

## 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 2024

Fiscal 2024 is the second of the three years of the medium-term management plan Smart Shinkin Stock 2025. Continuing on from last year, we will once again work to build up resources in three key types of capital, by developing personnel training cycles and a sustainable approach to support problem-resolution.

Last fiscal year, the development of personnel training cycles and our establishment of a new office within Business Support Department led to an increase in the speed at which we can make problem-resolution proposals, while the opening of Soar, a co-working and shared-office facility, helped with the discovery of growth industries and enhanced business creation support measures. Furthermore, as the first year of the medium-term management plan, we were able to verify the measures we plan to work on for the full three years—including building new branches, making advances in marketing, and acting to improve operational efficiency by using electronic means to announce loan decisions—and adopt that approach.

Fiscal 2024, then, is an important year to make these initiatives functional, implement them, and tie them into results. We have summed up our fundamental policy as a desire to continue to take on challenges and act with our community and as such we will make personnel training the heart of our efforts to enhance our consulting capabilities and IT literacy, and building up human capital through better training systems.

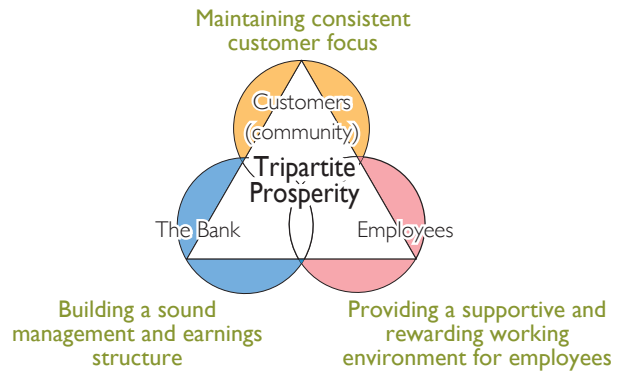
Additionally, by accumulating the information and expertise that is the basis for our problem-resolution, we will strengthen our ability to resolve issues. We will speedily respond to a vast array of management queries, covering topics such as business creation, how to enter new fields, decarbonization, sales channel expansion, business succession, and DX support. At the same time, we will endeavor to discover new business and cutting-edge technologies that can contribute to the development of Osaka’s core industries, and by doing so build up regional capital.

Equally, we will go even further to accelerate initiatives associated with the approaching Expo 2025 Osaka, Kansai event next year.

In terms of boosting productivity, meanwhile, we will study and utilize the information we accumulate, uncover issues using generative AI, raise our proposal capabilities, and continue the switch to digital and paperless operations.

By comprehensively implementing these measures, we will build up and improve the quality of our equity capital.

Alongside this, on the risk management front, as there are signs the market environment may undergo dramatic change, we are improving our ability to respond to risk more than ever, and are strengthening our governance approach. Furthermore, we will bolster initiatives to protect customers, employees, and the region through training in areas such as money laundering countermeasures, compliance, the SDGs, and drills on how to respond to cyber-attacks. In this way, we will contribute to regional development.



Taking the policies above into account, we are getting executives and other employees on the same page with our medium-term management plan and business plans, and will push forward with efforts to be our customers’ number one financial partner for problem resolution and for close ties to the region.

Based on the above, we have formulated the following basic management policies for fiscal 2024.

#### Basic Management Policies

Continuing to take on challenges and act with our community.

1. Build up human capital through growth support for personnel and reforms to personnel systems
2. Encourage deeper support for problem-resolution and speedier responses
3. Promote initiatives to help toward a more sustainable regional community
4. Enact measures that contribute to productivity and stable improvements to profitability
5. Implement risk management and compliance to flexibly respond to changes in the business environment

#### Key Measures

1. Build up human capital through growth support for personnel and reforms to personnel systems
  - (1) Enhance capabilities by establishing personnel training cycles
  - (2) Allocate the right people to the right places by providing various opportunities for employees to unearth their own abilities and uncovering suitable human resources
  - (3) Encourage active participation by diverse personnel through human resources reforms
2. Encourage deeper support for problem-resolution and speedier responses
  - (1) Accelerate problem-resolution proposals and strengthen support systems
  - (2) Support task efficiency by making effective use of digital channels and communicating with business partners digitally
  - (3) Implement effective approaches by ensuring thorough information gathering and its analysis and use, and by making advances in marketing
3. Promote initiatives to help toward a more sustainable regional community
  - (1) Contribute to regional communities by strengthening efforts aimed at reducing environmental impact
  - (2) Construct a brick-and-mortar network through store renovations, support sites, etc.
  - (3) Offer accompanied support for SMEs in technical development toward Expo 2025 Osaka, Kansai
4. Enact measures that contribute to productivity and stable improvements to profitability
  - (1) Expand revenue opportunities and secure stable revenue by commercializing our problem-resolution support lineup
  - (2) Enhance fund management by flexibly rebalancing portfolios
  - (3) Raise productivity through efforts to achieve dramatic operational reforms using generative AI, and via multitasking
5. Implement risk management and compliance to flexibly respond to changes in the business environment
  - (1) Strengthen risk management for market environment changes and respond to regulatory changes regarding equity ratios
  - (2) Improve trust by ensuring effectiveness of measures to prevent money laundering and financial crimes, and cyber-security countermeasures
  - (3) Spread awareness of the need for compliance based on our management philosophy