



About the cover

The cover illustration was designed to express our wish for "sustainable growth and development of the local community through our business activities. The cover expresses the Bank's commitment to sustainability by interspersing photographs and paintings of the beautiful nature and landscapes of the San-in region, which we want to preserve for future generations, with photographs of our employees working together with local residents to achieve a sustainable society.



The paintings are painted by staff members of Gogin Challenged Matsue.

Gogin Challenged Matsue/Tottori

Gogin Challenged is an employment office for people with disabilities operated by San-in Godo Bank. Gogin Challenged Matsue's main business is the production of paintings, while Gogin Challenged Tottori is in charge of operations that make full use of IT skills.

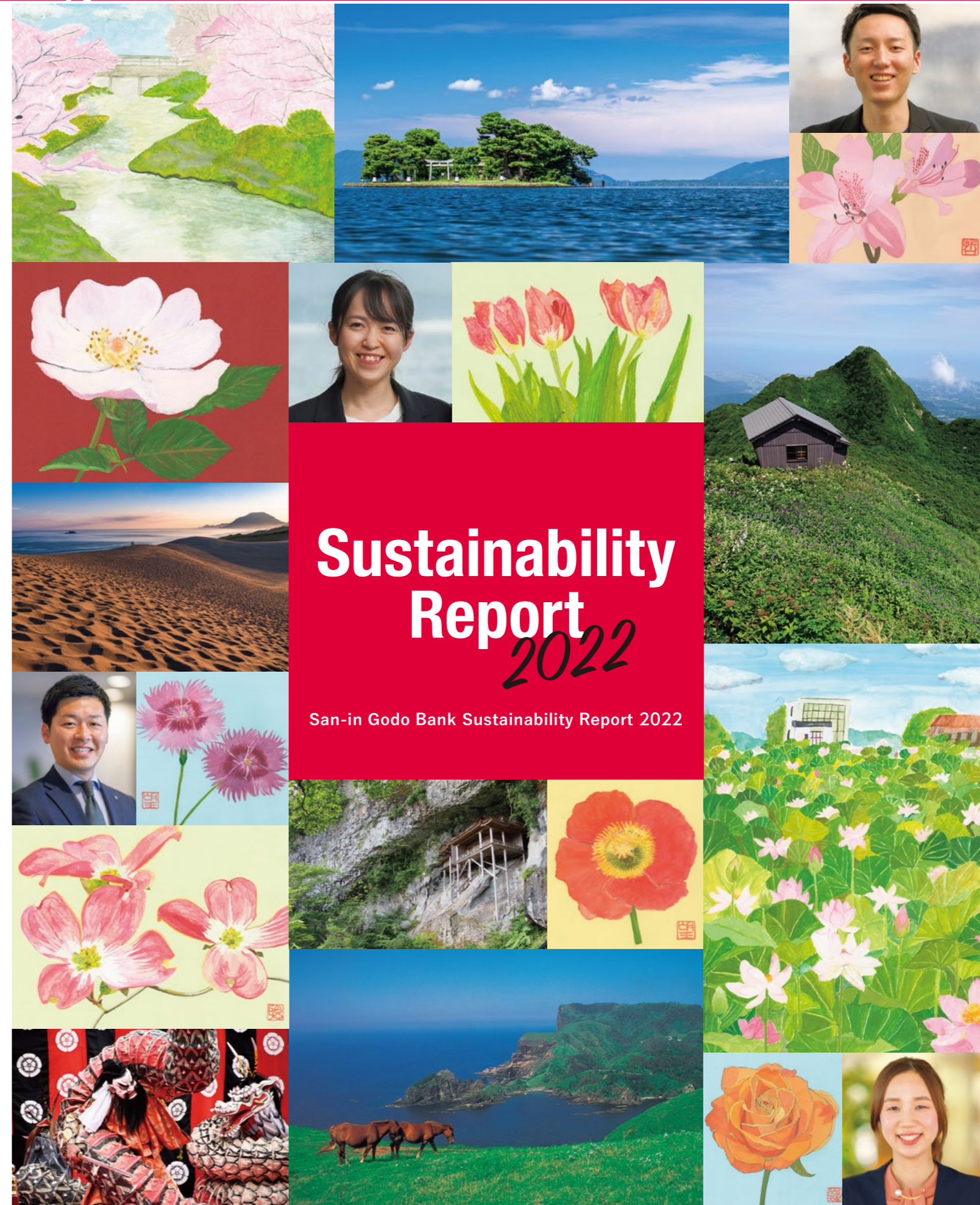
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/Corporate Planning Department



Editorial policies

Based on the belief that sustainable local communities and the sustainable growth of the Bank are one and the same, we recognize sustainability as a key management issue and are working to resolve this issue through our core business and community contribution activities. We have prepared our Sustainability Report 2022, which summarizes these efforts. This report references the "GRI Standards" and "TCFD Recommendations" and provides ESG information such as sustainability policies and systems, specific initiatives, and case studies.

Scope of Reporting

In principle, San-in Godo Bank on a non-consolidated basis.

Reporting Period

FY2021 (April 1, 2021 - March 31, 2022). Some contents include FY2022.

Reference guidelines

GRI Standards

※GRI (Global Reporting Initiative): An international organization established in 1997 with the aim of promoting common guidelines for "sustainability reporting" worldwide.

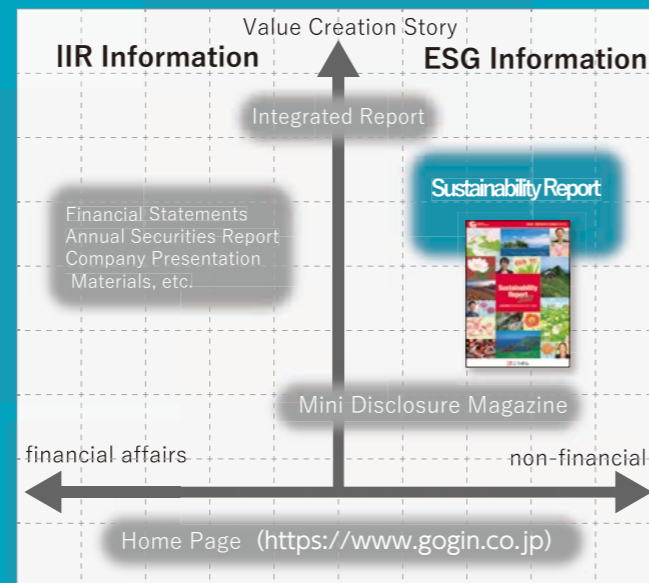
TCFD Recommendations

※Task Force on Climate-related Financial Disclosures (TCFD): A task force established in 2015 by the Financial Stability Board (FSB), which includes central banks and financial supervisory authorities from major countries, to encourage companies to disclose climate-related information.

Prospects

This report contains forward-looking statements. Please note that such forward-looking statements may differ due to changes in the business environment and other factors.

Disclosure System



Local issues are solved locally, and beyond the local community, specific initiatives and models are disseminated from the San-in region to help solve issues facing society.

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We will contribute to the sustainable growth of the entire community through our core business and social contribution activities.

Thank you very much for your continued support of San-in Godo Bank. We are pleased to announce the publication of the "San-in Godo Bank Sustainability Report 2022", which introduces San-in Godo Bank's efforts to realize sustainable local communities. Please take a moment to read the report, which contains information on the Bank's activities.

Local issues are solved locally

The San'in region, which is the Bank's main base of operations, has been the first in Japan to experience an aging and declining population. The San'in region, which is the Bank's main base of operations, was the first in Japan to face the problems of aging and declining population, and we have been dealing with these issues from early on. Even though the population is declining and depopulation is progressing in mountainous areas and remote islands, local customers still need the same financial services as those in urban areas. Even as the local economic environment changes, it remains our responsibility to continue to provide quality financial infrastructure to our local customers. However, it is not easy to continue to improve our services while ensuring profitability in this environment. For this reason, we have been making various innovations and changes, such as cost reductions, to thoroughly improve productivity and refine our operations in accordance with our business areas. The know-how and human resources gained through this experience are one of the Bank's strengths, and we believe they will be instrumental in responding to future changes in the environment.

It is precisely because of this difficult business environment that the Bank takes the sustainability of the region seriously, protects local industries and employment, and has a strong sense of care for each and every business partner and each and every customer.

This desire leads us to relationship banking, where we get to know our customers well and carefully monitor their cash flow while providing solid support for their business growth. In order for the entire region to become a sustainable society that can also adapt to environmental changes, we must also face the challenges of each of our business partners. We have a spirit of "solving local issues first in the community," which has been cultivated over many years of experience. This is a source of pride and one of the Bank's strengths.

In our social contribution activities, we also strive to develop and improve local communities while maintaining deep ties with them. The "Forest Conservation Activity," in which executives and employees go directly into the mountains to work, has been in place since 2006 and is evolving to become a more long-term activity. In addition, as social contribution activities that are unique in Japan and were initiated by considering local issues on our own, we have been consistently engaged in the "Gogin Challenged," a work facility that supports the independence of people with disabilities throughout the community, and the "Shofukan," a private school that trains future leaders of the community.

The urgent issue of Responding to Climate Change

Climate change countermeasures have long been recognized as a common global challenge, but in recent years the importance and breadth of its impact has been confirmed and it has become an urgent issue to be addressed. To this end, we have set medium- and long-term reduction targets for greenhouse gas emissions, demonstrating its commitment to take the lead in decarbonization in the region. In July 2022, we began a new challenge to decarbonize the region by establishing a wholly owned renewable energy generation company, Gogin Energy Co.,Ltd.



September 2022
President and
Representative Director

Tomu Yamasaki

Centered on this new company, we will collaborate with local governments and businesses in the region to promote decarbonization through increased use of renewable energy in the region as a whole. We expect that these activities will lead to the enhancement of clean energy infrastructure in the region in the future.

For local customers, the Bank will enhance its business and financial support systems to help them adapt their management structures to a decarbonized society. By providing solutions to environmental and social issues to our customers and promoting the decarbonization of the community and our business partners, we will strive to realize an environmentally friendly and sustainable society.

Contribute to solving local and customer issues Human Resource Development

In recent years, local communities and business environments have changed dramatically, individual values have diversified, and the needs and service levels that customers expect from banks have become increasingly sophisticated.

In order to meet the expectations of such local customers, the Bank is committed to developing highly specialized and passionate professionals. Human resources are of utmost importance for the Bank to provide quality services to the community and to continue to grow together with the community. To this end, we have revised our personnel system for the first time in 21 years and our career development system for the first time in 13 years, creating an environment where employees are motivated to grow autonomously and can fully demonstrate their abilities. We have also introduced systems to enhance work-life balance with the aim of realizing a comfortable and rewarding work environment.

We will continue to develop human resources capable of providing high value-added services that transcend conventional frameworks and contribute to the sustainable growth of the entire region.

We sincerely appreciate your continued support and patronage.

Sustainability of Gogin

Management Policy

Management Philosophy

Be a creative bank that best fulfills the dreams of the region and customers it serves

Long-term vision

Regional bank with sustainable growth through No. 1 problem-solving capabilities

Values/Action Guidelines

Sustainability Declaration

The San-in Godo Bank Group endorses the aims of the Sustainable Development Goals (SDGs) set forth by the United Nations, and aims to realize sustainable local communities by working to resolve local issues.

CS Declaration

We are helpful to our customers.
We are grateful to our customers.
We welcome our customers with a smile.

The value we have provided

Provide local solutions to local issues by developing relationship banking and community contribution activities
Provide financial services as a leading regional bank, no different from those provided in urban areas

~ 2000

Strengthened management foundation and increased presence as a leading bank in the region

2000s ~ 2010s

Relationship Banking and Unique Community Contribution Activities

2020 ~

Clarify our attitude toward regional sustainability

Continuing to work together with the community and our customers

In order for the San-in region, which has a weak economic base, to sustain itself, it is necessary for the entire region to grow by addressing local issues on an all-San-in basis. The Bank values its relationship with the local community, and its activities are based on the idea that local issues should be solved by the local community.

At all times, our fundamental desire to "serve the community and our customers" will never change, and our attitude of remaining deeply rooted in the community and facing the sustainability of the region will remain unchanged.

Strong Management Base

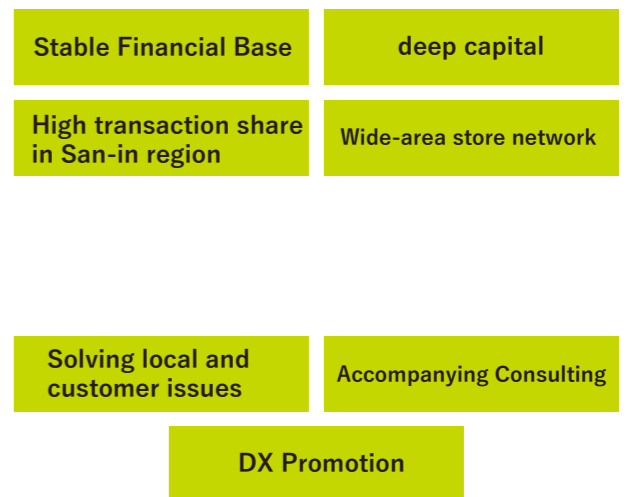
In order to respond to changes in the surrounding environment and customer needs, and to meet expectations as a leading regional bank, we are constantly strengthening our management base, maintaining soundness by enhancing profitability, and continuing to provide cutting-edge financial services and expertise.

Sustainable growth to support the community

We contribute to regional development and the revitalization of local economies through our core business of solving regional and customer issues. In order to continue to support the community through our core business, we aim to help the community and our customers and grow together by acquiring additional problem-solving skills.

Developing Relationships with the Community

Based on the idea that "ESG management is relationship banking itself," we have positioned relationship banking as a universal business model and are developing it thoroughly. In our community contribution activities, we also continue to work to enhance the sustainability of local communities in all aspects of our operations, while maintaining deep ties with them.



Policy on Sustainability Initiatives

Under the Sustainability Declaration, the San-in Godo Bank Group is committed to resolving issues to realize sustainable local communities in all areas of its business activities.

Sustainability Declaration

The San-in Godo Bank Group endorses the aims of the Sustainable Development Goals (SDGs) set forth by the United Nations and aims to realize sustainable local communities by working to solve local issues.

Sustainability Declaration <https://www.gogin.co.jp/about/csr/sustainability/>



Sustainability Policy

Environmental Policy <https://www.gogin.co.jp/about/csr/environment/>

Human Rights Policy <https://www.gogin.co.jp/about/policy/humanrights/>

Investment and Loan Policy <https://www.gogin.co.jp/about/csr/investmentandloan/>

Purchasing Policy <https://www.gogin.co.jp/about/csr/sustainabilitypolicy/purchase/>

Sustainability Promotion System

To promote SDG/ESG initiatives, we have established a Sustainability Committee to strengthen governance. The Sustainability Promotion Office is exclusively responsible for planning and overall management related to sustainability, while the SDG/ESG Promotion Working Group, which is comprised of each division of the headquarters, implements cross-organizational initiatives. The Bank holds Group company sustainability Meetings among its Group companies to share the policies and initiatives of the Group.



Sustainability Committee Performance

(Since the publication of the Sustainability Report 2021 in November 2021)

Date of the event	theme	Contents	Major issues and items to be addressed in the future
FY2021 4th December 20, 2021	Working Toward Carbon Neutrality	Discussion on the establishment of the Group's medium- and long-term goals for achieving carbon neutrality and initiatives to reduce greenhouse gas emissions ● Targets are set as follows "Target for FY2030: Net zero for Scope 1 and 2." "Target for FY2050: Net zero for Scope 1, 2, and 3."	<ul style="list-style-type: none"> ● Energy-saving measures ● Introduction of renewable energy ● Scope 3 measurement
FY2021 5th February 10, 2022	Establish policy on purchasing activities	Discussion on the development of a policy on purchasing activities in order to implement sustainability initiatives through purchasing of goods, etc. ● Establish policy on purchasing activities ● Request for cooperation from major suppliers ● Green Purchasing Practices	<ul style="list-style-type: none"> ● Group-wide efforts ● Foster awareness of the SDGs in the region
FY2021 6th March 11, 2022	Status of ESG-related initiatives and future policy	Discussion on the status of ESG-related measures in the business plan and future policy ● SDG/ESG dissemination efforts in the region "Strengthen support for business partners' ● decarbonization management ● Promote sustainable finance ● Advanced disclosure based on TCFD recommendations	<ul style="list-style-type: none"> ● Strengthening partnerships with local communities to promote decarbonization ● Support triggered by "SDGs Management Support Service" ● Establishment of new institutional financing ● Conduct climate change risk scenario analysis
FY2021 7th March 18, 2022	Progress in considering entry into the electric power business	Progress report on the entry into the electric power business being considered to decarbonize the region ● Renewable energy generation status in the San-in Region ● Challenges to entry ● Income and Expenditure Plan	<ul style="list-style-type: none"> ● How to collaborate and cooperate with local governments and local businesses ● Brush up on business plan
FY2022 1st May 23, 2022	Future Responses in Light of the FSA Discussion Paper	Discussion on future measures to be taken by the Bank based on the "Draft Basic Approach to Addressing Climate Change at Financial Institutions" released by the Financial Services Agency ● Discussion Paper Abstracts ● Specific initiatives	<ul style="list-style-type: none"> ● Formulate and implement concrete action plans to support the decarbonization of business partners ● Contribute to regional decarbonization by supplying renewable energy to the region with "Gogin Energy" at the core. ● Disclosure and sophistication of disclosure content based on TCFD recommendations
	Actions related to biodiversity conservation	Report on the state of the art on biodiversity conservation and discuss participation in the initiative ● National and international trends in biodiversity conservation ● TNFD (Task Force on Nature-Related Financial Disclosures) ● Participation in the Keidanren Biodiversity Declaration Initiative	<ul style="list-style-type: none"> ● Endorsement of TNFD and disclosure of information ● Identification of affected sectors and business partners and engagement activities ● Inclusion in Investment and Loan Policies
FY2022 2nd June 17, 2022	Scenario analysis based on TCFD recommendations	Discussed outline of scenario analysis to be conducted based on TCFD recommendations to measure the impact of risks associated with physical damage due to climate change (physical risks) and risks associated with increased regulation and transition to a decarbonized society (transition risks)	<ul style="list-style-type: none"> ● Ongoing efforts to advance analytical methods

Materiality Identification

Materiality Identification Process

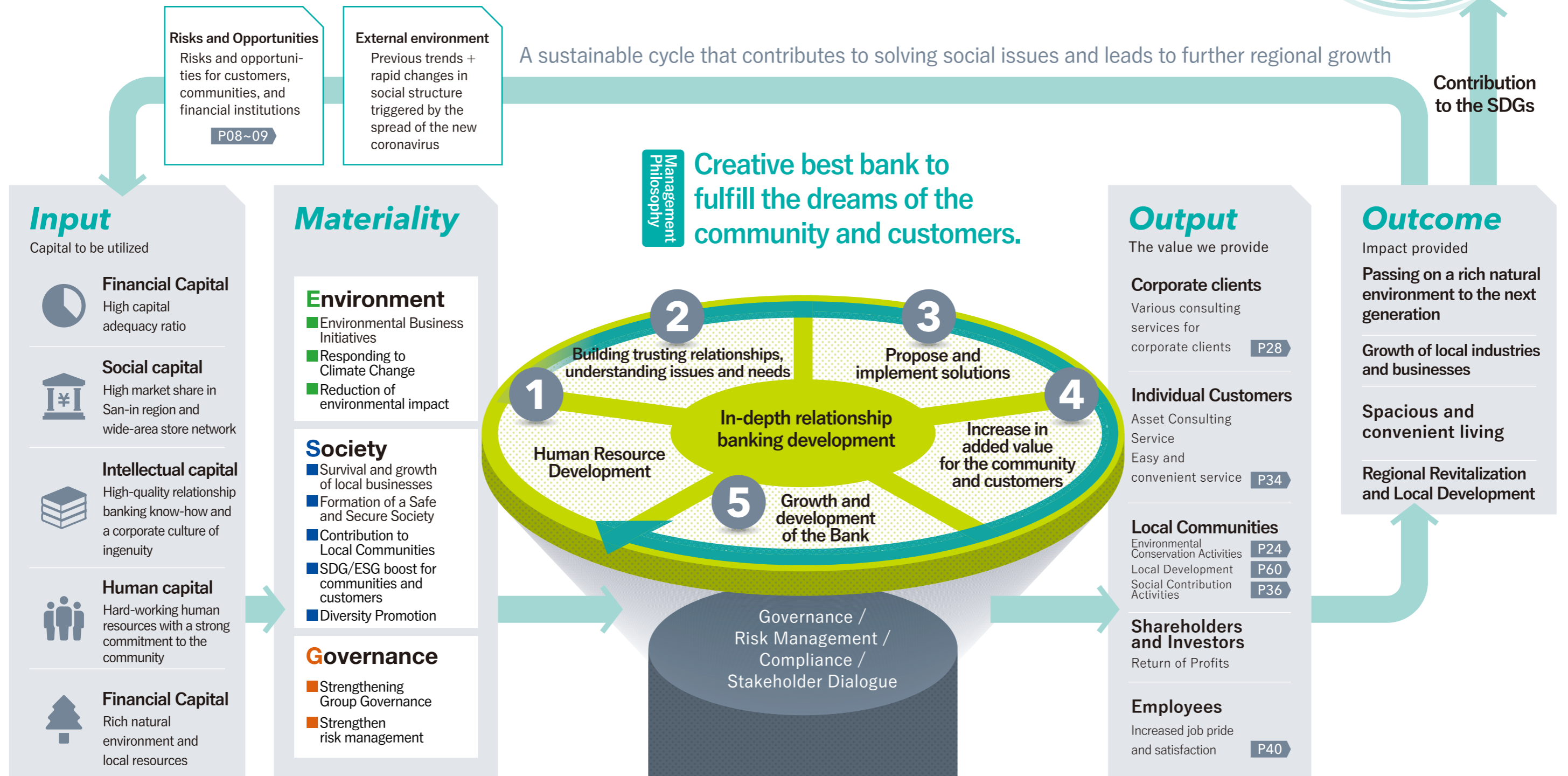


	materiality	(a) reason(s) for identification	Risks/Issues	opportunity
Environment 	Environmental Business Initiatives	Climate change poses a serious threat to society, including the intensification of natural disasters caused by global warming. For a better future, we recognize that addressing climate change is an important issue that must be addressed promptly not only by the Bank but also by the entire region.	<ul style="list-style-type: none"> ● Policy changes based on the transition to a decarbonized society ● Damage due to severe natural disasters 	<ul style="list-style-type: none"> ● Support for adaptation to social needs such as decarbonization ● Improvement of competitiveness ● Improvement of corporate image
	Responding to Climate Change			
	Reduction of environmental impact			
Society 	Survival and growth of local businesses	The San-in region, which has a weak economic base, has long faced diverse regional issues. The Bank aims to solve local issues locally and contribute to the revitalization of the region through relationship banking activities.	<ul style="list-style-type: none"> ● Responding to changes in the business environment ● Lack of successors ● Labor shortage ● Decrease in number of establishments 	<ul style="list-style-type: none"> ● Business Support ● Business succession and M&A support ● Development of placement and recruiting services ● Ongoing support for startups ● Creation of a local population of related and interacting citizens ● Support for administrative and fiscal reform
	Formation of a Safe and Secure Society	We provide stable financial infrastructure and quality services to local customers in an aging and digitalized society.	<ul style="list-style-type: none"> ● Formation of a prosperous life ● Population decline ● Aging 	<ul style="list-style-type: none"> ● Assistance in asset building ● Financial support according to life cycle ● Improved convenience when shopping ● Simplification of procedures through the use of digital technology
	Contribution to Local Communities	Based on the idea of "serving the community and our customers," we strive to fulfill our responsibility to the local community and have been engaged in unique social contribution activities for many years.	<ul style="list-style-type: none"> ● Decline in community vitality ● Damage to corporate image 	<ul style="list-style-type: none"> ● Environmental Conservation ● Fostering human resources who will lead the future ● Diverse human resources
	SDG/ESG boost for communities and customers	We recognize that addressing climate change and other SDGs/ESGs is an important issue for the sustainability of the region. As a leading regional bank, we support our clients' efforts with our extensive knowledge and expertise.	<ul style="list-style-type: none"> ● Future regulatory tightening ● Alienation from the supply chain ● Damage to corporate image 	<ul style="list-style-type: none"> ● Support for adaptation to social needs such as decarbonization ● Improvement of competitiveness ● Improvement of corporate image
	Diversity Promotion	In order to continue to support the community in a challenging environment, we develop human resources capable of taking action to solve local issues. We respect the diverse personalities and values of our employees and work to create an organization in which each individual can play an active role.	<ul style="list-style-type: none"> ● Develop human resources capable of providing high-quality financial services 	<ul style="list-style-type: none"> ● Utilization of diverse human resources ● Activation of the organization
	Strengthening Group Governance	To meet stakeholder expectations and achieve sustainable corporate value enhancement, we will pursue the maximization of group synergies under the leadership of the bank.	<ul style="list-style-type: none"> ● Business continuity risk associated with dysfunctional governance and internal controls 	<ul style="list-style-type: none"> ● Improved transparency of decision-making ● Establish a foundation for stable growth
Governance 	Strengthen risk management	We recognize risk management as the most important issue for maintaining business stability and soundness.	<ul style="list-style-type: none"> ● Damage to corporate value 	

We view the sustainability of the region and our own survival as synonymous, and have long been engaged in activities that contribute to the sustainable growth of the entire region. In formulating our medium-term management plan starting from fiscal 2021, we have identified risks and opportunities in view of the rapid changes in the social structure, in addition to the existing trends in the external environment, and have identified the key issues that need to be addressed, while balancing social and economic rationality in the region. We have identified key issues (materialities) that must be addressed while striking a balance between social and economic rationality in regions with advanced issues. These materialities will be reviewed as necessary through discussions by the Sustainability Committee and the Board of Directors in light of the rapidly changing external environment.

Value Creation Process

We view relationship banking as a universal business model, and aim to realize sustainable communities where both the community and ourselves grow together by proactively solving social issues through the use of the capital it has cultivated over the years. By developing thorough relationship banking based on consulting and digital technology, we will deepen our ties with communities and customers more than ever, and thoroughly support communities and customers.



Gogin's Initiatives and Goals

	materiality	Specific Efforts	Past Initiatives	Goals and Objectives
Environment	Environmental Business Initiatives	Environmental Finance and Investment	<ul style="list-style-type: none"> Set a long-term target for the amount of sustainable finance to be executed. for more P26 Sustainable finance in FY2021: 127.7 billion yen (including 45.5 billion yen in the environmental sector) for more P26 Established wholly-owned subsidiary Gogin Energy and entered renewable energy power generation business for more P21 J-Credit sales support results Cumulative total of 214 cases by the end of August 2022/8,065t-CO₂ for more P27 	<ul style="list-style-type: none"> Cumulative amount of sustainable finance target by FY2030: 1.5 trillion yen (including 500 billion yen in the environmental sector) Supply of renewable energy power in the region in cooperation with local governments and business partners
	Responding to Climate Change	Disclosure in line with TCFD recommendations	<ul style="list-style-type: none"> Scenario analysis to assess the impact of climate change-related risks on the Bank's finances for more P53 Joined PCAF (Partnership for Carbon Accounting Financials) for more P78 	<ul style="list-style-type: none"> Expanding the scope of climate change risk analysis and upgrading the impact calculation method Measurement and disclosure of GHG emissions of investee companies
	Reduction of environmental impact	Reduction of greenhouse gas emissions	<ul style="list-style-type: none"> Set medium- and long-term targets to become carbon neutral for more P20 Greenhouse gas reduction rate (non-consolidated) 36.3% in FY2021 (compared to FY13) for more P23 We have established a "Policy on Purchasing Activities," and have been working on the environmental and social aspects of purchasing goods, services and other items. for more P57 Work with suppliers on responsible purchasing activities for more P57 	<ul style="list-style-type: none"> Achieve carbon neutrality FY2030 Net zero for Scope 1 and 2 FY2050 Net zero for Scope 1, 2, and 3 GHG gas emissions target 50% reduction in FY2023 (compared to FY2013) Net Zero Energy Building (ZEB) for new stores Energy conservation through facility upgrades and increased use of renewable energy
Society	Survival and growth of local businesses	Thorough community support through relationship banking activities	<ul style="list-style-type: none"> Expand and upgrade the solution menu to meet the diversifying needs of suppliers for more P28 Practice of companionable consulting 	<ul style="list-style-type: none"> Expansion of solution menu All consulting services are provided by all employees, who dig deep into customers' issues and support growth strategies along the way
	Formation of a Safe and Secure Society	Providing a stable financial infrastructure	<ul style="list-style-type: none"> Supporting asset formation in collaboration with Nomura Securities Co. for more P34 Expansion of non-face-to-face channels Regional revitalization using regional cards (Gogin Duo Card) for more P64 	<ul style="list-style-type: none"> Providing advanced consulting services in collaboration with Nomura Securities Co. Improve customer convenience by enhancing non-personal transactions Revitalization of local communities through the penetration of cashless transactions
	Contribution to Local Communities	Development of a wide range of social contribution activities	<ul style="list-style-type: none"> Forest conservation activities that have been ongoing since 2006 for more P24 Tottori Sand Dunes and Mt.Sanbe were added to the "Gogin Kibo no Mori" Operation of "Shofukan," a private school for fostering human resources for more P36 who will lead the region in the future 	<ul style="list-style-type: none"> Continue forest conservation activities Continued operation of Shofukan
	SDG/ESG boosting by communities and customers	Development of new services	<ul style="list-style-type: none"> Proposal of support and solutions through Gogin SDGs Management Support Service for more P32 Supporting our business partners' efforts to reduce greenhouse gas emissions 	<ul style="list-style-type: none"> Support for awareness-raising and initiatives through the provision of the Bank's SDG Management Support Service Expansion of support system to help business partners reduce greenhouse gas emissions
	Diversity Promotion	Supporting the activities of a diverse workforce	<ul style="list-style-type: none"> Revision of personnel system and career development system for more P40 Ratio of female managers: 23.3% (as of March 31, 2022) for more P42 Employment rate of persons with disabilities: 2.57% (as of March 31, 2022) Supporting the independence of people with disabilities (Gogin Challenged) for more P44 	<ul style="list-style-type: none"> Professional development Expansion of support to promote autonomous career development Ratio of female managers: Target 25% or more by the end of FY2023
Governance	Strengthening Group Governance	Strengthening Group Collaboration	<ul style="list-style-type: none"> Female directors: 3 (25.0%) (June 2022) for more P47 Independent outside directors: 6 (50.0%) (June 2022) 	<ul style="list-style-type: none"> Ensure continued diversity on the Board of Directors
	Strengthen risk management	Enhancement of various risk management systems	<ul style="list-style-type: none"> Establishment of risk management system for more P48 	<ul style="list-style-type: none"> Maintaining the safety and soundness of management

Stakeholder Engagement

~We will contribute to the resolution of social issues and the formation of a sustainable society through dialogue with all stakeholders involved in our business activities~

We believe it is important to engage in a broad dialogue with our stakeholders through various means of communication and to build a relationship of mutual trust. We communicate the ideas and initiatives of our Group, take seriously the opinions and evaluations we receive, and apply them to our corporate activities.

We value dialogue with our clients in our daily sales activities and strive to provide high-quality consulting and further improve our products and services.

- Consulting through strengthening points of contact with customers and dialogue
- Solving issues of business partners by building relationships of trust and evaluating business feasibility
- Sophisticated consulting by strengthening points of contact and face-to-face channels, starting with non-face-to-face transactions
- Collecting customer opinions and conducting customer Questionnaire survey



Customers

Together with our business partners, we are working to solve local and customer issues to achieve a sustainable society.

- In order to provide optimal solutions to our clients' management issues, we collaborate with a number of outside experts and institutions.
- Business alliance with Nomura Securities Co., Ltd., aiming to establish a regional securities business model



Business Partners

We strive to strengthen two-way communication between management and employees so that our employees can work with vigor and vitality.

- Exchange of opinions with the President
- Efforts to share management philosophy
- Improvement of career plan support and feedback
- Employee awareness survey and internal reporting system



Employee



Regional society

As a member of the regional society, we are committed to fulfilling our responsibility to the regional society.

- Collaboration with local and public entities, local development, participation in platforms
- Unique local contribution activities, involvement in the local community
- Participation in initiatives



Environment

In order to pass on a rich 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



Shareholders and Investors

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

- Proactive information disclosure
- Annual general meeting of shareholders
- Company presentations

Gogin

Human Capital for Gogin's Sustainability



Special Conversation

Chairman  Outside Director

Chairman
(Representative Director)

**Fumio
Ishimaru**

Director, Audit and Supervisory Committee Member
(Outside Director, Independent)

**Tamaki
Adachi**

Human resources are increasingly incorporated into corporate management as capital, and maximizing their value to enhance corporate value over the medium to long term. This time, under the theme of "Human Capital Supporting Gogin's Sustainability," a discussion was held between Tamaki Adachi, an outside director of Gogin who is practicing law in Yonago City, Tottori Prefecture, and Fumio Ishimaru, former president and chairman of the board of Gogin.

Special Conversation

Chairman  Outside Director

What kind of human resources do you think are needed in our bank today? Please also tell us your opinion on the abilities required of our employees.

Ishimaru: Banking operations are extremely diverse, and more than ever before, a wide variety of human resources are required. For example, taking our consulting business as an example, which is one of our main areas of focus, I believe that there are two main types of abilities that are required by the community and customers. One is the ability to properly listen to and understand the voices of the community and clients, and the other is the extremely specialized knowledge and know-how to deal with increasingly diverse and complex issues, as good as that of professional consultants. We are still working under the slogan "All consultants are consultants," but it is important to first listen to the voices of the community and customers, understand the issues, and then properly develop human resources who can take action to solve them. I believe that the ability to listen carefully to the voices of the community and customers, or "listening," and to understand the true needs of the community and customers is the starting point for a regional financial institution to contribute to problem solving. At the same time, I believe that it is very important for the community and customers to develop high-level professional human resources. It is not easy to develop human resources at the level of professional consultants, but advanced knowledge and know-how are indispensable to listen to the voices of local communities and customers and solve their problems. Ideally, the closest consultants for our customers should be employees with advanced knowledge, and they are all working hard to achieve a higher level of expertise.

Adachi: Yes, that's right. I also believe that in order for the bank to support the sustainable growth of the community, it is necessary to have personnel who, through dialogue, listen carefully to the issues faced by the community and customers, and solve them with enthusiasm. To this end, it is important to have the ability to understand the needs of others, as the Chairman has said. In addition, I believe that the bank needs people who can utilize its various internal and external networks, which is one of the bank's strengths, and who can lead the way to solutions while coordinating. I am aware that Gogin's human resource development focuses on these very points, and that

the bank is investing in training and enhancing its programs.

Ishimaru: In addition, I believe another important element is creativity. As the new term "EX" (experience value that employees experience at a company) has recently emerged, it is important to consider how to enhance the value of the experience that each and every employee gains at our bank. The importance of this is becoming more and more important. The creative aspect of work is what increases employee satisfaction and revitalizes the organization. As our management philosophy states, "The Creative Best Bank", in order for the bank to be creative, each and every employee must be creative. To this end, I believe that we must create an environment in which all employees can be involved in creative work.

This year, the personnel system and career development system have undergone major revisions.

Ishimaru: This is the first major revision of the personnel system in 21 years and the first major revision of the career development system in 13 years. When considering management and human resource strategies, it is very important to have a clear image of what the bank "should be" or "wants to be" in 10 or 20 years, and to make preparations to move toward that image. The concept of backcasting is very important. The bank's long-term vision shows what the bank should aim for, and if all executives and employees share this vision and work toward it, the direction of the bank will naturally be determined. The revision of the personnel system and career development system is based on the Bank's management strategy and long-term vision, and I believe it is an extremely important step in moving in that direction.

Adachi: I recently had the opportunity to discuss human capital at an exchange of views between Audit Committee members and the executive side. Regarding the revision of the personnel system, the abolition of the course-based personnel system, the introduction of an evaluation system that emphasizes human resource development and a system that proactively evaluates active human resources, etc., seemed to me to be a system that leads to greater job satisfaction for all bank employees. During the exchange of opinions, there was also discussion on the need for careful and meticulous follow-up for bank employees who are anxious about the changes in their job requirements due to the system revisions. The



executive side commented, "In order to ensure that indicators for disclosure purposes do not become the sole focus of discussions, we should continue to hold dialogues with employees to gain their understanding of the issue, and then consider what kind of indicators and KPIs should be set for human capital. We would like to consider what kind of indicators and KPIs should be set for human capital. I am sure that there are many issues to be addressed, such as what kind of indicators and KPIs should be set to reach Gogin's goals and to communicate its efforts to the outside world, but I hope that firm and continuous discussions will take place. I hope that these discussions will continue. For example, in the area of male parental leave, simply setting KPIs and encouraging male employees to take the leave will not solve the fundamental problem. I believe that a company's attitude will be reflected in its follow-up system during the leave, how the employees are treated after returning to work, and what kind of benefits are provided to them.

Ishimaru: That's right. If a company does not do what it needs to do as a corporation, not only in terms of the establishment of a system, but also in terms of operational follow-up, it will not be sustainable, and employee satisfaction will not improve. It may not be something that can be done all at once, but I think we need to prioritize our efforts.

How do you feel about Gogin's corporate culture and the characteristics of its employees?

Adachi: I have the impression that the employees of the bank work very diligently, with a sense of pride in working for the leading bank in the region and a sense of attachment to the community. From my perspective as a lawyer working in the community, I feel that the bank employees are very trusted and expected by local residents. I hope that you will continue to value this

attitude and lead the community.

Ishimaru: In terms of our corporate culture, we have always been conscious of the fact that we are not afraid of change. During my tenure as President, I have been conveying the keyword "discontinuity" within the Bank. Since assuming his current position, President Yamazaki has also been conveying the message of "evolution through change" to the Bank's employees. We do not know what will happen in the next five years, so it is important for us to change according to circumstances, rather than sticking to what we have decided once.

Adachi: I also have the impression that Gogin has a very challenging corporate culture and is taking on a variety of groundbreaking challenges in a difficult environment for banks, such as continuing low interest rates. Since I took office, Gogin has been taking pioneering initiatives among regional banks, such as the alliance with Nomura Securities and the recent establishment of Gogin Energy Corporation, a wholly owned subsidiary that is the first bank to be engaged in renewable energy power generation business. I feel that our open and open organization is one of the major factors behind our success in these efforts.

Ishimaru: This may be a form of flattery, but I have been told by Nomura Securities, our business partner, that there is much to be learned from the hard work and dedication of our employees. However, I feel that there are many cases where the employees themselves do not realize how good they are. I believe that management needs to make more of an effort to communicate in detail with these employees about what the bank is trying to do and the contributions that each of them is making. I also feel that it will become increasingly necessary to increase employee engagement by giving them a sense of satisfaction with what they are doing and a sense of happiness that they are happy to be a member of the bank.

What are your thoughts on the promotion of women's activities?

Ishimaru: We have many highly capable female employees at our bank. This past June, we had our first female executive officer. I believe that there is no difference between men and women in terms of ability among those who are currently working at the front line. However, it may not be the case that all of them are able to do their jobs as well as they would like. There are many people who are constrained by issues within society, such as childcare and nursing care. And



it is also true that women are more susceptible to these situations. We are always thinking about what we can do to improve this.

Adachi: It is still quite unprecedented for a regional financial institution to have a female director who has come from within the company. It is attracting attention from outside as well. I hope that this trend will continue in the future. People often talk about the wage gap between men and women, but my personal opinion is that it is not right to compare them if they choose to work the way they do, and it is also not right to force them to change the way they work. We, as lawyers, can choose where we work and how we work wherever we choose. Judges and prosecutors are also relocatable, but many women are also active in this field. What is important is that both men and women can choose how to work according to their own lifestyles with a variety of options. I also hope that Gogin will proactively adopt such flexible approaches in order to lead the efforts of companies in the San-in region.

Ishimaru: In the past, there was a time in our bank when many women left the bank upon marriage, and I think it will still take some years to recover from that negative accumulation. In recent years, we have been flexible in our personnel practices, such as allowing employees to marry each other and transfer to the same area when one of them transfers to another. As a company, we are doing what we can to offer employees the option of not having to relocate as part of their career plans, but we must continue to focus our efforts on providing opportunities for diverse human resources, not only women, to play an active role, while promoting DX and other measures. We must continue to focus our efforts on DX and other measures to provide opportunities for a diverse workforce, not only women.

Finally, what do you expect from the employees of Gogin?

Adachi: That's right. Again, Gogin employees are expected by the local community to be leaders in their communities. As the world changes at a dizzying pace and the issues facing the community and our customers change, we must respond with greater flexibility. In order to continue to respond to these changes, I hope that all of our employees will proactively engage in reskilling and relearning to meet the expectations of the community.

Ishimaru: The way banks work is definitely changing. Traditional banking jobs will decrease with the advancement of DX. A good example is "Gogin Energy" established in July this year. I think it will become increasingly necessary to look beyond conventional thinking and ask "what can we do beyond finance" to solve local issues. It is also said that the concentration of business in Tokyo will collapse and the competition for survival will become more competitive among regions. The mission of regional financial institutions will remain unchanged: to help local industries develop and people lead affluent lives. To this end, I believe there are things we can do not only as a financial institution but also as a comprehensive service provider. Fortunately, our bank has a wealth of human resources. I look forward to seeing them demonstrate their abilities in order to preserve and nurture the region, and I hope that our employees will have the same spirit in their work.



Aiming to achieve carbon neutrality in the region

Set mid- to long-term goals to achieve carbon neutrality

In 2015, the Paris Agreement agreed to the 2° C target and other long-term goals common to the world in order to solve the climate change problem. Countries around the world are working to achieve this goal, and Japan has declared itself carbon neutral, meaning that it will reduce greenhouse gas emissions to net zero by 2050.

To achieve carbon neutrality, the San-in Godo Bank Group has established a policy and set medium- and long-term targets that all San-in Godo Bank Group companies will be even more ambitious to achieve.

Target

FY2030 Net zero greenhouse gas emissions (Scope 1 and 2)
FY2050 Net zero greenhouse gas emissions (Scope 1, 2, 3) including supply chain

PICK UP

Carbon Neutral Goal

Initiatives within the San-in Godo Bank Group

To date, we have been promoting initiatives to reduce our environmental impact, such as switching to LED lighting at sales branches and utilizing solar power generation on the roofs of some branches. We will further accelerate this trend by sequentially upgrading to energy-saving equipment and utilizing renewable energy to reduce greenhouse gas emissions in the Group.

Efforts to become carbon neutral in the region

- We have set ambitious medium- and long-term goals for sustainable finance that contributes to solving social and environmental issues, and are working to contribute through our core business.
- We are actively working with local governments and businesses to develop initiatives to realize a decarbonized society in the region.
- We establish Gogin Energy Co., Ltd. and become the first regional bank to enter the renewable energy power generation business.

Cooperation with local government and local companies

Selected as a "Decarbonization Leading Region" by the Ministry of the Environment
 ~Carbonizing the Western Tottori Region as a Role Model for the Entire Nation~

Together with Yonago City and Sakaiminato City in Tottori Prefecture and Local Energy Corporation, we made a joint proposal and were selected as a leading region to work on decarbonization by FY2030.



Signed "Partnership Agreement on Carbon Neutrality" with Matsue City and The Chugoku Electric Power Co., Inc. (June 8, 2022)

By combining their respective knowledge and technologies, the three parties will build a public-private partnership to achieve decarbonization and carbon neutrality.



Registered as the first "Tottori Ecolife Platinum Partner"
 ~Supporting Tottori Prefecture's commitment to the realization of a decarbonized society~

We have been registered as a company or organization that implements the "Tottori Eco-Life Concept" promoted by Tottori Prefecture and promotes the concept to its business partners and other stakeholders.



Entry into renewable energy power generation business First in a regional bank

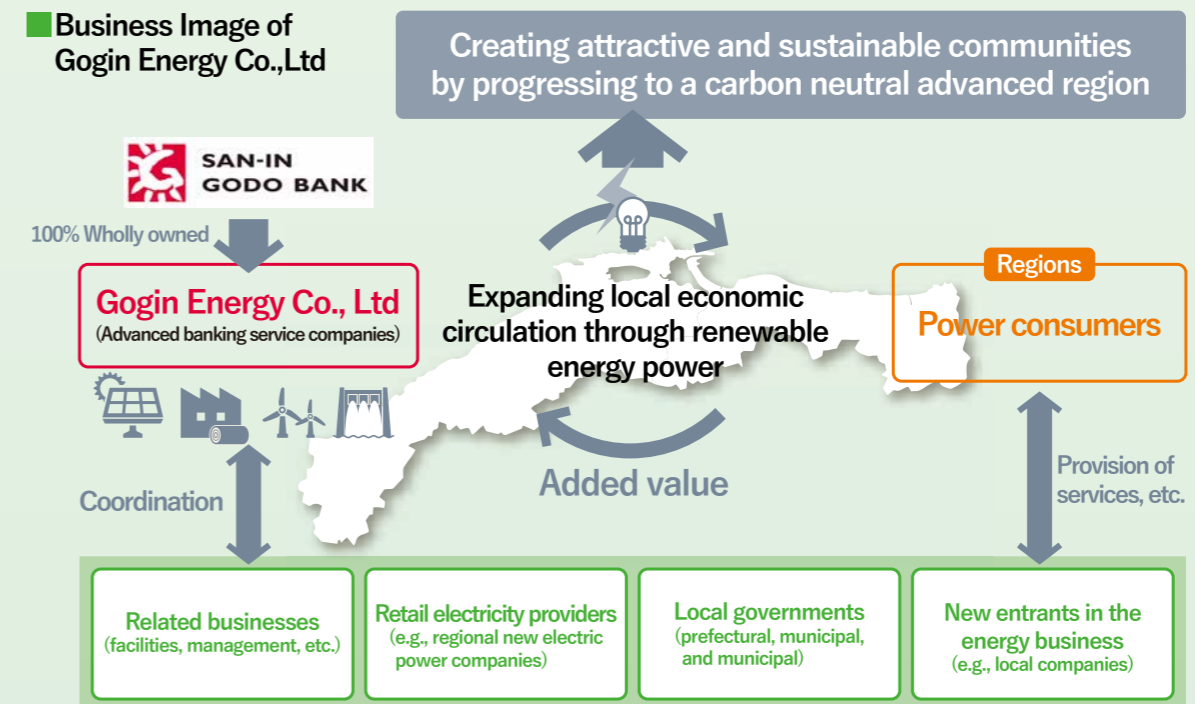
PICK UP

Establishment of Gogin Energy Co., Ltd.

Business Image of Gogin Energy Co.,Ltd

Making the San-in region competitive as an advanced carbon neutral region

In the San-in region, there are a number of municipalities that have declared themselves zero-carbon cities, and momentum toward regional decarbonization and carbon neutrality is growing in the region. By taking risks on our own, developing community-based businesses that drive local decarbonization, and promoting increased supply of renewable energy and local production for local consumption, we will help to achieve local decarbonization and carbon neutrality at an early stage and strengthen the competitiveness of local companies through increased use of renewable energy, thereby contributing to the growth strategies of the region and our business partners.

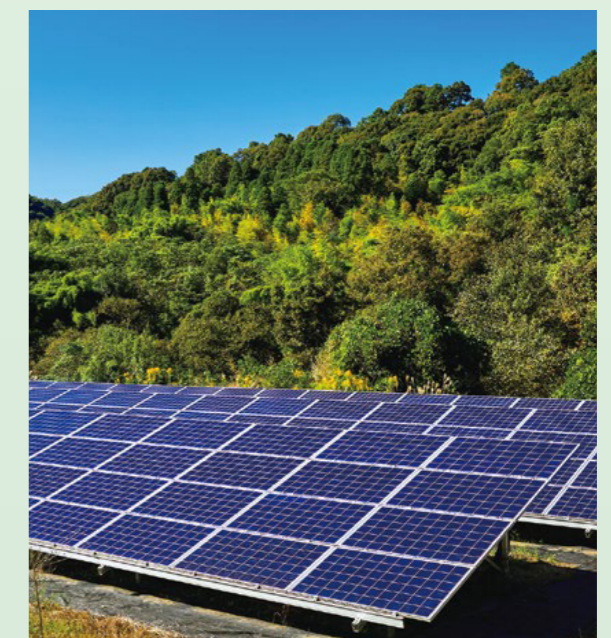


Business development

PPA (Power Purchase Agreement)" for private consumption by installing solar panels on the roofs of public facilities and businesses and on idle land. The "formula" is mainly deployed.

Community revitalization

Public facilities and businesses can be expected to make progress in decarbonizing the region by consuming renewable energy on their own, and We will be a clean energy region. We believe that becoming an advanced clean energy region will increase the competitiveness of local companies and give us an advantage in attracting businesses.



Reduction of environmental impact in business activities

Creating environmentally friendly branches

As part of our efforts to reduce our environmental impact, we have installed solar power generation systems in some of our branches to provide a portion of the electricity used in our branches. We are considering actively adopting solar power generation systems in newly built or renovated branches, etc., in order to realize decarbonization.

ZEB branch that supports decarbonization

- Yasugi Branch - to be newly built and relocated in October 2022

A ZEB branch reduces primary energy used in the branch, such as lighting and air conditioning, by more than 100% of consumption through energy creation and energy conservation.

【Creating energy】

Solar panels were installed on the roof of the branch.

【Energy saving】

Highly insulated structure and LED lighting

ZEB

※Abbreviation for Net Zero Energy Building.

A building that aims to reduce the balance of primary energy consumed by the building to zero.

【New branch】
860, Yasugi-cho, Yasugi-shi, Shimane, Japan



Wooden branch using abundant timber from Shimane Prefecture

-Minari Branch- Newly built and relocated in March 2022

This wooden branch uses an abundance of timber from the prefecture in harmony with the rich natural environment of Okuizumo Town. Through the use of prefectural timber, we contribute to the proper maintenance and preservation of forests through the "cut, use, plant" cycle.

【New branch】
356-8, Minari, Okuizumo Town, Nita-gun, Shimane Prefecture

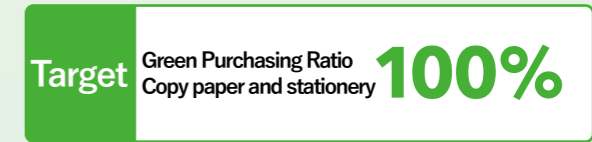


Establish policy on purchasing activities

The San-in Godo Bank Group is committed to acting in an environmentally and socially responsible manner in its purchasing activities, and will work together with suppliers of goods and services (hereinafter referred to as "suppliers") to achieve sustainable growth. Furthermore, we will explain the Group's approach to purchasing activities to major suppliers in the region, and ask for their understanding and cooperation.

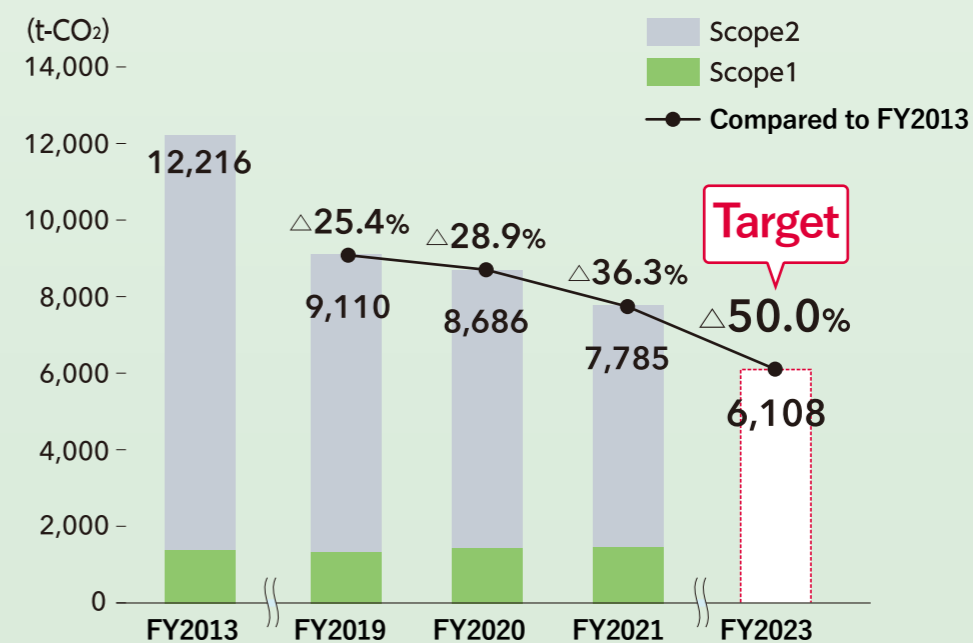
Green Purchasing Initiatives

When purchasing products and services, we carefully consider the necessity and select those that have the least environmental impact. We have established KPIs for green purchasing of paper and stationery, and in principle, we purchase products labeled with the Eco Mark or similar symbols.



Greenhouse gas (GHG) emissions trends and targets (non-consolidated)

We are working to reduce greenhouse gas emissions by switching to LED lighting in the head office building and reducing the number of company vehicles, etc. To achieve our goal of a 50% reduction in greenhouse gas emissions in FY2023 compared to FY13, we are making further energy-saving efforts and considering the introduction of renewable energy.



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

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

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

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

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

Environmental conservation activities in cooperation with local communities

PICK UP Forest Conservation Activities



Activities to nurture forests and pass them on to future generations

Based on the idea of protecting the nature of our hometown and continuing to do what each of us can do to the extent we can, we are working together with local residents to nurture forests and pass them on to the next generation. Through practical forest conservation activities by executives and employees and exchanges with local volunteer groups, we have long been engaged in activities to communicate the importance of forest conservation and the current state of forests, and to expand the circle of forest creation. The San-in initiative of forest conservation activities by banks in cooperation with local communities has developed into a nationwide movement.



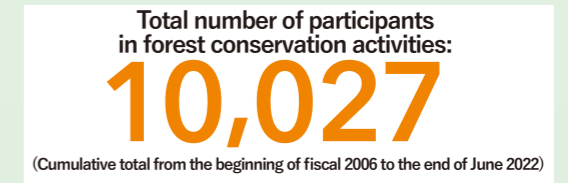
Excellence Award (Forestry Agency Director-General Award) at the Forest × Decarbonization Challenge 2022

The program is designed to "recognize the carbon-neutral forestation efforts of companies and other organizations that have undertaken or supported forest development by themselves or with the support of other companies" amid the growing focus on the carbon dioxide absorption function of forests.



Gogin Kibo no Mori (2006-)

Practical conservation activities are conducted in forests in both Tottori and Shimane prefectures by the Bank's officers, employees, and their families.



Policy for Future Activities

Based on activities to protect and nurture the forests that cover most of the San-in region, we will continue to engage in activities that lead to the preservation of oceans and rivers, and pass on the importance and significance of these activities to the next generation.

Let's protect forests! San-in Network Conference (2006-)

~Activities to expand the circle of forest conservation activities in cooperation with local communities~

A network organization whose members include volunteer groups and NPOs in both San-in and San-in prefectures. We serve as the secretariat of this organization, which provides opportunities for members to interact and exchange information, and works to expand the circle of forest conservation activities in both Shimane and Tottori prefectures.

Exchange of practical activities with members – Friendship Branches System

Through cooperation and friendship between members and our branches, we promote the importance of forest conservation activities and the current state of forests in the community to build momentum for environmental conservation. In addition, by subsidizing training sessions and exchange events, we provide opportunities for collaboration between members and other organizations and industries.

Examples of our activities under the "Friendship Branches" program

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



Contribution to Sustainability as a Financial Institution

PICK UP Long-Term Goals of Sustainable Finance

Set long-term goals for sustainable finance

To solve environmental and social issues, we have set a target for the cumulative amount to be executed in sustainable finance over the 10-year period from FY2021 to FY2030.



In October 2021, we began offering Sustainability Linked Loans and Green Loans/Social Loans to support the SDGs/ESG initiatives of the community and our business partners in terms of finance.

Gogin Sustainability Linked Loan

This is a product that sets targets consistent with the ESG strategy of the client and provides incentives, such as interest rate reductions, based on the achievement of the targets.

Gogin Green Loan/Social Loan

The use of funds is limited to projects that aim to improve environmental (green) and social (social) aspects.

Target Evaluation Scheme

The above two schemes are externally evaluated schemes that require an evaluation (second opinion) by an external organization regarding the goals of the initiatives.

In order to be accessible to a wider range of clients, we have also developed our own evaluation scheme, in which the Bank evaluates its own targets, to meet the needs of our clients.

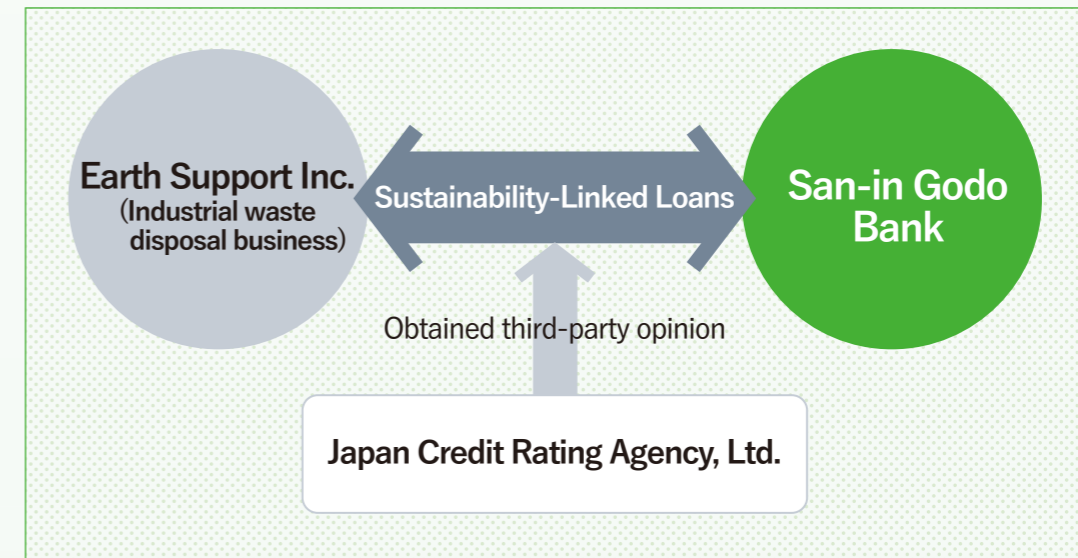
Examples of Initiatives Gogin Sustainability-Linked Loan First in San-in region

Contract signed with Earth Support Inc. (March 2022)

Earth Support Inc. (Matsue City, Shimane Prefecture, industrial waste disposal business) is a company with a high level of ESG awareness, having prepared an environmental report (now called a sustainability report) since 2000 and publicly announced its waste recycling rate. We have taken on sustainable finance because we believe that by setting and announcing specific numerical targets for the company's future goals, we can further enhance and spread our corporate value as an ESG-advances company.

Sustainability goals set by Earth Support Inc.

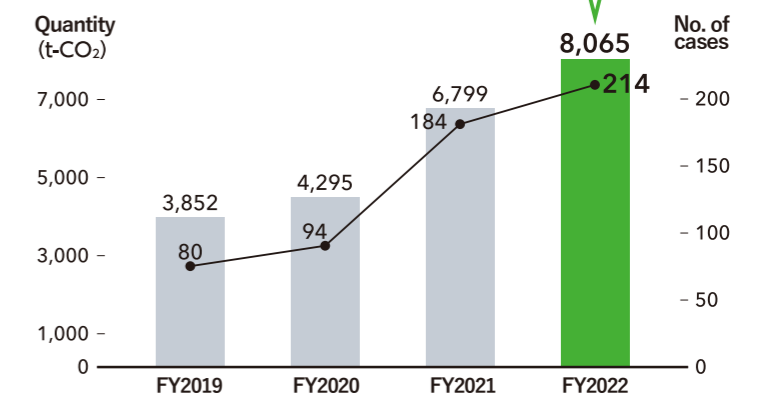
- Increase sales in the vacant house demolition business (support for solving the vacant house problem)
- Improve recycling rate of collected waste
- Increase in the average length of service of all employees (increased job satisfaction)



We support our business partners in implementing environmental management and increasing their corporate value through public-private partnership carbon offsetting initiatives utilizing "J-Credits". As of the end of August 2022, the total amount of "J-Credits" intermediated since 2010 exceeded 8,000 t-CO₂.

J-Credit sales support results (cumulative)

End of August 2022
214 cases/8,065t-CO₂ Exceeded 8,000t-CO₂



PICK UP Support J-Credit Utilization

Received the Special Award (Steering Committee Chairperson's Award) at the Principles for Financial Action for the 21st Century, the first financial institution in the Chugoku region to receive this award (March 2022)

Our efforts are contributing to the promotion of the J-Credit system, the return of funds to forests and the realization of environmental conservation, and serving as a role model for other financial institutions, among other things.



Extensive Support for the Region through Relationship Banking Activities

In addition to various regional issues such as lack of successors, labor shortage, narrow sales channels, and declining number of companies, the business environment is changing with the spread of the new coronavirus, transition to a decarbonized society, digitalization, and diversification of work styles, and the issues and needs faced by regions and customers are more diverse than ever. We contribute to solving issues by developing consulting services that demonstrate our knowledge and expertise.

Resolving issues of our business partners through business support activities

We will expand and upgrade our solution menu in a more diversified manner and provide consulting services by all of our employees. We support our clients in solving problems, adding value, and growing their businesses, creating a virtuous cycle in the local economy.

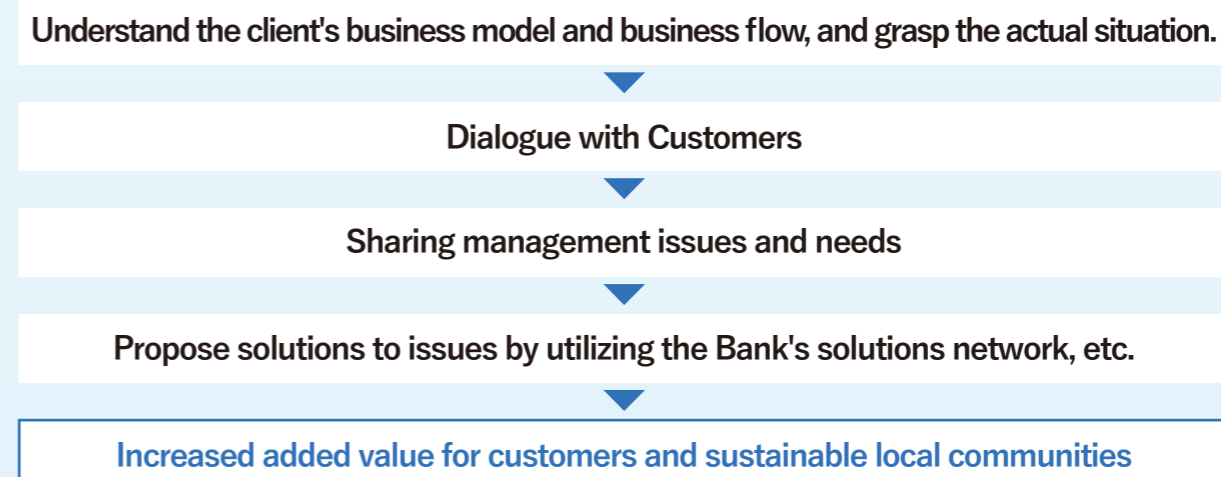


San-in Godo Bank Consulting Menu

Business Due Diligence	Planning	Industry RM	Business Succession
ICT	Human resources	Medical and Nursing Care	M&A
Subsidiary aid	SDGs	Accommodations & Sightseeing	fund
On site consulting	Placement	Food Manufacturing	IPO

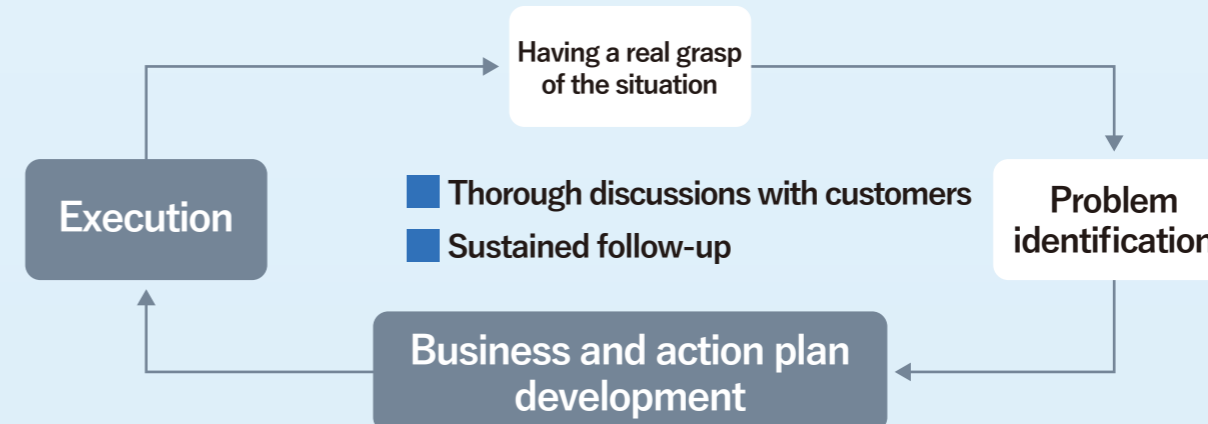
Feature 1 Consulting based on business feasibility assessment

We will engage in business support activities based on business feasibility assessments, share management issues with customers, and propose solutions to these issues. Through the proposal, we aim to add value to our customers and realize a sustainable community.



Feature 2 Implementing side-by-side consulting

We will work with you in a companionable consulting style until we are able to resolve your issues.



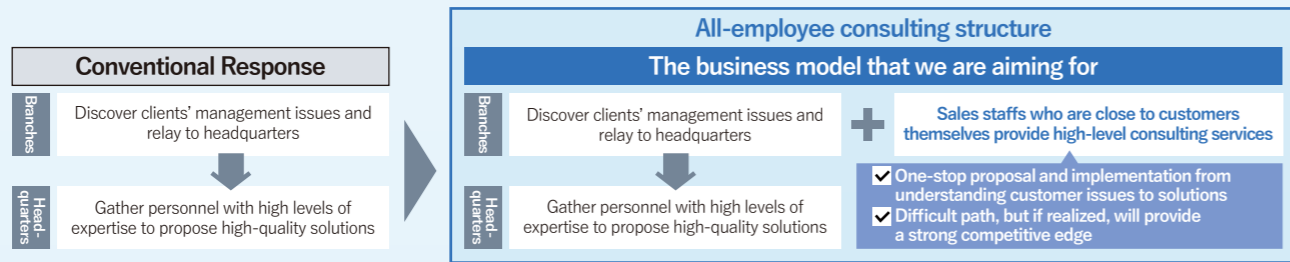
Number of consulting services (FY2021)

Support for business plan development	6 cases
Human resources consulting	11 cases
ICT consulting	15 cases
Industry-specific consulting	12 cases
Placement	26 cases
SDGs	135 cases
Support for business restructuring subsidy applications	39 cases

Number of clients supported for sales channel development	328 companies
Number of business succession contracts	20 cases
Number of M&A contracts (AD contracts concluded)	31 cases
Number of M&A transactions	12 cases

All-employee consulting structure project

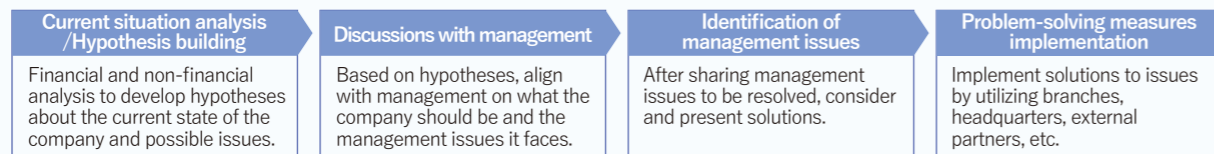
We aim to create a "consulting system for all" in which not only the specialized personnel at the head office, but also all employees at the branches dig deeper into the issues faced by customers and provide support for growth strategies along the way.



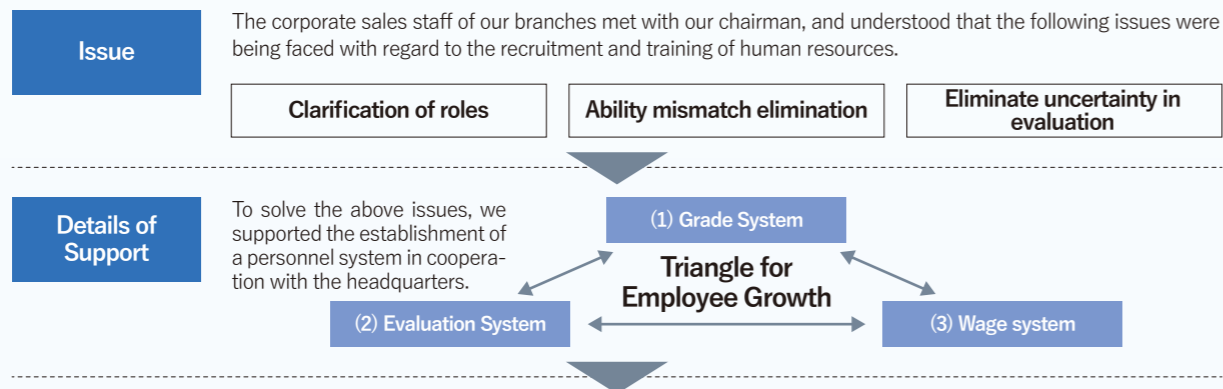
Examples of Initiatives Assist in designing new systems for recruitment and evaluation

KandaGiko, Ltd. (Yonago City, Tottori Prefecture) has been diversifying its business by entering the food manufacturing field, mainly through the manufacture and repair of food processing machinery, but also through the production of freeze-dried products using its technological capabilities as a means of utilizing unused resources. As a result, the business has expanded steadily and the number of employees has increased to 50. However, we identified securing and training future human resources as an issue, and proposed the establishment of a personnel system.

[Consulting Process]

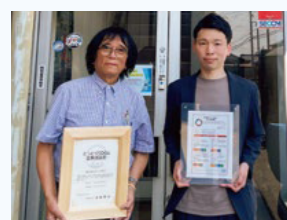


[Details of Support]



We expect that the establishment of a personnel system will clarify the role of each employee and increase their motivation. As a result, we believe it will lead to the company's growth.

- 1 Clarification of career plan and direction in which to grow
- 2 Accelerate the speed of employee growth through specific feedback
- 3 Motivate employees with appropriate wages based on their contributions



[Photo left.] KandaGiko, Ltd. Chairman and Representative Director Mr. Kiyoshi Nakayama
[Right photo]. Yonago-nishi Branch Corporate Sales Yuto Shindo

Chairman's Comment
We would like to improve employee development and satisfaction by breaking away from the seniority system, evaluating each employee's work in an appropriate manner, and reflecting this in their compensation.

Company Profile

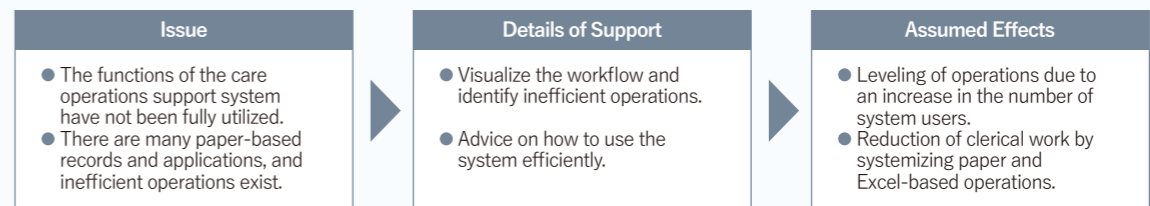
- Company Name: KandaGiko, Ltd.
- Location: Yonago City, Tottori Prefecture
- Representative: Kiyoshi Nakayama (Chairman), Hajime Nakayama (President)
- Main businesses: Design and manufacture of machinery, development of unutilized resources, cosmetics business
- Number of employees: Approx. 50

Support for business efficiency improvement through the use of IT - ICT consulting

In addition to supporting the introduction and operation of cloud services, we help companies improve their productivity by identifying operations that should be converted to ICT and creating roadmaps based on an understanding of the current situation and business analysis.

Examples of Initiatives Support for improving labor productivity through utilization of existing systems

Espoir Fukushima Inc. (Matsue City, Shimane Prefecture) operates a fee-based nursing home and nursing support office in Matsue City. We proposed support for the utilization of its existing system to further expand customer services and create a rewarding work environment.

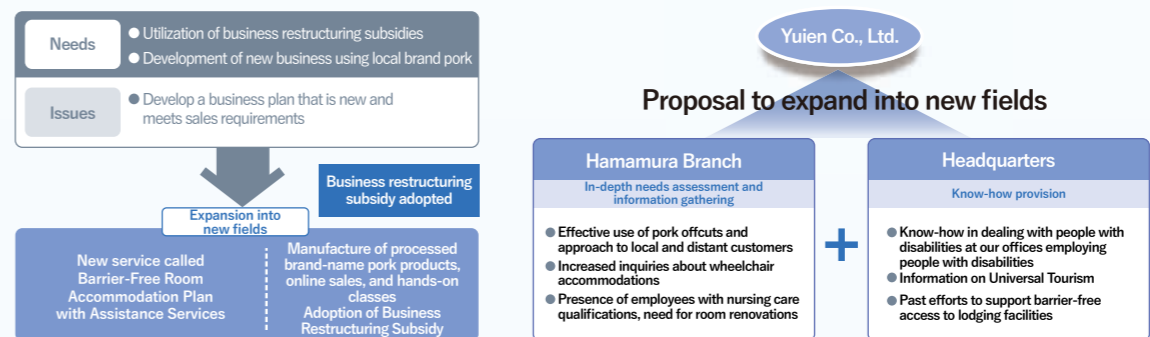


Support for the use of subsidy programs - Business plan development support

We support our business partners in restructuring their business by utilizing business restructuring subsidies.

Examples of Initiatives Helping an inn struggling with COVID-19 apply for a Business Restructuring

Yuien Co., Ltd., which operates an inn in the Hamamura Onsen hot spring area, Tottori Prefecture, was considering a new business venture using a Business Restructuring Subsidy amid a slump in sales due to the impact of the COVID-19 pandemic. However, since the initial plan was not new and did not qualify for the subsidy, we supported the development of a business plan to enter a new market with a new product and service, with accompanying support from the sales branches and the use of know-how from the head office, leading to expansion into a new field and realization of the president's dream.



Support for expansion into the fast-growing Asian region - Support for overseas business expansion

To support the development of sales channels not only domestically but also overseas, we conduct test marketing using cross-border EC. We support sustainable growth of local companies by using new sales channels.

Examples of Initiatives Held "Taiwan Cross-border EC Practical Seminar and Test Marketing" (Dates: July 21, 2021 - January 13, 2022)

- Commissioned by Tottori Prefecture, the company conducted test marketing via cross-border EC for businesses that were interested in exporting to Taiwan.
- Provide opportunities to learn practical know-how such as how to list on cross-border EC sites by holding seminars and offering individual guidance.
- By returning the results of the test marketing and lecturing on sales points through cross-border e-commerce, we conducted research to expand the development of sales channels for Tottori products in Taiwan.



Number of participants
Total 30 companies

Supporting our business partners' SDG initiatives

In addition to our own commitment to the SDGs as a leading regional company, we are also engaged in activities to spread the principles of the SDGs to local communities and customers, and to encourage local communities and business partners to take action on the SDGs.

Gogin SDGs Management Support Service

Services

- Understand the status of SDG initiatives of our business partners
- Support for the development of the SDG Declaration
- Support for external information dissemination
- Solution Proposal

Starts handling in **October 2021**

Results

(Cumulative total through March 31, 2022)

SDGs simple diagnosis and reporting

420 cases
(From June 2021)

SDGs declarations formulation

88 cases
(From October 2021)

Features of the our Services

- Through business support activities, we work with suppliers to identify issues and find solutions.
- Since the sales staff in charge of clients are directly responsible for service provision, more detailed attention can be paid (reports and declarations are prepared by branches with support from the headquarters).
- We have made it easier for small- and medium-size business partners to take action by offering a free assessment of their SDGs initiatives (simple diagnosis and report preparation).

Examples of Initiatives Supporting our business partners' SDG initiatives with our side-by-side consulting

In 2021, we supported Sanbe Electric Co. (Matsue City, Shimane Prefecture, electrical construction industry) in developing a medium-term management plan, holding discussions with senior management and conducting interviews and explanations with employees. This time, we proposed that the contents related to the SDGs included in the mid-term management plan be compiled into a declaration and disseminated to the outside world in an easy-to-understand manner. We were able to provide this support because we shared our business partners' visions, management strategies, and high level of interest in the SDGs through our daily business support activities. We will continue to support the realization of the formulated declaration and contribute to the further growth of our company.



Sanbe Electric Co. President and Representative Director, Mr. Toru Adachi
Tsuda Branch Mutsuto Hayashi

First Regional SDGs Financial Award (March 14, 2022) Cabinet Office We are the only financial institution selected in multiple cases

Two projects in which we participated were recognized as highly effective projects that utilize the SDGs approach in our efforts to solve regional issues and revitalize regional economies through collaboration between local governments and regional financial institutions.

Support for Tottori Prefecture's version of the SDGs package, from "Knowledge" to "Partnerships"

- Working with Tottori Prefecture and Tottori Bank to promote and raise awareness of the SDGs and to consider a Tottori Prefecture version of the SDGs certification system.

Challenge of SDGs Future Cities to boost sustainable management of local businesses through SDGs and decarbonization

- Collaboration with Nichinan Town, Tottori Prefecture, in supporting J-credit intermediaries to drive carbon offsetting in the region

Credit Card Point Exchange Program "SDGs Course"

The points accumulated through the use of corporate credit cards can be used to contribute to the environment and local communities. In September 2022, we will add five new recipients for point redemption.

Start of handling in **April 2022**

Environment Course	Exchange to J-Credits	<ul style="list-style-type: none"> ● Nichinan Town, Tottori Prefecture (support for forest protection through new tree planting) ● Izumo Forest Project (Suyama Lumber Co., Ltd.) ● Yabu City, Hyogo Prefecture (nature conservation and restoration, reinvestment in environmental measures) ● Tataro no Sato Project (Tanabe Co., Ltd., Tanabe Tataro no Sato Co., Ltd.) ● Izumo City, Shimane Prefecture (local environmental conservation through the installation of solar power generation systems)
Local Sports Support Course	Donations to the Team	<ul style="list-style-type: none"> ● Shimane Susanoo Magic (Basketball B1 League) ● Gainare Tottori (J3 League soccer) ● Sanfrece Hiroshima (J1 League soccer) ● Victorina Himeji (Volleyball V League Division 1)

(as of September, 2022)



Environment Course Companies Purchasing J-Credits

World Utility Co.
(Mr. Toshiaki Shibayama, Representative Director)

Primrose Garden Co.
(Ms. Kaoru Kudo, Representative Director)

Commemorative ceremony held with the first company to use the SDGs course (June 2022)



Collaboration with e-dash Co.

Service to begin in **March 2022**

Utilizing the "e-dash" service, a platform that comprehensively supports companies' efforts to reduce energy costs and CO₂ emissions, we provide support from the identification of the current status of CO₂ emissions to the setting of reduction targets and the formulation of specific action plans for reduction.

Visualization of CO₂ emissions	Automatically visualize CO ₂ emissions from data entry to calculation
Reporting of CO₂ emissions	Periodic reports are issued to summarize data required for various reports
Reduction of CO₂ emissions	Propose specific methods and support implementation of various measures



Helping Customers Form Rich Lifestyles

In the face of social challenges such as an aging of society and adaptation to the digital society, we are committed to providing a stable financial infrastructure and high quality services so that our customers can use our bank with confidence and be familiar with us.

Combining the Strength of Banking and Securities to Support Asset Formation with New Financial Services

PICK UP Our Alliance with Nomura Securities



In October 2020, San-in Godo Bank Co., Ltd., Gogin Securities Co., Ltd., and Nomura Securities Co., Ltd. integrated their lines of business through a business alliance. As a result, together we are providing Japan-leading, one-stop services to the San-in region. In addition to welcoming approximately 90 employees from Nomura Securities through secondment, we have reinforced collaboration between the Consulting Plaza and our branches. Through consulting services that make the most of our respective strengths, we support customer asset formation with an eye toward the 100-year life.

Expansion of non-face-to-face channels

We are working to improve customer convenience by enhancing the products and services available for transactions so that customers can use a variety of banking services anytime, anywhere via smartphone or computer, without having to visit a bank branch.

The Gogin app

A Bank Branch in the palm of your hand.

- Ordinary saving account opening
- Smart bankbook (confirmation of account details)
- Internet banking (fund transfers, time deposits, various procedures, etc.)
- Cashless payment
- Loans (application, contract)

Gogin app updated (March 2022)

Integration with online banking

Transactions such as transfers can be completed on the app without the need to log in to online banking.

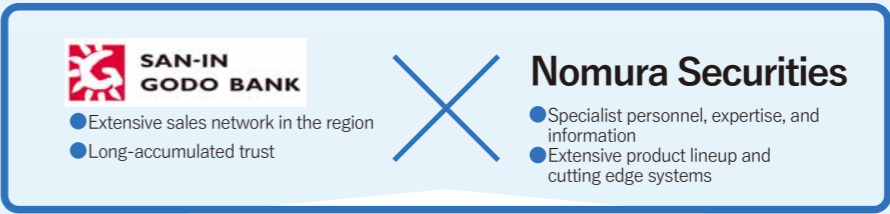
Family account inquiries now possible

Added the ability to show account balances and transaction details to designated family members.

Specific-purpose savings account exclusive to the app

This savings account, where customers set their own savings objectives and target amount, is exclusive to the app.

Enriching the San-in Region



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 provides high value-added financial services.

Established 9 sales offices with full-line service system in San-in region

By providing a full range of products and services, including equities and corporate bonds, we will meet the increasingly diverse and sophisticated needs of our customers.



Supporting local communities through cashless transactions

~Supporting Local San-in Restaurants and Accommodations with Credit Cards~

Enjoy the San-in region more! San-in region Support Campaign (May - August 2022)

It is an opportunity to rediscover the charms of the San-in region as well as to revitalize the region by sending visitors to restaurants and lodging facilities.

【Campaign Outline】

If you spend 5,000 yen or more with a credit card issued by San-in Godo Bank at a restaurant or accommodation facility in Shimane or Tottori prefecture, you will receive points worth 1,000 yen. (First 3,000 customers)



Development of a unique and far-reaching social contribution activities

Helping to educate the region's future leaders

PICK UP
Shofukan
(2012~)

Instilling a powerful will to usher in charge

Shofukan is a private school operated by the Gogin Cultural Promotion Foundation. 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.



Courses

- Three-stage integrated education is provided according to growth from elementary school students to adults.
- Students from three grades learn in mixed-grade classes.

Novice course: 3 years	Middle course: 3 years	Advanced course
From the fourth grade of elementary school to the sixth grade of elementary school	From the first year of junior high school to the third year of junior high school	From the first year of high school to the third year of high school
From the sixth grade of elementary school to the second grade of junior high school	From the third year of junior high school to the second year of high school	Until adulthood
20 students enrolled	13 students enrolled	16 students enrolled
<p>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).</p> <ul style="list-style-type: none"> ● The Analects of Confucius ● Hyakunin Isshu poems ● Notable local figures ● Proper etiquette ● Creatures and nature of Lake Shinji ● Mathematical discussion ● Recitation of beautiful passages, others 	<p>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.</p> <ul style="list-style-type: none"> ● 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 expression ● Learning of notable global figures ● Practice of foreign cooking ● Learning of regional issues, others 	<p>Reflecting on what they learned previously, students aim for and learn to be autonomous individuals able to act with intention.</p> <ul style="list-style-type: none"> ● 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

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

Gogin Hitotsubu no Mugi (One Kernel of Wheat) no Kai (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
1,194 / 127.63 million yen worth
(through FY2021)

Gogin Cultural Promotion Foundations (1992~)

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

Assistance/Amount
2,586 cases / 326.64 million yen
(through FY2021)

Chiisana Shinsetsu (Small Kindness) Movement (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
2,283
(Supporting members 265 / Group members 2,010 / Individual members 8)
(As of the end of March 2022)

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.



Received 32 kg of collected ECO-caps from Yonago Hokuto Junior & Senior High School

Weight/Vaccine equivalent
17,787 kg / Approximately 8,900 doses
(through FY2021)

Promoting Sports Energizing the region through sports promotion

PICK UP
Gogin Women's Badminton Team (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.

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 (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

We support Gainare Tottori and Shimane Susanoo Magic through sponsorship.



Gogin SDGs Private Placement Bonds Supporting our clients' SDG initiatives

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 "General-Type"

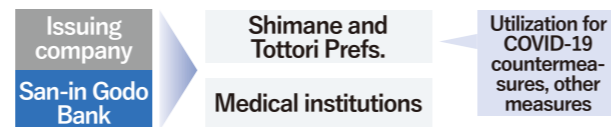
In addition to financial soundness, we evaluate the SDG activities undertaken by the company.

Gogin SDGs Private Placement Bonds "Donation-Type"

In addition to financial soundness, these are private placement bonds with a high degree of social contribution, in which donations and contributions are made to "educational institutions," "medical institutions," "community development organizations," "San-in region," and "local sports teams, etc." We will bear the cost of up to 0.2% of the issue amount of the private placement bonds, and will make the donation in the joint name of the issuing company.

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 bonds issues	Regional economic stimulus-type (Shimane Pref.)	Regional economic stimulus-type (Tottori Pref.)	Regional economic stimulus-type (NPO)	Donation to medical institution-type	Donation to educational institution-type	Sports promotion-type	CSR-type	Eco-type
180 case (FY2021)	9 case	5 case	2 case	20 case	121 case	9 case	12 case	2 case

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.

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.

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 99 schools / Shimane Prefecture 108 schools
(Cumulative total from the start of initiatives in 2005 to FY2021)

Supporting the activities of a diverse workforce

In order to solve the increasingly sophisticated and diverse challenges facing our regions and customers, and to achieve robust growth along them, it is essential that we develop professional personnel who are well-versed in both consulting and digital transformation. Pursuing expertise, motivating employees to take on new challenges, and enabling diverse, flexible workstyles are the three pillars of our human resources strategy. Through execution of this strategy, we will aim to become a bank where each employee can continue to grow independently.

Management Philosophy The creative bank that best fulfills the dreams of the region and customers it serves

Vision for Personnel

Professional personnel who can help find solutions to the challenges facing our regions and customers.

Concept

We promote professional development through "autonomous growth" by enhancing job satisfaction and job comfort for each employee and supporting independent career development.



~Revising systems at the core of our human resources strategies~
Human Resources systems reform and Career development system reform

Reshuffling of personnel

We are reshuffling personnel generated by structural reforms to the corporate consulting field, digital field, etc.

Progress in personnel reshuffling

Current Medium-term Management Plan	400	First-year achievements	260
Generated	360	Reshuffled (including 80 currently in education)	160
Reeducated during previous	40	Natural attrition	100

In the area of corporate consulting, we have reskilled and assigned former area employees who were not previously involved in the business as corporate sales training targets.

【Reskilling system for the corporate consulting field.】

Full-time educator

Assist in acquiring business knowledge and office work related to corporate sales by working at a block store.

Branches

Direct and practical guidance through on-the-job training

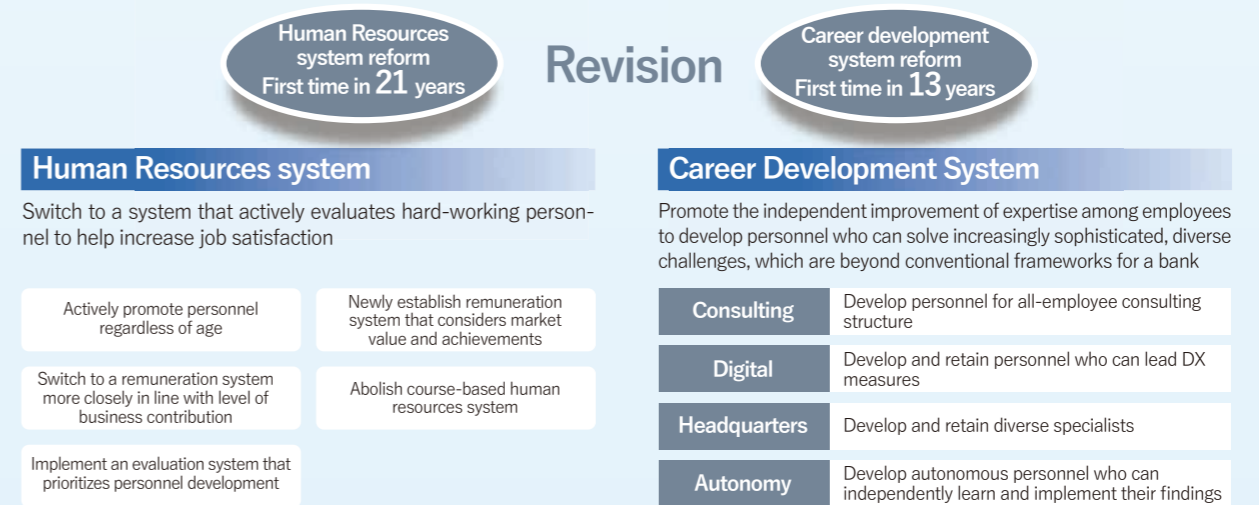
Human Resource Department

Organize learning-based training, supervise dedicated education personnel, and manage overall job acquisition status.

Reskilling investment in the corporate consulting field:

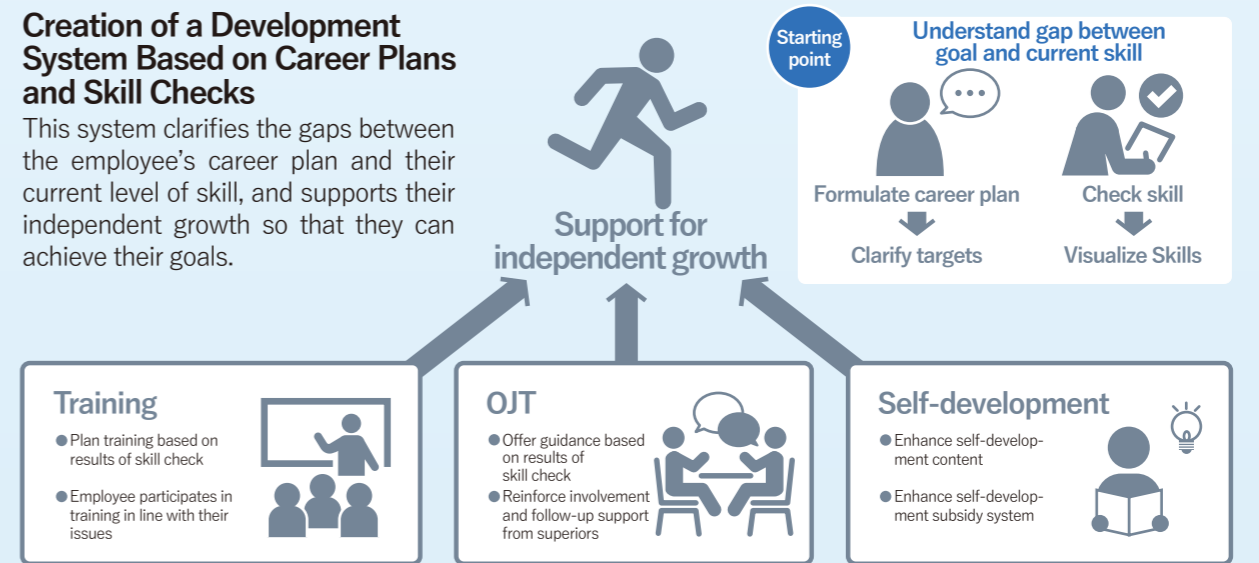
355 million yen

*Dedicated educational personnel (7) during the reskilling period
Personnel expenses 58 million yen, personnel expenses for training subjects 297 million yen



Creation of a Development System Based on Career Plans and Skill Checks

This system clarifies the gaps between the employee's career plan and their current level of skill, and supports their independent growth so that they can achieve their goals.



Kanako Yamamoto
(Tottori Ekinan Branch)

Joined the Bank in April 2015
Teller 1 year
After five years in private sales.
April 2021 Corporate Sales

As a corporate sales training target for one year, I participated in study sessions and other events to learn basic skills such as identifying loan projects, loan counseling, administrative procedures, and rating work. Currently, I am in charge of 44 clients, providing support for business startups, business restructuring subsidy projects, and handling loans with guarantee associations as well as bank loans. In addition, I am also working with the Asset Consulting Department to provide asset-building proposals to employees and major customers by utilizing my knowledge of personal sales, and I am trying to conduct sales activities that integrate the corporations and individuals.

At first, I did not know much about the industries of our business partners, and I could not satisfactorily answer questions from my superiors, which made me keenly aware of my lack of knowledge. Now, I am gradually deepening my understanding while learning from the president of our business partner and my colleagues every day. I have experienced many mistakes and sometimes wish I had done the right thing at the right time, but I feel that I have grown step by step by working on a variety of projects.

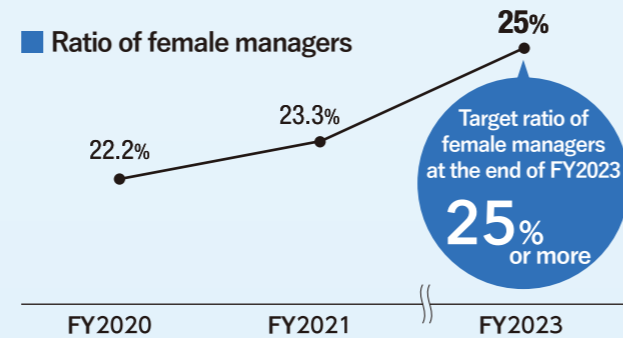
Realization of "Diverse and Flexible Work Styles" ~Diversity and Inclusion~

We strive to create a rewarding workplace by expanding opportunities for employees to play an active role. We strive to create a workplace environment where employees can work comfortably and remain active for a long time by realizing flexible work styles according to their life stages, enhancing work-life balance, and supporting employees' health both physically and mentally.

Expanding opportunities for diverse human resources

Ratio of female managers
23.3%
(as of March 31, 2022)

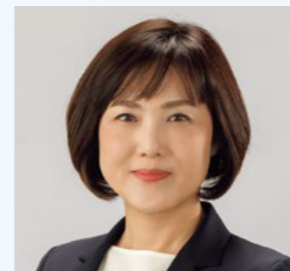
Employment rate of persons with disabilities
2.57%
(as of March 31, 2022)



Toward a Diverse Management Structure ~Appointment of the First Female Executive Officer~

In June 2022, we promoted one of our female employees to the post of Executive Officer for the first time. To create an even more diverse management structure, we are moving forward with the development of female employees suited to management roles.

FY2016	First female Outside Auditor (currently a Director on the Audit and Supervisory Committee)
FY2021	First female Director promoted internally (Director on the Audit and Supervisory Committee)
FY2022	First female Outside Director (Director not on the Audit and Supervisory Committee) First female Executive Officer promoted internally



Executive Officer, Chief,
Yonago Headquarters
Sawako Yoshioka

Fostering a sense of unity among management and employees

We provide opportunities for directors to directly communicate their "management vision" and "thoughts" to employees, and for employees to directly communicate their "opinions" and "ideas" to directors. By strengthening two-way communication and deepening mutual understanding, we enhance the sense of unity of the organization.

Holding meetings to exchange opinions with the president

The meetings to exchange opinions with the president are held regularly online as a forum for dialogue between the president and employees. Employees who participate in these meetings enjoy the opportunity to hear directly from the president about his management philosophy, his thoughts on the medium-term management plan, and his candid thoughts and advice in response to questions from employees. We are striving to create an open workplace through enhanced dialogue with management. (FY2021 results: 9 times, 45 participants)



Efforts to Share Management Philosophy

In addition to taking every opportunity to send out messages to employees and explain the significance of our work and activities to promote understanding of our management philosophy, we also provide an opportunity for a line-wide discussion of our management philosophy on the anniversary of our founding. We are working to strengthen the sense of unity in the organization by encouraging each employee to interpret the management philosophy as his or her own and to put into practice in their daily work.



Active mid-career recruitment

We are actively recruiting mid-career workers by expanding recruitment channels such as the referral recruitment system.

Number of mid-career hires

13
(FY2021)



Hitoshi Taniguchi

2002 Joined a city bank (Tokyo)
2011 Civil servant (Tottori Prefecture)
2017 Joined San-in Godo Bank
(Corporate Sales Dept. to Tottori Sales Dept.)

During my previous career as a civil servant, I was involved in business support activities in the prefecture with members of commerce and industry associations and experts. Although I once left the financial industry, I was able to get involved in business support activities again as a government employee, and I realized once again, "It is very rewarding to help companies solve their problems!" It was at this time that I decided to spend a second time as a banker by a fortunate chance. After joining San-in Godo Bank, I was first assigned to the Corporate Sales Department, where I was involved in structuring advanced finance projects, and I am currently engaged in corporate sales in the Tottori Sales Department. Through repeated dialogues with corporate clients, I am engaged in activities to gain a firm grasp of the concerns of managers and corporate issues, and to propose various solutions to resolve them. I feel that our sales branches and headquarters work together to practice "dialogue" with our business partners in a variety of fields, which is why our clients choose us as a reliable advisory partner.



Atsushi Naito

1993 Joined San-in Godo Bank
2007 Joined a private company
(Tottori Prefecture)
2021 Joined San-in Godo Bank
(Corporate Sales Department)

I joined San-in Godo Bank again because the bank was planning to expand its consulting business, mainly in the Corporate Sales Department, when I was thinking of doing a job that would help energize San-in companies as much as possible by utilizing my experience in corporate sales and loan operations at the bank and my experience in company management at my previous job. Currently, I work as a resident consultant at a client company. At holding companies, I work with them to resolve management issues and formulate growth strategies for the entire group companies, and help them implement these strategies. Fortunately, I have experienced both "the company as seen from the bank" and "the company as seen from inside the company," so I hope I can be of some help to the bank-like corporate consultants. I would like to continue my work to energize companies in the San-in region.



Kenichi Kushida

2011 Joined IT vendor
2018 Joined San-in Godo Bank
(IT Management Department)

After graduating from university, I worked for an IT vendor and was in charge of development and maintenance of infrastructure systems for city banks, regional banks, and non-life insurance companies, which required constant stability. I joined San-in Godo Bank after attending a job change event to put my experience in charge of systems at a financial institution to good use. Currently, I am responsible for the overall cybersecurity measures of the Bank in the IT Management Department. As the number of non-personal services is increasing, the importance of cyber security measures is also increasing. In order to protect our customers' valuable assets and information, I am promoting security training for our employees and security measures for our information systems.

PICK UP
Gogin Challenged

Study tours accepted

62

(Cumulative total from the opening in FY 2007 to FY 2021)

Assisting in the independence and social participation of people with disabilities supports the region

The Bank operates business sites specializing in the employment of people with disabilities. They are active in a wide range of activities, including the creation of economic value through the use of paintings and the provision of administrative support and operational efficiency through the use of IT skills, making the most of their respective abilities.

The Gogin Challenged initiative is not a charity, but a model case for employment of people with disabilities, whereby the bank continuously employs people with disabilities to help them become financially independent. To encourage the entire community to support the employment of people with disabilities and support their self-support, we are creating a model in the region for employment of people with disabilities by disclosing our operational know-how, accepting inspection visits, actively disseminating information, and collaborating with the community.

As this first regional bank initiative spreads throughout the region, companies that support the program are now nationwide, and the Bank's efforts and employment model for people with disabilities are spreading throughout the country.



Gogin Challenged Matsue Opened in September 2007

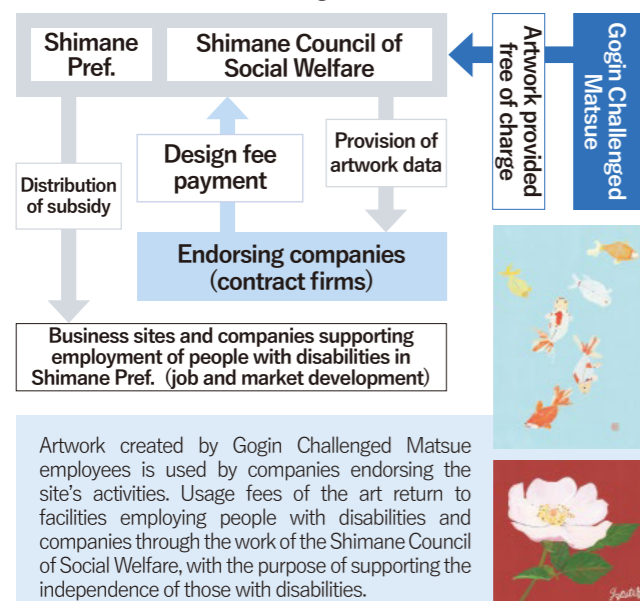
People with intellectual disabilities are professionally employed to create paintings, produce novelties using paintings, and perform clerical work.



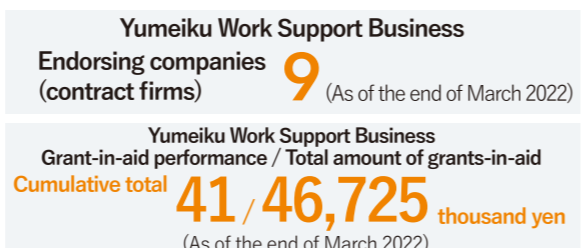
We produce novelties to be handed out to customers.

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.



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.



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

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, an employment office for people with disabilities

Number of staff with disabilities at Gogin Challenged

Matsue 17 / Tottori 14

Participation in The Valuable 500 — A Global Initiative Promoting the Employment of Individuals with Disabilities

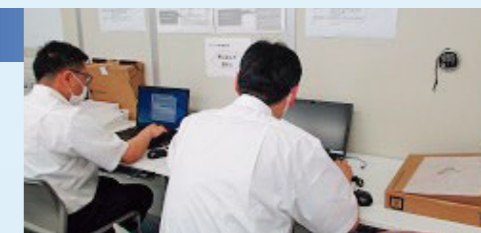
Recognizing that inclusive businesses can create inclusive societies, this initiative supports action by companies across the world to enable people with disabilities to showcase their potential value in business, society, and the economy.



The initiative seeks endorsement from 500 companies worldwide, and more than 50 companies from Japan have participated.

Gogin Challenged Tottori opened in September 2017

People with mental and developmental disabilities are mainly employed and are responsible for a wide range of banking tasks, including document maintenance and tasks that make full use of IT skills such as data entry.



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

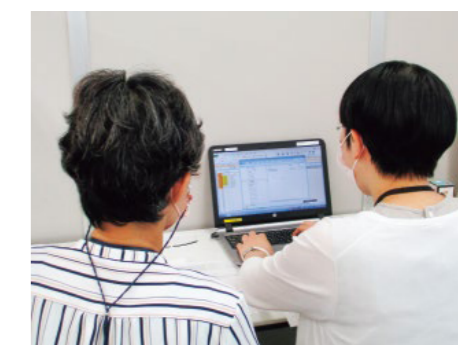
Collaboration with Tottori Prefecture and the Tottori Prefectural Board of Education in Support for social participation of people with disabilities

Under the comprehensive collaborative agreements related to support for social participation of people with disabilities that were concluded with 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.

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



Acceptance of Internships

Internship accepted

43

Training programs provided

3

Employment rate of persons with disabilities

10

(Cumulative total from the opening of Challenged Tottori in FY2017 to FY2021)

Corporate Governance



Basic Policies Regarding Corporate Governance

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

<https://www.gogin.co.jp/about/corporation/governance/>



Company information session for institutional investors, analysts, etc.

Large meetings (held twice a year)

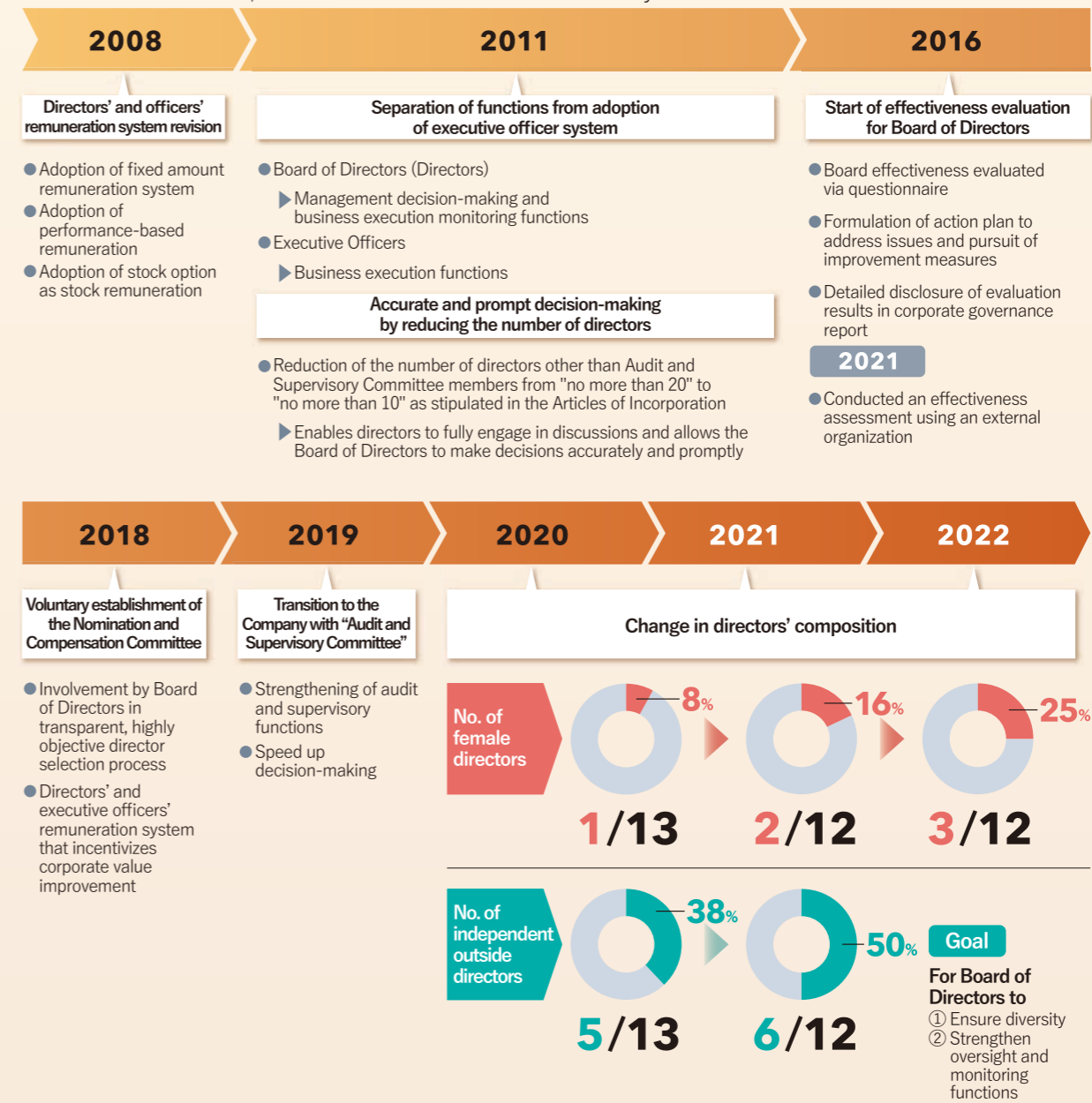
Three outside directors participated in the Large Meeting held in May 2022. The meeting was very well received by those in attendance as it provided a glimpse into the lively discussions at the Board of Directors meeting. We intend to continue the participation of outside directors in the future.



Large meeting held on May 31, 2022.

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.



Study Session with Outside Directors

- A study session on information disclosure was held for headquarters personnel by Director Goto, a former Nikkei Inc. (April 2022)
- A market study session was held for headquarters personnel by Director Kuratsu, who is well versed in the market field, to study securities management. (July 2022)



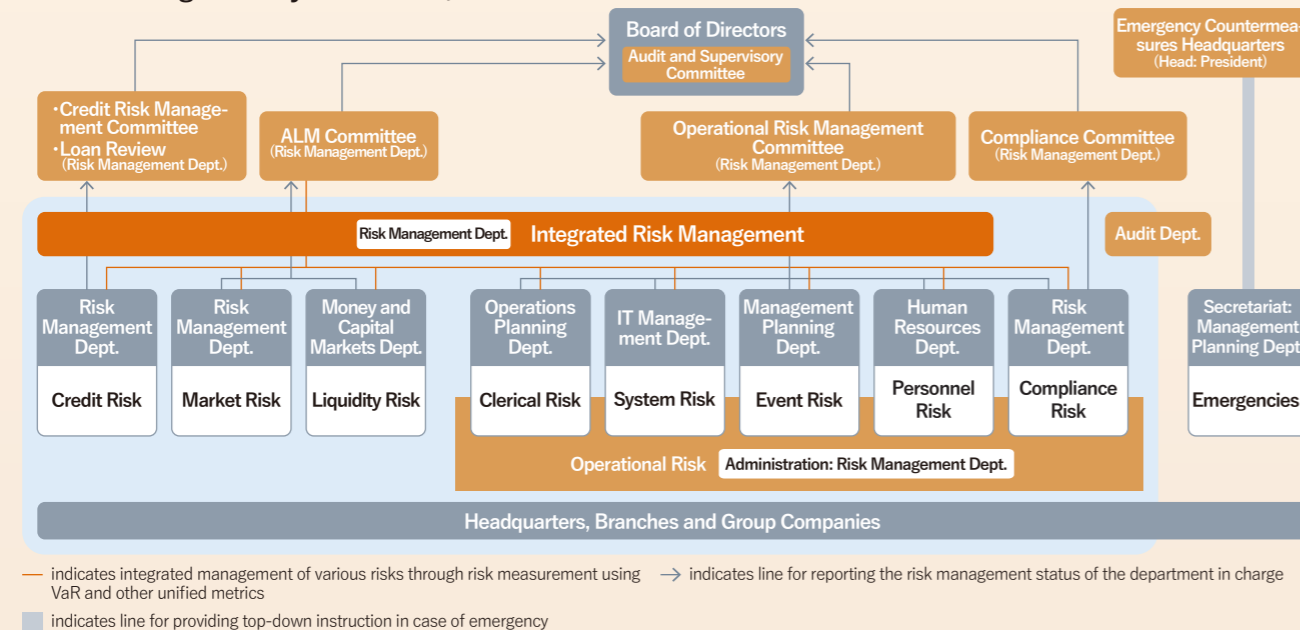
Study Session by Director Kuratsu

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, 2022)

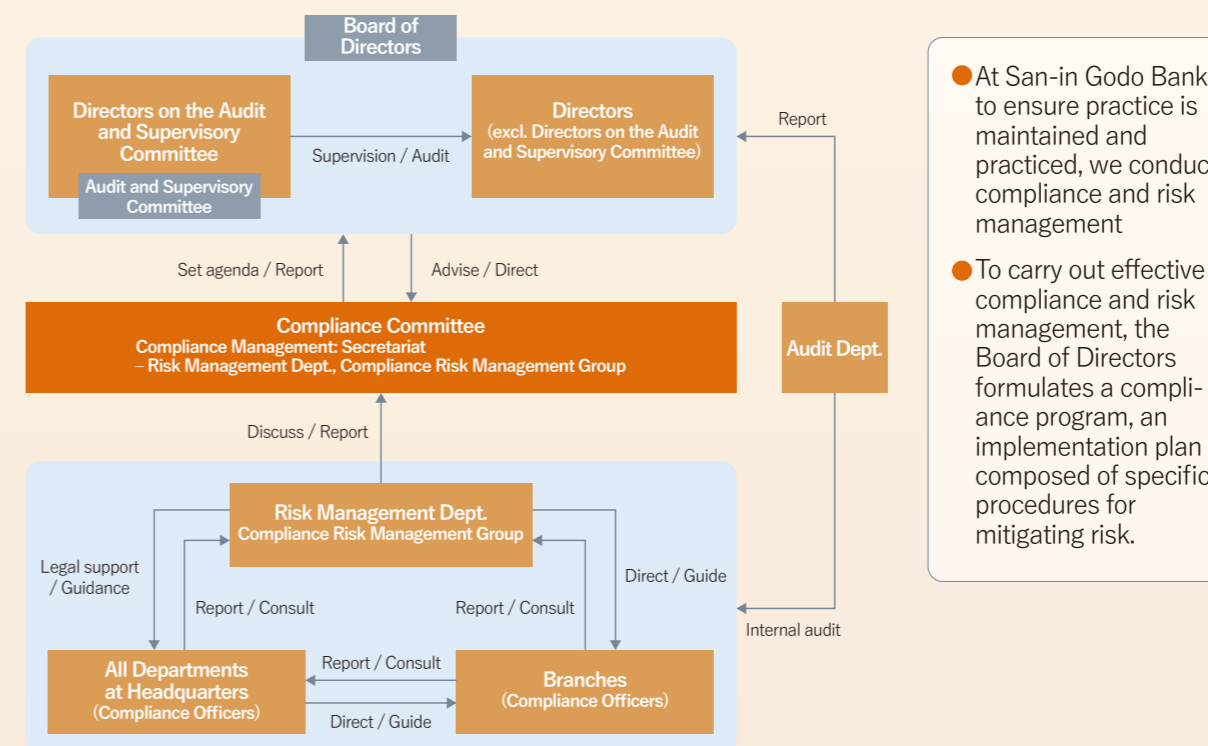


Basic Approach Regarding Compliance

At San-in Godo Bank, we are taking aggressive steps to strengthen the compliance system for fostering a corporate culture in respect of compliance.

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

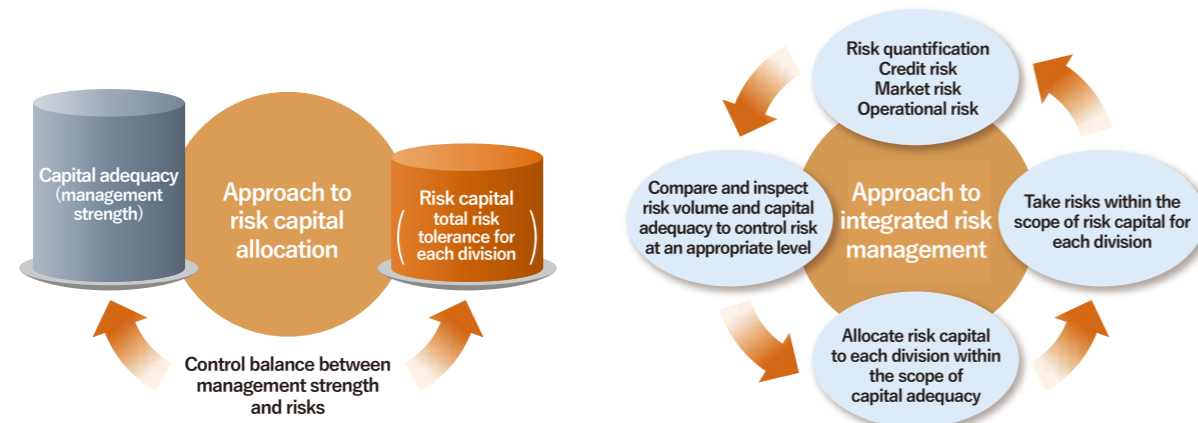
Compliance Structure (as of July 1, 2022)



- At San-in Godo Bank, to ensure practice is maintained and practiced, we conduct compliance and risk management
- To carry out effective compliance and risk management, the Board of Directors formulates a compliance program, an implementation plan composed of specific procedures for mitigating risk.

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 working 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.



Group Compliance and Risk Management

The Gogin Group has established the San-in Godo Bank Group Basic Compliance Policy to ensure compliance in accordance with the Basic Policy on Internal Control Systems. By establishing the Group's basic approach to compliance and a risk management framework, including the recognition and practice of compliance as the top priority in all aspects of business execution, the policy clarifies the Gogin Group's position on compliance and its management framework.

Basic Compliance Policy <https://www.gogin.co.jp/about/policy/compliance/>



Better Compliance Management through Proper Internal Whistleblower System Operation

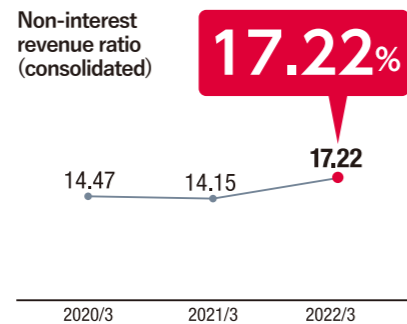
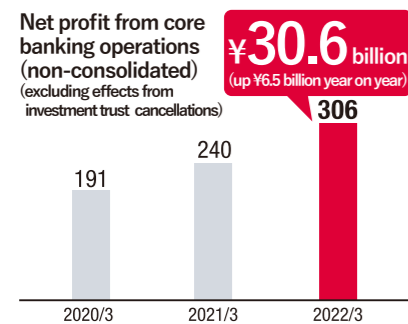
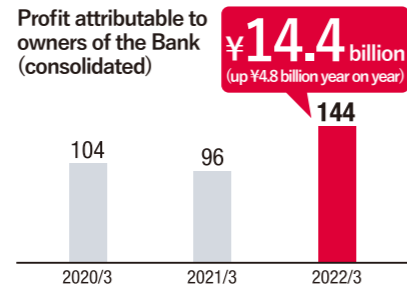
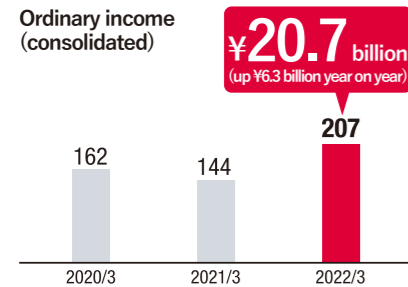
To reinforce compliance management, San-in Godo Bank has installed both internal and external whistleblower systems. These systems allow employees to directly seek advice or report legal violations and other compliance-related problems, making rapid discovery and correction of such issues possible.

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.

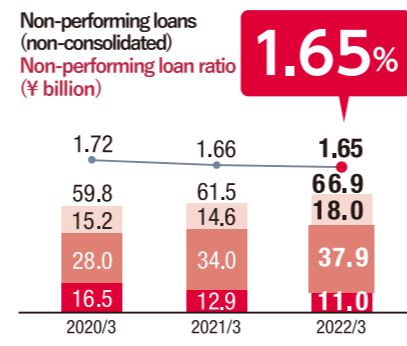
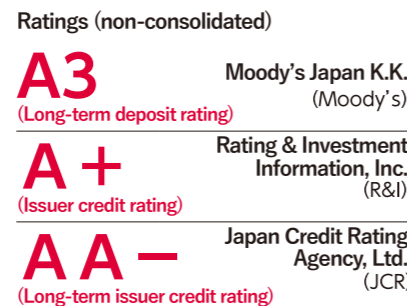
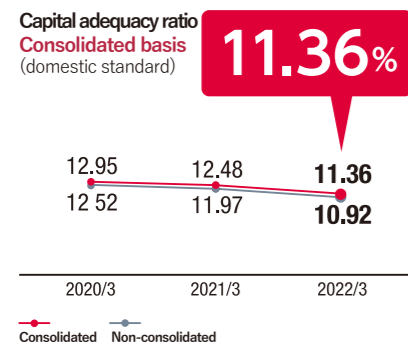
Financial Highlights

Profitability



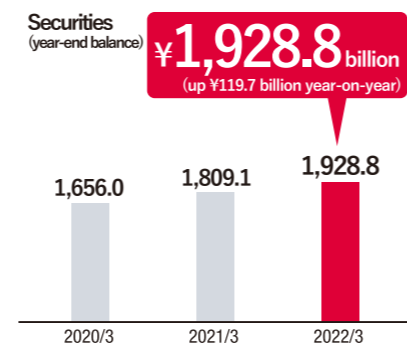
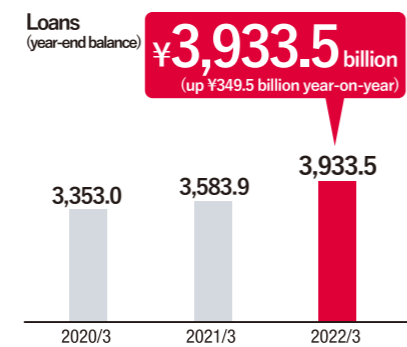
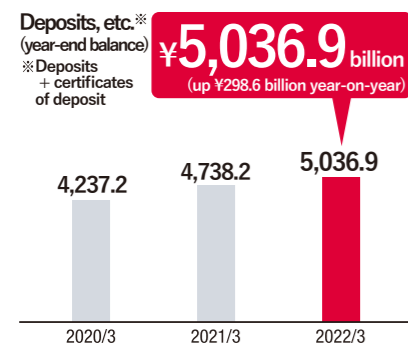
※ (Profit from service transactions + Other operations income (excl. bond-related income)) / Consolidated gross core banking profit

Safety and Soundness



※ Loans disclosed pursuant to the Financial Reconstruction Act

Main Accounts (non-consolidated)



Corporate Data

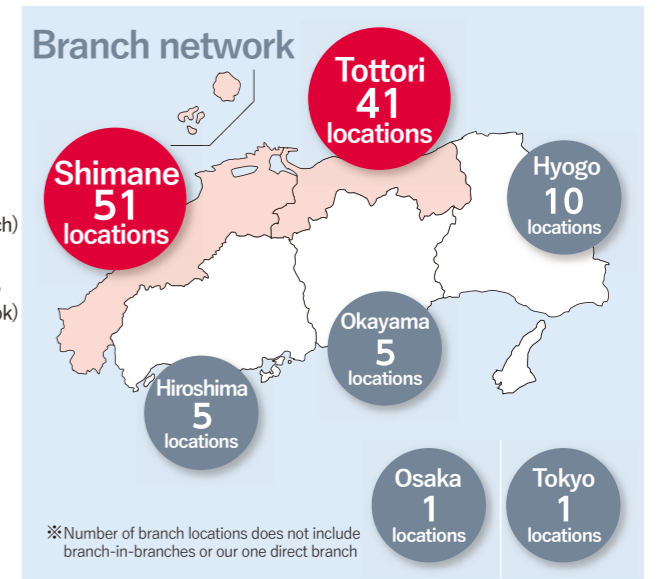
San-in Godo Bank Overview (non-consolidated) (As of March 31, 2022)

Data of establishment: July 1, 1941
 Head office: 10, Uomachi, Matsue, Shimane 690-0062, Japan
 Common stock: ¥20.7 billion
 Number of employees: 1,961
 Number of locations: Number of offices: Domestic branches (incl. Head office): 68; Sub-branches: 46 (excl. 34 branch-in-branch locations and 1 direct branch); Representative offices in Japan: 1 (Tokyo); Overseas representative offices: 3 (Dalian, Shanghai, Bangkok)

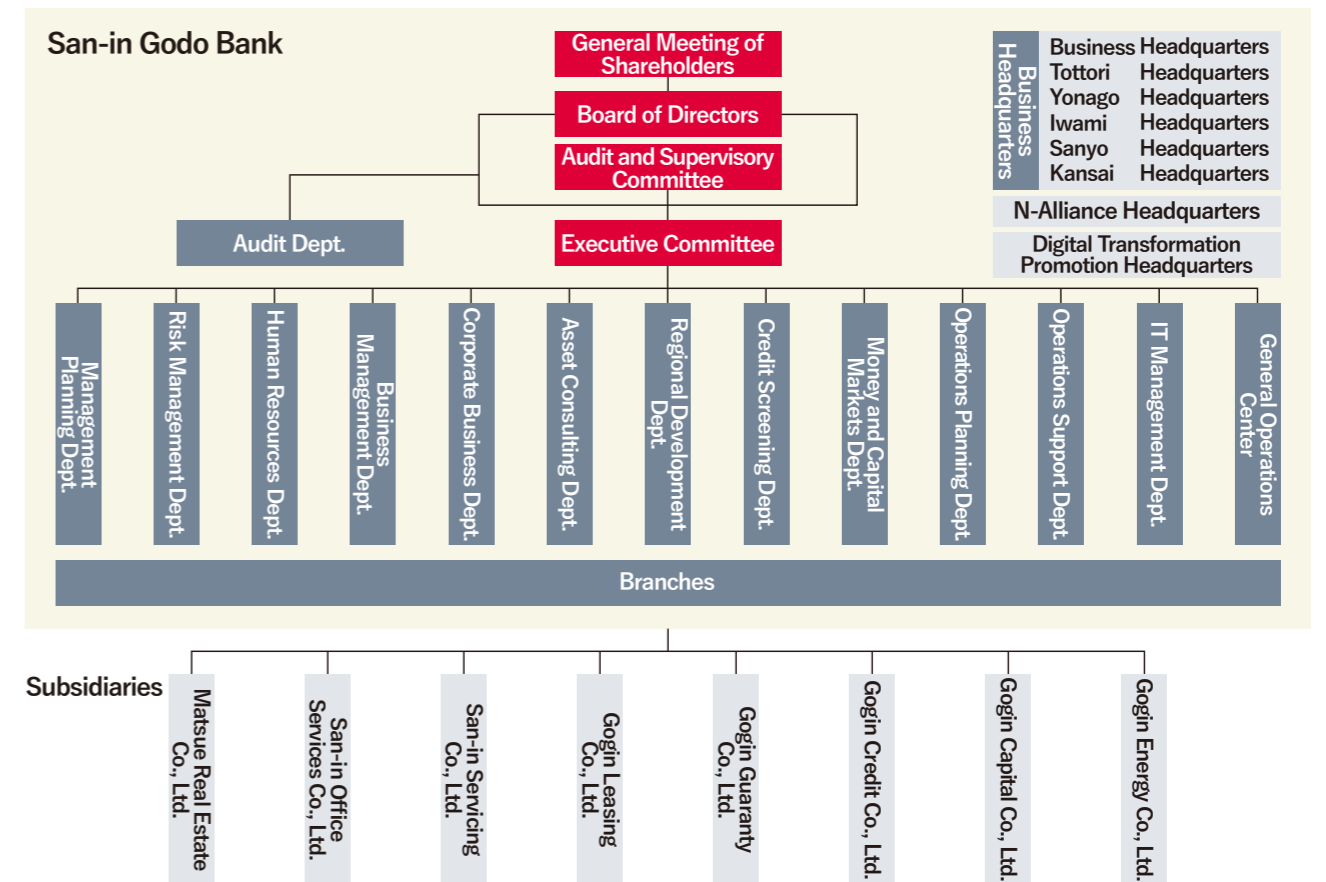
Major accounts: Total assets ¥6,752.8 billion; Deposits, etc. (Deposits + NCD) ¥5,036.9 billion; Loans ¥3,933.5 billion; Securities ¥1,928.8 billion

Capital adequacy ratio: 10.92%

Ratings: A3 (Moody's Japan K.K.); A+ (Rating & Investment Information, Inc.); AA- (Japan Credit Rating Agency, Ltd.)



Gogin Group Organizational Structure (As of July 1, 2022)



Responding to Climate Change

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



Governance

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

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

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

Strategy

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

Opportunity

Sustainable Finance Consulting Initiatives

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

Entering the renewable energy power generation business

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

Risk

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

Physical risk

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

[Examples of physical risks]

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

Transition risk

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

[Examples of transition risk]

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

Scenario analysis

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

Physical Risk

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

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

Transition risk

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

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

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

Risk Management

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

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

Indicators and Targets

Reduction of greenhouse gas emissions

Indicators: Greenhouse gas emissions

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

Net zero for Scope 1 and 2 by FY2030

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

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

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

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

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

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

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

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

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

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

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

Sustainable finance

Indicators: Amount of sustainable finance invested

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

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

[Sustainable Finance Goals and Achievements]

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

[Definition of Sustainable Finance]

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

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

Status of Carbon-related assets (Loan balance)

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

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

※ Loans to renewable energy projects are excluded.

Initiatives to Reduce Environmental Impact

Initiatives to save energy and electricity

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

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



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

Setting recommended cooling and heating temperatures in-house, we are careful not to make excessive adjustments. We encourage “Cool Biz & Warm Biz” and have introduced business casual attire at the branches and office casual attire at the headquarters so that employees can spend their time comfortably under appropriate room temperatures. At each branch, we are considering and implementing energy-saving and power-saving measures that each and every employee can take.

Commitment to energy creation

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

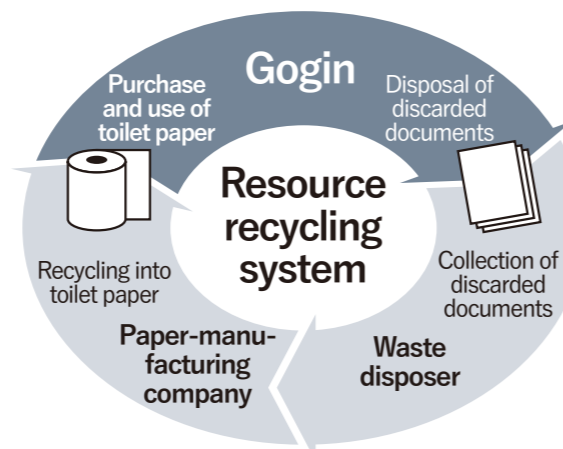
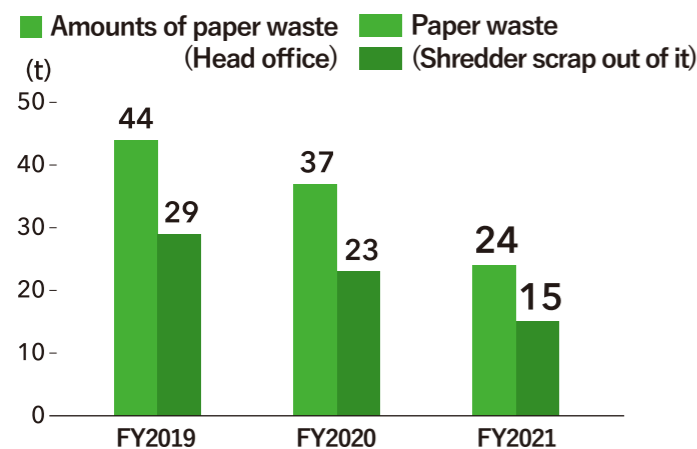
Toward realizing zero or low carbon, consideration is also underway to proactively adopt this equipment at branches, etc., that will be newly constructed or renovated in the future.

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

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

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



Policy regarding purchasing activities

Basic Concept

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

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

Environmental Protection Activities in Collaboration with the Region

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

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

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

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



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

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



Initiatives to conserve the water quality of Lake Shinji

Reed-cutting volunteer activities (2013~)

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

We use name cards made of reed paper.



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

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



Declaration of Biodiversity by Keidanren

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

Contribution to Sustainability as a Financial Institution

Sustainable finance

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

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

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

Sustainability Goals	Percentage of ZEH
Targets	80%

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

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

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

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

■ Use of Proceeds

Purchase of solar power plants

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

Eco-friendly products

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

Preferential interest rates for housing loans

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

Gogin SDGs Private Placement Bonds

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

Initiatives for Regional Contribution through Time Deposit Campaigns

■ Cheering on the region

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

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

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

■ Environmental conservation

~ Protecting the irreplaceable nature of the region ~

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

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

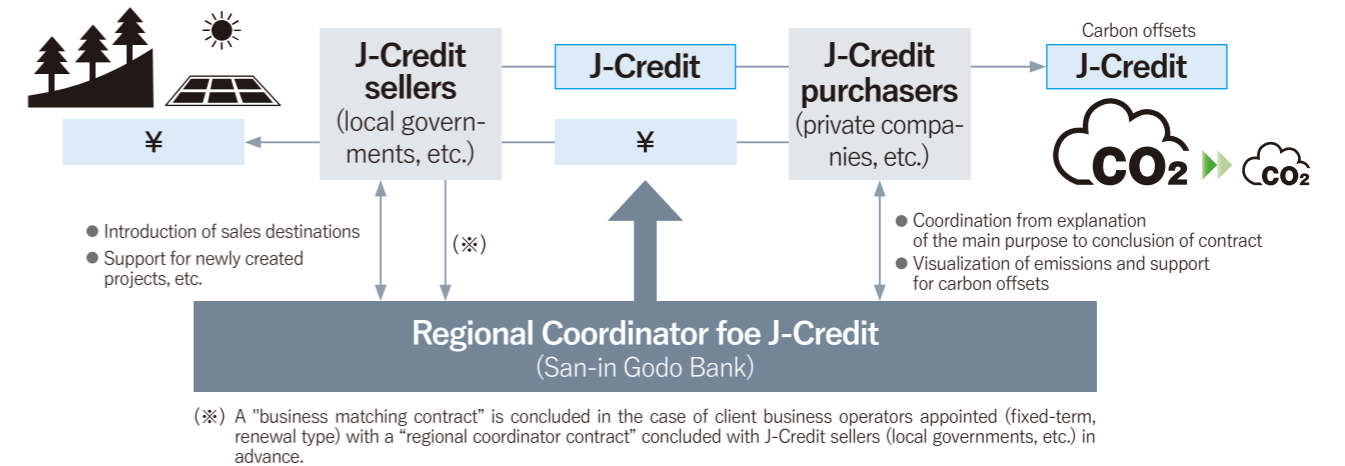
Amount donated **782,719 yen**

Support for clients' initiatives to reduce CO₂ emissions

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

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

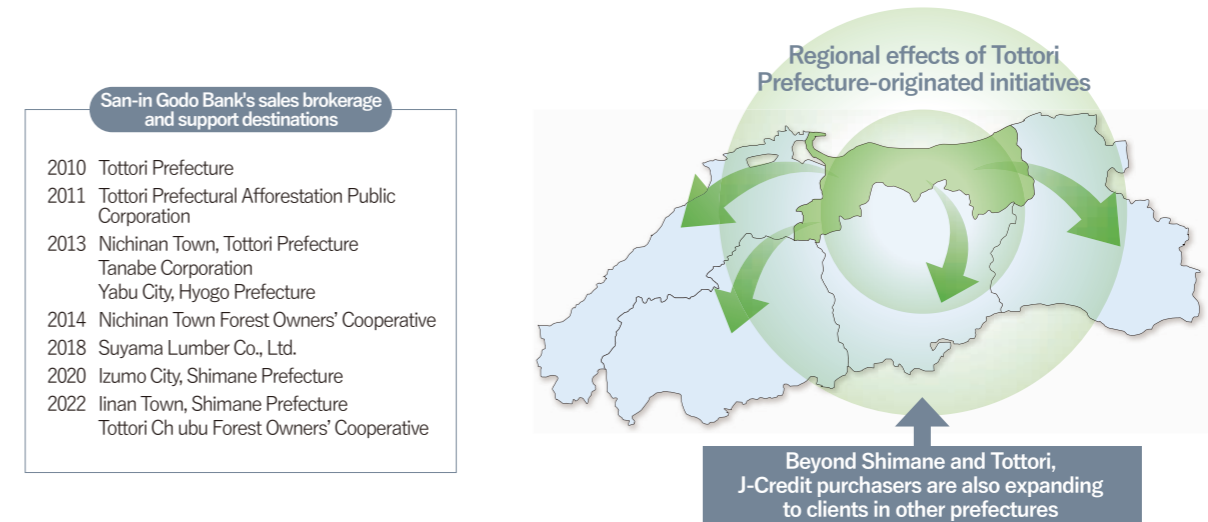
Investments in new carbon dioxide sinks and reduction projects



Sales brokerage and support

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

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



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

Extensive Support for the Region through Relationship Banking Activities

Regional revitalization and local regrowth

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

Support for sustainable town development

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

Conclusion of PPP agreements with MLIT

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

PPP (Public-Private-Partnership)

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

Origination of financing for PPP/PFI businesses

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

PFI (Private-Finance-Initiative)

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

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

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

Image courtesy of Azusa Sekkei Co., Ltd.



Initiatives toward solving regional issues

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

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

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

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

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

【Contracting municipality】

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

Initiatives for solving social issues

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

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

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

In September 2022, we held the first "PFS/SIB Promotion Seminar" in San-in region, jointly with Shimane Prefecture, to promote understanding among local government officials and other concerned parties and to build momentum for project formation. At the event, Results-Based Business Promotion Office of Cabinet Office provided an overview of the program and local governments in Shimane Prefecture gave presentations on their initiatives. We also took the stage to speak on "The Role of Regional Financial Institutions in PFS/SIBs" and provided information on its support menu.



Support for founding and new business development

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

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

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

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

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

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

The "Matsue-style Workcation Program," defined as "work" and "communication", is being promoted by a consortium established through industry-academia-government collaboration. The establishment of Workat Inc. as the consortium's secretariat was supported by the SAN-IN Innovation Program, which helped create and realize the business concept.

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

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

Deeper relationships with local governments

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

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

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

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

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

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

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

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

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



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

Resolving issues of our business partners through business support activities

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

Approach to the problem of human resource shortages

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

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

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

Securing human resources with advances skills ~Recruitment consultancy service~

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

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

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

(Management issues)

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

(Contracted personnel)

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

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

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

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

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

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

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

Examples of Initiatives Invoice System & Electronic Bookkeeping Law Seminar

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

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

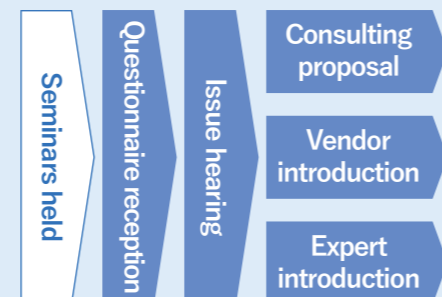
Personnel consulting menu

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

Service Menu

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

Flow after Invoice Seminar



Gogin Mirai Academy (Workshop for next generation managers)

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



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

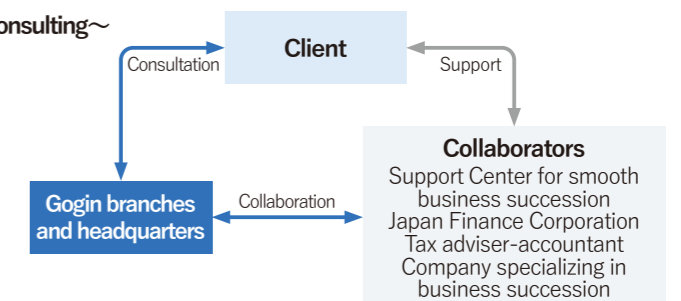
Initiatives for corporate sustainability

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

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

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

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



Examples of Initiatives Initiatives for investees by Gogin business succession funds

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

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

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

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

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

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

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

Initiatives to support growth

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

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

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

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

Provision of Stable Financial Infrastructure to All Customers

Response to digital society

Use of tablets for in-branch acceptance of application

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



Promotion of cashless payments

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

Promoting Cashless Municipalities

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

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

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



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

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

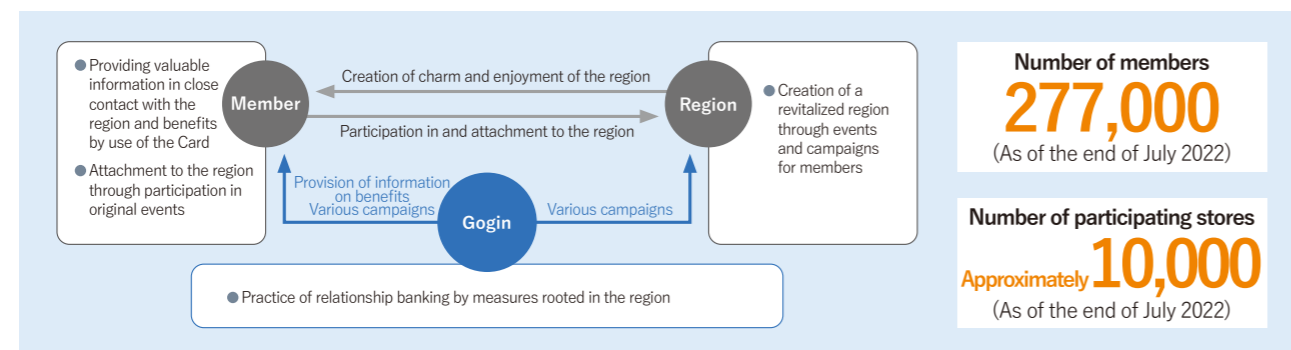


Regional revitalization through the utilization of the regional card

Gogin Duo Card

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

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



Duo Kore

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

Support for asset formation in an aging society

Thinking about asset formation and asset life

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

Thinking about asset management and asset succession

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

Initiatives ensuring customer-oriented business conduct

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

Consulting implementation

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

Appropriate sales procedures

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

Policy for Customer-Oriented Business Conduct

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

Sales of structured bonds

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

Percentage of structured bonds to total assets under custody

0.8%

(As of the end of March 2022)

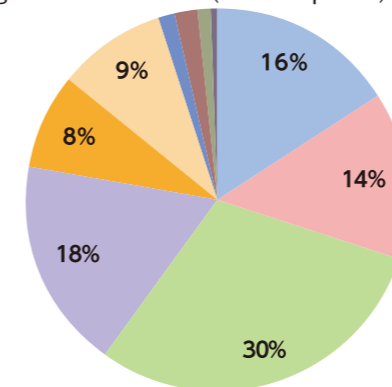
※ Assets under custody cover financial instruments including insurance (excluding deposits).

Implementation of customer questionnaires

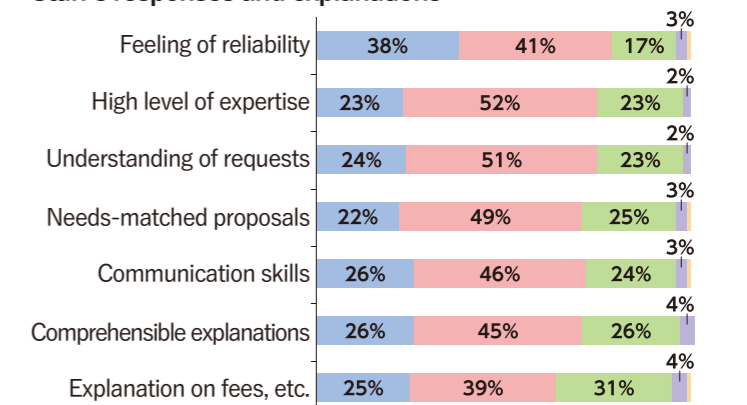
Through the implementation of questionnaires with customers under contract of asset management products, we will confirm if our "initiatives ensuring customer-oriented business conduct" meet customer expectations, and also strive for further quality improvements of products and services.

Customer Questionnaires Results

Degree of satisfaction (Max. 10 points)



Staff's responses and explanations



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

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

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

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

Gogin guardianship support savings

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

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

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

Helping to bequeath precious assets to loved ones

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

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

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

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

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

Responses to elderly customers to protect their precious assets

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

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

ATM transaction limits

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

Collaboration with the region and related agencies, etc.

Participation in regional networks

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

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

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

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

Enrolled in the Japan Financial Gerontology Institute (2021)

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

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

Universal Initiatives

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

Improvements in branches

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

Universal service

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

Registered dementia supporters

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



Communication board in Bank branches

Education and training for bank staff

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

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



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

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

Main Activities

Provision of "internships" and "training programs"

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

Building of corporate initiative models based on the Ai Support Ordinance

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

Promotion of parasports

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

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

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

Initiatives for Promoting Awareness of the SDGs

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

Dissemination to the region

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

Participating Organizations

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

Workshop

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

Student Internships (September 2022)

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



Tottori SDGs Ambassador

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

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



Seminars on SDGs, etc., held

144 times

(FY2018 to the end of September 2022)

Support for SDGs project in local newspaper (August 2022)

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

Lecture at Tottori Consumers University (June 2022)

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



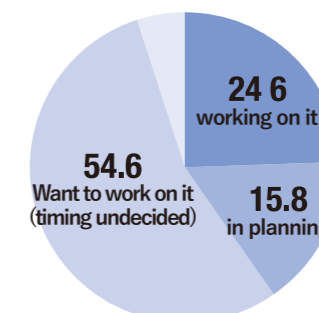
Support for clients' SDGs Initiatives

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

Holding of seminars on SDGs for clients

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

Status of SDGs Initiatives (%)



(From SDGs seminar survey)

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

Local company presentations on how to respond to a decarbonized society

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



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

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

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

116

(As of March 31, 2022)

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

Total 4,017

Support for Active Careers for Diverse Human Resources

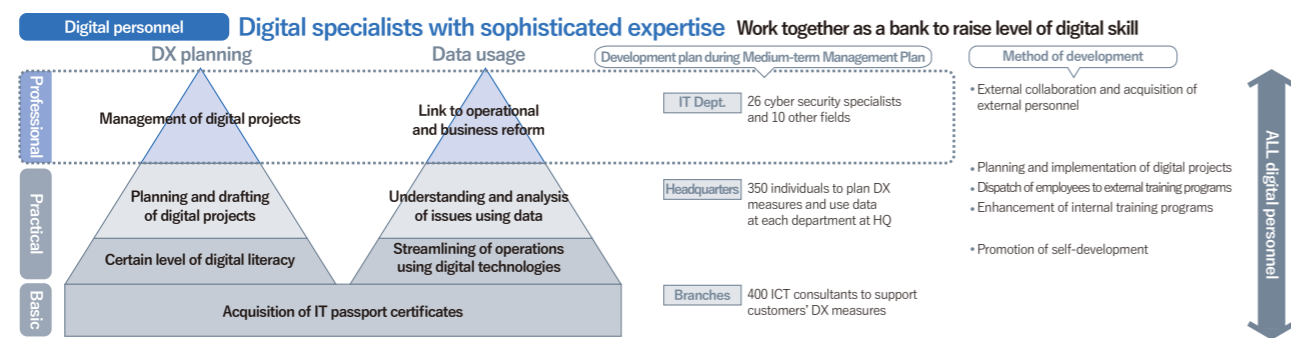
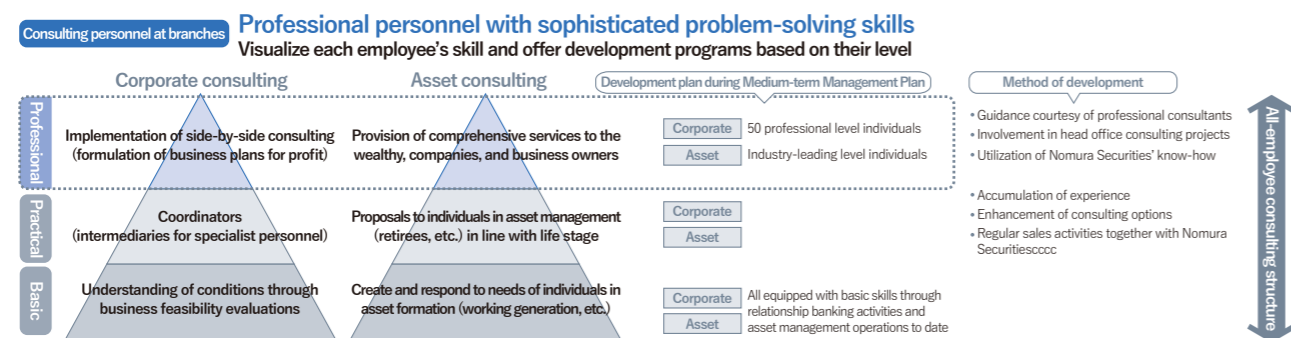
In order to continue to support the region even under a severe environment, we strive to train personnel who can act to solve regional issues and to create an organization in which diverse human resources can maximize their abilities.

Personnel development Pursuing expertise

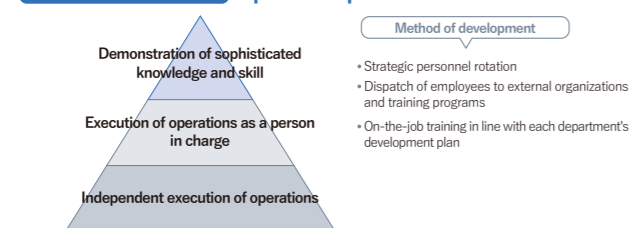
We are working to develop professional human personnel with advanced knowledge, skills, and mindsets in every fields.

Level-based development curriculum

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



Specialist at HQ Specialist personnel who can lead each department



Outside training

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

Number of participants in outside training
32
(FY2021)

MBA

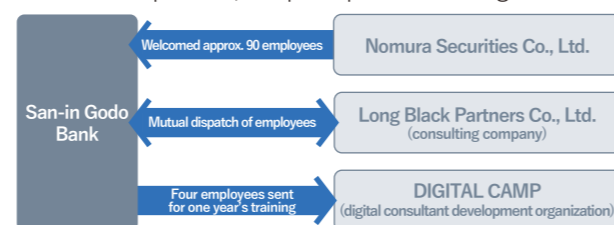
The Bank is developing human resources with diverse and specialized knowledge through study abroad programs at U.S. graduate schools (MBA courses).

Enhancement of training aimed at improving expertise

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

Development through interaction with diverse specialist personnel

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



Motivating employees to take on new challenges

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



Enhancement of career support system

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

Enhancement of opportunities for independent learning

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

Fair employee evaluation

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

Initiatives to respect human rights

Human-rights policies (Formulated in May 2020)

- (1) Respect for international norms
- (2) Elimination of discrimination
- (3) Cultivation of corporate culture that respects human rights
- (4) Establishment of comfortable work environments
- (5) Implementation of fair recruitment
- (6) Implementation of human rights training

Human rights awareness framework

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

Provision of ethics training

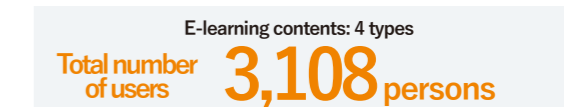
The Bank provides ethics training on a continuous basis by hierarchical level from new bank employees to management level employees to deepen their understanding of respect for human rights and harassment.

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

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

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

Career training for all permanent employees



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

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

Increasing opportunities for diverse personnel to play active roles

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

Promoting female's participation in the workplace

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

Wage differentials between male and female (FY2021)

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

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

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

Enhancement of work-life balance

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

Support for child rearing, nursing care, and work

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

Childcare leave system / Nursing care leave system

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

Smile Mama Meeting (Return to work support)

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

Postpartum Papa maternity leave, split acquisition

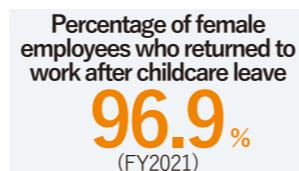
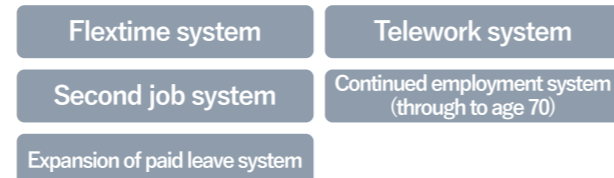
In line with the October 1, 2022 revision of the Child Care and Family Care Leave Law, we will introduce the "Childcare Leave at Birth System (commonly known as "Postpartum Papa Maternity Leave")" and "Split Childcare Leave System". With the introduction of this system, we will "encourage male employees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



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

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

【Introduction of various systems in FY2021】



Eruboshi and Platinum Kurumin certification

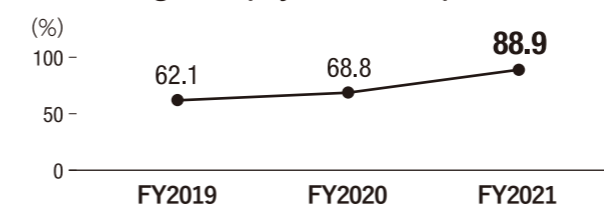
San-in Godo Bank obtained "Eruboshi certification" based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace, and "Platinum Kurumin certification" based on the Act on Advancement of Measures to Support Raising Next-Generation Children in December 2016, and in December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



Workstyle reform

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

Percentage of employees who took paid leave



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

Initiatives for health management

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

Certified "White 500" For four consecutive years

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

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



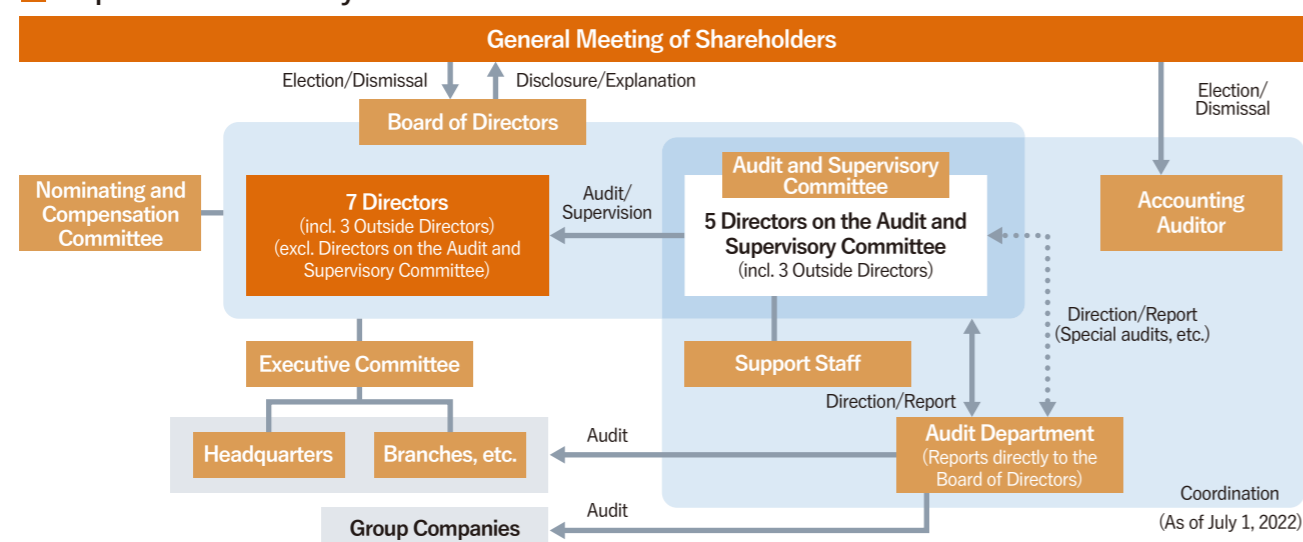
Health Management Declaration

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

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

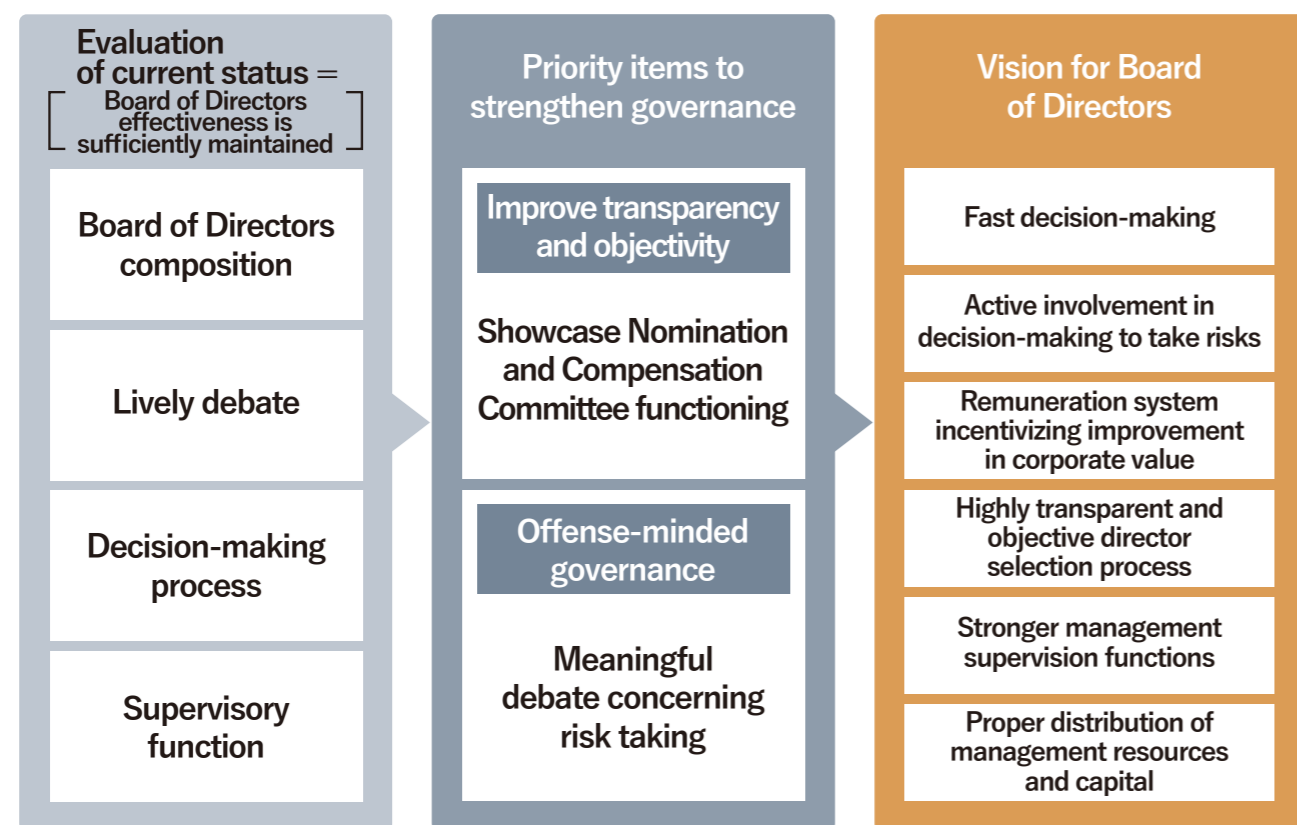
Corporate Governance

Corporate Governance System



Strengthen Corporate Governance Structure

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



Discussions by the Board of Directors

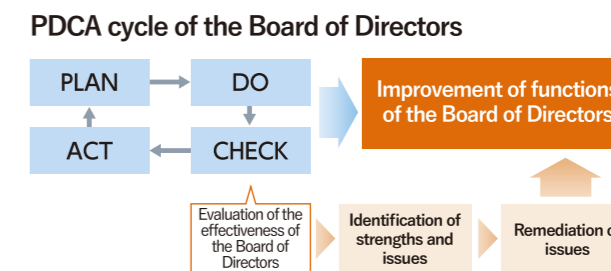
The Board of Directors consists of 12 directors with deep insight into San-in Godo Bank's business operations and a high level of expertise in international business, finance and accounting, legal affairs, and other areas, who engage in lively discussions aimed at enhancing our corporate value. Three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

Skills matrix for directors

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

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

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



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

Information Provision to Outside Directors

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

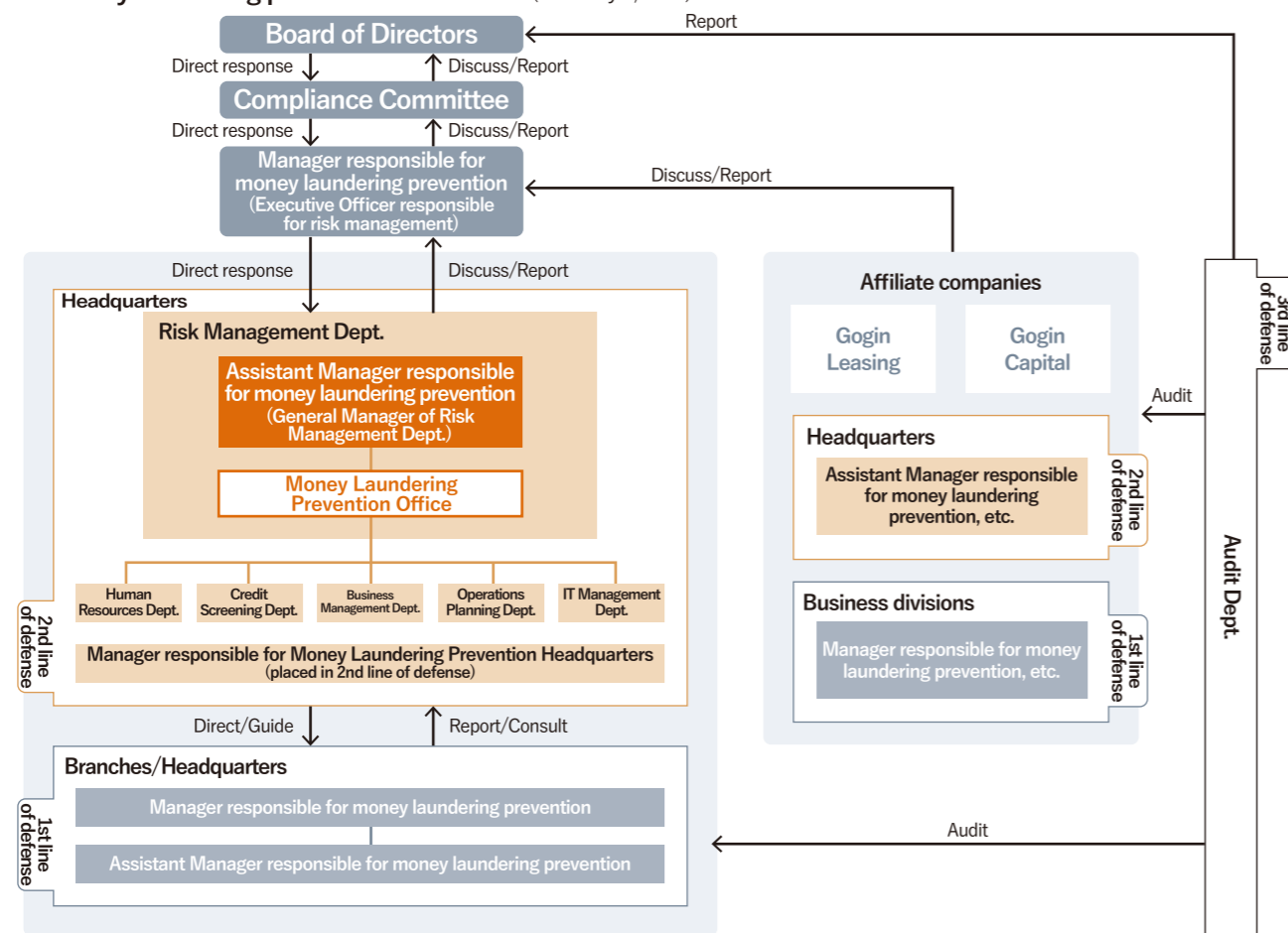
- Reporting of operations by executive officers in charge of the Bank areas, central branch managers, and managers of department concerned
- Reporting of operations by representatives for companies related to the Bank
- Legal and compliance training for directors
- Study sessions for newly appointed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

Risk Management

Initiatives to Prevent Money Laundering

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

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



Initiatives to Safeguard Clients

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



Response to Cybersecurity

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

Cybersecurity management system

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

Main initiatives

Adapting to new lifestyles

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

Response to financial crime

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

Response to Emergency Situations

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

Crisis response according to crisis level

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

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

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

Participation in Initiatives

TCFD (Task Force on Climate-related Financial Disclosures)

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

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



PCAF (Partnership for Carbon Accounting Financials)

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



The Valuable 500

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



Principles for Financial Action for the 21st Century

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



Initiative based on the Declaration of Biodiversity by Keidanren

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



External Evaluation

SOMPO Sustainability Index

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



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

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

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



Platinum Kurumin Certification

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

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



Eruboshi Certification

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



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

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



ESG Data

Data related to the environmental field

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

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

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

Data related to the social field

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

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

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

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

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

Health and safety

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

Labor practice

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

Relationship banking activities

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

Social contribution activities

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

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

Data related to governance

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

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