

Material issues (IV)

# Investment in human capital

**Our initiatives**

- ▶Improvements to engagement
- ▶Ensuring diversity of HR
- ▶Realizing health management
- ▶HR and organization development to achieve sustainable growth
- ▶Workstyle reforms utilizing technology

Message from an executive officer in charge of human resources

## Taking on corporate culture transformation

Executive Officer **Koji Shibata**



**The background of the formulation of a Medium-term Plan for the human resources department**

The major themes of our Group Vision 2030 announced in April, “Be a solution company leading the next-generation circular economy,” are “improving profitability by providing added value to resolve social issues” and “creating a company that employees who share the same value can take pride in (improvements to engagement).”

I recognize that this Group Vision cannot be achieved simply through the continuation of conventional initiatives, but that it requires major challenges and innovation at both the organizational and individual levels. Moreover, it is essential for all employees to innovate their ways of thinking, their awareness, and their actions. Up until now, we had formulated “Human Resources Medium-term Plans” based on management strategies, but this time, we have formulated a “Human Resources & Corporate Culture Transformation Medium-term Plan” that incorporates corporate culture transformation with the aim of transforming corporate culture into the one conducive to ongoing challenges and innovation. Last year, we introduced 360-degree feedback to general managers for the first time, and “challenges and innovation” was listed as one of the actions that needed improvement. Moreover, in the engagement survey conducted last year, scores for a “culture of openness and mutual respect” were lower

than other companies. Accordingly, we have incorporated various measures into our Human Resources & Corporate Culture Transformation Medium-term Plan in order to bring about a “culture that is open and free, values challenges, and allows people to participate in their own unique way,” a “culture that understands and respects the diversity of human resources and ways of thinking, and thus leads to the improvement of corporate value,” as well as a “safe work environment for both the mind and body, including psychological safety” during the period of our Medium-term Plan.

The source of our value as a company that operates financial services lies in the staff who work for us. Therefore, the key to realizing the Group Vision 2030 lies in transforming our corporate culture and helping each and every employee maximize their potential.

**What are the challenges to improving profitability?**

As part of our management strategy, we are promoting the “introduction of innovations to capital solutions” to improve profitability. Specifically, we are expanding not only conventional business segments but also peripheral domains, and venturing to create new businesses and “circular economy-oriented” services. When creating new businesses and services, it is essential to have a culture that allows diverse human resources with varying

experience, expertise, and values to openly exchange opinions. In addition, from the perspective of challenges, we need to encourage each and every employee to take on challenges, and change our organizations and systems to promote and encourage the taking on of challenges.

**Toward corporate culture transformation**

As a first step, we have established five standards of behavior that should be incorporated into employees’ daily actions based on the Principles (Action Guidelines): Four Shinka (advance, deepen, update, true value) (please see page19 for details), which were formulated together with our Group Vision 2030. As of FY2024/3, we have incorporated these standards into our human resources evaluation system. The five standards of behavior are customer-oriented, self-development, taking on challenges, speed, and open communication, and they serve as a system to promote desirable actions. For example, if a subordinate tries taking on a new initiative that is different from past practices and it does not lead to success, but they still receive a positive response from their superiors and colleagues, said subordinate is more likely to try taking on other challenges again in the future. In terms of open communication, we are encouraging innovation in communication, such as by promoting training to make management more aware of psychological safety and unconscious bias. I believe that raising each individual’s

● **Behavioral evaluation items**

The actions that employees should take (Dos) are evaluated as either “Excellent” or “More” for each behavioral indicator

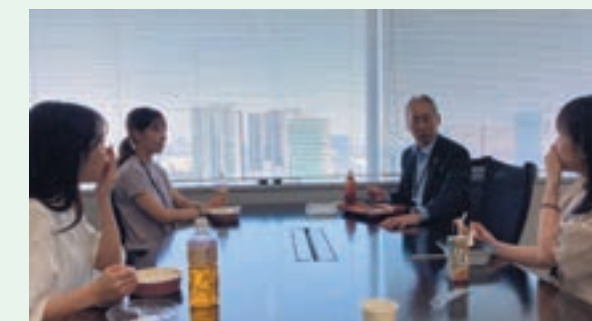
Indicator	Dos
Customer-oriented	Take anticipatory action
Self-development	Always look toward the future
Taking on challenges	Take on challenges by asking how to make things work
Speed	Take action first, and make changes as you go
Open communication	Openly exchange opinions

awareness of the standards of behavior and having them change their behavior accordingly will lead to a transformation in corporate culture.

**What constitutes a company that employees can take pride in?**

If a person works at a company where they can empathize with the Group Vision, contribute to resolving social issues through their daily work, and experience personal growth, then surely they will be proud to tell their family and friends about the company they work for. To realize this, we aim to be a company where all employees are recognized as important individuals and where the daily work, while demanding, is truly enjoyable. In other words, I would like for us to aim to be a company with high levels of engagement.

Improving engagement is not something that can be achieved in a single step. In addition to the engagement survey conducted once a year, we plan to measure the effectiveness of our measures and change them as necessary by conducting mini-surveys three times a year. Although we still have a lot of work to do in the future, we value our excellent culture of keeping promises to customers and seeing things through to the end, as well as trusting the colleagues who work alongside us. At the same time, we would like to work on corporate culture transformation so that all employees can play even greater roles going forward.



Efforts toward open communication (President’s luncheon put in place based on suggestions from employees)