

Materiality in “Sustainable Management”

We are working to achieve “Sustainable Management” aimed at balancing social value and economic value in the long term, based on the Chiba Bank Group Sustainability Policy. We will proactively promote initiatives that contribute to resolving social issues through its business activities, and support the sustainable growth of the region.

Chiba Bank Group Sustainability Policy

We aim to realize sustainable regional communities through our core businesses such as demonstrating the financial intermediation function. Additionally, we engage in honest and fair corporate activities, as well as activities to solve various issues facing the region, including climate change and other environmental problems, as part of sustainable management with the aim of balancing economic value and social value.

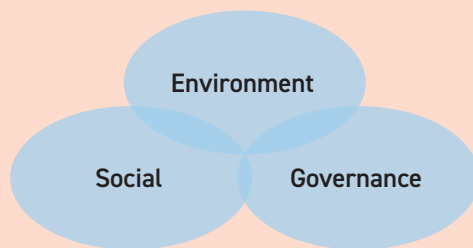
Each executive and employee of our group is actively working with awareness of their involvement in these activities. Through information disclosure, we will foster a better relationship of trust with our stakeholders and create a “new future for regional communities.”

Concept of “Sustainable Management”

Sustainable Management = Long-term Outlook + Social Value (Solving Social Issues) + Economic Value



ESG (Environment, Social, Governance)



ESG is the name of the belief that the three perspectives of environment (E), social (S), and governance (G) are all necessary to achieve the sustainable growth of a company.

SDGs (Sustainable Development Goals)



SDGs are a set of 17 sustainable development goals adopted by the United Nations member states, which aim to achieve the goals by 2030.

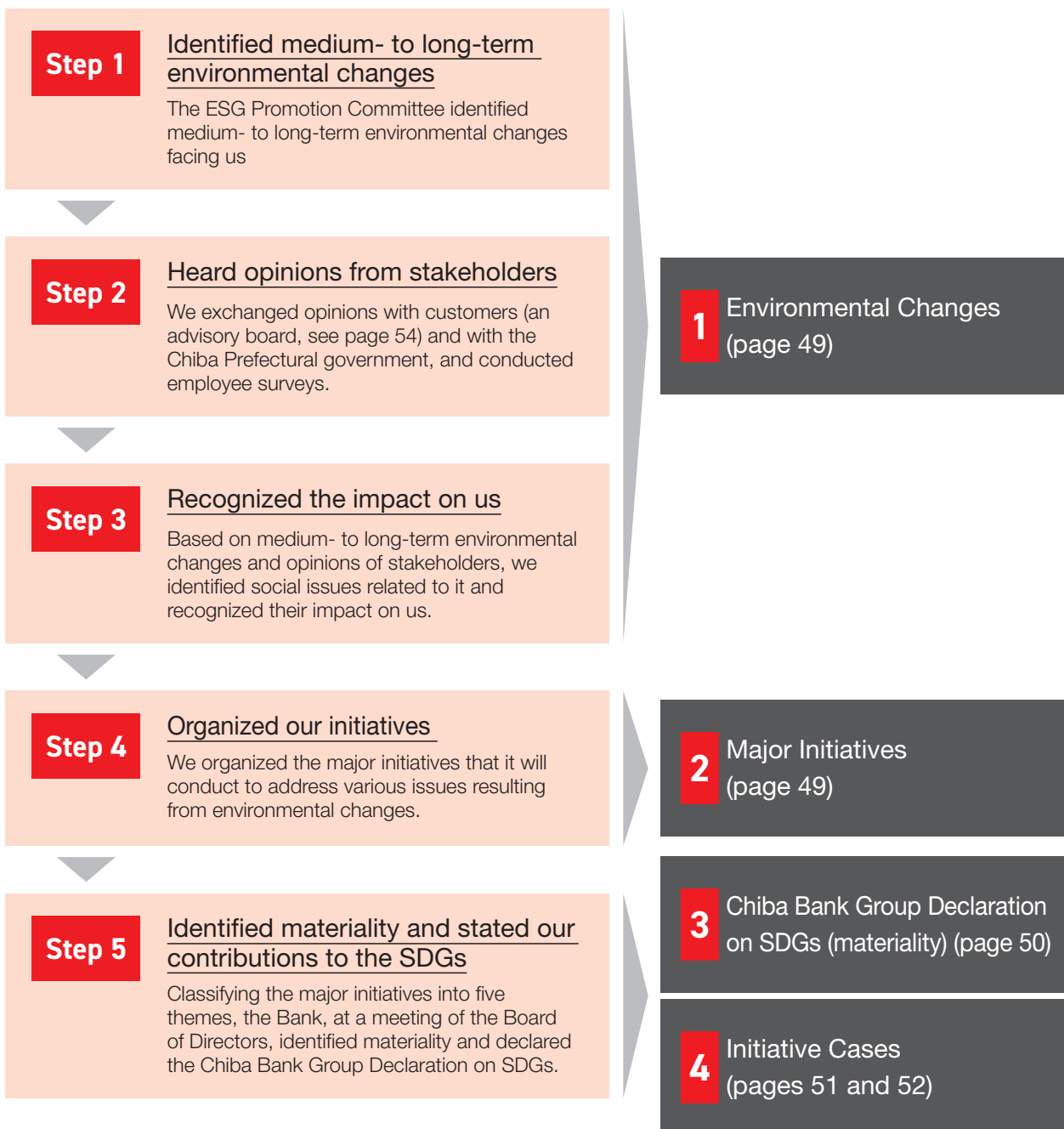
Identifying materiality

We established the ESG Promotion Committee in October 2017, and discussed materiality* as the premise for how we should work on issues facing our customers and regional communities, in order to achieve “Sustainable Management”.

Considering opinions from various stakeholders and recognizing the impact of

environmental changes, the Bank at a Board of Directors meeting in May 2019 identified the materiality, which fits into five themes: local economy and community, aging population, financial services, diversity, and environmental protection. Based on the materiality, we are working on specific activities to solve issues facing the region.

* Key issues in various activities related to corporate social responsibility.



Working to Solve Social Issues

Chiba Prefecture, the primary base of the Bank, is facing environmental changes and various accompanying social issues, including the difficulty of business succession due to a lack of successors, increasing rates of dementia and shortages of medical and nursing care supplies due to population aging, and the intensification of natural disasters caused by climate change. In addition, we also need to prepare for the prospect of the population decline in the medium to long term.

1	Environmental Changes	2	Main Initiatives	Related Pages
Local Economy and Community	<ul style="list-style-type: none"> ■ Lack of successors and difficulties in business succession 	▶	<ul style="list-style-type: none"> ● Business succession support (management succession support service, M&As) ... (page 31) ● Next-generation management support, introduction of executive personnel ... (pages 18 and 27) 	
	<ul style="list-style-type: none"> ■ Reduced vitality of communities caused by medium-to long-term population decline 		<ul style="list-style-type: none"> ● Main business support based on business viability evaluation(pages 27 and 28) ● Initiatives to develop industries (venture founding support, etc.) ... Initiative Case ① (page 51) ● Support for regional revitalization, move-in and settlement support (page 35) ● Attracting companies (Narita Airport area, Ken-O Expressway area, etc.) (page 13) ● Creating an agricultural corporation to achieve more sophisticated management/ helping agriculture incorporate the second industry and the third industry to create more added value (page 36) ● Support for tourism-related business, promotion of transactions (page 36) ● Contributing to communities by developing school environments and promoting sports Initiative Case ② (page 51) 	
Aging Population	<ul style="list-style-type: none"> ■ Rising life expectancy, increasing late-elderly population 	▶	<ul style="list-style-type: none"> ● Support for lifetime asset management and management needs(pages 29 and 32) ● Asset succession support (testamentary trust, inheritance sorting service, etc.) ... (page 31) 	
	<ul style="list-style-type: none"> ■ Increasing rates of dementia 		<ul style="list-style-type: none"> ● Support for dementia (family trust support service, guardianship support trust, training of dementia supporters and service assistants)(pages 32 and 41) 	
	<ul style="list-style-type: none"> ■ Shortages of healthcare and nursing supplies 		<ul style="list-style-type: none"> ● Support for healthcare and nursing business, promotion of transactions 	
	<ul style="list-style-type: none"> ■ Increase in financial crimes 		<ul style="list-style-type: none"> ● Initiatives to prevent financial crimes including wire transfer fraud (page 42) 	
Financial Services	<ul style="list-style-type: none"> ■ Advance of digitization 	▶	<ul style="list-style-type: none"> ● Expansion of financial services using the internet and smartphones(pages 33 and 34) 	
	<ul style="list-style-type: none"> ■ Entry from different industries 		<ul style="list-style-type: none"> ● Expansion of high-quality financial services (consulting services, etc.) (page 29) 	
	<ul style="list-style-type: none"> ■ Trend of “from savings to asset formation” 		<ul style="list-style-type: none"> ● Planned asset formation support with installment NISA, etc. (page 29) ● Initiatives to improve financial literacy Initiative Case ③ (page 51) 	
	<ul style="list-style-type: none"> ■ Diversifying needs 		<ul style="list-style-type: none"> ● Expansion of financial services to a broader range of customers (education support loans, senior support loans, etc.) 	
Diversity	<ul style="list-style-type: none"> ■ Changes in individuals’ mindset about work and lifestyle 	▶	<ul style="list-style-type: none"> ● Improving motivation for the active participation of women and long-term career building support..... (page 15) ● Utilization of diverse human resources by expanding their roles at work (increasing mid-career recruitment, hiring of senior staff and people with disabilities, etc.)(pages 15 and 16) 	
	<ul style="list-style-type: none"> ■ Tightening of working hours regulations 		<ul style="list-style-type: none"> ● Developing environments where employees can work flexibly..... (page 16) 	
Environmental Protection	<ul style="list-style-type: none"> ■ Intensification of natural disasters caused by climate change 	▶	<ul style="list-style-type: none"> ● Contribution to environmental protection through the main business (promoting initiatives for renewable energy business) Initiative Case ④ (page 52) ● Forest development activities (Chibagin Forest)..... Initiative Case ⑤ (page 52) ● Initiatives against climate change (saving energy, etc.) Initiative Case ⑥ (page 52) ● Preparedness for natural disasters (BCP) (page 67) 	
	<ul style="list-style-type: none"> ■ Increasing awareness of protection of the environment and biodiversity 		<ul style="list-style-type: none"> ● Support for environmental business, promotion of transactions 	

The Bank is conducting various initiatives through its business activities based on the principal of “Sustainable Management,” with the aim of solving these social issues. We established the Chiba Bank Group Declaration on SDGs based on the belief that these activities will contribute to achieving the SDGs.



4 Initiative Cases ①～③

Initiative Case ① Initiatives to develop industries

The Bank subsidizes venture companies in Chiba Prefecture through the public interest incorporated foundation “Himawari Venture Development Fund,” an organization that the bank established with the goal of contributing to the vitalization of the prefectural economy.

Through the public interest incorporated foundation “Chibagin Mirai Foundation,” we also subsidize expenses for overseas inspection tours to countries in Asia and other regions, in order to train human resources who will be responsible for the future of the economy of Chiba Prefecture.

We also subsidize expenses for the joint researches of companies that have technology and product development needs conducted with Chiba University, the Chiba Institute of Technology, and Kisarazu College of the National Institute of Technology.

In addition, we hold a business idea contest for students every year, as an initiative

■ Achievements in initiatives to develop industries (FY2018)

Himawari Venture Development Fund	
July 2018	Granted ¥15 million in subsidies to 5 recipients Granted rent subsidies to 3 recipients
February 2019	Granted ¥11 million in subsidies to 3 recipients Granted rent subsidies to 2 recipients
Chibagin Mirai Foundation	
October 2018	12 people from 12 companies participated in tours of Vietnam and Thailand
Chibagin Research & Development Grant Program	
August 2018	Granted ¥4 million in subsidies to 5 companies (cumulative total of ¥37 million granted to 36 companies)
Chibagin Student Business Idea Contest	
February 2019	Gave excellence award, etc. to winners out of 45 applicants

to foster entrepreneurship among students who will be responsible for future.

Initiative Case ② Contributing to communities by developing school environments and promoting sports

The Bank offers Private Placement Bonds for Regional Revitalization (Mirai Hagukumi Bonds) and Private Placement Bonds for Sports Support (Chiba Sports Bonds) and makes donations from part of the underwriting fee we receive from private placement bond issuing companies.

From the Mirai Hagukumi Bonds, we donate education-related goods to schools designated by the issuing company. By March 31, 2019, cumulative 439 bonds

totaling ¥42.8 billion have been issued, and donations have amounted to ¥73 million.

From the Chiba Sports Bonds, we donate money to sports promotion projects run by local governments or sporting goods to sports teams in Chiba Prefecture designated by the issuing company. By March 31, 2019, cumulative 34 bonds totaling ¥3.0 billion have been issued, and donations have amounted to ¥2 million.

Initiative Case ③ Initiatives to improve financial literacy

The Bank conducts various financial education initiatives targeting young people with the goal of improving their financial literacy. We have endowed a course at Chiba University, and dispatched instructors from us to give lectures. We also hold the Economics Koshien Chiba Tournament for high school students, and conducts workplace experience tours and at-school lectures for elementary and junior high school students.

In addition, we opened the Chibagin Financial History Library, where people can learn the history of the Bank and the financial history in Chiba Prefecture, commemorating the 70th anniversary of the founding of us.

■ State of financial education (FY2018)

Endowed course at Chiba University	Attended by 363 students
Workplace experience tours/at-school lessons	Attended by 899 students
Financial education seminars for elementary school students	Attended by 21 students
Economics Koshien Chiba Tournament	44 participants from 22 teams
Chibagin Financial History Library	Visited by 1,015 people

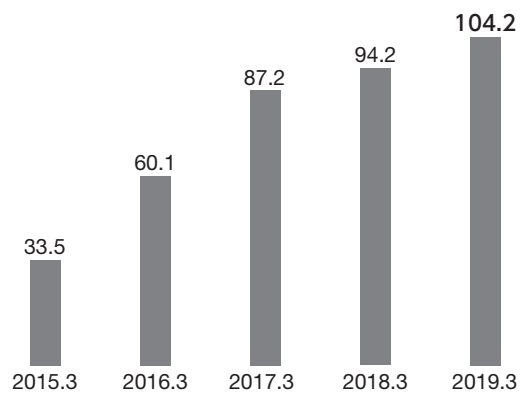
4 Initiative Cases ④ ~ ⑥

Initiative Case ④ Contribution to environmental protection through our core business

The Bank offers a wide range of supports to customers increasing use of renewable energy, and is strengthening its efforts, through measures such as supporting project finance for biomass and wind power generation.

In addition, securities companies under some financial institutions participating in the TSUBASA Alliance jointly sell Green Bonds (denominated in Indian rupees) issued by the World Bank (International Bank for Reconstruction and Development (IBRD)), and we handle these bonds as part of its financial product intermediation business (cumulative total sales at Chibagin Securities by the end of FY2018: ¥4,229 million).

Renewable energy related loan balance (¥ billion)



Initiative Case ⑤ Forest development activities

The Bank conducts “Chibagin Forest” forest development activities with the purpose of regenerating coastal barrier forests, which are being lost to damage from pine weevils and tsunami. In May 2018, about 200 volunteers from the Bank, including executives, employees, and former employees of the Bank planted 5,000 saplings of Japanese black pine and Japanese spindle tree in the fifth Chibagin Forest in the Hasunuma district of Sammu City. We will continue tree-cultivating activities such as regularly cutting the underbrush, as we do in the other Chibagin Forests.

Forest development activities (Chibagin Forest)



Initiative Case ⑥ Initiatives against climate change

In October 2016, the Bank registered itself with Chiba Prefecture’s “CO2 Smart Declaration Business Registration Program” in support of the spirit of “promoting initiatives against global warming, starting from communities,” and worked on energy saving measures. We use vehicles with low environmental impact such as fuel cell cars, hybrid cars, and electric cars. In addition, we participated in the Ministry of the Environment’s “Turn Off the Light Campaign” in June and July 2018, turning off the lights at 7 pm at 139 locations, mainly branches in Chiba Prefecture.

Fuel cell car



Communication with Stakeholders

Based on the Chiba Bank Group Sustainability Policy, we offer opportunities to effectively communicate with diverse stakeholders including shareholders, customers, employees, and regional communities, and listens to their opinions and provides them with information on our activities.

Communication with Shareholders

Through general meetings of shareholders, financial results briefings, and IR meetings for individual investors, we are working to improve disclosure and seeking the opinions and needs of shareholders and investors, in order to improve management.

IR meetings for individual investors used to be held at physical venues only, but in FY2018 we held IR meetings online so that it could be viewed without the constraints of time or geography, in order to disseminate information to a wider audience.

Furthermore, the Bank participated in an IR event with Daishi Hokuetsu Financial Group, Chugoku Bank, Iyo Bank, and Toho Bank, all of which are members of the TSUBASA Alliance. The banks collaborate with each other in the shareholder program to mutually provide their shareholders with local specialty products, which were exhibited at the special booth on the day of the event.

We will take advantage of various opportunities to continue to actively disseminate information.

Meetings for Shareholders in FY2018

112th Annual General Meeting of Shareholders
Attended by 146 shareholders

Financial results briefings for analysts and institutional investors

Held twice and attended by 349 people

IR meetings for individual investors

Held 5 times and attended by 507 investors

IR meetings for individual investors (online)

Held once and viewed by 845 investors

Meetings with foreign investors

Visited Europe, North America, and Asia

Financial results briefing



Communication with Customers

“Customer Feedback”

Through “Customer Feedback Cards” placed in branches, a dedicated toll-free number, and our website, we receive comments and requests from customers and strive to reflect them in our services.

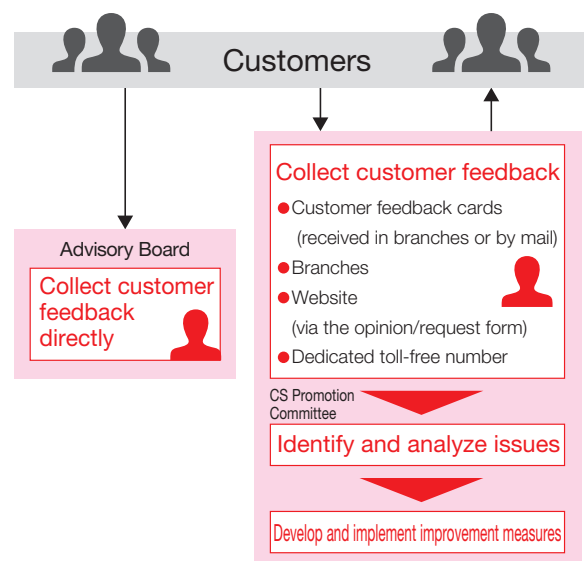
We also regularly hold meetings of the CS Promotion Committee, which is chaired by General Manager of the Business Promotion Headquarters, in order to utilize customer feedback to improve services (held 4 times in FY2018).

Examples of major improvements in our services based on customer feedback

- Introduced a passbook app
- Simplified application procedures for continuing fixed amount automatic wire transfers
- Established an inquiry reception using a telephone relay service*

* A service that allows customers with hearing or speaking disabilities to perform communication through interpreter operators from the Nippon Foundation

System for collecting customer feedback



Advisory Board meetings

In order to reflect customer feedback on management strategy and others, we established the Advisory Board in June 2017, which consists of managers of the bank’s main corporate customers. They provide direct feedback and requests on the overall activities of the Bank (the status of implementation of the management policies and individual measures, etc.), as well as the operation policies and activities of the branches.

Main feedback from the Advisory Board

- The importance of dialogue with management, the need to strengthening relationships
- The need to strengthen personnel in corporate business, etc.
- The need to strengthen information transmission through social media
- The need to strengthen utilization of Chibagin Securities
- The need to approach a wide range of customers

Communication with Employees

The Bank holds an opinion exchange meeting with managements once a year. They visit offices, to share management policies and issues with employees and collect feedback from staff. Such feedback is used to improve various measures.

In addition to maintaining good labor-management relationships with employee unions, the Bank has conducted moral surveys since 1990, and strives to continuously track awareness trends in the workplaces as a whole and reflects them on its personnel policies.

Communication with Regional Communities

Volunteer efforts

The V-Net Club, an organization that consists of executives, employees, and former employees of the Bank, conducts volunteer activities in the region and works to improve communication with them.

Support for social welfare activities

In order to communicate with local welfare organizations and support their activities, the Bank grants subsidies to them every year through the Chibagin Heartful Welfare Fund, a public charitable trust.

Volunteer activity (Aqua-Line Marathon)



Chibagin Heartful Welfare Fund Grant Ceremony



V-Net Club

Total Participants: 6,554
(5,810 employees and 744 former employees)

Chibagin Heartful Welfare Fund

107 subsidy recipients
¥61 million granted in total