

# Message from the Management

## We aim to “Create with Our Community, Customers and Employees a Rich Future that We Can All Share.”

At our Bank, we aim to realize a long-term vision: “Create with Our Community, Customers and Employees a Rich Future that We Can All Share.” This vision forms the basis of our 10-year management plan, “Vision 2027: Plan for Creating the Future Together,” which we launched in the fiscal year ended March 31, 2018. We are proposing a variety of measures in our endeavor to see this vision become a reality.

Here we introduce our main activities of this term.

### 1) Improving quality of services provided

#### [Enhancing regional support activities]

In the corporate business sector, by using our commercial viability evaluations as a base to more deeply understand our customers' businesses and management issues, etc., we actively developed our “regional support activities” to better provide optimal solutions geared towards resolving various issues.

Furthermore, regarding our start-up support activities, in addition to developing the “Okayama Innovation Project” and implementing innovation schools and contests, we have established the “Chugin Innovation Fund” and strengthened our endeavors towards the revitalization of regional economies via dynamization of business start-ups.

#### [Strengthening life planning sales]

In the individual sales sector, we focused on our “Life plan support activities,” which provide optimal products based on each individual customer's asset conditions, family structure, and future life events.

In our operations of assets in custody, following our “customer-centric operational management principles” and in cooperation with our group company Chugin Securities Co., Ltd., we've carried out active sales activities to propose our customers' future asset creation.

#### [Maximizing group synergies, cultivating new business domains]

Working to enter new business domains, starting April this year, we launched corporate auto-lease business in our group company The Chugin Lease Company, Limited.

We, as the entire Chugoku Bank Group, continually maintain a policy to strive to provide a wide range of financial services.

Furthermore, in the “TSUBASA Alliance,” we are conducting joint development of open APIs for customers to safely use FinTech providers' services. The alliance initiatives cover not only such a system development, but also the fields such as business matching and syndicated loans.

### 2) Expanding opportunities to provide services

#### [Revising and recreating channels]

In November of last year, we established the “Chugin Kurashiki Insurance Plaza” as an annex of the Kurashiki Housing Loan Center, making it the third dedicated insurance consultation counter for our Bank.

We are working hard to expand our life plan-oriented weekend operations to help customers who cannot contact us during weekdays, regardless of loans or insurance status.

#### [Rethinking operating hours and sales staff, reassigning personnel]

In April of last year, we launched the “BPR Promotion Project” with the goal of reforming our corporate structure by rethinking operating hours and sales staff and improving productivity, and are considering fundamental revision, headquarters concentration, and systemization of various administrative operations.

In the fiscal year ended March 31, 2018, we reassigned roughly 100 back office personnel to sales branches and the strategic divisions of the headquarters.

### 3) Strengthening power to provide services

#### [Strengthening personnel development]

We've implemented a variety of measures for our personnel development programs, including long-term training for new employees, expansion of external personnel secondment and long-term training dispatch for young employees, support for acquiring advanced certifications, and the introduction of 360-degrees evaluations and home study support systems.

#### [Organizational reforms]

As for the headquarters organization, with the goal of improving the effectiveness of our “regional support activities” and “life plan support activities,” we implemented a restructuring of our headquarters organization

on April 2, this year. The sales division, which previously had three sections, has been restructured to consist of two sections: the “Solution Business Department” for corporate sales; and the “Sales Headquarters” for individual customer sales.

Additionally, as part of our endeavor to strengthen our corporate governance, we established a “Nominating and Compensation Committee” in December of last year to act as a voluntary advisory body for the Board of Directors, which improved the supervisory functions of the Board of Directors and strengthened the framework to obtain appropriate involvement and counsel from Outside Directors.

#### **4) Changing individual ways of thinking and reforming organizational culture**

**[Reforming ways of thinking and organizational culture, CS and ES improvement]**

We've conducted human resource system reforms targeted at improving diversity and reforming the work style, including new systems and establishments for expanding participation opportunities for senior personnel, and greater flexibility in staggered work hours.

Furthermore, aiming towards revitalizing in-office communication, we launched the “Flat Meeting System.” The goal of flat meetings is to engage in mutual discussion that surpasses the individual viewpoints and positions of each section, and bring about a work climate that is open, natural, and spirited. We, as a policy, will strengthen our endeavors towards the realization of our Bank's philosophy, “Chugin-no-kokoro.”



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*Masato*

*Miyanaga*

Masato Miyanaga,  
President