

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.

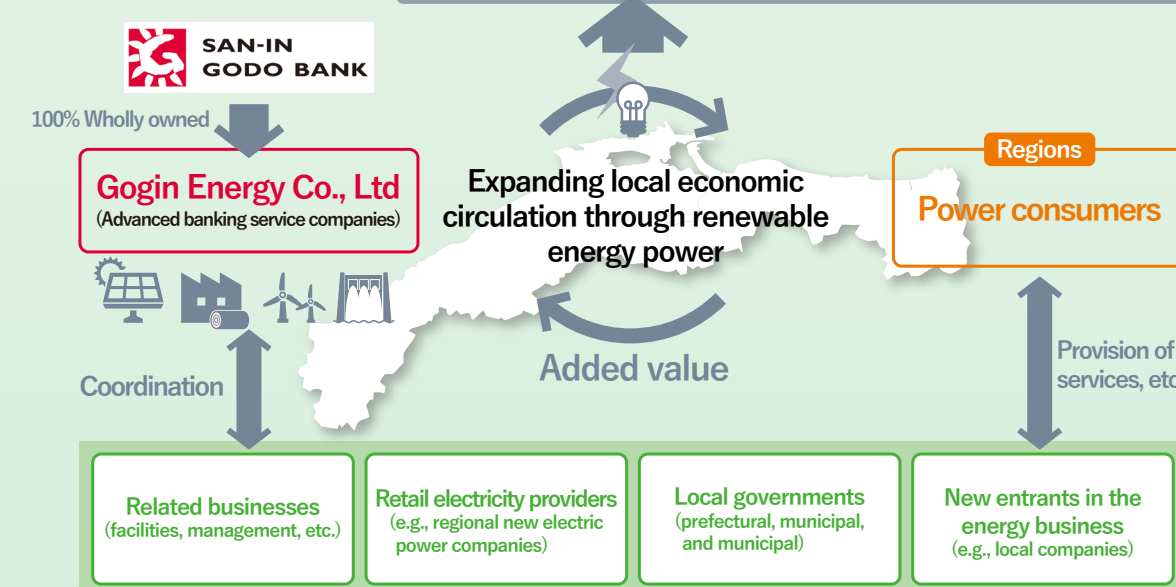


Entry into renewable energy power generation business First in a regional bank

PICK UP

Establishment of Gogin Energy Co., Ltd.

Business Image of Gogin Energy Co., Ltd



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.

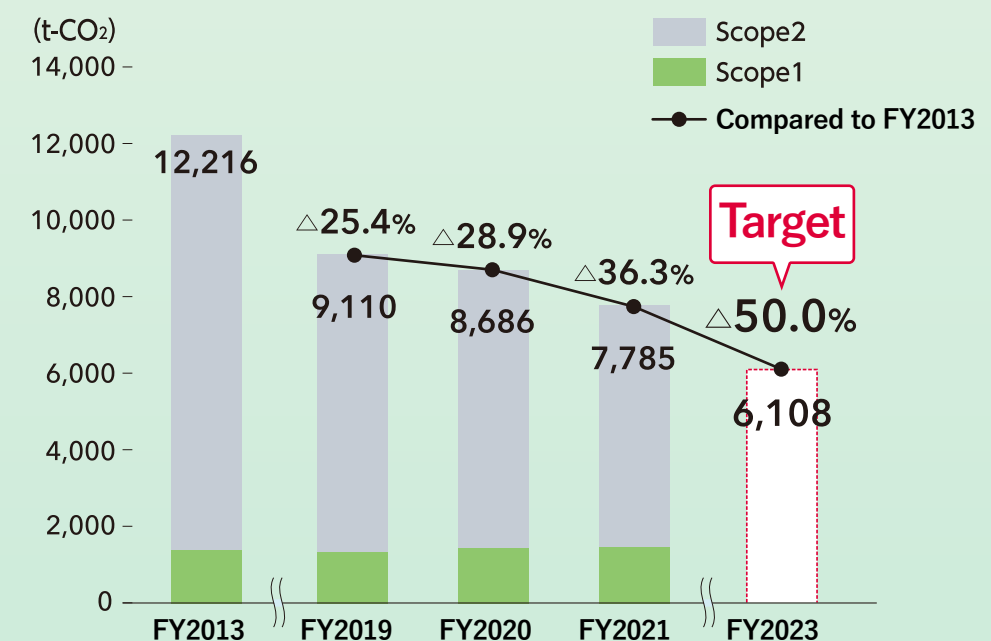
Green Purchasing Initiatives

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.

Target Green Purchasing Ratio Copy paper and stationery **100%**

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
	Scope 2 (indirect emissions)	Electricity	t-CO ₂	7,786	7,229
	Total (Scope1,2)		t-CO ₂	9,110	8,686
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
2	Capital goods	Assets	t-CO ₂	14,768	2,065
4	Transportation and delivery (upstream)	Postal and shipping costs, interoffice mail	t-CO ₂	1,652	1,508
6	Business trip	Business trip	t-CO ₂	246	246
7	Commuting to work	Commuting to work	t-CO ₂	838	853
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.



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 serves 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

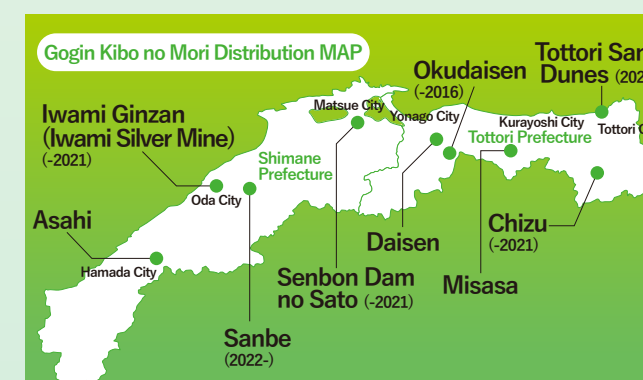
Through cooperation and friendship between members and our branches, we promote the importance of forest conservation activities and the current state of forests in the community to build momentum for environmental conservation. In addition, by subsidizing training sessions and exchange events, we provide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

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.



Total number of participants in forest conservation activities:
10,027
(Cumulative total from the beginning of fiscal 2006 to the end of June 2022)

Number of trees planted:
17,660
(Cumulative total from the beginning of fiscal 2006 to the end of June 2022)

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.



Number of members **50** groups
(As of March 2022)

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.

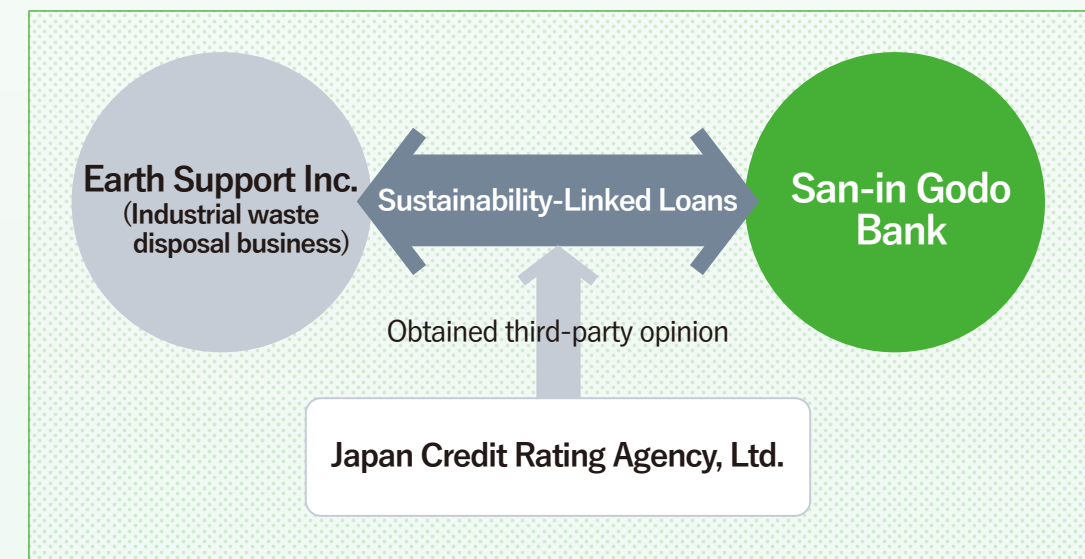
Examples of Initiatives Gogin Sustainability-Linked Loan First in San-in region

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)



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)

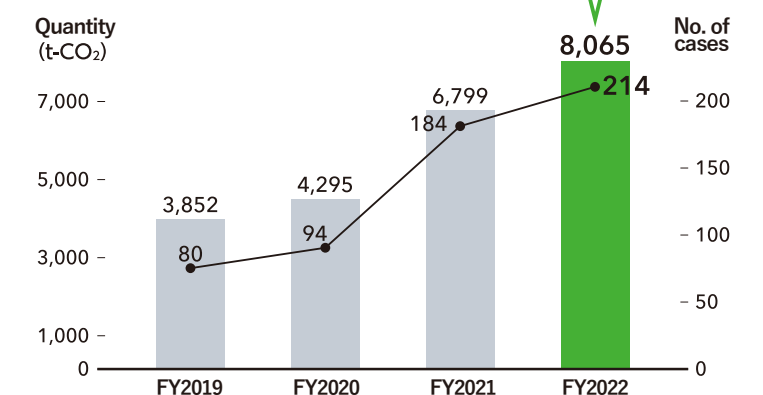
Our efforts are contributing to the promotion of the J-Credit system, the return of funds to forests and the realization of environmental conservation, and serving as a role model for other financial institutions, among other things.



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



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.

Understand the client's business model and business flow, and grasp the actual situation.

Dialogue with Customers

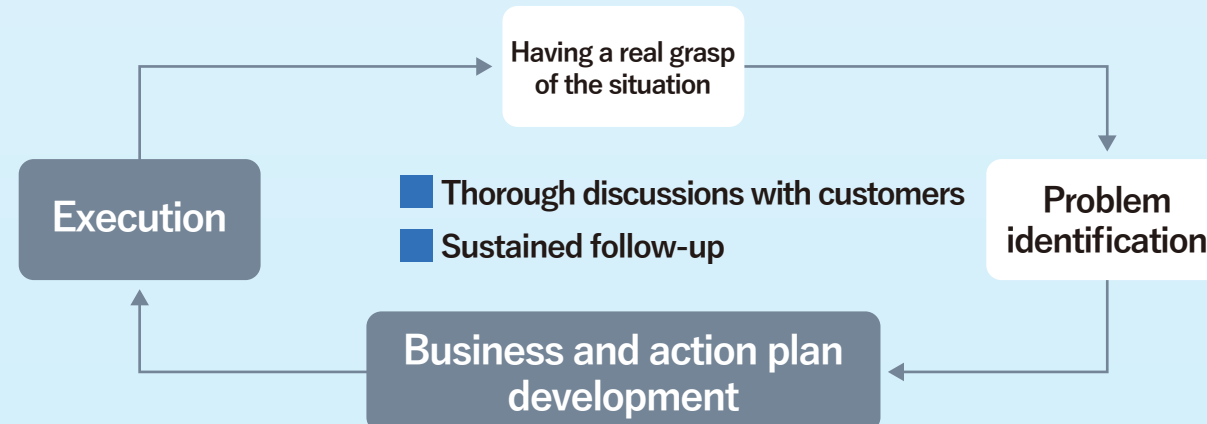
Sharing management issues and needs

Propose solutions to issues by utilizing the Bank's solutions network, etc.

Increased added value for customers and sustainable local communities

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.



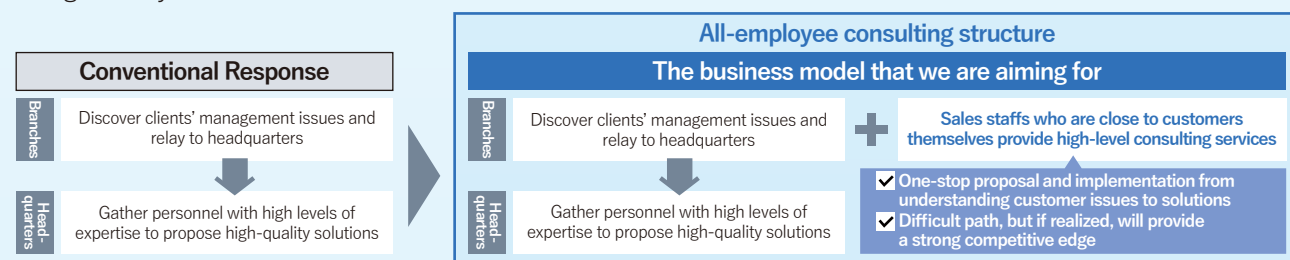
Number of consulting services (FY2021)

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

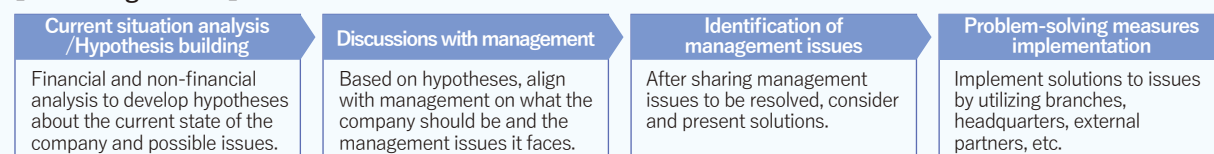
We aim to create a "consulting system for all" in which not only the specialized personnel at the head office, but also all employees at the branches dig deeper into the issues faced by customers and provide support for growth strategies along the way.



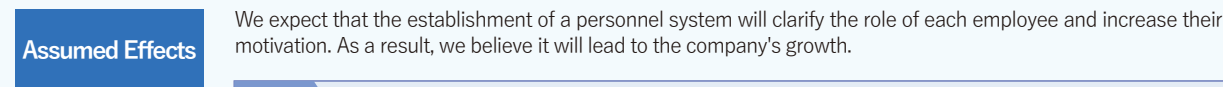
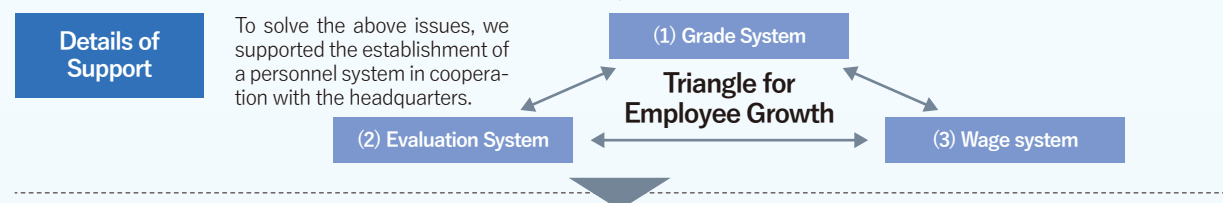
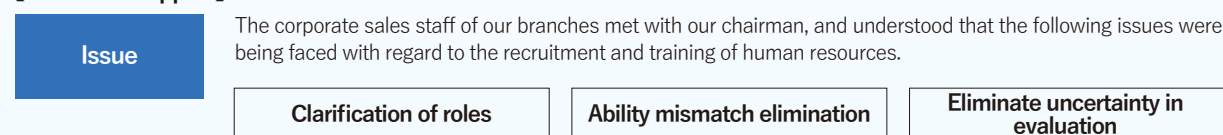
Examples of Initiatives Assist in designing new systems for recruitment and evaluation

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]



- 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

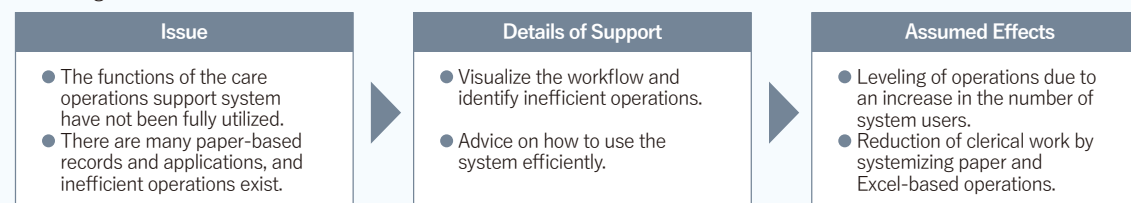
- Company Name: KandaGiko, Ltd.
- Location: Yonago City, Tottori Prefecture
- Representative: Kiyoshi Nakayama (Chairman), Hajime Nakayama (President)
- Main businesses: Design and manufacture of machinery, development of unutilized resources, cosmetics business
- Number of employees: Approx. 50

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.

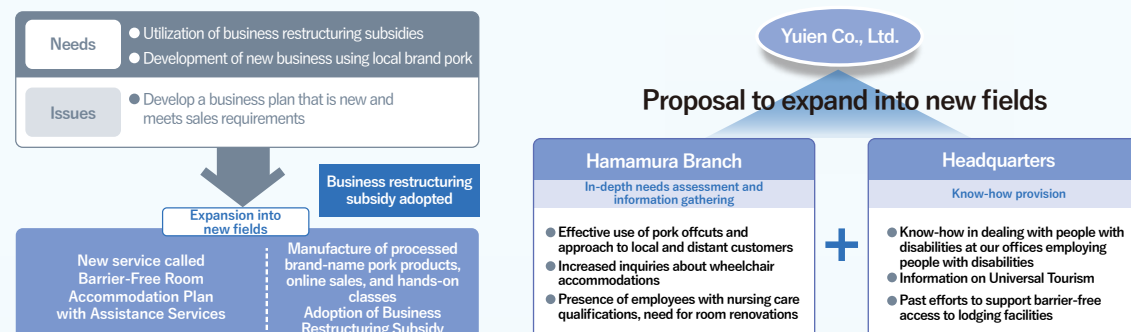


Support for the use of subsidy programs - Business plan development support

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	● 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	● Shimane Susanoo Magic (Basketball B1 League) ● Gainare Tottori (J3 League soccer) ● Sanfrecce 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.

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.

Service to begin in **March 2022**

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



Helping Customers Form Rich Lifestyles

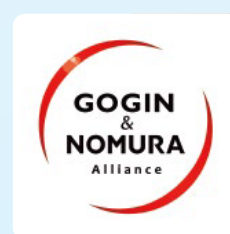
In the face of social challenges such as an aging of society and adaptation to the digital society, we are committed to providing a stable financial infrastructure and high quality services so that our customers can use our bank with confidence and be familiar with us.

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



- Extensive sales network in the region
- Long-accumulated trust



Nomura Securities

- Specialist personnel, expertise, and information
- Extensive product lineup and cutting edge systems

Robust product and service lineup

Products and services currently handled by Nomura Securities, including over 800 types of investment trusts, can be purchased through San-in Godo Bank.

Highly convenient services

Transactions are available not only in-person at branches but by phone, online and through other non-face-to-face channels designed to match customer needs.

Wealth of information

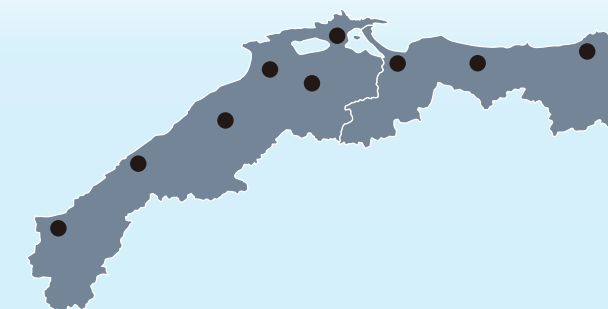
Through Nomura Securities' global network, we provide customers with the very latest information from Japan and around the world faster than ever.

More advanced consulting

Our highly specialized consulting staff 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
From the fourth grade of elementary school to the sixth grade of elementary school
From the sixth grade of elementary school to the second grade of junior high school
20 students enrolled

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

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



Middle course: 3 years
From the first year of junior high school to the third year of junior high school
From the third year of junior high school to the second year of high school
13 students enrolled

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

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



Advanced course
From the first year of high school to the third year of high school
Until adulthood
16 students enrolled

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

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



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"

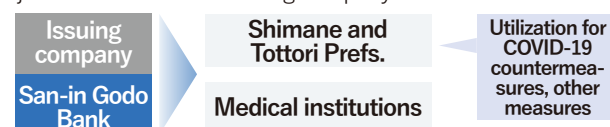
In addition to financial soundness, we evaluate the SDG activities undertaken by the company.

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.



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

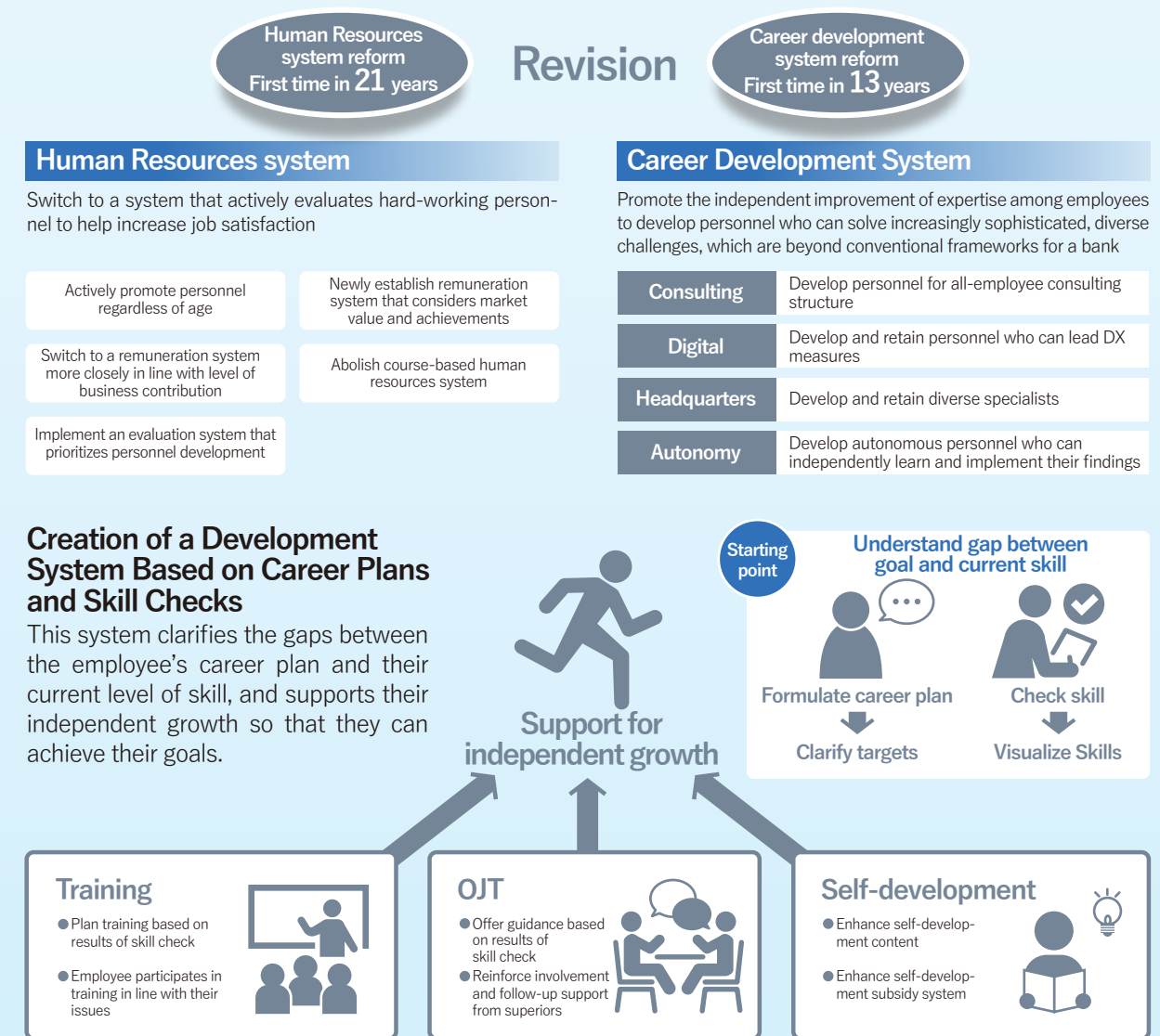
Human Resource Department

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



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.

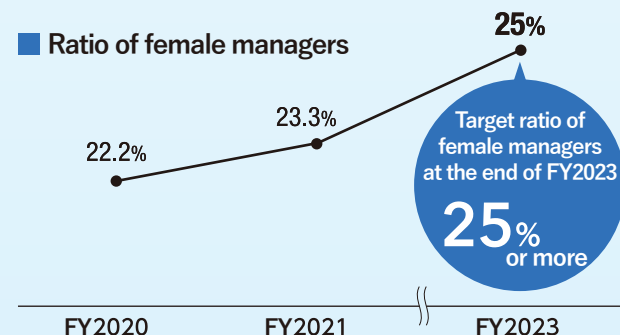
Expanding opportunities for diverse human resources

Ratio of female managers

23.3%
(as of March 31, 2022)

Employment rate of persons with disabilities

2.57%
(as of March 31, 2022)

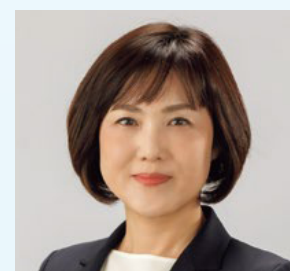


Toward a Diverse Management Structure ~Appointment of the First Female Executive Officer~

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

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.

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.



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 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

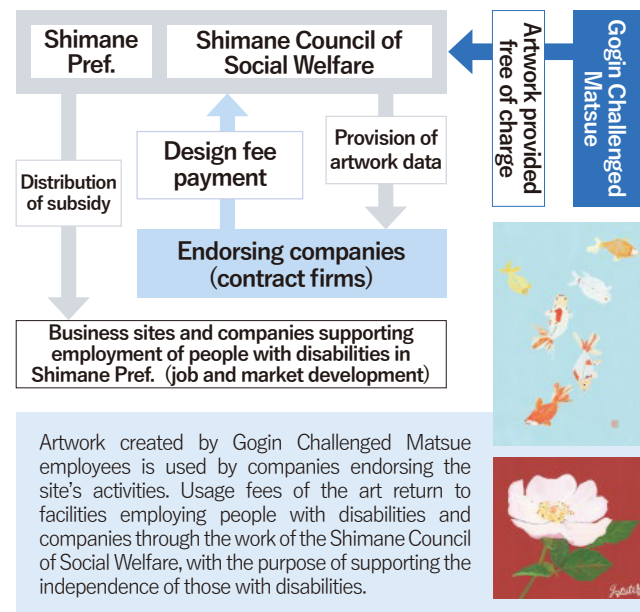
People with intellectual disabilities are professionally employed to create paintings, produce novelties using paintings, and perform clerical work.



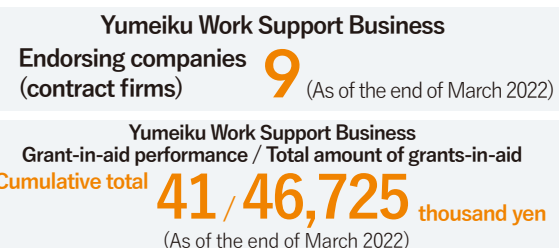
We produce novelties to be handed out to customers.

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

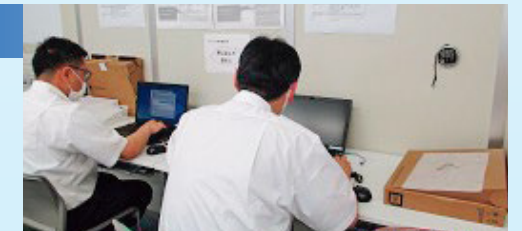
Recognizing that inclusive businesses can create inclusive societies, this initiative supports action by companies across the world to enable people with disabilities to showcase their potential value in business, society, and the economy.



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)

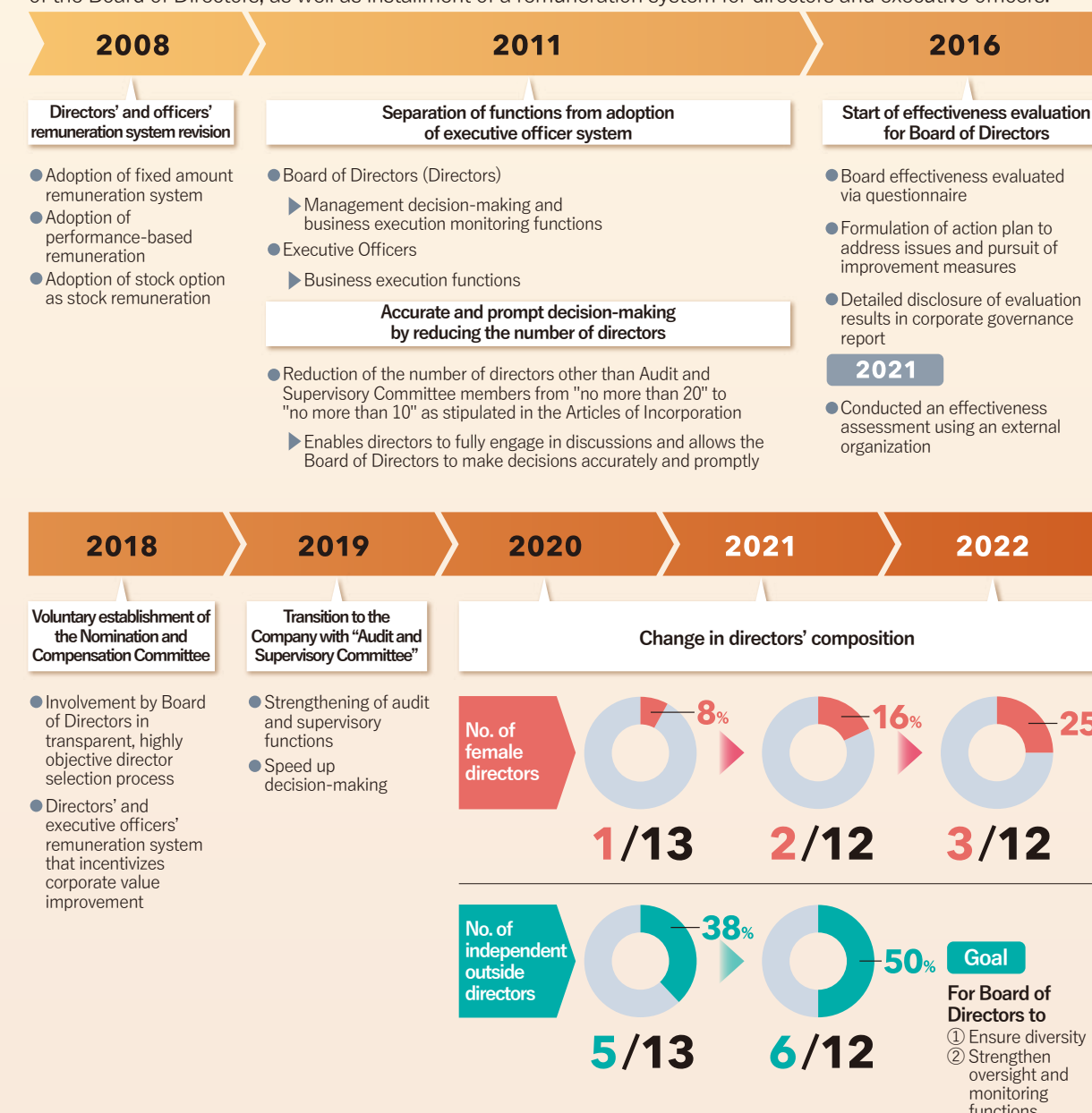
Three outside directors participated in the Large Meeting held in May 2022. The meeting was very well received by those in attendance as it provided a glimpse into the lively discussions at the Board of Directors meeting. We intend to continue the participation of outside directors in the future.



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)



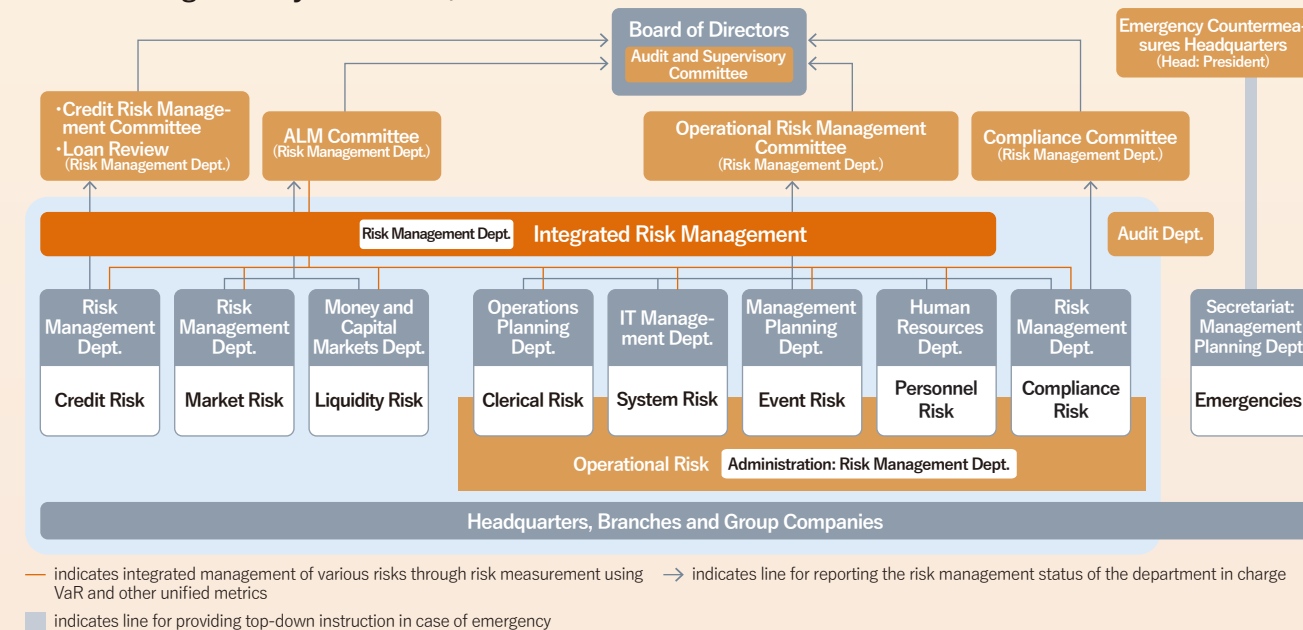
Study Session by Director Kuratsu

Risk Management

Basic Approach to Risk Management

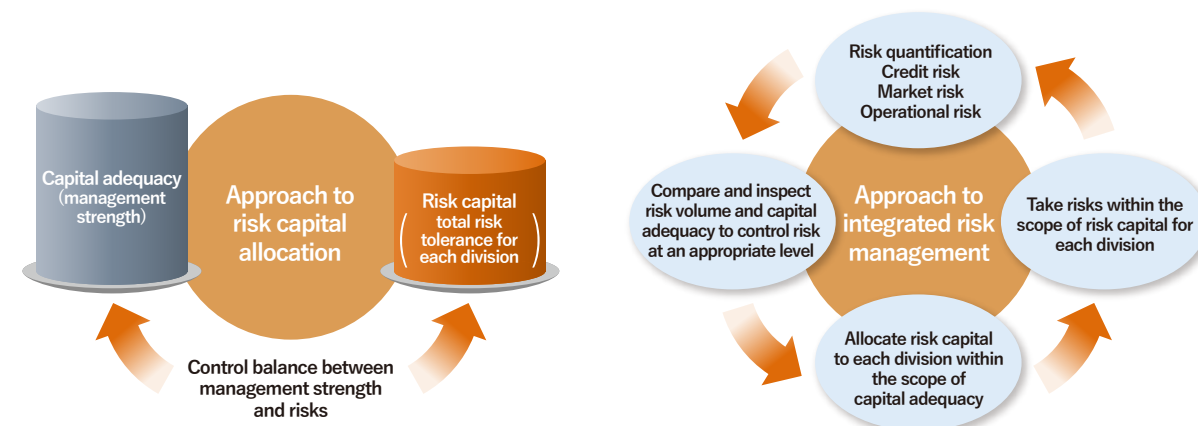
At San-in Godo Bank, we set risk management as the most important issue in maintaining the stability and soundness of management and have established a risk management system with our Board of Directors placed at the top. Specifically, we classify risk to be managed as credit risk, market risk, liquidity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

Risk Management System (as of July 1, 2022)



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.

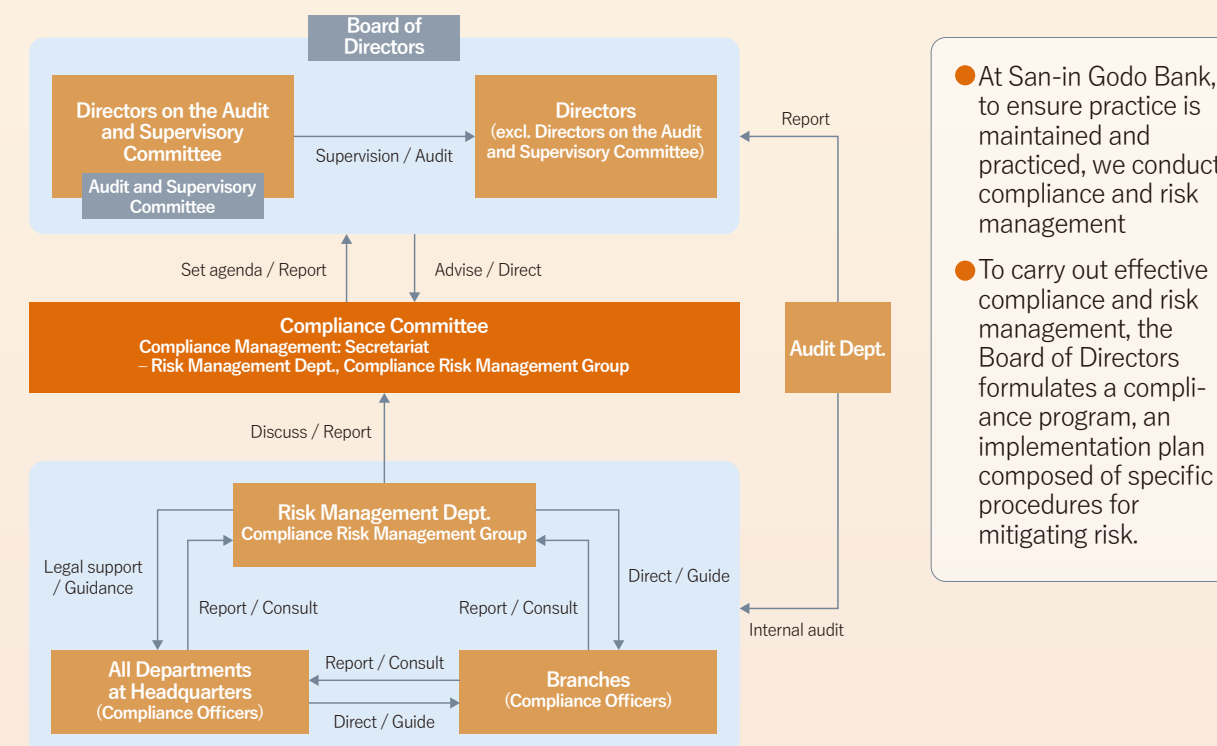


Basic Approach Regarding Compliance

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)



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

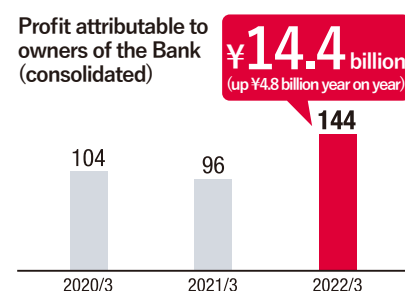
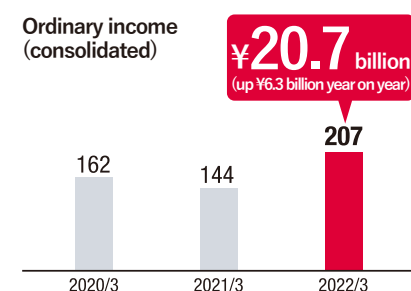
To reinforce compliance management, San-in Godo Bank has installed both internal and external whistleblower systems. These systems allow employees to directly seek advice or report legal violations and other compliance-related problems, making rapid discovery and correction of such issues possible.

Initiatives for Eliminating Antisocial Forces

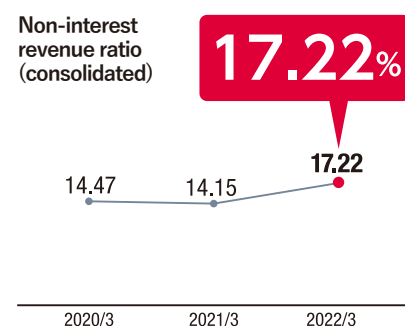
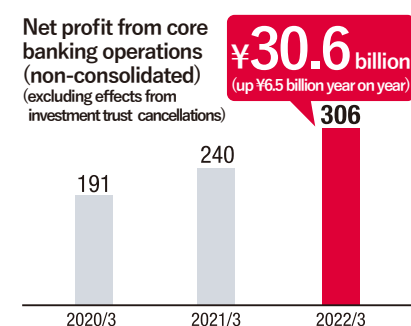
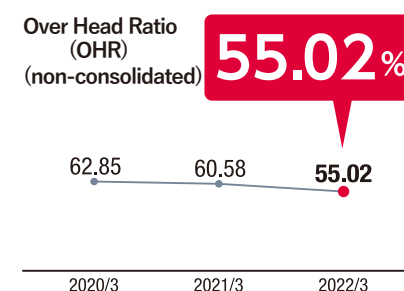
To maintain public trust in financial transactions and ensure both the appropriateness and soundness of its operations, San-in Godo Bank has internal systems in place regarding the complete cut-off of any relationships with antisocial forces, not only the Bank but the entire Group united in efforts to 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

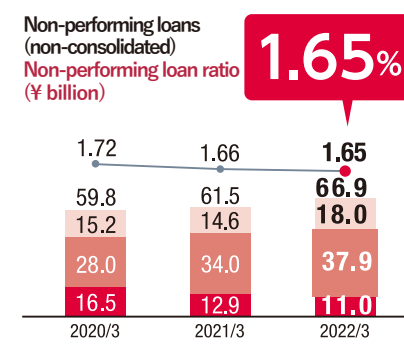
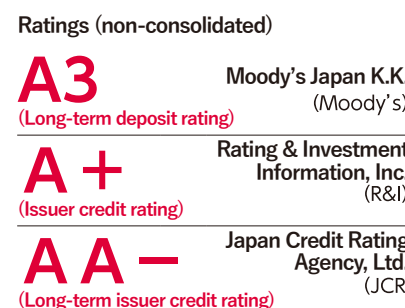
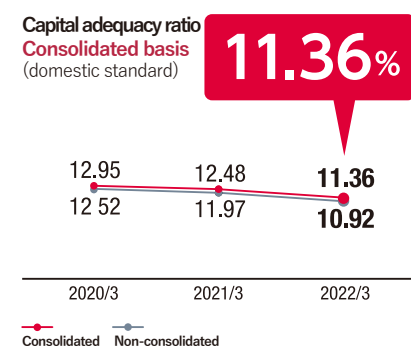
Profitability



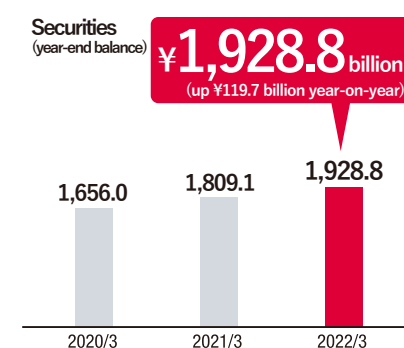
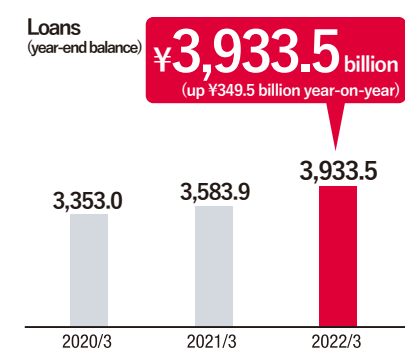
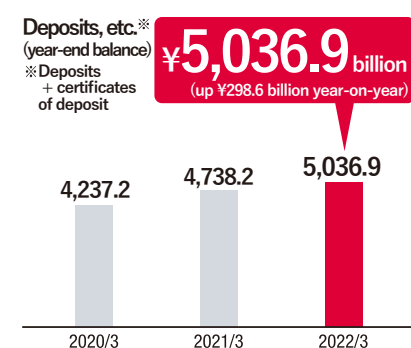
Efficiency



Safety and Soundness



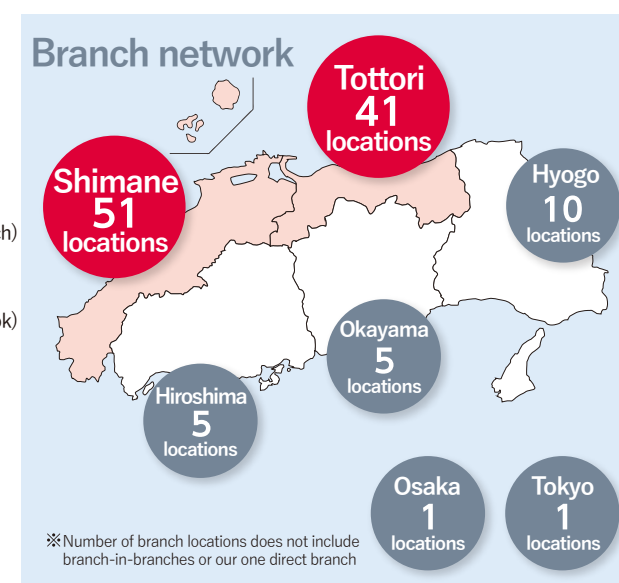
Main Accounts (non-consolidated)



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)

