

Sales Process Reform

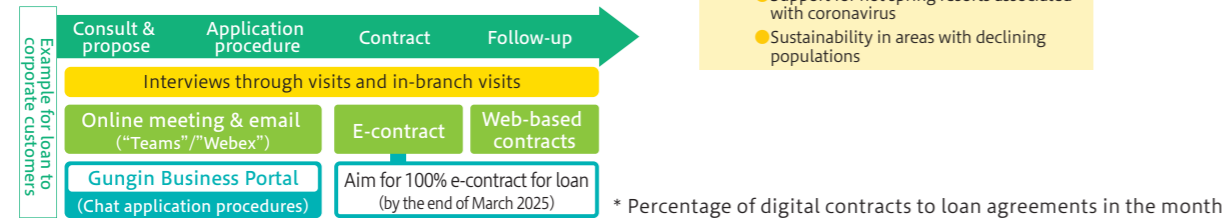
Enhance our strengths to “connect” with customers by building an effective sales force

Establish “District Governance Structure”

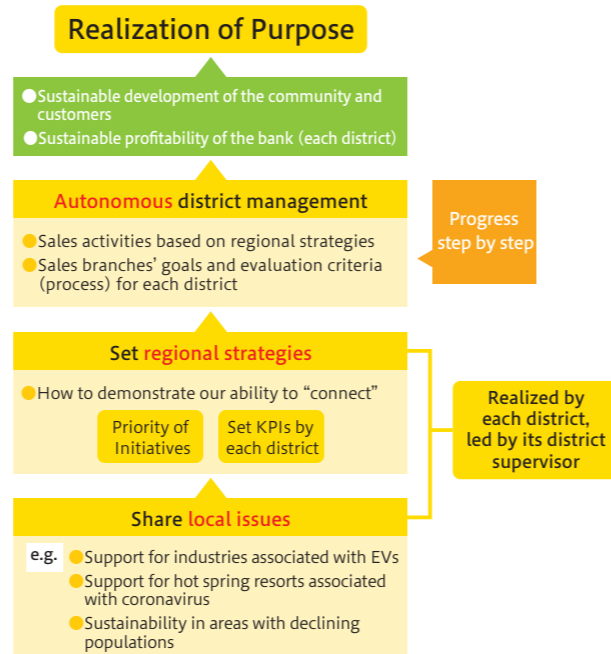
We assigned four District Supervisors for each area to strengthen our District Governance Structure. By engaging in bottom-up autonomous district management, in which districts are delegated a certain level of authority to develop regional strategies, set goals, etc., we aim to ensure sustainable growth of the region and customers and the sustainable profitability of the Bank in each district.

Establishing a New Digitally-Based Sales Style

To address the more varied needs of our customers resulting from the pandemic, we are working to shift to more effective sales activities by utilizing Office 365 and e-contracts which allow us to complete loan contracts online. The rate at which e-contracts* are being used is trending favorably at 99% for mortgages and 67% for ordinary loans in March 2023. Going forward, we will strive to further improve efficiency by making more widespread use of web conferencing tools and the Gungin Business Portal (launched in July 2023).



Overview of the District Governance Structure



Business Process Reform

Invest management resources for our strengths to “connect” by streamlining process

Branch Administrative Reforms

We are implementing administrative reforms centered on in-branch tablets scheduled to be introduced in January 2024. By building a customer-focused user interface and carrying out a fundamental review of administrative work, we will be able to go paperless, operation-less, and signature stamp (seal)-less. Administrative processing times will be greatly shortened after the system is introduced, and we hope to significantly reduce costs and the number of terminals when the branch system is scheduled for renewal in FY2027.



In-branch tablet image

In-Branch Tablet Rollout Schedule



Business Reform Project

In the Business Reform Project that started in 2019, a cross-divisional working group at headquarters takes the lead in working on business reforms. In the current mid-term business plan, we will further improve operational efficiency by working to deepen two themes: eliminating operational waste and zeroing out reporting work.

In terms of eliminating operational waste, or cutting down on wasted work, out of the 6,731 suggestions we received from employees regarding the cancellation or review of work operations, 1,229 were adopted, saving 690,000 work hours over the course of the year.

And in terms of zeroing out, or eliminating, reporting work, we are reviewing the reports that branch offices are required to submit, doing away with any reports that are deemed less important or superfluous to requirements. In July 2023 we started to use a dashboard that visualizes data and status of measures, so rather than having branch offices send a report, we created an environment in which executives and headquarters can see information in real time. Going forward, we will promote further use of this dashboard, continuing to work on initiatives that simplify or do away with the reporting process.

Channel Reform

Enhance our strengths to “connect” by reconstructing the existing branch network and expanding consultation centers and digital channels

Branch Strategy

While the number of customers who visit our branches declines, the number of customers using internet banking and the Gungin App is increasing. In addition, there is a growing need for specialized consultation in areas such as inheritance and asset formation. In order to respond to these changes in the business environment, we are restructuring our branch network and expanding our consultation centers and digital channels.

Since we began to reorganize our network of branches in 2016, we have consolidated 44 branches as of the end of March 2023. As for consultation centers, we currently have four Individual Consulting Plazas, which are open on holidays, with plans to open more in the future.

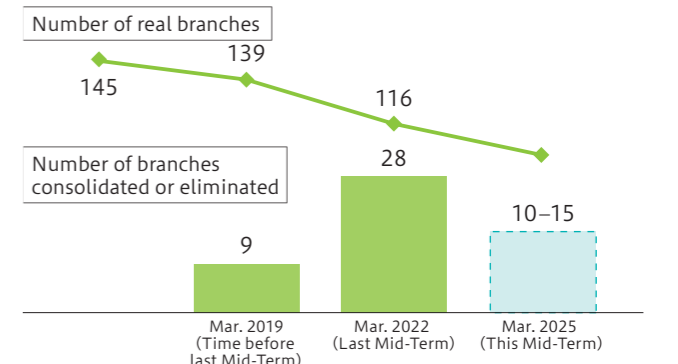
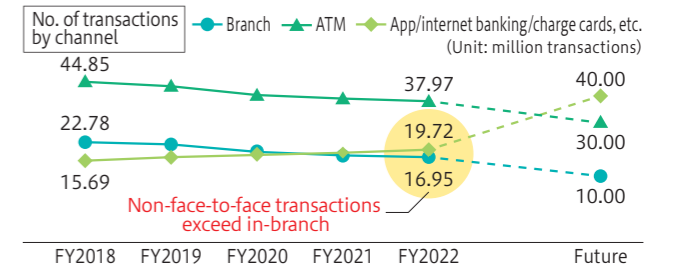
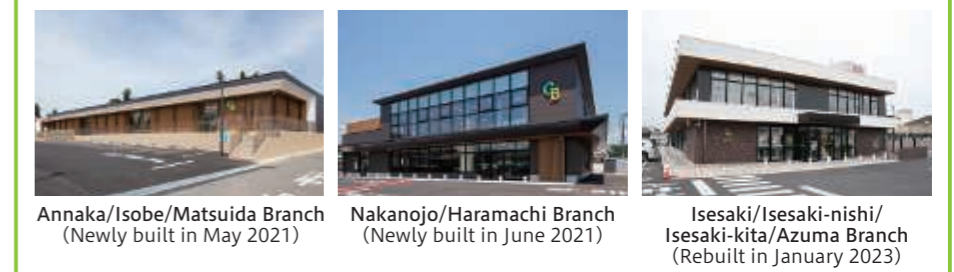
Restructuring of branch functions

Flagship branches, which are the core branches in each region, and satellite branches, which have a lighter operation load, are working together to provide optimal financial services to customers by leveraging the regional branch network.

Selection and consolidation of bank network

We are promoting branch consolidation and elimination (branch-in-branch) while making a comprehensive assessment of trends in the number of customers visiting our banks, the need to renovate existing neighboring banks, and other factors.

Newly Built Banking Outlets in Recent Years



Evolution of DigiCal Strategy

We are working to link banking services with non-financial services to provide a unique customer experience that effectively mixes the digital and the physical.

In April 2022 we launched the Gungin App, a smartphone app for individual customers. In March 2023

we will add the function to pay taxes and public money, and in the future we plan to add more functions such as the ability to buy investment trusts and funds. For corporate customers, we launched the Gungin Business Portal in July 2023.

