Message from the Executive Officer in Charge of Human Resources

Development of human capital who think and act on their own and solve local problems



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Creating regional vitality with the power of human capital

My interactions with local customers and the community have made me realize that a regional financial institution's greatest competitive advantage lies in its human capital. Its branches, systems, and products and services are also important management resources. But it is individual employees who deploy these resources to create new value while maintaining close contact with customers and the community. The growth of our human capital leads to development of the region. And this regional development supports sustainable growth of the Nanto Bank Group. An investment in human capital is therefore essentially an investment in the region's future.

Today, the environment surrounding our local communities and businesses is undergoing significant changes, including a declining and aging population, low birthrate, shortage of business successors and labor, and advances in digitalization. We have entered an era of increasingly complex and diverse challenges that financial services can no longer solve on their own. It is precisely for this reason that the Bank is stepping forward to serve as a partner who can work personally with a wider range of stakeholders to identify the root causes of the specific challenges facing them and collaborate in guiding them toward solutions.

Faced with these ongoing environmental changes, we are working to enhance our human capital's capabilities to ensure that we will remain the banking group of choice for our customers and local communities. We have positioned human capital management as the core of our business strategies, and prioritized support for the growth of each individual and their efforts to solve challenges. A mindset seeking deep understanding of our clients' business challenges and embracing proposals that extend beyond the sphere of finance, along with a proactive approach to self-directed learning and expertise enhancement, is consequently spreading throughout our organization. We are steadily expanding our offering of multifaceted solutions, moreover, including support for business succession, business matching, human resources, and digital transformation (DX).

We believe that these behavioral changes can provide the impetus for enhancing value for our clients and fostering vitality in our local communities.

Integrated management of our human capital and business strategies

Under its Medium-Term Management Plan, our Group has adopted "creating regional vitality with the power of human capital" as a guiding principle and positioned its human capital strategy as a core pillar of management. To meet diversifying needs—such as support for local business management, business succession issues, wealth-building, and decarbonization initiatives—we are actively fostering talented human capital who combine expertise with an ability to offer proactive solutions. Our goal is to extend our offering beyond financial services to become a partner who collaborates with the community to envision and shape its future.

We are also pursuing human capital development in the investment arena, into which we are extending our focus. By cultivating talented human capital capable of assessing a company's future prospects and growth potential—and providing capital support when necessary—we will contribute further to the sustainable growth of local businesses and development of the regional economy.

In fiscal 2025, we clarified the "capabilities required of officers and employees" and redefined our ideal human capital profile and code of conduct. We place particular emphasis on fostering employees who are "being honest and sincere," "continuously seeking ways to improve one's productivity," "not taking information at face value and having one's own opinions," and "always acting with an eye on the future." In light of our transition to a regional assignment system, we are working to cultivate talented human capital capable of contributing to the resolution of regional issues through personal dialogue with a diverse range of stakeholders, including corporations, individuals, and local governments.

Building an organization that supports sustainable growth

Maximizing the potential of our human capital and creating value for our local communities will require construction of an organization in which diverse workforce can thrive. We are responding by promoting women's advancement, expanding mid-career hiring, and fostering and appointing specialized talent. By simultaneously cultivating an organizational culture suitable for those with varied values and experiences, we are generating new ideas and initiatives that can lead to solution of local challenges and value creation.

We are maintaining an ongoing dialogue between our management and staff, moreover, as we review our training structures and evaluation systems and expand our Career Challenge Program. These initiatives support the autonomous growth and career development of individual employees, who are combining forces to drive the growth of the organization as a whole.

One indicator demonstrating these results is the "engagement score." We view this score as a key management indicator reflecting "conditions under which employees find meaning in their work, think independently, take on challenges, and strive to achieve growth." In our fiscal 2025 engagement survey, we achieved a score of 73, surpassing our target of 71 ahead of schedule. Going forward, we will continue to foster an organizational culture that welcomes challenges and learns from failures, thereby realizing the sustainable growth of both our human capital and our organization.

Investing in human capital to shape the future of our communities

Meanwhile, we are confronting challenges such as development and acquisition of specialized human capital in the field of digital consulting, cultivation of managerial talent, and adaptation to diversifying values and work styles. We will continue to address these challenges steadfastly while further advancing creation of an environment in which individuals can maximize their personal potential. Nor is investing in our people an end in itself. We consider its true value to be realized only when it leads to provision of greater value to our communities and customers.

The purpose of human capital management is to provide our customers and communities with new value through the personal growth of our personnel, which leads in turn to an increase in the Group's corporate value. Investment in human capital generates behavioral changes, and the accumulation of these changes leads to regional development and sustainable growth of our Group. We consider the creation of this virtuous cycle to be the essence of human capital management.

I am firmly convinced that our human capital are a motive force helping to shape the future of our communities. Guided by this shared conviction, we will deepen our human capital management further, support the growth and responsiveness to challenges of every individual employee, and remain our customers' banking group of choice by "creating regional vitality with the power of human capital."