Digitalization Strategy

As digitalization progresses at a rapid pace, the SuMi TRUST Group regards digital reform initiatives as one of our most important management strategies. We continually strive to improve client convenience and productivity and to develop a total solution model that is unique to a trust bank, using the latest digital technologies.

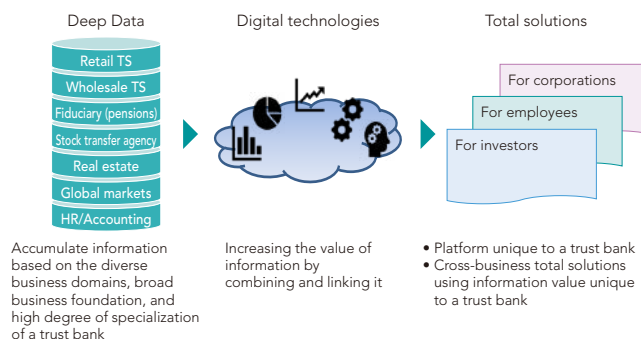## Developing a Total Solution Model

Our group companies have a wide range of business domains, and develop highly specialized businesses targeting a broad client base. Each business domain holds "Deep Data": a variety of data accumulated by leveraging the highly specialized know-how unique to the trust bank group. Deep Data accumulates data such as client attributes, assets, transactions, and events in each business domain, as well as external data such as economic conditions, representing information that is both quantitatively and qualitatively unique to the trust bank group.

We analyze this information and convert it into a form that provides high added value for our clients, and utilize digital technologies such as artificial intelligence (AI), blockchain, IoT, and the cloud to determine the ideal timing to make proposals.

Our goal is to use digital technologies to offer information with high added value to our clients, and to offer total solutions that are unique to the trust bank group, and go beyond our business domains. Our digitalization strategy serves as foundation for building a unique model for adding value, as a financial group specialized in trust banking.

• Evolution of total solutions through use of digital technologies

Deep Data
- Retail TS
- Wholesale TS
- Fiduciary (pensions)
- Stock transfer agency
- Real estate
- Global markets
- HR/Accounting

Accumulate information based on the diverse business domains, broad business foundation, and high degree of specialization of a trust bank

Digital technologies

Increasing the value of information by combining and linking it

Total solutions
- For corporations
- For employees
- For investors

• Platform unique to a trust bank
• Cross-business total solutions using information value unique to a trust bank

Pursuing Reform and Innovation in Client Services Using Technology

In 2015, we launched the FinTech project teams. The activities of these teams have since included verification experiments aimed at using new technologies such as the blockchain and AI, as well as joint research with external partners.

In November 2017, we created the Digital Transformation Department at SuMi TRUST Holdings and SuMi TRUST Bank. This department is accelerating digital innovation, and is engaged in studies, research, and verification experiments regarding the use of technologies to further the development of a total solution model, in particular.

• Use of AI in the asset management field
We use AI to build investment strategies, including utilizing text mining to develop AI solutions that automatically calculate sentiment scores for large volumes of analyst reports, collect information more efficiently, and make investment decisions on individual stocks.

• Using digital technologies to offer a higher level of consulting
We use AI specialized for text analysis to discover hidden client needs, and perform verification experiments to enable optimal consulting activities based on those needs.

We perform a multifaceted analysis of a variety of information that we have accumulated using predictive analysis, and perform verification experiments to propose products and services to more effectively meet client needs.

Improving Client Convenience

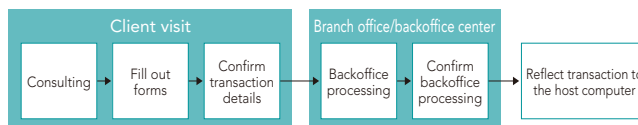**Introduction and continued development of host DB linked client visit tablet**
We have introduced an IT system for marketing assistance. Sales representatives for individual clients carry tablet devices during client visits, and are able to use this system to complete procedures for time deposits, investment trusts, and other transactions on the spot. We plan to expand the range of applicability of this system to support more types of transactions, including insurance products and discretionary investment products.
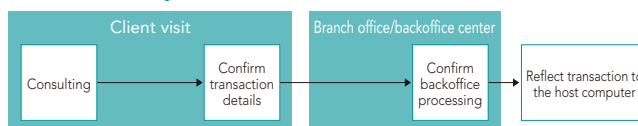
Introducing this new system has enabled us to spend more time on client-focused consulting, as it reduces burdens on clients from filling out forms, while at the same time greatly reducing our administrative workload.

In the future, we will improve client convenience and enhance our consulting by advancing the use of technology and digitalization in both over-the-counter transactions and internet banking using mobile devices.

Before the New System

Client visit			Branch office/backoffice center		
Consulting	Fill out forms	Confirm transaction details	Backoffice processing	Confirm backoffice processing	Reflect transaction to the host computer

After the New System

| Client visit		Branch office/backoffice center	
Consulting	Confirm transaction details	Confirm backoffice processing	Reflect transaction to the host computer

Initiatives to Improve Productivity

Full-scale introduction of RPA and AI, and promotion of digitalization
• Using Robotic Process Automation (RPA)

We are aiming to save 500,000 person-hours of labor over the next three years by using RPA to automate operations that have previously been performed by humans.

We aim to further enhance client service by replacing data entry and other backoffice tasks with RPA, mainly at the head office, improving both operational efficiency and quality, and allowing a shift of personnel from the head office to branch offices.

Data collection

Data entry

Aggregation/check

etc.

Further enhancing client service

RPA as a substitute
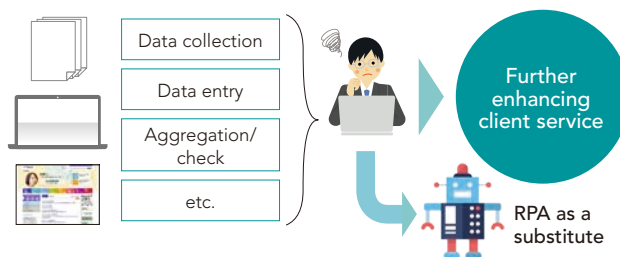
• Introducing AI for call-center operations

Our goal is to improve client service by making call-center operations more efficient and sophisticated, by using voice-recognition technology to automatically convert client telephone inquiries into text, and using text-mining technology to summarize such text.

Initiatives at SBI Sumishin Net Bank, Ltd.

Since its founding in September 2007, SBI Sumishin Net Bank, Ltd. has worked to achieve "the most user-friendly internet banking, offering attractive products and services 24 hours a day, 365 days a year." In the FinTech business domain as well, it is actively using AI, APIs, and other leading-edge technologies to develop products and services that help improve client convenience, led by its FinTech Business Planning Department and Big Data Department.

• Example uses of AI

We have introduced a hybrid chat service on a trial basis. This service handles client inquiries seamlessly, switching between an AI chatbot and human responses. The AI chatbot provides 24/365 automated responses, while humans provide more detailed custom responses during business hours.

We have also introduced leading-edge methods that use AI to review mortgage loans. This improves the accuracy of reviews, and makes operations more efficient and less labor-intensive.

In addition, we have introduced an AI-based monitoring system to detect fraudulent wire transfers, expanding the applications of AI to fields that help improve client security and comfort.

• Example uses of APIs

We offer a wide range of asset management services to clients, performing API integrations with operating companies that offer automated savings services and Robo advisor (automated asset management service).

We help streamline wire transfer procedures and the capture of client balances and bank statements, through API integration with cloud accounting software and other services.

Overview

Vision

Business Strategy

Management Foundation

Corporate Information