Basic Strategies to Achieve "Our Target Form" (1)

Top Customer Satisfaction Strategy

The 77 Bank Group aims to be the leading bank for customer satisfaction by offering an amazing customer experience (inspiration) that competitors cannot match. Moreover, using the strengths we have accumulated to date, we will expand our range of solutions by combining relevant customer experience with digital transformations and alliances.

- Providing services unique to a regional financial institution, via face-to-face consulting and digital channels
- Utilizing our strengths, including our networks outside of Japan and information networks in the region
- Surprising and inspiring customers with performance that exceeds their expectations
- Solving issues facing customers and the region

Strategy background **Stimulating customer and regional demand and expanding our scope of operations**

The Bank has dealings with numerous clients, understands their issues, and is a hub for regional information. As such, the Finance & Consulting business model is ideally suited to our operations. In addition to our loan business as a bank, we have a unique ability to accurately gauge various needs and provide solutions to issues. We will strive to continue as a bank that serves our region by reinforcing our consulting capabilities and expanding our range of solutions.

Consulting Sales Systems

To provide Finance & Consulting services alongside non-financial services, we have deployed various specialist human resources to our headquarters departments and Group companies to create a structure that enables the provision of detailed and conscientious services.
Moreover, we are also working to develop the necessary specialist human resources to ensure we can continue to provide sophisticated consulting services well into the future.

Finance	×	Consulting	+	Non-finance
Funding Settlement Management		Growth support Management improvement support Business succession support M&A support Support for founding and new businesses IPO support Sustainability support		Human resources support DX support Life planning/risk consulting support Overseas support BPO service support

Surprising and inspiring customers with performance that exceeds their expectations

No. of corporate loan clients	No. of users of the Bank's services
Approx. 15,000	Approx. 2.9 million

Assignment of various specialist personnel to headquarters

End-Mar. 2021	End-Mar. 2025
72	135

Sales structure of Group companies for expanding business domain

End-Mar. 2021	End-Mar. 2025
76	115

External dispatch for the development of specialist human resources

End-Mar. 2021 (cumulative)	End-Mar. 2025 (cumulative)
155	297

Implementation of Consulting Sales

Consulting Sales Awards

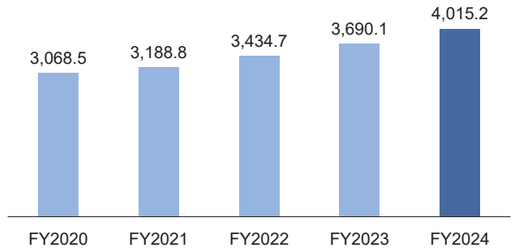
To further improve our consulting sales capabilities, we host the Consulting Sales Awards to commend medium- to long-term consulting sales initiatives and processes at our branches. At the sixth awards ceremony in FY2024, in addition to the previous corporate consulting and retail consulting categories, we added a new Group collaboration category to reinforce our collaboration with Group companies.
In the Group collaboration category, there were numerous examples of collaborative projects with Group companies that sought to address customers' issues, such as using DX to improve productivity and providing specialist human resources. As we work to improve customer satisfaction and revitalize the region, we will share these excellent examples throughout the Bank and work as a Group to enhance our consulting sales capabilities.

Implementation of business consulting*

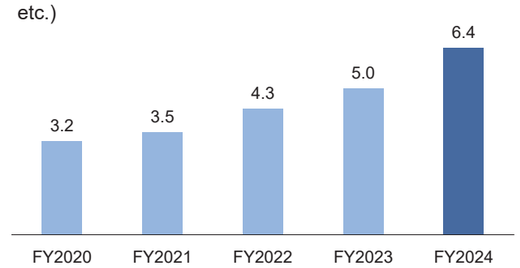
We are working to strengthen our business consulting initiatives by setting up a Business Consulting Team within the External Sales Department in the Consulting Promotion Division. Since April 2023, we have created the Future Co-creation Sheet to share the challenges and visions of managers as well as strategies aimed at addressing challenges alongside our customers. Moreover, in August 2023 we began offering a paid consulting service known as the 77 Manager Side-by-side Support Service. Through the implementation of business due diligence, support for the formulation of management plans, monitoring of plans, and support for the operation of management meetings, we will aim to ensure that the service contributes to customers' growth. In providing highly specialized support, we will seek to enhance the competitiveness of SMEs and support the sustainable growth of our customers.

*Proposals and support to improve customers' services and added value

Average balances of corporate loans (yen-denominated) (Billions of yen)



Corporate non-interest income (including foreign exchange derivatives income, etc.) (Billions of yen)



VOICE Customer feedback

A future that begins with more than just communication— ICHICO's co-creation with the 77 Bank to contribute to the region through marketing

Representative Director, ICHICO Inc.
Yuichiro Ogata

Please tell us about your management philosophy.
ICHICO was first established in 1994 as Daiichi Advertising Inc. (founder: Yoshimitsu Sato, now Director and Advisor) and has since conducted business mainly in Miyagi and wider Tohoku. Upon our 30th anniversary, to demonstrate our willingness to cater to major change with digital technologies and generative AI, for example, we removed the word "advertising" from our company name, changing it to ICHICO Inc. and established a new slogan in the process: More than just communication. Our aim is to provide ideas and solutions that go beyond conventional advertising strategies and contribute to our client companies and the region as a whole.

What did you think about the proposal from the 77 Bank?
Since our founding, we have offered so-called advertising services in response to client requests. However, after a change of perspective, we determined that working with companies from the early stages of advertising strategies—that is, from the design of businesses and products themselves—would enable us to make greater contributions to their success. As such, alongside a change in name, we also entered a more specialist domain of marketing. After gaining a thorough understanding of our vision and businesses, the 77 Bank proposed the setting of KPIs that were in line with the SDGs to enable us to fulfill our corporate social responsibility. Through the Bank's first positive impact finance (PIF), we have been able to clarify our vision, disclose our commitments, reinforce investment in the recruitment and development of human resources, and reform awareness among our employees.

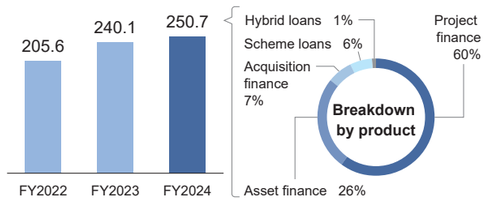
What are your hopes for the partnership moving forward?
The 77 Bank goes beyond the framework of a financial institution, playing a highly important role in revitalizing the regional economy and addressing social challenges. Alongside benefiting from the Bank's continued support, which goes beyond finance and accounting, we look forward to becoming a partner of the Bank and playing a major role in regional and corporate development.

Highly Specialized Consulting Sales

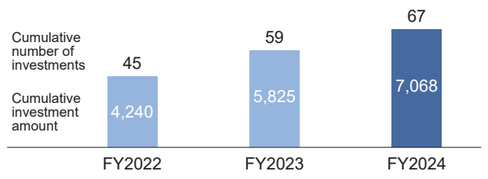
Measures for structured finance and funds

We are working to strengthen our structured finance options, such as project finance, asset finance, and acquisition finance, as well as our arrangement of corporate syndicate loans. We have positioned structured finance as a growth area, and in the four years since establishing the Structured Finance Section to the end of March 2025, we have built up a loan balance of approximately ¥110.0 billion.
We are also working on equity investments, and have invested more than ¥7.0 billion in local companies through funds managed by 77 Capital, 77 Partners, and Tohoku Healthcare Support, in which the Bank holds shares. Moving forward, we will continue to support the growth of local companies by reinforcing initiatives through sophisticated funding.

Average balances for structured finance (Billions of yen)



Cumulative fund investments (Millions of yen; cases)

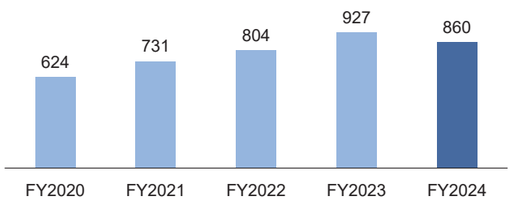


*Only the portions of the six funds managed by GP in which the Bank holds shares are shown.

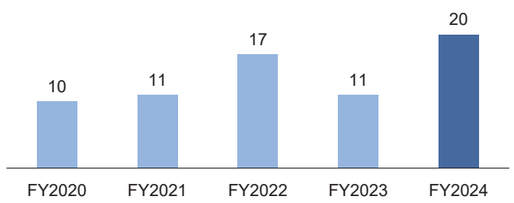
Initiatives from the Business Succession and M&A Team

As the population continues to fall, business succession and M&As have become an area attracting significant attention from customers in the region. In response, we are strengthening our initiatives in the area by setting up a Business Succession and M&A Team within the External Sales Department in the Consulting Promotion Division. Led by seconded employees with specialist expertise in business succession and M&As, we have supported around 900 business succession projects, including through in-house stock valuation and stock succession measures, and handle around 50 M&A consultations at any given time.

Number of business succession support clients (Clients)



Number of M&A contracts (Cases)



Feature: External collaboration

In April 2023, The 77 Bank, Ltd., Fuyo General Lease Co., Ltd., and Blueline Partners Co., Ltd. (wholly owned by the Nihonkeiei Group) set up the joint venture Tohoku Healthcare Support Co., Ltd., Japan's first region-specific healthcare fund management company.
The company's first project was to support the redevelopment of the Nitto Hospital operated by the Tokiwakai Group in Koriyama City, Fukushima Prefecture. Specifically, to address the increase in costs caused by soaring construction prices, the company conducted an off-balance sheet arrangement. Its second project involved the provision of growth funds to enable the further expansion of clinic support services offered by Regional Healthcare Partners, Inc. (the main company of the Yamato Regional Medical Group, led by Yamato Clinic).
By having each investor company bring their individual expertise, know-how, and resources in the healthcare domain, in addition to mere funding assistance, Tohoku Healthcare Support will help maintain and enhance medical and caregiving systems in the region through optimal solutions that address diverse needs.

Expansion of Customer and Regional Networks

Domestic network

We are currently working to expand our scope of operations to extend our customer network. Making full use of our Miyagi Prefecture-centered information network, which is one of our greatest strengths, we will act as a bridge to the Tohoku economic zone and support the development of our customers and region.

Establishment of the Aomori Branch

In September 2022, we upgraded the Aomori Corporate Office to the Aomori Branch, improving our network of branches throughout the Tohoku region. Utilizing our network in the Tohoku region, we will provide consulting sales services to benefit our customers and the entire region.

Establishment of the Utsunomiya Corporate Office

In August 2023, we set up the Utsunomiya Corporate Office as a corporate consulting hub for the North Kanto region, mainly Tochigi Prefecture. We will work to build relationships with leading companies in the region and support their expansion into the Tohoku region, while assisting companies in Tohoku with their expansion into the Kanto region.

Establishment of the Tokyo Satellite Desk

To date, sales activities at our Tokyo Branch and Nihonbashi Branch have mainly focused on listed companies. However, to reinforce our development of new clients with headquarters in Tokyo and an interest in businesses in Miyagi and Tohoku, as well as to ensure continuous consulting sales for existing customers with headquarters in Tokyo, in April 2025 we opened the Tokyo Satellite Desk within the Tokyo Branch. We will aim to capture profit-earning opportunities by reinforcing our collaboration with companies headquartered in Tokyo.

Overseas network

Establishment of 77 NEXT CONSULTING

To incorporate overseas growth as the domestic population falls and the market contracts, in April 2025 the Bank established 77 NEXT CONSULTING PTE. LTD. Specifically, through this new subsidiary the aim is to expand our network and provide sophisticated and specialized solutions in the ever-growing ASEAN and Indian markets. With three employees (one of which is the Group's youngest general manager in their 30s) on secondment from the 77 Bank, including the president, and three newly recruited local employees (including two foreign employees), 77 NEXT CONSULTING has commenced operations with a six-strong team. Moreover, with the establishment of the NEXT INDIA DESK, a point of contact for the India business providing information and consulting services tailored to the Indian market, 77 NEXT CONSULTING will support customers' business development through the provision of a variety of information and services.

Sales areas

ASEAN NEXT ASIA HUB India NEXT INDIA DESK

VOICE Feedback from local employees

The importance of overseas business development

Of the 1,000 businesses in Sendai City reported in the Sendai Regional Economic Survey, 93.7% said that they were not engaged in initiatives to expand their overseas sales channels. To achieve growth in an aging society with a low birthrate, in addition to focusing on regional markets, it is also essential to review transactions in overseas markets.
At the 77 Bank, in 2011 we established the Asia Business Support Office within the Treasury Administration & International Division, and reinforced our efforts to address customers' needs in overseas expansion. Through the provision of solutions that utilize our overseas network, we are working to enrich the regional economy and create multiple business opportunities for our customers in the region. The Asia Business Support Office currently comprises 16 employees, including those on secondment, and offers overseas business-related support. In 2025, we established our first overseas subsidiary, 77 NEXT CONSULTING PTE. LTD., and are working to broaden our scope of operations more than ever before.
By providing overseas business support, we hope to bring overseas growth to the region through investment, employment and business, in turn contributing to the development of the region and our customers.

Joined the Bank in 2007; currently Manager of the Asia Business Support Office, Treasury Administration & International Division

Atsuhiro Awano

Improving Happiness

<77> Operations that put customers first

The Bank and 77 Securities Co., Ltd. have established the 77 Basic Policy on Operations that Put Customer First in order to promote the provision of quality financial products and service to customers. This policy is complied with executives and employees, and the status of initiatives is announced regularly.

The 77 Basic Policy on Operations that Put Customers First can be viewed here.

The 77 Bank　77 Securities

* Japanese Language only

Initiatives by the Customers' Asset Formation Promotion Committee

In line with measures to promote the shift from saving to investment based on the Doubling Asset-based Income Plan announced by the Japanese government in November 2022, in April 2023 we established the Customers' Asset Formation Promotion Committee for the cross-organizational examination and implementation of measures to support customers' asset formation activities. With the President as chair, the Director in charge of the Business Promotion Division serves as vice-chair, and the Committee's members are mainly Directors and general managers. The Committee examines initiatives that aim to enhance customers' asset formation activities and improve financial literacy in the region.
In FY2024, the Committee met a total of 12 times to discuss and provide reports on various measures.

Main points of discussion/details of reports;

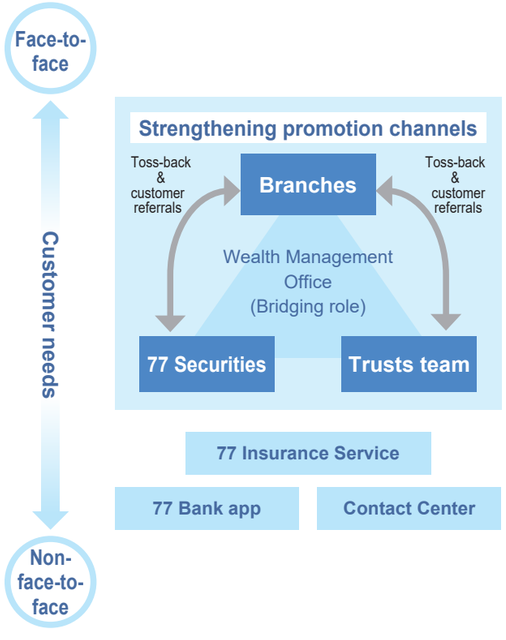
(1) Enhancement of services for mass-market customers
→ Discussions on the introduction of the online investment trust account opening service provided by Nomura Research Institute to increase investment trusts and NISA accounts among mass-market customers;

(2) Sales of foreign-currency insurance
→ Report on sales of foreign-currency insurance and future measures in line with the "monitoring results pertaining to the implementation status of customer-oriented business conduct by distributors of financial instruments, such as investment trusts" announced by the Financial Services Agency; and

(3) Review of the personnel structure in retail sales
→ Discussions on the review of the personnel structure in retail sales to build a highly productive and efficient sales structure and reinforce Groupwide initiatives based on the Retail Sales Policy.

Strengthening retail sales structure

To date, retail sales have involved providing solutions to customers visiting our branches based on branch-led marketing strategies. However, in recent years, with a falling population and increasing competition with other banks and industries, we are switching to visit-focused sales to enhance our customer approach rate and uncover further customer needs. In line with this change, our new challenge is to address customers' latent needs.
To ensure that the 77 Bank Group continues to be chosen by customers in this environment, we have formulated the Retail Sales Policy to enable all officers and employees to engage in retail sales with the same approach.
In face-to-face sales, we are furthering our customer profiling initiatives to offer tailor-made proposals in line with customers' asset details and characteristics and family structure. In doing so, in addition to assets and loans, we are able to offer full portfolio proposals including trust products, real estate, and securities trading, which has led to a rise in number of cases in which we can meet the diverse needs of individual clients. Moreover, in non-face-to-face sales, we are strengthening our app, call center, and other channel functions to boost customer convenience.



VOICE　Feedback from the frontlines

Providing customer experience

At the Wealth Management Office, our foremost priority is segmentation and targeting. While our achievements in both face-to-face and non-face-to-face consulting proposals are increasing, there are still many customers that we have not reached. Wealthy customers have especially complex and diverse needs, which often need to be met through face-to-face consulting sales. However, there are many cases in which we cannot meet these customers with latent needs face to face, particularly those in the asset-formation sector, and their sheer number cannot be covered by our branch employees alone.
To overcome this challenge, it is essential that we advance our customer profiling initiatives, conduct in-depth analyses of customer data, and reinforce our marketing activities. Moreover, together with augmenting our non-face-to-face tools and systems, it is also important that we equip employees with the skills to enhance our face-to-face consulting functions. And through mutual collaboration between the headquarters, branches, 77 Securities, and trust managers, we must provide multi-layered proposals to address customers' latent needs.

Joined the Bank in 2012; currently Leader of the Wealth Management Office, Business Promotion Division

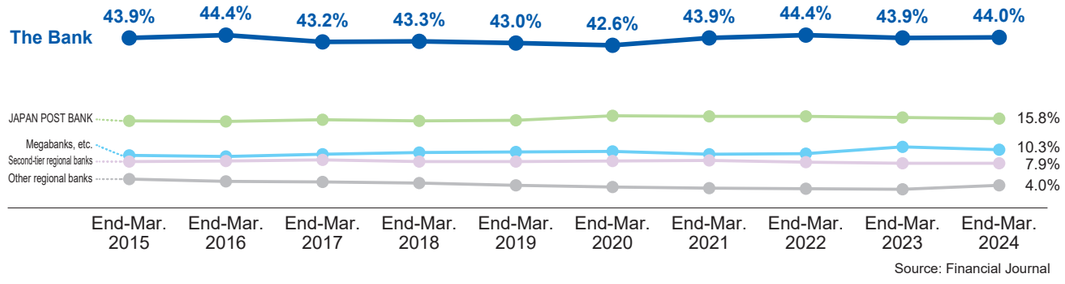
Shohei Shuto

Expansion of Funding Base

Initiatives to acquire deposits

Underpinned by long-held relationships of trust with our customers, we maintain a high share of deposits within Miyagi Prefecture. To increase profit in the world of interest rates, it will be more important than ever to acquire deposits. As such, while strengthening our relationships with customers we will work to boost convenience.

Deposit share within Miyagi Prefecture



Source: Financial Journal

Corporate　Approaches based on settlement accounts

	End-Mar. 2024	End-Mar. 2025
Expand the number of corporate loan borrowers	14,122	14,824 (+5.0%)
Increase the number of companies using us for salary transfers	11,803	11,931 (+1.0%)
Increase the number of companies with e-banking service contracts	30,694	33,733 (+9.9%)

Retail　Approaches through comprehensive transactions and enhanced convenience

	End-Mar. 2024	End-Mar. 2025
Increase the number of pension recipients	303,000	304,000 (+0.3%)
Increase the balance of housing loans	JPY 1,270.3 bn	JPY 1,302.0 bn (+2.5%)
Increase the number of active e-banking service accounts	495,000	569,000 (+14.8%)
Increase the Group balance of assets in custody	JPY 724.3 bn	JPY 810.3 bn (+11.8%)

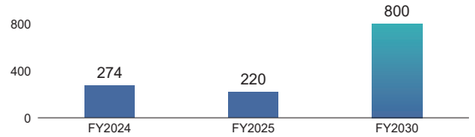
Reinforcement of Group Income

In addition to its existing businesses, the 77 Bank Group has worked to expand its field of business through the development of new businesses and sectors. Moving forward, to establish the Group's businesses as a third income pillar, we have reviewed the nature of "Vision 2030" for each Group company and will reinforce initiatives aimed at achieving "our target form." In FY2030, we will aim for net income of approximately ¥3.7 billion from our existing Group companies. In FY2030, we will aim for net income of approximately ¥3.9 billion from our existing Group companies.

*Graphs show each company's net income in billions of yen

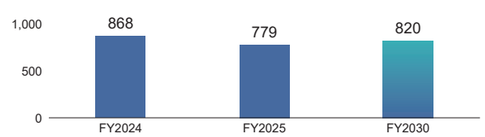
77 Lease

Vision Aiming to be a leading company in the region that is in charge of leasing business of the 77 Bank Group



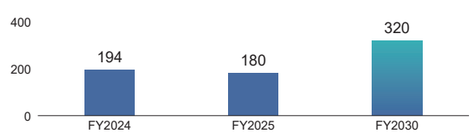
77 Shin-Yo Hosyo

Vision Aiming to realize "SSS (Share up/Streamline/Social responsibility)" to empower the region



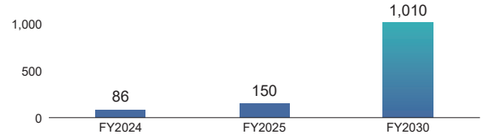
77 Card

Vision A company that promotes cashless in the region



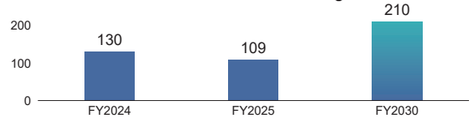
77 Securities

Vision A securities company that is rooted in the region and leads asset management of clients in the region



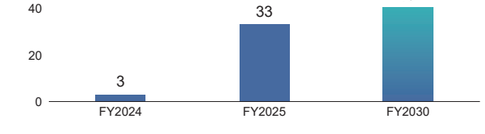
77 Research and Consulting

Vision A group of professionals who contribute to the growth/development of companies in the region and the activation of the economy, as a self-reliant think tank/consulting firm



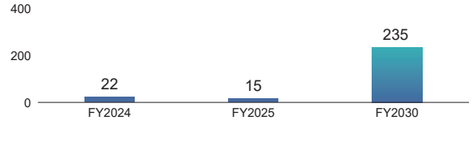
77 Partners

Vision Region's No. 1 buyout fund



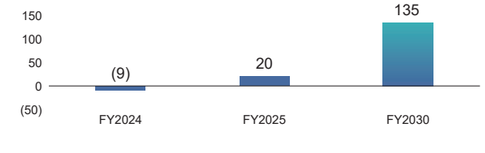
77 Human Design

Vision Human resources strategy partner who sets forth the region's future



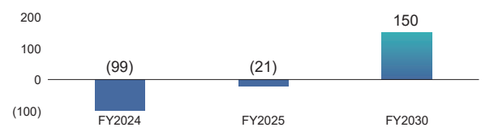
77 Digital Solutions

Vision A digital leading company in the region



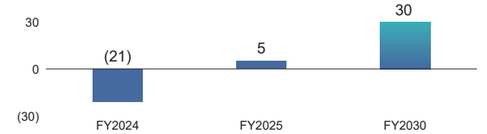
77 Insurance Service

Vision An insurance agency that offers No.1 insurance services in the region



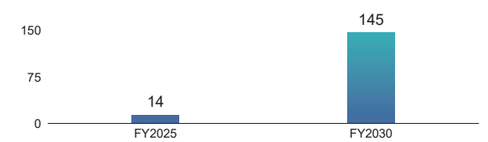
77 Business With

Vision A BPO consulting company that designs the future of business "with" customers



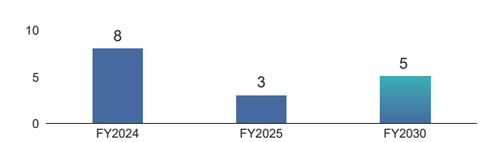
77 NEXT CONSULTING

Vision Global Hub connecting business partners, regions, the 77 Bank Group, and overseas markets



77 Capital

Vision High-value equity solution provider



Establishment of Group Business Strategy Division

In November 2024, we newly established the Group Business Strategy Division to oversee Group company management. Specifically, the Division was tasked with strengthening collaboration between headquarters departments and Group companies and reinforcing planning capabilities and Group governance. With a focus on Group governance, Bank collaboration, and personnel exchange, we will continue working to enhance the comprehensive capabilities of the 77 Bank Group.

I. Strengthening of governance

Formulation of Group-wide business strategies, etc.

- Management plans
- Budgets
- Management of risks
- Various personnel systems
- Personnel planning
- etc.

II. Strengthening of coordination

Assignment of employees with concurrent roles to oversee collaboration with Group companies (14 in total)

77 BANK — 12 Group companies

III. Expansion of business domain

Ongoing review of new businesses and sectors

77 GROUP

Initiatives by the Group Business Strategy Committee

In April 2024, we established the Group Business Strategy Committee, chaired by the President, to reinforce the 77 Bank Group's governance structure. By enhancing the level of involvement in Group company management, we will promote Groupwide awareness reforms and aim to expand our businesses.
In FY2024, the Committee met a total of four times to discuss and provide reports on various measures.

Main points of discussion/details of reports
(1) Group company financial results
(2) Group company budgets and management plans
(3) Start of new operations by Group companies

Basic Strategies to Achieve "Our Target Form" (2)

Double Productivity Strategy

The 77 Bank Group will triple productivity by releasing bank branches from the burden of administrative work, strengthening our consulting systems, and enhancing the abilities of each individual.

- Reducing labor requirements through improvement of administrative processes (reduction, consolidation, etc.), enhancing and promoting use of non-face-to-face transactions, and the use of generative AI, etc.
- Optimizing sales channels in line with customer needs

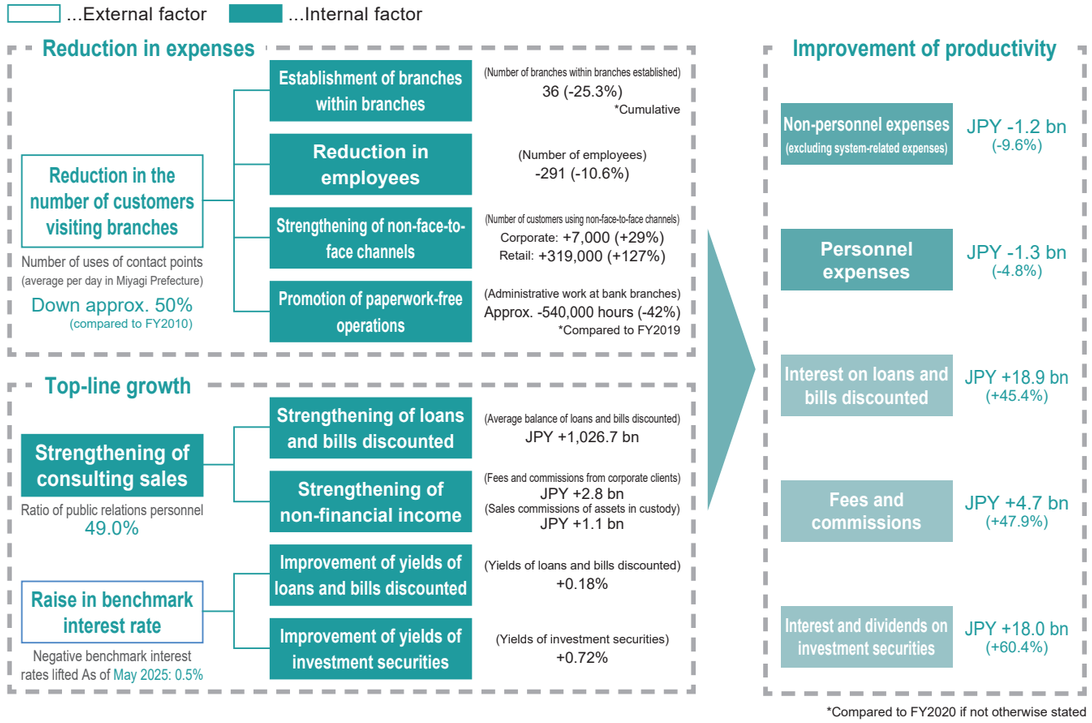
Strategy background

Transitioning away from a low-income, high-cost structure to create a robust corporate group that continues to meet the expectations of customers and the region

In Japan, a country with low birthrates, aging societies, and declining populations, improving productivity is a challenge for all companies. As such, the Bank has positioned productivity improvements as the highest priority. To improve productivity, in addition to reducing and consolidating administrative work, we will also work to enhance and promote the use of our non-face-to-face channels. At the same time, we will make effective use of the extra personnel, capital, and other resources to improve top-line growth and reduce expenses.

Initiatives to Improve Productivity

The 77 Bank Group is working to improve productivity through measures that consider changes in the external environment, measures to achieve top-line growth, and measures to rebalance management resources. While utilizing digital technologies, optimizing branch functions, and boosting the workforce, we will strengthen initiatives aimed at improving productivity through top-line growth.

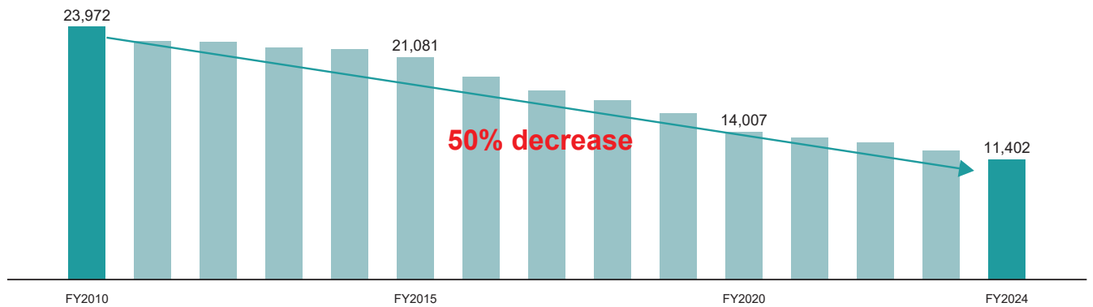


*Compared to FY2020 if not otherwise stated

Rebalancing of Management Resources

In line with an increasing number of ATM transactions and an improving online banking environment, the number of customers using contact points in Miyagi Prefecture has fallen by around 50% compared to FY2010. To improve customer convenience and sustain our sales system, we have worked to enhance our non-face-to-face channels and paperwork-free initiatives, and at the same time promote effective use of our branches, personnel, and other management resources to optimize our network of hubs, which is an essential part of our consulting sales. In addition to further strengthening these initiatives moving forward, we will look to rebalance our management resources through employee education, redeployment, and optimization to enhance our consulting capabilities.

Number of uses of contact points (in Miyagi Prefecture/daily average) (Cases)

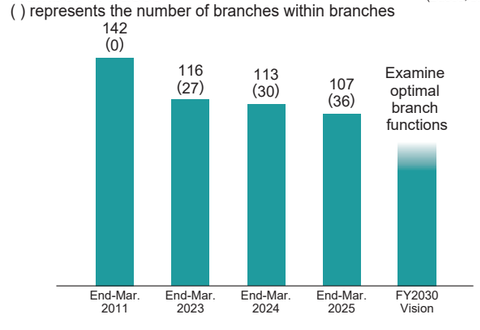


Optimal branch functions → **Optimal allocation of personnel**

Transitioning to branches within branches

We are currently progressing with our branches within branches initiatives while paying close attention to improving customer convenience and our sales system. In addition to reducing non-personnel expenses through our branches within branches, we are also freeing up additional personnel. Moreover, alongside closer in-branch collaboration through the consolidation of information, we are also seeing greater levels of motivation by bringing together employees of the same age group. In the future, we will continue to examine optimal branch functions while taking into account market characteristics and regional circumstances.

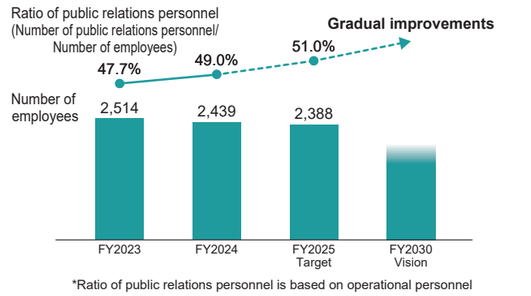
Number of bases (Bases, branches)
( ) represents the number of branches within branches



Optimizing employee numbers and increasing the ratio of public relations personnel

We have improved productivity per employee through use of digital technologies, including enhancing our paperwork-free operations and non-face-to-face channels, and through a greater focus on consulting sales. In addition to examining optimal employee numbers in line with our branch network and increasing digitalization, we will develop and increase the ratio of public relations personnel who can provide high-quality consulting sales to enhance productivity throughout the Bank.

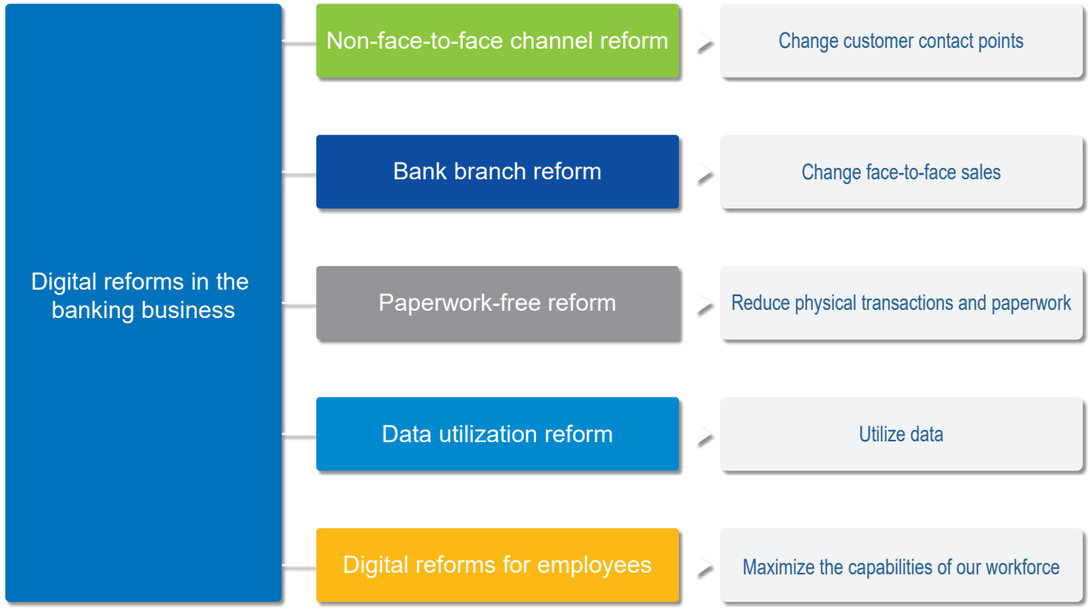
Ratio of public relations personnel (Persons)



*Ratio of public relations personnel is based on operational personnel

Digital Reforms in the Banking Business

We shall capture the effect of digitalization by promoting "non-face-to-face channel reform," "bank branch reform," "paperwork-free reform," "data utilization reform," and "digital reforms for employees" as "digital reforms in the banking business," which is our existing business domain.

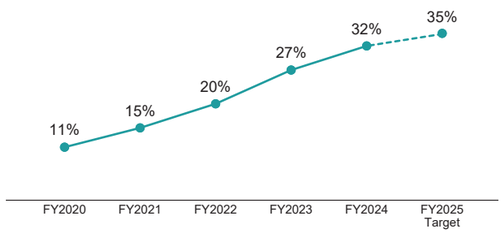


77 Bank app

As of the end of March 2025, the 77 Bank app has approximately 600,000 users. On top of easy-to-use smartphone functions such as account management, bank transfers, and balance inquiries, the app also provides deposit functions for various purposes and discount coupons. We are currently working to improve the app's usage rate. Moreover, we are continuing to improve the user interface and experience and enhance security to enable customers to use the app conveniently and with peace of mind. We will continue to promote use of the app as individual customers' main channel and a portal for day-to-day contact.

Non-face-to-face channel reform

Non-face-to-face channel usage rate (Retail)

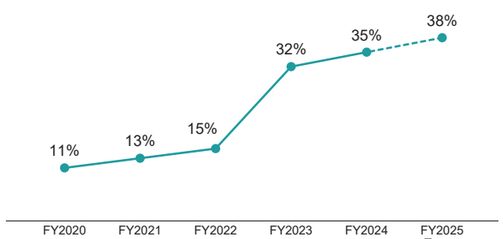


77 Business Portal

The 77 Business Portal is a non-face-to-face, comprehensive platform for companies and self-employed individuals that facilitates various procedures and provides different financial services in a one-stop manner. Enabling financial management and non-face-to-face processing of various applications, the portal is a highly convenient tool for business owners and finance managers. In December 2024, we added a new service to allow for online applications of overdrafts via the 77 Business Portal. We will continue to enhance the portal's functionality as an important platform that supports companies and the self-employed.

Non-face-to-face channel reform

Non-face-to-face channel usage rate (Corporate)



*Method of calculation changed in FY2023

Establishment of the sales and lending support system

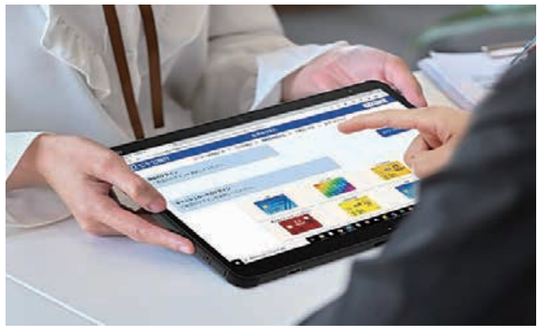
Bank branch reform

To reform our public relations operations, in May 2025 we introduced the sales and lending support system, a next-generation system to support SFA/CRM and lending operations. By organizing and integrating duplicate functions in our previous CRM and lending support system, we will work to ensure a more efficient operational flow in sales activities and lending operations, and support both qualitative and quantitative improvements in sales activities.
Developed jointly by the five banks using the MEJAR system, building this new system on the cloud has enabled flexible collaboration between various services.

Introduction of branch tablets

Bank branch reform | Paperwork-free reform

We began use of branch tablets in January 2023, using them for the opening of ordinary deposit accounts, changes to registered information, and the reporting of accidents. Eliminating the previous need to fill in various forms, by inputting the required information on-screen, customers can complete a variety of paperless and seal-less transactions and shorten the time required for each process. Moving forward, we will continue working to enhance customer convenience and examining ways to expand our non-face-to-face channels, such as by applying these in-branch tablet functions to smartphones.

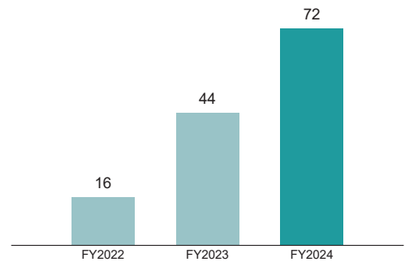


Initiatives by the Data Analysis Team

Data utilization reform

Established in January 2022, the Data Analysis Team is engaged in multiple analytical projects as it promotes more efficient banking operations and improves customer services. To date, the team has conducted analyses through 60 consulting-related projects, nine proposal-related projects, and three AI-Challenge projects to advance data utilization. The team also hosts workshops on how to use information tools to improve data literacy throughout the Bank. Through these initiatives, we are boosting employees' data-driven capabilities and supporting more effective decision-making.

Number of projects (cumulative from FY2022) (Cases)



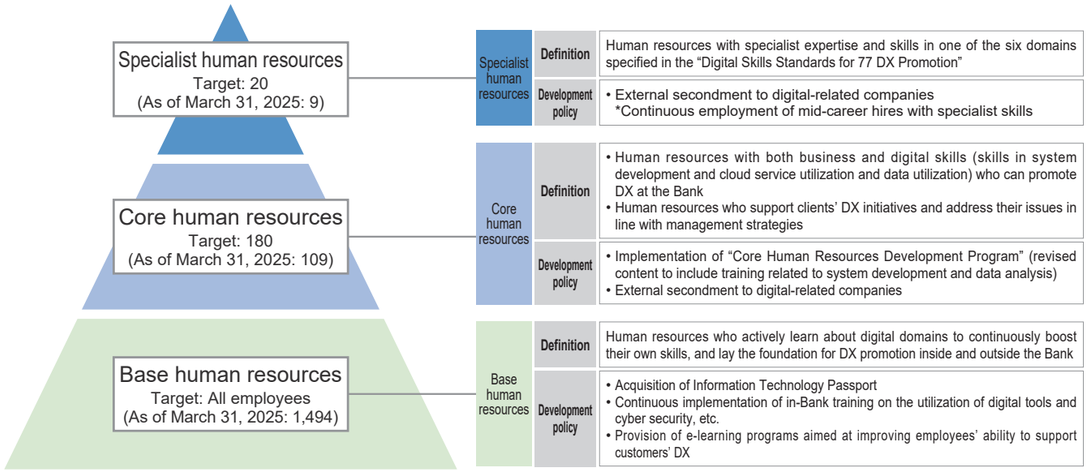
[Consulting analyses]
The Data Analysis Team holds consultations and discussions on headquarters department operations where data is not being used effectively due to lack of clarity on data location or insufficient data collection and analysis systems, and analyzes the relevant data.
[Proposal analyses]
The Data Analysis Team applies its research on data utilization and expertise from external support institutions to the identification of challenges based on hypotheses, conducting data analyses to find solutions and proposing data utilization measures to each headquarters department.
[AI-Challenge]
By leveraging in-house AI development services and other approaches, the Data Analysis Team builds AI models to solve problems.

Development of digital technology human resources

Digital transformation of Bank employees

Number of employees with an IT Passport: 1,619

To respond to customers' needs for digitalization and achieve DX in bank operations, we are focusing on the development of digital technology human resources to convert ourselves into an organization of members with high IT literacy who can effectively utilize digital technology. As of the end of March 2025, the Bank has 1,612 certified digital technology employees and 1,619 employees with an IT Passport (a national qualification). In April 2024, we formulated a new target for the number of digital human resources to develop by the end of FY2030. We also formulated the "Digital Skills Standards for 77 DX Promotion."



Specialist human resources	Definition	Human resources with specialist expertise and skills in one of the six domains specified in the "Digital Skills Standards for 77 DX Promotion"
	Development policy	• External secondment to digital-related companies *Continuous employment of mid-career hires with specialist skills
Core human resources	Definition	• Human resources with both business and digital skills (skills in system development and cloud service utilization and data utilization) who can promote DX at the Bank • Human resources who support clients' DX initiatives and address their issues in line with management strategies
	Development policy	• Implementation of "Core Human Resources Development Program" (revised content to include training related to system development and data analysis) • External secondment to digital-related companies
Base human resources	Definition	Human resources who actively learn about digital domains to continuously boost their own skills, and lay the foundation for DX promotion inside and outside the Bank
	Development policy	• Acquisition of Information Technology Passport • Continuous implementation of in-Bank training on the utilization of digital tools and cyber security, etc. • Provision of e-learning programs aimed at improving employees' ability to support customers' DX

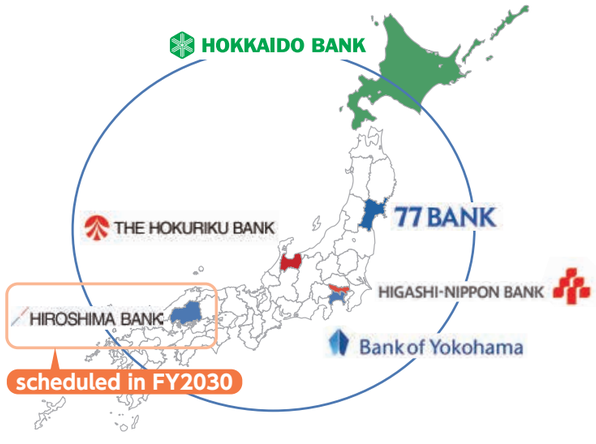
IT foundation

Renewal of MEJAR system

MEJAR is a core banking system jointly used by five banks: The 77 Bank, Ltd., The Bank of Yokohama, Ltd., The Hokuriku Bank, Ltd., The Hokkaido Bank, Ltd. and The Higashi-Nippon Bank, Limited. In January 2024, we transitioned away from the conventional so-called mainframe to an open platform enabling the varied selection of different hardware and software in line with changing environments. Moreover, the switch to this open platform has facilitated an approximately 20% reduction in operational costs.
Ahead of the next renewal to the core banking system scheduled for FY2030 (which will include joint use with The Hiroshima Bank, Ltd.), to enable use of the system in a more secure, safe, economical, and long-term manner, as well as to provide customers with high-value-added services, one option we are examining is the use of the Integrated Banking Cloud*.

*A concept put together by NTT Data JAPAN Corporation to build a community cloud exclusively for financial institutions for further sharing of MEJAR and regional bank joint center systems. The scope of sharing will be limited to data center equipment and hardware, and operational systems will be developed as before by each sharing group.

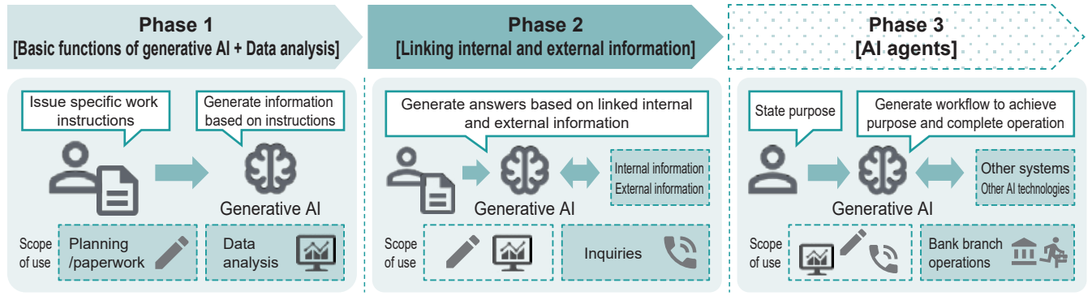
Capital of the six banks (as of March 2025) **Total JPY 52 tn**



Utilization of AI

Introduction of generative AI

In introducing generative AI, we selected NTT East, Inc. as our partner to newly build a cloud environment based on Microsoft Azure. We introduced conversational generative AI in March 2025, and have been using it in headquarters operations to create documents, gather information, and collect and analyze data. We expect to be able to improve efficiency in more than 55 headquarters operations, and are aiming for an annual reduction of approximately 32,000 hours of work. Moreover, in July 2025 we increased the scope of AI usage to all officers and employees, including at our branches. By utilizing successful examples of generative AI usage in training and in-house newsletters, we will link AI to greater efficiency in day-to-day operations and higher quality planning operations. In addition to applying AI to individual operations, we will also look to extend its use to call center operations and lending operations to improve productivity in banking operations and enhance the quality of our services.



Improvement of HQ Work Efficiency

Establishment of the D3 Working Group

To streamline headquarters and branch operations, in February 2025 we set up the D3 Working Group. D3 stands for "**d**igitally **d**riven **d**irection." Through the working group, we are aiming to review and streamline headquarters operations.
The working group comprises managers from each headquarters department and works to improve on the operational challenges facing them. The group has already saved around 70 hours of work by digitalizing the collection of information on SDG-related products and numbers of customers visiting our branches within branches. Moreover, in addition to having part-time workers assume roles previously handled by employees, the group has helped to eliminate duplicate operations at each department.
By strengthening our operations using digital advancements and AI, we will strive to free up extra time and sales personnel.

VOICE Feedback from the front lines

Maximizing employees' capabilities using technology to take the Bank to the next level

Joined the Bank in 2010; currently Leader of the Digital Strategy Section, Digital Strategy Division

Junya Segawa

The D3 Working Group was established in February 2025 to promote digitalization throughout headquarters operations and drive BPR at each department. We have created a robust promotion system by selecting working group members from each headquarters department and utilizing them concurrently at the Digital Strategy Division. The working group's aims are to abolish and review inefficient operations, replace those in charge of certain operations (using part-timers), and digitalize operations. The goal is to ensure that Bank employees can shift to operations with higher added value.
We also began using generative AI in March 2025, building a dedicated environment meeting the Bank's security standards on Microsoft Azure. In FY2025, we will begin using retrieval-augmented generation, a type of generative AI technology, to improve the efficiency of the retrieval of Bank documents. In this way, we are shortening the time spent searching for administrative procedures at our branches and streamlining the headquarters' response to inquiries.
Generative AI is being seamlessly incorporated into various services and systems, and we are now in a world where generative AI is used without user realization. As improved digital literacy is essential to ensuring more effective and proper use of generative AI, we will proactively roll out training programs and other initiatives to improve the literacy of all employees.
Our goal is not to simply improve efficiency but to transform the extra time created into opportunities to generate added value. In the future, it will become increasingly important for the headquarters to consider higher-quality plans and for our branches to offer higher-quality proposals to our customers. Through proactive use of AI and other technologies to maximize the capabilities of our personnel, we will do everything possible to take the Bank to the next level.

Basic Strategies to Achieve "Our Target Form" (3)

Regional Growth Strategy

The 77 Bank Group will work to achieve sustainable growth together with the local community by making the region attractive and supporting the growth of inspirational local companies.

- Promoting sustainability among region and clients through support for clients' decarbonization initiatives
- Building true partnerships to realize a future envisioned together with regional public bodies
- Strengthening and utilizing partnerships with external partner institutions and private-sector companies, etc. who have consulting functions

Strategy background **Creating a flourishing region to promote the sustainable growth of the region and the 77 Bank Group**

While supporting the regional economy, regional banks are founded on the economic base of the region. As such, it is essential that we work together to create an attractive region. Both the Miyagi and Tohoku region continue to face challenging circumstances with declining and aging populations. To revitalize these areas, we have defined the following four pillars for our activities: Support for founding and new businesses, Support for and development of regional core companies, Promotion of urban development projects, and Support for promotion of tourism, etc. Moreover, through the establishment of the "Miyagi Wide-area PPP Platform (MAPP)," we will work with various parties to continue to promote a wide range of other initiatives.

Initiatives for Regional Revitalization

To promote regional industries, economies, and lifestyles, we are working on the following four important areas: Support for founding and new businesses, Support for and development of regional core companies, Promotion of urban development projects, and Support for promotion of tourism, etc.

1. Support for founding and new businesses

- ✓ Support for founding and new businesses
- ✓ Support for various funding by venture capital funds, etc.
- ✓ 77 New Business Subsidies
- ✓ Cooperation for various events

2. Support and development of regional core companies

Business meeting

- ✓ Support for growth of local enterprises
- ✓ Support for cultivating/expanding sales channels
- ✓ Support for industry-academia cooperation
- ✓ Support for overseas businesses
- ✓ Support for business succession, M&A, and IPOs

Revitalizing regional industry, economy and living

3. Promotion of urban development

- ✓ Participation in regional development projects
- ✓ Promotion of public-private partnership projects
- ✓ Collaboration with external institutions

Sendai Urban Restructuring Project

NanoTerasu (aerial photograph)

4. Support for promotion of tourism, etc.

- ✓ Support for feasibility and growth of the tourism-related industry
- ✓ Assistance with promotion of inbound travel
- ✓ Assistance with preparation of tourist intake framework

Source: Photon Science Innovation Center, Sendai City, Financial Network of Tohoku Tourism

Vision for Regional Vitalization

State-of-the-art technology and research facilities

- ・Gathering of researchers from Japan and abroad
- ・Improving technological capabilities of local companies and expansion of business scope

New employment opportunities

- ・Creation of new industries
- ・Gathering of startups

Large number of attractive companies

- ・Listed companies in region
- ・Large number of major companies moving to the region

Create jobs

Strong regional bonds

- ・Creation of strong industry, academia, public, and financial networks
- ・These networks combine their expertise to generate action to solve regional issues

Three major elements of regional vitalization

Convenient/ comfortable living for all

- ・Opportunities for interaction
- ・No future concerns with many jobs available
- ・Excellent corporate childcare support systems

Establish local community

Resident population grows

Increase in attractive urban areas

- ・Large-scale development in towns
- ・Enhancement of attractive public facilities
- ・Provision of a rich range of administrative services

Large young population

- ・No departure to other regions
- ・Return after departure
- ・Many move to the area

Many visit the region

- ・Outstanding tourism measures
- ・Excellent inbound tourism system

Source: NTT Urban Development, Sendai City, Tokyo Stock Exchange, Tohoku University, Photon Science Innovation Center

Create Jobs—Development of SMEs

Startup support

By providing consultation points and participating in startup promotion projects, we are aiming to support the production and development of startups in Miyagi and Tohoku.

▶ Collaboration with the Sendai Startup Studio

We have established the 77 Startup Support Desk Satellite at the Sendai Startup Studio, a support hub managed by Sendai City for the one-stop provision of support for the launch and growth of startups.

▶ Participation in the Tech Startup Support Consortium Miyagi (TECHSTA Miyagi)

We are an executive member of TECHSTA Miyagi, an organization established to support the growth of tech startups from Tohoku University.

Tohoku University　Sendai City　Tohoku Bureau of Economy, Trade and Industry　The 77 Bank
Tohoku Economic Federation　Miyagi Organization for Industry Promotion　Industrial Technology Institute
Tohoku Head Office of the Organization for Small & Medium Enterprises and Regional Innovation　TOHOKU University Venture Partners
Miyagi Prefecture manufacturing companies, major downstream companies within and outside the prefecture, financial institutions/venture capital, personnel-related companies, etc.
TECHSTA MIYAGI

▶ Participation in Giraffes Japan Tohoku

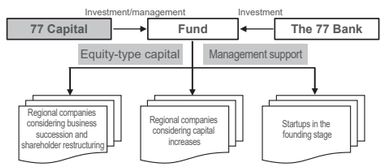
We are a member of Giraffes Japan Tohoku, a community of female entrepreneurs and their supporters within the Unicorn Creation Program (regional support program for female entrepreneurs) hosted by the Ministry of Economy, Trade and Industry.

Corporate growth and side-by-side support through equity

▶ 77 Capital

77 Capital provides tailor-made financing services to help companies achieve their capital policy. In addition to finance, we will strive to support corporate growth through collaboration within the 77 Bank Group.

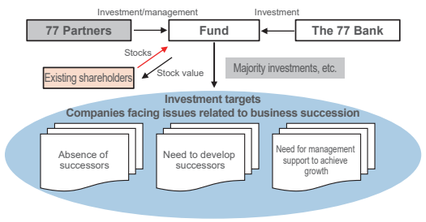
Cumulative investment amount JPY 4,870 mn



▶ 77 Partners

Through investments to acquire management rights (majority investments) and hands-on, side-by-side support, we are addressing regional management challenges including business succession and supporting improvements in corporate value.

Cumulative investment amount JPY 1,020 mn



Resident Population Grows—Settlement of the Younger Generation

Collaborative project with W Tokyo Inc.—EMPOWER MIYAGI 2024 powered by TGC

In September 2023, we formed a collaborative agreement for regional revitalization with W Tokyo Inc. to promote regional appeals among the younger generation. As one part of this agreement we implemented the EMPOWER MIYAGI Social Media Program, a human resource development program to enable the younger generation to discover and communicate regional appeals by themselves. We also hosted EMPOWER MIYAGI FES. produced by TGC, a city promotion event geared toward the younger generation to promote the appeal of the region. These projects were implemented with the help of MAPP, of which we are the secretariat, as well as through collaboration between industry, academia, the public sector, and finance, including nine regional governments and three universities in Miyagi Prefecture. These initiatives were selected from among approximately 860 notable initiatives from financial institutions and others contributing to regional vitalization, and received an award from the Minister of State for Special Missions in the Cabinet Office (responsible for regional vitalization and other matters).

EMPOWER MIYAGI FES. produced by TGC

Awards ceremony

Start of 77 (Nana) Musubi marriage consultancy

As part of our efforts to address the regional population decline caused by low birthrates and the outflow of the younger generation, in April 2024 we opened the 77 (Nana) Musubi marriage consultancy service at 77 Human Design Co., Ltd. The initiative aims to create opportunities to meet people in the region through matching services and support the formation of marriages. To date it has helped to create three successful marriages.

Moreover, in September 2024 we formed a collaborative agreement relating to marriage consultancy businesses with JCI, Inc., a company based in Tomiya City, Miyagi Prefecture that manufactures and sells welfare equipment and operates nursing facilities and preschools. In this way, we are working to strengthen our collaboration with regional companies in the marriage sector. By creating opportunities for encounters within the region and promoting the retention of the local population, we intend to secure future workers, create environments in which women can continue to work, and in turn support the sustainable growth of the region from both social and economic standpoints.

77結び

Establish Local Community—Creation of Attractive Urban Environments

Sendai Urban Restructuring Project

The Sendai Urban Restructuring Project was announced by Sendai City in July 2019, and aims to improve the urban environment in the center of Sendai City through to FY2030. Specifically, the project aims to create a virtuous economic cycle by redeveloping aging buildings in the center of the city and attracting companies to the area. At the Bank, in addition to working with Sendai City and companies with redevelopment needs and providing them with the relevant information, we will offer other support through funding and leasing, for example.

Sendai Dai-ichi Life Insurance Building

Woodrise Sendai

Sendai Aoba Ward Ichibancho Office Building Development Plan (tentative)

NANT Sendai Minamimachi

Ichibancho 3-chome 7-banchi District Development Project (tentative)

Yomiuri Sendai Building Replacement Project (tentative)

T-PLUS Sendai

Urbannet Sendai-Chuo Building

Source: NTT Urban Development website, Mizuho Real Estate Management website, Tokyo Tatemono website, Kajima website, Ichibancho 3-chome 7-banchi District Redevelopment Preparation Association website, Dai-ichi Life Insurance website

Collaboration in the healthcare domain

77 BANK 七十七銀行　Sendai Medical Association 一般社団法人 仙台市医師会　仙台市医師会指定代理店 有限会社あんしんアシスト仙台　バイタルネット　アビーナリーマネジメント

In May 2025, we signed collaborative agreements primarily to support the succession of medical businesses with the Sendai Medical Association, Anshin Assist Sendai Ltd., VITAL-NET, Inc., and Abeanary Management Co., Ltd. The objective of this partnership is to maintain and improve regional medical systems.

While utilizing the strengths of each partner company, we will offer consultancy services on business succession for individual medical institutions and host business succession seminars for members of the Sendai Medical Association, thereby further reinforcing our initiatives in the area.

The above initiatives enable us to contribute to the maintenance, survival, and development of medical institutions that play a fundamental role in creating attractive urban areas in our Miyagi and Tohoku base of operations.

Message from the General Manager of the Regional Development Promotion Division

Kyoko Suzuki
General Manager, Regional Development Promotion Div.

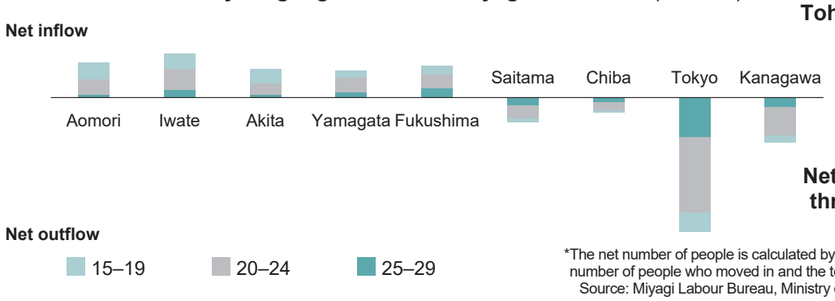
Apr. 1998	Joined the Bank
Sep. 2019	Manager, Diversity Promotion Office, Personnel Div.
Jun. 2021	General Manager, Morisekinoshita Branch and Yuriage Branch
Jun. 2023	Director and General Manager, Head Office Business Div., 77 Securities
Jun. 2024	General Manager, Regional Development Promotion Div., the Bank (current position)

The Region's Charms and Challenges—Outflow of the Younger Generation and Number of Listed Companies

Miyagi Prefecture, primarily Sendai City, plays a central role in Tohoku's economy, government, and culture and is a key hub for personnel, information, and capital. It is also academic home to numerous higher-level educational institutions such as Tohoku University. It has excellent transport and logistics infrastructure, with the Tohoku shinkansen taking just 90 minutes to travel between Tokyo and Sendai. It also features an expansive road network in all directions centered on the Tohoku Expressway. Sendai Airport provides excellent access to Japan's major cities, and at the Port of Sendai Shiogama – the only international port in Tohoku – trade is conducted with over 300 ports in 100 countries worldwide. The Sendai Urban Restructuring Project is currently underway to redevelop the center of the city, and has led to the construction of multiple high-function office buildings, as well as progress with plans for the construction of several hotels. This has helped to improve the prefecture's systems for welcoming visitors, mainly from other countries.

The overall population of the prefecture is on the decline, however, and for two consecutive years from 2023 Miyagi has been the top prefecture for net outflow of citizens to Tokyo, especially among those between the ages of 20 and 24. Although the numerous universities and vocational schools in the prefecture mean that many young people gather in the area at the start of the academic year, a greater number of young people leave the prefecture and head to Tokyo upon graduation and for employment. As such, to sustain and grow the region's economy and social activities, retaining the younger generation in the prefecture is essential.

Net movement of the younger generation in Miyagi Prefecture* (FY2024)



Net inflow from Tohoku's five prefectures
3,811

1.5X

Net outflow to Tokyo and three Kanto prefectures
5,681

*The net number of people is calculated by taking the difference between the total number of people who moved in and the total number of people who moved out.
Source: Miyagi Labour Bureau, Ministry of Internal Affairs and Communications

As one way to promote the retention of the younger generation, we partnered with W Tokyo Inc., the company responsible for planning and producing the Tokyo Girls Collection, to host EMPOWER MIYAGI 2024 powered by TGC. The project comprises a human resource development program to enable the younger generation to personally discover and communicate regional appeal, as well as a city promotion program that aims to communicate the charms of the region to the youth. In March 2025, the project was selected as a notable initiative from financial institutions and others contributing to regional vitalization, and received an award from the Minister of State for Special Missions in the Cabinet Office (responsible for regional vitalization and other matters).

In other areas, compared to the national average, Tohoku has a remarkably low number of listed companies. In fact, the total number of listed companies throughout the six prefectures in Tohoku is the same as that in Hiroshima Prefecture. As such, one important challenge is to provide growth support to SMEs to reinforce regional economic foundations. In response, at the 77 Bank we have annually hosted the IPO Management Human Resource Development Program TOHOKU since 2022 for managers wishing to take their company public, offering the required expertise and information for public listing and helping to create opportunities. In addition, based on SMEs' individual growth strategies, challenges, and requirements, we offer support for business succession, overseas development, and SDGs and ESG initiatives, working as a Group to provide side-by-side support for their growth.

While these solutions are not decisive, we will work persistently over the medium to long term in the knowledge that these small steps will support the future of the regional economy.

Our Vision for Regional Vitalization—Urban Environments with Jobs and More

The importance of communities, people, and work is often highlighted when talking about regional vitalization. To revitalize the regional economy, however, it is primarily important to ensure there are jobs. At the 77 Bank Group, our starting point for regional revitalization is the creation of jobs. We believe that the circulation of communities, people, and work will lead to a sustainable local society where locals can continue to live with peace of mind.

In terms of industry, April 2024 saw the full-scale commencement of operations at NanoTerasu, the next-generation synchrotron radiation facility. NanoTerasu is a world-class, large-scale research facility developed through collaboration between public, private, and regional sectors. We contributed to the construction project from the conceptual stage, and as an auditor of the Photon Science Innovation Center that manages NanoTerasu, I personally provide advice on business plans and strategies, while raising awareness of the facility among clients and promoting its use. To date, more than 150 companies have shown an interest in using the facility. Locally, as well, companies are engaging in various R&D projects on themes such as freeze-fried food processing and metal polishing technologies, and future achievements of these projects will strengthen regional industries and make major contributions to regional economic development. Elsewhere, in November 2024, Tohoku University became the first in Japan to be designated a University for International Research Excellence. There will no doubt be major benefits from the numerous outstanding startups stemming from the university, while there is also huge potential for the region to become a hub for domestic and international manufacturing companies, including semiconductor-related companies. While continuing to work closely with our various stakeholders, we will work as a region to drive the creation of jobs.

That said, jobs alone are not enough. For Miyagi and Tohoku to be chosen as a place of residence, it is essential that we provide enjoyable lifestyles and environments that can turn dreams into a reality. In addition to initiatives to broaden choice, such as proposals for diverse workstyles and lifestyles unique to the region, creating a sustainable region will also require respect for differing perspectives and characteristics, and environments where the youth, foreign nationals, and people of various backgrounds can co-exist. There are still many challenges for us to address as a region, including the elimination of gender gaps and unconscious bias. At the 77 Bank and other regional businesses, it is important that we further promote diversity management and create a region with better working environments and greater job fulfillment. Moreover, those of us who work in the region must communicate the joys of living and working there, and transform Miyagi and Tohoku into an attractive place to live and work.

Sendai City, the center of Miyagi Prefecture, is often referred to as a "population dam" that attracts young people from various regions in Tohoku and prevents their outflow to other areas. It is also called a branch-area economy. One characteristic of this branch-area economy is that those working for companies headquartered in Tokyo bring in new external perspectives and ideas. Moreover, this gives us an opportunity to learn from quality initiatives in other areas, at the same time becoming aware of the many charms unique to this region. We believe that one effective way to revitalize the region is to bring in people, goods, and cash from outside the region to generate ripple effects throughout the regional economy.

In other areas, the strength of our content is paramount to attracting people to the region. For example, parts of Miyagi Prefecture have been the stage for popular manga and movies, and these strong regional resources can play a significant role in driving economic growth. Particularly for the younger generation, it is important that we not only showcase our excellent business environments and local industries, but also that we promote living environments, content, entertainment, and other factors in a multifaceted manner.

While unfortunately we cannot avoid the falling population, Miyagi Prefecture is a treasure trove of possibility with abundant resources and personnel, and has major potential to become a region of choice. Due to the nature of my own work, I frequently have opportunities to visit different parts of the country, and I am constantly looking at how to incorporate the strengths and characteristics of each region into our own. I also actively work to communicate the charms and advantages of Miyagi and Tohoku in various settings. Respecting diversity and creating local communities that allow people to flourish is the key to enhancing regional sustainability and a central mission of ours as a regional financial institution. Moving forward, we will work to improve the value of our region from various perspectives, and build a sustainable and creative urban environment with more than just jobs to ensure that those responsible for our future want to live here and return.

The Aoba Festival, held in May every year, attracts huge crowds from all over the country. The Bank supports the annual festival, bringing excitement through the *Yamaboko* float parade, taiko drumming, and *Suzume-odori* dancing.

Basic Strategies to Achieve "Our Target Form" (4)

Corporate Culture Reform Strategy

The 77 Bank Group will endeavor to promote diversity, and create a virtuous circle where all officers and employees take on new challenges, leading to confidence and cheerfulness.

- Accommodate a diverse range of values and fundamentally overhauling personnel and organizational systems to increase motivation
- Create an environment that permits trial and error and values the act of taking on new challenges
- Boost in level of organizational capability through improved specialization and vitalization of communication
- Forming of complete internal control environment to support reforms

Strategy background

Establishing an ambitious corporate culture to revitalize organizations

Regardless of how good the strategies may be, if the corporate culture remains unchanged then the strategies are difficult to achieve. Based on the keywords endeavor, diversity, and communication, we are aiming to enhance organizations' and individuals' thirst for growth and desire to improve. In doing so, we will develop human resources that serve a purpose for customers and local communities and that contribute to corporate reform, and in turn work to establish an ambitious corporate culture.

Our Efforts for Human Capital Management

"Vision 2030"
Leading company creating a path to the future

Top Customer Satisfaction Strategy | Double Productivity Strategy | Regional Growth Strategy | Corporate Culture Reform Strategy

Links with management strategies

Our target form

For human resources		For the organization	
Human resources that serve a purpose for customers and local communities	Human resources that contribute to corporate reform	Employee-friendly work environment	Rewarding work environment

Human Resource Strategy

Ⅰ. Human resource portfolio strategy
- ✓ Formation of human resource portfolio
- ✓ Recruitment in line with expansion of business domains
- ✓ Talent management
- ✓ Establishment of an ambitious corporate culture and improvement of engagement
- ✓ Measurement of effects of human capital investments

Ⅱ. Human resource development strategy
- ✓ Establishment of career ownership
- ✓ Development of diverse specialist human resources
- ✓ Maximization of excellent personal skills and teamwork
- ✓ Reinforcement of reskilling

Ⅲ. Diversity promotion strategy
- ✓ Working environments to make maximum use of individualities and capabilities
- ✓ Further promotion of the active participation of women
- ✓ Enhancement of corporate value through active participation of diverse human resources
- ✓ Understanding of diversity (disabilities, LGBTQ+, etc.) and respect for human rights

Ⅳ. Wellbeing promotion strategy
- ✓ Promotion of health and productivity management
- ✓ Proactive support for the maintenance and improvement of health
- ✓ Creation of employee-friendly work environment
- ✓ Reinforcement of initiatives for financial wellness

Personnel Creating Value for the 77 Bank Group

To achieve "our target form" of "Vision 2030," the 77 Bank Group is working to develop human resources that serve a purpose for customers and local communities and human resources that contribute to corporate reform. We are promoting the growth of regional companies by dispatching our employees to banks as well as other industries. In this section we hear from employees working in different areas to create value for the 77 Bank Group.

Joined the Bank in 2017
Ryutaro Yamamoto
On assignment at Tokyu Corporation since August 2024

七十七銀行 × 東急

I'm currently working on the promotion of multiple redevelopment projects, primarily around Jiyugaoka Station. Jiyugaoka has excellent and direct access to Shibuya, Futakotamagawa, and Yokohama, offers enjoyable city strolls, and is one of the most attractive locations along the Tokyu Line. Working with both internal departments and local groups and governments, we are considering detailed plans to create even more attractive urban environments.
This experience has given me the expertise and know-how on urban development through real estate and the mechanisms that allow companies to develop along with their communities.
When I return to the Bank, I will use this knowledge for the redevelopment projects in Sendai that have been progressing in recent years, as well as the ongoing urban development project around Sendai Airport, which Tokyu is one of the companies involved in the operation. In doing so, I hope to contribute to the revitalization of the region. In addition to Sendai, by engaging in attractive urban development and regional revitalization throughout the Tohoku region, I hope to play my part in ensuring the 77 Bank Group develops alongside the region.

七十七銀行 × JCB

I'm on assignment at JCB, a company at the forefront of settlement functions and anti-fraud measures. To enable the Bank's customers to conduct transactions with greater peace of mind, I am working with the service department to acquire practical knowledge in the security domain, including on the detection of fraudulent transactions and the required countermeasures.
Currently, we are examining how to introduce passkeys, a password-less authentication method, to MyJCB, a dedicated online service for JCB members. We are also looking at how to provide guidance to users.
At the Bank I was in charge of the system department. Although there are difficulties in providing a service from different perspectives and in an environment with different values, it is proving to be a valuable opportunity for me to consider things more closely from the user's viewpoint.
Upon my return, I hope to utilize the security-related expertise I have gained to contribute to the provision of safer, more convenient financial services. From my position in the system department, I will work to ensure that digitalization and the provision of services based on appropriate security measures enable regional customers to use the Bank's services with greater peace of mind and with more convenience than ever before.

Joined the Bank in 2013
Hirofumi Kon
On assignment at JCB Co., Ltd. since April 2024

Joined the Bank in 2018
Shota Higashiyama
On assignment at Mitsui & Co., Ltd. since April 2025

七十七銀行 × MITSUI&CO.

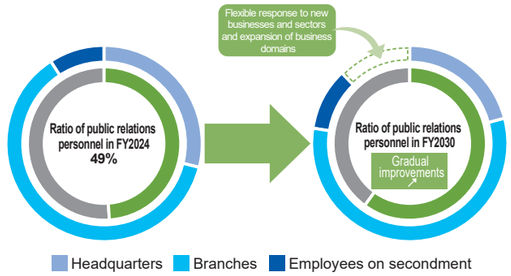
The main operations of a general trading company are trading, which involves connecting sellers and buyers and ensuring the required goods are delivered to the required locations; and business investment, which entails investing personnel and funds into businesses and services necessary for the future. I'm involved mainly in the latter. Utilizing the expertise and know-how unique to a general trading company, I am involved in the full-scale development of investees' businesses and providing support to enhance their corporate value.
My ultimate mission is to create new businesses that meet the needs of companies in Tohoku and contribute to the development of its economy. To fulfill this mission, I am accumulating frontline experience at a general trading company that has anticipated changes and rolled out a diverse range of businesses, constantly creating value for society in the process.
My purpose here is to gain first-hand experience unique to a general trading company operating in global business domains and to use the expertise I acquire in future businesses.
My "target form" is to become a core part of the organization and a resource that can drive reform. Without being bound by existing values, I will work every day to embody corporate culture reform and to contribute to the sustainable growth of the 77 Bank Group and the creation of corporate value.

Human Resource Portfolio Strategy

At the 77 Bank Group, through proactive investments in people and advanced personnel management, we will aim to enhance employees' ambition and engagement, and grow into an organization that maximizes individual capabilities and continues to take on new challenges.

Creation of human resources portfolio

In addition to the creation of a dynamic human resources portfolio linked to our management strategies, we will also create more public relations personnel through dramatic productivity improvements. Moreover, we will ensure Groupwide specialization and flexibility in anticipation of our entry into new businesses and sectors and the expansion of our business domains.



Sophistication of recruitment

In anticipation of changes in demographics and the expansion of our business domains, we seek to strategically recruit mid-career hires with high-level specialist expertise and experience, as well as highly capable, outstanding students. To do so, we are reinforcing collaboration with personnel placement companies, including 77 Human Design, enhancing our content using social media, and reinforcing and refining our recruitment activities.

New graduate hires: Capability-focused hiring and deployment

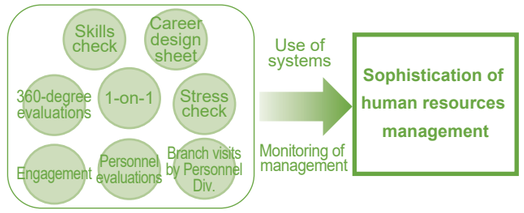
- Flexible, long-term hiring in line with changing student awareness
- Capability-focused hiring through use of data
- Deployment of students majoring in highly specialized areas to headquarters

Mid-career hires: Acquisition of specialist human resources

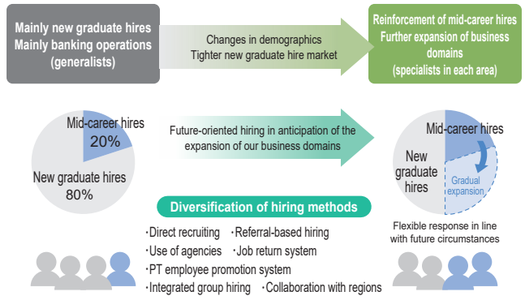
- Human resources with advanced specialist expertise and experience in line with the Group's business domains
- Core future human resources for sales promotion and headquarter planning departments

Talent management

Based on analyses of employee data and the visualization of individual capabilities and aptitudes, we will work to make our human resources management more sophisticated through optimal and strategic staffing from both quantitative and qualitative standpoints.



Course of action for sophisticating hiring process



Measurement and management of the effects of human capital investments

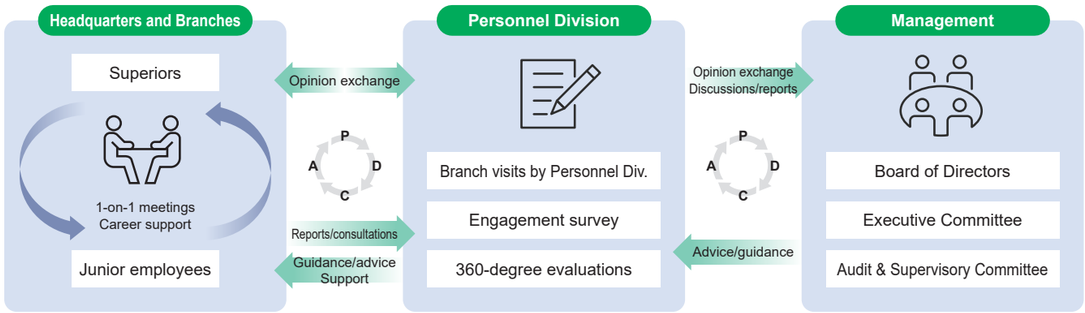
Measurement/ management targets	Matters for judgment	FY2022	FY2023	FY2024	FY2025 Target
Skills	Average corporate public relations skill level (max. 5.0)	-	2.4	2.7	3.0
	Average retail public relations skill level (max. 5.0)	-	1.8	2.0	2.2
	No. of individuals with higher qualifications (1st Grade Financial Planner, Certified Financial Planner, Small and Medium-size Enterprise Management Consultant)	224	261	274	330
	No. of certified digital technology human resources	674	1,138	1,612	1,700
Endeavor	Engagement score (indicator of ambition) (max. 5.0)*	3.5	3.6	3.6	3.6 or more
	No. of participants in job trial system	96	171	194	250 or more
	No. of applications for job entry system	8	14	7	21
Returns	Ratio of liaison officers	47.1%	47.7%	49.0%	51.0%
	Labor productivity in core operations	JPY 12 mn	JPY 14 mn	JPY 16 mn	JPY 18 mn
	Consulting income	JPY 5.8 bn	JPY 6.5 bn	JPY 8.4 bn	JPY 9.0 bn

*Benchmark for good conditions: 3.5 or higher (extracted ambition-related items)

Establishing an ambitious corporate culture and improving engagement

To create a virtuous cycle in which all employees take on new challenges to build confidence and positivity, through the Human Resource Strategy implementation process we are revitalizing communication between the frontlines, personnel departments, and management, and accelerating corporate culture reforms. Moreover, to improve employee engagement, we conduct quantitative analyses based on diverse approaches, including engagement surveys, so that we can implement effective measures.

Human Resource Strategy implementation process



Engagement survey results

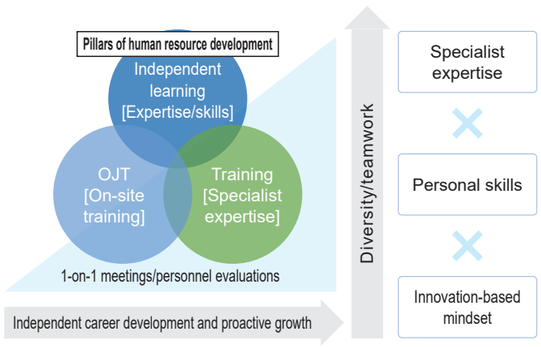
	FY2022	FY2023	FY2024
Total engagement	3.7	3.7	3.7
Engagement with work	3.6	3.6	3.6
Engagement with workplace	3.8	3.8	3.8
Engagement with company	3.6	3.6	3.7

*Benchmark for good conditions: 3.5 or higher (max. 5.0)

Human Resource Development Strategy

At the 77 Bank Group, based on a corporate culture in which there is mutual enjoyment in ambition and growth, we will support the independent career development and skill improvement of each individual, and develop diverse expertise, excellent personal skills, and a spirit of endeavor. In doing so, we will grow into an organization with enhanced capabilities and shared growth and contributions.

Human resource development framework



A corporate culture of mutual understanding and enjoyment in ambition and growth

Establishment of career ownership

- Support for autonomous career design
- Creation of environments for independent endeavor
- Visualization of level of acquisition of required skills and knowledge for career design

Development of diverse specialist human resources

- Creation of training systems to develop public relations personnel
- Coordination between output-based and on-the-job training
- Increase in specialist skills and accumulation of expertise in non-financial areas
- Support for the acquisition of higher qualifications (1st Grade Financial Planner, Certified Financial Planner, Small and Medium-size Enterprise Management Consultant)

Maximization of excellent personal skills and teamwork

- Strengthening of management abilities
- Support for the development of excellent personal skills
- Revitalization of teamwork and communication
- Establishment of a corporate culture of mutual understanding and enjoyment in ambition and growth

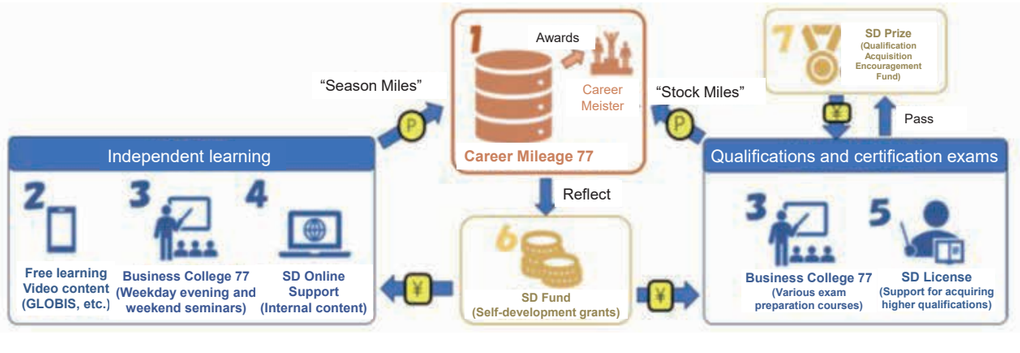
Reinforcement of reskilling

- Promotion of reskilling for liaison operations, etc.
- Strategic development of specialist human resources
- Creation of digital technology human resources
- Promotion of innovation-based mindset

Establishment of the new SEVEN PACK independent learning support package

SEVEN PACK was established to support employees' independent career development and to create an environment in which they can proactively and independently pursue challenges to achieve their "target forms." Through self-development tools based on a career-mileage system and expense subsidies, we will promote individual and organizational growth and work to improve the value of our human capital.

[Overview of SEVEN PACK]



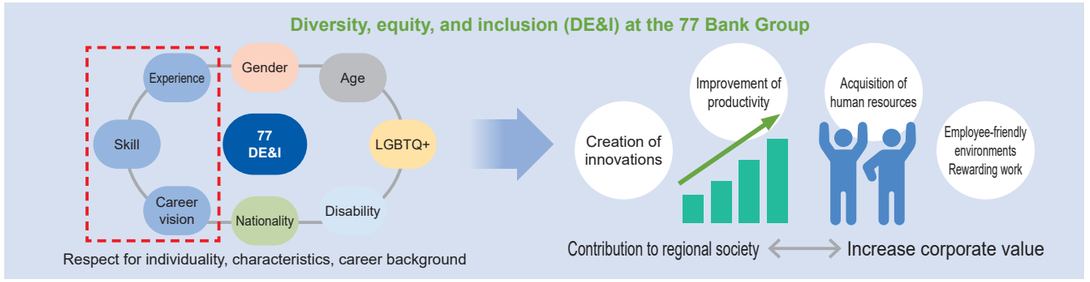
Development of next-generation leaders—Beyond 2030 Project

The Beyond 2030 Project is a program hosted alongside the Graduate School of Project Design that aims to develop next-generation leaders, equip individuals with business conceptualization skills to expand the Group's business domains, and develop a corporate culture that promotes endeavor and entrepreneurship.
Administered for approximately 10 months between May 2025 and March 2026, 10 employees selected through an application process are taking part in the program. Those participating will be able to improve their practical skills in business conceptualization through lectures from specialists, group discussions, and presentations. By focusing on the development of next-generation leaders in this way, in addition to driving overall corporate growth, we will develop participants' independent career development capabilities.
The ultimate goal of the program is for each participant to present a business proposal for the 77 Bank Group.

Diversity Promotion Strategy

At the 77 Bank Group, through the development of mutual respect for diversity and the creation of environments, we will create workplaces that allow diverse human resources to succeed in various fields, and in turn grow into an organization in which each individual can demonstrate their individuality.

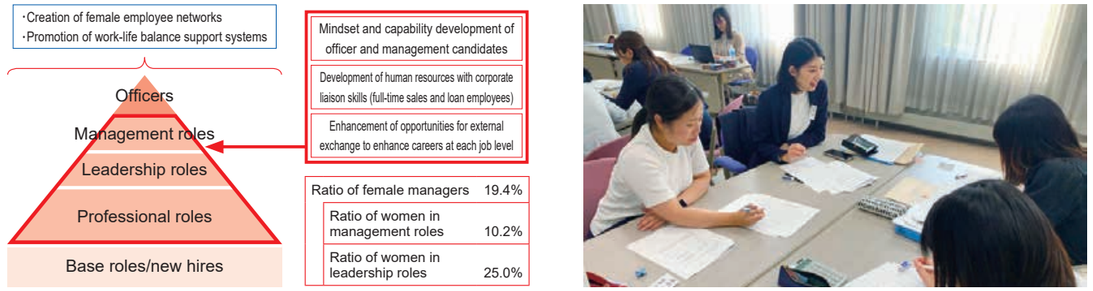
Working environments to make maximum use of individualities and capabilities



*DE&I stands for Diversity, Equity, and Inclusion. It is an approach that aims to create organizations that achieve growth through mutual respect for diverse human resources by creating inclusive environments that accept diversity and providing equal opportunities depending on individual characteristics. At the 77 Bank Group, we are promoting the success of a diverse range of human resources of different genders, age groups, parts of the LGBTQ+ community, abilities and disabilities, and nationalities, as well as individual experience, skills, and career visions.

Active participation of women—Development of female officers and management candidates

In addition to strengthening our initiatives to promote the active participation of women, we are aiming to create workplace environments with respect for diversity. Alongside our Women's College, a training program that aims to support female employees' independent career development and strengthen their practical abilities, we also provide platforms for discussions with management, and opportunities to learn from internal and external role models. Through proactive skills development initiatives like these, we are systematically promoting women's advancement to managerial positions and above. Moreover, with systems to support the balance between work, childcare, and nursing care, and a system for individual consultations, we are aiming to create workplace environments where employees can maximize their capabilities regardless of gender.



Launch of Hokkaido and Tohoku Regional Bank DE&I Workshop

Together with regional banks headquartered in Hokkaido and Tohoku, we hosted the first Hokkaido and Tohoku Regional Bank DE&I Workshop on the active participation of women and other DE&I themes. The workshop featured open dialogue through panel discussions, with 77 Bank Outside Director Emiko Okuyama as a panelist, and group-based work wherein each bank shared their initiatives and challenges. While creating a network with the participating banks, we will implement collaborative measures targeting the success of diverse human resources.

77 Business With's designation as a special subsidiary

77 Business With is in charge of BPO services for the outsourcing of indirect corporate operations and related consulting services. To promote and stabilize employment for persons with disabilities, 77 Business With acquired designation as a special subsidiary*, with the 77 Bank as the parent company. (The ratio of employees with disabilities as of the end of March 2025 was 2.82%.) From a diversity, equity, and inclusion standpoint, the 77 Bank Group will promote the creation of working environments where all employees can flourish, regardless of ability or disability.

*The employment quota for persons with disabilities, which is part of the Act to Facilitate the Employment of Persons with Disabilities, stipulates that individual companies must secure employment opportunities for persons with disabilities. Under the special subsidiary designation system, which is a special provision within the act, businesses can set up a subsidiary with special measures for the employment of persons with disabilities, and when certain requirements are met, the workers employed at the subsidiary can be counted as employees of the parent company to calculate actual employment rates.

Wellbeing Promotion Strategy

At the 77 Bank Group, through the promotion of health management and the enhancement of employee welfare programs, we will create a working environment where every employee can maximize their capabilities and grow into an organization that is employee friendly and rewarding.

Approach to well-being promotion

Promotion of health and productivity management

- Development of awareness of health management
- Promotion of data-based health
- Creation of an integrated promotion system involving the company, employees, and their families
- Proactive internal and external communication related to health management initiatives

Proactive support for the maintenance and improvement of health

- Reinforcement of support for lifestyle habit improvements
- Enhancement of measures for mental health to improve stress levels and mental illness
- Enhancement of job return support for employees on long-term sick leave

Creation of employee-friendly work environment

- Improvements in work-life balance and productivity through the enhancement of systems that cater to increasingly diverse lifestyles
- Revitalization of in-house communication through participation in cultural and sporting activities and regional events, etc.

Reinforcement of initiatives for financial wellness

- Improvements in understanding of employee welfare programs and promotion of use
- Reinforcement of initiatives to support employees' systematic asset formation activities
- Review of various employee welfare programs in line with the times

Please see the Bank's website for more details on the objectives and promotion system for health management.

Initiatives for health management

The 77 Bank was selected as a Health and Productivity Management Organization 2025 (White 500). The accolade is awarded to the top 500 companies implementing outstanding health management initiatives, such as those tailored to regional health challenges and the Nippon Kenko Kaigi's health promotion activities. Through the promotion of health management, we will aim to boost employee productivity and improve overall corporate performance.

Creation of employee-friendly work environments

Bank exercise classes

To promote health management and revitalize in-Bank communication, the Bank's exercise clubs (baseball, athletics, and badminton) have worked together to host exercise classes. In addition to giving employees more opportunities to exercise and to feel refreshed, the classes serve to facilitate interaction between employees from different departments and roles. While working to enhance connections between employees and families, we will support initiatives to create employee-friendly work environments.

Participation in local events

Placing the utmost importance on our regional connections, we proactively participate in local festivals and events, for example. Through these initiatives, we will enhance awareness of our role within the region and work to develop interactions and networks among our employees.

Acquisition of external qualifications

Certified
"Platinum Kurumin,"
a special certification pursuant to the Act on Advancement of Measures to Support Raising Next-Generation Children

Certified
"Gold Certified Company"
for successfully utilizing the potential of female talent in Miyagi Prefecture

Certified
"Eruboshi (Grade 3),"
commending general business proprietors for promoting female participation, pursuant to the Act on promotion of Women's Participation and Advancement in the Workplace

Certified
"Sports Yell Company"
for promoting employee exercise

Initiatives and Achievements for Each Strategy

	Item	FY2023 results	FY2024 results	FY2025 Target
I. Human Resource Portfolio Strategy	Ratio of liaison officers	47.7%	49.0%	51.0%
	Engagement score (indicator of ambition)*1	3.6	3.6	3.6 or more
	No. of participants in job trial system	171	194	250 or more
	No. of applications for job entry system	14	7	21 or more
	Ratio of mid-career hires	17.5%	16.0%	23.0%
	Ratio of mid-career hires promoted to management	28.0%	24.2%	28.0%
	Labor productivity in core operations	JPY 14 mn	JPY 16 mn	JPY 18 mn
	Consulting income	JPY 6.5 bn	JPY 8.4 bn	JPY 9.0 bn
II. Human Resource Development Strategy	Average corporate liaison skill level*2	2.4	2.7	3.0
	Average retail liaison skill level*2	1.8	2.0	2.2
	No. of individuals with higher qualifications (1st Grade Financial Planner, Certified Financial Planner, Small and Medium-size Enterprise Management Consultant)	261	274	330
	No. of digital technology human resources (experts, core, base) — Experts:	5	9	10
	No. of digital technology human resources (experts, core, base) — Core:	85	109	115
	No. of digital technology human resources (experts, core, base) — Base:	1,048	1,494	1,575
	No. of participants in reskilling training*3 (retail and corporate consulting)	72	141	150
	Training costs per person	JPY 91 k	JPY 96 k	JPY 146 k
	No. of training programs per person	4.9	6.0	7.0
III. Diversity Promotion Strategy	Ratio of female managers	17.5%	19.4%	21.0%
	Ratio of female employees in corporate liaison, full-time, and headquarter planning positions	21.7%	24.1%	25.0%
	Ratio of employees taking paternity leave*4	102.0%	92.3%	100.0%
	Ratio of employees with disabilities	2.3%	2.8%	2.7% or more
	Retention rate (percentage of employees working three years at the Bank)	85.5%	90.2%	90.0% or more
IV. Wellbeing Promotion Strategy	Absenteeism (ratio of employees on sick leave over a certain period)	2.7%	2.7%	1.8% or less
	Presenteeism (percentage of employees with no psychological or physical issues)	92.3%	94.4%	95.0% or more
	Ratio of employees taking annual paid leave	75.0%	75.6%	75.0% or more
	Average monthly hours of overtime work	14 hours 20 minutes	15 hours 8 minutes	Less than 10 hours
	Ratio of employees subscribed to corporate defined contribution plans	55.9%	60.2%	65.0% or more
	Ratio of employees who are members of the 77 Bank Stock Ownership Association	97.7%	98.7%	98.5% or more
	Engagement score*1 (indicator of working environment)	3.3	3.4	3.6 or more

*1 Benchmark for good conditions: 3.5 or higher (matters related to ambition and working environment) (max. 5.0)
*2 Introduced in FY2023 to assess skills based on in-house standards (max. 5.0)
*3 Set as part of training curriculum in FY2023
*4 FY2024 acquisition rate is below 100% as it includes those taking childcare leave during different years from the child's date of birth (childcare leave taken by all eligible individuals)

Participation of Diverse Human Resources

The 77 Bank Group is home to employees with various career backgrounds. This section reports on a roundtable discussion between four employees following different paths.

Discussion members

Chief Expert, Wealth Management Office, Business Promotion Division
Keisuke Saito (45 y.o.)
Joined the Bank in 2022 as a mid-career hire

Oroshimachi Branch
Ruriko Saito (25 y.o.)
Joined the Bank in 2022 as a new graduate

Regional Development Promotion Sec., Regional Development Promotion Div.
Hao Sun (30 y.o.)
Joined the Bank in 2021 as a foreign national

Chief Expert, 77 Human Design
Shintaro Kudo (36 y.o.)
Joined the Bank in 2024 as full-time Group company employee

Reasons for joining the Bank

Mr. Saito, how did you come to join the 77 Bank?

K Saito: I joined the Bank as a mid-career hire in 2022 following roles at a real estate company and a megabank. I decided to join after reading an article about the 77 Bank's entry into the trust business. My wife is originally from Miyagi Prefecture, and she had spoken about wanting to return one day. I also saw the position here as an excellent opportunity to utilize the experience in asset succession I had built up through many years in my previous position. Together with the abundant nature of Miyagi Prefecture, Sendai City has the vibrancy of commercial facilities and other urban aspects, making the area as a whole a very comfortable place to live. I'm originally from Tokyo, and it's great to be able to go back home in around two hours on the shinkansen from Sendai.

Ms. Saito, you are the youngest member in this discussion. What is your background?

R Saito: I joined one of the Bank's branches as a new graduate, and this is my fourth year at the company. I'm really looking forward to hearing different things from my senior colleagues today.

I'm originally from Sendai but moved to Tokyo to attend university. I joined the Bank because I wanted to work for the sake of my local community. Since joining, I've experienced various roles through the job rotation system, and I'm currently working in corporate lending operations. It is when customers thank us for listening to their various inquiries that I feel like I'm contributing to the local area.

Mr. Sun, what attracted you to Miyagi Prefecture?

Sun: I'm from Hubei Province in China and moved to Miyagi Prefecture to study at a graduate school. I discovered the charms of Miyagi and Tohoku as a student here, and decided to join the Bank as a way to give something back. I especially like the rich natural surroundings. One of my hobbies is landscape photography and so I often travel around Tohoku to take photos. I was amazed to see that even in the same location, the view is completely different depending on the season. After a stint in the Treasury Administration & International Division, I'm now with the Regional Development Promotion Division where our role is to provide support for startups, new businesses, and IPOs. It's very rewarding to be able to work for the benefit of Miyagi Prefecture while making use of my own background.

Regional trust as the Group's foremost strength

For the two of you who have worked in different companies, what do you think are the strengths and appeals of the 77 Bank Group?

Kudo: I actually left the 77 Bank at one point to join a major personnel placement company, before returning to the Group with the new subsidiary 77 Human Design. I've been working in sales since my previous position and on occasion it has been difficult to meet with the person in charge. At the 77 Bank Group, however, the 77 name alone is often enough to facilitate these meetings, and this has made me realize the level of trust that the Group has in the region.

K Saito: At the Wealth Management Office, currently I'm primarily involved in operations relating to asset succession for wealthy customers. Including secondment, this is my third position at a financial institution. People call the bank "shichi shichi," and it's easy to see the particularly strong trust that the 77 Bank Group has gained in Miyagi Prefecture. We often hear of customers who look forward to meeting with us, and this gives us a real sense of fulfillment.

As a regional bank firmly rooted in the region, our biggest strength is the relationships of trust built up over many years by our predecessors.

Overcoming weaknesses to further improve the attractiveness of the Group

While we have learned that one of our greatest strengths are the relationships of trust we have built with regional customers over many years, what do you consider are the Group's weaknesses and challenges?

Sun: Falling populations, low birthrates, and aging societies present a major challenge, and initiatives that ensure the sustainable development of regional economies are growing in importance. At the 77 Bank, through the provision of solutions via the Miyagi Wide-area PPP Platform (MAPP), a regional initiative bringing together the industrial, academic, public, and financial sectors, we are using regional resources to create businesses and enhance the quality of living. Moreover, in 2024 we partnered with W Tokyo, the company responsible for planning and producing the Tokyo Girls Collection, to host EMPOWER MIYAGI FES. In these and other ways, we are aiming to create attractive urban environments for the younger generation. While on the one hand we can say that weaknesses in the regional economy are down to the regional bank, I also think that enhancing the appeals of the region can improve the attractiveness of the 77 Bank Group. Through both financial and non-financial support, we will seek to enhance the level of the regional economy.

Kudo: I think that one of the Group's challenges is to further improve the specialist expertise of everyone at the Group. Up until now, banks have tended to develop generalists. For the Group to reinforce its current area of focus in non-financial support, such as consulting sales, specialists must take center stage. Through the advancement of the solutions provided by each 77 Bank Group company, I believe we can become an even more valued and essential presence within the region.

With this growing need for enhanced specialist expertise, what sort of career do you envisage, Ms. Saito?

R Saito: The Bank offers some excellent training systems, such as the cross-industry trainee program, and including at its Group companies, it has environments in place for various career development opportunities. I am still only at my first branch and so have not yet put together a clear career plan, but having the opportunity through this roundtable discussion to meet senior colleagues with diverse careers and backgrounds and see their success has been very inspiring. At a Group that works to benefit Miyagi and Tohoku in various ways, I hope to be able to use my unique skills and take on various new challenges. I'll do everything in my power to develop into the type of people here today who are indispensable to the Bank's customers.

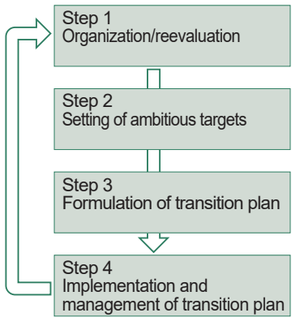
Sustainability Initiatives

Addressing Climate Change

Formulation of transition plan

At the 77 Bank Group, one of our materiality goals is response to climate change and disasters. Having identified climate-related risks and opportunities, in addition to strengthening our climate change initiatives, we will also enhance our information disclosure in line with TCFD recommendations. After organizing and reevaluating the Group's climate change initiatives, in addition to our goal of achieving carbon neutrality in Scope 1 and 2 emissions by 2030, we have also set a new GHG emissions reduction target, aiming to achieve net-zero Scope 1, 2, and 3 emissions by 2050.
In addition to further strengthening our climate change initiatives, in July 2025 we formulated a transition plan based on international guidance as a transition strategy for our achievement of net-zero Scope 1, 2, and 3 emissions by 2050. In the formulation of the transition plan, the Sustainability Committee held the relevant discussions before providing reports to the Board of Directors.

[Formulation process]



1. Foundation

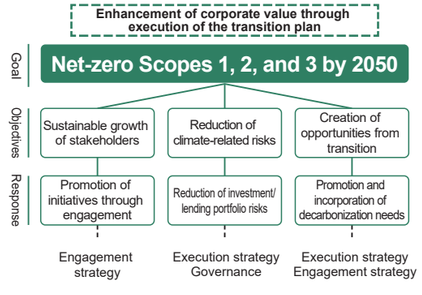
Transition plan overview

	Item	Details	
Foundation	Ambitious targets	GHG emissions reduction target: Net-zero Scope 1, 2, and 3 emissions by 2050	
	Background/objectives	・Take the lead in clients' and region's decarbonization efforts and contribute to sustainable growth of stakeholders ・Reduce the Group's climate-related risks and create opportunities through transition	
Governance	Organizational structure	Role of the organization, executive and supervisory structure, progress management at the Sustainability Committee	
	Risk management	Risk recognition, results of scenario analyses (physical and transitional risks), ratio of carbon-related assets	
Execution strategy	Initiatives	Initiatives to reduce the Group's GHG emissions (achieve carbon neutrality in Scope 1 and 2 emissions by 2030)	
	Products/services	Promotion of clients' and region's decarbonization through solutions	
	Policies/requirements	Organizational policy for strategy execution (Sustainability Promotion and Management Policy, Investment and Lending Policy)	
Engagement strategy	Clients	Priority sectors: Food, construction, automobiles	Creation of engagement tools
		Reinforcement of engagement with priority clients (clients with high-level financed emissions, priority sectors)	
	Local community	Conclusion of partnerships with external parties	Measures in collaboration with local governments, etc.
Indicators and targets	GHG emissions	Carbon neutral Scopes 1 and 2 by 2030	Net-zero Scopes 1, 2, and 3 by 2050
	Engagement	No. of clients receiving GHG emissions calculation support	Total sustainable finance executed
		No. of side-by-side support-type funding cases / Sustainability-related fees	No. of SDGs-related service support clients
	Monitoring indicators	Establishment of progress management indicators throughout transition plan	

*Shaded areas have been newly established and disclosed this fiscal year in line with the formulation of the transition plan

Objective of the transition plan

At the 77 Bank Group, we have defined the transition plan as a transition strategy as we aim to achieve a decarbonized society, and have positioned it as a business strategy for our response to climate change. Through implementation of the plan, we intend to take the lead in clients' and the region's decarbonization efforts, contribute to the sustainable growth of our stakeholders, reduce the Group's climate-related risks, and create opportunities from the transition.

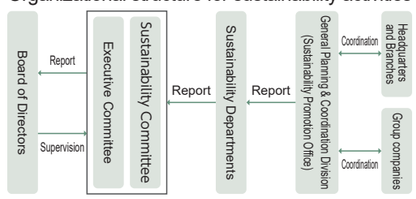


2. Governance

Governance structure

In addition to formulating the Sustainability Promotion and Management Policy to ensure proper and sufficient promotion and management of sustainability activities, the Group has set up the Sustainability Committee, chaired by the President, to discuss and report important matters relating to the promotion and management of sustainability activities, and to reflect the results in management strategies and risk management. In addition, we have established the Sustainability Promotion Office within the General Planning & Coordination Division to ensure the effectiveness of our measures.
In FY2024, Sustainability Committee meetings were held three times. In having the Committee report the results of its discussions on sustainability management to the Board of Directors, we have established a system through which the Board of Directors can supervise sustainability-related initiatives.

Organizational structure for sustainability activities



Matters discussed and reported by the committee

- FY2023 Scope 3 calculation results
- Disclosure of sustainability information (climate change, biodiversity, etc.) in integrated report
- Initiatives to support clients' decarbonization
- Initiatives for carbon neutral Scopes 1 and 2 by 2030
- Implementation of human rights due diligence and future initiatives
- Formulation of FY2025 SDGs implementation plan
- Sustainability Standards Board of Japan (SSBJ) trends

Risk management

[Risk management]
The Bank recognizes that physical and transitional risks caused by climate change may have a significant financial impact in the future. To appropriately gauge and verify climate-related risks, we conduct stress tests to verify the resilience of our risk capital in the event that physical or transitional risks materialize. Together with the results of stress tests of non-climate-related credit and market risks, we report the results of the above stress tests to the ALM and Income Control Committee.
Risks
We recognize the following physical and transitional risks in each risk category, and are analyzing the impact that these risks could have when they materialize based on the following timeframes: short-term (5 years), medium-term (10 years), and long-term (30 years).

Classification	Assumed risk	Time frame
Physical risks	・Occurrence of credit risk caused by natural disaster affecting customer's sales base and suspending its business	Short-term to long-term
	・Occurrence of credit risk caused by the declined value of real estate collateral due to natural disaster	Short-term to long-term
	・Occurrence of operational risk due to the Bank's branch, etc. being affected by natural disasters	Short-term to long-term
	・Occurrence of credit risk caused by the customer's withdrawal from the business due to flooded sales sites with the rise of sea level, etc.	Long-term
Transitional risks	・Occurrence of credit risk due to the revision of climate change-related regulations and tax systems giving a negative impact on customer's business	Short-term to long-term
	・Occurrence of credit risk due to the failure of decarbonization technology and changes in the market giving a negative impact on customer's business	Short-term to long-term
	・Occurrence of reputation risk of the Bank when our response to climate change/information disclosure is insufficient	Short-term to long-term

*Scenario analyses

	Physical risks	Transitional risks
Scenario	Intergovernmental Panel on Climate Change (IPCC) 4℃ scenario	Network for Greening the Financial System (NGFS) Net Zero 2050
Scope of analysis	Business credit in Miyagi Prefecture	Power and energy sector
Analysis method	The impact that a deterioration in financial position caused by damage to collateral from water damage (depth of flooding) and by business suspension could have on credit expenses	The impact that a deterioration in financial position caused by tax burden from the introduction of carbon taxes and existing facilities turning into stranded assets could have on credit expenses
Analysis period	Until 2050	Until 2050
Results of analysis	Approx. JPY 3.0 bn increase in credit expenses	Approx. JPY 11.0 bn increase in credit expenses

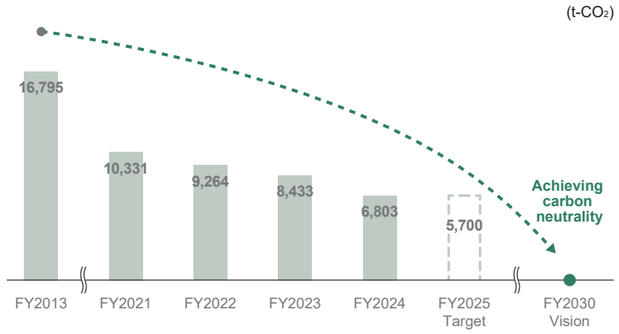
[Carbon-related assets]
In FY2024, the ratio of carbon-related assets in the Bank's loans and bills discounted, etc. (loans and bills discounted, acceptances and guarantees) was as follows.

Energy	Transport	Materials and buildings	Agriculture, food, forestry produce	Total
4.8%	2.5%	18.7%	2.1%	28.1%

3. Execution Strategy

Scope 1 and 2 emissions

At the 77 Bank Group, we are engaged in initiatives to achieve carbon neutrality in Scope 1 and 2 emissions by 2030. In FY2024, operations began at 77 Solar Park Tomiya, a solar power station supplying approximately 2,000 kW through an off-site corporate PPA. In the same year, we also installed EV car-sharing stations at the Bank's branches through collaboration with Sendai City and the PARK24 Group.
Our Scope 1 and 2 emissions in FY2024 were 6,803 t-CO_2, marking a 59.5% reduction over FY2013.



Initiatives to achieve net-zero

Achievement of carbon neutrality in Scope 1 and 2 emissions

Initiatives to achieve net-zero in Scope 3 emissions

–2024

- Jul. 2021 Announced support for TCFD recommendations
- Mar. 2022 Established the Sustainability Promotion and Management Policy
- Apr. 2023 Concluded the Cooperation Agreement for the Promotion of Carbon Neutrality with Tohoku Electric Power Co., Inc.
- Apr. 2024 Joined the GX League
- Oct. 2024 Completed construction of the 77 Solar Park Tomiya, started supply of renewable electricity
- Nov. 2024 Introduced EV car-sharing stations with Sendai City

2025–

- 2025– Examine switch to ZEB branches
  Examine use of J-Credits
  Continue engagement with clients with high-level financed emissions and clients in priority sectors

2030–

Achieve KPIs
GHG emissions
- Achieve carbon neutrality in Scope 1 and 2 emissions

Engagement
- No. of clients receiving GHG emissions calculation support
- Total sustainable finance executed
- No. of side-by-side support-type funding cases
- Sustainability-related fees
- No. of SDGs-related service support clients

Feature: 77 Solar Park Tomiya

77 Solar Park Tomiya is a solar power station that was constructed and began supplying power in October 2024 as part of an off-site corporate PPA. It is expected to achieve an annual emissions reduction of approximately 1,200 t-CO_2.

A wide range of solutions for customers' sustainability promotion activities

To support customers' sustainability promotion activities, we are expanding our range of solutions in line with the progress of their initiatives. Through ongoing engagement with our customers, we will support their sustainability initiatives.

Step 1 Recognition of issues

Understanding of significance of sustainability initiatives
- 77 SDGs Connect Service
- Participatory program using SDGs card game

Promotion of dialog
(1) Decarbonization support leaflet

(2) Decarbonization initiative question sheet
(3) Decarbonization educational video
(4) Discussion papers for each sector

Step 2 Understanding of current conditions

Visualization of current initiatives and identification of issues
- 77 SDGs Support Services

Support for calculation of GHG emissions
- C-Turtle
- e-dash

Calculation of GHG emissions and feedback
- 77 Decarbonization Navigator

The Bank calculates customers' GHG emissions, feeds back the results, and suggests GHG reduction targets

Step 3 Setting of priority issues and targets

Formulation of priority themes and measures to achieve the SDGs
- Formulation of SDGs Declaration

Disclosure of in-house priority themes and initiatives on website, and use in external communications

Step 4 Implementation of initiatives

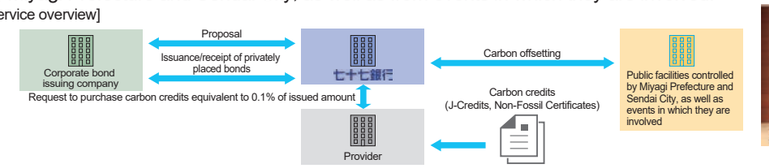
Funding support for implementation of initiatives
- 77 Seven Goals
- 77 SDGs Privately Placed Corporate Bonds
- 77 Sustainability-Linked Loan
- 77 Positive Impact Finance
- 77 Green Loan
- 77 Social Loan
- 77 SDGs Privately Placed Corporate Bonds

(1) Corporate support
(2) Donation: Social contribution
(3) Donation: Medical support
(4) Donation: Support for local professional sports teams
(5) Donation: Carbon offsetting
(6) Workstyle reform support

Feature: 77 SDGs Privately Placed Corporate Bonds (Donation: Carbon offsetting)

As one initiative to support decarbonization in the region, we purchase carbon credits with a portion of fees and commissions we receive from the issuance of privately placed bonds, using them to offset GHG emissions from public facilities controlled by Miyagi Prefecture and Sendai City, as well as from events in which they are involved.

[Service overview]



Carbon credit presentation ceremony

Formulation of various policies

At the 77 Bank Group, we have formulated various policies based on the understanding that response to climate change and other sustainability issues is a key management challenge.

- **Sustainability Promotion and Management Policy**
- **Investment and Lending Policy for Specific Businesses**

4. Engagement Strategy

Identification of priority sectors

To reduce Scope 3 Category 15 emissions (financed emissions), we are reinforcing our engagement with customers. In FY2024, we were selected to be eligible for support under the Ministry of the Environment's "Transition Strategy Formulation and Engagement Program in FY2024." Through this program, after identifying priority sectors, the headquarters takes the lead in ongoing engagement activities.
When selecting priority engagement clients, we identify priority sectors by analyzing our lending portfolio and financed emissions calculation results, taking into consideration regional characteristics and engagement efficacy. We have identified our priority sectors as food, construction, and automobiles, and our identification process was as follows.

[Identification process]

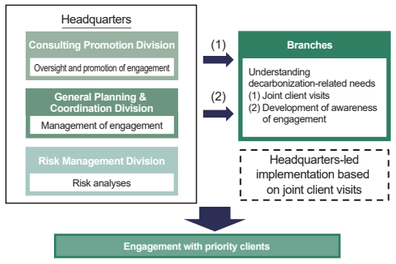
	Areas of analysis	Details
Quantitative analysis	Lending portfolio	Details of analysis: Sectors with large loan balance in lending portfolio High-ranking sectors: Real estate, service, finance, wholesale, power, construction, retail, food
	Financed emissions calculation results	Details of analysis: Sectors with high financed emissions among investment and loan clients High-ranking sectors: Power, construction, construction materials, food, chemicals, transport, oil/gas
	Scale of financed emissions by area	Details of analysis: Sectors with high financed emissions among businesses in Miyagi Prefecture High-ranking sectors: Construction, power, food, transport, oil/gas, construction materials, real estate ・Financed emissions from businesses in Miyagi Prefecture among investment and loan clients: 52.8% ・Of which, financed emissions from businesses headquartered in Sendai City: 56.9%
Qualitative analysis	Scale of transitional risks	Referred to results of analyses by three megabanks as transitional risk assessments for each sector have not yet been conducted High-ranking sectors: Power, coal, oil, steel, automobiles, cement, aluminum, agriculture, real estate
	Status of existing initiatives	Sectors with high demand for and interest in decarbonization initiatives
	Regional characteristics	Industrial structures in Tohoku and Miyagi
	Engagement efficacy	・Status of engagement ・No. of sustainability-related solution contracts

Engagement structure

In FY2024, we continued to engage with clients in Miyagi Prefecture with high-level financed emissions as well as those in priority sectors. As we aim to move toward branch-led engagement activities, we will work on in-house education and the improvement of the relevant systems.

[Priority clients]

- ☐ Top 100 clients in Miyagi Prefecture for financed emissions
  Accounting for approx. 30% of total financed emissions in Miyagi Prefecture
- ☐ Priority sectors
  By industry: Food, construction, automobiles

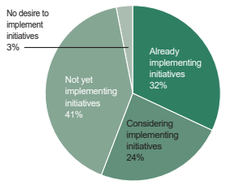


Status of engagement initiatives

In our engagement with customers, we use decarbonization initiative question sheets to ascertain their priority management challenges and the status of their initiatives. In terms of clients in Miyagi Prefecture with high-level financed emissions, more than 50% responded that decarbonization was having a major impact on their company, while around 30% responded that they had already begun decarbonization initiatives. Moreover, with less than 10% of companies calculating their GHG emissions, we recognize the need to continue engagement with these companies to ensure they calculate and ascertain their GHG emissions and develop an awareness of the importance of decarbonization.

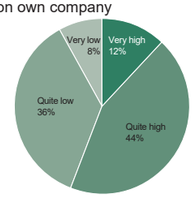
[Results of engagement with clients in Miyagi Prefecture with high-level financed emissions (FY2024: 100 clients)]

(1) Status of decarbonization initiatives

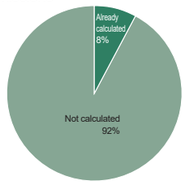


(2) Priority as a management issue

(3) Impact of decarbonization on own company



(4) Calculation of own GHG emissions



Engagement with region

To drive decarbonization in the region, we are working alongside Tohoku Electric Power Co., Inc., Nippon Life Insurance Company, and local governments to implement a comprehensive range of initiatives. As a regional financial institution, one of our most important roles is to educate the region on decarbonization and raise awareness of its importance. Moving forward, we will continue working with a diverse range of stakeholders in this area.

[Main details of partnership]

Partner	Date	Details
Tohoku Electric Power Co., Inc.	April 2023	Cooperation Agreement for the Promotion of Carbon Neutrality
Nippon Life Insurance Company	June 2023	Partnership Agreement on the Promotion of Sustainability in Local Communities
Sendai City	November 2023	Co-applicants for Decarbonization Leading Areas

[Main initiatives in FY2024]

- ☐ **Introduction of EV car-sharing stations**
  In collaboration with Sendai City and the PARK24 Group, in November 2024 we set up EV car-sharing stations on the grounds of our branches.These cars are available for use by our employees and Sendai City employees on weekdays, and by Times CAR members on weekends and public holidays.

An EV car-sharing station set up on the premises of the Bank's Futsukamachi Branch

- ☐ **Hosting of decarbonization seminars for local governments and clients**
  Working as a region to promote carbon neutrality, in January 2025 we hosted the "77 Decarbonization Seminar: Achieving carbon neutrality in the region" with Tohoku Electric Power Co., Inc. and Sendai City. We also host occupation seminars related to decarbonization for our customers.

VOICE Customer feedback

Representative Director and President, MEIHO Co., Ltd.
Kenji Matsunaga

Advancing sustainability management through positive impact financing to achieve a sustainable fisheries industry.
Under the slogan "Passing on the bounties of the sea to future generations," the MEIHO Group will work alongside the 77 Bank to contribute to the development of Miyagi's fisheries industry.

What initiatives are you engaged in to develop your sustainability management?
At the MEIHO Group, our slogan is "Passing on the bounties of the sea to future generations." We have acquired the international Marine Stewardship Council (MSC) certification and engage in sustainable fishing practices. One of our strengths is a Groupwide integrated production system—covering everything from fishing, storage, and processing to distribution—which has created a network that links fishing grounds to consumers.
In terms of our decarbonization initiatives, we are promoting decarbonization on both sea and land—in addition to installing solar panels on our factory roofs, for example, we are gradually shifting to a low-energy fishing fleet.

What is the 77 Bank's role in your operations?
In addition to funding via the Bank's positive impact financing program, we have shared our challenges with the Bank's branches and headquarters departments, giving it an in-depth understanding of our businesses. In this sense, we have gained an understanding partner as we work to address our challenges. Alongside continuous engagement, the 77 Bank is working with other financial institutions, driving our success beyond the framework of finance to enable us to take on unprecedented challenges.

What has made you glad to have chosen the 77 Bank, and what expectations do you have for the future?
As Tohoku's largest regional financial institution, the Bank is uniquely positioned to fulfill certain roles and provide specific support. In addition to offering financial support, the Bank approaches matters from a broad perspective to find solutions to regional challenges. The high-added-value information and solutions it provides make us glad we chose the 77 Bank as a partner. I look forward to the Bank's ongoing side-by-side support for the sophistication of our sustainability initiatives, and in turn its contribution to the achievement of a sustainable fisheries industry.

5. Indicators and Targets

Establishment of various KPIs and monitoring indicators

GHG emissions

(1) Carbon neutral Scopes 1 and 2 by 2030

(2) Net-zero Scopes 1, 2, and 3 by 2050

Engagement

FY2030 targets

(1) No. of clients receiving GHG emissions calculation support (cumulative): 500

(2) Total sustainable finance executed (cumulative): JPY 1.2 tn

(3) No. of side-by-side support-type funding cases (cumulative): 3,500

(4) Sustainability-related fees (single year): JPY 500 mn

(5) No. of SDGs-related service support clients (cumulative): 5,000

Monitoring indicators

(1) Trends in GHG emissions

(2) No. of engagements with priority clients (high-level financed emissions, priority sectors)

(3) Status of client awareness/initiatives based on decarbonization question sheet

(4) Emissions in high financed emissions sectors

(5) Ratio of use of primary data in financed emissions calculations

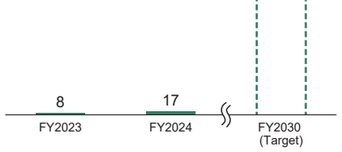
(6) Results of stress tests and scenario analyses

(7) Ratio of decarbonization-related assets in lending portfolio

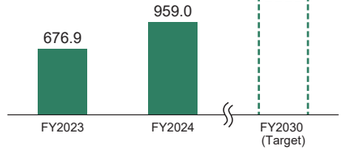
*1 Sustainable finance refers to investment and lending that contribute to regional revitalization and the achievement of a sustainable society (mainly related to the environment, medicine, startups, business succession, etc.).
*2 Side-by-side support-type funding refers to sustainability-linked loans (SLL), positive impact financing (PIF), social loans (SL), green loans (GL), and 77 Seven Goals.

Engagement indicators

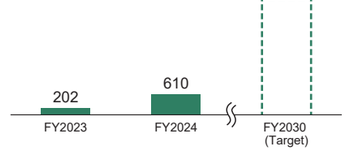
No. of clients receiving GHG emissions calculation support (cumulative) (Clients)



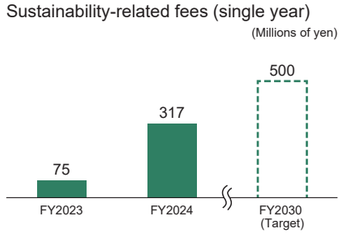
Total sustainable finance executed (cumulative) (from April 2021) (Billions of yen)



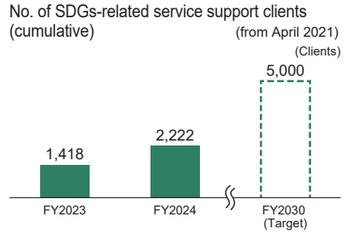
No. of side-by-side support-type funding cases (cumulative) (Cases)



Sustainability-related fees (single year) (Millions of yen)



No. of SDGs-related service support clients (cumulative) (from April 2021) (Clients)



GHG emissions (Scopes 1, 2, and 3)

(t-CO_2)

Item	FY2013	FY2020	FY2021	FY2022	FY2023	FY2024
Scope 1	1,894	1,600	1,483	1,185	1,138	1,150
Scope 2	14,901	10,597	8,848	8,079	7,295	5,653
Total (Scope 1 + 2)	**16,795**	**12,197**	**10,331**	**9,264**	**8,433**	**6,803**
(Reduction ratio compared to FY2013)	—	(27.3%)	(38.5%)	(44.8%)	(49.8%)	(59.5%)
Scope 3	—	—	—	10,013,332	8,535,613	8,220,881
Total (Scope 1 + 2 + 3)	**—**	**—**	**—**	**10,022,596**	**8,544,046**	**8,227,684**

*1 The number above is the CO_2 emissions of the Bank alone stated in the periodic report in accordance with the Act on Rationalizing Energy Use and Shifting to Non-fossil Energy. For the usage of renewable electricity, we regard CO_2 emissions to be "0."
*2 The disclosed data including emissions may be changed due to the future expansion of the scope of the accounting targets, revision of calculation method, refinement of data to be used, etc.

Scope 3 breakdown

From this fiscal year, for Scope 3 calculations we have added Categories 1 to 5 in addition to 6, 7, and 15. To refine our Scope 3 calculations, in April 2024 we became the first financial institution in East Japan to introduce NTT Data's C-Turtle FE system, and we are currently working to further refine our calculations.
We have calculated Scope 3 Category 15 based on PCAF standards. Of the Bank's investments and loans as of the end of March 2025, the scope of calculation includes domestic corporate business loans, domestic stocks, and corporate bonds. The investments and loans within the scope of calculation cover 91.7% of the total.

*1 The calculation of Scope 3 is based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 2.7) and the Policy on Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver. 3.5) issued by Ministry of the Environment.
*2 The Partnership for Carbon Accounting Financials (PCAF) is an international framework for the development of standards for measuring and disclosing the GHG emissions of investment and loan clients.
*3 In terms of Scope 3 Category 15, financed emissions (GHG emissions from investment and loan clients) and carbon intensity (GHG emissions per unit of net sales from investment and loan clients) are as calculated below.

(t-CO_2)

Item	FY2023	FY2024
Scope 3 total	8,535,613	8,220,881
Category 1: Purchased goods and services	—	15,527
Category 2: Capital goods	—	3,647
Category 3: Fuel- and energy-related activities	—	1,392
Category 4: Upstream transportation and distribution	—	Included in Category 1
Category 5: Waste generated in operations	—	591
Category 6: Business travel	494	485
Category 7: Employee commuting	1,159	1,134
Category 15: Investments	8,533,960	8,198,105

$$\text{Emissions of investment and loan clients} = \Sigma \frac{\text{Investment and loan balance for investment and loan clients}}{\text{Total funding for investment and loan clients}} \times \text{Investment and loan client GHG emissions}$$

$$\text{Carbon intensity} = \Sigma\,(\text{Client GHG emissions}) \div \Sigma\,(\text{Client net sales})$$

Scope 3 Category 15 breakdown

Investment and loan client total

	18 TCFD sectors	Emissions	Carbon intensity	Data quality score
1	Electric utility	2,089,009	20.2	2.43
2	Industrials	1,580,503	2.3	2.91
3	Processed food/meat	540,213	4.3	3.58
4	Truck services	285,426	4.2	3.70
5	Construction materials	253,599	10.4	2.26
6	Oil and gas	183,579	2.1	3.23
7	Chemistry	183,187	3.0	1.84
8	Metal and mining	175,593	4.2	1.75
9	Real estate management and development	134,398	0.9	3.23
10	Paper and forestry products	127,425	5.2	2.07
11	Vehicles and components	64,055	0.6	2.17
12	Agriculture	54,119	6.9	3.62
13	Marine transport	30,226	12.3	2.48
14	Passenger air transport	29,255	11.6	3.33
15	Rail transport	23,583	2.0	1.76
16	Drinks	13,446	3.5	3.89
17	Air cargo	2,455	2.4	4.00
18	Coal	744	8.1	4.00
19	Others	2,427,289	1.6	2.66
—	Total	**8,198,105**	**2.7**	**2.76**

Businesses in Miyagi Prefecture

	18 TCFD sectors	Emissions	Carbon intensity	Data quality score
1	Industrials	1,153,513	3.3	3.93
2	Electric utility	896,122	15.8	1.69
3	Processed food/meat	422,531	4.9	3.84
4	Truck services	160,410	3.8	3.98
5	Oil and gas	107,097	2.3	4.00
6	Construction materials	95,672	14.0	3.97
7	Real estate management and development	70,439	1.1	4.00
8	Chemistry	52,072	4.2	3.63
9	Agriculture	39,315	6.6	3.54
10	Metal and mining	34,383	3.0	2.21
11	Marine transport	18,472	13.3	4.00
12	Paper and forestry products	17,623	2.9	3.54
13	Vehicles and components	16,902	2.1	3.7
14	Drinks	7,154	3.6	4.00
15	Rail transport	1,172	4.0	4.00
16	Air cargo	1,022	2.4	4.00
17	Passenger air transport	564	12.1	4.00
18	Coal	—	—	—
19	Others	1,420,872	1.8	3.79
—	Total	**4,515,334**	**3.1**	**3.66**

Emissions: t-CO_2; Carbon intensity: t-CO_2/millions of yen

*1 Shaded areas are priority engagement sectors: Food, construction, and automobiles.
*2 "Others" in 19 refers mainly to holding companies and business cooperatives, etc.

Initiatives for Natural Capital and Diversity

At the 77 Bank Group, we have positioned response to climate change and disasters as one of our materiality goals. Understanding the importance of protecting our region's natural environments and biodiversity, in May 2024 we announced our participation in the TNFD Forum. In addition to protecting the region's natural environments and biodiversity moving forward, we are continuing with examinations aimed at enhancing our nature-related information disclosure.

Risk analyses based on TNFD recommendations

Based on TNFD recommendations, we use the LEAP approach to analyze our dependencies and impacts on natural capital. In terms of our dependencies on natural capital in our lending portfolio, we use the ENCORE nature-related risk analysis tool. By industry, the agriculture, forestry, and fisheries industries are highly dependent on natural capital, and by type of natural capital, these dependencies are largely related to habitats and species. Moving forward, in line with our credit balance and the locations of the Bank and our clients, we will work to enhance our analyses, such as by identifying industries requiring priority action.

Credit balance by industry, composition ratio, and relation to natural capital

Low — High

Industry	Credit balance (billions of yen)	Composition ratio	Atmosphere	Habitats	Land	Minerals	Oceans	Soil	Species	Water
Manufacturing	506.2	11.7%								
Agriculture/forestry	9.2	0.2%								
Fisheries	6.6	0.2%								
Mining, quarrying, gravel extraction	6.3	0.1%								
Construction	225.5	5.2%								
Electricity, gas, heat supply, water supply	304.8	7.1%								
Information and communications	35.1	0.8%								
Transportation, postal	168.6	3.9%								
Wholesale, retail	532.6	12.4%								
Finance, insurance	468.6	10.9%								
Real estate	1,307.2	30.3%								
Service	738.8	17.1%								

*Heatmap created based on ENCORE analysis results

Biodiversity initiatives stemming from branch-led SDGs action

Theme Participation in the seaweed bed regeneration project—the Green Earth Project

Overview The 77 Bank participated in the Green Earth Project led by the MS&AD Group. To support the creation of blue carbon credits, in addition to implementing conservation activities to help the seaweed beds that have declined due to "sea desertification" all around Japan, we also carried out activities to protect the mountains that have an impact on the marine ecosystem. Specifically, we wrapped rice straw around the grapevines that are used to produce Minamisanriku wine.

(1) Achievement of carbon neutrality through support for the creation of carbon credits
We are creating carbon credits through the protection of seaweed beds, which are the main absorber of blue carbon, and using these carbon credits to achieve carbon neutrality.

(2) Protection of biodiversity
Seaweed beds play an essential role in nurturing abundant aquatic life, helping to purify water and develop spawning and nursery grounds for young fish. Through conservation activities for seaweed beds, we are helping to protect biodiversity.

(3) Multifaceted environmental protection activities
Together with mountain conservation activities to support the creation of communities with a natural cycle linking forests, villages, and the sea, by taking courses in regional studies related to the development of circular communities, we are adopting various approaches to environmental protection to achieve a sustainable society.

Employees planting eelgrass

Receipt of award as branch implementing outstanding SDGs actions

Improvement of Financial Literacy

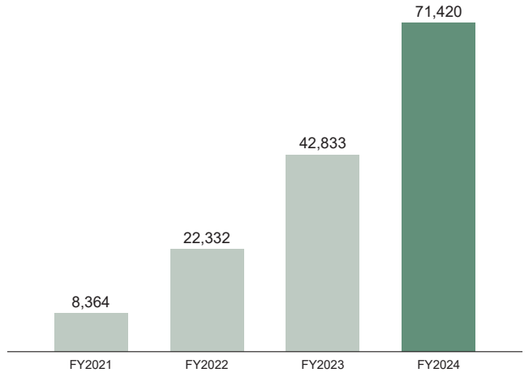
We are now in an era in which investments can be made using smartphones, with financial products and services becoming more and more familiar. However, there are still many customers who are unsure about how to use these products and services. At the 77 Bank, we are working to improve financial literacy in the region by providing opportunities for regional customers to acquire knowledge and judgment skills on financial matters.

Providing financial education

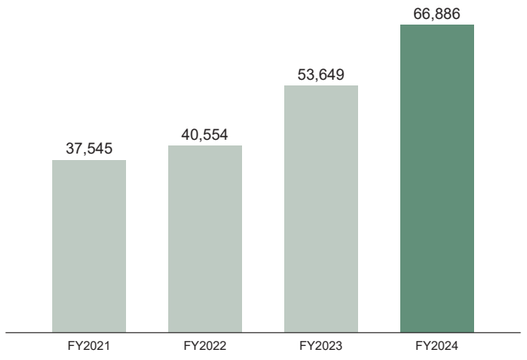
We have developed various tools for different age groups to enable as many regional customers as possible to learn about money. As part of our SDGs implementation plan, our target is to provide financial education to 120,000 people by FY2030. With an increase in the number of customers opening NISA accounts, which under certain conditions allow for tax-free investment gains, customers' interest in asset formation is increasing yearly.

Please see our website for more details.

People receiving financial education (cumulative) (Persons)



Number of NISA accounts (Accounts)



Collaboration with Japan Financial Literacy and Education Corporation (J-FLEC)

77 七十七銀行 × J-FLEC

In collaboration with Japan Financial Literacy and Education Corporation (J-FLEC), in March 2025 we hosted the Shichishika Academy, a financial literacy workshop for families. In addition to programs about the mechanisms of stocks using games for families with elementary-school-age children, the workshop also involved asset formation seminars for parents and guardians from certified J-FLEC advisors.

*J-FLEC
A public-private organization established in April 2024 for the nationwide expansion of financial educa-tion

Currency and Banking Museum (4F Head Office)

The museum features various easy-to-understand exhibits on the history and role of money, the bank's founding and development, and Miyagi Prefecture and Japan's industry and economy. Eiichi Shibusawa was featured on a new 10,000-yen note issued in July 2024. He was also set to appear on a new 1,000-yen note issued in 1963, but ultimately the design was not adopted. This rare 1,000-yen note is also on display at the museum.

Location: 77 Bank Head Office 4F
Weekdays 10:00–15:00*
Reservation required; free entry

Please scan the barcode for details on how to make a reservation, etc.

Respect for Human Rights Initiatives

Basic approach to human rights

The philosophy of the Bank Creed is "desiring communal prosperity and serving local communities." In keeping with this philosophy, and to create work environments where people can work with enthusiasm, which is one of our materiality goals, we have positioned human rights as an important foundation of our corporate activities. We have therefore formulated the 77 Bank Group Human Rights Policy, and in line with this policy we will fulfill the human rights responsibilities required of corporate entities.

Human Rights Policy

In line with international norms, on April 1, 2024, we formulated and announced the 77 Bank Group Human Rights Policy. Moreover, to promote and establish this policy throughout the organization, we are hosting education and training programs related to human rights.

The 77 Bank Group Human Rights Policy

In line with the philosophy of the Bank Creed, "desiring communal prosperity and serving local communities," which has been passed on since our founding, we recognize that respect for human rights is one of our important responsibilities. We will therefore ensure thorough respect for the human rights of our customers, officers, employees, and various other stakeholders.

1. **Respect for international norms**
   The 77 Bank Group will respect international norms such as the "Universal Declaration of Human Rights" and the "Guiding Principles on Business and Human Rights."
2. **Scope of application**
   The Human Rights Policy applies to all officers and employees of the 77 Bank Group. We also expect the understanding and support of this policy by our customers and various other stakeholders.
3. **Commitment to respect for human rights**
   In its corporate activities, the 77 Bank Group will not allow discrimination, harassment, or human rights violations due to race, ethnic group, nationality, origin, social status, age, religion, beliefs, sex, sexual orientation, gender identity, disability, physical features, or for any other reason.
4. **Enhancement of human rights education**
   To ensure solutions to various human rights issues, the 77 Bank Group will offer a wide range of human rights education to equip all officers and employees with correct knowledge and a greater understanding of human rights.
5. **Corrective and remedial measures**
   In the event of any negative impact on human rights, or if any action is found to be contributing to this negative impact, the 77 Bank Group will ensure appropriate response and implement corrective and remedial measures.
6. **Information disclosure and dialog**
   Through proactive information disclosure and dialog with stakeholders, the 77 Bank Group will strive to improve its human rights initiatives.

Human rights due diligence initiatives

We have established a human rights monitoring system based on the government's Guidelines on Respect for Human Rights in Responsible Supply Chains and our human rights policy, and conduct human rights due diligence to continuously assess impacts on human rights and prevent and reduce any negative impacts. Our main initiatives in FY2024 are as below.

Item		Main initiatives
Assessment of impacts on human rights		Implementation of harassment surveys through on-site visits, etc. by the Personnel Division and Compliance Management Division
		Surveys and response in line with internal and external feedback from contact points
Implementation of preventive and corrective measures	Implementation of education and training	Implementation of human rights training curriculum and weekend seminars (disability traits, LGBTQ+, harassment)
		Implementation of tests to gauge human rights understanding
	Improvement of in-house environments and systems	Collection of feedback on work-life balance support through questionnaires, etc.
		Improvement of working conditions for persons with disabilities in line with opening of 77 Business With
	Supply chain management	Confirmation of whether loan transactions deviate from the Lending Policy for Businesses Requiring Environmental and Social Considerations, as stipulated in the examination and management regulations
Monitoring		Interviews with and individual guidance for individuals whose working hours exceed certain limits
		Implementation of stress checks and engagement surveys
		Confirmation of emergence of human rights infringement risks through exchanges of opinion with the 77 Bank labor union
Notification and disclosure to stakeholders		Disclosure of formulation of human rights policy and details in integrated report

Processing of complaints

The 77 Bank Group handles concerns regarding human rights, including harassment of Group employees, via the 77 Human Rights Help Desk within the Personnel Division. We also accept concerns via the 77 Human Rights Help Box, which can be contacted through direct messages. Upon receipt of any concerns surrounding harassment or other human rights issues, based on strict information management, we ensure thorough protection of the privacy of those voicing concerns and all relevant parties. For external stakeholders, we accept concerns and inquiries relating to human rights through the Customer Feedback Corner.

Promotion of Diversity, Equity, and Inclusion (DE&I) in the Region

Regional DE&I promotion

In terms of our DE&I initiatives, we are engaged in activities to promote its importance both in-house and throughout the region. Led by the Diversity Promotion Office within the Personnel Division, in addition to hosting various DE&I seminars, we are working with local governments and other companies to promote respect for diversity and create an inclusive society.

▶Collaboration with local governments

Working together with Miyagi Prefecture and other local governments, we participate in various seminars and implement measures to address regional challenges.
One such measure in FY2024 was our support for Miyagi Prefecture's project that sought to promote women's advancement through greater work fulfillment. As part of the project, female students from universities in Miyagi Prefecture set out to address regional challenges such as the lack of successors in the prefecture caused by a declining birthrate and an aging society. The project involved workshops for the planning and operation of events and communications through social media. We took part in discussions at opinion exchange meetings, spoke at events, and participated as observers in business report meetings.

▶Collaboration with regional companies

Primarily through the Diversity Promotion Office within the Personnel Division, we are hosting on-site classes at regional companies on career development, diversity, and work-life balance. In FY2024, we hosted in-house training sessions for 221 individuals from six companies, supporting the development of human resources who can affirm the future of the region. In addition to teaching the relevant knowledge, these classes are an opportunity for participants to share their challenges, and are playing an important role in the co-creation of solutions.

[Detail of collaboration with local companies]

- **Collaboration with Tohoku Electric Power Co., Inc.**
  (Headquarters: Sendai City, Miyagi Prefecture)

We participated in the Tohoku Electric Power Group Female Employee Information Exchange Meeting, which was organized as one of its DE&I initiatives. The female workers in attendance used the opportunity to look back on their careers, consider their future visions, and exchange opinions on how to create comfortable, fulfilling workplace environments and regions. Through the creation of networks spanning different companies, we will aim to create opportunities for employees to meet with different role models and share challenges and examples of success, in turn contributing to a region where diverse human resources can flourish.

- **Collaboration with U-media Co., Ltd.**
  (Headquarters: Sendai City, Miyagi Prefecture)

We participated in the Love Yourself Festival, an event hosted by U-media Co., Ltd. on femtech, which is a branch of technology that addresses health challenges unique to women. In addition to communicating the Group's DE&I promotion initiatives, as part of the event we sponsored a talk by Associate Professor Natsumi Suzuki (Ph.D. in sports medicine) of Takushoku University. The event was an opportunity to deepen understanding in the region of health issues unique to women, positioning them not only as personal challenges but also challenges that can impact organizational productivity and society as a whole.