

CONCORDIA

Financial Group

Concordia Financial Group

IR Day

April 13, 2023

[Speakers]

Tatsuya Kataoka	President and Representative Director/Representative Director, President of The Bank of Yokohama, Ltd.
Nobuo Onodera	Director/Representative Director, Managing Executive Officer of The Bank of Yokohama, Ltd.
Michifumi Katsuta	Director and Executive Officer

Kataoka: Good morning, everyone. Thank you all for taking time out of your busy schedules today to join us for the Concordia Financial Group's IR Day. I would like to begin today's IR Day with a few words.

Our goal is to be a solution company rooted in communities and selected as a partner to walk together. We started our medium-term management plan last fiscal year and entered its second year in April.

Strengthening the solutions business is naturally the most important issue in realizing a solution company. In October last year, we held an IR Day to discuss two of the key issues of our medium-term management plan: deepening and expanding solutions business and talent portfolio reforms. We explained our initiatives, the direction we are taking to strengthen our solutions business, and the human resource strategy.

However, there is a gap between what we are aiming for and the current situation with regard to two aspects of our human resource strategy, quantity and quality, in order to achieve sustainable corporate value. By identifying this gap, developing a human resource strategy to fill the gap, and implementing that human resource strategy, we will realize a management strategy to achieve our business goals. We regret that we were not able to explain this enough to you in November.

What management strategies will be implemented to achieve our target of 7% ROE in FY2027 Based on that management strategy, what kind of human resource strategy should we do in conjunction with it? Since then, the Board of Directors has had a number of discussions.

Today, I would like to have a lively exchange of views on the theme of human resource strategy with all the participants in the hall and those who are participating via the web.

As the moderator mentioned earlier, Mr. Onodera will explain the human resource strategy that is linked to the management strategy, and Mr. Katsuta, who is in charge of human resources, will explain the main measures based on the human resource strategy. I hope that through today's IR, you will deepen your understanding of Concordia Financial Group, and if you have any opinions, please feel free to express them to us. We look forward to having a meaningful time with you.

Human Resource Strategy

Creating New Value and Sustainable Growth

- Aiming to be a company that people want to work for and a company that people choose -

FY2023 - 2027

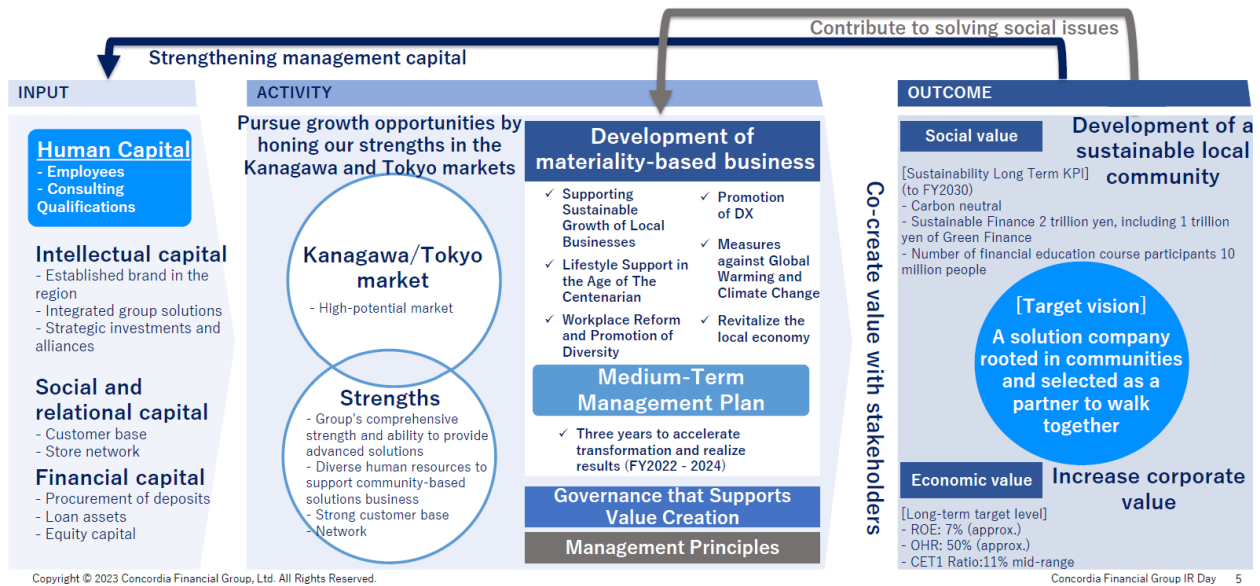
April 2023

Onodera: I would like to explain the human resource strategy in conjunction with the management strategy.

Please refer to title page. Under the title "Toward the Creation of New Value and Sustainable Growth," we have included our human resource strategy for the period from FY2023 to FY2027. This is a plan for the period starting from the current fiscal year and including the next mid-term plan period until FY2027.

Value Creation Process

Clarification of the position of human capital as one of the most important capitals within management capital, the source of value creation



Please refer to page five. This is a summary of the value creation process as presented in the Integrated Report.

As you can see in the upper-right corner, our first priority as a company is to enhance our corporate value by contributing to solving social issues. As shown on the left, we consider human capital to be one of the most important assets in achieving this goal.

Incidentally, it is often said that "finance is people." At our bank, we have been told this by our seniors for generations. In our industry, it is difficult to differentiate our products because they are money. Of course, there are differences in interest rates and other conditions, but it is very important for customers to decide where to borrow and from whom.

The key to this decision, I believe, is trust. I understand the term to mean that it is the people who create it.

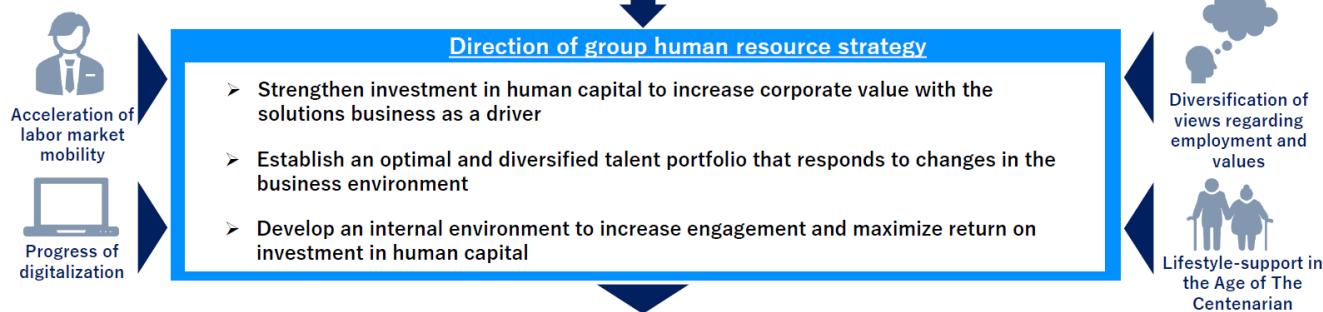
The value of human capital is an important theme, and in that sense, I now think again that our industry may have been aware of the idea that human capital is capital.

Formulation of Human Resource Strategy Linked to Management Strategy

Adapting to changes in the environment and realizing a human resource strategy to become a solutions company

Long-term vision	A solution company rooted in communities and selected as a partner to walk together	
Medium-Term Management Plan (FY2022 - 2024) Three years to accelerate transformation and realize results	Growth	<ul style="list-style-type: none"> Moving from the solution business establishment phase to the deepening and upgrading phase Strengthen and expand business areas by leveraging strategic investments and alliances
	Change	<ul style="list-style-type: none"> Investment capacity to be created by realizing the effects of structural reforms invested in growth Accelerate talent portfolio reforms and DX to achieve customer convenience for transformation into a solutions company
	Sustainability	<ul style="list-style-type: none"> Establish sustainability management and continue to upgrade governance to support it Enhance dialog and information disclosure with stakeholders to enhance corporate value

Linkage of management and human resource strategies ↔ Closing the gap between 'As is' and 'To be'



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Fostering and establishing a corporate culture by encouraging behavioral change through implementation of policies

Concordia Financial Group IR Day 6

Please refer to page six. We present the human resource strategy linked to the management strategy and the medium-term business plan.

In the mid-term plan, our long-term goal is to become "a solution company rooted in communities and selected as a partner to walk together with." The current medium-term management plan, which enters its second year in the current fiscal year, is organized into three pillars: growth, change, and sustainability.

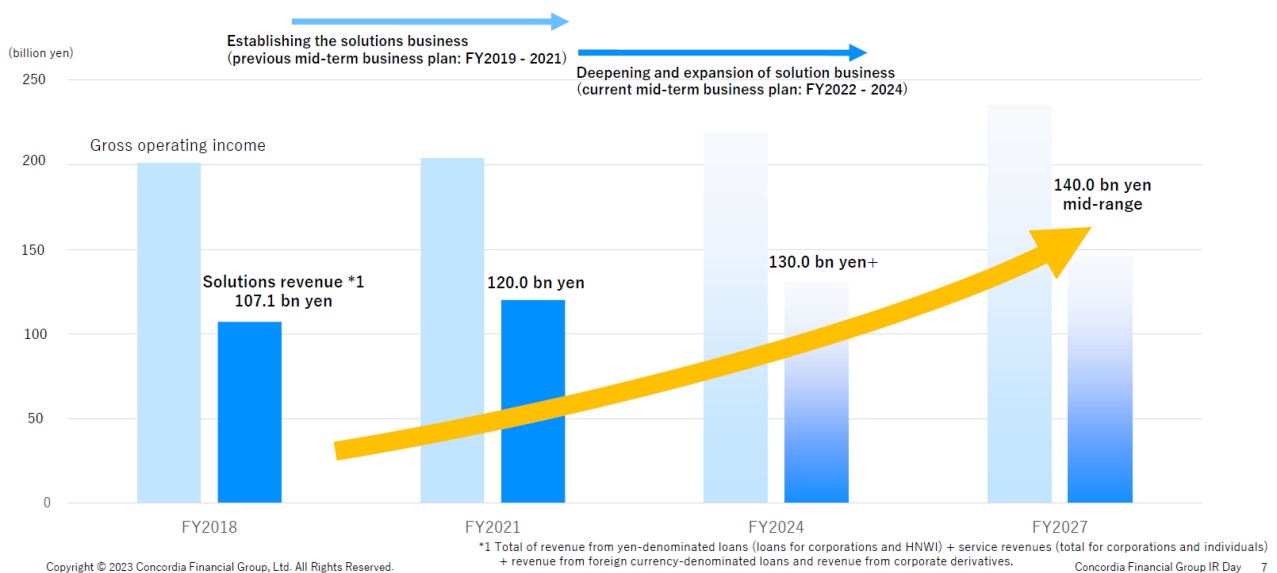
I think the key words are strengthening our ability to provide solutions, structural reforms, and strategic investments. By combining this management strategy with the external environment, we have organized the direction of our human resource strategy.

In the box below, we have noted the following three pillars: Strengthen investment in human capital to increase corporate value with the solutions business as a driver; build an optimal and diverse talent portfolio in response to changes in the business environment; develop an internal environment to increase engagement and maximize the return on investment in human capital.

We believe that incorporating the gaps between these directions and the current situation as measures to foster and establish a corporate culture will ultimately lead to our rebirth as a solution company.

Strengthening Solution Profitability

Strengthen solution profitability, the foundation of our revenue, to become a solutions company



On page seven is an image of what the solution company in our long-term vision should look like.

We add value in the form of solutions to traditional banking operations. In doing so, we grow by increasing the profitability of our core business, which is derived from our sales force and customer base, rather than relying on market revenues. We consider that is a solution company.

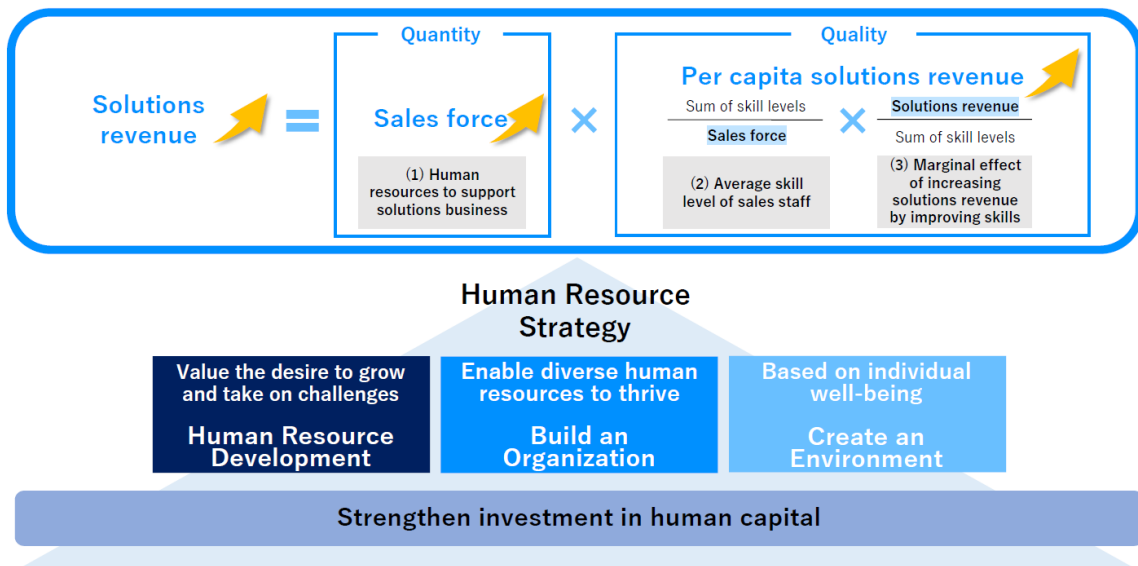
On top of that, as shown in the bar graph, one of our objectives is to increase the profitability of the entire group by continuing to increase the amount of solution revenue, which is already increasing steadily.

The goal of the current mid-term plan, which runs through FY2024, is to achieve solution revenue of just over JPY130 billion, and in the next mid-term plan, we intend to vigorously increase this figure to the mid-JPY140 billion range.

As you will see in the notes below, we define the amount of solution revenue as the revenue that our employees earn by working hard for our customers, excluding mass-market mortgage loans, consumer loans, and payment settlement business. The goal of management is to grow this, and the human resource strategy is to achieve this goal.

Solutions Revenue Enhancement Approach

Strengthen profitability by implementing human resource strategy to improve skills and increase sales force through investment in human capital



Please refer to page eight. We have reorganized our efforts to increase the solution revenue.

The growth in solution revenue amount is described by a formula. Quantity is to increase the number of sales people, the number of human resources who support the solutions business.

Quality is to increase the amount of solution revenue per capital.

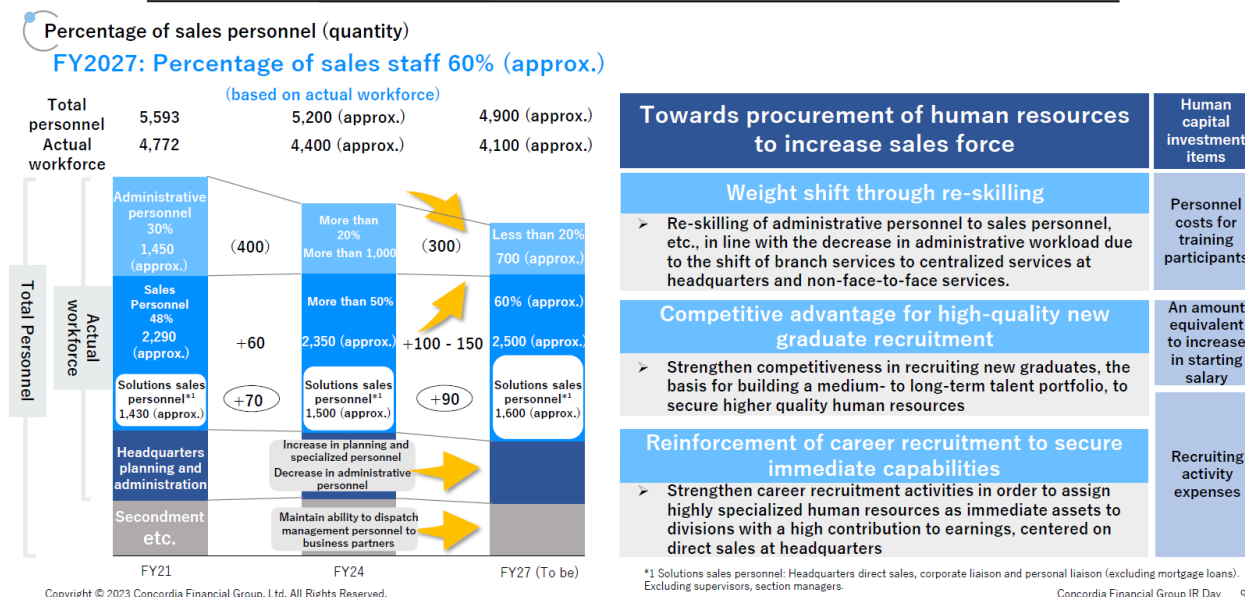
This is further broken down into two parts. One is the average skill level of sales personnel, and is an effort to increase the skills of each individual. The other is the marginal effect of increased solution revenues through improved skills, which will be achieved by implementing higher value-added services and increasing the productivity of liaison activities through CRM and other system sophistication. The latter is exactly the sales strategy.

We believe that human resources and the average skill level of sales personnel are the key elements of a human resource strategy. The human resource strategy has following three fields.

First, people development in terms of skills and quality. Next, organization building in terms of securing the strength, or quantity, of the workforce. In addition, creating an environment conducive to increased engagement. We have organized our human resource strategy into these three basic themes. The director in charge of human resources will explain the specific measures later.

Long-term Target Talent Portfolio - Percentage of Sales Force -

Streamlining the total workforce through structural reforms while increasing the sales workforce through re-skilling of administrative personnel



On page nine, we show the talent portfolio set forth in the mid-term plan.

It shows the targets for FY2024, the goal of the current mid-term plan, and for FY2027, the final year of the next mid-term plan. I believe that the next medium-term plan will not change the major framework.

Please see the actual number of workers. The number of employees was 4,772 at the start of the current mid-term plan, and we are operating our business with the expectation of 4,400 at the end of the current mid-term plan and 4,100 at the end of the next mid-term plan.

However, the breakdown varies considerably. The number of administrative personnel involved in clerical work is expected to decrease significantly in anticipation of increased administrative efficiency and the shift to cashless operations in a changing social environment. We plan to increase the number of personnel involved in sales, especially those who are involved in customer sales, which we call solution sales personnel.

Although the overall workforce will be gradually reduced, it will not be housecleaned. Retirement of those who were hired in large numbers during the bubble period and retirement for personal reasons are also expected.

Directions for increasing the sales force are organized on the right. It says weight shift through reskilling. This is a measure to promote reskilling of those who are currently involved in clerical work and to get them to turn to sales.

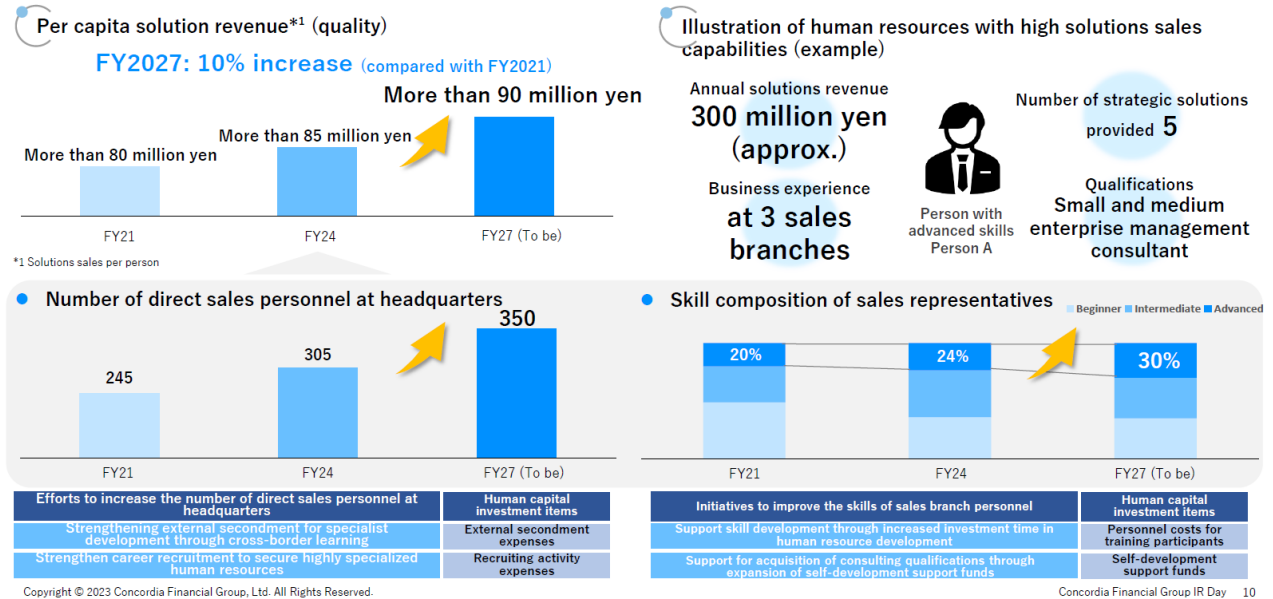
Next, we stated that we are strengthening our competitiveness to recruit quality new graduates. We will secure new graduates. Since we are located in the Tokyo metropolitan area, there are many work seekers, but there are also many companies, so we are aware of the great challenge of how to enhance our attractiveness as a company.

As stated below, we would like to make a firm commitment to career recruitment (mid-career recruitment) to secure industry-ready new employees. We have also created a system of professional human resources and are trying to strengthen the recruitment of excellent career professionals under a different compensation system. Although not mentioned, we would like to strengthen our mid-career recruiting efforts, not only for

those with adaptable fighting potential, but also for those with less experience, with the aim of nurturing them after they are hired.

Long-term Target Talent Portfolio - Per Capita Solution Revenue -

Increase the number of personnel with advanced skills by strengthening training, and increase the number of direct sales personnel at headquarters, which boasts top-tier profitability



Please see page 10. Let me explain about improving skills and increasing the amount of solution revenue per person.

Please look at the bottom row. We have a plan to increase the number of direct sales personnel at headquarters. While sales branches focus on so-called relationship banking activities, we believe that strengthening headquarters sales is necessary to provide sophisticated strategic solutions. We believe that by having the sales staff at headquarters and sales branches work together, the know-how will spread to all branches. We are now beginning to feel the effects of these efforts, and we will continue to strengthen our efforts in this area.

Please look at the right side of the slide. We will work to increase the skills of each sales branch staff member. Skill levels are visualized in a talent management system and KPIs are used to develop people.

As specifically noted below, we are taking steps to increase training hours and strengthen systems that support self-development. The image of advanced skills was also explained in the last IR Day in October. We would like to increase the number of such human resources.

As an effect of this, as stated above, we have set a KPI to increase solution revenue per capita by 10% compared to FY2021, the start of the current mid-term plan. We will work on our human resource strategy with the goal of seeing one person earn JPY90 million for FY2027.

Investment in Human Capital

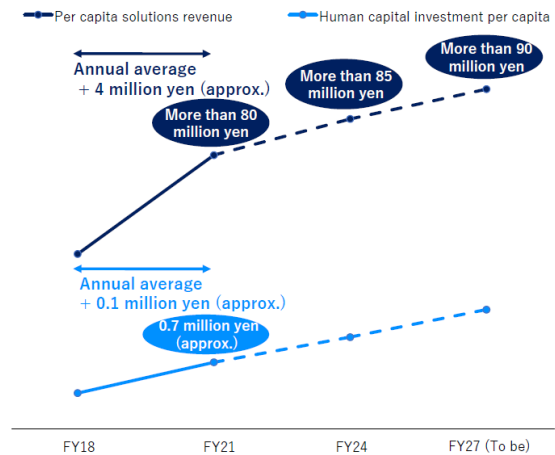
Focused investment in human resource development with emphasis on supporting the solutions business

Investment in human capital*¹ (FY2023)
 Total 1.53 billion yen (1.0 million yen per person*²)

Human Resource Development 1.05 billion yen		
Training participant personnel cost* ³ (includes instructor fees)	External secondment expenses	Self-development support funds . . .
Build an Organization 0.24 billion yen		
Recruiting activity expenses	An amount equivalent to increase in starting salary	Talent management system functionality improvement expenses . . .
Create an Environment 0.23 million yen		
Evaluator training expenses	Employee awareness survey costs	Equivalent amount of salary increase for young employees (excluding the uniform pay scale increase) . . .

*1 Our definition *2 Human capital investment ÷ Number of solutions sales personnel at the end of FY
 *3 Training participant personnel cost = Number of participants × training hours × hourly salary equivalent
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Per capita solutions revenues and human capital investment amount



On page 11, we discuss investments in quality, quantity, and engagement.

On the left side, the amount invested in human capital is shown. We will invest firmly in each of the following measures, human resource development, organizational development, and environmental development. Specifically, we will invest JPY1 million per person in FY2023.

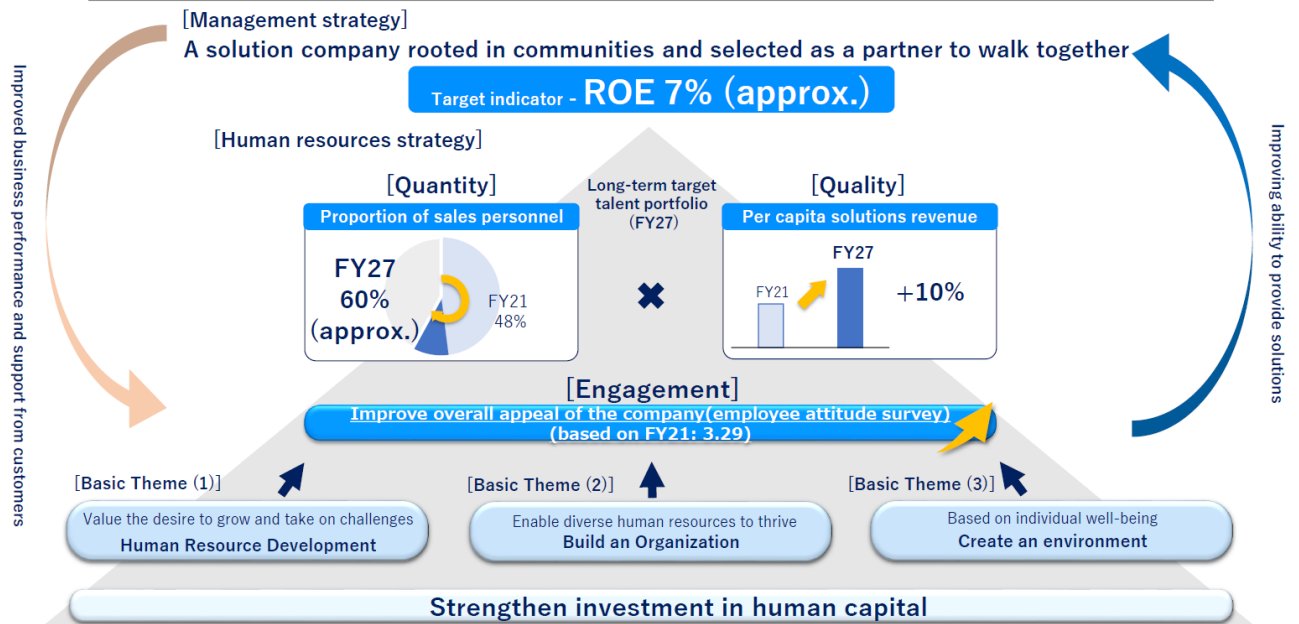
Please see the transition on the right. We have an image of increasing the investment amount per person by roughly JPY100,000 per year from the initial JPY700,000 as we progress through the previous, current, and next mid-term plans.

On the other hand, the amount of solution revenue per person as a result of this effect is noted above. We are truly reborn, and we have achieved great results from FY2018 to FY2021, when we have strengthened our solutions sales, including investment banking. During this period, the amount of solution revenues increased by approximately JPY4 million per year.

We are finding it difficult to maintain this pace of increase, and the pace of increase will be somewhat slower. We are planning to increase the amount of revenue per person at a pace of approximately JPY1.5 million per year. We are determined to work with a firm vision so that the amount of revenue, which was JPY80 million at the start of the current mid-term plan, will reach JPY85 million in the final year, and more than JPY90 million in the next mid-term plan.

Human Resource Strategy Overview

By achieving the three target indicators, in FY2027 the ROE will be at the level we are aiming for in the long term - approximately 7%



On page 12, we summarize how strengthening the human resource strategy and investment in human capital will lead to increased corporate value.

We will work toward our target of 7% ROE. Regarding human resource strategy, the percentage of sales personnel will be increased to 60% in order to ensure the quantity. We will also increase the quality, skills, and increase the amount of solution revenue per person by 10%. In addition, we will also work hard to improve engagement.

As a result, we have positioned our human resource strategy to achieve a 7% ROE and embody a solution company.

Group Human Resource Policy (reference)

Established the Group Human Resource Policy as the basic policy to maximize human capital

Basic Concepts

- The company recognizes that our employees are important human assets indispensable to the realization of our management philosophy, and capital that is the source of value creation. We will actively invest in our human assets and continuously increase their value, which will lead to the sustainable development of local communities and our own sustainable growth.
- To enhance our ability to provide solutions to the increasingly diverse and sophisticated needs of local communities and customers while flexibly responding to drastic changes in the economic and social environment, we will nurture human resources who will continuously undertake the challenge of transformation by actively providing fields and opportunities corresponding to each employee's desire to grow, and build a diverse talent portfolio with a variety of backgrounds and expertise.
- To enhance the well-being of each and every employee with diverse values and lifestyles, and to enable them to maximize their capabilities by creating a secure work environment and fostering a vibrant organizational culture that leads to increased productivity throughout the organization, so that the company continues to be an attractive organization for human capital both inside and outside the company.

Desired Human Resources

- Human resource who have a strong sense of pride and awareness in providing value to local communities and customers, as well as undertaking challenges with a mindset of change.

Process-specific policies

Recruitment

Training and
deployment

Compensation

Secondment
and transfer

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Concordia Financial Group IR Day 13

Please refer to page 13. In order to demonstrate this firmly both internally and externally, we passed a resolution at the Group's Board of Directors meeting in March, issued a release, and disseminated this human resources policy within the Bank.

The basic ideas I have just explained are summarized in the text.

It also describes the human resources we are looking for. This is very simple: human resources who always have a mindset of transformation and continue to take on challenges.

Transformation is a very strong word. It is neither change nor improvement, but "transformation." When we discussed this policy at the March board meeting, the outside directors pointed out to us that they are not sure if we are prepared to tackle this issue. We, the executive committee, have formulated this policy with the determination to make a firm commitment to it.

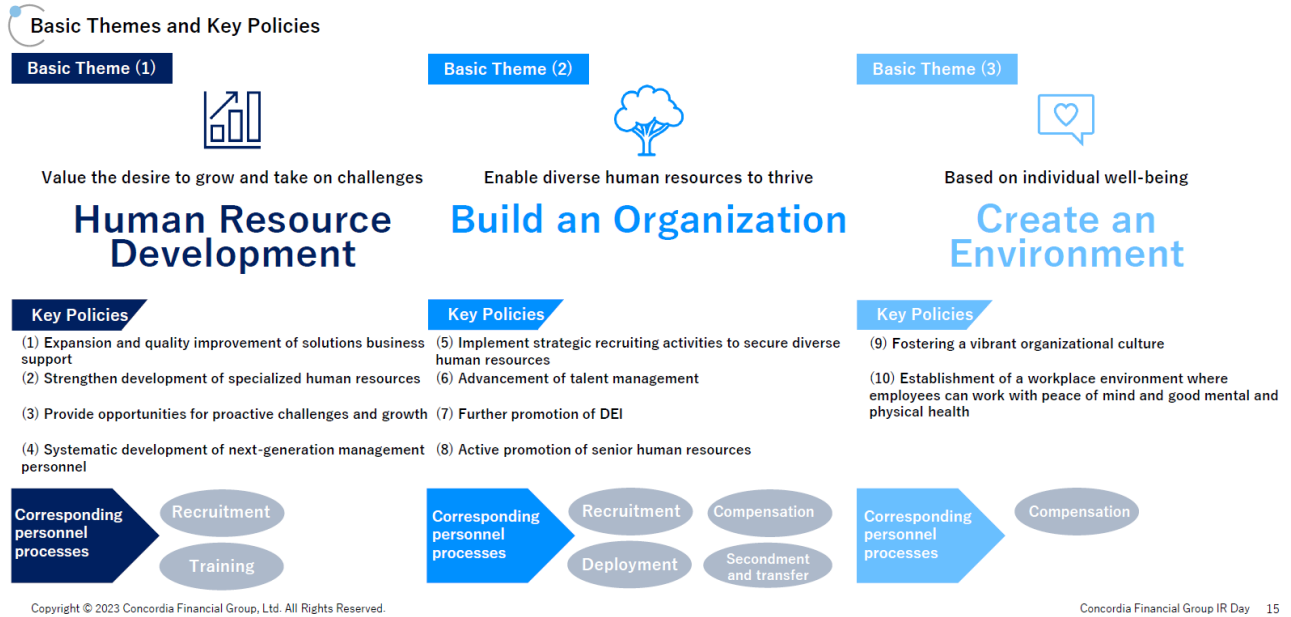
Nevertheless, even though we are talking about transformation, some of our efforts will continue to move forward step by step. I believe it is important to have a mindset of making things better than they are now, rather than following the previous era. We believe that the accumulation of such efforts will be the source of Concordia Financial Group's growth potential, and we have summarized such human resources in the text. We would like to strengthen our efforts by communicating and committing to this both internally and externally.

Board members are currently visiting branches in the form of town meetings to inform young people about the concept on page 12. We call it a caravan. We are talking about the fact that we need to link this to corporate value, not just to make everyone happy. The Executive Officer in charge of human resources will explain this.

That's all for my explanation. The Executive Officer in charge of human resources will now explain specific measures.

Basic Themes and Key Policies in the Human Resource Strategy

Implement key policies in accordance with the three basic themes of the Group Human Resource Strategy



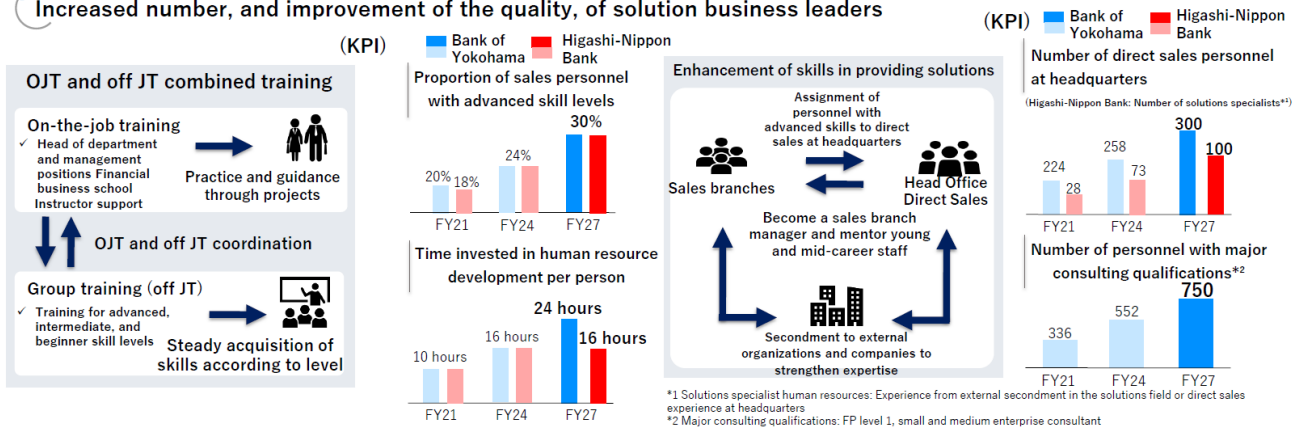
Katsuta: I would now like to explain the main measures.

Please see page 15. As for our basic themes, as mentioned earlier, we intend to strengthen three areas: human resource development, organizational development, and environmental development.

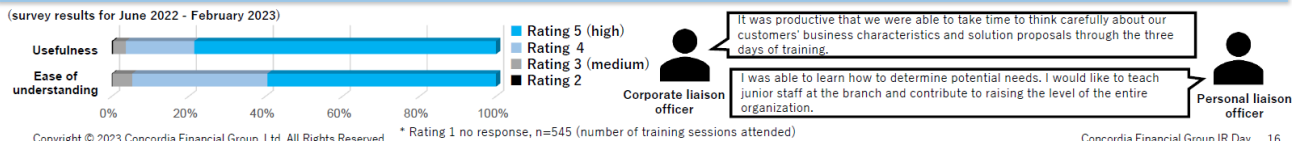
Basic theme (1) Value the Desire to Grow and Take on Challenges - Human Resource Development

Further strengthen the training system for advancement of solution delivery skills

Increased number, and improvement of the quality, of solution business leaders



Questionnaire for participants in skill-based training (intermediate → advanced)



Please turn to page 16. First of all, we are implementing various measures in developing human resources who value the desire to grow and take on challenges, with the aim of raising the overall level of sales personnel.

Specifically, we are further strengthening our training system to upgrade the solution-providing skills of our sales personnel. In the figure on the left, we have described the training as a combination of on-the-job training and off-the-job training. Although the Bank has been developing human resources through on-the-job training and off-the-job training for some time, the majority of the training previously conducted was by job level. For example, many of the trainings were based on job responsibilities and hierarchy rather than skills, such as third year, fifth year, and assistant section manager. Last year, we switched the majority of our training to a skills-based approach.

If it is corporate sales skills, we will bring together people with similar levels of corporate sales skills and reinforce training to improve their skills as quickly as possible.

We will increase the percentage of sales personnel with advanced skill levels as noted next to that. In the case of Bank of Yokohama, the percentage of employees with advanced skills will be increased from 20% in FY2021 to 30%. The amount of time invested in human resource development per person will be increased from 10 hours to 24 hours, a 2.4-fold increase.

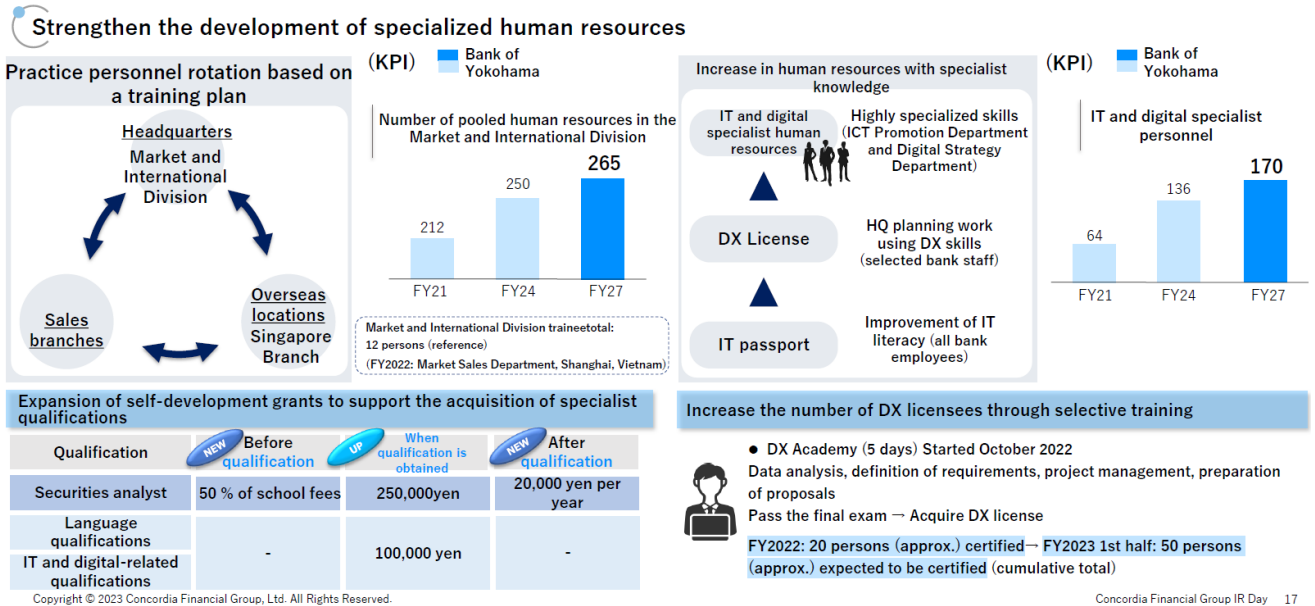
Let me explain once again the definition of an employee with advanced skills. In the case of the corporate division, these are individuals who have, for example, a small- and medium-sized business consultant, securities analyst, or other similar in-house qualifications. In the case of individual sales, they are individuals who have obtained FP Level 1 or a similar rank in the Bank and have a proven track record in the field.

I will explain the sophistication of our solution delivery skills. Those who have worked hard at the sales branches and gained advanced skills are assigned to the headquarters, where they will conduct sales activities directly at headquarters. In the process of developing them, we will utilize outside knowledge of mega-banks, DBJ, and outside consultants.

People who have acquired advanced skills in headquarters sales, etc., are now moved to the field and given the responsibility of training their subordinates as managers. Through this cycle, we will improve our overall skills.

Basic theme (1) Value the Desire to Grow and Take on Challenges - Human Resource Development

Strengthen development of specialist human resources through systematic personnel rotation and support for acquisition of specialist qualifications



Please turn to page 17. The next theme is to strengthen the development of professional human resources. The left-hand side describes the markets and international division and the right-hand side describes the IT and digital division.

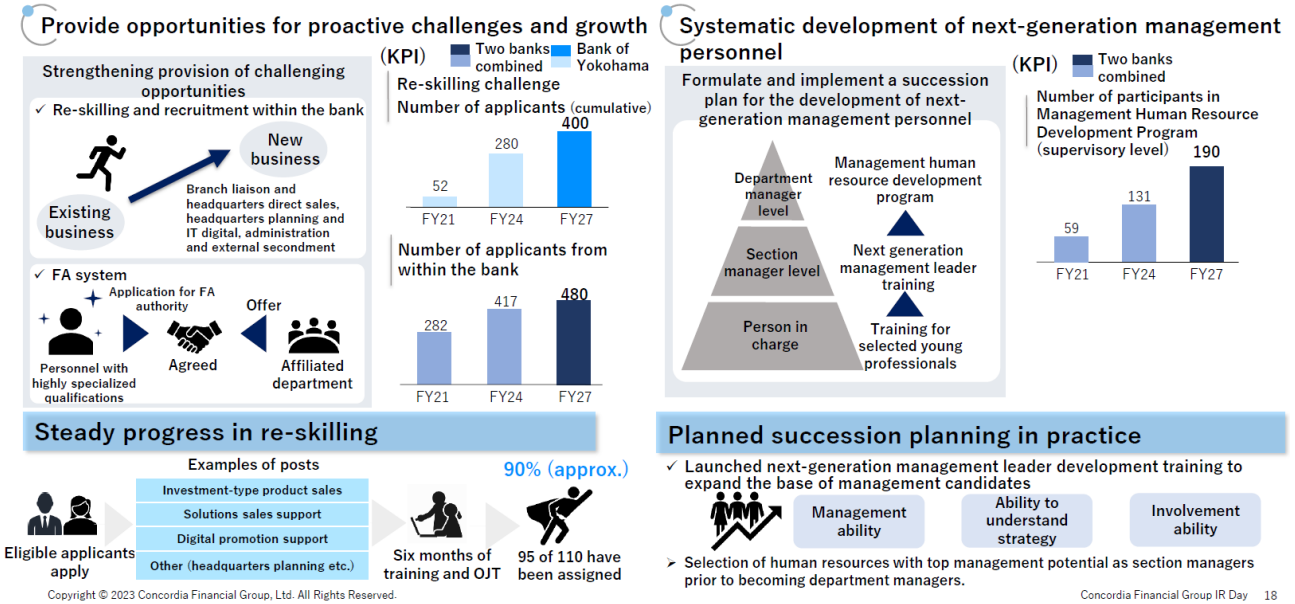
As for the market and international division, we have overseas offices, so we transfer people who want to become specialists from sales branches to the head office, where they rotate through the market and international department of the head office and the overseas examination department of overseas offices to develop specialized human resources.

As for the IT and digital division, the first step is to acquire basic knowledge of IT with IT passport. The next step is the DX license, which we started last year. Almost everyone who wants to do it is given the challenge. They will then improve their IT skills, so we will create professional human capital. As a KPI, the target for the number of pooled human resources was set for the market and international division. As for digital human resources, we will increase the number of employees from 64 in FY2021 to 170, nearly tripling.

At the same time, we provide support to employees to develop professional human resources. For example, we will pay 50% of the cost of becoming a securities analyst, as described in the lower left-hand corner. The Bank will also support JPY250,000 when the registration is obtained and will continue to support the cost of maintaining the registration after it is obtained.

Basic theme (1) Value the Desire to Grow and Take on Challenges - Human Resource Development

Expanding opportunities for challenges to advance careers.
Systematic development of next-generation management personnel



The next page is the last page of the people development section. As mentioned earlier in the explanation of human resource development at sales branches, we have explained in detail here the training of young bank employees and others.

"Expanding opportunities to take on challenges for career realization" means providing employees with opportunities for independent challenge and growth based on career ownership, and supporting them in this endeavor.

In the past, development of young employees was mainly implemented in line with the human resource department's planning. Now, once a year, when we set goals at the beginning of the term, we ask them to draw a picture of who they want to be in 3, 5, or 10 years, and what they will do during the year to make that vision a reality. Each person shall strive for the target.

For each individual effort, we create opportunities to learn. For example, we provide learning opportunities in the form of open recruitment within the Bank.

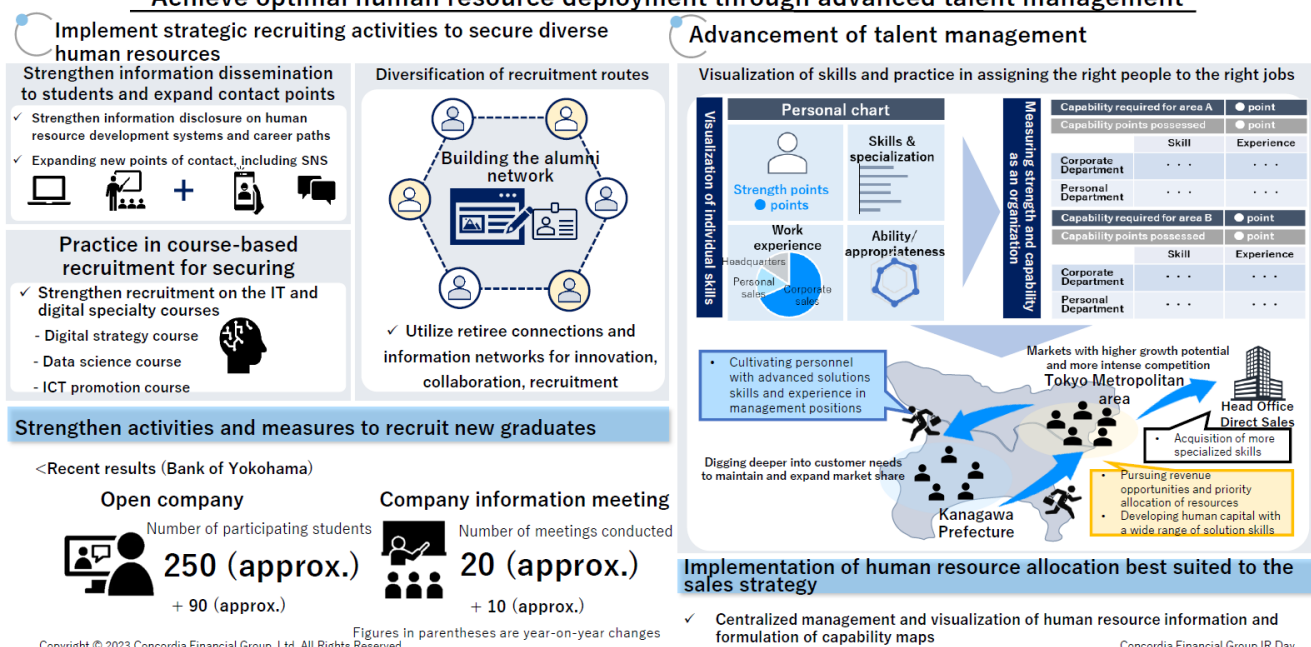
We have also been providing detailed explanations regarding reskilling since last year. In particular, many people are unfamiliar with the work of the headquarters, so we organize events to provide information on the details of the work of the headquarters.

On the right side, the planned development of next-generation management personnel is described. This was previously mainly in-house training, but we are now incorporating external assessment training and other programs to develop the next generation of future managers.

Specifically, we are in the process of focusing on developing the next generation of managers by equipping them with management skills, strategic understanding, and the ability to work with and involve people through training. These are the descriptions of human resource development.

Basic Theme (2) Enabling Diverse Human Resources to Thrive – Build an Organization

Secure diverse human resources by strengthening new graduate and career recruiting.
Achieve optimal human resource deployment through advanced talent management



Next, I will explain the organizational development. We are making efforts to secure diverse human resources by strengthening both new graduate and career recruitment (mid-career recruitment).

First, with regard to new graduate recruitment, we are strengthening the dissemination of information for students. We have also increased the number of events for students and have focused our recruiting efforts on explaining how we can provide students with growth opportunities and fulfill their growth aspirations, as we are explaining today.

In addition to career-track positions, we also have a course-based recruiting system to provide opportunities for people who want to specialize in IT and digital fields.

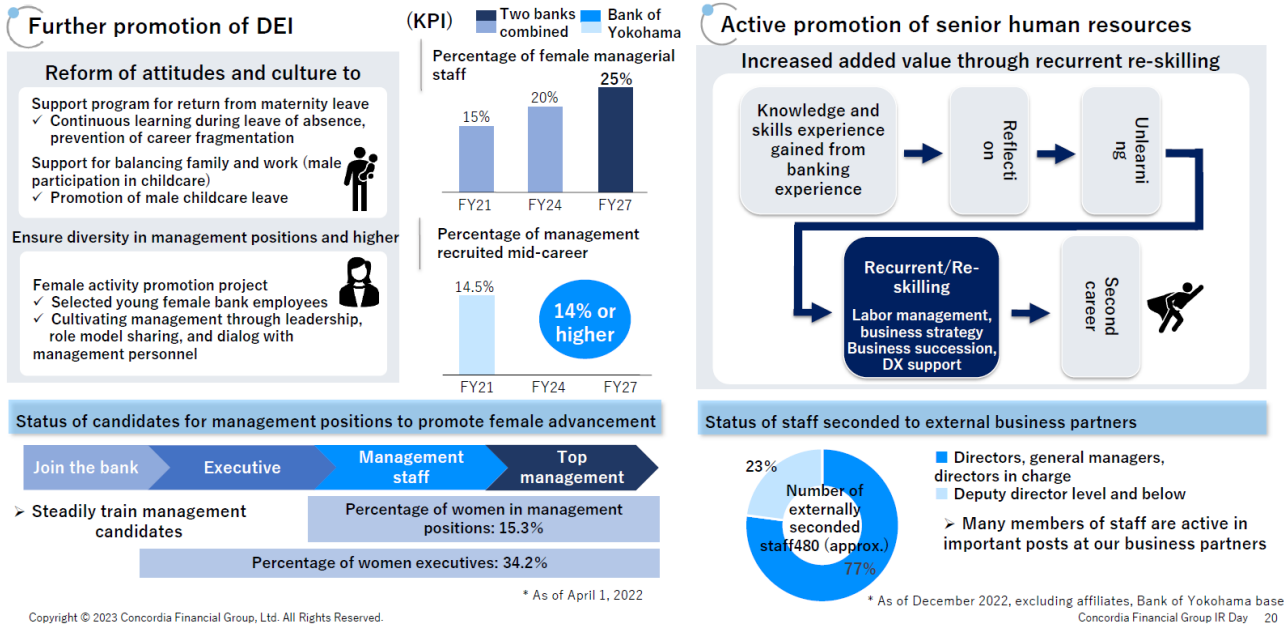
Regarding the most recent recruiting activity, in a ranking of the most popular companies for job hunters published in the Nikkei Shimbun the day before yesterday, Bank of Yokohama ranked fourth in the finance and securities sector, behind only the mega-banks. We are getting a real sense that interest from students is now very high.

Next, I would like to discuss the advancement of talent management on the right side. We are now implementing a talent management system. We are working to quantitatively quantify the skills and other attributes of our human resources, to understand their capabilities, and to tally this information to understand our company's competence.

Until now, in the human resources departments of banks, assignments and transfers have sometimes been based on personal attributes. The idea is to collect data on each person's abilities, etc., so that, for example, the necessary strength for each region can be assigned based on the data. We are currently working on a data-driven talent management system that will enable us to make personnel changes in FY2027.

Basic Theme (2) Enabling Diverse Human Resources to Thrive – Build an Organization

Becoming an organization through DEI in which diverse human resources can demonstrate their abilities
Strengthen support for senior human resources to be active both inside and outside the Group



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I will continue with organizational development. Please refer to page 20. Through the promotion of diversity and equity inclusion, we are transforming our organization into one in which diverse human resources can demonstrate their abilities.

Specifically, I will explain our efforts, especially for women, listed on the left side. We have always had a good maternity and paternity leave system, but we had a problem that if an employee took a year or two off from work, their career would be interrupted.

We have created an environment, including an enhanced home study support system, so that even if you are away from the workplace, you can still learn about current operations and other information. We are in the process of creating a system that will enable them to remain active in the workplace after their return to work.

In addition, we encourage men to balance work and family life and to participate in childcare. We are working to make our organization a place where people can lead fulfilling lives both at work and in their personal lives.

Next is about the promotion of women's activities. Although the percentage of executives and managers at banks tends to be dominated by men, the Bank is now strengthening its support for women's activities. One of their concerns is the lack of role models close to them. After all, talking with people close to them and listening to their various experiences makes them want to be like them. We believe that the lack of such role models is still a challenge for the Bank.

We invite women of the generation who will be in charge of management in the future to come together, and we provide opportunities for them to discuss various issues and hear about their successes and failures by inviting managers from other companies and people who are in management, so that they can feel that they want to be like them and can become one too.

On the right is the promotion of senior human resources. As a regional financial institution, we would like to contribute to the local community in terms of human resources. We have long been working to encourage retirees, mainly from banks, to work for local companies on secondment to outside firms.

Currently, about 480 of our seniors are on secondment to small and medium-sized local firms outside the Bank. Many of them are in executive or department head positions. They support local businesses by becoming the executive staff and management of our business partners.

We will also continue to make a strong commitment to contributing to the local community in terms of human resources.

Basic theme (3) Based on Individual Well-being - Create an Environment

Improve individual well-being through fostering a vibrant organizational culture and creating a safe work environment

Fostering a vibrant organizational culture

Ensuring fair and impartial evaluation and treatment

- ✓ Review and consideration of evaluation system
- ✓ Strengthening of evaluator education

Reducing blurring between evaluators

Implementation of various measures to enhance job satisfaction

Career Design

Self-improvement

1-on-1 meetings

Recruitment within the bank and FA

Career aims

Establishment of a workplace environment where employees can work with peace of mind and good mental and physical health

Health management initiatives

- ✓ Improvement in specific health guidance consultation rate
- ✓ Curbing smoking rates
- ✓ Improvement in the rate of taking paid leave

Invigoration of communication

- ✓ Increasing the rate of holding 1-on-1 meetings (relationship of trust between supervisors and subordinates)
- Fixed-point understanding of the psychological situation
- ✓ Presenteeism (a state of high self-evaluation of productivity)

(KPI) Two banks combined

Absenteeism
(status of leave of absence etc.)

Fiscal Year	Absenteeism (persons)
FY21	87
FY24	Decrease from the previous year
FY27	Decrease from the previous year

Provide a highly motivated and secure work environment with a sense of job satisfaction and growth

- ✓ Training system and career support for job satisfaction
- ✓ Creating a healthy working environment, both mentally and physically (health management)
- ✓ Realization of a sense of growth and increased motivation through a relationship of trust between supervisors and subordinates
- ✓ Creating a psychologically safe workplace by measuring psychological conditions
- ✓ Promote employee financial wellness

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- ◆ Acknowledged as 'Excellent Health Management Corporation 2023 - White 500 -' for fifth consecutive year and fifth time (Bank of Yokohama)
- ◆ Acknowledged as 'Excellent Health Management Corporation 2023' for second consecutive year and for second time (Higashi-Nippon Bank)

Page 21 is about creating the environment. Even if we implement the measures I have just described, it will be difficult to do so unless the environment is in place, so we will once again review the evaluation system for bank employees.

Since we do not always evaluate human resources, we would like to have our evaluators work on learning again to conduct fair evaluations.

In addition, since employees cannot fulfill their potential unless they are physically and mentally healthy, we will thoroughly create a workplace where employees can work in good health.

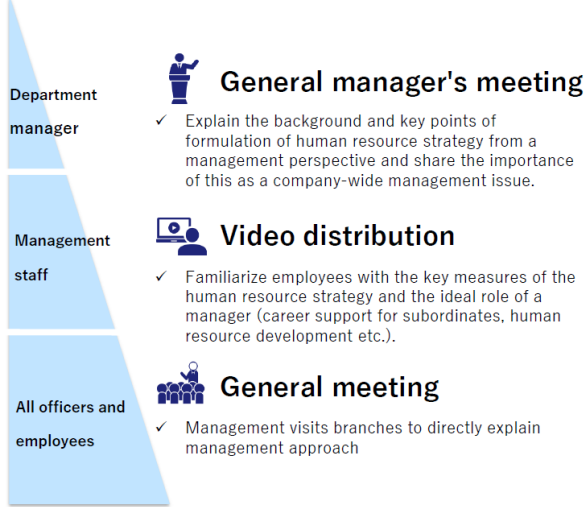
As stated, psychological safety is important to us, and we are taking measures to address it.

The results of that are listed in the lower right-hand corner. Bank of Yokohama has been recognized as a White 500 excellent health management corporation for five consecutive years. Higashi-Nippon Bank was also certified for the second time as an excellent corporation 2023.

Initiatives to improve penetration and engagement of human capital strategy

Expand opportunities for dialog between management and employees, and establish a system to reflect the views of employees in management

Initiatives to improve penetration and engagement of human capital strategy



	General meeting (large)	General meeting (small)
Implementation period	April	Implemented all year-round
Objective	Deepen understanding of business operation policy and human resources strategy	Hear the real opinions of our sales offices Communicate the bank's direction and thoughts through the mouths of its officers
Targets	All bank staff	Section chief and below
Person explaining	Directors of Bank of Yokohama, Higashi-Nippon Bank etc.	Bank of Yokohama, Higashi-Nippon Bank Director, division executive officers
Number of meetings held (FY22)	78 meetings	132 meetings



Page 22, I repeat, on April 3, we held a general department manager meeting and briefed the department managers on the human resource strategy that I have explained to you.

At the same time, a video presentation of the contents, made a little easier to understand, is being distributed to executives and employees to ensure that they are fully aware of the contents.

Since April 11, board members have taken the lead in visiting sales branches to explain the human resource strategy, especially to younger employees. This is an opportunity to hear about their concerns and answer their questions directly. Through these activities, we are working to ensure that our human resource strategy is well known.

We held small meetings last year, and this year we plan to hold town meetings with a slightly broader target.

Key Policies and Human Resource Strategy KPI List (reference)

	Basic Theme	Key Policies	Human Resource Strategy KPI	FY21	FY27	Key Targets (FY27)
Perspectives on improvement of added value Risk management perspectives	Valuing the desire to grow and take on challenges Human Resource Development	Increased number, and improvement of the quality, of solution business leaders	<ul style="list-style-type: none"> Proportion of sales personnel with advanced skill levels Number of direct sales personnel at headquarters Solutions specialist human resources 	Yokohama 20% Higashi-Nippon 18%	30% 30%	Solutions company ROE 7% (approx.) Improving engagement (FY21 ratio) Proportion of sales personnel 60% (approx.) Per capita solutions revenue +10% (FY21 ratio)
		Systematic development of specialist human resources	<ul style="list-style-type: none"> Number of pooled human resources in the Market and International Division IT and digital specialist personnel 	Yokohama 224 Higashi-Nippon 33	300 100	
		Support for proactive challenge and growth	<ul style="list-style-type: none"> Number of applicants from within the bank 	Yokohama 212 Yokohama 64	265 170	
		Strengthening the development of next-generation management personnel	<ul style="list-style-type: none"> Number of participants in the Management Human Resource Development Program 	Two banks combined 282 Two banks combined 59	480 190	
	Enabling diverse human resources to thrive Build an Organization	Implement strategic recruiting activities to secure diverse human resources	-	-	-	
		Advancement of talent management	-	-	-	
		Further promotion of DE&I	<ul style="list-style-type: none"> Percentage of female managerial staff Percentage of management recruited 	Two banks combined 15% Yokohama 14.5%	25% 14% or higher	
	Based on individual well-being Create an Environment	Fostering a vibrant organizational culture	-	-	-	
		Establishment of a workplace environment where employees can work with peace of mind and good mental and physical health	<ul style="list-style-type: none"> Absenteeism * Physical illness or other causes that affect attendance 	Two banks combined 87 persons	Year-on-year Decrease	

Through these measures, we aim to achieve our ROE target of 7% in FY2027. We will increase engagement, increase the sales force to about 60%, achieve a 10% increase in solution revenue per sales person over FY2021, and achieve a 7% ROE.

That's all for my explanation. Thank you very much.