

## Management Policies

The Shoko Chukin Bank actively supports the growth and development of SMEs. In the year ended March 2002, the Bank made further sustained progress under its 11th Long-Term Business Plan (FY2001-2003).

### Basic Direction of Management Policy

Under this long-term business plan, The Shoko Chukin Bank will further clarify its basic direction as a government-affiliated financial institution specializing in SME finance. The Bank's management strategy under this plan can be summed up as follows.

1. The Shoko Chukin Bank will contribute to the growth and development of SMEs by providing policy-linked finance based on original concepts that exploit the Bank's characteristics as a government-affiliated financial institution.
2. The Shoko Chukin Bank will improve its business structure by enhancing its profitability and ensuring the soundness of its assets by strengthening risk management.
3. The management and employees of the Shoko Chukin Bank will approach their day-to-day tasks with a renewed awareness of the Bank's mission as a government-affiliated financial institution specializing in SMEs.

### Management Policies in FY2002

As outlined below, the management policies of the Shoko Chukin Bank are guided by the Basic Direction of Management Policy. In particular, in order to play the policy role, we are providing loan programs based on the government's comprehensive measures to overcome the negative effects of deflation, which is a serious problem affecting the

Japanese economy. As the effects of deflation and restructuring of the financial sector expand to every part of Japan, the Shoko Chukin Bank works in cooperation with local banks and other organizations to provide stability for SMEs, which are the backbone of local economies.

### Management Policies in FY2002

1. Realization of policy role
2. Reinforcement of operating capabilities
3. Enhancement of asset quality
4. Improvement of profitability
5. Maximization of operation efficiency
6. Comprehensive compliance and risk management

### Standards of Behavior

In order to realize the Basic Policy Direction of the Shoko Chukin Bank, management and staff are required to observe specific behavior standards. Those standards are summarized in the "Three Cs".

### The Three Cs

- ◆ Change
- ◆ Chance
- ◆ Challenge

The management and staff of the Shoko Chukin Bank will embrace change as a chance by confidently taking up the challenge of management goals in the current dynamic financial environment.