The Group's human capital strategy

By investing in human capital to cultivate employees who can shape the future in cooperation with our customers, build an organization in which a diverse workforce can thrive, and foster a workplace environment that enables everyone to work with confidence, the Group aims to boost employee engagement while revitalizing the local community and remain our customers' banking group of choice.



Human capital — Developing talented human capital who can cooperate with customers to shape the future —

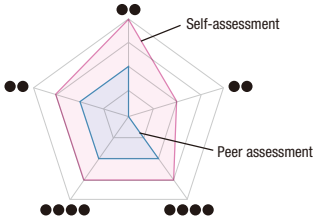
In line with the goal introduced in our Medium-Term Management Plan of "development of human capital who think and act on their own and solve local problems," we are proceeding this fiscal year with a review of our human capital development framework, including "establishing skill assessments," "restructuring our training system," and "partially revising our performance evaluation system."

●Visualization of skills

Visualization can identify the skills, abilities, and behavioral characteristics of individual employees, clarifying the gaps separating them from the desired human capital profile and uncovering potential growth areas. It serves as the starting point for all employee talent development initiatives, including future development strategies, training assignments, and work experience opportunities.

Visualizing the skills, strengths, and challenges of individual employees

We employ an objective process involving self-assessments and supervisor evaluations to identify each individual employee's current skills, demonstrated strengths, and determine areas for future development.



Employees' perception of their own current status based on self-assessment and peer assessment

Promoting proactive career development

This serves as an opportunity for employees to recognize the gap between their current status and the target human capital profile, and to act proactively to acquire the necessary skills and abilities to close it.



Strengthening development through dialogue with supervisors

Based on the results of the skills assessment, the employee and supervisor discuss the employee's current status, future work experience, competency development, training, and related matters, and establish a specific development plan.



Investment in human capital

Implementation of a variety of training programs

We view training as the starting point for knowledge acquisition and as a catalyst for self-directed learning. We conduct systematic rank-based and job-specific training to support the growth of each employee.

Our rank-based training begins with a foundational skills development program that designates the first two years after employees join the Bank as a development period. We also provide development opportunities at other levels, each tailored to the employees' roles and competencies, such as training for newly appointed executives.

Our function-specific training programs, meanwhile, aim not only at providing specialized knowledge in such areas as lending operations and support for wealth-building and succession planning, but also at honing employees' skills in communicating with customers and their ability to propose solutions.

The Bank is committed to contributing to the sustainable development of local economies and communities by developing talented human capital equipped with advanced expertise and problem-solving skills.

Regional cross-industry networking workshop

Cross-industry networking among community-based companies organized to solve local issues and meet other goals.

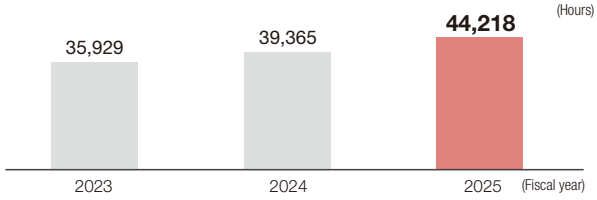


Dispatch of staff to business schools to develop next-generation leaders

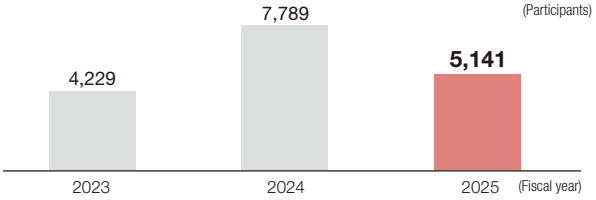
A program designed to instill employees with the practical business skills and mindset required by the next generation of leaders, transcending industry and generational boundaries.

FY2025 (actual)	FY2026 (projected)
14	33

■Total training hours



■Number of training participants



* Includes training for employees who switched career tracks following the April 2024 revision of the personnel system

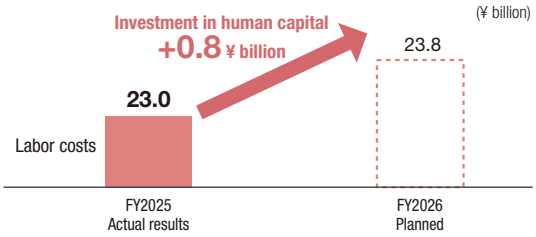
Support for obtaining certifications

The Group has established a Certification Incentive Program to support independent learning and growth by individual employees. We provide incentive payments to employees who pass job-related certification and qualification exams, and we even subsidize the cost of study materials and other resources for certain certifications.

By covering a wide range of certifications and qualification exams and setting incentive payments appropriate for each, we encourage employees to pursue self-improvement, enhance their expertise, and take on new challenges in different fields.

Investment in human capital

Our wide-ranging investment in human capital, which includes base pay increases, training expenses, and raises in starting salaries, is provided both to foster talented personnel who can contribute to sustainable growth and to help secure talented personnel of this kind. Acting from a belief that human capital is our Group's most important management asset, we will continue to pursue proactive investment aimed at enhancing our corporate value over the medium to long term.



Updating our performance evaluation system

We are committed to developing employees who think and act on their own to strengthen our human capital base and achieve sustainable growth. Recent efforts to this end include revising certain aspects of our performance evaluation system and introducing a new Required Competencies Evaluation.

This evaluation seeks to clarify the behaviors our Group expects of employees, and to encourage self-awareness and behavioral change appropriate to the individual through evaluation and feedback.

Ensuring the system's effectiveness requires that its purpose and evaluation methods are correctly understood and translated into daily action. To assure this, members of the Human Resources and General Affairs Department are visiting all our branches to hold individual briefings and present careful explanations of the system's objectives and operating procedures.

Role assessment
+
Assessment of acquired competencies
Understanding behavioral patterns through multi-faceted assessments

■Capabilities required of officers and employees

Continuously seek ways to improve productivity	Do not take information at face value; form your own view	Always act with an eye on the future
Be honest and sincere		



A scene from an individual information session led by members of the Human Resources and General Affairs Department

Organization — Constructing an organization in which diverse human capital can thrive —

We seek to be an organization that creates value for our customers and local communities by harnessing the strengths of our diverse workforce and translating information into timely, accurate decisions.

●Securing talented personnel to support growth

New graduate recruitment

We are working to reinforce our recruitment efforts with the goal of "developing human capital who think and act on their own and solve local problems." Our new graduate recruitment program for fiscal 2026 welcomed 112 new colleagues with diverse values and experiences.

Throughout the recruitment process, we prioritize mutual understanding by engaging in dialogue with students to identify common ground between their aspirations to contribute to local communities and their career visions, on the one hand, and our Group's Corporate Philosophy and Corporate Vision for the future, on the other.

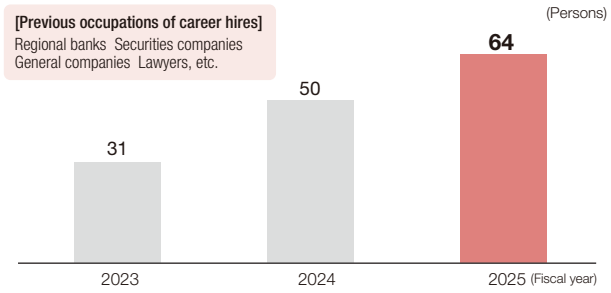

A glimpse into our new employee training

We are directing efforts to ensuring a steady supply of diverse, talented personnel going forward, moreover, to enhance our competitiveness in the new graduate recruitment market. Among these efforts, we have raised starting salaries for the fourth consecutive year, setting the starting salary for new hires joining our ranks in fiscal 2026 at 285,000 yen—an increase of 15,000 yen from the current level.

Mid-career hiring

To achieve sustainable growth and enhance corporate value over the medium-to-long term, we view securing a diverse pool of human capital with the experience and expertise necessary to execute our management strategies as a key priority on a par with our established recruitment of new graduates. We are therefore actively promoting recruitment of experienced men and women with advanced skills and specialized knowledge who can contribute immediately as productive members of our team.

■Number of career hires (cumulative total since fiscal 2020)



Staff interview


Plan Manager, Solutions Sales Department
Naoki Katayama

I joined Nanto Bank as a mid-career hire from another regional financial institution and am now leveraging the experience I gained in my previous position to develop proposals and plans aimed at solving management challenges for our clients who operate hospitals. I am also responsible for planning support measures for management challenges shared by all our clients, such as human capital management, IT implementation support, and sustainable management.

Because my role allows me to participate in both sales and planning, I make a point of regularly gathering direct feedback from clients and staff on the front lines of sales and incorporating it into my planning. I approach my work by constantly considering whether the head office's initiatives are addressing on-site challenges effectively and seeking ways to expand our customer base.

I am confident that our Group is fostering a culture in which employees can proactively shape its future direction. We are developing a culture that provides opportunities for a diverse workforce to thrive, and I am drawn to the potential for further evolution of this culture and our organizational structure.

As the number of challenges that cannot be solved by a single person continues to grow, I hope to serve as a bridge between the front lines of sales and the Planning Department, thus contributing to enhancement of our clients' corporate value and the sustainable growth of our Group.

Alumni events

In April 2024, we introduced a new Alumni Hiring Program to rehire former employees (alumni) who had previously left the Group. Through this program, we leverage the expertise, experience, and fresh perspectives gained by these individuals outside the Bank to promote innovation and enhance our organizational strength.

We also operate an alumni network, moreover, to continuously share the latest news and recruitment information about our Group, while also fostering community building and providing opportunities for interaction. Through these initiatives, we maintain and strengthen our ties with alumni, promote active participation by a diverse workforce, and seek to further expand our alumni hiring program.


Group photo with participants in an alumni event

Supporting a diverse range of talented employees in taking on new challenges

Career Challenge Program

We have recently introduced the Career Challenge Program internal job posting system as an initiative to support individual employees' autonomous career development. The program provides opportunities for employees to take on new duties or explore new areas of expertise they choose themselves. This can lead to various new career paths, such as secondment to Headquarters, Group companies, or outside firms.

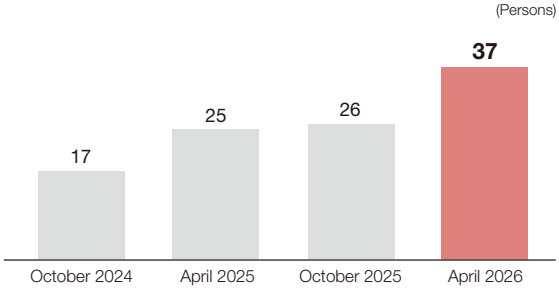
In April 2026, we held an open recruitment drive for positions involving regional revitalization and trust services, to which 37 employees applied.

Going forward, we will continue to encourage every employee to take on new challenges, thereby promoting enhancement of expertise and diversification of experience.

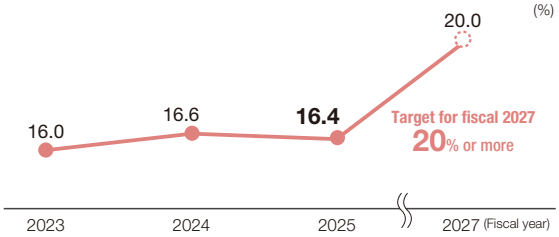
Training programs for female management candidates

We conduct training programs designed to cultivate human capital who take the initiative to tackle challenges and achieve personal growth, as well as to develop female talent who aspire to become managers in the future.

■Trends in the number of applicants for the Career Challenge Program



■Percentage of female managers



Staff interview



Planner,Human Resources and General Affairs Department
Keiko Onishi

Since this past spring, I've been working at Headquarters for the first time as a member of the "Diversity Promotion Team" dedicated to building an organization in which a diverse pool of talent can maximize their potential. My focus is primarily on initiatives to promote women's advancement in an effort to create an environment in which every individual can leverage training, policies, and communication to shape her own career path proactively.

The thing I value most in my work is "never losing sight of the goal." I consider policies and initiatives to be merely a means to an end; they have value only when they lead to changes in employees' mindsets and behaviors—and, ultimately, to the growth of the organization. When planning my first training program, I made a conscious effort to identify the core issues by repeatedly asking myself what message was the most important to convey, and whether the content would invite participants to recognize it as something that applied to them personally.

The appeal of our Group lies in our commitments both to our local communities and customers and to advancing the personal growth of our employees. I myself was transferred from a branch office to Headquarters, where I had the opportunity to achieve growth by facing various challenges and learning new things.

Going forward, I hope to create opportunities that inspire individual staff members to approach new things with a "Let's give this a try" attitude, as well as to strengthen my ability to support them in taking that first step. Challenges undertaken by individual employees lead to organizational growth, which leads in turn to provision of greater value to the local community. My goal is to become a professional who can create virtuous cycles like this.

Project to promote participation by women

In an effort to stabilize branch operations and retain talented human capital, branch office and Headquarters' staff are working together to identify challenges and develop measures for creating an environment in which female employees can continue to contribute to their full potential, even after life events such as childbirth.

Besides reviewing our institutional structures, they are assessing such practical challenges as on-site implementation and psychological barriers and translating these insights into effective measures.



Scenes from the project discussions

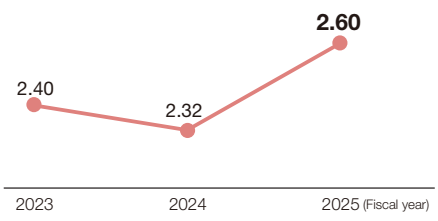
Supporting active participation by employees with disabilities

The Group is intent on creating workplaces in which members of our diversified workforce can make full use of their abilities and find fulfillment in their work. We have outpaced our special-status subsidiary in promoting the employment of people with disabilities across the Group as a whole, guided by the principle of placing the right people in the right roles and thus supporting the active participation of each individual.

In December 2025, Challenged Co., Ltd.—a special-purpose Group subsidiary in Nara Prefecture—became the first company of its kind to receive "Monisu Certification" as an outstanding employer of people with disabilities, based on the "Certification System for Outstanding Small and Medium-sized Enterprise Employers Regarding the Employment of People with Disabilities" established by the Minister of Health, Labor, and Welfare.

Going forward, we will continue to collaborate with local communities' efforts to realize an inclusive society in which everyone can thrive.

■Employment rate for people with disabilities



Human Capital Strategy

Environment — Creating workplaces in which everyone can thrive with peace of mind —

We are working to establish and expand our employee leave policies and working hour reduction systems, while supporting flexible work styles reflecting employees' life events, in order to create workplace environments that enable employees to balance work and family life. We also conduct ongoing awareness campaigns to foster a deeper understanding of these policies and promote employees' use of them, thereby creating an environment in which every employee can confidently demonstrate their abilities.

●Various programs and policies

To build an organization in which a diversified workforce can thrive in the long run, we are working continuously to enhance our workplace environments by making them more comfortable and rewarding, and to improve our various programs and policies in consideration of changing community lifestyles and values. These initiatives are designed to contribute to the Group's sustainable growth and enhanced corporate value by promoting employees' well-being and boosting their engagement.

Flexible working hour system	Hourly compensatory leave	Side job policy
We introduced a flexible working hour system in April 2024. With standard working hours as the basis, this established an environment that gives employees considerable flexibility in setting the times they start and finish work depending on current work conditions and their personal circumstances.	This is a system that permits employees to take compensatory leave in hourly increments. We are creating an environment in which employees have the flexibility to take leaves as appropriate to accommodate circumstances such as childcare, caregiving, or medical appointments.	We have implemented a policy that supports employees in their pursuit of outside employment in accordance with our belief that diverse experiences, advanced expertise and skills, and professional connections and networks gained through activities outside of banking operations can add value to their work performance.

Support for child-rearing

Parental leave system
Available until the end of the month in which the child turns two years old

Support for fathers' participation in childcare
We offer male employees up to four weeks of paid parental leave to be taken within eight weeks of a child's birth
We provide five days of paid "family support leave" before or after the birth of a child (or grandchild)

Return-to-work support
To support a smooth return to work after parental leave, we implement a return-to-work program that includes providing employees with information during their leave and training sessions after their return to work.

Reduced-hour work system, exemption from or limitations on overtime, and restrictions on late-night work
Available until the child enters junior high school

Child allowance
¥30,000 per child per month

Childcare support leave
Employees can take five days of childcare support leave a year (10 days if there are two or more children) until their child enters junior high school



●Initiatives for health management

We view employee health—comprising both physical and mental, social, and economic well-being—as the foundation of our human capital. In addition to efforts to prevent and detect diseases early through regular health checkups and support for comprehensive health screenings, we encourage employees to take paid leave to maintain their physical and mental health and improve their productivity.

The Bank's management team also takes the lead in promoting health management. In March 2026, we were certified as a "Health Management Excellence Corporation 2026 (White 500)" by the Ministry of Economy, Trade and Industry and the Japan Health Conference.

2026
健康経営優良法人
KENKO Investment for Health
大規模法人部門
ホワイト500

Improving engagement

In July 2024, we introduced an engagement survey as part of our efforts to enhance employee engagement. We use the results of these surveys to sharpen our focus on creating workplace environments that support the sustainable growth of our Banking Group as a whole as we seek to ensure that our employees feel a greater sense of fulfillment in their work.

We produce monthly video messages from executives, moreover, to communicate our management policies and the thinking behind them directly to our employees. We also hold town hall meetings to provide opportunities for two-way dialogue between our executives and employees. Through initiatives such as these, we are deepening our employees' understanding of our management's thinking and fostering a shared vision for the future of our Group.

Video messages from executive officers

Monthly video messages from executive officers to employees

FY2025 results

12 videos released



Town hall meetings

Executive officers visit branch offices to provide opportunities for direct dialogue aimed at strengthening ties between our executives and staff.

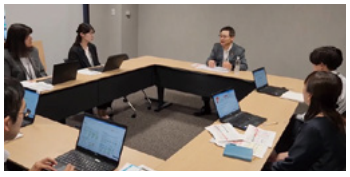
FY2025 results

96 sessions held

1,475 participants*;

698 one-on-one interviews

* Branch office staff excluding department managers and part-time employees (as of April 2026)



Meetings between executives and department/store managers

Held with the aim of instilling awareness of management policies throughout the various organizations and encouraging their implementation in daily operations and human capital development.

FY2026 results

102 general managers of departments and branches



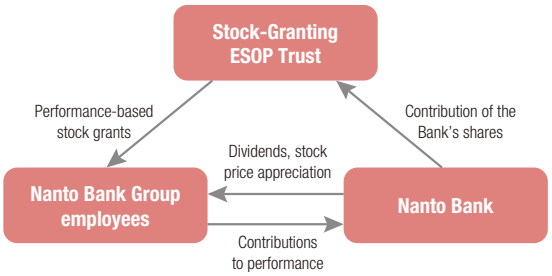
Stock-granting ESOP Trust

The Group has adopted "development of human capital who think and act on their own and solve local problems" as the central theme of its Medium-Term Management Plan. This reflects our commitment to enhancing growth opportunities for our human capital and promoting diversity in our workforce.

In May 2025, we introduced the "Stock-granting ESOP Trust" as an incentive plan that grants shares in our Bank to all our Group employees.

The purpose of this program is to encourage employees to share the perspectives of our shareholders, stimulate their efforts to boost their business performance and corporate value, and motivate them to contribute actively to regional community development.

Under this system, points are awarded to employees based on the Group's business performance. At the end of the period under the Medium-Term Management Plan, they receive Bank shares or other benefits equivalent to their accumulated points.



Engagement score

