

March 21, 2022

To: SMBC Consumer Finance Co., Ltd.

Promise Financial and Economic
Education Seminar
FY2021 Social Impact Assessment Report

Promise Financial and Economic Education Seminar FY2021 Social Impact Assessment Summary

In FY2021, our social impact assessment on the effectiveness of the “Promise Financial and Economic Education Seminar” project is based on the logic model proven to be effective in the FY2020 assessment. To estimate the social impact brought about by the project as a whole (cumulative total participants of 1,200,000 to date), we compared the results of a questionnaire survey of more than 1,500 students from 11 high schools and interviews of selected students who participated in the seminar against responses from the control group consisting of students who did not participate in the program. The following are insights gained from this assessment and our recommendations for the program.

Insights gained from the social impact assessment

1. Improved financial literacy through the project

- We believe the project was effective in improving financial literacy, given a significant improvement in scores on objective financial literacy (categories in the financial literacy map) after taking the seminar. The project will highly likely improve the objective financial literacy of first-year students in high schools, students in ordinary schools and those in specialized programs.
- Compared to nonparticipating students, students who attended the seminar showed an improvement in scores on subjective financial literacy. The project is considered highly effective in improving the subjective financial literacy of specific demographics, such as first-year students in high school, students in specialized programs and female students.

2. Appropriateness of program contents

- The project provides programs specifically targeted to high school students including: life planning & family budget management program, loan & credit program, and financial problem program. After taking these programs, students scored better in many categories in the financial literacy map and items in the behavior and attitude segment. Thus, we believe the program contents were adequately effective.

3. High interest in finance and economics among high school students who participated in the seminar

- The results of our qualitative survey showed that there was an increase in the number of students who recognize the importance of learning finance and economics at school or who are interested in various financial and economic fields. The project was considered effective in raising the interest of students.

Recommendations for the program

Based on the analysis of results of the FY2021 Social Impact Assessment, we recommend the following to further enhance the project's social impact: (i) implementation of social impact assessment on an ongoing basis, (ii) selection of target schools to which the seminar would be highly beneficial, and (iii) diversification of program contents.

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I. Promise Financial and Economic Education Seminar

Overview of the Social Impact Assessment

1-1. Background of FY2021 Social Impact Assessment

1. 1. Background information

Need for ongoing social impact assessment

- The FY2020 assessment of the Promise Financial and Economic Education Seminar **proved the appropriateness of the project's methodology used** for high school students who constitute a primary demographic group of participants. However, the FY2020 assessment was implemented in a limited scope, in such a way that before-after comparison was done for only one school. A more detailed evaluation is necessary to understand **the overall social impact of the seminar project and its effective business design.**

2. Overview of the project assessed

- Project name: Promise Financial and Economic Education Seminar
- Project developer: SMBC Consumer Finance Co., Ltd.
- Project contents: Supporting students and local people responsible for the future to acquire accurate knowledge concerning money so that they can make appropriate decisions by holding free financial and economic education seminars at the customer service plazas or local schools.
- Achievements: Cumulative total participants of over 1,200,000 (from January 2011-January 2022)



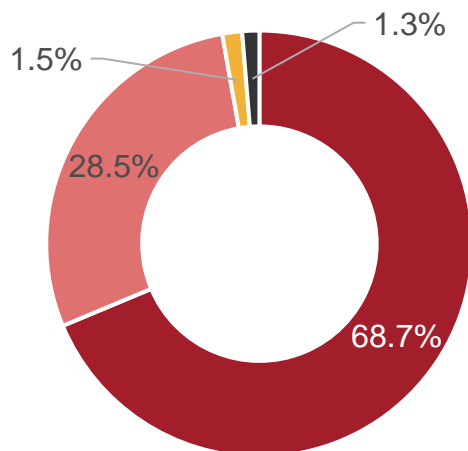
1-2. Achievements of the Promise Financial and Economic Education Seminar

1. Achievements

As of February 1, 2022

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Cumulative total
Number of seminars held	512	2,137	2,740	2,893	2,536	1,502	1,478	1,450	1,446	1,574	1,244	19,512
Number of participants	11,687	71,669	126,270	156,615	150,829	114,388	120,217	128,560	130,625	119,843	110,192	1,240,895

2. Demographics of participants



- High school students
- University and junior college students
- Primary and junior high school students and their guardians
- General public

Cumulative number of participants exceeded 1,000,000 in February 2020.

More than 90% of participants were students. High school students constitute the largest segment, accounting for 68.7%.

Data as of March 1, 2021

2. Financial and economic education

1. Definition

- Financial and economic education: Provision of education that will help develop people's financial literacy in a broad sense
- Financial literacy: A combination of awareness, knowledge, skill, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing (OECD)
 - The Central Committee for Financial Affairs and Public Relations has developed a financial literacy map which specifies 15 items as minimum required skills in relation to financial literacy in 4 categories: (i) family budget management, (ii) life planning, (iii) Knowledge of the basics of financial transactions, and (iv) use of outside expertise.

2. History

- **In the US**, consumer education began in the 1960s. Economics is viewed as a major subject under the Federal Education Law. Non-profit organizations (NPOs) play a leading role in cooperation with governmental units, such as the SEC, the US Dept. of Education and the FRB, setting standards (benchmarks) for learning, which functions as the course of study. They also provide guidance and teaching materials to teachers.
- **In the UK**, "Citizenship," which include economic education, became a compulsory subject in the educational reform of 2002. Further, since 2014, financial and economic education has been implemented by public institutions as a compulsory subject in public schools.
- Both countries focus on developing capabilities to manage financial resources effectively based on knowledge, skills and access, using a benchmark "financial capability" which is different from "financial literacy."
- **In Japan**, matters related to financial and economic education were incorporated in the Basic Policies 2005, which prompted various efforts to promote financial and economic education since 2005. However, financial education has not been actively introduced as part of education at schools. On the other hand, NPOs and financial institutions are engaged in a wide range of activities, providing various learning materials useful for economic and financial education at schools, and holding seminars and lectures for general consumers.

3. Social impact of financial and economic education

1. **Expected social impact** (items 1 to 3 are from the report issued by the Study Group on Financial Education)

- (1) Improvement in life skills and realization of prudent household finances
- (2) Improvement in the quality of financial services
- (3) Provision of risk money necessary for economic growth by changing the structure of Japan's wealth building
- (4) Improvement in response to and prevention of financial problems

2. **Best practices both in Japan and elsewhere**

Jump\$tart Coalition for Personal Finance



- A well-known US-based NPO that promotes financial education activities for age groups from preschool children to high school students. Started in 1995, the NPO works with 49 state-affiliated organizations, as well as more than 150 organizations, including government agencies, schools, NPOs, and private-sector companies.
- It particularly focuses on training teachers. Since 1998, "National Standards in K12 Personal Finance Education" have been drafted for school staff members. This is used as a reference for formulating financial learning standards in schools in many states, such as New York, New Jersey and South Carolina. It is also commonly used by other organizations to create teaching materials. It is recognized as a standard model in financial education in schools in the US.
- It is divided into six main areas: (i) financial responsibility and judgment, (ii) income and occupation, (iii) money management and planning, (iv) credit and debt, (v) risk management and insurance, and (vi) savings and investment.

4-1. Reviewing previous studies: Assessment items for financial and economic education

Levels	Assessment items	Assessment approach	Examples of previous studies
Outputs	Financial literacy (objective)	Level of knowledge/understanding (Test scores)	<ul style="list-style-type: none"> Walstad, W. B., Rebeck, K., & MacDonald, R. A. (2010) Danes, S. M., Huddleston-Casas, C., & Boyce, L. (1999) Harter, Cynthia L., and John F.R. Harter (2009) Varcoe, Karen P., Allen Martin, Zana Devitto, and Charles Go. (2005) The Central Council for Financial Services Information (2016 & 2019)
Outputs	Financial literacy (subjective)	Self-assessment in the awareness survey	<ul style="list-style-type: none"> Xiao, J. J., Serido, J., & Shim, S. (2012)
Outcomes	Asset value/savings	Quantitative evaluation based on questionnaire survey, etc. of seminar participants	<ul style="list-style-type: none"> Hilgert and colleagues (2003) Bernheim, B. D., Garrett, D. M., & Maki, D. M. (2001) Danes, S. M., Huddleston-Casas, C., & Boyce, L. (1999)
Outcomes	Risk averse behavior	Quantitative and qualitative assessment based on risk-taking scale, fact-finding survey, and awareness survey	<ul style="list-style-type: none"> Lyons, A. C. (2004), Xiao, J. J., Ahn, S. Y., Serido, J., & Shim, S. (2014a)
Outcomes	Credit Score/delinquency rate	Quantitative assessment by fact-finding	<ul style="list-style-type: none"> Brown, A. M., Collins, J. M., Schmeiser, M. D., & Urban, C. (2014)
Outcomes	Sense of self-efficacy	Quantitative assessment by SE scale	<ul style="list-style-type: none"> Danes, S. M., Huddleston-Casas, C., & Boyce, L. (1999) Lown, J. M. (2011)

4-2. Reviewing previous studies: Conditions for implementation and impacts of education programs

Conditions for implementing a program that maximizes social impact based on previous research

- **Target audience on which the program works effectively**

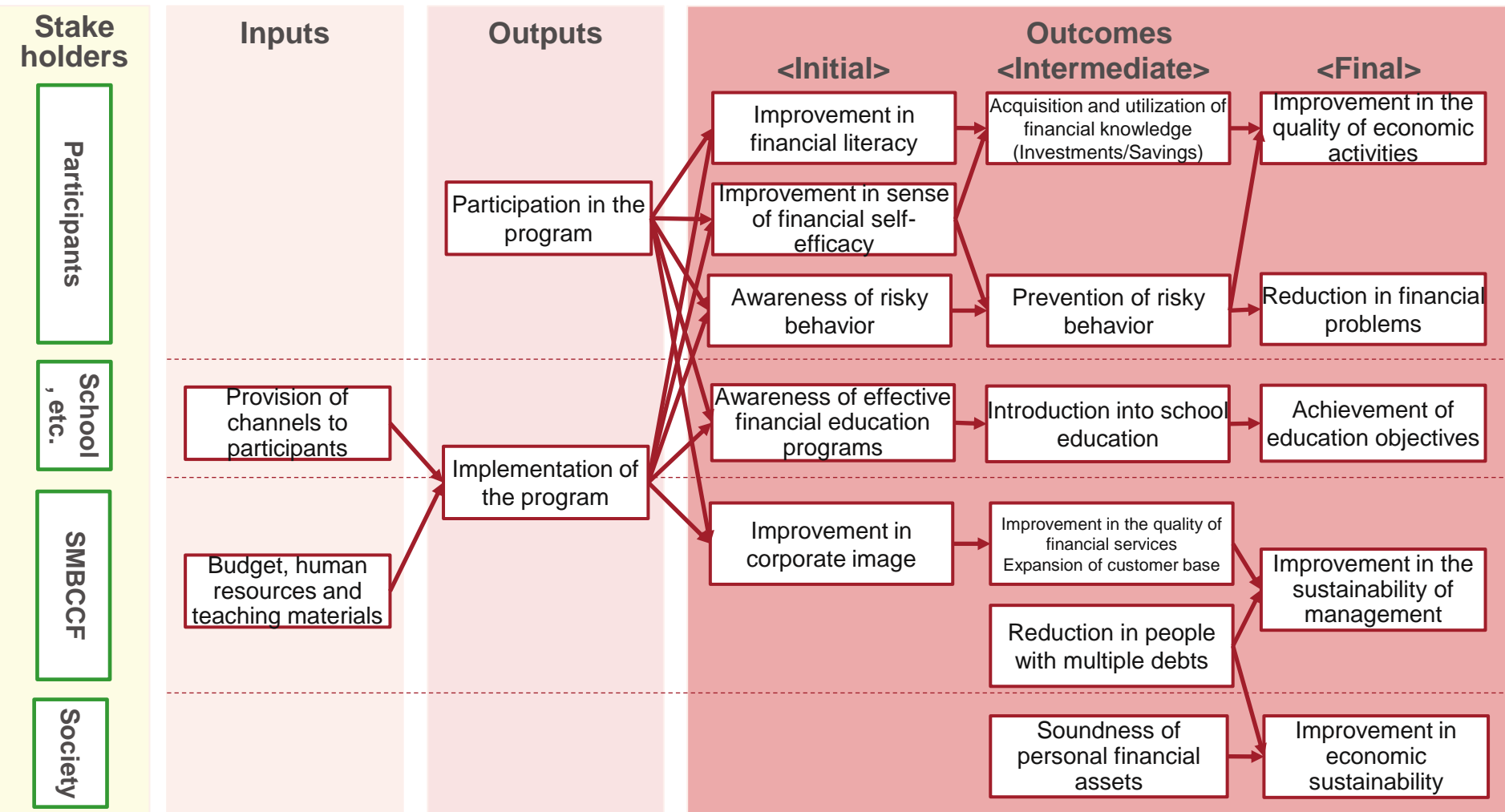
1. Program contents (effectiveness index) differs depending on the age group. (Xiao, J. J., and O'Neill, B., 2016)
 - College students: Subjective financial literacy, objective financial literacy, financial capabilities
 - High school students: Financial capabilities
 - Adults: Desired financial behavior
2. High efficacy of financial and economic education for females. (Chen, Haiyang, and Ronald P. Volpe. 2002; Lusardi, Mitchell, and Curto 2010; Lusardi and Mitchell 2009; Lusardi and Tufano 2009a, 2009b)
 - According to the assessment results, female students had lower financial literacy than male students. Thus, financial education will likely impact women more effectively.

- **Program contents**

1. Personal finance education
 - An effective education program is defined as one in which participants acquire knowledge and skills aligned with their life cycle and goals (Champlain College's Center for Financial Literacy, 2017).
2. Breaking down a programs into multiple sessions (1-hour session x 6 times, etc.)
 - It is effective to have a program structure in which lectures are held on a monthly basis for a period of 6 months or in a concentrated format for a week (5-6 days) (Council for Economic Education, 2020).
3. Level of understanding and proficiency of instructors
 - Achievements are different between students who have participated in training, etc. and those who have not (Walstad and Rebeck, 2005a).
4. Mathematical training is considered effective (Shawn Cole, Anna Paulson and Gauri Kartini Shastry, 2014)

5. Assumed logic model

Based on previous studies and program materials, we assumed the following logic model, which shows a process to achieve the intended social impact of financial and economic education.



6. Purposes and expected effects of the FY2021 Social Impact Assessment

1. Purpose

- Promise Financial and Economic Education Seminar is one of the SMBC Group's social contribution projects. The assessment is intended to visualize the social impact brought about by the project as a whole and help the group fulfill accountability to stakeholders of the project and ultimately improve the project.

2. Assumed audience and value of providing the assessment

To external stakeholders (investors, customers, etc.)

- Disclosure of strategies related to the social impact of the project subject to assessment will clarify the social value created by the project. It will also disseminate to society the effectiveness of the seminar as a social contribution project. This will enhance the group's brand value.

To internal stakeholders (management team)

- Sharing strategies related to social impact and the results of such strategies within the organization will enhance understanding of businesses, provide a basis for decision-making, and improve business operations and programs.
- By implementing a social impact management system as a process for program development, the contents and goals of the related business will be examined, leading to the growth of the business and organization.

7. Overview of FY2021 Social Impact Assessment

Our FY2021 assessment was targeted at high school students. They account for a substantial part of the project's target audience. We estimated the social impact of the program on this segment through the enhanced methodology with improved accuracy.

Item	Overview
Name of assessment	Social impact assessment of Promise Financial and Economic Education Seminar for high school students
Subjects	a. Seminar participants: High school students who participated in the seminar (the “participating group”) b. Non-participants: High school students who did not participate in the seminar (the “non-participating group”)
Assessment methodology	① Questionnaire survey: Students were assigned to the participating group and non-participating group (those who have a similar profile to seminar participants but have not participated in seminars [item b above]) and requested to give responses to both online and paper-based questionnaires. ② Interview: Students who took the seminar were interviewed.
Assessment overview	<ul style="list-style-type: none"> We measured initial outcomes (financial literacy, behavior and attitude, and sense of self-efficacy) of seminar participants. In order to evaluate the impact of the seminar on participants, we conducted a questionnaire survey both on participants and on non-participants to understand their levels of knowledge and understanding of financial literacy, financial behavior and attitude, and sense of self-efficacy. Based on the collected questionnaires we analyzed the change in the performance of assessment items before and after the seminar. We also conducted a segment analysis (by school type, program type and gender) to understand what types of program content would influence initial outcomes for specific types of participants. We interviewed seminar participants to obtain qualitative data. Based on this assessment, we recommended that social impact assessment should be conducted on an ongoing basis. We also proposed projects for content development for the future.

II. Promise Financial and Economic Education Seminar

Results of analysis

(1) Overview of quantitative analysis

8-1. Implementation of quantitative survey: Overview

The questionnaire survey in the FY2021 Social impact Assessment took place from September 2021 to February 2022 on the participating group consisting of 11 schools and the non-participating group consisting of 3 schools. The number of students in both groups is indicated as below.

Since there were some restrictions in setting the control group (non-participating group) within the same school, students at other educational institutions under similar conditions were set to constitute the control group.

Attributes		Number of responses			
		Participating group		Non-participating group	
Category	Subcategory	Before seminar	After seminar	Before seminar	After seminar
School type	General high school	550	519	480	456
	Top-tier high school	518	485	349	323
	Specialized program	236	201	0	0
	Part-time high school, etc.	218	173	0	0
Grade	3rd year	782	684	349	323
	2nd year	128	104	0	0
	1st year	612	590	480	456
Gender	Male	753	654	498	449
	Female	707	659	286	275
	Others	62	65	45	55
Programs	Life planning & family budget management	508	451	-	-
	Loan & credit	568	529	-	-
	Financial problems	446	398	-	-
Total number of students subject to the assessment		1522	1378	829	779

8-2 Structure of questionnaire

Scope	Number of questions	Summary of questions	Reference
Objective financial literacy	24 questions	4 categories of financial literacy map, true-false questions Example: Which of the following statements about income/expenditure for living is considered inappropriate?	Financial Literacy Survey 2019 (The Central Council for Financial Services Information)
Subjective financial literacy	1 question	5-scale self-assessment of financial literacy Example: Compared with others, what level do you feel your general financial knowledge stands at?"	
Behavior and attitude	16 questions	Self-assessment regarding 8 assessment items (awareness of income/expenditures, deliberateness, prudence, consumption trend, herd behavior bias, loss aversion, self-assessment of consumption, and awareness of payments) in the format of this-or-that questions or 5-scale grading Example: "Before buying something, do you carefully consider if you can afford it.	
Financial knowledge	2 questions	Self-assessment on current financial issues in the format of 4-scale grading, etc. Example: Do you know that the adult age will be lowered?	
Sense of self-efficacy	16 questions	General self-efficacy scale (selection of one out of two options) Example: You are normally confident in doing your work.	General Self-efficacy Scale (GSES)
Attributes	7 questions	(i) Experience of facing financial problems and experience of financial and economic education (3 questions) (ii) Personal attributes: Gender/grade (2 questions) (iii) Payment methods (2 questions)	

9. Scope of the FY2021 Social Impact Assessment

The FY2021 social impact assessment covers initial outcomes--"improvement in financial literacy," "recognition of risky behavior" and "sense of self-efficacy in finance." We selected assessment items corresponding to the seminar's program contents as the scope of this assessment.

Initial outcomes	Assessment items	Scope
Improvement in financial literacy	Subjective financial literacy	Categories of financial literacy map corresponding to program contents
	Objective financial literacy (Financial literacy map)	
Awareness of risky behavior	Behavior and attitude	Behavior and attitude items corresponding to program contents
Improvement in sense of financial self-efficacy	Improvement in GSES	

10. Linkage with program contents

The seminar offer programs specifically targeted to high school students, including life planning & family budget management, loan & credit, and financial problem program. The following outlines the contents of the programs and corresponding objective financial literacy (categories in the financial literacy map) and financial behavior/attitude items.

Program contents and items corresponding to financial literacy map or behavior and attitude items

#	Category	Subcategory	Life planning and family budget management	Loan and credit	Financial problems	Applicable questions
1	Objective financial literacy	Family budget management	○			Q3, 4
2	Objective financial literacy	Life planning	○			Q9, 10
3	Objective financial literacy	Financial knowledge - basics of financial transactions		○	○	Q11, 12, 13
4	Objective financial literacy	Financial knowledge - basics of finance and economics			○	Q15, 16, 17, 18-1, 19, 20
5	Objective financial literacy	Financial knowledge - loans and credit		○		Q18-2, 25
6	Objective financial literacy	Financial knowledge - insurance				Q21, 22, 24
7	Objective financial literacy	Financial knowledge - wealth building				Q18-3, 18-4, 26
8	Objective financial literacy	Use of external expertise			○	Q27, 28, 29
9	Behavior and attitude	Awareness of income and expenditures	○	○		Q2
10	Behavior and attitude	Cost awareness and budgeting	○			Q6, 7, 8
11	Behavior and attitude	Deliberateness	○	○	○	Q1-4, 1-6
12	Behavior and attitude	Prudence		○	○	Q1-1, 1-7
13	Behavior and attitude	Consumption trend				Q1-5, 1-9, 1-10
14	Behavior and attitude	Herd behavior bias				Q1-3
15	Behavior and attitude	Loss averse behavior				Q5
16	Behavior and attitude	Self-assessment of consumption				Q1-8
17	Behavior and attitude	Awareness of payments		○		Q1-2
18	Behavior and attitude	Use of external expertise				Q37

II. Promise Financial and Economic Education Seminar

Results of analysis

(2) Financial literacy

11-1. Changes in financial literacy after the seminar

We calculated scores based on correct answer rates and observed changes in scores before and after the seminar in the assessment of objective and subjective financial literacy by the attributes set below.

The participating group showed improvement in scores for objective financial literacy from 35.0% to 38.1%, while scores for the non-participating group dropped from 44.5% to 33.2%. For subjective financial literacy, the participating group showed a slight improvement. Scores for the non-participating group dropped from 39.2% to 35.7%.

Scores for financial literacy in the FY2021 Social Impact Assessment

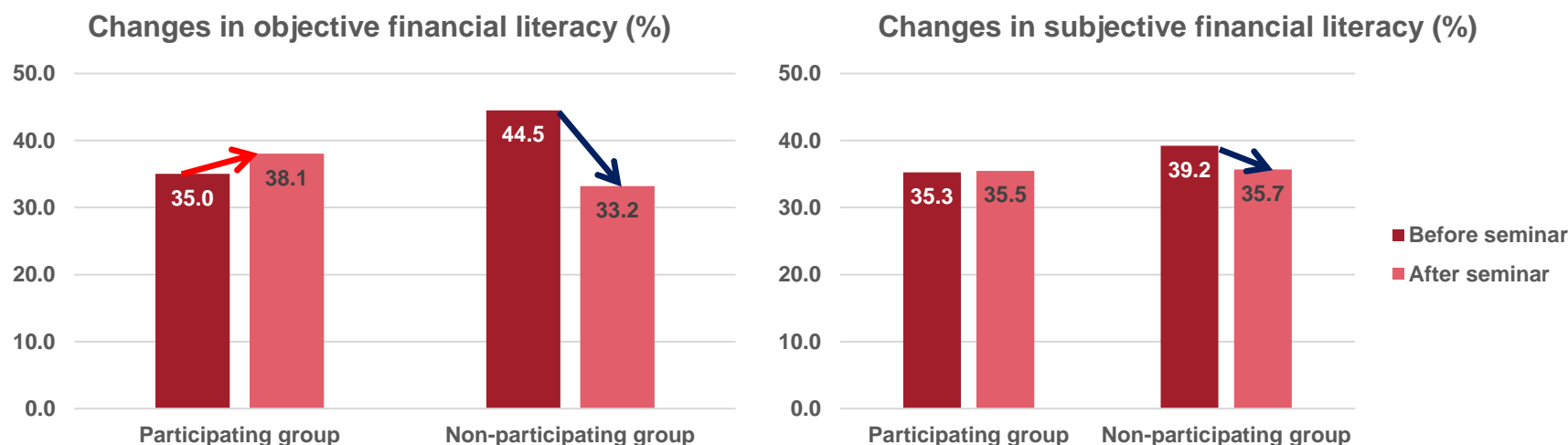
(Unit: %, positive changes shown in blue, (*)statistically significant change)

Attributes	Objective financial literacy			Subjective financial literacy		
	Before seminar	After seminar	Changes	Before seminar	After seminar	Changes
Participating group	35.0	38.1	3.0(*)	35.3	35.5	0.2
➤ Male	34.9	38.8	4.0(*)	37.2	36.4	-0.8
➤ Female	36.0	38.6	2.6(*)	33.8	36.0	2.1
➤ General high school	27.8	33.9	6.0(*)	38.2	36.9	-1.3
➤ Top-tier high school	38.8	40.5	1.7	38.7	38.1	-0.6
➤ Specialized program	30.6	35.2	4.6(*)	33.2	37.5	4.2(*)
➤ Part-time high school, etc.	39.7	40.8	1.2	33.4	32.2	-1.3
➤ 3rd year	35.3	37.7	2.4(*)	37.5	36.7	-0.8
➤ 2nd year	35.9	36.7	0.8	33.6	31.9	-1.7
➤ 1st year	32.7	41.2	8.5(*)	33.5	39.0	5.5(*)
➤ Life planning & family budget management	37.1	39.6	2.5(*)	36.2	35.9	-0.3
➤ Loan & credit	31.8	37.2	5.4(*)	34.6	36.3	1.6
➤ Financial problems	36.7	36.9	0.2	34.8	33.7	-1.1
Non-participating group	44.5	33.2	-11.3(*)	39.2	35.7	-3.5(*)
➤ Male	44.8	33.7	-11.1(*)	40.8	38.8	-2.0
➤ Female	46.1	37.0	-9.1(*)	36.0	34.6	-1.4
➤ General high school	36.0	29.0	-7.0(*)	35.5	31.0	-4.5(*)
➤ Top-tier high school	48.7	35.3	-13.4(*)	41.0	38.0	-3.0(*)
➤ 3rd year	48.7	35.3	-13.4(*)	41.0	38.0	-3.0(*)
➤ 1st year	36.0	29.0	-7.0(*)	35.5	31.0	-4.5(*)

11-2. Changes in financial literacy after the seminar

We compared changes in scores in objective and subjective financial literacy before and after the seminar both for the participating and non-participating groups. After the seminar, scores improved for the participating group while dropping for the non-participating group.

Changes in financial literacy (before and after)



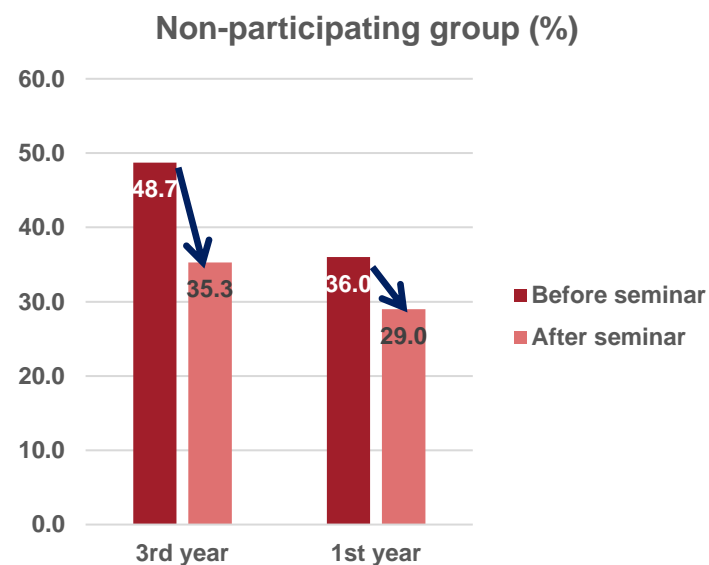
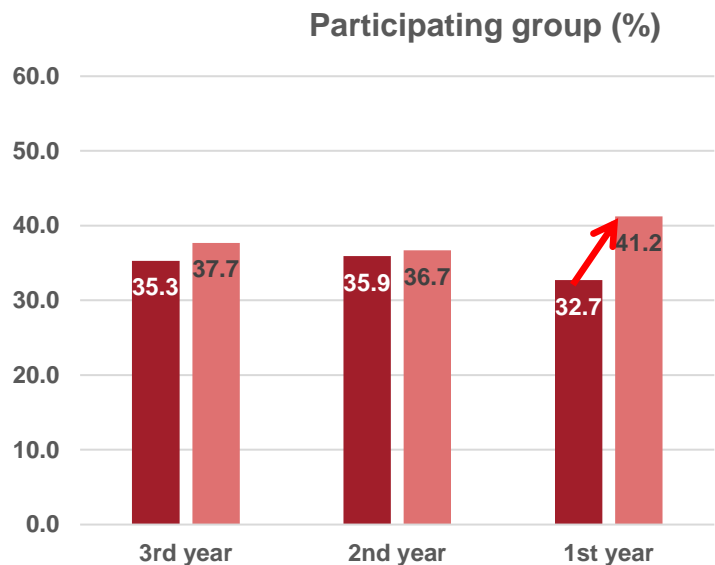
Brief Explanation

- For **objective financial literacy**, score of the participating group improved significantly from 35.0% to 38.1%. The non-participating group's correct answer rate dropped significantly from 44.5% to 33.2%. **The seminar is considered to have been beneficial to improve objective financial literacy.**
- The decline in scores of the non-participating group can be explained by the psychological process associated with a deterioration in correct answer rates in the Force Concept Inventory (FCI), which was verified by Yoshihiko Shoji concluding that students' confidence levels are attributable to the decline in scores(*1). In this survey, no information was provided to the non-participating group through seminars. Thus, we attribute the decline in the group's scores to their low confidence level in giving answers.

(*1)Yoshihiko Shoji, "Psychological Processes Accompanying Deterioration of Correct Answer Rate of FCI," Physics Education at Universities Vol.25 (3), pp.121-124.

12-1. Objective financial literacy: Comparison by grade

Changes in objective financial literacy (comparison by grade)

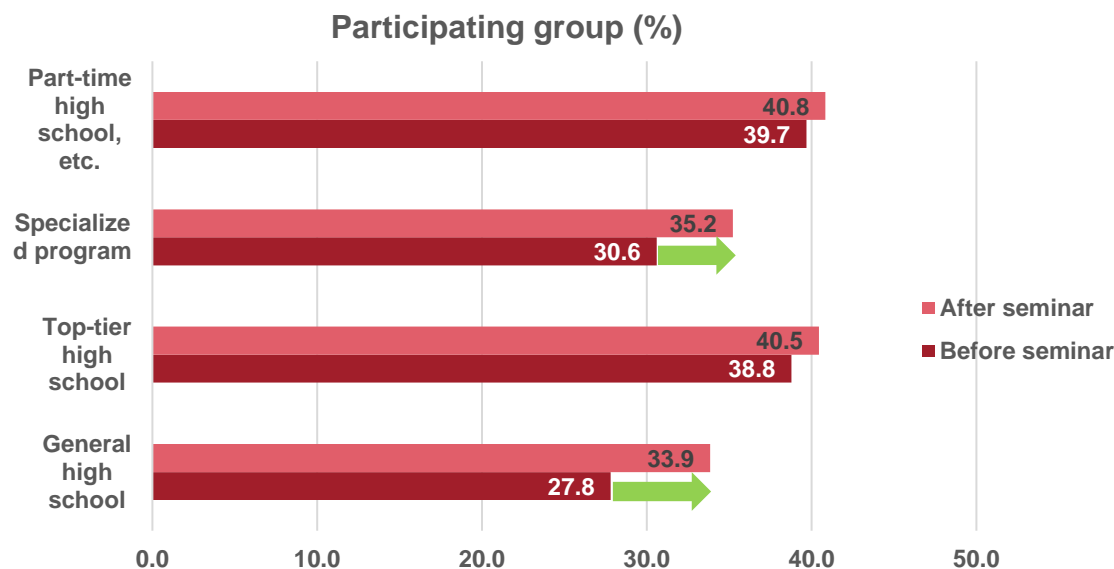


Brief Explanation

- **Objective financial literacy** improved for students in all grades in the participating group. Notably, first grade students showed a significant improvement, from 32.7% to 41.2%. In the non-participating group, scores for first-year and third-year students, for whom we were able to acquire data, declined.
- The seminar will likely be beneficial for improving the objective financial literacy of students in all grades. We view it as **particularly effective for first-grade students**.

12-2. Objective financial literacy: Comparison by school type

Changes in objective financial literacy (comparison by school type)

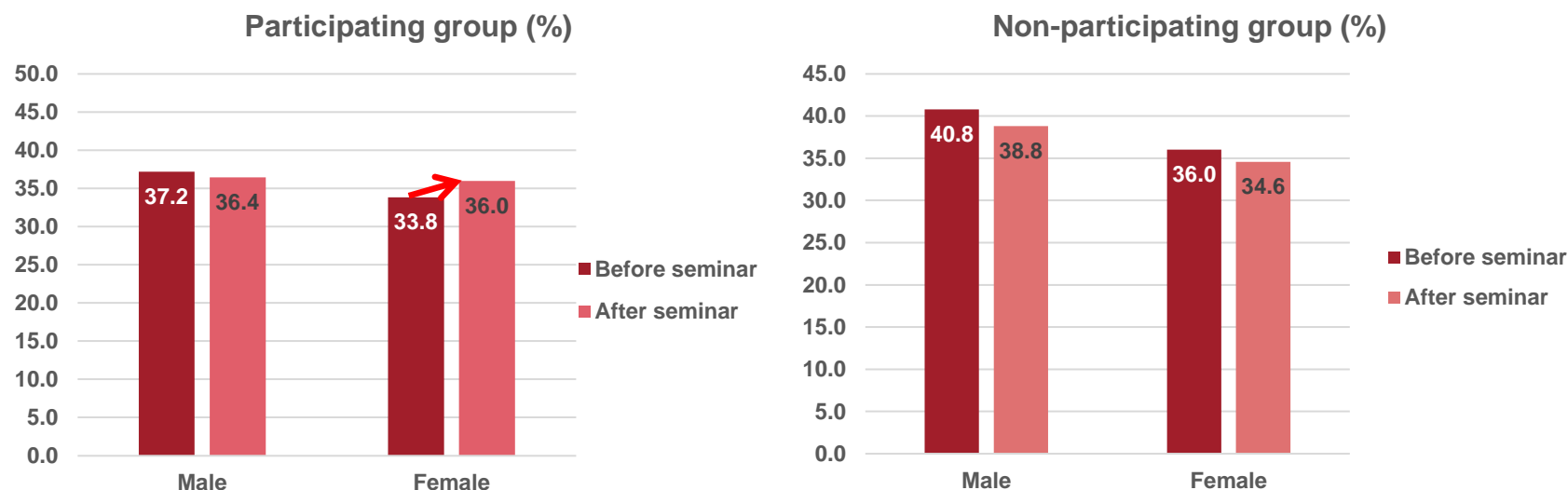


Brief Explanation

- **Objective financial literacy** improved for the participating group in all types of schools in the participating group-- from 27.8% to 33.9% for those in general high schools and from 30.6% to 35.2% for those in specialized courses. We believe the seminar was **highly effective for general high schools and students in specialized courses**.
- Although lower than participants in general high schools and specialized courses, those in top-tier and part-time high schools also showed improvement. We think the seminar impacted the objective financial literacy of students in all types of schools.

13-1. Subjective financial literacy: Comparison by gender

Changes in subjective financial literacy (comparison by gender)

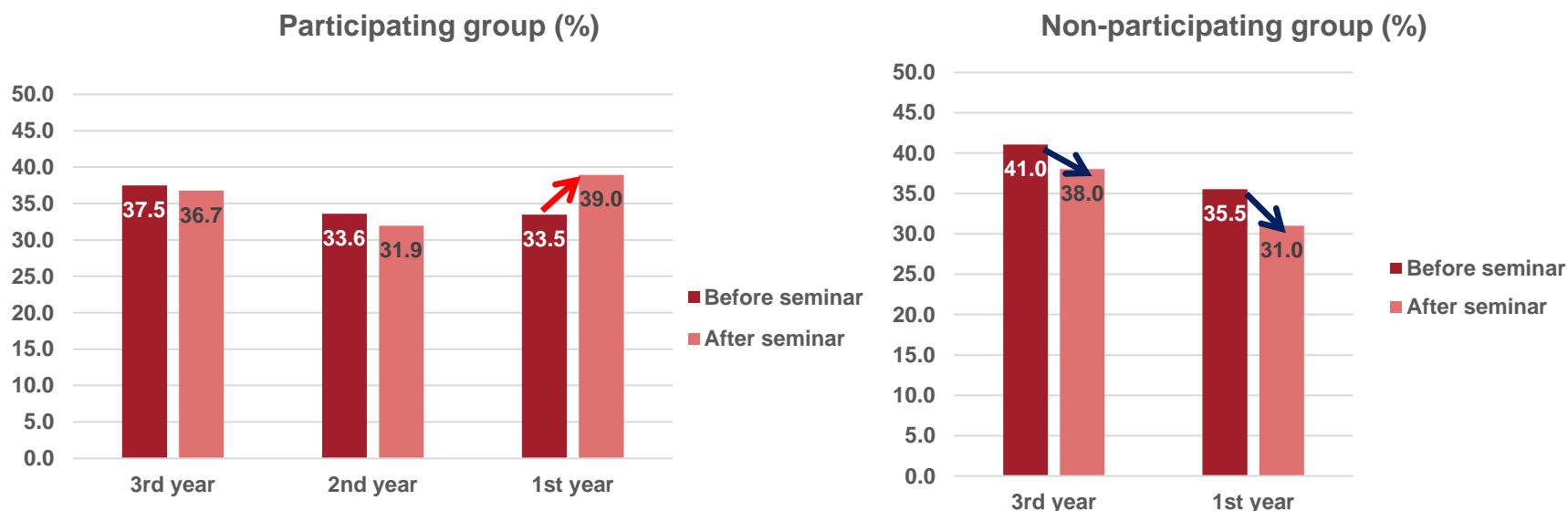


Brief Explanation

- **Subjective financial literacy** did not change significantly in the participating group as a whole. However, female students showed improvement from 33.8% to 36.0%.
- Scores for the non-participating group declined. Scores for both male and female students dropped.
- Subjective financial literacy can be improved **for female students more effectively** than male students, as their financial literacy seemed lower than male students in this assessment.

13-2. Subjective financial literacy: Comparison by grade

Changes in subjective financial literacy (comparison by grade)

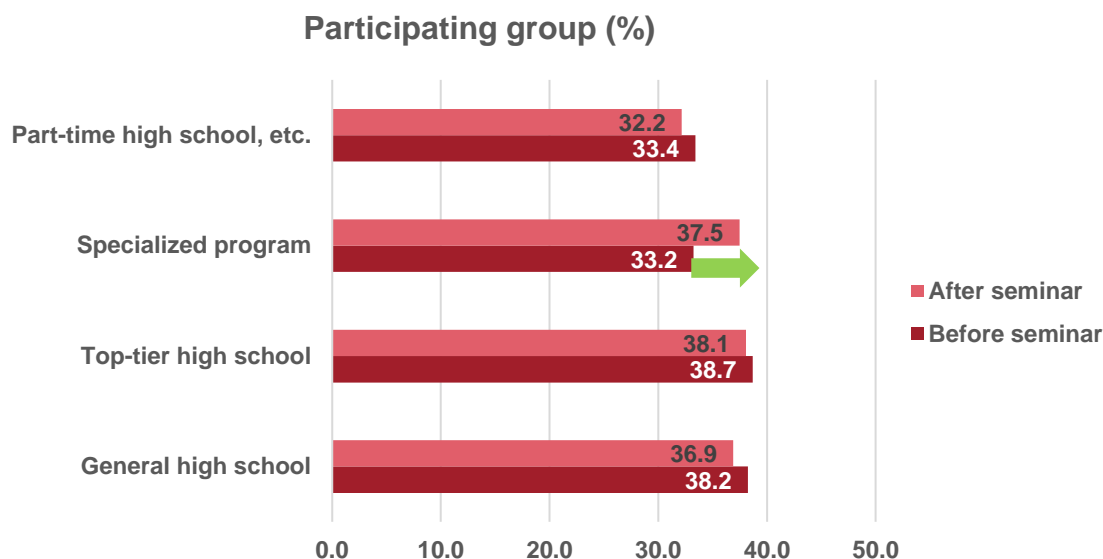


Brief Explanation

- **Subjective financial literacy** did not change significantly in the participating group as a whole. However, **scores for first-year students improved significantly from 33.5% to 39.0%.**
- In the non-participating group, scores dropped for first-year and third-year students for whom we were able to obtain data. Since few schools implement seminars for all students every year, **it is assumed that first-year students tend to appreciate new knowledge of finance and economics more than others and think their knowledge of finance and economy has improved by attending the seminar.**

13-3. Subjective financial literacy: Comparison by school type

Changes in subjective financial literacy (comparison by school type)



Brief Explanation

- **Subjective financial literacy** did drop for participants in general high schools, top-tier high schools, part-time schools, etc., but no major changes were found. Score improved from 33.2% to 37.5% for specialized segment.
- In this assessment, we had difficulty in setting up the part-time specialized segment as well as the non-participating group. Thus, we are unable to confirm any relationship between school types and observed improvements in subjective financial literacy. However, we note that taking seminars can be beneficial to improve subjective financial literacy **particularly for students in the specialized segment**.

14-1. Changes in financial literacy map items after the seminar

Using the financial literacy map set by the Central Council for Financial Services Information, we compared scores for all objective financial literacy categories as below.

Scores for the non-participating group dropped in all categories, while scores for the participating group improved in all categories but for the "financial knowledge - wealth building" category. Especially, scores for categories "family budget management" and "financial knowledge- basics of financial transactions" improved for all school types.

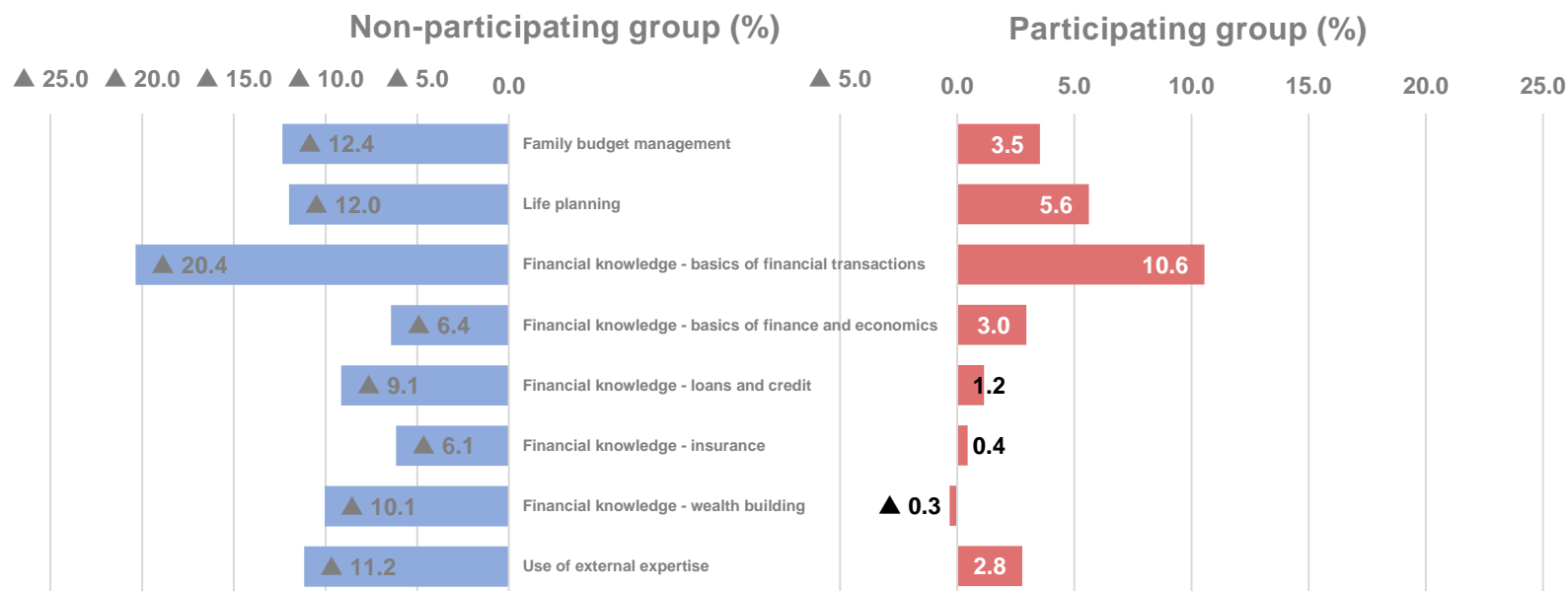
(Changes in items of the financial literacy map)

(Unit: %, positive changes in yellow frame and negative changes framed in blue)

	Questions	Group		School attributes (participating group)				Participated programs			Applicable questions
		Participating group	Non-participating group	General high school	Top-tier high school	Specialized program	Part-time high school, etc.	Life planning and family budget	Loans and credit	Financial problems	
1	Family budget management	3.5	-12.4	6.2	4.2	3.1	2.1	4.2	4.2	0.3	Q3, 4
2	Life planning	5.6	-12.0	8.1	-2.6	12.0	4.2	8.7	5.5	-1.5	Q9, 10
3	Financial knowledge - basics of financial transactions	10.6	-20.4	17.8	8.7	10.6	7.8	6.9	13.6	11.0	Q11, 12, 13
4	Financial knowledge - basics of finance and economics	3.0	-6.4	3.5	-2.3	3.1	5.2	0.9	6.6	0.7	Q15, 16, 17, 18-1, 19, 20
5	Financial knowledge - loans and credit	1.2	-9.1	3.1	-0.1	3.8	-1.0	0.4	3.3	-2.6	Q18-2, 25
6	Financial knowledge - insurance	0.4	-6.1	-3.1	-0.4	4.2	0.1	-0.2	1.3	0.1	Q21, 22, 24
7	Financial knowledge - wealth building	-0.3	-10.1	3.7	-1.8	0.5	-2.1	0.2	1.8	-5.1	Q18-3, 18-4, 26
8	Use of external expertise	2.8	-11.2	8.3	8.8	-1.7	0.0	-1.8	6.2	5.6	Q27, 28, 29

14-2. Changes regarding financial literacy map items after attending the seminar

(Changes in financial literacy map items, before and after)



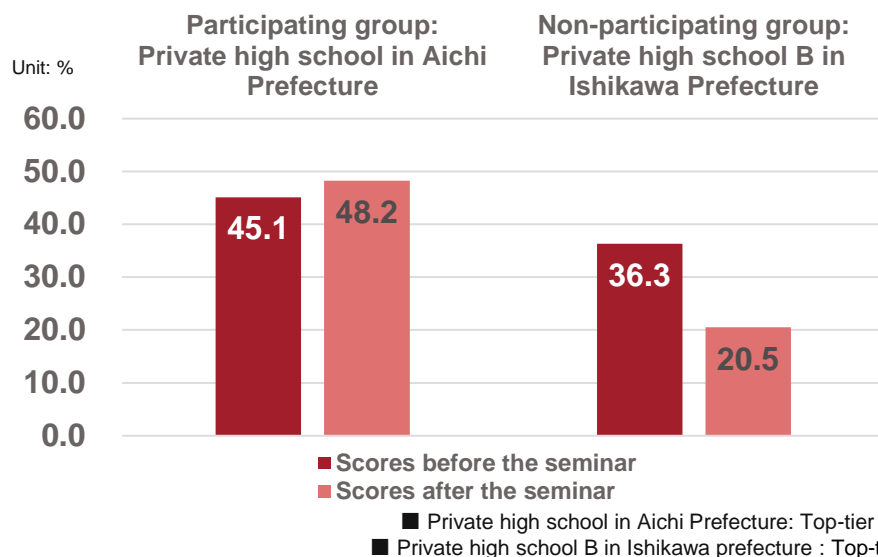
Brief Explanation

- We compared the scores of participating and non-participating groups in each category of the **financial literacy map**, which constitutes objective financial literacy. The participating group showed **improvement in all categories** except for the "financial knowledge - wealth building." Changes in scores for categories "family budget management," "life planning," and "financial knowledge - basics of financial transactions" were considered significant.
- Scores for the non-participating group declined significantly in all categories.

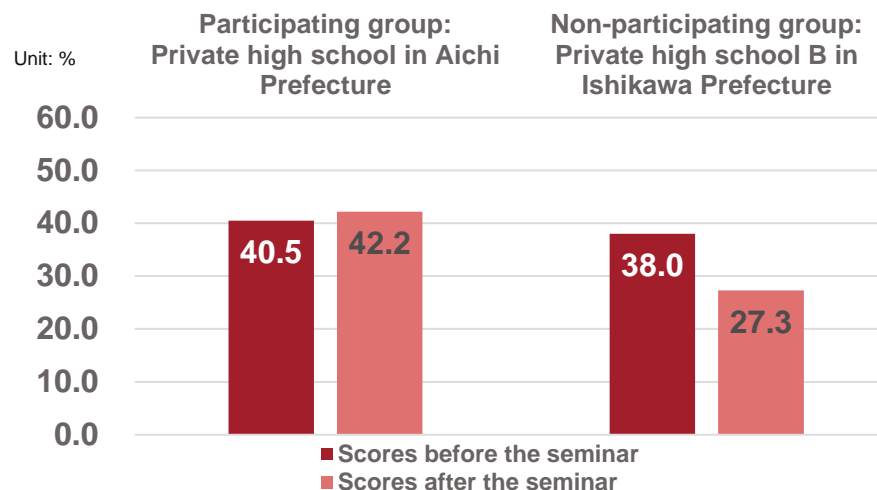
15-1. Comparison by similar attributes: Before and after seminar

We compared changes in scores of the participating and non-participating groups in objective and subjective financial literacy. After the seminar, scores improved for the participating group, while dropping for the non-participating group.

Changes in objective financial literacy



Changes in subjective financial literacy



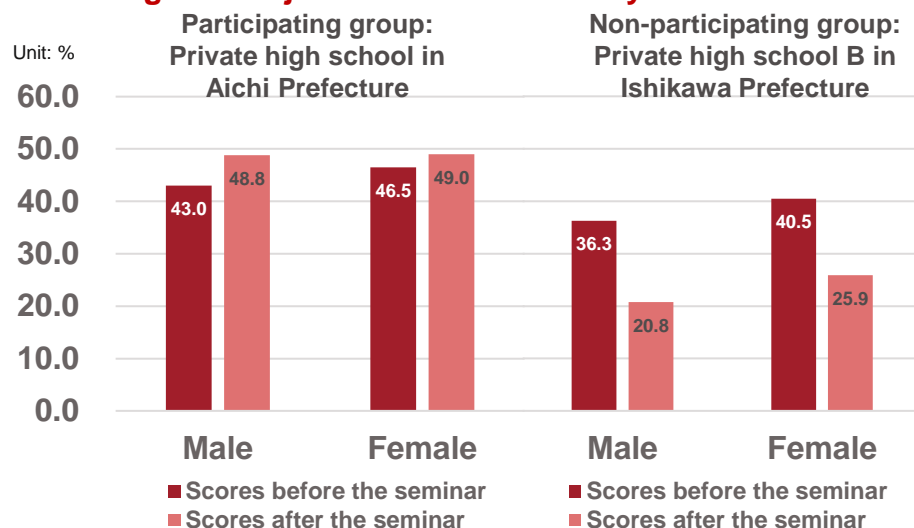
Brief Explanation

- We compared changes in **objective financial literacy (financial map categories)** for the participating and non-participating groups in top-tier high schools of similar standard deviation score and attributes. Scores improved for the participating group while the non-participating group saw a decline.
- We compared changes in of the participating and non-participating groups in top-tier high schools with similar standard deviation scores and school attributes. Scores improved for the participating group while the non-participating group saw a substantial decline.

15-2. Comparison by similar attributes: Gender

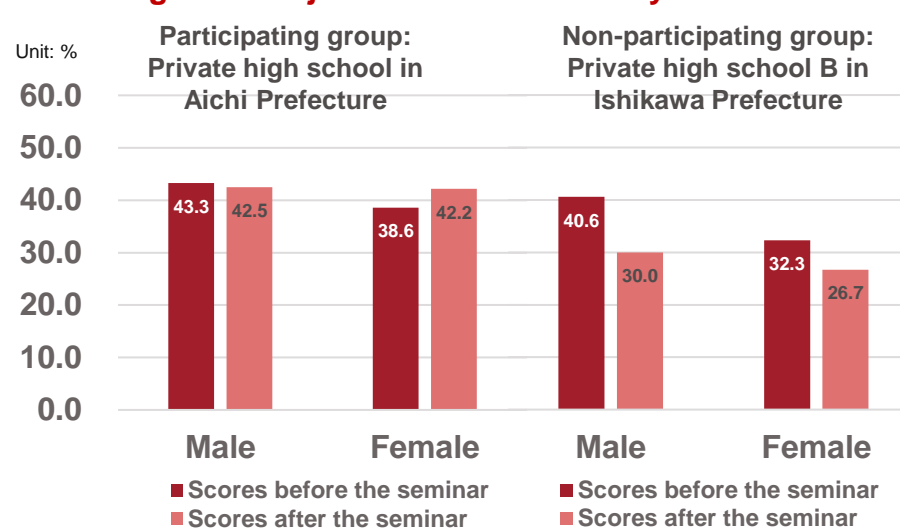
We compared objective financial literacy and subjective financial literacy of female and male students in the participating group and non-participating group which have similar school attributes. Objective financial literacy improved for both male and female students in the participating group. Subjective financial literacy improved for female students in the participating group.

Changes in objective financial literacy



■ Private high school in Aichi Prefecture: Top-tier high school with a standard deviation score of 56
■ Private high school B in Ishikawa prefecture : Top-tier high school with a standard deviation score of 55

Changes in subjective financial literacy



Brief Explanation

- For changes in objective financial literacy (financial literacy map category), we found no difference by gender. Both female and male students showed improvement after the seminar.
- Female students showed improvement in subjective financial literacy after the seminar. The seminar is likely to be highly effective on female students.

15-3. Comparison by similar attributes: Top-tier high schools

The participating group in the top-tier high school segment showed a small change relative to those in other schools. Thus, we examined the change due to attending the seminar in the objective financial literacy of the top-tier high school segment.

Changes in objective financial literacy

(Unit: %, categories corresponding to program contents taken)

Category	Subcategories	Private high school in Hokkaido Prefecture	Private high school in Aichi Prefecture	Public high school in Tokyo Prefecture
Objective financial literacy	All	3.6	3.1	-1.6
	Family budget management	5.4	7.6	-0.7
	Life planning	-1.6	2.4	-8.5
	Financial knowledge - basics of financial transactions	18.6	3.4	4.9
	Financial knowledge - basics of finance and economics	-2.9	0.9	-4.8
	Financial knowledge - loans and credit	2.1	1.9	-4.0
	Financial knowledge - insurance	1.7	-0.5	-5.3
	Financial knowledge - wealth building	-0.4	2.0	-7.2
	Use of external expertise	6.0	7.4	12.9
Programs		Financial problems	Life planning & family budget management	Financial problems
School characteristics				Similar contents are provided as part of lectures, low interest in taking the program
School type		Standard deviation score: 56	Standard deviation score: 56	Standard deviation score: 53

Brief Explanation

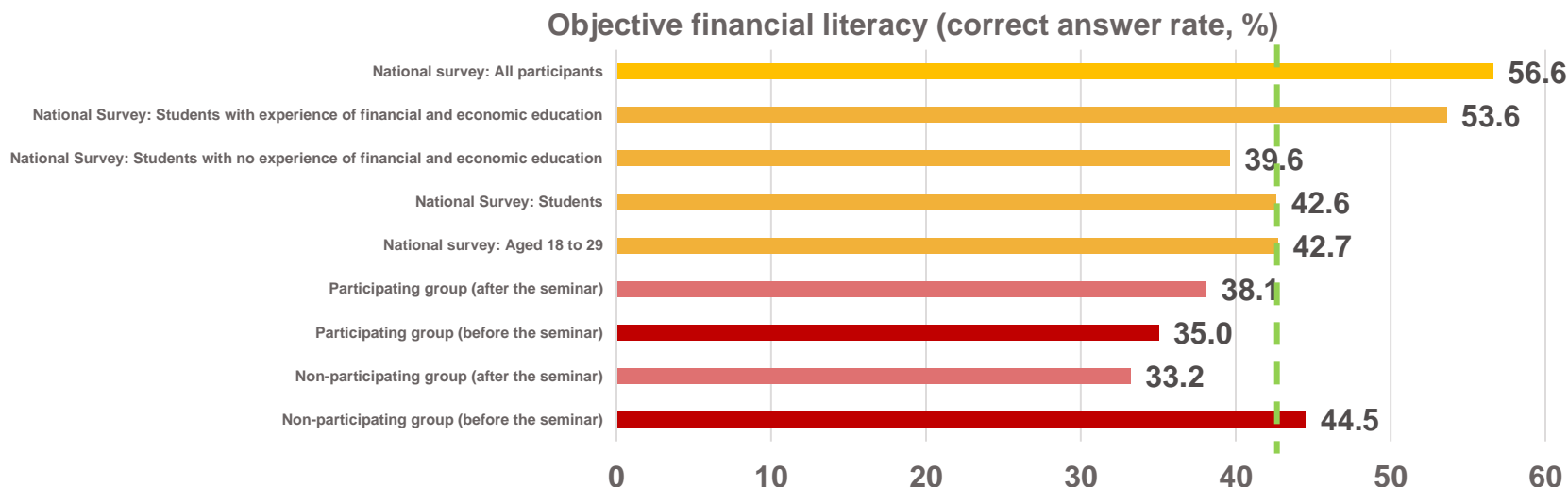
- Scores improved substantially for categories corresponding to program contents, excluding "principles of finance and economics." However, scores of public high schools in Tokyo dropped in all categories not corresponding to program contents.
- According to a previous study by a university student, the **level of financial knowledge of students with experience of education related to finance and economics do not improve, compared to those who have not taken any related courses.** This may explain the condition in the public school in Tokyo, as it offers a wide range of courses in finance and economics, such as "spending for living" and "business economics."

* Yoshihiro Asai, "Is Financial Education Effective?: Research on College Students in Japan and Considerations," Study of Life Economics, Vol.46, 2017, pp.11-24

16. Comparison with "Financial Literacy Survey 2019"

We compared the results of the assessment on objective financial literacy with those in the Central Council for Financial Services Information's Financial Literacy Survey 2019. Scores for the participating and non-participating groups after the seminar tended to be lower than those for the national survey. However, students covered by the national survey are 18 years old or older, including university students. Our assessment covered high school students who are aged from 15 to 18, less familiar with basic finance and economics. Based on this, our results are considered reasonable.

Changes in objective financial literacy (comparison with national survey)



Reference data: "Financial Literacy Survey 2019," The Central Council for Financial Services Information

Attributes	Objective financial literacy (correct answer rate, %)
National survey: All participants	56.6
National survey: Aged 18 to 29	42.7
National Survey: Students	42.6
National Survey: Students with experience of financial and economic education	53.6
National Survey: Students with no experience of financial and economic education	39.6

II. Promise Financial and Economic Education Seminar

Results of analysis

(3) Behavior and attitude

17-1. Changes in behavior and attitude after the seminar

Of behavior and attitude items, the participating group showed positive changes in terms of awareness of income and expenditures, cost awareness and budgeting, deliberateness, prudence, herd behavior bias(*), self-assessment of consumption, and awareness of payments.

List of changes in behavior and attitude items

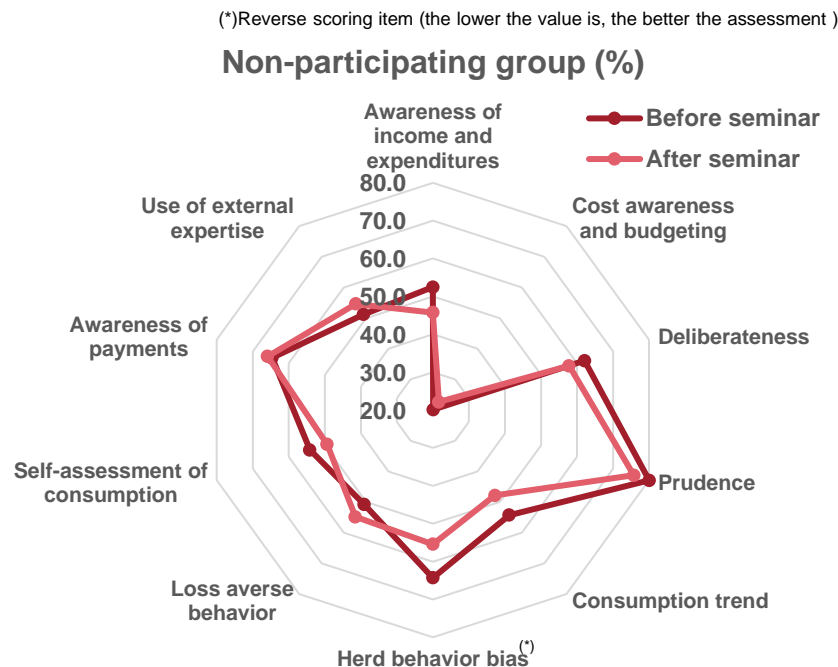
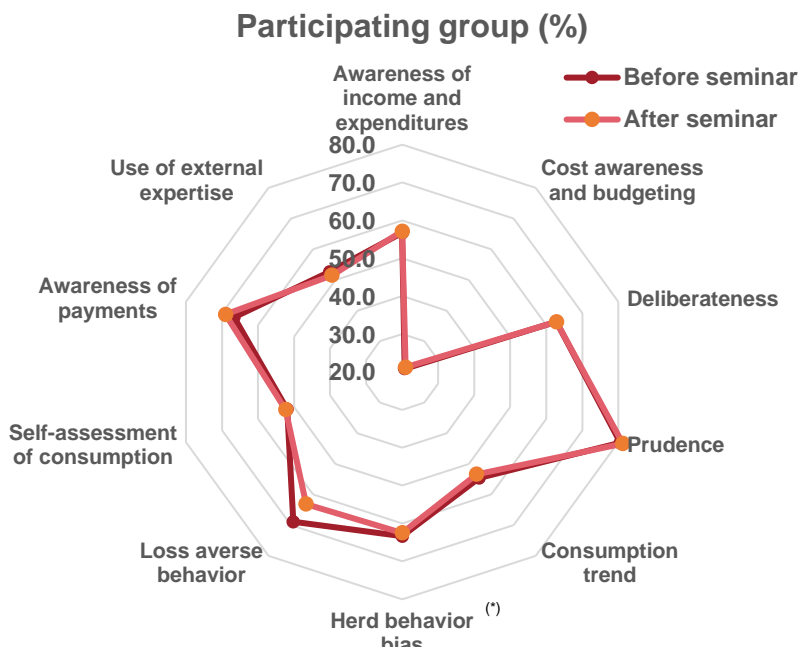
(Unit: %, positive changes shown in blue)

	Participating group			Non-participating group		
	Before seminar	After seminar	Changes	Before seminar	After seminar	Changes
Awareness of income and expenditures	56.7	57.1	0.4	52.5	45.8	-6.7
Cost awareness and budgeting	21.1	21.5	0.4	20.1	22.6	2.5
Deliberateness	62.7	62.8	0.1	62.1	57.8	-4.3
Prudence	80.5	81.3	0.7	80.0	75.7	-4.3
Consumption trend	54.6	53.4	-1.2	54.3	47.8	-6.4
Herd behavior bias(*)	63.4	62.5	-0.9	64.3	55.4	-8.9
Loss averse behavior	68.9	63.1	-5.8	50.8	54.9	4.0
Self-assessment of consumption	51.9	52.3	0.4	54.2	49.4	-4.8
Awareness of payments	66.7	69.0	2.4	64.6	65.9	1.2
Use of external expertise	52.6	51.5	-1.1	51.2	54.6	3.4

(*)Reverse scoring item (the lower the value is, the better the assessment)

17-2. Changes in behavior and attitude after the seminar

Changes in behavior and attitude before and after the seminar



Brief Explanation

- **Of behavior and attitude items**, scores dropped only for loss averse behavior. This means that there was an increase in the number of students who answered positive to Question 5 “Would you invest 100,000 yen if there is 50/50 likelihood of either gaining 20,000 yen or losing 10,000 yen?”
- Improvement in behavior and attitude was moderate compared with that in objective financial literacy. It may **be necessary to consider designing a program that will induce behavioral changes, which is the intermediate outcome**.
- **Participatory contents** will be added to the program in FY2022. We expect to see the verification of the impact of the new contents on behavior and attitude.

II. Promise Financial and Economic Education Seminar

Results of analysis

(4) Program contents and financial literacy map/behavior & attitude items:

: Scope of the assessment

18-1.Changes in scores in corresponding financial literacy map/behavior items due to taking the seminar

After the seminar, there were positive changes in many of items corresponding to the seminar's program contents.

Program contents and changes in corresponding objective financial literacy and behavior/attitude items

Program	Category	Subcategory	Changes (%)
Life planning & family budget management	Objective financial literacy	Family budget management	4.2
	Objective financial literacy	Life planning	8.7
	Behavior and attitude	Awareness of income and expenditures	-1.1
	Behavior and attitude	Cost awareness and budgeting	5.7
	Behavior and attitude	Deliberateness	-0.3
Loans and credit	Objective financial literacy	Financial knowledge - basics of financial transactions	13.6
	Objective financial literacy	Financial knowledge - loans and credit	3.3
	Behavior and attitude	Awareness of income and expenditures	1.5
	Behavior and attitude	Deliberateness	-0.4
	Behavior and attitude	Prudence	1.2
	Behavior and attitude	Awareness of payments	3.9
Financial problems	Objective financial literacy	Financial knowledge - basics of financial transactions	11.0
	Objective financial literacy	Financial knowledge - principles of finance and economics	0.7
	Objective financial literacy	Use of external expertise	5.6
	Behavior and attitude	Deliberateness	1.3
	Behavior and attitude	Prudence	1.2

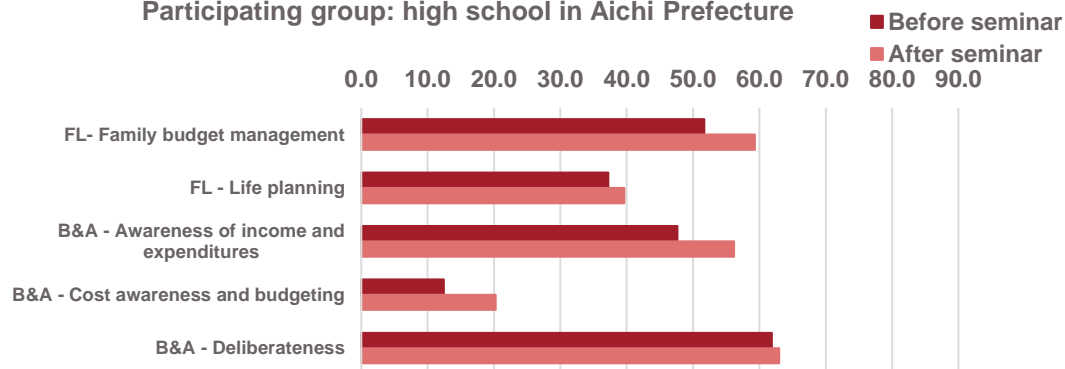
(Unit: %, positive changes shown in blue)

18-2. Changes in scores for corresponding financial literacy map and behavior & attitude items due to taking the seminar

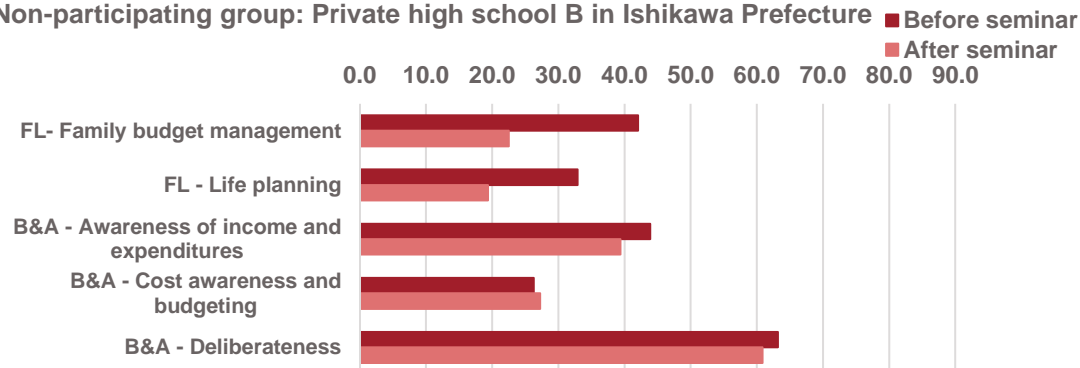
We compared changes in scores for financial literacy map and behavior/attitude items corresponding to the seminar's life planning & family budget management program between the participating group and the non-participating group in schools of similar attributes. We observed improvement in scores in various categories.

Changes in scores for life planning and family budget management program (%)

Participating group: high school in Aichi Prefecture



Non-participating group: Private high school B in Ishikawa Prefecture



(FL: Financial literacy, B&A: Behavior and attitude)

Changes in scores (%)

Category	Subcategory	Participating group	Non-participating group
Objective financial literacy	Family budget management	7.6	-19.6
Objective financial literacy	Life planning	2.4	-13.6
Behavior and attitude	Awareness of income and expenditures	8.6	-4.5
Behavior and attitude	Cost awareness and budgeting	7.8	1.0
Behavior and attitude	Deliberateness	1.1	-2.3

School information

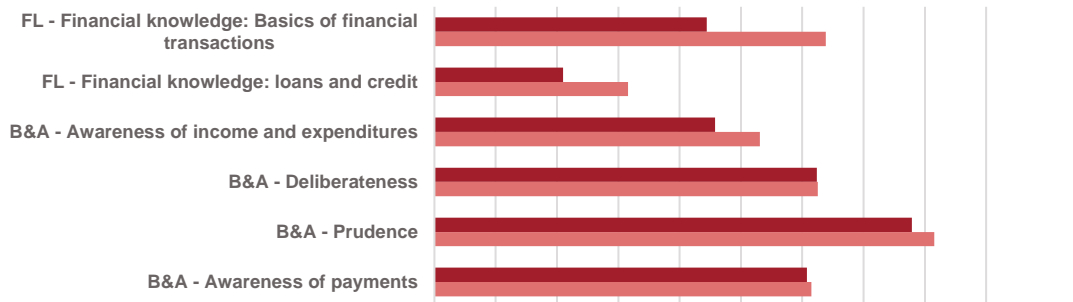
Name	Attributes	Standard deviation score
Private high school in Aichi Prefecture	Top-tier high school, private	56
Private high school B in Ishikawa Prefecture	Top-tier high school, private	55

18-3. Changes in scores for corresponding financial literacy map and behavior & attitude items due to taking the seminar

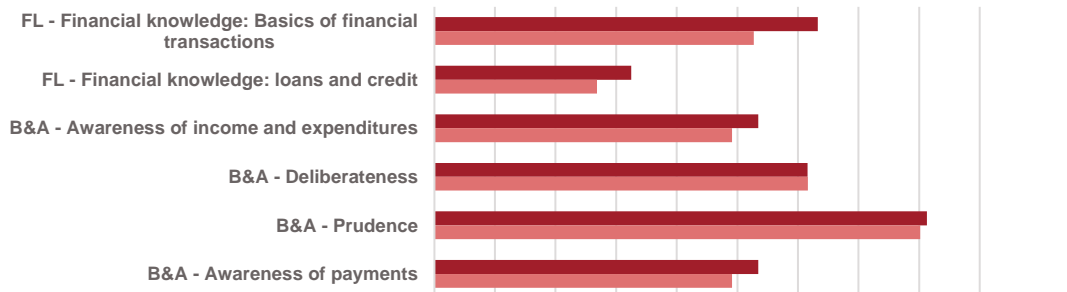
We compared changes in scores for financial literacy map and behavior/attitude items corresponding to the loans and credit program between the participating group and the non-participating group in schools of similar attributes but in different classes. We observed improvement in scores in various categories.

Changes in scores for the loans and credit program (%)

Participating group: Group A of private high schools in Kagoshima Prefecture



Non-participating group: Group B of private high schools in Kagoshima Prefecture



(FL: Financial literacy, B&A: Behavior and attitude)

Changes in scores (%)

Category	Subcategory	Participating group	Non-participating group
Objective financial literacy	Financial knowledge - basics of financial transactions	19.5	-10.6
Objective financial literacy	Financial knowledge - loans and credit	10.6	-5.6
Behavior and attitude	Awareness of income and expenditures	7.3	-4.3
Behavior and attitude	Deliberateness	0.1	0.0
Behavior and attitude	Prudence	3.6	-1.1
Behavior and attitude	Awareness of payments	0.8	-4.3

School information

Name	Attributes	Standard deviation score
Private high school in Kagoshima prefecture	General high school, private	40

Of the above schools, we divided students in classes of similar profiles into participating group and non-participating group.

18-4. Changes in scores for corresponding financial literacy map and behavior & attitude items due to taking the seminar

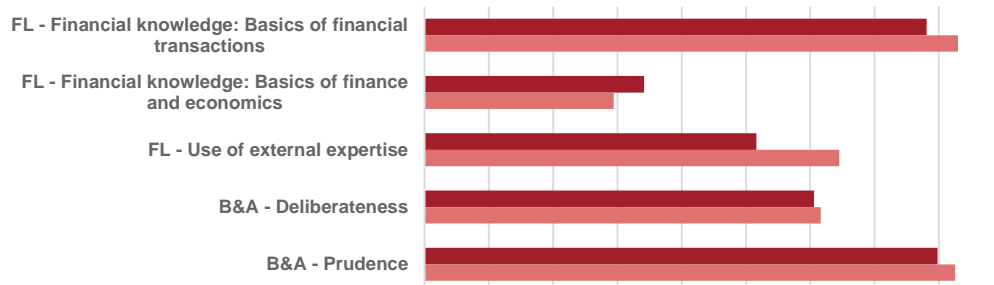
We compared changes in scores for financial literacy map and behavior/attitude items corresponding to the financial problems program between the participating group and the non-participating group in schools of similar attributes. We observed improvement in scores in various categories.

Changes in scores for the financial problems program (%)

Participating group: Public high school in Tokyo Prefecture

■ Before seminar
■ After seminar

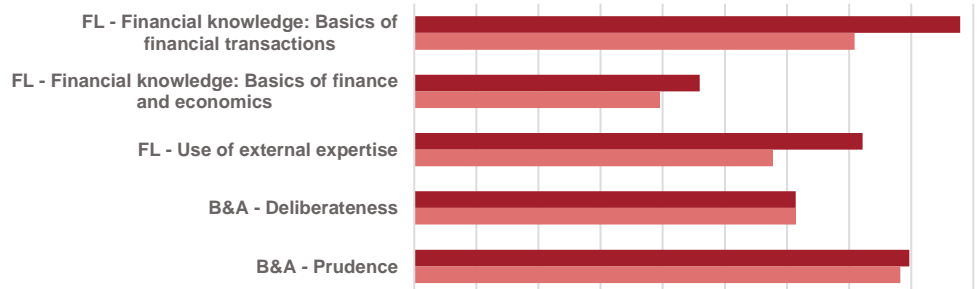
0.0 10.0 20.0 30.0 40.0 50.0 60.0 70.0 80.0 90.0



Non-participating group: Public high school in Aichi Prefecture

■ Before seminar
■ After seminar

0.0 10.0 20.0 30.0 40.0 50.0 60.0 70.0 80.0 90.0



(FL: Financial literacy, B&A: Behavior and attitude)

Changes in scores (%)

Category	Subcategory	Participating group	Non-participating group
Objective financial literacy	Financial knowledge - basics of financial transactions	4.9	-17.0
Objective financial literacy	Financial knowledge - principles of finance and economics	-4.8	-6.4
Objective financial literacy	Use of external expertise	12.9	-14.4
Behavior and attitude	Deliberateness	1.0	0.1
Behavior and attitude	Prudence	2.7	-1.4

School information

Name	Attributes	Standard deviation score
Public high school in Tokyo prefecture	Top-tier high school, public	53
Public high school in Aichi prefecture	Top-tier high school, public	57

II. Promise Financial and Economic Education Seminar

Results of analysis

(5) Sense of self-efficacy

19-1. Changes in the sense of self-efficacy after the seminar

The benefits of financial and economic education to the sense of self-efficacy have been recognized in previous studies. We used the General Self-Efficacy Scale (GSES), but no significant change was observed in either participating group or non-participating group.

Scores in sense of self-efficacy and changes

		Sense of self-efficacy		
Attributes	Gender	Before seminar	After seminar	Changes
Participating group	Male	39.0	39.5	0.4
	Female	36.5	36.5	-0.0
	Others	18.7	16.4	-2.2
	All	36.9	36.3	-0.6
Non-participating group	Male	42.8	44.4	1.6
	Female	34.9	35.9	1.0
	Others	41.4	33.5	-7.9
	All	41.0	41.0	-0.0
General high school (Participating group)	Male	43.3	43.9	0.6
	Female	36.1	37.6	1.5
	Others	48.4	42.1	-6.3
	All	40.3	40.8	0.5
Top-tier high school (Participating group)	Male	45.0	46.9	1.9
	Female	42.1	43.4	1.3
	Others	0.0	8.3	8.3
	All	43.4	44.7	1.3
Specialized program (Participating group)	Male	45.8	47.0	1.2
	Female	38.5	36.2	-2.3
	Others	10.5	8.0	-2.5
	All	41.8	39.5	-2.3
Part-time high school, etc. (Participating group)	Male	29.4	28.6	-0.9
	Female	32.5	32.7	0.1
	Others	18.6	13.3	-5.3
	All	28.7	27.8	-0.8

(Unit: %, positive changes shown in blue)

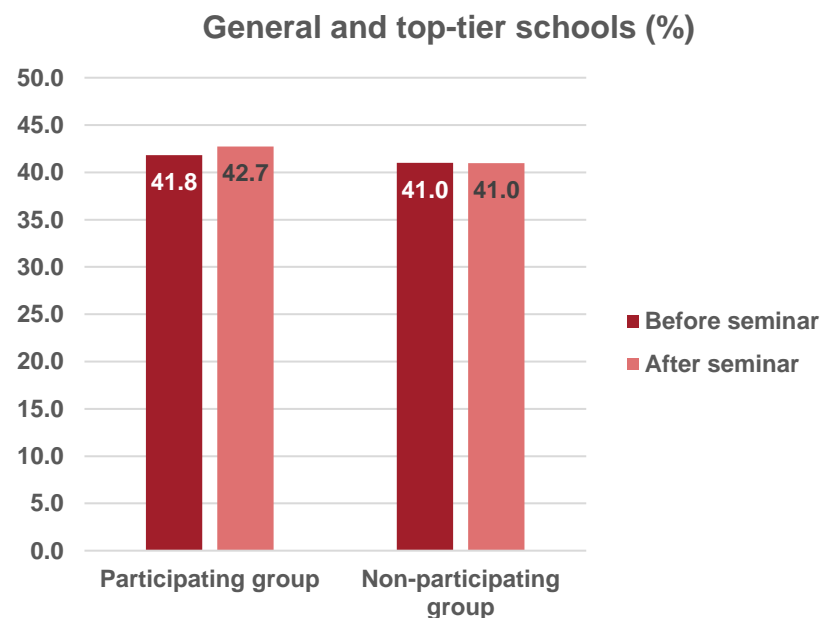
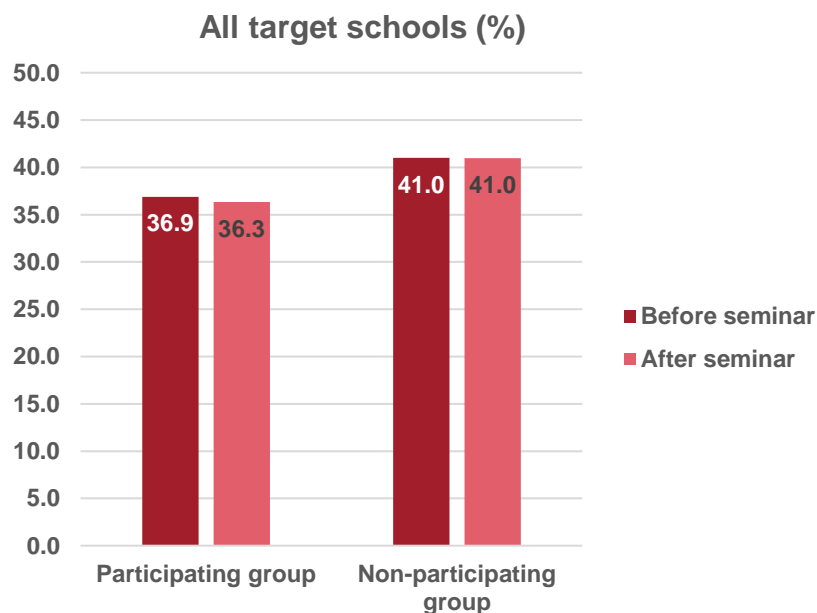
		Sense of self-efficacy		
Attributes	Gender	Before seminar	After seminar	Changes
3rd year (Participating group)	Male	42.1	42.5	0.4
	Female	36.1	37.9	1.8
	Others	26.4	21.9	-4.6
	All	39.0	39.4	0.4
2nd year (Participating group)	Male	29.0	29.4	0.5
	Female	38.1	37.8	-0.4
	Others	10.2	10.0	-0.2
	All	30.5	30.2	-0.3
1st year (Participating group)	Male	44.4	45.0	0.5
	Female	35.5	33.2	-2.3
	Others	17.6	18.9	1.3
	All	40.3	37.9	-2.3
Life planning/ Family budget management (Participating group)	Male	40.9	40.9	-0.0
	Female	34.3	35.5	1.2
	Others	26.4	25.0	-1.4
	All	37.5	37.2	-0.3
Loans and credit (Participating group)	Male	38.2	39.4	1.2
	Female	37.8	36.3	-1.5
	Others	17.1	16.0	-1.2
	All	36.5	35.5	-1.0
Financial problems (Participating group)	Male	37.4	37.5	0.0
	Female	37.8	38.3	0.6
	Others	9.4	4.3	-5.1
	All	36.5	36.2	-0.3

19-2. Changes in the sense of self-efficacy after the seminar

The benefits of financial and economic education to the sense of self-efficacy have been recognized in previous studies. We used the General Self-Efficacy Scale (GSES) to measure changes in the sense of self-efficacy.

We compared the performance of participant group and non-participant group in general high schools and top-tier schools, for which similar control groups existed. Scores for the participating group improved moderately, while there was no change in scores of non-participating group.

Changes in the sense of self-efficacy



II. Promise Financial and Economic Education Seminar

Results of analysis

(6) Qualitative analysis based on answers to questionnaire and interviews

20. Analysis of individual responses

Tendency inferred from responses to questionnaire

Given their age, high school students' level of understanding of basic financial terms and mechanisms is considered low. Their use of settlement services and external expertise is also limited. They tend not to consider investment activities as risky, and they are highly interested in investment.

- "Interest" = "Interest on loans"
 - Some students were confused about interest on savings/deposits and those on loans.
- Interest in investment
 - Knowledge of investment mechanism and loss calculation is inadequate, but highly interested in investment
- Usage of and interest in electronic payment
 - Students' usage of and interest in electronic payments are low, due to the following.
 - ① Not permitted by parents
 - ② Electronic payments are not so convenient given their range of activities (Available services differ among stores or services are not available at stores they normally go to).
- Use of external expertise
 - Low exposure to financial and economic issues through news programs, newspapers, etc.
- For questions with low correct answer rates, many students answered "I don't know," rather than making a wrong choice.

21. Summary of interviews

We selected seven schools and conducted online interviews to acquire qualitative data regarding changes in outcomes.

Overview of target schools

Area	School			Implementation details			Number of people	
Plaza name	Name	Attributes	Standard deviation score (Reference value)	Grade	Timing (Before seminar)	Timing (After seminar)	Before seminar	After seminar
Sapporo	Private high school in Hokkaido	Top-tier high school	55	3rd year	November 2021	December 2021	4	3
Sendai	Public high school in Miyagi prefecture	General high school	43	3rd year	November 2021	December 2021	4	4
Nagoya	Private high school in Aichi Prefecture	Top-tier high school	56	1st year	January 2022	February 2022	4	4
Kanazawa	Public high school B in Ishikawa Prefecture	Specialized program	40	3rd year	January 2022	January 2022	4	4
Umeda	Private high school in Osaka Prefecture	Part-time high school, etc.	-	3rd year	November 2021	January 2022	4	4
Hiroshima	Public high school in Hiroshima Prefecture	General high school	41	3rd year	December 2021	December 2021	4	4
Kagoshima	Private high school A in Kagoshima Prefecture	General high school	40	1st year	November 2021	December 2021	8	8

Question items

1. Pre-seminar interviews

- ① Awareness of money (savings/expenditures)
- ② Opportunities for financial and economic education
- ③ Experience of financial problems

2. Post-seminar interviews

- ① Interest in finance and economics
- ② Impressions of the seminar

22-1. Changes inferred from interviews

Improved awareness of the importance of introducing financial and economic education

- Unlike other countries, it is less common in Japanese education to learn about money in school. I think people easily fall victim to fraud or spend too much money due to lack of knowledge. It would be great if there were more opportunities to learn about money in an enjoyable way. (Private high school in Osaka Prefecture)
- As an adult, we cannot avoid executing contracts to rent an apartment, etc. I thought it would be good to learn about finance and economics through seminars like this at an early stage, such as when in high school or junior high school. Please increase such opportunities. (Private high school A in Kagoshima Prefecture)
- I do not invest money because I am not familiar with it. But there are some investments we can start at ages 18-19. It would be good if we could learn about investment at schools in Japan. (Private high school in Osaka Prefecture)

Awareness of future costs

- The seminar showed a simulation to forecast our lifetime living costs. The costs were larger than expected, which prompted me to think about my future and money. (Private high school in Aichi Prefecture, many others)
- I thought I was preparing for my future, but after the seminar, I realized it was more important to visualize my thoughts using charts, etc. (Private high school in Osaka Prefecture)
- "Three major types of funds in life" was particularly interesting. I had never thought I needed them, but I felt convinced of the need due to the seminar. (Private high school in Osaka Prefecture)

22-2. Changes inferred from interviews

Changes in the awareness of risk behavior and prevention

- Since I live in a school dormitory, I often have to make decisions for myself. I thought I should pay more attention to the contents of the contract documents I receive. I should also carefully think about whether I made good decisions and whether it is ok to make decisions myself. (Private high school A in Kagoshima Prefecture)
- I am thinking about using scholarship to go to university. In the seminar, I learned that my failing to repay would be a problem for my parents and guarantors. I need to think ahead about what I am going to do beyond university. (Public school in Miyagi Prefecture)
- I don't yet have credit cards, etc. but I was interested in making card payments. However, after the seminar, I was convinced that although convenient, we should be careful about paying by credit cards, etc. due to fraudulent activities. (Private high school in Osaka Prefecture)
- I learned a verbal promise can be a contract. I should be careful about what I say in the future. (Public high school B in Ishikawa Prefecture)
- Multiple debt problems left a big impression on me. Cash cards which allows to pay in arrears could lead to multiple debts if we do not plan ahead. (Public high school B in Ishikawa Prefecture)
- The seminar introduced the concept "income - expenditure = savings." I have always thought we spend money then save the remaining, but I felt it better to save a fixed amount of money then spend the remaining. I will try to think about uses of money on condition that I save some money first. (Public high school in Hiroshima Prefecture)
- I am still worried whether I can plan how much to spend regularly and how much to save in anticipation of the future. Those who live alone are doing that. I would like to hear about how they decide their spending and saving. (Private high school A in Kagoshima Prefecture)

A sense of security through information

- I was not familiar with cashless payments, but after hearing about the mechanism and how to use in detail, I thought I would try cashless payments. (Public school in Miyagi Prefecture)

22-3. Changes inferred from interviews

Raising awareness about information gathering

- I thought it was important to collect information because it would be disadvantageous if I didn't know the mechanism itself. (Private high school A in Kagoshima Prefecture)
- I will be careful and alert other people. I am aiming to become a civil servant in the future. I should acquire enough knowledge to explain finance and economics to other people. (Private high school in Hokkaido)
- I will definitely have to take out loans to buy a house, etc. Going forward, I will research and get the necessary information myself. (Public high school B in Ishikawa Prefecture)
- Some subjects in the seminar were difficult to understand as I lacked knowledge. But I felt good that my level of knowledge increased through the seminar. I generally tend to go with the flow. I want to be able to make a proper decision when signing a contract. (Private high school A in Kagoshima Prefecture)
- I want to know more about types of scam emails. I will also research and find out more about contracts for myself. (Private high school A in Kagoshima Prefecture)
- It was said that the Japanese language used in some scam mails seems strange. I will check emails sent to my cell phone if there are any. I would like to continue learning about fraudulent activities so that I can make my own judgment to avoid falling victim to such activities. (Private high school in Hokkaido)

Issues in the use of external expertise

- Since there is no TV in my dormitory, I have to search for what I want to know by myself, which is troublesome. So I haven't seen news recently. (Private high school A in Kagoshima Prefecture)
- I watch news programs on my smartphone, but I have to decide myself whether Internet news is real or fake. I do not acknowledge Internet news as a proper source of information. Since news programs on TV cover the same issues over and over, I feel that I will not be able to be fully informed about financial and economic issue through news program on TV. I would like to see various types of news. (Private high school in Osaka Prefecture)

22-4. Changes inferred from interviews

Suggestions for financial and economic education seminars

- High school students start learning about money by working part time, etc. I do not see life planning as a familiar issue at this point. I understand the program contents were aligned with our age. I am in my third year in high school. It was better to take the seminar now, rather than when I was in my first or second year, to think about the future. (Private high school in Osaka Prefecture)
- I am glad that I had an opportunity to learn about cash cards, etc. as I will be legally adult next year, which will enable me to enter into contracts. (Public high school B in Ishikawa Prefecture)
- In the seminar, the costs of getting married was presented. I would have felt more familiar with life planning, if an explanation was given based on the costs of obtaining a college education. (Private high school in Aichi Prefecture. There were many comments on simulation.)
- It was good that I had an opportunity to talk to other students at the session for life planning. (Private high school in Aichi Prefecture)
- It was easy to understand because the instructor explained based on his or her actual experience. (Private high school in Hokkaido)
- The contents of the seminar overlapped with what I learned in junior high school. But I had forgotten a lot of it. It was a good opportunity to review what I had learned. To retain what I learn, it would be nice if the seminar is held regularly--for example, once a year. (Private high school A in Kagoshima Prefecture)
- Mobile payments, such as barcode payment and card payment, is so easy that it does not give me the actual sense of handling money. It would be nice to have a seminar to learn about uses of mobile payments in line with ongoing trends as well as proper uses of mobile payments. (Private high school in Osaka Prefecture)

Areas in which high school students became more interested after the seminar

- | | |
|--|--|
| • Insurance premiums for life insurance and automobile insurance (Public high school B in Ishikawa Prefecture) | • Payment of tax on wages (Public high school in Hiroshima Prefecture) |
| • How to invest (Public high school B in Ishikawa Prefecture) | • Pension (Private high school in Osaka Prefecture) |
| • Contract details such as guarantee required for contract signing, etc. (Public high school B in Ishikawa Prefecture and many others) | • Mechanisms related to deposits and interest (Private school in Aichi Prefecture and many others) |

II. Promise Financial and Economic Education Seminar

Results of analysis

(7) Comparison with the FY2020 assessment

23. Comparison with the FY2020 Social Impact Assessment

In the FY2021 Social Impact Assessment, an assessment model, which was proven to be effective based on one school in the FY2020 assessment, was applied to 11 high schools across Japan. We confirmed the model can be utilized for population impact estimation.

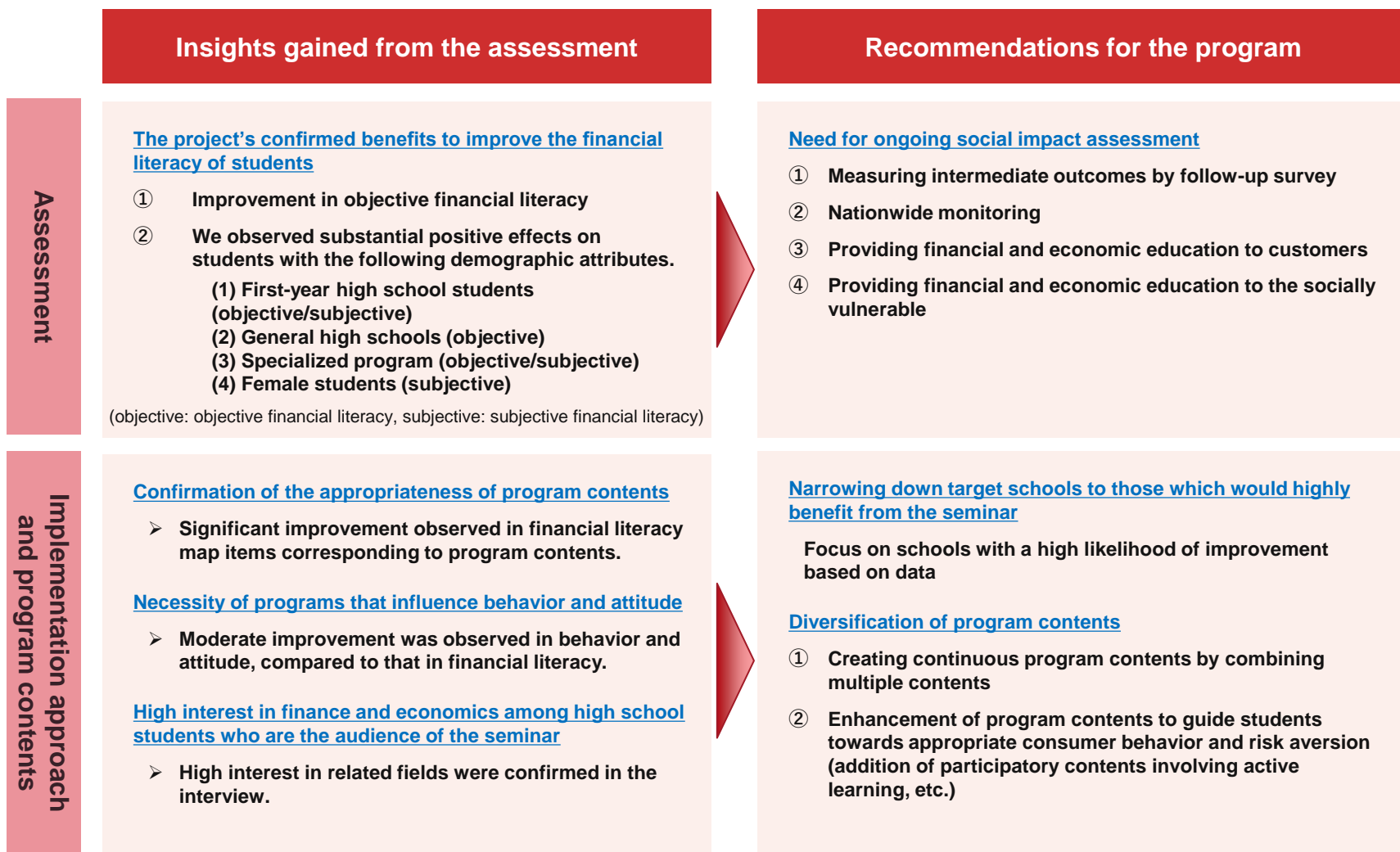
Comparison of FY2020 and FY2021 assessment results

Items	FY2020 Assessment	FY2021 Assessment (Overall)
Assessment implementation details	Family budget management & life planning program	Family budget management & life planning program Loans and credit program Financial problems program
Assessment approach	Comparison of pre- and post-seminar performance of students No control group	Comparison of pre- and post-seminar performance of students With control group
Target school	One school with about 160 students	A total of 14 schools (11 schools in the participating group, 3 schools in the non-participating group), about 1,500 people
Student attributes	1st grade, top-tier high school	Various, including first- to third-grade students in general high school, top-tier high school, specialized program, part-time high school, etc.
Financial literacy	Significant effects on female students-- higher than the national average	Notable improvement was seen in first graders, general high schools and specialized program.
Behavior and attitude	Moderate improvement	Moderate improvement and changes in loss averse behavior
Sense of self-efficacy	Moderate improvement	Moderate improvement
Knowledge obtained from the seminar	<ul style="list-style-type: none"> We experimentally introduced an assessment model for behavior and sense of self-efficacy related to financial literacy. Their effectiveness was verified. 	<ul style="list-style-type: none"> In the FY2021 Social Impact Assessment, the assessment model proven to be effective based on one high school in FY2020 was applied to 11 high schools across Japan. We confirmed the model can be utilized for population impact estimation. It is difficult to ensure homogeneity between the intervention group and the control group. Issues in providing the same questionnaire repeatedly to the control group. Addition of program contents to realize behavioral level outcomes (scheduled to be introduced in 2022)

III. Promise Financial and Economic Education Seminar Considerations

24. Considerations

The following are insights gained from the FY2021 assessment and our recommendations for the FY2022 seminar and onwards



25-1. Insights gained from analysis

1. Impact on objective financial literacy

We believe the seminar was beneficial in improving objective financial literacy, given a significant increase in scores for objective financial literacy (categories in the financial literacy map) after taking the seminar. In addition, the seminar is **expected to be highly effective in improving objective financial literacy** of the following demographic attributes.

➤ Significant positive effects on specific demographic attributes

- (1) First-year high school students
- (2) General high schools/specialized

2. Impact on subjective financial literacy

In comparison of scores of participating group and non-participating group in subjective financial literacy, we observed an improving trend in the scores of the participating group. Particularly, the seminar had **significant positive effects on specific demographic attributes**.

➤ Significant positive effects on specific demographic attributes

- (1) First-year high school students
- (2) Specialized program
- (3) Female students

25-2. Insights gained from analysis

3. Confirmation of effects by implementing financial education programs

Scores of the participating group improved in many areas of financial literacy map and behavior/attitude items corresponding to contents of programs--life planning & family budget management, loans & credit, and financial problems. Thus, we believe the **program contents were adequately effective**.

➤ Suggestions for program selection

Since each program is intended to improve certain areas of financial knowledge, it is desirable to select programs for students based on desired areas of improvement.

➤ Categories which did not show positive change

We observed a decline in scores in the awareness of income and expenditures under the life planning & family budget management program and those in deliberateness under the loans & credit program. This can be explained by the effects of introspection--students were prompted to review their situations by taking the seminar.

➤ Positive changes in areas not corresponding to program contents

In this survey, scores improved after the seminar even in categories that do not correspond to the program contents. Since there was a time lapse of about one month between the pre- and post-seminar questionnaire surveys and other intervening conditions are involved, we cannot conclude that such improvement was due to attending the seminar.

25-3. Insights gained from analysis

4. Promoting interest in investing activities (impact on loss averse behavior)

Scores in behavior and attitude items did not change largely due to attending the seminar. We note that **scores dropped significantly in a set of questions regarding loss aversion**, asking whether students would engage in risky investment behavior. Many high school students consider investments are embedded with risk. We view their interest in finance and economics, **particularly in investment**, as increased. We note that the non-participating group showed an increase in scores in questions related to loss averse behavior.

5. increased awareness towards the importance of financial and economic education

The results of our qualitative survey indicated an increase in the number of students who recognized the importance of learning about finance and economics at school. We think **the seminar was beneficial in raising the interest of high school students**. Our qualitative analysis confirmed the following positive changes.

- Changes in the awareness of risk behavior and prevention
- Raising awareness about information gathering
- Raising interest in various information on finance and economics
 - Premiums for life insurance and automobile insurance
 - Investment methods
 - Contract details such as guarantee agreement
 - Payment of tax on wages
 - Pension
 - Mechanisms of deposits and interest

25-5. Insights gained from analysis

6. No short-term improvement in the sense of self-efficacy; suitable indicators required

The benefits of financial and economic education to the sense of self-efficacy have been recognized in previous studies. We used the General Self-Efficacy Scale (GSES), but no significant change was observed in either participating group or non-participating group.

In this survey, sense of self-efficacy was measured using GSES as described above. Going forward, it is necessary to consider measuring the sense of self-efficacy in relation to finance and economics, by creating and introducing an index which measures changes due to the seminar in the sense of self-efficacy which relates to finance and economics, rather than general sense of self-efficacy.

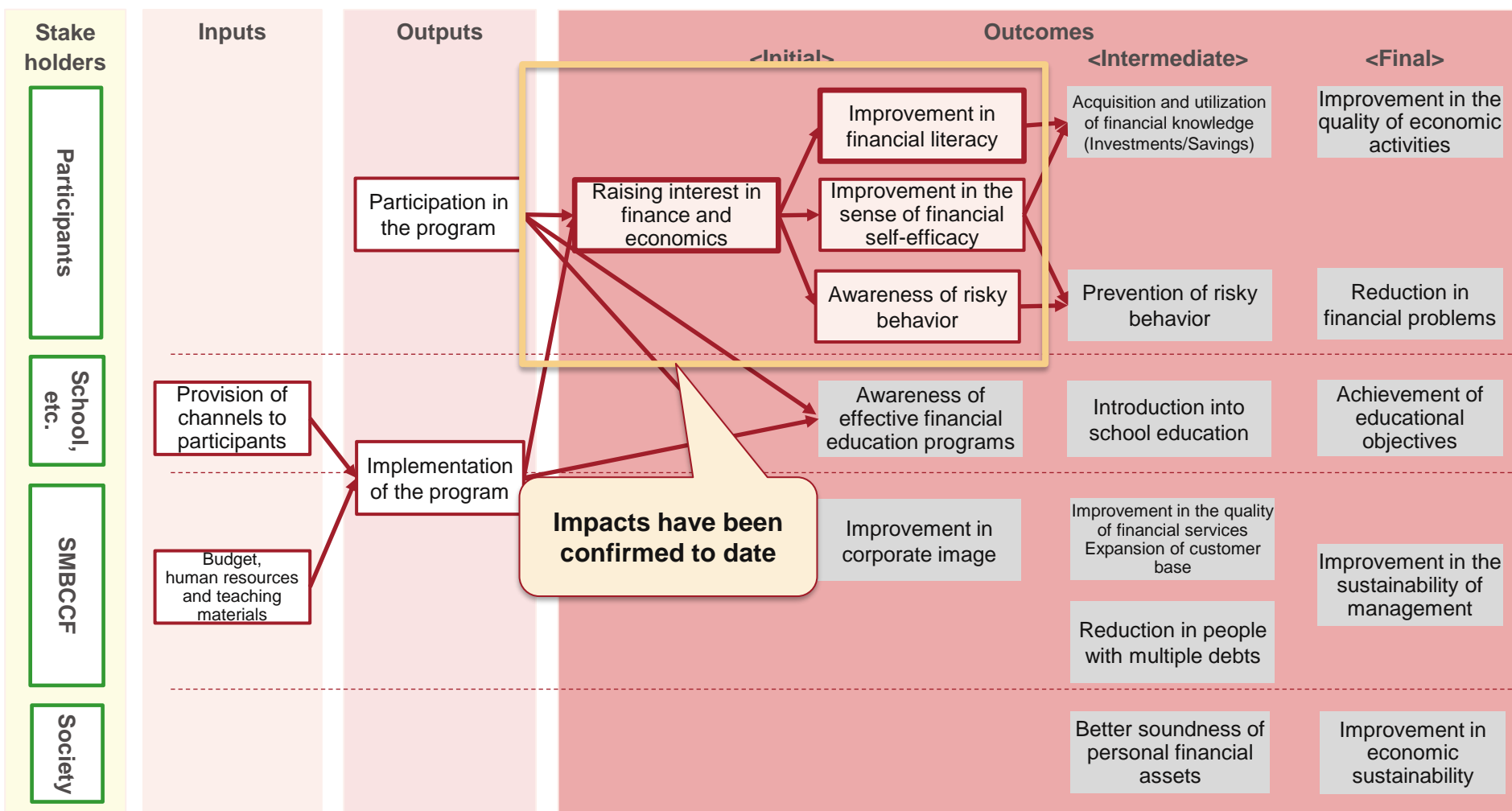
➤ Scores of students in part-time high schools

We observed significant differences between scores of participating and non-participating groups both before and after the seminar. Scores of the non-participating group tended to be higher than those of the participating group. When comparing within top-tier and general high schools where non-participating group exists, there was no significant difference between the two, and the score of the participating group improved slightly.

We view this as happened because the scores of the part-time high school segment in the sense of self-efficacy was 28.7% before the seminar and 27.8% after the seminar, lower than those of any other school type. We believe the lower scores are due to the characteristics of students in part-time high schools.

25-6. Insights gained from analysis: Logic model

The FY2021 Social Impact Assessment confirmed outcomes of the seminar, including "raising interest in finance and economics," "improvement in financial literacy," "improvement in the sense of self-efficiency in finance," and "awareness of risky behavior."



26. Recommendations for the future

FY2021 Social Impact Assessment confirmed initial outcomes brought about by the seminar. Intermediate and final outcomes of the seminar can be examined by introducing ongoing social impact assessment or assessment system linking the main business.

Proposed project	Image of project	Impact on SMBCCF
Multi-round survey on multiple segments over multiple years	<ul style="list-style-type: none"> Impact of program is evaluated on a larger scale, in which behavioral changes of targets, including not only high school students, but also university students and working professionals, are examined over a number of years. 	<ul style="list-style-type: none"> Measurement of intermediate outcomes becomes possible. Overall social impact of the financial and economic education seminar project can be measured and transmitted to society. Can obtain suggestions for effective business design.
Provision of online financial and economic education contents linked to customer information	<ul style="list-style-type: none"> Collect information on customers' financial literacy as risk information, through questionnaires linked to online seminars Identify customers with high delinquency risk and give them incentives to attend online seminars 	<ul style="list-style-type: none"> In addition to social contribution, possibility of contributing to improving the profitability of main business by reducing the delinquency rate and bad debts Online seminars, not on-site seminars, to reach people who apply through online channel which is the largest application channel
Financial and economic education as a support measure specifically for the socially vulnerable, such as single mothers	<ul style="list-style-type: none"> Providing financial and economic education contents specifically targeted to the socially vulnerable Demonstration of contribution to solving specific social issues through collaborative projects with the government and NPOs that support people in need 	<ul style="list-style-type: none"> Publicize the position of the SMFG Group--solving social issues through financial services and having positive impacts on society It is possible to implement financial and economic education as an effective means to prevent the development of social issues.