

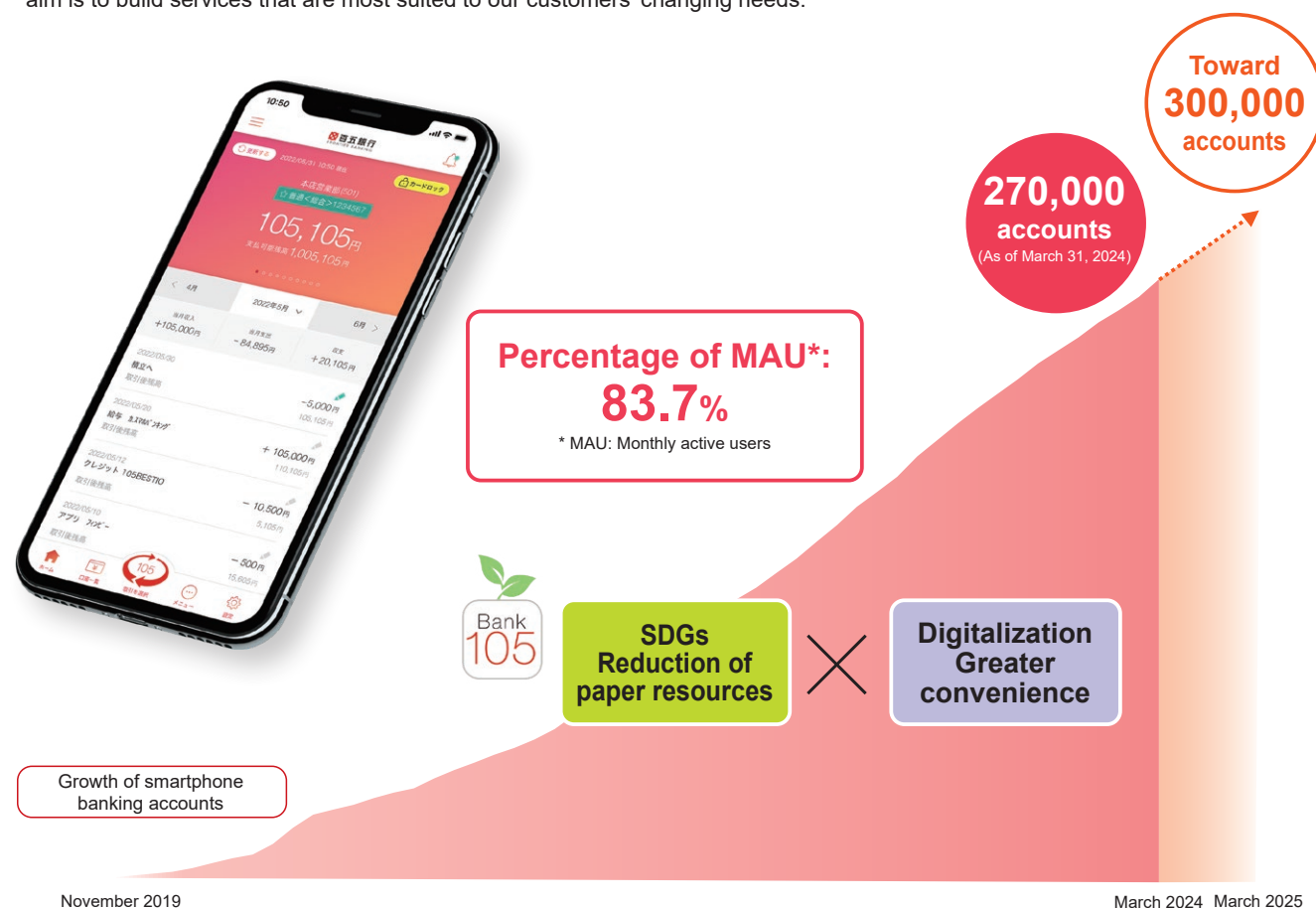
Basic Policy Increased Productivity

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 with smartphone banking” and “enhance the level of data utilization.”

No-passbook era

We will expand Hyakugo Bank's smartphone banking service to realize the convenience of completing banking transactions easily, anywhere, anytime, without the need to visit a branch, as well as environmentally friendly services with paperless transactions. Our aim is to build services that are most suited to our customers' changing needs.



Improved customer convenience

We have shortened the time taken to complete the various procedures* involved in applying for money transfers. We have amended the service to handle identity verification (eKYC) 24 hours a day, 365 days a year and automated post-verification procedures. This allows same-day completion of the procedures required to apply for money transfers, which previously took longer, improving convenience for customers.

* Personal verification required for changing telephone number and changing transfer limits

Installation of unauthorized access detection system

We installed a new system for detecting unauthorized access to improve monitoring quality. The new system detects and monitors unauthorized access at the time of app launch for all smartphone banking users to protect customers' accounts from financial crimes.

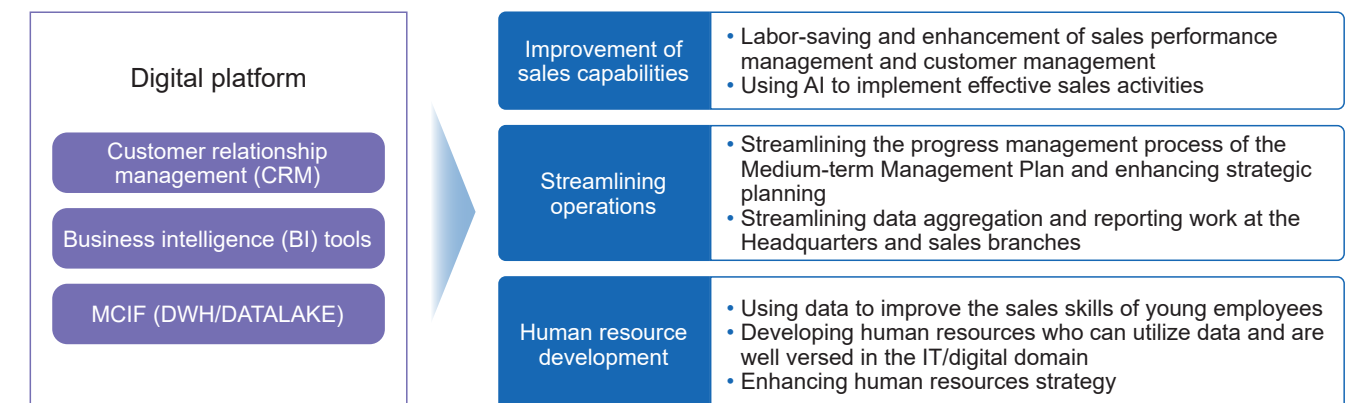
Marketing of app functions to other financial institutions

We began marketing the smartphone banking app to other financial institutions (in collaboration with BIPROGY Inc.) in May 2023. As of May 2024, the app has been adopted by one bank and four credit unions. We will continue to provide new services for financial institutions that are considering making non-face to-face channels available.

Centralization of data within the Bank and expansion of data utilization

Under the Medium-term Management Plan, “Gateway to the Future II,” various systems and data scattered throughout the Bank have been centralized to the greatest extent possible, and a digital platform that anyone can use easily at any time has been established to improve sales capabilities, streamline operations, and develop human resources.

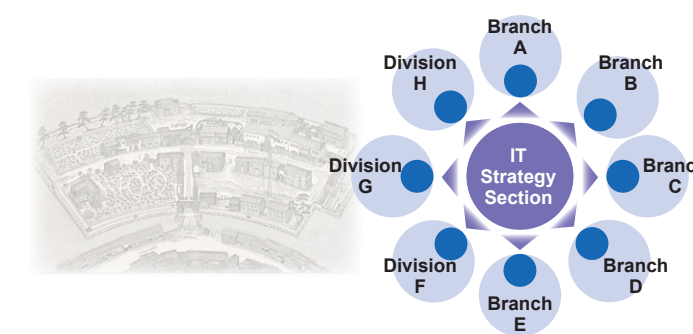
The IT Strategy Section of the Corporate Planning Division is playing a central role in the Bank's efforts to utilize data in conjunction with the DX strategy, and we are working to ensure that these efforts permeate throughout the entire organization through activities to support the streamlining of operations at sales branches and the Headquarters and the enhancement of their sales activities from a data utilization perspective.



Developing human resources who can utilize data (in-house trainee program)

In order to foster a mindset of data utilization and DX within the Bank, we offer a “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

- The program gave me an opportunity to think for myself about the issues in my section's sales activities and how to address them. I also learned the practicalities of how to use the lists I prepared and how to analyze the results.
- The training is jam-packed with the kinds of skills needed to master data analysis.
- The chance to learn about systematic knowledge and approaches and interact with people in different sections and positions for four months was an invaluable experience.



Study “practical” data utilization

Spread what trainees have learned (key points of data utilization) throughout individual sections
➔ **Each trainee functions as a “Dejima”**