The Chiba Bank, Ltd.

Financial Results Briefing for the Fiscal Year Ended March 2022

May 24, 2022

Event Summary

[Company Name]	The Chiba Bank, Ltd.	
[Fiscal Period]	FY2021 Annual	
[Date]	May 24, 2022	
[Time]	10:00 – 11:16 (Total: 76 minutes, Presentation: 25 minutes, Q&A: 51 minutes)	
[Venue]	Hybrid	
[Number of Speakers]	2	
	Tsutomu Yonemoto	President (Representative Director), Group Chief Operating Officer
	Taro Kanzawa	General Manager, Corporate Planning Division

Yonemoto: Good morning, everyone. I'm Yonemoto, President of the Bank. I would like to start my explanation.

Summary of Financial Results ①

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Non-consolidated (¥Bil.)

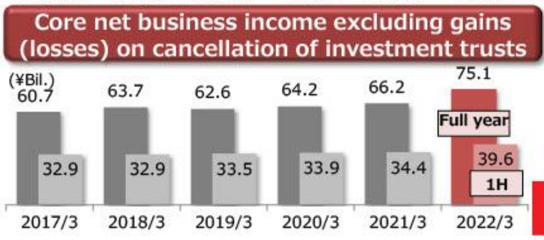
	2021/3	2022/3	YoY	
Gross business profits	156.0	161.5	5.4	
Net interest income	124.5	131.8	7.2	P.6
Net fees and commissions income	26.1	27.5	1.3	P.13
Trading income	1.7	1.1	(0.6)	
Profit from other business transactions	3.5	1.0	(2.4)	
Gains (losses) related to bonds (Government bonds, etc.)	(0.3)	(1.4)	(1.0)	
Expenses (-)	86.0	84.5	(1.4)	P.14
Real net business income	70.0	76.9	6.9	
Core net business income	70.3	78.3	8.0	
Excluding gains (losses) on cancellation of investment trusts	66.2	75.1	8.9	
Net transfer to general allowance for loan losses (-)	3.2	1.5	(1.7)	
Net business income	66.7	75.4	8.6	
Non-recurrent income and losses	(2.5)	(1.7)	0.7	
Disposal of non-performing loans (-)	7.1	5.6	(1.5)	
Gains (losses) related to stocks, etc.	5.8	2.7	(3.1)	
Ordinary profit	64.2	73.6	9.4	
Extraordinary income (loss)	(0.3)	(0.3)	(0.0)	
Profit	45.6	52.3	6.6	
Net credit costs (-)	10.4	7.1	(3.2)	P.15

Consolidated (¥Bil.)

	2021/3	2022/3	YoY
Ordinary profit	71.8	78.8	7.0
Profit attributable to owners of parent	49.6	54.4	4.8

Key results for FY2021 ended March 2022

- Net interest income increased by ¥7.2 billion YoY, the highest level in 10 years. Net fees and commissions income increased by ¥1.3 billion YoY to a record high. As a result, Gross business profits increased by ¥5.4 billion YoY for 5 consecutive period.
- Expenses decreased by ¥1.4 billion YoY due to decrease expenses related to the new head office building.
- Core net business income excluding gains (losses) on cancellation of investment trusts increased by ¥8.9 billion YoY for 3 consecutive period, and core business were remained strong.
- Credit costs decreased by ¥3.2 billion, and restrained in comparison to the planned ¥10.0 billion.
- Non-consolidated profit was the 2nd highest level on record since the FY2015. Consolidated profit increased for 2 consecutive period, higher than the planned ¥52.0 billion.



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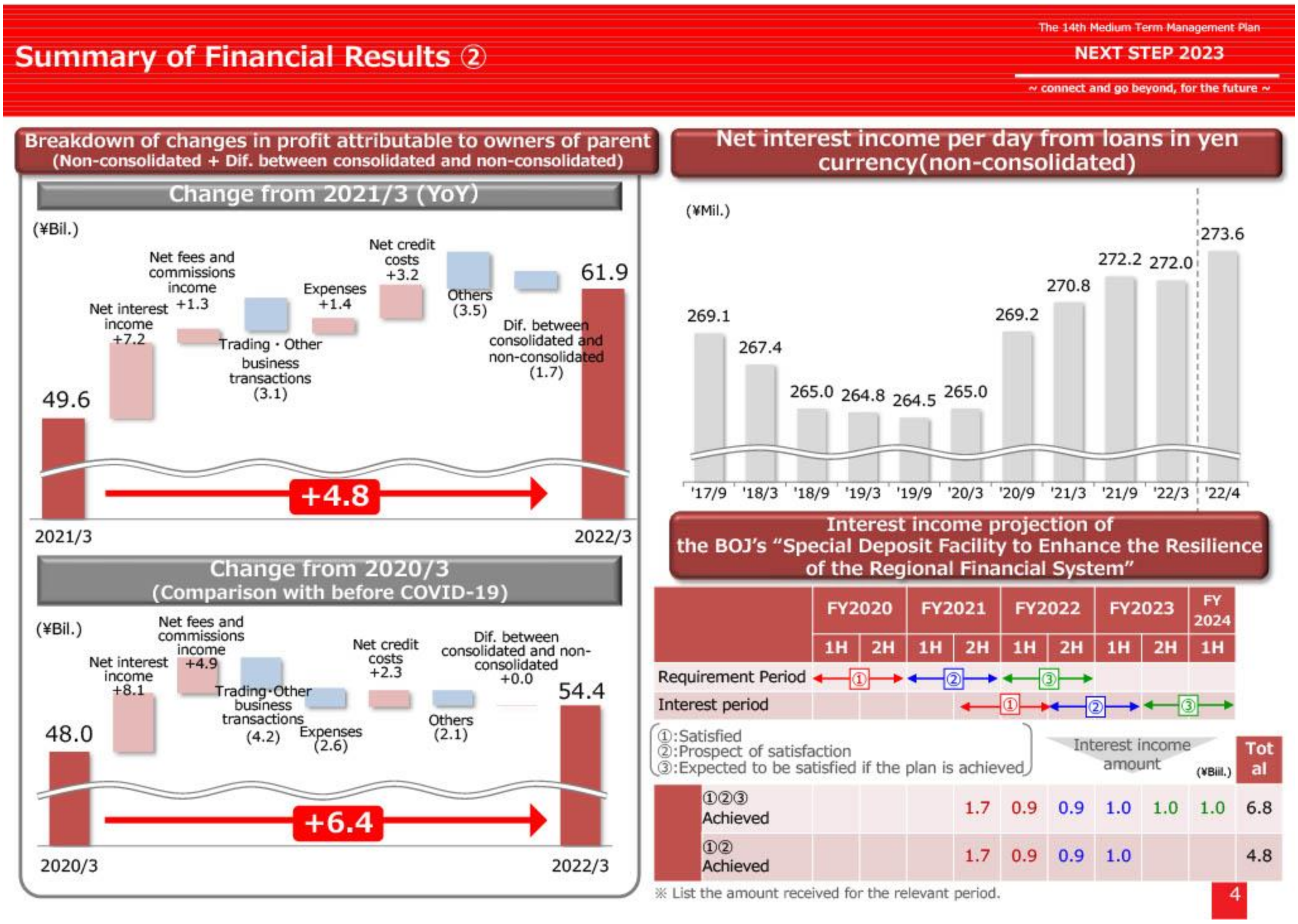
Please refer to page three. First, I would like to explain a summary of our business performance.

Net interest income increased JPY7.2 billion from the previous fiscal year, and net fees and commissions income reached a record high, continuing from the previous year, resulting in a JPY5.4 billion increase in gross business profits to JPY161.5 billion, the fifth consecutive year of growth, despite a loss on sales of foreign bonds of about JPY3 billion.

Expenses decreased by JPY1.4 billion due to the absence of one-time expenses related to the new head office building, and core net business income, excluding gains/losses on cancellation of investment trusts, increased by JPY8.9 billion, securing an increase for the third consecutive fiscal year, maintaining the strong performance of core business earnings.

Credit costs were controlled at JPY7.1 billion versus the planned JPY10.0 billion and decreased by JPY3.2 billion from the previous year.

Non-consolidated profit for the year was JPY52.3 billion, the second-highest level ever after JPY52.5 billion in the fiscal year ended March 31, 2016, and consolidated profit for the year was JPY54.4 billion, an increase of JPY4.8 billion from the previous year, exceeding the planned JPY52.0 billion, and the third-highest level ever.



Please refer to page four.

Comparing consolidated profit with the pre-COVID-19 results for the fiscal year ended March 2020, the increase in net interest income and net fees and commissions income contributed to the increase in profit, showing the results of our various growth strategies.

As shown in the graph at the top of the right-hand side, net interest income per day from loans in yen currency has begun to increase over the past two years, contributing to the growth in net interest income.

Summary of Financial Results ③ ~ Consolidated Financial Results and Status of Subsidiaries~

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Consolidated (¥Bil.)

	2021/3	2022/3	YoY
Gross business profits	167.8	171.9	4.0
Net interest income	121.5	128.0	6.5
Net fees and commissions income	36.8	38.6	1.8
Trading income	5.9	4.1	(1.8)
Profit from other business transactions	3.5	0.9	(2.5)
General and administrative expenses (-)	93.9	91.1	(2.8)
Net credit costs (-)	10.6	7.8	(2.7)
Net transfer to general allowamce for loan losses (-)	3.3	1.6	(1.6)
Disposal of non-performing loans (-)	7.2	6.1	(1.1)
Gains (losses) related to stocks, etc.	5.8	2.7	(3.0)
Equity gains (losses) of affiliated companies	0.3	0.3	0.0
Others	2.3	2.7	0.3
Ordinary profit	71.8	78.8	7.0
Extraordinary income (loss)	(0.3)	(0.4)	(0.0)
Pre-Tax Profit	71.4	78.3	6.9
Total income taxes (-)	21.8	23.8	2.0
Profit	49.6	54.4	4.8
Profit attributable to non-controlling interests	-	-	-
Profit attributable to owners of parent	49.6	54.4	4.8
(reference)			
Consolidated net business income	78.4	85.3	6.8

Status of Subsidiaries

【Consolidated subsidiaries】 (¥Bil.)

Company name	Investment ratio (Including indirect)	Profit items (After deduction of inter-subsidiary dividends)	2021/3	2022/3	YoY
Chibagin Securities Co.,Ltd.	100%	Ordinary profit	1.8	1.0	(0.8)
		Profit	1.2	0.7	(0.4)
Chibagin Leasing Co.,Ltd.	100%	Ordinary profit	1.4	1.1	(0.3)
		Profit	0.9	0.7	(0.1)
Chibagin Guarantee Co.,Ltd	100%	Ordinary profit	5.7	5.1	(0.6)
		Profit	3.8	3.3	(0.4)
Chibagin JCB Card Co.,Ltd	100%	Ordinary profit	0.9	1.0	0.0
		Profit	0.6	0.6	0.0
Total of 5 other companies	100%	Ordinary profit	0.7	0.7	(0.0)
		Profit	0.4	0.4	(0.0)
Total		Ordinary profit	10.7	9.0	(1.6)
		Profit	7.1	6.0	(1.0)

【Equity method subsidiaries】

	Profit items	2021/3	2022/3	YoY
Total of 6 companies	Profit according to equity method	0.3	0.3	0.0

	2021/3	2022/3	YoY
Dividends to parent company(-)	3.5	4.2	0.7
Difference between consolidated and non-consolidated ※	3.9	2.1	(1.7)

※After adjustment for unrealized gains, etc.

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Please refer to page five.

On the left is a summary of consolidated financial results.

As with the non-consolidated financial results, the financial results are favorable.

The right-hand side shows the status of subsidiaries.

The difference between the consolidated and non-consolidated results narrowed as a result of the poor sales at Chibagin Securities Co., Ltd. and the decrease in profit at Chibagin Guarantee Co., Ltd. in reaction to the reversal of credit costs in the previous year, as well as an increase in dividends to the parent company in response to the good results in the previous year.

Net Interest Income

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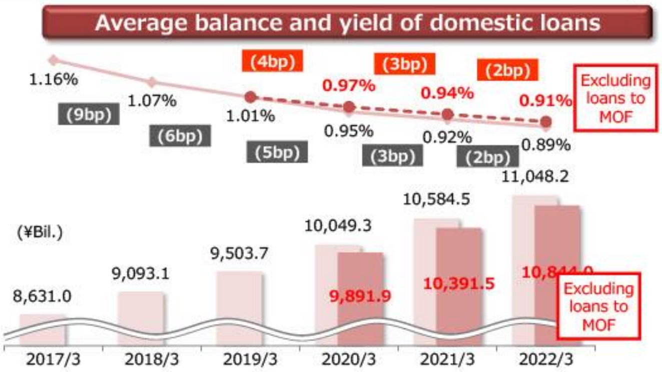
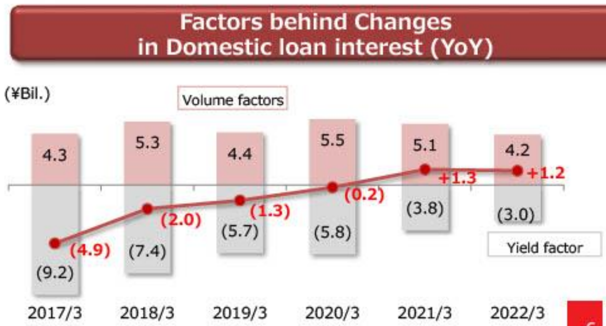
Interest on loans in domestic business, which reversed for the first time in 12 years in the previous fiscal year, increased steadily

(¥Bil.)	2021/3	2022/3	YoY
Net interest income	124.5	131.8	7.2
Domestic	118.7	123.6	4.9
Interest on Loans	97.1	98.5	1.3
Loans and bills discounted	97.8	99.0	1.2
Deposit (incl. NCD)	0.6	0.5	(0.1)
Interest and dividends on securities	20.6	22.0	1.4
Bonds	2.5	2.5	0.0
Stock dividends	8.5	9.7	1.2
Investment funds	(0.0)	0.6	0.6
investment trusts	9.6	9.1	(0.4)
Gains (losses) on cancellation	4.4	2.7	(1.6)
Others (Market opertation, etc.)	0.9	3.0	2.1
International	5.8	8.1	2.2
Loans and bills discounted	5.5	4.3	(1.1)
Foreign Securities	11.3	12.4	1.1
Foreign Securities	9.3	8.9	(0.4)
Foreign currency funds	1.9	2.8	0.8
Investment trusts	0.0	0.6	0.6
Gains (losses) on cancellation	(0.2)	0.4	0.6
Others (Funding and market operation, etc.)	(10.9)	(8.6)	2.3
Net interest income (Excluding gains (losses) on cancellation of investment trusts)	120.4	128.6	8.1
Gains (losses) on cancellation of investment trusts	4.1	3.2	(0.9)





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Please refer to page six. This is the net interest income of the domestic business segment.

As in the previous fiscal year, interest on loans and bills discounted increased by JPY1.2 billion from the previous fiscal year by counteracting reduced yields with increased volume.

Interest and dividends on securities also increased by JPY1.4 billion due to an increase in stock dividends, and interest income of JPY1.7 billion from the Bank of Japan's Special Deposit Facility was also recorded, resulting in an overall increase of JPY4.9 billion.

Net interest income in the international business segment increased by JPY2.2 billion in total, mainly due to a decrease in funding costs as a result of the normalization of the thick and long funding policy in the previous year, as well as favorable distributions from foreign currency funds.

Overall net interest income increased by JPY7.2 billion from the previous year, driving top-line growth.

Deposits and Loans Portfolio

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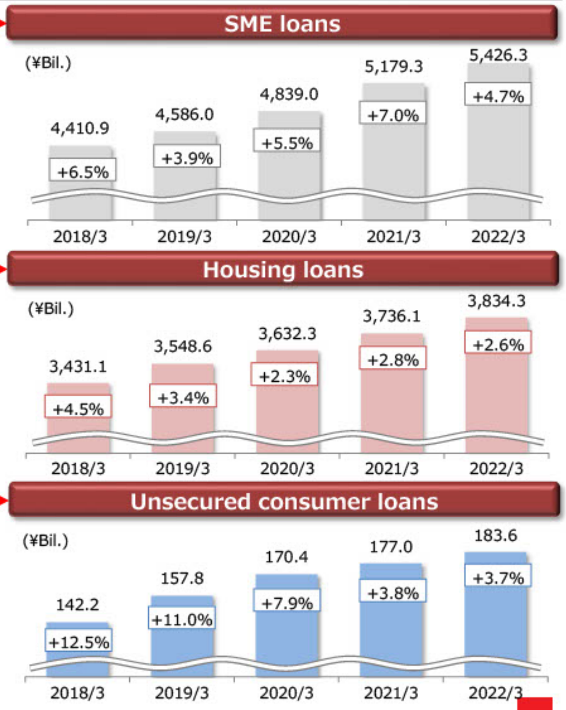
Steady increase in corporate loans, housing loans, and unsecured consumer loans

(¥Bil.)	2021/3	2022/3	YoY	%
Deposits	14,104.5	14,787.6	683.1	4.8%
Domestic deposits	13,822.4	14,521.1	698.7	5.0%
Personal deposits	10,043.7	10,535.3	491.5	4.8%

(¥Bil.)	2021/3	2022/3	YoY	%
Loans	11,206.4	11,691.3	484.8	4.3%
Domestic loans	10,962.6	11,425.9	463.2	4.2%
Excl. public sector	10,552.9	10,954.9	401.9	3.8%
Corporate loans	6,632.5	6,930.5	298.0	4.4%
Large corporations	1,453.1	1,504.2	51.0	3.5%
SMEs	5,179.3	5,426.3	246.9	4.7%
Consumer loans	3,920.4	4,024.3	103.9	2.6%
Housing loans	3,736.1	3,834.3	98.2	2.6%
Unsecured consumer loa	177.0	183.6	6.6	3.7%
Public sector	409.7	470.9	61.2	14.9%
Domestic loans	10,962.6	11,425.9	463.2	4.2%
Excl. public sector	10,552.9	10,954.9	401.9	3.8%
Branches in Chiba	7,258.4	7,451.5	193.0	2.6%
Branches outside Chiba	3,294.4	3,503.3	208.8	6.3%
Special branches*	1,583.3	1,685.6	102.2	6.4%
Retail branches	1,711.1	1,817.7	106.5	6.2%

*Tokyo Head Office, Shinjuku Branch and Osaka Branch



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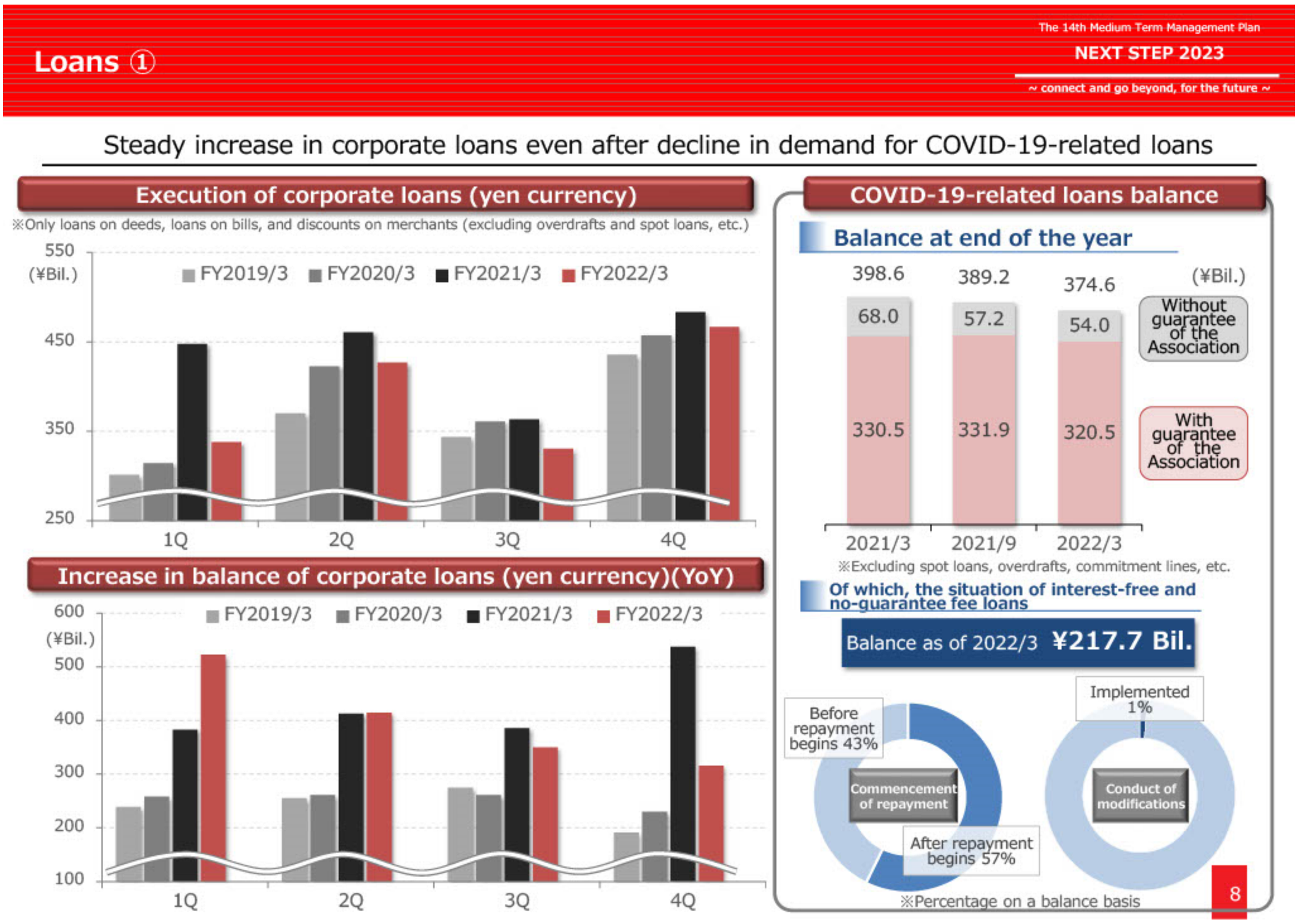
Please refer to page seven.

Deposits increased 4.8% from the end of the previous period to approximately JPY14.8 trillion. Loans increased 4.3% to approximately JPY11.7 trillion.

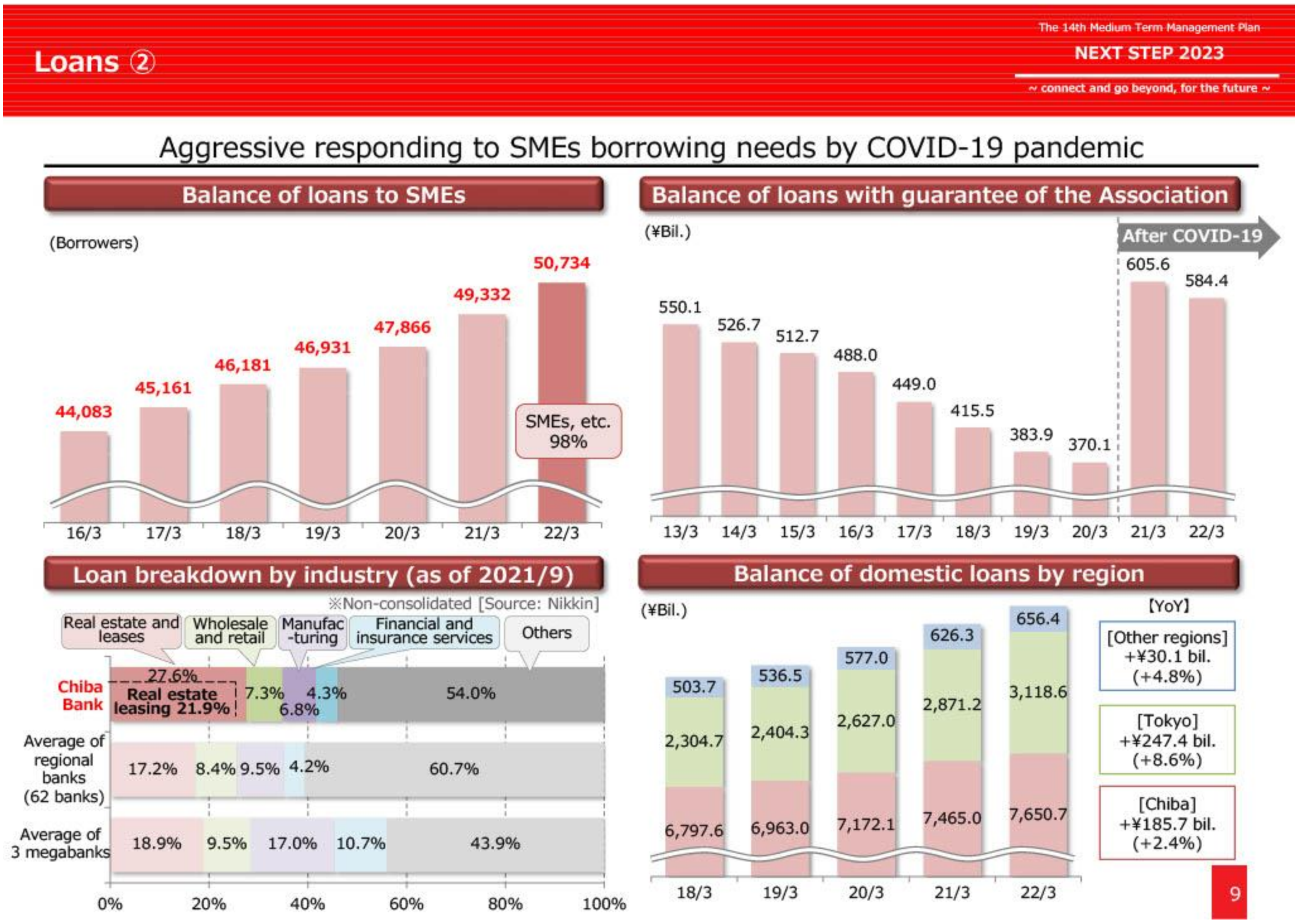
The Bank's aggressive efforts in responding to customers’ needs led to a 4.4% increase in corporate loans, while housing loans increased by 2.6% and unsecured consumer loans increased by 3.7%, maintaining an upward trend as a whole.



Please refer to page eight.

As shown in the upper left graph, the amount of loans executed in the third quarter declined due to the completion of a round of COVID-19-related loans, but the amount of loans executed in the fourth quarter recovered to a level higher than that before COVID-19.

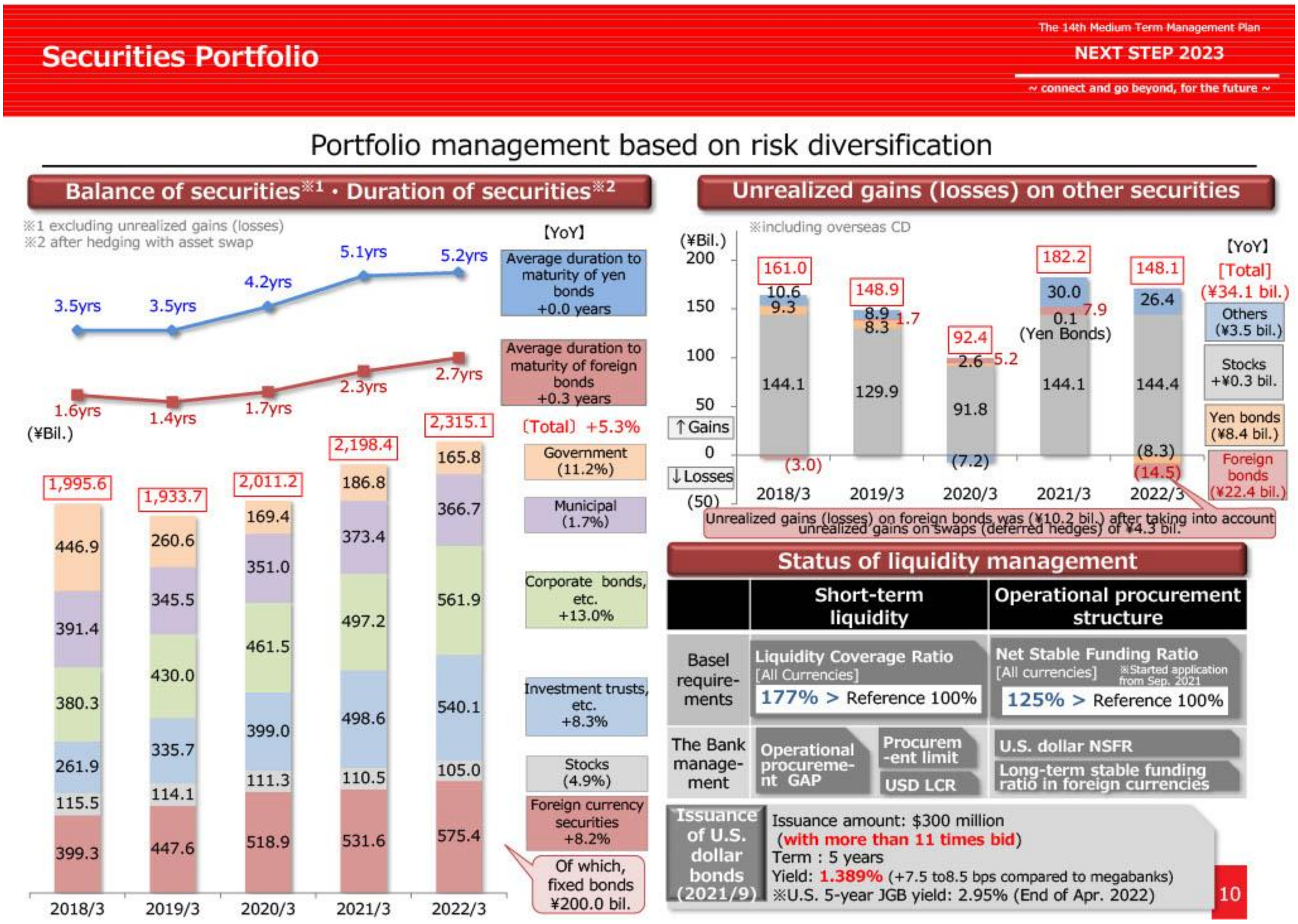
As noted in the lower right-hand corner, 57% of the interest-free and no-guarantee fee loans have already begun to be repaid, while only 1% of the loans have had their terms modified, indicating that there has been no significant change in the creditworthiness of the customers we helped to finance through interest-free and no-guarantee fee loans.



Please refer to page nine.

As shown in the upper left graph, the number of business borrowers exceeds 50,000 and the customer base is expanding.

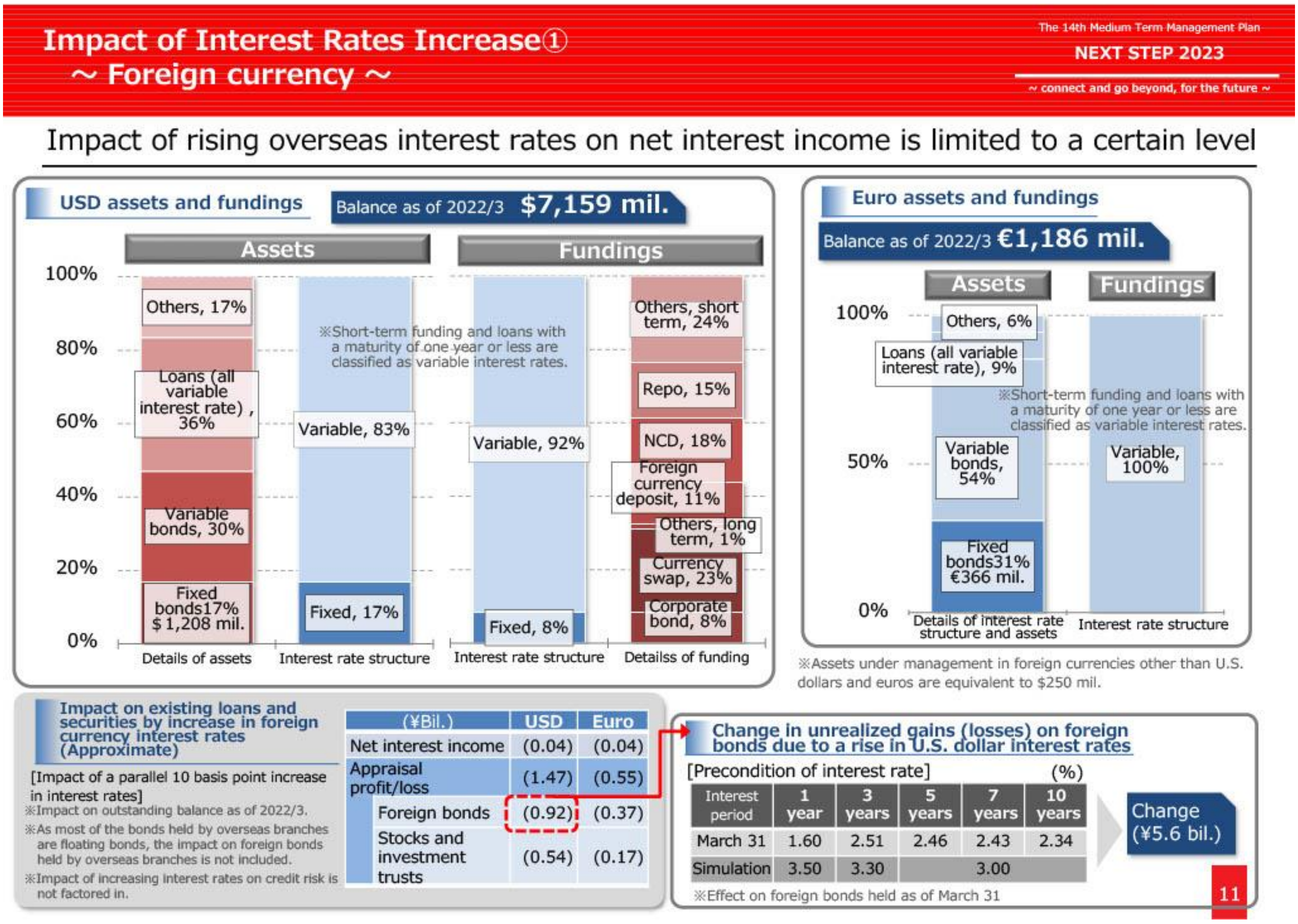
As shown in the graph below right, by region, loan balances have increased significantly outside of Chiba Prefecture, primarily in Tokyo, while loans within Chiba Prefecture have also increased steadily.



Please refer to page 10.

The balance of securities is approximately JPY2.3 trillion.

As for unrealized gains/losses, as shown in the graph on the upper right-hand corner, the rise in interest rates had an impact, resulting in unrealized losses of JPY10.2 billion on foreign bonds after deducting deferred hedges and JPY8.3 billion on yen bonds, while unrealized gains on others, mainly investment trusts, maintained a positive balance of JPY26.4 billion, resulting in a large unrealized gain of JPY148.1 billion overall, including stocks.



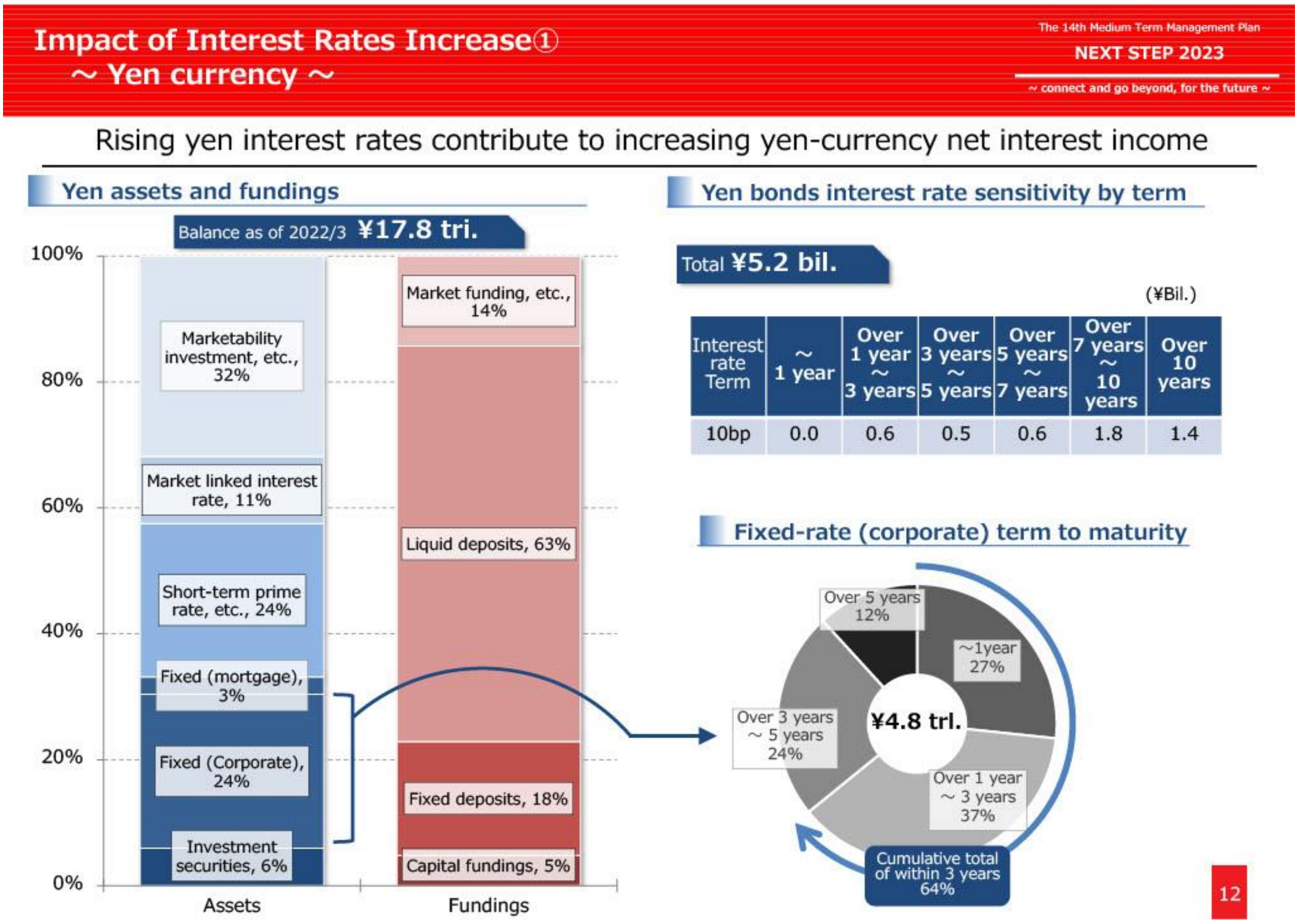
Next, I will explain the impact of rising interest rates. Please refer to page 11.

The Bank has adopted an assets policy that limits interest rate risk in foreign currencies. The total amount of US dollar assets and funding is approximately USD7.2 billion, but only 17% of this amount is based on a fixed rate, as all loans are on a variable rate basis and the majority of bonds are variable ones.

As a result, the negative impact of interest rate hikes on net interest income has been contained to a certain level, at around JPY40 million per 10 basis points. The impact of the Euro on net interest income is limited to JPY40 million, about the same as that of the US dollar.

The impact on unrealized gains/losses is shown in the table below, left. As indicated in the box on the lower right, if we set the US dollar interest rate at over 3% for shorter periods and 3% for five years and beyond, the unrealized gains/losses on foreign bonds would deteriorate by JPY5.6 billion.

However, this is the amount of impact on foreign bonds held as of the end of March, and the actual amount of impact is less than the amount indicated because of the replacement of issues held after April.



Please refer to page 12. I will continue by explaining the amount of impact of the yen interest rate increase.

The graph on the left shows the structure of the yen assets and funding. Although fixed-rate loans account for a certain percentage of the total, we expect that possible future increases in yen interest rates will benefit us, since interest rates will be revised within three years for about two-thirds of fixed-rate loans to businesses.

Regarding the amount of impact on net interest income if the yield curve control is terminated and negative interest rates are lifted, I will briefly explain the results of the simulation.

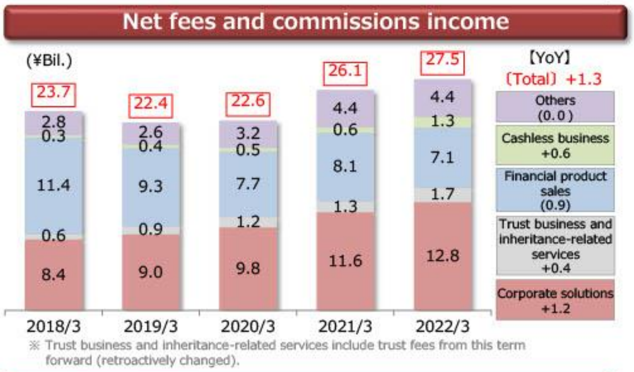
If yen interest rates rise due to yield curve control termination and the lifting of negative interest rates, with the B/S structure as it was at the end of March, there will be a positive effect of about JPY6 billion due to an increase in interest on loans and bills discounted, while a negative effect of about JPY1 billion is expected for the market investment section, including yen bonds, resulting in a net JPY5 billion increase in net interest income.

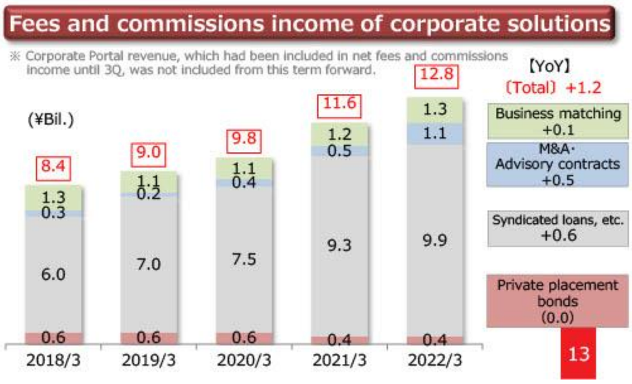
Since this simulation is based on the assumption that the balance sheet structure remains unchanged, the net interest income is expected to increase further as the volume of loans and other assets increases in the future. Thus, we expect that higher yen interest rates will have a favorable impact on the Bank's net interest income.

Net Fees and Commissions Income

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

(¥Bil.)	2021/3	2022/3	YoY
Net fees and commissions income	26.1	27.5	1.3
Net fees and commissions revenue	45.0	46.4	1.3
Net fees and commissions payments (-)	18.8	18.8	0.0
<Main breakdown>			
Investment trusts and personal annuities	8.1	7.1	(0.9)
Investment trusts	3.8	3.7	(0.1)
Annuities and whole life insurance	1.3	1.1	(0.2)
Level paying life insurance	2.0	1.4	(0.6)
Financial instrument intermediary	0.7	0.6	(0.0)
Corporate solutions	11.6	12.8	1.2
Private placement bonds	0.4	0.4	(0.0)
Syndicated loans	9.3	9.9	0.6
M&A and advisory contracts	0.5	1.1	0.5
Business matching	1.2	1.3	0.1
Trust business and inheritance-related services	1.3	1.7	0.4
Cashless payment and card business	0.6	1.3	0.6
Payment and settlement transactions	13.0	12.6	(0.3)
Guarantee charges and group insurance costs (-)	12.1	12.1	0.0





Please refer to page 13.

Net fees and commissions income increased by JPY1.3 billion YoY to JPY27.5 billion, a record high for the second consecutive year.

Although income from investment trusts and personal annuities decreased by JPY0.9 billion, income from corporate solutions increased by JPY1.2 billion and hit a record high, driven by proposals that meet clients' needs, leading to an increase in overall income.

Record highs were also recorded for income from trust business and inheritance-related services and income from cashless payment and card business.

Expenses

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Maintaining efficient operations at the top-level expense ratio (OHR) of Japanese banks

(¥Bil.)	2021/3	2022/3	YoY	2023/3 (Projection)	YoY
Expenses (-)	86.0	84.5	(1.4)	82.5	(2.0)
Personnel expenses (-)	40.7	39.9	(0.8)	39.1	(0.7)
Non-personnel expenses (-)	37.5	38.2	0.7	37.2	(1.0)
Taxes (-)	7.7	6.3	(1.4)	6.1	(0.2)
OHR (Non-consolidated)※1	55.0%	52.0%	(2.9pt)	49.6%	(2.4pt)
OHR (Consolidated)※2	55.8%	52.5%	(3.2pt)		

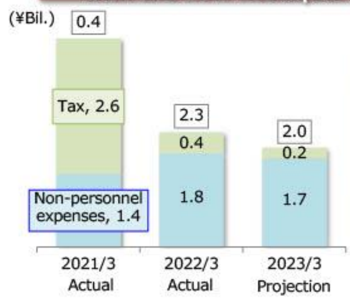
※1 $\frac{\text{Expenses}}{\text{Net business income} - \text{Gains (Losses) related to bonds, etc.} + \text{Net transfer to general allowance for loan losses} + \text{Expense}}$

※2 $\frac{\text{General and administrative expenses}}{\text{Gross business profits} - \text{Gains (Losses) related to bonds, etc.}}$

Main factors of change in expenses

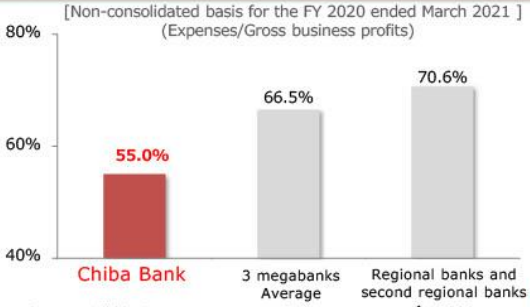
(¥Bil.)	2022/3 (Actual)		2023/3 (Projection)	
Personnel expenses (-)	(0.8)	Decrease in retirement benefit expenses (0.8) Recoil of employment adjustment subsidy +0.2	(0.7)	cost reduction (0.4) Decrease in personnel (0.3)
Non-personnel expenses (-)	+0.7	New HQ building +0.4 Revenue enhancement measures and digitalization +0.9 Realization of efficiency and cost reduction (0.6)	(1.0)	Revenue enhancement measures and strategic investment +1.5 Reduction of deposit insurance premiums (1.9) Realization of efficiency and cost reduction (0.6)
Taxes (-)	+1.4	New HQ building (Recoil reduction of consumption tax) (2.6) New HQ building (Real estate acquisiton tax) +0.4	(0.2)	New HQ building (Recoil reduction of real estate acquisiton tax) (0.2)

Expenses result and expectation associated with the new headquarters office building



Completed in September 2020

Expense ratio (OHR) compared with other banks



※ Source: Nikkin Report

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Please refer to page 14.

The absence of one-time expenses related to the new head office building was a factor for a JPY1.7 billion decrease in expenses. While positive investments were made in DX-related and other areas, cost reductions associated with improved operational efficiency also contributed to an overall decrease in expenses of JPY1.4 billion.

In the current fiscal year, we plan to decrease overall expenses by JPY2.0 billion, mainly due to an expected JPY1.9 billion decrease in non-personnel expenses as a result of the reduction in deposit insurance premiums, and the OHR is expected to fall to below 50%.

Net Credit Costs

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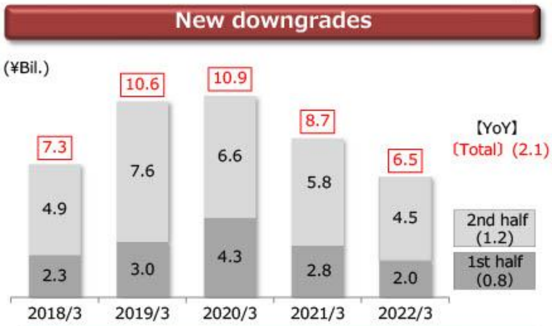
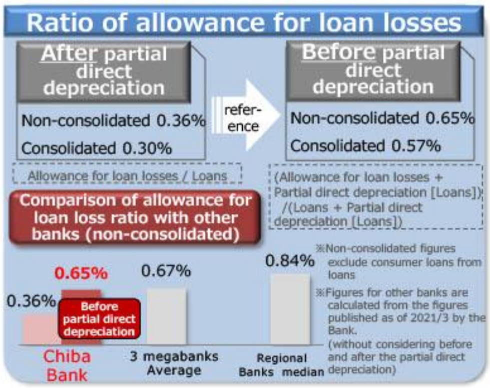
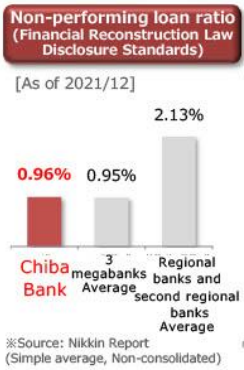
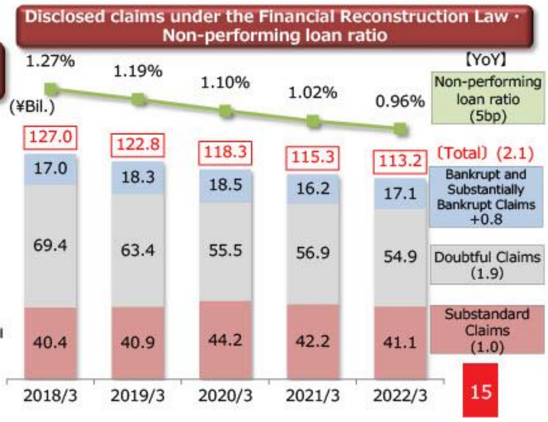
Net credit costs have been kept low, and the Non-performing loanratio has fallen to below 1%

(¥Bil.)	2021/3	2022/3	YoY	2023/3 (Projection)	YoY
Net credit costs (-)	10.4	7.1	(3.2)	9.0	1.8
Net transfer to general allowance for loan losses (-)	3.2	1.5	(1.7)	0.1	(1.4)
Disposal of non-performing loans (-)	7.1	5.6	(1.5)	8.9	3.2
Write-offs / Net transfer to specific allowance, etc. (-)	8.3	7.3	(1.0)	10.7	3.3
New downgrades (-)	8.7	6.5	(2.1)	10.0	3.4
Existing non-performing loans (-)	0.4	1.1	0.7	1.0	(0.1)
Collections etc.	0.7	0.3	(0.4)	0.3	(0.0)
Recoveries of written-off claims	1.2	1.7	0.5	1.8	0.0
Net credit costs ratio (-)	9bp	6bp	(3bp)	7bp	1bp









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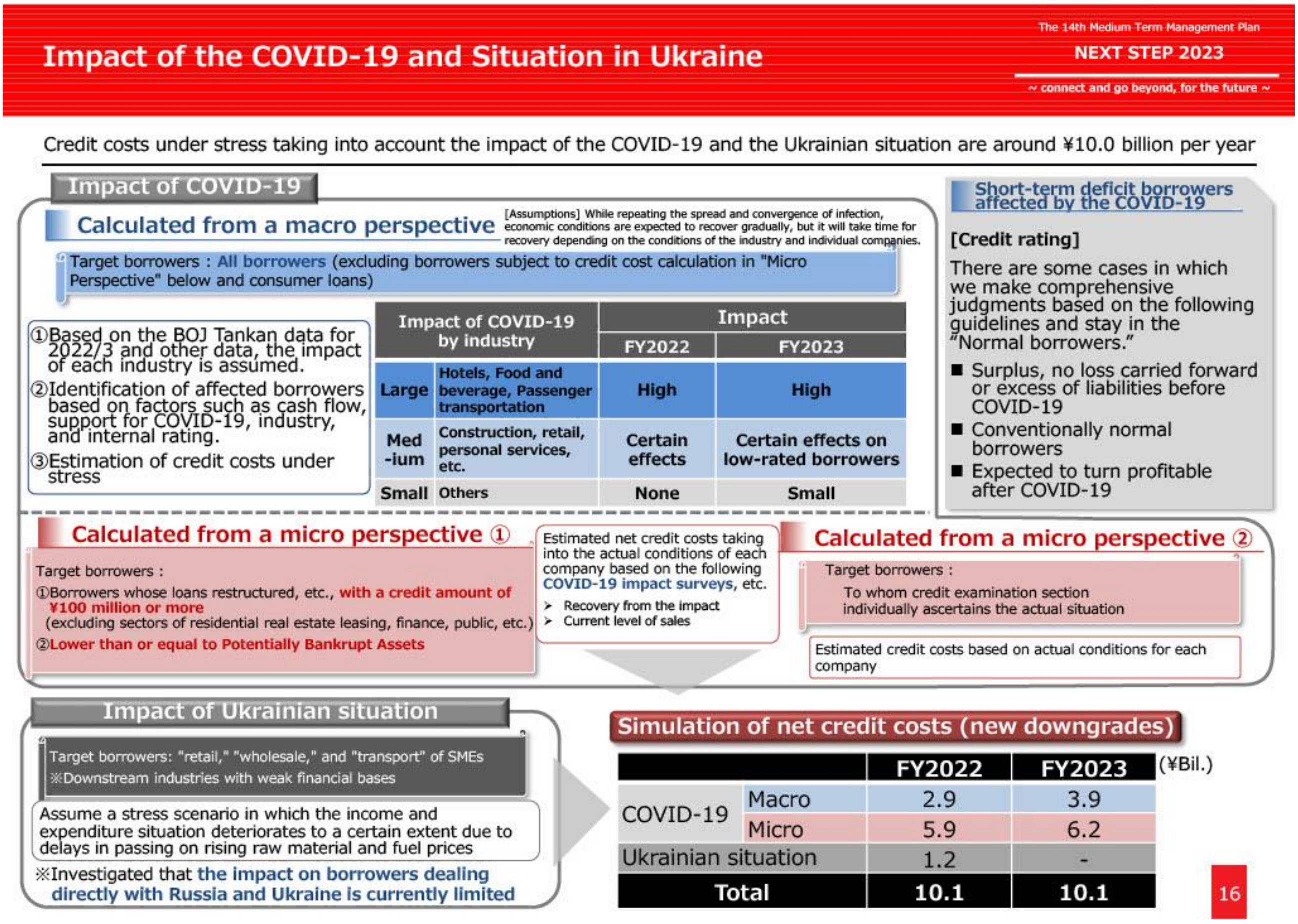
Please refer to page 15.

In terms of credit costs, although we posted an advance and preventive provision of about JPY4 billion in the fourth quarter, overall credit costs decreased by JPY3.2 billion from the previous year and were kept at a low level. This was mainly due to a JPY1.7 billion decrease in net transfer to general allowance for loan losses, as the allowance ratio for normal borrowers decreased since new downgrades decreased by JPY2.1 billion.

We expect new downgrades of JPY10.0 billion this fiscal year and plan net credit costs of JPY9.0 billion, which we consider to be conservative given the advance and preventive provisions we have made.

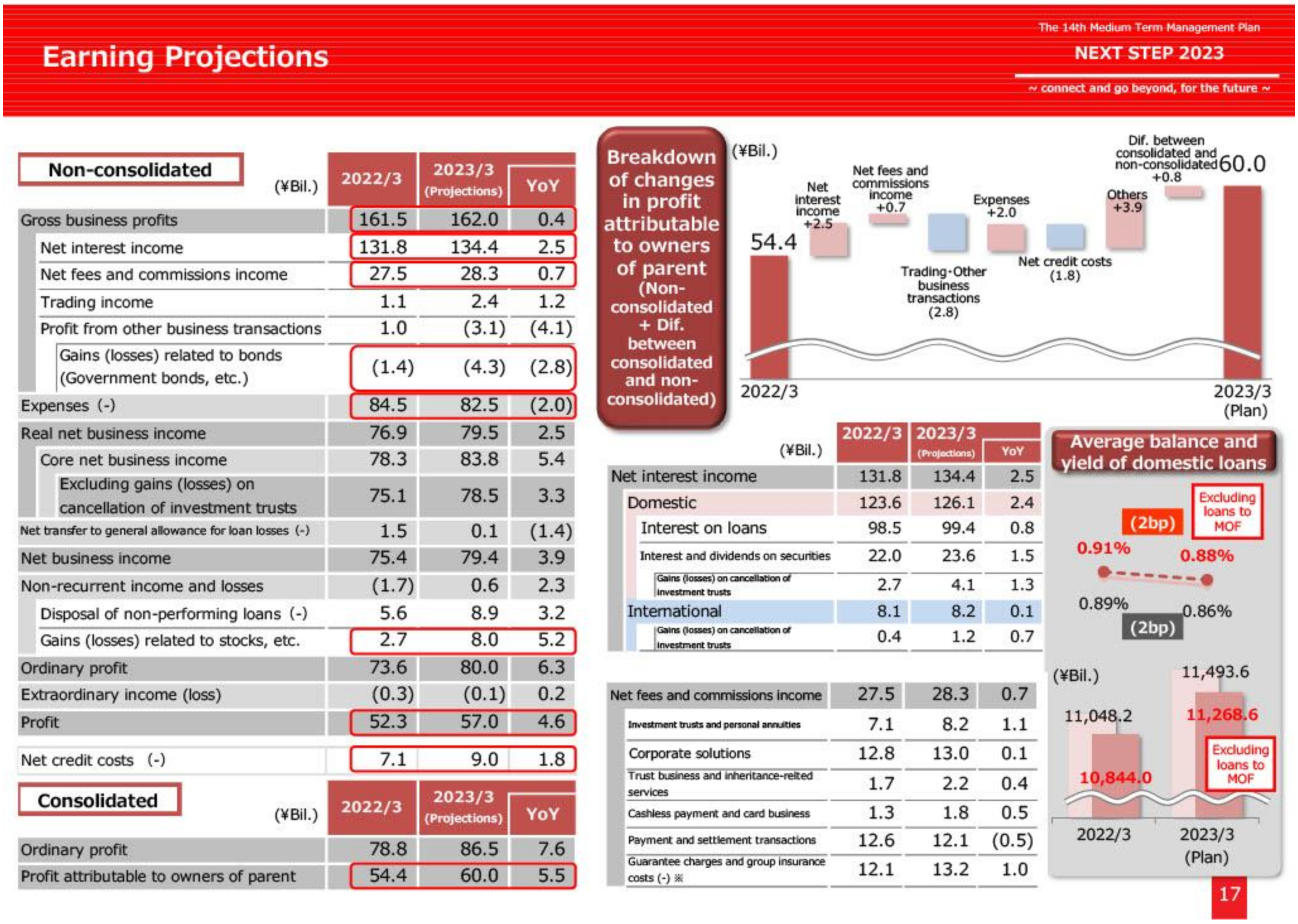
As noted in the lower right-hand corner, the NPL ratio declined to 0.96%, below the 1% level, due to the fact that no major non-performing loans were incurred in the previous fiscal year as well, ensuring that the Bank is as sound as the three mega banks despite the fact that the Bank mainly lends to small- and medium-sized enterprises.



Please refer to page 16.

With respect to the ongoing stress testing of the impact of COVID-19, we have conducted stress tests that also take into account the impact of the situation in Ukraine.

Even in times of stress, we estimate that new downgrades will be limited to approximately JPY10 billion per year, and this estimate has been proven accurate in previous back tests, confirming that the JPY10.0 billion new downgrades plan for the current fiscal year is conservative.



Non-consolidated (¥Bil.)	2022/3	2023/3 (Projections)	YoY
Gross business profits	161.5	162.0	0.4
Net interest income	131.8	134.4	2.5
Net fees and commissions income	27.5	28.3	0.7
Trading income	1.1	2.4	1.2
Profit from other business transactions	1.0	(3.1)	(4.1)
Gains (losses) related to bonds (Government bonds, etc.)	(1.4)	(4.3)	(2.8)
Expenses (-)	84.5	82.5	(2.0)
Real net business income	76.9	79.5	2.5
Core net business income	78.3	83.8	5.4
Excluding gains (losses) on cancellation of investment trusts	75.1	78.5	3.3
Net transfer to general allowance for loan losses (-)	1.5	0.1	(1.4)
Net business income	75.4	79.4	3.9
Non-recurrent income and losses	(1.7)	0.6	2.3
Disposal of non-performing loans (-)	5.6	8.9	3.2
Gains (losses) related to stocks, etc.	2.7	8.0	5.2
Ordinary profit	73.6	80.0	6.3
Extraordinary income (loss)	(0.3)	(0.1)	0.2
Profit	52.3	57.0	4.6
Net credit costs (-)	7.1	9.0	1.8

Consolidated (¥Bil.)	2022/3	2023/3 (Projections)	YoY
Ordinary profit	78.8	86.5	7.6
Profit attributable to owners of parent	54.4	60.0	5.5

(¥Bil.)	2022/3	2023/3 (Projections)	YoY
Net interest income	131.8	134.4	2.5
Domestic	123.6	126.1	2.4
Interest on loans	98.5	99.4	0.8
Interest and dividends on securities	22.0	23.6	1.5
Gains (losses) on cancellation of investment trusts	2.7	4.1	1.3
International	8.1	8.2	0.1
Gains (losses) on cancellation of investment trusts	0.4	1.2	0.7

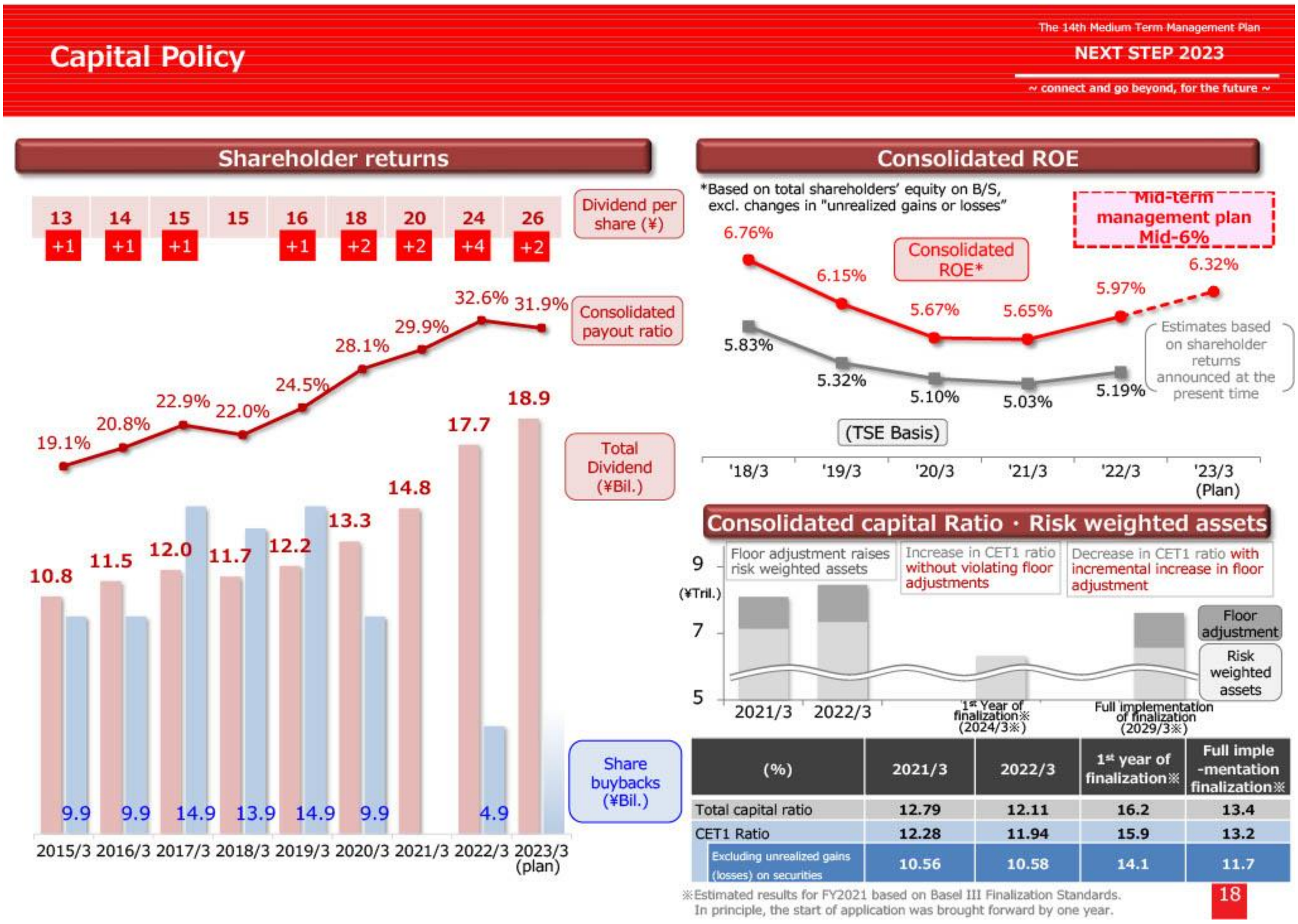
Net fees and commissions income	27.5	28.3	0.7
Investment trusts and personal annuities	7.1	8.2	1.1
Corporate solutions	12.8	13.0	0.1
Trust business and inheritance-relted services	1.7	2.2	0.4
Cashless payment and card business	1.3	1.8	0.5
Payment and settlement transactions	12.6	12.1	(0.5)
Guarantee charges and group insurance costs (-) ※	12.1	13.2	1.0

Please refer to page 17. I will explain our earnings plan for the fiscal year ending March 31, 2023.

While net interest income and net fees and commissions income are expected to increase steadily, we have factored in a loss on sales of foreign bonds of JPY5 billion due to rising foreign currency interest rates, and top-line gross business profits are expected to increase JPY0.4 billion YoY to JPY162.0 billion.

Credit costs are conservatively expected to increase by JPY1.8 billion, while expenses are expected to decrease by JPY2.0 billion. We plan to record JPY8.0 billion in gains/losses related to stocks, etc., but this can be recorded for stocks that we have already received consent to sell out of our policy stock holdings, and we will continue to reduce our policy stock holdings.

As a result, net profit is expected to reach JPY57.0 billion on a non-consolidated basis, up JPY4.6 billion from the previous year, and JPY60.0 billion on a consolidated basis, up JPY5.5 billion, both of which are record highs, and we will achieve the bottom-line target of JPY60.0 billion under the current medium-term plan.



Please refer to page 18.

While the Bank plans to increase its profit, it has announced a dividend increase for the fifth consecutive year to maintain a dividend payout ratio of 30% or more, which is expected to result in a payout ratio of 31.9%.

Although we did not implement a share buyback this time because we prioritized dividend increases, we will continue to consider dividend increases and flexible share buybacks in the future, keeping an eye on the COVID-19 impact, the situation in Ukraine, interest rates, and other factors.

As for the capital adequacy ratio, as shown on the lower right, it is expected to be 13.2% as of the end of March 2029, when the Basel III Finalization is fully implemented, an increase of about 1.3 percentage points from the current standard.

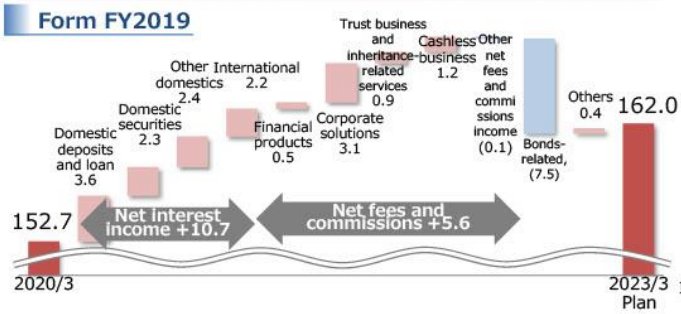
Progress of the Plan

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

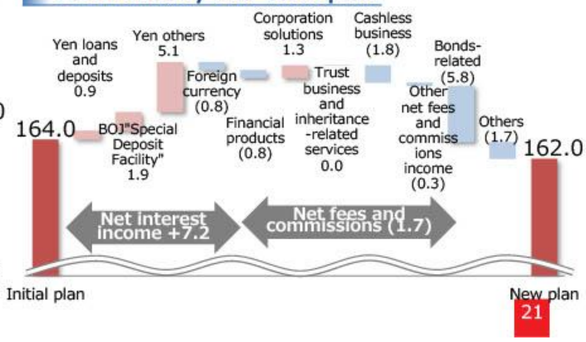
(¥Bil)

	Last year of the mid-term plan two times before 2017/3	Last year of the previous mid-term plan 2020/3	2021/3	2022/3	2023/3 plan	Change from 2020/3	Change From initial Mid-term plan	2023/3 Initial Mid-term plan
Gross business profit	144.0	152.7	156.0	161.5	162.0	+9.1	(2.0)	164.0
Expenses (-)	83.1	81.9	86.0	84.5	82.5	+0.5	(3.0)	85.5
Real net business income	60.9	70.8	70.0	76.9	79.5	+8.6	+1.0	78.5
Net credit costs (-)	(3.7)	9.5	10.4	7.1	9.0	(0.5)	+0.2	8.8
Ordinary income	70.0	67.8	64.2	73.6	80.0	+12.1	+1.1	78.9
Profit	48.6	45.9	45.6	52.3	57.0	+11.0	+1.0	56.0
Profit attributable to owners of parent	52.7	48.0	49.6	54.4	60.0	+11.9	-	60.0

Breakdown of changes in gross business profit of FY2022 plan



Form initially mid-term plan



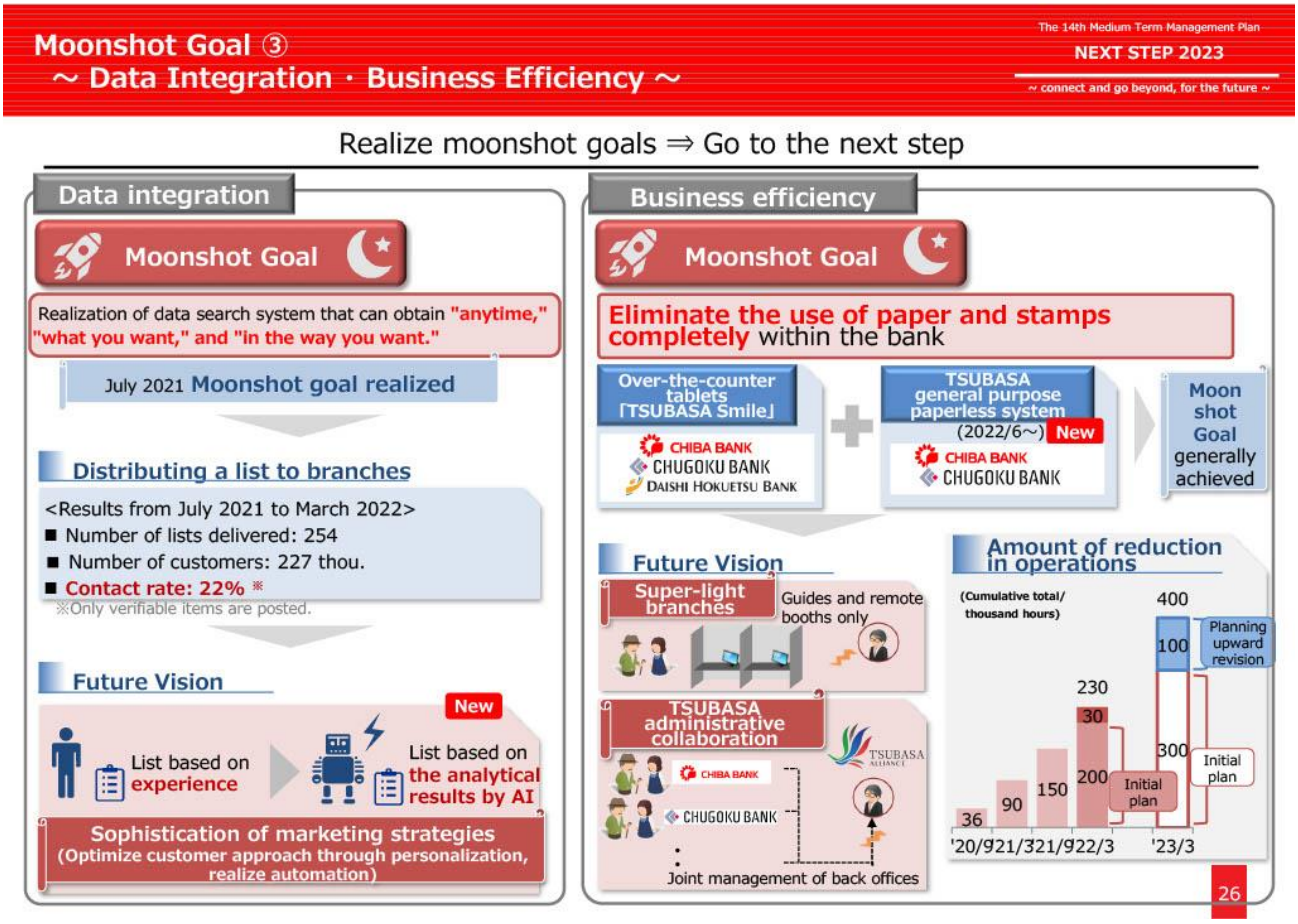
Next, I would like to explain about the Medium-Term Management Plan. Please refer to page 21.

During this medium-term management plan, both the top line and bottom line are increasing and making steady progress. Comparing this year's planned figures with the final year of the previous mid-term plan, as shown in the graph below left, net interest income increased by JPY10.7 billion and net fees and commissions increased by JPY5.6 billion, indicating that our core business is performing well.

A comparison with the initial formulation in March 2020 is also shown in the lower right graph. While net interest income will increase by JPY7.2 billion compared to the original plan due to the changed environment, net fees and commissions will decrease by JPY1.7 billion, and bond-related gains and losses are also expected to decrease by JPY5.8 billion due to losses on foreign bonds.

The current fiscal year, the final year of this medium-term management plan, will also serve as the foundation for the next medium-term management plan, and we are determined to achieve our goals by implementing the various measures we have been working on.

Page 23 and thereafter explains the DX strategy, most of which will be omitted from this presentation since it was explained at the IR Day held in April.



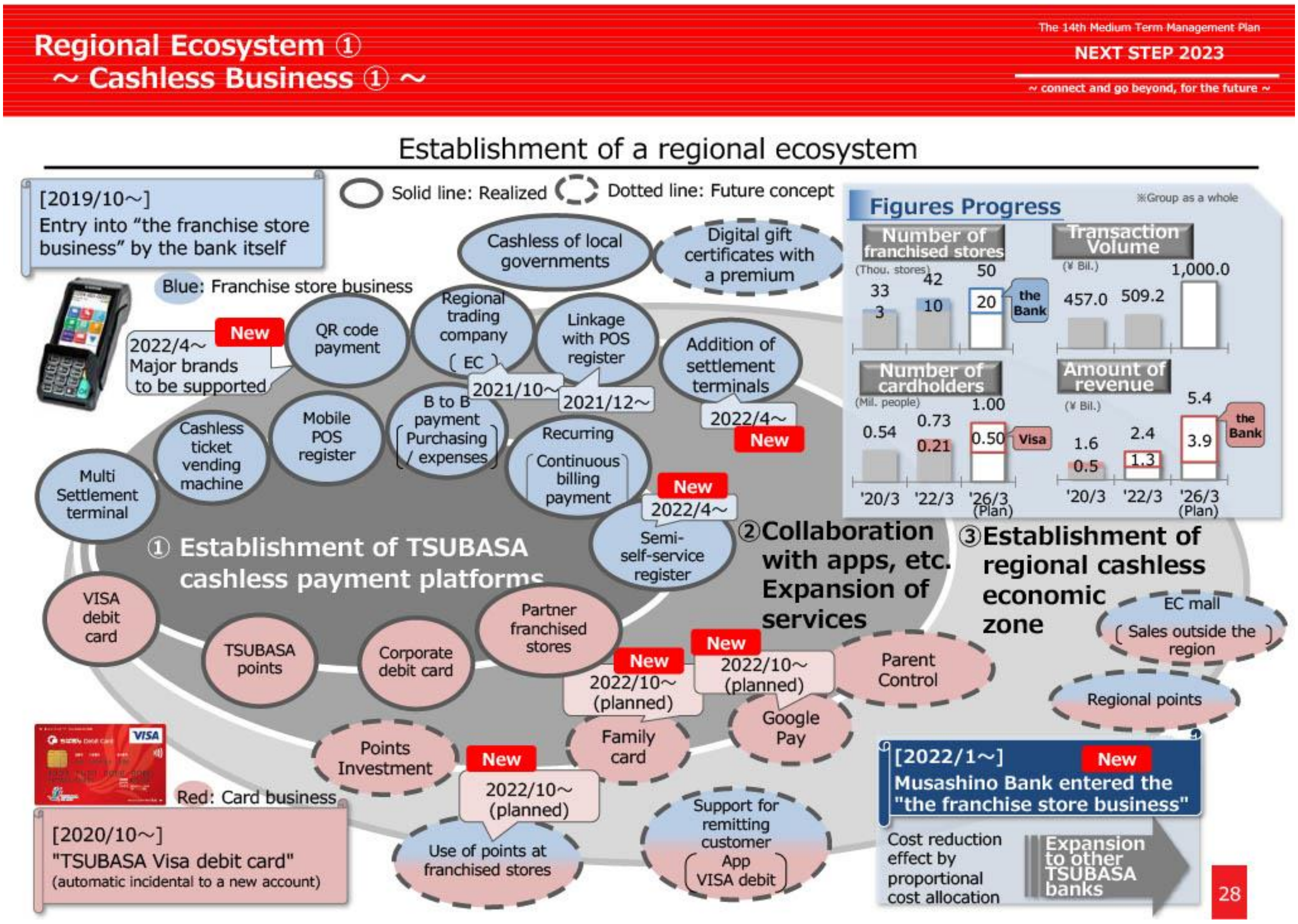
Please refer to page 26.

I would like to explain about the TSUBASA general-purpose paperless system, which is located in the middle of the upper row on the right.

As for the counter operations at branches, the TSUBASA Smile over-the-counter tablet has already enabled paperless and seal-less acceptance of new account openings and changes in notifications.

This system will be a completely paperless and seal-less system for receiving other small-quantity, high-mix transactions, as well as for internal processing and storage at the Bank. Not only does this reduce the burden of filling out forms for customers, but it also allows the Bank to perform back-office operations at a physically remote location, not to mention the various efficiencies that can be achieved within the Bank.

We will utilize these infrastructures to further lighten the weight of our branches and consider measures such as joint TSUBASA office operations.



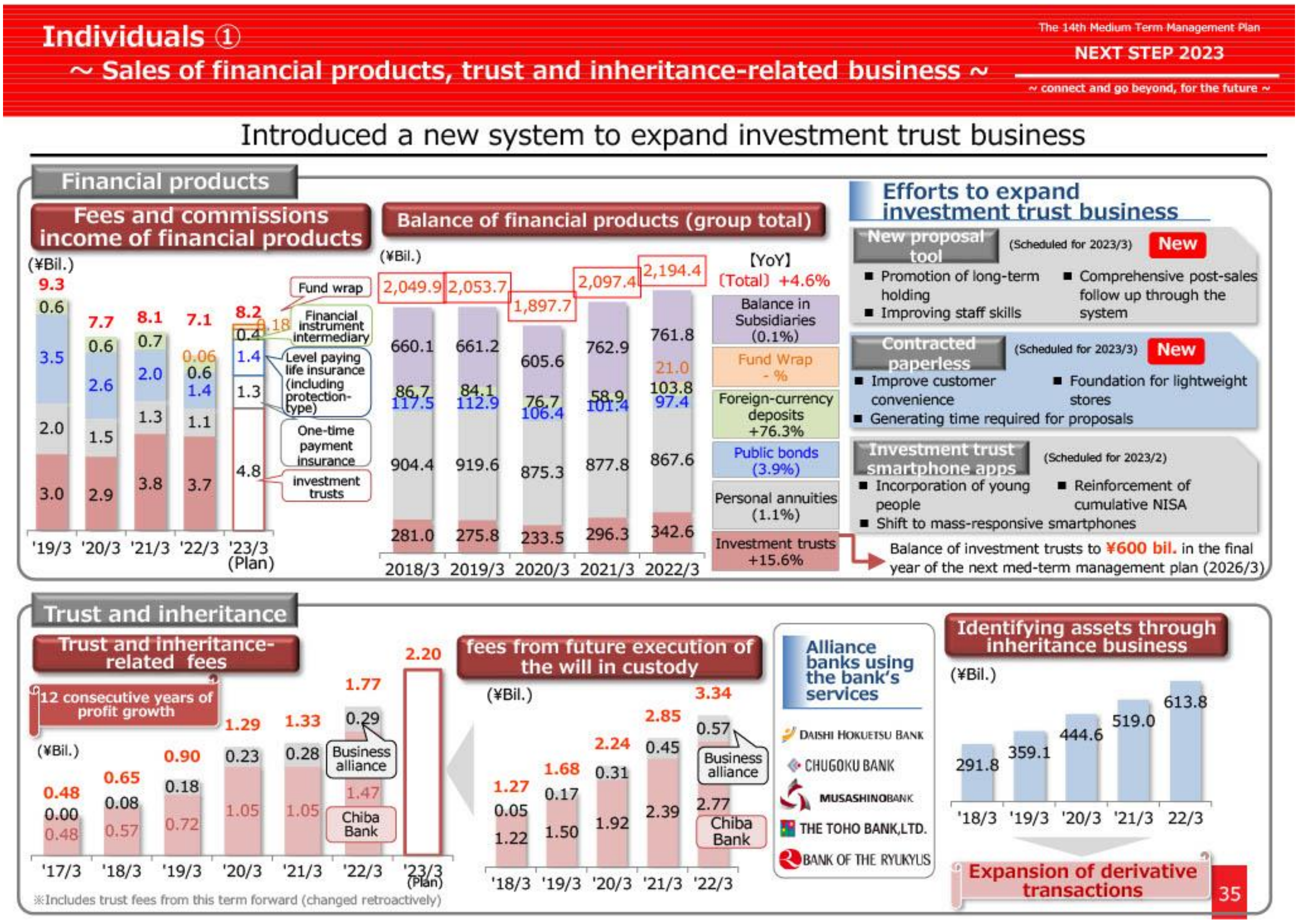
I will next explain the cashless business. Please refer to page 28.

As noted in the upper right-hand corner, the number of franchisees and cardholders, the foundation for future earnings, is increasing steadily toward our long-term goals of 50 thousand franchisees and 1 million cardholders.

Although the impact of COVID-19 has slowed the growth of transaction volume and revenue compared to our initial plan, we are aiming for a total Group transaction volume of JPY1 trillion and revenue of JPY5.4 billion in the fiscal year ending March 2026, the final year of the next mid-term plan, and will continue to expand our business by launching a variety of additional measures.

In January, Musashino Bank also entered the TSUBASA cashless platform franchise store business, which is expected to reduce costs by proportionally allocating expenses.

Please refer to page 29 for details on revenues, etc., later.



Next, I would like to explain our various measures. Please refer to page 35.

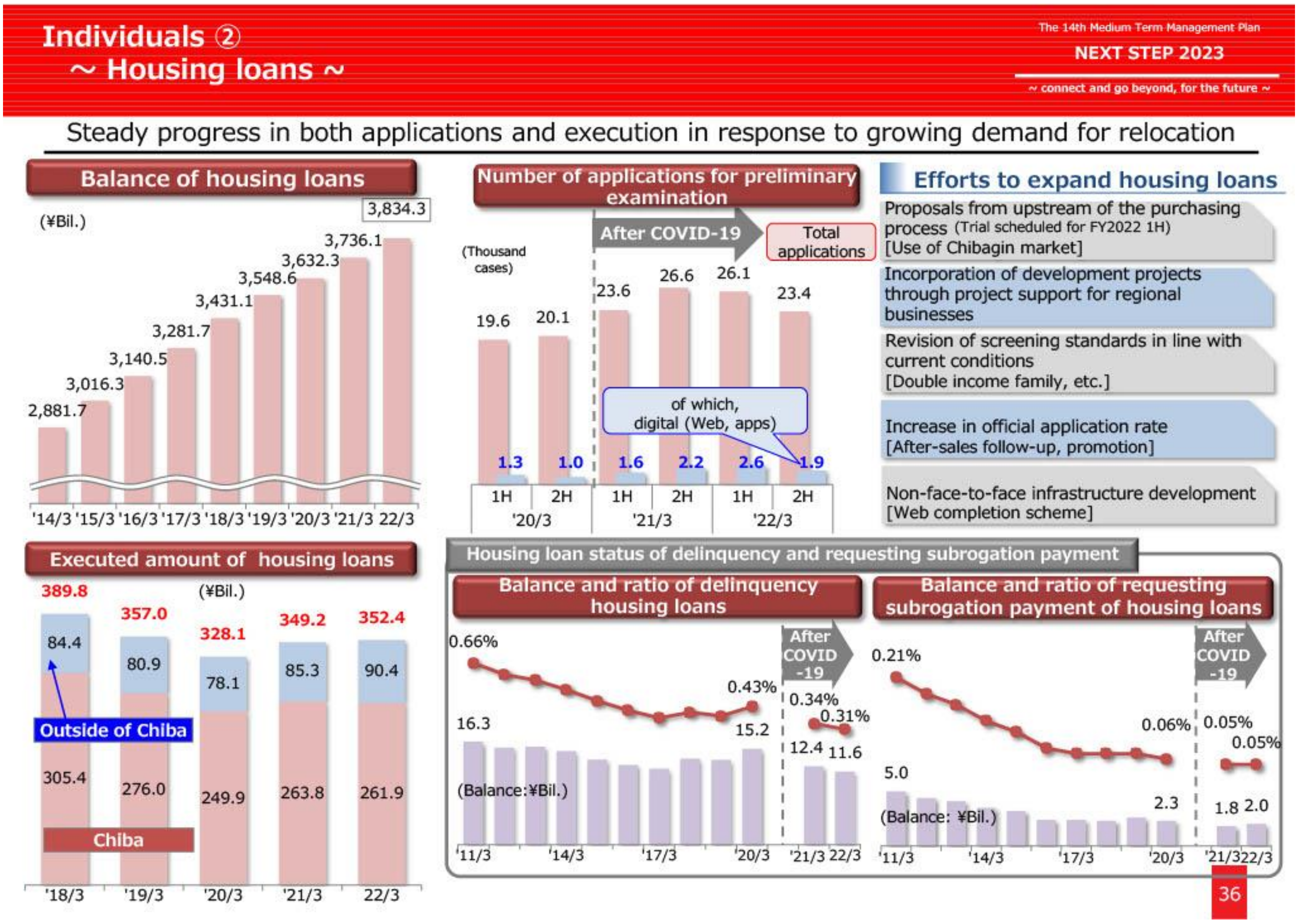
As for the sales of financial products, the performance award criteria were changed to a system that emphasizes stock from the second half of the previous fiscal year, resulting in a JPY0.9 billion YoY decrease in net fees and commissions in the previous fiscal year.

On the other hand, the Group's total balance of financial products increased 4.6% to approximately JPY2.2 trillion, which we believe is an indication of the results of our stock-oriented approach.

We plan to increase the balance and revenue by introducing a new proposal tool to promote long-term holdings during this fiscal year, improving convenience with a completely paperless execution function, and attracting younger customers by installing an investment trust function on the application.

As for trust- and inheritance-related business, which are described in the bottom row, the business has been performing well, with record-high profits for 12 consecutive terms. The Bank as a whole, including its alliance banks, has seen a steady increase in revenues from the future execution of wills in custody, which will be a future source of revenue, and is expected to continue to increase in the future.

In addition, the amount of assets identified through the inheritance business is also increasing, leading to derivative transactions such as assets under custody and loans.



Please refer to page 36.

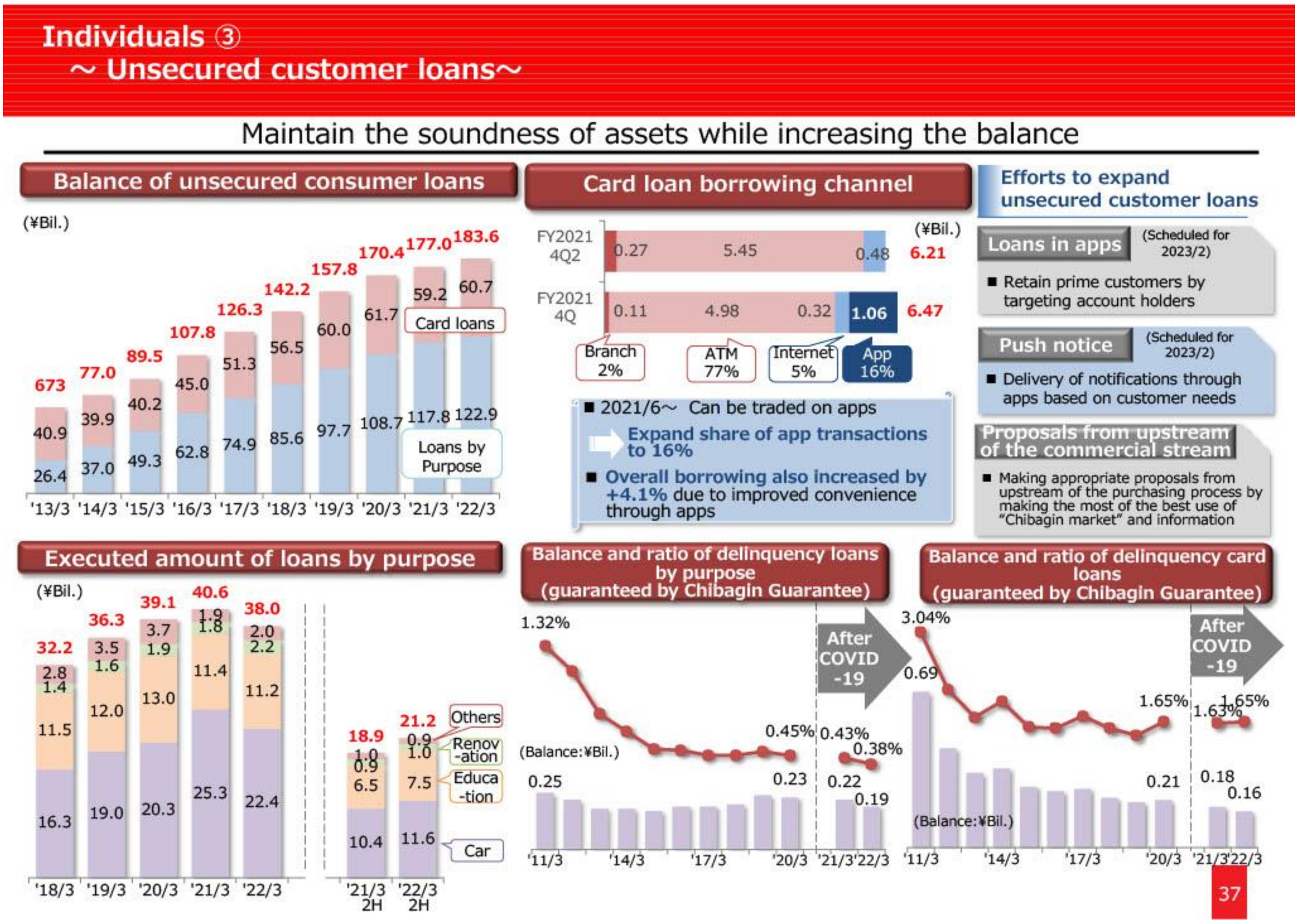
Housing loan balances have increased by about JPY1 trillion over the eight years since the end of March 2014.

As shown in the graph below left, the amount executed in FY2021 and FY2022 is higher than in FY2020 before COVID-19, and the Bank has been able to capture the need to move to the suburbs due to the spread of telework.

As shown in the graph in the middle of the upper row, the number of applications for preliminary examination leading to the execution of housing loans has increased significantly after COVID-19, and the balance is expected to increase steadily in the future.

Going forward, we will aim to expand our business through various initiatives, such as proposals that are made upstream of the purchasing process, utilizing Chibagin Market.

As shown in the two graphs on the bottom right, the delinquency rate and the requesting subrogation payment of housing loans ratio have declined compared to the pre-COVID-19 period, and housing loans have remained sound.

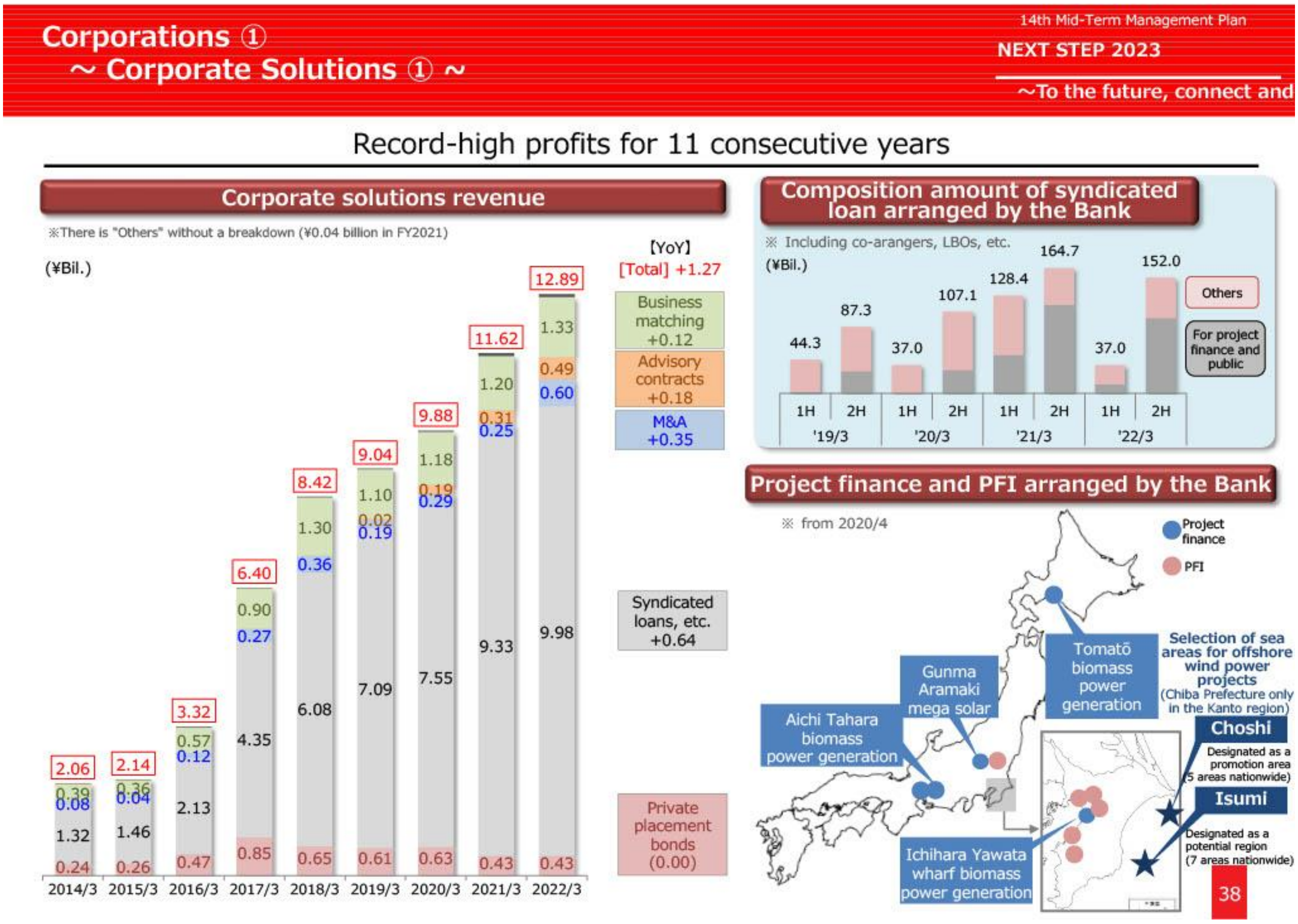


Please refer to page 37.

As for unsecured loans, the amount of loans executed during the first half of the previous fiscal year decreased YoY due to the impact of delays in the delivery of cars on car loans, but the executed amount is increasing from the second half, as shown in the graph below left.

For future business expansion, we will start handling loans within the application in February 2023, and we will also promote proposals that meet customer needs through push notifications in the application.

As for unsecured loans, as shown in the two graphs below right, the balance of delinquency loans has decreased from the pre-COVID-19 period, maintaining the soundness of assets.



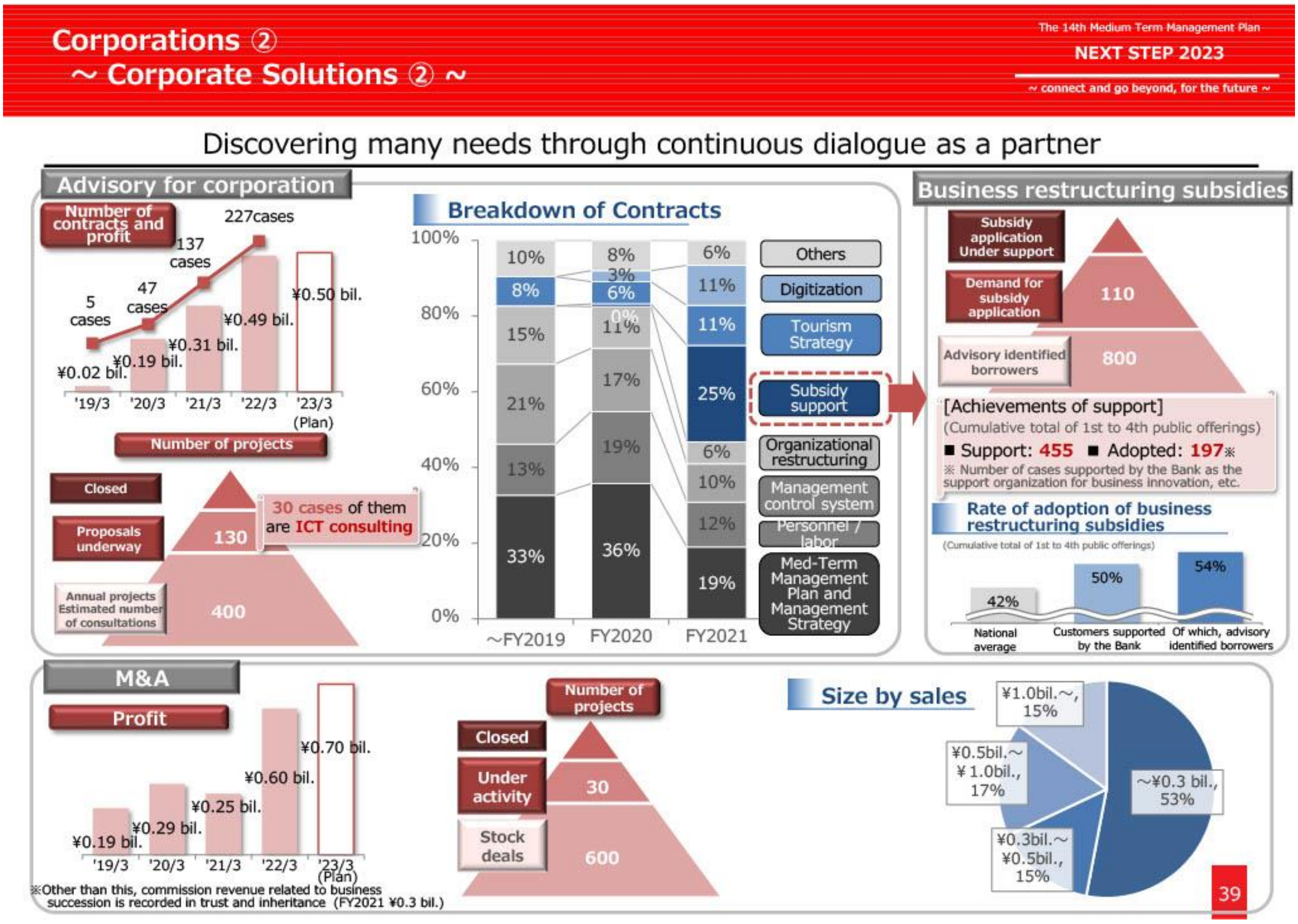
Please refer to page 38. From here, I will explain our corporate-related transactions.

Corporate solutions revenue has reached a record high for 11 consecutive fiscal years, with an increase in finance-related revenues such as syndicated loans, etc. driving overall growth.

As shown on the lower right, we have arranged project finance and PFI projects not only in Chiba Prefecture but also throughout Japan.

In addition to the structuring capabilities, we have accumulated through our past efforts, we will continue to handle many more projects by leveraging our financial strength through joint lending with our alliance banks.

In the previous fiscal year, an increase in non-financing revenues such as M&A, advisory, and business matching also contributed to the growth in corporate solutions revenue.



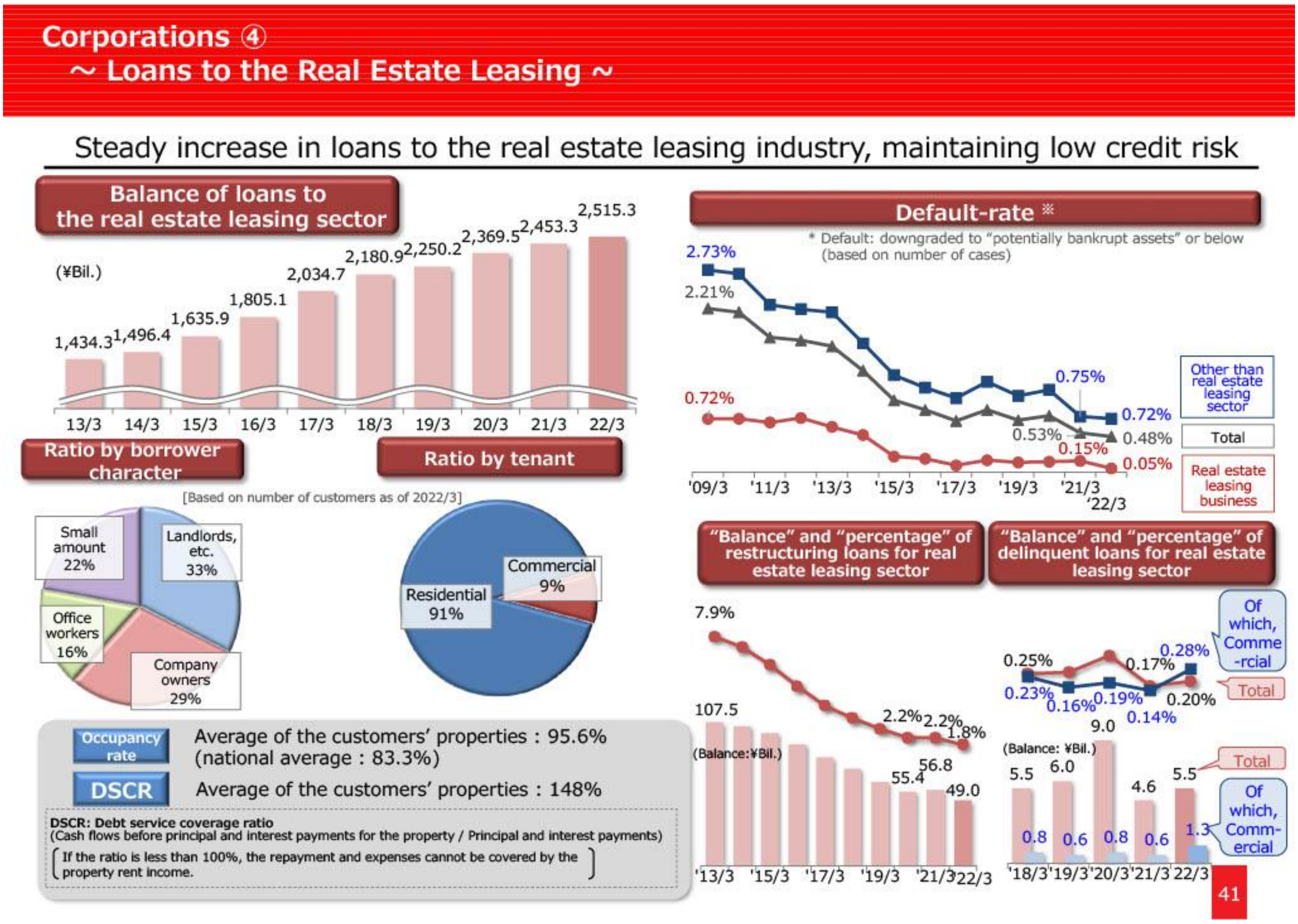
Please refer to page 39.

Advisory services for corporations, which we began handling in the second half of FY2018, had more than 200 contracts in the previous fiscal year, and profit increased 60% from the previous fiscal year to approximately JPY0.5billion. The number of consultations per year is expected to be about 400, and we can expect another increase in revenue.

The breakdown of contracts shows that while there is a constant demand, with more than 40 contracts for the formulation of medium-term plans and management strategies, the previous fiscal year was characterized by a significant increase in the number of subsidy application support, tourism strategies, and ICT consulting.

In the area of subsidy application support, as shown in the upper right-hand corner, we have assisted more than 450 companies, of which about 200 were selected for grants. In the fifth round of applications, we have also supported about 100 companies, and will continue to support our clients.

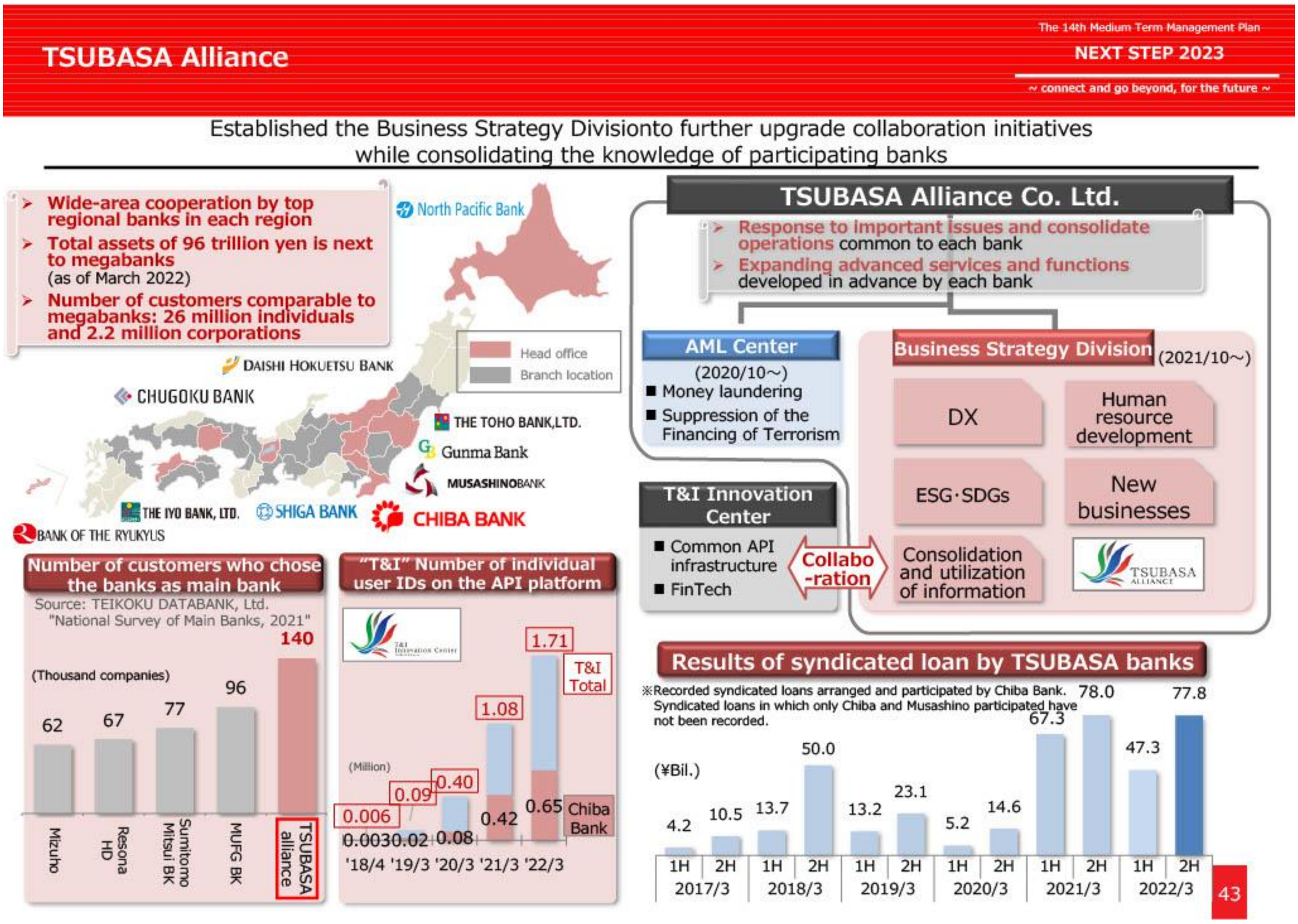
Continuing on, M&A, which is shown in the bottom row, has seen a significant increase in revenue since the establishment of a specialized department in June of last year. We have about 600 projects in stock, including information from our branch offices, and we expect profit growth in the current fiscal year as well.



Skip one page and refer to page 41.

Lending to the real estate leasing sector, which accounts for over 20% of the Bank's lending, has been increasing steadily. Credit risk is low due to our strict screening system, and as shown in the upper right graph, the default rate for the previous fiscal year was only 0.05%.

The ratio of restructuring loans and delinquent loans has declined from the pre-COVID-19 level, maintaining a sound financial position.

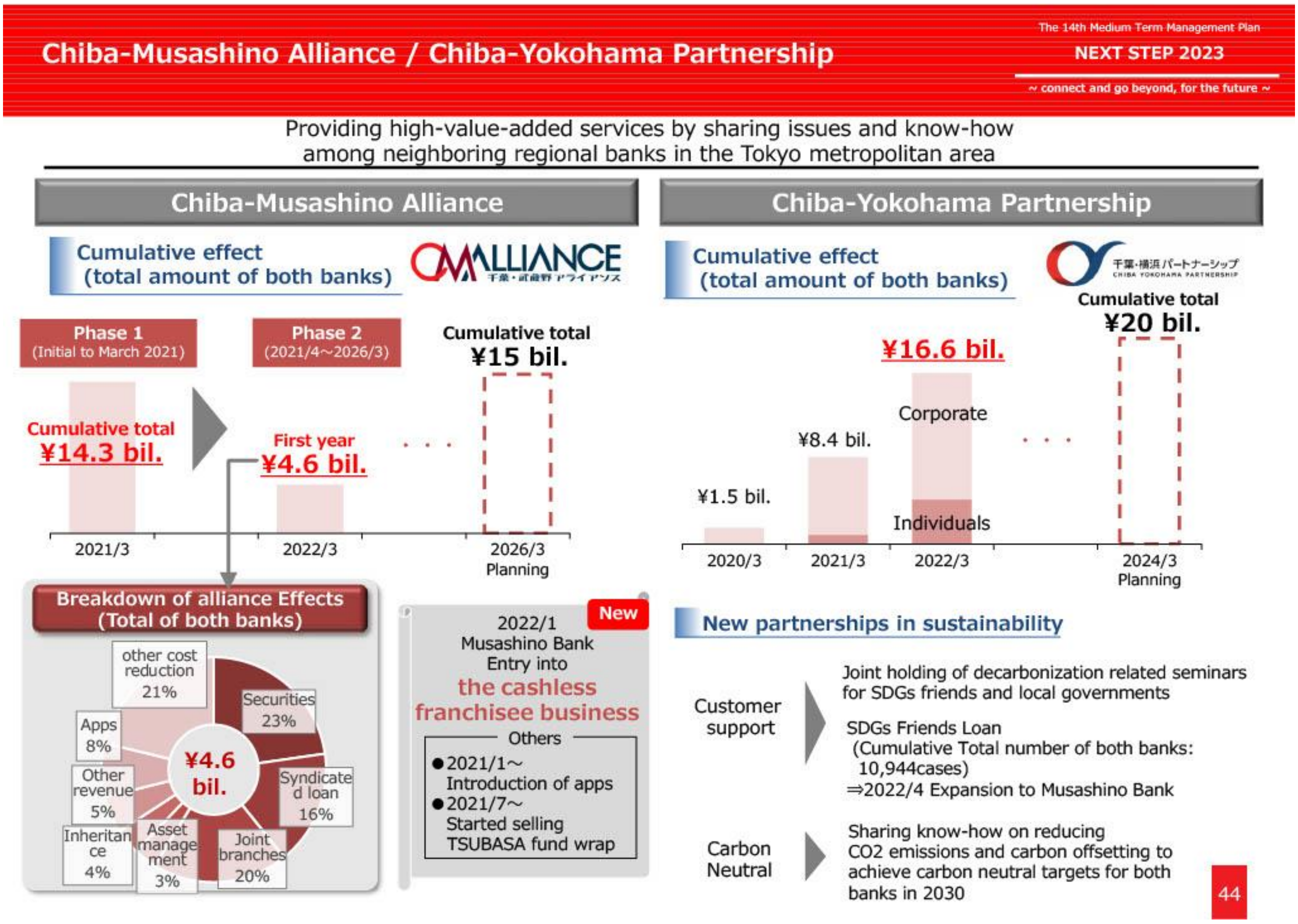


Next, I will explain our alliance strategy. Please see page 43.

The TSUBASA Alliance, in which the top regional banks in each region participate, has total assets of over JPY96 trillion, and the number of customers rivals that of megabanks.

The Business Strategy Division, established last October under TSUBASA Alliance, Co., Ltd., brings together staff dispatched from each of the participating banks at the Bank's head office building to plan and make proposals for collaboration, consolidation, and platforming of key common issues, including the promotion of DX-related measures and new business initiatives.

Like the Chibagin app platform in which five banks participate, we will further advance collaboration efforts through the TSUBASA Alliance, while reducing costs and consolidating knowledge among participating banks.



Please refer to page 44.

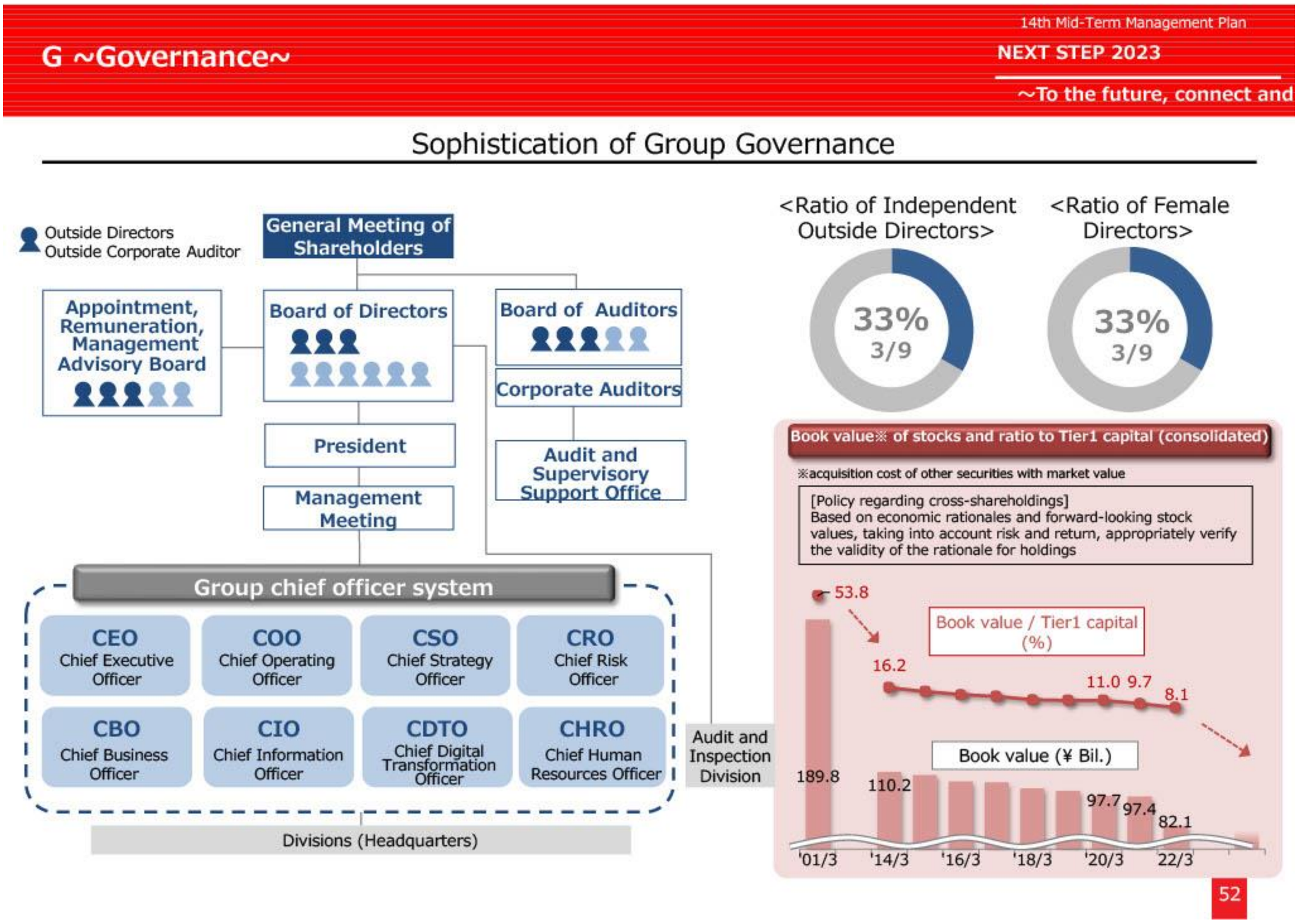
The Chiba-Musashino Alliance, which has completed its sixth year, generated JPY4.6 billion in collaborative benefits in the past year alone and is making steady progress toward its Phase Two plan of JPY15 billion in cumulative benefits over five years.

The Bank will aim to jointly implement all but capital, as the Bank's platform is being implemented by Musashino Bank in a variety of areas, including cashless, apps, and fund wraps.

In the Chiba-Yokohama Partnership, the cumulative effect of the partnership has expanded to JPY16.6 billion in the first three years of the partnership, driven by the syndicated loan initiative and the SDGs Friends Loan, and the partnership is on track to achieve its JPY20 billion five-year cumulative plan.

In addition to projects that lead to top-line enhancement, our partnerships cover a wide range of areas, including the sharing of know-how related to carbon neutrality.

Page 46 and thereafter provides SDG-related explanations, but we skip them here since most of them were also explained at the IR Day in April.



Please refer to page 52.

As noted on the lower right, we have made steady progress in reducing our policy shareholdings, reducing the ratio of book value to consolidated Tier One to 8.1%, down 1.6 percentage points from 9.7% a year earlier, and down half from 16.2% in the year ended March 31, 2014.

We will continue to reduce the balance after sufficient dialogue with business partners, etc., as set forth in the Corporate Governance Code.

That is all from me. Thank you very much for your kind attention.