

Message from an Outside Director



Keiko Nishioka, Director

Q What were your candid impressions of the formulation process of the new Medium-term Management Plan?

My impression was that they wanted to take serious note of the opinions of outside directors and to incorporate those opinions carefully into the Medium-term Management Plan. In preparing the Plan, they held briefing sessions for outside directors at the “outline” stage, and this is where various opinions were exchanged. The outside directors were briefed again on the “draft plan” that had been prepared on the basis of those opinions, and the outside directors once again expressed their opinions about that draft plan. This process of “interaction” continued until the very end.

On the other hand, I did notice some points regarding word choice when discussing the Mid-term Management Plan. This is also something that I have felt in Board of Directors meetings. That is, when it comes to particularly important messages, I believe that we need to discuss the definition of each and every word carefully, with an awareness that they will ultimately be disclosed through investor relations communications and the like. Some of the wording used is considered lingua franca and understood within the company, but their meaning may be unclear or misunderstood outside the company.

The Bank has also changed its long-term vision from the Digital & Consulting Bank to Green & Consulting Bank Group. There may be arguments both for and against this change, but my interpretation is that it does not mean that the keyword of the era, “digital,” has been abandoned. Instead, by including it in the meaning of “consulting,” and clearly stating the “green” message up front, Hyakugo Bank Group intends to stay a half-step ahead of the times.

Q What is your assessment of Hyakugo Bank’s approach to diversity?

I think the Bank is working on diversity in terms of employment of women, elders, and people with disabilities, under a quite substantive policy. Hyakugo Kanri Service Company

Limited, in particular, is working on advanced initiatives.

Until now, the Group has focused on supporting the work-family balance of women, but now that it has established such an environment, since last fiscal year, it has shifted its focus to supporting women’s careers. However, unlike men, it seems to me that there are no role models for women at the Bank. It will require a lot of energy to create those role models, but I hope that the career support measures that will be rolled out in the future will enable highly capable employees to play active roles in each department irrespective of gender or age, and that, among them, female department managers and even executives will be born in the future.

Q What ideas do you have for how Hyakugo Bank should approach its contribution to sustainability?

In April 2022, Hyakugo Bank Group established its sustainability policy (environment, human rights, and investment and loan). With the Hyakugo Bank Group SDGs Declaration announced in 2019, clarifying the sustainability policy in this way will help the Group establish a central axis that will serve as a foundation for product development and other efforts. Until now, this kind of policy has been incorporated into the Group’s culture, climate, and corporate philosophy in less visible ways, but by clarifying the policy in this way, I believe that the Group’s intentions have come to be understood more deeply.

This has also helped to indicate Hyakugo Bank Group’s policy more clearly to stakeholders.

Q What do you think are the strengths of Hyakugo Bank and challenges (weaknesses) that the bank should tackle?

Matsuo Basho, the famous haiku poet of Japan who was born in present-day Mie prefecture, advocated the fundamental concept of “fueki-ryuko,” which means the principle of fluidity and immutability, or accepting new changes while maintaining eternal essence. I believe that, at Hyakugo Bank, “fueki” or immutability refers to its philosophy of “solid management,” and responses to “ryuko” or fluidity in the world corresponds to the Frontier Banking corporate statement.

What I am a little concerned about is that, even though these are two halves of the whole, “solid management” is more prominent, while “frontier banking” is less visible and less strongly conveyed.

Keeping this in mind, it may be necessary to be more creative in how the Bank communicates to society. I believe that by making steady efforts to convey its challenge of creating new value through frontier banking, Hyakugo Bank Group will be able to discover its new stage.

