

Initiatives to Expand Corporate Business

- To increase sustainable earnings from services -

Chiba Bank IR Day

April 2018

THE CHIBA BANK, LTD.

1. Prologue: Initiatives in Regional Revitalization

2. Issues and initiatives in Expanding Corporate Business

3. Measure ① Initiatives in the Evaluation of Business

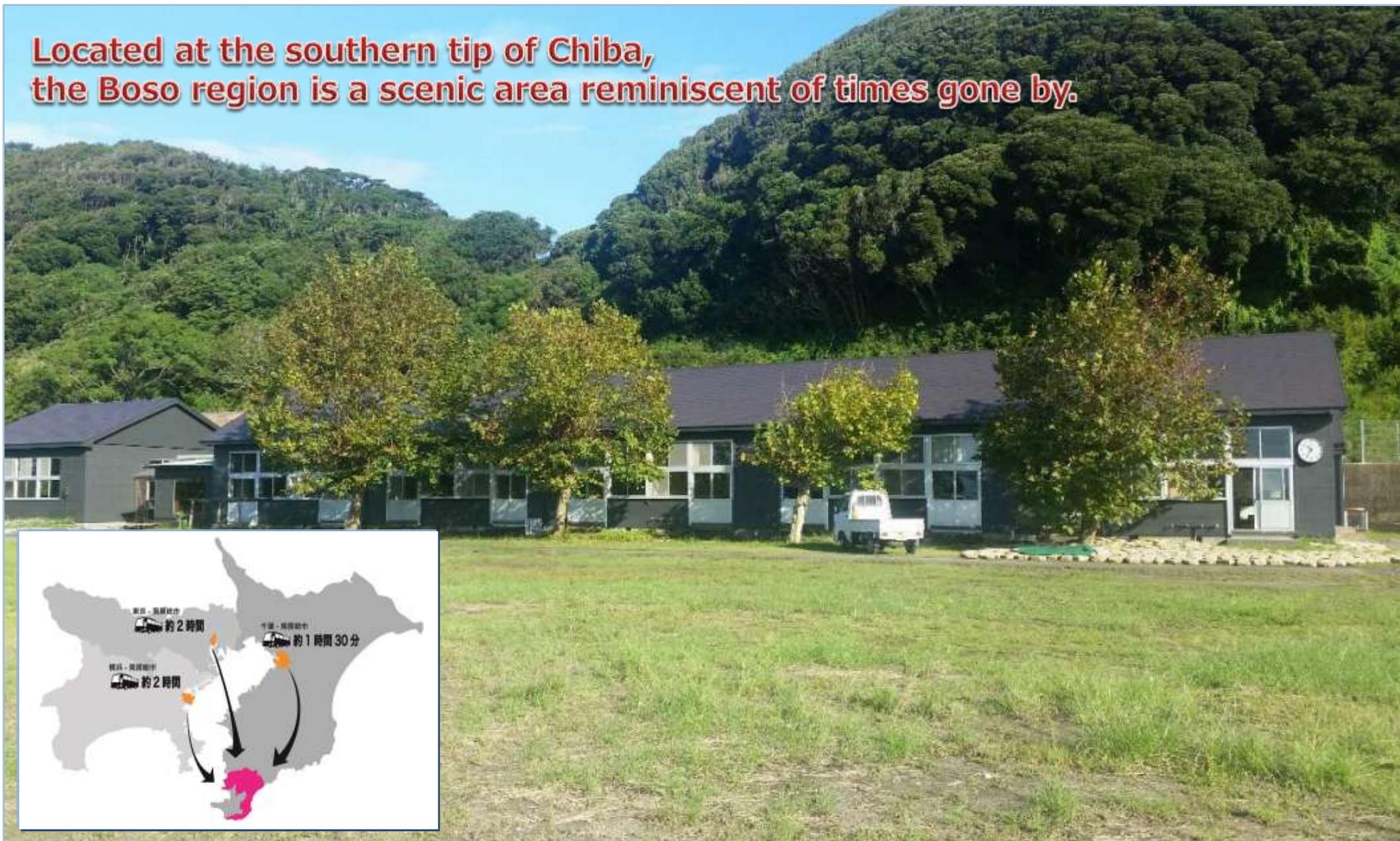
Measure ② Leveraging Alliances

Measure ③ Cooperation with External Partners

4. Initiatives for the Future

Prologue: Initiatives in Regional Revitalization

Located at the southern tip of Chiba, the Boso region is a scenic area reminiscent of times gone by.



This project is an example of how the "Chiba Bank Regional Revitalization Loan Program"* helped in the development of new business for the use of a disused school.

*What is the "Chiba Bank Regional Revitalization Loan Program"?

It is a program that provides institutional loans to business operators establishing a start-up or new business in Chiba Prefecture and adjacent areas. Chiba Bank evaluates the business based on the customer's business plan, taking into account the business growth potential and appropriateness of the plan, etc., and provides loans where the principal can be repaid within a maximum of 3 years.

**Number of businesses that have used the program
Nov. 2016 - Sept. 2017**

17 businesses in total

**No. of people who benefited from jobs created since the inception of new
businesses under this program**

Approx. 200

**To date Chiba Bank has supported business and will do so in the future
to revitalize the region.**

<Reference>

Performance of Chiba Bank Regional Revitalization Loan Program

取組先	業種	用途	金額 (百万円)	期間	据置 期間	取組内容
① 東総みどり農産(株)様	畑作農業	農地購入・ 施設建設	非開示	23年	3年	休耕地・耕作放棄地15haを集約して畑作を行う大規模営農事業。大型農機具の使用により生産効率が向上し、地域の農業活性化や高齢者雇用創出に寄与。
② (株)幸和義肢研究所様	義肢・装具製造	就労支援施設 建設	101	22年	2年7ヶ月	障がい者向け就労支援施設および自立支援スペースを建設し自社で運営する事業。自治体の「障害福祉計画」にもとづき、障がい者の就労と自立を促進する社会・地域貢献度の高い事業。
③ 合同会社 WOULD様	不動産管理	旧校舎改修	20	15年	2年	廃校を活用し、宿泊施設、シェアハウス、二拠点居住施設等を整備。地域コミュニティの中心であった小学校の再生を図ると同時に、定住・交流人口増加や雇用促進を図る先進的な取組み。
④ (株)せんのは様	野菜等卸売	野菜パッケージ センター開設	147	15年	3年	空き店舗を活用し野菜パッケージセンター・直売所を設置。個別農家が手作業で行う野菜の選定や箱詰め作業を受託して機械で一括作業し、周辺農家の経営効率化と新規雇用創出に寄与。
⑤ (株)ザファーム様	宿泊施設運営	土地購入・ 施設建設	192	15年	2年	貸農園を中心とした農園リゾート複合施設の隣接地にグランピング施設を整備し、観光業と農業の活性化を図る計画。当行Gで運営する「ちば農林漁業6次化ファンド」による投資も実施。
⑥ (株)アイ・ブロードキャスト様	宿泊施設運営	建物改修	134	13年	3年	閉鎖済保養所を改装し、会員制ホテルとして運営する。空き施設の利活用により観光振興や雇用増加による活性化に寄与。また「広域ちば活性化ファンド」での支援も検討中。
⑦ (株)沼輪様	農家レストラン運営	レストラン建設	166	23年	3年	道の駅隣接地への「農家レストラン」設置。官民一体での農業活性化事業の一環で、地元野菜の活用により地域農業の振興を図る。また道の駅の集客増強により交流人口の増加を図っていく計画。
⑧ (株)人と古民家様	旅館、設計事務所	古民家改修	46.8	22年	3年	空き家となっている築200年の古民家を再生し、会員企業向け研修宿泊施設として活用。都市部から宿泊客を呼び込むことで、過疎化の進む農村地域の賑わい創出や、地域経済の活性化を目指す。
⑨ (株)丘の鐘撞社様	宿泊施設運営	旅館購入・ 建物改修	35.9	16年	3年	温泉旅館を営みながら、NPO法人と連携して観光案内所やカフェ、コワーキングスペースを併用する。観光客と地元住民との交流の場として、観光と国際化の情報発信拠点として整備していく計画。
⑩ (株)愛彩畑様	農産物直売所・ カフェ等の運営	施設建築資金	非開示	22年	2年	農産物の直売、カフェ等の複合施設の他、敷地内に観光農園や野菜の収穫体験が出来る農園を整備することで、農業の新たな6次産業化モデルを創出し、地域の観光市場の促進を図っていく計画。
⑪ (株)成田香取エネルギー様	電力小売事業	運転資金	非開示	5年	1年2ヶ月	成田市、香取市及び㈱光陽電機が共同で地域電力会社を設立し、エネルギーの地産池消を行う。また自治体の広域連携による新たなまちづくりのモデルケースとして注目される先進的な取組み。
⑫ (株)Flickfit様	ITサービス業	研究開発および 運転資金	非開示	8年	3年	千葉大学と共同研究し、足型と靴内寸の3DデータをWeb上でマッチングさせ、実際に履いた際のイメージを可視化できるFlickfitシステムを開発。不向きとされてきた靴のネット通信販売の市場拡大を目指す。
⑬ (株)R.project様	合宿施設・ ホステル運営	改修及び運転 資金	75	15年	3年	葛飾区の旧女子職員寮(築39年)を改修して、外国人観光客向けのホステル「Shibamata FU-TEN Bed and Local」を運営する。当行Gで運営する「広域千葉地域活性化ファンド」による投資も実施済。
⑭ (株)銚子スポーツタウン様	スポーツ施設運営	宿泊棟改修・ 食堂棟建設	70	18年	3年	2008年に廃校となった旧銚子市立銚子西高等学校の体育館などを改修し、野球を核としたスポーツ合宿施設「銚子スポーツタウン」を運営することで、交流人口の増加につながる地域活性化の拠点とする。当行Gで運営する「広域千葉地域活性化ファンド」による投資も実施済。
⑮ (福)かずさ萬燈会様	老人福祉・障がい 者福祉事業	パン工場建設	50	10年 9ヶ月	9ヶ月	「くりむパン」で全国的に人気のある㈱八天堂と協働し、同社商品のOEM生産を行うパン製造工場を建設。同工場で知的障がい者を雇用し、就労賃金の改善につながる社会貢献度の高い取組み。
⑯ (有)福美堂様	カフェ運営	カフェ建設	100	20年	3年	いすみ市が推進する“食で人が集まるまちづくり”に合わせ、伊勢海老などの地元食材を使用した料理も提供する観光カフェをオープンする。大型観光バスに対応し県内外の観光客を呼び込むとともに、ペット同伴が可能なテラスを併設し、地元住民の憩いの場としても利用してもらう計画。
⑰ 幕張ブルフリー(株)様	クラフトビール醸造 ブルーバブ運営	運転資金	11	5年 8ヶ月	2年	幕張新都心に若葉住宅地区(千葉市美浜区)の魅力向上のため、千葉市初のビール醸造所を運営する。併設するブルーバブでオリジナルのクラフトビールを提供するほか近隣のスポーツ施設や飲食店への卸売りも行っていく。

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4. Initiatives for the Future

External Environment

Diversification of management challenges in an intensely competitive environment

Increase in funding procurement needs as corporate performance recovers

Increase in need for work style reform needs due to labor shortage

To expand corporate business it is vital that we obtain an accurate understanding of corporate needs and rapidly provide optimal solutions

Problems to date

Lack of knowledge of the sector and commercial flows by people in charge

Mainstream sales style focused on a "product-out" model

Younger age of corporate staff in positions of responsibility

Sales know how is tacit knowledge of the individual

Lending practices based on security and guarantees

Sales network specific to the local economic area

Corporate sales and marketing that specializes in traditional banking services.

Recognized challenges

1 Identify companies' potential needs through dialogue with management and offer prompt solutions to problems

2 Improve sales proposal skills of corporate staff in positions of responsibility

3 Structure new lending schemes

4 Diversify funding procurement methods for companies expanding to areas outside of the prefecture, etc.

5 Expand solutions and reinforce proposal expertise in response to management issues

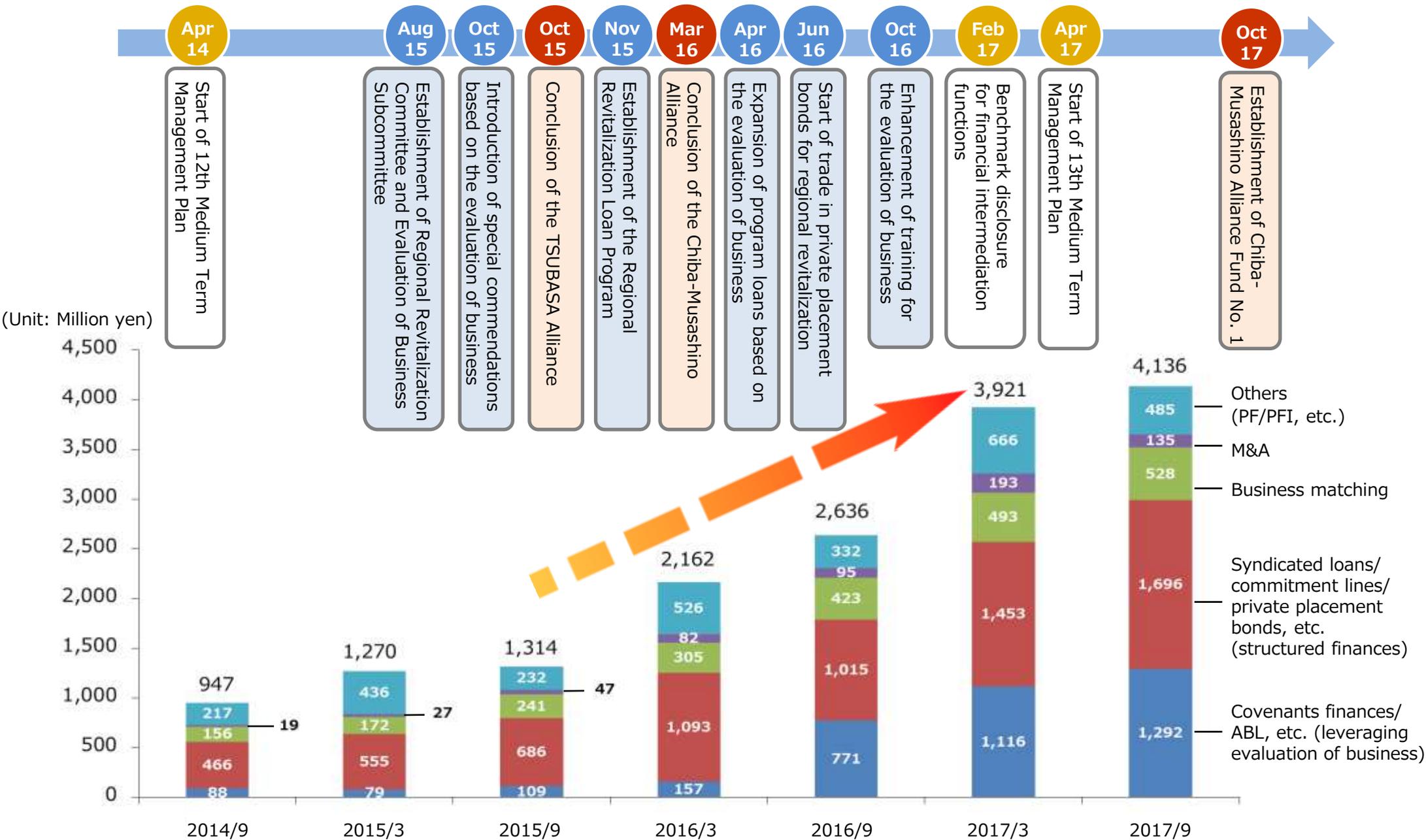
Initiatives

Initiatives in the evaluation of business

Leverage alliances

Cooperation with external partners

Trends in earnings from corporate services



* excluding foreign exchange profits and settlement revenues

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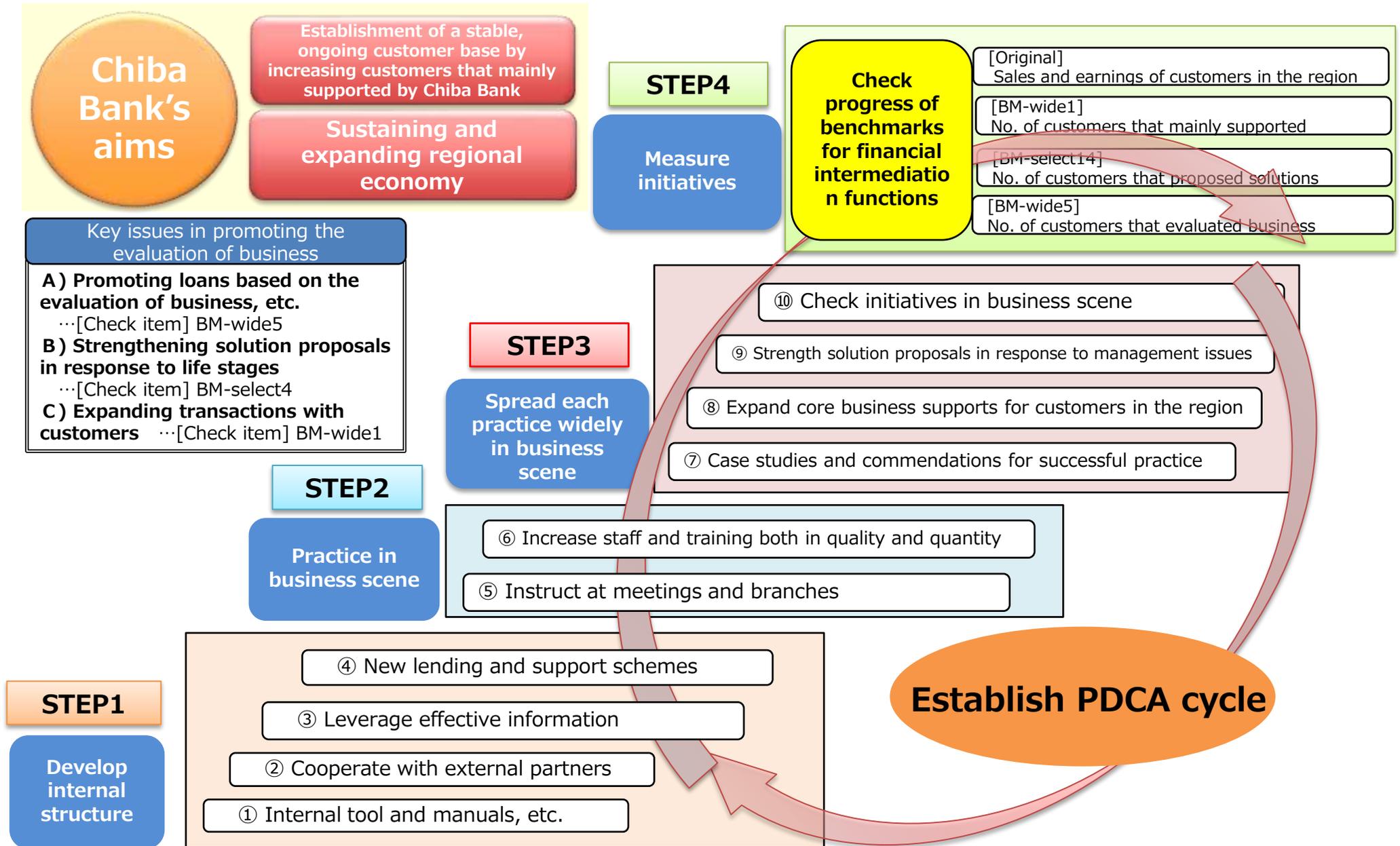
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Chiba Bank's aims in the evaluation of businesses and details of initiatives



Establishment of a stable customer base by increasing customers that mainly supported by our bank

Evaluation of business

10,380 partners (23.5%) ▶ 18,139 partners (40.2%)

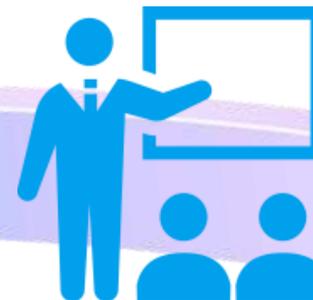
■ No. of partners granted loans based on the evaluation of business and ratio (non-consolidated basis) (BM-wide 5)



Solution Proposals

5,374 partners (15.2%) ▶ 5,674 partners (15.8%)

■ No. of partners offered solution proposals and ratio (group basis) (BM selected 14)



Resolving issues



Creating a new source of value for the future by building strong trading relationships

Establishment of a stable, ongoing customer base

Increasing customers that mainly supported by Chiba Bank

24,230 partners (55.0%) ▶ 27,037 partners (59.9%)

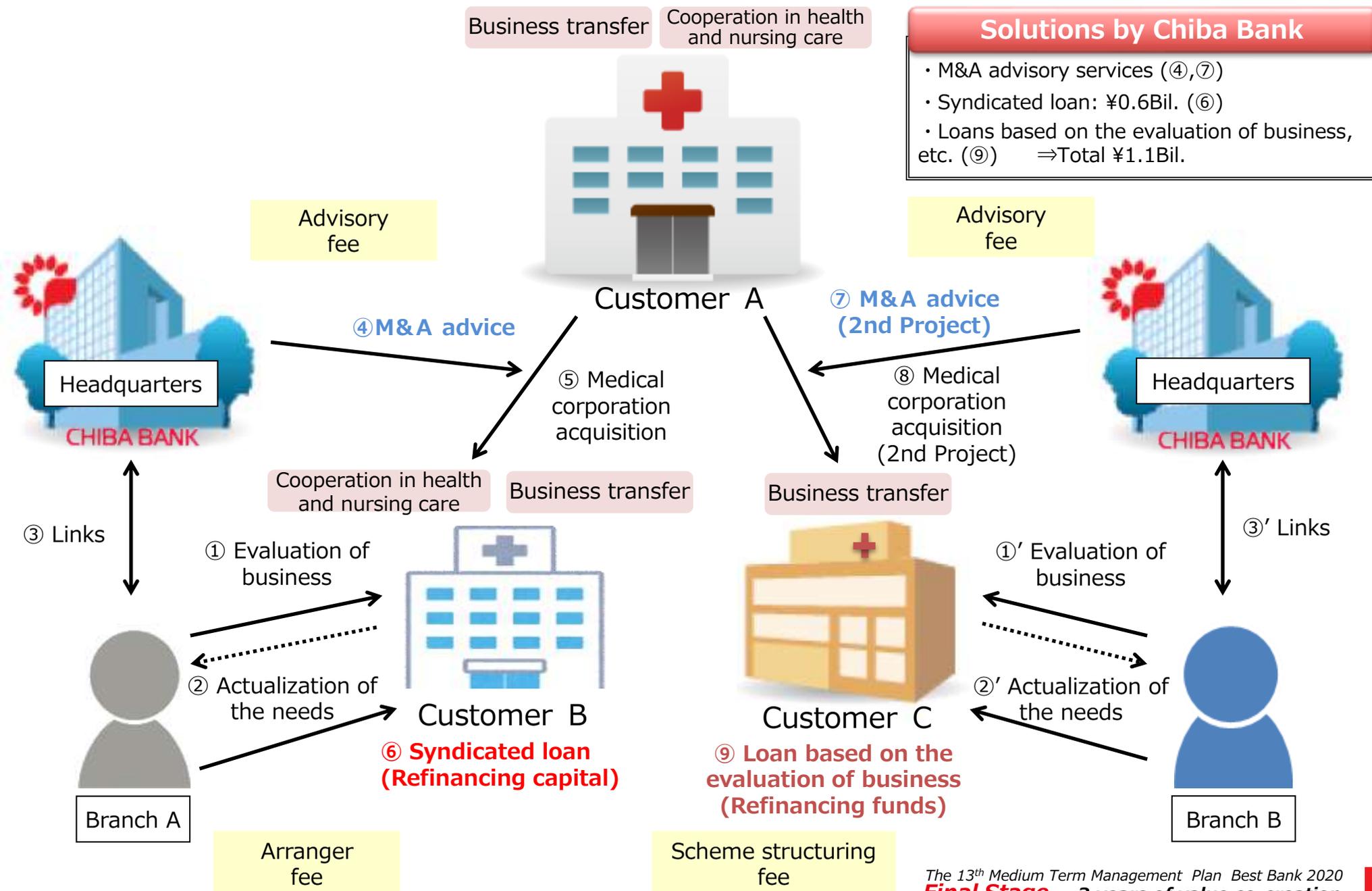
■ Trends in the No. of customers that mainly supported by our bank and ratio of total No. of customers (Non-consolidated basis) (BM-wide 1)



(Reference)

The above figures show trends from FY3/16 - FY3/17 based on benchmarks for financial brokerage functions

Case Study: Cross-solutions based on the evaluation of business



Leveraging best practice case studies - sharing successful experiences -

We are returning to society details of outstanding initiatives based on the evaluation of business as role model examples through various channels such as training and case study collections, etc. In efforts to improve expertise in the field, we are sharing know-how from specific success cases that have engaged in business successions, M&A, and projects demanding significant funding.



■ Examples of commendations; special commendations for solutions based on the evaluation of business



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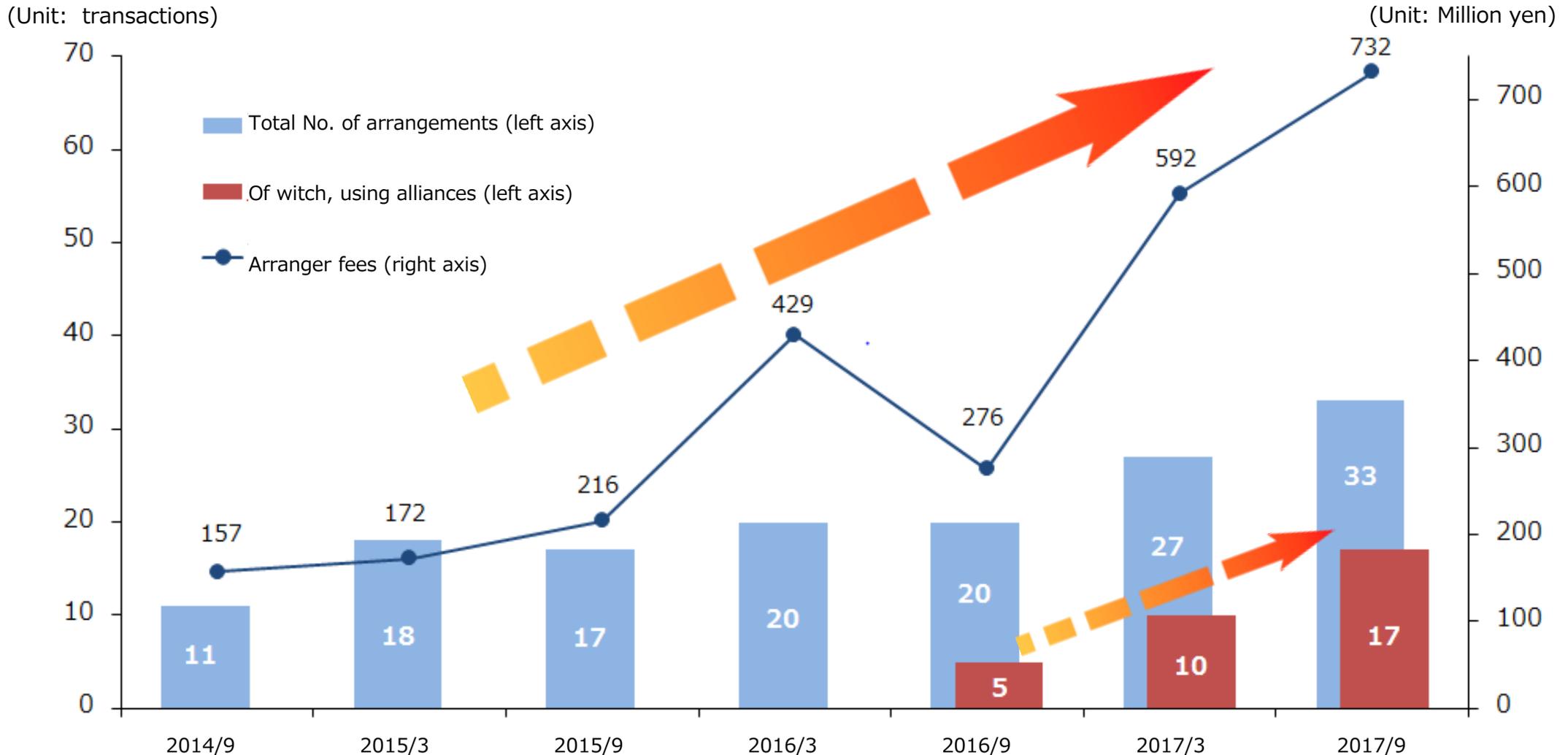
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4. Initiatives for the Future

Initiatives in syndicated loans through alliances

Increase in the number of transactions where Chiba Bank has acted as the arranger for syndicated loans using alliances based on cooperation between the Tokyo Metropolitan Area and the broader regions



Advantages of alliances with client firms

Advantages for client firms

Rapid resolution of issues

Increase in multi-faceted transactions with alliance trading banks

Diversified means of solutions

Initiatives in the alliance bank

Sharing of know-how in the arrangement of structured finance products, etc.

Subcommittee meetings for each service are held with fellow professionals from headquarters involved in sales support

Expansion of solutions line-up of through alliances

Example of Use ①

- When developing a new business, a syndicated loan was arranged by the Chiba-Musashino Alliance and the TSUBASA Alliance to **"secure information routes by building relationships with local banks in the area of the new business" and "establish the procurement of funds at an early stage."**

Example of Use ②

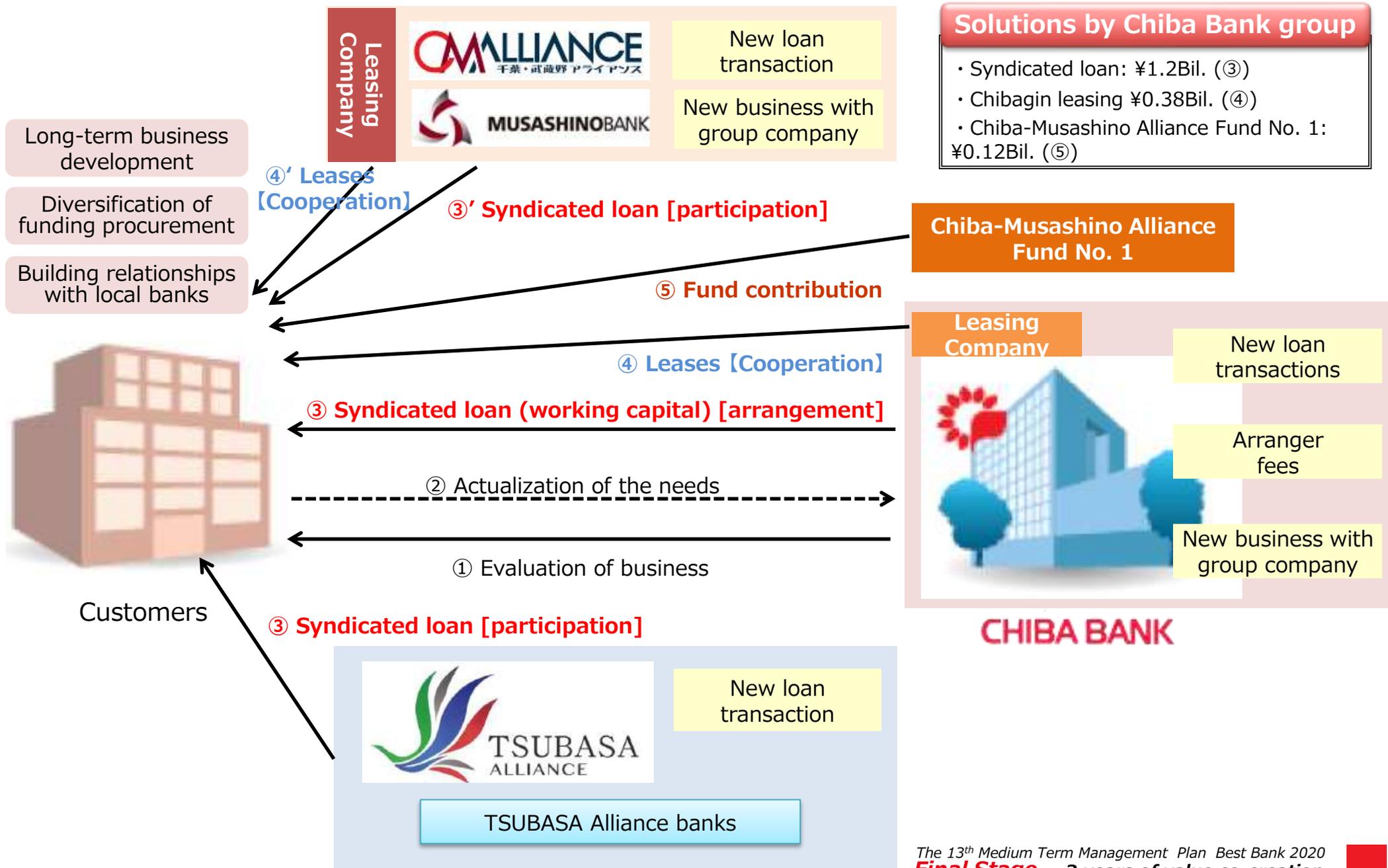
- A syndicated loan was arranged for a publicly traded company requiring large procurement lots per round by **Chiba Bank and Musashino Bank (neither of which the company had had loans with previously)**, allowing it to **quickly procure funding.**

■ Diversified solutions



* Using Chiba-Musashino Alliance Fund No. 1

Case Study: Use of alliances for cross solutions



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Increase in business matching using links with external partners

We will increase the number of contracts according to the needs of our client firms by stepping up cooperation with external partners to flexibly and pro-actively expand the solutions we can offer

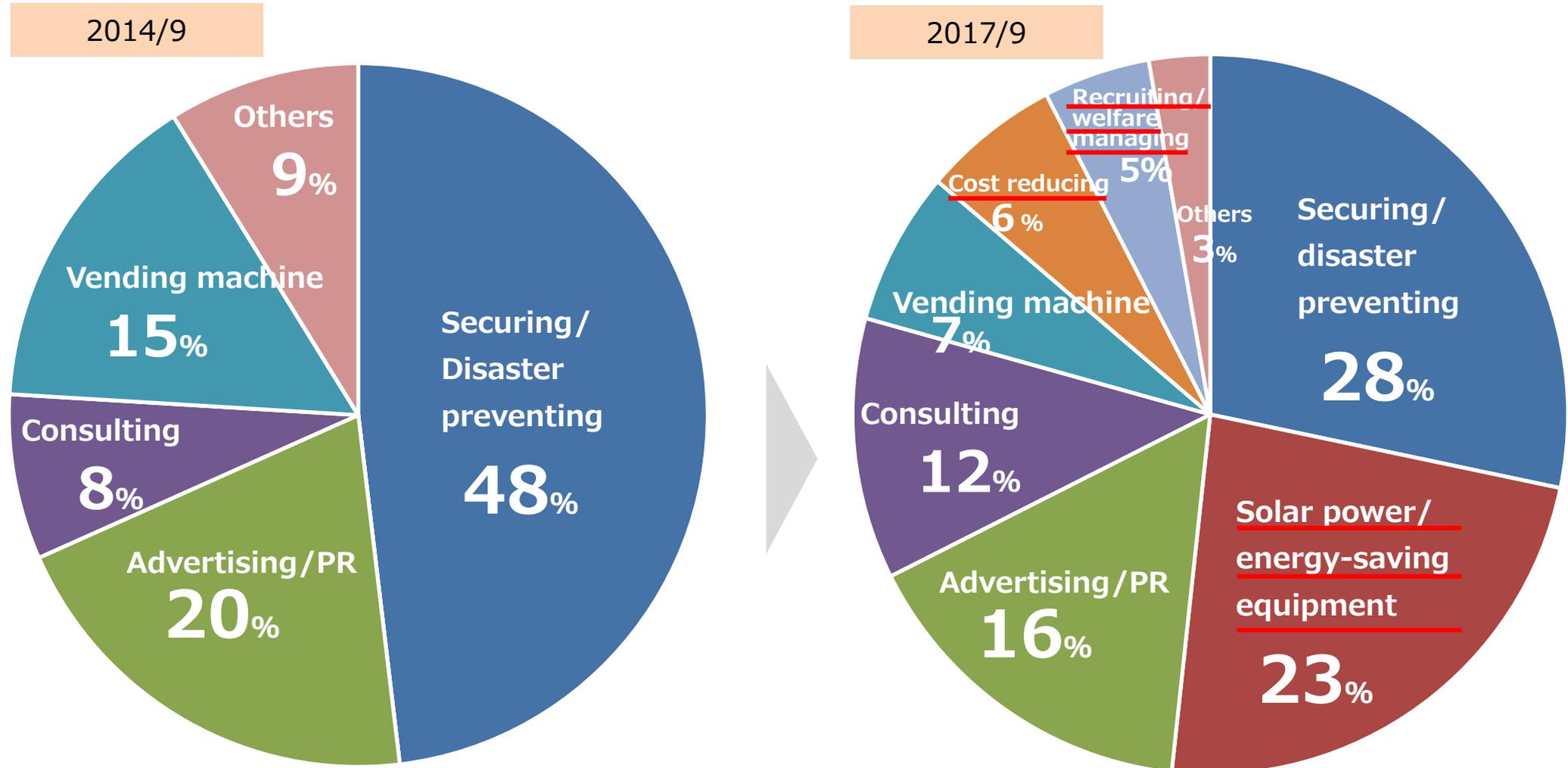
(Unit: contracts)



*The above number of contracts does not include the number of contracts with group companies, etc.

Diversification of solutions provided by partner firms

The diversification of solutions utilizing external partners has resulted in an increase in contracts for the introduction of solar energy and energy saving equipment, as well as contracts for securing human resources and for welfare benefits, among others



*The above number of contracts does not include the number of contracts with group companies and contracts related to construction, etc.

Provision of optimal solutions through external partners

We will proactively strengthening cooperation with external partners to be able to offer optimal solutions in response to the diverse needs of our client firms

Funding Procurement and Property Purchase



Business expansion



Business Succession and M&A



Securing of human resources and improved business efficiency



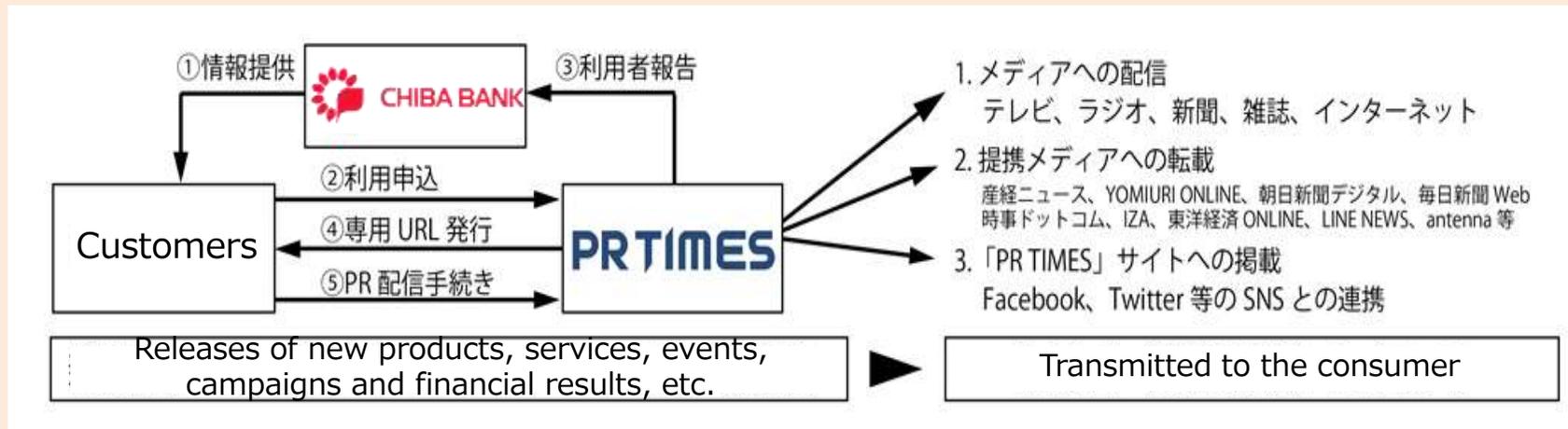
Industry and academia tie-ups



Recent Business Partnerships

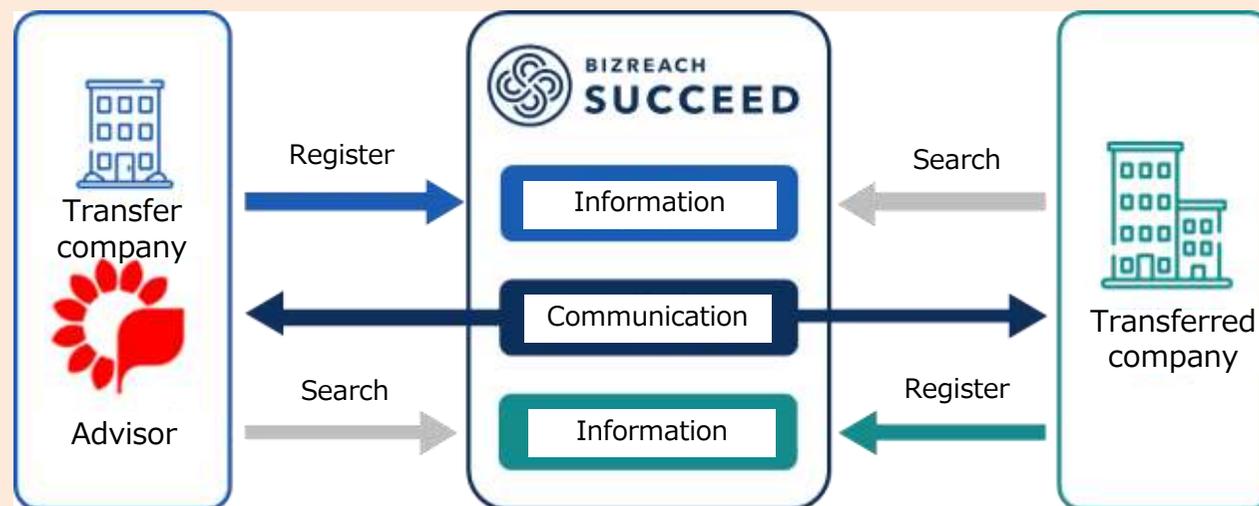
Feb
21

Business partnership with PR TIMES Co., Ltd.



Mar
7

Business partnership with BIZ REACH Co., Ltd.



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We will raise productivity by improving the efficiency of business operations and improve the top line by strengthening our expertise in proposal sales

Trial of proposal sales app for proposal sales for companies using tablets



Introduction of trials for 100 users
(Apr 2018 - Mar 2019)

Business matching

Program loans

Seminars/
business meetings

Publicly available
support information

External reports

IR/
Press materials

Group Companies

Simulations

Tools for
discovering needs

Anticipated results of introduction

- Achievement of rapid responses through the use of resource document links and search functions
(strengthening our expertise in proposals)

Increase in the number of contracts for business matching, etc.

- Reduction in visit preparation time and improved efficiency in business operations through use of paperless media

Creation of sales time (approx. 15 minutes per day)

- Development of capabilities of young staff members at an early stage through effective use of spare time

Enhancement of OJT

- Visualization of proposal sales know-how of high performers

Visualization of advanced proposal skills

【Matters to note】

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