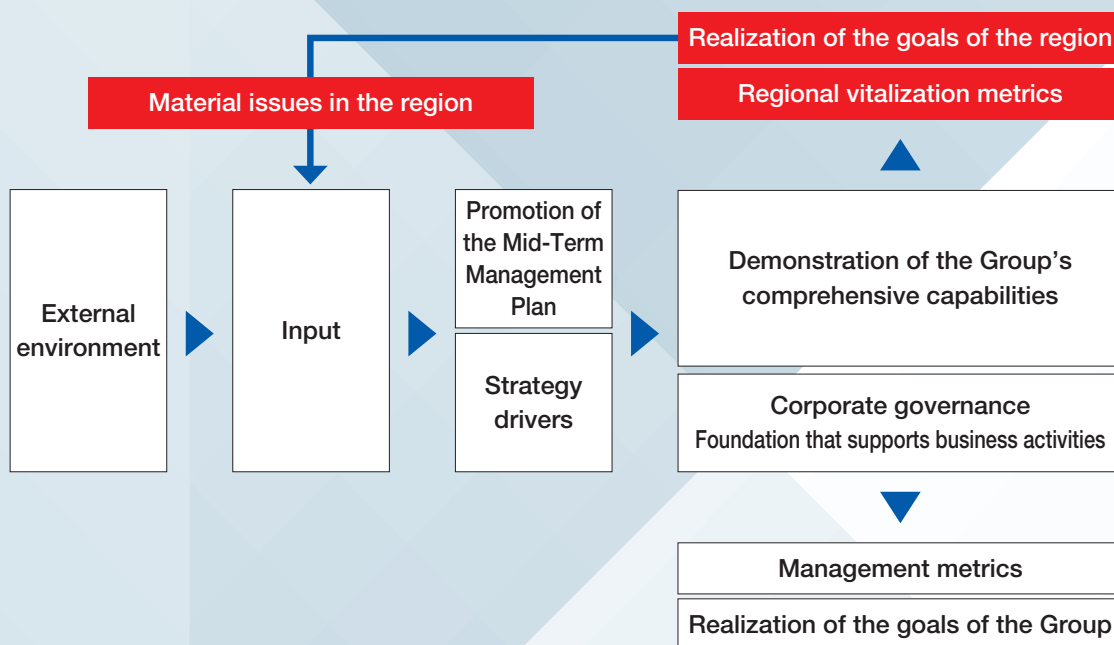


What is Our Purpose and

Positioning within the value creation story described in this section



Where are We Headed?

What we want to communicate in this section

- | Our Purpose and goals 10 years from now
- | Our materiality and identification process

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PURPOSE

The Group's raison d'être

Expanding the horizons of the **future** alongside the regional community through wide-ranging services

As a Regional Comprehensive Services Group, the Group is pushing forward with initiatives to resolve every issue affecting the regional community and its customers. However, to clarify the basis and objective of the Group's businesses and starting point to which the Group and its employees should return, we have newly established the Purpose.

Our aspiration and approach in establishing the Purpose



Future We Seek to Create (Our Goals 10 Years from Now)

With the aim of strengthening our initiatives, more than ever before, to vitalize the region as a Regional Comprehensive Services Group, we considered the state of the region desired 10 years from now in which the Group's management foundations are rooted. We also defined the goals of the Group 10 years from now.

Desired state of the region 10 years from now

A vibrant region = A region in which prefectural GDP is maintained and grows

Cities in which people gather

Tourism-focused prefecture

Smart cities

Leading sustainability region

Goals of the Group 10 years from now

Helping to create a **vibrant region** while establishing a **prominent presence** in it

Increasing corporate value (continuous improvement in ROE and PBR)

TOPICS

Information sessions and town hall meetings held

Following the finalization of the Purpose and Mid-Term Management Plan 2024, we held information sessions in March 2024 in Hiroshima and Fukuyama, drawing approximately 1,200 employees across the two locations combined. At the events, the President of the Company conveyed his passionate aspirations to the employees. Additionally, members of the Future Creativity Working Group shared their impressions and opinions on the Mid-Term Management Plan, along with their individual intentions for its implementation.

Furthermore, town hall meetings are being conducted for each Group company, bank district and branch in turn to instill the Purpose and Mid-Term Management Plan 2024 within the organization (i.e., to foster a sense of ownership among employees).



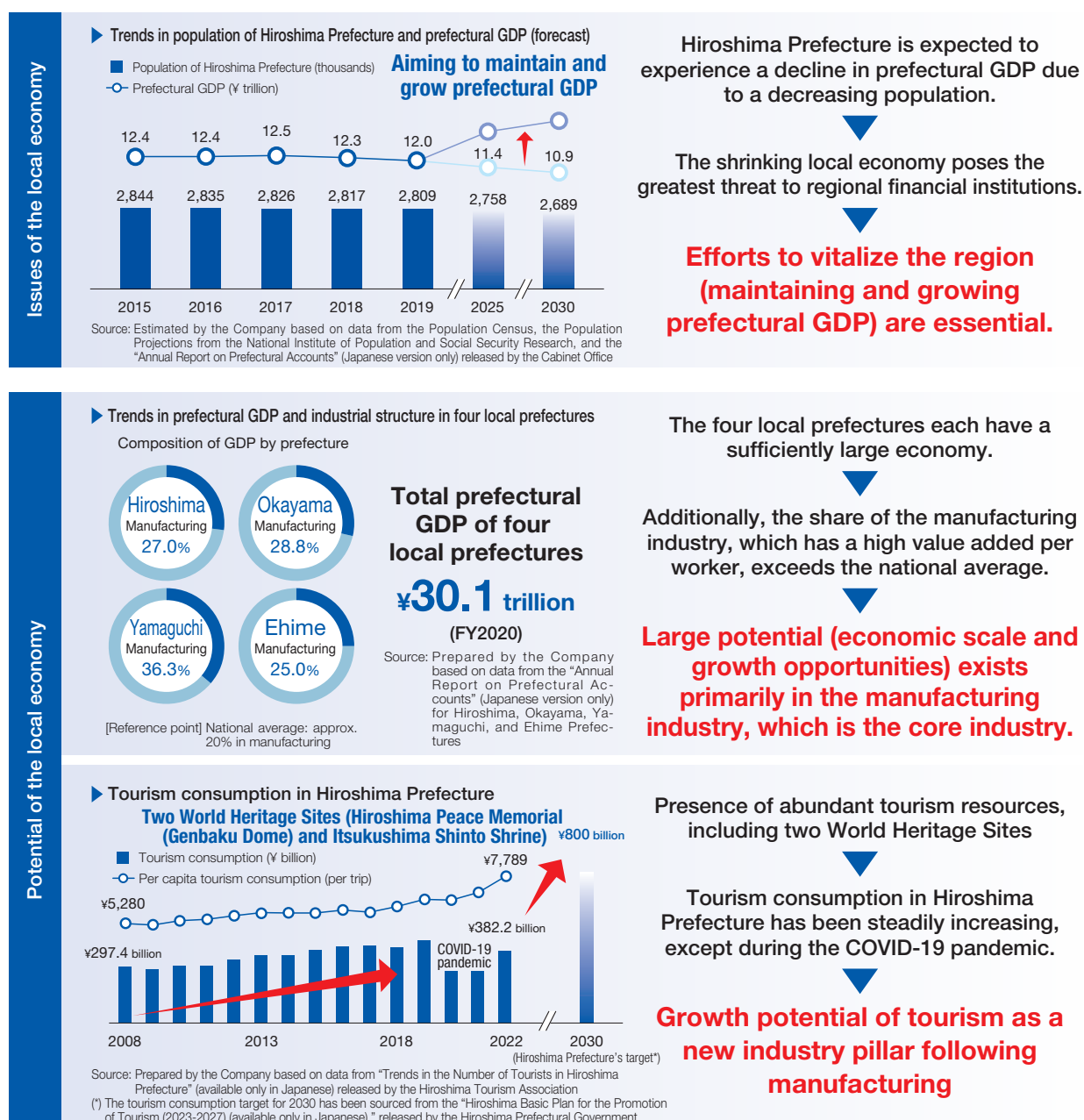
Materiality

Before selecting the matters that must be addressed to realize the desired state of the region 10 years from now (To-Be), which is to create a vibrant region, the Group identified the materialities (priority issues).

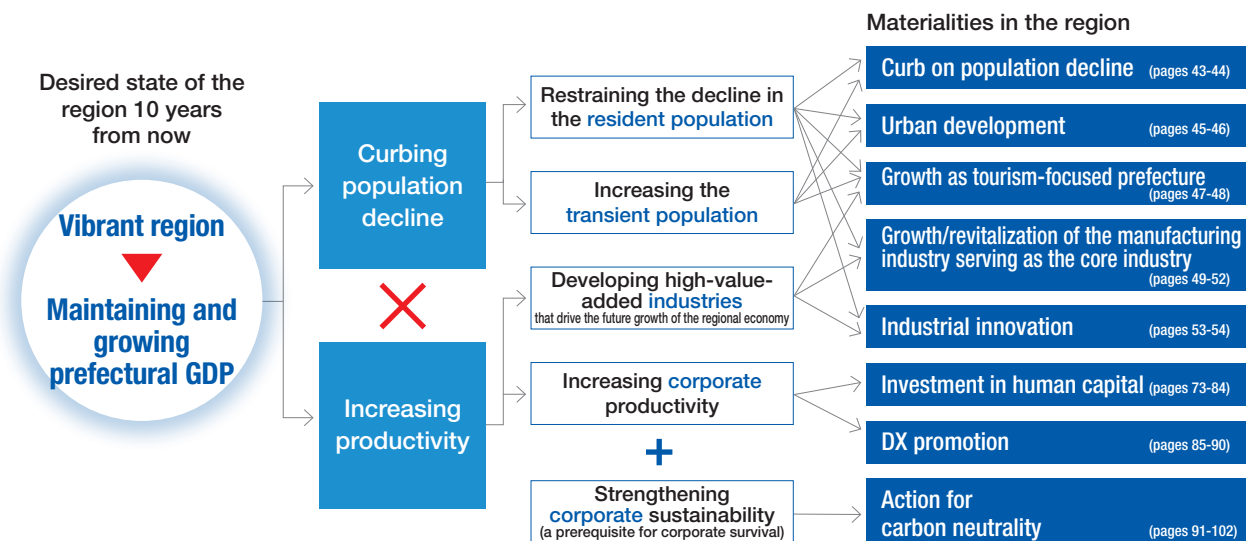
The Group has built coexistence and co-prosperity relations with the region, taking the stance of management thoroughly rooted in the region as a Regional Comprehensive Services Group. Consequently, we have a sense of crisis regarding the current situation (As-Is), where the Group's business will inevitably face diminishing equilibrium unless the regional economic scale is sustained. The eight newly established materialities reflect the Group's commitment to and determination for regional vitalization (maintaining and growing prefectural GDP), which is essential for the Group's sustainable growth.

We are committed to solving social issues (generating impact) and achieving sustainable growth for the Group (enhancing corporate value) through proactive and direct efforts to increase population and productivity, with the goal of maintaining and growing prefectural GDP.

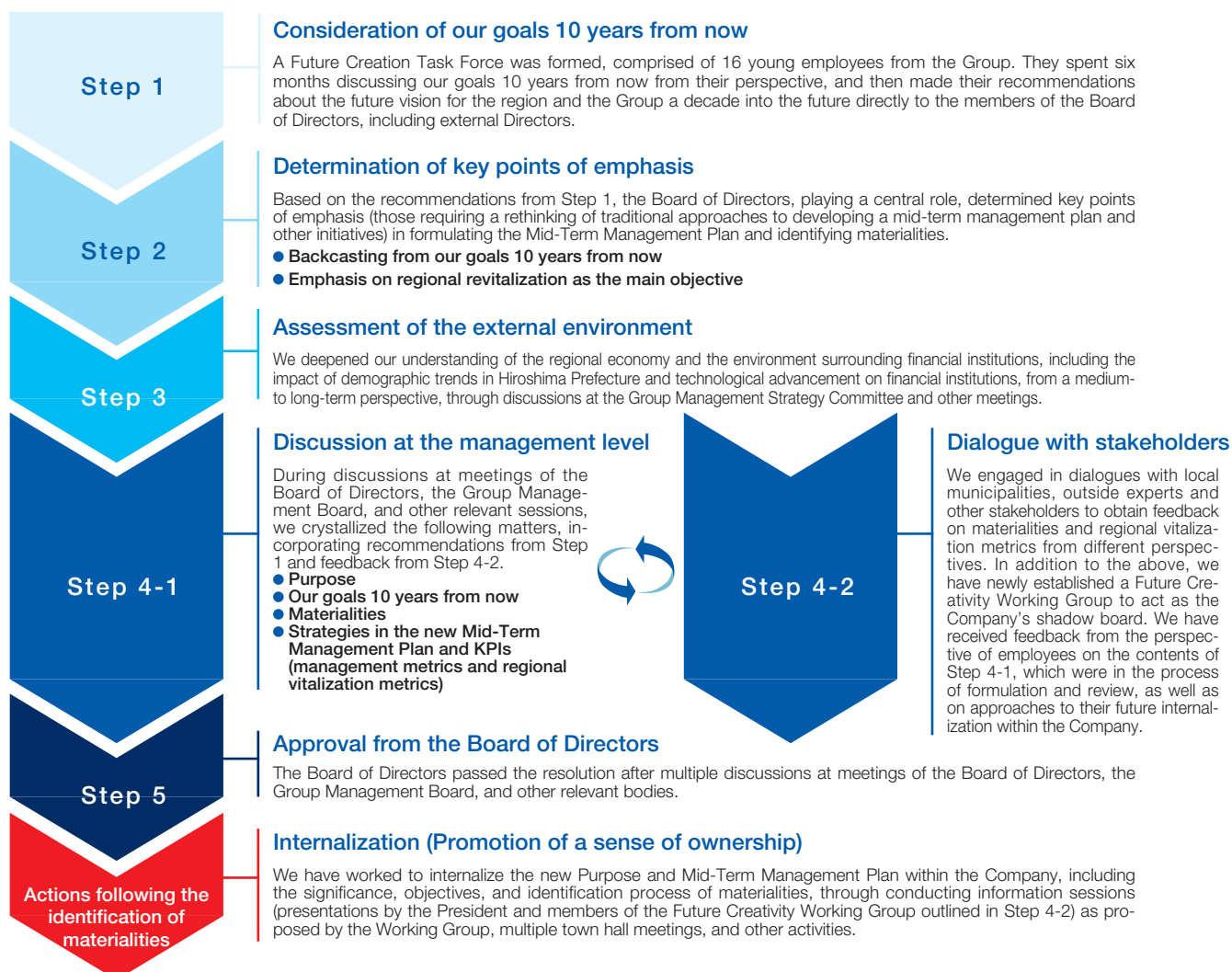
Premise for identifying materialities (regional economic status)



Identified materialities



Steps for identifying materialities



Initiatives to Expand the Horizons of the Future

—Future Creation Task Force and Future Creativity Working Group—



By creating challenging opportunities for employees from various generations to contribute their perspectives to transforming the future of the region and the Group, we are fostering a corporate culture that embodies its role as a Regional Comprehensive Services Group. This approach empowers Group employees to take on the challenge of creating the future of the region and the Group with a sense of ownership and a desire to contribute.

Future
Creation
Task Force

Young employees, the future leaders, recommended their vision of “our goals 10 years from now”!

In October 2022, the Group formed the Future Creation Task Force, comprised of 16 volunteer young employees (mainly in their 20s), as part of its initiatives to incorporate the opinions of young employees, who will lead the next generation, into management before formulating the Mid-Term Management Plan 2024.

In March 2023, following six months of discussions, the Future Creation Task Force made its recommendations (presentations) on the future vision for the region and the Group a decade into the future directly to the members of the Board of Directors (including external Directors).

In April 2023, the Board of Directors held discussions on how to respond to the recommendations of the Future Creation Task Force and outlined its approach, including key points of emphasis, for evaluating our goals 10 years from now and the Mid-Term Management Plan 2024.

Various individual measures proposed by the Future Creation Task Force were also reviewed internally based on discussions at the Board of Directors' meetings and were subsequently developed into concrete initiatives in sequence.



Details of recommendations

- **The vision for the region 10 years from now**
There is no prosperous future for a region losing young people.
We aim to become Japan's No. 1 region for attracting young people!
- **The vision for the Group 10 years from now**
We aim to reverse the trend of children and young people moving away from banks.
We aim to increase the number of Hirogin fans among the younger generation!
- **The vision for employees 10 years from now**
It is up to each one of us as employees to create the future we aim for.
We aim to create more opportunities for “cross-functional experiences,” such as this task force, and to cultivate more individuals with a sense of ownership and a spirit of challenge to transform the future of our region and the Group!



Task Force recommendations implemented

- **Cross-functional work experience program**
Introduction of “Hirameki☆1Day’s” (April 2023)
Launched a program that allows employees to spend up to five days each year working in a division, Group company, or external company of their choice
- **Implementation of “Future Hirogin” initiative by Generation Z employees (June 2023)**
Under the theme “What will Gen Z expect from financial institutions when they start working?” Generation Z employees presented their recommendations to the Board of Directors.
- **Establishment of the Future Creativity Working Group, the Company’s shadow board (July 2023)**
Established a new committee structure comprised of volunteer employees to create a mechanism for discussing strategies and measures under review, acting as a listening ear for the management team and headquarters
- **Pilot launch of the Reverse Mentoring System (July 2023)**
Initiated a trial program where young and mid-career employees are assigned as mentors to officers, providing advice and feedback (officially introduced in FY2024)
- **Pilot launch of in-house social media (April 2024)**
Introduced a tool as a trial run that allows headquarters, branches, and individual employees to effortlessly disseminate information, enhancing communication across organizations and generations

Future Creativity Working Group

The Company's shadow board now in action! Various generations involved in formulating the Mid-Term Management Plan

In July 2023, the Group established the Future Creativity Working Group based on recommendations from the Future Creation Task Force.

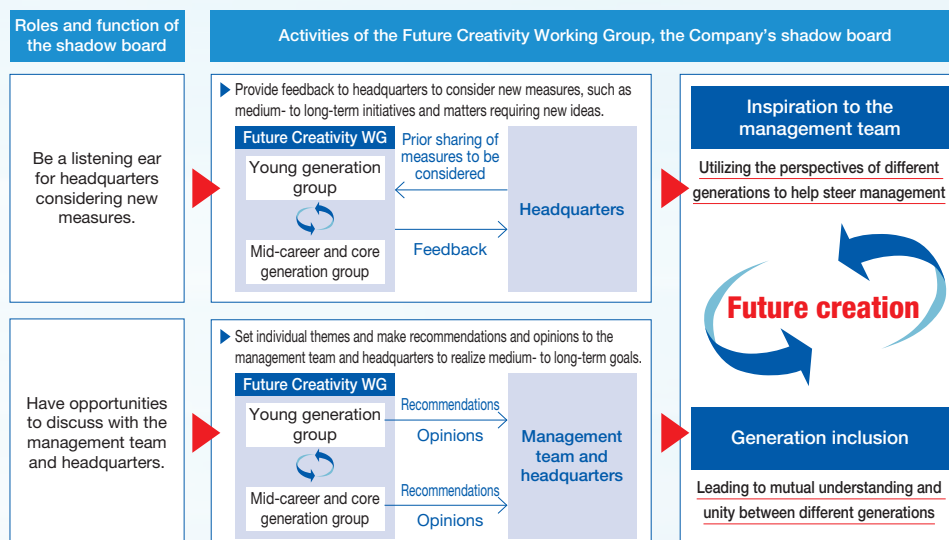
The Future Creativity Working Group comprises 12 employees from various generations, selected through an open recruitment system. This committee structure functions as a shadow board, holding regular meetings to focus on strategies and measures under review, as well as other topics, acting as a listening ear for the management team and headquarters. It also provides recommendations and opinions from both field and employee perspectives and engage in other activities.

In FY2023, each strategic theme in the new Mid-Term Management Plan was a focal point of discussion. Vibrant discussions took place on topics such as: "How would you respond if this content were notified tomorrow?" "What steps should be taken to address this issue?" and "How can we foster better collaboration among employees?" Participants provided candid advice and feedback from both employee and field perspectives. Occasionally, their observations and opinions presented challenges for the headquarters to address.

In January 2024, as the highlight of its discussion activities, the Future Creativity Working Group had the opportunity to present recommendations to the management team and discussed approaches for internalizing the new Purpose and Mid-Term Management Plan 2024 within the organization.

In March 2024, following the recommendations above, information sessions were held to ensure employee ownership of the Purpose and Mid-Term Management Plan 2024. Members of the Future Creativity Working Group, along with the President, delivered presentations and served as a bridge between the management team and field personnel, including participating in panel discussions with the President and other activities.

Starting in FY2024 and moving forward, the Future Creativity Working Group plans to broaden its engagement by selecting members through an open recruitment system on a fiscal year basis, while shifting the focus from formulating and internalizing the Mid-Term Management Plan to its implementation.



VOICE

Aiming to broaden the Future Creation Task Force's engagement!

I joined the Future Creation Task Force with the following aspirations: to help create a community where children, who will lead the future, are eager to continue to live in and return to, and to use this opportunity as a catalyst to become a role model for women who continue to work with a vibrant spirit.

The Future Creation Task Force brought together 16 young employees from the Hirogin Group. Over the course of six months, we explored a future vision for the region and the Group a decade ahead. We were then tasked with presenting recommendations to the management team.

The key phrase in our recommendations is "cross-functional experience." In this task force, we worked together to develop something new in an unfamiliar setting and with people we seldom interact with. These new encounters and experiences have definitely expanded my values and perspective. Reflecting thoroughly on the future of the Company and the region has deepened my connection to both many times over.

Although the task force activities have concluded, I believe we should continue to be a driving force in thoughtfully considering the future of the Company and the region and in tackling new challenges.

Sumire Soejima

Itsukaichi-Yahata Branch,
Hiroshima Bank (currently
Business Planning Division)



To this end, incorporating second and third phases similar to those provided by this task force would be instrumental. I envision the Company evolving into an organization that empowers the Hirogin Group's employees to take greater ownership and contribute their perspectives to transforming the future of the region and the Group.