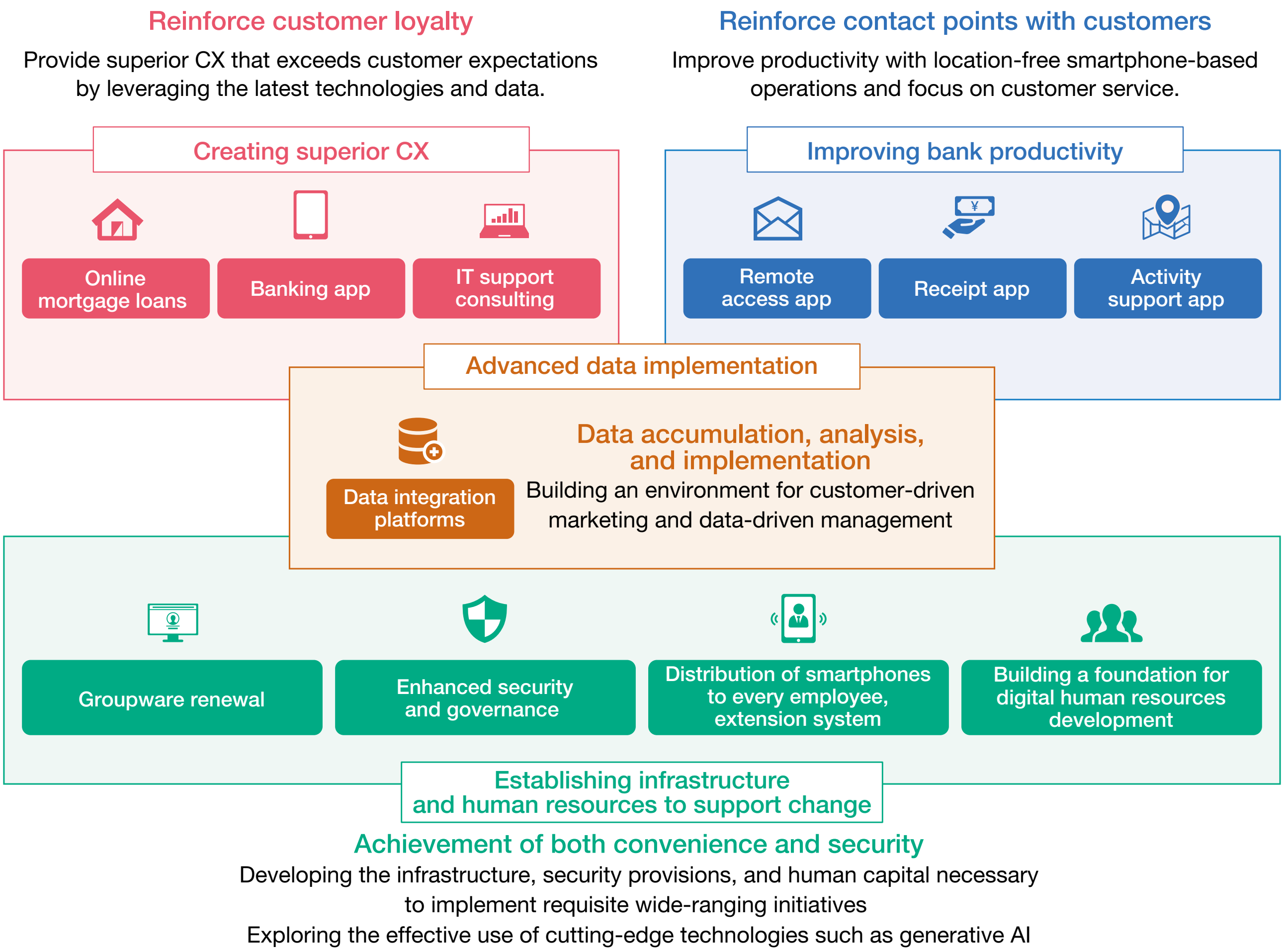
# Initiatives Applying Digital Technologies (DX Strategy)

**The banking industry is facing new challenges, with bank customers' needs becoming increasingly diversified as demand grows for banking that is available anytime and anywhere. All this is occurring at a time when the industry is already facing a shrinking market due to factors such as a declining birthrate and aging population as well as changes in its operating environment stemming from the entry of companies from other fields into the banking sector.**

**Providing value through digital technologies is essential to respond to these environmental changes and diversifying customer needs. One way we are responding is by implementing reforms that go beyond simple digitalization to include a review of business processes from four perspectives: "Creating excellent CX," "Improving productivity within the bank," "Adopting advanced data applications," and "Developing infrastructure and human capital to support transformation."**

<Overview of initiatives>




## ■ DX certification

To promote the digital transformation (DX), Nanto Bank has been working actively on ongoing projects to build systems and implement measures based on a comprehensive policy. These efforts have borne fruit, and in March 2025, we received certification as a "DX Certified Business Operator" under the "DX Certification System" established by Japan's Ministry of Economy, Trade and Industry. We have made use of this opportunity to accelerate our DX efforts further and provide more valuable services to our local customers, thereby contributing to the sustainable development of our regional community and fulfilling our mission as a regional financial institution.

* The DX Certification System is a program established under the Act on Promotion of Information Processing. It recognizes businesses that have formulated a management vision and DX strategy and put in place a DX promotion structure, indicating readiness to transform their businesses through digital technology, as "DX Certified Business Operators" designated by the Ministry of Economy, Trade and Industry (METI).

## Applying AI technology

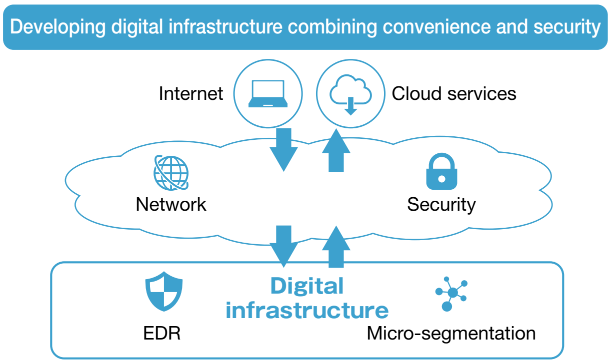
Our uses of AI technologies at the Bank include using character recognition technology to input handwritten characters into our systems and applying specialized AI analysis technology to analyze customer needs to enhance the efficiency of our daily operations and the accuracy of our customer services.

We are now carefully evaluating the safety and usefulness of advanced technologies such as generative AI and AI agents for specified applications. In future, we plan to promote DX further by fostering harmonious mutual growth of our human capital and AI technologies, while enabling our human capital to maximize their capabilities and provide added value to our local community and customers.


## Digital infrastructure and security

Nanto Bank is accelerating its development of infrastructure that combines convenience with security. We are responding to the recent intensification of cyber-attack threats by introducing cutting-edge security measures incorporating elements of the “zero trust model,” which does not rely on traditional perimeter defense security, into our upgraded systems in 2025.

By introducing EDR, micro-segmentation, and other technologies, we are creating an environment in which employees can access the Internet and cloud services safely and conveniently while fully protecting our customers’ information assets and providing them with greater value.




## Strengthening Group-wide governance

The cross-departmental Nanto Bank CSIRT* plays a central role in implementing effective security measures by conducting Group-wide system vulnerability assessments, targeted email attack simulations, and cyber-attack defense exercises. We have also established unified standards and risk assessment systems to assure system security, while continuing to strengthen governance across the Group.

* CSIRT: A team that responds to computer-security incidents.

## Digital human resources development

To advance reforms making full use of the latest technology and data resources will require personnel with the high levels of digital literacy necessary to understand and apply digital technologies effectively. Since February 2024, we have been holding basic digital seminars for all our employees, digital training for new employees, and regular digital webinars for employees who wish to participate with the aim of raising awareness of digital literacy’s essential role in conducting our banking operations.

Since April 2024, meanwhile, we have been revising our personnel systems to make obtaining an IT Passport a mandatory requirement for promotion as part of ongoing efforts to lay a foundation for digital talent development.