

# Customer-oriented business operations



## Message from the Executive in Charge

### Leveraging our marketing function to formulate business strategies for value creation together with management

Managing Executive Officer  
**Shinya Yamada**, Head of Customer Unit

We have entered an era in which financial institutions are required to take action to resolve social issues, such as Japan's progressively declining population and the tightening of environmental regulations. Now more than ever, we feel the need to solve social issues through our business activities by engaging in dialogue with the management of the companies we serve. The reason behind this is that, unlike in the past era of economic growth, the role of banks has expanded beyond business financing to include provision of a variety of services. Many of management of SMEs feel isolated, shouldering the heavy burden of being decision makers and employers. Owner managers, in particular, have to fulfill every role on their own and face the reality that there is a lack of management resources. In order for SMEs to pursue further growth, they need a reliable financial institution that can serve as a consultation partner for solving management issues and a provider of management resources.

Through privatization, the Shoko Chukin Bank's scope of operations will be equivalent to that of ordinary banks, enabling us to further refine our services. With the introduction of the

business unit system in April 2024, we established the Customer Unit, strengthening our system of putting our SME customers first, who are our users and shareholders. In order to gain an overwhelming customer focus, we established the Marketing Division within the Customer Unit that consolidates the research and analysis, product planning, and promotional functions, etc. that had previously been dispersed across different divisions in the headquarters. With marketing functions at our core, we will build relationships with SMEs starting at business offices across Japan, and aim to increase the value of SMEs through cooperation with regional financial institutions. We will make full use of our nationwide network to draw up business strategies for value creation together with business owners who are embarking on new businesses and services. We promise to provide solutions even in highly specialized fields, such as M&A, business succession, overseas expansion, and management risk hedging, with the speed and level of proposals that will not fall short of our customers' expectations.

## Business Operation Structure

In order to contribute to increasing our customers' corporate value and to enhance our competitiveness as a financial institution, we will embody management strategies with regional characteristics taken into account more than ever before, and support our customers from our headquarters and business offices in unison.

The Business Office Operation Plan, which each business office formulates independently based on regional issues, is positioned as a strategic map for the sustainable growth of both our customers and the Shoko Chukin Bank. Using this plan as the cornerstone of business operations, each business office will strive to grow while working closely with customers. Keeping in mind the role expected of each office in local communities, we will provide efficient and effective solutions and work with the government, regional financial institutions, and other organizations in accordance with factors such as characteristics and unique issues of the region, industry composition, and customer characteristics.

## TOPIC Abolishment of branch office performance evaluations

In order to further promote customer-oriented business operations, we have abolished the performance evaluations of our branch offices. The former performance evaluations were a source of competition among offices, and required considerable effort from both the evaluator and the recipient. Going forward, we will focus this inward energy firmly on resolving issues faced by our customers, local communities, and society. By appropriately obtaining profits as compensation for the increased added value that this provides, we will be able to realize sustainable management that allows us to grow together.

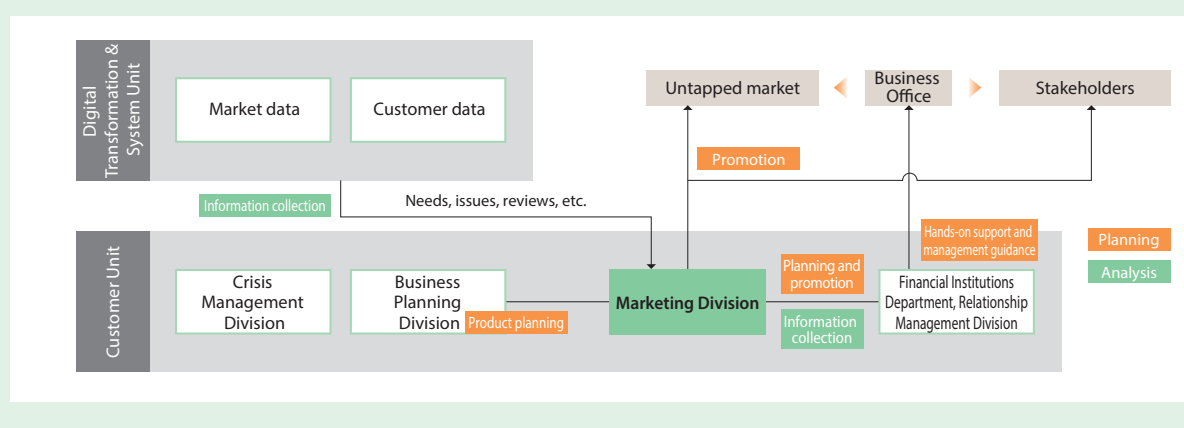


## TOPIC Establishment of the Marketing Division

With our branch offices serving as regional frontlines, we have established a new Customer Unit to strengthen our ability to provide flexible solutions through our Head Office and branch offices as a whole based on the issues of each industry and region.

The Marketing Division under this unit was newly established as a division responsible for conducting market research and formulating promotional plans based on analyses. By having a firm grasp of where customer needs are and how they change, as well as the different economic conditions in each region, and by making full use of the vast amount of data accumulated both inside and outside the Company, the division will act as a command center to formulate sales strategies and adjust the allocation of management resources by region and branch. Additionally, through our promotional functions, we will share diverse values with customers and encourage them to utilize new services.

Through these initiatives, we aim to strengthen our position as a financial institution of choice for customers, including SMEs, and to achieve sustainable growth together with our stakeholders.



## Evaluation from customers

The Shoko Chukin Bank conducts customer questionnaires once a year in an effort to improve the quality of our services.

	FY2019	FY2020	FY2021	FY2022	FY2023
Overall satisfaction	80.8%	83.1%	84.2%	84.6%	84.5%
Level of trust	90.9%	93.5%	93.4%	94.4%	94.4%
NPS*	(16.4)	(7.7)	(6.4)	(2.9)	(2.7)

(Note) Overall satisfaction is the percentage of respondents who answered "5: Satisfied" or "4: Somewhat satisfied" on a 5-point scale (%).

(Note) Level of trust is the percentage of respondents who answered "5: Trust" or "4: Somewhat trust" on a 5-point scale (%).

(Note) NPS\*: The net promoter score, measured by promoters and detractors. On an 11-point scale from 0 to 10, the percentage of promoters (9, 10) minus the percentage of detractors (0-6).

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### Customer feedback

- We appreciate all the proposals and information the Bank provides with the understanding of our business.
- We expect the Bank to continue to be a financial institution that supports SMEs and ensures stable funding.

## Providing information to customers

In addition to the Shoko Chukin Bank's Quarterly Survey of SME Business Sentiment, we conduct questionnaire surveys on topics such as securing human resources for SMEs and trends for SMEs in relation to the 2024 logistics issue as needed. We use these results to provide information to customers and others, as well as to make proposals to resolve management issues.

➡ Please click here to view the economic report (in Japanese only)

<https://www.shokochukin.co.jp/report/>

