

The Revision of the Shoko Chukin Bank Limited Act

In October 2008, the Shoko Chukin Bank shifted status from that of a jointly owned financial institution to a special company (a joint stock company) in accordance with the Shoko Chukin Bank Limited Act while maintaining the purpose and function of facilitating financing for SME cooperatives and their members.

Then the deadline of complete privatization was delayed by six and a half years, through the revisions of the Shoko Chukin Bank Limited Act following the Lehman Shock and the Great East Japan Earthquake, while it was decided that the principle of the government's involvement in the Shoko Chukin Bank was to be reviewed by March 2015.

Conclusion of the aforementioned review was followed up by the establishment in May 2015, of the Act for Partial Revision of the Shoko Chukin Bank Limited Act and the Small and Medium-sized Enterprise Credit Insurance Act.

Under the revised acts, the following measures have been adopted to secure sufficient funding to cope with the event of major disasters and economic crisis, while retaining the policy for Shoko Chukin Bank's complete privatization.

(1) Measures to adequately implement the crisis response measures

- The Shoko Chukin Bank, for the time being, carries responsibility for implementing crisis response measures, to fulfill its objectives. Furthermore, to ensure effective implementation of the crisis response measures, the term of the additional government funding has been extended, while submission of the business plan on crisis response measures has become mandatory.
- In the period to come, the government shall review as appropriate the strategic position of the crisis response measures, along with its involvement in the Shoko Chukin Bank, and take measures as necessary.

(2) Policies on government-owned shares

- It has been stipulated that the government shall dispose all of its shares in the Shoko Chukin Bank at an earliest possible date, accelerating the announced specific disposal schedule, with due consideration to the impact of such disposal on the Shoko Chukin Bank's achievement of the objectives, along with market trends.
- On the other hand, the government will, for the time being, hold the necessary shares in the Shoko Chukin Bank for adequately carrying out the crisis response measures in consideration of the factors including the status of commercial banks responsible for implementing crisis response measures, contribution to the crisis response reserve, implementation status of the crisis response measures by the Shoko Chukin Bank, financial base of the Shoko Chukin Bank, funding surplus of SMEs and changes in the socio-economic environment.

(3) Ensuring an appropriate competitive relationship

- The Shoko Chukin Bank is especially required, for the time being, not to disturb its appropriate competitive relationship with other operators.

(Reference) Revisions of the Shoko Chukin Bank Limited Act

	The Shoko Chukin Bank Limited Act of 2008	Revision of the Shoko Chukin Bank Limited Act in 2009	Revision of the Shoko Chukin Bank Limited Act in 2011	Revision of the Shoko Chukin Bank Limited Act in 2015
Additional government funding	—	Possible <u>until March 2012</u>	Possible <u>until March 2015</u>	Possible <u>for the time being</u>
Review of the content	—	Subject to review <u>by March 2012</u>	Subject to review <u>by March 2015</u>	Subject to review <u>as appropriate</u>
Government-owned shares	Scheduled to <u>dispose all shares within five to seven years from October 2008</u>	Scheduled <u>not to dispose until March 2012</u> Scheduled to <u>dispose all shares within five to seven years from April 2012</u>	Scheduled <u>not to dispose until March 2015</u> Scheduled to <u>dispose all shares within five to seven years from April 2015</u>	Scheduled to <u>dispose all shares as soon as possible</u> Scheduled, <u>for the time being, to retain shares as necessary</u>

Corporate Philosophy of the Shoko Chukin Bank

Mission

The Shoko Chukin Bank is a financial institution run for SMEs, by SMEs. As such, our customers' growth is our growth.

The Shoko Chukin Bank assesses companies from a long-term perspective with great respect for every customer's point of view. We always strive to make the most of the deep understanding of SME management we have developed over the years, our cutting-edge financing methods and other comprehensive financial services, and our nationwide network. In all that we do, our goal is to support our customers' sustainable growth with solutions tailored to the life stage of their companies.

The Shoko Chukin Bank's mission is to harness the boundless joy it shares with its customers to create a new strength for Japan.

Business Posture

For all SMEs

- We offer a sense of security based on long-term, stable transactions and services that solve problems.
- We encourage cooperation among companies and among regions to create new business opportunities.
- We grow as our customers grow, and aim to improve our long-term corporate value.

For all depositors

- We ensure sound management, and are dedicated to treating customers reliably, sincerely and respectfully.
- We support optimum investments as a good partner in asset investment.
- We practice socially responsible investment.

For employees

- We strive to foster an invigorating organization that values on-the-job experience and encourages employees to take on challenges.
- We support employees as they develop expertise, and we train professional employees.
- We create a workplace in which employees feel joy and pride in giving back to society, and we value that process.

For society

- We ensure thorough compliance.
- We strive to maximize business transparency and strive to disclose and publicize information.
- We work to ensure the satisfaction of all stakeholders and contribute to the development of local economies.

Conduct Guidelines

1. We stand in the customer's position.
2. We consider our customers' future.
3. We enhance skills sought by customers.
4. We work together for the sake of the customer.
5. We help customers realize their dreams.

In all these things, we act with pride, great ambition and a fair and sound spirit.

Business Operation Policies for Fiscal 2015

- Although economic conditions made a mild recovery, business performance and cash flows of SMEs remain in a severe condition as they faced adverse factors such as rising raw material prices due to the weak yen. In order to provide solid support to SMEs who are engaged in the reconstruction and revitalization efforts following the Great East Japan Earthquake or working on the revival of local economies, as well as those who are having difficulty with business performance and cash flows, the Shoko Chukin Bank continues to put in its utmost effort to fulfill the safety net function.
- With regard to supporting growth, we will provide risk money while cooperating with regional financial institutions to support SMEs engaged in strategic overseas development and key local companies that have a great influence on the economy of the local community. We will further strengthen our collaboration with various bodies such as local governments and regional financial institutions in our efforts to revitalize local communities.
- Amid anticipated acceleration of business reorganization and structural reform over a wide range of business sectors and categories, the Bank intends to strengthen initiatives such as support for overseas expansion, support for M&As and business succession, and business matching.

- With regard to support for revitalization, we will further strengthen our collaboration with various support institutions, and work on efforts such as performing our consulting capabilities through initiatives such as support for formulating management improvement plans and follow-up activities, support for drastic revitalization, and support for normalization of financial transactions.
- In order to respond to the needs of SMEs, we will further strengthen stable fundraising through debentures (publicly offered debentures), as well as to bolster and expand the fund procurement platform, mainly individual and corporate deposits. At the same time, we will constantly work to further streamline management through measures such as increasing the efficiency of operations.
- By strengthening measures to address these issues, we will contribute to the sustainable growth of SMEs and SME cooperatives, and construct a sound financial base for the Bank itself and improve profitability.

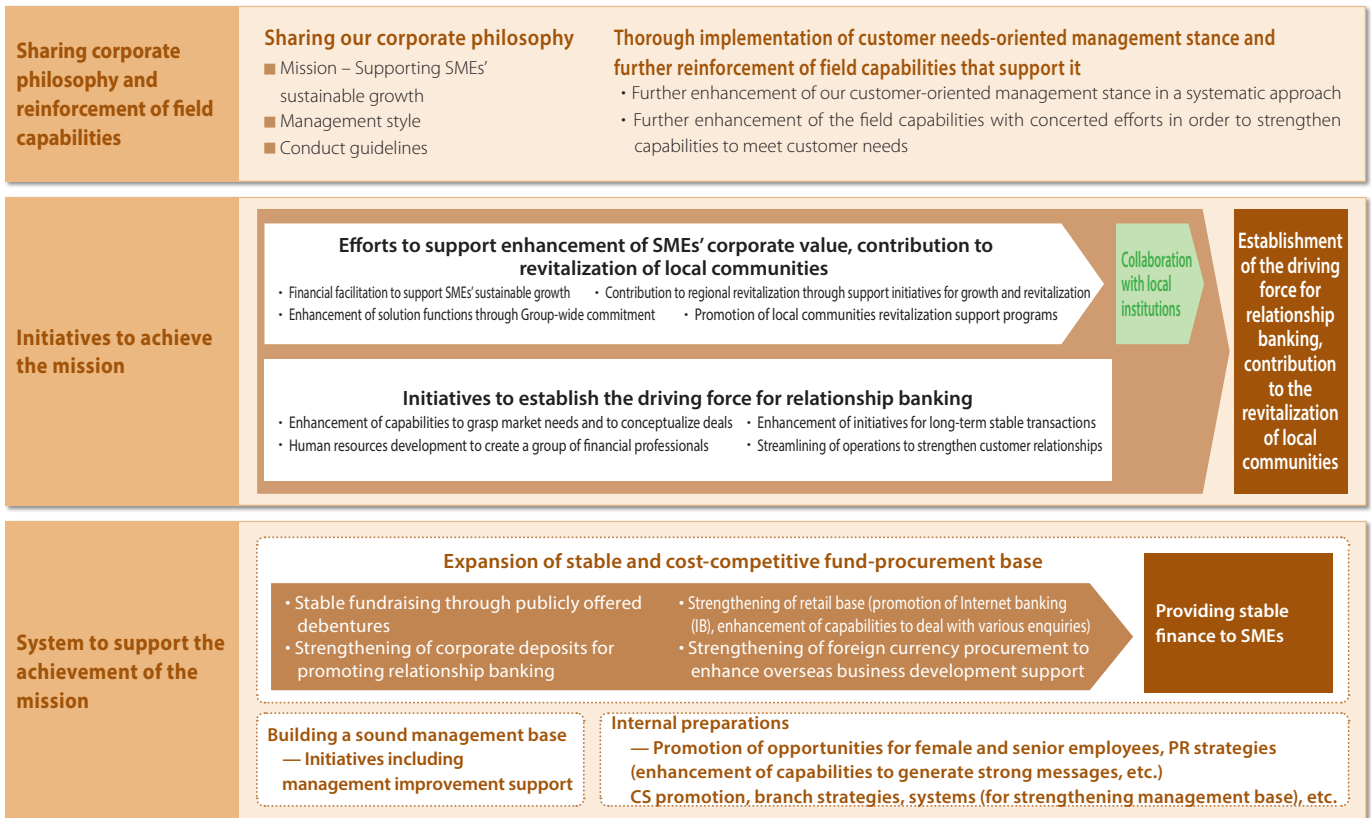
Third Medium-Term Business Plan (From April 2015 to March 2018)

Looking at the future a decade from now, it is expected that the era of fully-fledged population decline will have arrived and globalization will have progressed even further. We anticipate that management needs of SMEs will become more sophisticated in order to deal with these changes. It is precisely the mission of the Shoko Chukin Bank to support SMEs and the local economy by leveraging its network and solution functions, in addition to its role in fulfilling the safety net function, addressing these management needs of SMEs, and we believe that the government and SMEs have high expectations of us.

We decided to develop the Third Medium-Term Business Plan based on our full appreciation of our mission to address the new challenges emerging from our changing operational environment.

Basic Philosophy of the Third Medium-Term Business Plan

- We will follow the primary principle that aims to fulfill our mission “to support the sustainable growth of SMEs and SME cooperatives” in order to achieve further growth as a financial institution trusted and chosen by SMEs and the local community. Meanwhile, we will further enhance our customer needs-oriented management stance. In addition, we will build a strong management base of our own and establish the identity of Shoko Chukin Bank.



Fulfilling a Safety Net Function, Mainly in Crisis Response Measures

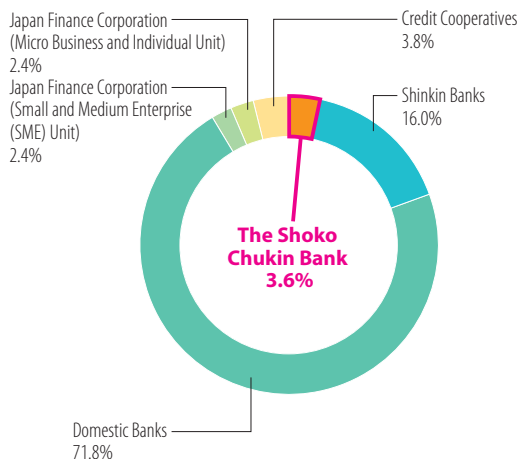
In response to the financial crisis triggered by the sub-prime loan problem in the United States in the autumn of 2008, and the Great East Japan Earthquake of March 2011, crises were declared by the government, and the Shoko Chukin Bank, as the only legally designated financial institution for SMEs, has been devoting its full efforts to fulfilling a safety net function, mainly in crisis response measures.

As of the end of March 2015, a total of 186,709 projects have been implemented under the crisis response measures, at a value of over ¥10,805.2 billion, through which we have been able to make significant contributions to facilitating finance for SMEs, and furthermore, maintaining employment and stabilizing the economy in local communities.

A Stable Transaction Stance

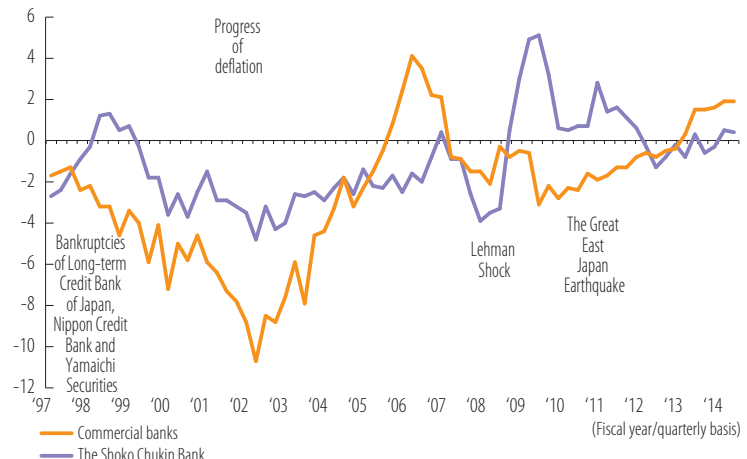
The Shoko Chukin Bank, through its day-to-day transactions with SMEs, not only looks at financial matters, but also takes the clients' operations, technology, and the abilities and enthusiasm of the executives into consideration. In this way, we strive to provide services that respond flexibly to corporate needs, not focusing on temporary management setbacks, but maintaining a stable transaction stance over the long-term.

The Shoko Chukin Bank's share of financing to SMEs and middle-market enterprises (as of the end of December 2014)



Domestic banks include city banks, regional banks, second-tier regional banks, trust banks, etc.
Sources: Bank of Japan "Loans and Bills Discounted by Sector," Japan Finance Corporation, Community Bank Shinyo Kumiai

Year-on-year change in the Shoko Chukin Bank loans and commercial banks loans to SMEs and middle-market enterprises (year-on-year change, %)



Commercial banks include total for domestic banks, shinkin banks, and credit cooperatives. Figures used for domestic banks represent loans to SMEs and middle-market enterprises; for shinkin banks, corporate loans; for credit cooperatives, total loans.
Graph shows changes up to third quarter of Fiscal 2014.
Sources: Bank of Japan "Loans and Bills Discounted by Sector," Community Bank Shinyo Kumiai

The Shoko Chukin Bank: Fulfilling a Safety Net Function

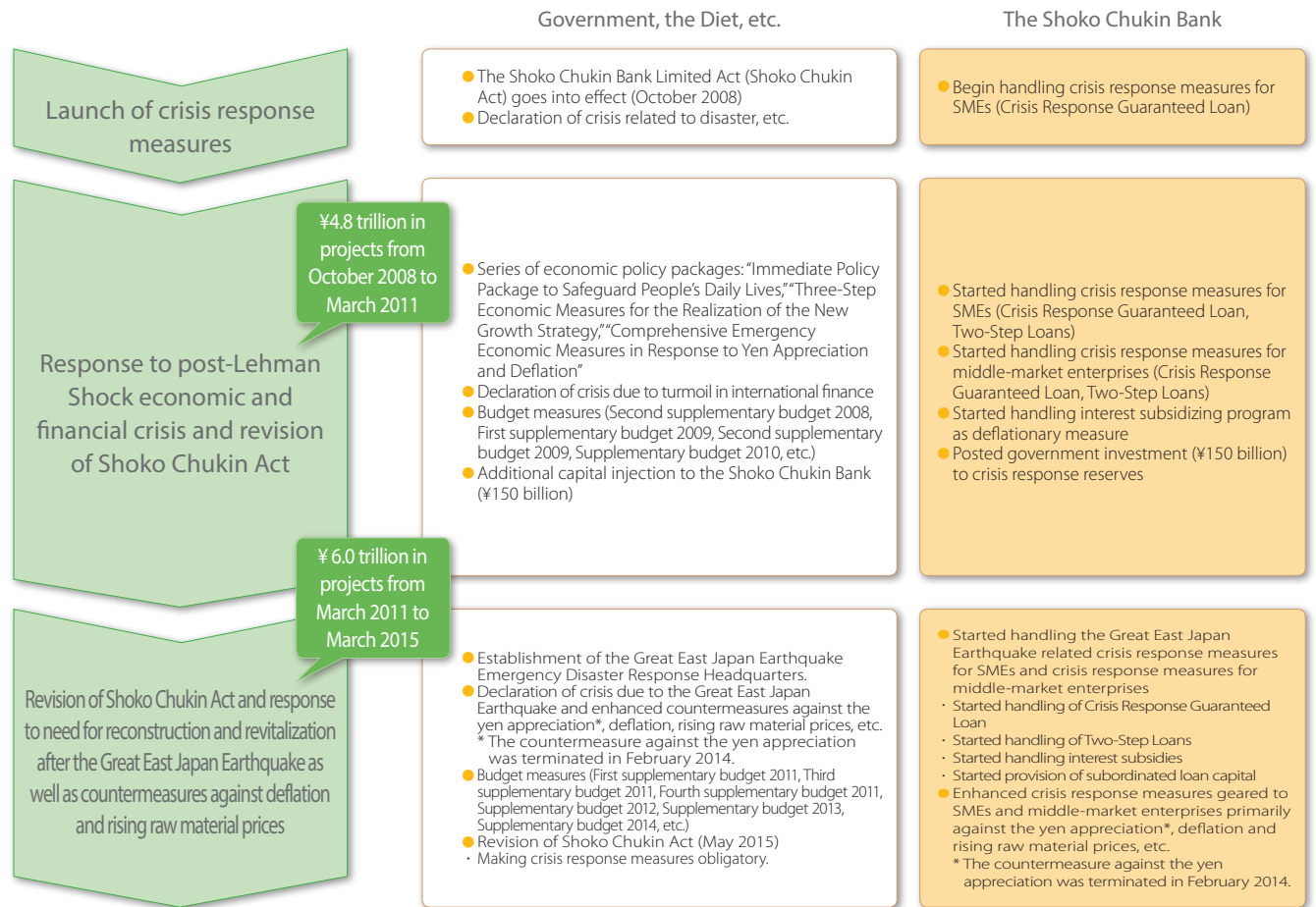
Prior to transition to joint stock company

<p>1997-2000 Series of financial institution failures</p>	<p>Government measures</p> <ul style="list-style-type: none"> ● (Special national loans) Safety net loan program ● ¥30,000 billion for Special Credit Guarantee Program for Financial Stability ● New guarantee program established <ul style="list-style-type: none"> • Receivables-Backed Loan Guarantee Program • Refinancing Guarantee for Facilitation of Financing Program 	<p>Efforts by the Shoko Chukin Bank</p> <ul style="list-style-type: none"> ● Implementation of measures at left ● Establishment of the Shoko Chukin Bank's own program <ul style="list-style-type: none"> • Collateral-free loans • Short-term working capital to support day-to-day cash flow ● Management improvement support <ul style="list-style-type: none"> • Collaboration with SME Revitalization Support Councils
<p>2001-2003 Financial revitalization program Centralized disposal of non-performing loans</p>		

After transition to joint stock company

<p>October 2008 Efforts made after transition to joint stock company</p>	<p>● Crisis response measures: Appropriate response as legally designated financial institution. 1) Crisis Response Guaranteed Loan, 2) Two-Step Loans, 3) Utilization of interest subsidizing program</p>
	<p>● The Shoko Chukin Bank's own safety net loans</p>
	<p>● Credit Guarantee Corporation: Putting into action the Emergency Guarantee Program, and the "Great East Japan Earthquake Recovery Emergency Guarantee" Program</p>

Measures Taken by Government and the Diet and Efforts by the Shoko Chukin Bank



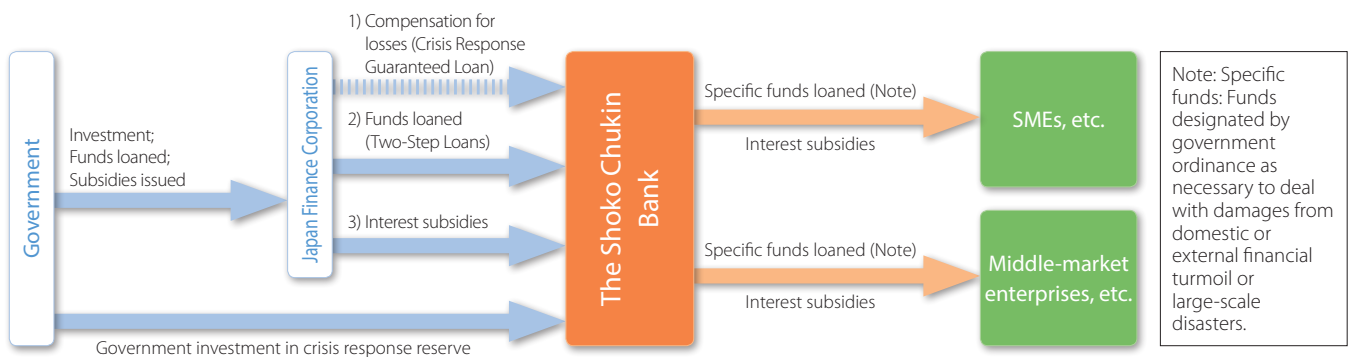
Overview of Crisis Response Measures

A new program for crisis response was developed after October 1, 2008, in order to deal with times of crisis, such as disasters and economic or financial turmoil.

The Shoko Chukin Bank is a designated financial institution* to implement financing and other services for SMEs and middle-market enterprises in response to crisis.

*Designated financial institution: From private financial institutions that apply, the minister in charge designates those that meet certain criteria (the Shoko Chukin Bank, and Development Bank of Japan) to implement loans and other crisis response measures when the minister in charge has declared a crisis, and to receive risk supplements and other support from the treasury.

Schematic diagram of crisis response measures

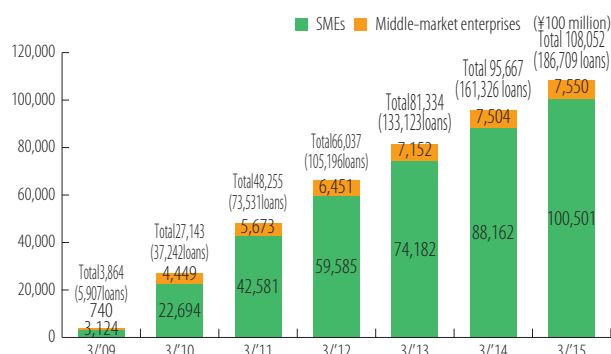


- 1) Crisis Response Guaranteed Loan** : A system to loan specific funds, with supplemental credit from Japan Finance Corporation (partial compensation for amount of loss). Percentage of compensation: SME 80%; middle-market enterprise 70%
- 2) Two-Step Loans** : The program to loan specific funds, with back finance based on resources from fiscal investment and loans, etc., from Japan Finance Corporation.
- 3) Interest subsidies system** : The program of loans offered to customers at special interest rates by the Shoko Chukin Bank, or of paying the interest subsidies to customers at a later date, on the condition of receiving interest subsidies from Japan Finance Corporation.

Results of Crisis Response Financing

Results of crisis response measures (cumulative)

Over 186,000 projects, over ¥10,800 billion in financing



Contributed to stable employment of approximately 3.89 million employees

- During the six years and six months since the launch of crisis response measures at the Shoko Chukin Bank, the program has been used by about 55,000 companies employing a total of approximately 3.89 million people (as of end March 2015).
- The Shoko Chukin Bank's efforts with regard to crisis response measures have led to employment stability for a large number of employees.

Loan Program for Those Affected by the Great East Japan Earthquake, High Raw Material and Energy Costs, etc.

The Shoko Chukin Bank has established Special Consultation Desks in every branch, which includes "Special Consultation Desk Concerning the Great East Japan Earthquake," "Special Consultation Desk Concerning High Raw Materials and Energy Costs Countermeasures," and "Special Consultation Desk for Breaking Away from Deflation."

Meanwhile, the Shoko Chukin Bank, as a statutorily-appointed financial institution, is responding to the consultations from the SMEs, through utilizing the schemes such as the "Great East Japan Earthquake Revitalization Special Loans," and the "Fund for Assisting SMEs Adjusting to Changes in Business Environment."

Engagement as a Supporting Institution for Business Innovation

The Shoko Chukin Bank has applied and been accredited as supporting institution for business innovation based on the SME Business Capabilities Enhancement Support Act.

The Shoko Chukin Bank has been giving support concerning business development planning for the SMEs. Meanwhile, being an accredited institution, the Shoko Chukin Bank is also progressing on providing supporting business concerning analyses on the business status of the SMEs.

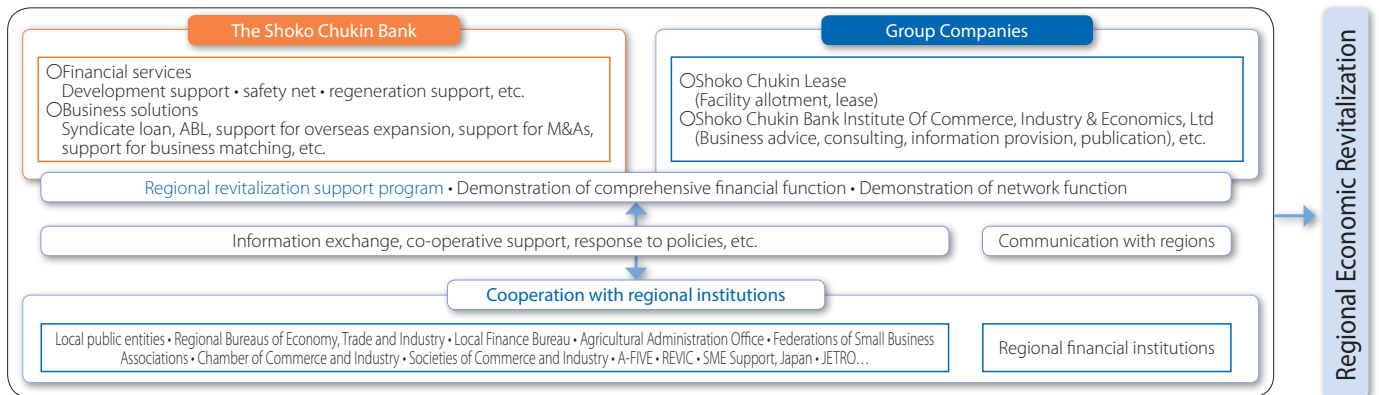
Support for the Corporate Value Improvement for the SMEs

Support for Regional Regeneration and Revitalization (Regional Revitalization Support Program)

Overview of the Regional Revitalization Support Program

With regard to the contribution to regional regeneration and regional economic revitalization, each regional branch of the Shoko Chukin Bank collaborates with the corresponding local communities and identifies themes to be focused on based on the existing issues in the region. We aim to offer financial and informational support to the regional SMEs.

The Shoko Chukin Bank also actively approaches to local-related institutions in other regions with effective support to take an active role in regional regeneration and regional economic revitalization.



Status of Effect on the Regional Revitalization Support Program

Agriculture, Forestry and Fisheries

The Shoko Chukin Bank is carrying out the sixth industrialization and the agriculture-commerce-industry collaboration support, etc. that fully utilize the national networks in areas where the agriculture, forestry and fishery industry is the key industry. (Akita, Yamagata, Fukushima, Kofu, Oita, Kagoshima branches, etc.)

Regional Industrial Support

Collaborating with related institutions such as the local governments, the Shoko Chukin Bank supports the development of the major industries of corresponding regions from different aspects by providing financial, informational and various solutions. (Obihiro, Gifu, Fukui, Yonago, Takamatsu, Nagasaki, Naha branches, etc.)



Reconstruction Support

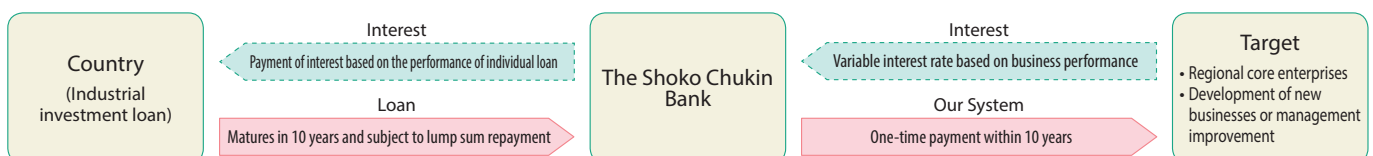
The Shoko Chukin Bank displays the special products from Sendai Prefecture in the lobby exhibition held in the branches of the metropolitan area. The Bank also backs up the reconstruction of the affected areas and provides financial support through making use of the Revitalization System. (Hachinohe, Morioka, Sendai, Fukushima branches, etc.)

Overseas Expansion

The Shoko Chukin Bank provides support for overseas expansion by setting up the Overseas Expansion Support Desk for the SMEs in the operating offices, as well as providing financial support through the financial system collaborated with the local governments. (Saitama, Mito, Hamamatsu, Nagoya, Wakayama, Okayama, Kurume branches, etc.)

Establishment of the Support Loan System for Regional Core Enterprises

In line with the revitalization of the regional economy, in April 2015, the Shoko Chukin Bank established the “Support Loan System for Regional Core Enterprises,” so as to provide regional core SMEs with long-term financial support which is necessary for development of new businesses or management improvement. In addition, we will coordinate with commercial banks and provide support to the targeted SMEs for the development of new businesses and management improvement through the System.



Summary of Growth and Business Development Support Program

In July 2010, the Shoko Chukin Bank has established the “General Support Program for Growth Strategy” in order to support SMEs which have undergone a low growth rate due to the changes in socio-economic environment but aim to expand their own businesses in growth sectors. In order to achieve the “¥500 Billion in 3 Years” target, the Shoko Chukin Bank has actively met the needs of those SMEs which aimed to expand its business. As a result, the goal was accomplished within two and a half years in February 2013.

In order to continually support SMEs in growth sectors, in April 2013, the Shoko Chukin Bank renamed the Program as “Growth and Business Development Support Program” that does not require the personal guarantee system*. Further, the Shoko Chukin Bank has set up a new target of the supply of “¥1 trillion” growth loan funds as a means to sustain the development of the SMEs which aim to launch their business or actively devote to expanding their business to new fields.

Moreover, the Shoko Chukin bank will swiftly and flexibly grant growth loans funds to SMEs’ equipment fund needs for considering replacing superannuated facilities or introducing leading-edge facilities, etc. by actively introducing policies of the Japanese and local government as well as providing financial support in line with the tax reduction in asset investment under the Capital Investment Promotion Plan by Japanese Government.

*The guarantee is not effective in any cases other than the breach of covenant (“Condition Precedent Joint Guarantee”)

(1) Support for the formulation of the New Growth Strategy Plan

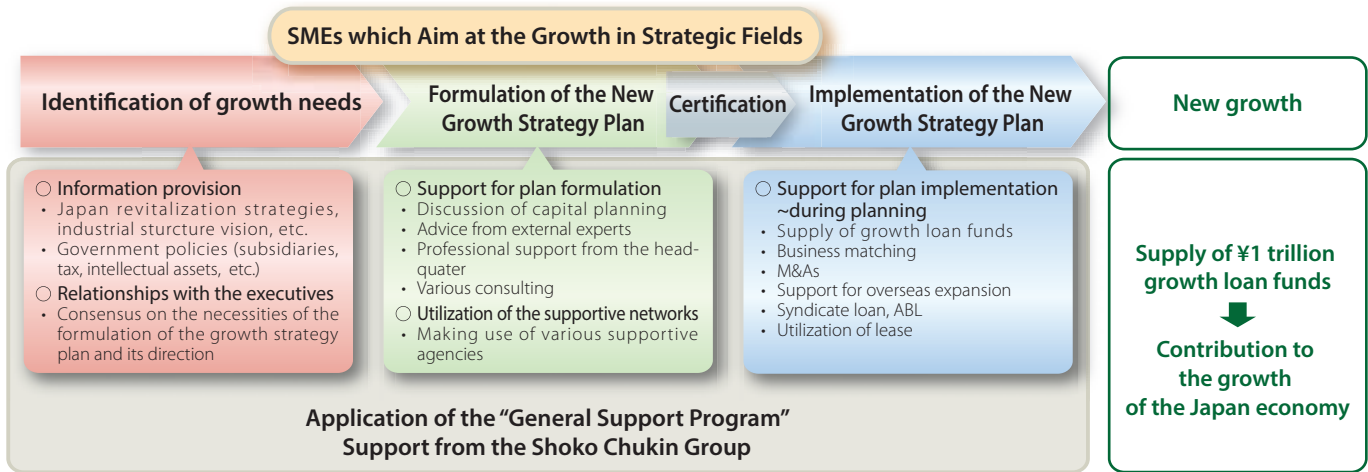
- During the conceptual phase, we provide information to the clients and strengthen clients relationships. At the same time, we reach a consensus with the clients on the necessity of the formulation of the growth strategy plan and its basic direction.
- When it comes to the plan formulation phase, on top of the financial issues such as capital planning, the staff from the headquarter will provide solutions and comprehensive consulting from the viewpoint of the clients.

(2) Plan approval

- The plan formulated by the SMEs is submitted to the Shoko Chukin Bank, and is subject to the approval institutions such as the “Certifying Committee for Growth Strategy Enterprises” as the “New Growth Strategy Plan.”

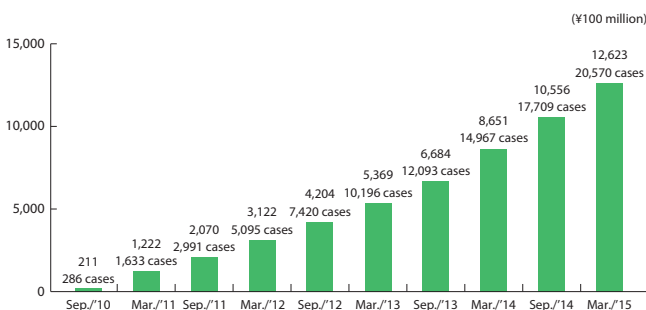
(3) Support for the implementation of the Plan ~ Supply of growth loan funds, provision of solutions which boost the efficiency of operations

- The essential funds incurred in the implementation of the “New Growth Strategy Plan” is backed up by the low-interest loan system established by the Shoko Chukin Bank.
- In order to boost the effectiveness of the plan, we provide various solutions to and support for business matching, M&As and overseas expansion.



Performance of the Effort on Growth and Business Development Support Program (Cumulative)

(1) Performance Overview



(2) Field-specific Performance

Fields of business	Amount
Environment and energy	3,932
Investment and business expansion in Asian countries	1,660
Employment and human resources	1,563
Medical, nursing and health related	1,060
Research and development	670
Others	3,738
Total	12,623

(¥100 million)

(3) Performance of the “Condition Precedent Joint Guarantee”

212 cases, ¥15.9 billion (From April 2013 to March 2015)

Support for Overseas Expansion

The Shoko Chukin Bank is the only public financial institution that utilizes the “full-banking function” for the SMEs. Apart from the daily operation in the field of trade and finance, the Shoko Chukin Bank also provides parent-subsidary loans, loans for overseas affiliated companies, and also contributes to the fundraising for overseas affiliated companies through a method called “Standby Credit.” Further, we fully utilize the domestic and overseas co-operative institution networks which connect with overseas centers (New York branch, Hong Kong Representative Office, Shanghai Representative Office, Bangkok Representative Office) and are devoted to providing detailed information for the SMEs.

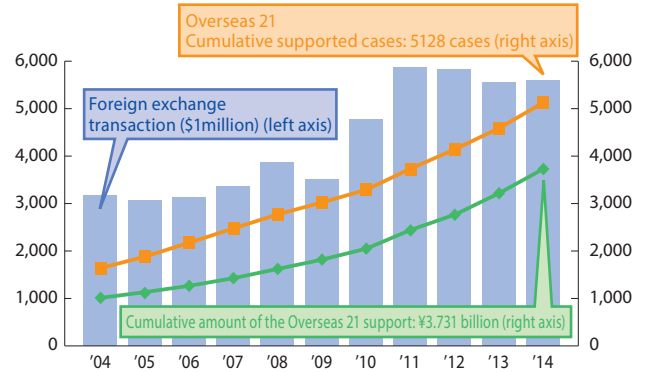
Support for Overseas Expansion (Overseas 21)

As apart from financial support, the support for information provision also plays an important role in the overseas expansion of the SMEs. From 1996, we have combined “Information Provision” and “Financial Services” and established “Support for Overseas Expansion (Overseas 21)”

With regard to the information provision, our staff from the headquarter will visit our clients and give advice on overseas expansion, as well as offering informational support such as providing information about the investment environment. In addition, the Shoko Chukin Bank has constructed a co-operative support system with each overseas branch and the corresponding destination for overseas projects.

With regard to financial services, we provide diversified services ranging from financial support such as fundraising support through Standby Credit (utilization of the overseas co-operative financial institutions), direct loans to overseas affiliated companies, parent-subsidary loans, etc., to the import and export-related trade and finance services.

Performance of Overseas 21

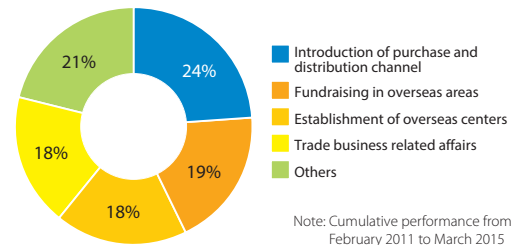


Overseas Expansion Support Desk

In response to the needs of the SMEs concerning overseas expansion such as related consultation, we established the “Overseas Expansion Support Desk for SMEs” in February 1, 2011. We have collaborated with related institutions such as JETRO (Japan External Trade Organization), the NEXI (Nippon Export and Investment Insurance), and the Organization for Small and Medium Enterprises and Regional Innovation, in order to provide detailed support such as information provision to the SMEs. As of the end of March 2015, the cumulative number of cases of consultation related to the establishment of overseas centers or fundraising, etc. has reached 14,068 cases.

The Shoko Chukin Bank will continue to offer extensive support to the SMEs regarding overseas expansion.

Breakdown of the content of the consultation in the Support Desk



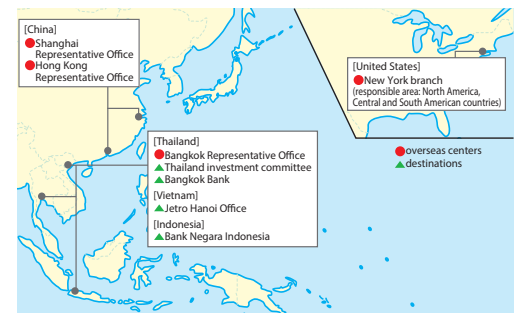
Networks of the Shoko Chukin Bank

The Shoko Chukin Bank has altogether 4 overseas centers. Also, we collaborate with 5 overseas financial institutions and provide financial and informational support regarding overseas expansion.

Overseas co-operative financial institutions

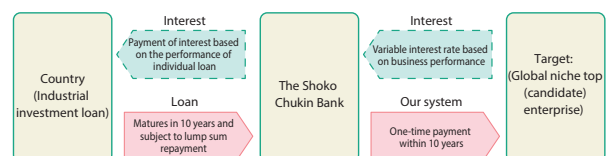
- Standard Chartered Bank (United Kingdom)
- Bank of Communications (China)
- Bank Negara Indonesia (Indonesia)
- Bangkok Bank (Thailand)
- HSBC (United Kingdom)

Overseas Centres and Destinations



Establishment of the Global Niche Top Supply Loan System

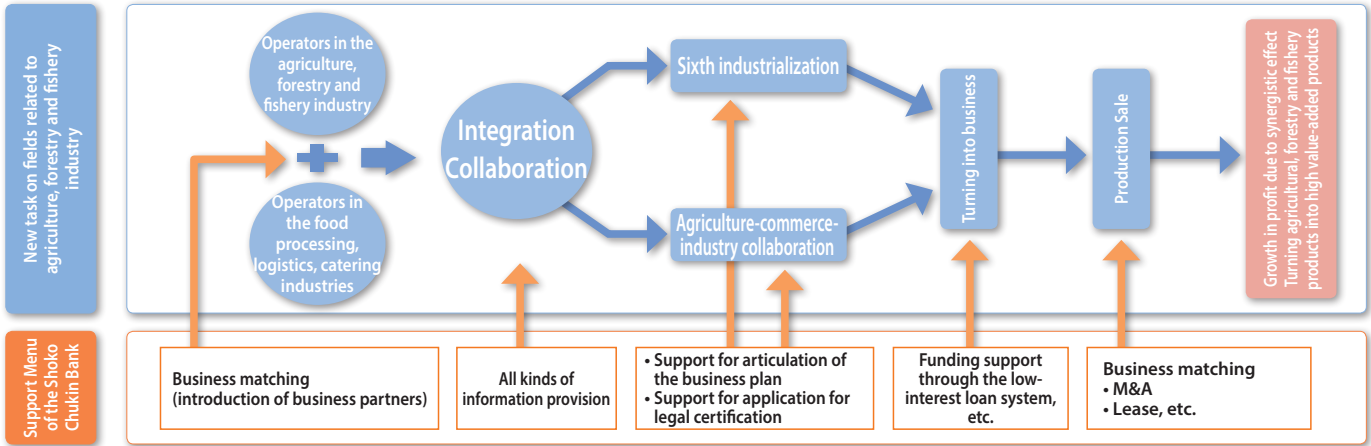
The Shoko Chukin Bank established the “Global Niche Top Supply Loan System” in April 2014 to grant loans for essential funding incurred in overseas expansion for the SMEs which aim to strengthen their industrial competitiveness, expand their existence in specific sectors, and become the global niche top (GNT) company. Our system supports the strategic overseas expansion of the SMEs.



Support for Agriculture-Commerce-Industry

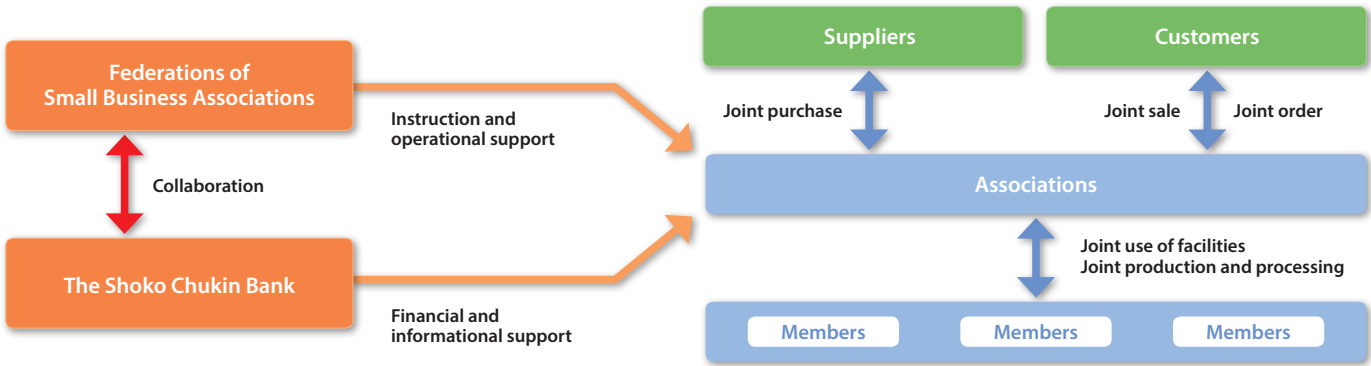
With the aim of attaining synergistic effect, the government has developed the policy of “Support for Agriculture-commerce-industry” to strengthen the collaboration between the commerce industry and the agriculture, forestry and fishery industry.

According to the Agriculture-Commerce-Industry Cooperation Promotion Act, it is advantageous for the SMEs to be certified by the Act as certified parties are eligible to enjoy various support measures. In view of this, the Shoko Chukin Bank collaborates with the government and the supporting institutions and provides both informational and financial support such as support for application for certification under the Act and provision of loans for necessary cost incurred.



Support for Associations

The Association of SMEs helps individual enterprises overcome difficulties and plays an important and leading role in assisting the value-adding of the SMEs by increasing the members’ productivity through the association of joint enterprises and, as a collaborative institution, supporting new projects of the members, etc. The Shoko Chukin Bank collaborates with the Federations of Small Business Associations (an instruction institution of the Association of SMEs) and provides financial support such as the “Loan Recommendation System of the Federation” as well as informational support such as the information about the subsidiaries policy.



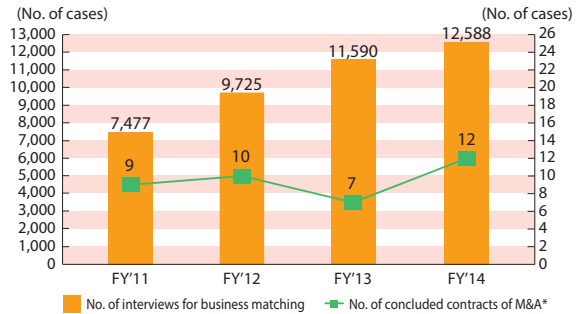
Support for Collaboration among Enterprises (Business Matching, M&As)

The Shoko Chukin Bank has been actively working on the introduction of business partners and M&A through its national networks and extensive relations with business partners.

Business matching will add value to the enterprises through the extensive collaboration such as increase in sales, reduction in purchasing cost, production and technical cooperation, joint invention of new products, joint research, etc. Further, we will endeavor to maintain a close relationship with the Youth kai and Chukin kai which are formed by executives of the business partners.

M&As deal with business reorganization and succession. With the collaboration with lawyers and external institutions, we take an active approach to offer appropriate solutions to the clients.

<Reference> No. of cases of Business Matching and M&A



* Number of successful cases of M&As which fulfil the purpose and involve the Shoko Chukin Bank among the advisory contracts of M&As (stock trading, business transfer, business reorganization, etc.) concluded between the enterprises (owners) and the Shoko Chukin Bank.

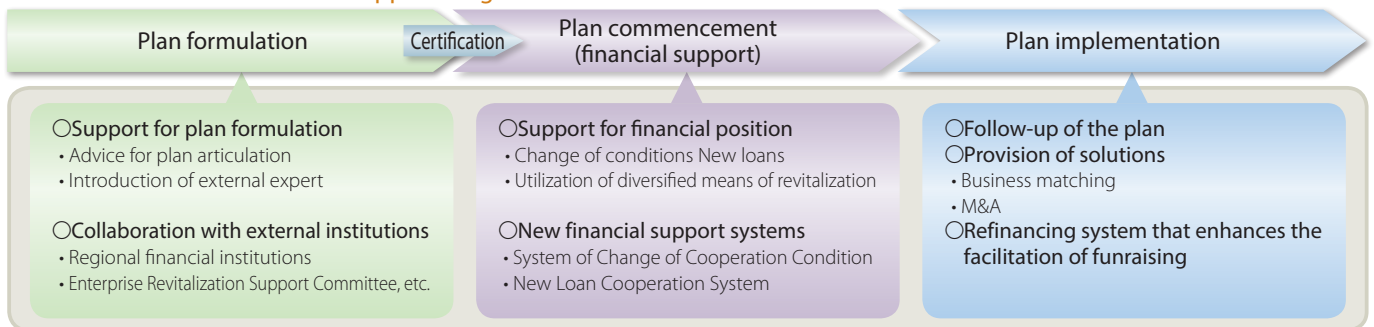
Support for Business Revitalization

The Shoko Chukin Bank has been cultivating the knowledge of business revitalization. Taking one step further to actively formulate business improvement plans and hence lead them to success, the Shoko Chukin Bank established the "Revitalization Support Program" in November 2012 which offers a package of general support services.

Also, in October 2013, the program further expanded and a refinance system that enhances the facilitation of essential fundraising was established for those SMEs which have shown improvement in performance as a result of the implementation of the improvement plan.

In addition, through the collaboration with institutions that support business revitalization such as the SME Revitalization Support Councils, together with the cooperation with regional financial institutions, the Shoko Chukin Bank is devoting to the value-adding of the enterprises and regional regeneration and revitalization for the SMEs.

Flowchart of the Revitalization Support Program



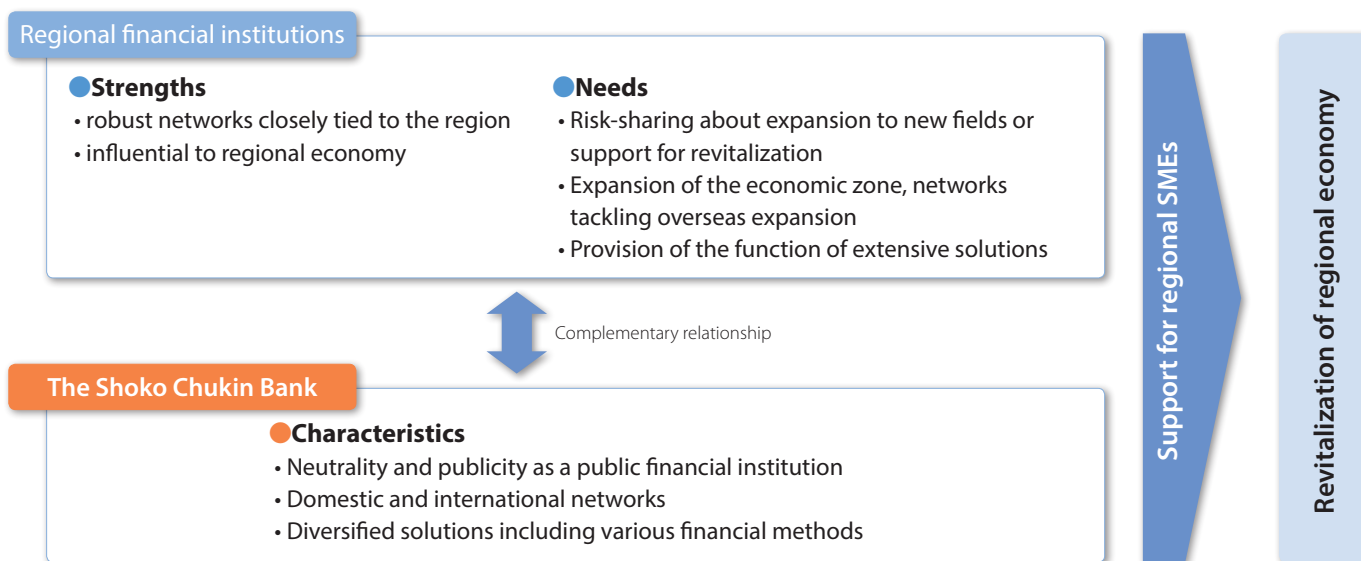
Cooperation and Collaboration with Regional Financial Institutions

The Shoko Chukin Bank regards the collaboration and cooperation with regional financial institutions as one of the fundamental parts of business operation. We treat regional financial institutions as “partners who help to achieve the revitalization of regional economy as well as the facilitation of regional finance, on the basis of coexistence and complementarity within the region”.

The collaboration and cooperation with the regional financial institutions has been further strengthened through the establishment of the Regional Collaboration Office on April 1, 2014, and, as a result, the headquarter and the branches could come together to deal with the collaboration business.

Concerning the specific effort on collaboration, the Shoko Chukin Bank maintained its centrality and publicity, and makes use of the national networks as well as diversified solutions, in order to support regional SMEs through cooperative loans with regional financial institutions. Moreover, through the collaboration business, the Shoko Chukin Bank is also paying effort on the provision of information related to extensive fields such as M&A and ABL and international affairs, as well as the provision of complementary solutions.

In March 2015, we have taken a step further to establish a “Contact Point” in each operating office to enhance collaboration with regional finance institutions, local communities and other related institutions.



Performance of conclusion of agreement of business cooperation (As of March 2015)

Status of conclusion of agreement of business cooperation	Regional banks	Second-tier regional banks	Shinkin Banks	Credit Cooperatives	Total
No. of regional financial institutions	64	41	267	154	526
No. of concluded agreements of business cooperation	59	39	184	120	402

Performance of cooperative loans with regional financial institutions (As of fiscal 2014)

Business	No. of cases
Regional banks, second-tier regional banks	7,409
Shinkin Bank, Credit Cooperatives	1,164
Total	8,573