

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

STEP 1
Extraction of social issues

We recognized issues associated with the SDGs as material issue candidates

STEP 2
Identification of material issues

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.

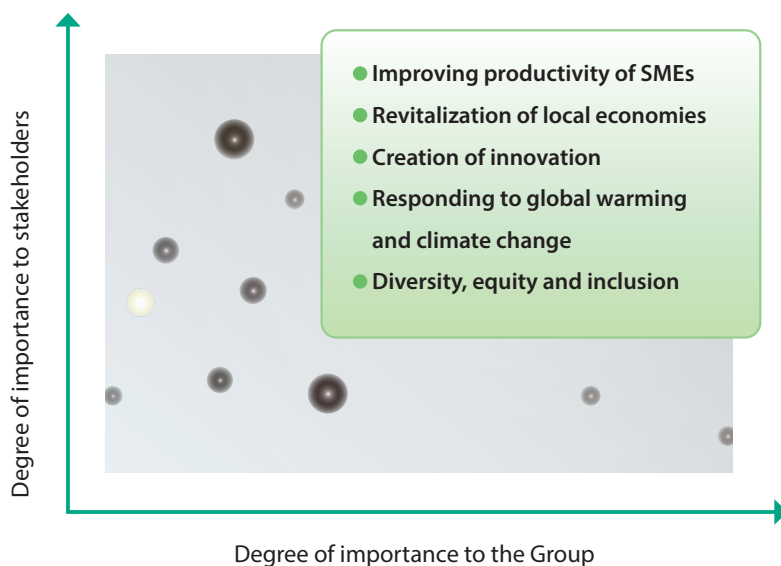
*1 Evaluation standard

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

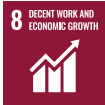





STEP 3
Reflection into management strategies

Reflection of material issues into business plans, etc.

We review the material issues as necessary, such as when formulating our business plans.

Main initiatives for material issues

Material issues	Areas of focus as part of the corresponding long-term strategy	Main initiatives in FY2024	Corresponding SDGs
Improving productivity of SMEs ▶▶ p.40	Industry Innovation Investment Traditional Banking Turn Around	<ul style="list-style-type: none"> ● Provision of information and solutions to the automotive and transportation industries, which are subject to significant environmental changes ● Launch of the corporate portal across all branch offices ● Implementation of DX and IT surveys as a tool for dialogue with customers 	
Revitalization of local economies ▶▶ p.42		<ul style="list-style-type: none"> ● Management improvement and business revitalization support ● Business succession and M&A support ● Support for overseas expansion ● Advanced financial services 	
Creation of innovation ▶▶ p.46		<ul style="list-style-type: none"> ● Startup support 	
Responding to global warming and climate change <ul style="list-style-type: none"> ● Transition to renewable energy ● Energy saving for SMEs ▶▶ p.48		<ul style="list-style-type: none"> ● Provision of ESG diagnostic services as a tool for dialogue with customers ● Sustainable finance ● Decarbonization management support, including the formulation of CO2 emission reduction plans and support for the acquisition of SBT certification ● Decarbonization initiatives by the Shoko Chukin Bank, including use of renewable energy 	 
Diversity, equity and inclusion ▶▶ p.52		<ul style="list-style-type: none"> ● Provision of the happiness design survey ● Initiatives for DE&I ● Human capital management 	