

Corporate Banking

Evaluations of Customers' Business Potential

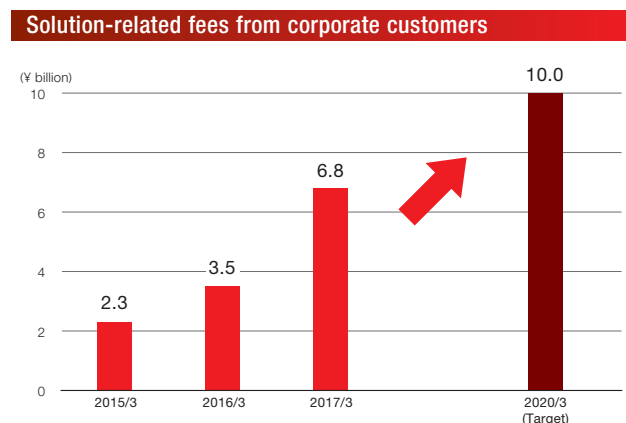
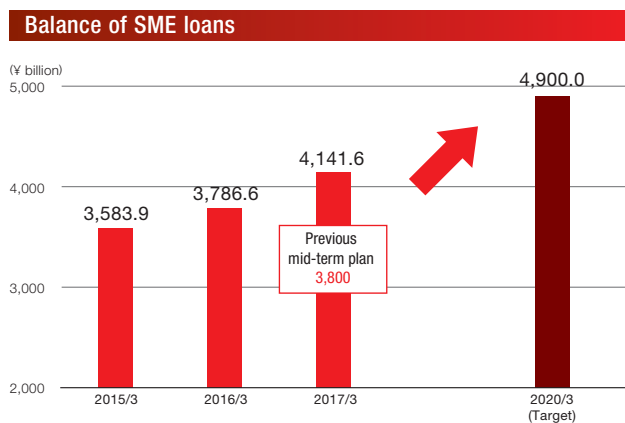
As a regional financial institution, the Chiba Bank exercises an intermediation function by closely engaging with customers involved in the regional economy, and provides valuable advice to solve management issues based on a deep understanding of their businesses.

Regarding transactions with corporate customers, we rigorously conduct activities centered on supporting their main businesses based on evaluations of their business potential. We conducted these evaluations at top-level regional banks—those with more than 10,000 customers—to understand the main businesses of our customers. In particular, we have selected core

companies that lead regional economies and industries as Designated Companies for Regional Revitalization, and we are meeting their needs with a wide range of proposals, including optimal financing schemes, M&As and business matching.

According to an annual survey of main banks by the Teikoku Databank, more than 20,000 companies use the Chiba Bank as their main bank—more than any other regional bank for the eighth consecutive year since the survey began.

In addition to supporting main businesses, we will focus on rigorous cross-selling, including by promoting credit cards for corporate owners and their employees, and on increasing fees and commissions income.



Evaluation of customers' business potential

Our activities

- Lending based on evaluation of a customer's business
- Solutions responding to customers' life stages
- Expand operations with customers, supporting as a main bank

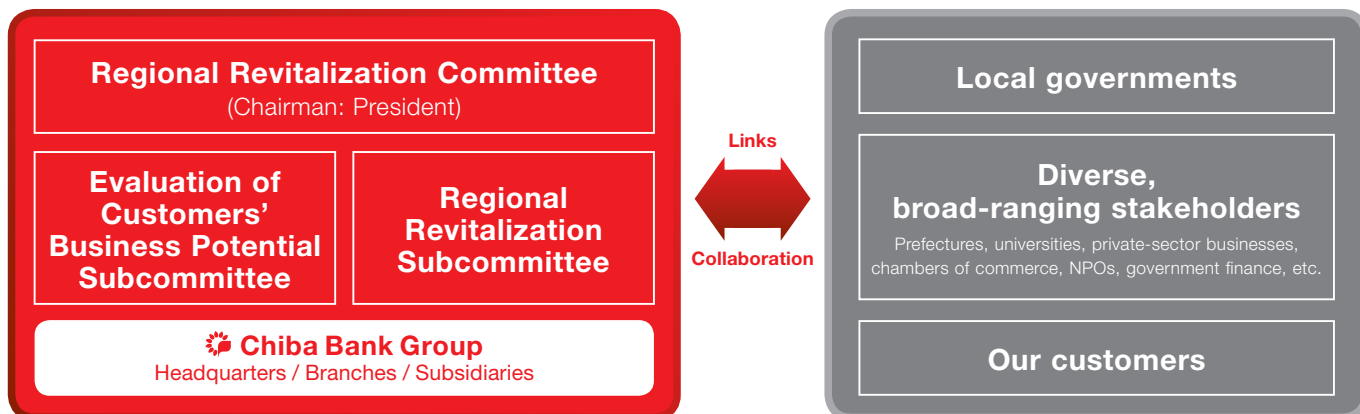


Exercise financial intermediation function

- Strengthen customers' management and growth potential
- Improve customers' business productivity through drastic reforms
- Change from lending based on collateral and guarantees

Support customers' main businesses

Regional Revitalization



We will continue to contribute to regional revitalization through Group operations. In August 2015, the Chiba Bank established the Regional Revitalization Committee chaired by the Bank's president. With both the Regional Revitalization Subcommittee and Evaluation of Customers' Business Potential Subcommittee driving specific measures, this committee is accelerating the Bank's regional revitalization initiatives.

In order to provide financial support for initiatives that contribute to employment and population gains in the region, the Chibagin Regional Revitalization Loan Program and Private Placement Bonds for Regional Revitalization (Mirai Hagukumi Bonds) have produced numerous achievements. We will continue to support business start-ups and new businesses that contribute to regional revitalization.

By further strengthening such initiatives, we will improve the profitability of the Bank by making proposals with high added value that meet customer needs.

Chibagin Regional Revitalization Loan Program

(Established November 2015)

- ▶ A program for start-ups and new business operators in Chiba Prefecture and neighboring regions

⇒ Loans in FY2016: **11 companies/ ¥1.0 billion**

Private Placement Bonds for Regional Revitalization (Mirai Hagukumi Bonds)

(Started handling in June 2016)

- ▶ Part of the commission fees received from companies issuing private placement bonds are used to buy education-related supplies and so forth that are donated to schools and other institutions designated by the issuer.

⇒ Bonds issued in FY2016: **200 bonds/ ¥20.1 billion**

Donation amount **¥40 million** (including planned)



Suggestions for developing grand design in the region



Develop strategies for taking advantage of the characteristics of various parts of Chiba Prefecture, and suggest the direction of activities toward further revitalization in the region

Researched by Chibagin Research Institute, Ltd.

Sep. 2015: "Revitalize Chiba Prefecture" strategic plan

Sep. 2016: "Revitalize Chiba Prefecture" strategic plan II

Our Operating Base in the Tokyo Metropolitan Area

While maintaining Chiba Prefecture as our core foundation, we will further strengthen the Chiba-Musashino Alliance in order to bolster loans and expand our operating base in the Tokyo metropolitan area, especially in Tokyo, Saitama, and Ibaraki where market potential is high.

The number of branches inside the 23 wards of Tokyo, which have been positioned as a Strategic Operating Area, has increased to 14 branches. By conducting problem-solving sales activities based on our business evaluations developed in Chiba Prefecture, we are expanding our customer base while keeping appropriate interest rate levels.

Going forward, we will firmly respond to robust financial needs, while properly conducting project appraisal and risk management, and continue to approach good small- and medium-sized enterprises (SMEs) and wealthy customers, thereby expanding our retail transactions.

Furthermore, in addition to continuing to open its own branches in the Tokyo metropolitan area, the Chiba Bank is also examining sales development and other activities in cooperation with The Musashino Bank, Ltd., and aims to further expand its trading share.

International Operations

The Chiba Bank has overseas branches in New York, London and Hong Kong, and representative offices in Shanghai, Singapore and Bangkok.

In addition to this overseas branch network of one of the largest regional banks, we are further enhancing our alliances with local financial institutions. We support the overseas business expansion of our customers, including by supporting trade transactions, providing the latest overseas information and holding business consultations aimed at developing sales channels.

At overseas branches, we accept trainees from the Musashino Bank and the TSUBASA Alliance banks, and we will work to expand our earnings opportunities by proactively responding to the finance needs of the client companies of alliance banks.

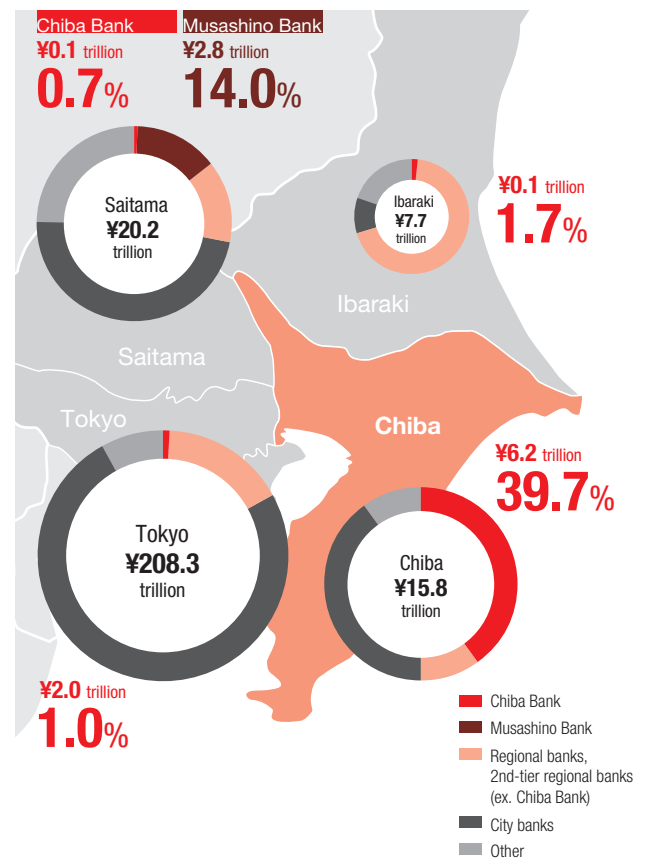
Domestic branch network

181 branches (As of March 31, 2017)

Of which, **160** in Chiba
14 in Tokyo **3** in Ibaraki
3 in Saitama **1** in Osaka

Loan shares and market sizes in the metropolitan area

(As of March 31, 2016, by KINYU JOURNAL)



Overseas branch network

(As of March 31, 2017)

