

# The Six Identified Materialities (Critical Issues That Must be Resolved on a Priority Basis)

Materialities	Opportunities and risks		Major KPIs under the Medium-term Management Plan
<b><u>Sustainable Growth of Local Businesses</u></b>	Opportunities	Increase and expansion of strategic solutions needs due to diversification and sophistication of corporate management issues	<ul style="list-style-type: none"> <li>■ Average balance of loans to companies</li> <li>■ Average balance of loans to small and medium-sized enterprises (Kanagawa and Tokyo)</li> <li>■ Average balance of corporate deposits</li> </ul>
	Risks	Deterioration in corporate performance due to a decline in competitiveness caused by a delay in the departure from a business model centered on traditional loan business and a lack of response to changes in the industrial structure	
<b><u>Solving the Problems of an Aging Society with a Declining Birthrate</u></b>	Opportunities	Increase and expansion of asset formation and asset management needs in a super-aging society, and provision of highly convenient services to support a society with a declining population	<ul style="list-style-type: none"> <li>■ Average balance of loans to HNWIs</li> <li>■ Average balance of housing loans</li> <li>■ Average balance of individual deposits</li> <li>■ Balance of assets in custody of the Group</li> </ul>
	Risks	Decline in competitiveness due to insufficient response to the diversification and sophistication of customer needs associated with changes in the social structure, such as the declining birthrate and aging population	
<b><u>Human Capital Management and Respect for Human Rights</u></b>	Opportunities	Improve competitiveness by strengthening relationships with employees and customers through the practice of human capital management and respect for human rights	<ul style="list-style-type: none"> <li>■ Number of sales personnel</li> <li>■ Per capita solutions revenue</li> <li>■ Total attractiveness of the company (employee attitude survey)</li> </ul>
	Risks	Loss of competitiveness due to economic and social sanctions resulting from a lack of solution business support and human rights violations	
<b><u>Forming a Digital Society</u></b>	Opportunities	Improvement of productivity through operational efficiency, and increase and expansion of needs for provision of non-face-to-face services and advanced solutions	<ul style="list-style-type: none"> <li>■ Work volume reduction</li> </ul>
	Risks	A decline in productivity due to a delay in responding to the development of digitalization, and a decline in competitiveness due to entry from other industries	
<b><u>Conserving and Preserving the Environment</u></b>	Opportunities	Expanding business opportunities associated with the transition to a decarbonized society and a nature-positive society, and building and strengthening relationships with stakeholders through environmental conservation	<ul style="list-style-type: none"> <li>■ External evaluation indicators</li> <li>■ Sustainable finance</li> <li>■ Company's GHG emissions reduction rate</li> </ul>
	Risks	Loss of business infrastructure due to lack of customer support for climate change measures and biodiversity conservation	
<b><u>Contributing to the Growth of Local Economies</u></b>	Opportunities	Sustainable growth of local economies through industry-academia-government-finance cooperation	<ul style="list-style-type: none"> <li>■ Number of initiatives toward resolving regional issues</li> </ul>
	Risks	Local economic downturn due to population decreases and industrial decline	