 30, 2021, tree planting events were held in various parts of Shimane Prefecture. On April 17 and 18, at the Koyahara Site (Oda City, Shimane Prefecture), 22 Bank employees and their families participated in planting approximately 2,000 nursery trees.

We will continue to pass on the nature of our hometown to future generations through forest conservation activities.



# Environmental Contributions through Financial Products and Services

- Contribution to regional environmental protection and decarbonization through the provision of financial products and services, our core operations –

Key Issue **Environment** Environmental business initiatives

## Initiatives in the field of renewable energy

We support corporations to enter into renewable energy businesses, which have lower environmental impact and use natural, renewable energy sources. In addition, we are involved in the arrangement of syndicated project financing for large-scale renewable energy proposals.

## Sustainable finance

In October 2021, we started handling sustainability linked loans and green loans/social loans, financially supporting the region's and clients' initiatives toward SDGs and ESG.

For loan origination, both products are under a scheme of that require obtaining evaluations by external agencies to ensure that the content complies with various guidelines. For fund procurement, each client can make an appeal regarding their active involvement to stakeholders.

### Gogin sustainability linked loan

This product establishes challenge goals that match each client's ESG strategies and set incentives for lower interest rates, etc., according to their achievement status.

### Gogin green loan/social loan

This product is to limit the use of funds to projects intended to make environmental (green) and social improvements.

## Key Initiative San-in Godo Bank's first syndicated green loan origination

In September 2021, as the first Gogin green loan, syndicated solar power generation project financing was originated for Fukuoka Miyako Solar Power, LLC.

The estimated annual amount of power generation (approximately 69,000MW) is on a scale to cover the power consumed by about 16,000 households annually.

### Project Overview

Business operator	Fukuoka Miyako Solar Power, LLC.
Total amount originated	Approximately ¥18.4 billion
First loan execution date	September 30, 2021
Scale of power generation (installed panel capacity)	Approximately 67MW
Effect of CO <sub>2</sub> emissions reduction	23,940t/year
EPC and O&M contractor	TESS Engineering Co., Ltd.
Participating financial institution	San-in Godo Bank and 7 other banks
Arranger	San-in Godo Bank



Proxy presentation to the developer, TESS Holdings Group to which the asset manager belongs

## 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.

### Home improvement loans

We offer these loans and preferential interest rates to cover the cost for purchasing solar power generation PV systems and batteries, and costs associated with installation, etc.

### Eco-type bank-guaranteed private placement bonds

Targeting companies that take environmentally friendly initiatives (obtaining ISO14000 certification, etc.), we support improvement in their corporate image in addition to fund procurement by issuing private placement bonds.

## Participation in shipbuilding projects adopting ESG perspectives

In order to reduce the environmental impact and promote zero or low carbon initiatives in the shipping industry, we actively participate in ship investment funds and syndicated project finance for ship construction funding that introduce clean energy as fuel.

### Key Initiative Participation in LNG-fueled passenger ship construction project

In September 2021, we participated in a project to construct two new ferries ordered by Mitsui O.S.K. Lines, Ltd., as a member of a financial funding group providing construction funds.

The ships are Japan's first LNG-fueled ferries scheduled to be put into service on the Osaka-Beppu route, having received certification with the highest rating of five stars in the "Energy Conservation Rating System for Coastal Shipping" by the Ministry of Land, Infrastructure, Transport and Tourism.

The ships are also expected to have an effect on promoting a domestic modal shift<sup>\*1</sup> in addition to their role as part of the maritime infrastructure in western Japan. This first transition loan in Japan was adopted as a climate transition finance model project<sup>\*2</sup> by the Ministry of Economy, Trade and Industry. For eligibility of this loan, we obtained a third-party evaluation.



\*1 Refers to switching freight transportation by truck to other transportation means with low environmental impact, enabling mass transportation, such as by rail and ship.

\*2 See the website of the Ministry of Economy, Trade and Industry.

[https://www.meti.go.jp/shingikai/energy\\_environment/climate\\_transition/002.html](https://www.meti.go.jp/shingikai/energy_environment/climate_transition/002.html)

### Project Overview

Borrower	Mitsui O.S.K. Lines, Ltd.
Arranger	Development Bank of Japan, Sumitomo Mitsui Trust Bank
Co-arranger	Sumitomo Mitsui Banking Corporation
Transition structuring agent	Development Bank of Japan, Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Banking Corporation
Agent	Sumitomo Mitsui Trust Bank
Lender	San-in Godo Bank and 12 other banks
Use of funds	Funds for the construction of two LNG-fueled ferries (main ships)
Third-party evaluation organization	Japan Credit Rating Agency, Ltd.

## Environmental Contributions through Financial Products and Services

Key Issue **Environment** Environmental business initiatives

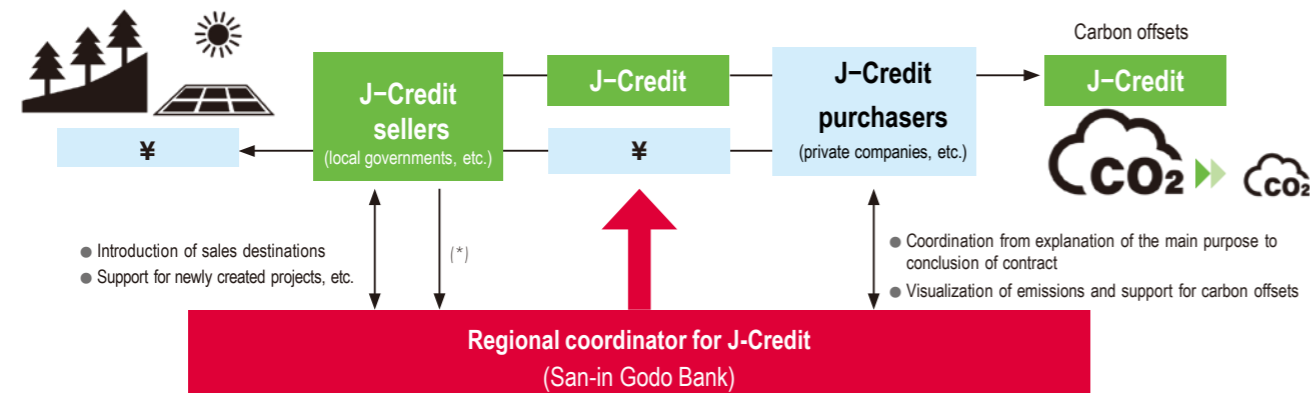
### Supporting clients' carbon-free management

**Support for J-Credit utilization** **Support for clients' carbon-free management**  
 We support the practice of carbon-free management and improvement of corporate value through the utilization of J-Credit.

### 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

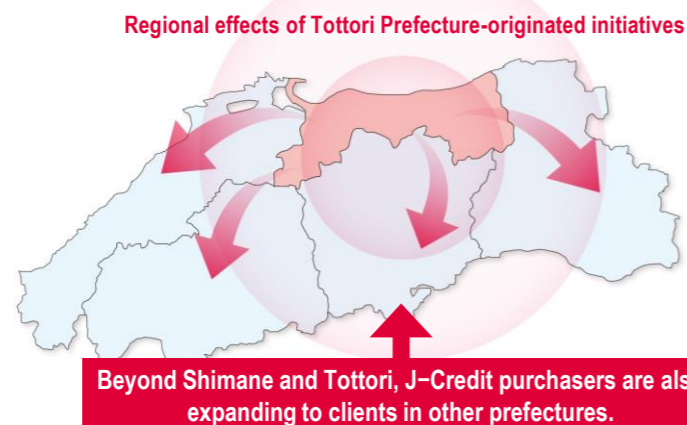


#### Sales brokerage and support

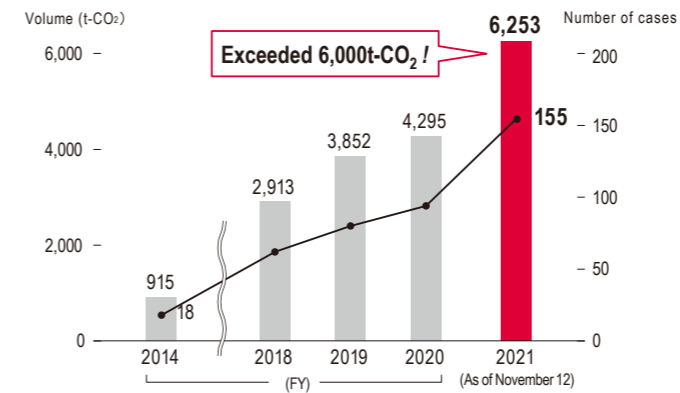
Triggered by support for designing the "J-Credit Regional Coordinator System," which was established by Tottori Prefecture in 2010, the adoption of the system has rippled through Tottori Prefectural Afforestation Public Corporation; Nichinan Town, Tottori Prefecture; as well as Yabu City, Hyogo Prefecture, 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 we now support sales of J-Credits at eight destinations as well.

In recent years, there is now a well-established recognition that contribution to the achievement of SDGs and the practice of ESG management toward 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.

- San-in Godo Bank's sales brokerage and support destinations**
- 2010 Tottori Prefecture
  - 2011 Tottori Prefectural Afforestation Public Corporation
  - 2013 Nichinan Town, Tottori Prefecture; Tanabe Corporation  
Yabu City, Hyogo Prefecture
  - 2014 Nichinan Town Forest Owners' Cooperative
  - 2018 Suyama Lumber Co., Ltd.
  - 2020 Izumo City, Shimane Prefecture



### J-Credit sales supported by the Bank (cumulative)



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 a half year of FY2021, we recorded record-high sales support exceeding 1,000t-CO<sub>2</sub>, and in November 2021, our sales results exceeded 6,000t-CO<sub>2</sub>. We can actually feel the growing interest in J-Credits as specific initiatives by clients to address environmental protection and climate change.

### Key Initiative Contribution to the realization of SDGs through "local production for local consumption of energy" and "purchase of J-Credits"

Since entry into the electric power retail business as "Chukai Electric Power," Chukai Cable Television System Operator (Yonago City, Tottori Prefecture) has provided power supply services with the aim of realizing "local production for local consumption of renewable energy" through regional circulation of electric power. In order to strengthen its commitment as new regional electric power rooted in the region, it is continuously engaged in contributing to regional forest conservation and maintenance by purchasing J-Credits equivalent to the greenhouse gases absorbed by one Japanese cedar per year (0.014t-CO<sub>2</sub>) for each service contract of "Chukai Electric Power" on a yearly basis from Nichinan Town, Tottori Prefecture.



J-Credit signing ceremony

### The Cabinet Office commended us for our initiatives to realize SDGs through the utilization of J-Credits in the "Characteristic Efforts (FY2019)" of Financial Institutions that Contribute to Regional Revitalization.

Implemented each year since FY2015, this system evaluates efforts that contribute to regional revitalization and selects and commends cases in collaboration with local governments and pioneering cases.

With the understanding and cooperation of many client companies, our performance has been nationally evaluated and recognized for promoting the expansion of J-Credits for over 10 years.



Society



Through relationship banking and unique regional contribution activities, we are committed to efforts that contribute to solving social issues and enhance regional sustainability.



# Extensive Support for the Region through Relationship Banking Activities

- Contributing to regional revitalization by working to provide solutions to regional and customer issues as our core business of a regional financial institution -

Key Issue **Society** Sustainability and growth of regional businesses

The San-in region where economic foundations are weak has long faced diverse regional issues, such as successor shortages, labor shortages, narrow sales channels, and a decrease in the number of companies. In addition, regional and customer issues also continue to change with changes in the business environment, including the COVID-19 pandemic, the transition to a carbon-free society, digitalization, and diversification of work styles. We will contribute to solving such issues by utilizing our knowledge and know-how, and offering our consulting services.

## Response to the COVID-19 pandemic

Due to the COVID-19 pandemic, our social environment has drastically changed. Positioning financing support and business support for our clients devastated by the COVID-19 pandemic as a matter of the highest priority, and focusing our management resources on them, the San-in Godo Bank Group is working in an integrated manner to secure the safety and security of customers and employees, striving to "provide financial services in an era with COVID-19," and responding to new lifestyles, in order to fulfill its mission of maintaining the financial infrastructure. In addition, we will continue to fulfill our social responsibility as the region's leading bank by implementing our own initiatives to support the region and conduct activities that contribute to the regional society due to the COVID-19 pandemic.

## Business support initiatives for clients

We strive to support clients experiencing a decline in sales and other impacts due to the COVID-19 pandemic, providing a range of measures designed to meet their needs for financing. Centering on the work of the "COVID-19 Business Support Team," and along with business continuity support, we propose future-oriented management reform measures in conducting our implementation support. According to each client's increasingly diverse and sophisticated needs and evaluation of business viability, the multifaceted, partnership-modeled business support activities we offer can extend to include helping clients to solve any emergent management issues.

Financing performance	Number of cases executed			Amount executed (billion yen)		
	Shimane and Tottori Prefectures	Outside Shimane and Tottori	Total	Shimane and Tottori Prefectures	Outside Shimane and Tottori	Total
Direct loans	964	439	1,403	72.5	118.9	191.5
Loans guaranteed by credit guarantee corporations	7,301	593	7,894	158.6	17.7	176.4
<b>Total</b>	<b>8,265</b>	<b>1,032</b>	<b>9,297</b>	<b>231.2</b>	<b>136.7</b>	<b>368.0</b>

(Performance between February 1, 2020 and March 31, 2021)

We also support the region by proactively taking risks with direct loans.

## COVID-19 Business Support Team

Once definitive impact from the COVID-19 pandemic began to emerge, we promptly launched this team in April 2020, putting support activities into motion with a 50-person structure (including concurrent appointments).

## Utilization status of the SME Revitalization Support Committee

	FY2019	FY2020	As of 2021/9
Number of consultations brought (cases)	16	94	36
Number of revitalization plans formulated (cases)	18	53	33

## Performance of subordinated loans offered by government-affiliated financial institutions in collaboration with San-in Godo Bank (FY2020)

	Manufacturing industry	Lodging industry	Wholesale industry	Retail industry	Restaurant industry	Other	Total
Number of cases financed	12	4	2	3	3	3	27
Amount financed (billion yen)	2.5	1.0	0.7	0.2	0.4	0.8	5.7

## Extensive Support for the Region through Relationship Banking Activities

Key Issue → Society    Sustainability and growth of regional businesses

### 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.

#### Key Initiative Support for local enterprises to participate in PPP/PFI businesses

- Contribution to sustainable regional town development through support for collaborative government-public sector business -

Realization of “community-based PFI (Private Finance Initiative);” PPP (Public Private Partnerships)/PFI businesses ordered by local governments in which local financial institutions provide support for local enterprises to secure orders

- Tottori West Integrated Office New Wing/Yonago City Office Kojimachi Branch prep business -



Courtesy of Gaina SSJ Partners K.K.

We originated project finance and supported fund procurement for a group of representative companies within the prefecture, having received an order for PFI business jointly executed by Tottori Prefecture and Yonago City.

#### Initiatives toward solving regional issues

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

##### ■ Improving the attractiveness of the entire region - Yonago City downtown area revival project -

In response to the regional issue of hollowing-out of the downtown area, we held a business contest to encourage business operators aiming to start a business through the utilization of vacant stores in collaboration with regional stakeholders known as “san-kan-gaku-kin-gen-shi.” This initiative was commended by the Cabinet Office as the “Characteristic Efforts (FY2020)” of Financial Institutions that Contribute to Regional Revitalization.

\* “san-kan-gaku-kin-gen-shi”

san: industries / kan: local governments / gaku: universities / kin: financial institutions / gen: press / shi: certified occupations



「令和2年度 地方創生に資する金融機関等の特徴的な取組事例」 地方創生担当大臣表彰

##### ■ Promotion of regional revitalization through utilization of a corporate version 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). In the future, we will contribute to sustainable regional development by supporting local governments in formulating regional revival plans and by matching them with private companies.

#### Support for founding and new business development

We support the creation of business models originating from San-in tied 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.

#### Key Initiative “Shimane University Industry-Academia Collaboration Fund” Case 1

PuREC Co., Ltd., was established in January 2016, aiming to realize safe and effective stem cell therapy by using proliferation potency and differentiation potency, which are cellular functions of mesenchymal stem cells, as well as their homogeneity and migration capability.

So far, progress has been made in cellular medicine development, targeting hypophosphatasia, joint disorders, spinal disorders, etc., in collaboration with not only Shimane University, but also the Japan Agency for Medical Research and Development, the New Energy and Industrial Technology Development Organization, FUJIFILM Corporation, Mochida Pharmaceutical Co., Ltd., Hokkaido University, and other entities.

PuREC is also making steady progress toward commercialization as it received the “JHVS 2020 Venture Award” sponsored by the Ministry of Health, Labour and Welfare in January 2021, and it was selected as a “J-Startup” company (third selection) promoted by the Ministry of Economy, Trade and Industry in October 2021.



##### ■ Sowing new business seeds in San-in - SAN-IN Innovation Program (SIP) -

From fiscal 2018 to 2019, 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 of the 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. The highly motivated human capital networks emerging from regional revitalization enabled by SIP are also leading to collaborative business concepts thanks to connections being made outside the program.

\* Refers to the development of complementary relationships between principal actors, such as enterprises, financial institutions and local public entities, fulfilling their specific roles within a region, coupled with a push for multifaceted collaborations and co-creative endeavors, while holding close-knit relationships with principal economic actors outside the region.



#### Key Initiative “Green Cycle Project” that embodies the circular economy - Yonezawa Bicycle Shop Co., Ltd. (Tottori City, Tottori Prefecture) -

From industrial waste generated when building waste materials and industrial products are disposed of, a business was envisioned to produce up-cycle products that take advantage of these discarded materials. Even after the end of the program, activities are being accelerated as a Green Cycle Project with cooperation from related organizations. In collaboration with Shiroitani Koubou knowledgeable in the joined block technique (Nichinan Town, Tottori Prefecture), various upcycle products are being produced, such as nuanced sake containers from scrap materials of demolished school buildings, and bottle keepers, key rings, etc., incorporating waste materials from scrapped bicycles.



## Extensive Support for the Region through Relationship Banking Activities

Key Issue → Society Sustainability and growth of regional businesses

### Deeper relationships with local government

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 Nanbu Town -

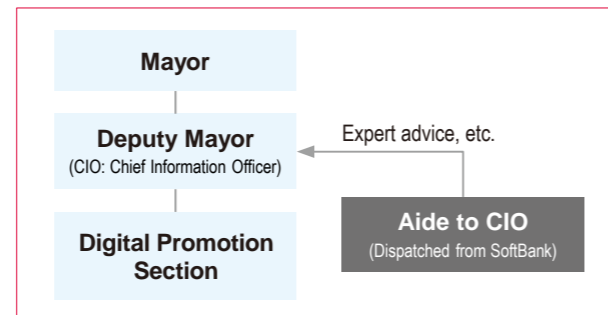
In September 2021, we concluded "partnership agreements" with Nanbu Town, Tottori Prefecture for the purpose of realizing a sustainable regional society and administrative services by building a digital society.

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.

Signing ceremony  
(left: Mayor Suyama, right: President Yamasaki)



Nanbu Town local government's digital transformation system chart



Partnership agreements → Gogin

In the future, we will address the following challenges together with Nanbu Town and SoftBank Corp. (in collaboration with Nanbu Town).

- Revitalization of resident services and the regional economy through digital utilization
- Digitalization, and going cashless in the town office\*
- Efficiency enhancement and rationalization of operations using public funds in general

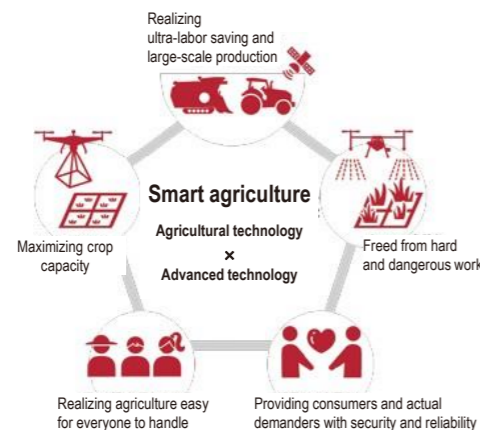
\* Payments by J - Coin Pay were introduced at counters of the Nanbu Town Office in September 2021.

#### 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.

#### Image of smart agriculture



<Image provided by>  
Yanmar Agri Japan Co., Ltd.

- Advantage 1 It is expected that serious labor shortages due to aging farmers can be improved.
- Advantage 2 Labor-saving, high-efficiency, and high-precision agricultural work can be realized to reduce farming costs.
- Advantage 3 Cultivation technology can be continuously handed down to new farmers.
- Advantage 4 Accumulated data can be utilized for cultivation plans and human resources development.
- Advantage 5 Scale expansion and timely work can be facilitated due to night-time work potential.

#### Supporting the development of sales channels for regionally produced products

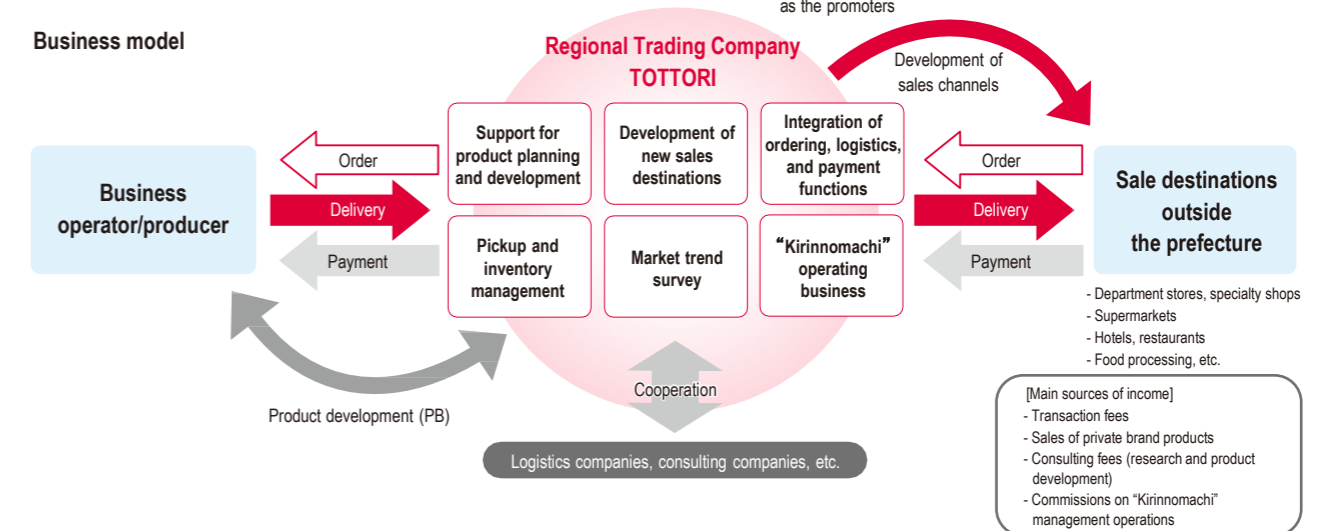
– Planning and running of Regional Trading Company TOTTORI Co., Ltd. –

In October 2017, "Regional Trading Company TOTTORI Co., Ltd.," was established, the main business line of which was to sell outside the region farm and marine products as well as processed foods mainly in the eastern part of Tottori Prefecture. At the time of the establishment, San-in Godo Bank played a central role, by reaching out to governmental and supporting organizations, and providing various kinds of support, such as financing and dispatching human resources.



Press conference held by the municipal mayors from the eastern part of Tottori Prefecture, and representatives of regional financial institutions, et al., as the promoters

#### Business model



#### SDGs with coffee

Regional Trading Company TOTTORI started office coffee business that would also contribute to realizing SDGs in collaboration with business operators in Tottori City in August 2021.

Through the adoption and use of coffee beans produced in farms that meet strict conditions for natural environmental protection, working environment, life security, and so on, and through Regional Trading Company TOTTORI's purchase of J-Credits equivalent to CO2 emissions emitted in sales and marketing activities accompanied by business purchases, contributions are made to regional environmental protection, and in addition, 1% of the sales is donated to the Japanese Red Cross Society, as a commitment to contributing to realizing SDGs.



#### Support for regional decarbonization – Establishment of the region's new electric power company "Izumo Enmusubi Electric Power Co., Ltd." –

In July 2021, Izumo City, Shimane Prefecture, JFE Engineering Corporation (Tokyo), Energia Solution & Service Co. (Hiroshima Prefecture), and San-in Godo Bank established the region's new electric power company "Izumo Enmusubi Electric Power Co., Ltd.," in a government-private sector collaborative effort, and started an electric power retail business in November.

The four parties financing the new company will take concrete measures against global warming by local production for local consumption of renewable energy toward realizing SDGs, while contributing to developing the regional economy and improving the sustainability of the regional society.

#### Business outline

The new company aims to realize a carbon-free society and revitalize the regional economy by increasing the utilization rate of renewable energy in Izumo City and supply public facilities in the City the intra-regional renewable energy procured mainly from Izumo City's next-generation burnable garbage disposal facilities and the Kubota power generation plant (hydroelectric) of The Chugoku Electric Power Co., Inc.

In the future, we will consider procuring power from renewable-energy power plants run by private companies, and promoting an energy creation business through the installation of self-consumption type photovoltaic power generation facilities to public facilities, as well as an ESCO business\* realizing greater energy conservation in public facilities, etc.



\* ESCO business  
Comprehensive services are provided related to energy conservation issues targeted by customers, and part of the realized energy-saving effects (merits of introduction) are received as payments in the business.

## Extensive Support for the Region through Relationship Banking Activities

Key Issue **Society** Sustainability and growth of regional businesses

### Solving client issues through business support activities

While the business environment continues to undergo drastic changes, for clients to grow and continue business even under difficult circumstances, 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 resources 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.

On site consulting performed at

**5** companies

(As of November 30, 2021, including currently-stationed cases)

#### Resident case

One bank staff member was stationed full-time at MARUSAN in the LPC Group (Izumo City, Shimane Prefecture) that has a wide-range of businesses, such as a pachinko/slot business, a restaurant business, agriculture, and a hotel business, for one year from October 2020 to provide support toward solving management issues.

#### MARUSAN's management issues and needs

- Strengthening organizational structure to evolve in the future under a sustainable system
- Strengthening new businesses toward a second foundation

#### On site consulting services

- Organizational reforms
- Formulation of a medium-term management plan
- Support for planning and development of new businesses, etc.



Mr. Tsutomu Hadehara  
President  
MARUSAN

#### Comment from President Hadehara

In order to raise the organization at the same level as listed companies toward a sustainable growth company, we received one-year support for resident consulting. I feel that the “resident’s” positive attitude toward striving and learning had a stimulating influence on our young executives. We also received strong support not only for strengthening our organizational robustness, such as on-target opinions put forth and appropriate information materials prepared for new businesses, but also toward a second foundation our sights are now set on. I am grateful for this resident consulting service opportunity and the “resident’s integrated approach with our management layer.

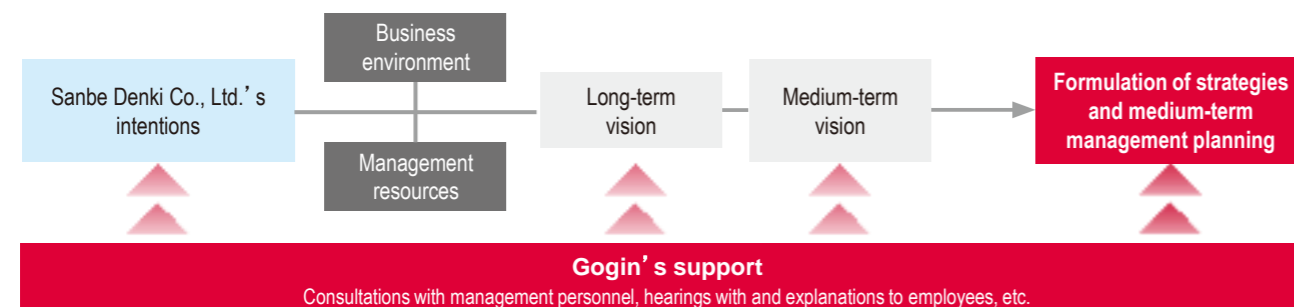


Shinji Takahashi  
Corporate Consulting Group  
Corporate Business  
Department

#### ■ Support for formulation of management strategies – Business plan formulation consulting –

For Sanbe Denki Co., Ltd., (Matsue City, Shimane Prefecture) marking the 50th anniversary of its foundation, we supported the formulation of a medium-term management plan for the purpose of “smooth management succession.”

While conducting hearings with and giving explanations to employees in addition to consultations with management personnel, including the next president, we formulated a medium-term management plan. Going forward, we will continue to provide support toward implementing the plan in a unified approach with the headquarters and branches, contributing to further growth of the company.



#### ■ Support for utilization of the subsidy system - Support for business plan formulation –

In March 2021, a public offering of “subsidies for business reconstruction” was started to support companies to boldly reconstruct their businesses. In order to meet client needs, we started a business plan formulation support service in April 2021. Currently, four of the business plans we supported in formulation have been adopted. We will contribute to sustainable development of the regional economy through support for clients to reconstruct their businesses.

#### Adoption Case Sanken-Plant Co., Ltd. (Izumo City, Shimane Prefecture)

#### Outline of business plan

Taking advantage of its strengths, new entry into the molding sand recycling business to perform production and distribution toward collection and reuse of dust (waste sand) generated in the molding business by capitalizing on name recognition and its grip on major business operators as a result of long-standing recycling business development.

#### ■ Support for enhancement of efficient operations through the utilization of ICT - ICT consulting -

In “ICT consulting,” we support the realization of corporate productivity improvement by introducing cloud services, and supporting operations, as well as by identifying tasks that should be converted to ICT and creating a roadmap by grasping the current situation and task analysis.

For RIHAKU Sake Brewing Company (Matsue City, Shimane Prefecture), the brewery of sake “RIHAKU” representing Shimane, we provided support on enhancement of efficient material management by IT and linkage between different types of software.

Cumulative number of ICT-related consultations

**198**

(As of the end of September 2021)

#### RIHAKU Sake Brewing Company's management issues and needs

Enhancement of efficient paper-based material management

Linkage between sales management software and accounting software

#### Gogin's support

- Grasp of current operation flow of inventory management through repeated hearings
- Support for setup of Cybozu, Inc.'s application “kintone” having been introduced for transition from analog to digital

- Management of the linkage project serving as an intermediary between the distribution source IT company of the sales management software and RIHAKU Sake Brewing Company
- Support for smooth communication between the two companies and progression of linkage tests without delay as we serve as an intermediary since considerable knowledge about IT is required to realize the linkage

#### Comment from President Tanaka

We wanted to reduce inefficient operations, such as paper-based management and double input from system to system, and construct a structure to devote our energies to “what humans should do,” such as sake brewing and customer support, but this could not be realized because there were no human resources well-versed in IT in-house, and also, vendors doing business with us were far-distant and weak in support.

Receiving support from Gogin knowing our company very well as we talked on a routine basis, we could proceed with digitalization at ease. We would like to continue to proceed with further digitalization toward realizing our management vision together with Gogin.



Mr. Yuichiro Tanaka, President, RIHAKU Sake Brewing Company

## Extensive Support of the Region through Relationship Banking Activities

Key Issue **Society** Sustainability and growth of regional businesses

### ■ Securing human resources with advanced 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.

### Capital alliance with side- and multiple-job matching HR service provider JOINS, Inc.

In June 2021, San-in Godo Bank invested in JOINS, Inc., a human resource matching service provider for professionals seeking side and multiple job opportunities in regional and urban settings. The Bank launched its own HR consultancy business in October 2020, enabling the proposal of HR utilization-based solutions to address client issues. As lifestyle patterns and working styles rapidly diversify, the alliance with JOINS is allowing us to support solutions for management issues faced by regional companies by making matching professionals with opportunities, without concern for limitations like location or distance, a more familiar occurrence.

#### Utilization Example Introduction of professional personnel for solving new business development issues

In trying to resolve issues for growing its business, Tamaki Seimen Ltd., an udon and noodle manufacturer (restaurant industry) recognized the difficulty in using only in-house resources to address these challenges, but also felt similar difficulties were likely in attracting or hiring local human resources for help. After verifying the company's issues and human resource retention needs, we proposed solutions to these issues using side job-seeking personnel.

#### Issues

- Boosting quality by creating a manual and standardization for restaurant operations
- Achieving awareness and penetration of in-house brands internally and externally
- Menu improvement reflective of customer needs and data

#### Application status

- Number of applicants: 22  
▶ **3 contracted**
- Date of application opening : February 4, 2021
- Contract start date : May 1, 2021



Briefing taking place online

#### Work applied for: Restaurant operation manual preparation and operational stability

Overview of contracted human resources	60s / male / Tokyo resident Manager of ad agency subsidiary / HR development / operational process improvement / sales to corporate clients	30s / male / Tokyo resident Management consulting / Management planning from role in an IT venture / production system development / new business development	40s/female/Tokyo resident Product planning and development for domestic food product manufacturer / sales strategy planning at foreign-owned food manufacturer
Operations at Tamaki Seimen Ltd.	- In-house brand analysis - Production of in-house brochures	- Production of video manual for restaurant operations - Enhanced efficiency of product sales order services	- Marketing data analysis - Creation of menu improvement measures

### ■ 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.

#### 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

### Support for development of sales channels and expansion outside of the region

We assist in the development of sales channels and expansion outside of the region as a bridge connecting San-in and prefectures outside the region, utilizing our wide-ranging branch network.

### ■ Regional revitalization, utilizing our wide-ranging branch network - Business matching -

#### Key Initiative Significant contribution to corporate growth

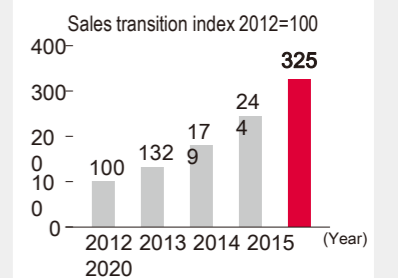
In September 2012, we introduced a major feed manufacturer to support the expansion of sales channels for Kinkaikasei Co., Ltd., (Sakaiminato City, Tottori Prefecture; fishmeal production and distribution), through the Chugoku Branch of Mitsui & Co., Ltd., with which we had concluded comprehensive operational cooperation agreements. After passing strict quality inspections, a business relationship started and expanded into continuous business. Since then, we have been providing side-by-side support for the client to improve added value and growth, including support for developing sales channels and equipment funds to strengthen the production ramp-up system.



#### Mr. Shuki Iwamoto, President, Kinkaikasei Co., Ltd.

In 2012, when we made strategic investments aiming at business expansion during a major turning point in our business, the start of a business relationship with the company introduced by Gogin triggered our growth. In addition, it also led to a business relationship with its group companies, and we could build a circulation cycle (fishmeal distribution) -> compound feed manufacturer -> fish farmer -> processor -> our company (purchase of raw materials), and continue this win-win business relationship. Looking back, various things made a favorable turn in a timely manner, and I truly feel lucky. Treasuring previous connections and believing that the growth of the company and employees are linked to growth of the regional society, we would like to think about our social role and devote our energies to it as a member of a sustainable society.

#### Business



### ■ Support for developing sales channels through the utilization of digital technology - Gogin BigAdvance –

In November 2020, we started to handle the digital platform "Gogin BigAdvance" provided by KOKOPELLI Inc., on which financial institutions across Japan support clients in cooperation. We support management toward improving corporate value, including support for developing sales channels by timely non-face-to-face matching with a wider range of candidates for business negotiations.

#### Service menu

- Business matching
- Website creation
- Consultations with certified occupations
- Subsidies/grants-in-aid
- Welfare "FUKURI"
- Safety confirmation
- Business chats

### ■ Support for branching out into booming Asian countries – Support for overseas expansion –

In order to support the development of sales channels not only in Japan but also overseas, we conduct test marketing by using cross-border EC. With use of new sales channels, we support sustainable growth of local companies.

### Sponsorship of Shimane Prefecture

#### Fair via a Taiwan-based website

(Period: January 13 to February 12, 2021)

- Pre-order and sales of products from companies seeking to export to Taiwan/Website creation
- Conduct questionnaire research among users to provide advice on new product development for participating enterprises and other support for expanding sales channels for special products of Shimane Prefecture in the Taiwanese market



Website	Social welfare site of Hon Hai Technology Group * Taiwan-based company that is the world's largest for outsourced production of electronic devices
Number of participating companies	27
Products	40 products spanning food, cosmetics, and general merchandise, etc.

## Extensive Support for the Region through Relationship Banking Activities

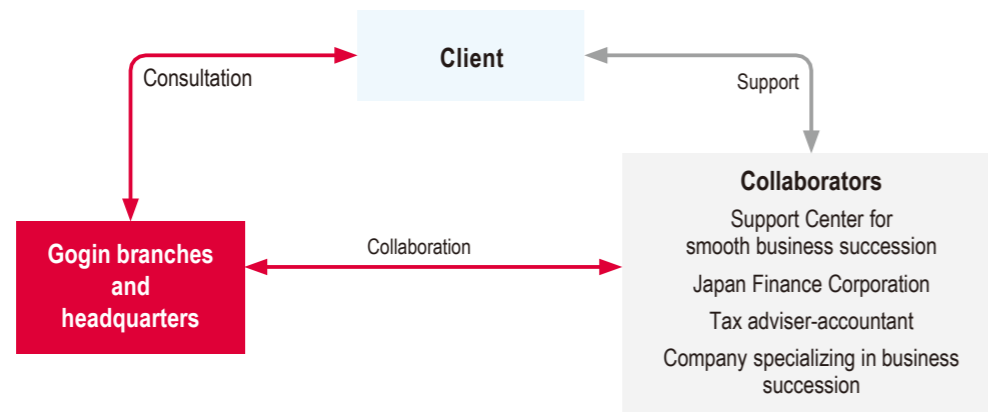
Key Issue **Society** Sustainability and growth of regional businesses

### Initiatives for corporate sustainability

With respect to successor and businesses 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 we 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.



Business succession consulting

Consulting contracts: **8**  
(FY2020)

M&A advisory services

Advisory contracts **17** / Contracts concluded **5**  
(FY2020)

#### Key Initiative Investment executed through Gogin business succession funds

San-in Godo Bank and Gogin Capital Co., Ltd., executed an investment strategy with Nomuragumi, K.K., as case 1 through the “Gogin Business Succession Investment Business Limited Partnership” (commonly called Gogin business succession funds). Since the company having supported major social infrastructure development in the region based on its sound management and reliable technological capabilities was a blue-chip company essential to the region, we determined an investment strategy to realize its sustainable growth and development. Through Gogin business succession funds, we will continue to support our clients to solve business succession issues and sustainable growth, contributing to revitalizing the regional economy.



#### Outline of Gogin business succession funds

Operating company	Gogin Capital Co., Ltd.
Investors	The San-in Godo Bank, Ltd., The Gogin Capital Co., Ltd.
Total amount	3 billion yen
Date of establishment	January 18, 2021
Period of duration	Approximately 8 years



Mr. Kiyoshi Nomura, President of Nomuragumi, K.K. | Mr. Akio Nomura, President of Nomuragumi, K.K.

#### 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.



#### Support for management improvement by sharing management issues - Business support –

Toward revitalization of local companies essential to regional economic development, we support formulation and execution of business plans with the headquarters and branches in a unified approach, while seeking collaboration with outside experts on various management issues of our clients.

#### Key Initiative Protecting regional healthcare with human support

Since Ozaki Hospital is the only medical institution that can accept long-term hospitalization of dialysis patients in the eastern part of Tottori Prefecture, San-in Godo Bank has continued various types of support to date.

In the meantime, business succession has progressed, and the business plan formulated with the Bank has also steadily progressed, where we could contribute to strengthening the management base. The staff dispatched from the Bank has earned the Chief Director's absolute trust, which has led to further strengthening of our relationship.

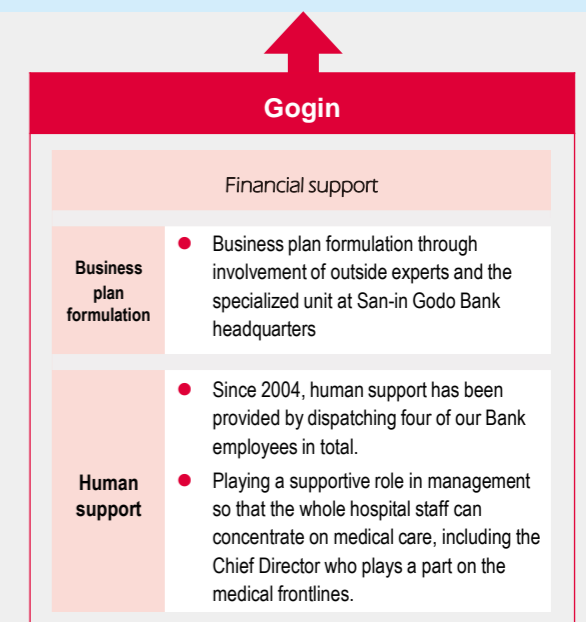
For this hospital, it is the Chief Director's management policy to be long-standing institution with the aim of becoming “a super-friendly hospital trusted and selected by the region,” and we will continue to work on various types of support to protect regional healthcare.

#### Ozaki Hospital (Tottori City)

- Opened as Ozaki Surgical Hospital in 1982
- Incorporated as Ozaki Hospital in 1991
- Today, it is a hospital having 180 beds and approximately 300 staff members, centering on medical care in convalescent and chronic phases
- It is the only medical institution that can accept long-term hospitalization of dialysis patients in the region, and additionally, it supports regional healthcare as a hospital that accepts patients undergoing rehabilitation and chronic-phase patients.



Mr. Yasuaki Yoshioka, Director – Manager of the Planning Department (employment transfer after temporary assignment from the Bank) | Ms. Mai Ozaki, Chief Director



# Provision of Stable Financial Infrastructure to All Customers

- Improve our products and services to be closer to customers and user-friendly -

**Key Issue** Society    Formation of a safe, secure society

While facing the challenges of an aging population, digital society, and other social issues, we provide regional customers with a stable financial infrastructure and high-quality services, and support our customers in the formation of affluent lifestyles.

## Response to digital society - Non-direct contact channels/going cashless -

Expanding and upgrading digital tools, we strive to provide infrastructure our customers can use safely and securely. Non-direct contact channels/going cashless is effective from the perspectives of a response to digital society and in the prevention of infectious diseases, etc. It also leads to going paperless, saving paper resources.


### Expansion/upgrade of Non-direct contact channels

We are expanding our lineup of products and services so that a wide range of banking transactions can be handled via a smartphone or PC anytime, anywhere without ever visiting a physical branch.

The Gogin app

A bank branch in the palm of your hand

- **Opening an ordinary savings account**  
You can easily open an ordinary savings account without visiting a bank.
- **Smart bankbook**  
You can confirm your account statement and balance just like a paper bankbook. There is no need to update or carry over your bankbook.
- **Internet banking**  
You can transfer money, make time deposits, and pay taxes and make other payments using your smartphone. Address change procedures can also be completed.
- **Cashless payments**  
Payments at shops are smooth with no need for handing over cash.
- **Loans (excluding housing loans)**  
Procedures for making an application to signing a customer agreement are completed via smartphone.



### Use of tablets for in-branch reception

At Bank branches, digital tablets serve as the reception desk for opening ordinary savings accounts, as well as the location for product descriptions and acceptance of applications for loan products, credit cards, investment trusts, and insurance products for individual customers.



Online inheritance procedures

Completion of inheritance procedures via non-direct contact (Web + postal mail) launched in June 2021

Inheritance procedures can now be completed without a branch visit.

<Service flow>  
User requests inheritance procedures using their home PC or smartphone

San-in Godo Bank website



➔

User guided to submit required documentation for inheritance procedures via postal mail or phone

Documentation received via postal mail

Procedures completed

## Promotion of cashless payments

We support going cashless for the region and clients, and promote the use of cashless payments by our customers. By expanding initiatives that prompt the shift to cashless payments across the region, we contribute to regional revitalization, including expansion of consumption opportunities and enhancement of operational efficiency for our clients, while supporting efforts to address new lifestyles that cashless settlements make possible.

Cheer on the region through cashless payments    **Assisting local restaurants and accommodations via credit card**

### Eat! Stay! Cheer on San-in campaign October 22, 2021 to December 31 2021

Cashless campaign to cheer on local restaurants and accommodations during the COVID-19 pandemic:

Encouraging participating stores and clients to attract customers to boost sales and revitalize the region, and create opportunities to rediscover the charm of the San-in region.

#### Outline of the campaign

During the campaign period, if payments are made at "restaurants" or "accommodations" in Shimane and Tottori Prefectures by using credit cards issued by San-in Godo Bank, you can receive a cashback of up to 2,000 yen.

■ **Cheer on restaurants campaign**

If 5,000 yen or more in payments are made by using the Bank-issued credit cards at restaurants in the San-in region, the first 2,000 people will receive a cashback of 1,000 yen without exception.

■ **Cheer on accommodations campaign**

If 10,000 yen or more payments in are made by using the Bank-issued credit cards at accommodations in the San-in region, the first 1,000 people will receive a cashback of 1,000 yen without exception.

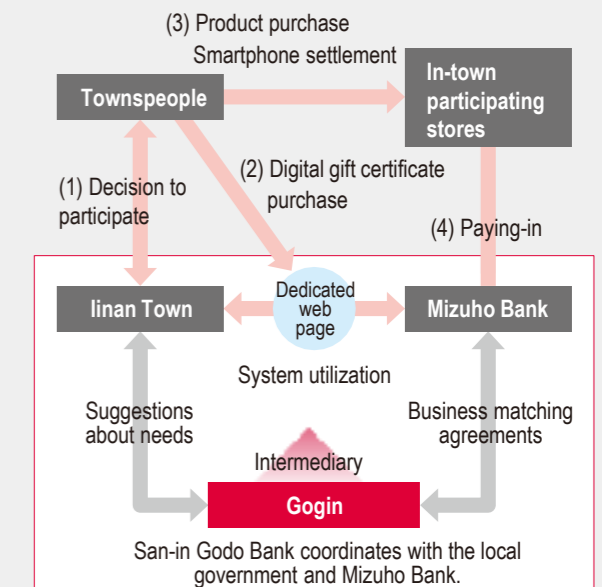


Digital support for revitalization of consumption

#### Digital gift certificate demonstration experiment in Iinan Town - First in the San-in region -

San-in Godo Bank and Mizuho Bank are conducting a demonstration experiment on digitalization of regional promotion tickets in Iinan Town, Shimane Prefecture from October 2021 to January 2022 in order to promote revitalization of consumption and digitalization regionally. By digitalizing premium gift certificates, which would conventionally be paper-based, we expect that the workload involved in selling and cashing will be reduced, and at the same time, we will promote digitalization and revitalize consumption in the town.

Through the demonstration experiment, we will grasp issues toward digitalization of the local government and solve them by promoting digital transformation, and improve the convenience of residents.



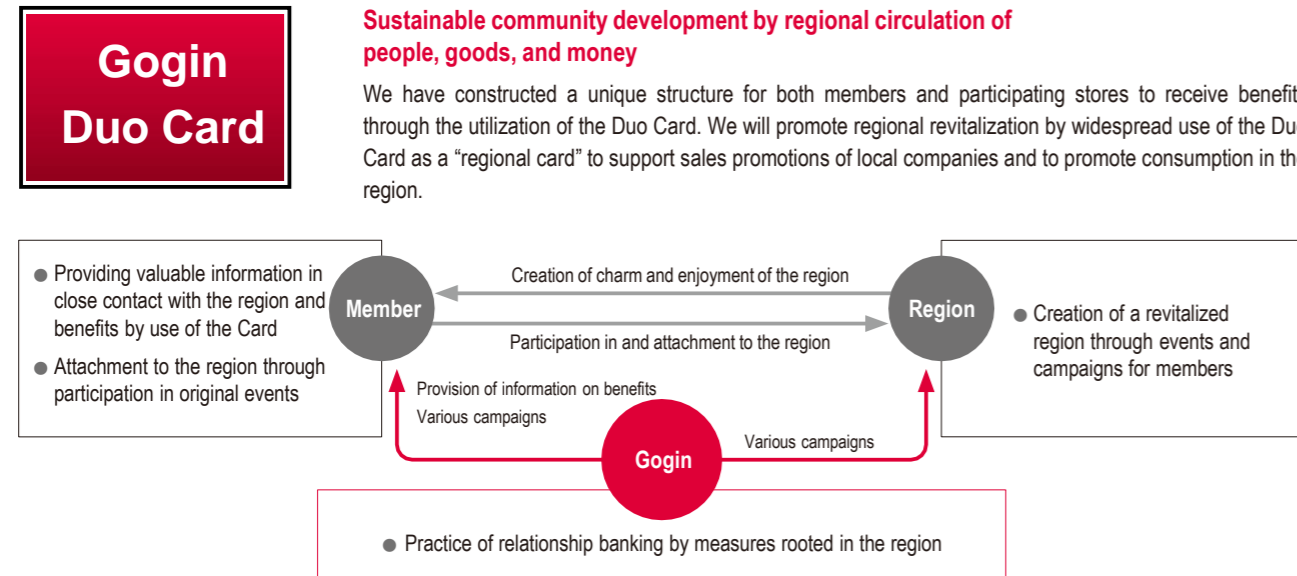
#### Flow of digital gift certificate utilization

- (1) Apply for participation in Iinan Town
- (2) Purchase a gift certificate (top up) by any of the following methods on the dedicated web page of Iinan Town  
Credit card/J-Coin Pay/Lawson Loppi or bank transfer
- (3) Read the QR code placed at participating stores via smartphone for settlement

## Provision of Stable Financial Infrastructure to All Customers

Key Issue → Society    Formation of a safe, secure society

### Regional revitalization through the utilization of the regional card



Credit card with IC cash card



See our website for details.  
<https://www.gogin.co.jp/personal/service/duocard/>

**Number of members**  
 Approximately **28**  
 (As of the end of September 2021)

**Number of participating stores**  
 Approximately **10,000**  
 (As of the end of September 2021)

### Launch of the Bank's unique campaigns

We continuously conduct numerous campaigns that prominently feature the Duo Card to expand opportunities for consumers to spend and use credit cards in the region. The Bank also promotes everyday use of credit cards to facilitate the expansion of cashless payments.

#### 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.

### Duo Card campaign to cheer on the region during the COVID-19 pandemic

Guided by the theme of "Let's energize San-in!", we conducted various campaigns to cheer on San-in accommodations, restaurants and regional residents taking advantage of the Duo Card.

These became opportunities to serve regional industry while helping cardholders rediscover the charm of the San-in region they call home.

- Duo Kore Catalog campaign (July to November 2020)
- Cheer on with Duo Card! #WeLoveSanin campaign\* (March 2021)
- Energize the town with Duo Card! GoToEat campaign (April to August 2021)

\*#WeLoveSanin campaign  
 This project was launched in Shimane and Tottori Prefectures to promote tourism in the region. Residents of both prefectures received half-price discounts at select accommodations. (Maximum of ¥5,000 off per person, per night)

## Support for asset formation in an aging society

One of the things we think about to live with security in an aging society is about assets in old age. We support customers in the formation of affluent lifestyles with high-quality proposals with respect to their diversifying needs for "accumulating," "preparing," "bequeathing," etc.

### - Business Alliance with Nomura Securities Co., Ltd. -

**With new financial services combining the strengths of banking and securities, we support customer asset formation that anticipates the era of the 100-year lifespan.**

In a business alliance with Nomura Securities Co., Ltd., we offer our customers one of Japan's best securities services in the San-in region. Combining San-in Godo Bank's wide-ranging network with Nomura Securities' specialized expertise and wealth of information, we support customer asset formation with more advanced consulting with an eye toward the 100-year life.

**GOGIN & NOMURA Alliance**

- Robust product and service lineup
- Highly convenient services
- Wealth of information
- More advanced consulting

**ごうぎん** × **野村證券**

- Well-developed sales network in the region
- Long-held trust
- Professional human resources, know-how, information
- Extensive product lineup, latest systems

- **Robust product and service lineup**  
 Products and services currently handled by Nomura Securities, including over 800 types of investment trusts, can be purchased through San-in Godo Bank.
- **Highly convenient services**  
 Transactions are available not only in-person at branches but by phone, online and through other non-face-to-face channels designed to match customer needs.
- **Wealth of information**  
 Through Nomura Securities' global network, we provide customers with the very latest information from Japan and around the world faster than ever.
- **More advanced consulting**  
 Our highly specialized consulting staff delivers financial services with even greater added value. All consultations pertaining to finance can be completed at San-in Godo Bank customer service counters.

### ● Branch structure

Accurately meeting customer needs through the three-distinctive branch structure as follows:

<b>Consulting plaza</b>	Provider of full line of products and services
<b>Asset management consultation counter</b>	Consultation on asset management and formulation for a wide range of customers Asset management assistance for senior citizens
<b>At other branches</b>	Receive applications for opening of new securities accounts or investment trusts for regular savings plan



### 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 for Enhancement of Customer Satisfaction

## - Striving to offer products and services that match customer needs -

**Key Issue** Society Formation of a safe, secure society

### Initiatives ensuring customer-oriented business conduct

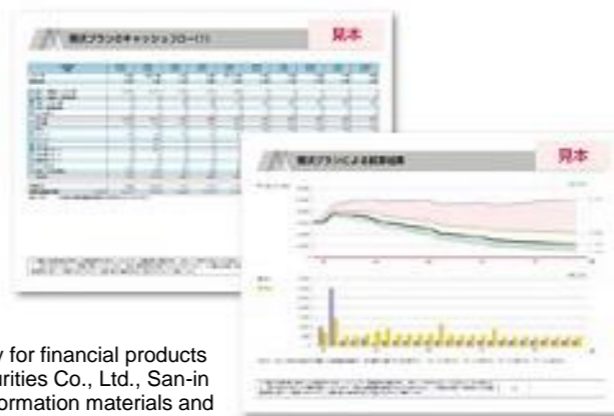
To ensure a thorough commitment to conducting a customer-oriented business philosophy, we have formulated a Policy for Customer-Oriented Business Conduct related to our asset formulation and asset management businesses. Under this Policy, we strive to offer optimal products and services according to each individual customer's needs with the aim of realizing affluent lifestyles.

#### Consulting implementation

- Listening to not only customers' knowledge, experience, property status, investment purposes, investment principles, income styles, occupations, transaction motives, but also life plans as well as intentions and needs from various perspectives, we will strive to propose optimal products and services to fulfill their dreams.
- While comparing them with similar products and services by using asset management guides and asset design tools, we will strive to propose optimal products and services for all our customers.
- When making proposals, we will implement courteous consulting services more comprehensibly by confirming customers' family structures, life events, asset status, etc., and simulating their life plans together with customers.

#### Appropriate sales procedures

- Regardless of the size of handling fees for products and services, we will strive to propose products and services that contribute to stable asset formation from the customer's perspective.
- In the securities business, we will also respond to the sophisticated operational needs of each customer by handling the extensive product lineup of Nomura Securities Co., Ltd., our business alliance partner.



\* Serving as an intermediary for financial products belonging to Nomura Securities Co., Ltd., San-in Godo Bank will provide information materials and advertisements prepared by Nomura Securities Co., Ltd.

#### Policy for Customer-Oriented Business Conduct

##### 1. Customer-oriented business philosophy (To be a financial institution selected by customers)

All directors, executive officers, and employees will strive day by day to act with sincerity and fairness in a customer-oriented manner in order to achieve the best interests of our customers under the management philosophy of "Be a creative bank that best fulfills the dreams of the region and customers it serves."

##### 2. Customer-oriented consulting

We will strive to propose optimal products and services in consideration of each customer's purpose, asset status, life stage, etc., with all directors, executive officers, and employees facing respective customers closely, sitting down and listening to what they think.

##### 3. Customer-oriented information provision

We will strive to explain fees and other important information as well as risks carefully and comprehensibly, and also provide appropriate and sufficient information

according to each customer's knowledge, experience, and the characteristics of products and services, and so on so that customers can choose optimal products and services.

##### 4. Customer-oriented product lineup and sales

Concerning the product lineup and sales procedures, we will strive for proper management so as not to cause conflict of interest from the standpoint of customers.

##### 5. Customer-oriented arrangements

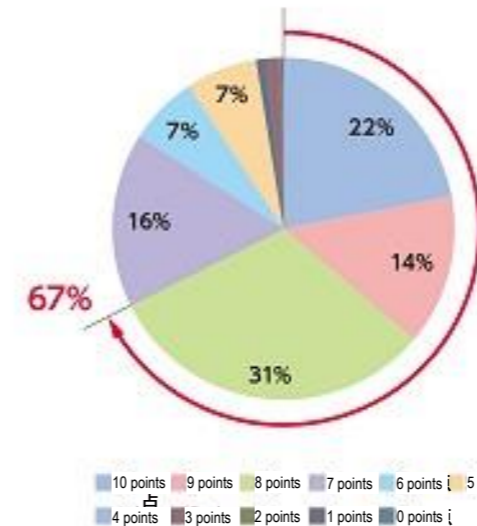
To ensure a customer-oriented approach on initiatives thoroughly, we will strive to reflect the results of commitments in organizational and individual evaluation systems, etc., and also periodically verify and improve the content of our commitments. In addition, we will strive to provide enhanced education and training so that directors, executive officers, and employees can acquire knowledge and skills necessary for customer-oriented consulting.

## Implementation of customer questionnaires

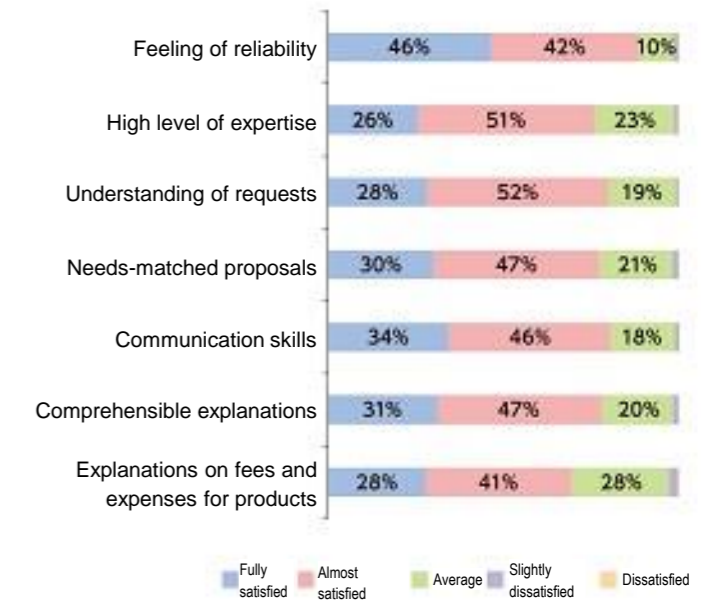
Through the implementation of questionnaires with customers under contract of asset management products, we will confirm if our "initiatives ensuring customer-oriented business conduct" meet customer expectations, and also strive for further quality improvements of products and services.

### (1) Satisfaction

Nearly 70% customers answered that their satisfaction scores 8 points or more out of 10 points.



### (2) Staff's responses and explanations

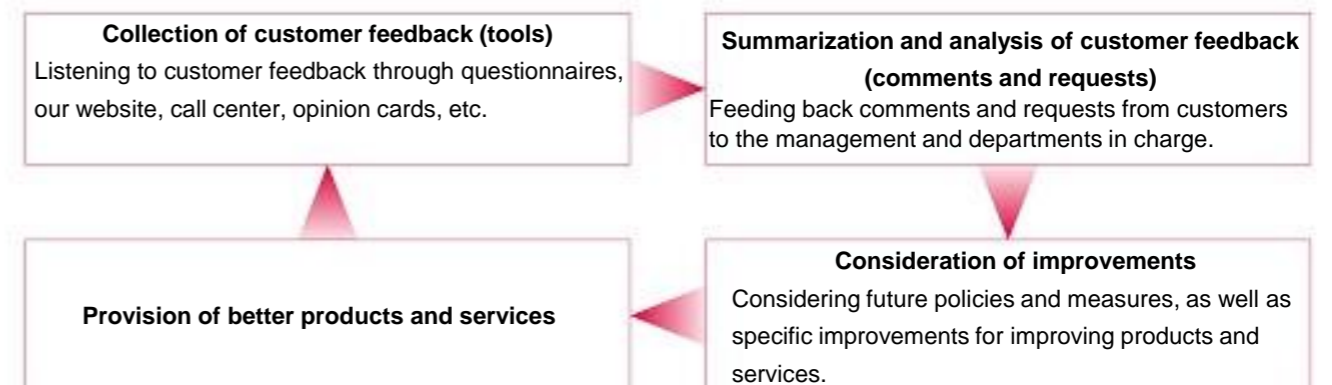


\* Extracted 5,000 customers who had purchased risk-based products over the counter or somewhere else in Shimane and Tottori Prefectures between May and August 2019. (Number of valid responses 1,440; response rate 28.8%)  
In FY2020, we did not implement a questionnaire in order to take measures to prevent the spread of COVID-19 infections.

## Utilization of customer feedback

Through the utilization of customer feedback, we strive to offer better products and services.

### Structure for utilization of customer feedback



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

- Striving to improve both hardware and software for all customers to use peace of mind -

Key Issue **Society** Formation of a safe, secure society

### 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. San-in Godo Bank works 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 a 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 2021)

- Testamentary trust: 158 cases
- Legacy consolidation operations: 35 cases
- Property succession planning: 16 cases

#### Performance of trust products (July 2018 to the end of March 2021)

- Testamentary substitute trust: 42 cases (295 million yen)
- Calendar year gift type trust: 75 cases (1,313 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 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)

governmental agencies.

#### Enrolled in the Japan Financial Gerontology Institute (2021)

We learn financial gerontology, deepen understanding of physical and mental 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.

#### Project to support activities of 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

## 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 services

- Braille recognition for the visually impaired on all cash cards issued to individual customers
- Braille services (bankbook, 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



Communication board in Bank branches

#### Registered dementia supporters

Approximately **340**  
(As of March 31, 2021)

### Education and training for bank staff

<b>Seminar on financial gerontology</b> - Fostering of "dementia supporters" -	Seminar to foster dementia supporters Held twice in FY2020 / Held twice in FY2021
<b>Manual for responding to elderly customers and customers with disabilities</b>	Improvement in response skills with due consideration for elderly customers and customers with disabilities
<b>Reception training</b>	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
<b>Study session for reception improvement</b>	Approaches made to improve reception at each branch
<b>Ai Support movement*</b>	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 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 a 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.

#### Promotion of parasports

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

#### 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.

#### 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.

## Deployment of Unique and Far-reaching Social Contribution Activities

- Helping through social contribution activities to make an affluent regional society a reality -

Key Issue **Society**

Contribution to regional society

Based on the idea of "playing a beneficial role for the region and for customers" across social, educational, cultural and other social contribution activities, San-in Godo Bank strives to fulfill its responsibilities with respect to regional society, working over many years to develop unique activities in this area.

### Environmental protection activities

#### Forest conservation activities

2006 - ▶ P20

Practical conservation activities with the participation of directors, executive officers, employees, and their families in forests around the San-in region



### Support for independence of people with disabilities

#### Gogin Challenged

2007 - ▶ P60

Business site specializing in the employment of people with disabilities



### Youth education activities

#### Shofukan

2012 - ▶ P52

Learning with the aim of emphasizing the importance of students engaging all of their senses to thoroughly experience the backdrop and true nature of the world around them



## Social and Cultural Contribution Activities Active participation in regional and social activities

To express our gratitude to the regional society, we actively participate in regional and social activities, contributing to the development and improvement of the regional society and creation of a bright society that nurtures an affluent mind, body, and spirit of youth.

### Gogin Hitotsubu no Mugi (One Kernel of Wheat) no Kai (since 1981)

We, Gogin Group directors, executive officers and employees have taken part in this ongoing cash and material donation activity now for four decades. We donate wheelchairs, televisions, and other items to social welfare facilities, and other recipients.

Number of recipients / Total amount

**1,189 / 124.93** million yen worth

(Cumulative total from the start in FY1981 to FY2020)

#### ● Donation of hand soap and masks

In December 2020, we donated hand soap and masks to elementary schools in both Shimane and Tottori Prefectures so that they can be used to aid future leaders in taking measures against the COVID-19 pandemic.

#### ● Donations to universities

In order to support students who are experiencing difficulties with their studies and campus life due to COVID-19 pandemic, we donated 2.7 million yen in total to student funds at 7 universities in both Shimane and Tottori Prefectures in August and September 2021.



Donated 4,110 bottles of hand soap and 50,000 masks in total to Shimane and Tottori Prefectures



Ceremony for donation to Shimane University

### Chiisana Shinsetsu (Small Kindness) Movement (since 1997)

As the secretariat for this movement, San-in Godo Bank is working hand in hand with the people of the region in developing a variety of activities that include "Campaigns encouraging kind greetings to others" and "Nationwide Cleanup Movements."

Number of members: **2,360**

(Supporting members 272 / Group members 2,080 / Individual members 8)  
(As of the end of March 2021)

#### ● ECO-cap collection drive

Money earned through the sale to recyclers of used PET bottle caps, collected in cooperation with members, is donated to UNICEF to help fund the delivery of needed vaccines to children worldwide.



Weight / Vaccine equivalent  
**15,249 kg / Approximately 7,600 doses**  
(Cumulative total from FY2010 to FY2020)

### Gogin Cultural Promotion Foundations (since 1992)

These foundations support and sponsor educational, cultural arts and sports activities taking place in Shimane and Tottori prefectures.

Assistance / Amount

Shimane Pref. **1,303** cases / Tottori Pref. **1,223** cases

Total amount: **317.01** million yen  
(Cumulative total from the start in FY1992 to FY2020)

#### ● Donation of SDGs-related books

In October 2021, we donated SDGs-related books to all prefectural elementary schools in both prefectures of Shimane and Tottori in place of assistance projects that could not be carried out due to the COVID-19 pandemic.



Donated 1,380 books (4 books each to 345 schools) in total to both prefectures

## Deployment of Unique and Far-reaching Social Contribution Activities

Key Issue **Society** Contribution to regional society

### Youth Education Helping to educate the region's future leaders

#### Financial education – Improving financial literacy –

Through actual worksite visits, guest lectures and other experiences, elementary and junior high school students can learn about the role and functions of banks, as well as money planning for the future.

#### SAN-IN GODO MUSEUM

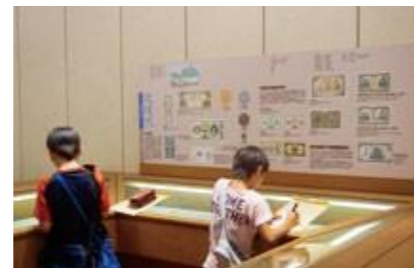
On the third floor of the Head Office, the Bank opened a museum in which old money and the San-in region's clan notes, etc., are exhibited. People including children from the region visit and use it as a place to learn about the history of money and banks.

#### Emotional education

##### - Emotional education activities through picture-story shows -

As one of the initiatives of the "Small Kindness" Movement, we have conducted "Picture-story Show Caravan - Voice Actors Are Here" every year since 2005. Professional voice actors who are active in animated TV programs, visit elementary schools in both Shimane and Tottori Prefectures, conveying the message to children of the importance of "small kindness" through picture-story shows.

The emotional education activities through picture-story shows, which are also recognized by the Small Kindness Movement Executive Office, are expanding nationally.



#### Cumulative total of activities conducted

Tottori Prefecture **93** schools / Shimane Prefecture **102** schools

(Cumulative total from the start of initiatives in 2005 to FY2020)

### Promoting sports Energizing the region through sports promotion

#### Gogin Women's Badminton Team (since 1993)

The Gogin Women's Badminton Team was founded to promote sports in Shimane Prefecture. For raising the level of badminton in the region, the Gogin Women's Badminton Team's dynamic interaction with the community includes offering technical instruction to elementary and junior high school students, participation in regional sports events and much more. The team competes in the S/J League, Japan's top league in the sport, bringing the energy and excitement of top-level badminton play to the region.



#### Joining the S/J League

Spectators can watch top-performing players at San-in home games up close and experience the excitement and tense atmosphere near the court as supporters and team members swing together in high-level games.

#### Japan national team members making the leap from San-in to the world

As team representatives of Japan, some team members also show outstanding skill on the international stage as well.

#### Technical instructions to train junior players

In order to make San-in a thriving badminton region, the Team's players give instruction to elementary and junior high school students three days a week, and also give visiting instruction at joint training camps and elementary and junior high schools across the San-in region.



#### Gogin Rubber-ball Baseball Team (since 1986)

The team competes at the Emperor's Cup All-Japan Rubber-ball Baseball Championship and other national games. The team is actively engaged in regional contribution activities and holds exchange games with local junior high school student teams, etc.

#### Rooting for local professional sports teams

San-in Godo Bank supports J3 league soccer team Gainare Tottori and B1 league basketball team Shimane Susanoo Magic through sponsorship. The Bank also sponsors games, provides benefits to the Bank-issued credit cardmembers, as well as J-Coin Pay benefits.

## Gogin SDGs Private Placement Bonds

Making a sustainable regional society possible and driving clients' social contribution activities through financial products

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.

#### Gogin SDGs private placement bonds – "Regional economic stimulus-type"

The issue of private placement bonds creates donations that fund activity to combat infectious diseases including COVID-19 in the San-in region.

#### Gogin SDGs private placement bonds – "Donation to medical institution-type"

The issue of private placement bonds creates donations to medical institutions designated to fight infectious disease outside the San-in region.

#### Gogin SDGs private placement bonds – "Donation to educational institution-type"

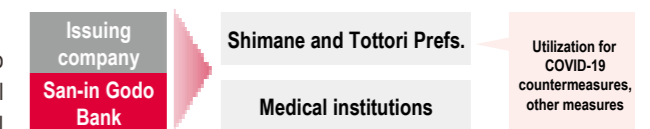
The issue of private placement bonds enables the donation of items vital to children's learning and growth, including sports equipment and musical instruments for elementary and junior high schools and other educational institutions.



Ceremony for donations to Shimane Prefecture

#### Regional economic stimulus-type donation and donation to medical institution-type

0.2% of amounts of private placement bonds issued gifted in joint names with the issuing company



#### Donation to educational institution-type

Goods under 0.2% of amounts of private placement bonds issued gifted in joint names with the issuing company



#### Number of SDGs private placement bond issues - 124 cases (FY2020)

Regional economic stimulus-type (Shimane Pref.)	... 17 cases	Sports promotion-type	... 9 cases
Regional economic stimulus-type (Tottori Pref.)	... 16 cases	CSR-type	... 9 cases
Donation to medical institution-type	... 27 cases	Social welfare-type	... 3 cases
Donation to educational institution-type	... 43 cases		

## Initiatives for Regional Contribution through Time Deposit Campaigns

Making a sustainable regional society possible and driving clients' social contribution activities through financial products

#### Cheering on the region – Let's energize San-in! Serving regional industry and rediscovering the charm of the San-in region! –

Time deposit campaign to cheer on San-in (November 9, 2020 to March 31, 2021)

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.



#### Support for people with disabilities – We delivered customers' hearts to the Para-Sports Associations of both Shimane and Tottori Prefectures – Gogin Summer Dream Campaign (June 16, 2021 to September 30, 2021)

The Bank contributed an amount equivalent to 0.01% of the total amount of time deposits, and donated it to the Para-Sports Associations of both Shimane and Tottori Prefectures. The amount donated with customers' hearts are used to aid in para-sports development, including support for para-athletes, and PR activities for para-sports, improvement of base facilities, and running of para-sports games.

Amount donated

**929,308** yen

## Regional exchange activities Initiatives at branches

Each branch is active in its initiatives for regional exchanges as a member of the regional society, such as planning lobby exhibitions, and participating in regional events, cleanup activities, and volunteer activities.

Tottori Shan Shan Festival  
We participate in and live up the local festival.



## Deployment of Unique and Far-reaching Social Contribution Activities

### PICK UP

Key Issue **Society** Contribution to regional society

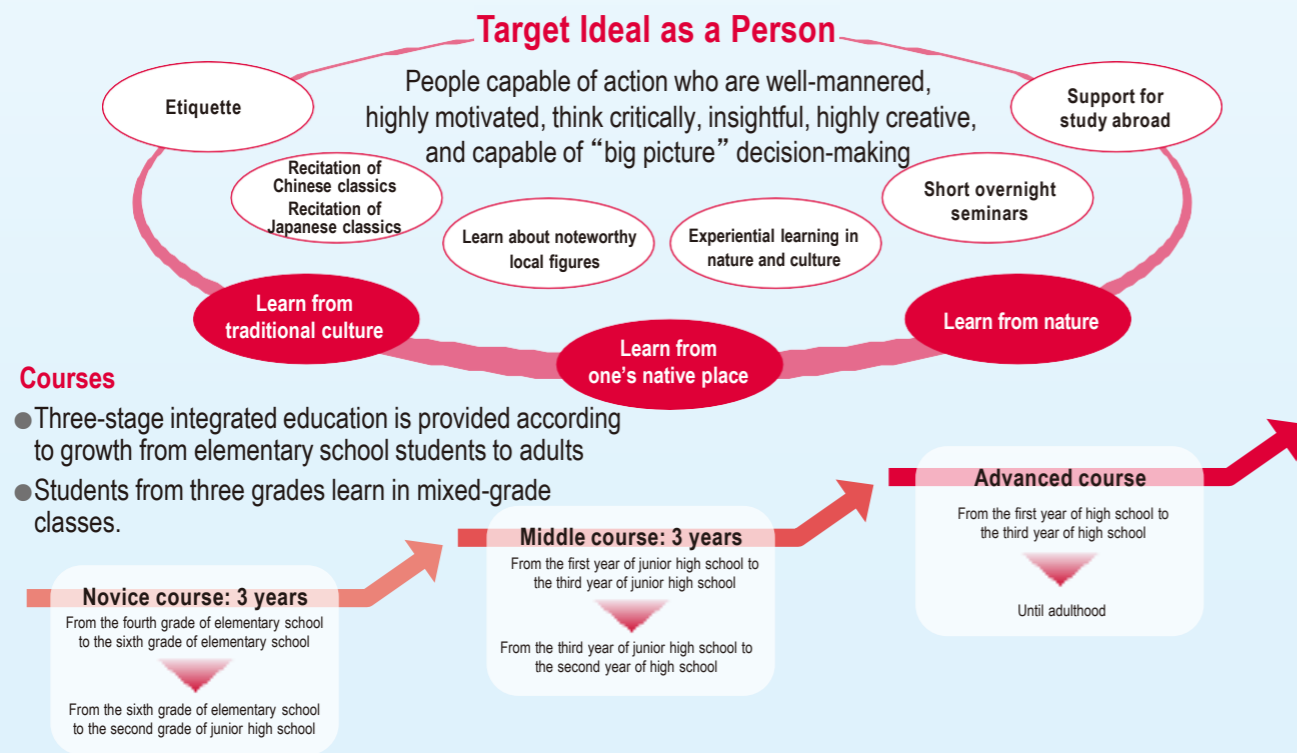
#### Helping to educate the region's future leaders



#### Instilling a powerful will to usher in change

"Shofukan" private school was first opened by the Gogin Shimane Cultural Promotion Foundation in 2012. In learning how to live and think about life through classical literature from Japan and other countries, local history and nature, traditional culture and other areas, the hope is that participating children will grow to play dynamic roles in society in the future.

In contrast to typical cram schools, classroom sizes are intentionally kept small, with the image of old-fashioned Terakoya (private temple school) and Hanko (clan school) in Edo period in Japan, allowing instruction that respects for the individuality of each child. In addition to classroom lectures, through out-of-school field trips and overnight seminars in summer, the school emphasizes the importance of students engaging all of their senses to thoroughly experience the backdrop and true nature of the world around them.



**Novice course**  
**20** students enrolled

Learning from the cornerstone of the three pillars valued by Shofukan (learn from traditional culture, learn from one's native place, and learn from nature).

- The Analects of Confucius
- The Tale of the Bamboo Cutter
- Hyakunin Isshu poems
- Notable local figures
- Proper etiquette
- Creatures and nature of Lake Shinji
- Mathematical discussion
- Recitation of beautiful passages, others



**Middle course**  
**13** students enrolled

With novice course learning as a base, along with diving deeper into topics, students learn to open their horizons through learning of cultures outside Japan.

- Koto
- Calligraphy
- Shoshi Hyakka (the Various Masters of the 100 Schools: Thinkers of Ancient China)
- Izumo Fudoki (records of regional cultures, etc.)
- Shimane Peninsula exploration
- Learning of sciences
- Debate
- Useful English expressions
- Learning of notable global figures
- Practice of foreign cooking
- Learning of regional issues, others



**Advanced course**  
**17** students enrolled

Reflecting on what they learned previously, students aim for and learn to be autonomous individuals able to act with intention.

- Topic report (3 times a year)
- Group lectures (held occasionally)
- Learning of regional issues
- System to assist in studying abroad available to all interested students



#### Interviews with students

#### What impressed you at Shofukan?

- Learning about local figures  
 It is very interesting to know about notable figures from the prefecture where I live. At overnight seminars in the summer, I had extraordinary learning experience about nature, which was a lot of fun. (Elementary school sixth grader)
- The Analects of Confucius  
 The Analects of Confucius tells us many things that are helpful in life. Through many lectures, I "acquired the ability to think about things," one of Shofukan's principles, by which I have become interested in even small events in daily life, so I feel my life as become more meaningful. (Third year junior high school student)
- Field work  
 To actually see and touch things and to feel the atmosphere of a place are amazing experiences. Among them, I was strongly impressed by the visit to Shimane Peninsula. I was overwhelmed by the natural power and beauty formed over such a long period of time. I think that it was good to know this nature, and at the same time, it strengthened my feeling that I would like many people to know about it. (First year high school student)



#### What changed in your behavior or mind after entering Shofukan?

- I am now interested in things that I didn't care much about before, and now I have my own opinions. I now also think about things on a deeper level with a greater appreciation for information from when I would have focused on things superficially and only in small parts. (Third year junior high school student)
- I learned about geoparks and ancient burial mounds, learn about the aspiration of notable hometown figures, enjoyed Sado as a citizen of Matsue City, and discovered things that would have gone unnoticed before but what we should be proud of in the region. It feels great that I can now boast about Shimane with confidence. (First year high school student)
- It is now possible for me to think of things multidirectionally without sticking to one perspective. At Shofukan, we learn together with students from different schools, so that we can touch upon more ideas than you would normally do in school through an exchange of opinions. I could also broaden my horizons through learning about human rights and international exchange activities. (First year college student)

#### What will you keep in mind after learning at Shofukan

- I think that my concentration has improved a lot. Now I can write kanji characters with confidence that I used to be bad at. Since we also learn etiquette at Shofukan, I have come to think about how to treat others. (Elementary school fifth grader)
- Everyday, I keep in mind good manners of how to stand, sit, and walk as well as my posture because I learned etiquette. It is very interesting that we can learn and experience many things outside of school. (Elementary school sixth grader)

#### Your future vision

- I now have developed an interest in many things as I have learned a wide range of things from the familiar to things about the world. I want to be a person who can deepen my thinking about what I am interested in. I would like to acquire the ability to challenge many things, and utilize on what I have learned at Shofukan in the future. (First year high school student)
- I would like to be a person that can occasionally think back on and use in daily life what I have learned at Shofukan in about 10 years, and deepen my understanding of it, that is, a person who can embody: "To learn and to review things you learned as pleasure." (First year college student)

# Support for Active Careers for Diverse Human Resources

Key Issue → Society    Diversity promotion

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.

## Initiatives to respect human rights

### Human-rights policies (formulated in May 2020)

#### (1) Respect for international norms

We respect international norms regarding human rights, such as the Universal Declaration of Human Rights and the UN Global Compact.

#### (2) Elimination of discrimination

In every corporate activity we engage in, we do not discriminate for reasons of race, nationality, gender, sexual orientation, gender identity, origin, social position, creed, religion, disability, physical features, and others.

#### (3) Cultivation of corporate culture that respects human rights

We consider human rights issues as our own issues, and encourage thinking about things from the other person's standpoint, and cultivate corporate culture that respects human rights.

#### (4) Establishment of comfortable work environments

We establish comfortable work environments by building transparent, equal relationships in which each of the Bank's directors, executive officers, and employees recognizes each other as business partners.

With the recognition that acts of sexual harassment, power harassment, etc., impair human dignity, we eliminate such harassment from our workplaces.

#### (5) Implementation of fair recruitment

For recruiting employees, we perform rigorous and fair recruitment based only on their own competency and eligibility.

#### (6) Implementation of human rights training

Toward resolving all issues related to human rights, we engage in a wide range of human rights awareness training for each of the Bank's directors, executive officers, and employees to deepen their understanding and recognition of human rights.

### 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.

### Sharing of human rights slogans

As part of our human rights awareness activities, the Bank widely solicits slogans in-house every year. These are screened by the secretariat of the Anti-discrimination Training Promotion Committee, which are shared in-house by awarding excellent works to raise awareness of human rights.

### Creation of harassment-free workplaces

The Bank has prepared a harassment prevention manual, aiming to create harassment-free workplaces where the Bank's directors, executive officers, and employees respect each other. In addition, we have set up a consultation counter to construct a framework so that they can seek consultations without hesitation if any harassment cases arise close to them.



## Personnel training

### Training highly specialized human resources to help resolve issues the region and customers face

Building stronger structures as an organization, and training specialized human resources in consulting and digitalization, are indispensable for enabling a business model centered on these fields and fueling powerful growth for the Bank. Through the dynamic action of a diverse workforce filled with individuality, one that enables each employee to individually learn and enhance their own specialization and hone personal strengths, San-in Godo Bank will remain a resilient bank with continued presence.



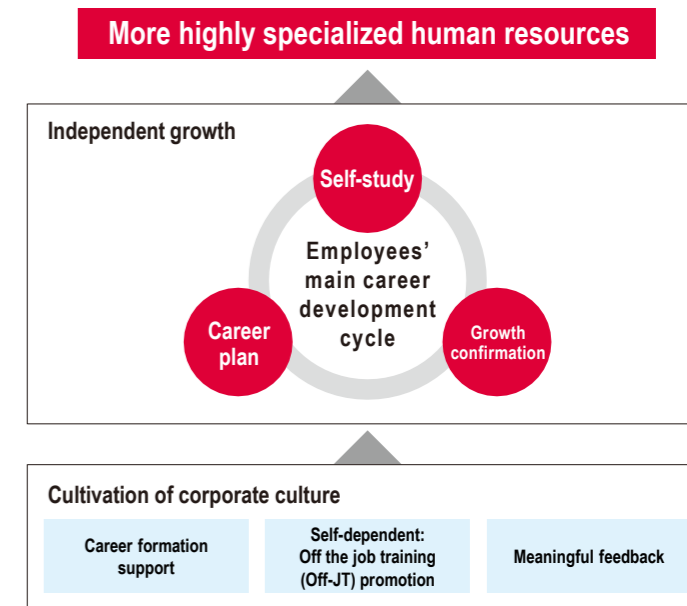
### Ideal image of a person sought after by San-in Godo Bank

What the Bank believes is most important is enthusiasm for our region, our customers, and our jobs. No matter what the person's age, the Bank always requires directors, executive officers, and employees to strive to improve themselves, exercise wisdom, pursue innovation, and work with passion. There are many things the Bank can do for the region and customers, and the Bank seeks people who can act with enthusiasm and think on their own. The value created through work will naturally lead to solving regional and customer issues, and connect to the transformation of the Bank's business model.

### Personnel training system supporting independent growth - Training independent personnel -

Our training seeks to develop employees into thinking and learning on their own, and take the initiative in execution. By thinking about and clarifying career plans on their own, each employee will recognize their capabilities and skills, their experience, as well as their own issues necessary for realizing their career plans, the Bank encourages each employee to act independently and improve their motivation for growth.

Taking career plans as a starting point, the Bank continues to strengthen the system that supports skill competence development centered on employee self-study, which leads to independent growth.



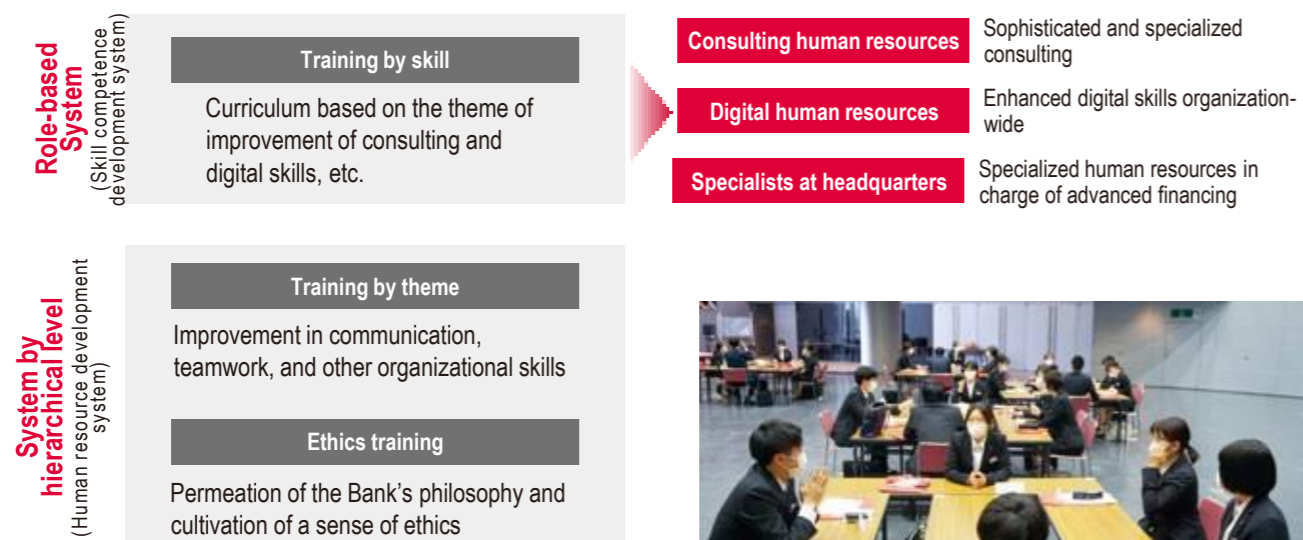
## Support for Active Careers for Diverse Human Resources

Key Issue **Society** Diversity promotion

### Career formation support

Through establishment of a system that supports "independent growth" in which employees select and learn what is necessary and maintain an "attitude toward continuous learning," the Bank supports the career formation of its employees. The Bank continues to enhance the content of its training, such as providing output-centered training, in which participants share findings with each other through active learning by interaction and practice, and expansion/upgrade of outside training.

#### Career development system and training system



#### Outside training

As of the end of October FY2021, 27 people were dispatched to 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.

#### Annual number of participants in training

Total **1,482**  
(FY2020)

#### Annual expenses for training

**16.5** million yen  
(FY2020)

### Initiatives for promotion of self-development

#### ■ Enhancement of tools (GLOBIS online service)

As part of its support for the independent growth its employees, the Bank has introduced e-learning content. The Bank actively works on self-development toward acquiring knowledge in various fields, through content that supports a wide range of learning from financial practice to business skills, content on management strategies essential for improvement of consulting skills and general business administration, including marketing, as well as logical thinking and client analysis, and content for improving digital literacy.

#### ■ Open-type in-house training

Employees actively participate in training on their own for self-study.

#### Status of taking the GLOBIS online service

Users **739**  
(As of September 30, 2021)

#### Open-type in-house training Number of sessions held in the first half of FY2021 / Number of participants

**24** times / Total **1,027**

#### Boost in motivation

We strive to create a corporate culture of open communication and to build a fair personnel system for higher motivation among employees to take action.

#### ■ Cultivating a shared sense of purpose between management and employees

We create opportunities for directors to communicate their management vision and beliefs directly to employees, and for employees to directly convey their opinions and thoughts to directors. By reinforcing two-way communication and deepening mutual understanding, we continue to raise a shared sense of purpose for the organization.

#### ■ Fair personnel evaluation

Providing more robust feedback strengthens personnel development. Reasons for the judgment that led to the evaluation results are explained to each employee respectfully and concretely to convince them of attaining an evaluation at a higher satisfactory level, which is linked to boosting the motivation of each employee in the operation of their work.

#### ■ Strengthening communication

Through career plan formulation support and career formation support, we work to enhance communication and relationships of trust within the organization.

In addition, managers conduct periodic interviews with employees, which brings opportunities to receive consultations on career formation, and business operations, as well as private matters, such as family matters, and many others.

#### ■ Communication support system

We have established a communication support system designed to strengthen "connections in the workplace" and "connections to family and community," supporting events and activities that lead to better communication.

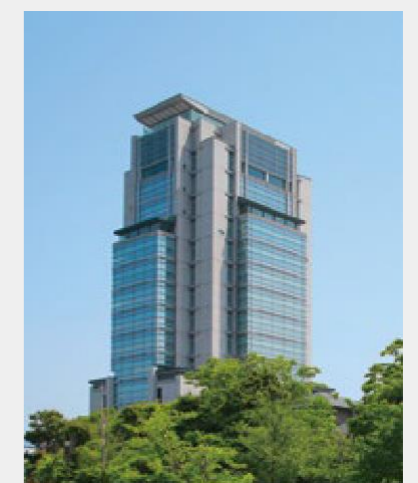
### Discussion with the Bank President

We hold regular online forums with the President of San-in Godo Bank for open communication between the President and employees. Highly rated by employees who have taken part, these forums allow the President to share his management philosophy or approaches to the Medium-term Management Plan, and offer his frank thoughts and advice to questions posed by employees. Through conversations with management, we strive to build workplaces where open communication is the norm.



### Initiatives to share the management philosophy; Opportunities for each employee to think about the management philosophy

For the purpose of considering the long-term direction of the bank as a whole, we provide opportunities for each employee to think and discuss the management philosophy on their own. In the questionnaire on the management philosophy, it was found that employees have a high degree of empathy for the management philosophy, holding strong feelings about being beneficial for the region and customers they serve, which indicated broad permeation of the management philosophy, while other employees were of the opinion that they could not imagine the connection between the management philosophy and daily operations and activities. We not only promote an understanding of the management philosophy by seizing opportunities to send messages to employees and explain the significance of operations and activities, but also provide an opportunity to discuss the management philosophy bank-wide on the anniversary of the Bank's foundation. We continue to strengthen our sense of unity of the organization by taking the initiative to encourage each employee to interpret the management philosophy in concrete terms as their own issues and put into practice the management philosophy in their daily operations.



## Support for Active Careers for Diverse Human Resources

Key Issue **Society** Diversity promotion

### Diversity & inclusion

We continue to move forward to create an organization in which the diverse personalities and values of each employee are respected and each can play an active role.

#### Employment of people with disabilities

We actively employ people with disabilities, creating opportunities to flourish in line with their specific capabilities.

#### Employment rate of people with disabilities

**2.65%**

(As of March 31, 2021)



Employees creating aesthetically sophisticated artwork at Gogin Challenged Matsue

#### Gogin Challenged (P60)

#### Gogin Challenged employees with disabilities

Matsue **18** / Tottori **13**

(As of March 31, 2021)

#### Membership in "The Valuable 500" international initiative for people with disabilities to flourish and find success

Guided by the belief that "inclusive business makes for an inclusive society," this international initiative seeks to spur companies worldwide to action in showcasing the potential value that people with disabilities bring to business, society and the economy and support their activities. Membership in the initiative will spark further development of our own initiatives to date in this area.



53 Japanese companies are members of this initiative endorsed by 500 companies worldwide

### Career advancement for females and seniors

We strive to ensure worthwhile work environments that encourage employees to take on challenges and amply showcase their talents.

#### Actively placing female employees in managerial positions

Through environmental improvements, such as diversification of opportunities for female employees to flourish and enhancement of training programs, we actively place female employees in managerial positions. We have formulated an action plan based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace, targeting 25% or more of female managers (acting branch manager or higher rank) by the end of FY2023.

#### Percentage of female managers

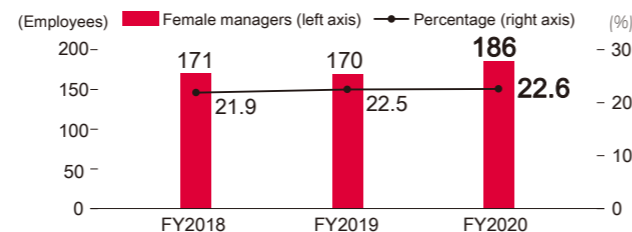
FY2023 year-end target 25% or more **25** or more

#### Percentage of female managers

**22.6%**

(As of March 31, 2021)

#### Number and percentage of female managers



#### Career map for area occupations

Customer counter service	<b>NEW</b> Financing and foreign currency
Individual customer sales	<b>NEW</b> Corporate business

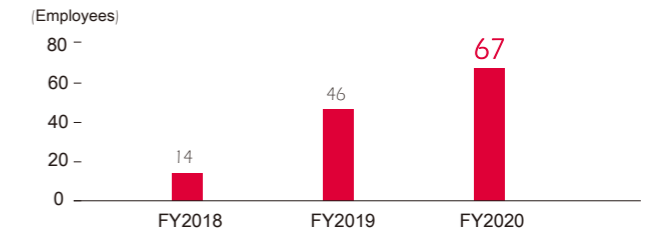
#### Expanding opportunities for female employees to flourish

Expanding the career map for area occupations (occupations with limited work areas), we develop diverse career paths. Through the enhancement of practical training seminars and support systems, we actively support career formation in area occupations.

#### Support for acquisition of corporate business skills

We support fostering of persons in charge of corporate business in area occupations with a curriculum that focuses on OJT, including training through the processes of building relationships of trust, sharing issues and needs, and providing business support, as well as holiday seminars held for the purpose of improving hearing skills. In addition, we strengthen support systems so that they will feel free to ask questions and consult by placing staff dedicated solely to corporate business education, and setting up a headquarters inquiry window. We hold roundtable discussions as an opportunity to listen to seniors in area occupations and as a place for female employees to exchange information with each other about daily worries, doubts, and anxieties, as well as actively make factory tours, etc., that enable understanding of job sites from experience.

#### Allocation and transfer to corporate business under area occupations



#### Bank staff promotion system

We continue to expand opportunities for associate employees and part-timers to flourish, and actively promote them to bank staff.

#### Number of persons promoted to bank employees

FY2018	5
FY2019	4
FY2020	4

#### Active mid-career employment

In response to ever-changing social conditions and the provision of advanced financial services, we continue to expand/upgrade our referral recruitment system and other recruitment channels for active mid-career employment. Utilizing their career experience, mid-career workers are play an active role in a wide range of areas.

#### Continuous employment system for people up to age 70

We adopt a continuous employment system for people up to age 70 who can play an active role at the Bank for a long time utilizing their knowledge, experience, and competence having been accumulated at the Bank.

With "job satisfaction" and "worthwhileness," senior employees play an active role in such fields as fostering the development of younger generations where they can make use of the experience.

#### Number of mid-career workers

FY2018	10
FY2019	7
FY2020	15

(Note) Mid-career workers promoted to managerial positions (acting branch manager or higher rank): 22

### Fresh wind blowing through Gogin - People-to-people exchange with Nomura Securities Co., Ltd. -

In a business alliance with Nomura Securities Co., Ltd., the Bank accepts approximately 90 secondees from Nomura Securities Co., Ltd. At the six consulting plazas in San-in, secondees from Nomura Securities Co., Ltd. and the Bank's staff provide consulting on asset formation and asset management in cooperation while drawing on both parties' strengths. Although the cultures of both companies differ, the desire to "provide better service to customers" is the same, and we aim to provide higher levels of service by stimulating each other through our daily activities. In addition, straightforward feedback and opinions that only secondees understand, such as differences between the Bank and Nomura Securities Co., Ltd., offers insight into providing better service. People-to-people exchange with Nomura Securities Co., Ltd., brings new inspiration and ideas to the entire Bank, which are used in policies and measures.

An early monthly meeting with the participation of about 300 people and a GOOD business sharing meeting are held online every month. In addition, the bank staff at the consulting plazas visit each other's offices to actually learn about the activities of the respective offices. Various initiatives are implemented so that all offices face in the same direction and conduct activities at the same level.

#### Early monthly meetin

Confirmation of monthly objectives, activity policies, and measures

#### GOOD business sharing meeting

Sharing of case examples and product strategies good that benefit customers



Directors and executive officers also participate in the GOOD business sharing meeting

## Support for Active Careers for Diverse Human Resources

Key Issue **Society** Diversity promotion

### PICK UP

#### Assisting in the independence and social participation of people with disabilities supported by the region

### Gogin Challenged

#### Study tours accepted

54

(Cumulative total from the opening in FY2007 to FY2020)

The Bank operates business sites specializing in the employment of people with disabilities. Taking advantage of respective capabilities, our people with disabilities work across a wide range of areas, such as creation of economic value by utilizing paintings, and clerical support and enhancement of operating efficiency by making full use of their IT skills.

The Gogin Challenged commitment is not a charity business, but a model case of continuous employment of people with disabilities for their financial independence. It is linked to model creation in areas where people with disabilities are employed, such that the Bank discloses its operational know-how, accepts study tours, actively transmits information, and collaborates with the region.

Being the first among the region's local banks, our challenge continues to spread across the region, endorsing companies are emerging from around the country, and the Bank's initiative in employing people with disabilities and the employment model continues to ripple nationwide.

#### Gogin Challenged Matsue    Opened in September 2007

Employees with disabilities: 18  
(As of March 31, 2021; No. at opening : 6)

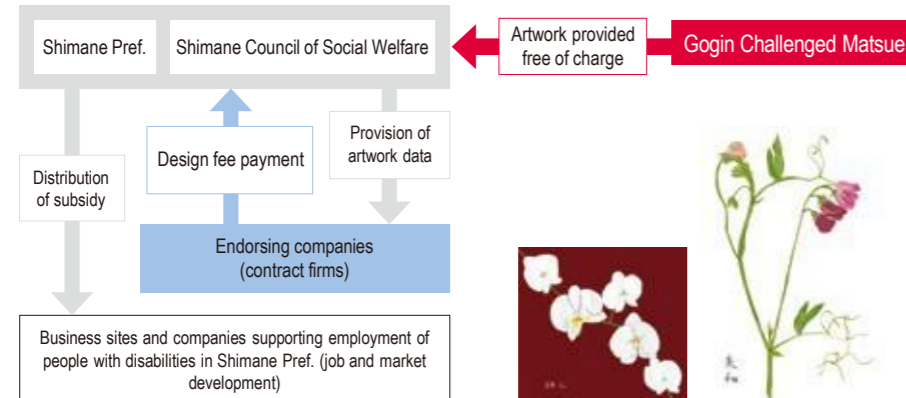
Specializing in the employment of people with intellectual disabilities, this site is involved in the production of paintings and the production of novelties utilizing the paintings, along with related clerical work.



The produced novelties are distributed to customers.

#### Yumeiku Work Support Business

Developed in cooperation with Shimane Prefecture and the Shimane Council of Social Welfare as a mechanism to generate economic value from the artistic talents of people with intellectual disabilities, initiatives focus on assisting in the independence of those with disabilities in the region.



Artwork created by Gogin Challenged Matsue employees is used by companies endorsing the site's activities. Usage fees of the art return to facilities employing people with disabilities and companies through the work of the Shimane Council of Social Welfare, with the purpose of supporting the independence of those with disabilities.

In the Yumeiku Work Support Business, in addition to providing paintings free-of-charge, the Bank also uses its wide-ranging branch network to approach companies in urban areas and plays a role in the development of companies that endorse this initiative. Paintings from Gogin Challenged Matsue are used for novelties, etc., by companies nationwide that endorse the Yumeiku Work Support Business.

#### Yumeiku Work Support Business

Endorsing companies (contract firms) **9**  
(As of the end of March 2021)

- Sumitomo Life Insurance Company
- Nippon Suisan Kaisha, Ltd.
- Ito En, Ltd.
- Kagome Co., Ltd.
- Nippon Express Co., Ltd.
- Sumitomo Mitsui Finance and Leasing Co., Ltd.
- Aeon Retail Co., Ltd.
- Sohgo Security Services Co., Ltd.
- Daiwabo Holdings Co., Ltd.

Yumeiku Work Support Business  
Grant-in-aid performance / Total amount of grants-in-aid  
Cumulative total **37** groups / **41,325** thousand yen  
(As of the end of March 2021)



Cover illustration using drawings by Gogin Challenged Matsue employees, designed by Gogin Challenged Tottori employees

#### Selected as the "Characteristic Initiatives" of Financial Institutions that Contribute to Regional Revitalization

Gogin Challenged was commended by the Cabinet Office for its initiatives as the "Characteristic Initiatives (FY2016)" of Financial Institutions that Contribute to Regional Revitalization.

#### Gogin Challenged Tottori    Opened in September 2017

Employees with disabilities: 13  
(As of March 31, 2021; No. at opening : 5)

Employing mainly people with mental and developmental disabilities, the site is in charge of a wide range of banking operations, including IT skill-centered tasks such as document preparation and organization and data entry.



Employees with disabilities are in charge of tasks that would conventionally be performed at the headquarters, branches, and Group companies.

#### Collaboration with Tottori Prefecture and Tottori Prefectural Board of Education in support for social participation of people with disabilities

Under the comprehensive collaborative agreements related to support for social participation of people with disabilities that were concluded with the Tottori Prefecture and Tottori Prefectural Board of Education, we contribute to improving opportunities for employment of people with disabilities and their social participation.

#### Provision of internships and training programs

With parallel establishment of a 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. We also provide support so that people with disabilities gain access to employment by the Bank or other companies through field experience (banking business) and acquisition of business etiquette, etc.



Acceptance of Internships

Item	Content
Internship	Work experience training in operations (creation of forms, transcription, etc.)
Training program	Business etiquette, communication skills, stress management, money management

Internships accepted

36

Training programs provided

2

Training instructors dispatched

8

(Cumulative total from the opening of Challenged Tottori in FY2017 to FY2020)

## Support for Active Careers for Diverse Human Resources

Key Issue **Society** Diversity promotion

### Work-life balance

#### 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 active role at the Bank for a long time.

#### Childcare leave system / nursing care leave system

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



#### Eruboshi and Platinum Kurumin certifications

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.

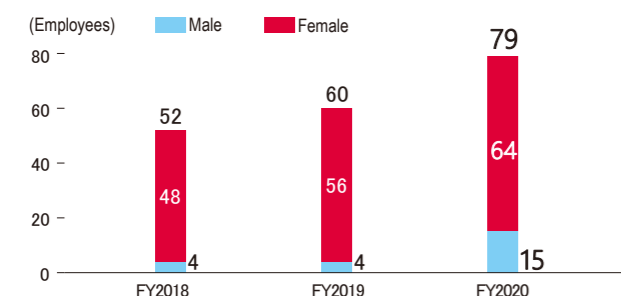


#### Initiatives to promote male employees' who take childcare leave

Through the introduction of role models, etc., the Bank is introducing initiatives to raise awareness and create an environment in which male employees can also take childcare leave more easily.



#### Employees who took childcare leave



#### Percentage of female employees who returned to work after childcare leave

95.4%  
(FY2020)

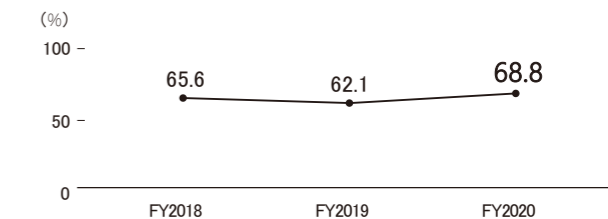
#### Short-time workers

62  
(FY2020)

### Work style 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



<b>Expansion/upgrade of leave systems Encouraging use of paid leave</b>	"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. FY2021 target of taking paid leave: 100% of annual paid leave (number of paid vacation days given annually)
<b>Telework system</b>	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.
<b>Flextime system</b>	Introduced in April 2021, the flextime system based on regular working hours enables flextime work with no core time set.
<b>Side business system</b>	Introduced in October 2021, the side business system is available for the purposes of "regional contribution," "self-realization and expansion of growth opportunities," and "return of knowledge and experience accumulated from a side business" in addition to realization of flexible work styles.

### Health management

In September 2018, the Bank issued its "Health Management Declaration," and works across the entire Group led by the President in charge, to maintain and improve the mental and physical health of each employee.

#### Health Management Declaration

For San-in Godo Bank, each 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 and encouraging the taking of paid leave, etc., we do whatever possible to create an environment that enables everyone at San-in Godo Bank to work energetically and with a sense that their job is worthwhile.

<b>Health checkups</b>	Percentage of employees who had regular checkups: 100% (FY2020) The special "medical leave" that was newly introduced in April 2021 is available for multiphasic health screenings and re-examinations.
<b>No smoking during working hours, no smoking within the premises</b>	Since April 2020, smoking has been banned on the premises of the San-in Godo Bank Group, and during working hours.
<b>Improvement in mental health counseling systems</b>	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.

#### 2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category [White 500])

In the "Health & Productivity Management Outstanding Organizations Recognition Program" implemented by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi, we were recognized as a health & productivity management outstanding organization for the third consecutive year. Among the Group companies, San-in General Lease Co., Ltd., Matsue Real Estate Co., Ltd., Gogin Business Services Co., Ltd., Gogin Credit Co., Ltd., San-in Servicing Co., Ltd., and San-in Office Services Co., Ltd. were also recognized in the Small and Medium-Sized Enterprise Category for the second consecutive year.



### Business casual attire

We adopt "business casual attire" for all employees who work at the headquarters so that they can work in ways they like in their work environment. In addition to creating a comfortable work environment, by encouraging changes in work style and workplace image, this leads to creative planning with flexible ideas and improved motivation.



(Center of photo) President  
On days when there are no visitors, some days a definitely business casual attire.

# Governance Initiatives

- Taking steps to strengthen and ensure robust corporate governance -

Key Issue **Governance** Strengthening of group governance

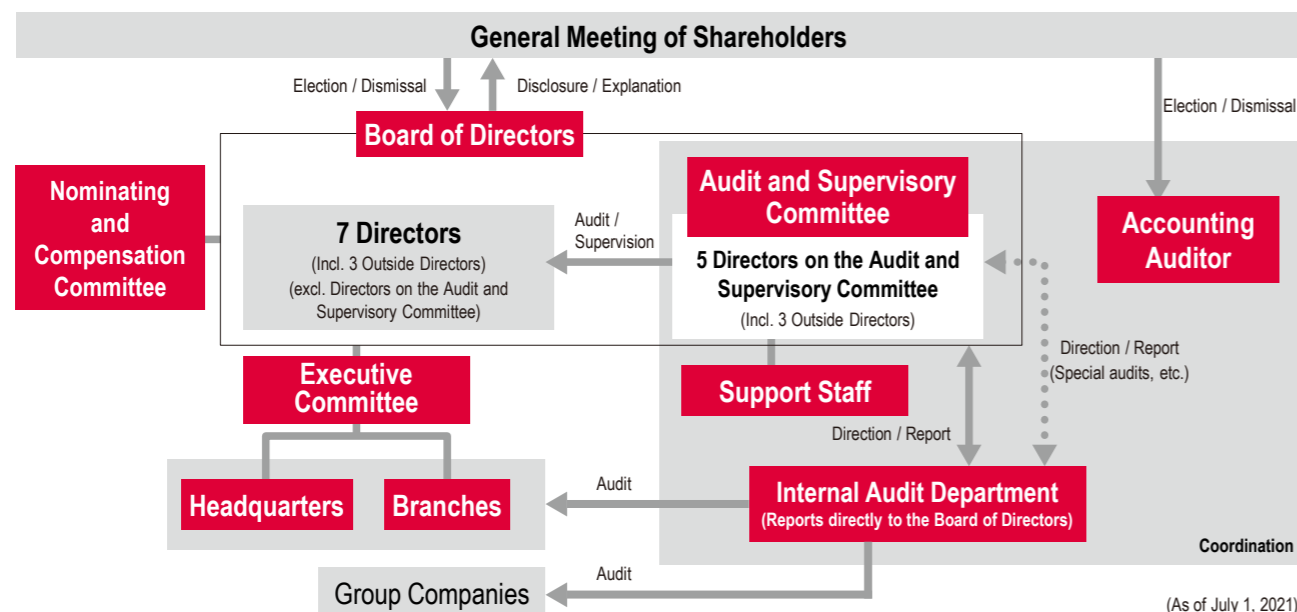


## Basic Policies regarding Corporate Governance

In step with realizing its management philosophy to become "the creative bank that best fulfills the dreams of the region and customers it serves," San-in Godo Bank strives for reinforcement and enhancement of corporate governance in line with the basic policies outlined below in order to appropriately respond to changes in the financial environment, achieve sustainable growth and improve medium- to long-term corporate value.

- (1) The Bank preserves the rights of shareholders, and prepares an environment enabling the proper exercise of those rights. Attention is given, furthermore, to preserving the equality of all shareholders.
- (2) The Bank gives close consideration to the interests of its many stakeholders, including shareholders, customers, employees and regional society, and collaborates appropriately with these stakeholders.
- (3) Regarding financial and non-financial information, namely management strategies and issues, and information pertaining to risk and governance, the Bank conducts appropriate disclosure based on relevant laws and regulations. In the interest of ensuring management transparency, the Bank also strives to provide a robust range of information outside of the scope of legally mandated disclosure.
- (4) The Board of Directors and the Audit and Supervisory Committee, recognizing their roles as trustees on behalf of the shareholders, take appropriate steps to fulfill this duty in an effort to ensure the Bank's sustainable growth and improvement in its medium- to long-term corporate value.
- (5) The Bank holds constructive dialogue with shareholders designed to contribute to improvement in its medium- to long-term corporate value.

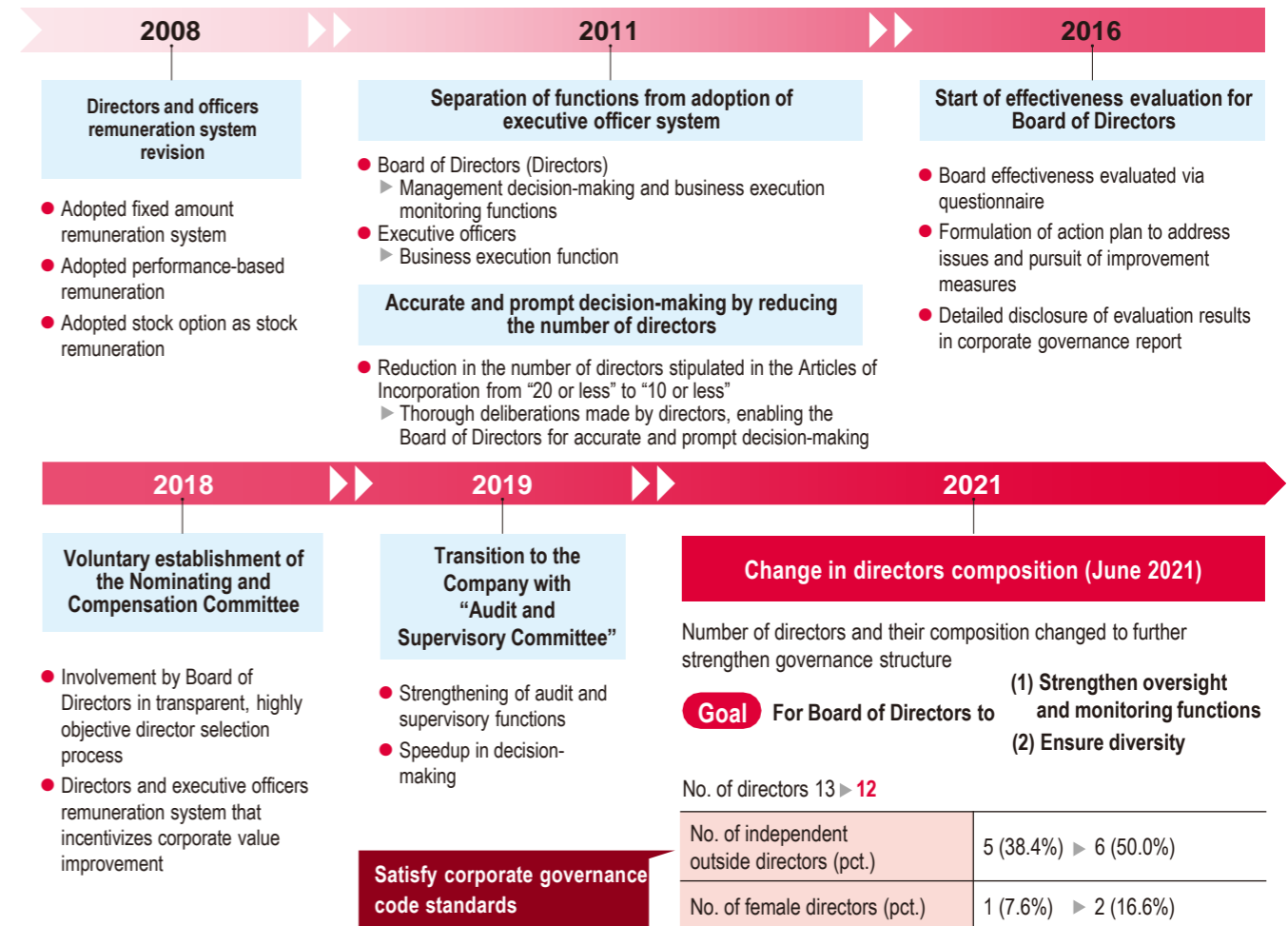
### Corporate Governance System



(As of July 1, 2021)

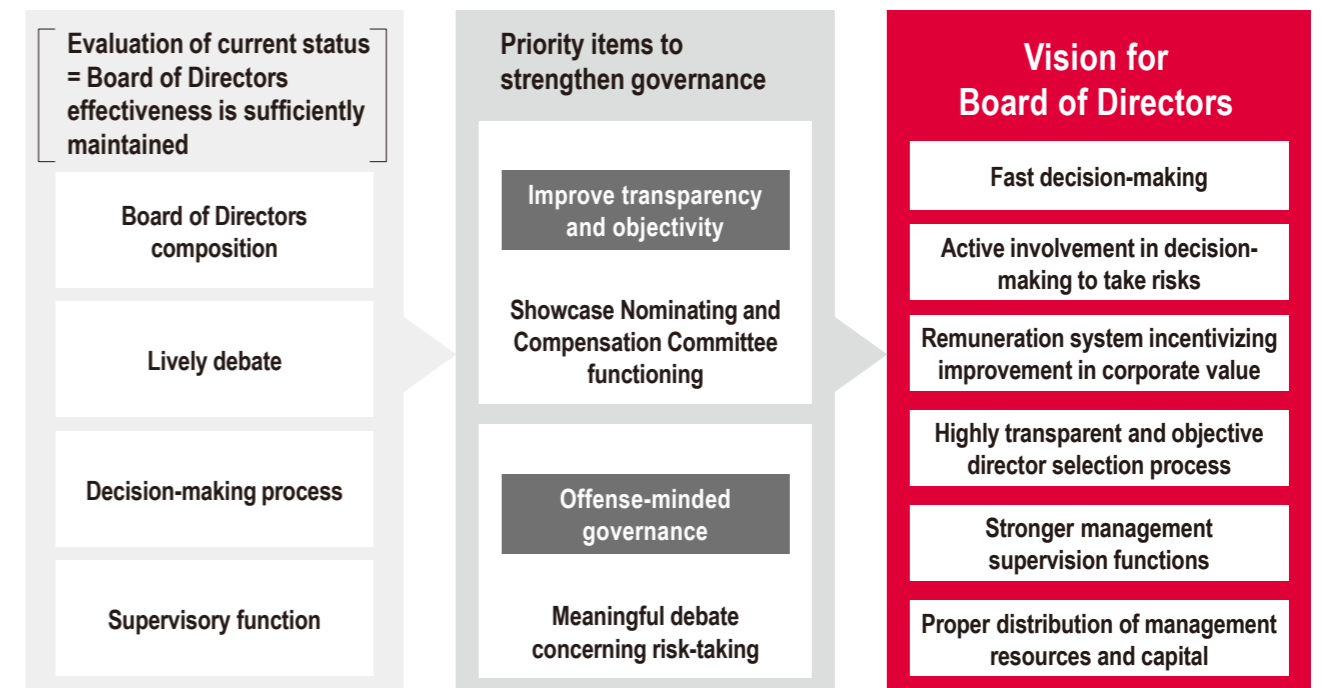
## Corporate Governance Reforms

San-in Godo Bank is advancing governance reforms that include changes in institutional design and the composition of the Board of Directors, as well as installment of a remuneration system for directors and executive officers.



## Strengthening of corporate governance structure

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

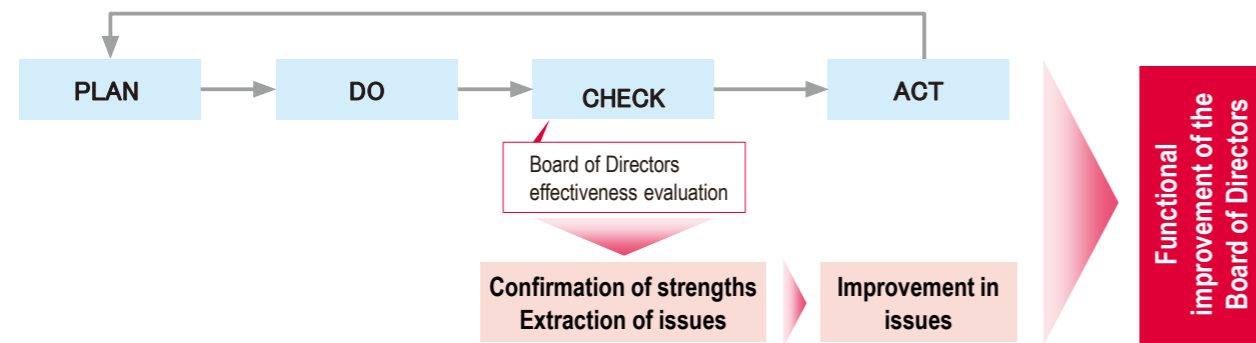


## Governance Initiatives

### Outline of analysis and evaluation results on Board of Directors effectiveness

The Bank conducts a questionnaire with directors from the perspectives of whether the Board of Directors “contributes to the improvement of corporate value” and whether it “functions appropriately and yields results,” and makes analyses and evaluations regarding the effectiveness of the Board of Directors in consideration of the answers. Based on the results of analyses and evaluations, we follow the PDCA cycle and strive to improve issues for functional improvement of the Board of Directors.

#### Board of Directors PDCA cycle



<b>Evaluation method</b>	<ul style="list-style-type: none"> <li>Implementation of “questionnaire on the effectiveness of the Board of Directors” with directors (Board of Directors’ meeting of December 2020)</li> <li>Implementation of analyses and evaluations regarding the effectiveness of the Board of Directors in consideration of the answers. (Board of Directors’ meeting in February 2021)</li> </ul>
<b>Outline of evaluation results</b>  (Results of self-evaluation)	<ul style="list-style-type: none"> <li>The Bank’s Board of Directors confirmed that the effectiveness was sufficiently maintained as appropriate systems had been built in the composition of the Board of Directors, operations, quality of deliberations, decision-making process, risk-taking, external communication, etc.</li> <li>It was also confirmed that each director was actively expressing opinions according to their abilities and experience, and fulfilling their own responsibilities appropriately.</li> </ul>
<b>(Issues)</b>	<ul style="list-style-type: none"> <li>Concerning “further improvement of the operations of the Board of Directors,” which was regarded as an issue in the self-evaluation of the last fiscal year, environmental improvements to provide in-house information to outside directors resulted in enhancement of information provided and improved evaluation.</li> <li>On the other hand, from the perspective of further enhancement of the effectiveness of the Board of Directors, we recognize that “more active deliberations on management issues and sales strategies” as an issue.</li> </ul>
<b>(Response to issues)</b>	<p>We work on the following two points necessary for the Board of Directors to maximize its supervisory function:</p> <ol style="list-style-type: none"> <li>Deepen communications between the execution side and the supervision side through the Executive Committee, etc., about medium- to long-term management issues and sales strategies;</li> <li>Set agenda as needed, centering on deliberations about major medium- to long-term management strategies, issues, etc., for more active deliberations by the Board of Directors.</li> </ol>

### 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 regarding the following:

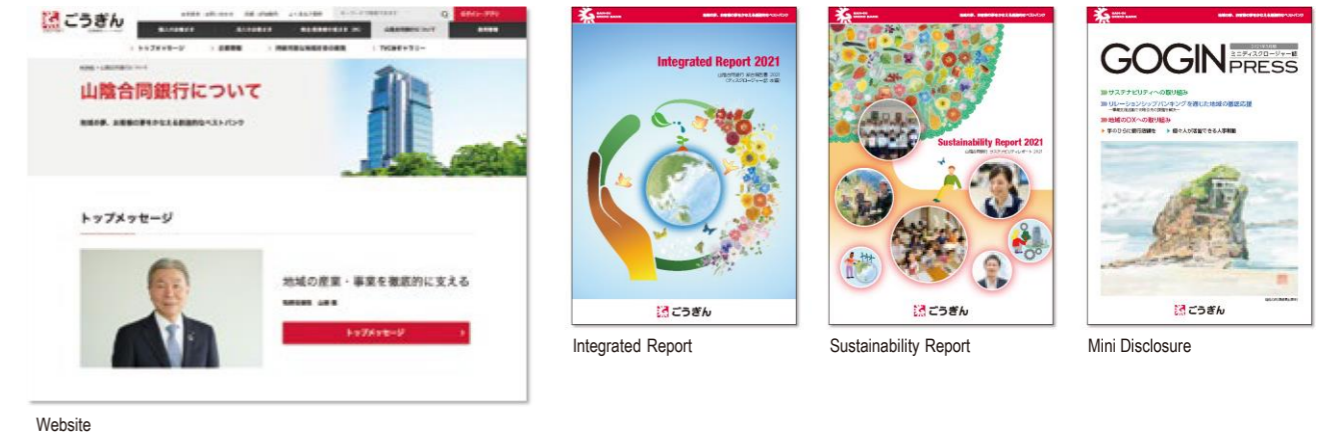
- Reporting of operations by executive officers in charge of the Bank areas, block managers, and managers of departments concerned
- Reporting of operations by representatives for companies related to the Bank
- Legal and compliance training for directors
- Study sessions for newly appointed outside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

# Appropriate Information Disclosure and Creation of Communication Opportunities

- Increasing management transparency through appropriate information disclosure and communication opportunities -

### Proactive information disclosure

Our proactive approach with respect to information disclosure encompasses the publication of integrated reports, disclosure documents, and posts on the Bank’s website to share details regarding financial data and Bank initiatives.



### Basic policy on constructive conversation with shareholders

We have drafted a basic policy designed to deepen understanding of San-in Godo Bank through constructive conversation with shareholders and investors.

\*The full-text of the policy is available at <https://www.gogin.co.jp> (in Japanese only).

### Ordinary General Meeting of Shareholders

The Ordinary General Meeting of Shareholders is held annually in June.

### Corporate Briefings

Corporate briefings are held regularly to explain details regarding financial statements, management strategies and Bank initiatives for a sustainable regional society, among other matters. The spread of the COVID-19 pandemic scaled back briefings held in fiscal 2020.

- Briefings for institutional investors and analysis (held once in fiscal 2020)
- Briefings for individual investors (cancelled in fiscal 2020)
- Briefings for regional clients (cancelled in fiscal 2020)

### Individual interviews with institutional investors

Conducted 18 times online or by phone in fiscal 2020.

### TVCM “Go Forward, Together”

- “Business” and “Asset” succession editions now airing -

Making regional economic development and sustainable regional society a reality, San-in Godo Bank is bringing this passion and an ongoing commitment to assist in conveying in well-defined manner the valued businesses and assets of customers in the region into the future.

The San-in Godo Bank website now has a TVCM brand site.

<https://www.gogin.co.jp/goforwardtogether/>



# Risk Management

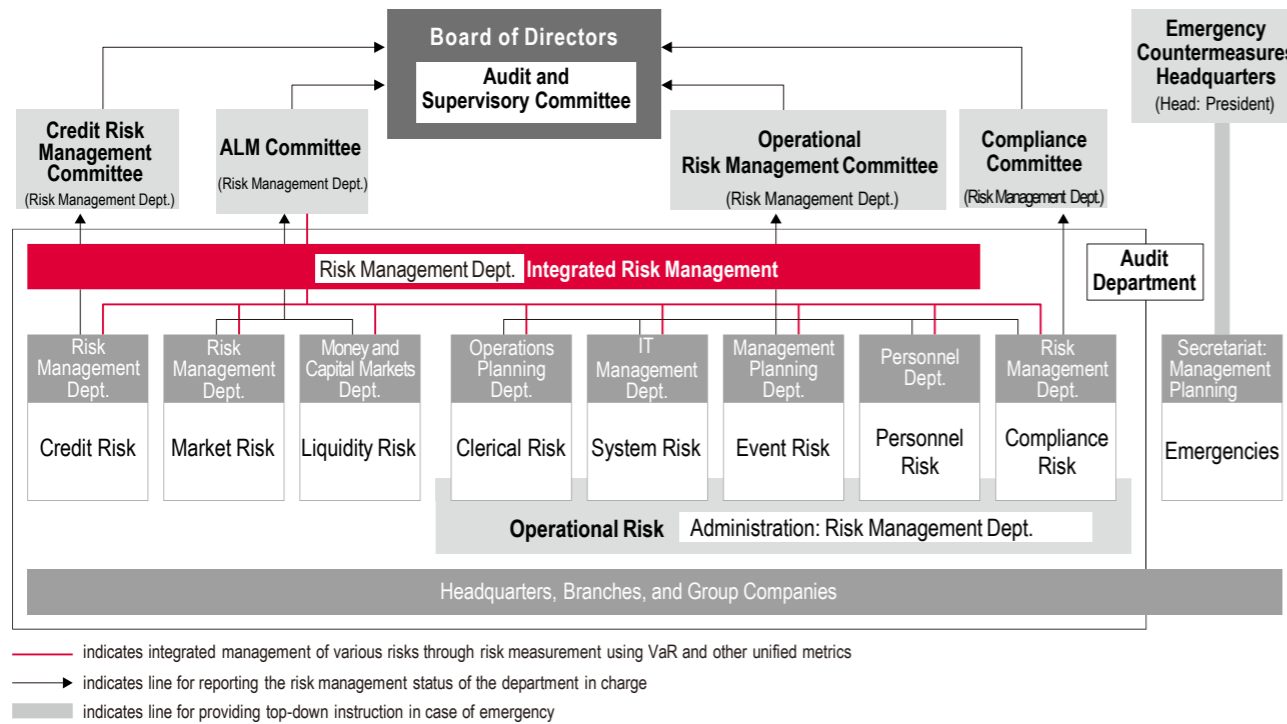
- Aiming to maintain sound management and enhance profitability -

Key Issue **Governance** Enhancement of risk management

## Basic Approach to Risk Management

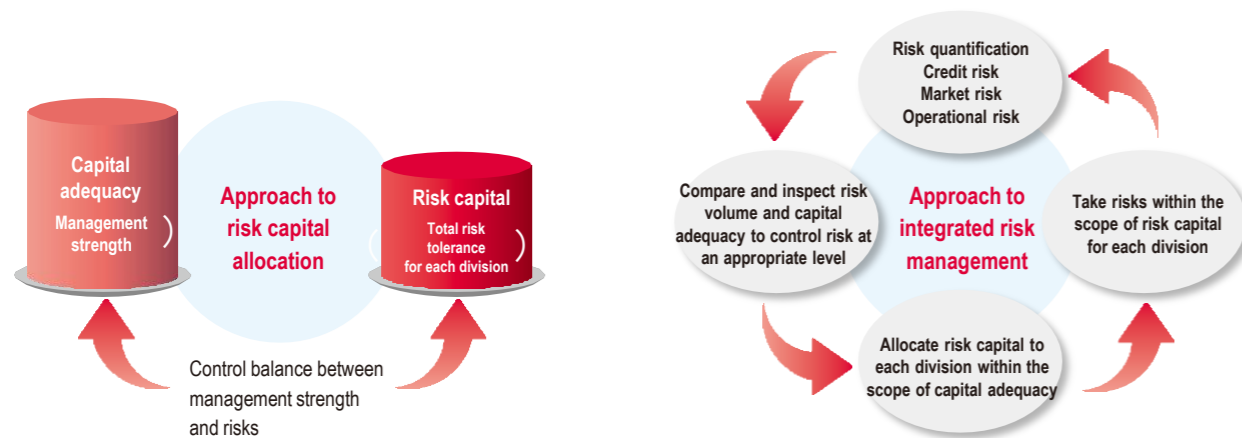
At San-in Godo Bank, we set risk management as the most important issue in maintaining the stability and soundness of management and have established a risk management system with our board of directors placed at the top. Specifically, we classify risk to be managed as credit risk, market risk, liquidity risk and operational risk, and assign respective departments in charge of management of each.

Risk management system (As of July 1, 2021)



## Integrated Risk Management

“Integrated risk management” refers to risk management that seeks to maintain management soundness by holistically examining evaluated risks in each respective category of risks that directly confront San-in Godo Bank, then comparing and contrasting these risks with the corporate strength (capital adequacy). At San-in Godo Bank, our business divisions take an aggressive stance with respect to risk-taking, with risk capital (level of risk tolerance) for each risk category allocated within the scope of capital adequacy, which is updated every six months. San-in Godo Bank will continue to work to raise the level of sophistication of its integrated risk management approach to maintain sound management, while boosting profitability and taking advantage of efficient management resources.



## Response to Cybersecurity

### Basic Approach to Cybersecurity

Based on the sophistication and prevalence of cyber-attacks, San-in Godo Bank recognizes the importance of cybersecurity, and strives to strengthen its cybersecurity management system.

### Cybersecurity Management System

To handle the threat of various cyber-attacks the Bank and Group companies face, the Bank strives for management system improvements and preventive measures to prevent the spread of damage through the establishment of the Gogin CSIRT (Computer Security Incident Response Team) formed by the relevant departments.

### Main initiatives

#### Response to new lifestyles

In order to realize flexible work styles and respond to crisis management as a result of the COVID-19 pandemic, the Bank introduced the “telework system.”

In preparation for system introduction, the Bank took measures against information leakage and unauthorized access, and also provided in-house training regarding rules for utilization of teleworking.

In addition, we have improved our web meeting environment, which is utilized for remote interviews with clients, in-house training, and so on.

#### Response to financial crimes

With the rapid development of electronic payment services via the Internet, cyber-crimes targeting online services are on the rise.

The Bank continues to implement various initiatives for customers’ use of our services with peace of mind, such as personal authentication when applying for Internet banking and other online services, enhancement of transaction authentication when making transactions online, monitoring to detect abnormal transactions and unauthorized transactions.

## Response to Emergency Situations

To better react when unforeseen emergencies arise, we have established a set of basic regulations on crisis management that enable the Bank, encompassing group companies, to address these situations, 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 the highest priority on customer safety in the event of wind and flood damage, fires, earthquakes and 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 contributions to the regional society.

## Risk Management

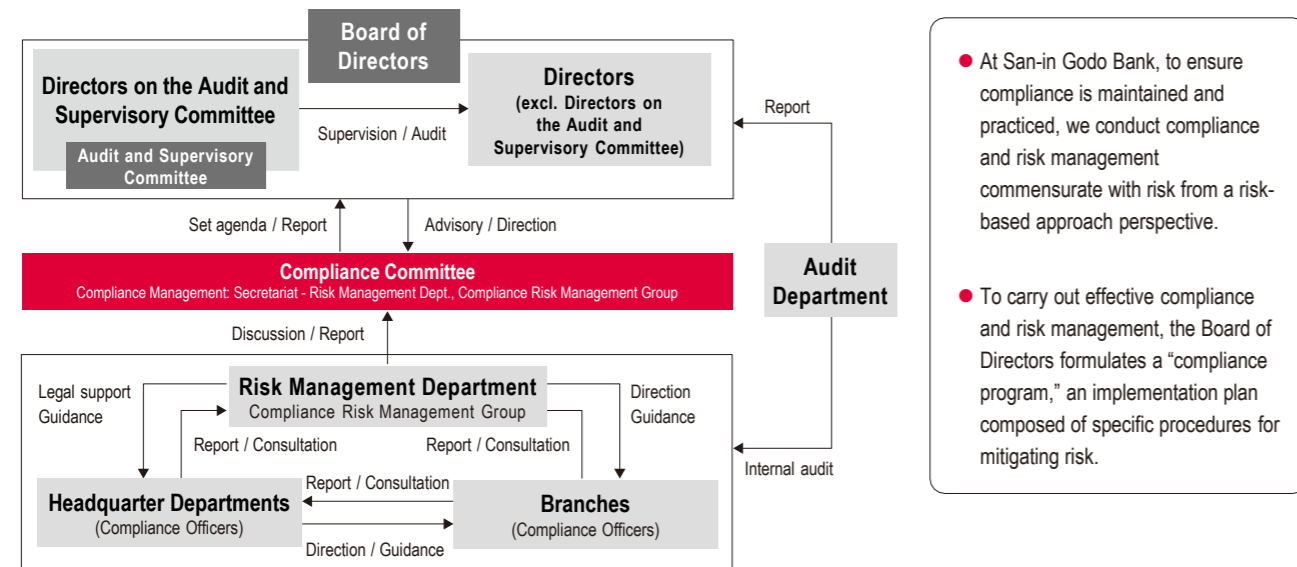
Key Issue **Governance**    Enhancement of risk management

### Basic approach regarding compliance

At San-in Godo Bank, we position compliance as one of our most important management issues, taking active steps to strengthen the compliance system for fostering a corporate culture with respect for compliance.

Under its remit, the Compliance Committee periodically inspects compliance status as well as the improvement and operation of compliance and risk management systems, proposing appropriate measures and solving problems as needed. Inspection-related matters are regularly put on the agenda or reported to the Board of Directors.

#### ■ Compliance System (As of July 1, 2021)



### Better compliance management through proper internal whistleblower system operation

To reinforce compliance management, San-in Godo Bank has installed both internal and external whistleblower systems. These systems enable employees to directly seek advice or report legal violations and other compliance-related problems, making rapid discovery and correction of such issues possible.

#### ● We obtained registration under Japan's Whistleblowing Compliance Management System certification (declaration of conformity registration system).

On August 16, 2019, San-in Godo Bank became the first regional financial institution in Japan to register as a company under Japan's Whistleblowing Compliance Management System certification (declaration of conformity registration system), a system under the jurisdiction of the Consumer Affairs Agency. Certification is renewable annually.

In moving toward stronger compliance management going forward, we will take further steps to rapidly identify and correct any compliance violations or other issues revealed through proper operation of our Whistleblowing Compliance Management System.



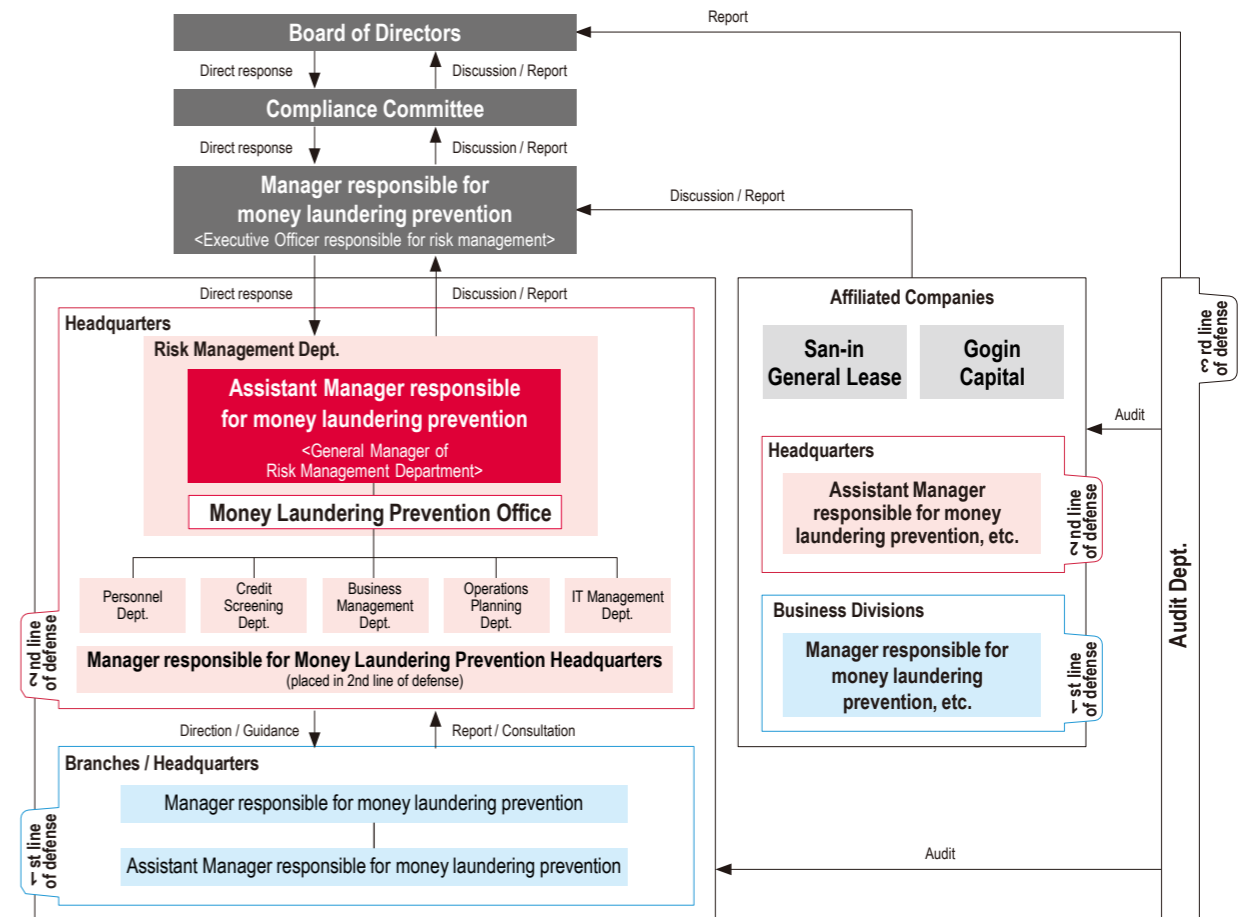
### Initiatives for eliminating antisocial forces

To maintain public trust in financial transactions and ensure both the appropriateness and soundness of its operations, San-in Godo Bank has internal systems in place regarding the complete cut-off of any relationships with antisocial forces, not only the Bank but the entire Group united in efforts to eliminate any antisocial forces. In dissolving any transactions or handling any unfair claims pertaining to antisocial forces, our highest priority is the safety of our directors, executive officers, and employees.

### Initiatives to prevent money laundering

At San-in Godo Bank, we recognize our responsibility as a financial institution 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 being involved in, or being unwittingly caught up in Money Laundering, etc., we continue to contribute to the maintenance and development of a sound financial system.

#### ■ Money Laundering Prevention Framework (As of July 1, 2021)



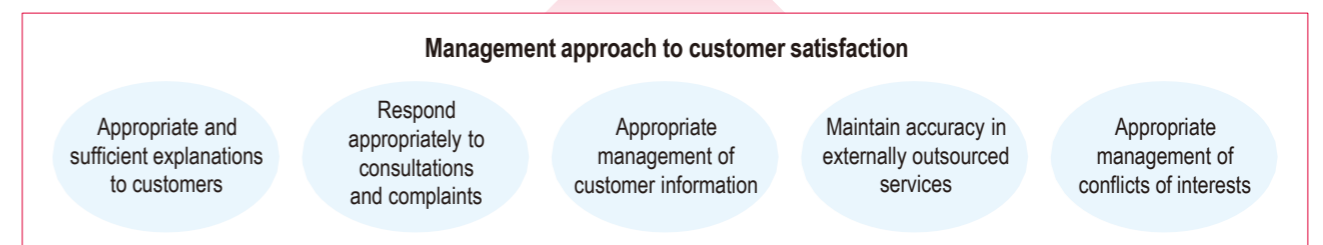
### Initiatives to safeguard clients

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 interest." 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



# ESG Data

## ■ Data related to the environmental field

	Unit	FY2018	FY2019	FY2020	Cumulative total from the start of initiative	GRI item	Remarks
CO <sub>2</sub> emissions in total	t-CO <sub>2</sub>	9,934	9,110	8,686	—		
Scope1 (Direct CO <sub>2</sub> emissions)	t-CO <sub>2</sub>	1,324	1,324	1,457	—	GRI305-1	
Scope2 (Indirect CO <sub>2</sub> emissions)	t-CO <sub>2</sub>	8,610	7,786	7,229	—	GRI305-2	
Total energy usage (Crude oil equivalent)	kL	3,855	3,747	3,836	—	GRI302-1	
Total energy usage (Crude oil equivalent)	GJ	149,435	145,226	148,669	—	GRI302-1	
Electricity usage	1,000kWh	12,842	12,399	12,522	—	GRI302-1	
Water usage (Public water supply)	1,000m <sup>3</sup>	39	35	36	—	GRI303-5	Excluding usage at company dormitory, housing, and tenant-occupied properties

## ■ Data related to the social field

	Unit	FY2018	FY2019	FY2020	Cumulative total from the start of initiative	GRI item	Remarks
No. of employees (non-consolidated)	Persons	1,907	1,890	1,893	—	GRI102-8	
Males	Persons	1,076	1,049	1,033	—	GRI102-8	
Females	Persons	831	841	860	—	GRI102-8	
Percentage of males	%	56.4	55.5	54.6	—	GRI102-8	
Percentage of females	%	43.6	44.5	45.4	—	GRI102-8	
No. of employees (consolidated)	Persons	2,221	2,181	2,133	—	GRI102-8	
Average age	Age	40.3	40.3	40.5	—		
Males	Age	43.8	43.8	43.2	—		
Females	Age	36.1	36.4	36.7	—		
Average length of service	Year	17.4	17.4	17.6	—		
Males	Year	20.6	20.5	19.8	—		
Females	Year	13.9	14.1	14.6	—		
No. of temporary employees	Persons	804	778	750	—	GRI102-8	
Males	Persons	58	53	55	—	GRI102-8	
Females	Persons	746	725	695	—	GRI102-8	
Percentage of temporary employees	%	29.7	29.2	28.4	—	GRI102-8	Temporary employees / (Employees non-consolidated + temporary employees)
No. of new recruits	Persons	92	89	70	—	GRI401-1	
Males	Persons	32	32	28	—	GRI401-1	
Females	Persons	60	57	42	—	GRI401-1	
Percentage of males	%	34.8	36.0	40.0	—	GRI401-1	
Percentage of females	%	65.2	64.0	60.0	—	GRI401-1	
No. of mid-career employees	Persons	10	7	15	—		
Males	Persons	1	3	2	—		
Females	Persons	9	4	13	—		
Percentage of males	%	10.0	42.9	13.3	—		
Percentage of females	%	90.0	57.1	86.7	—		
No. of job turnovers	Persons	83	91	97	—	GRI401-1	
Males	Persons	45	45	49	—	GRI401-1	
Females	Persons	38	46	48	—	GRI401-1	
Turnover rate	%	4.0	4.3	4.7	—	GRI401-1	
No. of management level employees	Persons	779	754	823	—		
Males	Persons	608	584	637	—		
Females	Persons	171	170	186	—		
Percentage of males	%	78.1	77.5	77.4	—		
Percentage of females	%	21.9	22.5	22.6	—		
No. of employees with disabilities	Persons	61	61	59	—		
No. of Gogin Challenged Matsue employees	Persons	19	18	18	—		
No. of Gogin Challenged Tottori employees	Persons	5	8	13	—		
Employment rate of people with disabilities	%	2.59	2.48	2.65	—		
No. of employees who took childcare leave	Persons	52	60	79	—	GRI401-3	
Males	Persons	4	4	15	—	GRI401-3	
Females	Persons	48	56	64	—	GRI401-3	
Childcare leave return to work rate						GRI401-3	
Males	%	100.0	100.0	100.0	—	GRI401-3	
Females	%	98.2	96.2	95.4	—	GRI401-3	
No. of males who took childbirth leave	Persons	14	11	20	—	GRI401-3	
Percentage of males who took childcare leave or childbirth leave	%	41.8	35.7	64.8	—	GRI401-3	
No. of short-time workers	Persons	65	58	62	—		
No. of employees who took nursing care leave	Persons	1	2	1	—		
Males	Persons	0	0	0	—		
Females	Persons	1	2	1	—		
Taking paid leave rate	%	65.6	62.1	68.8	—		Based on the health management report
Average no. of paid leave days taken	Days	11	11	12	—		Based on the health management report
Annual total working time	Hours	2,016	2,160	2,010	—		Annual average overtime hours added to annual regular working hours
Per-capita average monthly after-hours work	Hours	14.24	17.13	12.42	—		Based on the "flash report" sent from all branches monthly
Employee union membership rate	%	53.9	55.1	54.8	—		Employees excluding administrative supervisors, senior managing directors, and managing directors
No. of industrial accidents	Cases	39	25	33	—		
No. of employees on temporary leave for reasons of mental health	Persons	23	28	33	—		Having an absence of one month or more within the fiscal year (including those who were retired or returned to work)
Regular health checkup rate	%	100.0	100.0	100.0	—		Excluding those who were absent from work or on temporary leave, or took childbirth leave, childcare leave, etc.

	Unit	FY2018	FY2019	FY2020	Cumulative total from the start of initiative	GRI item	Remarks
Smoking rate	%	16.0	16.0	13.1	—		Calculated at age 40 and up
Employees diagnosed with metabolic syndrome rate	%	11.9	12.2	12.9	—		Calculated at age 40 and up
Per-capita training time	Hours	29	39	32	—	GRI404-1	Annual average enrollment time per trainee
Males	Hours	25	34	33	—	GRI404-1	Annual average enrollment time per male trainee
Females	Hours	33	43	30	—	GRI404-1	Annual average enrollment time per female trainee
Average annual salary	Thousand yen	6,514	6,649	6,416	—	GRI405-2	
Per-capita training expenses	Yen	13,332	11,339	7,986	—		(Non-personnel expenses) New graduates + hierarchical level + role + outside / Bank staff (As of April 1) + Associate employees (FY2018 and FY2019 only, training provided for associate employees)
No. of scholarship repayment support system users	Persons	0	81	102	—		
No. of people promoted to bank employees	Persons	5	4	4	—		
No. of employees dispatched to external training	Persons	19	26	0	—		No. of participants in training by Regional Banks Association of Japan
Qualification acquired (Cumulative total)							
1st-grade FP	Persons	93	96	97	—		
2nd-grade FP (consulting services on personal assets)	Persons	854	905	972	—		
2nd-grade FP (consulting services on assets of owners of SMEs)	Persons	601	634	669	—		
Small and Medium Enterprise Management Consultant	Persons	9	10	10	—		
Information Technology Passport	Persons	7	9	85	—		
No. of employees who participated in the course for dementia supporters	Persons	93	87	160	—		New employees + Participants in financial gerontology training
No. of employees who participated in the training seminar on human rights	Persons	757	765	673	—	GRI412-2	No. of employees who participated in hierarchical training seminar
No. of human rights slogan entries	Entries	2,029	1,400	1,776	—	GRI412-2	
No. of business destinations of main transactions (top in balance of loan receivables)	Clients	8,620	8,539	8,529	—		
No. of businesses started with the Bank's involvement	Clients	512	482	539	—		
Business matching							
Support for sales channel development	Clients	560	710	414	—		Impact from COVID-19 in FY2020
Support for attracting local companies	Clients	16	4	4	—		
Private placement bonds							
Bonds issued	Entries	260	225	169	—		
Amount issued	Million yen	26,890	22,450	18,340	—		
SDGs private placement bonds	Thousand yen	21,040	15,720	22,340	—		Donated goods are 0.2% of the amounts of educational, sports, regional, and medical type bonds issued
No. of business succession consulting contracts	Entries	7	18	8	—		
M&A advisory							
No. of contracts serviced	Entries	11	24	17	—		
No. of contracts concluded	Entries	5	9	5	—		
Utilization of SME Revitalization Support Committee							
No. of consulting services brought in	Clients	24	16	94	—		
No. of revitalization planning destinations	Clients	18	18	53	—		
J-Credit sales support							
Quantity	t-CO <sub>2</sub>	922	939	443	4,295		Initiative started in 2010
No. of clients	Clients	21	18	14	94		
Expenditures for social contribution activities	Thousand yen	120,030	117,990	100,200	-		
Forest conservation activities							
No. of participants	Persons	1,090	896	0	9,410		Cancelled in FY2020 due to the impact from COVID-19
Trees planted	Trees	1,225	640	0	17,360		Cancelled in FY2020 due to the impact from COVID-19
Gogin Hitotsubu no Mugi no Kai							Initiative started in 1981
No. of recipients	Recipients	54	42	4	1,189		
Equivalent monetary value of donated goods	Thousand yen	2,978	2,843	3,191	124,936		
Amount donated by bank employees	Thousand yen	2,976	2,920	3,117	125,400		
Gogin Tottori Cultural Promotion Foundation							Initiative started in 1992
No. of recipients	Recipients	72	75	22	1,223		Impact from COVID-19 in FY2020
Amount of grants-in-aid	Thousand yen	6,320	6,233	2,603	157,746		Impact from COVID-19 in FY2020
Gogin Shimane Cultural Promotion Foundation							Initiative started in 1992
No. of recipients	Recipients	85	79	16	1,303		Impact from COVID-19 in FY2020
Amount of grants-in-aid	Thousand yen	6,600	6,466	2,126	159,262		Impact from COVID-19 in FY2020
"Small Kindness" Movements							Initiative started in 1997
Participants in "Nationwide Cleanup Movements"	Persons	2,400	2,200	0	69,600		Cancelled in FY2020 due to the effect of COVID-19
Seed bags distributed in "Nationwide Cosmos Movements"	Bags	7,550	7,000	5,500	309,550		
ECO-Cap collection weight	Kg	1,968	1,990	1,806	15,249		
Amount of used stamps, etc., donated	Yen	16,412	19,030	27,798	967,246		
No. of wheelchairs, etc., donated	Units	4	4	4	130		
Walking cane donation destinations	Cities / towns	4	4	0	24		Combined with wheelchair donation in FY2020
No. of child support donation destinations	Recipients	2	2	4	16		

## ■ Data related to corporate governance

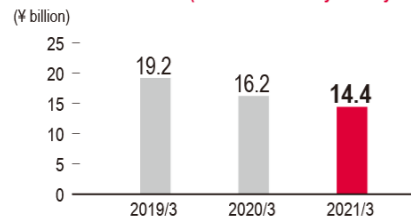
	Unit	FY2018	FY2019	FY2020	Cumulative total from the start of initiative	GRI item	Remarks
Board of Directors held	Times	12	13	12	—		
Nomination and Compensation Committee held	Times	6	5	8	—		
No. of directors	Persons	13	13	13	—	GRI405-1	
Percentage of female directors	%	7.6	7.6	7.6	—	GRI405-1	
Percentage of independent outside directors	%	38.4	38.4	38.4	—		
Average percentage of attendance of directors	%	98.7	100.0	100.0	—		
Total amount of directors' remuneration	Million yen	367	372	357	—		
No. of cases handled at whistle-blowing/consultation window	Case	3	4	3	—		
Statutory and regulatory violations in social and economic fields	Case	0	0	0	—		
Compliance training provided	Times	48	41	32	—		
Information security training provided	Times	30	30	22	—		
Amount of tax paid	Million yen	7,762	7,079	6,351	—	GRI207-1	

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

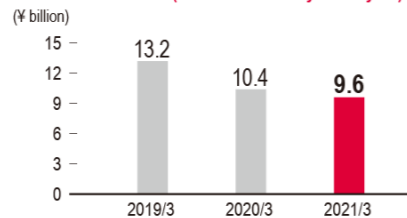
# Financial Highlights

## Profitability

Ordinary income (Consolidated) **¥14.4 billion**  
(down ¥1.8 billion year on year)

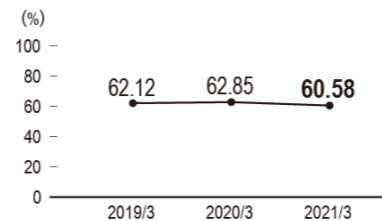


Profit attributable to owners of the Bank (consolidated) **¥9.6 billion**  
(down ¥0.7 billion year on year)



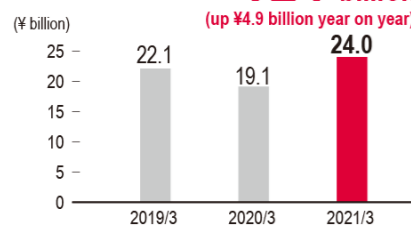
## Efficiency

Over Head Ratio (OHR) (non-consolidated) **60.58 %**

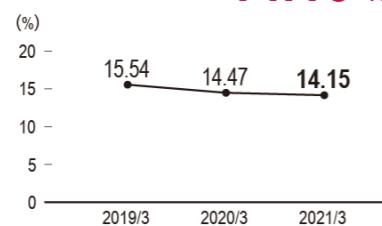


\*Expenses/Gross core banking profit

Net profit from core banking operations (excluding effects from investment trust cancellations) (non-consolidated) **¥24 billion**  
(up ¥4.9 billion year on year)



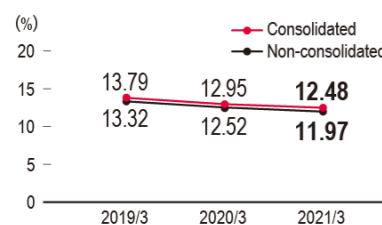
Non-interest revenue ratio (consolidated) **14.15 %**



\*(Profit from service transactions + Other operations income excl. bond-related income)/Consolidated gross core banking profit

## Safety and soundness

Capital adequacy ratio (Consolidated basis) (domestic standard) **12.48 %**

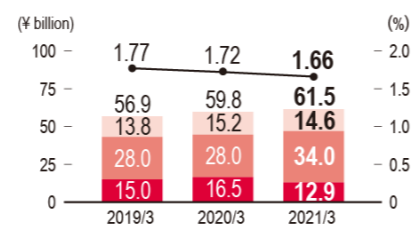


Rankings (non-consolidated) **A3**  
(long-term deposit rating) Moody's Japan K.K. (Moody's)

**A+**  
(issuer credit rating) Rating & Investment Information, Inc. (R&I)

**AA-**  
(long-term issuer credit rating) Japan Credit Rating Agency, Ltd. (JCR)

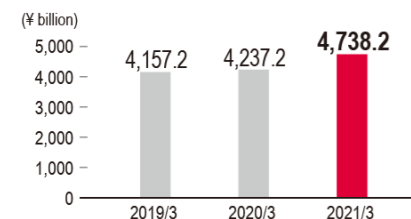
Non-performing loans (non-consolidated) Non-performing loan ratio **1.66 %**



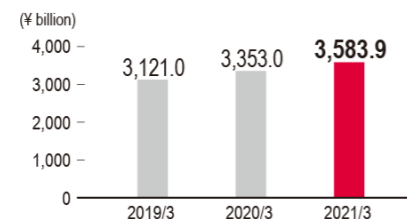
\*Loans disclosed pursuant to the Financial Reconstruction Act

## Main accounts (non-consolidated)

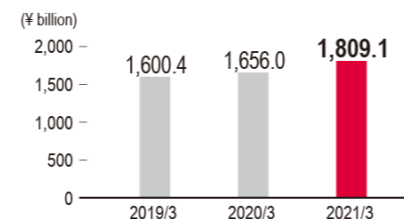
Deposits, etc.\* (year-end balance) **¥4,738.2 billion**  
(up ¥501.0 billion from the previous year-end)



Loans (year-end balance) **¥3,583.9 billion**  
(up ¥230.9 billion year on year)



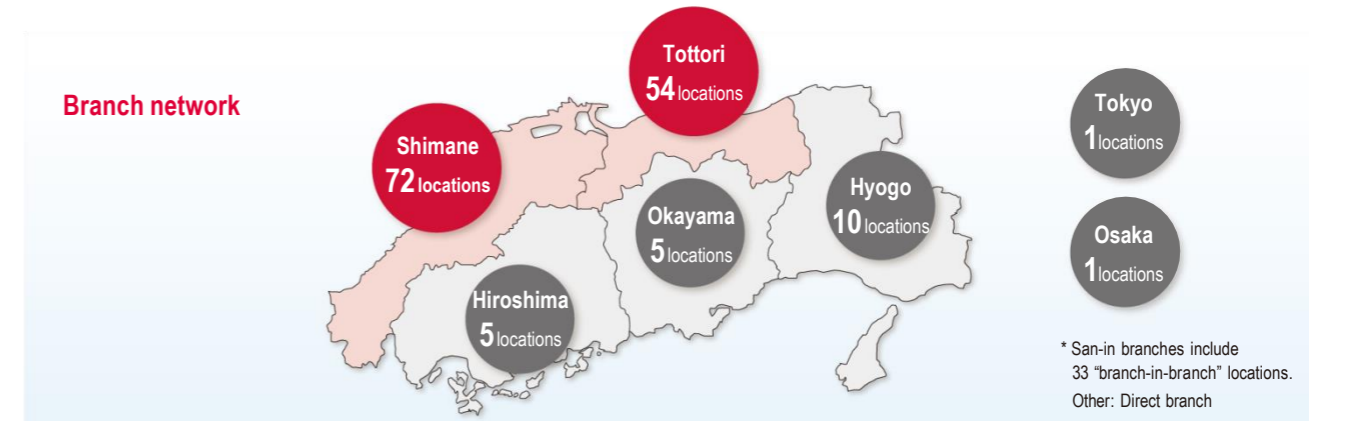
Securities (year-end balance) **¥1,809.1 billion**  
(up ¥153.1 billion year on year)



# Corporate Data

## San-in Godo Bank Overview (non-consolidated) (As of March 31, 2021)

<b>Date of establishment</b>	July 1, 1941	<b>Major accounts</b>	Total assets: ¥6,356.4 billion
<b>Head office</b>	10, Uomachi, Matsue, Shimane 690-0062, Japan		Deposits, etc. (deposits + NCD): ¥4,738.2 billion
<b>Common stock</b>	¥20.7 billion		Loans: ¥3,583.9 billion
<b>Number of employees</b>	1,961		Securities: ¥1,809.1 billion
<b>Number of locations</b>	Number of offices: Domestic branches(Incl. Head Office): 70 Sub-branches: 79 (Incl. 33 branch-in-branch locations) Representative offices in Japan: 1 (Tokyo) Overseas representative offices: 3 (Dalian, Shanghai, Bangkok)	<b>Capital adequacy ratio</b>	11.97%
		<b>Ratings</b>	A3 (Moody's Japan K.K.) A+ (Rating & Investment Information, Inc.) AA- (Japan Credit Rating Agency, Ltd.)



## Gogin Group Organizational Structure (As of October 1, 2021)

