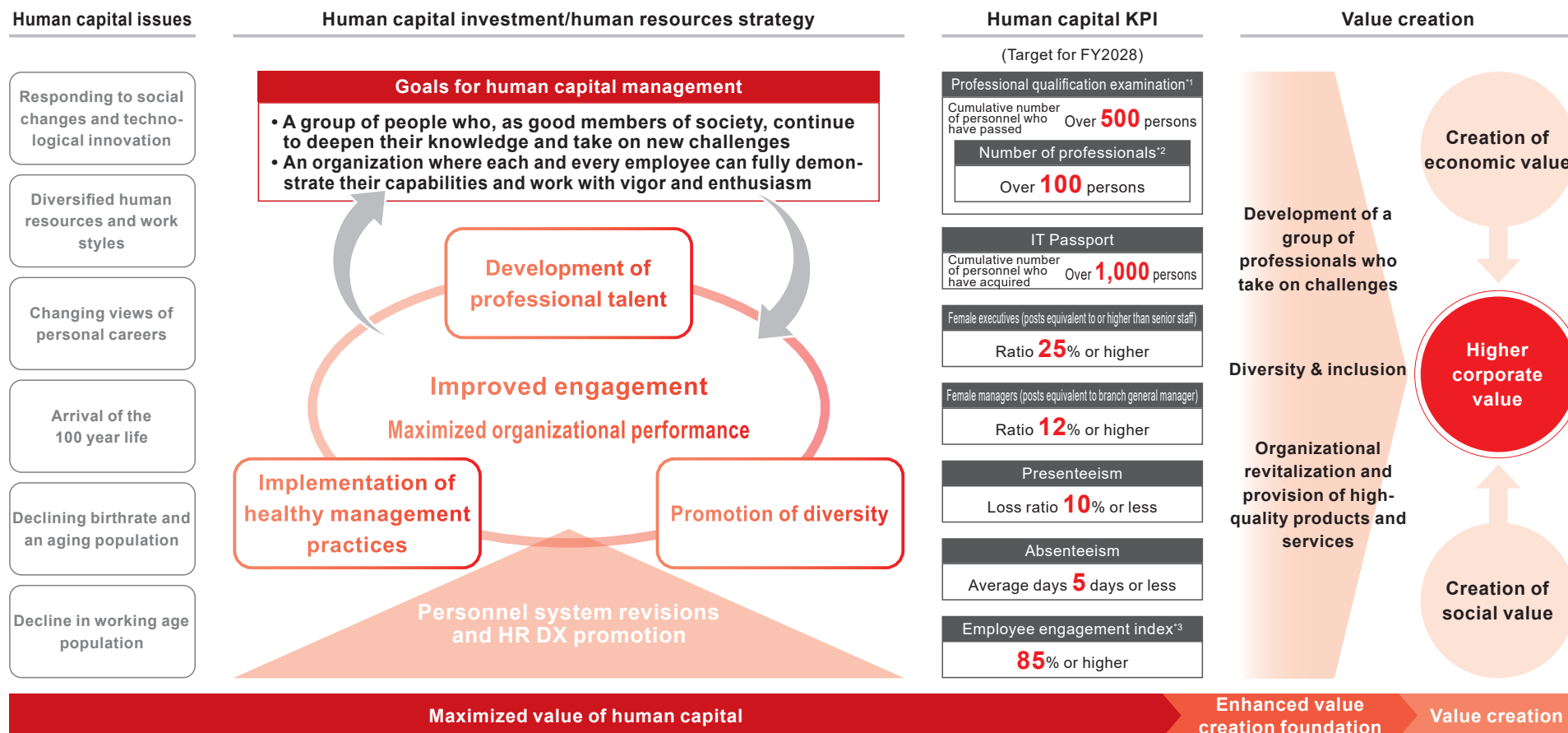


Basic Strategy **03** Human Resource Strategy

# Outline of the New Medium-term Management Plan

With regard to investment in human capital and human resources strategy under the new Medium-term Management Plan, we position the “development of professional talent,” “promotion of diversity,” “implementation of healthy management practices,” and “personnel system revisions” as our main measures, based on materiality and human capital issues, and aim to become a “group of professionals who take on challenges,” an organization where each and every employee can fully demonstrate their capabilities and work with vigor and enthusiasm. Measurable indicators and targets related to these investments in human capital and human resources strategy are as follows:



<sup>1</sup> Professional qualification examination: examinations for 1st grade financial planner, CFP, SME consultant, certified tax accountant, certified social insurance labor consultant, securities analyst, and CIA (Certified Internal Auditor), 1st-class kenchikushi, registered information security specialist, and project manager

<sup>2</sup> Number of professionals: the number of personnel who have passed the professional qualification examination and have demonstrated high levels of knowledge and competence

<sup>3</sup> Employee engagement index: percentage of positive responses on job satisfaction in the employee awareness survey

## Basic Strategy 03 Human Resource Strategy

# Human Resource Development Development of professional talent

### Human resource development policy

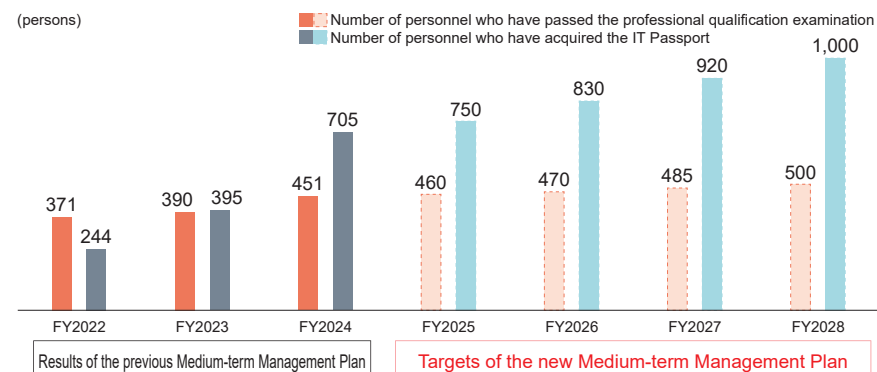
In order to promote our long-term vision of becoming a Green & Consulting Bank Group and to become “A Bank That Can Be Relied Upon,” we have defined the type of human resources we seek as independent business people who act with high morals and rich ideas, and we are nurturing bank employees who proactively STUDY, THINK, and ADVANCE. Through the synergies of “on-the-job training,” “off-the-job training,” and “self-development,” we aim to promote the growth of all employees to become true professionals who can better serve the community and our customers.

## Development of consulting and digital personnel

In order to become “A Bank That Can Be Relied Upon,” by the region and customers, we have positioned challenging qualifications such as 1st grade financial planner and SME consultant as professional qualifications, and support employees to pass the examination, as one way to acquire specialized knowledge for providing optimal consulting services. As shown in the graph on the right, the number of employees who passed the examination has steadily increased, achieving the target of 450 persons set in the previous Medium-term Management Plan. We set the target of 500 persons in the new Medium-term Management Plan, which started in FY2025, and continue to provide support.

In addition, we also provide support for passing the national IT Passport exam to acquire knowledge and improve literacy in the digital sector. In the previous Medium-term Management Plan, the number of employees who passed the exam reached 705 persons, far exceeding the target of 500 persons. We set the target of 1,000 persons in the new Medium-term Management Plan and continue to provide support.

### Cumulative number of personnel who have passed examinations



## Brushing up on knowledge and skills

We provide employees who passed the professional qualification examination and IT Passport exam with training and seminars to brush up knowledge and skills they acquired. In FY2024, we provided training sessions on the themes of “tax reform” for those who passed the professional qualification examination, and “cybersecurity and DX” for those who acquired the IT Passport. We will continue to develop a structure to utilize their knowledge and skills, and keep them up to date.

### Feedback from participants in the brush-up seminar for employees who have passed the professional qualification examination (theme: tax reform)



This seminar was useful as I had studied to pass the exam but found it difficult to brush up on my skills afterwards.

I was able to effectively acquire the latest information on taxes which was difficult to obtain on my own.



Basic Strategy **03** Human Resource Strategy

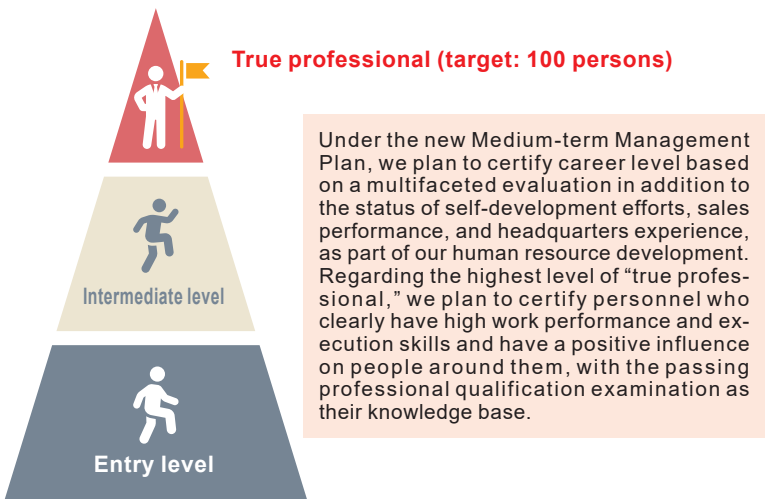
# Aiming to Be a Group of Professionals Who Take on Challenges

We aim for all employees to become “true professionals” through autonomous career development. We encourage employees to take on challenges to achieve their desired careers.

## “Professional talent” in the new Medium-term Management Plan

In the previous Medium-term Management Plan, we set “the number of personnel with professional qualifications” as one of our major KPIs to increase the number of personnel with knowledge necessary for consulting services. Currently, one in four to five bank employees passed challenging qualification examinations, which we believe was a success in terms of improving their knowledge. However, what is more important is to develop personnel who can utilize their knowledge.

Accordingly, in the new Medium-term Management Plan, we define the requirements of the necessary talent for implementing our strategy and work to develop them, and build a system to grasp personnel who can be called professionals based not only on their specialized knowledge but also on their demonstrated capabilities. In this way, we aim to advance our human capital management.



Under the new Medium-term Management Plan, we plan to certify career level based on a multifaceted evaluation in addition to the status of self-development efforts, sales performance, and headquarters experience, as part of our human resource development. Regarding the highest level of “true professional,” we plan to certify personnel who clearly have high work performance and execution skills and have a positive influence on people around them, with the passing professional qualification examination as their knowledge base.

## Strengthening practical skills through trainee programs

We call our practical training program aimed at acquiring knowledge and skills that can be utilized in the sales field and improving practical skills “trainee programs.” We provide a wide range of trainee programs to enhance practical skills, including consulting services to our customers, data utilization, and Group companies’ operations.



Trainee programs held in FY2024 and number of participants (unit persons)	
● Corporate Long-term and Medium-term Trainees	8
● Overseas Short-term Trainees	4
● International Business Support Trainees	10
● Business Succession and M&A Trainees	7
● Hyakugo Mirai Investment Trainees	8
● Data Utilization Trainees	11
● Branch General Manager and Position Review Trainees	26
● Real Estate Collateral Trainees	5
● Operation Management Trainees	16
● Other Trainees	82

## Experience in headquarters-specific operations through job trial training programs

We established job trial training programs, starting in FY2025, with the aim of helping employees envision their career paths and enhance their expertise. In FY2025, we plan to conduct job trial training programs listed in the table on the right. Going forward, we will flexibly review the programs to make them more effective, based on the feedback from participants.

Job trial training programs scheduled to be held in FY2025	
● Investment Finance Division Structured Finance Course	
● Investment Finance Division Cross-border Loans Course	
● Risk Management Division Course	
● Computer Systems Planning & Administration Division Course	
● Treasury & Securities Division Course	
● Operation Planning & Administration Division Course	

## Basic Strategy 03 Human Resource Strategy

# Workplace Environment Improvement Promotion of diversity and implementation of healthy management practices

### Workplace environment improvement policy

In order to foster a friendly workplace culture for diverse personnel that views human resources as valuable assets and values the individuality of each employee, the Bank has continuously engaged in work-style reform and the promotion of diversity. Based on a comfortable work environment, we strive to create a workplace where each and every one of our diverse employees can maximize their abilities and play an active role.

### Initiatives for respect for human rights

The Hyakugo Bank Group recognized that respect for human rights is a basic issue to be addressed for the development of various business activities, and established the “Hyakugo Bank Group Human Rights Policy” in April 2022.

Moreover, we formulated a guideline for our executives and employees to deepen their understanding of gender diversity and to ensure that they act appropriately, and established a “Diversity & Inclusion Consultation Counter” for the executives and employees.



Hyakugo Bank Group Human Rights Policy  
<https://www.hyakugo.co.jp/jinken-houshin/>



### Activities to improve job satisfaction

Well-being activities have been conducted throughout the entire Bank with the aim of increasing employees' job satisfaction. By returning the results of employee awareness surveys to each workplace and promoting the creation of an environment providing job satisfaction in each workplace, we will improve performance and motivation.

In addition, with the aim of enhancing employees' independence, career development, and engagement, we conduct one-on-one meetings. By providing regular opportunities for dialogue in which employees can share their concerns and discuss their career aspirations and motivations, we encourage employees to deepen their understanding of each other and to seek self-growth.



### Implementation of healthy management practices

Based on the belief that the physical and mental health of our employees and their families is essential for the Bank to permanently develop and contribute to the regional community, the Bank established the Hyakugo Bank Health Declaration.

(1) **Mental Health (prevention and care of mental illness)**

(2) **Physical health (early detection of diseases and prevention of lifestyle-related diseases)**

(3) **Occupational health (creating comfortable work environments)**

With these three points as priority health measures, we are working to achieve healthy management.



Hyakugo Bank Health Declaration and Strategy Map  
<https://www.hyakugo.co.jp/about/diver/nursing/>



### Career recruitment initiatives

In order to secure a diverse range of personnel, the Bank has been conducting career recruitment as needed since FY2013, and personnel with a variety of skills and experience are working in a wide range of departments and positions. With the increasing mobility of human resources, we have also established a system to rehire mid-career retirees, and will continue to hire career employees to revitalize the organization.

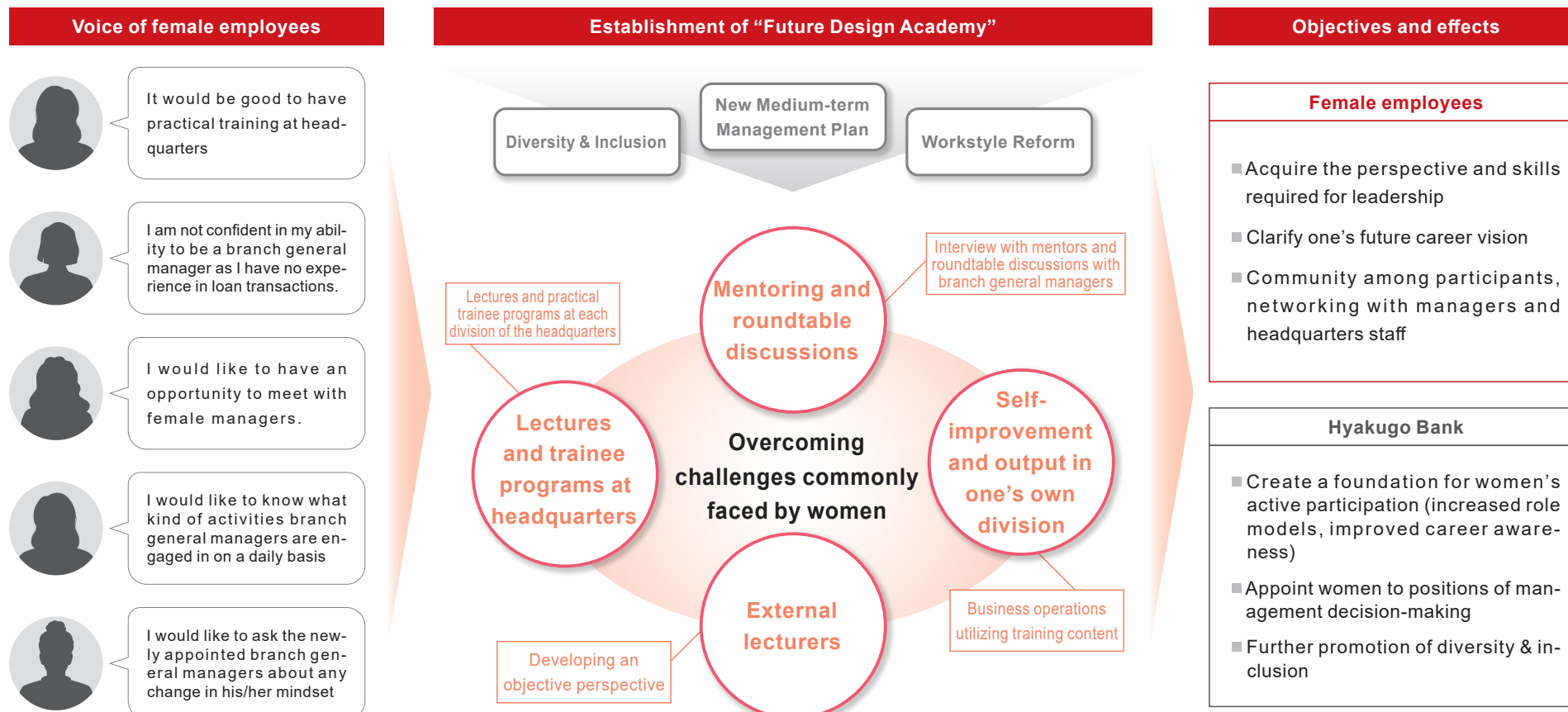
		As of March 31, 2023	As of March 31, 2024	As of March 31, 2025
Number of enrolled career hires	(persons)	25	29	34
Posts equivalent to branch general manager	(persons)	6	6	8
Posts equivalent to assistant or senior staff	(persons)	13	14	19
General positions	(persons)	6	9	7

## Basic Strategy 03 Human Resource Strategy

### TOPICS Examples of Diversity Promotion Initiatives

# Holding New Training Program for Female Employees “Future Design Academy”

The Bank believes that promoting diversity & inclusion that incorporates diverse values and perspectives will lead to the enhancement of corporate value. Above all, we believe it is important to increase the number of diverse female role models to create a virtuous cycle that leads to raising career awareness among those around them, thereby creating a foundation for further advancement of women. Based on the above belief, we will hold “Future Design Academy,” a new training program. The first session (July 2025 to June 2026) provides female employee candidates for management positions with opportunities for them to supplementally acquire experience that they tend to lack, and to consider the significance of diversity and their future careers. In addition, as part of the program, we will conduct mentoring\* to provide support and care from branch general managers who have extensive experience and skills in human resource development.



## Basic Strategy 03 Human Resource Strategy

# Indicators related to human capital in the previous Medium-term Management Plan

Measurable indicators, targets, and results related to investments in human capital and human resources strategy in the previous Medium-term Management Plan are as follows:

### Development of professional talent

Indicators	Actual				Previous Medium-term Management Plan targets
	FY2022	FY2023	FY2024	FY2024	
Number of personnel with professional qualifications (persons)	371	390	451	450 or more	
Number of personnel who have acquired the IT Passport (persons)	244	395	705	500 or more	

### Implementation of healthy management practices

Indicators	Actual				Previous Medium-term Management Plan targets
	FY2022	FY2023	FY2024	FY2024	
Presenteeism loss ratio <sup>*1</sup> (%)	15.8	16.0	16.6	10 or under	
Absenteeism average days <sup>*2</sup> (days)	6.1	5.5	5.5	4 or less	
Stress check implementation rate (%)	98.5	97.5	97.6	98 or higher	
Percentage of employees with high stress levels (%)	4.3	3.6	3.9	5 or under	
Rate of implementation of full medical checkups (%)	59.9	77.0	84.1	70 or higher	
Paid leave utilization ratio (%)	70.1	75.0	74.9	65 or higher	

\*1 Presenteeism loss rate: Percentage of employees whose work performance declined due to illness or injury.

\*2 Average number of days of absenteeism: Number of days taken off work due to illness, injury, or other physical condition (including paid leave, average calculated excluding people with 0 days).

### Promotion of diversity

Indicators	Actual				Previous Medium-term Management Plan targets
	FY2022	FY2023	FY2024	FY2024	
Percentage of positive responses on job satisfaction in the employee awareness survey (%)	80.1	80.9	80.0	85 or higher	
Ratio of female executives (posts equivalent to or higher than senior staff) (%)	19.1	20.1	21.1	25 or higher	
Ratio of female managers (posts equivalent to branch general manager) (%)	10.0	9.4	9.8	12 or higher	
Ratio of male employees utilizing childcare leave (%)	109	106	105	100 or higher	
Employment rate of persons with disabilities (as of June 1) (%)	3.00	3.01	2.99	3 or higher	

### Other

Indicators	Actual		
	FY2022	FY2023	FY2024
Number of training courses attended (total) (times)	4,373	4,744	5,381
Number of internal trainees (total) (persons)	193	238	177
Training fees (million yen)	106	95	97
Percentage of employees who received training on compliance (%)	100	100	100

Indicators	Those who joined the Bank in FY2020	Those who joined the Bank in FY2021	Those who joined the Bank in FY2022
	Turnover rate (new graduates within 3 years) (%)	21.1	26.3

### Outcome

#### Development of professional talent

Number of personnel who have passed the professional qualification examination achieved the Medium-term Management Plan target.

Practical trainee programs led to steady improvement in their abilities.

### Challenges and future initiatives

#### Promotion of diversity

Percentage of positive responses on job satisfaction and the ratio of female executives and the ratio of female managers did not achieve the Medium-term Management Plan targets.

We will work to improve employee engagement and further promote women's active participation through measures such as personnel system revisions and provision of opportunities for autonomous career development.

### Gender wage gap (Average female wage / average male wage × 100)

	FY2022	FY2023	FY2024
All employees (%)	39.2	39.7	41.5
Regular employees (%)	60.4	61.2	63.0
Non-regular employees (%)	85.8	86.7	81.3

- The main reason for the large wage gap among all employees compared to regular employees and non-regular employees is the high percentage of women among non-regular workers, who are paid relatively low wages.
- Even for bank employees, who make up the majority of regular employees, differences in length of service and position distribution cause differences in average wages between men and women, but the same wage standards are applied regardless of gender.

### Wage gap between male and female bank employees among regular employees

	FY2022	FY2023	FY2024	
Bank employees among regular employees (%)	65.0	65.6	65.8	
Specialist I <sup>*1</sup>	Managerial posts <sup>*3</sup> (%)	86.6	110.9	88.7
	General bank employee (%)	83.5	90.5	90.2
Specialist II <sup>*2</sup>	Managerial posts <sup>*3</sup> (%)	100.2	102.7	106.2
	General bank employee (%)	104.9	98.6	94.5

\*1 Specialist I: There are transfers involving relocation

\*2 Specialist II: Consent is required for transfers involving relocation

\*3 Middle management positions: Senior staff or higher

### Initiatives to increase the ratio of female managers and correct the wage gap between men and women

- We have developed a system to ensure that the careers of female employees are not interrupted when they experience life events, thereby enhancing support for achieving a balance between work and family life.
- By expanding job opportunities for female employees and supporting their autonomous career development, we are striving to establish a work environment where women can fully demonstrate their abilities and eliminate the wage gap between men and women.