

Corporate Governance

The Bank bases all of its corporate activities on the Chiba Bank Code of Ethics, which includes “earning unwavering trust,” “thorough compliance with laws, rules and other fundamental principles,” “opposition to antisocial forces,” and “transparent management.”

Under the new medium term management plan, we have raised “we will realize sustainable management” as the Basic Policy IV, and we are working to advance the level of corporate governance.

Initiatives to Strengthen Governance

Corporate governance has been enhanced through such measures as the executive officer system introduced in 2003 and the appointment of outside directors which began in 2013.

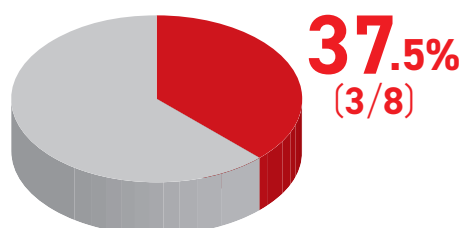
Currently as of June 26, 2020, we have achieved a 37.5% ratio of outside directors (3 out of 8) and 25% ratio of female directors (2 out of 8).

History of Initiatives Taken to Enhance Corporate Governance

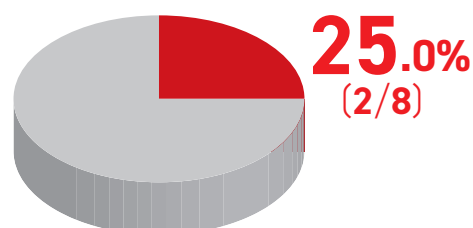
2003	Introduced the executive officer system	2018	Formulated the Information Disclosure Policy Introduced the Group Chief Officer System Raised the ratio of outside directors on the Board of Directors to one-third
2010	Abolished directors' retirement benefits Introduced equity-based remuneration in the form of stock options	2019	Conducted evaluation on the effectiveness of the Board of Directors by collaborating with an external evaluation firm Formulated the “Fundamental Policy on Corporate Governance”
2011	Put the Audit and Inspection Division under direct control of the Board of Directors	2020	Assigned Group CDTO (Chief Digital Transformation Officer)
2013	Appointed an outside director		
2015	Began evaluating the effectiveness of the Board of Directors Appointed two female outside directors Established the Corporate Advisory Committee (currently the Appointment, Remuneration and Corporate Advisory Committee)		

Governance Highlights

<Ratio of Independent Outside Directors>



<Ratio of Female Directors>

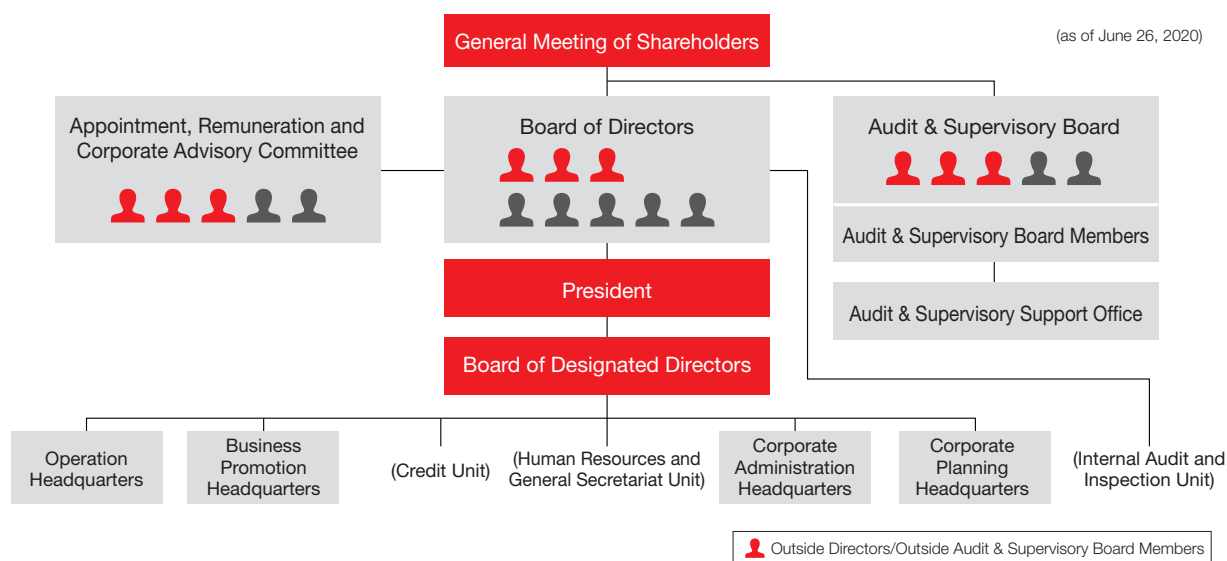


- Organizational structure: Company with an audit & supervisory board
- Number of Directors: 8
- Number of outside directors: 3 (All of them are independent officers.)
- Number of female members: 2
- Number of the Audit & Supervisory Board members: 5

- Number of outside Audit & Supervisory Board members : 3 (All of them are independent officers.)
 - Number of executive officers: 16
 - Number of female executive officers: 1
 - Attendance rate of the Board of Directors meetings : 100%
(attendance rate for outside directors: 100%)
- *For the Board of Directors meetings held in FY2019

(As of June 26, 2020)

Corporate Governance Structure



Board of Directors

The Board of Directors consists of eight directors, including three independent outside directors (the ratio of outside directors is 37.5%). The Board of Directors makes decisions about management policies and other important matters and supervises the execution of business by the directors and executive officers.

The Bank has also adopted an executive officer system. This system provides for the clear separation of the roles of the directors, who reach decisions on important matters, supervise the execution of business operations, and perform other tasks, and the role of the executive officers, who conduct business operations.

■ Main Agenda Items and Decisions in FY2019

	Main decisions and reports	
1 st quarter	<ul style="list-style-type: none"> Formulation of the “Policy on Corporate Governance” Initiatives for cashless payment business Results of evaluation of the effectiveness of the Board of Directors 	<ul style="list-style-type: none"> Creation of the Declaration on SDGs Status of management operations of trust business and inheritance-related services Status of cross-shareholdings
2 nd quarter	<ul style="list-style-type: none"> Acquisition of treasury shares Sharing of main frame system Issuance of unsecured dollar denominated bonds 	<ul style="list-style-type: none"> Business cooperation with the Bank of Yokohama Dialogue with shareholders Status regarding the appointment of women in management positions
3 rd quarter	<ul style="list-style-type: none"> Measures to prevent money laundering and funding for terrorism Status of initiatives for customer-oriented business operations Status of alliance and partnership activities 	<ul style="list-style-type: none"> Status of reconstruction of the head office building Status of response to the self-assessment results of loans for real-estate investments Endorsement of TCFD recommendations
4 th quarter	<ul style="list-style-type: none"> Status of cybersecurity risk management Formulation of the medium term management plan Formulation of compliance program 	<ul style="list-style-type: none"> Revision of the headquarters structure Business performance plan Investment, expense budget, and personnel plan

Audit & Supervisory Board

The Bank has adopted an audit & supervisory board system with five Audit & Supervisory Board members, including a majority of three outside Audit & Supervisory Board members. In particular, three of the Audit & Supervisory Board members, including two outside Audit & Supervisory Board members, are standing Audit & Supervisory Board members. They attend meetings of the Board of Directors and other important meetings, check important documents, and perform audits of the headquarters and branches to conduct objective and reasonable audits of the status of business execution. We believe that this system provides an adequate management supervisory function.

Appointment, Remuneration and Corporate Advisory Committee

For appointment and dismissal of directors and Audit & Supervisory Board members, and remuneration of directors and Audit & Supervisory Board members, the Appointment, Remuneration and Corporate Advisory Committee has been established to ensure objectivity, timeliness, and transparency of procedures. The Board of Directors selects the committee members, a majority of which are independent outside directors.

Policies for Appointment and Dismissal of Directors and Nomination of Directors and Audit & Supervisory Board Members

<Candidates for Internal Directors>

Candidates for internal directors are determined by the Board of Directors, following deliberations by the Appointment, Remuneration and Corporate Advisory Committee, the majority of which comprise independent outside directors, based on the President's recommendations of persons who, based on a deep understanding of the Bank's basic management policy, possess knowledge and experience to enable the appropriate, fair, and efficient execution of bank business management, as well as sufficient social trust, with the aim of achieving our management strategy. Representative directors are determined by the Board of Directors following deliberations by the Appointment, Remuneration and Corporate Advisory Committee on persons suitable for representing the Bank selected from among internal directors. In the event of occurrence of a serious obstacle to the execution of duties as a representative director or when a representative director falls under reasons for disqualification*, dismissal of such representative director shall be determined by the Board of Directors following deliberations by the Appointment, Remuneration and Corporate Advisory Committee.

- *Reasons for disqualification
- The representative director is deemed to have a relationship with antisocial forces
 - The representative director is deemed to have violated laws, regulations, or internal regulations

<Candidates for Outside Directors>

Candidates for outside directors are determined by the Board of Directors, following deliberations by the Appointment, Remuneration and Corporate Advisory Committee, the majority of which comprise independent outside directors, based on the President's recommendations of persons who possess specialist knowledge and experience in areas other than the Bank's business operations and are deemed capable of contributing to the Bank's sustainable growth and corporate value enhancement over the medium to long term based on their insights.

<Candidates for Audit & Supervisory Board Members>

Candidates for Audit & Supervisory Board members are determined at a meeting of the Board of Directors that is participated by independent outside directors, following deliberations by the Appointment, Remuneration and Corporate Advisory Committee and consent by the Audit & Supervisory Board, based on the President's recommendations of persons who possess knowledge and experience to enable the appropriate, fair, and efficient performance of audits on the execution of duties by directors, as well as sufficient social trust.

Succession Planning

Successors to the representative directors are determined by the Board of Directors following deliberations by the Appointment, Remuneration and Corporate Advisory Committee, the majority of which comprise independent outside directors, in view of desired personnel requirements, personnel training policy and plan, as well as the status of training, etc. The status of deliberation is reported, as appropriate, to the Board of Directors.

<Desired personalities of candidates (nomination policy)>

Images of desired personalities of candidates are deliberated by the Appointment, Remuneration and Corporate Advisory Committee in view of qualities and abilities required as management, as well as the business environment surrounding our group and the direction of its future business strategies, and are shared by the Board of Directors. Whether to review the images of desired candidates for successors or not in accordance with changes in the business environment, etc. is deliberated as appropriate.

<Review of candidates’ personalities and training schemes>

The Appointment, Remuneration and Corporate Advisory Committee members review personalities of candidates based on a third-party evaluation, etc. by an external specialized organization. The committee then considers policies and plans for training candidates to help them become a person qualified for the position.

<Candidate selection process>

Candidates are proposed by the President (including reappointment, replacement and dismissal of directors including representative directors) and determined by the Board of Directors following deliberations on the consistency, etc. with the nomination policy and training policy by the Appointment, Remuneration and Corporate Advisory Committee.

Reasons for the Appointments of Outside Directors and Audit & Supervisory Board Members

The Bank appoints outside directors who are deemed to be capable of contributing to the enhancement of corporate value over the medium to long term, through a further enhancement of the decision-making and supervisory functions of the Board of Directors, by leveraging the knowledge and experience of said persons in the Bank’s management.

Name (Appointment)	Reasons for Appointment as Outside Director
Yuko Tashima (June 2015)	Has a high level of expertise as an attorney, with experience as an outside director at other non-financial companies as well as experience in public service, including as a member of the Financial System Council of the Financial Services Agency
Yasuko Takayama (June 2015)	Has experience as a manager of customer service and CSR divisions and as a standing Audit & Supervisory Board member of a major cosmetics company, as well as experience as an outside director at other non-financial companies
Takahide Kiuchi (June 2020)	Has both domestic and international experience as an economist and, in addition to having accumulated significant expertise, was responsible for carrying out deliberations regarding monetary policies as a member of the Policy Board, the Bank of Japan

The Bank appoints outside Audit & Supervisory Board members who are deemed to help further strengthen the audit function by leveraging the knowledge and experience of said persons in the Bank’s management.

Name (Appointment)	Reasons for Appointment as Outside Audit & Supervisory Board Member
Tomohiko Sakamoto (June 2017)	Has a high level of expertise gained through experience as a branch manager, Director-General, Administration Department, and other positions at the Bank of Japan as well as extensive knowledge in finance overall
Kazuhiko Ishihara (June 2017)	Has a high level of expertise and extensive knowledge of overall administration gained through experience as Deputy Director-General of Minister’s Secretariat, Ministry of Finance, Director-General, Okinawa Development and Promotion Bureau, Cabinet Office, and other positions
Masakazu Yoshida (June 2019)	Has abundant experience of public administration and extensive knowledge gained through experience as Director General of the Public Enterprises Agency, Chiba Prefectural Government, etc. and has served as Representative Director and President and in other positions at a non-financial company

Support Systems for Outside Directors and Audit & Supervisory Board Members

<Outside Directors>

The Bank provides outside directors with information and support necessary for the execution of their duties in an appropriate and timely manner to ensure that outside directors fully play their roles as a supervisor of the management. We continuously give outside directors opportunities for deepening their understanding about the Bank’s management strategy and activities with the aim to enhance deliberations by the Board of Directors, by means such as provision of materials and explanations for the Board of Directors meeting in advance, provision of individual explanations on important matters, attendance to main committee meetings, engaging in dialogues with directors as well as general managers, visiting and holding dialogues at affiliated business offices in the group, participation in main IR events, etc., and provision of information related to the Bank’s activities whenever necessary. In addition, the Bank provides outside directors with opportunities to undergo training by third-party organizations at the Bank’s expense.

<Outside Audit & Supervisory Board Members>

In order for Audit & Supervisory Board members to conduct audits, etc., and to operate the Audit & Supervisory Board smoothly, staff from the Human Resources Division had been placed in the Audit & Supervisory Board members’ office. To further increase independence from executives, the Audit & Supervisory Support Office was established in April 2020, and a general manager of the Audit & Supervisory Support Office serves as an assistant to Audit & Supervisory Board members who does not serve concurrently in positions involved in the execution of business operations. In order to ensure the independence from directors, the Bank obtains the consent of Audit & Supervisory Board members regarding personnel change, etc. of such assistants to Audit & Supervisory Board members. In addition, Audit & Supervisory Board members attend meetings of the Board of Directors and other important meetings and are provided with important documents of the Bank, which ensure that information is communicated timely and properly.

Remuneration of Directors and Audit & Supervisory Board Members

Remuneration of the Bank’s directors is determined by the Board of Directors based on the remuneration regulations established by the Board of Directors, following deliberations by the Appointment, Remuneration and Corporate Advisory Committee, whose members include a majority of independent outside directors, to ensure transparency, fairness, and rationality. To function as a sound incentive for directors to strive for sustainable growth and enhance corporate value over the medium to long term, equity-based remuneration in the form of stock options, linked to the Bank’s medium- to long-term earnings performance, is provided as a component of the remuneration packages. From the standpoint of emphasizing soundness as a financial institution, the Bank has not introduced remuneration linked to short-term earnings performance.

● Remuneration Policies

- Director remuneration consists of a fixed portion comprising fixed remuneration based on rank, and a variable portion comprising fluctuating remuneration linked to stock price performance. However, outside directors only receive fixed remuneration.
- Fixed remuneration based on rank is paid to match the weight of responsibility for each position.
- The ratio of fixed remuneration based on rank to variable remuneration (equity-based remuneration in the form of stock options) is 80:20.

● Remuneration Determination Procedure

- Remuneration of a director shall be determined by resolution of the Board of Directors within the scope of the total remuneration for directors established by resolution of the General Meeting of Shareholders.

Group Management Systems

The Group Chief Officer System* was introduced and under the overall supervision of the Group CEO, the Group Chief Officers are assigned responsibility for their areas of supervision, thereby creating a Group-wide corporate management system. In addition, the Group CDTO (Chief Digital Transformation Officer) position was newly established in April 2020 in order to reinforce the structure for promoting digital strategies. A responsible director is assigned to supervise each group company and meetings of the Group Supervision Committee are held to strengthen understanding, administration, and supervision of the management status of group companies. In addition, the Bank’s internal audit units conduct internal audits of subsidiaries and assure proper operations throughout the group.

*The following Group Chief Officers are assigned:

- Group CEO (Chief Executive Officer)
- Group COO (Chief Operating Officer)
- Group CSO (Chief Strategy Officer)
- Group CRO (Chief Risk Officer)
- Group CBO (Chief Business Officer)
- Group CIO (Chief Information Officer)
- Group CDTO (Chief Digital Transformation Officer)

Evaluation of the Effectiveness of the Board of Directors

Since FY2015, the Bank has been verifying whether the Board of Directors is properly performing the functions of decision making and supervision, which are expected of them. The Bank carries out an evaluation of the effectiveness of the Board of Directors annually to enhance those functions.

In FY2019, the Bank conducted a questionnaire survey of each director and Audit & Supervisory Board member to evaluate effectiveness from both quantitative and qualitative aspects.

The overview of the results of the evaluation of the effectiveness of the Board of Directors for FY2019 is as follows.

- (1) Considering the findings below, the Bank has judged that the functions of decision making and supervision are performed properly by the Board of Directors and its effectiveness is ensured.
 - All directors and Audit & Supervisory Board members, whether they are internal or outside officers, value customers and have shared values and goal to aim for the continuous growth of the Chiba Bank Group and regional communities, and with a strong sense of unity, exchange freely their opinions based on mutual understanding.
 - In addition, discussions are becoming more in depth as internal directors, from a variety of perspectives, have more opportunities to express their opinions, as well as due to outside directors making recommendations based on their specialized knowledge and giving opinions from an independent and objective standpoint, and Audit & Supervisory Board members making diversified recommendations based on the actual business situations.
 - The Board of Directors has fulfilled its role and responsibility appropriately in formulating the 14th Medium Term Management Plan by holding extensive discussions on management issues at information sharing meetings for directors.
 - Based on the results of last year’s effectiveness evaluation, there has been a partial revision of the explanation method and agenda items of the Board of Directors, and sufficient deliberation time was secured for important business execution matters. Such measures led to the further enhancement of the decision-making and supervisory functions of the Board of Directors.
- (2) The Bank recognizes that it is important to increase the engagement of Group Chief Officers, further strengthen group-wide management, and deepen discussions at the Appointment, Remuneration and Corporate Advisory Committee, while maintaining the direction of the current initiatives. Through these efforts, the Bank will strive to further enhance the effectiveness of the Board of Directors.

Compliance

The Chiba Bank Group has been committed to thorough compliance and enhancement of administrative capabilities including protection of customers. In April of this year, in order to comprehensively oversee and manage a wide range of risks and to achieve greater sophistication, the Chiba Bank Group combined the Compliance Division and the Risk Management Division into the newly established Compliance and Risk Management Division. Concurrently, in order to comprehensively manage risk and compliance for the group companies, the “Affiliates and Subsidiaries Support Department” was newly established within the same division.

Compliance Structure

The Bank positions compliance at the foundation of all its business operations, and believes it important to conduct all of our business activities fairly and in good faith, by complying with all laws and regulations relating to banking transactions, by observing all internal rules and regulatory requirements pertaining to our role in society and by avoiding actions that would fall short of normal social expectations. The Bank thus works to instill compliance across the bank.

As for specific measures, the Bank regularly convenes the Compliance Committee, which is chaired by the President and consists of directors, executive officers, and general managers as members, to review concrete practical plans and measures, etc. to instill compliance. The Compliance and Risk Management Division oversees compliance-related tasks within the group such as through the administration of compliance regulations and manuals, the preparation and monitoring of training programs, and periodic checks on the compliance and risk management situation. In addition, each division of the headquarters monitors branch-level compliance and provides advice.

Consistent Implementation of Basic Policies and Formulation of Compliance Program

We have a clearly defined code of conduct for employees in the form of the Chiba Bank Code of Ethics. To ensure that these rules are understood and observed, all employees receive a copy of our Compliance Manual, which contains specific guidelines.

Every year, the Board of Directors establishes a compliance program to provide a specific action plan for achieving further improvements in compliance activities.

The execution of this program is checked on a regular basis by the Board of Directors and Compliance Committee.

The Chiba Bank Code of Ethics

1 Earning Unwavering Trust

Remaining constantly aware of the social responsibility and public mission of a bank, the Bank will strive to earn the unwavering trust of society through sound, appropriate business operations based on the principle of accountability.

2 Thorough Compliance with Laws, Rules and Other Fundamental Principles

Complying strictly with all laws and rules and never deviating from social standards, the Bank will conduct fair and honest business activities.

3 Opposition to Antisocial Forces

The Bank will firmly oppose antisocial forces and groups that threaten the order and safety of society and that undermine healthy economic and social development.

4 Transparent Management

The Bank will provide active and fair disclosure of management information and manage its operations in a transparent manner.

Protecting Customers and Personal Information

To protect customers and offer them greater convenience, employees of the Bank receive guidance and training designed to ensure that everyone conducts business with sincerity and fairness. We pay particular attention to complex financial products with risks that include the possible loss of principal and to derivative transactions. In these cases, we comply with the Financial Instruments and Exchange Act and always perform proper solicitation and sales activities in line with the Chiba Bank Solicitation Policy. Furthermore, we plan to upgrade follow-up activities for customers who use these types of financial products.

We sincerely listen to requests and complaints from customers and properly deal with disputes, if any, in accordance with the purport of the financial ADR system^{*1}.

We regard personal information^{*2} as a valuable asset entrusted to us by our customers and strictly manage customer information in accordance with the Pronouncement of Policies Concerning Appropriate Protection and Utilization of Personal Information (Pronouncement Concerning Protection of Personal Information).

^{*1} The financial ADR system is an out-of-court dispute settlement procedure in the financial sector, designed to solve disputes in a simplified and prompt manner without going to court through the involvement of a fair and neutral third-party organization. The Bank has signed a basic agreement to implement the procedure with the Japanese Bankers Association and the Trust Companies Association of Japan, which are designated dispute resolution organizations under laws and regulations.

^{*2} Personal information includes personal identification numbers and specific personal information that includes a personal identification number.

Initiatives to Prevent Money Laundering and Financial Crimes

Responding to changes in the internal and external environments, the Bank appropriately evaluates risks of money laundering and financing terrorism involved in transactions it carries out, and takes measures responding to the risks involved, based on the “Management Policy to Prevent Money Laundering and Terrorism Financing Activities.” In addition, we are reinforcing measures to protect customers’ assets from a variety of financial crimes such as wire transfer fraud.

Moreover, to respond appropriately to the expected increase in complexity and sophistication of money laundering and financial crime techniques, with the banks participating in the TSUBASA Alliance we are giving consideration to stepping up the cooperation, efficiency and sophistication of our anti money laundering operations (AML operations).

Opposition to Antisocial Forces

The Bank maintains links with police authorities, lawyers, and other external organizations as a structure to provide appropriate countermeasures against unreasonable demands, interference, or other inappropriate approaches from antisocial forces. Moreover, the Bank has put organized crime disclaimers in various contract documents and deposit account regulations, and is actively taking measures to eliminate relationship with antisocial forces. Furthermore, the group companies are also taking measures similar with those of the Bank to counteract antisocial forces, and the status of implementation of such measures is controlled and managed by the Bank.

Initiatives to Strengthen Compliance and Risk Management of the Group Companies

We are enhancing capabilities to oversee and manage group companies by determining the status of compliance and the risk management of each group company in a timely and appropriate manner and providing necessary support and guidance, etc. through mutual and detailed exchanges of opinions between the companies and the “Affiliates and Subsidiaries Support Department,” which was newly established within the Compliance and Risk Management Division.

In April 2020, the Service Quality Management Division was newly established to centrally manage quality-related operations including the collection of, and responses to, customer requests/complaints and feedback from sales offices; various monitoring on functions such as customer protection; and provision of guidance to the headquarters and branches based on the monitoring results. With this new structure, we will work to further improve customer satisfaction and reinforce our customer-oriented business operations.

Efforts to Improve Service Quality by Listening to Customer Feedback

We will step up guidance and oversight for the headquarters and branches with an aim to improve the quality of the group’s products and services by compiling a wide variety of feedbacks including requests and complaints from customers and opinions of branches.

Specifically, we will gather information on customer requests and complaints through questionnaires and other means, and after analyzing the trends and causes we will create or revamp products and services from the customer’s perspective. We will also test the effectiveness of these efforts and strive to further improve quality.

Initiatives to Improve Customer Satisfaction

We strive to improve staff’s assisting skills to ensure that all customers including elderly and persons with disabilities can visit our branches safely and comfortably. Specifically, we provide education and training for our staff to ensure that they understand how to smoothly assist customers in wheelchairs or those who are visually impaired.

We actively encourage staff to receive training for service assistants, who have assistance skills, or dementia supporters, who support customers with dementia and their family members.

[Certified personnel as of March 31, 2020] Service assistant: 393 employees, Dementia supporter: 4,552 employees

Establishment of the CS Action Agenda

In order to further improve CS*, we have established the CS Action Agenda for all employees. Based on this agenda, we will reaffirm our intent to always meet the high expectations of our customers and continue to provide services that impress customers with our heartfelt hospitality.

*CS is an abbreviation for Customer Satisfaction.

Initiatives to Improve CS Mindset

Among initiatives conducted by our staff or divisions, offices, and branches for which “praises” are given by customers, we give “CS AWARD” to outstanding initiatives. In addition, we recognize lobby assistants who have both particularly high CS awareness and assisting skills as “Excellent Lobby Assistant.” Through these programs, we are working to improve the CS mindset of the Bank as a whole.

Monitoring of Elderly and Other Persons Who May Need Care, and Installation of Wheelchairs and AEDs

The Bank participates in the “Elderly Citizen Support Network,” in which local governments in Chiba Prefecture collaborate with business operators that are deeply involved in the community so that the community as a whole can watch over and support its elderly citizens. When our staff notice something out of the ordinary with elderly customers in a branch or in the vicinity, they promptly contact the local government to ensure that appropriate support is given.

In addition, we have installed wheelchairs for assistance and AEDs (automatic external defibrillators) at all branches in Japan, with the exception of currency exchange branches.

Policy on Customer-Oriented Business Operations (Fiduciary Duties)

The Chiba Bank Group aims to create a deeper connection with its customers and build a long-standing relationship with even more customers by deploying customer-oriented business activities and providing truly useful and high-quality services.

In asset management-related services, based on the Policy Regarding Customer-oriented Business Operations (Fiduciary Duties), which we formulated and announced in June 2017, we are further strengthening customer-oriented initiatives while regularly disclosing the status of these initiatives and reviewing them in an effort to further improve business operations.

■ Policy on Customer-Oriented Business Operations (Fiduciary Duties)

- 1 Pursuing the Best Interests of Customers
- 2 Appropriate Management of Conflicts of Interest
- 3 Clarification of Fees, etc.
- 4 Provision of Important Information in an Easy-to-understand Manner
- 5 Provision of Services Suitable for Customers
- 6 Frameworks, etc. for Appropriately Motivating Employees

The Policy Regarding Customer-oriented Business Operations (Fiduciary Duties) and the Status of Initiatives in FY2019 under the Policy Regarding Customer-oriented Business Operations (Fiduciary Duties) are available on our website (Japanese only).

Policy URL <https://www.chibabank.co.jp/company/info/fd/>

Status of Initiatives URL https://www.chibabank.co.jp/company/info/fd/pdf/2019_01.pdf

● Holding Investment Education Seminars

We hold various seminars in order to provide customers with a broad range of timely information.

In FY2019, large-scale investment education seminars (with a total of 199 attendees) were held in the Kashiwa area (July) and the Narita area (November).

In addition, investment education seminars were held continually at the Consulting Plaza and at each branch.



Risk Management

As part of its efforts to maintain sound management, the Chiba Bank Group has developed a Basic Policy on Risk Management, which focuses on accurate understanding and analysis of risks, promotion of risk quantification and management through figures, and timely and appropriate reporting. We are working in line with this basic policy to build a robust risk management system to manage credit risk, market risk, liquidity risk, operational risk as well as integrated risk.

Integrated Risk Management System

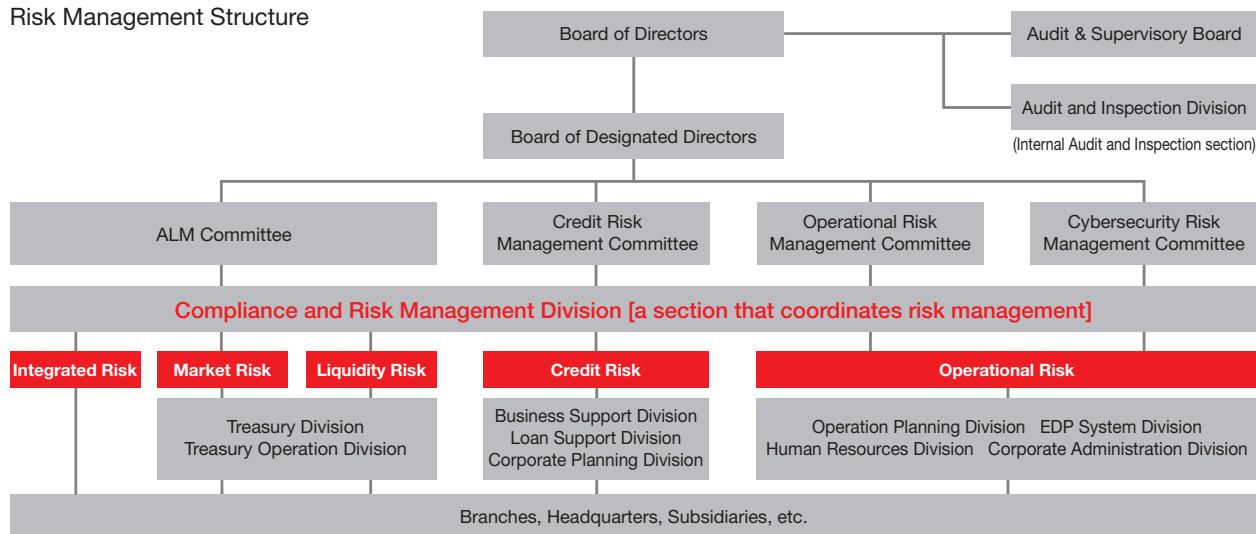
The principal forms of risk to which banking operations are subject include credit risk, market risk, and operational risk.

In order to improve profitability and ensure sound management, the Bank considers it necessary to not only individually manage each of these forms of risk, but also to centrally monitor those risks to control them within acceptable overall limits.

Accordingly, the Bank assigns divisions to manage risks for each form of risk, and the Compliance and Risk Management Division centrally monitors these risks and discusses risk countermeasures at meetings of the ALM Committee, the Credit Risk Management Committee, the Operational Risk Management Committee, and the Cybersecurity Risk Management Committee. Group Chief Risk Officer reports the status of risks to the Board of Directors.

To ensure an effective risk management system, the Audit and Inspection Division periodically conducts audits to determine whether risk is appropriately managed and reports the audit results to the Board of Directors.

Risk Management Structure



● Integrated Risk Management

The basis of risk management at the Bank is the integrated management of various risks using uniform measures to the extent possible. The term “integrated risk” refers to the sum of credit risk, market risk, and operational risk measurement, which are forms of risk that can be managed by means of risk quantification.

The Risk Management Department in the Compliance and Risk Management Division, the section responsible for integrated risk management, conducts a comparison of quantified integrated risk and capital, verifies the adequacy of capital with respect to risk, and reports the results regularly to the Board of Directors. The department also conducts stress tests, a means of verification of capital adequacy in times of stress that involves the assumption of certain stress scenarios, such as deterioration of the corporate environment in a period of recession, or a decrease in land prices, and forecasting the increase in the amount of risk based on the scenarios. The results of each stress test are also reflected in capital policies such as dividends and acquisitions of treasury shares.

The Bank has introduced a risk capital allocation system as a concrete framework for integrated risk management.

The Bank has also introduced and utilizes a “risk appetite framework (RAF),” which it uses to control the occurrence of losses. The framework monitors each department’s current use of risk capital and risk return performance and performs scenario analysis predicated on future environmental changes.

● Credit Risk Management

Credit risk is the risk of incurring a loss because of a decline in, or total loss of, the value of owned assets as a result of deterioration in the financial soundness of debtors.

The Bank has developed a rigorous credit risk management system centered on an internal credit rating system and engages in individual credit management and credit portfolio management. In the self-assessment of assets, the Bank implements appropriate write-offs and provisions.

The Audit and Inspection Division audits operations in the business units involved in credit risk management. The Credit Risk Management Committee meets regularly and considers credit risk management policy, monitors the operation of the internal credit rating system and the credit portfolio, and works to ensure the quality of loan assets.

<Internal Credit Rating System>

The Bank uses an internal credit rating system to place debtors into 15 credit rating categories on the basis of financial data such as financial condition and cash flow. We strive to identify the financial circumstances of debtors, by means of periodic annual reviews and reviews at other times in accordance with the status of companies. The internal credit rating system is the core of credit risk management and is extensively used in actual management, such as credit pricing standards and approval authorization.

<Individual Asset Credit Management>

The Bank rigorously examines individual applications for credit in accordance with screening criteria on the basis of the basic principles of credit (safety, profitability, liquidity, growth potential and public good). The Bank also provides support for the financial soundness of borrowers who need to improve their operations and engages in resolution and collection activities with regard to bankrupt debtors and other borrowers. The Bank strives to accumulate high-quality loan assets and minimize future losses through this practice of advanced screening and supervision after credit has been extended.

<Credit Portfolio Management>

The Credit Risk Management Department in the Compliance and Risk Management Division monitors the state of credit risk from various perspectives, such as by country, by industry, and by customer credit rating, and works to improve the quality of the credit portfolio by taking any necessary measures, including setting the maximum credit limit.

The Bank engages in the quantification of credit risk. The quantification of credit risk is the forecasting by statistical methods of the amount of future losses (the amount of risk) forecasted to occur due to circumstances such as borrower bankruptcy or worsening business performance. We measure the assumed maximum loss (VaR: value at risk) as the amount of risk, and accumulate and organize default data and loan recovery data from defaulted borrowers, in order to further refine and sophisticate the quantification of credit risk to improve the accuracy of forecasting.

In addition, we strive to ensure appropriate interest rate levels that reflect credit risk by utilizing the results of quantification of credit risk in loan pricing.

Amount of credit risk	The amount of credit risk calculated by quantification is divided into expected loss and unexpected loss. Expected loss represents the expected average loss incurred over the next one year, while unexpected loss represents the maximum volatility from expected loss expected over the next one year. As a general rule, expected loss is to be covered by provisions, while unexpected loss is to be covered by capital as potential loss.
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Risk Management

<Self-Assessment of Assets>

Self-assessment of assets is the practice whereby financial institutions review and analyze their own assets individually and classify them on the basis of asset value impairment and the risk of default.

At the Bank, branches conduct self-assessment of assets on the basis of Asset Self-Assessment Regulations, and the credit screening and administrative sections check details of self-assessments. According to the results of these assessments, the Credit Risk Management Department in the Compliance and Risk Management Division calculates the amounts of provisions, and the Business Support Division implements write-offs. The Audit and Inspection Division conducts an audit to verify the accuracy and appropriateness of the self-assessment results, calculation of provisions, and write-offs. Through this process, the Bank firmly maintains the soundness of its assets.

● Market Risk Management

Market risk is the risk of incurring a loss due to a change in the value of owned assets as a result of fluctuations in interest rates, prices of securities or other financial instruments, or exchange rates.

As part of the Risk Capital Allocation System, within the scope of the risk capital allocated to the business sectors, the Bank sets and manages risk limits for the amount of market risk determined by VaR for each product, such as securities investments and other market transactions or loans and deposits. In this way, we strive to ensure management soundness. In addition to VaR management of market transactions, the Bank sets upper limits for market investments according to the balance and alarm point of valuation differences, and implements risk control by reviewing investment policy each quarter.

The market section is divided into the transaction execution unit (front office: the Treasury Division and overseas branches) and the business administration unit (back office: the Treasury Operation Division), and the risk management unit (middle office: the Market Risk Management Department in the Compliance and Risk Management Division) has been established, creating a reciprocal and mutually reinforcing management structure.

● Liquidity Risk Management

Liquidity risk consists of cash flow risk and market liquidity risk. Cash flow risk is the risk of incurring a loss due to failure to maintain cash flow as a result of the inability to secure necessary funds or the necessity of procuring funds at significantly higher interest rates than usual due to the worsening of the financial institution's financial position or other circumstances. Market liquidity risk is the risk of incurring a loss due to the inability to trade on markets or the necessity of trading at prices significantly less favorable than usual due to market turmoil or other circumstances.

At the Bank, the Treasury Division is the section that manages cash flow. The division ascertains the market environment and analyzes the state of investment and procurement of funds. With respect to cash flow risk, the division engages in appropriate day-to-day cash flow management through such means as the establishment of upper limits to ensure that the amount of funds procured on the market is not excessive and the maintenance of a certain minimum level of assets as a liquidity reserve that can be converted to cash in a short time. In addition, the Bank manages market liquidity risk by setting limits on daily positions taken in market trading.

As the section that manages risk, the Market Risk Management Department in the Compliance and Risk Management Division strives to avoid increases in liquidity risk by identifying and assessing various factors that affect liquidity risk and monitoring the observance of limits.

For the control of foreign currency liquidity risk, in particular, the Bank holds current assets in an amount that matches cash outflow in stress scenarios, such as the financial crisis and works to reduce a mismatch in procurement and investment of funds.

The Bank has established a business continuity plan that provides for a rapid response across the Bank in the event of unforeseen circumstances that could affect the Bank's cash flow.

● Operational Risk Management

Operational risk is the risk of incurring losses due to the inappropriateness of business processes, activities of directors and employees, or systems or external events.

The Bank classifies operational risk into clerical risk, system risk, cybersecurity risk, human risk, tangible asset risk, and reputational risk. Human risk is the risk of a loss occurring due to workplace safety, discrimination or the like. Tangible asset risk is the risk of a loss occurring due to damage to buildings or facilities or the like. Reputational risk is the risk of a loss occurring due to loss of public confidence resulting from deterioration of the Bank’s reputation or the like.

In its risk management structure, the Bank decides the corporate divisions having jurisdiction over the various forms of operational risk (the Operation Planning Division for clerical risk, the EDP System Division for system risk and cybersecurity risk, the Human Resources Division for human risk, and the Corporate Administration Division for tangible asset risk) and these divisions collaborate in performing risk management under the overall management of the Risk Management Department in the Compliance and Risk Management Division. The Risk Management Department in the Compliance and Risk Management Division directly manages reputational risk and the Compliance Management Department in the Compliance and Risk Management Division and corporate divisions that have jurisdiction over operational risks jointly manage legal risk and compliance related risk included in the various risk categories.

The Bank has an Operational Risk Management Committee in place. On the basis of direct involvement by management, the committee receives reports concerning the state of operational risk losses and develops a management structure for improving and correcting problem areas by means of a PDCA cycle involving the preparation of a risk management plan (Plan), implementation of management in accordance with the management regulations (Do), and evaluation and improvement (Check & Action). To ensure the effectiveness of management by means of this PDCA cycle, the Bank has introduced Control Self- Assessment (CSA).

<Clerical Risk Management>

Clerical risk is the risk of incurring a loss due to the failure to perform accurate clerical work, clerical accidents or fraud, or the failure to perform official obligations or provide explanations to customers.

At the Bank, the Operation Planning Division prepares clerical standards that indicate detailed clerical procedures for each operation and promptly and thoroughly informs each branch regarding matters such as the introduction of new products and the establishment or revision of clerical procedures due to the amendment of laws. In addition, through monitoring, we verify and collect information regarding loss events and identify, evaluate, understand and manage information regarding clerical risk as well as formulate measures to reduce risk and give guidance for improvement.

With regard to the auditing system, the Audit and Inspection Division visits all branches, and each division and office of the headquarters at least once a year, in principle, and conducts rigorous audits of all clerical work in accordance with auditing standards. The division promptly notifies the branches, and headquarters divisions and offices of the audit results, periodically reports to the Board of Directors, and implements a framework for reflecting audit results in clerical improvements.

<System Risk and Cybersecurity Risk Management>

System risk is the risk of incurring a loss resulting from a leak or falsification of information owned by the Bank or the unauthorized use, failure, or incorrect operation of computer systems.

Cybersecurity risk is the risk of incurring a loss from the occurrence of a risk event that falls under system risk due to cyber-attacks from outside parties.

The Bank possesses customer transaction data and various other types of information and has developed systems to process that information. To ensure the provision of various services to customers, the role of computer systems in banking operations is increasing year by year, and a system risk event or a cybersecurity risk event would result in great inconvenience to customers.

Therefore, we make every possible effort to prevent the occurrence of risk event and to prevent the expansion if such an event occurs by managing the various risks related to computer systems appropriately in response to changes in the environment.

At the Bank, the EDP System Division and the Risk Management Department in the Compliance and Risk Management Division work together to implement various measures to ensure the stable operation of computer systems.

Risk Management

As specific measures against system risk, the Bank duplicates hardware and circuits for backbone systems to ensure continuation of business even in the event of a failure. In addition, the Bank has implemented a rigorous data management system and the preparation of a contingency plan to provide for unforeseen circumstances such as large-scale disasters.

As measures against cybersecurity risk, we have implemented measures to prevent the intrusion of unauthorized programs including computer viruses and have developed steps to ensure the data protection of important computer systems. We also carry out regular training to ensure the effectiveness of the management systems that we have developed for the event of a cyber-attack.

Regarding the internet based services that we provide to customers, we take measures to prevent service attacks and computer system access by unauthorized persons. Regarding internet banking, we provide environmental support for the terminals used by providing anti-virus software to prevent unauthorized use by anyone other than the customer as well as strictly confirm that each transaction is made by the actual customer.

We regularly make efforts to raise the awareness of our employees to the increasing sophistication of fraudulent business mails such as “fake supplier invoices” and the “impersonation of company management.”

As a result of the various measures, we have not experienced a cyber risk event such as a data breach (including information leakage). However, as cyber-attacks are becoming more sophisticated each year, we will continue to collect information and implement measures at appropriate times.

We are continuing various efforts for the safety and security of our customers such as erasing or destructing computer system hard disk data when it is no longer needed or confirming that third parties carry out such erasure/destruction procedures by directly attending or obtaining photographs, etc.

As part of audit procedures, the Audit and Inspection Division conducts audits of the entire computer systems.

Business Continuity System

In addition to the risk management system described above, at the Bank, the Risk Management Department in the Compliance and Risk Management Division and other sections maintain a business continuity system to allow essential operations to continue for the preservation of the financial system during an unexpected disaster such as an earthquake or pandemic disease as well as the rapid restoration of operations that the Bank would be forced to suspend during an emergency.

Currently, the Bank is upgrading its management systems, including its countermeasures against a large-scale earthquake such as an earthquake directly under the Tokyo Metropolitan area, and a variety of risks such as complex disasters involving tsunami or volcanic eruptions.

The Bank was forced to suspend business at some branches last year due to equipment damage as a result of Typhoon Faxai in September as well as Typhoon Hagibis and heavy rainfall in October, which caused significant damage to Chiba Prefecture. Based on this damage, and keeping in mind that “human life is the first priority,” we strengthened our systems by revamping our office emergency operation plan and increasing the availability of emergency equipment in order to provide stable financial services to customers. We will continue to strive to make additional improvements and advancements.

With regard to measures against the COVID-19 pandemic which has raged since the beginning of 2020, infection prevention measures are being thoroughly implemented by such means as the distribution of masks and alcohol disinfectants, etc. to all divisions and offices, installation of acrylic board barriers at the service counters and establishment of social distancing measures in waiting areas so that our customers can feel safe in using our ATMs and branches. In addition, we are working to maintain banking functions such as promptly conducting customer consultations and meeting their financing needs, etc. while preventing the spread of infection by reviewing work styles such as promoting telecommuting companywide, shift work, and split work at the headquarters.

Basel III Compliance

The Basel III capital adequacy regulation has been applied since the fiscal year ended March 31, 2013. Changes to the new regulation compared with the earlier Basel II regulation include tighter rules for items included in capital and an increase in the number of items excluded with the aim of improving the quality of capital. Other changes include additional provision for risks relating to transactions with large financial institutions and derivative transactions.

Basel III consists of three pillars. Pillar 1 is a minimum capital ratio, which is the level of capital required to cover a bank’s risk. Pillar 2 is the development of capital strategies by banks and verification by regulatory authorities. Pillar 3 is the assurance of market discipline through the increased disclosure of information. Under the regulation, each bank selects a method of calculating minimum required capital according to its risk profile and risk management method.

The Bank has adopted the foundation internal ratings-based (FIRB) approach for credit risk and the standardized approach for operational risk (both approaches require the approval of regulatory authorities).

A number of new requirements will be introduced going forward, including the net stable funding ratio. The Bank is currently developing and strengthening management systems to comply with these regulations.

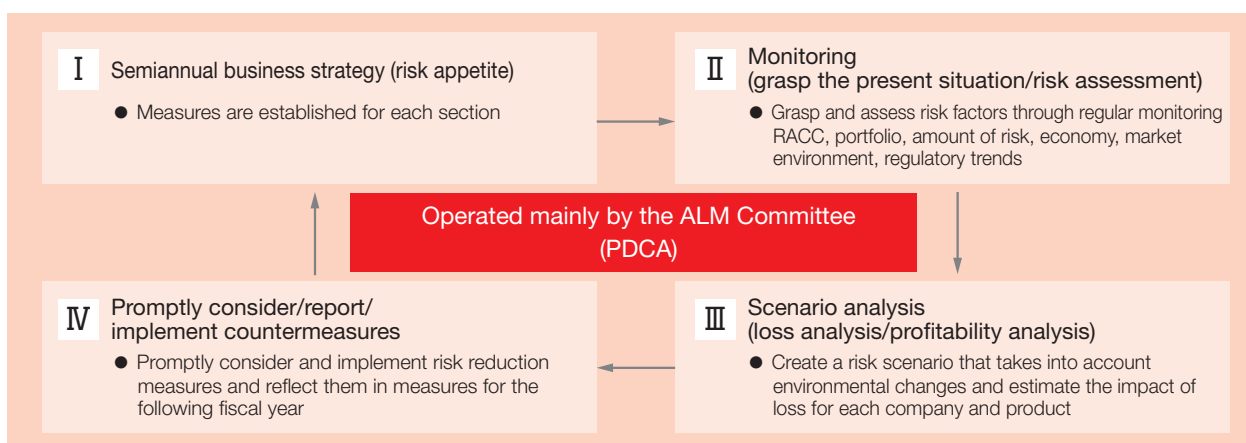
Risk Appetite Framework (RAF)

The Bank utilizes a risk appetite framework (RAF) as a system to verify the appropriateness of the risk-return balance and the estimated impact of loss in a stress scenario against its risk appetite (types and total amount of risk that needs to be assumed to achieve business plans).

Under the RAF, the Bank operates the risk capital allocation system, verifies the degree of capital adequacy by conducting stress tests, and verifies risk appetite based on concrete and highly probable scenario analysis that takes into account changes in the internal and external environment. Specifically, each division develops sales measures (risk appetite policy) at the beginning of each fiscal year, and periodically monitors changes in the external environment, such as economic conditions, markets, and regulations, and the status of the Bank’s portfolio. Based on detailed verification to see if there is any problem in the current status of risk taking, the divisions consider and report concrete countermeasures and reflect them in measures for the following fiscal year. In addition, risk capital allocation is reviewed as necessary. RAF is thus positioned as a framework to ensure the sustainability of business model over the medium and long term and reduce the impact of loss at the time of occurrence of stress events.

The Bank monitors return after capital cost (RACC) to manage the actual amount of risk involved to earn returns. Using RACC, we verify whether or not we are earning profits that are commensurate with the amount of risk used by each division or we can withstand losses caused by economic fluctuations.

Through such operation of the RAF, the Bank is strengthening risk communication with the management team at the ALM Committee and the Board of Designated Directors.



Measures for Maintaining Asset Soundness

The Bank strives to maintain and improve the soundness of its assets by using measures such as proper handling of non-performing loans, prevention of occurrences of non-performing loans, and support for borrowers' business improvement. Non-performing loans are loans and other claims held by a financial institution for which the collection of principal and interest are in doubt because of borrowers' bankruptcy or poor business performance. Interest income from loans and other receivables is the primary source of income for a bank. Since difficulties in the collection of loans and other receivables may have a material impact on the bank's financial condition, we are upgrading and enhancing credit screening and risk management systems.

Self-assessment and Debtor Classification

Self-assessment of assets is the process whereby financial institutions individually review and analyze assets and classify them on the basis of asset value impairment and the risk of default. Loans and other assets are classified into five categories according to debtor creditworthiness: Normal Debtors, Debtors Requiring Caution, Potentially Bankrupt Debtors, Effectively Bankrupt Debtors, and Bankrupt Debtors. In the Debtors Requiring Caution category, borrowers for whom loan repayment terms have been eased are classified as Substandard Debtors.

■ Debtor Classification

Normal Debtors	Debtors whose business situation is good and whose financial position gives no cause for concern
Debtors Requiring Caution	Debtors who are viewed with concern because of stagnant or unstable business performance, including losses
Potentially Bankrupt Debtors	Debtors who are not currently bankrupt but are seen as being at serious risk of bankruptcy
Effectively Bankrupt Debtors	Debtors who are bankrupt in real terms, even though legal and formal bankruptcy proceedings have not been implemented
Bankrupt Debtors	Debtors who have become bankrupt under various circumstances, including bankruptcy procedures, corporate liquidation, corporate rehabilitation, and civil rehabilitation

Disposal of Non-performing Assets

The Bank has taken appropriate measures to dispose of non-performing assets by implementing write-offs and providing allowances at the end of each quarter on the basis of the results of a rigorous self-assessment of assets. The allowance for loan losses from Bankrupt Assets and Effectively Bankrupt Assets makes up the full amount of the claims not covered by collateral. The allowance for loan losses from Potentially Bankrupt Assets and Substandard Assets is equal to the amount of expected losses calculated on the past loan loss ratio, as a rule. With respect to major debtors, the Bank calculates using the discounted cash flow (DCF) method* for Potentially Bankrupt Assets and Substandard Assets.

*DCF method: Method in which, for loans for which cash flows from the recovery of loan principle and the receipt of interest can be reasonably estimated, the allowances for loan losses are calculated as the difference between the book values of the loans and the cash flows discounted at the original contractual interest rates.

Disclosure of Non-performing Assets

Under banking regulations, disclosure of non-performing assets includes reporting of Risk-Monitored Loans as defined in the Banking Law (hereinafter Risk-Monitored Loans) and disclosed claims under the Financial Reconstruction Law.

■ Risk-monitored Loans

In the classification of Risk-Monitored Loans, Loans to Bankrupt Borrowers correspond to Bankrupt Assets under self-assessment, Delinquent Loans correspond to Effectively Bankrupt Assets and Potentially Bankrupt Assets under self-assessment, and Loans Past Due Three Months or More and Restructured Loans correspond to loans delinquent three months or more and loans for which repayment terms have been eased, respectively, in Assets Requiring Caution under self-assessment. Disclosure of Risk-Monitored Loans includes only the amount of such loans.

	(¥ billion)			
	As of March 31, 2019		As of March 31, 2020	
	Non-consolidated	Consolidated	Non-consolidated	Consolidated
Loans to Bankrupt Borrowers	1.4	1.2	1.3	1.1
Delinquent Loans	80.2	78.5	71.8	70.0
Loans Past Due 3 Months or More	0.6	0.6	1.6	1.6
Restructured Loans	40.3	40.3	42.5	42.5
Total	122.6	120.8	117.5	115.5

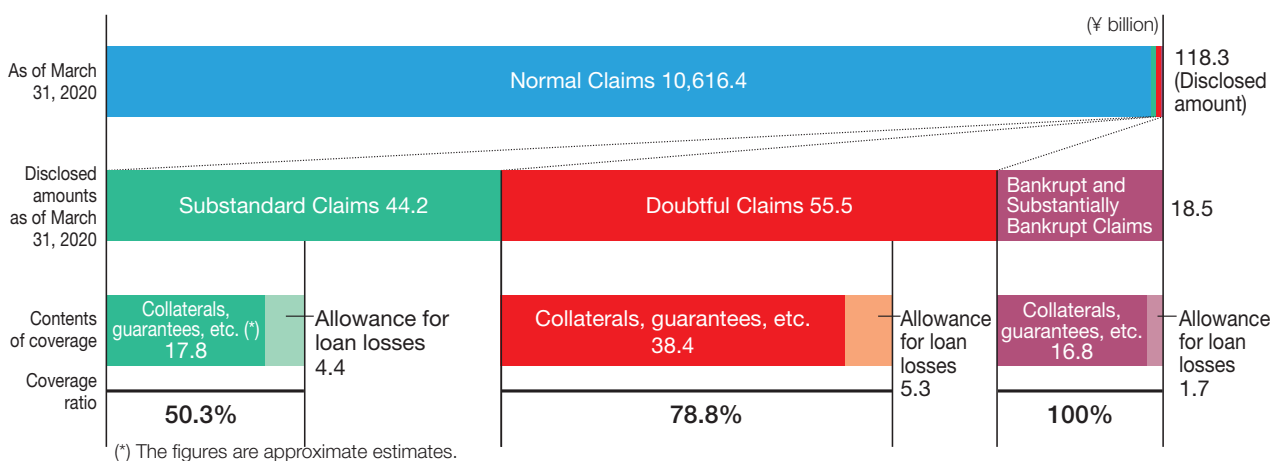
■ Disclosed Claims under the Financial Reconstruction Law

Disclosed claims under the Financial Reconstruction Law include customers’ liabilities for acceptances and guarantees other than loans, accrued interest, foreign exchange, and other assets, with the exception of Substandard Claims. The Bank discloses Bankrupt Assets and Effectively Bankrupt Assets under self-assessment as Bankrupt and Substantially Bankrupt Claims, Potentially Bankrupt Assets under self-assessment as Doubtful Claims, and loans delinquent three months or more and loans for which repayment terms have been eased in Assets Requiring Caution under self-assessment as Substandard Claims.

	(¥ billion)	
	As of March 31, 2019	As of March 31, 2020
Bankrupt and Substantially Bankrupt Claims	18.3	18.5
Doubtful Claims	63.4	55.5
Substandard Claims	40.9	44.2
Total	122.8	118.3
Normal Claims	10,137.3	10,616.4

■ Amounts of Assets Assessed under Article 7 of the Financial Reconstruction Law and Coverage Status

As of March 31, 2020, disclosed claims under the Financial Reconstruction Law were ¥118.3 billion and the non-performing loan ratio was 1.10%. The coverage ratio, calculated as the allowance for loan losses added to collateral and guarantees, stands at 71.4%, indicating a high level of security on the basis of claims disclosed under the Financial Reconstruction Law and limited cause for concern about the occurrence of future losses.



Management Base to Support “Sustainable Management”

Internal Audit

At the Bank, the Audit and Inspection Division, which is independent of the units subject to auditing, verifies and evaluates the appropriateness and effectiveness of the internal management systems including compliance and risk management. The division also makes recommendations, etc. on improvement methods for problem areas, in order to ensure the sound and proper management of business operations and thereby contribute to the achievement of management goals.

The Audit and Inspection Division reports directly to the Board of Directors and conducts internal audits of branches, headquarters, group companies, etc. in accordance with the Internal Audit Regulations and the Internal Audit Plan, a plan established every year and approved by the Board of Directors. The division reports the results and findings of internal audits to the Internal Audit Committee and the Board of Directors, both of which meet once a month. Problem areas from the perspective of compliance and risk management and improvement measures are examined during this process.

In order to conduct efficient and effective internal audits, the Audit and Inspection Division works to conduct risk-based internal audits. In addition, the division strives to increase the sophistication of internal audits by taking measures, such as enhancing the check and supervisory functions, adapting to environmental changes, improving the audit quality, training specialized human resources, strengthening audits of overseas branches and group companies, and collaborating on audits with alliance banks.

(As of June 26, 2020)

Directors



Hidetoshi Sakuma
President
(Representative Director)
Group Chief Executive Officer

- Apr. 1976 Joined the Bank
- Jun. 2003 Director, General Manager, Corporate Planning Division, the Bank
- Jun. 2006 Director and Managing Executive Officer, General Manager, Head Office, the Bank
- Jun. 2007 Director and Managing Executive Officer, Executive Officer in charge of Treasury Division and Treasury Operation Division, the Bank
- Mar. 2009 President, the Bank
- Jun. 2018 President, Group Chief Executive Officer, the Bank



Yukihito Inamura
Deputy President
(Representative Director)
Group Chief Operating Officer

- Apr. 1986 Joined the Bank
- Jun. 2015 Executive Officer, General Manager, Human Resources Division, the Bank
- Jun. 2016 Director, Executive Officer in charge of Corporate Administration Division, Human Resources Division and Diversity Management Division, the Bank
- Jun. 2017 Director and Managing Executive Officer, Executive Officer in charge of Workplace Revolution Development Division, Corporate Administration Division, Human Resources Division and Diversity Management Division, the Bank
- Jun. 2018 Director and Managing Executive Officer, Group Chief Risk Officer, General Manager, Corporate Administration Headquarters, Executive Officer in charge of New Head Office Project Office, Corporate Administration Division, Human Resources Division, Diversity Management Division, Risk Management Division and Compliance Division, the Bank
- Jun. 2019 Deputy President, Group Chief Operating Officer, Executive Officer in charge of Human Resources Division, Diversity Management Division and General Secretariat, the Bank



Tsutomu Yonemoto
Director and Senior Executive Officer
Group Chief Strategy Officer
Group Chief Digital Transformation Officer

- Apr. 1987 Joined the Bank
- Jun. 2016 Executive Officer, General Manager, Business Promotion Division, the Bank
- Jun. 2017 Director and Managing Executive Officer, Executive Officer in charge of Treasury Division and Treasury Operation Division, the Bank
- Jun. 2018 Director and Managing Executive Officer, Group Chief Business Officer, General Manager, Business Promotion Headquarters, the Bank
- Jun. 2019 Director and Senior Executive Officer, Group Chief Strategy Officer, General Manager, Corporate Planning Headquarters, Executive Officer in charge of Corporate Planning Division, Public Relations Division, New Head Office Project Office and Corporate Administration Division, the Bank
- Apr. 2020 Director and Senior Executive Officer, Group Chief Strategy Officer, Group Chief Digital Transformation Officer, General Manager, Corporate Planning Headquarters, Executive Officer in charge of Corporate Planning Division, Public Relations Division, New Head Office Project Office and Corporate Administration Division, the Bank



Tadayoshi Shinozaki
Director and Senior Executive Officer
Group Chief Business Officer

- Apr. 1988 Joined the Bank
- Jun. 2017 Executive Officer, General Manager, Corporate Planning Division, the Bank
- Jun. 2018 Director and Managing Executive Officer, Group Chief Strategy Officer, General Manager, Corporate Planning Headquarters, Executive Officer in charge of General Secretariat, Corporate Planning Division and Public Relations Division, the Bank
- Jun. 2019 Director and Senior Executive Officer, Group Chief Business Officer, General Manager, Business Promotion Headquarters, the Bank

(As of June 26, 2020)

Directors



Norio Takatsu
Director and Managing
Executive Officer
Group Chief
Information Officer

- Apr. 1985 Joined the Bank
- Jun. 2015 Executive Officer, General Manager, EDP System Division, the Bank
- Jun. 2016 Director, Executive Officer in charge of Operation Planning Division, EDP System Division, Business Operation Division and Operation Division, the Bank
- Jun. 2017 Director and Managing Executive Officer, Executive Officer in charge of Operation Planning Division, EDP System Division, Business Operation Division and Operation Division, the Bank
- Jun. 2018 Director and Managing Executive Officer, Group Chief Information Officer, General Manager, Operation Headquarters, Executive Officer in charge of Operation Planning Division, EDP System Division, Business Operation Division and Operation Division, the Bank

Outside Directors



Yuko Tashima
Non-Standing
Director
(Outside Director)

- Apr. 1979 Prosecutor, Tokyo District Public Prosecutors Office
- Apr. 1992 Registered as Attorney at Law, Tokyo Bar Association
Attorney at Law, Sawayaka Law Office (current position)
- Jul. 2006 Outside Director, Meiji Yasuda Life Insurance Company
- Jun. 2015 Outside Director, the Bank (current position)
- Oct. 2015 Outside Company Auditor, Kyushu Financial Group Inc. (current position)
- Jun. 2016 Outside Audit & Supervisory Board Member, Tokio Marine & Nichido Life Insurance Co., Ltd. (current position)

Outside Directors



Yasuko Takayama
Non-Standing Director
(Outside Director)

- Apr. 1980 Joined Shiseido Co., Ltd.
- Apr. 2006 General Manager, Consumer Information Center, Shiseido Co., Ltd.
- Oct. 2008 General Manager, Consumer Relations Department, Shiseido Co., Ltd.
- Apr. 2009 General Manager, Social Affairs and Consumer Relations Department, Shiseido Co., Ltd.
- Apr. 2010 General Manager, Corporate Social Responsibility Department, Shiseido Co., Ltd.
- Jun. 2011 Audit & Supervisory Board Member (standing), Shiseido Co., Ltd.
- Jun. 2015 Advisor, Shiseido Co., Ltd.
- Jun. 2015 Outside Director, the Bank (current position)
- Jun. 2015 Outside Director, Nippon Soda Co., Ltd.
- Jun. 2016 Outside Audit & Supervisory Board Member, Mitsubishi Corporation (current position)
- Jun. 2017 Outside Audit & Supervisory Board Member, Yokogawa Electric Corporation (current position)
- Jun. 2019 Outside Director, Cosmo Energy Holdings Co., Ltd. (current position)



Takahide Kiuchi
Non-Standing
Director
(Outside Director)

- Apr. 1987 Joined Nomura Research Institute, Ltd.
- Jun. 2002 Head, Japanese Economic Research Unit, Economic Research Department, Nomura Research Institute, Ltd.
- Jun. 2004 Deputy Head, Economic Research Department and Head, Japanese Economic Research Section, Financial & Economic Research Center, Nomura Securities Co., Ltd.
- Jun. 2007 Managing Director, Head, Economic Research Department and Chief Economist, Financial & Economic Research Center, Nomura Securities Co., Ltd.
- Jul. 2012 Member of the Policy Board, the Bank of Japan
- Jul. 2017 Executive Economist, Nomura Research Institute, Ltd. (current position)
- Jun. 2020 Outside Director, the Bank (current position)

(As of June 26, 2020)

Audit & Supervisory Board Members



Daizo Iijima
Standing Audit & Supervisory Board Member

Apr. 1984 Joined the Bank
Jun. 2014 Executive Officer, General Manager, Human Resources Division, the Bank
Jun. 2015 Director and Managing Executive Officer, the Bank
Jun. 2017 Director and Senior Executive Officer, the Bank
Jun. 2018 Director and President, Chibagin Heartful Co., Ltd. (Retired on June 30, 2020)
Jun. 2020 Audit & Supervisory Board Member, the Bank (current position)



Tomohiko Sakamoto
Standing Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)

Apr. 1980 Joined the Bank of Japan
Apr. 2002 General Manager, Okayama Branch, the Bank of Japan
Apr. 2009 Director-General, Administration Department, the Bank of Japan
Jun. 2012 Senior Managing Director, the Resolution and Collection Corporation
Jun. 2017 Outside Audit & Supervisory Board Member, the Bank (current position)



Kazuhiko Ishihara
Standing Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)

Apr. 1981 Joined the Ministry of Finance
Jul. 2013 Director-General, Okinawa Development and Promotion Bureau, Cabinet Office
Jul. 2015 Vice-Minister for Policy Coordination, Cabinet Office
Oct. 2016 Advisor, Mitsui Sumitomo Insurance Company, Limited
Jun. 2017 Outside Audit & Supervisory Board Member, the Bank (current position)



Kazuyoshi Fukushima
Non-Standing Audit & Supervisory Board Member

Apr. 1982 Joined the Bank
Jun. 2012 General Manager, Risk Management Division, the Bank
Jun. 2013 Executive Officer, General Manager, Audit and Inspection Division, the Bank
Jun. 2016 Audit & Supervisory Board Member, the Bank (current position)
Jun. 2016 Audit & Supervisory Board Member, Chibagin Securities Co., Ltd. (current position)



Masakazu Yoshida
Non-Standing Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)

Apr. 1979 Joined Chiba Prefectural Government
Apr. 2012 Executive Director, Disaster Prevention and Crisis Management Department, Chiba Prefectural Government
Apr. 2013 Director General, Public Enterprises Agency, Chiba Prefectural Government
May 2016 Advisor, TOYO RAPID RAILWAY
Jun. 2016 Representative Director and President, TOYO RAPID RAILWAY
Jun. 2019 Outside Audit & Supervisory Board Member, the Bank (current position)
Jun. 2019 Audit & Supervisory Board Member, Chibagin Research Institute, Ltd. (current position)

Executive Officers

Arihiko Totsuka
Managing Executive Officer (In charge of Credit Unit)

Takayuki Hosokai
Managing Executive Officer (In charge of Market and International Business)

Hiroshi Seki
Managing Executive Officer (Group Chief Risk Officer, General Manager of Corporate Administration Headquarters)

Shunichi Ishii
Managing Executive Officer (General Manager of New Head Office Project Office and Corporate Administration Division)

Kiyomi Yamazaki
Managing Executive Officer (General Manager of Head Office and Saiwaicho Sub Branch)

Kazuyoshi Takayama
Managing Executive Officer (In charge of Domestic Business)

Kazuhiko Miyagi
Managing Executive Officer (In charge of Domestic Business)

Hironaga Fukuo
Executive Officer (General Manager of Human Resources Division)

Yuichi Katayama
Executive Officer (General Manager of EDP System Division)

Mutsumi Awaji
Executive Officer (General Manager of Corporate Business Division)

Katsunori Uematsu
Executive Officer (General Manager of Tokyo Head Office)

Masayasu Ono
Executive Officer (General Manager of Corporate Planning Division)

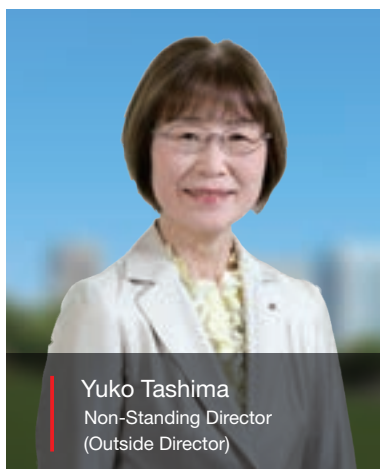
Nobukazu Odaka
Executive Officer (General Manager of Audit and Inspection Division)

Yusuke Nishimura
Executive Officer (General Manager of Chuo Branch and Keisei-ekimae Branch)

Yoichi Mataka
Executive Officer (General Manager of Payment Card Business Division)

Yoichi Shimada
Executive Officer (General Manager of Business Promotion Division)

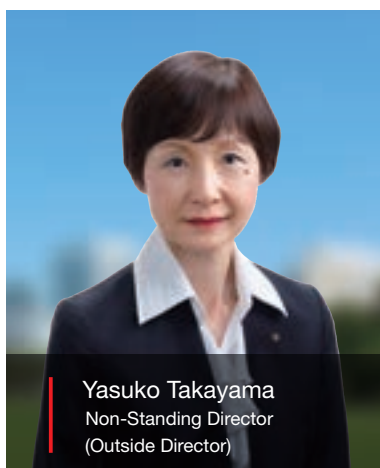
Message from Outside Directors



Yuko Tashima
Non-Standing Director
(Outside Director)

The Chiba Bank is active in promoting diversity, especially opening career paths to women and improving the working environment. The Bank was selected as the “Nadeshiko Brand” for three consecutive years and became the first financial institution selected as “FY2019 New Diversity Management Selection 100 Prime” in March of this year. I have worked at the Ministry of Justice and have been involved in deliberations of bills including the Equal Employment Opportunity Act. Making use of these experiences, I would like to focus on further promotion of diversity.

The Chiba Bank Group has kicked off the 14th Medium Term Management Plan, “NEXT STEP 2023 ~ connect and go beyond, for the future ~,” which covers three years starting from the current term. In this era of constant change necessitating quick responses, we were planning to revise management flexibly and boldly but given the sudden COVID-19 pandemic I first need to give advice aimed at achieving management in line with the new lifestyle where we coexist with this virus.



Yasuko Takayama
Non-Standing Director
(Outside Director)

Given the concern regarding the negative impact of the COVID-19 crisis on local economies and industries, for the Chiba Bank Group to be sustainable in the future it is necessary to respond swiftly to changes and take bold steps to take this crisis as an opportunity in addition to fulfilling its mission and responsibility as a regional financial institution.

Currently as part of the medium term management plan and based on our activities as a trusted partner close to each local customer, we are promoting various initiatives aiming for the development of new digital services in response to changes in customers’ lives and creating new value and businesses that are not bound by the bank framework.

Based on my many years of experience at non-financial companies, I would like to contribute to sustainable growth of the Chiba Bank Group by giving suggestions and advice from the perspective of preventing risks before they occur while also supporting the creation of new value.



Takahide Kiuchi
Non-Standing Director
(Outside Director)

I have long been involved in forecasting and analyzing domestic and foreign economies and financial markets as a so-called economist at securities companies and think tanks. During the career, I spent a total of 10 years working abroad in Germany and New York, and recently at the Bank of Japan I was in a decision-making role regarding everything including monetary policies for five years. Although this is my first experience as an outside director, I would like to faithfully fulfill my duties to find ways to utilize my prior experience and do my best to increase the corporate value of the Bank.

I was born in Chiba Prefecture and have spent almost half my life in this area. Working at the Bank, which I have been very familiar with since I was a child, is a very moving experience. I would like to always keep in mind that the sound growth of the Bank can lead to the development of Chiba Prefecture.