

Contribution to the Regional Economy and Community

■ Activities to Revitalize the Regional Economy

Initiatives to Facilitate Financing

The Bank views the facilitation of regional financing as its most important duty and this is expressed in its basic philosophy of “serving our community by fulfilling our social mission as a financial institution.” Therefore, the Bank has actively responded to its customers’ demands in relation to their needs for funds or review of the conditions for borrowing.

The Bank has enhanced its management system through the provision of a Financing Facilitation Meeting that was established in the headquarters during December 2009 to respond attentively to the variety of requests we receive from customers including small-and medium-sized businesses and customers who have mortgage loans.

Although the SME Financing Facilitation Act expired at the end of March 2013, we intend to maintain our basic stance toward facilitation of financing and will strive to provide a prompt, accurate and suitable response and thereby enable the Bank to function as a proactive financial intermediary in its role as a regional financial institution for further facilitation of financing.

Environmental Conservation Activities

The Juroku Bank not only engages in its own environmental conservation activities but also supports the various environmental activities of its customers.

► Formulation of Environmental Policy

In April 2013, we formulated a new “Environmental Policy” for the Juroku Bank Group as a whole.

This “Environmental Policy” is based on our “Basic Philosophy” and “Code of Conduct.” All employees at our headquarters and branches are committed to meeting targets for overcoming environmental protection challenges in accordance with this policy.

► Handling Eco-Friendly Financial Products

We handle the “Juroku Eco Loan” scheme, which is for purchasing homes and automobiles, and the “Juroku Easy Renovation Loan,” which finances the purchase and installation of solar power systems at a discounted interest rate.

Juroku Bank’s Support for Overseas Business Development

Our customers are responding to the growth of emerging markets in Asia with an increase in initiatives to develop overseas sales routes and move production to overseas markets.

In April 2014, we created the Global Business Division as an independent division with a dedicated mission of supporting the overseas operations of our customers. The creation of the Global Business Division enhances our support for our custom-

ers that are expending their operations overseas. The core personnel of the division are highly knowledgeable of international operations, including personnel who have experience working overseas.

We are also expanding our ability to provide local support outside Japan by collaborating with overseas representative offices and cooperating financial institutions.

► Hosting Overseas Business Seminars and Study Sessions

In October 2013, we hosted the “Overseas Business Expansion Seminar,” and in January 2014, we hosted the “Subsidies and International Tax Basics Seminar for Businesses Considering Overseas Expansion.”

As markets in Japan shrink, our customers are actively expanding overseas. Amid these circumstances, we worked with related institutions and business partner entities, and provided information about such topics as risk management and business development for overseas expansion.

In addition to our support in Japan, we also host regular study sessions in overseas cities to our customers at overseas bases, including Shanghai, Hong Kong, Bangkok, Jakarta, and Ho Chi Minh, in order to enhance our support overseas.



► Commencement of Thai Baht-denominated Cross-border Loans (Direct Loans to Foreign Subsidiaries)

Until now, for financing needs of our customer foreign subsidiaries, it was common for loans to be conducted through the domestic parent company (so called parent-subsidiary loan).

Amid these circumstances, we have begun offering cross-border loans from branches in Japan to subsidiaries of our customers located in the Kingdom of Thailand, in order to offer local subsidiaries of our customers more diverse means of financing, and to reduce exchange rate risk.

We will enhance our financial support structure for overseas expansion by the cross-border loans.

► Business Cooperation with CIMB Bank Berhad and CIMB Investment Bank Berhad (Malaysia) and Joint Stock Commercial Bank for Investment and Development of Vietnam (Vietnam)

In December 2013, we concluded business collaboration agreements with major Malaysian banks, CIMB Bank Berhad and CIMB Investment Bank Berhad, and major Vietnamese bank, Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV).

These collaborations enable us to provide information of these countries, as well as provide local support via a Japan desk at each of these banks, as well as their branch networks. Malaysia and Vietnam have recently again become a focus of attention for their potential and importance, and with these collabora-

tions, we have established an organization to support expansion into Malaysia and Vietnam.

These collaboration agreements expanded our overseas collaboration network to 13 institutions in nine countries (China, Thailand, Vietnam, Indonesia, India, South Korea, Myanmar, The Philippines, and Malaysia).

► **Hosting “2013 Dalian — Joint Business Conference for Regional Banks”**

In November 2013, we hosted “2013 Dalian — Joint Business Conference for Regional Banks,” held jointly by 13 regional banks in Japan and the Dalian city government in Dalian, China. Business negotiations were more active than other years, with participation of businesses from industries ranging from industrial products to foods.

We hosted business talks in Shanghai, Guangzhou, and Dalian, supporting the overseas business of our customers.



CSR Activities

► **Contributions to the Community by JUROKU FOUNDATION FOR REGIONAL PROMOTION**

JUROKU FOUNDATION FOR REGIONAL PROMOTION was founded with the goal of contributing to local communities. Through grants, it supports such activities as promotion of local industry, improvement of social and life environment, and promotion of culture, sports, international exchange, and other activities. In FY2013, it provided ¥5,730,000 in grants to 29 projects.

It also has a scholarship program, and in FY2013, it provided ¥25,200,000 in annual scholarships to 63 students.



Bases for Interregional Collaboration for Overseas Business Support
 [The Bank: Hong Kong, San-In Godo Bank: Dalian (China), Hiroshima Bank: Bangkok (Thailand), Hokkoku Bank: Singapore]

China

Shanghai Representative Office
 (3 employees)
 Business cooperation: Bank of Communications,
 Bank of China, Industrial and Commercial
 Bank of China

India

Business cooperation:
 State Bank of India

Myanmar

Business cooperation:
 Ayeyarwady Bank

Thailand

Business cooperation: KASIKORNBANK
 (2 dispatched officers)

Malaysia

Business cooperation: CIMB Bank Berhad
 CIMB Investment Bank Berhad

Dalian

South Korea

Business cooperation: Shinhan Bank Japan
 (Japanese subsidiary of Shinhan Bank)

Hong Kong

Hong Kong Representative Office
 (2 employees)

Philippines

Business cooperation: BDO Unibank

Vietnam

Business cooperation: Joint Stock Commercial Bank
 for Investment and Development of Vietnam
 Australia and New Zealand Banking Group

Singapore

Indonesia

Business cooperation: Bank Negara Indonesia
 (1 dispatched officer)