Message From the Group CRO / Group CSuO

CRO : Chief Risk Officer

CSuO : Chief Sustainability Officer

Taking Responsibility for a Future with Local Communities and Supporting Sustainable Growth

— Connecting Goals to Action, and Action to Results

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Group CRO / Group CSuO

Since our founding, our Group has walked alongside the region, addressing regional challenges that have changed with the times. Now that we have expanded our business domains and evolved into a regional comprehensive financial services group, the role we must fulfill has become greater than ever. Amid rising uncertainty over the future, including demographic change, shifts in industrial structures, and responses to climate change, enhancing the sustainability of the region from a medium- to long-term perspective is the very reason for our Group's existence and will also lead to sustainable growth in corporate value.

Based on this approach, our Group has identified five materiality issues and is incorporating sustainability into management and business activities through our sustainability KPIs. [Refer to pages 45–46]

Looking back to April 2021, when I was responsible for promoting the SDGs, we did not yet have a sufficient framework for linking each department's sustainability initiatives to common Group-wide goals. Setting KPIs was particularly challenging. What should we consider as results, and what level should we aim for? With no definitive answer, we held repeated dialogues and discussions with each department and developed each indicator one by one. We then built a framework to ensure effectiveness, including Company-wide Sustainability Council meetings, the establishment of working groups, and the incorporation of KPIs into remuneration for officers. Building on this foundation, each employee's mindset has changed, and their individual initiatives are now producing tangible results.

If we are to propose decarbonization initiatives and sustainability management to customers in the region, we must first take the lead ourselves. As a concrete result of this practice, our Group has reduced GHG emissions by 83.6% compared with FY2013. In addition, the cumulative amount of sustainable finance provided through FY2025 reached ¥914.4 billion, steadily promoting the circulation of funds to the region.

In supporting the carbon neutral business management of local companies, The Juroku Bank received the Environment Minister's Award in FY2023, followed by Juroku Lease in FY2024, marking our Group's second consecutive year of receiving the award. These results come from initiatives that go beyond financial support and leverage the Group's comprehensive strength in areas such as leasing and consulting.

Furthermore, in the CDP Climate Change 2025 assessment, we were selected for the Climate Change A List, the highest rating, and in 2026 were selected for the first time as a constituent of the FTSE JPX Blossom Japan Index following an improvement in our FTSE ESG Score.

Behind these high evaluations is a process through which we have not merely used the objective perspectives and latest insights of external organizations to improve our own self-assessment, but have also applied them to proposals that help solve issues for customers in the region. We recognize that the improvement in external evaluations is the result of the entire organization's serious pursuit of sustainability and continued efforts to share our know-how with the region.

As Group CRO / Group CSuO, I have an important responsibility to accurately identify risks that affect the regional economy, including climate change, natural disasters, and human rights issues in supply chains. On the other hand, I believe the role of a regional financial institution is not merely to manage such risks, but to use them as a starting point for dialogue with customers and transform them into new business opportunities that enhance the region's resilience.

Our 150th anniversary, together with the opening of our new headquarters, will mark a milestone in advancing sustainability management to the next stage. As a company that plays a leading role in the region, we will take the lead and take action, and widely share the knowledge and results we gain with the local community. Even when the effects are not immediately visible in the short term, we will identify initiatives essential to the region's growth and continue to work alongside the region. We will connect goals to action, and action to results for customers in the region, as we open up a sustainable future together beyond our 150th anniversary. That is our sustainability management.