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Direct Channel Promotion Section
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Joined in 2016
Digital Strategy Division
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Joined in 2015
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Yuki Kumagai

Joined in 2013
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Consulting Promotion Division
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Joined in 2016
Personnel Division
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Joined in 2010
Business Promotion Division
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Special Feature

Asking the Next Generation about Their “Target Form for the Future”

Toward achieving “Vision 2030” and the future beyond

What are your views on “Vision 2030” in terms of the operations you oversee and your own growth?

Uchikata: In addition to asset management, we take many consultations from individual customers on matters related to administering assets and asset succession, such as civil trusts and testamentary trust services. I feel that listening to the issues and thoughts not just of our customers, but also of every member of their families and watching over the transfer of assets between generations is an important role that we must fulfil as a financial institution. With regard to “support life-planning for individuals” in “Vision 2030,” I think it is important that we offer “total support for all generations,” including customers’ children and grandchildren. As such, I would like to acquire a broad range of knowledge in areas such as tax and legal matters related to personal succession, income, etc., and financial gerontology, which I can then use to fulfill customers’ expectations, thereby also contributing to my own growth.

Gunji: As the Bank faces a difficult external environment, we will be left behind by the market if we focus on maintaining the status quo, and we cannot miss any opportunities to



contribute to the development of our customers and local communities. Under the strong message made clear in “Vision 2030,” that the Bank will “take on new challenges and leave behind the style of relying on the status quo,” I will utilize my own experience of having been seconded to a megabank to actively and boldly take on new challenges that will lead to expansion in the scope of our businesses and our customer base in the Tohoku region, where there is still significant room for growth in structured finance and syndicated loans, enabling the 77 Bank Group to act as a leader in these domains and demonstrate a strong presence. In order to do so, I intend to take the initiative in acquiring specialist knowledge in areas such as financial law and new funding methods, and actively promote related business activities.

Umetsu: In my current department, I feel on a daily basis that people lead a vast variety of different lifestyles, and face many different issues and restrictions as they work. Under these conditions, we must create an environment that allows for a wider range of career paths, and implement reforms from the dual perspective of the workplace environment and our mindset, to enable each and every employee to enjoy a long career, with a sense of purpose. Regarding the target of “increase the proportion of women in management positions to 30% or more” in “Vision 2030,” I hope we can create a company where a diverse range of people can actively participate regardless of gender, disabilities, age, nationality, or other factor, so much so that we cease to use the term “women’s active participation in the workplace,” in a good way. As such, I intend to focus on promoting diversity and inclusion.

Sato: The “digital transformation” is one of the key factors in “Vision 2030,” and I am conscious of the fact that strengthening our services in non-face-to-face channels for both retail

and corporate customers has become a pressing issue given the acceleration in digitalization brought about by the COVID-19 pandemic. I work in developing new channels, and I intend to focus on learning new skills on a daily basis to enable me to execute my duties with a sense of speed, amid the dramatic rise in new entrants from companies in other industries and fintech companies. At the same time, I intend to take steps to shift our points of contact with customers from traditional bank branches and ATMs to non-face-to-face channels such as online banking and apps, while also strengthening our presence not just in finance, but also in the non-financial services sector. I will exert every effort to ensure that I am able to contribute the growth of The 77 Bank.



Yamauchi: In order to achieve the “best mix of face-to-face and non-face-to-face services” in our business model, as targeted by the digital shift indicated by the “digital transformation” key factor in “Vision 2030,” I will promote reforms across banking operations while considering measures to release employees from the burden of administrative work by utilizing AI, robotic process automation (RPA), and tablets. In the digital sector, where reform and evolution move at a rapid pace, I feel it is particularly necessary that we have flexible ideas and futuristic ways of thinking unconstrained by

conventional culture. In order to achieve the future that we are targeting in “Vision 2030,” I would like to promote various reforms based on digital technology, while firmly identifying the changes and trends in systems and times that have persisted from the Bank’s past to our present.

Hosaka: In response to the global expansion of ESG investment and sustainable investment, new products and strategies are being introduced in the asset management industry on a daily basis. In relation to “ESG investment,” a priority measure in “Vision 2030,” we are focusing on areas such as formulating methods for selecting ESG stocks and projects that will offer a foothold for ESG investment through investment trusts. I intend for “Vision 2030” to serve as my guiding compass as I contribute to the achievement of our target form by acting proactively and demonstrating my planning abilities.

Kumagai: In the Regional Development Promotion Section, we promote regional revitalization. As one of our recent initiatives, we held a “Regional Revitalization Business Matching Event” where solutions from private-sector companies were offered as solutions to regional issues faced by regional public bodies. Through this initiative, I felt it is essential for the long-term sustainable growth of the Bank that we revitalize Miyagi Prefecture. While there are limits to what one person can achieve, I am conscious on a day-to-day basis of developing my ability to analyze past events, my ability to consider the present from a broad perspective, and my ability to create the future, enabling me to contribute to customers and local communities through my work, and thus helping the Bank move closer to our target form laid out in “Vision 2030.”

Round-table talk with the Next Generation Looking toward 2040, after achieving “Vision 2030”

Theme: Contribution to regional revitalization

Kumagai: In surveys submitted after a business matching event for regional public bodies held in February 2021, many respondents answered that for the “next theme,” they would like “the digital transformation (DX)” and “the stimulation of tourism to attract nonresidents.” Matching with private-sector companies will continue to be an important role of banks. What are your ideas for other initiatives that will contribute to regional revitalization?



Umetsu: Thinking about it in relation to my own work, I think the Bank must create systems that enable a diverse range of human resources to participate in a flexible manner, in order to respond to the increasingly diversified needs of municipalities and private-sector companies. This does not just mean the active participation of women; it will be important that a diverse range of human resources - including people with disabilities, non-Japanese, and LGBT people - can enjoy a good work-life balance and participate in regional revitalization while utilizing their strengths.

Yamauchi: That’s right. Plus, in the area where the Bank operates, there is Sendai, which is a city designated by government ordinance, but there are also many areas where the population is falling and aging. As such, when we think about issues related to digital devices, etc., I feel that we must consider the unique characteristics of each area when implementing measures to support the DX at municipalities. On the other hand, as we look toward 2040, I think it will be vital that as employees of the Bank, we utilize the DX to create flexible workstyles. At the same time, we must also utilize digital technologies to enhance the level of our services and improve convenience at our branches, to ensure that we can continue to serve our customers even as the population falls.

Sato: One feature of digital technologies is that they “are not confined by place.” I hope that we can create services that utilize this fact. Surely it will contribute to regional revitalization if we create an environment to ensure that in future, even if the number of workers and bank branches falls as a result of population decline, customers in areas where there are no branches of the Bank nearby can access the services they need?

Uchikata: People in their 60s now will be in their 80s in 2040, so I think there will be a significant increase in non-face-to-face transactions using smartphones. On the other hand,

face-to-face consulting for individual customers will still be necessary, and the value we create with that consulting will directly contribute to customer satisfaction. For this reason, I think it is important that we develop our operations at bank branches to be more specialized for consulting for retail customers.

Hosaka: When I think about it in terms of my own work, I think one idea is for us to carefully select stocks that contribute to regional revitalization with head offices in Sendai and the region, and add them to our portfolio. Many investors find it difficult to add regional companies to their portfolios owing to difficulties with visiting the companies for research, etc. On the flip side, this means there might be some excellent undiscovered regional companies, with share prices that have the potential to increase in value many times over. Surely if we make medium- to long-term investments in such companies, it will contribute to regional revitalization?

Gunji: As you say, Motoki, I think there are many excellent companies in Miyagi Prefecture. As we move toward the DX in Miyagi, solutions to issues such as the falling population, etc., there is a possibility of an increase in companies driving the regional economy. In addition to funding, we must address these companies’ varied needs, such as workstyle reform and asset management, and provide solutions that will contribute to our customers’ growth.

Sato: In this age, when it is said that average lifespans will approach 100 years, I also think that it will contribute to stimulating local communities if, as a bank, we play a key role in building the foundations for the circulation of assets by creating an environment where children born in Miyagi Prefecture and the Tohoku region can feel as though they want to live in the region for the next 100 years.



Kumagai: That’s right. As a regional bank with roots in the local community, it will be important that we promote workstyle reform and the DX in Miyagi Prefecture while continuing initiatives that contribute to invigorating our customers, in order to ensure that our management remains sustainable through 2030 and even going on to 2040. We will be the bank of choice for those around us, and a partner that people want to work with. I think this should be what we want to achieve.

Theme: DX and ESG

Yamauchi: In the Digital Strategy Division, we are promoting digital strategy from five perspectives: “non-face-to-face channel reform,” “bank branch reform,” “paperwork-free reform,” “data utilization reform,” and “digital reforms for employees.” Looking ahead to 2030 and beyond, however, I think we must not be constrained by the existing framework of banking, and instead create businesses that go one step further toward utilizing both finance and digital technology. As digital banks appear that are not restricted by the regions in which they are located, I think that, as a regional bank with a base in Miyagi, the deepening of knowledge related to digital technologies by employees of the Bank and the enhancement of our digital services, as well as the strengthening of relationships with our customers through face-to-face channels, can all act as a great source of competitive superiority. What are your thoughts on this matter?



Sato: Personally, I am always considering our services from the perspective of strengthening the “non-financial” side of our business, with the aim of throwing away the idea that “it is like this because we are a bank,” and instead becoming a company that our customers know they can rely on when they are unsure about things. For example, I aim to create the kind of service where if a customer is unsure what to have for lunch, they might want to check the Bank’s app for ideas. One of the strengths of regional banks is that we possess a rich range of information thanks to our local network of connections. I think there may be possibilities for new businesses based on sharing that information.

Gunji: Certainly, if the tools that banks have for sharing information become more popular, it might unlock various possibilities, both in the B2B and the mass-market sectors. Many of our customers that are SMEs, etc., rely on individuals for skills related to finance and accounting, etc. I think it would be good if we could create a system that can support the growth of these companies by matching businesses and solving these issues with DX-related skills, thereby enabling the companies to use their resources on the operations that they should be focusing on as companies.

Hosaka: I think the Bank must take steps that differentiate us from our competitors in the realm of the DX, as different banks are rapidly taking a more proactive stance and actively implementing initiatives in this area. From the perspective of an investor, the share prices of banks are trending downward across the industry, and it appears investors are questioning the banking business model itself. Under such circumstances, if we can demonstrate competitive superiority centered on the DX, I think it will become easier for investors to reevaluate the price of our shares. For example, as the top regional bank in Miyagi Prefecture, I think one possibility for differentiation from

other banks is for us to utilize the Bank’s information resources and our customer base to create an integrated platform, and focus strongly on the information-sharing aspects. If we can give our customers the peace of mind that they “might find a solution by checking with The 77 Bank,” I think it will enable us to maintain the trust of the local community right through to 2040.

Umetsu: When promoting the DX, human resources with more specialist skills will be necessary. In order to address the increasingly varied needs of our customers, it is essential that we become a company with a diverse range of human resources, including both generalists and specialists. On the other hand, by 2040, I think human resources will be more fluid and the age of people working for their entire careers for one company will be over. As such, we must continuously make efforts to improve our appeal as a company capable of retaining precious highly specialized human resources.

Kumagai: In the Regional Development Promotion Division, we are promoting the use of the DX to move to paperless processes, even in our dealings with municipalities, etc. In doing so, we aim to accelerate the process of making our operations more efficient.

Uchikata: In my own actual experience, I found that reducing administrative work through paperless and seal-less processes, lead to benefits such as less overtime work, as well as higher efficiency. In the Wealth Management Office, we are strengthening consulting operations, an area where the utilization of the DX is essential for enabling the assignment of more manpower and labor hours.

Kumagai: Paperless processes also contribute to sustainable development as a company by reducing our burden on the environment.

Gunji: As society at large shifts toward decarbonization, I think the Bank must lead the creation of opportunities for environmentally friendly businesses in Miyagi Prefecture. In order to do so, in my work, we must focus more on ESG-based financing. I think that providing funds related to ESG to companies in the prefecture will contribute to the spread of ESG management.

Hosaka: From my perspective, many companies that have received praise for their ESG efforts are proactively disclosing information related to ESG, such as KPI targets and the status of progress. People from the Tohoku region tend to be quite reserved, so I think there is an issue related to the active sharing of information that promotes companies from an ESG perspective, and this applies to the Bank too. In this regard, I hope that we can communicate information about the Bank’s initiatives and our target form through disclosure materials such as the Integrated Report.