

01

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.

- ▶ 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

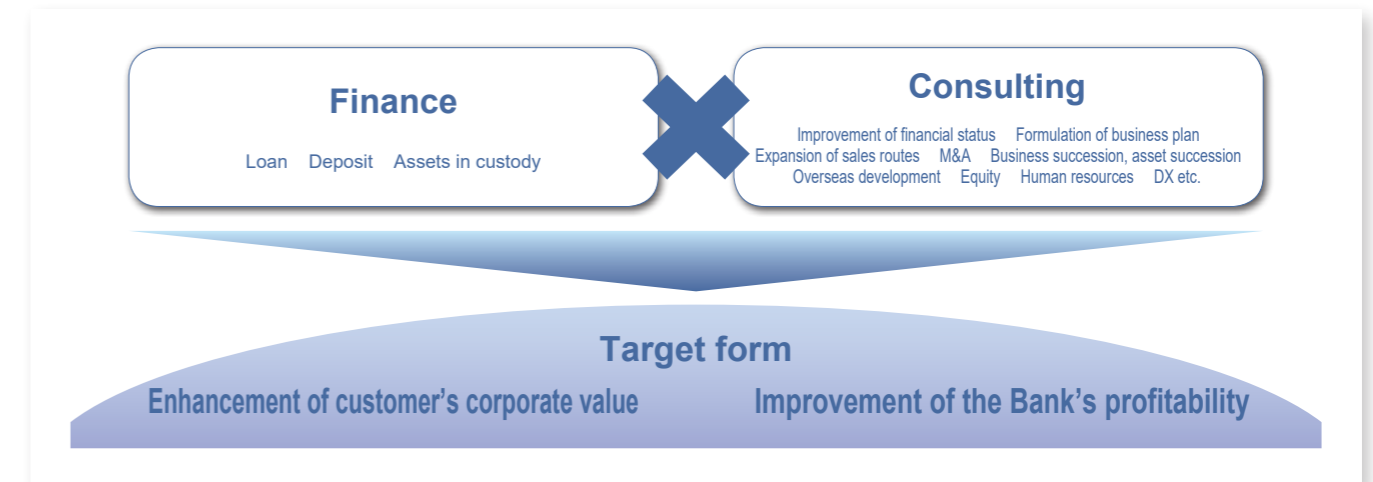


Progress status of KPI (Let's Try!)

	Result in FY2021	Result in FY2022	Target in FY2023	FY2030 Vision
Increase the proportion of companies in Miyagi Prefecture for whom we are their main bank by 10%	56%	56%	57%	62%
Increase the number of corporate lending clients outside Miyagi Prefecture by 1.5 times	1.07X	1.21X	1.23X	1.5X
Raise proportion of households “holding assets” in Miyagi Prefecture above the national average				
Ensure that 20% of the population of Miyagi Prefecture (aged 20 to 74) use loans from the Bank	12.7%	14.9%	16.0%	20.0%
Establish 10 projects in new businesses or sectors with promise for future commercialization (by FY2024) (as of July 31, 2023: six projects)				
To double the net income of Group companies by entering new businesses and sectors and expanding existing businesses	JPY 2.2 bn	JPY 1.4 bn	JPY 1.2 bn	JPY 3.0 bn

FOCUS The meaning of working on “Finance × Consulting”

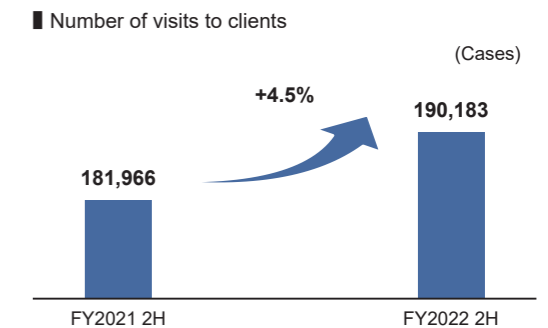
“Finance × Consulting” is a very compatible business model for the Bank because it has business relationships with many clients and gathers information including on financial condition. Our unique strength is that we can not only perform the loan business but also understand various needs properly and provide solutions to issues from a standpoint of a financial institution. We will remain useful for local communities by enhancing the volume and scope of activities to capture potential needs, strengthen our consulting capability and enhance our business domain.



Specific initiatives

Strengthening of consulting sales

▶ **Creation of opportunities for consultation, increase in activities**
To provide a consulting service to various customers, we create consultation opportunities and increase the number of our visits to customers. In addition, staff members of the External Sales Department, Consulting Promotion Division are permanently stationed in 13 core branches in Miyagi Prefecture to provide a highly advanced consulting service in an appropriate and speedy manner.



▶ Spread of consulting sales

The Bank has held the “Consulting sales awards” since FY2019 to recognize medium- to long-term efforts in consulting sales by branches. Through these awards, the Bank aims to improve the ability of individual employees, while trying to spread consulting sales internally.

At the “Consulting sales awards” in FY2022, many high-level initiatives, such as those to improve customers’ satisfaction, give an impact on the local economy, or go beyond conventional frameworks, were reported.



Meeting of Consulting sales awards Final Screening Committee

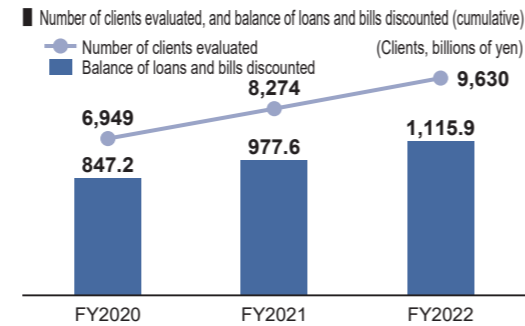
► Allocation of specialized human resources

We established a system to provide one-stop support to solve issues related to business succession. In addition, we set up a specialist team as a support system for the operators in the medical and nursing care industries. Moreover, we allocated employees who have abundant experience in management improvement support, etc. as Management Support Advisors to the Credit Supervision Division.

■ Consulting Promotion Division	
Regional Support Team	36 persons
Business Succession and M&A Team	12 persons
Medical Service and Healthcare Team	5 persons
■ Credit Supervision Division	
Management Support Advisor	4 persons

► Initiatives for business evaluations

Branches and headquarters are jointly working on business evaluations to share challenges and establish mutual understanding with customers through business evaluations. We are also trying to improve the quality of business evaluations by setting up the Business Evaluations and Corporate Sales Promotion Desk in the Consulting Promotion Division to dive deep into customers' challenges and strengthen our support to propose various solutions.



Develop new businesses and sectors

The 77 Bank Group aims to enter new business domains in order to solve the issues of customers and local communities, and become a leading company that operates a diverse range of businesses with the banking business at our core.

We will commit to the initiatives to solve regional issues while focusing on the key points of “does it utilize the strengths of the 77 Bank Group?” and “can we leverage synergies with our existing operations?”

1. Establishment of 77 Partners Co., Ltd. (December 2021)

The 77 Bank Group established this subsidiary specializing in majority investments accompanied by the acquisition of control over management and hands-on management execution support. We will utilize its consulting functions to a greater level than before and build a platform to support sustainable regional development with “regional people, things, and money.”



2. Establishment of 77 Human Design Co., Ltd. (August 2022)

We set up a subsidiary that provides advanced specialized solutions pertaining to “human resources.” Having “CONNECT - Connect people and companies, and connect local communities to the future” as a target form, we aim to activate local communities.



3. Launching trust services (April 2023)

The Bank started handling trust services to correspond to issues of local communities and social, such as an aging society during the era where people live for 100 years and there is an increased risk of dementia, by strengthening our support to respond to customers' needs and challenges to protect, increase and pass on their assets to the next generation.

4. Effective utilization of real estate held (construction scheduled to be completed in April 2025)

The building of Aramachi Branch and Yagiyama Branch will be reconstructed because it became obsolete. As for the building after rebuilding, we planned to make it into a complex building that includes the Bank's branch, floors and apartment for lease for the activation of local communities.



Conceptual image of appearance of the rebuilt building

5. Establishment of 77 Digital Solutions Co., Ltd. (May 2023)

In the Tohoku region which is facing social issues such as a falling population and aging society, initiatives for digitalization and DX by local companies have become important from the perspective of business growth. The Bank established an IT consulting company to provide full-scale digitalization support for the sustainable growth of the regional economy.



6. Establishment of Tohoku Healthcare Support Co., Ltd. (April 2023)

Formation of a fund specialized in local communities covering the healthcare area is a first in Japan!

The Bank, Fuyo General Lease Co., Ltd. and BlueLine Partners Co., Ltd., which is a 100% subsidiary of Nihonkeiei Group jointly established a management company to form a healthcare fund specialized in local communities. The aim is to provide optimal solutions, including hands-on support, by combining the know-how of the three investing companies, as well as to provide flexible funds to medical and nursing care businesses in the Tohoku region which have various management issues.

Expansion of customer networks

Overseas network



Orange pin: Bank employee dispatch locations
 Blue pin: Major partner institutions, etc.

By utilizing the overseas network and local information network, the 77 Bank Group expanded the field it actively operates in.

► Establishment of Utsunomiya Corporate Sales Office (August 2023)

We established the Utsunomiya Corporate Sales Office at Utsunomiya City, Tochigi Prefecture as the base to provide a consulting service for corporate customers.

The 77 Bank will respond to wider needs of customers than before, with the new office playing the role of a bridge between the Tohoku economic zone centered on its main business base of Miyagi Prefecture, and the neighboring North Kanto economic zone.

Initiatives for retail sales

► Formulation of Retail Sales Policy

The Retail Sales Policy is formulated, as it is necessary for officers and employees to tackle retail sales with the same perspective in order for the 77 Bank Group to become companies that continue to be selected by customers and to maintain and expand the business relationship with customers.

Retail Sales Policy

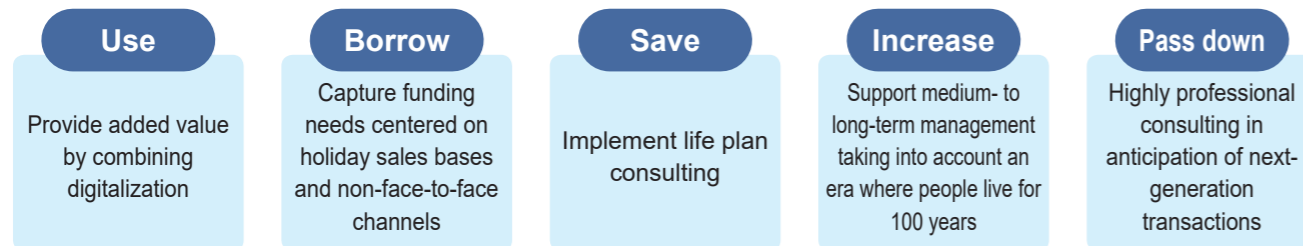
We will continue to be the best partner to realize the “target form” of individual customers.

We will sincerely stay close to wishes of individual customers to contribute to the realization of the “customers’ target form” through the provision of optimal solutions which will lead to satisfaction, happiness and peace of mind.

► Actions based on the Retail Sales Policy

- We will pursue the “customers’ target form” by providing optimal solutions for asset formation according to life plans, smooth asset succession, and financing, etc. to support people live with peace of mind.
- We will respond to issues of local communities and society, such as an era where people live for 100 years, aging, and increased risk of dementia, by backing up over the medium to long term the lives of customers through various careful and empathic proposals for formation, management, succession, administration and procurement of assets.

► Sales strategy based on customers



► Established the Customers’ Asset Formation Promotion Committee (April 2023)

The Customers’ Asset Formation Promotion Committee chaired by the President was established to further promote the formulation of customers’ assets and the improvement of financial literacy.

Major activities

- Arrangement of promotion and management system that contributes to the formation of customers’ assets
- Examination of promotion measures based on the revised Nippon Individual Savings Account (NISA) system
- Examination of measures to improve financial literacy in local communities
- Examination of promotion support measures for corporate customers to promote the use of NISA system
- Confirmation of the status of initiatives for operations that put customers first

<77> Initiatives for 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

► Our support options for each stage of life

We offer various products and services to meet the needs of a broad range of customers.



► Sales structure for the wealthy and aged

In June 2021, we established the Wealth Management Office in the Business Promotion Division to provide an appropriate consulting service for local customers’ various challenges and concerns such as inheritance and asset succession in a super-aged society during the era where people live for 100 years.

We take an approach that is considerate and cares about customers by allocating staff in charge for each area and arrange customer visits with an employee of a branch.

Business Promotion Division

Liaison officer from headquarters

17 persons

02 Double Productivity Strategy

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

- ▶ Labor savings through improvement of administrative processes (reduction, consolidation, etc.) and promotion of expansion and use of non-face-to-face transactions
- ▶ Optimization of sales channels based on customer needs



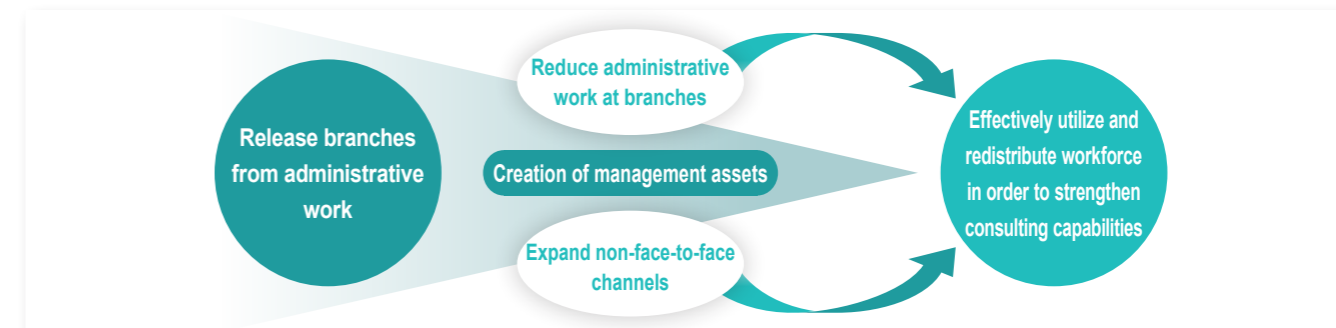
Progress status of KPI (Let's Try!)

	Result in FY2021	Result in FY2022	Target in FY2023	FY2030 Vision
Double labor productivity in core operations	JPY 11 mn	JPY 12 mn	JPY 13 mn	JPY 16 mn
Cut amount of administrative work at bank branches by 50%	(15%)	(25%)	(35%)	(50%)
Triple rate to usage of non-face-to-face channels	Corporate 13% Retail 15%	Corporate 15% Retail 20%	Corporate 17% Retail 25%	Corporate 30% Retail 30%

FOCUS

Our way to improve productivity

In Japan, an aging society with a low birthrate and falling population, improving productivity is a challenge for any company. It is said that slow growth in productivity is the cause of the long-term stagnation of the Japanese economy. The Bank acknowledges as the highest priority and will promote initiatives to improve the issue. As for our commitment to increase profits by improving productivity, “Vision 2030” targets the “50% level for core OHR.” We will generate more time for consulting and improve productivity by reducing paperwork at branches by cutting out and concentrating office administration work, promoting the enhancement and utilization of non-face-to-face transactions and shifting the management resources generated, such as human resources and capital, to strategic areas.



Specific initiatives

Reduce administrative work at branches

▶ Status of initiatives for promoting paperwork-free operations

In FY2022, focusing on the Operations Group of branches, we expanded operations subject to headquarters centralization, reduced inefficient administration work specific to individual companies, and reduced and simplified counter administration work. As a result, we created 153,000 man-hours and 42 personnel members of branches.

In FY2023, we will examine administration work for a reduction. In addition, we will start utilizing “branch tablets” at all branches and promote paperwork-free operations, aiming to save 180,000 hours.

▶ Introduction of branch tablets (operation scheduled at all branches by September 2023)

So far, to apply for a transaction, customers have been requested to handwrite many entries and affix a seal to an application. With a branch tablet, procedures for transactions can be completed by entering information on the screen, shortening processing time through this “paperless,” “seal-less” method.

Expand non-face-to-face channels

▶ Start of 77 Business Portal operations (October 2022)

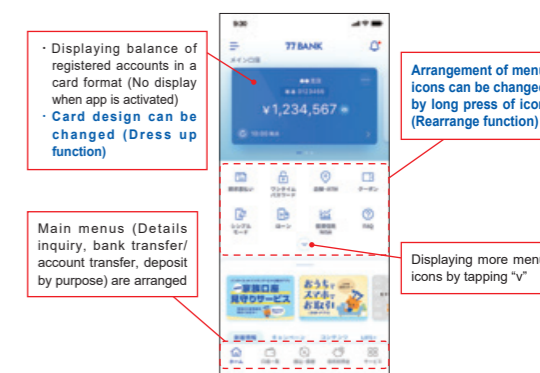
77 Business Portal is one-stop online service enabling corporate and sole proprietorship customers to carry out various procedures, such as confirming deposits and withdrawals.

In addition, as a comprehensive platform for corporate and sole proprietorship customers, it has notification system and may be linked to external services.

▶ Renewal of the 77 Bank App (November 2022)

To improve the convenience of the 77 Bank App, we renewed the top screen, etc.

In addition to using designs that customers can image intuitively, we employed simple designs by giving consistency to functions and designs.



(Actual operation screen)

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.

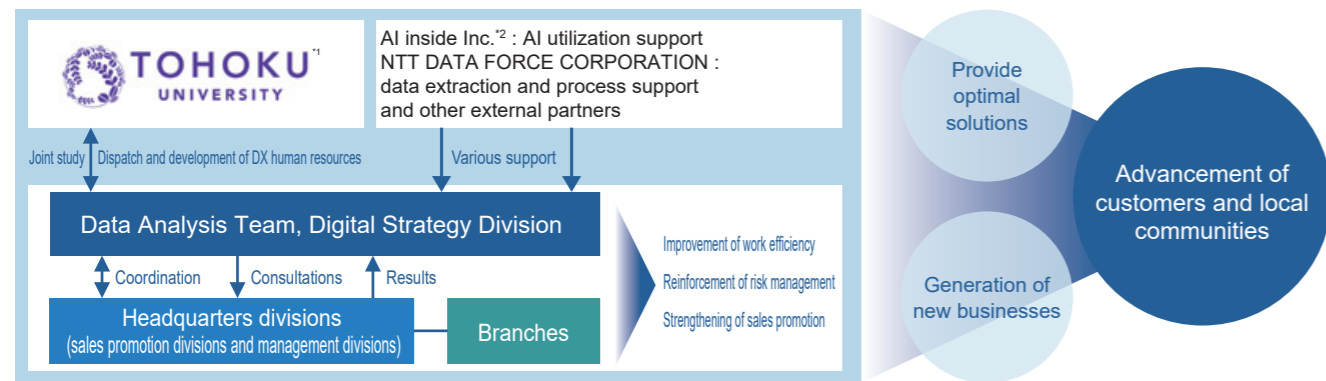


Data utilization reform Establishment of Data Analysis Team (November 2022)

To strengthen our initiatives for areas using data, we established the Data Analysis Team that is led by employees dispatched to the joint study^(Note) with the Graduate School of Economics and Management, Tohoku University, National University Corporation, in April 2022.

We will explore and analyze data analysis projects for the Bank to improve work efficiency, reinforce risk management and strengthen sales promotion.

(Note) To jointly develop DX specialists with knowledge of both business and digital technology to accelerate DX initiatives including the provision of a service utilizing data and improvement of operational productivity.

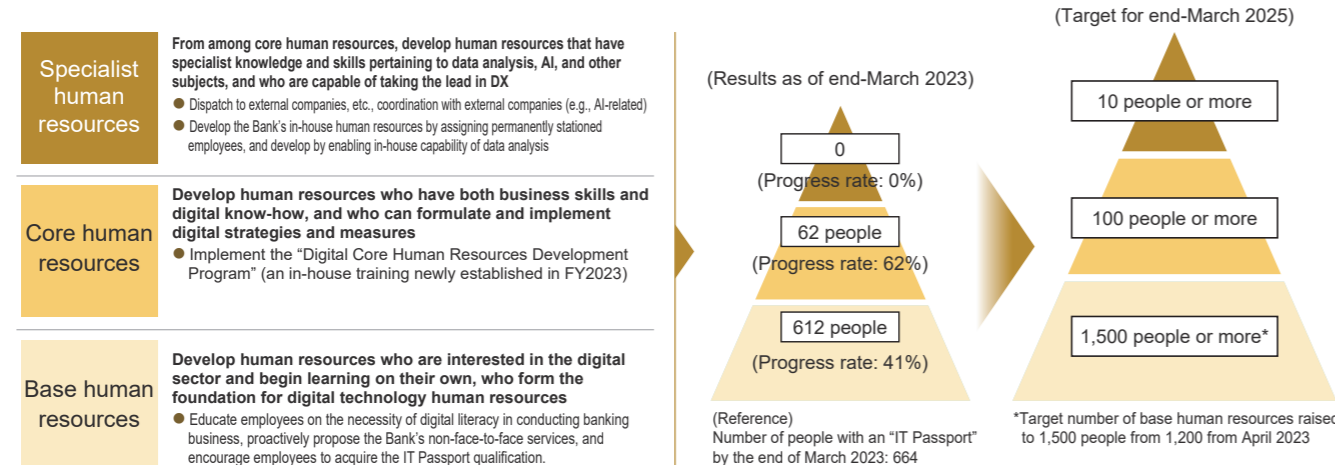


*1 Dispatching the Bank employees to the Data Science College of Tohoku University since October 2022

*2 Full-scale introduction of AI model-building tool offered by the company since May 2022

Digital reforms for employees Development of digital technology human resources

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.



PICK UP

Renewal of MEJAR system

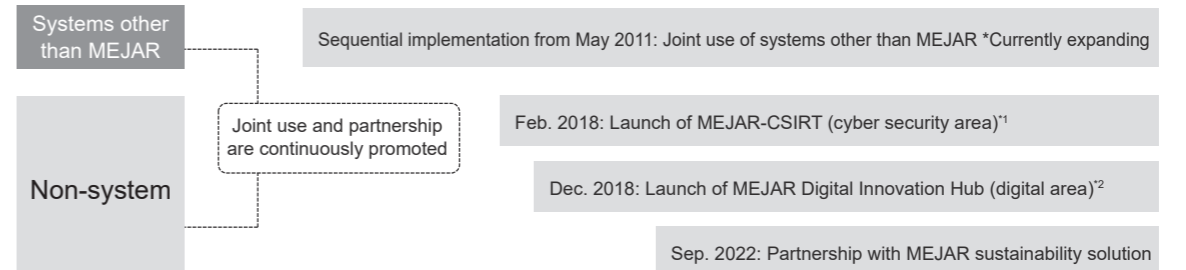
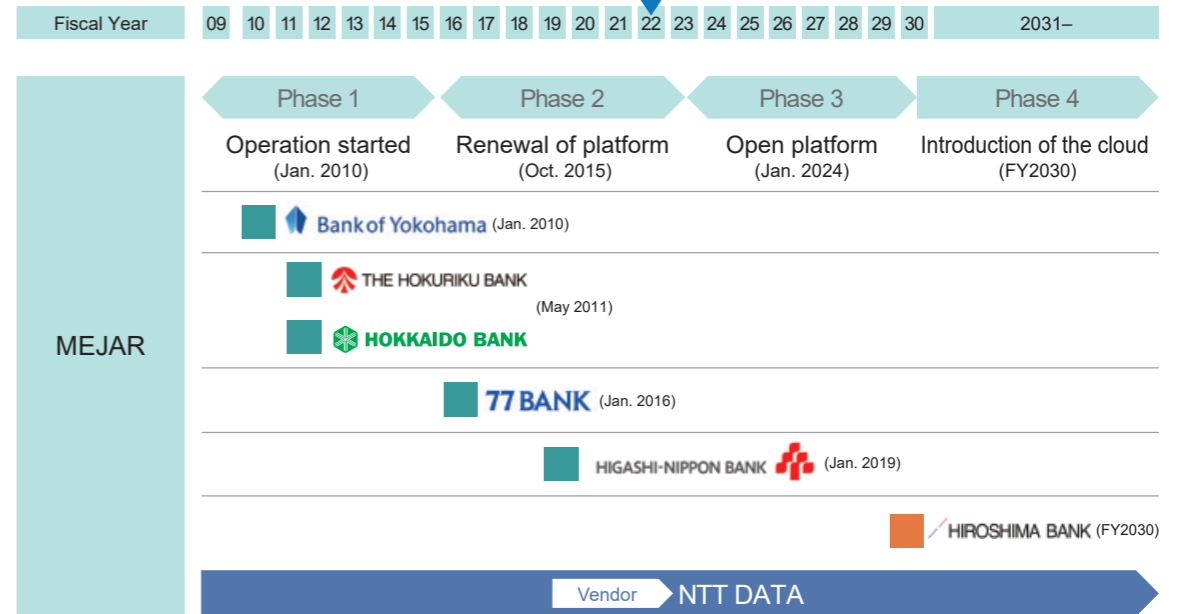
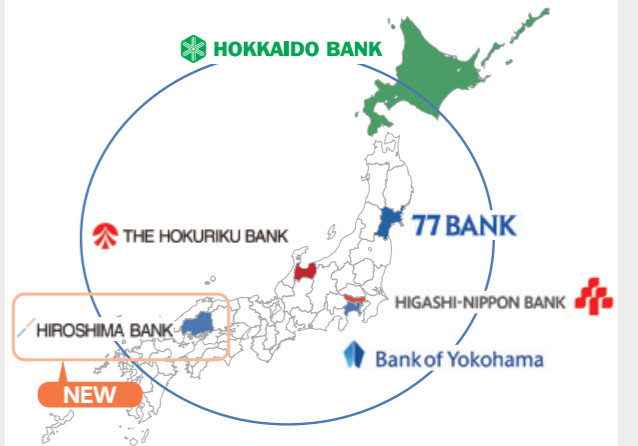


Regarding “MEJAR,” core banking system jointly used by five banks—the Bank, The Bank of Yokohama, Ltd., The Hokuriku Bank, Ltd., The Hokkaido Bank, Ltd. and The Higashi-Nippon Bank, Limited—we have agreed to adopt “open platform” that allows us to flexibly choose various types of hardware and software, to respond to customers’ diversified needs and the progress of digitalization. Looking ahead to the start of the operation of the open platform in 2024 (Phase 3 system), we are currently developing the system.

In November 2022, The Hiroshima Bank, Ltd. also participated in MEJAR. In addition, the six banks and NTT DATA Japan agreed to move ahead to the Phase 4 system by introducing the cloud to MEJAR, etc. and consider sharing systems other than MEJAR system.

We will also study potential partnerships in areas other than the system.

Capital of the six banks Total ¥50 trillion (as of March 2023)



*1 Regularly implementing information exchange, confirmation of status and joint training regarding cyber security

*2 Jointly promoting measures including the reform of operation process, and channel and service reform utilizing digital technology

03 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.

- ▶ 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



Progress status of KPI (Let's Try!)

To support increased economic growth rate in Miyagi Prefecture

To triple the number of growth support cases for business founders

Aim for 100% participation in regional development projects in Miyagi Prefecture, such as “Sendai Urban Restructuring Project” and “Next-generation synchrotron radiation facility.”

As for the 77 Bank Group's CO₂ emissions, achieve carbon neutrality by FY2030 and support cuts to greenhouse gas emissions in Miyagi Prefecture

Result in FY2021	Result in FY2022	Target in FY2023	FY2030 Vision
1,490 cases	1,761 cases	1,800 cases	3,000 cases

Result in FY2021	Result in FY2022	Target in FY2023	FY2030 Vision
10,331 t-CO ₂	9,264 t-CO ₂	9,100 t-CO ₂	0 t-CO ₂

FOCUS Reason why the 77 Bank Group is working on the regional revitalization

Regional banks support the local economy and exist based on an economic foundation. Therefore, we need to work to create an attractive region. Since 2016 for regional revitalization, the Bank has been working on the four key items of implementation: Support for founding and new businesses; support and development of regional core companies; promotion of urban development; and support for promotion of tourism, etc. We will work to aim for sustainable growth with local communities by promoting local revitalization through coordination and co-creation among industry, academia, public sector, and finance.

<The 77 Bank's regional revitalization mission> Strengthening initiatives to promote four key items of implementation

- 1 Support for founding and new businesses**
 - ▶ Support for founding and new businesses
 - ▶ Assistance with funding
 - ▶ Cooperation for various events
 - ▶ 77 New Business Subsidies
- 2 Support and development of regional core companies**
 - ▶ Support for growth of local enterprises
 - ▶ Business matching and sales channel cultivation
 - ▶ Support for industry-academia cooperation
 - ▶ IPO assistance
 - ▶ Assistance with utilization of subsidies, etc.
 - ▶ Human resources placement
- 3 Promotion of urban development**
 - ▶ Participation in regional development projects
 - ▶ Promotion of public-private partnership projects
 - ▶ Support in collaboration with external institutions
- 4 Support for promotion of tourism, etc.**
 - ▶ Support for feasibility and growth of the tourism industry
 - ▶ Assistance with promotion of inbound travel
 - ▶ Assistance with preparation of tourist intake framework

Revitalizing regional industry, economy and living

Specific initiatives

Support for founding and new businesses

▶ Founding of 77 Startup Members (August 2022)

We established “77 Startup Members” for the users of “<77> Founding Support Package” and venture companies created in Tohoku University to reinforce our support for our customers who recently started their businesses so they can grow.

The Bank holds events and seminars for founders in their early stages of business and provides information on subsidies, etc. We also periodically share information about the measures, etc. implemented by the parties supporting venture businesses, while we build up momentum for IPO.



Support and development of regional core companies

▶ Conclusion of “Agreement on Revitalization of the Manufacturing Industry” with ALPS ALPINE CO., LTD. (September 2022)

We signed “Agreement on Revitalization of the Manufacturing Industry” with ALPS ALPINE CO., LTD. to support the growth of regional enterprises and industries, give support via cooperation among industry, academia, public sector, and finance for the revitalization of industries, address regional challenges, vitalize regions, etc.



Ceremony for conclusion of agreement with ALPS ALPINE CO., LTD.

▶ Partnership with Tohoku University, National University Corporation, and Tokyo Stock Exchange, Inc.

We are presenting proposals for the utilization of the stock market, etc. collaborating with Tohoku University, National University Corporation, and Tokyo Stock Exchange, Inc. with the aim of producing listed companies from the Tohoku region.

From December 2022 to March 2023, we held the “IPO Management Human Resource Development Program TOHOKU – 77 Bank × Tohoku University × JPX –” and provided the management of companies that are aiming for listing with knowledge and information required for an IPO.



Holding of the IPO Management Human Resource Development Program TOHOKU – 77 Bank × Tohoku University × JPX –

► Support for international business

We support local customers' overseas expansion, overseas sales channel development and expansion, and overseas business including various trade transactions by utilizing our overseas network and cooperating with our domestic and overseas partners.

We provide local support to customers' overseas business via our two overseas bases in Shanghai and Singapore and dispatching our employees to Thailand, Vietnam, etc.



Holding FBC ASEAN 2022 Monozukuri Business Conference

► Holding Regional revitalization manager forum

—Tradition and Missions in Miyagi

To contribute more to regional revitalization, in May 2023, we held "Regional revitalization manager forum—Tradition and Missions in Miyagi" to generate opportunities to share and utilize knowledge, know-how, etc. of long-standing regional companies that have been running for over 100 years.

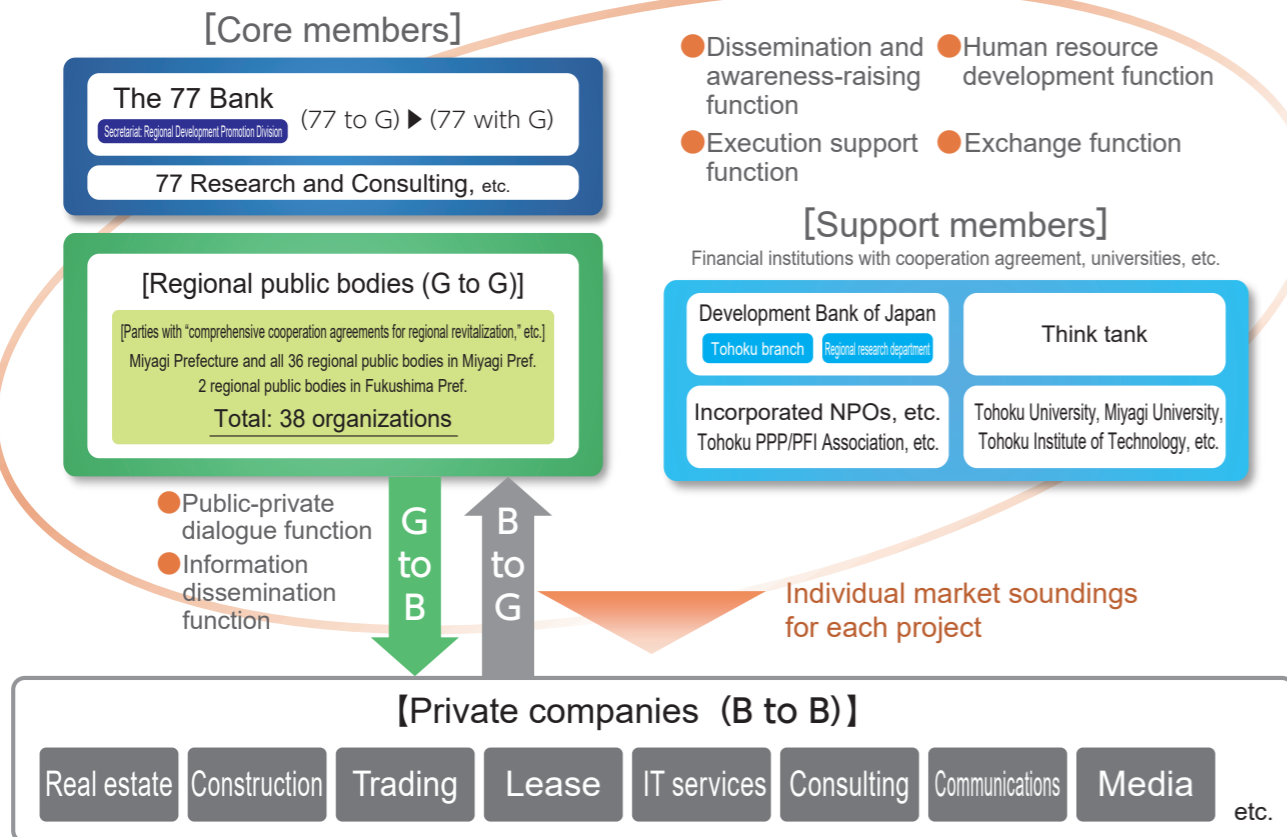


Promotion of urban development

► Formation of the Miyagi Wide-Area PPP Platform (January 2020)

As a part of our efforts based on the "Agreements on Comprehensive Cooperation for Regional Revitalization" with regional public bodies and other agreements, we have formed the "Miyagi Wide-area PPP Platform (nickname "MAPP")" as a space for continual information sharing and encouraging dialogue between the public and private sectors for the utilization of private-sector funds and know-how.

Miyagi Wide-area PPP Platform



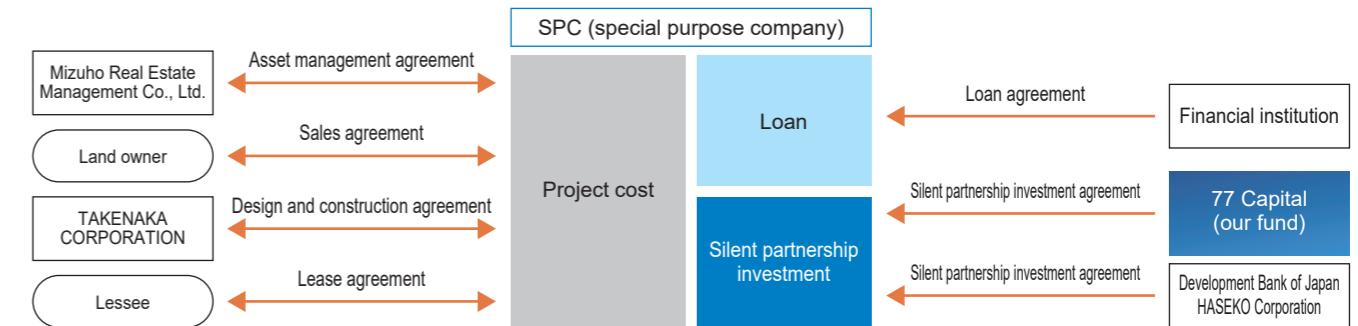
► Major initiatives related to Sendai Urban Restructuring Project

Through 77 Strategic Investment Limited Partnership, which was formed with 77 Capital Co., Ltd., the Bank invested in a special purpose company that operates the environmentally friendly office development project that uses a mixed structure of wood and steel (wooden hybrid) along Hirose-dori in Aobaku, Sendai.



Conceptual drawing

► Structure overview



► Major initiatives related to NanoTerasu

[Funding support]

We supported funding for the construction of NanoTerasu and presented a donation to the Photon Science Innovation Center, which is the foundation to manage NanoTerasu.

[Promoting utilization]

By utilizing wide networks of the Photon Science Innovation Center and the Bank, we are seeking companies that would use NanoTerasu and cooperating in hosting seminars, etc.

[Advice about business plan and strategy, etc.]

With the Development Bank of Japan Inc., the Bank participates in the management of the Photon Science Innovation Center, which is the main operator of the NanoTerasu project, as Auditor and provides advice, etc. about business plans and strategies.



Donation presentation ceremony



Arranging NanoTerasu inspection tour



Holding regional vitalization matching event

► Holding of regional vitalization matching event

In January 2023, we held a regional revitalization matching event to promote the utilization of taxation for supporting regional vitalization (nickname "corporate Furusato Nozei (Hometown Tax Donation)").

While 13 heads of regional public bodies, etc. made presentations to private companies, a total 370 visitors showed up on that day. Through the event, Tohoku Branch, SHIMIZU CORPORATION presented a donation to Kami Town and Watari Town.

As of the end of July 2023, the Bank has concluded a contract for the promotion of taxation for supporting regional vitalization with Sendai City, Ishinomaki City, Shirosishi City, Marumori Town, Rifu Town, Kami Town and Wakuya Town.

Support for promotion of tourism, etc.

► Support for the utilization of crowdfunding, etc.

We cooperated with Public Interest Incorporated Foundation ZUIHODEN for a funding project that utilizes crowdfunding for the repair work of the ZUIHODEN main temple, which was postponed due to an earthquake in 2021 that had an epicenter located off the coast of Fukushima.



Initiatives to promote sustainability

Enhancement of sustainability-related products

We enhance the lineup of various products from the viewpoint of supporting customers' efforts for sustainability.

In April 2023, we started handling Comprehensive Valuation-Type Sustainability-Related Loan (77 sustainability-linked loan, 77 green loan, and 77 social loan) and 77 Open-Type Green Foreign Currency Time Deposit.

All products received a second opinion from Rating and Investment Information, Inc.

Overview of Comprehensive Valuation-Type Sustainability-Related Loan			
	77 sustainability-linked loan	77 green loan	77 social loan
Loan target	Customers with ambitious SPTs* that help improve business sustainability and social sustainability	Customers who make a capital investment for a green project	Customers who make a capital investment for a social loan project

* An abbreviation of "Sustainability Performance Targets," which is to objectively scale the level of contribution to social sustainability.

77 Open-Type Green Foreign Currency Time Deposit	
Description	It is for the Bank to appropriate the money equivalent to customers' deposits to domestic/foreign investment and lending in the environmental sector that meet our standards. Through the product, customers can contribute to the efforts to solve social issues in the environmental sector.

Spread of sustainability

To realize a sustainable society, it is essential to spread the idea of sustainability in local communities. To widely spread the idea of sustainability, we hold seminars, etc. and take measures such as providing financial education.

Moreover, to let the idea of sustainability sink in, we endeavor to improve our employees' awareness of sustainability by regularly sharing sustainability-related information with them.

Strengthening partnership for sustainability

Conclusion of "Cooperation Agreement for the Promotion of Carbon Neutrality" with Tohoku Electric Power Co., Inc. (April 2023)

Details of partnership

- Implementation of activities for promoting carbon neutrality
- Implementation of activities for raising awareness about carbon neutrality
- Other matters that both parties agreed as necessary for carbon neutrality in local communities



Conclusion of "Partnership Agreement on the Promotion of Sustainability in Local Communities" with Nippon Life Insurance Company (June 2023)

Details of partnership

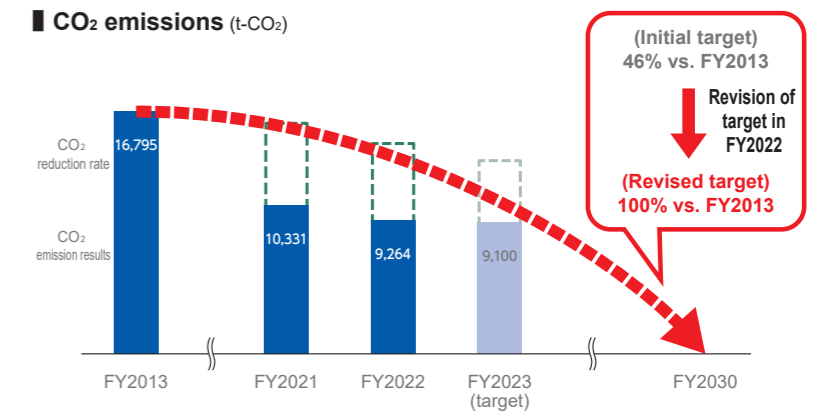
- Matters related to the revitalization of the regional economy
- Matters related to the realization of an affluent society and life
- Other matters related to the promotion of regional sustainability



Initiatives for global warming and climate change

Realization of carbon neutrality

To further reinforce the response to climate change, the 77 Bank Group reviewed existing FY2030 CO₂ emissions targets (reduction rate compared with FY2013) set as a KPI in "Vision 2030" and "SDGs Action Plan" and changed it to "Aim to achieve carbon neutrality by FY2030."



Introduction of renewable energy

With Tohoku Energy Service Co., Inc., which is a 100% subsidiary of Tohoku Electric Power Co., Inc., the Bank concluded an agreement regarding an off-site corporate PPA [self-consignment system] service.

We will establish 77 Solar Park Tomiya, a solar power plant of about 2,000 kW, on our unused land in Tomiya City, Miyagi Prefecture, and supply the power generated from renewable energy to the head office building and some branches.

We aim to complete construction and start supplying power by 2024. It is estimated that about 1,237 t-CO₂ emissions will be reduced per year.

(Reference) Conceptual image of off-site corporate PPA [self-consignment system] service



Calculation of Scope3 emissions

(Please refer to page 49 for details)

For Scope3, the emissions for category 6 (business trip), 7 (employees' commuting) and 15 (investment target and borrower) were calculated (Scope3 total: 10,013,332 t-CO₂). Based on the calculation of Scope3, we will promote our engagement and provision of solutions to reduce greenhouse gas emissions by our investment target and borrower.

Response to TCFD recommendations

Based on the acknowledgement that the response to sustainability-related challenges including climate change is one of the important management issues, in April 2023, we identified the “response to climate change and disaster” as the important issue of the 77 Bank Group in “the 77 Bank Group’s materiality,” which was formulated and released having the engagement of all officers and employees including Outside Directors. We reinforced our initiatives, and enhanced information disclosure measures based on the TCFD recommendations.

Governance

The Bank has established a basic policy for sustainability promotion management, and in addition to formulating the “Sustainability Promotion and Management Policy” in January 2022 to ensure this is managed properly and sufficiently, we set up the “Sustainability Committee,” chaired by the President, in July 2022. Through discussing and reporting the relevant important matters, including climate change, we ensure the results of these efforts are reflected in management strategies and risk management.

In FY2022, we held the Sustainability Committee meeting five times to deliberate on ways to reinforce the management structure to promote sustainability and report the content to the Board of Directors.

Since October 2021, in line with the “SDGs Action Plan,” which is formulated each fiscal year, we have been regularly reporting the status of initiatives for the SDGs such as climate change to the Board of Directors and have constructed a system where the Board of Directors supervises the status thereof. Moreover, for the purpose of promoting initiatives for solving environmental and social problems such as climate change on a Group-wide basis, we have set up the “Sustainability Promotion Office” inside the General Planning & Coordination Division and while putting in place a system for appropriate management, we are ensuring that measures are promoted effectively.



Strategy

The Bank will try to identify risks and opportunities with scenario analysis, etc. At the same time, based on “SDGs Action Plan,” etc., we will reinforce our initiatives to “respond to climate change and disasters” by taking measures to minimize risks and maximize opportunities.

Risks and scenario analyses

As for climate change risk, we recognize the following physical and transitional risks as assumed impact on customers’ business and risks that would affect the Bank’s business continuity. We analyze the impact when the risks become eminent for the timeframe of short (5 years), medium (10 years) and long (30 years) terms.

Classification	Assumed risk	Time frame		
		Short	Medium	Long
Physical risks	• Occurrence of credit risk caused by natural disaster affecting customer’s sales base and suspending its business	○	○	○
	• Occurrence of credit risk caused by the declined value of real estate collateral due to natural disaster	○	○	○
	• Occurrence of operational risk due to the Bank’s branch, etc. being affected by natural disasters	○	○	○
	• 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.			○
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	○	○	○
	• Occurrence of credit risk due to the failure of decarbonization technology and changes in the market giving a negative impact on customer’s business	○	○	○
	• Occurrence of reputation risk of the Bank when our response to climate change/information disclosure is insufficient	○	○	○

<Scenario analyses>

For physical and transitional risks, we anticipate each risk’s intensifying scenarios as follows, and analyze the influence when the risk becomes eminent.

[Scenario analysis results]

Physical risks	<ul style="list-style-type: none"> Based on the 4°C scenario (RCP8.5) presented by the Intergovernmental Panel on Climate Change (IPCC), we analyzed the impact on the collateral value on a municipality basis, targeting real estate collateral in Miyagi Prefecture, in the event of storm and flood damage equivalent to that of Typhoon No. 19 in 2019 referring to a hazard map, etc. As a result of analysis that takes into account the temperature rise up to 2050, the collateral value by region is expected to decrease by up to ¥10.0 billion.
Transitional risks	<ul style="list-style-type: none"> Based on the below 2°C scenario presented by the Network for Greening the Financial System (NGFS), we analyzed the impact on credit expenses for borrowers in the power and utilities sector as a result of deterioration of financial conditions due to tax burden caused by the introduction of carbon taxes and existing facilities turning into stranded assets. As a result of analysis covering the period up to 2050, credit expenses are expected to increase by a maximum of about ¥9.4 billion.

<Carbon-related assets>

The Bank’s exposure to the energy and utilities sector accounts for 3.6% of its loans and bills discounted (however, water utilities, independent electric power, and renewable power businesses are excluded).

■ Opportunities

We are aware that it is important to make efforts to achieve carbon neutrality and keep supporting our customers’ decarbonization initiatives for the long term based on the calculation of Scope 1, 2 and 3.

We understand that new business opportunities will emerge and enhance as there is a rise in demand from society for our support for customers’ decarbonization initiatives, including related consulting capability and financial intermediary function (transition finance), such as the investment and lending required for decarbonization projects.

The same as “risk,” for the “opportunities” of climate change response, we will use the time frame of short (5 years), medium (10 years) and long (30 years) terms.

No.	Assumed opportunity	Time frame		
		Short	Medium	Long
(1)	• Expansion of investment and lending opportunities for research and development investment, capital investment, etc. for energy-saving and changes of fuel and materials for the manufacturing industry, etc.	○	○	○
(2)	• Expansion of investment and lending opportunities for power generation facilities associated with the conversion of renewable energy into main power source	○	○	
(3)	• Increase in consulting needs for the strategy formulation and risk control for companies’ decarbonization	○		
(4)	• Expansion of investment and lending opportunities related to the start of new decarbonization-related business by companies, etc.		○	○
(5)	• Expansion of investment needs with investment products that pay attention to environmental protection	○	○	

<Major initiatives related to business opportunities>

- (1) Introduction of sustainability-related products
 - A. Introduction of eight products including sustainability-linked loan based on international principles, etc.
 - B. Introduction of "77 Seven Goals," SDGs loan with fixed goals
- (2) Execution of renewable energy-related funding (actual results: 461 cases/¥209.1 billion)
- (3) Introduction of various consulting services, etc.
 - A. Provision of SDGs support service (number of actual applications: 214)
 - B. Start of the referral business of CO₂ emission visualization service (business partnership with e-dash Co., Ltd.)
 - C. Commencement of initiatives to provide sustainability-related advanced products and services by establishing the network for "MEJAR sustainability solution partnership" among the six banks that jointly operate the enterprise system, "MEJAR"
- (4) Launch of initiatives for the expansion of business opportunities
 - A. Review of the business evaluation effort from the viewpoint of sustainability
 - B. Start of engagement with companies that emit large amounts of GHG using the financed emission calculation
- (5) Enhancement of investment products for customers
 - Introduction of 77 Open-Type Green Foreign Currency Time Deposit and SDGs-related investment trust

Risk management

- The Bank recognizes that physical and transitional risks caused by climate change may have a significant financial impact in the future.
- With measures such as the revision of risk management rules, we are preparing the system to capture and verify climate change-related risks properly. At the same time, with regular scenario analysis and stress tests, etc., we implement comprehensive analysis and verification regarding the impact of the materialization of physical and transitional risks on the soundness of equity and finance, and a ripple effect on other risk categories*, especially credit risk.

* Increase in credit risk capital due to rising probability of default (PD) and loss given default (LGD), growth of operational risk equivalent amount associated with the damage to tangible fixed assets (internal losses), etc.
- The Bank established "Lending Policies for Specific Businesses" and decided not to provide loans to companies that would have a negative impact on the environment and society.

Indicators and targets

- To further reinforce the response to climate change from FY2023, the 77 Bank Group upgraded the KPI regarding the reduction of CO₂ emissions from "a 46% reduction compared with FY2013" to "the realization of carbon neutrality by FY2030." (Target: Scope1 and 2).

Furthermore, in FY2022, we succeeded in reducing CO₂ emissions by 44.8% compared with FY2013.

<Scope1 and 2>		(t-CO ₂)				
Items measured	FY2013	FY2019	FY2020	FY2021	FY2022	
Scope1 (kerosene, heavy oil A, etc.; however, gasoline is excluded)	1,894	1,638	1,600	1,483	1,185	
Scope2 (electricity, local hot water)	14,901	10,689	10,597	8,848	8,079	
The Bank's total (Scope1 + 2)	16,795	12,327	12,197	10,331	9,264	
Reduced volume of CO ₂ emissions (The Bank's total) (Vs. FY2013)	—	(4,468)	(4,598)	(6,464)	(7,531)	
Reduction ratio of CO ₂ emissions (The Bank's total) (Vs. FY2013)	—	(26.6%)	(27.3%)	(38.5%)	(44.8%)	

Note : The number above is the CO₂ 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 CO₂ emissions to be "0."

<Scope3>

Category	CO ₂ emissions (t-CO ₂)
Scope3 total	10,013,332
Category 6 (business trip)	524
Category 7 (employees' commuting)	1,212
Category 15 (investment target and borrower)	10,011,596

Note 1: The calculation of Scope3 is based on the "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 2.5)" and the "Policy on Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver. 3.3)" issued by Ministry of the Environment.

Note 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.

●Customers' CO₂ emissions by industry and region

FE related to all of the Bank's investment targets and borrowers (Note 1)

No.	Industry classification	CO ₂ emission attributable to the Bank (Note 2) (t-CO ₂)
1	Power	2,131,840
2	Metal and mining	921,391
3	Beverage and food products	790,957
4	Chemistry	681,057
5	Construction material and capital goods	667,057
6	Land transportation	384,685
7	Paper and forestry	228,000
8	Automobiles	177,089
9	Real estate management and development	144,234
10	Oil and gas	101,396
11	Sea transportation	13,762
12	Agriculture	11,926
13	Air transportation	1,480
14	Coal	—
15	Others	3,756,722
—	Total	10,011,596

FE related to investment and lending for companies in Miyagi

No.	Industry classification	CO ₂ emissions attributable to the Bank (Note 2) (t-CO ₂)
1	Power	908,777
2	Beverage and food products	445,853
3	Land transportation	152,880
4	Construction material and capital goods	145,023
5	Metal and mining	135,861
6	Chemistry	131,520
7	Automobiles	73,170
8	Real estate management and development	65,534
9	Paper and forestry	33,019
10	Oil and gas	19,857
11	Agriculture	8,816
12	Sea transportation	4,674
13	Air transportation	—
14	Coal	—
15	Others	2,371,756
—	Total	4,496,741

Note 1: FE is an abbreviation of "financed emission." It indicates the portion of customers' emissions attributable to the Bank.

Note 2: Measurement target is the amount of the Bank's investment and lending excluding the investment in domestic public bonds and foreign securities, and loans for local governments, non-residents and individuals.

- Based on the calculation results for Scope3, we will proceed with the engagement and the provision of solutions to reduce greenhouse gas emissions by our investment and lending customers.
- The following KPI is set as an index and goal to reduce risks and capture opportunities related to climate change.

Total cumulative sustainable finance executed: FY2030 target ¥1.2 trillion (FY2022 results: ¥425.7 billion)

04

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



Progress status of KPI (Let's Try!)

To increase the proportion of women in management positions to 30% or more

Result in FY2021	Result in FY2022	Target in FY2023	FY2030 Vision
14.2%	16.0%	17.0%	30.0%

Increase the number of “specialist personnel” that serve a purpose for customers and local communities

To implement various initiatives to “foster an ambitious spirit”

Message from Director responsible for human resources

To establish an ambitious corporate culture, we will work on reforming corporate culture

Managing Director Hiroshi Kobayashi



Establish an ambitious corporate culture

In “Vision 2030,” which started in FY2021, we determined “human resources” to be the key factor to achieve “Our target form” to establish an ambitious corporate culture. The 77 Bank Group will utilize the qualities of each individual to develop “human resources that serve a purpose for customers and local communities” and “human resources that contribute to corporate reform,” which will serve as an asset for the Bank into the future. We defined corporate culture reform as a specific strategy. As a part of the initiative, in April 2023, we implemented a personnel system reform to promote diversity and create a virtuous cycle where all officers and employees tackle new challenges

and gain confidence and cheerfulness.

It has been 57 years since we conducted a drastic review of the salary system last time. By changing the salary system from an occupational ability type to a job duty type, we encourage our employees to aim for high-value-added job duties.

The speed of environmental change has never been this fast with the advancement of digital technology, entry into other industries, etc. To become a business entity that is sought after by local communities, it is essential for us not only to arrange structure but also have each employee act based on a proper understanding of the situation. It requires sufficient time to change the existing corporate culture; however, we would like to steadily endeavor step by step to realize “Our target form” to aim for over the long term.

Personnel system reform after 57 years

Basic approach to personnel system reform

1. We will shift the focus of the personnel system from occupational ability to job duty from the viewpoint of encouraging our employees to aim for high-value-added job duties by evaluating the differences of job duties and roles properly and reflecting them in the treatment.
2. Considering the diversification of people's attitudes toward work and values, in order to enable our employees' independent career development, we will break down the classification of job duty salary further based on job duties and roles, and introduce the professional system.
3. We will review personnel evaluation systems to assess the characteristics of each job duty, employee's willingness to tackle challenges, etc. appropriately, conduct more flexible assignment, and gain a better understanding of the assessment for the development of human resources.

Establish an ambitious corporate culture

Keyword

Ambition

We take on challenges while aware of the need to achieve daily growth and work while being highly motivated.

Selection (diversity)

We accept each person's diversified values and choose a work environment that lets us work while being comfortable in our own skin.

Engagement

With sufficient communication, we establish a firm mutual trust relationship between the Bank and employees by having expectations for each other and fulfilling them.

Message from Director responsible for human resources

Our efforts for human capital management

The 77 Bank Group positioned human capital as the source of value creation in the sustainability management framework. "People" are the one true source of corporate growth. Through measures such as the establishment of the Diversity Promotion Office in 2016, we have been striving to create a workplace where a diverse range of human resources can work with enthusiasm, while maintaining a sense of fulfillment in their work. We set the corporate culture reform strategy in "Vision 2030" and are implementing various measures.

For better human capital management, it is crucial to have a human resource strategy that correlates with a management strategy.

Based on this situation, we implement the "Human Resource Development Policy" and the "Internal Environment Development Policy," which were established and publicized in April 2023 as policies for human capital management. "Human resources that serve a purpose for customers and local communities" and "human resources that contribute to corporate reform" stated in the Human Resource Development Policy and "employee-friendly work environment" and "rewarding work environment" described in the Internal Environment Development Policy are the foundation. Each of these elements affect each other and form the human resources of the 77 Bank Group.

We will work beyond the human resource measures and aim to enhance the content of human capital management with appropriate disclosure, engagement with stakeholders and reporting to the Board of Directors.

Initiatives to promote the active participation of women

In June 2023, the Council for Gender Equality, established inside the Cabinet Office, made a policy to aim to attain a female officer ratio of over 30% for companies listed on the Prime Market by 2030. While we are making efforts to increase the proportion of woman in management positions to 30% or more by FY2030, which is one of the KPIs included in "Vision 2030," we need to reinforce the initiatives further. More than half of the Bank's employees are female, and it is not an overstatement to say that we cannot progress without women's empowerment.

The fields where women can actively demonstrate their abilities are expanding: As of the end of June 2023, seven women were appointed as branch general manager, and an employee took the office of Director of a group company as the first female employee to do so. To flexibly cope with the progress of diversification and changes in the environment, it is essential to have women's empowerment. We believe that we need to provide opportunities for more employees to demonstrate their capabilities fully by enhancing the training structure, etc. One of the comments from a female employee was, "I would like to take on the challenge of becoming a branch general manager. However, when I think about the actual work involved, I feel uneasy." Therefore, we arrange occasions for a female Outside Director and female employees to hold discussions. We would like to arrange a structure and provide useful information to help employees develop their career as they desire.

Creation of a work environment where people can work with enthusiasm

The Bank identified "Creation of a work environment where people can work with enthusiasm" as one of the items considered as "Materiality." In addition to human resources development, we are working to arrange a work environment that is employee friendly and rewarding, to become an organization that allows diverse human resources to demonstrate their capabilities fully. In April 2023, to support the realization of various life and career plans, we introduced "Life Plan Administrative Leave System." It can be utilized for studying abroad, accompanying a partner who has been transferred to a different location, receiving infertility treatment, etc. In addition, to ensure a good balance between work and family, we introduced a system to help employees come back to work soon after parenting leave. While promoting the utilization of each system, we also understand that it is essential to have understanding and cooperation from supervisors and colleagues at a workplace for employees to use the system. Through opportunities such as training, we will raise employees' awareness and improve each employee's engagement.



Our efforts for human capital management

To increase the value of human capital securing a diverse range of talented people, we developed the "Human Resource Development Policy" and the "Internal Environment Development Policy" for the 77 Bank Group.

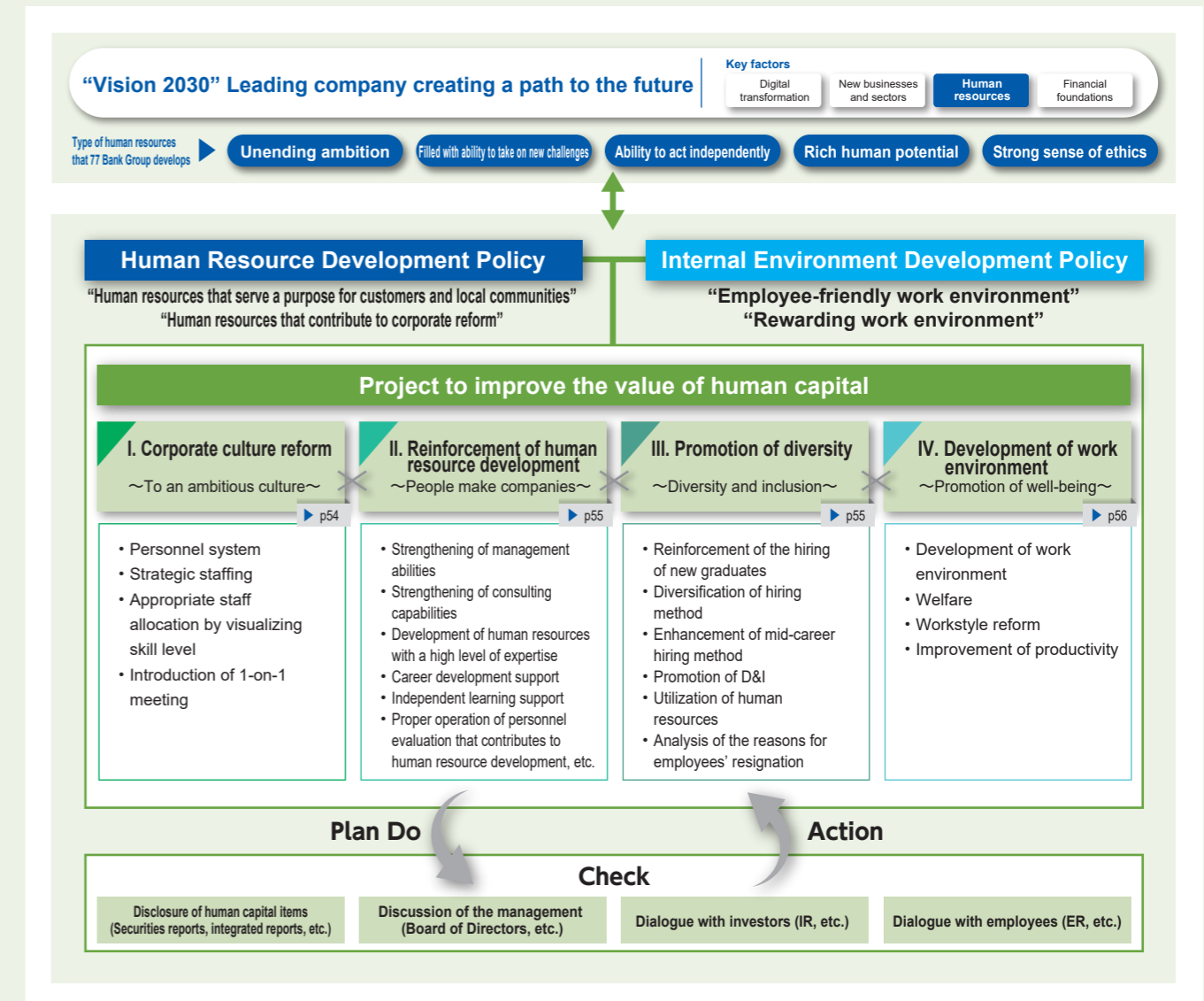
Human Resource Development Policy

Aiming to become a "leading company creating a path to the future" for the prosperity of local communities, the 77 Bank Group will strive to develop the following: "Human resources that serve a purpose for customers and local communities" who have specialties, such as consulting skills to help invigorate the region and solve customers' issues, and abundant personal capabilities; and "human resources that contribute to corporate reform," which means a diverse range of talented people that are independently willing to develop their career and have outside-the-box thinking and a challenging spirit.

Internal Environment Development Policy

Aiming to build an organization that allows a variety of human resources to make full use of their capabilities, the 77 Bank Group will work on creating the following: "Employee-friendly work environment" that enables employees to comfortably work while maintaining their physical and mental health having smooth communication; and a "rewarding work environment" that allows people to work with enthusiasm while utilizing various values and strengths.

The 77 Bank Group's human capital management



Corporate culture reform ~To an ambitious culture~

By developing employees who aggressively take on challenges and create a path to the future without being constrained by precedent, all officers and employees are working on the reform to establish an ambitious corporate culture.

▶ Holding of business planning contest

In order to discover attractive new businesses and human resources with the ability to vigorously take on new challenges, we held a business contest for the second time, following on from FY2021, and received 121 applications. For the contest in FY2022, we added Outside Directors as a final jury to reflect various opinions in the judgment. Some of the submitted ideas were commercialized and publicized in April 2023 (healthcare fund specialized in local communities).

We will host the contest again in FY2023 to continue to generate new businesses.



Holding of business planning contest

Commercialized idea

~Establishment of Tohoku Healthcare Support Co., Ltd.~

Tohoku Healthcare Support Co., Ltd. was established in April 2023 based partially on an idea that won an award at the business planning contest held in December 2022. Its purpose is to form a healthcare fund specialized in local communities. The idea was generated by observing local customers' problems close up and considering the relationship with our bank business.

We realize that the local medical industry has a mountain of problems, and will try to expand the new business domain.



Establishment of Tohoku Healthcare Support

▶ Spread of corporate culture

For "Vision 2030" that was launched in 2021, the President and Directors responsible for specific area(s) are providing briefings for each employee to understand the purpose of the formulation of "Vision 2030" and details of the policy and spread it in the Bank.

In addition, the branch general managers and HQ section managers are taking the lead to explain to their subordinates about the short-term management plan, which is related to the management plan, and a summary of the meeting for the branch general manager, which is held every half year.

Through dialogue with the management, we will nurture a challenging spirit, improve engagement and spread the corporate culture.

Holding of President's Cram School

In June 2023, the President's Cram School was held, having President Kobayashi as its lecturer, for HQ section managers to promote their understanding of "Vision 2030" and develop their business management sense. In the President's Cram School, the President explained about a review of the details of "Vision 2030," future policies, expectations for HQ section managers, etc. along with his experiences.



Holding of President's Cram School

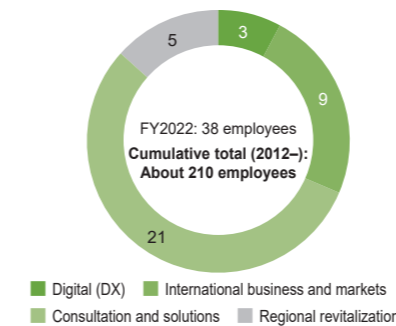
Reinforcement of human resource development ~People make companies~

The Bank is working to develop human resources with high consulting skills and highly specialized personnel who can contribute to local communities and improve customers' satisfaction by strengthening human resource development investment such as trainings and independent study support and allocating staff in such a way that they can fully make use of their abilities.

▶ Development of specialists through external dispatchment

We are improving specialization such as consulting skills through dispatching employees to external organizations in various fields. Since 2012, a cumulative total of about 210 employees have been dispatched. They are utilizing their specialties at each business department/section/branch, group company, etc.

■ Breakdown of the external dispatch locations



Main fields of dispatch

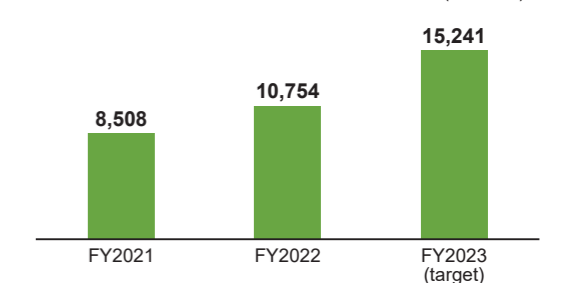
- Digital (DX)
(Cashless, system-related, data utilization operations, etc.)
- International business and markets
(Overseas expansion support, advisory operations, etc.)
- Consultation and solutions
(Consulting, sustainability-related, healthcare-related, M&A, asset management operations, etc.)
- Regional revitalization
(Regional promotion, tourism promotion, real estate development-related operations, etc.)

▶ Enhancement of training system

In FY2023, based on human capital management, we identify the following five points, "strengthening of management abilities," "strengthening of consulting capabilities," "development of young employees," "development of human resources with a high level of expertise" and "training for reskilling and career development support," as priority measures and enhance our training structure.

We also conduct "77 Business College" for people who wish to use it by holding seminars during holidays and at night-time on weekdays. The themes include "knowledge brush-up," "skill improvement by theme," "preparation for certification examination," and "promotion of diversity."

■ Trend of number of training sessions and seminar attendants (Persons)



▶ Independent learning support

We support employees' independent learning and foster their willingness to improve their skills by providing an incentive to people who acquired licenses that are hard to acquire to respond to customers' more sophisticated needs and expand the scope of various solutions.

Promotion of diversity ~Diversity and inclusion~

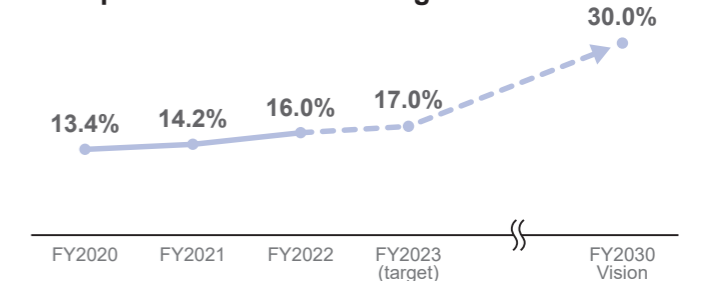
The Bank promotes diversity and inclusion and works to improve corporate value to let various human resources play an active role in various fields and contribute to the activation of Miyagi and Tohoku and customers' problem-solving.

▶ Spreading an awareness of diversity and inclusion

To promote diversity further by supporting women's empowerment, we held seminars to improve practical operational skills and widen the range of work.

Moreover, we are expanding options for diversity by extending the employment period, introducing a long-term administrative leave system, "Life Plan Administrative Leave System," enhancing life balance support system related to parenting, introducing a second/side job system, etc.

• Proportion of female managers



▶ External evaluation of our efforts

Chosen as a constituent of "MSCI Japan Empowering Women Index," which recognizes companies with outstanding efforts in promoting the participation and advancement of women in the workplace (As of December 2022)

2022 CONSTITUENT MSCI日本株 女性活躍指数 (WIN)

*Notes on MSCI indexes and logos, etc. THE INCLUSION OF The 77 Bank, Ltd., IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF The 77 Bank, Ltd., BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

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



Development of work environment ~Promotion of well-being~

The Bank is working to arrange flexible work styles that meet employees' lifestyles or life stage, and a work environment that lets employees comfortably work while maintaining their physical and mental health.

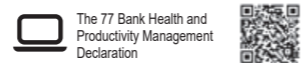
▶ Promotion of health and productivity management

So that each employee can work with enthusiasm while being physically and mentally healthy, in December 2018, we formulated the "Health and Productivity Management Declaration" to strengthen our initiatives for health management by maintaining and promoting health.

In March 2023, the Bank was certified as "Health & Productivity Management Outstanding Organization 2023" under the "Certified Health & Productivity Management Outstanding Organizations Recognition Program" formulated by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.



Furthermore, the 77 Bank Health and Productivity Management Declaration is disclosed on our website.



VOICE

For the promotion of diversity

In June 2023, I was elected as Director of 77 Securities, a group company. Currently, as Director and General Manager of Business Div., Headquarters, I am controlling the sales promotion divisions.

Since I entered the Bank, there have been changes in the economic and financial environment, advancement of IT and industrial structure changes due to globalization. Therefore, corporate management and human resource development techniques have drastically altered. I believe that such environmental changes will accelerate.

To realize the "corporate culture reform" that the Bank is targeting, we need to employ and utilize a diverse range of talented people and ensure there are various kinds of expertise and skills in management.

For the 77 Bank Group, one of the crucial management issues is to maintain diverse human resources that can respond to needs and continue developing a culture that respects diversity. I have served as Manager of the Diversity Promotion Office of the 77 Bank and branch general manager, etc., and am aware of the difficulty and importance of women's empowerment. Therefore, I would like to take the lead and help promote diversity in the 77 Bank Group.



Director, 77 Securities
Kyoko Suzuki

Results of initiative by project

Item	FY2021 results	FY2022 results
I. Corporate culture reform	Number of employees qualified as 1st grade Financial Planner/Certified Financial Planner	177 ▶ 192
	Number of employees qualified as Small and Medium-size Enterprise Management Consultants	32 ▶ 32
	Number of digital technology human resources*	— ▶ 674
	Number of employees who tried HQ duty trials	76 ▶ 96
II. Reinforcement of human resource development	Number of dispatched trainees, etc. in Japan and abroad	33 ▶ 38
	Training cost per person	¥63,000 ▶ ¥74,000
III. Promotion of diversity	Number of new graduates hired	124 ▶ 97
	Number of midcareer hire employees	5 ▶ 10
	Ratio of female managers	14.2% ▶ 16.0%
IV. Development of work environment	Employee Stock Ownership Association participation ratio	61.7% ▶ 97.6%
	Annual paid time off consumption rate	73.4% ▶ 75.4%
	Average monthly hours of overtime work	12 hours18 minutes ▶ 13 hours30 minutes
	Completion rate of regular health checkup	100% ▶ 100%
	Completion rate of detailed examination	91.3% ▶ 90.7%
	Smoking rate	20.4% ▶ 20.8%
	Stress check completion rate	93.0% ▶ 93.4%

* As for the development of digital technology human resources, please refer to page 38.