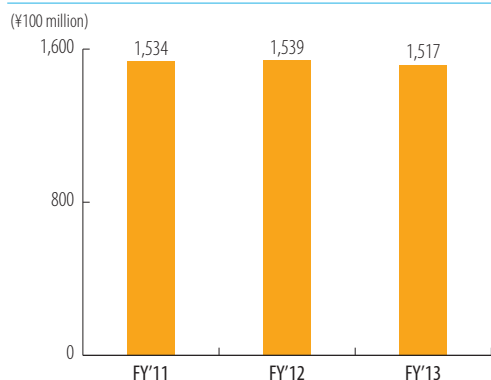
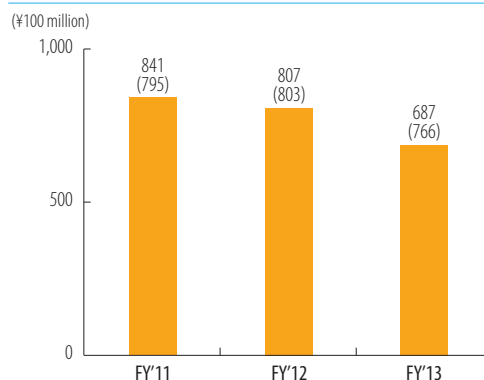


## Income and Expenditures

### Gross Operating Profit

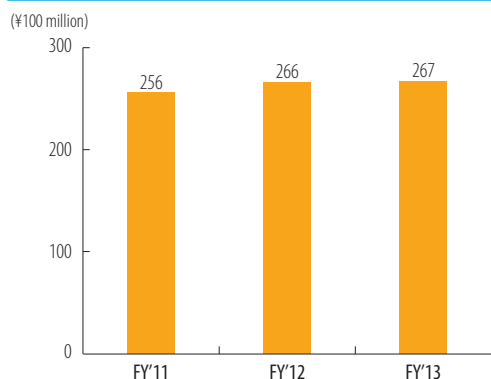


### Operating Profit

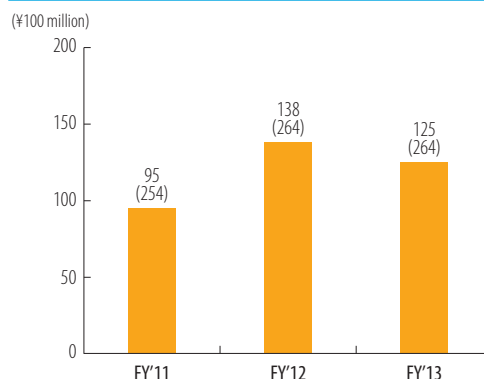


Note: The amount in parentheses is Operating Profit before Deduction of Provision for the General Reserve for Possible Loan Losses.

### Income (Loss) before Income Taxes and Others

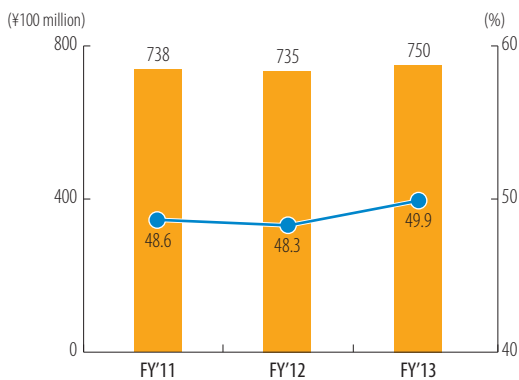


### Net Income (Loss)



Note: The amount in parentheses is Income before Income Taxes.

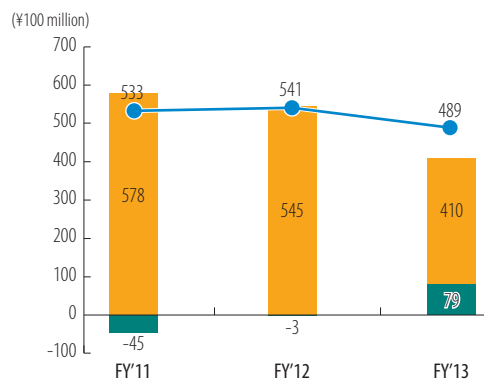
### General and Administrative Expenses and Overhead Ratio (OHR)



General and Administrative Expenses (left-hand scale)  
OHR (right-hand scale)

Note: OHR = (General and administrative expenses (excluding nonrecurring items)) ÷ Gross operating profit (after deduction of revenue and expenditures from trading of Japanese Government Bonds and other bonds)

### Credit-Related Expense



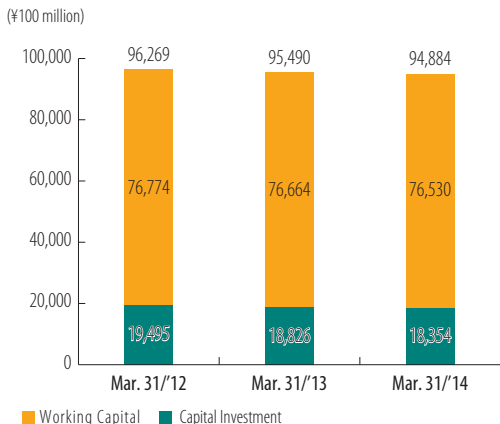
Credit-related expense  
Disposal amount of problem loans  
Provision to (reversal of) general reserve for possible loan losses

Note: Reversal of general reserve for possible loan losses is shown as a negative amount.

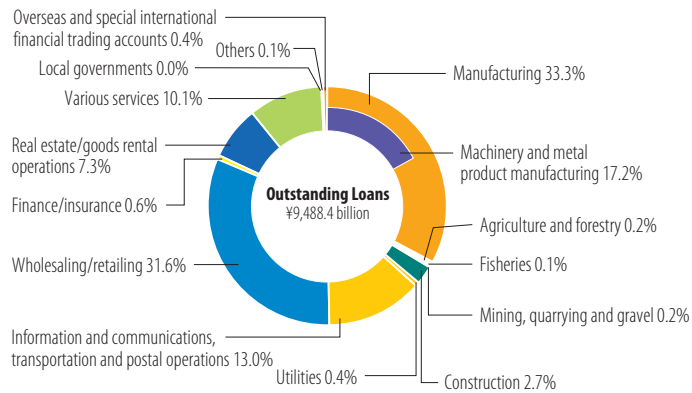
Gross operating profit for the fiscal year ended March 31, 2014 decreased by ¥2.2 billion year on year, to ¥151.7 billion due primarily to a decrease in net interest income. Income before income taxes and other increased by ¥0.1 billion year on year, to ¥26.7 billion primarily due to the measures taken to further improve the management efficiency.

# Loans

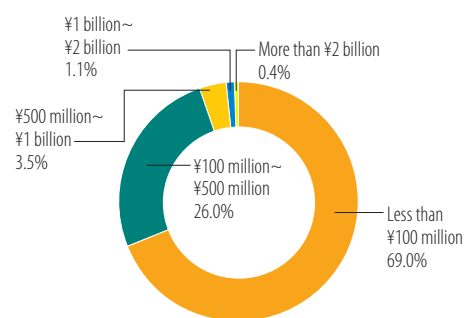
## Balance of Loans Outstanding



## Outstanding Loans by Sector (As of March 31, 2014)



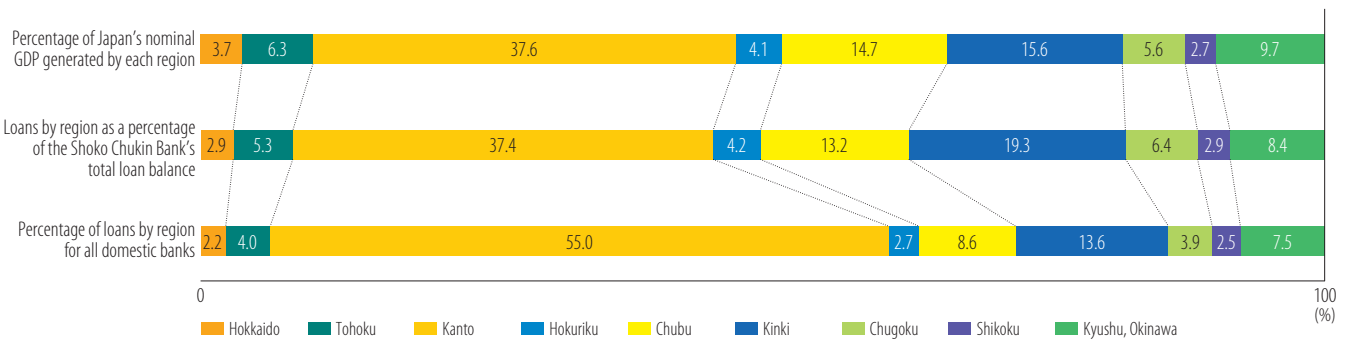
## Breakdown of Borrowers by Loan Balance Outstanding (As of March 31, 2014)



## Breakdown of Loans by Balance Outstanding



## Comparison of Nominal GDP by Region and the Bank's Breakdown of Loan Balance by Region

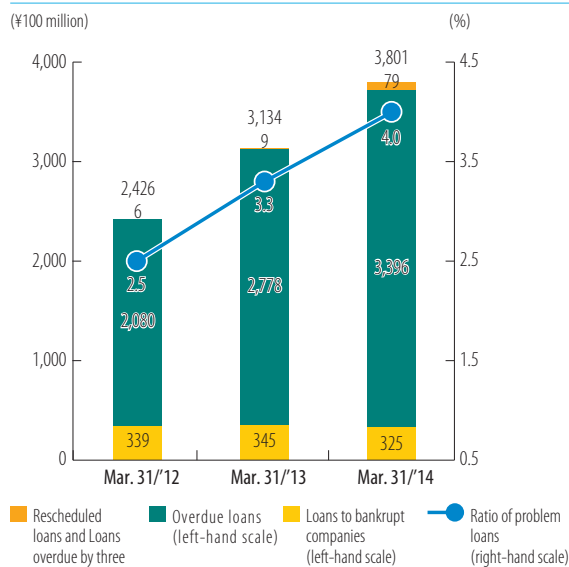


Note: Figures for nominal GDP by region are for Fiscal 2010. Figures for loans by the Shoko Chukin Bank and loans by all domestic banks are as of March 31, 2014.  
Sources: Annual Report on Prefectural Economies, Cabinet Office, Deposits, Loans and Discount Outstanding of Domestically Licensed Banks by Prefecture, Bank of Japan.

Although the Shoko Chukin Bank took comprehensive steps by all of our departments to fulfill its safety net role focusing on its crisis response measures, the balance of loans outstanding as of March 31, 2014 decreased by ¥60.6 billion compared with the balance as of March 31, 2013 due to the slowdown in clients' demand for funds.

## Problem Loans

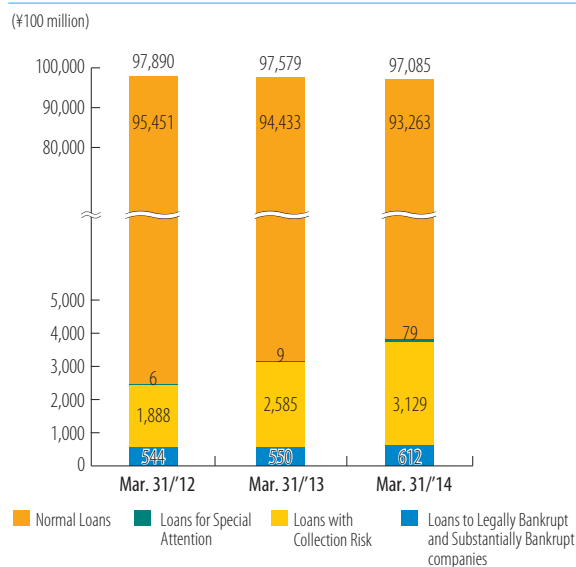
### Problem Loans and Ratio of Problem Loans



Note: Based on the results of the Bank's self-assessment of assets, loans to bankrupt companies, overdue loans (loans to virtually bankrupt companies and companies at risk of bankruptcy), loans overdue by three months or longer and rescheduled loans (where interest rates have been lowered or other advantageous loan terms have been provided to support business restructuring) are disclosed.

Ratio of problem loans: Risk-managed assets as a proportion of outstanding loans.

### Loans Disclosed under the Financial Reconstruction Act



Note: Based on the results of the Bank's self-assessment of assets, loans to borrowers that are virtually bankrupt or legally bankrupt are presented as "Loans to Legally Bankrupt and Substantially Bankrupt Companies"; loans to borrowers with risk of bankruptcy are presented as "Loans with Collection Risk"; and loans overdue by three months or longer and rescheduled loans are presented as "Loans for Special Attention."

### Breakdown of Loan Balance by Borrower Category under the Bank's Self-Assessment

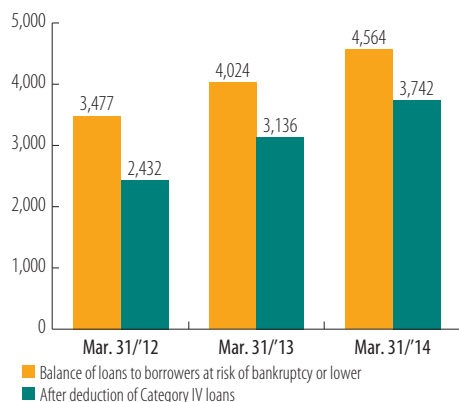
(¥100 million)

	Mar. 31/12		Mar. 31/13		Mar. 31/14	
	Amount	%	Amount	%	Amount	%
Legally Bankrupt	1,018	1.0%	899	0.9%	733	0.7%
Virtually Bankrupt	571	0.6%	539	0.6%	701	0.7%
Risk of Bankruptcy	1,888	1.9%	2,585	2.6%	3,129	3.2%
Need Special Attention	34,906	35.3%	32,917	33.4%	30,916	31.6%
Borrowers receiving special management	18	0.0%	16	0.0%	94	0.1%
Other need for special attention	34,888	35.3%	32,900	33.4%	30,822	31.5%
Normal	60,551	61.2%	61,525	62.5%	62,426	63.8%
Total	98,935	100.0%	98,467	100.0%	97,907	100.0%

Note: Based on the Bank's internal credit rating system, borrowers are classified into five categories: Normal, Need Special Attention, Risk of Bankruptcy, Virtually bankrupt, and Legally Bankrupt.

## Balance of Loans to Borrowers at Risk of Bankruptcy or Lower

(¥100 million)



- The figures above exclude loans classified as unrecoverable (Loss Classification) based on self-assessment. (These figures are equivalent to the loan balance after the direct write-off of Category IV loans. This is in line with disclosure standards used by private financial institutions.) As of March 31, 2014, the excluded amounts are as follows. Risk-managed Assets Loans to bankrupt borrowers amounted to ¥39.2 billion. Overdue loans amounted to ¥41.4 billion. Loans disclosed under the Financial Reconstruction Act Loans to legally bankrupt and substantially bankrupt borrowers amounted to ¥82.2 billion.
- The breakdown of loan balance by borrower category under the Bank's self-assessment includes Category IV loans.
- Problem loans cover loans only.  
The breakdown of loan balance by borrower category under the Bank's self-assessment and Loans disclosed under the Financial reconstruction Act include loans and assets equivalent to loans, such as private placement bonds guaranteed by the Shoko Chukin Bank (private placement bonds for which the Shoko Chukin Bank guarantees the repayment of the principal and interest payments in full or in part), foreign exchange, acceptances and guarantees, uncollected interest, and suspense payments.

- Focusing on loan recipient companies that have been classified under self-assessment as Need Special Attention borrowers, the Shoko Chukin Bank is actively engaged in efforts to improve the management of said loan recipient companies by formulating and following up on management improvement plans.
- Looking ahead, the Shoko Chukin Bank will continue to place considerable weight on the aforementioned initiatives. Through these means and by implementing appropriate loan management based on a process of self-assessment, the Bank will secure and maintain a sound credit and financial position.

## Write-Offs and Reserves

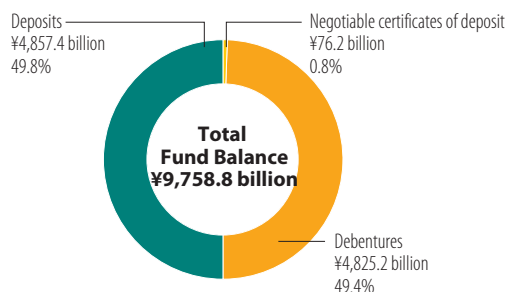
The Bank writes off assets or reserves provisions on the basis of self-assessment results, which are reviewed by independent auditors. It has made sufficient provision for its existing problem loans.

Normal Need Special Attention	Reserve provisions made on the basis of a formula using past actual loan losses
Risk of Bankruptcy	Reserve provisions made to the necessary level in relation to the amount not covered by collateral
Virtually Bankrupt Legally Bankrupt	Reserve provisions and write-offs made for the entire amount not covered by collateral

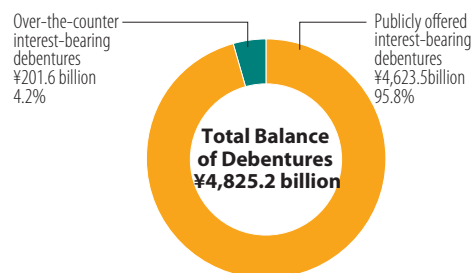
- All credit transactions are subject to asset self-assessment under the practical guidelines laid out by the Japanese Institute of Certified Public Accountants. The Shoko Chukin Bank writes off assets and reserves provisions based on the results of these assessments. The Bank uses this approach to ensure asset quality is accurately monitored and problem loans are appropriately written off. The Bank also uses it to manage loans after loan application procedures are completed.

## Fund-Raising

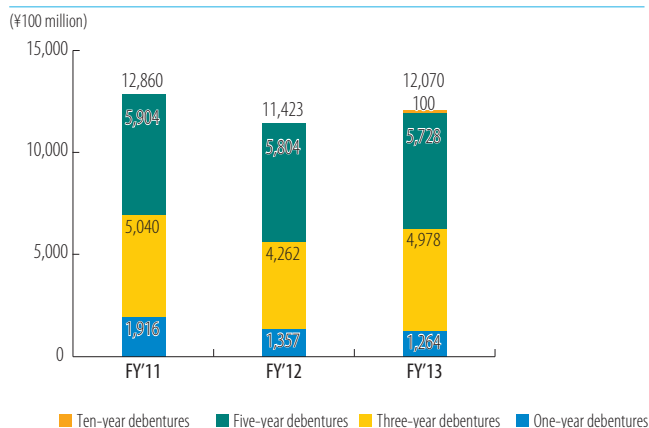
### Breakdown of Fund-Raising (As of March 31, 2014)



### Breakdown of Debenture Balance (As of March 31, 2014)



### Publicly Offered Debentures Issued Each Fiscal Year



The Bank is strengthening stable fund raising through debentures, centered on publicly offered debentures as well as to bolster and expand the fund procurement platform, mainly individual and corporate deposits.

## Total Capital

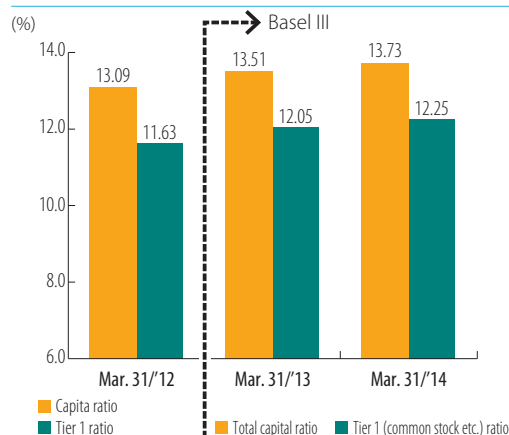
### Trends in Total Capital

(¥100 million)

	Mar. 31/'12	Mar. 31/'13	Mar. 31/'14
Total capital	—	9,624	9,701
Capital	9,547	—	—
Tier 1 capital (common stock etc.)	—	8,581	8,652
Tier 1 capital*	8,487	—	—
Non-government portion of shares held	1,170	1,170	1,170
Government portion of shares held	1,016	1,016	1,016
Crisis response reserves	1,500	1,500	1,500
Special reserves	4,008	4,008	4,008
Retained earnings	847	941	1,021

\* Tier 1 under the Basel II

### Capital Ratio and Tier 1 Ratio



Note: In accordance with Article 23, Paragraph 1 of the Shoko Chukin Bank Limited Act and notice of the Financial Services Agency, the Ministry of Finance and the Ministry of Economy, Trade and Industry based on the said act, the Bank is working to improve its capital ratio.

- The figures above have been calculated based on the Basel III standard as from the fiscal year ended March 31, 2013, and the total capital ratio for the fiscal year ended March 31, 2014 remained constant at 13.73%.
- Shareholders' equity is of high quality, as the majority of capital is Tier 1 capital (common stock etc.).