

Creating a Regional Economy



Business Succession

Awareness of current issues

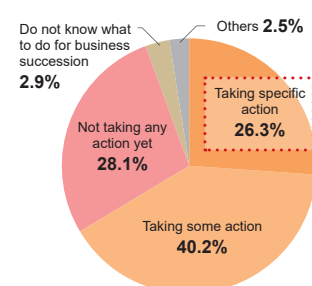
In recent years, failure to prepare for business succession by operators of small and medium-sized companies for a variety of reasons such as difficulty finding a successor has become a social issue, and there are concerns about the impact on the regional economy.

In Mie Prefecture, just 26.3% of the companies with plans for business succession (including sale and transfer) have taken specific steps for business succession.

In light of this situation, the Bank aims to contribute to the development of the regional economy by providing optimal support to customers.

(Source) Results of a survey on business succession of small and medium-sized companies in Mie Prefecture (January 2018)

Status of initiatives related to business succession



Initiatives towards resolving issues

Business succession fund

An actual example of support is the formation of the AIDMA No. 1 Fund by Hyakugo Mirai Investment, which was established as a wholly owned subsidiary of the Bank in December 2019. The fund invested in one company in FY2019 and two companies in FY2020.

All of the investments have been initiatives aimed at business succession, meeting the needs of management with concerns about business succession.

Members of Hyakugo Mirai Investment participate in the management of companies in which investments have been made as outside officers, providing various support related to the enhancement of corporate value. By providing unique support utilizing Hyakugo Bank's network after investment, we aim for sustained and stable growth of customers and the region.

Hyakugo Successor Training School

Hyakugo Bank and Hyakugo Research Institute held a seminar on the need for business succession measures, the steps to take, and management required of corporate managers for young corporate managers and executive candidates of companies with which the Bank does business.



M&A online seminar

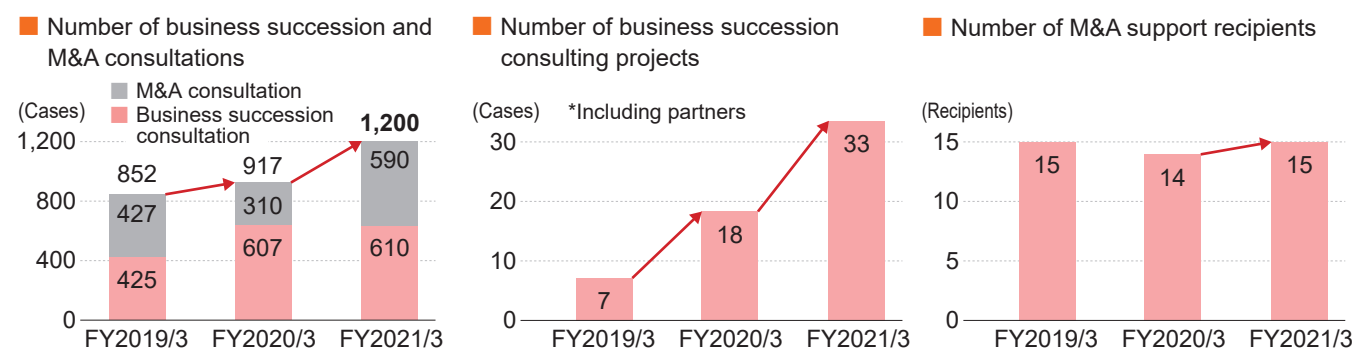
We held a webinar explaining the points about corporate management that should be understood in the next normal era. There were around 500 viewers on the day, reaffirming the high level of interest in M&A among the Bank's clients.



Results of initiatives

As a result of branches working with headquarters personnel to meticulously respond to the needs of customers, the number of consultations on business succession and M&A are increasing year by year, and reached 1,200 in FY2020.

Eleven employees have been assigned to the Business Succession and M&A Support Section to build a system enabling one-stop support for succession within the family, succession to employees, and third-party succession including investment funds according to customers' business succession policies, and the number of business succession consulting projects and clients receiving M&A support are both increasing.



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.

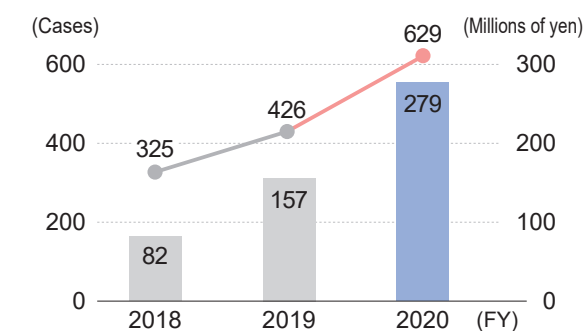
In addition, in response to management issues such as improvement of productivity through promotion of DX, new product development, and cost reduction, we support the growth of customers' businesses by introducing business partners in line with their needs.

Although many customers have concerns about expanding sales channels due to the impact of the spread of COVID-19, many business conferences were cancelled last year. To address this, the business conferences that were scheduled to be held were held online, providing opportunities to meet new business partners from a wider area. A total of 105 customers participated, and we were able to support the expansion of their sales channels.

Furthermore, we have entered an era requiring management with consideration for the environment such as ESG and SDGs, and there has been a significant increase in requests for referral of business partners, with many customers wishing to introduce captive use solar power facilities in order to reduce power consumption and utilize green energy.

Looking ahead, we will promote business matching leading to the resolution of customers' issues and aim to work with customers to realize a sustainable society.

Successful business matching cases and fees



Initiatives for a Cashless Economy in the Region

Project for field trials of a cashless model for regional invigoration of Mie Prefecture

As falling birthrates and aging populations, along with labor shortages, become increasingly serious in the region, increasing productivity has become an issue for business operators. The Bank is promoting cashless payment as a means for resolving issues faced by business operators.

In January 2021, the Bank won a contract with Mie Prefectural Government for a project for field trials of a cashless model for regional invigoration, and conducted field trials in the two regions of Kuwana City and Nabari City.

Payment terminals enabling a single device to be used for payment by credit card, electronic money and QR code were installed in 20 participating stores, and the effect of introducing cashless payment on improving productivity was examined by collecting and analyzing day-to-day payment data.

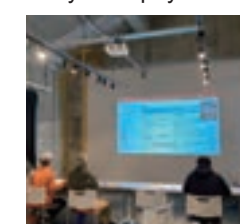


Presentation of a report on field trial results

The field trial results confirmed that productivity improved such as a reduction in the burden of cash management such as change, and an increase in average spend per customer due to customers not being affected by the amount of cash on hand. Furthermore, we proposed ways to further improve productivity such as the utilization of results of analysis of payment data for sales promotions such as advertising.

The field trial results were presented in a webinar, sharing them with people in the regions covered by the trials and also other regions throughout Mie Prefecture.

We will continue to contribute to the development of the regional economy through the promotion of cashless payment in the region.



Publication of Field Trial Results (based on survey results)

