

# Seeking sustainability and

## SDGs as waymark for change

The world is increasingly moving to the "sustainable development" rhythm. With adoption of Sustainable Development Goals (SDGs) and entry into effect of the Paris Agreement, the global community is defining and pursuing a shared future.

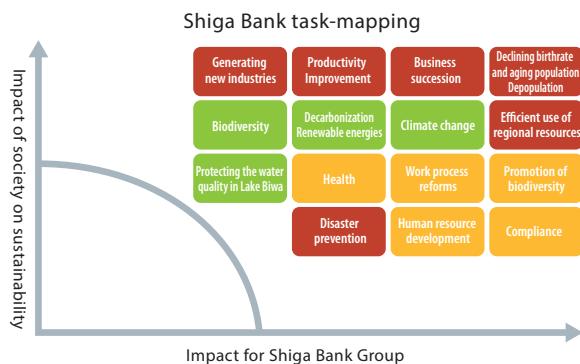
To realize this shared future, we will foster change in the corporate behavior and, through our products, in the behavior of our customers. We must create together a society enabling anybody to undertake sustainable initiatives as a matter of course.

At the Bank, we are committed to reorienting corporate behavior, taking CSR operations in new directions, and continuing to provide value to society to ensure a prosperous future, with SDGs as our waymark for change.



### Designation of priority issues

After repeated discussions at the CSR Committee, we have designated priority issues to be tackled by the Bank



### Priority targets to be tackled by the Bank (2030)

#### Building up a regional economy

Through the power of finance, we are working to generate new business models fostered by solving issues facing society and the promotion of innovation, and to create a prosperous regional economy that generates appeal and develops individuals and communities.

#### Sustainability of the environment

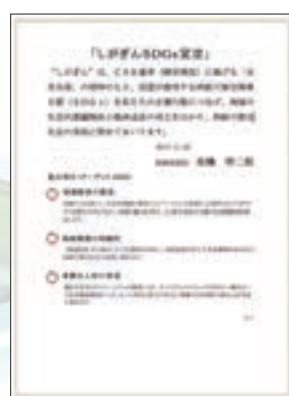
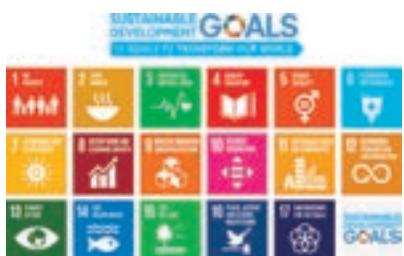
We promote CSR management predicated on environmental management. We are working to ensure a sustainable society characterized by prevention of global warming and protection of biodiversity.

#### Training diversified human resources

By promoting new approaches to work and diversity, we are creating a work environment that incentivize and motivates all employees and provides sustainable human resource training that gives the freest possible rein to individuality and talent.

### TOPIX

On November 22, 2017, the Bank published its Shigagin SDGs Declaration, including a pledge to work for sustainable development.



President Takahashi talks to the media about the Shigagin SDGs Declaration.

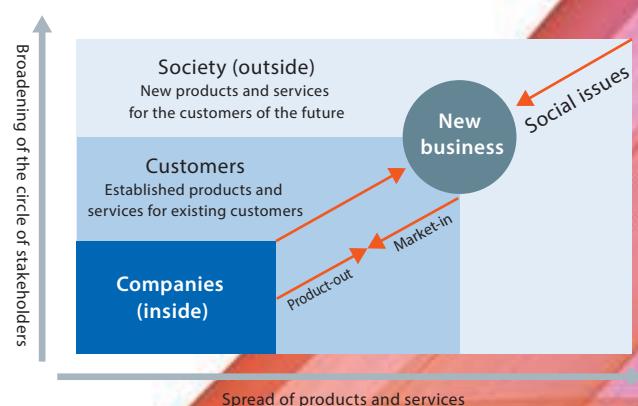
# working to shape a truly affluent future

## Supporting businesses that aim to solve issues facing society

### POINT

An outside-in approach that can change society using the strength of the enterprise.

To achieve SDGs, companies around the world are being urged to create a new business model (=outside in) that takes issues facing society as starting points. The idea is that it is more effective to build a business model taking the resolution of identified issues as starting points, to reach a desirable outcome point, rather than extending the life of an established business. We will develop initiatives aimed at achieving a sustainable society using the power of enterprises that wield economic influence.



### Initiative 1

#### Launch of "New Business Support Loan (SDGs Plan)" (see Page 27)

In March 2018, we commenced the New Business Support Loan (SDGs Plan) in support of businesses that contribute to SDGs. This program offers financing of up to ¥100 million, with a maximum discount of 0.3% on fixed interest rates, to customers setting up new businesses with the outside-in perspective. It supports cash flow and capital investment. We hope that this product triggers the establishment of businesses that take the resolution of issues facing society as their starting points, and spurs sustainable development of the region and of our customers.

##### Financing case



- Contribution initiative: Proprietary development of water quality purification system
- Value creation story: Development of a proprietary water purification system enables safe use of "hydrophilic parks" by anybody. By broadening the scope of businesses using this technology, we hope to spur further resolution of regional issues and foster sustainable development at companies.

### Initiative 2

#### Launch of new business SDGs Prize (see Page 27)

In 2000, we began arranging the Saturday School for Entrepreneurship program to foster a strong entrepreneurial spirit. In fiscal 2017, under the Shigagin Nonohana Prize program, we established the SDGs Prize to reward companies that develop business models which foster resolution of the issues facing society. We will support companies addressing the challenge of expanding the scope of business activities to include new ventures resolving issues facing society.



##### Example of award



- Contribution initiative: Development of jungle gym using Japanese timber
- Value creation story: Due to the widespread use of cheap imported timber, mountain forest in Japan is falling into decay because locally produced timber is not being used. The jungle gym offers a way to use domestically produced timber, while fostering environmental awareness in coming generations and the passing on of traditional skills.