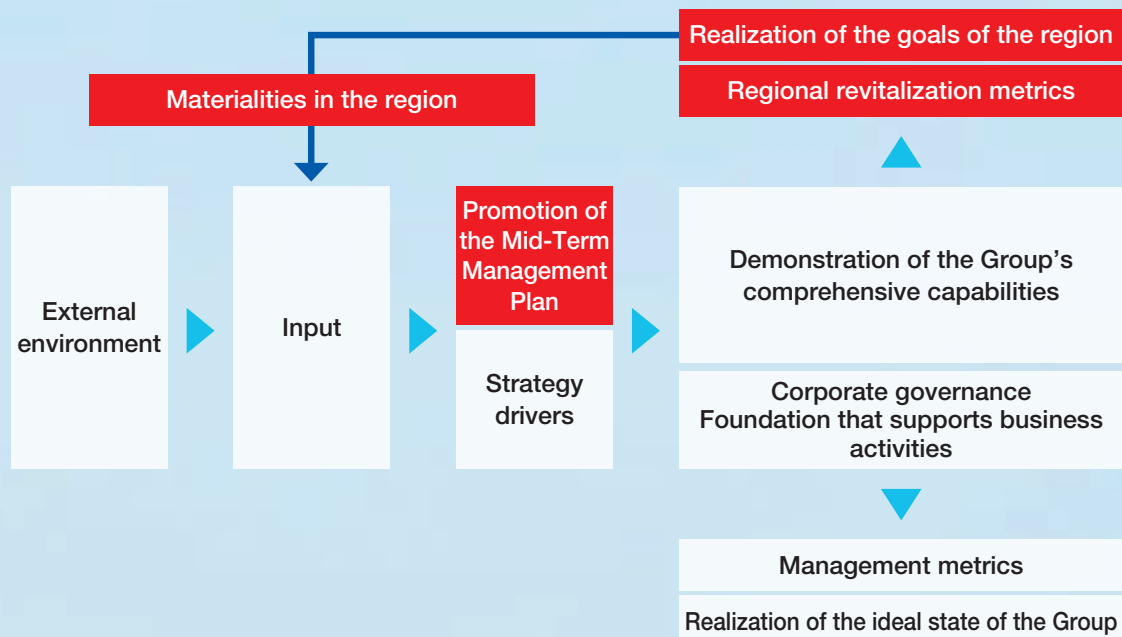


Why We Exist and Where We Are Headed



Positioning within the value creation story described in this section



What we want to communicate in this section

- Initiatives to internalize and embody the Purpose and Personality
- Our materiality and identification process

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Message from the President of the Bank



Kazuo Kiyomune

Representative Director and President
Hiroshima Bank

Hiroshima Bank will thoroughly engage with the region and our customers as the nucleus of Group cooperation, further reinforcing the relationship of trust with them.

Moving forward together with the region now more than ever in these changing times

The fiscal year ended March 31, 2025 was one in which the full-fledged transition to a *world with interest rates* began due to a shift in the Japanese government's zero-interest rate policy that continued for so long. The economic environment surrounding both Hiroshima Bank and its customers transformed dramatically as a result. For us, this shift in the interest rate environment is simultaneously a tailwind and a major turning point given that we operated in a deflationary environment up to this point.

For many of our employees, negotiations to raise interest rates was a domain in which they had no experience. On the sales frontline, however, each of them engaged with our customers sincerely and worked tenaciously to negotiate while eliciting their understanding. As President of Hiroshima Bank, I am deeply thankful for their earnest actions and efforts, which culminated into a steady increase in income from interest on loans and discounts and enabled our bank to formidably drive forth the achievement of the Group's highest profits on record as its core company.

At the same time, in the immediate term, our external environment continues to be uncertain as exemplified by the revision of US government policy, and there are concerns of the impact this will have on the economy, particularly on automotive-related industries that represent a core regional industry. Despite such circumstances, Hiroshima Bank will continue to closely align itself with its regional customers and steadily support them in their main business through loan mediation functions.

The demonstration of loan mediation functions absolutely requires the steady acquisition of deposits. Based on that perception, Hiroshima Bank has been refocusing on its over-the-counter sales activities. Originally, there was no branch manager present at our small branches. Having adopted a structure in which we also assign a branch manager across our roughly 150 branches, which represent the frontline of contact with our customers, we endeavor to augment deposits by raising the level of our sales capability.

Additionally, amid further growth in customer needs in computerization, digitalization, sustainability, and other non-financial domains, as the core entity of the Hirogin Group, we will confront head-on the various challenges faced by the region and our customers and endeavor to further bolster our role as a *hub function* that links together resources within the Group.

Fully leveraging our strengths in the form of our relations with customers, loan mediation functions, and the ability to provide multi-sided solutions that involve the entire Group, we will elevate our value as an *invaluable presence* to the regional community to the next level. In order to realize our second straight fiscal year of historical profits in the fiscal year ending March 31, 2026 as well by steadily pushing forward with such initiatives, we will continue to formidably drive the growth of the entire Group.

Side by side with the region as we assist it with problem-solving

I believe Hiroshima Bank's largest strength lies in its ability to form a deep understanding of customers and closely and earnestly align itself with their problems. In particular, the *feasibility studies* that we have engaged in ahead of other banks form the foundation of that strength. By ascertaining customers' essence and future potential that financial data by itself does not provide visibility on and proposing optimal solutions, we have formed solid relationships of trust.

In corporate business areas, we cooperate with external specialized agencies and alliance businesses to complement intra-Group resources in order to flexibly respond to a variety of management challenges. Such response capability is the source of Hiroshima Bank's competitive advantage. We have a genuine sense of the high praise we have received from numerous customers.

At our bank, we have been bolstering our support structure for primary regional industries for some time, and place specialized human resources in each key industry, such as automobiles, shipping, and healthcare, to provide meticulous support based on that specialization. In the maritime sector, we have established the Ship Finance Department to strengthen our framework

for supporting the further development of the Setouchi maritime cluster. In the automobile domain, we have established an *Automobile RM* in the Corporate Solutions Office inside the Solutions Business Division to provide advanced knowledge based on years of research and analysis on the local automobile industry.

Additionally, with the further diversification and advancement of the needs of its corporate customers, in April 2025, Hiroshima Bank increased its personnel in corporate business areas by roughly 40 employees, and is steadily pushing forward with the reinforcement of a structure closely aligned with problem-solving. To be specific, that month, we established the Management Support Office to take necessary supportive measures at an early stage prior to the deterioration of customer management. Moreover, against the backdrop of developments in digital technology and efforts to cope with labor shortages, with needs for computerization and digitalization intended to improve operational efficiency and usher in a transformation in business models rapidly growing at regional companies as well, we set up a new DX Consulting Line in our Solutions Business Division.

Meanwhile, in individual business areas, we are working to enhance our *face-to-face consulting services* that emphasize personal connection and trust. More specifically, we have consolidated our Consulting Advisors (CAs) at regional host branches and put a structure in place where employees can share know-how while engaging in friendly competition in order to help us improve service. Simultaneously, we have assigned highly-specialized wealth managers to our headquarters, where we provide advance asset management consultation services.

We are also focusing on improving the convenience of our non-in-person channels. The number of

registered users on our *Hirogin App*, which is used by a great number of our customers, has exceeded 600,000.

I have a real feeling that these and other initiatives on our part have been well-received by our customers to a certain degree. At the same time, the further intensification of competition with other banks is likely on the horizon. In order for us to continue being an entity chosen by our customers amid that situation, I believe that more than anything else, convincing those customers that “what Hiroshima Bank staff say can be trusted” is of the essence.


Naturally, building such a relationship of trust is not something that happens overnight. My belief is that constantly adopting the same perspective as customers, engaging them with earnest, and continuing to provide them with optimal solutions is truly the sole path to building relationships of trust with them.

The daily buildup of that trust by each of our employees is, above all, the greatest driving force behind increasing fans of Hiroshima Bank. Through these steady and sincere efforts, we will continue to achieve solid growth as a company chosen and trusted by our customers and local communities.

Building an organization that fosters growth

—Revising our personnel system to ensure the right person in the right place

For the sake of building firm relationships of trust with our customers, it is essential that each and every one of our employees grows. In recent years, needs in both financial and non-financial areas have become in-



The growth of each employee fuels the power for “Expanding the horizons of the future” of our community.

Giving back to the community has always been my unwavering starting point.



creasingly sophisticated and diverse. In order to meet the expectations of such wide-ranging customers, the development of human resources outfitted with knowledge, skills, and response capability will take on even greater importance than before.

The Hirogin Group has made a clear indication of its vision for the region and the Group ten years down the road in its Mid-Term Management Plan 2024, and is currently pursuing initiatives aimed at realizing that vision. In order to facilitate the reinforcement of our organizational power through developing human resources and assigning the right people to the right positions for the purpose of achieving the lofty goals we have set forth, we carried out a drastic revision of our personnel system in July 2025.

More specifically, we organized and integrated our qualification classifications, which were originally split into ten steps, and revamped our personnel system into a flexible one allowing the promotion of human resources in accordance with their ability and irrespective of their age. Naturally, such reforms can bring a sense of uncertainty or confusion among employees. To address this, we have institutionalized *one-on-one meetings* between supervisors and subordinates as a regular practice, positioning them as opportunities to discuss career direction, skill development, and professional growth. By encouraging supervisors to engage closely and empathetically with their team members—including in matters related to their personal lives—these meetings have also contributed to greater motivation and reduced turnover.

I believe that creating a workplace environment where employees can maintain high levels of motivation and feel inspired to say, “I’ll do my best again tomorrow,” is not only an essential responsibility of our managers and supervisors, but also a personal responsibility

of my own. Going forward, I intend to continue realizing flexible ways of working that accommodate diverse work ethics and lifestyles and endeavor to further improve our organizational capability.

A message to our stakeholders

What I have strongly reaffirmed is that “Hiroshima Bank’s *raison d’être* is, above all, contributing to the region.” While earnestly confronting the question of what we can do for the sake of the forward development of customers and the region as a whole, continuing to be a “beneficial presence” for our customers through each of our individual operations is what will truly link to our sustainable growth. I have firm belief in this. I also believe that more than anything else, those repeated efforts are what ultimately tie into our success in meeting shareholder expectations.

When I assumed my current post, I vividly recalled the financial crisis of the 1990s. We faced both a steep drop in our share price and grim circumstances that could have threatened our very survival. It was regional corporate and individual customers who continued supporting us despite those circumstances. My gratitude toward all those who continued to support our shares without transferring their deposits elsewhere remains as strong and heartfelt today as ever.

With this feeling as my starting point, I intend to continue contributing to the community through my work. Moreover, I will relay that stance of mine to each of our employees so that we may all unite in action.

I look forward to receiving your continued understanding and support.

Purpose and Personality

Purpose and Personality

Hirogin Holdings established its Purpose in April 2024 as the basis and objective of the Group's businesses and starting point to which the Group and its employees should return.

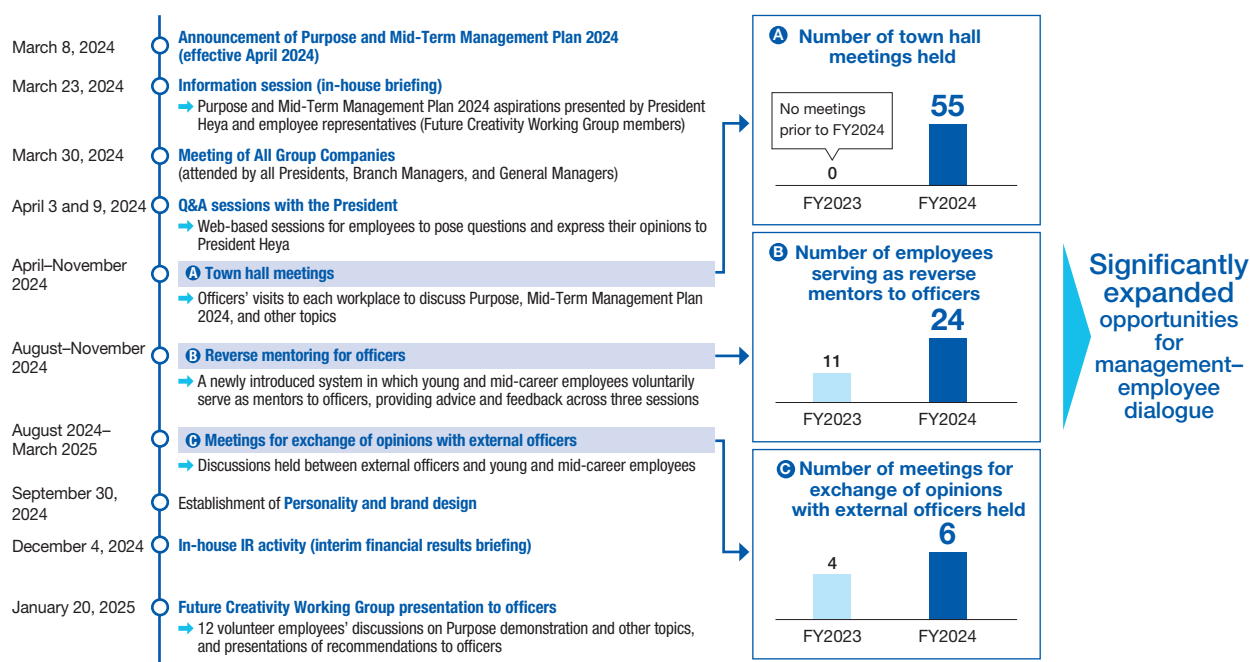
In September 2024, the Company further defined its Personality to articulate the essence that the Group and its employees aim to embody in pursuit of the Purpose.

The Hirogin Group' Purpose and Personality



Every Hirogin Group member takes ownership of our Purpose and Personality and lives them daily,
winning more Hirogin Group fans!

Our progress in internalizing and embedding our Purpose and Personality

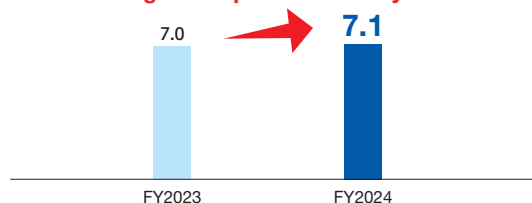


Regular survey on Purpose and Personality internalization (employee engagement survey*)

Corporate philosophy score

I find the company's intended direction compelling.

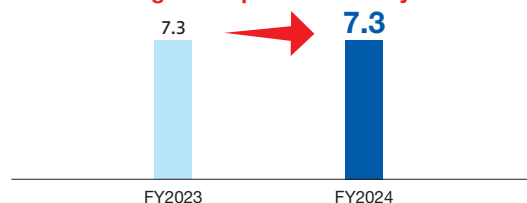
Change from previous survey: +0.1



Organizational culture score

I see that organizational decisions and actions are guided by the corporate philosophy.

Change from previous survey: 0.0



* Overview of employee engagement survey

• Target: All Hirogin Group employees • Total respondents: 4,990 (previous fiscal year: 5,041)

• Survey period: November 6–21, 2024 (previous fiscal year: January 30–February 12, 2024)

• Scoring: 10-point scale (10 = Very strongly agree, 8 = Somewhat agree, 5 = Neither, 2 = Slightly disagree, 0 = Not at all)

The improvement since the previous survey was modest, suggesting that the measures taken so far have yet to produce substantial impact.

We are still on the way to fully internalizing and embedding our Purpose and Personality!

Initiatives to further internalize and embed our Purpose and Personality

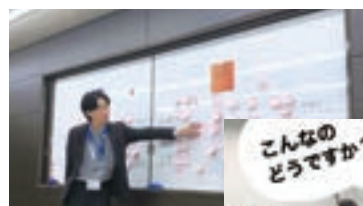
In FY2025, the second year since formulating our Purpose and Personality, we will continue to expand opportunities for dialogue between management and employees, including town hall meetings, reverse mentoring for officers, meetings for exchange of opinions between external officers and frontline employees, and in-house IR activities. In addition, based on the understanding that frontline employees drive an organizational culture of proactive thinking and action, we will accelerate voluntary initiatives to further internalize and embed our Purpose and Personality, inspired by the ingenuity of individual employees and teams.

Specific measure (1):

Appointment of Branding Committee members

Since May 2025, a total of 65 Branding Committee members have been appointed as drivers to internalize and embed our Purpose and Personality within their respective company, area, department, or branch.

Following group training on branding concepts, each Branding Committee member is leading initiatives at their workplace—such as roundtable discussions, workshops, and interactive study sessions—advancing bottom-up efforts to internalize and embed our Purpose and Personality.



Seminar on branding in the Onomichi area of Hiroshima Bank



Branding Committee, Banking Operation Management Division, Hiroshima Bank

Specific measure (2):

Publication of a collection of practical applications for Purpose and Personality

12 volunteer employees from the Future Creativity Working Group conducted interviews with 30 individuals recognized for embodying the Purpose and Personality in their daily environments. Their insights were published in the "Interview Report for Expanding the Horizons of the Future" (a collection of practical applications for Purpose and Personality).

Since the release of the first edition in April 2025, additional interview reports from various workplaces have been submitted, with comments highlighting notable individuals, further broadening the circle of dialogue around the Purpose and Personality.



Cover of Interview Report for Expanding the Horizons of the Future

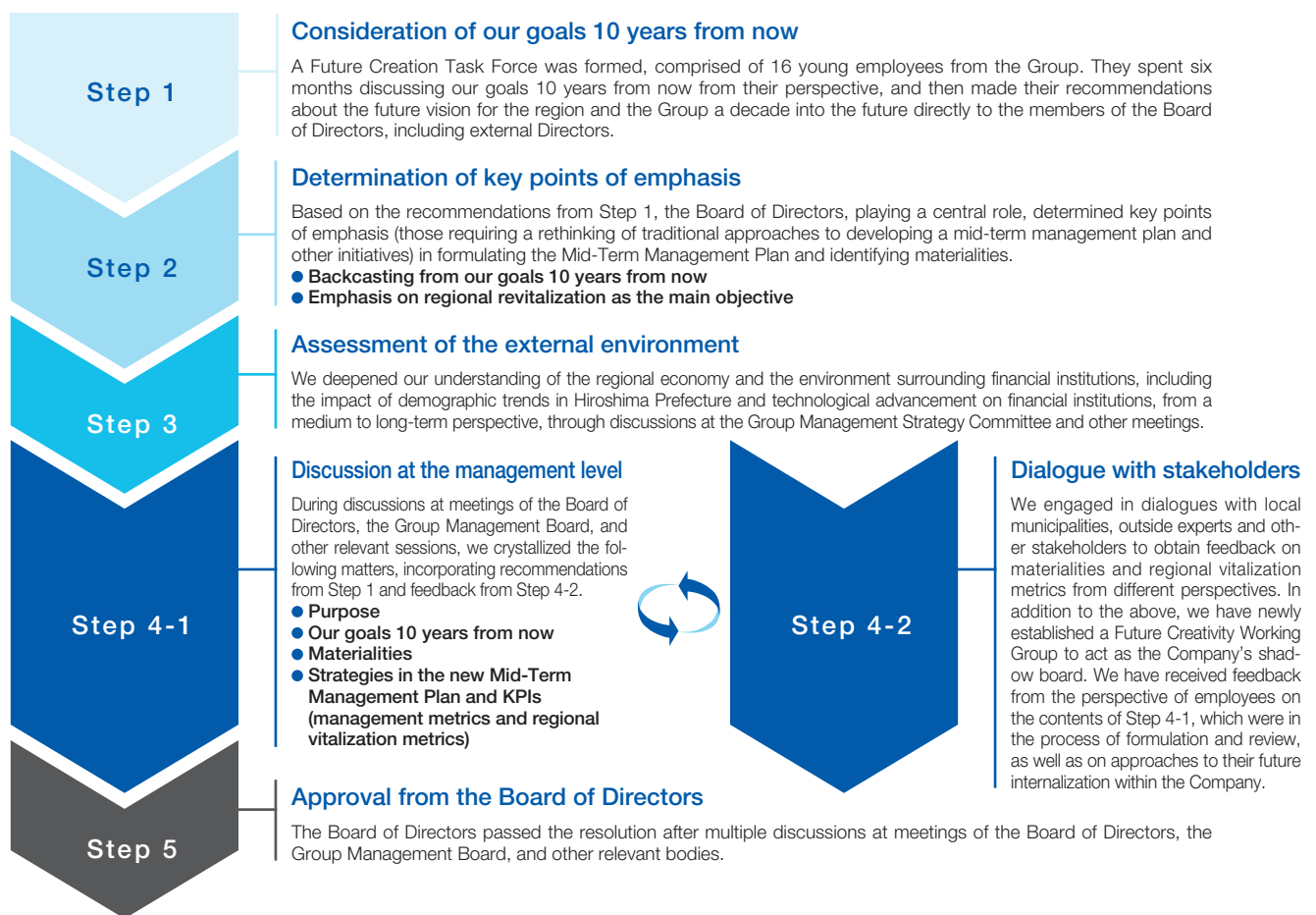


An interview between young employees and President Heya about corporate purpose

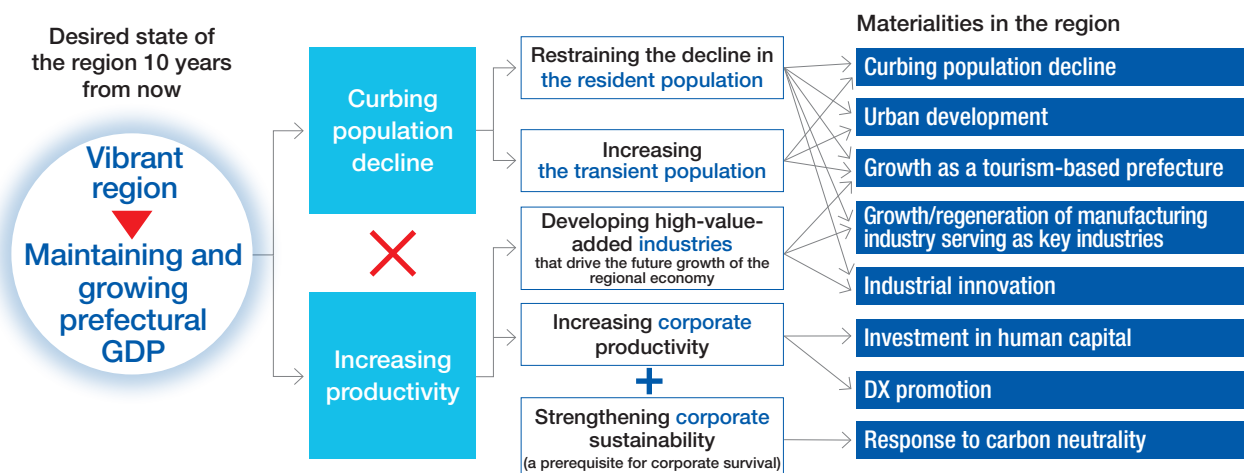
The Group has built coexistence and co-prosperity relations with the region, taking the stance of management thoroughly rooted in the region as a Regional Comprehensive Services Group. Consequently, we have a sense of crisis regarding the current situation (As-Is), where the Group's business will inevitably face diminishing equilibrium unless the regional economic scale is sustained.

Therefore, in line with our commitment to and determination for regional vitalization (maintaining and growing prefectural GDP), which is essential for the Group's sustainable growth, we have established eight material issues as priority issues to realize our goals 10 years from now (To-Be)—culminating in a vibrant region. To this end, we are implementing a range of strategies and measures under the Mid-Term Management Plan 2024.

Steps for identifying materialities


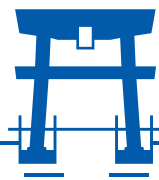
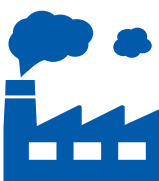


Identified materialities



Initiatives for addressing materialities

Five-year cumulative targets for "Number of urban development/regional development projects the Group has been involved in" and "Amount of executed environmental financing" **revised upward**

Materialities in the region	Activities	Output	Outcomes
	Past major initiatives	The Group's initiatives to achieve regional revitalization metrics (initiatives in Hiroshima Prefecture)	Regional revitalization metrics under the Mid-Term Management Plan 2024
① Curbing population decline	<ul style="list-style-type: none"> ➤ Collaboration with W TOKYO INC., the planner and producer of the Tokyo Girls Collection ➤ Creation of a consortium to connect local companies with young people (Hiroshima AI Club, etc.) ➤ Development of the recruitment consultancy business 	<p>Unchanged Number of human resources introductions</p> <p>Annual target achieved</p> <p>Five-year cumulative target: 350</p> <p>FY23: 11, FY24 plan: 12, FY25 plan: 52, FY28: 350</p>	<p>Social population change in Hiroshima Prefecture</p> <p>Reduction in the rate of decline (2028)</p> 
② Urban development	<ul style="list-style-type: none"> ➤ Participation in area management organizations in the central area of Hiroshima City ➤ Involvement in redevelopment business in an upstream stage ➤ Support for the improvement and maintenance of regional infrastructure in collaboration with government bodies, etc. 	<p>Revised upward Number of urban development/regional development projects the Group has been involved in</p> <p>Annual target achieved</p> <p>Five-year cumulative target: 270 (120)</p> <p>FY23: 82, FY24 plan: 28, FY25 plan: 50, FY28: 270</p>	<p>Tourism consumption in Hiroshima Prefecture</p> <p>Continuous increase* (2028)</p> 
③ Growth as a tourism-based prefecture	<ul style="list-style-type: none"> ➤ Promotion of the creation of high-value tourist destinations for international visitors in the Setouchi area ➤ Promotion of tourism investment 	<p>Unchanged Investment and financing in the tourism industry (¥ billion)</p> <p>Annual target achieved</p> <p>Five-year cumulative target: ¥130.0 billion</p> <p>FY23: 75.8, FY24 plan: ¥24.2 billion, FY25 plan: 17.0, FY28: 130.0</p>	
④ Growth/regeneration of manufacturing industry serving as key industries	<ul style="list-style-type: none"> ➤ Establishment of a framework for supporting the automobile industry beyond the region ➤ Support for the growth of a maritime cluster through shipping financing 	—	
⑤ Industrial innovation	<ul style="list-style-type: none"> ➤ Advancement of Hiroshima Open Accelerator and Hiroshima Tech Planter programs ➤ Holding of TSUNAGU Hiroshima (a business-matching event between Hiroshima-based companies and startups nationwide) ➤ Operation of Hiromalab, a co-working space 	<p>Unchanged Number of startups and ventures supported</p> <p>Annual target achieved</p> <p>Five-year cumulative target: 800</p> <p>FY23: 61, FY24 plan: 125, FY25 plan: 131, FY28: 800</p>	
⑥ Investment in human capital	<ul style="list-style-type: none"> ➤ Launch of HATAful, a business network dedicated to enhancing the region's attractiveness as a place to work 	—	
⑦ DX promotion	<ul style="list-style-type: none"> ➤ Establishment of a DX consulting organization ➤ Opening of CYBERGYM Hiroshima Arena, a cybersecurity training facility serving local customers 	—	
⑧ Response to carbon neutrality	<ul style="list-style-type: none"> ➤ Promotion of environmental financing ➤ Enhancement of consulting aimed at realizing carbon neutrality in the automobile industry ➤ Facilitation of a dialogue to measure the GHG emissions of the vessels financed under the Poseidon Principles 	<p>Revised upward Amount of executed environmental financing (¥ billion)</p> <p>Annual target achieved</p> <p>Five-year cumulative target: ¥300.0 billion (¥180.0 billion)</p> <p>FY23: 125.0, FY24 plan: ¥35.0 billion, FY25 plan: 57.0, FY28: 300.0</p>	<p>Greenhouse gas emissions in Hiroshima Prefecture</p> <p>Continuous reduction (2028)</p> 

* Raise consumption per capita by shifting from tourism based on travelers passing through to tourism based on touring and staying in the region

Mid-Term Management Plan 2024

■ Positioning of and approach to Mid-Term Management Plan 2024

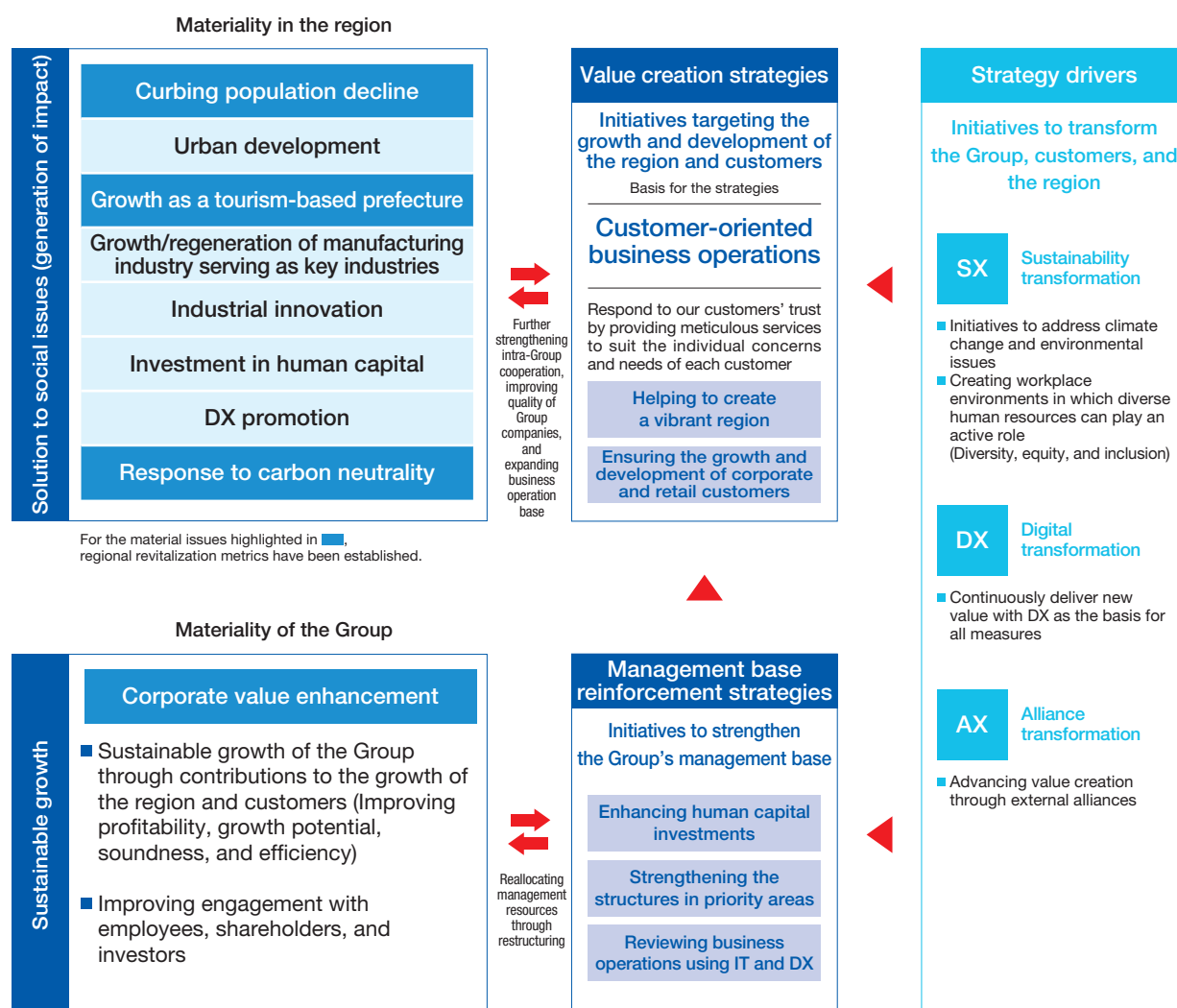
The Mid-Term Management Plan 2024, which defines its first five-year period as the Plan period by backcasting from the goals of the region and the Group 10 years from now, commenced in April 2024.

Ideal state of the region and the Group

To realize a vibrant region (i.e., maintaining and expanding prefectural GDP), we will identify materiality facing the region. As part of our efforts to tackle these challenges, we will deepen and expand our business operation base and maximize our human capital to realize the Group's ideal state.

Overall picture of strategies

We will further enhance corporate value by balancing investment in growth, financial soundness, and shareholder returns, while focusing our efforts on value creation strategies and management base reinforcement strategies, as well as strategy drivers.



Regional revitalization metrics and management metrics

We will implement management practices that balance the continuous and steady accumulation of profits (retained earnings) with shareholder returns by establishing regional revitalization metrics to address regional issues and management metrics for the Group.

Regional revitalization metrics

The Group's initiatives to achieve regional revitalization metrics (initiatives in Hiroshima Prefecture)

(Cumulative for 5 years)

Number of startups and ventures supported: 800 Result for FY ended March 2025: 131 Annual target achieved	▶	Social population change in Hiroshima Prefecture Reduction in the rate of decline (2028)
Number of human resources introductions: 350 Result for FY ended March 2025: 52 Annual target achieved	▶	Tourism consumption in Hiroshima Prefecture Continuous increase (2028)
Number of urban development/regional development projects the Group has been involved in: 270 Result for FY ended March 2025: 50 Annual target achieved	▶	Greenhouse gas emissions in Hiroshima Prefecture Continuous reduction (2028)
Investment and financing in the tourism industry: ¥130.0 billion Result for FY ended March 2025: ¥16.3 billion		
Amount of executed environmental financing: ¥300.0 billion Result for FY ended March 2025: ¥56.1 billion Annual target achieved		

Regional revitalization metrics

Social population change in Hiroshima Prefecture
Reduction in the rate of decline
(2028)

Tourism consumption in Hiroshima Prefecture
Continuous increase
(2028)

Greenhouse gas emissions in Hiroshima Prefecture
Continuous reduction
(2028)

Hiroshima Prefecture's metrics

Social population change in Hiroshima Prefecture
Equilibrium
* 2024 result: -10,711

Tourism consumption in Hiroshima Prefecture
¥800.0 billion
(2030)
* 2022 result: ¥382.2 billion

Greenhouse gas emissions in Hiroshima Prefecture
compared to FY2013
-39.4%
(FY2030)
* from 59.03 million t-CO₂ in FY2013 to 35.74 million t-CO₂ in FY2030

Management metrics (FY2028)

Improving profitability relative to consolidated net assets

Consolidated ROE **Approx. 9.5%**

Result for FY ended March 2025: **6.9%**
Consolidated ROE = $\frac{\text{Profit attributable to owners of parent}}{\text{Average net assets at the beginning and end of the fiscal year}^*}$
* Excluding share acquisition rights and non-controlling interests

Ensuring financial soundness

Consolidated capital adequacy ratio **Approx. 11%**

Result as of March 31, 2025: **11.0%**
Consolidated capital adequacy ratio = $\frac{\text{Amount of capital adequacy}}{\text{Amount of risk assets}}$

Increasing Book-value Per Share

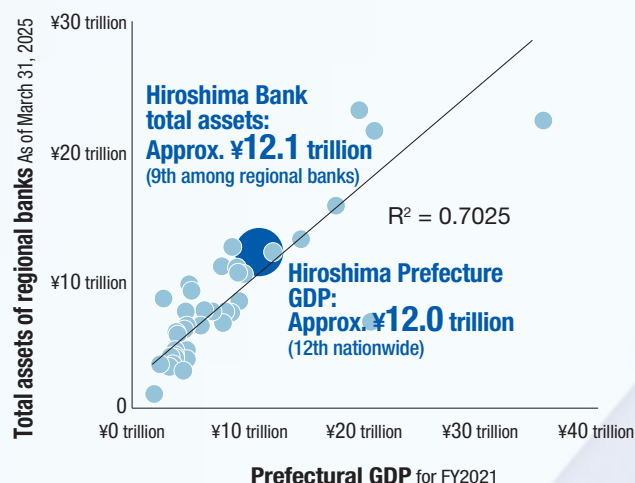
Consolidated BPS **¥2,000 or higher**

Result as of March 31, 2025: **¥1,679**
Consolidated BPS = $\frac{\text{Net assets at the fiscal year-end}^*}{\text{Total number of shares issued at the fiscal year-end (excluding treasury shares)}}$
* Excluding share acquisition rights and non-controlling interests

TOPICS

(Reference) Relationship between the size of regional banks (total assets) and regional economies

Relationship between total assets of the regional banking sector and prefectural GDPs



Growth of regional banks =
Maintaining and expanding regional GDP

**No regional revitalization,
No growth of the Group**

**Aiming to create
a vibrant region**

(*) Comparison of regional banks' total assets with the GDPs of the prefectures where their headquarters are located. Excluding regional banks in Tokyo, Osaka, Aichi, Saitama, and Hyogo Prefectures, which are the main business bases of megabanks, as well as those ranked second or lower in market capitalization in each prefecture across the country.

Initiatives to Expand the Horizons of the Future

—Future Creation Task Force and Future Creativity Working Group—



We are committed to fostering a corporate culture that empowers Group employees to take on the challenge of forging the future for the region and the Group with a sense of ownership and a desire to contribute. To that end, we give to **young and old employees opportunities to volunteer and offer honest feedback to the management.**

Future Creation Task Force

Young Employees Call for Boundary-Transcending Challenges

Back in March 2023, a year before we formulated the Purpose and Mid-Term Management Plan 2024, 16 employees who were aged in their 20s and who were volunteers on the Future Creation Task Force delivered presentations to External Directors and other members of the Board of Directors detailing their future vision for the region and the Group a decade into the future.

The vision was to address the net outflow in Hiroshima Prefecture's population by making the prefecture the best area in Japan for young people ("We aim to become Japan's No. 1 region for attracting young people!"). This vision became a foundational part of board discussions about the our goals 10 years from now, the materialities, and other aspects of the Mid-Term Management Plan 2024.

The task force members also expressed a desire for more boundary-transcending opportunities like the Future Creation Task Force—that is, **opportunities to engage with colleagues they would never normally engage with, work in locations they would never normally work in, and accomplish missions they would never normally take on.** They also expressed a desire for more people to take an interest in and feel the passion for creating a new future for the region and Group. This message received a great response, and became the catalyst for the creation of a succession of volunteering measures for new boundary-transcending opportunities.

President Heya has repeatedly called on employees to take on challenges without fear of failure for the benefit of external, as well as internal, stakeholders. This message is now catching on across the organization, inspiring an increasing number of employees to **volunteer for boundary-transcending challenges in which they take a step outside their everyday environments.**



Key boundary-transcending initiatives provided under the volunteering system

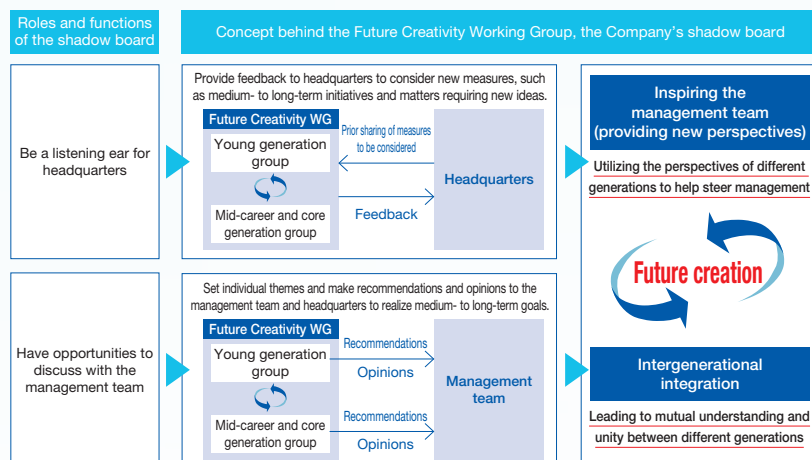
Classification	Name	Outline	FY2024 result
Transcending boundaries within the Group	The Future Creativity Working Group (the Company's shadow board)	Employees discuss strategic themes and present their views directly to the management	12 persons <small>This initiative was inspired by the presentations of The Future Creation Task Force.</small>
	Reverse mentoring for officers	Employees act as mentors to corporate officers, in which role they provide advice and feedback	24 persons <small>This initiative was inspired by the presentations of The Future Creation Task Force.</small>
	Internal internship	Employees spend several to 10 days working in another department or Group company, one that they are interested in	306 persons <small>Approx. 7 times higher than the number in FY2021</small>
Transcending boundaries outside the Group	Hirameki☆1Day's (a cross-functional work experience program)	For up to five days each year, participants leave their everyday workplace and work in a division, Group company, or external company of their choice.	19 persons worked in an external company <small>This initiative was inspired by the presentations of The Future Creation Task Force.</small>
	HATAful* (a workshop for boundary-transcending social exchanges)	This is a one-day workshop that brings together participants from across boundaries to explore themes such as well-being, careers, and the generation gap.	55 persons (FY2025 result) <small>A new initiative in FY2025</small>
	HATAful* Cross-Mentoring	This boundary-transcending project transcends company frameworks to match participants with female role models and provide 1-on-1 mentoring sessions.	20 persons (FY2025 result) <small>A new initiative in FY2025</small>
	HATAful* Pride Project	Boundary-transcending project to promote understanding of gender diversity and expand the network of LGBTQ individuals and allies	4 persons (FY2025 result) <small>A new initiative in FY2025</small>
	HATAful* Co-parenting Project	In this boundary-transcending project, co-working business person advises on work-life integration.	10 persons (FY2025 result) <small>A new initiative in FY2025</small>

*HATAful: A public-private network (with members including Chugoku Electric Power, Mazda, and Hiroshima Prefecture) that creates colorful and attractive work that serves as a flag-bearer for the local community (see page 90 for details).



The Company's Shadow Board in Action—Crystallizing a Succession of Feedback

Unwilling to let the Future Creation Task Force become a one-off, we established the Future Creativity Working Group in July 2023 as an ongoing mechanism for ensuring that employees' voices are considered in decision-making at the highest level. The Future Creativity Working Group comprises volunteer employees from various generations, selected through an open recruitment system each year. This body 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 the management with recommendations and opinions from both field and employee perspectives and engages in other activities.



The Future Creativity Working Group comprises volunteer employees from various generations, selected through an open recruitment system each year. This body 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 the management with recommendations and opinions from both field and employee perspectives and engages in other activities.

Activities of the Future Creativity Working Group in FY2023 (Term 1)

In FY2023 (Term 1), the working group engaged in the process for formulating the Mid-Term Management Plan 2024. The members accessed and received briefings on actual documentation on each strategic theme referred to in meetings of the Board of Directors and gave candid feedback to headquarters divisions, such as asking them: "How would you respond if this content were notified tomorrow?"

In January 2024, the working group had the opportunity to present its ideas—the culmination of its activities over the year—to the management directly. In their presentations, the members recommended the management on a new approach for internally communicating and disseminating information, one that suits the new Mid-Term Management Plan. We immediately acted on this recommendation in a number of ways. In one example, we booked a concert hall with a seating capacity of 1,000 to hold information sessions about the new Mid-Term Management Plan. During the sessions, delegates from the working group delivered presentations with the President about their experience engaging in the formulation of the Mid-Term Management Plan 2024. Thus, the feedback has led to more opportunities for employees to hear messages from the management directly and for employee voices to be incorporated into top-level decision-making.

Summary of recommendation

Employees asked for more opportunities to hear messages from the management directly and for employee voices to be incorporated into top-level decision-making.

Working group recommendation implemented

- We held an information session at a 1,000-seater venue at which delegates from the working group delivered presentations.
- We held more than 50 townhall meetings (management-employee dialogues).
- We held Q&A sessions with the President and engaged in internal IR.

Activities of the Future Creativity Working Group in FY2024 (Term 2)

In FY2024 (Term 2), the working group divided into subgroups to focus on different themes. One group focused on the theme of implementing the Purpose, FY2024 being the first year of the Purpose. Besides this were the subtheme of job satisfaction and employee empowerment and the subtheme of branding (personality statement). The members adopted a practice-oriented approach in which the ideas discussed would be tested out by frontline teams to deliver positive outcomes, which could then become best practices for rolling out across the organization.

For the subtheme of putting the Purpose into action, the members began with a rudimentary question: "Just who puts the Purpose into action?" The members thought about who the Purpose-implementers are and then interviewed them. Finally, the members decided to interview President Heya himself about his own purpose. Their findings were reported in an internal publication titled Collected Reports on Interviews About Expanding Future Horizons (a collection of practical applications of Purpose and Personality).

In a presentation delivered to the management in January 2025, the members shared a frontline workplace perspective about the management's efforts to disseminate the Purpose. They also advised on measures related to the themes of implementing the Purpose, job satisfaction and employee empowerment, and branding (personality statement).

We have made headway in implementing the feedback. In May 2025, we appointed 65 Branding Committee members as drivers to internalize and embed our Purpose and Personality within their respective company, area, department, or branch. In August 2025, we established an awards team to manage employee engagement (create an employee-friendly and engaging workplace) at a workplace level. Thus, the feedback created more momentum to drive us forward toward our ideal state 10 years from now.

Summary of recommendation

Employees asked for organizational support to build bridges between people with similar concerns and perspectives on issues.

Working group recommendation implemented

- We published a collection of practical applications of Purpose and Personality.
- We appointed Branding Committee members
- We established an internal awards team to support employee engagement
- We plan to designate internal role models and organize a career forum.