



**CHIBA BANK**

## **The Chiba Bank, Ltd.**

Financial Result Briefing for the First Half of FY 2021 ending March 2022

November 15, 2021

### **Event Summary**

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<b>[Company Name]</b>	The Chiba Bank, Ltd.	
<b>[Fiscal Period]</b>	FY2021 Semi-annual	
<b>[Date]</b>	November 15, 2021	
<b>[Time]</b>	13:00 – 14:21 (Total: 81 minutes, Presentation: 32 minutes, Q&A: 49 minutes)	
<b>[Venue]</b>	Yaesu First Financial Building BelleSalle Yaesu, 2F, Room A+B+C, 1-3-7 Yaesu, Chuo-ku, Tokyo, 103-0028 / Webcast (Hybrid)	
<b>[Number of Speakers]</b>	3	
	Tsutomu Yonemoto	President (Representative Director), Group COO
	Tadayoshi Shinozaki	Director and Senior Executive Officer, Group CSO, Group CDTO
	Taro Kanzawa	General Manager of Corporate Planning Division

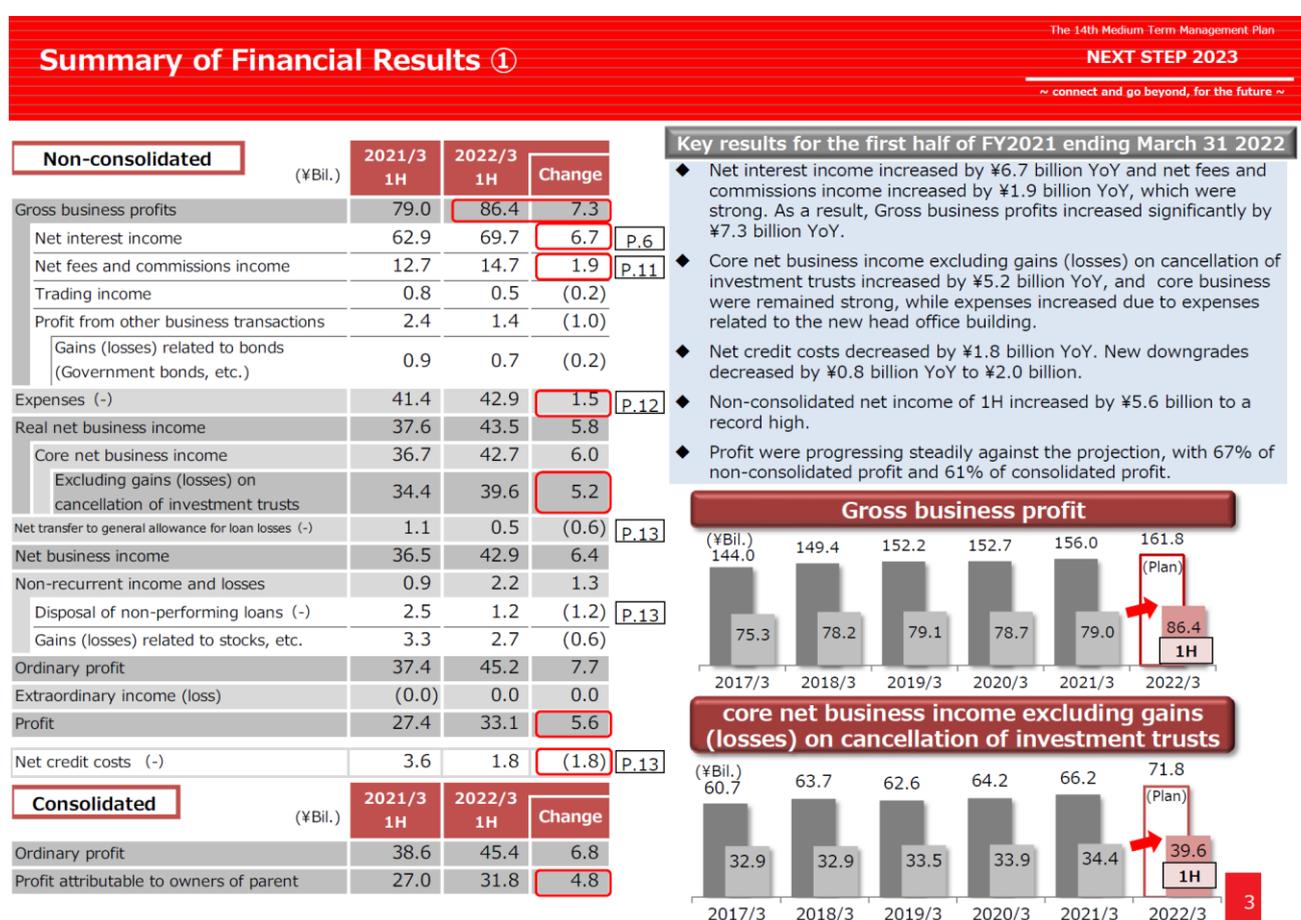
**Kanzawa:** Hello, everyone. I am Kanzawa from the Corporate Planning Division of The Chiba Bank, Ltd. I will serve as the moderator. Thank you.

Today, for the first time in 2 years, we are holding a face-to-face financial results briefing. I would like to thank all of you who came to the conference and those who are participating via the web for taking time out of your very busy schedules to join us.

Mr. Yonemoto, President, and Mr. Shinozaki, Director and Senior Executive Officer, are attending today's briefing.

We will now provide an overview of the interim financial results for the fiscal year ending March 31, 2022, followed by a question-and-answer session.

Please refer to our website for the published materials. Mr. Yonemoto, our President, will now give an explanation.



**Yonemoto:** Hello everyone. I'm Yonemoto, President of the bank. I would like to start my explanation.

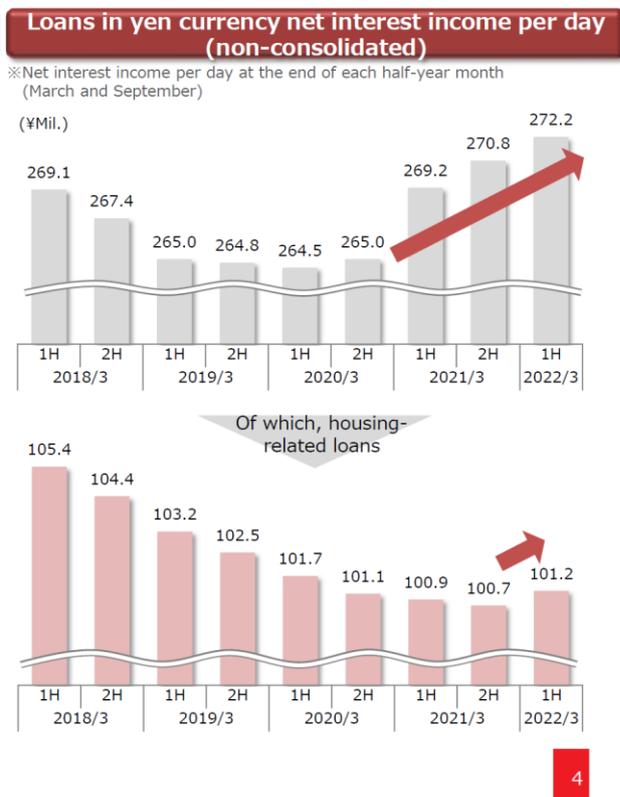
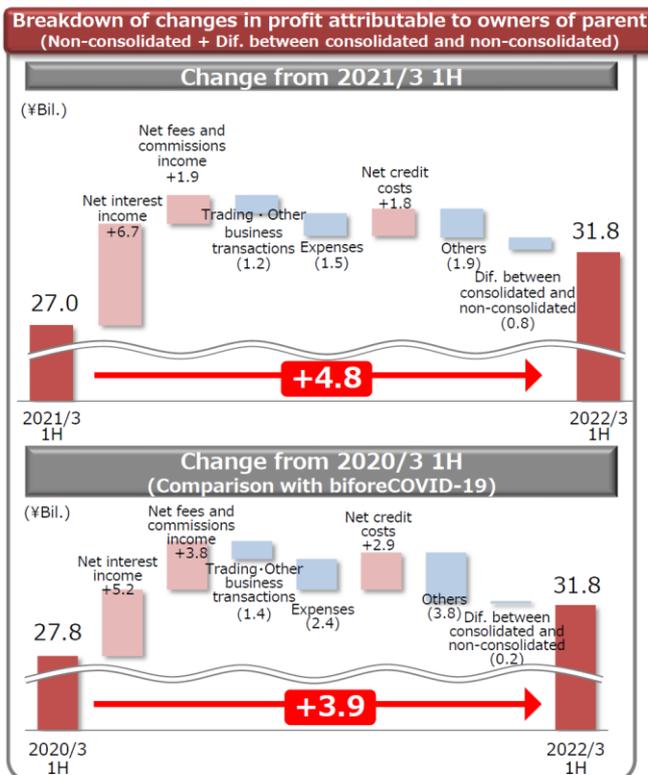
Now, please refer to page 3. First, I would like to explain a summary of our business performance.

Net interest income increased by JPY6.7 billion YoY, resulting in a JPY7.3 billion increase in gross business profits to JPY86.4 billion, a record high since the first half of FY2010. Despite an increase in expenses due to the recording of expenses related to the new head office building, core net business income excluding gains (losses) on cancellation of investment trusts increased by JPY5.2 billion, maintaining an increase in profit.

As for credit costs, new downgrades were limited to JPY2.0 billion, and net credit costs decreased by JPY1.8 billion YoY.

Profit on a non-consolidated basis reached JPY33.1 billion, a record high for the first time in 6 years, and on a consolidated basis, profit increased by JPY4.8 billion over the same period last year.

**Summary of Financial Results ②** The 14th Medium Term Management Plan  
NEXT STEP 2023  
~ connect and go beyond, for the future ~



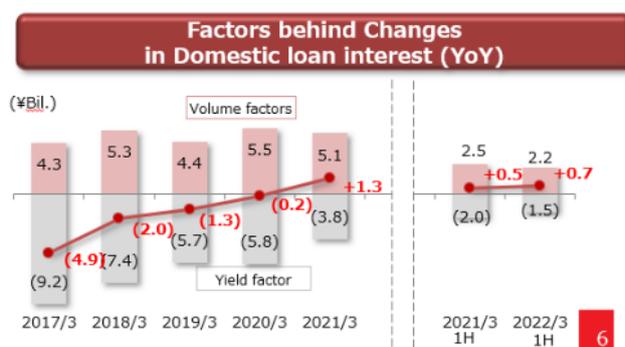
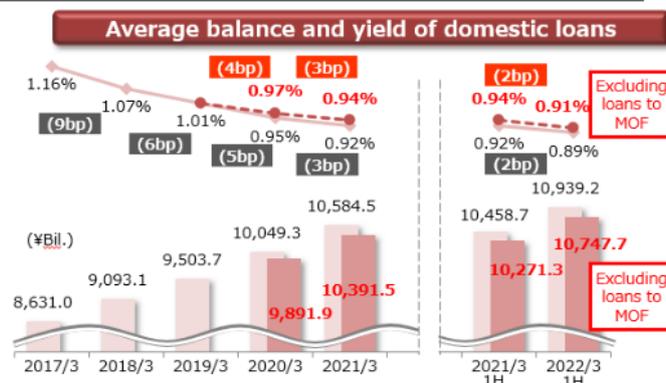
Please look at page 4. Comparing consolidated profit with the pre-COVID-19 interim results for the fiscal year ended March 2020, the increase in net interest income and net fees and commissions income contributed to the increase in profit, showing the results of our various growth strategies. As shown in the graph on the right, overall daily net interest income from yen-denominated loans has been increasing for the past 2 years, and net interest income from housing loans, which had been on a downward trend due to declining interest rates, has reversed for the first time in 12 years.

Consolidated				Status of Subsidiaries					
(¥Bil.)				[Consolidated subsidiaries] (¥Bil.)					
	2021/3 1H	2022/3 1H	Change	Company name	Investment ratio (Including indirect)	Profit items (After deduction of inter- subsidiary dividends)	2021/3 1H	2022/3 1H	Change
Gross business profits	82.5	89.6	7.1	Chibagin Securities Co.,Ltd.	100%	Ordinary profit	0.4	0.7	0.3
Net interest income	59.6	65.7	6.0			Profit	0.3	0.5	0.2
Net fees and commissions income	17.8	20.1	2.3	Chibagin Leasing Co.,Ltd.	100%	Ordinary profit	0.7	0.4	(0.2)
Trading income	2.5	2.3	(0.2)			Profit	0.4	0.3	(0.1)
Profit from other business transactions	2.4	1.4	(1.0)	Chibagin Guarantee Co.,Ltd.	100%	Ordinary profit	2.5	2.3	(0.2)
General and administrative expenses (-)	45.2	46.1	0.9			Profit	1.7	1.5	(0.1)
Net credit costs (-)	4.0	2.4	(1.6)	Chibagin JCB Card Co.,Ltd.	100%	Ordinary profit	0.3	0.4	0.0
Net transfer to general allowance for loan losses (-)	1.4	0.7	(0.7)			Profit	0.2	0.3	0.0
Disposal of non-performing loans (-)	2.6	1.7	(0.9)	Total of 5 other companies	100%	Ordinary profit	0.3	0.3	(0.0)
Gains (losses) related to stocks, etc.	3.3	2.6	(0.7)			Profit	0.2	0.2	(0.0)
Others	1.8	1.6	(0.2)	Total		Ordinary profit	4.5	4.4	(0.0)
Ordinary profit	38.6	45.4	6.8			Profit	3.0	2.9	(0.0)
Extraordinary income (loss)	(0.0)	(0.0)	(0.0)	[Equity method subsidiaries]					
Pre-Tax Profit	38.6	45.4	6.8	Total of 6 companies		Profit according to equity method	0.1	0.0	(0.0)
Total income taxes (-)	11.5	13.5	2.0	Dividends to parent company(-)					
Profit	27.0	31.8	4.8	3.5    4.2    0.7					
Profit attributable to non-controlling interests	-	-	-	Difference between consolidated and non-consolidated ※					
Profit attributable to owners of parent (reference)	27.0	31.8	4.8	(0.3)    (1.2)    (0.8)					
Consolidated net business income	39.7	45.7	6.0	※After adjustment for unrealized gains, etc.					

Please see page 5. The consolidated financial summary is disclosed from this time. Please refer to the table on the left. The right-hand side shows the status of subsidiary accounts. Although subsidiaries have maintained their strong performance, the difference between the consolidated and non-consolidated results has narrowed due to an increase in dividends paid to the parent company in response to the strong results of the previous fiscal year.

Interest on loans in domestic business, which reversed for the first time in 12 years in the previous fiscal year, increased steadily

(¥Bil.)	2021/3 1H	2022/3 1H	Change
Net interest income	62.9	69.7	6.7
Domestic	60.4	64.4	4.0
Interest on Loans	48.2	49.0	0.7
Loans and bills discounted	48.6	49.3	0.7
Deposit (incl. NCD)	0.3	0.3	(0.0)
Interest and dividends on securities	11.7	14.8	3.0
Bonds	1.2	1.2	0.0
Stock dividends	6.3	7.2	0.9
Investment funds	0.0	0.5	0.5
investment trusts	4.1	5.7	1.5
Gains (losses) on cancellation	1.9	2.3	0.4
Others (Market operation, etc.)	0.4	0.6	0.2
International	2.5	5.2	2.6
Loans and bills discounted	3.2	2.0	(1.2)
Foreign Securities	5.4	7.1	1.6
Foreign Securities	4.5	4.1	(0.4)
Foreign currency funds	0.4	2.2	1.7
Investment trusts	0.4	0.8	0.3
Gains (losses) on cancellation	0.3	0.7	0.3
Others (Funding and market operation, etc.)	(6.2)	(4.0)	2.2
Net interest income (Excluding gains (losses) on cancellation of investment trusts)	60.7	66.5	5.8
Gains (losses) on cancellation of investment trusts	2.2	3.1	0.8



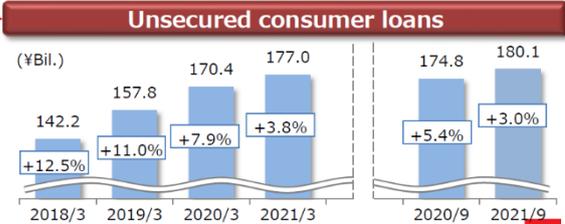
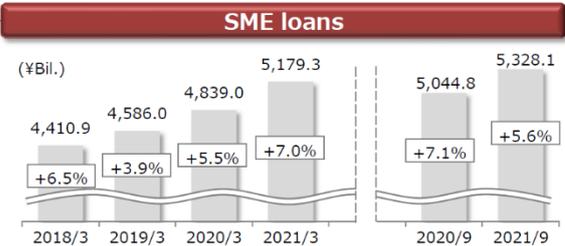
Please refer to page 6. Net interest income in the domestic banking business increased by JPY4.0 billion overall, due to a strong increase in interest and dividends on securities of JPY3.0 billion YoY, reflecting an increase in stock dividends and investment trust distributions, and a steady increase in interest on loans of JPY0.7 billion.

Net interest income in the international business sector doubled, increasing by JPY2.6 billion, mainly due to a decrease in funding costs as a result of the normalization of the thick and long funding policy in the same period last year, as well as favorable distributions from foreign currency funds.

Steady increase in SME loans, housing loans, and unsecured consumer loans

	2020/3	2021/3	YoY	%
(¥Bil.)	1H	1H		
<b>Deposits</b>	13,486.8	14,138.8	652.0	4.8%
Domestic deposits	13,191.7	13,867.6	675.8	5.1%
Personal deposits	9,744.6	10,290.9	546.3	5.6%
	2020/3	2021/3	YoY	%
(¥Bil.)	1H	1H		
<b>Loans</b>	10,955.4	11,521.1	565.6	5.1%
Domestic loans	10,736.5	11,280.6	544.0	5.0%
Excl. public sector	10,332.3	10,828.7	496.4	4.8%
Corporate loans	6,474.4	6,854.1	379.7	5.8%
Large corporations	1,429.5	1,526.0	96.4	6.7%
SMEs	5,044.8	5,328.1	283.3	5.6%
Consumer loans	3,857.9	3,974.5	116.6	3.0%
Housing loans	3,675.1	3,787.7	112.5	3.0%
Unsecured consumer loans	174.8	180.1	5.3	3.0%
Public sector	404.1	451.8	47.6	11.7%
Domestic loans	10,736.5	11,280.6	544.0	5.0%
Excl. public sector	10,332.3	10,828.7	496.4	4.8%
Branches in Chiba	7,135.2	7,371.9	236.6	3.3%
Branches outside Chiba	3,197.1	3,456.8	259.7	8.1%
Special branches*	1,538.1	1,701.6	163.4	10.6%
Retail branches	1,658.9	1,755.2	96.2	5.8%

\*Tokyo Head Office, Shinjuku Branch and Osaka Branch

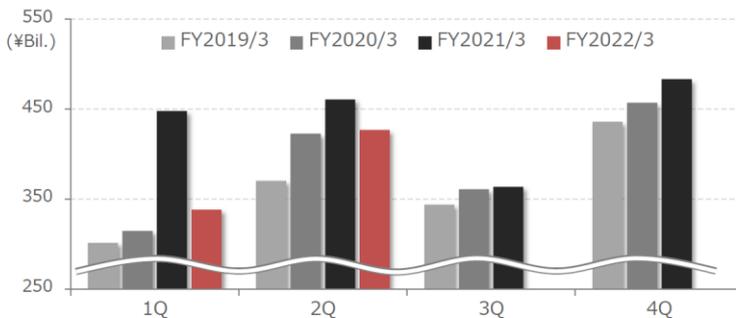


Please refer to page 7. Deposits increased 4.8% YoY to JPY14.1 trillion and loans increased 5.1% to JPY11.5 trillion. The Bank's aggressive efforts in COVID-19-related lending led to a 5.8% increase in loans to businesses, while housing loans and unsecured consumer loans increased by 3%, maintaining an upward trend as a whole.

Demand for capital investment and working capital remains strong, even after the decline in demand for COVID-19-related loans.

Execution of corporate loans (yen currency)

※Only loans on deeds, loans on bills, and discounts on merchants (excluding overdrafts and spot loans, etc.)

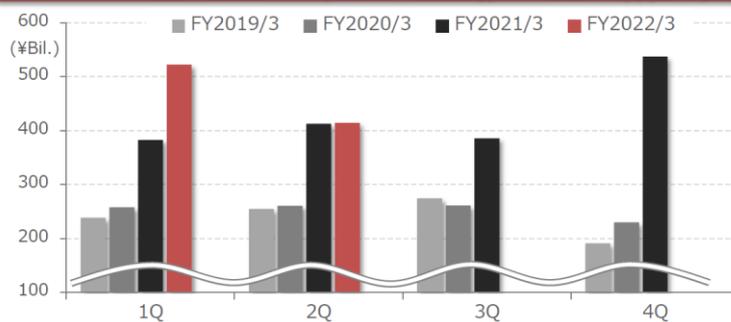


DBJ "Capital expenditure survey in the Tokyo Metropolitan Area"

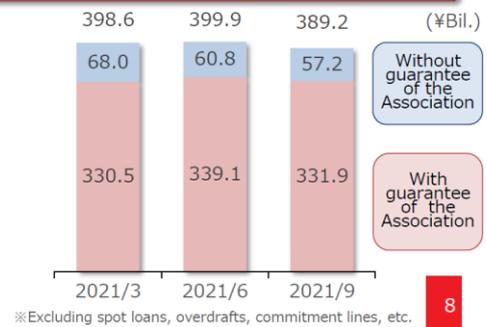
	'22/3 Plan (¥Bil.)	YoY (%)
Chiba	308.0	+35.3
Manufacturing industry	103.2	+8.5
Non-Manufacturing Industry	204.8	+54.6
Of which, transportation	143.8	+68.2
Of which, real estate	21.2	+190.0
Tokyo	2,621.8	+19.0
Kanagawa	359.2	+16.9
Saitama	143.8	+20.9
Nationwide total	19,727.4	+11.3

※ Source: DBJ  
Target companies: Capital of ¥100 million or more  
Survey period: June 2021  
Number of responding companies in Chiba Prefecture: 370

Increase in balance of corporate loans (yen currency)(YoY)



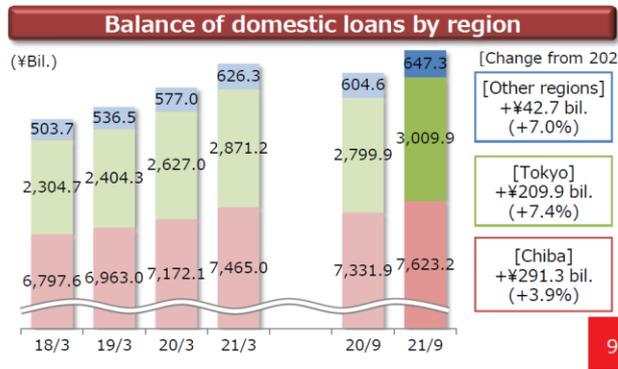
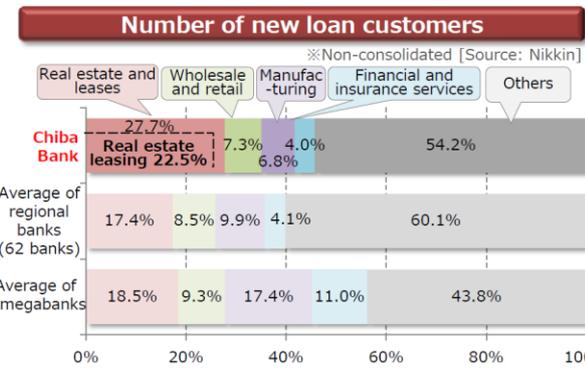
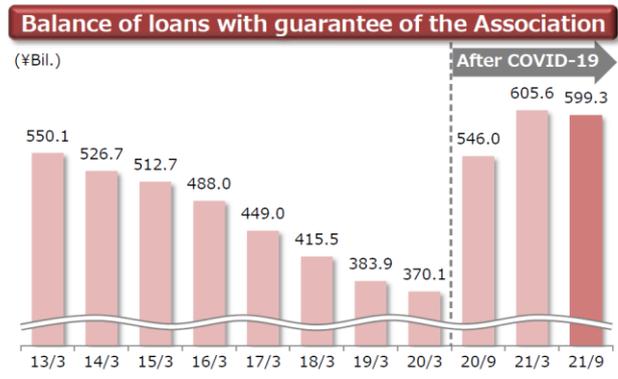
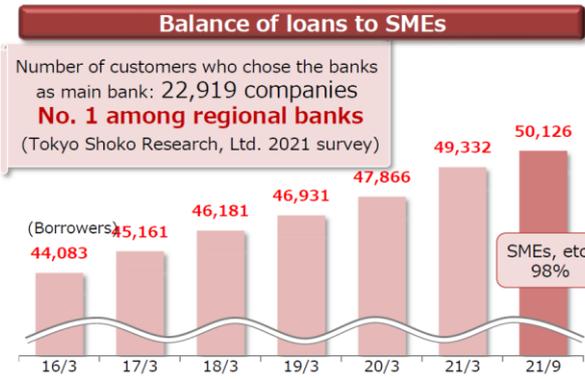
COVID-19-related loans balance



Please refer to page 8. Although the execution of COVID-19-related loans has run its course, borrowing needs for working capital and equipment are still strong, and as shown in the graph on the upper left, the amount of corporate loans executed in the first half of the fiscal year was higher than that before COVID-19, although it was lower than that of the previous year.

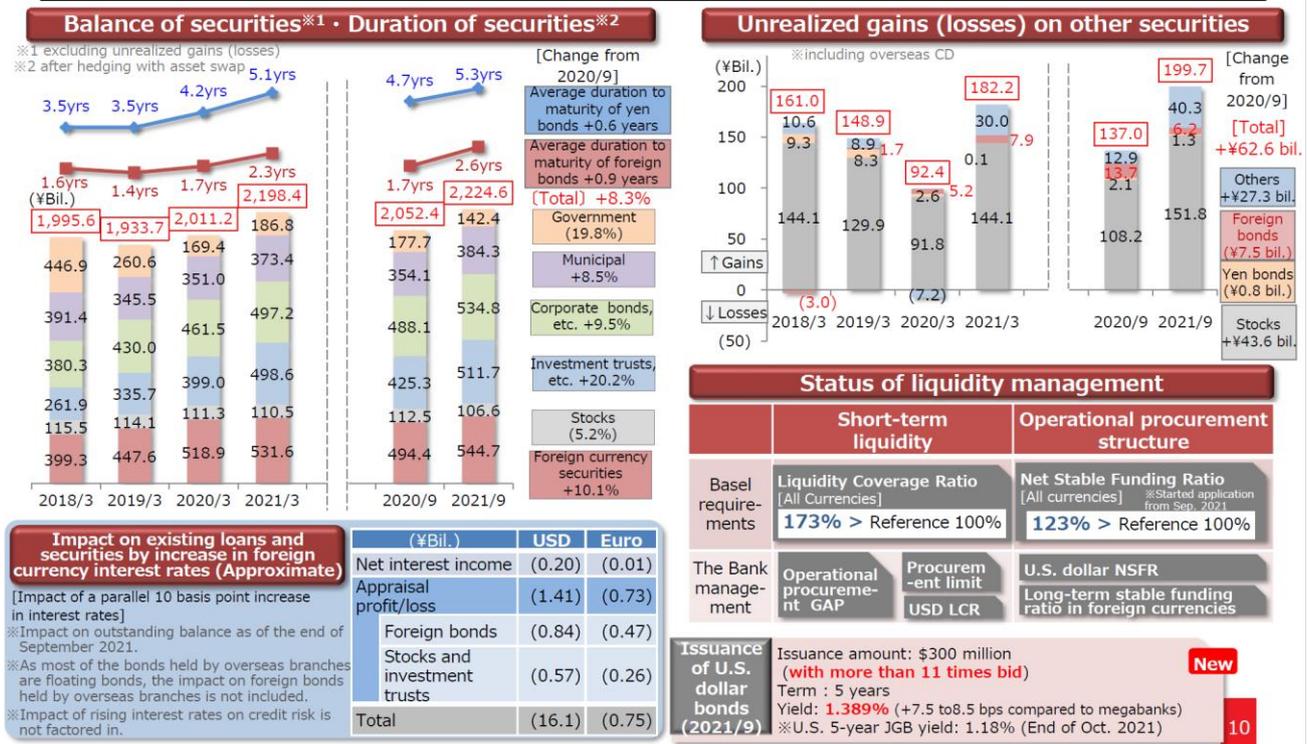
In addition, as shown in the table on the upper right, according to a survey by the Development Bank of Japan, the capital investment plans of companies in Chiba Prefecture are increasing at a rate higher than the national average and other prefectures in the Tokyo metropolitan area, and we expect a steady increase in the balance of loans through support for our corporate clients.

Aggressive responding to SMEs borrowing needs by COVID-19 pandemic



Please refer to page 9. As shown in the graph on the upper left, the number of business borrowers exceeds 50,000, and we are expanding our customer base, ranking first among regional banks in terms of the number of customers by whom the banks are chosen as main bank. As shown in the graph on the lower right, by region, loans have been steadily increasing both in Chiba Prefecture and outside of the prefecture.

Portfolio management based on risk diversification



Please refer to page 10. The balance of securities is approximately JPY2.2 trillion. Although duration of securities has become slightly longer due to the low interest rate environment, we are managing our portfolio based on risk diversification and paying due attention to the balance of liquidity and profitability.

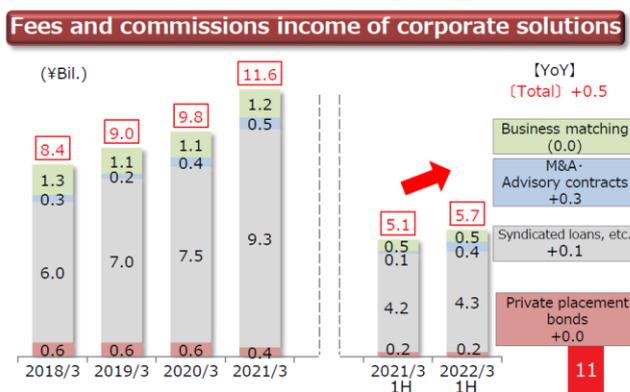
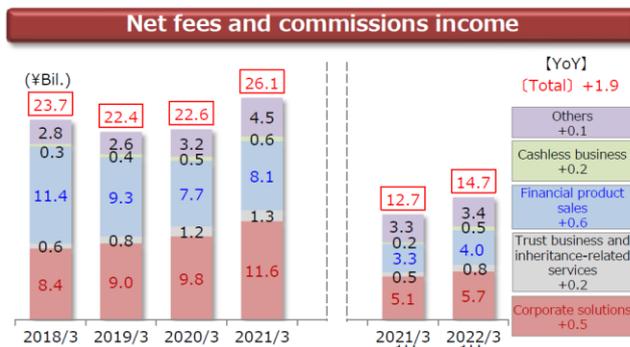
As described in the lower right, we issued US dollar-denominated bonds in September. In addition to receiving more than 11 times the number of bids, we were able to raise funds at a low interest rate by taking advantage of the timing before the rise in US dollar interest rates.

As shown in the graph on the upper right, net unrealized gains on other securities expanded to JPY200 billion, up JPY60 billion YoY.

## Net Fees and Commissions Income

Net fees and commissions income hit record high, driven by corporate solutions

	2021/3		2022/3	
	(¥Bil.)	1H	1H	YoY
Net fees and commissions income		12.7	14.7	1.9
Net fees and commissions revenue		21.1	23.0	1.9
Net fees and commissions payments (-)		8.3	8.3	(0.0)
<b>&lt;Main breakdown&gt;</b>				
Investment trusts and personal annuities		3.3	4.0	0.6
Investment trusts		1.3	2.2	0.9
Annuities and whole life insurance		0.6	0.6	(0.0)
Level paying life insurance		1.0	0.7	(0.2)
Financial instrument intermediary		0.2	0.3	0.0
Corporate solutions		5.1	5.7	0.5
Private placement bonds		0.2	0.2	0.0
Syndicated loans		4.2	4.3	0.1
M&A and advisory contracts		0.1	0.4	0.3
Business matching		0.5	0.5	(0.0)
Trust business and inheritance-related services		0.5	0.8	0.2
Cashless payment and card business		0.2	0.5	0.2
Payment and settlement transactions		6.6	6.4	(0.1)
Guarantee charges and group insurance costs (-)		5.0	4.7	(0.2)



Please refer to page 11. Net fees and commissions income increased by JPY1.9 billion YoY to JPY14.7 billion, a record high for the first half of the fiscal year. In addition to a strong increase of JPY0.6 billion in income related to investment trusts and personal annuities, an increase of JPY0.5 billion in corporate solutions-related income due to proposals that meet the needs of clients drove the overall increase in net fees and commissions income.

Maintaining efficient operations at the top-level expense ratio (OHR) of Japanese banks

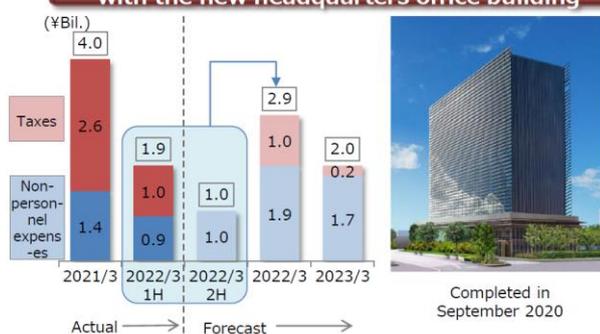
(¥Bil.)	2021/3 1H	2022/3 1H	YoY	2022/3 (Projection)	YoY
Expenses (-)	41.4	42.9	1.5	85.5	(0.5)
Personnel expenses (-)	20.3	20.0	(0.2)	40.0	(0.7)
Non-personnel expenses (-)	17.9	18.8	0.8	38.6	1.0
Taxes (-)	3.1	4.0	0.9	6.9	(0.8)
OHR ※	52.9%	50.0%	(2.9pt)	53.1%	(1.8pt)

※ Expenses  
 Net business income – Gains (Losses) related to bonds, etc.  
 + Net transfer to general allowance for loan losses + Expense

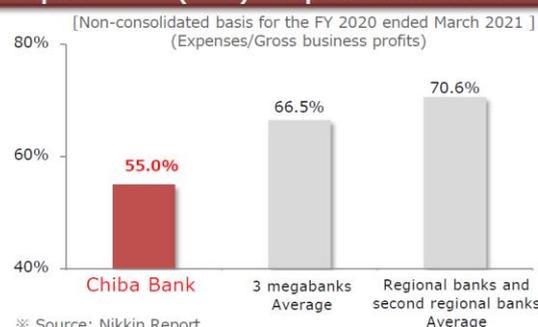
Main factors of change in expenses

(¥Bil.)	2022/3 1H (Actual)	2022/3 (Projection)
Personnel expenses (-)	(0.2) Decrease in retirement benefit expenses (0.4) Recoil of Employment adjustment subsidy +0.1	(0.7) Decrease in retirement benefit expenses +0.6
Non-personnel expenses (-)	+0.8 New HQ building +0.9 Revenue enhancement measures and digitalization +0.2 Realization of efficiency and cost reduction (0.4)	+1.0 Strategic investment +0.8 Advancement of measures for next fiscal year +0.5 New HQ building +0.4 Realization of efficiency and cost reduction (0.8)
Taxes (-)	+0.9 New HQ building (Property tax, Real estate acquisition tax) +1.0	(0.8) New HQ building (consumption tax) (2.6) New HQ building (Real estate acquisition tax)+1.0

Expenses result and expectation associated with the new headquarters office building



Expense ratio (OHR) compared with other banks

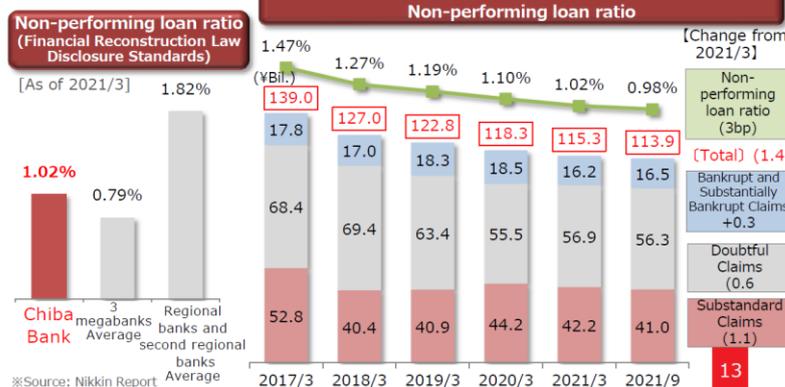
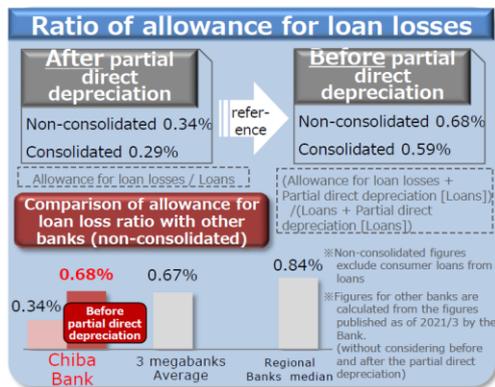
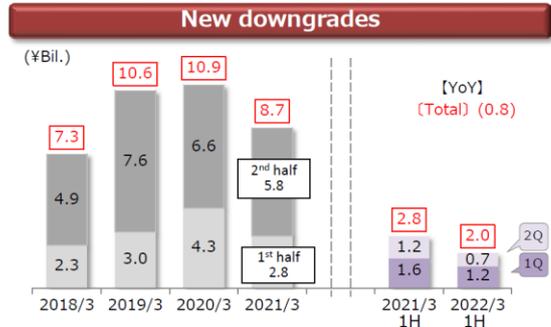


Please refer to page 12. Expenses increased by JPY1.5 billion overall, as we recorded JPY1.9 billion in expenses related to the new head office building and increased expenses due to forward-looking investments such as those related to DX, while we also reduced expenses in line with our efforts to improve operational efficiency.

For the full year, expenses are expected to decrease by JPY0.5 billion, as the one-time factor of consumption tax on the new head office building, which was recorded at JPY2.6 billion in the previous fiscal year, will be removed, and we continue to maintain one of the highest efficiency levels among Japanese banks in terms of OHR.

Net credit costs have been kept low, and the Non-performing loanratio has fallen to below 1%

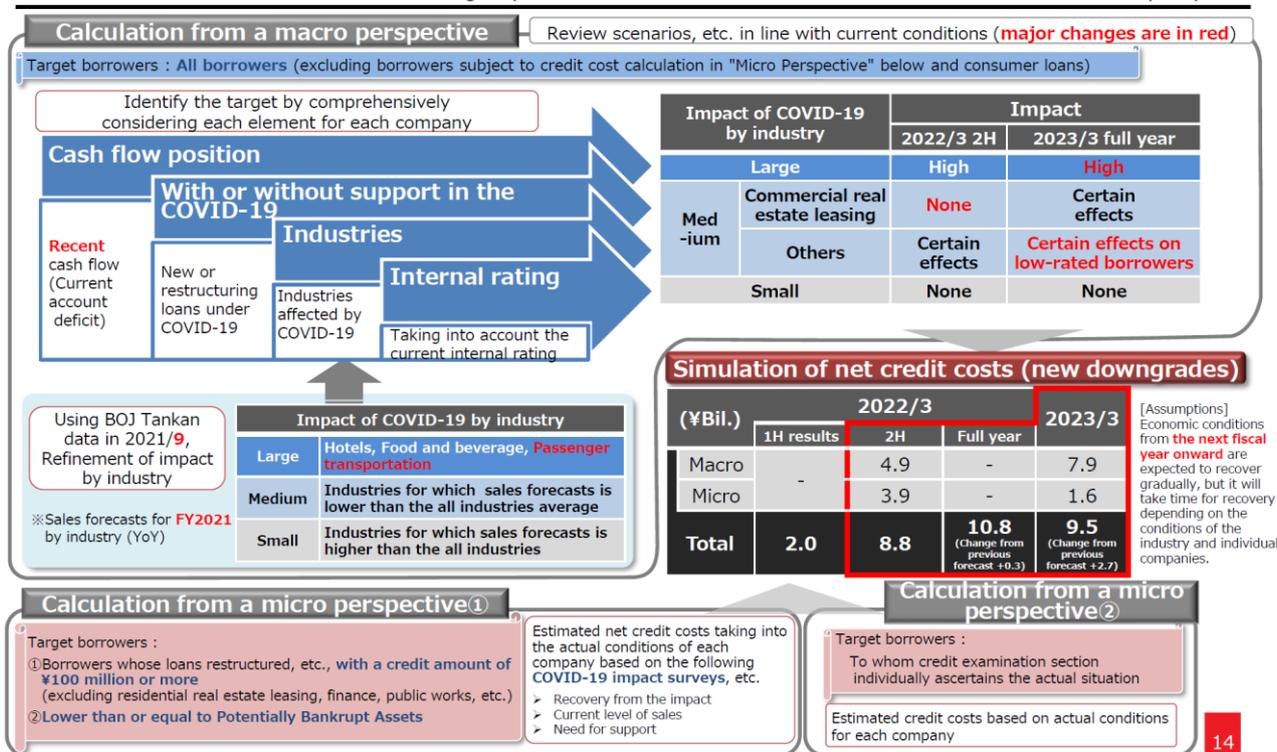
	2021/3	2022/3		2021/3	
		1H	1H	(Projection)	YoY
Net credit costs (-)	3.6	1.8	(1.8)	10.0	(0.4)
Net transfer to general allowance for loan losses (-)	1.1	0.5	(0.6)	0.8	(2.4)
Disposal of non-performing loans (-)	2.5	1.2	(1.2)	9.2	2.0
Write-offs / Net transfer to specific allowance, etc. (-)	2.9	2.2	(0.7)	11.3	2.9
New downgrades (-)	2.8	2.0	(0.8)	11.0	2.2
Existing non-performing loans (-)	0.3	0.4	0.0	0.8	0.3
Collections etc.	0.2	0.2	(0.0)	0.5	(0.2)
Recoveries of written-off claims	0.4	0.9	0.4	2.1	0.8
Net credit costs ratio (-)	6bp	3bp	(3bp)	8bp	△0bp



Please refer to page 13. Overall, net credit costs decreased by JPY1.8 billion, mainly due to a decrease of JPY0.6 billion in net transfer to general allowance for loan losses as a result of a decrease in the allowance ratio for normal borrowers and the ability to control new downgrades, which decreased by JPY0.8 billion YoY to JPY2.0 billion.

Some people say that the ratio of allowance for loan losses of the Bank is at a low level compared to other banks. However, as described on page 9, a large proportion of the Bank's loan portfolio consists of loans to the real estate leasing industry, which has a low default rate and is protected by real estate collateral. Therefore, we recognize the rate of allowance of the Bank is at a reasonable level.

Estimated net credit costs under stress taking impact of COVID-19 into account from both macro and micro perspectives



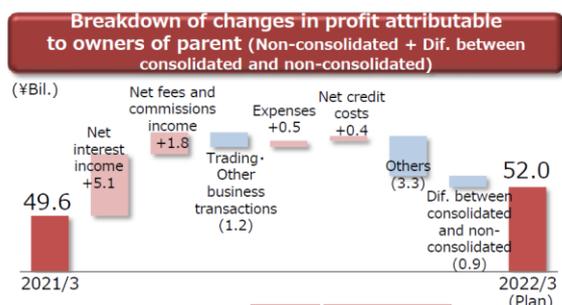
Please refer to page 14. With regard to the stress on credit costs taking into account the impact of COVID-19, we have reviewed scenarios, etc. in line with the current situation. We expect new downgrades of JPY10.8 billion for the current fiscal year, but we believe this scenario is conservative as new downgrades in the first half of the fiscal year were only JPY2.0 billion.

On the other hand, 80% of the actual JPY2.0 billion was generated from the customers expected in the simulation, so we have confirmed that the accuracy of the estimation itself is high.

# Earning Projections

Non-consolidated	2021/3	2022/3			YoY	Change from initial projections
		1H results	2H projections	Full year projections		
Gross business profits	156.0	86.4	75.3	161.8	5.7	2.3
Net interest income	124.5	69.7	59.9	129.7	5.1	3.3
Net fees and commissions income	26.1	14.7	13.3	28.0	1.8	0.0
Trading income	1.7	0.5	1.1	1.7	(0.0)	(0.8)
Profit from other business transactions	3.5	1.4	0.8	2.3	(1.1)	(0.2)
Gains (losses) related to bonds (Government bonds, etc.)	(0.3)	0.7	0.3	1.0	1.4	-
Expenses (-)	86.0	42.9	42.5	85.5	(0.5)	(0.0)
Real net business income	70.0	43.5	32.7	76.3	6.2	2.3
Core net business income	70.3	42.7	32.4	75.2	4.8	2.3
Excluding gains (losses) on cancellation of investment trusts	66.2	39.6	32.1	71.8	5.6	2.9
Net transfer to general allowance for loan losses (-)	3.2	0.5	0.2	0.8	(2.4)	(0.2)
Net business income	66.7	42.9	32.5	75.5	8.7	2.5
Non-recurrent income and losses	(2.5)	2.2	(8.7)	(6.5)	(3.9)	(2.5)
Disposal of non-performing loans (-)	7.1	1.2	7.9	9.2	2.0	0.2
Gains (losses) related to stocks, etc.	5.8	2.7	(1.0)	1.6	(4.1)	(1.8)
Ordinary profit	64.2	45.2	23.7	69.0	4.7	-
Extraordinary income (loss)	(0.3)	0.0	(0.3)	(0.3)	0.0	0.2
Profit	45.6	33.1	15.8	49.0	3.3	-
Net credit costs (-)	10.4	1.8	8.1	10.0	(0.4)	-

Consolidated	2021/3	2022/3			YoY	Change from initial projections
		1H results	2H projections	Full year projections		
Ordinary profit	71.8	45.4	30.0	75.5	3.6	-
Profit attributable to owners of parent	49.6	31.8	20.1	52.0	2.3	-



	2021/3	2022/3		YoY
		2021/3	2022/3 (Projections)	
Net interest income	124.5	129.7	5.1	
Domestic	118.7	122.2	3.5	
Interest on loans	97.1	98.6	1.5	
Interest and dividends on securities	20.6	20.6	(0.0)	
Gains (losses) on cancellation of investment trusts	4.4	2.5	(1.8)	
International	5.8	7.4	1.5	
Gains (losses) on cancellation of investment trusts	(0.2)	0.8	1.0	
Net fees and commissions income	26.1	28.0	1.8	
Investment trusts and personal annuities	8.1	8.5	0.4	
Corporate solutions	11.6	12.1	0.5	
Trust business and inheritance-related services	1.3	1.8	0.5	
Cashless payment and card business	0.6	1.5	0.9	
Payment and settlement transactions	13.0	12.5	(0.5)	
Guarantee charges and group insurance costs (-) ※	12.1	12.3	0.2	

¥400 million decrease in revenue due to revision of interbank fees has been factored in.

15

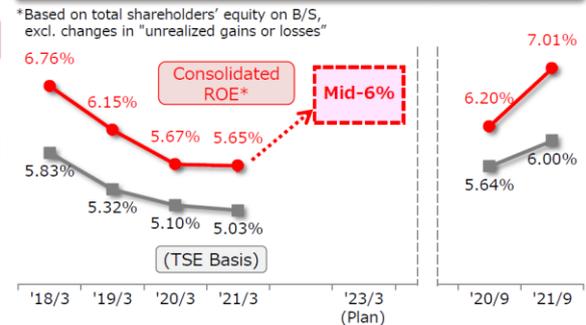
Please refer to page 15. For the current fiscal year, top-line gross business profits are expected to be JPY161.8 billion, an increase of JPY2.3 billion from the initial plan, mainly due to an increase in the plan for interest and dividends on securities, which has been strong, compared to the initial plan.

On the other hand, we have left the bottom-line consolidated profit unchanged at JPY52.0 billion due to the remaining uncertainty in the global COVID-19 situation. We are conservatively estimating credit costs, international net interest income, expenses, and gains/losses related to stocks, etc., and believe that the bottom line of JPY52.0 billion may be exceeded.

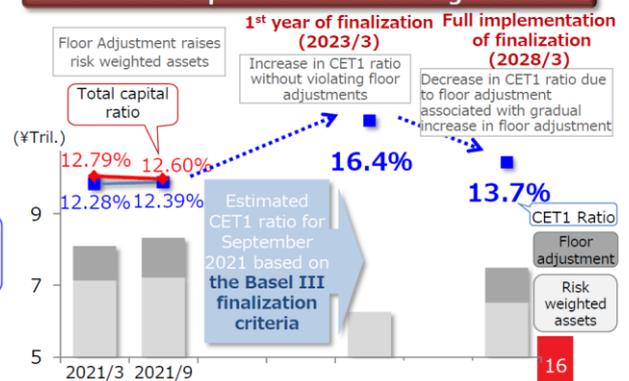
## Shareholder returns



## Consolidated ROE



## Consolidated capital Ratio · Risk weighted assets



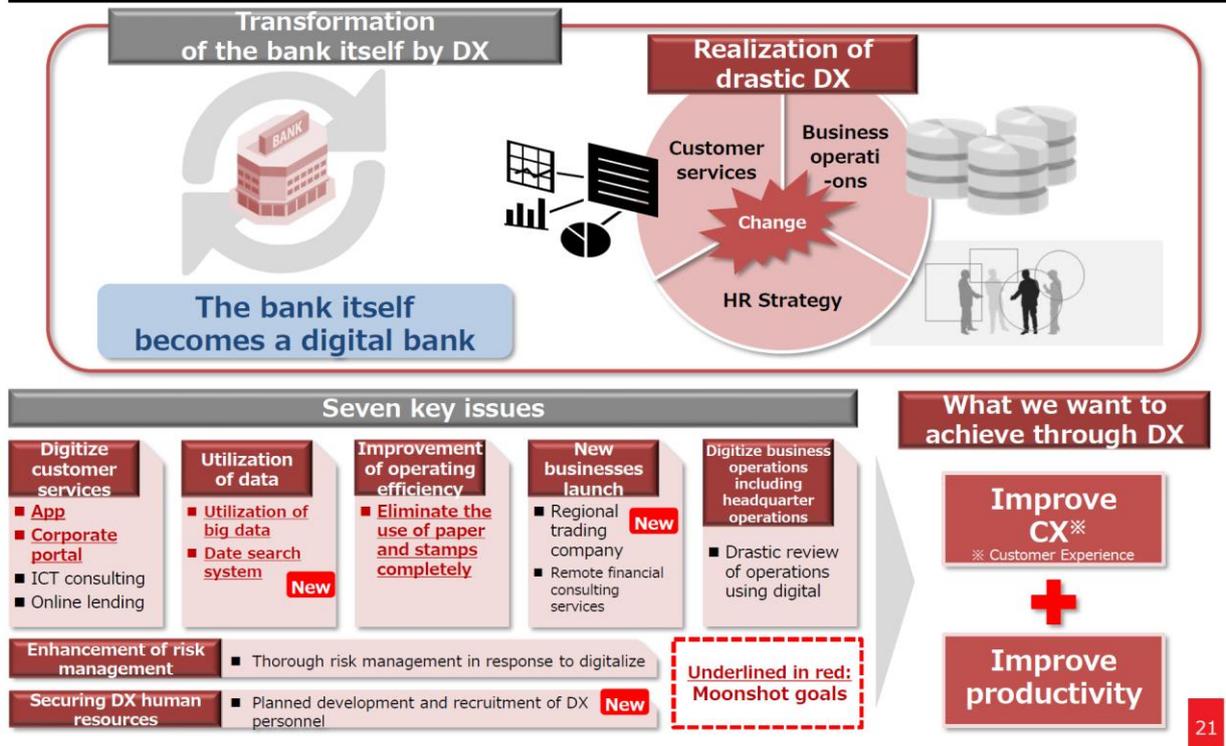
Please refer to page 16. Although we had been holding off on a share buyback due to COVID-19, we have decided to implement a buyback of JPY5.0 billion in light of the fact that the emergency declaration has been lifted and our business performance is progressing well. As a result, our consolidated total return ratio will be 40.9%, and we will continue to consider dividend increases and share buybacks while assessing the situation at the COVID-19 pandemic and other factors.

In addition, as shown in the lower right-hand corner, the CET1 ratio calculated based on the Basel III finalization criteria is disclosed from this time, and is expected to be 13.7% as of the end of March 2028, when the finalization is fully implemented, an increase of 1.3 percentage points from the current criteria.

Pages 18 and 19 provide an overview of the medium-term management plan. Please see later.

Next, I will explain our growth strategy.

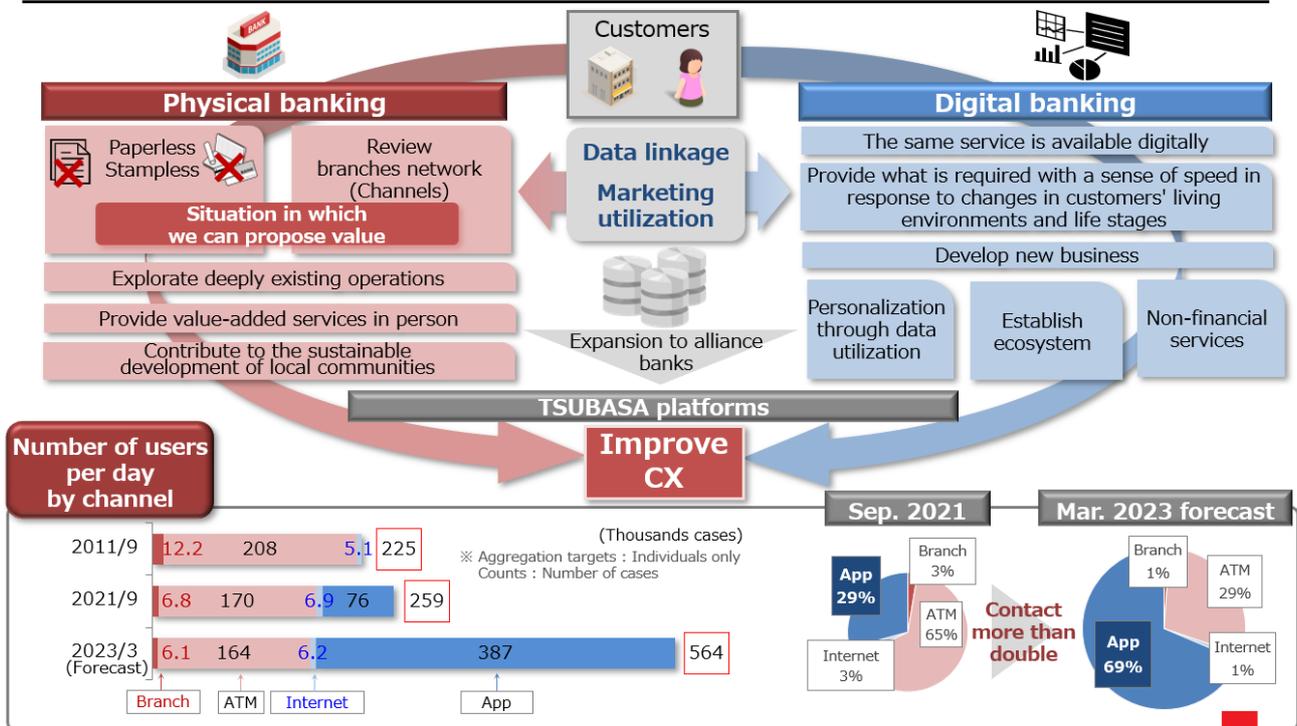
Transformation of the bank itself to realization drastic DX



Please refer to page 21. In order to realize a drastic transformation by DX, we are aiming to transform the bank itself, based on 3 pillars: reform of customer services, reform of business operations, and reform of human resource strategy. Among the directions and key issues we are aiming for in the future, I will explain the current status and future of the moonshot goals we are focusing on, as well as the development of DX personnel.

# Future Vision ① ~Integration of Physical and Digital~

Achieve "always close by" and "always convenient" at the same time and become the bank of choice



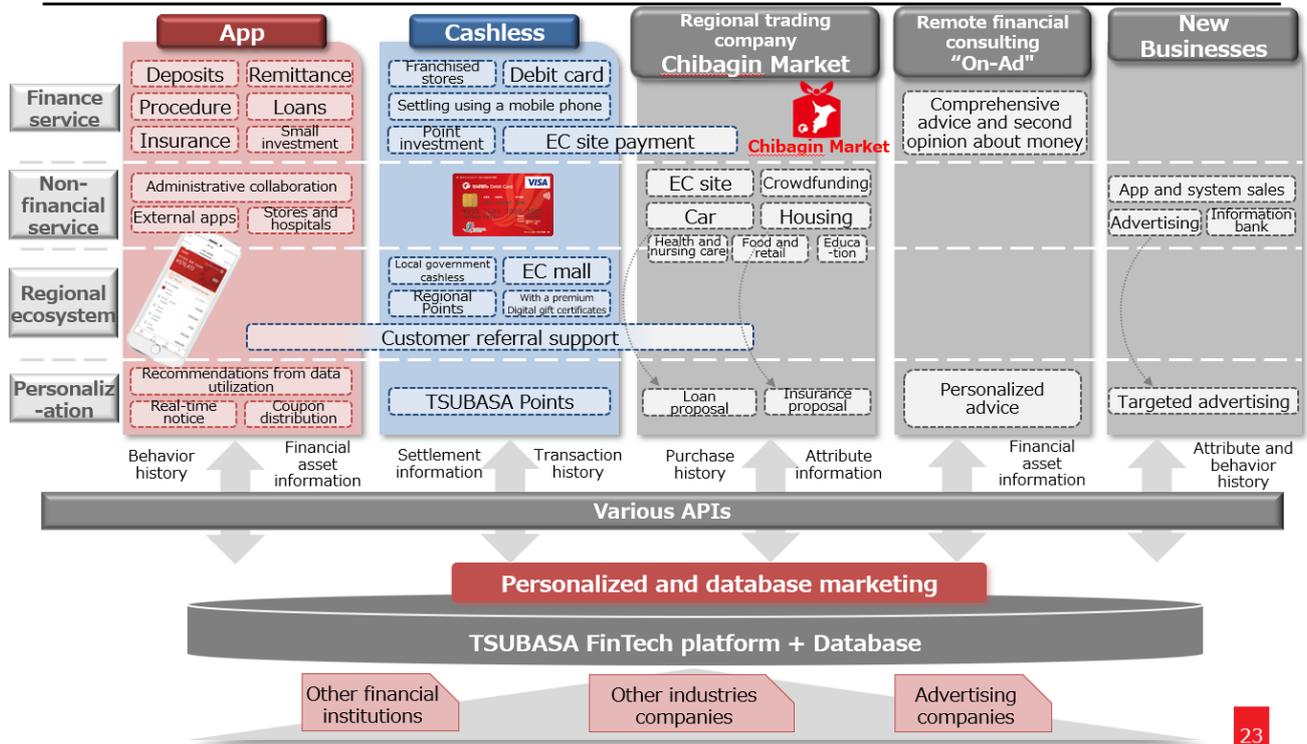
Please refer to page 22. With DX at its core, the Bank will continue to strive for the coexistence of a physical banking and a digital banking. As for the digital banking, which I will explain in more detail on the next page, we aim to go beyond the framework of a bank with the basic strategies of providing non-financial services, establishing local ecosystems, and personalizing through data utilization.

On the other hand, we will aim to improve our earnings from high value-added services by rethinking our branch strategy, taking advantage of the flexibility of our channel strategy achieved through business efficiency measures and paperless and seal-less operations, and by enhancing our functions such as a place for valuable proposals in financial services and a place for the development and exchange of local economies.

Through this synergy between digital and physical, we aim to increase revenue by improving CX and reduce costs by improving productivity.

We also hope to create new business opportunities by expanding this technology and know-how to align with banks as TSUBASA platform.

Establishment of digital banking through "non-financial services," "regional ecosystem," and "personalization"



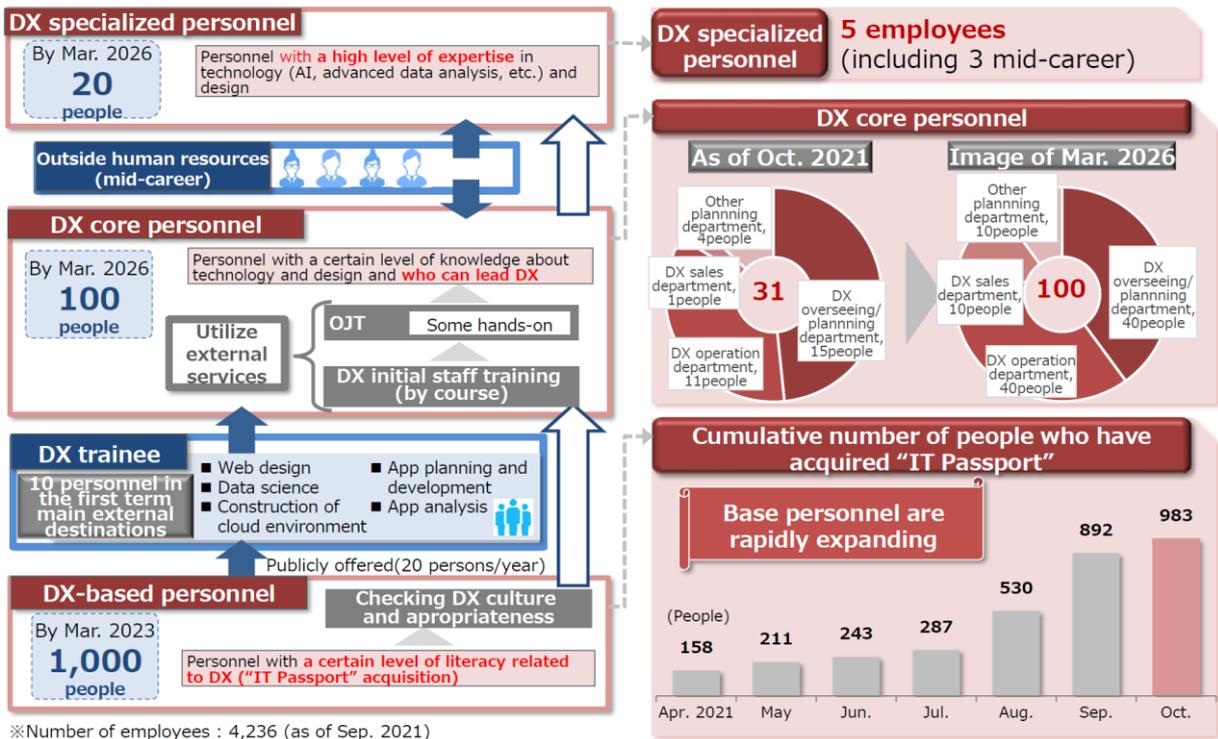
Please refer to page 23. In the digital banking, on the premise that all financial services will be provided through apps, we will step into the needs of products and services beyond financial needs, such as housing, cars, education, nursing care, and retail, which are connected to life events, in local trading companies, which are non-financial services.

In addition, we will develop a local ecosystem by supporting the use of points, sending customers, and building a local cashless economic zone. Personalized marketing is also important, and we will be ready to take advantage of the data centralization that we have set as our moonshot goals.

We will also make full use of the TSUBASA FinTech platform to upgrade our services through collaboration with other industries.

Dividing DX personnel into three levels and establishing certification requirements for each category

New

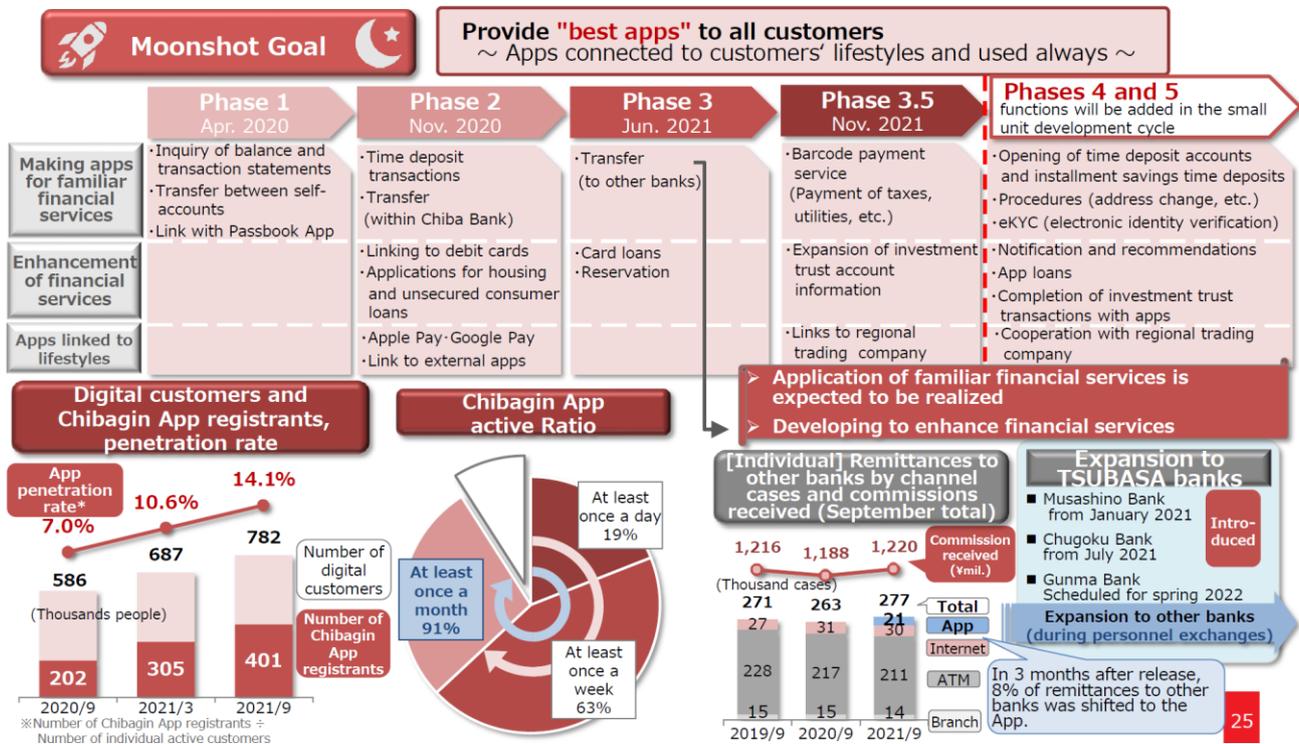


Please refer to page 24. In October, we introduced a new DX certification system in order to systematically train personnel who will be responsible for promoting DX in the future.

Under this system, 3 grades are set up, and employees are assigned to each grade based on their knowledge and work experience. The purpose of this system is to systematically develop and assign human resources, to raise the level of IT literacy among employees, and to promote the Bank's DX strategy among all employees.

First of all, our goal was to train and certify 1,000 DX base personnel in the next 18 months, but with the high level of awareness among our staff, we are already on track to reach the 1,000 mark. We will also secure DX core and specialized human resources through mid-career hiring, in addition to internal training using the DX Trainee System, to which we send 20 people every year.

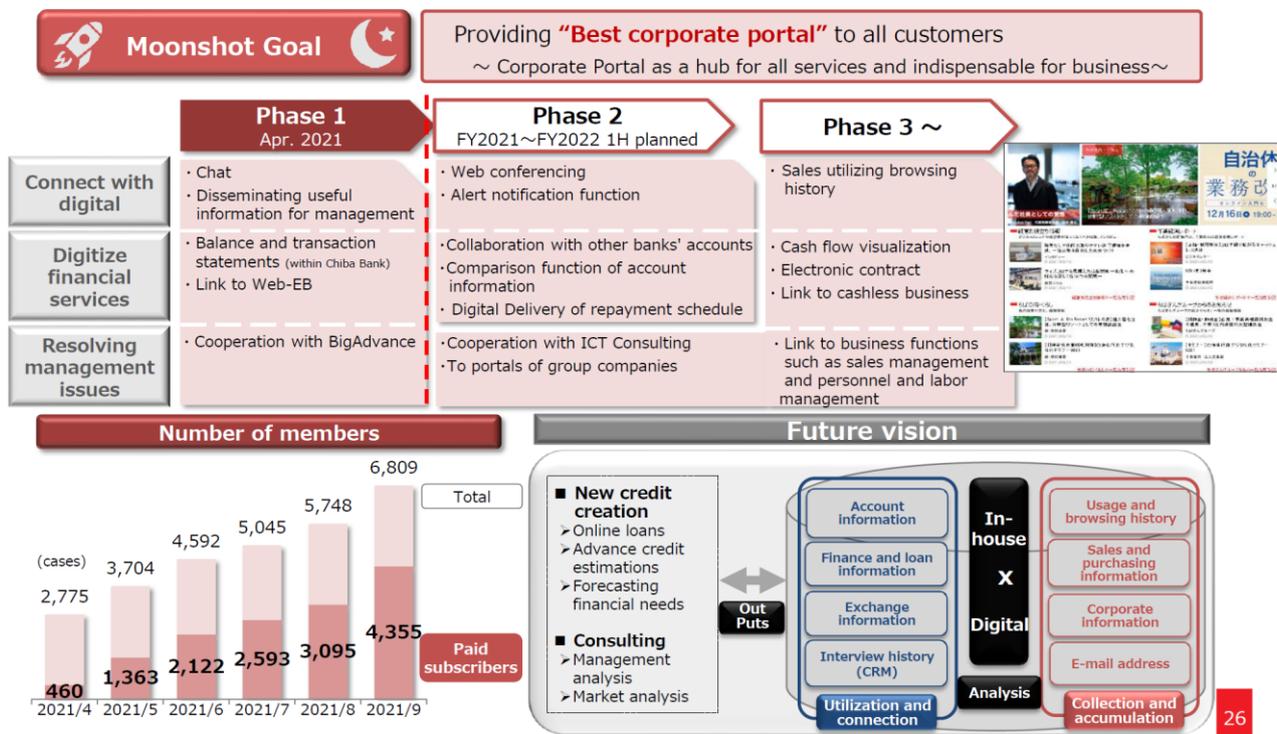
Steady upgrading for "apps linked to lifestyles"



Please refer to page 25. We are working to enhance the functionality and increase the penetration of the Chibagin App with the goal of providing the best app to all our customers. More than 400,000 people have registered for an account, and of those registered, more than 90% use the service at least once a month, ensuring a high activity rate.

Transfers to other banks, which were released in June, have expanded to account for 8% of all transfers in 3 months, and the improved convenience has led to an increase in the overall number of transactions and fees received. Today, we have added functions such as barcode payment of taxes and utilities as Phase 3.5, and we will accelerate the addition of functions in small development cycles, aiming to realize the best application in Japan that allows users to complete financial services almost the same as in-store services in the palm of their hands.

Launched corporate portal service and steadily increased subscribers



Please refer to page 26. With the goal of providing the best corporate portal, we released the Chibagin Business Portal in April. With more than 4,000 paying subscribers, we are off to a good start. The current functions include chatting, sending out information, and checking balances and deposits/withdrawals of the accounts, etc. In the future, we will expand the functions to include web interviews and cash flow analysis linked to accounts at other banks, aiming at 10,000 paying subscribers and 30,000 total subscribers including free subscribers within the current mid-term management plan.

# Data Integration · Business Efficiency

Completed data integration and maintenance of search system, started using for branch sales

### Data integration

**Moonshot Goal**

Realization of data search system that **can obtain "anytime," "what you want," and "in the way you want."**

July 2021 **Moonshot goal realized** New

#### Data analysis · Marketing

Example of lists provided to branches

<b>Individuals</b>	<ul style="list-style-type: none"> <li>Large payroll deposit recipients/assets under custody is less than ¥10 million</li> <li>Weekday holiday job type and monthly balance is positive</li> </ul>	<ul style="list-style-type: none"> <li>Promote financial products</li> <li>Promote accumulation products</li> </ul>
<b>Corporate</b>	<ul style="list-style-type: none"> <li>No borrowing from the Bank, although there is repayment to government-affiliated financial institution</li> <li>Total borrowings increased but our Bank's share decreased</li> </ul>	<ul style="list-style-type: none"> <li>New loan promotion</li> <li>Promotion of lending</li> </ul>

Delivery of 60k customer list **who is not contacted in the past** ⇒ Approach 8k customers as of the end of October (contact rate 13%)

- Personalized, high-satisfaction proposals for each customer
- Expanding and streamlining the scope of operations from a new perspective

### Business efficiency

**Moonshot Goal**

Eliminate the use of paper and stamps completely within the bank

#### Moonshot Goal

	Actual	Going forward
<b>Branch in-store</b>	<ul style="list-style-type: none"> <li>"TSUBASA Smile" makes reception operations paperless and stamp-less</li> </ul>	<ul style="list-style-type: none"> <li>Shift to a system of centralizing and collaborating clerical work by back-office operations paperless</li> </ul>
<b>Branch Sales representative</b>	<ul style="list-style-type: none"> <li>Web completion for unsecured loans</li> <li>Housing loans electronic contract</li> </ul>	<ul style="list-style-type: none"> <li>Web completion for housing loans</li> <li>Digitalization of corporate contract</li> </ul>
<b>Headquarter planning / management</b>	<ul style="list-style-type: none"> <li>Completely paperless and stamp-less in headquarter approval documents</li> <li>Headquarter⇒Customer digitalization of information documents</li> </ul>	<ul style="list-style-type: none"> <li>Branch ⇒ Headquarter paperless of applications, etc.</li> <li>Addition of subject documents in the same left</li> </ul>

#### Promotion of business efficiency

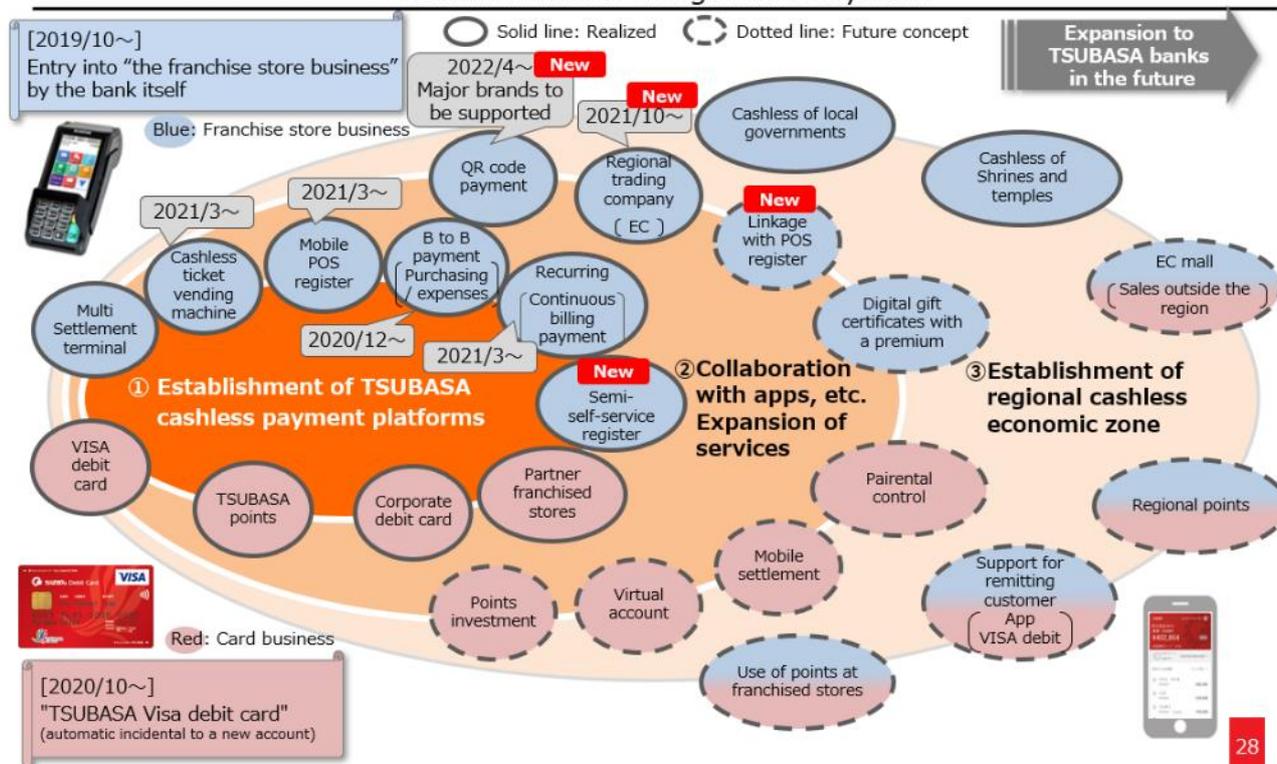
Headquarter centralized departments	Amount of reduction in operations (Cumulative total/ million hours)				
	2020/9	2021/3	2021/9	2022/3 (Plan)	2023/3 (Plan)
Promote automation of HQ centralized divisions by utilizing RPA, etc.	0.036	0.09	0.15	0.2	0.3

※Reduction of headquarter-specific operations is also being implemented through the "Quit Project"

Please see page 27. In July, we introduced a data search system that allows you to get what you want, anytime, and in the way you want, and we achieved our moonshot goal. With the list of individuals distributed in August, our branches approached 8,000 customers who had not been contacted in the past, and the contact rate was 13%.

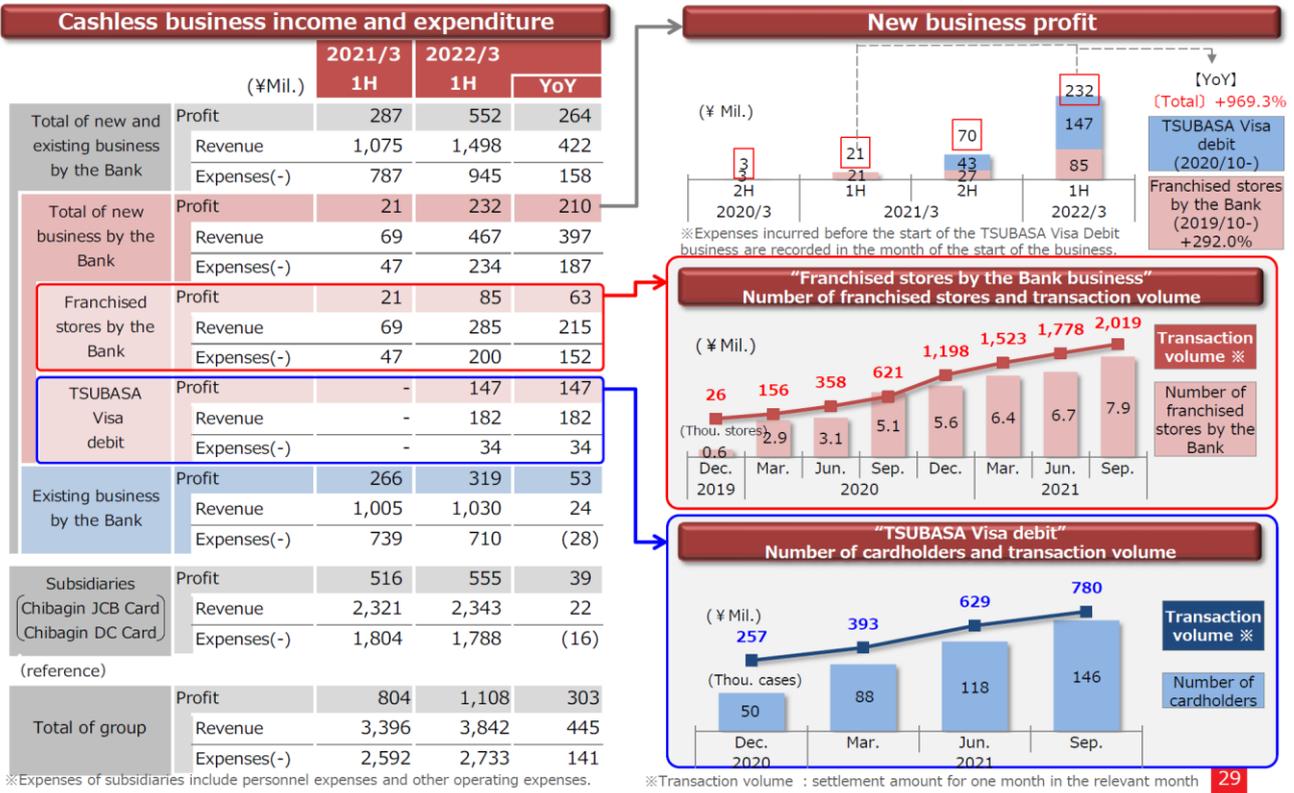
In addition, with regard to the improvement of business efficiency, we are working towards the goal of reducing the use of paper and stamps in the bank to zero by introducing a paperless infrastructure, and we are making good progress, achieving a reduction of 150,000 hours in 18 months, compared to the goal of 300,000 hours of operational reduction over the 3 years of the mid-term plan.

Establishment of a regional ecosystem



Please refer to page 28. In the cashless business, which is one of the pillars of revenue enhancement in the mid-term plan, we have prepared a number of solutions to meet the needs of merchants, such as tablet-type cash registers for restaurants and retail stores, semi-self-service registers, cashless ticket vending machines that accept the new JPY500 coin, automatic payment machines that have been increasingly introduced in medical institutions in recent years, and EC (electronic commerce) settlement, in cooperation with cash register manufacturers.

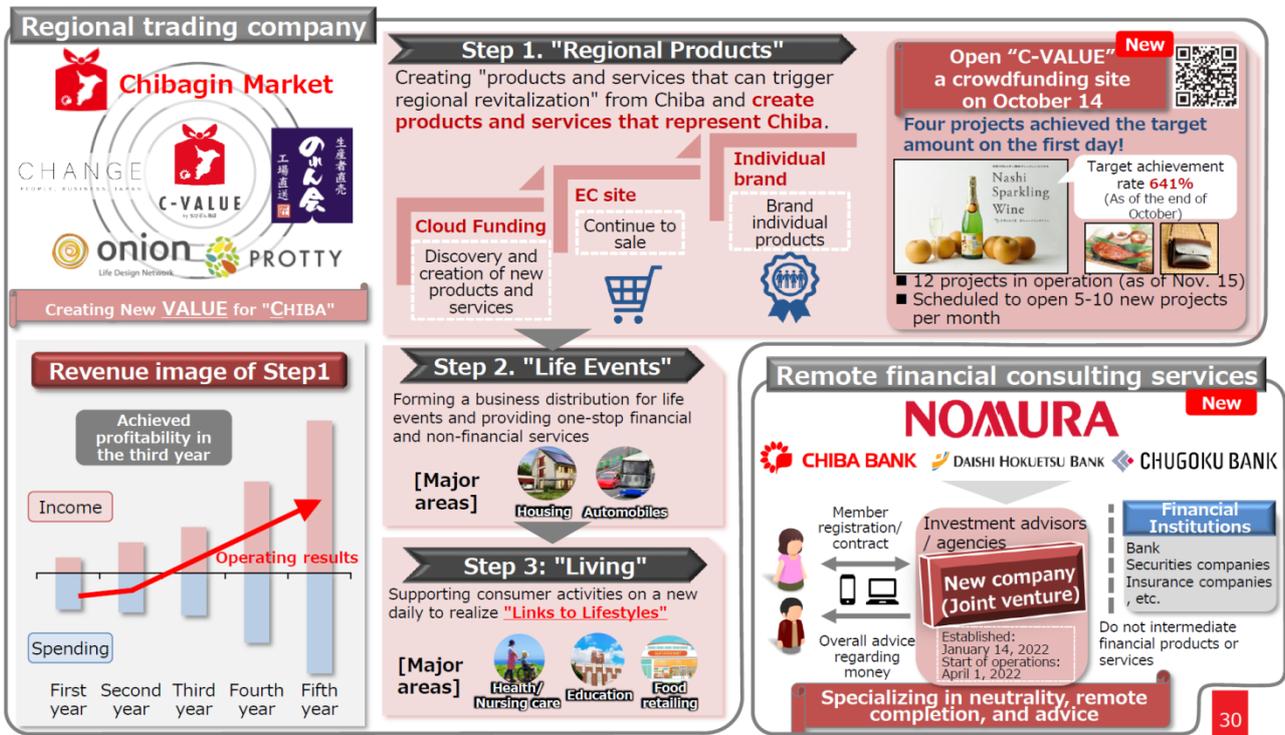
In addition, we will aim to build a local cashless economic zone by establishing a system that allows local customers to use our member stores at a discount so that we can contribute to the profits of our member stores.



The following is an explanation of the status of income and expenditure. Please refer to page 29. As shown in the graph on the right, the number of merchants and members has been steadily increasing, and the transaction volume is also expanding. Although it lags behind the mid-term plan due to the lack of progress in the use of restaurants and other facilities in the COVID-19 pandemic, total profit of new and existing business by the Bank for the first half increased by JPY264 million, and total profit of the group increased by JPY300 million.

As the Bank has put in place various measures made possible by bringing the merchant business in-house, we expect the Bank's cashless business to grow steadily as consumption is expected to become more active in the future.

Building a Regional Ecosystem with "Non-financial services" as a hub



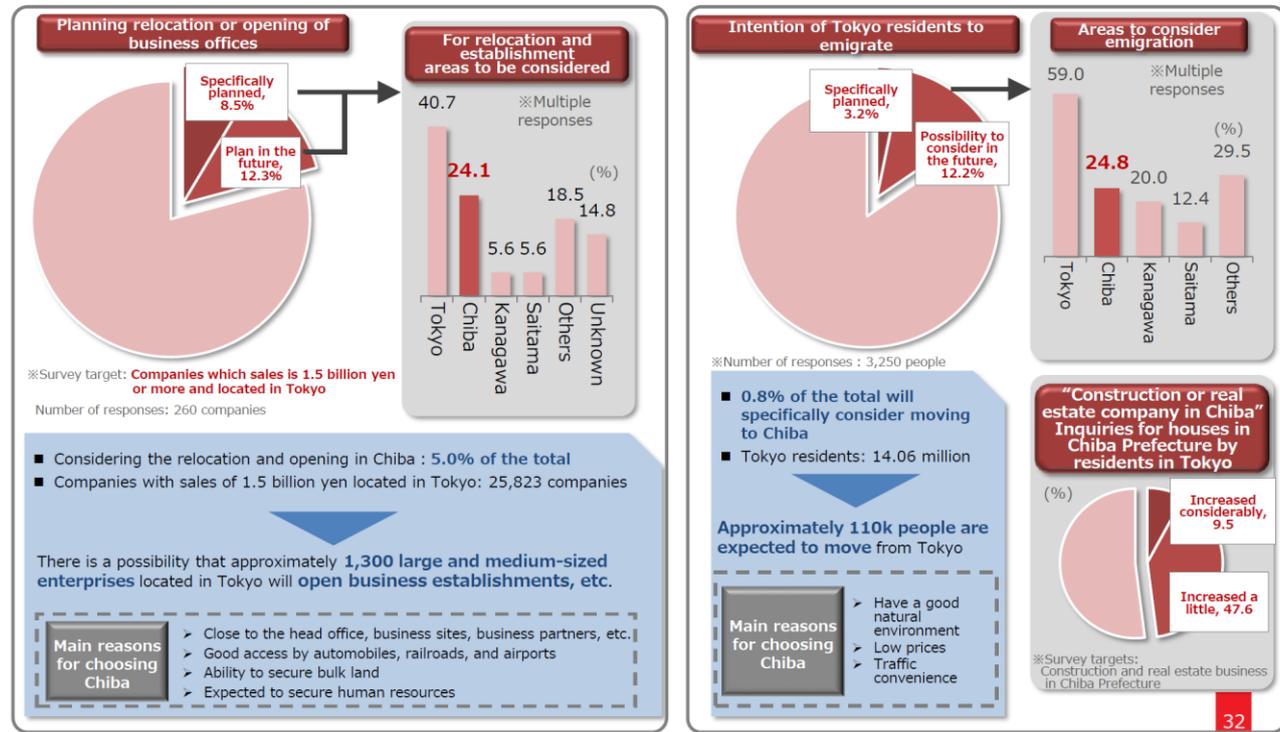
Please refer to page 30. The local trading company Chibagin Market opened its crowdfunding website in October and has started its business. The program has been gaining popularity, with 4 programs reaching their goal amount on the first day of opening, and 12 projects are currently in operation.

Our goal is to plan and sell new products and services while utilizing crowdfunding, and to continue to sell them on our e-commerce site while enhancing the brand power of our products, focusing on those that sell well and attract repeat customers.

In the area of non-financial services, we will utilize regional trading companies to increase the sophistication of our services and go further beyond the needs of banks to meet the needs of goods and services.

Many companies and citizens in the Tokyo metropolitan area are considering the establishment of business office and emigration to Chiba Prefecture

※All surveys conducted by Chibagin Research Institute in June 2021

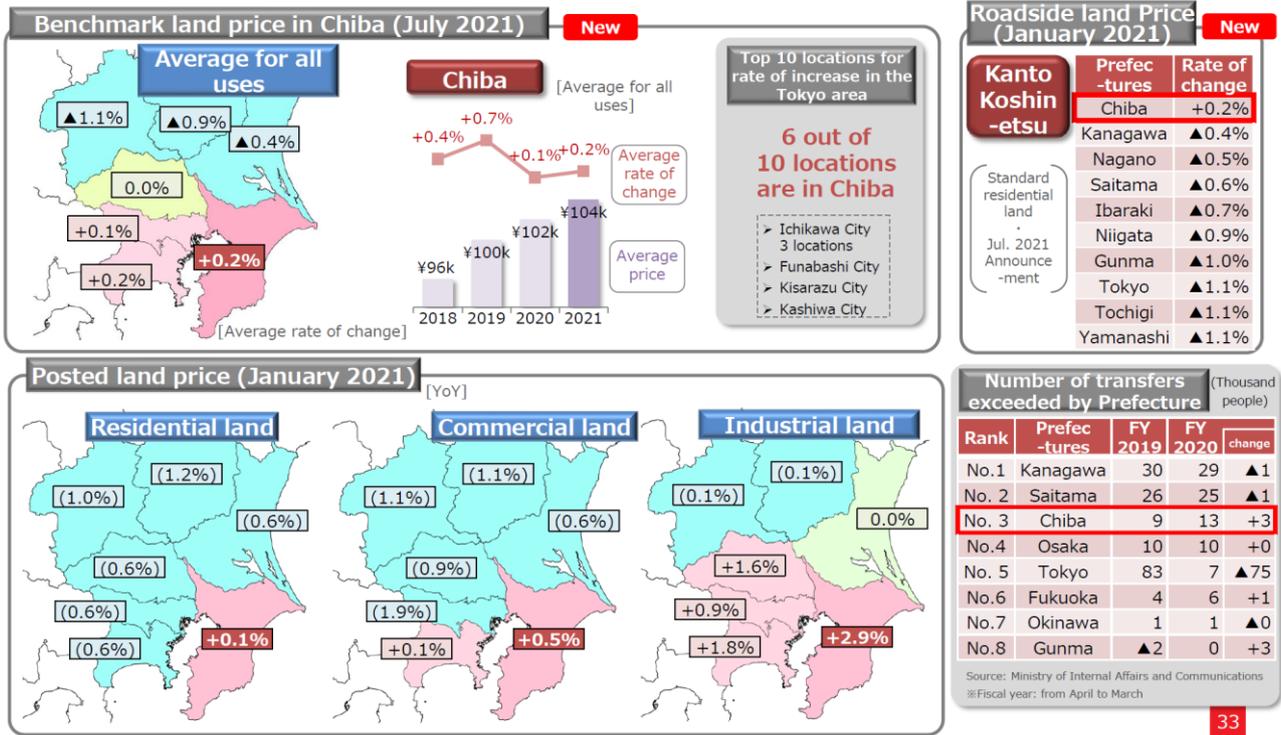


Next, I will explain the trends of the real estate market in Chiba Prefecture.

Please refer to page 32. This page covers the results of a survey conducted by the Chibagin Research Institute on the trends of companies and people in Tokyo in the COVID-19 pandemic. The left-hand side shows the trend of companies. Of the companies that plan to relocate or open new offices in the future, a quarter of them are considering Chiba Prefecture as a potential location, which means that about 1,300 of the large and medium-sized companies located in Tokyo are expected to open new offices.

Also, the right side is the trend of individuals, and although it is a hypothesis for possible business opportunities in the telework environment, it is calculated that 110,000 out of approximately 14 million Tokyo residents will consider moving to Chiba.

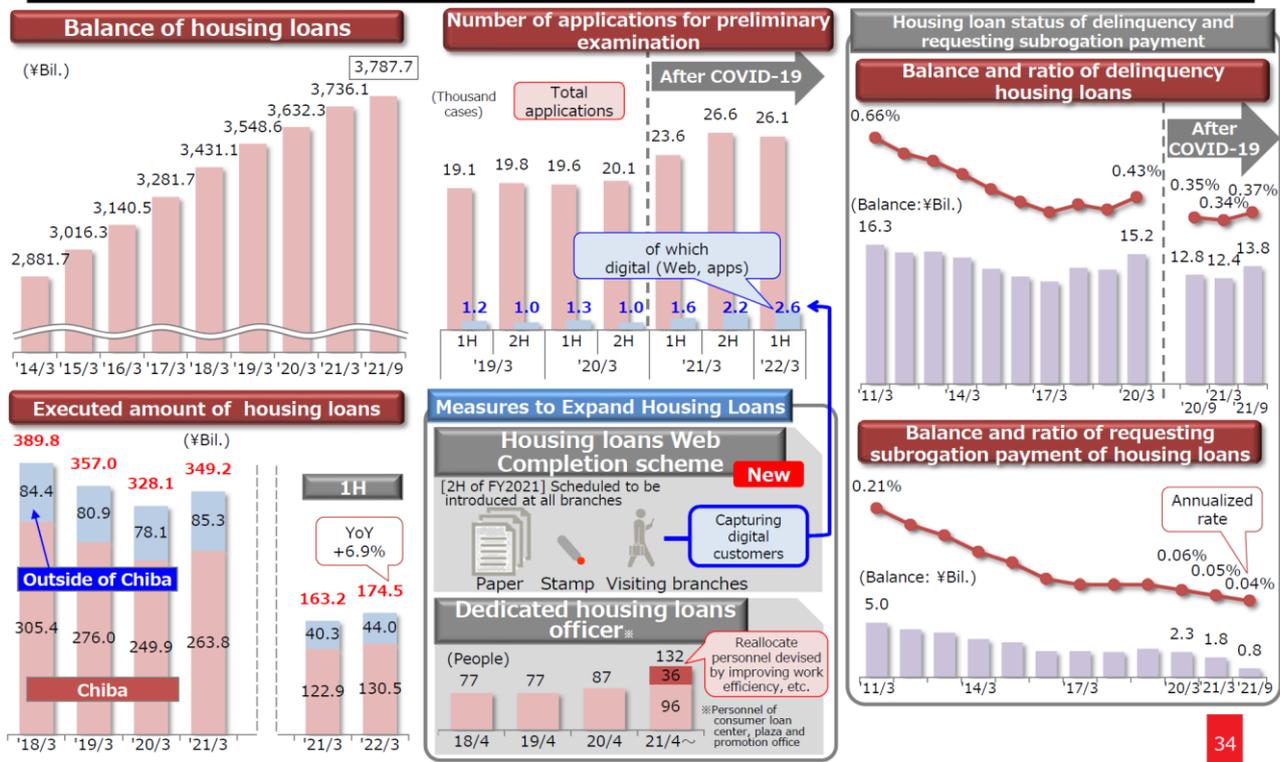
Even in COVID-19 pandemic, real estate prices in Chiba Prefecture rose



Please see page 33. These corporate and individual trends are also reflected in the real estate prices in Chiba Prefecture. The standard land prices announced in September recorded the largest increase in the Kanto region in terms of the average rate of change for all uses, and the roadside land price for standard residential land was the only one in the Kanto-Koshinetsu region to maintain a YoY increase.

Future development needs can be expected, and lending to the housing loan and real estate leasing industries, which account for more than half of the Bank's lending, is expected to remain strong.

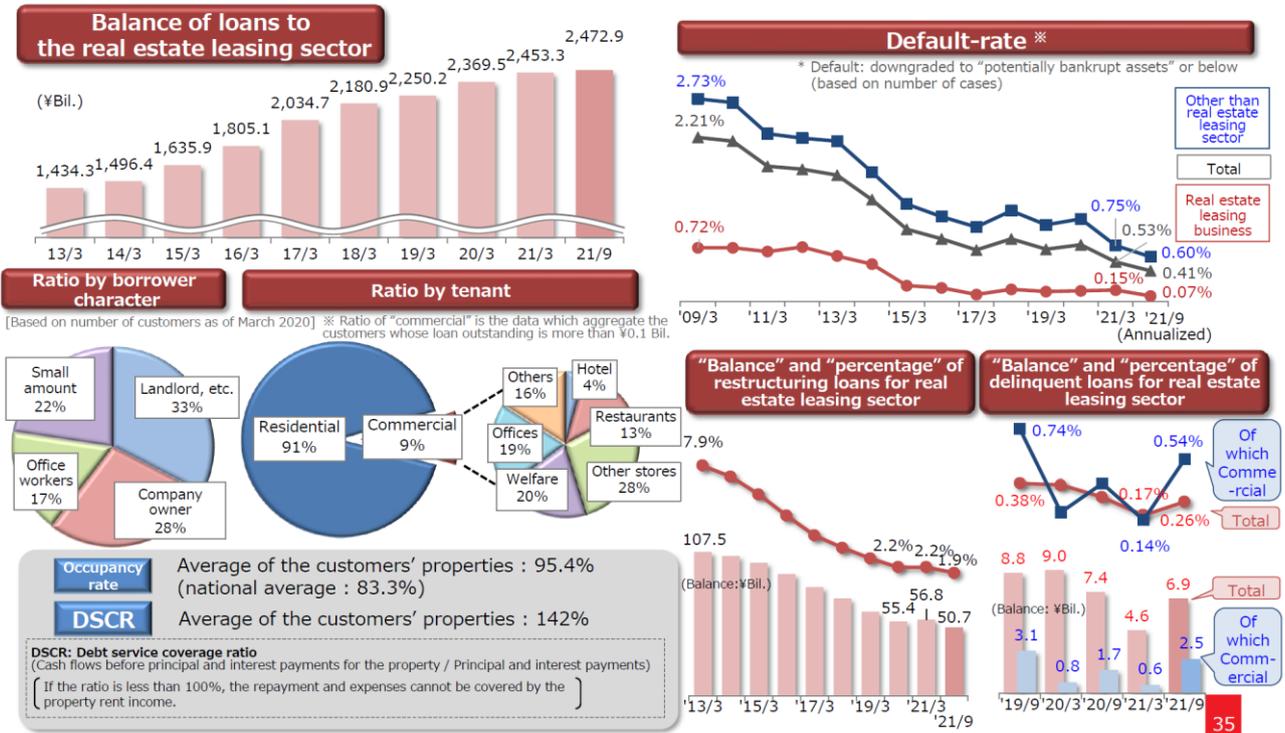
Steady progress in both applications and execution in response to growing demand for relocation



Please refer to page 34. As shown in the graph on the lower left, the amount of mortgage loans executed in the first half increased by 7% compared to the same period last year. As shown in the graph in the middle of the upper row, the number of applications for preliminary examination leading to the execution of housing loans has increased significantly after COVID-19, and the balance is expected to increase steadily in the future.

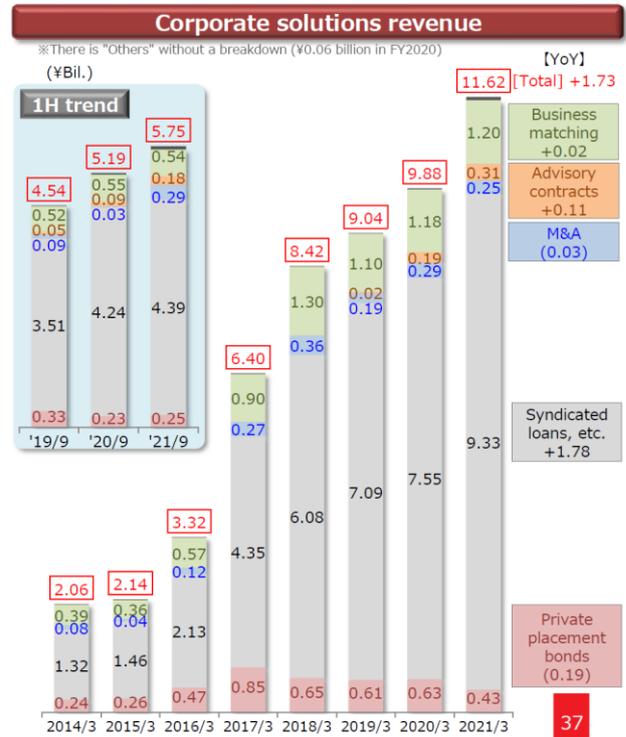
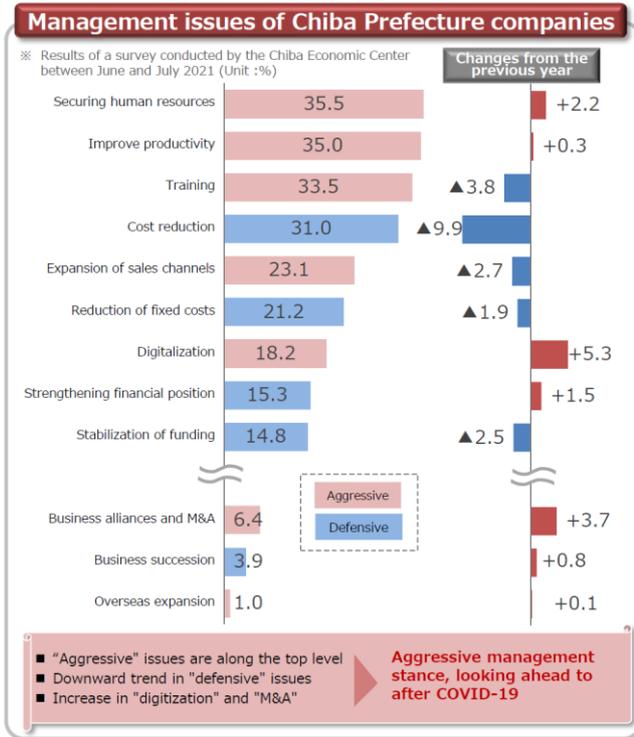
As shown in the graph on the right, the delinquency rate and the requesting subrogation payment of housing loans ratio have declined compared to the pre-COVID-19 period, and mortgage loans have remained sound.

Steady increase in loans to the real estate leasing sector, maintaining low credit risk



Please refer to page 35. Lending to the real estate leasing sector, which accounts for over 20% of the Bank's lending, has been increasing steadily. We continue to follow a strict screening system and have maintained soundness, with the default rate and the percentage of restructuring loans decreasing and the percentage of delinquent loans remaining almost unchanged.

Looking ahead to after-COVID-19, companies are aggressive ⇒ Provide optimal solutions

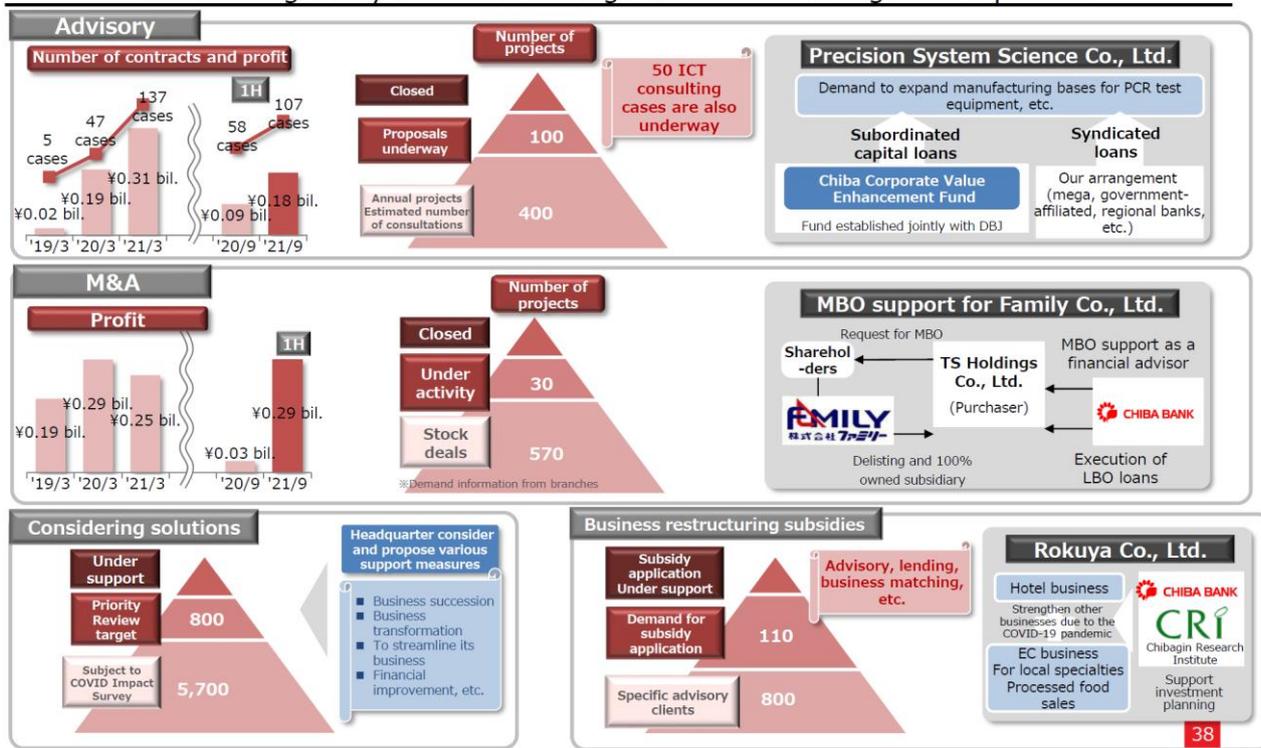


Next, I would like to explain various other measures.

Please see page 37. On the left are the results of a survey on management issues facing companies in Chiba Prefecture. Although there were many defensive issues at the beginning of the expansion of COVID-19's influence, there has been a shift to a more positive management stance in anticipation of after COVID-19 era, and offensive issues are now at the top of the list.

The Bank is well positioned to meet the various needs of corporations, and the provision of optimal solutions has led to an increase in corporate solutions-related revenue, which has reached a record high for 10 consecutive years.

Discovering many demands through continuous dialogue as a partner



Please see page 38. In the past, finance-related services have driven the increase in corporate solutions revenue, but in the first half of the year, non-finance-related services such as advisory and M&A services drove the increase.

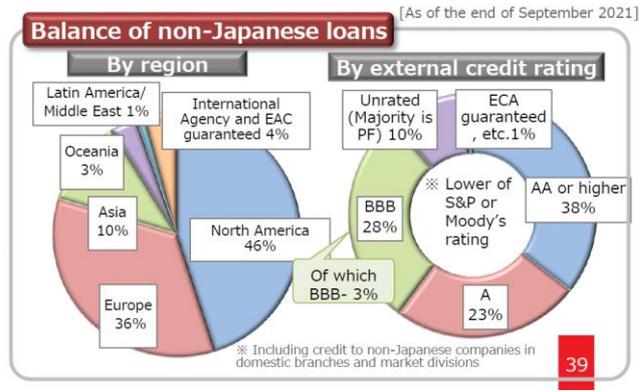
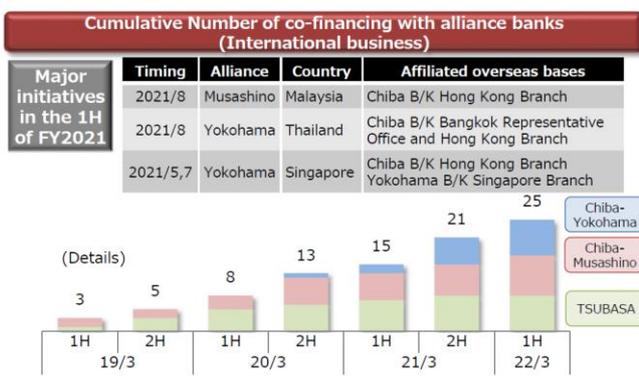
We have been able to improve our consulting capabilities by providing support through continuous dialogue as a partner, which has resulted in an estimated 400 consultations per year for advisory services.

In the area of mergers and acquisitions (M&As) with business succession as the starting point, first-half revenue results increased significantly due to MBO initiatives. As of the end of September, we had 600 stock deals, and the Business Succession Consulting Division, which was newly established in June, is taking the lead in continuing to support our clients.

As shown on the lower left, 800 of the customers affected by the COVID-19 have been designated as priority customers, and each division of the headquarters is considering and proposing various measures to the customers, such as management improvement, business succession, and capital loans, in an effort to resolve their business issues.

We are also actively providing support for applications for business restructuring subsidies, as shown in the bottom right, which has led to lending and advisory services.

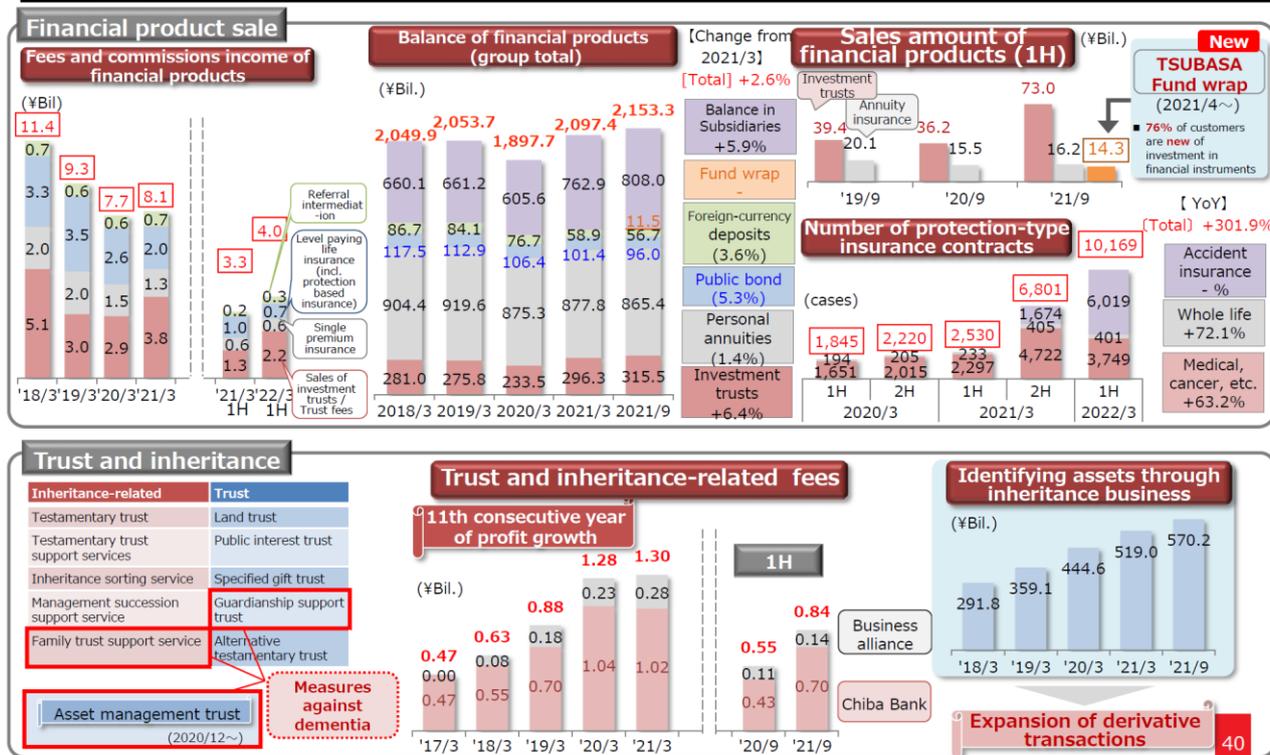
Take advantage of the largest overseas network among regional banks



Please see page 39. Having one of the largest overseas networks of any regional bank is one of our strengths, and our overseas branches have continued to provide support to Japanese companies even amid the turmoil caused by COVID-19.

# Financial Products Sales · Trust Business and Inheritance-related Service

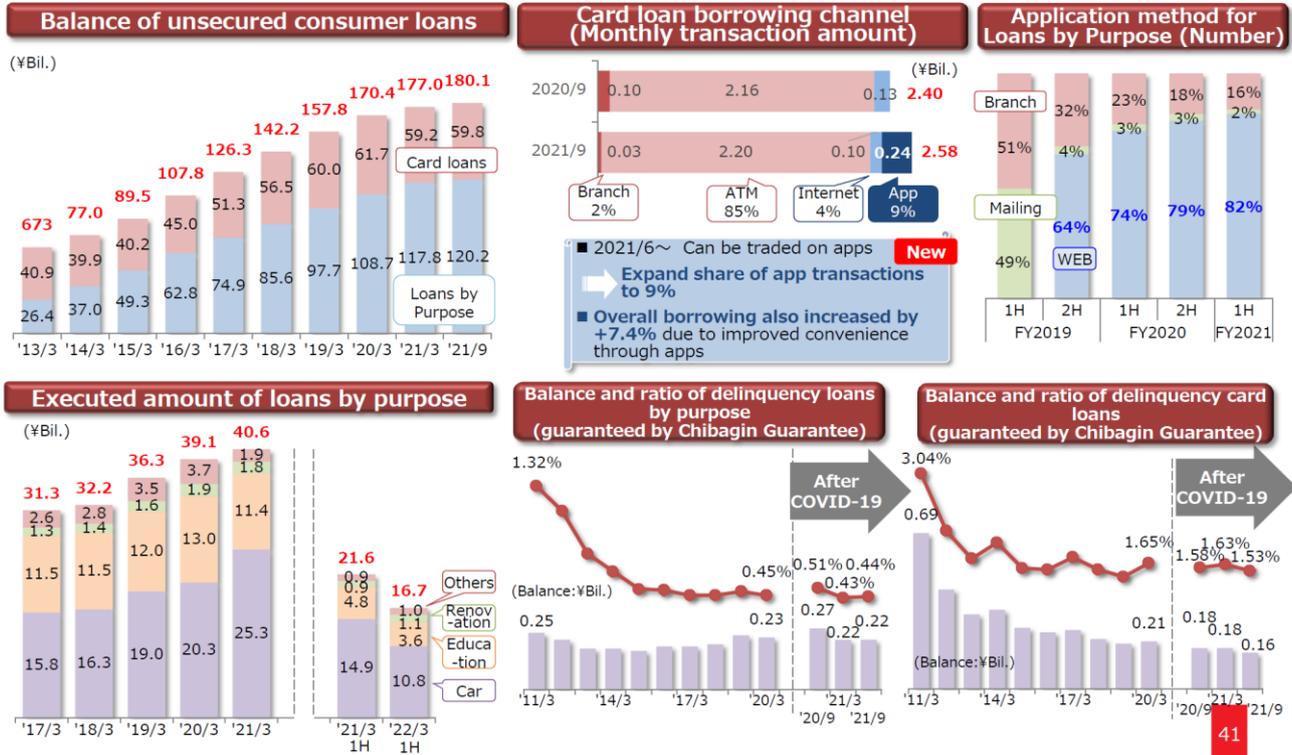
Establishment of a system that enables various proposals to be made to customers' needs for asset management and inheritance measures



Please see page 40. Sales of financial products, which were sluggish in the same period of the previous year due to the impact of COVID-19, are recovering, and the balance of financial products for the entire Group is on an upward trend. For customers who do not have experience in asset management, we are expanding our customer base by proposing the fund wrap service, which was launched in April, and the number of contracts of protection-type insurance is growing dramatically, exceeding 10,000 in half a year.

In addition, the trust and inheritance-related business, in which interest is growing under the COVID-19 pandemic, is also performing well, with first-half earnings reaching a record high for the half-year.

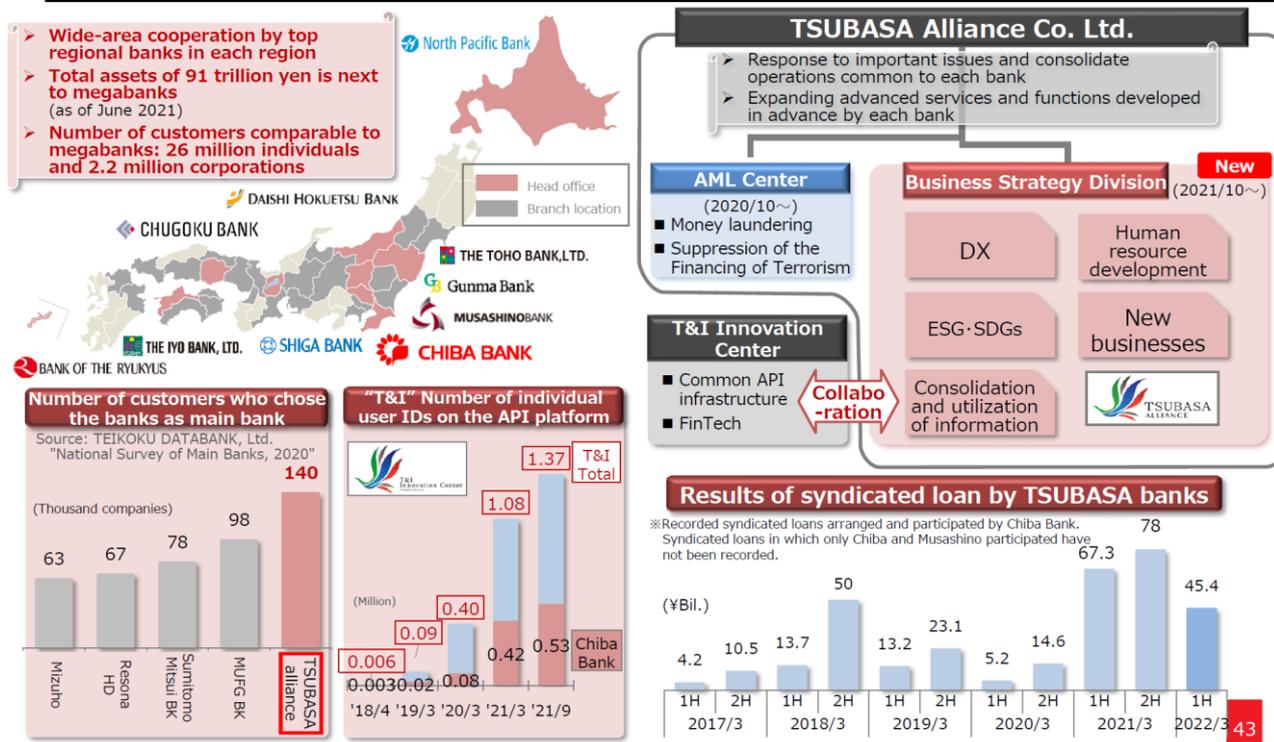
Maintain the soundness of assets while increasing the balance



Please see page 41. As for unsecured loans, the amount of loans executed decreased YoY as shown in the graph below left due to the impact of delays in the delivery of cars, but the balance continued to increase.

As shown in the middle of the upper row, by enabling card loan transactions through the app, the overall borrowing amount has increased, and the improved convenience has led to an increase in the balance.

Established the Business Strategy Division to further upgrade collaboration initiatives while consolidating the knowledge of participating banks



Next, I would like to talk about our alliance strategy.

Please see page 43. The TSUBASA Alliance, in which the top regional banks in each region participate, has total assets of over JPY90 trillion, and the number of customers rivals that of megabanks. In October, we established a new Business Strategy Division under TSUBASA Alliance Co., Ltd.

The staff members dispatched from the participating banks work closely with the planning departments of each bank to plan and make recommendations on how to collaborate, consolidate, and create platforms for important issues that are common to all banks, such as the promotion of DX-related measures, human resource development, diversity, ESG/SDGs, new business initiatives, and information aggregation and utilization.

The TSUBASA Alliance will further enhance its collaborative efforts by consolidating the knowledge of the participating banks.

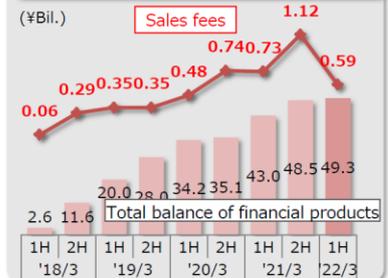
Providing high-value-added services by sharing issues and know-how among neighboring regional banks in the Tokyo metropolitan area

New

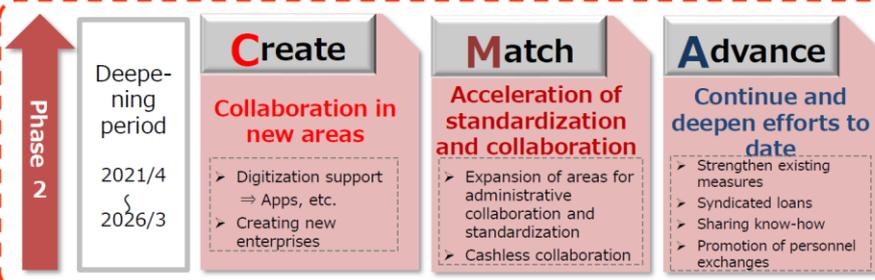


By Musashino Bank in July 2021  
Started handling TSUBASA fund wrap  
※Not included in the graph below

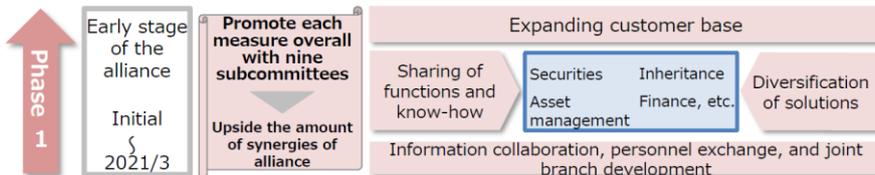
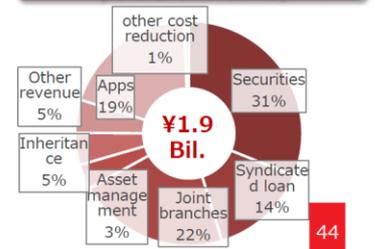
Musashino Bank ⇒ Chibagin Securities  
"Introduction cases"  
Total balance of financial products and sales fees



Leap period  
Standardization and collaboration (administrative and headquarters operations)



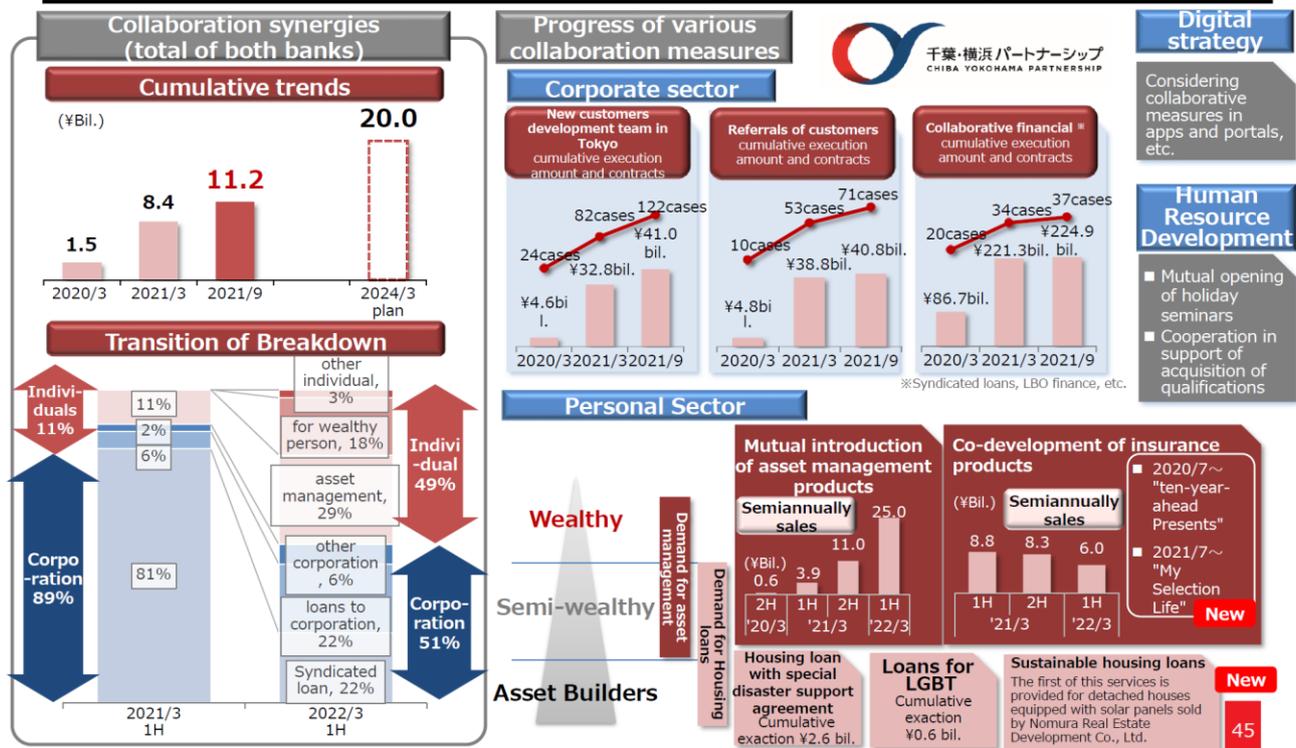
Effect of alliance in the 1H (total of both banks)



Please refer to page 44. 5 years after the alliance, the Chiba-Musashino Alliance, now in its second phase, is aiming to collaborate on everything except capital. In the area of individuals, collaboration in securities is making a significant contribution to earnings, and the areas of collaboration are expanding to include asset management, inheritance, and fund wrap.

In addition, we are also focusing on cost reduction through joint development of applications. By sharing issues and know-how among neighboring regional banks in the Tokyo metropolitan area, we will be able to provide high value-added services.

In addition to the corporate sector, the effects of collaboration in the personal Sector have begun to appear conspicuously, and the amount of effects is steadily trending toward a cumulative 5-year total of ¥20 billion



Please refer to page 45. The Chiba-Yokohama Partnership, launched in July 2019, is making steady progress toward a 5-year cumulative total of JPY20 billion, with a cumulative impact of JPY11.2 billion.

In the past, collaboration has been mainly in the corporate sector, but in the first half of the year, collaboration in the individual sector has been growing, with half being corporations and half being individuals. As a result of mutual introduction of asset management products and joint development of insurance products, sales of investment-type financial products have exceeded JPY70 billion, and we are also promoting collaboration in the field of SDGs, including joint efforts in sustainable housing loans.

We are also working together in the digital field, which will continue to manifest its effects. By utilizing the know-how of other top regional banks based in the Tokyo metropolitan area, we will continue to create advanced services and new businesses.

Aiming to Balance Social Value and Economic Value with a Long-Term Orientation

Chiba Bank group declaration on SDGs			Strengthening ESG initiatives to realize sustainability management			
Theme	Key issues	SDGs goals				
<b>Regional economy and community</b>	Contribute to the revitalization of the regional economy and local communities		<b>Structure, etc.</b>	ESG Promotion Committee established	2017/10	
<b>Population aging</b>	Support safe and secure lives for the elderly			Publication of integrated report	2019/7~	
<b>Financial Service</b>	Provide financial services for better life			SDGs Promotion Office established	<b>New</b> 2021/10	
<b>Diversity</b>	Promote diversity and work style reforms			<b>Environment</b>	Forest maintenance activities (Chibagin Forest)	2003~
<b>Environmental conservation</b>	Contribute to the conservation of a sustainable environment			<b>Social</b>	Commitment to TCFD* recommendations *Task Force on Climate-related Financial Disclosures	2019/12
			<b>Governance</b>	Loan policy revision (Tightening the loan to coal-fired power plants, cluster munitions, palm oil, and deforestation businesses)	2019/12	
				Establishment of "Chiba Bank Group Environmental Policy"	2020/11	
				Establishment of Sustainable Finance Targets	<b>New</b> 2021/7	
				Talent bank for regional banks	2015~	
				Handling of donation-type private placement bonds	2016~	
			Establishment of the "Chiba Bank Group Human Rights Policy"	2020/11		
			Donation course added to shareholder benefit system	2021/3~		
			Formulation of new action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace	<b>New</b> 2021/7		
			Established the Corporate Advisory Committee (currently the Appointment, Remuneration, Management Advisory Board)	2015		
			Introduced group chief officer (CxO) system	2018		
			Introduction of restricted stock remuneration plans	<b>New</b> 2021/6		

**Chibagin Forest**

A total of six maintenance activities since 2003 (tree planting and tree-growing)

- Cumulative total of plant : Approx. 20,000 trees
- CO2 absorbed: Approx. 200 tonnes

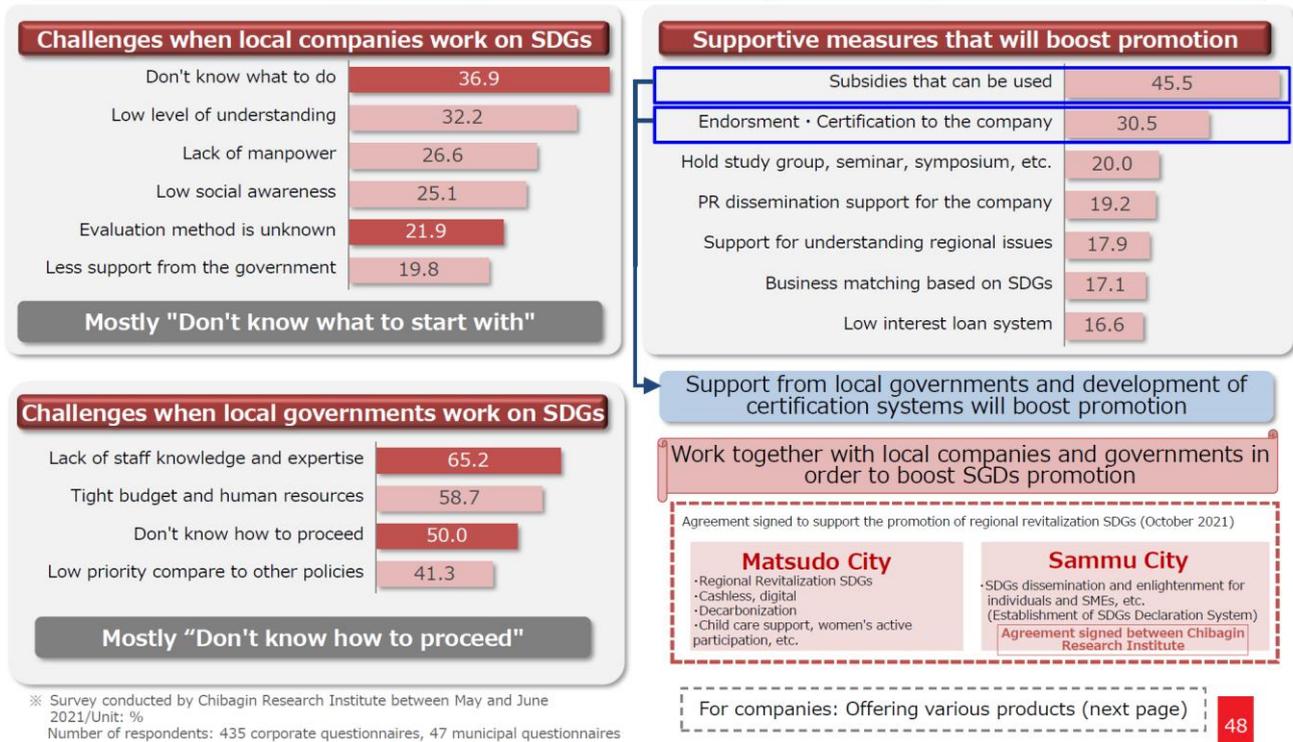


Next, I would like to explain about sustainability.

Please refer to page 47. As we aim to achieve sustainable growth together with local communities, we consider the SDGs to be an important part of our efforts. We will firmly implement the Chiba Bank group declaration on SDGs and proactively pursue initiatives to contribute to the resolution of social issues through our business activities.

In October this year, we established the SDGs Promotion Office to strengthen our structure, and we are promoting new initiatives in the areas of E, S, and G.

## Promoting SDGs together with local companies and governments



Please refer to page 48. According to a survey conducted by the Chibagin Research Institute, many companies and local governments in Chiba Prefecture have indicated that they do not know where and how to start working on the SDGs.

Many companies have said that the support of local governments and the establishment of certification systems will support the promotion of the SDGs, and we hope to support the promotion of the SDGs by companies in Chiba Prefecture by working together with companies and local governments, including Chiba Prefecture.

In addition, by developing sustainable loan products, we will provide support in terms of finance, including consultation.

Actively promoting sustainable finance to realize a decarbon society

Sustainable finance	
Sustainable Finance※ Execution amount target (from April, 2019 to March, 2031) <b>¥ 2 tri.</b>	Of which, environmental finance Execution amount target (from April, 2019 to March, 2031) <b>¥ 1 tri.</b>

※ Finance for solving environmental and social issue  
(Including financing to support customers' ESG and SDGs initiatives)

**New** Products for corporate customers

- Promoting sustainable loans by preparing products by company size

Large enterprises	Chiba Sustainability Linked Loan (from October 2021)
Medium-sized companies	Currently under consideration with the aim of designing products that are easy for medium-sized companies to use while being aware of international principles. (to be released during FY2021)
Small and Medium Enterprises	SDGs Friends Loan (from October 2020) Cumulative exaction ¥150.7 bil. (As of the end of September 2021)

**New** Products for individual customers

- Application of a discount rate to loan for environmentally friendly uses

Loans by purpose	Loans for car and home renovation (from October 2021)
Housing Loans	Sustainable housing loans (Scheduled to be handled from late November 2021)

Environmental finance

- Financial support for customers working on the Utilize of renewable energy

As of the end of 2021/9	Loans balance
Solar power generation	¥131.1 billion
Biomass generation	¥14.6 billion
Wind power generation	¥12.8 billion
Water power generation	¥0.6 billion
Total	¥159.1 billion

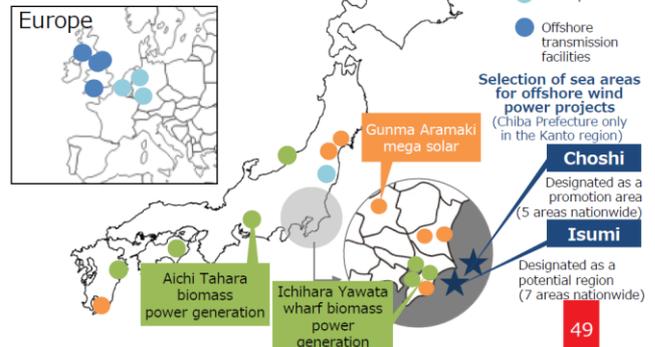
Amount of renewable energy generated from loans provided by the Bank (cumulative) ※

- Annual power generation : Approx. 6.2 millionMWh
- Converted to households : Approx. 1.7 million households
- CO2 savings : Approx. 2.7 million tonnes

※Include projects under construction

Of which, project-finance※

※Japan: Executed in the past year (from 2020/4 to 2021/9)  
Europe: Loans with outstanding (as of the end of 2021/9)

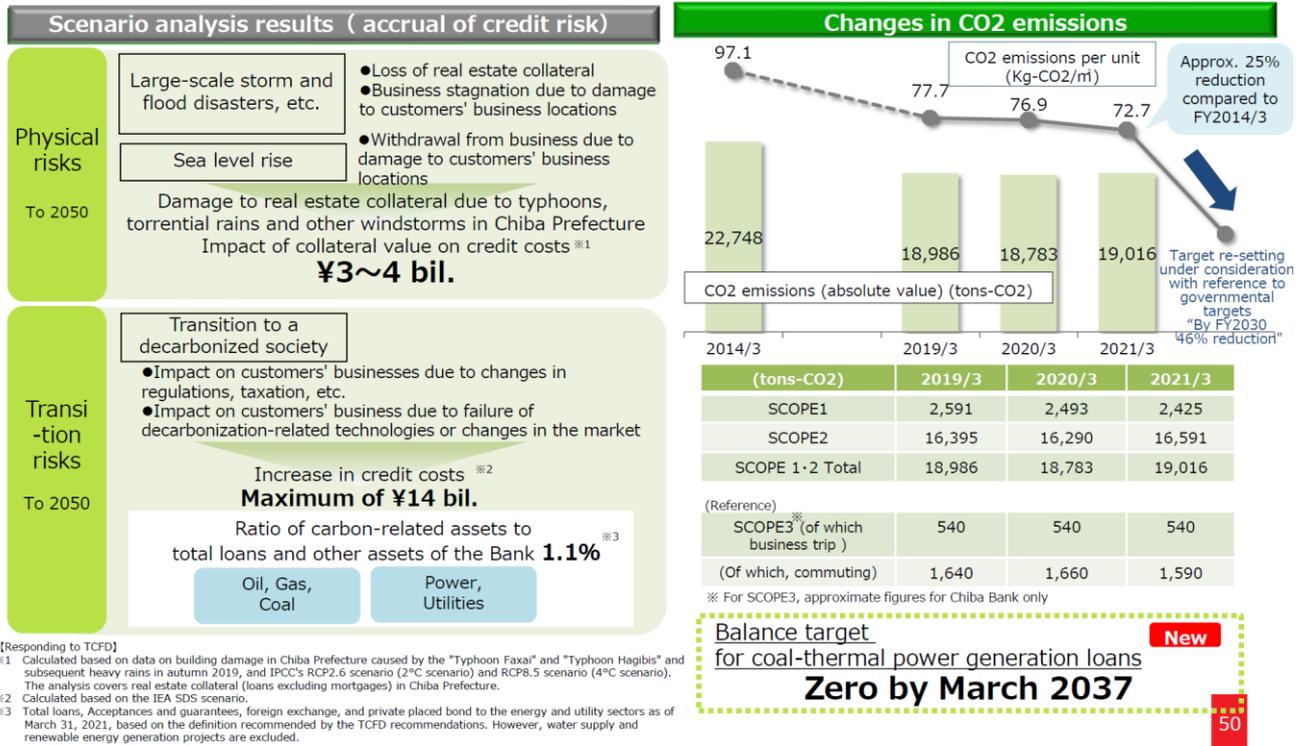


Please see page 49. With the aim of realizing a decarbonized society, we have set a target of JPY2 trillion in sustainable finance, of which JPY1 trillion will be in environmental finance, by March 2031. As for products for corporate customers, we have already developed Sustainability Linked Loan for large corporations and SDGs Friends Loan for small and medium-sized corporations, and we will consider introducing products for medium-sized corporations in the future.

We are engaged in financial support for many customers working on the utilization of renewable energy in Japan and overseas. As Choshi and Isumi in Chiba Prefecture are the only areas in the Kanto region that have been selected for offshore wind power projects, it is expected that more large-scale projects will be launched in the prefecture, and we will support them with financing.

Chiba Prefecture's offshore wind power generation business is likely to expand, and is a major business opportunity in the context of climate change, and we will work firmly to address it.

Expanding disclosure on climate change and strengthening efforts to decarbon



Please refer to page 50. In conjunction with the publication of the Integrated Report in July, we have expanded the disclosure of information on our response to climate change.

First of all, we conducted a scenario analysis for physical and transition risks in response to TCFD. The total amount of the impact on credit costs is about JPY18 billion, and we have confirmed that it will not have a significant impact on the Bank's business.

In addition, CO2 emissions are disclosed by scope, and some approximate values for SCOPE 3 have been added this time. In addition to this, we announced in September that we would reduce the balance of loans for coal-fired power generation to zero by March 2037, and we will continue to place top priority on addressing climate change risks.

Utilizing diverse human resources, contributing to regional revitalization and support for customers in COVID-19

Numerical targets based on the Act on Promotion of Women's Participation and Advancement in the Workplace			
Action plan (achieved) Apr. 2016 to Jul. 2021	FY 2007	As of 2021/7	Target for 2021/7
Percentage of management positions held by women (No. of persons)	2.0% (17)	20.0% (203)	20%
Percentage of leadership positions held by women (No. of persons)*	9.4% (98)	31.6% (289)	30%

**Achieved**

New Action Plan Jul. 2021 to Jul. 2026	As of 2021/3	As of 2021/7	Target for 2026/7
Percentage of leadership positions held by women (No. of persons)	-	25.5% (492)	30%
Percentage of employees taking paid leave	70%	-	80%
Percentage of men taking child-care leave	112.7%	-	100% Continued

※Personnel with subordinates and equivalent positions, such as branch manager agents, who are responsible for organizational management as responsible for operations.

**Contribution to regional communities**

Utilization of vacant public facilities **New**

Support for commercialization of Takakiko Gramping Resort utilizing the former Takasaki Elementary School in Ichihara City, which has closed down

**Issuance of privately placed placement bonds**  
(cumulative from the start of handling to the end of September 2021)

	Number of issues	Issuance amount	Donations amount
Local Revitalization	620 cases	¥61.0 bil.	¥1.03mil.
Sports-Supporting	64 cases	¥5.7 bil.	¥0.08mil.
Medical Support	86 cases	¥9.9 bil.	¥0.12mil.
Total	770 cases	¥76.8 bil.	¥1.25 mil.

**External Evaluation**

The "New Diversity Enterprise 100" selected by METI

First as financial institution

"Nadeshiko Brand" selected by METI and Tokyo Stock Exchange

Forth consecutive year

METI, Nippon Kenko Kaigi  
"The Certified Health and Productivity Management Organization Recognition 2021(Large Enterprise Category (White 500))" selected

Third time

2021 J-Win Diversity Award Advance Division

Grand Prize

Nikkei WOMAN June 2021 "Best 100 companies in which women are active"

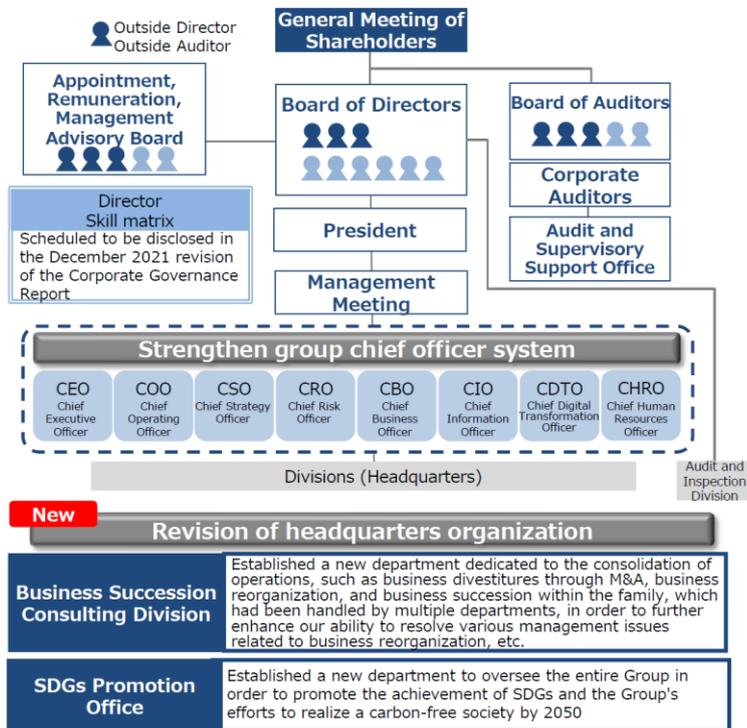
6th overall

Nikkei DUAL "Ranking for the companies in which Dual-income or childcare is easy"

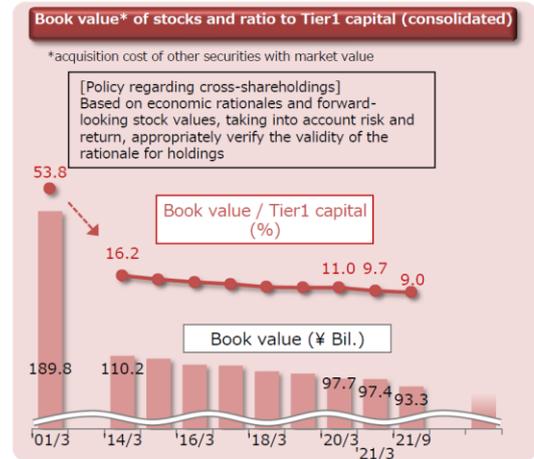
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Please refer to page 51. In the area of diversity promotion, we have achieved our targets of 20% female managers and 30% female leaders, which were set to be achieved by this July. As the next phase of the action plan, we have set a new target of 30% of female leaders and above, and will continue to promote the activities of women.

Sophistication of Group Governance



<Ratio of Independent Outside Directors>      <Ratio of Female Directors>



Please refer to page 52. With regard to governance, more than one-third of the Board of Directors and the majority of the Board of Auditors and the Appointment, Remuneration, Management Advisory Board will be composed of outside directors, and we will further improve our governance system, including those of Group companies, in order to further demonstrate our management supervision function.

In June, a female director was promoted from within the Bank, bringing the ratio of female directors to one-third.

We will continue to transform ourselves into a new financial group by responding with speed to changes in the environment surrounding the Bank Group and by building a solid management foundation that will support the creation of new businesses.

This wraps up my presentation. Thank you.