



The Chiba Bank website  
[IR Library]



# Financial Results for FY2023 ended March 2024



May 22, 2024

## Summary of Financial Results

Summary of Financial Results	4
Summary of Financial Results (Consolidated)	5
Net Interest Income	6
Securities	7
Operation of Foreign Bonds	8
Operation of Yen Bonds	9
Net Fees and Commissions	10
General & Administrative Expenses	11
Credit-related Expenses / FRA Claims	12
Measures to Control Credit-related Expenses	13
Earnings Forecast	14

## The Mid-Term Plan / Growth Strategy

Overview of the 15th Mid-Term Plan	16
KPIs	17
The Mid-Term Profit Plan Outlook	18
PBR Improvement Logic Tree	19
Toward improving P/B ratio	20
Growth Strategy	21
Improving RORA	22
Continuing Growth toward FY2030 (Simulation)	23
Interest Rate Rise Simulation	24
Operating Base	
Average Balance / Yield of Loans and Bills	
Discounted / Amount Executed	25
Balance of Loans / Deposits at Term-end	26
Loans	27
Residential Loans	28
Unsecured Loans	29
Branch Network	30
Financial Base	
Efficiency / Soundness / Stability	31
Capital Policy ①② (Capital Management /	
Policy Investment / Shareholder Returns)	32

Alliance		34
Retail	Transformation Customer Experience	38
	Through DX	
	Increase in Gross Profit Per Customer	39
	Through DX	
	Personal Strategy ①②	40
	(Financial Products / Trust / Inheritance )	
Corporate	Hybrid of Real and Digital Channel	42
	Corporate Strategy ①~⑤ (Corporate solutions)	43
Cashless		48
New Business ①~④		49
DX Supporting Transformation ①~③		53
Human Capital Supporting Transformation ①~③		56

## Achieving Sustainable Management

E ~ GX Initiatives ①② ~	62
S ~ Diversity / Regional Revitalization ~	64
G ~ Governance ~	65

## Progress of Business Improvement Plan

Establishment of the Purpose and Vision	67
True Cause Analysis of Problems / Four Measures	68
Changes Resulting from Business Improvement Measures	69
/ Verification of Actual Conditions	
List of Major Measures	70

## Appendix

Chiba Prefecture Market Share / Personal Deposits	72
About Chiba Prefecture	73
(Ref.) Earnings Results / Stock Price	74

# Summary of Financial Results



# Summary of Financial Results

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

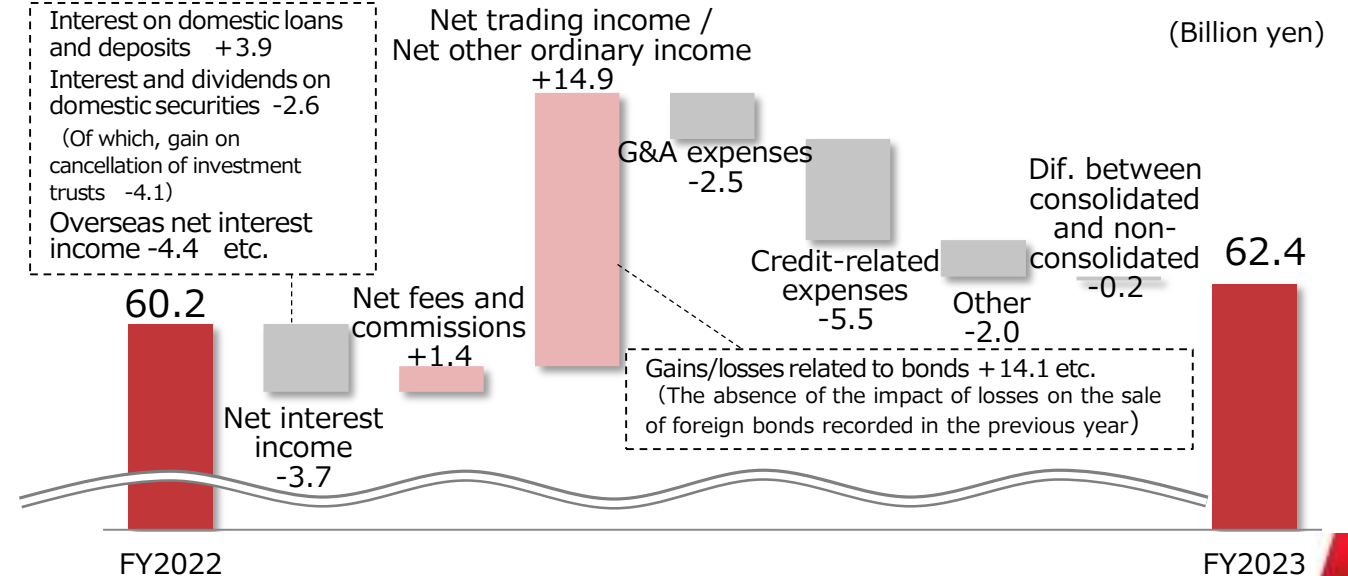
Strong top-line performance and restrained credit costs lead to higher net income than projected

<b>Non-consolidated</b>	(Billion yen)	FY2022	FY2023	Change	FY2024 Plan
Gross business profit		155.5	168.2	12.6	183.0
Net interest income		140.3	136.6	-3.7	146.0
Net fees and commissions		28.6	30.0	1.4	31.7
Net Trading income		1.3	1.1	-0.2	2.2
Net other ordinary income		-14.8	0.3	15.1	3.0
Gains/losses related to bonds		-20.0	-5.8	14.1	1.3
G&A expenses (-)		82.5	85.1	2.5	88.5
Net business income (before provisions to general allowance for loan losses)		73.0	83.1	10.0	94.4
Core business income		93.0	88.9	-4.0	93.1
Excl. gains/losses on the cancellation of investment trusts		85.3	87.4	2.0	90.4
Net provisions to general allowance for loan losses (-)		-	-	-	0.9
Net business income		73.0	83.1	10.0	93.5
Non-recurring gains/losses		8.7	2.9	-5.7	0.7
Disposal of non-performing loans (-)		0.3	5.8	5.5	6.6
Reversal of loan loss reserves		0.9	0.3	-0.5	-
Gains/losses related to stocks, etc.		8.3	9.3	1.0	7.0
Ordinary profit		81.7	86.0	4.3	94.3
Extraordinary gains/losses		-0.3	-0.2	0.0	-0.2
Net income		58.1	60.5	2.4	66.9
Credit-related expenses (-)		0.3	5.8	5.5	7.5

<b>Consolidated</b>	(Billion yen)	FY2022	FY2023	Change	FY2024 Plan
Ordinary profit		86.9	90.2	3.2	97.9
Profit attributable to owners of parent (Ref.)		60.2	62.4	2.1	68.0
Consolidated net business income (before provisions to general allowance for loan losses)		81.8	91.7	9.8	105.2

- ◆ Top-line gross business profit increased by 12.6 Billion yen year-on-year, reaching a record high for the first time in 16 years since FY2007 :
  - Net interest income decreased by 3.7 Billion yen year-on-year overall due to the suppression of net gains on the cancelation of investment trusts by 6.1 Billion yen year-on-year for the domestic and overseas total, while domestic interest on loans and deposits was strong, up 3.9 Billion yen year-on-year.
  - Net fees and commissions were driven by corporate solutions and cashless operations, reaching record highs for the fourth consecutive fiscal year.
  - Gains/losses related to bonds increased by 14.1 Billion yen year-on-year due to the absence of the impact of losses on the sale of foreign bonds recorded in the previous year.
- ◆ G&A expenses increased by 2.5 billion yen year-on-year due to investments in human capital and strategic investments, but were within the plan, and the consolidated OHR remained at a high level of efficiency, in the 48% range.
- ◆ Credit-related expenses increased by 5.5 Billion yen year-on-year due to the implementation of preventive provisions etc., but were within the plan, and non-performing loan ratio remained low at 0.01% year-on-year to 0.92%.
- ◆ Net income exceeded the consolidated plan of 61.0 Billion yen, and both non-consolidated and consolidated profits reached record highs for the second consecutive fiscal year.

## Breakdown of Profit Attributable to Owners of Parent (non-consolidated + difference between consolidated and non-consolidated results)



# Summary of Financial Results (Consolidated)

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

Difference between consolidated and non-consolidated decreased due to the removal of transitory factors

Consolidated	(Billion yen)	FY2022	FY2023	Change
Consolidated net revenue		164.1	175.4	11.2
Net interest income		136.5	132.6	-3.8
Net fees and commissions		40.4	40.9	0.4
Net trading income		1.9	1.4	-0.5
Net other ordinary income		-14.8	0.3	15.2
G&A expenses (-)		88.9	92.2	3.2
Credit-related expenses (-)		0.0	6.6	6.6
Net provisions to general allowance for loan losses (-)		-	0.0	0.0
Disposal of non-performing loans (-)		0.0	6.6	6.6
Gains/losses related to stocks, etc.		9.0	11.1	2.1
Gains/losses on equity-method investments		0.3	0.4	0.1
Other		2.4	2.0	-0.3
Ordinary profit		86.9	90.2	3.2
Extraordinary gains/losses		-0.3	0.4	0.7
Net income pre-tax adjustment		86.6	90.6	3.9
Total corporate income taxes (-)		26.3	28.2	1.8
Net income		60.2	62.4	2.1
Profit attributable to non-controlling interests		-	-	-
Profit attributable to owners of parent		60.2	62.4	2.1
(Ref.)				
Consolidated net business income (before provisions to general allowance for loan losses)		81.8	91.7	9.8

## Subsidiaries

\*Showing profit/loss after reclassification for consolidated financial statements

[Consolidated subsidiaries]

(Billion yen)

Company name	Investment ratio (including indirect)	Profit items (after deduction of inter-subsidiary dividends)	FY2022	FY2023	Change
Chibagin Securities Co., Ltd.	100%	Ordinary profit	0.0	0.1	0.1
		Net income	0.0	-0.1	-0.2
Chibagin Leasing Co., Ltd.	100%	Ordinary profit	1.0	0.7	-0.2
		Net income	0.6	0.5	-0.1
Chibagin Guarantee Co., Ltd.	100%	Ordinary profit	6.2	5.5	-0.7
		Net income	4.1	3.6	-0.5
Chibagin JCB Card Co., Ltd.*	100%	Ordinary profit	1.2	1.2	-0.0
		Net income	0.8	0.8	0.0
Total of 5 other companies	100%	Ordinary profit	0.7	0.5	-0.1
		Net income	0.5	1.0	0.4
Total		Ordinary profit	9.3	8.2	-1.1
		Net income	6.2	5.8	-0.3

\*In April 2024, Chibagin JCB Card Co., Ltd. and Chibagin Card Co., Ltd. merge in an absorption-type merger (Chibagin Card Co., LTD. is the surviving company)

[Equity method subsidiaries]

Total of 6 companies	Net income according to equity method	0.3	0.4	0.1
----------------------	---------------------------------------	-----	-----	-----

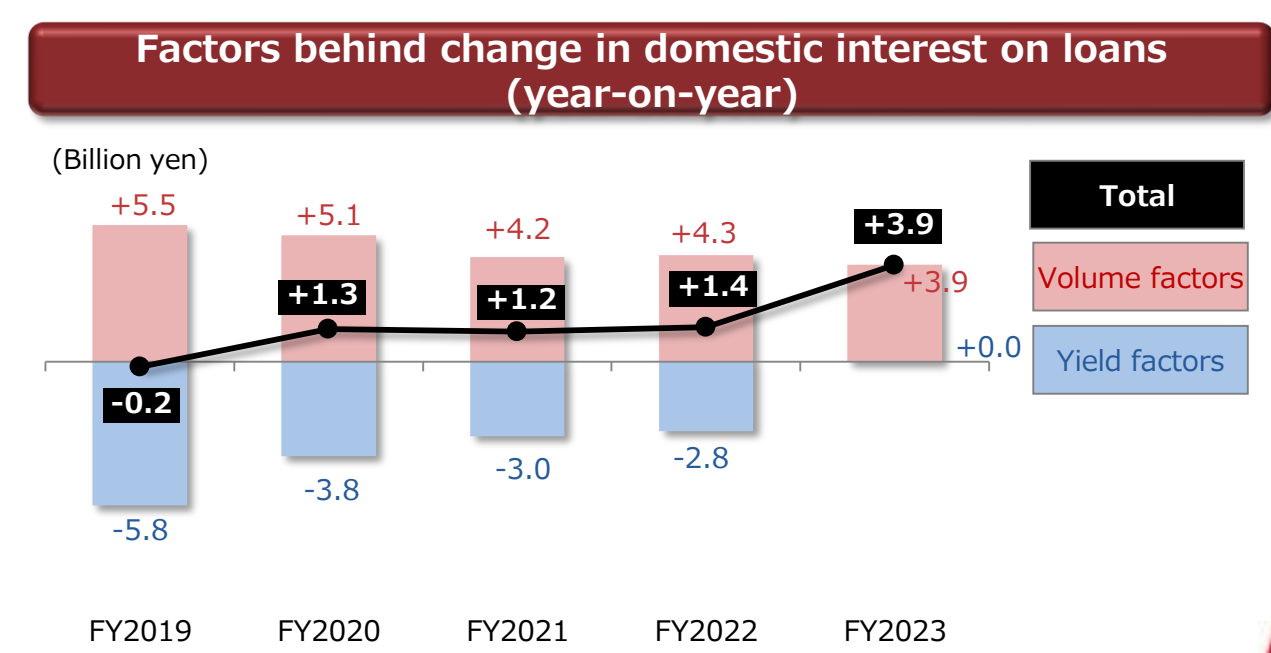
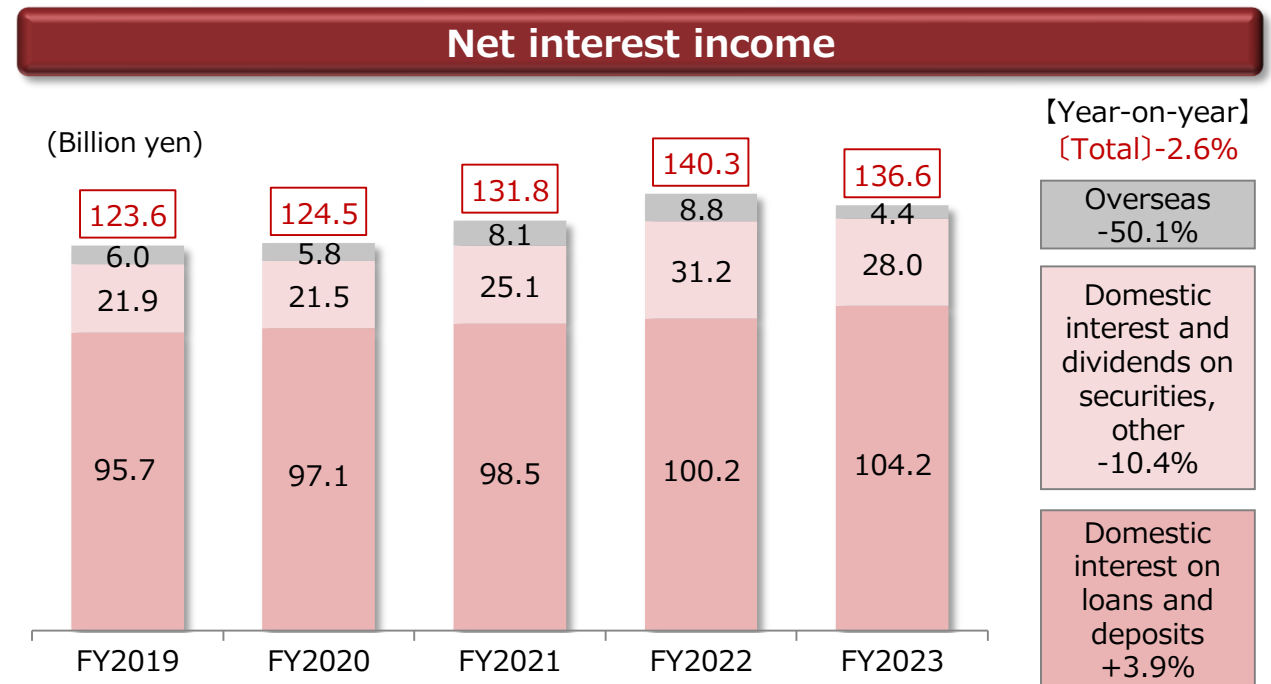
Dividends to parent company (-)	4.4	4.4	0.0
Dif. between consolidated and non-consolidated*	2.1	1.8	-0.2

\*After adjusting for unrealized gains, etc.



Domestic interest on loans and deposits increased steadily, and net interest income excluding gains on the cancellation of investment trusts increased

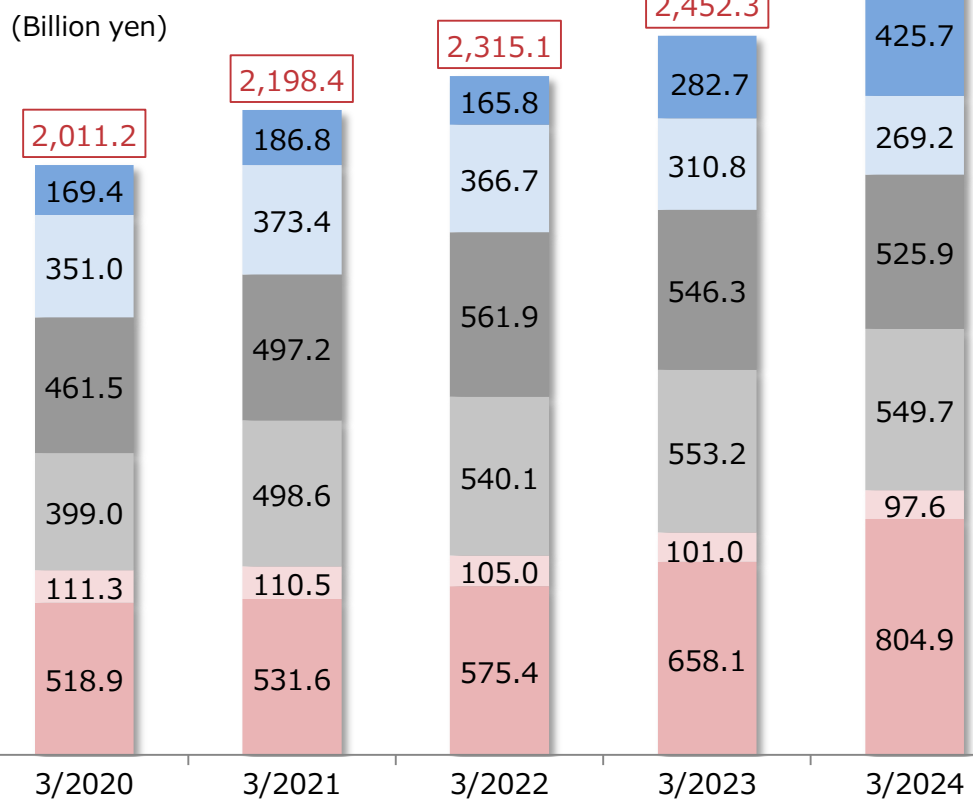
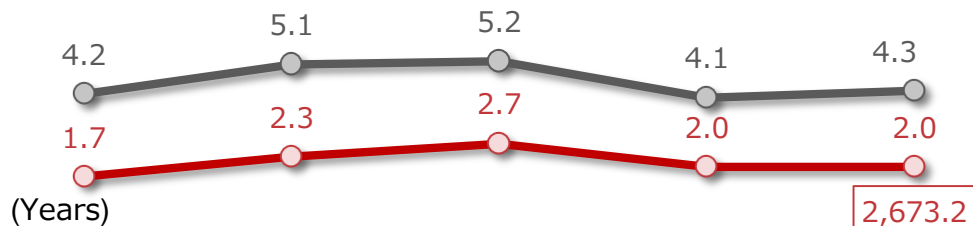
(Billion yen)	FY2022	FY2023	Change	FY2024 Plan	Change
	Net interest income	140.3	136.6	-3.7	146.0
Domestic	131.5	132.2	0.7	138.5	6.2
Interest on loans and deposits	100.2	104.2	3.9	108.3	4.1
Loans and bills discounted	100.5	104.5	3.9		
Deposits incl. NCDs (-)	0.2	0.2	-0.0		
Interest and dividends on securities	28.7	26.0	-2.6	26.9	0.8
Bonds	4.4	4.5	0.0		
Stock dividends	11.3	11.1	-0.2		
Investment funds	1.0	1.6	0.5		
Investment trusts	11.8	8.7	-3.0		
Gains on cancellations	5.8	1.7	-4.1	2.1	0.4
Other (market operations, etc.)	2.5	1.9	-0.6		
Overseas	8.8	4.4	-4.4	7.4	3.0
Loans and bills discounted	13.5	27.1	13.5		
Foreign securities	19.1	27.0	7.8		
Foreign securities	14.8	25.1	10.3		
Foreign currency funds	2.1	1.3	-0.7		
Investment trusts	2.2	0.4	-1.7		
Gains on cancelations	1.7	-0.1	-1.9	0.5	0.6
Other (funding, market operations, etc.)	-23.8	-49.7	-25.8		
Net interest income (excluding gains on the cancellation of investment trusts)	132.6	135.1	2.4	143.3	8.2
Gains on the cancellation of investment trusts	7.6	1.5	-6.1	2.6	1.1



Continue to manage portfolios with reduced risk, and increase in unrealized gains mainly on stocks after taking into account hedges

## Balance\*1 / Average remaining maturity\*2 of securities

\*1 Excluding unrealized gains/losses  
\*2 After hedging via asset swaps



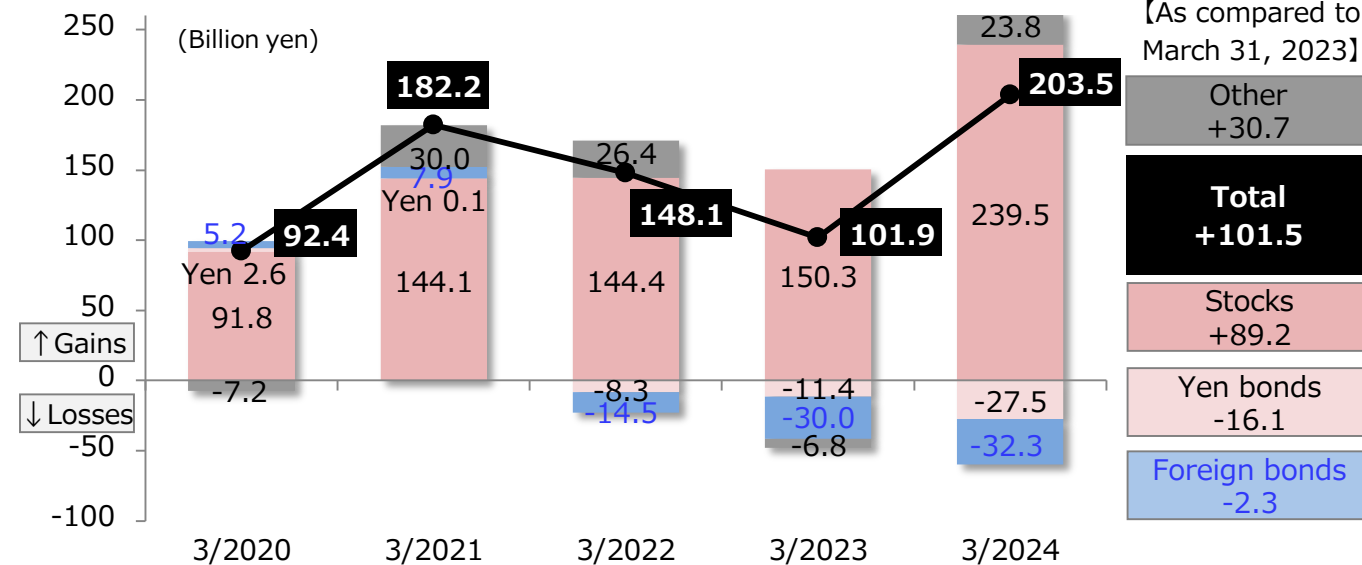
Year	3/2020	3/2021	3/2022	3/2023	3/2024
Held-to-maturity securities	7.7	7.8	8.6	9.3	3.0

[As compared to March 31, 2023]

- Average remaining maturity of yen bonds +0.2 years
- Average remaining maturity of foreign bonds +0.0 years
- (Total) +9.0%
- Government bonds +50.5%
- Municipal bonds -13.3%
- Corporate bonds, etc. -3.7%
- Investment trusts, etc. -0.6%
- Stocks -3.3%
- Foreign currency securities +22.3%

## Unrealized gains/losses on other securities

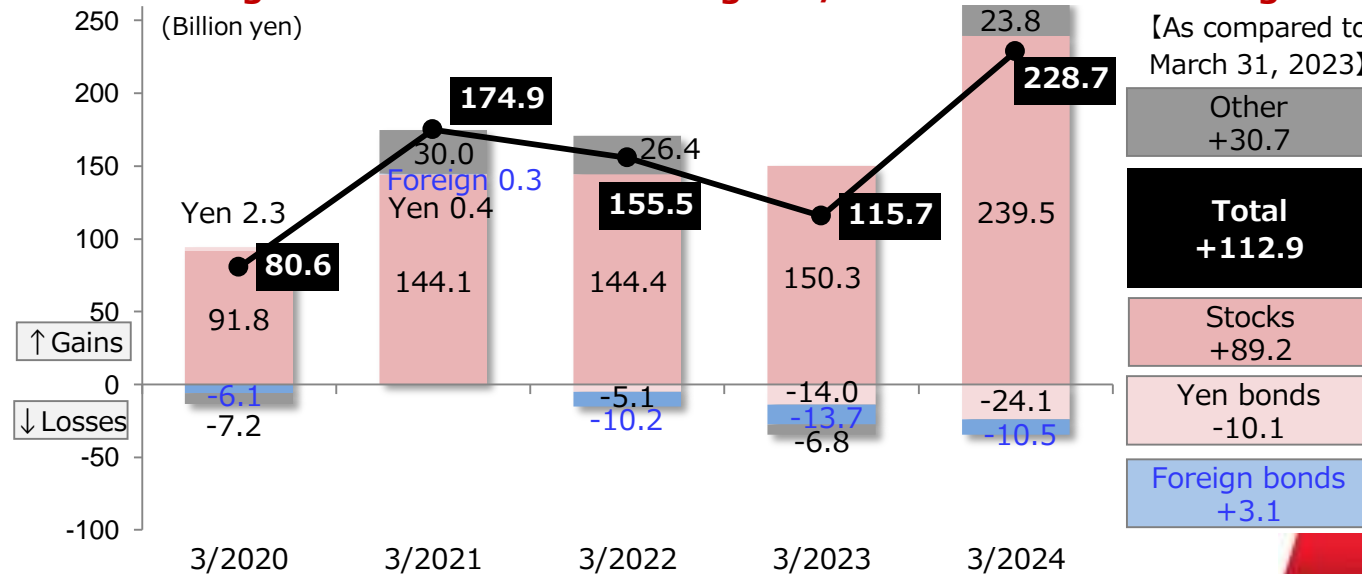
\* Including overseas CDs



[As compared to March 31, 2023]

- Other +30.7
- Total +101.5
- Stocks +89.2
- Yen bonds -16.1
- Foreign bonds -2.3

## After taking into account unrealized gains/losses on deferred hedge swaps

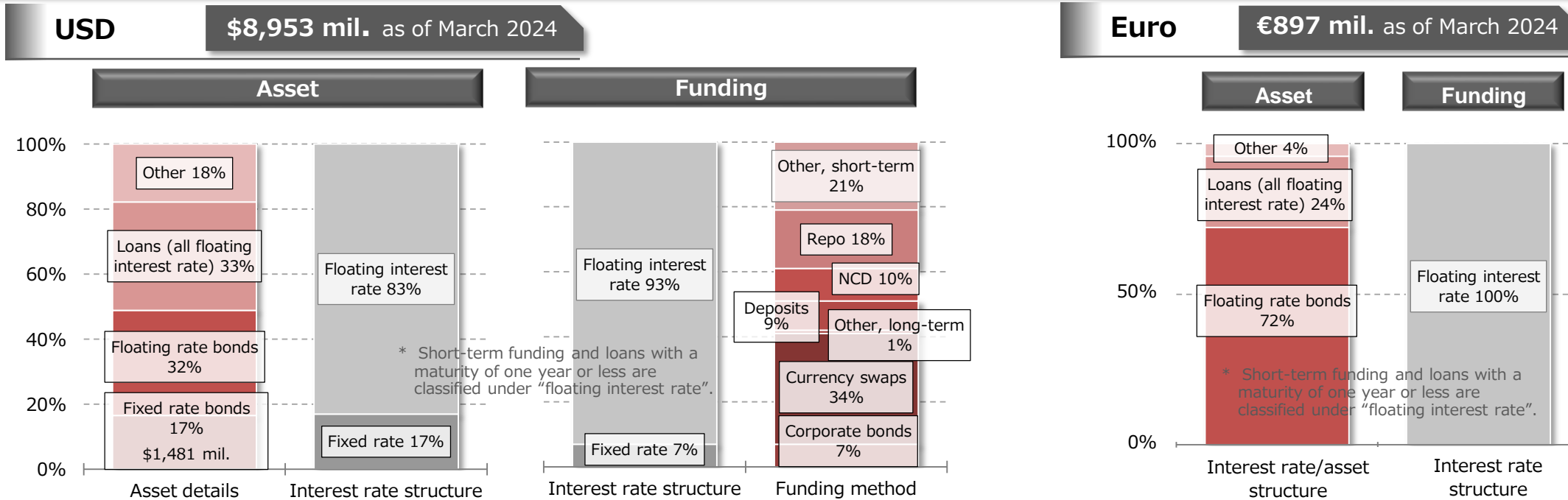


[As compared to March 31, 2023]

- Other +30.7
- Total +112.9
- Stocks +89.2
- Yen bonds -10.1
- Foreign bonds +3.1

Though overseas interest rates remained high, interest margins on foreign bonds remained positive as a result of the replacement of some bonds

## Asset and funding structure



## Changes in the foreign bond portfolio

### Foreign bonds operations in the third quarter of the year

USD fixed bonds	3/31/2023
Balance (Billion yen)	166.9
Yield (%)	Around 3.5%
Procurement costs (%)	Around 4.5%
Total foreign bonds	3/31/2023
Balance (Billion yen)	633.8
Interest margin (%)	About +0%
Unrealized gains/losses (Billion yen)	-30.0
After Hedge (Billion yen)	-13.7

USD fixed bonds	Purchase	Sale and redemption	Foreign exchange factor
USD fixed bonds (Billion yen)	72.8	-50.8	27.7
Yield (%)	About 5%	About 3%	-
Losses on sales (Billion yen)		-2.5	
EURO fixed bonds	Purchase	Sale and redemption	
EURO fixed bonds (Billion yen)	-	-24.3	
Yield (%)	-	Around 0.5%	
Losses on sales (Billion yen)		-2.0	

Sold all low-yielding Euro fixed bond

USD fixed bonds	3/31/2024
Balance (Billion yen)	216.6
Yield (%)	4.0%~4.5%
Procurement costs (%)	About 5%
Total foreign bonds	3/31/2024
Balance (Billion yen)	773.3
Interest margin (%)	About +0%
Unrealized gains/losses (Billion yen)	-32.3
After Hedge (Billion yen)	-10.5

### Operations in the previous fiscal year

- Improved yields by replacing bonds through sales of low-yield fixed-rate
- Invested mainly in bonds with asset swaps

### Investment policy for the current fiscal year

- Considering investments mainly in bonds with asset swaps toward expanding net interest income

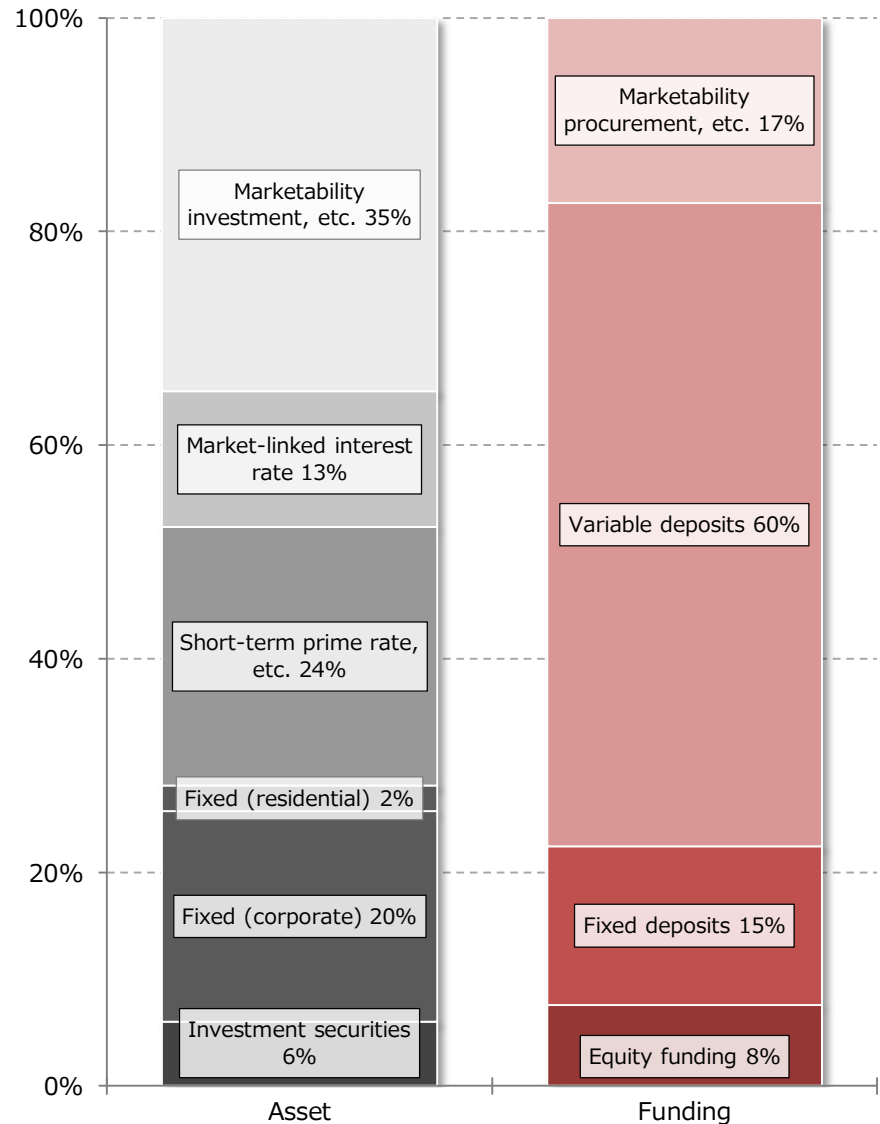


Increase net interest income by investing in fixed bonds during a period of rising interest rates while continuing to control interest rate risk

## Investment and funding structure

### Yen bonds

¥ 20.5 tri. as of March 2024



## Interest rate sensitivity of unrealized gains/losses (10bp)

### Yen bond interest rate sensitivity by term (GPS) ①

	~ 1 year	Over 1 year~ 3 years	Over 3 years~ 5 years	Over 5 years~ 7 years	Over 7 years~ 10 years	Over 10 years	Total
3/31/2023	-0.1	-0.6	-0.4	-0.6	-1.0	-1.3	-4.2
3/31/2024	-0.1	-0.4	-1.3	-0.9	-0.7	-1.0	-4.7

(Billion yen)

\* Change in valuation gains/losses assuming each interest rate term increases by 10bp

10BPV Total (① + ②)

Total  
-4.4 billion yen

### Yen-denominated trust interest rate sensitivity... ②

Total +0.3 billion yen  
( -0.2 billion yen change from Mar. 2023)

\*By holding bond bear funds, valuation gains/losses will improve as interest rates increase

## Changes in yen bond portfolio

Yen bond	3/31/2023	3/31/2024
Balance (billion yen)	1,054.2	1,141.5
(Of which, Fixed Bonds)	803.2	920.6
Fixed Yield (%)	0.20%~0.25%	Around 0.25%
Unrealized gains/losses (billion yen)	-11.6	-27.5
After hedged (billion yen)	-14.2	-24.1

### Operations in the previous fiscal year

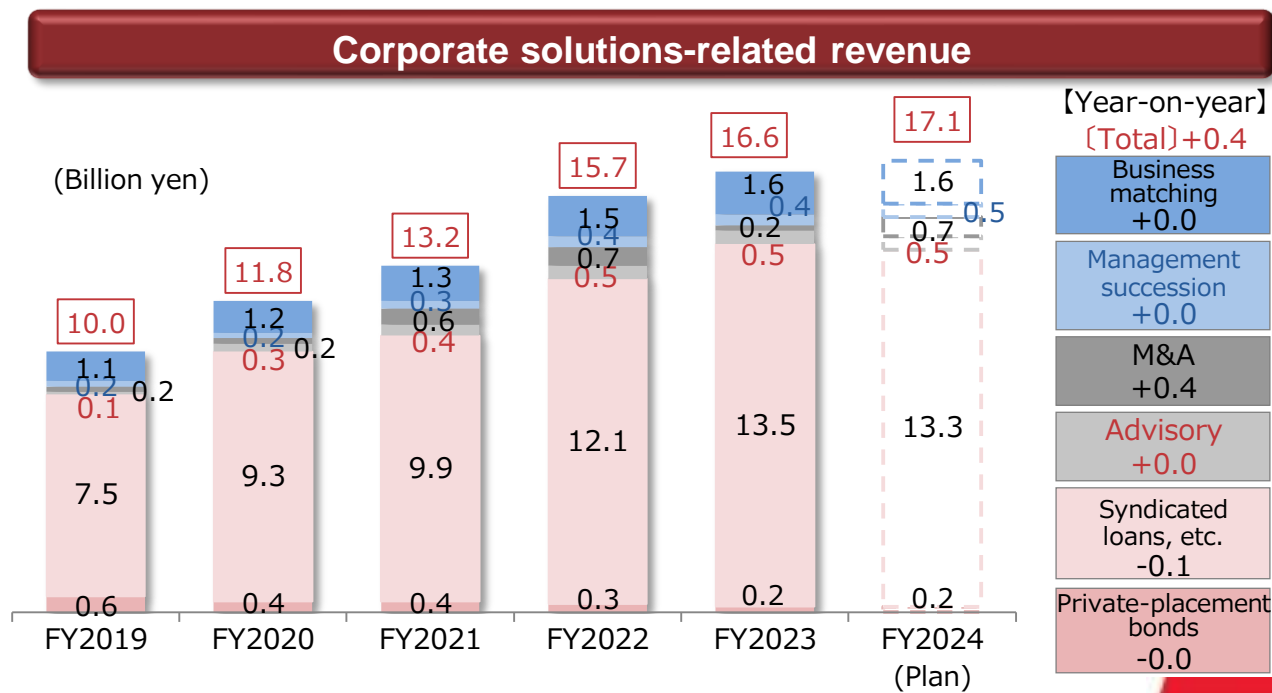
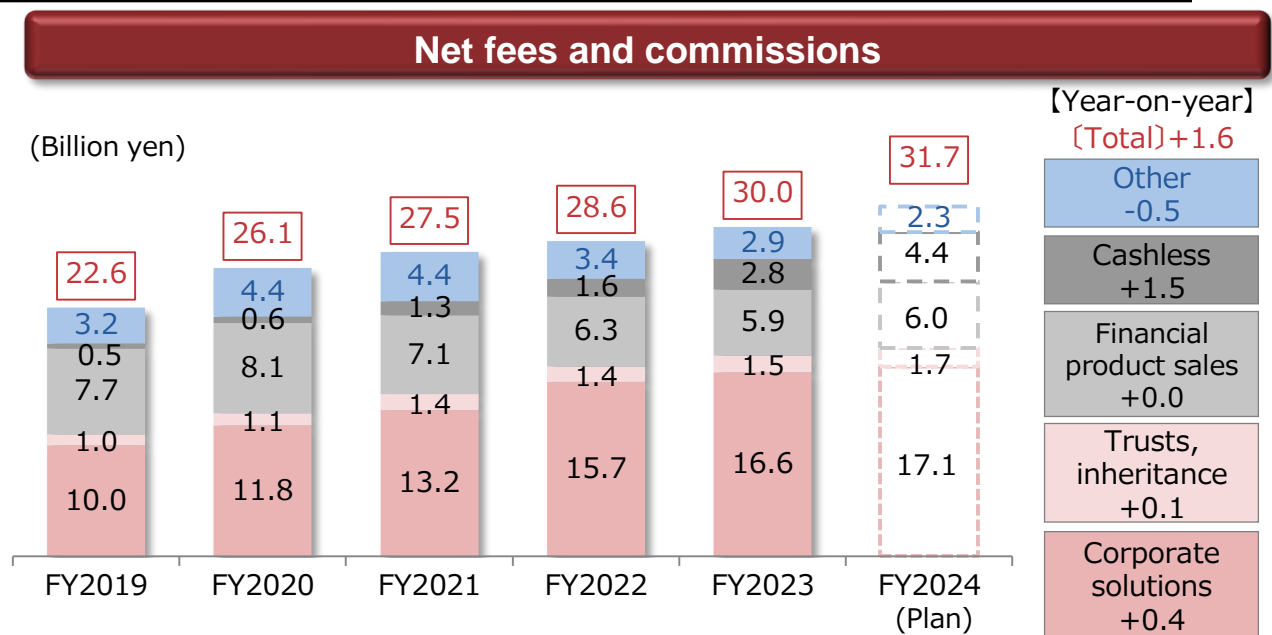
- In a period of low interest rates, invested in long-term JGBs with asset swaps to secure yields while controlling interest rate risk
- In the second half of the fiscal year, accumulated fixed bonds to capture the rising interest rate phase

### Investment policy for the current fiscal year

- Carefully increasing the balance, especially in JGBs, to improve net interest income

Achieved record highs for the fourth consecutive fiscal year due to favorable trends in corporate solutions and cashless businesses

(Billion yen)	FY2022	FY2023	Change	FY2024	
				Plan	Change
Net fees and commissions	28.6	30.0	1.4	31.7	1.6
Fees and commissions received	49.0	53.5	4.4	57.3	3.8
Fees and commissions payments (-)	20.4	23.5	3.0	25.6	2.1
<b>&lt;Main breakdown&gt;</b>					
Investment trusts and personal annuities	6.3	5.9	- 0.3	6.0	0.0
Investment trusts (trust fees)	1.7	1.8	0.1	1.9	0.0
Investment trusts (sales fees)	0.8	0.7	- 0.0	1.1	0.3
Annuities and whole-life insurance	1.9	1.3	- 0.5	1.0	- 0.3
Level-premium life insurance	1.2	1.7	0.4	1.8	0.1
Financial instrument intermediary	0.3	0.1	- 0.2	-	- 0.1
Corporate solutions	15.7	16.6	0.9	17.1	0.4
Private placement bonds	0.3	0.2	- 0.0	0.2	- 0.0
Syndicated loans	12.1	13.5	1.3	13.3	- 0.1
Advisory contracts	0.5	0.5	- 0.0	0.5	0.0
M&A	0.7	0.2	- 0.4	0.7	0.4
Management succession	0.4	0.4	0.0	0.5	0.0
Business-matching	1.5	1.6	0.0	1.6	0.0
Trust/inheritance-related business	1.4	1.5	0.0	1.7	0.1
Cashless operations	1.6	2.8	1.1	4.4	1.5
Payment and settlement transactions	12.5	12.9	0.3	12.8	- 0.1
Guarantee charges and group insurance costs (-)	13.0	13.9	0.8	14.4	0.5



OHR rose slightly due to strategic investment, but remained at a low level

## G&A expenses / OHR

Non-consolidated (Billion yen)	FY2022	FY2023	Change	FY2024	
				Plan	Change
G&A expenses (-)	82.5	85.1	2.5	88.5	3.4
Personnel (-)	39.3	40.4	1.0	41.2	0.8
Non-personnel (-)	36.8	38.3	1.4	40.5	2.1
Taxes (-)	6.2	6.3	0.0	6.7	0.4
OHR	47.73%	49.30%	1.56%	48.7%	-0.5%

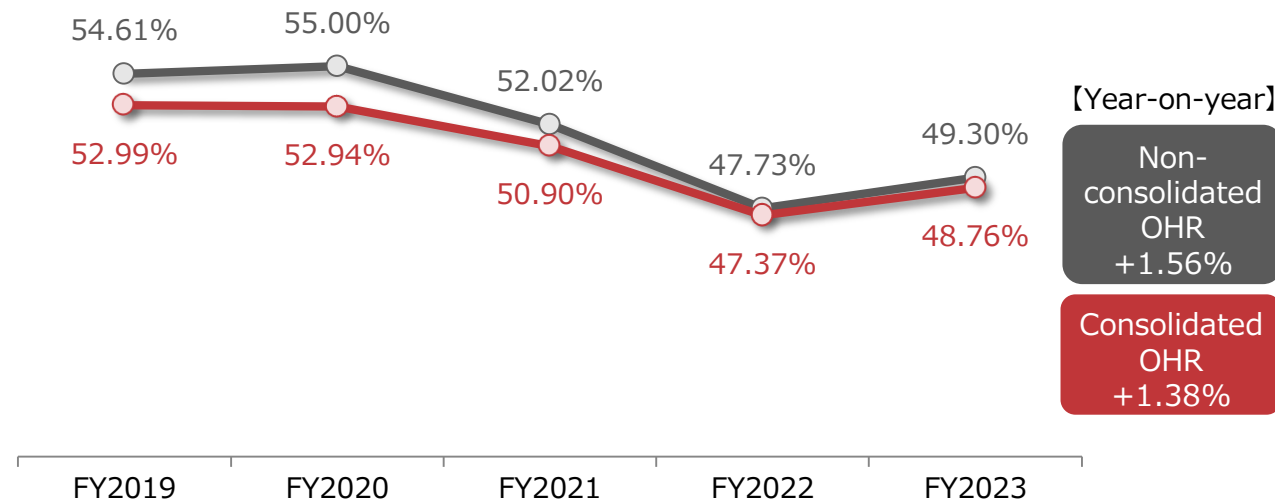
Consolidated	
OHR	47.37%    48.76%    1.38%    47.6%    -1.1%

\* OHR: Expenses / (net business income - bond-related gains/losses, etc. + net provisions to general allowance for loan losses + expenses)

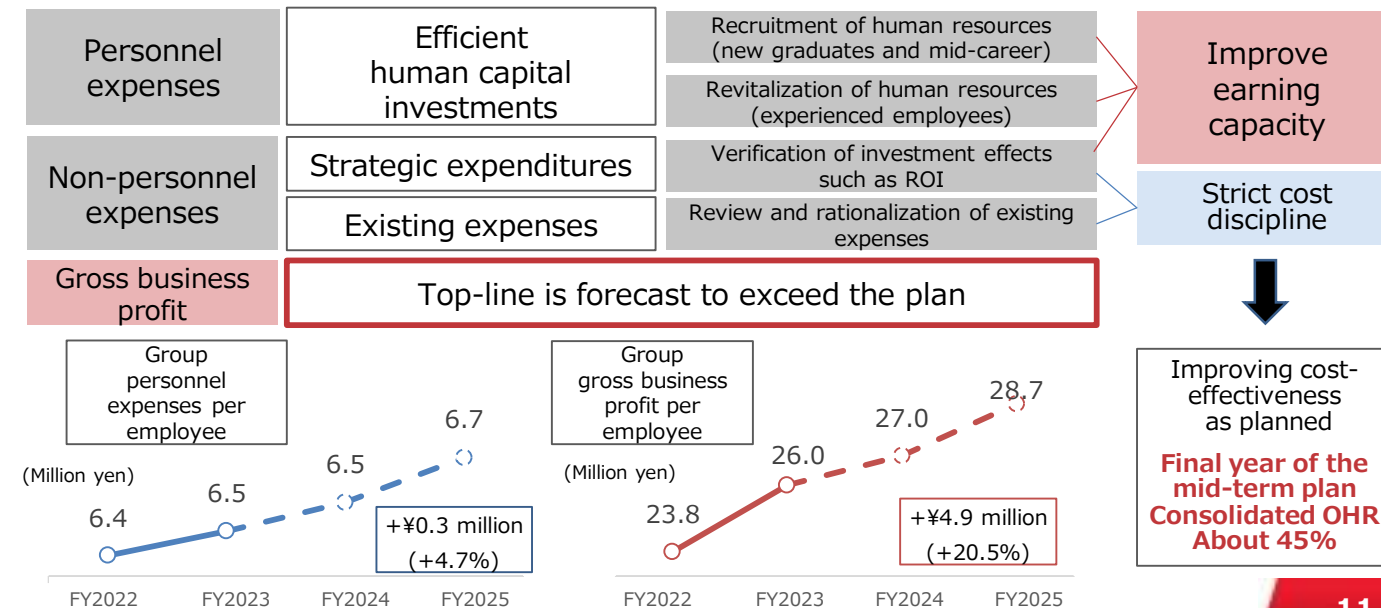
## Major factors behind increase in G&A expenses

(Billion yen)	FY2023 (results)	FY2024 (plan)
Personnel (-)	+1.0 Pay raises +0.6 Increased health insurance premiums +0.3	+0.8 Pay raises +0.8 Expansion of the system to continue employment as a regular employee +0.4 Reduction of retirement benefit expenses -0.6
Non-personnel (-)	+1.4 New investments +0.5 Expanded recruitment and training +0.2	+2.1 Strategic investments +1.5 Increase in depreciation +0.8 Efficiency and cost reduction -0.3
Taxes (-)	+0.0	+0.4 Increase in consumption tax +0.4

## Trends in OHR



## Expense and OHR outlook in the future

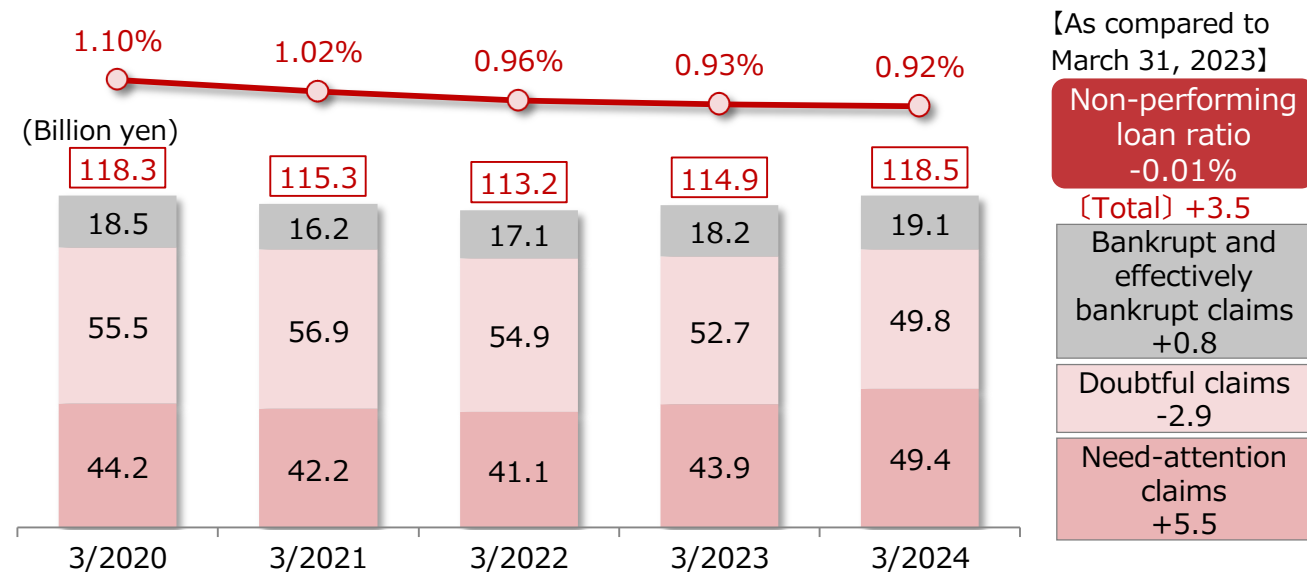


New NPL is remained low level, and the NPL ratio, one of the lowest among regional banks, declined further.

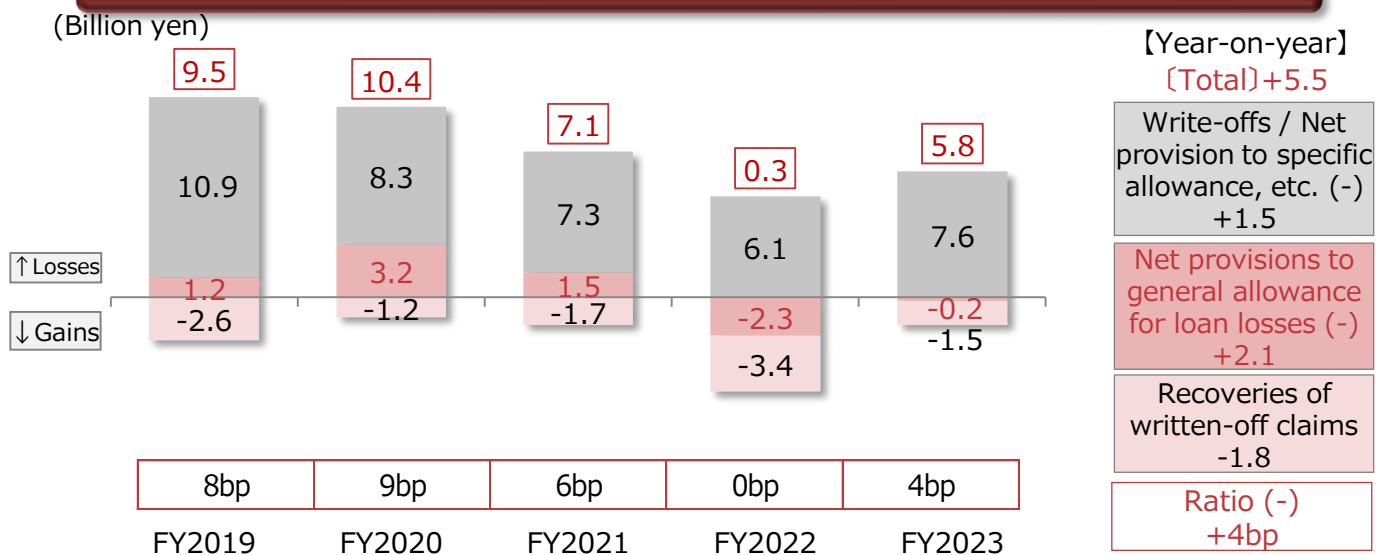
## Credit-related expenses

(Billion yen)	FY2022	FY2023	Change	FY2024	
				Plan	Change
Credit-related expenses (-)	0.3	5.8	5.5	7.5	1.6
Net provisions to general allowance for loan losses (-)	-2.3	-0.2	2.1	0.9	1.1
Disposal of non-performing loans (-)	2.7	6.1	3.4	6.6	0.4
Write-offs/net provisions to specific allowance, etc. (-)	6.1	7.6	1.5	9.3	1.6
Net provisions to specific allowance for loan losses (-)	1.4	-0.1	-1.5	0.5	0.6
New downgrades (-)	6.8	8.6	1.8	10.0	1.3
Existing non-performing loans (-)	0.4	0.2	-0.2	0.2	0.0
Collections, etc.	1.2	1.2	-0.0	1.0	-0.1
Recoveries of written-off claims	3.4	1.5	-1.8	2.6	1.0
Net credit cost ratio (-)	0bp	4bp	4bp	5bp	1bp

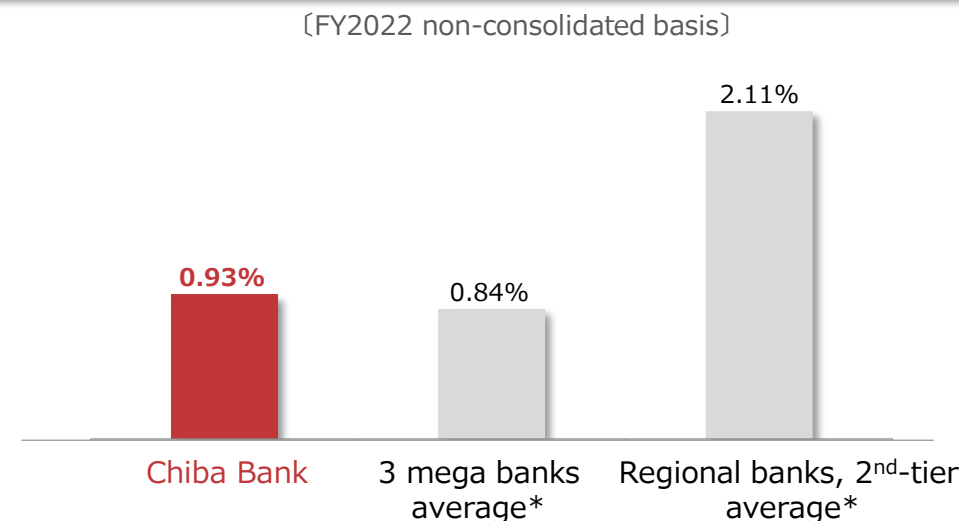
## Disclosed claims under the Financial Reconstruction Act / non-performing loan ratio



## Net credit costs(-) transition



## Non-performing loan ratio comparison with other banks



\* Source: Simple average calculated from Nikkin Report

Accurate assessment of credit status / implementation of support for accompanying

## Stress testing

Test targets: All credit customers

### Extraction based on micro factors

- Borrowers with a Group **credit amount of ¥0.1 bil. or more** (excluding residential real estate leasing, finance, and public sectors, etc.)
- Borrowers whose financial condition has been independently ascertained by the credit examination section

Estimation of credit costs based on the actual state of each company

### Extraction based on Macro factors

Of all creditors, excluding those selected based on micro factors, those that appear to have been affected by the deterioration in the external environment

Credit costs are estimated by taking into account the effect of each industry based on the BOJ Tankan.

(Billion yen)	Micro factor	Macro factors	Total
FY2024 1H	5.2	1.3	6.5
FY2024 2H	3.0	2.6	5.5

## Review of FY2023

(Billion yen)	Micro factor	Macro factors	Not anticipated at the time of testing	Total
Initial forecast	5.6	4.0	-	9.6
Actual results	7.4 (a)		1.2	8.6 (b)

From stress test forecast borrowers  $(a) \div (b) = 86.0\%$  ... Maintains high accuracy

## Solution Review Meeting

- External environmental impact survey (monthly assessment)
- Individual toss-up from branches
- Thematic surveys (printing, construction, etc.)

Always grasp the actual status of clients

### Solution Review Meeting

Assessing the actual situation of the target borrowers at the meeting, identifying and sharing management issues with management, investigating new risk factors, and identifying target borrowers

Banks that are essentially main borrowers with large conservation deficits and are urgently needed

Headquarters sales department, Headquarters credit review department and Group companies

### Designated Attention Claims committee

New designation or cancellation of borrowers  
Discussion of action policy

Chairman: Executive in Charge of Credit Unit

## Advisory Specified Corporation Meeting

Approximately 900 core companies in the region were selected as advisory specified companies

In order to provide thorough business support as a partner, the management issues of each company are discussed deeply through meetings.

Branch

Understanding of management issues with client

×

Headquarters sales department, Headquarters credit review department and Group companies

Providing specialized expertise

### Advisory Specified Corporation

[Total Scale]

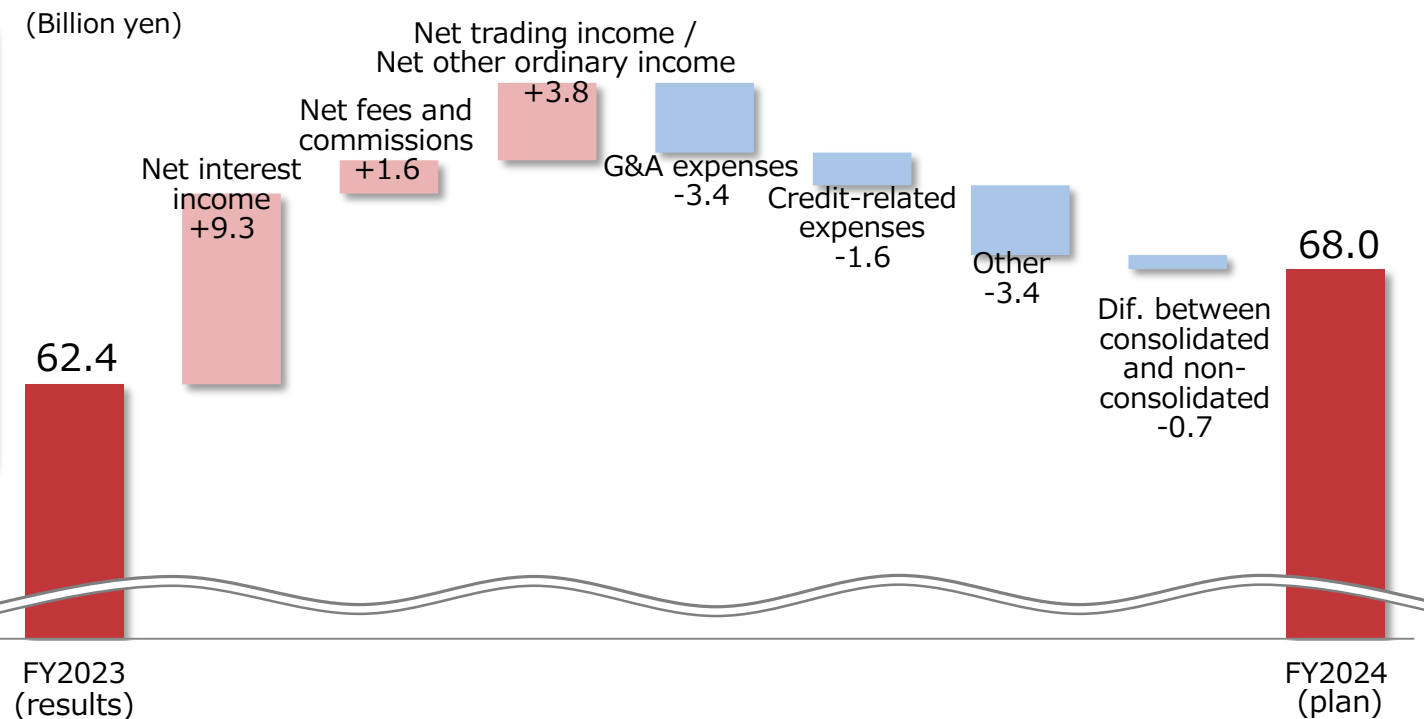
**Sales: ¥6 trillion**  
**Ordinary income: ¥350 billion**  
**Net income: ¥250 billion**  
**0.18 million employees**



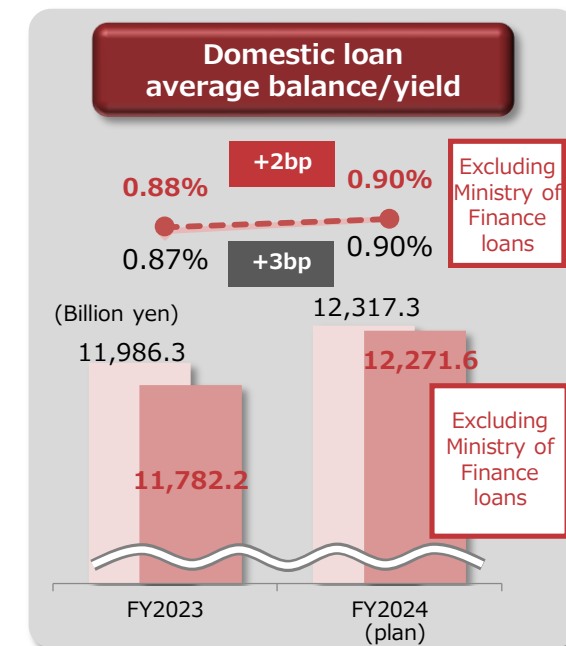
<b>Non-consolidated</b>			
(Billion yen)	FY2023	FY2024 Plan	Change
Gross business profit	168.2	183.0	14.7
Net interest income	136.6	146.0	9.3
Net fees and commissions	30.0	31.7	1.6
Net Trading income	1.1	2.2	1.1
Net other ordinary income	0.3	3.0	2.6
Gains/losses related to bonds	-5.8	1.3	7.2
G&A expenses (-)	85.1	88.5	3.4
Net business income (before provisions to general allowance for loan)	83.1	94.4	11.3
Core business income	88.9	93.1	4.1
Excl. gains/losses on the cancellation of investment trusts	87.4	90.4	2.9
Net provisions to general allowance for loan losses (-)	-	0.9	0.9
Net business income	83.1	93.5	10.4
Non-recurring gains/losses	2.9	0.7	-2.2
Disposal of non-performing loans (-)	5.8	6.6	0.7
Reversal of loan loss reserves	0.3	-	-0.3
Gains/losses related to stocks, etc.	9.3	7.0	-2.3
Ordinary profit	86.0	94.3	8.2
Extraordinary gains/losses	-0.2	-0.2	0.0
Net income	60.5	66.9	6.3
Credit-related expenses (-)	5.8	7.5	1.6

<b>Consolidated</b>			
(Billion yen)	FY2023	FY2024 Plan	Change
Ordinary profit	90.2	97.9	7.6
Profit attributable to owners of parent	62.4	68.0	5.5
(Ref.)			
Consolidated net business income (before provisions to general allowance for loan)	91.7	105.2	13.4

**Breakdown of Profit Attributable to Owners of Parent (difference between consolidated and non-consolidated results)**



(Billion yen)	FY2023	FY2024 Plan	Change
Net interest income	136.6	146.0	9.3
Domestic	132.2	138.5	6.2
Interest on loans and deposits	104.2	108.3	4.1
Interest and dividends on securities	26.0	26.9	0.8
Gains/losses on cancellations	1.7	2.1	0.4
Overseas	4.4	7.4	3.0
Gains/losses on cancellations	- 0.1	0.5	0.6
Net fees and commissions	30.0	31.7	1.6
Investment trusts and personal annuities	5.9	6.0	0.0
Corporate solutions	16.6	17.1	0.4
Trust/inheritance-related business	1.5	1.7	0.1
Cashless operations	2.8	4.4	1.5
Payment and settlement transactions	12.9	12.8	- 0.1
Guarantee charges and group insurance costs (-)	13.9	14.4	0.5



# The Mid-Term Plan / Growth Strategy



**Title** The 15<sup>th</sup> Mid-term Plan Engagement Bank Group – Phase 1 –  
(Plan Period: April 2023 ~ March 2026)

**Phase 2~**

**Operational Guideline: Evolution of the customer-focused business model**

■ Practice “Sustainable Management” by providing societal value to the community

Basic Policies

**I. Creating the optimal customer experience**

Deliver personalized proposals utilizing a wide range of data.  
Provide in-person, remote, and digital channels most-suited to the customer.

**II. Enhancing the quality of existing business**

Further increase the quality of solutions designed to address customer issues.

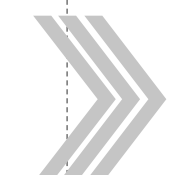
**III. Providing new value**

Provide new-found value to customers by entering into new business areas.



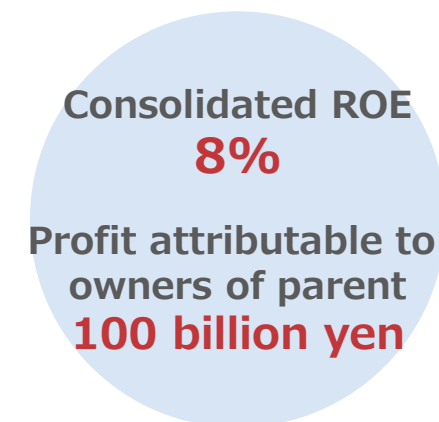
■ Expansion of “Value Creation Bases”

Bases



**Bank Group Development**

Goals for FY2030



Management KPIs

Consolidated ROE \*1  
**Above 7%**

Profit attributable to owners of parent

**75.0 billion yen**

Consolidated net business income

**120.0 billion yen**

Tier 1 common equity capital ratio\*  
2

**10.5% ~ 11.5%**

Consolidated OHR

**45%**

\*1 Shareholders' equity basis

\*2 Basel III full implementation finalization basis (excluding valuation differences on securities)

(billion yen)

	FY2022 Results	FY2023 Results	FY2024 Plan	FY2025 Target	Change from FY2022
Gross business profit	155.5	168.2	183.0	194.0	+38.4
G&A expenses (-)	82.5	85.1	88.5	88.0	+5.4
Net business income (before provisions to general allowance for loan losses)	73.0	83.1	94.4	106.0	+32.9
Credit-related expenses (-)	0.3	5.8	7.5	8.0	+7.6
Ordinary profit	81.7	86.0	94.3	1,01.6	+19.8
Net income	58.1	60.5	66.9	71.5	+13.3
Profit attributable to owners of parent company	60.2	62.4	68.0	<b>75.0</b>	+14.7

Consolidated net business income (before provisions to general allowance for loan losses)	81.8	91.7	105.2	<b>120.0</b>	+38.1	
Consolidated OHR	47.37%	48.76%	-	<b>45%</b>	-	
Consolidated Tier 1 common equity capital ratio* <small>before the application of Basel III full implementation</small>	(10.57%)	11.87%	-	<b>10.5% ~11.5%</b>	-	
Consolidated ROE	Shareholders' equity basis	6.38%	6.40%	-	<b>Above 7%</b>	-
	TSE base	5.68%	5.56%	-	Around 6.0%	-

\*Basel III full implementation finalization basis (excluding valuation differences on securities)

### Major Initiatives

[ Basic Policy I: Creating the optimal customer experience ]

- ◆ Functional improvement and penetration of Chibagin app and portals, establishment of Mito branch and Hamamatsu-cho branch
- ◆ Sophisticated digital marketing

[ Basic Policy II: Enhancing the quality of existing business ]

- ◆ Release of the four major measures for investment trusts, shift to activities focusing on fiduciary duty and activity volume
- ◆ Strengthening of support for accompanying by newly established of Business Consulting Office
- ◆ Promotion of cashless to local government

[ Basic Policy III: Providing new value ]

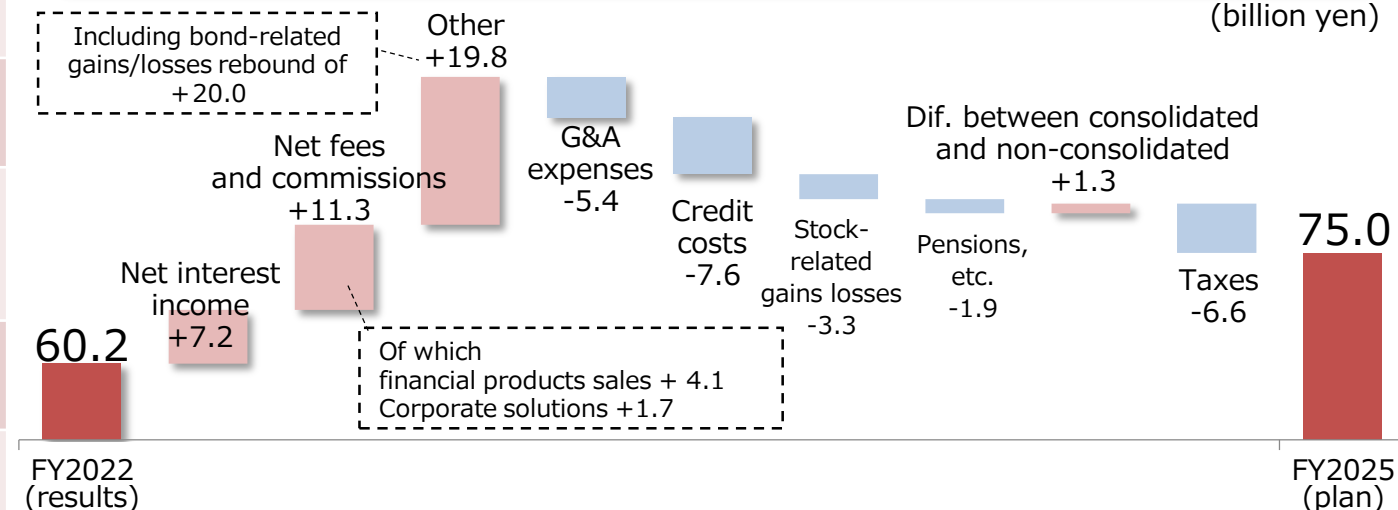
- ◆ Establishment of Himawari Green Energy and commencement of operations at Asahi Power Station
- ◆ Launch of advertising business, utilization of real estate funds, turning profitable of Chibagin Market

[ Value Creation Bases ]

- ◆ (Group Governance) Penetration of the Purpose and Vision, strengthening group-wide management
- ◆ (GX) Expansion of disclosure related to TCFD, release of C-Checker
- ◆ (Alliance) Collaboration with JUUDANKAI

### Change in profit attributable to owners of parent (Three years of the mid-term plan)

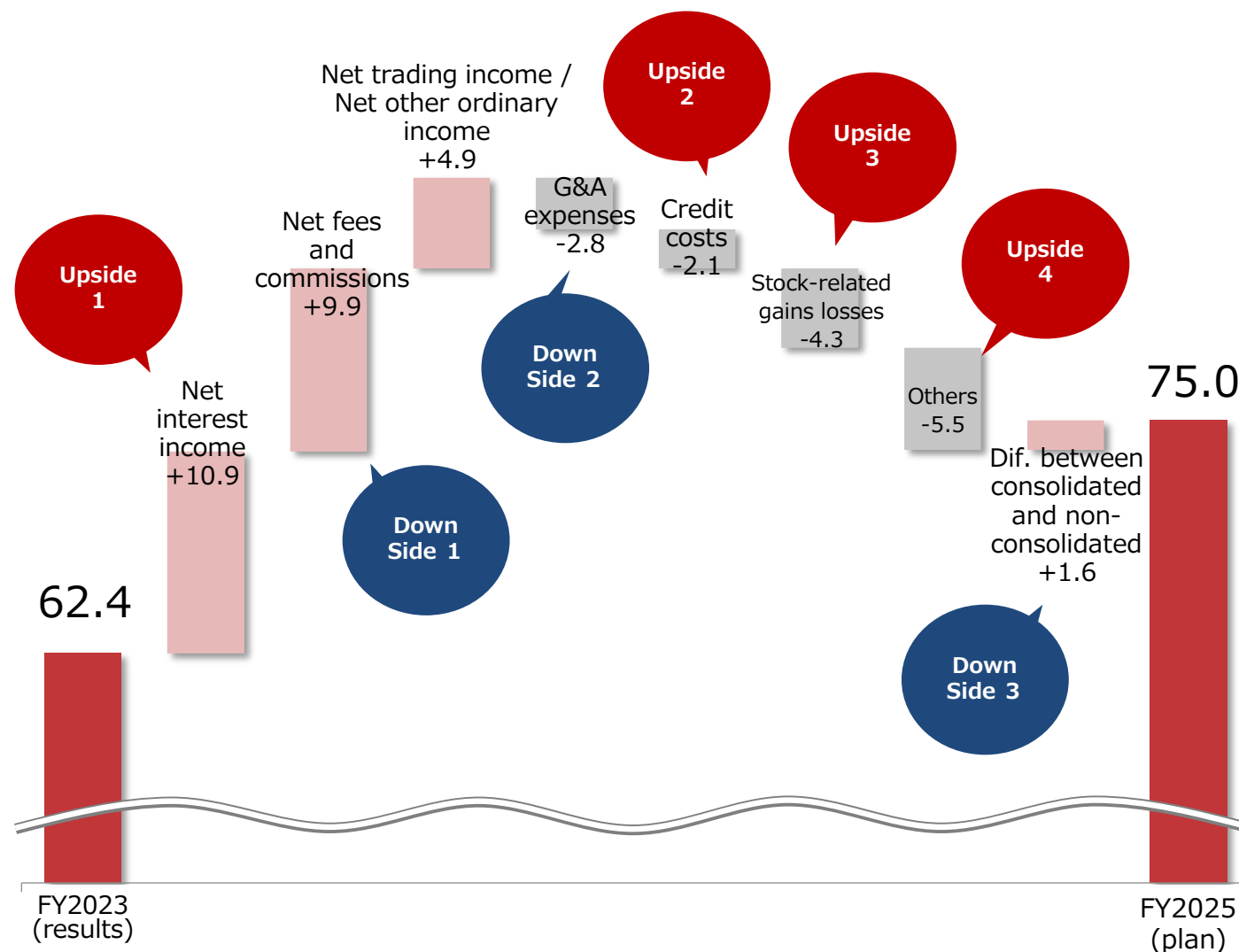
(billion yen)



Aiming to Achieve 75.0 billion yen while controlling upside and downside

## Upside/downside from initial profit attributable to owners of parent company forecast of the Mid-term Plan

(Billion yen)



### Upside from the initial forecast

- 1 Net interest income**
  - Improvement in domestic net interest income due to a rise in loan interest rates
  - Increase in stock dividends
- 2 Credit cost**
  - To reduce credit cost through solution review meetings
  - Reversal of reserves accumulated conservatively
- 3 Gains/losses related to stocks, etc.**
  - Increase in gains on sales of stocks due to the rise in the stock market
- 4 Others**
  - Decrease in pension liabilities due to a rise in long-term interest rates

### Downside from the initial forecast

- 1 Net fees and commissions**
  - Subordinated progress in earnings from sales of financial products compared with initial plan
- 2 Expenses**
  - Increase in expenses due to expansion of human capital investment
- 3 Dif. between consolidated and non-consolidated**
  - Chibagin Securities: Subordinated earnings progress due to focus on post-sales follow-up



# PBR Improvement Logic Tree

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

## Approach to P/B ratio

$$\text{P/B ratio} = \text{ROE} \times \text{P/E ratio}$$

1

Cost of shareholders' equity  
– profit growth rate

P/B ratio improvement

ROE improvement

RORA improvement

Range management of CET1 ratio

P/E ratio improvement

Increase in expected profit growth rate

Reduction in cost of stockholders' equity

Changes in the domestic interest rate situation

Investment in high RORA assets

- Strengthening investment while considering portfolio balance
- Strategically invest capital, people, goods and money

Improvement of RORA by sector (refer to page 22)

Strengthening fee business

- Expansion of customer base by increasing lending and strengthening branch network
- Thorough cross-use and solution proposals

Loans ... **+5.0%** compared with 3/2023  
New branches opening ... Mito Branch, Hamamatsu-cho Branch, Shinjuku West Corporate Banking Office

Cost control

- Implementation of digital marketing strategies
- Increasing digital customers and improving unit prices

Number of registered app users **reaches 1 million**  
**50% active account penetration** by the end of the current mid-term plan

- Thorough investment contributing to the improvement of revenue
- Reduce OHR to about 45%

Thorough implementation of investment discipline (**5-year ROI: 141%**)  
**Consolidated OHR of 45%** for the final year of the mid-term plan

- Strengthening credit management using stress-testing
- Controlling credit cost by providing thorough support for accompanying

**Credit-related expense ratio** remained low at **4 basis points** in FY2023

Increasing dividend payout ratio

- Maintain a dividend payout ratio of over 35%, aiming for a long-term target of 40%

**Increased dividend by ¥4** in FY2023  
**Increased dividend by ¥4** in FY2024(plan)  
**5-year average dividend growth rate of 14.8%** (P33)

Controlling shareholder returns and growth investment

- Additional return of over-range capital

Share buybacks results **¥10 billion** in current mid-term plan (FY2023 interim results)  
Continued consideration of flexibly share buybacks

- Investment in new businesses and inorganic

Newly establishment of Himawari Green Energy  
Newly establishment of TSUBASA-AML Center  
Utilization of real estate funds

Refine existing businesses  
Provide new value

- Steadily implementing the strategies outlined in the mid-term Plan
- Regular reviews and progress reports

**¥62.4 billion** compared to **FY2023 profit plan of ¥61.0**  
**Profit growth rate plan** for current fiscal year **+9%**

Expanded information disclosure  
Strengthen engagement

- Preparation and disclosure of materials in accordance with investor requests

Enhancement of communication by internal and external directors (Multiple IR Day events and participation in conferences for overseas investors)

- Increase in the number of investor meetings and information sessions held

Enhancing IR for individual investors

# Toward improving P/B ratio

## Perspective on the P/B ratio\*

$$\begin{aligned}
 \text{P/B ratio} &= \text{ROE} \times \text{PER} \\
 &= \text{ROE} \div \text{Cost of shareholders' equity} - \text{profit growth rate}
 \end{aligned}$$

If  $\text{ROE} \geq (\text{cost of shareholders' equity} - \text{profit growth rate})$ , P/B ratio will be 1 or over

## P/B ratio improvement measures

The Bank's current P/B ratio is **approximately 0.8**. In order to achieve a P/B ratio of 1, we will need a strategy of improving our ROE and increasing our profit growth rate while lowering equity costs.

<b>ROE</b> ⇒ Improve	<b>Equity costs</b> ⇒ Lower	<b>Profit growth rate</b> ⇒ Increase
-------------------------	--------------------------------	---

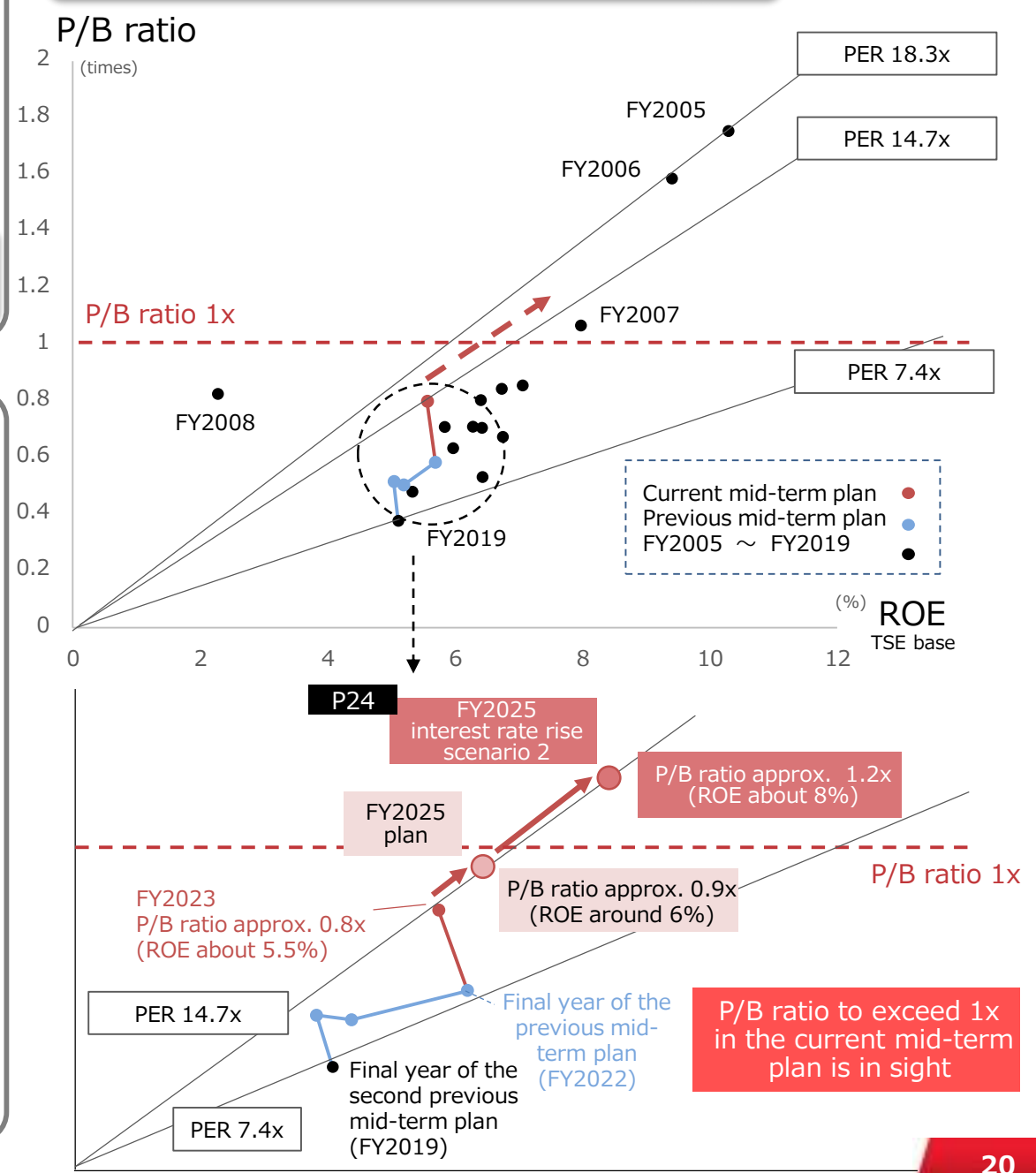
\*The Bank's administrative equity costs are estimated using CAPM

## Improvement measures

<h3>Further improve ROE</h3> <ul style="list-style-type: none"> <li>Improve ROE by <b>improving RORA</b></li> </ul> <p>FY2022: 6.38% → FY2025: 7% or over → FY2030: approx. 8%</p>	<h3>Lower capital costs</h3> <ul style="list-style-type: none"> <li>Reduce "information asymmetry" between the Bank and shareholders by <b>expanding non-financial disclosures and improving shareholder engagement</b></li> </ul> <p><b>Shrinking risk premium beta</b></p>	<h3>Ongoing profit growth</h3> <ul style="list-style-type: none"> <li>Consolidated net income plan</li> </ul> <p>(Billion yen) 60.2 (FY2022) → 75.0 (FY2025) → 100.0 (FY2030)</p>
--	--	---

## Changes in P/B ratio and ROE (from Mar. 2006 to Mar. 2024)

\*ROE listed below is based on TSE base



## FY2022 results

Net income... ¥ 60.2 bil.  
RORA...0.75%

▶ ROE\*...6.38%  
(TSE base) 5.68%

## Resource allocation

### People

Identify 370 employees via rationalization/ review of branch network, and **allocate them to growth areas**

Reorganization	People	Note
Head Office (planning)	55	Strengthen sales branch support structure
Head Office (sales)	85	Enhance specialists
Head Office (administration)	40	Consolidate administration of sales branches at Head Office
Group companies	60	Prioritize sales divisions
Sales branch	110	Branch opening, enhance RM
HR development	20	RM development, DX trainee etc.
<b>Total</b>	<b>370</b>	

### Things/money

(Billion yen)

	Strategic investments	Expenses	Notes
Existing business	5.6	1.8	Branch network, sales branch terminal maintenance, etc.
Digital/new business	6.9	3.5	App, portal, BaaS, advertising, etc.
Other	3.5	8.7	Human capital, digital infrastructure, etc.
<b>Total</b>	<b>16.0</b>	<b>14.0</b>	<b>30.0</b>

## Fortify existing business

### Corporate

Increase market share in areas abandoned by other banks  
Increase loans via new branches

Enhance business succession, M&A

Improve consulting  
Improve proposals to non-borrowers

Diversified finance menu

### Retail

Comprehensive financial consulting

Financial product

Housing loan

Trust/Inheritance

Increase in net income from fortifying existing business... **approx. ¥ 12.0 bil.**  
RORA improvement...**+0.05%**

## Digital/new business

### Digital

**+1.4 bil.**

Additional app, portal features

Internet Loan Center

Four major measures for invest trust

Transaction data, credit checks using AI, etc.

### New business

**+1.6 bil.**

Cashless

Advertising

electric power business

Chibagin Market

BaaS

Metaverse

Real estate fund

Energy business

On-Ad

Anti-money laundering center

Collaboration with Sony Bank

Increase in net income from new business initiatives... **approx. ¥ 3.0 bil.**  
RORA improvement...**+0.03%**

## FY2025 plan

Net income... **¥ 75.0 bil.**  
RORA...**0.83%**

▶ ROE\*...  
**7% or over**

(TSE base) about 6%

※ ROE: Shareholders' equity basis

RORA and OHR by division and asset generally improved, continuing efforts to improve RORA

## Gross business profit RORA and OHR by asset and division (FY2023)

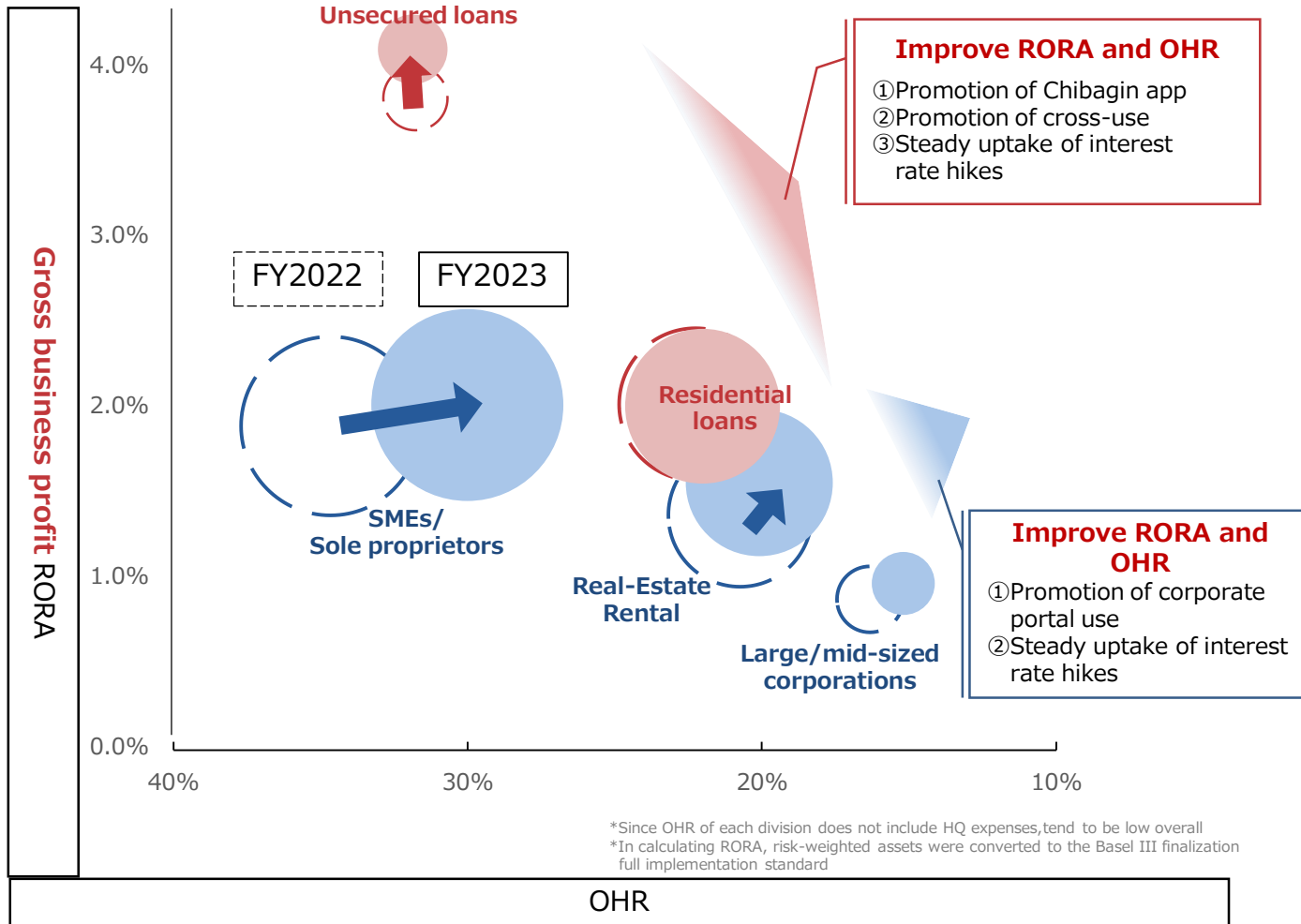
Other OHR of retail business (FY2022 ⇒ FY2023)

Sales of financial products: 128% ⇒ 138%  
Cashless: 70% ⇒ 70%  
Trust inheritance: 75% ⇒ 76%

- Division that does not use risk-weighted assets
- OHR control through "digital utilization" and "individual comprehensive consulting"

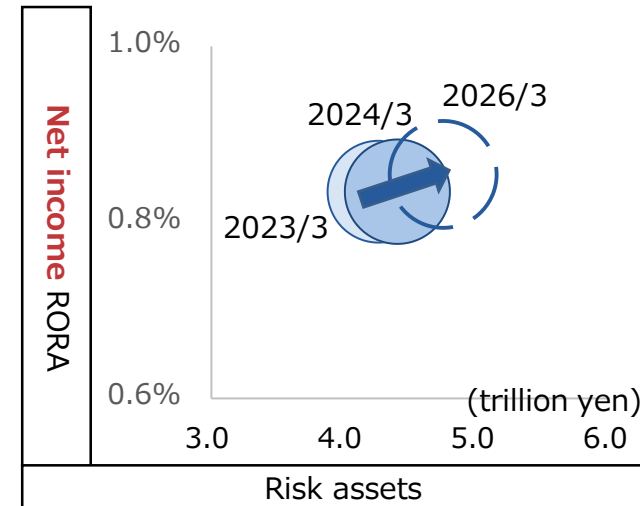
\*Cashless only consolidated basis due to JCB business transformation to the Bank, and Others are shown on a non-consolidated basis.

\*Bubble size: gross business profit

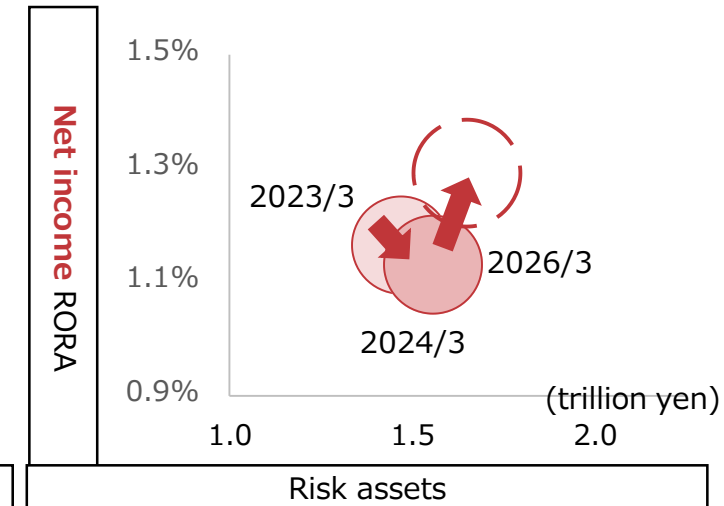


## Net income RORA

### RORA in the corporate sector

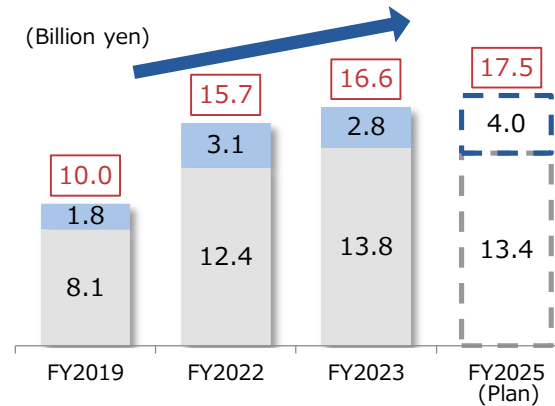


### RORA in the retail sector



Strengthening fee business

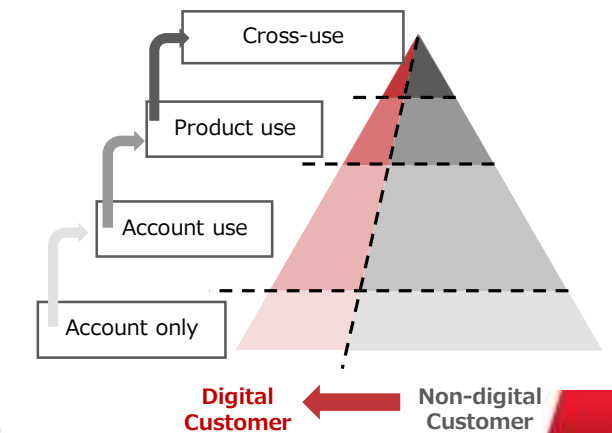
Build up pipeline of corporate solutions



\*Including management succession advisory services (retrospectively changed)

Strengthening fee business

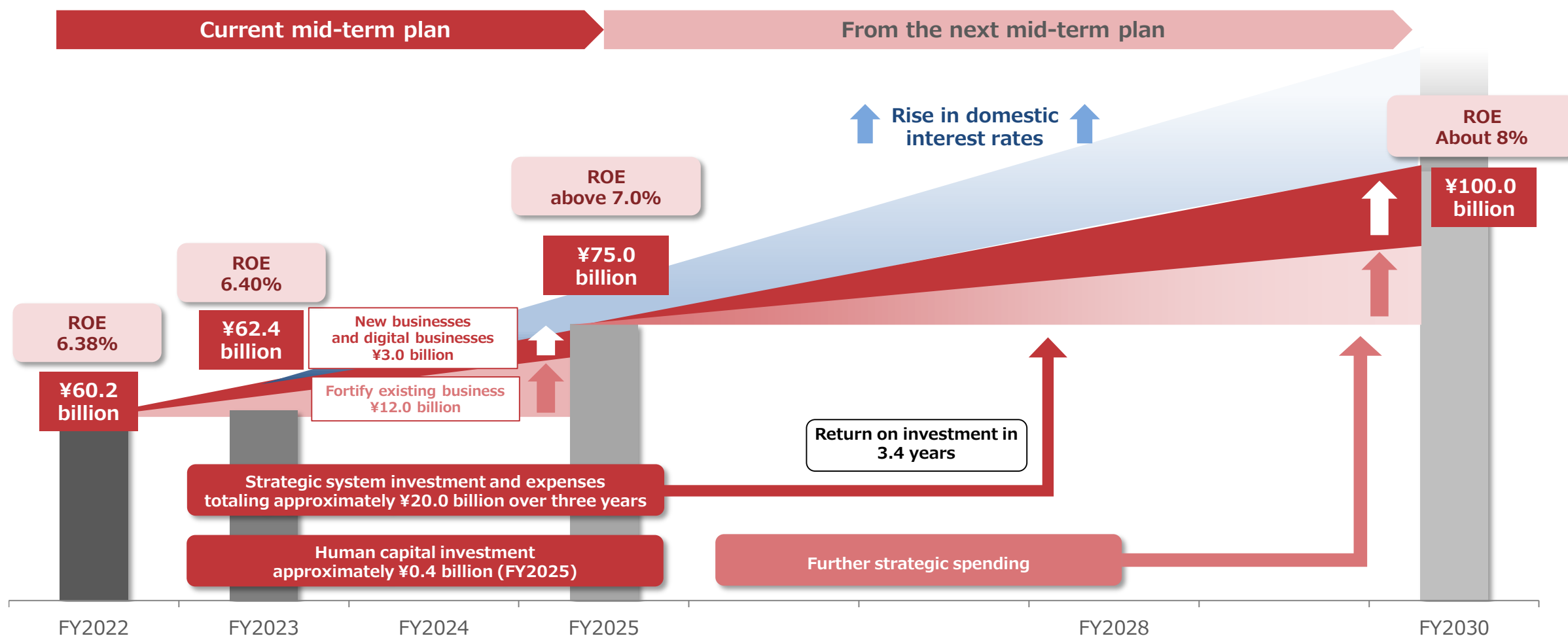
Deepening of digital marketing  
Expansion of cross-use



# Continuing Growth toward FY2030 (Simulation)

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

Fortify existing business, strengthen new businesses and digital initiatives. Capture domestic interest rates hike as upside.

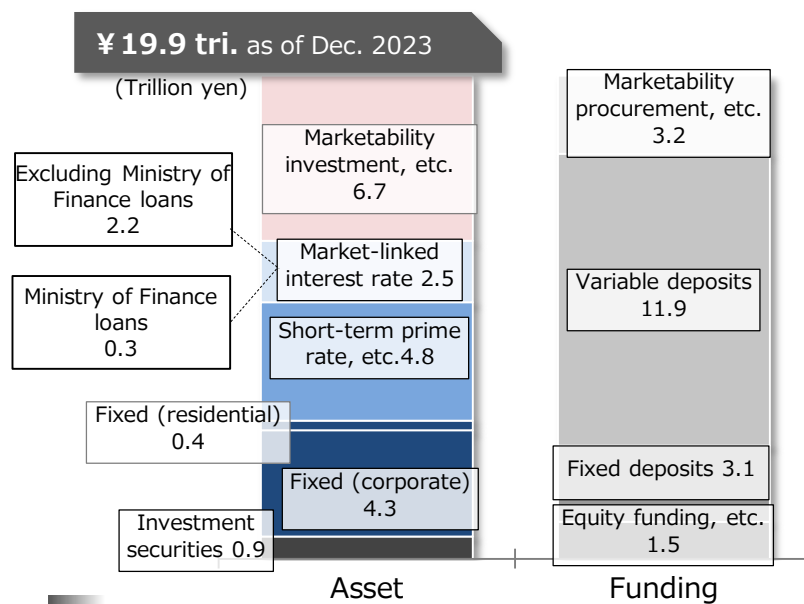


	ROE improvement effect resulting from rising interest rates		Achieving P/B ratio 1.0x <small>*If PER 14.7x in FY2023 is maintained</small>	
	Scenario 1	Scenario 2 / ROE	(1st year)	(2nd year)
Scenario 1	+0.12%		+0.12%	+0.15%
Scenario 2	+0.65%		+0.65%	+1.58%
Scenario 2 / ROE			8.5~9.0%	
			(TSE base) about 8%	
				(5th year)
				+0.16%
				+1.56%
				above 9%
				(7th year)
				About 10%
				(TSE base) above 9.0%



## Simulation of interest rate increase due to change in BOJ's policy rate

### JPY investment and funding structure



### Scenario 1

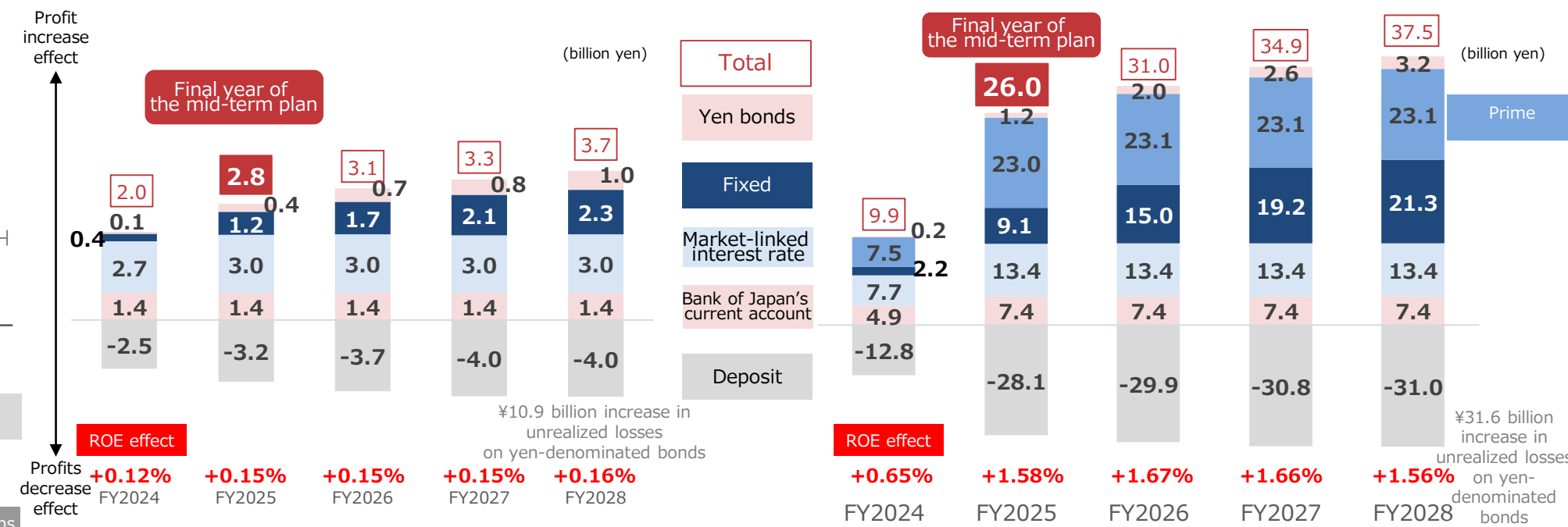
**Interest rates remains unchanged**  
(estimated based on recent actual interest rates)

- Month average interest rates remains unchanged in April 2024
- Short-term prime rate remains unchanged

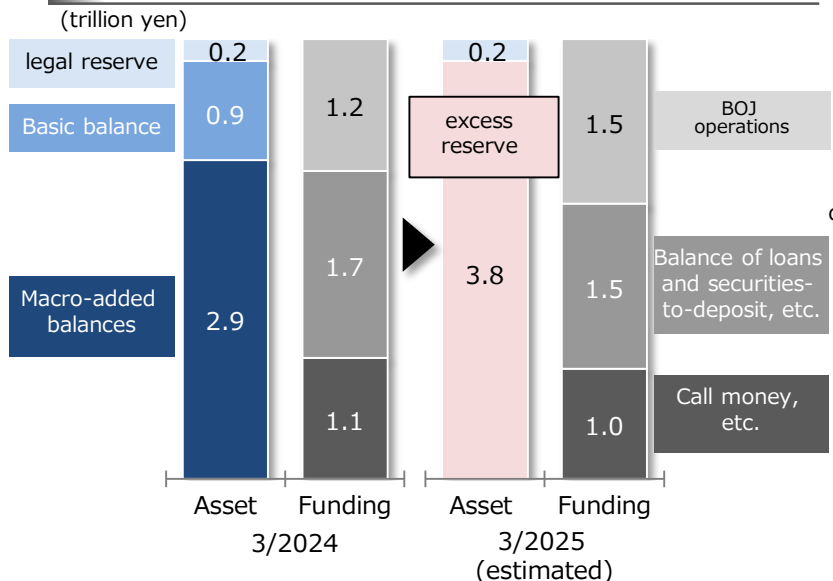
### Scenario 2

**Policy rate to be raised to 0.5% in September 2024**

- 10-year JGB yield of 1.5%
- TIBOR (until September 2024) maintaining the rate after the change of policy rate
- (After September 2024) Average interest rate in December 2023 + 0.60%
- Short-term prime rate +0.5% from September 2024



### BOJ current account Changes in the structure of asset and funding



- Calculated based on the difference from the market interest rate in December 2023.
- Calculated on the assumption that the outstanding balance is unchanged from the portfolio at the end of December 2023.
- 60% pass-through rate of fixed-rate loans for corporate.
- Short-term prime rate is unchanged since December 2023.
- Deposit interest rate is raised from April 2024.
- Repurchase the same amount when the JGB matures, reflecting the rise in market interest rates.

- Calculated based on the difference from the market interest rate in December 2023.
- Calculated on the assumption that the outstanding balance is unchanged from the portfolio at the end of December 2023.
- JGB yields are assumed to rise in parallel with all maturities (+0.89%).
- 60% pass-through rate of fixed-rate loans for corporate and 80% pass-through rate of prime loans.
- Deposit interest rates are assumed to be raised in view of a rise in market interest rates.
- Repurchase the same amount when the JGB matures, reflecting the rise in market interest rates.

Yields on domestic loans reversed to positive, and execution amount have been favorable for both corporation and residential loans

## Domestic Operations Average balance / yield of loans and bills discounted

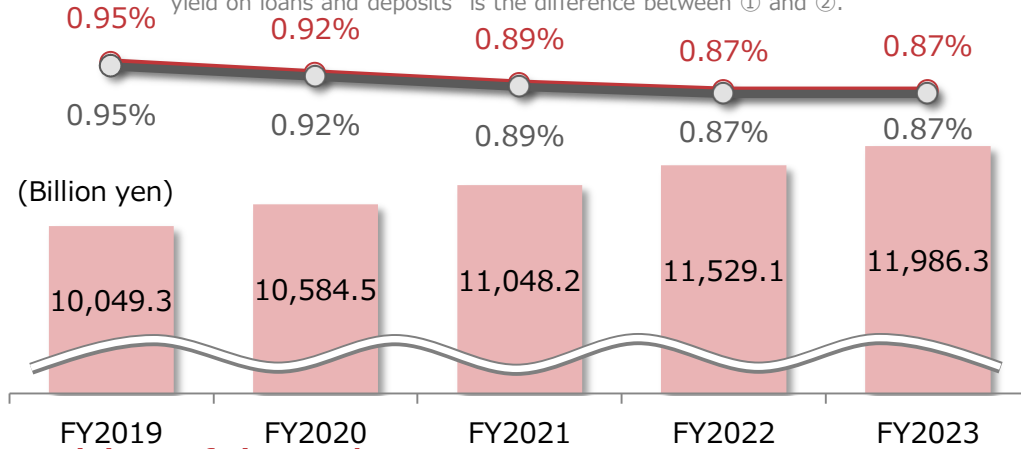
\* ① "Yield on loans and bills discounted" and ② "Yield on deposits" (which includes NCDs) are rounded down to the second decimal place. "Difference between average yield on loans and deposits" is the difference between ① and ②.

【Year-on-year】

Average yield on loans and bills discounted +0.00%

Difference between average yield on loans and deposits\* +0.00%

Average balance of loans and bills discounted +3.9%



### Excluding Ministry of Finance loans

	FY2019	FY2020	FY2021	FY2022	FY2023
Avg. balance	9,891.9	10,391.5	10,844.0	11,276.1	11,782.2
Yield	0.97%	0.94%	0.91%	0.89%	0.88%

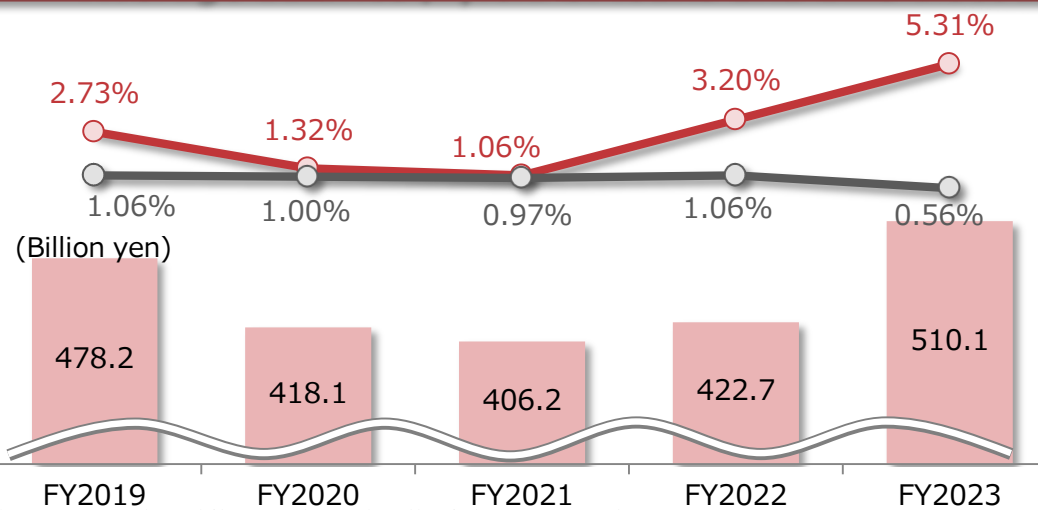
## Overseas Operations Average balance / yield of loans and bills discounted

【Year-on-year】

Average yield on loans and bills discounted +2.11%

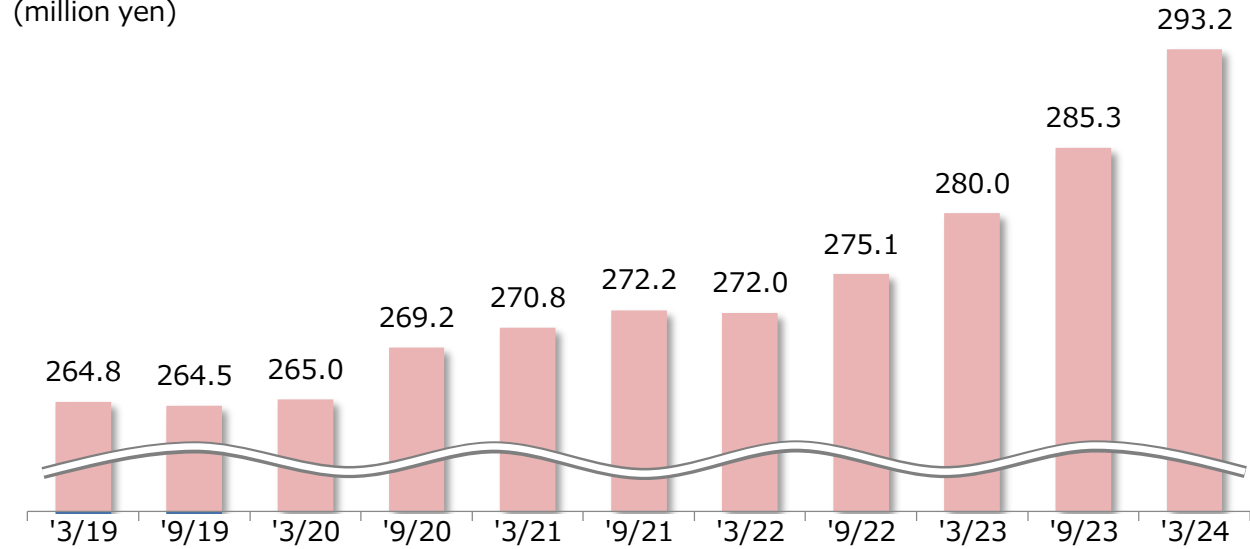
Difference between average yield on loans and deposits\* -0.50%

Average balance of loans and bills discounted +20.6%



## Net interest income per day from loans in yen currency (non-consolidated)

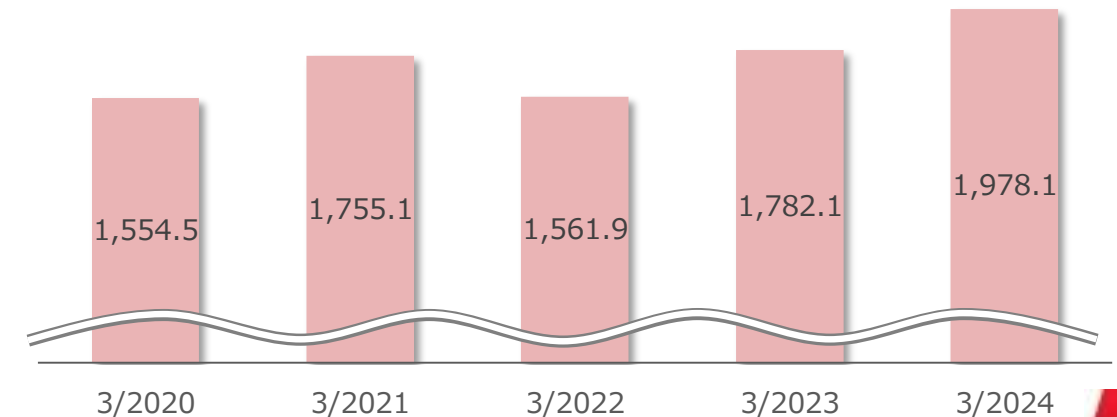
(million yen)



## Trends in corporate loans amounts executed

\*Extraction of loans on deeds, loans on bills, and discounts on traders (excluding overdraft, spot loans, etc.)

(billion yen)



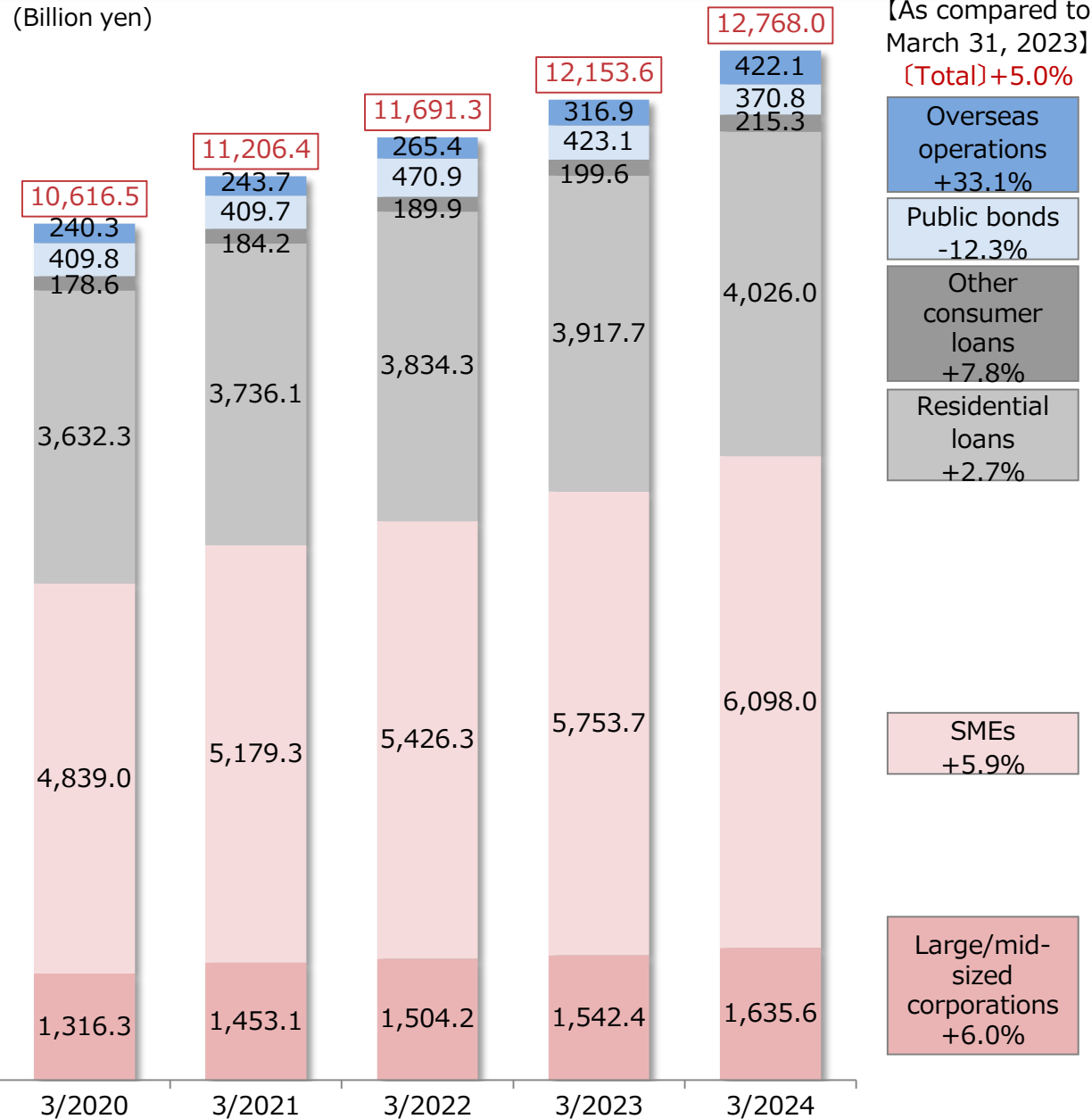
# Operating Base (Balance of Loans / Deposits at Term-end)

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

Loans to corporation loans, residential loans, and other consumer loans continued to increase, and deposits have also steadily increased

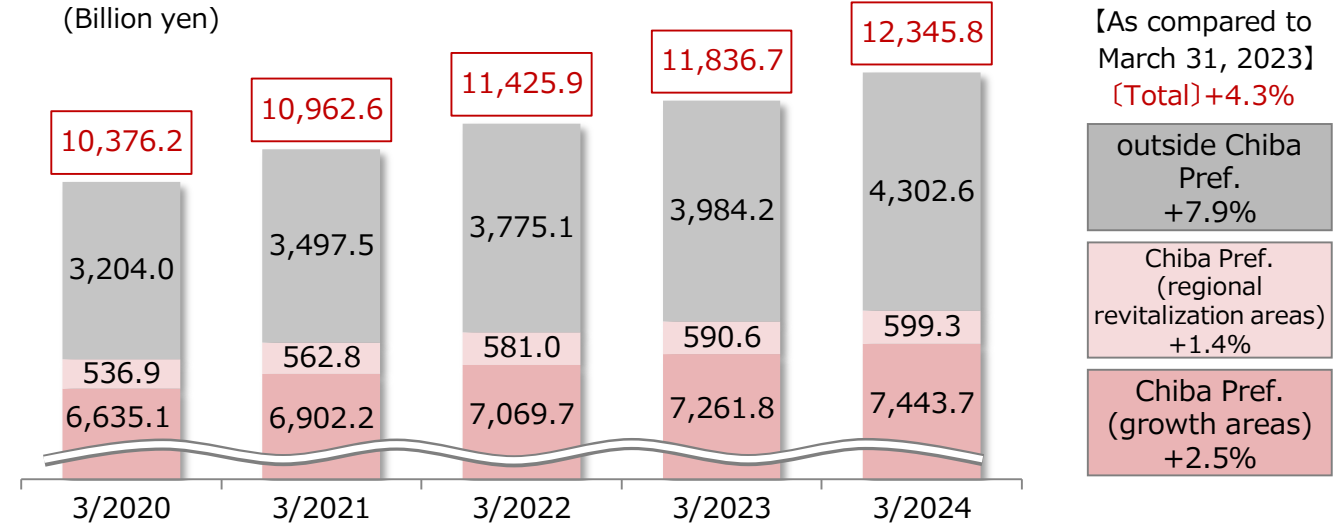
## Balance of loans at term-end

(Billion yen)



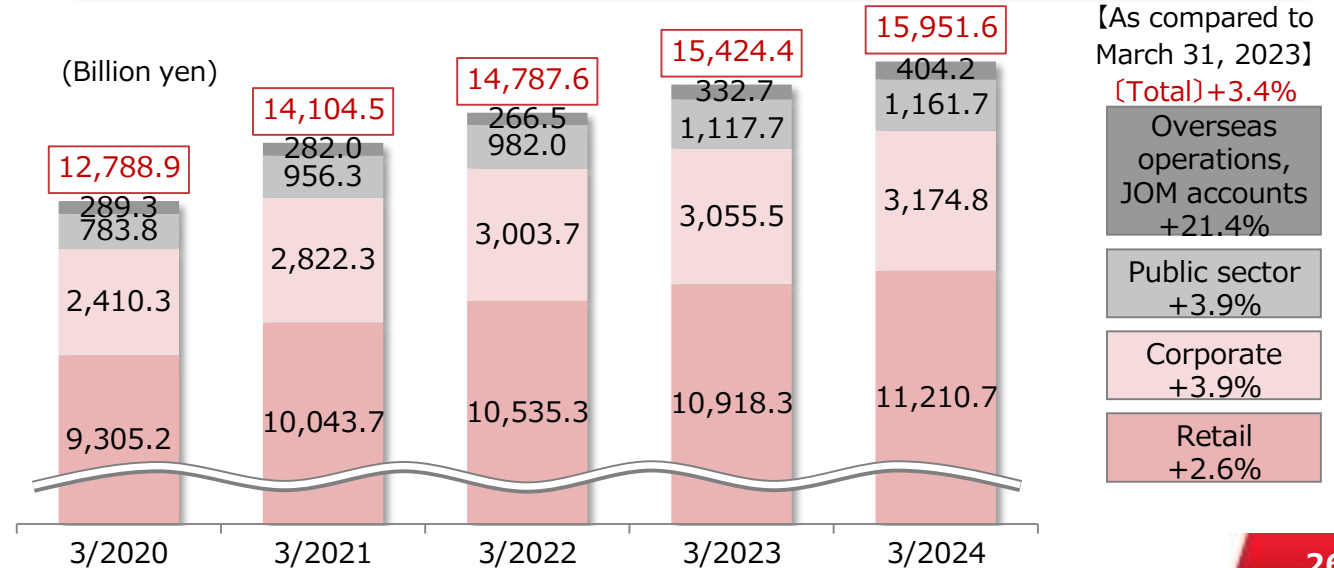
## Balance of domestic loans at term-end (by region)

(Billion yen)



## Balance of deposits at term-end

(Billion yen)

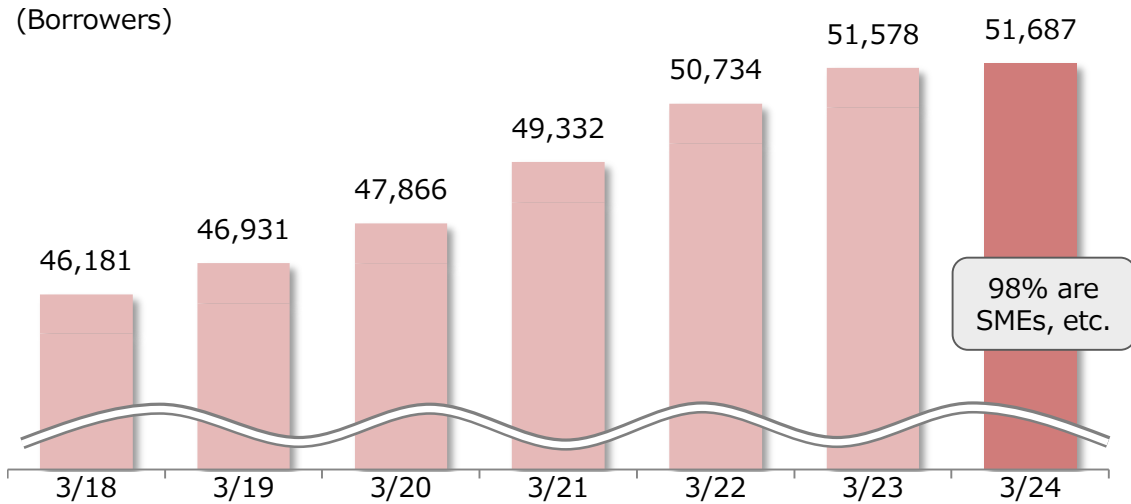


# Operating Base (Loans)

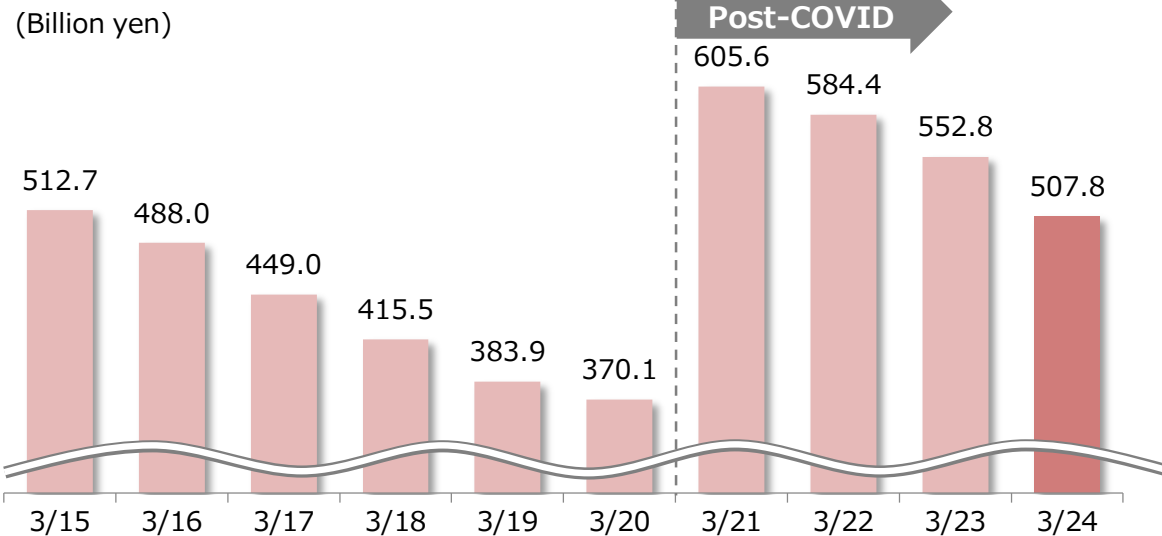
To create a local community better suited to bringing each person's hope to life

Strong demand for housing has led to a strong loan portfolio with a high conservation ratio, contributing to the soundness of our loan assets, one of our strengths

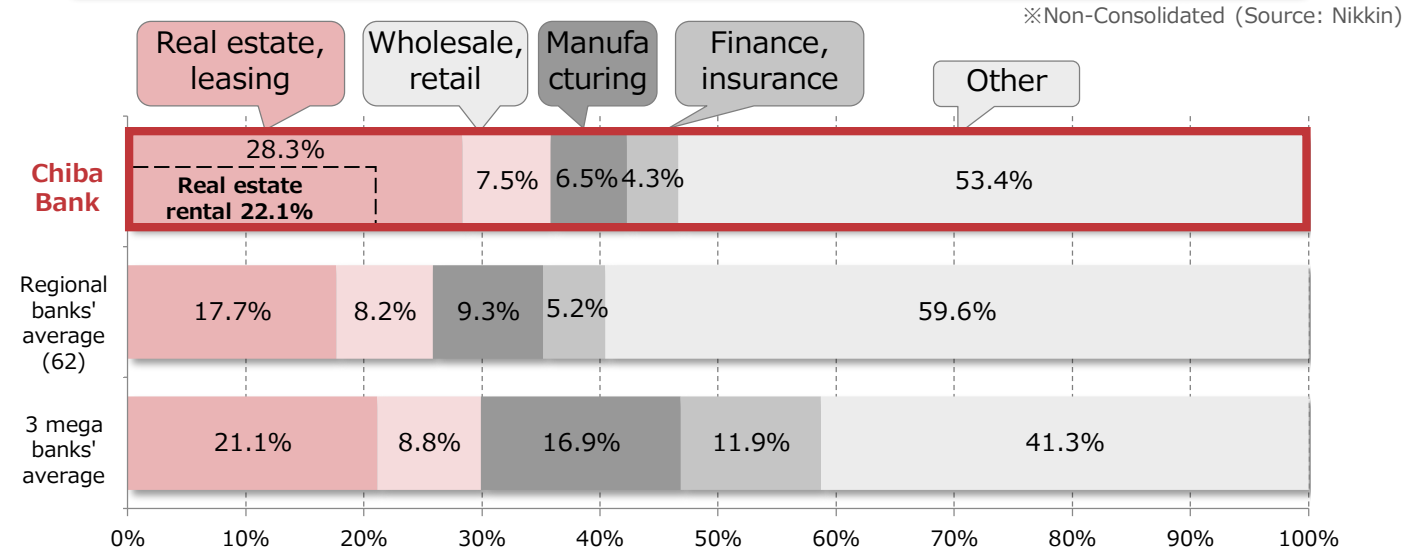
## Number of corporate borrowers (domestic only, excl. public)



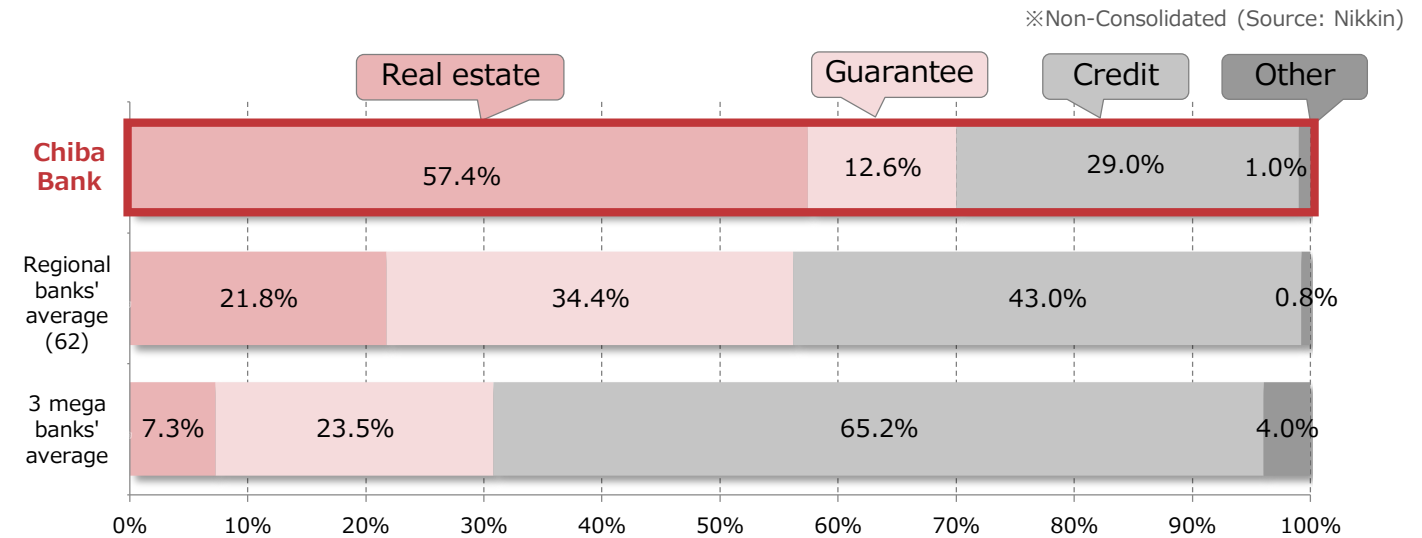
## Guarantee association loan balance



## Proportion of loans by industry (as of 9/2023)

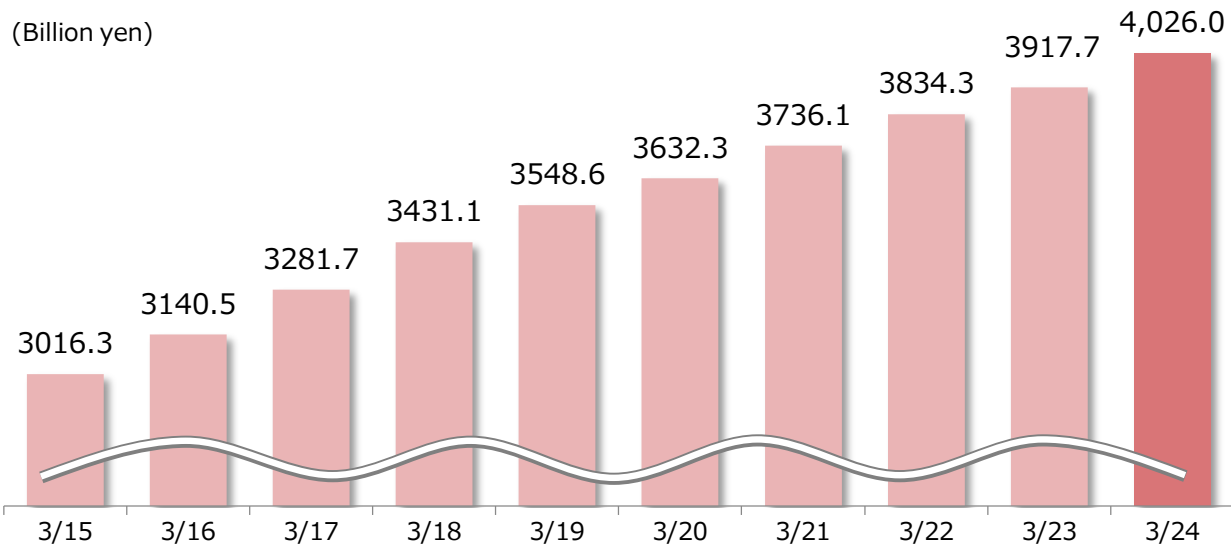


## Proportion of loans by collateral (as of 9/2023)



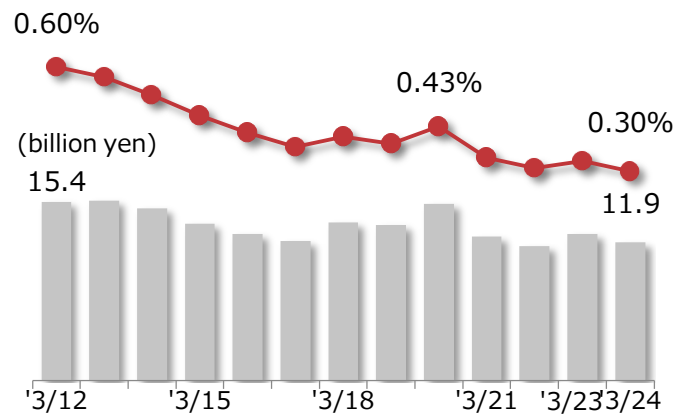
Optimize proposals at each stage: Review → Loan execution → Repayment

## Residential loan balance

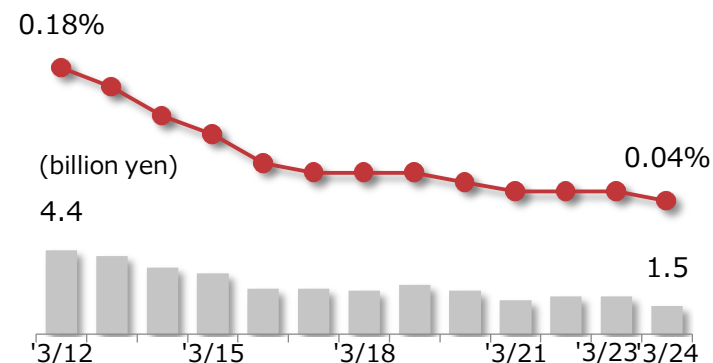


## Residential loans delinquency/guarantor rate

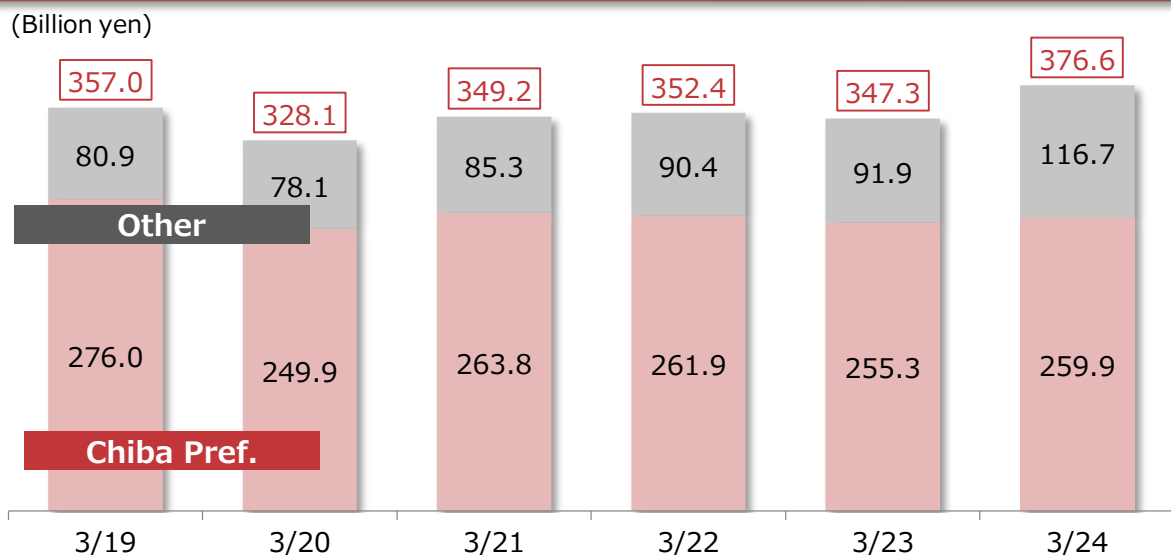
### Delinquent loan balance and delinquency rate



### Substitute amount and the substitute rate

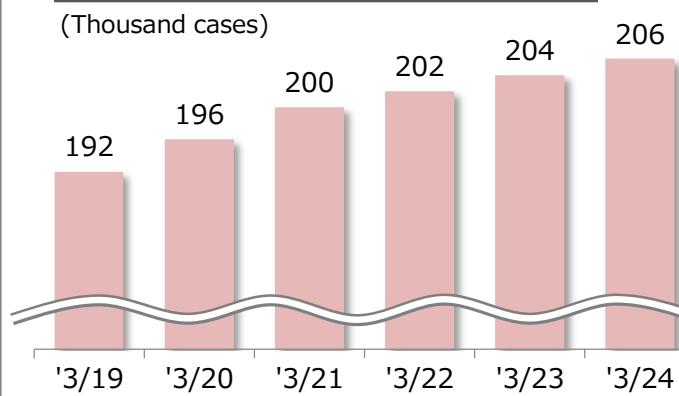


## Residential loan execution total

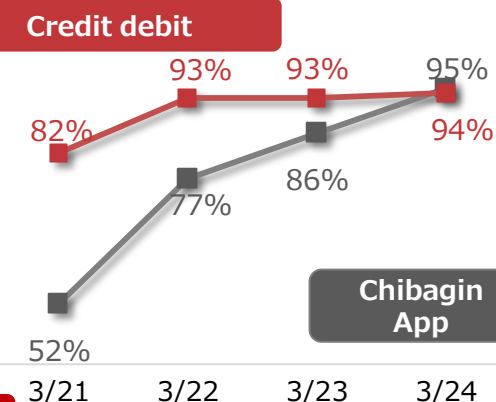


## Expansion of cross-use of housing loans at entrance / Improve engagement

### Number of mortgage holders



### Proportion of incidental transactions



### Measures to improve user engagement New

Plans to hold music concerts exclusively for residential loan customers (jointly with Sony Bank)

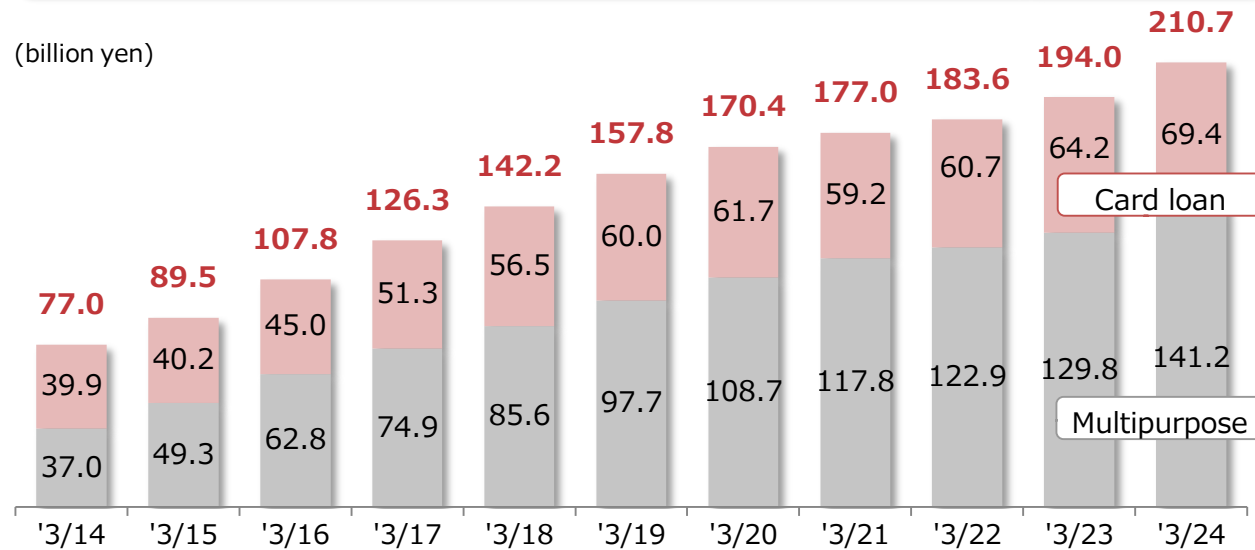


# Operating Base (Unsecured Loans)

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

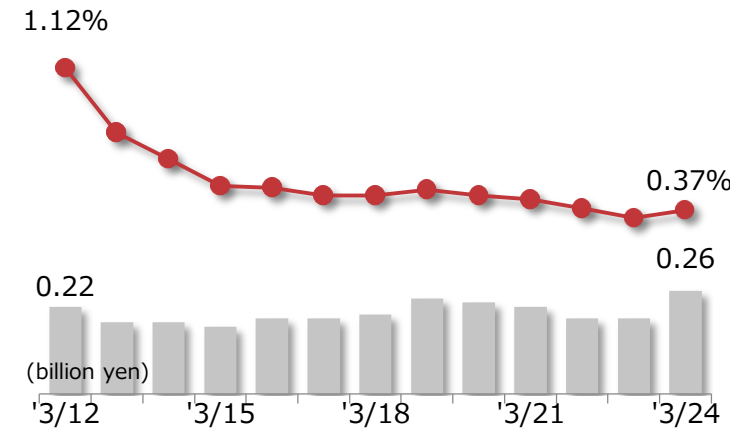
Steady growth in unsecured loan balances and promotion of non face-to-face transaction through Chibagin app

## Unsecured loan balance

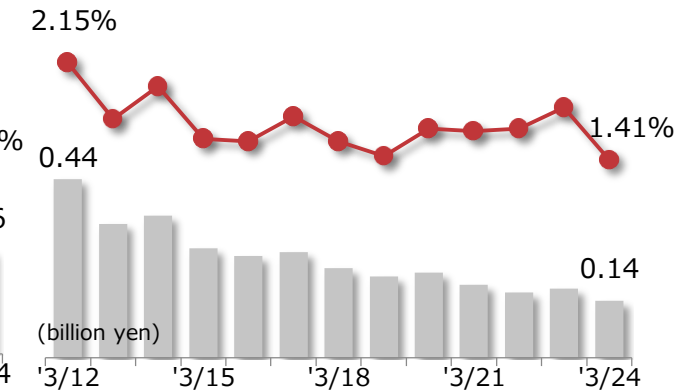


## Overdue loan balance/delinquency rate

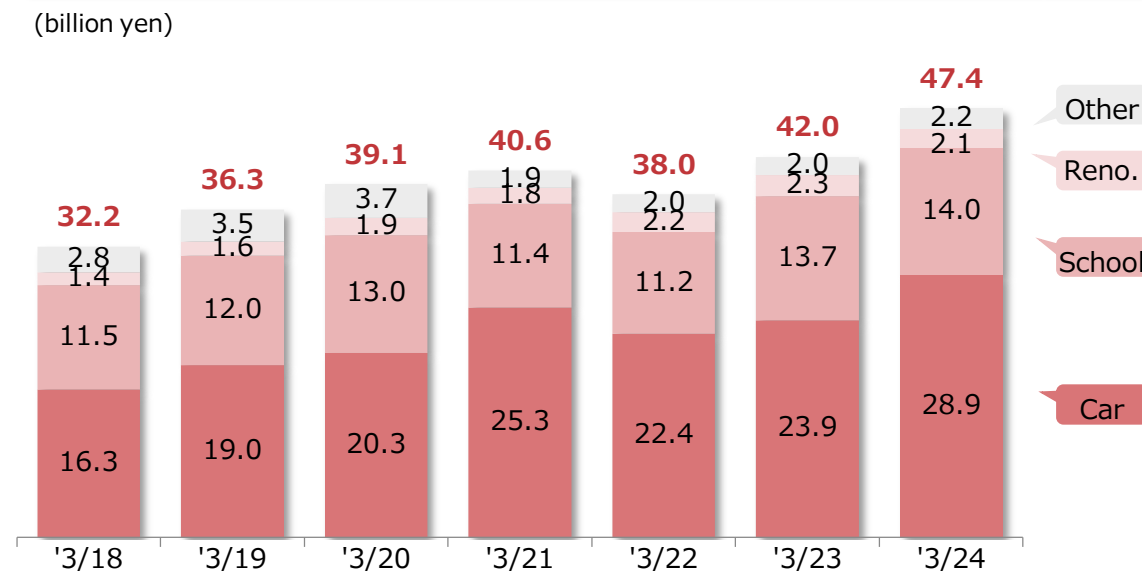
### Multipurpose loans (Chibagin Securities)



### Card loans (Chibagin Securities)

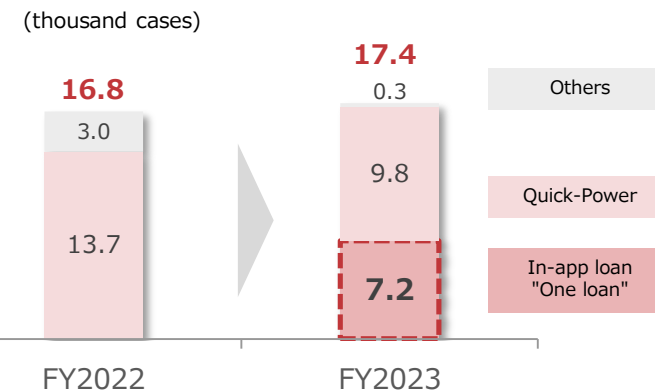


## Multipurpose loan execution total

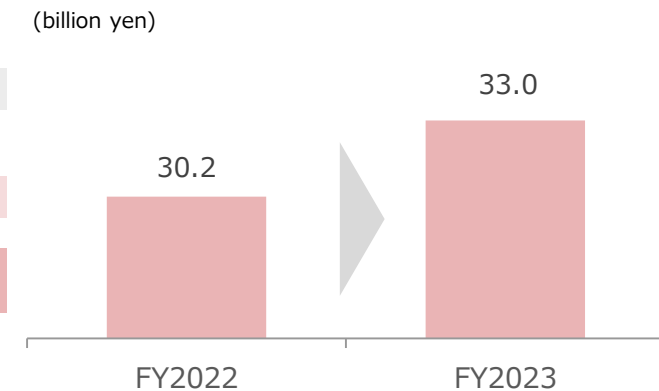


## Number of new contracts and amount executed by product category of card loan

### Number of new contracts for card loans by product category



### Amount of executed of card loans



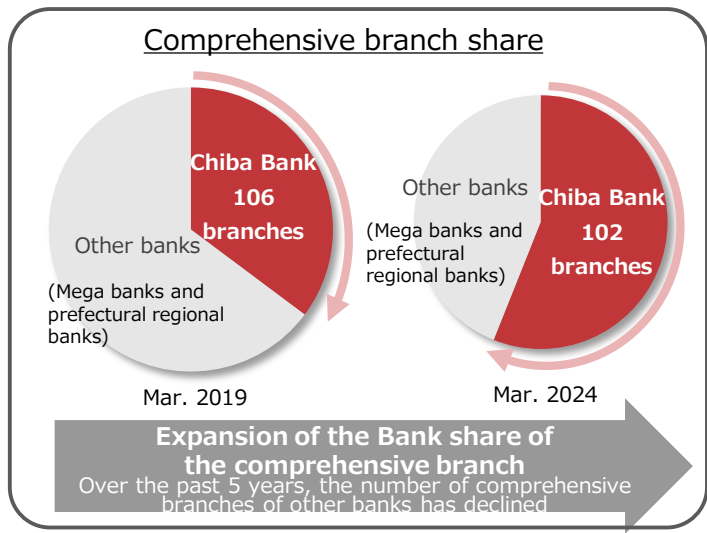
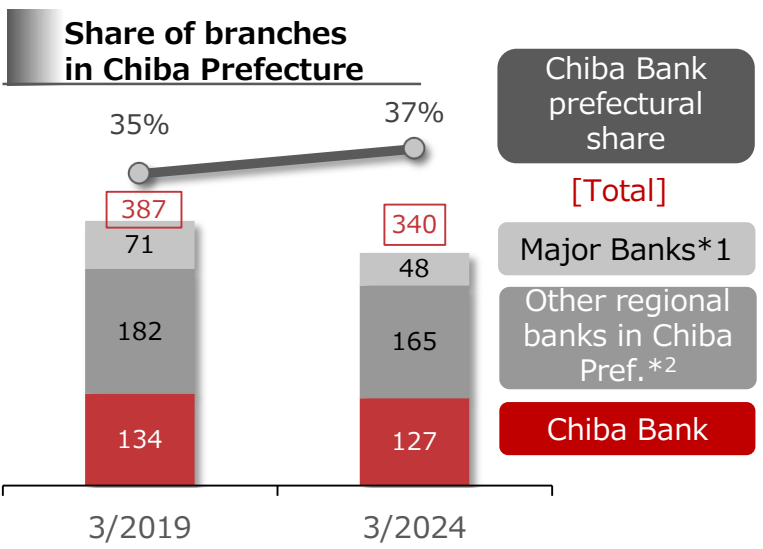
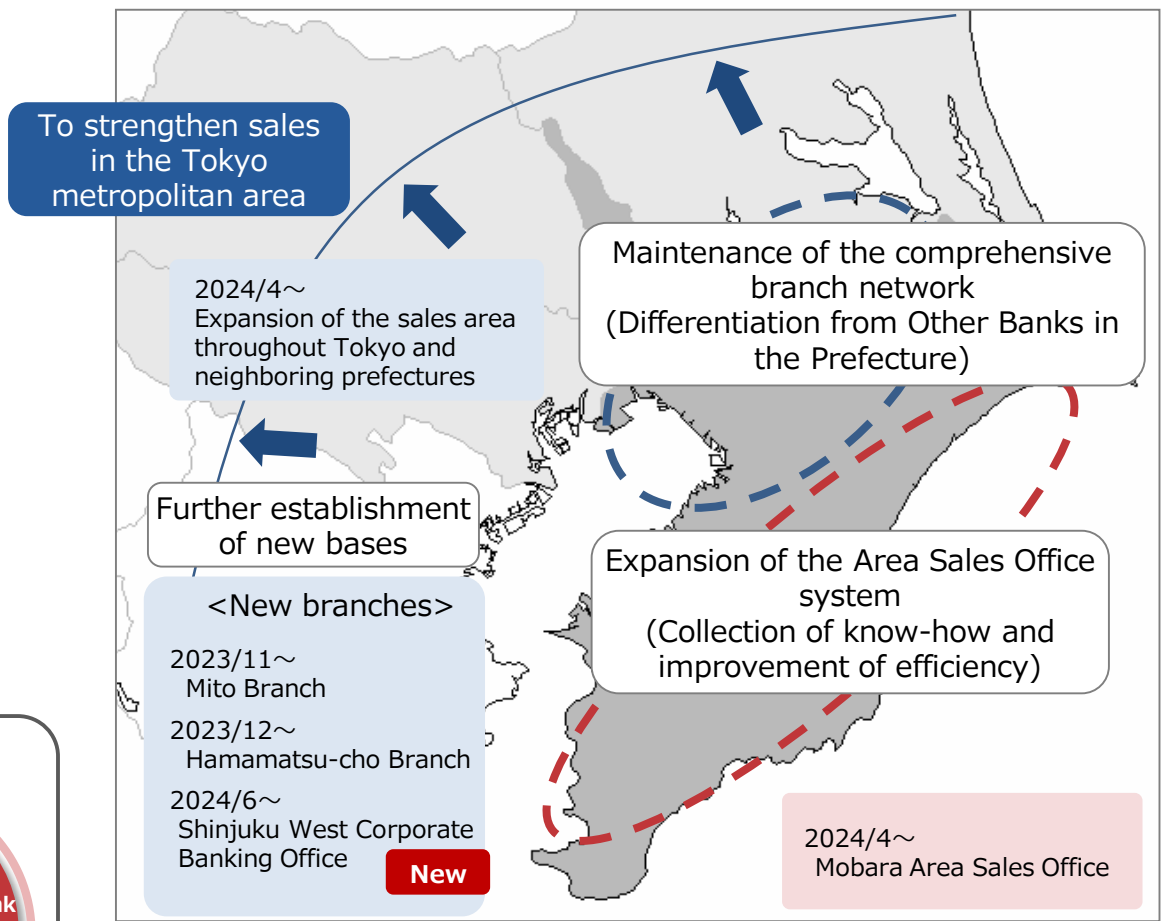
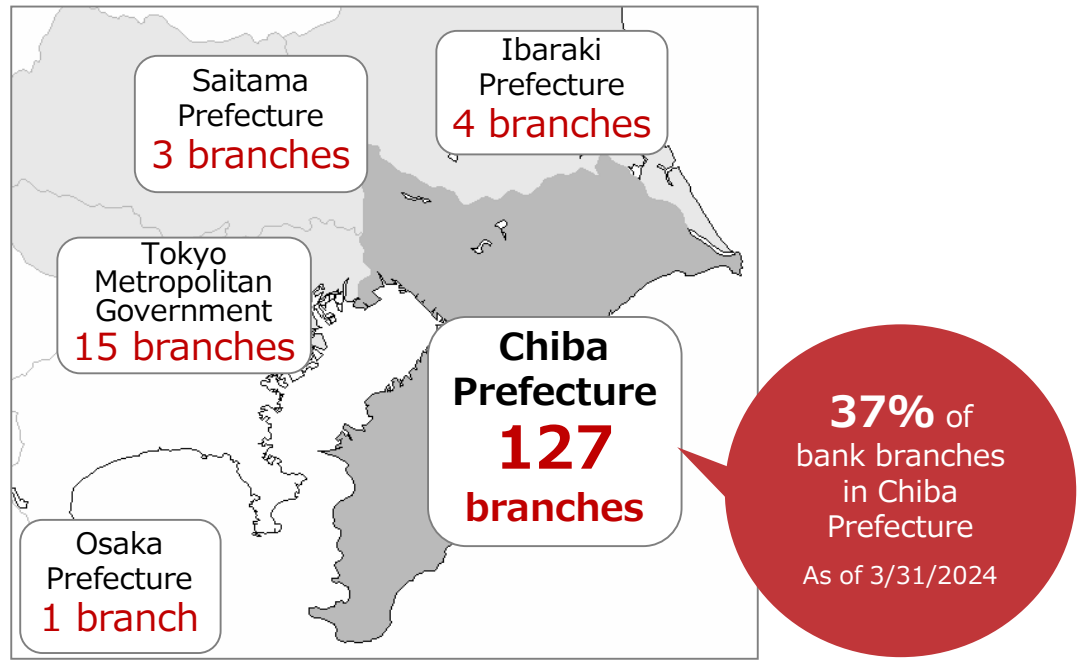
• "One Loan," an in-app loan, accounts for approximately 40% of new contracts in the first year since its launch in March 2023

# Operating Base (Branch Network)

Expand the market share in the prefecture and strengthen sales in the Tokyo metropolitan area through our strong branch network and digital channel

## Domestic branch network

(Excluding branch-in-branch, sub branch, loan centers, online branch etc.)



**Achieving both top-line improvement and low OHR through a full and efficient network**

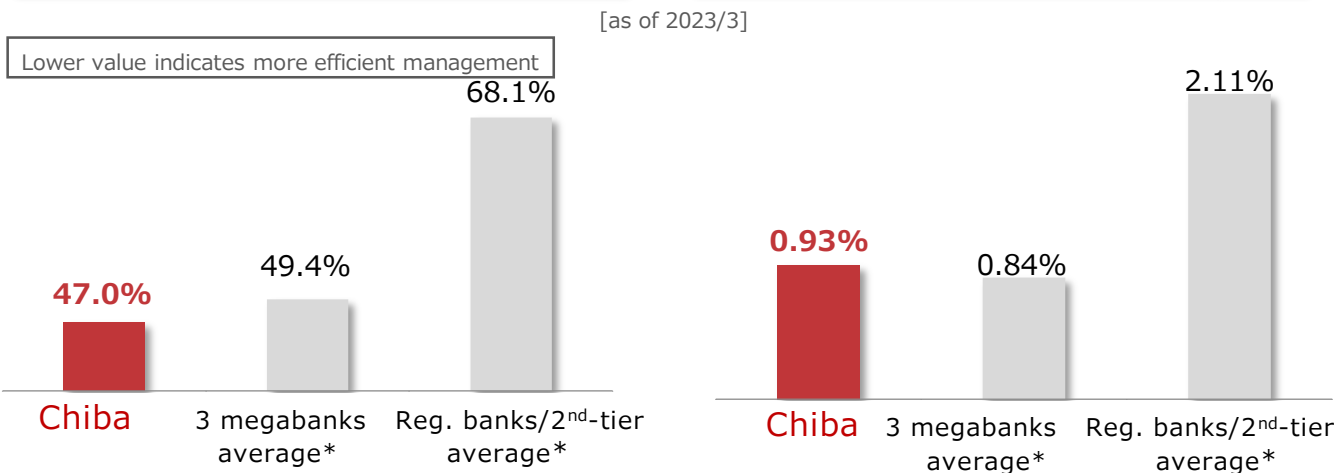
\*1. Mitsubishi UFJ, Sumitomo Mitsui, Mizuho, Resona  
\*2. Keiyo and Chiba Kogyo

Building strong financial base through efficient business management and high soundness at the top level of Japanese banks, and stable capital management

## Low OHR/ Low non-performing loan ratio

### OHR compared to other banks

### Non-performing loan ratio compared to other banks



※Source: Simple average calculated from Nikkin Report  
[Result differs from Bank calculations, quoted here for comparison only]

※Source: Nikkin Report  
(simple average, non-consolidated basis)

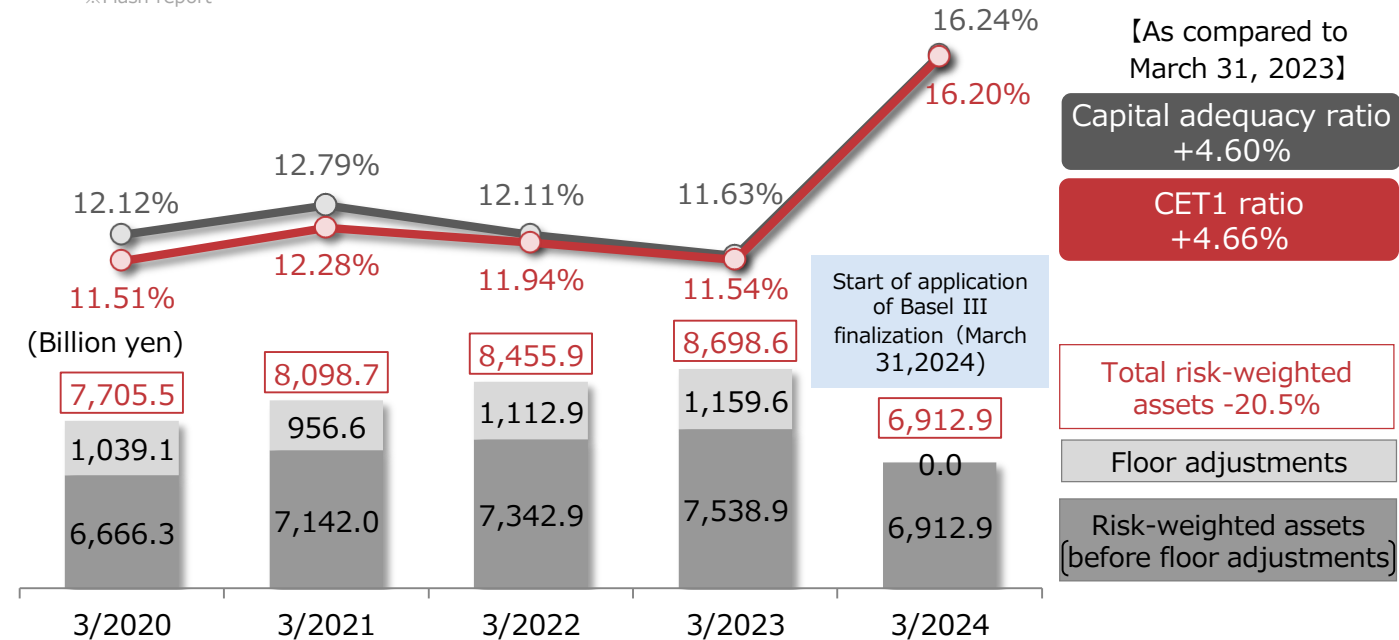
■ Achieve high cost-efficient and stable performance due to low OHR and low Non-performing loan ratio



Controlling capital cost

## Consolidated capital adequacy ratio / risk-weighted asset total

※Flash report



[As compared to March 31, 2023]  
Capital adequacy ratio +4.60%

CET1 ratio +4.66%

Total risk-weighted assets -20.5%

Floor adjustments

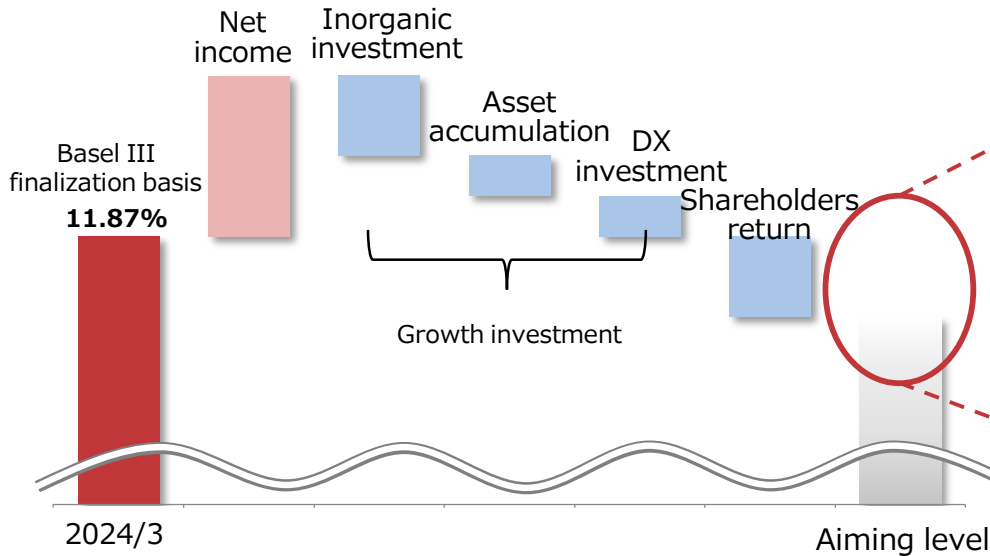
Risk-weighted assets (before floor adjustments)

(%)	2023/3	2024/3	Finalization completed
Total capital adequacy ratio	11.63	16.24	13.88
CET1 ratio	11.54	16.20	13.84
Excluding unrealized gains/losses on securities	10.57	13.89	11.87

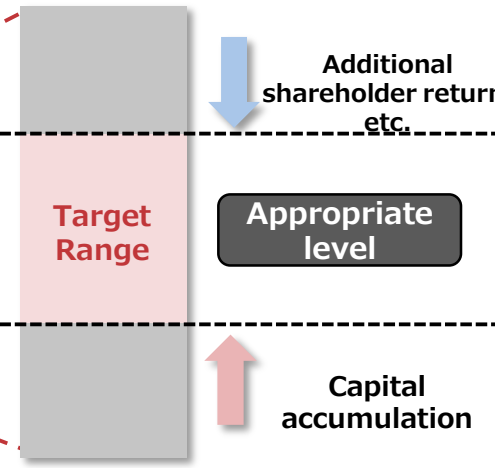
Rough calculation of balance sheet as of 3/2024 on a Basel III finalization basis.

Maintaining the policy of target range of 10.5% to 11.5% for CET1 ratio\*

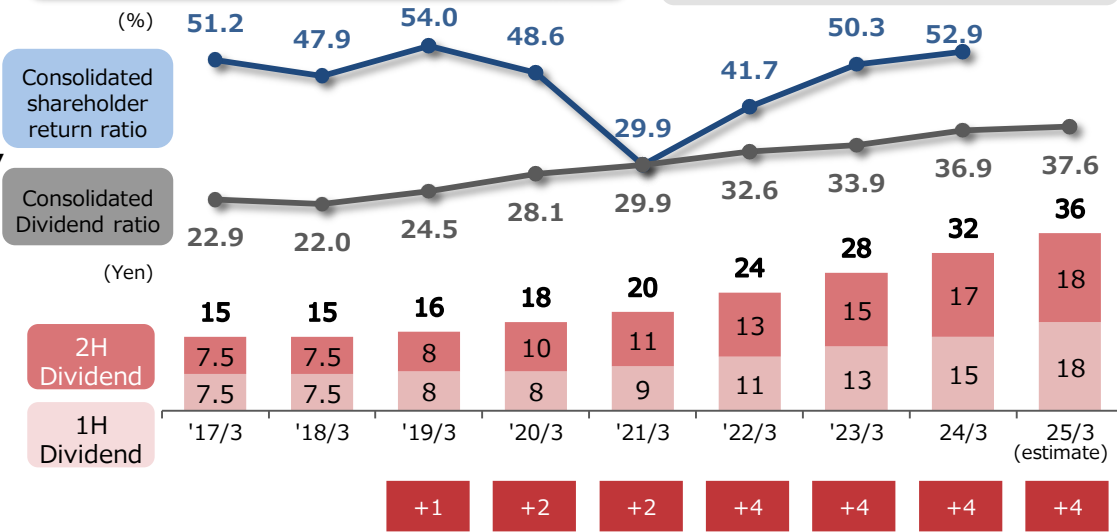
## Perspective of capital management



## CET1 ratio\* target



## Shareholder return policy



\*CET1 ratio on a Basel III finalization basis excluding unrealized gains/losses on securities

## Concept of capital utilization

**CET1 ratio of 2029/3**  
Forecast to exceed 2024/3

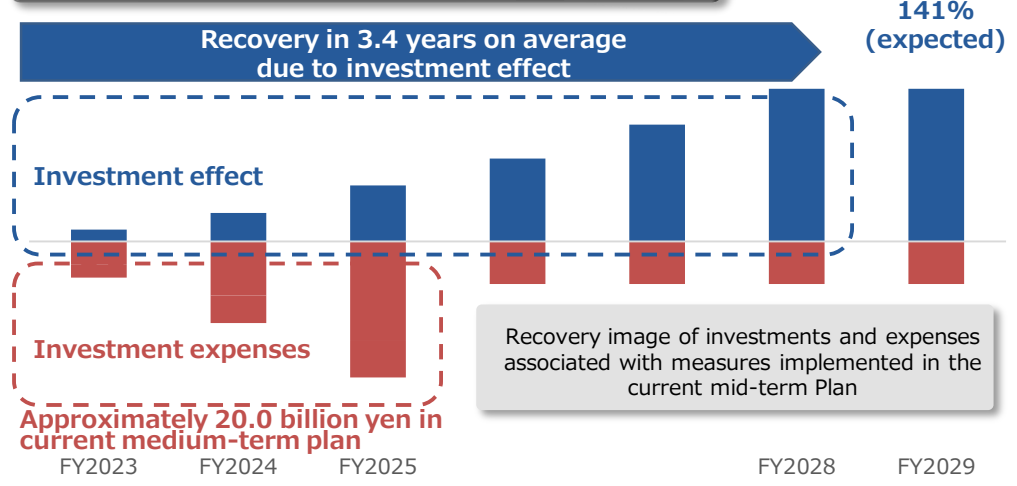
[Premises] In the mid-term plan and the next plan

- Accumulation of profits,
- Accumulation of risk-weighted assets
- Payment of dividends / Share buy-back

Utilize capital to target range

- Increase investments/assets that contribute to improving ROE over the medium to long term
  - Further accumulation of risk assets (loans, securities, etc.)
  - Increase intangible fixed assets through further strategic system investments
  - Inorganic investment
- Strengthening shareholder returns

## Strategic system investment and expenses



- Major measures
- Addition of app and portal functions
  - Cashless
  - Development of digital infrastructure
  - New business

Consider further strategic system investment in consideration of ROI

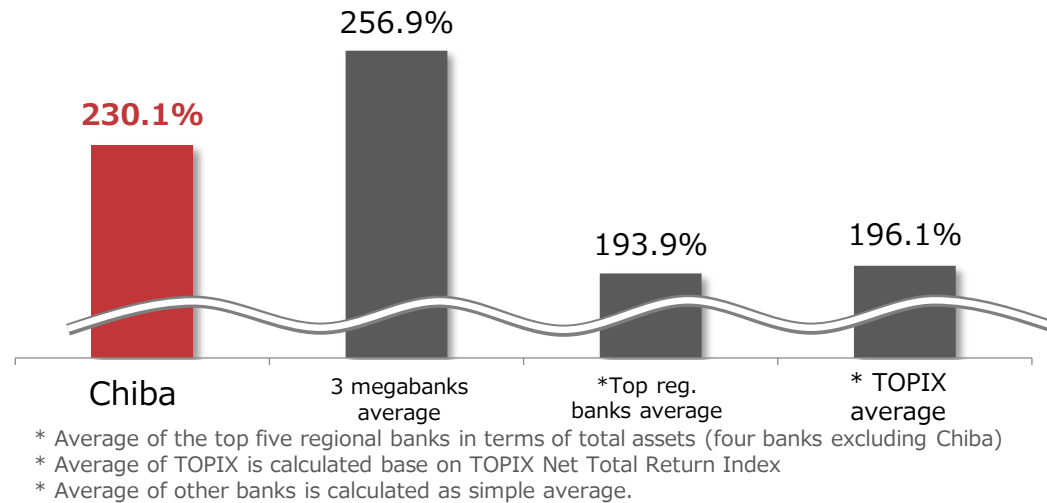
**Aim to further improve ROE** by utilizing capital through the accumulation of intangible fixed assets\*

※Items to be deducted from capital in calculating CET1 ratio

High Total Shareholder Return and Dividend Growth Rate compared to other banks / steadily reduce cross-shareholdings in line with the policy in the Corporate Governance Report

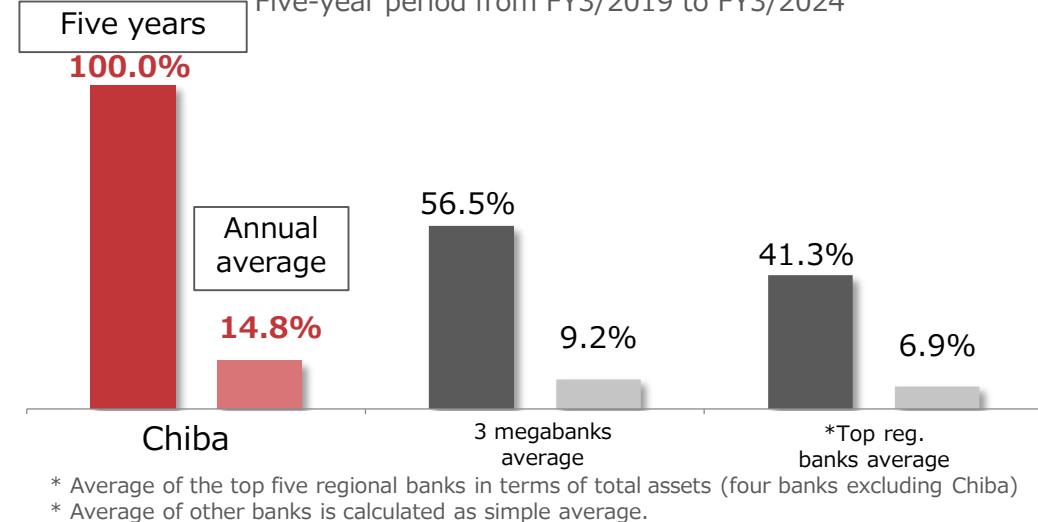
## Total Shareholder Return

Five Years from March 2019 to March 2024



## Dividend Growth Rate (Dividend per Share)

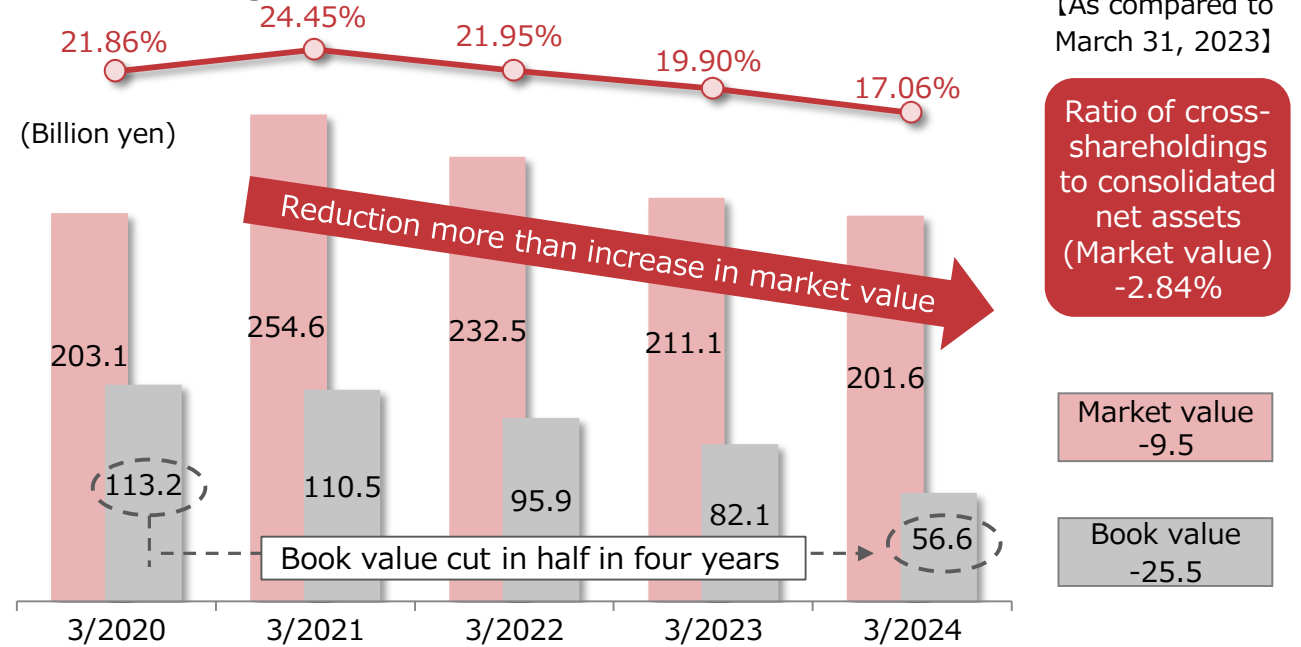
Five-year period from FY3/2019 to FY3/2024



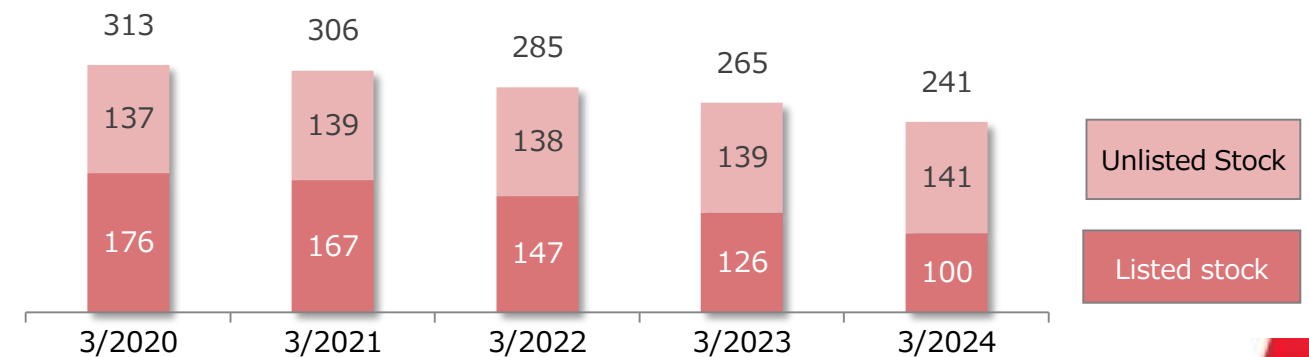
## Ratio of cross-shareholdings to consolidated net assets

\*Cross-shareholdings are shown on a non-consolidated basis

[As compared to March 31, 2023]



## Cross-shareholdings/number of stocks held





Expanding collaboration in a wide range of areas, starting with system linkages

## System linkage

Improved development capabilities and cost reduction effects

■ **Fundamental system: five banks introduced**

**New**

(Introduced by Toho Bank in January this year and expanded to five banks)  
Reducing development costs and mutual use of backup locations

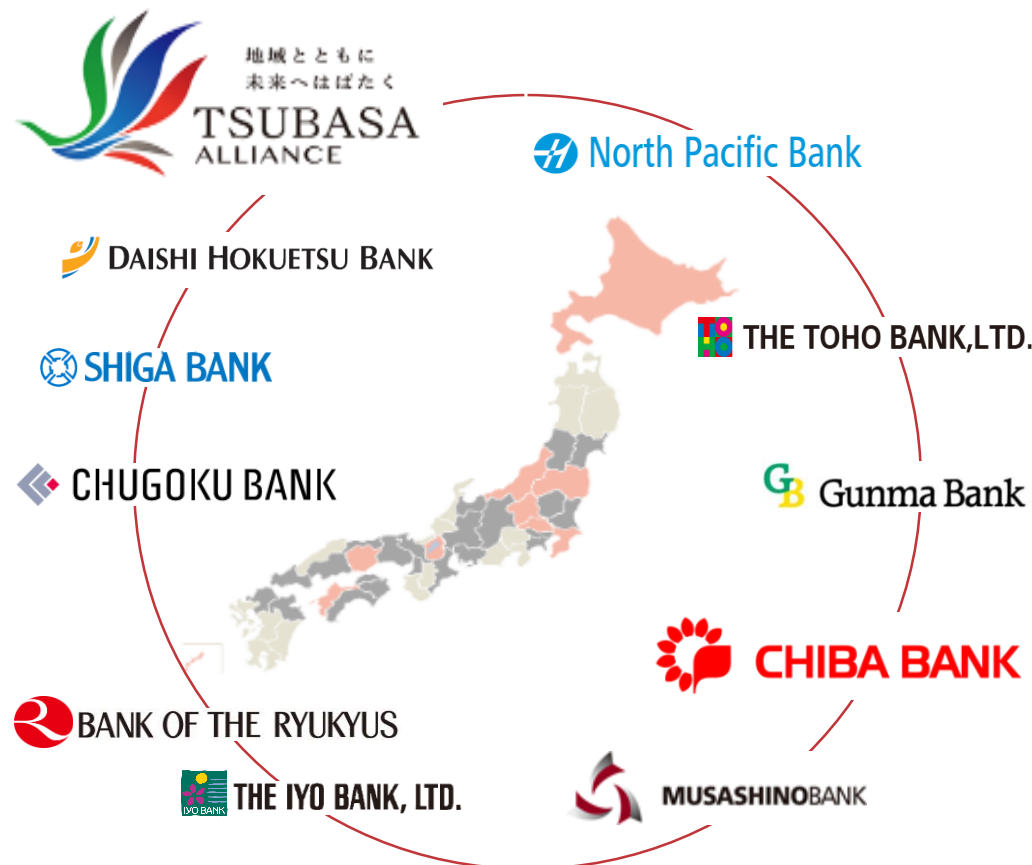
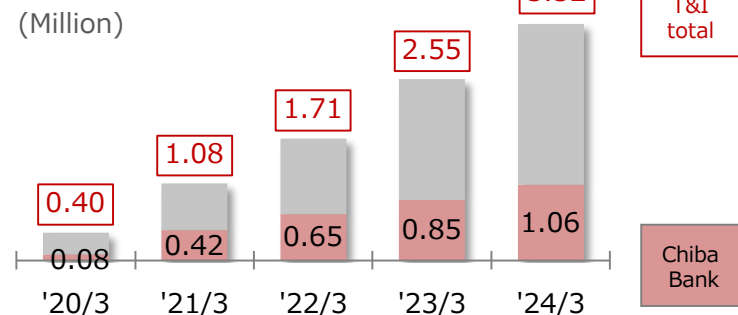
■ **App: seven banks introduced**

■ **Other: collaboration at the time of introduction of the following system**

System overview	Corresponding banks (excluding Chiba)
Responding to the "My Number" new law	Daishi Hokuetsu, Chugoku, Toho, and North Pacific
Response to invoice system	Chugoku, North Pacific
Transfer control system	Daishi Hokuetsu
Broadcast for zengin more time system	Daishi Hokuetsu, Chugoku and North Pacific
TSUBASA general purpose paperless system	Daishi Hokuetsu and Chugoku
Loan management system	Daishi Hokuetsu, North Pacific and Toho

■ **API linkage: developing services that leverage our customer base**

**"T&I" Number of individual user IDs on the API platform**



## Sales collaboration and administrative collaboration

■ **Sales collaboration using a wide-area information network**

To strengthen business matching, LBO loans, and real estate non-recourse loans

■ **Cooperation with regional trading companies**

Support for the establishment of regional trading companies by Gunma Bank Joint store openings in Marche

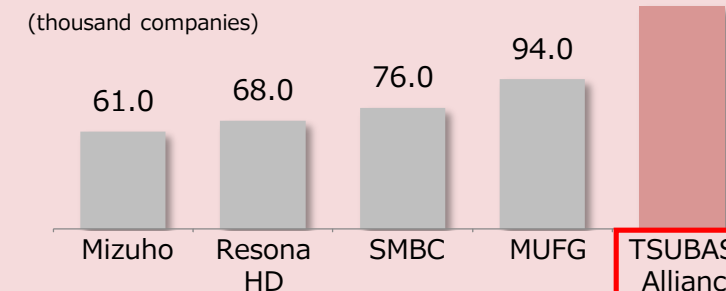
■ **Ten-Bank Joint Seminar**

Simultaneous revision of medical fees and nursing care fees web seminar

**New**

**Number of main borrowers**

Source: Teikoku Databank, Ltd. "National Main Bank Trend Survey 2023" **140.0**



## Activities of the joint venture company

Company name	Investor	Description of business
TSUBASA Alliance Co., Ltd.	All 10 banks in the alliance	Advice and recommendations to improve operational efficiency, entrustment of office work
T&I innovation Center Co., Ltd.	6 banks in the alliance IBM Japan, Ltd	Fintec's research, planning and development of services
Onad Co., Ltd.	3 banks in the alliance Nomura Securities Co.,Ltd.	Financial advisory specialization See page 51 for details
TSUBASA-AML Center Co., Ltd.	3banks in the alliance Nomura Research Institute, Ltd.	Advanced and more efficient AML See page 48 for details

## SDGs and Human Resource Development

■ **Clear folder collection and recycling campaign**

All TSUBASA member banks participate

■ **TSUBASA Trainee System**

Strengthen mutual understanding and cooperation of the alliance (Chiba Bank accepted eight participants)

■ **TSUBASA cross-mentor system (second time as in the previous year)**

Each bank's director serves as a mentor to other banks' female executives.

Leveraging collaboration in the Tokyo metropolitan area, we will further increase our presence in the sales area and accumulate results

## Chiba-Musashino Alliance



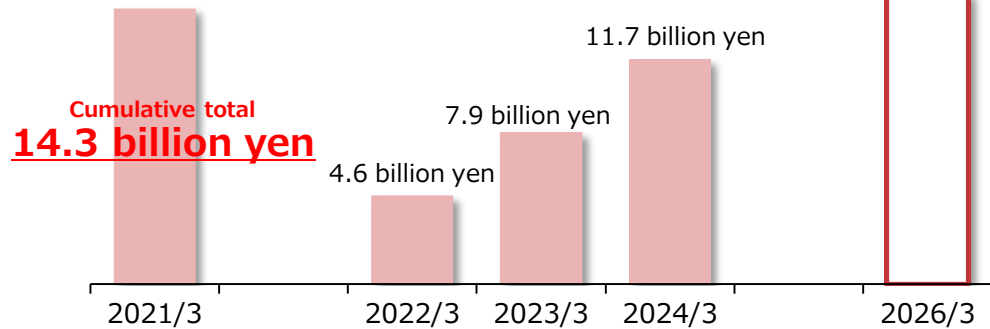
### Realization of an evolved regional bank

- Accelerate collaboration and commonality in all areas
- Expanding presence in the Tokyo metropolitan area

New regional bank collaboration model that does not involve management integration

**Phase 1**  
(Initial to March 2021)

**Phase 2**  
(2021/4~2026/3)



**Effective amount**  
**Cumulative total**  
**15.0 billion yen**

### Major Initiatives

- **Collaboration at the Hamamatsu-cho Branch:**  
Conversion of Hamamatsu-cho corporate sales office, a joint base, into a branch office(December 2023)
- **Expansion of mutual human resource exchanges:**
  - ① Expansion of the scope of management-level personnel exchange (personnel, diversity, and digital) started in 2021
  - ② Personnel exchange with liaison officers of branch offices

### Collaboration among the three banks

- **Joint hosting of seminars, etc.**
  - Start-up seminar
  - Migration and two-stronghold residence seminar
  - SDGs seminars, etc.

## Chiba-Yokohama Partnership

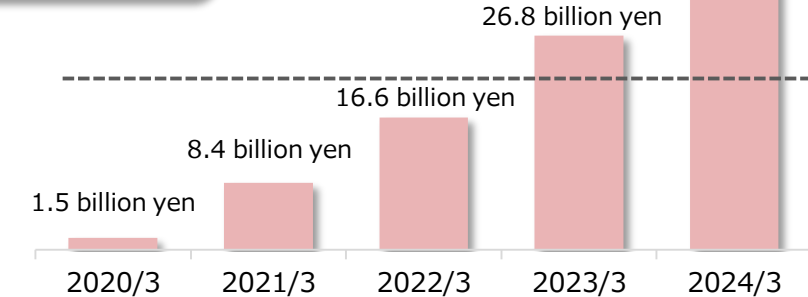


### Developing know-how among top regional banks

Cooperation among top regional banks in the Tokyo metropolitan area

Plan achieved **1.5 years ahead of schedule**

**Effective amount**  
**Cumulative total**  
**35.9 billion yen**

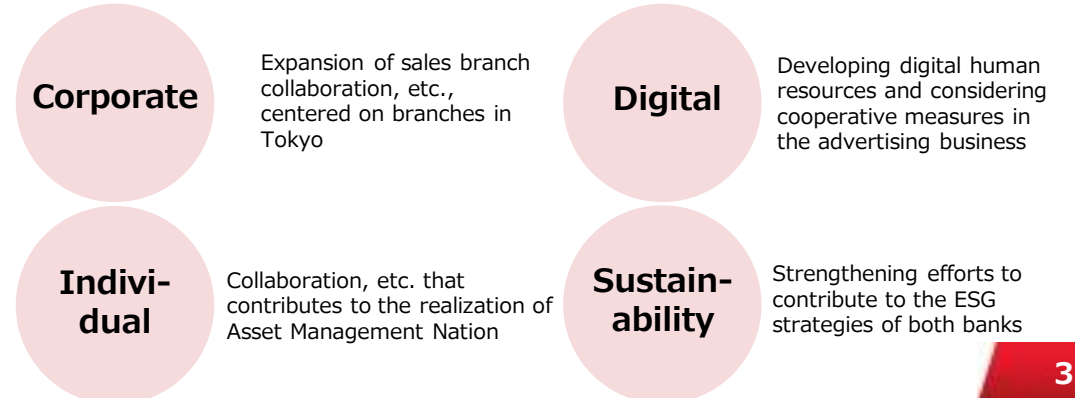


Five-year plan Cumulative total **20.0 billion yen** (March 31, 2024)

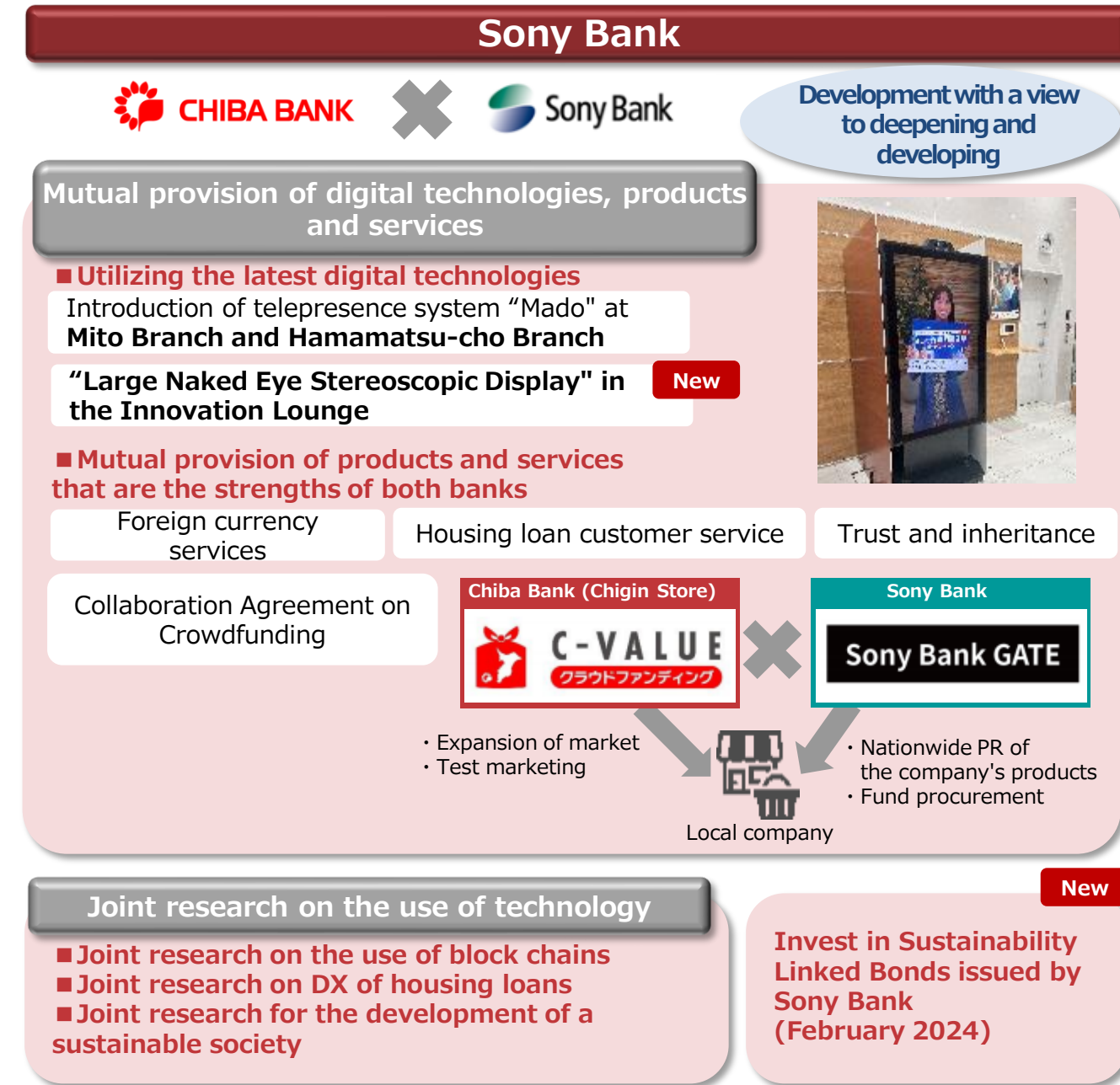
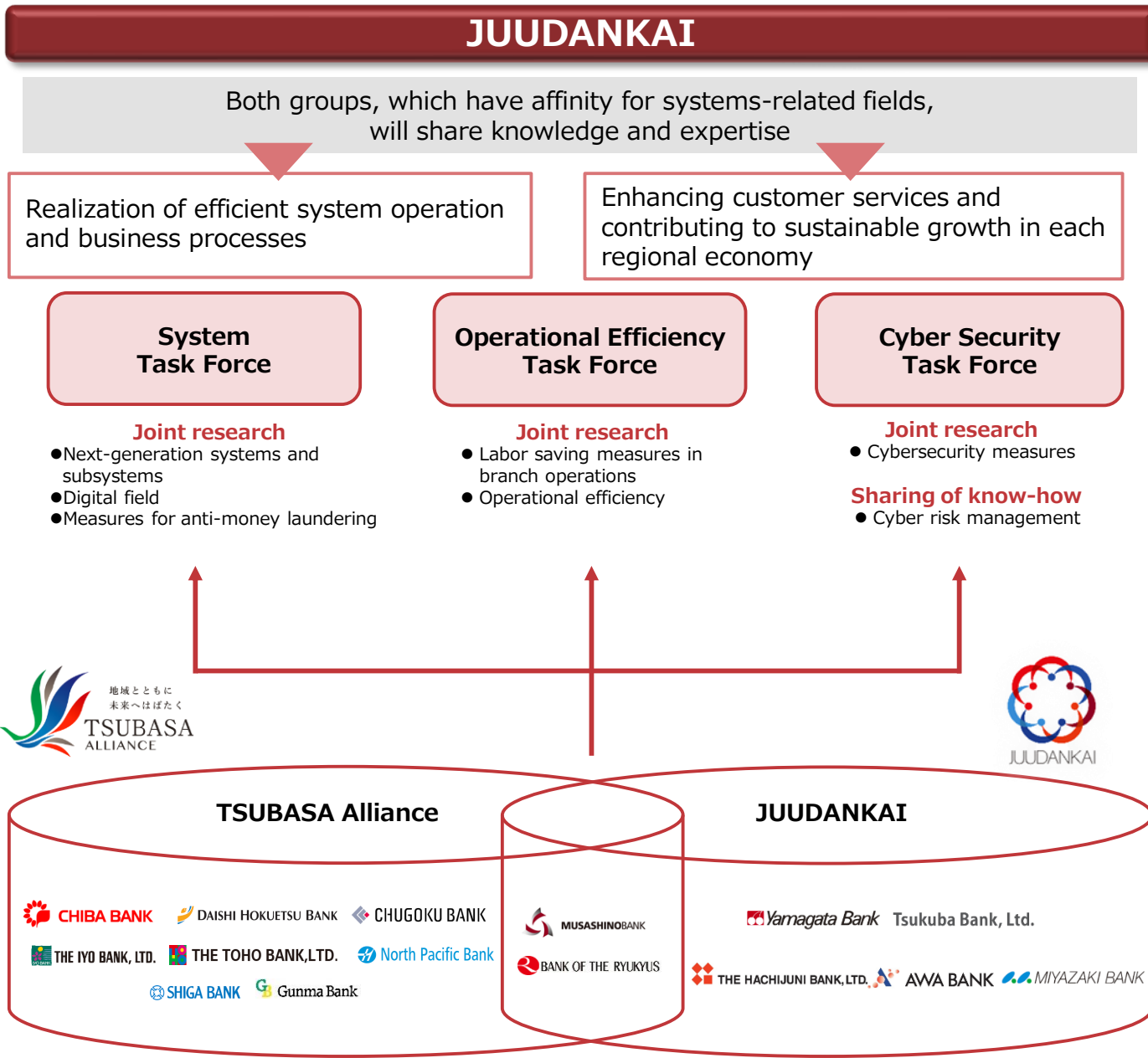
### New Five-Year Plan (April 2024 to March 2029)

**Improving the presence of the Tokyo metropolitan area**  
~Creating value for customers through Chiba and Yokohama~





Target effect: **25.0 billion yen** (Pursuing alliance effects for further buildup)



Improve the organization's ability to deliver value through diverse collaboration



● Top-level coordination committee

The first half of FY 2023	The second half of FY2023	From FY2024
 <ul style="list-style-type: none"> <li>● Holding a meeting of presidents</li> <li>★ TSUBASA Alliance Co., Ltd., HP established</li> <li>★ Introduction of "TSUBASA General Purpose Paperless System"(Daishi-Hokuetsu Bank)</li> </ul>	<ul style="list-style-type: none"> <li>● Holding a meeting of presidents</li> <li>★ Established TSUBASA-AML Center Co., Ltd.</li> <li>★ Migration to TSUBASASA core system collaboration (Toho Bank)</li> <li>★ Established TSUBASA / JUUDANKAI Joint Research Group</li> <li>★ Joint sponsorship of "Simultaneous revision of medical and nursing care fees web seminar" (all 10 banks)</li> </ul>	<ul style="list-style-type: none"> <li>★ Sponsorship of the Osaka Expo</li> <li>★ Holding a joint study session for the headquarter general managers</li> </ul>
 <ul style="list-style-type: none"> <li>● Alliance Promotion Committee</li> <li>★ Mutual exchange of personnel between headquarters management and sales branch personnel (continued implementation)</li> </ul>	<ul style="list-style-type: none"> <li>● Alliance Promotion Committee</li> <li>★ Conversion of Hamamatsu-cho corporate sales office into a branch office and co-transfer</li> </ul> <div data-bbox="1323 710 2333 997" style="border: 1px solid black; padding: 5px;"> <p>[CMA/CYP related seminar]</p> <ul style="list-style-type: none"> <li>★ "Startup Seminar2023" (Supported by Musashino Bank and Bank of Yokohama)</li> <li>★ "Online Seminar on Migration and Settlement" (Joint sponsored by Chiba Bank, Musashino Bank, Bank of Yokohama, and Kanagawa Bank)</li> <li>★ "SDGs Seminar" (Joint sponsored by Chiba Bank, Musashino Bank, and Bank of Yokohama)</li> </ul> </div>	
 <ul style="list-style-type: none"> <li>● Holding a meeting of presidents</li> <li>★ Joint sponsorship of "Chibagin-Hamagin student business contest 2023"</li> <li>★ Hosting "Local Government DX Promotion Fair + Hybrid Seminar"(supported by Bank of Yokohama)</li> </ul>	<ul style="list-style-type: none"> <li>● Holding a meeting of presidents</li> <li>★ Seminar on "Supporting People's Life 100 Years at the End of Life" (Joint sponsored by Chiba Bank and Bank of Yokohama)</li> </ul>	<ul style="list-style-type: none"> <li>★ Formulation of new five year plan</li> </ul>
 <ul style="list-style-type: none"> <li>● Holding steering committee meetings</li> <li>★ Start of collaboration with "Sony Bank Gate"</li> <li>★ Preferential foreign currency exchange campaign at Narita Airport Branch Office</li> </ul>	<ul style="list-style-type: none"> <li>● Holding steering committee meetings</li> <li>★ Introduction of telepresence system "Mado" at Mito Branch</li> <li>★ Preferential foreign currency exchange campaign at Narita Airport Branch Office (the second time)</li> <li>★ Invest in Sustainability Linked Bonds issued by Sony Bank</li> <li>★ Joint donations to TABLE FOR TWO</li> </ul>	<ul style="list-style-type: none"> <li>★ "Large Naked Eye Stereoscopic Display" in the Innovation Lounge</li> <li>★ Life events for housing loan customers to be co-hosted</li> </ul>



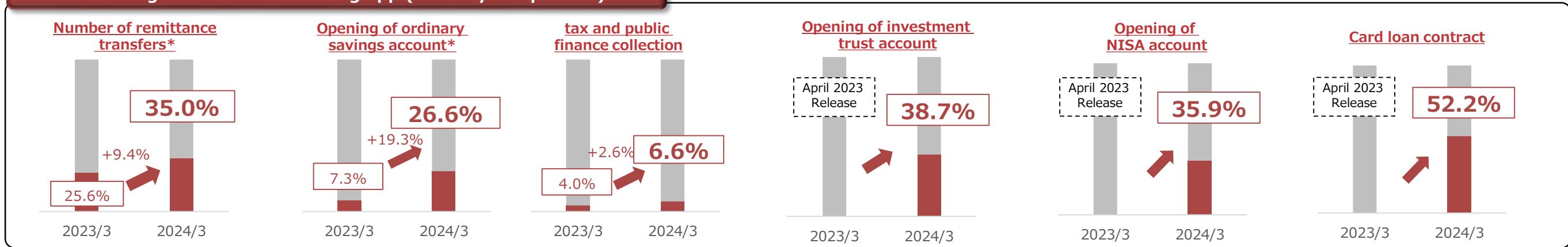
Transforming customer experience by achieving proposals that meet customer needs in a timely manner in all channels

## Realized changes

The number of registered users of the app increased to over **1 million**, compared to approximately 3 million active accounts.  
(operating account penetration rate: **33%**)

### Percentage of transactions using app (monthly comparison)

※ Only open ordinary savings accounts is web accounts opening



### Effect of digitization on outgoing transfers

Overall outgoing transfers	FY2020	FY2023	Rate of increase
Number of cases	5.44 million	7.01 million	<b>+28%</b>
Fees	1.58 billion yen	1.99 billion yen	<b>+25%</b>

Number of transfers



Total transfer fees



Transaction costs



### Further transformation of customer experience

Integrate data at all customer contacts

Predicting needs through data analysis /AI

Approaching customer using data in various channels

“Just when I was interested, I got a OO from Chiba Bank”

Proposal in person

DM

Telephone

E-mail

App notification

Chiba Bank understand me...

Become Chiba Bank Group fans

To the bank's growth

Expansion of cross-use

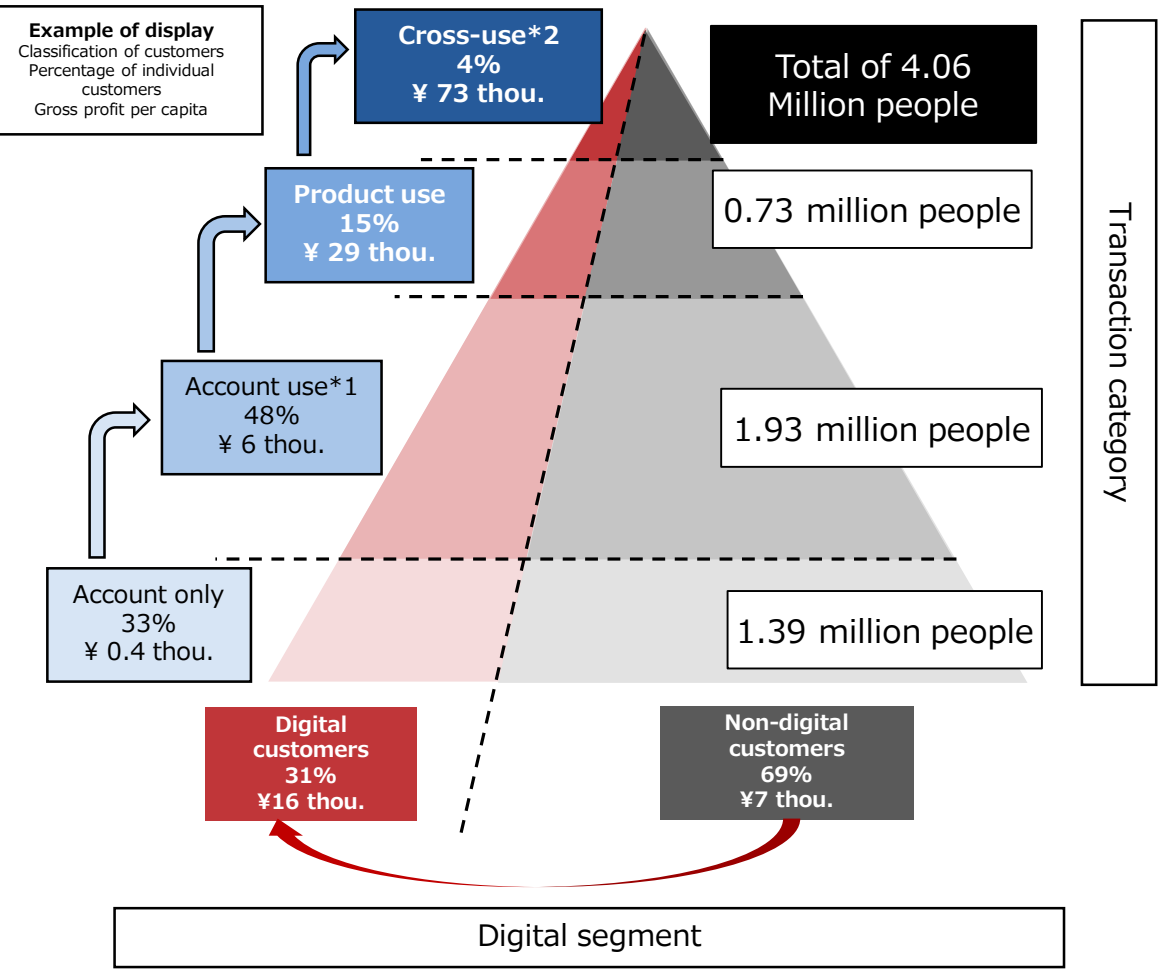
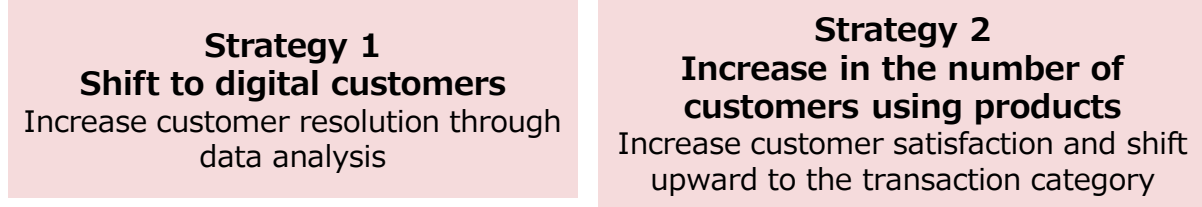
Improvement of productivity

Further improvement of gross business profit per employee



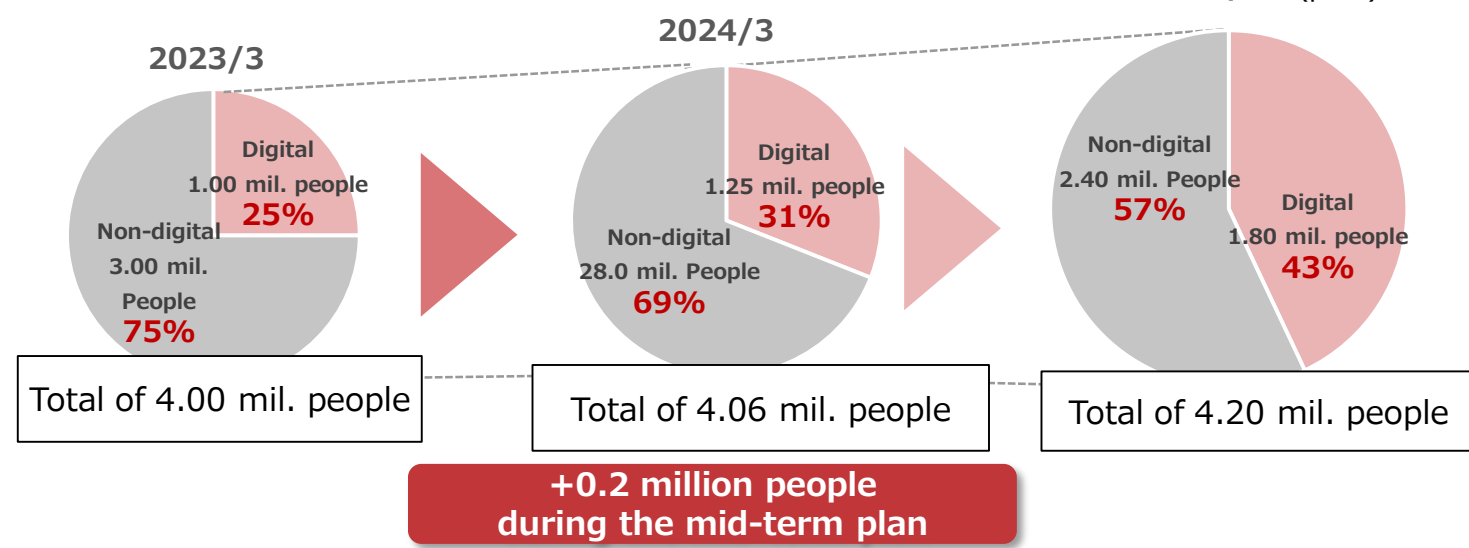
Aim to increase the number of digital customers and increase the unit price of customers by promoting the use of products and services

## Improvement process of retail business revenue based on the DX Strategy

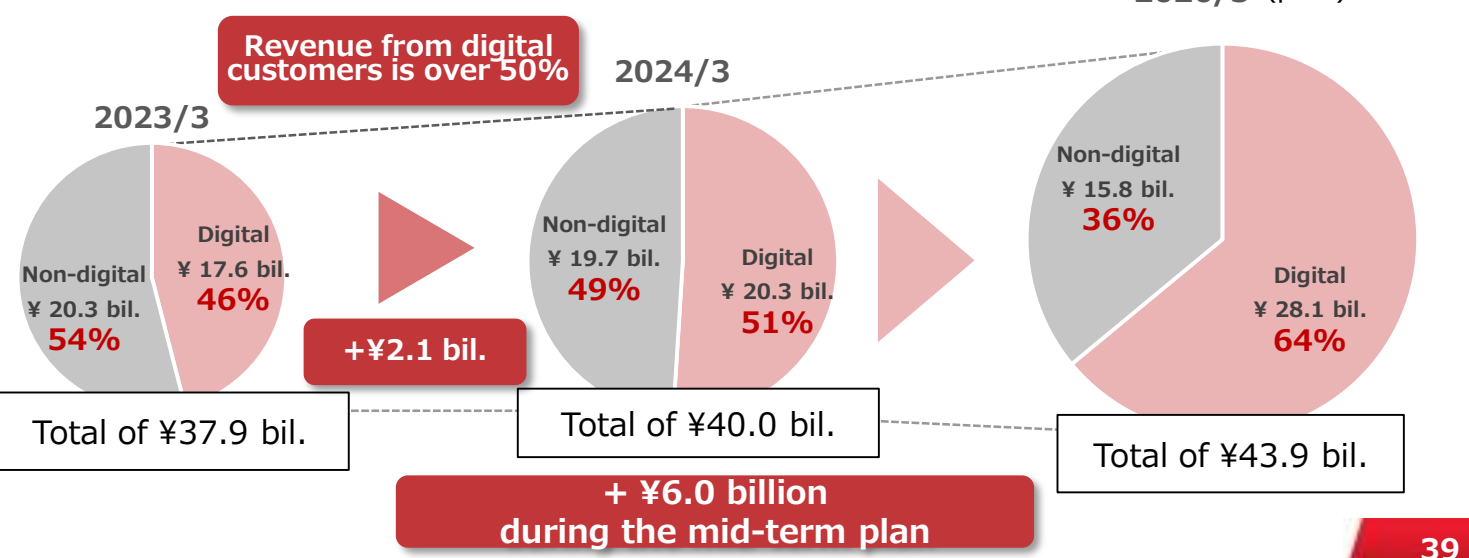


\*1. Account use: Customers who satisfy any of the following conditions: salary/pension receipt, balance of ¥ 300 thou. or more, and use of account transfer  
\*2. Cross-use: Uses two or more types of products

## Change in customer composition during the mid-term period

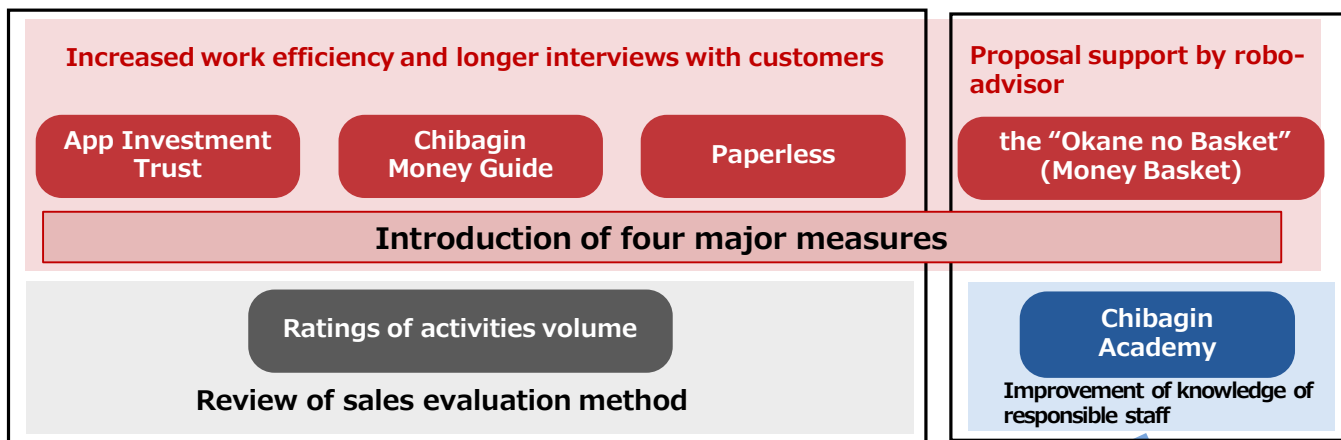


## Change in revenue composition during the mid-term period



Eliminate profit targets and shift to activities in the best interests of customers

## Sales activities after elimination of revenue targets



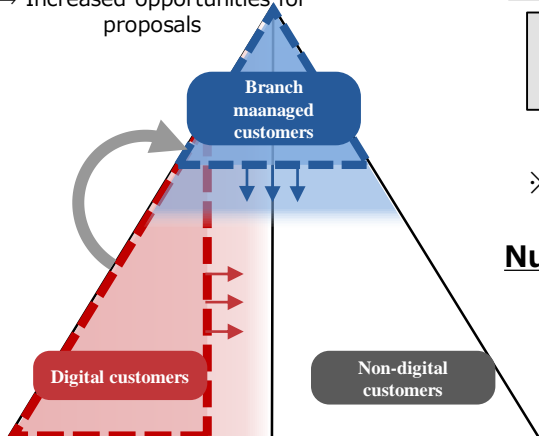
Improvement of efficiency  
Increased number of interviews

Improvement of ability to  
make proposals

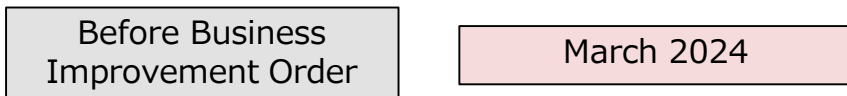
$$\text{Sales performance} = \text{Number of effective interviews} \times \text{Contract success rate} \times \text{Unit sales price}$$

Improve the number of effective interviews, number of contracts, and unit sales price by establishing new activities.

Improve customer resolution  
⇒ Increased opportunities for proposals



## Ratio of sales and non-face-to-face of investment trusts



※Results in May 2023

## Number of effective interviews



560 per day → 1,150 per day

## Four major measures

### The "Okane no Basket" (Money Basket) 2023/6~



- Achieving advanced consulting proposals through the use of new investment trust proposal tools
- After-sales support

Customer's commitment amount per time

Before introduction: ¥3 million → After introduction: ¥5 million

### Complete paperless operation 2023/5~

- Improvement of convenience by making all applications and back office work paperless

Amount of work reduction

Per representative 6 hours/month

Increased time for consulting proposals

### Chibagin Money Guide 2023/4~

- Creating points of contact with customers who do not come to the branch

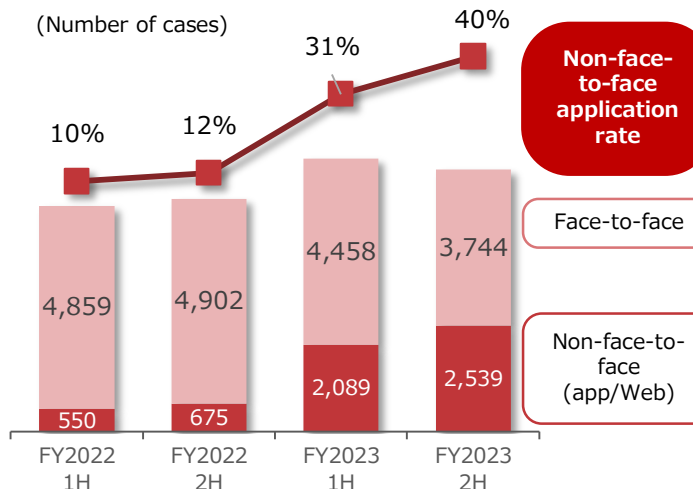


Number of PV of asset management-related homepages (2024/3)

YoY change Approximately 6 times

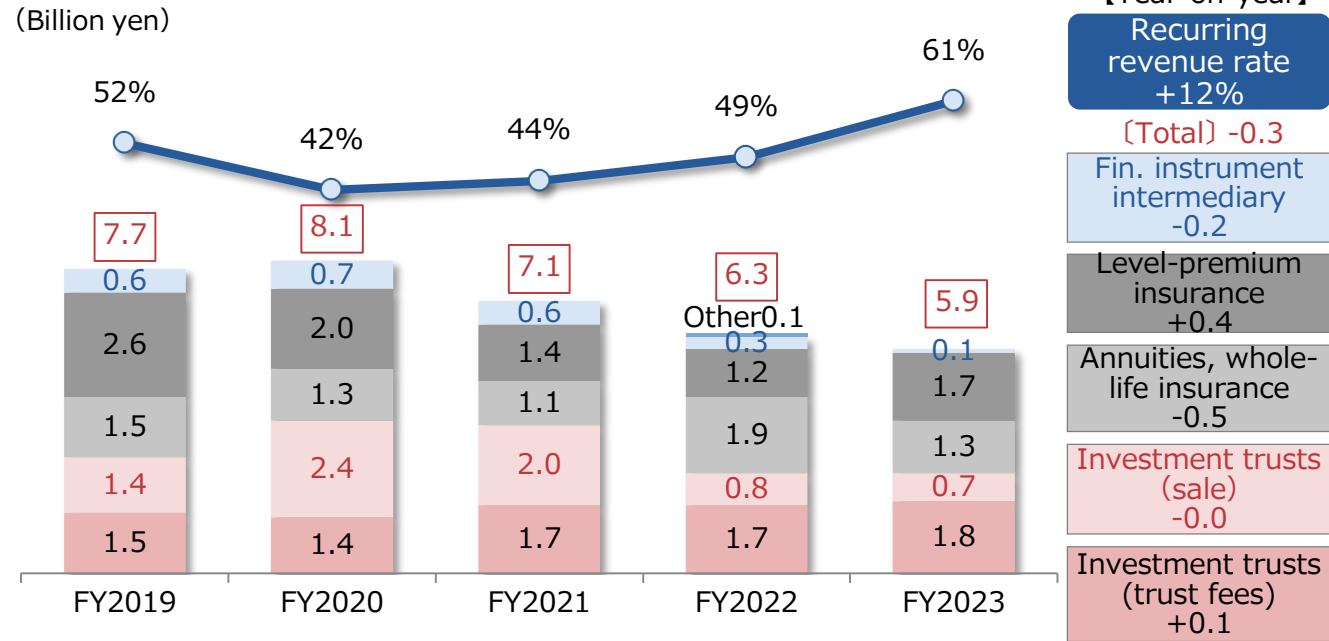
### App investment trust 2023/4~

Changes in the opening of investment trust accounts

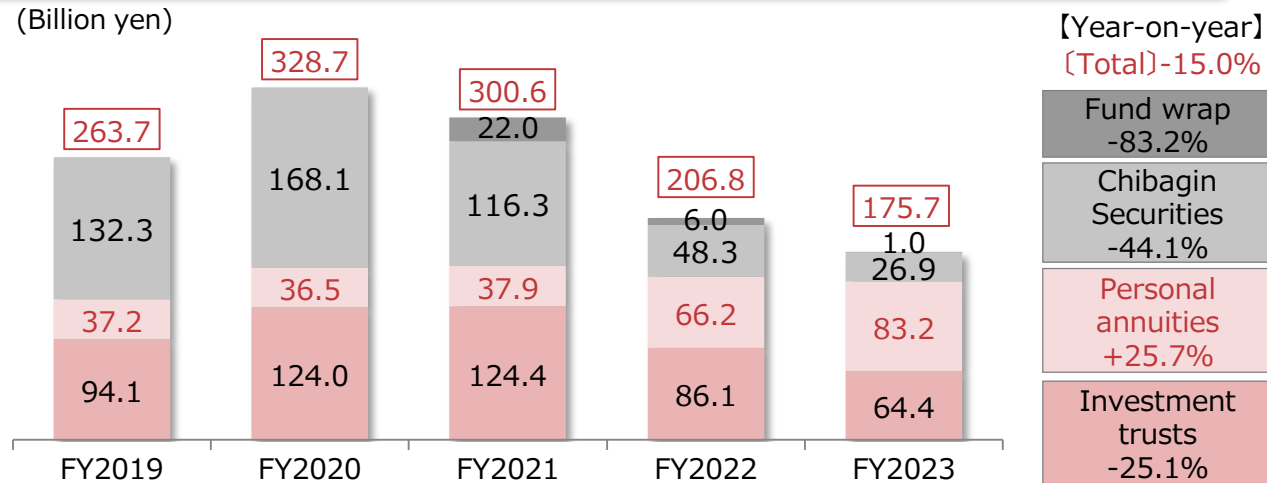


Providing lifelong support through proposals tailored to each customer's life stage

## Fees and commissions from financial products

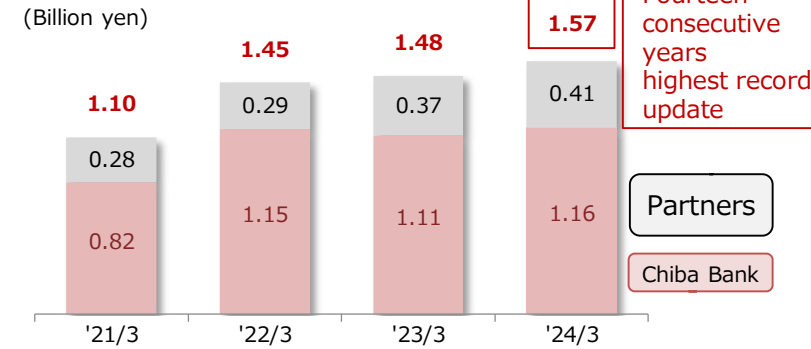


## Financial product sales (Group total)

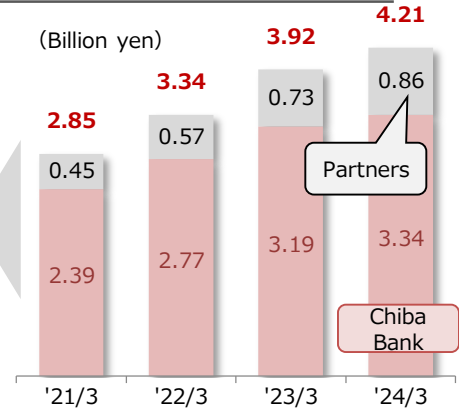


## Trust and inheritance-related business

### Service Profit



### Future income from held testaments

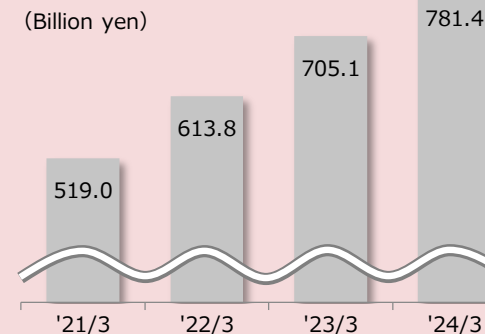


### Expand trust / inheritance operations

Develop new products/ improve existing products

Gain the trust of our customers and understand other financial assets

### Total assets uncovered through inheritance operations



### Develop non-financial services

- Renovations
- Two-family homes
- Nursing homes
- Travel products
- Funeral/headstones
- Expand business matching
- Use of Chibagin Market

### Expand transactions utilizing held assets

- Investment products
- Insurance
- Sale of real estate
- Strengthen collaboration
- On Ad
- Hoken No Madoguchi

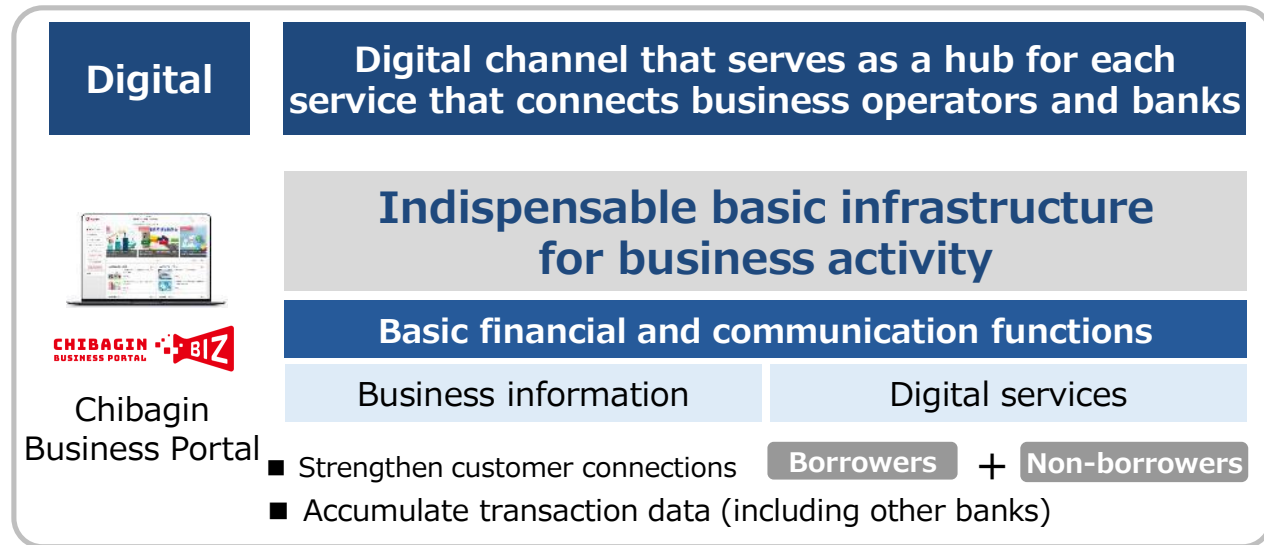
Lateral development

Dig deep

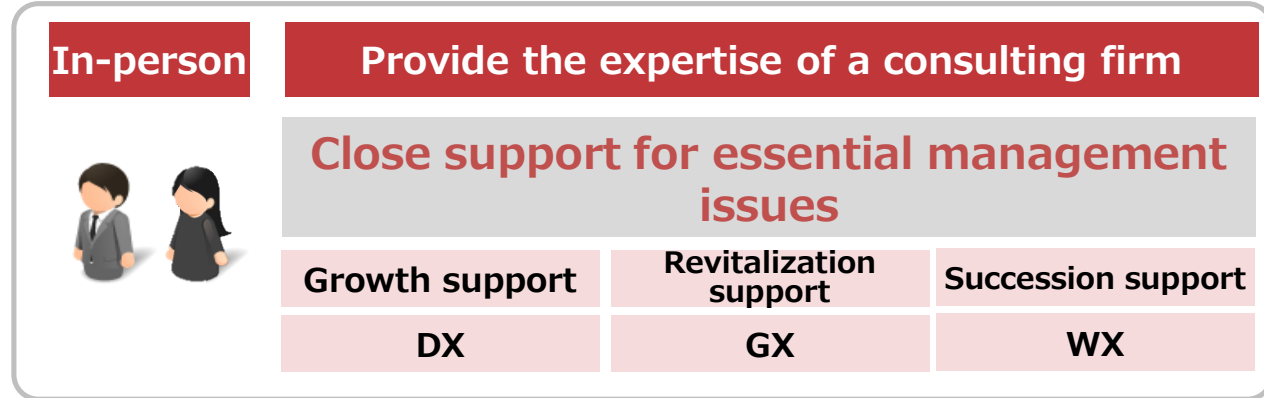
Contribute to solving social issues in the community by getting to know our clients well and providing continuous solution proposals as an assistant to management

## Form strong customer connections through digital and in-person channels

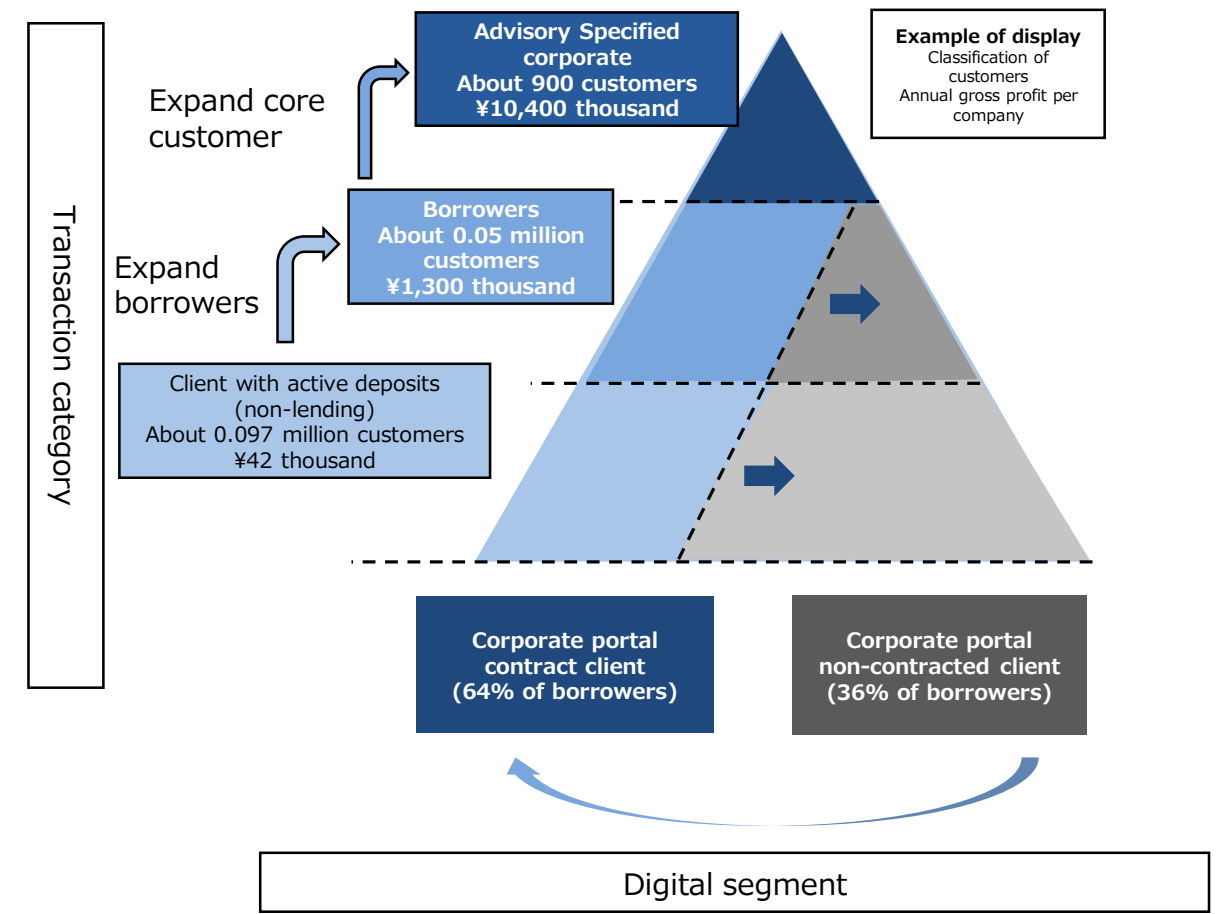
### Highly-convenient digital contact points



Hybrid of in-person and digital



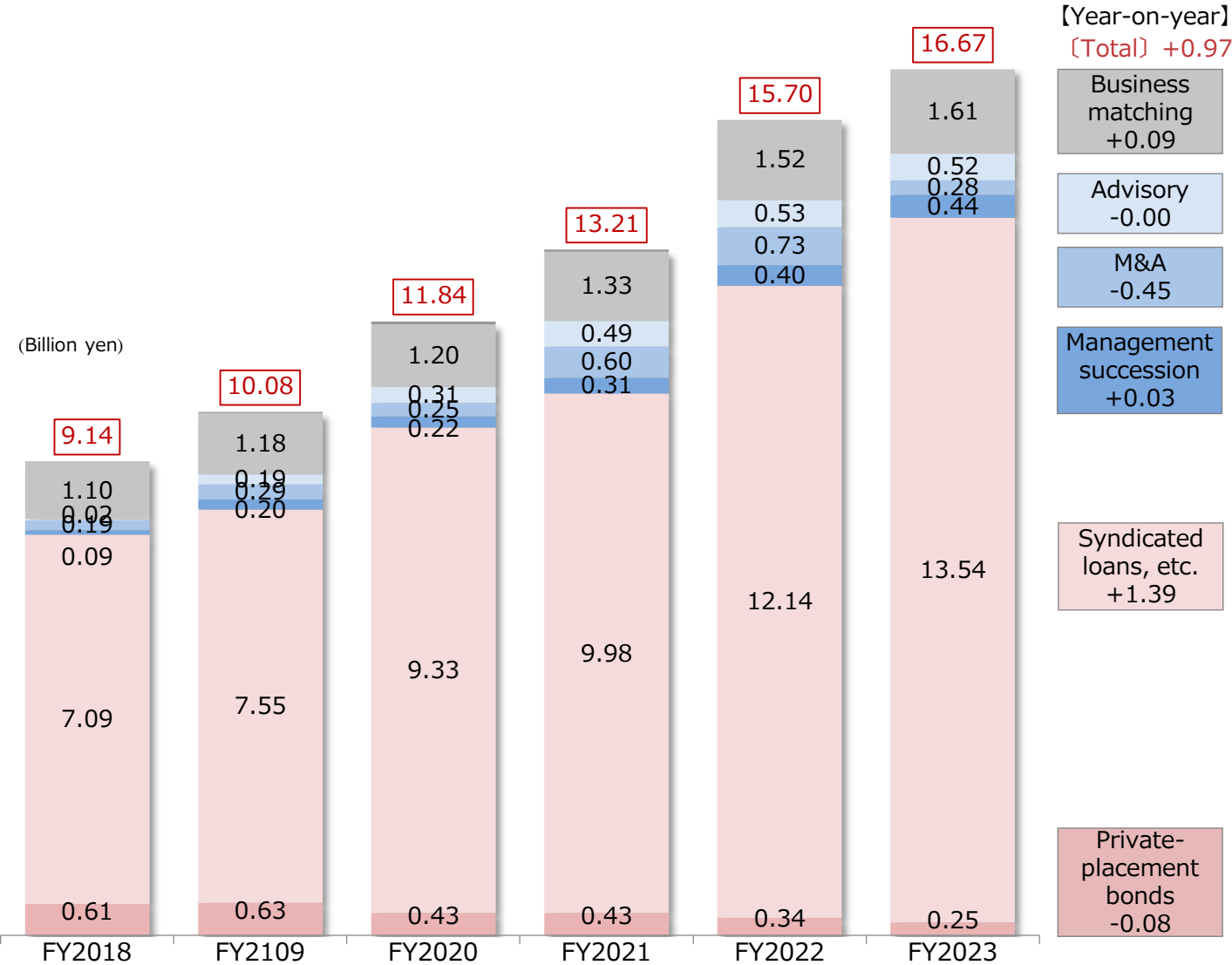
## Improvement process of corporate business revenue



Revenue from corporate solutions reached a record high for the 13th consecutive year

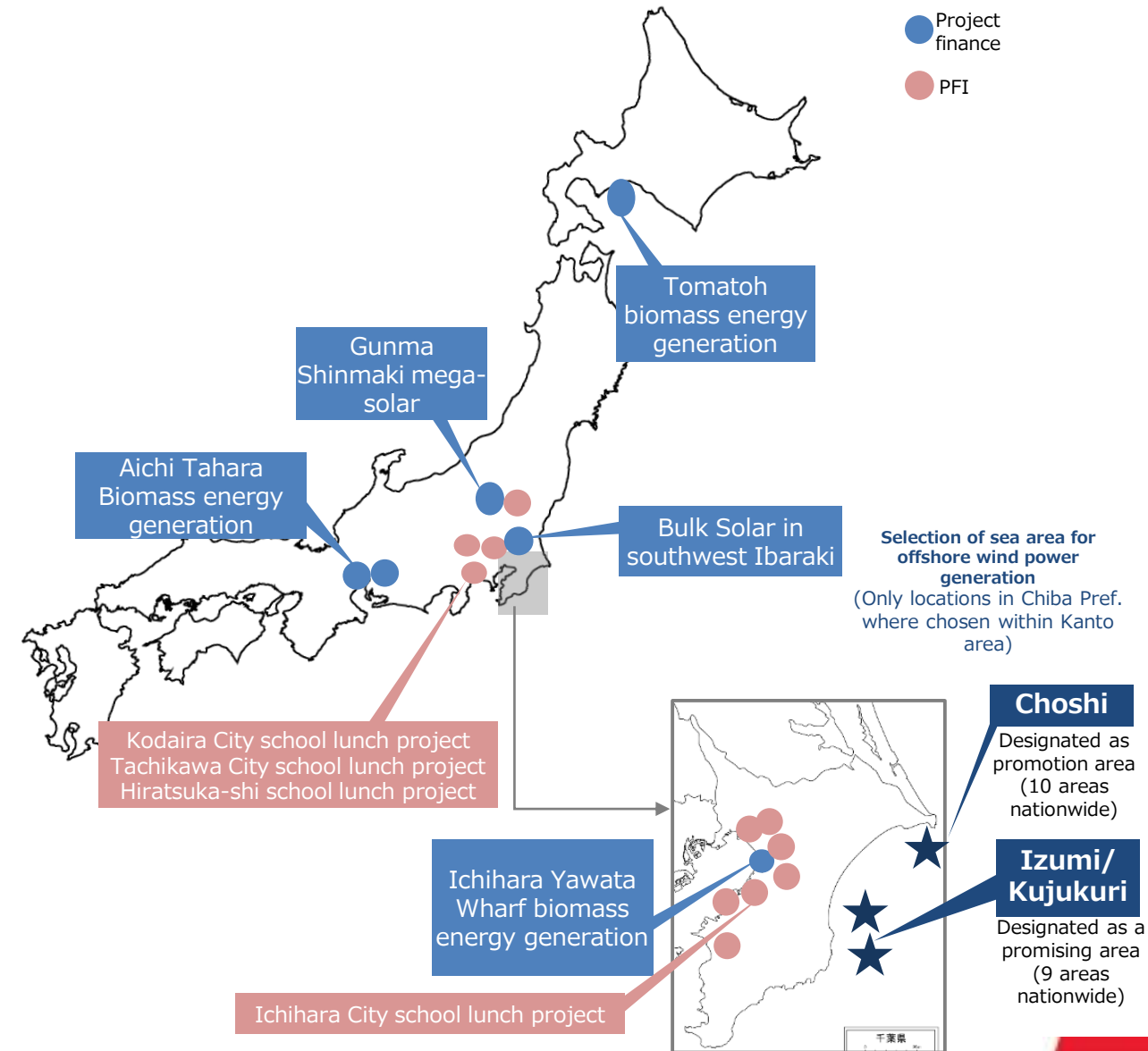
## Corporate solutions-related revenue

\*No breakdown for "Other" (0.01 billion yen for FY2023 1H)



## Bank-arranged project finance / PFI

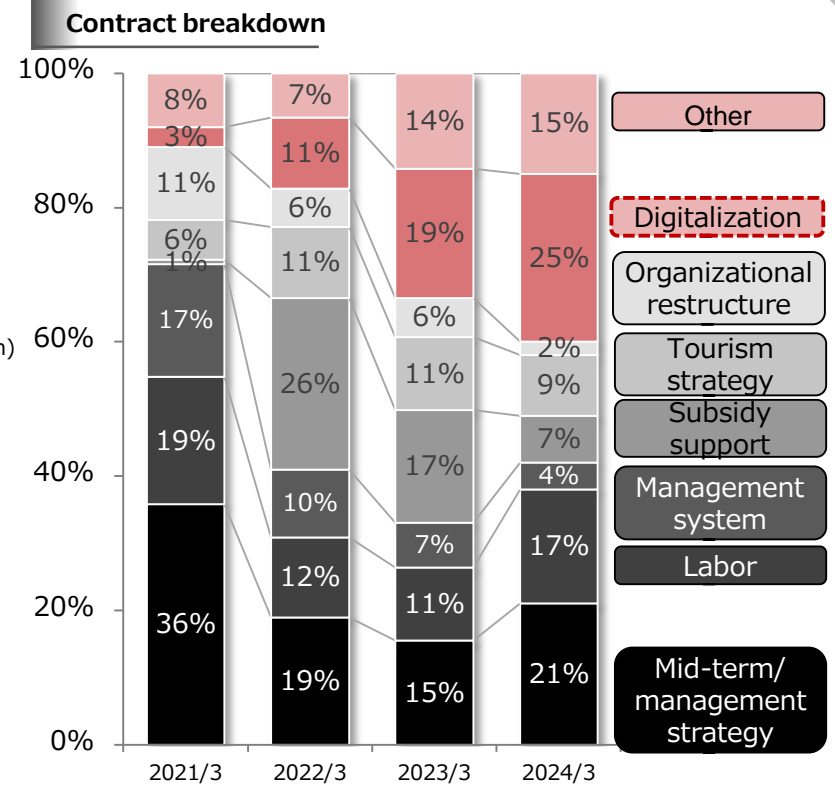
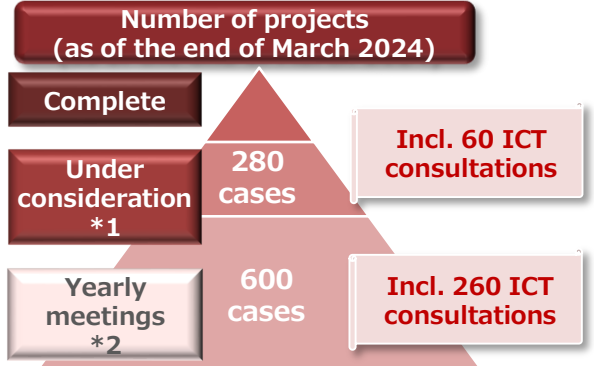
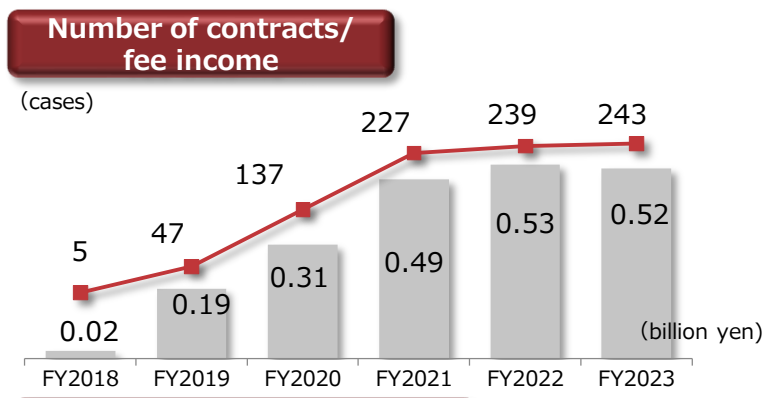
\*Initiatives after April 2020





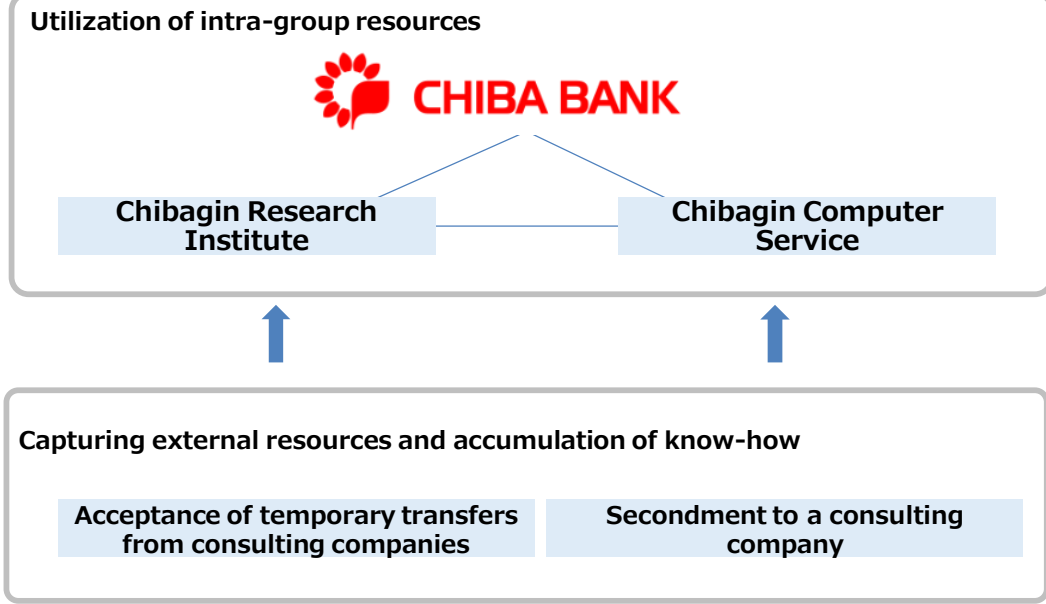
## Thorough support as an management assistant

Corporate advisory



\*1 Including the number of contracts in FY 2023 \*2 the number of consultations in the past year

### Strengthening problem-solving capabilities



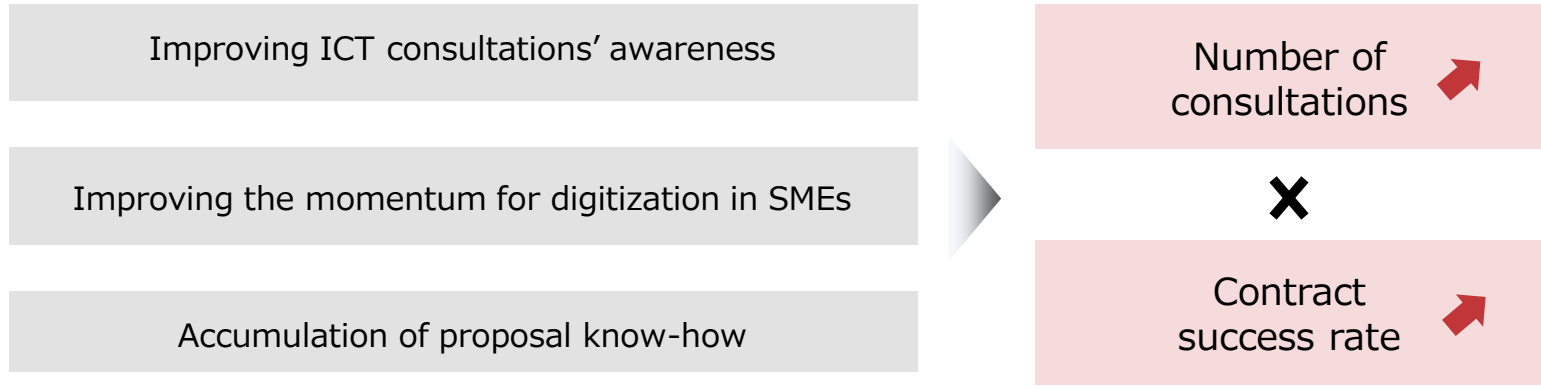
### Applications for ICT consultations

**Company A (forwarding agent)**  
**Issue : response to the 2024 Problem for Carriers**

Recognizing the issue of limiting overtime working hours (the 2024 problem), the company is struggling to select a system that matches its own needs. Contribute to solving problems by close support, from the viewpoint of visualizing work flow.

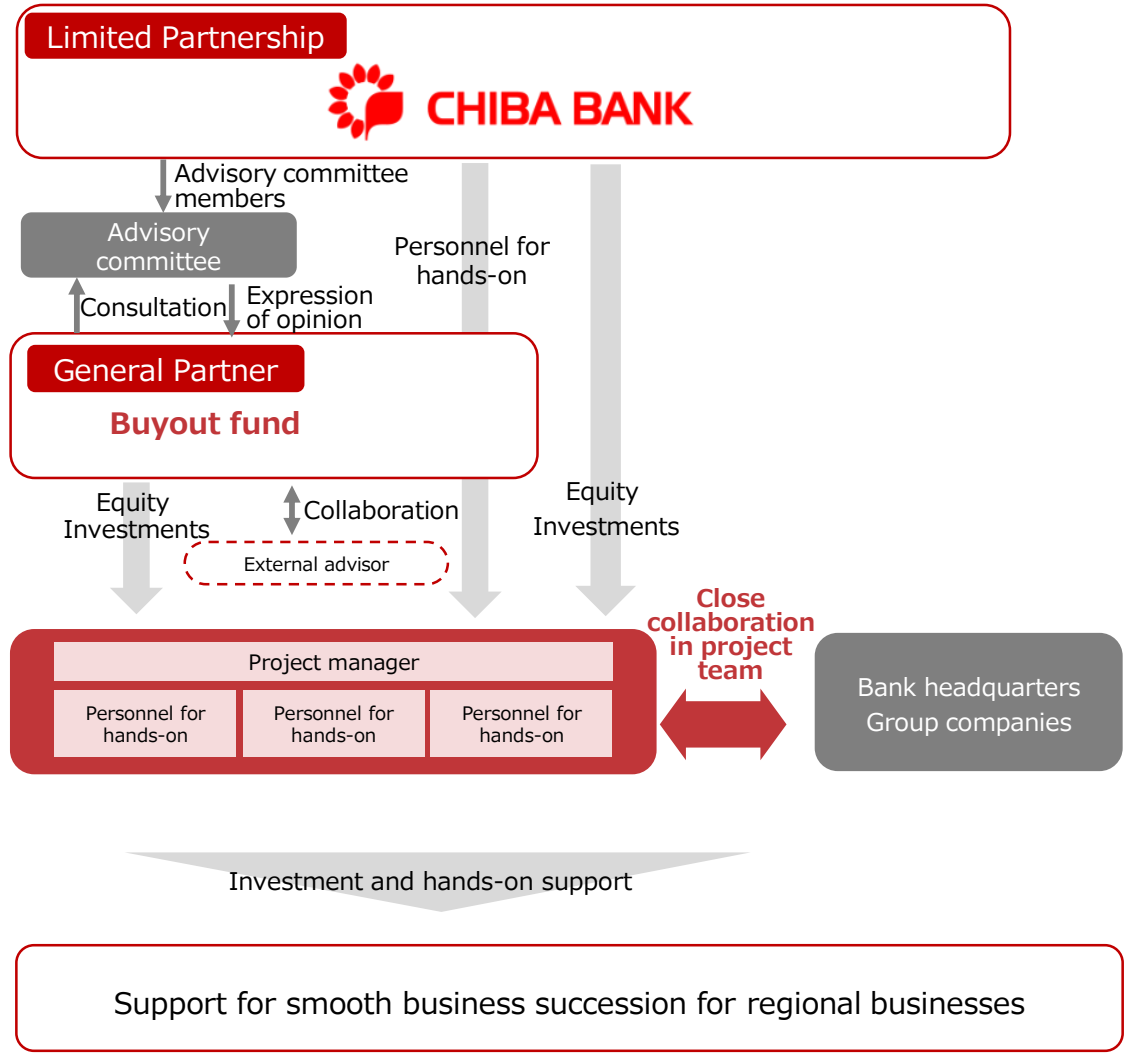
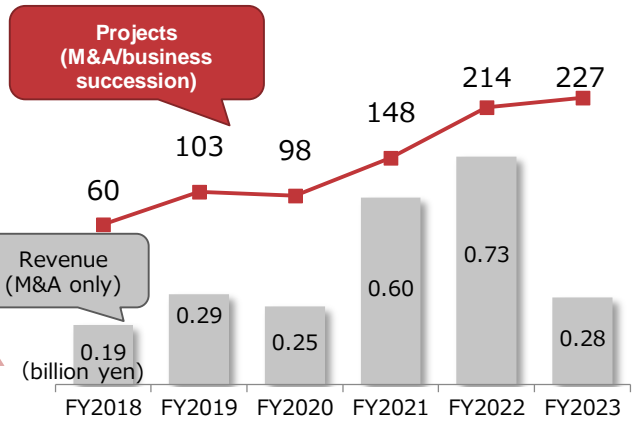
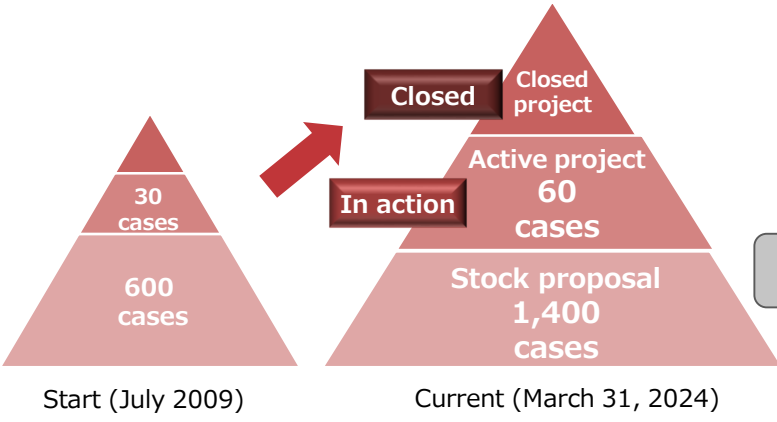
Step1 Support for analysis of current situation → Step2 Support for selection of system → Step3 Support for establishment of operation

ICT consultations

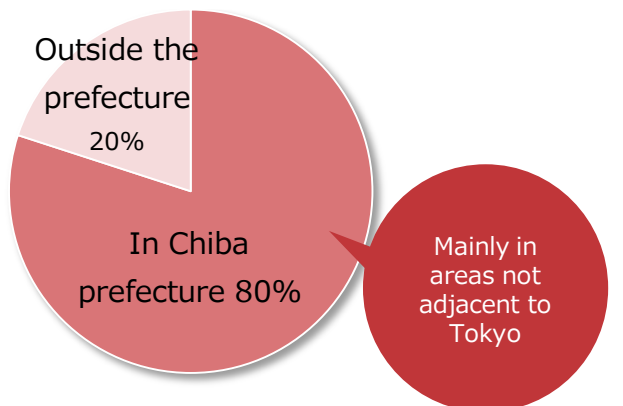


Acquisition of know-how on M&A and business succession → Value-up of regional businesses and support for smooth succession

**Expansion of project stock**      **M&A/business succession**      **Consideration of hands-on support using buyout funds**



**Area distribution of M&A deals for sale**



**Successionless cases in the region**  
Accumulation of small- and medium-scale projects by leveraging customer base and network

Involvement in large-scale projects through accumulation of know-how and customer needs

Utilization of funds both within and outside the group

Introduction of management succession database

- Reliable accumulation of information
- Long-term, continuous approach closely with the management
- Hands-on support

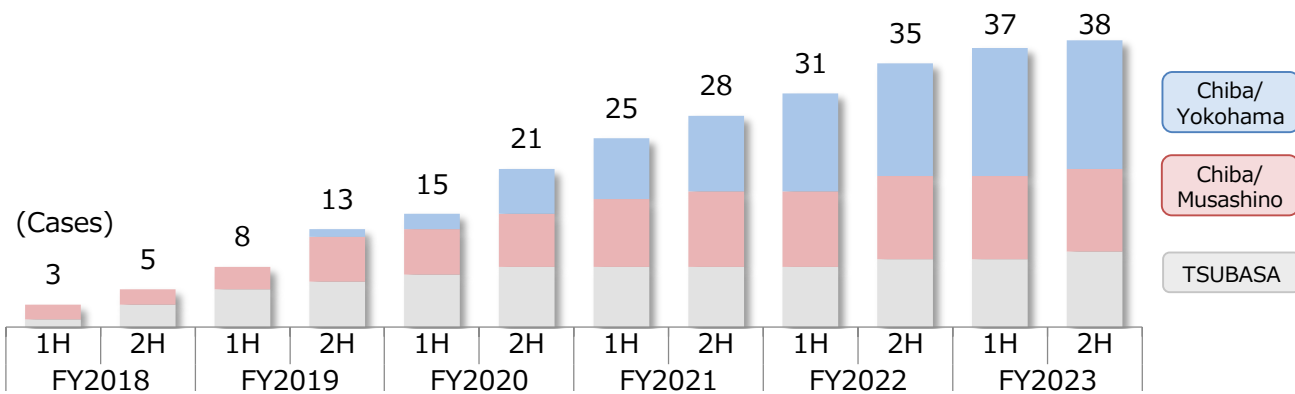
## Use of the largest overseas network among Japanese regional banks

### Overseas network



### Total co-financing with partner banks (overseas operations)

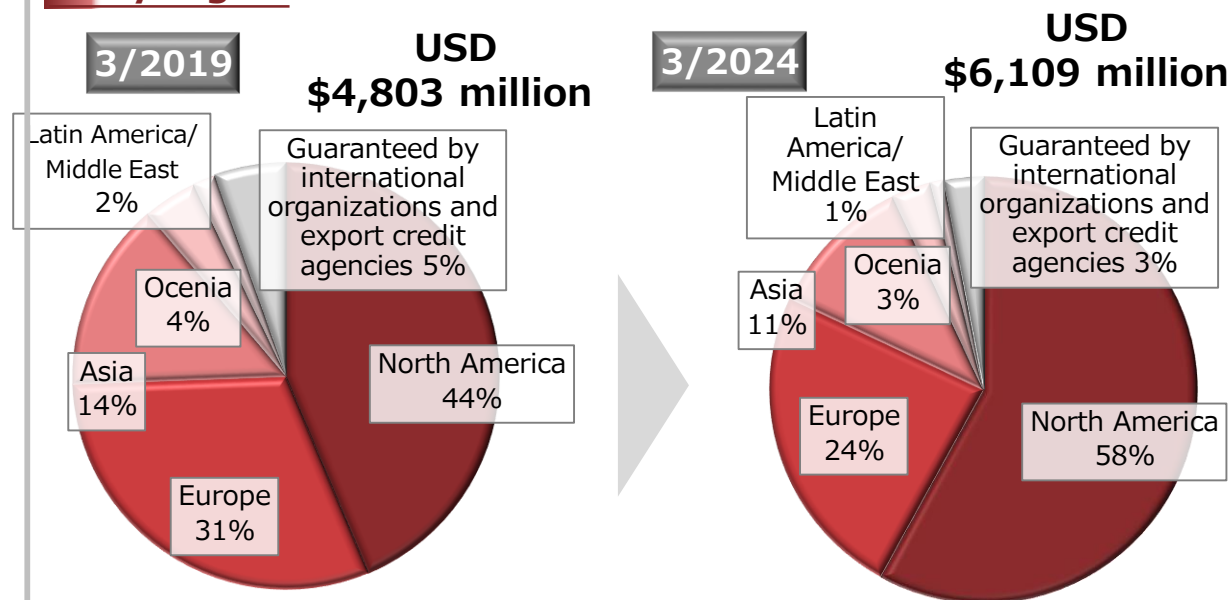
FY2023 2H major initiatives	Date	Alliance	Country	Related overseas office
	12/2023	TSUBASA	Singapore	Chiba Hong Kong Branch/Musashino Bank Itabashi Branch /Gunma Bank Toda Branch



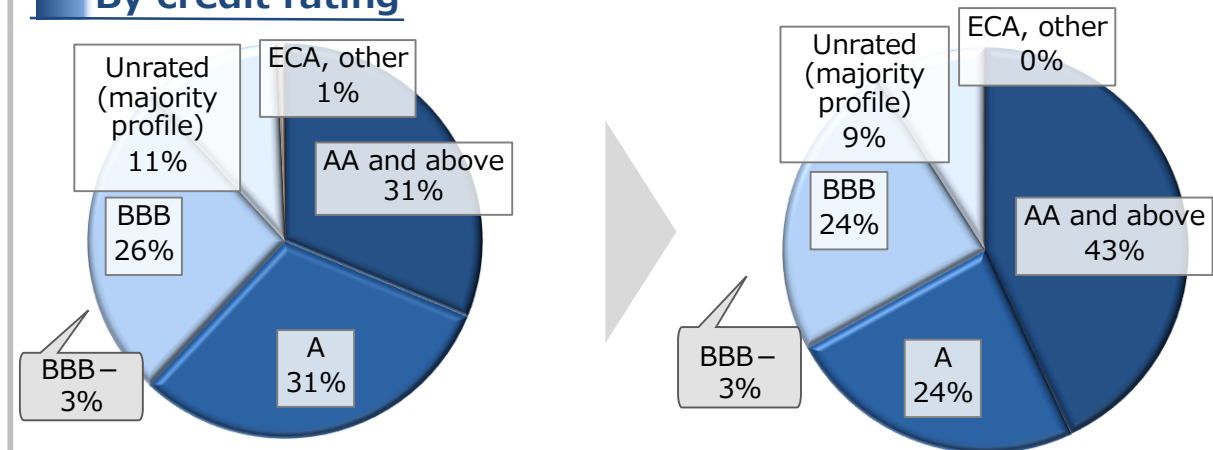
### Non-Japan credit

\*Includes credit to non-Japanese companies in domestic branches and market divisions

#### By region



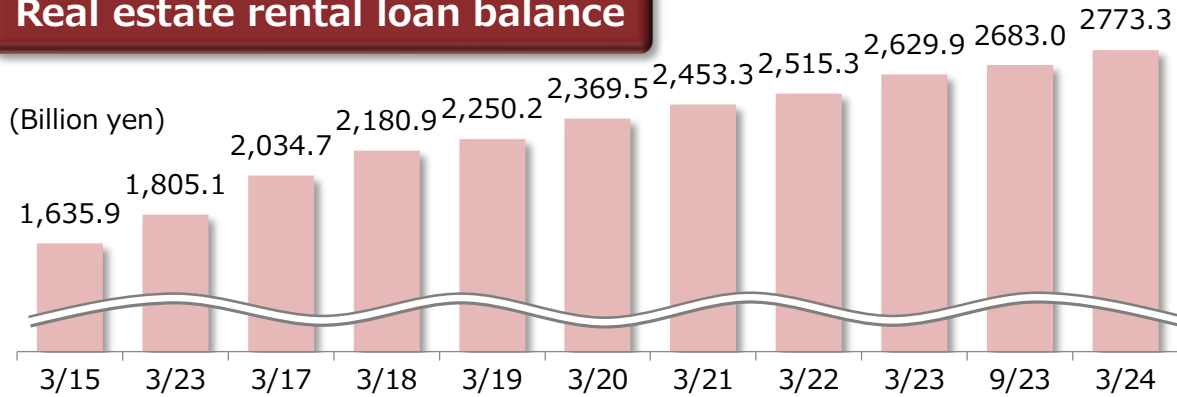
#### By credit rating



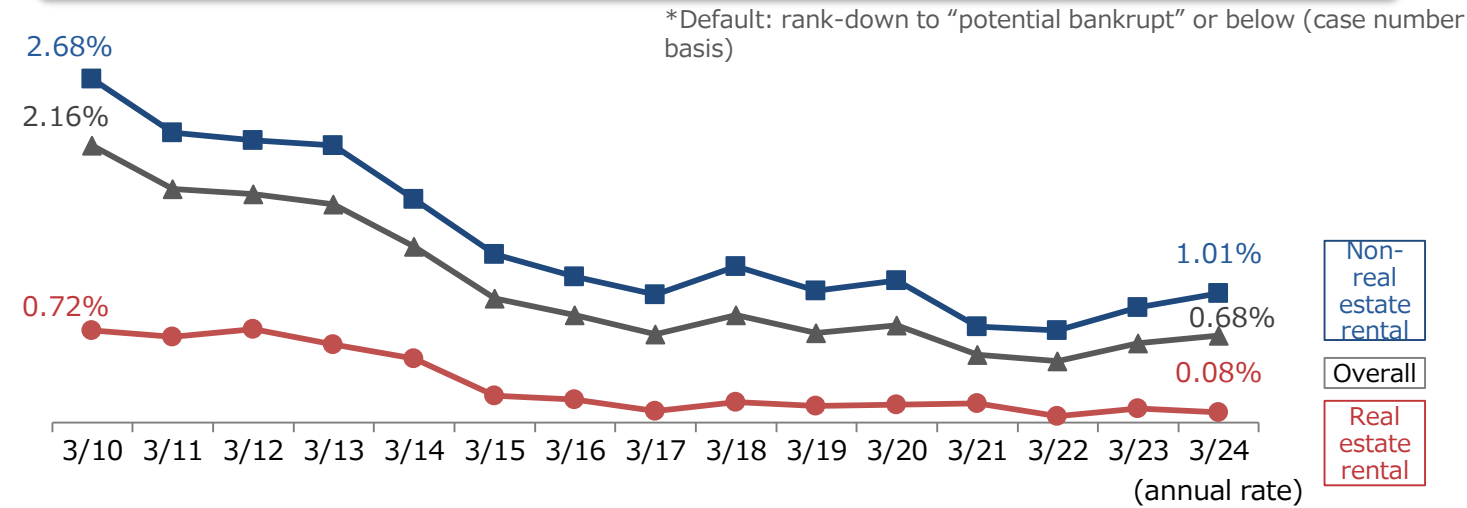
\*S&P/Moody's lower rating

Real estate rental loans increased steadily while credit risk remained low

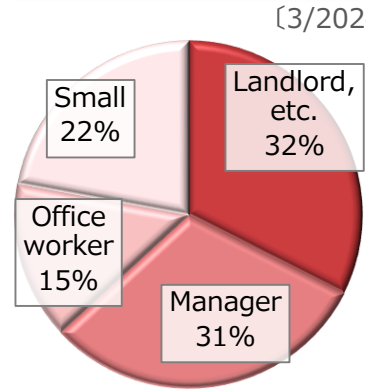
## Real estate rental loan balance



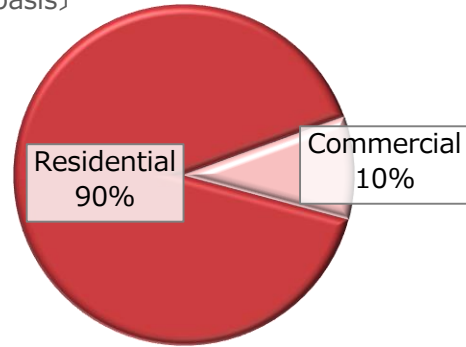
## Default rate\*



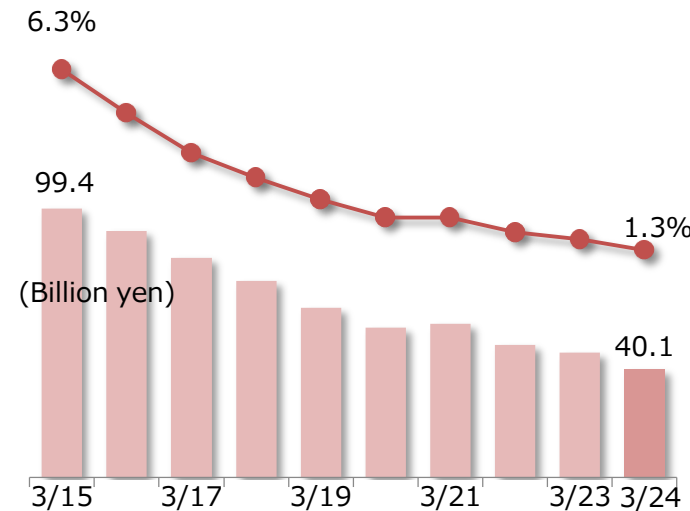
## By borrower type



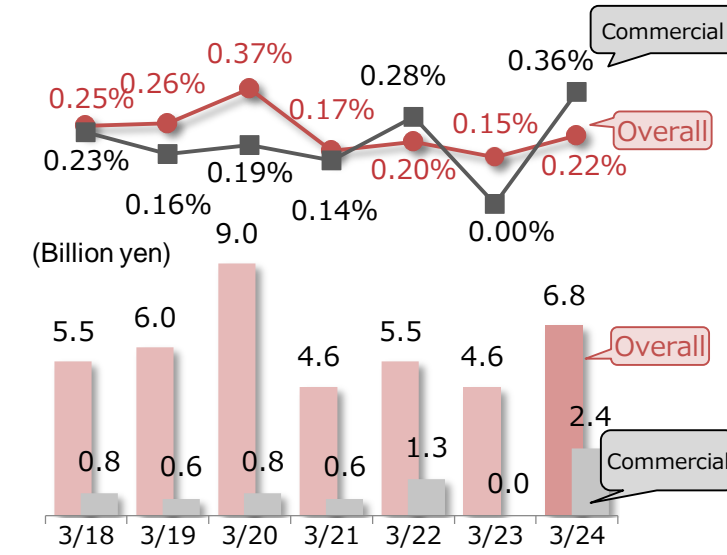
## By use



## Real estate rental business balance/ratio of modified loans



## Real estate rental business Balance/ratio of overdue loans



## Occupancy rate

Average for Bank-financed properties: **95.8%**  
 (Residential 95.9% Commercial 94.3%)  
 \*National average: 83.3%

## DSCR

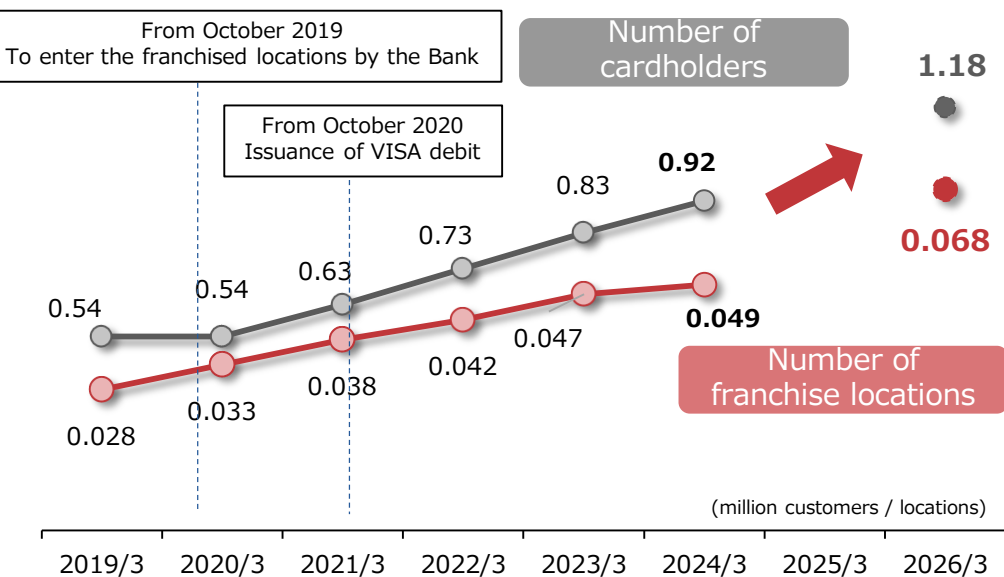
Average for Bank-financed properties: **148%**

**DSCR:** Single property balance  
 (Cash flow before payment of principal and interest of the property ÷ Amount of principal and interest payment)  
 (If less than 100%, rental income cannot cover repayments and expenses.)

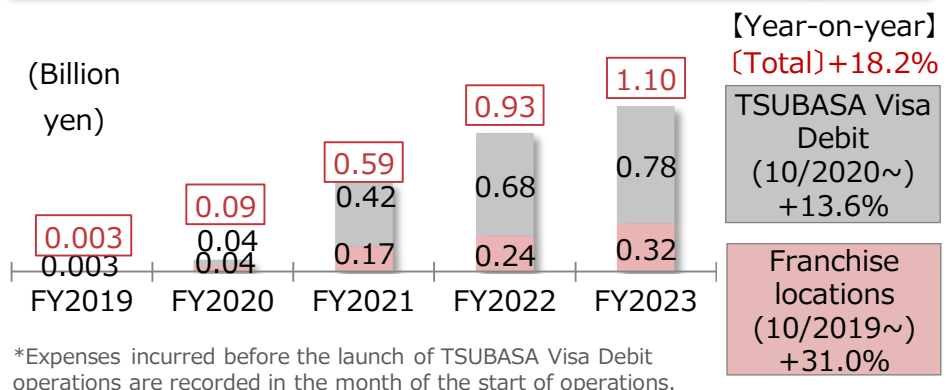


Expanding transactions with local governments and large chain stores to further strengthen the cashless base

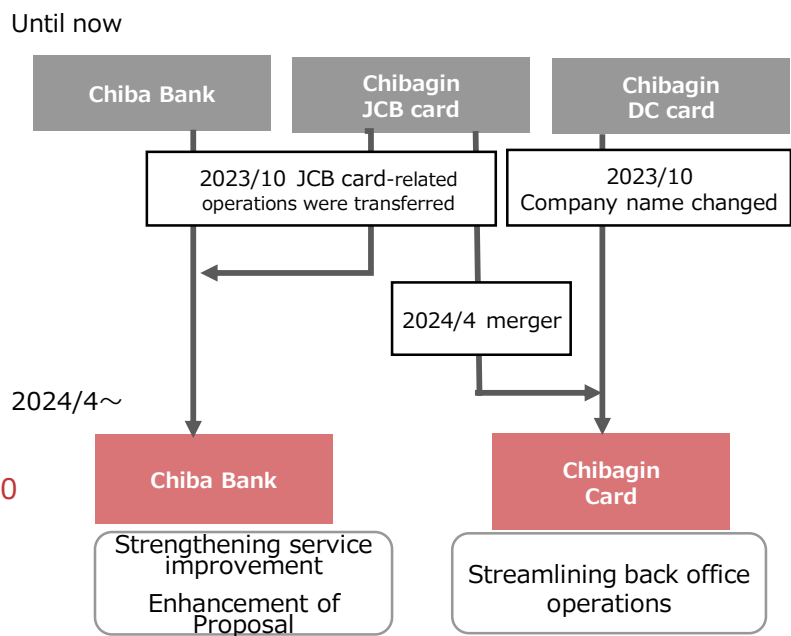
## Number of group cardholders and franchise locations



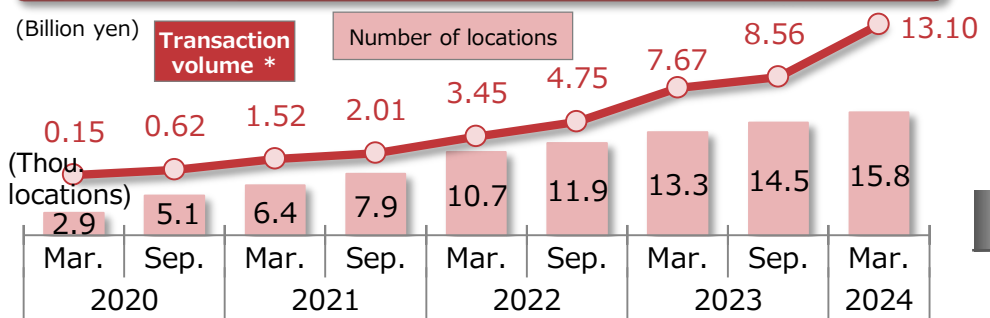
## Profit from new cashless operations



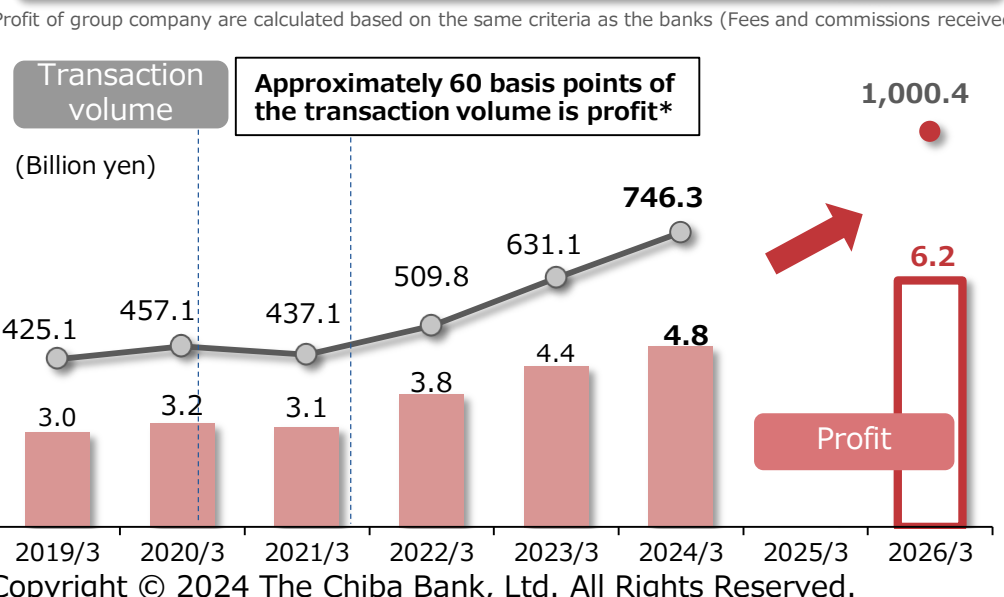
## Completion of group business restructuring



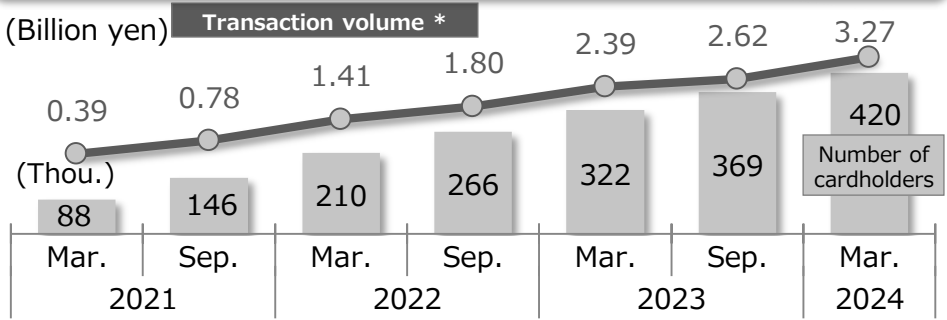
## Number of franchise locations and transaction volume



## Group transaction volume and profits



## Number of TSUBASA Visa Debit cardholders and transaction amount



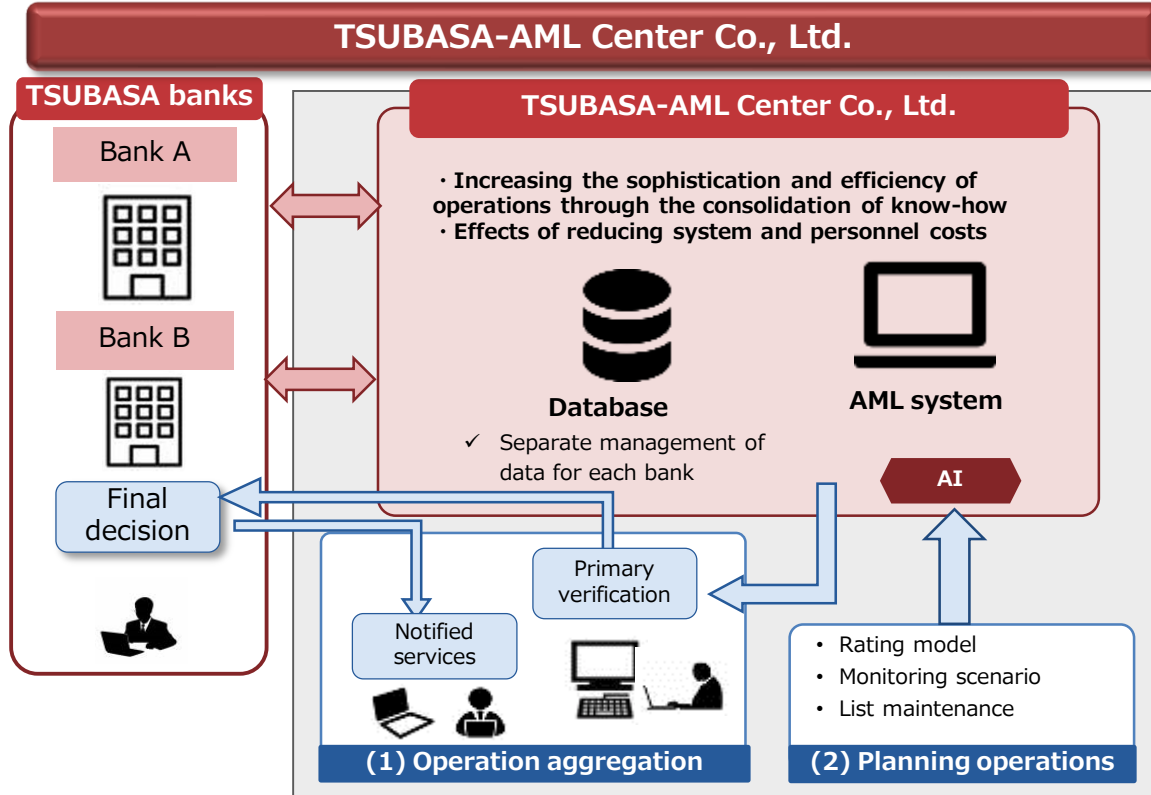
## New Initiatives

- Enhancement of point of sale register function
  - Linking point of sale register and payment terminals (For dispensing pharmacies)
  - Provision of mobile point of sale services
- Signing of agreement regarding referral of franchisees
  - Choshi Tourism Association (February 2024) → In the future, contracts to be signed with another tourism association
- Strengthening cooperation with app
  - Single sign-on connection from app to debit cardholders website (planned)
  - Application function (planned)





Started operation of new power plants through Himawari Green Energy

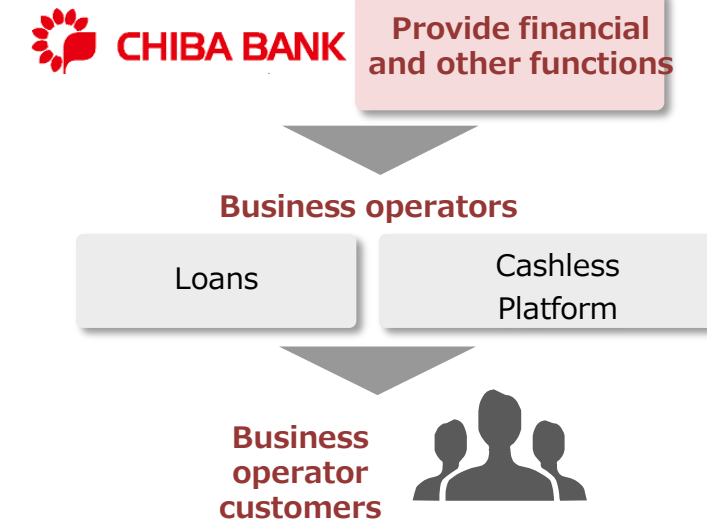


## Metaverse

New home showroom experience is offered by Metaverse

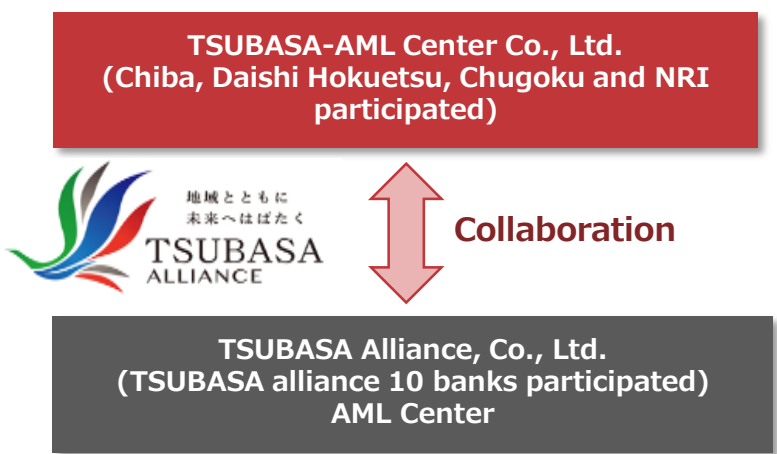
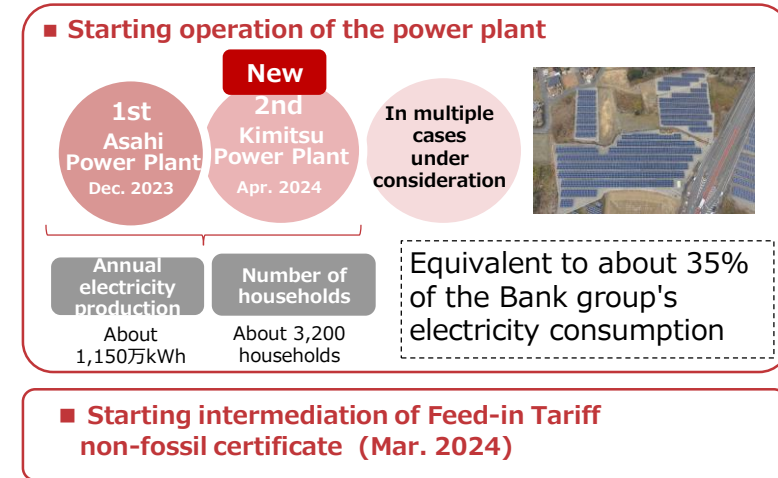
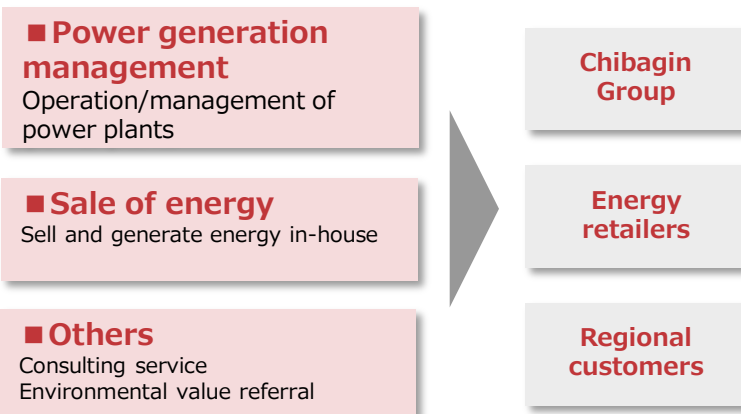


## BaaS business



## Energy business

Wholly-owned subsidiary  
Himawari Green Energy Co., Ltd.



Chibagin Market turned profitable as planned in its third year of operation, accelerating efforts for STEP 2 onward.

## Regional trading company: Chibagin Market

### STEP1 regional production

"Trigger regional revitalization" within Chiba

Crowdfunding



EC site



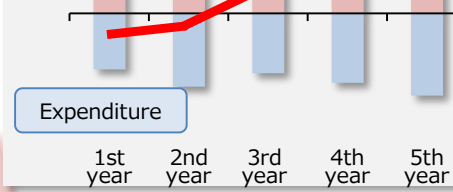
Branding



### Revenue image

Income

Income summary



Expenditure

1st year 2nd year 3rd year 4th year 5th year

Turn profitable in FY2023 (3rd year) as originally planned

### House purchase concierge

25-49 years old  
No housing loans with the Bank

About 1.6 mil. customers

About 4 mil. customers

1

Statistically grasped through e-mail marketing

**0.25 mil. customers (about 15%)**

have the potential to consider purchasing a home

Concierge service target

2

The bank's Digital Strategy Division is also using the database to identify potential homebuyers out of 4 million customers.

### Strengthening channels to approach targets

Website advertising

Landing page production

Owned media

### Auto leasing for individuals



Starting to provide services for group executives and employees

Service sophistication to be expanded to general customers

CHIBA BANK Chibagin Leasing

Chibagin Market

Identify needs and issues

Consideration of car concierge

Establishment of new business model that stands upstream of commercial distribution

CHIBA BANK

Uncover hidden needs through data utilization/personalization

Chibagin Market

CHIBA BANK



Chibagin Leasing

House purchase concierge service

CHIBA BANK

Chibagin Market

Realtors

Support consumption activity of new lifestyles and "Connect to life"

[Major Areas]



Health/nursing



Education



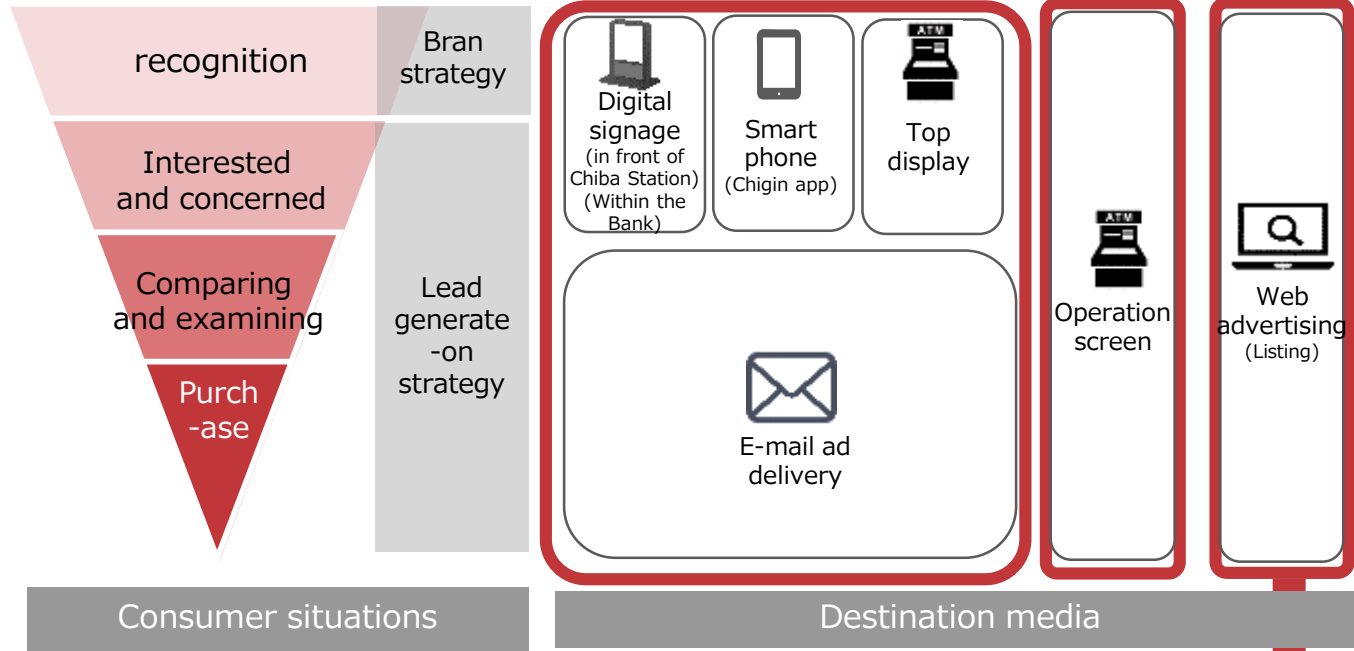
Food retailers

# New Businesses ③ (Advertising)

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

Providing services at every stage, from brand recognition to purchase of products and services by consumers

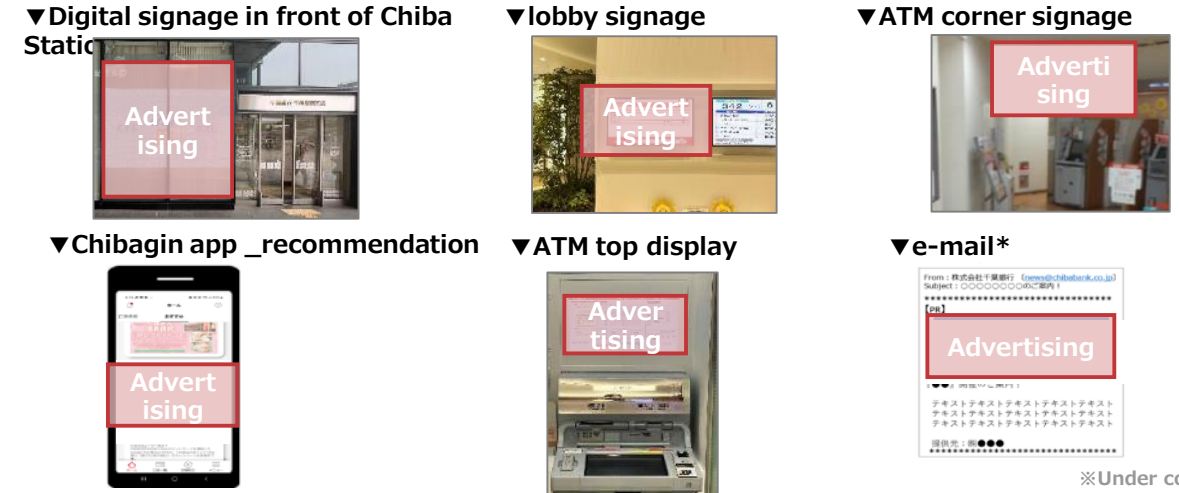
## Brand awareness and response media



## Advertising consulting services



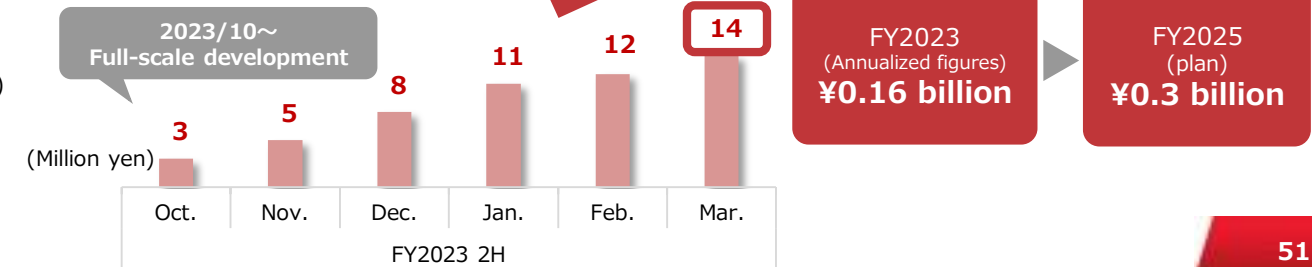
## Advertising media business



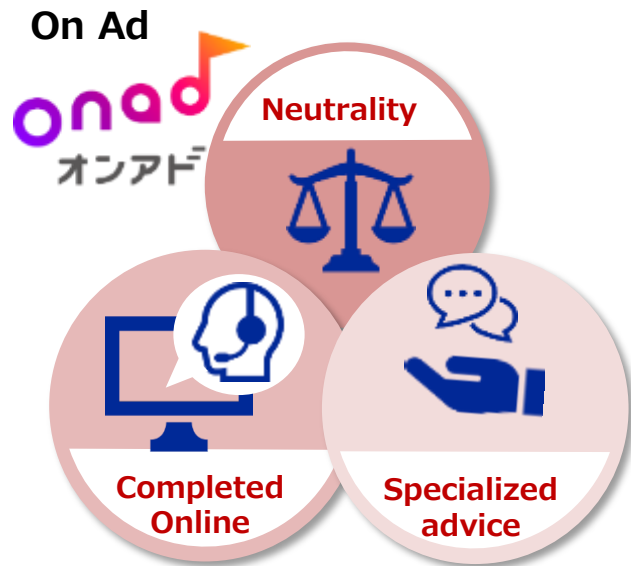
Type of media	Number of sites	Number of Ad space
Digital Signage in Chiba Station	One place	12 spaces
Branch lobby signage	152 stores	270 spaces
ATM signage	93 stores	270 spaces
ATM top display	12 stores	108 spaces
App (Number of Registrants)	1 million	3 spaces
<b>Total advertising spaces</b>		<b>663 spaces</b>

As of the end of March 2024  
Ratio of contract  
**About 34%**

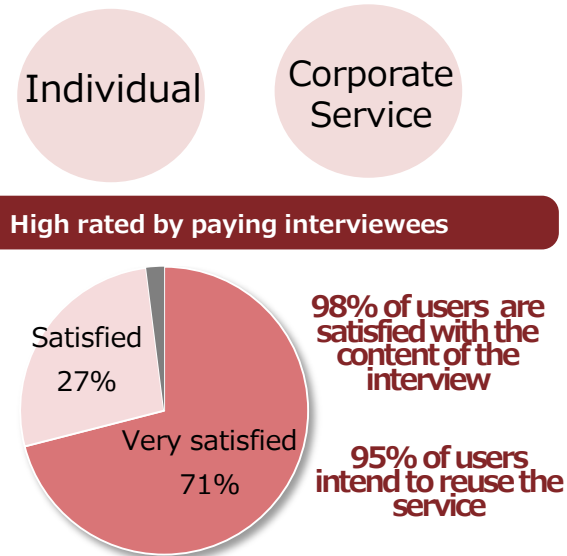
## Gross business profit



## Remote Financial Consulting Service: On ad

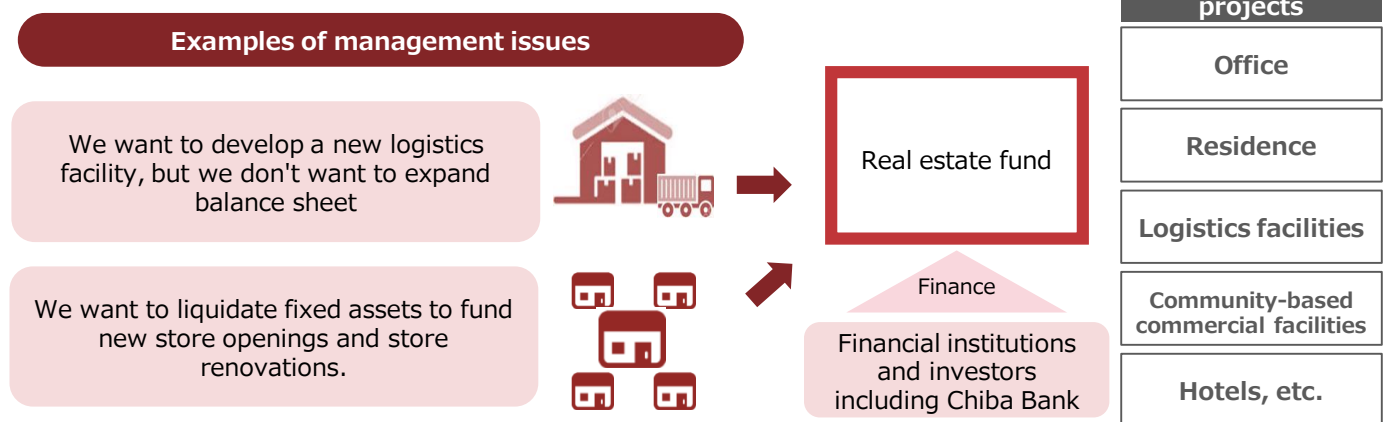


Contribution to "Financial Wellness"



## High-level solutions via real estate funds

Step-by-step expansion of the pipeline while deeply exploring each customer's management issues

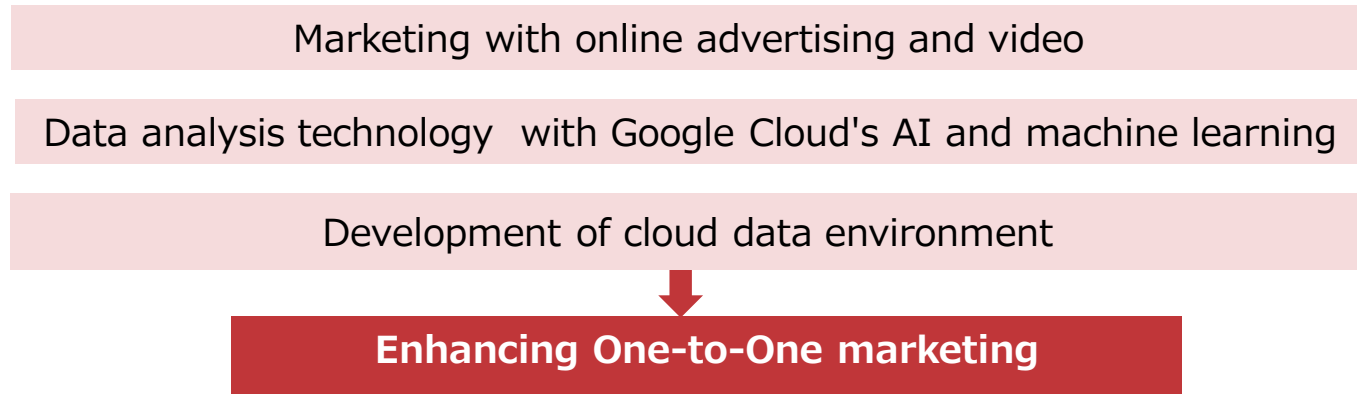


## Joint Business Plan (JBP) with Google Cloud

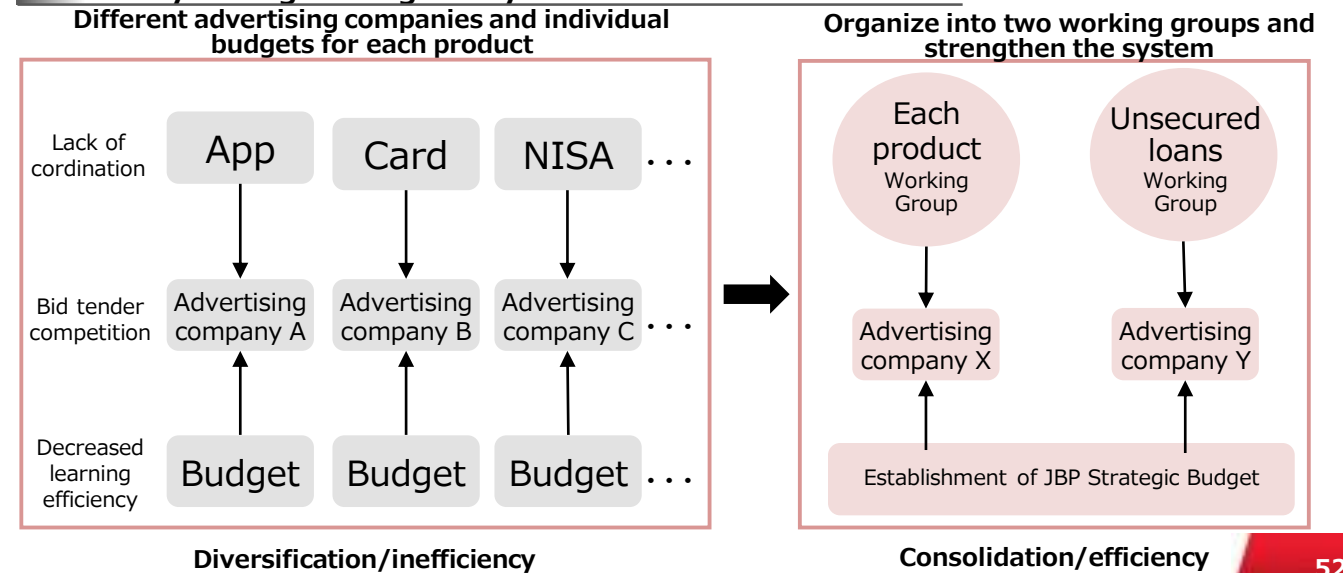
Agreed in January 2024 **New**



Utilization of Google's marketing tool, Google Cloud



## Accelerating the accumulation of know-how through JBP by strengthening the system





## Evolution of the customer-focused business model





## Developing an app that can solve any problem

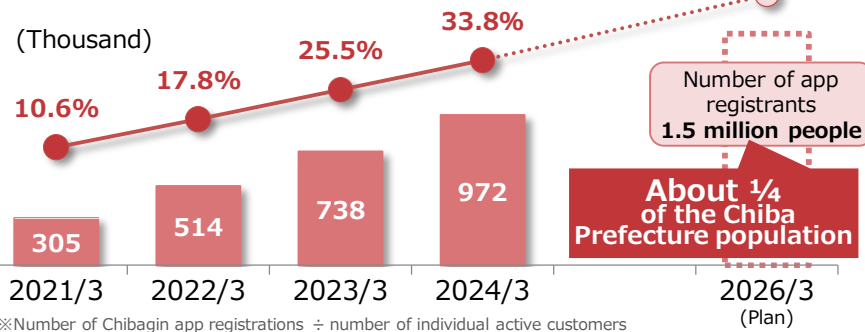
Solve any problem through a single channel



### Number of app registrations / penetration rate

#### Operating customer penetration rate\*

50.0%

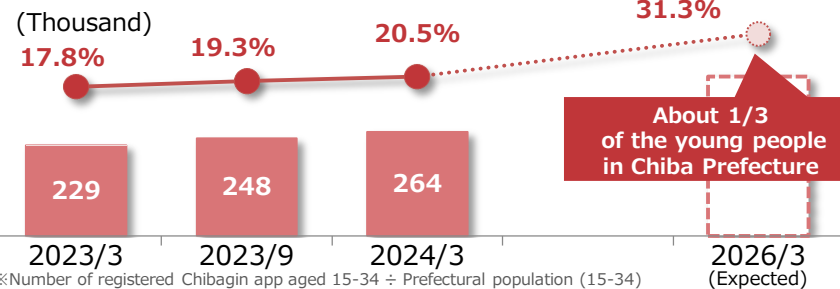


#### Number of app users per day 150 thou. people

※Number of users who used the app at least once

(As of the end of March 2024)

#### Penetration rate of young people (under 34 years old)\* in Chiba Prefecture



### Expand functionality

#### Familiar financial services via the app

Digitalize branch transactions

#### Fulfillment of financial services

Convenient and safe services

#### Connect to life

Collaboration with other services

### Increase customer contact points

#### Personalization

Transaction/asset visualization, proposals tailored to customers

### Improved UI/UX

#### Comfortable smartphone experience

Simple operation, exciting design

### Communication

#### Consulting anytime, anywhere

Smooth communication/coordination with in-person transactions

#### Implemented already

- Barcode payment
- Payments/transfers
- Balance/transaction statement
- Timed deposits/cancelations/account openings
- Online account openings/transfers

- Loan repayment schedule
- In-app loan
- Trust Inquiry
- Trust account openings
- Early repayment of residential loans
- Fund wrap balance

- Google Pay/Apple Pay
- Unified local tax QR
- API collaboration

- App promotion incorporating data analysis results
- Notice of debit schedule

- Customization
- Passbook mode (detail search, memo registration, etc.)
- Continual improvement of conducting wire, buttons, etc.

- Branch appointments
- Introduction of friends
- Advertisement delivery

#### Future plans

FY3/25

From FY3/26

- Public personal authentication
- Registration of public money receipt account
- Notifications
- Ongoing customer management
- Securities account balance
- Foreign currency deposits/insurance

- Collaboration with local governments, other industries, My Number system

- Asset/contract information listing
- Engagement tool

- Continual improvement of UI/UX
- Authentication collaboration to other channels

- Chat/online consulting, etc.

Portal site that is functional and easy to understand for all customers



- Portal site that is functional and easy to understand for all customers
- Implement functions that allow for administrative streamlining as an online branch (corporate transaction consulting)

Aim to be a familiar bank online and in-person



1

### Try the app

Complete transactions through the portal without needing to visit a branch

#### Deliver bank services

##### Concierge

##### Deposits

Complete transaction management online

- Account balance / transaction statement
- Transaction trends (graph)
- Compare account info
- Display account of other banks

##### Financing

- Borrowing reference
- Repayment schedule
- Account borrowing / repayment receipt
- Digitization of documents

##### FOREX

Smooth collaboration with Web-EB

##### Notifications, etc.

- Notification item change
- Balance certificate issuance

Introduce to all customers

2

### Understand services

Obtain the information you need, when necessary you need it

#### Provide solutions

##### Information delivery

##### Chibagin manual

- Information dispatch
- Seminar information
- Group solutions showcase
- CO2 emissions measurement

##### New services

- Improve collaboration with ext. services
- Online financing

#### Utilize contact points

Marketing

3

### Consult/apply

Properly solving company problems

#### In-person transactions

##### Advanced operations

- Improve existing customer relationships
- Strengthen consulting capability

#### In-person transactions

##### Virtual transactions

##### Digital contact points

- Maintain/increase transactions with net depositors and small accounts
- Acquire new customer segments

#### Improve operational productivity

Transaction channels suitable for customers

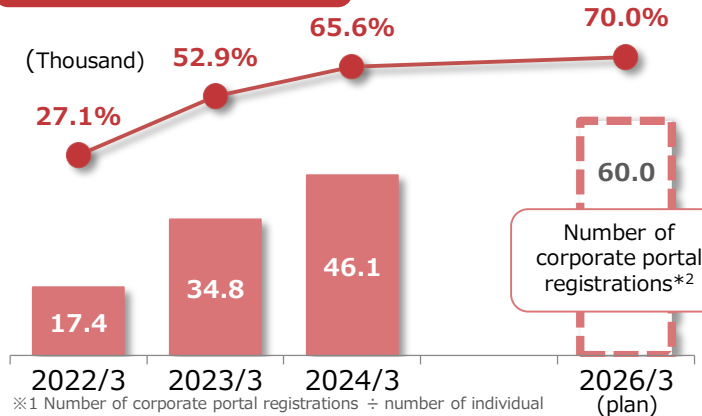
Personalized recommendations

Solid Line: actual results

Dotted line: future goal

### Number of portal registrations/penetration rate

#### Portal penetration rate\*1



\*1 Number of corporate portal registrations ÷ number of individual active customers

\*2 Excluding accounts that have no history of logging in

#### Addition of functions

- Chibagin e-Tax data entry (1/2024~)  
Online submission of tax return data filed electronically via e-TAX is available
- C-checker (9/2023~)  
Visualization of CO2 emissions from customers' business activities



Build an organization that creates new social value based on the "two human resources strategies"

## Purpose Vision

To create a local community better suited to bringing each person's hope to life  
 An Engagement Bank Group that works closely with the community

## Mission in the human resources section

**Human Resource Development Policy: Become someone who keeps fighting for the customer**  
 Based on our human resources development policy, we will actively invest in human resources development to enhance the capabilities of each and every employee of the Group, leading to the sustainable growth of the local community and the Group.

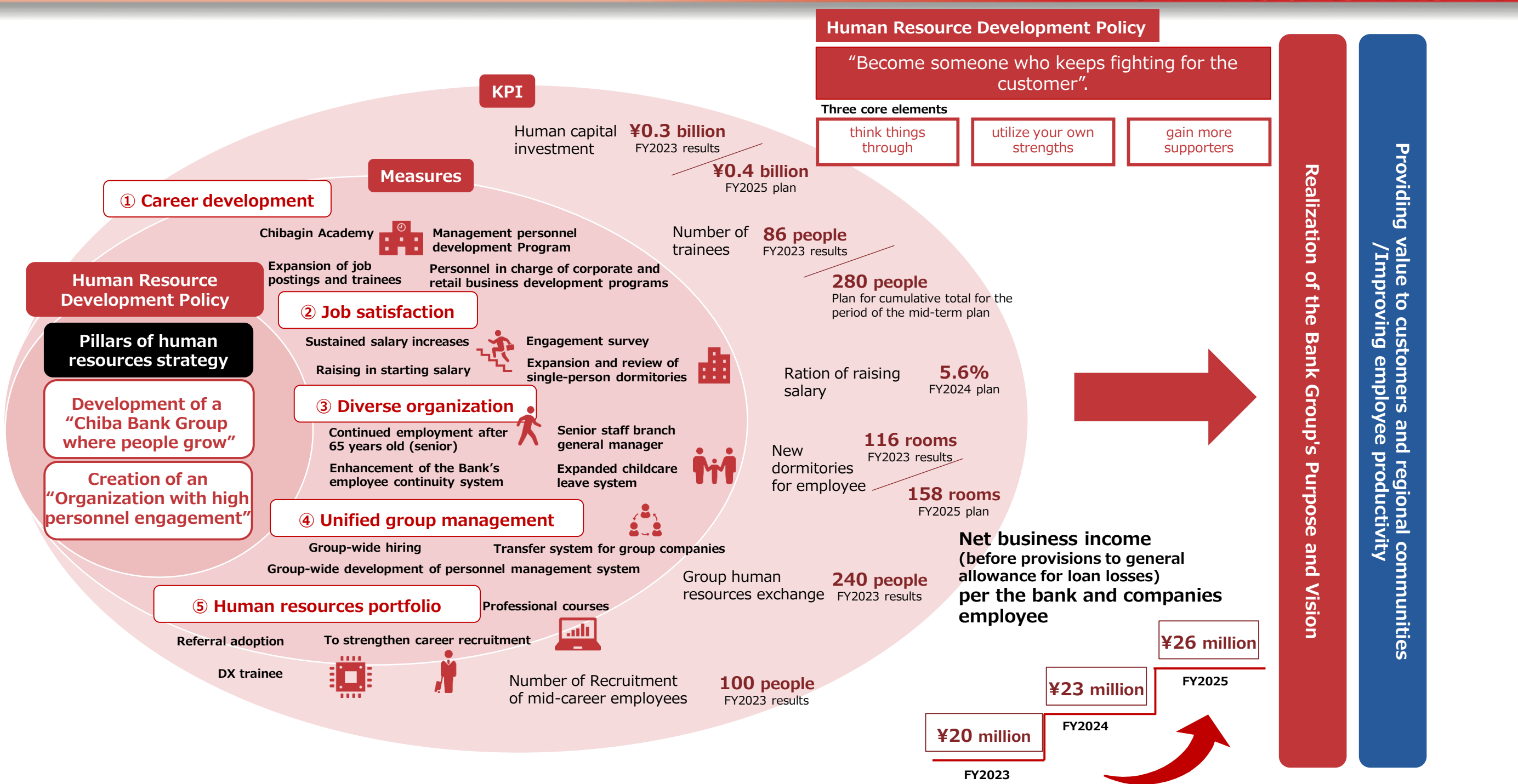
- ✓ Develop human resources approach people and work with sincerity as professionals
- ✓ Develop human resources who can think and act autonomously with empathy for the Purpose
- ✓ Respect each employee's hope and create a comfortable workplace

## The mid-term plan human resource strategy



## Major initiatives recently

① Career development	② Job satisfaction	③ Diverse organization	④ Unified Group management	⑤ Human resources portfolio
<ul style="list-style-type: none"> <li>➤ Support for growth Development of management personnel / personnel in charge of corporate and retail business</li> <li>➤ Support for Challenges Expansion of job posting and trainees</li> </ul>	<ul style="list-style-type: none"> <li>➤ Raising salary Raising starting salary Basic salary raising</li> <li>➤ Expansion and revision of dormitories</li> </ul>	<ul style="list-style-type: none"> <li>➤ Supporting the activities of senior and veteran employees</li> </ul>	<ul style="list-style-type: none"> <li>➤ Group personnel exchange Establishment of Transfer system from the group companies</li> <li>➤ Standardization of personnel management system</li> <li>➤ Unified group recruiting</li> </ul>	<ul style="list-style-type: none"> <li>➤ To strengthen career recruitment</li> <li>➤ Establishment of Professional courses</li> <li>➤ To Continue DX trainees</li> </ul>



Expansion of investment amount and number of employees trained (investment target) / Development of the system that enables diverse human resources to play an active role

## Personnel development

Previous Mid-term Plan results  
(2020/4~2023/3)

148  
people

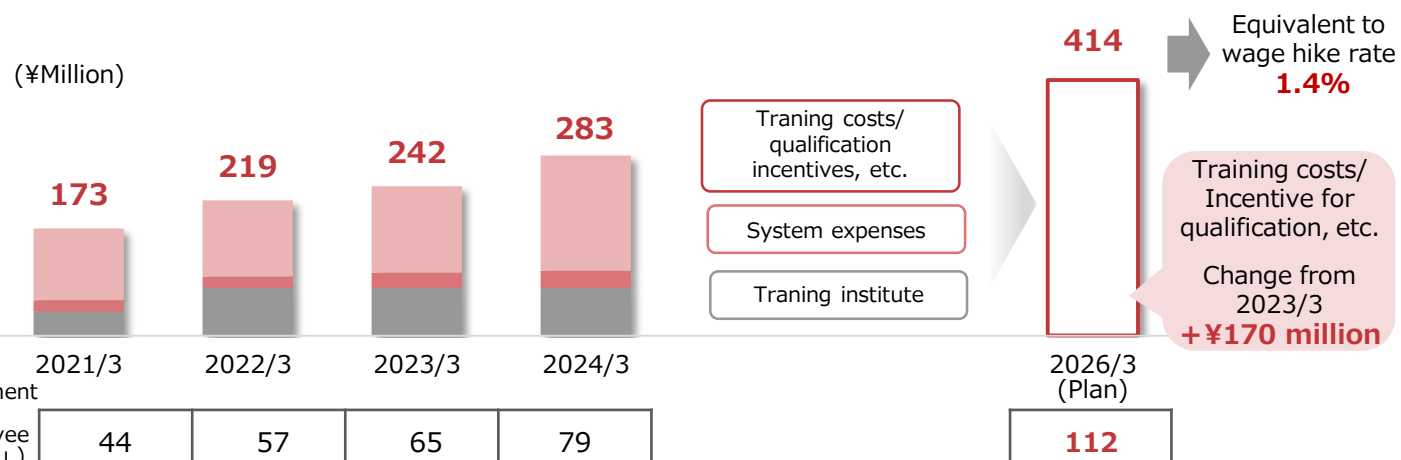
nearly  
**Doubling**

Current Mid-term Plan  
(2023/4~2026/3)

280  
people

	FY2023 results	Mid-Term Plan (cumulative total)
Corporate sales	10 people	50 people
Retail sales	10 people	50 people
DX personnel	25 people	60 people
External trainees dispatch	30 people	90 people
Management personnel	11 people	30 people
<b>Total</b>	<b>86 people</b>	<b>280 people</b>

## Human capital investment



## Introduction of a new personnel system (from April 2024)

### Professional courses

Establishment of job/specialist-type personnel system

- Appointed in specialized fields
- Job-based salary only
- Design to increase the range of bonuses due to job performance

• Expansion of career recruitment of highly-skilled specialists

• Retention of existing professionally oriented the bank employees

### Transfer system from the group companies

Group companies → Transfer to the Bank

• Relocation of employees within the group for existing group companies employees with high motivation and ability

• Expanding dif. Between consolidated and non-consolidated through the revitalization of the group companies

## Measures to raise salary for each level

### Basic salary increase

Policy to implement the average salary raise of 5.6% (July 2024)

### Supporting the activities of veterans

[ Bank employees (over 55 years old) ]  
• Increase the position promotion of employees over 55 years old

[ Senior (over 60 years old) ]  
• Position promotion system  
• Introduction of bonuses  
• Continuing system over 65 years old

### Raising in starting salary

0.23  
million  
yen

0.26  
million  
yen

From April 2025

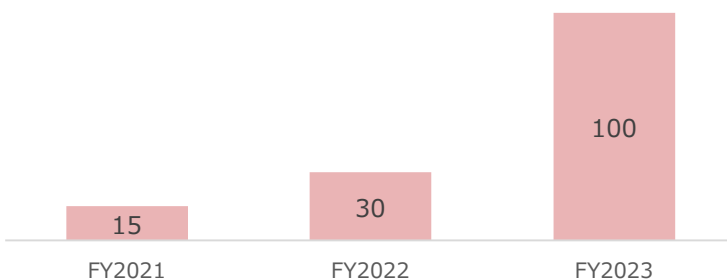


Expansion of investment amount and number of employees trained (investment target) / Development of the system that enables diverse human resources to play an active role

## Recruitment of mid-career employees

### Career hiring trends

(People)



※Includes temporary employees, dispatched employees, and employees on secondment.

### Recruitment channel

Recruitment consultancy service

Advertising placement

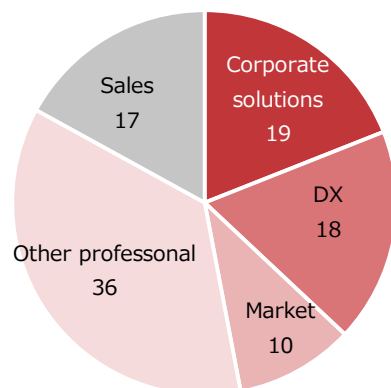
Scouts from job information websites

Referral

Direct application from websites

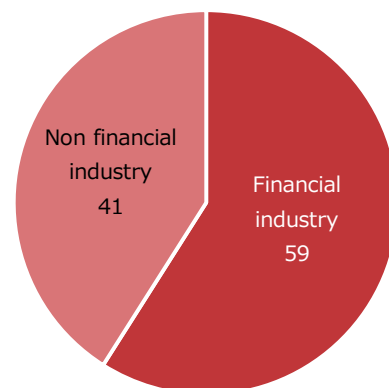
### Breakdown of recruited career

(People)



### Breakdown of former industry

(People)



## Group unified human resources management

### Unified group recruiting (new graduates joining the bank in April 2024)

- Chigin Computer Service (CCS)  
Joined the bank as the engineer course (13 employees) and assigned to CCS
- Chibagin Securities and Chibagin Leasing: Hired in the same course as the bank general employment

### Enhancement of group human resources management (from April 2024)

Introduction of the bank-implemented talent management system to all group companies

- Implementation of group unified personnel measures
- Deepen understanding of personnel among group companies and work closely with together

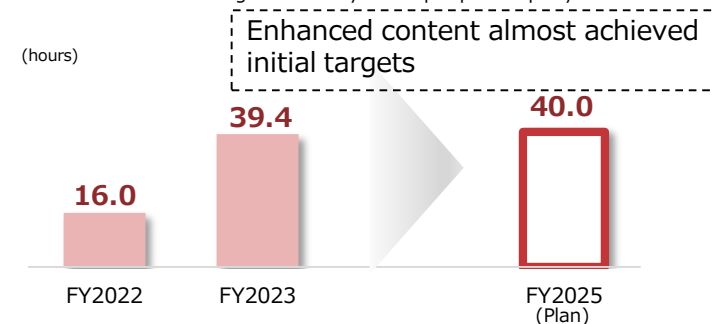
## Chibagin Academy

Launched in April 2023, and released more than 6,000 titles under 1,511 titles.

※Plan to expand the content in the future

### Learning time results

※ Calculated on average total study hours per person per year



At any time, anywhere, or many times

Unify learning tools

Individualized training programs

# Achieving Sustainable Management



Achieve both social value and economic value through our long-term aims

**Sustainable management = "long-term aims" + "economic value + social value (solving social issues)"**

## Chiba Bank Group declaration on SDGs

### Regional economy and community

Contribute to the revitalization of the regional economy and local communities



### Aging population

Support safe and secure lives for the elderly



### Financial services

Provide financial services for better life



### Diversity

Promote diversity and work style reforms



### Environmental conservation

Contribute to the conservation of a sustainable environment



## External evaluation

### CDP score for climate change



◆ Global average :「C」

### 2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)



The inclusion of The Chiba Bank, Ltd. in the MSCI Index or the use of the MSCI logo, trademark, service mark, or index name does not mean that MSCI or its affiliates sponsor, recommend, or advertise The Chiba Bank, Ltd. The MSCI Index is the exclusive property of MSCI. The names and logos of MSCI and the MSCI Index are trademarks or service marks of MSCI or its affiliates.



Platinum Eruboshi acquisition



Platinum Kurumin Plus Certification



Contribute to the sustainable development of the entire Chiba prefecture through regional decarbonization

### Chibagin Group Carbon Neutrality

#### Activities of Chibagin Group

- Utilization of Himawari Green Energy
- Expand use of renewable energy
- ZEB/energy-saving branches
- Installation of LED lights
- Introduction of hybrid vehicles
- Installation of solar power generators

**Become carbon neutral by March, 2031**  
※SCOPE1+SCOPE2 emissions of the Bank

#### Collaboration with local governments

- Comprehensive SDGs partnership agreements
- Increase number of companies registered as Chiba SDGs Partners
- Support for areas advancing decarbonization
- Promotion of Chiba SDGs Utilization of network

#### Support for customers' decarbonization

##### Support for SDGs Management

- Incorporate ESG issues into business evaluations
- Business succession consulting

##### Carbon-neutrality consulting

- Greenhouse gas emission measurement support
- Solar power generator installation support

- Sustainable housing support discount
- Discount SDGs loans

Corporate Customers

Retail Customers

**2050 Sustainable development of Chiba prefecture**

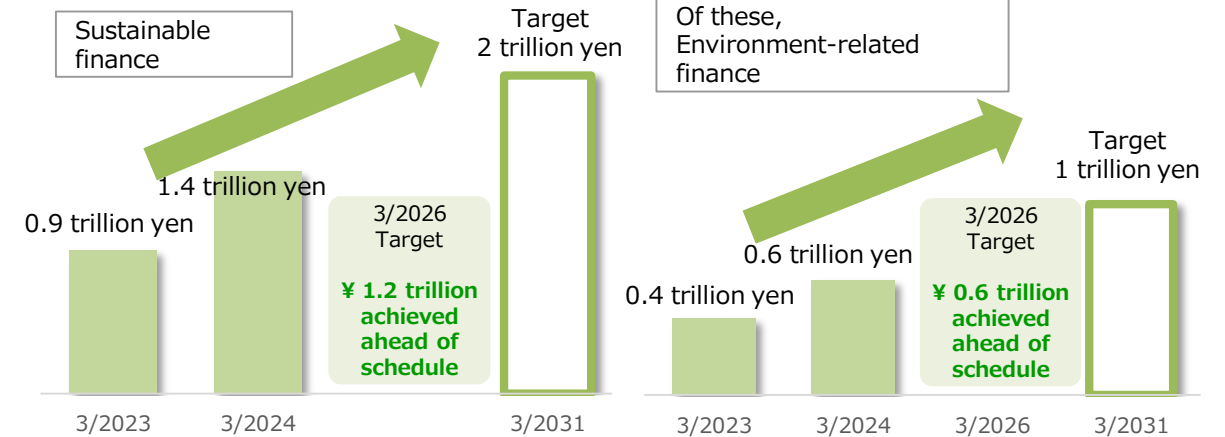
**Entire prefecture becomes carbon neutral**

Annual power generation through renewable energy financing and project finance (Domestic cumulative total)  
**About 2.35 million households**  
 (Cumulative total within Chiba prefecture)  
**About 0.55 million households**  
 (About 20% of the 2.8 million households in Chiba Prefecture)

### Solution

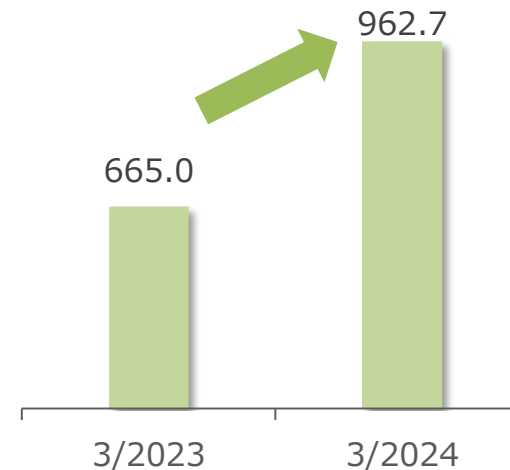
#### Cumulative amount of sustainable finance executed

(amount achieved from April, 2019)



#### Balance of sustainable finance

(billion yen)



#### C-checker

- ✓ Visualization of CO2 emissions from customers' business activities
- ✓ Free of charge for Chibagin Business Portal subscribers

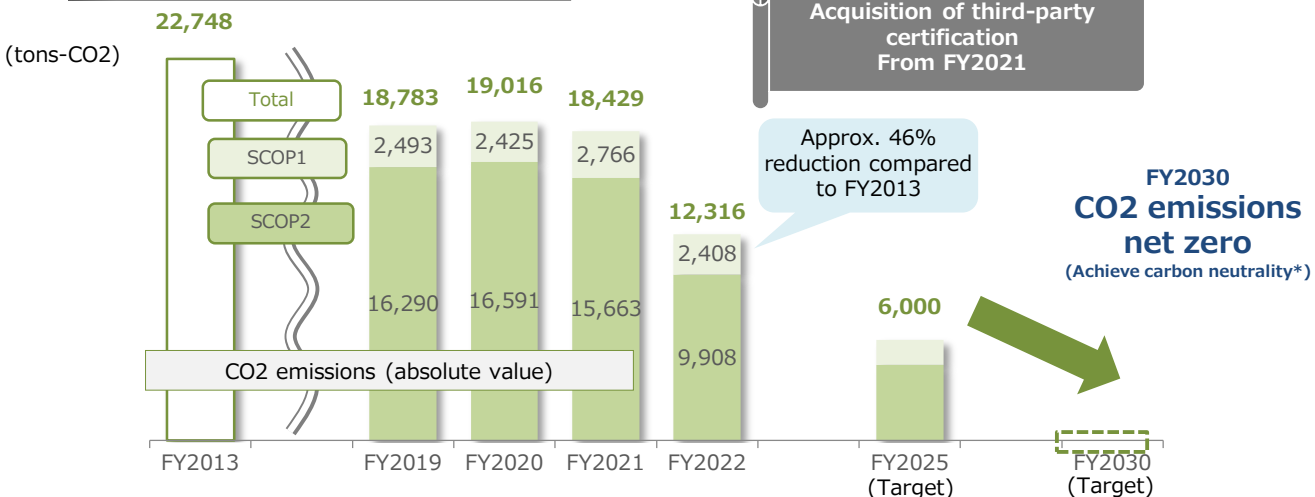


Responding to climate change (initiatives related to the TCFD recommendations)

CO2 emission

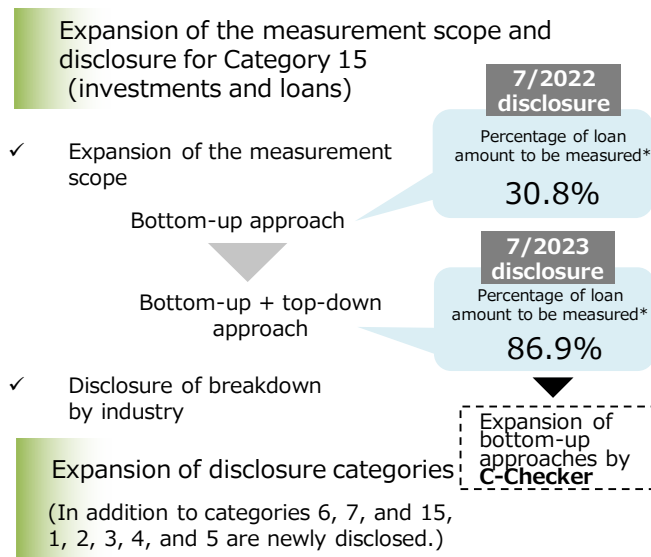
※Subject to SCOPE1+SCOPE2 associated with own emissions

SCOPE1 · SCOPE2

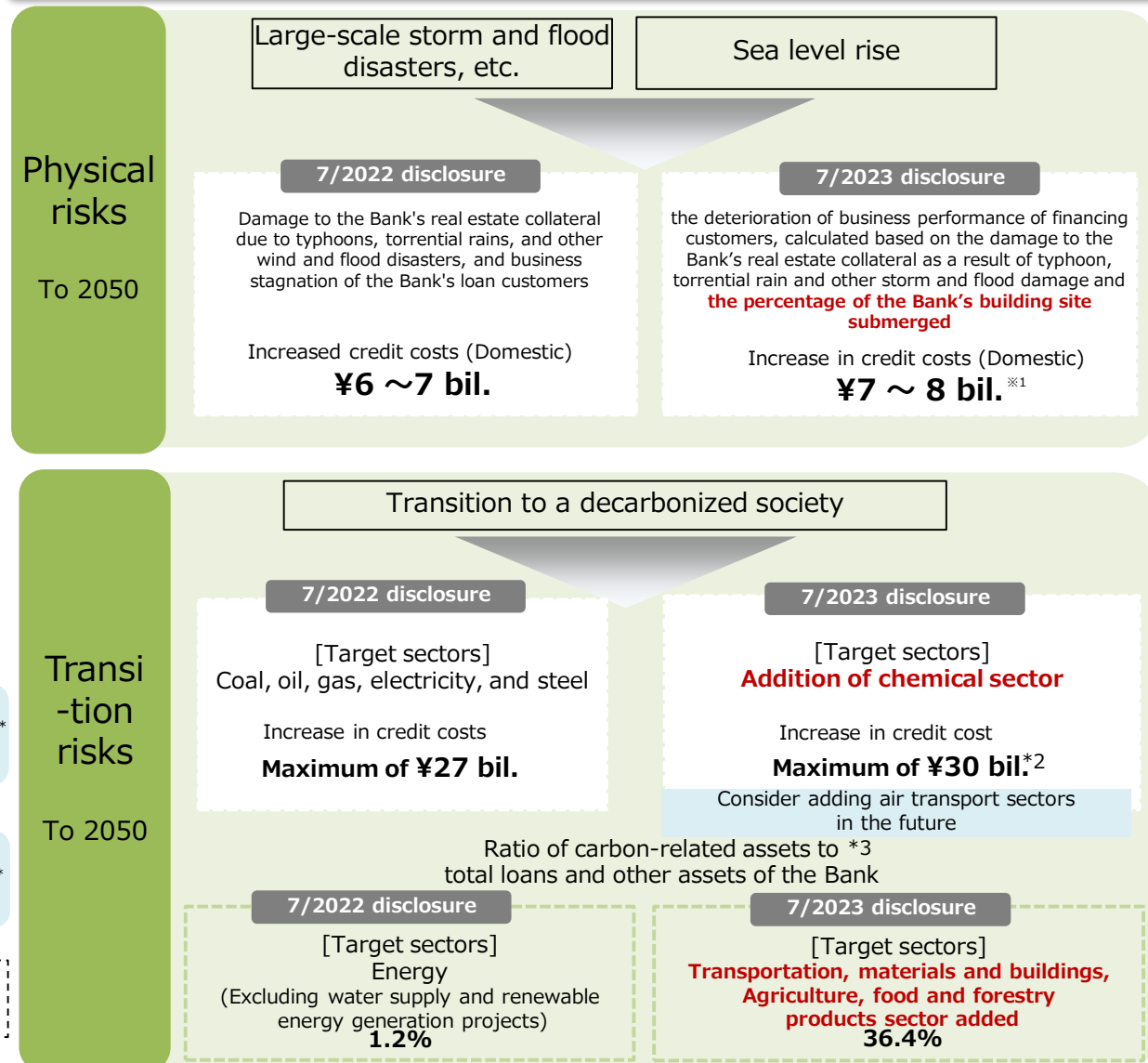


SCOPE3

	Carbon strength (t-CO2/million yen)	Amount released (t-CO2)
Category 15 total* (investments and loans)	-	12,622,906
Of which beverages and foods	3.78	499,479
Of which, metals and mining	10.26	1,776,486
Of which, chemicals	4.90	450,184
Of which oil & gas	7.50	76,030
Of which, construction materials and capital goods	5.12	555,363
Of which, automobiles	4.44	45,657
Of which, electricity	29.08	678,320
Of which real estate management and development	0.68	462,983
Of which, land transport	3.83	550,927
Of which, marine transport	16.77	267,452
Of which air transport	12.14	27,555



Scenario analysis of climate change risks



\*1 Calculated based on IPCC RCP4.5 and RCP8.5 scenarios (4°C scenario).  
 \*2 Calculated based on IEA's NZE scenario and NGFS's Net Zero 2050 and Below 2°C scenarios.  
 \*3. Total of loans, acceptances and guarantees, foreign exchange, private placements, etc. as of March 31, 2023. 1.4% of loans as of March 31, 2023 were to sectors subject to the 2022/7 disclosure.



Strengthening the promotion of diversity as a corporate strategy, supporting initiatives that contribute to regional revitalization

## Indicators related to diversity

	FY2021	FY2022	FY2023	Target in 2026 July
Percentage of leadership positions held by women* (No. of persons)	25.5% (492)	27.2% (523)	28.4% (551)	<b>30%</b>
Percentage of supervisory and managerial positions held by women (No. of persons)	16.8% (112)	17.9% (120)	18.8% (126)	-
Percentage of employees taking paid leave	72%	77.1%	83.5%	<b>80%</b>
Percentage of men taking child-care leave	102.9%	113.8%	112.8%	<b>100% ongoing</b>

\*Staff with subordinates and staff in equivalent positions, such as branch manager, who are responsible for organizational management as responsible for operations.

## Regional development

### Regional revitalization project

#### Tourism business support

- In addition to the Narita Night Time Economy Creation Project (right image), support is also provided for the efforts of local governments and companies in the prefecture.
- In addition to the Chiba Bank, the Chibagin Market and the Chibagin Research Institute are working together to promote the project.



#### Chiba City Monorail vitalization project

- Crowdfunding supported along railway lines and seven projects achieved their target monetary value.

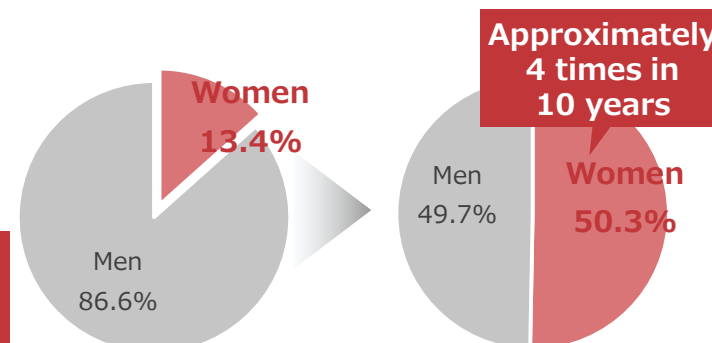
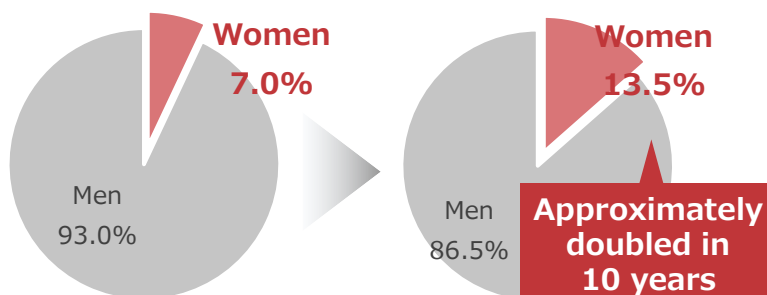
## Chiba Gastronomy AWARD

### Percentage of women branch General Managers

### Percentage of women branch Senior Deputy Managers

10 years ago (July 2013) Present (July 2023)

10 years ago (July 2013) Present (July 2023)

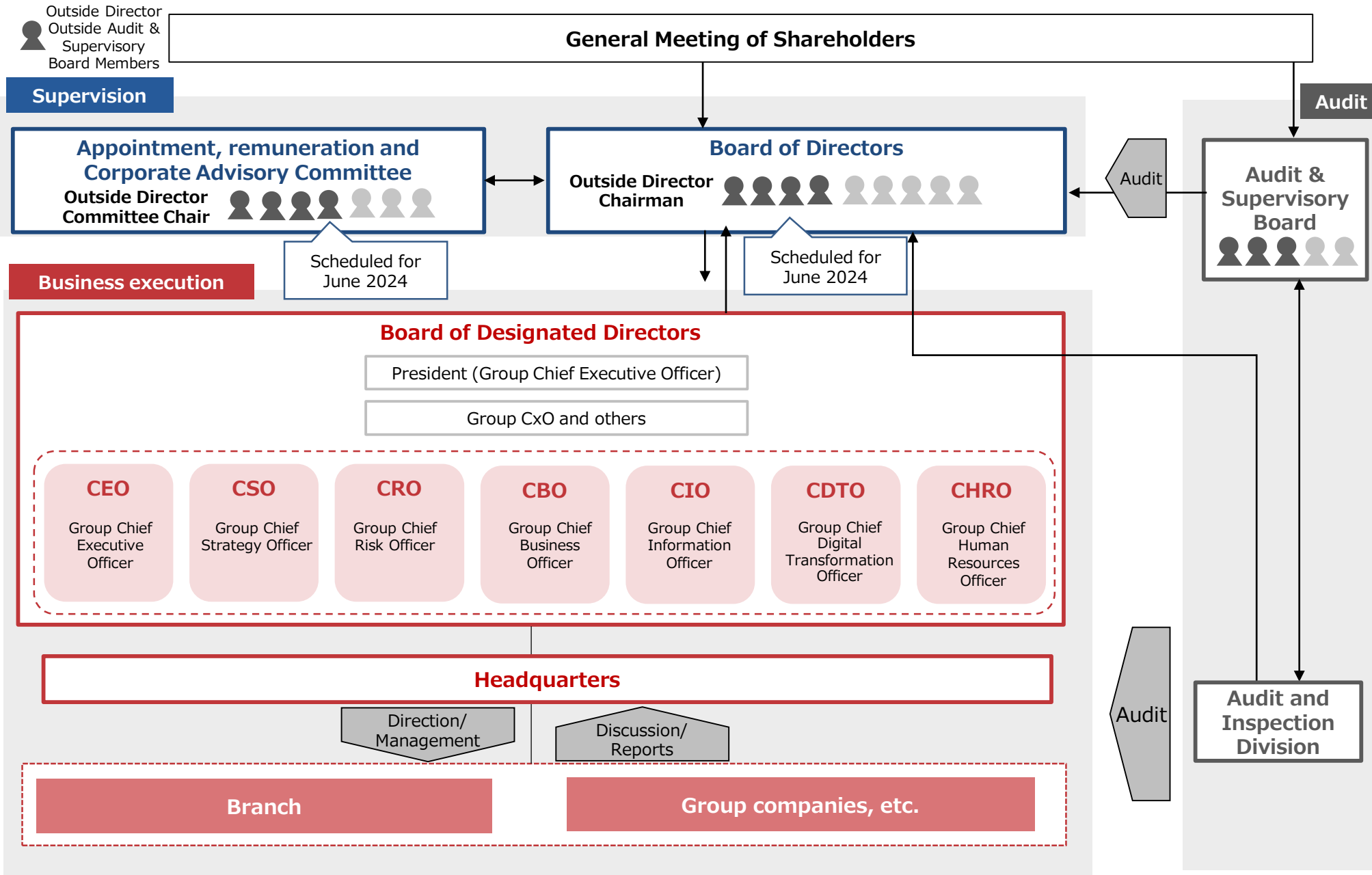


- ✓ "Chiba Gastronomy AWARD" was implemented to discover restaurants and producers that fully express the appeal of Chiba's food
- ✓ From among more than 500 entries, decided on Top 30 of each the restaurant division and the producer division

February 2024  
"Chiba Gastronomy Award"  
implemented presentation and award ceremony (crowdfunding)



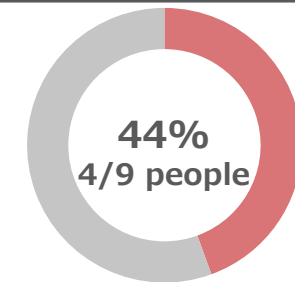
## Strengthen efforts to enhance governance



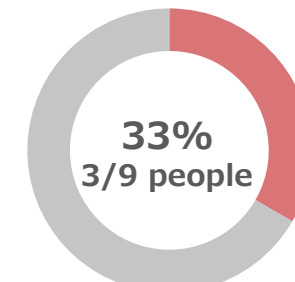
### Advanced Governance / Diversification of the Board of Directors

- New** Changed the Chairman of the Board of Directors to an Outside Director (April 2024)
- New** Appointed the Bank's first representative director (April 2024)
- New** Shorting terms of office for directors (2 years ⇒ 1 year) (scheduled for June 2024)
- New** Introduced Performance-Linked Restricted Stock Remuneration Plan (scheduled for June 2024)
- New** Increasing the ratio of outside directors (scheduled for June 2024)

### Ratio of Independent Directors (scheduled for June 2024)



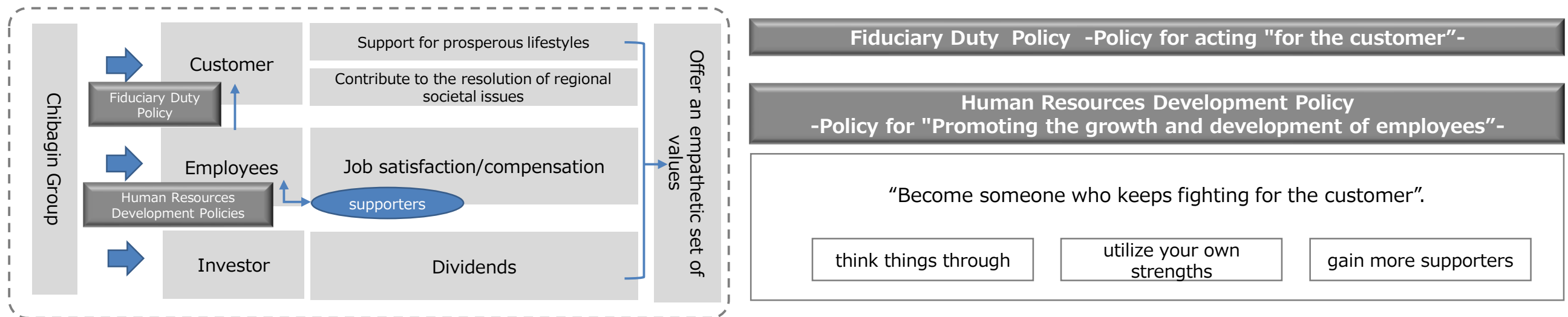
### Ratio of Female Directors



# Progress of Business Improvement Plan



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



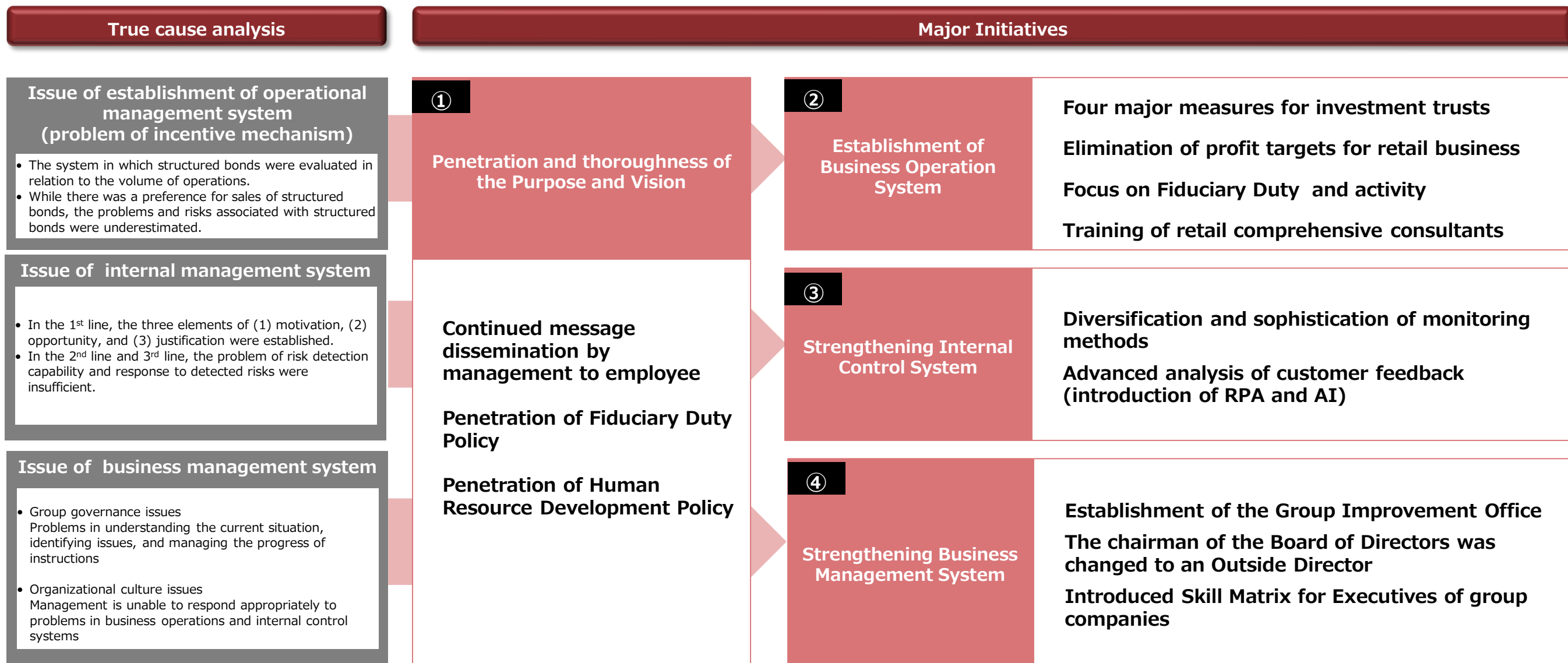
**Three Pledges - Action principles for the achievement of the Purpose and the implementation of fiduciary duty-**

Whenever making a proposal to a customer or making a business decision, we always stop and think, will this proposal or decision lead to

- the realization of the customer's wish
- a solution to the customer's problem
- the realization of prosperous lifestyles for the customer

**Vision** An Engagement Bank Group that works closely with the community

The most important initiative is the penetration and thoroughness of the Purpose and Vision etc., which are common to all issues.

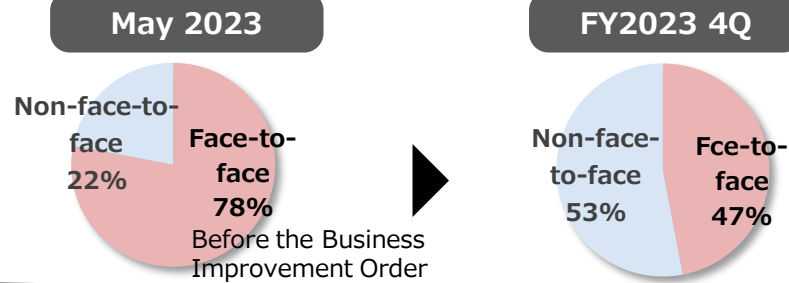




Business improvement measures have significantly changed how individual business should be/ Internal and external indicators are monitored to promote effective improvements

## Status of Activities

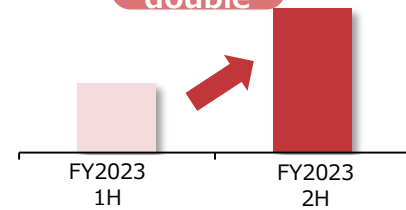
### Changes in channels (sales of investment trusts)



### Change in activity volume

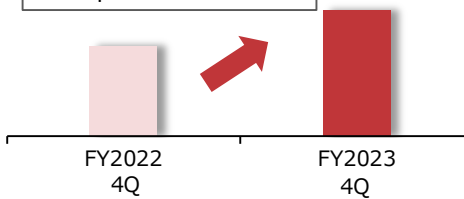
Number of effective interviews with retail customer

Approx. double



Sales result of financial products

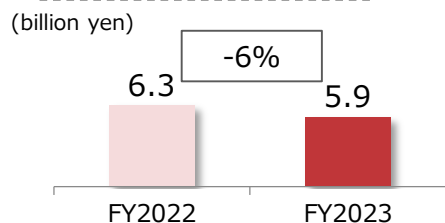
4Q results turned to positive YoY



### Revenue from retail business

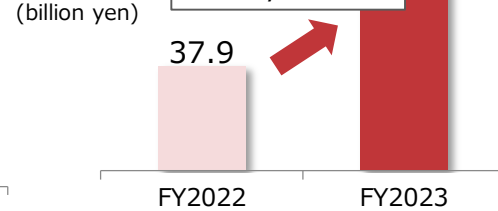
Sale of financial products

Investment trust sales revenue turned positive YoY in 4Q



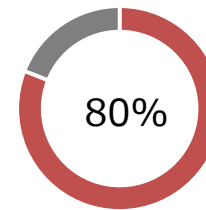
Entire retail business

+2.1 billion yen



## Gathering of internal opinions

### Employee engagement



Sympathize with the Chiba Bank Group's Purpose and Vision

### Other Initiatives

Hearings through Purpose and Vision Penetrate Project Team

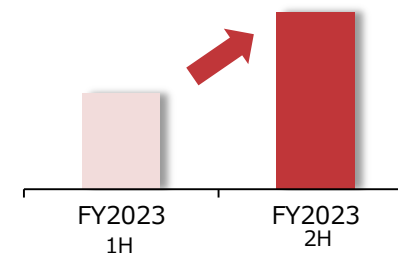
Compliance questionnaire

Internal hotline system

Fiduciary Duty hearing

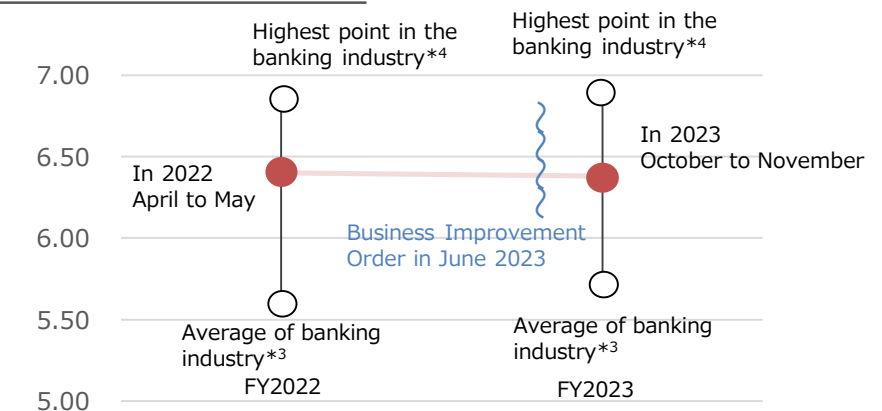
## Gathering of external opinions

### Improvement in customer satisfaction (NPS\*1)



\*1 NPS® is registered trademark of Bain & Company, Fred Reichheld, NICE Systems, Inc.

### CX index \*2



\*2 CX index is based on CXMM® of Nomura Research Institute, Ltd. CXMM® is a registered trademark of Nomura Research Institute, Ltd. <https://www.nri.com/jp/service/solution/fis/cxmm> (Japanese)

\*3 CX Benchmark Survey FY2023 is a survey conducted by Nomura Research Institute, Ltd. Implementation period: FY2022 figures are for December 2021, and FY2023 figures are for December 2023.

\*4 The highest score among banks that introduced CXMM® in the most recent year since the completion of the survey analysis for each year of Chiba Bank

### Other Initiatives

Customer interviews with headquarters staff

Advanced analysis of customer feedback

# List of Major Measures

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

① Penetration and thoroughness of the Purpose and Vision	Implementation timing	Implementation*1	Add*2
Displaying the Purpose and Vision on internal PCs and business cards	September 2023	●	
Reviewed Fiduciary Duty Policy, established Fiduciary Duty Handbook	October 2023	●	
Established Three Pledges	October 2023	●	●
Monthly Fiduciary Duty study meeting by all employees	October 2023	●	
Career support based on human resource development policies at personnel interviews	October 2023	●	●
Discussion by project team (two subcommittees in the bottom)	December 2023	●	●
On the 23rd of every month, distributed video messages by Directors	December 2023	●	
Start of Fiduciary Duty hearing	December 2023	●	●
Senior management and compliance training	December 2023	●	
Implemented Fiduciary Duty Special Award	2H of FY2023	●	●
Linking performance reviews to human resource development policies	April 2024	●	●

② Establishment of the operational management system	Implementation timing	Implementation*1	Add*2
Implemented the four major measures concerning investment-type financial instruments	proposal ability	April 2023	●
Specialist training in retail comprehensive consulting	proposal ability	April 2023	●
Training and video distribution for Fiduciary Duty, behavioral change to focus on activity volume	Incentive	September 2023	●
To eliminate banks' profit targets for the retail business	Incentive	October 2023	●
Eliminated return of profits incentives completely from the Securities transactions based on the Bank referrals	Incentive	October 2023	●

\*1 Including ongoing measures after implementation  
**[All 57 measures (major measures are listed on this page)]**

\*2 Addition from business improvement plan originally submitted  
**[Additional Nine measures (based on notices)]**

\*3 The measures that have not yet been implemented are highlighted  
**[Three measures not yet been implemented (ongoing)]**

③ Strengthening internal control system	Implementation timing	Implementation*1	Add*2
Conducted engagement survey	1st line	September 2023	●
Opened Chotto line to group companies		September 2023	●
Newly established practical training for newly appointed internal administration supervisors		October 2023	●
Introduced conformity verification tools		March 2024	●
Introduced 360-degree evaluation to group companies		1H of 2024	
Review of the 2nd line system (establishment of the Customer Support Monitoring Office)	2nd line	October 2023	●
Customer interviews by headquarters staff about sales of financial products		December 2023	●
Advanced analysis of customer feedback (introduction of RPA and AI)		September 2024	
Diversification and sophistication of monitoring methods (Phone recording system, voice and video recording of visits,)		September 2024	
President as in charge of the Audit Department and deeply involved in PDCA		October 2023	●
Introduced culture audits	3rd line	March 2024	●
Through participation in the meetings of the Securities Audit Department by the Bank's Audit Department, strengthening group cooperation in the auditing department		September 2023	●

④ Strengthening Business Management System	Implementation timing	Implementation*1	Add*2
Dispatch of Directors and general managers from the bank to the securities	Group governance	April 2023	●
Establishment of the Group Improvement Office		October 2023	●
Implemented customer satisfaction surveys for all group companies customer		November 2023	●
The chairman of the Board of Directors was changed to an Outside Director		April 2024	●
One on One meeting with the president of group company presidents		September 2023	●
Opinion exchange meetings between the bank Directors and group companies	Organizational culture	September 2023	●
Introduced Skill Matrix for Executives of group companies		April 2024	●

# Appendix

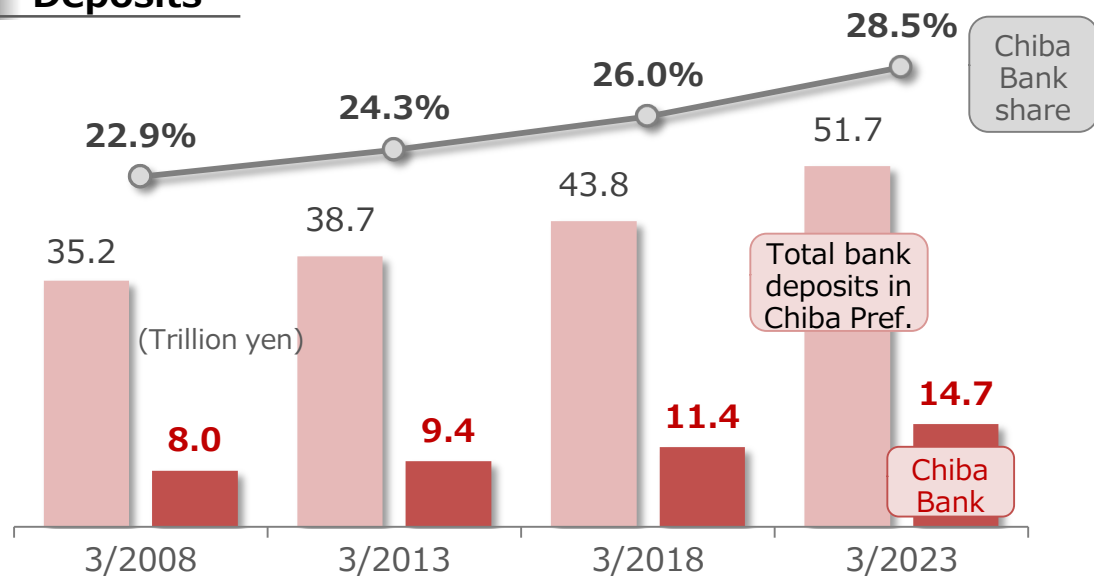


Establishing an overwhelming operating base in Chiba Prefecture

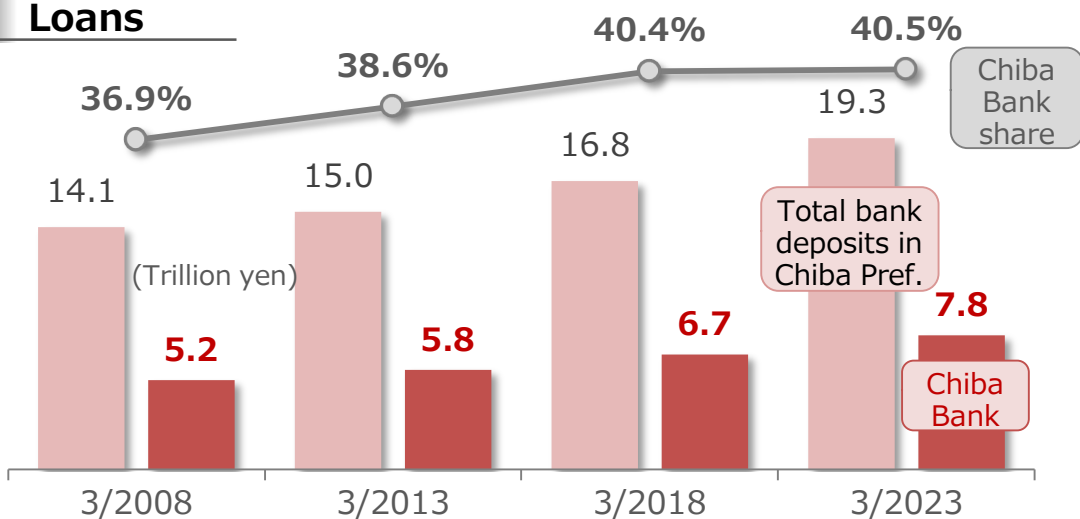
## Loan and deposit balances in Chiba prefecture / share

### Deposits

Source: Finance Journal

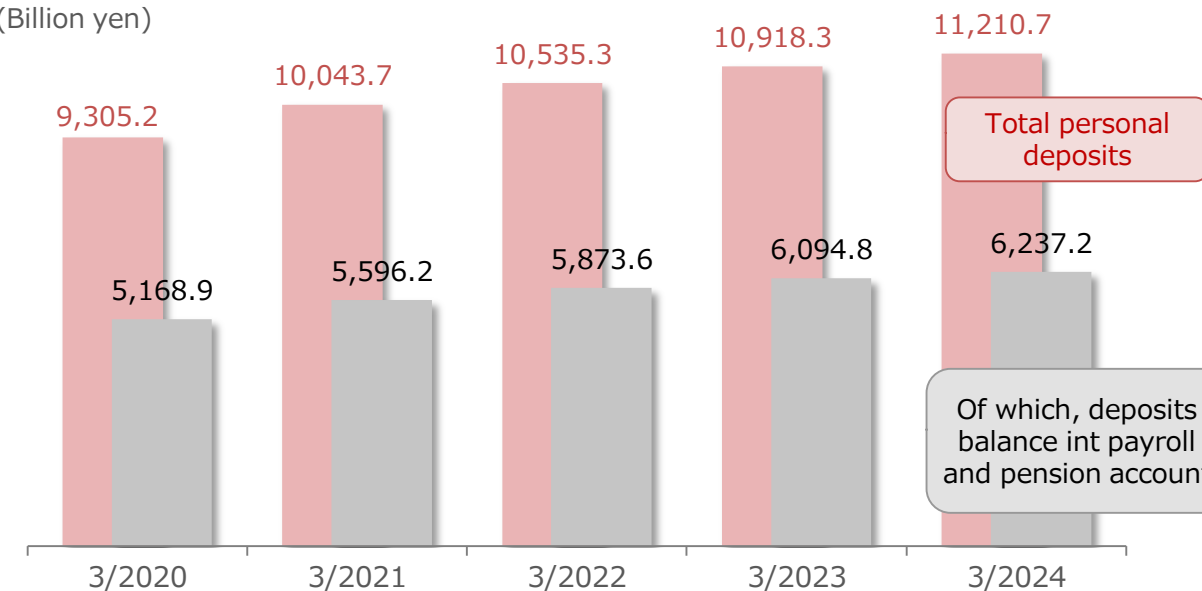


### Loans



## Trends in personal deposits balance

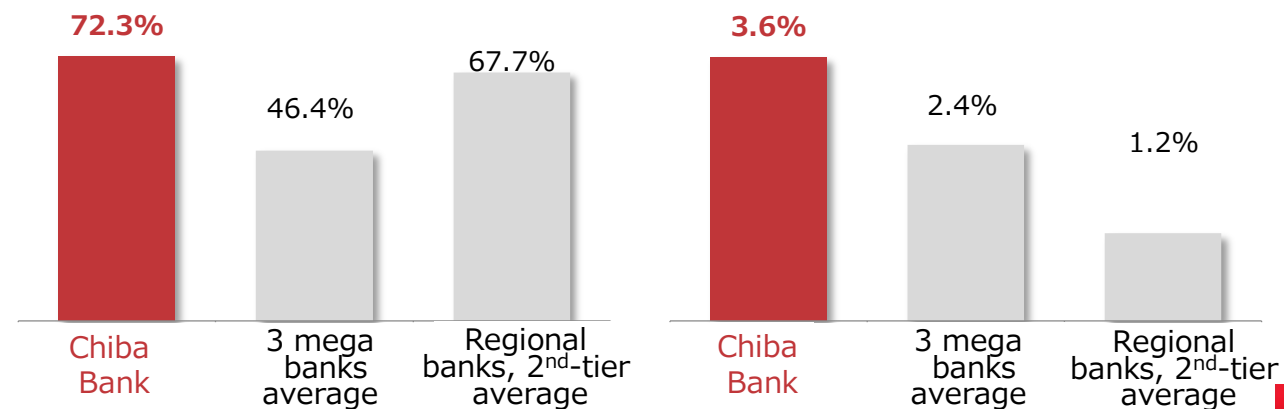
(Billion yen)



## Personal deposits compared with other banks

### Individual deposit ratio (3/2023)

### Rate of increase (compared to 3/2022)



※Source: Simple average calculated from Nikkin Report (March 2023)

The economic environment in Chiba Prefecture is good.



Population

6.28 million  
**No.6 nationwide**



Prefectural Income

18.7 trillion yen  
**No.6 nationwide**



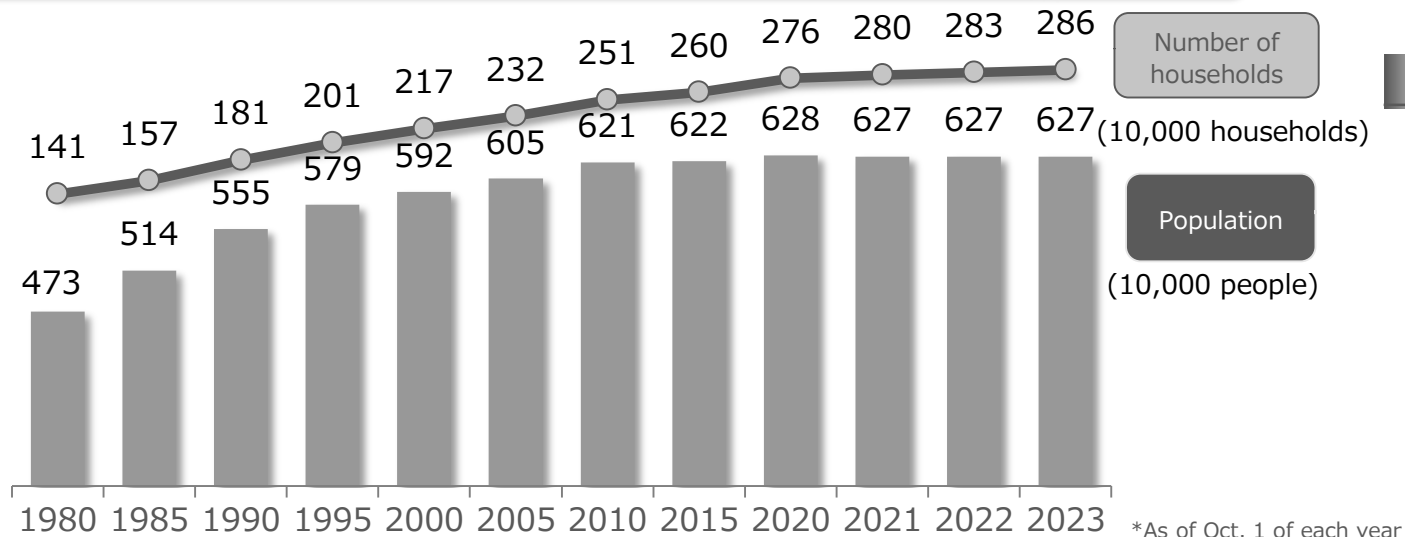
Gross prefectural products

20.7 trillion yen  
**No.7 nationwide**

Primary industry	No.5 nationwide	¥0.1 trillion
Secondary industry	No.9 nationwide	¥5.3 trillion
Tertiary industry	No.7 nationwide	¥15.2 trillion

Sources: Ministry of Internal Affairs and Communications Statistics Bureau, "Population Census" (FY2020); Cabinet Office, Economic and Social Research Institute, "Prefectural Accounts" (FY2020)

## Population and number of households in Chiba Prefecture

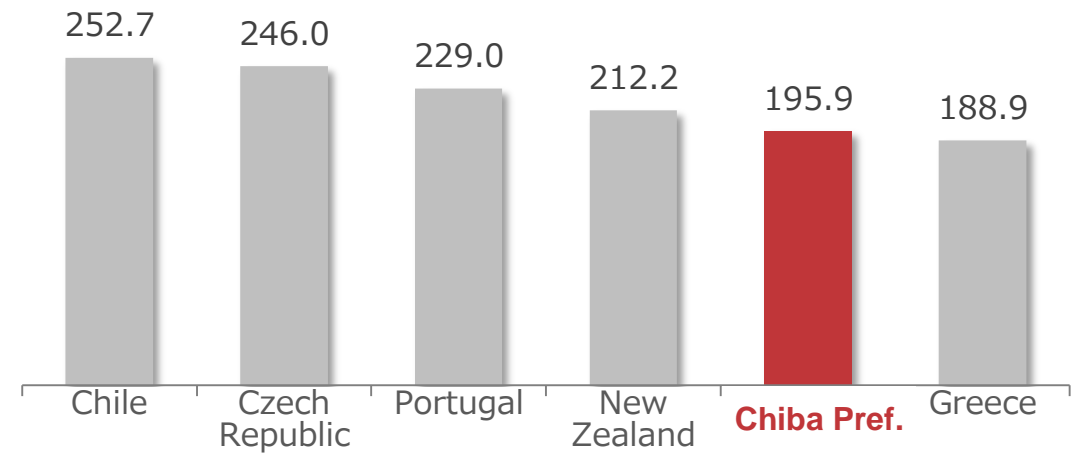


\*As of Oct. 1 of each year

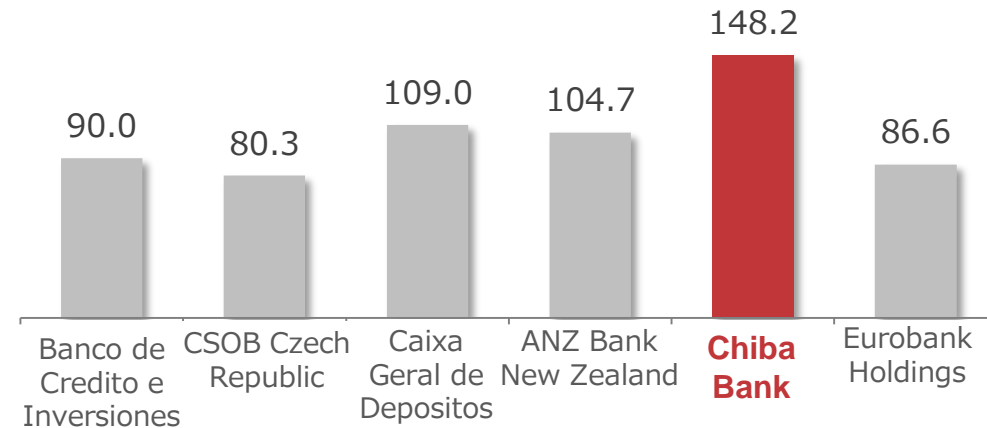
Sources: Statistics Bureau, Ministry of Internal Affairs and Communications, "National Census" (~2020)  
Chiba Prefecture "Chiba Prefecture Monthly Permanent Resident Population Survey Monthly Report" (2021~)

## Size of the Chiba Prefecture economy (compared to major world countries) Total assets of Chiba Bank (compared to the largest bank)

### GDP



### Total assets of largest bank in each country/region

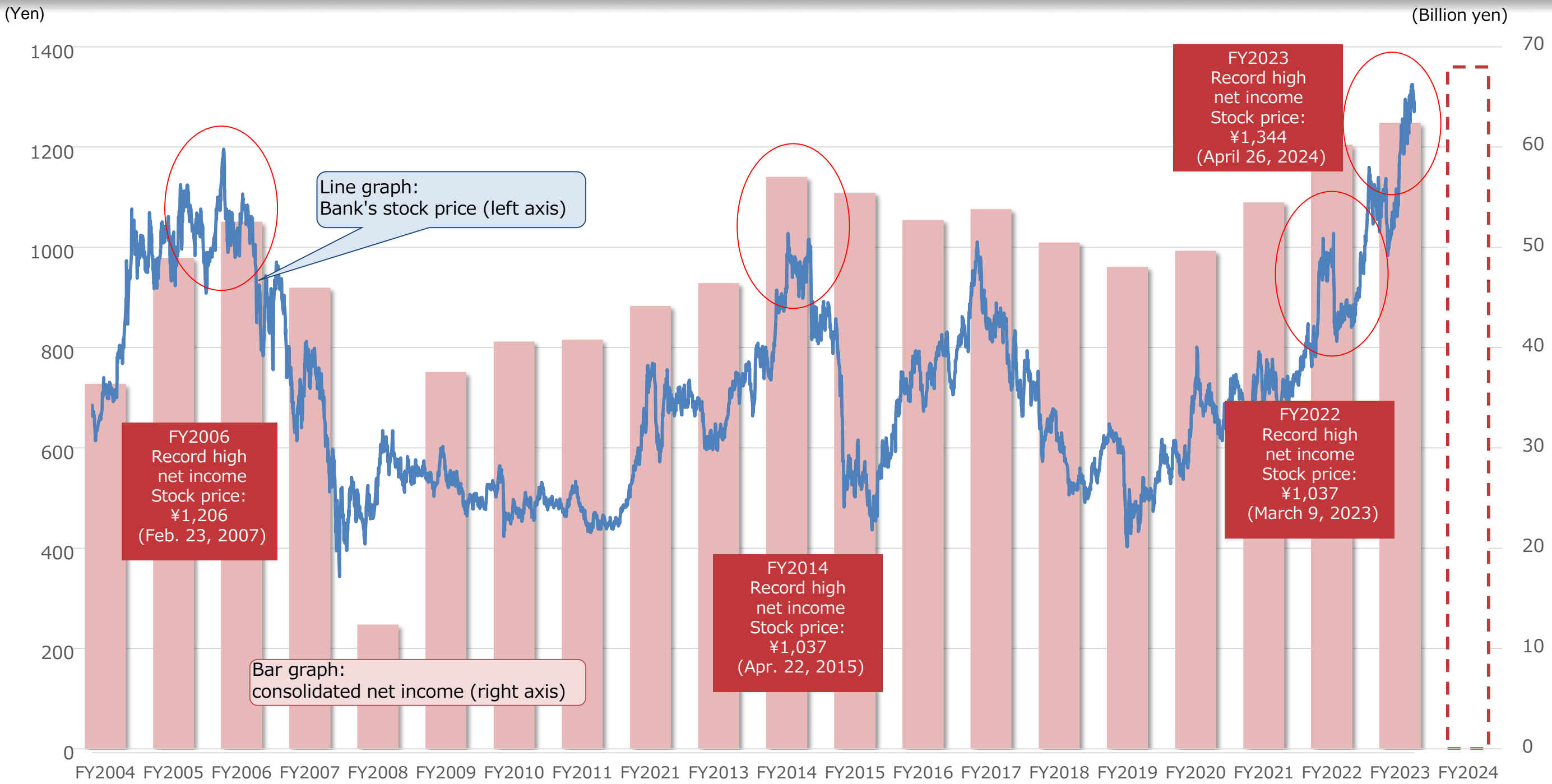


Sources: <GDP> Cabinet "Annual Accounts of the Japanese Economy for FY2021 (Flows) Point (released on December, 2022)" and OECD "Annual National Accounts Database (as of March 2023)".  
< Total assets of the largest domestic banks >The Bankers (2023 edition), Calculated based on the exchange rate on the date of financial results from each company's disclosed data.



# (Ref.) Earnings Results / Stock Price

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



Inquiries related to this presentation should be addressed to:

The Chiba Bank, Ltd.  
Corporate Planning Division  
Investor Relations

Tel: 043-301-8459

Fax: 043-242-9121

E-Mail: [ir@chibabank.co.jp](mailto:ir@chibabank.co.jp)

This material was prepared only for the purpose of providing information and does not solicit the purchase or sale of any specific securities.

All or part of the matters described in this material may be revised or changed without prior notice. This material contains forward-looking statements. These statements are not represented as providing a guarantee of the Bank's future performance, and actual results may be subject to risks and uncertainties. Please note that future performance may differ due to change in business environment, etc.