



2021

The Chiba Bank, Ltd.
Integrated Report



Our Philosophy

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 2020 – March 2021

(The document includes some information from April 2021 onwards.)

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Message from the Chairman



Hidetoshi Sakuma Chairman, Group CEO

Joined the Chiba Bank in 1976.
Director since June 2003, President since March 2009, and
Chairman since June 2021, after serving as General Manager
of Treasury Division and Corporate Planning Division.

Business Environment

We are starting to see some signs of improvement in the Japanese economy in terms of capital investment, production, exports, and other factors, but the outlook remains unclear due to the prolonged disruption caused by the COVID-19 pandemic.

Meanwhile, we are starting to see a gradual recovery from the COVID-induced slump in Chiba Prefecture, where there is a potential for medium- to long-term economic growth thanks to a wealth of public and private-sector projects related to transport infrastructure development and a recovery in demand following recent natural disasters.

Chiba Bank is committed to helping promote the revitalization of the local economy by providing optimal financial services and solutions, while prioritizing the funding and management concerns of businesses that have been affected by COVID-19.

Medium Term Management Plan Progress

Under our 14th medium term management plan launched in April 2020 entitled “NEXT STEP 2023 ~ connect and go beyond, for the future ~,” we are developing various customer-centric initiatives based on our vision to “enhance customer experience by deepening financial functions and creating new models for regional finance.”

In particular, we are working to enhance digital channels. We have completely renewed the functioning of our Chiba Bank app, which is a daily trading channel for personal banking customers, and have started providing our Chibagin Business Portal to corporate customers.

In order to promote cashless payments across the region, we are also striving to expand merchant services by offering TSUBASA-Chiba Bank Visa Debit Cards and multi-payment terminals.

In addition to appointing a Group Chief Digital Transformation Officer (CDTO), we have also established a new Digital Innovation Division in order to help realize digital transformation (DX) not only in our customer services, but in many other areas from promoting business efficiency to reforming work styles.

As a result of these efforts, we were able to maintain a largely steady year-on-year performance for the year ended March 31, 2021, with Chiba Bank’s balance of deposits as of March 31, 2021 increasing by ¥1.3155 trillion to ¥14.1045 trillion, and the balance of loans rising by ¥589.9 billion to ¥11.2064 trillion. Consolidated ordinary profit declined by ¥0.7 billion to ¥71.8 billion, while profit attributable to owners of parent increased by ¥1.6 billion to ¥49.6 billion.

New Initiatives

After the general meeting of shareholders held in June 2021, Mr. Tsutomu Yonemoto took over from me as President of the bank and I was appointed Chairman and Group CEO. In conjunction with the announcement of our new management structure, we are also working to strengthen Chiba Bank Group management by adding a Group Chief Human Resources Officer (CHRO) to our list of Group Chief Officers.

Recently, we are seeing a dramatic increase in digitalization in all aspects of society in the wake of the COVID-19 pandemic and the importance of DX strategies to all companies is growing day by day. Chiba Bank has recently added Human Resources Strategy Reform to our two pillars of Business Model Reform and Work Style Reform and we intend to proactively train the human resources required to drive our DX promotion.

We have also started our ICT Consulting Service, which is designed to support digitalization among our corporate customers. We pinpoint issues with business processes and propose solutions using IT tools to help improve productivity.

In addition, we intend to continue tackling ESG issues through our core business by providing transition support and sustainable finance based on the Japanese government's declaration to achieve carbon neutrality by 2050.

In terms of new businesses, we launched Chibagin Market Co., Ltd. in July 2021, a regional trading company that is fully funded by the Bank. The company aims to become a hub for regional economic activity by constructing a business model that combines digital and real elements into the planning and development of new products, e-commerce, and purchasable cloud financing. Chiba Bank is also considering establishing a joint venture company with other TSUBASA Alliance members Daishi Hokuetsu Bank, Chugoku Bank, and Nomura Holdings to provide remote financial consulting services for personal banking customers.

Realizing Sustainable Management

I became President of the Bank in March 2009, right in the middle of the global financial crisis following the collapse of Lehman Brothers. In the twelve years I served as President before becoming Chairman this year, we experienced various difficulties, including the introduction of negative interest rates and the economic stagnation caused by COVID-19. However, during my tenure, the Chiba Bank Group's total consolidated assets increased by more than ¥7 trillion to ¥17.8 trillion following the building of a branch network in the Tokyo metropolitan area and the forging of alliances with other banks. We also worked to improve our corporate culture by promoting diversity.

The Chiba Bank has always operated on the premise that the customer comes first and we have grown in tandem with the development of Chiba Prefecture. We will continue to directly serve our regional customers, and, with the new head office building completed in fall 2020 serving as our base of operations, we will take a fresh step forward as a financial services group that offers solutions that are not bound by traditional banking concepts.

Going forward, my mission is to firmly maintain and develop the Bank's sense of organizational unity, which is one of our key strengths, and to support Mr. Yonemoto as our new President as we work together to achieve the Bank's goal of sustainable management.

We thank you for your continuing support and patronage.

July 2021

Hidetoshi Sakuma
Chairman, Group CEO

Message from the President



Tsutomu Yonemoto President, Group COO

Joined the Chiba Bank in 1987.
Director since June 2017 and President since June 2021, after serving as General Manager of the Bank's Hong Kong Branch and General Manager of the Corporate Planning Division and the Business Promotion Division.

Taking Up the Reins as President

I became President of the Chiba Bank on June 25, 2021. Based on our customer-first principles, I want to continue contributing to the mission of the Chiba Bank Group 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.”

I have three aspirations as I take up my position as President.

The first is to firmly support regional customers that have been hit hard by COVID-19 and to channel our energies into fulfilling our responsibilities as a regional financial institution. The second is to maintain an environment in which all Group employees can work happily and comfortably. And finally, my third aspiration is to both deeply explore our existing businesses and challenge new business initiatives in order to manifest the Bank's full potential.

I intend to pursue these aspirations in order to firmly fulfill our role as a regional financial institution.

Management Issues to be Addressed

I believe the Bank should concentrate on the following three priority issues.

The first is our COVID-19 response.

We will continue to support the funding of customers affected by COVID-19 as a top priority. As the impact of the pandemic becomes increasingly prolonged, the needs of our customers are also changing, with a greater focus being placed on strengthening financial soundness, core business support, and business restructuring. We will further strengthen our accompanying advisory support services. While conditions remain tough for the restaurant and hotel industries, many of our customers are working hard to spark a recovery in corporate performance and I believe it is our duty as a regional financial institution to respond in a detailed and attentive way.

The second is our digitalization response.

Teleworking and remote conferences have become the norm in the wake of COVID-19 and customers' remote or contactless needs have increased. The Bank has also shifted many aspects of our own bank business to contactless modes by exploiting digital channels such as our Chiba Bank app and Chibagin Business Portal, and we are creating an environment that makes it easier for customers to use the Bank by providing the latest financial services through various channels.

We are determinedly promoting business efficiency initiatives, such as paperless operations and removing the need to use traditional personal stamps, and advancing the transition to digital operations in all aspects of our operations. We will also work to support our corporate customers' digitalization journey through our ICT Consulting Service.

Finally, our ESG and SDGs response.

The Japanese government has declared its aim to achieve carbon neutrality by 2050. Several major companies are starting to make 2050 declarations of their own or set accelerated targets for 2030, and begin evaluating their entire supply chains. If a major company starts to move toward decarbonization, companies along its supply chain will also likely be affected. All companies need to think ahead and decide how to factor climate-change perspectives into their businesses, which may also prompt new business opportunities. We want to help our customers review their management structures and incorporate these developments through sustainable financing, etc.

As regards renewable-energy-related loans, we will continue to work proactively to ensure electricity generated by renewable energy facilities financed by the Bank can be delivered to more households.

We are also committed to reducing our own emissions. We will work to reduce CO₂ emissions by introducing the latest equipment with low environmental burden at our new head office building and reforming the way our employees work by encouraging paperless operations, etc.

A Final Note

Given today's tough environmental changes, designed to constantly improve existing businesses, challenge new future-oriented business areas, and promote self-initiated organizational reform are becoming increasingly important.

Based on our customer-first principles, we will strive to incorporate customer feedback into improving our business strategies, products, and service to help us develop as a bank that is easy to use and provides useful support to customers. We also remain committed to providing the latest financial services as a regional partner dedicated to promoting the sustainable growth of our regional economy.

July 2021

Tsutomu Yonemoto
President, Group COO