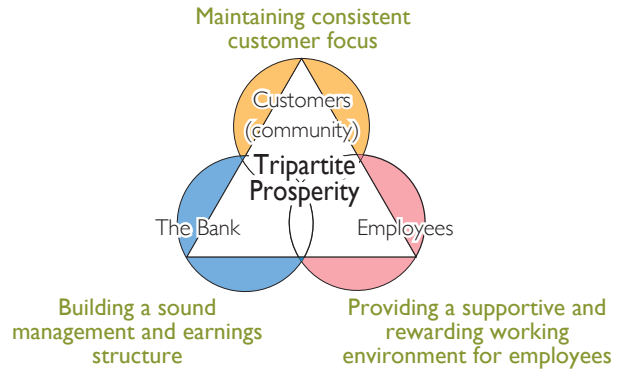


Management Principles

Management Philosophy: Tripartite Prosperity

“Tripartite prosperity” is a concept in which Osaka City Shinkin Bank, its customers and its employees are regarded as a single, tripartite entity. The Bank nurtures mutual growth and happiness based on mutually supportive relationships. We always consider what we do within this conceptual framework, and strive in our business activities to balance the interests of each element.



Basic Management Policies for Fiscal 2022

Fiscal 2022 marks the milestone of the 95th anniversary of the founding of the Bank, and will be the final fiscal year of our medium-term management plan, Smart Shinkin 2022. This year, we will put the final touches on our efforts to be our customers' number one financial partner for problem resolution.

We will strive to improve customer satisfaction by further evolving the information cycle aimed at problem resolution we've established and developed in our medium-term management plan, boosting the quality and effectiveness of proposals, and working to make problem resolution a key part of our business.

In the last fiscal year, we launched various initiatives as operational reforms. Through steps such as improving efficiency of information gathering, increasing the sophistication of analysis and restoration techniques for accumulated data, adopting a support system for all counters at all branches, adopting communication tablets, and establishing occupation-specific sites, we are working to lock in results by strengthening customer contact points via various channels between the Bank and customers.

As we strive to overcome the COVID-19 pandemic and create a new post-COVID society, our slogan for this fiscal year will be “Pioneering the future together with the region.” We will work to provide side-by-side support to improve management by raising our information gathering capabilities and operational efficiency, and bolstering our lineup of problem resolution support services.

We will also support digital transformation (DX) of business partners using IT, as well as improvement of customer marketing capabilities and profitability.

In addition, to improve our problem resolution capabilities, we will continue training staff by sending more of them for training outside the Bank. We will reinforce head office backup capabilities (management support, business succession support, M&A, digitalization, etc.) and improve our ability to make proposals. As a good corporate citizen, we will actively work toward SDGs and ESG, contribute to the solution of issues facing the global environment and society, and support sustainable development of the regional economy.

In terms of risk management, our top priority will be protecting customers through our operations, and we will further strengthen steps to prevent financial crime and address money laundering. Also, we will further improve customer trust and security by establishing more robust defense capabilities against risks, including a stronger crisis management system and improved cyber-security measures.

Through these efforts, this will be the year we achieve the goal of our medium-term management plan—becoming our customers' number one financial partner for problem resolution and for close ties to the region—and achieve results worthy of

the Bank's 95th anniversary (pioneering the future).

Based on the above, we have formulated the following basic management policies for fiscal 2022.

Basic Management Policies

Pioneering the future together with the region

Overcoming difficulties together

Closer and deeper relationships, faster responses

1. Improve customer satisfaction and strengthen profitability by establishing a continuous problem resolution model
2. Promote more efficient operations to broaden and deepen contact point opportunities with customers
3. Contribute to the region by sharing the principles of SDGs with customers
4. Improve all-around skills and abilities in specialized fields
5. Enhance risk response capability and strengthen compliance framework

Key Measures

1. Improve customer satisfaction and strengthen profitability by establishing a sustainable problem resolution model
 - (1) Create profit opportunities by promptly responding to problems, and strengthening proposals to resolve problems which exceed expectations
 - (2) In addition to ICT consulting, bolster our lineup of problem resolution support services
 - (3) Improve problem resolution capabilities by strengthening information gathering capabilities and ferreting out latent problems
2. Promote more efficient operations to broaden and deepen contact point opportunities with customers
 - (1) Augment contact point opportunities with customers by integrating and multitasking sales and loan tasks
 - (2) Promote more efficient operations through computerization of core operations, such as digitalization of loan operations
 - (3) Strengthen communication with customers by promoting efficient business support using AI
3. Contribute to the region by sharing the principles of SDGs with customers
 - (1) Promote efforts in line with SDG principles such as reduction of environmental impact and ESG investment
 - (2) Improve customer convenience and employee satisfaction by deploying branch strategies to achieve closer regional ties, and rebuilding and overhauling branches
 - (3) Deploy projects for the Bank's 95th anniversary to help ensure commitment to the management philosophy among employees and contribute to the region
4. Improve all-around skills and abilities in specialized fields
 - (1) Acquire and apply high-level expert knowledge to improve consulting capabilities by sending staff for training outside the Bank, and collaborating with outside institutions
 - (2) Strengthen the general abilities and teamwork capabilities of employees by reviewing personnel systems and establishing a new human resources development plan
 - (3) Create opportunities for employees to shine out by assigning diverse personnel to the right positions
5. Enhance risk response capability and strengthen compliance system
 - (1) Improve crisis management capability by enhancing risk management capability and ensuring the effectiveness of BCP
 - (2) Upgrade customer protection management system by strengthening measures to prevent money laundering, etc.
 - (3) Improve compliance awareness and engagement through deeper understanding of our management philosophy, etc.