

Management Policy

Shoko Chukin Bank's Basic Plan (Fiscal 2004 to Fiscal 2006)

Mission

The Shoko Chukin Bank is the only Japanese government-affiliated financial institution owned jointly by the government and SMEs. It provides stable, all-round financial services while listening careful to the views of SMEs in the way it manages its business. In so doing, it contributes to the revitalization of the regional and national economies by enhancing the corporate value of SMEs and helping them sustain consistent growth.

Strategic Objectives	Performance Goals	Solutions <Policy Packages>
A "One-stop Platform" that Helps SMEs Maintain Consistent Growth	① Contribute to the Establishment of Stable Business Foundations	S: Sustainable Growth
	② Support the "Start-up" Challenge	S: Start-ups
	③ Support the "Innovation" Challenge	S: Innovation
	④ Support the "Revitalization" Challenge	S: Revival
	⑤ Provide a Safety Net	S: Safety Net
Offering Services that Utilize its Strengths	⑥ Promote Tie-ups and Networking with SMEs (Cooperative Organization)	S: Networks
	⑦ Work together with Regions and Industry to Support SMEs (Nationwide Operations)	S: Business Links
	⑧ Open up Financial Frontiers (Comprehensive Financial Capabilities)	S: Financial Frontier

(The "S" used as a prefix for each package means "Solutions for.")(“Solutions <Policy Packages>” is a provisional designation.)

Action guidelines for achieving strategic objectives

Healthy and effective business operations

- Optimize functions, human resources and organizations in order to achieve objectives.
- Use discernment and consulting to enhance the precision of examinations, raise the level of risk management, and build healthy management structures.
- Strengthen financial profiles by improving the efficiency of business operations and adopting pricing schedules that are commensurate with risk.
- Enhance management transparency through strict compliance and accountability.

Shoko Chukin Bank's Annual Plan (Fiscal 2004)

Business Operations Policy

(1) Policy Packages Offered to Achieve Eight Strategic Objectives

The Bank will endeavor to fulfill its role in enhancing the corporate value of SMEs.

- In addition to identifying the diverse needs of SMEs on the broadest possible basis, we will make the most of our comprehensive financial capabilities in quickly and appropriately implementing policy packages ("Solutions") in line with the eight strategic objectives of the basic plan.
- Bearing in mind the environment facing SMEs and the deliberations of the Council on Economic and Fiscal Policy (CEFP), we will do everything possible to continue serving as a safety net for facilitating SME financing. We will also work toward corporate regeneration and the development of new finance techniques as part of the "Financial Frontier" concept in light of the various efforts undertaken by the government to revitalize both industry and the financial sector.

(2) Strengthening Business Foundations to Enhance Operational Performance

We will endeavor to strengthen our management structure as follows under our action guidelines for achieving "healthy and effective business operations."

- Optimize functions, human resources and organizations to strengthen our readiness to respond to SME needs.
- Strive to build a healthy management structure by enhancing our acumen and reinforcing our approach to support management improvement.
- Work to set appropriate pricing and promote operational efficiency in order to strengthen financial profiles.
- Make every effort to enhance management transparency through strict compliance and accountability.

Operating Plan

Based on the above business operation policy, we will operate our business in accordance with the following operating plan.

(¥100 million)

	Fiscal 2003 Plan	Fiscal 2003 Actual	Fiscal 2004 Plan
Long-term loans	18,500	20,359	18,500
Short-term loans	97,500	103,188	97,500
Fiscal investment and loans	100	100	100

If customers' funding demands exceed our lending plan, we provide loans in excess of the plan. With regard to funding for loans, the Bank itself plans to procure all funds in excess of the fiscal investment and loan amount.

* Excerpted from the "Shoko Chukin Bank's Annual Plan for Fiscal 2004."