

Basic Policy **Increased Productivity**

Key Strategy Channel Strategy, IT Strategy

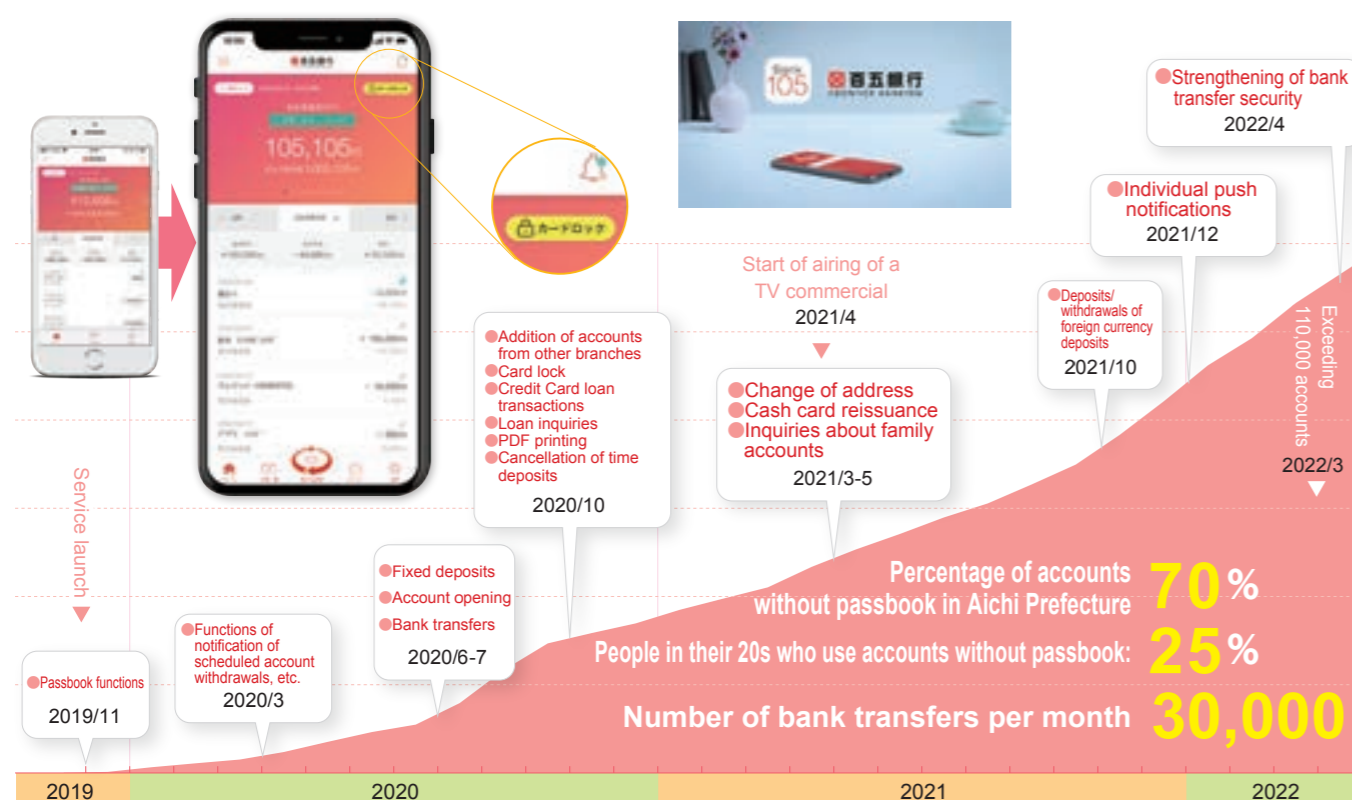
Improving Convenience and Streamlining Business through Digitalization

The roles of branches are rapidly changing due to advancement of digitalization and smartphone banking.

Hyakugo Bank aims to build an optimal sales structure by developing channel strategies that capture the changing needs of customers.

History of smartphone banking

We have been working on the initiatives to increase functions of smartphone banking so that users can complete their transactions, which were conventionally conducted at a counter, and other procedures only with a smartphone without visiting a branch.

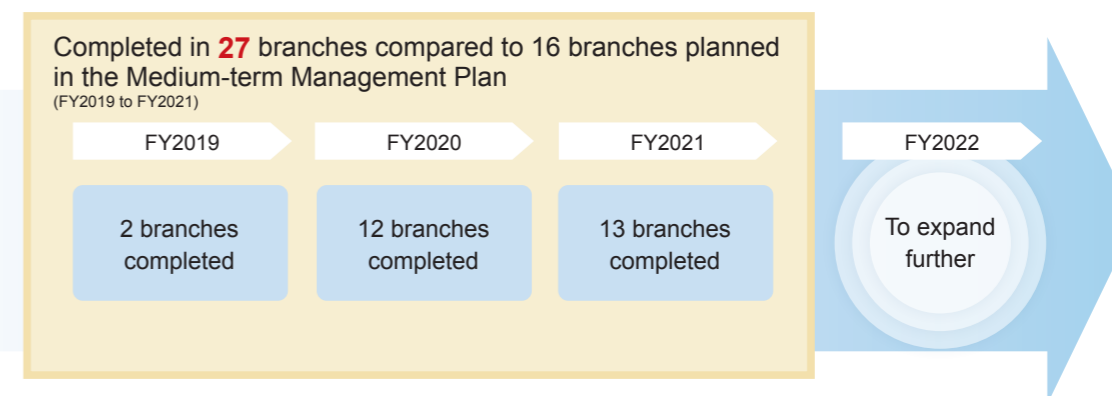


Optimizing branch network

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 contribute to development of the region through revision of assignment of personnel by eliminating overlapping services within operating areas, consolidating branches through our branch-in-branch method, all while minimizing inconvenience to customers.

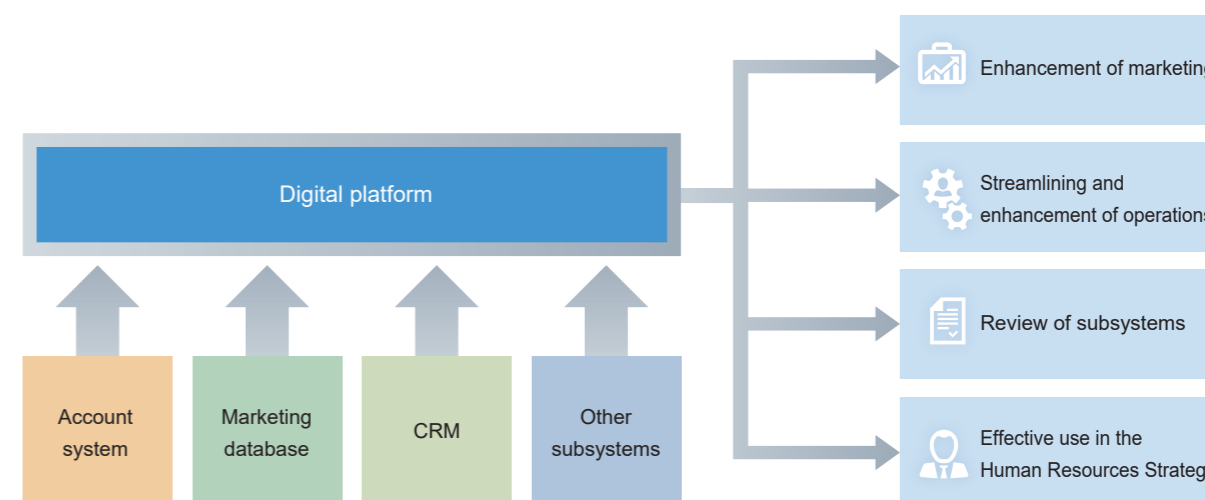


Improving Productivity by Enhancing Marketing and Operation through Digital Platform Data Utilization

Hyakugo Bank's Medium-term Management Plan "Gateway to the Future II" includes the establishment of a "digital platform" in which "anyone" can use various data existing in the Bank "easily" "at any time" to enhance data analysis skills and further utilize AI.

By utilizing data, we will enhance marketing to provide optimal products and services that match the needs of individual customers.

We will also further streamline and enhance our services. The initiative for data utilization will be carried out mainly by the IT Strategy Section of Corporate Planning Division, which was newly established in April 2022. It will then be gradually expanded to become an activity of the entire company including each division in Headquarters and sales branches to enhance the level of data utilization in the overall company.



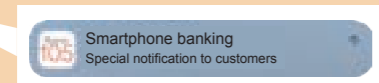
New contact point with customers

Strengthening of approaches to customers whom we have not had contact with in the past



December 2021

We started sending push notifications to smartphone banking users individually. This additional function will enable us to realize one-to-one marketing to smartphone banking users.



Introduction of new technology

Applicable to individual public certification using Individual Number Card



April 2022

The method to raise transfer limit was changed from mailing (by registered mail) to scanning an identification document on the application (eKYC). In addition to identification by taking pictures of an identification document and their appearance (face), we will accommodate identification by scanning the IC chip on the identification document in individual public certification using Individual Number Card and other cases.