



Juroku Financial Group, Inc.
Naoki Ikeda
Representative Director and President

Staying Ahead of the Curve to Always Serve the Region

In April 2023, we launched our Long-Term Vision “16Vision-10” and our 2nd Medium-Term Management Plan “Staying Ahead of the Curve to Always Serve the Region: First Stage.”

The environment surrounding the Group is changing dramatically, not only due to issues specific to Japan such as population decline and the development of a hyper-aged society, but also due to lifestyle changes caused by the global spread of COVID-19, and we are entering an era where the future is unpredictable. In these times, it is not the prediction of the future that is important, but the creation of the future through our own will.

With this in mind, in formulating our 2nd Medium-Term Management Plan, we decided to break away from received ideas and formulate a new long-term vision that will serve as a compass for the future management of the Group.

The theme of the Long-Term Vision “16Vision-10,” which is a blueprint of where the Group wants to be in a decade from now, is “Staying Ahead of the Curve to Always Serve the Region.”

The Group will leverage the broad and deep customer base, daily accumulated information, and extensive human network cultivated by The Juroku Bank with a history of over 140 years. At the same time, it will become a regional comprehensive financial services group that stays ahead of the curve to always serve the region with the strength of its complete environment for expanding its business domains. In this manner, we will contribute to “achieving growth and prosperity for our customers and the local community.”

Achieving Sustainability and Growth, Harnessing Purpose as a Driving Force

We have newly established “16 Group Energy” as an activity to realize our Long-Term Vision “16Vision-10.”

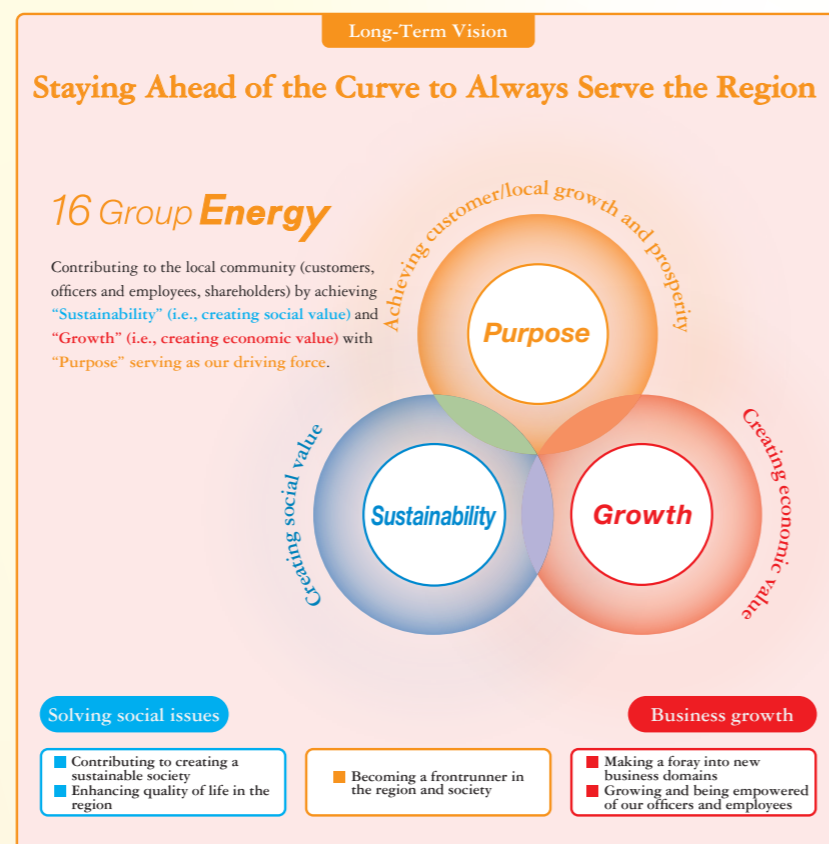
As this diagram shows, we aim to be a regional comprehensive financial services group that stays ahead of the curve to always serve the region as a frontrunner in the local community and society. To that end, we will create social value through our efforts to solve social issues in the local community (=Sustainability) and create economic value through the growth of the Group’s businesses and our own growth and success (=Growth), driven by our Purpose of “Achieving growth and prosperity for our customers and the local community,” which is our great ambition.

Our Long-Term Vision designs the future of the Group and serves as a compass for all officers and employees of the Group to work as one to move forward. We hope to achieve this through a firm understanding by all of us and through our daily activities.

The 2nd Medium-Term Management Plan, which covers the first five years of this Long-Term Vision, is positioned as the “First Stage.”

By promoting the four basic strategies of “Transformation Strategy,” “Human Innovation Strategy,” “Customer-First Marketing Strategy,” and “Region-Producing

Strategy,” which we have created through a backcasting approach based on our blueprint of where we want to be in a decade from now, as Group-wide efforts, we will take on the challenge of speedy reform and create new value.



A Feeling of Being Rooted in the Region

In formulating our Long-Term Vision, we reconsidered how we should deal with our customers and what is an ideal for our officers and employees should look like, which we naturally take as a given in our daily lives.

First, for us, “core customers” are “people who live and undertake activities in the region,” such as those who actively take on challenges in the region for the growth of both their business and themselves and those who show leadership in the region. It is important for us to understand our customers well and identify with them by giving attention to, connecting with, and closely supporting them.

Next, we considered our “shared hope and thoughts” as we interact with our customers. We believe that the feeling that all officers and employees had when they joined the Group was “a feeling of being rooted in the region,” such as an aspiration to

live up the region and aspiration to give back to the region. We are committed to providing an environment in which our officers and employees with these desires and aspirations can perform at their full potential.

Each and every employee thoroughly performs at his or her full potential and voluntarily takes on challenges. They also act voluntarily for the region by embracing what they wish and hope for the region. In this manner, it is important for the officers and employees themselves to demonstrate diversity and ultimately realize a productive life as a person living in the region while experiencing their growth first-hand.

By ensuring that each and every officer and employee understands and shares these values, the entire Group will work in the same direction to achieve our Long-Term Vision.



The Keyword is “Gratitude”

The Long-Term Vision is the blueprint of where we want to be in a decade from now, and to realize this vision, it is important for each and every employee to be highly motivated to work with “job satisfaction.”

“What’s the most rewarding part of your job?”

This was one of the themes addressed at our “Sustainability Meetings.” The “Sustainability Meetings,” in which the Bank’s President and I exchange views on the theme of sustainability with the Group’s employees, started in August of last year. Because we want to focus on listening to the opinions of each and every employee, we hold these meetings in very small groups, with only five or six participants each time. In terms of age, more than 90% of the participants were in their 20s and 30s combined, and the average age was 32, meaning a lot of relatively young employees took part. We believe that the small size and close proximity of the group allow for a real exchange of views and opinions.

At such meetings, when participants were asked to list when “you felt rewarded for your work,” the same trend was observed each time, amidst a variety of opinions.

The keyword is “gratitude.”

More than half of the respondents answered, “When customers thank me.” All participants also cited things related to contributing to customers and the local community as job satisfaction, such as “when customers are happy,” “when I feel their trust,” “when I am the first person they consult,” and “when I can contribute to the local community.”

Employees view communication with customers, appreciation, and smiles as job satisfaction. This way of thinking is precisely what is linked to our group management philosophy of “achieving growth and prosperity for our customers and the local community.”

To Realize a Productive Life as a Person Living in the Region

The Group introduced a new human resources (HR) system in April 2023.

The purpose of the introduction is threefold. The first is to ensure that all employees share and embody the three values set forth in the group management philosophy: “Trust & Integrity,” “Creation & Innovation,” and “Diversity & Inclusion.” The second is to foster a change in awareness and behavior in terms of challenges, creativity, and innovation. The third is to encourage each and every employee to take voluntary action and realize his or her own growth, so that he or she can achieve an irreplaceable and productive life as a person living in the region.

In order for us to fulfill our group management philosophy of “achieving growth and prosperity for our customers and the local community,” it is extremely important that we ourselves grow and realize prosperous lifestyles.

As the corporate manager of the Group, I am committed to helping all of our officers and employees achieve a productive life.

The most important management resource of the Group is its human resources, each and every employee. By understanding each and every employee’s values and linking what is important to them to the group management philosophy, we will help them to take voluntary action and experience their growth first-hand.

Based on this, in order to achieve growth, prosperity, and sustainability for our customers and the local community, we will strive to develop human resources so that all officers and employees can perform at their full potential, build relationships of trust with our customers, and proactively meet the challenges of the Group’s various strategies.

Corporate activities are driven by “people,” and the Group can only move forward with “people” in place. Under the Human Innovation Strategy, the entire Group is firmly committed to valuing such “people.”

Contributing to Sustainable Growth of the Local Economy through Management Succession Support

On July 3, 2023, NOBUNAGA Succession Inc. was established as a joint venture with Nihon M&A Center Holdings Inc. to contribute to solving management succession issues faced by local companies and to support sustainable growth of the local economy.

The number of companies in Gifu and Aichi prefectures, where the Company has its business base, is decreasing due to the lack of successors and other factors. If nothing is done, the vitality of the local community will be lost.

In the past, a long-established sake brewery with a history of over 200 years in the old town of Takayama was considering closing down due to a lack of successors. Through our mediation, a local upscale Japanese inn took over the management of the company, which has now quintupled its annual sales, created new jobs, and transformed it into a thriving enterprise. Had they

chosen to close the business, the building would have been demolished and the employees would have lost their jobs.

Based on this first-hand experience, we believe that management succession is a very important factor in achieving growth and prosperity in this region and a social issue that needs to be addressed.

The establishment of this joint venture demonstrates our willingness to work to resolve these issues with even greater determination.

The Company’s growth strategy is to collaborate and form joint ventures with partners from different industries with whom we have trust and mutual understanding. Against this backdrop, we decided to ask Nihon M&A Center Holdings to help us establish this joint venture as a partner with more specialized knowledge and solutions. Nihon M&A Center Holdings has provided us with a variety of support since 2000, when we began working on M&A operations at The Juroku Bank, and we have deepened our relationship of trust and mutual understanding. While there have been initiatives to establish specialized companies or business tie-ups in which the Bank has solely invested, this is the first time in Japan that a joint venture has been established.

By combining Nihon M&A Center Holdings’ extensive know-how in management succession with the Group’s broad and deep customer base in this region and the information it accumulates on a daily basis, we will respond to the “management succession” needs of companies in various stages and realize growth and prosperity in the local community.

We Seek to Create the Future Together with the Local Community

On July 6, 2023, we announced that we had been selected as the preferred bidder as a result of our participation in a public call for proposals in support of the purpose of the “Gifu-shi Main Government Building Site Utilization Project” promoted by Gifu-shi.

It has been 46 years since the current head office building was completed in 1977, which was then the Bank’s 100th anniversary. Therefore, we were considering the construction of a new headquarters building to mark the upcoming milestone of The Juroku Bank’s 150th anniversary in 2027. Against this background, in March 2023, Gifu-shi presented the application guidelines for a project to utilize the site of the main government building. After reviewing the details, we decided to participate in the proposal process because we believed that Gifu-shi’s basic idea for the project was in line with our group management philosophy of “achieving growth and prosperity for our customers and the local community.”

The concept is “‘16FG Office & Park’ for creating the future of ‘#GIFU’ together.” We will establish a base with both a “beautiful and comfortable common space” and a “workplace that is ahead of its time” to enhance the attractiveness and circulation of the downtown area.

This is an extremely important project that embodies our group management philosophy of “achieving growth and prosperity for our customers and the local community.”

Since our establishment, we have been growing together with the citizens of Gifu. Going forward, we want to continue to stay ahead of the curve to always serve the region.

We would like to create a beautiful and comfortable common space and a workplace that is ahead of its time on the site of the main government building loved by the citizens of Gifu, and create the future together with the people of the region.



Q (Quality) × A (Acceptance) = E (Effect)

Professor Kazuo Ichijo, who has been our Executive Advisor since May 2022, gave us a lecture on the idea of the “Formula for Change,” which is “Q × A = E,” that is, “No matter how great the plan for change is, it will not produce an effect unless people accept it.” “Q” stands for Quality, “A” for Acceptance, and “E” for Effect.

The strategies set forth in the Long-Term Vision and the 2nd Medium-Term Management Plan can only be implemented if each and every employee accepts them as his or her own. Without such implementation, our Purpose, “achieving growth and prosperity for our customers and the local community,” is not possible. We would like to share this idea with all officers and employees and align our collective direction.

In addition, the local community is currently facing a variety of problems and is entering an era where the future is uncertain. In these times, it is difficult to look ahead with conventional received ideas, and all officers and employees must move forward with one

heart in the same direction based on a new sense of values. If all officers and employees hold fast to our beliefs as a group and accept risk, we will see the light at the end of our journey, filled with our strong spirit of challenge.

Driven by our Purpose of “achieving growth and prosperity for our customers and the local community,” we, the Juroku Financial Group, will be a comprehensive regional financial services group that stays ahead of the curve to always serve the region by making solid progress in creating social and economic value.

We have a common desire to contribute to this local community where we were born and raised. With this in mind, all officers and employees will grow together and move forward together by demonstrating “16 Group Energy.”

We ask you to look forward to “the Juroku Financial Group creating the future of the region together” and also would greatly appreciate your continued support.