

We aim to “Create with Our Community, Customers and Employees a Rich Future that We Can All Share.”

At our Bank, we aim to realize a long-term vision: “Create with Our Community, Customers and Employees a Rich Future that We Can All Share.” This vision forms the basis of our 10-year long-term management plan, “Vision 2027: Plan for Creating the Future Together,” which we launched in the fiscal year ended March 31, 2018. We are proposing a variety of measures in our endeavor to see this vision become a reality.

Here we introduce our main activities of this term.

1) Improving quality of services provided

[Enhancing regional support activities]

In the corporate business sector, we worked on making our “regional support activities” more advanced to better provide optimal solutions geared towards resolving various issues that are specific to each customer.

In our consulting business, we have actively tackled various management issues of our customers, such as by reviewing their human resource management programs and helping them formulate their medium-term management plans to put their growth strategies into practice.

As for the start-up support activities, we established, in November 2018, “Okayama Tech Planter” in an aim to

discover and foster venture businesses.

We held “Okayama Innovation Contest,” a regularly held event since the fiscal year ended March 31, 2018, and going forward, we will continue to strengthen our efforts to revitalize regional economies through providing support for business start-ups.

We are committed to contributing to the development and growth of the regional economy, by providing solutions to various issues held by our customers and high-value-added services, through “regional support activities.”

[Strengthening life planning sales]

In the individual sales sector, we focused on our “Life plan support activities,” which provide optimal products based on each individual customer’s asset conditions, family structure, and future life events.

In our operations of assets in custody, in cooperation with our group company Chugin Securities Co., Ltd., we have carried out solution proposals and sales activities aimed at realizing

optimal asset creation for our customers.

We stepped up our efforts in the testamentary trust and inherited assets disposition trust businesses that offer various solutions for asset inheritance, and established “Financial Advisor Desk” in the headquarters to build a system that caters to a wide range of customer needs.

[Maximizing group synergies, cultivating new business domains]

As part of our efforts to expand into new business domains, the TSUBASA Alliance formed by eight regional banks (consisting of The Chugoku Bank, Ltd., The Chiba Bank, Ltd., The Daishi Bank, Ltd., The Iyo Bank, Ltd., The Toho Bank, Ltd., North Pacific Bank, Ltd., The Hokuetsu Bank, Ltd., and The Musashino Bank, Ltd.) is jointly developing open APIs to enable its users to safely utilize services offered by FinTech providers. The alliance also worked on a wide range of collaborative projects such as forming syndicated loans and

operating a trainee exchange program between the participating banks.

In May 2019, The Shiga Bank, Ltd. joined the TSUBASA Alliance.

Going forward, we will continue to develop businesses that leverage the economies of scale achieved by the largest regional bank alliance in Japan, and to make coordinated efforts in a wide range of fields.

2) Expanding opportunities to provide services

[Revising and recreating channels]

In order to satisfy various needs of customers who are interested in asset creation, we expanded the functions of our three “Housing Loan Centers” in Okayama Prefecture with their new name of “Life Plan Center,” building a system that provides one-stop consultation service for various loans, asset creation, and insurance.

As part of our efforts to enhance FinTech services, we have started offering “Money Forward ME ” and “Moneytree” services and “J-Coin Pay” smartphone QR code payment service.

We will continue to provide a wide range of financial services utilizing the latest technology.

[Rethinking operating hours and sales staff]

Two years have passed since we started the “BPR Promotion Project” with the goal of rethinking operating hours and sales staff.

From the perspective of “concentration, simplification, and efficiency,” various measures are being considered and are now put into practice.

The “Loan Center” was established in the loan-related business, and as a result, loan-related operations that were previously run by sales branches were brought together at the

headquarters.

For headquarters operations, “Electronic Workflow” has been introduced to digitize approvals and reports, improving work efficiency and promoting paperless operations. Sales branches are now equipped with “Tablets for Negotiation” to promote efficiency in sales activities and paperless operations.

We will make effective use of the human resource and time saved by BPR activities, leading to a stronger relationship with our customers.

3) Strengthening power to provide services

[Strengthening personnel development]

We have implemented a variety of measures for strengthening our personnel development, including long-term training for new employees and support for acquiring advanced certifications.

We have also considered various measures such as quantification of necessary skills as a bank employee, introduction of a “Headquarters Job Posting System” that

realizes the wishes of employees who are working hard, and introduction of an “Appointed Leader System” which selects leaders for young employees to have consultations with.

We will continue to improve the skills and motivation of individual employees for this to enhance organizational capabilities.

4) Changing individual ways of thinking and reforming organizational culture

[Reforming ways of thinking and organizational culture, CS and ES improvement]

As part of our efforts to promote diversity and reform the work style, we conducted the “Diamond Training for Female Employees” to help raise awareness of being a female leader. Going forward, we plan to step up these efforts further and develop them into Diversity & Inclusion initiatives (an approach that makes the initiatives of promoting diversity evolve further so as to contribute to management strategies).

Furthermore, we worked to enhance the features of the “Flat Meeting,” which has been implemented aiming towards

revitalizing in-office communication.

We organized the “Flat Leader Workshop” and enhanced the support structure at the headquarters, aiming to make internal communications more effective, and create an organization that makes its employees feel free to express their opinion and solve problems on their own.

We will continue to enhance measures that transform our corporate culture into the one which is free, open-hearted, and lively.

[Compliance]

In the area of compliance with laws, intensifying threats of international crimes and terrorism have led to increasing requests from international communities for stronger measures to combat money laundering and terrorist financing. Against this backdrop, we established, on October 1, 2018, “Money-

laundering Countermeasure Center,” implementing “Policy on Anti-Money Laundering and Combating the Financing of Terrorism,” and are currently sophisticating our systems in this regard.



June 2019 Director and President **Sadanori Kato**