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May 14, 2021
The Hokkoku Bank, Ltd.

Endorsement of the recommendations of Task Force on Climate-Related Financial Disclosure (TCFD), and Establishment of Investment and Financing Policies

The Hokkoku Bank, Ltd. (President: Shuji Tsuemura) expressed its endorsement with the recommendations of TCFD (Task Force on Climate-Related Financial Disclosure). At the same time, we have established investment and financing policies to ensure responsible investment and financing as a fund provider in order to address various environmental and social issues, such as climate change and decarbonization.

As a regional financial institution, we will continue to contribute to the sustainable growth of region through initiatives that contribute to solving ESG issues.

1.Approval of TCFD Proposal(*)

The Hokkoku Bank has worked to resolve ESG issues, such as the environment and society, through its business activities based on the ESG Initiative Policy. In addition to strengthening its response to climate change, the Bank has decided to develop a system and disclose information in line with TCFD recommendations with the aim of providing useful information to stakeholders. We will strengthen our response to environmental issues, analysis of risks and opportunities posed by climate change, and information disclosure.

※TCFD(Task Force on Climate-Related Financial Disclosure)

Task Force on Disclosure of Climate-Related financial information established by the Financial Stability Board (FSB) in 2015. The recommendations presented in this TCFD Final Report recommend that operating companies assess the risks and opportunities posed by climate change and reflect them in management strategies and risk management. They also recommend that specific financial impacts be forecasted and disclosed as financial information.

2.Establishment of Investment and Finance Policy

Based on our endorsement of TCFD recommendations and the "Establishment of Materiality on ESG" announced today, we have established the "Investment and Finance Policy" to clarify the Bank's stance on resolving ESG issues among regions. We have also established policies for sectors that are likely to have a significant impact on the environment and social.

[Investment and Finance Policy]

◆ Proactively Supporting Businesses	
• Environmental, Social, and Governance Initiatives of Customers and Its Businesses	
◆ Businesses that prohibit investment and financing	
<ul style="list-style-type: none"> • Antisocial Forces and Businesses • Businesses engaged in child labor and forced labor • Businesses to develop and manufacture weapons of mass destruction, such as nuclear and chemical weapons, and non-humanitarian weapons, such as cluster ballistic weapons 	
◆ Specific Sectors (Specific responses are described separately)	
• Coal-Fired Power Sector	• Cluster bomb manufacturing Sector
• deforestation Sector	• Palm oil farm development Sector

[Policy for Specific Sectors]

Target sectors	Details
Coal-fired power generation business	In light of our response to climate change risks, environmental protection, and efforts toward sustainable energy, we will carefully consider the investment and financing for coal-fired power generation projects on a case-by-case basis.
Cluster bomb manufacturing business	We will prohibit investments and loans to companies that manufacture cluster munitions in light of cluster munitions.
Deforestation projects	Regarding investments and loans for large-scale deforestation projects, we will carefully consider responses based on the status of our customers' environmental and social considerations and the impact on the local environment and society.
Palm oil plantation development business	We will prohibit investment and financing for the development of palm oil plantations from the perspectives of conservation of forest resources and biodiversity and protection of human rights.