

# Digital Strategy

## 1. Digital Strategy — six strategic areas

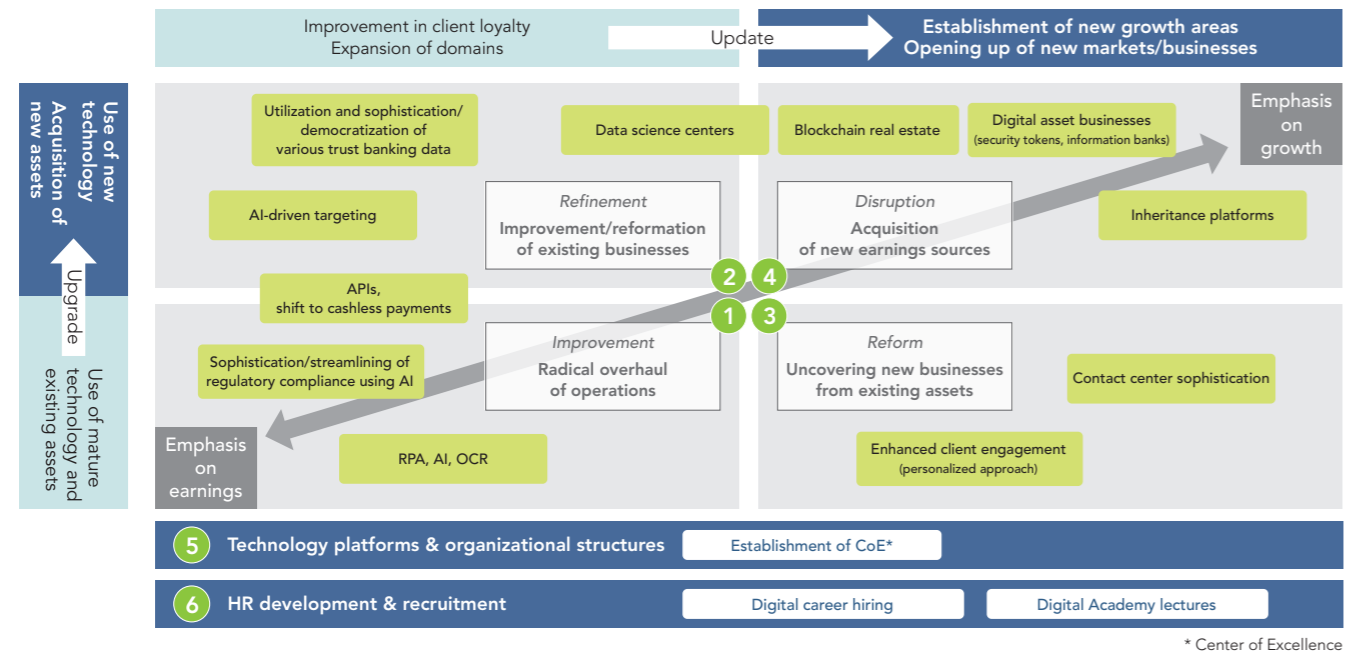
In our Medium-Term Management Plan commencing in FY2020, we have identified six strategic areas in which we will advance our digital strategy.

The following four areas will be promoted concurrently: (1) improvement—utilize mature technology and existing assets to pursue mainly a radical overhaul of operations; (2) refinement—brush up existing businesses by utilizing new technology and acquiring new assets; (3) reform—redeploy existing strengths and assets to open up new markets and businesses;

and (4) disruption—look to establish new growth areas by utilizing new technology.

In order to speedily drive forward each project in these four areas, we will also need to continue reinforcing our systems. For this reason, we have positioned (5) technology platforms and organizational structures, and (6) HR development and recruitment, as key strategic areas to be addressed over the medium to long-term.

### Six strategic areas



In areas such as asset administration, inheritance, and real estate, which are social and public in nature and where we have strengths as a trust banking group, we will focus on areas that are poised for full-fledged digital transformation (DX) in the future. In addition, we will continue to utilize a wide variety

of data, including data from banking operations unique to us as a trust bank group, as the driving force behind the creation of social value that helps solve social issues and the creation of economic value that contributes to the growth of the Group.

## 2. Efforts to Improve Efficiency Through the Use of RPA and AI-OCR

SuMi TRUST Bank has achieved savings of approximately 300,000 person-hours of labor in one year since the full-scale introduction of Robotic Process Automation (RPA) in FY2018 to automate operations that were previously performed by humans. By integrating the development and operations of our internal user and IT departments, we made it possible to monitor operations after RPA deployment and make continuous improvements such as adding new functions and changing settings as necessary, thereby improving operational efficiency and quality.

In addition, starting in FY2020, we introduced the AI-Optical Character Reader (AI-OCR), which can convert paper documents containing handwritten characters into text data, into four business operations, achieving an efficiency improvement equivalent to approximately 20,000 person-hours of labor. Although the transition to paperless operations through digitization is underway, there are still some paper-based operations. By leveraging AI-OCR and further linking it with RPA, we are expanding the scope of work to be automated and driving further gains in efficiency.

## 3. Data Utilization Initiatives

Transactions between the Group and its clients cover a wide range of areas, including fund transactions, provision of financial instruments, and financial management transactions. We are working on leveraging the diverse data obtained through these transactions, which is unique to us as a trust bank group, to enhance our services, for example by identifying emerging client needs that are not yet obvious in order to offer more valuable solutions. For example, in our businesses that deal

with individual clients, we analyze information on our investment trust and insurance transactions and use it to predict the best products and services to offer the client next. We are also actively promoting the utilization of AI and data in our businesses that deal with corporate clients. For example, to uncover hidden real estate needs and create new sales opportunities, we are analyzing interactions between clients and sales representatives from text data such as daily log entries.

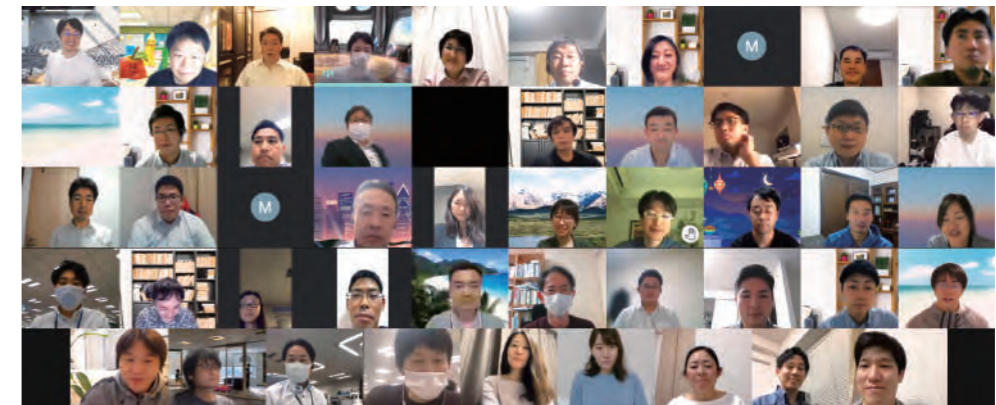
## 4. Developing Digital Human Resources

When it comes to the development of digital human resources, we are committed to not only the development of specialized professionals with advanced knowledge and skills, but also raising the level of digital literacy across the entire Group.

With respect to developing specialized professionals who will drive DX, we have been sending employees to universities, including Georgetown University in the U.S. (starting in FY2019), which has a reputation for cutting-edge research

on blockchain technology, and the Keio University Quantum Computing Center (starting in FY2020), and conducting joint research with participating companies.

With respect to raising the literacy level of the Group, we hold workshops that attract active participation from Group employees, including a hands-on workshop led by a Google Cloud AI specialist on using Google AI to discover ways to improve operational efficiency and create new services.



Scene from a training session led by a Google Cloud AI specialist

### TOPICS

#### Establishment of Digital Strategy Company

On April 1, 2021, SuMi TRUST Holdings established a company to take charge of the Group's digital strategy. The new company will take over the DX strategy across the Group's companies and SuMi TRUST Bank's businesses and accelerate the process of digitization. The new company has built its own system development environment and simplified set of business rules in order to operate with a lighter footprint and survive the intense competition in the fast-changing digital landscape.

The CEO, an employee in his 30s, was recruited through the internal job posting system. The staff will be assembled from individuals with diverse career paths and personalities from within and outside the company, and collaboration with external companies will be actively encouraged. While inheriting the Group's Purpose, the new company will bring new vigor to the Group with flexible ideas that are not bound by conventional wisdom.



Chief Executive Officer  
Satoshi Tanaka