

Message from the CBO



Delivering high-quality services tailored to each and every individual and corporate customer with the optimal timing

Kiyomi Yamazaki

Director and Senior Executive Officer (Representative Director)
Group Chief Business Officer (CBO)
General Manager in charge of Business Promotion

Understanding our customers well to deliver optimal solutions

I will talk in specifics about our retail and corporate businesses separately, starting with the retail business.

In October 2023, in a major change of direction for the retail business, the Bank abolished branch revenue targets and established an evaluation system that focuses on activity volume and fiduciary duties.

We will aim to improve customer satisfaction by deploying sales activities that pursue the best interests of our customers.

Given the infinite variety of the lifestyles and needs of our individual customers, we need to make optimal personalized proposals. To this end, we will strengthen our digital marketing that anticipates customer needs. By estimating individual customers' life events based on their various transaction data and predicting highly needed products, we will aim

to make the most appropriate proposals at the most appropriate times. We will share data analyzed by the headquarters with the branches and, as a "comprehensive money consultant," make a wide range of proposals, such as asset management, mortgage, auto and education loans, to support the prosperous lifestyles of individual retail customers. We will work on various initiatives to bring the hopes of many more customers to life, such as establishing new locations for mortgage loans services to respond to a wide range of customer needs and holding video-based inheritance seminars for inheritance-related services. I hope that our retail customers will feel free to consult with us about their needs.

Next, in the corporate business, as "an assistant to management," Head Office, the branches, and Group companies will work together to gain a full picture of the management issues of each corporate customers and promptly make proposals that will help support their core business.

Given the significant changes in the business environment surrounding our corporate customers, a particularly large number of customers currently face management issues related to GX and DX. The Bank is placing efforts into non-credit solution proposals, such as decarbonization and ICT consulting, and our track record in this area is growing steadily. For each case, we form a solutions team in which the branches, headquarters, and Group companies collaborate to consider the most appropriate proposals. In this way, the entire Group will work together to act swiftly to resolve customers' management issues.

In addition to assisting customers with their funding, we will stay close to our customers,

precisely identifying their latent needs and management issues, and continuing to propose solutions, in our efforts to solve social issues in the region.

Introduction of activity-based evaluation system

The Bank has introduced an activity-based evaluation system for both retail and corporate businesses.

To revise a review of previous evaluation systems, we introduced an evaluation system for the retail business that focuses on the volume of sales personnel's activities, such as the number of appointments made and the number of customers visited, and fiduciary duties. For the corporate business, we introduced an evaluation system that places more weight on the process up to the signing of contracts for solutions. We will have meetings with numerous customers to learn about their asset management needs and make proposals to solve their business management issues. Through changes in the way our sales personnel act, we will create more opportunities to make optimal proposals to a wider range of customers than ever. In particular, we will seek out opportunities to interact with new customers as well as existing customers. In this way, we will aim to revitalize transactions with many customers and turn them into fans of Chiba Bank.

Continuing to grow alongside the region

Bank possesses rock-solid business foundations that can be attributed to the relationships of trust that we have built up with our customers over many years.

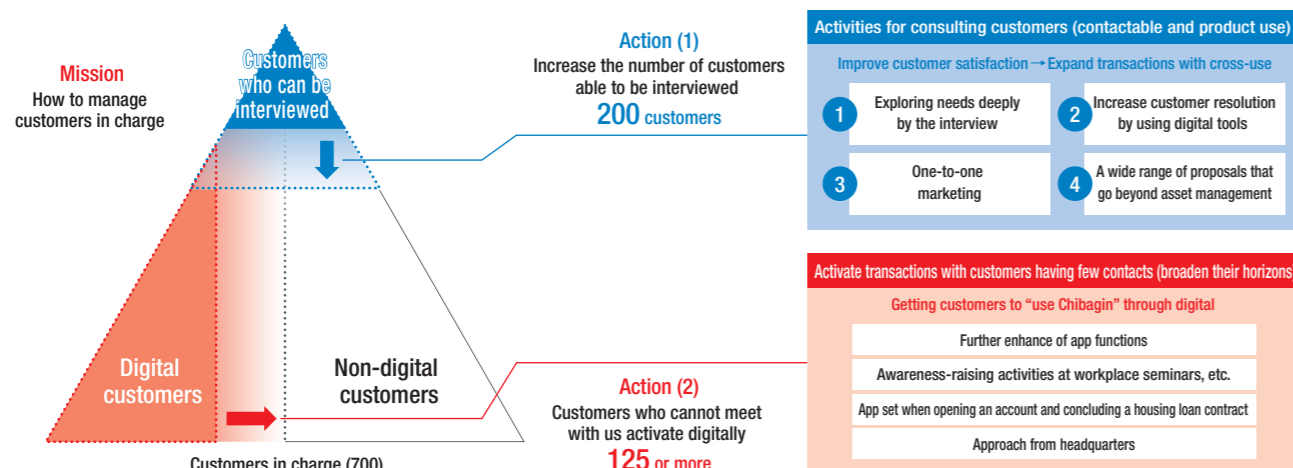
Since I first joined the Bank, I have always strived to respond swiftly and carefully to customers seeking consultations. That remains unchanged even now in my position as Group CBO. I believe that, as we accumulate more responses that exceed customers' expectations, customers will choose Chiba Bank over many other banks.

A strength of our sales representatives is their ability to place themselves in the shoes of customers seeking consultations and respond swiftly and empathetically to them. As well as leveraging that strength to further deepen our relationships with our existing customers, we will use it to develop new customers and take them with us into the future, in our aim to be a banking group that continues to grow alongside the region.

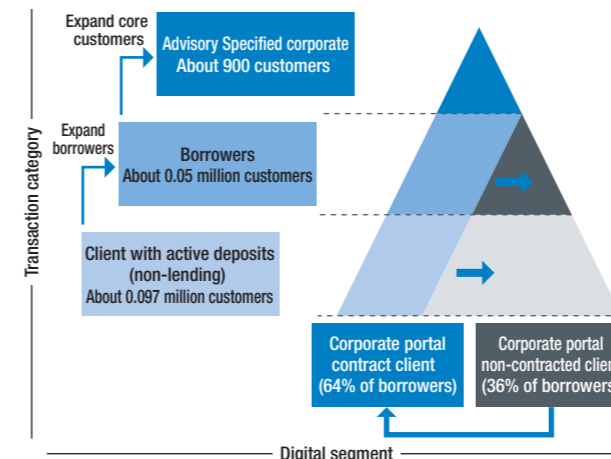
To create a local community better suited to bringing each person's hope to life

If we are to realize the Purpose and Vision, it is important to have a better understanding of our customers and to identify their existing and latent needs. By understanding those needs and making optimal proposals for bringing customers' hopes to life and solving their issues, we will evolve our business model into a customer-oriented model in which the Bank will grow together with our customers.

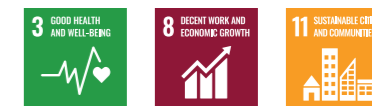
Future Vision of Retail Business



Process of expanding transactions in corporate business



Retail Business



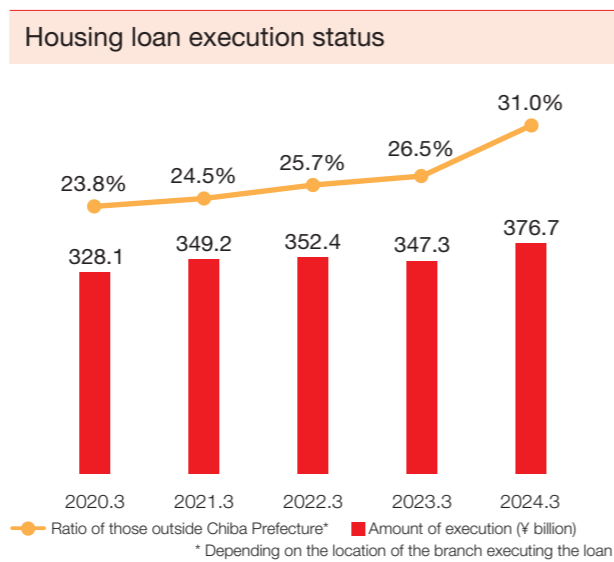
Individual values and lifestyles have diversified, and accordingly, the services that customers expect from financial institutions have changed. The Bank Group has worked to strengthen operational systems and various services to provide optimal services that meet the needs of retail customers.

Strengthening operational systems for housing loans in and outside of Chiba Prefecture

In order to flexibly respond to changes in the social environment including soaring housing prices and diversification of work styles and to closely support the wishes and intentions of our customers to purchase houses, we have strengthened our operational systems mainly by expanding the number of personnel specializing in housing loans.

In October 2023, personnel specializing in housing loans, available on bank holidays, was assigned to the Asahi Branch to respond to a wide range of inquiries and requests from customers in the Toso area.

In addition, in order to further strengthen sales in Tokyo, where demand for housing remains strong, we have expanded a system of the Tokyo Consumer Loan Center, and established the “Tokyo Consumer Loan Center Shinjuku Office” in the Shinjuku Nishi Corporate Banking Office in June 2024, to provide consultation services for housing loans in the West Tokyo area. We will flexibly review our operational systems in line with trends in housing needs and work to evolve products and systems that meets the trend of digitalization and the needs of customers.

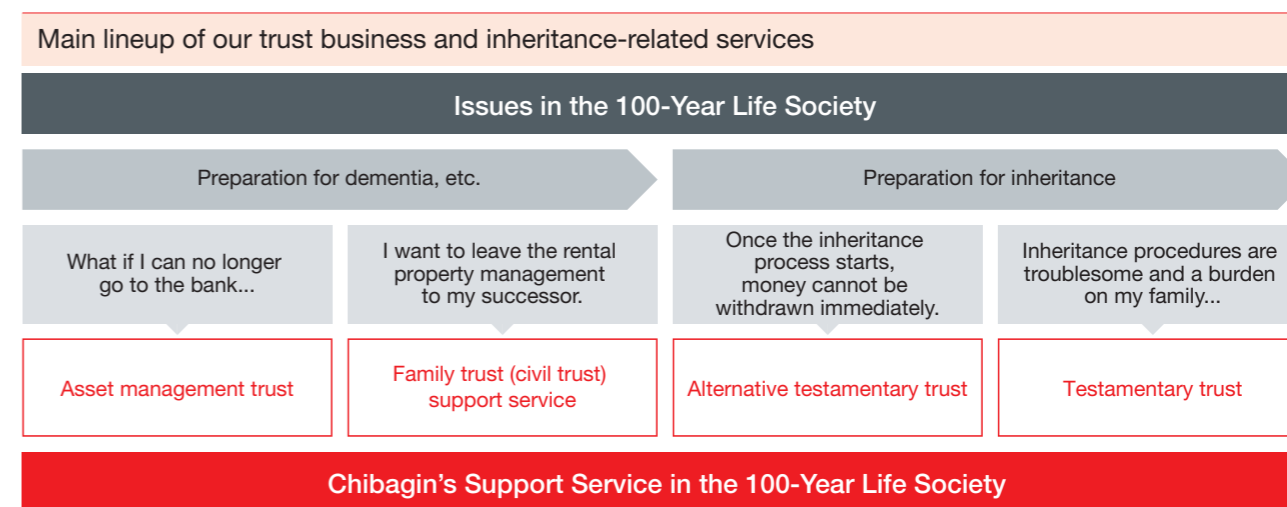


Inheritance-related services and trust business

In 2006, the Bank obtained licenses for inheritance-related services and trust businesses and became the first regional bank in Japan to provide inheritance-related services by itself.

With the advent of the 100-Year Life Society, we provide a wide range of services to help solve various issues of customers from “preparing for dementia” in deposit management and rental property management to “preparing for inheritance” to ensure smooth asset succession.

In December 2023, in order to show customers in an easy-to-understand manner that testaments are effective for smooth asset succession, we started to hold “inheritance seminars,” which consists of dramatized video and commentary, at all branches. We will continue to realize more customers’ wishes and intentions for their family.



MESSAGE

Housing loans to help customers realize their dreams

After going through career development training, I became responsible for operations at a branch counter and then for a loan liaison. Currently I am in charge of housing loans for retail customers.

I try to think what customers need and what they want from us, and I am committed to working with them to realize prosperous lifestyles beyond the loan.

I feel the joy of helping customers realize their wishes and dreams to build their own home, to live in a house where they can live with their favorite cats, or to renovate their new home to

Ayaka Usami
Consumer Loan Business Division
Tokyo Consumer Loan Center



suit their own taste, in their home purchases, which is said to be the most expensive purchase in life.

I hope to continue to be the first person and bank that customers can consult when they or their loved ones are in need. To that end, I will make further efforts to build a relationship of trust with customers by sincerely listening to each customer’s voice, and having the Bank provide total support in a wide range of areas, starting with housing.

MESSAGE

Become a reliable advisor on “inheritance”

Amid growing interests in inheritance, with the “end-of-life planning boom,” the “revision of the Inheritance Tax Act,” and “an increase in the number of meditations in family courts for the division of estates,” I provide advice on inheritance and assistance with the preparation of testaments, as a person in charge of inheritance-related services.

I am working daily with customers to address the issue of “inheritance,” an issue that is difficult to discuss even with their family members, to realize smooth asset succession. I feel the real thrill of my job when I am able to provide better advice

Fumika Sato
Trust Business Division
Consulting Department



for customers and their family members who will inherit their assets by closely supporting them. When the testament is completed and the customer says “I am glad that I consulted with Chiba Bank,” or “I feel relieved that my wishes and intentions take shape,” that is the moment when I feel happy as a sales representative

I will continue to make every effort so that each and every customer can consult with us with peace of mind, and to ensure that everyone in the regional communities can rely on Chiba Bank when it comes to inheritance.

Corporate Business



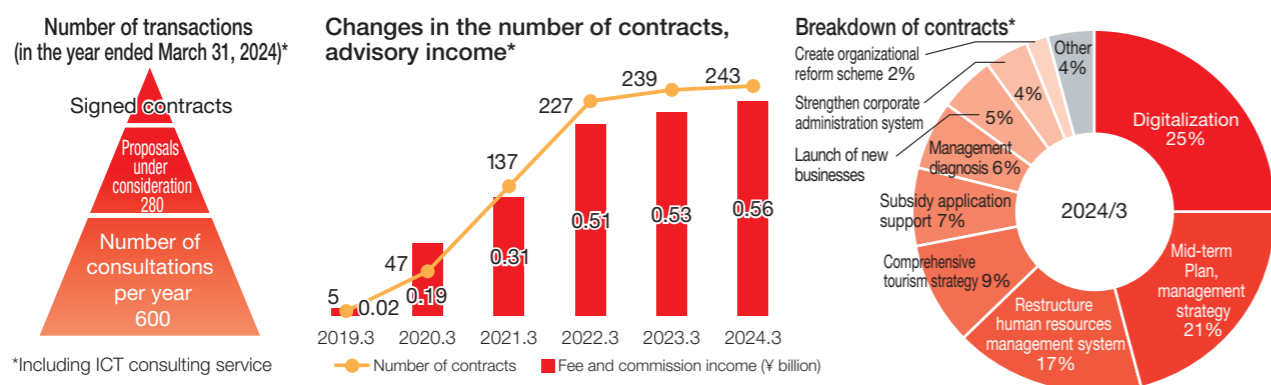
The business environment surrounding companies has been dramatically changing as seen in soaring material prices and labor shortages. The Bank Group conducts customer-oriented consulting by sharing management issues with various business operators, including individual business owners, small and medium enterprises, and major companies.

Main Initiatives

Advisory services for business operators

In advisory services for business operators, we provide various support, including support for forming management strategies and business plans in anticipation of business expansion, support for creating human resources management systems, and lateral support for starting a new business in response to changes in the business environment.

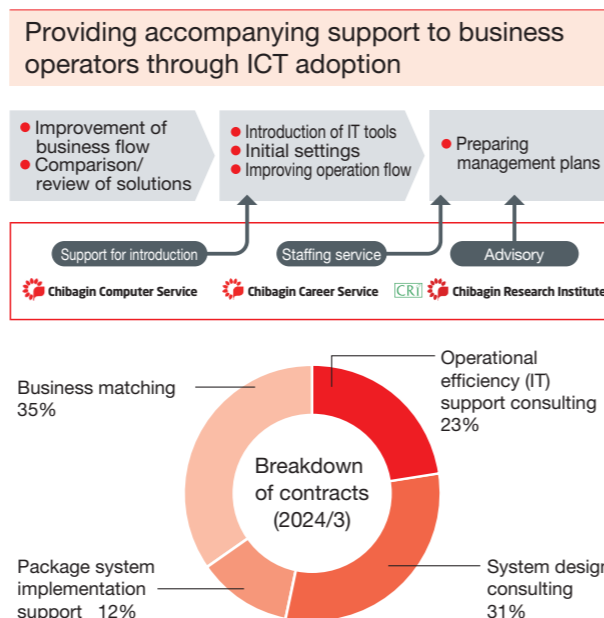
The number of contracts in FY2023 exceeded 200 for the second consecutive year, contributing to the increase in the Bank's commission income. As the specific number of consultations exceeds 600 per year and continues to increase, we will continue to provide sophisticated consulting on our customers' management issues.



ICT consulting service

In our ICT consulting service launched in April 2021, we provide services that support digitalization to help improve customer productivity. We offer consulting on the introduction of the optimal system and IT tools independently from IT service providers to help solve customer issues. The number of consultations in FY2023 has exceeded 250, and in addition to attendance management and salary calculation systems, we have increased consulting on the support for the introduction of no-code/low-code systems.

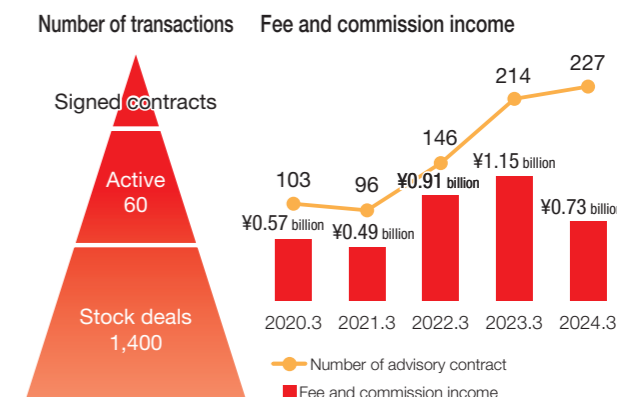
In addition, the Chiba Bank was selected for the "Regional Digitalization Support Promotion Project," a program established by the Cabinet Office for regional financial institutions. We will continue to strengthen our accompanying support services toward the digitalization of small and medium enterprises in the region.



Business succession consulting services

Our business succession consulting services provide one-stop, speedy support for all issues related to business succession.

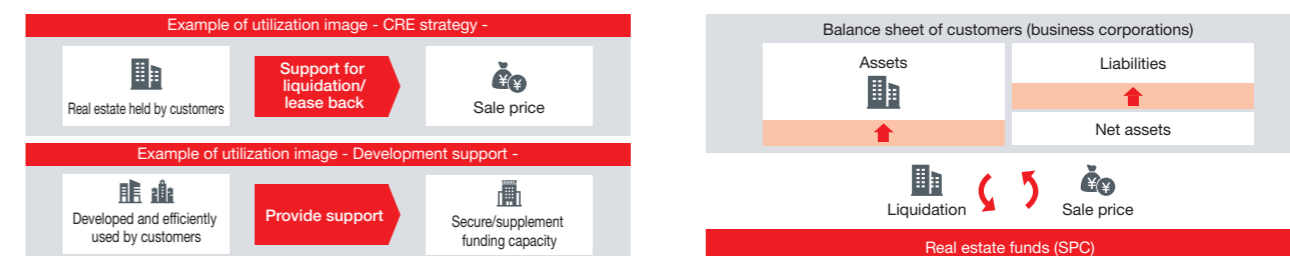
The number of support for business succession has steadily increased, and the number of stock deals, for which we will consider M&A in the future, has also increased to approximately 1,400. We will continue to provide detailed support tailored to each customer for their business succession needs in a timely and appropriate manner.



High-level solutions via real estate funds New business

To meet the increasingly diversified and sophisticated customer needs related to real estate, such as improving the balance sheet, raising growth capital, and realizing large-scale investments, we work with external experts to provide support utilizing real estate liquidation scheme.

We will continue to dig deeper into the management and financial issues of each customer from the perspective of real estate, thereby providing custom-made optimal solutions.



MESSAGE

Solve customers' issues by drawing on all the power of Chiba Bank

Ichinomiya Branch is located in Ichinomiya Town, which was the surfing venue for the Tokyo Olympic Games. We handle a comprehensive range of businesses with many transactions with local companies with a long history as well as new businesses established by people who have moved to the town.

In our corporate business, I try to share the future vision and concerns of business owners from the perspective of their management, and make proposals by drawing on all the power of Chiba Bank to realize their wishes and solve their issues. For example, for customers who suffer a shortage of human resources, I refer to Chibagin Career Service, and propose custom-made solutions in collaboration with headquarters, such

Seiya Maruyama
Ichinomiya Branch
General Manager



as personnel system review through Advisory services, enhancing corporate image with advertising, and improving operational efficiency through ICT consulting services.

It is also important to hone our skills in order to build a relationship of trust with customers so that they can confide their concerns to us. I instruct my subordinates to always learn and become a person of choice for customers, based on my experience where the skills of SME management consultant acquired through the Bank's learning support program have been successful. I feel the irreplaceable joy with my subordinates when our customers express their appreciation for proposals we have seriously considered over and over again.



Regional Revitalization

Support for green project in Chiba Prefecture

In February 2024, the Bank made a Green Loan to Chiba Prefecture for the first time in the prefecture, in cooperation with regional financial institutions in the prefecture.

Green Loans are limited to use for green projects*, and the transparency is ensured by reporting on the use of these loans and the performance of green projects after loans implementation.

This loan is a Green Loan that utilizes the Sustainability Finance Framework (hereinafter referred to as the “Framework”) formulated by Chiba Prefecture in August 2023. The second opinion has been obtained from Japan Credit Rating Agency, Ltd. for its suitability as a green loan. By limiting the use of funds to eligible projects such as river, coastal, and erosion control improvement projects, the Framework aims to contribute to improving the environment for society as a whole.

Chiba Prefecture, the recipient of the loan, is promoting initiatives to achieve the SDGs, involving a wide range of stakeholders, including residents and business operators. The goal is to use the Green Loans as an opportunity to promote understanding of Chiba Prefecture’s advanced efforts regarding the SDGs and to create momentum throughout the Chiba Prefecture for promoting the SDGs.

* Businesses such as renewable energy power generation facilities that contribute to solving global warming and other environmental problems.

Green Loan Outline	
Borrower	Chiba Prefecture
Contract date	Tuesday, February 20, 2024
Loan amount	¥5,000 million
Lending financial institution	Chiba Bank, Boso Credit Union, Chiba Kogyo Bank, Chiba Shinkin Bank, Choshi Shinkin Bank, Choshi Shoko Credit Union, Keiyo Bank, Kimitsu Credit Union, Sawara Shinkin Bank, Tateyama Shinkin Bank, Tokyo Bay Shinkin Bank, Tokyo Higashi Shinkin Bank (in alphabetical order excluding Chiba Bank)
Execution date	Monday, February 26, 2024
Third-Party Opinion	Japan Credit Rating Agency, Ltd.
Loan type	Term loan

Holding local government DX promotion trade fair

In July 2023, we held “Local Government DX Promotion Trade Fair + Hybrid Seminar” at the Bank’s Head Office building. To support local government officials to work on DX operations with more concrete image and a sense of reality, we displayed actual DX tools and demonstration equipment at the fair so that visitors can freely experience them.

At the same time, we also held seminars on a wide range of topics including business reform for local governments, development of digital human resources, and generative AI, providing information that would contribute to solving issues of local governments.



Support for Chiba Gastronomy Prefecture Project

In February 2024, ceremony was held for the “Chiba Gastronomy AWARD” by the “Chiba Gastronomy Prefecture Project,” which the Bank sponsored and cooperated in the management of.

The project aims to make the Chiba Prefecture a world-class gastronomy prefecture by recognizing outstanding restaurants and producers in the prefecture. From more than 500 entries, the top 30 were selected from each category of restaurants and producers. Chibagin Market participates in this project as the secretariat, and will consider matching producers with restaurants awarded in the Gastronomy AWARD and planning their collaboration to generate new appeal in the region. In this way, we will contribute to solving regional issues and providing social value to contribute to regional revitalization.



Operating the agricultural corporation Fresh Farm Chiba Co., Ltd.

The Bank established the agricultural corporation Fresh Farm Chiba together with 15 local companies in March 2018. This company has gradually expanded the amount of cultivated area to 11 hectares, and in FY2023, we harvested 37 tons of Koshihikari rice and 14 tons of Fusakogane rice. We opened a stall for Minayoshi rice and Komekoji Minayoshi Amazake at markets operated by a regional trading company Chibagin Market to communicate information directly to consumers.

In addition, we conducted a demonstration experiment to automate the weeding on the slopes, which is one of the issues facing the region and involves a heavy workload and danger. We will continue to take on the challenges of various initiatives together with the local community for the sustainable development of agriculture.



Initiatives in Narita area

In the area around Narita Airport, the construction of a new third runway and the consolidation of terminals and cargo areas at Narita International Airport, the full opening of the Ken-O Expressway, and the extension of the Kita Chiba Road, together with further functional enhancements to the airport, will significantly improve access to the transportation network in the Tokyo Metropolitan area. With various large-scale developments and community building underway, the area around Narita Airport has considerable potential for growth.

The Bank established the Narita Project Promotion Office in October 2018. For the development of the regional economy, we collaborate with nine cities and towns as well as business operators around Narita International Airport to support development projects and prospective developers.

Overseas business

Financial support utilizing the overseas network

The Bank has an overseas network of six locations (three branches and three representative offices).

We provide support for overseas business expansion through our six overseas locations and partner banks, including the latest information on the investment environment to businesses overseas and customers considering overseas expansion, market development, and financial support for local subsidiaries.



▲ Overseas network

DX (Base I)

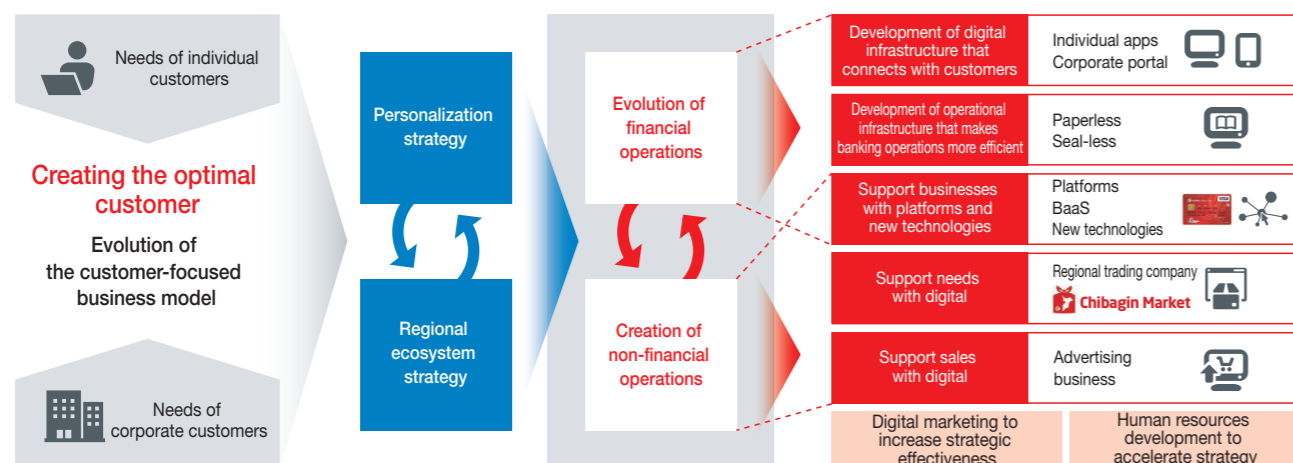


DX is an important management challenge for a company to maintain its competitiveness and grow. The Bank Group includes “DX (digital transformation)” as one of the value creation bases in its Mid-term Plan, and is working on various initiatives based on its DX strategy.

DX Strategy

In our DX strategy, one of our basic policies is “Creating the optimal customer” through the optimal utilization of our digital infrastructure such as the Chiba Bank app for individual customers and the Chibagin Business Portal for corporate customers, which we have developed to date, to provide customers with the best “Chibagin experience.”

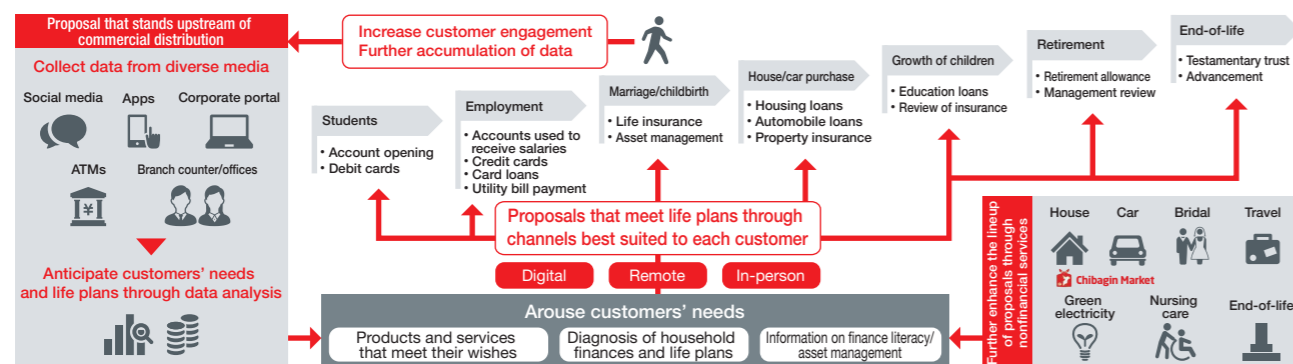
That policy is based on two pillars of “personalization strategy” that utilizes digital marketing to deliver optimal proposals to each and every customer, and “regional ecosystem strategy” that connects local customers with local businesses to develop an active economic cycle. To achieve these strategies, we will create non-financial services including advertising business and concierge services for home purchases while evolving our existing financial services such as Chiba Bank app development.



Digital Marketing

We are working to estimate customers’ interests, concerns, and problems through data analysis and promote efforts to deliver solutions to them by the most appropriate channels and timing.

We will improve customer experience by grasping the results of analysis of the needs of customers, etc. in an integrated manner at branches and headquarters, and making appropriate proposals through all channels.



Apps/Portal

The Chiba Bank app and Chibagin Business Portal are digital infrastructures that connect with customers, and we are gradually adding new functions to them for creating the optimal customer.

For the Chiba Bank app, in addition to enhancing financial services, we will work to develop functions that connect with customers’ daily lives and functions personalized to customers. For Chibagin Business Portal, we are enhancing basic functions as well as developing ancillary functions that are useful for customers’ business activities.

Solve any problem through one channel

Number of app registrants and app penetration rate

Year	Number of app registrants (thousand)	App penetration rate*
2021/3	305	10.6%
2022/3	514	17.8%
2023/3	738	25.5%
2024/3	972	33.8%
2026/3 (Plan)	1,500	50.0%

*Number of Chiba Bank app registrants ÷ Number of individual active customers

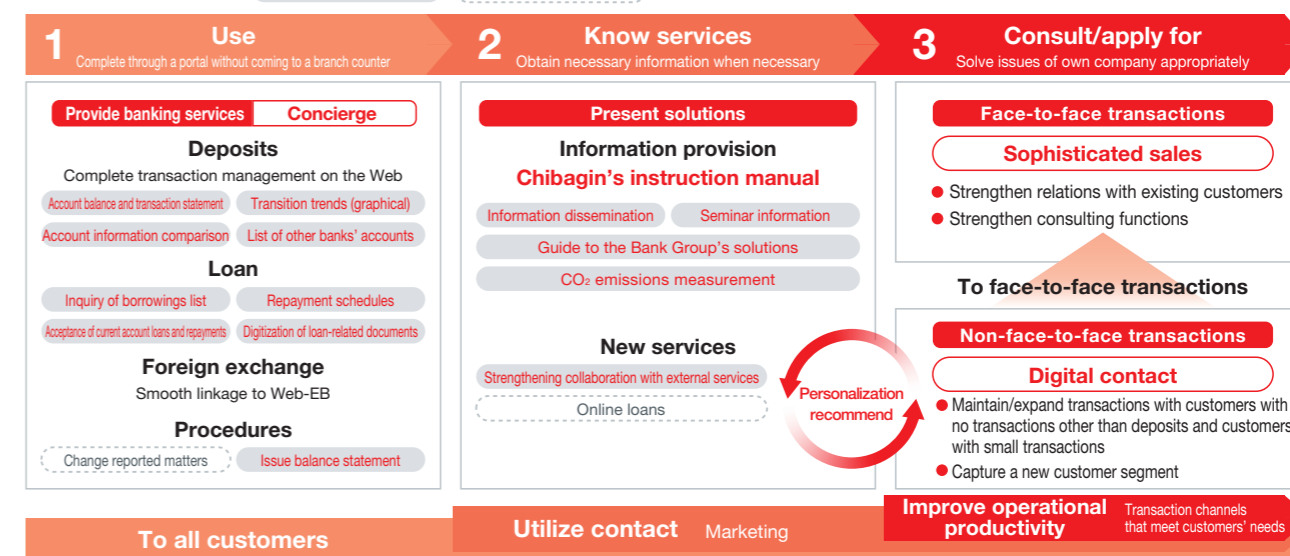
0.15 million people
(As of March 31, 2024)

Number of app users per day
*Number of users who have used the app at least once

Category	Implemented		Future plan	
	2025/3	From 2026/3	2025/3	From 2026/3
Enhance functions	Making app for familiar financial services Digitalize transactions at branches		<ul style="list-style-type: none"> Barcode payment Transfer Balance and transaction statement Deposits, cancellations, and account opening of time deposits Web account opening and application for account transfer 	<ul style="list-style-type: none"> Formal personal authentication Registration of accounts used to receive public money Procedures Continuous customer management
	Enhancement of financial services Enhancement of convenient and secure financial services		<ul style="list-style-type: none"> Loan repayment schedules App loans Inquiry of details of investment trusts Investment trust account opening 	<ul style="list-style-type: none"> Advance repayment of housing loans Fund wraps balance Inquiry of securities account Foreign currency deposits and insurance
	Connecting with daily lives Linkage to other services		<ul style="list-style-type: none"> Google Pay/Apple Pay Local tax uniform QR API linkage 	<ul style="list-style-type: none"> Local government, cross-industry, and My Number collaboration
Increase contact points to customers	Personalization Visualization of transactions and assets/individualized proposals		<ul style="list-style-type: none"> Promotion of app incorporating the results of data analysis Notification of debit schedule 	<ul style="list-style-type: none"> List of assets/contract information Engagement tools Household account diagnosis and LP simulation
	Pleasant experience on smartphones Exciting design with simple and easy operation		<ul style="list-style-type: none"> Design changes Banknote mode (statement search, memo registration, etc.) Improvement of leads, buttons, etc. as needed 	<ul style="list-style-type: none"> Continuous UI/UX improvement Authentication linkage to other channels
Improve UI/UX	consult Easy to anytime, anywhere		<ul style="list-style-type: none"> Easy communication/linkage to face-to-face transactions Reservations for branch visits Friend referrals Advertisement distribution 	<ul style="list-style-type: none"> Consultation via chat, online, etc.
	Communication			

- Functional and easy-to-understand portal site for all customers
- Functions that lead to streamlining of accounting clerical work are implemented as an online branch (concierge for corporate transactions)

Aim to be a bank close to customers in both real and digital life

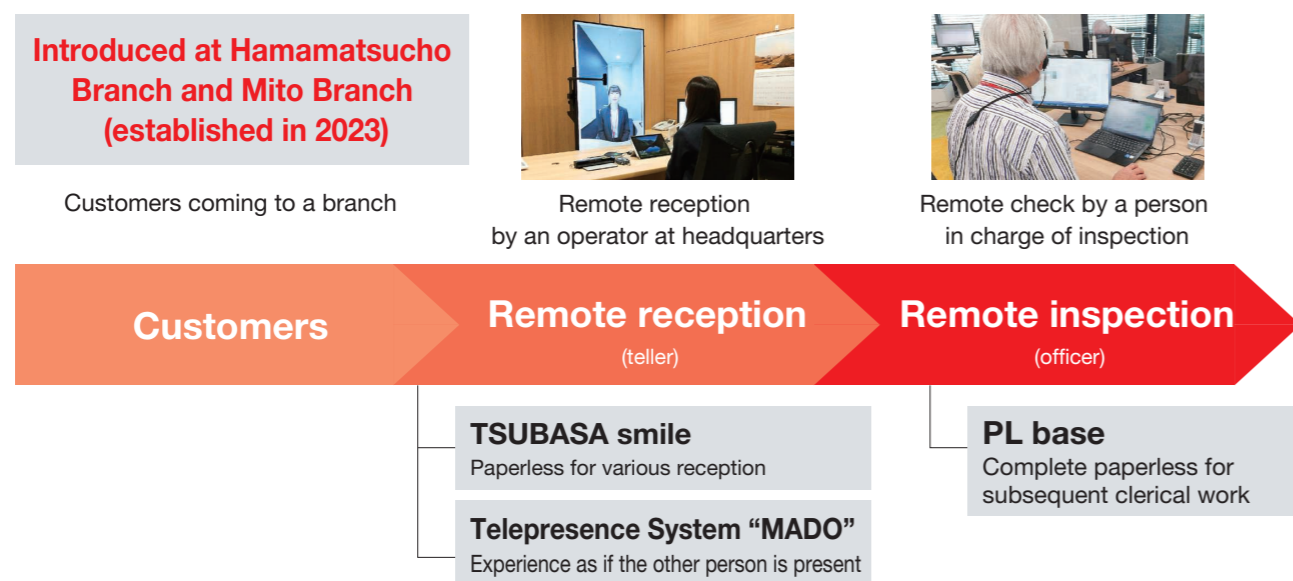


Main Initiatives

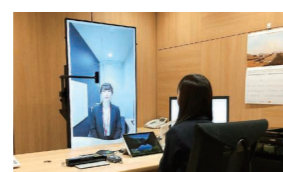
Improve operational efficiency

By reviewing workflow and automating operations with RPA, we plan to reduce workload by 300,000 hours in three years, and we have reduced workload by 110,000 hours per year for the period from April 2023 to March 2024. We are also working to realize lightweight branches by consolidating clerical work at headquarters utilizing TSUBASA general-purpose paperless system, and establishing branches without counters utilizing Telepresence System “MADO” in November 2023.

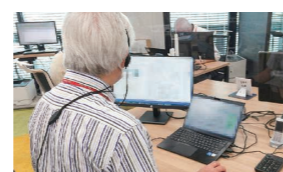
We will continue to expand features of non face-to-face digital infrastructure such as Chiba Bank app and Chibagin Business Portal so that customers can choose the best channel from in-person, digital, and remote, thereby moving closer to providing the “best customer experience.”



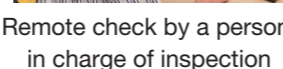
Introduced at Hamamatsucho Branch and Mito Branch (established in 2023)



Customers coming to a branch



Remote reception by an operator at headquarters



Remote check by a person in charge of inspection

Customers

Remote reception

(teller)

Remote inspection

(officer)

TSUBASA smile

Paperless for various reception

Telepresence System “MADO”

Experience as if the other person is present

PL base

Complete paperless for subsequent clerical work

MESSAGE

Struggling to develop systems with users' perspective in mind

Working together with the department in charge, I review existing workflow to determine the best flow for systemization, and mainly provide support in progress management, various adjustments, etc. in system development to realize that flow. Specifically, I have been involved in the development, including renewal of delinquency management system, implementation of an electronic contracting system, and realization of paperless investment trust contracts and paperless money transfer for insurance premium.

In developing systems, I place importance on the viewpoint of whether the system is easy to use

Yuka Kenmotsu

Digital Strategy Division
Operational Reform Department



for customers and people at branches who are users of such system, and whether the system will provide more convenience than before. To this end, I am not bound by the way things have been done so far, and sometimes consider starting with a review of clerical work and rules. When developing systems, we sometimes face problems and difficulties that we have not expected, however, this makes it very rewarding when the system is released and we receive compliments.

I will continue to work with customers' perspective in mind so that I can provide services that are more convenient for customers.

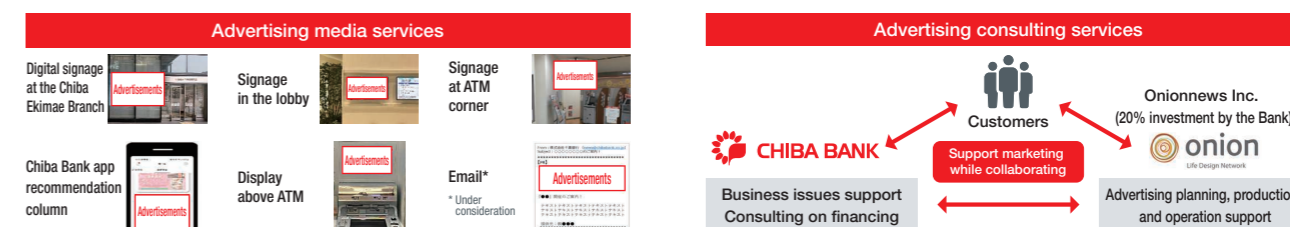
Advertising business New business

We officially announced the launch of the advertising business in May 2023, and have started operations at all branches since October 2023.

The advertising business is structured to provide two distinct services, an “advertising media services” and “advertising consulting services.” In the “advertising media services,” we place advertisements of customers in the region on advertising media including large signage for outside use in the Tokyo Head Office and the Chibagin INNOVATION LOUNGE in the Chiba Ekimae Branch, as well as lobby, ATMs, and Chiba Bank apps, which has been well received by customers as a new advertising venue.

In the “advertising consulting services,” we collaborate with Onionnews Inc., a company in which we have an equity participation, to provide customers who are considering advertisement on the internet with services such as creating websites and posting advertisement on the internet.

We will continue to contribute to the development of the regional communities by providing customers with unprecedented values through new media planning utilizing the Bank’s data and enhanced consulting services.



Metaverse demonstration experiment New business

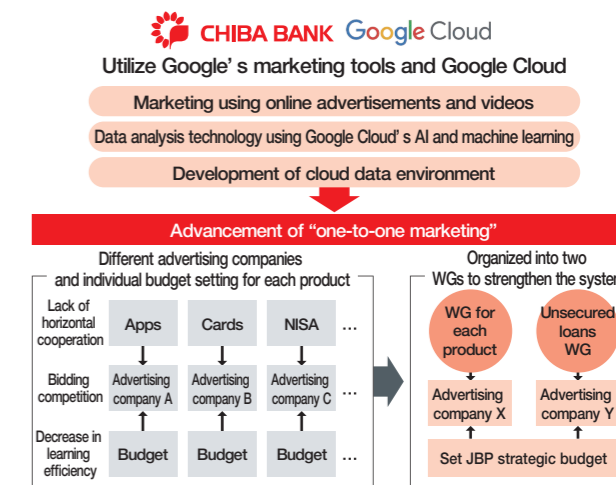
The Bank is considering the use of Metaverse space as one of the channels to provide new customer experiences and approach to new customer segments. In FY2022, we held Metaverse events for various segments including ones for prospective employees, employees of local governments, and child-rearing generation. We also conducted a survey of users' receptivity to Metaverse space. In FY2023, we provided a pilot “Metaverse Housing Exhibition Venue,” the first of its kind for a financial institution, in cooperation with a real estate company. Going forward, we will aim to officially develop the “Metaverse Housing Exhibition Venue” and provide new contents.



Joint Business Plan (JBP) agreement with Google Cloud Japan LLC

In January 2024, the Bank reached an agreement on Joint Business Plan (JBP) with Google Cloud Japan to advance our initiatives in the digital marketing field. In our JBP initiatives, we will promote the advancement in the field of marketing knowhow using online advertisements and videos, and data analysis technology using Google Cloud's AI and machine learning.

In addition, to accelerate the accumulation of such advanced knowhow within the Bank, we will organize our advertising operation systems, which have been dispersed by product, into two working groups to strengthen and improve efficiency on our operation system.



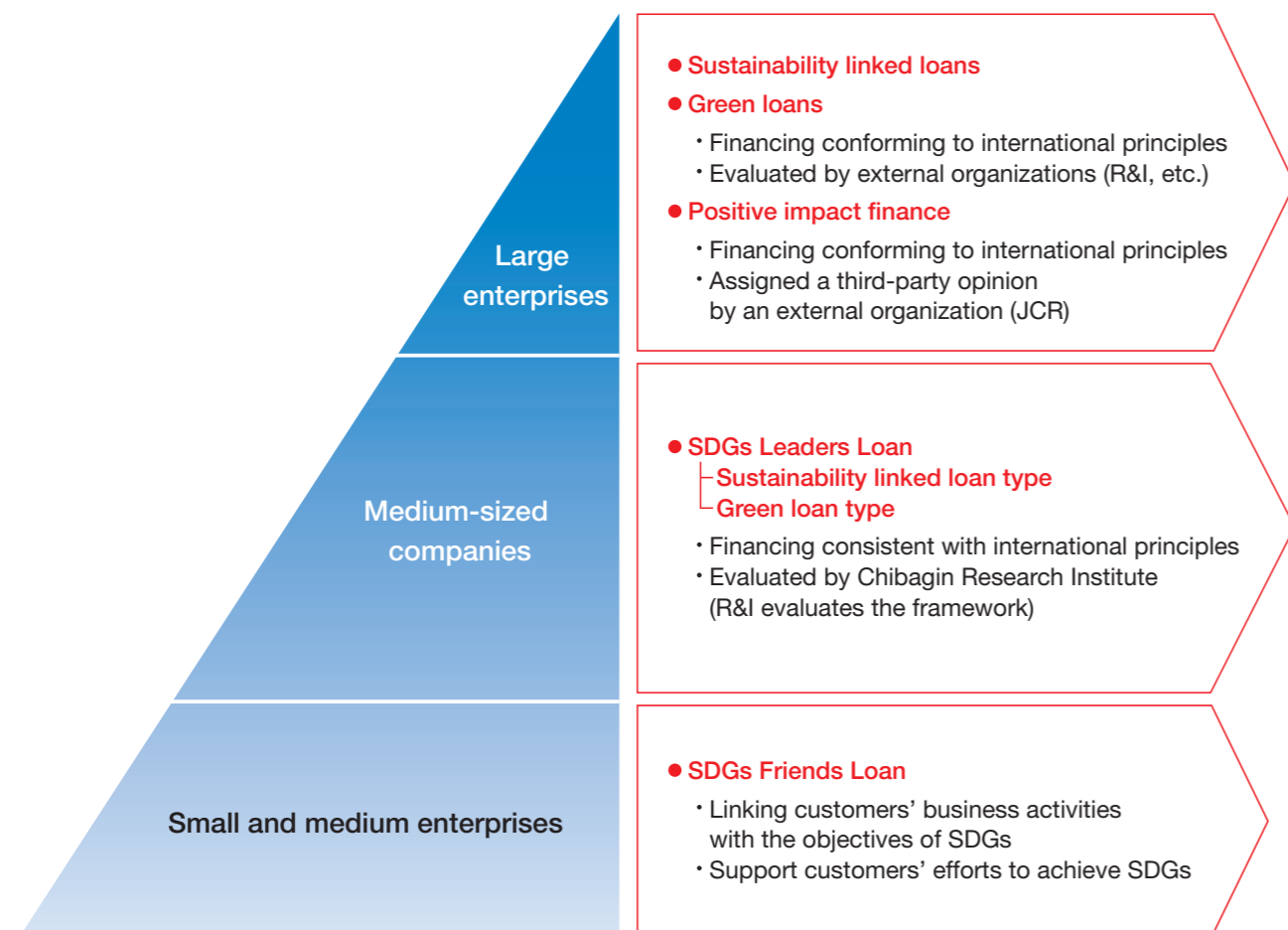
GX (Base II)



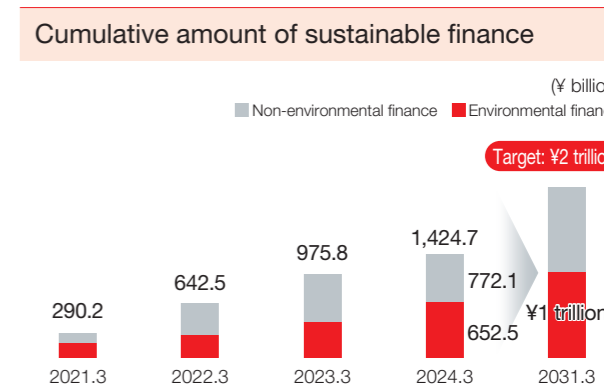
In a sustainable society, GX is an important social challenge to protect the most important “global environment.” The Bank Group will contribute to the realization of a decarbonization in the region through initiatives for sustainable finance and promoting the spread of renewable energy.

Sustainable finance

The Bank provides various loan products to promote customers’ GX in terms of finance. We offer a product lineup such as the Chiba Bank Sustainability Linked Loan and Chiba Bank Green Loan primarily for large companies, as loans conforming to the Sustainability Linked Loan Principles and other international principles. In January 2022, the Bank established the Chiba Bank SDGs Leaders Loan primarily for medium-sized companies. This is a loan program evaluated and implemented by the Chibagin Research Institute, in which specialized departments of the Bank provide support to businesses that are working on sustainability management for setting effective targets and so forth according to business size and management conditions. We have received a third-party opinion from Rating and Investment Information, Inc. (R&I) regarding the conformity of this product’s framework to international principles. In August 2022, we commercialized the Chibagin Positive Impact Finance for large and medium-sized companies after receiving a third-party opinion from Japan Credit Rating Agency, Ltd. The Chiba Bank SDGs Friends Loan has been used by many customers, primarily small and medium enterprises.



Target for the amount of sustainable finance and its results		
	Target amount (FY2019 to FY2030)	Actual amount [progress rate] (FY2019 to FY2023)
Sustainable finance	¥2 trillion	¥1,424.7 billion [71.0%]
Of which environmental finance	¥1 trillion	¥652.5 billion [65.0%]



CO₂ emission measurement tool “C-checker”

The Bank Group developed a CO₂ emission measurement tool “C-checker” in September 2023, and started offering it as a free service of the Chibagin Business Portal. Starting with the “C-checker,” which helps customers visualize their CO₂ emissions as a first step toward decarbonization, we support the formulation of CO₂ emission reduction plans and provide a solution menu such as solar power generation facilities and energy saving facilities in collaboration with business matching partners. In this way, we have established a system to support customers’ GX activities in a comprehensive manner.



MESSAGE

Supporting sustainable management through repeated trial and error

My job is to support customers’ efforts for sustainable management from both financial and non-financial aspects. In financial aspect, commercialization of the “SDGs Leaders Loan” has expanded the range of customers involved in sustainable finance. When developing sustainable finance, I work through trial and error, considering what are the key issues for customers and what goals are ambitious level for them, while gaining knowledge from the Chibagin Research Institute and external evaluation companies.

Koji Kaminishi
Corporate Business Division
Business Solutions
Department

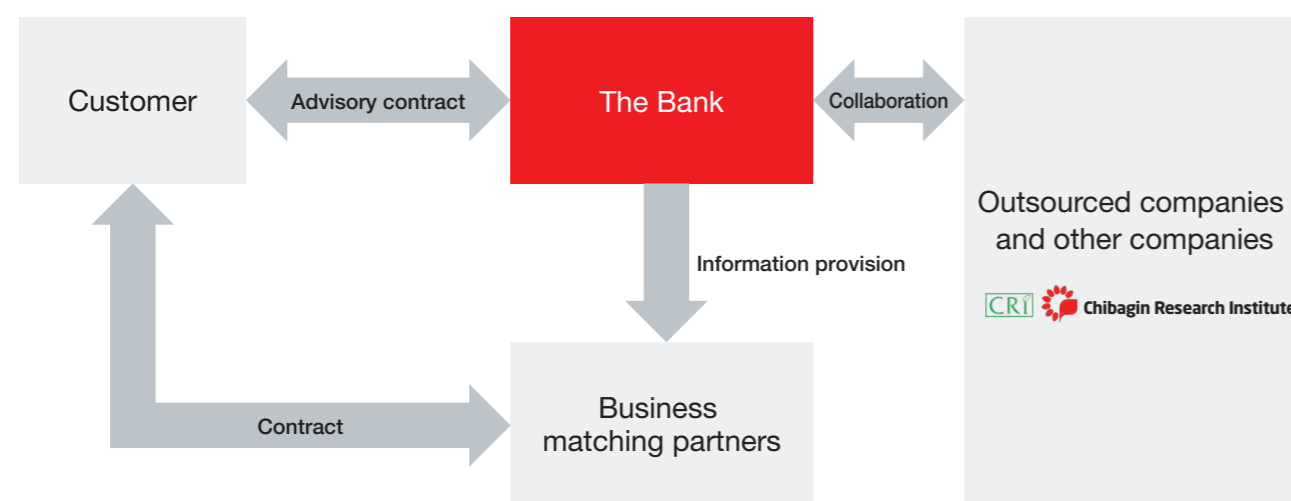


In the development of the “C-checker,” a CO₂ emission measurement tool, as a first step toward decarbonization, I worked very hard with a lot of anxiety, as that was my first experience working on system development and I had no specialized knowledge of system. I had faced problems many times before I achieved the system I envisioned, but I worked with people of the Chibagin Computer Service and related departments, and was finally able to release the Bank’s unique measurement tool.

Decarbonization Consulting

Consulting system

The Bank conducts various initiatives to support customers' decarbonization initiatives. We have a wide variety of solution menus and provide consulting services based on the needs of customers, including support for the visualization of greenhouse gas emissions and formulation of greenhouse gas emission reduction plans, and support for the introduction of solar power generation facilities and energy saving facilities in collaboration with business matching partners. In September 2023, we started providing CO₂ emission measurement tool "C-checker," strengthening a system to comprehensively support customers' decarbonization initiatives.



ESG evaluation sheet

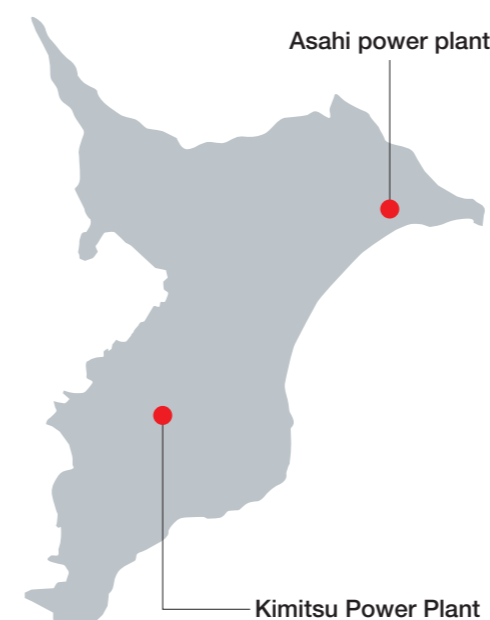
In order to support the sustainable management and decarbonization efforts of our business partners, we conduct business feasibility evaluations that utilize our independently-developed ESG evaluation sheet. The ESG evaluation sheet is a tool developed by the Bank in May 2022 to understand the status of our business partners' efforts to achieve the SDGs from the perspectives of E (environment), S (society), and G (governance). It also allows us to understand the calculation status of our business partners' greenhouse gas emissions. By promoting dialogue with business partners through this tool and identifying future risks and opportunities for business partners, we identify medium- to long-term management issues and potential funding needs, etc., and cooperate with related divisions to proactively propose solutions for decarbonization, etc.

Investment in GX Promotion Organization

In May 2024, we made an investment of ¥20 million in the GX Promotion Organization upon its establishment. The GX Promotion Organization is an authorized corporation established under the Act on Promotion of Smooth Transition to a Decarbonized Growth-Oriented Economic Structure (GX Promotion Law) in May 2023, with funding from the public and private sectors. This organization plans to provide financial support such as debt guarantees, operate the emission trading scheme, and collect fossil fuel levy, etc. in order to achieve the Japanese Government's goal of ¥150 trillion or more in GX investment over the next 10 years. The Bank has been involved in the formulation of the basic policy for realizing GX, with Mutsumi Awaji, Director and Senior Executive Officer of the Bank, having participated in the GX Implementation Council, which is chaired by Prime Minister, and has decided to make the investment in order to contribute to the realization of GX in Japan.

Himawari Green Energy Co., Ltd. started operations New business

Himawari Green Energy Co., Ltd., a subsidiary involved in energy generation established in April 2023, started its operations in December 2023. Currently, it is engaged in solar power generation business in Asahi City and Kimitsu City, whose annual power generation is equivalent to approximately 35% of the Chiba Bank Group's annual electricity consumption. In addition, in March 2024, it launched an intermediary business for non-fossil certificates, which can be used for carbon offsetting, as part of its decarbonization initiatives. It will continue to accelerate its business utilizing renewable energy to contribute to the realization of a decarbonized society in the regional communities.



▲ Asahi power plant



▲ Kimitsu Power Plant

MESSAGE

Promoting local production and consumption of renewable energy

Ren Ishii

President and Representative Director of Himawari Green Energy Co., Ltd.
Senior Deputy General Manager, SDGs Promotion Office, Corporate Planning Division, Chiba Bank



Himawari Green Energy was established in April 2023, with the aim of contributing to the realization of a decarbonized society in the regional communities. It is a new business, however, all staff members concurrently serve as the Bank's employees. We have already started solar power generation operations in two plants in the Prefecture, and our business is progressing at a faster pace than originally planned, including the launch of an intermediary business for non-fossil certificates.

I am concurrently involved in the operations of the SDGs Promotion Office of the Bank, and also responsible for accelerating the Chiba Bank Group's and customers' efforts to achieve the

SDGs. I have experience working in five branches so far, and at each branch, I worked feeling strong ties with customers rooted in that community. I have a strong desire to make Chiba Prefecture, where many of our customers are located, a sustainable and more prosperous region. To achieve this, I believe that we need to further expand Himawari Green Energy's business.

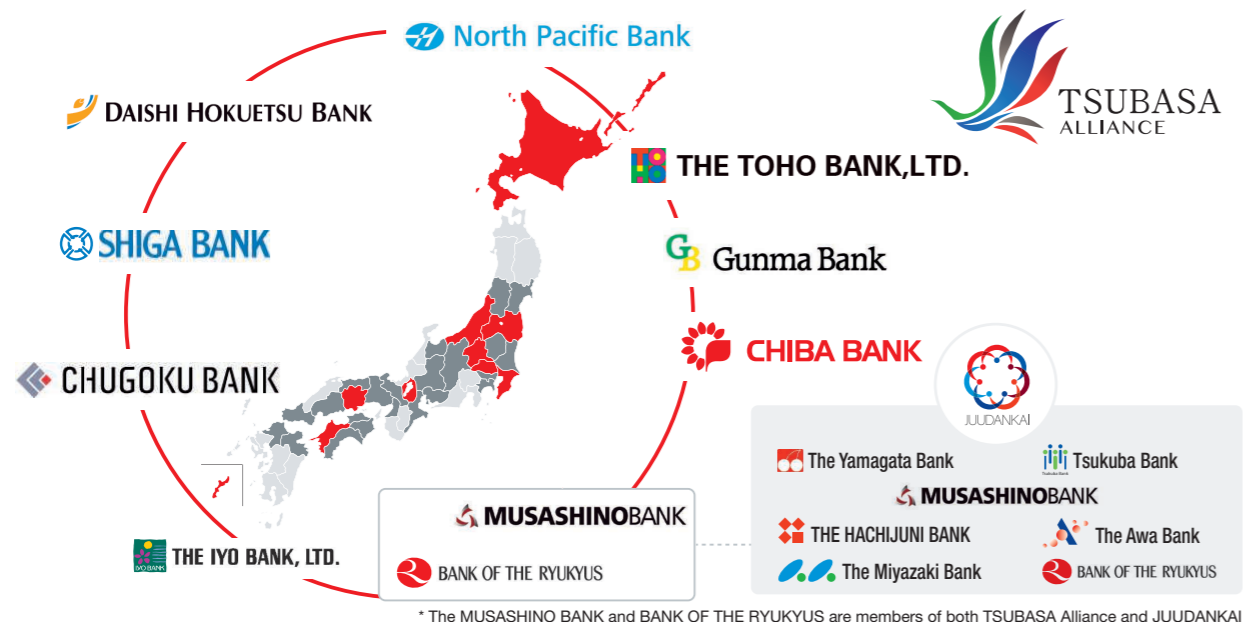
In order to promote the spread of renewable energy use and local production and consumption, I hope to make aggressive investments by making the best use of the Bank's resources and information capabilities.

Alliances (Base III)



TSUBASA Alliance

TSUBASA Alliance is expanding in size year by year while firmly maintaining independence of each bank as the largest framework of regional alliances in Japan, consisting of 10 top regional banks with solid management bases. Since its launch in October 2015, we will further deepen collaboration and joint usage while consolidating the knowledge of 10 banks, and we will further advance initiatives to improve the top line and reduce costs using the advantage of scale such as FinTech, use of joint clerical work and systems, as well as inheritance-related services, development of syndicated loans, international business, and utilization of group companies.



TSUBASA Alliance Co., Ltd.

In July 2020, we established TSUBASA Alliance Co., Ltd., the company jointly funded by TSUBASA Alliance participating banks.

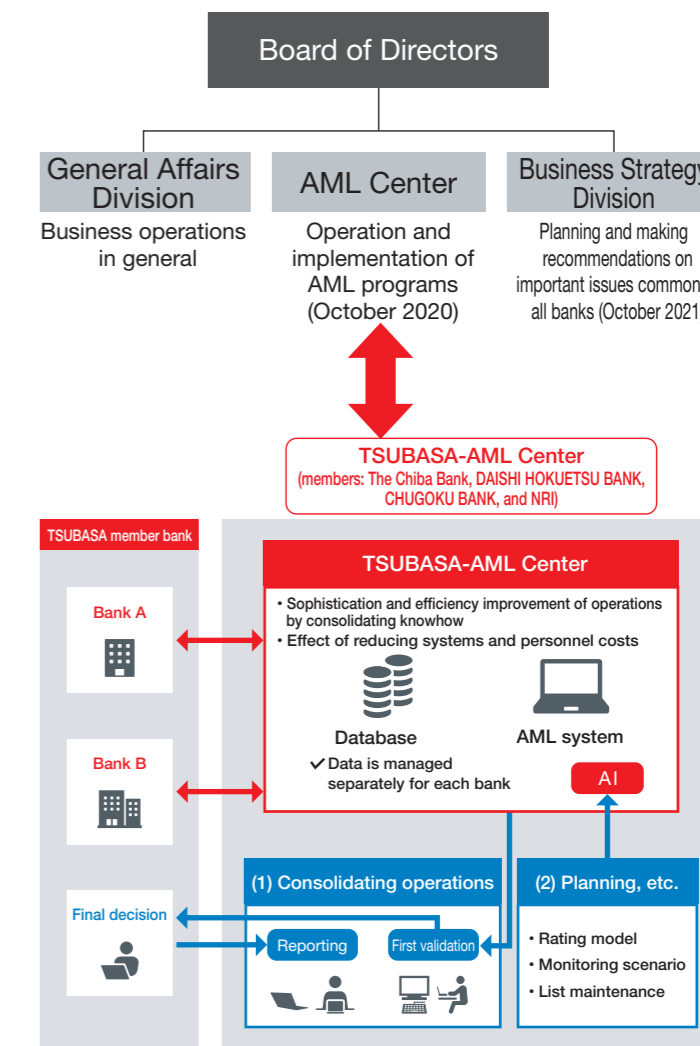
In October 2020, we established the AML Center that will work to prevent money laundering and financing terrorism, and in October 2021, we established the Business Strategy Division to plan and make recommendations on how to collaborate and consolidate important issues that are common to all banks.

Establishment of TSUBASA-AML Center Co., Ltd.

New business

In November 2023, together with DAISHI HOKUETSU BANK, CHUGOKU BANK, and Nomura Research Institute, Ltd. we established TSUBASA-AML Center, a joint venture to jointly operate measures to prevent money laundering and financing terrorism.

We will combine a wealth of practical knowledge and experience of TSUBASA Alliance participating banks with advanced financial IT solutions of Nomura Research Institute, Ltd. to accurately detect and eliminate transactions related to crime and terrorism, thereby contributing to the development of healthy finance and economy of the local community where our customers can use banks with peace of mind.



TSUBASA/JUUDANKAI Joint Research Group

In March 2024, the two groups, which have a strong affinity for each other in terms of systems, launched the research group in order to share their knowledge and knowhow.

We will provide value-added services to regional communities and customers in cooperation with participating banks of the Research Group.

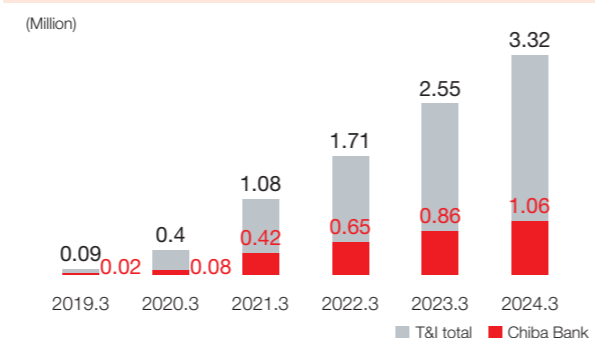
- System taskforce**
 - Next generation systems, subsystems, digital field, AML measures
- Operational efficiency improvement taskforce**
 - Labor-saving measures for branches
 - Improve operational efficiency
- Cybersecurity taskforce**
 - Cybersecurity countermeasures
 - Cybersecurity risk management

T&I Innovation Center Co., Ltd.

In July 2016, we established the T&I Innovation Center, which conducts FinTech surveys and research, and planning and development of financial services using FinTech.

The T&I Innovation Center develops and operates "TSUBASA FinTech common platform," a platform for open API, and works with companies providing financial services to realize the speedy delivery of superior financial services.

T&I number of individual user IDs on the API platform



MESSAGE

To create a society free of criminal organizations by concentrating the power of Alliances

Kensuke Ueda

President and Representative Director of TSUBASA-AML Center Co., Ltd. Senior Deputy General Manager, Compliance and Risk Management Division, Chiba Bank



Criminal organizations have obtained unjust profits through various means such as wire transfer fraud, which may damage customers' valuable assets. In addition, in a complex international situation, terrorist activities and development of mass destruction weapons are also serious issues. We will not be able to protect our peaceful way of life unless we stop the flow of funds to such organizations. TSUBASA-AML Center is an organization with experts in this field from TSUBASA Alliance participating banks to analyze and verify the flow of money through banks and cut off sources of funding for criminal

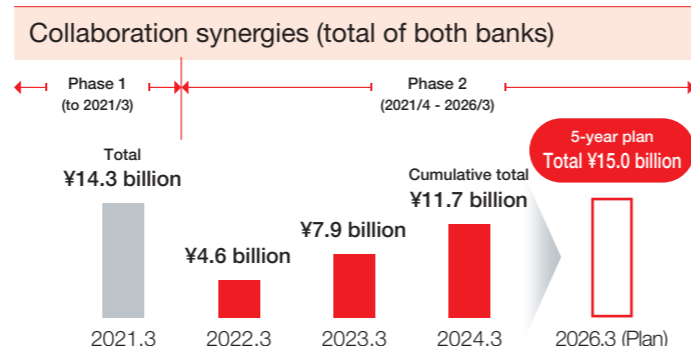
organizations, etc. We will work for the sound development of the local economy and create an environment where customers can use banks to realize their wishes with peace of mind by bringing together the knowledge of each bank to ensure that we identify and eliminate fraudulent transactions from the large volume of transactions that occur every day.

We will maximize the power of the TSUBASA Alliance with enthusiasm to make every place in Japan a safe and secure society free of criminal organizations through unified efforts of all banks that cover the entire region of Japan.

Chiba-Musashino Alliance

The Chiba-Musashino Alliance had collaboration synergies totaling ¥3.8 billion in FY2023. The cumulative effect of Phase 2 (April 2021 to March 2026), which started in April 2021 was ¥11.7 billion over 3 years. We are making steady progress toward the plan to achieve a 5-year cumulative total of ¥15.0 billion in collaboration synergies.

In FY2023, we conducted interactions of personnel in charge of corporate customer liaison at branches, in addition to interactions of head office manager-level personnel that have been ongoing since FY2021. We will continue striving to collaborate in various areas through sharing knowhow and ideas of both banks to further deepen mutual understanding.

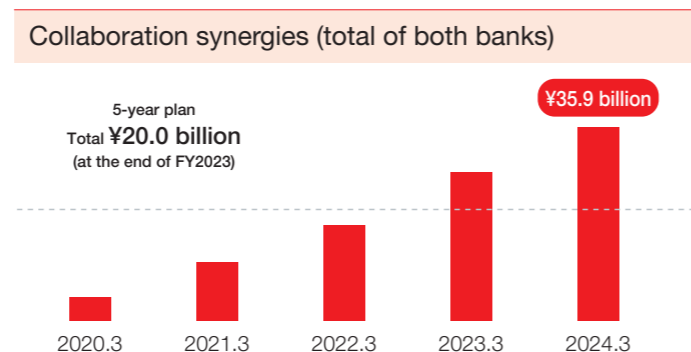


5-year plan for the Chiba-Musashino Alliance from 2021 to 2025

Mission	Provide added value and highly convenient services to our customers and the community by combining ideas of both banks.		
Vision	Realize an image of evolved regional banks as front-runners in regional bank collaboration.		
Measures	Concept	Front-runners in regional bank collaboration	Evolved regional banks
	Create Collaborate in new areas	Respond to digitalization (such as apps)	Create new business
	Match Accelerate standardization and joint usage	Expand the use of joint clerical work and standardization areas	Cooperation in cashless operations
Advance Continue and deepen past initiatives	Strengthen existing measures such as assets and joint business Promote co-syndicated loans and co-financing, sharing of knowhow, and personnel interactions		

Chiba-Yokohama Partnership

Through joint efforts such as co-syndication of loans, co-development of SDGs Friends Loan, and co-introduction of asset management products, in addition to active mutual customer referrals, mainly in Tokyo, the Chiba-Yokohama Partnership achieved collaboration synergies of ¥9.1 billion in FY2023. The two banks achieved collaboration synergies of ¥35.9 billion total over five years since the start of the partnership, significantly exceeding its goal of achieving collaboration synergies of ¥20.0 billion total through FY2023.



Starting in FY2024, we have formulated a new 5-year plan for further cooperation.

In new plan, we have set the concept (what we aim to be) as “Improving the Presence in the Tokyo Metropolitan Area” - Creating Value for Customers that only Chiba and Yokohama can provide -, and target effect amount as ¥25.0 billion. We will further strengthen the ability to provide solutions to corporate and individual customers, and expand the scope of the partnership beyond the sales division, and consider collaborative efforts in the sustainability field with a view to strengthening the management base of both banks.

Corporate sector	<ul style="list-style-type: none"> Expansion of cooperation among sales branches, mainly in Tokyo (Sustainable finance, real estate non-recourse loans, LBO loans) Exploration of overseas projects at overseas bases (Co-financing, seminars, business negotiation events)
Retail sector	<ul style="list-style-type: none"> Collaboration that contributes to the realization of an asset management nation Efforts to implement for Fiduciary Duty (FD)
Digital sector	<ul style="list-style-type: none"> Studying collaborative measures in the digital human resources development and advertising businesses Sharing knowledge and knowhow to create new digital businesses
Sustainability sector	<ul style="list-style-type: none"> Strengthening efforts to contribute to the ESG strategies of both banks (Decarbonization, human resources capital, governance, etc.)
Others	<ul style="list-style-type: none"> Consideration of joint investment etc., for in-organic growth of both banks

Business Partnership with Sony Bank

The business partnership with Sony Bank, for which a basic agreement was concluded in October 2022, is now in its second year.



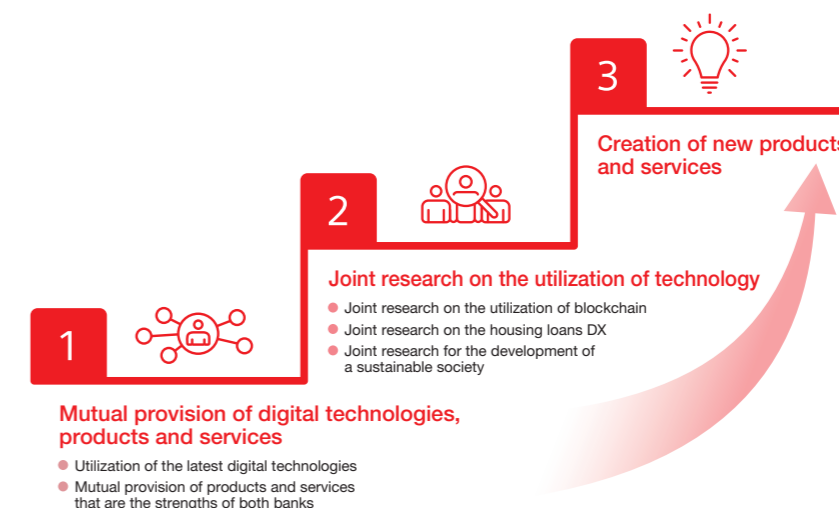
This partnership is a business partnership between the two banks focusing on our joint-initiatives in the digital field, with the aim of concretizing measures while deepening the relationship between the two banks to create new products and services.

In May 2023, Chibagin Market and Sony Bank signed “Collaboration Agreement on Crowdfunding,” with the aim of promoting companies (their products) nationally and supporting financing for companies taking on new business challenges, and we started collaboration with “Sony Bank GATE,” investment crowdfunding operated by Sony Bank.

This has enabled local business operators to procure funds while increasing the number of fans nationwide who resonate with their businesses and ideas.

At Mito Branch and Hamamatsucho Branch, newly established in November and December 2023, respectively, remote consultation using the Telepresence System “MADO,” utilized by Sony Bank, has been introduced, providing customers with experience as if they are in the same space with staff of the branch, even if they are far away from each other.

Going forward, we will complement each other’s strategies to generate significant synergies through cooperation of both banks with different business models (regional bank and online bank), aiming to achieve the sustainable growth of both banks and to enhance corporate value.



Group Governance (Base V)



Message from General Manager of the Group Strategy Division

Providing Diverse Solutions through Integrated Group Management Based on Strong Governance



Tatsuya Onishi

Group Strategy Division
Executive Officer and General Manager

Establishment of the Group Strategy Division

In order to provide customers with a wide range of solutions, the Bank Group's business area is expanding every year. We need to make the most effective use of expertise and information possessed by Group companies to realize customers' wishes.

To that end, the Bank established the Group Strategy Division in April 2023 that oversees overall business execution, including sales and administrative aspects of Group companies, to realize integrated group management, equivalent to a holding company structure, and promote sophisticated Group governance.

The Group Strategy Division is stationed not in the headquarters building but in the Makuhari building, where many Group companies are headquartered, as the division close to the Group companies, to grasp the actual situation of the Group companies as well as try to deepen existing businesses and provide accompanying support services for new businesses.

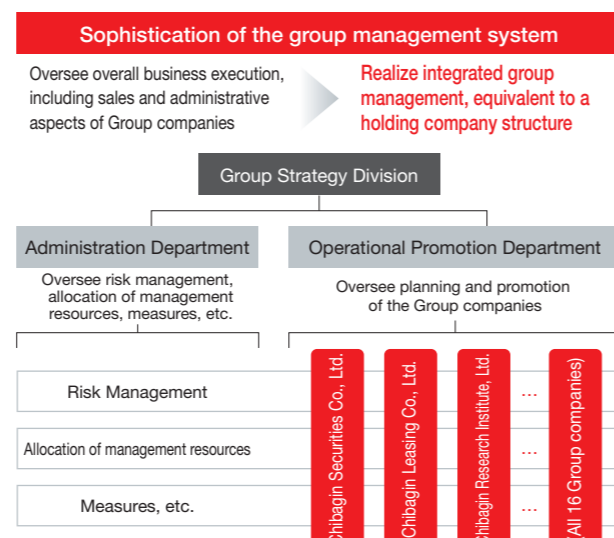
Collaboration with each division for accompanying support and grasping the actual situation

Currently, we have 16 Group companies in the Bank Group, each with its own expertise, and approximately 1,200 employees are working to provide customers with products and services with a sense of unity of the Group, with the Bank at the center. The Group Strategy Division promotes the enhancement of the integrated group management

and sophisticated Group governance, in collaboration with the "operations division," which mainly supports the sales aspect and the "group management department," which conduct management across the Group.

The system of the operations division that mainly supports the sales aspect used to involve multiple divisions working together to provide support. From the perspective of clarifying the support system and responsibility, one division for each company has been designated as that company's operations division, in conjunction with the establishment of the Group Strategy Division. As a result, we now have a system to support Group companies, mainly through the operations division.

In addition, the group management department, established in conjunction with the establishment of the Group Strategy Division, has implemented measures for each division including risk management, allocation of management



Leasing and venture capital

Chibagin Leasing Co., Ltd.
Chibagin Capital Co., Ltd.

Credit guarantees and management

Chibagin Guarantee Co., Ltd.
Chiba Servicer Co., Ltd.

Staffing service and outsourcing business

Chibagin Career Service Co., Ltd.
Chibagin Heartful Co., Ltd.
Sobu Co., Ltd.
TSUBASA-AML Center Co., Ltd.

Regional trading company

Chibagin Market Co., Ltd.

Research and consulting

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

Securities and asset management

Chibagin Securities Co., Ltd.
Chibagin Asset Management Co., Ltd.

Credit card

Chibagin card Co.,Ltd.

Energy production business

Himawari Green Energy Co., Ltd.



resources, and DX throughout the Group. In particular, it collaborates with departments in charge of risks to conduct risk assessments of Group companies to grasp risks faced by each company as well as implements risk mitigation measures.

The status of business execution and issues of Group companies grasped under these systems are reported monthly by the Group Strategy Division at the Bank's Board of Designated Directors. I believe that the establishment of the Group Strategy Division has clarified reporting lines to the Bank's management team and established a system for timely and appropriate discussion and reporting.

Toward sophistication of the integrated group management

I think that it is important to implement various measures throughout the Group in order for the integrated group management to be more sophisticated. Ensuring that the Purpose and Vision, and "Three Pledges" of the Group are understood and penetrate throughout the Group is an important role of the Group Strategy Division, and the Group Companies Subcommittee, a subordinate body of the Purpose and Vision PT, is one of our initiatives.

We are also working with each division to conduct questionnaire surveys and training for employees, which the Bank has been working on for some time, conduct evaluation of the effectiveness of the Board of Directors, and implement various measures for unified Group personnel management.

In addition, with the aim of strengthening the Bank's management team's understanding of the Group's overall situation by providing opportunities for direct communication with employees and officers of the Group companies, we took the lead to hold the group-wide "opinion exchange meetings with executives," which have been held at branches.

Close cooperation to achieve shared goals

Under the slogan of "close cooperation to achieve shared goals," I am engaged in operations of the Group Strategy Division that oversees overall business execution, including sales and administrative aspects of Group companies. We have always been committed to working together as one, with no one missing at any time.

Customers' needs are changing with changes in social conditions and economic structure. The Bank Group has Group companies with diverse abilities to provide not only financial services but also nonfinancial services such as Chibagin Market and Himawari Green Energy.

By providing solutions only Group companies can offer, we hope to establish unwavering trust from our customers and the local community through contributing to solving social issues in the region and realizing affluent life support, as well as strengthening group governance.

With flexible ideas not bounded by the past, we will foresee our customers' needs and economic and social changes as soon as possible, revitalize 16 Group companies of the Bank Group, and continue to take on the challenge of change to offer optimal solutions and find solutions.

Group Supervision Committee

The Group Supervision Committee meets semiannually in order to further strengthen the management and supervision over Group companies by ensuring that the Bank's management team understands the management status and various issues, progress in implementation of measures of Mid-term Plan, and future direction of each Group company, and provides appropriate instructions.

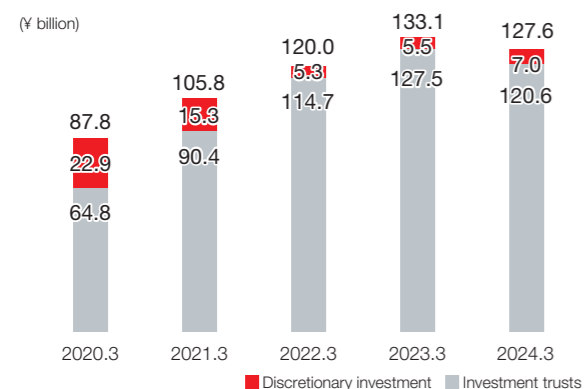
The Committee has so far focused on confirming the current performance and progress in implementation of measures of Mid-term Plan. In order to further deepen discussions on risks and management issues specific to each company and other issues, we have worked to share the management issues and measures for the future of each Group company by adding themes and attendance of Outside Directors and the Audit & Supervisory Board Members as observers in the second half of 2023.

In addition, from the first half of 2024, we have worked to share recognition between the Bank and Group companies by having the Bank's executives serving as non-standing Directors of Group companies also provide explanations of current issues, etc.

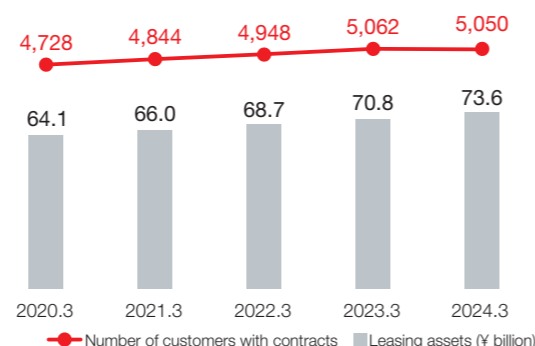
Attendants	
Committee members	Group CxO, responsible Directors and Executive Officers of each company, General Manager of the operations division, General Manager of the Corporate Planning Division
	General Manager of the Compliance and Risk Management Division, General Manager of the Business Coordination Division, General Manager of the Group Strategy Division
	President of each company, Executives Officers, etc.
Observers	Outside Directors, Audit & Supervisory Board Members, General Manager of the Audit and Inspection Division, General Manager of the Group Improvement Office
Expansion measures	
Add attendants [Outside Directors/Audit & Supervisory Board Members]	Promote sophisticated Group governance
Review themes	Further deepen discussions on risks specific to each company, management issues of each company, and other issues, in addition to current performance and progress in implementation of measures in the Mid-term Plan
Expansion of discussion time	Secure time for discussions
Presentation by responsible Directors on recognition of issues, etc.	Execute supervisory functions over the business execution of Group companies

Main coefficients of Group companies

Assets under management of Chibagin Asset Management



Number of customers with contracts and leasing assets of Chibagin Leasing



Initiatives by Chibagin Market Co., Ltd. New business

C-VALUE crowdfunding and C-VALUE shopping

At "C-VALUE," we promote supporting the marketing of local business operators and regional revitalization through crowdfunding and e-commerce website.

Since we started the crowdfunding operations in October 2021, we have released a total of 244 projects (as of March 31, 2024). We are also working with local sports teams on large projects.

On e-commerce website, we are expanding the product lineup with a focus on local specialties, and expanding customer services with a function that allows customers to make purchases with TSUBASA points.

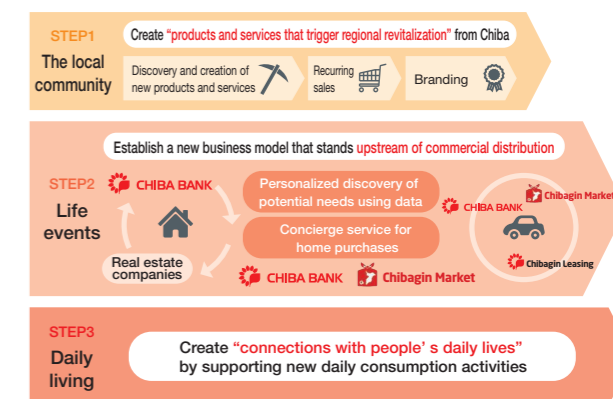


▲ Altiri Chiba x Chiba City Monorail Project

Housing concierge services

As STEP 2 of the business, we are working on initiatives of "Housing Concierge in Chiba," a service for customers considering the purchase of their own home.

This service involves listening to customers wishes regarding the purchase of their own home while providing consulting services on housing loans and their life plans and providing regional information, closely supporting each customer's wishes, and referring to real estate companies that meet their wishes from a neutral standpoint.



▲ Chibagin Market's business roadmap

MESSAGE

Providing unprecedented value through the creation of new nonfinancial services

Chibagin Market was established in May 2021 as a regional trading company. As STEP 1 of the business, we launched a project called "C-VALUE" to create new value (VALUE) from Chiba (CHIBA), and have provided comprehensive sales and marketing support to local business operators, centered on purchasing-type crowdfunding and operation of an e-commerce website. In addition, we are considering new services related to housing and automobiles as a new service related to "life events," which is positioned as STEP 2 of the business. This service is intended to be a new

Kengo Mashimo
Chibagin Market Co., Ltd.
President and Representative Director



business model that captures the potential needs of customers through the use of internal data of the Bank, etc. and provide services from the upstream of commercial distribution. By expanding the business area to include services that lead to "daily living," STEP 3 of the business, in the future, we plan to play a role in the "regional ecosystem" that the Bank Group aims to achieve.

Chibagin Market will continue to take on the challenge of serving customers and the local community by providing value that has never been offered by any banking group, through the creation of new nonfinancial services.

Response to Climate Change (Efforts Toward TCFD Recommendations)



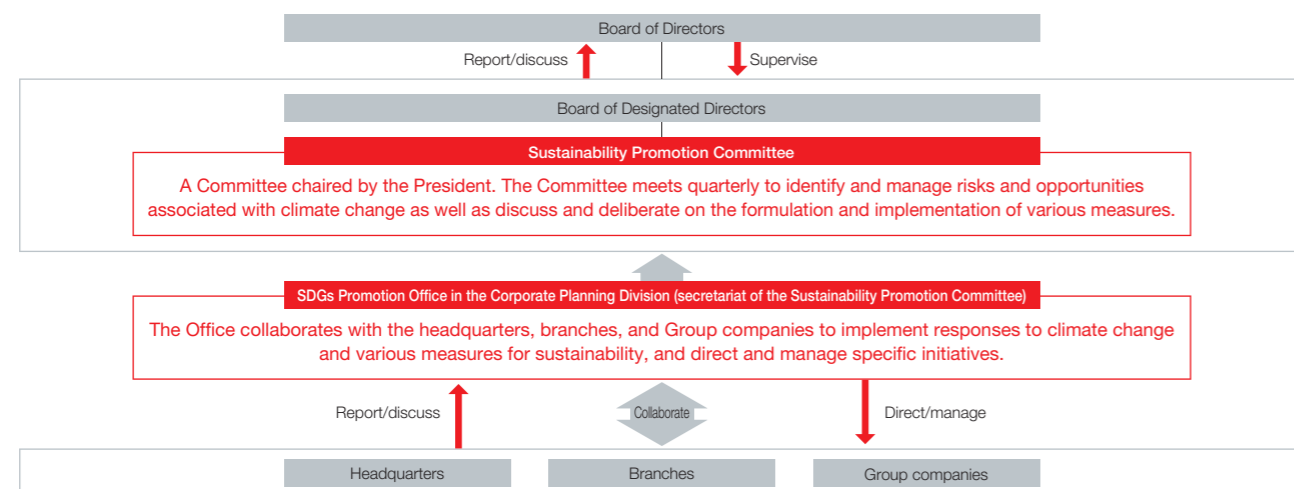
The Bank Group announced its endorsement of the TCFD recommendations in December 2019, and has since proactively disclosed information on its initiatives for climate change in accordance with items of the TCFD’s disclosure recommendations.

Efforts Toward the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

Governance

Governance system

The Bank Group has built a flexible and solid governance system to identify and manage risks and opportunities associated with climate change.



Supervision by the Board of Directors

The identification and management of risks and opportunities associated with climate change, and formulation and implementation of various measures are discussed and deliberated by the Sustainability Promotion Committee on a quarterly basis. Discussions and deliberations in the Committee are periodically reported to the Board of Directors.

Key initiatives for risks and opportunities associated with climate change are determined at or reported to the Board of Directors after separate discussion by the Board of Designated Directors.

Various policies, management plans, etc. related to responses to climate change

The Bank Group has incorporated items related to responses to climate change into “Chiba Bank Group Sustainability Policy” and various policies and management plans, and taken various measures.

Chiba Bank Group Sustainability Policy	The Chiba Bank Group Sustainability Policy states that we promote environmental initiatives including climate change throughout the entire Group.
Chiba Bank Group Declaration on SDGs	The Chiba Bank Group Declaration on SDGs stipulates that environmental protection is a key priority issue (materiality) to be dealt with, and various measures are being taken against climate change.
Chiba Bank Group Environmental Policy	Based on the recognition that addressing climate change risks is an important issue on the global environment, the Chiba Bank Group Environmental Policy states that the Group takes initiatives aimed at realizing a carbon-free society.
The 15th Mid-term Plan	GX (green transformation) is set as one of the value creation bases in the 15th Mid-term Plan, and initiatives for decarbonization are incorporated as an important strategy of the Mid-term Plan.

Strategy

Risks and opportunities associated with climate change

The Bank Group qualitatively analyzes risks (physical and transition risks) and opportunities associated with climate change over short- (less than five years), medium- (five to 10 years), and long-term (over 10 to 30 years) horizons. Specific risks and opportunities associated with climate change and their impact on the Bank’s business, strategy, and financial plan are as follows.

Risks and opportunities	Specific risks and opportunities and their impact on the Bank’s business, strategy, and financial plan	Time horizon*
Risks		
Physical risks		
Credit risk	Damage to the Bank’s real estate collateral due to large-scale storm and flood	Short to long term
	Deterioration in business performance due to stagnation of business of financing customers as a result of their operations being hampered by large-scale storm and flood to their business locations	Short to long term
	Financing customers closing down their operations due to damage from sea level rises to their business locations	Long term
Operational risk	Interrupting or discontinuing our branch operation as a result of large-scale storm and flood	Short to long term
Transition risks		
Credit risk	Deterioration in business performance of financing customers as a result of revision to climate change laws and regulations and taxes	Medium to long term
	Deterioration in business performance of financing customers as a result of a failure to invest in decarbonization technologies or excessive investment burden in new technologies	Medium to long term
	Deterioration in business performance of financing customers as a result of decreased demand for traditional products and services	Short to long term
	Deterioration in business performance of financing customers as a result of rapid fluctuations in resource prices due to progress toward a decarbonized society	Medium to long term
Reputational risk	Drop in our share price and difficulties in raising funds as a result of the deterioration of the Bank’s reputation due to its continued over-investments and loans in the fossil fuel sector	Short to long term
Opportunities		
Products and services	Profit increase due to initiatives for sustainable finances including renewable energy-related loans	Short to long term
	Profit increase from consulting services related to decarbonization support	Short to long term
	Profit increase due to increases in demand for funds driven chiefly by infrastructure investment for disaster countermeasures and business continuation	Short to long term
Cost reduction	Reduction of operation costs through high-efficiency operations such as saving of energy	Short to long term

*Short-term (less than five years), medium-term (five to 10 years), and long-term (over 10 to 30 years)

Initiatives for risks and opportunities associated with climate change

The Bank Group has identified and recognized risks and opportunities associated with climate change, and taken following measures as its main strategies.

CO ₂ emissions reduction	With the aim of realizing a carbon-free society, the Bank Group is striving to reduce its CO ₂ emissions from its own emissions. Promotion of energy saving in buildings and introduction of environmentally-friendly vehicles Introduction of electricity derived from renewable energy sources (facilities the Bank contracts) Installation of solar power plants through Himawari Green Energy Co., Ltd., a subsidiary designed to function as a company involved in energy generation
Support for decarbonization management	We are engaging in various activities to support our customers’ decarbonization management. Provision of CO ₂ emission measurement tool “C-checker” Decarbonization consulting Identification of greenhouse gas emissions and promotion of dialogue using the ESG evaluation sheet Promotion of customer engagement through measurement of Financed Emissions
Promotion of sustainable finance	We have strengthened our efforts in sustainable finance that will contribute to mitigation of and adaptation to climate change risks. Promoting renewable energy-related loans, such as financing the installation of solar power generation facilities Provision of various loan products including green loans, sustainability linked loans, and Chiba Bank SDGs Leaders Loan Active investment in green bonds and sustainability linked bonds Setting target for the amount of sustainable finance
Enhance climate change risk management	We have selected “delays in responding to climate change” as the Bank Group’s top risk and are strengthening risk management. Selecting and managing “delays in responding to climate change” as one of the top risks that are highly significant in terms of impact and probability Formulation of Policies on Loans and stricter credit to fossil fuel-related sectors Managing credit and operational risks associated with climate change through an integrated risk management system



Scenario analysis

The Bank Group analyzes resilience in its strategy, taking into consideration various climate change scenarios including a less than 2°C scenario.

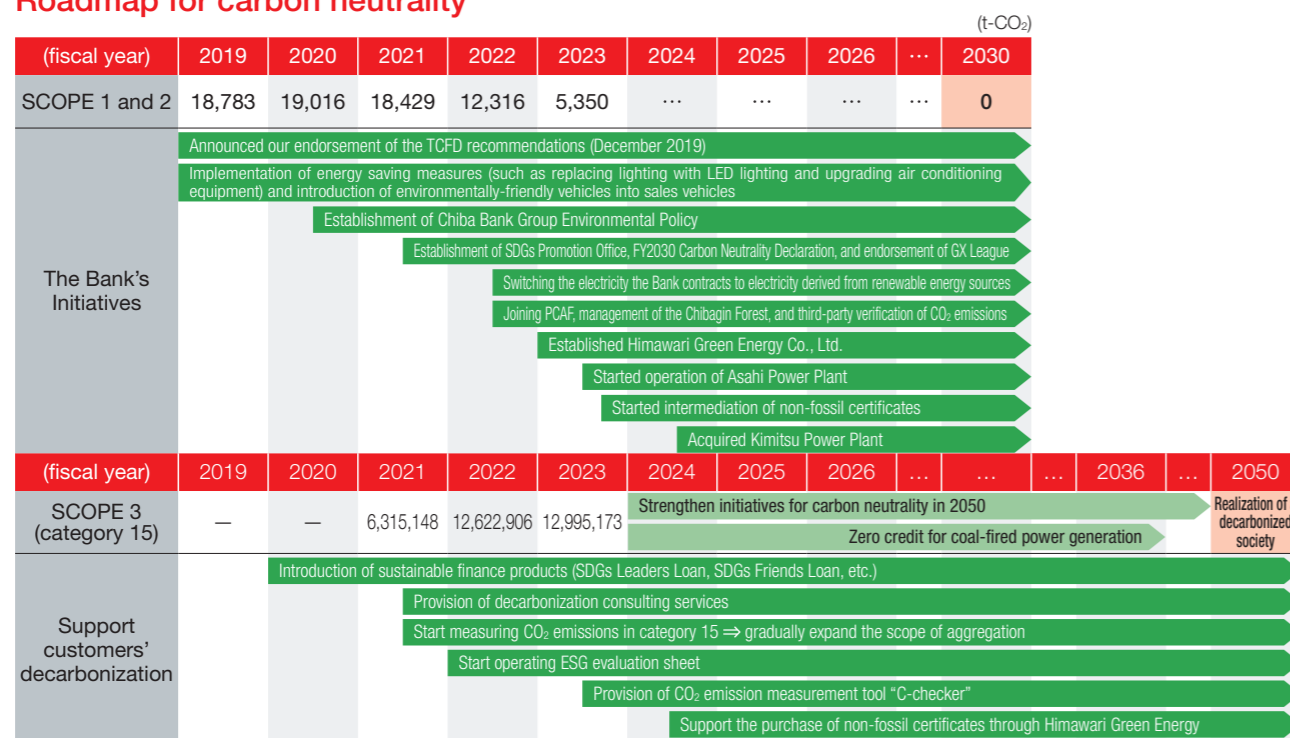
As a result of our analysis based on each scenario, physical risks will be ¥7.0 to 8.0 billion and transition risks will be up to ¥31.0 billion over the analysis period (up to 2050). Considering the Bank's business performance (¥62.4 billion of profit attributable to owners of parent (consolidated)) and other factors, we recognize that these risks do not pose a significant concern to the sustainability of the Bank's business at this point.

We will strive to sophisticate our analysis methods for physical and transition risks associated with climate change on a continual basis, to manage risks, take appropriate countermeasures, and disclose information.

	Physical risks	Transition risks
Scenario	RCP4.5 scenario and RCP8.5 scenario (4°C scenario) of the Intergovernmental Panel on Climate Change (IPCC)	IEA's NZE scenario Net Zero 2050 and Below 2°C scenario of NGFS
Analysis target	The Bank's real estate collateral (only that for general lending) The Bank's financing customers (general business corporations)	Oil and gas and coal industries Electric utilities industry Steel and chemical industries Air transport industry (added in FY2023)
Analysis method	Analyze the amount of increase in net credit costs based on the deterioration of business performance of financing customers, calculated based on the damage to the Bank's real estate collateral as a result of typhoon, torrential rain and other storm and flood damage and the percentage of the Bank's building site submerged	Analyze the amount of increase in net credit costs due to changes in borrower classification by estimating the business performance and financial status of financing customers through 2050, based on the IEA's NZE scenario and other factors
Analysis period	Up to 2050	Up to 2050
Analysis result	Increase in net credit costs: ¥7.0 to 8.0 billion	Increase in net credit costs: maximum ¥31.0 billion

*The risk status and risk ratio of building use site were analyzed with the support of a weather information company Weathernews Inc.

Roadmap for carbon neutrality



Risk Management

Risk identification and assessment

The Bank Group recognizes risks associated with climate change (physical and transition risks) as risks that have significant impact on the management of the Group, and has strengthened management of these risks after having identified and assessed their specific details by time horizon (short, medium, and long term). The Corporate Planning Division and the Compliance and Risk Management Division cooperate to identify and assess these risks, and report the analysis results at the Sustainability Promotion Committee and other meetings.

Top risk management

The Bank Group selects those risks surrounding our business that are highly significant in terms of impact and probability as "top risks" in the Board of Directors. In selecting and managing top risks, a risk map covering a wide range of risk events is produced and discussed, including by the outside directors and Group companies, after which a report is presented to the ALM Committee and the Board of Directors.

We select and manage "delays in responding to climate change" as one of top risks, to strengthen the management of risks associated with climate change.

Integrated risk management

The Bank Group 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. The Group Chief Risk Officer (CRO) reports the status of risks to the Board of Directors. In addition, to ensure an effective risk management system, the Audit and Inspection Division conducts audits to determine whether risks are appropriately managed and reports the audit results to the Board of Directors.

Risks associated with climate change are categorized into credit risk related to borrowers' business activities and operational risk in continuous operation of our branch locations, in light of the results of qualitative and quantitative analyses, and integrated into the above risk management system.

Formulation of Policies on Loans and stricter credit to specific sectors

The Bank Group has formulated and announced its Policies on Loans for businesses that are considered to involve significant environmental and social risks or negative impacts, and for specific sectors where lending efforts are expected to have a huge environmental and social impact. The Policies clarify the Bank's approach to credit including lending to coal-fired thermal power plants.

Furthermore, we have established a stricter credit examination system in which we determine the lending for fossil fuel-related sectors that are considered to have a huge impact on global warming after receiving opinions of divisions in charge of SDGs.

Policies on Loans (excerpt)

Policies on Specific Sectors

<Credit for Coal-fired Power Plants>

In principle, we will not extend credit to coal-fired thermal power plants for new construction or expansion of existing facilities.

However, in cases where support from the Government of Japan, international development organizations, etc. can be confirmed, as an exception to the above policy, we may carefully consider credit support after taking into account the factors and the background of each individual project, such as power generation efficiency performance and environmental impact, with reference to international guidelines, etc.*

*OECD Arrangement on Officially Supported Export Credit, etc.

For full text of the Policies on Loans, see our website: https://www.chibabank.co.jp/english/corporate/policy/specific_sectors/



Metrics and Targets

Carbon Neutrality Declaration

The Paris Agreement came into effect in 2016 as an international framework on issues of climate change. The Agreement sets a common global long-term goal of keeping the global average temperature increase well below 2°C above pre-industrial levels and pursuing efforts to limit it to 1.5°C.

The Bank supports the Paris Agreement and announced its goal of “achieving net zero CO₂ emissions (SCOPE 1 and 2) by FY2030” in March 2022, and has been working on reducing CO₂ emissions.

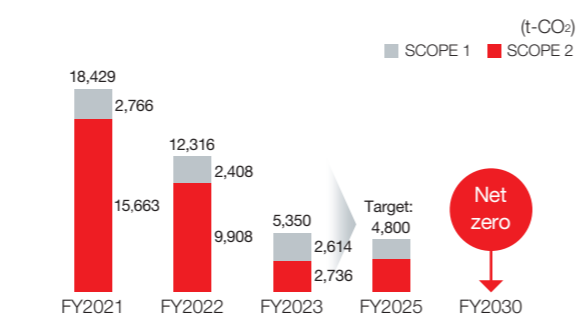
CO₂ emissions (SCOPE 1 and 2)

CO₂ emissions in FY2023 was 5,350 t-CO₂, a decrease of 56.6% from the previous fiscal year. We have taken measures to reduce CO₂ emissions, such as switching to electricity derived from renewable energy sources from October 2022, and offsetting CO₂ emissions with non-fossil certificates utilizing Himawari Green Energy, a subsidiary engaged in energy generation business, established in April 2023.

We will continue to promote energy saving measures such as replacing lighting with LED lighting and introducing environmentally-friendly vehicles.

We will strengthen various initiatives for the achievement of our interim target (4,800 t-CO₂) for FY2025 and carbon neutrality in FY2030.

Changes in CO₂ emissions (SCOPE 1 and 2)



	FY2021	FY2022	FY2023
SCOPE 1	2,766	2,408	2,614
SCOPE 2	15,663	9,908	2,736
SCOPE 1 and 2	18,429	12,316	5,350

CO₂ emissions (SCOPE 3)

The Bank has measured and disclosed CO₂ emissions in SCOPE 3 category 15 since FY2021, and further expanded the scope of measurement in FY2023. We will continue to expand the scope of measurement through utilization of PCAF database and other resources, while supporting our customers' efforts for decarbonization, and strive to reduce CO₂ emissions in SCOPE 3 category 15 to achieve a decarbonized society in 2050.

	FY2021	FY2022	FY2023
Category 1 (Purchased goods and services)	—	8,961	9,634
Category 2 (Capital goods)	—	35,222	24,536
Category 3 (Fuel- and energy-related activities not included in SCOPE 1 or 2)	—	2,855	2,824
Category 4 (Upstream transportation and distribution)	—	1,297	1,363
Category 5 (Waste generated in operations)	—	204	206
Category 6 (Business travel)	575	618	968
Category 7 (Employee commuting)	1,391	1,436	2,241
Category 15 (Investments*)	6,315,148	12,622,906	12,995,173

Breakdown of SCOPE 3 Category 15 (FY2023)

	Carbon intensity (t-CO ₂ /¥ million)	Emissions (t-CO ₂)
Agriculture	6.59	181,481
Paper and forestry	3.64	156,009
Beverage and food	4.38	562,089
Metals and mining	10.89	1,774,763
Chemicals	4.89	573,309
Oil and gas	6.31	59,741
Construction materials and capital goods	5.59	595,618
Automobiles	3.47	41,791
Electricity	26.44	629,319
Real estate management and development	0.67	495,774
Land transport	3.71	559,663
Marine transport	13.42	195,953
Air transport	7.57	25,611
Others	2.54	7,144,050
Total	—	12,995,173

*For FY2021, only those companies that disclosed emissions, mainly listed companies, were measured. From FY2022 onwards, the scope of measurement was expanded, and estimate values were used for companies whose emissions were not measured or not disclosed. Loan amount of approximately ¥7.6 trillion in FY2023 for companies measured is equivalent to 94.0% of loans to general business corporations and individual business owners (excluding public and private funds).

Obtaining third-party assurance

In measuring and disclosing our CO₂ emissions, we have obtained independent third-party assurance from SOCOTEC Certification Japan for emissions (SCOPE 1 and 2) from FY2021 onwards to ensure reliability of the figures.

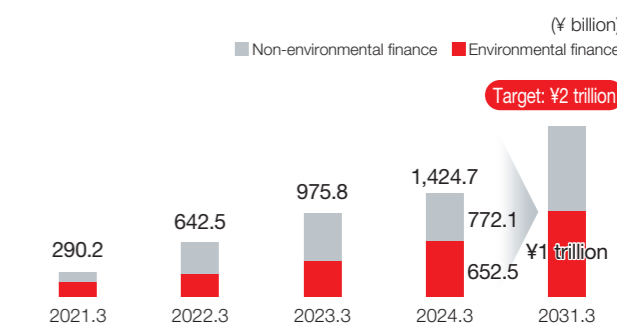
We will continue to conduct third-party verification to ensure highly reliable information disclosure.

Promotion of sustainable finance

The Bank Group regards the type of investments and loans where proceeds are used to solve environmental and social issues as “sustainable finance,” and has strengthened its initiatives, setting the target of ¥2 trillion of the amount of sustainable finance from FY2019 to FY2030 (of which target for the amount of environmental finance ¥1 trillion).

The amount of sustainable finance that has been executed by FY2023 (fiscal year ended March 31, 2024) is ¥1,424.7 billion (progress rate 71%), and that of environmental finance in it is ¥652.5 billion (progress rate 65%).

Cumulative amount of sustainable finance



Key examples of sustainable finance

- Sustainability linked loans
- Green loans
- Positive impact finance
- Chiba Bank SDGs Leaders Loan
- Chiba Bank SDGs Friends Loan
- Chibagin SDGs Private Placement Bonds
- Renewable energy-related loans
- Project finance for creating social infrastructure
- Funds for environmentally-friendly houses (Sustainable Housing Support Discount)
- Environmentally-friendly renovation funds (renovation loan)
- Funds for purchasing environmentally-friendly vehicles (car loans)
- Fixed income investment such as green bonds, sustainability linked bonds

Status of carbon-related assets

Based on the revision of the TCFD recommendations in October 2021, we have expanded the target sectors for carbon-related assets in FY2022 to include the energy*, transportation, materials and buildings, and agriculture, food, and forest products sectors. The loans, acceptances and guarantees, foreign exchange, and private placement bonds (hereinafter the Loans, etc.) for the carbon-related assets account for around 37.0% of the Bank's Loans, etc. as of March 31, 2024. Loans, etc. for coal-fired power generation account for 0.09% of the Bank's Loans, etc., and credit for coal-fired power generation is scheduled to be zero by the end of March 2037.

*Oil, gas, and electric (excluding renewable energy business) utilities

CDP climate change survey

The Bank obtained evaluation of “A-” in FY2023 climate change survey conducted by CDP*. The Bank obtained evaluation of “A-” for the third consecutive year.

*An international non-governmental organization that collects, evaluates, and discloses information on the environment from companies, local governments, etc.

Response to Natural Capital (Efforts Toward TNFD Recommendations)



Forest management activities for the Chibagin Forest

Since 2003, the Bank has been implementing forest management activities using “Corporate Forest Business” in Chiba Prefecture.

These activities strive to restore the coastal shelter forest, which has become sparse due to damage from pine weevils and the tsunami caused by the Great East Japan Earthquake. We thus aim to enhance disaster mitigation effects at the time of the tsunami and promote tourism by improving the landscape.

We will continue to implement activities to conserve natural capital.



▲ Sixth Chibagin Forest at Tsurigasaki Beach in Ichinomiya Town

Efforts Toward the Task Force on Nature-related Financial Disclosures (TNFD) Recommendations

Chiba Bank Group will strengthen various initiatives based on the TNFD Recommendations for the conservation of natural capital, including biodiversity.

Governance	We employ a similar governance system for our responses to natural capital as that for our response to climate change. For the development and pursuit of initiatives, the Sustainability Promotion Committee discusses and deliberates directions, specific activities and initiatives, as well as the identification and assessment of risks and opportunities. The contents of those discussions and deliberations by the Committee are reported and proposed to the Board of Directors.		
Strategy	In February 2023, the Bank Group participated in the TNFD Forum in support of TNFD’s initiatives. The Bank Group recognizes the risks and opportunities associated with natural capital over short-term (less than five years), medium-term (five to 10 years), and long-term (over 10 to 30 years) time horizons as follows:		
	Risks	Concerns about business continuity/deterioration in business performance of financing customers associated with natural capital degradation (medium to long term) Reputational risk associated with deterioration in reputation due to businesses that have negative impact on natural capital (short to long term)	
	Opportunities	Increase in opportunities for investment and loans for restoration of natural capital (medium to long term) Cost reduction associated with reduction of paper consumption and waste volumes (short to medium term)	
Risk Management	We conduct integrated risk management and implement the Policies on Loans to apply stricter credit to specific businesses and sectors that have negative impact on natural capital.		
	Measures under the Policies on Loans		
	Prohibition	Businesses that have negative impact on Ramsar wetlands and UNESCO World Heritage sites and businesses that violate the Washington Convention	
	Strict response	When considering whether or not to commit to palm oil plantation development projects, deforestation projects, etc., we take into account the appropriate international certifications and the impact on the living environment of local communities and residents.	
Indicators and targets	In terms of indicators and targets concerning natural capital, the Bank has established targets for amounts of sustainable finance. The volumes of resources consumption and waste associated with the Bank’s business activities are as follows:		
	Target for amount of sustainable finance and results		
		Target amount (FY2019 to FY2030)	Actual amount [progress rate] (FY2019 to FY2030)
	Sustainable finance	¥2 trillion	¥1,424.7 billion [71%]
	Of which, environmental finance	¥1 trillion	¥652.5 billion [65%]
	Resources consumption and waste volumes (FY2023)		
Water consumption (m ³)	53,090		
Paper consumption (t)	49		
Waste volume (t)	361		
	Data from the head office building, Oyumino Center building, and Soga Center building. Water consumption is the total volume of water and sewage.		

Communication with Stakeholders

Communication with Customers

The Bank utilizes customer feedback to improve management. Opinions, requests, and other feedback from customers, collected through Customers Feedback Cards available at branches, a dedicated toll-free number, our website, and other means are reported to the Quality Improvement Committee. We constantly take measures to utilize such feedback for service improvement.

Communication with Shareholders

The Bank strives to enhance disclosure through the General Meeting of Shareholders, IR meetings, meetings with individual investors, and other IR events.

In addition to IR meetings and individual meetings, we held briefings on the Mid-term Plan and other events in FY2023.

Directors, including the President and outside directors, or Audit & Supervisory Board members participate in dialogues with shareholders and investors within a reasonable scope. In addition, feedback received in these dialogues are reported to directors and the Board of Directors. We will improve management based on that feedback.

Activity Results (FY2023)

Meetings, etc.	Number of times held	Presenter	Number of participants
The 117th Annual General Meeting of Shareholders	1	Directors, Audit & Supervisory Board members, etc.	117
Briefings for analysts and institutional investors			
IR meetings	2	President, CSO/CDTO	343
IR Day “The 15th Mid-term Plan”	1	President, CSO/CDTO, CHRO	61
Small Meeting for financial results announcement	2	CSO/CDTO	115
Briefings for individual investors			
	6	CSO/CDTO	1,521
Individual meetings with analysts and institutional investors		Total of 192 (of which 67 were conducted by executives and 72 were with overseas investors)	

Dialogue details

Dialogues are held on a variety of topics, such as business performance, capital policy, alliance strategy, DX strategy, sustainability, and human capital. Q&A sessions in briefings for analysts and institutional investors are disclosed on the Bank’s website.



▲ IR Day “Growth Strategy” (April 2024)

Communication with Employees

Opinion exchange meeting with executives

To reflect the voice of frontline branch employees in management, we hold annual opinion exchange meetings with executives. In the opinion exchange meetings, we share our management policies and issues. Q&A sessions constitute the core part of the meetings, where branch employees ask questions related to management, share what they think of day-to-day work, and propose what measures should be taken.

In FY2023, nine executives, including a Director and Senior Executive Officer, held opinion exchange meetings at a total of 145 branches. Feedback from branch employees is reflected in various measures.