

March 28, 2017

**Launch of the 13<sup>th</sup> Medium Term Management Plan  
“Best Bank 2020 Final Stage - 3 years of value co-creation”**

The Chiba Bank, Ltd. (President - Hidetoshi Sakuma) has launched its 13<sup>th</sup> medium term management plan, “**Best Bank 2020 Final Stage - 3 years of value co-creation**”, with the period from April 2017 to March 2020 as its time frame.

**1. Title**

**“Best Bank 2020 Final Stage - 3 years of value co-creation”**

- ◆ We are taking the medium term management plan to its final stage (3 years) to accomplish our ultimate goal – to become the “**best retail banking group**”.
- ◆ This three-year plan includes bolstering productivity, solidifying customer confidence, introducing value co-creation initiatives to our stakeholders (such as customers, shareholders, employees and local communities, etc.) and sustaining continuous growth.

**“Best retail banking group”**

It stands for our vision of a financial group that provides top-class customer services, attains high customer satisfaction, and is highly appreciated by regional customers including individuals and SMEs.

**2. Time frame**

3 years (from April 2017 to March 2020)

**3. Business environment and aims of the plan**

- ◆ Although Japan’s economy is undergoing a gradual recovery, the sustainability of economic growth remains largely uncertain. Besides domestic risk factors such as a declining birthrate and an aging population, Japan is facing global economic uncertainties and increasing geopolitical risks worldwide.
- ◆ Chiba prefecture is expected to maintain continuous growth as infrastructure development progress in the build-up to the Tokyo Olympic Games in 2020. However, the population is expected to peak out in 2020. Furthermore, we are expecting rapid changes in the banking business environment due to the digitalization of social media and increasing access from smartphones.
- ◆ Under such circumstances, we will place a strong focus on regional revitalization and continue to enhance customer relation. Instead of excessively emphasizing the quality of

collateral and guarantees, we are comprehensively evaluating our customers' business and prospects and providing a valuable integrated financial service, thereby generating sustainable growth for the bank and improving the medium term corporate value.

- ◆ We will continue to modify our business model and provide high-end digital services in response to digitalization. In addition, we will continue to expand our business outside Chiba prefecture, such as utilizing the “Chiba-Musashino Alliance” to increase our share in the Metropolitan area, and the “TSUBASA Alliance” to promote collaboration across multiple prefectures.

#### **4. Main subjects to be addressed in the “3 years of value co-creation”**

##### **(1) Co-creating customer value**

- Conducting comprehensive evaluation of a customer's business and contributing to regional revitalization
- Strengthening fiduciary duties
- Providing integrated personal financial services matching the diverse needs of customers
- Creating new services responding to digitalization
- Upgrading the retail base in the Metropolitan area
- Strengthening international business responding to customers' globalization
- Advancing activities for customer satisfaction

##### **(2) Realizing work style reform for all employees**

- Developing a highly professional workforce
- Accelerating diversity
- Promoting work style reform

##### **(3) Strengthening a sustainable management structure**

- Further promoting the strategic alliances  
(Chiba-Musashino Alliance and TSUBASA Alliance)
- Strengthening the group management structure
- Progressing business efficiency
- Strengthening investment capabilities and profitability
- Strengthening the risk management structure
- Ensuring thorough compliance and protection of customers
- Positive and active action on ESG issues (Environment, Social and Governance)

**5. Targets to be achieved in the “3 years of value co-creation”**

	Targets for 2020/3
Profit attributable to Owners of Parent	¥60 billion
Consolidated ROE	In 7% range
Consolidated CET1 Capital Ratio	In 12% range
Balance of Loans	Around ¥10.5 trillion
Balance of Deposits	Around ¥12.5 trillion
Group Total Balance of Financial Products	Around ¥2.5 trillion

This is an English translation of the Japanese original. Please be advised that there may be some disparities due to such things as differences in nuance that are inherent to the difference in languages although the English translation is prepared to mirror the Japanese original as accurately as possible.

This material contains forward-looking statements. These statements are not represented as providing a guarantee of the Bank's future performance, and actual results may be subject to risks and uncertainties. Please note that future performance may be different from the views presented here owing to changes in the operating environment and other factors.

## <Target>

Our vision is of a “financial group which provides top-class satisfaction through advanced services and is highly regarded by our regional customers, both individuals and SMEs”

# “Best retail” banking group

**CS**

We will ensure the “Customer first policy” and respond speedily to customers’ needs by providing advanced services and solutions.

**ES**

We will make a work environment where all employees can realize their potential with enthusiasm through diversity and work style reform.

**SS**

We, the Chiba Bank Group, will drive regional development, as the leading bank in the area.

### Co-creating customer value

- Conducting comprehensive evaluation of a customer’s business and contributing to regional revitalization
- Strengthening fiduciary duties
- Providing integrated personal financial services matching the diverse needs of customers
- Creating new services responding to digitalization
- Upgrading the retail base in the Metropolitan area
- Strengthening international business responding to customers’ globalization
- Advancing activities for customer satisfaction

### Realizing work style reform for all employees

- Developing a highly professional workforce
- Accelerating diversity
- Promoting work style reform

### Strengthening a sustainable management structure

- Further promoting the strategic alliances (Chiba-Musashino Alliance and TSUBASA Alliance)
- Strengthening the group management structure
- Progressing business efficiency
- Strengthening investment capabilities and profitability
- Strengthening the risk management structure
- Ensuring thorough compliance and protection of customers
- Positive and active action on ESG issues

KPI	Profit attributable to Owners of Parent	Consolidated ROE	Consolidated CET1 Capital Ratio	Balance of Loans	Balance of Deposits	Group Total Balance of Financial Products
FY2019	¥60 billion	In 7% range	In 12% range	Around ¥10.5 trillion	Around ¥12.5 trillion	Around ¥2.5 trillion