

Message from the Management

Co-Creating a Bountiful Future for Our Region



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Thank you for your continued support of the Yamaguchi Financial group ("YMFG").

The regional economy is affected by declining childbirth and aging populations, the outflow of young people into urban areas and a shortage of workers to shoulder operations, as well as the growing novel coronavirus disease (COVID-19) pandemic. Amid these circumstances, expectations are mounting and regional financial institutions are being called upon to play an even greater role in regional economic development by helping to invigorate local companies and industries, ensure employment and bolster the sustainability of the regional economy.

Furthermore, the environment in which we operate as a regional financial institution is characterized by growing demand for new financial services. At the same time, we are exposed to risks in a host of areas that go beyond industry boundaries. These include the emergence of fintech, further advances in AI and other new technologies, and an ongoing move away from the use of cash.

In this environment, in the fiscal year ended March 31, 2019 we formulated YMFG's 2019 medium-term management plan, which we launched in the aim

of further growth. Under the mission of "working with intention to co-create a bountiful future for our region," we aim to go beyond the boundaries of finance to address the social issues facing our region, maintaining an awareness closely attuned to businesses. To convert into a company that adds value to the region, our basic goals are to "establish a regional co-creation model" and "achieve 'shinka' of the financial model."

Going forward, we will continue striving to provide customers in the region we serve with the best possible value-added services. By fostering the development of the regional economy, we aim to enhance our corporate value. We will create a stable and highly effective corporate governance structure for the Group and augment the transparency of Group management to ensure accountability to our stakeholders. We remain unyielding in our aim to be a company that truly benefits and adds value to the region. We look forward to your continued patronage and support.

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