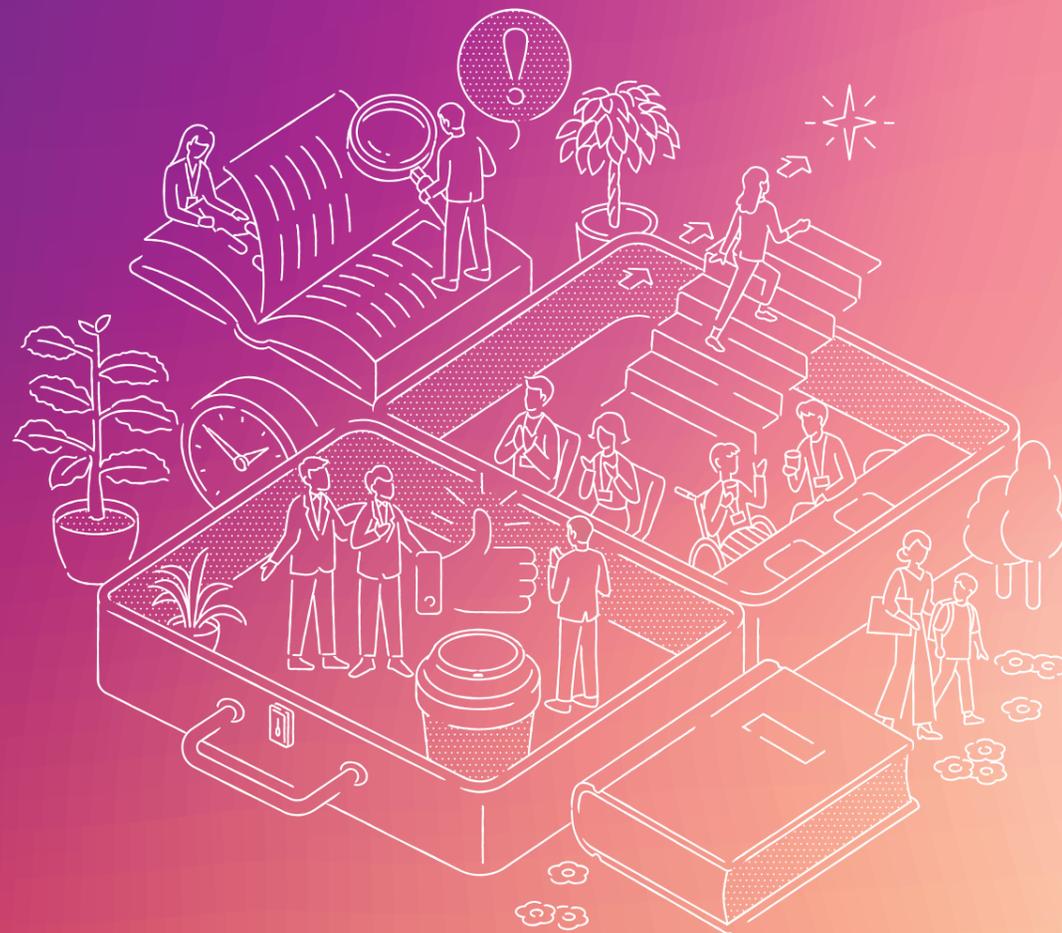


The 8th Medium-Term Business Plan

Basic Strategy #3

Human First



Human First

Maximizing human capital

"Persons" are the drivers of value creation, and it is necessary to cultivate many persons who can develop their personality, play a leading role in value creation, and take on challenges for the future of the region.

Under the Purpose (reason for existence), the Bank is committed to "human capital management" with a focus on "persons" more than ever.

Higher employee engagement will lead to a positive impact on customers and regions.

As a result, this will lead to an increase in corporate value.

To achieve this, we will work to develop human resources, support their growth, and foster a corporate culture of "challenge" and "admiration."

Message from the Officer Responsible for Personnel Affairs



**“Now, here, and me”
toward a future with a will
Envision the future, keeping in mind
the importance of the present moment
Each and every one shines and lights up
the surroundings**

We aim to create
a “virtuous cycle of happiness brought to the region”
by practicing “development of people”
who continue to seriously meet with
regional communities and customers.

Katsuyoshi Horiuchi,
Senior Managing Director

Steps toward human capital management

The Bank defined the motto as the starting point of CSR (Corporate Social Responsibility) and formulated the Management Principles which set forth “co-existence and co-prosperity” with “regional communities,” “all employees,” and the “environment” in 2007.

“Co-existence and co-prosperity with all employees” is a strong aspiration fostered from our belief that “persons” are one of the keys to existence of a company, and from our efforts to promote their growth. The “human resources recruitment system,” which allows employees to raise their hands and take on challenges, has been implemented every year since 2001. We encourage employees to take on challenges voluntarily and proactively, and provide them with opportunities to realize their visions for careers and develop a work environment that makes active use of diverse human resources. In addition, the personnel system launched in April 2002 introduced an evaluation sheet that encourages employees to act voluntarily to achieve their targets set by themselves and a “multi-degree feedback” in which subordinates evaluate their superiors, thereby increasing motivation by enhancing autonomy and a sense of satisfaction with their work. In addition, we are continuously focusing on support

for self-development and training outside the Bank. We are working to enhance “human resources” by reviewing personnel evaluation system, etc., as appropriate, in line with the circumstances of the times.

The perspective of diversity is also important for vitalizing the organization. In 2006, we established the “Committee for Advancing Women’s Success” and have been working to develop systems and environments that facilitate female’s activities. In 2016, we implemented the “Ikubosu Declaration” and in the same year became the first regional bank in the Kinki region to be certified as a “Platinum Kurumin” as an excellent childcare support company. The “Committee for Advancing Women’s Success” was reorganized to broaden its scope and activities, and the “Diversity Promotion Committee” was established in April 2020 to promote diversity-related measures, focusing on “hiring diverse human resources” and “employees’ awareness reforms.”

Although the Bank has a history of more than 90 years, the source of our corporate value has been and will continue to be “persons.” Our motto “Be tough on ourselves, kind to others and serve society” inherited from the spirit of the Omi Merchants, our thoughts and actions will lead to the development and happiness of the region. Aiming for “contribution” and “growth” through work, we continue to move toward a “future with a will.”

Principles/Value (guidelines for action and value standards)

Taking the opportunity of the formulation of the 8th Medium-Term Business Plan, the Bank has organized its principles, and has defined the motto inherited from the spirit of “Sampo yoshi,” “Be tough on ourselves, kind to others and serve

society,” as the Value (guidelines for action and value standards). The following thoughts are included in this motto. These are words that are also applicable to the vision of an individual and the concept of realizing both economic and social values that are required today, and this foresighted “motto” is the eternal and unchanging spirit of the Bank, which serves as the foundation for all of our activities.

Motto	Principle/Value	Description
	Be tough on ourselves	Each and every employee should have a firm awareness that he or she is a member of society, always strive for self-improvement, and enhance his or her own reason for existence.
	Kind to others	We must discipline ourselves and work with a market-in stance, putting the customers first.
	Serve society	Think and work with a sense of gratitude to society and contribute to the development of regional communities through practices.

“Persons” are the drivers of value creation

Although the financial industry has long been known as an industry that deals with invisible “intangible products,” the Bank, as a regional financial institution, has been able to continue to grow as a company by providing a variety of value while constantly meeting with customers and regions, because we have positioned “persons” as the driving force. The speed of technological innovation and social change is increasing faster than ever before. In such an environment, more agile and flexible responses are required, and at the same time, the skills and roles required of “persons” are also changing. Because the financial industry in particular deals with invisible commercial products, we believe that “persons” are the most important management capital that can respond to such changes.

So far, the 7th Medium-Term Business Plan set forth the target of “developing problem-solution type human resources” and we have been working to develop employees who can solve various problems faced by customers. However, we feel that problem-solving skills alone are not enough to support the growth of customers and regions, and to continue to make them happy. In order for us to be chosen by customers

and regions, it is important for us to acquire the ability to create “what is necessary for customers and regions,” and to link this to the realization of those needs.

While technological innovations such as AI are advancing, the value of our, “persons,” existence is to learn the power of creation. And in order for us to remain the “needed ones,” each of us must proactively consider what skills we should acquire and what roles we should fulfill.

Toward organization in which diverse human resources play an active role

In the 8th Medium-Term Business Plan, started in 2024, the Bank has defined the vision as “Sustainability Design Company—Design the future of our customers and regions—” and set forth three basic strategies including “Impact Design” to design sustainable growth for customers and regions, “Base for Growth” to strengthen the management foundation for growth, and “Human First” to maximize human capital. Under these circumstances, we consider investment in human resources to be a priority in the management strategy, and have defined the talent we need as “people who can develop their personality, play a leading role in value creation, and take on challenges for the future of the region,” and are working to “improve individual capabilities” and “revitalize the

organization” to increase employee engagement under the human resources development policy and the policies for improving the internal environment.

In order to face social issues and promptly respond to increasingly diverse and complex needs and issues in the rapidly changing environment of society, it is necessary to sharpen one’s unique strengths and enhance the value of one’s existence by allowing employees to demonstrate their individuality in a variety of fields. We then place them in optimal positions where they can better demonstrate their strengths and characteristics, such as ability and aptitude, and by successfully combining the abilities of each individual, we aim to maximize organizational performance and transform the organization into one where diverse human resources can be leveraged.

Human resources development policy

“Design personnel” development

◇ **Persons who can create issues for customers and regions, design solutions, and link them to the realization of those solutions**

Considering the deposit and loan business operations as a relationship opportunity, improve the ability and skills to design value creation for customers and regions and link it to solutions.

◇ **Persons who design their careers (=vision) and continue to take on challenges to achieve them.**

In an era of rapid change, we develop and support human resources who have high aspirations and continue to take on challenges, while drawing up their own “vision.”

Policies for improving the internal environment

Our Sustainability Policy aims to develop human resources who can think and act independently and improve the workplace environment. We strive to create a work environment for respecting diverse personalities and work styles, and having each employee fully demonstrate their abilities.

We also believe that financial stability is important for employees to fully demonstrate their abilities, therefore we will promote financial wellness initiatives. Specifically, we will provide financial education aimed at improving financial literacy, as well as support employees from a financial perspective by establishing various programs such as employee stock ownership, asset-building savings, defined contribution pension plans, and employee loans, in order to improve employee satisfaction and motivation.

To be an organization that gathers “aspirations”

The transformation from a Bank to a Company is still in a situation where there are still issues to be addressed. Due to changes in sense of values and other factors, we believe it is necessary to change from organizational formation focused on “discipline and control” to one focused on “vision and sense of values,” based on the idea that a company is formed not by individuals within a company, but by the aggregation of individuals.

We will also focus on the “individual” more than before, and by encouraging transformation into an organization where the personality of each individual shines and is admired, we

aim to become an organization where flexible ideas and forward-looking challenges that are not bound by the conventional banking framework are admired, while cherishing the existing corporate culture based on “trust.”

The Bank’s greatest strength is its “persons,” and there are many employees at the Bank who truly want to help the region. I believe that “Shiga Bank” is a place where we can work for customers and regions with such aspirations, and I would like to continue to be like that.

I will also continue to take on the challenge of becoming an organization that continues to create value based on the aspirations of each and every employee, and that inspires the empathy of customers and regions.

Value creation in personnel strategy

Recognition of issues

For the purpose of creating an environment in which each and every officer and employee can demonstrate their abilities with a sense of fulfillment and work satisfaction, and can play an active role and take on challenges, the Bank understands the level of engagement of employees with the company and is working on further organizational improvement measures.

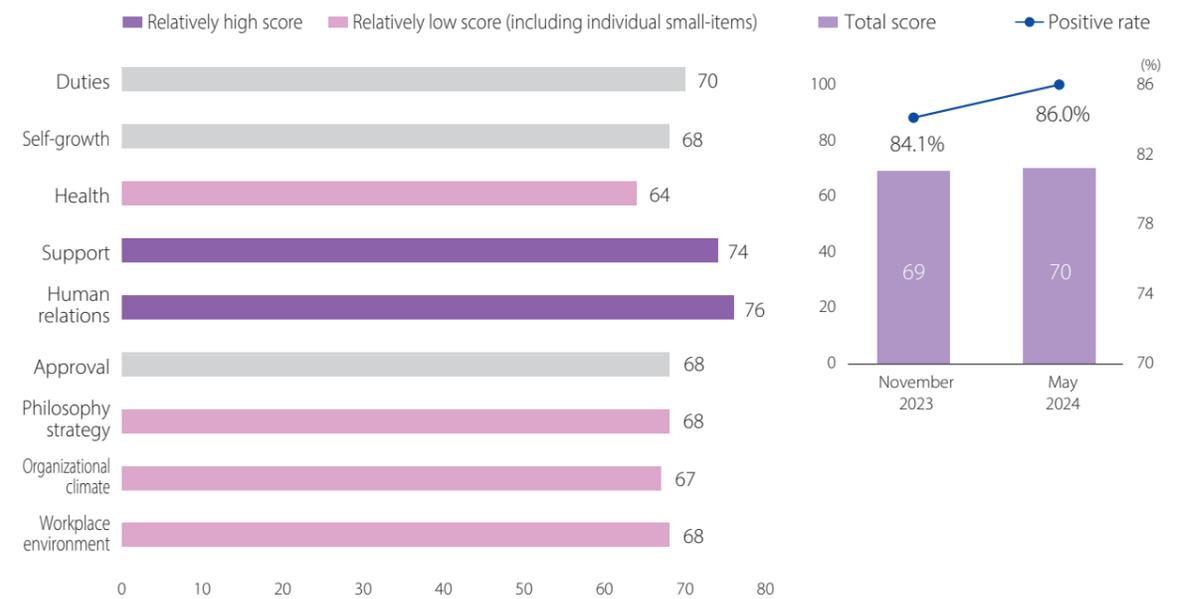
In the engagement surveys conducted in November 2023 and May 2024, the “Support” and “Relationships” items scored high. In the midst of diversifying sense of values, we have established flat and good human relations and trust, which we believe is one of the Bank’s strengths.

On the other hand, we believe that there is still room to systematically increase human capital through communication tailored to each individual’s personality and by drawing out the abilities of persons with different strengths and characteristics, and we recognize the following issues.

- Although efforts have been made to improve productivity, it is necessary to restructure the human resource portfolio appropriately in light of changes in workload due to the fluidization of the labor market and the complexity of customers’ issues.
- It is necessary to change from promotions based on bank sales skills to promotions with more focus on management skills, as well as to improve the abilities and skills of the management level.
- It is necessary to penetrate the Bank’s mission, vision, and values, and to make the workplace psychologically safe.
- We need to engage in proactive human capital investment and clearly share the details of this investment with employees.

Based on good human relations and workplace environment, we will work to create an organizational climate in which each individual in the workplace can feel a sense of fulfillment, achievement, and personal growth more than before.

Results of engagement survey



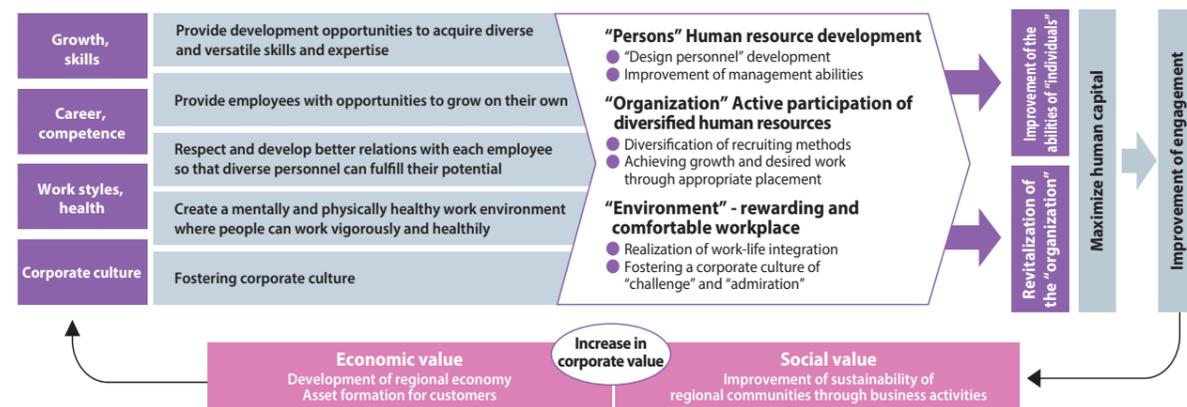
Personnel strategy of the 8th Medium-Term Business Plan

In the 8th Medium-Term Business Plan, the KGI of personnel strategy is set as “improvement of engagement” and we intend to maximize human capital by improving the abilities of “individuals” and revitalizing the “organization.”

In order to improve the abilities of “individuals,” we will support the realization of each individual’s vision through both “human resource development” and “growth support,” create opportunities for motivated and ambitious employees to grow and play an active role independently, and strengthen efforts to acquire skills that can be used both inside and outside the Bank. In addition, to revitalize the “organization,” we will promote the development of a workplace environment that matches diverse sense of values and work styles, enhance the leave system to achieve a balance between life and work, and create an organizational climate that is easy to work in.

In order to reform and further advance the Shiga Bank Group, we will strive to foster a corporate culture that encourages the will to take on “challenges” and actions without fear of failure, and “admires” positive attitudes, thereby enhancing the value of each and every employee and, consequently, the corporate value of the Bank.

Value creation process for personnel strategy



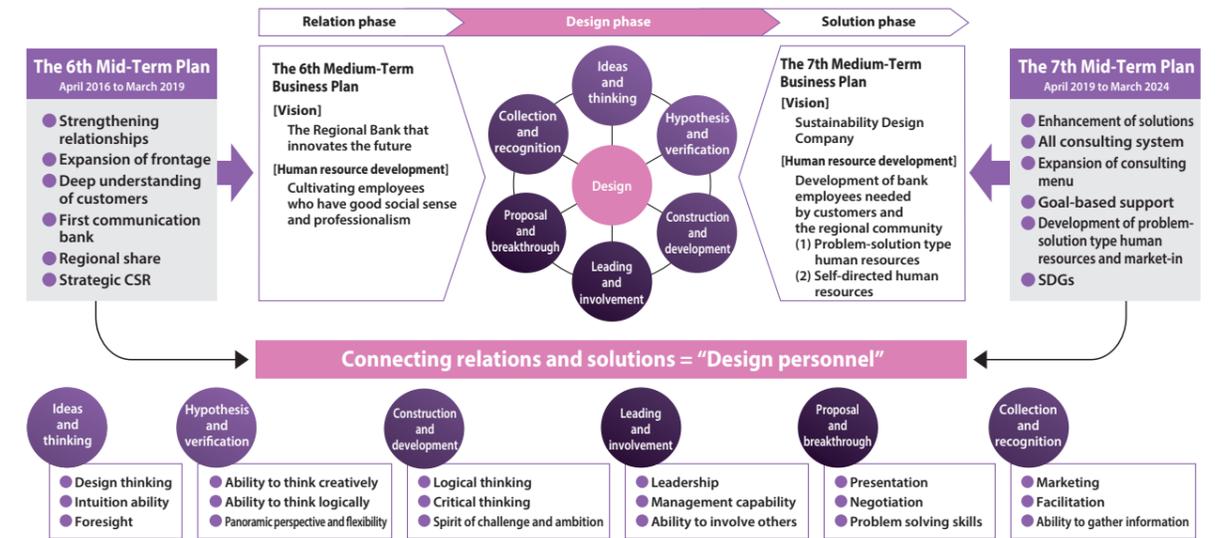
“Persons” Human resource development

“Design personnel” development

In the 8th Medium-Term Business Plan, we will first shift our emphasis from “bank training” to developing human resources that can be used both internally and externally.

As a regional financial institution, the Bank has focused on strengthening relationships (the 6th Medium-Term Business Plan) and solutions (the 7th Medium-Term Business Plan) and has worked to develop problem-solution type human resources in order to provide problem-solution type financial information services. In the future, considering the deposit and loan business operations as a relationship opportunity, we will improve the ability and skills to design value creation for regions and customers and link it to solutions (=“Design personnel” development).

Specifically, we will provide practical output-based training to enable employees to acquire abilities that are applicable both inside and outside the Bank (design thinking, logical thinking, marketing, etc.) in addition to training in banking business operations and skills, and strengthen the development of an environment that enables self-development without time or location constraints by using video distribution, etc. We also actively work on secondment to outside companies, not only to acquire knowledge, but also to experience other corporate cultures, etc., which will help to revitalize the Bank’s organization in the future.



Development of management personnel

The role of management personnel is extremely important in human capital management and we are working to “improve management abilities.”

The essence of today’s management regarding “persons” is based on “individualized communication,” and “essential skills required for managers (= management competencies)” have been established and spread as a common language for the support and involvement of supervisors with their subordinates. In the future, with changes in the labor market and the diversification of work styles, it will be necessary to manage teams according to each individual’s personality. Therefore, we will also set a scope to strengthen middle management, who are highly involved with younger employees on a daily basis, and focus on creating opportunities and systems to foster management skills.

As for the dispatch of our employees to the “GLOBIS Management School,” which began in fiscal year 2021, we will target to dispatch 50 employees per year starting in fiscal year 2024 to courses such as “Marketing and Management Strategy” and “Leadership and Human Resource Management” to help them acquire problem-solving and business skills.

“Organization” Active participation of diversified human resources

Expansion of human resources recruitment system

We have put in place a human resources recruitment system that allows employees to take on the challenges of the work of their choice. It is a program that enables employees to proactively broaden their careers. It also helps improve engagement and raise the growth curve of every individual. We encourage a wide range of generations to apply for the program and strengthen their awareness of career development through the use of the “Headquarters Job Guide,” which visualizes headquarters business operations, and the “Nozokimi!” which allows visitors to tour departments they are interested in.

Establishment of Alumni Network

Alumni Network was introduced in June 2024. With changing people’s view of employment, it is necessary to transform the traditional relationship between companies and individuals, which is “disconnected by retirement,” into a new relationship of “connectedness even after retirement.” We intend to deepen our collaboration with the people who have been involved with the Bank, including retirees, as we view them as “external human capital that makes the region happy.” Through this network, we will utilize knowledge and ideas that cannot be cultivated within the Bank alone, and promote business collaborations and other initiatives that will help to make the region happy.

Diversity

We established the Diversity Promotion Committee to create a work environment where diverse individuality is respected, and each individual can demonstrate his or her potential and feel a sense of fulfillment in life and work. And to incorporate diverse opinions into the activities of the Committee, we established the Diversity Promotion Team consisting of members openly recruited.

Since the success of women contributes greatly to the spread of diversity, we have set numerical targets in the General Employer Action Plan under the Act on the Promotion of Women's Active Engagement in Professional Life, and are working to promote female managers. To support women in designing their own careers and to build networks within the Bank, we hold "Life & Career Design Seminars" for sub-assistant general managers and "Self Career Branding Training" for acting branch and section managers to increase their own added value, thereby providing opportunities to raise awareness for women. We will continue our efforts to improve the environment in which employees with concerns related to childbirth, childcare, nursing care, infertility treatment, etc. can continue to work with peace of mind to achieve their diverse career and life plans.

In October 2023, we also established the "Heartful Office" within the Personnel Affairs Dept. to expand employment of people with disabilities. We aim to provide a workplace environment where employees with disabilities can work while developing their skills, thereby achieving self-realization.

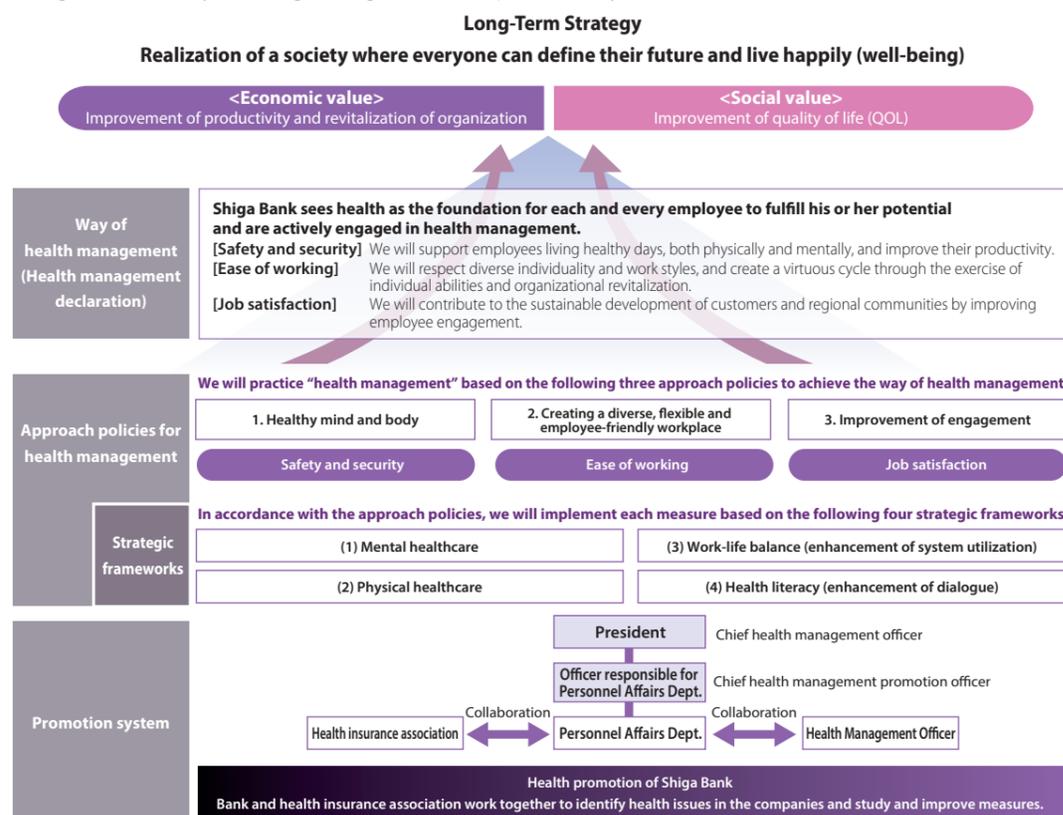


["Environment"] Job satisfaction and ease of working

Health management

We consider "health" to be the foundation that supports the exercise of one's abilities, and are actively working on health management. By promoting the creation of a workplace environment where each employee can work in a lively and healthy manner, we aim not only to generate economic value, but also to improve social value (QOL) and to realize long-term strategies (well-being), which is our "way of health management."

We provide employees with the opportunity to undergo regular health checkups or medical examinations once a year, which leads to the early detection and prevention of illness. Employees over the age of 30 are given special leave approximately once every two years and are encouraged to undergo medical examinations. In addition, we are changing employees' awareness to create a comfortable working environment by disclosing the target number of paid leave days to both inside and outside the bank.



Fostering corporate culture

Recently, opportunities for community and communication among employees have been decreasing. In June 2023, we established the "Future Lounge" as a community place where diverse sense of values and free and creative ideas can be generated through new connections. The place is used not only for human relations within the department/branch and scope of business operations or as a community of "like-minded friends," but also as a place to meet other employees who have various positions and skills.

In addition, the "Shigagin Human Award" was newly established in fiscal year 2024. By shining a light on the various "roles," "actions," and "human resources" that support value creation, and by raising interest in each other's work and roles, and creating an awareness of respect, admiration, and recognition, we will create an organization where individuality shines through, and foster a corporate culture of "challenge" and "admiration."

Respecting human rights

We established the Committee on Elimination of Discrimination against People from Dowa Districts (currently renamed Human Rights Education Committee) in August 1976 to promote human rights awareness and training with a view to realizing a bright society free of discrimination, both within and outside the Bank. Specifically, in addition to video viewing, we conduct training in which all participants exchange opinions in small groups. In addition, we have established dedicated hotlines and systems to prevent sexual, power, and other forms of harassment, and provide appropriate training in a timely manner.

Key indicators in personnel strategy

		Indicators	Targets (8th Mid-Term Plan period)	Results (Fiscal year 2023)
Human resource development "Persons"	"Design personnel" development	Investment amount for human resources development per person	¥300 thousand	¥165 thousand
		Number of employees seconded to outside companies	Cumulative total of 100 persons	20 persons per fiscal year
	Development of management personnel	Number of employees with Financial Planning Grade 1 certification	300 persons	231 persons
		Dispatch to external trainings	50 persons per year	23 persons
Active participation of diversified human resources "Organization"	Diversification of recruiting methods	Management score of managers (evaluation by others) (graded on a 5-point scale)	4.0 or higher	3.76
		Retention rate within 3 years of recruiting new graduates	80% or more	85.7%
	Achieving growth and desired work through appropriate placement	Number of mid-career hires	-	11 persons
		Employment of people with disabilities	2.7% or more	2.348%
		Percentage of management candidates with both headquarters and branch experience	70% or more	52.4%
		Number of persons utilizing human resources recruitment system	100 persons per year	50 persons
Job satisfaction and ease of working "Environment"	Realization of work-life integration	Percentage of female managers	23% or more	17.6%
		Average number of days of paid leave taken	17 days or more per year	17 days
	Corporate culture of "challenge" and "admiration"	Percentage of retests received for regular health checkups (including complete medical checkups)	90% or more	90.2%
		Selected under Certified KENKO Investment for Health Outstanding Organizations Recognition Program	Recognized as White 500	*Already selected under Certified KENKO Investment for Health Outstanding Organizations Recognition Program
Corporate culture of "challenge" and "admiration"	Engagement score	72 or more	69	
	Number of people who independently challenged their careers	Cumulative total of 2,000 persons	-	

*Management candidates represent the Bank's sub-assistant general managers (one level below the executive).

*Calculated by dividing the total number of days of paid leave taken by the average number of bank employees and dedicated officers with experience and skills.

*Personnel costs for each indicator are calculated by multiplying the applicable number of employees by the average annual salary.

Human First


Shuhei Kuwano
 (Business Promotion Dept.)

Joined the Bank in 2011. Utilizing the human resources recruitment system, he was transferred to the current department in February of this year. Responsible for planning new products and services.

Risa Takemura
 (Egashira Branch)

Joined the Bank in 2007. Responsible for consultation services for asset management and inheritance measures.

Hatsuko Matsumoto
 Amazon Web Services Japan G.K.
 Principal FSI Innovation Specialist

After working for a newspaper company, she joined Amazon.co.jp for its launch in July 2000 as a book editor. She has been involved in the launch of various new stores and has been in the current position since 2019.

Shigenori Tsuji
 (Credit Supervision Dept.)

Joined the Bank in 2008. He has worked to improve the efficiency of screening operations, etc.

Full opening of curiosity, challenging a new dimension

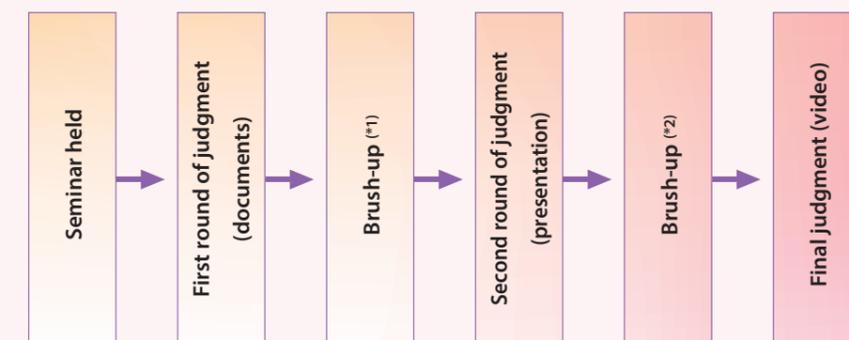
What is needed for the Bank which is committed to fostering a culture of “challenge” and “admiration” in order to be an organization that proactively develops the future, rather than acting at random? Ms. Hatsuko Matsumoto, who was involved in the launch of Amazon.co.jp and is currently in charge of innovation support for financial institutions at Amazon Web Services Japan, and three employees who took on the challenge of the Bank’s first business contest talked each other.

Business Contest —Challenges for the Future—

Last year, in commemoration of the Bank’s 90th anniversary, the “Business Contest—Challenges for the Future—” was held with the participation of all officers and employees of the Group.

In implementing this contest, we received generous support from Ms. Matsumoto and other people at Amazon Web Services Japan G.K. (“AWS”), who held preliminary seminars and provided guidance on brushing up projects during the selection process for the first and second rounds of judgment.

There were 56 projects submitted to the contest, and the Grand Prix was selected from the six finalist teams that made it to the final round of judgment by a vote of the Group’s officers and employees.



*1 Support by AWS. Working Backwards process

*2 One-rank higher support with a view to commercialization

Starting point for challenge

Moderator: Ms. Matsumoto, thank you very much for all your help in the business contest.

And to all the participants, thank you for your hard work in the selection process. This was the first time for the Bank to hold such an event. How did you all like it?

Matsumoto: Hello everyone, it has been a while. It is nice to meet you, Ms. Takemura. I had the opportunity to assist in your business contest this time. There were so many plans that conveyed a sense of “for the region,” as is typical for a regional bank, and I thought that was impressive and good.

Takemura: Nice to meet you, too. Pleased to meet you. I am very happy to hear you say so, Ms. Matsumoto. I participated in the contest as a team with General Manager of the branch I belong to. The plan was called “Shigagin Farm,” and unfortunately we didn’t make it to the final round, so I was not able to meet Ms. Matsumoto at the contest.

Matsumoto: I read the details of the plan. The plan was to buy customers’ rice paddies and fields and grow rice and brand-name vegetables there, thereby creating local employment, right?

Takemura: The area where the branch I work in is located has an aging population, and many people cannot afford to keep the rice paddies and fields that have been passed down from generation to generation. We thought of a business in which we would purchase those paddies and fields and grow rice and Shiga Prefecture’s unique brand of vegetables. If we could employ former farmers as instructors, we could also create employment in the region. AWS suggested that it would be good for children’s dietary education if the rice we grew could be used in school lunches, and also suggested online shopping. It was a lot of fun to think about it, and I personally still wonder if we could somehow make it happen.

Matsumoto: Agriculture is very compatible with tech, and we wanted to think more about it. Like the other plans, I think

it's still an initial hypothesis. It is important to develop it from there. I have high expectations.

Moderator: Mr. Kuwano, you mentioned that you joined the Bank at a branch in Omihachiman City, which led you to the idea.

Kuwano: I came up with the idea of a project to create a regional attraction starting with Okishima island, a Japan Heritage site. In the early days after joining the Bank, many people, including myself, had a personal viewpoint, such as "I want to improve this region that we have been taken care of." But as I continued to work at the Bank, I became aware of the problem that this perspective may have weakened. I entered the contest by teaming up with my seniors, colleagues and others of a similar generation who felt the same awareness. Okishima island is very close to the branch I joined, and it is a very attractive island. So we thought about what we could do to attract more people to the island, and at first we had some crazy ideas, such as bringing a casino to the island.

Matsumoto: I am glad it was not a casino. I think it would be good to have a casino in Osaka, but I think Shiga has other priorities. There are many historical and cultural assets, and it is rich in nature. The content was very good, and everyone had a strong passion for it. So I was hoping for a good connection between them. It is worth thinking about.

Kuwano: We were taught something called destination marketing during the selection process. Making the place a destination for travel, they said. It made me think again that it is the regional people, infrastructure, and government that can create attractions that will make Okishima island a destination, and that a regional financial institution can be the hub of those parties. The Bank has such a network, and I would like to utilize that asset.

Moderator: Unlike the two of you, Mr. Tsuji took on the challenge as a soloist.



Tsuji: Yes, I did. I came up with the idea of an advertising business that connects customers with general consumers. I experienced branch consolidation at two of the branches I had worked at in the past. After the consolidation was decided, I went around to our customers every day saying, "Excuse me, we are going to lose our branch." This experience led me to think that it might be possible to create a system that would not harm the convenience of customers and that would allow us to earn a proper income from our branches. However, I thought it would be difficult for the Bank to conduct an advertising business by itself, so I applied in the form of an advertising business that would combine the data possessed by both companies in partnership with a major retailer in the prefecture. Through my discussions with AWS, I realized that I wanted to help regions and customers, which was my core desire for the business. I was also given the idea that we could create an economic zone using the data, and even create a local currency, etc. They expanded my ideas to a great extent, and although there were times when I struggled on my own, it was a lot of fun.

Matsumoto: You really did a great job! I am amazed. I really want you to do a local currency. There were reports that it was very useful in times of disaster, so I think there are a lot of possibilities.

Tsuji: In my personal opinion, I think it is difficult for the Bank alone to create new businesses. As with my plan this time, I

would like to continue to work with various parties, including customers, to come up with new business ideas.

Matsumoto: Yes, that's right. In recent years, the concept of open innovation has been spreading, and it is becoming more and more difficult for a single company to solve issues alone. That is why we are always open to the idea. But I don't think that collaboration should come first. The order should be, "In order to solve this customer's problem, we need to collaborate with this company," and I don't think we should change that. It is important to have a platform, such as a system compatibility, that can be quickly activated when the collaboration is necessary.

Tsuji: Collaboration is only one way to achieve this, and the target is to solve the problems of regions and customers.

Matsumoto: I think, like all of you, you think about "Shigagin Farm" by contacting customers, want to contribute to the region, and want to do something about the branch, all because you are so close to the customers. That is the advantage of a regional bank, isn't it? When we, AWS, think of something new, we start from the customer's point of view. In that sense, I think you all are very compatible with innovation.

By the way, I was impressed by the wide range of generations of participants in the Bank's business contest this time, from young people to veterans. Is there some kind of culture like that in the Bank?

Takemura: In the 8th Mid-Term Plan, we aim to foster a "corporate culture of 'challenge' and 'admiration'" and "challenge" has appeared as a key word in the past as well. Perhaps the mindset of challenge is more deeply rooted than we thought.

Meaning of having diversity

Moderator: I was a little disappointed that there were zero women among the finalists in this business contest. It may be that the percentage of female participants was small in the first place.

Matsumoto: Yes, that's right. I feel from my past experience that when starting something new, the inclusion of women has a positive effect. Perhaps uniformity is not a good thing. As was the case with the participants at the event I spoke on the other day, the financial industry in particular is overwhelmingly male. When it comes to women's activities, people sometimes say why only women are focused, but this is not because it is a fad, but because it makes a lot of sense. Half of the customers are women. We have many different types of customers, so by having more diversity, we can be closer to our customers. In short, it is an important part of business strategy.

Takemura: The Bank has the recruitment system that allows employees to raise their hands and take on the challenges of the work they want to do. However, it is difficult for women

to work in the same way as men after childbirth. If I raise my hand because I want to do something, but it is in a very busy department, I cannot work until late hours, and I am afraid that I will be asked why I raised my hand if I am not in an environment where I can do it. That's why it is difficult for women to raise hands. I don't think that is sustainable at all.

Matsumoto: Yes, that's right. But I would like Ms. Takemura to take that step forward and try your best to think of yourself as a role model. I am sure you will find someone who will be on your side. I also try to go out to various occasions, but sometimes I wonder if it is really ok with me. But I try to tell myself that I should get out there. Because I think those small things will lead to women's success in the future. However, I understand what you are saying, Ms. Takemura, so I recommend it would introduce a system, like a quota system, where a certain percentage of the workforce must be female, which is better than not having a such system at all. If it doesn't work, you can just reconsider.



Kuwano: If we put such things into practice, the Bank may be able to make a big change.

Tsuji: Indeed. I think there are perspectives unique to women that are difficult for men to notice. The women in my department also remind me of many things.

Takemura: There have been many times when I have seen my seniors working hard and thought to myself, "I should work hard, too." I will do my best so that I can be like them.

"Admiration" generates the next challenge.

Matsumoto: If you set a challenge, I think it is very important to be receptive to the challenge. Another thing that is often said in our company is that a challenge requires psychological safety. This does not mean a lukewarm, friendly organization, but rather a very open environment where people can say what they want to say to each other.

Kuwano: I think there have been many times in the past when I have tried something new and given up on the challenge as a result of listing the risks involved one after another. However, if you are talking about "challenge" and "admiration," I would like you to let me try it first, and I would be happy if you would give me positive support for it.

Matsumoto: Exactly. Without psychological safety, the organization becomes very rigid, unable to do anything or move and becomes stuck. I am sure that "admiration" is not an agreement that something is good, but rather a recognition of the fact that the idea came up. It is very open organization, and it is very important for everyone to be able to freely express their opinions, so admiration is necessary to create that kind of thing.

Tsuji: So admiration becomes the trigger for a new challenge.

Kuwano: Just getting recognition for a challenge should be enough to reassure you that you can take on the next challenge, but if you even ask for an evaluation, it can be a little too much work and a little harder to take on the next challenge. We are in an industry that is inevitably accustomed to evaluating and scoring.

Matsumoto: I think it would be different from "admiration" if we gave them a score. In that sense, we have to be careful about admiration. Challenges involve action, so it is important to respect the actions taken, not just "thinking" about something.

Takemura: I would like to keep in mind to give admiration that will lead to the person's next challenge.

Believe in your work

Moderator: Does AWS have any important considerations when considering a new project?

Matsumoto: Amazon has an internal slogan, "Work Hard, Have Fun, Make History." "Make History" means, in essence, to do something meaningful for the world, and I think this is a very important concept when thinking about new things and innovation. Also, the Leadership Principles (LP), an action guideline, added "Success and Scale Bring Broad Responsibility" in 2021. Amazon is getting bigger and more influential globally, but that is why we should be humble and do what is good and meaningful for the earth, society, and future generations, rather than just making money for us. This is very important now, and if we are not constantly aware of it, customers will not choose us. So I try to be very conscious of that when I review our business plan.

Tsuji: Daily awareness is very important, isn't it? The Bank has established the Purpose "Making the region happy with 'Sampo yoshi' philosophy" this year. Naturally, such establishment is not the end of the process, but it is only meaningful if it penetrates into the awareness and actions of each and every staff member. What is AWS doing to spread this kind of awareness within the company?

Matsumoto: We are making various efforts to make LP take root in our company. There are frequent opportunities to discuss how we practice LP, and the intranet is constantly uploaded with a variety of information, including leadership case studies. There is also the purpose of sharing how the top management thinks.

Tsuji: I hope that the Bank will provide opportunities and tools for employees to learn more frequently and timely what the top management is thinking. By doing so, I believe that if we can properly understand the meaning of our work and goals, the actions and standards of judgment of each and

every employee will change. For example, if the company is trying to go in this direction, even though it has done so in the past, we should make decisions in this way this time.

Takemura: Chasing only numbers, we tend to lose sight of the true purpose beyond achieving the numbers such as the company's policy. However, if there are regular opportunities to receive such information and to think about it, I can reconsider my actions and thinking each time.

Matsumoto: It is also important for each and every employee to believe that their work, even if small, can have a positive impact on the world.

Kuwano: I sometimes hear voices saying "I don't feel that our work is benefiting regions or customers," but by believing in our work, we can always work looking toward regions and customers, and I believe this will lead to the practice of Purpose.

Tsuji: This time, just thinking of a new business was a valuable experience, but the contest also provided a good opportunity for me to review the significance of the Bank's existence and my own stance on my work. If I have the chance to do so again in the future, I would definitely like to take on the challenge, and by sharing this experience with those around me, I would like to link it to the development of human resources, which is one of the Bank's strengths.

Moderator: Thank you all for joining the conversation today.