

2023

The Chiba Bank, Ltd.

Integrated Report



Purpose

To create a local community better suited to bringing each person's hope to life

The Bank Group is once again strengthening its commitment to “providing social value by contributing to the resolution of regional issues” as part of its corporate group purpose.

In order to align its views with the Bank's stakeholders, which include customers, shareholders, and employees, as well as continue to be a close presence for each person and company within the local community and “a place where our stakeholders' hopes can come to life”, Chiba Bank has made its core purpose “to create a local community better suited to bringing each person's hope to life”.

Purpose



Vision

An Engagement Bank Group that works closely with the community

In order to achieve this purpose, the Bank Group has established a corporate vision of “an Engagement Bank Group that works closely with the community,” while aiming to become “a Bank Group that seeks to keep growing together along with the entire region by providing value through deep connections with all of its stakeholders including customers, shareholders, and employees.” Chiba Bank will strive to provide social value to the region by continually prioritizing this “deep connection” with its stakeholders, refining its existing business initiatives, and taking on challenges in new business areas.

Vision



On June 23, 2023, Chiba Bank was issued with administrative actions (Business Improvement Order) for situations where a problem related to the investors protection is recognized by the Kanto Local Finance Bureau, pursuant to Article 51, Paragraph 2 of the Financial Instruments and Exchange Act, regarding the financial instruments intermediary business related to the solicitation and sales of structured bonds. Also, in accordance with Article 51 of the Financial Instruments and Exchange Act, Chibagin Securities was issued with administrative actions (Business Improvement Order) from the Kanto Local Finance Bureau regarding business operations that violate the suitability principle for solicitation sales of structured bonds.

Chiba Bank would like to express its deepest and sincere apologies for any inconvenience or concern these recommendations may have caused for the Bank’s customers or any related party.

Chiba Bank and Chibagin Securities have each submitted to the Kanto Local Finance Bureau their respective business improvement reports based on the Business Improvement Orders. Chiba Bank and Chibagin Securities have accepted this situation with the utmost gravity, and we will continue our efforts to improve operations and prevent a recurrence of these issues while striving to rebuild the trust of all of our stakeholders, including our customers.

Tsutomu Yonemoto
President
The Chiba Bank, Ltd.

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Message from the President

Creating “a local community better suited to bringing each person’s hope to life”

Looking Back at the Previous Mid-term Plan

As part of our 14th Mid-term Plan, entitled “NEXT STEP 2023 ~ connect and go beyond, for the future ~”, which was in effect from April 2020 to March 2023, we pursued a wide range of initiatives designed to improve “customer experience.” The Bank Group worked together to push forward with our DX strategy centered around our app, portal, and cashless operations while maintaining a focus on the smooth provision of financing and attentive support to customers’ businesses amidst the COVID-19 pandemic. In addition, we are working to create new value for our customers through the newly established companies “Chibagin Market Co., Ltd.” and “OnAd.Co Ltd.,” and our alliance strategy has seen major changes over the past three years, such as our new alliance with Sony Bank in addition to the further sophistication of our joint-initiatives with other Banks.

Target Figures

	Results for FY2020	Results for FY2021	Results for FY2022	Targets for FY2022
Profit attributable to owners of parent	¥49.6 billion	¥54.4 billion	¥60.2 billion	¥60.0 billion
Consolidated ROE (based on shareholders’ equity)	5.65%	5.97%	6.38%	Around 6.5%
OHR (non-consolidated)	55.00%	52.02%	47.73%	Lower 50% range

As a result of the Group’s unified efforts to promote these measures, we achieved all of our targets for FY2022, “profit attributable to owners of parent of 60.0 billion yen,” “consolidated ROE around 6.5%,” and “non-consolidated OHR of lower 50% range.” We felt we produced enough results.

Returning to Basics, Establishing Our Purpose and Vision

In April 2023, the Chiba Bank Group established its corporate Purpose and Vision. Chiba Bank possesses a solid business foundation that was built through the ongoing support of our many customers. Chiba Prefecture, our main region of business, is home to Narita International Airport, and a large number of public-private projects, mainly focused on the development of transportation infrastructure such as highways and railways, are progressing there. In March 2023, the Japan Railways Keiyo Line added its



Tsutomu Yonemoto
President
Group Chief Executive Officer (CEO)

first new station in 25 years with the opening of Makuhari Toyosuna Station. As such, the region has a great deal of potential in economic growth and is increasingly expected to develop further.

On the other hand, the values and behavioral patterns of people have changed significantly amid the rapid shift in social and economic conditions, including the COVID-19 pandemic, global climate change, accelerating digitalization, and emerging geopolitical risk. Furthermore, the deregulation of the banking industry is continuing and allows commercial banks to enter into a wide range of new business areas that lie outside the traditional scope of banking.

Faced with these kinds of irreversible changes, I often ask myself such questions as “what are we producing with our daily activities” and “what role should the Bank play in the lives of everyone who engages with us.” I have repeatedly asked myself these questions while engaging in active discussions with our executives and being sure to lend an ear to the opinions of our employees and customers.

When developing the Mid-term Plan, I got back to basics and decided to establish a

Purpose and Vision for the Bank. After a great deal of consideration, we formulated the purpose of “to create a local community better suited to bringing each person’s hopes to life,” which is not just to prioritize profit as banking-entity, but to encourage the pursuit of ideas that will resonate with all of our stakeholders, including our customers.

In addition to the “functional value” we have thus far provided mainly through our financial services, we will also seek to broaden our horizons as a business and deliver new “social value” in order to transform the local community into a place where all of the stakeholders’ hopes can come to life.

We believe that the “provision of social value” means further expanding non-financial services in addition to financial ones in order to contribute to addressing a wide range of social issues, including demographic aging, DX, and GX. These initiatives will contribute to sustainable growth and job creation for local companies and governments in the region and will bring about prosperous lifestyles for individuals through higher income and increased consumer

Message from the President

spending. Our goal is to establish a system of values that resonates with all of our stakeholders and helps increase the number of the Bank’s fans. This purpose contains our desire to be an ongoing close presence for each person and company in the region while responding to our stakeholders’ hopes, including sustainable growth for businesses and investors, the achievement of prosperous lives for individuals, and the self-actualization of our employees. We also believe that this purpose will be a source of support for Group executives and employees to help reorient themselves whenever they have issues or doubts about their work.

If our purpose as a company is designed to answer the question “why,” our “vision” then describes “where” we should be aiming. In order to achieve this purpose, Chiba Bank has established a corporate vision of “an Engagement Bank Group that works closely with the community.” By “engagement,” we mean the deep connection we have with all of our stakeholders. This translates to a robust knowledge of our customers cultivated through a customer-centric business, a strong trust of our employees achieved through providing motivation and career growth opportunities, and a sense of understanding from our shareholders gained by sharing our growth strategies. By prioritizing these connections above all else and striving to provide values against these backdrops, the Bank Group will seek to keep growing together alongside the entire region. By clearly defining our Purpose and Vision,

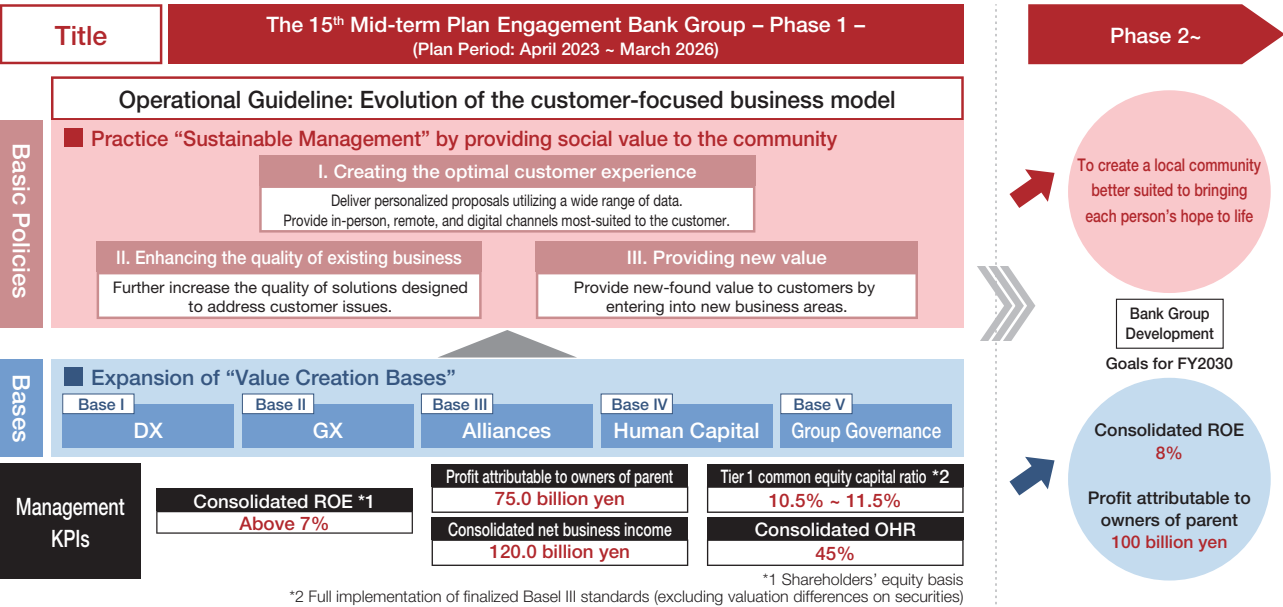


the Bank Group will help to lead the local community towards becoming a place where all of our stakeholders’ hopes can come to life, while flexibly responding to the changes that will arise in the coming age.

Evolution of the Customer-centric Business Model in the New Mid-term Plan

Our Mid-term Plan is the vehicle through which we can flexibly achieve the goals set forth in our Purpose and Vision, our universal principles. The Bank launched its 15th Mid-term Plan (plan period: FY2023 to FY2025), entitled “Engagement Bank Group - Phase 1 -,” which began in April 2023 and designates the next three years towards achieving “the evolution of the customer-focused business model.” When we began formulating the plan, we worked to incorporate the opinions of the Mid-term Plan Development Committee, whose core members consist of employees from our branches. Our overall goal is to take the progress and results from Phase 1, then improve stakeholder engagement in Phase 2, and further expand our sales base and increase the number of the Bank’s fans in Phase 3. Our Mid-term Plan’s operational guideline of “the evolution of the customer-focused business model” can otherwise be defined as dealing with the issues in our existing business model while shifting our perspective on the provision of products and services. First, we are shifting from a proposal system centered on products to a strategy focused on making more personalized proposals. By doing so, we will be able to deliver product proposals with optimal timing based on the customer’s life stage. Secondly, we are shifting our proposal system from one based on emerging needs to one that stands upstream of commercial distribution. Through one-to-one marketing, we can deliver proposals that anticipate needs that our customers don’t even realize they had and further expand the scope of customer transactions. Normally, when purchasing a house or car, a bank’s role begins at the tail-end of the consumer activity, but we are now

Overview of the 15th Mid-term Plan



envisioning a Bank that is involved from the very beginning. Third, we will expand our non-financial services in line with customer needs as it becomes more common for financial services to be offered by non-banks. We will strive to deliver a wide range of services by utilizing local commercial retailers and energy generation firms. Fourth, we will develop optimal customer contact points in light of the unique advantages of digital, remote, and in-person methods based on the values and behavioral patterns of our customers. We offer our customers optimal channels suited to their needs, including in-person channels with the expertise of a consulting firm, virtual channels that aim for the convenience of a digital bank, and remote channels that use a hybrid system to achieve the benefits of both styles. Our hope is to produce new value through “convenience” and “helpfulness” in a wide range of customer experiences, not only by being “nearby” to our customers. Through the steady accumulation of these daily transactions, our aim is to be as helpful as possible, whether for our retail customers as a “comprehensive money consultant” or for our corporate customers as “an assistant to management”. In our new Mid-term Plan, we have established

three basic policies: “creating the optimal customer experience,” “enhancing the quality of existing business,” and “providing new value.” We also developed five value creation bases to support those policies: “DX,” “GX,” “alliances,” “human capital,” and “Group governance.” By steadily implementing measures in accordance with our basic policies, we can achieve practical sustainability management by providing “social value” to the local community. We have also set five management KPIs: 1) consolidated ROE above 7%, 2) profit attributable to owners of parent of 75.0 billion yen, 3) consolidated net business income of 120.0 billion yen, 4) Tier 1 common equity capital ratio of 10.5% to 11.5%, and 5) consolidated OHR of around 45%. Our long-term vision of the aforementioned 1) and 2) for FY2030 lies around 8% and 100.0 billion yen, respectively. The Chiba Bank Group is taking a new step towards its goal “to create a local community better suited to bringing each person’s hope to life.”

Creating the “Optimal Customer Experience” through DX

We have once again positioned DX as a major topic in our new Mid-term Plan and are

Message from the President

promoting a wide range of initiatives.

Firstly, in the three years starting from 2017, we utilized the TSUBASA Alliance framework in order to solidify our digital banking foundations, which included developing the “TSUBASA FfnTech joint platform,” a vehicle for providing digital services. Furthermore, in the three years starting from 2020, we rapidly reformed our digital infrastructure, including the Chibagin app and Chibagin Business Portal, while also developing data utilization and paperless/seal-less initiatives in addition to our focus on developing digital human resources.

This process of evolution has been referred to as Chibagin DX 1.0 and 2.0 respectively, and the new DX strategy established in the new Mid-term Plan will represent a version update to Chibagin DX 3.0. Through this strategy, we will be able to further accelerate initiatives designed “to create the optimal customer experience” as described in our basic policies.

There are two major components of our strategy to achieve the “creation of the optimal customer experience.”

The first is our “personalization strategy,” which consists of delivering optimal proposals with the proper timing by fully utilizing the data of customers who use our digital services. We will also make use of in-person and remote channels in addition to digital in order to deliver proposals that anticipate customer needs and

life plans through the best channel for each customer.

The second is our “regional ecosystem strategy,” which is premised on the idea of connecting local customers with local businesses to develop an active economic cycle. Up to this point, we have connected local businesses and retail customers in indirect ways such as through deposits and loans, but we will now begin to connect businesses and retail customers through a broad range of channels, including non-financial services, like our cashless operations and Chibagin Market Co., Ltd., as well as new platforms such as our advertising business.

In order to provide services with even greater added value, we will continue to improve our digital infrastructure for financial services, including the Chiba Bank app, while actively taking on the challenge of expanding our non-financial services and developing our advertising business in addition to utilizing new technologies, such as BaaS and the Metaverse.

❖ “Human Resources”: A Starting Point for Growing in tandem with Customers and the Region

In addition to our Purpose and Vision, we have also established a new human resources development policy with the slogan “become

someone who keeps fighting for the customer.”

This policy is designed to encourage each of our employees to work together to fight for our customers and the local community as a partner and can be summed by three phrases: “think things through,” “utilize your own strengths,” and “gain more supporters.”

“Think things through” is a message about trying to find another way to accomplish things, constantly interrogating whether or not current methods are actually correct, and thinking through your ideals and acting independently, even if that means failing, and not just remaining tied down to the existing way of doing things. Our goal is to foster an organization and corporate atmosphere in which everyone can express their ideas and keep taking on new challenges in order to achieve their goals.

“Utilize your own strengths” means always looking for ways to produce unique value. Many possibilities emerge when people with a diverse set of strengths and expertise come together. This way of thinking promotes actively incorporating new knowledge and information and aiming for new heights when putting things into practice, regardless of job position or age.

“Gain more supporters” is a call to involve those around you when working towards achieving a goal. Something impossible for one individual can be achieved through the efforts of a diverse group of people. That’s why I

always tell my colleagues to treat each other with sincerity and respect.

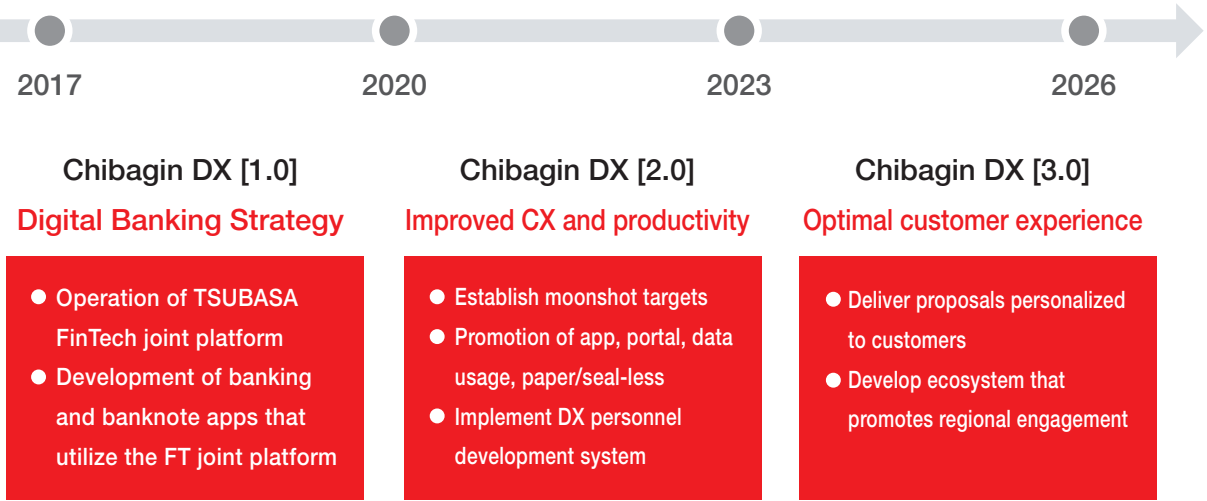
Our aim is to achieve a virtuous cycle, starting from human resources development, of employee growth, provision of “social value” to customers, sustainable growth of the local community and the Bank Group, and investment of the profit acquired through these activities on human resources development again.

Furthermore, we positioned enhancing employee growth and engagement as major facets of the Mid-term Plan and are actively working to provide our employees with opportunities for self-actualization. In practice, this involves training a total of 280 employees over the three years of the Mid-term Plan, double the number of the previous plan, by expanding opportunities for employee growth, such as trainee, temporary transfer, and active inter-Group interactions. In addition, we will review our compensation structure to reward each individual’s hard work, including proactive wage increases, and strive to create a workplace where all employees can maintain a satisfying work life, including further strengthening our diversity and inclusion initiatives. We believe that maximizing the capabilities and motivation of our employees while working to increase their engagement will enhance our organizational strength and become the driving force that propels us through the harsh economic environment.

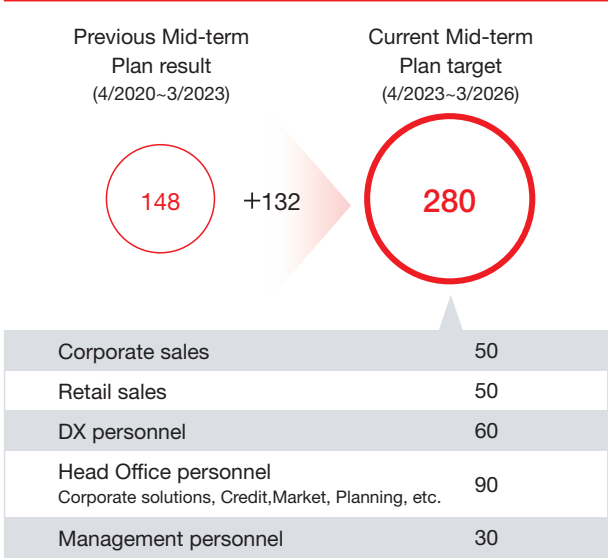
We believe that by steadily achieving progress in our Mid-term Plan which includes these important strategies, we will be able to draw out the Bank’s latent capabilities and achieve dramatic growth. We will continue to strive to become a Bank Group that continues to grow in order to create a local community better suited to bringing the hope of each person that interacts with the Bank, including our customers, shareholders, and employees, to life.

We sincerely appreciate your ongoing support.

Creating maximum customer value through DX strategy



Number of trainees



Message from the CSO/CDTO



Aiming to be a banking group that truly serves its customers and the regions

Mutsumi Awaji

Director and Senior Executive Officer
Group Chief Strategy Officer (CSO)
Group Chief Digital Transformation Officer (CDTO)

Accelerate DX strategy and create “the optimal customer experience” that goes beyond the Bank

Chiba Bank has been proactive in its efforts toward DX to date, and we will accelerate our DX strategies further in our recently launched new Mid-term Plan.

The Chiba Bank app, our finance platform for individual customers, continues to be upgraded, including the launch of handling of investment trusts in FY2023. Our target is to increase the number of registered users of the app from the current 730,000 to 1.5 million, about a quarter of the population of Chiba Prefecture, by FY2025.

We are also working to expand the features available on our portal website for corporate customers. In the next three years, we plan to raise the percentage of borrowers using the portal to 70% and increase the number of contracts from the current level of approximately 35,000 to 60,000.

Also, we plan to offer financial and lifestyle-related services to the region's leading businesses, universities, and other entities on our financial and non-financial platforms through API, with the aim of building a “regional ecosystem” as an economic circulatory system within the region.

On Metaverse, we have held events for local government employees and the child-raising generation, and we are conducting trials for its

commercialization. Our regional trading company, Chibagin Market Co., Ltd., is considering the provision of concierge services related to home purchases as a form of lifestyle service.

Strengthening of operational efficiency

While continuing to make non-face-to-face transactions such as the app and the portal more convenient, to bring added sophistication to our branches, where customers can consult with our staff at a more leisurely pace, we are pursuing three measures, namely the expansion of non-face-to-face channels, lightweight branches, and more efficient headquarter operations.

Efforts to reduce the volume of operations in the three years of the previous Mid-term Plan resulted in the achievement of our target of 400,000 hours saved, and we will aim for a further saving of 300,000 working hours in the next three years. The hours saved through operations reductions have been put toward the redeployment of 360 personnel to the sales and planning divisions, and we are planning a further redeployment of 370 personnel in the new Mid-term Plan. We will use the hours saved through efficiency improvements to make better proposals to customers. We are pursuing operational reforms through a suggestion scheme based on feedback from our people working on the frontlines, and the branches and corporate headquarters will continue to work together to pursue efficiency improvements.

Nurturing human resources who will create “the optimal customer experience”

To develop human resources who will lead the promotion of DX in future in a systematic way, we introduced a DX certification system in October 2021. This initiative is progressing at a rapid pace, taking only six months to achieve our initial target of 1,000 people who have a certain degree of DX literacy. To consolidate the structure for the promotion of this system, we have greatly increased our target in the new Mid-term Plan. To bring added depth and breadth to the core personnel for the promotion

of DX, in addition to those already working in DX operations at corporate headquarters, we will clarify the requirements for certification as DX personnel and appoint DX core personnel in the branches. These are just some of the ways in which we are pursuing the development of DX personnel across the entire Bank.

Responding to customers' needs across the entire Group

With the objective of achieving close collaboration among Group subsidiaries, we established the Group Strategy Division in April 2023. The Bank Group already has 16 companies, making us a group with diverse functions. As well as companies that have entered new domains, such as Himawari Green Energy Co., Ltd. that was established in 2023, our existing Group subsidiaries are changing their service offerings in response to changes in the times and in customers' needs. We will continue to enhance our structure to enable us to meet customers' needs across the entire Group.

My goal is to create more fans of Chiba Bank

While promoting digitalization, we will leverage our enhanced network of branches to deepen our connections with our customers even more than before. While on the one hand, regular financial transactions can be easily performed using the app and other means, we will provide face-to-face consulting for more complex inquiries, such as inheritance and business funds. We will also venture into new domains that transcend the framework of the banking business. Our advertising business, which we launched in May 2023, is one new proposal that we make to customers, leveraging the Bank's digital channels.

We will offer the optimal proposals at the optimal time for various services that transcend the framework of the banking business, and from our dual contact points of the digital and the physical, we want people to see us as a convenient bank and to turn many customers into “fans of Chiba Bank.” That is my goal, to create more fans of Chiba Bank.

Outside Directors Discussion Meeting



Aiming to practice Purpose-based management and to build an Engagement Banking Group

Outside directors, Yuko Tashima, Yasuko Takayama, and Takahide Kiuchi, held a discussion meeting to exchange their opinions on the newly established Purpose, Vision, and new Mid-term Plan and on the expectations for the future of the Bank Group.

What was your involvement as outside directors in the process of formulating the Purpose, Vision, and new Mid-term Plan?

Kiuchi: We began discussing the essence of the Purpose, Vision, and new Mid-term Plan in earnest at our directors' training camp in August 2022. For me personally, it was the first time being involved in the formulation of the Bank's Mid-term Plan since I became an outside director. My impression was that it was not a matter of the management team forcing their intentions on staff from the top down, and that, instead, it was a sophisticated process involving multifaceted verification that took into account the opinions of wide-ranging stakeholders, including customers, investors, and employees. Within that process as well, in

my role as an outside director, I made a point of providing perspectives from outside the Bank.

For example, I posed the question about whether or not the word "regional" should be included in the Purpose. I was concerned that it might confine the Bank Group's business development to a "regional" concept and place constraints on it. However, through discussions, we were able to reach a common recognition that the word "regional" was a broader concept that included not only the Bank's mother market of Chiba Prefecture but other areas as well, through members of our banking alliance.

I believe that the Purpose that was ultimately established is an excellent one that expresses, in an easily understood way, the Bank Group's fundamental intention to contribute and strengthen engagement not only through the banking business in its narrow sense, but

through other, non-financial services as well in order to bring each person's hope to life.

Could you tell us what your expectations are for management based on Purpose and Vision?

Takayama: I believe that, broadly speaking, the Purpose has two roles. One is the role of unifying organizational awareness within the Bank and enhancing unifying forces within the Group. Employees of the Bank Group would have joined the Group with the desire to be of service to the region in some way, but what they are aiming for after that and further down the track will differ for each individual. I believe that this clearly defined Purpose will consolidate those intentions and ambitions of individual employees into one.

The other role of the Purpose is to increase empathy in our communications with external stakeholders. The ability to explain our identity and intentions properly will give rise to dialogue, and the repetition of such dialogue will lead to empathy and a sense of trust.

There are three things I expect from the management team in terms of the Purpose and Vision. The first is for the management team to take every opportunity to convey the Purpose in their own words and to ensure that it is understood and penetrates throughout every corner of the Group's organization, so that it will lead to the implementation of our activities. The second is to make the Purpose the central axis of management decisions. Whose hope would an initiative be for, for what reason would it be implemented, would it lead to the solution of social issues in the region, would it strengthen the bonds with stakeholders? It is important to return to the Purpose and Vision on a daily basis and keep asking these kinds of questions. My third expectation is coordination with human resources development. To develop the kind of human resources that are needed for the realization of the Purpose, we have established "Become someone who keeps fighting for the customer," as our new human resources development policy, with the three core elements of "Think things through," "Utilize your own strengths," and "Gain more supporters." To think things through not only regarding the benefit to the region, but about for what reason and for whom something is being done. To hone one's own expertise to enable solutions to regional issues. And to create supporters outside the organization and fans in the region.



My expectation is that the Purpose and the Human Resources Development Policy will always be implemented in tandem, and that the company will grow as the group.

What is your assessment of the new Mid-term Plan?

Tashima: After re-examining the awareness of all employees from its foundations, we have established the Purpose and Vision anew, and in the new Mid-term Plan, we have adopted a basic policy of evolving into a business model of offering products and services that respond to the needs of customers, by focusing on customers taking center place. In line with the greatly changing social environment, we will develop diverse services in non-financial fields that go beyond the banking business.

Some initiatives are not things that will be accomplished in the next three years; instead, they have been positioned as first steps toward FY2030. There is tremendous significance in the fact that the Plan has been formulated from large, lofty perspectives, and my assessment is that the Plan shows major promise for the future. Even since becoming an outside director, my sense is that the Bank Group has made great strides in its evolution, including the expansion of its alliances, and I believe that the new Plan will lead to even further leaps forward.

Outside Directors Discussion Meeting

Could you tell us what domains you think will be particularly important in the new Mid-term Plan?

Kiuchi: The initiatives in the new Mid-term Plan will, of course, delve deeper into the financial area which has always been its strength. However, the expansion of its non-financial business, which is a new frontier for the Group, will also be crucial. The cashless platform and the business of Chibagin Market Co., Ltd. continue to grow, and there is major potential for more growth into the future. I am also looking forward to initiatives for the expansion of new businesses, such as the advertising business, BaaS business, real estate funds, and other areas, which will contribute to the revitalization of the regional economy. In addition, I believe that the Bank will leverage the strengths of the trust and customer base that it has cultivated over many years to fulfil its role as a platformer that connects individuals and companies, and in doing so, identify the diverse needs of customers.

The Group's goal is to become a familiar presence that meets customers' needs in all manner of situations of daily life through these initiatives, and to be "Chiba Bank, my family's bank, whenever, wherever, whatever." I believe that this will connect to the Bank Group's Purpose. I believe that presenting this new image of the Bank will result in the stock market evaluating the Bank in a new way, which will lead to a major improvement in P/B ratio.

Takayama: In addition to the expansion of non-financial businesses, a key point of the new Mid-term Plan is that the Group is fully committed to pursuing its "Evolution of a customer-focused business model." The Bank has long talked about being "customer-focused," but a major change in the new Plan is the clear presentation of customer journeys, to create more fans of the Bank Group among both individual and corporate customers. It is highly significant that the Bank Group clarified its intention to place itself in our customers' shoes at all times and to have the Group subsidiaries and new businesses offer the optimal products and services and solve customers' issues throughout their lifetime.

While each of the five value creation bases are important, the one concerning human resources is particularly critical. In the new Mid-term Plan, I hope to see the Group take on the challenge of various systems and mechanisms



related to human resources, and focus its efforts on the development of human resources with specializations in particular. My impression is that, compared with when I first became an outside director, the organizational culture has changed to be more accepting of individuality and diversity. I expect that, within that culture, employees will work hard together and hold deeper debates, through which more new ideas and challenges will be born.

Tashima: I am of the same opinion regarding human resources development. For the Bank, its people are its most important asset, and I hope that it and the Group subsidiaries will unite in that view and focus their efforts even more on human resources development. In the development of DX personnel, I believe that a major strength of the Bank is that it is working to instill in all employees an awareness of transforming Chiba Bank anew, such as ensuring that all employees are knowledgeable about DX and giving employees of all generations opportunities to re-learn.

Also, the Bank Group has been engaging in diversity with great enthusiasm, but I would like to see it make even further strides in that regard. To understand what the Bank Group's many different individual and corporate customers want from the Bank Group and to provide services that will satisfy them, it is essential that it thinks its products and services through from diverse perspectives.

Could you tell us what your expectations are regarding the future of the Bank Group?

Kiuchi: In addition to fulfilling its social role as a regional financial institution based in Chiba Prefecture, I hope to see the Group expand its frontiers, both geographically and in terms of business, and open up opportunities for growth.

In non-financial areas, the Bank and the Group subsidiaries are already active in various lines of business, but with the further progress of deregulation, they will be able to develop many more businesses.

Also, the Group's business is gradually taking on greater breadth by expanding its geographical footprint through alliances, partnerships, and digital initiatives. Results are also starting to be seen in M&As and business successions as well, with more matches with companies in regions other than Chiba Prefecture. By passing on the benefits gained from businesses that transcend the region, the Group will be able to further strengthen its initiatives in Chiba Prefecture. I would like to see the Group look beyond Chiba toward the Tokyo Metropolitan area and, in future, beyond that to the rest of Japan, and beyond Japan toward the world.

Takayama: The Bank has a major sense of presence as financial services infrastructure, mainly in Chiba Prefecture. However, for it to become a corporate group with a sense of presence in a broader sense, I would like it to aim to be both a "concierge" and "producer." A "concierge" is a presence that is able to make use of the many and varied services that the Group possesses to embed itself deeply into the daily lives of the region's people and to offer optimal services that extend into every corner of their lives. A "producer" is a presence that



connects the many and varied stakeholders in the region and creates new value and jobs from those connections, thus contributing to the development of the region and to the creation of its appeal.

The Bank is a leader among regional banks and a model for other regional banks. In future, I expect to expand its sphere of activity into broader areas and becoming a financial group with a presence that will take its place among the mega-banks.

Tashima: The Bank is a regional bank that represents Chiba Prefecture, and in FY2022, President Yonemoto served as Chair of the Regional Banks Association of Japan. As a banking group that has a major role to play, I hope that it will continue with its efforts to support Japan into the future.

Chiba Prefecture is a large prefecture, and as depopulation progresses in certain areas, its population is declining. Many regional banks around the country are facing the challenge of steering their management through these trends of depopulation and population decline. I hope to seeing the Bank Group becoming a model case of management for such banks. My

impression of the Bank Group is that it actively takes on new challenges, and I hope that it will continue to do so without fear and keep striding forward into the future as a leader among regional banks.



Message from the CBO/Message from the CHRO



Message from the Chief Business Officer (CBO)

Delivering high-quality services tailored to each and every individual and corporate customer with the optimal timing

Kiyomi Yamazaki
Director and Senior Executive Officer
Group Chief Business Officer (CBO)
General Manager, Business Promotion Management Division

Combining the physical and the digital to build customer contact points that are stronger than ever

If we are to realize the Purpose, it is important that Staffs on the ground in the business deliver high-quality services that are tailored to each and every individual and corporate customer with the optimal timing. By combining the physical, which is a strength of regional financial institutions, with the digital, which targets groups that we have been unable to reach before, we will build customer contact points that are stronger than ever.

In the headquarters organization that supports Staffs on the ground, in April 2023, we established a new Business Coordination Division to coordinate the business departments across the boundaries of products and services and a new Group Strategy Division to further strengthen proposals made as a Group. Staffs on the ground in the business and headquarters will unite as one to propose the optimal solutions.

Understanding our customers well and meeting their expectations

I will talk in specifics about our retail and corporate businesses separately. Firstly, regarding our retail business, the lifestyles and needs of our individual customers are infinite in their variety. For this reason, if we are to make optimal proposals, our first step must be to understand our customers well. By analyzing data accumulated from transactions to date in addition to basic information about customers, we will anticipate their needs and, as their “general money consultant,” propose solutions

that are individually tailored to their specific concerns.

Next, in the corporate business, as an “assistant to management,” we will become a partner that is indispensable to the region and our customers and propose customer-oriented solutions of high quality.

In addition, as more financial institutions withdraw from or change their functions in areas within the prefecture, the role of the Bank, with its strong, solid network of branches, has become even greater. By responding firmly to the region’s expectations, we will aim to further expand our share of lending and corporate transactions in the prefecture. In areas outside the prefecture, we will continue our proactive branch development and accelerate our growth.

Acting swiftly and continuing to grow alongside the region

I have adopted “swift and decisive” as my personal motto, and from my very early days with the Bank, I have always strived to respond swiftly to customers seeking consultations. The Bank’s rock-solid business foundations can be attributed to the relationships of trust that we have built up with our customers over many years. Customers’ trust is earned by the accumulation of swift, accurate, and careful responses. This is part of the culture of our sales representatives and one of their strengths. As well as leveraging that strength to further deepen our existing relationships with our customers, we will develop new customers to take us into the future in our aim to be a banking group that continues to grow alongside the region.

Human Resources Development Policy for the realization of our Purpose

“Think things through,” “Utilize your own strengths,” and “Gain more supporters.” These are the three core elements of our recently established Human Resources Development Policy. The words may be simple, but they are imbued with many different intentions. As it is important to instill these elements in our employees, we will implement a variety of measures, both tangible and intangible, such as reviewing our course structure for specialist positions and our personnel evaluation systems, and introducing a coaching program for executive management personnel.

Human Resources Development Policy is tied to the Purpose, and for us to realize that Purpose, I believe that my greatest mission is to develop human resources who embody this Human Resources Development Policy.

Human Resources Strategy to provide powerful support for employees’ growth

Our Human Resources Strategy has two major pillars, namely the development of a “Chiba Bank Group where people grow” and the creation of an “Organization with high personnel engagement.” In particular, we will provide full support for every individual employee’s career steps. We will encourage them to think about their own careers independently and provide opportunities for training, challenges, and practice to realize those careers.

In a first for a regional bank, we have provided training opportunities through the Chibagin Academy, our in-house academy using the learning management system of Cornerstone. The academy has over 4,000 video courses, and in the first month after it opened, they had been accessed by 70% of employees. Some employees even studied for more than 100 hours in a month. This has given

Takashi Makinose
Director and Managing Executive Officer
Group Chief Human Resources Officer (CHRO)

Message from the Chief Human Resources Officer (CHRO)
Foster a corporate culture of respecting and elevating each other

me a sense of an extremely strong appetite for learning across all cohorts, and while regretting that we have been unable to satisfy that appetite until now, I hope to expand our investment in human capital and support our employees’ ambitions.

Closely supporting the intentions of each and every employee

The Bank positions its human resources as its most important management capital, and I believe that our most critical task is to develop relationships of deep trust with our employees by offering them a sense of reward in their work and opportunities to grow. I want to listen to the intentions of each and every employee and support them in realizing those intentions. And in doing so, I hope to make the Bank a company where as many employees as possible feel proud to work.

In my dealings with people, I am always conscious of “finding the good in others.” This is the same for everyone I encounter—customers, superiors, colleagues, subordinates and, of course, even family. When we consciously look for the good points in another person, we naturally come to acknowledge and respect that person. The fundamentals to doing a good job are to be sincere ourselves and to respect the people around us. My goal is to ensure that not a single person resigns because of their workplace environment, and to achieve this, I hope to foster a corporate culture in which each and every employee respects each other and strives to elevate each other.



Bank Employees Supporting Chiba Bank's Value Creation

Amid major changes in the economic and social environment, the work of the Bank's employees and the roles expected of them are becoming increasingly diverse. Each and every one of our employees is supporting Chiba Bank's value creation by demonstrating their respective skills to the maximum extent from their respective positions.

Creating new banking businesses brought by diverse personnel

Hideki Shibata

Executive Officer
General Manager of Digital Strategy Division



Businesses that make use of digital tools and data are bringing change to the banking business. For example, with the advances in banking apps, as well as the customers whose faces we could see at the branches or when we called on them, digital tools now allow us to reach many customers who we were previously unable to meet.

In the Mid-term Plan, it is the mission of the Digital Strategy Division to proceed with digital transformation (DX) and create new "banking businesses" in order to closely support the wishes and intentions of individual customers and make banking services more convenient for customers to use.

To advance that mission, in addition to the skills of our younger employees and the experience and knowledge of our veteran employees and mid-career hires, we will bring together the abilities of our diverse personnel through a variety of measures, such as an Idea Pitch Contest, which will give shape to all employees' ideas and opinions, and a DX supporter system, in which all employees can take ownership of DX and express their own opinions. In this way, as an entire Group, we will create "new banking businesses."



Reflecting the opinions of the people working on the frontlines as a member of the Mid-term Plan Formulation Committee

Natsumi Sugiyama

Business Research and Overseas Credit Department
Business Support Division

For the formulation of the Mid-term Plan, from March 2022, 22 Bank employees, as members of the Mid-term Plan Formulation Committee, were divided into three teams, namely Corporate Business, Retail Business, and Headquarters Functions, and held discussions over a period of three months about the Bank's vision for the future. I strived to express opinions that had solutions to issues in the Corporate Business in mind, and I am pleased to say that many opinions from the viewpoint of the people working on the frontlines were reflected in the new Mid-term Plan, such as the

operational guidelines, "Evolution of a customer-centric business model."

As espoused in the Mid-term Plan, the Bank is highly motivated toward human resources development. Until recently, I have mainly been involved in credit screening of Japanese and overseas companies, but I am now working hard to upgrade my skills in the area of structured finance, using my department's assistance scheme for obtaining qualifications and other schemes. Going forward, I will strive to further reinforce my specialist knowledge in the hope of using it to shape my own career.



Relationships built at a close distance to customers engender trust

Emiko Hatsuda

General Manager
Yachiyo-Midorigaoka Branch

The Bank's strength lies in the fact that we are operating at a truly close distance to the people of the region. We are also making progress with digital contracts and remote consultations, but because we have branches in individual areas, our people are able to call on our customers frequently, and customers also find it easy to visit our branches. My own branch has many individual customers, so we have many people of all ages come into the branch, including people with small children, students, and senior citizens. Every day, I have a real sense that we are a presence that is needed by the people of the area.

I tell the members of my branch to value sincerity. In particular, our less experienced staff may have difficulty responding immediately to customers' questions due to their lack of knowledge, or they may take a long time to respond. However, as long as they do not try to give a vague, stopgap answer and they engage directly with the customers' request and respond with sincerity, that sincerity is bound to be conveyed to the customer. I believe that such sincere dealings by each and every member will engender trust in the Bank among the people of the region.

Engaging with customers with enthusiasm is the best part of my job

Tomohiro Kondo

Corporate Banking Section
Yotsukaido Branch



As Corporate Customer Liaison, I am in charge of our corporate customers in our area. The size and industry of the businesses operated by those customers vary widely, from individual business owners to mid-sized companies. I take care to build relationships of trust with them as their "consultant" by facing them with sincerity and working closely with them with empathy. I also focus my efforts on gaining a good understanding of my customers, which helps me to propose high value-added

solutions to their issues. Because I engage with customers with enthusiasm, hearing their expressions of appreciation is the best part of my job.

My goal for the future is to contribute to customers' business expansion and solutions to their management issues by offering support in both financial and non-financial areas, to be a familiar presence that they feel comfortable consulting with about anything, and to share in my customers' joy.

Features and Strengths of Chiba Prefecture

Chiba Prefecture boasts one of the largest population and economic scales of the country with rich nature and well-balanced industrial structure. The Bank Group's operating area is in Chiba Prefecture, which is an excellent market, and we are continuing to steadily grow together with Chiba Prefecture. We will continue to play a role as a regional financial institution for further development of Chiba Prefecture.

Strength 1 Population of over 6 million and Japan's leading economic scale

Chiba Prefecture, which is our main operating area, was created in 1873 through the merger of Inba Prefecture and Kisarazu Prefecture, and celebrated its 150th anniversary on June 15, 2023. Chiba Prefecture has a large land area, blessed with a mild climate and rich nature, and has continued to develop along with Japan's economic growth. Its population is 6.26 million as of March 31, 2023, which is ranked sixth in Japan.

Furthermore, Chiba Prefecture has Japan's leading economic scale with prefectural income of ¥19.2 trillion and gross prefectural product of ¥21.2 trillion, which are ranked sixth and seventh in Japan, respectively.

Population:
6.26 million
Sixth largest
in Japan

Prefectural income:
¥19.2 trillion
Sixth in Japan

Gross prefectural product:
¥21.2 trillion
Seventh in Japan

Source: Prepared by Chiba Bank based on "Chiba Prefecture monthly population survey," Statistics Division, Policy and Planning Department, Chiba Prefectural Government, "Population Census" (2020), Statistics Bureau, Ministry of Internal Affairs and Communications, and "Prefectural Accounts" (FY2019), Economic and Social Research Institute, Cabinet Office.

Strength 2 Well-balanced industrial structure

Chiba Prefecture has Japan's leading commerce, agriculture, and fishing industries and a high-level and well-balanced industrial structure.

In commerce and industry, Chiba Prefecture has the "Keiyo Industrial Zone" with an industrial complex of oil refineries, petrochemical, steel, and other companies along the Tokyo Bay, and many industrial parks scattered in the area. In "Tokatsu Techno Plaza," "Kazusa Akademia Park," and other facilities, the government, industries and academic institutions are conducting state-of-the-art research and development.

Chiba Prefecture also is foremost among Japan's agricultural prefectures. Various parts of the prefecture operate agriculture in suburban areas with high productivity, utilizing the climate which is warm in winter and cool in summer and the location adjacent to the large consumption area. Chiba Prefecture also has thriving fishing grounds that are surrounded by sea on three sides. Its total fishing aquaculture production is one of the largest in Japan with multiple fishing ports including Choshi Port, which features No.1 volume of fish catches in the country.

Additionally, Chiba Prefecture is famous for tourist spots including Tokyo Disney Resort, many beaches, Minamiboso Quasi-National Park, and Suigo-Tsukuba Quasi-National Park, and boasts one of the largest number of foreign tourists of all Japanese prefectures.

Industrial Data of Chiba Prefecture

Primary industry		Secondary industry		Tertiary industry	
Seventh in Japan	¥0.1 trillion	Ninth in Japan	¥5.0 trillion	Sixth in Japan	¥15.9 trillion

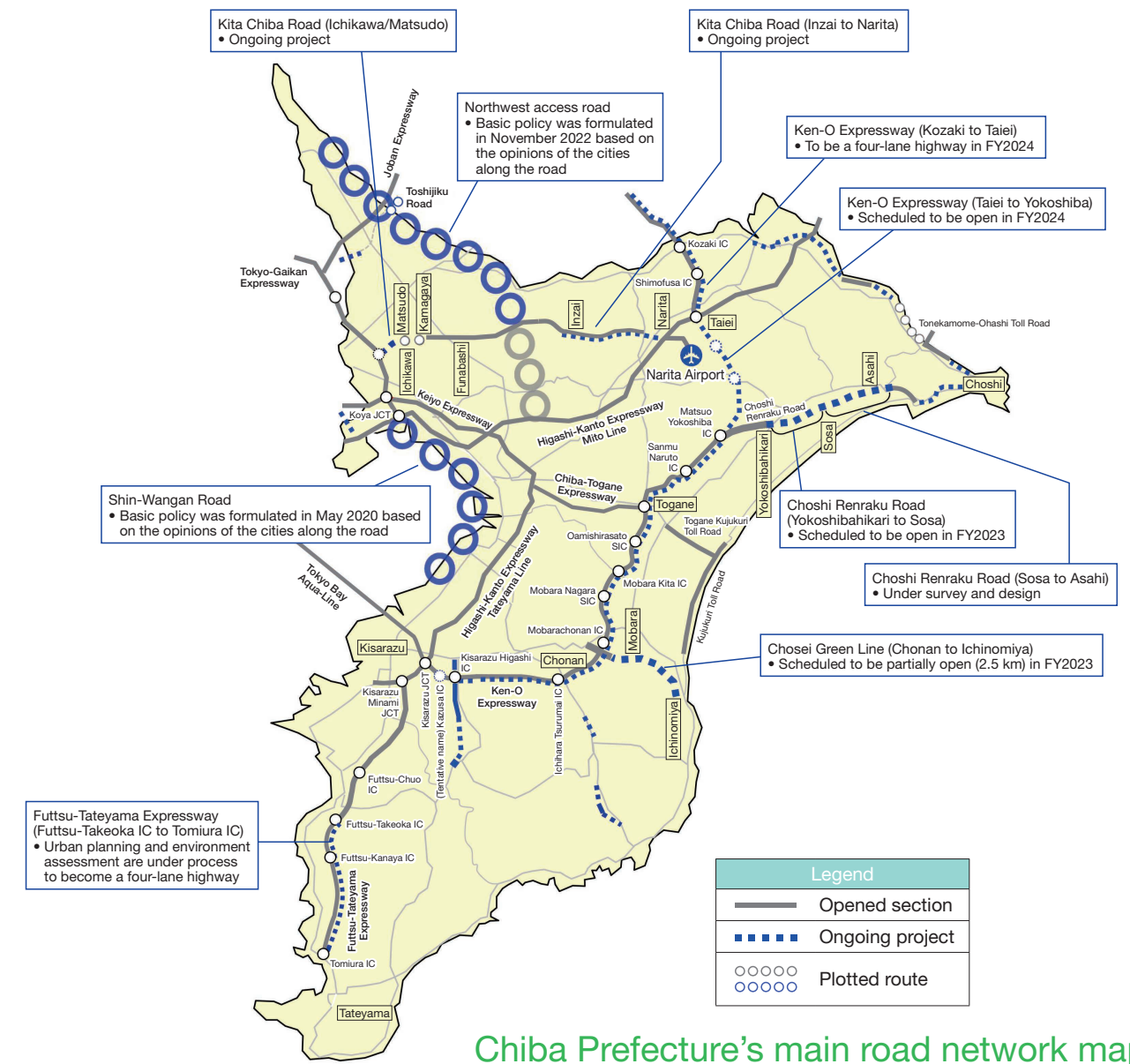
Source: "Prefectural Accounts" (FY2019), Economic and Social Research Institute, Cabinet Office

Strength 3 High potential in economic growth

In Chiba Prefecture, the development of public infrastructure, which is indispensable for economic development, is also underway. In addition to the Ken-O Expressway, which is scheduled to be fully open after FY2024, plans are underway for the opening of the Kita Chiba Road, a northwest access road (Chiba Kashiwa Road) and other roads.

In March 2023, a new station "Makuhari Toyosuna Station" opened between Shin-Narashino Station and Kaihimmakuhari Station on the Japan Railways Keiyo Line. In addition, at Narita International Airport, a new third runway is scheduled to be constructed in FY2028. At Chiba Port, which handles one of the largest volumes of cargo in Japan, and other trade ports such as Kisarazu Port, investments continue to be made to expand their functions and to prepare for disaster.

Chiba Prefecture, with various high-level industries and high potential for economic growth due to ongoing infrastructure development as stated above, is the excellent market that supports sustainable growth of the Bank Group.



Chiba Prefecture's main road network map

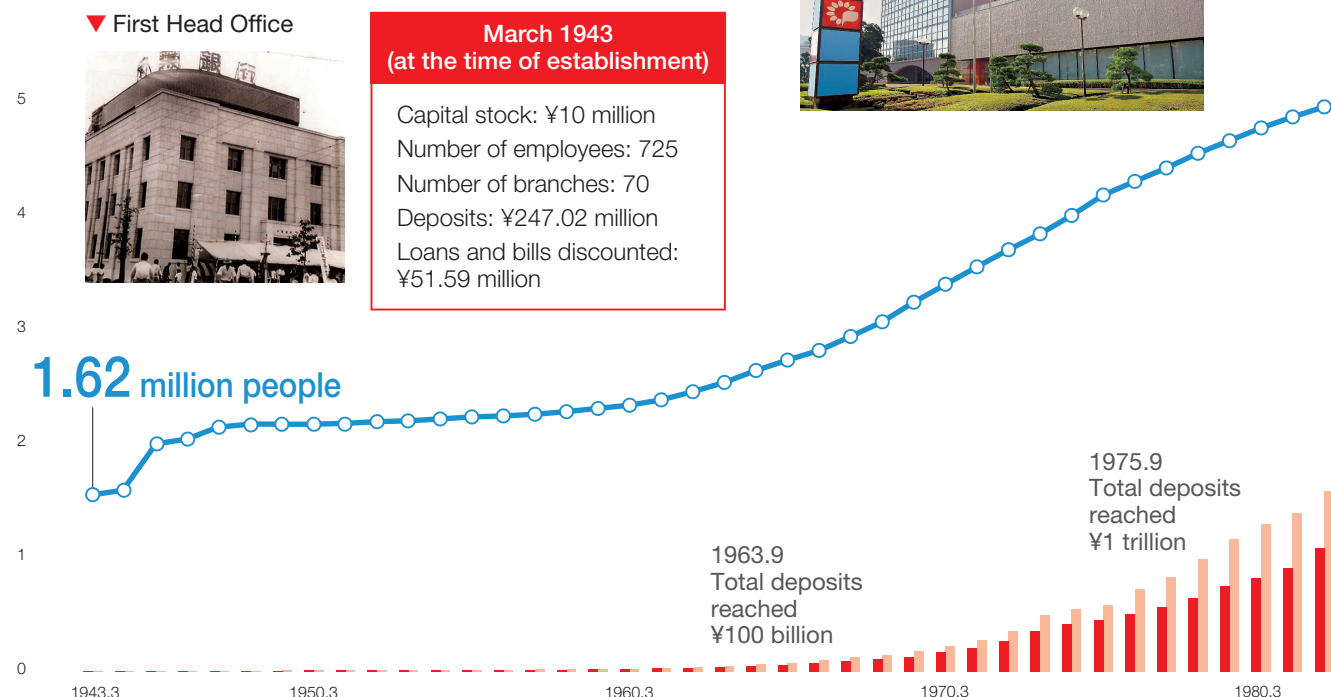
As of May 2023

History of the Chiba Bank Group

Chiba Bank marked the 80th anniversary of its establishment in March 2023. The scale of our business is growing, meeting the diverse needs of our customers as a regional financial institution. Looking ahead, the Chiba Bank Group will pursue continuous growth together with our regional communities.

(millions of people)

■ Balance of loans
■ Balance of deposits
○ Population of Chiba Prefecture

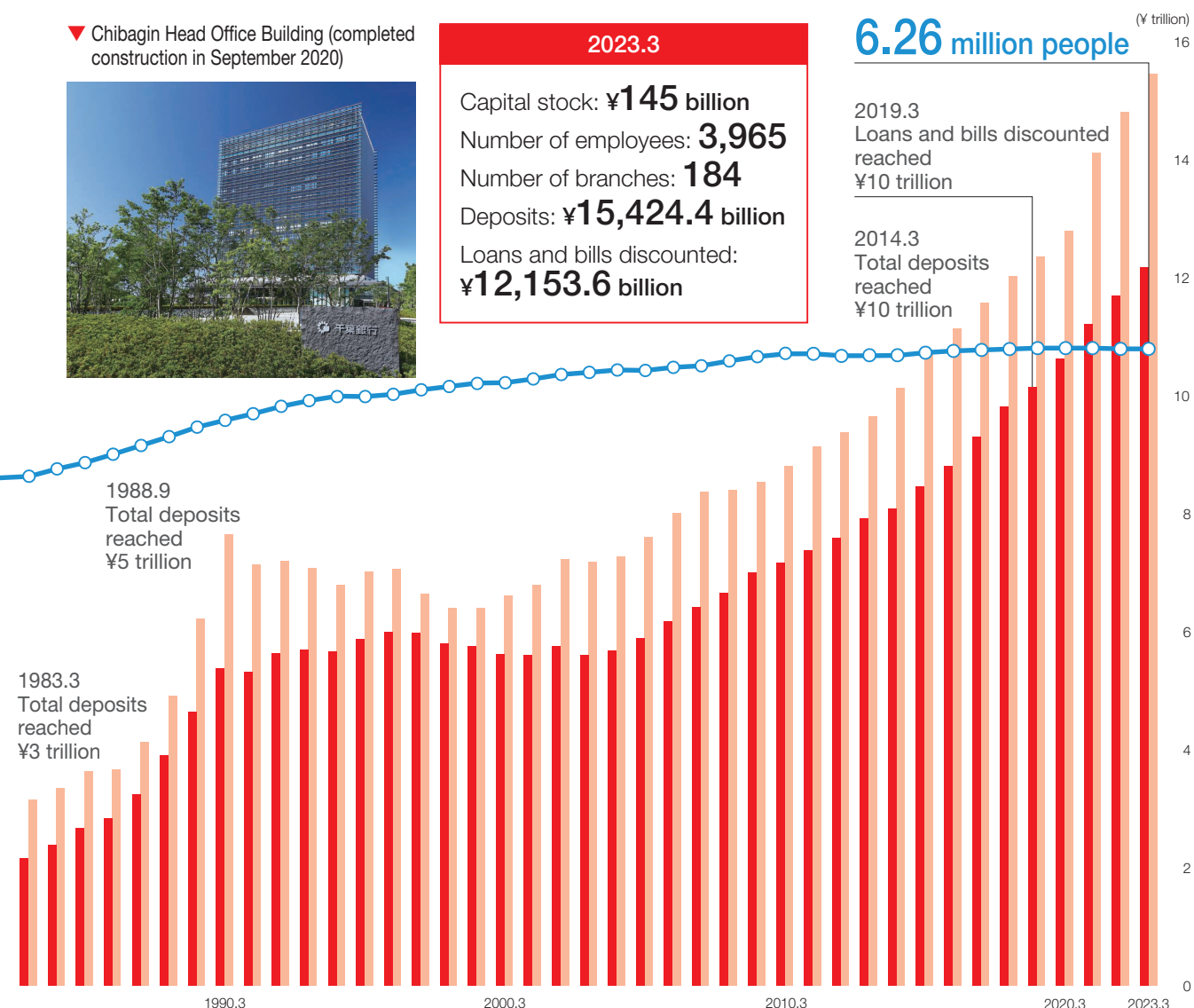


▼ Chibagin Head Office Building (completed construction in September 2020)



2023.3

Capital stock: **¥145 billion**
Number of employees: **3,965**
Number of branches: **184**
Deposits: **¥15,424.4 billion**
Loans and bills discounted: **¥12,153.6 billion**



Establishment-



1943.3 Founded as a result of the merger of Chiba Godo Bank, Omigawa Agricultural and Commercial Bank, and the Kujuhachi Bank

1960s-

1960- Deposits and loans grew in response to high economic growth
1964.2 Set a sunflower as the bank flower
1970.10 Listed on the 2nd section of the Tokyo Stock Exchange (changed to 1st section in August 1971)
1971.10 Started the first online system
1973.3 Built the new Head Office building and relocated the Head Office from Chuo to Chiba-minato

1980s-

1986.10 Appointed the first female Branch General Manager in Japan
1987.4 Opened New York Branch
1989.4 Opened Hong Kong Branch
1991.2 Opened London Branch
1995.11 Opened Shanghai Representative Office
1998.3 Acquired Chuo Securities (currently Chibagin Securities) as a Group company

2000s-

2006.12 Established Chibagin Heartful as a special subsidiary for the employment of people with disabilities
2008.3 Launched the TSUBASA project
2011.3 Opened Representative Office Registered in Singapore
2014.9 Opened Bangkok Representative Office
2015.10 Launched the TSUBASA Alliance
2016.3 Launched the Chiba-Musashino Alliance
2016.5 - 9 9 group companies relocated to Chibagin Makuhari Building
2016.7 Established T&I Innovation Center
2019.7 Launched the Chiba-Yokohama Partnership
2020.9 Completed construction of Chibagin Head Office Building
2021.5 Established Chibagin Market
2023.4 Established Himawari Green Energy

80 thank you anniversary

The 80th Anniversary Project

Developing Space above National Road and Holding a Market

In May 2023, the space above the national road adjacent to the head office building was developed as a place for local residents to relax by installing benches and a wood deck, as well as applying heat-shielding coating to some parts of the ground. A market was also held in the same month using the newly created space.



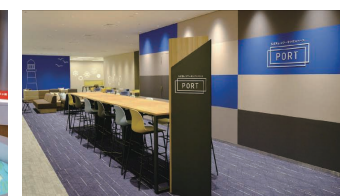
▲ Market

Establishing a Financial Reference Center and Co-working Space

In May 2023, FinTERRACE, a Chiba Bank financial reference center, and PORT, a Chiba Bank co-working space, were established in the head office. We aim to use these facilities as regional hubs to nurture financial education and develop new business opportunities.



▲ Chiba Bank financial reference center



▲ Chiba Bank co-working space

Strengths of the Chiba Bank Group

Solid Operating Base

The Bank has a branch network of 184 domestic locations, mainly in Chiba Prefecture, and 6 overseas locations.

In Japan, we have secured contact points with customers, and provided optimal services that meet customers' needs in the region by opening new branches in Ibaraki Prefecture and Saitama Prefecture in addition to central Tokyo, which is adjacent to Chiba Prefecture, while also consolidating existing branches and integrating functions of branches.

In overseas, we have branches in New York, Hong Kong, and London and representative offices in various locations in Asia (Shanghai, Singapore, and Bangkok), which constitute a top-level overseas branch network as a regional bank.

With this branch network, we have won an overwhelming share of the market in Chiba Prefecture (41.0% share of lending and 27.9% share of deposits in the prefecture), our main operating area, as we serve as a main bank of over 20,000 companies to support business activities of customers, and are designated financial institution of 44 out of 55 local governments in the prefecture.

Solid Business Base

Domestic Network* ¹	184 locations
Overseas Network	6 locations
Branches: New York, Hong Kong, London Representative Offices: Shanghai, Singapore, Bangkok	
Market Share of Loans in Chiba* ²	41.0%
Market Share of Deposits and Savings in Chiba Prefecture* ²	27.9%
Designated Financial Institution for	44 out of 55 local governments
Coordination Agreement for Regional Revitalization Concluded with	25 out of 55 local governments

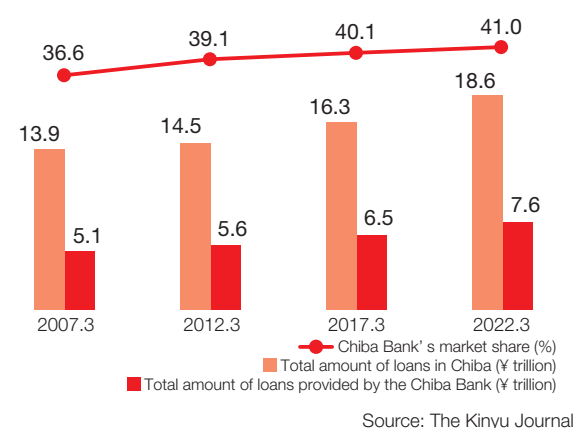
*¹ 181 branches and 3 money exchange counters
*² Source: The Kinyu Journal, as of March 31, 2022

Deeply Diverse Customer Base

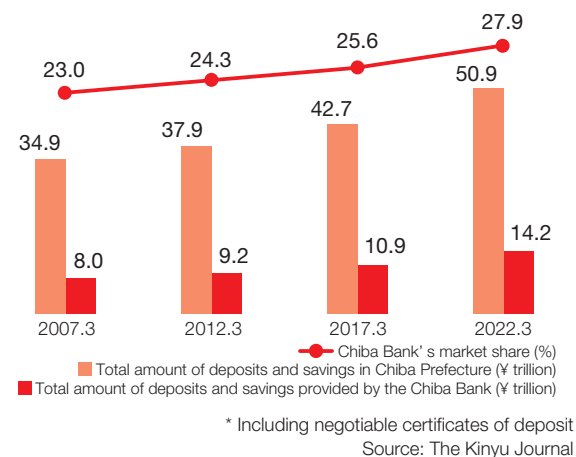
Number of Accounts Used to Receive Salaries	864 thousand accounts
Number of Accounts Used to Receive Pensions	494 thousand accounts
Number of Customers Receiving Housing Loans	205 thousand customers
Number of Companies Using Chiba Bank as Their Main Bank*	21 thousand companies

* Source: Teikoku Databank
(As of March 31, 2023 or for the fiscal year ended March 31, 2023, unless otherwise noted)

Loans in Chiba



Deposits and savings in Chiba Prefecture*



Strong Financial Base

The total assets (consolidated) of the Bank amounts to approximately ¥19.8 trillion, and loans and bills discounted (non-consolidated) exceeds ¥12 trillion. In addition, our consolidated profit (profit attributable to owners of parent) is ¥60.2 billion, boasting a top-class asset size and profitability among the regional banks.

Meanwhile, the low expense ratio is our major feature, with ROE (consolidated) being 6.38%, increasing for two consecutive terms, and OHR (non-consolidated) being 47.73%, in the upper 40% range. The stable ROE and low OHR show our efficient business operations.

Our total capital ratio (consolidated) is 11.63% and Tier 1 common equity capital ratio (consolidated) is 11.54%, and we also maintain high level of financial soundness with non-performing loan ratio (non-consolidated) of 0.93%, which is less than 1%.

Thanks to these figures, the Bank remains high in external credit ratings (long-term) performed by credit rating agencies, such as A1 in Moody's, A- in Standard & Poor's, and AA- in Rating and Investment Information.

Top-Class Asset Size Among the Regional Banks

Total Assets (Consolidated):	¥19,787.8 billion
Loans and Bills Discounted (Non-Consolidated):	¥12,153.6 billion
Deposits (Non-Consolidated):	¥15,424.4 billion

Robust Capital

Total Capital Ratio (Consolidated)	11.63%
Tier 1 Common Equity Capital Ratio (Consolidated)	11.54%

Excellent Ratings*

Moody's	A1 (Long-term) P-1 (Short-term)
Standard & Poor's	A- (Long-term) A-2 (Short-term)
Rating and Investment Information	AA- (Long-term)

* As of July 1, 2023

Top-Class Profitability Among the Regional Banks

Profit Attributable to Owners of Parent (Consolidated)	¥60.2 billion
ROE (Consolidated, Based on Shareholders' Equity)	6.38%

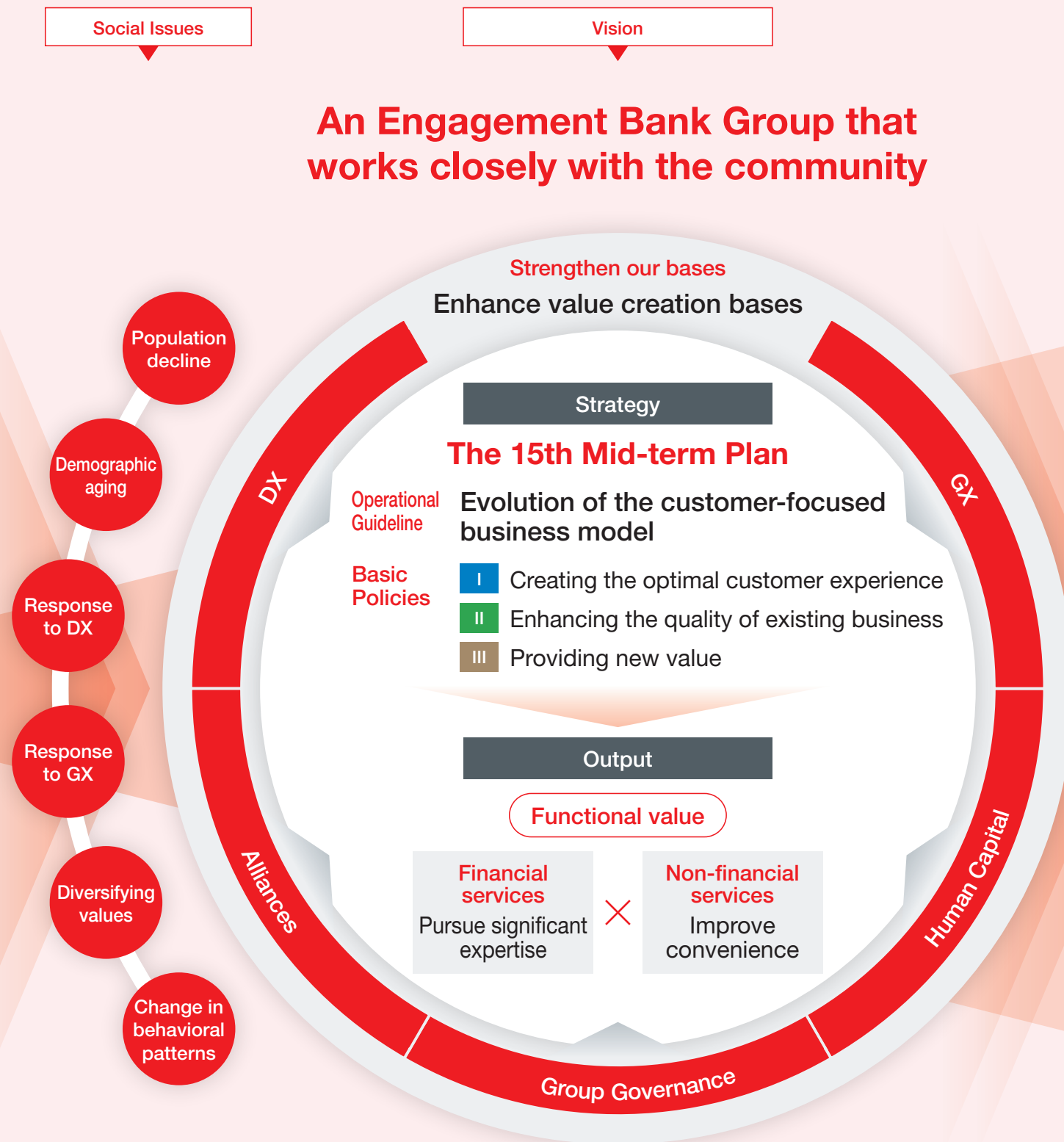
Low Expense Ratio

OHR (Non-Consolidated)	47.73%
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Sound Loan Assets

Non-Performing Loan Ratio (Non-Consolidated and based on the Financial Reconstruction Act)	0.93%
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Value Creation Process



To create a local community better suited to bringing each person's hope to life



Contributing to achieving the SDGs

Achievement of sustainable society



Looking Back at the Previous Mid-term Plan

The vision of the previous Mid-term Plan was to “enhance ‘customer experience’ by deepening financial functions and creating new models for regional finance,” and we took initiatives in line with our basic policies. The initiatives include promoting DX and entering into new businesses, which greatly improved the quality of services for customers. As a result, we achieved our three management KPIs.

Overview of the Previous Mid-term Plan

The Mission for the Bank Group

Contribute to the sustainable development of the regional economy through the provision of the latest financial services as a partner for customers and the regional communities.

The 14th Mid-term Plan

NEXT STEP 2023 ~ connect and go beyond,
for the future ~
(plan period: April 1, 2020 to March 31, 2023)

Vision

Enhance “customer experience” by deepening financial functions and creating new models for regional finance

Basic Policies

Basic Policy I “We will continue to evolve closely with our customers”

Basic Policy II “We will continue to create new value for our customers’ future”

Basic Policy III “We will strengthen our alliance strategy”

Basic Policy IV “We will achieve sustainable management”

Changes in Target Figures

(¥ billion)

	FY2019	FY2020	FY2021	FY2022	Compared to Results for FY2019	Targets for FY2022
Gross business profit	152.7	156.0	161.5	155.5	+2.8	164.0
Expenses (-)	81.9	86.0	84.5	82.5	+0.6	85.5
Real net business income	70.8	70.0	76.9	73.0	+2.2	78.5
Profit	45.9	45.6	52.3	58.1	+12.1	56.0
Profit attributable to owners of parent	48.0	49.6	54.4	60.2	+12.2	60.0
Consolidated ROE (shareholders’ equity basis)	5.67%	5.65%	5.97%	6.38%	0.70%	Around 6.5%
OHR (Non-Consolidated)	54.61%	55.00%	52.02%	47.73%	(6.87%)	Lower 50% range

Major Achievements of Management Goals

Basic Policy I

We will continue to evolve closely with our customers

- Make proposals based on individual life plans
- Enhance corporate solutions
- Non-face-to-face residential loan contract signing
- Establish new Area Sales divisions

Basic Policy II

We will continue to create new value for our customers’ futures

- Expand app/portal features
- Expand cashless operations
- Establishment of Chibagin Market Co., Ltd.
- Establishment of On Ad Co. Ltd.

Basic Policy III

We will strengthen our alliance strategy

- TSUBASA Alliance/Expand sharing of IT systems, including smartphone app
- Chiba-Musashino Alliance/Expand collaboration including cashless operations with franchise locations
- Chiba-Yokohama Partnership/Strengthen collaboration including customer support
- Alliance with Sony Bank

Basic Policy IV

We will achieve sustainable management

- Promotion of sustainable finance
- Enhance carbon-neutral initiatives
- Expand climate-related disclosures
- Development of DX personnel

Overview of the Mid-term Plan

As a strategy to realize our Purpose and Vision, we have set, for our operational guideline, the Mid-term Plan “**Engagement Bank Group - Phase 1 -**,” which aims for “**Evolution of the customer-focused business model.**” Under the Plan, we will further increase engagement with customers by changing our perspective in providing products and services and creating the optimal customer experience.

Under the **three “Basic Policies,”** we will improve our customer service and strengthen the **five “Value Creation Bases”** that support these policies.

The 15th Mid-term Plan

Engagement Bank Group

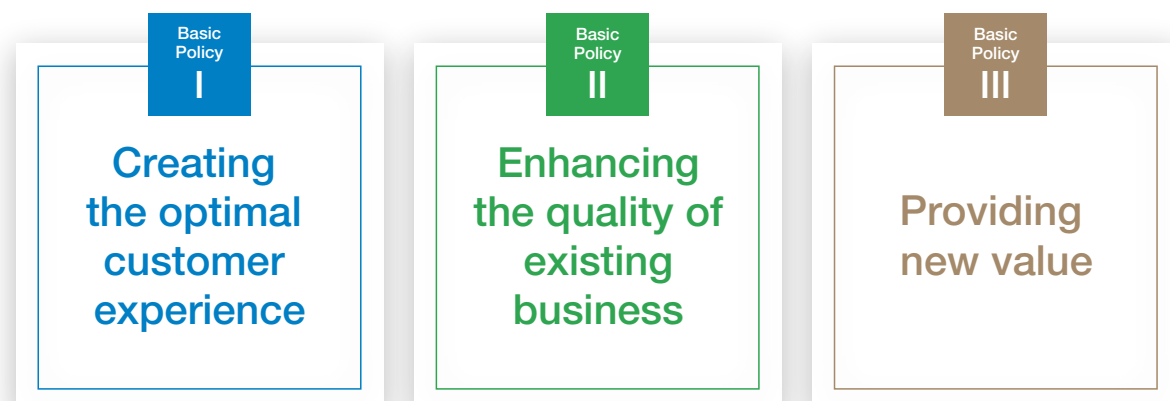
- Phase 1 -

Plan Period: April 1, 2023 to March 31, 2026

Operational Guideline

Evolution of the customer-focused business model

Practice “Sustainable Management” by providing social value to the community



Value Creation Bases Expansion of “Value Creation Bases”



*Management KPIs are described on page 33.

Overview of “Basic Policies” and “Value Creation Bases”

Basic Policy I

Creating the optimal customer experience

Deliver personalized proposals utilizing a wide range of data.
Provide in-person, remote, and digital channels most-suited to the customer.

Basic Policy II

Enhancing the quality of existing business

Further increase the quality of solutions designed to address customer issues.

Basic Policy III

Providing new value

Provide new-found value to customers by entering into new business areas.

Base I

DX (Digital Transformation)

Enhance the Bank’s DX promotion framework and related personnel, utilize new technologies, strengthen cyber risk management

Base II

GX (Green Transformation)

Enhance initiatives designed to lead the region towards decarbonization

Base III

Alliances

Improve the Bank’s ability to provide value through alliances with other banks and industries

Base IV

Human Capital

Enhance human resources development through proactive investment in “human capital”, Chiba Bank’s most important management resource

Base V

Group Governance

Enhance Group governance designed to promote integrated Group management equivalent to a holding company structure

Management KPIs for the Mid-term Plan

The following five management KPIs, including a consolidated ROE, are set as targets in the Mid-term Plan “Engagement Bank Group - Phase 1 -.”

As long-term targets, we are aiming for a consolidated ROE of around 8% and a profit attributable to owners of parent of 100.0 billion yen in FY2030.

	Targets for FY2025	Target level for FY2030
Consolidated ROE (shareholders' equity basis)	Above 7%	Around 8%
Profit attributable to owners of parent	¥75.0 billion	¥100.0 billion
Consolidated net business income	¥120.0 billion	
Consolidated Tier 1 common equity capital ratio*	10.5% - 11.5%	
Consolidated OHR	Around 45%	

*Full implementation of finalized Basel III standards (excluding valuation differences on securities)

Invest Resources for Growth

Personnel

We will promote group-wide efficiency improvements, including streamlining the store network and further streamlining in-store operations, and **reallocate 370 employees over a three-year period** to the planning and promotion divisions of the headquarters, branches, and group companies. We will also **train 280 employees**, twice as many as in the previous Mid-term Plan, **through external secondments and trainees**.

Investment

The Bank Group will **invest 34.0 billion yen over three years, including 16.0 billion yen in strategic investments**, to add functions to its apps and portals, as well as to invest in new businesses and develop digital infrastructure.

Expenses

While we expect to **spend 14.0 billion yen** over the three-year period **on new measures**, mainly digital-related measures, we also expect to spend 88.0 billion yen in the final year of the Mid-term Plan by promoting expense reduction measures.

Enhance organization of Head Office experts

Expand service lineup

Raise the bar of branch proposal capability

Creation of new business

Improve services through growth investments

Use the profits to invest in further growth

Evolution of the customer-focused business model

Increase gross profit per customer/company through one-to-one marketing

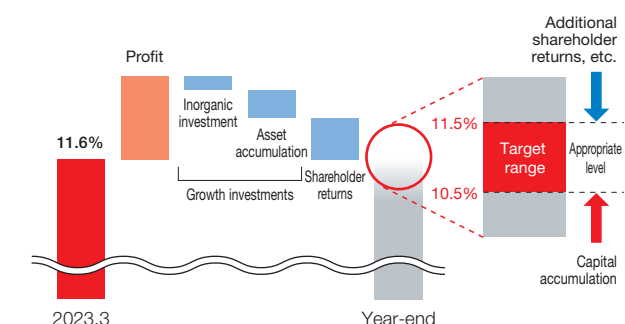
Strengthen monetization of existing business and plant the seeds for more new business

Capital Policy

Capital management viewpoint

Under the New Mid-term Plan, our basic policy is to control the consolidated Tier 1 common equity capital ratio* in the range of 10.5% to 11.5%. We will first use the capital accumulated through periodic profit to invest in growth, secure equity capital commensurate with growth investments, maintain appropriate capital, and then consider returning any surplus to shareholders. We will seek to improve ROE by improving RORA while maintaining an appropriate level of capital.

Consolidated Tier 1 common equity capital ratio*



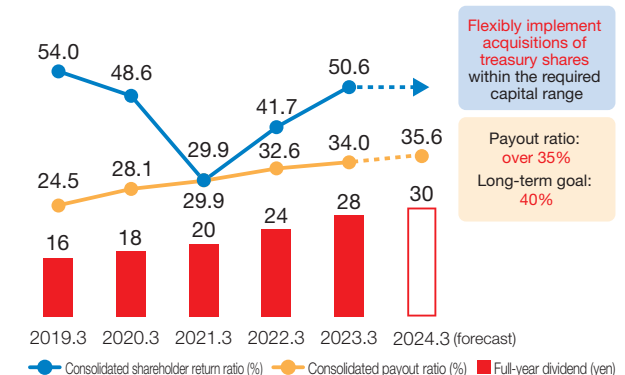
*Full implementation of finalized Basel III standards (excluding valuation differences on securities)

Shareholder returns

We aim to achieve a dividend payout ratio of more than 35% during the period of the Mid-term Plan, and 40% in the long term. We will flexibly implement acquisitions of treasury shares so that Tier 1 common equity capital ratio* remains within the required range.

We will improve earnings by steadily carrying out various measures and continue to implement shareholder returns that take into consideration the balance between investment for growth and a sound capital base.

Shareholder returns



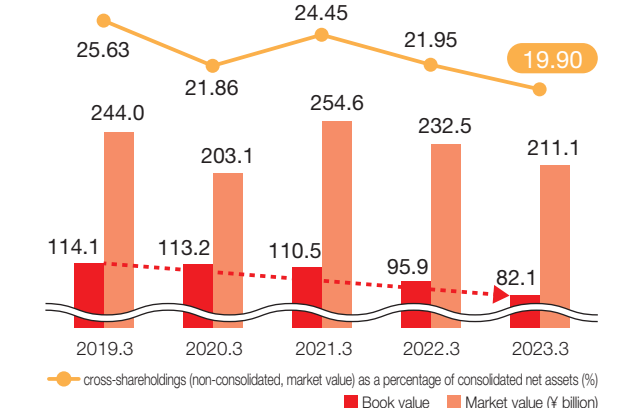
Reduction of cross-shareholdings

In terms of cross-shareholdings, our basic policy is to maintain cross-shareholdings on a limited basis if a meaningful rationale for holding the shares is recognized, such as contributing to the development of the local economy and the improvement of the Bank's corporate value through the maintenance and development of good relationships with business partners as a regional financial institution, while reducing overall cross-shareholdings after having sufficient dialogue with clients to control stockholding risk and capital efficiency, etc.

The quantitative effect of cross-shareholdings on listed stocks is determined using an index calculated by deducting the deemed allowance for stocks and the capital cost for holding stocks, for each client, from income from deposits and loans, service income, and dividend income, etc. The Board of Directors verifies the validity of the rationale for cross-shareholdings for each individual issue, based on the economic rationale and future prospects for the value of the shares, taking into consideration the financial and performance details of each company.

As of March 31, 2023, the amount of cross-shareholdings on the balance sheet (market value) was 211.1 billion yen, accounting for 19.90% of total capital (consolidated net assets).

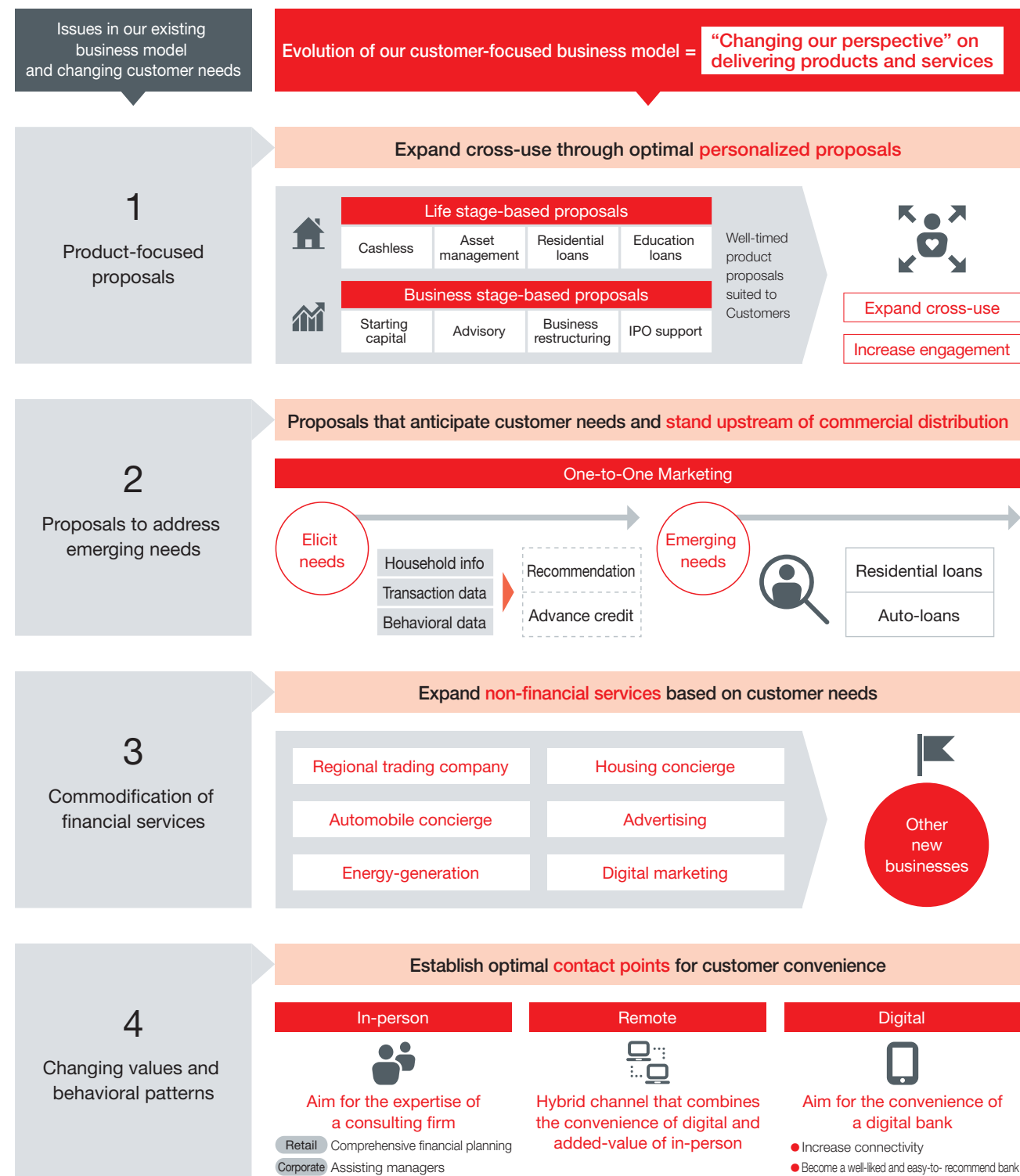
cross-shareholdings and ratio to total capital



Operational Guideline and Customer Journey

Operational Guideline

The Mid-term Plan has set “the evolution of the customer-focused business mode” as our operational guideline. Under the Plan, we will achieve further engagement with customers by changing our perspective in providing products and services and creating the optimal customer experience.



Initiatives for “Sustainable Management”

The Bank Group established “Chiba Bank Group Sustainability Policy” for “sustainable management,” aiming at balancing economic value and social value over the long term, and, as a unified group, promotes initiatives that contribute to solving social issues through its business activities, focusing on five “materiality” (key issues) identified in the “Chiba Bank Group Declaration on SDGs.”

Sustainability Policy and Sustainable Management

“Chiba Bank Group Sustainability Policy”

We aim to realize sustainable regional communities through our core businesses such as demonstrating the financial intermediation function. Additionally, we engage in honest and fair corporate activities, as well as activities to solve various issues facing the region, including climate change and other environmental problems, as part of sustainable management with the aim of balancing economic value and social value.

Each executive and employee of our group is actively working with awareness of their involvement in these activities. Through information disclosure, we will foster a better relationship of trust with our stakeholders and create a “new future for regional communities.”

What is sustainable management?

To aim at balancing economic value and social value by solving various issues facing the region as well as pursuing the company’s economic profit based on honest and fair corporate activities over the long term.

Sustainable Management = Long-term Aim + Economic Value + Social Value (Solving Social Issues)

Process for Identifying Materiality (Key Issues)

Understand SDGs, affirm the significance of sustainable management, and review the Bank’s CSR activities

Comprehensively enumerate social issues faced by the world and Japan’s Chiba Prefecture

Learn about social interests and intentions from various stakeholders

- Regional communities : Regional revitalization and protection of natural environment
- C u s t o m e r s : Demonstration of our financial intermediation function and advanced financial services
- E m p l o y e e s : Rewarding workplace where employees can demonstrate their full potential
- Shareholders : Improvement of corporate value in the medium to long term

In May 2019, identified five materiality themes:
regional economy and community, aging population, financial services, diversity, and environmental protection

Correlation of Various Policies on Sustainability with the Mid-term Plan and Materiality

Purpose	Vision
To create a local community better suited to bringing each person’s hope to life	An Engagement Bank Group that works closely with the community

Chiba Bank Group Sustainability Policy

The Chiba Bank Group's Corporate Code of Conduct Basic policy for carrying out ethical and responsible corporate activities	Chiba Bank Group Human Resources Development Policy "Become someone who keeps fighting for the customer." Think things through, Utilize your own strengths, and Gain more supporters	
Chiba Bank Group Human Rights Policy	Chiba Bank Group Environmental Policy	Diversity Action Declaration

Chiba Bank Group Declaration on SDGs		Five “Materiality” (key issues)				
		Regional economy and community	Aging Population	Financial Services	Diversity	Environmental Protection
		Contribute to the vitalization of regional economy and communities	Support safe and secure lives for the elderly	Provide financial services for a better life	Promote diversity and work style reforms	Contribute to the protection of a sustainable environment
Operational Guideline	Basic Policy I Creating the optimal customer experience (Personalization/provision of channels most-suited to the customer)	Building a regional ecosystem	Providing highly convenient digital and in-person channels	Personalized proposals according to life stage/ business stage	Providing/introducing diversity-related initiatives	Decarbonization consulting
	Basic Policy II Enhancing the quality of existing business (Increase the quality of solutions)	Expanding the functionality of Chibagin Business Portal	Expanding trust business and Inheritance-related services	Expanding asset management proposals and housing loan business	Achieving a female leader ratio of 30% or more and a paid leave acquisition rate of 80% or more	Providing CO ₂ emission measurement tools
	Basic Policy III Providing new value (New business)	Utilizing real estate funds and advertising business	Remote financial consulting services	BaaS business	Implementing diversity events through collaboration of the government, industries, and academic institutions	Starting energy generation business
Value Creation Bases	DX	DX support for local governments and DX personnel development support	Implementing smartphone workshops	Expanding app/portal features	Promoting energy conservation and work style reforms by improving operational efficiency	Promoting paperless by DX
	GX	Supporting leading decarbonization regions	Providing information on such matters as flooding risk due to climate change	Promoting sustainable finance		Promoting the introduction of energy-saving equipment and environmentally-friendly vehicles
	Alliances	Collaboration with local governments and public institutions	Online seminars for CYP seniors	Collaborating with Sony Bank	TSUBASA cross-mentor system	Sustainable finance TSUBASA syndicated loan initiative
	Human Capital	Developing specialists (Consulting proposals and providing solutions)			Career step support	Introducing certification systems related to decarbonization and sustainability
Group Governance		Supporting regional revitalization with Chibagin Market	Health and nursing care business (collaboration with Group companies)	Establishing a new integration of banking and securities	Promoting diversity by the entire Group	Introducing electric power derived from renewable energy to Group companies

Past Initiatives related to Materiality

Materiality	Main Initiatives (Reference Pages)	
Regional Economy and Community	● Support for regional revitalization (pages 45 and 46) ● Participation in “Chiba SDGs Promotion Network” (page 45)	● Advisory services for business operators (page 41) ● Utilizing real estate funds (page 42)
Aging Population	● Inheritance-related services and trust business (page 40) ● Support for medical institutions (page 80)	● Smartphone workshop for the elderly (page 40) ● Initiatives to prevent financial crimes including wire transfer fraud (page 64)
Financial Services	● Expanding features of the Chiba Bank app (page 48) ● Expanding features of Chibagin Business Portal (page 48)	● Improving the convenience of procedures at branches (page 39) ● Promoting sustainable finance (page 51)
Diversity	● Human Rights Policy (page 81) ● Corporate Code of Conduct (page 81)	● TSUBASA cross-mentor system (page 82) ● Supporting balance between work and childcare (page 82)
Environmental Protection	● Response to climate change (pages 71 to 78) ● Initiatives for carbon neutrality in FY2030 (page 76)	● Offering of environmentally-friendly private placement bonds (page 80) ● Forest management activities for the Chibagin Forest (page 79)

Retail Business



Individual values and lifestyles have diversified with the progress of information technology and other changes in social structures, and accordingly, the services that customers expect from financial institutions have changed. As we move steadily toward an aging society, it is indispensable to provide services designed specifically for the elderly and their families. The Bank Group has taken various initiatives to provide optimal services to individual customers.

Main Initiatives

Launch of “Sustainable Housing Support Discount” for environment-friendly houses

In January 2023, we launched a “Sustainable Housing Support Discount,” which offers a housing loan on preferential terms such as a preferential interest rate to buyers of environment-friendly houses.

This campaign is designed to financially support the promotion of environment-friendly housing such as ZEH* and disaster-resilient housing such as a house with a seismic isolation system with a view to achieving the government’s target of carbon neutrality by 2050.

Houses eligible for the preferential treatment include environment-friendly houses, houses with a seismic isolation system, and houses in areas that are designated by the Bank as “developing sustainable communities.” We will support homebuyers’ and homebuilders’ wide-ranging efforts to achieve the SDGs, thereby helping create sustainable communities.

*Abbreviation for Net Zero Energy House, a house that generates more energy than it consumes in daily life through solar power generation, installation of energy-saving equipment, and utilization of a highly insulated outer skin.

サステナ住宅応援割!
期間：2023年1月4日(水)～12月31日(日)

環境配慮型住宅や災害耐性の高い住宅を新築・購入するお客さまに、特典①②をプレゼント!

特典① (A～Cのうち、1つをお選びいただけます)

- A 国信重視** 全借入期間の上乗せ金利を0.15%優遇 通常0.3%の上乗せ金利が0.15%に!
- B 災害対策** 自然災害時支援特約が無料 通常0.1%の上乗せ金利がタダ!
- C 金利重視** 変動金利選択時の金利を0.05%優遇 通常の金利割引からさらに0.05%割引!

特典② C-VALUEショッピング※でご利用いただけるクーポン券5,000円分をプレゼント!
※千葉銀行グループの地域商社「ちばぎん商店株式会社」が運営する“千葉ならでは”のこだわりの商品を集めたショッピングサイト C-VALUEの詳細はコチラ▶

△対象となる住宅△
①BELS評価にて☆5認定※を受けた、高い省エネ性能(ZEH水準)を有する住宅 ②認定低炭素住宅
③長期優良住宅 ④性能向上計画認定住宅 ⑤住宅性能評価値にて一定基準以上の住宅
⑥太陽光発電設備(4kw以上)を設置している住宅 ⑦免震減振付住宅
⑧当行が個別に認定した「住み続けられるまちづくり」を行っている地域内の住宅
※BELS(建築物省エネルギー性能表示制度)は「建築物のエネルギー消費性能の向上に関する法律」に基づき建築物の省エネ性能を表示する第三者認証制度のひとつで、☆5が最高評価。

△わしくは裏面またはホームページをご覧ください。

▲ Information flyer

Improving customer convenience in branch procedures

The Bank started operating the TSUBASA Smile tablet-based counter reception system at all branches from August 2020. TSUBASA Smile has significantly improved customer convenience by reducing the amount of time needed for procedures. It enables onsite staff to confirm details on the screen together with customers and automatically complete complex procedures such as applying for a new account, changing their address details or reporting a lost, etc.

In May 2023, we began paperless/seal-less procedures for the application of investment trusts. We will continue to work on improving the efficiency of clerical procedures and services for customers.

▲ Example of TSUBASA Smile input screen

Holding of “Chibagin Smartphone Workshop—Apps, My Number Card, and Crime Prevention”

In October 2022, with the support of Chiba Prefecture and Chiba City and the cooperation of the Chiba Prefectural Police, we held “Chibagin Smartphone Workshop—Apps, My Number Card, and Crime Prevention” for those who want to use their smartphones more safely and conveniently.

The workshop provided elderly customers with easy-to-understand explanations about how to use the internet and bank apps, the merits of My Number Card, and precautions against crimes via smartphones so that they can use their smartphones safely and conveniently and lead comfortable lives in the digital society.



▲ Scene of the workshop

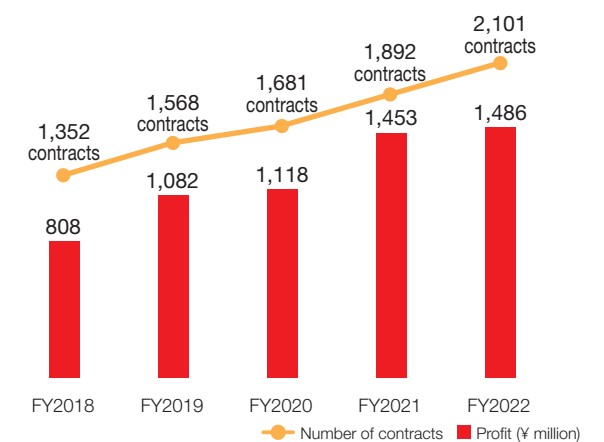
Inheritance-related services and trust business

In 2006, the Bank obtained licenses for inheritance-related services and trust businesses and became the first regional bank in Japan to provide inheritance-related services by itself.

With the advent of the 100-Year Life Society, we provide a wide range of services to help solve various issues of customers from “preparing for dementia” in deposit management and rental property management to “preparing for inheritance” to ensure smooth asset succession.

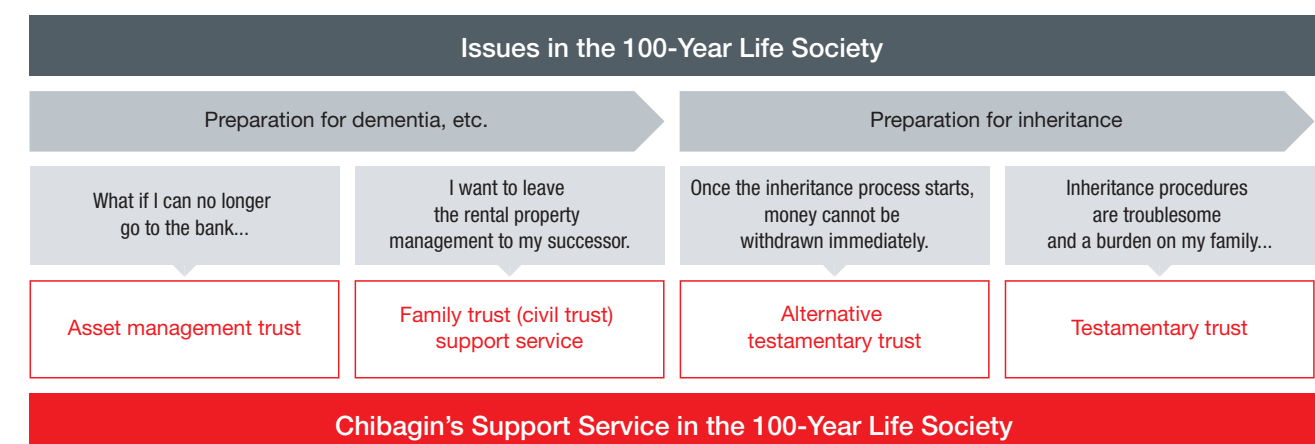
We see growing customer needs for asset management and asset succession, and the number of contracts for inheritance-related services is on the rise. Customers are highly satisfied with our services, and we will continue to provide consulting services that will be appreciated by them.

Number of contracts for inheritance-related services



*Including contracts outsourced from other banks in the alliance

Main lineup of our trust business and inheritance-related services



Corporate Business



The business environment surrounding companies has been constantly changing as seen in the financial conditions, exchange rate fluctuations, soaring material prices, and labor shortages. The Bank Group conducts customer-oriented consulting by maintaining in-depth dialogues with many business operators, including individual business owners, small and medium enterprises, and major companies, and sharing management issues with them.

Main Initiatives

Advisory services for business operators

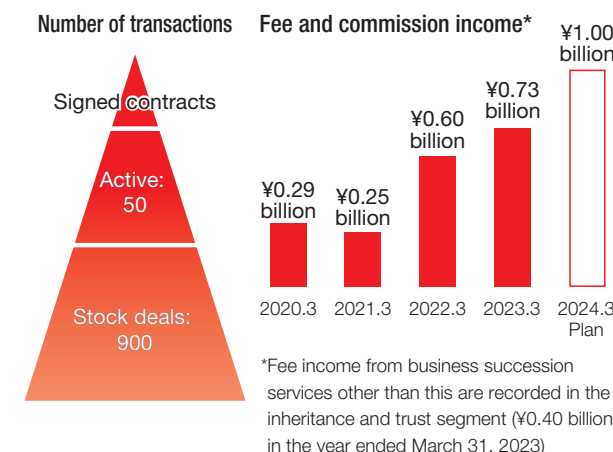
In advisory services for business operators, we provide various support, including support for forming management strategies and business plans in anticipation of business expansion, support for creating human resources management systems, and support for the use of business restructuring grants for customers who revamp their business models in response to changes in the business environment.

The number of contracts in FY2022 exceeded 200 for the second consecutive year, contributing to the increase in the Bank's profit. Going forward, the specific number of consultations is expected to reach around 500 per year, and we will provide sophisticated consulting on our customers' management issues.

Business succession consulting services

Our business succession consulting services provides one-stop, speedy support for all issues related to business succession.

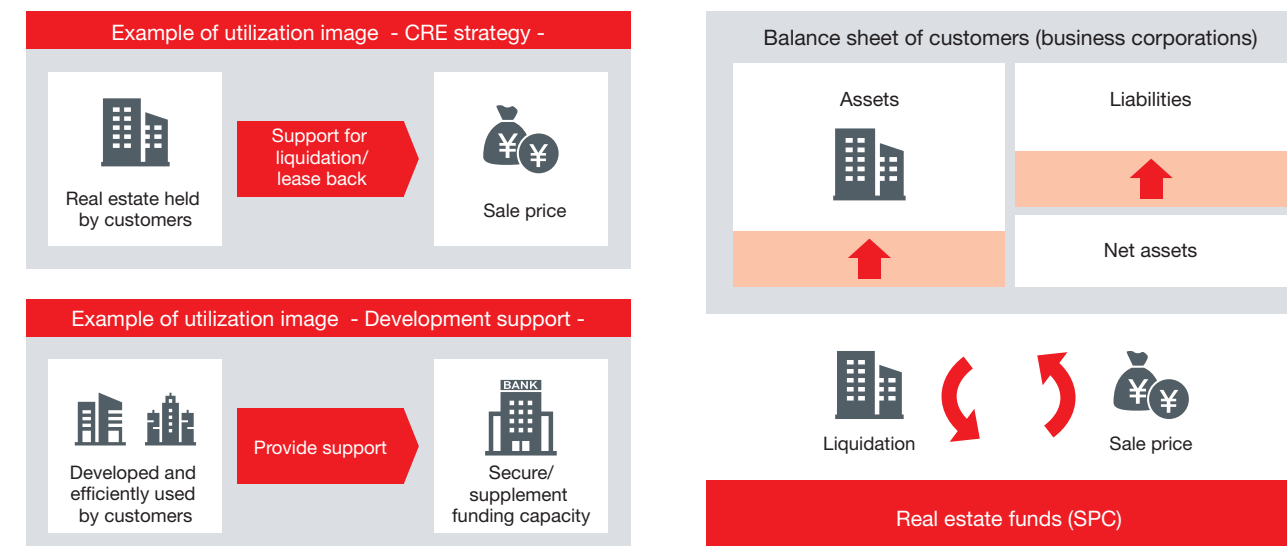
The number of stock deals, for which we have already offered consultation and will consider M&A in the future, has steadily increased to approximately 900. We will continue to provide detailed support tailored to each customer for their business succession in a timely and appropriate manner.



High-level solutions via real estate funds

To meet the increasingly diversified and sophisticated customer needs related to real estate, such as improving the balance sheet, raising growth capital, and realizing large-scale investments, we work with external experts to support their real estate liquidation.

We will continue to dig deeper into the management and financial issues of each customer from the perspective of real estate, thereby providing custom-made optimal solutions.

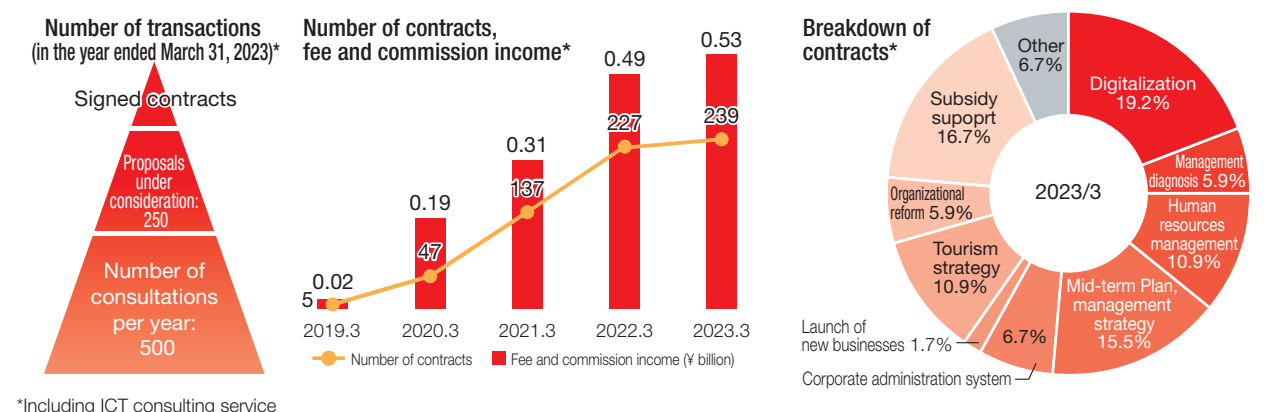


Conclusion of a partnership agreement with the National Institutes for Quantum Science and Technology

In October 2022, we concluded a partnership agreement with the National Institutes for Quantum Science and Technology (QST) headquartered in Chiba City.

QST is a research institute that engages in government-funded advanced research and privately funded joint research mainly in the fields of radiation medicine, quantum beams, and nuclear fusion. In addition, when a company makes the most of such research results and starts a business for the purpose of social implementation, QST certifies the company as a QST-certified venture and supports its activities.

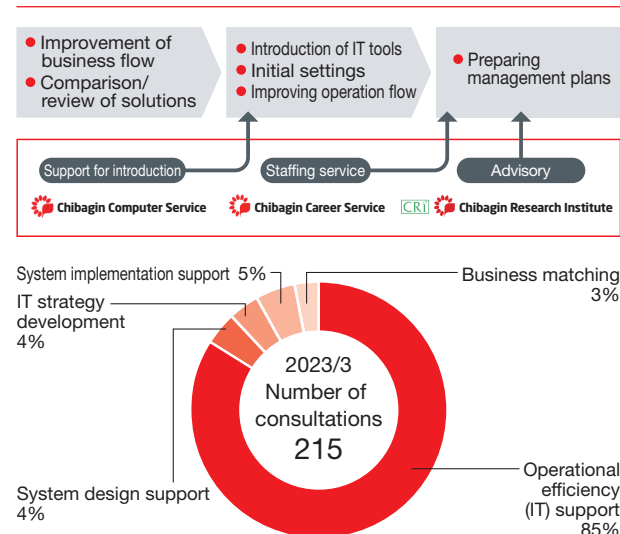
With the conclusion of the partnership agreement, we will promoting open innovation that links our business partners and QST and provide accompanying support to the QST-certified venture companies, thereby contributing to economic revitalization.



ICT consulting service

In our ICT consulting service launched in April 2021, we provide services that support digitalization to help improve customer productivity. We offer consulting on the introduction of the optimal system and IT tools independently from IT service providers to help solve customer issues. The number of consultations in FY2022 has exceeded 200, and in addition to attendance management and salary calculation systems, we have increased consulting on the response to the Electronic Books Preservation Act and the Invoice System. We will continue to strengthen our accompanying support services toward the digitalization of small and medium enterprises in the region.

Providing accompanying support to business operators through ICT adoption



Strengthen management support activities

The Bank actively supports customers in need of support for business improvement as well as for business expansion such as new business and capital investment.

The Business Support Division holds “Solution Review Meetings” regularly with participants from business-related divisions such as the Corporate Business Division and the Business Coordination Division to hold group-wide discussions and provide optimal support measures tailored to each customer. To date, we have reviewed approximately 2,000 customers at the meeting. By providing support to help resolve customers’ issues promptly, we have helped improve customers’ business performance and reduced credit costs for the Bank.

To further strengthen our support system, we established the Business Consulting Office within the Business Support Division in April 2023. We have expanded the scope of target customers, and enhanced cooperation with headquarters divisions, group companies, and external experts to provide more customer-oriented support.



Response to the Guidelines for Personal Guarantee Provided by Business Owners

The Bank promotes loans that do not rely on personal guarantees provided by business owners, fully taking into account the purpose and content of the Guidelines for Personal Guarantee Provided by Business Owners released in December 2013 by the study group on the Guidelines for Personal Guarantee Provided by Business Owners (with the Japanese Bankers Association and the Japan Chamber of Commerce and Industry serving as the secretariat).

When entering into a guarantee contract, we will provide a specific and detailed explanation of the reasons why such a guarantee is necessary so that the customer can be convinced. We will also explain what to improve in order to raise the possibility to change or terminate the guarantee contract and help them improve the situation.

We make every effort to respond sincerely to customers’ requests for renegotiation of a guarantee obligation and ensure that our employees are familiarized with the purpose and content of the Guidelines for Personal Guarantee Provided by Business Owners through periodic in-house training, etc.

Fostering industry and new technology

We, as a top bank in the region, strive to foster and support industries and new technologies that will sustain the future regional economy. The Bank and the public interest foundations funded by the Bank donate to the following grants, support, and award systems to assist industries and new technologies.

History of grants, support, and awards (total through March 31, 2023)

FinTech Business Contest	12 cases, ¥5 million
Himawari Venture Development Fund	Grants: 241 cases, ¥736 million Rent assistance: 129 cases, ¥69 million
Chibagin Research & Development Grant Program	63 cases, ¥60 million
Chibagin Student Business Idea Contest	46 cases
Sending personnel overseas by Chibagin Mirai Foundation	107

Receipt of the “Minister of the Environment Award for Best Practices” at the “Principles for Financial Action for the 21st Century”

In March 2023, the Bank’s “Efforts to evaluate business feasibility considering sustainable finance promotion and ESG factors” initiative received the “Minister of the Environment Award for Best Practices” at the “Principles for Financial Action for the 21st Century.”

The Principles for Financial Action for the 21st Century is the common name for the Principles for Financial Action toward a Sustainable Society, which were formulated in October 2011 under the leadership of the Ministry of the Environment as a set of action guidelines for financial institutions that wish to fulfill their responsibilities and roles in the formation of a sustainable society. As of March 31, 2023, 306 financial institutions have signed on in support of these principles.

In order to support the sustainable management and decarbonization efforts of our business partners, we promote sustainable finance based on the size and needs of each company and conduct business feasibility evaluations that utilize our independently-developed ESG evaluation sheet. These initiatives, based on in-depth dialogues with companies, were recognized as contributing to the formation of sustainable regional communities.

The ESG evaluation sheet was independently developed by the Bank in May 2022 to understand the status of our business partners’ efforts to achieve the SDGs from the perspectives of E (environment), S (society), and G (governance). By promoting dialogue with business partners through this tool and identifying future risks and opportunities for business partners, we identify medium- to long-term management issues and potential funding needs, etc., and cooperate with related divisions to proactively propose solutions for decarbonization, etc.



Regional Revitalization

Receipt of 2nd “Regional Revitalization SDGs Finance Award”

In February 2023, the Bank received the Japanese Cabinet Office’s 2nd “Regional Revitalization SDGs Finance Award” for its regional revitalization initiative that utilizes the Chiba SDGs Promotion Network. The Bank is involved with the network’s operation as a secretariat.

By building a framework designed to bring Chiba Prefecture’s business community together to support activities of companies and economic associations, such as raising awareness of the Chiba SDGs Partner Registration System, the Bank helped expand the base of companies working on achieving SDGs, which has been highly praised.



▲ Scene of awards ceremony

Chiba SDGs Partner Registration System	Chiba SDGs Promotion Network
<ul style="list-style-type: none"> Established in November 2021 as a way to build momentum for the promotion of SDGs among companies within the prefecture and support concrete initiatives. As of March 31, 2023, 1,754 organizations have been registered. 	<ul style="list-style-type: none"> Established in January 2022 to spread awareness of SDGs and support companies working on SDGs initiatives. Consists of a total of 12 economic associations and financial institutions that agree with the purpose of the Chiba SDGs Partner Registration System.

C-VALUE special program featuring the area along the Chiba Urban Monorail

In February 2023, a special program featuring the area along the Chiba Urban Monorail was released on C-VALUE, a purchasing-type crowdfunding website operated by a regional trading company, Chibagin Market Co., Ltd. This is an initiative in collaboration with a regional railway operator, through which the Bank will support the discovery and creation of products and services that can trigger revitalization of the area along the Chiba Urban Monorail, thereby contributing to the area’s revitalization (discovery and development of new business operators).



Operating the agricultural corporation Fresh Farm Chiba Co., Ltd.

The Bank established the agricultural corporation Fresh Farm Chiba Co., Ltd. together with 15 local companies in March 2018. This company has gradually expanded the amount of cultivated area to 11 hectares, and in FY2022, we harvested 55 tons of Koshihikari rice. We sold Minayoshi rice and Komekoji Minayoshi Amazake on C-VALUE, a purchasing-type crowdfunding website operated by a regional trading company Chibagin Market Co., Ltd. We also opened a stall at markets to communicate information directly to consumers.

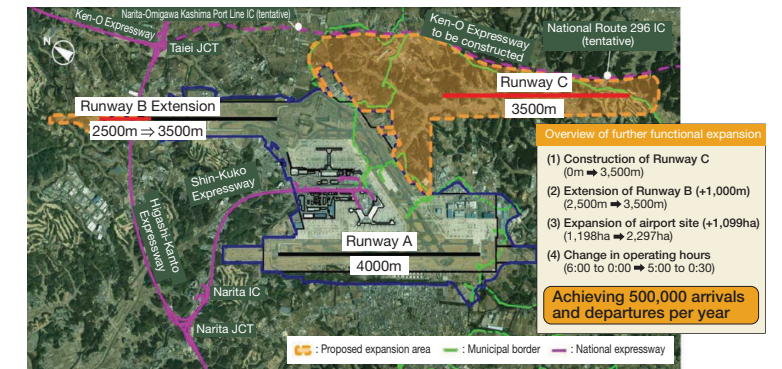


▲ Harvest at Fresh Farm Chiba

With regard to smart agriculture, we tested the labor-saving effect of weeding using a radio-controlled boat, etc. We will continue to take on the challenges of various initiatives together with the local community for the sustainable development of agriculture.

Initiatives in Narita area

In the area around Narita Airport, the construction of a new third runway and the consolidation of terminals and cargo areas at Narita International Airport, the full opening of the Ken-O Expressway, and the extension of the Kita Chiba Road, together with further functional enhancements to the airport, will significantly improve access to the transportation network in the Tokyo Metropolitan area. With various large-scale developments and community building underway, the area around Narita Airport has considerable potential for growth.



The Bank established the Narita Project Promotion Office in October 2018. For the development of the regional economy, we collaborate with nine cities and towns as well as business operators around Narita International Airport to support development projects and prospective developers.

Overseas business

Financial support utilizing the overseas network

The Bank has an overseas network of six locations (three branches and three representative offices).

We provide support for overseas business expansion through our six overseas locations and partner banks, including the latest information on the investment environment to businesses overseas and customers considering overseas expansion, market development, and financial support for local subsidiaries.



▲ Overseas network

DX (Base I)



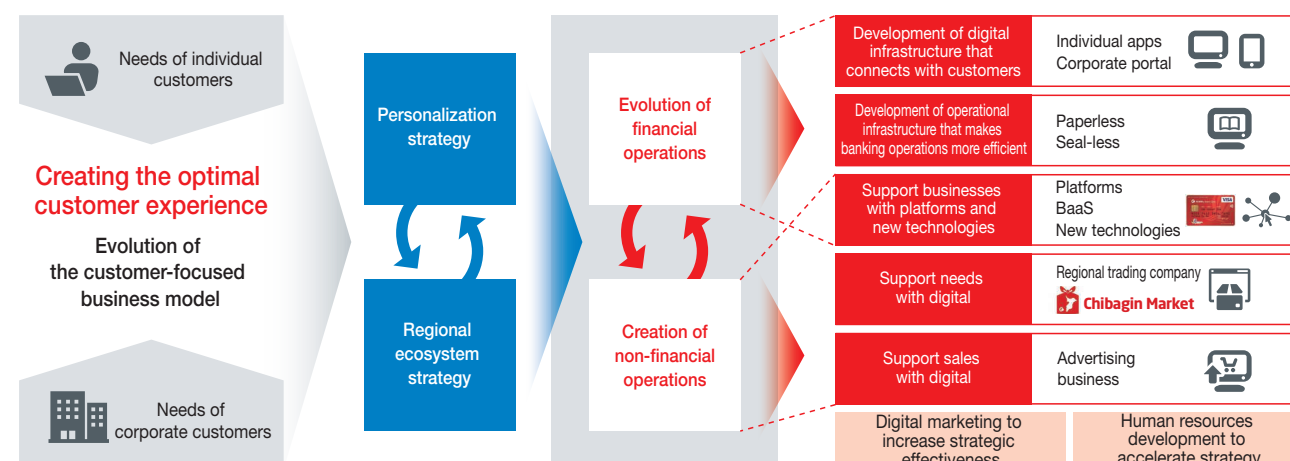
As digital technology advances, DX is an important management challenge for a company to maintain its competitiveness and grow. The Bank Group includes “DX (digital transformation)” as one of the value creation bases in its Mid-term Plan, and will strengthen its DX promotion system and promote sophistication of accompanying human resources, new technology utilization and cybersecurity risk management.

Main Initiatives

DX Strategy

In our DX strategy, one of our basic policies is “Creating the optimal customer experience” through the optimal utilization of our digital infrastructure such as the Chiba Bank app for individual customers and the Chibagin Business Portal for corporate customers, which we have developed to date, to provide customers with the best “Chibagin experience.”

That policy is based on two pillars of “personalization strategy” that utilizes digital marketing to deliver optimal proposals to each and every customer, and “regional ecosystem strategy” that connects local customers with local businesses to develop an active economic cycle. To achieve these strategies, we will create non-financial services including advertising business and concierge services for home purchases while evolving our existing financial services such as app development.



Establishment of Digital Strategy Division

The Digital Strategy Division was set up through merger of parts of the existing Digital Innovation Division and Business Planning Division, to further accelerate DX promotion. We will pursue all processes in an integrated manner, from the pursuit of convenience through direct channel, to the planning and development of DX-related products and services, and their promotion to customers.

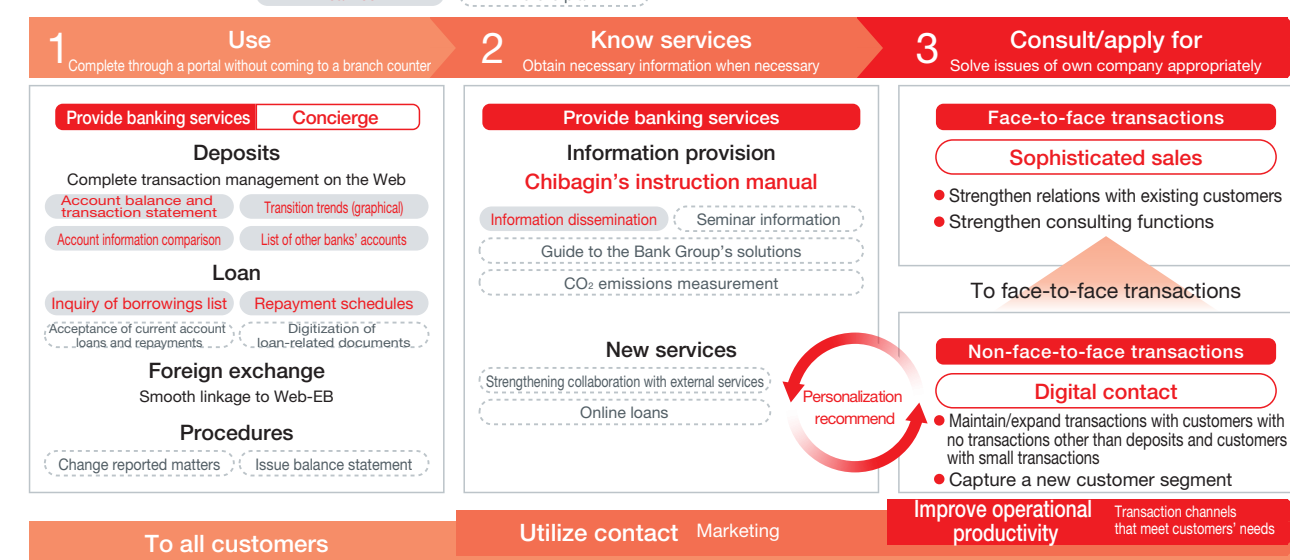
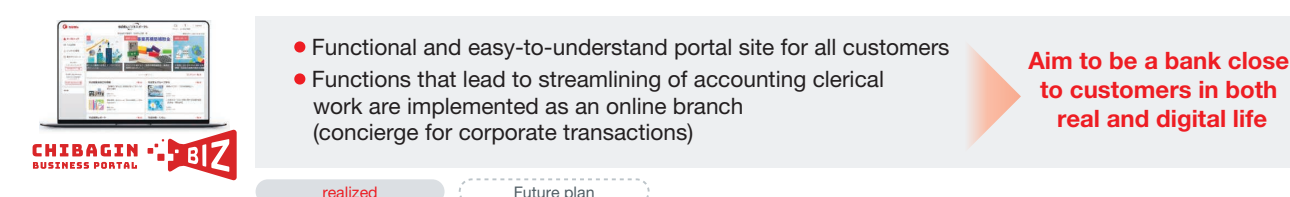
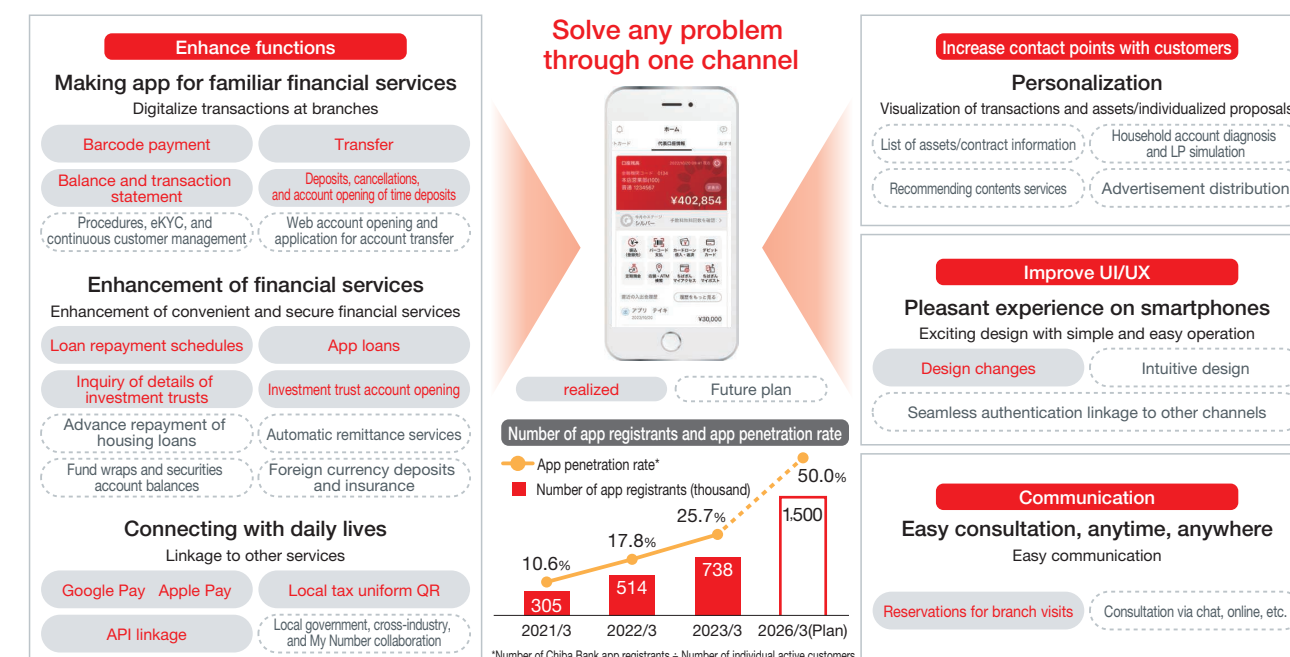
Going forward, in light of the increasing number of transactions through non-face-to-face digital infrastructure such as Chiba Bank app and Chibagin Business Portal, we will review our operations so that transactions can be conducted in the same manner whether face-to-face or non-face-to-face.



Apps/Portal

The Chiba Bank app and Chibagin Business Portal are digital infrastructures that connect with customers, and we are gradually adding new functions to them for creating the optimal customer experience.

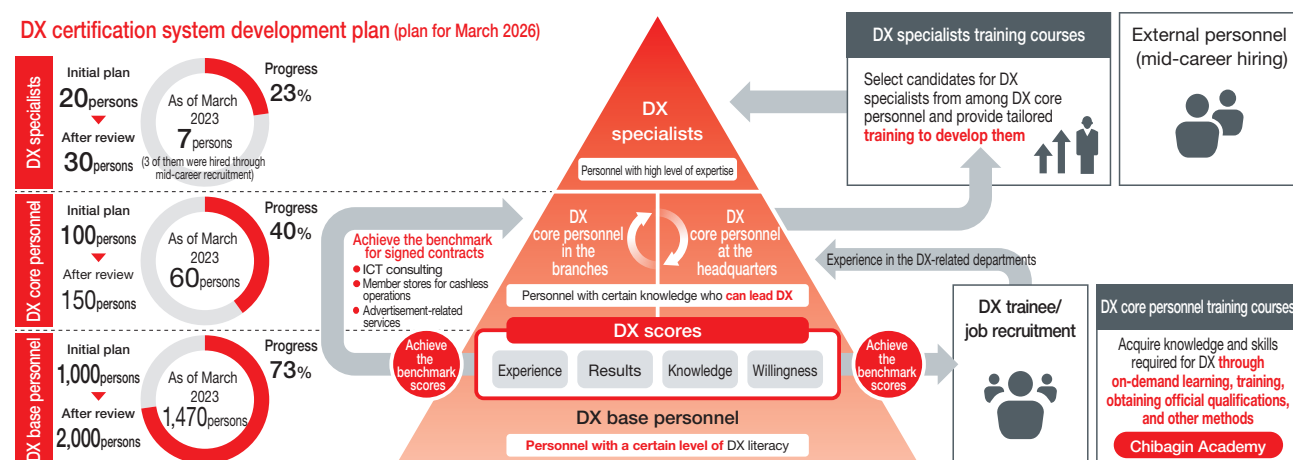
For the Chiba Bank app, in addition to enhancing financial services, we will work to develop functions that connect with customers' daily lives and functions personalized to customers. For Chibagin Business Portal, we are enhancing basic functions as well as developing ancillary functions that are useful for customers' business activities.



DX personnel

The Bank introduced “DX certification system” in October 2021 to systematically develop personnel engaging in DX promotion including the development of apps. We divided the DX personnel into three levels: DX specialists, DX core personnel and DX base personnel. We set requirements to certify each level and work on recruitment and development.

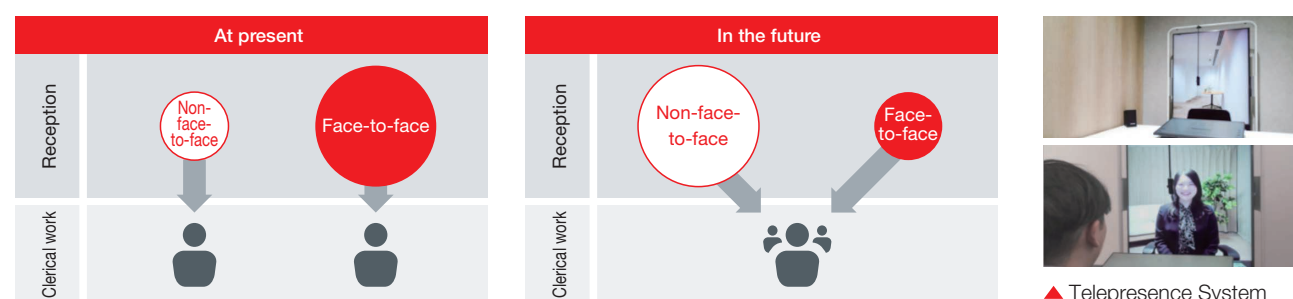
DX base personnel with a certain level of DX literacy is being developed at a rapid pace, as the initial target of 1,000 persons has been achieved in six months. We have revised upward the target number of DX base personnel to be developed in the Mid-term Plan, to further strengthen the promotion system in the future. In our ICT consulting services that support customers’ DX, surveys on the customers’ needs at branches are important. Therefore, regarding DX core personnel, which have been limited to those who engaged in DX operations at the headquarters, we have newly established DX core personnel in the branches to clarify that DX personnel are to be developed throughout the Bank.



Improve operational efficiency

By reviewing workflow and automating operations with RPA, we have reduced workload by 430,000 hours per year for the period from April 2020 to March 2023. Improvement is underway including the introduction of the TSUBASA general-purpose paperless system in June 2022, and we have largely achieved the goal of eliminating the use of paper and seals within the Bank.

In FY2023, we will start providing remote consulting services through Telepresence System “MADO.” Furthermore, we have established an inspection center to centralize the checking functions of branches at the headquarters, which are currently being piloted. Once this center is operational, it will allow us to reduce the number of personnel involved in branch operations, and we will be able to formulate more flexible branch strategies.



Metaverse demonstration experiment

The Bank is considering the use of Metaverse space as one of the channels to provide new customer experiences and approach to new customer segments.

In FY2022, we held Metaverse events for various segments including ones for prospective employees, employees of local governments, and child-rearing generation. We also conducted a survey of users’ receptivity to Metaverse space.

Going forward, we will provide contents and establish a system that will transform customer experiences and strengthen engagement by leveraging characteristics of metaverse such as the ability to communicate through avatars, thereby aiming for speedy business development when the metaverse is widely spread.



Utilization of the INNOVATION LOUNGE

The Chibagin INNOVATION LOUNGE has been created on the first floor of the Chiba Ekimae Branch as a place to launch new efforts by the Group.

At the Chibagin INNOVATION LOUNGE, professional staff explain how to register and use the Chiba Bank app and let customers try the apps on a demonstration device. There are also exhibits of some regional products offered on C-VALUE, the purchasing-type crowdfunding site operated by Chibagin Market Co., Ltd., a regional trading company, and markets being held.



Front view of the Chibagin INNOVATION LOUNGE ▲



Exhibits in the LOUNGE ▶

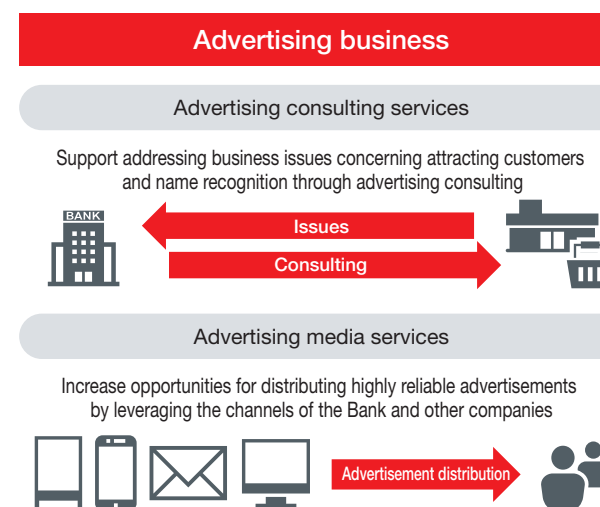
Entering New Business Areas

Entry into advertising business

We will launch a new advertising service with the aim of supporting regional corporate customers in non-financial areas as well.

We will provide two types of services: “advertising media services” in which we place advertisements of customers in the region on advertising media including our various digital signage, Chiba Bank app, emails and ATMs, and “advertising consulting services” in which we propose effective advertising strategies to address business issues concerning attracting customers and name recognition. For customers who are considering advertisement on the internet, we will provide services such as creating websites and posting advertisement on the internet.

We will continue to contribute to the development of the regional communities by providing customers with unprecedented values through entry into new business areas.



GX (Base II)

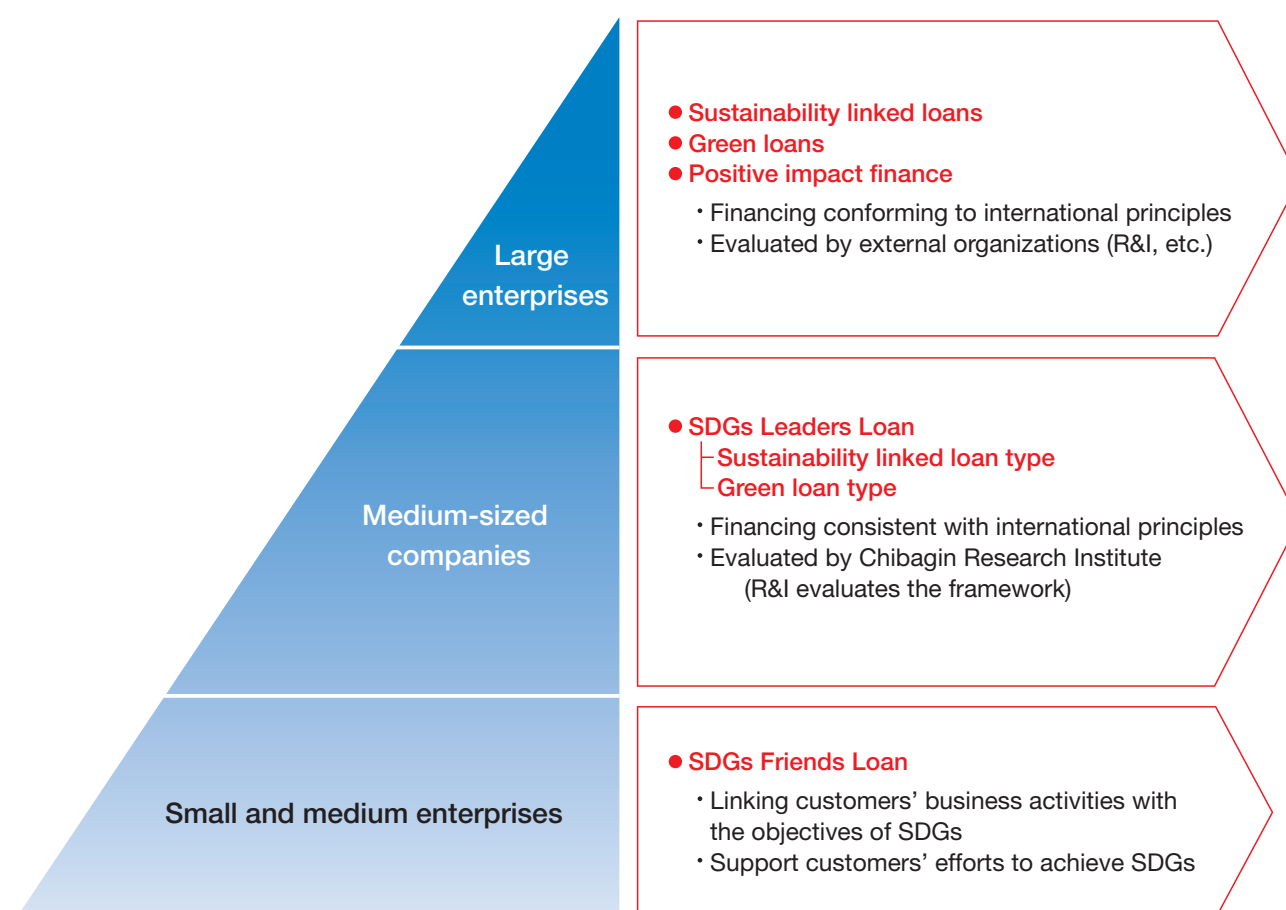


In a sustainable society, GX has become an important social challenge both domestically and internationally to protect the global environment, the most important foundation. The Bank Group will participate in various initiatives to promote its own carbon neutrality, as well as contribute to the realization of a decarbonization in the region through initiatives for sustainable finance for customers and promoting the local production and consumption of renewable energy.

Expansion of Sustainable Finance Products

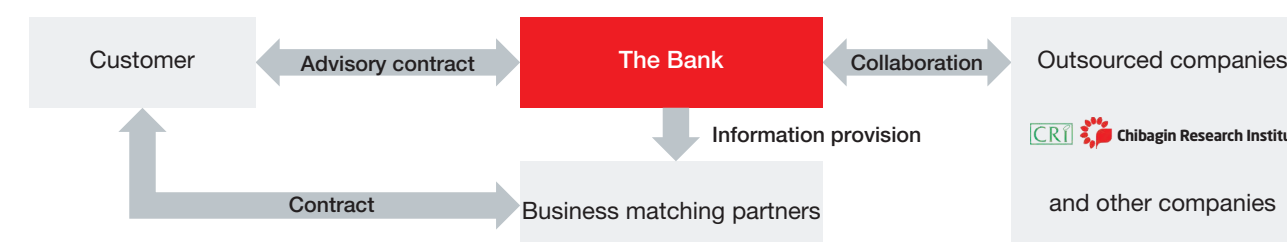
The Bank provides various loan products to promote customers' GX in terms of finance. We offer a product lineup such as the Chiba Bank Sustainability Linked Loan, Chiba Bank Green Loan, and Chibagin Positive Impact Finance primarily for large companies, as loans conforming to the Sustainability Linked Loan Principles and other international principles. In January 2022, the Bank began offering the Chiba Bank SDGs Leaders Loan primarily for medium-sized companies. This is a loan program evaluated and implemented by the Chibagin Research Institute, in which specialized departments of the Bank provide support to businesses that are working on sustainability management for setting effective targets and so forth according to business size and management conditions. We have received a third-party opinion from Rating and Investment Information, Inc. (R&I) regarding the conformity of this product's framework to international principles.

In addition, the Chiba Bank SDGs Friends Loan, which was first offered in 2020, has been used by many customers, primarily small and medium enterprises.



Decarbonization Consulting

The Bank conducts various initiatives to support customers' decarbonization initiatives. We have a wide variety of solution menus and provide consulting services based on the needs of customers, including support for the visualization of greenhouse gas emissions and formulation of greenhouse gas emission reduction plans, and support for the introduction of solar power generation facilities and energy saving facilities in collaboration with business matching partners. We are also developing our own tools to measure greenhouse gas emissions, strengthening a system to comprehensively support customers' decarbonization initiatives.



Participation in GX Implementation Council

The Bank has been involved in the formulation of the basic policy for GX (green transformation) of the Japanese Government, with Mutsumi Awaji, Director and Senior Executive Officer of the Bank, having participated in the GX Implementation Council, which is chaired by Prime Minister Kishida and has held six meetings from July 2022 to June 2023.

"Basic Policy for the Realization of GX - Roadmap for the Next 10 Years -," compiled by the GX Implementation Council, was approved at a Cabinet meeting in February 2023 as the basic policy that leads to the strengthening of industrial competitiveness and economic growth of the Japanese economy, through stable energy supply and the creation of a new demand market in the decarbonization area.

GX League

The GX League was established as a forum for cooperation between a group of companies, the government, universities, and academic and financial institutions to discuss and implement initiatives for the reform of the entire economic and social system for GX, with an eye to achieving 2050 carbon neutrality, under the leadership of the Ministry of Economy, Trade and Industry.

The Bank announced its endorsement of the "GX League Basic Concept" in March 2022, and has participated in the GX League, which began its full-scale operations in FY2023. We will strengthen various initiatives for achieving carbon neutrality, together with participating companies in the GX League.

Established Himawari Green Energy

The Bank established Himawari Green Energy Co., Ltd., a subsidiary with a 100% equity investment, designed to function as a company involved in energy generation in April 2023. GX is one of the "value creation bases" in the Mid-term Plan, and we will contribute to the achievement of a decarbonization within the region through further acceleration of the spread of renewable energy as well as the local production and consumption of energy by independently conducting energy generation operations that utilize renewable energy.

Alliances (Base III)



The Bank provides quality products and services through frameworks of various alliances. The advanced alliance strategy which was established prior to other banks differentiates us from others at a maximum level and has increased our presence. We will strive to enhance corporate value of ourselves and our partner banks by deepening the framework of collaboration of regional banks without resorting to business mergers and utilizing the strength of the alliances.

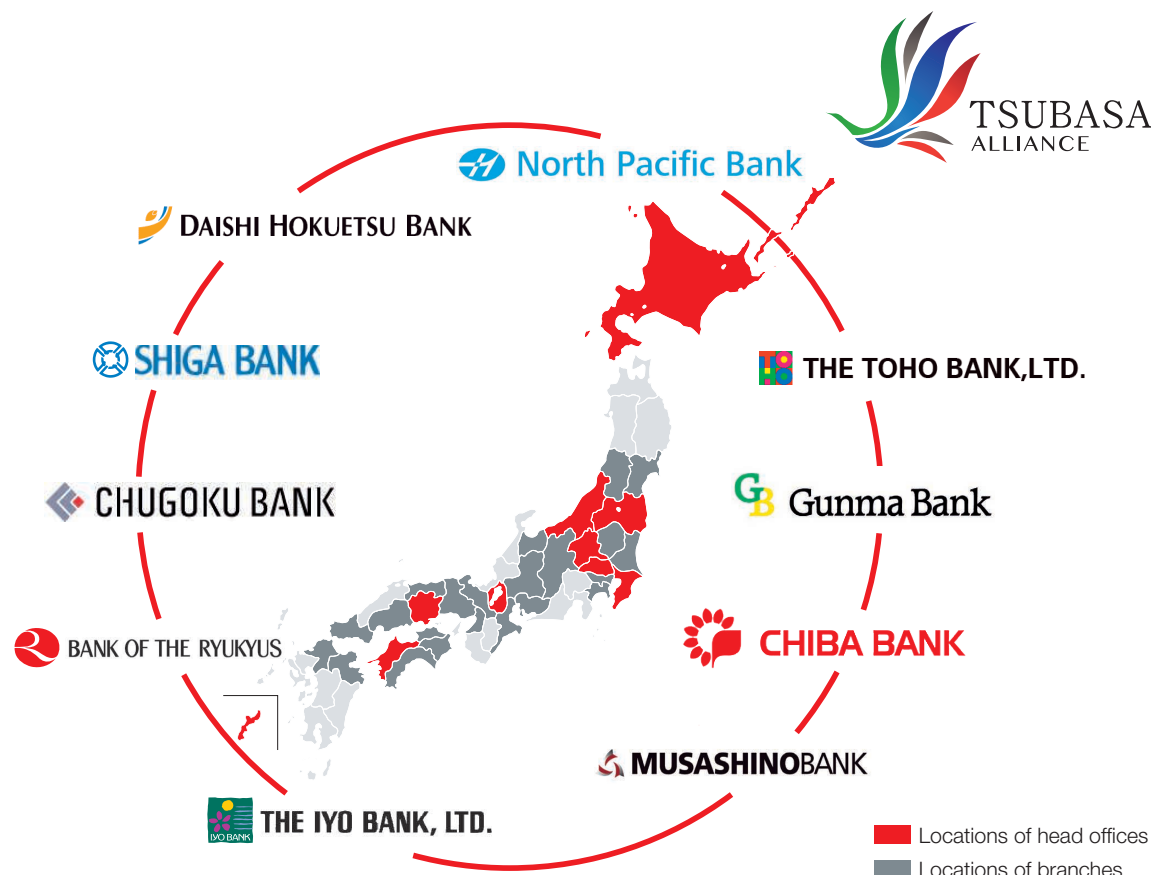
Deepening Alliance Strategy

From FY2022 onward, in addition to our existing alliance partnership, we have started to form a business partnership with Sony Bank to further improve our financial services through DX. We will continue to enhance corporate value by deepening our alliance strategy to provide unprecedented services to customers of ourselves and our partner banks, thereby contributing to the development of the local community.



TSUBASA Alliance

TSUBASA Alliance is expanding in size year by year while firmly maintaining independence of each bank. At present, it is the largest framework of regional alliances in Japan, consisting of 10 top regional banks with solid business foundations. The alliance will further deepen collaboration and joint usage while consolidating the knowledge of 10 banks, and further advance initiatives to increase the top line and reduce costs using the advantage of scale.



Since its launch in 2015, we have taken on initiatives to increase profit and reduce costs using the advantage of scale such as use of joint clerical work and systems, inheritance-related services, international business, and utilization of group companies.

Furthermore, we are also working together on sustainable finance that contributes to solving social and environmental issues, thereby contributing to the realization of a sustainable local community.

● Chosen as main bank by more customers than megabanks

0.14 million companies

● Asset size second to that of megabanks

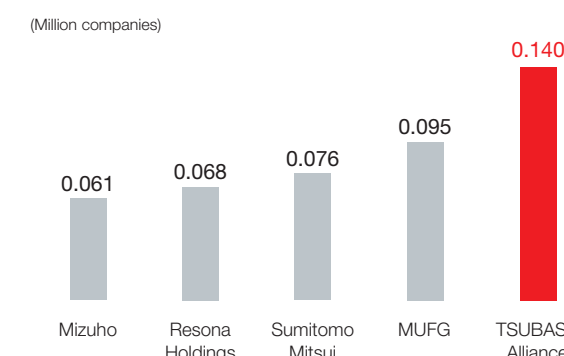
¥94 trillion (as of March 2023)

T&I Innovation Center Co., Ltd.

In July 2016, we established the T&I Innovation Center Co., Ltd., with the aim of conducting FinTech surveys and research, and planning and development of financial services using FinTech.

The T&I Innovation Center is commissioned by TSUBASA Alliance participating banks to plan and develop financial services using FinTech, and to develop and operate “TSUBASA FinTech common platform,” a platform for open API.

Number of main bank customers



Source: Teikoku Databank, “National Survey of Main Banks, 2022”

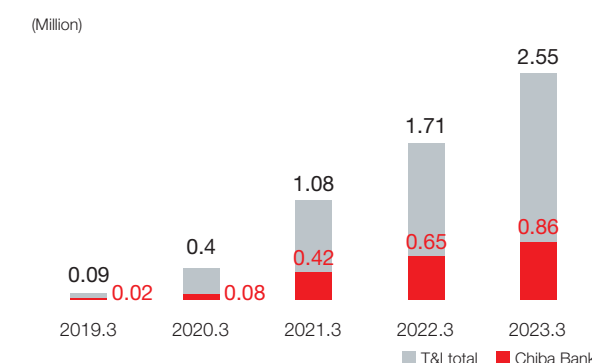
TSUBASA Alliance Co., Ltd.

In July 2020, we established TSUBASA Alliance Co., Ltd., the company jointly funded by TSUBASA Alliance participating banks, to further advance our joint-initiatives with other banks.

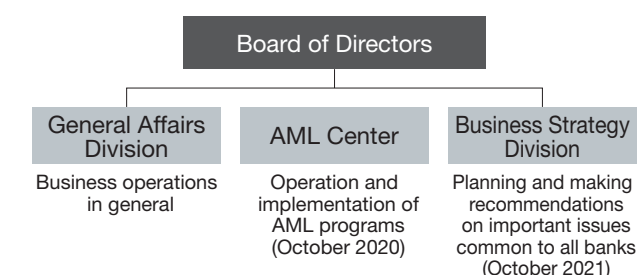
In October 2020, we established the “AML Center” that will work collaboratively on initiatives to prevent money laundering and financing terrorism, which must be addressed under international standards.

In October 2021, the Business Strategy Division was established at the Chiba Bank Head Office, in which staff members dispatched from the participating banks work closely with the planning departments of each bank to plan and make recommendations on how to collaborate, consolidate, and create platforms for important issues that are common to all banks.

T&I number of individual user IDs on the API platform



TSUBASA Alliance Co., Ltd. organization chart



Alliances (Base III)

Chiba-Musashino Alliance

Chiba-Musashino Alliance has implemented joint measures in a wide variety of fields as a comprehensive alliance aiming at collaboration in various fields since its launch in March 2016.

In June 2022, we began using a joint system to issue bills and checks, thereby reducing operational costs for both banks. In addition, Hamamatsucho Corporate Banking Office, established in June 2018 as a joint branch, is scheduled to be renewed as “Hamamatsucho Branch” in December 2023 by succeeding and expanding its operations, as the number of its business partners has increased steadily.

We will continue striving to collaborate in various areas through concentration of both banks’ knowhow.



New 5-year plan for the Chiba-Musashino Alliance from 2021 to 2025

Mission	Provide added value and highly convenient services to our customers and the community by combining ideas of both banks.		
Vision	Realize an image of evolved regional banks as front-runners in regional bank collaboration.		
Measures	Concept	Front-runners in regional bank collaboration	Evolved regional banks
	Create	Collaborate in new areas	Respond to digitalization (such as apps)
	Match	Accelerate standardization and joint usage	Expand the use of joint clerical work and standardization areas
	Advance	Continue and deepen past initiatives	Strengthen existing measures such as assets and joint business

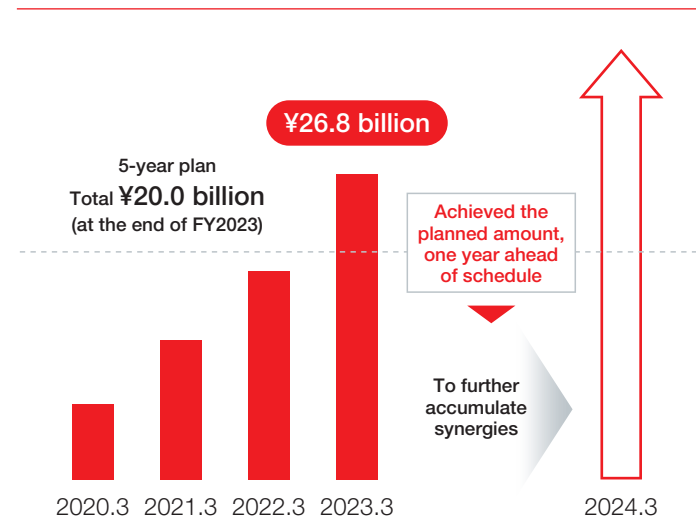
Chiba-Yokohama Partnership

Through joint efforts such as co-syndication of loans, co-development of SDGs Friends Loan, and co-introduction of asset management products, the Chiba-Yokohama Partnership achieved collaboration synergies of ¥10.2 billion in FY2022. The two banks achieved collaboration synergies of ¥26.8 billion total over four years since the start of the partnership, attaining its goal of achieving collaboration synergies of ¥20.0 billion total through FY2023 one year ahead of schedule.

In response to growing needs of sustainable financing mainly from large enterprises, we executed three co-financed sustainability linked loans and green loans, totaling ¥29.0 billion in FY2022. We will continue to promote joint proposals which are in line with the needs of our customers while sharing expertise of both banks.



Collaboration synergies (total of both banks)



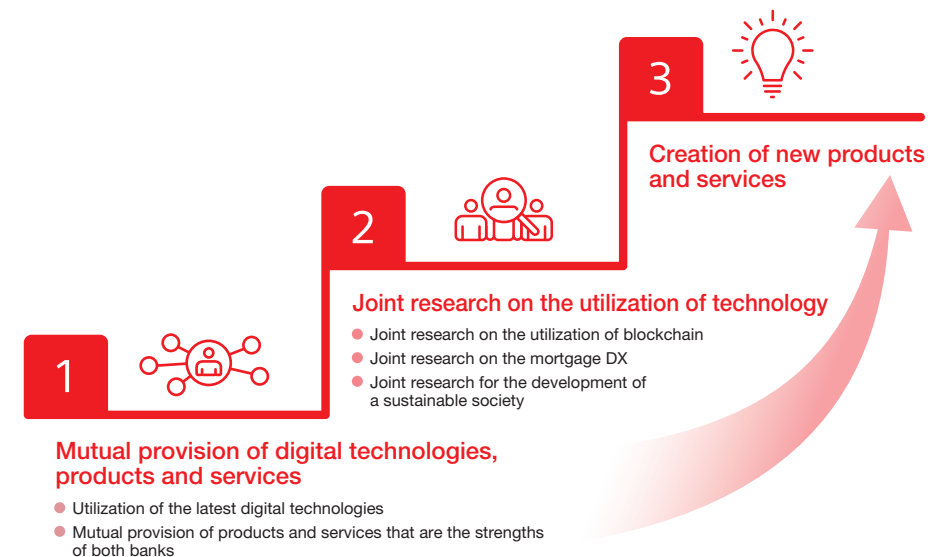
Business Partnership with Sony Bank

In October 2022, we concluded a basic agreement on the business partnership with Sony Bank.

This partnership is a business partnership between the two banks focusing on our joint-initiatives in the digital field, with the aim of concretizing measures while deepening the relationship between the two banks to create new products and services.

In May 2023, we began collaboration with “Sony Bank GATE,” an investment-type crowdfunding platform operated by Sony Bank.

We will complement each other’s strategies to generate significant synergies through cooperation of both banks with different business models (regional bank and online bank), aiming to achieve the sustainable growth of both banks and to enhance corporate value.



Cross-industry Collaboration

Investment in Onionnews Inc.

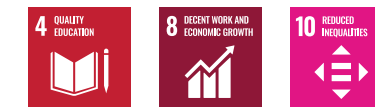
In May 2023, in order to further strengthen relationship with Onionnews Inc., our partner company, we acquired 20% of its shares, making it an affiliate of the Bank.

Onionnews Inc. is engaged in advertising and marketing-related business, headquartered in Chiba City, and has expertise in digital marketing, D2C (Direct to Consumer) business, and planning and operation of various events and projects for regional revitalization.

The Bank Group has cooperated with Onionnews in planning, operation, and other services of digital marketing, C-VALUE, a crowdfunding website operated by Chibagin Market Co., Ltd., and regional events sponsored by the Bank. We are further deepening our cooperative relationship, as we provide web advertising services in collaboration with the company in the advertising business, which the Bank is newly entering for the “evolution of the customer-focused business model,” which is included in our Mid-term Plan.

Going forward, the Bank will continue to contribute to the development of the local community by deepening cross-industry collaboration to provide our customers with unprecedented values including non-financial services that will contribute to the regional revitalization.

Human Capital (Base IV)



The growth and utilization of human resources capable of responding appropriately to the changing business environment is essential to enhancing a company's competitiveness. The Bank Group recognizes that human resources are one of the most important management capital, and is actively investing in human resources development and promoting initiatives that enable individuals to maximize their capabilities.

Human Resources Development Policy and Human Resources Strategy

Chiba Bank Group Human Resources Development Policy

"Become someone who keeps fighting for the customer"

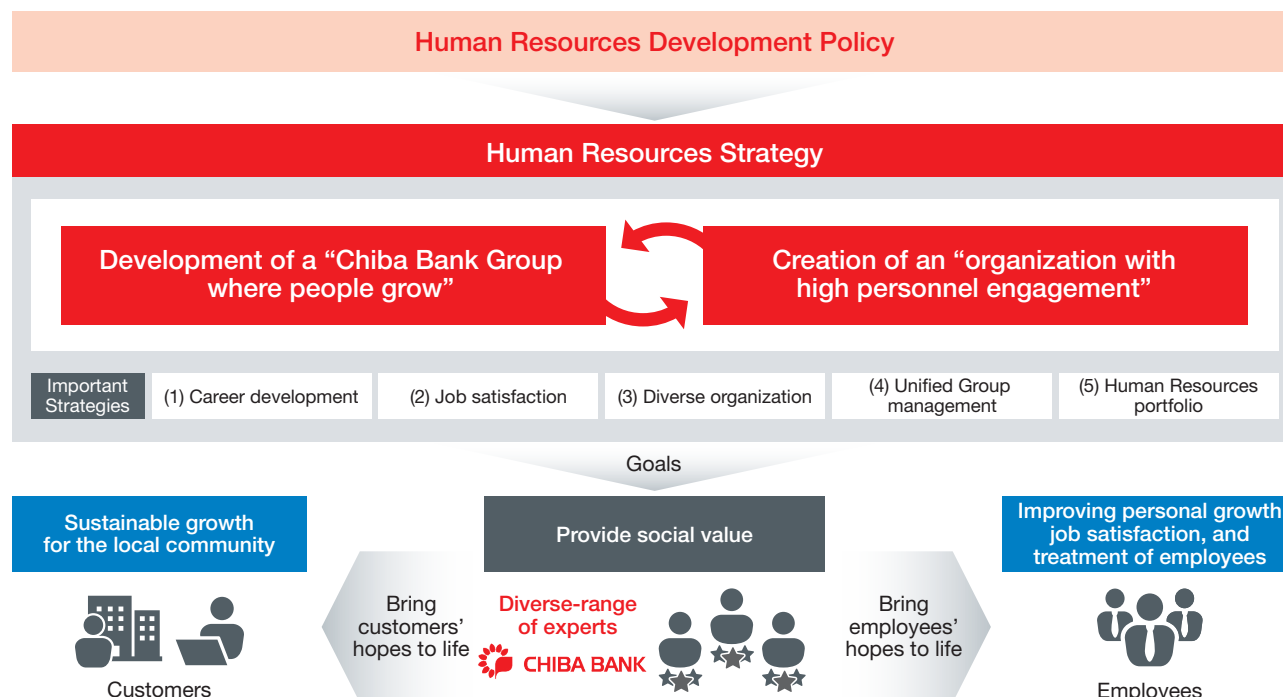
Three core elements	Think things through	Think through everything on your own, and take action and take on the challenge
	Utilize your own strengths	Have your own strengths and expertise
	Gain more supporters	Accomplish while connecting with others

With the aim of the Bank Group becoming an organization that creates new value by bringing together diverse specialists, we have established the Human Resources Development Policy "Become someone who keeps fighting for the customer" with the idea that each and every employee should "be a partner who continues to keep fighting with customers, the community and colleagues."

The three core elements of the Human Resources Development Policy are "think things through," "utilize your own strengths," and "gain more supporters." We strive to develop and retain human resources by providing a variety of opportunities for "training, challenges, and practice" so that employees can refine their own skills and maximize their capabilities.

Regarding our Human Resources Strategy based on the Human Resources Development Policy, we set two major pillars of the "development of a Chiba Bank Group where people grow" and the "creation of an organization with high personnel engagement." We are thus promoting the establishment of an organization that creates new social value.

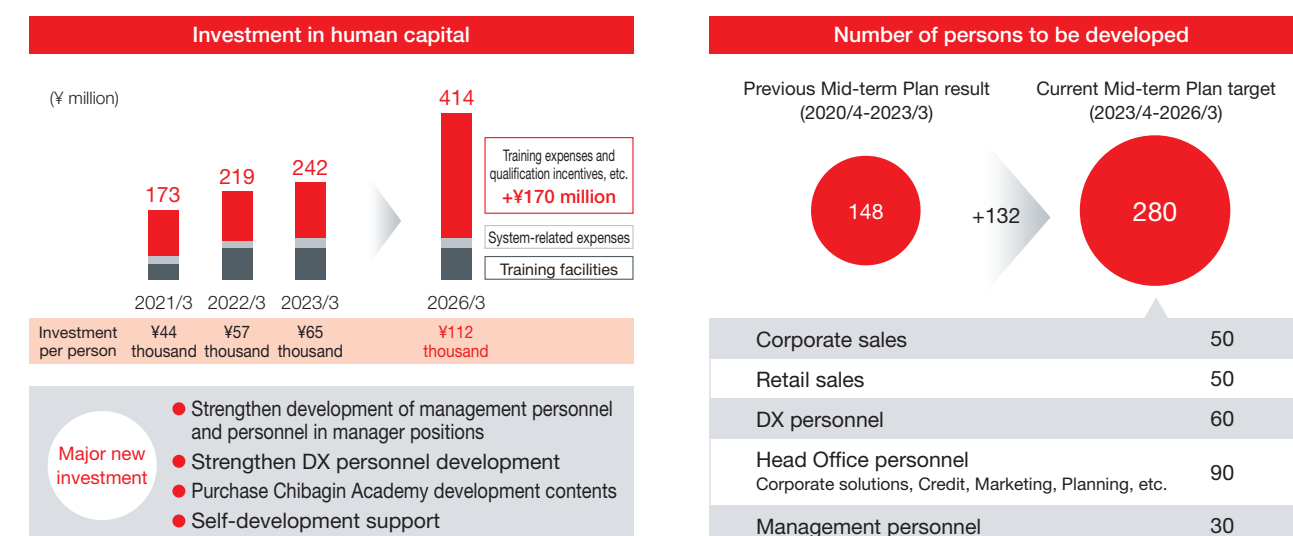
By promoting Human Resources Strategy, we will make the Bank Group an organization with diverse experts that provides new social value, and we will realize our customers' hopes and the sustainable growth of the local community.



Investment in Human Capital

We believe that in order for the Bank Group to provide social value and achieve sustainable development together with the local community, developing human resources responsible for service provision is an urgent issue. Therefore, we will significantly expand our investment in human capital.

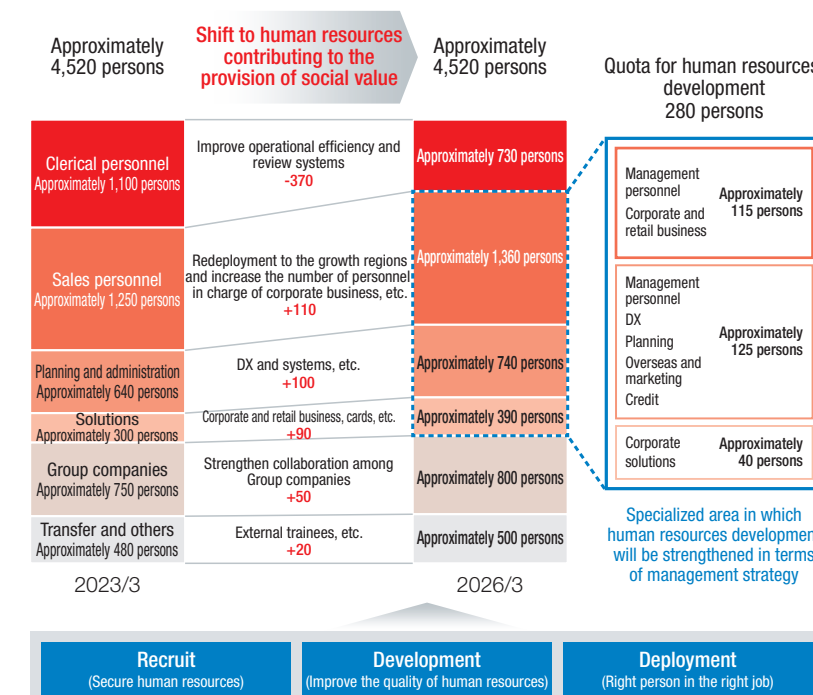
We will secure the budget for human capital investment in training and other human resources development, which is nearly double the previous budget, and expand external training and on-demand learning for specialists. In addition, we will establish a human resources development quota of 280 persons for the period of three years, and actively have them participate in programs to strengthen consulting proposal capabilities for both corporate and retail business, and dispatch them to different industries such as DX and ICT consulting. In this way, we will focus on continuously developing highly specialized personnel.



Human Resources Portfolio based on Management Strategy

We will develop an optimal human resources portfolio for the entire Group to achieve our management strategy. We will shift our human resources to those contributing to the provision of social value in the fields including digital and corporate solutions, by improving operational efficiency and reviewing operational systems, while maintaining the total number of personnel.

We will recruit personnel with high capabilities and potential, develop human resources to hone their expertise, and place the right person in the right job based on each person's strengths and career aspirations. In this way, we will fill the gap in both the quality and number of human resources to create an organization that can achieve the management strategy.



Career Step Support for Each Employee

The Bank believes that employees realizing careers which they themselves hope to pursue will lead not only to value provision to our customers but also to job satisfaction and improved engagement for employees themselves. We are enhancing our career step support initiatives to strongly support each employee to realize his/her career goals.

Employees visualize their own image of what they would like to be at the end of March 2026 when our Mid-term Plan ends, and we are providing opportunities for learning, challenges, and practice to each employee in accordance with his/her own career design.

As an initiative to acquire basic business knowledge and skills required to realize their career goals, we have introduced the learning management system of Cornerstone, the first of its kind among regional banks in Japan, and has established the Chibagin Academy. We have provided an environment where employees can learn anytime, anywhere, with over 4,000 video contents. At the same time, we have also provided functions to recommend leaning contents in accordance with each employee's responsibilities and level.

Development of Specialists

In our Mid-term Plan, we strengthen three axes of "specialists, DX personnel, and management personnel" (See page 49 for more on DX personnel).

We aim to increase the number of specialists who can provide value to customers face-to-face, as we are developing a professional certification system to certify specialists by level based on their operating results and experience.

Regarding the management personnel, from the perspective of increasing the number of personnel who can lead the growth strategies, we have developed and initiated a program system for management personnel development including six-month coaching programs for managers, in addition to dispatching candidates for senior management to external training and cross-industry interaction programs.

Strengthen development of specialists, DX personnel, and management personnel



Specialists	DX personnel	Management personnel
Branches Develop specialists in consulting proposals (1) Professional certification system Development support aiming at obtaining professional certification ● Chibagin Academy ● Practical training Head Office Develop specialists in solutions provision ● Dispatch employees as trainees to other companies or the Head Office for 1 to 2 years (in specialized areas)	DX specialists Specialists training courses DX core personnel DX core personnel training courses DX trainee DX base personnel	Candidates for senior management ● Dispatch candidates to training for senior management (external training, cross-industry interactions, etc.) Managers ● Six-month coaching programs ● Assessment training for department managers, etc.

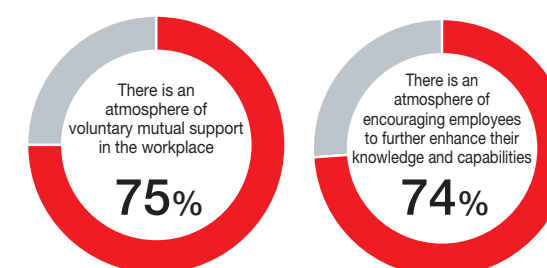
Improve Employee Engagement

The Bank believes that bringing employees' hopes to life will increase employee engagement, and has organized what employees expect from the Bank into five categories of "human resources development," "diversity," "development of workplace environment," "health management," and "financial wealth," and is working on various measures.

We have conducted employee awareness surveys (moral surveys) since 1991, as an initiative to measure employee awareness and organizational issues. From FY2023 onward, we will conduct an "engagement survey," with questions independently designed based on advice from an external consultant, to more accurately understand the status of employee engagement and to improve our Human Resources Strategy and measures.

In addition, as part of the engagement improvement measures, we have created a relay movie "Relay of Thanks," based on the actual voices of gratitude we received from customers, under the theme of "gratitude from customers and neighbors." Through this initiative, we are providing employees with opportunities for reaffirming the significance and motivation of their own work.

Results of employee awareness survey *Ratio of affirmative answers



Relay of Thanks



Health Management and Financial Wellness

The Bank has formulated the "Health Management Declaration" based on the belief that promoting the creation of a rewarding company where employees can work in good physical and mental health will lead to the provision of high-quality services to customers, and promotes measures to maintain and promote employee health.

We also believe that supporting financial wealth of employees (financial wellness) is important, and are promoting new initiatives. In addition to the establishment of a corporate defined contribution pension plan and employees' share ownership plan to encourage employees participation, we have concluded a corporate service agreement with On Ad Co. Ltd. to provide employees with seminars and information materials as well as fee-based asset management consultation services offered by On Ad as part of employee benefit, thereby strengthening our initiatives for financial wellness.

Metrics and KPIs regarding human capital

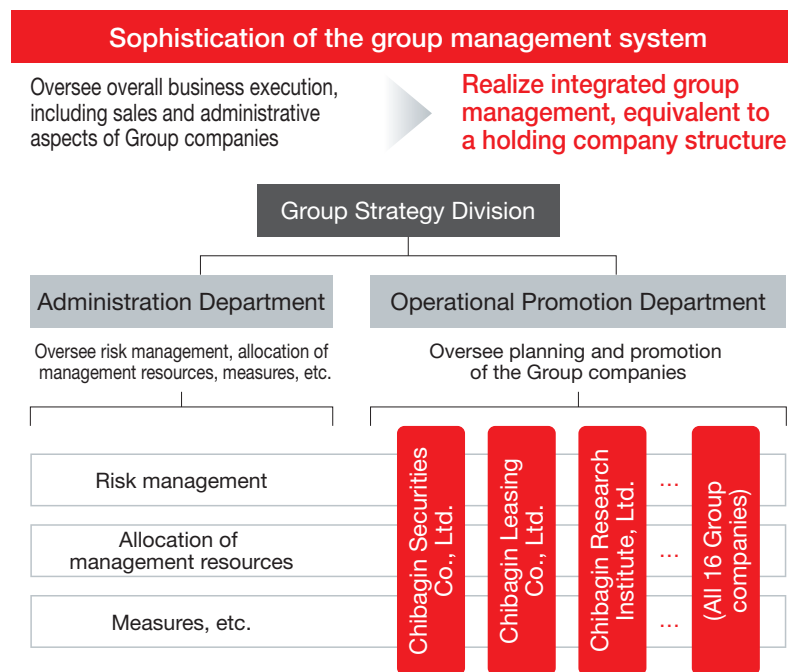
Metrics	KPI (FY2025)	Results for FY2022	Metrics	KPI (FY2025)	Results for FY2022
Investment in human capital	Over ¥0.4 billion	¥0.24 billion	Scores of employee survey (overall attractiveness of the company)	3.7 (5-point scale, all-time high)	3.52
Training hours per person	40 hours	16 hours	Percentage of women in leader positions or higher	30% or higher (by July 2026)	27.2%
Number of specialists to be developed	280 (Cumulative total from FY2023 to FY2025)	148 (Cumulative total from FY2020 to FY2022)	Percentage of men taking childcare leave	Maintain 100% or higher	112.3%
			Percentage of paid leave taken	80%	77.1%

Group Governance (Base V)

The Bank Group's business areas are expanding to provide customers with a wide range of solutions. Group governance is becoming increasingly important to maximize expertise, information, and customer base possessed by Group companies. The Bank newly established the Group Strategy Division in April 2023, and will promote strengthening integrated group management.

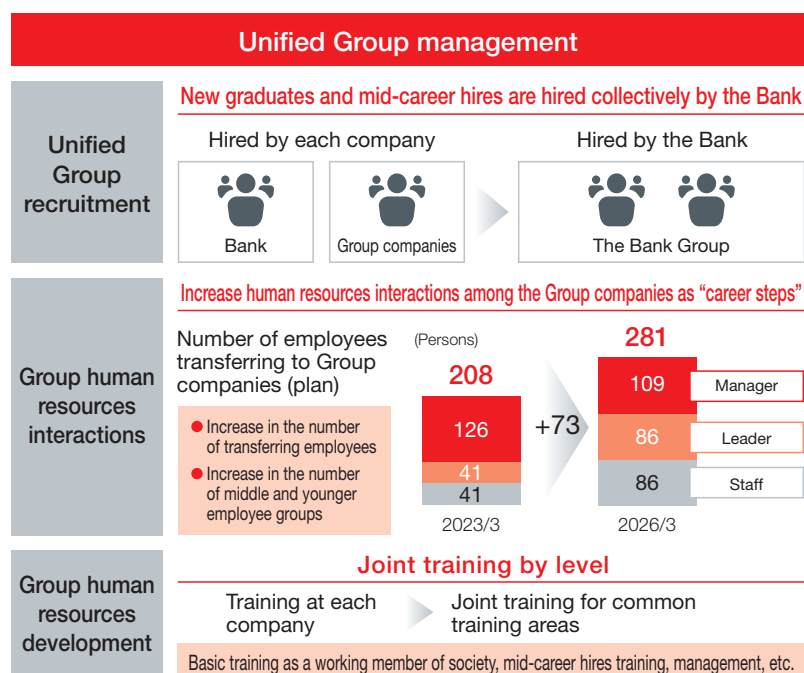
New Establishment of the Group Strategy Division

In April 2023, the Bank newly established the Group Strategy Division to oversee overall business execution, including sales and administrative aspects of Group companies, to realize integrated Group management, equivalent to a holding company structure, and sophisticated Group governance. We will further strengthen collaboration among the Group companies to demonstrate group synergies, including business sophistication and business area expansion, unified group management of the entire Group companies, and realization of optimal allocation of management resources across the entire Group.



Unified Group management of Personnel

In our Mid-term Plan, we will accelerate unified group personnel management and begin unified group recruitment, as well as actively conduct human resources interactions with the Group companies. In particular, by promoting interactions from the Bank to the Group companies and from the Group companies to the Bank when employees are at a younger stage of their careers, we will increase the number of career steps that expand their fields of advancement.



Chiba Bank Group Companies

Leasing and venture capital

Chibagin Leasing Co., Ltd.
Chibagin Capital Co., Ltd.

Research and consulting

Chibagin Research Institute Co., Ltd.
Chibagin Computer Service Co., Ltd.
T&I Innovation Center Co., Ltd.

Credit guarantees and management

Chibagin Guarantee Co., Ltd.
Chiba Servicer Co., Ltd.

Securities and asset management

Chibagin Securities Co., Ltd.
Chibagin Asset Management Co., Ltd.

Staffing service and outsourcing

Chibagin Career Service Co., Ltd.
Chibagin Heartful Co., Ltd.
Sobu Co., Ltd.

Credit card

Chibagin JCB Card Co., Ltd.
Chibagin DC Card Co., Ltd.

Regional trading company

Chibagin Market Co., Ltd.

Energy production business

Himawari Green Energy Co., Ltd.

CHIBA BANK
16
group companies
(As of April 28, 2023)

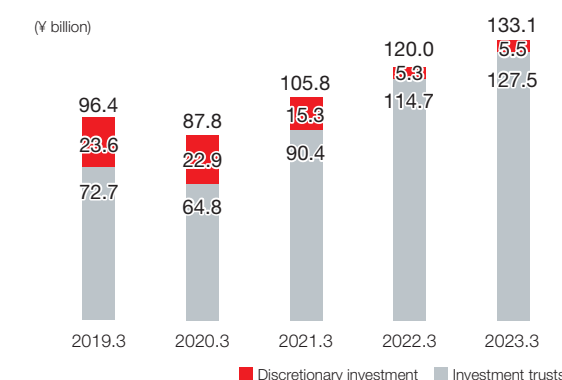
Chibagin Market Co., Ltd.

Chibagin Market Co., Ltd., a company for advanced other banking industry and established in May 2021, has worked on supporting the core business of our business partners and regional revitalization from non-financial area through crowdfunding and operation of an e-commerce website, which is STEP 1 of the business. It is expanding its area of activities including planning and development of new products, communication of the charms of the region and planning of events that contribute to tourism by utilizing the Bank Group's network and strengthening collaboration with local governments, in addition to providing opportunities for digital transactions.

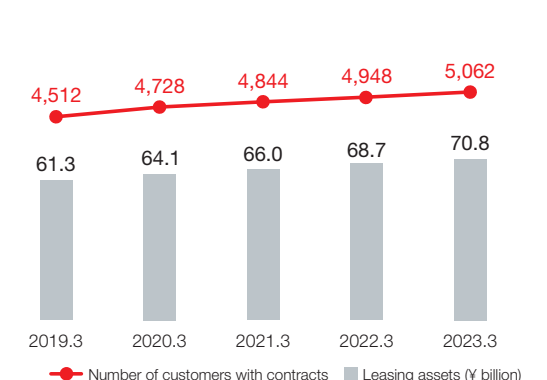
In STEP 2 of the business, it plans to formulate new commercial distribution related to "life events," and newly started housing concierge services in January 2023.



Assets under management of Chibagin Asset Management



Number of customers with contracts and leasing assets of Chibagin Leasing





The Bank Group is a corporate group that fulfills its social responsibility and public mission as a part of society. To instill awareness of compliance more firmly, the Group established the Chiba Bank Group’s Corporate Code of Conduct in April 2021. To remain a bank that is trusted by customers, we are committed to thorough compliance and undertake business activities in an ethical and responsible way.

Compliance Structure

The Bank positions compliance at the foundation of all its business operations, and believes it important to conduct all of our business activities fairly and in good faith, by complying with all laws and regulations relating to banking transactions, by observing all internal rules and regulatory requirements pertaining to our role in society, and by avoiding actions that would fall short of normal social expectations. The Bank thus works to instill compliance across the bank.

As for specific measures, the Bank regularly convenes the Compliance Committee, which is chaired by the President and consists of directors, executive officers, and general managers as members, to review concrete practical plans and measures, etc. to instill compliance. The Compliance and Risk Management Division oversees the Bank’s overall compliance-related tasks such as through the administration of compliance regulations and manuals, the preparation and monitoring of training programs, and periodic checks on the compliance and risk management situations. In addition, each division of the headquarters monitors branch-level compliance and provides advice.

Accepting the issuance of Business Improvement Order by the Kanto Local Finance Bureau to the Bank and Chibagin Securities with the utmost gravity, we intend to formulate and implement recurrence prevention measures, including the strengthening of our compliance structure.

Consistent Implementation of Basic Policies and Formulation of Compliance Program

We established The Chiba Bank Group’s Corporate Code of Conduct to clarify the code of conduct for employees. We also established our Compliance Manual, which contains specific guidelines, to instill these rules.

Every fiscal year, the Board of Directors establishes a compliance program to provide a specific action plan for achieving further improvements in compliance activities.

The execution of this program is checked on a regular basis by the Board of Directors and the Compliance Committee.

The Chiba Bank Group’s Corporate Code of Conduct
1. Establishing Unwavering Trust
2. Providing High-Quality Financial Services
3. Contribution to Regional Economy and Community
4. Thorough Compliance with Laws, Rules and Other Fundamental Principles
5. Transparent Management
6. Respecting Human Rights
7. Responsibility to Help Realize a Sustainable Society
8. Opposition to Antisocial Forces and Prevention of Money Laundering, Etc.

Protecting Customers and Personal Information

To protect customers and offer them greater convenience, all employees of the Bank receive guidance and training designed to ensure that everyone conducts business with sincerity and fairness. We pay particular attention to complex financial products with risks that include the possible loss of principal and to derivative transactions. In these cases, we comply with the Financial Instruments and Exchange Act and always perform proper solicitation and sales activities in line with the Chiba Bank Solicitation Policy. Furthermore, we plan to upgrade follow-up activities for customers who use these types of financial products.

We sincerely listen to requests and complaints from customers and properly deal with disputes, if any, in accordance with the purport of the financial ADR system*1.

We regard personal information*2 as a valuable asset entrusted to us by our customers and strictly manage customer information in accordance with the Pronouncement of Policies Concerning Appropriate Protection and Utilization of Personal Information (Pronouncement Concerning Protection of Personal Information).

*1 The financial ADR system is an out-of-court dispute settlement procedure in the financial sector, designed to solve disputes in a simplified and prompt manner without going to court through the involvement of a fair and neutral third-party organization. The Bank has signed a basic agreement to implement the procedure with the Japanese Bankers Association and the Trust Companies Association of Japan, which are designated dispute resolution organizations under laws and regulations.

*2 Personal information includes personal identification numbers and specific personal information that includes a personal identification number.

Initiatives to Prevent Money Laundering and Financial Crimes

Responding to changes in the internal and external environments, the Bank appropriately evaluates risks of money laundering and financing terrorism involved in transactions it carries out, and takes measures responding to the risks involved, based on the “Management Policy to Prevent Money Laundering and Terrorism Financing Activities.” In addition, we are reinforcing measures to protect customers’ assets from a variety of financial crimes such as wire transfer fraud.

Moreover, to respond appropriately to the expected increase in complexity and sophistication of money laundering and financial crime techniques, we are working out measures to address them with the banks participating in the TSUBASA Alliance, aiming to enhance the measures and improve efficiency.

Initiatives to Strengthen Compliance and Risk Management of the Group Companies

The Compliance and Risk Management Division is enhancing capabilities to oversee and manage Group companies by determining the status of compliance and the risk management of each Group company in a timely and appropriate manner and providing necessary support and guidance, etc. through mutual and detailed exchanges of opinions between the Division and the Group companies.

Opposition to Antisocial Forces

The Bank maintains links with police authorities, lawyers, and other external organizations as a structure to provide appropriate countermeasures against unreasonable demands, interference, or other inappropriate approaches from antisocial forces. Moreover, the Bank has put organized crime disclaimers in various contract documents and deposit account regulations, and is actively taking measures to eliminate relationship with antisocial forces. Furthermore, the group companies are also taking measures similar to those of the Bank to counteract antisocial forces, and the status of implementation of such measures is controlled and managed by the Bank.

Customer-oriented Business Operations



To improve our service and the marketability of the Group’s financial products and various services, we compile feedback, including requests and complaints from customers and the opinions of branches, and step up our responses in our efforts to increase customer satisfaction. As a regional financial institution that works closely with its customers, we will continue to pursue customer-oriented business operations.

Policy on Customer-oriented Business Operations (Fiduciary Duties)

The Chiba Bank Group will strive to create a deeper connection with its customers and build a long-standing relationship with even more customers by providing truly useful, customer-oriented services of high quality.

In asset management-related services, based on our Policy on Customer-oriented Business Operations (Fiduciary Duties), we will strengthen customer-oriented initiatives while regularly disclosing the status of these initiatives and reviewing the policy appropriately in an effort to further improve business operations.

Accepting the issuance of Business Improvement Order by the Kanto Local Finance Bureau to the Bank and Chibagin Securities with the utmost gravity, we are currently reviewing this policy from a customer-oriented perspective to make it more specific and easier to understand and to ensure that such conduct is not repeated.

Policy on Customer-oriented Business Operations (Fiduciary Duties)

Policy items	
1. Pursuing the Best Interests of Customers	4. Provision of Important Information in an Easy-to-understand Manner
2. Appropriate Management of Conflicts of Interest	5. Provision of Services Suitable for Customers
3. Clarification of Fees, etc.	6. Frameworks, etc. for Appropriately Motivating Employees

The Policy on Customer-oriented Business Operations (Fiduciary Duties) and the Status of Initiatives in FY2022 under the Policy on Customer-oriented Business Operations (Fiduciary Duties) are available on our website (Japanese only).

Policy

(URL) <https://www.chibabank.co.jp/company/info/fd/>

Status of Initiatives

(URL) <https://www.chibabank.co.jp/company/info/fd/pdf/fd.pdf>

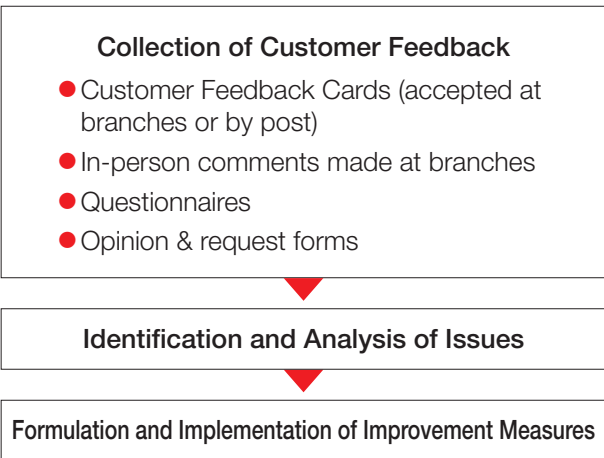
Pursuing the Best Interests of Customers

We provide optimal products and services through consulting and follow-up services by identifying customers’ needs accurately and placing the highest priority on the interests of our customers.

To propose optimal products and services that meet customers’ needs and answer their expectations, we will use employee training and workshops and encourage employees to obtain official qualifications in our efforts to develop human resources who possess advanced expertise. To earn unwavering trust, we will strive to broaden our customer base and fulfill our duty to realize sustainable business as a partner for our customers.

Efforts to Improve Service Quality by Listening to Customer Feedback

We will step up guidance and oversight for the headquarters and branches with an aim to improve the quality of the Group’s products and services by compiling a wide variety of feedbacks including requests and complaints from customers and opinions of branches. Specifically, we will gather information on customer requests and complaints through questionnaires and other means, and after analyzing the trends and causes we will create or revamp products and services from the customer’s perspective. We will also test the effectiveness of these efforts and make further improvements to raise quality.



Quantitative Indicators (KPIs)

Quantitative indicators (KPIs) have been established to check how well the Fiduciary Duties have been instilled. We will conduct improvement activities as necessary based on regular monitoring in an effort to further improve our business operations.

Major KPIs		As of March 31, 2023 (FY2022)
Balance of assets under management of the Group	Actual Results (Combined) of the Bank + Chibagin Securities	¥2,161.4 billion
Number of holders of investment products	Actual Results (Combined) of the Bank + Chibagin Securities	275,894
Average holding period of investment trusts	Actual Results of the Bank	11.0 years
Ratio of sales of diversified funds in investment trusts	Actual Results of the Bank	12.8%
Ratio of sales of Group company products in investment trusts	Actual Results (Combined) of the Bank + Chibagin Securities	9.4%
Ratio of customers by investment profit/loss (ratio of plus customers)	Actual Results of the Bank	65.1%
Ratio of customers by investment profit/loss, including realized profit/loss (ratio of plus customers)	Actual Results of the Bank	70.3%
5-year return of top 20 issues by balance	Actual Results of the Bank	4.64%
5-year cost of top 20 issues by balance	Actual Results of the Bank	1.77%
5-year risk of top 20 issues by balance	Actual Results of the Bank	11.49%
Ratio of customers by investment profit/loss of foreign currency-denominated insurance (ratio of plus customers)	Actual Results of the Bank	52.9%
5-year return of top 20 issues by foreign currency-denominated insurance sales amount	Actual Results of the Bank	0.85%
5-year cost of top 20 issues by foreign currency-denominated insurance sales amount	Actual Results of the Bank	0.89%
Ratio of customers by investment profit/loss of fund wraps (ratio of plus customers)	Actual Results of the Bank	14.9%

Risk Management



As part of our efforts to maintain sound management, the Bank Group has developed a Basic Policy on Risk Management, which focuses on accurate understanding and analysis of risks, promotion of risk quantification and management through figures, and timely and appropriate reporting. We are working in line with this basic policy to build a robust risk management system to manage a variety of risks, including credit risk, market risk, liquidity risk, and operational risk.

Integrated Risk Management System

The principal forms of risk to which banking operations are subject include credit risk, market risk, and operational risk.

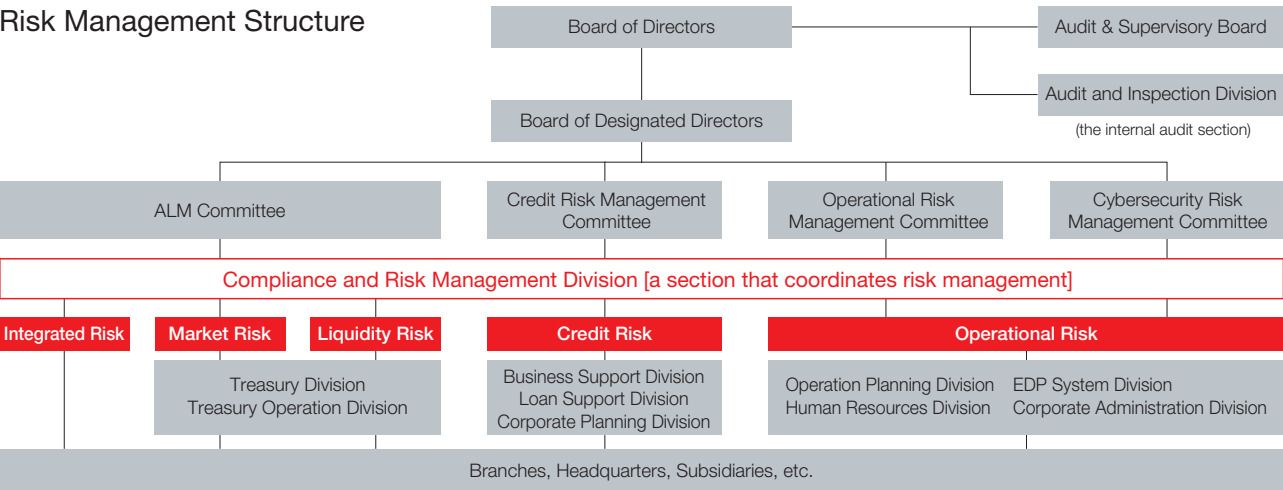
In order to improve profitability and ensure sound management, the Bank considers it necessary to not only manage each of these forms of risk individually, but also to monitor those risks centrally to control them within acceptable overall limits.

Accordingly, the Bank assigns divisions to manage risks for each form of risk, and the Compliance and Risk Management Division centrally monitors these risks and discusses risk countermeasures at meetings of the relevant committees. The Group Chief Risk Officer (CRO) reports the status of risks to the Board of Directors.

To ensure an effective risk management system, the Audit and Inspection Division conducts audits for each risk category to determine whether risk is appropriately managed and reports the audit results to the Board of Directors.

The Bank has introduced top risk management and risk appetite framework (RAF) to strengthen our comprehensive and accurate risk management system.

Risk Management Structure



Three lines of defense: The Bank's risk management system has been built in accordance with the three lines of defense model that the Basel Committee on Banking Supervision recommends in its Corporate Governance Principles for Banks.

First line: Operations divisions, which autonomously manage risks while conducting business operations in compliance with regulations, procedures, and other rules.

Second line: Corporate divisions that have jurisdiction over individual operational risks and the section that comprehensively oversees and manages the broader risks of the Group.

Third line: The internal audit section that evaluates and verifies the appropriateness and effectiveness of the Group's internal management systems from an independent standpoint.

Top Risk Management

The Chiba Bank Group selects those risks surrounding our business that are highly significant in terms of impact and probability as "top risks" in the Board of Directors. In the selection and management of

top risks, a risk map covering a wide range of risks is produced and discussed, including by the outside directors and Group companies, after which a report is presented to the ALM Committee and the Board of Directors. Through top risk-based operations, we are striving to ensure deeper risk communications and sharing of risk awareness within the Group, leading to forward-looking risk management.

Top Risks in FY2023	
● Delays in digital transformation	● Cyberattack
● Decline in profitability due to deterioration in operating base	
● Penalties due to inadequate measures against money laundering	
● Increase in credit costs	● Incidents of misconduct
● Decline in value of owned assets	
● Suspension of business due to large-scale natural disaster/pandemic	
● Major system failure	
● Climate change/carbon neutrality responses	

Integrated Risk Management

The term "integrated risk" refers to the sum of the measurements of credit risk, market risk, and operational risk, which are forms of risk that can be managed by means of risk quantification. The Risk Management Department in the Compliance and Risk Management Division conducts a comparison of quantified integrated risk and capital, verifies the adequacy of capital with respect to risk, and reports the results regularly to the Board of Directors. The department also conducts stress tests, a means of verification of capital adequacy that involves the assumption of certain stress scenarios, such as deterioration of the corporate environment in a period of recession, or a decrease in land prices, and forecasting the increase in the amount of risk based on the scenarios. The results of stress tests are also reflected in capital policies such as dividends and acquisitions of treasury shares.

Furthermore, as a framework for integrated risk management, the Bank has introduced and utilizes a risk capital allocation system to set and manage the maximum amount of risk capital used to control the occurrence of losses.

Credit Risk	Market Risk	Liquidity Risk		Operational Risk
		Funding Risk	Market Liquidity Risk	
The risk of incurring a loss because of a decline in, or total loss of, the value of owned assets as a result of deterioration in the financial soundness of debtors	The risk of incurring a loss due to a change in the value of owned assets as a result of fluctuations in interest rates, prices of securities or other financial instruments, or exchange rates	The risk of incurring a loss due to failure to maintain funding as a result of the inability to secure necessary funds or the necessity of procuring funds at significantly higher interest rates than usual due to the worsening of the financial institution's financial position or other circumstances	The risk of incurring a loss due to the inability to trade on markets or the necessity of trading at prices significantly less favorable than usual due to market turmoil or other circumstances	The risk of incurring losses due to the inappropriateness of business processes, activities of directors and employees, or systems or external events

Credit Risk Management

The Bank has developed a rigorous credit risk management system centered on an internal credit rating system and engages in individual credit management and credit portfolio management. In the self-assessment of assets, the Bank implements appropriate write-offs and provisions.

The Credit Risk Management Committee meets regularly, in order primarily to consider credit risk management policy and to monitor the operation of the internal credit rating system and the credit portfolio.

Market Risk Management

As part of the risk capital allocation system, the Bank sets and manages risk limits, within the scope of the risk capital allocated to the business sectors, for the amount of market risk determined by VaR for each product, such as securities investments and other market transactions or loans and deposits, in an effort to ensure management soundness. In regard to market transactions, moreover, the Bank sets upper limits for market investments according to the balance and alarm point of valuation differences, and implements risk control by reviewing investment policy each quarter.

The market section is divided into the transaction execution unit (front office: the Treasury Division and overseas branches) and the business administration unit (back office: the Treasury Operation Division), and the risk management unit (middle office: the Market Risk Management Department in the Compliance and Risk Management Division) has been established, creating a reciprocal and mutually reinforcing management structure.

Liquidity Risk Management

At the Bank, the Treasury Division is the section that manages funding. The division ascertains the market environment and analyzes the state of investment and procurement of funds. At the same time, it manages funding risk by investing funds within a set limit so as not to procure excessive amounts of funds on the market and by maintaining a certain minimum level of assets that can be converted to cash in a short time. In addition, the Bank manages market liquidity risk by setting limits on daily positions taken in market trading.

As the section that manages risk, the Market Risk Management Department in the Compliance and Risk Management Division strives to avoid increases in liquidity risk by identifying and assessing various factors that affect liquidity risk and monitoring the observance of limits.

For the control of foreign currency liquidity risk, in particular, the Bank holds current assets in an amount that matches cash outflow in stress scenarios, such as the financial crisis, and works to reduce a mismatch in procurement and investment of funds.

The Bank has established a business continuity plan that provides for a rapid response across the Bank in the event of unforeseen circumstances that could affect the Bank's funding.

Operational Risk Management

The Bank categorizes the various forms of operational risk into clerical risk, system risk and cybersecurity risk, human risk, tangible asset risk, and reputational risk, and the corporate divisions that have jurisdiction over operational risks collaborate in performing risk management under the overall management of the Risk Management Department in the Compliance and Risk Management Division.

The Bank has established an Operational Risk Management Committee and developed a management structure for monitoring the state of operational risk losses and improving and correcting problem areas. In addition, to ensure the effectiveness of management, the Bank has introduced Control Self Assessment (CSA).

Clerical Risk	System Risk	Cybersecurity Risk	Human Risk	Tangible Asset Risk	Reputational Risk
The risk of incurring a loss due to the failure to perform accurate clerical work, clerical accidents or fraud, or the failure to perform official obligations or provide explanations to customers	The risk of incurring a loss resulting from a leak or falsification of information owned by the Bank or the unauthorized use, failure, or incorrect operation of computer systems	The risk of incurring a loss from the occurrence of a risk event that falls under system risk due to cyber-attacks from outside parties	The risk of incurring a loss due to workplace safety, discrimination, or the like	The risk of incurring a loss from damage to buildings or facilities, or the like	The risk of incurring a loss due to loss of public confidence resulting from deterioration of the Bank's reputation or the like
Operation Planning Division	EDP System Division		Human Resources Division	Corporate Administration Division	Risk Management Department in the Compliance and Risk Management Division

* The Compliance Management Department in the Compliance and Risk Management Division and the corporate divisions that have jurisdiction over operational risks jointly manage legal risk and compliance-related risk included in the various risk categories.

<Clerical Risk Management>

At the Bank, the Operation Planning Division prepares clerical standards that indicate detailed clerical procedures for each operation and promptly and thoroughly informs each branch regarding matters such as the introduction of new products and the establishment or revision of clerical procedures due to the amendment of laws. In addition, through monitoring, we verify and collect information regarding loss events and identify, evaluate, understand, and manage information regarding clerical risk as well as formulate measures to reduce risk and give guidance for improvement.

<System Risk and Cybersecurity Risk Management>

At the Bank, the EDP System Division and the Risk Management Department in the Compliance and Risk Management Division work together to implement various measures in response to system risks and cybersecurity risks, which have become increasingly important and noteworthy in recent years.

As specific measures against system risk, the Bank duplicates hardware and circuits for backbone systems to ensure continuation of business even in the event of a failure. In addition, the Bank has

implemented the preparation of a contingency plan to provide for unforeseen circumstances such as large-scale disasters and conducts training in preparation for ATM failure on bank holidays.

As measures against cybersecurity risk, we have implemented measures to prevent the intrusion of unauthorized programs including computer viruses and have developed steps to ensure the data protection of important computer systems. We also carry out regular training to ensure the effectiveness of the management and readiness systems that we have developed for the event of a cyber-attack.

Regarding the internet based services that we provide to customers, we take measures to prevent denial-of-service attacks and computer system access by unauthorized persons as well as strictly confirm that each transaction is made by the actual customer. We regularly make efforts to raise the awareness of our employees to the increasing sophistication of impersonation e-mails, as well as the handling of suspicious or unfamiliar e-mails.

As a result of the various measures, we have not experienced a cyber risk event such as a data breach (including information leakage). However, as cyber-attacks are becoming more sophisticated each year, we will continue to collect information and implement measures at appropriate times.

In addition, we endeavor to ensure the security of the laptops, video conferencing software, and other tools that the employees use when working from home or remotely. With these and many other measures, we seek to enhance customer safety and security.

Risk Appetite Framework (RAF)

The Bank utilizes a risk appetite framework (RAF), which is a system to verify the appropriateness of the risk-return balance and the estimated impact of loss in a stress scenario against its risk appetite (types and total amount of risk that needs to be assumed to achieve business plans).

Under the RAF, the Bank operates the risk capital allocation system, verifies the degree of capital adequacy by conducting stress tests, and verifies risk appetite based on highly probable scenario analysis that takes into account changes in the internal and external environment.

The Bank monitors return after capital cost (RACC) to manage risk capital used to earn returns. Using RACC, we verify whether or not we are earning profits that are commensurate with the risk capital used by each division or we can withstand losses caused by economic fluctuations.

Business Continuity System

In addition to the risk management system described above, at the Bank, the Risk Management Department in the Compliance and Risk Management Division and other sections maintain a business continuity system to allow essential operations to continue for the preservation of the financial system during an unexpected disaster such as an earthquake or pandemic disease as well as the rapid restoration of operations that the Bank would be forced to suspend during an emergency.

Currently, while keeping in mind that human life is our first priority, in order to continue providing stable services to customers, the Bank is upgrading its management systems, including its countermeasures against a large-scale earthquake such as an earthquake directly under the Tokyo Metropolitan area, and a variety of risks including storm and flood damage, which has become increasingly severe in recent years, and epidemics.



▲ Mobile branch vehicle



▲ Disaster response headquarters operation drill



Response to Climate Change (Efforts Toward TCFD Recommendations)

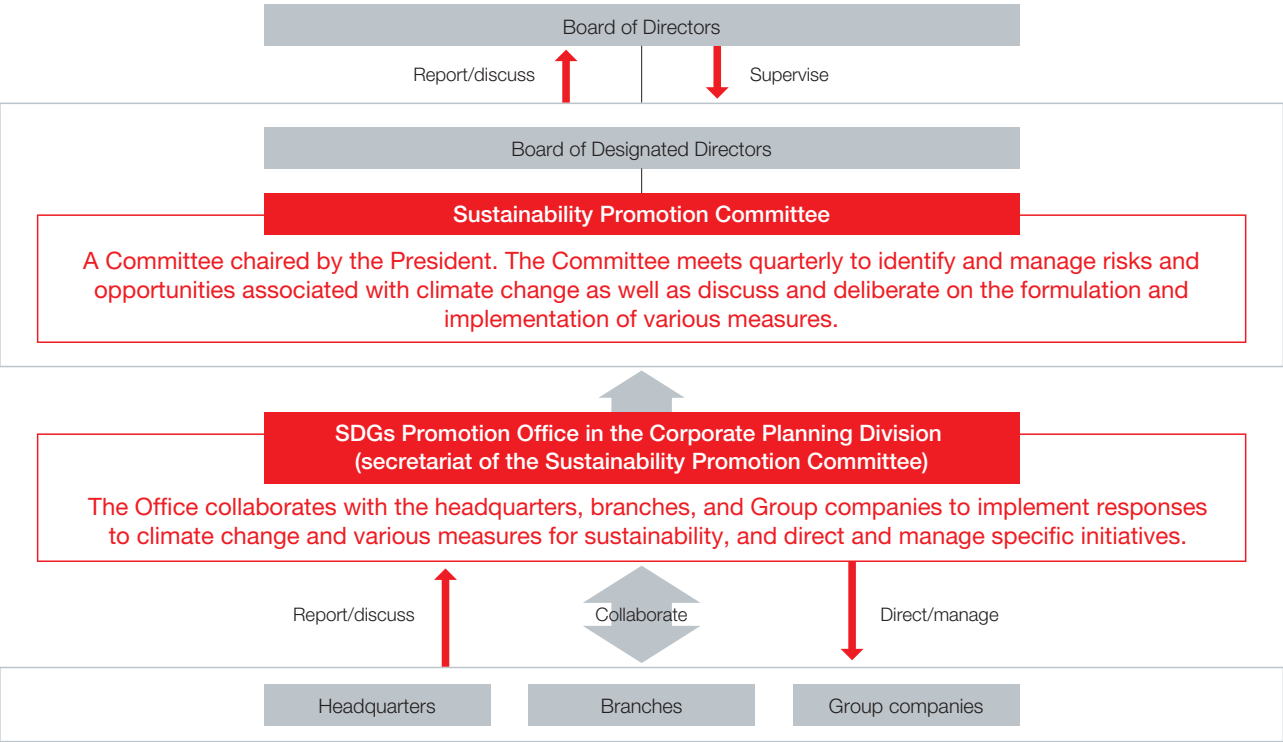
Response to climate change is a common challenge imposed on society as a whole. For companies, in addition to initiatives for climate change, information disclosure to evaluate the effectiveness and objectivity of such initiatives has become an important management issue that requires proactive efforts by companies. The Bank Group announced its endorsement of the TCFD recommendations in December 2019, and has since proactively disclosed information on its initiatives for climate change in accordance with items of the TCFD’s disclosure recommendations.

Efforts Toward the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

Governance

Governance system

The Bank Group has built a flexible and solid governance system to identify and manage risks and opportunities associated with climate change.



Supervision by the Board of Directors

The identification and management of risks and opportunities associated with climate change, and formulation and implementation of various measures are discussed and deliberated by the Sustainability Promotion Committee on a quarterly basis. Discussions and deliberations in the Committee are periodically reported to the Board of Directors. Key initiatives for risks and opportunities associated with climate change are determined at or reported to the Board of Directors after separate discussion by the Board of Designated Directors.

Various policies, management plans, etc. related to responses to climate change

The Bank Group has incorporate items related to responses to climate change into “Chiba Bank Group Sustainability Policy” and various policies and management plans, and taken various measures.

Chiba Bank Group Sustainability Policy	The Chiba Bank Group Sustainability Policy states that we promote environmental initiatives including climate change throughout the entire Group.
Chiba Bank Group Declaration on SDGs	The Chiba Bank Group Declaration on SDGs stipulates that environmental protection is a key priority issue (materiality) to be dealt with, and various measures are being taken against climate change.
Chiba Bank Group Environmental Policy	Based on the recognition that addressing climate change risks is an important issue on the global environment, the Chiba Bank Group Environmental Policy states that the Group takes initiatives aimed at realizing a carbon-free society.
The 15th Mid-term Plan	GX (green transformation) is set as one of the value creation bases in the 15th Mid-term Plan, and initiatives for decarbonization are incorporated as an important strategy of the Mid-term Plan.

Sustainability Promotion Committee

Outline of the Sustainability Promotion Committee and details of responses to climate change discussed, deliberated and reported at the Committee are as follows.

Composition	Chair	President
	Members	Executives participating in the Board of Designated Directors and general managers of the headquarters related to sustainability
	Observers	Outside Directors, etc.
Objectives	Formulation of activities and priority measures related to sustainability, and reporting on the status of initiatives	
Frequency of meetings	Four times a year (quarterly)	
Details	June 2023	Risks and opportunities/information disclosure related to climate change Establishment of Himawari Green Energy Co., Ltd. Sustainability initiatives in the 15th Mid-term Plan
	February 2023	Direction of disclosure regarding SCOPE 3 Protection of biodiversity and participation in the TNFD forum Initiatives for carbon neutrality in 2030
	November 2022	Status of initiatives for sustainable finance Decarbonization advisory services Initiatives for energy optimization for the new Head Office building
	August 2022	Progress status of CO ₂ emissions reduction in the Bank Group Progress of climate change risk management Compliance with the 2015 UK Modern Slavery Act/human rights initiatives at the Bank



Strategy

Risks and opportunities associated with climate change

The Bank Group qualitatively analyzes risks (physical and transition risks) and opportunities associated with climate change over short- (less than five years), medium- (five to 10 years), and long-term (over 10 to 30 years) horizons. Specific risks and opportunities associated with climate change and their impact on the Bank’s business, strategy, and financial plan are as follows.

Risks and opportunities	Specific risks and opportunities and their impact on the Bank’s business, strategy, and financial plan	Time horizon*
Risks		
Physical risks		
Credit risk	Damage to the Bank’s real estate collateral due to large-scale storm and flood	Short to long term
	Deterioration in business performance due to stagnation of business of financing customers as a result of their operations being hampered by large-scale storm and flood to their business locations	Short to long term
	Financing customers closing down their operations due to damage from sea level rises to their business locations	Long term
Operational risk	Interrupting or discontinuing our branch operation as a result of large-scale storm and flood	Short to long term
Transition risks		
Credit risk	Deterioration in business performance of financing customers as a result of revision to climate change laws and regulations and taxes	Medium to long term
	Deterioration in business performance of financing customers as a result of a failure to invest in decarbonization technologies or excessive investment burden in new technologies	Medium to long term
	Deterioration in business performance of financing customers as a result of decreased demand for traditional products and services	Short to long term
	Deterioration in business performance of financing customers as a result of rapid fluctuations in resource prices due to progress toward a decarbonized society	Medium to long term
Reputational risk	Drop in our share price and difficulties in raising funds as a result of the deterioration of the Bank’s reputation due to its continued over-investments and loans in the fossil fuel sector	Short to long term
Opportunities		
Products and services	Profit increase due to initiatives for sustainable finances including renewable energy-related loans	Short to long term
	Profit increase from consulting services related to decarbonization support	Short to long term
	Profit increase due to increases in demand for funds driven chiefly by infrastructure investment for disaster countermeasures and business continuation	Short to long term
Cost reduction	Reduction of operation costs through high-efficiency operations such as saving of energy	Short to long term

* Short-term (less than five years), medium-term (five to 10 years), and long-term (over 10 to 30 years)

Initiatives for risks and opportunities associated with climate change

The Bank Group has identified and recognized risks and opportunities associated with climate change, and taken following measures as its main strategies.

CO ₂ emissions reduction	<p>With the aim of realizing a carbon-free society, the Bank Group is striving to reduce its CO₂ emissions from its own emissions.</p> <p>Energy saving in buildings and introduction of environmentally-friendly vehicles into sales vehicles Introduction of electricity derived from renewable energy sources (facilities the Bank contracts) Establishment of Himawari Green Energy Co., Ltd., a subsidiary designed to function as a company involved in energy generation</p>
Support for decarbonization management	<p>We are engaging in various activities to support our customers’ decarbonization management</p> <p>Support for introduction of greenhouse gas emissions measurement systems, etc. Decarbonization consulting Survey of greenhouse gas emissions using the ESG evaluation sheet Promotion of customer engagement through measurement of Financed Emissions</p>
Strengthen sustainable finance	<p>We have strengthened provision of financial support to customers through sustainable finance with a focus on environmental finance that will contribute to mitigation of and adaptation to climate change risks.</p> <p>Enhancing renewable energy-related loans such as support for construction of solar power generation facilities Provision of various loan products including green loans, sustainability linked loans, and Chiba Bank SDGs Leaders Loan Active investment in green bonds and sustainability linked bonds Setting target for the amount of sustainable finance</p>
Enhance climate change risk management	<p>We have selected items related to climate change as top risks and are strengthening risk management</p> <p>Selecting climate change/carbon neutrality responses as top risks, and implementing risk management directly linked to management such as by reporting to the Board of Directors, etc. Implementing credit management in accordance with the Policies on Loans to Specific Sectors Practicing comprehensive climate change risk management, primarily credit and operational risks</p>

Scenario analysis

The Bank Group analyzes resilience in its strategy, taking into consideration various climate change scenarios including a less than 2°C scenario.

As a result of our analysis based on each scenario, physical risks will be ¥7.0 to 8.0 billion and transition risks will be up to ¥30.0 billion over the analysis period (up to 2050). Considering the Bank’s business performance (¥60.2 billion of profit attributable to owners of parent (consolidated)) and other factors, we recognize that these risks do not pose a significant concern to the sustainability of the Bank’s business at this point.

We will strive to sophisticate our analysis methods for physical and transition risks associated with climate change on a continual basis, to manage risks, take appropriate countermeasures, and disclose information.

	Physical risks	Transition risks
Scenario	RCP4.5 scenario and RCP8.5 scenario (4°C scenario) of the Intergovernmental Panel on Climate Change (IPCC)	IEA’s NZE scenario Net Zero 2050 and Below 2°C scenario of NGFS
Analysis target	The Bank’s real estate collateral (only that for general lending) The Bank’s financing customers (general business corporations)	Oil and gas and coal industries Electric utilities industry Steel industry Chemical industry (added in FY2022)
Analysis method	Analyze the amount of increase in net credit costs based on the deterioration of business performance of financing customers, calculated based on the damage to the Bank’s real estate collateral as a result of typhoon, torrential rain and other storm and flood damage and the percentage of the Bank’s building site submerged	Analyze the amount of increase in net credit costs due to changes in borrower classification by estimating the business performance and financial status of financing customers through 2050, based on the IEA’s NZE scenario and other factors
Analysis period	Up to 2050	Up to 2050
Analysis result	Increase in net credit costs: ¥7.0 to 8.0 billion	Increase in net credit costs: maximum ¥30.0 billion

* The risk status and risk ratio of building use site were analyzed with the support of a weather information company Weathernews Inc.

Joining the Partnership for Carbon Accounting Financials (PCAF)

The Bank joined the Partnership for Carbon Accounting Financials (hereinafter “PCAF”) in December 2022. PCAF is a global partnership that develops methods to measure GHG emissions of recipients financed by financial institutions through investments and loans.

By joining the PCAF, the Bank will utilize the knowledge and databases held by the PCAF to promote initiatives for measuring and disclosing GHG emissions of customers of investments and loans.





Risk Management

Risk identification and assessment

The Bank Group recognizes risks associated with climate change (physical and transition risks) as risks that have significant impact on the management of the Group, and has strengthened management of these risks after having identified and assessed their specific details by time horizon (short, medium, and long term). The Corporate Planning Division and the Compliance and Risk Management Division cooperate to identify and assess these risks, and report the analysis results at the Sustainability Promotion Committee and other meetings.

Top risk management

The Bank Group selects those risks surrounding our business that are highly significant in terms of impact and probability as “top risks” in the Board of Directors. In selecting and managing top risks, a risk map covering a wide range of risk events is produced and discussed, including by the outside directors and Group companies, after which a report is presented to the ALM Committee and the Board of Directors.

We select and manage “climate change/carbon neutrality responses” as one of top risks, to strengthen the management of risks associated with climate change.

Integrated risk management

The Bank Group assigns divisions to manage risks for each form of risk, and the Compliance and Risk Management Division centrally monitors these risks and discusses risk countermeasures. The Group Chief Risk Officer (CRO) reports the status of risks to the Board of Directors. In addition, to ensure an effective risk management system, the Audit and Inspection Division conducts audits to determine whether risks are appropriately managed and reports the audit results to the Board of Directors.

Risks associated with climate change are categorized into credit risk over borrowers’ business activities and operational risk in continuous operation of our branch locations, in light of the results of qualitative and quantitative analyses, and integrated into the above risk management system.

Formulation of Policies on Loans and stricter credit to specific sectors

The Bank Group has formulated and announced its Policies on Loans to Specific Sectors, which apply to industries that have a huge environmental and social impact. The Policies clarify the Bank’s approach to credit including lending to coal-fired thermal power plants.

Furthermore, we have established a stricter credit examination system in which we determine the lending for fossil fuel-related sectors that are considered to have a huge impact on global warming after receiving opinions of divisions in charge of SDGs.

Policies on Loans to Specific Sectors (excerpt)

1. Credit for Newly Established Coal-fired Power Plants
In principle, we will not extend credit to newly established coal-fired thermal power plants. However, in cases where support from the Government of Japan, international development organizations, etc. can be confirmed, as an exception to the above policy, we may carefully consider credit support after taking into account the factors and the background of each individual project, such as power generation efficiency performance and environmental impact, with reference to international guidelines, etc.*
* OECD Arrangement on Officially Supported Export Credit, etc.
For full text of the Policies on Loans including those to other sectors, see our website:
https://www.chibabank.co.jp/english/corporate/policy/specific_sectors/

CDP climate change survey

The Bank obtained evaluation of “A-” in FY2022 climate change survey conducted by CDP*. The Bank obtained evaluation of “A-” for the second consecutive year following FY2021.

* An international non-governmental organization that collects, evaluates, and discloses information on the environment from companies, local governments, etc.

Metrics and Targets

Carbon Neutrality Declaration

The Paris Agreement came into effect in 2016 as an international framework on issues of climate change. The Agreement sets a common global long-term goal of keeping the global average temperature increase well below 2°C above pre-industrial levels and pursuing efforts to limit it to 1.5°C.

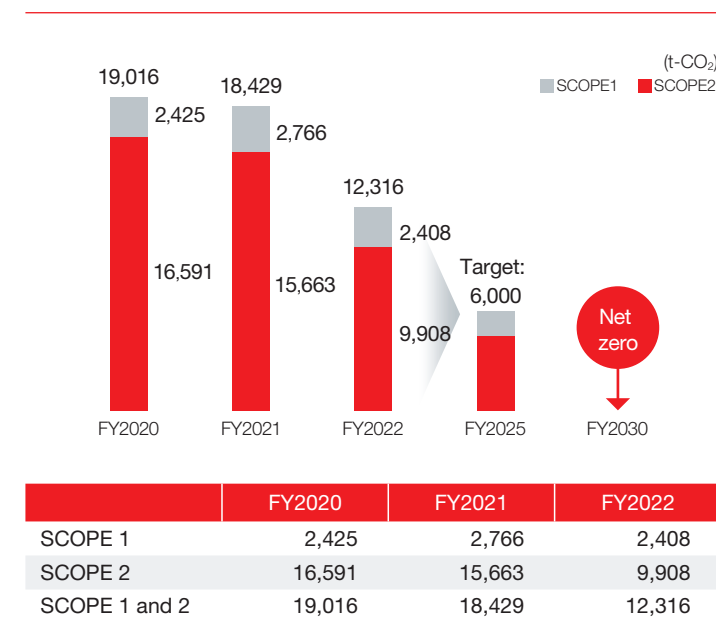
The Bank supports the Paris Agreement and announced its goal of “achieving net zero CO₂ emissions (SCOPE 1 and 2) by FY2030” in March 2022, and has been working on reducing CO₂ emissions.

CO₂ emissions (SCOPE 1 and 2)

CO₂ emissions in FY2022 was 12,316 t-CO₂, a decrease of 33.2% from the previous fiscal year. We will continue to promote energy saving measures such as replacing lighting with LED lighting and introducing environmentally-friendly vehicles. In addition, we are considering installation of a solar power generation plant for the Bank Group, utilizing Himawari Green Energy Co., Ltd., a subsidiary engaged in energy generation business, established in April 2023.

We will strengthen various initiatives for the achievement of our interim target (6,000 t-CO₂) for FY2025 and carbon neutrality in FY2030.

Changes in CO₂ emissions (SCOPE 1 and 2)



- **Switching the electricity the Bank contracts to electricity derived from renewable energy sources**
In October 2022, the Bank switched almost all electricity it directly contracts, excluding some low-voltage electricity, to electricity derived from renewable energy sources. This effort is expected to reduce the Bank Group’s CO₂ emissions by approximately 60% compared to the FY2021 level.
- **Obtaining third-party assurance**
In measuring and disclosing our CO₂ emissions, we have obtained independent third-party assurance from SOCOTEC Certification Japan for emissions in FY2021 (18,429 t-CO₂) and FY2022 (12,316 t-CO₂) to ensure reliability of the figures.
We will continue to conduct third-party verification to ensure highly reliable information disclosure.

Response to Climate Change (Efforts Toward TCFD Recommendations)



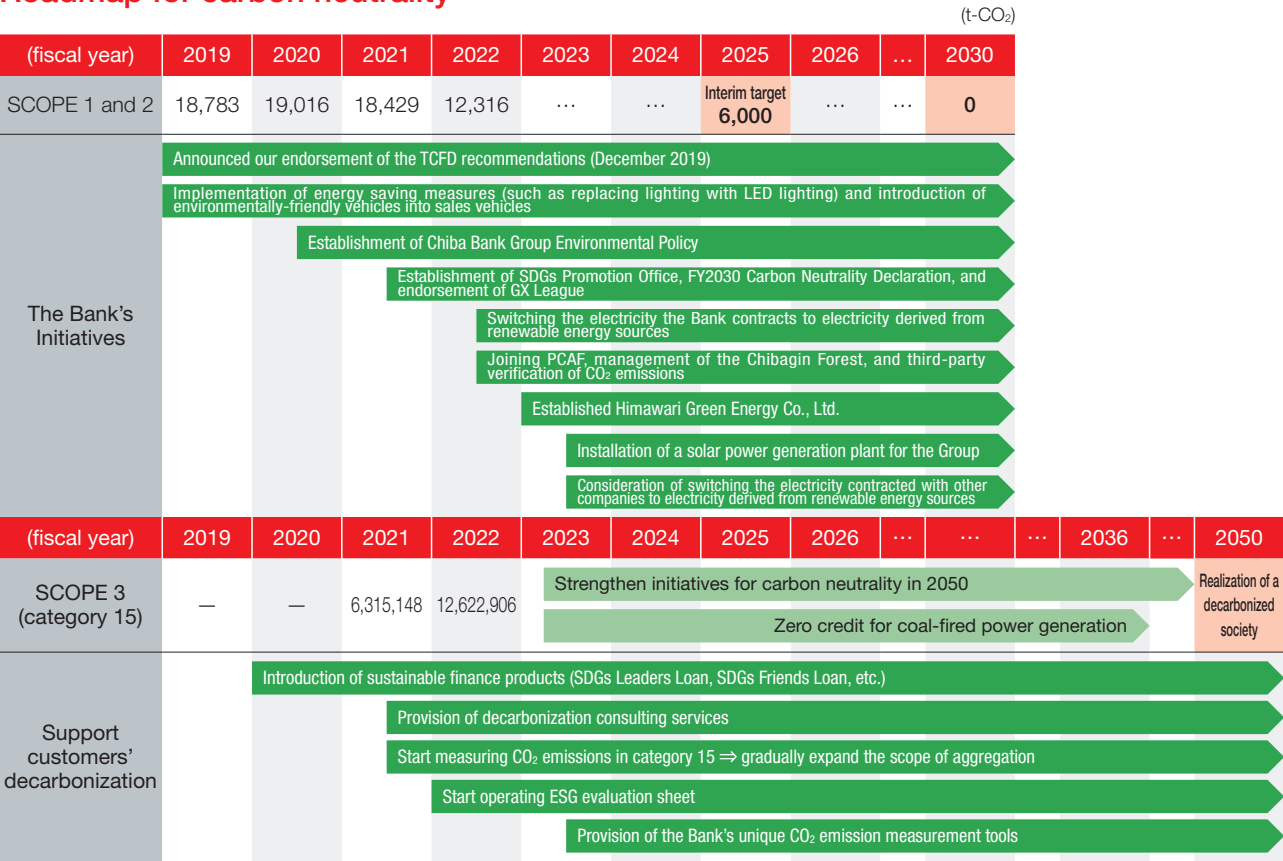
CO₂ Emissions (SCOPE 3)

	(t-CO ₂)		
	FY2020	FY2021	FY2022
Category 1 (Purchased goods and services)	—	—	8,926
Category 2 (Capital goods)	—	—	18,081
Category 3 (Fuel- and energy-related activities not included in SCOPE 1 or 2)	—	—	2,242
Category 4 (Upstream transportation and distribution)	—	—	1,297
Category 5 (Waste generated in operations)	—	—	2,529
Category 6 (Business travel)	540	575	562
Category 7 (Employee commuting)	1,590	1,391	1,436
Category 13 (Downstream leased assets)	—	—	3,805
Category 15 (Investments*)	—	6,315,148	12,622,906

* For FY2021, only those companies that disclosed emissions, mainly listed companies, were measured. For FY2022, the scope of measurement was expanded, and estimate values were used for companies whose emissions were not measured or not disclosed. Loan amount of approximately ¥7.0 trillion (approximately ¥1.5 trillion in FY2021) for companies measured is equivalent to 86.9% of loans to general business corporations, public, and individual business owners.

The Bank has measured and disclosed CO₂ emissions in SCOPE 3 category 15 since FY2021, and expanded the scope of measurement in FY2022. We will continue to expand the scope of measurement through utilization of PCAF database and other resources, while supporting our customers' efforts for decarbonization, and strive to reduce CO₂ emissions in SCOPE 3 category 15 to achieve a decarbonized society in 2050.

Roadmap for carbon neutrality



Promotion of sustainable finance

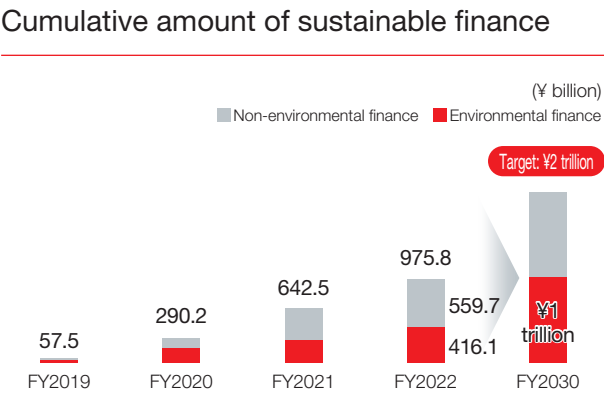
The Bank Group regard the type of investments and loans where proceeds are used to solve environmental and social issues as “sustainable finance,” and have strengthened our initiatives.

Key examples of sustainable finance	
● Sustainability linked loans	● Renewable energy-related loans
● Green loans	● Project finance for creating social infrastructure
● Positive impact finance	● Funds for environmentally-friendly houses (Sustainable Housing Support Discount)
● Chiba Bank SDGs Leaders Loan	● Environmentally-friendly renovation funds (renovation loan)
● Chiba Bank SDGs Friends Loan	● Funds for purchasing environmentally-friendly vehicles (car loans)
● Chibagin SDGs Private Placement Bonds	● Fixed income investment such as green bonds, sustainability linked bonds

Target for the amount of sustainable finance and its results

The Bank sets the target of ¥2 trillion of the amount of sustainable finance from FY2019 to FY2030 (of which target for the amount of environmental finance ¥1 trillion).

The amount of sustainable finance that has executed by FY2022 (fiscal year ended March 31, 2023) is ¥975.8 billion (progress rate 48.8%), and that of environmental finance in it is ¥416.1 billion (progress rate 41.6%).



	Target amount (FY2019 to FY2030)	Actual amount [progress rate] (FY2019 to FY2022)
Sustainable finance	¥2 trillion	¥975.8 billion [48.8%]
Of which environmental finance	¥1 trillion	¥416.1 billion [41.6%]

Status of carbon-related assets

Based on the revision of the TCFD recommendations in October 2021, we have expanded the target sectors for carbon-related assets to include the energy*, transportation, materials and buildings, and agriculture, food, and forest products sectors. The loans, acceptances and guarantees, foreign exchange, and private placement bonds (hereinafter the Loans, etc.) for the carbon-related assets account for around 36.4% of the Bank's Loans, etc. as of March 31, 2023.

Loans, etc. for the carbon-related sector based on the conventional definition of carbon-related assets account for 1.4% of the Bank's Loans, etc. Of which, Loans, etc. for coal-fired power generation account for 0.1% of the Bank's Loans, etc., and credit for coal-fired power generation is scheduled to be zero by the end of March 2037.

* Oil, gas, and electric (excluding renewable energy business) utilities

Initiatives to preserve natural capital

Participation in the Taskforce on Nature-related Financial Disclosures (TNFD) Forum

In order to realize a sustainable society, the conservation of natural capital including biodiversity is becoming increasingly important, in addition to responses to climate change.

In February 2023, the Bank participated in the Taskforce on Nature-related Financial Disclosures (TNFD) Forum in support of the TNFD's initiatives. Through the participation in the TNFD Forum, we will contribute to the establishment of a framework for disclosing nature-related financial information.

Social Contribution Activities



As a regional financial institution, contributing to the local community and solving social issues are our important missions. The Bank Group has set a corporate vision of “an Engagement Bank Group that works closely with the community.” Through a variety of activities, we will work closely with the local community and contribute to their sustainable growth.

Main Initiatives

Donation to a scholarship program created by Chiba Prefecture

In March 2023, we donated ¥10 million to the Chiba Council of Social Welfare to support a scholarship program created by Chiba Prefecture and managed by the council. The program aims to secure learning opportunities for children who are forced to give up higher-level education for financial reasons, targeting former residents of such institutions as children’s homes. We decided to make a donation to the program because we found it conducive to our goal of “provision of social value,” in that the donation encourages children under social care* to be independent.



* Social care refers to a public responsibility to take care of children who cannot live with their guardians due to abuse or for other reasons.

Forest management activities for the Sixth Chibagin Forest

In October 2022, we launched forest management activities for the Sixth Chibagin Forest on Tsurigasaki Beach, located in Torami, Ichinomiya Town, Chosei-gun. These activities strive to restore the coastal shelter forest, which has become sparse due to damage from pine weevils and tsunami caused by the Great East Japan Earthquake. We thus aim to enhance disaster mitigation effects at the time of tsunami and promote tourism by improving the landscape. Under Chiba Prefecture’s corporate forest program, the Bank has engaged in such forest management activities at five mountain forests and coastal shelter forests in Chiba Prefecture. For the sixth forest, approximately 250 volunteers, mainly consisting of the Bank’s executives and employees, planted 7,350 black pine, tobira, and spindle trees. We will continue taking care of the trees, such as clearing underbrush regularly.



Selection as one of the FY2022 Characteristic Initiatives by Financial Institutions, etc. Conducive to Regional Revitalization

In March 2023, “Contribution to the Local Medical Care under the COVID-19 Pandemic - Donation of an ECMO Car and Utilization of the Bank’s Training Center -” was selected as one of the “FY2022 Characteristic Initiatives by Financial Institutions, etc. Conducive to Regional Revitalization” by the Secretariat to the Council for a Vision for a Digital Garden City Nation Realization, a council within the Cabinet Secretariat.



This award recognizes regional revitalization initiatives of financial institutions, etc. that are pioneering or involve collaboration with local governments, etc.

The Bank donated a cutting-edge ECMO car, developed by a local company, to Chiba University Hospital, and provided Chibagin Training Center to Chiba Prefecture for the purpose of using it as a temporary medical facility and recovery accommodation facility. Our initiatives were considered to have helped strengthen the regional healthcare system amid the prolonged impact of COVID-19.



Helping society by underwriting Chibagin SDGs Private Placement Bonds

Since FY2016, the Bank has been offering private placement bonds, where a part of the underwriting commission is donated. Such products have expanded in phases. For Chibagin SDGs Private Placement Bonds, offered since FY2022, a portion of the bond underwriting commission is donated to organizations or used to support companies, etc. of the bond issuers’ choice.

The total amount of donation-type private placement bonds and Chibagin SDGs Private Placement Bonds underwriting by March 31, 2023 was ¥91.7 billion, and the total amount of donation reached ¥156 million.

Title	Chibagin SDGs Private Placement Bonds				
	Mirai Hagukumi-type (former Private Placement Bonds for Regional Revitalization)	Sport Support-type (former Private Placement Bonds for Sports Support)	Healthcare Support-type (former Private Placement Bonds for Healthcare Support)	Environment-Friendly-type	Project Support-type
Donated to	Institutions managing a school, child welfare facility, facility for the disabled, etc.	Local government, athlete, sports team and other organizations, school, etc.	Medical corporation managing a hospital or other medical facility, etc.	Chiba Environmental Restoration Fund or organizations conducting environmental conservation activities	Exclusive project in “C-VALUE*” operated by Chibagin Market

* A purchasing-type crowdfunding website run by regional trading company Chibagin Market Co., Ltd.

Chiba Tournament of “Economics Koshien”

In December 2022, we jointly held the Chiba Tournament of the 17th National High-School Financial and Economic Quiz Championship “Economics Koshien” with the Chiba Kogyo Bank.

“Economics Koshien” is a quiz event intended to spread financial and economic education for high school students who will lead the next generation. The competition was held face-to-face for the first time in three years, where high school students across Japan competed in financial knowledge.

The Chiba Tournament saw 38 participants, or 19 teams, from five high schools in the prefecture. The winning team competed in the National Tournament held in February 2023.



Human Rights and Diversity



Human rights are common universal rights everyone is born with. In the Bank Group, not only executives and employees but also customers and suppliers are working on respect for human rights.

For the promotion of diversity, executives and employees unite to support the employment of women and promote female employees as well as enlighten employees on diversity under the strong leadership of the management.

Initiatives for Respecting Human Rights

Human Rights Policy

We established the Chiba Bank Group Human Rights Policy in November 2020.

The policy states that the Bank Group respects the human rights of all executives and employees to provide a suitable working environment, and will not tolerate discrimination, harassment, or human rights violation based on race, gender, nationality, etc. The policy also asks our customers and suppliers to respect, and not infringe, human rights.

For details of the Chiba Bank Group Human Rights Policy, see our website:
https://www.chibabank.co.jp/english/corporate/policy/human_rights/

Corporate Code of Conduct

We declared the Chiba Bank Group's Corporate Code of Conduct in April 2021.

This code of conduct states the basic policy for carrying out ethical and responsible corporate activities as the Chiba Bank Group, which is a "company" to be a part of society and a "bank" to take social responsibility and public mission. For respecting human rights, the code of conduct states that the Chiba Bank Group respects the human rights of all people, including officers and employees and customers.

For details of the Chiba Bank Group's Corporate Code of Conduct, see our website:
https://www.chibabank.co.jp/english/corporate/policy/behavioral_guidelines/

Complying with the UK Modern Slavery Act 2015

As Chiba Bank has a branch in London, the UK, we have published annual statements for the compliance with the UK Modern Slavery Act 2015 since its establishment.

In particular, the statement of FY2022 stated not only the operation in our London Branch but also an intention that we would eliminate the violation of human rights by slave labor, human trafficking, etc. in the Bank's overall operation to respect human rights, and clarified the non-existence of such human rights violations in suppliers to which our services are entrusted.

For details of the UK Modern Slavery Act 2015, see our website:
<https://www.chibabank.co.jp/english/corporate/pdf/ModernSlavery.pdf>

Supplier monitoring

The Chiba Bank Group explains the Chiba Bank Group Human Rights Policy to all the suppliers (to which our services are entrusted) to obtain the approval of compliance with the policy mainly for respect for human rights, and conducts monitoring once a year to confirm that the suppliers have no violations of human rights.

Initiatives for Promoting Diversity & Inclusion

Acquisition of Platinum Kurumin Plus certification

In April 2022, the "Plus" certification for balancing fertility treatment and work was added to "Kurumin," a certification system to recognize companies that support childcare. The Bank obtained the "Plus" certification in June 2023, becoming Platinum Kurumin Plus certified. By helping employees balance work and treatment, in addition to work and childcare as we have been focusing on, we will create a workplace where diverse employees can feel even more comfortable.



TSUBASA cross-mentor

In August 2022, we established and started the implementation of TSUBASA cross-mentor system jointly with banks in the TSUBASA Alliance. The purpose of this system is to develop female executive candidates. The cross-bank mentoring system aims to develop careers and enhance leadership skills of female employees who are future executive candidates. Taking advantage of the TSUBASA Alliance network, director-class mentors and manager mentees are matched across banks in the alliance for a mentoring relationship.

Diversity-related initiatives

2007	Chibagin Heartful was certified as a special subsidiary pursuant to the Act to Facilitate the Employment of Persons with Disabilities as a regional bank.
2010	Established a short-time work system, work-life balance leave and health management leave.
2014	Established the Diversity Management Committee and the Diversity Management Division, and appointed female general managers (two persons).
2015	Established the Diversity Action Declaration, held a diversity forum, and appointed female outside directors (two persons). Signed the Chiba City Iku-Boss Joint Declaration and opened an in-house nursery facility "Himawari Nursery School."
2016	Introduced diversity management meeting for every workplace.
2017	Assigned the first female Executive Officer.
2019	Established the Chiba Bank Group Declaration on SDGs, the TSUBASA Declaration on SDGs, and the Chiba Bank Group Sustainability Policy.
2021	Assigned the first female internal Director.
2022	Established the TSUBASA Diversity & Inclusion Declaration.
2023	Obtained the Platinum Kurumin Plus certification.

Data on active participation of women

Number of women in senior positions
 ● Director: **3** ● Executive Officer and General Manager: **1**
 ● General Manager: **4**
 ● Positions of General Manager and Senior Deputy General Manager, etc.: **114**
 Percentage of women in leader positions or higher: **28.4%**
(all items as of July 2023)

Data on supporting balance between work and childcare

In-house nursery facilities: **2** in Chiba Prefecture (As of July 2023)
 Percentage of men taking childcare leave: **112.4%** (FY2022)

Data on number of employees with disabilities

Number of employees with disabilities*: **150.5**
* Figure for calculating the Group's employment rate of people with disabilities in FY2022

External evaluation of diversity



Selected as Nadeshiko Brand
(5th consecutive year)



"Platinum Eruboshi"
 certified (the first bank)



Platinum Kurumin Plus
 certified



Selected as New Diversity
 Management Selection 100 Prime



2023 Certified Health & Productivity
 Management Outstanding
 Organizations Recognition Program,
 White 500 (5th time)

2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

The inclusion of The Chiba Bank, Ltd. in the MSCI Index or the use of the MSCI logo, trademark, service mark, or index name does not mean that MSCI or its affiliates sponsor, recommend, or advertise The Chiba Bank, Ltd. The MSCI Index is the exclusive property of MSCI. The names and logos of MSCI and the MSCI Index are trademarks or service marks of MSCI or its affiliates.

Constituent of MSCI Japan Empowering Women (WIN) Select Index

Communication with Stakeholders



To improve corporate value, the Bank Group engages in constant communication with stakeholders. By communicating with stakeholders, we strive to improve the quality of our products and services, as well as detect and resolve issues at an early stage. In addition, we take measures to co-exist and co-prosper with the local community.

Communication with Customers

The Bank utilizes customer feedback to improve management. Opinions, requests, and other feedback from customers, collected through Customers Feedback Cards available at branches, a dedicated toll-free number, our website, and other means are reported to the Quality Improvement Committee. We constantly take measures to utilize such feedback for service improvement.

Communication with Shareholders

General Meeting of Shareholders and IR meeting

The Bank strives to enhance disclosure through the General Meeting of Shareholders, IR meetings, meetings with individual investors, and other IR events.

In addition to IR meetings and individual meetings, we held in FY2022 outside directors discussion meetings, a briefing on DX strategy and sustainability, and other events. Online tools are used to hold IR meetings and individual meetings, so that shareholders and investors can attend them according to their needs. We will continue to disseminate information actively on various occasions.

Directors or Audit & Supervisory Board members, including the President and outside directors, participate in dialogues with shareholders and investors within a reasonable scope. In addition, feedback received in the dialogues are reported to directors and the Board of Directors. We will improve management based on the feedback.

Meetings, etc.	Number of times held	Presenter	Number of participants
The 116th Annual General Meeting of Shareholders	1	Directors, Audit & Supervisory Board members, etc.	60 (In-person attendees)
Briefings for analysts and institutional investors			
IR meetings	2	President, CSO	286
IR Day "DX Strategy, Sustainability, Outside Directors Discussion Meeting"	1	President, CSO, CHRO/CDTO, and three outside directors	55
Small Meeting for financial results announcement	2	CSO	102
Small Meeting "Coalition of TSUBASA System Infrastructure"	1	General Managers of Corporate Planning Division, EDP System Division, and Operation Planning Division	17
Small Meeting "Outside Directors Discussion Meeting"	1	Three outside directors	34
Small Meeting "Human Resources and Diversity"	1	CHRO/CDTO	31
Briefings for individual investors	6	CSO	1,360
Individual meetings with analysts and institutional investors	Total of 173 (of which 53 were with overseas investors)		

* Job titles are those at the time of the meetings, etc.

Dialogue details

Dialogues are held on a variety of topics, such as business performance, capital policy, alliance strategy, DX strategy, sustainability, and human capital. Q&A sessions in briefings for analysts and institutional investors are disclosed on the Bank's website.



▲ IR Day "Outside Directors Discussion Meeting" (April 2022)



▲ IR Day "DX Strategy in the New Mid-term Plan" (April 2023)

Communication with Employees

Opinion exchange meeting with executives

To reflect the voice of frontline branch employees in management, we hold annual opinion exchange meetings with executives. In the opinion exchange meetings, we share our management policies and issues. Q&A sessions constitute the core part of the meetings, where branch employees ask questions related to management, share what they think of day-to-day work, and propose what measures should be taken.

In FY2022, eight executives, including a Director and Senior Executive Officer, held opinion exchange meetings at a total of 112 branches. Feedback from branch employees is reflected in various measures.

Everyone's Feedback Project

Everyone's Feedback Project has been in place since November 2021 to incorporate employees' feedbacks received in human resources-related questionnaires in personnel measures. We thus make work more rewarding and promote career development. Measures we have taken include the April 2023 introduction of job shadowing, a short-term internship program where employees can easily experience work of headquarters and Group companies without being transferred.

Communication with the Local Community

Comprehensive Partnership Agreement on the Creation of a Lively Atmosphere

In October 2022, we concluded a "Comprehensive Partnership Agreement on the Creation of a Lively Atmosphere on National Highway Route 357" with Chiba City and Chiba National Highway Office, Kanto Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism.

This agreement aims to utilize the overground space created by the construction of multi-level underground lanes in the course of improvement works for the coastal Chiba district of National Highway Route 357. The space extends from the intersection in front of Chiba City Hall to the intersection in front of the condominium next to the Bank's head office building, and the public and private sectors will cooperate to create a lively atmosphere in the area and facilitate community development.

In November 2022, "STAY STREET," a social experiment event for the creation of a lively atmosphere, took place. We set up a food truck in collaboration with Chibagin Market Co., Ltd., a regional trading company, and sold Minayoshi rice produced by agricultural corporation Fresh Farm Chiba Co., Ltd.

User needs and time spent in the area will be reviewed, and the public and private sectors will keep working together to improve the attractiveness and value of the area.



Directors, Audit & Supervisory Board Members and Executive Officers

Directors

(As of June 28, 2023)



Chairman
(Representative Director)
Hidetoshi Sakuma

Apr. 1976 Joined the Bank
Jun. 2003 Director, General Manager, Corporate Planning Division, the Bank
Jun. 2006 Director and Managing Executive Officer, General Manager, Head Office, the Bank
Jun. 2007 Director and Managing Executive Officer, Executive Officer in charge of Treasury Division and Treasury Operation Division, the Bank
Mar. 2009 President, the Bank
Jun. 2018 President, Group Chief Executive Officer, the Bank
Jun. 2021 Chairman, Group Chief Executive Officer, the Bank
Apr. 2023 Chairman (Representative Director), the Bank (current position)



President
(Representative Director)
Group Chief Executive Officer
Tsutomu Yonemoto

Apr. 1987 Joined the Bank
Jun. 2016 Executive Officer, General Manager, Business Promotion Division, the Bank
Jun. 2017 Director and Managing Executive Officer, Executive Officer in charge of Treasury Division and Treasury Operation Division, the Bank
Jun. 2018 Director and Managing Executive Officer, Group Chief Business Officer, General Manager, Business Promotion Management Division, the Bank
Jun. 2019 Director and Senior Executive Officer, Group Chief Strategy Officer, General Manager, Corporate Planning Headquarters, Executive Officer in charge of Corporate Planning Division, Public Relations Division, New Head Office Project Office and Corporate Administration Division, the Bank
Apr. 2020 Director and Senior Executive Officer, Group Chief Strategy Officer, Group Chief Digital Transformation Officer, General Manager, Corporate Planning Headquarters, Executive Officer in charge of Corporate Planning Division, Public Relations Division, New Head Office Project Office and Corporate Administration Division, the Bank
Apr. 2021 Director and Senior Executive Officer, the Bank
Jun. 2021 President, Group Chief Operating Officer, the Bank
Apr. 2023 President, Group Chief Executive Officer, the Bank (current position)



Director and
Senior Executive Officer
Group Chief Business Officer
General Manager,
Business Promotion
Management Division
Kiyomi Yamazaki

Apr. 1988 Joined the Bank
Jun. 2016 General Manager, Consumer Loan Business Division, the Bank
Jun. 2017 General Manager, Business Promotion Division, the Bank
Jun. 2018 Executive Officer, General Manager, Chuo Branch and Keisei-ekimae Branch, the Bank
Apr. 2019 Executive Officer, Deputy to Executive Officer in charge of Prefectural Block, the Bank
Jun. 2019 Executive Officer in charge of Domestic Business, in charge of Business Planning Division, Customer Service Division, Business Promotion Division, Corporate Business Division, Regional Revitalization Division, Trust Business Division, Consumer Loan Business Division, Payment Card Business Division, the Bank
Apr. 2020 Executive Officer, General Manager, Head Office and Saiwaicho Sub Branch, the Bank
Jun. 2020 Managing Executive Officer, General Manager, Head Office and Saiwaicho Sub Branch, the Bank
Apr. 2021 Senior Executive Officer, Group Chief Business Officer, General Manager, Business Promotion Management Division, the Bank
Jun. 2021 Director and Senior Executive Officer, Group Chief Business Officer, General Manager, Business Promotion Management Division, the Bank (current position)



Director and
Senior Executive Officer
Group Chief Strategy Officer
Group Chief Digital
Transformation Officer
Mutsumi Awaji

Apr. 1989 Joined the Bank
Jun. 2018 General Manager, Regional Revitalization Division, the Bank
Jun. 2019 Executive Officer, General Manager, Regional Revitalization Division, the Bank
Apr. 2020 Executive Officer, General Manager, Corporate Business Division, the Bank
Apr. 2021 Managing Executive Officer, Group Chief Human Resources Officer, Executive Officer in charge of Human Resources Division and Diversity Management Division, the Bank
Jun. 2021 Director and Managing Executive Officer, Group Chief Human Resources Officer, Executive Officer in charge of Human Resources Division, Diversity Management Division and General Secretariat, the Bank
Apr. 2022 Director and Managing Executive Officer, Group Chief Digital Transformation Officer, Group Chief Human Resources Officer, Executive Officer in charge of Digital Innovation Division, Human Resources Division, Diversity Management Division and General Secretariat, the Bank
Apr. 2023 Director and Senior Executive Officer, Group Chief Strategy Officer, Group Chief Digital Transformation Officer, Executive Officer in charge of Corporate Planning Division, Group Strategy Division, Digital Strategy Division, Public Relations Division and Corporate Administration Division, the Bank (current position)

Directors

(As of June 28, 2023)



Director and
Managing Executive Officer
Group Chief Human
Resources Officer
Takashi Makinose

Apr. 1990 Joined the Bank
Jun. 2018 General Manager, Corporate Planning Division, the Bank
Apr. 2019 General Manager, Hong Kong Branch, the Bank
Apr. 2021 Executive Officer, General Manager, Human Resources Division, the Bank
Apr. 2023 Managing Executive Officer, Group Chief Human Resources Officer, Executive Officer in charge of Human Resources Division, Diversity Management Division and General Secretariat, the Bank
Jun. 2023 Director and Managing Executive Officer, Group Chief Human Resources Officer, Executive Officer in charge of Human Resources Division, Diversity Management Division and General Secretariat, the Bank (current position)



Director and
Managing Executive Officer
Group Chief Risk Officer
Masayasu Ono

Apr. 1990 Joined the Bank
Jun. 2015 General Manager, Hong Kong Branch, the Bank
Jun. 2017 General Manager, Corporate Administration Division, the Bank
Dec. 2018 General Manager, Compliance Division, the Bank
Apr. 2019 General Manager, Corporate Planning Division, the Bank
Jun. 2019 Executive Officer, General Manager, Corporate Planning Division, the Bank
Oct. 2020 Executive Officer in charge of New Businesses, the Bank
Apr. 2021 Corporate Planning Division and Human Resources Division, (Supervisor of regional trading company business), the Bank
May 2021 President and Representative Director, Chibagin Market Co., Ltd.
Apr. 2023 Managing Executive Officer, Group Chief Risk Officer, Executive Officer in charge of Compliance and Risk Management Division and Service Quality Management Division, the Bank
Jun. 2023 Director and Managing Executive Officer, Group Chief Risk Officer, Executive Officer in charge of Compliance and Risk Management Division and Service Quality Management Division, the Bank (current position)

Outside Directors

(As of June 28, 2023)



Director (Outside Director)
Yuko Tashima

Apr. 1979 Prosecutor, Tokyo District Public Prosecutors Office
Apr. 1992 Registered as Attorney at Law, Tokyo Bar Association Attorney at Law, Sawayaka Law Office (current position)
Jul. 2006 Outside Director, Meiji Yasuda Life Insurance Company
Jun. 2015 Outside Director, the Bank (current position)
Oct. 2015 Outside Director, Kyushu Financial Group Inc.
Jun. 2016 Outside Audit & Supervisory Board Member, Tokio Marine & Nichido Life Insurance Co., Ltd. (current position)
Jun. 2021 Outside Director (Audit and Supervisory Committee Member), Kyushu Financial Group Inc. (current position)



Director (Outside Director)
Yasuko Takayama

Apr. 1980 Joined Shiseido Co., Ltd.
Apr. 2006 General Manager, Consumer Information Center, Shiseido Co., Ltd.
Oct. 2008 General Manager, Consumer Relations Department, Shiseido Co., Ltd.
Apr. 2009 General Manager, Social Affairs and Consumer Relations Department, Shiseido Co., Ltd.
Apr. 2010 General Manager, Corporate Social Responsibility Department, Shiseido Co., Ltd.
Jun. 2011 Audit & Supervisory Board Member (standing), Shiseido Co., Ltd.
Jun. 2015 Advisor, Shiseido Co., Ltd.
Jun. 2015 Outside Director, the Bank (current position)
Jun. 2015 Outside Director, Nippon Soda Co., Ltd.
Jun. 2016 Outside Audit & Supervisory Board Member, Mitsubishi Corporation
Jun. 2017 Outside Audit & Supervisory Board Member, Yokogawa Electric Corporation (current position)
Jun. 2019 Outside Director (Audit and Supervisory Committee Member), Cosmo Energy Holdings Co., Ltd. (current position)



Director (Outside Director)
Takahide Kiuchi

Apr. 1987 Joined Nomura Research Institute, Ltd.
Jun. 2002 Head, Japanese Economic Research Unit, Economic Research Department, Nomura Research Institute, Ltd.
Jun. 2004 Deputy Head, Economic Research Department and Head, Japanese Economic Research Section, Financial & Economic Research Center, Nomura Securities Co., Ltd.
Jun. 2007 Managing Director, Head, Economic Research Department and Chief Economist, Financial & Economic Research Center, Nomura Securities Co., Ltd.
Jul. 2012 Member of the Policy Board, the Bank of Japan
Jul. 2017 Executive Economist, Nomura Research Institute, Ltd. (current position)
Jun. 2020 Outside Director, the Bank (current position)

Directors, Audit & Supervisory Board Members and Executive Officers

Audit & Supervisory Board Members

(As of June 28, 2023)



Standing Audit & Supervisory Board Member

Hironaga Fukuo

Apr. 1987 Joined the Bank
Apr. 2014 General Manager, Consumer Loan Business Division, the Bank
Jun. 2016 General Manager, Kashiwa Branch, the Bank
Jun. 2018 Executive Officer, General Manager, Human Resources Division, the Bank
Apr. 2021 Managing Executive Officer in charge of the Credit Unit, the Bank
Mar. 2023 Retired as Managing Executive Officer in charge of the Credit Unit, the Bank
Jun. 2023 Audit & Supervisory Board Member, the Bank (current position)



Standing Audit & Supervisory Board Member

Kazuhiro Kikuchi

Apr. 1983 Joined the Ministry of Finance
Jul. 2011 Director General, Fukuoka Local Finance Branch Bureau
Jul. 2012 Director, Urban Renaissance Agency
Jul. 2014 Councillor, Cabinet Secretariat
Jul. 2016 Executive Director, Federation of National Public Service Personnel Mutual Aid Associations
Jul. 2017 Senior Executive Director, Federation of National Public Service Personnel Mutual Aid Associations
Jun. 2021 Outside Audit & Supervisory Board Member, the Bank (current position)



Standing Audit & Supervisory Board Member

Norikazu Takahashi

Apr. 1985 Joined the Bank of Japan
Aug. 2008 General Manager, Okayama Branch, the Bank of Japan
May 2012 Deputy Director-General, Currency Issue Department, the Bank of Japan
Nov. 2013 General Manager, Sendai Branch, the Bank of Japan
May 2015 General Manager, Information System Services Department, the Bank of Japan
Jun. 2016 Executive Director, The Center for Financial Industry Information Systems Auditor, The Financial Futures Association of Japan
Jun. 2021 Outside Audit & Supervisory Board Member, the Bank (current position)



Non-Standing Audit & Supervisory Board Member

Chigusa Saito

Apr. 1988 Joined the Bank
Oct. 2014 General Manager, Diversity Management Division, the Bank
Jun. 2016 General Manager, Human Resources Division, the Bank
Jun. 2017 Executive Officer, General Manager, Human Resources Division, the Bank
Jun. 2018 Executive Officer, General Manager, Operation Planning Division, the Bank
Apr. 2020 Executive Officer in charge of Special Appointment, the Bank
Jun. 2020 President and Representative Director, Chibagin Heartful Co., Ltd.
Jun. 2023 Audit & Supervisory Board Member, the Bank (current position)



Non-Standing Audit & Supervisory Board Member

Wataru Takahashi

Apr. 1975 Joined the Chiba Prefectural Government
Apr. 2008 Secretary General, Prefectural Assembly, Chiba Prefectural Government
Apr. 2009 Executive Director, Commerce, Industry and Labor Department, Chiba Prefectural Government
Apr. 2010 Executive Director, Policy and Planning Department, Chiba Prefectural Government
Apr. 2012 Executive Director, General Affairs Department, Chiba Prefectural Government
Apr. 2013 Vice-Governor, Chiba Prefecture
Jun. 2021 Outside Audit & Supervisory Board Member, the Bank (current position)

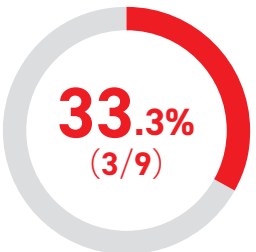
Executive Officers

(As of June 28, 2023)

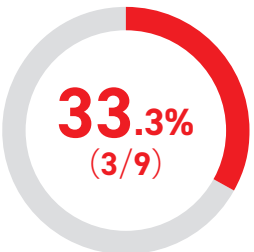
Managing Executive Officer (In charge of Chiba Prefecture Business)
Hiroaki Aso
Managing Executive Officer (In charge of Market and International Business)
Nobukazu Odaka
Managing Executive Officer (General Manager of Head Office and Saiwaicho Sub Branch)
Yoichi Mataka
Managing Executive Officer (General Manager of Tokyo Head Office)
Yusuke Nishimura
Managing Executive Officer (In charge of Credit Unit)
Kyota Izumi
Managing Executive Officer (Group Chief Information Officer)
Kazunari Tanaka
Managing Executive Officer (In charge of Business Outside Chiba Prefecture)
Yukio Mikami
Executive Officer (General Manager of Funabashi Branch)
Junji Nakamura
Executive Officer (General Manager of Chuo Branch and Keisei-ekimae Branch)
Masayuki Sugihara

Executive Officer (General Manager of Regional Revitalization Division)
Eiji Odaka
Executive Officer (General Manager of Service Quality Management Division)
Kazue Miyake
Executive Officer (General Manager of Consumer Loan Business Division)
Masaki Miyauchi
Executive Officer (General Manager of Business Coordination Division)
Akihiro Nagaoka
Executive Officer (General Manager of Human Resources Division)
Atsushi Imai
Executive Officer (Group Deputy Chief Strategy Officer)
Akira Eshita
Executive Officer (General Manager of Digital Strategy Division)
Hideki Shibata
Executive Officer (General Manager of Asset Management and Consultation Division)
Shinichi Ito

Ratio of Independent Outside Directors



Ratio of Female Directors



- Organizational structure: Company with an audit & supervisory board
- Number of Directors: 9
- Number of outside directors: 3 (All of them are independent officers)
- Number of female directors: 3
- Number of Audit & Supervisory Board members: 5
- Number of outside Audit & Supervisory Board members: 3 (All of them are independent officers)
- Number of executive officers: 17
- Number of female executive officers: 1
- Attendance rate of the Board of Directors meetings*: 100% (attendance rate for outside directors: 100%)

*For the Board of Directors meetings held in FY2022
(As of June 28, 2023)

Skill Matrix

Name	Position	Expertise and experience of Directors and Audit & Supervisory Board members					
		Corporate management/ Organizational management	Financial affairs/ Accounting/ Finance	Risk management/ Legal affairs	Regional sales/ Regional revitalization	International businesses/ Market management	IT/ Digital technology
Hidetoshi Sakuma	Chairman (Representative Director)	●	●	●	●	●	●
Tsutomu Yonemoto	President (Representative Director) Group Chief Executive Officer	●	●	●	●	●	●
Kiyomi Yamazaki	Director and Senior Executive Officer Group Chief Business Officer General Manager, Business Promotion Management Division	●	●	●	●	●	
Mutsumi Awaji	Director and Senior Executive Officer Group Chief Strategy Officer Group Chief Digital Transformation Officer	●	●	●	●		●
Takashi Makinose	Director and Managing Executive Officer Group Chief Human Resources Officer		●	●	●	●	
Masayasu Ono	Director and Managing Executive Officer Group Chief Risk Officer	●	●	●	●	●	
Yuko Tashima	Director (Outside Director)	●		●			
Yasuko Takayama	Director (Outside Director)	●		●			
Takahide Kiuchi	Director (Outside Director)		●	●		●	●
Hironaga Fukuo	Standing Audit & Supervisory Board Member	●	●	●	●		
Kazuhiro Kikuchi	Standing Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	●	●	●	●	●	
Norikazu Takahashi	Standing Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	●	●	●		●	●
Chigusa Saito	Non-Standing Audit & Supervisory Board Member	●	●	●	●		
Wataru Takahashi	Non-Standing Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	●	●	●	●		

*The list does not represent all the expertise and experience possessed by each person.

Corporate Governance Structure

The Bank Group bases all of its corporate activities on the Chiba Bank Group's Corporate Code of Conduct. In addition, in the mid-term plan, we have included "Group Governance" as one of our value creation bases as part of our drive to advance the level of corporate governance.

In complying with the Code and realizing these policies in our efforts to further strengthen and enhance corporate governance, we will contribute to the realization of a sustainable local community through appropriate cooperation with diverse stakeholders and strive for sustainable growth and the improvement of corporate value in the medium to long term.

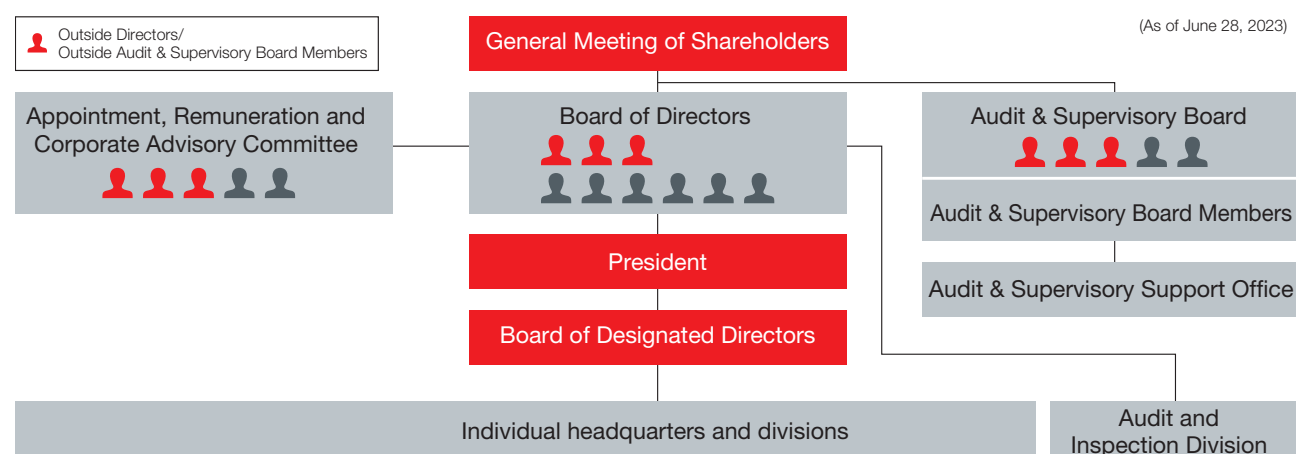
Initiatives to Strengthen Governance

Corporate governance has been enhanced through such measures as the executive officer system introduced in 2003 and the appointment of outside directors which began in 2013.

Currently as of June 28, 2023, we have a 33.3% ratio of outside directors (3 out of 9) and 33.3% ratio of female directors (3 out of 9).

2003	Introduced the executive officer system	2019	Conducted evaluation on the effectiveness of the Board of Directors by collaborating with an external evaluation firm
2010	Abolished directors' retirement benefits Introduced equity-based remuneration in the form of stock options		Formulated the "Policy on Corporate Governance"
2011	Put the Audit and Inspection Division under direct control of the Board of Directors	2020	Assigned Group Chief Digital Transformation Officer (CDTO)
2013	Appointed an outside director	2021	Assigned Group Chief Human Resources Officer (CHRO)
2015	Began evaluating the effectiveness of the Board of Directors Appointed two female outside directors Established the Corporate Advisory Committee (currently the Appointment, Remuneration and Corporate Advisory Committee)		Revised the director remuneration framework Abolished the position of Advisor role and reviewed the content of Advisor to the President Assigned the first female internal director
2018	Formulated the Information Disclosure Policy Introduced the Group Chief Officer System Raised the ratio of outside directors on the Board of Directors to one-third	2022	Appointed an outside director as the chair of the Appointment, Remuneration and Corporate Advisory Committee
		2023	Established the Group Strategy Division that oversees overall business execution of Group companies

Corporate Governance Structure



Board of Directors

The Board of Directors consists of nine directors, including three independent outside directors (the ratio of outside directors is 33.3%). The Board of Directors makes decisions about management policies and other important matters and supervises the execution of business by the directors and executive officers.

The Bank has also adopted an executive officer system. This system provides for the clear separation of the roles of the directors, who reach decisions on important matters, supervise the execution of business operations, and perform other tasks, and the role of the executive officers, who conduct business operations.

In response to the issuance of Business Improvement Orders by the Kanto Local Finance Bureau to Chiba Bank and Chibagin Securities, we acknowledge the importance of actions such as advancing the level of Group governance, and we will engage in efforts such as strengthening supervision by the Board of Directors.

Main decisions and reports

1st quarter	<ul style="list-style-type: none"> Status of cross-shareholdings Progress status of mid-term plan Top risk management method 	<ul style="list-style-type: none"> Evaluation of the effectiveness of the Board of Directors Status of alliance and partnership activities Policy on Customer-oriented Business Operations
2nd quarter	<ul style="list-style-type: none"> Compliance with the 2015 UK Modern Slavery Act and status of SDGs initiatives Status of activities by sales divisions of Group companies Dialogue with shareholders 	<ul style="list-style-type: none"> Joint implementation of external evaluation, etc. of internal audit structure Acquisition of treasury shares Progress toward numerical targets for promotion of women to managerial positions and future plans
3rd quarter	<ul style="list-style-type: none"> Progress status of DX initiatives Status of compliance program implementation Status of integrated risk management Status of risk management in Group companies 	<ul style="list-style-type: none"> Appointed the chair (outside director) of the Appointment, Remuneration and Corporate Advisory Committee Status of initiatives for human resources strategy
4th quarter	<ul style="list-style-type: none"> Formulation of Purpose and Vision and the 15th Mid-term Plan Business performance plan Formulation of compliance program 	<ul style="list-style-type: none"> Investment, expense budget, and personnel plan Results of external evaluation, etc. of internal audit structure Internal Audit Plan Establishment of an energy generation subsidiary

Audit & Supervisory Board

The Bank has adopted the form of a company with an audit & supervisory board with five Audit & Supervisory Board members, including a majority of three outside Audit & Supervisory Board members. In particular, three of the Audit & Supervisory Board members, including two outside Audit & Supervisory Board members, are standing Audit & Supervisory Board members. They attend meetings of the Board of Directors and other important meetings, check important documents, and perform audits of the headquarters and branches to conduct objective and reasonable audits of the status of business execution. We believe that this system provides an adequate management supervisory function.

Appointment, Remuneration and Corporate Advisory Committee

We have established the Appointment, Remuneration and Corporate Advisory Committee as an advisory body to the Board of Directors. To ensure objectivity, timeliness, and transparency of procedures, this Committee comprises three independent outside directors and two internal directors appointed by a resolution of the Board of Directors. In addition, since October 2022, an outside director serves as its chair to ensure the Committee's independence.

Policies for Appointment and Dismissal of Directors and Nomination of Directors and Audit & Supervisory Board Members

<Candidates for Internal Directors>

Candidates for internal directors are determined by the Board of Directors, following deliberations by the Appointment, Remuneration and Corporate Advisory Committee, the majority of which comprise independent outside directors, based on the President's recommendations of persons who, based on a deep understanding of the Bank's basic management policy, possess knowledge and experience to enable the appropriate, fair, and efficient execution of bank business management, as well as sufficient social trust, with the aim of achieving our management strategy. Representative directors are determined by the Board of Directors following deliberations by the Appointment, Remuneration and Corporate Advisory Committee on persons suitable for representing the Bank selected from among internal directors. In the event of occurrence of a serious obstacle to the execution of duties as a representative director or when a representative director falls under reasons for disqualification*, dismissal of such representative director shall be determined by the Board of Directors following deliberations by the Appointment, Remuneration and Corporate Advisory Committee.

*Reasons for disqualification

- The representative director is deemed to have a relationship with antisocial forces
- The representative director is deemed to have violated laws, regulations, or internal regulations

<Candidates for Outside Directors>

Candidates for outside directors are determined by the Board of Directors, following deliberations by the Appointment, Remuneration and Corporate Advisory Committee, the majority of which comprise independent outside directors, based on the President's recommendations of persons who mainly possess specialist knowledge and experience in areas other than the Bank's business operations and are deemed capable of contributing to the Bank's sustainable growth and corporate value enhancement over the medium to long term based on their insights.

<Candidates for Audit & Supervisory Board Members>

Candidates for Audit & Supervisory Board members are determined at a meeting of the Board of Directors that is participated by independent outside directors, following deliberations by the Appointment, Remuneration and Corporate Advisory Committee and consent by the Audit & Supervisory Board, based on the President's recommendations of persons who possess knowledge and experience to enable the appropriate, fair, and efficient performance of audits on the execution of duties by directors, as well as sufficient social trust.

Succession Planning

Successors to the representative directors are determined by the Board of Directors following deliberations by the Appointment, Remuneration and Corporate Advisory Committee, the majority of which comprise independent outside directors, in view of desired personnel requirements, personnel training policy and plan, as well as the status of training, etc. The status of deliberation is reported, as appropriate, to the Board of Directors.

<Desired personalities of candidates (nomination policy)>

Images of desired personalities of candidates are deliberated by the Appointment, Remuneration and Corporate Advisory Committee in view of qualities and abilities required as management, as well as the business environment surrounding our Group and the direction of its future business strategies, and are shared by the Board of Directors. Whether to review the images of desired candidates for successors or not in accordance with changes in the business environment, etc. is deliberated as appropriate.

<Review of candidates' personalities and training schemes>

The Appointment, Remuneration and Corporate Advisory Committee members review personalities of candidates based on a third-party evaluation, etc. by an external specialized organization. The committee then considers policies and plans for training candidates to help them become a person qualified for the position.

<Candidate selection process>

Candidates are proposed by the President (including reappointment, replacement and dismissal of directors including representative directors) and determined by the Board of Directors following deliberations on the consistency, etc. with the nomination policy and training policy by the Appointment, Remuneration and Corporate Advisory Committee.

Reasons for the Appointments of Outside Directors and Audit & Supervisory Board Members

The Bank appoints outside directors who are deemed to be capable of contributing to the enhancement of corporate value over the medium to long term, through a further enhancement of the decision-making and supervisory functions of the Board of Directors, by leveraging the knowledge and experience of said persons in the Bank's management.

Name (Appointment)	Reasons for Appointment as Outside Director
Yuko Tashima (June 2015)	Has a high level of expertise as an attorney, with experience as an outside director at other non-financial companies as well as experience in public service, including as a member of the Financial System Council of the Financial Services Agency.
Yasuko Takayama (June 2015)	Has experience as a manager of customer service and CSR divisions and as a standing Audit & Supervisory Board member of a major cosmetics company, as well as experience as an outside director at other non-financial companies.
Takahide Kiuchi (June 2020)	Has both domestic and international experience as an economist and, in addition to having accumulated significant expertise, was responsible for carrying out deliberations regarding monetary policies as a member of the Policy Board, the Bank of Japan.

The Bank appoints outside Audit & Supervisory Board members who are deemed to help further strengthen the audit function by leveraging the knowledge and experience of said persons in the Bank's management.

Name (Appointment)	Reasons for Appointment as Outside Audit & Supervisory Board Member
Kazuhiro Kikuchi (June 2021)	Has a high level of expertise gained through experience as Councillor of Cabinet Secretariat and Senior Executive Director of the Federation of National Public Service Personnel Mutual Aid Associations, etc., as well as extensive knowledge in public administration overall.
Norikazu Takahashi (June 2021)	Has a high level of expertise gained through experience as General Manager of branches and General Manager of Information System Services Department of the Bank of Japan, etc., as well as extensive knowledge in finance overall.
Wataru Takahashi (June 2021)	Has extensive knowledge mainly in public administration gained through holding numerous important positions including Vice-Governor of Chiba Prefecture.

Support Systems for Outside Directors and Audit & Supervisory Board Members

<Outside Directors>

The Bank has placed staff in the General Secretariat and Corporate Planning Division to support the outside directors and provides them with information and support necessary for the execution of their duties in an appropriate and timely manner to ensure that outside directors fully play their roles as supervisors of the management. We continuously give outside directors opportunities for deepening their understanding about the Bank's management strategy and activities with the aim to enhance deliberations by the Board of Directors, by means such as provision of materials and explanations for the Board of Directors meeting in advance, provision of individual explanations on important matters, attendance to main committee meetings, engaging in dialogues with directors as well as general managers, visiting and holding dialogues at affiliated business offices in the Group, participation in main IR events, etc., and provision of information related to the Bank's activities whenever necessary. In addition, the Bank provides outside directors with opportunities to undergo training by third-party organizations at the Bank's expense.

<Outside Audit & Supervisory Board Members>

In order for Audit & Supervisory Board members to conduct audits, etc., and to operate the Audit & Supervisory Board smoothly, the Audit and Supervisory Support Office was established independent of the executive officers. The general manager of the Audit and Supervisory Support Office assumes these roles and promptly reports to the Audit & Supervisory Board members and liaises and cooperates closely with them. In order to ensure independence from directors, the Bank obtains the consent of Audit & Supervisory Board members regarding personnel changes, etc. In addition, Audit & Supervisory Board members attend meetings of the Board of Directors and other important meetings and are provided with important documents of the Bank, which ensure that information is communicated timely and properly.

Remuneration of Directors and Audit & Supervisory Board Members

The remuneration system for Directors and the percentage of remuneration by type are considered by the Appointment, Remuneration and Corporate Advisory Committee, the majority of which comprise independent Outside Directors, as appropriate in response to changes in the business environment, with reference to companies of similar size to the Bank and related industries and business categories.

Remuneration of the Bank’s directors is determined by the Board of Directors based on the remuneration regulations established by the Board of Directors, following deliberations by the Appointment, Remuneration and Corporate Advisory Committee to ensure transparency, fairness, and rationality.

Remuneration Structure and Components

Directors (Excluding Outside Directors)

- Remuneration consists of basic compensation (75%), bonuses (5%), and equity-based remuneration (20%).
- The amount of basic compensation, bonuses, and equity-based remuneration is determined based on rank.
- Equity-based remuneration takes the form of a restricted stock remuneration system to strengthen the linkage of stock price of the Bank and remuneration for Directors, and to raise management awareness for improvement of corporate value through further value sharing with shareholders.

Outside Directors

- Based on the role in supervising the execution of business, the remuneration system is not linked to performance, but rather is limited to “basic remuneration.”

Audit & Supervisory Board Members

- In order to ensure independence, remuneration for Audit & Supervisory Board members is not linked to performance, but is limited to “basic remuneration.”

Group Management Systems

Group Chief Officers* (CxO) are assigned responsibility for their areas of supervision, thereby creating a Group-wide corporate management system. Under the Group Companies Management Regulations, efforts are made to assure proper operations in the Group through initiatives such as the assignment of responsible directors to supervise each Group company, the dispatch of Audit & Supervisory Board Members, oversight of compliance and risk management by the Compliance and Risk Management Division, and audits by the Bank’s Audit Division. The Group Supervision Committee met twice with the aim of understanding the management status of each Group company and their various issues. The Group Promotion Committee also met twice with the aim of demonstrating synergy effects through further collaboration between the Bank and Group companies. The Group Strategy Division has been newly established to oversee overall business execution, including sales and administrative aspects of Group companies, to realize integrated group management and sophisticated Group governance. In addition, from the perspective of clarifying responsibility, one division from each company has been designated as that company’s operations division, and a new group management department has been established to realize optimal allocation of management resources in addition to the management of risk across the Group that has taken place until now.

*The following Group Chief Officers are assigned:

- Group Chief Executive Officer (CEO)
- Group Chief Strategy Officer (CSO)
- Group Chief Risk Officer (CRO)
- Group Chief Business Officer (CBO)
- Group Chief Information Officer (CIO)
- Group Chief Digital Transformation Officer (CDTO)
- Group Chief Human Resources Officer (CHRO)

Evaluation of the Effectiveness of the Board of Directors

Since FY2015, the Bank has been verifying whether the Board of Directors is properly performing the functions of decision making and supervision, which are expected of them. The Bank carries out an evaluation of the effectiveness of the Board of Directors annually to enhance those functions.

In FY2022, the Bank conducted a questionnaire survey and individual interviews with the directors and Audit & Supervisory Board members to evaluate effectiveness from both quantitative and qualitative aspects.

The overview of the results of the evaluation of the effectiveness of the Board of Directors for FY2022 is as follows.

(1) Considering the findings below, the Bank has judged that the functions of decision making and supervision are performed properly by the Board of Directors and its effectiveness is ensured.

- All directors and Audit & Supervisory Board members, whether they are internal or outside officers, aim for the continuous growth of the Chiba Bank Group together with the local community. This is done through the provision of value based on the Purpose established this fiscal year, against a backdrop of deep connections with stakeholders, including customers, employees, and shareholders. They are also deepening debate on the formulation of the mid-term plan and key strategies such as DX strategy and human resources strategy and freely exchange their opinions based on mutual understanding with a strong sense of unity.
- Board discussions are displaying increasing depth as internal directors voice opinions based on their rich experience in every area of the financial business, and outside directors and Audit & Supervisory Board members make recommendations based on their specialized knowledge in diverse fields and voice their opinions from an independent and objective standpoint.
- The quality of debate in the Board of Directors has been improved by strengthening the provision of information to outside directors through such means as visits to Group companies and business offices, accompanying Audit & Supervisory Board members on on-site audits, and the resumption of interviews with senior management employees.
- Efforts are also being made to further improve the effectiveness of the Board of Directors by strengthening the administration of instructions and recommendations in the Board of Designated Directors and the Board of Directors and providing feedback.
- The Appointment, Remuneration and Corporate Advisory Committee also deepened its discussion of corporate governance and fulfilled its role appropriately. Efforts to ensure the objectivity, timeliness, and transparency of this committee were also made by changing to the appointment of an outside director as chair.

(2) The Bank recognizes the importance of deepening discussion that reflects environmental changes surrounding the Chiba Bank Group, while maintaining the direction of current initiatives, and of raising the level of Group governance through the engagement of Group Chief Officers, centering on the Group Strategy Division that has been newly established to oversee overall business execution, including sales and administrative aspects of Group companies. Through these efforts, the Bank will strive to further enhance the effectiveness of the Board of Directors.

Internal Audit

At the Bank, the Audit and Inspection Division, which is independent of the units subject to auditing, verifies and evaluates the appropriateness and effectiveness of the internal management systems including compliance and risk management. The division also makes recommendations, etc. on improvement methods for problem areas, in order to ensure the sound and proper management of business operations and thereby contribute to the achievement of management goals.

The Audit and Inspection Division reports directly to the Board of Directors and conducts internal audits of branches, headquarters, Group companies, etc. in accordance with the Internal Audit Regulations and the Internal Audit Plan, a plan established every fiscal year and approved by the Board of Directors. The division reports the results and findings of internal audits to the Internal Audit Committee and the Board of Directors, both of which, as a general rule, meet once a month. Problem areas from the perspective of compliance and risk management and improvement measures are examined during this process.

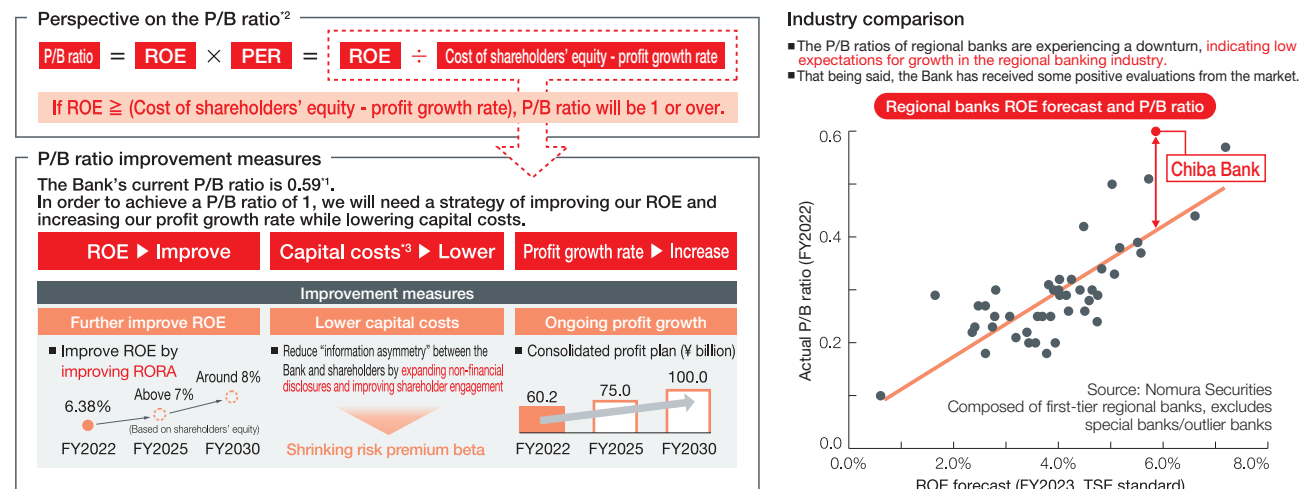
In order to conduct efficient and effective internal audits, the Audit and Inspection Division works to conduct risk-based internal audits which determine the themes, frequencies and depths of audits based on the types and degrees of risk while taking into account the management team’s recognition of risk. In addition, the division strives to increase the sophistication of internal audits by taking measures, such as enhancing the check and supervisory functions, adapting to environmental changes, improving the audit quality (including external evaluation), training specialized human resources, strengthening audits of overseas branches and Group companies, and collaborating on audits with alliance banks.

Financial Results and Conditions

Improving our P/B Ratio

Analysis of current conditions and measures for improvement

The Bank's P/B ratio is 0.59*¹, which is a top-class figure for a regional bank. However, it has been trending below 1 for some time. In order to raise the ratio to a level higher than 1, we consider the ratio in terms of three factors: ROE, capital costs, and profit growth rate, and will implement a three-pronged improvement plan consisting of further improving our ROE, lowering capital costs, and sustainable profit growth.



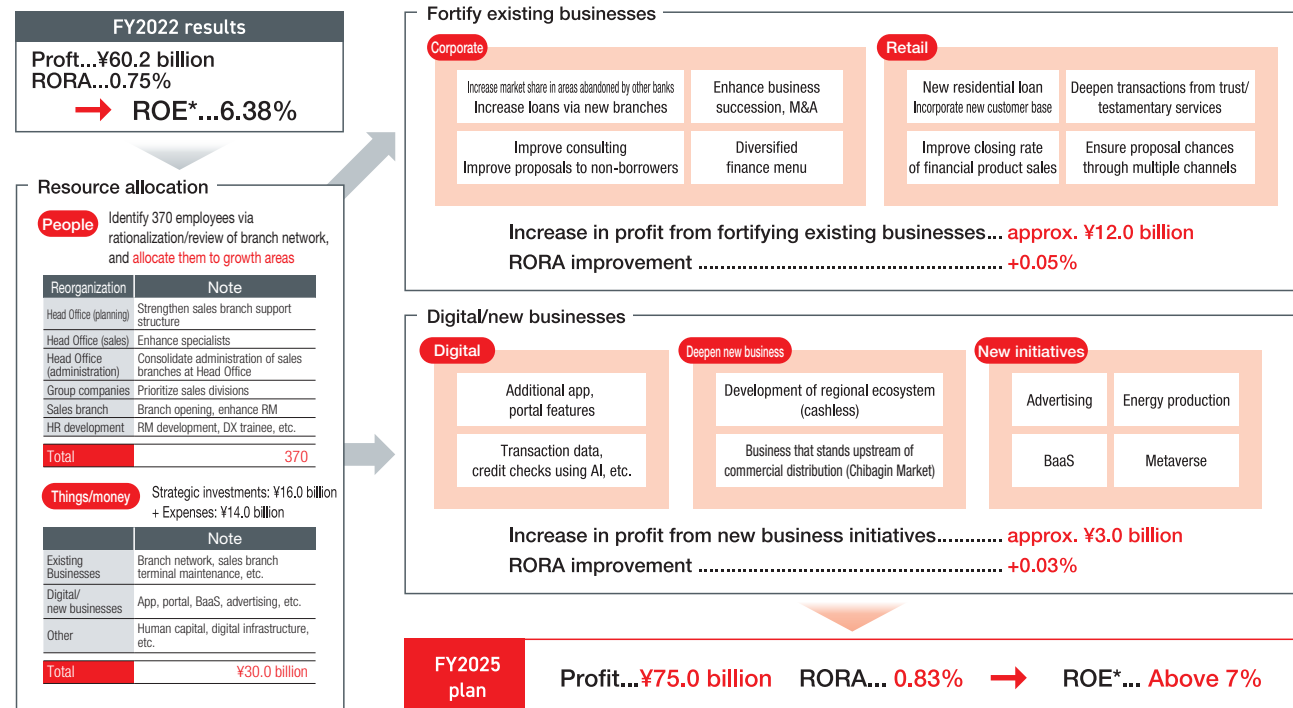
*1 P/B ratio = Stock price (Closing price on June 30, 2023) ÷ Net assets per share (Results for FY2022)

*2 A more accurate formula is $\text{P/B ratio} = 1 + (\text{ROE} - \text{cost of shareholders' equity}) \div (\text{cost of shareholders' equity} - \text{growth rate})$. The formula shown here is presented as a practical simplified version.

*3 The Bank's administrative capital costs are estimated using CAPM.

Growth Strategy

In order to increase its ROE, the Bank aims to improve its RORA, a measure of profitability relative to risk-weighted assets, while maintaining the capital ratio at an adequate level. We aim to increase consolidated profit from ¥60.2 billion to ¥75.0 billion and RORA from 0.75% to 0.83% by allocating resources to various fields in existing businesses and digital/new businesses.



* Based on shareholders' equity

Financial Results for the Fiscal Year Ended March 31, 2023

Net interest income increased by ¥8.5 billion year on year as the Bank's domestic operations remained strong, while net fees and commissions increased by ¥1.0 billion year on year. As a result, gross business profit decreased by only ¥5.9 billion year on year despite an ¥18.5 billion decrease in gains/losses related to bonds mainly due to the rebalancing of our securities portfolio.

G&A expenses decreased by ¥2.0 billion year on year primarily due to lower deposit insurance premiums, while core business income increased by ¥14.6 billion year on year to ¥93.0 billion as the Bank's core business operations remained strong.

Credit-related expenses decreased by ¥6.7 billion year on year mainly due to reversal of loan loss reserves and an increase in recoveries of written-off claims. As a result, non-consolidated profit was ¥58.1 billion and profit attributable to owners of parent was ¥60.2 billion, both reaching a record high.

Increase in net interest income

Net interest income increased by ¥8.5 billion year on year to ¥140.3 billion. As for domestic net interest income, interest on loans and discounts increased by ¥1.4 billion year on year, reflecting a steady increase in loans. In addition, interest and dividends on securities increased, including dividends from stocks. As a result, overall domestic net interest income increased by ¥7.8 billion year on year. Overseas net interest income increased by ¥0.7 billion year on year.

Increase in net fees and commissions

Net fees and commissions increased ¥1.0 billion year on year to a record high of ¥28.6 billion.

Attributable to the proposals that were grounded on the needs of corporate customers, corporate solutions fees and commissions increased by ¥2.3 billion year on year to reach a record high and led the overall increase in net fees and commissions. Trust/inheritance-related business fees and cashless operations fees also increased to a record high. Despite strong results from annuities and whole-life insurance, fees and commissions from investment trusts and personal annuities declined overall by ¥0.7 billion year on year.

Summary of financial results

(¥ billion)

(Non-consolidated)	2022/3	2023/3	YoY
Gross business profit	161.5	155.5	(5.9)
Net interest income	131.8	140.3	8.5
Net fees and commissions	27.5	28.6	1.0
Net Trading income	1.1	1.3	0.2
Net other ordinary income	1.0	(14.8)	(15.8)
Gains/losses related to bonds	(1.4)	(20.0)	(18.5)
G&A expenses (-)	84.5	82.5	(2.0)
Real net business income	76.9	73.0	(3.9)
Core business income	78.3	93.0	14.6
Excl. gains/losses on the cancellation of investment trusts	75.1	85.3	10.1
Net provisions to general allowance for loan losses (-)	1.5	—	(1.5)
Net business income	75.4	73.0	(2.4)
Non-recurring gains/losses	(1.7)	8.7	10.5
Disposal of non-performing loans (-)	5.6	0.3	(5.2)
Reversal of loan loss reserves	—	0.9	0.9
Gains/losses related to stocks, etc.	2.7	8.3	5.6
Ordinary profit	73.6	81.7	8.1
Extraordinary gains/losses	(0.3)	(0.3)	(0.0)
Profit	52.3	58.1	5.7
Credit-related expenses (-)	7.1	0.3	(6.7)

(¥ billion)

(Consolidated)	2022/3	2023/3	YoY
Ordinary profit	78.8	86.9	8.1
Profit attributable to owners of parent	54.4	60.2	5.7

Breakdown of net interest income

(¥ billion)

	2022/3	2023/3	YoY
Net interest income	131.8	140.3	8.5
Domestic	123.6	131.5	7.8
Interest on loans and deposits	98.5	100.2	1.7
Loans and bills discounted	99.0	100.5	1.4
Interest and dividends on securities	22.0	28.7	6.6
Other (market operations, etc.)	3.0	2.5	(0.5)
Overseas	8.1	8.8	0.7
Loans and bills discounted	4.3	13.5	9.2
Foreign securities	12.4	19.1	6.7
Other (funding, market operations, etc.)	(8.6)	(23.8)	(15.2)

Breakdown of net fees and commissions

(¥ billion)

(Non-consolidated)	2022/3	2023/3	YoY
Net fees and commissions	27.5	28.6	1.0
<Main breakdown>			
Investment trusts and personal annuities	7.1	6.3	(0.7)
Corporate solutions	12.8	15.2	2.3
Trust/inheritance-related business	1.7	1.8	0.1
Cashless operations	1.3	1.6	0.3
Payment and settlement transactions	12.6	12.5	(0.1)
Guarantee charges and group insurance costs (-)	12.1	13.0	0.9

Financial Results and Conditions

Controlling interest rate risks while diversifying investments

The balance of securities (excluding unrealized gains (losses)) increased ¥137.1 billion from the end of the previous fiscal year to ¥2,452.3 billion. The average remaining period to maturity of yen bonds and that of foreign bonds have both shortened. We manage our portfolio by diversifying risks and pay close attention to the balance between liquidity and profitability.

Low OHR

G&A expenses decreased by ¥2.0 billion year on year overall due to the impact of lower deposit insurance premiums and continuous efforts in cost reduction through improvement of operational efficiency, despite forward-looking investments, including those related to digital transformation (DX).

OHR decreased by 4.29% year on year to 47.73%, and we continued to maintain a high enough efficiency compared with the averages of other banks.

Increase in domestic loans and bills discounted

The balance of domestic loans and bills discounted increased by ¥410.7 billion or 3.5% from the end of the previous fiscal year to ¥11,836.7 billion.

A steady growth was maintained as loans to small and medium-sized enterprises (SMEs) and housing loans increased by 6.0% and 2.1%, respectively.

Domestic loans and bills discounted by region saw 2.6% increase in branches in Chiba Prefecture and 5.5% in branches outside Chiba Prefecture, showing a steady increase in both regions.

Balance of domestic loans and bills discounted (by region) (¥ billion)

(Non-consolidated)	2022/3	2023/3	Change	% of Change
Domestic loans and bills discounted	11,425.9	11,836.7	410.7	3.5%
Branches in Chiba Prefecture	7,650.7	7,852.4	201.6	2.6%
Branches outside Chiba Prefecture	3,775.1	3,984.2	209.0	5.5%

Increase in domestic deposits

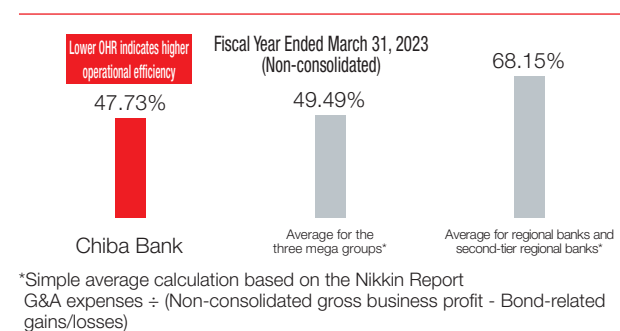
The balance of domestic deposits increased by ¥570.5 billion or 3.9% from the end of the previous fiscal year to ¥15,091.7 billion.

Retail deposits increased by ¥383.0 billion or 3.6% year on year and drove the increase in the overall deposits as a result of the efforts to encourage customers to make the Chiba Bank their main banking institution for salary, pension payments and other household needs.

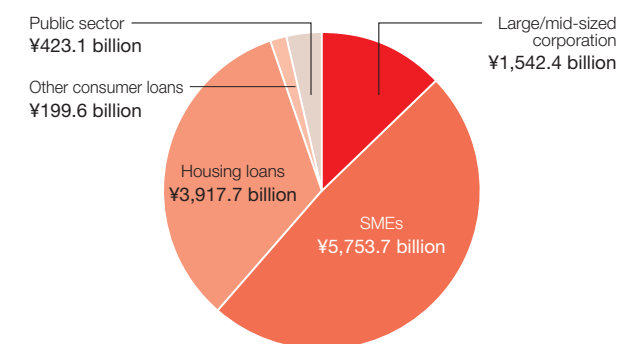
Balance of securities (excluding unrealized gains (losses)) (Non-consolidated)

Average remaining period to maturity of securities (including floating rate bonds) (¥ billion)	Yen bonds	Foreign bonds	2022.3 5.2 years 2.7 years	2023.3 4.1 years 2.0 years	[Change from March 31, 2022]
2,315.1	2,452.3				
165.8	282.7				Japanese government bonds +70.4%
366.7	310.8				Local government bonds (15.2%)
561.9	546.3				Corporate bonds, etc. (2.7%)
540.1	553.2				Investment trusts, etc. +2.4%
105.0	101.0				Stocks (3.7%)
575.4	658.1				Foreign currency bonds +14.3%
2022.3	2023.3				

OHR (Over Head Ratio) level comparison with other banks



Balance of domestic loans and bills discounted (by category)



Balance of domestic deposits

(Non-consolidated)	2022/3	2023/3	Change	% of Change
Domestic deposits	14,521.1	15,091.7	570.5	3.9%
Retail	10,535.3	10,918.3	383.0	3.6%
Corporate	3,003.7	3,055.5	51.8	1.7%
Public sector	982.0	1,117.7	135.7	13.8%

Low non-performing loan ratio

Disclosed claims under the Financial Reconstruction Act and risk-monitored loans increased by ¥1.7 billion year on year to ¥114.9 billion. The emergence of non-performing loans remained contained, while the overall loans increased steadily. As a result, the non-performing ratio has remained low at 0.93%, down 0.02% from the end of the previous fiscal year.

Earnings Projections for the Fiscal Year Ending March 31, 2024

For the fiscal year ending March 31, 2024, gross business profit is projected to increase ¥14.7 billion year on year to ¥170.3 billion due to a steady increase in net fees and commissions and an improvement in gains/losses related to bonds.

Net fees and commissions is projected to increase ¥2.6 billion year on year to ¥31.3 billion, as solution-related income from corporate customers is expected to reach a historical high to remain at an elevated level, and investment trusts and personal annuities income and cashless business-related income are also expected to increase.

G&A expenses, on the other hand, are projected to increase ¥2.2 billion year on year primarily due to base pay increases and a rise in cost of strategic investments. As we expect a ¥6.6 billion increase in credit-related expenses, non-consolidated profit is projected to be ¥59.0 billion, up ¥0.8 billion year on year, and profit attributable to owners of parent is projected to increase ¥0.7 billion year on year to ¥61.0 billion.

Despite the difficult economic environment, we will continue to strengthen our earning capability by putting together various measures.

Credit-related expenses

(Non-consolidated)	2023/3	2024/3 (Plan)	YoY
Credit-related expenses (-)	0.3	7.0	6.6
Net provisions to general allowance for loan losses (-)	(2.3)	(0.2)	2.1
Disposal of non-performing loans (-)	2.7	7.2	4.4
Write-offs/net provisions to specific allowance, etc. (-)	6.1	10.1	4.0
New downgrades (-)	6.8	10.0	3.1
Existing non-performing loans (-)	0.4	0.7	0.2
Collections, etc.	1.2	0.5	(0.6)
Recoveries of written-off claims	3.4	2.9	(0.4)

* In this table, reversal of loan loss reserves is presented in two separate items: Net provisions to general allowance for loan losses and net provisions to specific allowance, to facilitate comparison with the previous fiscal year.

Disclosed claims under the Financial Reconstruction Act and risk-monitored loans (¥ billion)

(Non-consolidated)	2022/3	2023/3	Change
Disclosed claims under the Financial Reconstruction Act and risk-monitored loans	113.2	114.9	1.7
Non-performing loan ratio	0.96%	0.93%	(0.02)%

Earnings projections (¥ billion)

(Non-consolidated)	2023/3	2024/3 (Plan)	YoY
Gross business profit	155.5	170.3	14.7
Net interest income	140.3	133.5	(6.8)
Net fees and commissions	28.6	31.3	2.6
Net Trading income	1.3	2.2	0.8
Net other ordinary income	(14.8)	3.2	18.0
Gains/losses related to bonds	(20.0)	1.5	21.5
G&A expenses (-)	82.5	84.8	2.2
Real net business income	73.0	85.5	12.4
Core business income	93.0	83.9	(9.0)
Excl. gains/losses on the cancellation of investment trusts	85.3	81.6	(3.7)
Net provisions to general allowance for loan losses (-)	—	(0.2)	(0.2)
Net business income	73.0	85.7	12.6
Non-recurring gains/losses	8.7	(2.7)	(11.4)
Disposal of non-performing loans (-)	0.3	7.2	6.8
Reversal of loan loss reserves	0.9	—	(0.9)
Gains/losses related to stocks, etc.	8.3	5.0	(3.3)
Ordinary profit	81.7	83.0	1.2
Extraordinary gains/losses	(0.3)	(0.2)	0.1
Profit	58.1	59.0	0.8

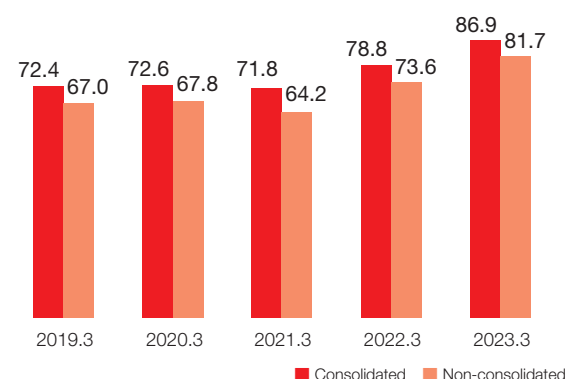
Credit-related expenses (-)	0.3	7.0	6.6
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(Consolidated)	2023/3	2024/3 (Plan)	YoY
Ordinary profit	86.9	88.0	1.0
Profit attributable to owners of parent	60.2	61.0	0.7

Financial Highlights

Ordinary Profit (Consolidated/Non-consolidated/¥ billion)

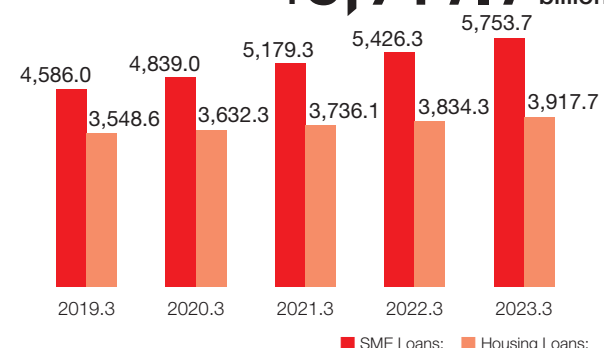
Consolidated: **¥86.9 billion** Non-consolidated: **¥81.7 billion**



SME Loans/Housing Loans (Non-consolidated/¥ billion)

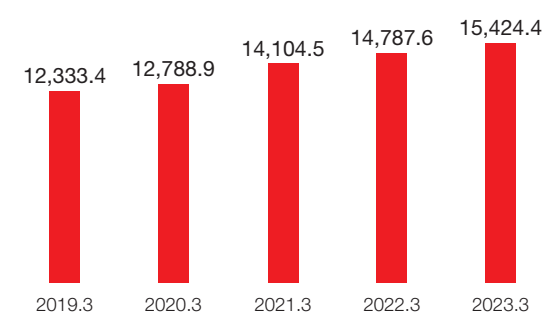
SME Loans: **¥5,753.7 billion**

Housing Loans: **¥3,917.7 billion**



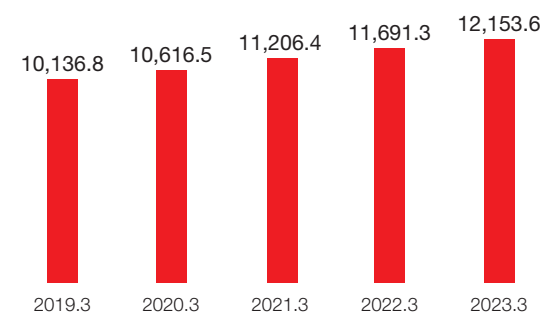
Deposits (Non-consolidated/¥ billion)

Non-consolidated: **¥15,424.4 billion**



Loans and Bills Discounted (Non-consolidated/¥ billion)

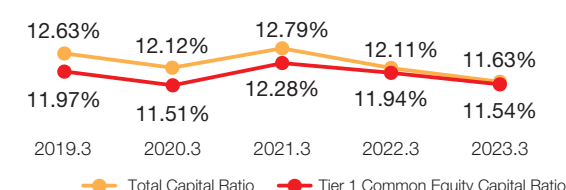
Non-consolidated: **¥12,153.6 billion**



Capital Ratio (Consolidated)

Total Capital Ratio: **11.63%**

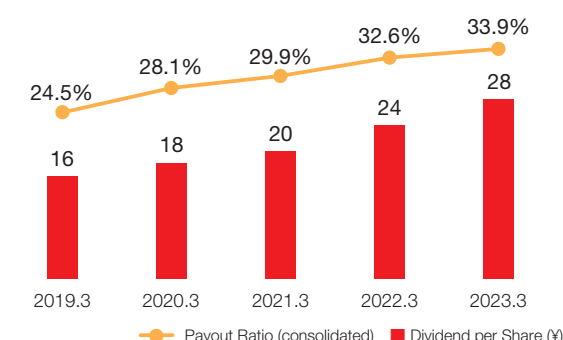
Tier 1 Common Equity Capital Ratio: **11.54%**



Dividends Paid

Payout Ratio (Consolidated): **33.9%**

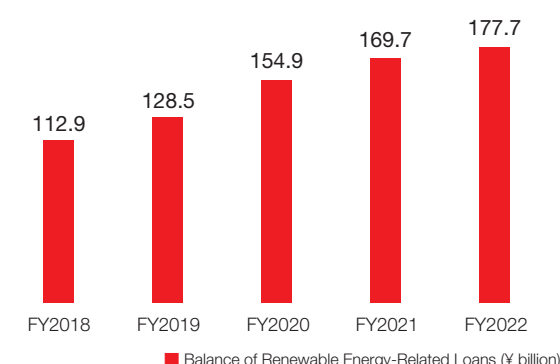
Dividend per Share: **¥28**



Non-financial Highlights

Initiatives to Promote Renewable Energy

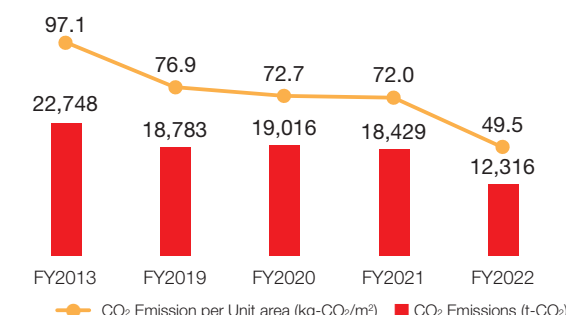
Renewable Energy-Related Loan Balance: **¥177.7 billion**



CO₂ Emissions (Scope 1 and 2)

CO₂ Emissions: **12,316 t-CO₂**

CO₂ Emission per Unit Area: **49.5 kg-CO₂/m²**



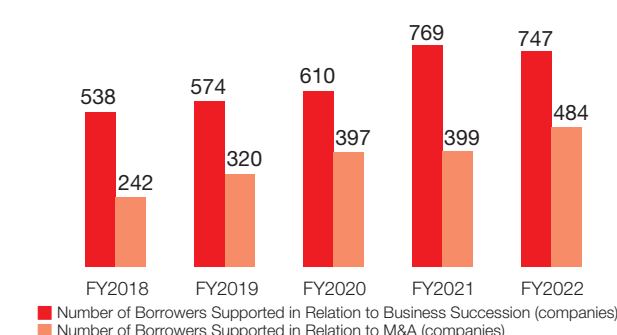
Number of Borrowers Supported in Relation to Business Succession/M&A

Number of Borrowers Supported in Relation to Business Succession:

747

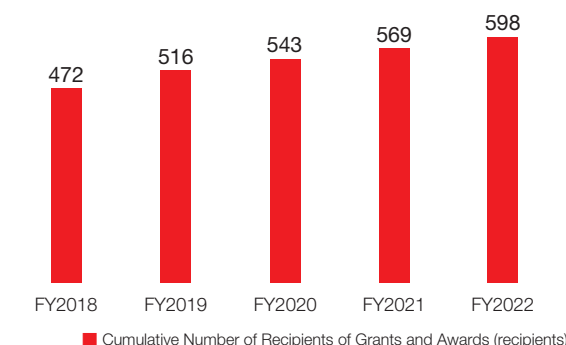
Number of Borrowers Supported in Relation to M&A:

484



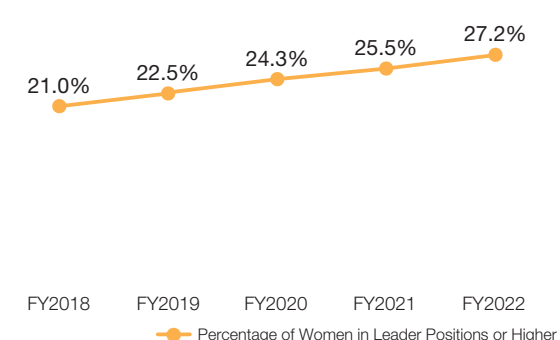
Support for Industrial Development and Technological Innovation

Cumulative Number of Recipients of Grants and Awards: **598 recipients**



Initiatives to Promote the Active Participation of Women

Percentage of Women in Leader Positions or Higher*: **27.2%**

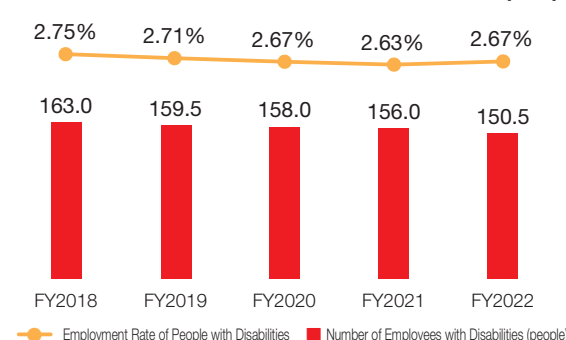


* Percentages as of July 1 of each fiscal year. The percentage of women in leader positions or higher as of July 1, 2023 was 28.4%.

Efforts Toward the Employment of People with Disabilities

Employment Rate of People with Disabilities (Group): **2.67%**

Number of Employees with Disabilities (Group)*: **150.5 people**



* The numbers of employees with disabilities may include a fraction of less than one as they are the figures used for calculating the employment rate of people with disabilities.

Financial and Corporate Data

Five-Year Summary (Consolidated)

The Chiba Bank, Ltd. and Consolidated Subsidiaries
Years ended March 31

	Millions of Yen (Note1)					Thousands of U.S. Dollars (Note1)
	2023	2022	2021	2020	2019	2023
For the Year						
Total Income	¥ 278,467	¥ 236,185	¥ 232,943	¥ 242,984	¥ 238,621	\$ 2,085,432
Total Expenses	191,797	157,807	161,481	174,208	166,399	1,436,363
Profit before Income Taxes	86,670	78,378	71,462	68,775	72,221	649,068
Profit	60,276	54,498	49,641	48,037	50,478	451,410
Profit Attributable to Non-controlling Interests	—	—	—	—	—	—
Profit Attributable to Owners of Parent	60,276	54,498	49,641	48,037	50,478	451,410
At Year-End						
Total Assets	¥19,787,882	¥19,104,764	¥17,898,168	¥15,609,936	¥14,964,129	\$148,190,541
Loans and Bills Discounted	12,107,066	11,646,721	11,166,329	10,565,697	10,090,072	90,669,265
Securities	2,576,106	2,482,224	2,401,246	2,118,588	2,095,049	19,292,344
Deposits	15,903,940	15,324,161	14,543,283	13,216,977	12,847,994	119,103,876
Net Assets	1,061,115	1,059,091	1,041,756	929,334	952,267	7,946,647
Capital Ratio (BIS guidelines)	11.63%	12.11%	12.79%	12.12%	12.63%	11.63%
PER (Times)	10.36	9.86	10.85	7.39	9.20	10.36
P/B ratio (Times)	0.58	0.50	0.51	0.37	0.48	0.58

Per Share	Yen					U.S. Dollars
Profit	¥ 82.52	¥ 73.47	¥ 66.82	¥ 63.99	¥ 65.30	\$ 0.62
Net Assets	1,464.45	1,436.74	1,401.40	1,250.41	1,250.05	10.97

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Consolidated Balance Sheet

The Chiba Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2023

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Assets			
Cash and Due from Banks (Note 28)	¥ 4,065,850	¥ 4,201,429	\$ 30,448,964
Call Loans and Bills Bought	335,089	152,070	2,509,471
Receivables under Resale Agreements	17,999	14,999	134,800
Receivables under Securities Borrowing Transactions	5,446	—	40,791
Monetary Claims Bought	22,612	21,404	169,343
Trading Assets (Notes 7 and 33)	162,444	138,757	1,216,537
Money Held in Trust (Note 35)	9,279	9,879	69,490
Securities (Notes 6, 8, 9, 13, 33 and 34)	2,576,106	2,482,224	19,292,344
Loans and Bills Discounted (Notes 9, 13 and 33)	12,107,066	11,646,721	90,669,265
Foreign Exchanges (Notes 9 and 10)	5,375	5,970	40,256
Other Assets (Notes 9, 11 and 13)	320,687	279,891	2,401,614
Tangible Fixed Assets (Notes 12 and 21)	124,473	125,937	932,173
Intangible Fixed Assets	14,222	14,450	106,515
Net Defined Benefit Asset (Note 20)	18,578	16,576	139,137
Deferred Tax Assets (Note 31)	3,088	3,924	23,129
Customers' Liabilities for Acceptances and Guarantees (Note 9)	31,822	25,771	238,314
Allowance for Loan Losses	(32,260)	(35,246)	(241,601)
Total Assets	¥19,787,882	¥19,104,764	\$148,190,541
Liabilities			
Deposits (Notes 13, 14 and 33)	¥15,903,940	¥15,324,161	\$119,103,876
Call Money and Bills Sold	810,859	681,777	6,072,488
Payables under Repurchase Agreements (Note 13)	17,160	13,945	128,517
Payables under Securities Lending Transactions (Note 13)	337,074	262,547	2,524,332
Trading Liabilities (Notes 15 and 33)	18,618	10,448	139,431
Borrowed Money (Notes 13 and 16)	1,206,808	1,336,732	9,037,730
Foreign Exchanges (Note 17)	724	576	5,427
Bonds Payable (Note 18)	110,038	103,331	824,072
Borrowed Money from Trust Account	13,439	8,883	100,651
Other Liabilities (Note 19)	237,725	233,541	1,780,317
Net Defined Benefit Liability (Note 20)	4,476	732	33,525
Provisions for Directors' Retirement Benefits	160	152	1,200
Provisions for Reimbursement of Deposits	910	1,296	6,822
Provisions for Point Loyalty Programs	838	746	6,278
Reserves under Special Laws	24	24	182
Deferred Tax Liabilities (Note 31)	21,742	30,595	162,828
Deferred Tax Liabilities for Land Revaluation (Note 21)	10,402	10,407	77,903
Acceptances and Guarantees	31,822	25,771	238,314
Total Liabilities	¥18,726,767	¥18,045,673	\$140,243,893
Net Assets			
Capital Stock (Note 22)	¥ 145,069	¥ 145,069	\$ 1,086,416
Capital Surplus	122,146	122,134	914,748
Retained Earnings	755,517	714,455	5,658,035
Treasury Shares	(62,943)	(53,108)	(471,382)
Total Shareholders' Equity	959,789	928,550	7,187,817
Valuation Difference on Available-for-sale Securities (Note 36)	83,907	114,391	628,379
Deferred Gains or Losses on Hedges	10,408	5,198	77,951
Revaluation Reserve for Land (Note 21)	9,921	9,791	74,304
Remeasurements of Defined Benefit Plans	(2,911)	1,159	(21,803)
Total Accumulated Other Comprehensive Income	101,326	130,541	758,830
Total Net Assets	¥ 1,061,115	¥ 1,059,091	\$ 7,946,647
Total Liabilities and Net Assets	¥19,787,882	¥19,104,764	\$148,190,541

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Consolidated Statement of Income

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the year ended March 31, 2023

	Millions of Yen*1		Thousands of U.S. Dollars*2
	2023	2022	2023
Income			
Interest Income:			
Interest on Loans and Discounts	¥119,514	¥103,619	\$ 895,035
Interest and Dividends on Securities	44,035	30,795	329,779
Other Interest Income	6,025	3,655	45,128
Trust Fees	122	115	919
Fees and Commissions	60,106	56,915	450,134
Trading Income (Note 23)	1,995	4,153	14,941
Other Ordinary Income (Note 24)	7,615	4,148	57,035
Other Income (Note 25)	39,052	32,782	292,460
Total Income	¥278,467	¥236,185	\$2,085,432
Expenses			
Interest Expenses:			
Interest on Deposits	¥ 12,942	¥ 1,049	\$ 96,925
Interest on Borrowings and Rediscounts	1,222	(25)	9,156
Other Interest Expenses	18,891	8,969	141,477
Fees and Commissions Payments	19,744	18,338	147,864
Other Ordinary Expenses (Note 26)	22,448	3,163	168,116
General and Administrative Expenses	88,982	91,131	666,386
Other Expenses (Note 27)	27,565	35,180	206,439
Total Expenses	¥191,797	¥157,807	\$1,436,363
Profit before Income Taxes	86,670	78,378	649,068
Income Taxes — Current	21,611	21,130	161,849
Income Taxes — Deferred	4,781	2,750	35,810
Profit	¥ 60,276	¥ 54,498	\$ 451,410
Profit Attributable to Owners of Parent	¥ 60,276	¥ 54,498	\$ 451,410

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Non-Consolidated Balance Sheet

The Chiba Bank, Ltd.
As of March 31, 2023

	Millions of Yen*1		Thousands of U.S. Dollars*2
	2023	2022	2023
Assets			
Cash and Due from Banks	¥ 4,061,582	¥ 4,197,816	\$ 30,417,003
Call Loans	335,089	152,070	2,509,471
Receivables under Resale Agreements	17,999	14,999	134,800
Receivables under Securities Borrowing Transactions	5,446	—	40,791
Monetary Claims Bought	10,982	10,400	82,249
Trading Assets	161,660	137,929	1,210,667
Money Held in Trust	2,079	2,079	15,570
Securities	2,554,340	2,463,245	19,129,337
Loans and Bills Discounted	12,153,618	11,691,342	91,017,887
Foreign Exchanges	5,375	5,970	40,256
Other Assets	228,007	191,539	1,707,534
Tangible Fixed Assets	117,499	118,724	879,948
Intangible Fixed Assets	13,976	14,164	104,669
Prepaid Pension Cost	19,009	14,908	142,363
Customers' Liabilities for Acceptances and Guarantees	29,727	23,657	222,627
Allowance for Loan Losses	(25,819)	(27,638)	(193,364)
Total Assets	¥19,690,575	¥19,011,209	\$147,461,807
Liabilities			
Deposits	¥15,979,239	¥15,396,647	\$119,667,786
Call Money	810,859	681,777	6,072,488
Payables under Repurchase Agreements	17,160	13,945	128,517
Payables under Securities Lending Transactions	337,074	262,547	2,524,332
Trading Liabilities	18,618	10,448	139,431
Borrowed Money	1,194,268	1,324,536	8,943,822
Foreign Exchanges	724	576	5,427
Bonds Payable	110,038	103,331	824,072
Borrowed money from Trust Account	13,439	8,883	100,651
Other Liabilities	166,448	166,519	1,246,526
Provisions for Reimbursement of Deposits	910	1,296	6,822
Provisions for Point Loyalty Programs	502	432	3,767
Deferred Tax Liabilities	18,834	26,290	141,049
Deferred Tax Liabilities for Land Revaluation	10,402	10,407	77,903
Acceptances and Guarantees	29,727	23,657	222,627
Total Liabilities	¥18,708,250	¥18,031,298	\$140,105,220
Net Assets			
Capital Stock	¥ 145,069	¥ 145,069	\$ 1,086,416
Capital Surplus	122,146	122,134	914,748
Retained Earnings	686,795	647,883	5,143,383
Legal Retained Earnings	50,930	50,930	381,414
Other Retained Earnings	635,865	596,953	4,761,969
Treasury Shares	(62,943)	(53,108)	(471,382)
Total Shareholders' Equity	891,067	861,978	6,673,166
Valuation Difference on Available-for-Sale Securities	70,926	102,942	531,167
Deferred Gains or Losses on Hedges	10,408	5,198	77,951
Revaluation Reserve for Land	9,921	9,791	74,304
Total Valuation and Translation Adjustments	91,257	117,932	683,421
Total Net Assets	¥ 982,325	¥ 979,911	\$ 7,356,587
Total Liabilities and Net Assets	¥19,690,575	¥19,011,209	\$147,461,807

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Non-Consolidated Statement of Income

The Chiba Bank, Ltd.
For the year ended March 31, 2023

	Millions of Yen*1		Thousands of U.S. Dollars*2
	2023	2022	2023
Income			
Interest Income:			
Interest on Loans and Discounts	¥119,557	¥103,653	\$ 895,357
Interest and Dividends on Securities	47,905	34,560	358,759
Other Interest Income	5,930	3,562	44,417
Trust Fees	122	115	919
Fees and Commissions	48,970	46,303	366,736
Trading Income	1,353	1,113	10,139
Other Ordinary Income	7,627	4,207	57,119
Other Income	13,927	9,785	104,302
Total Income	¥245,394	¥203,302	\$1,837,747
Expenses			
Interest Expenses:			
Interest on Deposits	¥ 12,943	¥ 1,050	\$ 96,934
Interest on Borrowings and Rediscounts	1,187	(61)	8,889
Other Interest Expenses	18,881	8,963	141,404
Fees and Commissions Payments	20,459	18,866	153,220
Other Ordinary Expenses	22,448	3,163	168,116
General and Administrative Expenses	82,123	84,299	615,016
Other Expenses	5,989	13,758	44,858
Total Expenses	¥164,033	¥130,040	\$1,228,438
Profit before Income Taxes	81,361	73,261	609,309
Income Taxes—Current	18,897	18,375	141,525
Income Taxes—Deferred	4,336	2,558	32,473
Profit	¥ 58,127	¥ 52,328	\$ 435,311

*1 Japanese yen amounts are presented in millions of yen by rounding down figures below one million. As a result, the totals in Japanese yen in the non-consolidated financial statements do not necessarily agree with the sums of individual amounts.
*2 U.S. dollar amounts are shown solely for the convenience of the readers of this Integrated Report and are translated at the rate of ¥133.53 to \$1.00, the exchange rate prevailing at March 31, 2023.

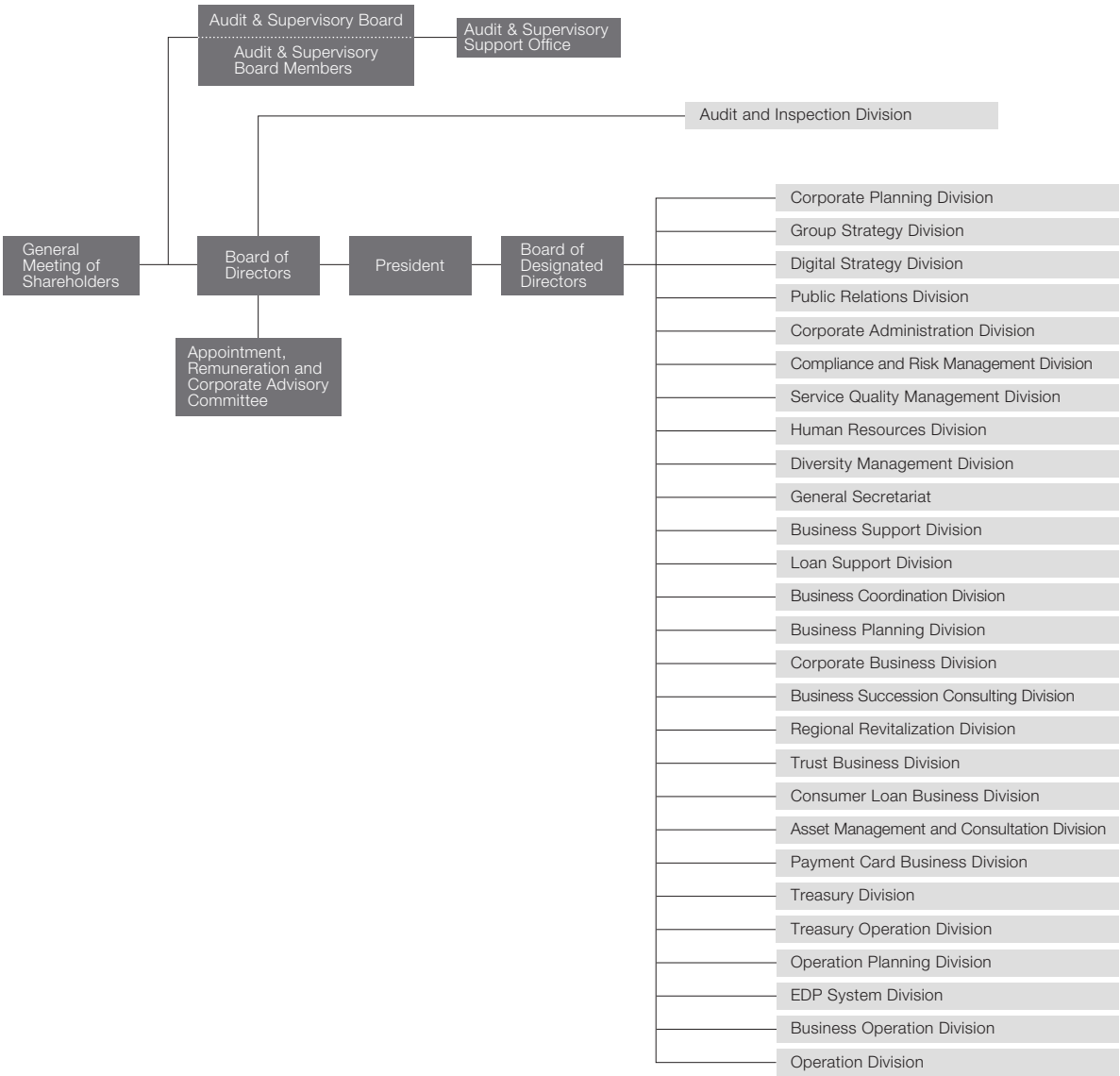
Group Companies

The Chiba Bank Group, which comprises the Bank and 16 group companies, provides customers with a wide-ranging lineup of financial products and services.

● Securities and asset management businesses			
Company	Principal business	Corporate profile	
Chibagin Securities Co., Ltd.* Chiba Chuo Twin Building, 2nd Tower 2F, 2-5-1, Chuo, Chuo-ku, Chiba-shi, Chiba 260-0013	Securities business	Established: Capital: Bank's voting rights:	March 27, 1944 ¥4,374 million 100%
Chibagin Asset Management Co., Ltd. 2-13-7, Kotobashi, Sumida-ku, Tokyo 130-0022	Investment management, investment advice	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	March 31, 1986 ¥200 million 40% 30%
● Research and consulting business			
Company	Principal business	Corporate profile	
Chibagin Research Institute, Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Research, surveys, and consulting	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	February 28, 1990 ¥150 million 31.77% 68.23%
Chibagin Computer Service Co., Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Software development, commissioned computation tasks	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	April 1, 1980 ¥150 million 48.67% 51.33%
T&I Innovation Center Co., Ltd. KABUTO ONE Building 11F, 7-1, Nihonbashi Kabuto-cho, Chuo-ku, Tokyo 103-0026	Research and investigation of IT and financial technologies, development and sales of software	Established: Capital: Bank's voting rights:	July 1, 2016 ¥100 million 40%
● Leasing and venture capital business			
Company	Principal business	Corporate profile	
Chibagin Leasing Co., Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Leasing	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	December 15, 1986 ¥100 million 49% 51%
Chibagin Capital Co., Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Operation and management of investment funds, M&A advisory business	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	May 29, 1984 ¥100 million 30% 70%
● Credit card business			
Company	Principal business	Corporate profile	
Chibagin JCB Card Co., Ltd. World Business Garden Marive East 9F, 2-6-1, Nakase, Mihama-ku, Chiba-shi, Chiba 261-7109	Credit card and credit guarantee business	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	November 1, 1982 ¥50 million 49% 51%
Chibagin DC Card Co., Ltd. World Business Garden Marive East 9F, 2-6-1, Nakase, Mihama-ku, Chiba-shi, Chiba 261-7109	Credit card and credit guarantee business	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	February 16, 1989 ¥50 million 40% 60%
● Staffing service and outsourcing business			
Company	Principal business	Corporate profile	
Chibagin Career Service Co., Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Staffing service business, accounting and general administration entrustment service business	Established: Capital: Bank's voting rights:	December 22, 1989 ¥20 million 100%
Chibagin Heartful Co., Ltd. 4-1-10, Masago, Mihama-ku, Chiba-shi, Chiba 261-0011	Outsourcing of operational business	Established: Capital: Bank's voting rights:	December 1, 2006 ¥10 million 100%
Sobu Co., Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Rental and maintenance of the Chiba Bank's office buildings and welfare facilities, purchase and sale of supplies and consumer goods	Established: Capital: Bank's voting rights:	September 7, 1959 ¥20 million 100%
● Credit guarantees and management business			
Company	Principal business	Corporate profile	
Chibagin Guarantee Co., Ltd. 3-17-5, Inage-higashi, Inage-ku, Chiba-shi, Chiba 263-0031	Loan guarantees, fee collection services	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	May 1, 1978 ¥54 million 45.63% 54.37%
Chiba Servicer Co., Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Management and collection of claims	Established: Capital: Bank's voting rights:	October 1, 2001 ¥500 million 100%
● Regional trading company			
Company	Principal business	Corporate profile	
Chibagin Market Co., Ltd. Tsukamoto Dai-chiba Building 2F, 2-3-1 Fujimi, Chuo-ku, Chiba-shi, Chiba 260-0015	Regional trading company	Established: Capital: Bank's voting rights:	May 10, 2021 ¥100 million 100%
● Energy generation business			
Company	Principal business	Corporate profile	
Himawari Green Energy Co., Ltd. 1-2 Chiba-minato, Chuo-ku, Chiba-shi, Chiba 260-8720	Renewable energy power generation/sales operations	Established: Capital: Bank's voting rights:	April 28, 2023 ¥50 million 100%

Organization

The Chiba Bank, Ltd.
As of June 28, 2023



International Directory

The Chiba Bank, Ltd.
As of June 28, 2023

Head Office
1-2, Chiba-minato, Chuo-ku, Chiba-shi,
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SWIFT Address: CHBAJPJT

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SWIFT Address: CHBAHKHH

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1SW, United Kingdom
Telephone: 44-20-7315-3111 Fax: 44-20-7236-2205
SWIFT Address: CHBAGB2L

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Room 707, Shanghai International Trade Center,
2201 Yan-An Road (West),
Shanghai, P.R.C. 200336
Telephone: 86-21-62780482 Fax: 86-21-62780422

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50 Raffles Place, #10-06 Singapore Land Tower,
Singapore 048623
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Bangkok Representative Office
No.98 Sathorn Square Office Tower, 20th Floor, Room 2008,
North Sathorn Road, Silom, Bangrak, Bangkok 10500, Thailand
Telephone: 66-2-163-2723 Fax: 66-2-163-2725

Corporate Data

The Chiba Bank, Ltd.
As of March 31, 2023

Principal Shareholders

The ten largest shareholders of the Bank and their respective shareholdings as of March 31, 2023 were as follows:

	Number of Shares (in thousands)*1	Percentage of Total Shares Issued*2 (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	98,931	13.65
Custody Bank of Japan, Ltd. (Trust Account)	40,574	5.59
Nippon Life Insurance Company	26,870	3.70
STATE STREET BANK AND TRUST COMPANY 505223	25,923	3.57
The Dai-ichi Life Insurance Company, Limited	20,984	2.89
Meiji Yasuda Life Insurance Company	18,291	2.52
SUMITOMO LIFE INSURANCE COMPANY	17,842	2.46
Sompo Japan Insurance Inc.	16,287	2.24
MUFG Bank, Ltd.	14,166	1.95
STATE STREET BANK WEST CLIENT - TREATY 505234	12,767	1.76

Excluded from the figures above are 90,941 thousand treasury shares in the name of the Chiba Bank, Ltd. (Excludes one thousand shares which, although registered in the name of the Chiba Bank, Ltd. on the shareholder list, are not actually owned by the Bank.)

*1 Rounded down to the nearest thousand

*2 Rounded down to two decimal places

Corporate Profile

Established	March 1943
Network	181 offices (159 branches, 19 sub branches, 3 virtual branches)
	Domestic
	3 money exchange counters 50,723 off-branch ATM locations (including 12,016 E-net ATM locations at convenience stores, 24,989 ATM locations jointly with Seven Bank, Ltd., 13,467 ATM locations jointly with Lawson Bank, Inc.)
	Overseas
	3 branches (New York/Hong Kong/London) 3 representative offices (Shanghai/Singapore/Bangkok)
Number of Employees*	3,965
Total Assets	¥19,690.5 billion (Non-Consolidated)
Deposits	¥15,424.4 billion (Non-Consolidated)
Loans and Bills Discounted	¥12,153.6 billion (Non-Consolidated)
Capital Stock	¥145.0 billion
Total Capital Ratio (BIS guidelines)	11.63% (Consolidated) 11.02% (Non-Consolidated)
Authorized Number of Shares	2,500,000 thousand
Number of Issued Shares	815,521 thousand
Number of Shareholders	35,125
Stock Listing (Code)	Tokyo Stock Exchange (8331)
Transfer Agent	JAPAN SECURITIES AGENTS, LTD. 1-2-4, Nihonbashi Kayabacho, Chuo-ku, Tokyo 103-8202

Figures as shown are rounded down in principal.

* Number of employees includes transferred employees but excludes temporary staff and one-year contract employees.

Editorial Policy

This document has been edited in order for stakeholders to easily understand the overview and business strategies of the Chiba Bank Group. The International Integrated Reporting Framework advocated by the IFRS Foundation (former IIRC) and other guidelines were used for reference in the editing of this report. This report contains forward-looking statements, including financial outlook. They are based on future outlook and forecasts, which the Bank deems reasonable at the time of publication. They do not constitute a promise by the Bank that these will be realized. Actual results may differ from those expressed in the forward-looking statements due to changes in conditions.

Reporting Period: April 2022 - March 2023 (The document includes some information from April 2023 onwards.)

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