

Accumulated Strengths

1 High level of expertise in SMEs

Intellectual capital

For more than 85 years since its establishment, the Shoko Chukin Bank has developed as a financial institution specializing in SMEs. While prioritizing dialogues with our customers, we have continued to strengthen our ability to evaluate business prospects on a nationwide scale with a focus on corporate know-how and technologies that do not appear in financial information and other non-financial information, helping SMEs through both financial support and core business support.

TOPIC Ranked 1st in rankings of companies with the highest growth rate in revenue and profit of customer companies

In a "companies' main banks 2023*" survey released on August 15, 2023 by TOKYO SHOKO RESEARCH, LTD., the Shoko Chukin Bank ranked 1st in the rankings of companies with the highest growth rate in revenue and profit of customer companies. This achievement can be attributed to our hands-on support based on business prospects evaluations.

*An aggregation and analysis of the results of main banks at the end of March each year between 2013 and 2023 from the corporate database of TOKYO SHOKO RESEARCH, LTD. Of these, the rankings for percentage increase in sales and profit were aggregated from banks with more than 1,000 main bank customers with their financial results disclosed.

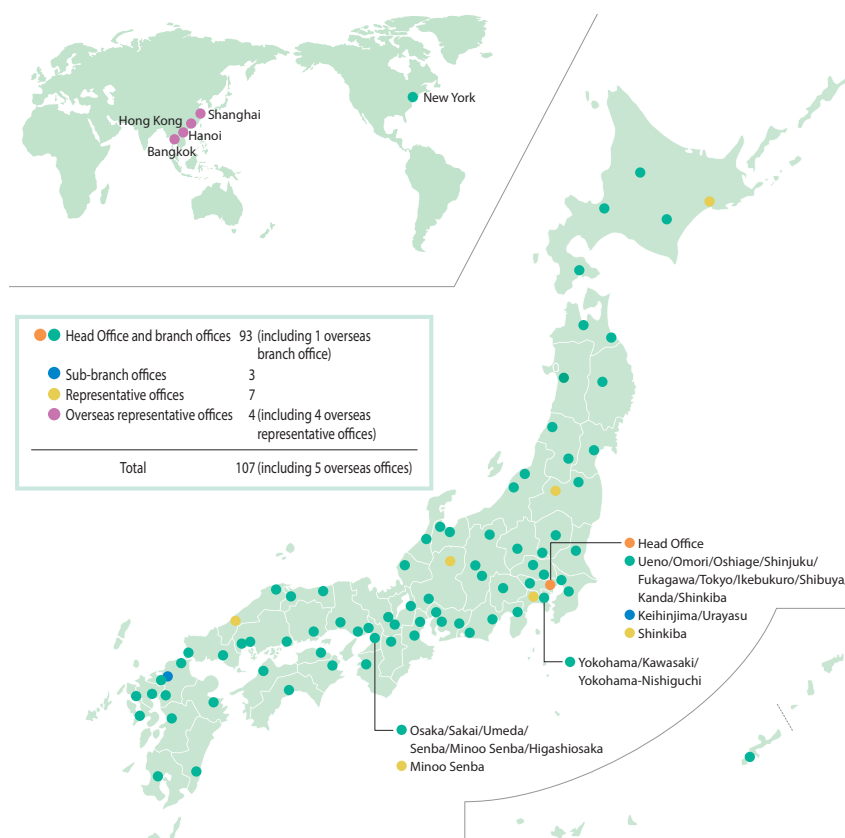
2 Nationwide sales base

Financial capital

Social capital

We have 102 offices in Japan, covering all prefectures. We provide funds without bias toward any particular region, and possess a loan portfolio that is resilient to changes in the environment. By taking advantage of these strengths, we are working to provide our customers with information on potential business successors and business matching candidates in a wide area, among other efforts.

We also have overseas offices (New York, Hong Kong, Shanghai, Bangkok, and Hanoi) and fully support the overseas expansion of SMEs by providing necessary information in cooperation with organizations such as the Japan External Trade Organization (JETRO) and the Thailand Board of Investment (BOI), in addition to financing for overseas subsidiaries.



3 Collaborative network with related organizations

Social capital

To strengthen support for SMEs, we have built a collaborative network with related organizations including regional financial institutions and the Federations of Small Business Associations. We have concluded business cooperation agreements in individual business fields with regional financial institutions to share risks and provide solutions.

► Number of business cooperation agreements concluded with regional financial institutions in individual business fields (cumulative)

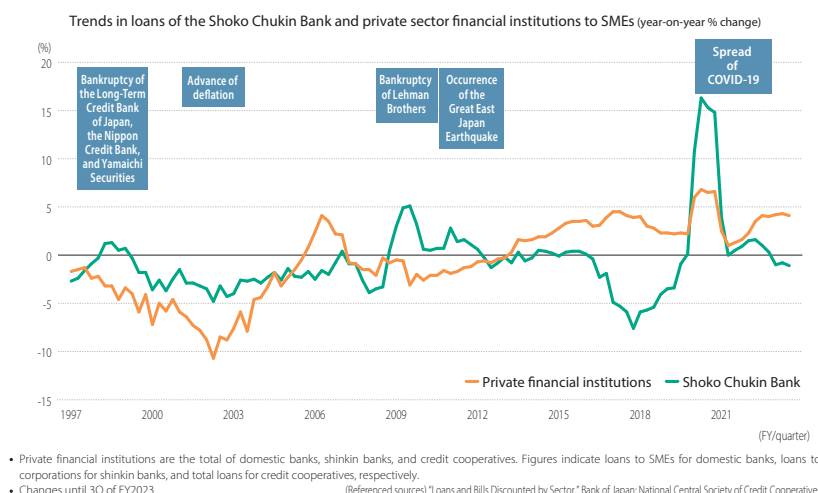
Business field	Mar. 31/'21	Mar. 31/'22	Mar. 31/'23	Mar. 31/'24
Support for revitalization and management improvement	10	90	111	115
Syndicated loans	19	54	69	82
Business matching	4	28	35	40
Support for overseas expansion	11	13	14	15
Derivatives	5	5	9	10
M&A	64	66	67	69
Startup	–	–	1	1
Sustainable finance	–	–	2	10
Total	113	256	308	342

4 Long-term financing stance that is unaffected by changes in the economic environment

Financial capital

Restrictions on shareholder qualifications limit shareholders to SME cooperatives and their members, etc. In addition, loan recipients are also limited to the organizations which are shareholders and their members, etc., in principle.

With business prospects evaluations as a starting point, we have supported our customers' cash flows with a long-term, stable financing stance in the face of deterioration in the economic environment. Furthermore, we have implemented crisis response operations during major disasters and economic crises, and demonstrated our safety net function.



5 Diverse human resources that support our provision of solutions

Human capital

In principle, from their second year, employees take charge of corporate sales for SMEs so that they are able to improve their communication skills and work to solve customers' challenges. To respond to customers' increasingly diverse management challenges, in addition to supporting employees' self-directed learning, we also proactively recruit mid-career people with a high level of expertise and skills. We also promote diversity, equity, and inclusion, and proactively recruit female employees.

Percentage of new graduates assigned to branch offices	Percentage of female employees among new graduates	Mid-career hires as a percentage of new hires	Number of employees who passed IT Passport Examination	SME consultants*
96.2%	33.8%	16.9%	1,119	67

*Number of employees who have passed the secondary test for Small and Medium Enterprise Management Consultants and employees who completed consulting practice