

Supporting Customer Growth (Solution Model)

- From FY2018, we will commit ourselves to raising the quality of our solutions and enhancing the corporate value of our customers.
- In particular, we will strengthen our support of customers to address the key issues they face, such as a lack of successors and the need to expand sales.

Priority Activities for FY2018

To raise the quality of our solutions, secure new sources of earnings other than interest income

Address a key problem regional companies face (a lack of successors)

Lack of successors Clients/%
(National ranking in lack of successors)

Yamaguchi Prefecture
2,399 clients
76.4%
(No. 2)

Hiroshima Prefecture
5,321 clients
73.4%
(No. 5)

Fukuoka Prefecture
8,221 clients
65.9%
(No. 22)

Source: Excerpted from a 2017 fact-finding survey of companies facing succession issues (Teikoku Databank) (Survey of 22,865 small and medium-sized companies in Yamaguchi, Hiroshima and Fukuoka prefectures)

Business succession/M&A consulting

Utilize business revitalization and succession funds

- Utilize new Yamaguchi business promotion fund
- Provide funds and personnel through investment in second business creation support fund and search fund

Support efforts to cultivate successors

- Support development through the "council of next-generation managers"

Dispatch management personnel

- Supply YMFG employees to business partners
- Dispatch management personnel to regional companies through alliances with HR consulting companies

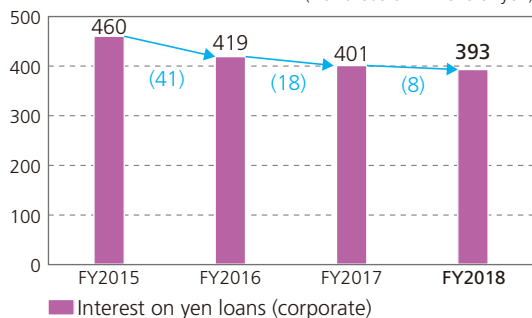
Provide support throughout the Group to help customers expand their sales

Utilize head office and Group companies' expertise in marketing, branding and IT technologies to enhance the quality of solution-providing activities conducted by sales locations, achieving sales increases



Corporate Division: Interest on Yen Loans

(Hundreds of millions of yen)



Corporate Division: Fees and Commissions

(Hundreds of millions of yen)

