

Practicing Human Capital Management

Recognizing that human capital is the source of corporate value, the Bank is concentrating on advancing human resources development to increase the specialization of each employee, while also making efforts, such as diversity and inclusion measures, to create worksites where all employees can succeed.

Long-term Vision “SOU” for Promoting the Success of Human Resources

In April 2023, the Bank formulated the 10-year Long-term Vision “SOU” in an effort to continuously develop an organization that demonstrates a diverse range of abilities and places a premium on diverse values.

Furthermore, the Bank designated the three-year period from fiscal 2023 to fiscal 2025 as Stage 1. During this time, we aim to “Develop a system for autonomous learning and a field for realizing ambitions” and “Foster a culture of understanding a wide range of values and accepting one another.”

S (Sustainable) **O** (Only) **U** (Unite)

“SOU” expresses the Bank’s desire for each member to demonstrate their unique individuality and for employees to mutually embrace their differences, cooperate, and pull together in the same direction, thereby contributing to the organization’s sustained development. In Japanese, “SOU” also means harmony, accord, and solidarity, embodying our ambition to create a bank that values diversity and provides a thriving environment for all employees.

Basic Policy

Autonomy and Ambition

Develop autonomous and ambitious human resources who are committed to personal growth

Diversity and Connections

Develop an organization in which diverse human resources can thrive by understanding and accepting a wide range of values

Period

Stage 1	Accept one another Fiscal 2023 to fiscal 2025
Stage 2	Connect with one another Fiscal 2026 to fiscal 2028
Stage 3	Grow and Evolve Fiscal 2029 to fiscal 2032

Specific Measures in Fiscal 2023

Develop a system for autonomous learning and a field for realizing ambitions

- Provide career advancement support by strategically assigning women to duties they have not experienced before
- Implement health and wellness measures and support initiatives for women in connection with childbirth
- Establish systems to personalize skill acquisition

Foster a culture of understanding a wide range of values and accepting one another

- Create opportunities for building networks within the Bank (consider holding internal bank networking meetings and other such events)
- Ensure familiarity with men’s childcare leave among branch managers and eligible personnel, and rigorously enforce the systematic acquisition of at least five days of such leave
- Provide continuous education aimed at instilling and entrenching an awareness of the importance of understanding diversity and accepting one another, with a view to improving emotional security and maximizing the abilities of diverse personnel

Human Resources Development Initiatives

As the issues confronting customers and communities become more diversified, employees must have a broad range of knowledge and skills. In this environment, the Bank encourages employees to acquire a broad range of knowledge and skills, including in fields that are not an extension of traditional banking operations, such as digital technology and IT. In addition to increasing the sophistication of training programs, the Bank is developing its educational environment through e-learning and other programs, as part of efforts to enhance support for each individual to take the initiative to meet challenges.

Fostering Professional Human Resources

The Bank has long worked to encourage employees to acquire qualifications that aid in financial planning and problem-solving for companies. Under the Medium-term Management Plan “MCP 1/3,” the Bank is redoubling these efforts, along with focusing anew on developing human resources with knowledge and skills in fields such as digital technology and IT.

Field	Qualifications
Financial planning and problem-solving for companies	1st Grade Certified Skilled Professional of Financial Planning, Small and Medium Enterprise Management Consultant
Digital technology and IT	IT Coordinator, Fundamental Information Technology Engineer
Others	Securities Analyst, Certified Internal Auditor, Career Consultant, MBA, etc.

Number of Personnel with Professional Qualifications



Initiatives to Develop the Bank's Internal Environment

The Bank is working to develop an internal environment that allows all employees to demonstrate their diverse individuality and abilities.

Creating Worksites Where Employees Can Work Energetically over the Long Term

The Bank is working to create workplaces where all employees can work energetically in good health over the long term, while fulfilling their roles in their private lives at home and in the community.

Support for balancing work and family (post-reinstatement training, reduced working hours, etc.)	Various types of support for childbirth and childcare (childbirth support leave and reinstatement support program)
Childcare leave comprising five days of paid leave	Senior partner program
Employee rehiring program	Encouraging systematic acquisition of annual paid leave
Work-Life Balance Handbook	Special leave program for encouraging community activities (community leave)

Health and Productivity Management Initiative

To help strengthen and enhance each employee's health, the Bank arranges for a public health nurse to conduct routine check-ups and health counseling at all branches, and it makes efforts such as strengthening measures against passive smoking and promoting participation in walking events and other health-related activities. As a result of these efforts, the Nippon Kenko Kaigi has recognized the Bank as a 2023 Health and Productivity Management Outstanding Organization (under the large enterprise category).

Diversity & Inclusion Initiatives

Recognizing that respecting the diverse values of employees will help to establish its resilience as an organization, the Bank is concentrating on diversity and inclusion initiatives.

Action Plan Based on the Women's Advancement Promotion Act (April 2023 to March 2026)

In April 2023, the Bank formulated its Phase 3 Action Plan for developing employment conditions that will enable a diverse array of human resources to be successful in the workplace regardless of gender. This Action Plan was formulated in accordance with the Women's Advancement Promotion Act (Act on Promotion of Women's Participation and Advancement in the Workplace).

Awareness of issues

- The ratio of female managers is lower than the ratio of male managers
- Men and those around them have a limited awareness of the significance of their participation in childcare

Description of targets and activities

Target 1

Increase the ratio of female managers to 30% or more

- Provide fair remuneration according to expected roles, regardless of age or gender
- Conduct a training program that will lead to career advancement and expanded job duties

Target 2

Increase the ratio of men taking childcare leave to at least 100%

- Ensure that all personnel eligible for childcare leave are aware of the program and rigorously enforce the systematic acquisition of leave
- Foster an organizational culture that encourages personnel to take childcare leave

Special Subsidiary The Musashino Harmony Co., Ltd.

The Musashino Harmony Co., Ltd. was established with the goal of increasing opportunities for people with disabilities to play a role. The company currently has nine employees and its operations include printing business cards and making novelty items.

Employee Engagement Initiatives

In the course of implementing human resources and other measures, the Bank puts emphasis on dialogue by, for example, conducting employee awareness surveys and various questionnaires. In addition, we are striving to improve our operations by proactively reflecting employee feedback via the Operational Improvement Proposal System. Furthermore, the branch working group, whose members are selected through open recruitment, enables us to solicit and listen to candid feedback on a variety of strategies and initiatives in a flat hierarchical setting.

Indicators and Targets Related to Practicing Human Capital Management (Data Sheet)

Indicator	2026/3 Target	2023/3 Result
Human resources investment per person	¥85,000	¥62,404
Number of personnel with professional qualifications	300	185
Ratio of "IT Passport" holders	80%	57%
Ratio of female workers in management positions	30% or more	25.3%
Ratio of employees with disabilities	2.6%	2.43%
Ratio of male workers taking childcare leave	100% or more	104.4%
Average number of annual paid leave days taken	15 days	12.6 days
Employee satisfaction (improvement in job fulfillment and engagement)	Consistently improve with a target of 100%	74.4%

Notes: 1. Human resources investment per person is the sum of training, qualification acquisition and other such expenses divided by the number of employees.

2. With employee satisfaction, the Bank will continue efforts to increase every year the ratio of individual employees responding, "I agree" to questions such as "Are you satisfied with working in your current workplace?"