

Human Capital -Oriented Management: Message from the General Manager of Human Resources Development Department



Executive Officer
 General Manager, Human Resources
 Development Department
 Hokkoku Financial Holdings, Inc.

Junko Inoue

Joined Hokkoku Bank in 1998. She has held various roles, including Promotion Officer of Branch Coordination Section in April 2018, Head of the Compliance Group in the Corporate Management Department in March 2021, and Executive Officer of the Customer Service Department in March 2023. In March 2025, she became Executive Officer and Head of Human Resources Development at both Hokkoku Bank and Hokkoku Financial Holdings, leading reforms to maximize human capital and promote initiatives for talent development.

The Talent Ecosystem and Diverse Opportunities for Challenge

We have constructed a “talent ecosystem” that covers everything from recruitment to development, assignment, challenge, achievement, and personnel transfer. Our mid-career hiring ratio has reached 61%, and we proactively collaborate with external talent on a project-by-project basis. Attracted by our philosophy and equipped with high expertise and a desire to take on challenges, these talents directly drive our new business initiatives. In terms of development, we have established “volunteer application” and “job challenge” programs to balance employee growth with organizational vitality. We view “personnel transfer” as a process for employees to leverage the values, skills, and perspectives cultivated at our company as they take on new challenges at local companies, municipalities, or group firms. In 2025, for example, an employee in their thirties was appointed president of a group company, demonstrating our flat evaluation and compensation system, which enables prompt promotion based on ability and eagerness to challenge, regardless of seniority.

The foundation for challenge and growth is “employee health.” In 2024, we were certified as a “White 500” Health and Productivity Management Organization for the fourth consecutive year and ranked first nationwide in the comprehensive evaluation index set by Japan’s Ministry of Health, Labour and Welfare (*). Our Wellness Support Team, composed of multiple experts, conducted over 2,800 interviews annually, providing comprehensive support for both mental and physical well-being, which significantly contributes to employee performance.

*Comprehensive Evaluation Index for Insurers in Category 1 Subject to Reduction of Support Payments for Late-stage Elderly

Evolution of Human Capital Supporting Ambidextrous Management

We firmly believe “human resources are the core of management” and have positioned investment in human capital at the heart of our management strategy. To nurture a culture through which every employee can independently pursue their career and take on new challenges, we introduced a career-based HR system in 2022. This shift has transformed employees’ mindsets from “being given a career” to “creating their own career,” spreading positive change throughout the organization.

In a time of rapid change, achieving “ambidextrous management”—balancing the deepening of existing businesses with the exploration of new ones—requires the continual evolution of human capital management. We are optimizing our human resources portfolio in line with changes in our business portfolio and urgently focusing on developing talent with AI and data utilization skills by strategically promoting reskilling and continuous education. Through support for graduate-level education, professional certification assistance, and AI training, we empower employees to expand their potential and contribute to business growth.

Fair Evaluation and Autonomous Growth Environment

We have introduced an evaluation and compensation system based on skills, roles, productivity, and contribution while implementing cross-departmental reviews to establish a salary structure independent of seniority. Moving forward, we will further clarify the skills and job scopes required for each position, enable employees to understand the capabilities needed for their desired career paths, and foster autonomous growth, fair compensation, and optimal placement.

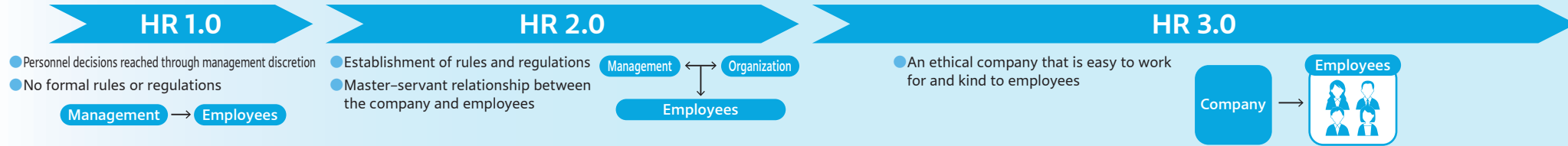
Toward Further Reform of Organizational Culture

The advancement of human capital management requires both systems and the transformation of employee awareness and organizational culture. So far, we have promoted a workplace that is flat and psychologically safe by implementing “one-on-one meetings” between employees and management, visualizing key project discussions, and conducting career reviews.

As part of organizational culture reform, in July 2025, we held a “one-on-one meeting” between the Employee Shareholding Association and the CEO, attended by about 500 participants both in-person and online. Prior to the meeting, each workplace discussed key issues, and representatives actively exchanged opinions with management, asking questions and making proposals on “strategy,” “capital policy,” and “branding.” By encouraging employees to speak in their own words from a management perspective, we enhance organizational transparency and buy-in, fostering a willingness to take on challenges. Additionally, with the introduction of the Restricted Stock (RS) scheme, employees have shifted their mindset from being just “members of the company” to “owners,” leading to more proactive involvement in enhancing corporate value.

Currently, through the “Organizational Capability Upgrade Project,” we are actively discussing measures aiming to further strengthen sustainable competitiveness and organizational power. Standing at a new transformation stage for ambidextrous management, we will continue to prioritize investment in human capital and building an environment where every employee can realize their full potential—driving both sustainable corporate growth and contributions to the local community.

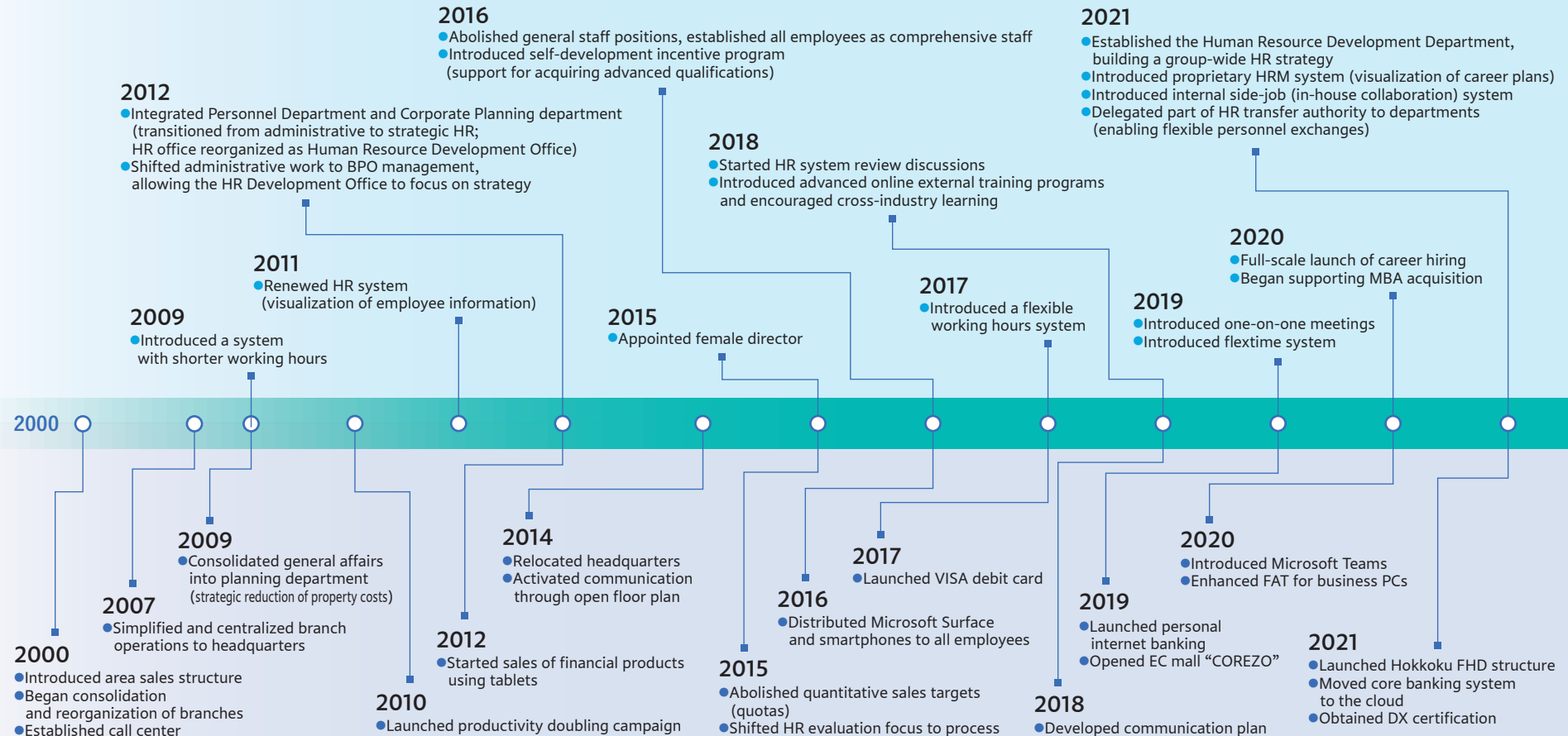
Human Capital-Oriented Management: The Story of HR Transformation



From “Ease of Working” to “Work Engagement”

Human Capital Strategy

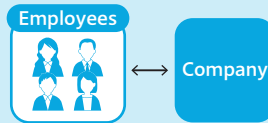
Management Strategy



Human Capital-Oriented Management: The Story of HR Transformation

HR 4.0

- Employees autonomously select their own careers and grow together with the organization through a two-way relationship
- The company becomes a “platinum company,” offering not only ease of working, but also fulfillment in work



HR 5.0

- Both employees and the company collaborate and co-create both internally and externally, generating new value for the local community



Toward Further Career Autonomy and Growth

2022

- Introduced employee engagement survey (eNPS)
- Started career reviews
- Introduced career-based HR system
- Appointed first female executive officer hired directly from within
- Lifted the ban on side jobs outside the company
- Replaced the entrance ceremony with a “Welcome Meeting”
- Published the book “Brushing Up Human Resources Energizes Companies and Communities”
- Established a skill map
- Started HR exchanges with local governments

2023

- Shifted to role-based pay through dialogue (departure from seniority-based pay)
- Received Human Capital Leaders 2022 Award
- Won our 13th Japan Most Valued Company Award, Minister for Regional Revitalization Prize
- Introduced “Grandpa and Grandma Parental Leave” system (childcare leave for grandparents)
- Introduced unrestricted leave of absence system (for all purposes, including study abroad)
- Launched “Wellness Support Team” as part of health management
- Introduced employee restricted stock compensation plan (RS plan)
- Started initiatives for financial wellness
- Introduced “Career Design Training” for autonomous career development

2025

- Certified as a “White 500” health and productivity management corporation (large enterprise category) for four consecutive years
- Appointed first female director hired directly from within
- Ranked No. 1 in Ministry of Health, Labour and Welfare comprehensive evaluation of health insurance association activities
- Established a nursing care consultation desk
- Ranked No. 1 nationwide in comprehensive evaluation indicators set by Japan’s Ministry of Health, Labour and Welfare
- Strengthened career training from Career Support Team (pre-return-to-work training, new employee training, active listening seminars for all employees)

2024

- Started “Job Challenge Program” to encourage career changes
- Introduced expert system
- Acquired Platinum Eruboshi certification
- Launched challenge-driven self-nomination system
- Introduced CEO and Employee Shareholder Association one-on-one meetings
- Introduced AI interviews for new graduate recruitment

2024

- Launched Japan’s first deposit-type stablecoin “Tochika”
- Established local subsidiary in Kenya, Africa
- Launched new internet banking service for corporations
- Established Honey Bee Sports, a women’s handball team operating company
- Established Regional Future Creation for regional promotion and attraction
- Started pilot of AI (copilot)

2025

- Launched organizational capability upgrade project
- Shifted to a two-brand system (“ambidextrous management”)
- Established CCIForward, a BPO consulting firm (appointed president in their thirties)
- Abolished executive floor at headquarters, renovated to a flat workspace
- Opened new cafeteria area “Palette” in main building
- Completed new office building “Hirooka Terrace” as a venue for collaboration and co-creation with local communities

2022

- Introduced BYOD
- Accelerated internal production of subsystems
- Introduced AI chatbot
- Migrated call center system to the cloud

2023

- Started digital local currency project
- Established human rights policy

2025

Human Capital-Oriented Management: Organizational Culture as Revealed by Engagement Surveys

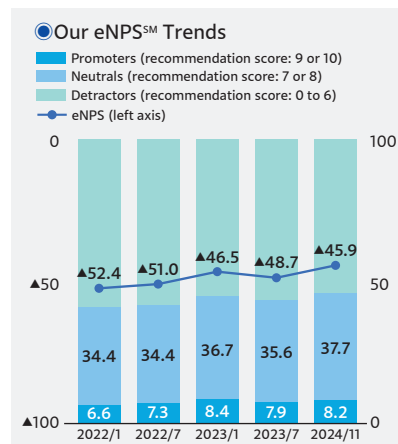
Evolution of Job Satisfaction through Engagement Surveys

Our company aims to deliver value to the region by widely sharing our vision, strategies, and initiatives both internally and externally, fostering a collective commitment among all employees. To realize this goal, we utilize online tools such as Microsoft Teams to visualize strategic discussions within each department in real time. Additionally, our proprietary HRM system enhances information transparency by sharing employee career plans and one-on-one dialogue content throughout the organization.

This visualization of information encourages cross-departmental collaboration, driving innovation and improving engagement. We have also abolished top-down quotas, established an open and flat workplace, and created opportunities for dialogue beyond job titles and departments, thereby fostering a psychologically safe work environment. These efforts have enabled employees to freely exchange ideas, cultivating an open and communicative organizational culture.

Since 2022, we have adopted the Employee Net Promoter Score (eNPSSM) as an indicator of job satisfaction (combining ease of work and sense of purpose). In the fifth survey conducted in November 2024, we achieved a record high score of -45.9 (average recommendation score: 6.0).

This improvement is attributed to an increase in positive



[Survey Question]

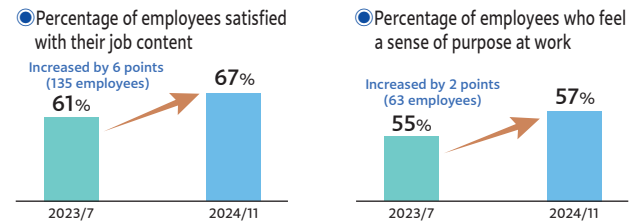
How likely are you to recommend working at your current workplace to close friends or acquaintances?

(Rated on a scale from 0 to 10)
eNPS calculation: % of promoters - % of detractors

Survey overview: All group employees (including executive officers, overseas local employees, and business staff, excluding directors)

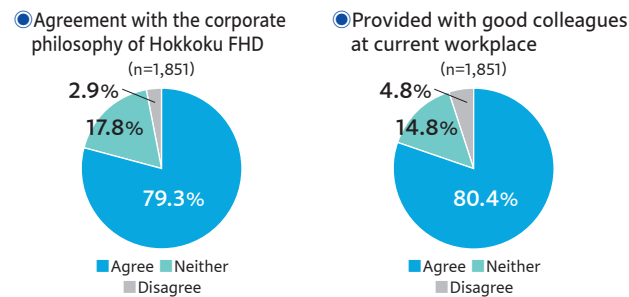
[Number of respondents] 1,764 (Jan 2022), 1,838 (Jul 2022), 1,634 (Jan 2023), 1,802 (Jul 2023), 1,851 (Nov 2024)

responses to questions about “satisfaction with job content” and “sense of purpose at work.” We believe this favorable shift is the result of initiatives such as assignments and dialogue tailored to career plans, which addressed issues identified in the fourth survey.



Another notable feature revealed by the engagement survey is our employees’ strong empathy toward our corporate philosophy and their high level of satisfaction with workplace relationships.

In the November 2024 survey, approximately 80% of employees responded positively to “agreeing with the corporate philosophy” and “being blessed with good colleagues at the current workplace.”



This reflects the daily permeation of our corporate philosophy through the weekly messages delivered by the CEO, frequent dialogs between management and employees, and opportunities within workplaces to discuss corporate strategies and philosophy. Sharing our mission has become the driving force behind various company initiatives.

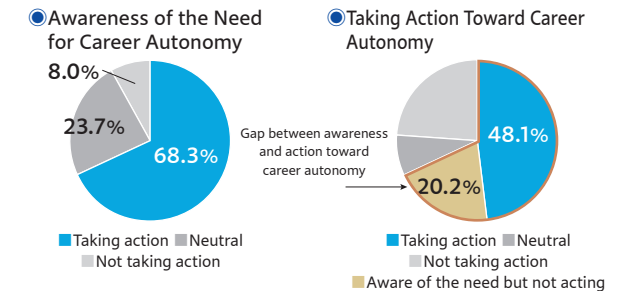
Furthermore, regarding workplace relationships, monthly one-on-one meetings and open forums for free exchange of opinions—made possible by increased information transparency—have fostered trust among employees and enhanced workplace comfort.

Further Enhancing Job Satisfaction

While the overall trend in our engagement survey has been positive, two key challenges have emerged from our pursuit of even greater job satisfaction.

Challenge 1: Promoting Actions Toward Career Autonomy

The data shows employees with higher engagement scores are significantly more likely to report taking action toward autonomous career development. However, there is a 20% gap between those who “recognize the need for career autonomy” and those who actually “take action.” To address this, our company has been creating an environment that encourages action through efforts such as offering career development workshops and providing individual support through our Career Support Team, as described later.



Challenge 2: Differences in Job Satisfaction by Role

The survey also highlighted variances in job satisfaction depending on the nature of work. In particular, employees engaged in individual front-line operations reported an average satisfaction score of 5.4, which is 1.4 points lower than the 6.8 average among those involved in corporate sales and planning roles. A key issue appears to be the reduced real contact with customers, making it harder for these employees to feel a connection between their work and the company’s strategy and vision. Through job crafting workshops, opportunities for direct one-on-one discussions with the CEO, and initiatives aiming to visualize customer feedback, we are providing employees with more opportunities to rediscover meaning in their roles and realign with company direction. These efforts are designed to enhance both customer satisfaction and corporate value.

Human Capital-Oriented Management: Organizational Culture as Revealed by Engagement Surveys

Cultivating Action Toward Career Autonomy

We have established a support system that empowers employees to proactively design their career plans and take autonomous actions toward career development.

To enable each employee to realize their ideal career and fulfill expected roles within the organization, we have introduced “career reviews” as a mechanism for reflecting on desired career paths and daily work. By taking stock of their duties, employees clarify their strengths and challenges to inform their career development. Twice a year, during “Career Month,” we also conduct “tailor-made one-on-one” meetings across departments and positions; through these meetings, employees discuss career goals and consult on work styles suited to their life plans. These opportunities help employees determine their direction and translate aspirations into concrete action. Our “Career Support Team,” composed of nationally certified career consultants, expanded to 12 members through internal recruitment in 2024 and provides expert, third-party viewpoints during career consultations and interviews.

Furthermore, in June 2025, we collaborated with the employee union and Human Resource Development Department to hold a “Listening Skills Seminar” for all employees. This event provided both theoretical and practical communication techniques that can be used in one-on-one meetings. We also conduct career consultations and workshops in new graduate training and hold events for employees returning from childcare leave. Through these initiatives, we continue to develop an environment where employees can independently consider and act on their careers.

Fostering an Ownership Mindset

We are working to enhance each employee’s ownership mindset—encouraging them to view company strategies from a “shareholder’s perspective” and participate in management as individual investors.

In July 2025, we held the second “Employee Stockholding Association × CEO One-on-One Meeting.” This hybrid event, combining in-person and remote participation, was attended by about 500 employees.

After thorough discussions at the workplace level, representatives from each department shared questions and proposals on topics such as “strategy,” “business initiatives,” “capital policy,” and

“branding” directly with the CEO, resulting in lively exchanges that reflected the perspectives of employees. Following the meeting, a roundtable discussion between employees and management was also held in a casual atmosphere, deepening mutual understanding.

As an initiative aiming to boost engagement through ownership, we have introduced a Restricted Stock (RS) program that grants shares to employees based on ROE performance levels. Through such systems and opportunities for dialogue, we aim to draw out employee initiative while strengthening governance and enhancing corporate value.

By encouraging every employee to think of themselves not just as members, but as “owners” of the company, we are creating an environment where stronger governance and sustainable growth in corporate value can be achieved.

● Scenes from CEO One-on-One Meetings



Launch of the “Organizational Capability Upgrade Project”

To further advance our “ambidextrous management,” which balances the deepening of existing businesses with the exploration of new fields, we have initiated the “Organizational Capability Upgrade Project.”

This project visualized on-the-ground feedback from employee and executive interviews, clarifying organizational challenges previously difficult to identify through conventional surveys. The issues identified are not limited to systems and operations, but are deeply related to organizational culture and mindsets. We recognize that further transformation will be necessary for achieving sustainable growth and higher corporate value.

Group executives are leading repeated discussions to consider improvement directions from five perspectives of organizational analysis. Based on the challenges identified, we will continue to implement cross-departmental conversations and measures to further strengthen organizational capabilities.

● Discussions on organizational issues from five perspectives



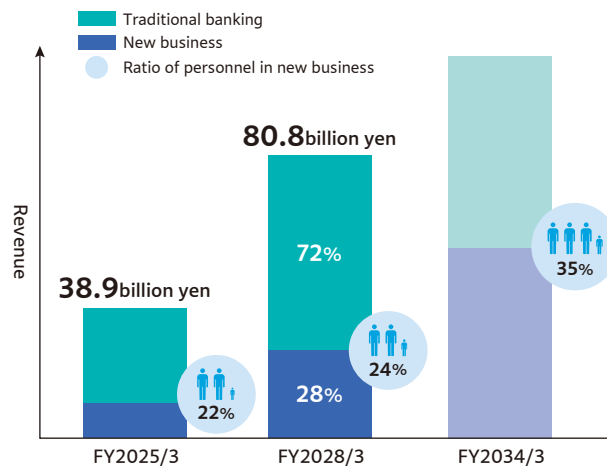
Human Capital-Oriented Management: Human Resource Portfolio linked to our business strategy

Organizational Linkage Between Business and Human Resource Portfolios

Our company advances through an “ambidextrous management” approach, leveraging our traditional banking strengths while expanding into new business domains such as consulting, cashless transactions, investment funds, regional revitalization, and digital systems. Aiming to balance the composition ratio of operating profit between banking and new businesses at 50:50 by 2030, we are accelerating the evolution of our business portfolio for sustainable growth.

Meanwhile, our human resource portfolio remains in development to match this business transformation. As of March 2025, the composition stands at “Traditional Banking: New Business = 78%:22%.” Looking ahead, we aim to increase the proportion of employees engaged in new businesses to 35% (current planned value) while pursuing greater productivity through AI and data utilization. The synergy of human and digital capital will dramatically enhance our organizational competitiveness.

● Business Revenue and Personnel Ratio Trends



Clarification of Personnel Requirements and Visualization of Skills

To build an effective human resource portfolio, we first need to clarify personnel requirements for each business portfolio. By systematically defining skill sets via skill maps, we visualize the requirements for each role. This approach increases the accuracy of talent matching for recruitment, development, and deployment, enabling us to realize a human resource portfolio aligned with our business strategy.

With a career-based HR system, employees work within an evaluation framework based on skills, roles, productivity, and contribution, supporting autonomous career development. Through programs such as temporary internal trial postings, in-house second jobs, and open recruitment, we provide opportunities for employees to gain cross-functional experience, promoting internal talent mobility and fostering innovation.

Business Transformation and Maximization of Human Capital Value Through AI Utilization

We are standardizing skills for AI and data utilization, actively implementing initiatives for operational efficiency and value creation. All employees already use Copilot, and we have applied generative AI to a wide range of activities, including document creation, recommendations for sales activities using AI/data, automatic speech-to-text and summarization for call center operations, chatbots, and AI interviews for hiring. Currently, we are launching a new project in the field of customer support, where AI and humans collaborate; by automatically brushing up knowledge from inquiry logs, we are building an autonomous support model that delivers optimal responses tailored to individual customer situations.

By coexisting with AI, employees are shifting to more advanced and creative tasks, developing an environment that maximizes the potential of our human capital. Moving forward, we will enhance AI literacy across all positions through role-specific guides and phased training programs, supporting the practical application of AI skills and concentrating personnel on strategic tasks to maximize human capital value.

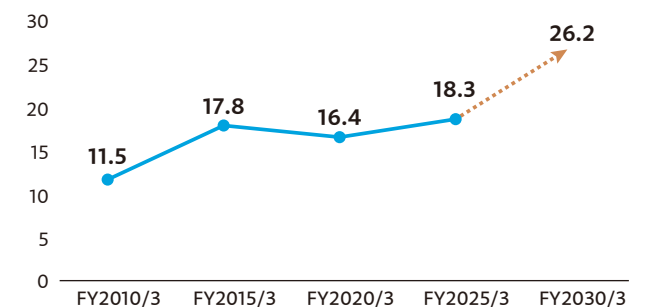
Vision for Human Capital Toward 2030

To date, we have achieved streamlining through centralization and digitization of routine office tasks, clearly distinguishing between roles that can be replaced by systems and those that should be performed by people. By focusing on employee development, we have increased the ratio of full-time employees while reducing part-time workers handling routine tasks. With a full-time employee ratio of 91.7%, significantly exceeding the national average for regular employees (69.2%)*, we foster an organization that maximizes the abilities and potential of every employee (▶P.49).

This initiative has also led to higher per capita compensation and growth in employee added value, yielding steady results as a measure for enhancing employee contributions. In constructing a mid-to-long-term human resource portfolio, we aim to keep overall personnel numbers moderate while increasing per capita added value, allowing employees to maximize their abilities and drive corporate value. Achieving this requires a system in which AI and people complement each other. By acquiring AI and digital skills, all employees will shift to roles that require creativity and strategic thinking, while AI continues to drive operational efficiency. By promoting these two pillars, we will deliver business operations that are both precise and agile, tailored to regional needs.

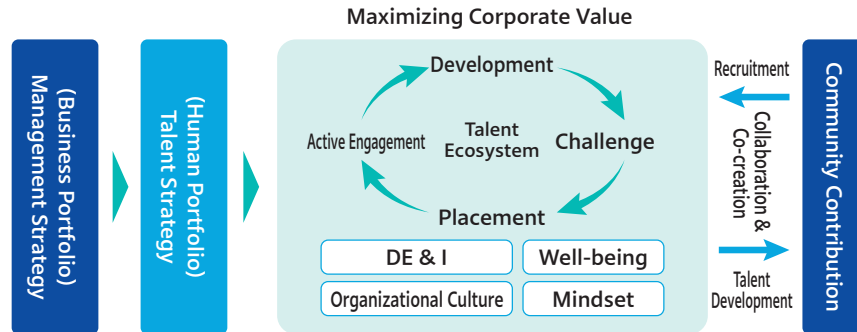
* Ministry of Health, Labour and Welfare, Monthly Labour Survey, April 2025

● Trends in Added Value per Employee (millions of yen, including part-timers)



Human Capital-Oriented Management: The Human Resource Ecosystem

Overview of the Talent Ecosystem



We view investment in human capital as a key management initiative for responding to rapidly changing business environments and increasingly diverse markets. To achieve sustainable corporate growth while contributing to local communities, we have established and operate a comprehensive "Talent Ecosystem" that encompasses recruitment, development, placement, challenge, and performance. This integrated approach ensures the continuous creation and activation of talent, supporting both our organizational objectives and broader societal value.

Recruitment: Creating Spaces for Diverse Talent

Recruitment marks one of the starting points of our ecosystem, where we welcome individuals with a strong drive for challenge and diversity. In addition to hiring new graduates, we proactively utilize mid-career recruitment, which accounted for 61% of hires in FY2024. The influx of external perspectives and values brings fresh ideas and energy to our organization, driving business growth.

Furthermore, we do not limit ourselves to traditional recruitment frameworks; we actively engage with freelancers and external partners as well. By enhancing the function of our organization as a "place" where employees, alliance members, and external professionals with specialized skills can all flexibly join, we are cultivating a foundation for diverse talent to create value together. This integrated approach accelerates our business speed and flexibility, contributing to greater added value.

Talent Development: Autonomous Learning and Skills Enhancement

To empower recruited talent, we strengthen reskilling and recurrent education opportunities, supporting the acquisition of advanced qualifications and subsidizing attendance at universities and graduate schools. We focus on nurturing professionals equipped with both expertise and practical skills. All employees are encouraged to acquire knowledge and skills related to AI and data utilization, making it possible to concentrate on creative and strategic tasks through the synergy of human and digital capital.

Placement and Challenge: Systems That Enable Self-Driven Career Moves

Beyond development, it is vital to provide an environment where employees can proactively take on new roles and responsibilities. Through open recruitment, temporary internal trial posting programs, and internal side jobs, approximately 400 employees have embraced new opportunities. This flexibility allows personnel placement suited to individual career aspirations and life stages, invigorating the entire organization.

Placement is not merely a matter of personnel adjustment; it enhances the sense of growth among employees and leads to improved performance and engagement.

Performance: Talent Creating Value Both Inside and Outside the Organization

After embracing new challenges, employees find expanded fields to thrive. In addition to taking on broader roles within the group, opportunities are increasing for our talent to be dispatched to local enterprises and governments, demonstrating value externally as well. By contributing to local communities as management and expert talent, our corporate philosophy and values permeate society, while fostering a spirit of challenge that cycles back into our organization.

Well-Being: Linking Management Strategy with Employee Health

At the core of our talent ecosystem, which aims to maximize corporate value, is the well-being of our employees. To support health, our company, health insurance association, and employee union work closely together, and in 2024, we were certified as a "White 500" Outstanding Health & Productivity Management Organization for the fourth consecutive year. Additionally, we ranked first nationwide on the comprehensive evaluation index set by Japan's Ministry of Health, Labour and Welfare, receiving high marks for our multifaceted health initiatives.

Our Wellness Support Team consists of occupational physicians, mental health specialists, counselors, psychiatric social workers, public health nurses, and registered dietitians. In FY2024, the team conducted more than 2,800 consultations and interviews, contributing to a reduction in average leave duration (down by 1.7 months per person), a decrease in absenteeism rate (down by 0.09%), and improved employee performance.

Going forward, we will further visualize and analyze health data to provide more effective support, taking proactive measures to address issues. In FY2025, we plan to introduce a system that visualizes each employee's health status and supports behavioral changes to improve lifestyle habits, aiming to promote health for both individuals and the organization.

*Comprehensive Evaluation Index for Insurers Subject to Post-retirement Support Payment Reductions (Category 1)



Human Capital-Oriented Management: Human resource Development and Capability Enhancement

Talent Development Policy

In an era of rapid environmental change and growing uncertainty, we have refined our talent development policy to realize “ambidextrous management” for sustainable growth and the establishment of lasting competitive advantage. Our approach emphasizes building a foundation of mindset—including organizational culture and ownership—while enhancing both basic and hard skills, aiming to nurture “professional talent” who contribute to improving regional quality.

1. In addition to the foundational skills—such as human skills and problem-solving abilities—that we have traditionally valued, we now explicitly include rapidly evolving digital skills, such as AI proficiency, as essential basic skills for job execution. By utilizing generative AI and AI agents, we will accelerate fundamental business reforms and promote talent shifts from routine tasks to high value-added work through targeted development programs.

2. To strategically advance and monetize new businesses in each domain, we recognize the need for talent with high levels of expertise. Furthermore, in order to foster the growth of local companies, it is crucial to develop “management talent” who will form the core of business operations. Therefore, in addition to “professional talent,” we have newly defined “management talent” and “expert talent” as aspirational roles within our organization.

These initiatives contribute to enhancing corporate value from the perspective of human capital management, and through talent development, we will strengthen the foundation for medium- to long-term growth.

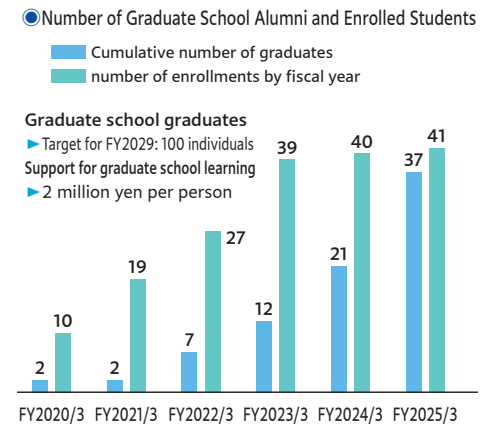


Toward the Development of Transformational Management Talent

Our company is dedicated to cultivating high-quality talent essential for realizing management strategies. In particular, we aim to develop personnel who directly engage with regional business management. We recognize the importance of developing individuals capable of adapting to rapidly changing external environments, driving innovation, and leading organizational and business transformation.

Based on this understanding, we position reskilling as a key element of our management strategy and support the systematic acquisition of advanced skills necessary to lead transformation, such as conceptualization, creativity, logical thinking, and problem-solving abilities.

Currently, the number of graduates and current students who have developed through graduate school learning has reached 78, and they have achieved practical results as management talent, including the commercialization of business plans and appointment as board members in group companies and regional enterprises. This year, a younger employee in their thirties, who had studied business development, was appointed president of a group company—an example of career advancement made possible through learning. Going forward, we will accelerate the development of “management talent” that balances the realization of management strategies with contributions to regional society through proactive investment in human capital.



Takuya Maeda
President and
Representative Director
CCIForward Co., Ltd.

With Determination as a Business Leader: Becoming President in My Thirties

Since joining Hokkoku Bank in 2011, I have worked as a corporate representative, providing consulting and loan services to local companies in the Hokuriku region. As I reflected on my career, I decided to systematically acquire the skills necessary for management and leadership by enrolling in the Graduate School for Project Design. There, I studied new business creation as a researcher and further developed liberal arts and leadership skills through BBT courses. Both institutions offered rich opportunities to learn from peers across different ages and industries, as well as from diverse faculty, allowing me to cultivate business conceptualization, multifaceted perspectives, an executive mindset, and an understanding of what it means to be a leader.

Leveraging these skills and the personal networks I built, I established CCIForward Co., Ltd. in May 2025 together with Money Forward and Seven Rich, launching a BPO business and assuming the role of President. Moving forward, I am committed to demonstrating strong conceptualization and leadership abilities to grow this business and develop it into a core enterprise for our company.

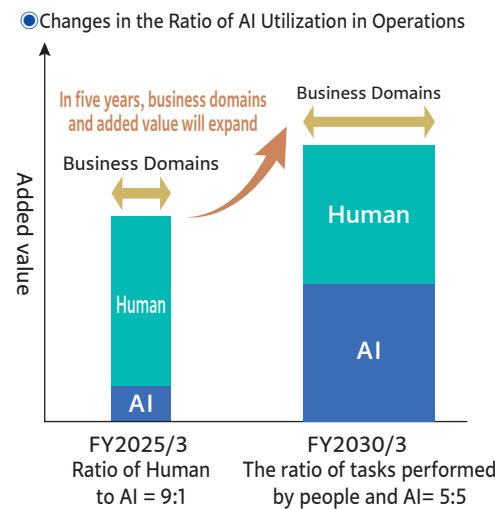
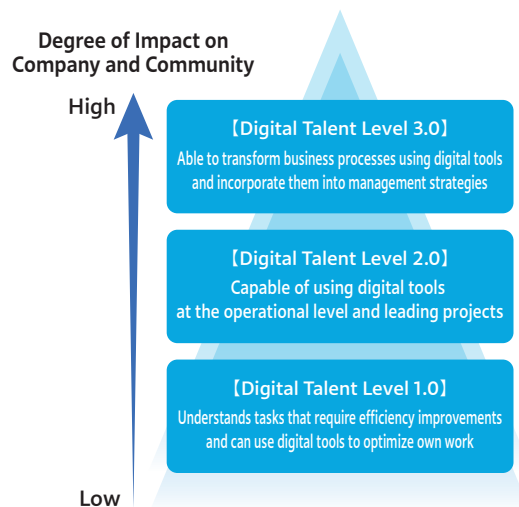
Human Capital-Oriented Management: Human resource Development and Capability Enhancement

Development of Digital Talent

In today’s rapidly changing external environment, leveraging digital technology and AI is essential to productivity enhancement, business domain expansion, and the creation of new added value. At our company, we define “digital talent” as individuals who can utilize IT and AI to improve operational efficiency and deliver new value to clients and the community. We are committed to fostering such talent.

Specifically, we have provided approximately 600 employees with paid licenses for M365 Copilot and regularly hold in-house study sessions to share best practices and promote efficiency. While our initial use of AI centered on tasks such as taking minutes and creating documents, we have since expanded its application—through external partnerships—to areas like call center operations and business matching with client companies. This shift reflects a growing digital and AI-driven mindset across our organization.

However, the number of employees actively utilizing AI remains limited. To maximize added value, it is vital for all employees to embrace digital and AI tools. Therefore, we have set a goal for all employees to reach “Level 1.0” by 2030. This level is defined as “understanding which tasks require efficiency improvements” and “being able to use digital tools to streamline one’s own work.” We support skill development through the use of checklists and by offering training and practical opportunities tailored to each skill level. These initiatives empower employees to broaden their business scope and increase added value, enabling us to build a talent portfolio centered on digital expertise. As a result, we believe these efforts will strengthen our organizational capabilities toward realizing business strategies and establish a foundation for sustainable growth.



Initiatives for Talent Development Using Skill Maps

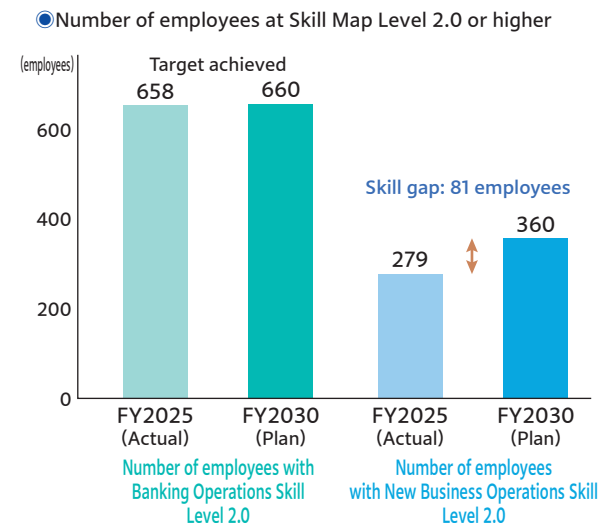
The acquisition of essential hard skills for business execution is positioned as a key factor in talent development. We have formulated a “Skill Map” that covers not only banking operations but also a broad range of business domains such as consulting and investment. With this Skill Map, employees can grasp the skill sets required for both their current roles and future career paths, promoting autonomous growth.

Visualizing employee skill levels enables us to optimize our human resource portfolio and arrange personnel in the right positions, facilitating talent development and activity in line with our management strategies. The Skill Map sets skill levels from 1.0 to 3.0 using two axes: “knowledge” and “practice.” We define those at Level 2.0 and above as “talent who possess business knowledge and experience and can deliver value independently,” and apply this standard as a benchmark for talent development. By 2030, we plan to allocate approximately 1,100 staff to banking operations and around 600 staff to new business operations, aiming for more than 60% of talent in each area to reach Level 2.0 or higher.

In banking operations, we have already achieved the target of 660 staff at Level 2.0 or above. However, for new business operations, we are short by about 80 staff against our goal of 360, making this gap a key focus for future initiatives. Traditionally, in banking operations, experienced personnel have mentored trainees in knowledge and practical skills. In new business operations, however, methods for skill acquisition are not yet systematized. Going forward, we will introduce new sheets that visualize employee growth levels and clarify specific learning methods.

We are also revising our evaluation system to ensure employee growth is reflected through compensation, aiming to boost motivation and accelerate development. Employees who acquire new business skills in addition to their banking expertise develop further strengths and become increasingly valuable talent. Improvement of this nature benefits the individual while also fostering the development of talent capable of creating new added value for the company.

Through these initiatives, we aim to establish a human resource portfolio based on our business strategy and build an organizational foundation that enables flexible and sustainable growth in a rapidly changing business environment.



Human Capital-Oriented Management: Cultivating and Deploying Professional Talent

Initiatives for Talent Deployment That Creates Value in Local Communities

As part of our human capital management strategy, we focus on both internal talent development and the deployment of individuals who can provide value to local communities and client companies. Our mission is for employees to utilize the values, skills, experiences, and perspectives they have developed within our organization to take on new challenges and directly contribute to value creation as management personnel in regional companies.

Diverse Approaches to Talent Deployment

Specifically, we actively dispatch personnel to regional companies as board members, enabling them to participate in key management decisions. We also promote “hands-on support” aimed at business revitalization and improvement, where our employees are deeply involved in day-to-day operations, providing practical assistance in areas such as finance, HR, and operational improvement to address management challenges. Furthermore, we offer secondment opportunities for specialized talents, including system engineers, thus broadening the scope and impact of our deployment initiatives.

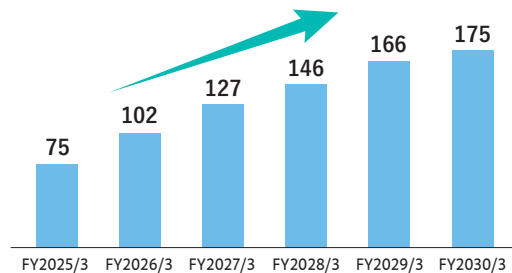
As of March 2025, 75 of our employees are actively contributing outside the company, and we expect this number to exceed 160 by the end of March 2029. By sharing our advanced practices, culture, and values externally, we strive to deepen trust with local communities and realize sustainable value creation.

Rising Expectations for Advanced Talent

As the business environment undergoes rapid change, the expertise and skills required in management roles are becoming increasingly sophisticated. In particular, management professionals are expected to possess a broad understanding of diverse fields and the flexibility to address complex issues. To meet these evolving demands, we are accelerating our talent development efforts.

Our deployment initiatives deliver value to external environments while also providing employees with opportunities for personal growth and new challenges. The experiences gained outside the company help broaden internal perspectives, thereby fostering a self-perpetuating cycle of human capital advancement.

●Planned number of employees active in local communities (employees)



Collaboration and Co-Creation with Local Communities: Sharing Knowledge for Regional Value Creation

Sharing Knowledge Through Collaboration and Co-Creation with Communities
With the vision of “providing value to local communities,” our company actively promotes the sharing

of insights and experiences cultivated internally through cooperation and co-creation with regional partners. By disseminating our knowledge to the wider community, we foster the formation of shared values and deepen the understanding of future visions.

This initiative goes beyond mere information provision, expanding into practical partnerships aimed at solving regional issues. Specific approaches include dispatching personnel to regional enterprises, providing hands-on management support and advice, facilitating exchanges of expert resources, and promoting joint projects. Through these diverse efforts, we are building a framework for companies and communities to work together toward common goals.

Accelerating Regional DX through Talent Exchange with Local Governments

Since April 2023, we have launched talent exchange programs with local governments to accelerate regional digital transformation (DX). Currently, we exchange personnel with Kanazawa City and Komatsu City, helping to digitize and streamline government administration and public services.

These efforts include initiatives aiming to enhance the usability of the digital community currency service “Tochitsuka,” as well as activities geared toward strengthening collaborative planning for future regional development. By leveraging our expertise alongside the insights of local governments, we are generating positive synergies that spread throughout the region, leading to advanced value creation.

Knowledge Sharing for Sustainable Regional Development

Sharing knowledge contributes to the sustainable growth of communities while helping us fulfill our corporate social responsibilities. By designing activities and sharing results that incorporate local perspectives, we realize two-way value creation and foster relationships built on trust, with a commitment to “evolving together.”

These initiatives have a broad impact on regional societies while also laying the foundation for a future in which companies and communities grow side by side.



Keisuke Nishida

Director,
General Affairs Department
Komatsu Electronics Co., Ltd.

New Challenges for Regional Business Growth

Since March 2023, I have been working at Komatsu Electronics Co., Ltd., serving as General Affairs Manager while assuming responsibility for accounting, human resources, and asset management. I am also involved in various projects, such as the migration of accounting software and on-premises servers to the cloud, the revision of HR evaluation systems, and the launch of a new factory relocation project. In May 2025, I was appointed as Director.

In 2021, I enrolled in BBT Graduate School, continued my studies at my secondment destination, and graduated in March of this year. In today’s rapidly changing environment, I find great satisfaction in being able to contribute to the growth of regional companies by applying the knowledge gained at graduate school and the experience accumulated at Hokkoku FHD. Moving forward, I will continue to focus on input through continuous reskilling and output through practical experience, devoting myself to the development of my company and the mentoring of future leaders as a management professional.

Human Capital-Oriented Management: Achievement of Diverse Talent

Fair Evaluation and Treatment Enabling Diverse Talent to Thrive

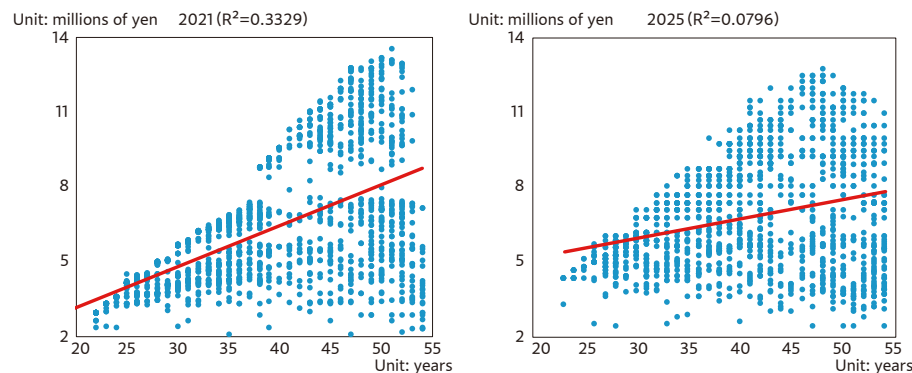
In March 2022, we revamped our traditional seniority-based HR system and introduced a “career-based HR system” focused on talent development and career autonomy. Each employee designs his or her own career proactively and grows together with the organization, ultimately enhancing corporate and regional value. This career-based HR system has three key features: ① “Career Reviews,” enabling all employees to realize their career goals and regularly reflect on their expected roles within the organization; ② a “Career-based Salary Revision Flow,” which shifts away from seniority-based pay and determines compensation through dialogue based on skills, roles, productivity, and contribution; and ③ a system under which employees with diverse backgrounds are not disadvantaged by shorter years of service, as retirement lump-sum payments are incorporated into monthly wages. Through this HR transformation, we aim to maximize organizational capabilities by fostering collaborative and co-creative talent.

Transition to Early Promotion for Young Employees Through Evaluation and Pay System Reform

In our second career-based salary revision flow implemented in 2025, the influence of seniority further diminished, shifting toward a job-size-based pay structure. We quantified the degree of seniority by calculating the “seniority coefficient”; in 2021, the correlation between age and annual salary was 0.3329 (moderate), but by 2025, it had fallen to 0.0796, indicating minimal impact of age on compensation. Additionally, by abolishing regular raises for younger employees and moving to a job-size-based salary system, we expanded opportunities for young talent and achieved fair treatment based on individual performance and value contribution.

Since 2024, we have introduced a “self-nomination system” for assignment and promotion, providing opportunities based on motivation, enthusiasm, and abilities. By fairly evaluating the results of these challenges and contributions to the organization, we promote early advancement of young employees and accelerate talent development, leading to greater organizational vitality.

Correlation Between Age and Salary (Seniority Coefficient)



Eliminating Gender Pay Gap

Under the previous HR system, significant gender pay gaps existed due to years of service and the distinction between “general” and “professional” tracks, resulting in substantial differences even for identical job sizes. With the latest salary revision, we introduced a fair evaluation system based on job size regardless of gender, greatly reducing pay disparities per role. However, the overall gender pay gap remains significant at 29.4%, and addressing this issue remains a priority. The two main causes are:

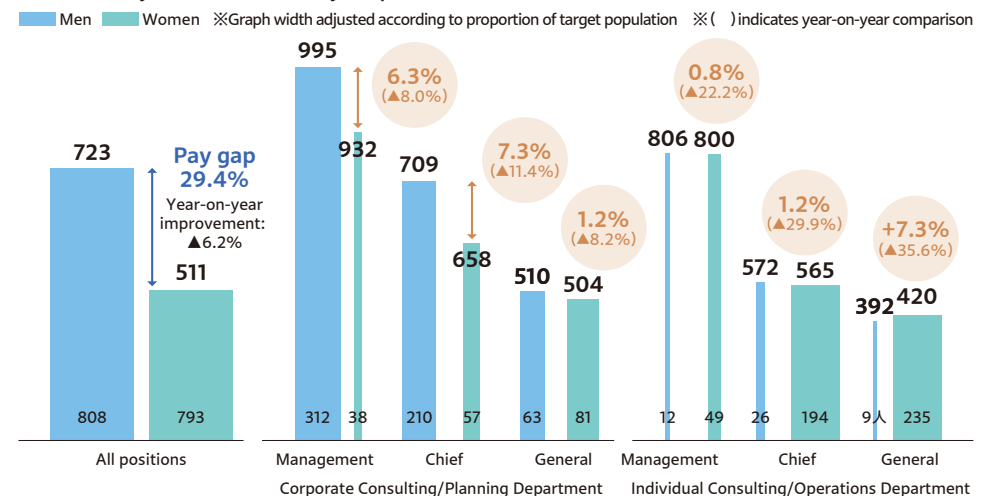
- Low female promotion rates to management, resulting in fewer women in upper positions
- Legacy track-based HR system, leading to concentration of women in individual consulting and operations departments

Going forward, we will proactively support women seeking new challenges and build a framework allowing all employees to select positions and roles regardless of gender.

[Measures]

- ① Supporting women in corporate consulting/planning departments, ensuring life events such as childcare and caregiving do not interrupt their careers (e.g., introduction of corporate consulting assistant roles, use of flextime system)
- ② Assisting career changes from individual consulting/operations to corporate consulting/planning roles (e.g., implementation of job challenge programs)
- ③ Increasing motivation for promotion to management and creating opportunities to take on new challenges (e.g., encouraging participation in external exchanges, introducing self-nomination system)

Income by Position and Pay Gap (Unit: ten thousands of yen)



Human Capital-Oriented Management: DE&I

Current Status of Promoting Women's Participation and Future Challenges

Our company positions DE&I (diversity, equity, and inclusion) as a core management principle, striving to create an environment where each employee can work authentically while maximizing his or her potential. In July 2024, we received the highest-grade "Platinum Eruboshi" certification as a company promoting women's participation, but we view this achievement as a mere milestone. Going forward, we aim to support women's active roles in even more diverse fields and become an organization that leads social and generational change.

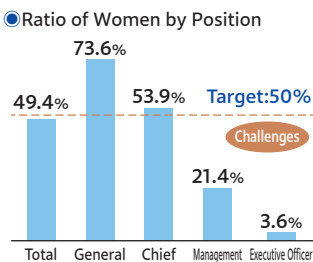
Broad participation of women in management and strategic decision-making enhances corporate competitiveness while also serving as a driving force for expanding opportunities for women in local communities. Promoting women's participation is more than just effective human resource utilization—it is a strategy for sustainable corporate growth.

The ratio of women in our total workforce stands at a high 49.4%, maintaining an industry-leading standard. However, by position, the percentage of female managers remains at 21.4%, highlighting ongoing challenges in promoting women to higher positions.

Expanding Opportunities and Assignments to Key Positions for Women

We are now accelerating the appointment of women to both individual consulting/operations roles, where they have been traditionally prominent, and corporate consulting/planning departments. In March 2025, 15 female employees were assigned to head positions (department heads, sales managers, group leaders) in 14 divisions (an increase of three divisions from the previous year), expanding opportunities for women to play key roles in strategic decision-making and value creation for clients.

Future Outlook: Creating Opportunities and Diversifying Careers

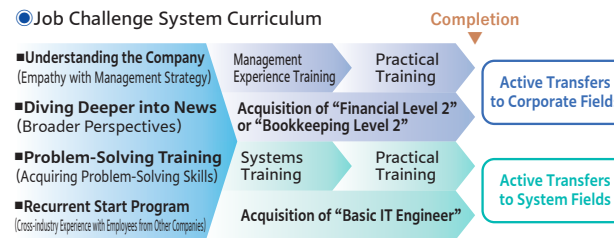


To help women gain diverse experiences both inside and outside the company and expand their career possibilities, we are strengthening initiatives such as ① sending employees to external training and courses, ② encouraging "cross-industry" learning opportunities, and ③

creating more chances for women to challenge themselves and broaden their career choices. By expanding the range of opportunities for women, we aim to enable all employees to demonstrate their abilities and contribute to organizational quality and regional development.

Supporting Career Changes

Lack of self-confidence and low self-evaluation due to insufficient experience or skills are major reasons for anxiety among women regarding their careers. To address these concerns, we introduced the "Job Challenge System" in June 2024. This system supports employees in customer service or operations roles to expand into more specialized fields, such as corporate sales or systems/digital operations, through structured knowledge and practice. Over a year-long curriculum, participants deepen their understanding of our company and the local community, broaden their perspectives, and acquire soft skills such as problem-solving and logical thinking, as well as hard skills through relevant certifications. As a result, eight participants (20.5% of participants) successfully changed careers. We will continue these initiatives to dispel career anxieties for women and build an environment where all employees can proactively develop their careers.



Building Confidence Through Cross-Industry Exchange

For management development, in addition to sharing company know-how, broader perspectives and higher viewpoints are essential. To this end, we implemented joint training sessions for chief-level employees with NTT DOCOMO Hokuriku, as part of growth support through cross-industry exchanges.

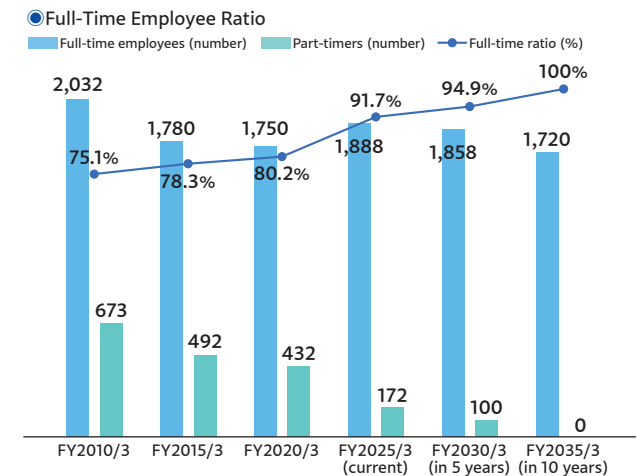
This training focused on the theme "Challenges and Countermeasures for Promoting Women's Participation in the Hokuriku Region," involving group work over about a month and

a half. Teams proposed initiatives and held discussions extending beyond company boundaries, deepening their understanding of social issues and encouraging behavioral change through personal declarations.

Dialogue with other industries provides objective self-reflection, helping participants develop problem-solving and influence while building confidence for the next stage.

Promoting Full-Time Employment for Part-Timers

Amid increasingly diverse and sophisticated operations, we are striving to create a flexible and robust organization where all motivated employees can fully thrive. One such initiative is "promoting part-timers to full-time employment." Currently, our full-time employee ratio stands at 91.7%, far above the corporate average, with a goal of reaching 100% by FY2035. These promotion represent more than a mere change in employment type—they support financial security, career development, and sustainable organizational growth. By becoming full-time employees, individuals gain more opportunities for career changes and advancement, and there are increasing cases of part-timers stepping up to chief or management roles. We believe in each person's potential and will continue to enhance systems and support so everyone can work authentically and shine in their own way.



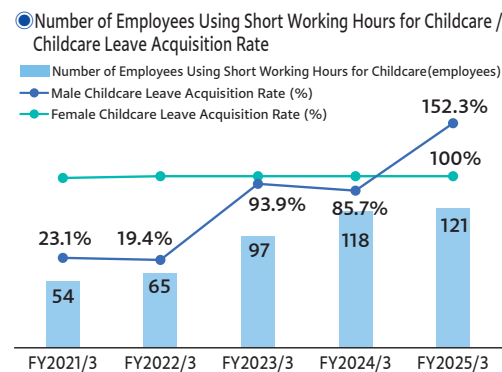
Human Capital-Oriented Management: Well-Being

Realizing Sustainable Work Styles Through Support for Balancing Childcare, Nursing Care, and Careers

We are strengthening initiatives to prevent career interruptions caused by childcare or nursing care as part of our efforts to create an environment where each employee can continue to work long-term with peace of mind. We provide seamless support for childcare, spanning from before childbirth to after returning to work, to help employees maintain and grow their careers. “Pre-maternity leave” has been introduced to accommodate health concerns during pregnancy, preparation for childbirth, and participation in seminars for parents. Before resuming work, employees have one-on-one meetings with the Human Resource Development Department to resolve anxieties and redesign their career paths, thereby preventing career segmentation due to leave.

We are also actively promoting paternal participation in childcare. In FY2024, the male childcare leave acquisition rate reached a high level of 152.3%. Initiatives include direct promotion of leave acquisition by the Head of Human Resource Development to employees and their supervisors and the hosting of seminars for fathers (“Ikupapa!”), fostering a culture through which men can easily take childcare leave. Moving forward, we aim to lengthen the average duration of male childcare leave—which currently stands at 11 days—to approximately one month.

Support for balancing work and caregiving is also a critical measure from the perspectives of talent retention and personnel acquisition. By changing nursing care leave from unpaid to paid from July 2024, the number of users of this system in FY2024 increased to 40 (up 35 from the previous year). Additionally, eight employees utilized short working hours for nursing care, making work-life balance possible even while caring for family. We have also established a consultation desk for nursing care and will continue to grasp the actual situation of potential “business careers” within the company while working to build communities where caregivers can connect and further promoting system awareness and utilization.



Financial Wellness Initiatives

~Supporting the Balance Between Treatment and Work: Introduction of GLTD (Group Long-Term Disability Income Protection)~

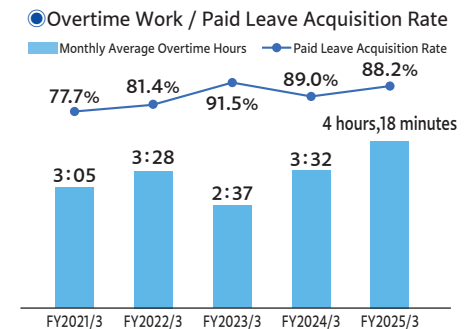
We are working to improve each employee’s financial wellness, ensuring they can work with peace of mind now and into the future. Through support for corporate DC and iDeCo utilization and educational opportunities related to asset formation, we help employees achieve financial independence and expand their choices, serving as a foundation for flexible working styles and career development tailored to each life plan.

In April 2025, we introduced the GLTD (Group Long-Term Disability Income Protection) system for

all group employees. The GLTD system is designed to compensate a certain percentage of income if an employee is unable to work for an extended period due to illness or injury. This system provides financial support for employees who require long-term medical care, helps create an environment that facilitates early return to work, ensures fairness and transparency in benefits, and enhances the sense of security and engagement among employees.

Achieving Fulfilled Lives and Job Satisfaction

We aim to create an environment where all employees can work autonomously and creatively, focusing on developing and operating flexible work systems. In particular, the introduction and enhancement of flextime and short working hours systems have increased operational efficiency and improved work-life balance. The flextime system introduced in March 2024 allows employees to freely choose their start and end times with no core hours, and thanks to an expansion of eligible departments in April 2025, about 60% of employees are now using the system. Feedback from employees includes comments such as “productivity and work-life balance have improved,” “focus during work has increased,” and “commuting outside rush hours reduces fatigue.” The average overtime worked per month remains low at around four hours, and the paid leave acquisition rate is about 90%, creating a flexible and comfortable work environment.



Promotion of Employment for Persons with Disabilities

To create a workplace where everyone can thrive, it is essential to develop an environment that enables people with disabilities to combine their unique strengths and stay highly motivated. We tailor support to each individual from recruitment through development and placement, working to build a workplace where everyone can work with peace of mind and expand contribution opportunities.

At the end of March 2025, our employment rate for persons with disabilities was 3.01%, exceeding the legally mandated rate. In particular, in FY2024, our Wellness Support Team, led by employees certified as mental health social workers, focused on continuous line care by regularly conducting interviews with employees with disabilities, their supervisors, and colleagues. The number of interviews (including interviews for managers) increased approximately 41% year on year in FY2024, improving the quality of workplace communication and providing enhanced support for employee success.

