

Aim to be the “Best Retail” Banking Group, improving customer confidence

Emerging Signs of Brightness in the Chiba Prefecture Economy

Current State of the Chiba Prefecture Economy

The Chiba Prefecture economy is recovering across a broad range of sectors that include personal consumption as well as housing construction and capital investment. Moreover, the decision to hold the Tokyo Summer Olympics and Paralympics in 2020 is also spurring a rising sense of hope for the future of the economy. Under these circumstances, annual arrival and departure slots at Narita International Airport are being expanded and a terminal exclusively for handling low-cost carriers (LCCs) is under construction. Meanwhile, the Ken-O Expressway continues to be improved. Traffic volume on this expressway's Kisarazu-higashi—Togane section, which opened in 2013, has significantly surpassed projections and is creating new flows of people into the prefecture, both in the leisure and business fields. Plans call for the expressway to be extended further in the current fiscal year.

Becoming a More Convenient and Appealing Region

Reflecting these brisk investments, the decline in land prices in Chiba Prefecture has come to an end and prices are even turning upward in some areas. Furthermore, the past several years have witnessed the opening of a number of large-scale commercial facilities that include a shopping mall in Makuhari and outlet malls in Kisarazu and Shisui. Employment has also been improving, particularly in these areas.

Another bright spot is the growth in the prefecture's population which rose year-on-year in April 2014, reversing a downtrend in the wake of the Great East Japan Earthquake. Looking ahead, there are firm expectations the population will continue expanding due to the ongoing construction of large-scale housing developments within the prefecture.



Hidetoshi Sakuma

Hidetoshi Sakuma, President

Financial Results for the Year Ended March 31, 2014

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Looking at the Chiba Bank's financial results for the fiscal year ended March 31, 2014, loans outstanding as well as deposits both grew steadily, mirroring the reinvigoration of the Chiba Prefecture economy. Loans and bills discounted as of March 31, 2014 increased ¥170.9 billion from the end of the previous fiscal year to ¥8,083.0 billion, while deposits rose ¥485.0 billion to ¥10,121.8 billion. As a result, consolidated ordinary income increased ¥5.4 billion over the previous year to ¥78.2 billion. Consolidated net income rose ¥2.2 billion to ¥46.4 billion, marking the fifth consecutive year of an increase in income. The consolidated capital ratio was 13.69% as we continued to maintain a high level of soundness.

Pursuing Business Vigorously under the New Medium Term Management Plan

The Aim of the New Medium Term Management Plan

At the beginning of the current fiscal year, we started our new medium term management plan “Best Bank 2020 - 3 years of value creation.” The name of this plan embodies two meanings. The first is to become the “best” bank for our customers. To do so, we will at all times take the perspective of customers and provide them with even more convenient and secure services. Second, the term “2020” means we will put the emphasis on making preparations for the medium and long terms. The Chiba Bank will strive to respond quickly to such issues as the aging society and declining birth rates and the advance of globalization. By 2020, we aim to become the “best retail” banking group providing top-class satisfaction and being highly regarded by our regional customers, centering on individuals and small and medium-sized enterprises (SMEs).

Key Points of the Strategy

In view of the continuing break away from a deflationary economy, we will intensify our vigorous stance in the favorable market of Chiba Prefecture. In doing so, we will promote three key initiatives, namely “Creating new corporate value,” “Further improving staff training,” and “Building a sustainable management structure.”

Specific Initiatives

Besides actively responding to funding needs as a financial institution, we will focus on making proposals that help improve the businesses and lives of our customers. For example, the advance of globalization has been accompanied by a steady rise in the need for customers to set up overseas business operations. The Chiba Bank already operates an overseas network that is top class among regional banks and provides various types of support. Going forward, we will further expand and upgrade this network as well as our know-how.

As a Regional Financial Institution

The Chiba Bank will further enhance its functions as an information coordinator within the region. We gather a variety of information as we engage in business with a wide range of customers in the region. Through our involvement in such business activities as attracting enterprises to the prefecture and participating in regional development, we aim to utilize this information for creating new businesses and invigorating the region.

Responses to Individual Customers

First of all, we will raise the quality of our services and strive to be a bank that makes customers feel “I’m glad I chose the Chiba Bank.”

At the same time, we will strengthen our efforts toward business focused on the aging society, such as business succession and inheritance. In 2013, the Chiba Bank began offering the “Chibagin Educational Funds Donation Special Account,” becoming the first regional bank to offer such an account. This account has been earning high acclaim. To meet the needs of elderly customers, in April 2014 the Chiba Bank also began offering the “Chibagin Reverse Mortgage,” which allows customers to borrow funds as needed within set limits using their home as collateral.

Human Resources Development

Human resources development is extremely important for financial institutions as well as a key issue in our medium term management plan. In particular, offering highly sophisticated proposals is an essential element in all our businesses and the development of human resources with specialized expertise is the key to meeting this requirement.

In addition, we believe that promoting active roles for women is also crucial. To date, the Chiba Bank has actively deployed women at sales locations, and there are many women employees whose performance results have exceeded those of men, or who work as branch managers or in management-level positions at headquarters. We will continue initiatives in this area and will strive to realize satisfying and rewarding workplaces for current employees and for women joining the Chiba Bank in the future.

The Chiba Bank Strides Forward Together with the Regional Community

Social Contribution Activities

Under the Group CSR Activity Policy, the Chiba Bank Group furnishes a wide range of financial services, beginning with the provision of smooth financing to the customers in the region, and thereby contributes to the vitalization of the local economy. Besides these services, we proactively undertake activities for nurturing “People,” the “Environment” and “Business” based on the keywords of “Nurturing the Future.” As one such activity, in March 2014 we opened the “Chibagin Himawari Gallery”, a free-admission art space inside the Muromachi Chibagin Mitsui Building (COREDO Muromachi 3), which was newly built in Nihonbashi, Tokyo. We are also continuing to support various cultural and sports activities that include the holding of the “Chibagin Cup”, a J-League pre-season match to be held for the 20th time this year.

As one of our 70th anniversary commemorative projects, in 2013 we also opened the “Chibagin Financial Library” as a venue where children can enjoy learning about money. The newly established “Chibagin Mirai Foundation” commenced such projects as dispatching employees of SMEs on overseas observation visits and holding orchestra performances at kindergartens within Chiba Prefecture.

We have also implemented measures to support people starting companies or entering new businesses. These include providing grants through the “Himawari Venture Development Fund”, holding the “Business Idea Contest for Students” and establishing the

“Chibagin Subsidy Scheme for Technology Research and Development” in collaboration with Chiba University and Chiba Institute of Technology.

Playing a Role in Regional Development

Besides benefitting from ongoing urbanization, Chiba Prefecture is blessed with a mild climate and an abundant natural environment. Furthermore, the prefecture has an excellent transportation infrastructure that includes Narita International Airport and the Tokyo Bay Aqua-Line, a bridge-tunnel highway that crosses Tokyo Bay. Chiba Prefecture is also home to a wide variety of industries that range from heavy industry to agriculture and fisheries.

The Chiba Bank will strive to play a leading role in supporting the major growth and development of Chiba Prefecture by actively communicating these appealing features both within and beyond Chiba Prefecture and ensuring this leads to a further vitalization of the region.



The Chiba Bank Group

Consisting of the Chiba Bank and 13 subsidiaries, the Chiba Bank Group provides a diverse range of financial products and services to customers in the region. In April 2014, all companies of the Chiba Bank Group became wholly owned subsidiaries to ensure the implementation of integrated group management in a prompt and efficient manner.

●Securities, Credit Cards and Leasing Business

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

●Research and Consulting Business

Chibagin Research Institute, Ltd.
Chibagin Capital Co., Ltd.
Chibagin Asset Management Co., Ltd.
Chibagin Computer Service Co., Ltd.

●Personnel Services and Outsourcing Business

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

●Credit Guarantee and Credit Management Business

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