

# Special Dialogue



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### Building a company that employees can take pride in —Second year of corporate culture transformation, challenges in the HR field—

With the launch of the Medium-term Plan 2025, which pursues “innovation and challenges,” we have formulated a “Corporate Culture Transformation & Human Resources Medium-term Plan” in line with our business strategies. Executive Officer Shibata, responsible for human resources, and Outside Director Hagiwara, who has deep and extensive knowledge in the human resources area, exchanged opinions from various perspectives on the background of the plan’s formulation and its subsequent progress.

#### —“Corporate Culture Transformation & Human Resources Medium-term Plan” aligned with management strategies enters its second year

**Shibata** When we formulated the “Corporate Culture Transformation & Human Resources Medium-term Plan” last year, the most important thing we focused on was aligning it with our management strategies. With the start of the Medium-term Plan 2025 under the new Group Vision, we formulated the plan in consultation with members of the Medium-term Plan formulation project, with a focus on how we should change our human resources measures and organizational culture in line with the plan. To date, our employees have been very sincere in their work and with customers, but at the same time, they have been cautious about changes and challenges. As the business itself undergoes a major transformation, the Company and each employee are also called upon to change. We are currently working on a variety of initiatives, including the establishment of new standards of behavior, in order to transform our corporate culture into one where each individual is able to identify future challenges and take action autonomously and proactively.

**Hagiwara** I believe that doing one’s job steadily and earnestly is the foundation of credibility in this industry and the core strength of the Company. When changing the corporate culture, it is important to keep this aspect unchanged, and boldly evolve the corporate culture into one that encourages people to accept new changes and try new things, not afraid of taking risks.

**Shibata** That’s right. Trust is truly the keyword of our Company. I believe that this is what characterizes our Company—a strong and positive sense of camaraderie, where mutual trust and respect exist not only with customers but also within the Company.

**Hagiwara** Our Company has hosted a number of dialogue sessions with the president and other officers and employees, and on our founding day in November of last year, we held a 45th anniversary event that brought all employees together. Do you think these kinds of activities lead to actual changes in our employees?

**Shibata** I strongly believe that they do. In addition to the dialogue sessions where executives repeatedly and directly communicated messages to employees, the 45th anniversary event was also a great opportunity for employees to learn about the work and achievements of their colleagues, which they may not have previously understood.

**Hagiwara** I also attended the event, and seeing accomplished young employees proudly explaining the Company in their own words made me truly feel the vitality of the organization.

#### —An organizational environment that ensures “psychological safety” toward D&I and participation by human resources

**Shibata** In July 2024, we held a presentation on the achievements of new employees who joined the Company last year. Something of note was that there were several cases where new employees took on challenges again for projects that their predecessors had been unsuccessful with in the past and achieved results. Their lack of experience had actually been an advantage, and I believe this might be a certain kind of strength of diversity.

**Hagiwara** A strong organization is one that isn’t bound by the past experiences but encourages people to challenge new and supports each other in achieving goals. At a recent social gathering, I noticed that the executives spoke fondly of the growth of their employees, and I got the sense that they held great affection for and trust in their employees. The fact that new employees are growing means that the past year has been one in which they have been able to demonstrate their abilities in an organizational environment where their “psychological safety” is guaranteed.

**Shibata** I agree. The executives are also fully aware of each employee’s growth over the past year and are communicating this awareness to them.

**Hagiwara** The point you just mentioned about “awareness” is important. I believe that executives recognizing the accomplishments of their employees

and communicating it to them in words work as the foundation for expanding D&I (Diversity & Inclusion). In that sense, it is encouraging to see various things gradually blossoming within our Company. On the other hand, an issue we’re facing is the promotion of women’s participation in the workplace. This is an initiative that will take time, but ideally we should be setting higher targets. What are your thoughts on the promotion of women’s participation in the workplace?

**Shibata** We are working on systematic training that involves each department. Moreover, in relation to our earlier discussion about “psychological safety,” we have conducted unconscious bias training for the second consecutive year, and are mindful of creating an environment in which people do not unconsciously assume that “women will want this” and, as a result, end up denying women’s opportunities to take on challenges and grow. The human resources department accepts consultations regarding such things as careers, childcare, and elderly care, and works to resolve possible issues by working with each workplace. One of the features of our Company is that there are few barriers between each workplace and the human resources department, which creates an environment where people can easily consult the department about specific matters.

#### —Steadily taking small steps that lead to improved engagement

**Shibata** We started measuring engagement in FY2023/3. Based on the results we received, we held officer dialogues, eliminated time and place constraints by introducing remote work and flextime systems with no core time in order to accommodate diverse work styles, and revised our regulations to accommodate LGBTQ+ people. In the FY2024/3 survey conducted a year later, there was little change in the overall score itself, but when looking at each engagement item individually, the percentage of employees who gave positive responses had increased for almost all items. This can be said to be the result of a year’s worth of initiatives, and I believe that if we continue in the current direction, we will see an improvement in the overall score.

**Hagiwara** When human resources measures are implemented, it usually takes time for them to spread and be understood by employees, but through proactive communication, we have been able to achieve results in a short period of time. What concerns do you have regarding our next move?

**Shibata** Rather than simply introducing systems and measures, I believe it is necessary to continuously implement follow-up measures that encourage change, such as implementing support measures for on-site management that will lead to higher effectiveness. At the same time, I believe it is important to encourage understanding of some essential points, such as what kind of corporate culture transformation we are aiming for and what type of company we want to become, and in doing so align everyone’s feelings in the same direction.

**Hagiwara** I am paying close attention to engagement, as I believe it can be used as an indicator to measure the degree of change in corporate culture. At our Company, the results of engagement are incorporated into the calculation of director compensation, and I hope that executives will continue to address this issue as one they must face directly.



— **Developing and discovering professional human resources and leaders for future change and growth**

**Hagiwara** In addition to the human resources who will bring about change mentioned at the beginning of our discussion, what do you think is the key to a human resources strategy that will lead to increased corporate value in the future?

**Shibata** One of the area in which our Company would like to grow going forward is the specialized area of finance, and I believe that a major challenge we face is the systematic development of financial professionals. I believe that, going forward, we will need to create a system to assign employees who want to become financial professionals to related work, as well as programs to promote the growth of employees who aspire to become financial professionals.

**Hagiwara** In a specialized area such as this, it may also be necessary to consider hiring experienced people from outside the Company. What are your thoughts on not only retaining existing employees, but also creating a workplace that is appealing from an outside perspective?

**Shibata** I feel that we need to be more conscious of creating an environment where people can grow further and become more professional by joining the Company. Currently, we are reviewing the organizational structure of the sales department and strengthening training. Specifically, we have strengthened cooperation between our financial specialist team and other sales departments, creating a system that allows many employees in charge of sales to acquire knowledge in the specialized financial area. In addition, I would like to actively promote, both inside and outside the Company, the fact that we are receiving more interesting work as our business area expands, as well as create a system that effectively synchronizes the growth of the Company and the growth of individuals.

**Hagiwara** Considering our Company's future transformation and growth, I think it is also important for the executives who lead it to grow and reach even greater heights, and to discover, develop and promote the human resources that will make this possible. What are your thoughts on creating a system around this idea?

**Shibata** We introduced succession planning in FY2023/3. In this process, current executives share the growth challenges of each future executive candidate with one another, and engage in dialogue, training, and development. The executives also meet once a year to check in on the candidates' progress and discuss whether they should be put in charge of an area they have no experience in, or whether they have grown enough to take on a larger role in the near future. We are currently developing the next generation of executives through these discussions.

**Hagiwara** As a member of the Election and Compensation Committee, I have had the opportunity to meet with the next generation of executives and I hope to continue communicating with them and contribute to the development of the next generation of executives.

— **Going beyond the “Corporate Culture Transformation & Human Resources Medium-term Plan” to become “a company that employees can take pride in”**

**Hagiwara** As you mentioned earlier, the simple implementation of various human resources measures is not enough to convey to employees the essential parts that should be valued. As we implement various measures, I believe that our continued contributions to society will send a strong message to all employees and foster within them a sense that this company is one they can take pride in. I also think that this will strengthen the Company's corporate culture. Currently, the foundations of our Company's corporate culture are being steadily laid, and I strongly believe that the Company will grow into one that is resilient and receptive to changes and challenges.

**Shibata** I believe that a company you can take pride in is one you feel on a personal level—something you sense, that makes you think, “This company does amazing work that contributes to society.” It's also a company that, when you tell your friends and family about it, they say, “That sounds like a great company.” I want to cherish the kind of company image that makes employees feel on a daily basis that they are glad to be working for the Company and that the direction they are aiming toward aligns with that of the Company. We are implementing various human resources measures to realize this, but it will take some time before we see tangible returns from changes in our human resources and corporate culture. Earlier, you mentioned the use of engagement scores as a KPI for measuring corporate culture, but it is not easy to quantify the short-term correlation between investment in human resources and increased corporate value. Therefore, we will continue to work on various measures that will lead to corporate culture transformation and the diversification and strengthening of human capital, aiming for 2030, which is the target year for our Group Vision. Our ultimate vision and desired outcome is to create a company that employees can take pride in and to improve our corporate value.

