

1 High level of expertise in SMEs

Intellectual capital

Since its establishment approximately 90 years ago, 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

Ratio of non-guaranteed loans based on the Guidelines for Personal Guarantee Provided by Business Owners exceeds 70%

The Shoko Chukin Bank's ratio of non-guaranteed loans based on the Guidelines for Personal Guarantee Provided by Business Owners was over 70% in fiscal 2024, which was high compared to other private financial institutions.

We are striving to further promote loans that do not rely on personal guarantees provided by business owners based on our business prospects evaluation capabilities cultivated as a financial institution specializing in SMEs.

(Reference) Utilization Results of the initiatives to comply with the guidelines for personal guarantee provided by business owners published by the Financial Services Agency

FY2024 ratio of non-guaranteed loans (%)

Institution	Ratio (%)
Shoko Chukin Bank	70.6
Other private financial institutions	52.9

2 Nationwide sales base

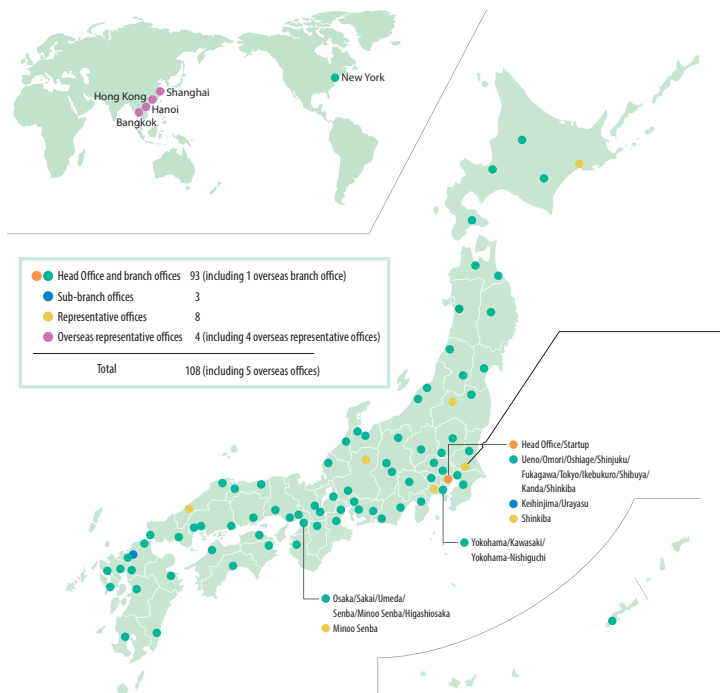
Financial capital

Social capital

We have 103 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 five 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.

Based on this office network, we provide financing to approximately 70,000 SMEs throughout Japan. In addition, approximately 6,000 people are members of 87 young CEOs associations among clients nationwide, which creates a nationwide community of customers from different industries.



TOPIC

Newly opened Tsukuba Representative Office

We opened the Tsukuba Representative Office in Tsukuba City, Ibaraki Prefecture in April 2025.

The Mito Office has overseen the entire Ibaraki Prefecture since 1947. However, in light of the accelerating concentration of companies and population growth in the southern part of the prefecture, a new sales office was opened.

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)

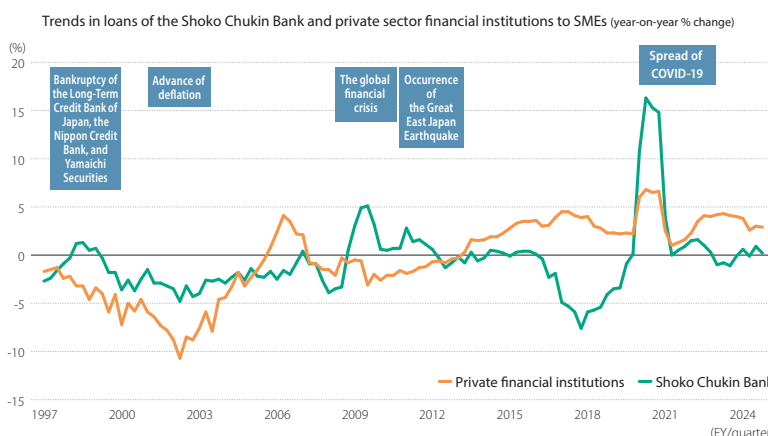
Business field	Mar. 31/'22	Mar. 31/'23	Mar. 31/'24	Mar. 31/'25
Support for revitalization and management improvement	90	111	115	118
Syndicated loans	54	69	82	94
Business matching	28	35	40	41
Support for overseas expansion	13	14	15	15
Derivatives	5	9	10	10
M&A	66	67	69	71
Startup	–	1	1	1
Sustainable finance	–	2	10	13
Total	256	308	342	363

4 Long-term business stance that is unaffected by changes in the business 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 business 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.



- Private financial institutions are the total of domestic banks, shinkin banks, and credit cooperatives. Figures indicate loans to SMEs for domestic banks, loans to corporations for shinkin banks, and total loans for credit cooperatives, respectively.
- Changes until 3Q of FY2024.

(Referenced sources) *Loans and Bills Discounted by Sector*, Bank of Japan; National Central Society of Credit Cooperatives

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 and complex 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	SME consultants*	Number of employees who passed IT Passport Examination	Number of employees obtaining internal certifications for management improvement
96.1%	46.1%	30.6%	88	2,055	987

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

