

Creating a Regional Economy



Business succession

Regional issues

A decline in the number of companies due to aging corporate managers and the difficulty of finding a successor has become a serious issue in Japan. If the business succession issue is left unaddressed, in Mie Prefecture, approximately 83,000 people are estimated to lose their jobs, with a loss of approximately ¥330.0 billion in gross domestic product (GDP) as cumulative total figures during the 10-year period until around 2025.

The Bank understands that smooth business succession is crucial to contributing to regional revitalization.

Initiatives towards resolving issues

To resolve issues relating to business succession, the Bank is working to provide optimal, custom-made support by conversing with customers and listening to their needs, and cooperating with branches, headquarters, and specialized organizations.

Support

- Advising on share transfer and business succession methods
- Support for M&A strategies
- Support for formulating capital policies to improve corporate value
- Support for developing successors, etc.

Support flow

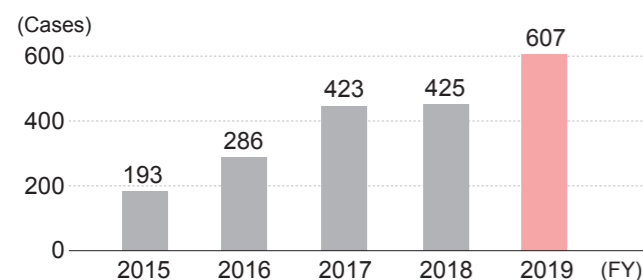
Strategy

- Developing human resources for business succession consulting
By increasing specialist staff at headquarters and improving the expertise of branch staff, we work to strengthen the quality of our customer contact points.
- Strengthening alliance with specialized organizations
We aim to strengthen our alliance with specialized organizations in order to build a system that broadly supports the diversification and specialization of M&A and business succession methods.
- Expansion of business succession support tools
We will build a system to help create an environment that makes it easier for corporate managers to hand over their businesses, through efforts such as establishing a business succession fund, providing support to develop successors, and offering support for formulating business succession plans.

Achievements and previous initiatives

In order to meet the business succession needs of many different companies and customers, the Bank has added the number of staff specialized in business succession. As a result, the number of projects to support business succession has been on an increasing trend, exceeding 600 cases in FY2019. We are dealing with about 900 cases per year, including projects for M&A support, providing courteous support to enable customers to pass on their businesses to successors with peace of mind.

Number of consultations



In FY2019, we held four business succession seminars to provide customers with opportunities to obtain information. Specifically, starting in April, we held a group seminar entitled Hyakugo Successor Training School over the course of seven months, welcoming 27 participants. We expect the graduates of the seminar to take a leadership role in leading not only their own companies but also the regional economies. Initiatives that would help reduce as much as possible the anxieties of successors, who will be constantly exposed to significant responsibilities as corporate managers, will lead to a reduction in the number of companies without successors. So we also hope to continue supporting these successors.



Future developments

We will strive to tackle increasing business succession issues with a focus on the following three themes: developing human resources for business succession consulting, strengthening alliance with specialized organizations, and expansion of business succession support tools.

As part of efforts to enhance business succession support tools, in December 2019 Hyakugo Mirai Investment Co., Ltd. was established as a wholly-owned subsidiary of the Bank specializing in investment. In October of the same year, limitations on the holding of voting rights by banks, etc. relating to business succession (the

Business matching

We are proactively engaged in initiatives to promote business matching by utilizing our regional network, making various efforts including expansion of sales channels of customers and providing support for resolving management issues.

In addition, in response to management issues such as improvement of productivity by using ICT, new product development, and cost reduction, we support the growth of customer's business, by introducing business partners in line with their needs.

Business meetings and seminars to expand sales channels and provide support to resolve management issues

We are committed to holding business conferences and seminars to expand sales channels and address a variety of management issues. In addition, we partner with other banks to hold exhibitions and conferences to provide opportunities for attendees to meet new business partners from areas outside of their own prefectures.

Business conferences and seminars held in FY2019

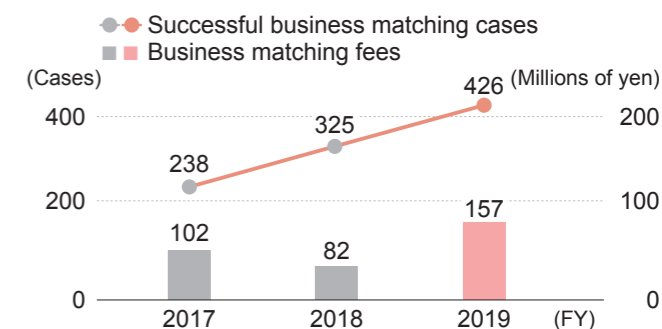
Date	Event	Attendees (companies)
Sept. 2019	Food Selection 2019 (Tokyo)	35
Oct.	Network Business Conference in Osaka	21
Dec.	Three Banks Business Conference (Nagoya)	69
Dec.	Seminars and consultation on carbon-free management and adoption of renewables	114
Dec.	Digital Solution Seminar	40
Jan. 2020	Foods in Mie: Matching, exhibition, and networking conference (Yokkaichi)	20
Feb.	Subsidy usage seminar	24



so-called 5% rule) were relaxed, and the establishment of a subsidiary specializing in investment in compliance with the amended rule was the first in Japan after the deregulation. Hyakugo Mirai Investment Co., Ltd. utilizes investment limited partnership (fund) that it forms, and proactively provides financing to corporations engaged in business succession efforts and offers management support, aiming to achieve sustainable and stable growth together with customers and the region.

Taking on these new challenges, the Bank will contribute to the realization of a sustainable society through business succession support.

Successful business matching cases and fees



Crowd funding initiatives

Crowd funding is a scheme to raise funds from a large indefinite number of people via the Internet to create unprecedented new products, services, or stores. The supporters then receive products made or have rights granted.

Since starting business partnership with CyberAgent Crowd Funding, Inc. in May 2016, we have been supporting customer needs for new product development, expansion of sales channels, and provision of financing methods through the introduction of services such as Makuake, a purchase-type crowdfunding site operated by the company.

To date, the Bank has helped launch 37 projects and financed ¥42,778 thousand.

