

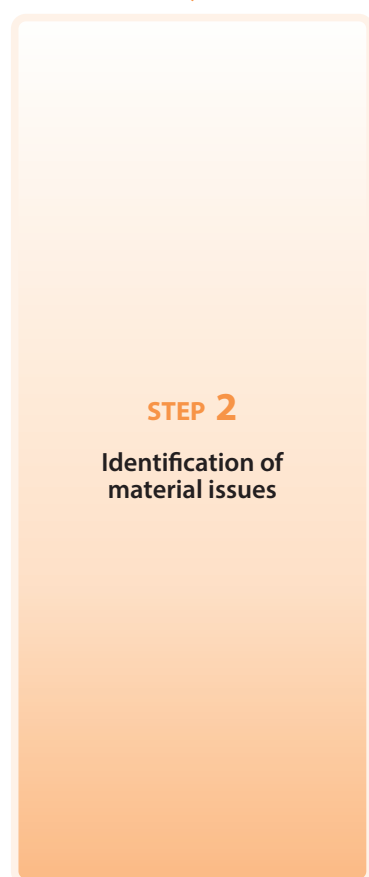
Material Issues for Society for the Shoko Chukin Bank to Address (Materiality)

At the Shoko Chukin Bank, we have extracted and identified material issues (materiality) for us to address in order to realize our Purpose, based on analysis of environmental and social issues as well as consideration of their importance and our management resources.

Process to identify material issues



We recognized issues associated with the SDGs as material issue candidates



After mapping material issues candidates on the two axes based on their importance to our stakeholders*¹ and importance to the Group*², we identified the five material issues as shown below following analysis and evaluation by the Management Meeting.

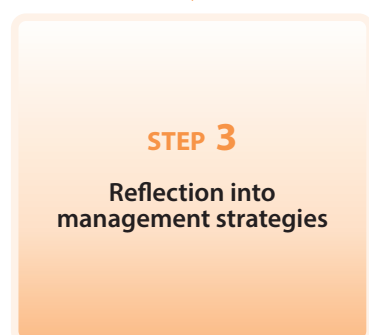
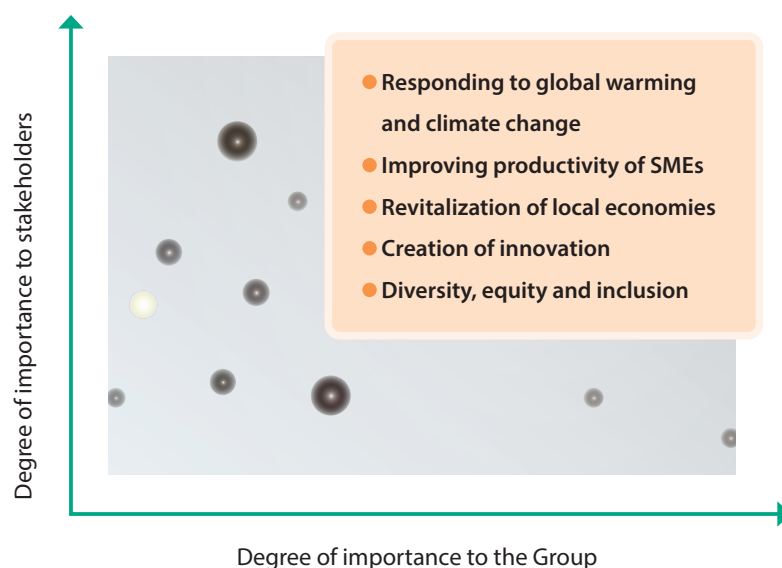
*1 Evaluation standard

① Degree of importance in terms of sustainable business growth

*2 Evaluation standard

① Degree of importance in terms of sustainable business growth

② Degree of positive impact on environment and society through utilizing the Group's management resources



Reflection of material issues into Medium-Term Business Plan, etc.



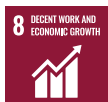

We review the material issues as necessary, such as when formulating the Medium-Term Business Plan.

In fiscal 2024, the final year of the Medium-Term Business Plan, we will reexamine the material issues.

In light of social and environmental changes since the plan was formulated in 2021, we will again extract social issues and identify the material issues. In reviewing these issues, we plan to host discussions based on the opinions of external experts.



Main initiatives for material issues

Material issues	Relationship with business models	Specific indicators to be ascertained over the long term	Main initiatives under the Medium-Term Business Plan (fiscal 2023)	Corresponding SDGs
Responding to global warming and climate change <ul style="list-style-type: none"> ● Transition to renewable energy ● Energy saving for SMEs <p>▶▶ p.30</p>	<ul style="list-style-type: none"> ● Client support related to climate change risks ● Demonstration of safety net function in times of disaster ● Proactive response to investments and loans in the renewable energy field ● Proactive support for capital investments, labor savings, and operational efficiency 	<ul style="list-style-type: none"> ● Number of ESG diagnosis ● CO2 emission reduction ● Number of sustainable finance projects and amount 	<ul style="list-style-type: none"> ● Provision of ESG diagnostic services as a tool for dialogue with customers ● Support for the introduction of CO2 emission visualization services ● Decarbonization management consulting services, including the formulation of CO2 emission reduction plans and support for the acquisition of SBT certification ● Sustainable finance ● Decarbonization initiatives by the Shoko Chukin Bank, including use of renewable energy 	 
Improving productivity of SMEs <p>▶▶ p.38</p>	<ul style="list-style-type: none"> ● Management improvement for SMEs with financial and business challenges 	<ul style="list-style-type: none"> ● Number of DX and IT surveys implemented 	<ul style="list-style-type: none"> ● Implementation of DX and IT surveys as a tool for dialogue with customers ● Provision of information and solutions to the automotive and transportation industries, which are subject to significant environmental changes 	
Revitalization of local economies <p>▶▶ p.40</p>	<ul style="list-style-type: none"> ● Broad range of support using our nationwide network 	<ul style="list-style-type: none"> ● Allowance reversals for support recipients ● Number of cases of business succession and M&A support ● Percentage of increase in rank of support recipients 	<ul style="list-style-type: none"> ● Management improvement and business revitalization support ● Business succession and M&A support 	
Creation of innovation <p>▶▶ p.44</p>	<ul style="list-style-type: none"> ● Proactive support in startup fields 	<ul style="list-style-type: none"> ● Number of startup loans and amount ● Number of business matching arrangements 	<ul style="list-style-type: none"> ● Startup support 	
Diversity, equity and inclusion <p>▶▶ p.46</p>	<ul style="list-style-type: none"> ● Diversification of human resources and work styles and creation of environment conducive to success ● Promotion of happiness management among SMEs 	<ul style="list-style-type: none"> ● eNPSSM ● Employee engagement survey ● Happiness design survey 	<ul style="list-style-type: none"> ● Human capital management ● Initiatives for DE&I ● Provision of the happiness design survey 	