

Basic Policies and Strategic Themes

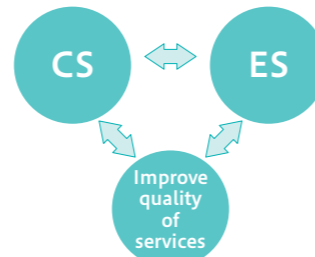
In this plan, we set forth the following strategic themes for each of the two basic policies and carry out specific measures to realize our aspiration to be the “ideal image” of the company.

Transforming our business platform through three reform initiatives

[Strategic Theme 1] Innovation of the Process to improve the quality of jobs

To improve satisfaction between our staff and customers through job abolishment and total job restructuring in addition to increasing the utilization of digital technologies, we allow our staff to concentrate on customer-oriented interactions so that we can establish a mid- to long-term relationship with customers.

- Nurture a culture of cherishing the process and quality of jobs
 - Virtuous cycle of employee satisfaction (ES) and customer satisfaction (CS) that are based on improvement in the quality of services
 - Cost reductions through “Job Sorting”
 - Radically streamline office work by using zero-based thinking
 - Job innovation by using new digital technologies
- In June 2018, seven regional banks established “Fincross DIGITAL Co., Ltd.”



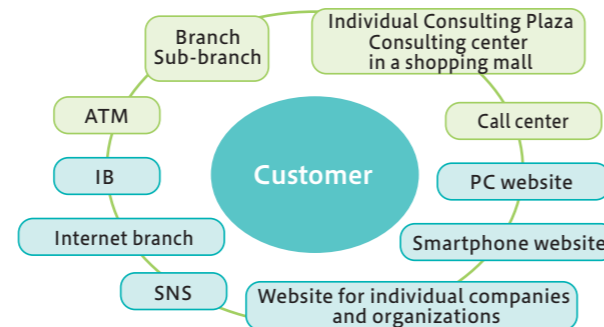
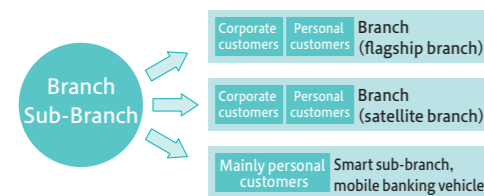
[Strategic Theme 2] Innovation of the Channel to expand customer interface channels

Improve convenience to customers and increase communication opportunities by promoting innovation of the bank's network and significant expansion of non-face-to-face channels.

- Improve customer experience through the “DigiCal Strategy”
- Selection and concentration of the bank network and functions for optimization
- Expand customer contact channels through strengthened sales by the head office and the introduction of sales service by area
- A new customer approach in collaboration with outside partners
- Improve customer loyalty through expanded communications

Note: The “DigiCal Strategy” refers to a strategy that effectively mixes the “Digital Channel” included in the growth area with “Physical (face-to face) Sales” which is one of the strengths of the Bank.

Selection and concentration of bank functions



[Strategic Theme 3] Innovations in human resources aimed at making the best use of creativity

We encourage our staff to make the best use of their own creative style and support our customers to the best of their ability by evolving from the traditional practice of fostering human resources with similar abilities to a staff where each person can realize their own unique abilities.

- Improve job satisfaction through a “talent management” process
- Establish a foundation for mid- and long-term fostering of specialized human resources
- Build on the collective strengths of human resources and transform the organization into one where staff members can act on their own initiative
- Promote diversity that leads to enhancing the vitality of the company
- Implement reforms in workstyle to support the lifestyle of each staff member



L-NEXT, a team for promoting women's empowerment in FY2019, planned products and services from a female perspective

“Realizing enhanced value through evolution of our business model”

[Strategic Theme 1] Efforts to foster and revitalize regional industries and support business succession

We proactively grapple with the challenges involved in supporting regional revitalization and business succession using the Bank's networking ability in order to maintain and improve the vitality of the regional economy.

- Collaboration with local public bodies for the growth of the entire regional areas and acquisition of the fruit of our efforts
- Provide support to enhance added value for major industries as well as support expansion of start-up businesses
- Comprehensive efforts to resolve the challenges of business succession faced by our business customers
- Expansion of business support and proactive injection of “support money”

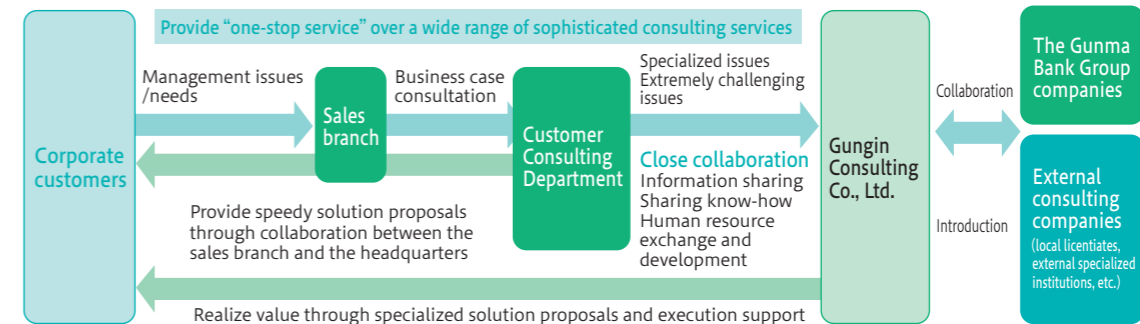


Kiryu City Tourist Information Center “Silkuru Kiryu” set up inside the Kiryu Branch

[Strategic Theme 2] Support customers' growth by providing first-rate consulting services

By correctly understanding the challenges and needs of our customers, we can provide them with optimal solutions and support their growth.

- Implement consulting services based on business feasibility studies
- Expand networks and transactions with companies in promising markets.
- Diversify service options for business customers by accurately grasping the changes in social structure
- Support overseas business development and transaction activities and expand foreign exchange transactions.
- Expand customer base by promoting qualified loans and recognizing our core customers.



[Strategic Theme 3] Promotion of efforts to steadily increase customer assets

We provide customers with asset building support according to their life stages under our mission of “Increase customer assets on a mid- to long-term basis.”

- Implement customer-oriented, asset building initiatives
- Meet various needs for asset management in collaboration between the bank and securities companies
- Proactively respond to increasing needs of senior citizens
- Restructure marketing strategies for personal customers
- Implement new measures for integrated sales for corporate and personal customers and wealth management



Kojin Soudan Plaza Takasaki meets a wide range of consultation needs

[Strategic Theme 4] Strengthen management structure to meet environmental changes

We will strengthen our governance system and enhance risk return management as well as enrich measures to achieve the SDGs through our business activities.

- Increase profitability through a sophisticated market management system
- Implement control and management of revenue, risk and capital in an integrated manner
- Strengthen the governance system to allow enhancement of corporate value
- Establish a healthy organization by improving the compliance system
- Promote strategic utilization of IT and improve system infrastructure
- Contribute to achieving SDGs through our main business activities



Issued the first regional bank green bond Received Regional Finance Prize at the Sustainable Finance Awards

[Strategic Theme 5] Responding to multifaceted needs by exerting the Group's collective strengths

We are prepared to respond to customers' multifaceted needs by making the most of the functions of the Group companies, including those involved in lease, securities and consulting services.

- Efforts to maximize consolidated revenue
- Development of business areas to further enhance our collective strengths