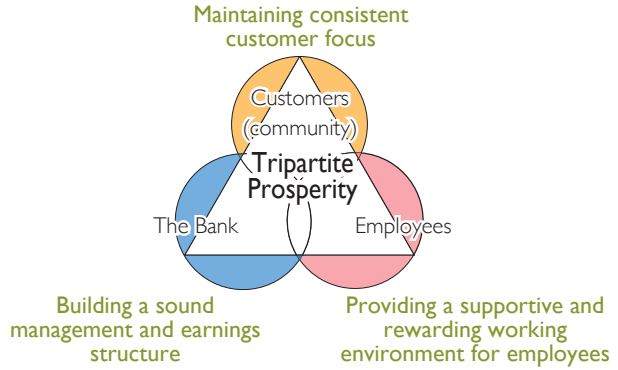


Management Principles

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 2019

The business climate is tougher than ever, making us even more determined to accomplish the goals in our management plan. We plan to improve corporate value by basing our efforts on a management philosophy of "tripartite prosperity" and our slogan of "serving the community by building trust." We will work to become our customers' number one financial partner for problem resolution by meeting them eye to eye. In this final year of our Best Partner 2019 Medium-Term Management Plan, we will do the final work to achieve the goals set forth in the plan.

This fiscal year we will steadily promote operational efficiency and develop more convenient services. At the same time, the Bank will train all our personnel to act independently and to provide better consultation services, a capability that forms the foundation of how we are able to resolve our customers' issues.

Specifically, we will carry out work restructuring to improve productivity by centralizing tasks at our headquarters and simplifying operations, and by increasing the use of IT. We will implement a new branch strategy and conduct practical training in problem solving to improve consulting abilities. These efforts will be combined with reforms to the organizational structure of the headquarters to bolster support for sales branches and a human resources focus that matches the right person with the right position.

Our efforts this year will also be directed at making workplace environments better with more consideration for employees' health. On the risk management front, we will continue strengthening measures to oppose antisocial forces and protect against cyberattacks including efforts against money laundering and terrorism funding, while further strengthening our internal control systems and crisis management readiness.

The Osaka City Shinkin Bank will also inform employees at all levels about management issues as we work to achieve our goal of building a robust foundation that will support sustainable development.

In light of the above, we have established the following Basic Management Policies for fiscal 2019.

Basic Management Policies

Becoming our customers' number one financial partner for problem resolution

1. Enhance productivity through greater operational efficiency
2. Develop more convenient financial services
3. Take measures to enhance the consulting abilities of all employees
4. Construct a robust internal control system to maintain customers' trust

Key Measures

1. Enhance productivity through greater operational efficiency
 - (1) Promote operational efficiency by centralizing tasks at our headquarters
 - (2) Foster operational efficiency through the use of IT
 - (3) Improve productivity by simplifying work processes
 - (4) Create branch strategies that meet the needs of our customers
2. Develop more convenient financial services
 - (1) Utilize IT to improve customer services and increase customer satisfaction among visitors to our branches
 - (2) Increase customer interaction by strengthening and adding new interaction channels beyond face to face
 - (3) Bolster the system to support consulting, which links to enhancement of our problem-solving style of financial services
 - (4) Develop financial services that cater to a wider range of customer needs by compiling a customer database
3. Take measures to enhance the consulting abilities of all employees
 - (1) Make good use of personnel by matching the right person with the right position
 - (2) Provide more comprehensive practical training
 - (3) Dispatch employees to external organizations for training
 - (4) Raise the effectiveness of on-the-job training through regular in-branch study seminars
4. Construct a robust internal control system to maintain customers' trust
 - (1) Work to raise compliance awareness to protect customers and prevent scandals
 - (2) Upgrade our risk management approach by reviewing our risk management practices
 - (3) Reinforce our countermeasures against money laundering and the funding of terrorism
 - (4) Heighten the effectiveness of our cybersecurity and business continuity plans