

Digital Transformation (DX)



Message from the Executive in Charge

Contributing to the enhancement of customers' and our value through DX-led corporate transformation and data-driven practices

Director & Senior Managing Executive Officer
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 Head of Digital Transformation & System Unit

In light of the fast-changing economic and social climate, the rapid advancements in IT technology, and our own business environment, which is at a major turning point due to privatization, the Digital Transformation & System Unit recognizes that there are a wide range of issues that must be addressed from both a defensive and offensive perspective.

From a defense perspective, we strongly recognize that, in addition to ensuring stable system operation, ensuring security to protect our customers' important information assets from cyberattacks is essential to earning the trust of our stakeholders. We will thus take appropriate action in a timely manner to ensure this.

Additionally, we are currently in the process of restructuring our accounting system, which is our most important system, and our immediate priority is its full-scale operation. However, we also recognize that systematically upgrading the system to be flexible and scalable so that it can swiftly respond to changes in the future business and work environment is essential for providing accurate support for our business going forward. In particular, we believe that supporting new business development resulting from privatization and building business networks with customers that leverage our unique characteristics from a systems perspective are issues that should

be prioritized.

Alongside such developments and sophistication of our system environment, we have positioned DX-led corporate transformation as one of our key strategies. Accordingly, from an offense perspective, the newly established business units will cooperate to promote the provision of digital business platforms, including contact points with customers, while also improving our own customer information and external affairs management system, thereby promoting the DX of our customers and establishing high-quality sales activities within our organization to contribute to value enhancement.

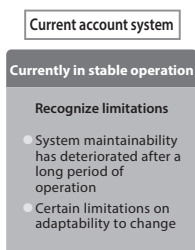
Furthermore, we will accurately accumulate information obtained through such digital platforms and utilize new technologies such as AI to steadily advance data-driven practices and maximize the effectiveness of data utilization, thereby aiming to improve our own productivity and value.

While none of these are easy to accomplish, we recognize that the most important task is to secure and develop a wide variety of human resources capable of achieving these goals. As such, we will do our utmost to improve our organizational capabilities while also developing the necessary frameworks, systems, and environments.

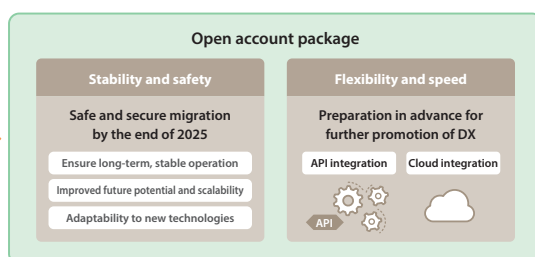
Account system restructuring project

In order to remain a financial institution that customers can continue to engage in business with peace of mind, the Shoko Chukin Bank is working on an accounting system restructuring project with the aim of starting operations in 2025. By adopting an open accounting system, we expect to achieve long-term stable operation of the system as well as shorten the time taken to introduce new products. We have appointed leaders at each business office and are conducting training to ensure a smooth transition.

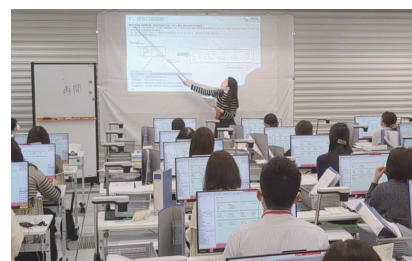
Background of the project



Account system restructuring project



Infrastructure development with an eye to the future



Pre-launch training

Improving customer experience value through the corporate portal “Shoko Chukin Bank Biz Link”

In order to remain an indispensable partner for the growth of SMEs, the Shoko Chukin Bank is working on 1) customer contact points and experience reform and 2) liaison activities reform. Through these projects, we will achieve improved customer experience value by enabling customers to receive services anytime, anywhere, and promptly.

① Customer contact point and experience reform

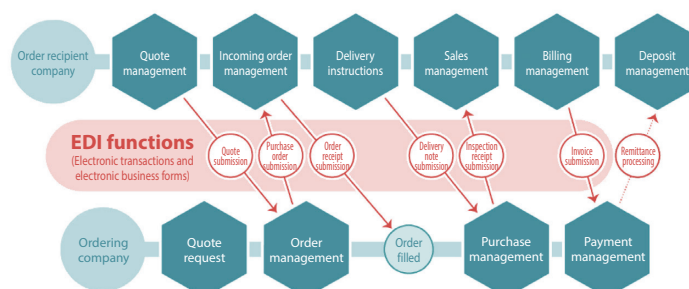
We introduced the corporate portal, “Shoko Chukin Bank Biz Link,” a new online customer contact point, to connect customers and the Shoko Chukin Bank through a single platform to promote non-face-to-face transactions such as receipt of documents. For many customers, this will eliminate location and time constraints, and for the Shoko Chukin Bank, enable further sophistication of sales and marketing, among other aspects.

② Reform of liaison activities

We will strengthen relationships with customers by introducing a sales force automation system and a customer relationship management system, and shift to sales utilizing organizational strength and streamlined sales. We will improve the quality and quantity of our liaison activities by responding quickly and flexibly to changes in the environment and by sharing the power of the organization.

Digital business platform development

The newly established Business Platform Development Department will take the lead in building a cloud SaaS-based “Order and Delivery Platform for SMEs,” which will add financing functions to order/delivery and deposit/withdrawal management functions. This platform will enable the digitalization of business operations and the utilization of in-house management data, and will boost the productivity of SMEs facing challenges such as labor shortages from a DX perspective.



Advanced utilization of data

Under the leadership of the newly established Intelligence Department, we will utilize information obtained through 1) customer contact points and experience reform and 2) liaison activities reform, and primarily provide value through our Headquarters and business offices as a whole by turning data into organizational knowledge.

By developing our systems, human resources, and organizations and mechanisms, we will achieve advanced utilization of data and aim to create business value and realize data driven management



Advancement of data utilization
Creation of business value and realization of data driven management

Digital personnel development

In order to become a partner in solving management issues for SMEs, we are working to develop human resources through our “DX Academy” training program so that employees can master digital technology to create added value.

In addition, the Shoko Chukin Bank is encouraging employees to obtain “IT Passport” in order to widely deploy human resources at its Head Office and branch offices who possess basic knowledge of IT and digital technology and can propose solutions that utilize IT and digital technology to address customers’ management issues.

► Trends in cumulative number of employees who have passed IT Passport Examination

