

Initiatives for ESG

We have been proactively working to bolster corporate governance for some time now. Going forward, we will continue to strengthen the governance of the entire Group, including the restructuring of Group companies.

Along with other initiatives to take the environment into consideration, we are utilizing loans for environment-friendly companies, and we are introducing environmental technologies into the new Head Office building scheduled to open in 2021. In addition, the Bank was selected as a stock in the MSCI Japan Empowering Women Index as a result of its initiatives to promote the active participation of women in the workplace.

The Hiroshima Bank Group aims to enhance corporate value on a long-term and continual basis through initiatives for the environment, society and governance.

Efforts to enhance governance

Restructuring of Group companies

July 2018
Hirogin Mortgage Services and Hirogin Business Support were merged.
→ Hirogin Business Services

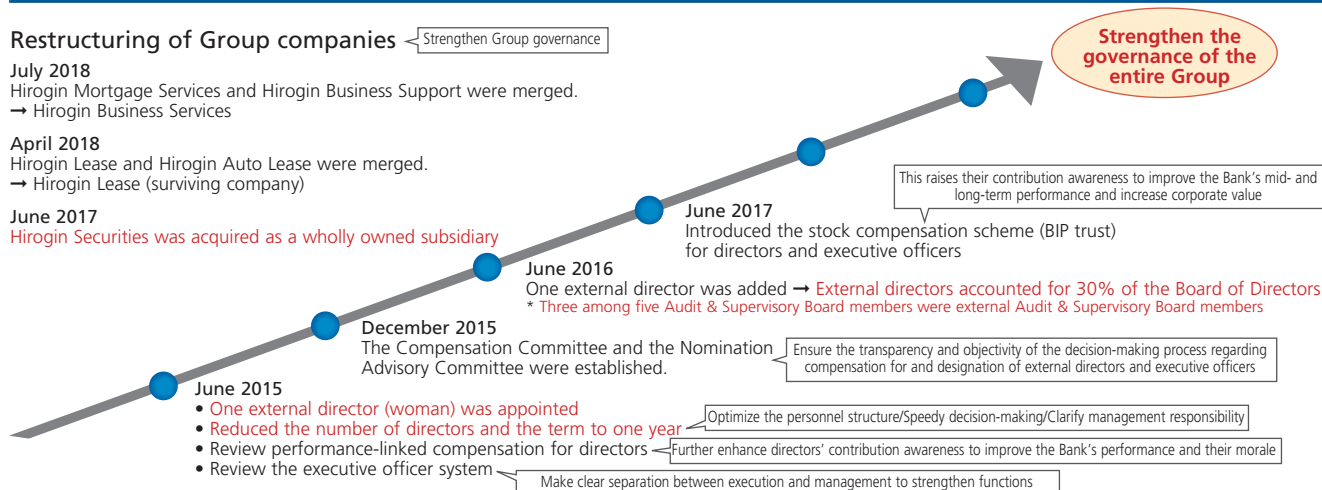
April 2018
Hirogin Lease and Hirogin Auto Lease were merged.
→ Hirogin Lease (surviving company)

June 2017
Hirogin Securities was acquired as a wholly owned subsidiary

June 2016
One external director was added → External directors accounted for 30% of the Board of Directors
* Three among five Audit & Supervisory Board members were external Audit & Supervisory Board members

December 2015
The Compensation Committee and the Nomination Advisory Committee were established.

June 2015
• One external director (woman) was appointed
• Reduced the number of directors and the term to one year
• Review performance-linked compensation for directors
• Review the executive officer system



Efforts to consider environments

Loans for environment-friendly companies

Global environmental support system Eco Harmony

Characteristics

- Available for companies that have obtained ISO 14001 certification or Eco-Action 21 certification, aiming to reduce the environmental load
- Available for the purchase of low-emission vehicles, the establishment of clean energy facilities, and the purchase of carbon emission rights

Balance loan type: ¥1.9 billion
Private placement bond type: ¥6.1 billion (end of March 2018)

Hirogin Solar power loan

Characteristics

- Available for users of the Feed-In Tariff Scheme for Renewable Energy
- Available for up to 15 years of loan period

Balance: ¥9.2 billion (end of March 2018)

Eco-friendly new Head Office building with the use of latest environmental technologies

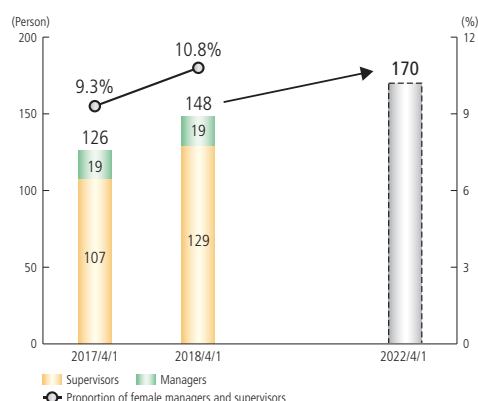
Wind	Natural ventilation system
Heat	Use of underground heat Natural control of blinds
Light	LED lighting
Water	Use of rainwater

(Conceptual image of the completed new Head Office building)
* Expected to complete in January 2021



Encourage female workers

Female managers and supervisors



- ✓ Introduced the remote work system (work-at-home) to some users of the short-time work system
- ✓ Strengthened support for the career advancement of users of the work-family balance support system, etc.

The Bank was selected for the MSCI Japan Empowering Women Index (WIN)

- Select Japanese companies that have gender diversity and can withstand the future labor shortage
- It is invested in by the Government Pension Investment Fund (GPIF)