

IT and Digital Strategy

# Improving Convenience and Streamlining Business through Digitalization

Hyakugo Bank is working to increase work efficiency and convenience for customers through digitalization efforts focused on smartphone banking and cashless payments.

## Toward the Establishment of Smartphone Banking

### Bank 105 Hyakugo Bank Smartphone Banking

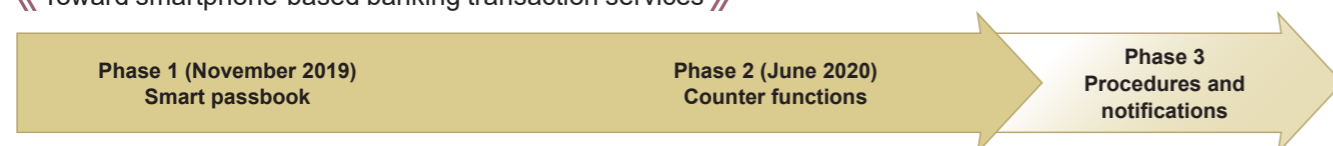
In November 2019, we began supporting the Hyakugo Bank smartphone banking app.

Though an API, the app includes passbook functions, guidance and notification functions, and counter functions, aiming to allow users to easily complete bank transactions only using their smartphone, regardless of the time or place.

The initial launch in November 2019 offered a passbook function, with guidance and notification services added in March 2020. In addition, the passbook functionality was then improved, allowing users to check withdrawal/deposit statements up to 10 years ago.

Since June 2020, transaction functions have gradually been added, allowing for fixed deposits and transfers. The Hyakugo Bank smartphone banking app continues to evolve to offer more convenient services.

### 《 Toward smartphone-based banking transaction services 》



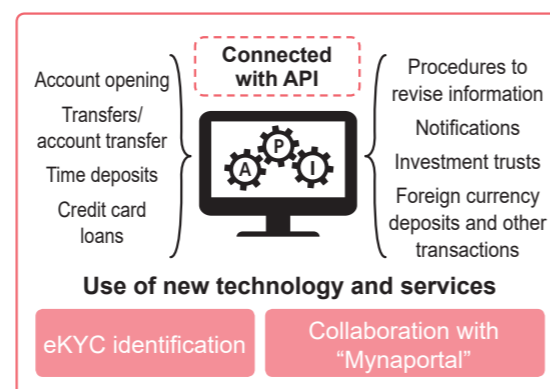
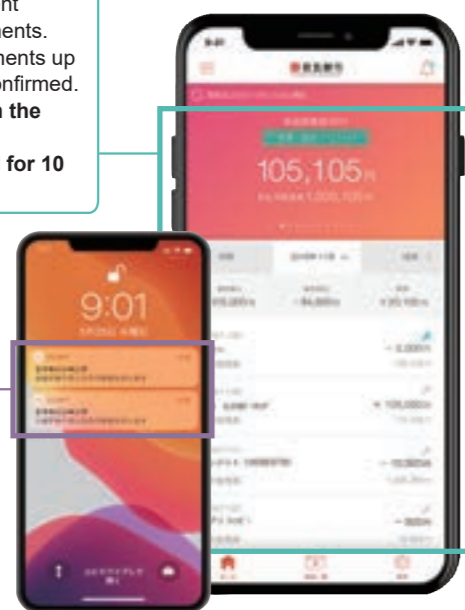
### ➤ The convenience of Hyakugo Bank smartphone banking ⇐

#### Passbook functions

- Possible to quickly confirm account balance and recent deposit/withdrawal statements. Deposit/withdrawal statements up to 10 years ago can be confirmed.
- Account statements in the previous 10 years
- Memo function (saved for 10 years)

#### Guidance and notification functions

- Notifies users of scheduled withdrawals from account, deposits and withdrawals
- Deposits/withdrawals
- Scheduled withdrawals from account
- Insufficient funds



Alternative services to internet banking

## Promoting Cashless Payments

### BP QR code settlement service "Bank Pay"

In October 2019, we began accepting "Bank Pay," a QR code settlement service provided by the Japan Electronic Payment Promotion Organization.

Bank Pay is a service that allows for convenient, direct bank payments with no deposit. Stability and security of the service is assured through use of the Japan Electronic Payment Promotion Organization's J-Debit settlement infrastructure.

The service is available at approximately 1,400 stores in Mie and Aichi Prefectures (as of June 2020). Going forward, more stores and financial institutions are expected to support the service across Japan.



### Barcode Pay Payment slip settlement service "Barcode Pay"

By simply using a smartphone to scan the barcode on the payment slip for convenient stores, this app allows users to make a variety of direct payments from their Hyakugo Bank account, including paying for taxes, utilities, and online shopping.

Not only automobile taxes and other taxes, customers can also pay phone and electricity bills.

This tax payment service is rapidly expanding, and now available not only in Mie Prefecture, but also in Aichi and Osaka Prefectures.

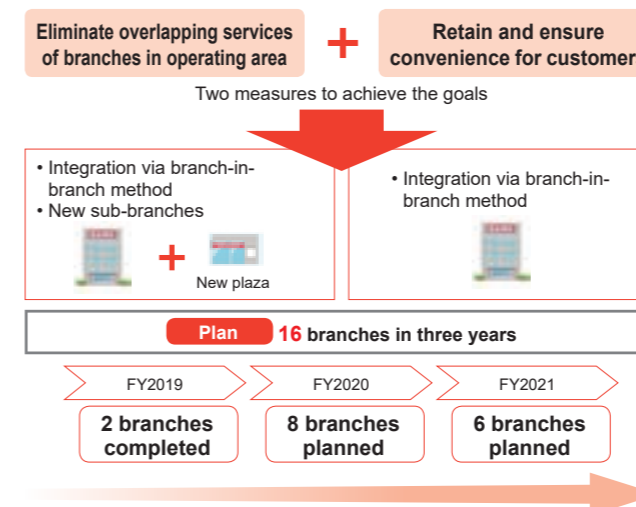


## Optimizing Branch Network

Customer's banking needs are changing due to the rapid development of the Internet society and an increase in smartphone usage. In dealing with such changes, the Bank is working to increase efficiency while maintaining the branch network and ensuring customer convenience.

### Consolidating functions by adopting branch-in-branch method

We are working to increase efficiency by eliminating overlapping services within operating areas, consolidating branches through our branch-in-branch method, all while minimizing inconvenience to customer. To ensure convenience, the vacant sites of consolidated branches have been equipped with ATMs, and new, small-scale sub-branches (plazas) are being built at the sites.



### Downsizing sub-branches

By consolidating transaction operations (loans, asset management) and changing business hours (designating a lunch break), branches are now operating with minimal staff. Cooperation among branches ensures that there is no impact on customer convenience.

