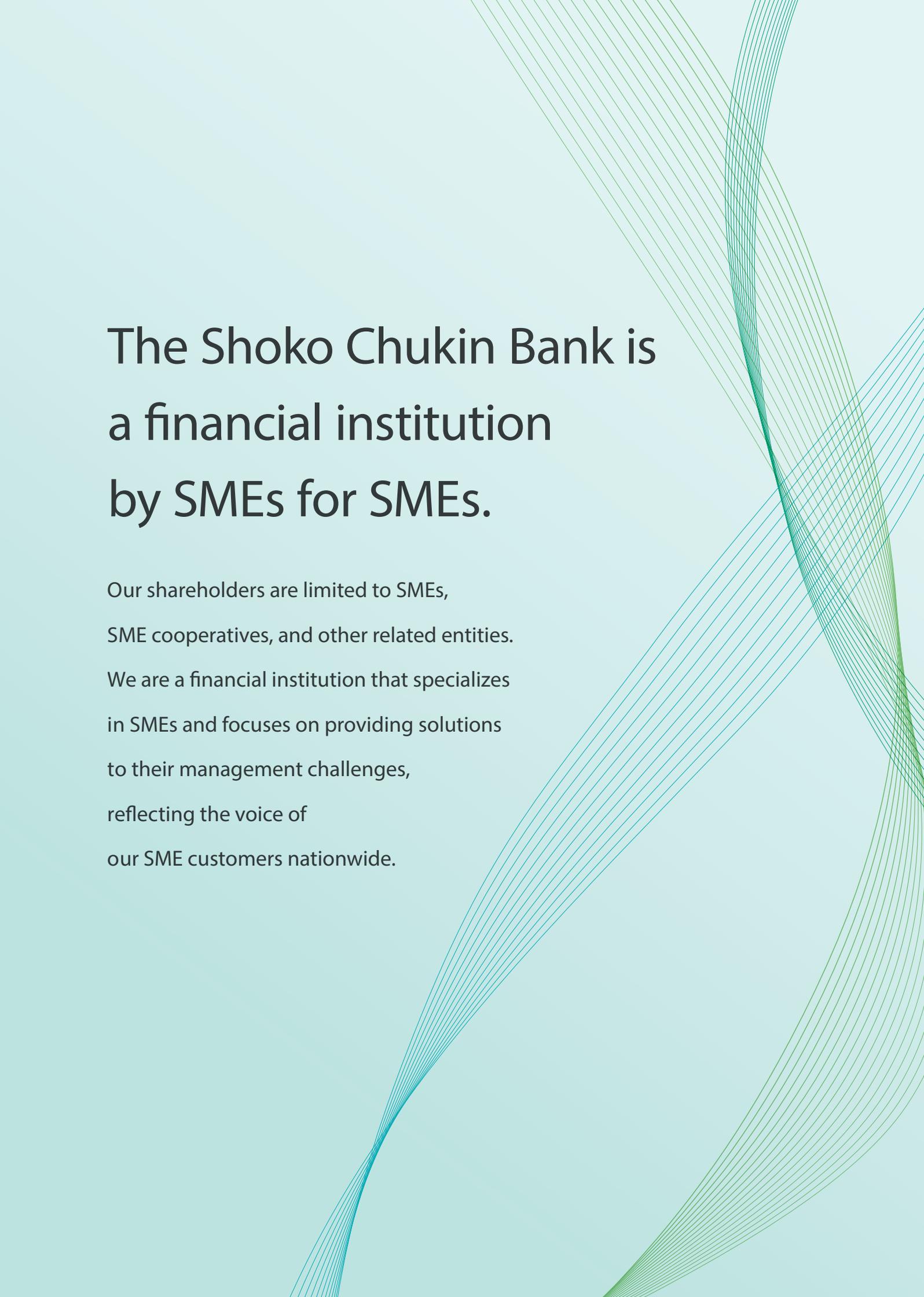




SHOKO CHUKIN BANK

Integrated Report
2025

*Supporting the future of companies.
Making Japan more resilient to change.*

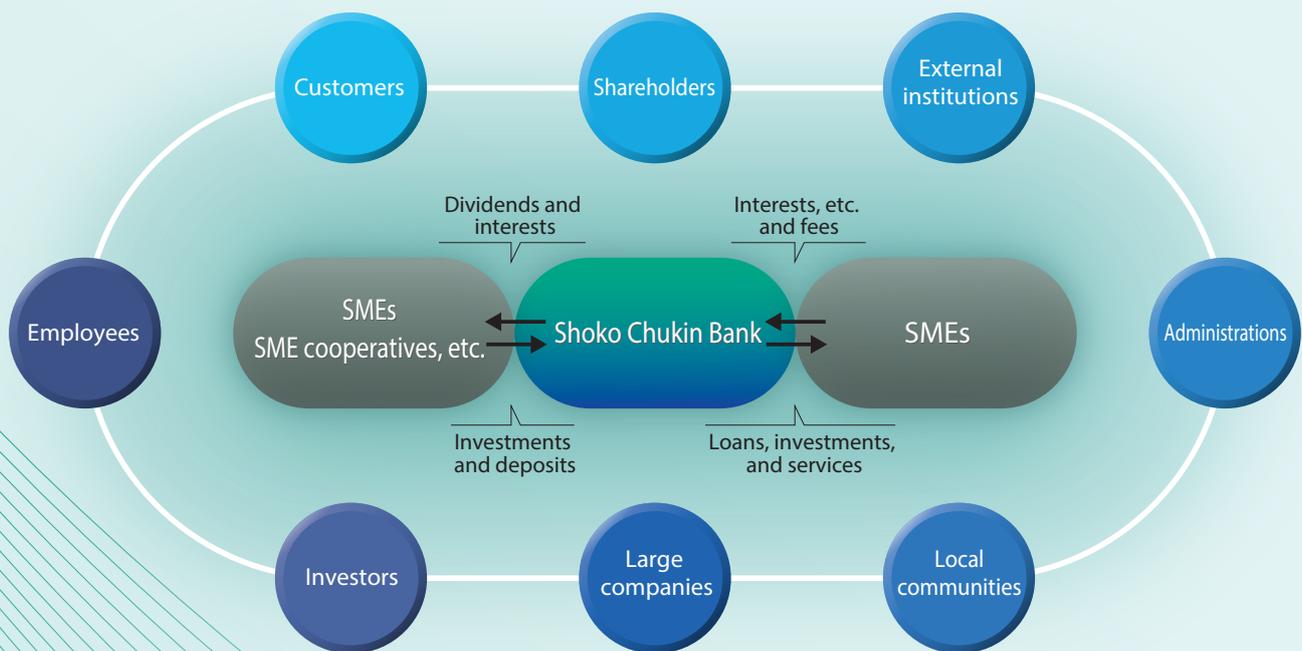


The Shoko Chukin Bank is a financial institution by SMEs for SMEs.

Our shareholders are limited to SMEs,
SME cooperatives, and other related entities.
We are a financial institution that specializes
in SMEs and focuses on providing solutions
to their management challenges,
reflecting the voice of
our SME customers nationwide.

The Shoko Chukin Bank's Role in Society

Since its establishment in 1936, the Shoko Chukin Bank has built a unique "financial ecosystem" to support SMEs for approximately 90 years. Working with our stakeholders, the funds entrusted to us are used to improve the corporate value of SMEs, profit is used to build up internal reserves for future risk-taking, and surplus is returned to our shareholders, including SMEs and SME cooperatives. Through this ecosystem, we aim to contribute to achieving a sustainable society while at the same time improving our own corporate value.



The Shoko Chukin Bank Limited Act (Article 1 excerpted)

The purpose of the Shoko Chukin Bank, Ltd. is to conduct businesses necessary to facilitate smooth financing for SME cooperatives, other organizations that primarily consist of SMEs and their members, while ensuring the Bank's autonomy in management toward its goal of complete privatization.

Corporate Philosophy Structure

In order to achieve our PURPOSE of

“Supporting the future of companies. Making Japan more resilient to change,”

we have revised our corporate philosophy structure as well as established

“CHUKIN Way” in October 2024, which is the starting point of action and is the set of

values shared with all officers and employees. Compliance based on our Code of Ethics and Compliance Code of Behavior is at the foundation of all that we do.

We seek to realize our PURPOSE by pursuing our MISSION based on the CHUKIN Way, the starting point of action.



Symbol of Shoko Chukin Bank

This symbol expresses the stance of customers and the Shoko Chukin Bank sharing dreams and values, protecting and nurturing each other, and continuing to grow and take on challenges toward the fruition of their dreams and the realization of a prosperous future. The dreams and values that customers and the Shoko Chukin Bank protect and nurture, as well as their fruition, are represented by an orange sphere, while the image of fresh young leaves full of youth, intellect, and energy gently enveloping it conveys the idea of customers and the Shoko Chukin Bank growing together.

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■ **Editorial policy**

The Shoko Chukin Bank, Ltd. has prepared the Integrated Report 2025 to provide shareholders, institutional investors, and all other stakeholders with an easy-to-understand description of the Bank's business activities and efforts to enhance corporate value, and to initiate constructive dialogue. This report was compiled with reference to various guidelines such as the International Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC) and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation issued by the Ministry of Economy, Trade and Industry. We hope that this report will help deepen your understanding of the Bank.

Please refer to the Disclosure Publication 2025 issued in July 2025 for the disclosure publication (explanatory documents relating to the status of operations and assets) in accordance with Article 53 of the Shoko Chukin Bank Limited Act.

◆ **Scope of this Report** Period: From April 1, 2024 to March 31, 2025 (some information from after April 2025 is included)
 Scope: The Shoko Chukin Bank, its subsidiaries and associated companies

◆ **Published in** November 2025

▶ **The Shoko Chukin Bank website**
<https://www.shokochukin.co.jp/>



▶ **YouTube Shoko Chukin Official Channel**
<https://www.youtube.com/channel/UCngWuivSeQ4HXYzYFhS-8FA>
 Provides videos featuring support case examples and service offerings.





Standing at the starting
line of transformation
as a specialized
financial institution
by SMEs for SMEs

Masahiro Sekine

President (Representative Director), Chief Executive Officer

1. Creating a System That Enables the Shoko Chukin Bank to Fully Deliver Its Unique Value

Largely achieved the target management indicators in the Medium-Term Business Plan (fiscal 2022 - fiscal 2024)

The fiscal year ended March 31, 2025, was the final year of the Medium-Term Business Plan —Toward a Shoko Chukin Bank Resilient to Change— (fiscal 2022 - fiscal 2024). During this period, we made steady progress with measures based on our three main strategies—shift in services, establishment of differentiated fields, and the Shoko Chukin Bank’s own corporate transformation—and as a result we largely achieved our target management indicators.

We positioned this three-year period as the finishing touches to our business model and corporate transformation efforts that began in 2016 in the wake of the misconduct uncovered in our crisis response operations. Specifically, we sought to transform our organization from a performance-focused organization with a less open atmosphere into one capable of customer-oriented business operations.

Working alongside SME customers to address the management challenges they face

Take, for example, “shift in services,” one of the main strategies in the Medium-Term Business Plan. Our aim was to shift the focus of our customer services away from solely supporting cash flows to working closely alongside SMEs to provide them with management resources that they lack. In terms of information services, we worked to provide support for business succession and M&As. In this area, by steadily addressing needs arising from factors such as aging business owners, we increased the cumulative number of support projects over the three years to approximately 500. In the past, many business owners would have been reluctant to engage in discussions on M&A. Today, however, M&As are increasingly viewed in a positive light, both as elements of corporate growth strategies and as solutions to business succession challenges. In our M&A support, it is often the case that both matching companies are our customers. In this sense, one of our advantages is that we have a system in place that enables us to remain closely engaged even after the M&A is complete.

Other social issues facing our SME customers include labor shortages and recruitment challenges. These have led to an increase in business owners interested in enhancing employee engagement and in turn growing expectations for our human resource services. In response, in November 2024 we established our human resource service subsidiary Shoko Chukin Human Design and began offering human resource placement services. The company offers a unique diagnostic service called the Happiness Design Survey, an idea that came from an internal business contest at the Shoko Chukin Bank, commercialized in 2020. To date, the service has helped to visualize the happiness levels of more than 100,000 employees of SMEs, and we look forward to the service bringing even more success in the future.

We also focused on advanced financial services such as tailor-made financing schemes and investment operations. In the area of structured finance, which involves large-scale financing and appropriate risk control, we have generated results through collaboration and cooperation with other financial institutions. In terms of investment operations, in August 2023 we established the specialized investment subsidiary Shoko Chukin Capital. Using the expertise we have accumulated in the business prospects evaluations, we are conducting investments in business succession, growth support, and business revitalization projects.

In name alone, the services I have mentioned here may not appear to be too different from those offered by other financial institutions and specialist companies. However, we work alongside SMEs to confront the management challenges they face and provide solutions to their problems. Looking back at the Medium-Term Business Plan, one of our biggest achievements was the establishment of a business management system that enables us to fully demonstrate the unique value of the Shoko Chukin Bank as a financial institution specializing in SMEs.

2. The Journey to Privatization

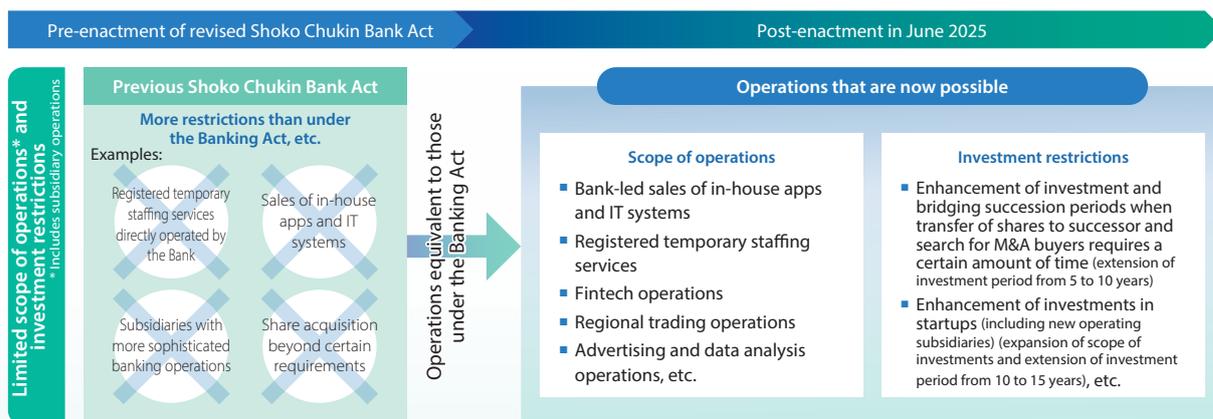
Transformation into a thoroughly customer-oriented organization

It has taken around 20 years from the government’s decision in 2006 to fully privatize the Shoko Chukin Bank to the complete sale of all government-owned shares in June 2025 and the enactment of the revised Shoko Chukin Bank Act. Following the 2008 global financial crisis and the Great East Japan Earthquake in 2011, questions were raised as to whether the Shoko Chukin Bank could continue to demonstrate its safety net functions after privatization. Owing to the significant importance of these functions, discussions on our privatization were slow to progress.

Our safety net functions have been a particularly important part of our crisis response operations. Crisis response is one of our most important roles and one that we have undertaken earnestly to date. However, looking back at 2018, when I assumed the presidency, there seemed to be a prevailing view that engaging in crisis response operations alone was sufficient. The management challenges facing SMEs were becoming increasingly diverse, complex, and sophisticated. While the scope of private financial institutions’ operations had increased in line with the revised Banking Act, only a small portion of the Shoko Chukin Bank’s scope of operations was revised in the Shoko Chukin Bank Act, and we were lacking in the functions required to fulfill our true mission.

Our privatization enables us to provide a diverse range of unique services to truly help address the challenges facing SMEs. Moreover, it has clarified our position as a financial institution by SMEs for SMEs.

Change in scope of operations and investment restrictions under the revised Shoko Chukin Bank Act



Privatization is but the start

With the enactment of the revised Shoko Chukin Bank Act, I believe we have finally created a financial ecosystem for SMEs. The complete sale of government-owned shares and the switch to exclusively private shareholders have clarified our managerial responsibilities. As a financial institution by SMEs for SMEs, the provisions of the Shoko Chukin Bank Act limiting shareholder eligibility to SME cooperatives and their members, etc., remain unchanged, and we do not foresee a public listing. Under the unique financial ecosystem created by the Shoko Chukin Bank, the funds entrusted to us by SME customers are used, together with our stakeholders, to improve the corporate value of SMEs, and profit is used to build up internal reserves for future risk-taking, and surplus is returned to our shareholders, including SMEs and SME cooperatives. Following many years of discussions with government representatives and our customers, we have finally created a system through which we can focus on addressing the challenges facing SMEs.

That said, our privatization is not the finish line; it is merely the starting point for the Shoko Chukin Bank’s transformation. In order to remain a financial institution by SMEs for SMEs, we will take a sincere approach to our customers and continue to transform ourselves.

3. Entering a New Stage of Transformation with Our Long-Term Strategy

Establishing a future vision for the Shoko Chukin Bank Group

At the Shoko Chukin Bank Group, based on our PURPOSE: “Supporting the future of companies. Making Japan more resilient to change,” we are working on transformation with an eye on the coming decade. Our aim is to go beyond the framework of conventional financial institutions and to create an ecosystem where a diverse range of stakeholders, primarily SMEs, can gather, connect, and create value. In other words, we want to build and revitalize the SME economic sphere.

While SMEs play an essential role in supporting Japan’s economy and employment, they are susceptible to external changes and have limited management resources. This may mean that they are reluctant to take on new challenges or risks, and miss some important business opportunities. That said, some SMEs boast outstanding labor productivity and are achieving growth at a rate that outperforms large companies. To maximize the potential that SMEs possess, we will directly confront the challenges they face and provide them with growth support to contribute to a society that is resilient to change.

Based on this approach, we have newly established our vision for the Shoko Chukin Bank Group: “Continue contributing to enhancing the value of participants in the SME economic sphere through its expansion and revitalization.” This vision shows our commitment to being more than just a provider of financial functions, acting instead as a central player in the economic sphere and supporting the growth and development of its participants.

The new value indicator “SCV” and areas of focus

To visualize the extent to which we fulfill this vision, we plan to establish a new value indicator that we have termed Shokochukin Co-Creation Value (SCV). SCV indicates the total value that the Shoko Chukin Bank provides to SMEs and measures the co-creation of value from a comprehensive viewpoint that includes economic value, social value, and human value. Moving forward, we will use SCV as a management guideline, regularly monitoring the progress for the ongoing improvement of our corporate value.

Meanwhile, we have identified five new focus areas to drive the expansion of the SME economic sphere: Industry, Innovation, Investment, Traditional Banking, and Turn Around (▶▶ p.28). To enable flexible and dynamic management that is not bound by conventional frameworks, we are also moving forward with the sophistication of digital- and AI-based management. In addition to improving operational efficiency, this will enable us to improve the quality of customer touchpoints and build even closer customer relationships.



Positioning our privatization as the starting line for even greater transformation, we will further strengthen initiatives aimed at improving corporate value, such as enhancing shareholder returns, sophisticating governance, and organizational transformation.

Our expertise in and provision of relationship banking and safety net functions will remain unchanged. On top of this, as a central player in the SME economic sphere, we will continue working to promote the co-creation of value beyond the bounds of finance. Under our future-oriented, long-term strategy, at the Shoko Chukin Bank Group, we will enter a new stage of transformation as we aim for sustainable growth together with society.

Sophistication of governance and further organizational transformation

Moving forward, we will conduct management exclusively with the involvement of private shareholders. As part of our shift to this new stage of privatization, in June 2024 we transitioned to a company with an audit and supervisory committee. We will continue working to shift to governance that ensures transparency, accountability, and agility, including the sophistication of our Board of Directors.

In terms of organizational transformation, in July 2025 we introduced a new Group Chief Officer system. Under this new system, my role is to oversee all operations as the Chief Executive Officer, with each chief officer overseeing organizational management that transcends the conventional vertical management of each business unit. This will help reinforce the Shoko Chukin Bank Group's business management structure and maximize the value we provide to our stakeholders.

Investment in human resources

I believe that bank employees must approach their work with full devotion and commitment. My hope is that all our officers and employees can achieve growth through their work and in turn live fruitful and fulfilling lives. We are currently working to improve efficiency and streamline various operations by incorporating digital methods. The speed of evolution in technologies such as generative AI is astonishing, with work that previously required numerous personnel being completed almost instantaneously. However, no matter how far technology advances, it is people that will be key to dialogue and communication with customers. In the year ended March 31, 2025, we introduced a new personnel system, which involved abolishing the course system that had been in place for more than 30 years, and raised the education and training budget to approximately 1.7 times the level in the year ended March 31, 2023, when we began human capital disclosure. Moving forward, our policy is to provide full support for the growth of each and every officer and employee through their work.



4. Becoming a Financial Institution That Truly Serves Our Customers' Needs

Formulation of the CHUKIN Way, a set of shared values and a starting point of action for all officers and employees

In this section, I would like to talk about the progress we have made in promoting our PURPOSE as well as our future initiatives.

In 2022, we set forth our PURPOSE, "Supporting the future of companies. Making Japan more resilient to change," and our MISSION, "We will continue to think together, create together, and change together, as a partner in creating security and prosperity." These have replaced the strict quotas of the past and serve as a compass to boost employee motivation.

In order to foster values based on our PURPOSE and MISSION, we have continued our efforts through initiatives such as holding Purpose Workshops for all officers and employees. However, some feedback indicated that, although employees understood the PURPOSE and MISSION, they seemed somewhat irrelevant to day-to-day work, and that it was not always clear how to apply them in their own roles. Based on this feedback, in October 2024 we formulated the CHUKIN Way as a set of guiding principles to link our PURPOSE and MISSION with employees' day-to-day work.

The CHUKIN Way was formulated based on more than 3,500 work-related inspiring stories from numerous officers and employees. Each story was carefully read by a team comprising officers and employees of various ranks, from general managers to new employees, who then articulated the "DNA we wish to preserve as the Shoko Chukin Bank" and the "values we want to pass on to the future." This has resulted in highly positive feedback, with officers and employees now much more aware of how our PURPOSE and MISSION are linked to their everyday roles. Recently, we have also been hosting Purpose Workshops based on more practical themes, and the workshops have evolved into opportunities for employees to improve their thinking on how to act to realize our PURPOSE in line with changes surrounding society and our customers.

Continuing with transformation to make customers' aspirations a reality

Aspirations are the starting point for all accomplishments. This does not necessarily mean one's own aspirations. It can also be the aspirations of the owners of SMEs, our customers. Our mission is to support making these aspirations a reality. What our customers' true aspirations are, and what we must do to help achieve them—by asking ourselves these questions earnestly and continuously, I believe the Shoko Chukin Bank can become a financial institution that truly serves its customers.

The Shoko Chukin Bank will celebrate its 90th anniversary in December 2026. I would like to take this opportunity to express my sincere thanks to the many SME customers and various other stakeholders that have supported our operations to date. The Shoko Chukin Bank was born from SMEs' aspirations. Following our privatization, we will continue to undergo transformation to ensure we can make the aspirations of our SME customers a reality. We look forward to your continued support for the Shoko Chukin Bank's future growth.

November 2025

関根正裕

President (Representative Director), Chief Executive Officer



Transforming the Shoko Chukin Bank into a producer of the SME economic sphere where diverse stakeholders “Collect. Connect. Create Value”

Shinji Makiura

Senior Managing Executive Officer
Chief Transformation Officer and Chief Digital & Information Innovation Officer
Head of Digital Transformation & System Unit

Chief Transformation Officer: Responsible for corporate transformation and leading company-wide reforms

Chief Digital & Information Innovation Officer: Responsible for digital transformation and innovation promoting operations and overseeing business execution

New corporate transformation initiatives

At the Shoko Chukin Bank to date, our business model has mainly involved promoting financing for SMEs, and through this we have contributed to the sustainable development of our local communities. Moreover, we have adapted our management systems and human resources to this business model and developed the organizational culture we see today. Today, SMEs in Japan are facing unprecedented change in the external environment, be it declining birthrates and an aging population, globalization, technological innovation, or increasingly complex regional challenges. Against this backdrop, the three elements of the Shoko Chukin Bank—human resources and organizational culture, management systems, and business model—were beginning to struggle to adapt to this change.

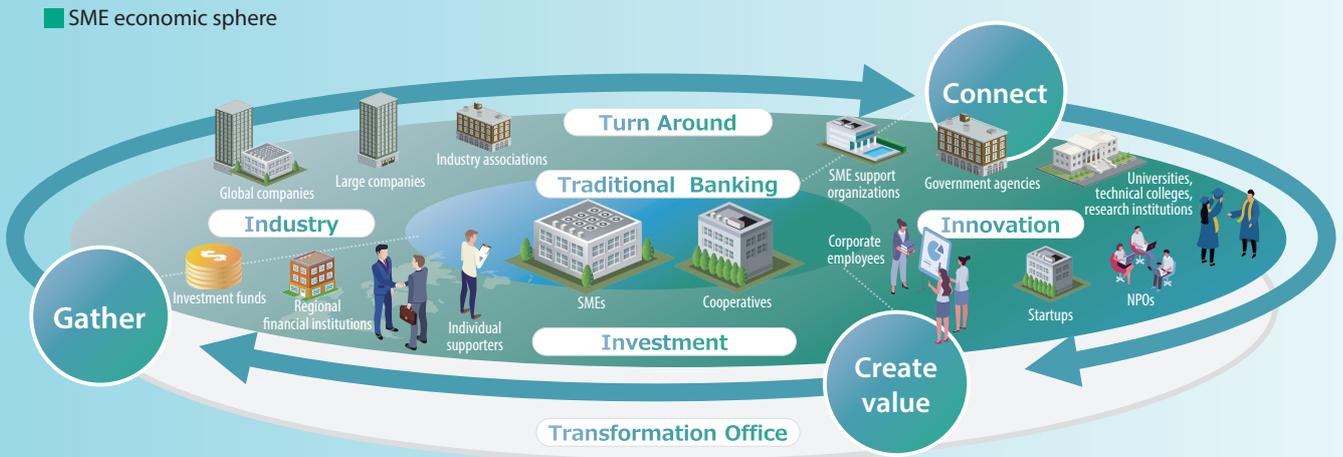
To address this challenge and aim for long-term sustainable growth, we set up The X Project “X (Tsunu) Pro” under the direct control of the President to drive structural management reforms, and the team has engaged in various discussions since early 2025.

The team first conducted an analysis of the current situation from the ground up, clarifying the potential problems facing the Shoko Chukin Bank and its customer SMEs and SME cooperatives in adapting to this change and aiming for sustainable growth. The team then structured these problems as issues to be addressed and identified five directions for transformation: (1) Transforming the mindsets of officers and employees; (2) Transforming management systems; (3) Transforming how we perceive our customers; (4) Transforming how we contribute to customers; and (5) Transforming how we confront changes.

Formulation of the SME economic sphere and related strategies

With regard to (3) Transforming how we perceive our customers, we identified the SME economic sphere as a key point as we sought to transition away from perceiving SMEs individually to collectively, based on the intent of our PURPOSE. We then positioned the SME economic sphere as a place for diverse stakeholders associated with SMEs and local communities to gather, and defined our vision: “Continue contributing to enhancing the value of participants in the SME economic sphere through its expansion and revitalization.” Based on this vision, we then formulated a strategy—that is, to become a producer of this SME economic sphere and proactively “bring diverse stakeholders together Collect. Connect. Create Value,” and in turn pioneer change, grow, and support the sphere development.

Moreover, to measure the extent to which value is co-created through the expansion and revitalization of the SME economic sphere, we plan to establish a new indicator, Shokochukin Co-Creation Value (SCV), and will regularly monitor our progress moving forward. SCV shows the total value that the Shoko Chukin Bank provides to SMEs, and the sustained expansion of this SCV will form the basis of our long-term management direction.



Business model transformation

We will also work to transform our business model based on our long-term strategy. Shifting away from the conventional financing-focused banking model, we will aim to transition to a new organizational structure centered on business units dedicated to our five focus areas. With the addition of Transformation Office, through which we are aiming for ongoing transformation, our new business model will comprise three Is and three Ts (3IT).

Moreover, we will also implement fundamental transformations to our operations, including updating our digital systems and promoting store reforms, which serve as the broad foundation supporting this 3IT business model. This infrastructure reform is the foundation for the Shoko Chukin Bank to become a financial institution that is resilient to change.

However, the corporate transformations we are aiming for are by no means easy to achieve.

A challenging journey no doubt lies ahead for us. That said, we have unique strengths that cannot be matched by other financial institutions. Namely, throughout our roughly 90-year history we have developed high-level expertise in serving SMEs, a nationwide sales base, a collaborative network with related organizations, a long-term approach to transactions unaffected by management environments, and diverse human resources that support our provision of solutions.

I fully believe that if we can further refine these strengths and transform the Shoko Chukin Bank Group into one that is resilient to change, we will be able to provide entirely new value to SMEs.

The roles of our five business units

Industry Business Unit	The control center of the SME economic sphere, with enhanced industry research and planning functions
Innovation Business Unit	The growth driver for the SME economic sphere, responsible for responding to the diverse needs of startups and promoting open innovation
Investment Business Unit	Responsible for expanding the SME economic sphere, using structured finance and funds and providing advanced financial services through investment banking functions
Traditional Banking Business Unit	Responsible for rebuilding conventional banking operations using new ideas and systems, and laying the foundations for the SME economic sphere which is central to generating funds for growth investments
Turn Around Business Unit	Responsible for working with regional financial institutions to offer revitalization finance and support lifecycle transformation for SME economic sphere participants



Transforming our management structure into one that is resilient to change and co-creating value with our stakeholders to realize our PURPOSE

Toru Tareishi

Managing Executive Officer, Head of Corporate Unit

Review of performance in the year ended March 31, 2025

In fiscal 2024, while on the one hand the Japanese economy enjoyed a gradual recovery, on the other hand, there was increasing uncertainty in the environment surrounding corporate management due to rising interest rates caused by the normalization of monetary policies, frequent natural disasters, serious labor shortages, soaring prices, growing geopolitical risks, and other factors.

At the Shoko Chukin Bank, fiscal 2024 was the final year of the Medium-Term Business Plan (fiscal 2022 - fiscal 2024), and we made steady progress with initiatives in three main areas: shift in services, establishment of differentiated fields, and the Shoko Chukin Bank's own corporate transformation. Moreover, in line with changes in the business environment, we made further progress with structural improvements by reorganizing the headquarters organization and upgrading branch office operations. In terms of well-being, DE&I, and DX, we are actively laying the foundations for sustainable future growth, such as through investments in human capital and systems. We also worked to strengthen our systems to solve the increasingly diverse management challenges faced by SMEs, such as by establishing our human resource service subsidiary Shoko Chukin Human Design.

In fiscal 2024, gross operating profit amounted to ¥136.7 billion, up ¥13.8 billion year on year. This rise can be attributed to an increase in net interest income from rising domestic interest rates, and strong progress with fees and commissions thanks to growth in advanced financial services such as syndicate loans and structured finance. Although expenses increased in line with future-oriented investments, operating profit amounted to ¥56.8 billion, exceeding the target. As a result, we largely achieved the management indicators for profitability, soundness, and efficiency that we set forth in the Medium-Term Business Plan.

Initiatives for the year ending March 31, 2026

The privatization of the Shoko Chukin Bank in fiscal 2025 marks a major turning point, and it will be an important year for us to make a new step forward toward sustainable growth. As the external environment undergoes dizzying change, it will be essential for us to conduct management with a sense of speed and with an eye on both the short term and long term. From this fiscal year onward, we will no longer formulate a Medium-Term Business Plan. Instead, we are introducing a rolling business management through which we flexibly revise our strategies to cater to changes in the business environment. In doing so, our aim is to conduct management that is resilient to change.

We have also established a new vision for the Shoko Chukin Bank Group: "Continue contributing to enhancing the value of participants in the SME economic sphere through its expansion and revitalization." Beyond the support we have long provided to individual companies, we will broaden our focus to include the diverse stakeholders surrounding SMEs as customers, and strive to co-create value using our intercompany and interindustry connections. To achieve this vision, we have identified five focus areas: Industry (industry issue resolution solutions), Innovation (startup support), Investment (equity operations and advanced finance), Traditional Banking (deepening of conventional banking operations), and Turn Around (revitalization support).

As the first step of our transformation, in fiscal 2025 we are targeting ¥143.0 billion in gross operating profit, ¥57.0 billion in operating profit, and ¥26.0 billion in net income. We will aim to do so through the creation of a high-quality sales system based on our long-term relationship concept utilizing the CRM/SFA, and through the reinforcement of our advanced financial services such as equity and structured finance.



Target management indicators

	Mar. 31/'25 results	Mar. 31/'26 targets*
Gross operating profit	¥136.7 billion	¥143.0 billion
General and administrative expenses (excluding nonrecurring items)	¥79.9 billion	¥86.0 billion
Operating profit	¥56.8 billion	¥57.0 billion
Income before income taxes and others	¥32.8 billion	¥34.0 billion
Net income	¥25.6 billion	¥26.0 billion
OHR	58.4%	Approx. 60%

Gross operating profit
Approx. ¥143.0 billion, up approx. ¥6.3 billion year on year

- Profit from yen-denominated funds: Strengthen corporate deposit and other deposit funding while steadily responding to financing needs to increase outstanding loans. Year-on-year increase of ¥3.1 billion by factoring in full-year contribution from rising interest rates
- Fees and commissions, etc.: Year-on-year increase of ¥2.3 billion by factoring in continuous growth in advanced financial services and expansion of trade settlement operations

General and administrative expenses (excluding nonrecurring items)

- Year-on-year increase of ¥6.1 billion due to expected rise in non-personnel expenses, primarily driven by the depreciation associated with the account system that began in January 2025, as well as efforts to secure human resources through higher starting wages and base pay, and increased investment in human capital, such as education and training
- OHR controlled at the same level as previous year (approx. 60%)

* Partial revisions to targets set at beginning of fiscal year due to current operating environment.

Capital restoration scenario and post-privatization capital policies

In June 2025, the Shoko Chukin Bank acquired approximately ¥140.0 billion in treasury stock through the government’s general competitive bidding. This was within the scope of the acquisition approved at the Extraordinary General Meeting of Shareholders held in January 2025, and the successful bidding was the result of careful examinations from various perspectives.

As the acquisition of treasury stock is an important decision that can have a major impact on finances and stakeholders, careful discussions were held at Management Meetings and Board of Directors meetings. As a result of this acquisition of treasury stock, our non-consolidated CET1 ratio temporarily fell to approximately 9.2% as of June 30, 2025. The Shoko Chukin Bank’s target is to maintain a CET1 ratio of 10% or above. As such, over the next three years we will aim to recover our CET1 ratio to the 10% level by steadily securing profit while maintaining and strengthening our solutions for SME customers.

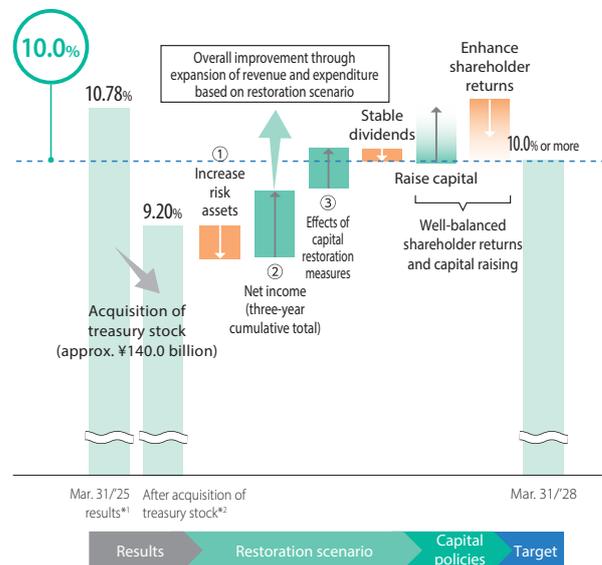
Moreover, in line with our privatization, we also reviewed our approach to capital policies. Specifically, we positioned, as a basic policy, a new capital policy model that builds upon the stable dividend policy that had been in place since our incorporation in 2008.

In this new model, by enhancing shareholder returns to boost the appeal of our shares, we aim to create a virtuous cycle of capital raising, capital distribution, and profit acquisition. As a financial institution by SMEs for SMEs, we are

in a unique position where SMEs are both our customers and our shareholders. Using the profits gained through growth alongside our SME customers to strike an appropriate balance between growth investments and internal reserves, we will ensure the thorough return of profits to our SME shareholders.

We will strive to realize our PURPOSE by meeting the expectations of our stakeholders, including SMEs, and co-creating value with them.

Overview of capital restoration scenario



*1: Excludes valuation differences

*2: Deducting treasury stock acquisition amount from CET1 capital for Mar. 31/25



Governance system and vision for the future that the Shoko Chukin Bank should have going forward



Yusuke Kawamura
External Director, Audit & Supervisory Committee Member
Chairperson of Audit & Supervisory Committee

Atsumi Arima
External Director

Takanori Ishikawa
External Director,
Audit & Supervisory Committee Member

At this turning point in its privatization, the Board of Directors of the Shoko Chukin Bank has been holding various discussions, including on the formulation of a long-term strategy. One year after transitioning to a company with an audit and supervisory committee in June 2024, three of our external directors discussed current challenges and future prospects.

Evaluating initiatives to strengthen the governance system

The necessary governance system for the privatized Shoko Chukin Bank

Ishikawa In June 2025, all government-owned shares in the Shoko Chukin Bank were sold. At this turning point in our privatization, we received opinions from SMEs and other stakeholders, such as their expectations and concerns. Some were concerned that the transition to private capital only would lead to profit being prioritized, resulting in an end to the generous support provided to SMEs as before, and that reduced government involvement would cause a decline in our governance functions.

I served as Chairperson of the Compliance Committee from 2017, and through a series of corporate transformation initiatives geared toward privatization we have implemented since 2017, the Shoko Chukin Bank has been working to strengthen our compliance systems to realize its vision of being a financial institution by SMEs for SMEs. We position internal audits as our most important audit function, and are working to strengthen our personnel systems and improve audit quality. As we continue to receive supervision from the relevant authorities, including the Ministry of Economy, Trade and Industry, the Ministry of Finance, and the Financial Services Agency, I believe that the Shoko Chukin Bank's post-privatization governance system has been appropriately established.

Kawamura In terms of strengthening compliance, the transition to a company with an audit and supervisory committee in 2024 was an extremely significant event. The significance of the Shoko Chukin Bank's transition to a company with an audit and supervisory committee has roughly two points. First, we have made substantial progress with delegating authority to executive divisions. The Board of Directors has been shifting from being a meeting body primarily focused on business reports to a forum for in-depth discussion of management strategies. I believe that executive divisions are now better equipped to carry out their operations with greater agility.

Secondly, with more members and a more robust system than when we had the Audit & Supervisory Board, we are now able to work with the department in charge of compliance to conduct more in-depth legality and validity audits. The coordination between the Audit & Supervisory Committee, internal auditing divisions, and Independent Auditor is functioning well, and I also find my day-to-day work as an Audit & Supervisory Committee Member very rewarding.

Arima The functions of the Management Advisory Committee, one of the important advisory bodies to the Shoko Chukin Bank's Board of Directors, have also been significantly

strengthened based on the new shareholder composition after privatization. Specifically, to ensure that the voices of private shareholders, mainly SME owners across the country, are reflected in our future management, we appointed not only business owners familiar with the local economy, but also young and female business owners, as well as new shareholders from the Japan Chamber of Commerce and Industry and the National Federation of Small Business Associations. I also attended the meeting in fiscal 2025, and when I reported on the details of discussions from Board of Directors meetings, the committee members directly told me about their expectations for the Shoko Chukin Bank Group's vision and new long-term strategy. I feel that it was a meaningful forum for discussion.

Kawamura We have been working diligently to strengthen our governance system thus far, but I believe we must now adapt to a new stage. Now that the Shoko Chukin Bank has been privatized, we will be required to implement management that is conscious of cost of capital and to increase our profitability. We must also continue crisis response operations,

and there are also high expectations for our safety net function. As our management system differs from those of other private financial institutions and government-affiliated financial institutions, we recognize that we will need to demonstrate unique creativity and ingenuity to refine our governance going forward.

Ishikawa I can feel from the current management that they place great importance on the opinions of us external officers. They make great efforts to hold pre-meeting briefing sessions for external directors so that we can be more deeply involved in the agenda of Board of Directors meetings, and we also have a lot of interaction with officers and employees on the front lines. All officers and employees have a stance to maximize the function of external directors, who are in a position to represent the interests of shareholders. Since I am in an environment where I can easily demonstrate my expertise as an external director, through this close relationship, I want to continue exploring the ideal governance system the Shoko Chukin Bank should have in place.

Expectations for further corporate transformation

Introduction of a Group Chief Officer system to accelerate our corporate transformation

Arima In July 2025, we introduced a Group Chief Officer system as part of our new corporate transformation initiatives. Under the overall supervision of President Sekine, Chief Executive Officer, we have appointed a Chief Transformation Officer and a Chief Digital & Information Innovation Officer, who are responsible for corporate and digital transformation, a Chief Compliance Officer and a Chief Risk Officer, who are responsible for compliance and risk management, which are prerequisites for the steady implementation of these reforms. We also plan to appoint Chief Officers for other business areas going forward, but for now, the current themes we need to address are DX and compliance and risk management.

Ishikawa There are no divisions within the Bank that are not involved in DX or compliance and risk management. Having the Chief Officers act as a group-wide coordinator will help facilitate collaboration between divisions and prevent inconsistencies and omissions in detailed strategies. We also expect the clarification of responsibility to make it easier for the Bank to earn the trust of stakeholders.

Kawamura When introducing this system, we took on board the opinions of other financial institutions that have already taken the lead in establishing such a system as we explored our options. The Shoko Chukin Bank is currently formulating a long-term strategy while also reviewing and expanding its various businesses. Now that horizontal connections between businesses are expanding, I believe that the introduction of the Group Chief Officer system, which helped establish a structure that enables Responsible Officers with professional expertise to make quick decisions and implement integrated management, will provide significant benefits.

Arima I believe this system is also effective in terms of recruiting talented human resources from outside the Bank. I think that going forward, the Shoko Chukin Bank will need to not only spend a long time developing homegrown all-rounders, but also adopt the idea of strategically recruiting external specialists when needed based on business decisions.

Discussions on formulating succession plans

Arima In addition to the Management Advisory Committee mentioned earlier, the Shoko Chukin Bank has also established a Nomination Committee and a Compensation Committee as advisory bodies to the Board of Directors. In fiscal 2024, the Nomination Committee discussed matters such as the formulation of a major policy for succession plans. With regard to succession plans for the President (Representative Director), we established human resource requirements, criteria for appointment, reappointment, and dismissal, and have formulated a talent pool and its selection and appointment process, with an eye toward the business environment of the next generation.

Kawamura The series of reforms that President Sekine has undertaken so far is highly regarded in the financial industry as the "Sekine Reforms." It is important to carry on this track record and, with an eye to the business environment of the next generation, clarify the ideal leader profile and selection process for the President. We need to look broadly at talent both inside

and outside the Bank, and put in place a system that enables us to select outstanding personnel.

Arima Since becoming an external director in June 2024, I have been utilizing my professional expertise in sustainability and DE&I to offer recommendations to further deepen our human capital management. We are no longer in the era of organizations being driven by a single charismatic leader demonstrating leadership. Now, corporate management is a team effort involving the combination of diverse competencies. I believe that going forward, we will need to formulate succession plans for a variety of positions, not just the President (Representative Director).

Ishikawa As financial institutions operate in a variety of fields, the management must also possess a wide range of expertise. It is important to discuss what next-generation management will entail, while considering what kind of collective management is best for the Shoko Chukin Bank and what kind of structure will allow it to function at its best.

The Shoko Chukin Bank's management policy going forward

The SME economic sphere, a new concept

Kawamura Having previously served as Chair of the Shoko Chukin Bank State of Affairs Study Group established by the government, as well as in other related positions from 2017, I closely observed the Bank's progress through more than 30 discussions over nearly six years. If we compare the progress of the Shoko Chukin Bank's privatization to the launch of a space rocket, we are currently at a critical juncture, where we must detach the second stage rocket and launch the spacecraft into satellite orbit. The first stage rocket would be the efforts from the launch of the Shoko Chukin Bank State of Affairs Study Group, which was triggered by the misconduct that occurred in 2016, through to the revision to the Shoko Chukin Bank Limited Act in 2023. The second stage rocket is the formulation of a new Medium-Term Business Plan ahead of privatization, and efforts to shift our services and carry out corporate transformation initiatives. If it were a space rocket project, the final mission would be to launch the spacecraft into the desired orbit. When we compare this to the Shoko Chukin Bank's journey, we can



say that the long-term strategy we are currently formulating is an important strategy for putting the Shoko Chukin Bank on a desirable track.

To formulate this long-term strategy, the Board of Directors held discussions focused on a new "SME economic sphere" concept. Simply put, the SME economic sphere would be positioned like a platform. It embodies our passion to form a platform that collects, connects, and creates value for diverse stakeholders, and to formulate a comprehensive business model that is useful to SMEs, with the conventional financial operations that the Shoko Chukin Bank has been engaged in for many years at its core.

Ishikawa Of the five focus areas listed in the SME economic sphere, my focus is on Industry (Industry issue resolution solutions). When I talk about establishing an SME economic sphere, I do not mean that the Shoko Chukin Bank will create some kind of industrial group within it, but rather that the Shoko Chukin Bank will provide various functions to SMEs based on the characteristics of each industry, thereby increasing the value of SMEs as a whole. To help SMEs, we are envisioning a system that will provide necessary services while maintaining a deep understanding of each industry and monitoring industry-wide trends. Going forward, we will continue to provide SMEs with conventional financial functions, namely, the financial intermediation and safety net functions we have provided to our customer companies, while also aiming to provide necessary functions with an eye to the future of SMEs and the Japanese economy.

Arima We are currently formulating specific KPIs geared toward the establishment of the SME economic sphere. In light of the Bank's privatization, rather than reinstating quotas, we are currently discussing what indicators would show how we are contributing to SMEs.

Deepening our human capital management

Arima To enhance our human capital, we revised our personnel system during our previous Medium-Term Business Plan and focused on expanding our human resource development and career support programs. The core of the Shoko Chukin Bank's human capital management is to recruit and develop human resources who continue to transform to enhance corporate value for our customers. In our new personnel system, the NEXT PLAN, introduced in April 2024, we clarified the expected roles and expertise of employees and disclosed them as new evaluation guidelines. We upgraded and visualized our previous rigid evaluation system, which was based on seniority and quotas, to a system that allows for more flexible and qualitative evaluations. In addition to developing the SME economic sphere concept, the Board of Directors is also discussing reforms to our personnel evaluation system to realize this economic sphere.



We measure the outcome of human capital investment through the results of employee engagement surveys. Although there were declines for some scores due to an increased sense of workload resulting from the transitional period of internal

reforms and concerns about the post-privatization outlook, the eNPSSM score continued to improve over the long term, boosted by the many positive evaluations regarding the expansion of training opportunities and personnel system reforms.

Kawamura While this is not something specific to the Shoko Chukin Bank, I feel that the complacency of just steadily completing the tasks assigned to them is still heavily entrenched among employees. I hope that Shoko Chukin Bank employees start to adopt a strong mindset of creating their own work. Furthermore, employees in larger organizations tend to be trapped in the mindset of “we can’t do this because it’s against the rules” or “we can’t change things that are already decided.” Rules change with the times. I also plan to make a personal effort to encourage employees to abide by the correct rules, but to also have the determination to proactively change the rules themselves if there are any regulations that are behind the times or systems in place that impede growth.

Arima Since mindsets formed within an organization do not change quickly, it is difficult to completely eliminate values such as a focus on business performance and following precedent. That said, when I see young employees actively volunteering to participate in internal projects launched for corporate transformation and work style reform, I can see the first signs of definite change beginning to emerge. I get the impression that there are many employees at the Shoko Chukin Bank who are truly committed to helping our SME customers. Although we are expanding nationwide, our size of approximately 4,000

Message to stakeholders

Future aspirations as an external director of the Shoko Chukin Bank

Ishikawa As a financial institution truly necessary for SMEs, I believe that the Shoko Chukin Bank should not only provide support from a short-term perspective, but also provide proactive support with a long-term view of the business environment surrounding SMEs. In these highly uncertain times, it is difficult for anyone to predict the future. However, I believe that if we carry out our business based on a long-term strategy, while repeatedly conducting meticulous verification and revision, the Shoko Chukin Bank we should be and the ideal state of SMEs will begin to emerge. I plan to contribute as an external director by providing appropriate advice to help refine strategies in a positive direction.

Arima Although the Shoko Chukin Bank is constantly changing, the “joy of serving SMEs, who are both our customers and our shareholders,” mentioned by many officers and employees in the inspiring stories we solicited when formulating the CHUKIN Way, is an asset that other financial institutions lack, and something we must never give up. To this



employees gives us the strength to truly come together to serve our customers. I hope that our employees will not shy away from change and will adopt an agile approach of trial and error.

Ishikawa I agree. With the business environment changing at an accelerating pace, corporate transformation initiatives will not be truly successful unless they repeat a cycle of challenge, verification, and improvement at the front lines at an extremely rapid pace. However, I believe that as a financial institution responsible for financial infrastructure, there are areas where a certain degree of failure is acceptable, and areas where failure is unacceptable. As an external director, I intend to offer advice with these two points in mind.

end, I will ask our employees from an objective standpoint, “Is this really valuable to our customers?” and “Is this work something that will bring them genuine joy?” and will work hard to deepen our human capital management.

Kawamura To put it somewhat casually, I think of external directors as being like the henchmen you see in old movies. I imagine them as someone who stays in the background watching over the executive divisions when a company’s management is going well, and who is the first to rush in when the company needs to make important decisions, protecting a wide range of stakeholders. I started my career at a securities company, gained experience as a university professor and at a think tank, and then served as an external director at several operating companies, where I worked closely with a variety of people. Using the knowledge I’ve gained from that expertise, I intend to step up when I’m needed to contribute to the Shoko Chukin Bank’s growth.

(Conducted on September 8, 2025)



Value Creation Story

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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

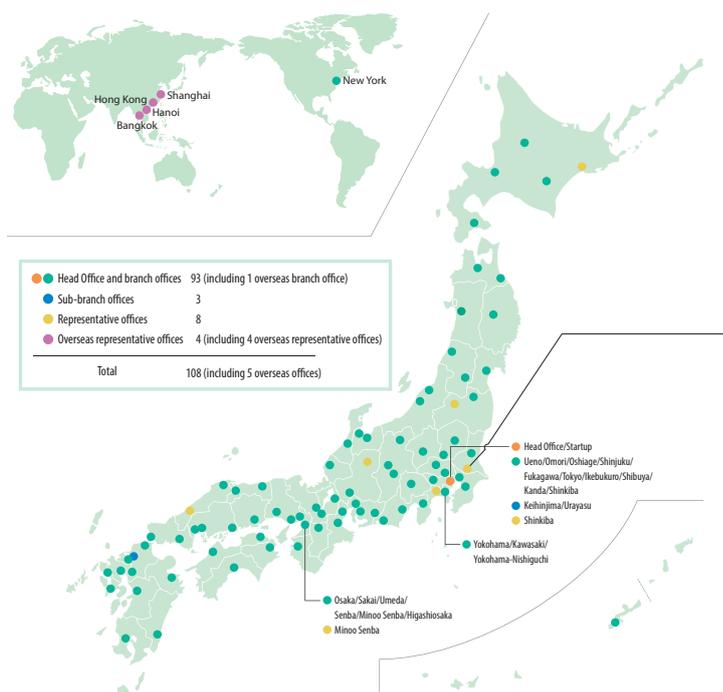
Financial capital

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)

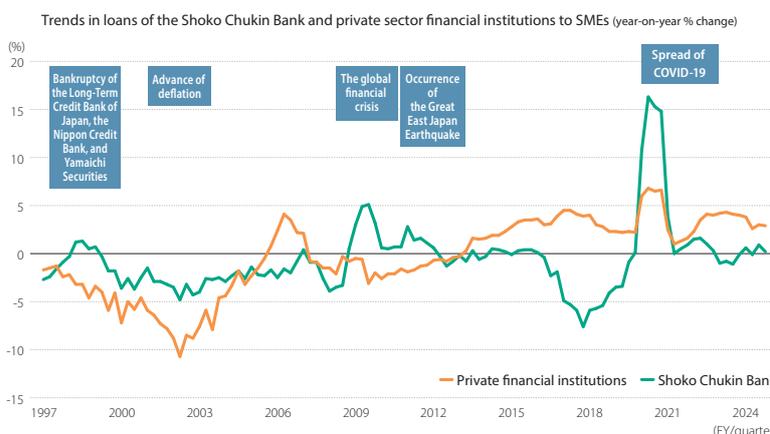
Business field	Mar. 31/'22	Mar. 31/'23	Mar. 31/'24	Mar. 31/'25
Support for revitalization and management improvement	90	111	115	118
Syndicated loans	54	69	82	94
Business matching	28	35	40	41
Support for overseas expansion	13	14	15	15
Derivatives	5	9	10	10
M&A	66	67	69	71
Startup	–	1	1	1
Sustainable finance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

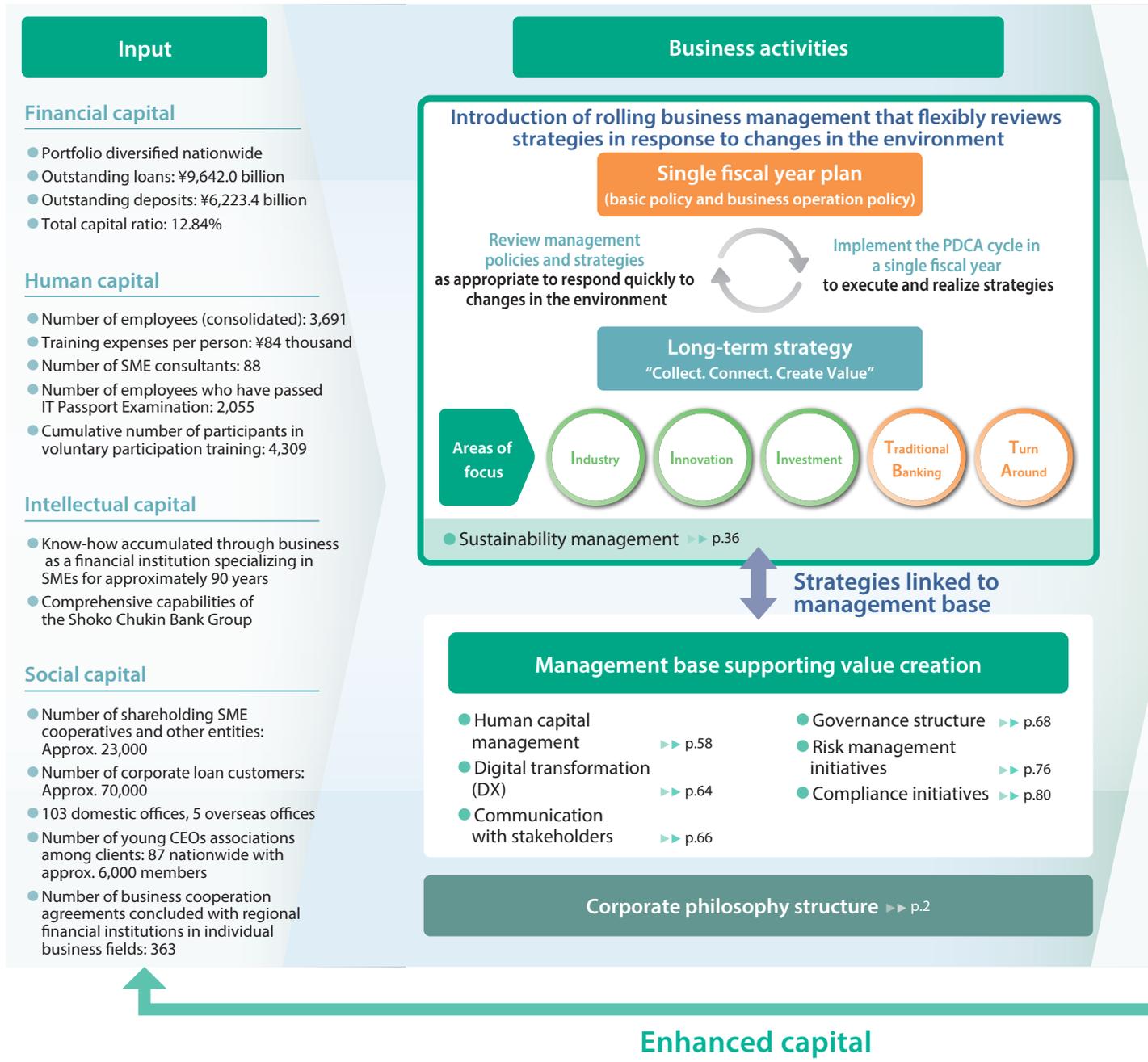


Value Creation Process

At the Shoko Chukin Bank, based on our PURPOSE: "Supporting the future of companies. Making Japan more resilient to change," we have developed a business model to help us address material issues for society. Through this model, in addition to creating economic value, we also seek to create social value and the happiness of workers, and to realize our long-term vision.



Management strategies in line with material issues



● Stagnant regional economies

Responding to global warming and climate change
▶▶ p.48

Diversity, equity and inclusion
▶▶ p.52

Resolution of material issues

Output

Management indicators

Mar. 31/'25

ESG diagnosis	Approx. 500 cases
Sustainable finance (number of cases and balance as of March 31, 2025)	Approx. 150 cases, ¥90.8 billion
CO ₂ emissions reduction (FY2023)	39% reduction compared to FY2013
DX and IT survey	Approx. 490 cases
Support for business revitalization and management improvement	Allowance reversals for support recipients Approx. ¥8.5 billion Percentage of increase in rank of support recipients Approx. 11%
Business succession and M&A support	175 cases
Financing for startup companies (balance as of March 31, 2025)	Approx. ¥92.0 billion
Business matching arrangement for startup companies	1,244 cases
eNPS SM	(43.3)
Employee engagement survey item "I want to continue to work for my current employer"	79.2%
Happiness design survey	Approx. 350 cases

Outcome (common value to be created in collaboration with stakeholders)

Social value

- Realization of a sustainable society
- Regional revitalization
- Improvement of corporate value of SMEs
- Number of KPIs* set with customers based on Positive Impact Finance: 3,400 or more
*Number set for each SDG item (KPI)
FY2030: 50% reduction in CO₂ emissions compared to FY2013
FY2050: Achievement of carbon neutrality
*For Scope 1 and 2

Economic value

- Improvement of the Shoko Chukin Bank's corporate value
Mar. 31/'26 targets (business plan)
Operating profit: Approx. ¥57.0 billion
Income before income taxes and other: Approx. ¥34.0 billion
Net income: Approx. ¥26.0 billion
OHR: Approx. 60%

Happiness of workers

- Fulfillment of work, individual fulfillment, and fulfillment at home and in society
(KPI) Mar. 31/'27 targets
Percentage of female managers: 20%
Percentage of employees taking paid leave: 90%
Percentage of male employees taking childcare leave: 100%

Long-term vision

Continue contributing to enhancing the value of participants in the SME economic sphere through its expansion and revitalization



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.

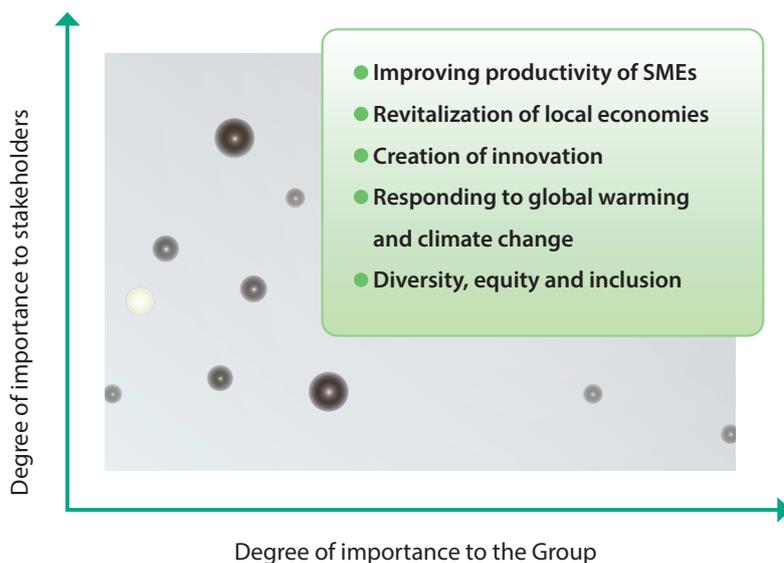
*1 Evaluation standard

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

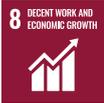
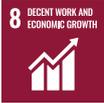


STEP 3
Reflection into management strategies

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 	

Under the previous Medium-Term Business Plan, we provided more in-depth customer support by reinforcing the business model developed through the Shoko Chukin Bank Management Reform Plan. Specifically, by providing various management resources to customers who are working to resolve issues, we supported the realization of corporate management resilient to change, and as a result we were generally able to achieve our initial targets.

Medium-Term Business Plan before the previous one (FY2019 to FY2021)

Basic policy

We are engaged in management support and comprehensive financial services that effectively provide solutions to customers' real needs and issues based on the Shoko Chukin Bank Management Reform Plan. We implement reforms including necessary compliance and governance reforms, business model restructuring, and management streamlining.

Main strategies

Initiatives in priority areas

- Support for improving financial structure
- Support for business revitalization and management improvement
- Support for high-risk businesses
- Support for startups, etc.

Compliance and governance reforms

Operational reform and management streamlining

Key management indicators

Initial FY2021 targets	FY2021 results
Operating profit Approx. ¥46.0 billion	Operating profit ¥52.8 billion
Net income Approx. ¥17.5 billion	Net income ¥18.3 billion
OHR Approx. 60%	OHR 55%

Review

In addition to defining the priority areas for customer support and concentrating on providing solutions according to needs and issues, management streamlining also progressed steadily. Furthermore, we achieved the targeted management indicators as a result of solidly engaging in crisis response operations related to COVID-19 that were not initially planned.

Previous Medium-Term Business Plan (FY2022 to FY2024)

Basic policy

We aim to enhance the Shoko Chukin Bank's own corporate value by providing comprehensive services to customers to realize corporate management resilient to change.

Main strategies

Shift in services

- Information services
- Human resource services
- Advanced financial services

Establishment of differentiated fields

- Startup support
- Sustainable management support
- Business revitalization support

Corporate transformation

- Well-being and DE&I
- Customer-oriented business operations
- Digital transformation

Key management indicators

FY2024 targets	FY2024 results
Operating profit Approx. ¥50.0 billion	Operating profit ¥56.8 billion
Net income Approx. ¥25.0 billion	Net income ¥25.6 billion
OHR Approx. 60%	OHR 58.4%

Review

As a result of steady efforts in the shift in services, establishment of differentiated fields, and the Shoko Chukin Bank's own corporate transformation, which were set as key strategies, as well as progress in reorganizing the headquarters organization and upgrading branch office operations in light of changes in the environment during the plan period, the targeted management indicators were generally achieved.



The Shoko Chukin Bank introduced rolling business management in fiscal 2025 in order to flexibly review strategies and make speedy business decisions in response to major changes in the social environment. With privatization as a turning point, we will define the medium- to long-term vision for the Shoko Chukin Bank Group and work toward its realization in order to become an even more helpful financial institution for our customers.

Outline of long-term strategy From FY2025

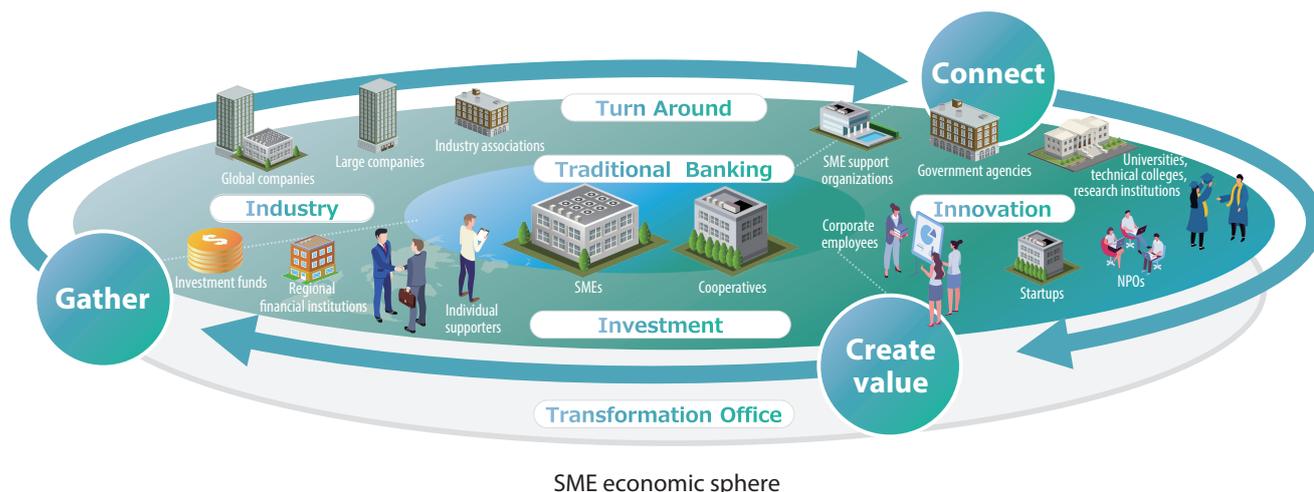
Basic policy

We will contribute to the sustainable expansion, growth, and revitalization of the SME economic sphere* that “collects, connects, and creates value” for diverse stakeholders related to SMEs and local communities.

*The SME Economic Sphere refers to an ecosystem designed to collect and connect all stakeholders involved with SMEs to create value.

Our vision for the Shoko Chukin Bank Group

Realization of **“Continue contributing to enhancing the value of participants in the SME economic sphere through its expansion and revitalization”**



SME economic sphere

Key strategies (areas of focus)



Examples of business activities

Key management indicators

As an indicator to measure the degree of value co-creation through expansion and revitalization of the SME economic sphere, we have newly established Shokochukin Co-Creation Value (SCV) and plan to regularly check its progress going forward.



Areas of Focus for Expanding the SME Economic Sphere

The Shoko Chukin Bank Group will collaborate with various stakeholders participating in the SME economic sphere and continue to provide value to customers at all stages from the startup phase to the transformation phase.



Collaboration

Focus areas	Startup phase	Growth phase	Maturity phase	Transformation phase
Industry		Resolving industrial issues and responding to changes in industrial structure		
		<ul style="list-style-type: none"> Anticipating trends of change, structuring issues from an industry-oriented perspective, and providing solutions 		
Innovation		Actively investing in growth companies		
		<ul style="list-style-type: none"> Going beyond conventional banking functions and taking risks from an investment perspective (startups and technology) 		
Investment		Investing in growth industries		
		<ul style="list-style-type: none"> In addition to advanced finance and policy investment functions, serving as a "window" connecting partner funds to SMEs 		
Traditional Banking		Conventional financial services		
		<ul style="list-style-type: none"> Deepening conventional functions such as deposits, foreign exchange, and loans to contribute to enhancing corporate value Demonstrating safety net function 		
Turn Around			Business succession and revitalization support	
			<ul style="list-style-type: none"> Supporting turnaround while encouraging economic sphere renewal 	



Global companies
Large companies



Industry associations



Government agencies



Individual supporters



Investment funds



NPOs

Co-creation

Initiatives in each area

- Providing research and planning functions that accumulate expertise in specific industries such as logistics and automobiles
- Providing industry issue resolution solutions from an industry-oriented perspective while expanding into other areas and untapped markets for Japanese SMEs such as India and Africa

- Providing funding through early debt to promising startup companies
- Supporting IPOs and M&A exits for financed startup companies in collaboration with securities firms and VCs

- Increasing the value of SMEs through equity operations such as business succession funds
- Advanced finance (structured finance, etc.) that meets the increasingly complex financial needs of participants in the SME economic sphere

- Deepening of conventional banking operations (deposits, foreign exchange, and loans)

- Supporting the transformation of the life cycle of participants in the SME economic sphere by supporting the revitalization of companies.

Financial Highlights

Gross operating profit

Profitability



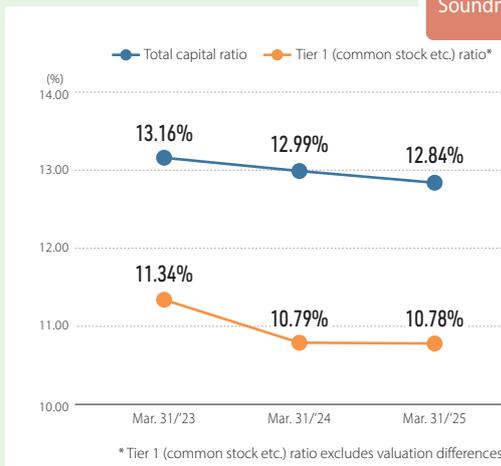
Net income and ROE

Profitability



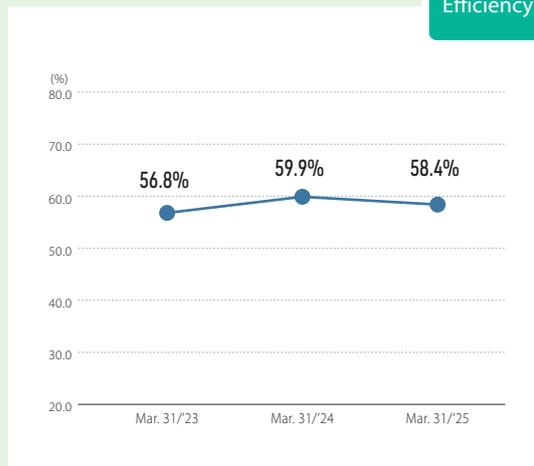
Total capital ratio / Tier 1 (common stock etc.) ratio

Soundness



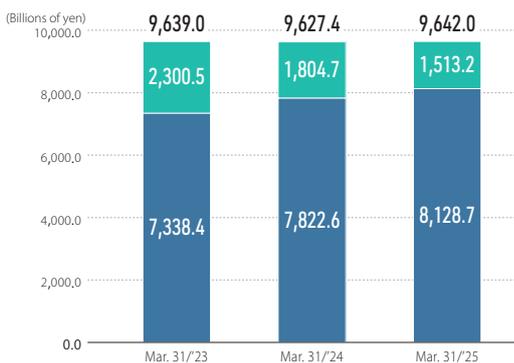
OHR

Efficiency



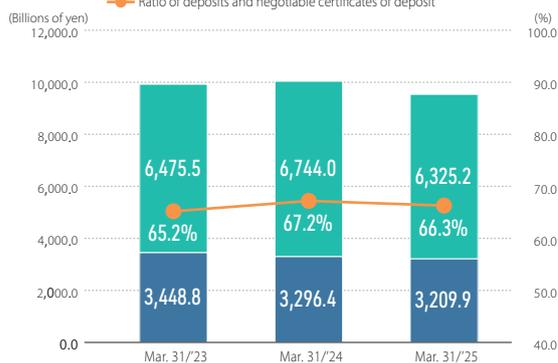
Status of outstanding loans

Direct lending without involving Credit Guarantee Corporations Crisis response loans



Status of fund-raising

Debentures Deposits and negotiable certificates of deposit Ratio of deposits and negotiable certificates of deposit



Non-financial Highlights

Environment

CO2 emissions in FY2023 (compared to FY2013)

9,270 t-CO₂ (down by 39%)

FY2022: 9,736 t-CO₂ (down by 36%)

For Scope 1 and 2

Sustainable finance: number of cases and balance as of March 31, 2025*

150 cases, ¥90.8 billion

FY2023: 142 cases, ¥55.1 billion

Society

Percentage of female employees in management positions**

13.2%

Target: 20% in March 2027

Percentage of male employees who took childcare leave*

87.4%

Target: 100% in FY2026

Governance

Ratio of external directors***

53%

June 2024: 53%

Ratio of female directors***

30%

June 2024: 30%

Others

NPS***

(7.0)

FY2023: (2.7)

eNPSSM*

(43.3)

FY2023: (42.5)

Sales representative satisfaction*

82.1%

FY2023: 79.2%

NPS®: Net Promoter Score
NPS® is a registered trademark of Bain & Company, Inc., Fred Reichheld, and Satmetrix Systems, Inc.

eNPSSM: employee Net Promoter Score
eNPSSM is a service trademark of Bain & Company, Inc., Fred Reichheld, and NICE Systems, Inc.

Percentage of respondents who answered "5: Satisfied" or "4: Somewhat satisfied" on a 5-point scale

*FY2024 / **As of March 31, 2025 / ***As of June 30, 2025

Each employee’s passions are the starting point. A story of values woven by the participation of everyone.

In October 2024, the Shoko Chukin Bank formulated the CHUKIN Way, which serves as the starting point for the actions of all officers and employees. Having Mr. Funabiki, General Manager of the Diversity Equity and Inclusion Division, as facilitator, the four employees reviewed the process that all officers and employees were involved in when formulating the CHUKIN Way, and exchanged opinions on its use in their daily work and their future goals.



Ochi I participated in the workshops held when the CHUKIN Way was being formulated, and we discussed the Shoko Chukin Bank’s values with people from a variety of roles, operations, and regions. I was surprised to see that despite our different environments, each and every one of us approaches our work with pride, and that we share

■ What was your first impression of the CHUKIN Way?

Funabiki The CHUKIN Way was formulated by verbalizing values based on inspiring stories from over 3,500 officers and employees. I believe that it will help us rediscover the value of our work. So, what were your first impressions?

Kuriyama The PURPOSE first felt abstract and a little distant to me, but the CHUKIN Way made it easier to imagine the specific actions I can take when working with customers. I feel that by believing in it as a guideline and acting accordingly, I can also realize My Purpose, which is the overlap between our PURPOSE and my own values.

Yoshida Now that the CHUKIN Way has been set, I feel the connection between my daily work and our PURPOSE. I used to feel a gap between the ideals set out in our PURPOSE and the reality of my daily work. I believe that rather than immediately trying to conquer a tall mountain like our PURPOSE, we should first gain experience in the smaller mountains of our daily work and nurture our passion to achieve it.

■ Impressions in the formulation process

Funabiki All officers and employees were involved in formulating the CHUKIN Way. Was there anything that made a lasting impression on you during that process?

common values such as impression and passions.

Terada I joined the Bank as a mid-career employee. Through the inspiring stories, I felt the Shoko Chukin Bank’s strong passion toward its SME customers. I felt that the Shoko Chukin Bank’s DNA is firmly ingrained in its commitment to supporting its customers in scenes outside of financing.

Yoshida I agree. That’s why I felt that the approach of brainstorming ways for the Shoko Chukin Bank to be a financial institution for SMEs and persevere even in difficult times is shared by employees of all generations and roles. I think the overwhelming majority of people work from the customer’s perspective, which is part of the Shoko Chukin Bank’s DNA.

Kuriyama The completed CHUKIN Way appears to be well put together. However, I think what makes the Shoko Chukin Bank unique is that behind the scenes, the aspirations of each employee have been carefully put into it, and that many officers and employees work not for themselves, but for others, such as their customers or colleagues.

■ How do you intend to utilize the CHUKIN Way?

Yoshida In human resource development, I plan to encourage my subordinates to understand the CHUKIN Way,

The CHUKIN Way starts from a thought: The background of its formulation and efforts to further instill it

Since establishing our PURPOSE and MISSION in 2022, we have been working to foster shared values centered on our PURPOSE. While most officers and employees are aware of our PURPOSE, only 60% of them actually apply it in their work. As such, in 2023, we began formulating the CHUKIN Way to serve as the starting point for their actions, in order to solve the issue of how to apply our PURPOSE to their daily work.

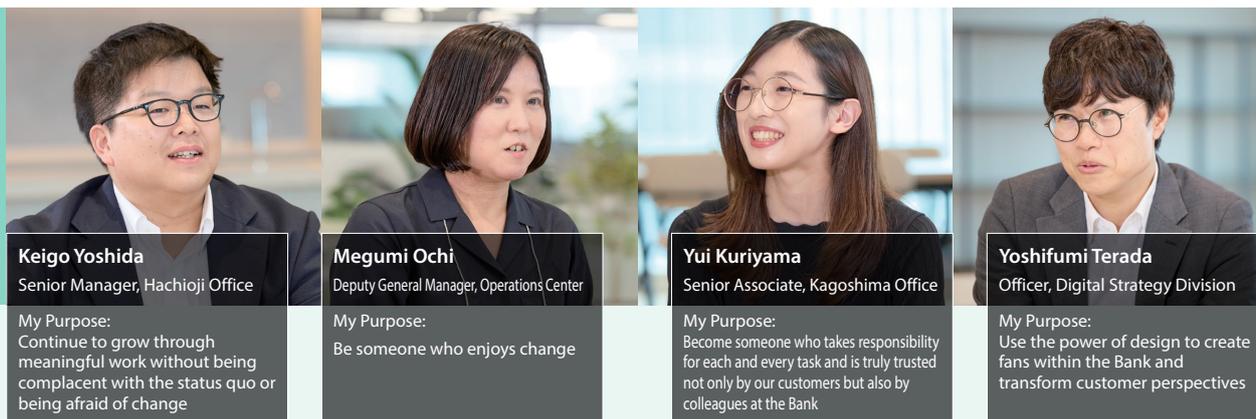
During the formulation process, we collected 3,500 stories from employees about the most inspiring experiences they had while working at the Shoko Chukin Bank. As we explored these stories, we discovered that the passions held by each employee underlie the Shoko Chukin Bank’s values. First, we held thorough discussions across the entire Bank on the elements needed to realize both our aspirations for customers and the customers’ own aspirations. We then created five easy-to-understand stories that illustrate the process required to achieve these aspirations by fusing the values we have taken pride in with the values necessary for the Shoko Chukin Bank in preparation for privatization.

In fiscal 2025, all officers and employees will participate in Purpose Workshops with the theme “Face change,” challenging themselves to come up with ideas that go beyond what the Shoko Chukin Bank has achieved so far.



Yasuo Funabiki
General Manager, Diversity Equity and Inclusion Division

My Purpose:
Be grateful for my current job, colleagues, and myself, and make change a reality



and while engaging in two-way dialogue, help them gain experience and nurture their passion, so that they can carry out their work in a way that embodies our PURPOSE, as seen in the inspiring stories. In order to do this, I think it's important for superiors to also deepen their understanding of the corporate philosophy.

Kuriyama I believe that having regular opportunities to share our core values will deepen our understanding of the CHUKIN Way and enable us to take ownership of the PURPOSE. By continuing to make such efforts, I hope to firmly ingrain the CHUKIN Way in our daily work.

Ochi Since I have experience working at both a branch office and the headquarters, I believe I understand the positions and feelings of both sides. To realize our PURPOSE, I intend to convey to my team members the importance of embracing change, while utilizing the CHUKIN Way to support our branch offices that contribute to our customers.

Terada I feel that the CHUKIN Way is already ingrained in the actions of many officers and employees, and is being utilized on a daily basis. As someone who joined the Bank as a mid-career employee, I aim to share the importance of facing change while working together with colleagues.

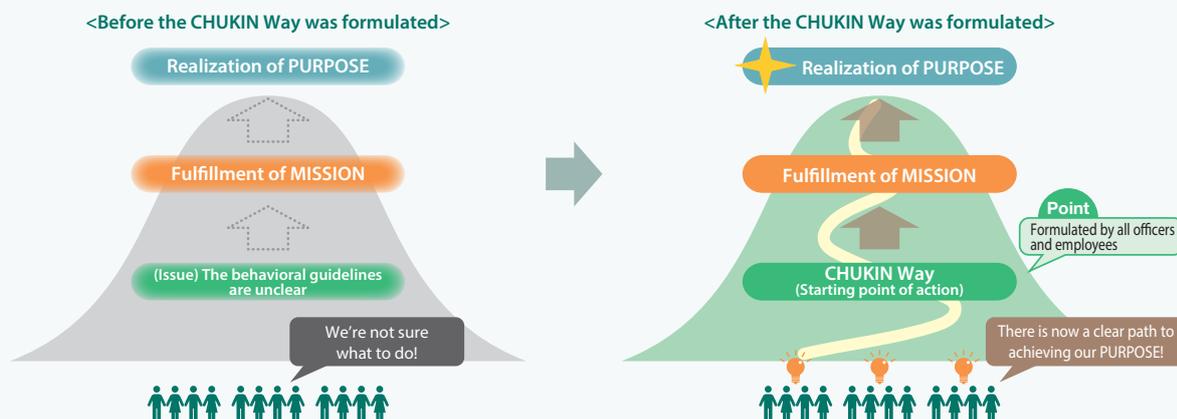
■ **What aspect of the CHUKIN Way resonates with you the most? Also, what does the CHUKIN Way mean to you?**

Terada The "Everything starts from a thought." part. My Purpose includes the keyword "transformation," and I believe that transforming is only possible because we have the aspiration to do so. To me, the CHUKIN Way refers to the Shoko Chukin Bank itself.

Yoshida For me, it's "Connecting with work, together with colleagues." In addition to the perspective of human resource development, it also contains the meaning of passing on work like a baton. For example, management improvement tends to involve long-term projects, with customer performance often improving and flourishing five or ten years down the line, after the person in charge has changed, so I liked the phrase "connecting with work." To me, the CHUKIN Way is something that connects the positive aspects of the Shoko Chukin Bank's past with its future.

Kuriyama The "Carry through with thoughts earnestly." part. I believe what makes the Shoko Chukin Bank unique is the honesty and down-to-earth attitude that allows us to keep working hard for our customers without giving up. Yoshida-san said that the CHUKIN Way connects the past and future, but I see the CHUKIN Way as something that connects people. As shared values, I think it connects the Shoko Chukin Bank's officers and employees with each other, and also connects the Bank with its customers.

Ochi "Face change." resonated with me the most. After working at a branch office for 20 years since joining the Bank, I was transferred to the headquarters. It was tough at first, but I worked on changing myself so that I could enjoy this change. I feel as though the CHUKIN Way is the amalgamation of various aspirations, and that it aligns with the things I want to accomplish each time. The "Way" could refer to the "path" I have walked until now or the "path" I want to take moving forward.





Business Strategy for Value Creation

36 Sustainability Management

Resolution of Material Issues

- 40 Improving Productivity of SMEs
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- 48 Responding to Global Warming and Climate Change
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▶▶ Please click here to view our Sustainability Report
<https://www.shokochukin.co.jp/share/library/tcfd/>



Basic policy

We have established “Sustainability Basic Guidelines,” which set forth our basic approach and policy on the environment and human rights. Our goal is for each and every executive and employee treat various environmental and societal issues as their own personal challenges, and contribute to the realization of a sustainable society.

Sustainability Basic Guidelines

[Basic approach]

1. Consideration of the environment

Considering the stability of the global environment, which is fundamental to all our business activities, actively work towards reducing our impact on the environment, including the climate.

2. Respect for human rights

Respect human rights, which are the foundation for equitable public order, and conduct fair and appropriate transactions with all stakeholders.

3. Improved governance of SMEs

Contribute to improving governance of SMEs through customer support rooted in business prospects evaluations, including investments, financing and personnel dispatch.

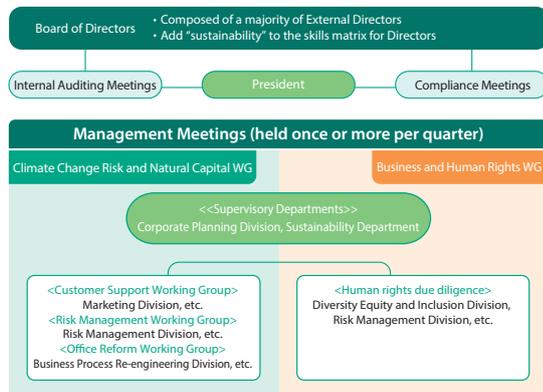
▶▶ Please see our website for the full document of “Sustainability Basic Guidelines.” (in Japanese only)

Shoko Chukin Bank Group Human Rights Policy

We recognize respect for human rights as being a critical management issue that we must proactively tackle in order to satisfy our social responsibilities. For that reason, in April 2024, we formulated the “Shoko Chukin Bank Group Human Rights Policy.” We implement appropriate human rights due diligence in order to prevent or reduce the negative impact of our business activities on human rights.

▶▶ Please see our website for the full document of “Shoko Chukin Bank Group Human Rights Policy.” (in Japanese only)

Sustainability-related governance chart



Meeting body		Main discussion topics
Supervision	Board of Directors	<ul style="list-style-type: none"> • Status of initiatives related to climate change risks (four times per year) • Reports on DE&I promotion, human rights awareness activities, human capital management (three times per year) • Top risks in FY2024 (six times per year) • Publication of sustainability report
Execution	Management Meetings, etc.	<ul style="list-style-type: none"> • Status of initiatives related to climate change risks (four times per year) • Reports on DE&I promotion, human rights awareness activities, human capital management (three times per year) • Top risks in FY2024 (roughly six times per year) • Employee engagement survey and promotion measures based on survey results • Publication of sustainability report • Start of solicitation of impact deposits • India expansion survey for auto parts industry

Initiatives for respecting for human rights

Respect international norms on human rights, including the Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights, and engage in fair and appropriate business with all stakeholders. Among initiatives for human rights due diligence, we take the following actions as part of our response to and monitoring of specific negative impacts.

Respect for human rights of officers and employees	Respect of customers’ human rights and cooperation	Cooperation with suppliers (vendors, contractors)
<ul style="list-style-type: none"> • DE&I promotion (p.53) • Compliance, harassment prevention • Periodic awareness-training for human rights (strengthen awareness among employees for reasonable accommodations for people with disabilities) 	<ul style="list-style-type: none"> • Initiatives through financial services • Initiatives to protect personal information • Response based on environmental and social considerations policy 	<ul style="list-style-type: none"> • Fair and appropriate business • Understanding and cooperation for respecting human rights • Screening utilizing external data

Initiatives for climate change and natural capital

We recognize the importance of initiatives and information disclosure regarding climate change and natural capital, and we are working on disclosure of information (governance, strategy, risk management, metrics and targets) in the format recommended by TCFD*1 and TNFD*2.

*1 Task Force on Climate Related Financial Disclosures

*2 Taskforce on Nature Related Financial Disclosures

	Climate change	Natural capital
Governance	<ul style="list-style-type: none"> Any matters that relate to the identification, evaluation, and management of climate change- and natural capital- related opportunities and risks are regularly discussed at our Management Meeting, which is attended by the President and Executive Officer. We submit reports on climate-related developments to the Board of Directors in order. We have formulated our Sustainability Basic Guidelines in order to play an active role in resolving material issues for society and to help realize a sustainable society, and they have been approved by the Board of Directors. We have identified material issues for society (materiality) that we should focus on through our business activities. (p.24) 	
Strategy	<ul style="list-style-type: none"> We recognize demand for funds and opportunities for providing solution proposals concerning customers' transitions to decarbonization and technology development as well as conservation and preservation of natural capital. (p.48) We contribute to the realization of a sustainable society by engaging in dialogue with our customers and supporting the implementation of necessary measures, starting from a business prospects evaluation from the perspective of SPEED*. <p>*The basic perspective on sustainability initiatives of the organization and its officers and employees, as defined independently by the Shoko Chukin Bank</p>	
Risk Management	<ul style="list-style-type: none"> We analyze qualitative and quantitative scenarios regarding the opportunities and risks that climate change poses to management of the Shoko Chukin Bank. Specifically, we analyze physical and transition risks in our financing portfolio. (p.38) 	<ul style="list-style-type: none"> We analyze the opportunities and risks that nature-related risks pose to management of the Shoko Chukin Bank. Specifically, we analyze the dependency and impact risks for each sector in our financing portfolio. (p.39)
Metrics and Targets	<ul style="list-style-type: none"> CO2 emissions (Scope 1 and 2) Targets: 50% reduction in FY2030*, carbon neutrality by FY2050 Results: 39% reduction in FY2023* (FY2024 forecast: approx. 45% reduction*) *from FY2013 	

▶▶ For more details, please refer to the Sustainability Report 2025.

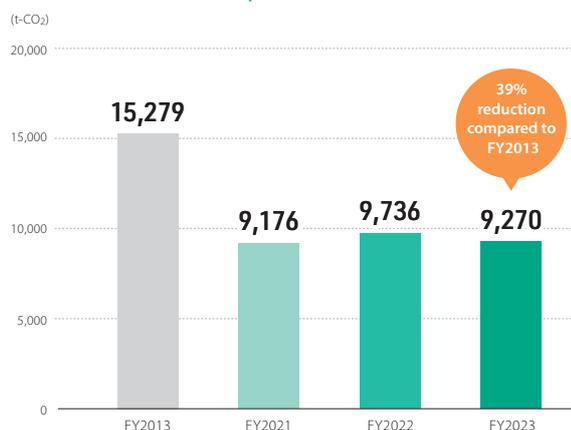
CO2 emissions

We have established CO2 reduction targets and are working to reduce our environmental impact.

Scope 1 and 2

- We have curbed purchases of electricity through branch consolidation and relocations and introduction of LED lighting.
- We will continue to work toward achieving our target, including switching to renewable energy and environmentally friendly branches.

CO2 emissions trends (Scope 1 and 2)



Estimation for Scope 3

- We will continue to work to expand and refine the scope of calculation.
- The methods currently being used to perform calculations may change in the future in line with ongoing discussions regarding international standards.

Estimation of CO2 emissions (Scope 3)

(Thousand t-CO2)

Cat	Category	Approx. (Thousand t-CO2)
Cat 1	Purchased Goods and Services	Approx. 24
Cat 2	Capital Goods	Approx. 8.6
Cat 3	Fuel- and Energy-Related Activities	Approx. 1.5
Cat 6	Business Travel	Approx. 0.6
Cat 7	Employee Commuting	Approx. 1.1
Cat 15	Investments	Approx. 6,800

* For categories 1-3, 6, and 7, our calculations were based on fiscal 2023 activity levels and were performed as indicated in the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain Ver. 2.6 (Ministry of the Environment, Ministry of Economy, Trade and Industry).

* For category 15, the calculation scope was business loans, and calculations were performed in accordance with the PCAF's Global GHG Accounting and Reporting Standard. The numerator of the ownership ratio was the loan balance as of March 31, 2024, and the denominator was calculated using information such as financial data held by the Shoko Chukin Bank.

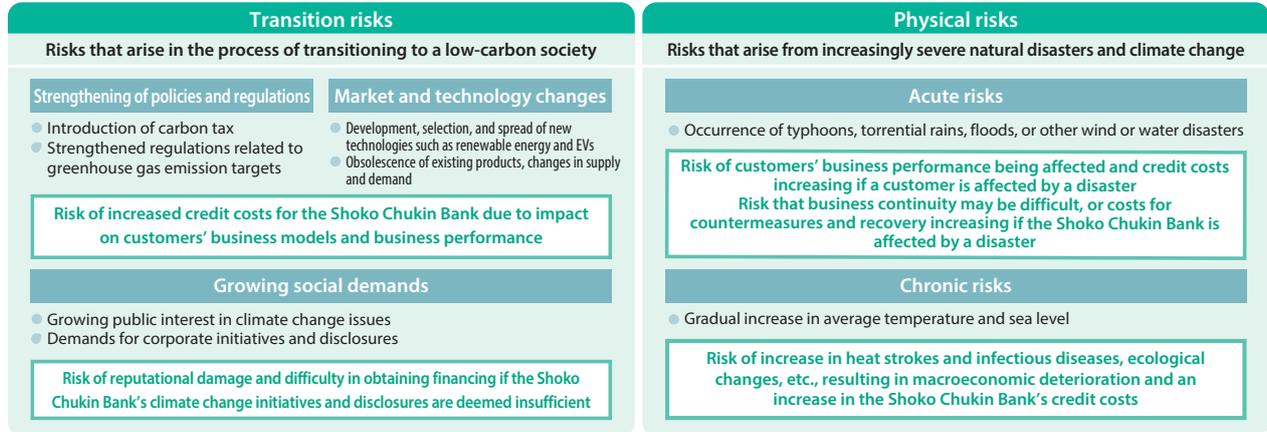
* For business loan recipients that are subject to the disclosure system (Ministry of the Environment) established in accordance with the Act on Promotion of Global Warming Countermeasures (approx. 11%), calculations were performed using the data publicly disclosed under this system. For other business loan recipients (approximately 78%), emissions per sales by industry was estimated using publicly available data and information held by the Shoko Chukin Bank. The emissions intensity was then set and multiplied by the Shoko Chukin Bank equity ratio to arrive at the estimate.

* Percentage of total loan balance



Climate change-related risks

We have identified risks by anticipating future social and environmental changes brought about by climate change. The following is an overview of the climate change risks that the Shoko Chukin Bank anticipates.



In particular, we consider credit risk*1 and reputational risk*2 to be important risks with significant management impact. We will seek to reduce these risks by providing customer support through engagement with customers and other means, and strengthening risk management through scenario analysis, etc.

*1 Risk of an increase in the Shoko Chukin Bank's credit costs due to the negative impact on customers' business models as the transition to a low-carbon society progresses

*2 Risk of damage to the Shoko Chukin Bank's reputation due to efforts and disclosures on climate change issues being deemed insufficient

Carbon-related assets As part of our efforts to assess climate change risks, we have defined the industries, which we recognize as being significantly impacted by climate change, as carbon-related sectors*1 and are monitoring them.

	Sector	Transition risks	Percentage of outstanding loans (%)*2
Energy	Oil and gas	High	1.6
	Electricity	High	0.4
	(Subtotal)		2.0
Transport	Land transport	Medium	8.1
	Automobiles and components	High	2.9
	Marine transport	Medium	2.2
	Air transport	Medium	0.1
	(Subtotal)		13.3
Materials and buildings	Construction materials and capital goods	Low	8.3
	Property management services and development	Low	6.8
	Metals and mining	High	4.7
	Chemicals	Medium	3.1
(Subtotal)		23.0	
Agriculture, foodstuffs, and forestry	Food and beverage	Medium	4.2
	Papermaking and forestry	Low	2.0
	Agriculture	Low	0.3
	(Subtotal)		6.5
Total			44.8

Four sectors were selected for analysis: automobiles and components, land transport, metals and mining, and marine transport, based on the climate change impact (transition risks) of each sector and the balance of the Shoko Chukin Bank's investments, loans and other factors.

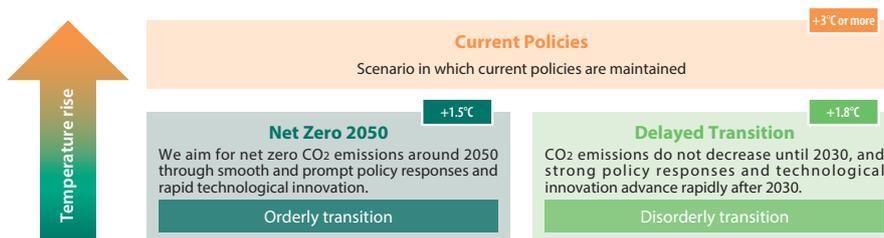
*1 Applicable industries in the non-financial sector identified based on GICS codes. The methods used to categorize these sectors are subject to review in the future.

*2 As of March 31, 2025

Scenarios analysis We use scenarios (hypotheses) to analyze how the business environment will change and how management will be affected if transition risks and physical risks materialize.

[Scenarios used]

Three scenarios (net zero 2050, delayed transition, and current policies) formulated by NGFS (Network for Greening the Financial System) are used in the scenario analyses of transition risks and physical risks.



[Qualitative assessment of sectors in scope of analysis (transition risks)]

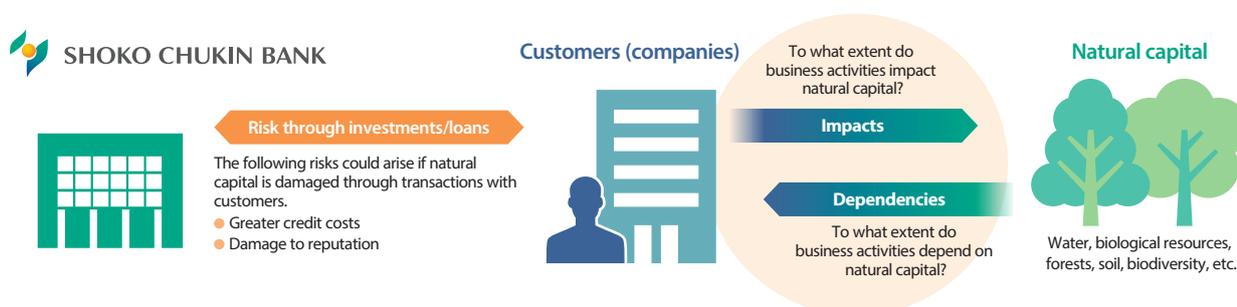
Sectors in scope of analysis	Main transition risks	
Automobiles and components	Introduction of carbon tax	Downsizing of engine parts, etc., in conjunction with conversion to electric vehicles
Metals and mining		The metals and mining sector includes many automobile-related companies such as foundry and punching press processed metal products manufacturing businesses; the above factors were also taken into consideration
Land transport		Modal shift toward low-carbon conversion Conversion to electric trucks (higher vehicle prices)
Marine transport		Decrease in amount of goods transported in conjunction with decrease in use of fossil fuel, main materials transported Transition to ships that meet stricter environment regulation standards (higher ship prices)

[Results of scenario analysis]

	Transition risks	Physical risks
Scope of analysis	Loan recipients in the automobiles and components, metals and mining, land transport and marine transport sectors, with the most recent borrower category	Loan recipients among those who may be flooded or who have used buildings as collateral with the most recent borrower category
Analysis method	For each loan recipient in an analyzed sector, financial conditions are estimated based on the probability of the transition scenario, and the increase in credit-related expenses is calculated based on changes in borrower category For the automobiles and components sector and the metals and mining sector, transition risks are considered for the transition from loan recipients' main products (internal combustion engines and drive systems) to electric vehicles (EVs)	Among all loan recipients, potential inundation points due to water-related disasters caused by typhoons, etc., are identified based on location information For each loan recipient, financial condition is estimated based on the probability of a water-related disaster, and the increase in credit-related expenses is calculated based on changes in borrower category and the impact of the amount of building collateral damage
Scenarios used	Use net zero 2050 of the NGFS scenarios	Use current policies of the NGFS scenarios
Analysis period	Until 2050	
Analysis results	Credit-related expenses: total of approx. ¥60.0 billion	Credit-related expenses: total of approx. ¥70.0 billion

Natural capital-related risks

We recognize that there is a risk that the Shoko Chukin Bank's credit costs may increase due to the dependence and impact of customers' business activities on natural capital.

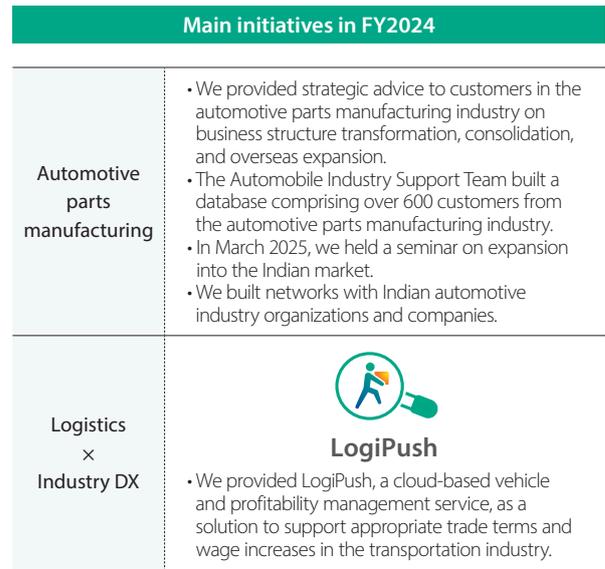
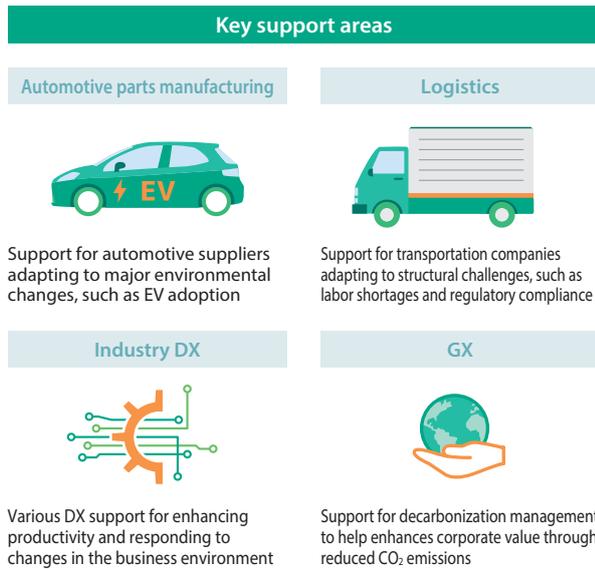


	Examples of risks
Dependency risk	If natural capital is lost, business continuity risk heightens the larger the dependency on natural capital Examples of dependency: dependency on provisioning services, including water supply and biological resources; dependency on regulating and maintenance services, including flood mitigation and soil retention
Impact risk	If the negative impact on natural capital is considerable, transition risk for mitigating negative impacts increases Examples of impact: GHG emissions, emissions of air pollutants, emissions of pollutants to water and soil, use of terrestrial ecosystems, use of fresh water ecosystems

Improving Productivity of SMEs

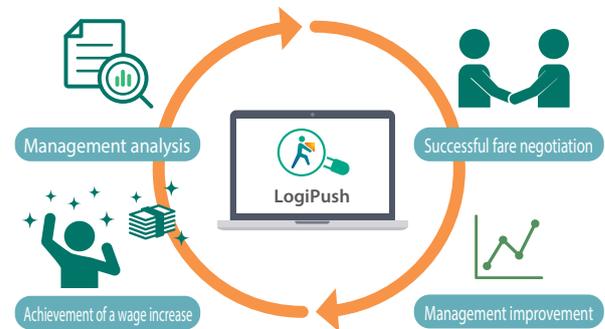
Efforts to reform industrial structure and strengthen competitiveness

We are working to help SMEs facing changes in industrial structure by developing growth strategies and providing innovative solutions tailored to industry-specific challenges.



Features of LogiPush

- Feature (1)** Easy creation of vehicle ledgers with a smartphone
Automatic digitization of paper maintenance invoices
- Feature (2)** Centralization of vehicle information, maintenance history, and cost information with cloud management
Standardization of vehicle and profitability management operations
- Feature (3)** Automatic allocation of management department costs and visualization of income and expenses by vehicle and shipper
- Feature (4)** Visualization of objective data that can be explained to shippers to support fare negotiations

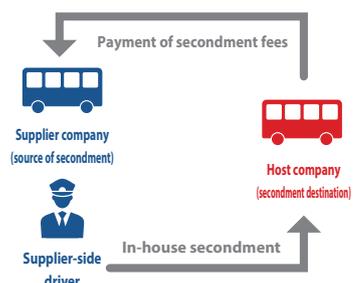


Efforts to address labor shortages at SMEs

- Providing a service that facilitates the sharing of human resources by focusing on seasonal fluctuations in busy periods across regions

Since the COVID-19 pandemic, SMEs have been experiencing an even greater labor shortage than before, and this has become a major business challenge. On the other hand, many companies experience seasonal fluctuations in busy periods, and these differences vary by region and type of business. To address this issue, the Shoko Chukin Bank launched a new business to facilitate the sharing of skilled human resources among businesses in October 2025.

We began providing services to the bus industry, which is facing a serious labor shortage. By transferring drivers from off-peak regions to peak regions, host companies can prevent opportunity losses during busy periods, supplier companies can reduce fixed costs during slow periods, and seconded drivers can improve their skills and increase their income.



Efforts toward DX and IT adoption at SMEs

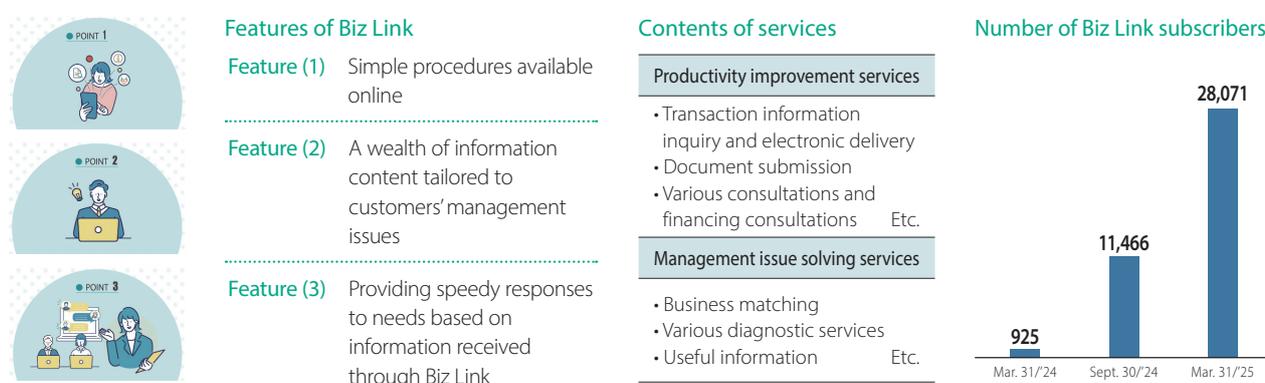
The Shoko Chukin Bank supports productivity improvements in SMEs by providing DX and IT solutions to address challenges such as labor shortages due to population decline.

Improving customer experience value through the corporate portal

The corporate portal (Shoko Chukin Bank Biz Link) is a digital communication service that supports customers' productivity improvements and the solving of management issues. All branch offices began offering the service in April 2024, and it is used by approximately 30,000 customers.

Through Biz Link, in addition to productivity improvement services such as document submission and various consultations, customers can access ESG and finance diagnostic services, as well as business matching and other management issue-solving services on the portal site.

We are continuously improving the portal by integrating the activities of sales representatives at each branch office with digital services to contribute to the enhancement of corporate value and operational efficiency for our customers.



Supporting the promotion of DX by SMEs with solutions tailored to their issues

To help the SME customers promote DX, we provide a comprehensive service, from sharing issues based on business prospects evaluations, to proposing and supporting the introduction of IT services, and we also provide the necessary financial support and follow up after the introduction of IT services.



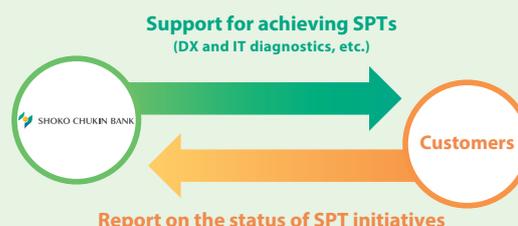
TOPIC

Began offering DX finance

We began offering DX finance in October 2024 to promote DX support for our customers. DX finance is a sustainability-linked loan that sets ambitious targets (SPTs*) specialized in DX management and promotes the customers' DX through the achievement of these targets. In collaboration with BIPROGY Inc. (Tokyo), an IT company that provides IT solutions and other services to help companies achieve DX, we formulate DX strategies and roadmaps through DX and IT diagnostic services*, and provide total support including finance, related solutions, strategy reviews, and monitoring.

*1 Meaningful and ambitious initiative targets aligned with customers' sustainability strategies. The SLL loan rate varies based on SPT achievement status.

*2 Consulting services to support customers in promoting DX in cooperation with BIPROGY Inc.



Revitalization of Local Economies

Efforts to improve management and revive businesses

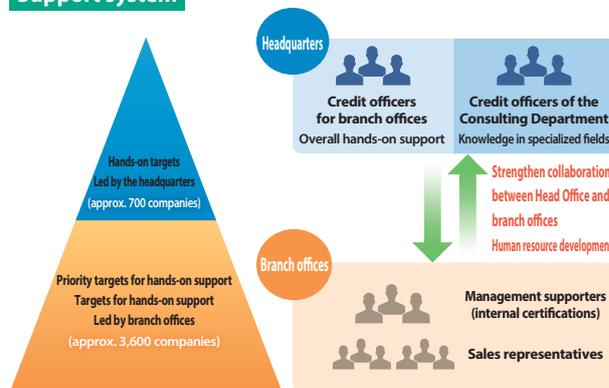
Support system

Among customers facing issues around finance and balance of payments, the Shoko Chukin Bank identifies those who should be proactively and independently supported, and provides support through the combined efforts of its Head Office and branch offices.

At the headquarters, credit officers in charge of branch office customer support and the Consulting Department, composed of specialized personnel such as lawyers, certified public accountants, and individuals with revitalization fund experience, collaborate and provide advanced business revitalization support, including business restructuring.

In addition, in the business departments, we have established internal certifications for management improvement and have been strengthening human resource development to enhance our response capabilities.

Support system



Details of initiatives

We collaborate with stakeholders such as regional financial institutions and business revitalization funds to provide a range of support tailored to each customer's stage of development.

We provide hands-on support by specialized human resources at the headquarters and engage in business restructuring for revitalization companies through DIP finance*1 and exit finance*2.

*1 Temporary financing conducted during statutory reorganization procedures to maintain business value

*2 Financing to help companies in the process of revitalization achieve early revitalization

Results of initiatives

	Mar. 31/23	Mar. 31/24	Mar. 31/25
Percentage of increase in rank of support recipients	Approx. 8.9%	Approx. 13.6%	Approx. 11.1%
Allowance reversals for support recipients	Approx. ¥2.2 billion	Approx. ¥2.3 billion	Approx. ¥8.5 billion

Cooperation with regional financial institutions

By combining the information and networks of regional financial institutions in each region with the functions and know-how of the Shoko Chukin Bank, we have been strengthening the financial and core business support that both parties can offer customers, enabling us to address a wide range of needs. As of March 31, 2025, we have entered business cooperation agreements in the fields of business revitalization and management improvement with 118 regional financial institutions. The Sazanka SME Revitalization Fund, established in February 2024, is working with 14 regional financial institutions that are limited partner banks to consider revitalization support recipients throughout Japan.

TOPIC

Contributed to the "Hands-On Support for Businesses in the Field of Revitalization" feature in *Weekly Financial Affairs*

The Shoko Chukin Bank's wide-ranging initiatives in management improvement and business revitalization have been positively recognized, and from February to May 2025, we contributed a total of 12 feature articles focused on hands-on support to *Weekly Financial Affairs* published by Kinzai Institute for Financial Affairs, Inc. Going forward, we will share such know-how in the business revitalization field with collaborating regional financial institutions and work together to revitalize the regional economy.

Support case example

Supporting further development through the use of business revitalization funds

Kaytay Co., Ltd. (Fukui) engages in synthetic fabric manufacturing. With over 110 years of history, the company has contributed to the local economy as a central presence in the Hokuriku textile industry.

The company utilized the Sazanka SME Revitalization Fund, a nationwide public-private business revitalization fund established by the Shoko Chukin Bank with Long Black Partners Co., Ltd. to handle equipment renewal and business succession. Investment from the fund enabled equipment renewal, and with hands-on support such as management improvement and successor training, the company is advancing internal system development for further growth. The Shoko Chukin Bank participates in the company's management meetings to support the implementation of its plans.



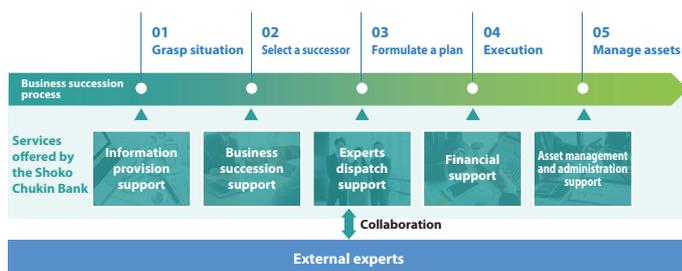
The company's products

Efforts to resolve succession issues

Support system

Business succession has become a social issue due to the aging of successors and the shortage of management candidates.

Resolving business succession issues requires preparation time, making early action a crucial part of the company's business plan. The Shoko Chukin Bank leverages the Group's comprehensive capabilities to build a support system for resolving all issues related to business succession.



Results of support

	Mar. 31/'23	Mar. 31/'24	Mar. 31/'25
Business succession	123 cases	147 cases	149 cases
M&A	26 cases	27 cases	26 cases

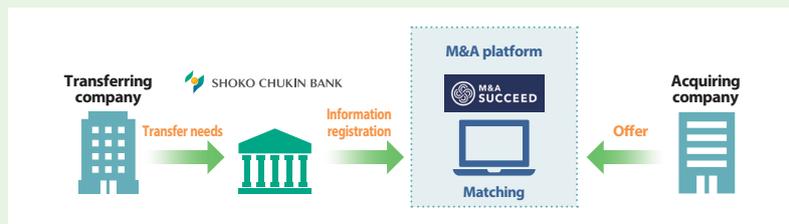
Supporting the resolution of business succession issues through M&A

In April 2024, we established the M&A Advisory Division to strengthen our corporate structure. By leveraging our nationwide network of 47 prefectural branches in Japan, we are placing even greater emphasis on M&A support for SMEs.

TOPIC

Partnership with M&A Succeed

The Shoko Chukin Bank has introduced M&A SUCCEED, a corporate-only M&A platform. M&A SUCCEED is a platform that connects companies considering a transfer with those considering acquisitions, with over 10,000 acquisition candidates participating. Companies considering a transfer can register their company profile anonymously, which allows them to gain an understanding of the existence of potential capital partners and their own market value. With the introduction of this platform, we will provide more M&A matching opportunities to SMEs and work to help them resolve business succession issues utilizing M&A.



Support case example

Supporting business succession through our nationwide network

Atel Corporation (Hiroshima) is engaged in the manufacture of semiconductor manufacturing and inspection equipment.

The president of the company had been searching for a successor company for business succession in recent years but struggled to find one that met his needs. Leveraging our nationwide network, the Shoko Chukin Bank introduced Fujikoshi Machinery Corp. (Nagano), which belongs to the same semiconductor industry and has the same people-oriented management policy as Atel Corporation, and supported the company's business succession.

➤ For details of the case examples, please click here to watch the video.

<https://www.youtube.com/watch?v=JyBKWqUekao>



[Thoughts from members of the Shoko Chukin Bank] Norio Honda, M&A Advisory Division

We believe that it is important for a business succession through M&A to be completed only after both the acquiring and transferring companies are truly satisfied with each other. I prioritized respecting the feelings of the management and proceeding carefully and thoroughly with support.



Support for overseas expansion

As the Japanese market is plateauing due to population decline, more companies are seeking growth opportunities overseas. When expanding overseas, it is necessary to appropriately address matters such as understanding and designing complex trade practices, raising the necessary funds, and complying with international regulations. The Shoko Chukin Bank's international operations specialist team provides optimal solutions to meet the issues of customers by leveraging our extensive support track record and overseas network.

In January 2025, we transitioned to ISO 20022 to continue providing foreign exchange services. Going forward, through participation in Project Pax, a project for building a cross-border remittance infrastructure using stablecoins, and collaborations with startup companies, we will further strengthen the digital transformation of trade operations and export support to help customers nationwide expand their businesses overseas.

Overseas network to support the global expansion of SMEs



Support menu

Overseas business support

- Providing information on overseas investment environments, etc.
- Hosting overseas seminars and Overseas Chukin Association (networking events)
- Locations: New York, Hong Kong, Shanghai, Bangkok, Hanoi, Ho Chi Minh City, Jakarta, Manila

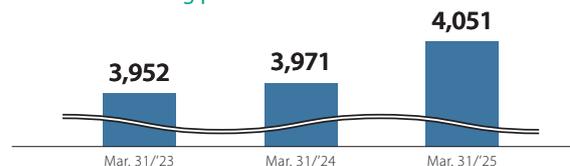
Support for fundraising for overseas subsidiaries

- Borrowing at the parent company
Financing of investments and loans for overseas expansion (parent-subsidiary loans)
- Borrowing at overseas subsidiaries
Direct business financing for overseas subsidiaries
Standby L/C to foreign banks for local borrowing purposes

Trade settlement and finance

- Foreign exchange operations related to import and export such as trade settlements
- Proposal for mitigating currency fluctuation risk through forward exchange contracts, etc.
- Issuance of various bonds (bank guarantees) for transactions with foreign companies

Number of trading partners



Support case example

Supporting trade operations by leveraging expertise in trade finance

Tenryu Lumber Co., Ltd. (Shizuoka) is involved in the sale of logs and wood products.

The company received a request to change transaction terms from an overseas supplier and was considering how to respond to the request in order to continue the transaction. The Shoko Chukin Bank proposed a solution toward realizing remittance transactions as a resolution. In addition, by proposing a change to web transactions, we also helped the company go paperless and improve administrative efficiency.

▶▶ For details of the case examples, please click here to watch the video.

<https://www.youtube.com/watch?v=SVSd62B7WUU>



[Thoughts from members of the Shoko Chukin Bank] Tomoya Yatoji, Hamamatsu Office

The company was compelled to respond to payment term changes in import transactions, which would affect its business continuity. As the person in charge, I wanted to contribute to solving the customer's issues and proposed a customized solution, which was adopted.

Efforts to support growth using advanced financial techniques

We are strengthening advanced financial services such as structured finance to achieve large-scale financing and appropriate risk control, while leveraging our strengths, such as our nationwide branch office network and extensive collaborations with regional financial institutions to support the growth of SMEs throughout Japan.

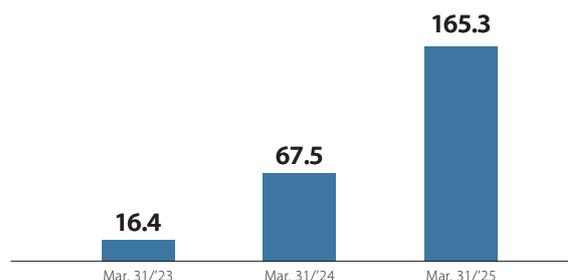
Features of the Shoko Chukin Bank's structured finance

- Feature (1)** Nationwide branch network
Can handle transactions with businesses and real estate projects nationwide

- Feature (2)** Business prospects evaluation capabilities
Screening capabilities developed through corporate loans

- Feature (3)** Regional financial institution collaboration network
Signed a memorandum of understanding for collaboration and cooperation in syndicated loan operations with over 90 regional financial institutions nationwide

Trends in structured finance transaction amounts (Billions of yen)



Support case example

Japan Entertainment Inc. (Okinawa) opened JUNGLIA OKINAWA, a theme park in Okinawa Prefecture in July 2025 that will transform travel in Okinawa through exciting and luxurious experiences not found in urban areas, set against the backdrop of northern Okinawa's stunning and overpowering natural beauty.

The Shoko Chukin Bank conducted an in-depth business prospects evaluation and shared the project's strengths and issues. Judging that the construction of this theme park would contribute to Okinawa Prefecture's sustainable economic development, we arranged a syndicated loan totaling ¥36.6 billion as lead arranger in coordination with 12 regional financial institutions.



INTERVIEW

Contributing to regional economic revitalization through new financing methods

The large-scale theme park JUNGLIA OKINAWA in northern Okinawa is a symbol of the Shoko Chukin Bank's new role in supporting the growth of regional industry. The Shoko Chukin Bank, together with Bank of The Ryukyus, served as lead arranger for the syndicated loan, coordinated the 12 banks, and also invested in the company itself. We were involved in establishing the financing scheme and coordinating public-private partnerships, and supported infrastructure development for regional economic revitalization beyond funding provision. Taking this deal as an opportunity, the Shoko Chukin Bank is strengthening structured finance and other advanced financial services, and is developing a system to handle the entire financial design process from the conceptual stage of the deal to the exit strategy.

We are uncovering the dormant potential in regions throughout Japan and focusing on supporting regional regeneration and revitalization. Going forward, while staying rooted in regions, we will develop a financial model oriented toward corporate growth support and leading Japan's revitalization from the regions so that people will say, "The Shoko Chukin Bank has changed in such a good way since its privatization."



Shigeru Kuwamoto
General Manager, Financial Design Division
(current position: General Manager, Hiroshima Office and Hiroshima Seibu Office)

Creation of Innovation

Startup support

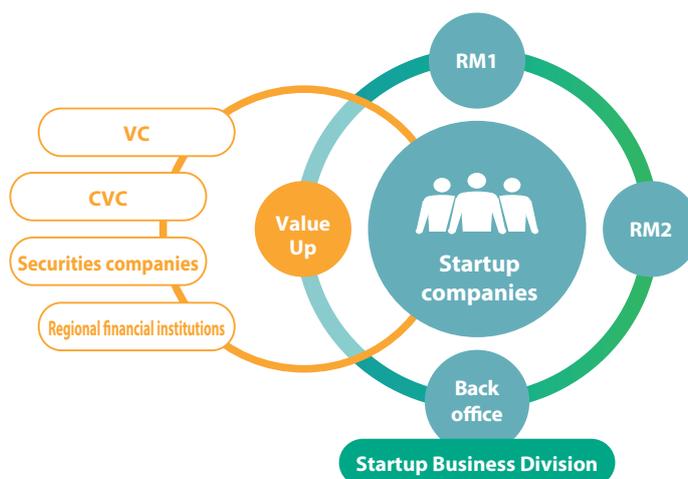
The Shoko Chukin Bank ramped up its initiatives to support startups in 2019, and since then, have been steadily building up a track record. To further strengthen these efforts, in April 2024, we established the Startup Business Division, dedicated to offering comprehensive one-stop support services for startup companies that have the potential to drive Japan's economic growth. These services range from financial support to assistance in developing sales channels to help them achieve their growth strategies. Aiming to be the top bank in this field, we will help startups increase their corporate value to new heights.

Support system

In May 2025, the Startup Business Division relocated its office to TOKYO MIDTOWN YAESU and further strengthened its structure to about 20 members in four groups.

The newly established Value Up Group works on improving value for startup companies, including sales channel development, strengthening collaborations with venture capital and related organizations, and PR for the Shoko Chukin Bank's startup support.

We will collaborate with many partners to accelerate our startup support initiatives more broadly and deeply in order to increase the corporate value of startup companies.



Features of the Shoko Chukin Bank's startup support

- Feature (1)** Know-how in business prospects evaluation that does not rely on collateral or guarantees, instead focusing on future cash flow and non-financial information
- Feature (2)** Provision of financing tailored to varying business models and growth stages
- Feature (3)** Sales channel development backed by a nationwide customer base of around 70,000 companies

Results of support

	Mar. 31/'23	Mar. 31/'24	Mar. 31/'25
Number of business partners	Approx. 390 companies	Approx. 580 companies	Approx. 680 companies
Loan balance	Approx. ¥48.0 billion	Approx. ¥71.0 billion	Approx. ¥92.0 billion

Support for sales channel development for startup companies

We introduce products and services from startup companies to our SME business partners nationwide as an initiative to simultaneously develop sales channels for startup companies and solve issues faced by SMEs.

In particular, for SMEs struggling with labor shortages, promoting DX is urgent, and DX support services for back-office efficiency improvements and employee benefits provided by startup companies have been well-received.

Number of business matching referrals for startups



TOPIC

Participation in Plus, a platform for unified support for startups

In November 2024, the Shoko Chukin Bank participated in the “Plus” platform for unified support for startups in order to further strengthen support for startups.

Plus was established in 2020 primarily to support startup companies that are working to commercialize their technological seeds. Toward collaboration and effective dissemination in startup support operations, we are working on holding regular meetings and joint events by the persons in charge, establishing a one-stop counter to centralize consultation services from startups, and providing information on startup support operations provided by each organization.

We will further deepen our cooperation with support organizations and further accelerate our support for startups through our participation in Plus.

Support case example

Supporting the growth of deep-tech companies in partnership with regional financial institutions

Rapyuta Robotics Co., Ltd. (Tokyo) is a startup company from ETH Zurich, Switzerland, that researches, develops, and manufactures robot-based solutions to support labor savings and efficiency improvement in logistics facilities. These solutions are compatible with existing warehouses, flexibly respond to efficiency improvements in warehouse operations, and adoption is progressing in logistics companies facing labor shortages.

The Shoko Chukin Bank conducted an in-depth business prospects evaluation through on-site visits and interviews with management, and shared the company’s strengths and financial challenges. Based on the belief that the company’s corporate value enhancement requires business expansion through growth investment, we formed a syndicated loan totaling ¥2.0 billion in coordination with regional financial institutions.



[Thoughts from members of the Shoko Chukin Bank] Manpei Ota, Startup Business Division
Startup companies providing services that change the world, like this company, are emerging one after another. We will invigorate the startup debt market from the Shoko Chukin Bank while collaborating with regional financial institutions to encourage the growth of such companies.

INTERVIEW

Aiming to build the Shoko Chukin startup ecosystem

It has been six years since we began full-scale startup support initiatives. Thanks to these efforts, startup customer numbers are steadily increasing, and the Startup Business Division has expanded its personnel to provide more comprehensive support. In line with the purpose of the Shoko Chukin Bank’s privatization, we will focus even more on startup support, with a view to increasing the balance of loans to ¥200.0 billion.

There are many issues unique to startups that are difficult for the Shoko Chukin Bank to support on its own, but by building the Shoko Chukin startup ecosystem with the Shoko Chukin Bank as the hub through collaborations with related organizations, we will meet the needs of more customers.



Koichi Takahashi
General Manager, Startup Business Division

Responding to Global Warming and Climate Change

We recognize that global warming and climate change are important social issues that affect the future of our approximately 70,000 customers in Japan, and we are working to resolve these issues through core business support and financial support.

We provide support to respond to changes in the external environment and management issues surrounding customers and to enhance the sustainability of their businesses.

[Customer support policy]

Sustainability	Productivity	Empathy	Ecology	Digital
 将来を損なわず 現在を豊かにする	 少ない資源で より多くを産み出す	 関係者から共感され ファンを作る	 関係者以外も害さず 又は対策する	 多くの情報を使い 付加価値を創る

We strive to engage in constructive dialogue and promote mutual understanding with all stakeholders, including customers, from the perspective of SPEED*.

*The basic perspective on sustainability initiatives of the organization and its officers and employees, as defined independently by the Shoko Chukin Bank

■ Sustainable finance

Through sustainable finance, we support our customers' sustainability initiatives. We are working to expand sustainable finance in order to respond to the various themes being addressed by SMEs.

Sustainable finance results
(balance as of end of fiscal year, billions of yen)



		Environment			Society		Economy			
Major impact areas		Carbon neutrality	Circular economy	Marine/freshwater	Social infrastructure	DE&I	Job security	Labor productivity	Regional economy	
Finance type	PIF	Positive Impact Finance (PIF) >> p.49								
	Purpose-driven loans	Green loans		Blue loans >> p.50	Social loans					
	SLL	GX finance >> p.50						DX finance >> p.41		

■ Cooperation with regional financial institutions

To contribute to regional revitalization and help create new jobs, we also collaborate and partner with regional financial institutions in our sustainable financing operations. With them, we meet the financing needs of local SMEs and leverage their functions and features to create synergistic effects, thereby increasing the value of SMEs.

<p style="text-align: center;">Operational partnerships and collaborations with 13 financial institutions nationwide</p>	<p>List of financial institutions we partner and collaborate with (as of March 31, 2025)</p> <p>Hokkaido, Tohoku: North Pacific Bank, Ltd., THE SENDAI BANK LTD.</p> <p>Kanto: The Saitamaken Shinkin Bank, The Yokohama Shinkin Bank</p> <p>Chubu: KitaiseUeno Shinkin Bank, The Kuwanamie Shinkin Bank, THE TAIKO BANK, LTD., THE HEKIKAI SHINKIN BANK, LTD.</p> <p>Kansai: The Kyoto Chuo Shinkin Bank</p> <p>Chugoku, Shikoku: The Ehime Bank, Ltd., THE BANK OF KOCHI, LTD.</p> <p>Kyushu, Okinawa: KUMAMOTO DAI-ICHI SHINKINBANK, MINAMI NIPPON BANK, LTD.</p>
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TOPIC

Partnerships and collaborations with regional financial institutions in sustainable finance operations

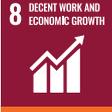
In March 2024, the Shoko Chukin Bank entered a memorandum of understanding with KUMAMOTO DAI-ICHI SHINKINBANK regarding partnership and collaboration in sustainable finance operations. Through this partnership, we conducted regular opinion exchanges and shared sustainable finance know-how with approximately 100 staff members through study sessions, and in fiscal 2024, we provided three loans applying Positive Impact Finance.

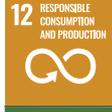


■ Positive Impact Finance

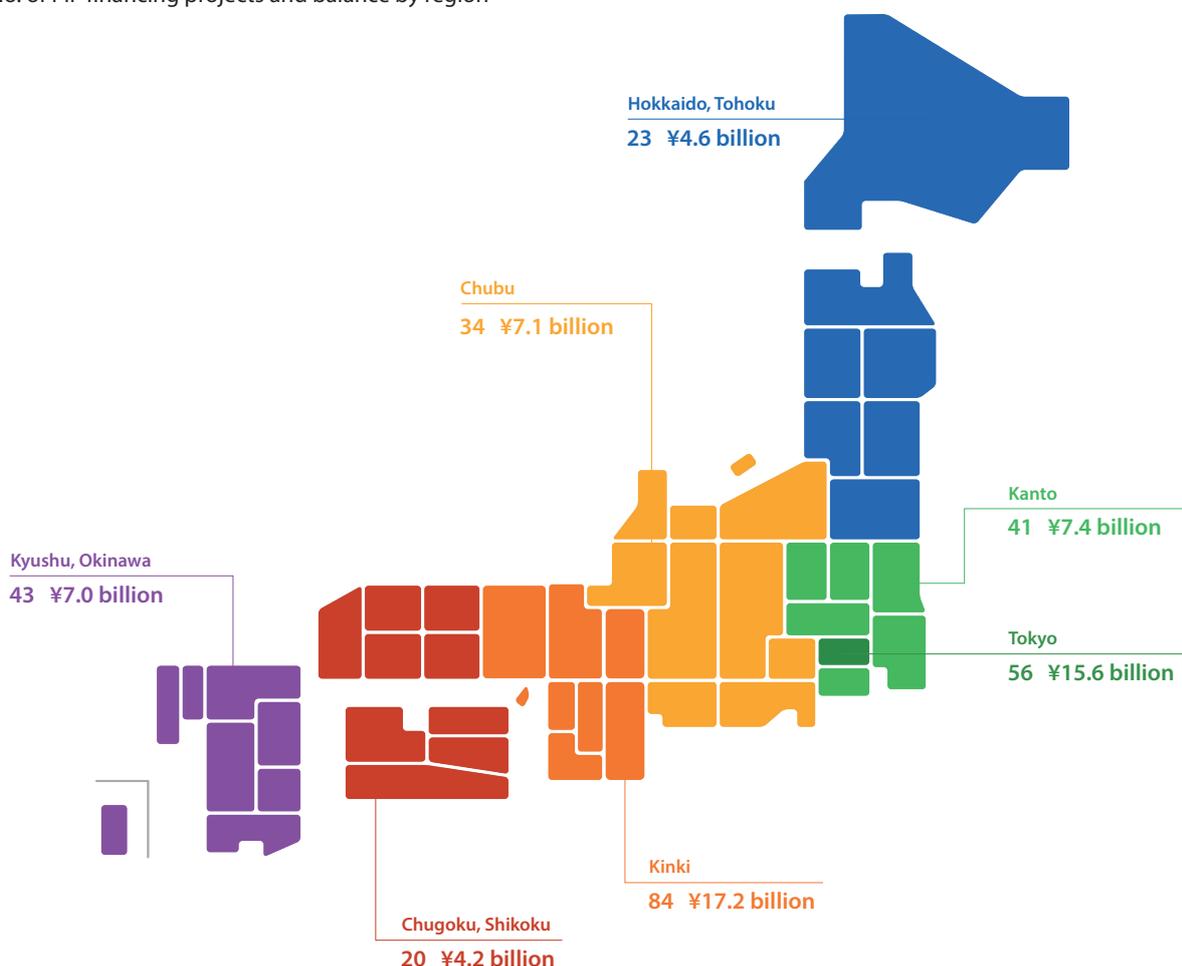
Through Positive Impact Finance (PIF), we set KPIs with customers and support initiatives to achieve these KPIs in an effort to create positive impacts on the environment and society throughout Japan. Customers in a wide range of industries and regions have used Positive Impact Finance, and as of March 31, 2025, we have executed a cumulative total of 301 PIF loans and set more than 3,400 KPIs.

[Main KPIs set through PIF (examples for each SDGs item)]

	No. of KPI set	Examples of KPI
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	202	Introduction of solar power generators, increase in LED usage rate, increase in percentage of battery-powered forklifts
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	1,163	Use of Happy Design Surveys, increase in sales from new sites/new businesses, creation of local jobs, reduction in overtime hours
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	296	Yield improvements, participation in new semiconductor precision processing business, increase in sales, entry into biogas power generation business

	No. of KPI set	Examples of KPI
 <p>10 REDUCED INEQUALITIES</p>	373	Increase in percentage of female employees, acquisition of public certifications such as PrivacyMark certifications, workshops on human rights DD
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	335	Reduction in amount of waste generated, increase in eco product sales, reuse of food waste, increase in amount of waste accepted
 <p>13 CLIMATE ACTION</p>	259	Visualization and reduction of CO2 emissions, BCP plan formulation, acquisition of ISO14001 certification

■ No. of PIF financing projects and balance by region



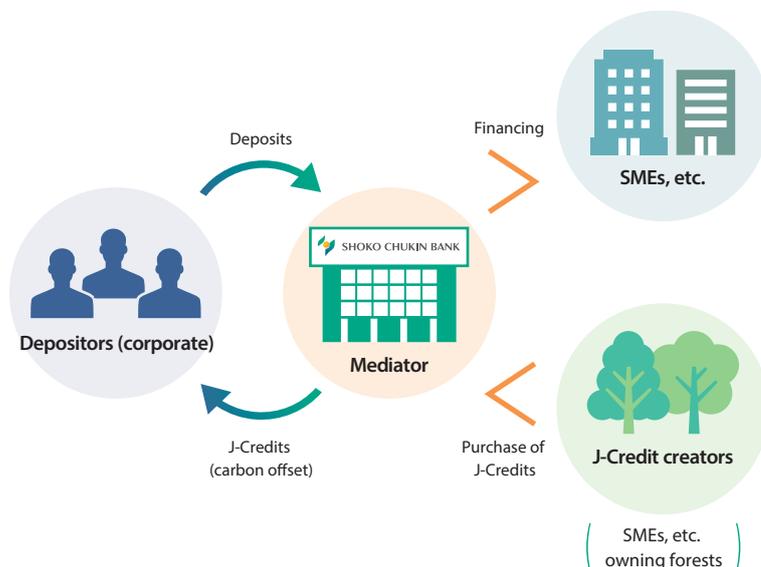
We aim to play a leading role in realizing a sustainable society by actively supporting the business activities of customers that consider the environment and society.

We will also address natural capital, which is closely related to climate change.

■ **New!** Japan's first J-Credit deposits

From December 2024, we started handling the corporate term deposits, J-Credit deposits, which grant carbon offsets using forest-derived J-Credits. Up until now, a total of ¥20.0 billion has been deposited, and we plan to grant carbon offsets equivalent to 2,000 tons.

Forest-derived J-Credits are credits certified by the Japanese government for the amount of CO₂ absorption obtained through proper forest management such as thinning, and by purchasing and utilizing them, we support proper forest management that entails an economic burden. This deposit contributes to the promotion of sustainable environmental conservation.



■ **New!** Blue loans

We started handling blue loans in December 2024 to support sustainable marine economies and efforts to improve the environment in marine and freshwater areas. We are committed to environmental conservation through our financial services, based on the belief that the stability of the global environment is the foundation of all our business activities.



Support case example

KOJIMAGUMI Co., Ltd. (Aichi) is engaged in dredging and other marine civil engineering work based in Aichi Prefecture. The Shoko Chukin Bank supported the introduction of specialized equipment such as underwater drones mounted on vessels that lay offshore wind power cables on the seabed using blue loans. The introduction of this equipment will encourage the construction of offshore wind power generation and contribute to the creation of renewable energy.

■ **New!** GX finance

We started handling GX finance as a sustainability-linked loan from October 2024 to support decarbonization management. We set sustainability performance targets as goals and support their achievement when customers work on decarbonization management.



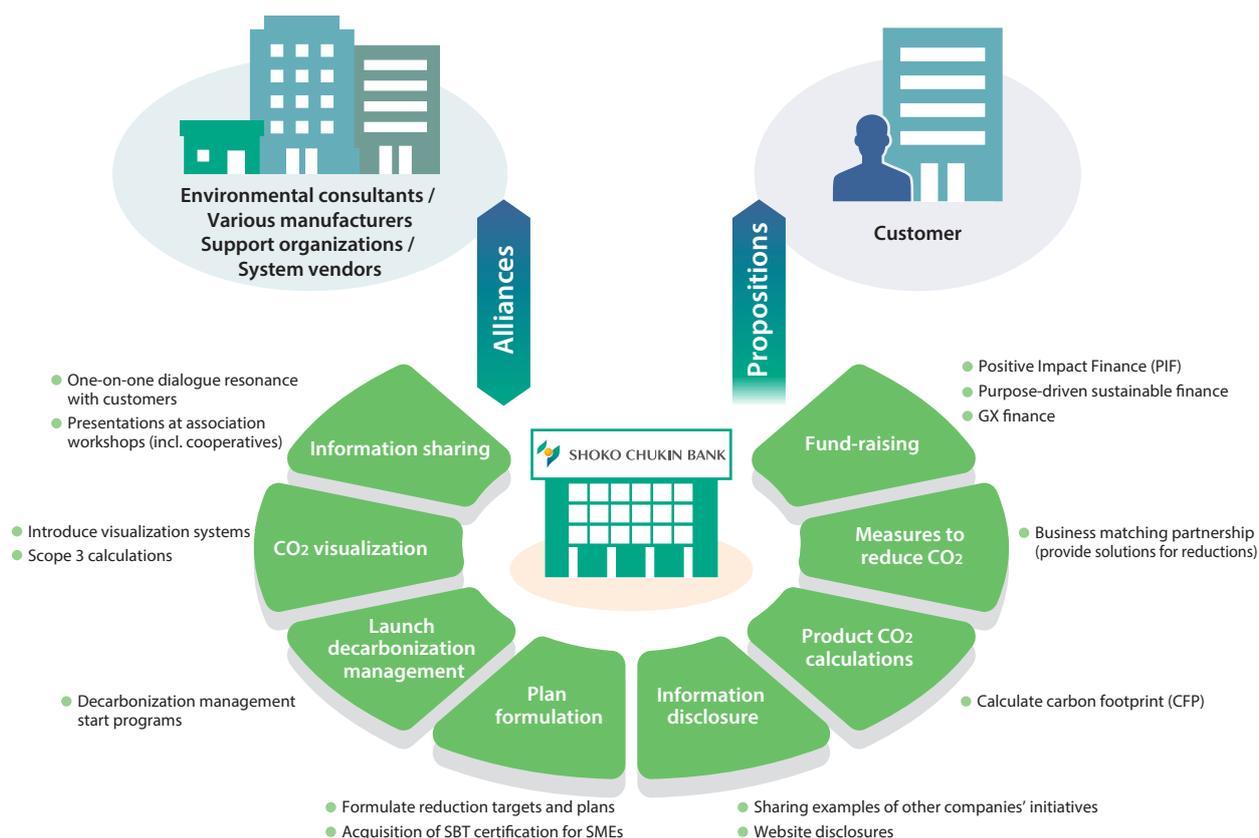
Support case example

Keity Co., Ltd. (Fukuoka) transports beverages and household goods in Kyushu and Kansai. The Shoko Chukin Bank provided financing through GX finance for funds necessary to enhance corporate value, and also supported decarbonization by assisting with the formulation of CO₂ emission reduction targets toward 2030, as well as application procedures for SBT certification for SMEs.

■ Supporting decarbonization management

To increase our customers' corporate value over the medium to long term and help bring about a sustainable society, we comprehensively support SMEs in their efforts to promote carbon neutrality.

We provide support for visualization of customers' CO2 emissions, formulation of reduction targets and plans, acquisition of SBT certification, calculation of carbon footprint (CFP), business matching related to renewable energy and energy conservation, and provision of sustainable finance.



Support case example

Supporting the formulation of plans for decarbonization management

PROGRESS Corp. (Yamanashi) manufactures aluminum die castings mainly for automotive parts.

The company planned to formulate a decarbonization plan toward 2030 in response to demands from society and the supply chain.

The Shoko Chukin Bank organized the data necessary for visualization of CO2 emissions and plan formulation, and supported the setting of 2030 reduction targets and the creation of a roadmap for achievement. We identified business processes with particularly high CO2 emissions and formulated effective CO2 emission reduction measures.

» For details of the case examples, please click here to watch the video.

<https://www.youtube.com/watch?v=u8IE5OUZWUE>



[Thoughts from members of the Shoko Chukin Bank] Sasuke Oda, Omori Office

We believed that initiatives toward carbon neutrality would help differentiate the company from competitors in the same industry and strengthen its advantages. We provided extensive support ranging from the formulation of CO2 emission reduction targets and a roadmap to the introduction of carbon footprint.

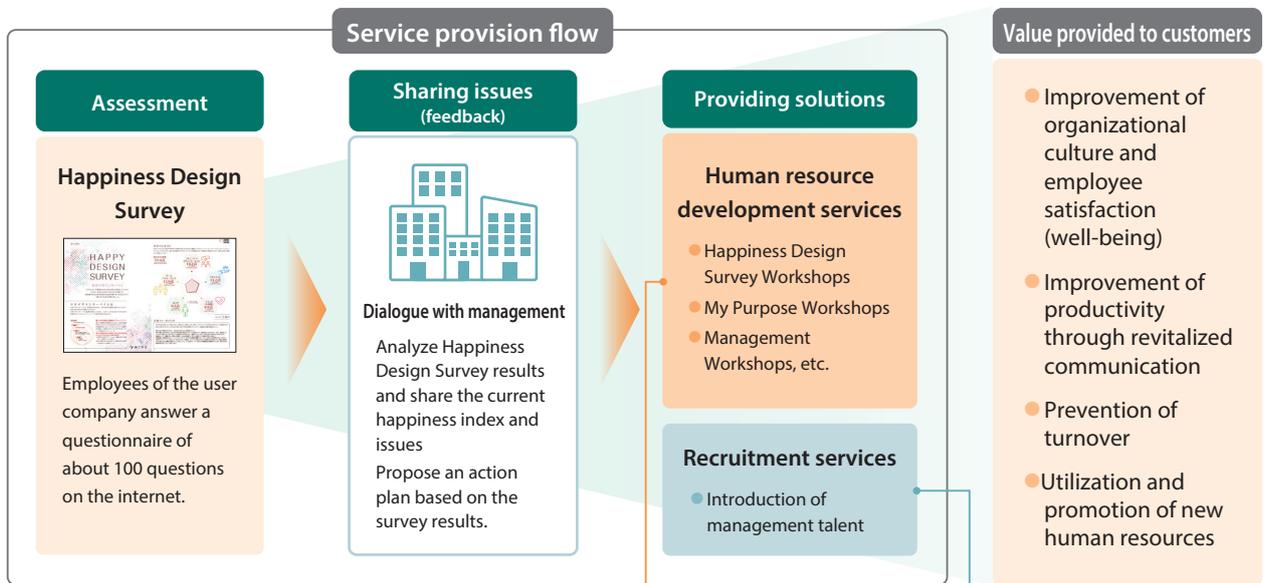
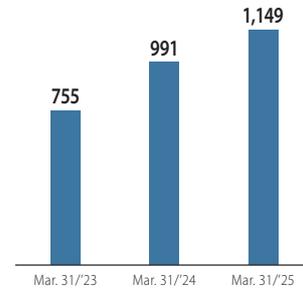
Diversity, Equity and Inclusion

Our efforts toward achieving well-being of employees at SMEs

The business environment surrounding SMEs in Japan is becoming increasingly severe, with a growing shortage of labor against the backdrop of a shrinking working population, difficulties in hiring, and an increase in job turnover.

To resolve such social issues, the Shoko Chukin Bank established the human resource service subsidiary THE SHOKO CHUKIN HUMAN DESIGN CO., LTD. in November 2024. We are working to support the realization of well-being for SME employees by conducting three operations: the Happiness Design Survey to visualize employee happiness levels, human resource development services including various workshops as post-survey follow-up, and recruitment services to directly support SMEs with labor shortages.

Number of companies participating in the Happiness Design Survey (cumulative total)



Human resource development services

We conduct workshops for bottom-up action plan formulation aimed at corporate culture transformation, and support human resource development such as My Purpose formulation to enable employees to think and act autonomously.

Recruitment services

Through dialogues with management, we define requirements for human resources truly necessary for corporate growth and issue resolution, and by conducting interviews with job seekers at Shoko Chukin Human Design, we resolve questions and concerns on both sides to prevent mismatches after the hiring process.

Support case example

My Purpose Workshop held to instill the management philosophy

Hotel Mikazuki Co., Ltd. (Chiba) operates spa and resort hotels in Japan and overseas. The company planned to hold a My Purpose Workshop* to support employee growth in understanding the management philosophy and acting autonomously. On the day of the event, over 350 employees participated in the workshop, engaging in the activities and formulating their own My Purpose. Through this program, the Shoko Chukin Bank supported clarifying each employee's medium- to long-term realizable self-image and creating a work environment where they can work with motivation.



* My Purpose is defined as the overlap between the values that individuals cherish in their lives and the management philosophy that represents the company's values, and the workshop is designed to develop My Purpose for each individual.

Our efforts toward achieving well-being of employees at the Shoko Chukin Bank

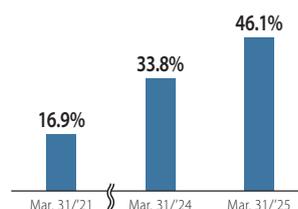
The Shoko Chukin Bank is actively working to ensure diversity in human resources, such as promoting women's advancement, employing people with disabilities, and mid-career hiring. We aim to create an environment where each officer and employee can thrive through fair and equal opportunities, aiming for innovation creation and improved worker happiness by uniting human resources with diverse perspectives, skills and values.

■ Promotion of women's advancement

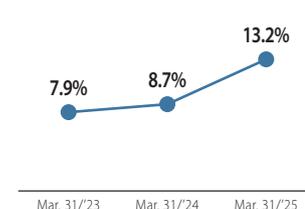
As a result of our efforts to position the promotion of women's advancement as a management issue, the percentage of female managers increased to 13.2% in fiscal 2024, and we received external recognition, including the 2025 J-Win Diversity Award Basic Category Second Prize.

On the other hand, to achieve the target for fiscal 2026 of 20 percent of female managers, issues include producing higher managers such as general managers of divisions, departments and branches, and appointing management positions in sales and headquarters operations. In the current personnel system, an environment has been established where anyone can choose diverse careers, and we are uniformly advancing recruitment, development, promotion, and organizational culture building toward expanding opportunities for women's advancement.

Percentage of female new graduates



Percentage of female managers



Executive mentor system

This is a training system where female management employees aiming for higher positions become mentees and engage in 1-on-1 meetings with executives who serve as their mentors to support the resolution of career development issues.

At the achievement report meeting held upon completion of the curriculum, the President and mentees exchanged opinions on a wide range of themes including the direction of the Bank's management, promotion of women's advancement, and organizational culture.



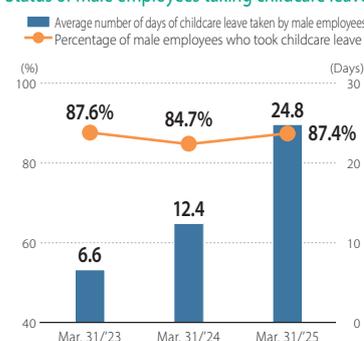
■ Balancing work and family life

Against a backdrop of expanding opportunities for female employees' advancement and an increase in dual-earner households, we are also focusing on balancing work and family life for male employees. We are not only actively promoting male employees to take childcare leave, but also holding roundtable discussions among employees who have experienced childcare leave and sharing their experiences internally to broaden organizational understanding of the system, thereby encouraging employees to shift their attitudes toward work through insights gained from child-rearing.

Through such efforts, the average number of days of childcare leave acquisition per male employee has increased, and we are fostering a corporate culture in which diverse human resources can work with peace of mind.



Status of male employees taking childcare leave



■ Employment of people with disabilities

We are also making efforts to employ people with disabilities in order to foster an organizational culture that recognizes diverse perspectives and values. Our employment rate of people with disabilities is 2.87% (as of June 1, 2025), which exceeds the legally mandated employment rate. The Shoko Chukin Bank applies a single personnel evaluation system regardless of disability, so new employee training includes the same curriculum for all new employees, including those with disabilities. We offer fair learning opportunities and strive for everyone to actively participate by offering information guarantees and other reasonable accommodations that each individual needs. In addition, to further promote the advancement of people with disabilities, in April 2025, we established THE SHOKO CHUKIN MIRAI HARVEST CO., LTD., with a view to making it a special subsidiary.

■ Purpose-driven leave

This is a special paid leave system to support each employee's autonomous activities based on their values and My Purpose. Up to 10 days of special leave is granted, which can be used for diverse initiatives toward self-realization such as community and social contribution activities, self-improvement, and reskilling.

For example, there was an employee who was planning a business to resolve logistics issues who used Purpose-driven leave to acquire a Class 1 large-sized motor vehicle driver's license to deepen understanding of logistics drivers' actual operations and driving skills. By utilizing this system, we aim to achieve both personal growth and the creation of social value by enabling participants to acquire practical knowledge, broaden perspectives, and interact with people outside the company.

Supporting the activities of diverse human resources to create innovation

Employees with experience in different industries and employees who joined the Shoko Chukin Bank after working at other banks exchanged opinions about their impressions of joining the Bank and their future goals based on their respective points of view.



Reason for joining the Shoko Chukin Bank

Saiki My current responsibilities are mainly corporate branding, and I am also responsible for building brand websites, advertising TV commercials, and email marketing to support sales. I joined an IT marketing company as a new graduate, where I was in charge of branding and advertising operations in the non-face-to-face sales department. I joined the Shoko Chukin Bank in October 2024. In my previous job, I had many opportunities to speak with business owners of SMEs, and supported them with the various challenges they faced in terms of branding and advertising. However, I was faced with the dilemma that advertising alone did not lead to the resolution of fundamental issues. As such, I wanted to find a job that would allow me to support SMEs in a deeper and broader way. This led me to start looking for a new job, and that was when I came across the Shoko Chukin Bank. I was worried about my lack of knowledge of the financial industry, but since the Bank specializes in SMEs, I felt that it matched what I wanted to do, so I decided to join. The very courteous treatment I received during my interview was also a deciding factor.



Ayaka Saiki

Senior Associate,
Marketing Division
Joined in 2024
Previous job: Information
services

Watanabe I joined the Bank in January 2023, where I gained experience in loan negotiations at a branch office. Since April 2025, I have been involved in structured finance project management and risk management. In my previous job, I handled structured finance at a regional financial institution, but since there were many projects outside of my local area, I changed jobs because I thought there might be opportunities for me to excel outside of a regional bank. The Shoko Chukin Bank is the only financial institution where its shareholders are also customers, so I thought working there would be interesting. I was also impressed by how well I was treated during my job interview. The friendly personalities of the employees and the great atmosphere left a good impression.

Wakabayashi I am currently involved in corporate sales at Fukagawa Office in Tokyo. At my previous job at a regional bank, one of my customers experienced a temporary downturn in performance due to factors unrelated to their main business. As their main business was doing well, I wanted to support them, so I submitted a request for internal approval, but this request was rejected, which was a bitter experience. I chose to work in banking because I wanted to support customers, especially when their business is going through tough times, so the disconnect I felt in that moment was what pushed me to change jobs. I was impressed by the Shoko Chukin Bank, which conducts thorough business prospects evaluations before providing loans, so I decided to apply for a job here. Even though I couldn't spare much time for my job search, they were considerate in scheduling my job interview. I remember this giving me the feeling that it must be a company with a good atmosphere.

Pros and cons we found after joining the Shoko Chukin Bank

Wakabayashi I like that even young employees are able to work with corporate customers. There is a lot expected of me, but it also means I gain a lot of good experience. Also, because the Shoko Chukin Bank's shareholders, depositors, and loan



Yoko Watanabe
Officer, Financial Design
Division
Joined in 2023
Previous job: Banking

recipients are all SMEs, I feel that this allows us to go a step further in providing support. On the other hand, I sometimes feel that the system infrastructure is insufficient. I think that revenue management and data utilization could be improved if we developed certain systems.

Watanabe I think our appealing point includes the fact that the Bank operates nationwide and provides a safety net function. On the other hand, while our PURPOSE of “Supporting the future of companies. Making Japan more resilient to change.” gave a positive impression, in reality, I feel that there is an atmosphere of resistance to change. Taking the opportunity of privatization, the Bank is making efforts to change, but I feel that this is still not enough. I would like to see the Shoko Chukin Bank show its unique characteristics that set it apart from other private financial institutions.

Saiki I really like how easy it is to quickly achieve what I want to do. At large companies, internal adjustments and procedures prior to such applications usually take time, but I feel that the Shoko Chukin Bank makes decisions quickly. However, there are times when the Bank makes careful judgments by looking at examples from other companies in the same industry, which results in delays before putting things into action. Meanwhile, there is no other company that has remained independent for nearly 90 years while continuing to specialize solely in SMEs. As Watanabe-san said, I think it would be better if the Bank expressed its uniqueness more.

How are you utilizing your past career in your current job?

Wakabayashi From my previous job experience, I keep in mind that I do not just focus on financing, but also make sure to share our customers' challenges and offer appropriate solutions. I think that taking time to make proposals will set us apart from other banks. In order to achieve results, it is important to make operations as efficient as possible and ensure that we have enough time to consider proposals for customers. As we are still in the process of bringing a breath of fresh air, I will keep making efforts to change the mindset of the organization.

Watanabe In my previous job, I was very particular about interest rates as compensation for providing services. Influenced by the former culture of prioritizing public service as a government-affiliated financial institution, I feel that there is still a lack of focus in the Shoko Chukin Bank on the efforts made by

sales personnel on the front lines and compensation that is commensurate with those efforts. I aim to utilize my experience in corporate sales from my previous job to ensure the sustainable management of the Bank.

Saiki Since the branding project started immediately after I joined the Bank, I was able to utilize my previous knowledge in tasks such as selecting an advertising agency and visualizing the awareness of the Shoko Chukin Bank. Together with a mid-career designer who recently joined the Bank, I am working to create rules that take branding into consideration so that, for example, the design of tools that had previously been produced individually by each division can be produced in an integrated manner across the Bank.

Future goals

Saiki I would like to take on the marketing job I have been involved in up until now in a more specialized way. I want more people to be fully aware of the uniqueness of the Shoko Chukin Bank. I want to improve awareness by making more effective use of TV commercials and other media, so that even customers who do not do business with us can learn about the Shoko Chukin Bank.

Watanabe The Financial Design Division I belong to is a newly established division and is still in a transitional period. Many members of the division are talented and each has their own expertise, but structured finance is an area where new ideas are constantly emerging, so responding to them requires specialist personnel and new knowledge. Using my previous job experience, I would like to support our sales representatives in proactively taking on advanced financial schemes.

Wakabayashi It's important to let people know about the good points of the Shoko Chukin Bank. Perhaps because employees that started their careers here haven't had the opportunity to compare the Bank with other financial institutions, I sometimes feel that they do not fully understand its strengths, which is the ability to evaluate business prospects and provide loans even in times of emergency, such as deterioration in the economic environment. In the future, I hope to become General Manager of a branch office and do my best to widely communicate that the Shoko Chukin Bank is an essential financial institution for SMEs.



Kentaro Wakabayashi
Senior Manager,
Fukagawa Office
Joined in 2020
Previous job: Banking



Human Capital Management

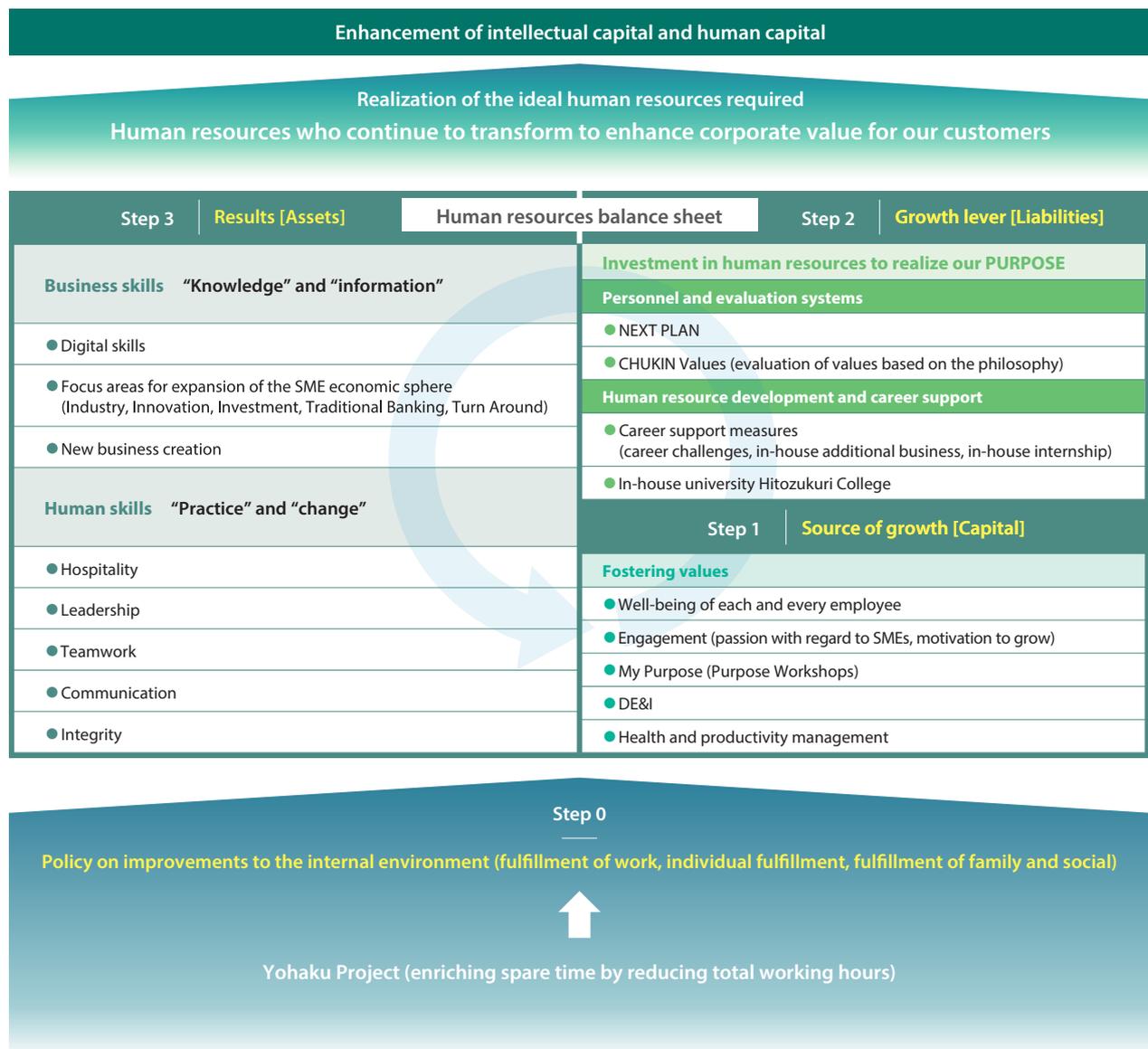
The Shoko Chukin Bank's human capital management tackles the recruitment and development of human resources who continue to transform to enhance corporate value for our customers. For the purpose of realizing the ideal human resources required, we need to strengthen both business skills and human skills, and we are working to further enhance our human capital investment for this purpose. The result of this investment will be the realization of the Shoko Chukin Bank's PURPOSE and MISSION by realizing both the management strategy and the well-being of our employees.

Human Resources Value Creation Model

The Shoko Chukin Bank's Human Resources Value Creation Model indicates our initiatives that aim to enhance intellectual capital and human capital, and represents the steps in human resource development for each employee in the form of a balance sheet. This is a cyclical model in which the internal environment as the foundation for a nurturing culture (Step 0) is created, each individual's thoughts and values serve as the source of growth (Step 1), for which continuous career support (Step 2) is provided, and the skills that result from this support bear fruit (Step 3) to become a source of further growth.

The results of these efforts will be human resources who continue to transform to enhance corporate value for our customers, which are the ideal human resources required, and the accumulation of a substantial human resources balance sheet of each individual will lead to the enhancement of intellectual capital and human capital which form the foundation of the Shoko Chukin Bank's management.

* Please see page 62 for an example of human resource development through the use of the human resources balance sheet.



Steps 0 to 1: Source of growth [Capital]

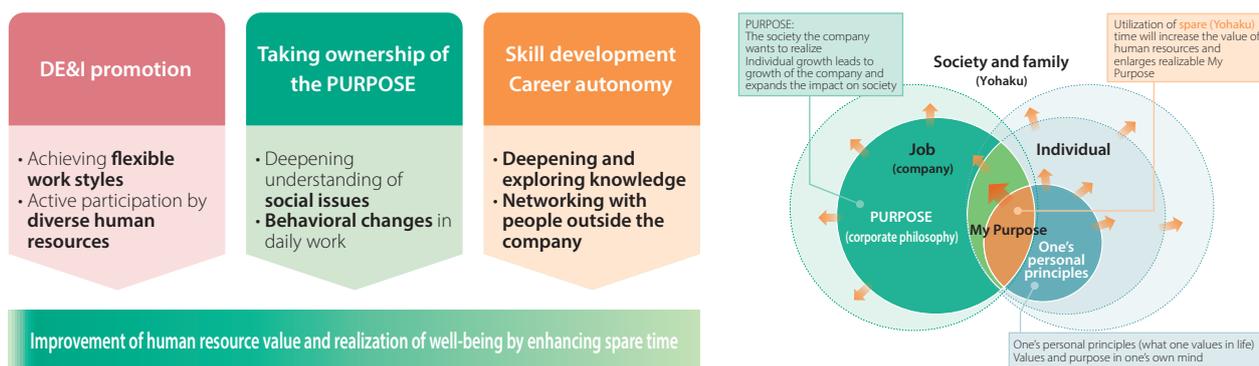
Initiatives to foster values

The Shoko Chukin Bank is working to foster a sense of values based on our PURPOSE in order to improve the well-being and engagement of each and every employee, our source of growth. All officers and employees formulate My Purpose, which is the overlap between the PURPOSE and their own values, as a compass for what they want to achieve when working at the Bank, and each division, department and branch office formulates Team Missions to realize the PURPOSE. We are also working to foster an awareness of DE&I, the source of each employee's actions, such as by formulating the DE&I Declaration for all officers and divisions, departments and branches and sharing it throughout the company.

My Purpose and Yohaku Project

In order for each employee to realize My Purpose and well-being, it is essential that they thoroughly consider their own values. However, employee engagement survey results highlighted the challenge of securing time for self-growth due to busy work schedules and other factors. In response to this challenge, we started the Yohaku Project in collaboration with PERSOL TEMPSTAFF CO., LTD. to further evolve the existing work style reforms.

Over 1,000 employees participate in this project, and they are working on productivity improvements and building a mechanism to share know-how internally. This allows each employee to take ownership of My Purpose, and creates the spare (Yohaku) time necessary for skill development.



Step 2: Growth lever [Liabilities]

Investment in human resources to realize our PURPOSE

In April 2024, we introduced a new personnel system called the NEXT PLAN, which will serve as a lever to significantly expand our human resources balance sheet and further enhance our results [assets]. In order to increase the corporate value of our customers, we aim to promote initiatives such as creating an environment in which each and every employee can work autonomously to improve their abilities and skills, and fostering a culture in which employees can continue to actively take on challenges in higher value-added work.

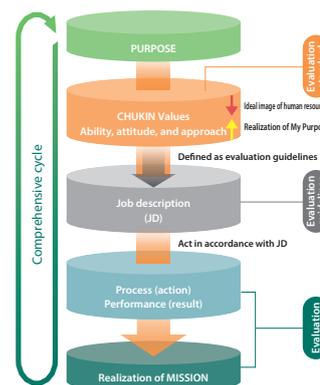
Evaluation and compensation system

We have introduced a new evaluation standard called the CHUKIN Values, which incorporates the two-way perspective of the company's ideal image of human resources and the state in which each and every employee shines in their own way.

We have also clarified the expected roles and expertise in the form of job descriptions that are based on job duties and rank, and disclosed them internally as new evaluation guidelines. By assessing the processes (actions) and performance (results) demonstrated based on the job description, we have created a highly suitable system that fairly evaluates role fulfillment and employees' transformation and challenges taken on to reach the next stage.

At the same time, we amended the compensation system, and fully shifted from a seniority-based qualification grade system to a role grade system where treatment is determined according to the size of the role played and other factors.

By combining a highly suitable evaluation system and compensation system, we work on developing human resources who continue to transform to enhance corporate value for our customers, representing the ideal human resources required.



■ **Fostering career ownership**

The new personnel system NEXT PLAN has the concept of each employee autonomously engaging in their career development, and the company encourages this by providing a variety of support measures and growth opportunities.

Career support measures

Knowing your career	Roundtable discussions with senior employees	Participate in roundtable discussions with senior employees in desired departments within career plan training
	In-house internship	Experience work in desired department for a certain period (from about three days to one week)
	In-house additional business	Up to 20% of employee time each half year can be spent on work or projects in a different division, department and branch than their own
Taking on career challenges	Career challenges	Employees are transferred to their desired department through an internal open recruitment and selection process
	In-house short-term exchange program	Employees are transferred to their desired department for short period (about 0.5 to 1.5 years) to improve their skills for medium- to long-term career development
	External secondment and dispatch	Secondment to clients or cooperating support organizations for specialized skill improvements
Refining your career	Specialist system	Registration and renewal system to develop a medium- to long-term career in specific desired work according to factors such as expertise level and market value

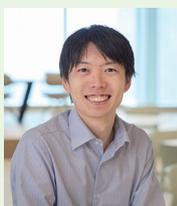
* Please see page 63 for the number of users of the in-house internship, in-house additional business, and career challenge systems.

A user of the career challenge system

I was attracted to planning work because of the experience of proposing new products to customers and pleasing them when I was working at a branch office, so I took advantage of the career challenge system to transfer to this position. I am currently involved in responding to new legislation, considering revitalization financing, and business transformation planning.

I have many opportunities to collaborate with other departments to resolve issues, and I feel my interpersonal communication skills are improving. Going forward, I would like to engage in the resolution of larger challenges while involving internal and external stakeholders.

Keisuke Ehara, Business Planning Division



Career advancement to a management position

Since joining the company, I have experienced a wide variety of duties including expenses, budgets, and benefits, and I have been involved in management and human resource development as a manager since fiscal 2024.

When appointed as manager, I was anxious and felt under pressure since I had only experienced one department. While my team members have different personalities and values, I always consider how to move toward organizational goals, and try to work sincerely with them.

Going forward, I will further focus on operational improvements and human resource development while leveraging such experiences.

Junko Ajiki, Administrative Services Division



INTERVIEW

Vision for human resources strategies to realize long-term strategy

In April 2024, we drastically revised our personnel system in order to recruit and develop human resources who continue to transform to enhance corporate value for our customers.

Approximately one year has passed since the revision of the personnel system, and considerable results have been achieved in enriching career support measures, work-life balance with childcare and nursing care, and the expansion of welfare benefits. On the other hand, we recognize that there are issues in promoting the taking on of challenges and fostering career ownership, which is why we are revamping the system in an agile manner.

Currently, the Shoko Chukin Bank is formulating a long-term strategy, and we plan to build a new human resource strategy from a long-term perspective in line with this strategy. As various changes and uncertainties in the external environment are expected to increase in the future, each employee needs to adapt to changes to provide value to customers.

We will support our employees so that they can realize their careers by helping them to look beyond the boundaries of the Shoko Chukin Bank to various areas inside and outside the company, while also building a human resource portfolio necessary for management strategy execution and realizing flexible resource allocation with appropriate personnel in appropriate places.



**Hiroo Tanaka
General Manager, Career
Development Support Division**

■ Initiatives on human resource development

With the aim of enhancing human capital, we are working on human resource development at the Hitozukuri College (Hito College), our in-house university. The Hito College program is based on the concept of “Think together, Create together. From ‘I got it’ to ‘I did it!’” and we provide a wide range of training courses for officers and employees aimed at acquiring advanced business skills and improving their human skills.

The program focuses on offering interactive content such as group work and seminars, and exchanges and a range of hands-on programs that take place outside the Shoko Chukin Bank have also been incorporated to encourage voluntary active participation, while building a system that can support practical and multifaceted skill development for all officers and employees. In addition, the MIRAI Campus training facilities provide equitable learning opportunities by creating an environment that promotes mutual learning among diverse employees and conducting hybrid training in which officers and employees can participate in real-time from all over Japan.

A wide variety of courses offering what employees want to learn about



A culture of autonomous learning



Aggressive investment in human resource development



* All of the results are for FY2024

Training system: program overview

		Acquire management and professional skills through basic and practical training				
Group training	Example of level-specific training	<ul style="list-style-type: none"> ● New employee training ● Pre-Sales Counter Training ● Sales Counter Start Training ● Sales Counter Step I to III Training ● Sales Counter career program 	<ul style="list-style-type: none"> ● Brother-Sister training ● Advanced training ● Mid-level challenge training ● Challenge College for each position ● Middle Manager training 	<ul style="list-style-type: none"> ● Training for newly appointed Section Chief and Deputy General Manager ● Management skills training for Section Chief and Deputy General Manager ● Step-up training for Section Chief and Deputy General Manager 	<ul style="list-style-type: none"> ● Training for newly appointed General Manager for branch office ● Training for newly appointed Executive Officer 	
	Voluntary participation training	Business skills	Business prospects evaluation Derivatives	Management improvement Loan management	International operations Business diagnosis seminar	Solutions operations Business succession and M&As
		Human skills	Business skills: logical thinking, task management, coaching, etc. Hands-on learning: field trips to disaster-affected areas, field trips to Awaji Island, adventure work, etc.			
		Academy	FS Academy (finance field)		DX Academy	
		“Hito-Kare” Corporate University	Future-Building (business contests, cross-border learning, etc.) Accounting Management strategies Data utilization Art thinking			
Career training	Career roundtable discussions	Career I	Career II	Career III	Career IV	
OJT	Mentor system	Internal qualification training (Next Leader Program, Management Supporters) In-house additional business, in-house internships, in-house short-term exchange program, career meetings				
Training at outside institutions	Elective in-classroom training (taking a course in a single subject at a business school, etc.) MBA (domestic/overseas), SME Training Institutes, Japan Productivity Center, etc. Academy of Management Development J-Win (women’s advancement) Hitotsubashi Financial Leadership Program			Next-generation management development training		
e-learning	Liberal arts	Training archive	Skill development support content	Self-learning! Administrative Department Work 101		

● Examples of Hito College programs

Cross-border learning and business management game

This program enables participants to acquire critical thinking for the next generation of leaders and to support companies in both strategy and finance through corporate management simulation. Through joint training with other companies, we foster the ability to overcome difficulties with diverse human resources.



Art thinking at “Hito Kare” Corporate University

In order to develop human resources capable of transforming organizational culture, this is a program for appreciating contemporary art and creating works by stepping away from daily operations and logical thinking, with an aim to create business plans based on innovative concepts. This program cultivates the ability to flexibly create new value by facing questions with no right answers.



Step 3: Results [Assets]

Acquisition of business skills (hard skills)

The well-being of each employee and his or her passion with regard to SMEs, and his or her motivation to grow are outputted as business skills and human skills through our human resource development and career support initiatives. Business skills here refer to knowledge and information that can be applied to banking operations at the Shoko Chukin Bank. In addition to base skills such as digital skills and business prospects evaluations, participants acquire knowledge and skills linked to management strategies such as business revitalization support, industry problem solving, equity operations and advanced finance, and startup support.

Acquisition of human skills (soft skills)

Based on a self-directed learning stance rooted in the “My Purpose” concept, we aim to improve human skills that employees can apply throughout their life, including in a second career, by improving their sense of hospitality and sincerity towards customers and integrity that leads to an awareness that comes only through knowledge and practice, in addition to their communication, teamwork, and leadership skills.

PICK UP

Practical examples based on Human Resources Value Creation Model—New business creation

Some examples of human resource development through new business creation initiatives are introduced below.

Results of Human Resources Value Creation Model / New business creation (service details ▶▶ p.40)

Step 3	Results [Assets]	Human resources balance sheet	Step 2	Growth lever [Liabilities]
	Business skills “Knowledge” and “information” <ul style="list-style-type: none"> ■ Traditional banking <ul style="list-style-type: none"> • During their time at a branch office, the employee honed their ability to provide loans, evaluate business prospects, and propose solutions, and acquired the ability to contribute to the enhancement of corporate value of SMEs through the power of finance. ■ Ability to create new businesses and digital skills <ul style="list-style-type: none"> • After focusing on new business development, the employee was faced with a lack of knowledge in passenger transport field, took stock of their own skills, and built up marketing, business planning, project management, and digital skills one by one, in addition to support capabilities they had developed in the branch office. 			Personnel system, human resources development, and career support <ul style="list-style-type: none"> ■ Career support system <ul style="list-style-type: none"> • The employee participated in an in-house business contest, where teams came up with new business ideas that would help solve issues faced by SMEs. • After discussing commercialization under the in-house additional business system, the employee was transferred to the new business development department. Business development is fully underway. ■ In-house university Hitozukuri College <ul style="list-style-type: none"> • The employee acquired the knowledge and skills necessary for new business development by utilizing GLOBIS Unlimited, a Hito College course. • The employee participated in cross-border learning training, and improved self-transformation capabilities by reflecting objectively on their self and the Shoko Chukin Bank through interaction with human resources from other companies.
	Human skills “Practice” and “change” <ul style="list-style-type: none"> ■ Relationship building capabilities <ul style="list-style-type: none"> • By putting into practice what they learned in the Hito College course, which trains logical thinking skills, in operations and accumulating practice, proposal capabilities and communication skills with internal and external stakeholders improved dramatically. ■ Execution and completion capabilities <ul style="list-style-type: none"> • To advance the project, the employee enhanced leadership abilities to elicit empathy and involvement of all parties involved, gained cooperation through repeated dialogues with stakeholders, and maximized teamwork to achieve the outcome of commercialization. 		Step 1	Source of growth [Capital]
			Fostering values <ul style="list-style-type: none"> ■ Engagement (passion with regard to SMEs, motivation to grow) <ul style="list-style-type: none"> • In the sales field, the employee witnessed managers struggling to secure human resources and developed a strong desire to help SMEs. • Motivation for further growth was heightened based on the feeling that it was important to utilize one’s ideas, abilities, and actions to contribute to SMEs. ■ My Purpose of a service developer <ul style="list-style-type: none"> • “I aim to maximize life experience through uninhibited adventure.” 	

INTERVIEW

I want to help all SMEs in need

With this desire as a starting point, I faced challenges I felt at branch offices head-on, and continued learning and taking on challenges myself. As a result, I reached commercialization with the support of many people involved. Going forward, not limited to the bus industry, I will work on the expansion of service offerings to facilitate resource sharing in other industries as well. I would like to continue growing the service and myself going forward, toward realizing the Shoko Chukin Bank’s PURPOSE.



Rikuto Shido,
Future Design Department

Indicators and targets

The indicators and targets for visualizing the state of human capital management practices are described below. These indicators and targets are quantified based on a Human Resources Value Creation Model, which comprehensively indicates the process leading to value creation. Currently, we have set targets regarding DE&I that we recognize as challenges, and we plan to review indicators and targets going forward in line with the human resource strategy formulated toward long-term strategy realization.

Strategy	Our issues	Indicators* ¹	Mar. 31/'23 results	Mar. 31/'24 results	Mar. 31/'25 results	Mar. 31/'27 targets
Fostering values (Source of growth)	Encouraging employees to take ownership of the PURPOSE	Number of participants in Purpose Workshops* ²	4,091人(96.0%)	3,941人(92.0%)	3,784人(87.8%)	—
		Mid-career hires as a percentage of new hires	17.2%	16.9%	30.6%	—
	Creating opportunities for diverse human resources by promoting DE&I	Female workers as a percentage of graduate hires	42.6%	33.8%	46.1%	50.0%
		Female workers as a percentage of managers* ³	7.9%	8.7%	13.2%	20.0%
		Differences in wages between male and female workers (Average wages of female workers as a percentage of the average wages of male workers)* ³	All workers 41.0%	All workers 40.2%	All workers 42.0%	—
			Regular employees 47.4%	Regular employees 46.9%	Regular employees 49.2%	—
		Percentage of employees taking childcare leave* ³	Temporary employees 68.8%	Temporary employees 66.3%	Temporary employees 64.0%	—
Male: 87.6%	Male: 84.8%		Male: 87.4%	Male: 100%		
Female: 100%	Female: 100%	Female: 121.2%				
Improvement of well-being	Percentage of employees taking paid leave* ³	76.8%	79.6%	76.9%	90.0%	
Career support Human resource development and reskilling (Growth lever)	Self-directed career formation	Number of in-house internship applicants (cumulative)* ⁴	160人	466人	790人	—
		Number of in-house additional business applicants (cumulative)* ⁴	137人	247人	331人	—
		Number of career challenge system applicants (cumulative)* ⁴	52人	106人	157人	—
	Autonomous skill improvement by each employee	Training expenses per person	¥49,276	¥75,336	¥84,323	—
		Number of participants in voluntary participation training at Hito College (cumulative)	—	1,603人	4,309人	—
		Number of employees dispatched to the external exchange program for human resource development (cumulative) (completed only)* ⁴	33人	112人	201人	—
Human capital output (Human capital investment results)	Promoting the acquisition of skills to support the enhancement of customers' corporate value in order to resolve material issues	Number of employees who have acquired sustainability-related qualifications (cumulative)	740人	1,283人	1,648人	—
		Number of employees who have passed IT Passport Examination (cumulative)	915人	1,119人	2,055人	—
		Number of employees who have passed the secondary test for Small and Medium Enterprise Management Consultants and employees who completed consulting practice (cumulative)	57人	67人	88人	—
		Number of employees with an MBA (cumulative)	14人	15人	22人	—
	Strengthening initiatives that contribute to the enhancement of customers' corporate value in order to resolve material issues (link with management strategies)	[S] Number of financing projects for startup companies	Approx. 280	Approx. 280	Approx. 330	—
		[E] Number of sustainable finance projects	51	142	Approx. 150	—
		[T] Percentage increase in rank of support recipients	Approx. 8.9%	Approx. 13.6%	Approx. 11%	—
Human capital outcome (Human capital investment outcome)	Improving employee engagement to realize the required human resources	eNPS SM * ⁵	(48.8)	(42.5)	(43.3)	—
		Employee engagement survey "I want to continue to work for my current employer"	77.6%	81.1%	79.2%	—
		Employee engagement survey "Degree of understanding of the PURPOSE"	94.4%	95.2%	92.0%	—
		Employee engagement survey "Degree of implementation of My Purpose"	69.2%	72.8%	65.1%	—
	Improving customer evaluation of the Shoko Chukin Bank	NSP SM * ⁶	(2.9)	(2.7)	(7.0)	—

*1 All indicators are calculated on a non-consolidated basis for the Shoko Chukin Bank

*2 All officers and employees are eligible to participate, beginning in fiscal 2022, the year the PURPOSE was established.

The number of participants varies by fiscal year. In fiscal 2023, approximately 270 Purpose Workshop Facilitators who served as moderators at each business site were not counted as participants. In fiscal 2024, in addition to approximately 230 such facilitators not being counted as participants, the participation of temporary employees was made optional considering actual operational conditions, which also affected the participant numbers.

*3 Items to be disclosed in accordance with provisions in the Act on the Promotion of Women's Active Engagement in Professional Life

*4 Fiscal 2022, the year the PURPOSE was established, is used as the starting point for the aggregation of indicators.

*5 eNPSSM: employee Net Promoter Score

A numerical workplace recommendation value based on the answer to the question: "How likely are you to recommend your workplace to close acquaintances and friends?" Employees rate and respond to workplace recommendations on a scale of 0 to 10, and the percentage of detractors giving 0 to 6 scores is deducted from the percentage of promoters giving 9 to 10 scores. eNPS is a service trademark of Bain & Company, Inc., Fred Reichheld, and NICE Systems, Inc.

*6 NPSSM: Net Promoter Score

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 to 6). NPSSM is a registered trademark of Bain & Company, Inc., Fred Reichheld, and Satmetrix Systems, Inc.



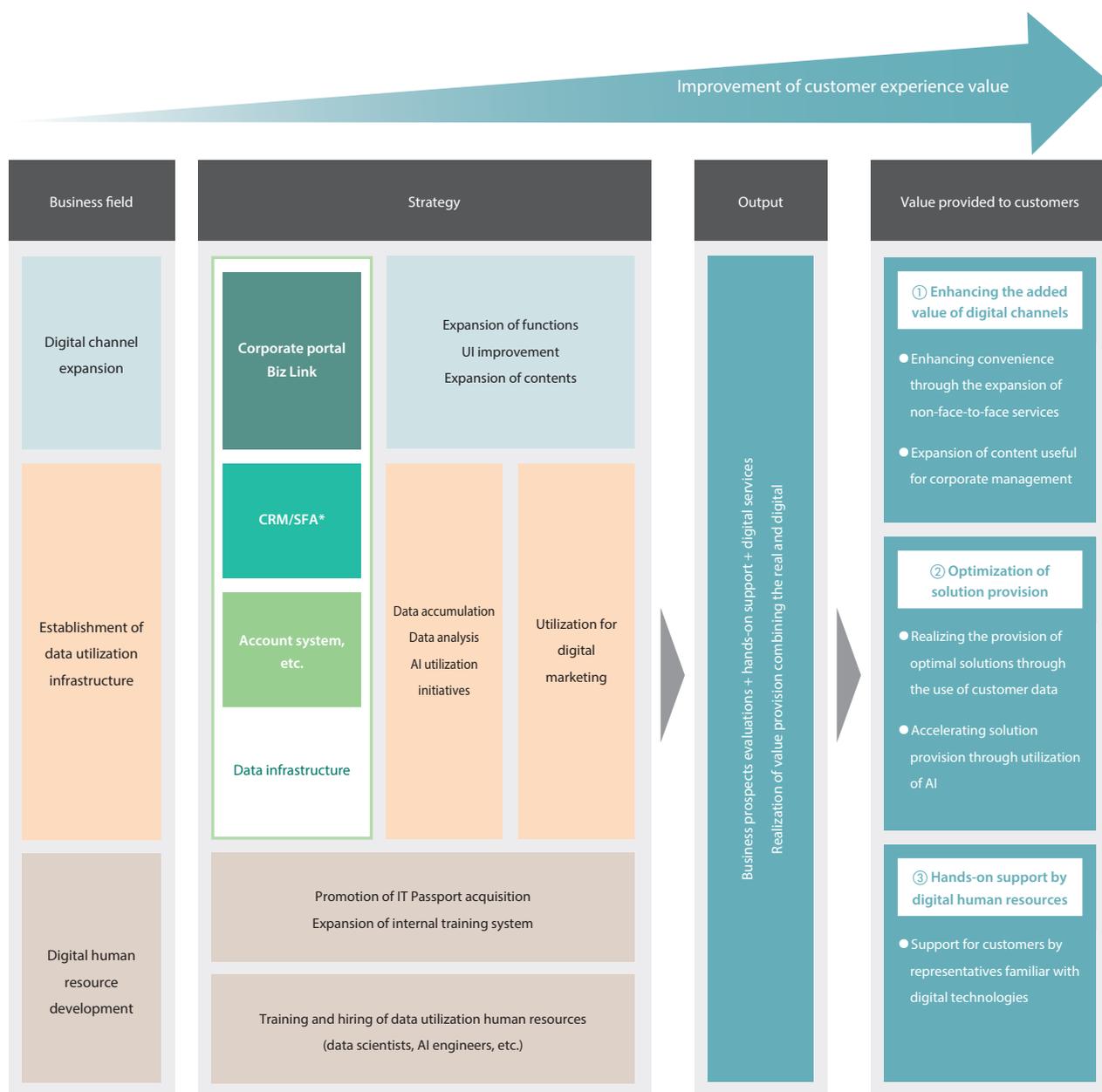
Digital Transformation (DX)

To maximize the value of customer experience through the combination of real and digital worlds by adopting DX for the Shoko Chukin Bank, we are working on digital channel expansion, the establishment of data utilization infrastructure, and digital human resource development. Regarding AI utilization, we are advancing various proofs of concept against a backdrop of recent rapid technological progress.

In these efforts, robust system infrastructure and data infrastructure are essential, and while advancing their development, beyond providing environments where customers can use with peace of mind such as cyber security measures, we consider accelerating digitalization investments for the enhancement of the customer experience value such as high-quality information provision to be of the utmost importance.

In order to support the management of SMEs in this era of rapid change, the Shoko Chukin Bank will build its value provision that combines the real with the digital to a high level of quality by combining dialogue with customers and the provision of digital services. We will also continue to invest in the development of digital human resources who support such efforts, thereby working toward their realization.

The Shoko Chukin Bank's DX and the roadmap for improving customer experience value through it



* Systems that collect and analyze customer needs and data in an advanced manner

Main future initiatives

Strategic items	Vision	Main initiatives
Enhancement of digital channel convenience and expansion of customer contact points	<ul style="list-style-type: none"> ● Transform the customer experience through corporate portal (Shoko Chukin Bank Biz Link) utilization (provision of experience value that leads to customers' corporate value enhancement) 	<ul style="list-style-type: none"> ● Improve UI/UX of Shoko Chukin Bank Biz Link ● Expand services to support customer management (expansion of forms that can be provided by the electronic delivery service, enhancement of useful information, etc.) ● Develop a system where sales representatives provide speedy responses to needs based on information received through Shoko Chukin Bank Biz Link
Digitization of traditional bank sales activities	<ul style="list-style-type: none"> ● Transform sales activities by establishing CRM/SFA utilization to "mobilize the collective power of the entire company to deliver the best proposals to customers" 	<ul style="list-style-type: none"> ● Establish new action styles for sales representatives by accumulating and utilizing action and business discussion data in CRM/SFA ● Streamline sales representatives' administrative work through utilization of AI ● Improve customer satisfaction in face-to-face sales through organizational knowledge based on data
DX solution implementation support	<ul style="list-style-type: none"> ● Contribute to the enhancement of corporate value by broadly supporting SMEs' DX challenges through collaboration with external specialized organizations 	<ul style="list-style-type: none"> ● Establish a hands-on support system through DX consulting, starting with a DX and IT survey ● Strengthen the service lineup by expanding external partnerships
Data infrastructure development	<ul style="list-style-type: none"> ● Establish an environment where data required for each business operation can be smoothly utilized through data aggregation and organization ● Achieve data-driven management 	<ul style="list-style-type: none"> ● Construct and organize data accumulation infrastructure and analysis environment ● Visualize and cross-share various data using BI tools ● Achieve MA (marketing automation) utilizing CRM/SFA data infrastructure, etc.
AI utilization	<ul style="list-style-type: none"> ● Improve productivity of SMEs and the Shoko Chukin Bank by establishing an environment where AI can be seamlessly utilized in business operations 	<ul style="list-style-type: none"> ● Advance CRM/SFA infrastructure utilization through AI ● Expand cases of AI utilization to improve productivity ● Raise awareness of the need to connect the time created by productivity improvement to value provision for customers
Digital human resource development	<ul style="list-style-type: none"> ● Develop sales human resources who understand management support and digital technologies ● Hire and train human resources to serve as the foundation for data and AI utilization 	<ul style="list-style-type: none"> ● Promote acquisition of national certifications such as IT Passport, and develop an environment for offering in-house DX training courses ● Strengthen hiring of human resources in the sciences

Communication with Stakeholders

The Shoko Chukin Bank's shareholders have all become private shareholders with the complete disposal of government-owned shares in June 2025. Going forward, we will further deepen communication with stakeholders, reflect the voices of SMEs in management, and work toward corporate value enhancement.

In April 2025, we newly established the Corporate Communication Division to strengthen communication with shareholders and other stakeholders and external PR activities.

■ Communication with shareholders

We strive to disclose easy-to-understand information so that shareholders can understand the Shoko Chukin Bank's operations and financial position and make appropriate judgments about the soundness of its management.

We will enhance disclosure through General Meetings of Shareholders and shareholder newsletters, as well as collect feedback from shareholders through shareholder questionnaires to reflect in management.

Main shareholder questionnaire content for FY2025

- Future shareholding policy
- What is most expected in shareholder return measures
- Expectations of the Shoko Chukin Bank after privatization, etc.

■ Communication with customers

The Shoko Chukin Bank conducts a customer satisfaction survey annually. The survey results are used to improve customer satisfaction and services.

	Mar. 31/'21	Mar. 31/'22	Mar. 31/'23	Mar. 31/'24	Mar. 31/'25
Overall satisfaction	83.1%	84.2%	84.6%	84.5%	84.0%
Sales representative satisfaction	78.6%	79.8%	78.1%	79.2%	82.1%
NPS®	(7.7)	(6.4)	(2.9)	(2.7)	(7.0)

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

(Note) Sales representative satisfaction is the percentage of respondents who answered "5: Satisfied" or "4: Somewhat satisfied" 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 to 6) NPS® is a registered trademark of Bain & Company, Inc., Fred Reichheld, and Satmetrix Systems, Inc.

■ Communication with institutional investors

We regularly engage in dialogue with institutional investors and utilize the gained opinions to enhance our corporate value.

FY2024 results

Financial results briefings	2 times	Held in June and December 2024
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■ Communication with local communities

Cooperation and collaboration with regional financial institutions

The Shoko Chukin Bank positions cooperation with regional financial institutions and industry organizations that support regional economies together as one of its business operation policies. At branch offices nationwide, we regularly engage in dialogue with management of regional financial institutions, share regional needs and issues, and work to address such issues.

By combining the abundant information rooted in each region held by regional financial institutions with the Shoko Chukin Bank's functions and know-how, we contribute to regional revitalization through customers' corporate value enhancement.

Financial education

The Shoko Chukin Bank provides financial learning opportunities to students who will lead the future.

One of these efforts is participation in the SDGs MIRAI KAIGI Official, a YouTube channel hosted by Sendenkaigi Co., Ltd. We introduce the Shoko Chukin Bank's initiatives toward achieving SDGs through this program.

In addition, in May 2025, we conducted off-campus learning at the Midtown Yaesu Headquarters for students from Wayo Kudan Girls Junior & Senior High School (Tokyo).

▶▶ For details, please click here to watch the video.

<https://youtu.be/AvAHvQ06r6c?si=3uTHU98KH0AGM3S1>



■ Communication with employees

President's blog

In the President's blog (blog name: "The President's Perspective"), the President personally writes and disseminates messages to employees through the company intranet.

Since the first post in April 2018, the President has published a total of over 340 posts up until now. The President's blog allows direct communication between the President and employees through comments on posts or emails to the President. In fiscal 2024, the President's blog was viewed over 2,500 times on average, and contributed to deepening employees' understanding of corporate philosophy, management policy, and other matters.

Dialogue between management and employees

We regularly hold candid dialogue sessions between the management and employees. In fiscal 2024, dialogues with the President and Vice Chairman were held for each employee level on themes such as the vision of the Shoko Chukin Bank considering privatization. Real-time Q&A sessions were also conducted to promote understanding.

TOPIC

Family Day at Midtown Yaesu Headquarters

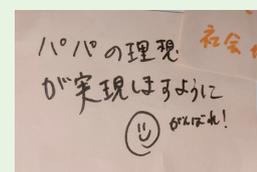
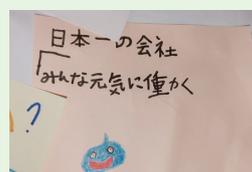
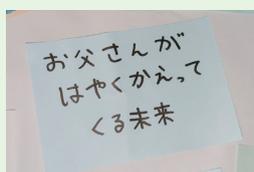
The Shoko Chukin Bank holds Family Day events for the families of its officers and employees and offers workplace tours. In August 2025, Family Day was held at the Midtown Yaesu Headquarters opened in May 2025, with a total of 206 participants including officers and employees. In addition to business card exchanges with the President and a simulated Management Meeting, participants were asked to create a Sketch of the Future, expressing the future they hope the Shoko Chukin Bank will realize, to communicate with officers, employees, and their families. We aim for enrichment in work, family and society, and individuals through such initiatives.



Participant exchanging business cards with the President in the President's office



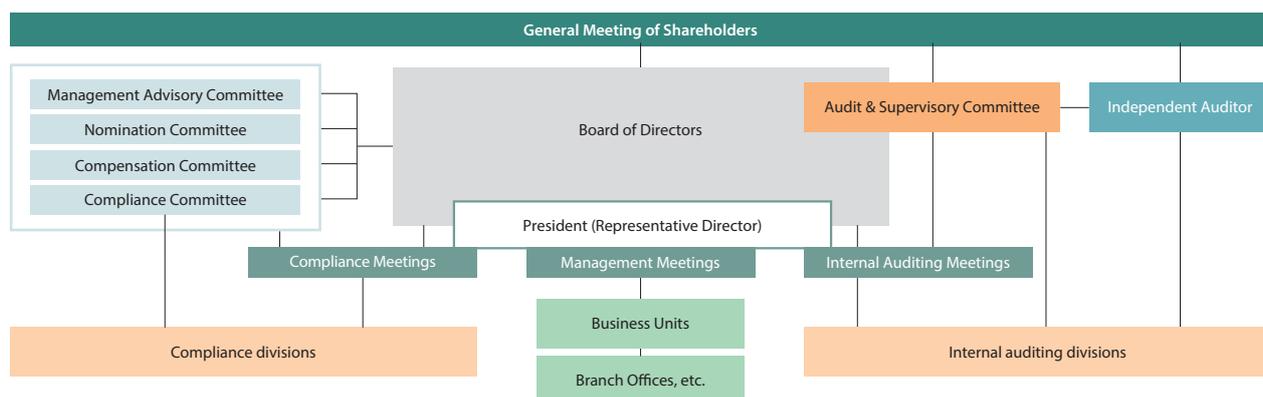
Participants working on a Sketch of the Future



Governance Structure

I. Our Fundamental Approach to Corporate Governance Reform

The Shoko Chukin Bank is taking the privatization triggered by the disposal of government-owned shares in 2025 as an opportunity to shift to governance that ensures transparency, accountability, and agility, including the sophistication of our Board of Directors. In addition, we regard governance not merely as a supervisory function but as a foundation for value creation, and use it as a means to enhance management quality.



II. Governance Reforms

In 2018, the Shoko Chukin Bank initiated governance reforms by reorganizing its management structure through the appointment of a majority of external directors and the introduction of a mandated executive officer system. We transitioned to a company with an audit and supervisory committee in June 2024 to further strengthen our governance. In July 2025, we introduced a Group Chief Officer system to further sophisticate our governance structure.

(FY)	2018-2021	2023	2024	2025
	Submitted Operation Improvement Plan	Enacted the revised Shoko Chukin Bank Act		Enforced the revised Shoko Chukin Bank Act
Board of Directors	Shift to a majority of external directors		Transitioned to a company with an audit and supervisory committee	
Diversity of the Board of Directors	Appointed female directors, Introduced skills matrix		Ratio of female directors: 30%	
Effectiveness of the Board of Directors	Commenced effectiveness evaluations of the Board of Directors	Start of intensive discussions		
Executive Officers	Introduced mandated executive officer system			Introduced the Group CxO system
Established voluntary committees, etc.			From Human Resources Committee to Nomination Committee	Strengthened functions of Management Advisory Committee

III. Governance Framework

In June 2024, we transitioned to a company with an audit and supervisory committee. By allowing Audit & Supervisory Committee Members to exercise voting rights and participate in decision-making at Board of Directors meetings, we have strengthened the auditing and supervisory functions over business execution.

■ Board of Directors

The Board of Directors is comprised of 13 directors, the majority (seven members) of whom are external directors. The Board of Directors deliberates on and decides important matters pertaining to the execution of the Bank's business activities while at the same time supervising the duties of directors and executive officers. Through these means, every effort is made to ensure that the Bank's overall operations continue to function in an appropriate and effective manner.



■ Audit & Supervisory Committee

The Audit & Supervisory Committee is comprised of five Audit & Supervisory Committee Members, the majority (three members) of whom are external Audit & Supervisory Committee Members. Audit & Supervisory Committee Members audit the execution of duties by directors from the perspective of legality and appropriateness, and the Audit & Supervisory Committee prepares audit reports, decides on proposals, such as those regarding the appointment of directors who are not Audit & Supervisory Committee Members, and determines audit policies.

13 Directors, including 7 External Directors

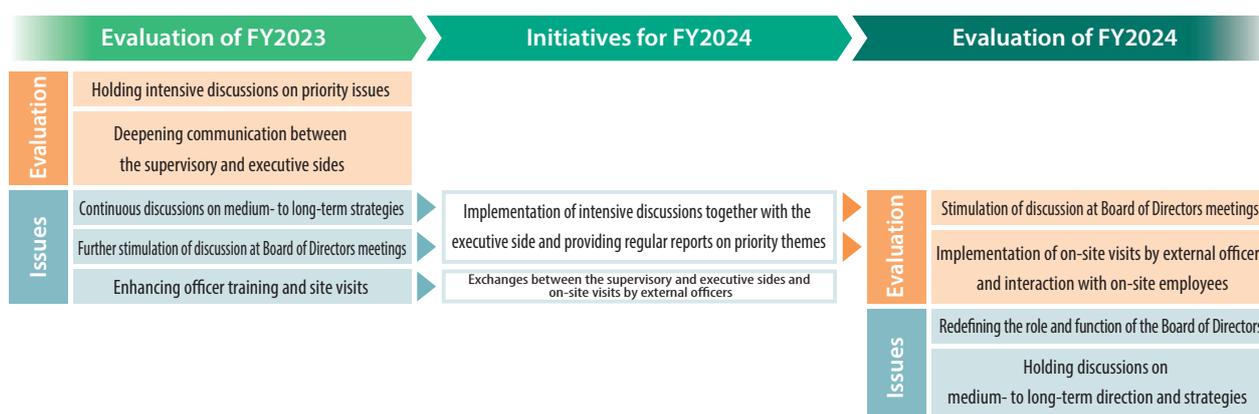
IV . Sophistication of the Board of Directors

In fiscal 2024, the Board of Directors monitored the status of operations following the transition in June 2024 to a company with an audit and supervisory committee. Based on the results, we are working to increase the efficiency of discussions at Board of Directors meetings, including the delegation of authority to the executive divisions, and to improve the Board's operating structure for the purpose of securing sufficient time for deliberations on important agenda items.

Furthermore, based on the results of the evaluation of the effectiveness of the Board of Directors, conducted with the involvement of a third-party organization, we resolved to use the privatization as an opportunity to move away from the traditional meeting body centered on business reporting and evolve into a future-oriented meeting body that actively discusses medium- to long-term management strategies. This initiative goes beyond short-term performance management and aims to further improve the quality of governance with a view to achieving sustainable enhancement of corporate value.

■ Effectiveness evaluation of the Board of Directors

The Shoko Chukin Bank has been evaluating the effectiveness of the Board of Directors since fiscal 2018 in an effort to strengthen governance. We conduct a questionnaire survey of all members of the Board of Directors from the perspectives of Board functions, Board operations, cooperation with audit organizations, and support for directors and Audit & Supervisory Committee Members. The results are then summarized and discussed at a Board of Directors meeting, to determine initiatives for the next fiscal year. We will work to further improve the functions of the Board of Directors by repeating this PDCA cycle each year.



“Major matters to be discussed” in FY2024

- Formulation of a new VALUE for the Shoko Chukin Bank
- Approach to conducting discussions on long-term management policies
- Establishment of a human capital subsidiary
- FY2025 Risk Management Program, etc.

* In addition to “matters to be resolved” and “matters to be reported,” the Shoko Chukin Bank’s Board of Directors has set “matters to be discussed” since FY2021. These discussions place emphasis not on reaching immediate conclusions but on engaging in in-depth discussions.

Reference Free entry field of the questionnaire (partial excerpt)

■ Positive opinions on the function and operation, etc., of the Board of Directors

- The Board of Directors conducts open and active discussions and is functioning appropriately.
- Meetings of the Board of Directors are carried out appropriately.
- By holding intensive discussions in which Directors, Audit & Supervisory Committee Members, and Managing Executive Officers engage in full-day discussions every six months, we were able to have constructive discussions while addressing important issues.

■ Opinions aimed at improving effectiveness

- Discussions on medium- to long-term strategies aimed at enhancing corporate value need to be conducted.
- Further stimulation of discussion at Board of Directors meetings is needed.
- Officer training and site visits need to be enhanced.

Some of the initiatives that the Bank will take in fiscal 2025, which were decided through discussions at the Board of Directors meeting, are outlined below.

Initiatives for FY2025 based on the results of the effectiveness evaluation of the Board of Directors in FY2024

- Sophisticated discussions on medium- to long-term strategies
- Reflecting information on the environment surrounding SMEs in strategies, deepening understanding of conditions at headquarters and branch offices, etc.

V. Sophistication of Group Management

To realize our PURPOSE through enhancing the corporate value of the Shoko Chukin Bank Group as a whole, the Shoko Chukin Bank introduced a new Group Chief Officer system in July 2025.

In a rapidly changing environment, the Shoko Chukin Bank needs to advance its own corporate transformation, and under the overall supervision of Chief Executive Officer, the Bank has appointed a Chief Transformation Officer and a Chief Digital & Information Innovation Officer, who are responsible for corporate and digital transformation, a Chief Compliance Officer and a Chief Risk Officer, who are responsible for compliance and risk management, which are prerequisites for the steady implementation of these reforms.

Title	Roles
Chief Executive Officer	Responsible for the management of the Shoko Chukin Bank Group and overseeing overall management
Chief Transformation Officer	Responsible for promoting corporate transformation and leading business model reforms
Chief Digital & Information Innovation Officer	Responsible for promoting digital transformation and innovation and overseeing business execution
Chief Compliance Officer	Responsible for developing and operating the compliance systems and overseeing and checking business execution
Chief Risk Officer	Responsible for developing and operating the risk management systems and overseeing and checking business execution

VI. Advisory Bodies to the Board of Directors

The Shoko Chukin Bank has established a Management Advisory Committee, a Nomination Committee and a Compensation Committee as advisory bodies to the Board of Directors.

Nomination Committee, Compensation Committee

	Overview	Number of meetings in FY2024	Main discussions
Nomination Committee	Advisory body to the Board of Directors consisting of four or more directors and executive officers (the majority of whom are external directors)	5	<ul style="list-style-type: none"> Human resource plan based on the transition to a company with an audit and supervisory committee Formulation of a major policy for succession plans
Compensation Committee		4	<ul style="list-style-type: none"> Executive compensation, systems and retirement benefits

■ Overview of succession plans

We position succession plans for the President (Representative Director) as the most important strategic decision-making process in management, in order to achieve sustainable growth and medium- to long-term enhancement of corporate value through realizing our PURPOSE and MISSION. With an eye on the next generation's management environment, we will establish human capital requirements that define the qualities of a president suitable to lead the Bank and use them as criteria for selection and appointment, etc. For the processes of succession plan formulation, selection, development, appointment, and other processes, we strive to ensure adequate objectivity and transparency through continuous deliberation and involvement by the Board of Directors and the Nomination Committee, where external directors constitute the majority.

Management Advisory Committee

The Shoko Chukin Bank has established a Management Advisory Committee as a system that incorporates the intentions of SME organizations and SMEs in management. Even after privatization, the functions of the Management Advisory Committee have been significantly strengthened to reflect the opinions of private shareholders in management, mainly SME cooperatives throughout Japan and their members. Specifically, beginning in fiscal 2025, we newly established advisory matters concerning the status of discussions at Board of Directors meetings, thereby clarifying the Committee's position as an advisory body to the Board of Directors. Furthermore, to enhance the effectiveness of Committee discussions, we publish a summary of the proceedings on our website. As members of the Committee, SME organizations that became eligible for shareholder status, following the enforcement of the revised Shoko Chukin Bank Act, have newly joined the Committee and provide constructive and multifaceted advice on our management.

Overview	Number of meetings	Main discussions
Advisory body to the Board of Directors which consists of shareholders of the Bank or representatives of SMEs throughout Japan with which the Bank does business, etc.	2 in FY2024	<ul style="list-style-type: none"> Reporting related to business performance Matters relating to the revision of the Shoko Chukin Bank Act and disposal of government-owned shares, etc.
	1 in FY2025 (from April 2025 to July 2025)	<ul style="list-style-type: none"> Reporting related to business performance Status of discussion on the Shoko Chukin Bank Group's vision Status of discussions at Board of Directors meetings in FY2024, etc.



■ List of Management Advisory Committee members

(as of July, 2025)

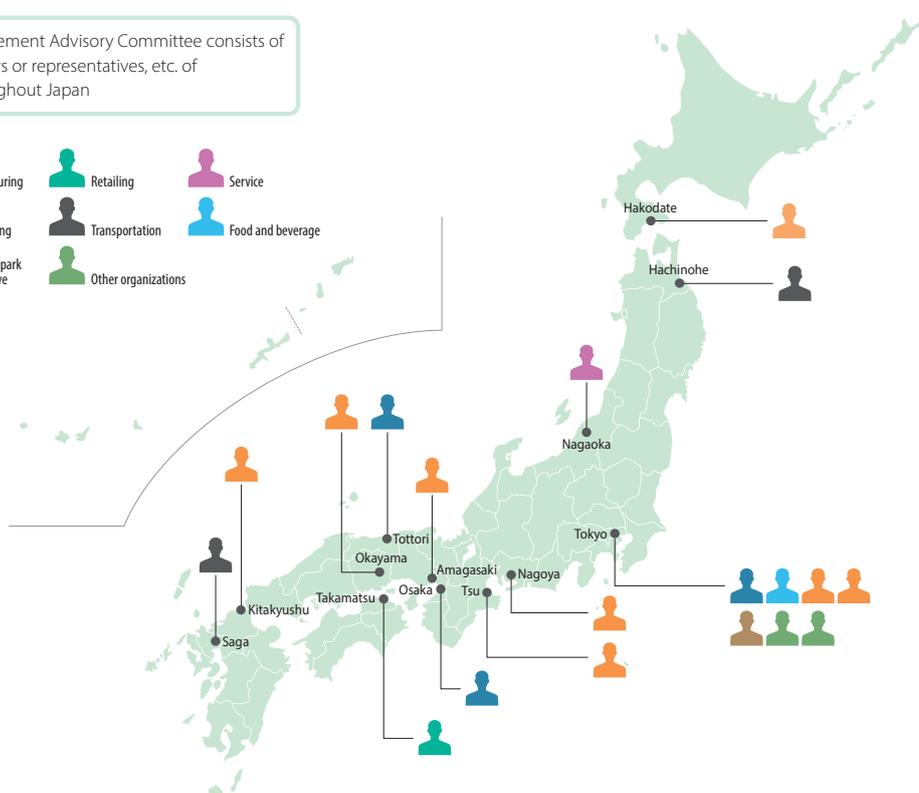
Chairperson	Masayoshi Ohkubo	Chairman and CEO of Nippon Cable Co., Ltd.
Vice chairperson	Noritada Mitsubayashi	Chairman of Yamamori Inc.
Member	Motohiro Takano	President & CEO of Dohsui Co., Ltd.
	Hajime Izumiyama	President of Miyago Ryutsu Co., Ltd.
	Chieko Miki	President of MIKI INTERNATIONAL CO., LTD
	Kyoko Murakami	President of Urayasu Steel Industrial Park Cooperative
	Masahiko Mochizuki	Senior Managing Director of Mochizuki Printing Co., Ltd.
	Takeshi Yoshimi	President of Yoshimi Trading INC.
	Yasutaka Watanabe	President of Watanabe Linen CO., LTD.
	Shinya Ubukata	Owner of UBUKATA INDUSTRIES Co., Ltd.

Member	Tetsuji Ikegami	President & CEO of KONAN MEDICAL, INC.
	Yuzuru Kitamura	President of ARKACE Co., Ltd.
	Yuichi Shindo	President of Shindo Co., Ltd.
	Shinzo Hiruta	Chairman of HIRUTA KOGYO CO., LTD
	Noritsugu Miyawaki	President of MIYAWAKI SHOTEN CO., LTD.
	Ayako Kuroki	President of KUROKI KOGYOSHO CO., LTD.
	Masatoshi Mawatari	Chairman of MATSUURA EXPRESS CO., LTD.
	Tetsuya Sato	Senior Executive Director of National Federation of Small Business Associations
Hitoshi Ito	Senior Executive Director of The Japan Chamber of Commerce and Industry	

The names are listed in Japanese alphabetical order by district.

The Management Advisory Committee consists of shareholders or representatives, etc. of SMEs throughout Japan

-  Manufacturing
-  Retailing
-  Service
-  Wholesaling
-  Transportation
-  Food and beverage
-  Industrial park cooperative
-  Other organizations



Directors



◆ **President (Representative Director) & President and Executive Officer
Chief Executive Officer**

Masahiro Sekine

Date of birth: May 18, 1957

Term of office as Director: 7 years ■ 18 out of 18 meetings

April 1981 Joined The Dai-ichi Kangyo Bank, Limited (currently Mizuho Financial Group, Inc.)
June 2008 Director and Senior Managing Officer, Head of Corporate Planning Division and General Manager of Corporate Communication Office, Corporate Planning Division of SEIBU HOLDINGS INC.
June 2009 Director and Senior Managing Officer of Prince Hotels, Inc. (currently SEIBU PRINCE HOTELS WORLDWIDE INC.)
Director of SEIBU PROPERTIES INC. (currently SEIBU REAL ESTATE INC.)
June 2010 Director and Executive Managing Officer of Prince Hotels, Inc.
March 2018 President (Representative Director) of the Bank
June 2018 President (Representative Director) & President and Executive Officer (current position)



◆ **Vice Chairman of the Board**

Hideyuki Makino

Date of birth: October 7, 1964

Term of office as Director: 1 year ■ 14 out of 14 meetings

April 1987 Joined the Bank
June 2018 Audit and Supervisory Board Member
June 2020 Managing Executive Officer
April 2022 Managing Executive Officer and General Manager of Corporate Planning Division
April 2023 Managing Executive Officer
June 2023 President (Representative Director) of SHOKOCHUKIN COMPUTER SYSTEMS CO., LTD.
April 2024 Senior Managing Executive Officer and General Manager of Systems Planning Division of the Bank
June 2024 Director & Senior Managing Executive Officer and General Manager of Systems Planning Division
April 2025 Director & Senior Managing Executive Officer
June 2025 Vice Chairman of the Board (current position)



◆ **External Director**

Kazutaka Okubo

Date of birth: March 22, 1973

Term of office as Director: 5 years ■ 17 out of 18 meetings

June 2019 President and Representative Director of Okubo Associates Inc. (current position)
External Audit and Supervisory Board Member of SEGA SAMMY HOLDINGS INC.
Outside Director of Sun Frontier Fudousan Co., Ltd.
September 2019 External Corporate Auditor of BrainPad Inc.
December 2019 Outside Director of LIFULL Co., Ltd. (current position)
February 2020 Outside Director of SALA Corporation (current position)
June 2020 External Director of the Bank (current position)
Outside Director serving as Audit & Supervisory Committee Member of Musashi Seimitsu Industry Co., Ltd. (current position)
November 2020 CEO of Kabushiki Kaisha SS Dinaform (current position)
September 2021 External Director and Member of the Audit and Supervisory Committee of BrainPad Inc. (current position)
June 2022 External Director, Audit and Supervisory Committee Member of SEGA SAMMY HOLDINGS INC. (current position)
June 2024 Outside Director (Audit & Supervisory Committee Member) of Sun Frontier Fudousan Co., Ltd. (current position)



◆ **External Director**

Fujiyo Ishiguro

Date of birth: February 1, 1958

Term of office as Director: 3 years ■ 17 out of 18 meetings

June 2014 Outside Director of Monex Group, Inc.
June 2015 Outside Director of Sompo Japan Nipponkoa Insurance Inc. (currently Sompo Japan Insurance Inc.)
May 2021 Outside Director of WingArc1st Inc.
June 2021 Director of Netyear Group Corporation
External Director of SEGA SAMMY HOLDINGS INC. (current position)
June 2022 External Director of the Bank (current position)
June 2023 External Director of MITSUI & CO., LTD. (current position)

▶ Audit & Supervisory Committee Members



◆ **External Director, Audit & Supervisory Committee Member
Chairperson of Audit & Supervisory Committee**

Yusuke Kawamura

Date of birth: December 5, 1953

Term of office as Director: 1 year ■ 14 out of 14 meetings ■ 12 out of 12 meetings

April 1977 Joined Daiwa Securities Co. Ltd.
April 2000 Professor at Faculty of Economics and Graduate School of Economics of Nagasaki University
April 2010 Senior Executive Managing Director of the Institute of Daiwa Institute of Research Ltd.
January 2011 Member of Fiscal System Council of Ministry of Finance
April 2012 Deputy Chairman of the Institute of Daiwa Institute of Research Ltd.
February 2013 Member of Business Accounting Council of Financial Services Agency
June 2017 Director and Audit & Supervisory Committee Member of Mitsui Sugar Co., Ltd. (currently Mitsui DM Sugar Co., Ltd.) (current position)
October 2017 Chair of Shoko Chukin Bank State of Affairs Study Group
April 2018 Chairperson of Evaluation Committee on the Shoko Chukin Bank's Management and Crisis Response Operations
April 2019 Special Advisor to the Japan Securities Dealers Association
April 2020 Representative Director of Institute of Global Policy Research (current position)
March 2021 Outside Director of Canon Inc. (current position)
June 2024 External Director and Audit & Supervisory Committee Member of the Bank (current position)



◆ **Director, Audit & Supervisory Committee Member**

Masahiko Terauchi

Date of birth: January 19, 1967

Term of office as Director: 1 year ■ 17 out of 18 meetings ■ 11 out of 12 meetings

April 1990 Joined the Bank
April 2021 General Manager of Internal Audit Division
June 2022 Audit & Supervisory Board Member (Full-time)
June 2024 Director and Audit & Supervisory Committee Member (current position)



◆ **External Director, Audit & Supervisory Committee Member**

Takanori Ishikawa

Date of birth: October 13, 1974

Term of office as Director: 1 year ■ 14 out of 14 meetings ■ 12 out of 12 meetings

April 1999 Joined The Bank of Tokyo-Mitsubishi, Ltd. (currently MUFG Bank, Ltd.)
October 2003 Joined Mori Hamada & Matsumoto
Registered as an attorney (Member of the Tokyo Bar Association)
July 2013 Seconded to Banking Business Division I, Supervision Bureau of Financial Services Agency (Assistant Director)
January 2015 Partner at Mori Hamada & Matsumoto (current position)
October 2017 Chairperson of Compliance Committee of the Bank
June 2024 External Director and Audit & Supervisory Committee Member (current position)

■ Attendance at the Board of Directors meetings (FY2024)

■ Attendance at the Audit & Supervisory Committees meetings (FY2024)



◆ Director & Managing Executive Officer
Head of Finance Unit

Hiroyuki Nakashio

Date of birth: November 30, 1965

Term of office as Director: —

April 1989 Joined the Bank
April 2022 Managing Executive Officer
June 2025 Director & Managing Executive Officer (current position)



◆ Director & Managing Executive Officer
Head of Business Solution Unit and
Global Business & Markets Unit

Shinya Yamada

Date of birth: April 8, 1966

Term of office as Director: —

April 1989 Joined the Bank
April 2022 Managing Executive Officer
April 2024 Managing Executive Officer and General Manager of Marketing Division
April 2025 Managing Executive Officer and General Manager of Business Solution Division
June 2025 Director & Managing Executive Officer (current position)



◆ External Director

Atsumi Arima

Date of birth: August 11, 1962

Term of office as Director: 1 year ■ 14 out of 14 meetings

April 1986 Joined The Dai-ichi Kangyo Bank, Limited (currently Mizuho Financial Group, Inc.)
April 2014 Executive Officer and General Manager of Corporate Advisory Department of Mizuho Bank, Ltd.
April 2016 Executive Officer and General Manager of International Business Department
April 2019 Outside Director of SEIBU RAILWAY Co., Ltd.
Outside Director of Prince Hotels, Inc. (currently SEIBU REAL ESTATE INC.)
May 2020 Outside Director of Takashimaya Company, Limited (current position)
Outside Director of Daiso Industries Co., Ltd.
June 2021 Outside Director of SEIBU HOLDINGS INC. (current position)
Director of SEIBU RAILWAY Co., Ltd.
Director of Prince Hotels, Inc.
April 2022 Director of SEIBU PRINCE HOTELS WORLDWIDE INC.
Director of SEIBU REALTY SOLUTIONS INC. (currently SEIBU REAL ESTATE INC.)
June 2023 Outside Director of Culture Entertainment Co., Ltd. (currently Culture Entertainment Group Inc.) (current position)
June 2024 External Director of the Bank (current position)



◆ External Director

Toshikazu Yaku

Date of birth: March 3, 1962

Term of office as Director: —

April 1984 Joined Sumitomo Bank (currently Sumitomo Mitsui Banking Corporation)
April 2012 Executive Officer of Sumitomo Mitsui Banking Corporation
April 2014 Managing Executive Officer
April 2016 Managing Executive Officer of Sumitomo Mitsui Financial Group, Inc.
April 2017 Senior Managing Executive Officer, Group CCO and Group CHRO of Sumitomo Mitsui Financial Group, Inc.
Director and Senior Managing Executive Officer of Sumitomo Mitsui Banking Corporation
April 2019 Deputy President and Executive Officer, Group CCO and Group CHRO of Sumitomo Mitsui Financial Group, Inc.
Director and Deputy President of Sumitomo Mitsui Banking Corporation
May 2020 Representative Corporate Executive Officer and Deputy President, Group CHRO of Sumitomo Mitsui Financial Group, Inc.
Director and Deputy President of Sumitomo Mitsui Banking Corporation
April 2023 Senior Advisor of Sumitomo Mitsui Banking Corporation
June 2025 External Director of the Bank (current position)



◆ Director, Audit & Supervisory Committee
Member

Mika Hayakawa

Date of birth: September 4, 1965

Term of office as Director: 1 year

■ 13 out of 14 meetings ■ 11 out of 12 meetings

April 1988 Joined Nikkei Research Inc.
January 2019 Joined the Bank
April 2023 Executive Officer and General Manager of Diversity and Inclusion Division
April 2024 Executive Officer and General Manager of Diversity Equity and Inclusion Division
June 2024 Director and Audit & Supervisory Committee Member (current position)



◆ External Director, Audit & Supervisory
Committee Member

Junko Kogayu

Date of birth: October 10, 1967

Term of office as Director: 1 year

■ 18 out of 18 meetings ■ 12 out of 12 meetings

March 1994 Registered as a certified public accountant (CPA)
October 2012 Professor at Graduate School of Economics and Management (Accounting School), Tohoku University (current position)
January 2020 Opened Junko Kogayu Certified Public Accountant Office (current position)
December 2020 Outside Director and Audit & Supervisory Committee Member of NITCHO CORPORATION (current position)
June 2021 Outside Director and Audit & Supervisory Committee Member of NISSIN CORPORATION
December 2021 Supervisory Director of Daiwa House REIT Investment Corporation (current position)
March 2022 Outside Director and Audit & Supervisory Committee Member of CERES INC.
June 2022 Outside Auditor of Private Finance Initiative Promotion Corporation of Japan (current position)
External Audit & Supervisory Board Member of the Bank
June 2024 External Director and Audit & Supervisory Committee Member (current position)
Outside Audit & Supervisory Board Member of TBS HOLDINGS, INC. (current position)
Corporate Auditor of TOKYO BROADCASTING SYSTEM TELEVISION, INC. (current position)

➡ Please also refer to the "Notice of Convocation" (in Japanese only) for details on the biographies of Directors.

<https://www.shokochukin.co.jp/share/stocks/stockmtg/>



Note: Kazutaka Okubo, Fujiyo Ishiguro, Atsumi Arima, Toshikazu Yaku, Yusuke Kawamura, Junko Kogayu and Takanori Ishikawa are external directors as stipulated under Article 2, Paragraph 15 of the Companies Act.



► Skills Matrix of Directors

The Shoko Chukin Bank believes that the Board of Directors should maintain a generally well-balanced composition of knowledge, experience, and capabilities to effectively fulfill its roles and responsibilities. Amid the drastic changes taking place in the environment surrounding the Shoko Chukin Bank and SMEs, we determined that in order to achieve our corporate philosophy, we need to hire external directors with knowledge in the areas of SME finance, DX / IT, DE&I, etc., in addition to the directors with a deep understanding of the operations and practices of the Bank. Accordingly, we are further enhancing the Board's supervision and decision-making functions by ensuring a Board composition in which the majority of the members are external directors with diverse experience and expertise, among other qualities.

Name	Title and Position at the Bank	Area of Expertise									
		Corporate management	Finance	Financial accounting	Law/Compliance	Global	DX/IT	Sustainability	DE&I	Risk management	SMEs
Masahiro Sekine	Director & President and Executive Officer (Representative Director)	●	●							●	●
Hideyuki Makino	Vice Chairman of the Board		●				●			●	●
Hiroyuki Nakashio	Director & Managing Executive Officer		●							●	●
Shinya Yamada	Director & Managing Executive Officer		●					●			●
Kazutaka Okubo	Director External Independent			●	●		●	●		●	●
Fujiyo Ishiguro	Director External Independent	●				●	●		●		
Atsumi Arima	Director External Independent		●			●		●	●		●
Toshikazu Yaku	Director External Independent	●	●		●				●		●
Yusuke Kawamura	Director, Audit & Supervisory Committee Member Chairperson of Audit & Supervisory Committee External Independent		●		●	●		●			●
Masahiko Terauchi	Director, Audit & Supervisory Committee Member		●		●						●
Mika Hayakawa	Director, Audit & Supervisory Committee Member							●	●		
Junko Kogayu	Director, Audit & Supervisory Committee Member External Independent			●		●		●		●	●
Takanori Ishikawa	Director, Audit & Supervisory Committee Member External Independent		●		●					●	

External refers to external directors stipulated in the Companies Act.

Independent means a person who satisfies the Criteria for Independence of External Directors and External Audit & Supervisory Board Members, which is determined independently by the Bank.



▶ Senior Managing Executive Officers and Managing Executive Officers



Senior Managing Executive Officer
Head of Industrial Innovation Business Unit

Katsuhiko Kaji



Senior Managing Executive Officer
Chief Transformation Officer and Chief Digital & Information Innovation Officer
Head of Digital Transformation & System Unit
Head of Operations Unit

Shinji Makiura



Managing Executive Officer
Chief Compliance Officer and Chief Risk Officer
Head of Risk Management Unit

Satoshi Yamaguchi



Managing Executive Officer

Atsushi Sato



Managing Executive Officer

Mitsutaka Kimura



Managing Executive Officer
Deputy Head of Global Business & Markets Unit

Kazunori Takahata



Managing Executive Officer
General Manager of Marketing Division

Yoshihiro Sano



Managing Executive Officer
Head of Corporate Unit

Toru Tareishi

▶ Executive Officers

Executive Officer
(General Manager of Internal Audit Division)

Hidehiko Yamanaka

Executive Officer (General Manager of Digital Strategy Division, Business Platform Development Department and The X Project)

Hideki Nakajima

Executive Officer
(General Manager of Career Development Support Division)

Hiroo Tanaka

Executive Officer
(General Manager of Tokyo Office)

Masaru Futaoka

Executive Officer
(General Manager of Kanagawa Business Department (General Manager of Yokohama, Kawasaki and Yokohama-Nishiguchi Offices))

Kimikazu Koyama

Executive Officer
(General Manager of Nagoya and Atsuta Offices)

Atsuhito Saito

Executive Officer
(General Manager of Financial Planning Division)

Shozo Matsushashi

Executive Officer
(General Manager of Risk Management Division)

Hisayoshi Yamasaki

Executive Officer
(General Manager of Corporate Support Division)

Daisuke Takahashi

Executive Officer
(General Manager of Relationship Management Division and Financial Institutions Department)

Nobuaki Aso

Executive Officer
(General Manager of Industrial Strategy Division)

Yasuyuki Taoka

Executive Officer
(General Manager of Business Process Re-engineering Division and Systems Planning Division)

Naoyuki Nakata

Executive Officer
(General Manager of Business Division and Kanda Office)

Iwamichi Suzuki

Executive Officer
(General Manager of Osaka, Umeda and Minoo Senba Offices)

Hiroaki Murayama

Risk Management and Compliance Initiatives



Message from the Executive in Charge

Establish self-directed, sound compliance and risk-consciousness as a corporate culture and create the foundation to realize our PURPOSE

Satoshi Yamaguchi
 Managing Executive Officer, Chief Compliance Officer
 and Chief Risk Officer, Head of Risk Management Unit

Chief Compliance Officer: Responsible for developing and operating the compliance systems and overseeing and checking business execution
 Chief Risk Officer: Responsible for developing and operating the risk management systems and overseeing and checking business execution

The Shoko Chukin Bank Group has reached a major turning point with privatization and is now in the midst of a corporate transformation looking ahead to the next decade. To steadily carry out this transformation and ultimately realize our PURPOSE, it is essential that we continuously review our compliance systems and risk management, which form the foundation, so that we can respond accurately to a rapidly changing environment and the provision of new services, etc., and that all officers and employees take ownership of these efforts. I recently assumed the role of Chief Compliance Officer and Chief Risk Officer. Going forward, I will exercise strong leadership to further strongly promote these initiatives together with the concerted effort of all Group officers and employees.

Compliance is the foundation for the Shoko Chukin Bank Group to earn the trust of society. Reflecting on the misconduct in crisis response operations announced in 2016, we conduct continuous training and education to ensure that every officer and employee shares a firm determination never to take actions that betray the trust of our stakeholders or turn a blind eye to it, and that they perform their duties with sincerity and fairness. In addition, in response to the changing internal and external

environment, etc., we have designated priority initiatives such as strengthening information management systems, preventing insider trading and other unfair transactions, and enhancing the effectiveness of AML/CFT measures.

With regard to risk management, we focus on the basic idea of “there is no profit without taking risks, and we must think properly about which risks to take.” Against this backdrop, I see enhancing risk communication with customer-facing divisions/ departments, which are the risk owners on the first line, while raising awareness among individual employees, as a challenge.

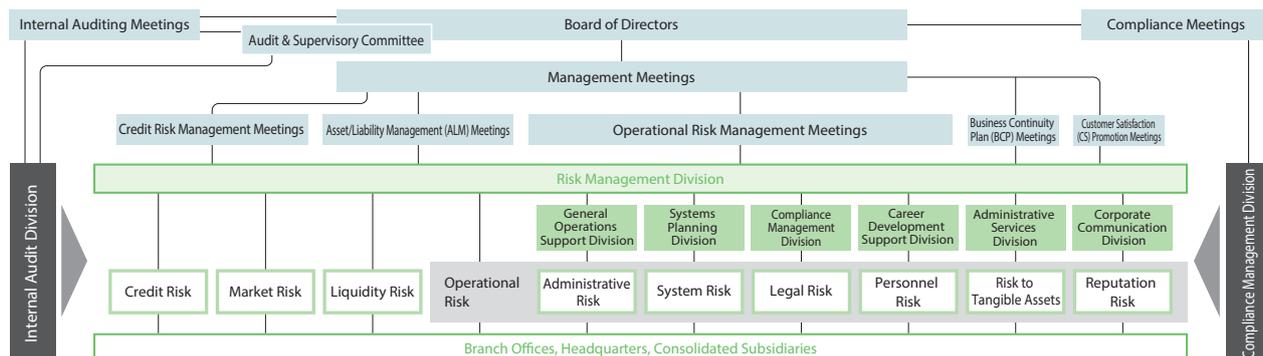
We will also sophisticate our systems for accurately grasping and analyzing risks by strengthening monitoring in focus areas, such as loans for startups, and improving credit risk detection through the use of AI and highly granular data. In addition, as a world with interest rates becomes firmly established in Japan, upgrading the management of interest rate risk and liquidity risk is also an important issue.

Going forward, we will continue to deepen our efforts to foster a sound corporate culture and create social value, thereby fulfilling our responsibilities as a trusted financial institution.

Risk Management Initiatives

In order to sufficiently exhibit our role as a financial institution specializing in SMEs while maintaining the soundness of management, the Shoko Chukin Bank has laid down its basic policy for risk management of thoroughly communicating the importance of risk management to all officers and employees, and accurately grasping and managing risks by defining the type of risks that should be recognized, their content and the organizational structure for managing such risks.

■ Risk management structure and system



I. Integrated Risk Management

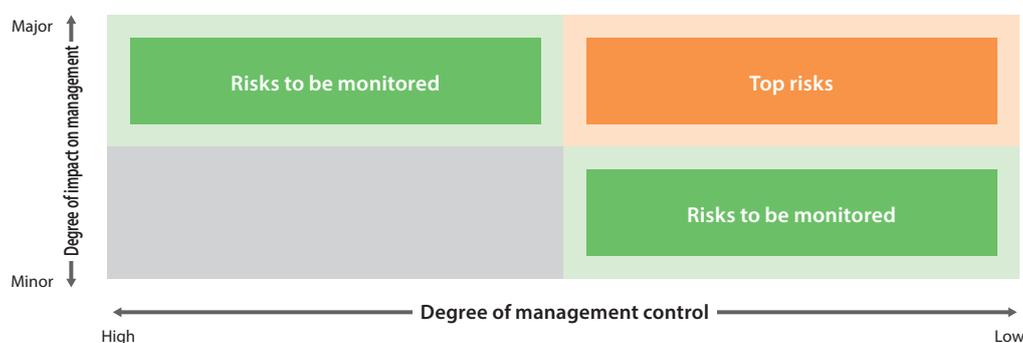
The Bank comprehensively understands risks that have been qualitatively or quantitatively assessed and ensures the soundness of management by comparing and contrasting such risks against its financial stability while allocating appropriate management resources commensurate with such risks. Top risk management and risk capital allocation management are undertaken as a concrete process within this framework.

II. Top Risk Management

The Bank has adopted “Top risk management,” which, based on the discussions of senior management, recognizes risk events thought to have a particularly significant impact on management as top risks.

Specifically, every half-year period, the Board of Directors selects risk events surrounding the Bank and determines top risks by utilizing a risk map, which takes into account the degree of impact of such risks on management and the adequacy of the countermeasures.

For the top risks determined, risk management is conducted that allows for flexible responses in preparing for the materialization of risks, by determining the management policy and monitoring the risks, among others.



■ The Shoko Chukin Bank's top risks (for FY2025)

Risk events	Risk scenarios (examples)
Risks related to the Shoko Chukin Bank Group's business strategies	<ul style="list-style-type: none"> The Shoko Chukin Bank may be unable to fulfill the functions and roles it is expected to perform, including exercising effective marketing function with an eye to long-term changes in industrial and social structures, and planning and implementing initiatives aimed at improving productivity, greening, and digitalization for both the Shoko Chukin Bank and its customers.
Risks related to DX	<ul style="list-style-type: none"> A shortage of specialized personnel in DX and digitalization, etc., may delay the organization-wide adoption of services and operations that utilize digital technology and IT, hinder transformation, and result in a significant decline in productivity and competitiveness.
Securing and developing human resources	<ul style="list-style-type: none"> The lack of progress in securing and training human resources may make it impossible to implement strategies in key areas as expected. Perceived inadequate human capital management efforts and disclosures may cause reputational damage.
Changes in industrial structure	<ul style="list-style-type: none"> Changes in the external environment may affect customers' businesses and increase credit-related expenses. The competitive environment may change drastically, resulting in an erosion of the effects of strategic investments, a shortage of human resources, etc.
Responses against climate change risks	<ul style="list-style-type: none"> The transition to a decarbonized society may affect customers' businesses and increase credit-related expenses. Perceived inadequate climate change efforts and disclosures may cause reputational damage.
Occurrence of large-scale natural disasters	<ul style="list-style-type: none"> Large-scale natural disasters may affect customers' businesses and increase credit-related expenses. The Shoko Chukin Bank's domestic and overseas offices may be damaged, making it difficult to continue operations.
Risks related to cyber attacks	<ul style="list-style-type: none"> Cyber attacks may shut down the Shoko Chukin Bank's operations and services, cause leaks of customer information or unauthorized transfers of funds through internet banking.
Inadequate measures against money laundering and terrorist financing	<ul style="list-style-type: none"> Measures against money laundering may not function effectively and administrative penalties may be imposed by the financial authorities, which may result in the termination of the correspondent arrangements and may impede international operations such as overseas remittance operations.
Geopolitical risks and economic security	<ul style="list-style-type: none"> Economic security policies implemented by various countries may affect customers' business models and performance, leading to increased credit-related expenses.

III . Risk Capital Allocation Management

The Bank manages risks by quantifying various risks using criteria that are as uniform as possible, aggregating the quantified risks and comparing the risks with capital (integrated capital management). The Board of Directors determines the capital-at-risk limit for overall and each risk, while periodically monitoring the status of the use of risk capital and reports to the Asset/Liability Management (ALM) Meetings and the Management Meetings.

Additionally, we set multiple stress scenarios, including the re-emergence of past stress events and the occurrence of specific stress events, and conduct stress tests based on these scenarios to evaluate internal capital adequacy.

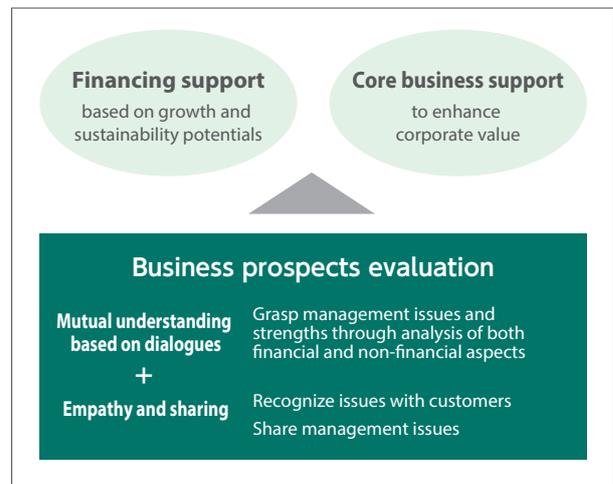
IV . Credit Risk Management

The Bank undertakes self-assessment of its assets to identify and control credit risk in an appropriate manner and has introduced an internal credit rating system for this purpose. The Bank's internal credit rating system uses an optimal set of financial indicators to assess the creditworthiness of SMEs and also incorporates a range of qualitative assessment criteria.

We analyze the overall loan portfolio across dimensions such as credit ratings, business sector, and geographical region and discuss the results at Management Meetings. In addition, as a new initiative, we are strengthening monitoring of loans for startups, as our priority areas, in order to balance enhanced support and risk management.

In terms of credit screening, the Finance Unit strives to maintain and improve the soundness of assets through appropriate screening and management based on business prospects evaluations. The Corporate Support Division also provides customers with support for management improvement and revitalization as a specialist unit, and proactively works with customers in this area.

Our approach to customer support based on business prospects evaluations



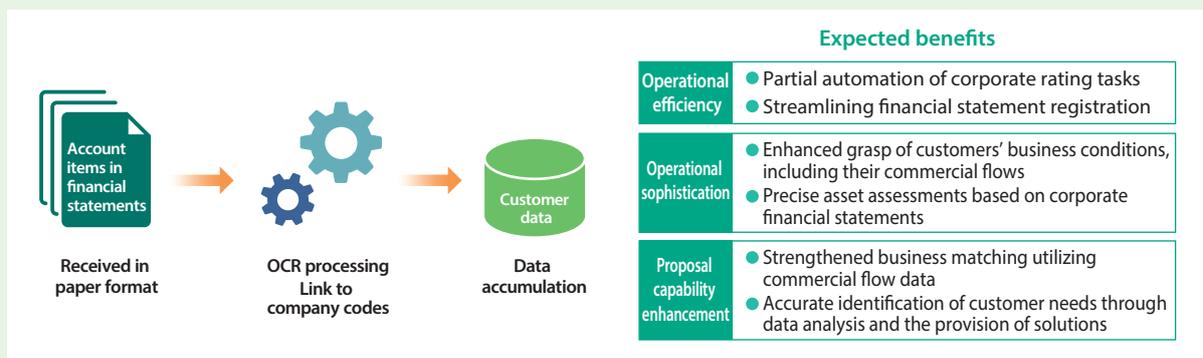
TOPIC

Development and introduction of a system to digitize account schedules

The Shoko Chukin Bank jointly developed a system to digitize account schedules with Suzuyo Shoji Co., Ltd. and Arise Innovation, Inc. The system was introduced in October 2024.

By analyzing the developed database, we will upgrade credit risk management and identify customers' latent needs, leading to the provision of optimal solutions.

Overview of the digitization system



V. Market Risk Management

The Bank controls the volume of market risk within a certain range by setting risk limits within the scope of the capital-at-risk limit allocated to market risk by objectives of the task and type of risks, and also setting limits on amount of positions and valuation gains and losses, and managing these limits.

In addition, as a world with interest rates comes and interest rate volatility increases, we are upgrading the management of interest rate risks arising from the Shoko Chukin Bank's assets and liabilities, including deposits and loans.

VI. Liquidity Risk Management

The Bank appropriately controls liquidity risk by setting various limits related to liquidity risk involving yen and foreign currencies and managing such limits, as well as by classifying the status of cash flows into three categories, "Normal times," "Times of concern," and "Times of crisis," managing the cash flows according to each category, and formulating specific measures at "Times of concern" and "Times of crisis."

Furthermore, in the new interest rate situation where competition for deposits is intensifying, we are advancing upgraded management by regularly analyzing the stickiness of each funding channel, such as individual and corporate deposits.

VII. Operational Risk Management

The Shoko Chukin Bank manages operational risk by classifying it into the six sub-risks consisting of administrative risk, system risk, legal risk, personnel risk, risk to tangible assets, and reputation risk.

The Risk Management Division is responsible for managing and minimizing operational risk, as it relates to the Bank as a whole. In this context, the Division has formulated the Basic Guidelines on Operational Risk Management. In addition, we have established a department in charge of each sub-risk to manage risk according to the attributes of each risk. A Risk Control Self-Assessment (RCSA) has been introduced for risk management, whereby the department in charge of operations monitors losses that occur and also identifies and evaluates inherent risk. The Bank is promoting initiatives to make improvements based on this evaluation.

In addition, at the Operational Risk Management Meetings, we deliberate on matters relating to operational risk. These include efforts to clearly identify operational risks and responses to ensure their reduction.

TOPIC

Advancing our cybersecurity

In order to respond to the risk of cyber attacks, which has been becoming increasingly sophisticated and ingenious in recent years, the Shoko Chukin Bank has positioned "risks related to cyber attacks" as one of the top risks. Under the leadership of management, we are formulating a cybersecurity response roadmap and continuously advancing measures based on that plan.

Specifically, in addition to conducting practical drills attended by executives themselves, we are promoting the group-wide strengthening of our structure through the proactive involvement of management, including regular reporting to and deliberation at the Board of Directors meetings and Management Meetings on the status of cybersecurity initiatives.

In addition, through Shochu-SIRT, a cross-organizational in-house CSIRT*, we have established a system to collect information on, analyze, and respond to cyber attacks on a daily basis in cooperation with external specialized organizations.

*Computer Security Incident Response Team

Compliance Initiatives

Status of the initiatives to develop compliance systems in the wake of misconduct in crisis response operations

At the Shoko Chukin Bank, we sincerely reflected on the misconduct in our crisis response operations that was announced in 2016, and have since been working to fundamentally overhaul our compliance systems.

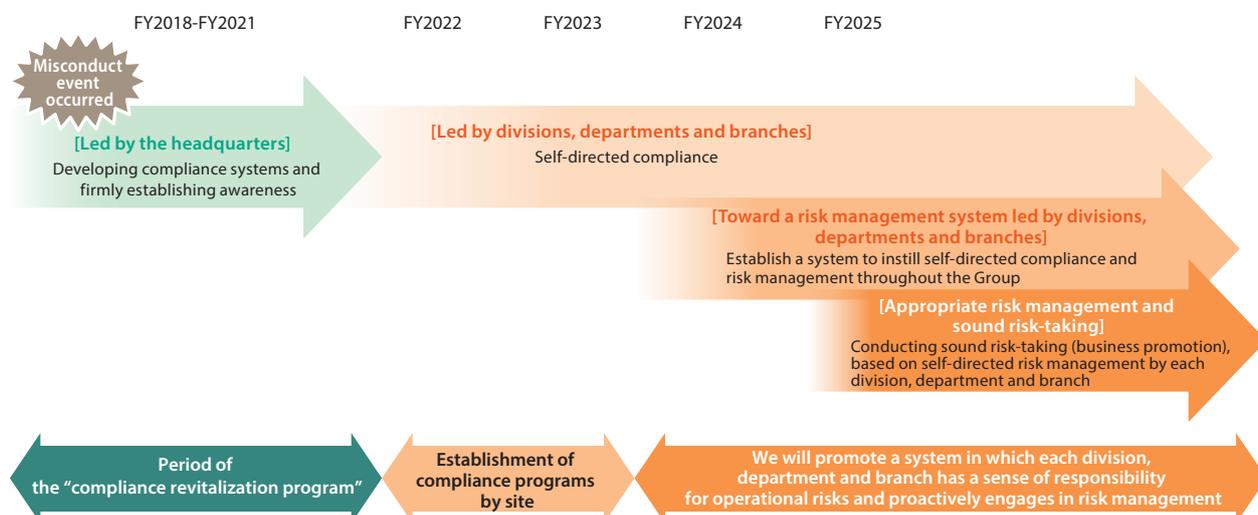
We recognize that the four fundamental causes of the misconduct in the past were: (1) a lack of internal control and excessive pressure for business performance in crisis response operations; (2) the use of crisis response loan facilities as a dominant tool; (3) the attitude of the Bank's Headquarters and management, as well as a decline in compliance awareness that led to misconduct; and, (4) a lack of governance. Based on that recognition, we have developed various approaches and have been steadily raising the officers and employees' compliance awareness.

Going forward, we will aim to transition from uniform companywide measures to the promotion of self-directed measures tailored to the issues facing each division, department and branch and to shift away from headquarters-led initiatives to "self-directed compliance" that is planned, reviewed, and operated independently by each division, department and branch.

■ Three initiatives to rebuild organization after the misconduct incident



■ Initiatives after discovering the misconduct event [overview of future initiatives]



Whistleblowing system

The Shoko Chukin Bank has established an internal and external “compliance and harassment consultation counter” and accepts a wide range of alerts and consultations for the early discovery and correction of misconduct, operational risk events, harassment, etc.

This consultation counter is operated in line with the spirit and intent of the Whistleblower Protection Act and its guidelines, with the protection of whistleblowers as the highest priority. We have established a strict information management system that accepts both anonymous and identified reports and ensures that information is handled only by a limited number of personnel engaged in whistleblower response operations. Accordingly, we take thorough measures to prevent whistleblowers from being identified and to ensure that no disadvantageous treatment, in personnel matters or otherwise, arises as a result of reporting.

Compliance Committee

■ The role of the Compliance Committee

The Compliance Committee is delegated by the Board of Directors to engage in the following three tasks, (1) to (3). The Committee is consulted on all incidents that involve personnel decisions and other disciplinary actions, ensures objectivity and fairness, and provides guidance and checks so that appropriate actions are taken.



■ Compliance Committee members

Compliance Committee members are appointed by the Board of Directors and its chairperson is elected from among members who are outside attorneys-at-law by mutual election.

Compliance Committee	Chairperson	Akira Ehira	(Attorney at law, Mori Hamada & Matsumoto)
	Vice chairperson	Katsumi Nakamura	(Attorney at law, T. Kunihiro & Co., Attorneys-at-Law)
	Member	Hideyuki Makino	(Director and Vice Chairman, the Shoko Chukin Bank)

■ Activities of the Compliance Committee

The Compliance Committee meets once a month in principle to carefully examine various agendas under the guidance of outside attorneys at law. In fiscal 2018, monitoring commenced under the Committee members (chairperson and vice chairperson) to verify the process of agenda submission to the Committee, which has contributed to preventing omissions in the agenda to be submitted to the Committee while also improving efficiency.

Initiatives to prevent insider trading, etc.

In light of insider trading incidents involving employees at other companies in recent years and the resulting increase in reputational risk, the Shoko Chukin Bank has strengthened its management system to ensure the proper handling of corporate-related information obtained from customers and the appropriate execution of securities transactions by officers and employees for personal asset management purposes.

With respect to securities transactions by officers and employees, we have introduced a system under which the Compliance Management Division grasps and confirms such transactions, and through the review of internal rules and the enhancement of training, we are committed to establishing an effective management system and continuous improvement.

Initiatives toward customer protection

The Shoko Chukin Bank has formulated the Customer Protection Management Rules and practices a customer-first management approach, to provide appropriate and sufficient explanations to customers (customer explanation management), appropriately respond to customers' requests and complaints (customer support), appropriately manage customer information (customer information management), appropriately manage customer information and appropriately respond to customers when outsourcing operations (outsourcing management), and appropriately manage transactions that may unjustly harm the customer's interests (conflict of interest management).

We have also established a Customer Service Center and set up a system for receiving requests and complaints from customers, and regarding the requests and complaints received, we discuss them at the Customer Satisfaction (CS) Promotion Meetings and make efforts to prevent recurrence and improve business operations. In addition, we have formulated and announced the CS Declaration. To appropriately oversee these initiatives toward customer protection, we have established the necessary systems such as the appointment of managers responsible for each field including the customer explanation management, customer support, customer information management, outsourcing management, and conflict of interest management.

Initiatives toward personal information protection

In keeping with the purpose of the Act on the Protection of Personal Information, we announced our declaration regarding initiatives, etc., toward the personal information protection (Personal Information Protection Declaration) on our website and other materials and we are striving to protect personal information under a rigorous safety management system and make continuous improvements. In addition, at the personal information protection contact, we offer consultation regarding personal information protection, provide information on disclosure requests and other procedures, and accept various requests.

Initiatives to prevent money laundering and other crimes

The Shoko Chukin Bank established the Financial Crimes Compliance Department in April 2020 to strengthen our systems to prevent money laundering and other crimes. Taking into account relevant laws and regulations, we are working to prevent the escalation of customer harm from special types of fraud, ensure thorough checking of overseas remittance transactions, and update relevant information.

Strengthening systems to prevent money laundering and other crimes is an international trend, and financial institutions will continue to be required to further enhance and upgrade their systems in the future. The Shoko Chukin Bank positions "inadequate measures against money laundering and terrorist financing" as one of its top risks, and is advancing initiatives such as the development and strengthening of specialized personnel and the implementation of system-based measures to address increasingly complex and sophisticated methods used in money laundering and other crimes.

Zero-tolerance of anti-social forces

As a financial institution, to maintain public confidence and ensure the adequacy and soundness of our business operations, it is required to eliminate anti-social forces from financial transactions.

The Shoko Chukin Bank develops its system aimed at the elimination of anti-social forces by taking initiatives such as designating the Compliance Management Division as a supervising division for the elimination of anti-social forces, and assigning a person responsible for elimination of anti-social forces within each division, department and branch, thereby working to cut off the relationships and eliminate transactions with anti-social forces, in cooperation with external professional bodies including the police and lawyers.

10-Year Key Financial Data

Summary of Financial Results (Consolidated)						
	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020	
Operating Income	204.4	195.3	204.7	181.2	153.8	
Income before Income Taxes and Other	34.9	50.8	58.4	32.1	21.6	
Net Income Attributable to Owners of Parent	12.4	32.4	37.3	15.4	14.5	
Comprehensive Income	6.13	5.9	41.5	11.2	5.3	
Net Assets	903.8	935.3	972.3	964.0	959.4	
Total Assets	12,570.4	12,845.0	11,957.3	11,818.5	11,219.5	
Net Assets per Share (Yen)	160.48	174.92	191.95	195.04	195.44	
Net Income per Share (Yen)	5.72	14.90	17.15	7.08	6.68	
Consolidated Tier 1 (Common Stock etc.) Ratio (%)	12.00	11.98	12.69	12.31	11.68	
Consolidated Tier 1 Ratio (%)	12.00	11.98	12.69	12.31	11.68	
Consolidated Total Capital Ratio (%)	13.37	13.13	13.53	13.00	12.38	
Return on Equity (%)	1.38	3.54	3.93	1.59	1.51	
Cash Flows from Operating Activities	(121.3)	535.3	(165.6)	223.9	(582.5)	
Cash Flows from Investing Activities	218.6	149.5	16.6	113.5	73.7	
Cash Flows from Financing Activities	(4.5)	(10.5)	(24.5)	(24.5)	(10.0)	
Cash and Cash Equivalents at the End of the Year	1,007.6	1,682.0	1,508.5	1,821.5	1,302.7	
Number of Employees [Average Number of Temporary Employees excluded from Above] (Persons)	4,102 [1,018]	4,080 [1,047]	4,083 [1,058]	4,113 [1,036]	4,020 [1,018]	

Summary of Financial Results (Non-Consolidated)						
	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020	
Gross Operating Profit	141.3	134.4	116.5	106.1	100.7	
Net Interest Income	126.0	119.3	105.6	94.6	88.6	
General and Administrative Expenses (Excluding Nonrecurring Items)	76.1	78.2	75.2	75.4	72.5	
Net Operating Profit	65.2	56.2	41.3	30.6	28.2	
Credit-Related Expense (Reversal of the General Reserve for Possible Loan Loss)	34.3	6.9	(19.4)	2.0	7.1	
Income before Income Taxes and Other	33.5	49.1	56.9	30.7	20.5	
Net Income	11.5	31.3	36.2	14.4	13.7	
OHR (General and Administrative Expenses/ Gross Operating Profit) (%)	53.8	58.1	64.5	71.1	72.0	
Net Assets	909.1	937.7	971.5	962.3	956.6	
Total Assets	12,507.4	12,778.8	11,890.2	11,749.8	11,149.3	
Outstanding Loans	9,539.5	9,356.8	8,648.1	8,289.7	8,294.1	
Balance of Investment Securities	1,703.5	1,543.1	1,514.6	1,383.9	1,283.3	
Outstanding Deposits	5,164.8	5,109.0	4,892.2	5,057.9	5,082.0	
Outstanding Debentures	4,816.8	4,744.1	4,459.5	4,238.3	3,990.1	
Non-consolidated Tier 1 (Common Stock etc.) Ratio (%)	12.07	12.04	12.75	12.35	11.69	
Non-consolidated Tier 1 Ratio (%)	12.07	12.04	12.75	12.35	11.69	
Non-consolidated Total Capital Ratio (%)	13.41	13.17	13.57	13.02	12.39	
Return on Equity (%)	1.28	3.39	3.80	1.49	1.43	
Number of Employees [Average Number of Temporary Employees excluded from Above] (Persons)	3,773 [884]	3,753 [908]	3,765 [917]	3,798 [895]	3,703 [879]	



(Billions of yen)

	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
	151.7	149.3	161.0	167.0	194.2
	8.5	30.6	31.4	22.3	33.0
	9.2	18.5	23.3	15.6	25.7
	24.6	13.6	21.2	39.6	4.6
	979.5	988.4	1,005.1	1,040.2	1,038.4
	13,083.2	12,787.7	13,049.9	13,308.6	12,265.4
	204.71	208.80	216.48	232.63	231.78
	4.24	8.51	10.72	7.20	11.83
	11.74	11.72	11.56	11.15	10.94
	11.74	11.72	11.92	11.83	11.61
	12.68	12.77	13.19	13.03	12.88
	0.95	1.88	2.34	1.53	2.48
	502.6	(370.5)	(38.4)	131.0	(563.9)
	(184.5)	236.1	223.7	(246.5)	(140.9)
	5.4	0.4	45.4	25.4	(1.5)
	1,626.2	1,492.4	1,723.1	1,633.1	926.6
	3,909	3,765	3,712	3,701	3,691
	[1,018]	[1,010]	[1,008]	[1,024]	[1,046]

	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
	105.4	118.9	121.8	122.8	136.7
	97.9	103.6	107.5	110.6	120.9
	72.5	66.1	69.3	73.7	79.9
	32.9	52.8	52.5	49.1	56.8
	19.5	20.7	20.7	28.3	26.2
	7.6	30.2	30.8	21.9	32.8
	8.7	18.3	22.9	15.3	25.6
	68.8	55.5	56.8	59.9	58.4
	969.9	979.7	997.1	1,019.5	1,021.8
	13,012.6	12,719.3	12,980.4	13,226.7	12,187.4
	9,521.4	9,607.8	9,639.0	9,627.4	9,642.0
	1,464.4	1,215.1	977.9	1,219.6	1,320.9
	5,893.6	5,707.9	5,786.3	6,235.2	6,223.4
	3,787.1	3,542.5	3,448.8	3,296.4	3,209.9
	11.74	11.71	11.53	11.10	10.90
	11.74	11.71	11.89	11.79	11.57
	12.68	12.76	13.16	12.99	12.84
	0.91	1.87	2.32	1.52	2.51
	3,599	3,419	3,377	3,383	3,375
	[890]	[886]	[883]	[902]	[933]

▶ Key points of financial results for the fiscal year ended March 31, 2025

① Gross operating profit

- Net interest income increased by ¥10.3 billion year on year, mainly due to the effect of higher domestic interest rates.
- Fees and commissions increased by ¥1.4 billion year on year due to growth in syndicated loans, structured finance, and other advanced financial services.
- Trading revenue increased by ¥1.3 billion year on year due to appropriately responding to customers' foreign exchange risk-hedging needs and other factors.
- Other operating income included losses on sales of bonds resulting from the replacement of bonds held.

② General and administrative expenses (excluding nonrecurring items)

- General and administrative expenses (excluding nonrecurring items) increased by ¥6.2 billion year on year to ¥79.9 billion (OHR of 58.4%) due to strengthened forward-looking system-related and human capital investment, including core system upgrades. Continued to implement necessary investments under appropriate controls.

③ Credit-related expenses

- Credit-related expenses decreased by ¥2.0 billion year on year to ¥26.2 billion due to upward shifts in borrower classifications resulting from customers' performance recovery and other factors.
- On the other hand, the polarization of business conditions continued, with defaults increasing mainly among borrowers at the lower end of the credit rating scale. We continued to focus on support for business revitalization and management improvement.

External recognition



Acquired the Platinum Kurumin Plus certification



Tokyo Financial Award 2024 Sustainability Category Winner



Recognized as a 2025 Outstanding Organization of KENKO Investment for Health Large enterprise category



J-Win Diversity Award 2025 Received Semi-Grand Award, Basic Category



Received award of excellence with mayor's commendation as a Leading Company with Actively Participating Women in Osaka City



Received Hataraku Well-being Awards 2025 FR Category



Eruboshi certification

Participation in initiatives

Task Force on Climate-Related Financial Disclosures



Taskforce on Nature-Related Financial Disclosures



Rating (as of September 30, 2025)

	R&I	JCR	Moody's
Long-term	AA ⁻ (negative)	AA (stable)	A2 (stable)

Company Name	The Shoko Chukin Bank, Ltd.
Establishment Date	October 8, 1936 Transition toward privatization commenced on October 1, 2008
Head Office	2-10-17, Yaesu, Chuo-ku, Tokyo 104-0028, Japan
Capital	¥218.6 billion
Funds Held	¥9,535.2 billion (including deposits: ¥6,223.4 billion negotiable certificates of deposit: ¥101.8 billion debentures: ¥3,209.9 billion)
Loans Outstanding	¥9,642.0 billion
Offices	Domestic: 103 Overseas: 5 (as of September 30, 2025)
Number of employees (persons)	3,464

■ Group Companies (as of September 30, 2025)

Company Name	Address	Principal Business Activities	Date of Establishment	Paid-in Capital or Capital Subscription (Millions of Yen)	Percentage of Voting Rights Held by the Bank (%)	Percentage of Voting Rights Held by the Group (%)
YAESU SHOKO, LTD.	2-12-18, Shiba-Daimon, Minato-ku, Tokyo	Administrative agency services	Sep. 8, 1962	90	100.00	-
SHOKOCHUKIN COMPUTER SYSTEMS CO., LTD.	2-10-1, Misumicho, Higashi Murayama-shi, Tokyo	Software development, contracted calculation and computer services	Dec. 14, 1973	70	-	100.00
SHOKO SERVICE, LTD.	2-12-18, Shiba-Daimon, Minato-ku, Tokyo	Employee welfare benefit services	Nov. 25, 1982	32	62.50	37.50
YAESU KOSAN, CO., LTD.	2-12-18, Shiba-Daimon, Minato-ku, Tokyo	Property management services	Jun. 22, 1972	35	100.00	-
THE SHOKO CHUKIN MIRAI HARVEST CO., LTD.	2-10-1, Misumicho, Higashi Murayama-shi, Tokyo	Administrative agency services	Apr. 1, 2025	15	100.00	-
THE SHOKO CHUKIN BANK INSTITUTE of COMMERCE, INDUSTRY & ECONOMICS, LTD.	2-12-18, Shiba-Daimon, Minato-ku, Tokyo	Management information and consulting services	Dec. 10, 1974	80	23.08	76.92
SHOKO CHUKIN LEASE CO., LTD.	1-10-12, Ueno, Taito-ku, Tokyo	Leasing business	Oct. 8, 1982	1,000	100.00	-
SHOKO CHUKIN CARD CO., LTD.	2-12-18, Shiba-Daimon, Minato-ku, Tokyo	Credit card services	Jan. 22, 1991	70	100.00	-
SHOKO CHUKIN CAPITAL CO., LTD.	2-10-17, Yaesu, Chuo-ku, Tokyo	Investment operations services	Aug. 1, 2023	100	100.00	-
THE SHOKO CHUKIN HUMAN DESIGN CO., LTD.	2-10-17, Yaesu, Chuo-ku, Tokyo	Human resource services	Nov. 20, 2024	50	100.00	-

History of the Shoko Chukin Bank

The Shoko Chukin Bank was established in 1936 under the Shoko Chukin Bank Act as the only policy-based financial institution jointly owned by the government and SME cooperatives, and has developed for around 90 years since then as a specialized financial institution for SMEs.

The Act, which initially had a fixed term of existence, was recognized for its role in promoting the organization of SMEs and facilitating SME financing, and in 1985, the Act was revised to remove the fixed term of existence and make the organization permanent.

In 2008, the Shoko Chukin Bank became a special company from a cooperative financial institution under the Shoko Chukin Bank Limited Act (hereinafter, the “Shoko Chukin Bank Act”), while maintaining its purpose and function of facilitating financing to SME organizations and their members.

Established as a specialized financial institution for SMEs
Supported the growth of SMEs while expanding business operations

1936

1936

- ▶ The Shoko Chukin Bank Act was enforced; began operations

1952

- ▶ Established branches in all prefectures of Japan

1955 onwards

- ▶ Actively supported capital investment to support Japan’s rapid economic growth

1985

- ▶ The Shoko Chukin Bank Act was revised, and the Bank was made permanent

1997

- ▶ The bubble economy collapsed; established the Special SME Consultation Desk that enabled the Bank to demonstrate its safety net function

2001 onwards

- ▶ Expanded revitalization support programs

2006 onwards

- ▶ Established the Business Solutions Company (BSC) to meet the needs of increasingly diverse and sophisticated SMEs



The head office of The Industrial Bank of Japan, of which the Bank had been a tenant at the time of its founding (1936)

Demonstrated safety net function
Supported the growth of SMEs

2008

2008

- ▶ The Shoko Chukin Bank Limited Act was enforced, and the Bank transitioned to a joint stock company form.



Opening ceremony (2008)

- ▶ Started crisis response measures as a legally designated financial institution, and since then has conducted response to the economic and financial crisis after the global financial crisis, and response to reconstruction and recovery from the Great East Japan Earthquake and to the appreciation of the yen and deflation

2010

- ▶ Established a comprehensive support program for growth strategies

2012

- ▶ Opened Bangkok Representative Office
Expanded the overseas network to support overseas expansion of SMEs

2016

- ▶ Misconduct was uncovered in crisis response operations

Major economic and social trends

1945	End of the Pacific War
1973	First oil crisis
1978	Second oil crisis
1985	Plaza Accord
1989	Introduced 3% consumption tax
1995	The Great Hanshin-Awaji Earthquake occurred

2008	Bankruptcy of Lehman Brothers in the U.S.
2011	The Great East Japan Earthquake occurred
2014	Consumption tax raised to 8%

In 2016, a misconduct was uncovered in our crisis response operations, and since 2018, we have reformed our business model and other aspects of our operations under the Shoko Chukin Bank Management Reform Plan.

In 2023, the Shoko Chukin Bank Act was revised to further clarify its positioning as a financial institution by SMEs for SMEs, and to improve the quality of its services.

In June 2025, the revised Shoko Chukin Bank Act was enforced following the disposal of government-owned shares, and Shoko Chukin Bank was privatized.

Contributed to the improvement of corporate value of SMEs

2018

- ▶ Submission of the Operation Improvement Plan related to business models, etc.
- ▶ Announced the Shoko Chukin Bank Management Reform Plan, and implemented it through fiscal 2021

2020

- ▶ Started crisis response measures related to COVID-19

2022

- ▶ Established our corporate philosophy: PURPOSE and MISSION
- ▶ Announced the Medium-Term Business Plan (fiscal 2022 - fiscal 2024)

2023

- ▶ The Shoko Chukin Bank Limited Act revised, and a policy for the disposal of government-owned shares was decided
- ▶ Articles of Incorporation partially revised to stipulate corporate philosophy in the Articles of Incorporation
- ▶ Established Shoko Chukin Capital, a subsidiary specializing in investment
- ▶ Opened Hanoi Representative Office

2024

- ▶ Established Shoko Chukin Human Design, a subsidiary specializing in human resource services

- 2019 Consumption tax raised to 10%
- 2020 Spread of COVID-19
- 2022 Conflict in Ukraine
- 2024 The Noto Peninsula Earthquake occurred

Privatized through the disposal of government-owned shares
Aiming to be a financial institution by SMEs for SMEs

2025

- ▶ Established Shoko Chukin MIRAI Harvest, a subsidiary to promote the employment of persons with disabilities
- ▶ Established Midtown Yaesu Headquarters **PICK UP**
- ▶ The Shoko Chukin Bank conducted a share repurchase of government-owned shares
- ▶ The revised Shoko Chukin Bank Act was enforced



Midtown Yaesu Headquarters (2025)

PICK UP

Establishment of Midtown Yaesu Headquarters

On May 1, 2025, some headquarters functions were relocated to TOKYO MIDTOWN YAESU. Through this relocation, we will establish the optimal headquarters functions needed to upgrade human capital management and further enhance the corporate value of SMEs, with the aim of realizing our PURPOSE.

▶ ... Initiatives for customer support

2025 Implementation of U.S. tariff measures

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Trends in Principal Financial Indicators (Consolidated)

Fiscal period ended	Billions of yen				
	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
Operating Income	¥ 194.2	¥ 167.0	¥ 161.0	¥ 149.3	¥ 151.7
Income before Income Taxes and Other	33.0	22.3	31.4	30.6	8.5
Net Income Attributable to Owners of Parent	25.7	15.6	23.3	18.5	9.2
Comprehensive Income	4.6	39.6	21.2	13.6	24.6
Net Assets	1,038.4	1,040.2	1,005.1	988.4	979.5
Total Assets	12,265.4	13,308.6	13,049.9	12,787.7	13,083.2
Net Assets per Share (Yen)	231.78	232.63	216.48	208.80	204.71
Net Income per Share (Yen)	11.83	7.20	10.72	8.51	4.24
Net Income per Share (Diluted) (Yen)	—	—	—	—	—
Capital Ratio (%)	8.43	7.78	7.67	7.69	7.45
Consolidated Tier 1 (Common Stock etc.) Ratio (%)	10.94	11.15	11.56	11.72	11.74
Consolidated Tier 1 Ratio (%)	11.61	11.83	11.92	11.72	11.74
Consolidated Total Capital Ratio (%)	12.88	13.03	13.19	12.77	12.68
Return on Equity (%)	2.48	1.53	2.34	1.88	0.95
Price Earnings Ratio	—	—	—	—	—
Cash Flows from Operating Activities	(563.9)	131.0	(38.4)	(370.5)	502.6
Cash Flows from Investing Activities	(140.9)	(246.5)	223.7	236.1	(184.5)
Cash Flows from Financing Activities	(1.5)	25.4	45.4	0.4	5.4
Cash and Cash Equivalents at the End of the Year	926.6	1,633.1	1,723.1	1,492.4	1,626.2
Number of Employees (Persons)	3,691	3,701	3,712	3,765	3,909
[Average Number of Temporary Employees excluded from Above]	[1,046]	[1,024]	[1,008]	[1,010]	[1,018]

Notes: 1. The figure for Net Income per Share (Diluted) is not disclosed because there were no shares with a dilutive effect.

2. The Capital Ratio is calculated as follows:

(Total Net Assets as of the fiscal period-end - Share award rights as of the fiscal period-end - Stock acquisition rights as of the fiscal period-end - Minority Interests as of the fiscal period-end)/Total Assets as of the fiscal period-end × 100

3. The Consolidated Capital Ratio is calculated in accordance with Announcement No. 2 of 2008 from the Financial Services Agency, the Ministry of Finance and the Ministry of Economy, Trade and Industry pursuant to Article 23, Paragraph 1 of the Shoko Chukin Bank Law. The Shoko Chukin Bank has adopted the BIS international capital adequacy guidelines. From effective fiscal 2022, the finalized Basel III framework has been early adopted for the calculation of the figures.

4. Figures for Price Earnings Ratio are not disclosed because the Shoko Chukin Bank is not publicly listed or registered.

5. Number of Employees refers to the number of persons employed (excluding seconded workers).

Consolidated Balance Sheets

The Shoko Chukin Bank, Ltd. and Subsidiaries As of March 31, 2025 and 2024

	Millions of yen		Millions of U.S. dollars	
	2025	2024	2025	2024
ASSETS				
Cash and Due from Banks	¥ 942,360	¥ 1,660,626	\$ 6,302	\$ 10,967
Call Loans and Bills Purchased	15,532	452,271	103	2,987
Monetary Claims Purchased	23,577	33,329	157	220
Trading Assets	25,522	20,922	170	138
Investment Securities	1,318,802	1,216,561	8,820	8,034
Loans	9,620,557	9,612,074	64,342	63,483
Foreign Exchange	20,966	25,487	140	168
Other Assets	191,338	196,854	1,279	1,300
Tangible Fixed Assets	35,989	37,689	240	248
Buildings	12,728	14,124	85	93
Land	21,156	21,207	141	140
Construction in Progress	145	—	0	—
Other Tangible Fixed Assets	1,958	2,357	13	15
Intangible Fixed Assets	36,065	29,347	241	193
Software	35,838	7,532	239	49
Other Intangible Fixed Assets	226	21,814	1	144
Net Defined Benefit Asset	37,312	41,144	249	271
Deferred Income Taxes	46,204	34,336	309	226
Customers' Liabilities for Acceptances and Guarantees	147,483	143,441	986	947
Reserve for Possible Loan Losses	(196,246)	(195,423)	(1,312)	(1,290)
Total Assets	¥ 12,265,465	¥ 13,308,663	\$ 82,032	\$ 87,898

Consolidated Balance Sheets

The Shoko Chukin Bank, Ltd. and Subsidiaries As of March 31, 2025 and 2024

Pursuant to Article 396-1 of the Companies Act, the material that the Shoko Chukin Bank makes public in accordance with Article 52-2 of the Shoko Chukin Bank Law has been audited by an audit and supervisory board member.

In addition, the Bank's consolidated financial statements — the balance sheets, statements of operations, and statements of changes in net assets — have been certified by an audit and supervisory board member pursuant to Article 193-2-1 of the Financial Instruments and Exchange Act.

The consolidated financial statements presented below are not audited or certified. They have been reproduced from audited and certified consolidated financial statements above.

	Millions of yen		Millions of U.S. dollars	
	2025	2024	2025	2024
LIABILITIES				
Deposits	¥ 6,216,758	¥ 6,229,368	\$ 41,578	\$ 41,142
Negotiable Certificates of Deposit	101,800	508,780	680	3,360
Shoko Chukin Bank Debentures	3,209,590	3,296,000	21,465	21,768
Call Money and Bills Sold	—	102,271	—	675
Payables under Securities Lending Transactions	169,705	283,989	1,134	1,875
Trading Liabilities	15,578	11,650	104	76
Borrowed Money	1,135,662	1,469,987	7,595	9,708
Foreign Exchange	801	1,300	5	8
Corporate Bonds	100,000	100,000	668	660
Other Liabilities	85,783	74,642	573	492
Reserve for Bonuses	4,695	4,691	31	30
Net Defined Benefit Liability	691	658	4	4
Reserve for Retirement Benefits for Directors	228	202	1	1
Reserve for Losses on Refund for Dormant Bonds	38,140	41,203	255	272
Reserve for Environmental Measures	—	66	—	0
Other Reserves	90	90	0	0
Deferred Tax Liabilities	46	52	0	0
Acceptances and Guarantees	147,483	143,441	986	947
Total Liabilities	11,227,055	12,268,396	75,087	81,027
NET ASSETS				
Capital	218,653	218,653	1,462	1,444
Crisis Response Reserve	129,500	129,500	866	855
Special Reserve under the Shoko Chukin Bank Law	400,811	400,811	2,680	2,647
Capital Surplus	1	0	0	0
Retained Earnings	275,685	256,462	1,843	1,693
Treasury Stock	(1,169)	(1,159)	(7)	(7)
Total Shareholders' Equity	1,023,481	1,004,267	6,845	6,632
Unrealized Gains on Other Securities	10,553	27,666	70	182
Deferred Hedge Gains	401	111	2	0
Remeasurements of Defined Benefit Plans	177	4,423	1	29
Total Accumulated Other Comprehensive Income	11,131	32,201	74	212
Non-controlling Interests	3,796	3,796	25	25
Total Net Assets	1,038,410	1,040,266	6,944	6,870
Total Liabilities and Net Assets	¥ 12,265,465	¥ 13,308,663	\$ 82,032	\$ 87,898

Consolidated Statements of Operations

The Shoko Chukin Bank, Ltd. and Subsidiaries For the years ended March 31, 2025 and 2024

	Millions of yen		Millions of U.S. dollars	
	2025	2024	2025	2024
Operating Income	¥ 194,286	¥ 167,053	\$ 1,299	\$ 1,103
Interest Income	142,318	121,103	951	799
Interest on Loans	125,867	108,997	841	719
Interest and Dividends on Securities	8,641	5,448	57	35
Interest on Call Loans and Interest on Bills Purchased	1,146	272	7	1
Interest on Deposits	3,078	1,280	20	8
Interest on Interest Swaps	—	0	—	0
Other Interest Income	3,585	5,103	23	33
Fees and Commissions	15,804	14,532	105	95
Trading Revenue	7,927	6,577	53	43
Other Operating Income	24,074	22,050	161	145
Other Income	4,160	2,789	27	18
Collection of Written-off Claims	810	133	5	0
Other Income	3,349	2,656	22	17
Operating Expenses	161,268	144,696	1,078	955
Interest Expenses	21,699	10,668	145	70
Interest on Deposits	7,848	2,860	52	18
Interest on Negotiable Certificates of Deposit	287	941	1	6
Interest on Debentures	7,503	2,677	50	17
Interest on Call Money and Interest on Bills Sold	210	(30)	1	(0)
Interest on Payables under Repurchase Agreements	—	2	—	0
Interest on Securities Lending Transactions	1,648	139	11	0
Interest on Borrowed Money	2,993	3,191	20	21
Interest on Corporate Bonds	1,157	766	7	5
Interest on Interest Swaps	36	2	0	0
Other Interest Expenses	13	116	0	0
Fees and Commissions	2,707	2,880	18	19
Trading Expenses	21	13	0	0
Other Operating Expenses	26,139	25,361	174	167
General and Administrative Expenses	82,179	76,569	549	505
Other Expenses	28,520	29,202	190	192
Provision for Possible Loan Losses	24,334	27,276	162	180
Other Expenses	4,186	1,926	27	12
Profit before Income Taxes and Other	33,018	22,356	220	147
Other Gains	983	79	6	0
Gains on Disposal of Fixed Assets	983	79	6	0
Other Losses	225	1,088	1	7
Losses on Disposal of Fixed Assets	41	40	0	0
Impairment Losses	184	1,047	1	6
Profit before Income Taxes	33,776	21,347	225	140
Provision for Income Taxes	10,861	10,265	72	67
Adjustment for Income Taxes	(2,839)	(4,605)	(18)	(30)
Total Income Taxes	8,021	5,660	53	37
Profit	25,754	15,687	172	103
Profit Attributable to Non-controlling Interests	3	3	0	0
Profit Attributable to Owners of Parent	¥ 25,750	¥ 15,683	\$ 172	\$ 103

Consolidated Statements of Comprehensive Income

The Shoko Chukin Bank, Ltd. and Subsidiaries For the years ended March 31, 2025 and 2024

	Millions of yen		Millions of U.S. dollars	
	2025	2024	2025	2024
Profit	¥ 25,754	¥ 15,687	\$ 172	\$ 103
Other Comprehensive Income	(21,070)	23,942	(140)	158
Unrealized Gains on Other Securities	(17,113)	11,433	(114)	75
Deferred Hedge Gains	289	108	1	0
Remeasurements of Defined Benefit Plans	(4,246)	12,399	(28)	81
Comprehensive Income	4,684	39,629	31	261
Total Comprehensive Income Attributable to Owners of Parent	4,680	39,625	31	261
Non-controlling Interests	¥ 3	¥ 3	\$ 0	\$ 0

Consolidated Statements of Operations / Consolidated Statements of Comprehensive Income



Consolidated Statements of Changes in Net Assets

The Shoko Chukin Bank, Ltd. and Subsidiaries For the years ended March 31, 2025 and 2024

Millions of yen

	Shareholders' Equity						Total Shareholders' Equity
	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	Retained Earnings	Treasury Stock	
Balance, April 1, 2024	¥ 218,653	¥ 129,500	¥ 400,811	¥ 0	¥ 256,462	¥ (1,159)	¥ 1,004,267
Changes during the Period							
Dividends from Surplus					(6,527)		(6,527)
Profit Attributable to Owners of Parent					25,750		25,750
Acquisition of Treasury Stock						(9)	(9)
Disposition of Treasury Stock				0		0	0
Net Changes of Items Other Than Shareholders' Equity							
Total Changes during the Period	—	—	—	0	19,223	(9)	19,213
Balance, March 31, 2025	¥ 218,653	¥ 129,500	¥ 400,811	¥ 1	¥ 275,685	¥ (1,169)	¥ 1,023,481

	Accumulated Other Comprehensive Income					Non-controlling Interests	Total Net Assets
	Unrealized Gains on Other Securities	Deferred Hedge Gains	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income			
Balance, April 1, 2024	¥ 27,666	¥ 111	¥ 4,423	¥ 32,201	¥ 3,796	¥ 1,040,266	
Changes during the Period							
Dividends from Surplus						(6,527)	
Profit Attributable to Owners of Parent						25,750	
Acquisition of Treasury Stock						(9)	
Disposition of Treasury Stock						0	
Net Changes of Items Other Than Shareholders' Equity	(17,113)	289	(4,246)	(21,070)	—	(21,070)	
Total Changes during the Period	(17,113)	289	(4,246)	(21,070)	—	(1,856)	
Balance, March 31, 2025	¥ 10,553	¥ 401	¥ 177	¥ 11,131	¥ 3,796	¥ 1,038,410	



Millions of yen

	Shareholders' Equity						Total Shareholders' Equity
	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	Retained Earnings	Treasury Stock	
Balance, April 1, 2023	¥ 218,653	¥ 129,500	¥ 400,811	¥ 0	¥ 245,274	¥ (1,153)	¥ 993,086
Changes during the Period							
Dividends from Surplus					(4,495)		(4,495)
Profit Attributable to Owners of Parent					15,683		15,683
Acquisition of Treasury Stock						(6)	(6)
Disposition of Treasury Stock				0		0	0
Net Changes of Items Other Than Shareholders' Equity							
Total Changes during the Period	—	—	—	0	11,187	(6)	11,181
Balance, March 31, 2024	¥ 218,653	¥ 129,500	¥ 400,811	¥ 0	¥ 256,462	¥ (1,159)	¥ 1,004,267

	Accumulated Other Comprehensive Income					Non-controlling Interests	Total Net Assets
	Unrealized Gains on Other Securities	Deferred Hedge Gains	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income			
Balance, April 1, 2023	¥ 16,233	¥ 2	¥ (7,976)	¥ 8,259	¥ 3,796	¥ 1,005,142	
Changes during the Period							
Dividends from Surplus						(4,495)	
Profit Attributable to Owners of Parent						15,683	
Acquisition of Treasury Stock						(6)	
Disposition of Treasury Stock						0	
Net Changes of Items Other Than Shareholders' Equity	11,433	108	12,399	23,942	—	23,942	
Total Changes during the Period	11,433	108	12,399	23,942	—	35,123	
Balance, March 31, 2024	¥ 27,666	¥ 111	¥ 4,423	¥ 32,201	¥ 3,796	¥ 1,040,266	

Consolidated Statements of Changes in Net Assets

Consolidated Statements of Changes in Net Assets

The Shoko Chukin Bank, Ltd. and Subsidiaries For the years ended March 31, 2025 and 2024

Millions of U.S. dollars

	Shareholders' Equity						
	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance, April 1, 2024	\$ 1,462	\$ 866	\$ 2,680	\$ 0	\$ 1,715	\$ (7)	\$ 6,716
Changes during the Period							
Dividends from Surplus					(43)		(43)
Profit Attributable to Owners of Parent					172		172
Acquisition of Treasury Stock						(0)	(0)
Disposition of Treasury Stock				0		0	0
Net Changes of Items Other Than Shareholders' Equity							
Total Changes during the Period	—	—	—	0	128	(0)	128
Balance, March 31, 2025	\$ 1,462	\$ 866	\$ 2,680	\$ 0	\$ 1,843	\$ (7)	\$ 6,845

	Accumulated Other Comprehensive Income					Non-controlling Interests	Total Net Assets
	Unrealized Gains on Other Securities	Deferred Hedge Gains	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income			
Balance, April 1, 2024	\$ 185	\$ 0	\$ 29	\$ 215	\$ 25	\$ 6,957	
Changes during the Period							
Dividends from Surplus						(43)	
Profit Attributable to Owners of Parent						172	
Acquisition of Treasury Stock						(0)	
Disposition of Treasury Stock						0	
Net Changes of Items Other Than Shareholders' Equity	(114)	1	(28)	(140)	—	(140)	
Total Changes during the Period	(114)	1	(28)	(140)	—	(12)	
Balance, March 31, 2025	\$ 70	\$ 2	\$ 1	\$ 74	\$ 25	\$ 6,944	



Shareholders' Equity

	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance, April 1, 2023	\$ 1,444	\$ 855	\$ 2,647	\$ 0	\$ 1,619	\$ (7)	\$ 6,558
Changes during the Period							
Dividends from Surplus					(29)		(29)
Profit Attributable to Owners of Parent					103		103
Acquisition of Treasury Stock						(0)	(0)
Disposition of Treasury Stock				0		0	0
Net Changes of Items Other Than Shareholders' Equity							
Total Changes during the Period	—	—	—	0	73	(0)	73
Balance, March 31, 2024	\$ 1,444	\$ 855	\$ 2,647	\$ 0	\$ 1,693	\$ (7)	\$ 6,632

Accumulated Other Comprehensive Income

	Unrealized Gains on Other Securities	Deferred Hedge Gains	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	Non-controlling Interests	Total Net Assets
Balance, April 1, 2023	\$ 107	\$ 0	\$ (52)	\$ 54	\$ 25	\$ 6,638
Changes during the Period						
Dividends from Surplus						(29)
Profit Attributable to Owners of Parent						103
Acquisition of Treasury Stock						(0)
Disposition of Treasury Stock						0
Net Changes of Items Other Than Shareholders' Equity	75	0	81	158	—	158
Total Changes during the Period	75	0	81	158	—	231
Balance, March 31, 2024	\$ 182	\$ 0	\$ 29	\$ 212	\$ 25	\$ 6,870

BASIS OF PRESENTATION

The accompanying financial statements of the Shoko Chukin Bank, Ltd. (the "Bank") and its consolidated subsidiaries (the "Group") have been prepared in accordance with the provisions set forth in the Shoko Chukin Bank Law and in conformity with generally accepted accounting principles and practices in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

The financial statements are not intended to present the financial position and the result of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

Amounts in U.S. dollars are presented solely for the convenience of readers. The exchange rate of ¥149.52=U.S.\$1.00, the approximate rate of exchange prevailing as of March 31, 2025, has been used for translation purposes for the year ended March 31, 2025, and ¥151.41=U.S.\$1.00, the approximate rate of exchange prevailing as of March 31, 2024, has been used for translation purposes for the year ended March 31, 2024. The presentation of such amounts is not intended to imply that Japanese yen amounts have been or could have been readily translated, realized or settled in U.S. dollars at that rate or any other rate.

The yen figures disclosed in the financial statements are expressed in millions of yen and have been rounded down.

SIGNIFICANT BASIC ITEMS FOR CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of consolidation

(1) Consolidated subsidiaries: 9 companies

Names of consolidated subsidiaries:

YAESU SHOKO, LTD.
SHOKOCHUKIN COMPUTER SYSTEMS CO., LTD.
SHOKO SERVICE, LTD.
YAESU KOSAN CO., LTD.
THE SHOKO CHUKIN BANK INSTITUTE of
COMMERCE, INDUSTRY & ECONOMICS, LTD.
SHOKO CHUKIN LEASE CO., LTD.
SHOKO CHUKIN CARD CO., LTD.
SHOKO CHUKIN CAPITAL CO., LTD.
SHOKO CHUKIN HUMAN DESIGN CO., LTD.

(Change in scope of consolidation)

SHOKO CHUKIN HUMAN DESIGN CO., LTD. has been included in the scope of consolidation from the current fiscal year due to its new establishment.

(2) Non-consolidated subsidiaries: 2 companies

Names of non-consolidated subsidiaries:

YAESU MIDORI KANREN JIGYOU KYOUDOUKUMIAI
Tsunagaru Mirai Fund (silent partnership)

Non-consolidated subsidiary is excluded from the scope of consolidation because its total amounts in terms of total assets, operating income and profit (the amounts equivalent to equity shareholdings), retained earnings (the amounts equivalent to equity shareholdings) and accumulated other comprehensive income (the amounts equivalent to equity shareholdings) are immaterial and do not hinder a rational judgment of the Shoko Chukin Bank, Ltd.

Group's financial position and results of operations when excluded from the scope of consolidation.

(3) Other companies, etc., not classified as subsidiaries in spite of the Bank's ownership of the majority of the voting rights based on its accounting

Number of such other companies: 1 company
Consolidated subsidiaries engaged in the investment business, etc., invested in this company for the purpose of expanding investments, etc., and not for the purpose of placing it under control. Therefore, such a company is not classified as a subsidiary.

2. Application of the equity method

(1) Non-consolidated subsidiaries accounted for by the equity method:

None

(2) Affiliated companies accounted for by the equity method:

None

(3) Non-consolidated subsidiaries that are not accounted for by the equity method: 2 companies

Names of non-consolidated subsidiaries that are not accounted for by the equity method:

YAESU MIDORI KANREN JIGYOU KYOUDOUKUMIAI
Tsunagaru Mirai Fund (silent partnership)

(4) Affiliated companies that are not accounted for by the equity method: 1 company

Name of affiliated company that is not accounted for by the equity method:

Sazankapartners, Limited

Non-consolidated subsidiary/affiliated company that is not accounted for by the equity method is excluded from the scope of the equity method because its total amounts in terms of profit (the amounts equivalent to equity shareholdings), retained earnings (the amounts equivalent to equity shareholdings) and accumulated other comprehensive income (the amounts equivalent to equity shareholdings) do not have a material impact on consolidated financial statements when excluded from the scope of the equity method.

(5) Other companies, etc., not classified as affiliated companies in spite of the Bank's ownership of between 20% and 50% of the voting rights based on its accounting

Number of such other companies: 2 companies
The Bank and its consolidated subsidiaries engaged in the investment business, etc., invested in these companies for the purpose of expanding investments, etc., and not for the purpose of placing them under control. Therefore, such companies are not classified as affiliated companies.

3. Fiscal period-end of consolidated subsidiaries

The fiscal period-end of consolidated subsidiaries is as follows:

March 31 9 companies

4. Special purpose entities subject to disclosure

(1) Overview of special purpose entities subject to disclosure and transactions with these special purpose entities:

None



- (2) Transaction amounts with special purpose entities subject to disclosure:
None
5. Accounting policies
- (1) Basis for valuation of Trading Assets/Liabilities and calculation of Revenue/Expenses
Transactions undertaken with a view to gains on short-term fluctuations in interest rates, currency values, market prices of securities and other indicators or differentials, etc., between markets (hereinafter referred to as "Trading Transactions") are shown in the Consolidated Balance Sheets as "Trading Assets" or "Trading Liabilities" based on values at the time of contract, while gains and losses from the said transactions are shown in the Consolidated Statements of Operations as "Trading Revenue" or "Trading Expenses."
- Trading Assets and Trading Liabilities are valued at market prices on the consolidated balance sheet date for securities and monetary claims, etc., and at deemed settlement prices on the consolidated balance sheet date for derivative products such as swaps, futures and options.
- In the Consolidated Statements of Operations, Trading Revenue and Trading Expenses are arrived at by adding interest received and paid and other items during the fiscal period, amounts equivalent to the changes in valuation between the ends of the previous and current fiscal periods for securities and monetary claims, etc., and amounts equivalent to changes in deemed settlements between the ends of the previous and current fiscal periods for derivatives.
- For derivatives, the Bank holds groups of financial assets and financial liabilities that are exposed to market risks and credit risk. The Bank manages those instruments on the basis of its net exposure to a particular market risk (or risks) or to a particular credit risk.
- (2) Basis and methods for valuation of securities
The following valuation methods are applied, depending on the type of security. Bonds intended to be held until maturity are amortized using the moving average cost method (straight-line method). Stocks of non-consolidated subsidiaries and affiliated companies that are not accounted for by the equity method are stated at cost based on the moving average method. Other securities are valued using the mark-to-market method (cost of sales are primarily calculated with the moving average method). However, stocks, etc. that do not have market prices are valued using the cost method on the basis of a moving average.
- Unrealized Gains on Other Securities are all directly incorporated into Net Assets.
- (3) Basis and methods for valuation of derivative transactions
Derivative transactions other than Trading Transactions are stated using the mark-to-market method.
- The Bank holds groups of financial assets and financial liabilities that are exposed to market risks and credit risk. The Bank manages those instruments on the basis of its net exposure to a particular market risk (or risks) or to a particular credit risk.
- (4) Amortization of Fixed Assets
- (a) Tangible Fixed Assets (excluding Leased Assets)
Tangible Fixed Assets are subject to declining balance depreciation.
Expected useful lives for major items are as follows:
Buildings: 2 to 60 years
Other Tangible Fixed Assets: 2 to 20 years
Tangible Fixed Assets owned by consolidated subsidiaries are depreciated using primarily the straight-line method over the estimated useful lives of the respective Tangible Fixed Assets.
- (b) Intangible Fixed Assets (excluding Leased Assets)
Intangible Fixed Assets are amortized using the straight-line method. Software for internal use is amortized using the straight-line method over its estimated useful life determined by the Bank and its consolidated subsidiaries (principally 5 years).
- (c) Leased Assets
Leased Assets relating to finance lease transactions that do not involve transfer of ownership are depreciated under the straight-line method, with zero residual value, over the lease term.
- (5) Accounting standard for Reserve for Possible Loan Losses:
The Reserve for Possible Loan Losses is calculated in accordance with the predetermined standards for write-offs and reserve provisions as follows.
- Normal loans and the loans that require special attention are defined in "Operational Guidelines for Self-Assessment of Assets and Audits on Write-Offs and Reserves for Possible Loan Losses in Banks and Other Financial Institutions" (JICPA Bank Auditing Special Committee Report No. 4, April 14, 2022), and are grouped into secured loans relating to crisis response operations and other loans. Additionally, among loans that require special attention, loans other than those requiring special management (hereinafter, "other loans requiring special attention") are grouped by whether they have been restructured or not. For each of these groups, reserve provisions are made respectively, mainly based on the amount of expected loss for the subsequent year or the amount of expected loss for the subsequent 3 years. The amount of expected loss is determined by calculating a loss rate based on the average default rate over a specific period based on defaults over 1 year or 3 years, to which necessary adjustments are made including reflecting future estimates. Amounts reserved for loans to debtors at risk of bankruptcy are determined as the amounts deemed necessary on the basis of the balance remaining after deducting the estimated amounts recoverable from disposal of collateral and execution of guarantees. Amounts reserved for loans to debtors that are legally or virtually bankrupt are determined to be the balance remaining after deducting the estimated amounts to be collected through disposal of collateral and execution of guarantees.
- Reserve for Loans to Debtors at Risk of Bankruptcy with Restructured Loans is provided based on the discounted cash flow (DCF) method if the loan balance exceeds a specific amount and the future cash flows of

the principal and interest of the loan can be reasonably estimated. Under the DCF method, the reserve is calculated as the difference between the book value of the loan and the present value of its expected future cash flows, discounted by the contractual interest rate before the terms of the loan were restructured.

All loan assets have been assessed by the business departments and audited by the division in charge of asset examination, which is independent from the business departments, to comply with the standard for self-assessment of assets.

Reserve for Possible Loan Losses of consolidated subsidiaries for general claims is provided in the amount deemed necessary based on historical loan loss ratios, and for doubtful claims in the amount deemed uncollectible based on an assessment of each individual claim.

- (6) Accounting standard for Reserve for Bonuses
Reserves for Bonuses are set up for the payment of employees' bonuses and appropriate an amount for this fiscal period out of the amount of bonuses estimated to be paid to employees.
- (7) Accounting standard for Reserve for Retirement Benefits for Directors
Reserves for Retirement Benefits for Directors are set up for the payment of directors' retirement benefits. It represents amounts that have accrued through the end of this fiscal period out of the retirement benefits amount estimated to be paid to directors.
- (8) Accounting standard for Reserve for Losses on Refund for Dormant Bonds
Reserves for Losses on Refunds for Dormant Bonds are recorded for bonds that are no longer recognized as liabilities in an amount equivalent to the estimated losses arising from future demands for refunds.
- (9) Accounting standard for Reserve for Environmental Measures
Reserves for Environmental Measures are set up for the estimated payment for disposal of PCB (polychlorinated biphenyl) waste.
- (10) Accounting standard for Other Reserves
Other Reserve is the estimated amount of Reserve for Sales Promotion to provide for the exchange of items.
- (11) Accounting method for Retirement Benefits
Upon the calculation of retirement benefit obligations, the estimated retirement benefit obligation attributable up to the end of this fiscal period are accounted for by the benefit formula basis.
Unrecognized past service costs and unrecognized actuarial difference are amortized as follows:
Unrecognized past service costs:
By the straight-line method over a fixed number of years that does not exceed the remaining service years (14 years) of employees of the fiscal period when the past service costs were incurred.

Unrecognized actuarial difference:

By the straight-line method over a fixed number of years that does not exceed the average remaining service years (14 years) of employees at each fiscal period when the actuarial difference was incurred. This amortization starts from the subsequent fiscal period.

Moreover, consolidated subsidiaries have adopted the simplified method, where retirement benefit obligations are the amount to be paid when all the employees voluntarily retired at the end of the fiscal periods, to calculate Net Defined Benefit Liability and retirement benefit expenses.

- (12) Translation standard for assets and liabilities denominated in foreign currencies
Assets and liabilities of the Bank denominated in foreign currencies and accounts of the Bank's overseas branches are translated into Japanese yen mainly at exchange rates prevailing as of the consolidated balance sheet date.
Assets and liabilities of consolidated subsidiaries denominated in foreign currencies are translated into Japanese yen at exchange rates prevailing as of their respective balance sheet dates.
- (13) Accounting method for significant hedge transactions
 - (a) Interest rate risk hedging
Deferred hedge accounting is adopted for hedges carried out to control the risk of interest fluctuations arising from financial assets and liabilities of the Bank, as stipulated in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Committee Practical Guideline No. 24, March 17, 2022). Interest swap transactions are carried out for the purpose of offsetting the risk of market fluctuations arising from financial assets and liabilities. The effectiveness of the hedge is identified and evaluated by grouping the loans as hedged items and interest rate swap transactions as hedged instruments by a certain remaining period.
 - (b) Currency risk hedging
Deferred hedge accounting is adopted for hedges carried out to control the risk of currency fluctuations arising from foreign currency-denominated financial assets and liabilities, as stipulated in the "Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Committee Practical Guideline No. 25, October 8, 2020). Currency swap transactions are carried out for the purpose of offsetting the risk of currency fluctuations arising from foreign currency-denominated monetary claims. The effectiveness of the hedge is evaluated by confirming the availability of an amount equivalent to the foreign currency position used to hedge the foreign currency-denominated monetary claims.

- (c) Transactions between consolidated subsidiaries
Interest rate swap transactions designated as hedges for those derivatives transactions that are internal transactions between consolidated subsidiaries, special transaction accounts and other accounts (or between internal departments) were executed in conformity with external cover transaction standards for which strict hedge operations that eliminate arbitrary decision-making were recognized as possible under the JICPA Industry Committee Practical Guideline No. 24. For this reason, revenue and expenses arising from said interest rate swap transactions have been recognized as gains/losses without being eliminated.

The special treatment for deferred hedge or interest rate swaps is applied to certain assets and liabilities.

The special treatment for interest rate swaps is applied to certain assets and liabilities of consolidated subsidiaries.

SIGNIFICANT ACCOUNTING ESTIMATES

Amounts recorded in the consolidated financial statements of the current fiscal year based on accounting estimates that may materially impact the consolidated financial statements of the following fiscal year are as follows.

1. Reserve for Possible Loan Losses
 - (1) Amount of Reserve for Possible Loan Losses recorded in the consolidated financial statements for the current fiscal year totaled ¥196,246 million.
 - (2) Information that will facilitate the understanding of significant accounting estimates related to identified items
 - (a) Calculation method
The calculation method of the Reserve for Possible Loan Losses is as stated in “(5) Accounting standard for Reserve for Possible Loan Losses” of “5. Accounting policies.”
 - (b) Major assumptions
Major assumptions are made for “Future results forecasts of the borrowers in determining business partner category” and “Future estimates, etc. of expected loss.” The former is determined by individually evaluating the revenue-generating capability of each debtor. “Future estimates, etc. of expected loss” incorporate credit risk that has not been reflected in the default rates, etc. in individual categories for which provisions are calculated as of the consolidated balance sheet date.
For normal loans and loans requiring special attention, additional reserve is provided on the basis of the balance of receivables from major customers as of the consolidated balance sheet date remaining after deducting the estimated

amounts recoverable from disposal of collateral and execution of guarantees, to incorporate the unexpected default risks after the consolidated balance sheet date. For other loans requiring special attention that have been rescheduled, the Bank focused on the increase in the default rate in line with factors including the start of repayment of COVID-19 Related Loans for the previous fiscal year, and the Reserve for Possible Loan Losses to which the necessary adjustments are made, including future estimates, was calculated by approximating the amount of expected loss based on the actual results for that year in estimating the expected loss rate for the subsequent 3 years. For the year ended March 31, 2025, the amount of expected loss is estimated using the calculation method adopted in the previous year that reflects the actual results for the fiscal year ended March 31, 2025.

The expected loss rate of loans to debtors at risk of bankruptcy (excluding those to which the discounted cash flow (DCF) method has been applied) is based on a historical default rate on which the medium- to long-term effects of the business cycle have been leveled through the extension of the calculation period. Subsequently, the relationship between the actual values of economic indicators and the loss rate of loans to debtors at risk of bankruptcy in the past are analyzed. If the loss rate estimated from the latest actual values of the economic indicators exceeds the historical default rate, the Reserve for Possible Loan Losses is calculated using the obtained loss rate as the expected loss rate, to reflect the current conditions of the deteriorating economy. Based on this calculation method, the historical default rate is used as the expected loss rate for the year ended March 31, 2025.

- (c) Impact on the consolidated financial statements of the following fiscal year
Any changes to “Future results forecasts of the borrowers in determining business partner category” and the “Future estimates, etc. of expected loss” used in the initial estimates due to changes in the business results of individual borrowers or other economic environment may significantly impact the Reserves for Possible Loan Losses in the consolidated financial statements of the following fiscal year.

NEW ACCOUNTING STANDARDS NOT YET APPLIED

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)
 - Amendments to other related accounting standards, implementation guidance, practical solutions, and transferred guidance
 - (1) Overview

The accounting standard, etc. establish treatments similar to those of international accounting standards, such as requiring a lessee to recognize assets and liabilities for all leases. The Accounting Standards Board of Japan has employed the right-of-use model as its basic policy for developing an accounting standard for leases. Under this model, as under IFRS 16, a lessee recognizes right-to-use assets and lease liabilities by treating the right to use the underlying asset as being transferred to the lessee, regardless whether the lease is a finance lease or operating lease. However, the basic policy adopts only key stipulations of IFRS 16, rather than all of them, so that the accounting treatment becomes simple and highly convenient, and provides for stipulations that serve as an alternative treatment to the extent that international comparability is not significantly impaired.
 - (2) Planned date of application

The Bank will apply the accounting standard, etc. from the beginning of the year ending March 31, 2028.
 - (3) Effect of application of the accounting standard, etc.

The effect of application is being assessed at the time of the preparation of the consolidated financial statements for the year ended March 31, 2025.
- Practical Guidelines on Accounting for Financial Instruments (revised Transferred Guidance No.9, March 11, 2025)
 - (1) Overview

The practical guidelines stipulate the revision of the accounting treatment for equity holdings in venture capital funds held by listed companies and other entities by evaluating at fair value stocks without market prices that are incorporated in venture capital funds, etc. so that useful information is offered to investors.
 - (2) Planned date of application

The Bank will apply the revised accounting treatment from the beginning of the year ending March 31, 2027.
 - (3) Effect of application of the accounting standard, etc.

The effect of application is being assessed at the time of the preparation of the consolidated financial statements for the year ended March 31, 2025.

ADDITIONAL INFORMATION

1. Special Reserve

Accompanying privatization on October 1, 2008, a transfer was made from capital and retained earnings to special reserve pursuant to the Article 5 of the Supplementary Provisions of the Shoko Chukin Bank Law (hereinafter referred to as "Supplementary Provisions").

The special reserve has the following characteristics.

 - (1) Pursuant to the provisions of Article 43 of the Shoko Chukin Bank Law (hereinafter referred to as "Law"), in the calculation of the amount of surplus, the amount of special reserve shall be included in the total amount of capital and reserves.
 - (2) Pursuant to the provisions of Article 44, Paragraph 1 of the Law, the amount of special reserve may be reduced in the event a deficit is compensated, if the total amount of capital reserve and earnings reserve becomes zero. When the amount of the surplus comes to exceed zero following the reduction of the special reserve, the amount of special reserve must be increased pursuant to the provisions of Article 44, Paragraph 3 of the Law.
 - (3) Pursuant to the provisions of Article 45 of the Law, when the state of the capital adequacy and the soundness of other finances have improved and when it is deemed that the financial soundness has been secured, all or a portion of the amount of special reserve may, pursuant to a resolution of the general meeting of shareholders, be paid to the national treasury.
 - (4) When, supposing the Bank is liquidated, obligations have been repaid and there are residual assets, the amount of special reserve shall be paid to the national treasury pursuant to the provisions of Article 46 of the Law.
2. Crisis Response Reserve

Pursuant to the Article 2-6 of the Supplementary Provisions, in order for smooth implementation of crisis response operations, the Bank accounts for capital contributed by the government as crisis response reserve.

The crisis response reserve has the following characteristics.

 - (1) Pursuant to the provisions of Article 43 of the Law, which is applied with a replacement of the terms pursuant to the Article 2-9, Paragraph 1 of the Supplementary Provisions, in the calculation of the amount of surplus, the amount of crisis response reserves shall be included in the total amount of capital and reserves.
 - (2) Pursuant to the Article 2-7 of the Supplementary Provisions, the amount of crisis response reserves may be reduced in the event a deficit is compensated, if the total amount of special reserve becomes zero. When the amount of the surplus comes to exceed zero following the reduction of the crisis response reserves, the amount of crisis response reserves must be increased pursuant to the provisions of Article 44, Paragraph 3 of the Law, which is applied with a replacement of the terms pursuant to the Article 2-9, Paragraph 1 of the Supplementary Provisions. The increase in the amount of the crisis response reserves shall, pursuant to the Article 2-9, Paragraph 2 of the Supplementary Provisions, be undertaken prior to the increase in the amount of the special reserve.

- (3) Pursuant to the provisions of Article 45 of the Law, which is applied with a replacement of the terms pursuant to the Article 2-8 and 2-9, Paragraph 1 of the Supplementary Provisions, when the Bank deems it has sufficiently secured the necessary financial foundation for the smooth implementation of crisis response operations, an amount of money equivalent to all or a portion of the amount of crisis response reserves may, pursuant to a resolution of the general meeting of shareholders, be repaid to the national treasury.
- (4) When, supposing the Bank is liquidated, obligations have been repaid and there are residual assets, the amount of crisis response reserves shall be paid to the national treasury pursuant to the provisions of Article 46 of the Law, which are applied with a replacement of the terms pursuant to the Article 2-9, Paragraph 1 of the Supplementary Provisions, and the Article 2-9, Paragraph 3 of the Supplementary Provisions.

from whom the contractual collection of loan principal and receipt of interest are unlikely, excluding loans to legally bankrupt and substantially bankrupt companies.

Loans overdue by three months or longer are defined as loans on which principal or interest payments are overdue by three months or longer reckoning from the payment date stipulated in the contract. Loans that are classified as loans to legally bankrupt and substantially bankrupt companies and loans with collection risk are excluded from this category.

Rescheduled loans are loans for which the terms have been eased to support financial restructuring of the borrower through measures agreed in favor of the borrower, such as reduction of interest payments, postponement of interest or principal repayments and abandonment of claims, excluding loans to legally bankrupt and substantially bankrupt companies, loans with collection risk, and loans overdue by three months or longer.

Normal loans are loans to debtors who have no problems in terms of their financial position and result of operations that are not classified as loans to legally bankrupt and substantially bankrupt companies, loans with collection risk, loans overdue by three months or longer, or rescheduled loans.

The above figures represent the amounts of loans before the deduction of Reserve for Possible Loan Losses.

3. Bills discounted are handled as financial transactions in accordance with JICPA Industry Committee Practical Guideline No. 24. With regards to bills accepted through the transactions, the Bank has the right to freely sell or use as collateral any bank acceptance bills, trade bills, documentary bills, or foreign bills bought, the aggregate face value of which is ¥65,250 million.

4. Assets provided as collateral are as follows.

Assets provided as collateral:

Securities	¥456,626 million
Liabilities corresponding to collateral assets:	
Deposits	¥1,316 million
Payables under Securities Lending Transactions	¥169,705 million
Borrowed Money	¥105,831 million

In addition to the above amounts, securities worth ¥70,212 million have been substituted for futures margin money, etc.

Other Assets include ¥67,110 million of Cash Collateral Received for Financial Instruments and ¥1,757 million of guarantees and deposits.

5. Overdraft contracts and commitment line contracts on loans are the agreements under which the Bank grants a loan up to a designated credit limit when the customer requests, unless there is a breach of the conditions stipulated in the relevant contract. The outstanding credit facility ready for claims under such agreements is ¥1,986,831 million. Of this amount, ¥1,734,791 million has original contract duration of one year or less (or can be dissolved without condition at any point in time).

Most of these contracts are terminated before the amount of the credit facility determined in the agreement is fully utilized. Accordingly, the outstanding credit facility

CONSOLIDATED BALANCE SHEETS

- The total amount of shares and investments in capital of non-consolidated subsidiaries and affiliated companies is ¥24 million of shares and ¥2,710 million of investments.
- Loans based on the Shoko Chukin Bank Law and the Act on Emergency Measures for the Revitalization of the Financial Functions are as follows. Loans include the following items in the Consolidated Balance Sheets: Corporate Bonds, presented as a sub-item of "Investment Securities" (limited to privately-offered corporate bonds (defined in Article 2, Paragraph 3 of the Financial Instruments and Exchange Act) for which redemption of principal and payment of interest are guaranteed in whole or in part); Loans; Foreign Exchange; Accrued Interest and Suspense Payments, presented as sub-items of "Other Assets"; and Customers' Liabilities for Acceptances and Guarantees, and also include Investment Securities lent that are described in the notes (limited to investment securities under loan for consumption or leasing agreements).

Loans to legally bankrupt and substantially bankrupt companies

¥135,245 million

Loans with collection risk ¥161,794 million

Loans requiring special management

¥81,067 million

Loans overdue by three months or longer

¥3,698 million

Rescheduled loans ¥77,369 million

Subtotal: ¥378,107 million

Normal loans ¥9,510,001 million

Total: ¥9,888,108 million

Loans to legally bankrupt and substantially bankrupt companies are loans to debtors that are in business failure due to a petition for the commencement of bankruptcy proceedings, the corporate reorganization proceedings, or rehabilitation proceedings, etc., and loans equivalent to such loans.

Loans with collection risk are loans to debtors, while not yet in a state of business failure but whose financial position and result of operations have deteriorated, and

itself does not always affect the future cash flows of the Bank and its consolidated subsidiaries. Most of these agreements have provisions that allow the Bank and its consolidated subsidiaries to cancel customers' claims and / or to reduce the credit limit for appropriate reasons such as changes in financial situation and protection of credit standing. Moreover, when necessary, the Bank and its consolidated subsidiaries require customers to provide property, securities and other collateral when signing the contract. After the Bank and its consolidated subsidiaries enter into the agreement, periodical checks of customers' business condition are undertaken in accordance with internally established procedures as well as reviews of the conditions of the agreement where necessary. In this context, measures are taken to protect the assets of the Bank and its consolidated subsidiaries.

6. Accumulated depreciation of Tangible Fixed Assets is ¥73,328 million.
7. Advanced depreciation of Tangible Fixed Assets is ¥16,032 million.
(There is no advanced depreciation for the current fiscal period.)
8. Borrowed Money includes subordinated borrowings under subordination covenant totaling ¥15,000 million.
9. Corporate Bonds include subordinated bonds totaling ¥100,000 million.
10. Within Corporate Bonds, presented as a sub-item of Investment Securities, the Bank's guarantee liabilities relating to privately-offered corporate bonds (Financial Instruments and Exchange Act, Article 2, Paragraph 3) amounted to ¥5,424 million.

CONSOLIDATED STATEMENTS OF OPERATIONS

1. Other Income includes ¥2,207 million of Revenue from Sales of Stocks and Other Securities and ¥0 million of revenue from dormant bonds.
2. General and Administrative Expenses include ¥39,622 million of salaries and allowances and ¥13,379 million of outsourcing expenses.
3. Other Expenses include ¥623 million of Write-off of Loans, ¥406 million of Write-off of Stocks, ¥1,719 million of losses on sales of loan assets, ¥1,375 million of provision for reserves for losses on refund for dormant bonds.
4. Description of Impairment Losses is omitted as they are immaterial.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Reclassification Adjustments, Income Taxes and Tax Effects allocated to each component of Other Comprehensive Income

	Millions of yen	
	2025	2024
Unrealized Gains on Other Securities		
Amount arising during the current fiscal year	¥ (25,074)	¥ 14,149
Reclassification Adjustments	650	2,299
Before adjustment of Income Taxes and Deferred Income Tax	(24,423)	16,448
Income Taxes and Deferred Income Tax	7,309	(5,015)
Unrealized Gains on Other Securities	(17,113)	11,433
Deferred Hedge Gains		
Amount arising during the current fiscal year	554	157
Reclassification Adjustments	(130)	(0)
Before adjustment of Income Taxes and Deferred Income Tax	424	156
Income Taxes and Deferred Income Tax	(134)	(47)
Deferred Hedge Gains	289	108
Remeasurements of Defined Benefit Plans		
Amount arising during the current fiscal year	(6,243)	16,619
Reclassification Adjustments	137	1,219
Before adjustment of Income Taxes and Deferred Income Tax	(6,105)	17,838
Income Taxes and Deferred Income Tax	1,859	(5,439)
Remeasurements of Defined Benefit Plans	(4,246)	12,399
Total Other Comprehensive Income	¥ (21,070)	¥ 23,942

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

1. Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

- (1) Matters relating to the type and number of shares issued

	Number of Shares as of April 1, 2024	Increase	Decrease	(Thousand shares)	
				Number of Shares as of March 31, 2025	Remarks
Number of shares issued and outstanding					
Common stock	2,186,531	—	—	2,186,531	
Total	2,186,531	—	—	2,186,531	
Treasury stock					
Common stock	10,743	54	0	10,797	(Note)
Total	10,743	54	0	10,797	

Note: The increase in the common stock is due to claims by shareholders for repurchase of shares less than one unit. The decrease in common stock is due to claims by shareholders for additional purchase of shares less than one unit.

- (2) Matters Relating to Dividends

- (a) Amount of cash dividends paid during the fiscal year

Resolution	Type of Capital Subscription Unit	Total Amount of Cash Dividends Paid (Millions of Yen)	Cash Dividend per Capital Subscription Unit (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders held on June 20, 2024	Common stock (government portion)	3,048	3.0 (Note)	March 31, 2024	June 24, 2024
	Common stock (nongovernment portion)	3,479	3.0		

Note: With respect to the payment of cash dividends applicable to shares held by the government, the amount that must be paid per share is stipulated under Article 50 of the Shoko Chukin Bank Law. This cash dividend amount is obtained by multiplying the amount that does not exceed a ratio of one the cash dividend paid for each share held by subscribers other than the government by the ratio stipulated under the Regulation Enforcing the Shoko Chukin Bank Law. This ratio stipulated under Article 15 of the Regulation Enforcing the Shoko Chukin Bank Law is 10:10 (ten-tenths).

(b) Cash dividends for which the effective date falls after the fiscal year ended March 31, 2025 included in cash dividends for which the base date falls within the fiscal year ended March 31, 2025

Resolution	Type of Shares	Total Amount of Cash Dividends Paid (Millions of Yen)	Source of Cash Dividend Payment	Cash Dividend per Common Stock (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders held on June 19, 2025	Common stock (government portion)	2,702	Retained earnings	3.0 (Note 1)	March 31, 2025	Ordinary General Meeting of Shareholders held on June 19, 2025 and after competent minister authorization (Note 2)
	Common stock (nongovernment portion)	3,824		3.0		

Notes:

- With respect to the payment of cash dividends applicable to shares held by the government, the amount that must be paid per share is stipulated under Article 50 of the Shoko Chukin Bank Law. This cash dividend amount is obtained by multiplying the amount that does not exceed a ratio of one the cash dividend paid for each share held by subscribers other than the government by the ratio stipulated under the Regulation Enforcing the Shoko Chukin Bank Law. This ratio stipulated under Article 15 of the Regulation Enforcing the Shoko Chukin Bank Law is 10:10 (ten-tenths).
- Pursuant to Article 49 of the Shoko Chukin Bank Law, resolutions with regard to the dividends from surplus and the appropriation of other retained earnings come into effect following authorization by the competent minister.

2. Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Matters relating to the type and number of shares issued

(Thousand shares)

	Number of Shares as of April 1, 2023	Increase	Decrease	Number of Shares as of March 31, 2024	Remarks
Number of shares issued and outstanding					
Common stock	2,186,531	—	—	2,186,531	
Total	2,186,531	—	—	2,186,531	
Treasury stock					
Common stock	10,704	39	1	10,743	(Note)
Total	10,704	39	1	10,743	

Note: The increase in the common stock is due to claims by shareholders for repurchase of shares less than one unit. The decrease in common stock is due to claims by shareholders for additional purchase of shares less than one unit.

(2) Matters Relating to Dividends

(a) Amount of cash dividends paid during the fiscal year

Resolution	Type of Capital Subscription Unit	Total Amount of Cash Dividends Paid (Millions of Yen)	Cash Dividend per Capital Subscription Unit (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders held on June 20, 2023	Common stock (government portion)	1,016	1.0 (Note)	March 31, 2023	June 22, 2023
	Common stock (nongovernment portion)	3,479	3.0		

Note: With respect to the payment of cash dividends applicable to shares held by the government, the amount that must be paid per share is stipulated under Article 50 of the Shoko Chukin Bank Law. This cash dividend amount is obtained by multiplying the amount that does not exceed a ratio of one the cash dividend paid for each share held by subscribers other than the government by the ratio stipulated under the Regulation Enforcing the Shoko Chukin Bank Law. This ratio stipulated under Article 15 of the Regulation Enforcing the Shoko Chukin Bank Law is 1:3 (one-third).

(b) Cash dividends for which the effective date falls after the fiscal year ended March 31, 2024 included in cash dividends for which the base date falls within the fiscal year ended March 31, 2024

Resolution	Type of Shares	Total Amount of Cash Dividends Paid (Millions of Yen)	Source of Cash Dividend Payment	Cash Dividend per Common Stock (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders held on June 20, 2024	Common stock (government portion)	3,048	Retained earnings	3.0 (Note 1)	March 31, 2024	Ordinary General Meeting of Shareholders held on June 20, 2024 and after competent minister authorization (Note 2)
	Common stock (nongovernment portion)	3,479		3.0		

Notes:

- With respect to the payment of cash dividends applicable to shares held by the government, the amount that must be paid per share is stipulated under Article 50 of the Shoko Chukin Bank Law. This cash dividend amount is obtained by multiplying the amount that does not exceed a ratio of one the cash dividend paid for each share held by subscribers other than the government by the ratio stipulated under the Regulation Enforcing the Shoko Chukin Bank Law. This ratio stipulated under Article 15 of the Regulation Enforcing the Shoko Chukin Bank Law is 10:10 (ten-tenths). In the "Cabinet Order for Partial Revision of the Regulation Enforcing the Shoko Chukin Bank Law (Cabinet Order No. 245)," the ratio stipulated by the Cabinet Order was revised to 10:10 effective July 24, 2023.
- Pursuant to Article 49 of the Shoko Chukin Bank Law, resolutions with regard to the dividends from surplus and the appropriation of other retained earnings come into effect following authorization by the competent minister.

Capital Account Details (Consolidated)

The Shoko Chukin Bank, Ltd. and Subsidiaries For the year ended March 31, 2025

CAPITAL RATIO (Uniform International Standards)

(¥100 million, %)

	(As of March 31, 2025)
1. Total Risk-weighted Capital Ratio (4/7)	12.88
2. Tier 1 Risk-weighted Capital Ratio (5/7)	11.61
3. Common Equity Tier 1 Risk-weighted Capital Ratio (6/7)	10.94
4. Total Capital	11,533
5. Tier 1 Capital	10,401
6. Common Equity Tier 1 Capital	9,801
7. Risk-weighted Assets	89,540
8. Total Required Capital	7,163

LEVERAGE RATIO (Uniform International Standards)

(%)

	(As of March 31, 2025)
Leverage Ratio	9.08



Financial Data (Non-Consolidated)

Year Ended March 31, 2025

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Trends in Principal Financial Indicators (Non-Consolidated)

Fiscal period ended	Billions of yen				
	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
Total Operating Income	¥ 170.7	¥ 145.1	¥ 139.8	¥ 128.5	¥ 117.9
Income (Loss) before Income Taxes and Other	32.8	21.9	30.8	30.2	7.6
Net Income (Loss)	25.6	15.3	22.9	18.3	8.7
Capital	218.6	218.6	218.6	218.6	218.6
[Total Number of Shares Issued in Thousands of Units]	[2,186,531]	[2,186,531]	[2,186,531]	[2,186,531]	[2,186,531]
Total Capital Funds	1,021.8	1,019.5	997.1	979.7	969.9
Total Assets	12,187.4	13,226.7	12,980.4	12,719.3	13,012.6
Outstanding Deposits	6,223.4	6,235.2	5,786.3	5,707.9	5,893.6
Outstanding Debentures	3,209.9	3,296.4	3,448.8	3,542.5	3,787.1
Outstanding Loans	9,642.0	9,627.4	9,639.0	9,607.8	9,521.4
Balance of Investment Securities	1,320.9	1,219.6	977.9	1,215.1	1,464.4
Net Assets per Share (Yen)	225.91	224.86	214.56	206.56	202.05
Dividends per Share (Yen)	Common stock (non-government portion)				
	3.00	3.00	3.00	3.00	3.00
Net Income per Share (Yen)	(government portion)				
	3.00	3.00	1.00	1.00	1.00
Net Income per Share (Diluted) (Yen)	11.78	7.06	10.56	8.41	4.03
Capital Ratio (%)	8.38	7.70	7.68	7.70	7.45
Non-consolidated Tier 1 (Common Stock etc.) Ratio (%)	10.90	11.10	11.53	11.71	11.74
Non-consolidated Tier 1 Ratio (%)	11.57	11.79	11.89	11.71	11.74
Non-consolidated Total Capital Ratio (%)	12.84	12.99	13.16	12.76	12.68
Return on Equity (%)	2.51	1.52	2.32	1.87	0.91
Price Earnings Ratio	—	—	—	—	—
Dividend Payment Ratio (%)	25.46	42.48	19.54	24.55	51.24
Number of Employees (Persons)	3,375	3,383	3,377	3,419	3,599
[Average Number of Temporary Employees excluded from Above]	[933]	[902]	[883]	[886]	[890]

Notes: 1. The figure for Net Income per Share (Diluted) is not disclosed because there were no shares with a dilutive effect.

2. Dividends per Share are classified and presented in two separate categories, namely, Cash Dividend per Common Stock (government portion) and Cash Dividend per Common Stock (non-government portion). This separate classification is pursuant to Article 50 of the Shoko Chukin Bank Limited Act, which stipulates that the dividend per share applicable to Common Stock held by the government shall not exceed the dividend per share applicable to Common Stock held by parties other than the government. From the 91st fiscal term to the 94th fiscal term, this ratio stipulated under Article 15 of the Regulation Enforcing the Shoko Chukin Bank Law is 1:3 (one-third). For the 95th fiscal term, however, the ratio stipulated in the Cabinet Order Partially Amending Regulation Enforcing the Shoko Chukin Bank Law (Cabinet Order No. 245) is 10:10 (ten-tenths).

3. The Capital Ratio is calculated as follows:

(Total Net Assets as of the fiscal period-end - Share award rights as of the fiscal period-end - Stock acquisition rights as of the fiscal period-end)/Total Assets as of the fiscal period-end × 100.

4. Figures for Price Earnings Ratio are not disclosed because the Shoko Chukin Bank is not publicly listed or registered. From effective fiscal 2022, the finalized Basel III framework has been early adopted for the calculation of the figures.

5. The Non-consolidated Capital Ratio is calculated in accordance with Announcement No. 2 of 2008 from the Financial Services Agency, the Ministry of Finance and the Ministry of Economy, Trade and Industry pursuant to Article 23, Paragraph 1 of the Shoko Chukin Bank Limited Act. The Shoko Chukin Bank has adopted the BIS international capital adequacy guidelines.

6. Dividend Payment Ratio is calculated by dividing average dividends per share (as calculated by dividing dividends by the number of shares outstanding at the end of the period) by net income per share.

7. Number of employees refers to the number of persons employed (excluding seconded workers).

Non-Consolidated Balance Sheets

The Shoko Chukin Bank, Ltd. As of March 31, 2025 and 2024

	Millions of yen		Millions of U.S. dollars	
	2025	2024	2025	2024
ASSETS				
Cash and Due from Banks	¥ 941,638	¥ 1,660,378	\$ 6,297	\$ 10,966
Cash	26,556	20,436	177	134
Due from Banks	915,081	1,639,941	6,120	10,831
Call Loans	15,532	452,271	103	2,987
Monetary Claims Purchased	23,577	33,329	157	220
Trading Assets	25,522	20,922	170	138
Trading-related Financial Derivatives	25,522	20,922	170	138
Investment Securities	1,320,904	1,219,610	8,834	8,055
Government Bonds	764,694	560,085	5,114	3,699
Local Government Bonds	347,115	428,971	2,321	2,833
Short-term corporate bonds	—	19,999	—	132
Corporate Bonds	56,267	75,094	376	495
Stocks	61,443	56,516	410	373
Other Securities	91,384	78,943	611	521
Loans	9,642,020	9,627,443	64,486	63,585
Bills Discounted	63,489	102,583	424	677
Loans on Notes	254,117	287,033	1,699	1,895
Loans on Deeds	7,568,397	7,568,054	50,617	49,983
Overdrafts	1,756,015	1,669,772	11,744	11,028
Foreign Exchange	20,966	25,487	140	168
Due from Foreign Banks	10,381	15,883	69	104
Foreign Exchange Bills Purchased	1,760	587	11	3
Foreign Exchange Bills Receivable	8,824	9,015	59	59
Other Assets	90,872	101,624	607	671
Domestic exchange settlement account, debit	461	—	3	—
Prepaid Expenses	6,416	7,824	42	51
Accrued Income	7,780	7,009	52	46
Financial Derivatives	5,637	1,523	37	10
Cash Collateral Received for Financial Instruments	67,110	81,469	448	538
Other Assets	3,465	3,797	23	25
Tangible Fixed Assets	35,065	36,743	234	242
Buildings	12,337	13,715	82	90
Land	20,633	20,684	137	136
Construction in Progress	145	—	0	—
Other Tangible Fixed Assets	1,948	2,343	13	15
Intangible Fixed Assets	36,437	29,720	243	196
Software	35,914	7,596	240	50
Other Intangible Fixed Assets	522	22,123	3	146
Prepaid Pension Cost	37,053	34,779	247	229
Deferred Income Taxes	45,352	35,546	303	234
Customers' Liabilities for Acceptances and Guarantees	147,483	143,441	986	947
Customers' Liabilities for Acceptances and Guarantees	146,728	142,618	981	941
Customers' Liabilities for Guaranteeing Agency Loans	754	822	5	5
Reserve for Possible Loan Losses	(194,935)	(194,504)	(1,303)	(1,284)
Total Assets	¥ 12,187,490	¥ 13,226,795	\$ 81,510	\$ 87,357

Non-Consolidated Balance Sheets

The Shoko Chukin Bank, Ltd. As of March 31, 2025 and 2024

Pursuant to Article 396-1 of the Companies Act, the material that the Shoko Chukin Bank makes public in accordance with Article 52-1 of the Shoko Chukin Bank Law has been audited by an audit and supervisory board member.

In addition, the Bank's financial statements — the balance sheets, statements of operations, and statements of changes in net assets — have been certified by an audit and supervisory board member pursuant to Article 193-2-1 of the Financial Instruments and Exchange Act.

The non-consolidated financial statements presented below are not audited or certified. They have been reproduced from audited and certified non-consolidated financial statements above.

	Millions of yen		Millions of U.S. dollars	
	2025	2024	2025	2024
LIABILITIES				
Deposits	¥ 6,223,473	¥ 6,235,221	\$ 41,623	\$ 41,181
Current Deposits	577,020	609,672	3,859	4,026
Ordinary Deposits	1,861,947	1,985,822	12,452	13,115
Deposits at Notice	34,284	33,215	229	219
Time Deposits	3,650,342	3,527,160	24,413	23,295
Other Deposits	99,878	79,351	667	524
Negotiable Certificates of Deposit	101,800	508,780	680	3,360
Shoko Chukin Bank Debentures	3,209,990	3,296,400	21,468	21,771
Shoko Chukin Bank Debentures Issued	3,209,990	3,296,400	21,468	21,771
Call Money	—	102,271	—	675
Payables under Securities Lending Transactions	169,705	283,989	1,134	1,875
Trading Liabilities	15,578	11,650	104	76
Trading-related Financial Derivatives	15,578	11,650	104	76
Borrowed Money	1,073,752	1,409,872	7,181	9,311
Borrowings	1,073,752	1,409,872	7,181	9,311
Foreign Exchange	801	1,300	5	8
Due to Foreign Banks	0	0	0	0
Foreign Exchange Bills Payable	801	1,300	5	8
Corporate Bonds	100,000	100,000	668	660
Other Liabilities	80,323	68,408	537	451
Domestic exchange settlement account, credit	608	—	4	—
Corporate Taxes Payable	7,002	5,701	46	37
Accrued Expenses	10,205	7,613	68	50
Unearned Income	7,870	4,688	52	30
Financial Derivatives	8,495	8,623	56	56
Cash Collateral Received for Financial Instruments	951	7,182	6	47
Asset Retirement Obligations	1,474	1,477	9	9
Other Liabilities	43,713	33,122	292	218
Reserve for Bonuses	4,410	4,450	29	29
Reserve for Retirement Benefits for Directors	185	167	1	1
Reserve for Losses on Refund for Dormant Bonds	38,140	41,203	255	272
Reserve for Environmental Measures	—	66	—	0
Acceptances and Guarantees	147,483	143,441	986	947
Acceptances and Guarantees	146,728	142,618	981	941
Guarantees for Agency Loans	754	822	5	5
Total Liabilities	¥ 11,165,643	¥ 12,207,222	\$ 74,676	\$ 80,623
NET ASSETS				
Capital	218,653	218,653	1,462	1,444
Crisis Response Reserve	129,500	129,500	866	855
Special Reserve under the Shoko Chukin Bank Law	400,811	400,811	2,680	2,647
Capital Surplus	1	0	0	0
Other Capital Surplus	1	0	0	0
Retained Earnings	263,100	243,992	1,759	1,611
Earnings Reserve	28,212	26,907	188	177
Other Retained Earnings	234,887	217,084	1,570	1,433
Reserve for Advanced Depreciation of Noncurrent Assets	291	313	1	2
Reserve for Particular Purposes	49,570	49,570	331	327
Retained Earnings Brought Forward	185,025	167,200	1,237	1,104
Treasury Stock	(1,169)	(1,159)	(7)	(7)
Total Shareholders' Equity	1,010,896	991,797	6,760	6,550
Unrealized Gains on Other Securities	10,549	27,664	70	182
Deferred Hedge Gains	401	111	2	0
Total Valuation and Translation Adjustments	10,950	27,775	73	183
Total Net Assets	1,021,847	1,019,572	6,834	6,733
Total Liabilities and Net Assets	¥ 12,187,490	¥ 13,226,795	\$ 81,510	\$ 87,357

Non-Consolidated Statement of Operations

The Shoko Chukin Bank, Ltd. For the years ended March 31, 2025 and 2024

	Millions of yen		Millions of U.S. dollars	
	2025	2024	2025	2024
Operating Income	¥ 170,707	¥ 145,144	\$ 1,141	\$ 958
Interest Income	142,397	121,123	952	799
Interest on Loans	125,966	109,023	842	720
Interest and Dividends on Securities	8,621	5,443	57	35
Interest on Call Loans	1,146	272	7	1
Interest on Deposits	3,077	1,280	20	8
Interest on Interest Swaps	—	0	—	0
Other Interest Income	3,586	5,102	23	33
Fees and Commissions	15,427	14,140	103	93
Domestic and Foreign Exchange Commissions	1,145	1,078	7	7
Other Fees and Commissions	14,282	13,061	95	86
Trading Revenue	7,927	6,577	53	43
Revenue from Trading-related Financial Derivatives	7,927	6,577	53	43
Other Operating Income	551	252	3	1
Revenue from Foreign Exchange Trading	—	64	—	0
Revenue from Sales of Government and Other Bonds	550	187	3	1
Other Operating Income	0	—	0	—
Other Income	4,403	3,050	29	20
Collection of Written-off Claims	810	133	5	0
Revenue from Sales of Stocks and Other Securities	2,207	1,022	14	6
Other Income	1,385	1,893	9	12
Operating Expenses	137,882	123,226	922	813
Interest Expenses	21,412	10,513	143	69
Interest on Deposits	7,852	2,860	52	18
Interest on Negotiable Certificates of Deposit	287	941	1	6
Interest on Debentures	7,504	2,677	50	17
Interest on Call Money	210	(30)	1	(0)
Interest on Payables under Repurchase Agreements	—	2	—	0
Interest on Debenture Rental Transactions	1,648	139	11	0
Interest on Borrowed Money	2,701	3,035	18	20
Interest on Corporate Bonds	1,157	766	7	5
Interest on Interest Swaps	36	2	0	0
Other Interest Expenses	13	116	0	0
Fees and Commissions	2,781	2,941	18	19
Domestic and Foreign Exchange Commissions	317	308	2	2
Other Fees and Commissions	2,464	2,632	16	17
Trading Expenses	21	13	0	0
Expenses on Securities and Derivatives Related to Trading Transactions	21	13	0	0
Other Operating Expenses	5,319	5,728	35	37
Losses on Foreign Exchange Trading	342	—	2	—
Losses on Sales of Government and Other Bonds	2,920	3,482	19	22
Losses on Redemption of Government and Other Bonds	356	—	2	—
Amortization of Government and Other Bonds	2	—	0	—
Amortization of Debenture Issue Expenses	69	31	0	0
Expenses on Financial Derivatives	1,609	2,185	10	14
Other Operating Expenses	17	28	0	0
General and Administrative Expenses	80,310	75,103	537	496
Other Expenses	28,037	28,925	187	191
Provision for Possible Loan Losses	23,885	27,001	159	178
Write-off of Loans	609	424	4	2
Write-off of Stocks	388	49	2	0
Other Expenses	3,153	1,450	21	9
Profit before Income Taxes and Other	32,824	21,918	219	144

Non-Consolidated Statement of Operations

The Shoko Chukin Bank, Ltd. For the years ended March 31, 2025 and 2024

	Millions of yen		Millions of U.S. dollars	
	2025	2024	2025	2024
Other Gains	983	79	6	0
Gains on Disposal of Fixed Assets	983	79	6	0
Other Losses	225	1,088	1	7
Losses on Disposal of Fixed Assets	41	40	0	0
Impairment Losses	184	1,047	1	6
Profit before Income Taxes	33,582	20,908	224	138
Provision for Income Taxes	10,577	10,004	70	66
Adjustment for Income Taxes	(2,630)	(4,460)	(17)	(29)
Total Income Taxes	7,947	5,544	53	36
Profit	¥ 25,635	¥ 15,363	\$ 171	\$ 101

PRINCIPAL SHAREHOLDERS
Common Stock

Shareholder Name	Number of Stocks Held (Thousand shares)	Percentage of Total Common Stock Issued and Outstanding (%)
The Minister of Finance	900,950	41.40
National Federation of Fire Insurance	11,030	0.50
Chubu Automobile Insurance Cooperative for Truck Transport Companies	8,085	0.37
Tohoku Medical and Welfare Business Cooperative Association	6,853	0.31
Kantoh Automobile Insurance Cooperative for Truck Transport Companies	6,639	0.30
Kagoshima Prefecture Fire Insurance Cooperative	6,039	0.27
Koeisha Co., Ltd.	5,941	0.27
BOT LEASE CO., LTD.	5,300	0.24
OSAKA SEMBA FASHION CO-OPERATIVE ASSOCIATION	5,080	0.23
Tokyo Mokuzai Tonya Kyoudou Kumiai	5,011	0.23
Total	960,928	44.16

Notes: 1. As of March 31, 2025.

2. In addition to the principal shareholder information presented in the preceding chart, the Shoko Chukin Bank holds 10,797 thousand shares of treasury stock, representing 0.49% of total common stock issued and outstanding.

CAPITAL RATIO (Uniform International Standards)

(¥100 million, %)

	(As of March 31, 2025)
1. Total Risk-weighted Capital Ratio (4/7)	12.84
2. Tier 1 Risk-weighted Capital Ratio (5/7)	11.57
3. Common Equity Tier 1 Risk-weighted Capital Ratio (6/7)	10.90
4. Total Capital	11,400
5. Tier 1 Capital	10,273
6. Common Equity Tier 1 Capital	9,673
7. Risk-weighted Assets	88,740
8. Total Required Capital	7,099

LEVERAGE RATIO (Uniform International Standards)

(%)

	(As of March 31, 2025)
Leverage Ratio	9.03

The Bank's Capital Ratio, etc.:

The Bank's capital ratio is calculated in accordance with the formula stipulated in "Standard for Assessment of Management Soundness under Announcement No. 2 of 2008 from the Financial Services Agency, the Ministry of Finance and the Ministry of Economy, Trade and Industry pursuant to Article 23, Paragraph 1 of the Shoko Chukin Bank Law." In addition to applying the uniform international standard, the Bank adopts the standard method for Credit Risk-weighted Assets calculation and Operational Risk calculation. Market Risk is not calculated according to special provision for exclusion.

In addition, the Bank's leverage ratio, an indicator that supplements the capital ratio, is calculated in accordance with the formula stipulated in "Standard for Assessment of Soundness Concerning Leverage that is Stipulated as Indicator that Supplements Standard for Assessment of Management Soundness under Announcement No. 3 of 2019 from the Financial Services Agency, the Ministry of Finance and the Ministry of Economy, Trade and Industry pursuant to Article 23, Paragraph 1 of the Shoko Chukin Bank Law."

SUMMARY OF INCOME

(¥100 million)

Fiscal period ended	March 31, 2025	March 31, 2024
Gross Operating Profit	1,367	1,228
General and Administrative Expenses (Excluding Nonrecurring Items)	799	737
Net operating profit	568	491
Provision for the General Reserve for Possible Loan Losses	31	(8)
Operating Profit	536	500
Nonrecurring Loss (Including Nonrecurring Expenses)	(208)	(281)
Income before Income Taxes and Other	328	219
Other Gains and Losses	7	(10)
Provision for Income Taxes — Corporate Tax, Inhabitant Tax and Enterprise Tax	105	100
Adjustment of Income Taxes	(26)	(44)
Net Income	256	153

Note: Operating Profit is income generated by the Bank's primary businesses and is calculated using the following formula:

$$\text{Operating Profit} = \text{Gross Operating Profit} - (\text{Provision for the General Reserve for Possible Loan Losses} + \text{General and Administrative Expenses (Excluding Nonrecurring Items)})$$

$$\text{Net operating profit} = (\text{Gross operating profit}) - (\text{General and administrative expenses (excluding nonrecurring items)})$$
GROSS OPERATING PROFIT

(¥100 million, %)

Fiscal period ended	March 31, 2025			March 31, 2024		
	Domestic	International	Total	Domestic	International	Total
Net Interest Income	1,127	81	1,209	1,032	73	1,106
Fees and Commissions	115	10	126	100	11	111
Trading Revenue	18	60	79	27	37	65
Other Operating Income	(28)	(19)	(47)	(33)	(21)	(54)
Gross Operating Profit	1,233	133	1,367	1,127	101	1,228
Gross Operating Profit Ratio (%)	0.98	4.85	1.07	0.87	3.97	0.94

Notes: 1. Domestic departments handle transactions in yen with Japanese residents through the domestic offices. International departments handle transactions with non-residents in Japan, foreign currency transactions and transactions made on special international financial accounts (transactions in the Tokyo Offshore Market) through the domestic offices and those operated through the New York branch.

$$2. \text{Gross Operating Profit Ratio} = \frac{\text{Gross Operating Profit}}{\text{Average Balance of Interest Earning Assets}} \times 100$$
Operating profit, etc.

(¥100 million)

	March 31, 2025	March 31, 2024
Operating profit	536	500
Net operating profit	568	491
Core operating profit	595	524
Core operating profit (excluding gains (losses) on cancellation of investment trusts)	594	523

(Note) Core operating profit = (Gross operating profit) - (General and administrative expenses (excluding nonrecurring items)) - (Net gains (losses) related to bonds, including Japanese government bonds)

Details of Operations (Non-Consolidated)

BALANCE OF LOANS							(¥100 million)
Fiscal period ended		March 31, 2025			March 31, 2024		
		Domestic	International	Total	Domestic	International	Total
Fiscal Period-end Balance	Loans on Deeds	74,163	1,520	75,683	74,114	1,565	75,680
	Loans on Notes	1,862	678	2,541	2,211	659	2,870
	Overdraft	17,560	—	17,560	16,697	—	16,697
	Bills Discounted	634	—	634	1,025	—	1,025
	Total	94,220	2,199	96,420	94,049	2,225	96,274
Average Balance	Loans on Deeds	73,968	1,576	75,544	74,208	1,520	75,728
	Loans on Notes	1,957	658	2,615	2,638	659	3,298
	Overdraft	16,975	—	16,975	15,719	—	15,719
	Bills Discounted	713	—	713	867	—	867
	Total	93,615	2,234	95,849	93,433	2,180	95,613

Note: The average balance of foreign currency loans with domestic offices stated in the International column is calculated by the monthly current method.

BREAKDOWN OF LOAN BALANCE BY INDUSTRY			(¥100 million, %)
	As of March 31, 2025	As of March 31, 2024	
Manufacturing	28,150 (29.2)	28,560 (29.7)	
Machinery and Metal Product Manufacturing	14,827 (15.4)	15,102 (15.7)	
Agriculture and Forestry	325 (0.3)	319 (0.3)	
Fisheries	70 (0.1)	74 (0.1)	
Mining and Quarrying of Stone and Gravel	108 (0.1)	113 (0.1)	
Construction	2,895 (3.0)	2,913 (3.0)	
Electricity, Gas, Heat Supply and Water	518 (0.5)	471 (0.5)	
Information and Communications, Transport and Postal Activities	12,722 (13.2)	12,649 (13.2)	
Wholesale and Retail	26,072 (27.1)	26,767 (27.8)	
Finance and Insurance	708 (0.7)	607 (0.6)	
Real Estate and Goods Rental and Leasing	8,862 (9.2)	8,144 (8.5)	
Various Services	15,300 (15.9)	14,954 (15.5)	
Local Governments	1 (0.0)	2 (0.0)	
Others	81 (0.1)	84 (0.1)	
Overseas and Special International Financial Accounts	601 (0.6)	612 (0.6)	
Total	96,420	96,274	

Note: The figures in parentheses represent percentages of the total.

LOANS BASED ON FINANCIAL RECONSTRUCTION ACT AND PROBLEM LOANS (Non-consolidated)

(¥100 million, %)

		As of March 31, 2025	As of March 31, 2024
Bankrupt or de facto bankrupt loans	(A)	1,344	1,166
Doubtful loans	(B)	1,613	1,853
Special Attention Loans	(C)	810	694
Loans Overdue for 3 Months or Longer		36	15
Rescheduled Loans		773	678
Subtotal	(D) = (A) + (B) + (C)	3,768	3,714
Loss Classification Loans	(G)	802	690
(Other than Loss Classification Loans)	(D) - (G)	(2,966)	(3,023)
Normal Loans		94,329	94,210
Total	(H)	98,098	97,924
Percentage to Total Credit (%)	((D) - (G)) / ((H) - (G))	3.0	3.1

(Reference) Coverage of Assets Other than Loss Classification Loans

Amount of (D) Expected to Be Recovered through Collateral and Guarantees	(E)	1,723	1,697
Reserve for Possible Loan Losses Recorded for (D)	(F)	1,398	1,413
Allowance Ratio (%)	$\frac{(F) - (G)}{((D) - (G)) - (E)}$	48.0	54.5
Coverage Ratio (%)	$\frac{((E) + (F)) - (G)}{(D) - (G)}$	78.2	80.0

Notes: 1. The above represents the four categories of "Bankrupt or de facto bankrupt loans," "Doubtful loans," "Special attention loans," and "Normal loans," classified through the assessment based on the Act on Emergency Measures for the Revitalization of the Financial Functions.

2. Categories of disclosed loans

- (1) Bankrupt or de facto Bankrupt Loans Loans to debtors with failed business status due to the grounds such as commencement of bankruptcy proceedings, commencement of reorganization proceedings, or commencement of rehabilitation proceedings, and any other type of claims equivalent thereto
- (2) Doubtful Loans Loans whose debtor is not yet in the status of failure in business although such debtor's financial status and business performance are worsening, and for which it is highly likely that the collection of principal and receipt of interest in accordance with the contract is impossible
- (3) Special Attention Loans Loans overdue for three months or longer and rescheduled loans excluding loans under (1) and (2) above
- (4) Normal Loans Loans categorized as loans other than those under (1), (2), and (3) above, whose debtors are not found to be problematic in terms of the financial status and business performance

3. Loss Classification Loans are loans categorized as unrecoverable based on self-assessment and for which a reserve for possible loan losses is reported for the entire amount of the loan.

4. Other than Loss Classification Loans represents the total amount of disclosed loans under (1) through (3) of Note 2 less the amount of Note 3.

>>> Special Notes

● Initiatives toward Customer Protection

The Shoko Chukin Bank has formulated the Customer Protection Management Rules and practices a customer-first management approach, to provide appropriate and sufficient explanations to customers (customer explanation management), appropriately respond to customers' requests and complaints (customer support), appropriately manage customer information (customer information management), appropriately manage customer information and appropriately respond to customers when outsourcing operations (outsourcing management), and appropriately manage transactions that may unjustly harm the customer's interests (conflict of interest management).

For example, we carefully explain the contract terms and conditions to gain the understanding and approval of customers in loan and deposit transactions.

Particularly when soliciting products in which the investor may suffer a loss of principal, we appropriately conduct solicitations in accordance with the Solicitation Policy related to the Sale of Financial Instruments.

We have also established a Customer Service Center and set up a system for receiving requests and complaints from customers, and regarding the requests and complaints received, we discuss them at the Customer Satisfaction (CS) Promotion Meetings and make efforts to prevent recurrence and improve business operations. In addition, we have formulated and announced the CS Declaration. To appropriately oversee these initiatives toward customer protection, we have established the necessary systems such as the appointment of managers responsible for each field including the customer explanation management, customer support, customer information management, outsourcing management, and conflict of interest management.

Addressing the Financial Alternative Dispute Resolution System

The Financial Alternative Dispute Resolution (ADR) System (a system for out-of-court resolution of disputes in the financial field) was launched on October 1, 2010. The operational management system and internal regulations of the Shoko Chukin Bank were developed in order to deal with complaints from customers and to resolve disputes with customers in a fair and appropriate manner. Details can be found on our website or in our brochures. We listen carefully to any complaints and other comments we receive so that we can investigate and fully grasp the facts and then cooperate with relevant departments to solve issues quickly. Other institutions can also accept complaints and comments from customers and we encourage some customers to contact appropriate institutions* depending on the content of their complaints or comments.

*The Dispute Resolution Center and Arbitration and Mediation Center set up and operated by the Tokyo Bar Association, the Dai-Ichi Tokyo Bar Association, and the Daini Tokyo Bar Association, or the Financial Instruments Mediation Assistance Center.

Initiatives toward Personal Information Protection

In keeping with the purpose of the Act on the Protection of Personal Information, we announced our declaration regarding initiatives, etc., toward the personal information protection (Personal Information Protection Declaration) on our website and other materials and we are striving to protect personal information under a rigorous safety management system and make continuous improvements. In addition, at the personal information protection contact, we offer consultation regarding personal information protection, provide information on disclosure requests and other procedures, and accept various requests.

▶▶ Please access the following website (in Japanese only) to view our privacy policy.

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



Status of the Initiatives to Comply with the Guidelines for Personal Guarantee Provided by Business Owners

The Shoko Chukin Bank respects and thoroughly enforces the Guidelines for Personal Guarantee Provided by Business Owners released in December 2013, taking into consideration the purpose and details contained in the Guidelines.

Specifically, we strive to respond in good faith in accordance with the Guidelines for Personal Guarantee Provided by Business Owners (including the Special Provisions) when we receive a loan application from a customer, a request to modify or cancel a guarantee agreement, a request to liquidate guaranteed liabilities, or when changes occur to management, such as in a business succession.

In addition, we consider the possibility of not accepting a personal guarantee as a comprehensive judgment, taking into account information obtained through our relationships with customers and the details in the business prospects evaluation. When asking customers to provide a guarantee, we strive to explain in detail the need for the guarantee and details in the guarantee agreement. We use alternative lending methods to the Personal Guarantee Provided by Business Owners, such as a joint guarantee with a termination clause, when necessary.

● Improvement of Internal Auditing Systems

To ensure the adequacy and effectiveness of the internal control system, the Internal Audit Division, which operates independently of all other headquarters divisions under the direct control of the President and Executive Officer, carries out audits of the Bank's risk management systems, etc.

Operational audits are implemented to ensure that risk management and other processes at business offices and headquarters departments, as well as the management system for compliance and customer protection, and the business management, operations, and other factors of sales offices and subsidiaries, are functioning adequately and effectively. They also make statements for further improvement of internal audit systems. Asset audits look into whether self-assessments, write-offs, and reserves are appropriate, and whether credit ratings are accurate.

Internal audits are conducted with the prior approval of the Audit & Supervisory Committee and in line with the medium-term audit plan and the annual internal audit policies that have been approved by the Board of Directors. The results of internal audits are reported at the Internal Auditing Meetings chaired by the President and Executive Officer or Management Meetings, and are then reported periodically at Board of Directors' meetings. At the same time, the results are reported to the Audit & Supervisory Committee, and opinions are exchanged. Furthermore, the internal audit policies are periodically revised based on the exchanges of opinions with management, among others.

● Crisis Management System

The Bank established the "BCP Basic Guidelines" to set forth responsive measures to be taken by the Shoko Chukin Bank and all of its officers and employees with respect to disaster prevention as well as a system ensuring the smooth operation of business activities by restoring its functions immediately upon the occurrence of disasters so as to minimize management risk associated with the suspension of business.

● Disclosure Policy Concerning Important Facts

The Shoko Chukin Bank, as a financial institution run for SMEs by SMEs, strives to maintain a high level of transparency and fulfill its obligation of accountability as well as fair, timely, and appropriate disclosure regarding our business activities and financial position, to gain the further understanding and trust from all stakeholders including our shareholders, SMEs, investors and depositors.

Based on this basic concept, we have formulated the following Disclosure Policy concerning Important Facts as a way of announcing to the public how our disclosures of important facts should be and thoroughly communicating the policy to the officers and employees of the Shoko Chukin Bank and ensure that it is enforced appropriately.

1. Definition of important facts

The Shoko Chukin Bank considers not only those matters required to be disclosed under relevant domestic and foreign laws and regulations but also information that may significantly impact the decision of its stakeholders including our shareholders, SMEs, investors, and depositors, as important matters requiring disclosure.

2. Disclosure method

With regard to the disclosure of important facts, we strive for fair information disclosure by, for example, posting the information on the Shoko Chukin Bank website, in principle, on the day of disclosure.

3. Treatment of forward-looking information

Descriptions containing forward-looking statements disclosed by the Shoko Chukin Bank, including forecasts, strategies, policies, and targets are based on information available at the time of disclosure, and are subject to the impact of various risks and uncertainties. Accordingly, the actual results may differ significantly from the outlook.

4. Investment decisions

Information is disclosed by the Shoko Chukin Bank so that stakeholders gain a deeper understanding of the Bank and not for the solicitation of securities and other instruments issued by the Shoko Chukin Bank. Investment decisions should be made based solely on your own judgment.

5. Development of internal systems

The Shoko Chukin Bank strives to develop and improve the required internal systems in accordance with this policy. In addition, the information to be disclosed shall appropriately reflect the discussions and deliberations of the Management Meetings.

● Disclosure Status

Type of materials	Location and method of announcement	Timing of announcement
Report of business ● Business Report ● Non-consolidated financial statements ● Consolidated financial statements ● Supplementary schedules ● Accounting Auditor's Report ● Audit report	Available at sales offices, our website	Each June
Integrated Report and Disclosure Publication (Interim Disclosure Publication)	Available at sales offices, our website	Each July/ Each January *The Integrated Report (Main Section) for the fiscal year ended March 31, 2025 will be published separately from the regulatory disclosures (Financial Section).
Annual Securities Report/Semi-annual Securities Report	EDINET, available at the Head Office and Osaka Office, our website	Each June/ Each December
Basel regulation-related ratios	Our website	Each quarter
TCFD report	Our website	Each February

(Note) Disclosure materials in accordance with the Shoko Chukin Bank Limited Act, the Companies Act, and the Financial Instruments and Exchange Act.

Business Activities

The Shoko Chukin Bank Group is comprised of a total of 12 companies: the Shoko Chukin Bank, 10 subsidiaries and one affiliated company. In addition to its mainstay banking operations, the Group collectively provides a wide range of leasing and other financial services. A diagrammatic chart of the Shoko Chukin Bank Group's principal activities is presented as follows (As of March 31, 2025).

Shoko Chukin Bank Group	Banking Business	The Shoko Chukin Bank (Banking business) A head office and 93 branches, 3 sub-branch offices, 7 representative offices, and 3 overseas representative offices (106 locations in total)
	Leasing Business	SHOKO CHUKIN LEASE CO., LTD. (leasing business)
	Other Businesses	YAESU SHOKO, LTD. (administrative agency services) SHOKOCHUKIN COMPUTER SYSTEMS CO., LTD. (software development, contracted calculation and computer services) SHOKO SERVICE, LTD. (employee welfare benefit services) YAESU KOSAN CO., LTD. (property management services) THE SHOKO CHUKIN BANK INSTITUTE of COMMERCE, INDUSTRY & ECONOMICS, LTD (management information and consulting services) SHOKO CHUKIN CARD, LTD. (credit card services) SHOKO CHUKIN CAPITAL CO., LTD. (Investment business) THE SHOKO CHUKIN HUMAN DESIGN CO., LTD. (Human resource services) YAESU MIDORI KANREN JIGYOU KYOUDOUKUMIAI (joint accounting services) Tsunagaru Mirai Fund (Silent Partnership) (Investment business) Sazankapartners, Limited (Investment business)

Subsidiaries

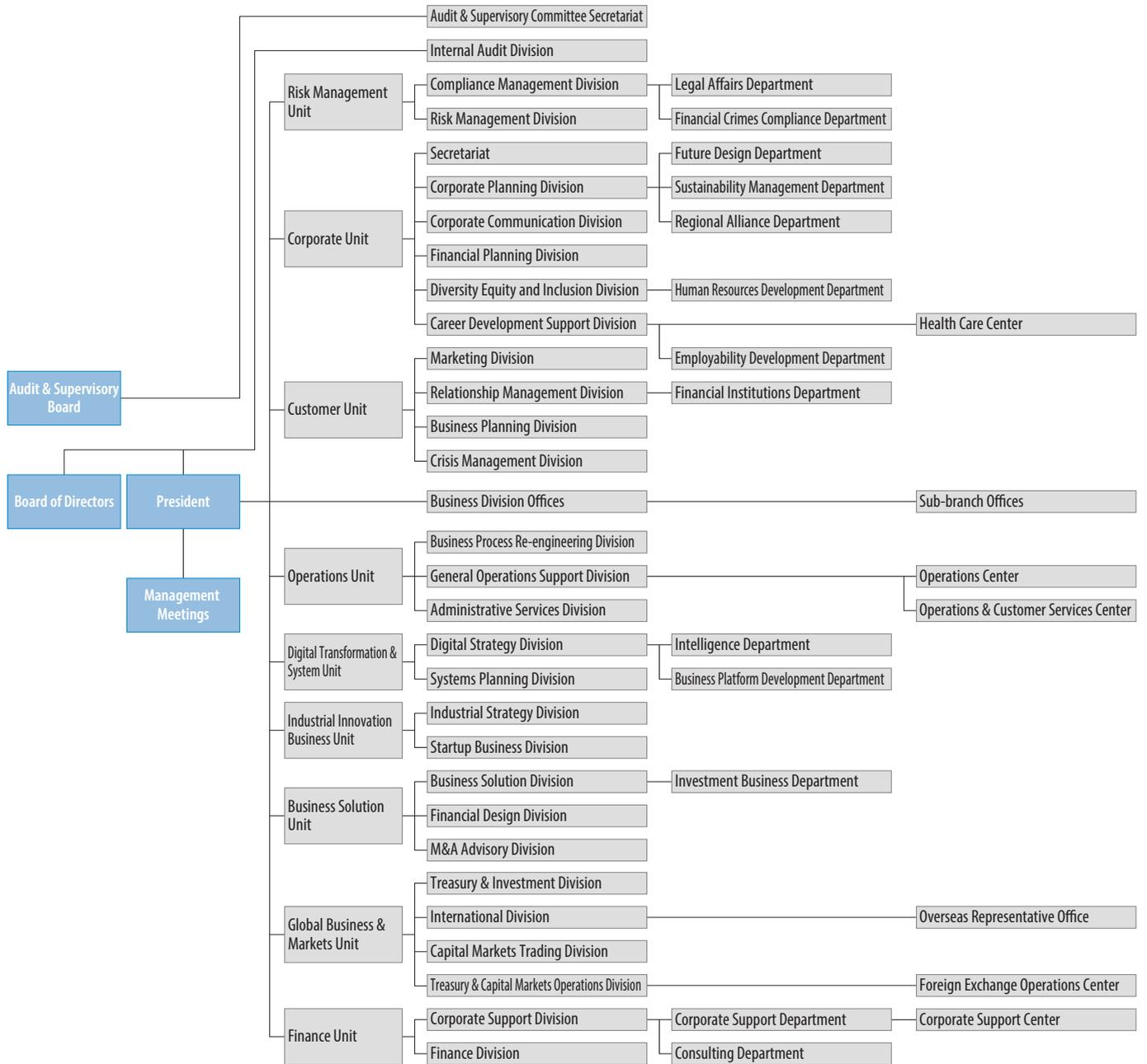
Subsidiaries (As of March 31, 2025)

Company Name	Address	Principal Business Activities	Date of Establishment	Paid-in Capital or Capital Subscription (Millions of Yen)	Percentage of Voting Rights Held by the Bank (%)	Percentage of Voting Rights Held by the Group (%)
YAESU SHOKO, LTD.	2-12-18 Shiba-Daimon, Minato-ku, Tokyo	Administrative agency services	Sep. 8, 1962	90	100.00	—
SHOKOCHUKIN COMPUTER SYSTEMS CO., LTD.	2-10-1 Misumicho, Higashi Murayama-shi, Tokyo	Software development, contracted calculation and computer services	Dec. 14, 1973	70	—	100.00
SHOKO SERVICE, LTD.	2-12-18 Shiba-Daimon, Minato-ku, Tokyo	Employee welfare benefit services	Nov. 25, 1982	32	62.50	37.50
YAESU KOSAN CO., LTD.	2-12-18 Shiba-Daimon, Minato-ku, Tokyo	Property management services	Jun. 22, 1972	35	100.00	—
THE SHOKO CHUKIN BANK INSTITUTE of COMMERCE, INDUSTRY & ECONOMICS, LTD	2-12-18 Shiba-Daimon, Minato-ku, Tokyo	Management information and consulting services	Dec. 10, 1974	80	23.08	76.92
SHOKO CHUKIN LEASE CO., LTD.	1-10-12 Ueno, Taito-ku, Tokyo	Leasing business	Oct. 8, 1982	1,000	100.00	—
SHOKO CHUKIN CARD CO., LTD.	2-12-18 Shiba-Daimon, Minato-ku, Tokyo	Credit card services	Jan. 22, 1991	70	100.00	—
SHOKO CHUKIN CAPITAL CO., LTD.	2-10-17 Yaesu, Chuo-ku, Tokyo	Investment business	Aug. 1, 2023	100	100.00	—
THE SHOKO CHUKIN HUMAN DESIGN CO., LTD.	2-10-17 Yaesu, Chuo-ku, Tokyo	Human resource services	Nov. 20, 2024	50	100.00	—



>>> Organization

Organization Chart



(As of June 30, 2025)

Stock Information

- **Number of Authorized Shares (As of March 31, 2025)**
Common stock 4,000,000,000 shares
Crisis response reserve stock 10 shares
- **Number of Issued and Outstanding Shares (As of March 31, 2025)**
 Common stock 2,186,531,448 shares
- **End of Each Accounting Term**
 March 31
- **Record Dates**
 Ordinary General Meeting of Shareholders
 March 31
 Date for Determining Shareholders of Record for the Distribution of Accounting Term-End Dividends
 March 31
 Record dates for other matters shall be determined individually and publicly announced in advance when required
- **Period during which the Ordinary General Meeting of Shareholders Shall Be Held**
 Late June
- **Number of Shares per Trading Unit**
 Common stock 1,000 shares
 Crisis response reserve stock 1 share
- **Method of Public Notifications**
 Public notifications are made by electronic means. In the event that notifications cannot

be made by electronic means due to unavoidable circumstances and reasons, notifications shall be published in the *Nihon Keizai Shimbun*.

Matters Relating to the Administration of Shares

- **Administrator of the Shareholder Register**
 Mitsubishi UFJ Trust and Banking Corporation
 1-4-5, Marunouchi, Chiyoda-ku, Tokyo
- **Handling Office**
 Mitsubishi UFJ Trust and Banking Corporation
 Securities Agency Division
 1-4-5, Marunouchi, Chiyoda-ku, Tokyo
- **Contact**
 Mitsubishi UFJ Trust and Banking Corporation
 Securities Agency Division
 Tel: 0120-232-711 (Toll free)
 9:00 to 17:00 Tokyo local time (Excluding Saturdays, Sundays and public holidays)
- **Mailing Address**
 Mitsubishi UFJ Trust and Banking Corporation
 Securities Agency Division
 Shin-Tokyo Post Office Box No. 29
 137-8081
- **Agencies**
 All Mitsubishi UFJ Trust and Banking Corporation branches nationwide

Shareholder Eligibility

- The Shoko Chukin Bank is a financial institution whose primary mission is to facilitate a stable source of financing for small and medium-sized enterprises. Article 6 of the Shoko Chukin Bank Limited Act defines and limits the Bank's shareholders to SME cooperatives and their SME shareholder members, etc.
- While it is the responsibility of the head office and domestic branches of Mitsubishi UFJ Trust and Banking Corporation to receive and process requests for the registration and transfer of the Bank's shares, please be advised that said requests may be denied subject to the screening of shareholder eligibility.

Message to all SME Cooperatives

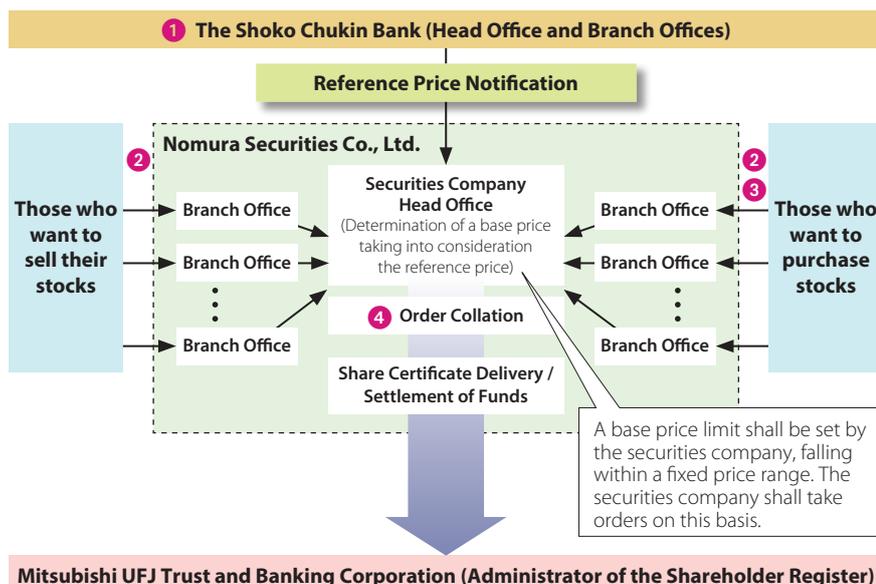
- When a cooperative member applies for loans at the Shoko Chukin Bank, certificate of membership of the cooperative is required. We ask for your understanding on this matter.

The Purchase and Sale of Shares

Shares of the Shoko Chukin Bank can be purchased and sold utilizing the following methods.

- (1) Negotiated purchase and sale
 Negotiated purchase and sales with other SME cooperatives or their SME shareholder members
- (2) Securities company over-the-counter share purchase and sale
 The head office and domestic branches of Nomura Securities Co., Ltd. shall receive and process over-the-counter purchase and sale orders with respect to the Bank's shares. Over-the-counter purchases and sales shall be affected by collating the aforementioned orders.

The mechanism and structure for securities company over-the-counter purchase and sale of the Bank's shares



1 Notification of Share Purchase and Sale Mechanism

- The Shoko Chukin Bank shall notify SME cooperatives and their SME shareholder members of the mechanism relating to the acquisition of shares. Advice shall also be provided with regard to such cautionary items as restrictions on the eligibility of shareholders.

2 The Taking of Orders

- Orders for the purchase and sale of shares shall be accepted at the head office and domestic branches of Nomura Securities Co., Ltd. (Postal applications also accepted).
- With regard to the order price, a base price limit shall be set to fall within a fixed price range.
 Note: Nomura Securities Co., Ltd. shall determine the base price taking into consideration the reference price set by the Shoko Chukin Bank based on the opinions of specialists.
- Nomura Securities Co., Ltd. shall provide details of the base price and recent transaction prices.
- Eligibility with regard to share acquisition orders shall be restricted to SME cooperatives and their SME shareholder members, etc.

3 Certification of Shareholder Eligibility

- In placing an order to acquire shares, the intended purchaser shall submit to Nomura Securities Co., Ltd. a "Certificate of Shareholder Eligibility," designated by the Shoko Chukin Bank, together with supporting documentation (Certificate of Registration in the case of an SME cooperative; Certificate of Registration as an SME member and a copy of the Members' Register in the case of an SME shareholder member). Submission of the aforementioned documentation is in principle not required in the case of intended purchasers whose details are already recorded in the shareholders' register.

4 Order Collation

- The collation of sale and purchase orders shall be undertaken on the 15th day of each month (in the event the 15th is not a business day, collation shall be undertaken on the next business day). The closing date for sale orders shall be 14 business days prior to the collation date and five business days prior to the collation date for purchase orders.
- Both a price and time priority (Note) shall be determined. However, for order collation from February 2020 onward, we have followed the stock exchange system, and adopted the "stop allocation method" if the price reaches the upper or lower limit of the range.
 Note: Purchase orders with a higher price shall have priority. Sale orders with a lower price shall have priority. Orders with the same price shall be prioritized in the order in which they are received.
- Stock trading commission rates shall be equivalent to the rates applied by Nomura Securities Co., Ltd. with respect to the purchase and sale of publicly listed shares.

History

June	1936	The Shoko Chukin Bank Act enforced
November	1936	Inaugural general meeting held; Toyotaro Yuki, President of the Industrial Bank of Japan, Limited appointed as the Bank's first president
December	1936	Registration of establishment completed; Operations commenced; Network established comprising head office in Marunouchi, Kojimachi-ku, Tokyo and six branches including an office in Sapporo
March	1937	First series interest-bearing debentures issued
July	1940	First series discount debentures issued
August	1952	Establishment of a nationwide branch network encompassing every prefecture in Japan completed
December	1962	Construction of a new head office in Yaesu, Chuo-ku, Tokyo completed
May	1973	Foreign currency loan operations commenced
June	1985	The Shoko Chukin Bank Limited Act revised (perpetuation of the Bank by abolishing the initial 50-year term of existence)
August	1985	New York Representative Office established
February	1988	All-Japan Youth Kai launched
November	1990	Hong Kong Representative Office established
January	1995	The Great Hanshin Awaji Earthquake Task Force established
September	2003	Sales of certificates including discount bonds ended
March	2005	Shanghai Representative Office established
February	2006	New time deposit (currently "my harvest") operations commenced
June	2006	The Administrative Reform Promotion Law (The Law Concerning the Promotion of Administrative Reform for the Purpose of Realizing Small and Efficient Government) enforced, calling for the complete privatization of the Shoko Chukin Bank over a period of approximately five to seven years commencing October 2008
April	2007	Testamentary trust and estate liquidation operations commenced at certain branches
May	2007	The Shoko Chukin Bank Limited Act approved, stipulating the position, role and scope of operations of the Shoko Chukin Bank after commencing its transition to a new structure in October 2008 (company pursuant to a special act)
October	2008	The Shoko Chukin Bank Limited Act enforced (transition from a jointly owned financial institution to a joint-stock company)
October	2008	YAESU SHOKO, LTD., SHOKOCHUKIN COMPUTER SYSTEMS CO., LTD., SHOKO SERVICE, LTD., YAESU KOSAN CO., LTD., JAPAN INSTITUTE OF COMMERCE, INDUSTRY AND ECONOMIC, LTD. (currently THE SHOKO CHUKIN BANK INSTITUTE OF COMMERCE, INDUSTRY & ECONOMICS, LTD.), JAPAN SHOKO LEASE CO., LTD (currently SHOKO CHUKIN LEASE CO., LTD.), and SHOCHU CARD CO., LTD. (currently SHOKO CHUKIN CARD CO., LTD.) converted to consolidated subsidiaries
October	2008	The Shoko Chukin Bank designated under the law as a government-appointed financial institution charged with the responsibility of undertaking special responses should a crisis occur
June	2009	The Shoko Chukin Bank Limited Act revised (newly established provision for the additional government funding, while postponing the starting point for complete-privatization deadline by three years and a half)
July	2009	The Shoko Chukin Bank posted ¥150.0 billion for crisis response reserve
March	2011	Tohoku Pacific Earthquake Task Force (name changed to Great East Japan Earthquake Task Force on May 13, 2011) established
May	2011	The Shoko Chukin Bank Limited Act revised (postponement of starting point for complete-privatization deadline by three years)
September	2012	Bangkok Representative Office established
November	2012	Revitalization Support Program established
December	2012	Issuance of new Warisho, Rissho and Rissho Wide ended
May	2015	The Shoko Chukin Bank Limited Act revised (the government will, for the time being, hold the shares as necessary to ensure adequate implementation of crisis response measures while maintaining the policy for complete privatization)
December	2016	The Crisis Response Measures Management Department was newly established in the Co-operative Finance Planning Division (currently Business Planning Division) (Reorganized as the Crisis Management Division in October 2017, as an independent organization at Headquarters)
October	2017	Reorganized the Compliance Department into the Compliance Division as an independent organization at Headquarters
June	2018	Restructured organizations at Headquarters (Established the Finance Unit, etc. as the Management Group. Established the Audit & Supervisory Department. Established the Corporate Strategy Department, IT Strategy Department (incorporated into the Digital Transformation Promotion Division (currently Digital Strategy Division) as an independent group in April 2021), and Regional Cooperation Department in the Corporate Planning Division, etc.)
June	2018	Introduced mandated executive officer system
April	2019	Diversity and Inclusion Department was newly established in the Personnel Division (Reorganized as the Diversity and Inclusion Division (currently Diversity Equity and Inclusion Division) in April 2022, as an independent organization at Headquarters)
April	2020	Risk Management Division established. Financial Crimes Compliance Department established in the Compliance Division. Future Design Department established in the Corporate Planning Division.
April	2021	Established the M&A Advisory Department (currently M&A Advisory Division), etc. in the Business Solution Division
April	2022	Sustainability Department was newly established in the Corporate Planning Division. Reorganized the Personnel Division into the Career Development Support Division
October	2022	Startup Support Department (currently Startup Business Division) and Financial Design Department (currently Financial Design Division) established in the Business Solution Division. Consulting Department established in the Corporate Support Division
April	2023	Restructured organizations at Headquarters (Established the Operations Management Group as the Management Group. Reorganized the Co-operative Finance Planning Division as the Business Planning Division. Reorganized the Finance Management Department and the Finance Management Center as the Corporate Support Department and the Corporate Support Center, etc.)
June	2023	The Shoko Chukin Bank Limited Act revised (requiring the government to sell all its shares in the Bank and revising the Bank's scope of business)
August	2023	Established SHOKO CHUKIN CAPITAL CO., LTD., a subsidiary specializing in investment
October	2023	Hanoi Representative Office established
April	2024	Restructured organizations at Headquarters (Shifted to the Management Group structure. Established Customer Unit, Industrial Innovation Business Unit, Digital Transformation & System Unit, etc.)
June	2024	Transitioned to a company with an Audit & Supervisory Committee
November	2024	Established THE SHOKO CHUKIN HUMAN DESIGN CO., LTD., a subsidiary specializing in human resources services

>>> The Shoko Chukin Bank Network

(As of June 30, 2025)

■ Head Office	2-10-17, Yaesu, Chuo-ku, Tokyo 104-0028, Japan	+81-3-3272-6111
■ Startup Business Division	2-2-1, Yaesu, Chuo-ku, Tokyo 104-0028, Japan	+81-3-6695-6770

Hokkaido

● Sapporo Office	3-1-20, Kita-2jonishi, Chuo-ku, Sapporo-shi, Hokkaido 060-0002, Japan	+81-11-241-7231
● Hakodate Office	33-1, Goryokaku-cho, Hakodate-shi, Hokkaido 040-0001, Japan	+81-138-35-5022
● Obihiro Office	9-23, Nishi-3jominari, Obihiro-shi, Hokkaido 080-0013, Japan	+81-155-23-3185
▲ Kushiro Representative Office	1-1-1, Omachi, Kushiro-shi, Hokkaido 085-0847, Japan	+81-154-42-0671
● Asahikawa Office	9-1703-81, Sjodori, Asahikawa-shi, Hokkaido 070-0035, Japan	+81-166-26-2181

Tohoku

● Aomori Office	2-1-7, Nagashima, Aomori-shi, Aomori 030-0861, Japan	+81-17-734-5411
● Hachinohe Office	43-1, Youka-machi, Hachinohe-shi, Aomori 031-0086, Japan	+81-178-45-8811
● Morioka Office	3-4-6, Chuodori, Morioka-shi, Iwate 020-0021, Japan	+81-19-622-4185
● Sendai Office	2-10-30, Chuo, Aoba-ku, Sendai-shi, Miyagi 980-0021, Japan	+81-22-225-7411
● Akita Office	2-4-19, Nakadori, Akita-shi, Akita 010-0001, Japan	+81-18-833-8531
● Yamagata Office	2-1, Saiwai-cho, Yamagata-shi, Yamagata 990-0038, Japan	+81-23-632-2111
● Sakata Office	2-6-22, Naka-machi, Sakata-shi, Yamagata 998-0044, Japan	+81-234-24-3922
● Fukushima Office	11-5, Mikawakita-machi, Fukushima-shi, Fukushima 960-8054, Japan	+81-24-526-1201
▲ Aizuwakamatsu Representative Office	6-5, Minamisengoku-machi, Aizuwakamatsu-shi, Fukushima 965-0816, Japan	+81-242-26-2617

Kanto-Koshinetsu

● Mito Office	3-5-7, Minami-machi, Mito-shi, Ibaraki 310-0021, Japan	+81-29-225-5151
▲ Tsukuba Representative Office	1-6-1, Takezono, Tsukuba-shi, Ibaraki 305-0032, Japan	+81-29-859-8615
● Utsunomiya Office	1-1-15, Nishi, Utsunomiya-shi, Tochigi 320-0861, Japan	+81-28-633-8191
● Ashikaga Office	2-2751, Tori, Ashikaga-shi, Tochigi 326-0814, Japan	+81-284-21-7131
● Maebashi Office	1-1-11, Hon-machi, Maebashi-shi, Gunma 371-0023, Japan	+81-27-224-8151
● Saitama Office	4-25-13, Kishi-cho, Urawa-ku, Saitama-shi, Saitama 330-0064, Japan	+81-48-822-5151
● Kumagaya Office	2-95, Hon-cho, Kumagaya-shi, Saitama 360-0042, Japan (Scheduled to move to 2-4-1 Tonya-cho, Kumagaya-shi, Saitama 360-0024, Japan in October 2025)	+81-48-525-3751
● Chiba Office	1-4-3, Shin-chiba, Chuo-ku, Chiba-shi, Chiba 260-0031, Japan	+81-43-248-2345
● Matsudo Office	1846-2, Matsudo, Matsudo-shi, Chiba 271-0092, Japan	+81-47-365-4111
● Hachioji Office	2-5, Yokoyama-cho, Hachioji-shi, Tokyo 192-0081, Japan	+81-42-646-3131
● Ueno Office	1-10-12, Ueno, Taito-ku, Tokyo 110-0005, Japan	+81-3-3834-0111
● Omori Office	6-26-3, Minamioi, Shinagawa-ku, Tokyo 140-0013, Japan	+81-3-3763-1251
■ Keihinjima Sub-branch	2-10-2, Keihinjima, Ota-ku, Tokyo 143-0003, Japan	+81-3-3799-0331
● Oshiage Office	3-10-8, Narihira, Sumida-ku, Tokyo 130-0002, Japan	+81-3-3624-1161
■ Urayasu Sub-branch	2-1-6 Tekkadori, Urayasu-shi, Chiba 279-0025, Japan	+81-47-355-8011
● Shinjuku Office	(Inside the Fukutoshin Business Division) 6-11-3, Nishishinjuku, Shinjuku-ku, Tokyo 160-0023, Japan	+81-3-3340-1551
● Fukagawa Office	5-11-17, Kiba, Koto-ku, Tokyo 135-0042, Japan	+81-3-3642-7131
● Tokyo Office	2-12-18, Shibadaimon, Minato-ku, Tokyo 105-0012, Japan	+81-3-3437-1231
● Ikebukuro Office	1-21-10, Minamiikebukuro, Toshima-ku, Tokyo 171-0022, Japan	+81-3-3988-6311
● Shibuya Office	(Inside the Fukutoshin Business Division) 6-11-3, Nishishinjuku, Shinjuku-ku, Tokyo 160-0023, Japan	+81-3-3340-1551
● Kanda Office	(Inside the Head Office Business Division) 2-10-17, Yaesu, Chuo-ku, Tokyo 104-0028, Japan	+81-3-3272-6111
● Shinkiba Office	(Inside the Fukagawa Office) 5-11-17, Kiba, Koto-ku, Tokyo 135-0042, Japan	+81-3-3642-7131
▲ Shinkiba Office	1-18-6, Shinkiba, Koto-ku, Tokyo 136-0082, Japan (* Deposits and other counter operations consolidated with the Fukagawa Office, operated as a Shinkiba Office)	+81-3-5569-1711
● Yokohama Office	(Inside the Kanagawa Business Division) 4-40, Kitanakadori, Naka-ku, Yokohama-shi, Kanagawa 231-0003, Japan	+81-45-201-3952
● Kawasaki Office	(Inside the Kanagawa Business Division) 4-40, Kitanakadori, Naka-ku, Yokohama-shi, Kanagawa 231-0003, Japan	+81-45-201-3952
● Yokohama-Nishiguchi Office	(Inside the Kanagawa Business Division) 4-40, Kitanakadori, Naka-ku, Yokohama-shi, Kanagawa 231-0003, Japan	+81-45-201-3952
▲ Sagamihara Representative Office	4-3-14, Sagami-hara, Chuo-ku, Sagami-hara-shi, Kanagawa 252-0231, Japan	+81-42-786-6230
● Niigata Office	2-4-4, Higashiodori, Chuo-ku, Niigata-shi, Niigata 950-0087, Japan	+81-25-255-5111

● Nagaoka Office	1-2-10, Jonai-cho, Nagaoka-shi, Niigata 940-0061, Japan	+81-258-35-2121
● Kofu Office	2-2-1, Marunouchi, Kofu-shi, Yamanashi 400-0031, Japan	+81-55-233-1161
● Nagano Office	1483-11, Nishitsuruga-machi, Nagano-shi, Nagano 380-0814, Japan	+81-26-234-0145
● Suwa Office	1-14-6, Ote, Suwa-shi, Nagano 392-0026, Japan	+81-266-52-6600
● Matsumoto Office	2-1-27, Chuo, Matsumoto-shi, Nagano 390-0811, Japan	+81-263-35-6211

Tokai

● Gifu Office	9-16, Wakamiya-cho, Gifu-shi, Gifu 500-8828, Japan	+81-58-263-9191
▲ Takayama Representative Office	5-1, Tenman-machi, Takayama-shi, Gifu 506-0025, Japan	+81-577-32-3353
● Shizuoka Office	6-3, Oute-machi, Aoi-ku, Shizuoka-shi, Shizuoka 420-0853, Japan	+81-54-254-4131
● Hamamatsu Office	133-1, Tokiwa-cho, Chuo-ku, Hamamatsu-shi, Shizuoka 430-0917, Japan	+81-53-454-1521
● Numazu Office	6-5, Yoneyama-cho, Numazu-shi, Shizuoka 410-0046, Japan	+81-55-920-5000
● Atsuta Office	(Inside the Nagoya Office) 3-23-18, Nishiki, Naka-ku, Nagoya-shi, Aichi 460-0003, Japan	+81-52-951-7581
● Nagoya Office	3-23-18, Nishiki, Naka-ku, Nagoya-shi, Aichi 460-0003, Japan	+81-52-951-7581
● Toyohashi Office	3-71-2, Matsuba-cho, Toyohashi-shi, Aichi 440-0897, Japan	+81-532-52-0221
● Tsu Office	4-644, Sakae-machi, Tsu-shi, Mie 514-0004, Japan	+81-59-228-4155
● Yokkaichi Office	1-3-20, Unomori, Yokkaichi-shi, Mie 510-0074, Japan	+81-59-351-4871

Hokuriku

● Toyama Office	6-11, Sakurabashidori, Toyama-shi, Toyama 930-0004, Japan	+81-76-444-5121
● Takaoka Office	2-6, Marunouchi, Takaoka-shi, Toyama 933-0912, Japan	+81-766-25-5431
● Kanazawa Office	3-1-25, Honda-machi, Kanazawa-shi, Ishikawa 920-0964, Japan	+81-76-221-6141
● Fukui Office	3-14-9, Ote, Fukui-shi, Fukui 910-0005, Japan	+81-776-23-2090

Kinki

● Otsu Office	1-2-22, Hamaotsu, Otsu-shi, Shiga 520-0047, Japan	+81-77-522-6791
● Hikone Office	9-3, Asahi-machi, Hikone-shi, Shiga 522-0073, Japan	+81-749-24-3831
● Kyoto Office	159-1, Ayanokoji Dori Karasuma Nishi-iru Dojisha-cho, Shimogyo-ku, Kyoto-shi, Kyoto 600-8421, Japan	+81-75-361-1120
● Osaka Office	1-7-13, Awaza, Nishi-ku, Osaka-shi, Osaka 550-0011, Japan	+81-6-6532-0309
● Sakai Office	3-22-1, Ebisuji-machi, Sakai-ku, Sakai-shi, Osaka 590-0985, Japan	+81-72-232-9441
● Umeda Office	(Inside the Osaka Office) 1-7-13, Awaza, Nishi-ku, Osaka-shi, Osaka 550-0011, Japan	+81-6-6532-0309
● Senba Office	1-18-17, Minamisenba, Chuo-ku, Osaka-shi, Osaka 542-0081, Japan	+81-6-6261-8431
● Minoo Senba Office	(Inside the Osaka Office) 1-7-13, Awaza, Nishi-ku, Osaka-shi, Osaka 550-0011, Japan	+81-6-6532-0309
▲ Minoo Senba Office	2-5-55, Senbahigashi, Minoo-shi, Osaka 562-0035, Japan (* Deposits and other counter operations consolidated with the Osaka Office, operated as a Minoo Senba Office)	+81-72-729-9181
● Higashiosaka Office	2-1-32, Nagatanaka, Higashiosaka-shi, Osaka 577-0013, Japan	+81-6-6746-1221
● Kobe Office	111, Ito-machi, Chuo-ku, Kobe-shi, Hyogo 650-0032, Japan	+81-78-391-7541
● Himeji Office	111, Soushahon-machi, Himeji-shi, Hyogo 670-0015, Japan	+81-79-223-8431
● Amagasaki Office	1-2-6, Shioe, Amagasaki-shi, Hyogo 661-0976, Japan	+81-6-6495-1666
● Nara Office	4-281-1, Hayashikoji-cho, Nara-shi, Nara 630-8115, Japan	+81-742-30-1051
● Wakayama Office	2-1, Juban-cho, Wakayama-shi, Wakayama 640-8152, Japan	+81-73-432-1281

Chugoku

● Tottori Office	3-201, Honmachi, Tottori-shi, Tottori 680-0031, Japan	+81-857-22-3171
● Yonago Office	168, Higashi-cho, Yonago-shi, Tottori 683-0067, Japan	+81-859-34-2711
● Matsue Office	210, Tono-machi, Matsue-shi, Shimane 690-0887, Japan	+81-852-23-3131
▲ Hamada Representative Office	2886, Takezako-cho, Hamada-shi, Shimane 697-0015, Japan	+81-855-23-3033
● Okayama Office	4-1, Banzan-cho, Kita-ku, Okayama-shi, Okayama 700-0818, Japan	+81-86-225-1131
● Hiroshima Office	2-1-2, Ote-machi, Naka-ku, Hiroshima-shi, Hiroshima 730-0051, Japan	+81-82-248-1151
● Fukuyama Office	1-1-30, Konan-cho, Fukuyama-shi, Hiroshima 720-0814, Japan	+81-84-922-6830
● Hiroshima Seibu Office	1-14-1, Shoko Center, Nishi-ku, Hiroshima-shi, Hiroshima 733-0833, Japan	+81-82-277-5421
● Shimonoseki Office	1-1-13, Hosoe-cho, Shimonoseki-shi, Yamaguchi 750-0016, Japan	+81-83-223-1151
● Tokuyama Office	1-26, Minamiginza, Shunan-shi, Yamaguchi 745-0033, Japan	+81-834-21-4141

Shikoku			
● Tokushima Office	2-30, Nishisenba-cho, Tokushima-shi, Tokushima 770-0901, Japan	+81-88-623-0101	
● Takamatsu Office	1-3-8, Kawara-machi, Takamatsu-shi, Kagawa 760-0052, Japan	+81-87-821-6145	
● Matsuyama Office	3-3-8, Chifune-machi, Matsuyama-shi, Ehime 790-0001, Japan	+81-89-921-9151	
● Kouchi Office	4-2-46, Hon-machi, Kouchi-shi, Kouchi 780-0870, Japan	+81-88-822-4481	

Kyushu/Okinawa			
● Fukuoka Office	1-13-21, Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka 810-0001, Japan	+81-92-712-6551	
● Kitakyushu Office	3-8-1, Asano, Kokurakita-ku, Kitakyushu-shi, Fukuoka 802-0001, Japan	+81-93-533-9567	

(Moved to the above address on May 15, 2023)

● Kurume Office	42-21, Higashi-machi, Kurume-shi, Fukuoka 830-0032, Japan	+81-942-35-3381	
● Saga Office	1-6-23, Ekimaechuo, Saga-shi, Saga 840-0801, Japan	+81-952-23-8121	
● Nagasaki Office	2-13, Doza-machi, Nagasaki-shi, Nagasaki 850-0841, Japan	+81-95-823-6241	
● Sasebo Office	4-21, Tokiwa-cho, Sasebo-shi, Nagasaki 857-0053, Japan	+81-956-23-8141	
● Kumamoto Office	2-23, Joto-machi, Chuo-ku, Kumamoto-shi, Kumamoto 860-0846, Japan	+81-96-352-6184	
● Oita Office	1-1-18, Suehiromachi, Oita-shi, Oita 870-0027, Japan	+81-97-534-4157	
● Miyazaki Office	1-10, Nishikimachi, Miyazaki-shi, Miyazaki 880-0811, Japan	+81-985-24-1711	
● Kagoshima Office	17-24, Nishisengoku-cho, Kagoshima-shi, Kagoshima 892-0847, Japan	+81-99-223-4101	
● Naha Office	2-22-10, Kumoji, Naha-shi, Okinawa 900-0015, Japan	+81-98-866-0196	

Overseas			
● New York	527 Madison Avenue, 17th Floor, New York, N.Y. 10022 U.S.A.	+1-212-581-2800	
◆ Hong Kong	Suite 804, 8/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	+852-2524-5111	
◆ Shanghai	Room 1706, Shanghai International Trade Center, 2201 Yan-An Xi Road, Shanghai, China	+86-21-6275-3860	
◆ Bangkok	Unit 6, 10th Floor CRC Tower, All Seasons Place, 87/2 Wireless Road, Lumpini, Pathumwan, Bangkok 10330, Thailand	+66-2-654-0588	
◆ Hanoi	Tower 02-19th floor - Unit CP2.19.05 CAPITAL PLACE No. 29 Lieu Giai Street, Ngoc Khanh Ward, Ba Dinh District, Hanoi, Vietnam	+84-24-3233-3323	

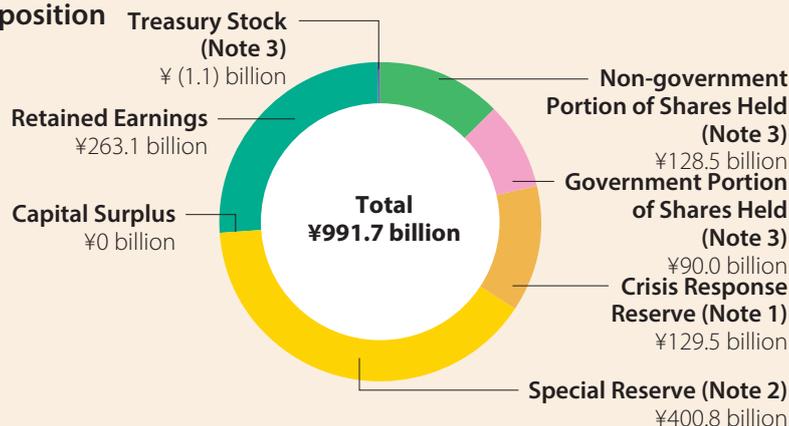
Others			
●	Head Office and Branch Offices 93 (including 1 overseas branch office)		
■	Sub-branch Offices 3	▲	Representative Offices 7
◆	Overseas Representative Offices 4		
Total 107 (including 5 overseas offices)			

Outline of the Bank

(As of March 31, 2025)

- ▶ **Company Name** The Shoko Chukin Bank, Ltd.
(Transition toward privatization commenced on October 1, 2008)
- ▶ **Establishment Date** October 8, 1936
- ▶ **Objective** Objective of the Shoko Chukin Bank, Ltd. is to conduct businesses necessary to facilitate financing for SME cooperatives, other organizations that primarily consist of SMEs and their members, while ensuring the Bank's autonomy in management toward its goal of complete privatization.
- ▶ **Commencement of Operations** December 10, 1936
- ▶ **Capital** ¥218.6 billion (including ¥90.0 billion government subscription)

▶ Capital Composition



Notes: 1. A Tier 1 Capital (common stock etc.) reserve for crisis response has been created to ensure financial basis which is necessary for smooth implementation of crisis response measures.

2. In accordance with the transition to a company structure limited by shares, a special Tier 1 Capital (common stock etc.) reserve has been created to facilitate the continuous and smooth provision of funds to SMEs. An aggregate amount totaling ¥400.8 billion has been transferred to a special reserve, which is comprised of ¥303.7 billion and ¥97.0 billion transferred from the government's subscription and retained earnings, respectively.

3. Through the general competitive bidding for government-owned shares conducted starting April 2025, all government-owned shares were converted to privately owned shares and treasury shares in June 2025.

- ▶ **Funds Held** Deposits: ¥6,223.4 billion
Negotiable Certificates of Deposit: ¥101.8 billion
Debentures: ¥3,209.9 billion
- ▶ **Loans Outstanding** ¥9,642.0 billion
- ▶ **Offices** Domestic: 101
Overseas: 5
- ▶ **Number of Employees (Persons)** 3,464

▶ Rating

(As of June 30, 2025)

	R&I	JCR	Moody's
Long-term	AA ⁻ (negative)	AA ⁺ (stable)	A2 (stable)

▶ Outline of business

1. Lending operation We are providing various kinds of loans to small and medium-sized enterprises (SMEs) in need of fund to finance their business, from capital investment and long-term working capital, to short-term working capital including typically by bills discounted. Additionally, to meet the diverse financing needs of SMEs, we are making efforts to develop and promote various financial instruments such as private placement bonds, syndicated loans, and structured finance.
2. Deposit affairs and exchange operation
 - (1) Deposits We are handling current deposits, saving account, deposits at notice, time deposits, specified deposits, non-resident yen deposits and foreign currency deposits.
 - (2) Negotiable certificates of deposit We are handling negotiable deposits.
 - (3) Exchanges We are handling both domestic exchanges and foreign exchanges.
3. Bond issuance We are issuing bank debentures called Shoko-sai, with the purpose to provide finance to SMEs on a constant basis.
4. Treasury and investment We are engaged in market operations in the financial markets both at home and abroad, to streamline our own financing and investment activities.
5. International business As an all-round financial institution supporting business activities of SMEs, we are actively engaged in every aspect of overseas transactions including support for clients' overseas business expansion and loans to clients' local subsidiaries overseas, let alone overseas remittance, and business concerning export and import.
6. Others We are also providing other services as follows.
 - Derivative transactions with respect to interest rate and currencies
 - Operations related to M&As and business succession
 - Provision of management information
 - Management support for client associations such as Chukin kai and Youth kai
 - Market research, analysis, and sales planning
 - Fiduciary services
 - Other services incidental or related to the above, etc.



The Shoko Chukin Bank, Ltd. (Shoko Chukin Bank)

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10-17, 2-Chome, Yaesu, Chuo-ku, Tokyo 104-0028, Japan

TEL: +81-3-3272-6111

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

