



The Chiba Bank, Ltd.
Integrated Report

2020



Aiming to enhance “customer experience” as a partner to customers and regional communities

Management Policy

As a regional financial institution based in Chiba Prefecture, Chiba Bank Group recognizes that its mission is to “contribute to the sustainable development of regional economies through the provision of the latest financial services as a partner for customers and regional communities.” We will continue to maintain this stance and the entire Chiba Bank Group will work together to develop activities that improve customer satisfaction, such as providing high quality financial services and products, while also actively contributing to the development of the regional community. Through these efforts, we will work to gain support from our shareholders and stakeholders.



Our Website

Corporate and Investor Relations Information

<https://www.chibabank.co.jp/english/>



Sustainable Management (Japanese only)

<https://www.chibabank.co.jp/company/sustainability/>

IR Library

<https://www.chibabank.co.jp/english/ir/library/>

Note on Forward-looking Statements

This report contains forward-looking statements, including financial outlook. They are based on future outlook, assumptions and forecasts that form the basis for plans, which the Bank deems reasonable at the time of publication. They do not constitute a promise by the Bank that these will be realized. Actual results may differ from those expressed in the forward-looking statements due to changes in conditions.

[Editorial Policy]

This document has been edited in order for stakeholders to easily understand our initiatives aimed at achieving “Sustainable Management.” We hope that by reading this report you can understand our basic concept as we aim to enhance “customer experience.”

Reporting Period:
April 2019 – March 2020
(The document includes some information from April 2020 onwards.)

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Message from the President

Transforming into a New Financial Services Group

Hidetoshi Sakuma
President, Group CEO

Profile

Joined the Bank in 1976.
Director since June 2003 and President
since March 2009, after serving as
General Manager of Treasury Division
and Corporate Planning Division.



Business Environment

Uncertainty about the future of Japan's economy is increasing as it has been greatly affected by the worldwide COVID-19 pandemic.

Meanwhile, Chiba Prefecture, our main business area, is located within the Tokyo Metropolitan area and strong economic growth is expected in the medium to long term, along with the development of transportation infrastructure such as the Ken-O Expressway and the Kita Chiba Road and the area development surrounding Narita Airport led by its functional expansion.

We hope to play a part in revitalizing the regional economy by continuing to provide useful suggestions and support that will help solve customers' issues as well as by making every effort to assist customers affected by the COVID-19 pandemic.

Review of the Previous Medium Term Management Plan

Under our previous medium term management plan, "Best Bank 2020 Final Stage – 3 years of value co-creation," we positioned the past three years as a period to create a "best retail" banking group that can survive through harsh changes in the business environment. As a result of implementing various measures, we were able to secure a stable profit level. Additionally, we successfully strengthened our management base such as by providing solution-oriented proposals including advisory services to corporate clients, radically improving operational efficiency in lending operations as well as front-of-branch and in-branch operations, and by deepening collaboration with other banks through alliances and partnerships.

Aim of the New Medium Term Management Plan

Building on the achievement of our previous medium term management plan and recognizing the current business environment, we formulated our 14th Medium Term Management Plan, "**NEXT STEP 2023 ~ connect and go beyond, for the future ~**" covering three years starting April 2020.

We recognize the mission of the Chiba Bank Group is to “contribute to the sustainable development of regional economies through the provision of the latest financial services as a partner for customers and regional communities.” To achieve this goal, in the new medium term management plan we are pursuing a vision to “enhance customer experience by deepening financial functions and creating new models for regional finance.”

We aim to become a financial service group that remains essential to society far into the future by catering to customers’ needs beyond the framework of banking and building close relationships with customers.

The 4 Basic Policies

The new medium term management plan is comprised of four basic policies.

Basic Policy I: We will continue to evolve closely with our customers

Under the Basic Policy I, we will evolve the group’s existing operations based on the customer-oriented perspective and aim to provide truly valuable services to our customers and regional communities.

For individual customers, we aim to become an advisor who stays close to their lives. We will expand the introduction of the “Life Design System,” a simulation tool for life planning, at sales offices to provide optimal services for various life events of our customers. At the same time, through our inheritance-related services, we will offer services tailored to the asset status of each customer.

For corporate customers, we aim to be the best partner to assist solving their highly diverse management issues. Through the evaluation of business we will strive to better understand management issues and provide services such as business matching with outside partners, taking advantage of the consulting function of advisory operations.

In addition, in order to develop the community and stimulate the economy in the region, the entire Group will continue to work as one to proactively engage in regional revitalization. The “Chibagin Kominka (old Japanese style houses) Project Support Financing Program” is working to support projects that promote local tourism and create employment.

Furthermore, regarding our branches, we will review the network so that we can provide optimal services by streamlining operations while maintaining a point of contact with our customers. In April 2020, we began to restructure our branch network by area, including the opening of Tateyama Area Sales Office which oversees the branches in the Awa district of southern Chiba Prefecture. In addition, we will improve convenience and consultation functions for customers through the use of remote terminals and call centers.

Basic Policy II: We will continue to create new value for our customers’ future

Under the Basic Policy II, we aim to cultivate new services and scope of business with a view to the future.

In order to achieve the goals of the new medium term management plan, the utilization of digital technology and information resources will be particularly important. Through channels such as the “Chiba Bank App,” we will provide our customers new value, utilizing digital technology and a wide array of information to increase the variety of our functions including non-financial fields.

Message from the President

Basic Policy III: We will advance alliance strategies

In the Basic Policy III, we will further deepen collaboration with other banks, and aim for cross-industry collaboration with a variety of non-financial businesses such as elderly market business.

The TSUBASA Alliance will undertake business development through its large-scale wide-area cooperation, taking advantage of economies of scale. It will promote consolidation and advancement of various operations, including anti-money laundering.

Through the Chiba-Musashino Alliance, we aim to improve our presence in the Tokyo Metropolitan area with the goal of having bilateral cooperation in all fields. In October 2019, the Chiba Bank and the Musashino Bank opened the Ikebukuro Branch as a joint branch where both banks cover front-of-branch operations of each other.

Under the Chiba-Yokohama Partnership signed in July 2019, we will promote the creation of advanced services and new businesses utilizing the know-how of the two top regional banks. In October 2019, we established the new business co-creation project to venture into a new scope of business.

Basic Policy IV: We will realize sustainable management

The Basic Policy IV is the foundation for realizing the vision of the new medium term management plan.

Regarding human resources, we will utilize training programs to increase the expertise of our staff and establish workstyle reforms. Also, to develop a creative corporate culture, we will continue to proactively promote diversity by creating an organization where diverse human resources including motivated female employees can play active roles.

In addition, we will further improve the efficiency of our in-branch operations as well as lending and loan operations. At our branches, we will continue to promote the introduction of the “TSUBASA Smile^{*1},” a counter reception system, in addition to enhancing business productivity through the concentration of headquarter operations. We will also actively work on realigning personnel as well as improving work environment to allow our employees to focus on customer service.

The new head office building currently under construction will be a symbol for our coexistence with regional communities and will allow us to strengthen our business continuity system (BCP) in addition to serving as a contact point for local customers.

Based on the concept of sustainable management that aims to strike a balance between social value and economic value over the medium to long term, the Chiba Bank Group declared the Chiba Bank Group Declaration on SDGs^{*2} in May 2019, pursuing regional ESG^{*3} issues proactively. Regarding the environmental aspect in particular, Chiba Prefecture was hit with a series of typhoons and suffered severe damage in fall 2019. It is said that behind the occurrence of large typhoons is the impact of global warming. In December 2019, we agreed on the recommendations by TCFD (Task Force on Climate-related Financial Disclosure) which calls for making disclosures of financial risks associated with climate changes. We will strive to reduce our CO₂ (carbon dioxide) emissions, which is thought to be the main cause of global warming, and we will also analyze and disclose the effects of climate change on the Bank.

Regarding governance, we introduced the Group Chief Officer System in 2018 and, appointed the Group CDTO^{*4} (Chief Digital Transformation Officer) in April 2020.

*1: TSUBASA Smile:
A counter reception system with navigation functions which provides teller services via a touch screen panel

*2: SDGs:
Abbreviation for Sustainable Development Goals. The United Nations adopted them in 2015 to be achieved by 2030.

*3: ESG:
The three areas of Environment, Social, Governance

*4: CDTO:
Abbreviation for Chief Digital Transformation Officer

*5: Digital transformation:
A transformation of business model utilizing digital technology

The Group CDTO is responsible for overseeing group-wide digital strategies for realizing digital transformation⁵, and works to strengthen the Group's preparedness and structure for digital strategies.

To Become a New Financial Services Group Together With Customers

Many customers were severely affected by last fall's typhoons and the COVID-19 pandemic. At the Bank, we have set up a dedicated consultation counter in addition to making every possible effort to support our customers through emergency assistance loans utilizing various financing programs. We also introduced shift work as the COVID-19 pandemic broke out in Japan, striving to provide financial services while paying maximum attention to preventing customers and staff from being infected. We recognize that it is our mission to maintain various financial functions including smooth access to funds for our customers and regional communities, no matter what the circumstances.

The Bank has grown along with the development of Chiba Prefecture and has continued to evolve with customers. During the period covered by the new medium term management plan, we will have various milestones, such as the completion of the new head office building and the 80th anniversary of the founding of the Bank. As a new financial service group that goes beyond the existing framework of banking, we will continue to develop and maintain deep relationships with our customers and regional communities and progress together into the future.

Furthermore, we will create common value (value co-creation) together with various stakeholders to realize the sustainable management.

We thank you for your continuing support and patronage.

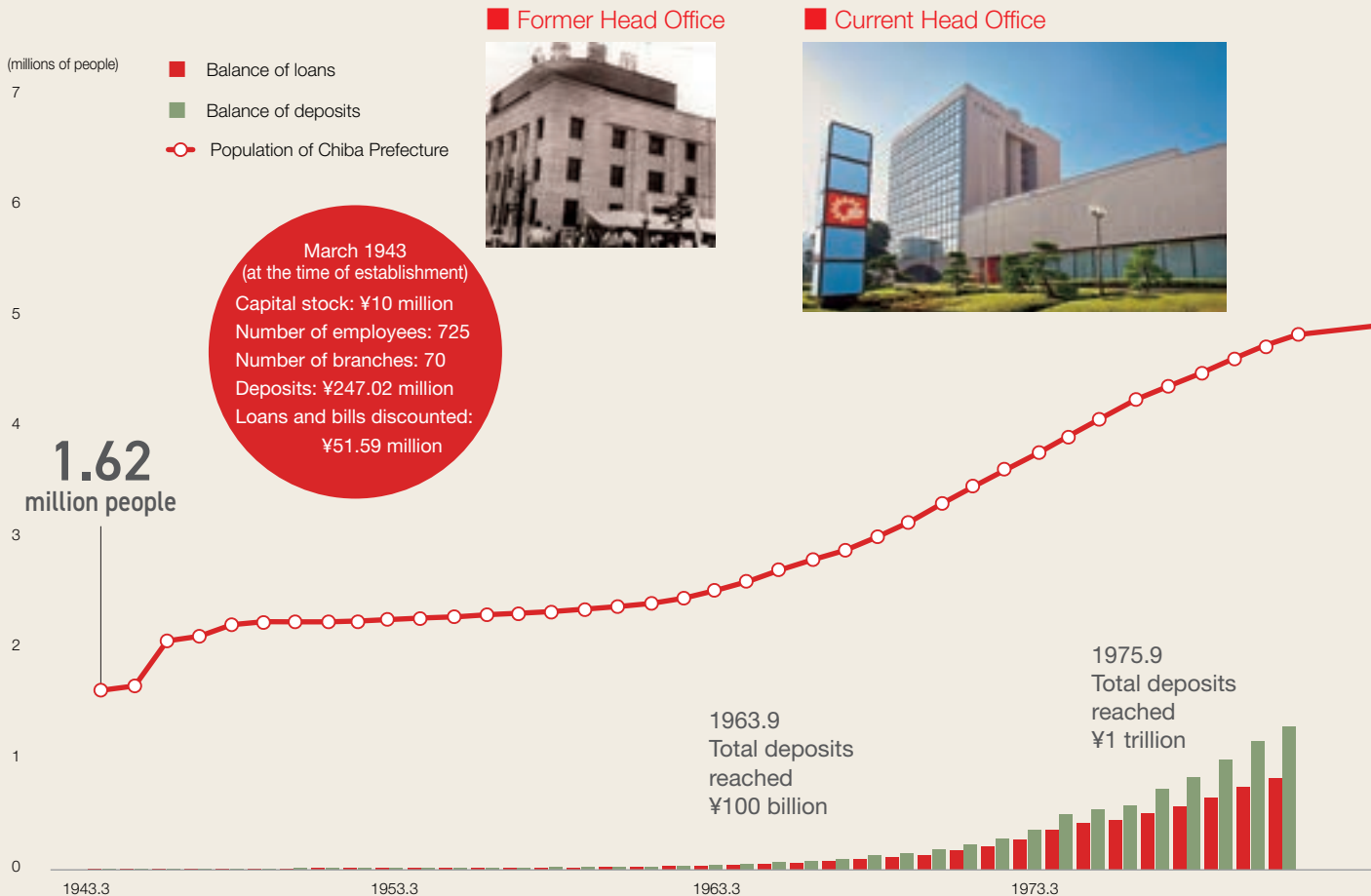
July 2020

Hidetoshi Sakuma
President, Group CEO



History of the Chiba Bank Group

Since its establishment in 1943, we have continued to grow in step with the region by actively responding to financial needs generated by the development of Chiba Prefecture.



■ Former Head Office



■ Current Head Office



Our Transition

1943.3

Founded as a result of the merger of Chiba Godo Bank, Omigawa Agricultural and Commercial Bank, and the Kujuhachi Bank

1960-

Deposits and loans grew in response to high economic growth

1964.2

Set a sunflower as the bank flower

1970.10

Listed on the 2nd section of the Tokyo Stock Exchange (changed to 1st section in August 1971)

1971.10

Started the first online system

1973.3

Built the new Head Office building and relocated the Head Office from Chuo to Chiba-minato

1986.10

Appointed the first female Branch General Manager in Japan

1987.4

Opened New York Branch

1989.4

Opened Hong Kong Branch

1991.2

Opened London Branch

Flow of Society

1941-1945

Asia-Pacific War

1950-1953

Korean War

1960.12

Formulation of a construction plan for the Keiyo Coastal Industrial Zone

1964.10

Tokyo Olympics

1973.10

First oil crisis

1978.5

Open of New Tokyo International Airport (Narita Airport)

1983.4

Open of Tokyo Disneyland

1985.6

Full-scale start of financial liberalization

1985.9

Plaza Accord

1989.4

Introduction of consumption tax

1989.12

Nikkei Stock Average recorded highest price ¥38,915.87

1991.3

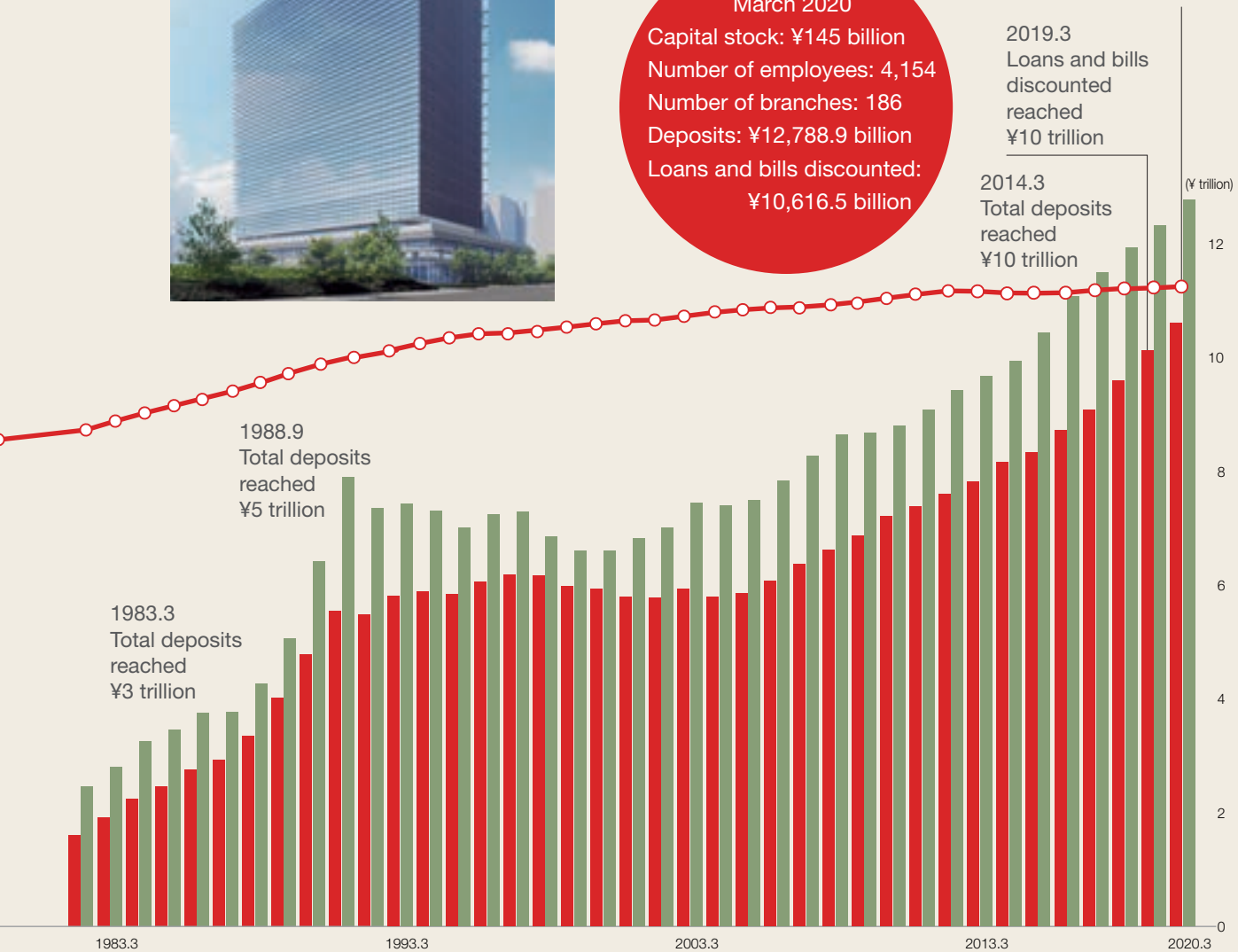
Collapse of bubble economy

■ New Head Office (planned completion in September 2020)



6.27
million people

March 2020
 Capital stock: ¥145 billion
 Number of employees: 4,154
 Number of branches: 186
 Deposits: ¥12,788.9 billion
 Loans and bills discounted: ¥10,616.5 billion



Summary

1995.11
 Opened Shanghai Representative Office

1998.3
 Acquired Chuo Securities (currently Chibagin Securities) as a Group company

2006.12
 Established Chibagin Heartful as a special subsidiary for the employment of people with disabilities

2008.3
 Launched the TSUBASA project

2011.3
 Opened Representative Office Registered in Singapore

2014.9
 Opened Bangkok Representative Office

2015.10
 Launched the TSUBASA Alliance

2016.3
 Launched the Chiba-Musashino Alliance

2016.5-9
 9 group companies relocated to Chibagin Makuhari Building

2016.7
 Established T&I Innovation Center

2019.7
 Launched the Chiba-Yokohama Partnership

1995.1
 Great Hanshin-Awaji Earthquake

1997.12
 Tokyo Bay Aqua-Line opened

2002.9
 Population in Chiba prefecture exceeded 6 million people

2005.4
 Full implementation of the deposit payoff system

2008.9
 Bankruptcy of Lehman Brothers

2009.3
 Nikkei Stock Average reached ¥7,054.98, lowest price after the collapse of bubble economy

2009.12
 Enforcement of the SME Finance Facilitation Act

2011.3
 Great East Japan Earthquake

2013.4
 The Bank of Japan decided to introduce "Quantitative and Qualitative Finance Easing Policy"

2016.1
 The Bank of Japan decided to introduce "Negative Interest Rate Policy"

2019.9
 Typhoon Faxai

2019.10
 Consumption tax raised to 10 %

2020.1
 UK left the EU

2020.3
 COVID-19 pandemic declared

Realizing “Sustainable Management”

Social Issues

Society at Large

- Realization of sustainable society
- Countermeasures for global warming and climate change
- Regional revitalization

Monetary Environment

- Prolonged negative interest rate policy and overcome deflation
- Building assets in the “100-Year Life Society”

Super-Aging Society

- Smooth business succession
- Financial services for the elderly

Technological Innovation

- Digitalization
- Cashless

Lifestyles

- Response to diversifying values

Human Resources

- Utilization of diverse human resources
- Response to increasing labor mobility

Natural Disasters

- Mitigating loss from intensification of natural disasters
- Development of social infrastructure

Contributing to Solve
Social Issues

Financial Services That Support the Growth of

The Chiba Bank Group’s Mission

~ Strategies ~

Title

The 14th Medium Term Management Plan
NEXT STEP 2023
~ connect and go beyond, for the future ~
(Plan period: April 1, 2020 to March 31, 2023)

Basic Policy I

“We will continue to evolve closely with our customers”

- We will be a consulting partner that is closely linked to the lives of individual customers
- We will be the best partner as solving the diverse management issues of corporate customers
- We will continue to build branches that are both convenient and able to consult

Basic Policy III

“We will advance alliance strategies”

Basic Policy IV

“We will realize sustainable management”

Framework for Growth

~ Strengths of the Chiba Bank Group ~

Financial Capital

- Top-class asset size and profitability among the regional banks
- Robust capital
- Low expense ratio

Intellectual Capital

- Knowledge accumulated through alliances with other banks, etc.
- Comprehensive financial services offered by the entire group

(Balancing economic value and social value)

Customers and Regional Communities

Contribute to the sustainable development of regional economies through the provision of the latest financial services as a partner for customers and regional communities

Vision

Enhance customer experience by deepening financial functions and creating new models for regional finance

Basic Policy II

“We will continue to create new value for our customers’ future”

- We will provide new value to our customers by using digital technology and all kinds of information resources
- We will create new value by taking on challenges that go beyond the framework of banking
- In order to provide new value and stand with our customers, we will further strengthen collaboration with other banks and companies in other industries
- We will strive to build a rewarding company by enhancing human resource development and realizing diverse work styles
- We will further strengthen our internal control structures, including governance, compliance, and risk management

Social Capital

- Solid business base
- Deeply diverse customer base
- Growth potential of Chiba Prefecture, the Group’s major market

Human Capital

- Progressive approach to diversity
- Human resource development with a focus on building expertise

Management Base

- Improved productivity by achieving operational reforms
- Solid internal control structures

Co-creating Value with Stakeholders

- Shareholders** Improvement of corporate value in the medium to long term
- Customers** Demonstration of our financial intermediation function and advanced financial services
- Employees** Rewarding workplace where employees can demonstrate their full potential
- Regional Communities** Regional revitalization and coexistence with the natural environment

Contributing to Achieve the SDGs

“The Chiba Bank Group Declaration on SDGs”

Contribute to the vitalization of regional economy and communities



Support safe and secure lives for the elderly



Provide financial services for a better life



Promote diversity and work style reforms



Contribute to the protection of a sustainable environment



Strengths of the Chiba Bank Group

The Chiba Bank Group makes the best possible use of its financial capital, intellectual capital, social capital, and human capital in order to continue to provide regional customers with valuable products and services.

Such capital consists the strengths of the Chiba Bank Group to realize sustainable management.

(As of March 31, 2020 or for the fiscal year ended March 31, 2020 unless otherwise noted)

Financial Capital

Top-Class Asset Size Among the Regional Banks

Total Assets (Consolidated):	¥15,609.9 billion
Loans and Bills Discounted (Non-Consolidated):	¥10,616.5 billion
Deposits (Non-Consolidated):	¥12,788.9 billion

Top-Class Profitability Among the Regional Banks

Profit Attributable to Owners of Parent (Consolidated)	¥48.0 billion
ROE (Consolidated, Based on Shareholders' Equity)	5.67 %

Robust Capital

Total Capital Ratio (Consolidated)	12.12 %
Common Equity Tier 1 Capital Ratio (Consolidated)	11.51 %

Low Expense Ratio

OHR (Non-Consolidated)	54.61 %
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Excellent Ratings^{*1}

Moody's	A1 (Long-Term)	P-1 (Short-Term)
Standard & Poor's	A- (Long-Term)	A-2 (Short-Term)
Rating and Investment Information	AA- (Long-Term)	

Sound Loan Assets

Non-Performing Loan Ratio (Non-Consolidated, Based on the Financial Reconstruction Law)	1.10 %
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*1: As of June 10, 2020

Intellectual Capital

Industry-Academia Collaboration Initiatives

Cumulative Number of Recipients of Grants and Awards ^{*2}	516
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Comprehensive Financial Services Offered by the Entire Group

Number of Group Companies	14 companies
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Status of Fiduciary Duty Initiatives

Customer-Oriented Investment Trust Sales Company Evaluation (R&I) ^{*3}	S
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Difference Between Consolidated and Non-Consolidated Profit	¥2.0 billion
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Specialized Products and Services Utilizing Expertise

Number of Contracts for Inheritance-Related Services (Excludes Contracts Signed for Other Banks in the Alliance)	1,702
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*2: The figure represents the cumulative number of recipients as of FY2019. It includes the number of recipients of grant and award from the Chiba Bank as well as public interest corporations to which the Chiba Bank makes donations.

*3: Ratings are given by Rating and Investment Information, Inc. (R&I) to financial institutions, etc. upon request, based on the evaluation of their policies and efforts as to how they perform their customer-oriented business operations in their investment trust sales activities. As of June 30, 2020

Social Capital

Solid Business Base

Domestic Network ^{*4}	186 locations
Overseas Network	6 locations
Branches: New York, Hong Kong, London Representative Offices: Shanghai, Singapore, Bangkok	
Market Share of Loans in Chiba Prefecture ^{*5}	40.4%
Market Share of Deposits and Savings in Chiba Prefecture ^{*5}	26.4%
Designated Financial Institution for	44 out of 55 local governments
Coordination Agreement for Regional Revitalization Concluded with	21 out of 55 local governments

*4: 183 branches and 3 money exchange counters
*5: Source: The Kinyu Journal (As of March 31, 2019)
*6: Source: Teikoku Databank (2019 Survey)

Deeply Diverse Customer Base

Number of Accounts Used to Receive Salaries	880 thousand accounts
Number of Accounts Used to Receive Pensions	490 thousand accounts
Number of Customers Receiving Housing Loans	190 thousand customers
Number of Companies Using Chiba Bank as Their Main Bank ^{*6}	21 thousand companies

Growth Potential of Chiba Prefecture, the Group's Major Market

Population of Chiba Prefecture	6,270 thousand (Sixth largest in Japan)
Increase in the Population of Chiba Prefecture (October 2015 → October 2019: Fifth largest increase in Japan)	56 thousand

Human Capital

Human Resource Development With a Focus on Building Expertise

Number of Trainees Dispatched	
External Trainee	24
Internal Trainee	43

Extensive Training Program

Total Number of Training Sessions Taken by Employees (per annum)	14,999 times
Total Number of Employees Participated in Seminars on Days Off (per annum)	1,567

Utilization of Employees with Significant Expertise^{*7}

Real Estate Transaction Agent	428
1st Grade Certified Skilled Professional of Financial Planning	188
CMA	66
Small and Medium Sized Enterprise Consultant	57
Others ^{*8}	22

*7: Includes senior managements, career assistants, and senior staff
*8: Labor and Social Security Attorney, Certified Public Tax Accountant, Certified Public Accountant, and Licensed Real Estate Appraiser

Strengths of the Chiba Bank Group

The Chiba Bank Group operates mainly in Chiba Prefecture, Japan's sixth largest prefecture in terms of population. The prefecture has thriving agriculture and fishing industries thanks to its favorable geographic conditions such as being part of the Tokyo Metropolitan area and having a mild climate. It also boasts a well-balanced industrial structure, located within Japan's most prominent industrial areas that stretch along the coast of Tokyo Bay.

Given the expected economic effects of ongoing projects including the complete opening of the Ken-O Expressway scheduled in FY2024 and capacity enhancement plans at Narita Airport, the prefecture sees a potential for high growth.

Strength 1 Growth Potential of Chiba Prefecture, the Group's Major Market

In Chiba Prefecture, all sections of the Ken-O Expressway are scheduled to open in FY2024. In addition, all sections of the Tateyama Expressway, which gives access to Minamiboso, will have four lanes, and the Kita Chiba Road, which connects the western part of the prefecture with Narita Airport, is also under construction. It will improve access between Chiba Prefecture and the Tokyo Metropolitan areas, improve the efficiency of logistics, and revitalize tourist traffic, which will promote further progress in economic integration with the Tokyo Metropolitan area.

The enhancement of capacity of Narita Airport is underway including the construction of the third runway. A large increase in the working population and development of the surrounding areas can be expected, and the synergies between this development and the opening of the Ken-O Expressway are expected to revitalize Chiba Prefecture overall. In collaboration with Chiba Prefecture as well as local governments and customers in the area surrounding Narita Airport, Chiba Bank is reinforcing activities in the area, where future growth is expected.

Narita City, designated as a National Strategic Special Zone, is undergoing urban development in an aim to become an international medical academic city. With the openings of International University of Health and Welfare School of Medicine in April 2017, followed by the opening of IUHW Narita Hospital in March 2020, economic effects continue to be anticipated from the concentration of medical institutions.

Strengthening of the functions of Narita Airport and its effects

Capacity of the runway system	300,000 times → 500,000 times
Number of passengers handled	50 million → 75 million
Volume of cargo handled	2.35 million tons → 3 million tons
Number of airport workers	43 thousand → 70 thousand

* Source: Basic plan for regional development around Narita Airport, Four Party Council on Narita Airport

Strength 2 Solid Business Base and Deeply Diverse Customer Base

The Chiba Bank has opened new branches in growing areas along with consolidation of existing branches, primarily in Chiba Prefecture but also in Tokyo, Saitama Prefecture, and Ibaraki Prefecture, which are adjacent to Chiba Prefecture, to establish a branch network of 186 domestic locations and 6 overseas locations as of March 31, 2020. We will continue to maintain a certain number of locations, secure contact points with customers, and provide optimal services.

With this branch network, we have won an overwhelming share of the market in the region and a deeply diverse customer base. As the top bank in the region, we will strengthen coordination with local governments in the prefecture for regional revitalization and support business activities as the main bank of more than 20,000 companies.

At the Chiba Bank Group, 14 group companies work together to meet the diverse needs of regional customers, utilizing functions of each company such as securities and asset management, research and consulting, leasing and venture capital, credit cards, outsourcing and staffing services, and credit guarantees and management.

Strength 3 Comprehensive Financial Services Offered by the Entire Group

Securities and asset management
Chibagin Securities Co., Ltd.
Chibagin Asset Management Co., Ltd.

Research and consulting
Chibagin Research Institute, Ltd.
Chibagin Computer Service Co., Ltd.
T&I Innovation Center, Co., Ltd.

Leasing and venture capital
Chibagin Leasing Co., Ltd.
Chibagin Capital Co., Ltd.



14 group companies



Head office of 9 group companies have been relocated to Chibagin Makuhari Building in the Makuhari New City area

Credit cards
Chibagin JCB Card Co., Ltd.
Chibagin DC Card Co., Ltd.

Outsourcing and staffing services
Chibagin Career Service Co., Ltd.
Chibagin Heartful Co., Ltd.
Sobu Co., Ltd.

Credit guarantees and management
Chibagin Guarantee Co., Ltd.
Chibagin Servicer Co., Ltd.

Chibagin Securities has established a stable business foundation with 21 branches in the Tokyo Metropolitan area. It is also strengthening a group collaboration with securities companies of the financial institutions participating in the TSUBASA Alliance.

Chibagin Asset Management has been expanding its investment product portfolio, such as ESG funds provided for the Bank of Yokohama and the Musashino Bank in February and March 2020.

As the only think tank in the prefecture, **Chibagin Research Institute** has been entrusted with the formulation of comprehensive plans for local governments, etc.

Chibagin Computer Service offers IT solutions and **T&I Innovation Center** conducts FinTech surveys, research, and development.

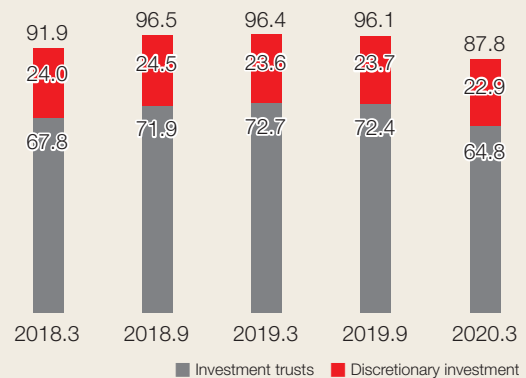
Chibagin Leasing leverages on the Bank's customer base, and the number of customers with contracts and leasing assets are steadily increasing.

Chibagin Capital offers fund management and M&A advisory services.

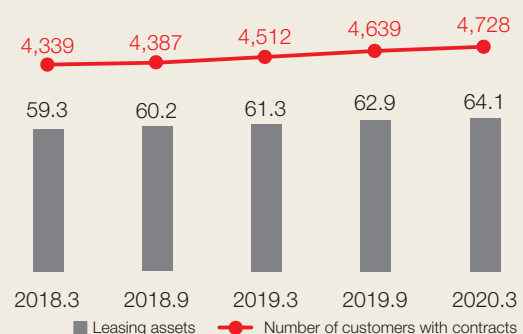
Chibagin JCB Card and **Chibagin DC Card** are increasing the transaction volume by promoting to develop credit card member stores and corporate credit card customers.

Chibagin Career Service is strengthening its staffing services in response to customers' needs for personnel.

■ Assets under management of Chibagin Asset Management (¥ billion)



■ Number of customers with contracts and leasing assets of Chibagin Leasing (¥ billion)

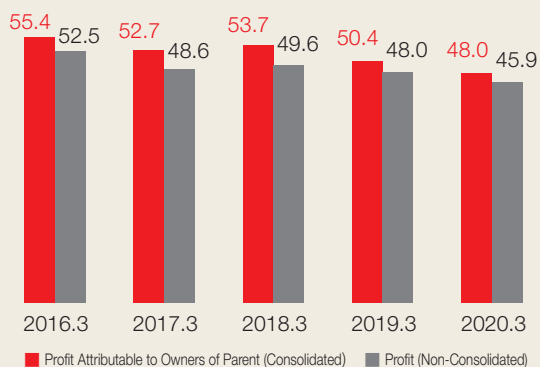


Financial Highlights

Profit

(Consolidated/Non-Consolidated/¥ billion)

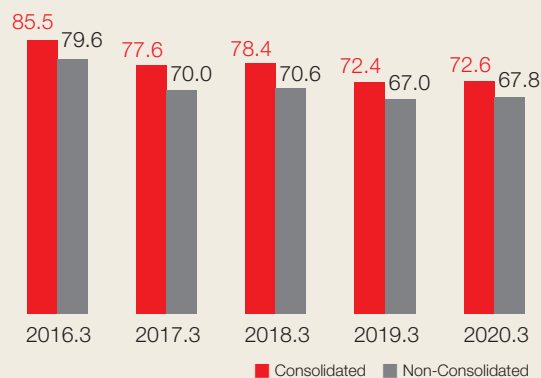
Consolidated: **¥48.0** billion
 Non-Consolidated: **¥45.9** billion



Ordinary Profit

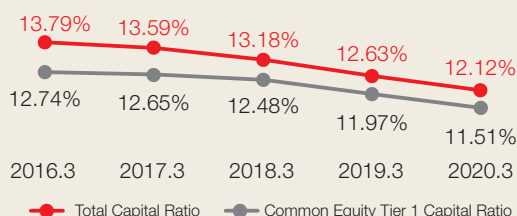
(Consolidated/Non-Consolidated/¥ billion)

Consolidated: **¥72.6** billion
 Non-Consolidated: **¥67.8** billion



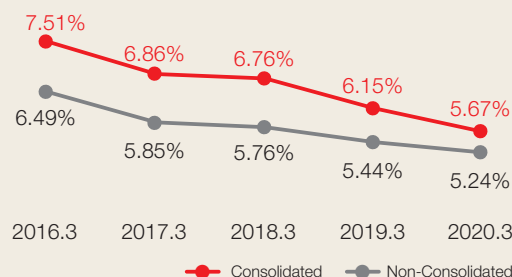
Capital Ratio (Consolidated)

Total Capital Ratio: **12.12%**
 Common Equity Tier 1 Capital Ratio: **11.51%**



ROE (Consolidated/Non-Consolidated)

Consolidated: **5.67%**
 Non-Consolidated: **5.24%**

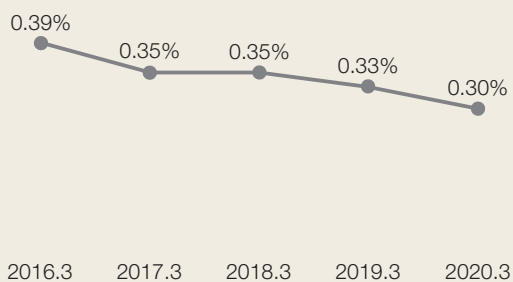


$$\text{ROE (Non-Consolidated)} = \frac{\text{Profit}}{(\text{Total Net Assets at Beginning of Fiscal Year} + \text{Total Net Assets at End of Fiscal Year}) / 2}$$

$$\text{ROE (Consolidated)} = \frac{\text{Profit Attributable to Owners of Parent}}{(\text{Total Shareholders' Equity at Beginning of Fiscal Year} + \text{Total Shareholders' Equity at End of Fiscal Year}) / 2}$$

ROA (Non-Consolidated)

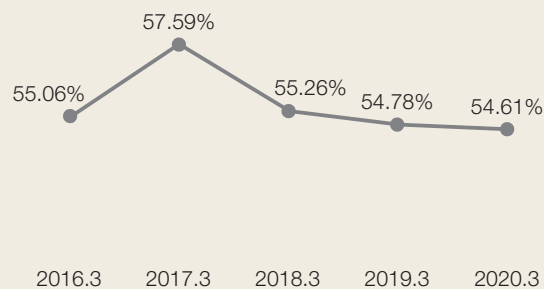
Non-Consolidated: **0.30%**



$$\text{ROA (Non-Consolidated)} = \frac{\text{Profit}}{\text{Average Total Assets}}$$

OHR (Non-Consolidated)

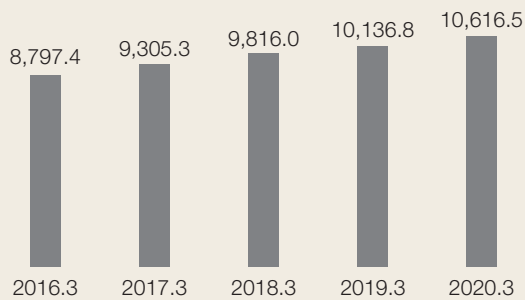
Non-Consolidated: **54.61%**



$$\text{OHR (Non-Consolidated)} = \frac{\text{Expenses}}{\text{Net Business Income} - \text{Gains (Losses) Related to Bonds, etc.} + \text{Net Transfer to General Allowance for Loan Losses} + \text{Expenses}}$$

Loans and Bills Discounted (Non-Consolidated/¥ billion)

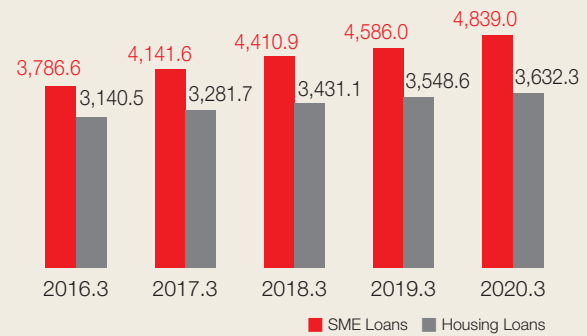
Non-Consolidated: **¥10,616.5** billion



SME Loans/Housing Loans (Non-Consolidated/¥ billion)

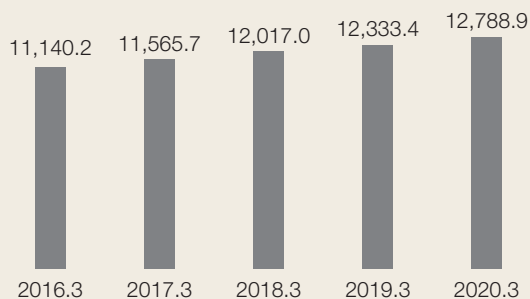
SME Loans: **¥4,839.0** billion

Housing Loans: **¥3,632.3** billion



Deposits (Non-Consolidated/¥ billion)

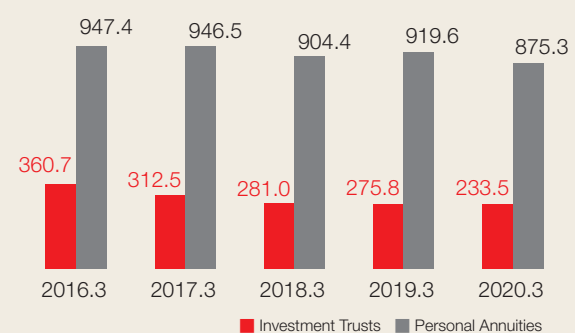
Non-Consolidated: **¥12,788.9** billion



Investment Trusts/Personal Annuities (Non-Consolidated/¥ billion)

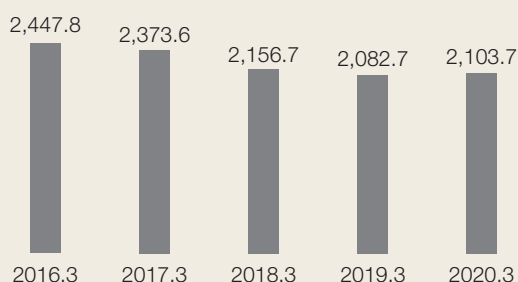
Investment Trusts: **¥233.5** billion

Personal Annuities: **¥875.3** billion



Securities (Non-Consolidated/¥ billion)

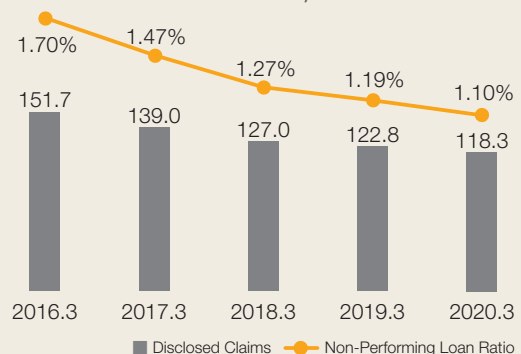
Non-Consolidated: **¥2,103.7** billion



Disclosed Claims under the Financial Reconstruction Law (Non-Consolidated/¥ billion)

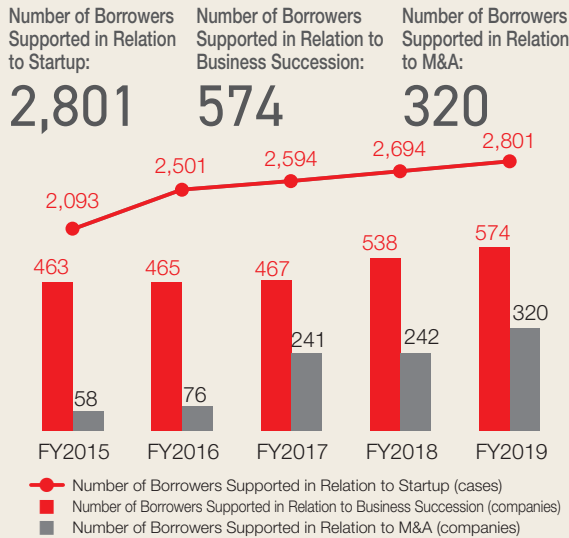
Disclosed Claims under the Financial Reconstruction Law: **¥118.3** billion

Non-Performing Loan Ratio (Based on the Financial Reconstruction Law): **1.10%**

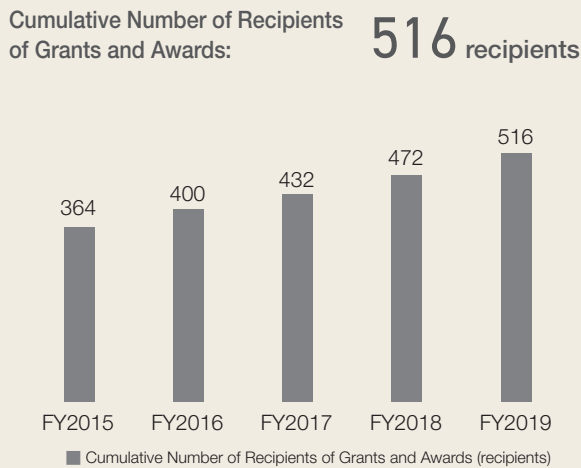


Non-Financial Highlights

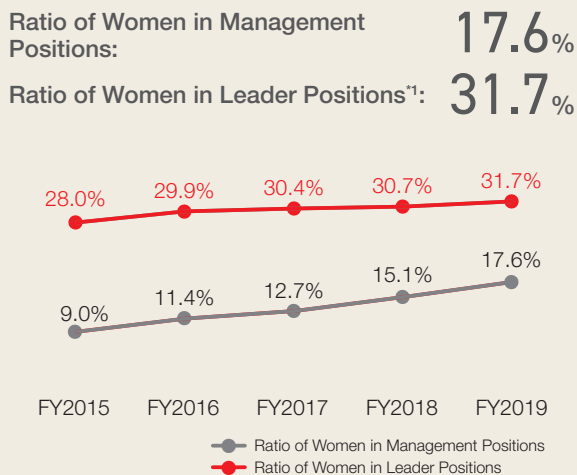
Number of Borrowers Supported in Relation to Startup/Business Succession/M&A



Support for Industrial Development and Technological Innovation

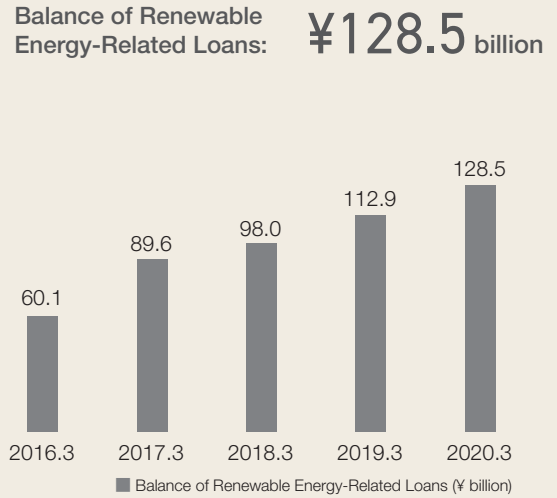


Initiatives to Promote the Active Participation of Women

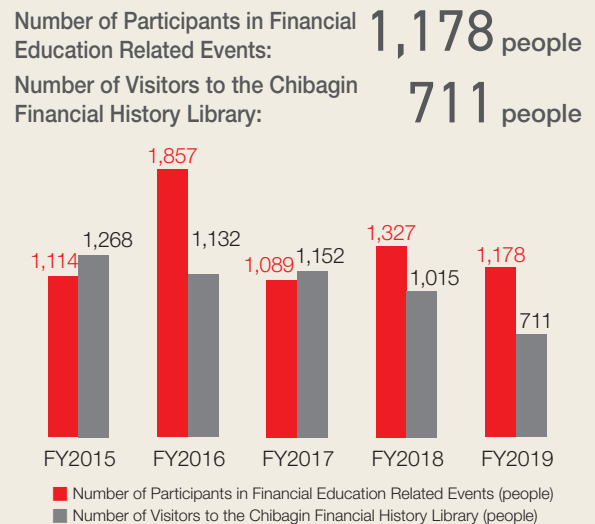


^{*1} Employees who have subordinates such as Branch Managers and employees with equal status, who are in charge of organizational management and are responsible for their work.

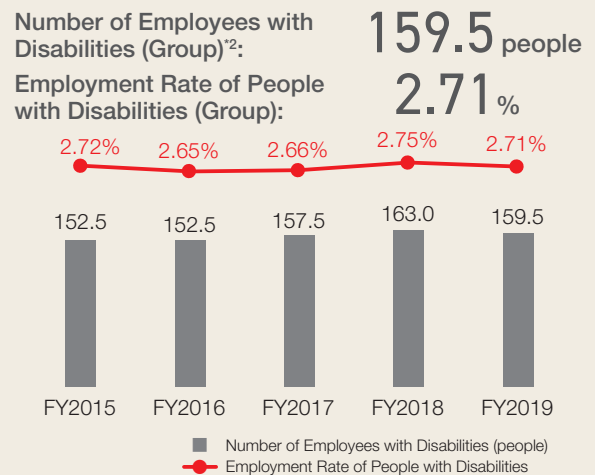
Initiatives to Promote Renewable Energy



Efforts to Improve Financial Literacy



Efforts Toward the Employment of People With Disabilities



^{*2} The numbers of employees with disabilities include a fraction of less than one as they are the figures used for calculating the employment rate of people with disabilities.

Financial Results and Conditions

Financial Results for the Fiscal Year Ended March 31, 2020

Summary of financial results

In the fiscal year ended March 31, 2020, non-consolidated gross business profit increased ¥0.4 billion year on year to ¥152.7 billion. Net interest income increased by ¥1.0 billion, net fees and commissions income increased by ¥0.2 billion, and core net business income excluding gains (losses) on cancellation of investment trusts increased by ¥1.5 billion.

Net credit costs decreased by ¥1.8 billion mainly due to a decrease in net transfer to general allowance for loan losses.

As a result, non-consolidated profit was ¥45.9 billion and profit attributable to owners of parent was ¥48.0 billion.

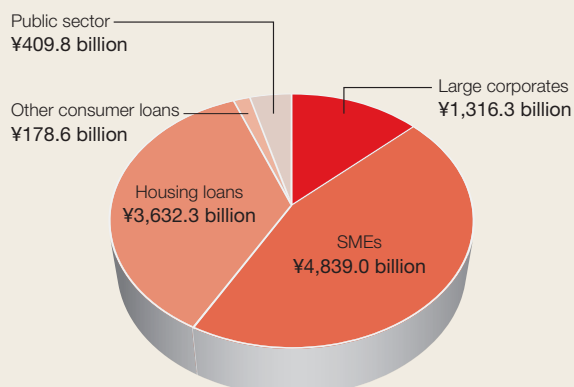
Increase in loans and bills discounted

The balance of loans and bills discounted increased by ¥479.6 billion or 4.7% from the end of the previous fiscal year to ¥10,616.5 billion.

A steady growth was maintained as SME loans increased 5.5% and housing loans increased 2.3%.

Domestic loans and bills discounted by region saw 3.0% increase in branches in Chiba Prefecture and 8.9% in branches outside Chiba Prefecture, showing a steady increase in both regions.

Balance of domestic loans and bills discounted (by category)



Summary of financial results

(¥ billion)

(Non-consolidated)	2019/3	2020/3	YoY
Gross business profit	152.2	152.7	0.4
Net interest income	122.6	123.6	1.0
Net fees and commissions income	22.4	22.6	0.2
Trading income	1.1	1.8	0.6
Profit from other business transactions	6.0	4.5	(1.4)
Gains (losses) related to bonds	4.5	3.2	(1.2)
Expenses (-)	81.1	81.9	0.7
Real net business income	71.1	70.8	(0.2)
Core net business income	66.5	67.5	0.9
Excluding gains (losses) on cancellation of investment trusts	62.6	64.2	1.5
Net transfer to general allowance for loan losses (-)	2.5	1.2	(1.3)
Net business income	68.5	69.5	1.0
Non-recurrent income and losses	(1.4)	(1.6)	(0.2)
Disposal of non-performing loans (-)	8.7	8.2	(0.5)
Gains (losses) related to stocks, etc.	1.8	2.6	0.8
Ordinary profit	67.0	67.8	0.8
Extraordinary income (loss)	(0.2)	(3.8)	(3.6)
Profit	48.0	45.9	(2.0)
Net credit costs (-)	11.3	9.5	(1.8)

(¥ billion)

(Consolidated)	2019/3	2020/3	YoY
Ordinary profit	72.4	72.6	0.1
Profit attributable to owners of parent	50.4	48.0	(2.4)

Balance of domestic loans and bills discounted (by region)

(¥ billion)

	2019/3	2020/3	Change	% of Change
Domestic loans and bills discounted	9,903.9	10,376.2	472.2	4.7%
Branches in Chiba Prefecture	6,963.0	7,172.1	209.0	3.0%
Branches outside Chiba Prefecture	2,940.9	3,204.0	263.1	8.9%

Financial Results and Conditions

Financial Results for the Fiscal Year Ended March 31, 2020

● Increase in net fees and commissions income

Net fees and commissions income increased ¥0.2 billion year on year to ¥22.6 billion.

Although fees and commissions income related to financial products decreased, overall results remained robust with solution-related fees from corporate customers reaching a record high, driven primarily by finance-related income from syndicated loans, etc.

We will continue to strengthen our earning capability by providing a wide range of solutions to the issues of the customers.

● Controlling interest rate risks while diversifying investments

The balance of securities (excluding unrealized gains (losses)) increased ¥77.4 billion from the end of the previous fiscal year to ¥2,011.2 billion.

We continue to manage our portfolio with interest rate risks controlled and pay close attention to the balance between liquidity and profitability. While promoting diversified investment in public and corporate bonds, local government bonds, investment trusts, etc., we continued to increase our investment in foreign bonds, primarily in sovereign bonds and corporate bonds issued by non-Japanese blue-chip companies. We are currently maintaining our cautious approach in light of the market turmoil caused by the growing impacts of COVID-19.

● Low OHR

Expenses increased ¥0.7 billion year on year to ¥81.9 billion. Though non-personnel expenses increased ¥1.0 billion due to investments for increasing operational efficiency and digitalization, due to increases in gross business profit, etc., OHR fell 0.1% year on year to 54.6%.

The OHR remains low and we maintain our efficiency sufficiently high in comparison with other banks.

■ Breakdown of net fees and commissions income

(¥ billion)

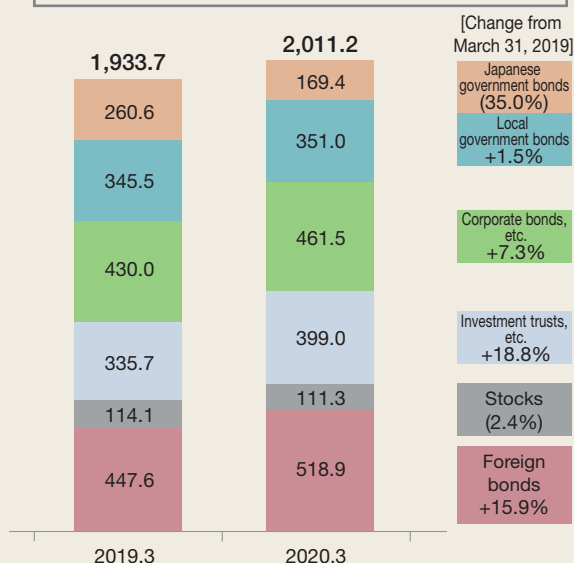
	2019/3	2020/3	YoY
Net fees and commissions income	22.4	22.6	0.2
(Primary items)			
Corporate solutions related ¹	9.0	9.8	0.8
Financial products related	9.3	7.7	(1.6)
Trust business and inheritance-related services related	0.8	1.2	0.3
Cashless business related	0.7	0.8	0.0

*1 Private placement bonds, syndicated loans, etc., M&As, business matching and others

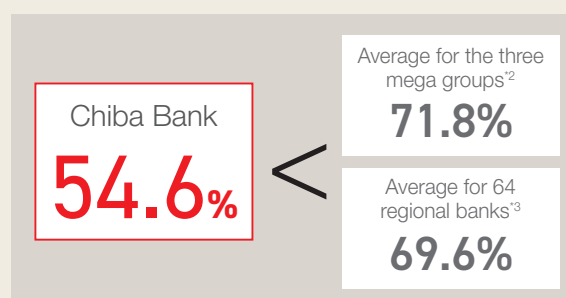
■ Balance of securities (excluding unrealized gains (losses))

(¥ billion)

Average duration of securities (including floating rate bonds)			
	2019.3	2020.3	
Yen bonds	3.5 years	4.2 years	
Foreign bonds	1.4 years	1.7 years	



■ OHR level comparison



*2 Expenses ÷ (Consolidated gross business profit - Gains (losses) related to bonds)
[Fiscal year ended March 2020]: Calculated by the Bank based on disclosed information

*3 Expenses ÷ (Non-consolidated gross business profit - Gains (losses) related to bonds)
[Six months ended September 2019]: Disclosed by the Regional Banks Association of Japan

Earnings Projections for the Fiscal Year Ending March 31, 2021

● Summary of earnings projections

For the fiscal year ending March 31, 2021, non-consolidated gross business profit are projected to increase ¥1.5 billion year on year to ¥154.3 billion.

Net interest income is projected to decrease ¥0.4 billion to ¥123.1 billion primarily due to our conservative approach in estimating interest on securities.

Net fees and commissions income is projected to increase ¥2.3 billion to ¥25.0 billion, primarily owing to continued increases in solution-related fees from corporate customers and fees related to the cashless business.

As we expect a ¥5.9 billion increase in expenses and a ¥1.5 billion decrease in net credit costs, non-consolidated profit is projected to be ¥46.0 billion, almost the same as the previous fiscal year, and profit attributable to owners of parent is projected to increase ¥0.4 billion year on year to ¥48.5 billion.

As we receive a large number of requests for COVID-19-related loans, we will strive to provide appropriate funding support and thorough credit management.

■ Earnings projections

(¥ billion)

(Non-consolidated)	2020/3	2021/3 (Projection)	YoY
Gross business profit	152.7	154.3	1.5
Net interest income	123.6	123.1	(0.4)
Net fees and commissions income	22.6	25.0	2.3
Trading income	1.8	2.7	0.9
Profit from other business transactions	4.5	3.3	(1.2)
Gains (losses) related to bonds	3.2	1.5	(1.7)
Expenses (-)	81.9	87.9	5.9
Real net business income	70.8	66.4	(4.4)
Core net business income	67.5	64.9	(2.6)
Excluding gains (losses) on cancellation of investment trusts	64.2	60.8	(3.3)
Net transfer to general allowance for loan losses (-)	1.2	1.0	(0.2)
Net business income	69.5	65.4	(4.1)
Non-recurrent income and losses	(1.6)	(1.4)	0.2
Disposal of non-performing loans (-)	8.2	7.0	(1.2)
Gains (losses) related to stocks, etc.	2.6	3.0	0.4
Ordinary profit	67.8	64.0	(3.8)
Extraordinary income (loss)	(3.8)	(0.2)	3.6
Profit	45.9	46.0	0.0
Net credit costs (-)	9.5	8.0	(1.5)

■ Net credit costs

(¥ billion)

	2020/3	2021/3 (Projection)	YoY
Net credit costs (-)	9.5	8.0	(1.5)
Net transfer to general allowance for loan losses (-)	1.2	1.0	(0.2)
Disposal of non-performing loans (-)	8.2	7.0	(1.2)
Write-offs / Net transfer to specific allowance for loan losses, etc. (-)	10.9	9.5	(1.4)
New downgrades (-)	10.9	10.0	(0.9)
Decreases in collateral value, etc. (-)	1.1	0.6	(0.5)
Collections, etc.	1.2	1.1	(0.1)
Recoveries of written-off claims	2.6	2.5	(0.1)

(Note) The impacts of COVID-19 have not been factored into the figures because it is difficult to reasonably measure them at this time.

(¥ billion)

(Consolidated)	2020/3	2021/3 (Projection)	YoY
Ordinary profit	72.6	69.5	(3.1)
Profit attributable to owners of parent	48.0	48.5	0.4

(Note) The impacts of COVID-19 have not been factored into the figures because it is difficult to reasonably measure them at this time.

The 14th Medium Term Management Plan

NEXT STEP 2023

~ connect and go beyond, for the future ~

From April 1, 2020 to March 31, 2023

Basic Policy I “We will continue to evolve closely with our customers”

Four key strategies for evolving existing businesses

Key Strategy 1 Personal Business

Strengthen consulting functions that are closely linked to the lives of individuals

Key Strategy 2 Corporate Business

Increase capabilities for solving management issues as a partner

Key Strategy 3 Regional Revitalization

Strengthen initiatives for regional revitalization by increasing capabilities for solving regional issues

Key Strategy 4 Branches and Channels

Optimize branch functions and other aspects that support the enhancement of customer contact

Basic Policy III

“We will advance alliance strategies”

Two key strategies for realizing Basic Policies I and II

Basic Policy IV

“We will realize sustainable management”

Four key strategies that are the foundations for realizing the vision of the medium term management plan

Key Strategy 9 Human Resources

Build a rewarding company and enhance human resource development (organizational culture and human resources)

Vision

Enhance “customer experience” by deepening financial functions and creating new models for regional finance

The term “customer experience” refers not only to the value of products we offer and the satisfaction gained at the moment of transactions with the Bank but also to the total experience, spanning from present to future, including the emotion and sense gained by the customer as a result of interacting with the Bank.

Basic Policy II “We will continue to create new value for our customers’ future”

Two key strategies for creating new services and businesses

Key Strategy 5 Digital and Information

Provide new value through the use of digital technologies and all types of information resources

Key Strategy 6 New Businesses

Create new services and operate new businesses beyond the existing framework

Key Strategy 7 Collaboration with Other Banks

Advance collaboration with other banks

Key Strategy 8 Cross-Industry Collaboration

Enhance collaboration with companies in other industries

Key Strategy 10 BPR

Improve productivity and realize diverse work styles

Key Strategy 11 SDGs

Enhance SDGs initiatives together with the region

Key Strategy 12 Business Management Structures

Establish solid management foundation

In the medium term management plan “NEXT STEP 2023 ~ connect and go beyond, for the future ~” which commenced in April 2020, executives and employees of our group are working together to achieve the plan based on the Chiba Bank Group’s mission which is to “contribute to the sustainable development of regional economies through the provision of the latest financial services as a partner for customers and regional communities.”

Target Figures

● Target indicators

The medium term management plan “NEXT STEP 2023 ~ connect and go beyond, for the future ~” is a three-year plan starting in April 2020 with the following figures as its target indicators: (1) profit attributable to owners of parent, (2) consolidated ROE (based on shareholders’ equity), and (3) OHR (non-consolidated).

	Results for FY2019	FY2022 (Final Fiscal Year)
Profit attributable to owners of parent	¥48.0 billion	¥60.0 billion
Consolidated ROE (based on shareholders’ equity)	5.67%	Mid- 6%
OHR (non-consolidated)	54.61%	In the lower 50% range

Allocation of Management Resources



Personnel ~ Supporting growth of employees and strengthening development of specialists

In terms of personnel, for the purpose of developing personnel with special skills, we have set up a training system for human resource development, with a quota of some 50 persons every year, and will step up dispatch of personnel to headquarters training and other companies. In addition, by promoting improvement of operational efficiency mainly through a review of operational flow and the utilization of RPA*, we will reallocate 300 employees to planning/promotion units of the headquarters, branches, and group companies to realize various measures of the medium term management plan.



Investments ~ Investing heavily in strategic fields such as digital strategies and efficiency improvement measures

In terms of investments, the investment budget (excluding reconstruction of the head office building) during the period of the plan is set at ¥25.0 billion. Of this amount, ¥13.0 billion will be allocated for focused investment in strategic fields such as strengthening digital-based services, reviewing information utilization and branch network, and further improving operational efficiency.



Expenses ~ Strengthening expense control

While expenses are expected to increase due to a rise in depreciation cost mainly as a result of the reconstruction of the head office building and the release of new systems, cost reduction measures are also planned to be carried out. Expenses of ¥85.5 billion are planned for the fiscal year ending March 31, 2023.

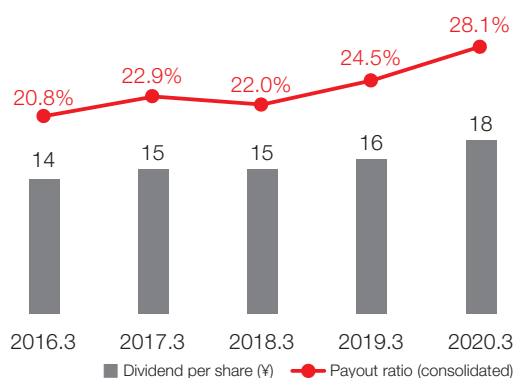
*RPA is an abbreviation for Robotic Process Automation. System for automating routine administrative tasks through software using robot technology.

Capital Policy

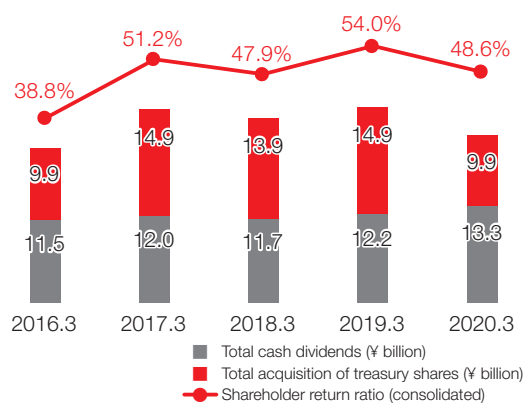
● Returns to shareholders ~ Implement shareholder returns that take into consideration the balance between investment for growth and capital base

From the perspective of enhancing shareholder returns, in the fiscal year ended March 31, 2020, a dividend of ¥18 per share, an increase of ¥2 year on year, was paid. During the period of the plan, we will improve earnings by steadily carrying out various measures and implement shareholder returns that take into consideration the balance between investment for growth and a sound capital base. We will continue to aim to stably increase dividend per share through earnings growth while working to improve capital efficiency through flexible and agile acquisition of treasury shares.

■ Dividends paid



■ Results of shareholder returns

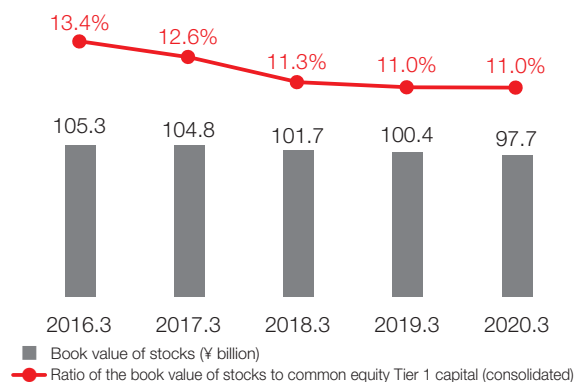


● Capital management ~ Maintaining financial soundness and improving capital efficiency

Consolidated common equity Tier 1 capital ratio as of March 31, 2020 was 11.51%, which was sufficient to meet the Basel requirements. In the process of finalizing Basel III which is scheduled to be implemented in or after 2023, consolidated common equity Tier 1 capital ratio and other ratios are expected to further improve. We will continue to maintain the financial soundness required for the stable provision of funding to the region while working to improve capital efficiency through active returns to shareholders including acquisitions of treasury shares and improve ROE to achieve the target figures for the final fiscal year of the plan.

In terms of cross-shareholdings, the ratio of the book value of stocks to common equity Tier 1 capital (consolidated) has decreased to 11.0% as of March 31, 2020. We manage the overall balance while appropriately verifying the validity of the rationale for holding each stock.

■ Book value of stocks and ratio to common equity Tier 1 capital (consolidated)



Regarding lifestyles in general including consumer behavior and work styles, individual values have diversified and the way customers think when choosing financial services has changed. In addition, with the advent of a super-aged society, banks are increasingly playing a vital role such as through post-retirement life planning and responses to dementia.

In order to grasp the status and needs of customers to provide optimal services to them, we deem it a key strategy to **“strengthen consulting functions that are closely linked to the lives of individuals.”**

Major Initiatives

● Supporting customers’ lives through proposal of insurance products using the Life Design System

The Bank is gradually expanding the introduction of the “Life Design System,” which is capable of conducting simulations of customers’ life plans and proposing optimal insurance products while confirming customers’ intentions.

The Bank will propose insurance products suitable for individual customers, as well as other various products and services, through consulting using the “Life Design System.”

● Response to financial needs at the time of housing purchase and other life events

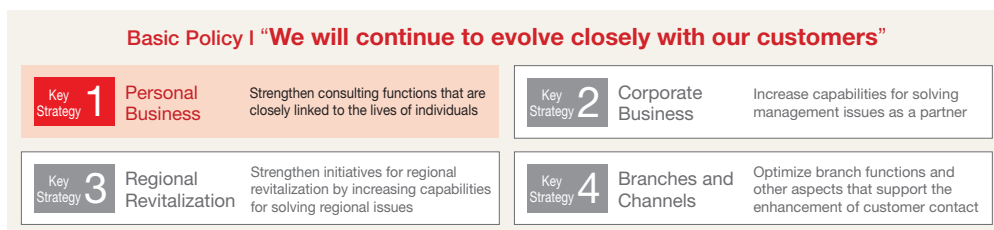
Chiba Prefecture offers commuters good access to central Tokyo and continues to experience an influx of child-raising households, and for this reason, housing loan demand is expected to remain strong.

In housing loans, advance screening through an app and the Internet is conducted to improve customer convenience. Moreover, we are improving the product lineup such as by introducing the “housing loan with special clause for support in the event of a natural disaster” which reimburses the homeowner for the monthly housing loan repayment up to 24 times when his or her home is completely or partially destroyed by a specified natural disaster, and also by expanding reverse mortgage type loans that support elderly customers lead a fulfilling life.

With regard to unsecured consumer loans, we are working to improve convenience for customers mainly through further penetration of the scheme that handles all processes over the Internet, and also continue to respond to a wide range of customer needs by strengthening our proposal capabilities using AI. In particular, we are working to expand card loans based on an assumption of sound use by those who need such loans, while thoroughly implementing control of ongoing credit by assessing the income situation of existing contract holders in order to prevent their borrowing from multiple lenders.

● Issuance of TSUBASA-Chiba Bank Visa Debit Card

In FY2020, we plan to issue the TSUBASA-Chiba Bank Visa Debit Card which can be used at Visa merchants and on the Internet. This card has various features including email notification of the account statement, contactless payment which allows users to pay by simply holding the card over a terminal, and TSUBASA Point which offers various perks.



Major Initiatives

● Supporting asset management/succession of elderly customers by using trust function

The Bank has obtained approval to engage in inheritance-related services and trust business. The number of contracts for inheritance-related services has remained strong, as customers appreciate our services that enable them to complete important formalities regarding their personal and family assets fully within the Bank, and to seek advice with less hesitancy.

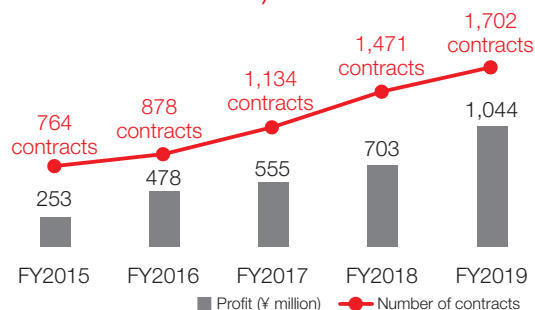
As a countermeasure for dementia, etc., which has been seeing an increase in cases, the Bank offers a scheme that enables customers’ families to smoothly manage customers’ assets by a family trust support service using a civil trust scheme.

Also, in the guardianship support trust, the guardian only manages the money required for daily life and other money is managed by the Bank.

■ Inheritance-related services and trust business

Inheritance-related services	Trust business
<ul style="list-style-type: none"> ● Testamentary trust ● Will preparation support service ● Inheritance sorting service ● Management succession support service ● Family trust support service 	<ul style="list-style-type: none"> ● Land trust ● Public interest trust ● Specified gift trust ● Guardianship support trust ● Alternative testamentary trust

■ Number of contracts for inheritance-related services (excludes contracts signed for other banks in the alliance)

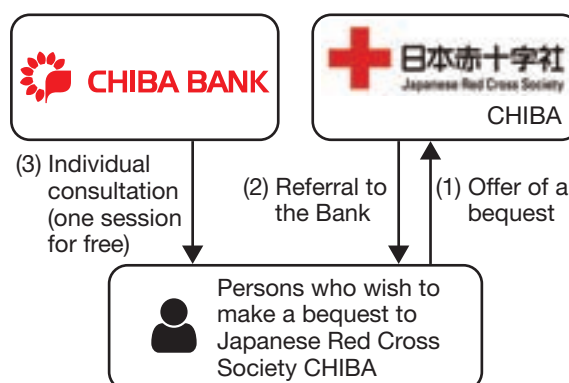


● Individual consultation services for those requesting bequests

There are increasing number of customers who wish to leave their assets as bequests to specific organizations rather than to individuals.

In March 2020, we concluded an agreement on bequests using wills with Japanese Red Cross Society CHIBA and commenced individual consultation services for those who wish to make bequests to the said organization. This represents the third such agreement concluded following similar agreements exchanged with Chiba City and Matsudo City.

■ Agreement scheme with Japanese Red Cross Society CHIBA



To realize a sustainable society, business operators are required to become aware of and respond to management issues based on the medium- to long-term outlook for the sustainability of their business environment and supply chain.

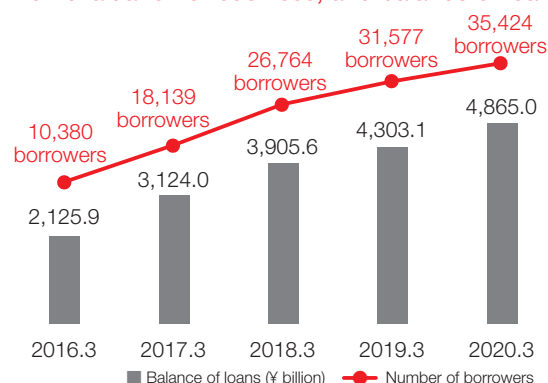
We conduct sophisticated consulting after sharing management issues with customers through in-depth dialogues with them, and deem it a key strategy to **“increase capabilities for solving management issues as a partner.”**

Major Initiatives

● Initiatives for evaluation of business

As a partner (advisor) of our customers, we proactively identify potential issues through ongoing dialogues and conduct advisory activities to solve such issues in providing various solutions. As a result of such activities, “the number of borrowers whose loans are based on the evaluation of business” exceeds 35,000, placing Chiba Bank at the top level of regional banks, and accounts for more than 70% of customers (74.0%). The balance of loans, too, is increasing steadily.

■ Number of borrowers whose loans are based on evaluation of business, and balance of loans



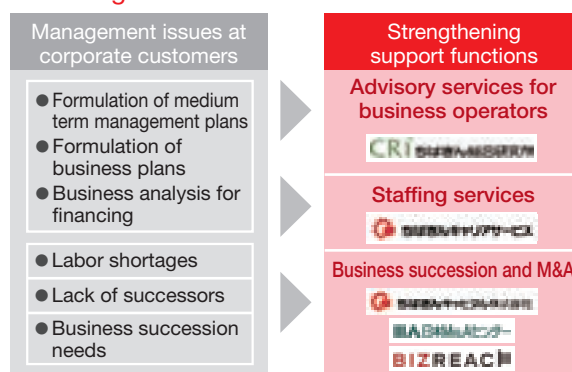
● Providing solutions to management issues through advisory services for business operators

The number of contracts for advisory services for business operators which mainly formulate business plans to solve customers’ issues has been increasing steadily since the advisory services started in November 2018.

By sharing management issues with our corporate customers through this service and collaborating with group companies and external expert companies as necessary, we propose diverse solutions including staffing services, business succession, and M&A.

(As of March 31, 2020: Cumulative total of 51 contracts)

■ Strengthening support functions for solving management issues



● Offering of private placement bonds contributing to community

The Bank offers Private Placement Bonds for Regional Revitalization (Mirai Hagukumi Bonds) and Private Placement Bonds for Sports Support (Chiba Sports Bonds) which companies contribute to communities through procurement of funds. The Bank makes donations from part of the underwriting fee we receive from private placement bond issuing companies. In June 2020, we started offering Private Placement Bonds for Healthcare Support (Gratitude to Healthcare Workers Bonds) with the aim of making contributions and donations to medical institutions, etc. engaged in response to COVID-19.

■ Amount of private placement bonds issued (cumulative total until March 31, 2020)

	Number of bonds issued	Amount of bonds issued	Contribution amount
Private Placement Bonds for Regional Revitalization [Mirai Hagukumi Bonds] ¹	547 bonds	¥53.1 billion	¥89 million
Private Placement Bonds for Sports Support [Chiba Sports Bonds] ²	45 bonds	¥4.2 billion	¥5 million

¹ Education-related goods are donated to schools designated by the issuing company.

² Money is donated to sports promotion projects run by local governments or sporting goods are donated to sports teams in Chiba Prefecture designated by the issuing company.



Major Initiatives

● Development of M&A service platform by the participating banks in the TSUBASA Alliance

We developed the M&A service platform among the participating banks in the TSUBASA Alliance as a collaborative measure of TSUBASA Alliance in October 2019. The M&A service platform is a common database which registers the M&A needs of each bank’s corporate customers and enables the exchange of information on suitable candidate companies with other participating banks for the selection of companies referred to.

We will increase opportunities mainly for M&A and business matching by utilizing the wide-area network of the participating banks in the TSUBASA Alliance, which have different operating areas, to provide more accurate solutions.

● Establishment of capital loans

In September 2019, we established the Chibagin Capital Loan as a new financing program to strengthen management support initiatives for customers who are facing such issues as undercapitalization or cash flow shortages.

Through the provision of long-term loans based on careful examination of due diligence and business plans, we will further strengthen relationships with customers by solving management issues including improving customers’ cash flow.

● Supporting the expansion of overseas businesses

The Bank has three branches and three representative offices overseas.

The Bank has taken initiatives to provide financial support to overseas subsidiaries of the Bank’s customers and alliance customers by means of the standby letter of credit system based on the Chiba-Musashino Alliance and the Chiba-Yokohama Partnership.

Customer needs for overseas expansion are growing every year. We have partnered with the alliance banks to support customers as they expand their businesses overseas, such as by providing the latest local information on overseas markets and supporting foreign trade transactions.



Regional Revitalization

We, as the top bank in the region, proactively participate in regional revitalization initiatives.

We have made efforts such as contributing to regional revitalization measures in coordination with local governments in the prefecture, and these efforts were selected by the Headquarters for Overcoming Population Decline and Vitalizing Local Economy in Japan of the Cabinet Secretariat Office also as a “unique example of a financial institution, etc. providing funding for regional revitalization.”

Moreover, we deem it a key strategy to **“strengthen initiatives for regional revitalization by increasing capabilities for solving regional issues”** including support for ongoing restoration/recovery from disasters caused by typhoons and heavy rains that occurred in 2019.

Major Initiatives

● Supporting the formation of compact cities and the development of diversified energy systems – Support for “Mutsuzawa Smart Wellness Town” –

We have participated in the “Smart Wellness Town Development Project^{*1},” which is deemed a priority project of the regional comprehensive strategies by Mutsuzawa Town, from the initial planning stage and assisted in commercialization including investment in CHIBA Mutsuzawa Energy CO., LTD., a new regional electric power company.

In recognition of these efforts, the project was selected by the Headquarters for Overcoming Population Decline and Vitalizing Local Economy in Japan of the Cabinet Secretariat Office as a “FY2019 unique example of a financial institution, etc. providing funding for regional revitalization” in May 2020.

■ Mutsuzawa Smart Wellness Town (Michi-no-Eki “Mutsuzawa Tsudoi-no-Sato”)



Provided by PACIFIC CONSULTANTS CO., LTD.

^{*1} A site building project to develop “rental housing for settlement” mainly for child-raising households together with health support type Michi-no-Eki (roadside station).

● Operation of an agricultural corporation

In March 2018, the Bank established an agricultural corporation, Fresh Farm Chiba Co., Ltd., with 15 local companies and other organizations. During FY2019, approximately 18 tons of Koshihikari and other rice were harvested on nearly four hectares of rice paddies. In FY2020, we have started farming Koshihikari rice and Fusakogane rice after expanding the rice paddy area to approximately 8.2 hectares.

The corporation is pursuing models of sustainable agriculture with joint investors in order to solve issues faced by the agricultural community such as a lack of people to carry on farming and an increase in abandoned farmland.

● Supporting projects utilizing Kominka (old Japanese style houses)

In March 2020, Komin Co., Ltd. (headquartered in Chonan Town) opened Guest House REN, Chiba Prefecture’s first old Japanese style house accommodation facility equipped with a music studio, in Chonan Town using the Chibagin Kominka Project Support Financing Program. This program is a financing program for business operators engaged in projects that promote tourism and create employment locally by using old Japanese style houses. A salient feature of this program is the flexible response suited to the characteristics of business including setting a deferment period by the Bank for the repayment of principal of up to three years in accordance with a plan by evaluating business factors such as business growth potential and validity of the plan.

The company renovates vacant old Japanese style houses into unique hybrid old Japanese style houses[®] with a view to leaving attractive woodland near a village with old Japanese style houses for future generations, and is utilizing them as business assets. The Bank will support the company’s projects going forward and also continue to support projects using historic resources such as old Japanese style houses within the prefecture.

Basic Policy I “We will continue to evolve closely with our customers”					
Key Strategy 1	Personal Business	Strengthen consulting functions that are closely linked to the lives of individuals	Key Strategy 2	Corporate Business	Increase capabilities for solving management issues as a partner
Key Strategy 3	Regional Revitalization	Strengthen initiatives for regional revitalization by increasing capabilities for solving regional issues	Key Strategy 4	Branches and Channels	Optimize branch functions and other aspects that support the enhancement of customer contact

Major Initiatives

● Implementation of financial support for disaster restoration/recovery

As a result of the typhoons and heavy rains that occurred in 2019, Chiba Prefecture suffered enormous damage and some branches of the Bank, too, were damaged. We promptly provided financing to customers affected by such disasters through the Chibagin Disaster Restoration Financing Program.

In addition, in January 2020, the Bank established the Chiba Disaster Restoration Support Fund Investment Limited Liability Partnership (Chiba Disaster Restoration Support Fund) jointly with five regional financial institutions headquartered in Chiba Prefecture (Keiyo Bank, Chiba Kogyo Bank, Boso Credit Union, Choshi Shoko Credit Union, Kimitsu Credit Union), Chiba Credit Guarantee Association and Development Bank of Japan.

This fund provides medium- to long-term support to SME operators who are temporarily experiencing worsening business performance as a result of being affected by natural disasters and SME operators engaged in regional revitalization projects aimed at supporting recovery through such means as corporate bond underwriting and acquisition of shares. From June 2020, this fund has started to newly cover SME operators who are experiencing worsening business performance as a result of COVID-19 pandemic.

● Supporting recovery of affected areas through cycling stamp rally around Minami-Boso and Miura Peninsula

As a collaborative measure of the Chiba-Yokohama Partnership, we hosted a cycling stamp rally event in which cyclists biked around Boso Peninsula and Miura Peninsula during the period from February to early April 2020. Participants of this event biked through an approximately 200 km cycling road, which is connected by the Tokyo Bay Ferry, in a stamp rally. At the stamp site, participants also used “Miyagetto,” which sends online catalog gifts of local specialties by reading the QR code.

Through such events, we will support regional revitalization and recovery in collaboration with neighboring local governments and tourist facilities.

■ Operations by means of mobile branch^{*2}



*2 The mobile branch is provided by Toho Bank

■ Minami-Boso & Miura Peninsula Cycling Stamp Rally



Branches and Channels

As the channels for providing financial services are changing amid the diversification of customers’ lifestyles, the Bank is reviewing the position and functions of branches.

Meanwhile, branches remain as “important contact points with customers.” As such, in order to ensure a balance in the branch network to maintain relations with customers while improving the efficiency of branch operation, we deem it a key strategy to **“optimize branch functions and other aspects that support the enhancement of customer contact.”**

Major Initiatives

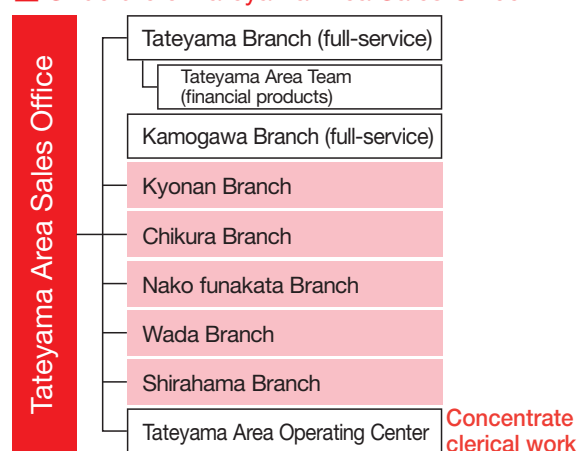
● Optimizing the branch network for each area

In order to provide optimal services while ensuring contact points with customers, we are rebuilding the branch network for each area.

As the first initiative, we newly established the Tateyama Area Sales Office which oversees the seven branches of the Awa district in April 2020. By doing so, we will share know-how through further collaboration among branch general managers and conduct cross-area information gathering while utilizing the dense branch network within the area, as well as actively and swiftly conduct community-based activities such as regional revitalization to provide higher quality services.

As for clerical work, we established the Tateyama Area Operating Center to centralize branch clerical work within the area in July 2020. We are proceeding with centralizing clerical work within the area while also conducting efficient branch operation by flexibly assigning personnel.

■ Structure of Tateyama Area Sales Office



● Opening *Hoken No Madoguchi@Chibagin* within the Bank’s branches

In order to support customers’ secure living, we provide protection-type insurance products in preparation for unexpected events in the future, including medical and cancer insurance and nursing care insurance.

In April 2020, we opened the insurance shop *Hoken No Madoguchi@Chibagin* in the Bank’s Inage Branch through business alliance with the Hoken-no-Madoguchi Group. This is the fifth location of *Hoken No Madoguchi@Chibagin* since the simultaneous opening of two locations in October 2017.

At *Hoken No Madoguchi@Chibagin*, specialist staff introduces insurance products according to the customer’s life plan from among an extensive product lineup.

■ *Hoken No Madoguchi@Chibagin*





Major Initiatives

● Introducing “TSUBASA Smile” to all branches to improve efficiency of branch procedures

“TSUBASA Smile,” a counter reception system that the Bank jointly developed with Daishi Bank and Chugoku Bank of the TSUBASA Alliance, is equipped with a navigation function and automatically makes routine judgments, enabling the easy handling of complicated procedures. For example, “TSUBASA Smile” completes the new account opening procedure by simply pushing buttons on a screen while talking face-to-face with the customer, thereby enabling the system to control input errors and smooth handling of the process.

Following the trial which began in April 2019, we started introducing “TSUBASA Smile” in January 2020, aiming to equip all branches with the system, which would improve efficiency of branch procedures.

We are also expanding the headquarters centralization of wide-ranging clerical work with a low number of cases handled at each branch in developing an operation structure consisting of a small number of staff at our branches.

■ Branch procedures using “TSUBASA Smile”



● Strengthening the consultation structure at branches by means of remote terminals

The use of remote terminals allows customers at branches and specialized staff at the headquarters to have audio-visual communication and engage in consultations while sharing materials.

We are working to improve customer satisfaction through the provision of consulting services requiring a high level of expertise by specialized staff at the headquarters by means of remote terminals.

Remote devices have been installed at 26 branches as of March 31, 2020. We plan to expand the use of such devices to all branches going forward.

■ Consultation structure by means of remote terminals



With the digitalization of society, new services using digital technologies centered on non-face-to-face channels are expanding in financial transactions as well.

In addition to this, we deem it a key strategy to “provide new value through the use of digital technologies and all types of information resources” including the provision of high-value-added services through analysis of information utilizing a vast amount of transaction records processed every day.

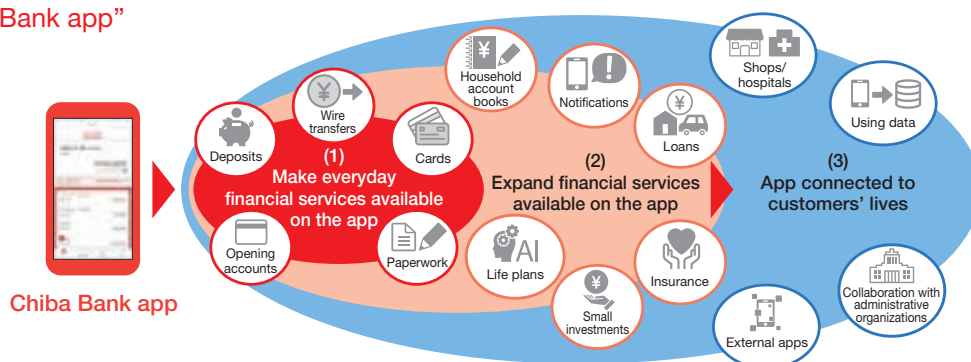
Major Initiatives

● Expanding service offerings of the “Chiba Bank app”

The Bank positions the “Chiba Bank app” as the most important channel for realizing digitalization. In the renewal of the app in April 2020, we further enhanced convenience mainly by adding individual authentication by means such as fingerprint and facial recognition, balance inquiry and deposit/withdrawal statement inquiry features, and features for transfer between one’s own accounts. Going forward, we will continue making improvements to enhance convenience while reflecting customer feedback.

Furthermore, we will aim to make the “Chiba Bank app” an app connected to living that can be used in various life situations and become the starting point for customers’ lives in the community through small amount payment and cashless payment, dissemination of information according to the transaction status, and strengthening of collaboration with various external businesses by taking advantage of the characteristics of smartphones that people carry around all the time.

■ “Chiba Bank app”



● Providing the TSUBASA-Chiba Bank Cashless Services for Merchants

We started providing the TSUBASA-Chiba Bank Cashless Services for Merchants for business operators in October 2019. In this service, all-in-one multi-payment terminals compatible with major payment brands in Japan and overseas are provided, making it unnecessary for customers to install multiple dedicated terminals according to the payment method. The transfer statement can be checked online, rendering it unnecessary to use paper. The number of merchants has been increasing steadily since the launch of this service, with the number standing at 3,064 as of March 31, 2020.

In February 2020, we provided this service for the payment of issuance fees such as for certificates of residence and tax certificates at the city office of Narashino City as the first initiative for the local government in the prefecture.

■ Multi-payment terminal for the TSUBASA-Chiba Bank Cashless Services for Merchants



Basic Policy II “We will continue to create new value for our customers’ future”

<p>Key Strategy 5 Digital and Information</p> <p>Provide new value through the use of digital technologies and all types of information resources</p>	<p>Key Strategy 6 New Businesses</p> <p>Create new services and operate new businesses beyond the existing framework</p>
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Major Initiatives

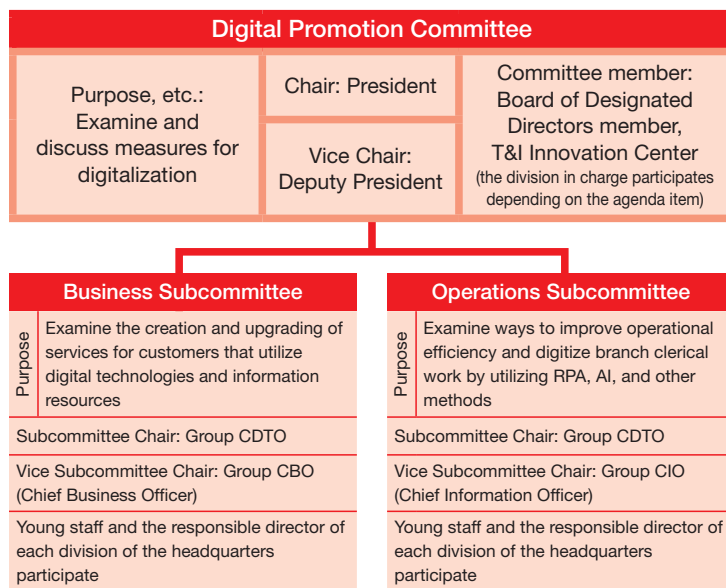
● Assignment of Group CDTO and establishment of Digital Promotion Committee

In April 2020, the Bank appointed the Group CDTO (Chief Digital Transformation Officer) to reinforce the group structure for promoting digital strategies. The Group CDTO is responsible for overseeing the group-wide digital strategies for realizing digital transformation.

Furthermore, the Digital Promotion Committee chaired by the President was newly established. The Digital Promotion Committee is committed to dramatically advancing the digitalization across our group by invigorating discussions while the management team appropriately monitoring the implementation status of digital-related measures. This committee has two subcommittees, the Business Subcommittee and the Operations Subcommittee, which are chaired by the Group CDTO.

The Business Subcommittee examines the creation and upgrading of services for customers that utilize digital technologies and information resources, and the Operations Subcommittee examines ways to improve operational efficiency and digitize branch office operations by utilizing RPA, AI, and other methods. At these subcommittees we will utilize ideas solicited from young staff in discussing digital-related measures.

■ Digital Promotion Committee



● Established the Information Strategy Office to support advanced usage of information

In April 2020, the Information Strategy Office was newly established in the Business Planning Division with an aim to enhance the sophistication of information usage.

The Information Strategy Office, which oversees marketing strategies, performs marketing activities via website, social media, CRM and database as well as proposes plans and provides support for divisions regarding usage of customer data. Through such operations, the office aims to promote advanced use of information.

In addition, by developing a system that centrally manages and effectively uses various information, we will accurately grasp the needs of customers with a view to making proposals and providing information in a customer-oriented manner more than before.

New Businesses

Owing to deregulation and progress in FinTech, the Chiba Bank Group is working to create new businesses through cooperation with external partners amid the expansion of financial services beyond the boundaries of the industry.

In addition, we have started to provide know-how and functions accumulated by the group to other financial institutions and organizations, and deem it a key strategy to **“create new services and operate new businesses beyond the existing framework.”**

Major Initiatives

● Creation of new services using the TSUBASA FinTech Platform

The Bank developed the TSUBASA FinTech Platform jointly with the participating banks in the TSUBASA Alliance and T&I Innovation Center^{*1} in April 2018.

This platform is an open API platform^{*2} that allows FinTech companies and other external businesses to connect under the same specifications, and currently coordinates with PFM^{*3}, automatic savings service and various other FinTech services.

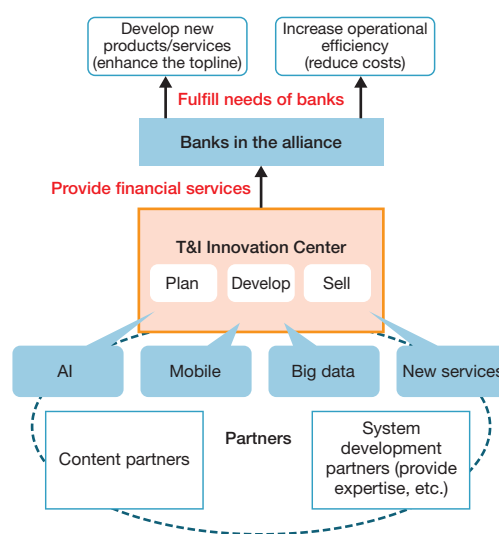
Going forward, we will use the TSUBASA FinTech Platform to promote open innovation in collaboration with external businesses.

^{*1} T&I Innovation Center was established jointly by the participating banks in the TSUBASA Alliance (Chiba Bank, Daishi Bank, Chugoku Bank, Iyo Bank, Toho Bank, and North Pacific Bank) and IBM Japan in July 2016 and is engaged in surveys, research, and development related to FinTech.

^{*2} API is an abbreviation for Application Programming Interface, and refers to interface that enables external connections to the bank system for the safe acquisition of data with the customer's consent. In open API, the specifications, etc. are disclosed to FinTech companies and other external businesses.

^{*3} PFM is an abbreviation for Personal Financial Management and refers to personal asset management.

■ Creation of new services



● Aiming to create new businesses with FinTech ideas

T&I Innovation Center and the participating banks in the TSUBASA Alliance hold FinTech business contests, through which they aim to create new businesses for the transformation of the banking business.

In this contest, we widely solicit ideas and plans that may transform the banking business itself by fully utilizing management resources including big data, system infrastructure, and customer networks of regional banks.

In the second FinTech business contest held in March 2019, bspr co., Ltd. (headquartered in Shibuya-ku, Tokyo), which aims to expand the use of comprehensive services for preventing dementia by means of the networks of regional financial institutions, received the top award, and a total of six companies, including bspr co., Ltd., were commended.

T&I Innovation Center and the participating banks in the TSUBASA Alliance jointly consider collaboration with the companies that were commended with a view to realizing the ideas and plans from the companies.

Basic Policy II “We will continue to create new value for our customers’ future”

<p>Key Strategy 5 Digital and Information</p> <p>Provide new value through the use of digital technologies and all types of information resources</p>	<p>Key Strategy 6 New Businesses</p> <p>Create new services and operate new businesses beyond the existing framework</p>
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Major Initiatives

● Chibagin Servicer Co., Ltd. (Chiba Servicer) started the management and collection of claims of other companies under entrustment

In July 2019, Chibagin Servicer Co., Ltd. (Chiba Servicer) started the management and collection of claims of other financial institutions, etc. under entrustment as well as the purchase of such claims.

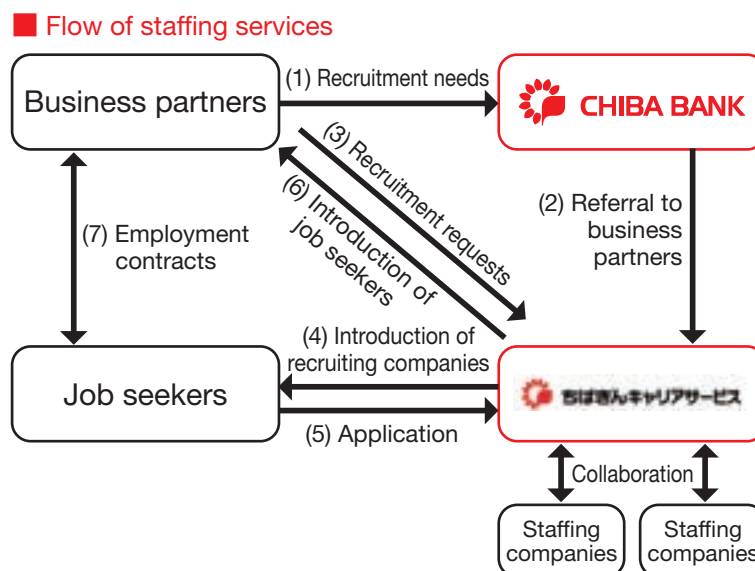
In the management and collection of claims under entrustment, claims are managed and collected efficiently and staff with a high level of awareness of compliance and a wealth of practical experience provides courteous services. The claim purchasing service utilizes know-how accumulated by the Bank.

Chibagin Servicer Co., Ltd., as the only regional bank-affiliated servicer in the Kanto region, aims at regional revitalization through outsourcing of non-performing loans and rehabilitation projects in the region in collaboration with other financial institutions.

● Chibagin Career Service Co., Ltd. started staffing services for corporate customers

In April 2019, Chibagin Career Service Co., Ltd. started staffing services for corporate customers. The company had been offering staffing services to our group up until now. By making use of its experience and know-how, the company responds to various personnel needs of corporate customers such as for management executives, successors, and staff in charge of practical matters.

Also, in April 2020, the company began offering job search services mainly for executives in management divisions (general administration, human resources, accounting, etc.) and staff in management positions. Chibagin Career Service Co., Ltd. has up to now been engaged in staffing services centered on recruitment. Going forward, it will provide the full spectrum of services from identifying personnel needs to follow-up after entering companies in an effort to improve the accuracy of personnel matching.



● Establishment of New Business Strategy Team

In April 2020, we newly established the New Business Strategy Team within the Planning Department of the Corporate Planning Division. This team oversees new businesses and plans policies for cross-industry collaboration to strengthen new business planning.

The Bank has implemented collaborative measures through the Chiba-Musashino Alliance and the Chiba-Yokohama Partnership in the Tokyo Metropolitan area, and the TSUBASA Alliance has expanded in scale to 10 participating regional banks. The Bank endeavors to “**advance collaboration with other banks**” with an eye to collaboration in a wide range of domains not only on the system front. Deeming “**enhance collaboration with companies in other industries**” as a key strategy, we will also challenge ourselves in new business domains that are not extensions of existing banking operations to create new advanced services.

Major Initiatives

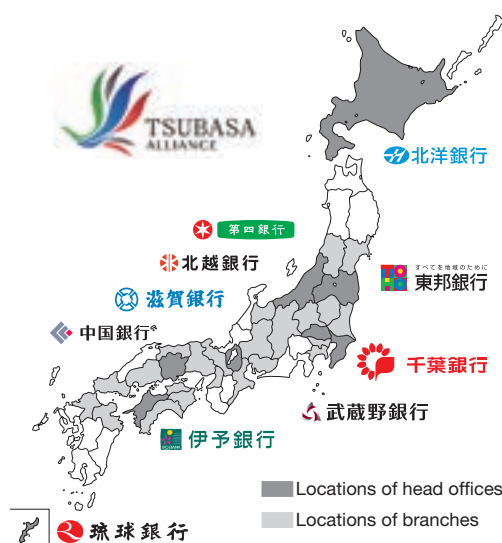
● TSUBASA Alliance* expands with the participation of new banks

The TSUBASA Alliance, which is a framework for wide-area cooperation among regional banks, reached a final agreement with Toho Bank to use a common main frame system in September 2019.

Bank of The Ryukyus newly participated in April 2020, making the TSUBASA Alliance the largest regional bank alliance with a total of 10 participating banks. The consolidated total assets of the 10 banks amount to approximately ¥70 trillion (as of March 31, 2020).

* Chiba Bank, Daishi Bank, Chugoku Bank, Iyo Bank, Toho Bank, North Pacific Bank, Hokuetsu Bank, Musashino Bank, Shiga Bank, and Bank of The Ryukyus are participants of the alliance.

■ Locations of branches of the participating banks in the TSUBASA Alliance



● Establishment of the jointly funded company TSUBASA Alliance Co., Ltd.

In July 2020, TSUBASA Alliance agreed to establish TSUBASA Alliance Co., Ltd. through joint investment by the participating banks in order to realize the strongest regional bank alliance that is differentiated from management integration while sharing the vision of the alliance. For the purpose of proceeding with initiatives that are one step ahead in the financial industry, the company seeks to realize platformization of the functions held by each bank and utilize the accumulated know-how based on the recognition that the banks will adapt to changes in the external environment by combining their wisdom.

● Enhance collaboration through the Chiba-Musashino Alliance

Collaborative measures through the Chiba-Musashino Alliance are making steady progress particularly with respect to services such as inheritance-related services, syndicated loan arrangements, and customer introduction.

In October 2019, the Chiba Bank and the Musashino Bank opened the Ikebukuro Branch as a joint branch and enhanced collaboration mainly through efficient branch operation by offering some front-of-branch operations on each other's behalf by mutual outsourcing and subcontracting of bank agency operations.

■ Chiba Bank/Musashino Bank Ikebukuro Branch



Basic Policy III “We will advance alliance strategies”

Key Strategy 7

Collaboration with Other Banks

Advance collaboration with other banks

Key Strategy 8

Cross-Industry Collaboration

Enhance collaboration with companies in other industries

Major Initiatives

● Strengthening collaboration through the Chiba-Yokohama Partnership

In the Chiba-Yokohama Partnership, which started in July 2019, measures for regional customers led by sales departments of both banks are steadily implemented in such fields as corporate, personal, and regional revitalization as collaboration among top regional banks that are both located in the Tokyo Metropolitan area.

The synergistic effects are expected to total approximately ¥20.0 billion for the two banks over the next five years.

■ Main collaborative measures

(Corporate field)

Expand market share of both banks in the Tokyo area based on appropriate risk management

(Personal field)

Utilization of the base of transactions with approximately 9.3 million individual customers of both banks

(Regional revitalization)

Support regional revitalization and disaster recovery through joint measures

(Other)

Consideration of new businesses, sharing of know-how



[Synergy amount]

Total of ¥20.0 billion over five years

● Establishment of “New Businesses Co-creation Project” through the Chiba-Yokohama Partnership

In October 2019, we launched the “New Businesses Co-creation Project” as a collaborative measure of the Chiba-Yokohama Partnership. We are pursuing sophistication and diversification of solutions to customers by assigning three employees each from both banks (a total of six employees) to the co-working space in Shibuya, where various companies gather, to consider new businesses and work on service collaboration with external companies.

■ Shibuya co-working space



● Increasing mid-career recruitment from the perspective of enhancing interaction with different industries

We have been strengthening mid-career recruitment on an ongoing basis since the previous medium term management plan. Given the active career-change market and the ongoing need for specialists and personnel who possess practical skills in order to execute the key strategies described in the current medium term management plan, our policy is to further step up mid-career recruitment activities in a wide range of fields such as IT/digital, M&A, management consulting, inheritance and trust, and risk management and improve both the quality and quantity of such activities.

Human Resources

The Chiba Bank Group is working on development programs and allocation of personnel so that all employees can make use of their expertise and maximize their potential with a view to improving customer experience.

Deeming “**build a rewarding company and enhance human resource development (organizational culture and human resources)**” as a key strategy, we are actively working to build a rewarding organization for employees where diverse human resource can play active roles.

Major Initiatives

● Improve expertise of employees (set a quota for human resource development and newly establish Human Resources Development Office)

We hold training inside and outside the Bank and workshops where participants from different industries can interact with each other in order to improve the expertise of employees. During the period of the medium term management plan, we set a quota for human resource development of 150 persons to focus on their development.

We also newly established the Human Resources Development Office in the Human Resources Division in April 2020 in an effort to advance human resource strategies including hiring, development, allocation, evaluation and working conditions.

● Utilization of personal data and effective human resource development

We will work to accumulate personal data of employees and realize the strategic allocation and development of human resources through system analysis.

We will also engage in development by including training outside the Bank, external trainees, and dispatch to other companies and adding programs that provide practical experience in a shift from human resource development which had been centered on training held inside the Bank.

● Firmly establish work style reforms and improve productivity

Many employees experienced working from home in response to COVID-19.

We believe that work from home mainly through telework and flex-time system, as well as online meetings and video conferencing, allow employees to work without being bound by the place or time, thus leading to a balance between work and family and an increase in the number of hours that men spend on housework and childcare.

We will further improve productivity by firmly establishing such flexible work styles.

● Make group-wide use of diverse human resources

The Chiba Bank Group has introduced the Elderly Staff System that reemploys employees who retired at the age of 60 and uses experienced and capable elderly staff in various workplaces.

In July 2019, we established the Elderly Partner System to employ former employees of the Bank over the age of 65.

At Chibagin Heartful Co., Ltd., a special subsidiary for the employment of people with disabilities, an employee received a prize for excellence as a professional with disability who achieved exemplary performance in the Minister of Health, Labour and Welfare Award to Commend Excellent Workplaces that Employ People with Disabilities in September 2019.

■ Symbol/logo for promotion of diversity



(Utilization of diverse human resources)

· Number of employees with disabilities*1

159.5

*1 Figure for calculating the group's employment rate of people with disabilities in FY2019



Major Initiatives

● Support the active participation of women and balance between work and childcare

In the Chiba Bank Group Declaration on SDGs, promotion of diversity is deemed as one of the key priority issues as a management strategy.

With regard to supporting the active participation of women and balance between work and childcare, we implement various measures including enhanced female development programs such as the mentor system for nurturing managers, leave for morning sickness and infertility treatment, and a work re-acustoming system for employees planning to return to work after taking childcare leave.

We also act as the secretariat for the Talent Bank for Regional Banks³, an organization that assists regional bank employees in continuing their careers.

In March 2020, we became the first financial institution to be selected as “FY2019 New Diversity Management Selection 100 Prime” by the Ministry of Economy, Trade and Industry. The Bank was selected as “FY2014 Diversity Management Selection 100.” In this year’s selection, we were recognized for expanding the roles of women and changing the organizational culture through work style reforms and our efforts to promote diversity management by involving the regional banking industry and local communities.

(Active participation of women)

(1) Number of women in senior positions	
Director	2
Executive Officer (General Manager)	1
Corporate Officer (General Manager)	1
Headquarters General Manager	4
Branch General Manager, Senior Manager, Senior Deputy General Manager	25
(2) Percentage of women in management positions	17.6%
(3) Percentage of women in leader positions	31.7%

(Supporting balance between work and childcare)

(4) In-house nursery facilities	3 in the prefecture
(5) Percentage of men taking childcare leave ²	112.9%

(1)-(3) are figures as of July 2020, and (4) and (5) are figures as of March 2020

² Calculated by dividing the number of men who took childcare leave within the year by the number of male employees whose spouses gave birth within the year.

Number of reemployed persons through Talent Bank for Regional Banks³

Cumulative total as of March 31, 2020 **205**

³ An organization that introduces the employee to another regional bank in the area of his or her new home in the event that the employee plans to quit due to a move as a result of life changes, such as getting married or accompanying a working spouse who is transferred to another location, in order to assist regional bank employees in continuing their careers. We act as the secretariat.

■ External evaluation of diversity



Selected as “FY2019 New Diversity Management Selection 100 Prime”



Constituent of FY2019 MSCI Japan Empowering Women (WIN) Select Index



Selected “FY2019 Nadeshiko Brand”



“Platinum Kurumin” certified



“L Star” designation

Growth Strategy for “Sustainable Management”

BPR (Business Process Re-engineering: Operational Reforms)

System development has completed for improving efficiency in front-of-branch and in-branch operations and lending operations in operational reforms which have been pursued since the previous medium term management plan, and the transition from trial to implementation at all branches will be made gradually from FY2019 to FY2020. Simplification, headquarters centralization, and systematization drastically reduce branch operations. It is our policy to proceed with improving operational efficiency mainly by expanding operations using RPA for the headquarters operations too, and to deem **“improve productivity and realize diverse work styles”** as a key strategy.

Major Initiatives

● Drastic reform of sales and lending operations by using the sales and lending operation support system

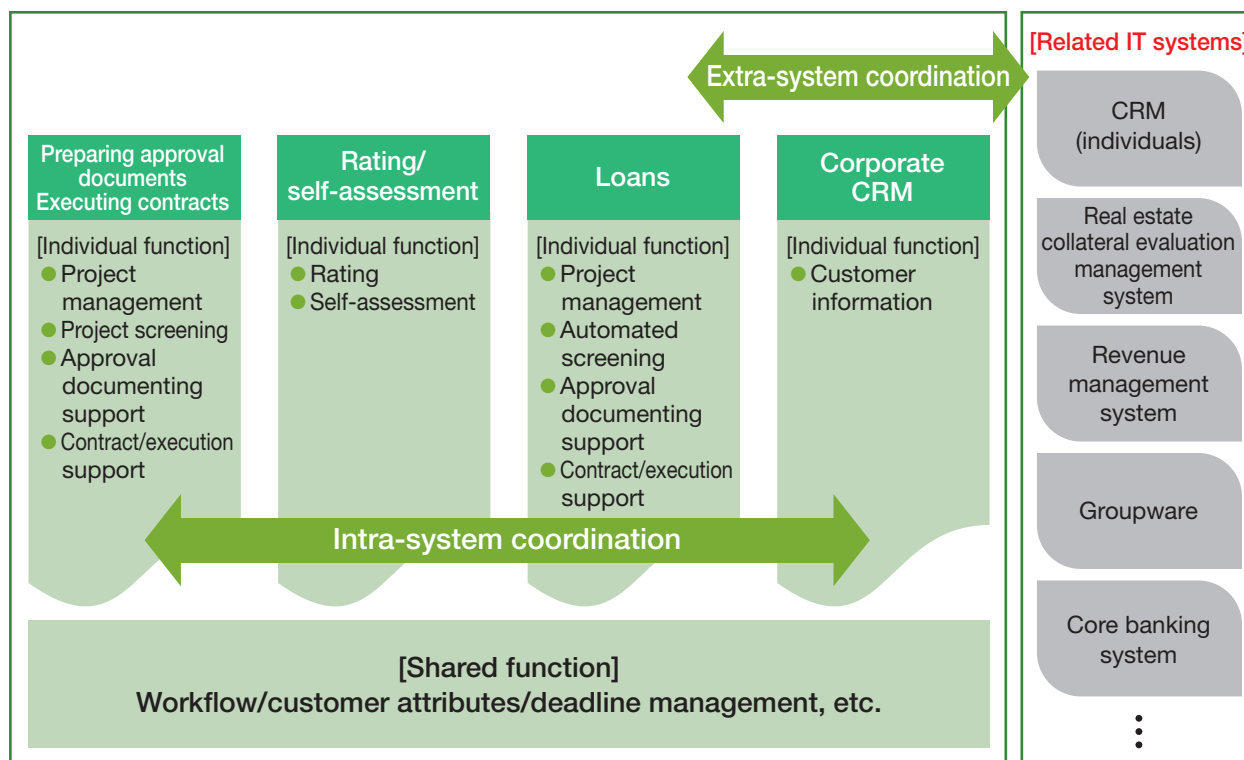
In February 2020, the sales and lending operation support system was introduced into all branches. This system was developed with the aim of integrating multiple existing systems (lending operation management, credit rating, self-assessment*1, automatic screening for loan*2, CRM) and developing the necessary functions to improve screening efficiency, realize headquarters centralization and paperless transactions, as well as enhancing coordination with related systems.

The introduction of this system eliminates inefficient existing operations that use multiple systems while also aiming to improve productivity to cut the branch operation processing time roughly in half by enhancing coordination of sales activities and loan screening operations.

The clerical work for loan execution operations will be concentrated in two loan clerical work centers in Chiba Prefecture, and headquarters centralization will also be implemented.

*1, *2 The system release for the functions of credit rating, self-assessment, and automatic screening for loan is scheduled for August 2020.

■ Sales and lending operation support system





Major Initiatives

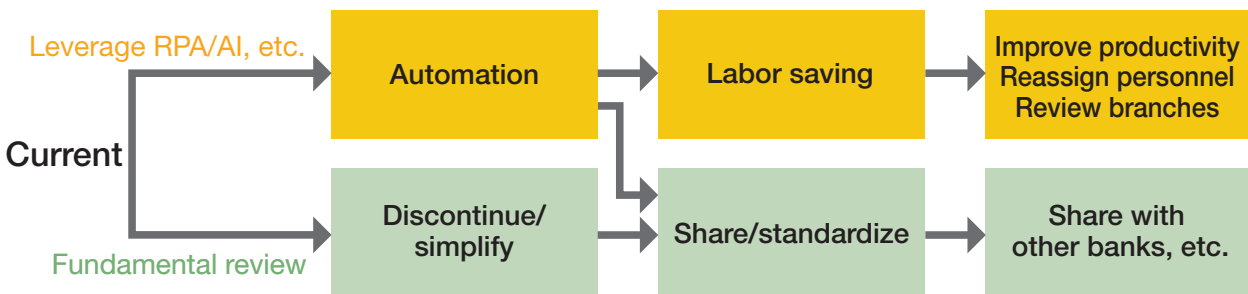
● Improve productivity by using RPA and AI

With the introduction of RPA^{*3} in April 2018, we have been improving operational efficiency mainly for divisions of the headquarters in which clerical work is concentrated.

Along with centralization of headquarters clerical work, we will expand the use of RPA and AI and work to improve overall productivity of the Chiba Bank Group while collaborating with group companies.

By establishing the Work Efficiency Promotion Office in the Corporate Planning Division in April 2020, we aim to improve efficiency by 200,000 hours (equivalent to 100 employees) during the period of the medium term management plan.

■ Initiatives to improve productivity



^{*3} RPA is an abbreviation for Robotic Process Automation. System for automating routine administrative tasks through software using robot technology.

● Realize flexible work styles

We promote flexible work styles according to the lifestyles of employees and have introduced telework and flex-time system. The new head office building scheduled to be completed in September 2020 will have a free area where employees from different floors and departments can interact with each other and environments developed for improving productivity.

■ Free area of the new head office building (image)



Materiality in “Sustainable Management”

We at the Chiba Bank Group 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, as a unified group, will proactively promote initiatives that contribute to solving social issues through its business activities, and support the sustainable growth of the region based on five materiality issues identified in the Chiba Bank Group Declaration on SDGs.

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.

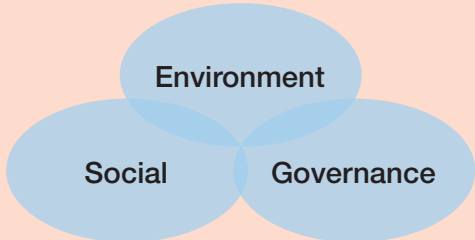
Each executive and employee of our group is actively working with awareness of their involvement in these activities. Through information disclosure, we will foster a better relationship of trust with our stakeholders and create a “new future for regional communities.”

Concept of “Sustainable Management”

**Sustainable Management =
Long-term Aim + 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.

As Chiba Prefecture, the main business area of the Bank, is facing changes in the environment such as difficulty in business succession due to a lack of successors, the arrival of a super-aged society, the advance of digitization, changes in personal lifestyles, and the increasing intensity of natural disasters due to climate change, as well as various societal issues arising from these changes, we need to be prepared for the prospect of a declining population over the medium to long term.

With elements of materiality in the five fields of “regional economy and community,” “aging population,” “financial services,” “diversity” and “environmental protection,” as set forth in the Chiba Bank Group Declaration on SDGs, enacted in May 2019, having been incorporated into the medium term management plan, we are working on specific activities to solve local problems.

Chiba Bank Group Declaration on SDGs		Main Initiatives	Related Pages
Theme	Materiality		
Regional Economy and Community	Contribute to the vitalization of regional economy and communities	<ul style="list-style-type: none"> ● Business succession support (M&As, etc.) (pages 27 and 28) ● Advisory services for business operators (page 27) ● Introduction of human resources such as executive personnel, specialist engineers, etc. (pages 27 and 36) ● Initiatives to develop industries (venture founding support, industry-academia collaboration, etc.) (pages 49 and 50) ● Support for regional revitalization and disaster recovery (pages 29 and 30) ● Attracting companies (Narita Airport area, etc.) (page 13) ● Services offered by the entire group (page 14) ● Support for tourism-related business, promotion of transactions (pages 29 and 30) 	
Aging Population	Support safe and secure lives for the elderly	<ul style="list-style-type: none"> ● Asset succession support (testamentary trust, inheritance sorting service, etc.) ... (page 26) ● Support for dementia (family trust support service, guardianship support trust) ... (pages 26 and 61) ● Support for healthcare and nursing business, promotion of transactions (pages 35 and 50) ● Initiatives to prevent financial crimes including wire transfer fraud (page 60) ● Monitoring of elderly and other persons who may need care, and installation of wheelchairs and AEDs (page 62) 	
Financial Services	Provide financial services for a better life	<ul style="list-style-type: none"> ● Expansion of financial services using the internet and smartphones (page 33) ● Expansion of high-quality financial services (consulting services, etc.) ... (pages 25, 26, 31 and 32) ● Proposal of insurance products by utilizing the Life Design System (pages 25 and 31) ● Optimization of branch network by area (page 31) ● Providing the TSUBASA-Chiba Bank Cashless Services for Merchants (page 33) ● Responding to financial needs at the time of housing purchase and other life events (reverse mortgages, etc.)..... (page 25) 	
Diversity	Promote diversity and work style reforms	<ul style="list-style-type: none"> ● Improving motivation for the active participation of women and long-term career building support (page 40) ● Utilization of diverse human resources by expanding their roles at work (increasing mid-career recruitment, Elderly Partner System, hiring of people with disabilities, etc.) (pages 38 and 39) ● Promotion of flexible work styles (pages 39 and 42) 	
Environmental Protection	Contribute to the protection of a sustainable environment	<ul style="list-style-type: none"> ● Contribution to environmental protection through the main business (promoting initiatives for renewable energy business, etc.) (page 48) ● Forest development activities (Chibagin Forest) (page 47) ● Initiatives against climate change (endorsement of TCFD recommendations) ... (pages 45, 46 and 47) ● Preparedness for natural disasters (BCP) (page 67) ● Support for environmental business, promotion of transactions (page 48) 	

Response to Climate Change

Chiba Prefecture, our main business area, was greatly damaged by typhoons that struck the Boso Peninsula one after the other in September and October 2019. Global warming is given as one of the causes of the huge typhoons, and the damage caused by the typhoons is considered to be the result of climate change risk. In light of this, in December of last year, the Bank made clear its endorsement of the TCFD (Task Force on Climate-related Financial Disclosure) recommendations and will begin appropriately disclosing climate change-related financial information.

Governance

Matters relating to the identification, assessment and management of climate change opportunities and risks are discussed by the ESG Promotion Committee, chaired by the President and held semiannually.

In addition, important climate change-related initiatives are then reported to the Board of Directors.

Strategy

The Chiba Bank Group Sustainability Policy has been established to promote environmental initiatives including climate change throughout the entire Chiba Bank Group. In addition, the Chiba Bank Group Declaration on SDGs stipulates that environmental protection that includes measures against climate change is a priority issue to be dealt with.

● Opportunities and risks that climate change brings to our operations

We are carrying out qualitative scenario analysis on the opportunities and risks that climate change has on our operations using two scenarios for future climate change: a “2°C scenario” (a scenario in which global warming does not progress with the temperature increase stopping at the present level) and a “4°C scenario” (a scenario in which global warming progresses even further with temperatures increasing significantly). (Please see page 46, “Scenario analysis.”)

The carbon-related asset credit exposure^{*1} accounts for approximately 1.1% of total credit exposure. We will continue to analyze carbon-related assets as stranded assets.

In addition, we have established a loan policy to clarify the Bank’s approach to credit in specific sectors where lending efforts are expected to have a large impact on society and the environment, including climate change. (Please see page 47.)

^{*1} Carbon-related asset credit exposure

Credit exposure for the energy and utility sectors is based on the definitions recommended in the TCFD recommendations.

The totals for loans, acceptance of payment, foreign exchange, private placement bonds, etc. are as of March 31, 2020. Note, however, this excludes water supply businesses and renewable energy power generation businesses.

Risk Management

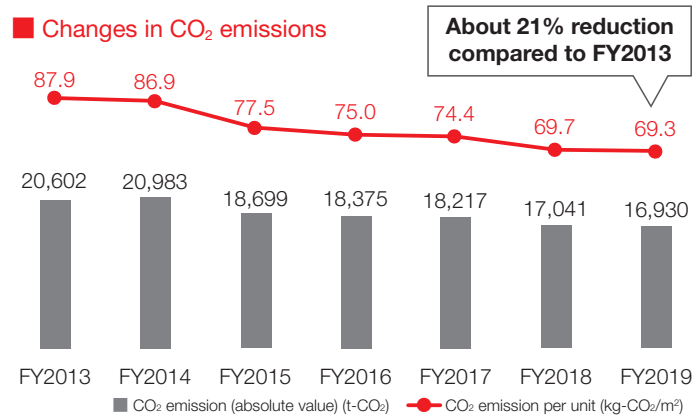
We manage climate change risks out of recognition that climate change could have significant financial consequences in the future.

Specifically, we will take various measures as necessary to manage credit risk caused by the impact of climate change on the business activities of our business partners and changes in business conditions, and operational risk caused by damage to branches.

Indicators and Goals

We have set “reducing CO₂ emissions^{*2} by 2030 by 26% compared to FY2013” as our goal for reducing CO₂ emissions. CO₂ emissions per unit area in FY2019 were reduced by approximately 21% compared to FY2013.

^{*2} CO₂ emissions (absolute value) are calculated by adding Chiba Bank’s SCOPE1 and SCOPE2 CO₂ emissions, given in our regular report under the Act on the Rational Use of Energy, to the CO₂ emissions of group companies as measured using the same standard.



Scenario analysis

2°C scenario ^{*3}			
Opportunities	Loans, products and services	<ul style="list-style-type: none"> Increased demand for funds due to capital investment, etc. for carbon reduction and decarbonization of business partners Increased opportunity to offer financial products and services related to environmental protection 	
	Business cost	<ul style="list-style-type: none"> Reduction of our business costs through conservation of resources and energy and utilization of renewable energy 	
Risks	Transitional risks	<ul style="list-style-type: none"> Increasingly stronger policies and regulations related to climate change would have a major impact on the business activities of our business partners and damage the value of our loan assets While the replacement of existing products and services is progressing due to technological innovations related to climate change, the business activities of our business partners could be significantly affected, and the value of our loan assets may be damaged 	
	Physical risks	Acute	<ul style="list-style-type: none"> Collateral assets of corporate customers and sales offices of the Bank could be damaged depending on the storm tracks of typhoons and the extent of heavy rainfall
		Chronic	<ul style="list-style-type: none"> No major impact will occur if there is no significant rise in sea level or changes in the natural environment
4°C scenario ^{*4}			
Opportunities	Loans, products and services	<ul style="list-style-type: none"> Increased demand for funds due to infrastructure investment, etc. for disaster countermeasures 	
	Business cost	<ul style="list-style-type: none"> Reduction of our business costs through conservation of resources and energy and utilization of renewable energy 	
Risks	Transitional risks	<ul style="list-style-type: none"> Increased reputational risk related to investments and loans in the fossil fuel sector such as coal-fired power generation While the replacement of existing products and services accompanying climate change is progressing, the business activities of our business partners could be significantly affected, and the value of our loan assets may be damaged 	
	Physical risks	Acute	<ul style="list-style-type: none"> The value of the loan assets of the Bank could be impaired due to obstacles to business continuity of business partners and a decrease in the asset value of collateral assets due to large-scale storm and flood damage Large-scale storm and flood damage could cause corresponding damage to our sales offices Business continuity could be hampered by damage to our sales offices and employees
		Chronic	<ul style="list-style-type: none"> Our business partners could suffer a big impact, such as downsizing of places of business, and the value of our loan assets could be damaged due to a remarkable increase in sea level Downsizing of sales offices of the Bank due to a remarkable increase in sea level

(Note) All time axes are short-term (about 5 years), medium-term (about 10 years), or long-term (about 30 years)

^{*3} 2°C scenario: Refer to the ETP 2DS scenario by the International Energy Agency (IEA).

^{*4} 4°C scenario: Refer to the RCP8.5 scenario by the Intergovernmental Panel on Climate Change (IPCC).

Environmental Protection

The Chiba Bank Group has deemed “contribute to the protection of a sustainable environment” as one of the materialities listed in the Chiba Bank Group Declaration on SDGs. CO₂ (carbon dioxide) emissions, which are closely related to our lives, have a significant impact on global warming, and plastic waste that has flowed into the sea has a large impact on the marine ecosystem. As to the reduction of CO₂ and marine plastic waste, we assist our customers’ efforts toward commercialization, while the Chiba Bank Group itself is also actively engaged in these efforts.

Initiatives for Environmental Protection

Production of original reusable bags

In June 2020, we jointly produced original reusable bags along with other banks participating in the TSUBASA Alliance. We are aiming to reduce marine plastic waste and foster a sense of environmental protection in the region by distributing reusable bags to our customers.

This initiative is part of the “Plastics Smart” campaign of the Ministry of the Environment.



◀ Reusable bag

“Plastics Smart” Campaign*



*This campaign supports the efforts that individuals and companies can take in their respective positions to solve the problem of plastic waste in the oceans.

Forest development activities (Chibagin Forest)

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 tsunamis. In May 2018, about 200 volunteers from the Bank, including executives, employees, and former employees of the Bank, planted trees 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.

Endorsement of TCFD recommendations

With the impact of climate change becoming more apparent on a global scale and the risk of natural disasters increasing, in December 2019, we endorsed the recommendations of the TCFD (Task Force on Climate-related Financial Disclosure), which calls on companies for the proper disclosure of information about the impact of climate change on their financial performance. We will strengthen our measures against global warming and climate change, and continue to disclose information on an ongoing basis.

■ About our policies on loans to specific sectors

To solve environmental and social issues, including climate change measures to address global warming, we have established the following loan policies to clarify the Bank’s approach to credit in specific sectors where lending efforts are expected to have a large impact on society and the environment.

- In principle, we will not extend credit to newly established coal-fired thermal power plants.
(However, we may carefully consider our response, taking into account factors such as overall power generation efficiency and performance, based on international guidelines as an exception in cases where support from the Japanese government or other parties can be confirmed.)
- We prohibit credit to companies that manufacture cluster munitions, regardless of the use of the funds.
- Credit decisions for palm oil plantation development and deforestation operations are made after careful consideration of the status of the acquisition of international certifications, environmental considerations, and any problems with the local community.

(For details, see our website (Japanese only): <https://www.chibabank.co.jp/company/sustainability/policies/>)



Contribution to Environmental Protection Through the Sale of Financial Products

Sale of Green Bonds, etc.

A total of four times since September 2017, the Chiba Bank Group has jointly sold “Green Bonds” and “Sustainable Development Bonds” issued by the World Bank (International Bank for Reconstruction and Development) along with securities companies under some financial institutions participating in the TSUBASA Alliance. We are contributing to environmental protection through the sale of “Green Bonds,” intended to procure funds for businesses that have the effect of improving the environment, and “Sustainable Development Bonds,” which provide for a broader use of funds, including the environment.

Assistance to Customers Working on Environmental Issues

Renewable energy related loans

The Bank is financing a number of renewable energy-related projects from solar energy, to biomass and wind power generation.

We are also actively financing our customers’ business activities, such as reducing plastic waste and recycling resources as we continue to provide ongoing support for initiatives that contribute to environmental protection.

Renewable energy related loan balance

(as of March 31, 2020)

Solar power generation	¥113.8 billion
Biomass power generation	¥6.8 billion
Wind power generation	¥7.6 billion
Hydroelectric power generation	¥0.1 billion
Total	¥128.5 billion

Examples of supporting environmentally friendly business activities of customers

Reduction of plastic by using paper straws

Miyakoshi Printing Machinery, Co., Ltd. (headquartered in Narashino City) has developed the first paper straw manufacturing machine in Japan in anticipation of demand to switch from plastic straws to paper straws in order to eliminate plastic. The company, which manufactures and sells printing machines, is working to expand the market for eco-friendly products by utilizing its own manufacturing technology and providing flexible customization to meet the diverse needs of its users.

The Bank continues to support this project as an effective way to reduce plastic waste and CO₂ emissions.



Domestic recycling of PET bottles

In response to international trends toward recycling of plastic waste and the increasing use of recycled PET bottles by domestic beverage manufacturers, the general waste disposal company Glass Resourcing Co., Ltd. (headquartered in Choshi City) has invested in large-scale equipment to build a new PET bottle sorting and processing plant with the aim of increasing the recycling rate of PET bottles in Japan.

The Bank evaluated the environmental benefit of the planned facility, one of the largest in Japan, and worked on co-financing with other banks.



Support for Industrial Development and Technological Innovation

As one of the materialities in the Chiba Bank Group Declaration on SDGs, the Chiba Bank Group deems “contribute to the vitalization of regional economy and communities” and is providing grants for the local development of industry and foundation for technological innovation. Grants cover a wide range of activities such as research and development through industry-academic collaboration, holding business idea contests to encourage students to become entrepreneurs, covering business activity expenses for FinTech companies, as well as developing venture companies and human resources for SMEs by making donations to public interest foundations.

Initiatives to Develop Industries

Supporting research and development and the commercialization of business ideas through industry-academia collaboration

The “Chibagin Research & Development Grant Program” provides a partial subsidy for research and development of a new project conducted by a company in collaboration with Chiba University, Chiba Institute of Technology, or Kisarazu College of the National Institute of Technology.

With this program, we support the growth of companies by matching the research results of universities and technical colleges with the new technology and product development needs of SMEs.

History of grants and awards (total)	
Chibagin Research & Development Grant Program	42 cases, ¥43 million
Chibagin Student Business Idea Contest	31 cases
FinTech Business Contest	12 cases, ¥5 million
Himawari Venture Development Fund	Subsidies 210 cases, ¥643 million
	Rent assistance 114 cases, ¥62 million

Supporting the commercialization of student business ideas

The Chibagin Student Business Idea Contest gives out awards with an aim to improving the entrepreneurship of students who will be the future leaders of the regional economy. Awardees who wish to start their own businesses are supported through individual consultations and introduction to various support measures.

Supporting the commercialization of FinTech business ideas

The FinTech business contest is organized by the T&I Innovation Center in collaboration with banks participating in the TSUBASA Alliance. We are currently looking into collaboration with companies that have won the award with the aim of using FinTech to solve a variety of regional issues.

Supporting venture companies

The purpose of the Himawari Venture Development Fund is to contribute to the sound development and revitalization of Chiba Prefecture’s economy by supporting venture companies in Chiba Prefecture, which will in turn contribute to the improvement of the lives of the citizens in the prefecture.

Donations from the Bank and its supporting members have helped subsidize venture businesses and provide rent assistance to a total of more than 300 companies to date.



Initiatives for Developing Human Resources That Support Industry

Supporting the development of human resources for SMEs

The Chibagin Mirai Foundation subsidizes expenses for dispatching students to countries in Asia and other regions that are experiencing remarkable growth, with the aim of developing the human resources who will bear the future of Chiba Prefecture’s economy. To date, human resources from more than 100 SMEs have been dispatched overseas for the purpose of training local industrialists with a broad international perspective.

Chibagin Mirai Foundation Overseas Dispatch Business	Total number of dispatched workers: 107 Subsidized ¥25 million for dispatch expenses
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— Introduction to Businesses Receiving Assistance —

■ Social implementation of “Emergency Medical Information System Smart119”

This case study is a grant made to fund “Emergency Medical Information System Smart119,” developed by Smart119 inc. (headquartered in Chuo-ku, Chiba City), as an industry-academic collaboration project with Chiba University. This system allows reports from patients (residents) to the fire control dispatch center and conversations with emergency services to be automatically voice input to tablets and other devices to enable rapid information sharing with medical institutions. Furthermore, the inclusion of an AI-based pre-hospital diagnosis function using emergency clinical data is expected to significantly speed up and improve the efficiency of emergency medical care, and eliminate the trouble of being sent from one place to another, allowing patients to receive the correct emergency care more quickly, as well as finding a receiving medical facility more quickly.

In addition to the company receiving a grant from the Himawari Venture Development Fund and investment by Chibagin Capital Co., Ltd. of the group, the Bank also provided a grant through the Chibagin Research & Development Grant Program.



■ Establishing technology for mass cultivation of chlorella containing a variety of useful traits

This case study is a grant to a university-based venture company, Algal Bio Co., Ltd. (headquartered in Kashiwa City), for its technology for mass cultivation of microalgae rich in specific useful traits. Using ion beam irradiation technology, the company has made it possible to cultivate large quantities of chlorella with high levels of specific useful traits (various nutrients, oils such as omega-3 fatty acids, etc.) as well as a wide variety of colors. Chlorella is attracting attention from many industries, such as food, cosmetics and chemicals, as a comprehensive nutritional food and as a coloring agent. One of the features of this company’s technology is that it allows these useful ingredients to be provided from a natural source rather than from a chemical source as in the past.

In addition to the company receiving a grant from the Himawari Venture Development Fund, the Bank supports the commercialization of the business through new financing transactions, with Chibagin Capital of the group making the investment.



Communication with Stakeholders

Based on the Chiba Bank Group Sustainability Policy, we at Chiba Bank Group offer opportunities to effectively communicate with stakeholders including shareholders, customers, employees, and regional communities, and listen to their opinions, not only to improve management, but to provide them with information on Chiba Bank Group’s activities as well.

Communication with Shareholders

● Enhancing disclosure for shareholders and investors

We are working to improve disclosure through general meetings of shareholders, financial results briefings, and IR meetings for individual investors.

We will continue to take various opportunities in the future to actively disseminate information and listen to the opinions and requests of our shareholders and investors in order to improve management.

■ Meetings for Shareholders in FY2019

113th Annual General Meeting of Shareholders
Attended by 170 shareholders

Financial results briefings for analysts and institutional investors
Held twice and attended by 366 people

IR meetings for individual investors
Held twice and attended by 74 investors

Meetings with foreign investors
Visited Europe and North America

Communication with Customers

● Applying customer feedback to management

Through “Customer Feedback Cards” placed in branches, a dedicated toll-free number, and our website, we receive comments and requests from customers and use them to improve our services. This kind of customer feedback is also utilized to improve management through our regularly held meetings of the Quality Improvement Committee.

● Applying customer feedback through questionnaires to our medium term management plan

In formulating this medium term management plan, we gave a survey (collection rate of 20%) to about 8,000 individual and corporate customers to obtain frank opinions on their image and evaluation of Chiba Bank and their evaluation of our staff. This information was then reflected in the medium term management plan.

● Hosting the Himawari Regular Lecture

The group’s Chibagin Research Institute invites many members to regular lectures held in each region every year, where we give customers the opportunity to let us hear their opinions directly with our executives, group company presidents, and branch general managers from each region in attendance.



Communication with Employees

● Applying feedback from front-line operations to management by holding opinion exchange meetings between branch staff and executives

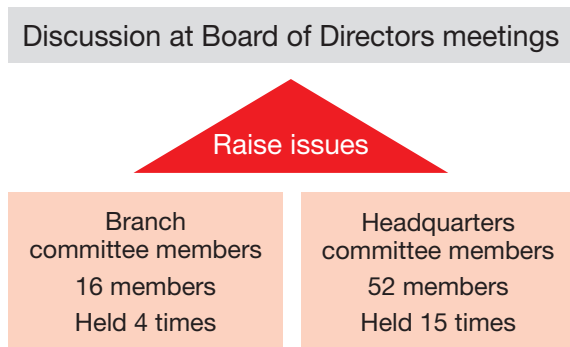
At the opinion exchange meeting with executives held once per year at each work place, management and employees exchange opinions on management policies and issues and use the opinions collected from the field to improve various measures.

In addition, since 1990, we have been conducting morale surveys to understand trends in awareness throughout the workplace and reflect them in personnel measures.

● Reflecting the voices of young employees in the formulation of medium term management

In the process of formulating the most recent medium term management plan, we appointed 16 young employees from our branch offices and group companies as well as 52 mid-level and young employees from the headquarters to be members of the team formulating the medium term management plan. Issues extracted through discussions by each working group (19 in total), including the Domestic Sales Strategy Working Group, were then reflected in the management plan.

■ Medium term management plan formulation process



■ Meeting attended by members of the team formulating the medium term management plan



Communication with Regional Communities

● Actively involved in local social contribution activities

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

(Total number of participants in FY2019: 6,245)

In order to support the activities of local welfare organizations, the Bank grants subsidies to welfare organizations including NPOs every year through the Chibagin Heartful Welfare Fund, a public charitable trust.

(Total assistance: 119 cases, ¥68 million)

■ Chibagin Heartful Welfare Fund Grant Ceremony



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.

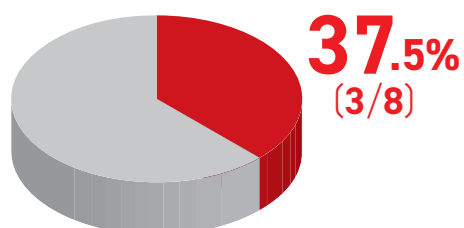
Currently as of June 26, 2020, we have achieved a 37.5% ratio of outside directors (3 out of 8) and 25% ratio of female directors (2 out of 8).

History of Initiatives Taken to Enhance Corporate Governance

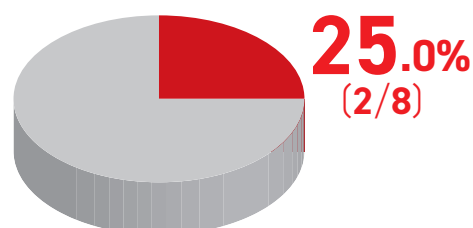
2003	Introduced the executive officer system	2018	Formulated the Information Disclosure Policy Introduced the Group Chief Officer System Raised the ratio of outside directors on the Board of Directors to one-third
2010	Abolished directors' retirement benefits Introduced equity-based remuneration in the 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>



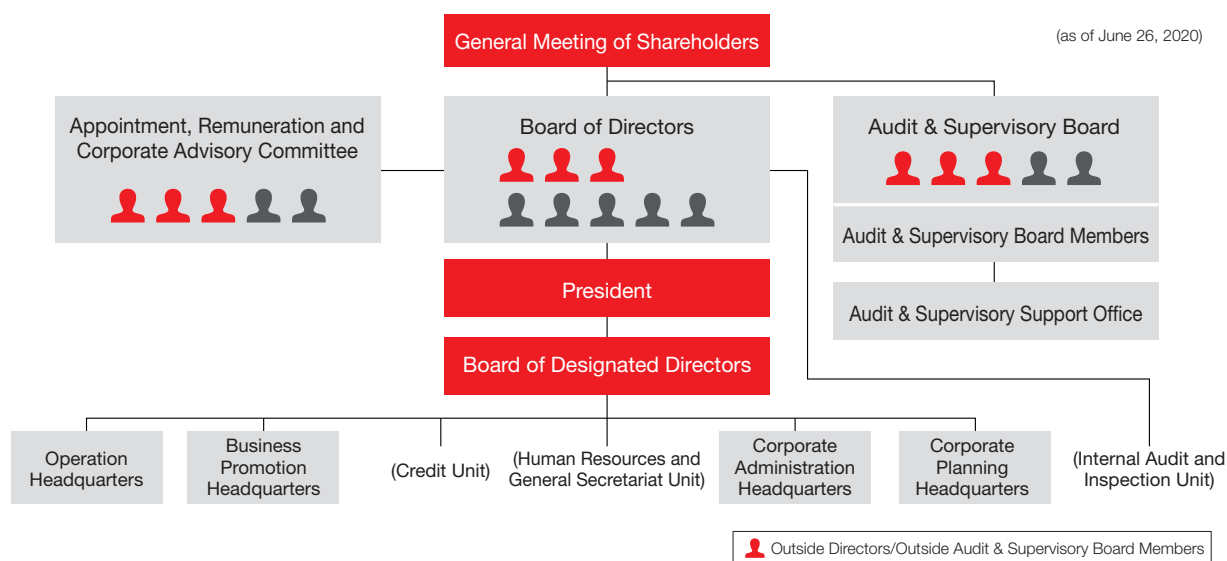
- Organizational structure: Company with an audit & supervisory board
- Number of Directors: 8
- Number of outside directors: 3 (All of them are independent officers.)
- Number of female members: 2
- Number of the Audit & Supervisory Board members: 5

- 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

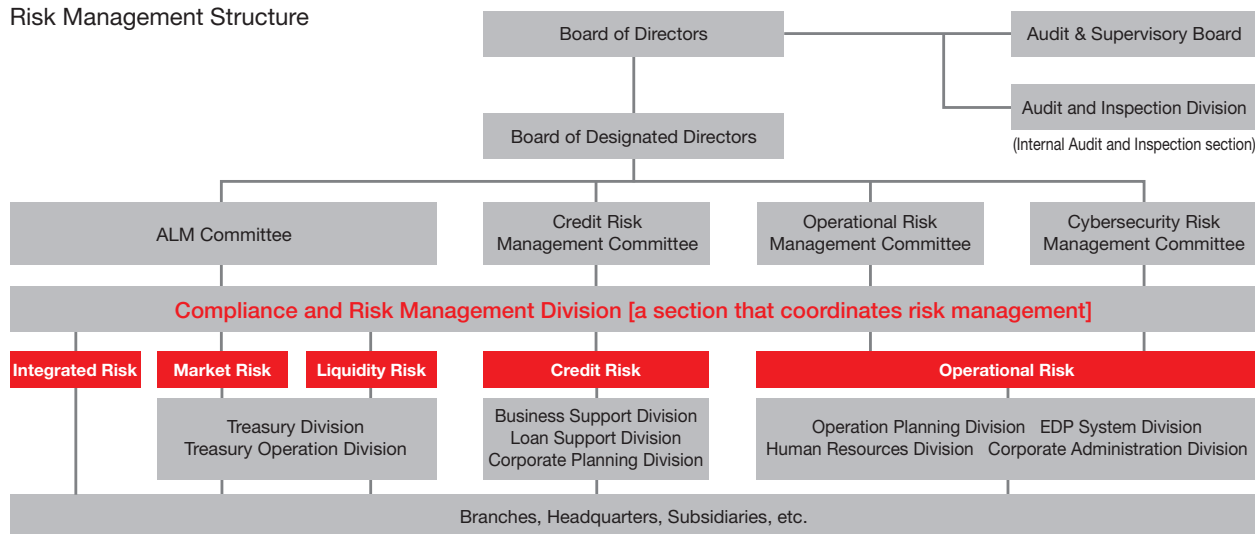
The principal forms of risk to which banking operations are subject include credit risk, market risk, and operational risk.

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.

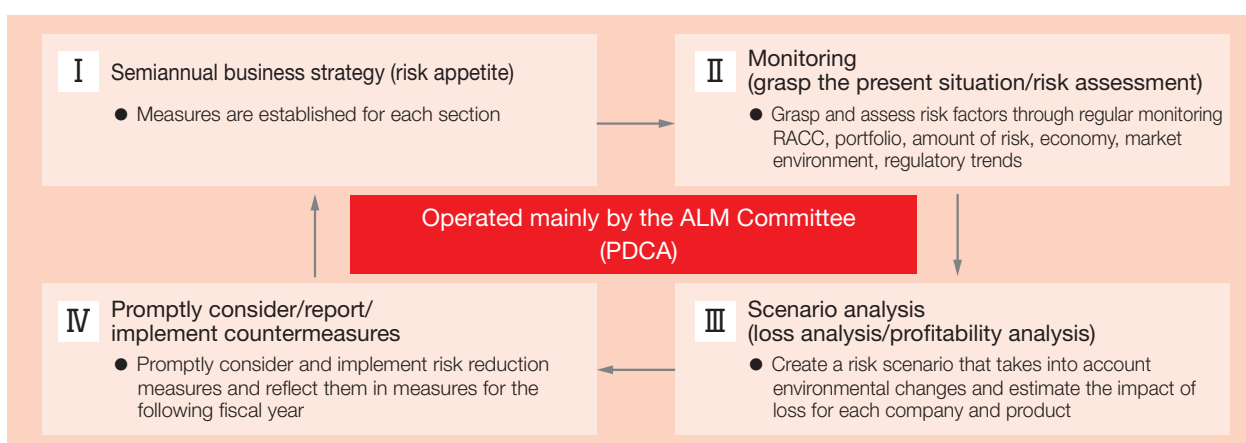
Risk Appetite Framework (RAF)

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

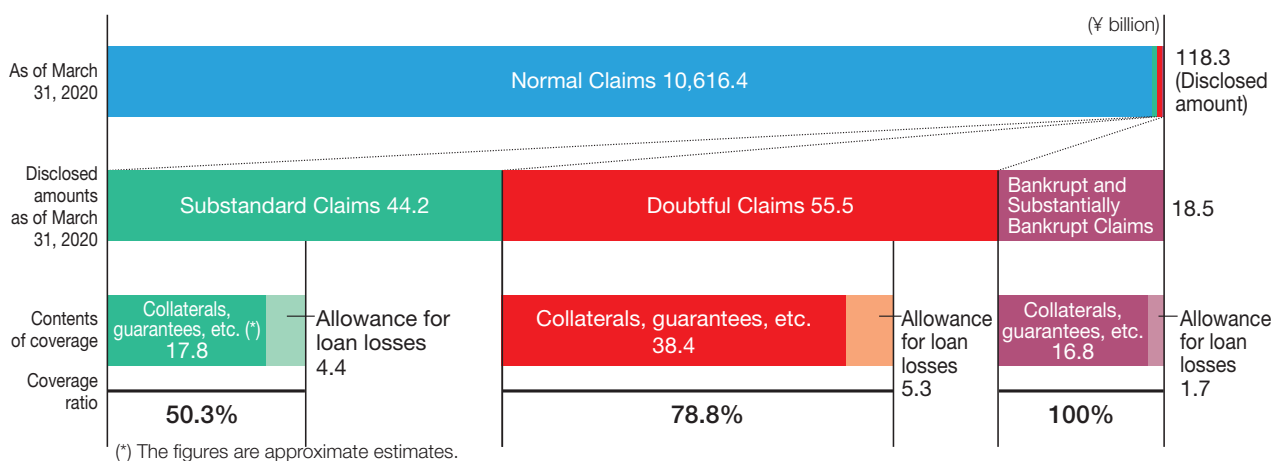
■ Disclosed Claims under the Financial Reconstruction Law

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)

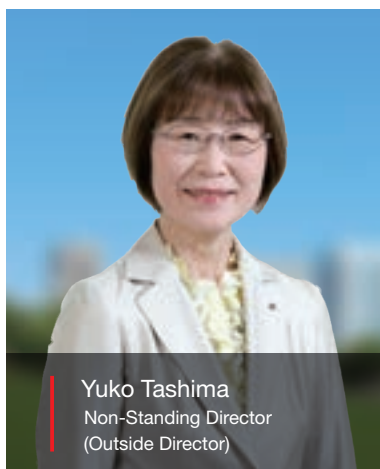
Nobukazu Odaka
Executive Officer (General Manager of Audit and Inspection Division)

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)

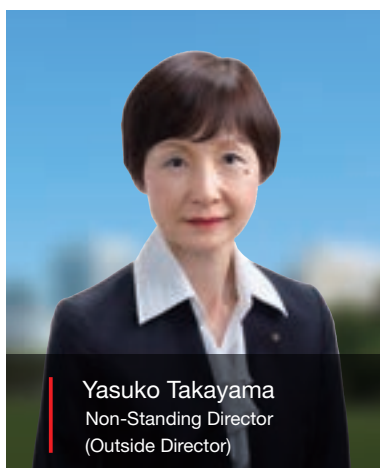
Message from Outside Directors



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.

Financial and Corporate Data

Five-Year Financial Summary (Consolidated)

The Chiba Bank, Ltd. and Consolidated Subsidiaries
Years ended March 31

	Millions of Yen*1					Thousands of U.S. Dollars*2
	2020	2019	2018	2017	2016	2020
For the Year						
Total Income	¥ 242,984	¥ 238,621	¥ 234,166	¥ 227,850	¥ 228,702	\$ 2,232,698
Total Expenses	174,208	166,399	157,077	151,243	143,826	1,600,741
Profit before Income Taxes	68,775	72,221	77,089	76,606	84,875	631,957
Profit	48,037	50,478	53,796	52,730	55,444	441,395
Profit Attributable to Non-controlling Interests	—	—	—	—	—	—
Profit Attributable to Owners of Parent	48,037	50,478	53,796	52,730	55,444	441,395
At Year-End						
Total Assets	¥15,609,936	¥14,964,129	¥14,381,815	¥14,095,743	¥13,333,858	\$143,434,131
Loans and Bills Discounted	10,565,697	10,090,072	9,774,912	9,268,854	8,769,113	97,084,417
Securities	2,118,588	2,095,049	2,169,542	2,381,490	2,455,700	19,466,949
Deposits	13,216,977	12,847,994	12,468,379	11,984,784	11,486,430	121,446,089
Net Assets	929,334	952,267	943,236	900,550	866,398	8,539,319
Capital Ratio (BIS guidelines)	12.12%	12.63%	13.18%	13.59%	13.79%	12.12%
PER (Times)	7.39	9.20	12.57	10.94	8.36	7.39
PBR (Times)	0.37	0.48	0.70	0.63	0.53	0.37

	Yen					U.S. Dollars
	¥	¥	¥	¥	¥	\$
Per Share						
Profit	63.99	65.30	67.98	65.32	67.03	0.59
Net Assets	1,250.41	1,250.05	1,207.15	1,128.31	1,053.76	11.49

*1 Japanese yen amounts are presented in millions of yen by rounding down figures below one million. As a result, the totals in Japanese yen in the supplementary information do not necessarily agree with the sums of individual amounts.

*2 U.S. dollar amounts are shown solely for the convenience of the readers of this Integrated Report and are translated at the rate of ¥108.83 to \$1.00, the exchange rate prevailing at March 31, 2020.

Consolidated Balance Sheet

The Chiba Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2020

	Millions of Yen*1		Thousands of U.S. Dollars*2
	2020	2019	2020
Assets			
Cash and Due from Banks	¥ 1,928,656	¥ 2,068,231	\$ 17,721,733
Call Loans and Bills Bought	152,307	109,047	1,399,500
Receivables under Resale Agreements	19,999	14,999	183,772
Monetary Claims Bought	21,245	22,012	195,216
Trading Assets	418,373	188,905	3,844,285
Money Held in Trust	28,684	28,526	263,570
Securities	2,118,588	2,095,049	19,466,949
Loans and Bills Discounted	10,565,697	10,090,072	97,084,417
Foreign Exchanges	6,394	3,829	58,754
Other Assets	199,995	198,301	1,837,689
Tangible Fixed Assets	116,118	107,017	1,066,976
Intangible Fixed Assets	14,593	12,870	134,097
Net Defined Benefit Asset	536	—	4,930
Deferred Tax Assets	4,776	4,503	43,894
Customers' Liabilities for Acceptances and Guarantees	45,259	50,608	415,875
Allowance for Loan Losses	(31,291)	(29,845)	(287,525)
Total Assets	¥15,609,936	¥14,964,129	\$143,434,131
Liabilities			
Deposits	¥13,216,977	¥12,847,994	\$121,446,089
Call Money and Bills Sold	220,000	170,000	2,021,501
Payables under Repurchase Agreements	30,657	29,404	281,704
Payables under Securities Lending Transactions	287,159	213,345	2,638,608
Trading Liabilities	25,641	22,216	235,614
Borrowed Money	522,514	374,830	4,801,199
Foreign Exchanges	834	727	7,668
Bonds Payable	115,229	116,578	1,058,802
Borrowed Money from trust account	2,790	2,383	25,641
Other Liabilities	195,755	143,217	1,798,727
Net Defined Benefit Liability	1,655	2,049	15,216
Provision for Directors' Retirement Benefits	192	155	1,773
Provision for Reimbursement of Deposits	1,692	2,377	15,552
Provision for Point Loyalty Programs	576	495	5,293
Reserve under Special Laws	21	21	201
Deferred Tax Liabilities	3,129	24,602	28,759
Deferred Tax Liabilities for Land Revaluation	10,511	10,850	96,591
Acceptances and Guarantees	45,259	50,608	415,875
Total Liabilities	¥14,680,602	¥14,011,861	\$134,894,812
Net Assets			
Capital Stock	¥ 145,069	¥ 145,069	\$ 1,332,988
Capital Surplus	122,134	122,134	1,122,247
Retained Earnings	641,387	621,548	5,893,477
Treasury Shares	(49,194)	(56,260)	(452,028)
Total Shareholders' Equity	859,396	832,491	7,896,684
Valuation Difference on Available-for-sale Securities	73,231	112,448	672,900
Deferred Gains or Losses on Hedges	(8,504)	(1,976)	(78,143)
Revaluation Reserve for Land	10,025	10,798	92,123
Remeasurements of Defined Benefit Plans	(5,330)	(1,973)	(48,976)
Total Accumulated Other Comprehensive Income	69,423	119,296	637,904
Subscription Rights to Shares	514	479	4,731
Total Net Assets	¥ 929,334	¥ 952,267	\$ 8,539,319
Total Liabilities and Net Assets	¥15,609,936	¥14,964,129	\$143,434,131

*1 Japanese yen amounts are presented in millions of yen by rounding down figures below one million. As a result, the totals in Japanese yen in the supplementary information do not necessarily agree with the sums of individual amounts.

*2 U.S. dollar amounts are shown solely for the convenience of the readers of this Integrated Report and are translated at the rate of ¥108.83 to \$1.00, the exchange rate prevailing at March 31, 2020.

Consolidated Statement of Income

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the year ended March 31, 2020

	Millions of Yen ^{*1}		Thousands of U.S. Dollars ^{*2}
	2020	2019	2020
Income			
Interest Income:			
Interest on Loans and Discounts	¥111,429	¥112,603	\$1,023,883
Interest and Dividends on Securities	31,163	28,131	286,353
Other Interest Income	2,088	3,461	19,187
Trust Fees	8	23	80
Fees and Commissions	52,666	51,752	483,938
Trading Income	5,457	5,106	50,149
Other Ordinary Income	6,544	6,620	60,134
Other Income	33,625	30,921	308,973
Total Income	¥242,984	¥238,621	\$2,232,698
Expenses			
Interest Expenses:			
Interest on Deposits	¥ 11,380	¥ 13,083	\$ 104,570
Interest on Borrowings and Rediscounts	2,251	2,803	20,693
Other Interest Expenses	10,517	9,240	96,644
Fees and Commissions Payments	19,669	18,812	180,736
Trading Expenses	10	527	96
Other Ordinary Expenses	1,952	581	17,940
General and Administrative Expenses	89,029	89,113	818,062
Other Expenses	39,396	32,236	362,000
Total Expenses	¥174,208	¥166,399	\$1,600,741
Profit before Income Taxes	68,775	72,221	631,957
Income Taxes—Current	21,204	23,118	194,837
Income Taxes—Deferred	(465)	(1,375)	(4,275)
Profit	¥ 48,037	¥ 50,478	\$ 441,395
Profit Attributable to Owners of Parent	¥ 48,037	¥ 50,478	\$ 441,395

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Non-Consolidated Balance Sheet

The Chiba Bank, Ltd.
As of March 31, 2020

	Millions of Yen*1		Thousands of U.S. Dollars*2
	2020	2019	2020
Assets			
Cash and Due from Banks	¥ 1,923,761	¥ 2,063,517	\$ 17,676,760
Call Loans	152,307	109,047	1,399,500
Receivables under Resale Agreements	19,999	14,999	183,772
Monetary Claims Bought	10,650	10,981	97,860
Trading Assets	412,833	188,088	3,793,380
Money Held in Trust	21,684	22,026	199,250
Securities	2,103,737	2,082,715	19,330,493
Loans and Bills Discounted	10,616,525	10,136,875	97,551,462
Foreign Exchanges	6,394	3,829	58,754
Other Assets	122,124	123,001	1,122,156
Tangible Fixed Assets	110,990	101,861	1,019,851
Intangible Fixed Assets	14,377	12,726	132,105
Prepaid Pension Cost	7,284	1,558	66,931
Customers' Liabilities for Acceptances and Guarantees	37,204	41,689	341,860
Allowance for Loan Losses	(22,815)	(21,316)	(209,642)
Total Assets	¥15,537,059	¥14,891,602	\$142,764,493
Liabilities			
Deposits	¥13,285,206	¥12,915,232	\$122,073,019
Call Money	220,000	170,000	2,021,501
Payables under Repurchase Agreements	30,657	29,404	281,704
Payables under Securities Lending Transactions	287,159	213,345	2,638,608
Trading Liabilities	25,641	22,216	235,614
Borrowed Money	521,711	373,960	4,793,819
Foreign Exchanges	834	727	7,668
Bonds Payable	115,229	116,578	1,058,802
Borrowed money from trust account	2,790	2,383	25,641
Other Liabilities	130,781	83,597	1,201,707
Provision for Reimbursement of Deposits	1,692	2,377	15,552
Provision for Point Loyalty Programs	278	246	2,555
Deferred Tax Liabilities	2,316	22,330	21,283
Deferred Tax Liabilities for Land Revaluation	10,511	10,850	96,591
Acceptances and Guarantees	37,204	41,689	341,860
Total Liabilities	¥14,672,016	¥14,004,943	\$134,815,923
Net Assets			
Capital Stock	¥ 145,069	¥ 145,069	\$ 1,332,988
Capital Surplus	122,134	122,134	1,122,247
Retained Earnings	580,928	563,190	5,337,948
Legal Retained Earnings	50,930	50,930	467,979
Other Retained Earnings	529,998	512,259	4,869,969
Treasury Shares	(49,194)	(56,260)	(452,028)
Total Shareholders' Equity	798,937	774,132	7,341,155
Valuation Difference on Available-for-Sale Securities	64,068	103,225	588,704
Deferred Gains or Losses on Hedges	(8,504)	(1,976)	(78,143)
Revaluation Reserve for Land	10,025	10,798	92,123
Total Valuation and Translation Adjustments	65,590	112,046	602,683
Subscription Rights to Shares	514	479	4,731
Total Net Assets	¥ 865,042	¥ 886,658	\$ 7,948,570
Total Liabilities and Net Assets	¥15,537,059	¥14,891,602	\$142,764,493

*1 Japanese yen amounts are presented in millions of yen by rounding down figures below one million. As a result, the totals in Japanese yen in the non-consolidated financial statements do not necessarily agree with the sums of individual amounts.

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Non-Consolidated Statement of Income

The Chiba Bank, Ltd.
For the year ended March 31, 2020

	Millions of Yen ^{*1}		Thousands of U.S. Dollars ^{*2}
	2020	2019	2020
Income			
Interest Income:			
Interest on Loans and Discounts	¥111,440	¥112,600	\$1,023,991
Interest and Dividends on Securities	34,370	31,770	315,822
Other Interest Income	1,998	3,341	18,361
Trust Fees	8	23	80
Fees and Commissions	43,235	42,830	397,271
Trading Income	1,812	1,701	16,655
Other Ordinary Income	6,548	6,601	60,173
Other Income	12,855	11,353	118,128
Total Income	¥212,270	¥210,223	\$1,950,481
Expenses			
Interest Expenses:			
Interest on Deposits	¥ 11,385	¥ 13,088	\$ 104,618
Interest on Borrowings and Rediscounts	2,250	2,801	20,681
Other Interest Expenses	10,496	9,220	96,453
Fees and Commissions Payments	20,601	20,421	189,299
Trading Expenses	10	527	96
Other Ordinary Expenses	1,952	581	17,940
General and Administrative Expenses	82,560	82,995	758,620
Other Expenses	18,982	13,772	174,422
Total Expenses	¥148,240	¥143,409	\$1,362,129
Profit before Income Taxes	64,030	66,813	588,352
Income Taxes—Current	18,318	20,321	168,319
Income Taxes—Deferred	(225)	(1,514)	(2,069)
Profit	¥ 45,937	¥ 48,006	\$ 422,102

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Group Companies

The Chiba Bank Group, which comprises the Bank and 14 group companies, provides customers with a wide-ranging lineup of financial products and services.

● Securities and asset management businesses

Company	Principal business	Corporate profile	
Chibagin Securities Co., Ltd.* Chiba Chuo Twin Building, 2nd Tower 2F, 2-5-1, Chuo, Chuo-ku, Chiba-shi, Chiba 260-0013	Securities business	Established: Capital: Bank's voting rights:	March 27, 1944 ¥4,374 million 100%
Chibagin Asset Management Co., Ltd. 2-13-7, Kotobashi, Sumida-ku, Tokyo 130-0022	Investment management, investment advice	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	March 31, 1986 ¥200 million 40% 30%

● Research and consulting business

Company	Principal business	Corporate profile	
Chibagin Research Institute, Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Research, surveys, and consulting	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	February 28, 1990 ¥150 million 31.77% 68.23%
Chibagin Computer Service Co., Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Software development, commissioned computation tasks	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	April 1, 1980 ¥150 million 48.67% 51.33%
T&I Innovation Center Co., Ltd. Muromachi Chibagin Mitsui Building, 1-5-5, Nihonbashi Muromachi, Chuo-ku, Tokyo 103-0022	Research and investigation of IT and financial technologies, development and sales of software	Established: Capital: Bank's voting rights:	July 1, 2016 ¥100 million 40%

● Leasing and venture capital business

Company	Principal business	Corporate profile	
Chibagin Leasing Co., Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Leasing	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	December 15, 1986 ¥100 million 49% 51%
Chibagin Capital Co., Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Operation and management of investment funds, M&A advisory business	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	May 29, 1984 ¥100 million 30% 70%

● Credit card business

Company	Principal business	Corporate profile	
Chibagin JCB Card Co., Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Credit card and credit guarantee business	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	November 1, 1982 ¥50 million 49% 51%
Chibagin DC Card Co., Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Credit card and credit guarantee business	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	February 16, 1989 ¥50 million 40% 60%

● Staffing service and outsourcing business

Company	Principal business	Corporate profile	
Chibagin Career Service Co., Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Staffing service business, accounting and general administration entrustment service business	Established: Capital: Bank's voting rights:	December 22, 1989 ¥20 million 100%
Chibagin Heartful Co., Ltd. 4-1-10, Masago, Mihama-ku, Chiba-shi, Chiba 261-0011	Outsourcing of operational business	Established: Capital: Bank's voting rights:	December 1, 2006 ¥10 million 100%
Sobu Co., Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Rental and maintenance of the Chiba Bank's office buildings and welfare facilities, purchase and sale of supplies and consumer goods	Established: Capital: Bank's voting rights:	September 7, 1959 ¥20 million 100%

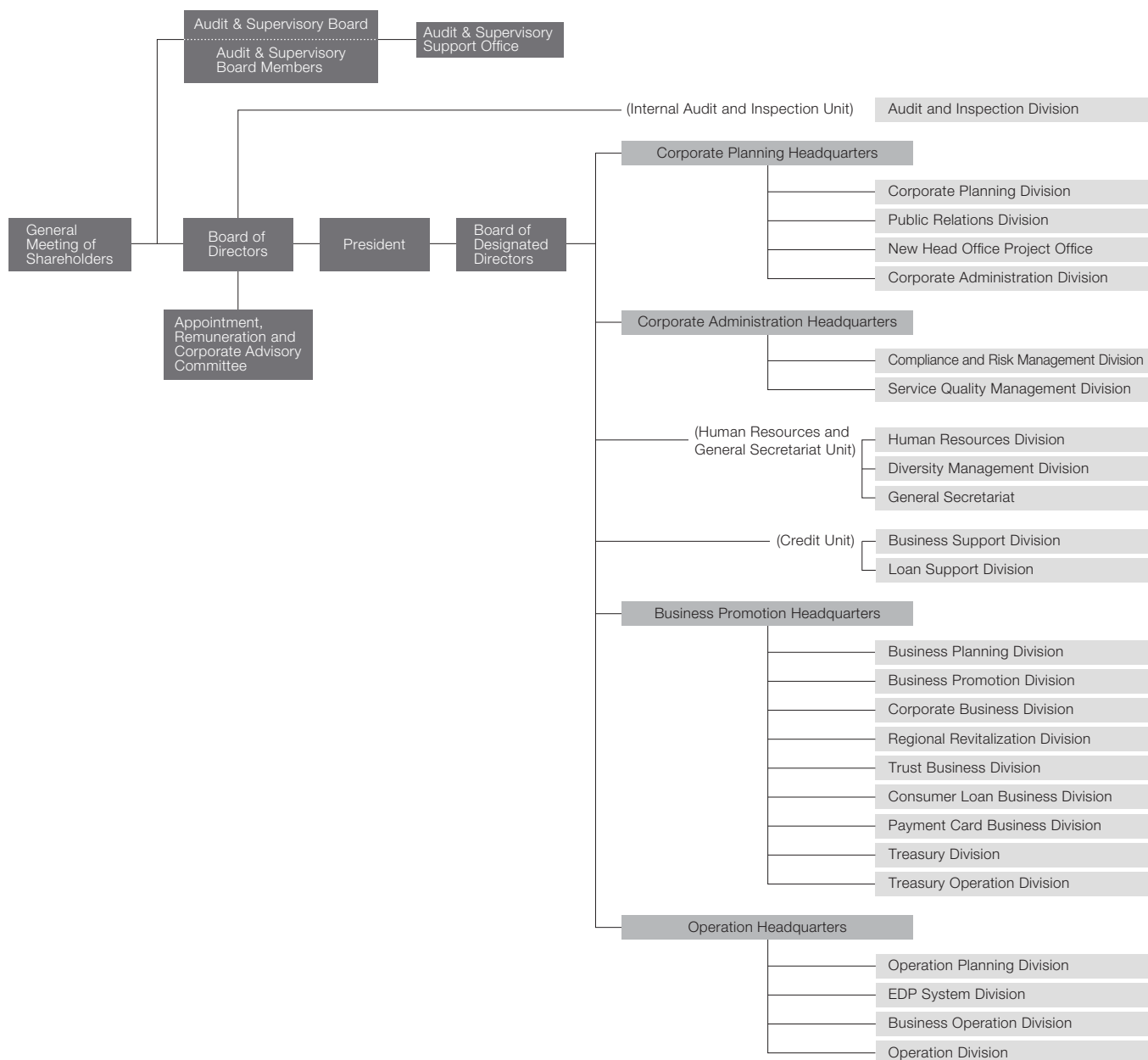
● Credit guarantees and management business

Company	Principal business	Corporate profile	
Chibagin Guarantee Co., Ltd. 3-17-5, Inage-higashi, Inage-ku, Chiba-shi, Chiba 263-0031	Loan guarantees, fee collection services	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	May 1, 1978 ¥54 million 45.63% 54.37%
Chiba Servicer Co., Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Management and collection of claims	Established: Capital: Bank's voting rights:	October 1, 2001 ¥500 million 100%

As part of the efforts to operate the group companies in an integrated manner, nine of the group companies have relocated their head offices to Chibagin Makuhari Building in Makuhari-shintoshin district to further enhance group collaboration.

Organization

The Chiba Bank, Ltd.
As of June 26, 2020



International Directory

The Chiba Bank, Ltd.
As of July 1, 2020

Head Office
1-2, Chiba-minato, Chuo-ku, Chiba-shi,
Chiba 260-8720, Japan
Telephone: 81-43-245-1111
<https://www.chibabank.co.jp/english/>

Treasury Operation Division
1-5-5, Nihonbashi Muromachi, Chuo-ku,
Tokyo 103-0022, Japan
Telephone: 81-3-3270-8459 Fax: 81-3-3242-1735
SWIFT Address: CHBA JPJT

Treasury Division
1-5-5, Nihonbashi Muromachi, Chuo-ku,
Tokyo 103-0022, Japan
Telephone: 81-3-3231-1285 Fax: 81-3-3242-1736

New York Branch
1133 Avenue of the Americas, 15th Floor, New York, N.Y.
10036, U.S.A.
Telephone: 1-212-354-7777 Fax: 1-212-354-8575
SWIFT Address: CHBAUS33

Hong Kong Branch
Unit 2510, One Pacific Place, 88 Queensway, Hong Kong
Telephone: 852-2840-1222 Fax: 852-2840-0507
SWIFT Address: CHBAHKHH

London Branch
3rd Floor, Regina House, 1 Queen Street, London EC4N
1SW, United Kingdom
Telephone: 44-20-7315-3111 Fax: 44-20-7236-2205
SWIFT Address: CHBAGB2L

Shanghai Representative Office
Room 707, Shanghai International Trade Center,
2201 Yan-An Road (West),
Shanghai, P.R.C. 200336
Telephone: 86-21-62780482 Fax: 86-21-62780422

Representative Office Registered in Singapore
50 Raffles Place, #10-06 Singapore Land Tower,
Singapore 048623
Telephone: 65-6438-4525 Fax: 65-6438-6890

Bangkok Representative Office
No.98 Sathorn Square Office Tower, 20th Floor, Room 2008,
North Sathorn Road, Silom, Bangrak, Bangkok 10500, Thailand
Telephone: 66-2-163-2723 Fax: 66-2-163-2725

Corporate Data

The Chiba Bank, Ltd.
As of March 31, 2020

Principal Shareholders

The ten largest shareholders of the Bank and their respective shareholdings as of March 31, 2020 were as follows:

	Number of Shares (in thousands)*1	Percentage of Total Shares Issued*2 (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	56,139	7.55
Japan Trustee Services Bank, Ltd. (Trust Account)	35,615	4.79
Nippon Life Insurance Company	26,870	3.61
The Dai-ichi Life Insurance Company, Limited	26,230	3.53
Sompo Japan Nipponkoa Insurance Inc.*3	18,537	2.49
Meiji Yasuda Life Insurance Company	18,291	2.46
SUMITOMO LIFE INSURANCE COMPANY	17,842	2.40
MUFG Bank, Ltd.	17,707	2.38
STATE STREET BANK AND TRUST COMPANY 505223	14,576	1.96
Japan Trustee Services Bank, Ltd. (Trust Account 5)	13,406	1.80

Excluded from the figures above are 72,709 thousand treasury shares in the name of the Chiba Bank, Ltd. (Excludes one thousand shares which, although registered in the name of the Chiba Bank, Ltd. on the shareholder list, are not actually owned by the Bank.)

*1 Rounded down to the nearest thousand

*2 Rounded down to two decimal places

*3 The trade name of Sompo Japan Nipponkoa Insurance Inc. has been changed to Sompo Japan Insurance Inc. as of April 1, 2020.

Corporate Profile

Established	March 1943
	183 offices (159 branches, 21 sub branches, 3 virtual branches)
Network	Domestic
	3 money exchange counters 49,371 off-branch ATM locations (including 12,349 E-net ATM locations at convenience stores, 23,389 ATM locations jointly with Seven Bank, Ltd., 13,330 ATM locations jointly with Lawson Bank, Inc.)
	Overseas
	3 branches (New York/Hong Kong/London) 3 representative offices (Shanghai/Singapore/Bangkok)
Number of Employees*1	4,154
Total Assets	¥15,537.0 billion (Non-Consolidated)
Deposits	¥12,788.9 billion (Non-Consolidated)
Loans and Bills Discounted	¥10,616.5 billion (Non-Consolidated)
Capital Stock	¥145.0 billion
Total Capital Ratio (BIS guidelines)	12.12% (Consolidated) 11.57% (Non-Consolidated)
Authorized Number of Shares	2,500,000 thousand
Number of Issued Shares	815,521 thousand
Number of Shareholders*2	31,113
Stock Listing (Code)	Tokyo Stock Exchange (8331)
Transfer Agent	JAPAN SECURITIES AGENTS, LTD. 1-2-4, Nihonbashi Kayabacho, Chuo-ku, Tokyo 103-8202

Figures as shown are rounded down in principal.

*1 Number of employees includes transferred employees but excludes temporary staff and one-year contract employees.

*2 Shareholders with fewer than one unit (100 shares) are excluded

THE CHIBA BANK, LTD.

1-2, Chiba-minato, Chuo-ku, Chiba-shi, Chiba 260-8720, Japan

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