

Bank Employee Roundtable Discussion

“Challenge for the Future”

In the new Medium-term Management Plan “Challenge for the Future,” we placed importance on aligning our direction and vector through a formulation process that included the participation of all employees and incorporated individual employees’ opinions and requests. In this section, four employees, including a branch general manager, DX promotion officer, and liaison staff, talk about their sense of the progression of the Bank’s transformation on the frontlines and about the path toward the Bank’s goal of being “A Bank That Can Be Relied Upon.”

Takayuki Mae

Yokkaichi-nishi Branch
and Matsumoto Branch
Responsibility: Liaison

Yuki Watanabe

Yatomi Branch
Responsibility:
Liaison

Miki Ao

General Manager of
Fujigaoka Branch

Hiroki Nakaya

Assistant Manager of
DX Promotion Office,
Corporate Planning
Division

Aim to be bank employees who get to know their customers, are able to meet all manner of customer needs, and whose faces are the first to come to customers' mind

—In the Medium-term Management Plan “Challenge for the Future,” Hyakugo Bank aims to be “A Bank That Can Be Relied Upon.” What strengths do you intend to demonstrate for customer needs and how do you envisage your part in helping to realize the Plan?

Watanabe I work as a corporate liaison, and as such, I have many opportunities to consult with business owners and employees of customer companies individually. For example, in addition to supporting business owners' asset building, they also make requests such as, “An employee is planning to purchase a home and would like some advice.” In corporate liaison, it is first important to build relationships of trust with our customers that will make them comfortable about consulting with us on any matter. Precisely because my role is to be our customers' first point of contact for their various needs, I am constantly working to increase my knowledge on a wide range of topics and to hone my response capabilities, so that customers will not think that I was the wrong person to ask.

Mae I also work in corporate liaison, and through handling their loans, I often have opportunities to talk with SME customers and sole proprietors about their wide-ranging needs. I receive many requests for advice about business succession and business management, as well as requests for matching between customers. In the process of such consultations, I gain a real sense that Hyakugo Bank's strength lies in “its responsiveness as an organization.” For consultations on capital investment and digitalization, we are able to introduce customers to relevant companies in the Hyakugo Bank Group. Hyakugo Bank has an organizational culture in which headquarters and branches work together to solve customers' issues, rather than leaving them entirely to the liaison staff.

Watanabe For example, in the Corporate Consulting Division at Bank headquarters, we have a support team for the automotive industry. Liaison staff, together with members of this support team, visit manufacturing industry customers and offer them support on issues such

as improving work efficiency and labor saving. We have established a system in which professionals in each field provide support for business succession and other highly specialized projects.

Mae We also have a broad network for meeting customers' business matching needs. I feel that this is precisely the strength that has allowed the Bank to remain rooted in the community for nearly 150 years, and that it is a legacy built by our predecessors.

Nakaya To demonstrate this kind of responsiveness, it is important for liaison staff, as the customers' point of contact, to build relationships of trust with them. I also worked in the sales division for about 13 years, and here at Hyakugo Bank, the management team has always communicated the message of “Let's listen to what our customers are saying and try to understand them more.” That culture of paying close attention to customers is firmly embedded in the frontlines.

The Medium-term Management Plan, as part of the goal to be “A Bank That Can Be Relied Upon,” declares a goal of employees being “Bank employees whose faces are the first to come to mind when customers imagine their dreams and futures.” My understanding of this goal is that, in other words, we maintain a stance of “Try to have a better understanding of our customers.” The most important way to get to know our customers is to actually meet with them and listen to them. On that basis, we will meet their expectations with precise proposals, thus becoming a trustworthy presence. This very history of providing value through both our ability to listen and our ability to offer solutions is a great strength of Hyakugo Bank, and I believe it to be a value that we will want to cherish for many years to come.

“Strengthening of consulting” is an essential part of being a reliable partner

—I believe that, for frontline employees, “Strengthening of consulting” is closely connected to “Challenge for the Growth,” which is one of the basic strategies of the Medium-term Management Plan. What is your opinion about the need for this strategy?

Ao I feel that the day will come when sales activities that rely solely on offering loan proposals based on the trust built up by our predecessors will no longer be

enough. In the 17 years since I joined the Bank, the business environment has changed greatly, particularly in the past few years. As customers themselves have more ways to obtain various information easily and quickly today, we need to have greater knowledge and proposal capabilities than our customers. Often, what may appear to the customer as a single issue can actually involve multiple intertwined factors. That is why our role as a reliable partner that deeply understands business, organizes issues from diverse perspectives, and proposes optimal solutions has become more important than ever.

Mae One privilege we have that no other industry has is that customers give us access to their financial statements for the purpose of loan screening. By analyzing their financials, we can identify underlying issues, and because of the trust that we earn through that process, customers will often ask us for more in-depth advice and invite us to visit their sites. Building relationships of this kind is the best part of the banking business. To take full advantage of the benefits of such relationships, it is essential that we improve not only our own individual character as people, but also our skills in areas such as analysis and proposals.



Ao One concrete measure that we are currently engaged in is the refinement of our sales manuals. This falls under the “Formation of ‘sales models’” and “Strengthening of individuals” aspects of the “Strengthening of consulting” strategy in the Medium-term Management Plan. We are preparing manuals that incorporate the expertise of high-performers at each branch, based on which we hold one-on-one training between supervisors and corporate liaison staff on a daily basis. We recreate daily sales conversations with customers and provide specific feedback and training based on the manual.

Watanabe Although I have been with the Bank for five years, I have not worked as a corporate liaison for very long, and I am finding it a challenge. I have seen my supervisors and senior colleagues respond instantly to quite technical inquiries from customers in all manner of industries, and the customers are surprised at the extent of their knowledge, which boosts the customers’ trust in an instant. I hope that I, too, will be able to improve the standard of my primary responses to increase my customers’ expectations before making proposals.



Mae The presence of role models who can inspire junior employees in that way is essential to enhancing their motivation.

As the Yokkaichi-nishi Branch where I work is a target of “Consolidation of corporate sales bases” stated in the Medium-term Management Plan, we are seeing a gradual increase in the number of employees at the branch. Some of those employees who have newly joined us are known as “ace bank employees,” and I naturally want to surpass them. I also have more junior colleagues, which gives me a healthy sense of urgency about not wanting to be overtaken by them.

Ao If you have an issue that you cannot solve by yourself, as long as you can solve it with the help of other people, you will eventually gain your own experience, thus improving your ability to deal with customers as well. As an environment that supports employees’ growth is progressively established during the period of the Medium-term Management Plan, I see it as a crucial period for me to give my best efforts as a branch general manager, and I am working with that mindset on a daily basis.

DX promotion that leads to model proposals for customers, as well as streamlining of operations

—Strategic DX promotion is another goal of the Medium-term Management Plan. How are you putting it into practice?

Nakaya For digital transformation (DX), the DX Promotion Office at Bank headquarters where I work plays a central role in making various capital investments, and we are working to increase our knowledge of labor-saving initiatives and operational automation. Initiatives implemented to date include labor-saving in counter services with the introduction of smartphone banking, support for bank staff working outside the office and at home by providing secure external access to internal systems that deal with confidential information, and the promotion of paperless operations with electronic contracts. Hyakugo Bank’s promotion of DX will serve as a model for DX proposals for our customers. We want to be a corporation that leads DX in the region.



Watanabe In terms of the shift to electronic contract documents, initially, there were some concerns such as “Can we use this system proficiently?” and “Would customers be willing to accept it?” However, once we actually started using the system, it allowed customers to complete procedures online with just a click of the mouse, whereas previously they would have had to manually sign and seal physical documents. We have received positive feedback from customers as well as within the Bank, saying that it makes things much easier. I do feel that, partly due to the promotion of DX, operational efficiency has improved, even in the five short years since I joined the Bank.

—The basic strategy regarding “Digital Transformation” includes initiatives for “strengthening data utilization in the sales field.” Can you tell us what kind of initiatives this involves?

Nakaya Just as an example, we are currently accumulating data on examples of sales activities to enhance the customer relationship management (CRM) system. In the future, through data analysis, we aim to make the effects of this initiative more visible, such as what kinds



of proposals we should make to customers in “what kinds of situation to improve closing rates” and “how much we were able to contribute to customers’ growth.”

As Ms. Ao explained regarding initiatives to standardize quality of sales activities and proposals earlier, we will support building systems on the DX front, which will enable all sales staff to make high-quality proposals.

Ao We can also use proposals made by high performers as reference by looking at past sales logs. It will make a good textbook for employees who are highly motivated to grow.

Nakaya I agree. We consider DX strategies with a focus on “how we can make each and every employee thrive even further,” which I believe is the mission of Bank headquarters as a whole. For example, with personnel transfers taking place in the branches every three to four years, there may be a change in the person in charge of a particular customer. The newly appointed staff member can make preparations in anticipation of the customer’s needs based on an analysis of accumulated sales activity data. That means that those who feel challenged, like Ms. Watanabe here, about “whether

they have been able to make proposals in line with customer needs” can feel reassured and visit their customers with confidence.

From the customer’s viewpoint, if they feel that the new staff member understands what they previously told other staff members, the new staff member is more likely to gain the customer’s trust. Trust is built not only in tangible results but also in such small interactions with customers. We will work to support our employees to build relationships of trust with our customers through DX.

In the new Medium-term Management Plan, we will aim to grow as employees of Hyakugo Bank and as people, and to contribute to the local community

—Finally, can you tell us about your motivation to achieve the Medium-term Management Plan?

Ao At the branches, we prepare our business plan policy every six months, based on which we formulate action plans for achieving the Medium-term Management Plan and our numerical targets. On that basis, I believe that, to form employees’ mindset, it is just as important for each branch to have their own familiar slogans as it is to share messages and strategies from the management team.

My own branch’s slogan is “With all our might.” As well as responding to customers’ expectations with all our might, we value a mindset of caring for family and colleagues and enjoying both our work and private lives with all our might as well. Even that single goal of “strengthening of consulting” cannot be achieved with systems alone. As DX reduces work hours in administrative operations, it is important to place serious effort into one’s own personal growth and engagement with customers. I believe that a fulfilling private life not only improves bank employees’ quality of life, but also leads to personal growth, enabling us to offer closer support to our customers. As a branch general manager, I will work with all my might to support the creation of such an environment.

Nakaya I feel the greatest sense of joy and reward as a bank employee when customers call me by my own name, “Nakaya-san,” instead of just “Hyakugo Ginko-san.” At Bank headquarters, we will strive to extend that kind of circle of trust and appreciation for individuals to the entire Hyakugo Bank.

Mae In order to satisfy customers’ diverse needs, I want to improve my skills and grow into someone who will be referred to as an “ace bank employee.” I believe that not only the generation of results, but also each and every employee putting the goals of the Medium-term Management Plan into practice will lead to the achievement of the targets. This will certainly not be an easy path, but it will make me happy if my own efforts have a positive impact on other employees.

Watanabe Many employees of the Bank, including myself, are originally from Mie Prefecture or neighboring regions. Hyakugo Bank is working not only to enhance its own corporate value, but also to create both “economic and social value” for the region. I hope to continue putting in steady day-to-day efforts, with the true sense that my work is contributing to the development of my local community.

