



CHIBA BANK

The Chiba Bank, Ltd.

Financial Results Briefing for the Fiscal Year Ended March 2021

May 21, 2021

Event Summary

[Company Name]	The Chiba Bank, Ltd.	
[Fiscal Period]	FY2020	
[Date]	May 21, 2021	
[Time]	15:30 – 16:40 (Total: 70 minutes, Presentation: 29 minutes, Q&A: 41 minutes)	
[Venue]	Webcast	
[Number of Speakers]	4	
	Hidetoshi Sakuma	President, Group CEO
	Tsutomu Yonemoto	Director, Senior Executive Officer
	Tadayoshi Shinozaki	Director, Senior Executive Officer, Group CSO, Group CDTO
	Nobukazu Odaka	Executive Officer, General Manager of Corporate Planning Division

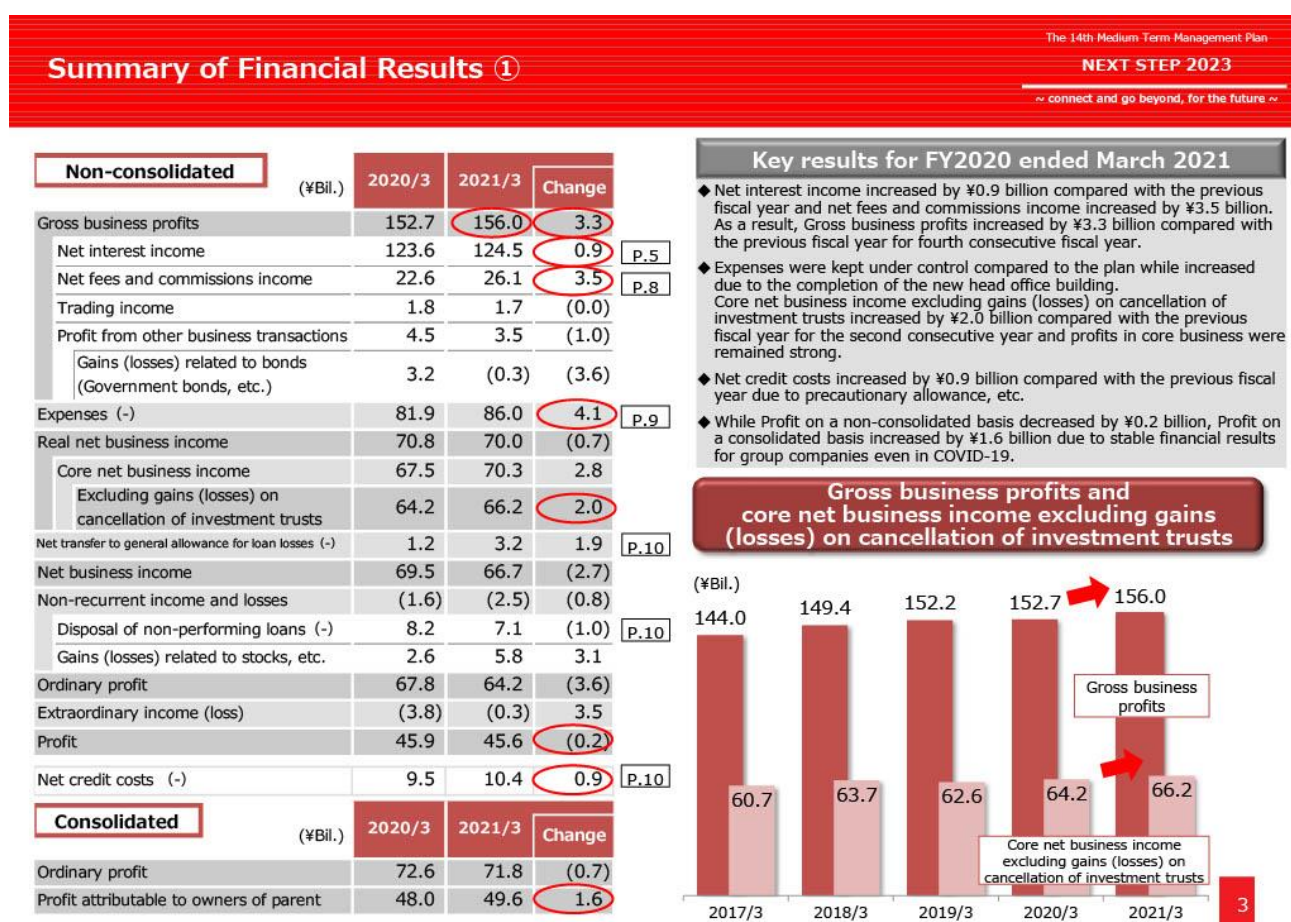
Odaka: Hello, everyone. I am Nobukazu Odaka from the Corporate Planning Division of The Chiba Bank, Ltd. Thank you very much for taking time out of your busy schedules to join us today.

The attendees in today's financial results briefing via web conference are Hidetoshi Sakuma, President and Group CEO; Tsutomu Yonemoto, Director and Senior Executive Officer; and Tadayoshi Shinozaki, Director and Senior Executive Officer.

We will hold a presentation on the outline of the financial results for the fiscal year ended March 2021 for about 30 minutes and move on to a question-and-answer session. The entire meeting is scheduled for a maximum of 75 minutes.

Please refer to our website for the published materials.

Now President Sakuma will provide an overview of our business performance.



Sakuma: Hello, everyone. This is Hidetoshi Sakuma, President and Group CEO. I would like to start a brief explanation in accordance with the material.

Now, please see page 3. This is a summary of our business performance.

Gross business profits increased by JPY3.3 billion YoY to JPY156.0 billion, marking the fourth consecutive year of growth, mainly due to a YoY increase of JPY3.5 billion in net fees and commissions income.

Although expenses increased with the completion of the new headquarters building, we were able to keep them under control compared to the plan. Core net business income, excluding gains/losses on cancellation of investment trusts, increased by JPY2.0 billion, securing income growth for the second consecutive year.

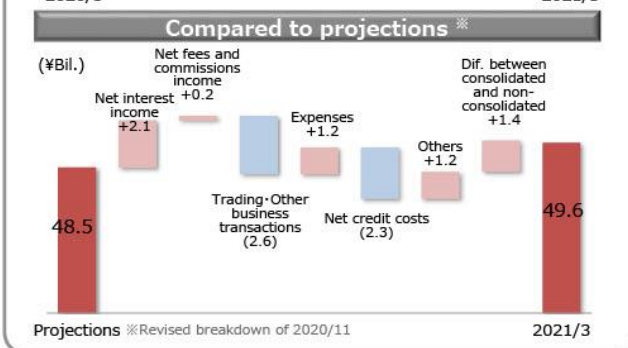
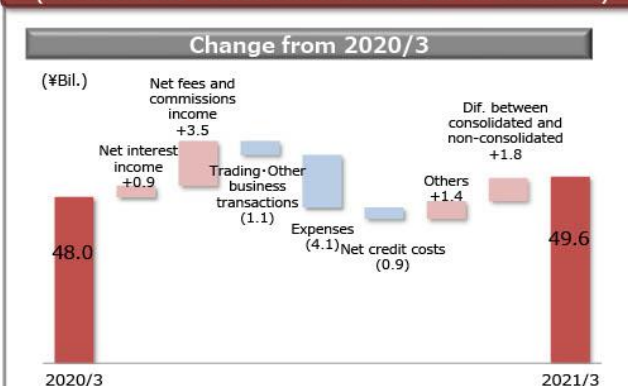
Net credit costs increased by JPY0.9 billion YoY mainly due to precautionary provision, but we managed to control them to a certain extent.

Non-consolidated profit incurred a slight YoY decrease, but consolidated profit attributable to owners of parent, or net profit, increased by JPY1.6 billion YoY to JPY49.6 billion.

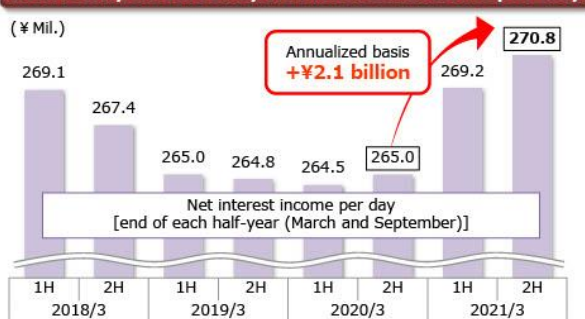
The 14th Medium Term Management Plan
NEXT STEP 2023
~ connect and go beyond, for the future ~

Summary of Financial Results ②

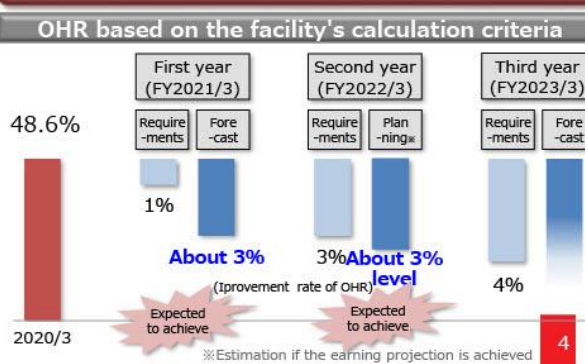
Breakdown of changes in profit attributable to owners of parent (Non-consolidated + Dif. between consolidated and non-consolidated)



Loans in yen currency net interest income per day



Achievement of the BOJ's "Special Deposit Facility to Enhance the Resilience of the Regional Financial System"



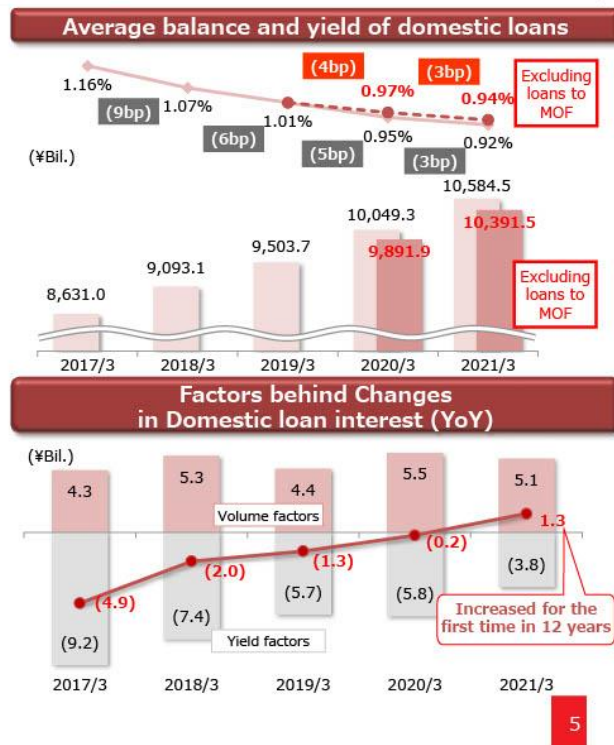
Please see page 4.

The increase in consolidated net profit compared to the plan was mainly due to an upturn in net interest income, cost containment, and strong financial results from Group companies.

As a result, we expect to have met the requirements of the OHR standard, according to the calculation criteria based on the Bank of Japan's "Special Deposit Facility to Enhance the Resilience of the Regional Financial System," in the fiscal year under review, which was the first year of the facility.

Domestic loans interest increased for the first time in 12 years

(¥Bil.)	2020/3	2021/3	Change
Net interest income	123.6	124.5	0.9
Domestic	117.6	118.7	1.0
Interest on loans	95.7	97.1	1.4
Loans and bills discounted	96.4	97.8	1.3
Deposit (incl. NCD)	0.7	0.6	(0.0)
Interest and dividends on securities	21.3	20.6	(0.6)
Bonds	2.6	2.5	(0.0)
Stock dividends	8.9	8.5	(0.4)
Investment funds	1.9	(0.0)	(2.0)
Investment trusts	7.7	9.6	1.9
Gains (losses) on cancellation	3.1	4.4	1.2
Others (Market operation, etc.)	0.6	0.9	0.3
International	6.0	5.8	(0.1)
Loans and bills discounted	13.0	5.5	(7.5)
Foreign Securities	13.0	11.3	(1.7)
Foreign Securities	11.6	9.3	(2.2)
Foreign currency funds	1.0	1.9	0.8
Investment trusts	0.3	0.0	(0.3)
Gains (losses) on cancellation	0.1	(0.2)	(0.4)
Others (Funding and market operation, etc.)	(20.0)	(10.9)	9.0
Net interest income (Excluding gains (losses) on cancellation of investment trusts)	120.3	120.4	0.0
Gains (losses) on cancellation of investment trusts	3.3	4.1	0.8



Please see page 5.

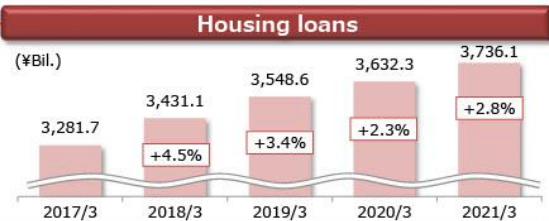
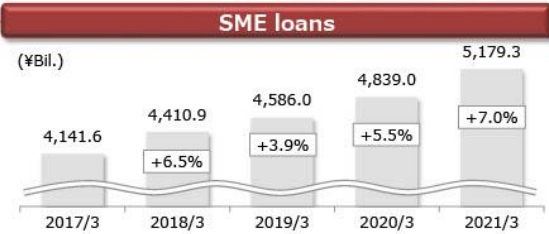
Net interest income in the domestic business sector increased by JPY1.0 billion, as interest on loans turned to an increase for the first time in 12 years, despite a decrease in profit from funds.

Net interest income in the international business sector was almost unchanged, and overall net interest income increased by JPY0.9 billion, marking the fourth consecutive year of growth.

Steady increase in SME loans, housing loans, and unsecured consumer loans

(¥Bil.)	2020/3	2021/3	YoY	%
Deposits	12,788.9	14,104.5	1,315.5	10.2%
Domestic deposits	12,499.5	13,822.4	1,322.8	10.5%
Personal deposits	9,305.2	10,043.7	738.4	7.9%
Loans	10,616.5	11,206.4	589.9	5.5%
Domestic loans	10,376.2	10,962.6	586.4	5.6%
Excl. public sector	9,966.3	10,552.9	586.6	5.8%
Corporate loans	6,155.3	6,632.5	477.1	7.7%
Large corporations	1,316.3	1,453.1	136.8	10.3%
SMEs	4,839.0	5,179.3	340.3	7.0%
Consumer loans	3,810.9	3,920.4	109.4	2.8%
Housing loans	3,632.3	3,736.1	103.7	2.8%
Unsecured consumer loans	170.4	177.0	6.6	3.8%
Public sector	409.8	409.7	(0.1)	(0.0%)
Domestic loans	10,376.2	10,962.6	586.4	5.6%
Excl. public sector	9,966.3	10,552.9	586.6	5.8%
Branches in Chiba	6,969.6	7,258.4	288.8	4.1%
Branches outside Chiba	2,996.6	3,294.4	297.7	9.9%
Special branches*	1,408.8	1,583.3	174.5	12.3%
Retail branches	1,587.8	1,711.1	123.2	7.7%

*Tokyo Head Office, Shinjuku Branch and Osaka Branch

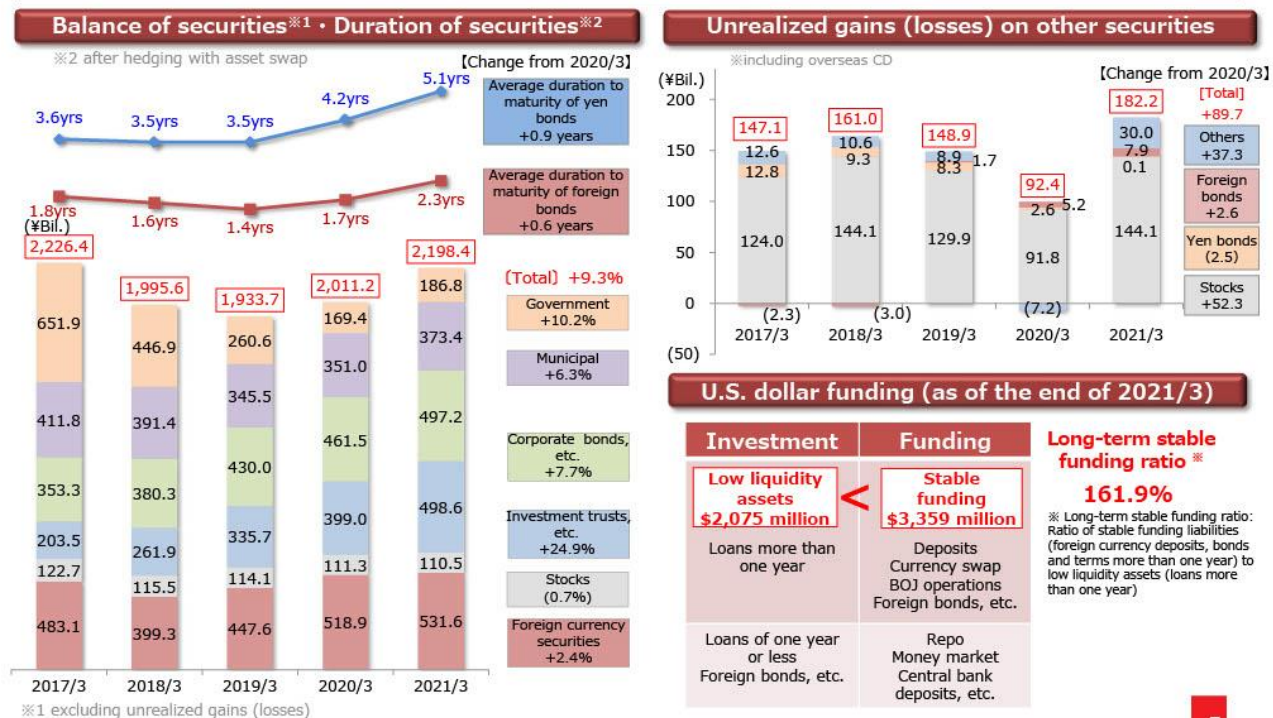


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Deposits increased 10.2% YoY to over JPY14 trillion, while loans increased 5.5% YoY to JPY11.2 trillion.

Corporate loans increased 7.7% YoY due to aggressive efforts in COVID-19-related financing, and housing loans increased 2.8%. Unsecured consumer loans also maintained an upward trend, increasing 3.8% YoY.

Controlling interest rate risk while diversifying investment



Please see page 7.

The balance of securities increased by JPY180 billion YoY to around JPY2.2 trillion.

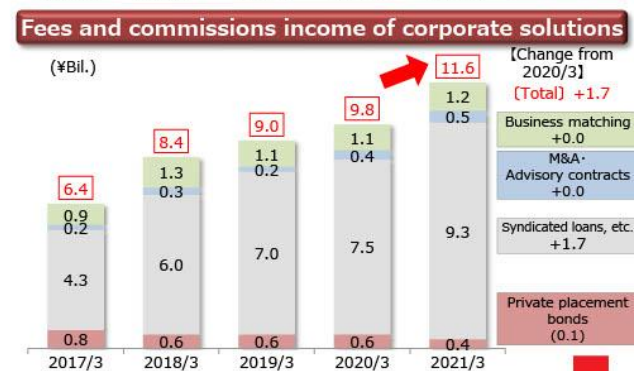
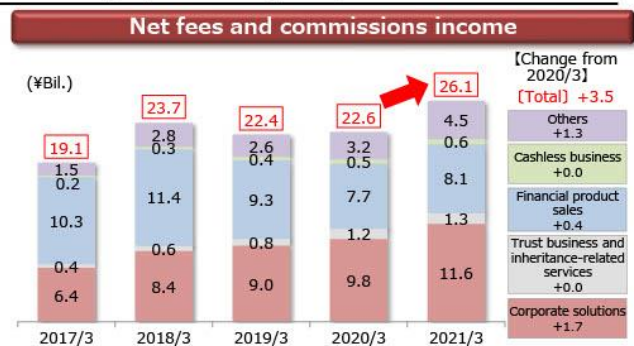
Although the average duration to maturity became slightly longer due to the low interest rate environment, we are managing our portfolio based on risk diversification and paying sufficient attention to the balance of liquidity and profitability.

In addition, unrealized gains on other securities increased significantly, nearly doubling the amount at the end of the previous fiscal year to JPY180 billion.

Net fees and commissions income hit record high, driven by corporate solutions

(¥Bil.)	2020/3	2021/3	Change
Net fees and commissions income	22.6	26.1	3.5
Net fees and commissions revenue	43.2	45.0	1.7
Net fees and commissions payments (-)	20.6	18.8	(1.7)
<Main breakdown>			
Investment trusts and personal annuities	7.7	8.1	0.4
Investment trusts	2.9	3.8	0.9
Annuities and whole life insurance	1.5	1.3	(0.1)
Level paying life insurance	2.6	2.0	(0.5)
Financial instrument intermediary	0.6	0.7	0.1
Corporate solutions	9.8	11.6	1.7
Private placement bonds	0.6	0.4	(0.1)
Syndicated loans	7.5	9.3	1.7
M&A and advisory contracts	0.4	0.5	0.0
Business matching	1.1	1.2	0.0
Trust business and inheritance-related services	1.2	1.3	0.0
Cashless payment and card business ※	0.5	0.6	0.0
Payment and settlement transactions	12.8	13.0	0.2
Guarantee charges and group insurance costs (-) ※	13.7	12.1	(1.6)

※Transferred the portion of guarantee fees paid related to the Existing Card Business by the Bank from "Guarantee charges and group insurance costs" to "Cashless payment and card business" (including the previous fiscal year).



Please see page 8.

Net fees and commissions income increased by JPY3.5 billion YoY to JPY26.1 billion, a new record high.

The overall increase was driven by a JPY1.7 billion increase in corporate solutions-related income, mainly due to the origination of several large-scale syndicated loans in collaboration with our alliance banks. Investment trusts and personal annuities, which had been on a downward trend, turned upward.

Maintain highest level expense ratio (OHR) and efficient operations

	2020/3	2021/3	YoY	2022/3	
				(Projection)	YoY
Expenses (-)	81.9	86.0	4.1	85.5	(0.4)
Personnel expenses (-)	40.8	40.7	(0.1)	40.7	0.0
Non-personnel expenses (-)	35.1	37.5	2.3	38.2	0.7
Taxes (-)	5.8	7.7	1.9	6.5	(1.2)
OHR ※	54.6%	55.0%	0.3pt	54.0%	(0.9pt)

※ Expenses
 Net business income - Gains (Losses) related to bonds, etc.
 + Net transfer to general allowance for loan losses + Expense

Main factors of change in expenses

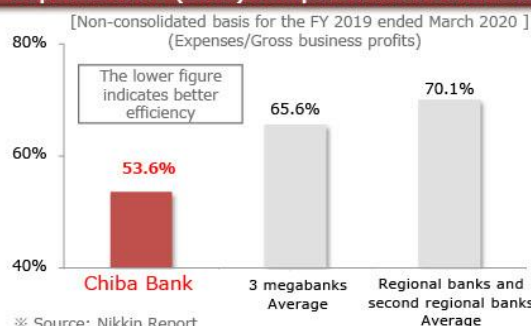
	2021/3 (Actual)	2022/3 (Projection)
Personnel expenses (-)	(0.1)	+0.0
Non-personnel expenses (-)	+2.3	+0.7
Taxes (-)	+1.9	(1.2)

(Detailed breakdown of factors is provided in the original image)

Expenses expectation associated with the new headquarters office building



Expense ratio (OHR) compared with other banks



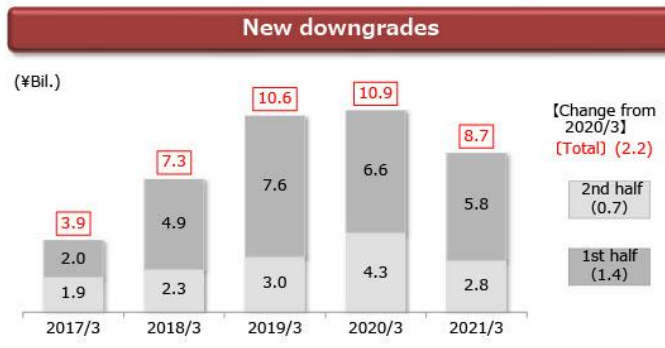
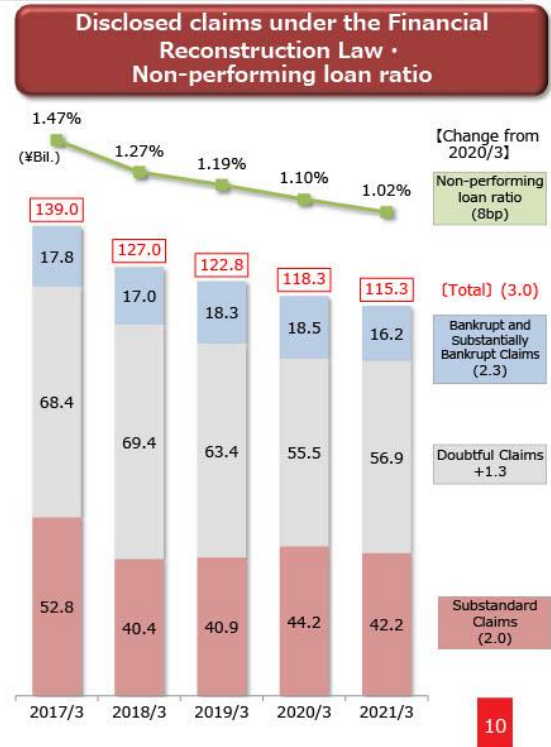
Please see page 9.

Expenses increased by JPY4.1 billion YoY to JPY86.0 billion, mainly due to the recording of expenses related to the new headquarters building, but were kept under control, down JPY1.9 billion from the initial plan of JPY87.9 billion.

For the current fiscal year, we expect a decrease of JPY0.4 billion in expenses due to the reversal of one-time expenses related to the new headquarters building, although we expect an increase in strategic investments for efficiency improvement and DX.

Restrain the increase in net credit costs to a certain extent, even in the implementation of front-loading and preventive allowances

Net credit costs (-)	2020/3	2021/3	YoY	2022/3	
				(Projection)	YoY
Net credit costs (-)	9.5	10.4	0.9	10.0	(0.4)
Net transfer to general allowance for loan loss	1.2	3.2	1.9	1.0	(2.2)
Disposal of non-performing loans (-)	8.2	7.1	(1.0)	9.0	1.8
Write-offs/Net transfers to specific allowance etc.	10.9	8.3	(2.5)	10.5	2.1
New downgrades (-)	10.9	8.7	(2.2)	11.0	2.2
Decreases in collateral value etc. (-)	1.1	0.4	(0.7)	0.5	0.0
Collections etc.	1.2	0.7	(0.4)	1.0	0.2
Recoveries of written-off claims	2.6	1.2	(1.4)	1.5	0.2
Net credit cost ratio (-)	8bp	9bp	0bp	8bp	(0bp)



Please see page 10.

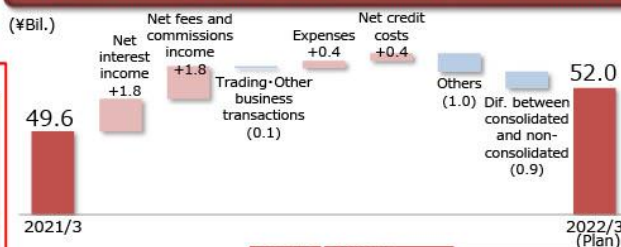
Net credit costs increased by JPY0.9 billion YoY to JPY10.4 billion, due to advance and preventive provision of about JPY3 billion.

The default rate is low in the Bank's loans and a large percentage of its lending is to real estate leasing operators, which put their properties as collateral, so the incidence of new non-performing loans is well controlled, leading to a low loan loss reserve ratio and a low NPL ratio.

For the current fiscal year, we expect credit costs to be JPY10.0 billion, the same level as that in each of the 2 previous fiscal years, taking into account the impact of COVID-19.

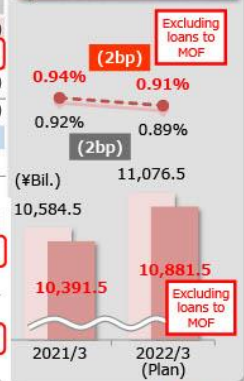
Non-consolidated		2021/3	2022/3	Change
		(¥Bil.)	(Projections)	
Gross business profits		156.0	159.5	3.4
Net interest income		124.5	126.4	1.8
Net fees and commissions income		26.1	28.0	1.8
Trading income		1.7	2.5	0.7
Profit from other business transactions		3.5	2.6	(0.9)
Gains (losses) related to bonds (Government bonds, etc.)		(0.3)	1.0	1.4
Expenses (-)		86.0	85.5	(0.4)
Real net business income		70.0	73.9	3.9
Core net business income		70.3	72.9	2.5
Excluding gains (losses) on cancellation of investment trusts		66.2	68.9	2.6
Net transfer to general allowance for loan losses (-)		3.2	1.0	(2.2)
Net business income		66.7	72.9	6.1
Non-recurrent income and losses		(2.5)	(3.9)	(1.4)
Disposal of non-performing loans (-)		7.1	9.0	1.8
Gains (losses) related to stocks, etc.		5.8	3.5	(2.3)
Ordinary profit		64.2	69.0	4.7
Extraordinary income (loss)		(0.3)	(0.5)	(0.1)
Profit		45.6	49.0	3.3
Net credit costs (-)		10.4	10.0	(0.4)
Consolidated				
		(¥Bil.)	(Projections)	
Ordinary profit		71.8	75.5	3.6
Profit attributable to owners of parent		49.6	52.0	2.3

Breakdown of changes in profit attributable to owners of parent (Non-consolidated + Dif. between consolidated and non-consolidated)



	2021/3	2022/3	Change
	(¥Bil.)	(Projections)	
Net interest income	124.5	126.4	1.8
Domestic	118.7	117.9	(0.7)
Interest on loans	97.1	98.5	1.4
Interest and dividends on securities	20.6	18.3	(2.2)
Gains (losses) on cancellation of investment trusts	4.4	2.0	(2.4)
International	5.8	8.4	2.5
Gains (losses) on cancellation of investment trusts	(0.2)	2.0	2.2
Net fees and commissions income	26.1	28.0	1.8
Investment trusts and personal annuities	8.1	9.2	1.1
Corporate solutions	11.6	12.0	0.3
Trust business and inheritance-related services	1.3	1.8	0.5
Cashless payment and card business	0.6	1.5	0.9
Payment and settlement transactions	13.0	12.2	(0.8)
Guarantee charges and group insurance costs (-) ※	12.1	12.8	0.7

Average balance and yield of domestic loans



Please see page 11.

For the current fiscal year, we plan to increase gross business profits by JPY3.4 billion. Net interest income will increase by JPY1.8 billion, driven by an increase in interest on loans and bills discounted in Japan. Net fees and commissions income is expected to increase by JPY1.8 billion due to the accumulation of revenues from investment trusts and personal annuities and cashless payment and card business.

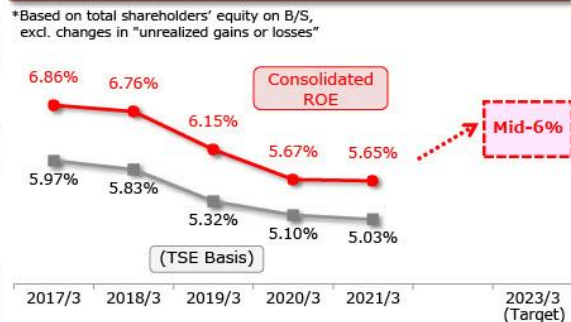
Expenses and net credit costs are expected to decrease by JPY0.4 billion, respectively, and net profit on a non-consolidated basis is expected to increase by JPY3.3 billion to JPY49.0 billion. Consolidated net profit is expected to increase by JPY2.3 billion to JPY52.0 billion.

Even in the midst of the difficult external environment, we will continue to build on the effects of various measures to strengthen our profitability.

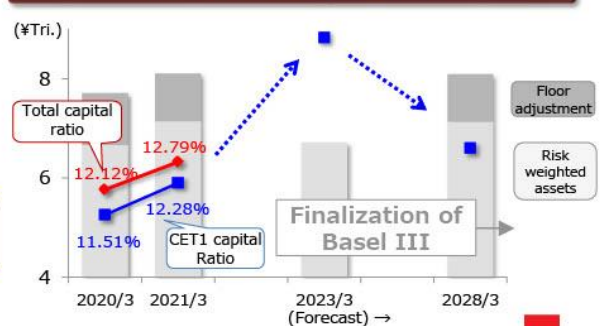
Shareholder returns



Consolidated ROE



Consolidated capital Ratio



Please see page 12.

In terms of returns to shareholders, the consolidated dividend payout ratio rose to 30%, as we increased the annual dividend by JPY2 per share for the fiscal year under review.

With profit growth expected to continue in the current fiscal year, we increased the annual dividend by JPY2 YoY again, to strengthen shareholder returns. As for future shareholder returns, we will continue to consider increasing dividends and conducting share buybacks while assessing the impact of COVID-19 on the Bank's performance.

Pages 14 and 15 provide an overview of the Medium-Term Management Plan. Please take a look at it later.

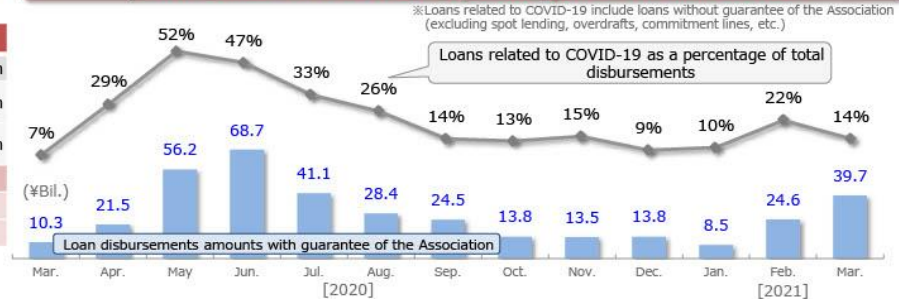
Careful activities to fulfill the role, mission, and raison d'etre of regional financial institutions

Status of loans related to COVID-19

[As of March 2021]

(cases/amounts)	Execution	
New loans	15,997	¥696.4 billion
Without guarantee of the Association	797	¥330.8 billion
With guarantee of the Association	15,200	¥365.6 billion
Restructuring loans	1,122	-
Corporate loans	391	-
Consumer loans	731	-

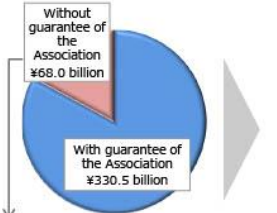
Transition of loans executions related to COVID 19 with guarantee of the Association / Loans related to COVID-19 as a percentage of total disbursements



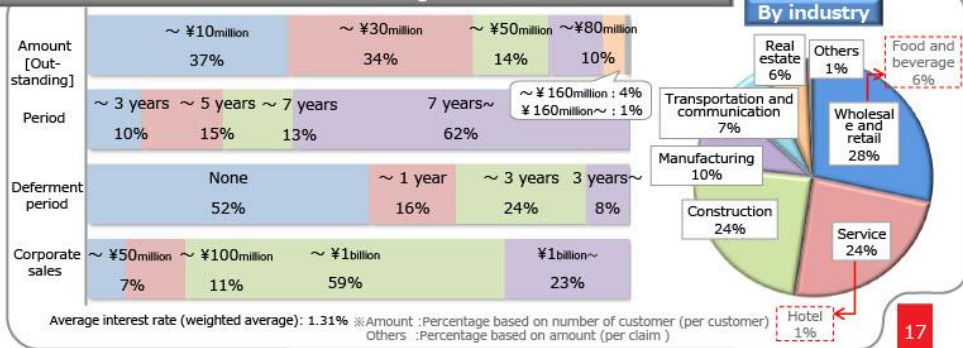
COVID-19-related loans balance

[As of March 2021]

※ Excluding spot lending, overdrafts, commitment lines, etc.



Details of COVID-19-related loans with guarantee of the Association



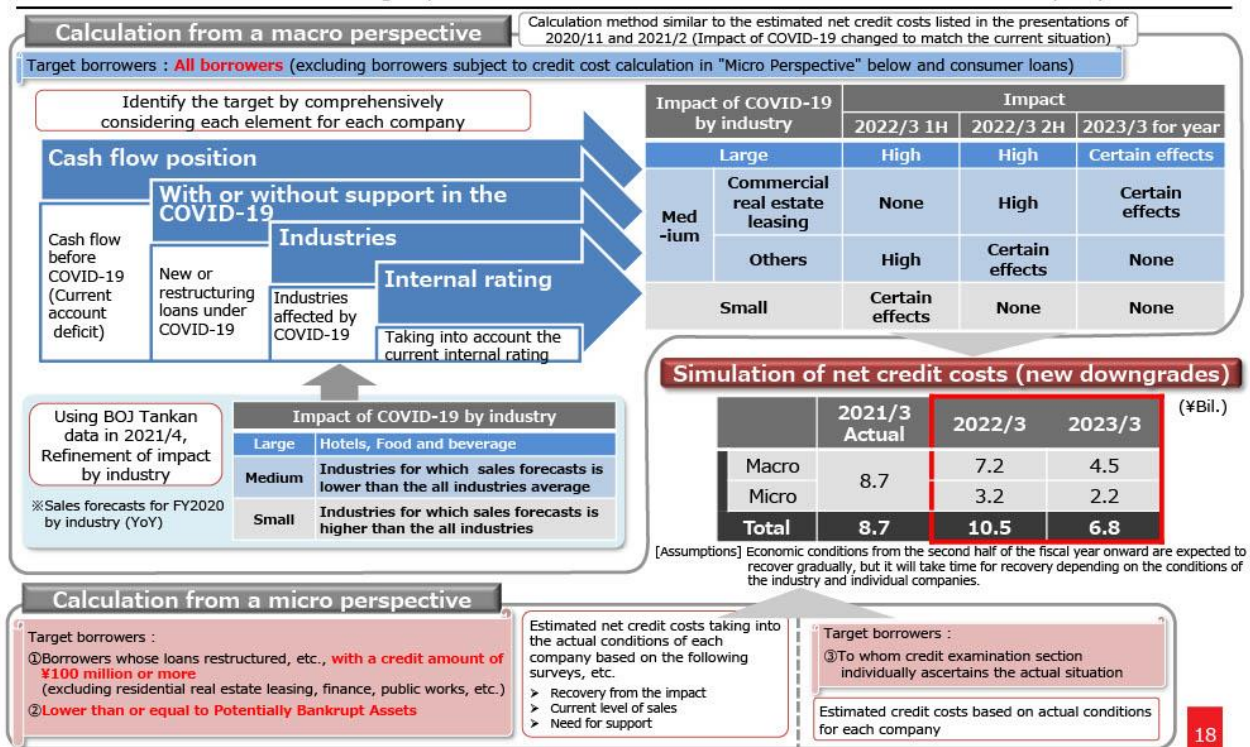
Next, I will explain the effects of COVID-19. Please see page 17.

We continued to implement various initiatives, mainly focusing on cash flow assistance, in order to firmly support customers affected by COVID-19, and the total amount of COVID-19-related loans came to about JPY700 billion with 16,000 executions.

In loans related to COVID-19 with guarantees of the Association, the maximum amount of an interest-free loan was raised from JPY40 million to JPY60 million, so the total amount of loans executed in February and March exceeded JPY60 billion.

However, at present, COVID-19-related loans account for only 10% to 20% of the Bank's total corporate loan disbursements, and a majority of loans are for capital investment and ordinary working capital.

Estimated net credit costs taking impact of COVID-19 into account from both macro and micro perspectives



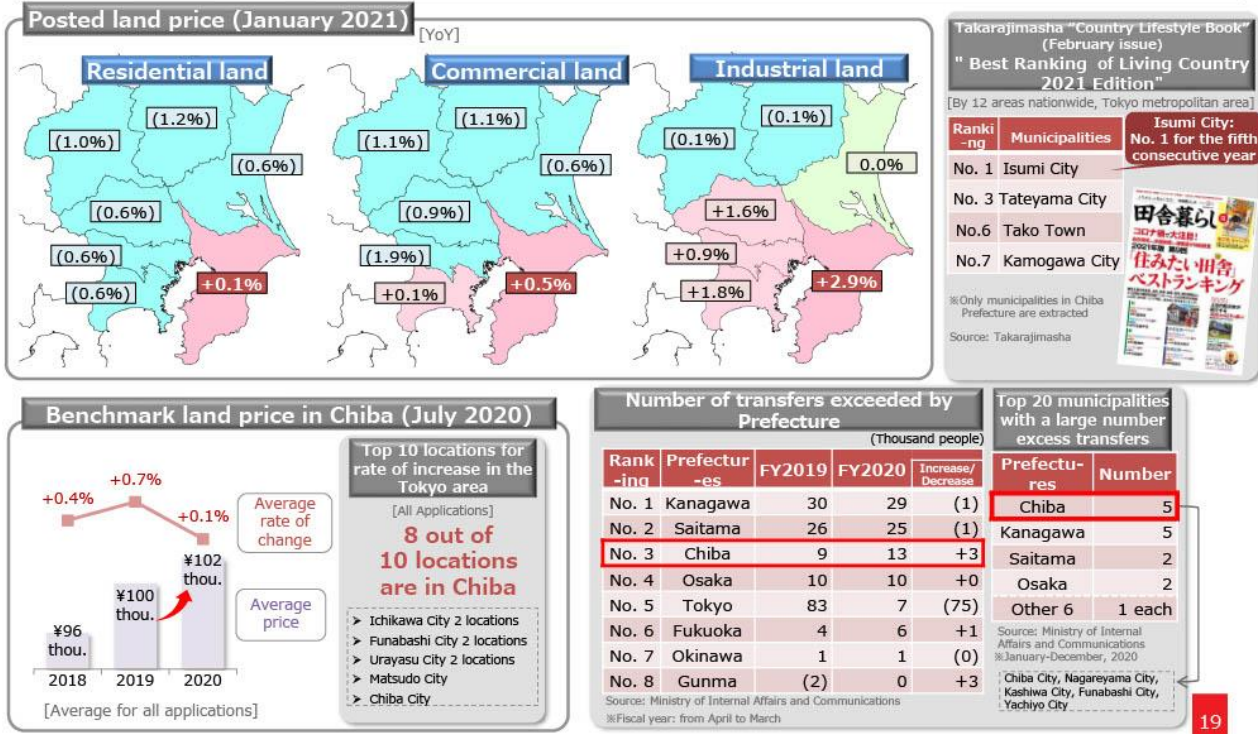
Please see page 18.

In the past, our risk management division calculated credit costs from a macro perspective, taking into account the impact of COVID-19, but from this time on, the credit examination section added its calculations from a micro perspective.

For customers with the outstanding lending of JPY100 million or more, they estimated credit costs from the micro perspective, based on the results of direct interviews with the customers about their recovery status and the need for support, as well as the actual situation of each individual company and other factors. For other customers, the Bank continued to estimate credit costs from the macro perspective.

The calculations are based on the assumption that economic conditions will gradually recover in the second half of the fiscal year and beyond, but the recovery will take time depending on the industry's and individual company's conditions. As a result, new downgrades for the current fiscal year are expected to be JPY10.5 billion, well within the plan.

Interest in Chiba as a residence, etc. is increasing due to COVID-19



Please see page 19.

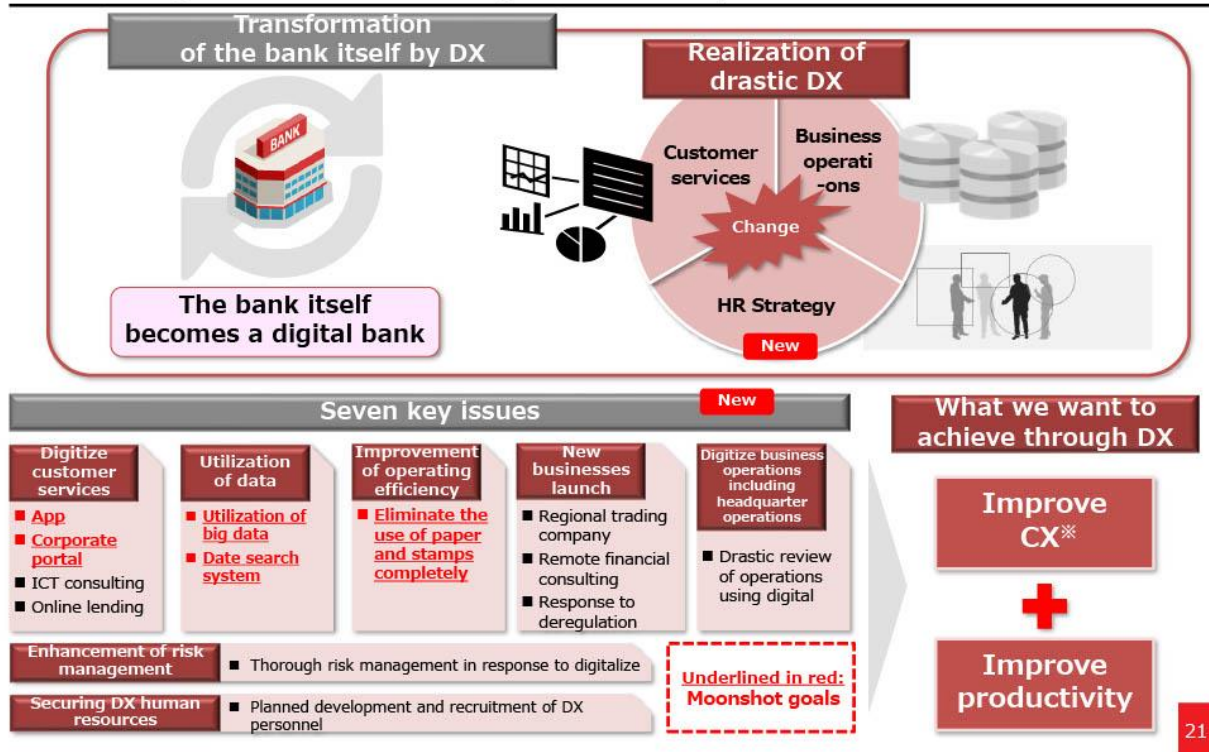
Amid growing demand for telework, Chiba Prefecture has attracted much attention as a candidate for a place of residence as it is full of nature and offers comfortable life despite its location next to Tokyo. In a public land price survey released in March, Chiba was the only prefecture in the Kanto region where land prices for residential areas maintained an upward trend.

Future development needs can be expected, and housing loan and lending to real estate leasing operators, which account for more than half of the Bank's loans, are expected to remain strong.

That is all for the explanation from me.

Next, Yonemoto, who is scheduled to take office as President in June, will give an explanation on business strategies.

Added "Change of Human Resources Strategy" to the axis of DX promotion in order to transform the bank itself



Yonemoto: Hello, everyone. This is Tsutomu Yonemoto, Senior Executive Officer.

Now, let me explain business strategies. Please see page 21 of the material.

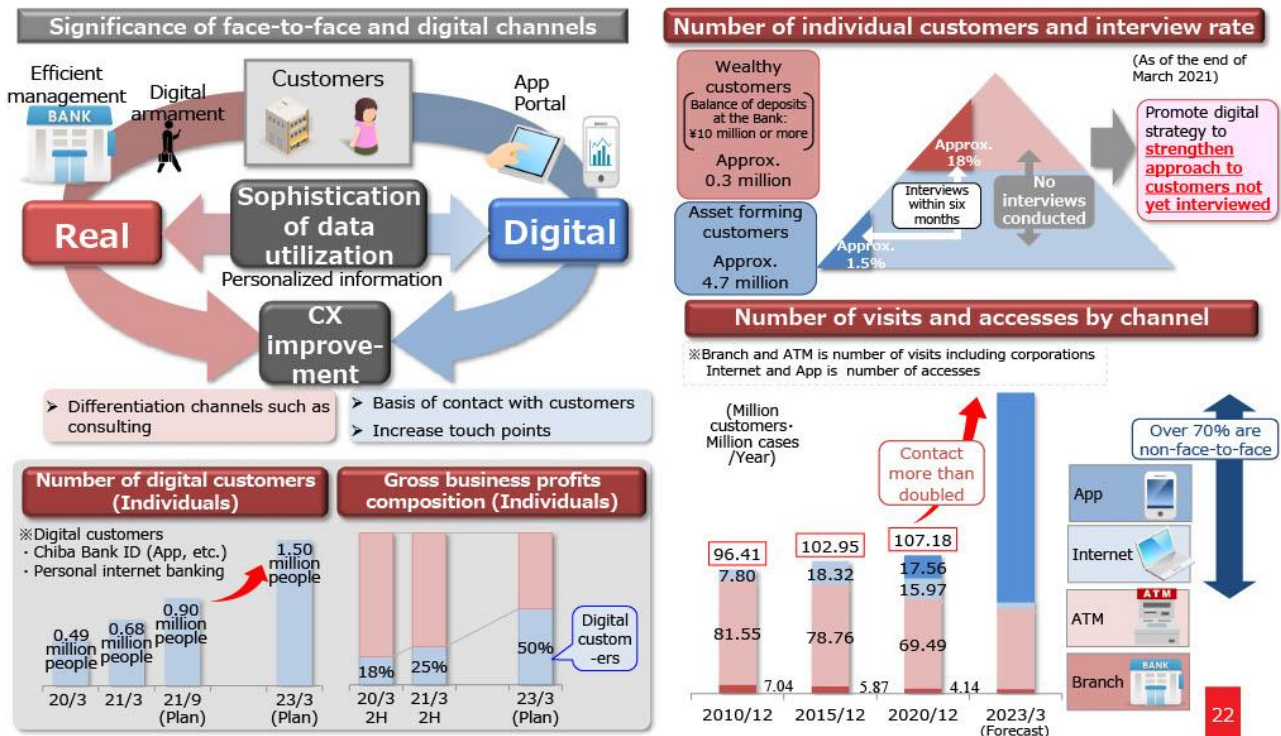
In the medium-term management plan that started in April last year, we positioned our digital strategy as the most important measure to be implemented. Setting the Moonshot Goals, we have strengthened our DX promotion.

To achieve fundamental DX, we aim to transform the bank itself into a digital bank by focusing on the transformation of services for customers, business operations, and human resources strategy.

We have identified the following 7 key issues to be addressed: digitalization of customer services, utilization of data, improvement of operating efficiency, new businesses, digitalization of business operations, strengthening of risk management, and securing of DX human resources. The goal is to improve customer experience and increase productivity by proceeding with the 7 key targets by the whole Group.

We aim to secure 1,000 employees over the next 2 years to serve as the base for DX promotion, and we are encouraging our employees to acquire IT Passport, a national certification.

Increase touch points with customers through digital, and move face-to-face to differentiated channels



Please see page 22.

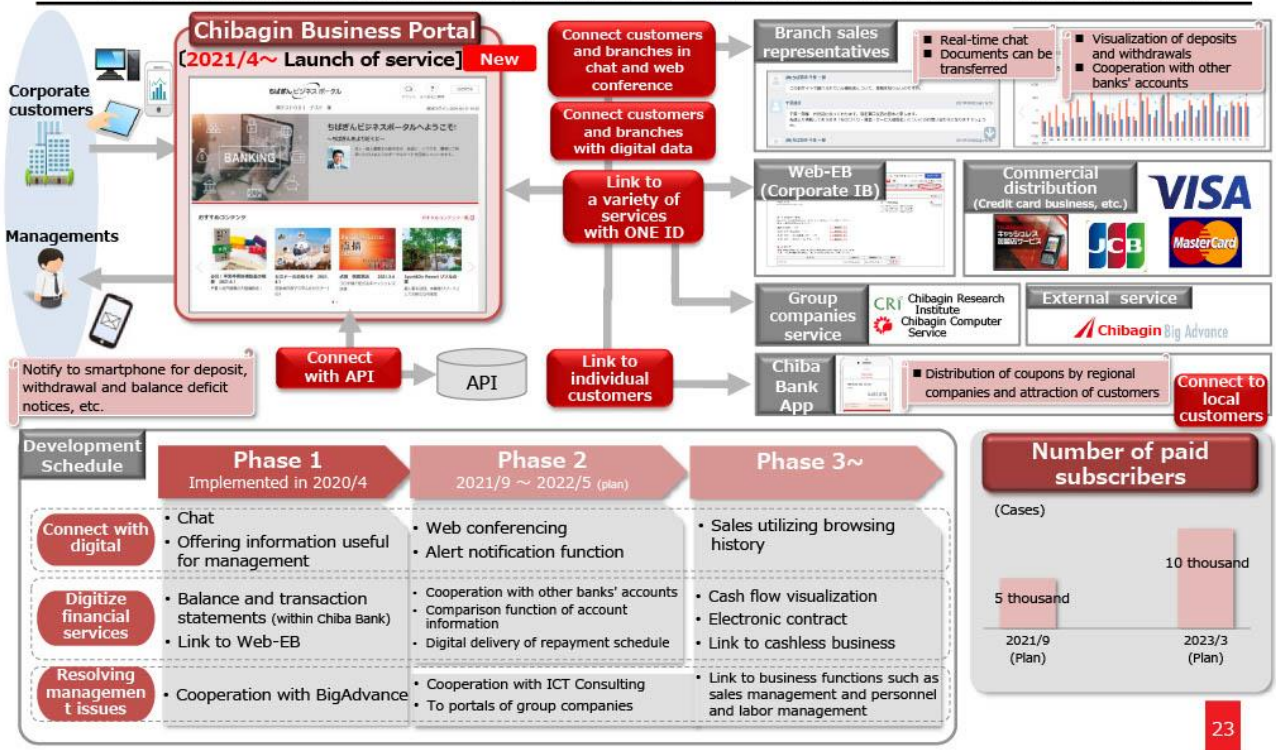
The access channels to customers are expected to change drastically from bank counters and ATMs to apps in the future, and this will increase the number of touch points with customers, thereby expanding business opportunities.

By further improving the usability of our app, which is the base of contact with customers, we aim to increase the number of digital customers to 1.5 million and let profit from digital customers account for 50% of the bank's overall profit.

In addition, for face-to-face channels such as bank branches, which will be differentiated channels, we will further enhance our efficiency and consulting capabilities by thoroughly promoting DX in business operations and data utilization.

In areas afflicted with declining populations, such as the southern part of Chiba Prefecture, we will consider expanding the area sales system that we have in place in the Tateyama area, in a bid to pursue branch strategies tailored to regional characteristics. However, the strength of a regional bank is its face-to-face service, and we intend to maintain a certain number of branches as a differentiated channel to deepen contact with customers.

A corporate portal to serve as a hub for all services essential to business activities



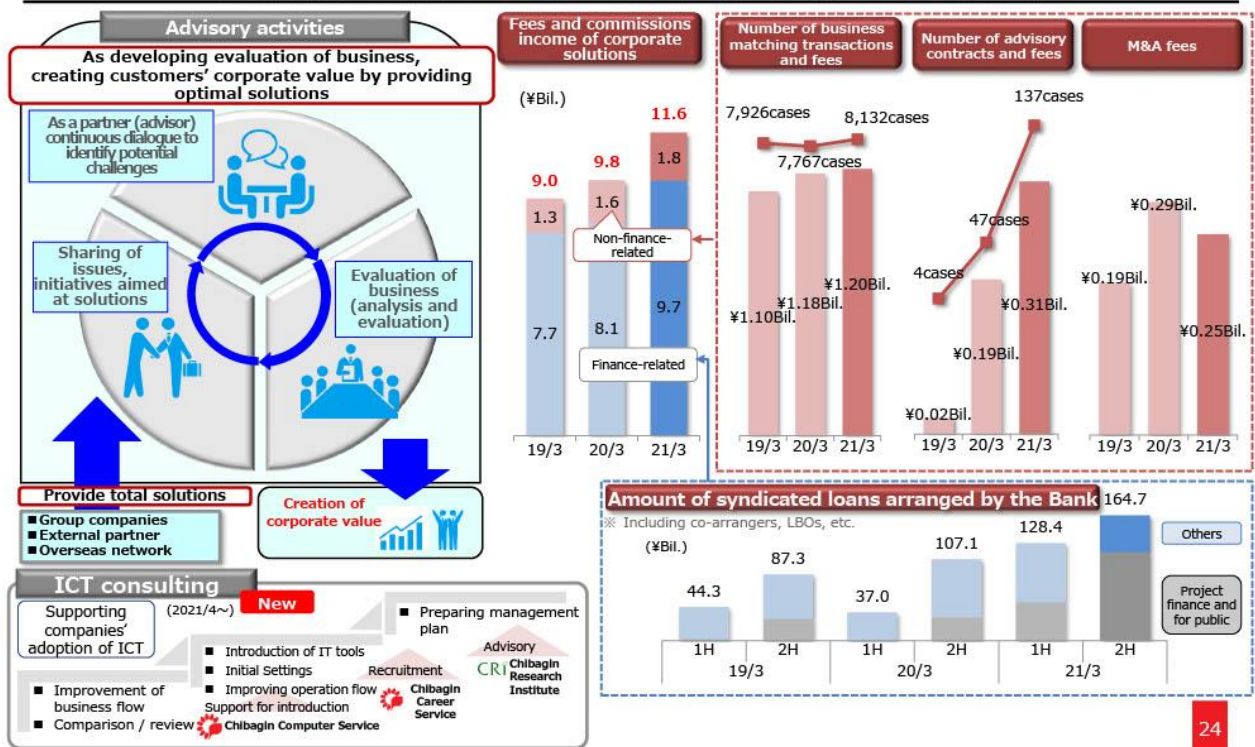
Please see page 23.

In April, we started providing services of the Chibagin Business Portal as a new digital channel for corporate customers.

This corporate portal has a function that allows customers and branch sales representatives to communicate with each other and customers to check their accounts over the Internet.

In addition to connecting with Group companies and external services, the portal is linked to individual customers to become a hub for all corporate services and an indispensable digital contact point for business activities.

Strengthen ability to resolve management issues as a partner

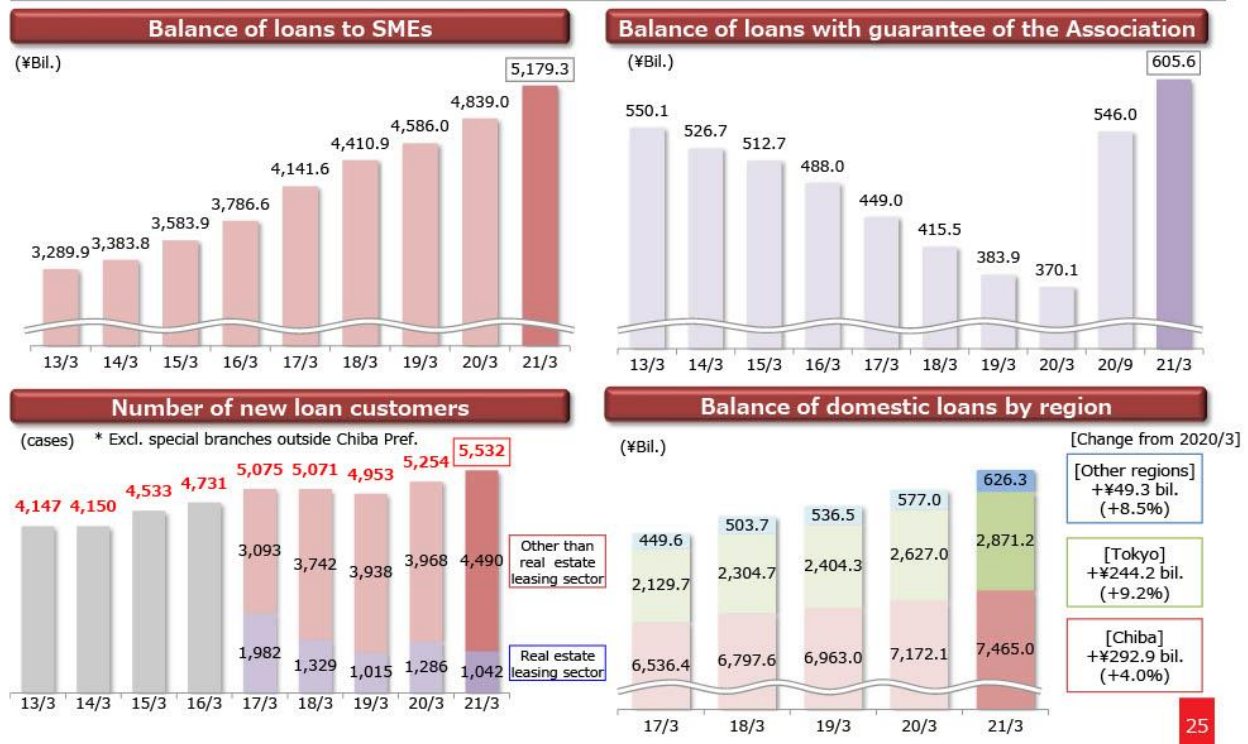


Please see page 24.

In the corporate business, we provide comprehensive solutions, including business matching and M&A, to customers with various needs and management problems through continuous dialogue as an advisor, and we will enhance our fees and commissions income.

Meanwhile, the amount of syndicated loans arranged by the Bank is on an upward trend due to the improvement of our origination ability through the accumulation of our past efforts and the improvement of our invitation capability by utilizing the financial strength of our alliance partners, which has led to a rise in finance-related fees and commissions income.

Aggressive responding to SME borrowing needs by COVID-19 disaster

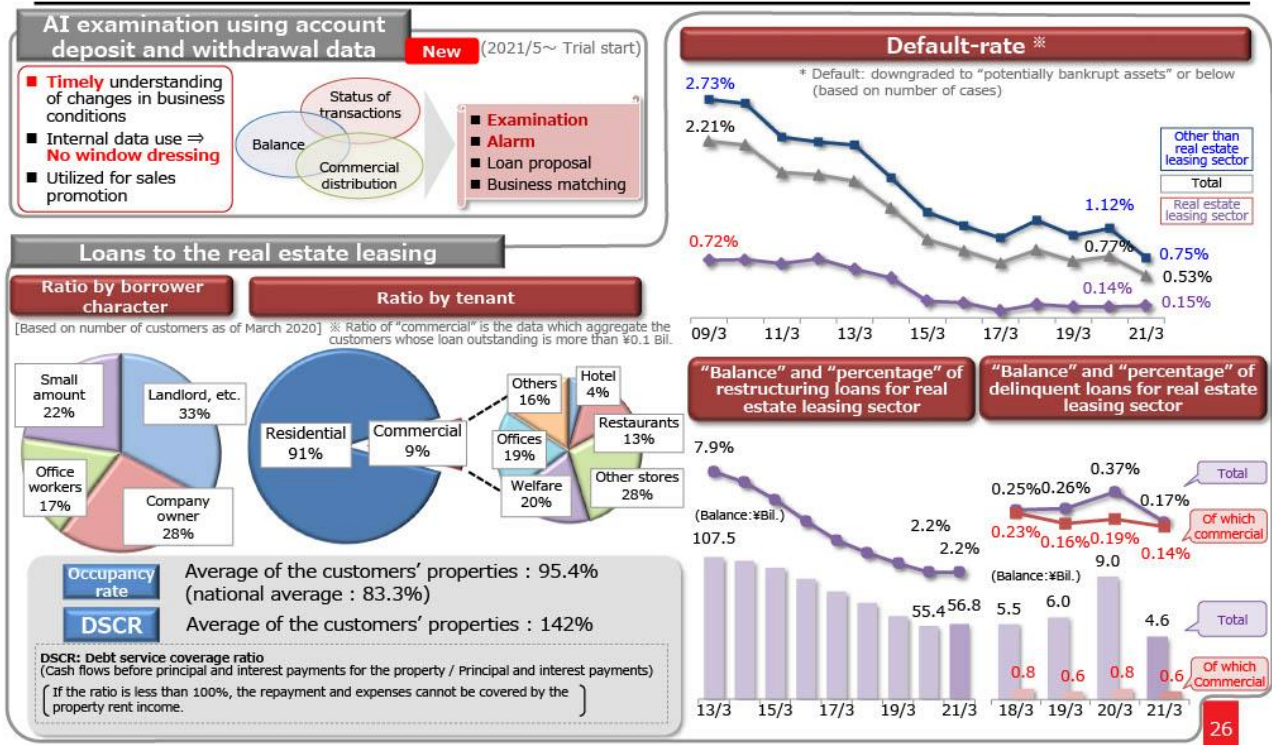


Please see page 25.

Due to our response to borrowing needs amid COVID-19, loans to small- and medium-sized enterprises are on an uptrend, with a particularly large increase in lending with guarantees from the Association.

In addition, we actively provided support to customers in areas affected by COVID-19, resulting in a record number of new loan customers. By doing so, we have made progress in expanding our customer base.

Leveraging DX to upgrade examination system, fears of lending to the real estate leasing industry are low

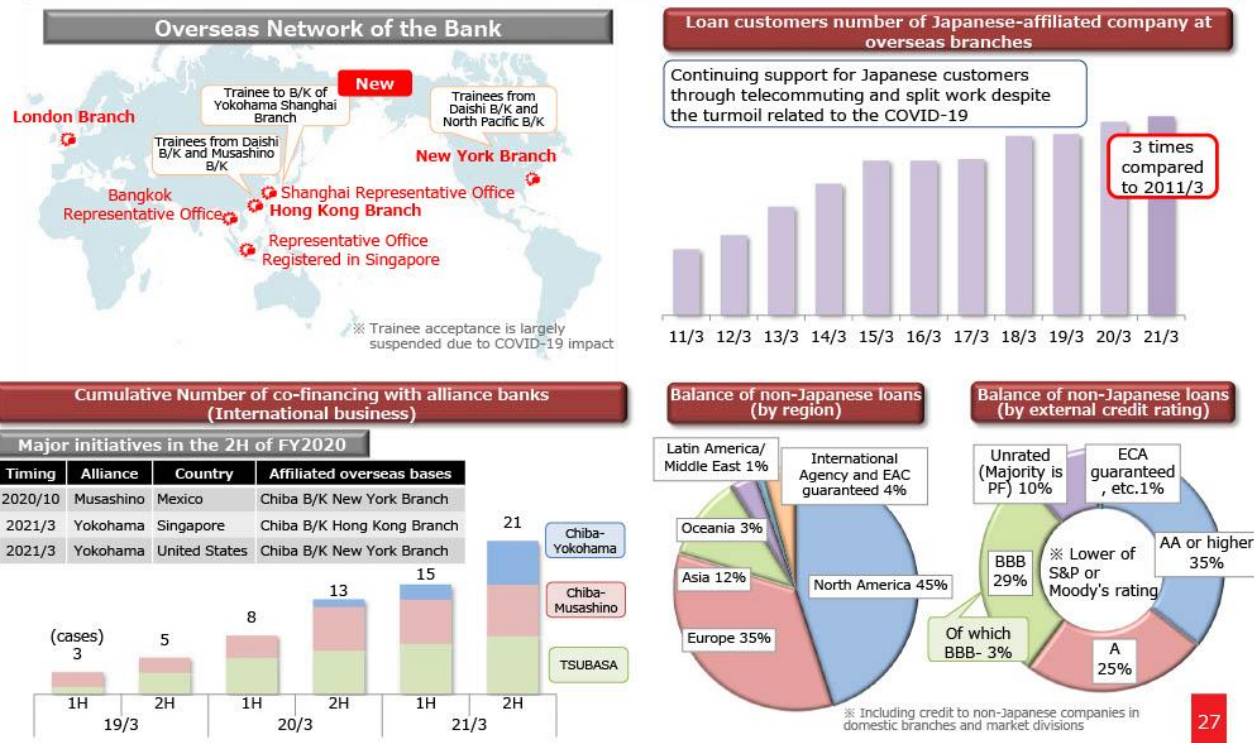


Please see page 26.

In May, we started a trial of AI examining using account deposit/withdrawal data, and we will use DX to further upgrade our examining system.

With regard to loans to the real estate leasing industry, which account for over 20% of the Bank's loans, the Bank continues to implement a strict screening system and maintains soundness, with the default rate and the percentage of loans with modified conditions remaining unchanged and the percentage of delinquent loans declining.

Take advantage of the largest overseas network among regional banks



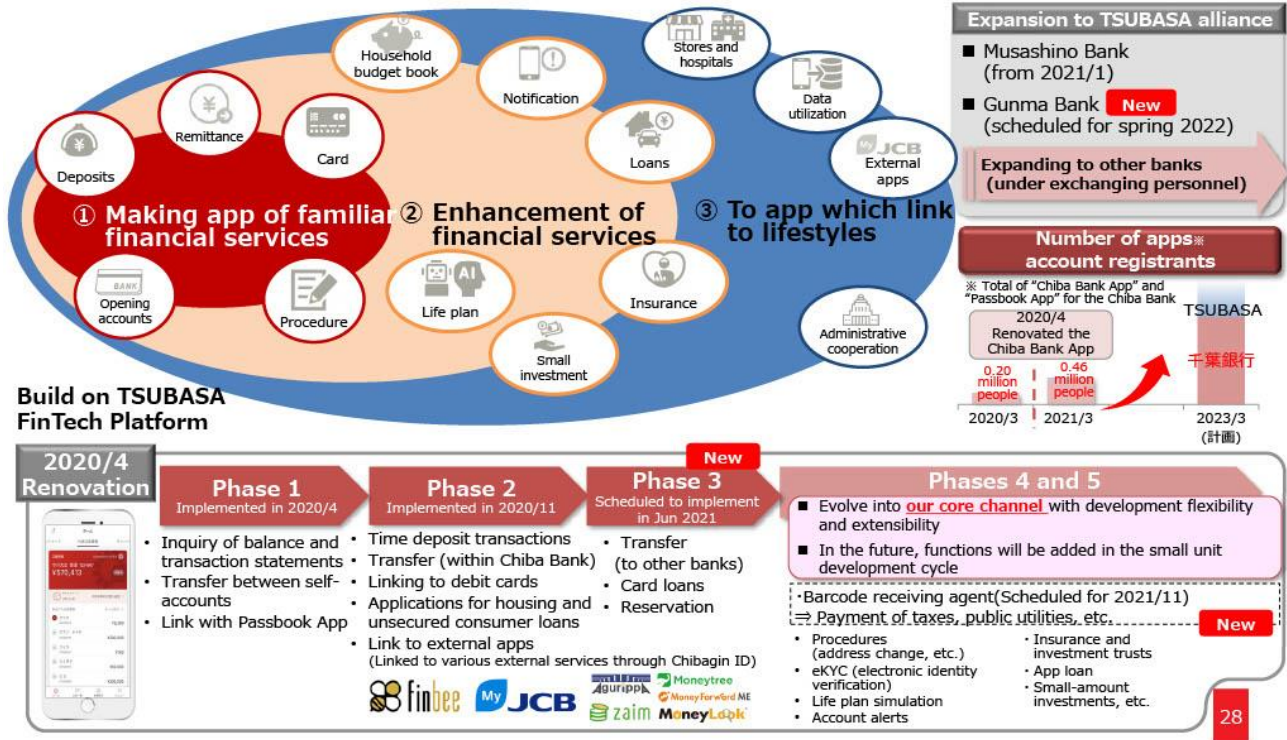
Please see page 27.

One of our strengths is to have the largest overseas network among regional banks in Japan, and even in the midst of the turmoil caused by COVID-19, our employees at overseas branches, by working from home, continue to provide support to Japanese companies operating abroad.

In addition, in collaboration with our alliance banks, we have continued our efforts to provide loans to Japanese companies' overseas subsidiaries and non-Japanese companies, with the number of initiatives exceeding 20 since April 2018.

We continue to maintain a cautious approach to non-Japanese loans, including bonds, and most of our loans and bonds exposure is to companies with investment-grade ratings, thus limiting credit risk.

Towards “the app linked to lifestyles”



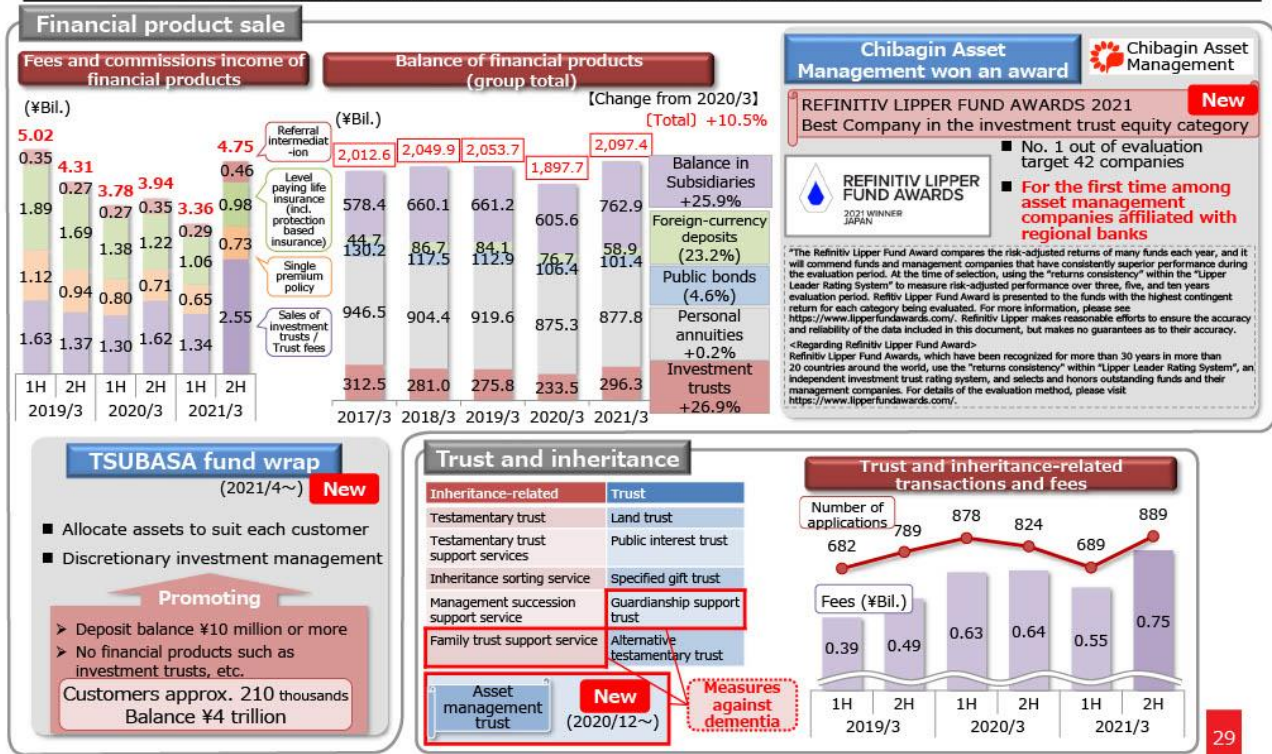
Next, I will explain the business with individuals. Please see page 28.

The number of account registrations for the Chiba Bank App has been steadily increasing since its upgrade in April last year, reaching 300,000 as of the end of March, which is 30% of the target of 1 million by March 2023.

In the third phase scheduled for June, we plan to add functions such as credit card loans and branch visit reservations. In the future, we will shorten the development period and add functions one by one and aim to create an "app that connects with people's lifestyles" that can connect local businesses and individual customers—for example, by integrating the app with our new business, a regional trading company.

In addition, the expansion to the TSUBASA Alliance partner banks is in progress, and we expect to increase our development ability, service ability, and information volume in the future.

Strengthen consulting functions that are closely linked to the lives of individuals

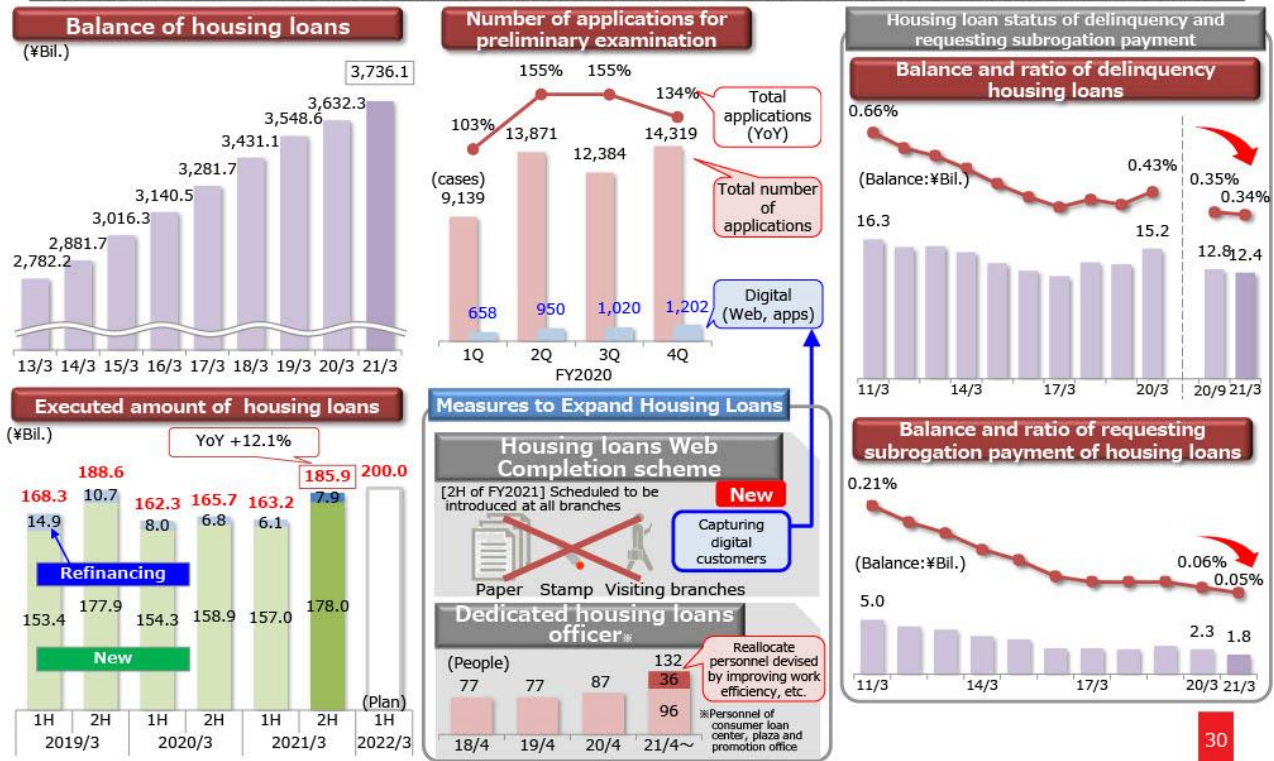


Please see page 29.

Sales of financial products, which were sluggish in the first half of the previous fiscal year due to the impact of COVID-19, recovered significantly in the second half, and the Group's total balance of financial products has exceeded JPY2 trillion.

In addition, the trust and inheritance-related service, in which interest is growing amid the COVID-19 pandemic, is also performing well, with the number of transactions and the amount of fees in the second half of the previous fiscal year reaching record highs for a half year.

Steady progress in both applications and execution in response to growing demand for relocation



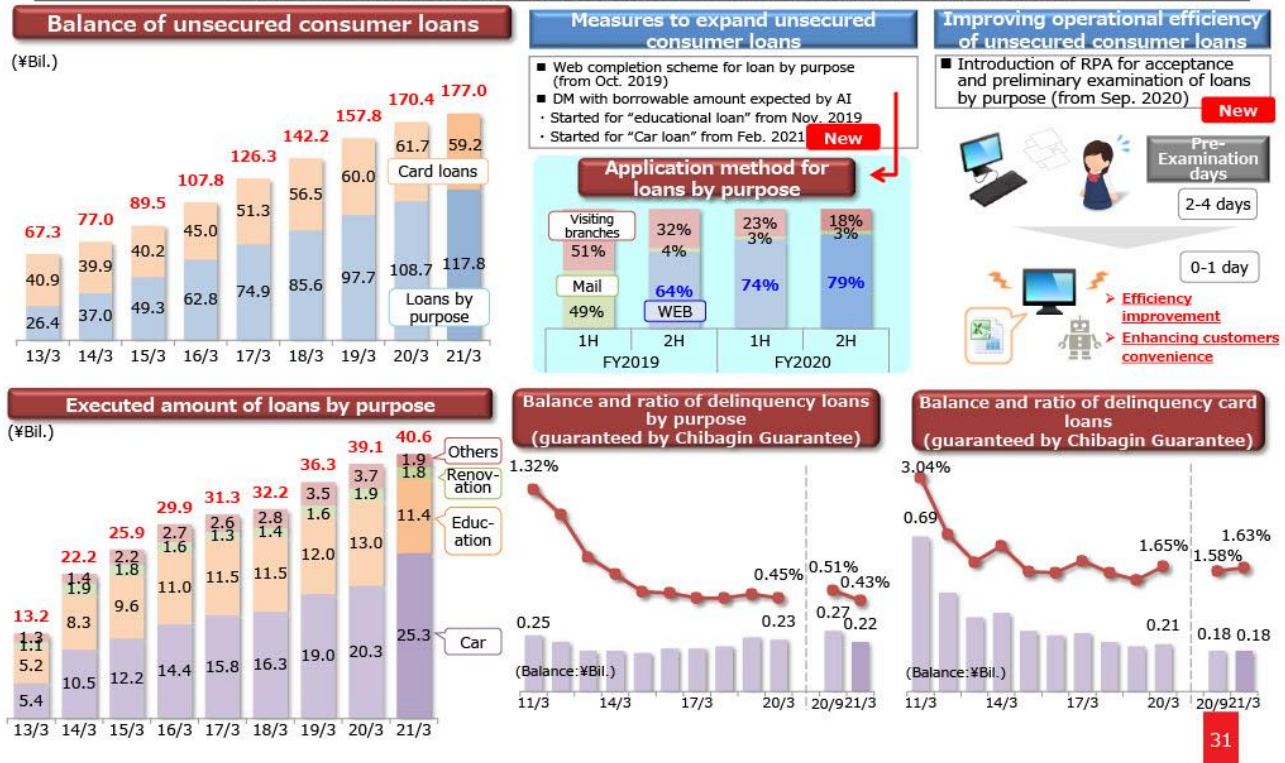
Please see page 30.

Housing loans performed well, with the amount executed in the second half of the fiscal year up 12% YoY, due to factors such as the growing interest in moving to the countryside due to the impact of COVID-19.

The number of applications for preliminary examination has been significantly higher than the year-before figure, and we will continue to aim for a steady increase in the balance by improving convenience through the introduction of the Web-based completion scheme and increasing the number of dedicated staff.

The delinquency rate and the subrogation payment rate decreased YoY, and the housing loans receivable remained sound.

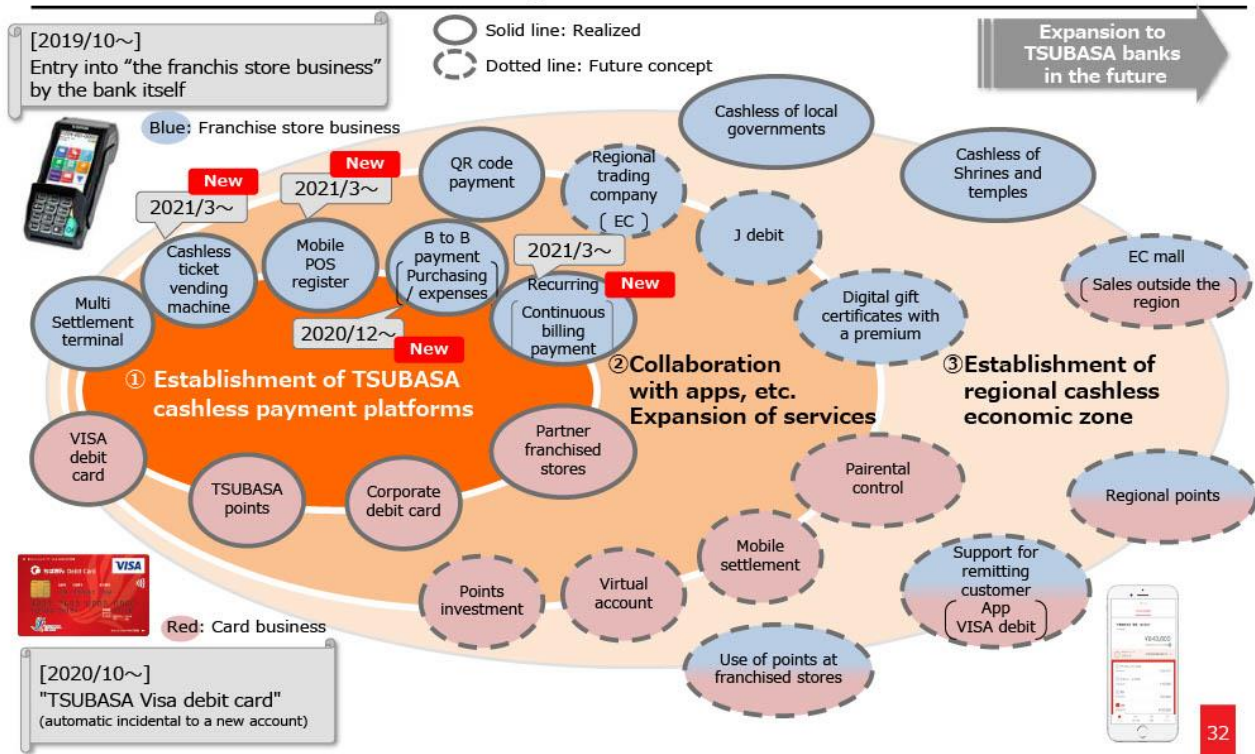
Maintain the soundness of assets while increasing the balance



Please see page 31.

The balance of unsecured customer loans has also been steadily increasing due to the introduction of the web-based completion scheme and improved convenience through the use of RPA to shorten the screening period.

Establish a regional cashless economic zone

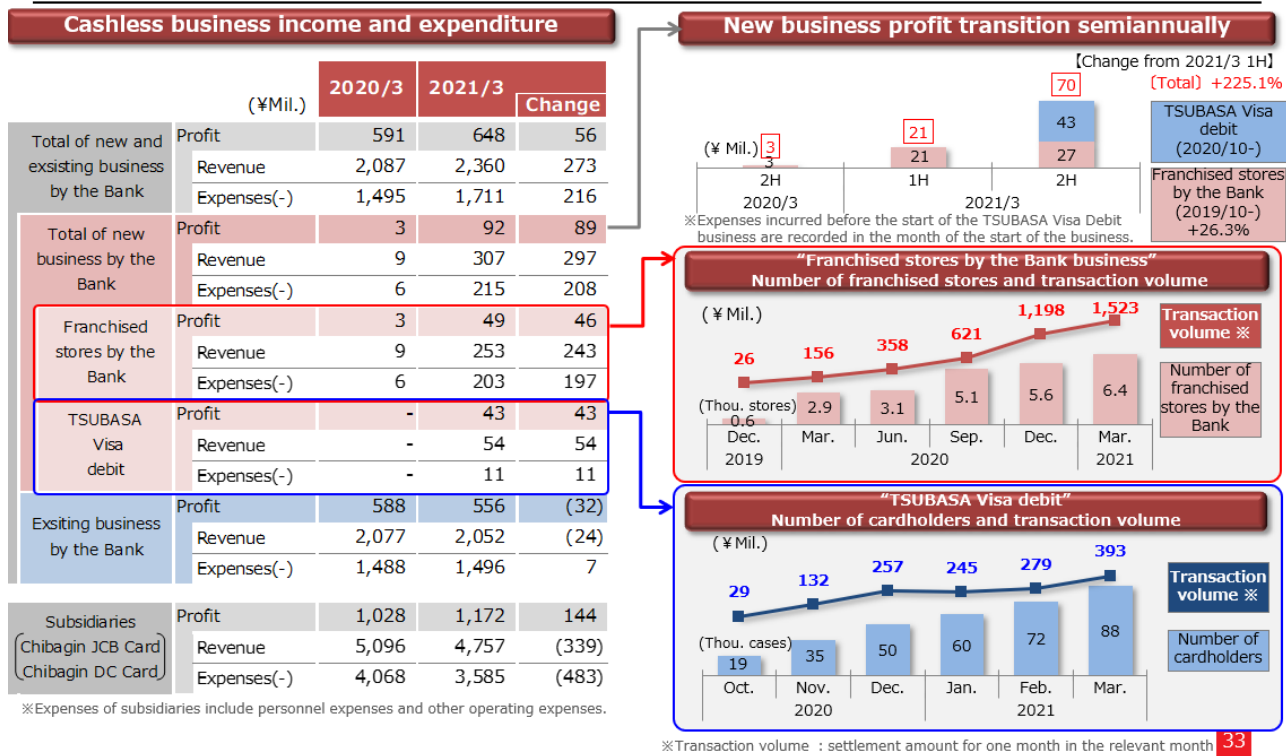


Please see page 32.

As for the cashless business, which is one of the pillars of revenue enhancement in the medium-term management plan, we started handling TSUBASA Visa debit cards in October last year. In the franchise store business, we launched a series of new services, such as ticket vending machines, POS cash registers, B2B payment, and recurring in the second half of the previous fiscal year. By doing so, we have enhanced the convenience of the cashless business.

In the future, we will aim to build a local cashless economic zone by also providing sales support to franchised stores, such as providing a remittance service for app and card users.

Steady increase in the number of new businesses that will lead to higher revenue in the future



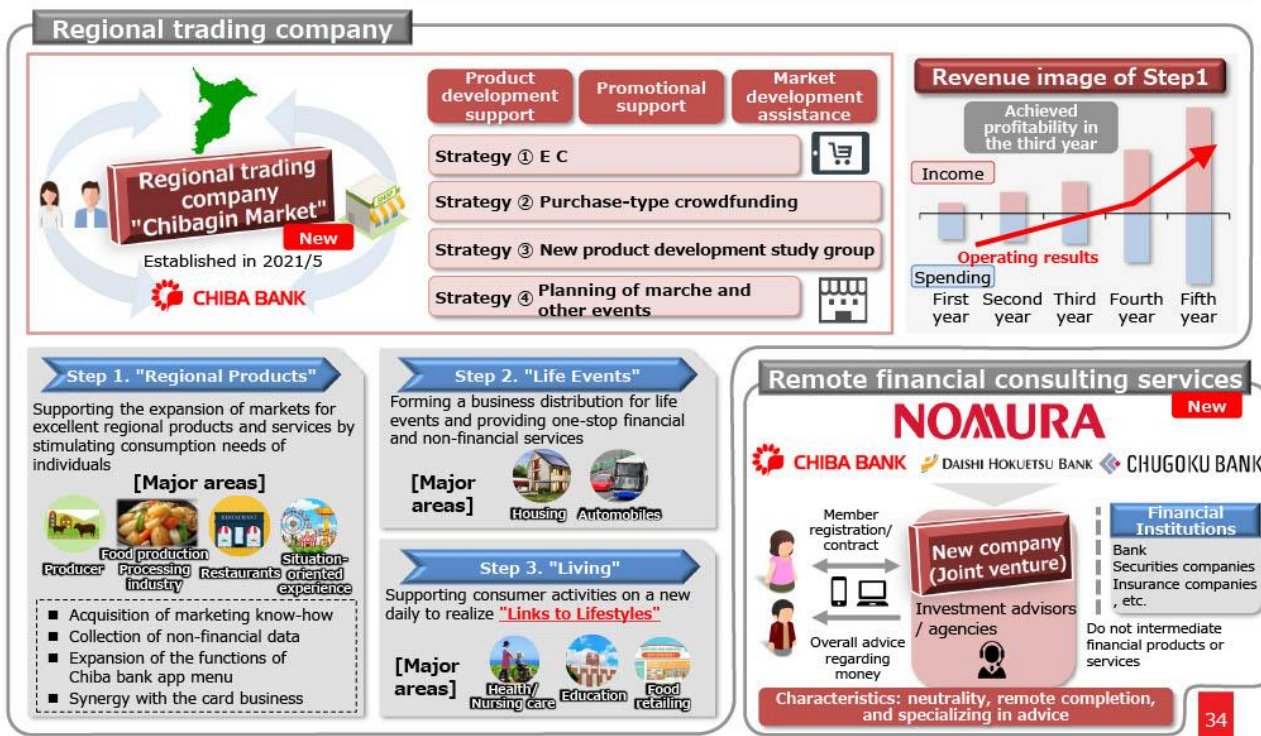
The following is an explanation of the status of income and expenditure. Please see page 33.

Although the Bank's franchised store business has turned somewhat sluggish due to the impact of COVID-19, the number of franchisees has been steadily increasing, and we can expect future growth in earnings.

In addition, the TSUBASA Visa debit card, which we started handling in October last year, has been performing well, achieving its initial 6-month acquisition target of 60,000 cards in 4 months.

As one of the few Japanese banks that have made a full-fledged entry into the cashless market, which is expected to grow in size, we will use our advantage to boost our earnings and revitalize the local economy.

Regional trading company becomes hub to build an economic circulation system within the region



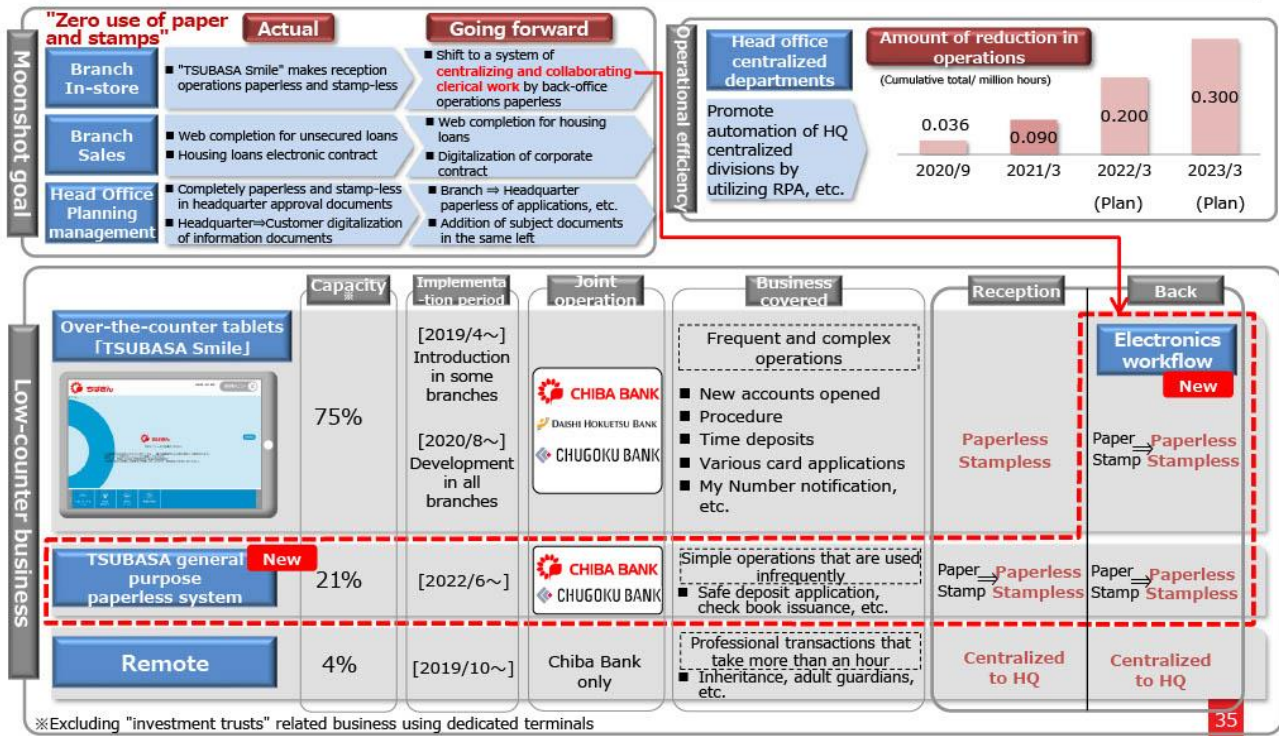
Next, I would like to explain about our new business. Please see page 34.

In May, we established a regional trading company, Chibagin Market, with the aim of building an economic circulation system within the region.

Initially, by advancing 4 measures, including E-commerce and purchase-based crowdfunding, we will develop a series of services from product development to sales channel development and promotion, fusing digital and real operations.

In addition, in response to the growing interest in self-help asset building as a way to prepare for the era of 100 years of life, we are considering the establishment of a joint venture with Nomura Securities and the TSUBASA alliance banks to provide remote financial consulting services, and plan to establish a preparatory company in the second quarter of the current fiscal year.

Transition of low-counter operations to full paperless operations



Please see page 35.

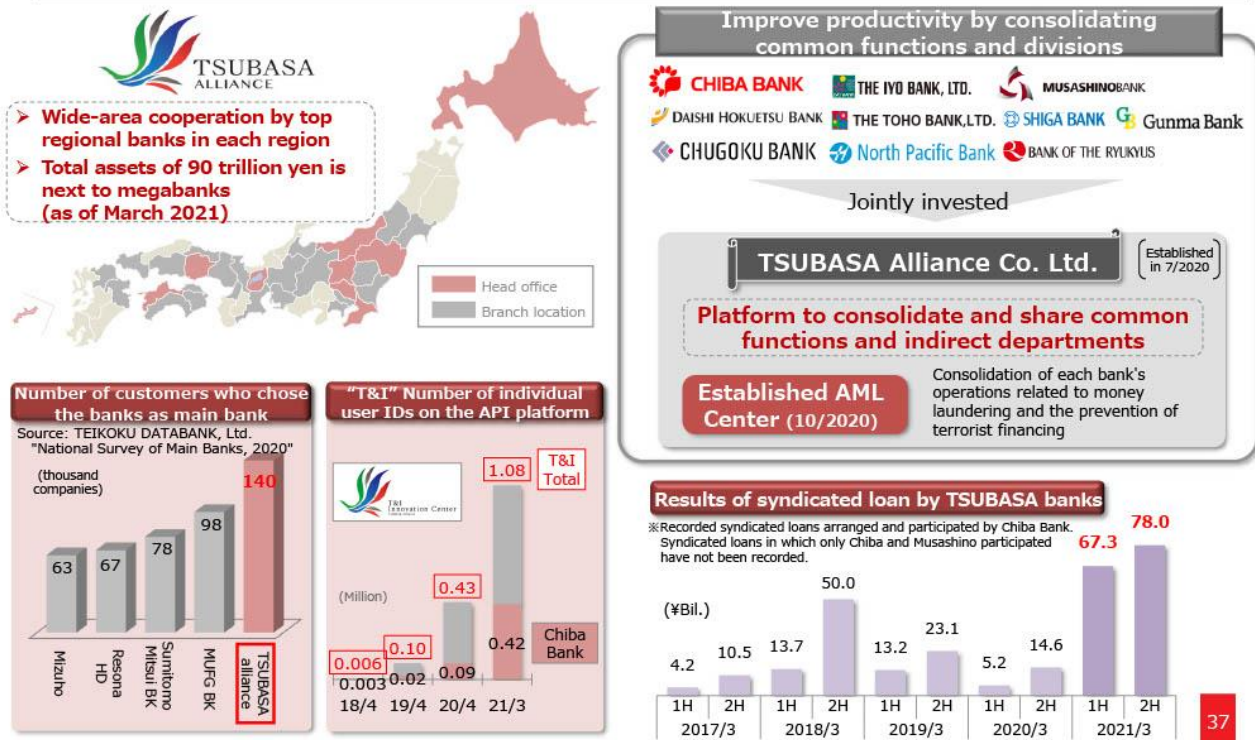
The Moonshot goal of reducing the use of paper and stamps to zero has been largely achieved in the reception areas at low counters of bank branches with the introduction of in-store tablets and TSUBASA Smile, an over-the-counter terminal.

For the next fiscal year, we have decided to jointly introduce the TSUBASA general-purpose paperless system with Chugoku Bank to achieve paperless and stamp-less operations at reception counters with low frequency of use of paper and stamps as well as back-office operations. As a result, we expect to achieve the Moonshot goal for low-counter OTC operations including back-office operations.

This will create a system that allows for the unification of administrative work at the headquarters and the sharing of administrative departments among the alliance partner banks.

In addition, by promoting the use of RPA and other measures to improve operational efficiency, we have achieved a reduction in workload of 90,000 hours in the previous fiscal year, and we have reallocated employees mainly to the sales and planning departments in order to strengthen our top line and improve our service capabilities.

Japan's largest banking collaboration in terms of number of customers who chose the banks as a main bank exceeding megabanks



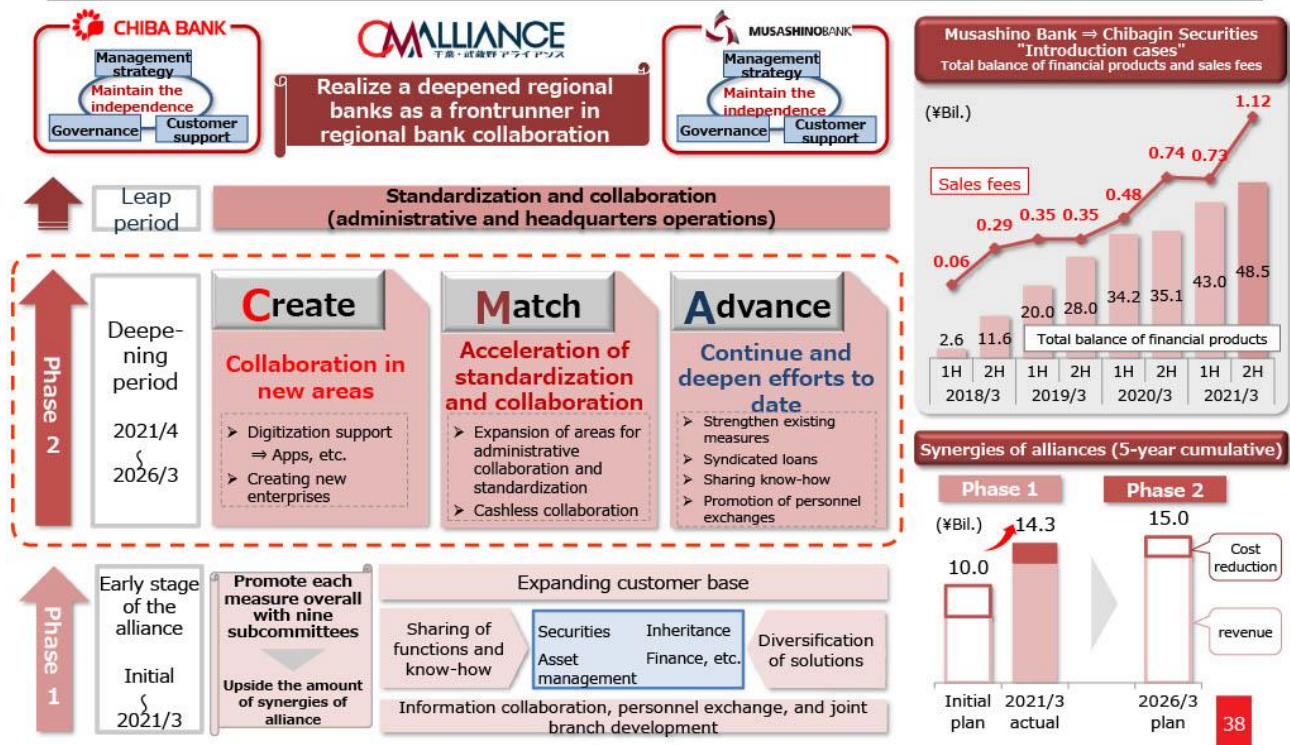
Next, I will explain our alliance strategies. Please see page 37.

The TSUBASA alliance, a collaboration of the top regional banks in several regions, is the largest alliance of regional banks with total assets exceeding JPY90 trillion.

The number of customers who chose the member banks of the alliance as their main financial partners exceeded those of megabanks, and we will provide a higher level of financial services by taking advantage of this volume of information, our nationwide network, and our superiority in scale.

In addition, we will use TSUBASA Alliance Co. to establish platforms by consolidating new business areas and common departments.

Five years have passed since the comprehensive alliance started, and the second phase has started.



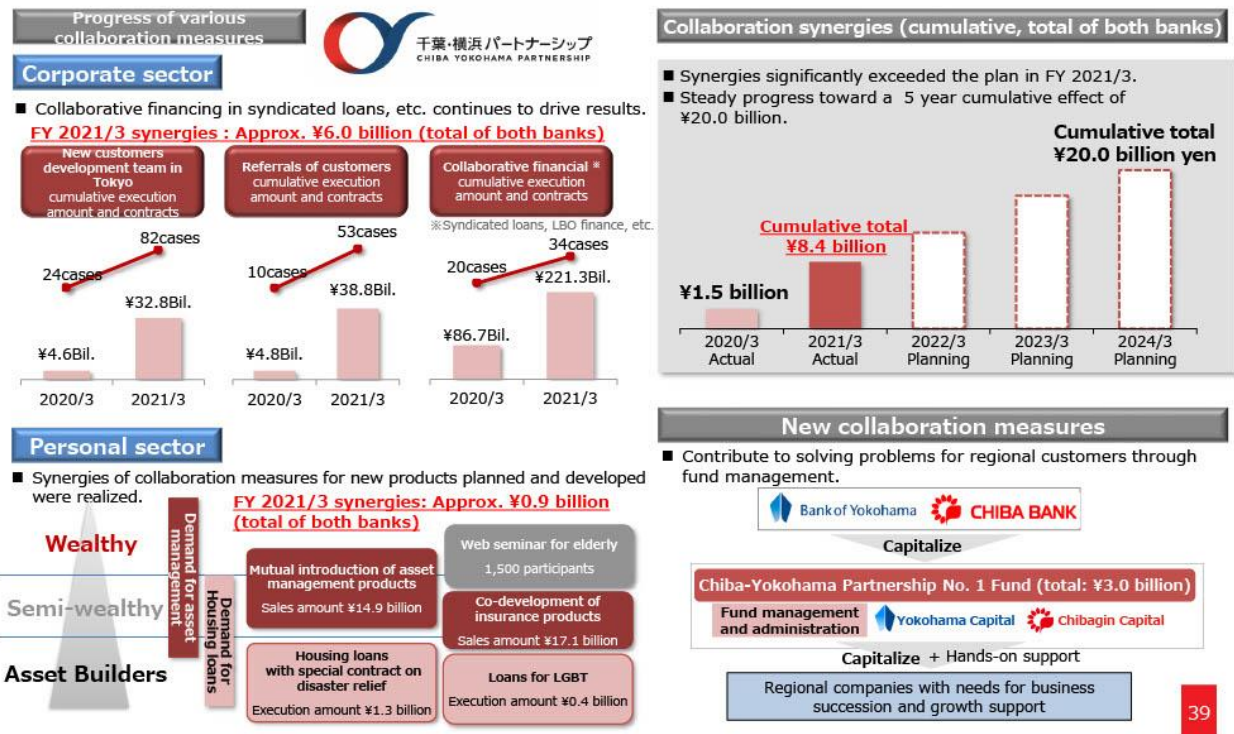
Please see page 38.

5 years have passed since Chiba Bank and Musashino Bank formed an alliance, the CM Alliance. It has achieved a cumulative effect of JPY14.3 billion over the 5 years, far exceeding the initial target of JPY10.0 billion, as a result of key measures such as the securities business in Saitama Prefecture, which is the operating region for Musashino, as well as joint sales operations and inheritance-related business bearing fruit.

The new 5-year plan, which started in April, aims to achieve an alliance effect of JPY15.0 billion, with the vision of “realizing an image of a deepened regional bank as a frontrunner in regional bank cooperation.”

Under the concepts of Create, Match, and Advance, derived from the initial letters of the alliance name, CMA, we will create and advance new businesses and services, and expand their value to our customers and the communities.

The cumulative synergies of cooperation to 2021/3 was ¥8.4 billion, which is steady toward the cumulative synergies of ¥20.0 billion over the five-year period.



Please see page 39.

In the Chiba-Yokohama Partnership with Bank of Yokohama, collaborative financing in the corporate sector drove results, and the amount of collaboration effects in the previous fiscal year was JPY6.9 billion, far exceeding the plan.

The cumulative effect amount has accumulated to JPY8.4 billion, and we are on track to achieve our 5-year plan of JPY20 billion. In April, we established Chiba-Yokohama Partnership Number 1 Fund to invest in regional companies with needs for business succession and growth support. After the investment by the fund, we will aim to improve the corporate value of our investee companies through hands-on support, such as the formulation of business plans and management guidance and contribute to solving the problems of regional customers.

Achieve both social value and economic value through our long-term aims

Chiba Bank group declaration on SDGs

Theme	Key issues	SDGs goals
Regional economy and community	Contribute to the revitalization of the regional economy and local communities	
Population aging	Support safe and secure lives for the elderly	
Financial Service	Provide financial services for better life	
Diversity	Promote diversity and work style reforms	
Environmental conservation	Contribute to the conservation of a sustainable environment	

Environment

Social

Governance

Forest maintenance activities (Chibagin Forest)	2003~
Commitment to TCFD [®] recommendations *Task Force on Climate-related Financial Disclosures	2019/12
Loan policy revision (Tightening the loan to coal-fired power plants, cluster munitions, palm oil, and deforestation businesses)	2019/12
Establishment of "Chiba Bank Group Environmental Policy"	2020/11 New
Talent bank for regional banks	2015~
Handling of donation-type private placement bonds	2016~
Sales of green bonds and SDGs bonds	2017~
Selected as a "Nadeshiko Brand" by the METI and Tokyo Stock Exchange (first time in regional banks)	2018~
Origination and sales of ESG index investment trusts	P42 2019/9~
Chiba Bank SDGs friends loan	P42 2020/10~
Establishment of the "Chiba Bank Group Human Rights Policy"	2020/11
Introduced Table for Tow (TFT) [®] in the employee restaurant at the head office	New 2021/1~
※Donation program for developing countries using healthy menus	New
Established the Corporate Advisory Committee (currently the Appointment, Remuneration, Management Advisory Board)	2015
Increase the ratio of outside directors to 1/3 or more	2018
Introduced group chief officer (CxO) system	2018
Formulated "Policy on Corporate Governance"	2019/7
Introduction of restricted stock remuneration plans	New 2021/6

Strengthening ESG initiatives to realize sustainability management

ESG Promotion Committee established	2017/10
Publication of integrated report	2019/7~

Next, I will explain sustainability. Please see page 41.

We believe that the SDGs are an important part of our efforts as we aim to achieve sustainable growth together with local communities. We will steadily implement the Chiba Bank Group Declaration on SDGs and proactively contribute to solving social issues through our business activities.

In November last year, we newly established the Chiba Bank Group Human Rights Policy and the Chiba Bank Group Environmental Policy to express our policies on activities to respect human rights, which are an important issue in the international community, and to protect the environment.

Initiatives to counteract global warming, provision of ESG-related financial products

Environmental finance

Financial support for customers working on the use of renewable energy

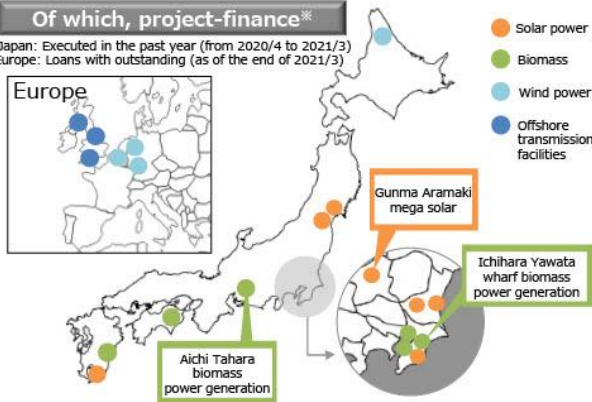
As of the end of 2021/3	Loans balance
Solar power generation	¥130.1 billion
Biomass generation	¥13.2 billion
Wind power generation	¥11.3 billion
Water power generation	¥0.3 billion
Total	¥154.9 billion

Amount of renewable energy generated from loans provided by the Bank (cumulative) *
 *Include projects under construction

- Annual power generation : Approx. 5.5 millionMWh
- Converted to households : Approx. 1.5 million households
- CO2 savings : Approx. 2.5 million tonnes

Of which, project-finance*

*Japan: Executed in the past year (from 2020/4 to 2021/3)
 Europe: Loans with outstanding (as of the end of 2021/3)



Chiba Bank SDGs friends loan

- By linking customers' business activities with SDGs
- Supporting customers starting new efforts to achieve SDGs' "goals"

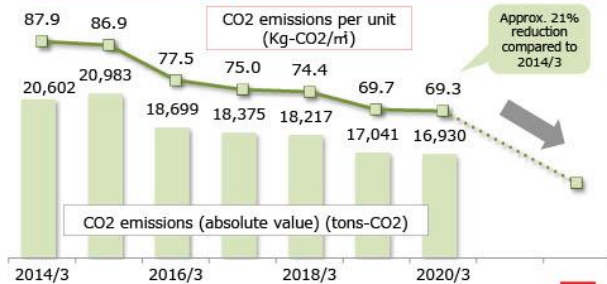
Number of transactions: 1,158 cases
 Loan execution amount: ¥54.1 billion (from 2020/10)

Origination and sales of ESG index investment trusts

- Establishment of a domestic stock index fund using ESG-based stock index as benchmarks by Chibagin Asset Management

Private placement (from 2019/9): Total sales ¥7.4 billion [for qualified institutional investors]
 Public offering (from 2020/3): Total sales ¥13.3 billion
 *Joint sales by Chiba Bank, Chibagin Securities, Bank of Yokohama, and Musashino Bank

Changes in CO2 emissions



Please see page 42.

We are actively involved in environmental finance, not only in Chiba Prefecture, but also in a wide range of regions throughout Japan and overseas.

The amount of renewable energy generated from loans provided by the Bank is equivalent to electricity demand from about 1.5 million households, of which about 500,000 households are in Chiba Prefecture, accounting for about 20% of the total 2.8 million households there.

Utilizing diverse human resources, contributing to regional revitalization and support for customers in COVID-19

Initiatives for diversity and health management

Status of promotion of women in the workplace	FY 2007	As of 2021/4	Target for 2021/7
Percentage of management positions held by women (No. of persons)	2.0% (17)	17.7% (170)	20%
Percentage of leadership positions held by women (No. of persons)*	9.4% (98)	31.6% (283)	30%

* Staff members who are in a position with subordinates such as deputy branch managers, etc. and staff in an equivalent position who are officers responsible for organizational management as the responsible person in charge of operations.

External Evaluation



The "New Diversity Enterprise 100" selected by METI

First as financial institution



"Nadeshiko Brand" selected by METI and Tokyo Stock Exchange

Forth consecutive year

Nikkei WOMAN June 2021
"Best 100 companies in which women are active"

6th overall



2021 Health and Productivity White 500
METI, Nippon Kenko Kaigi
"The Certified Health and Productivity Management Organization Recognition 2021 (Large Enterprise Category (White 500))" selected

Third time



Awarded the advance division grand prize of "2021 J-Win Diversity Award"

New

Nikkei DUAL
"Ranking for the companies in which Dual-income or childcare is easy"

No. 1

Contributing to regional revitalization

New

Establishment of the "Issue Resolution Consortium in 100-Year Life"
~ Collaboration between companies in other industries and universities to resolve issues in longevity society ~

Establishment of a platform aimed at addressing the needs and resolving issues of a longevity society



Medical support private placement bonds

Donates a portion of underwriting commissions received from privately placed bond issuers to medical corporations, etc.

Issuance results
¥7,960 million/63 cases
(2020/6 to the end of 2021/3)

Donation (fund to introduce ECMO cars) **New**

Donated ¥10 million to Chiba University Hospital as part of the fund for introducing an ambulance vehicle DMAT-ECMO car for the transportation of severe patients and for the activities of a disaster dispatched medical team.



Selection of "Distinctive Initiatives" by financial institutions which contribute to regional revitalization in FY 2020

Fourth consecutive year

Participation in the "Chiba Leaders' Meeting to Accelerate the Active Participation of Brilliant Women" which is a project to promote women's participation and advancement in the community



Under the leadership of leaders in the prefecture

※Name of supporting organizations and social movements are members of the founding

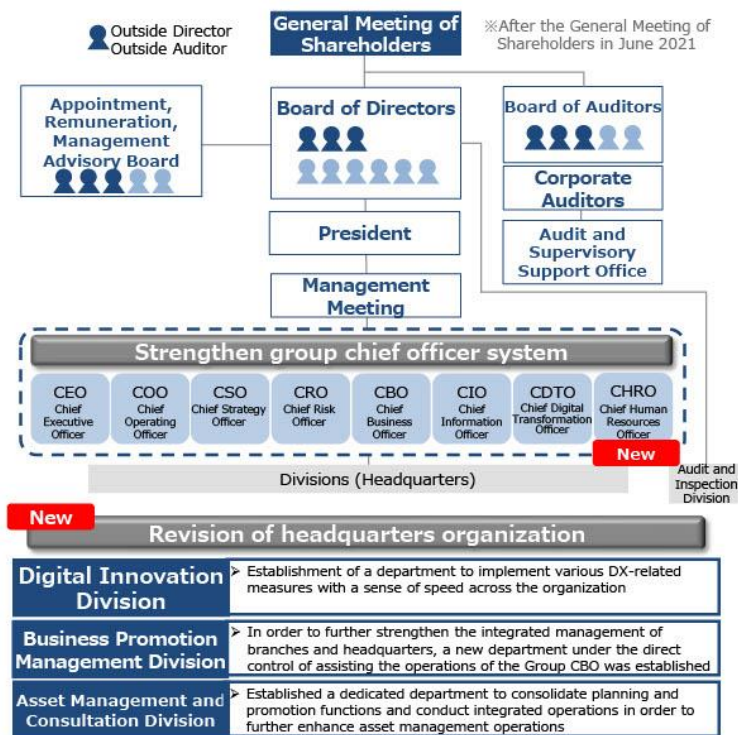
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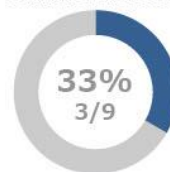
In the area of diversity promotion, we are taking industry-leading initiatives, especially in the field of women's activities, and have received high external evaluations, including being selected as a Nadeshiko Brand for 4 consecutive years by the Ministry of Economy, Trade, and Industry and the Tokyo Stock Exchange.

With regard to the contribution to regional revitalization, we will continue to contribute to the revitalization of local communities by working to resolve issues related to longevity and providing support to COVID-19-affected communities.

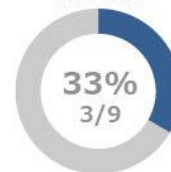
Sophistication of Group Governance



<Ratio of Independent Outside Directors>



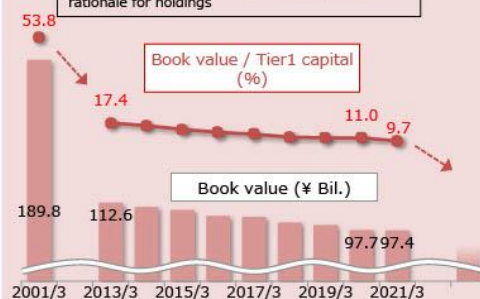
<Ratio of Female Directors>



Book value* of stocks and ratio to Tier1 capital (consolidated)

*acquisition cost of other securities with market value

[Policy regarding cross-shareholdings]
Based on economic rationales and forward-looking stock values, taking into account risk and return, appropriately verify the validity of the rationale for holdings



Please see page 44.

With regard to governance, outside executives account for more than one-third of the Board of Directors, and for a majority of the Board of Auditors and the Appointment, Remuneration, Management Advisory Board. We will further upgrade our governance system, including those of Group companies, in order to further demonstrate our management supervision function.

In addition, in order to establish a Group-wide management control system, we newly assigned a CHRO, Chief Human Resources Officer, in April to oversee the human resource strategy, and strengthened the Group's chief officer system.

By responding with speed to changes in the environment surrounding the Group and building a solid management foundation that supports the creation of new businesses, we will continue to transform ourselves into a new financial corporate group.

Change of President

After deliberation by the Nomination, Compensation, and Management Advisory Committee, change of president is scheduled in June
 *Subject to approval at the General Meeting of Shareholders



Hidetoshi Sakuma
 (age 68)
 In 1976 graduated from Waseda University, School of Political Science and Economics



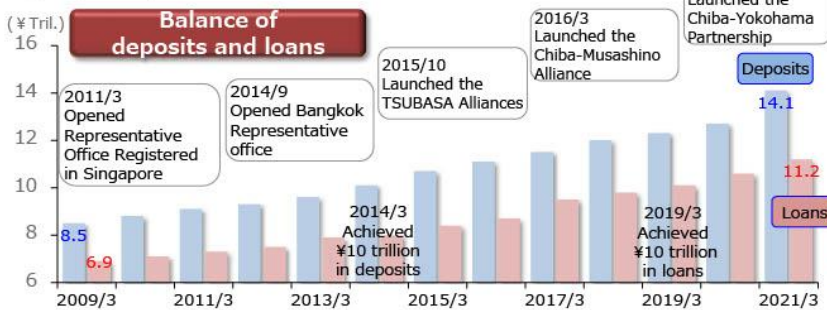
Tsutomu Yonemoto
 (age 56)
 In 1987 graduated from Waseda University, School of Commerce



Joined Chiba Bank in April 1976
 Mar. 2009 President
 Jun. 2018 President (Group CEO*)
Scheduled to be appointed Chairman in June 2021 (Group CEO)

Joined Chiba Bank in April 1987
 Jun. 2006 General Manager of Mimomi Branch
 Oct. 2008 General Manager of Tsuga Branch
 Jun. 2010 General Manager of Hong Kong Branch
 Jun. 2012 General Manager of Akihabara Branch
 Jun. 2014 General Manager of Corporate Planning Division
 Jun. 2016 Executive Officer, General Manager of Business Promotion Division
 Jun. 2017 Managing Executive Officer
 Jun. 2018 Managing Executive Officer (Group CBO*)
 Jun. 2019 Senior Executive Officer (Group CSO*)
 Apr. 2020 Senior Executive Officer (Group CSO and CDTO*)
Scheduled to be appointed President in June 2021 (Group COO*)

* Group CEO: Group Chief Executive Officer



* Group COO: Group Chief Operating Officer
 Group CSO: Group Chief Strategy Officer
 Group CBO: Group Chief Business Officer
 Group CDTO: Group Chief Digital Transformation Officer

Please see page 45.

Once again, as we announced in March, I will assume the position of President and Representative Director as of June 25. I would like to pledge my commitment again to the development of the economy of Chiba Prefecture and Chiba Bank.

I look forward to your continued support, guidance, and patronage.

That is all for the explanation from me. Thank you very much.