

Basic Policy Increased Productivity

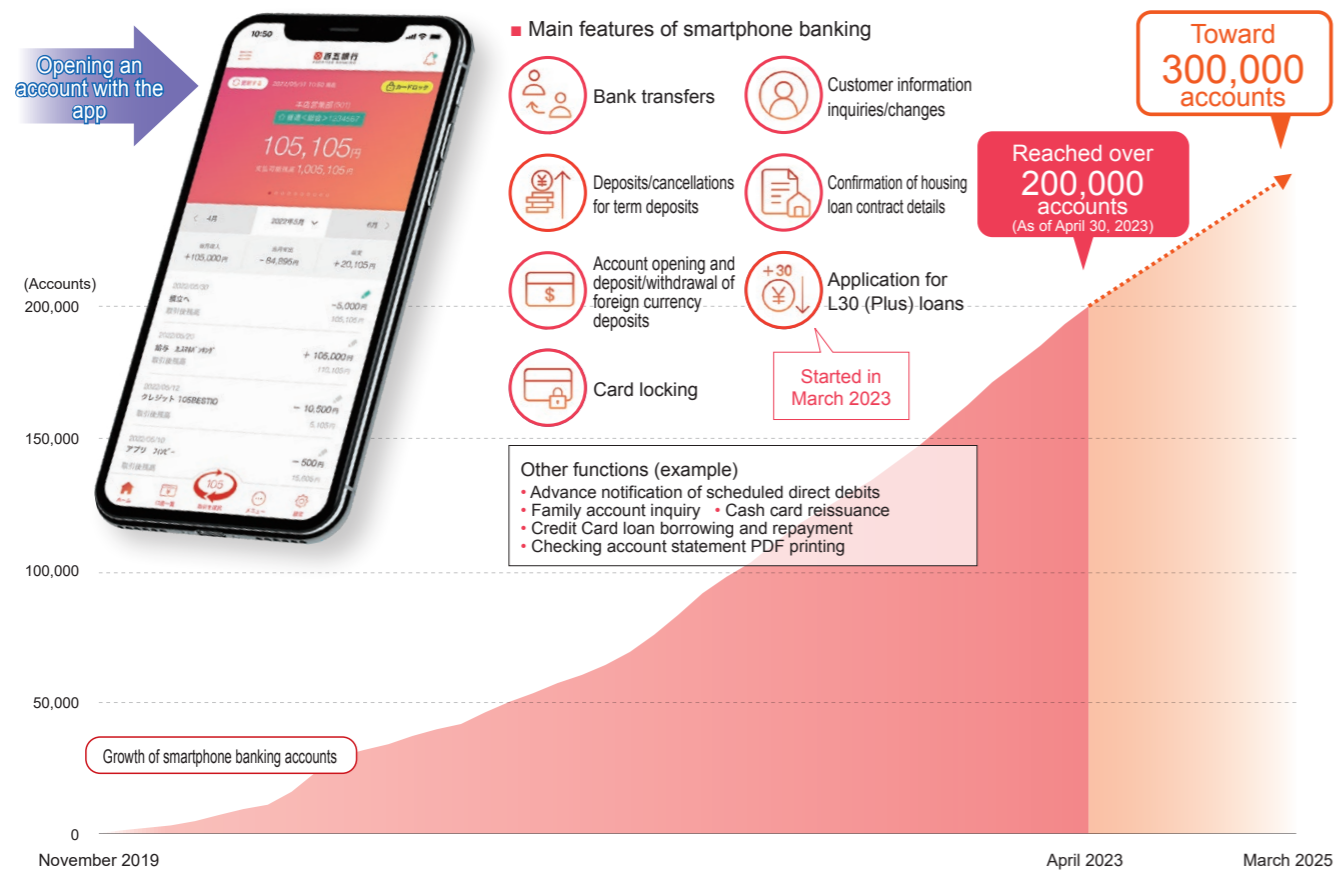
Key Strategy **Channel Strategy, IT Strategy**

We will provide new customer value and improve productivity by making a step-by-step, bank-wide effort to expand non-store services in smartphone banking and enhance the level of data utilization.

Replacing branches as customer contact points

Hyakugo Bank's smartphone banking celebrated three years of service in November 2019. We will continue to propose new lifestyles where many transactions can be completed with smartphones. Furthermore, we will improve the UI/UX* and aim to build a service that is welcomed by a wide range of generations, and provide an app that allows customers to experience banking transactions easily, anywhere, anytime.

* UI: User interface, UX: User experience



Began marketing app functions to other financial institutions

- The smartphone banking app will be marketed to other financial institutions with the cooperation of BIPROGY Inc. (app development support).
- More and more financial institutions are considering making non-face-to-face channels available via smartphone apps instead of PCs. We will provide smartphone banking apps that enable a series of banking transactions to banks that are actively seeking new channels.

百五銀行 FRONTIER BANKING | **BIPROGY**

High MAU*
* Monthly active users **84%**
(As of April 30, 2023)

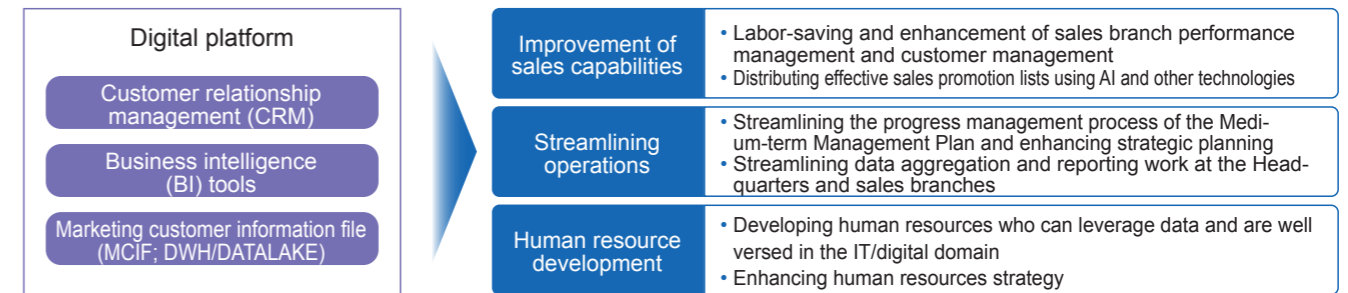
Retention of younger generation
Usage rate of people in teens to 20s (active accounts) **45%**
(As of April 30, 2023)

Contribution to SDGs
by eliminating passbooks **Bank 105**

Establishment of a digital platform

Under the Medium-term Management Plan, "Gateway to the Future II," various systems and data scattered throughout the Bank are centralized to the greatest extent possible, and a "digital platform" in which "anyone" can use "easily" "at any time" is established to improve sales capabilities, streamline operations, and develop human resources.

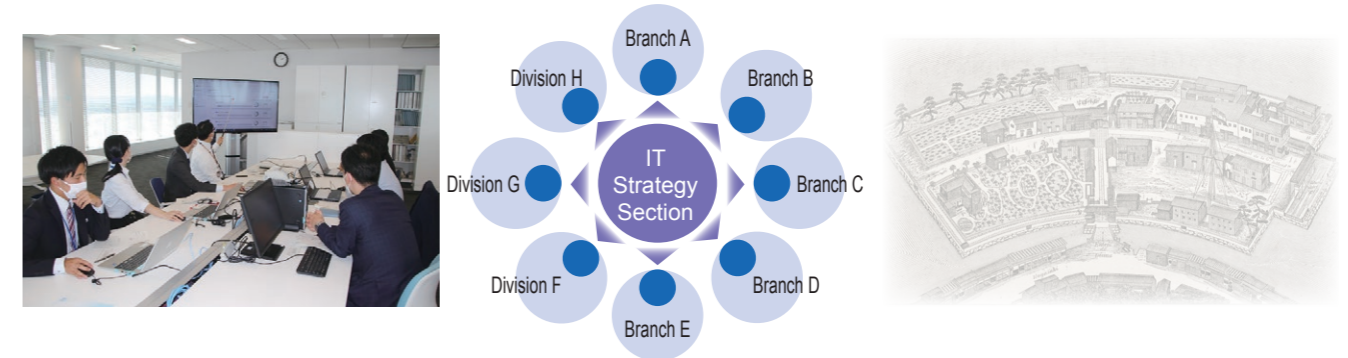
The IT Strategy Section of the Corporate Planning Division is playing a central role in the Bank's efforts to utilize data in conjunction with the DX strategy, and we will gradually expand these efforts to the entire Bank, including each division in the Headquarters and sales branches, in order to improve the level of data utilization throughout the Bank.



Fostering data-driven thinking within the Bank ("Dejima" Hub Strategy)

In order to foster a mindset of data utilization and DX within the Bank, we offer "Mid-term data utilization trainee (in-house, multi-job type)" training program mainly for front-line sales staff to experience data analytics and DX operations at the Headquarters in addition to their own regular work. This enables them to acquire the skills required for using data to solve problems and developing data for business purposes.

By holding this training program on an ongoing basis, we aim to establish hubs, or "Dejima"—an island in Nagasaki that served as Japan's window of communication with the rest of the world in the 17th century—between the Headquarters and the field, in various locations within the Bank, starting with those who have experienced the training, and to spread "data-driven" thinking within the Bank over the medium to long term.



Voices of those who took part in the data utilization trainee training program

- By learning about the Bank's approach to data utilization, we are able to learn the ropes about data. Also, by deepening our knowledge of DX, we can improve our IT literacy.
- I learned that there are many more data utilization tools than I had imagined, and at the same time, I became aware that I have not yet fully utilized the data held at the Bank.
- Discussions on how to think about and use the keyword "data" led to the discovery of new points of view and ways of thinking.
- By actually using the analysis results in our operations at our branch, we were able to share with others how to handle data and how to make decisions based on data.

Briefing on the results of the training