

History of the Chiba Bank Group

Chiba Bank marked the 80th anniversary of its establishment in March 2023. The scale of our business is growing, meeting the diverse needs of our customers as a regional financial institution. Looking ahead, the Chiba Bank Group will pursue continuous growth together with our regional communities.

(millions of people)
 ■ Balance of loans
 ■ Balance of deposits
 ○ Population of Chiba Prefecture

▼ First Head Office



March 1943 (at the time of establishment)

Capital stock: ¥10 million
 Number of employees: 725
 Number of branches: 70
 Deposits: ¥247.02 million
 Loans and bills discounted: ¥51.59 million

▼ Second Head Office



▼ Chibagin Head Office Building (completed construction in September 2020)



2024.3

Capital stock: **¥145** billion
 Number of employees: **3,982**
 Number of branches: **184**
 Deposits: **¥15,951.6** billion
 Loans and bills discounted: **¥12,768.0** billion

6.26 million people

2019.3
 Loans and bills discounted reached ¥10 trillion

2014.3
 Total deposits reached ¥10 trillion



1.62 million people

Establishment-

1960s-

1980s-

2000s-

2020s-



1943.3
 Founded as a result of the merger of three banks, Chiba Godo Bank, Omigawa Agricultural 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
- 1964.4** Entered into an agreement with Chiba Prefecture to be a designated financial institution for business handling
- 1970.10** Listed on the 2nd section of the Tokyo Stock Exchange
- 1971.8** Changed to the 1st section of the Tokyo Stock Exchange
- 1971.10** Started operation of the first online system
- 1973.3** Built the new Head Office building and relocated the Head Office from Chuo to Chiba-minato
- 1973.10** Introduced the first CD machine at the Chiba Ekimae Branch Issued "Chibagin Cash Card"

- 1986.10** Appointed the first female Branch General Manager among Japanese banks
- 1987.4** Opened first overseas branch in New York
- 1990.2** Established Chibagin Research Institute
- 1991.10** Established Oyumino Center
- 1995.3** Held the first "Chibagin Cup" (J. League pre-season match)
- 1998.3** Acquired Chuo Securities (currently Chibagin Securities) as a Group company

- 2015.10** Launched the TSUBASA Alliance
- 2016.3** Launched the Chiba-Musashino Alliance
- 2019.7** Launched the Chiba-Yokohama Partnership

- 2020.9** Completed construction of Chibagin Head Office Building
- 2021.5** Established Chibagin Market
- 2023.4** Established Himawari Green Energy
- 2023.11** Established TSUBASA-AML Center

The "Chiba Bank's 80-Year History" Special Site (available in Japanese only)

In January 2024, a special site for the "Chiba Bank's 80-Year History" was launched on the Bank's website, as part of the Bank's 80th anniversary project. This site presents the Bank's history from its establishment in the Showa era through the Heisei era to the Reiwa era while focusing history of the most recent 10 years.



QR code to the site ▲

<https://www.chibabank.co.jp/company/info/80th/>

Strengths of the Chiba Bank Group

Operating Base

The Bank has a branch network of 184 domestic locations, mainly in Chiba Prefecture, and 6 overseas locations.

In Japan, we have secured contact points with customers, and provided optimal services that meet customers' needs in the region by opening branches in Ibaraki Prefecture and Saitama Prefecture in addition to central Tokyo, which is adjacent to Chiba Prefecture, while also consolidating existing branches and integrating functions of branches.

Overseas, we have branches in New York, Hong Kong, and London and representative offices in various locations in Asia (Shanghai, Singapore, and Bangkok), which constitute a top-level overseas branch network as a regional bank.

With this branch network, we have won an overwhelming share of the market in Chiba Prefecture (40.5% share of lending and 28.5% share of deposits in the prefecture), our main operating area, as we serve as the main bank for over 20,000 companies, supporting the business activities of customers, and we are the designated financial institution of 44 out of 55 local governments in the prefecture.

Financial Base

The total assets (consolidated) of the Bank amounts to approximately ¥21.3 trillion, and loans and bills discounted (non-consolidated) exceeds ¥12 trillion. In addition, our consolidated profit (profit attributable to owners of parent) is ¥62.4 billion, boasting a top-class asset size and profitability among the regional banks.

Meanwhile, the low expense ratio is our major feature, with ROE (consolidated) being 6.40%, increasing for three consecutive terms, and OHR (consolidated) being 48.76%, in the upper 40% range. The stable ROE and low OHR show our efficient business operations.

Our total capital ratio (consolidated) is 16.24% and common equity Tier 1 capital ratio (consolidated) is 16.20%. We also maintain a high level of financial soundness with non-performing loan ratio (non-consolidated) of 0.92%, which is less than 1%.

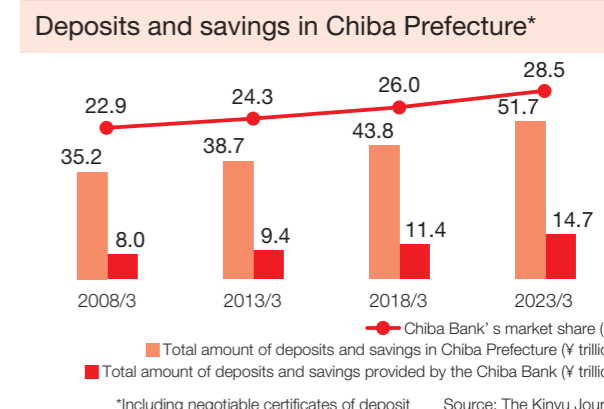
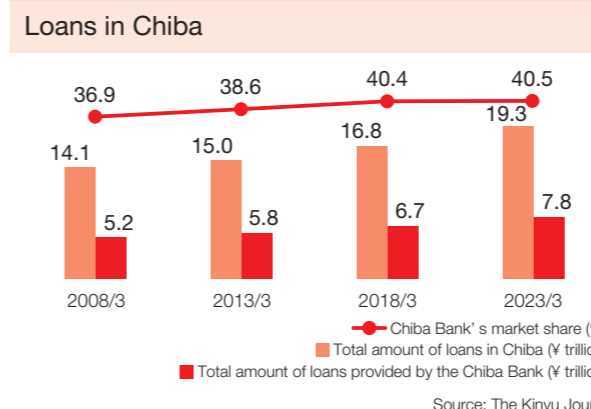
Thanks to these figures, the Bank remains high in external credit ratings (long-term) performed by credit rating agencies, such as A1 by Moody's, A- by Standard & Poor's, and AA- by Rating and Investment Information.

Alliances



The Bank is deepening its alliances and partnerships with three main alliances, TSUBASA Alliance, Chiba-Musashino Alliance, and Chiba-Yokohama Partnership, and is collaborating with Sony Bank in various ways to improve our financial services through DX. The advanced alliance strategy which was established prior to other banks differentiates us from others at a maximum level and has increased our presence.

The annual effect of the alliances on the Bank's PL is approximately ¥6.0 billion for the top line and approximately ¥2.0 billion for cost reduction, making a total of around ¥8.0 billion, which leads to the Bank's low OHR. We will strive to enhance corporate value of the Bank and our partner banks by utilizing the strength of the alliances and deepening collaboration. (See pages 59-62 for specific initiatives)



Business Base

Domestic Network*1	184 locations
Overseas Network	6 locations
Branches: New York, Hong Kong, London Representative Offices: Shanghai, Singapore, Bangkok	
Market Share of Loans in Chiba*2	40.5%
Market Share of Deposits and Savings in Chiba Prefecture*2	28.5%
Designated Financial Institution for	44 out of 55 local governments
Coordination Agreement for Regional Revitalization Concluded with	26 out of 55 local governments

*1 181 branches and 3 money exchange counters
*2 Source: The Kinyu Journal, as of March 31, 2023

Top-Class Asset Size Among the Regional Banks

Total Assets (Consolidated):	¥21,323.8 billion
Loans and Bills Discounted (Non-Consolidated):	¥12,768.0 billion
Deposits (Non-Consolidated):	¥15,951.6 billion

Robust Capital

Total Capital Ratio (Consolidated)	16.24%
Common Equity Tier 1 Capital Ratio (Consolidated)	16.20%

Deeply Diverse Customer Base

Number of Accounts Used to Receive Salaries	862 thousand accounts
Number of Accounts Used to Receive Pensions	498 thousand accounts
Number of Customers Receiving Housing Loans	207 thousand customers
Number of Companies Using Chiba Bank as Their Main Bank*	21 thousand companies

* Source: Teikoku Databank

Top-Class Profitability Among the Regional Banks

Profit Attributable to Owners of Parent (Consolidated)	62.4 billion
ROE (Consolidated, based on Shareholders' Equity)	6.40%

Low Expense Ratio

OHR (Consolidated)	48.76%
--------------------	---------------

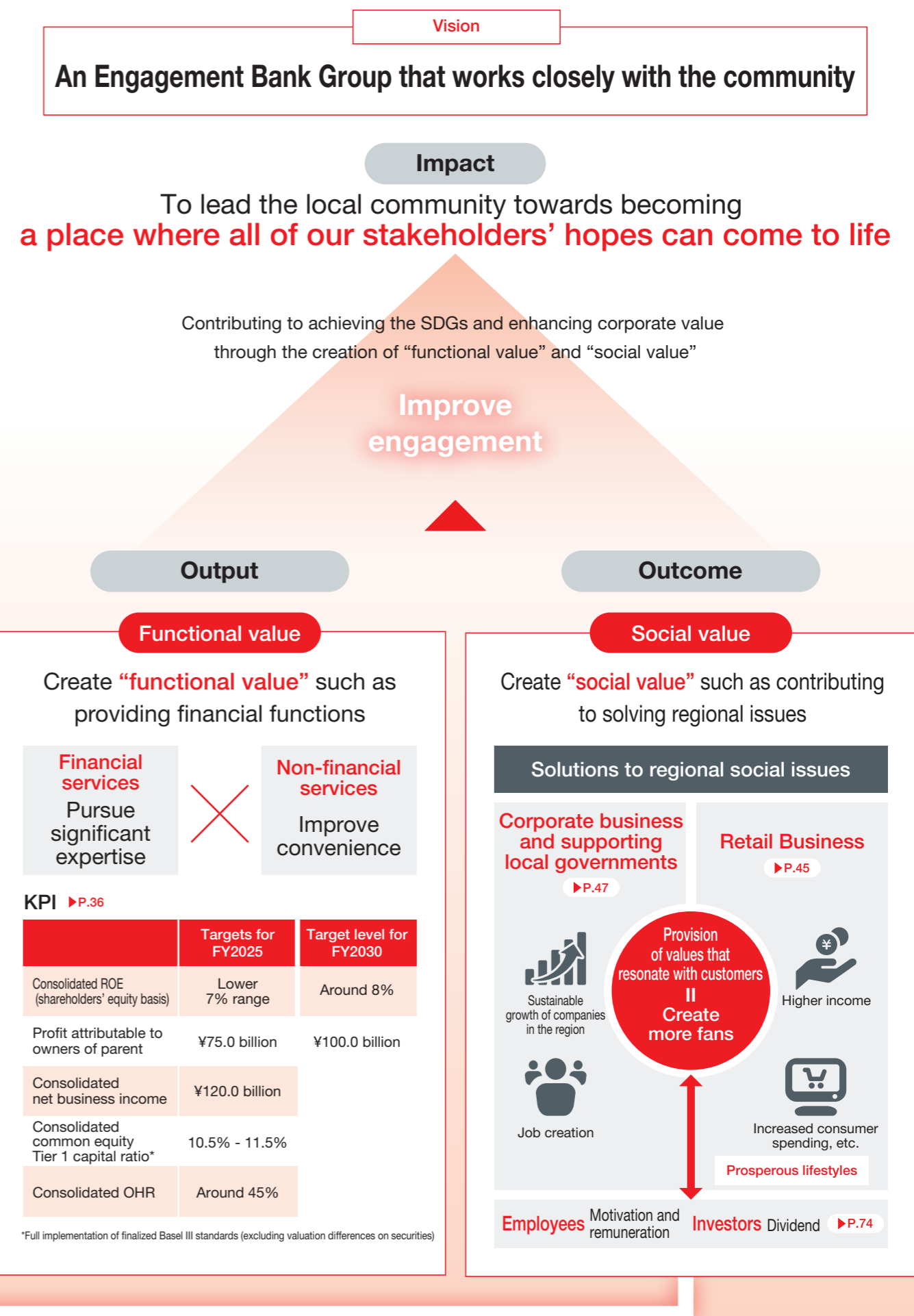
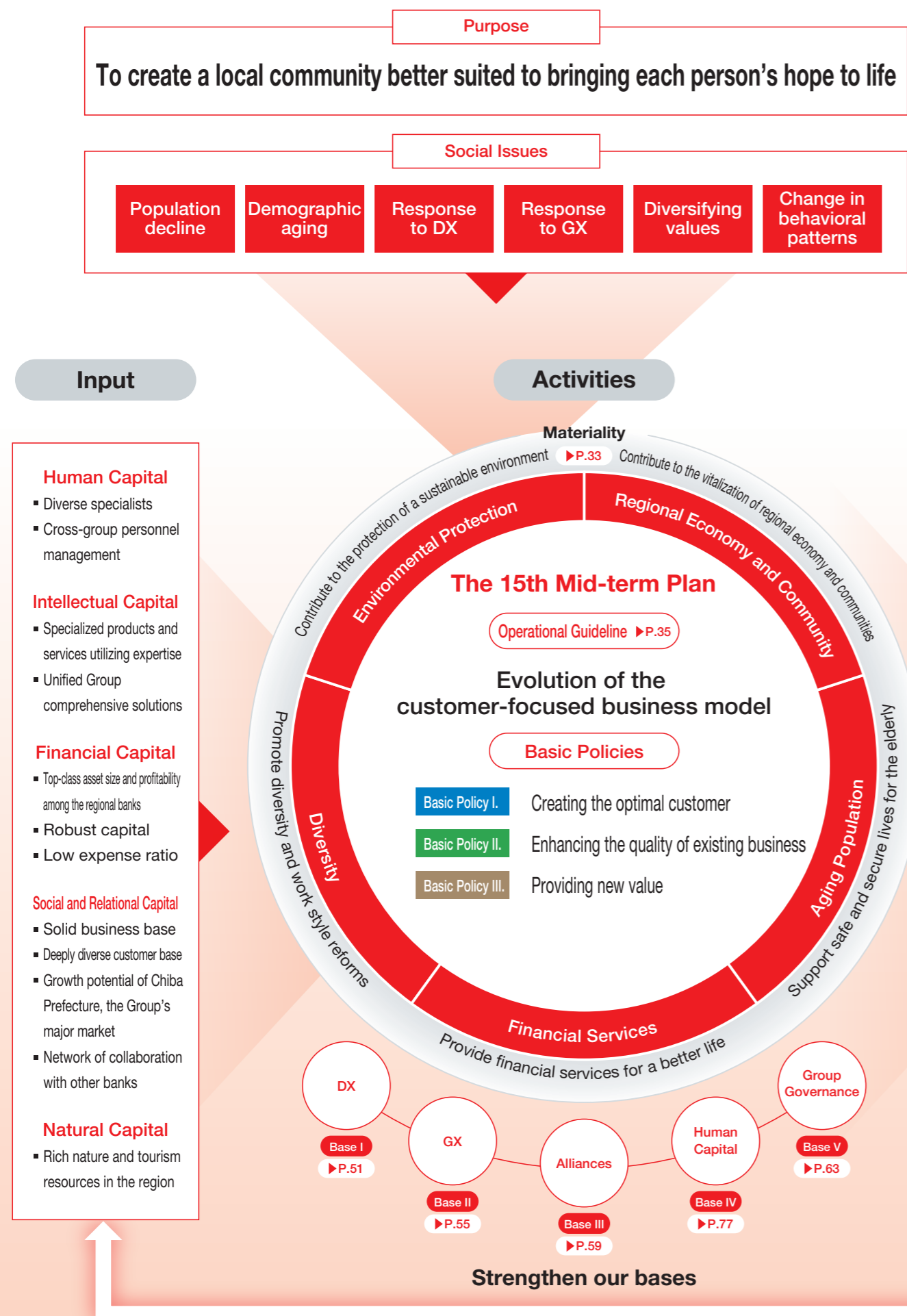
Sound Loan Assets

Non-Performing Loan Ratio (Non-Consolidated and based on the Financial Reconstruction Act)	0.92%
--	--------------

Excellent Ratings*

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) * As of July 1, 2024

Value Creation Process

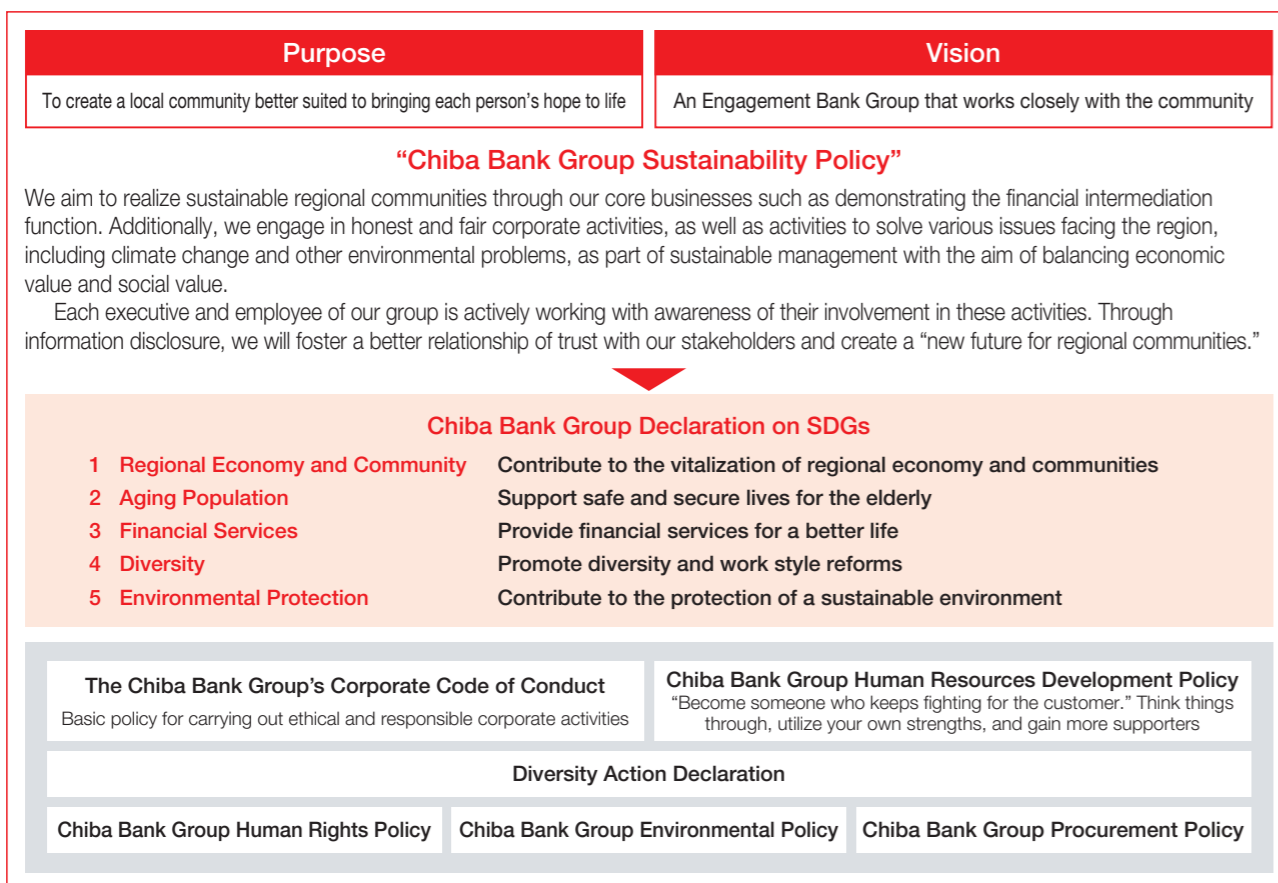


Messages
 Chiba Bank's Value Creation
 Growth Strategy for Value Creation
 Human Capital Management
 Management Base Supporting Value Creation
 Financial and Corporate Data

Initiatives for “Sustainable Management”

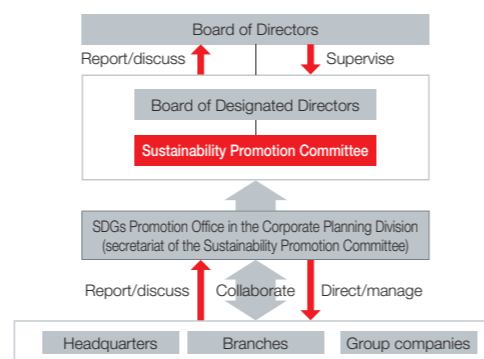
Sustainability Policies

The Bank Group works on initiatives for “sustainable management,” aiming at balancing economic value and social value over the long term.

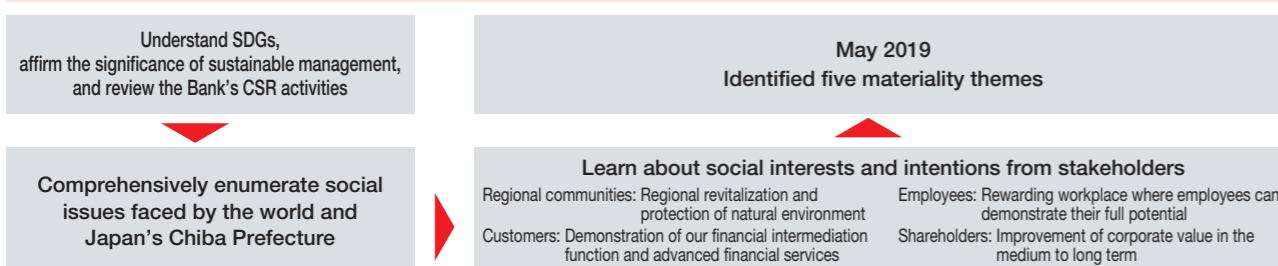


Governance System for Sustainability and Process for Identifying Materialities (Key Issues)

The Bank Group has built a flexible and solid governance system for “sustainable management,” aiming at balancing economic value and social value over the long term. The Sustainability Promotion Committee is primarily responsible for the formulation and implementation of various measures for sustainability, and discusses and deliberates on the direction of sustainability management, specific activities and initiatives, and the identification and evaluation of risks and opportunities. Discussions and deliberations in the Committee are reported to and discussed by the Board of Directors.



Process for Identifying Materialities (Key Issues)



Initiatives related to Materiality

Regional Economy and Community <small>Contribute to the vitalization of regional economy and communities</small>	<ul style="list-style-type: none"> ● Support for regional revitalization (pages 49 and 50) ● Advisory services for business operators (page 47) 	<ul style="list-style-type: none"> ● Utilizing real estate funds (page 48)
Aging Population <small>Support safe and secure lives for the elderly</small>	<ul style="list-style-type: none"> ● Inheritance-related services and trust business (page 46) 	<ul style="list-style-type: none"> ● Initiatives to prevent financial crimes including wire transfer fraud (page 96)
Financial Services <small>Provide financial services for a better life</small>	<ul style="list-style-type: none"> ● Expanding features of the Chiba Bank app (page 52) ● Expanding features of Chibagin Business Portal (page 52) 	<ul style="list-style-type: none"> ● Promoting sustainable finance (page 55)
Diversity <small>Promote diversity and work style reforms</small>	<ul style="list-style-type: none"> ● Human Rights Policy (page 34) ● Supporting balance between work and childcare (page 83) 	<ul style="list-style-type: none"> ● TSUBASA cross-mentor system (page 84)
Environmental Protection <small>Contribute to the protection of a sustainable environment</small>	<ul style="list-style-type: none"> ● Response to climate change (pages 67 to 72) ● Response to natural capital (page 73) 	<ul style="list-style-type: none"> ● Initiatives for carbon neutrality in FY2030 (page 71)

Initiatives for Respecting Human Rights

Human rights are common universal rights everyone is born with. In the Bank Group, not only executives and employees but also customers and suppliers (to which our services are entrusted) are working on respect for human rights.

Human Rights Policy

The policy states that the Bank Group respects the human rights of all executives and employees to provide a suitable working environment, and will not tolerate discrimination, harassment, or human rights violation based on race, gender, nationality, etc. The policy also asks our customers and suppliers to respect, and not infringe, human rights.

For details of the Chiba Bank Group Human Rights Policy, see our website:
https://www.chibabank.co.jp/english/corporate/policy/human_rights/

Corporate Code of Conduct

We declared the Chiba Bank Group's Corporate Code of Conduct in April 2021. This code of conduct states the basic policy for carrying out ethical and responsible corporate activities as the Chiba Bank Group, which is a “company” to be a part of society and a “bank” to take social responsibility and public mission. For respecting human rights, the code of conduct states that the Chiba Bank Group respects the human rights of all people, including officers and employees, and customers.

For details of the Chiba Bank Group's Corporate Code of Conduct, see our website:
https://www.chibabank.co.jp/english/corporate/policy/behavioral_guidelines/

Complying with the UK Modern Slavery Act 2015

As Chiba Bank has a branch in London, the UK, we have published annual statements for compliance with the UK Modern Slavery Act 2015 since its establishment.

The statement states not only the operation in our London Branch but also an intention that we would eliminate the violation of human rights by slave labor, human trafficking, etc. in the Bank's overall operation to respect human rights, and also asks our suppliers to respect, and not infringe, human rights.

For details of the UK Modern Slavery Act 2015, see our website:
<https://www.chibabank.co.jp/english/corporate/pdf/ModernSlavery.pdf>

Supplier monitoring

The Chiba Bank Group clearly expresses the Chiba Bank Group Human Rights Policy and the Chiba Bank Group Procurement Policy to our suppliers and asks them to understand and comply with the policies. In addition, we conduct monitoring once a year to confirm that the suppliers have no violations of human rights.

For details of the Chiba Bank Group Procurement Policy, see our website:
<https://www.chibabank.co.jp/company/sustainability/policies/procurement.html>

Progress status of mid-term plan

As a strategy to realize our Purpose and Vision, we have set, for our operational guideline, the Mid-term Plan “Engagement Bank Group - Phase 1 -,” which aims for “Evolution of the customer-focused business model.” Under the Plan, we will further increase engagement with customers by changing our perspective in providing products and services and creating the optimal customer.

Under the three “Basic Policies,” we will improve our customer service and strengthen the five “Value Creation Bases” that support these policies.

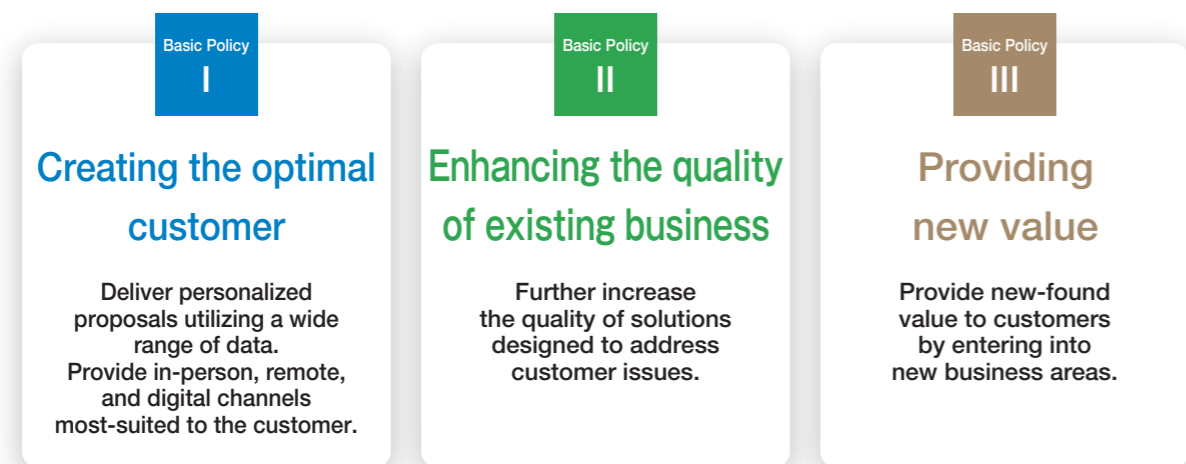
The 15th Mid-term Plan Engagement Bank Group

Phase 1 Plan Period: April 1, 2023 to March 31, 2026

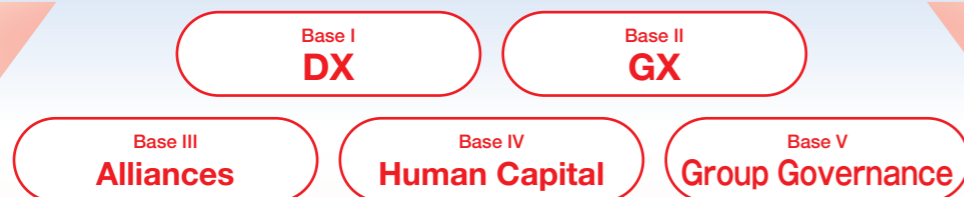
Operational Guideline Evolution of the customer-focused business model

Basic Policies

Practice “Sustainable Management” by providing social value to the community



Value Creation Bases Expansion of “Value Creation Bases”



Target Figures

	(Reference)	(First fiscal year)	(Final fiscal year)	
	Results for FY2022	Results for FY2023	Targets for FY2025	Target level for FY2030
Consolidated ROE (shareholders' equity basis)	6.38%	6.40%	Lower 7% range	Around 8%
Profit attributable to owners of parent	¥60.2 billion	¥62.4 billion	¥75.0 billion	¥100.0 billion
Consolidated net business income	¥81.8 billion	¥91.7 billion	¥120.0 billion	
Consolidated common equity Tier 1 capital ratio*	10.57% <small>(Before application of finalized Basel III standards)</small>	11.87%	10.5% - 11.5%	
Consolidated OHR	47.37%	48.76%	Around 45%	

*Full implementation of finalized Basel III standards (excluding valuation differences on securities)

Progress toward targets

The abovementioned five management KPIs, including a consolidated ROE, are set as financial targets in the Mid-term Plan “Engagement Bank Group - Phase 1 -.”

As long-term targets, we are aiming for a consolidated ROE of around 8% and a profit attributable to owners of parent of 100.0 billion yen in FY2030.

Amid a drastically changing external environment, we worked to provide solutions to social issues such as transforming customer experiences by providing a highly convenient Chiba Bank app, sustainable finance, and accompanying support for business improvement by the Business Consulting Office, while also utilizing alliances. In addition, we have strengthened the entry into new business areas such as renewable energy power generation business and advertising business.

As a result, all figures in the first fiscal year of the Mid-term Plan made good progress, including ¥62.4 billion in profit attributable to owners of parent versus a target of ¥61.0 billion.

Future responses

We recognize that for the Chiba Bank Group to grow sustainably, we need to further enhance our strengths, continue to deepen our existing businesses and take on the challenge of new businesses as a growth strategy, and apply our business improvement plan to future growth.

While strengthening these initiatives, we will strengthen our profitability and improve capital efficiency to achieve five target figures in the final fiscal year through provision of values that resonate with customers.

Financial Results and Conditions

Financial Results for the Fiscal Year Ended March 31, 2024

Overview

While net interest income decreased by ¥3.7 billion year on year, net fees and commissions income were strong and increased by ¥1.4 billion year on year, reaching a record high. In addition, gains/losses related to bonds improved by ¥14.1 billion year on year due to the absence of the impact of foreign bonds loss-cutting conducted in the previous fiscal year. As a result, gross business profit increased by ¥12.6 billion year on year to ¥168.2 billion.

G&A expenses increased by ¥2.5 billion year on year due to investment in human capital and strategic investments, which are within the scope of our plan, and consolidated OHR has maintained a high efficiency of 48%.

Real net business income increased by ¥10.0 billion year on year to ¥83.1 billion. The Bank's core business income excluding gains/losses on the cancellation of investment trusts was strong, increasing for five consecutive terms to ¥87.4 billion.

Credit-related expenses were a provision of ¥5.8 billion. Credit-related expenses increased by ¥5.5 billion year on year primarily due to the absence of large recoveries of written-off claims in the previous fiscal year and making preventive provisions for some loans in light of the current environment.

Ordinary profit increased by ¥4.3 billion year on year to ¥86.0 billion, and profit increased by ¥2.4 billion year on year to ¥60.5 billion.

On a consolidated group basis, ordinary profit increased by ¥3.2 billion year on year to ¥90.2 billion and profit attributable to owners of parent increased by ¥2.1 billion year on year to ¥62.4 billion, both reaching record highs for two consecutive terms.

Net interest income

Net interest income decreased by ¥3.7 billion year on year to ¥136.6 billion mainly due to a decrease in gains on the cancellation of investment trusts.

Domestic net interest income increased by ¥0.7 billion year on year. Interest on loans and discounts increased by ¥3.9 billion year on year due to a steady increase in domestic loans and bills discounted as a result of our proactive responses to the needs of customers, and dividends from investment trusts increased on the back of rising stock prices, etc.

Overseas net interest income decreased by ¥4.4 billion primarily due to a decrease in gains on the cancellation of investment trusts.

Summary of financial results for the Fiscal Year Ended March 31, 2024 (¥ billion)

(Non-consolidated)	2023/3	2024/3	YoY
Gross business profit	155.5	168.2	12.6
Net interest income	140.3	136.6	(3.7)
Net fees and commissions	28.6	30.0	1.4
Net trading income	1.3	1.1	(0.2)
Net other ordinary income	(14.8)	0.3	15.1
Gains/losses related to bonds	(20.0)	(5.8)	14.1
G&A expenses (-)	82.5	85.1	2.5
Real net business income	73.0	83.1	10.0
Core business income	93.0	88.9	(4.0)
Excl. gains/losses on the cancellation of investment trusts	85.3	87.4	2.0
Net provisions to general allowance for loan losses (-)	—	—	—
Net business income	73.0	83.1	10.0
Non-recurring gains/losses	8.7	2.9	(5.7)
Disposal of non-performing loans (-)	0.3	5.8	5.5
Reversal of loan loss reserves	0.9	0.3	(0.5)
Gains/losses related to stocks, etc.	8.3	9.3	1.0
Ordinary profit	81.7	86.0	4.3
Extraordinary gains/losses	(0.3)	(0.2)	0.0
Profit	58.1	60.5	2.4
Credit-related expenses (-)	0.3	5.8	5.5

(¥ billion)

(Consolidated)	2023/3	2024/3	YoY
Ordinary profit	86.9	90.2	3.2
Profit attributable to owners of parent	60.2	62.4	2.1

(Reference)

Consolidated net business income (before provision to general allowance for loan losses)	81.8	91.7	9.8
--	------	------	-----

Breakdown of net interest income (¥ billion)

	2023/3	2024/3	YoY
Net interest income	140.3	136.6	(3.7)
Domestic	131.5	132.2	0.7
Interest on loans and deposits	100.2	104.2	3.9
Loans and bills discounted	100.5	104.5	3.9
Interest and dividends on securities	28.7	26.0	(2.6)
Other (market operations, etc.)	2.5	1.9	(0.6)
Overseas	8.8	4.4	(4.4)
Loans and bills discounted	13.5	27.1	13.5
Foreign securities	19.1	27.0	7.8
Other (funding, market operations, etc.)	(23.8)	(49.7)	(25.8)
Net interest income (excl. gains on the cancellation of investment trusts)	132.6	135.1	2.4
Gains on the cancellation of investment trusts	7.6	1.5	(6.1)

Net fees and commissions

Net fees and commissions increased to ¥30.0 billion, reaching record high for four consecutive terms.

Attributable to proposals that were based on the needs of corporate customers, corporate solutions fees and commissions increased by ¥0.9 billion year on year to reach a record high and led the overall increase in net fees and commissions.

Fees and commissions from investment trusts and personal annuities declined overall by ¥0.3 billion year on year due to a decrease in annuities and whole-life insurance fees.

Trust/inheritance-related business fees and cashless operations fees increased to a record high.

Breakdown of net fees and commissions (¥ billion)

(Non-consolidated)	2023/3	2024/3	YoY
Net fees and commissions	28.6	30.0	1.4
<Main breakdown>			
Investment trusts and personal annuities	6.3	5.9	(0.3)
Corporate solutions	15.7	16.6	0.9
Trust/inheritance-related business	1.4	1.5	0.0
Cashless operations	1.6	2.8	1.1
Payment and settlement transactions	12.5	12.9	0.3
Guarantee charges and group insurance costs (-)	13.0	13.9	0.8

Earnings Projections for the Fiscal Year Ending March 31, 2025

For the fiscal year ending March 31, 2025, gross business profit is projected to increase ¥14.7 billion year on year to ¥183.0 billion due to an increase in net fees and commissions and the absence of the impact of foreign bonds loss-cutting conducted in the previous fiscal year, in addition to an increase in net interest income due to an increase in domestic interest on loans and deposits as a result of an increase in loans and bills discounted and rising interest rates.

G&A expenses are projected to increase ¥3.4 billion year on year to ¥88.5 billion primarily due to wage increases and a rise in cost of strategic investments.

As a result, real net business income is projected to increase ¥11.3 billion year on year to ¥94.4 billion, and core business income excluding gains/losses on the cancellation of investment trusts is projected to increase ¥2.9 billion year on year to ¥90.4 billion.

Credit-related expenses, on the other hand, are conservatively projected to increase ¥1.6 billion year on year to ¥7.5 billion in light of the environment where impact on the economy has remained uncertain, such as rising prices and the yen's depreciation.

As a result, ordinary profit is projected to increase ¥8.2 billion year on year to ¥94.3 billion and profit is projected to increase ¥6.3 billion year on year to ¥66.9 billion.

On a consolidated group basis, ordinary profit is projected to increase ¥7.6 billion year on year to ¥97.9 billion and profit attributable to owners of parent is projected to increase ¥5.5 billion year on year to ¥68.0 billion.

Earnings projections (¥ billion)

(Non-consolidated)	2024/3	2025/3 (Plan)	YoY
Gross business profit	168.2	183.0	14.7
Net interest income	136.6	146.0	9.3
Net fees and commissions	30.0	31.7	1.6
Net trading income	1.1	2.2	1.1
Net other ordinary income	0.3	3.0	2.6
Gains/losses related to bonds	(5.8)	1.3	7.2
G&A expenses (-)	85.1	88.5	3.4
Net business income (before provision to general allowance for loan losses)	83.1	94.4	11.3
Core business income	88.9	93.1	4.1
Excl. gains/losses on the cancellation of investment trusts	87.4	90.4	2.9
Net provisions to general allowance for loan losses (-)	—	0.9	0.9
Net business income	83.1	93.5	10.4
Non-recurring gains/losses	2.9	0.7	(2.2)
Disposal of non-performing loans (-)	5.8	6.6	0.7
Reversal of loan loss reserves	0.3	—	(0.3)
Gains/losses related to stocks, etc.	9.3	7.0	(2.3)
Ordinary profit	86.0	94.3	8.2
Extraordinary gains/losses	(0.2)	(0.2)	0.0
Profit	60.5	66.9	6.3
Credit-related expenses (-)	5.8	7.5	1.6

(¥ billion)

(Consolidated)	2024/3	2025/3 (Plan)	YoY
Ordinary profit	90.2	97.9	7.6
Profit attributable to owners of parent	62.4	68.0	5.5

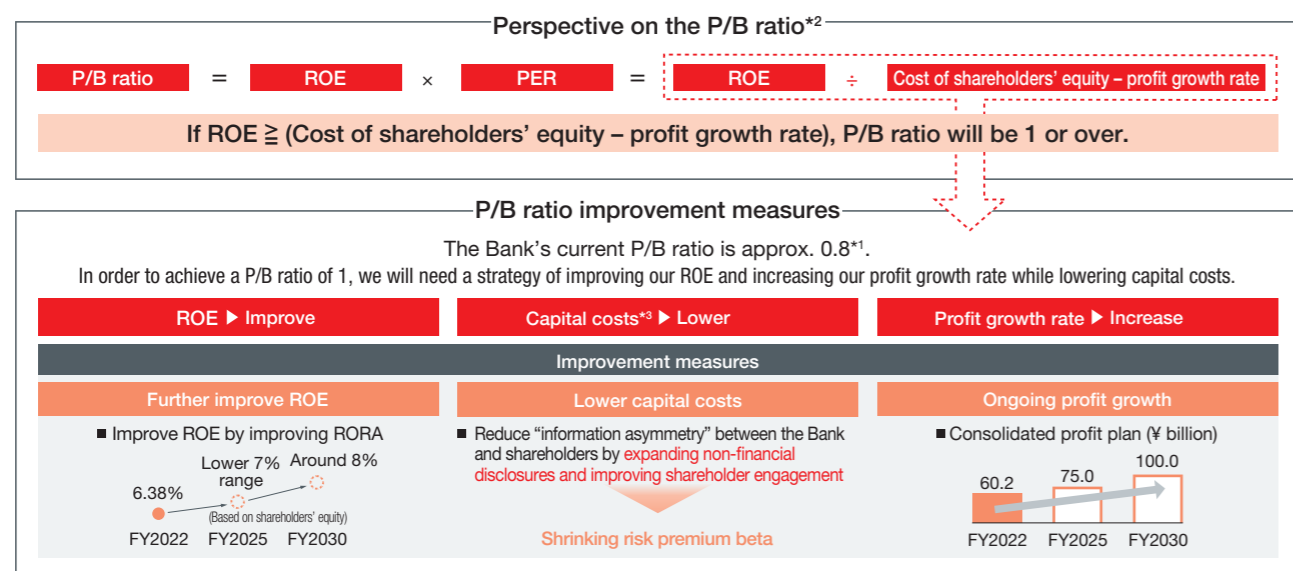
(Reference)

Consolidated net business income (before provision to general allowance for loan losses)	91.7	105.2	13.4
--	------	-------	------

Improving our P/B Ratio

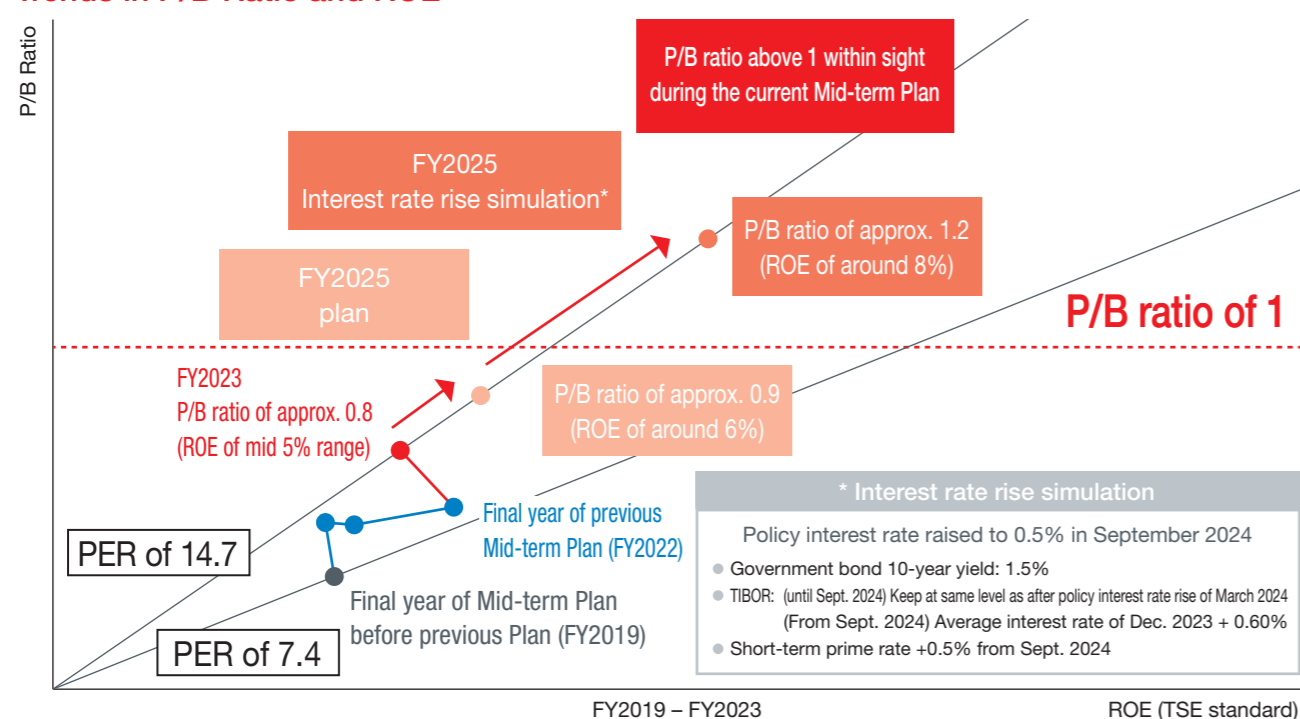
Improving our P/B Ratio

The Bank's P/B ratio is approximately 0.8*, which is a top-class figure for a regional bank. However, it has been trending below 1 for some time. In order to raise the ratio to a level higher than 1, we consider the ratio in terms of three factors: ROE, capital costs, and profit growth rate, and will implement a three-pronged improvement plan consisting of further improving our ROE, lowering capital costs, and sustainable profit growth.



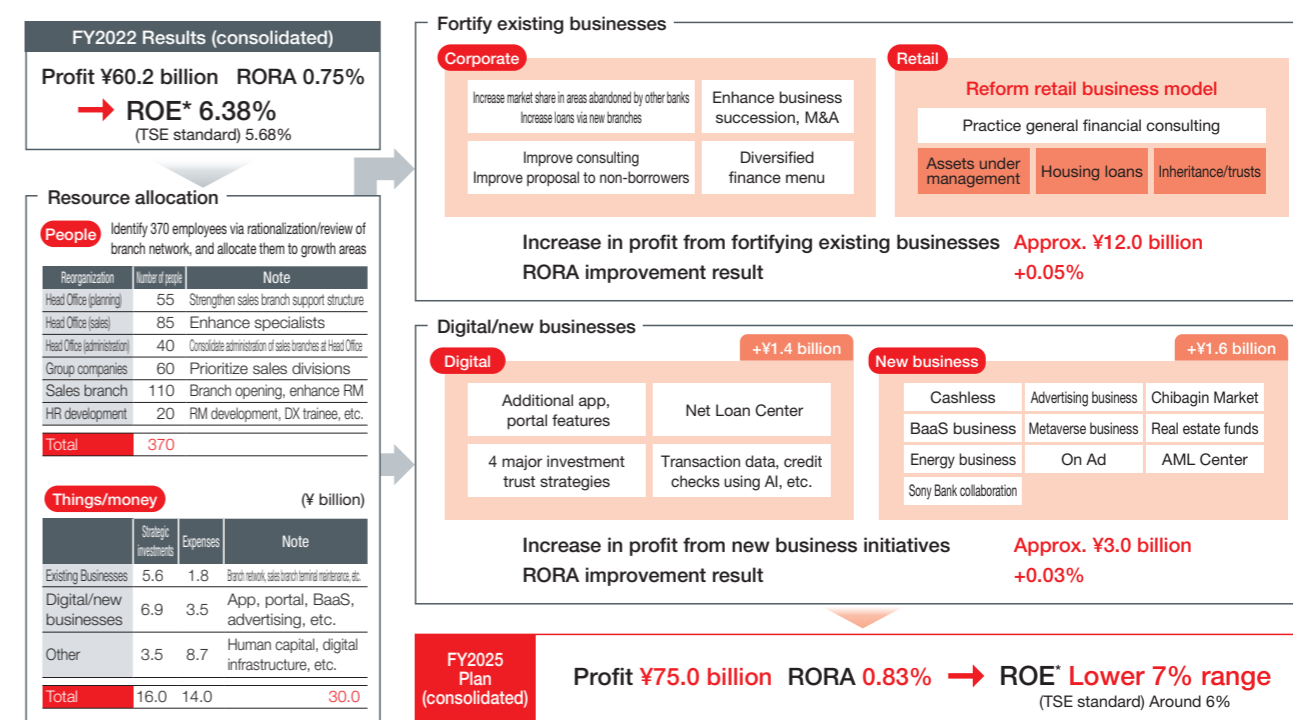
*1 Results for FY2023
 *2 A more accurate formula is P/B ratio = 1 + (ROE - cost of shareholders' equity) ÷ (cost of shareholders' equity - growth rate). The formula shown here is presented as a practical simplified version.
 *3 The Bank's administrative capital costs are estimated using CAPM.

Trends in P/B Ratio and ROE



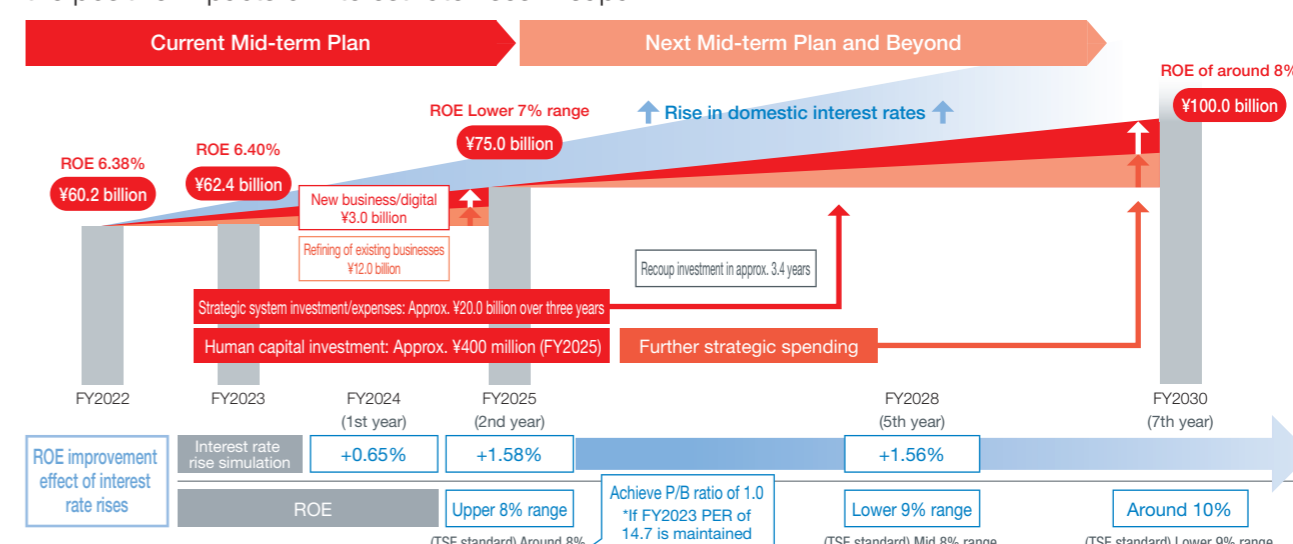
Growth Strategy

In order to increase its ROE, the Bank aims to improve its RORA, a measure of profitability relative to risk-weighted assets, while maintaining the capital ratio at a constant level. We aim to increase consolidated profit from ¥60.2 billion to ¥75.0 billion and RORA from 0.75% to 0.83% over the three years of the Mid-Term Plan by allocating resources to various fields in existing businesses and digital/new businesses.



Sustainable growth toward FY2030

In addition to the steady execution of growth strategies by refining existing businesses and fortifying new business and digital initiatives, we will aim for the further improvement of ROE while incorporating the positive impacts of interest rate rises in Japan.



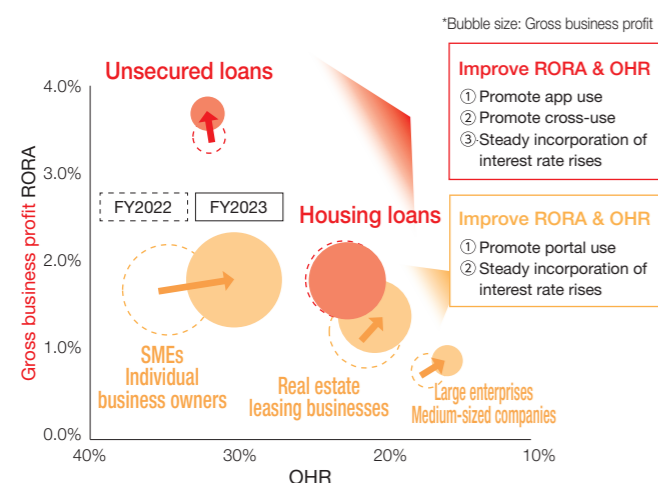
*All figures are on a consolidated basis

Improving our P/B Ratio

Improving RORA

By adopting strategies tailored to divisions and assets, in addition to raising topline RORA, we will work to raise bottom line RORA by bolstering fees and commissions.

Topline RORA and OHR by Asset and Division (based on FY2023)



*Calculations of division OHR tend to be low because they do not include Head Office expenses, etc.

*In the calculation of RORA, risk-weighted assets were converted based on full implementation of finalized Basel III standards.

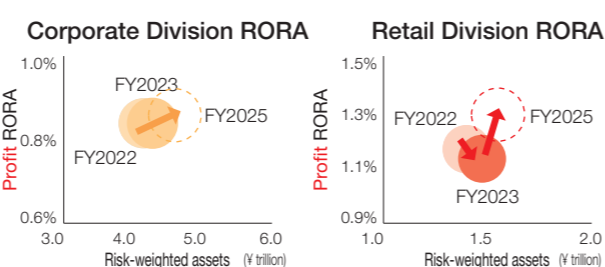
OHR of other retail operations (FY2022 ⇒ FY2023)

Financial product sales: 128% → 138%
 Cashless: 70% → 70%
 Trusts: 75% → 76%

- Divisions that do not use risk-weighted assets
- Work to reduce OHR through "use of digital technologies" and "general consulting for retail customers"

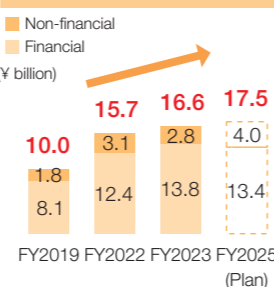
*Due to full fledging of JCB business, only cashless figures are consolidated. All other figures are non-consolidated figures.

Bottomline RORA



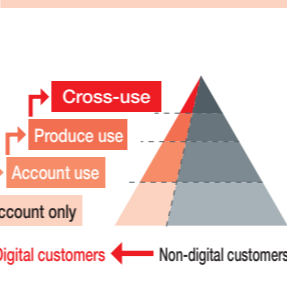
Strengthening of fees and commissions

Build up corporate solutions pipeline



Strengthening of fees and commissions

Deepen digital marketing Expand cross-use

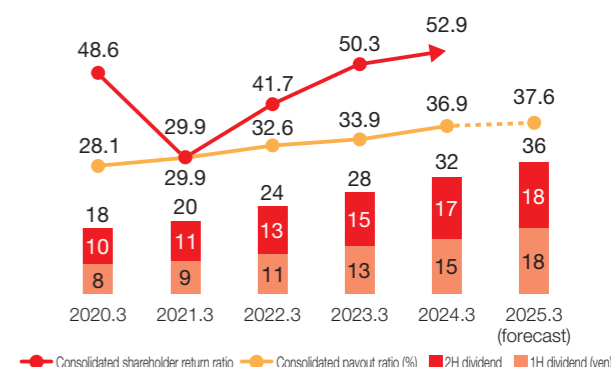


Shareholder returns

We aim to achieve a dividend payout ratio of more than 35% during the period of the Mid-term Plan and 40% in the long term. We will flexibly implement acquisitions of treasury shares so that common equity Tier 1 capital ratio* remains within the required range.

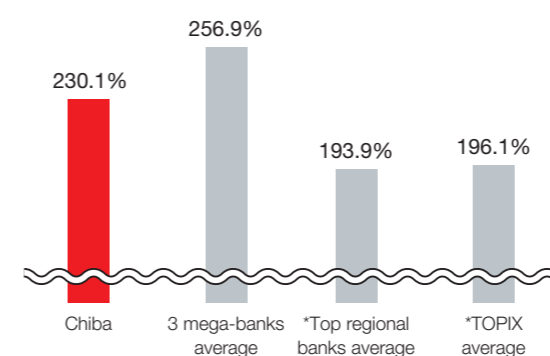
We will improve earnings by steadily carrying out various measures and continue to implement shareholder returns that take into consideration the balance between investment for growth and a sound capital base.

Shareholder returns



Total shareholder return (TSR)

[5 years from March 2019 to March 2024]



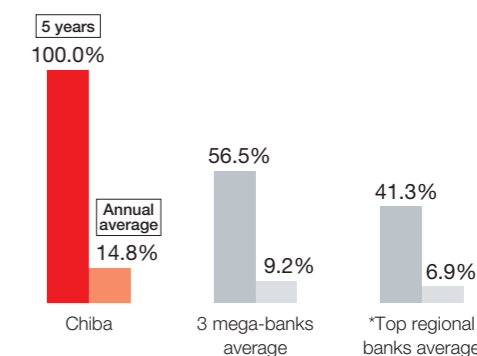
*Average of top five regional banks by total assets (4 banks excluding Chiba Bank)

*TOPIX average calculated from TOPIX index including dividends

*Average of other banks are simple averages calculated by the Bank

Dividend growth rate (dividend amount per share)

[5 years from March 2019 to March 2024]



*Average of top five regional banks by total assets (4 banks excluding Chiba Bank)

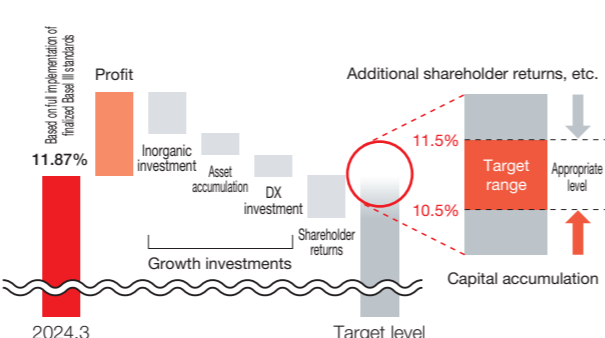
*Average of other banks are simple averages calculated by the Bank

Capital Policy

Capital management viewpoint

Our basic policy is to control the consolidated common equity Tier 1 capital ratio* in the range of 10.5% to 11.5%. We will first use the capital accumulated through periodic profit to invest in growth, secure equity capital commensurate with growth investments, maintain appropriate capital, and then consider returning any surplus to shareholders. We will seek to improve ROE by improving RORA while maintaining an appropriate level of capital.

Consolidated common equity Tier 1 capital ratio*



*Consolidated common equity Tier 1 capital ratio excludes valuation differences on securities fully implemented by finalized Basel III standards

Reduction of cross-shareholdings

In terms of cross-shareholdings, our basic policy is to maintain cross-shareholdings on a limited basis if a meaningful rationale for holding the shares is recognized, such as contributing to the development of the local economy and the improvement of the Bank's corporate value through the maintenance and development of good relationships with business partners as a regional financial institution, while reducing overall cross-shareholdings after having sufficient dialogue with clients to control stockholding risk and capital efficiency, etc.

The quantitative effect of cross-shareholdings on listed stocks is determined using indexes, etc. calculated by deducting the deemed allowance for stocks and the capital cost for holding stocks, for each client, from income from deposits and loans, service income, and dividend income, etc. The Board of Directors verifies the validity of the rationale for cross-shareholdings for each individual issue, based on the economic rationale and future prospects for the value of the shares, taking into consideration the financial and performance details of each company.

As of March 31, 2024, the amount of cross-shareholdings on the balance sheet (market value) was 201.6 billion yen, accounting for 17.06% of total capital (consolidated net assets).

Cross-shareholdings and ratio to total capital

