



The Chiba Bank, Ltd.

Financial Result Briefing for the First Half of FY2023 ending March 2024

November 21, 2023

Event Summary

[Company Name]	The Chiba Bank, Ltd.	
[Event Name]	Financial Result Briefing for the First Half of FY2023 ending March 2024	
[Date]	November 21, 2023	
[Time]	10:00 – 11:17 (Total: 77 minutes, Presentation: 35 minutes, Q&A: 42 minutes)	
[Venue]	Hybrid	
[Number of Speakers]	4	
	Tsutomu Yonemoto	President, Group Chief Executive Officer
	Mutsumi Awaji	Director and Senior Executive Officer, Group Chief Strategy Officer, Group Chief Digital Transformation Officer
	Akira Eshita	Executive Officer, Group Deputy Chief Strategy Officer
	Taro Kanzawa	General Manager of Corporate Planning Division

Yonemoto: Good morning, ladies and gentlemen. My name is Yonemoto, and I am the president and CEO.

Before I begin, I would like to apologize to all of you. As most of you may already be aware, on June 23rd of this year, our bank and Chibagin Securities Co., Ltd. received a Business Improvement Orders from the Kanto Local Finance Bureau. The Group takes this matter very seriously and is doing its utmost to make improvements and prevent a recurrence to regain our customers' trust. We apologize again for any concerns or inconvenience this may have caused. I will explain our future policy, among other things, later on.

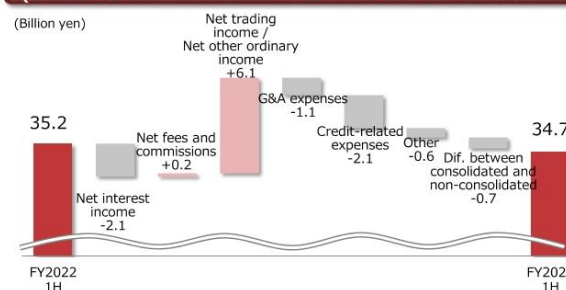
Summary of Financial Results						To create a local community better suited to bringing each person's hope to life	
Progress in net income is favorable due to strong revenue performance and restrained credit costs							
Non-consolidated		(Billion yen)	FY2022 1H	FY2023 1H	Change	FY2023 Plan	Progress
Gross business profit			82.6	86.9	4.3	166.3	52.2%
Net interest income			72.3	70.2	-2.1	135.9	
Net fees and commissions			14.7	14.9	0.2	29.8	
Net Trading income			0.6	0.8	0.1	2.1	
Net other ordinary income			-5.1	0.8	6.0	-1.5	
Gains/losses related to bonds			-8.5	-2.0	6.5	-4.9	
G&A expenses (-)			41.0	42.1	1.1	85.0	49.6%
Net business income (before provisions to general allowance for loan losses)			41.6	44.7	3.1	81.2	55.0%
Core business income			50.2	46.8	-3.3	86.2	54.3%
Excl. gains/losses on the cancellation of investment trusts			47.3	46.0	-1.2	83.3	55.3%
Net provisions to general allowance for loan losses (-)			-	-	-	-0.5	
Net business income			41.6	44.7	3.1	81.7	54.7%
Non-recurring gains/losses			8.2	5.4	-2.7	1.2	
Disposal of non-performing loans (-)			-2.9	-0.7	2.1	7.5	
Reversal of loan loss reserves			2.0	1.9	-0.1	-	
Gains/losses related to stocks, etc.			4.8	4.6	-0.2	8.7	
Ordinary profit			49.8	50.1	0.3	83.0	60.4%
Extraordinary gains/losses			-0.1	-0.0	0.0	-0.2	
Net income			36.1	36.4	0.3	59.0	61.7%
Credit-related expenses (-)			-2.9	-0.7	2.1	7.0	-
Consolidated		(Billion yen)	FY2022 1H	FY2023 1H	Change	FY2023 Plan	Progress
Ordinary profit			50.7	49.9	-0.7	88.0	56.8%
Profit attributable to owners of parent (Ref.)			35.2	34.7	-0.4	61.0	57.0%
Consolidated net business income (before provisions to general allowance for loan losses)			43.8	47.0	3.2	92.1	51.1%

*Figures for the FY3/24 plan were revised from those disclosed on May 15 (November 9, 2023).

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- Revenue was performing strong, mainly due to the following variables :
 - Domestic net interest income increased by 1.9 billion yen compared to the previous year while overseas net interest income decreased by 4.0 billion yen. As a result, overall net interest income decreased by 2.1 billion yen
 - Net fees and commissions increased by 0.2 billion yen compared to the previous year, remained strong and limited impact of business improvement order on financial products
 - Gains/losses related to bonds increased by 6.5 billion yen compared to the previous year due to the elimination of the impact of losses on the sale of foreign bonds recorded
- Core business income (excl. gains/losses on the cancellation of investment trusts) decreased by 1.2 billion yen
- Credit-related expenses reversal of 0.7 billion yen
- Net income was steady progress, on non-consolidated basis representing progress towards the full-year plan of 61.7%. Consolidated basis progress was 57.0%.

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



I will now explain the situation in accordance with the materials. Please refer to page 3.

First, I would like to give you an overview of our business performance. While net interest income decreased by JPY2.1 billion YoY, net fees and commissions were strong, reaching a record high for H1 of a fiscal year, and gains/losses related to bonds increased by JPY6.5 billion due to the absence of the impact of the loss on foreign bonds implemented in the previous fiscal year. As a result, gross business profits increased by JPY4.3 billion to JPY86.9 billion, record high for the first time in two years.

General and administrative expenses increased by JPY1.1 billion but progressed as planned due to increased expenses associated with strategic investments to achieve the medium-term management plan. Credit-related expenses remained low at a reversal of JPY700 million as a result of active efforts to support the core business and solution proposal activities.

As a result of the above, non-consolidated net income for H1 was JPY36.4 billion, an increase of JPY0.3 billion YoY, reaching a record high for the third consecutive year. Although consolidated interim net income decreased by JPY0.4 billion due to the narrowing of the gap between consolidated and non-consolidated net income, we are making steady progress toward our full-year plan, with a progress rate of 57%.

Summary of Financial Results (Consolidated)

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

Consolidate	(Billion yen)	FY2022 1H	FY2023 1H	Change
Consolidated net revenue		84.7	88.8	4.0
Net interest income		68.2	66.0	-2.2
Net fees and commissions		20.4	20.8	0.3
Net trading income		1.1	1.1	-0.0
Net other ordinary income		-5.1	0.8	6.0
G&A expenses (-)		44.2	45.9	1.6
Credit-related expenses (-)		-3.6	-0.5	3.1
Net provisions to general allowance for loan losses (-)		-	-	-
Disposal of non-performing loans (-)		-3.6	-0.5	3.1
Gains/losses related to stocks, etc.		5.2	5.0	-0.2
Gains/losses on equity-method investments		0.0	0.1	0.0
Other		1.2	1.3	0.1
Ordinary profit		50.7	49.9	-0.7
Extraordinary gains/losses		-0.1	-0.0	0.0
Net income pre-tax adjustment		50.6	49.9	-0.7
Total corporate income taxes (-)		15.3	15.1	-0.2
Net income		35.2	34.7	-0.4
Profit attributable to non-controlling interests		-	-	-
Profit attributable to owners of parent		35.2	34.7	-0.4
(Ref.)				
Consolidated net business income (before provisions to general allowance for loan losses)		43.8	47.0	3.2

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 1H	FY2023 1H	Change
Chibagin Securities Co., Ltd.	100%	Ordinary profit	0.1	-0.0	-0.2
		Net income	0.1	-0.0	-0.1
Chibagin Leasing Co., Ltd.	100%	Ordinary profit	0.5	0.4	-0.1
		Net income	0.3	0.2	-0.1
Chibagin Guarantee Co., Ltd.	100%	Ordinary profit	3.5	2.8	-0.6
		Net income	2.3	1.9	-0.4
Chibagin JCB Card Co., Ltd.	100%	Ordinary profit	0.5	0.5	0.0
		Net income	0.3	0.3	0.0
Total of 5 other companies	100%	Ordinary profit	0.3	0.3	-0.0
		Net income	0.2	0.2	-0.0
Total		Ordinary profit	5.2	4.1	-1.1
		Net income	3.4	2.7	-0.7

[Equity method subsidiaries]		(Billion yen)		
Total of 6 companies	Net income according to equity method	0.0	0.1	0.0

Dividends to parent company (-)	4.4	4.4	0.0
Dif. between consolidated and non-consolidated*	-0.8	-1.6	-0.7

*After adjusting for unrealized gains, etc.

Please see page 4.

The right side shows the financial results of the subsidiaries. Chibagin Securities posted a small loss as it focuses on customer follow-up activities.

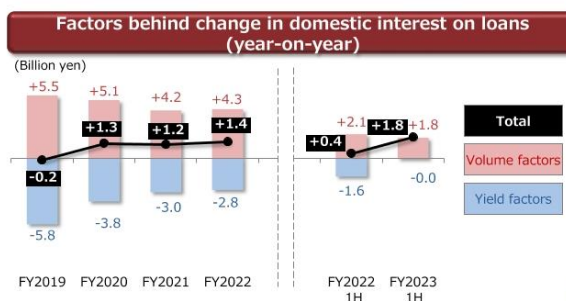
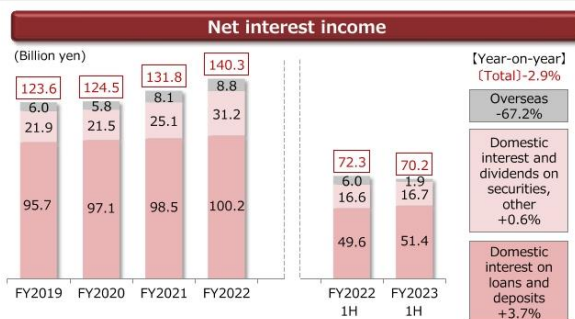
Chibagin Guarantee posted a JPY400 million decrease in net income for H1 YoY due to the absence of the reversal of credit-related expenses that existed in the previous year. As a result, the difference between consolidated and non-consolidated net income decreased by JPY700 million.

Net Interest Income

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Domestic interest on loans and deposits increased steadily, while overseas net interest income declined due to a decrease in the gains on cancellations of investment trusts

(Billion yen)	FY2022 1H	FY2023 1H	Change
Net interest income	72.3	70.2	-2.1
Domestic	66.2	68.2	1.9
Interest on loans and deposits	49.6	51.4	1.8
Loans and bills discounted	49.7	51.6	1.8
Deposits incl. NCDs (-)	0.1	0.1	-0.0
Interest and dividends on securities	14.9	15.9	1.0
Bonds	1.8	2.3	0.4
Stock dividends	8.3	8.1	-0.2
Investment funds	0.6	0.8	0.1
Investment trusts	4.1	4.6	0.5
Gains on cancellations	0.9	0.8	-0.0
Other (market operations, etc.)	1.7	0.8	-0.8
Overseas	6.0	1.9	-4.0
Loans and bills discounted	4.8	12.5	7.6
Foreign securities	10.1	12.5	2.3
Foreign securities funds	6.6	11.6	4.9
Foreign currency funds	1.5	0.7	-0.7
Investment trusts	2.0	0.1	-1.8
Gains on cancellations	1.9	-0.1	-2.0
Other (funding, market operations, etc.)	-8.9	-23.0	-14.1
Net interest income (excluding gains on the cancellation of investment trusts)	69.4	69.4	0.0
Gains on the cancellation of investment trusts	2.8	0.7	-2.1



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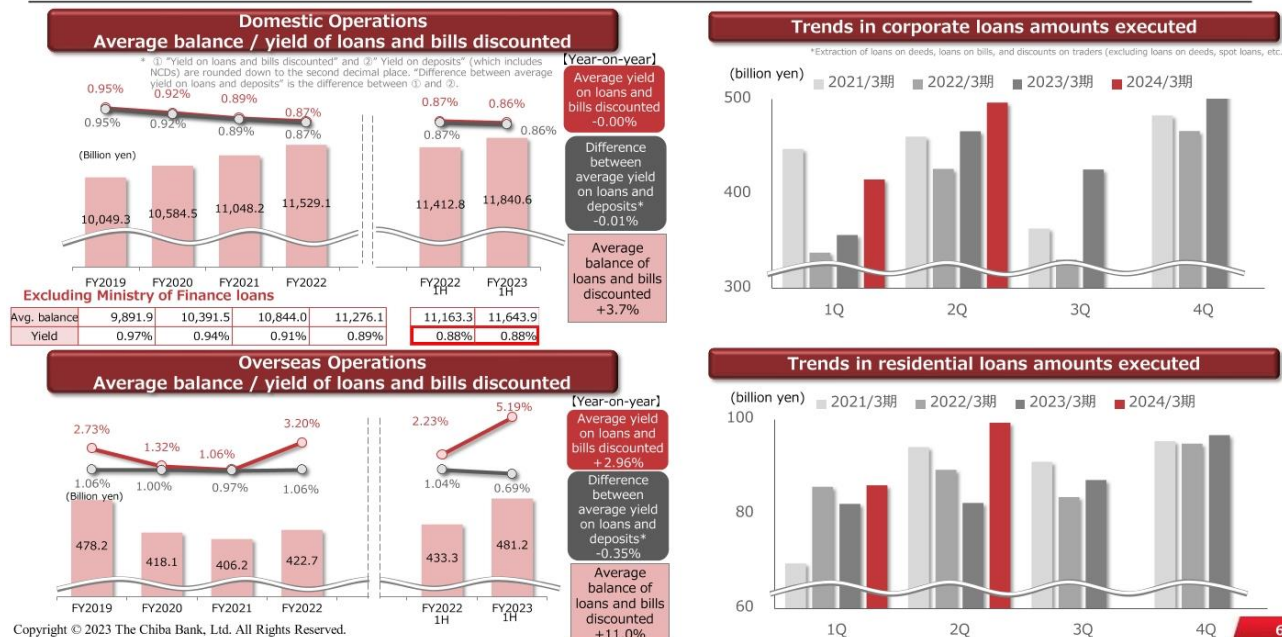
Overall net interest income decreased by JPY2.1 billion. In the domestic division, interest on loans and deposits was strong, increasing JPY1.8 billion YoY, and as shown in the graph on the bottom right, the negative impact from the yield factor was eliminated, and the increase from the volume factor directly contributed to net interest income.

On the other hand, the overseas division posted a JPY4.0 billion decrease due to the absence of investment trust cancellation gains, which were made to supplement foreign bond losses in the previous year, a decrease in foreign currency fund income, and rising overseas interest rates.

Average Balance / Yield of Loans and Bills Discounted

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Yields on domestic loans have bottomed out, and execution amount have been favorable for both corporation and residential loans



Please see page 6.

As shown below in the upper left graph, the yield on loans in the domestic sector remained flat, excluding loans to the Ministry of Finance, and we believe that the yield has bottomed out.

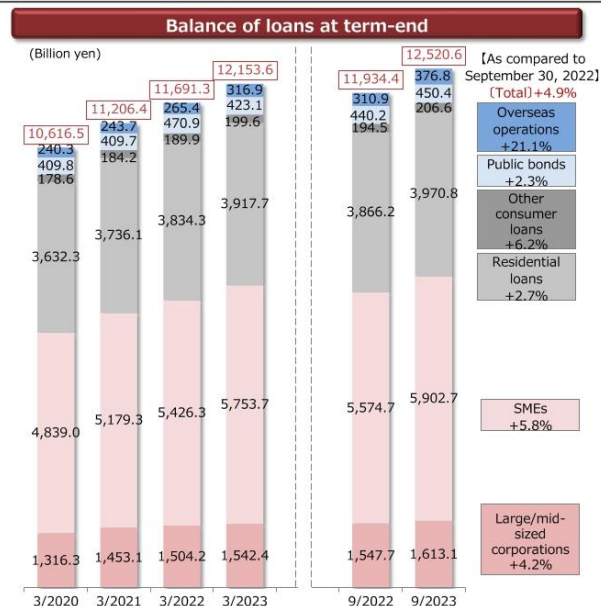
In addition, as shown in the two graphs on the right, the amount of loans to general businesses at the top and the amount of mortgage loans executed as shown at the bottom, are strong.

Q2 executions for general business exceeded the period when demand increased due to the COVID-19 disaster, and mortgage loan executions reached a record high for H1 of a fiscal year, contributing to the increase in loan volume.

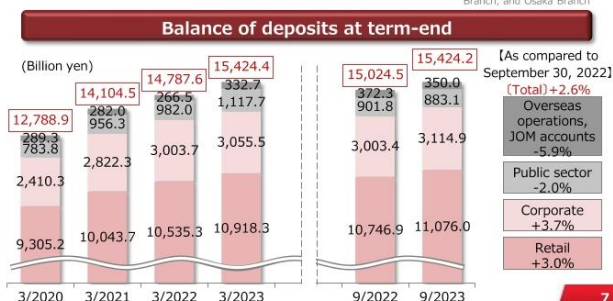
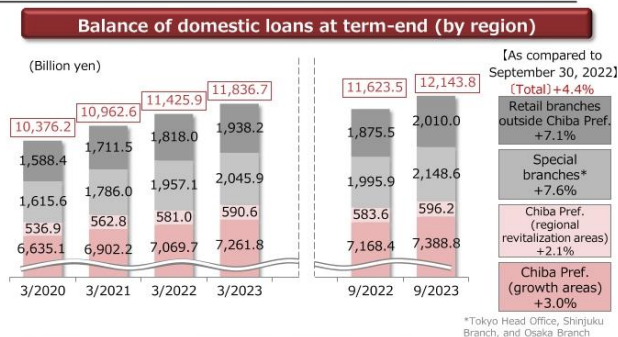
Balance of Loans / Deposits at Term-end

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The pace of increase in loans to corporation loans, residential loans, and other consumer loans has been sustained, and deposits have also steadily increased



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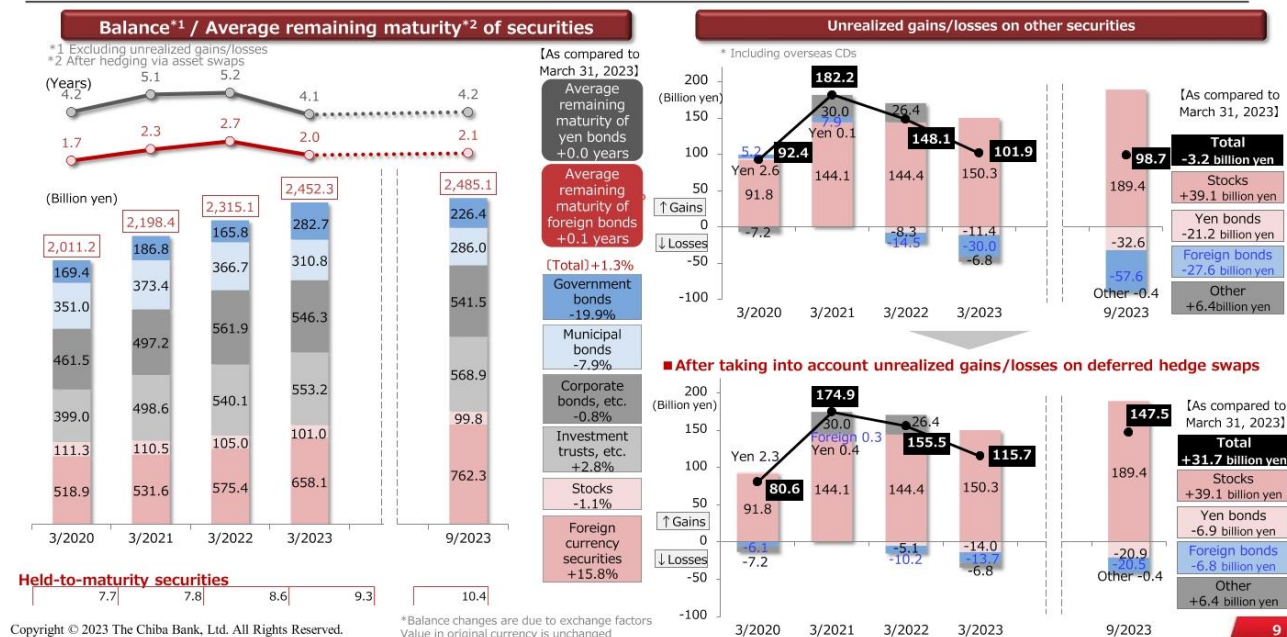
Please see page 7.

Loans and bills discounted increased JPY580 billion, or 4.9%, YoY to JPY12.5 trillion. In addition to a steady increase in loans to businesses, both small and large, housing loans and other consumer loans also maintained growth.

As shown on the top right-hand graph, by region, there was strong growth outside of the prefecture, while demand for funds within the prefecture was also strong.

Deposits, shown in the bottom right-hand graph, also increased steadily for both individual and corporate customers, increasing by JPY400 billion, or 2.6%, to JPY15.4 trillion.

By managing portfolios with reduced risk, unrealized gains after taking into account hedge remains high level



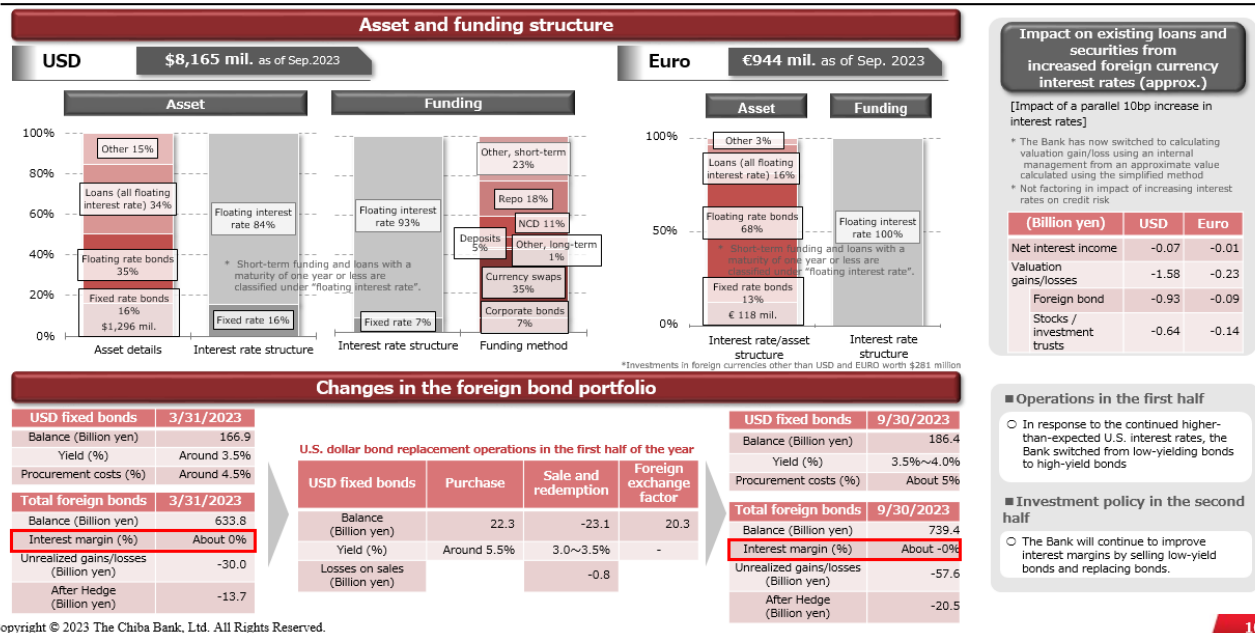
Please skip 1 page and see page 9.

The overall balance of securities increased 1.3% from the end of March, as the balance of foreign bonds increased due to the depreciation of the Japanese yen, while the balance of yen-denominated bonds decreased. Amid significant fluctuations in domestic and overseas interest rates, we are working to control the interest rate risk by utilizing hedges such as interest rate swaps, etc. As shown in the lower right graph, the overall unrealized gains after accounting for hedges amounted to JPY147.5 billion, an increase of JPY31.7 billion from the end of March, including gains on stocks.

Impact of Rising Interest Rates① - Foreign Currency -

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Replacement of some bonds in response to high overseas interest rates



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Please see page 10.

I will explain the impact of rising interest rates on foreign currencies. In H1, we cut losses mainly on low-yielding US dollar-denominated bonds due to the high level of overseas interest rates while replacing them with higher-yielding bonds to improve the portfolio, resulting in an overall foreign bond margin of about 0%.

In H2 of the fiscal year, we will continue replacement operations to increase yields and improve future net interest income.

Impact of Rising Interest Rates② - Yen -

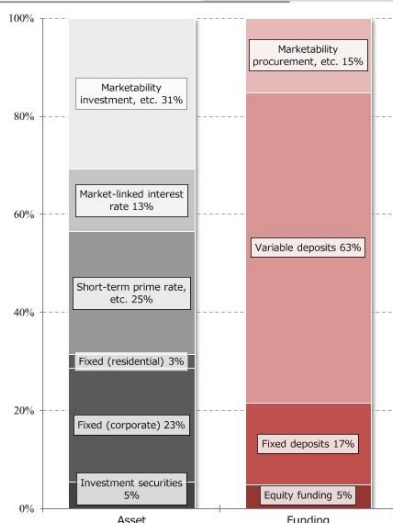
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While continuing to control interest rate risk, the Bank will improve yields by investing in fixed-rate bonds when interest rates rise

Investment and funding structure

Yen bonds

¥18.8 trl. as of Sep. 2023



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
9/30/2023	-0.1	-0.5	-0.4	-0.8	-0.7	-1.5	-4.2

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

10BPV Total (① + ②)

Total
-3.8 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	9/30/2023
Balance (billion yen)	1,054.2	961.0
(Of which, Fixed Bonds)	803.2	739.9
Fixed Yield (%)	0.2%~0.25%	Around 0.25%
Unrealized gains/losses (billion yen)	-11.6	-32.6
After hedged (billion yen)	-14.2	-20.9

Operations in the first half

- Investing in long-term government bonds with asset swaps to control interest rate risk
- Invested in fixed bonds in stages when interest rates rose, contributing to an increase in yields

Investment policy in the second half

- Carefully build up fixed-rate bonds to improve yields while holding down the risk amount and unrealized losses

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Continuing on, I would like to explain the impact of rising Japanese yen interest rates. Please refer to page 11.

Regarding investments in yen bonds, we will aim to increase net interest income by capturing rising interest rates while appropriately controlling interest rate risk and valuation gains/losses.

In H1 of the fiscal year, we invested in long-term government bonds with asset swaps. As a result, the impact of a 10 basis point rise in interest rates on valuation gains/losses was JPY3.8 billion, the same level as at the end of March, while controlling the yield from the low 0.2% range to the mid 0.2% range. We intend to continue to invest cautiously, keeping a close eye on interest rate trends.

Impact of Rising Interest Rates on Interest on Loans and Deposits

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Interest on loans increased by 2.8 billion yen in the final year of the Mid Term Plan due to the recent rise in interest rates

Estimated increase in interest income on loans based on current interest rate environment

FY2023	FY2025
+ 0.3 billion yen change from initial plan (ROE +0.02%)	+ 2.8 billion yen change from the Mid Term Plan (ROE +0.16%)

- Assumptions**
- Calculated based on the market rate on October 30 (10-year JGB yield: **0.95%**)
 - The forecast for FY2025 is calculated based on the current loan composition

Transfer from marketable investment

- Policy to reduce market-based funding and gradually reduce current account balances at the Bank of Japan
- Transferred from the current account balance to 5-year JGB investments, net interest income is expected to increase by **0.4 billion yen per 100.0 billion yen** [assumed to be the purchase yield of 0.4%] (ROE: +0.02%)

Estimated increase in net interest income in the event the Bank of Japan terminates negative interest rates

Target Assets	Reference rate	Increase in net interest income	Impact on ROE
Market-linked loans	①TIBOR	+ 2.3 billion yen per year	+0.14%

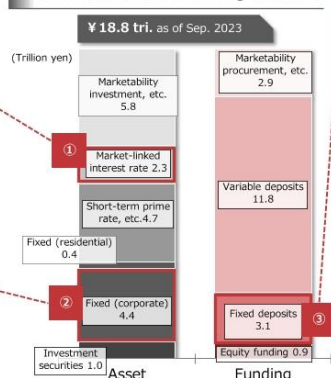
- Assumptions**
- TIBOR is expected to rise 10bp due to the end of negative interest rates

Estimated increase in net interest income in FY2025 for each 10bp increase in future long-term interest rates

Target Assets	Reference rate	Increase in net interest income	Impact on ROE
Fixed interest rate loans	②Swap rate	+0.8 billion yen in FY2025	+0.05%

- Assumptions**
- Based on historical yield curve movements, the increase is adjusted for each maturity. (10 years +10bp, 5 years +6bp, 3 years +4bp)
 - Assuming a pass-through rate of about 60 percent against a rise in interest rates

Yen investment and funding structure



Impact on the funding side

0.1 billion yen increase in interest expense expected due to higher interest rates on time deposits (ROE:-0.00%)

Increase in interest rates on time deposits (from Nov. 13)	Period	Before change	After change
	5 years	0.002%	0.07%
	10 years	0.002%	0.2%

Items excluded from trial calculation in this simulation

- Short-term prime rate-linked loans (Assuming an increase after the end of the zero interest rate)
- Investment securities (Due to the difficulty of comparison with the initial plan due to the change in the investment plan)
- Variable deposit (Assuming an increase after the end of the zero interest rate)

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Please see page 12.

The following is an explanation of the impact of rising interest rates on interest on loans and deposits. In October, interest rates rose in response to the Bank of Japan's monetary policy change. Assuming that the market interest rate of 0.95% for the 10-year government bond at the end of October remains unchanged, as shown in the upper left corner, we expect an additional JPY300 million impact on the current term results and an additional JPY2.8 billion impact on the final year of the medium-term management plan, ending March 31, 2026.

The lower half of the slide shows the estimated impact of future interest rate hikes on interest on loans and deposits. Although monetary policy is the exclusive responsibility of the Bank of Japan, if negative interest rates are lifted, we expect a JPY2.3 billion improvement in net interest income through an increase in market-linked lending rates.

In addition, for every 10 basis points increase in long-term interest rates, we expect a JPY 800 million improvement in net interest income on fixed-rate loans.

On the other hand, on the funding side, we expect a maximum impact of JPY100 million from the increase in interest rates on time deposits for a portion of the term.

Net Fees and Commissions

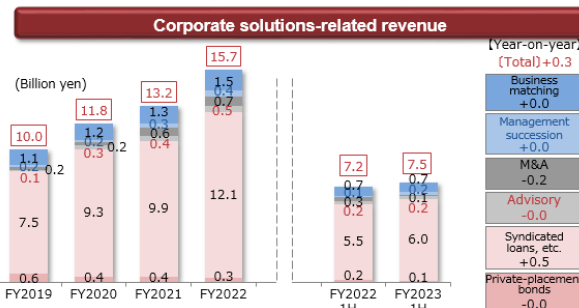
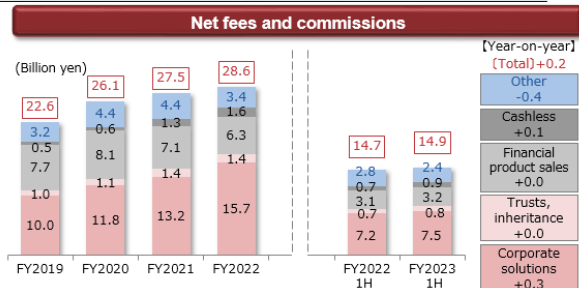
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Achieved record highs for the fourth consecutive fiscal year due to favorable trends in corporate solutions, trust and inheritance, and cashless businesses

	FY2022 1H	FY2023 1H	Change	FY2023 (plan)	Change
Net fees and commissions (Billion yen)	14.7	14.9	0.2	29.8	1.2
Fees and commissions received	23.6	25.0	1.4	53.4	4.3
Fees and commissions payments (-)	8.9	10.1	1.1	23.6	3.1
<Main breakdown>	0.0	0.0	0.0	0.0	0.0
Investment trusts and personal annuities	3.1	3.2	0.0	6.2	- 0.1
Investment trusts (trust fees)	0.8	0.9	0.0	1.8	0.0
Investment trusts (sales fees)	0.4	0.3	- 0.0	1.0	0.1
Annuities and whole-life insurance	0.9	0.8	- 0.0	1.4	- 0.4
Level-premium life insurance	0.6	0.8	0.2	1.6	0.4
Financial instrument intermediary	0.2	0.1	- 0.0	0.1	- 0.2
Corporate solutions	7.2	7.5	0.3	15.8	0.1
Private placement bonds	0.2	0.1	- 0.0	0.4	0.0
Syndicated loans	5.5	6.0	0.5	12.3	0.1
Advisory contracts	0.2	0.2	- 0.0	0.5	0.0
M&A	0.3	0.1	- 0.2	0.6	0.0
Management succession	0.1	0.2	0.0	0.4	- 0.2
Business-matching	0.7	0.7	0.0	1.5	0.0
Trust/inheritance-related business	0.7	0.8	0.0	1.6	0.1
Cashless operations	0.7	0.9	0.1	3.2	1.6
Payment and settlement transactions	6.2	6.4	0.2	12.8	0.2
Guarantee charges and group insurance costs (-)	5.3	5.8	0.5	13.8	0.7

* Starting from the FY2023, management succession advisory services will be recategorized as corporate solutions from trust/inheritance-related business. (Figures in brackets indicate the result after recategorization.)
* Plan for FY2023 is revised from the figures disclosed on May 15, 2023 (disclosed on November 9, 2023)

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*Including management succession advisory operations (updated retroactively)

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Next, I will explain the status of the fee and commission. Please see page 13.

Net fees and commissions amounted to JPY14.9 billion, marking a record high for H1 of a fiscal year for the fourth consecutive year. Income related to assets under custody remained flat YoY. Corporate solutions-related income increased JPY 300 million to a record high of JPY7.5 billion, driving the overall increase in income. At the same time, trusts, inheritances and cashless services also maintained their strong performance with new record highs.

General & Administrative Expenses

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OHR rose slightly due to strategic investment, but remained at a low level compared with other banks

G&A expenses / OHR					
Non-consolidated	FY2022	FY2023		FY2023	
(Billion yen)	1H	1H	Change	(plan)	Change
G&A expenses (-)	41.0	42.1	1.1	85.0	2.5
Personnel (-)	19.7	20.2	0.4	40.3	0.9
Non-personnel (-)	18.0	18.7	0.6	38.5	1.6
Taxes (-)	3.1	3.2	0.0	6.2	-0.0
OHR	45.76%	47.82%	2.06%	49.9%	2.1%
Consolidated					
OHR	46.64%	48.50%	1.86%	48.8%	1.4%

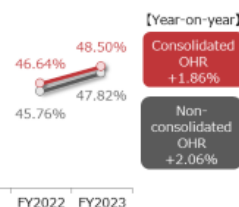
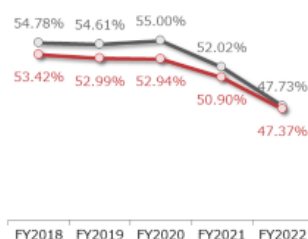
* OHR: Expenses / (net business income - bond-related gains/losses, etc. + net provisions to general allowance for loan losses + expenses)

* Plan for FY2023 is revised from the figures disclosed on May 15, 2023 (disclosed on November 9, 2023)

Major factors behind increase in G&A expenses

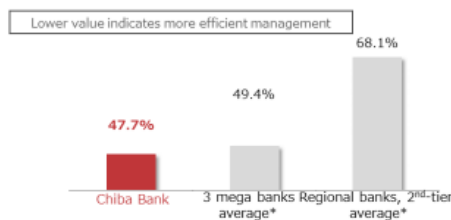
	FY2023 1H (results)	FY2023 (plan)
Personnel (-)	+0.4	+0.9
Non-personnel (-)	+0.6	+1.6
Taxes (-)	+0.0	-0.0

Trends in OHR



OHR comparison with other banks

(FY2022 non-consolidated basis)



* Source: Calculated by simple average from Nikkin Reports [Expenses / (gross business profit - bond-related gains/losses)]

14

Please see page 14.

Expenses increased by JPY1.1 billion due to higher personnel expenses from wage hikes and higher property expenses from strategic investments. As a result, the OHR increased slightly but remained below 50%. Toward the final year of the medium-term management plan, we expect the OHR to decrease to around 45% as the effects of strategic investments, mainly in the top line, become apparent.

The progress and cost-effectiveness of measures are extensively discussed at the Cost Management Committee meetings held regularly, and we will continue to manage costs appropriately to maintain the OHR level at a low level, which is one of the Bank's strengths.

Credit-related Expenses / FRA Claims

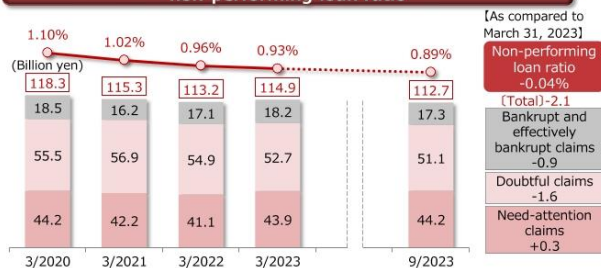
To create a local community better suited to bringing each person's hope to life

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

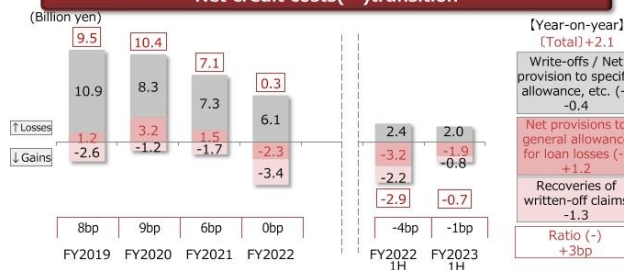
Credit-related expenses

(Billion yen)	FY2022	FY2023	FY2023
	1H	1H	(plan)
Credit-related expenses (-)	-2.9	-0.7	7.0
Net provisions to general allowance for loan losses (-)	-3.2	-1.9	-0.5
Disposal of non-performing loans (-)	0.2	1.1	7.5
Write-offs/net provisions to specific allowance, etc. (-)	2.4	2.0	9.2
Net provisions to specific allowance for loan losses (-)	1.1	-0.0	0.4
New downgrades (-)	2.4	2.7	10.0
Existing non-performing loans (-)	0.4	0.1	0.4
Collections, etc.	0.4	0.8	1.1
Recoveries of written-off claims	2.2	0.8	1.7
Net credit cost ratio (-)	-4bp	-1bp	3bp

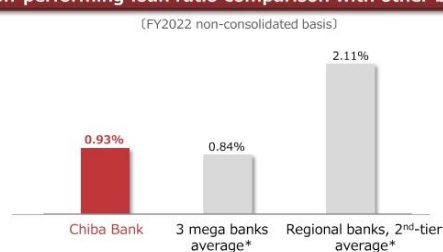
Disclosed claims under the Financial Reconstruction Act / non-performing loan ratio



Net credit costs(-)transition



Non-performing loan ratio comparison with other banks



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* Source: Simple average calculated from Nikkin Report

15

Please see page 15.

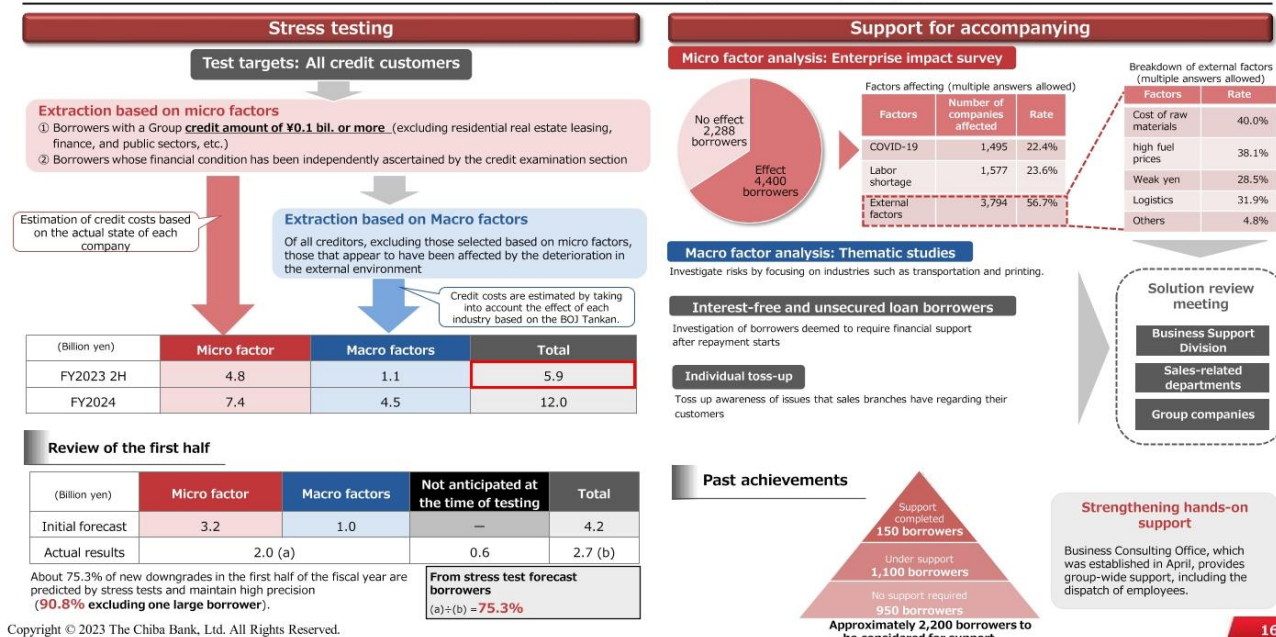
Credit-related expenses returned JPY0.7 billion. The main factor was a JPY1.9 billion return of net provision for general allowance for loan losses, mainly due to the normalization of claims that had been drawn down preventively in the past.

New accruals remained low at JPY2.7 billion, and we believe the JPY10 billion projected for the fiscal year is conservative. In addition, the NPL ratio, which is one of the lowest among regional banks, declined 0.04% from the end of March to 0.89%, further increasing the soundness of the Bank's financial position.

Stress Testing Based on Changes in the External Environment

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

Accurate assessment of credit status / implementation of support for accompanying by considering solutions



16

Please see page 16.

The scenario for the stress test, which is conducted on an ongoing basis, is periodically revised in light of the current situation. In H2, we have factored in a new occurrence of JPY7.2 billion in our plan, but the amount under stress in the stress scenario is only expected to be JPY5.9 billion.

As shown in the lower left-hand side, 75% of new occurrences in H1, and 90% excluding one large-lot client, are from clients that were forecasted in the stress test, confirming the high accuracy of the stress scenario.

Also, as shown on the right, we have identified 2,200 customers who require financial support due to various factors, such as COVID-19, high raw material prices, and the depreciation of the Japanese yen, as customers for which we are considering solutions.

We recognize that these efforts have enhanced the soundness of our lending and led to a decrease in credit costs and the ratio of non-performing loans.

Earnings Forecast

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

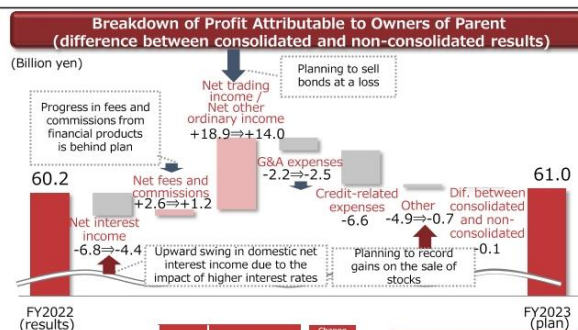
Although the plan was revised based on analysis of the current situation and response to changes in the environment, it is expected that consolidated net income will be achieved at the initial plan

Non-consolidated						
(Billion yen)	FY2022	1H results	2H plan	FY2023 plan	Change	Progress
Gross business profit	155.5	86.9	79.3	166.3	10.7	52.2%
Net interest income	140.3	70.2	65.6	135.9	-4.4	
Net fees and commissions	28.6	14.9	14.9	29.8	1.2	
Net Trading income	1.3	0.8	1.2	2.1	0.7	
Net other ordinary income	-14.8	0.8	-2.4	-1.5	13.2	
Gains/losses related to bonds	-20.0	-2.0	-2.8	-4.3	15.0	
G&A expenses (-)	82.5	42.1	42.8	85.0	2.5	49.6%
Net business income	73.0	44.7	36.5	81.2	8.2	55.0%
Net business income (before provisions to general allowance for loan)	93.0	46.8	39.3	86.2	-6.8	54.3%
Core business income	85.3	46.0	37.2	83.3	-2.0	55.3%
End. gains/losses on the cancellation of investment trusts	-	-	-0.5	-0.5	-0.5	
Net provisions to general allowance for loan losses (-)	-	-	-	-	-	
Net business income	73.0	44.7	37.0	81.7	8.7	54.7%
Non-recurring gains/losses	8.7	5.4	-4.1	1.2	-7.4	
Disposal of non-performing loans (-)	0.3	-0.7	8.2	7.5	7.1	
Reversal of loan loss reserves	0.9	1.9	-1.9	-	-0.9	
Gains/losses related to stocks, etc.	8.3	4.6	4.0	8.7	0.3	
Ordinary profit	81.7	50.1	32.8	83.0	1.2	60.4%
Extraordinary gains/losses	-0.3	-0.0	-0.1	-0.2	0.1	
Net income	58.1	36.4	22.5	59.0	0.8	61.7%
Credit-related expenses (-)	0.3	-0.7	7.7	7.0	6.6	-
Consolidated						
(Billion yen)	FY2022	1H results	2H plan	FY2023 plan	Change	Progress
Ordinary profit	86.9	49.9	38.0	88.0	1.0	56.8%
Profit attributable to owners of parent	60.2	34.7	26.2	61.0	0.7	57.0%
(Ref.)						
Consolidated net business income (before provisions to general allowance for loan)	81.8	47.0	45.0	92.1	10.2	51.1%

*1 Starting from FY2023, management succession advisory business will change from trust/inheritance-related to corporate solutions

*2 Cashless planned value includes 1.1 billion yen associated with absorption-type merger with JCB

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(Billion yen)	FY2022	FY2023 (plan)	Change	Change from initial plan
Net interest income	140.3	135.9	-4.4	2.4
Domestic	131.5	132.6	1.1	4.0
Interest on loans and deposits	100.2	104.1	3.8	0.3
Interest and dividends on securities	28.7	26.1	-2.5	4.6
Gains/losses on cancellations	5.8	2.7	-3.1	0.9
Overseas	8.8	3.2	-5.6	-1.6
Gains/losses on cancellations	1.7	0.1	-1.6	-0.4
Net fees and commissions	28.6	29.8	1.2	-1.4
Investment trusts and personal annuities	6.3	6.2	-0.1	-1.7
Corporate solutions*1	15.7	15.8	0.1	0.0
Trust/inheritance-related business*2	1.4	1.6	0.1	-0.1
Cashless operations*2	1.6	3.2	1.6	-0.1
Payment and settlement transactions	12.5	12.8	0.2	0.4
Guarantee charges and group insurance costs (-)	13.0	13.8	0.7	0.0



17

Please see page 17.

The bottom line of the performance plan for this fiscal year, JPY61 billion, remains unchanged, but we have made some changes to the plan's content in light of the current situation. While net interest income was increased from the initial plan, fees and commissions, mainly related to assets under custody, were decreased. In H2 of the fiscal year, we incorporated about JPY4.0 billion in losses on foreign bonds to improve margins, while we increased gains on sales of stocks by JPY3.7 billion.

In addition, we plan to book approximately JPY2.0 billion in losses on the sale of equity bear funds, etc., as part of our efforts to improve the quality of our portfolio. We plan to offset the loss on this sale with gains from other funds.

As I have explained, we continue to be conservative in our credit costs, and this plan is the minimum level we will ensure for our bank. We will strive to achieve more than the plan.

Focusing on the Purpose and Vision, we are reinforcing our customer-focused approach.

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

"Engagement Bank Group"

A Bank Group that seeks to keep growing together along with the entire region by providing value through deep connections with all of its stakeholders including customers, shareholders, and employees

History to date	"Three Pledges" - Action principles for the achievement of the Purpose and the implementation of fiduciary duty-
<p>In 2023</p> <p>June 23 : Received Business Improvement Order</p> <p>July 24 : Submission of Business Improvement Plan</p> <p>August 31 : Announcement of improvement and recurrence prevention measures</p> <p>October 16 : Announcement of progress of improvement and recurrence prevention measures</p>	<p>Whenever making a proposal to a customer or making a business decision, we always stop and think,</p> <p>"Will this proposal or decision lead to the realization of the customer's wish?"</p> <p>"Will this proposal or decision lead to a solution to the customer's problem?" and</p> <p>"Will this proposal or decision lead to the realization of prosperous lifestyles for the customer?"</p>

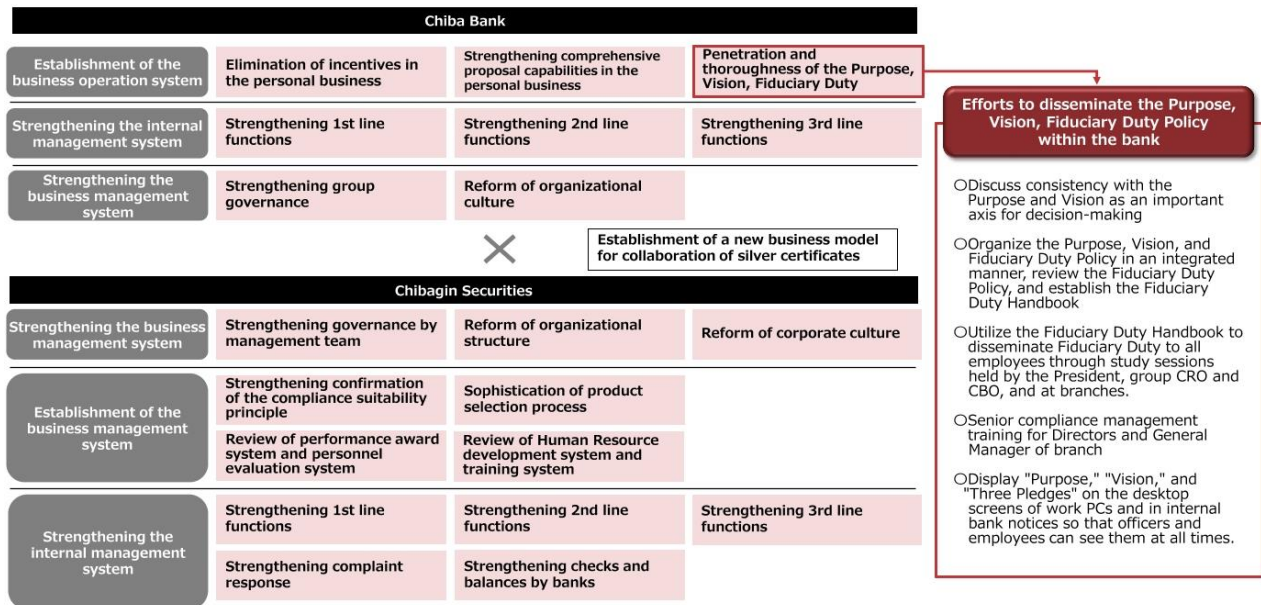
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I will now continue with an explanation of the progress of the business improvement plan. Please refer to page 19.

Once again, I would like to express my deepest apologies for the inconvenience and concern caused to you regarding the recent series of administrative actions. In establishing the business improvement plan, we have once again returned to the purpose and vision that we enacted along with the current medium-term management plan.

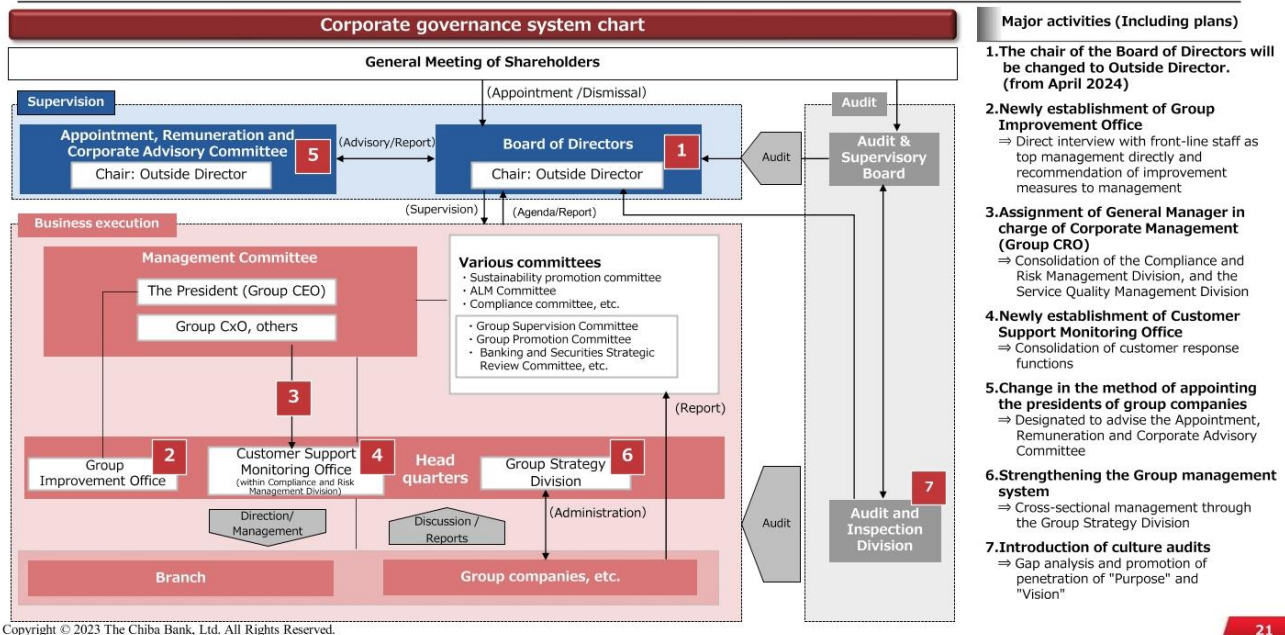
We have also established three pledges for preventing recurrence as our code of conduct when making business decisions, and we will work together as a group to restore the trust of our stakeholders as we work to ensure that these pledges take root and permeate our business operations.



Please see page 20.

This is an overview of our efforts to improve operations and prevent recurrence. Although I will only explain some of the specific details of individual initiatives at this time, we will thoroughly instill and establish the purpose and vision as the axis of action and judgment for all Group officers and employees and steadily proceed with the improvement plan.

Further strengthen governance, promote integrated group management, and build a system to prevent recurrence



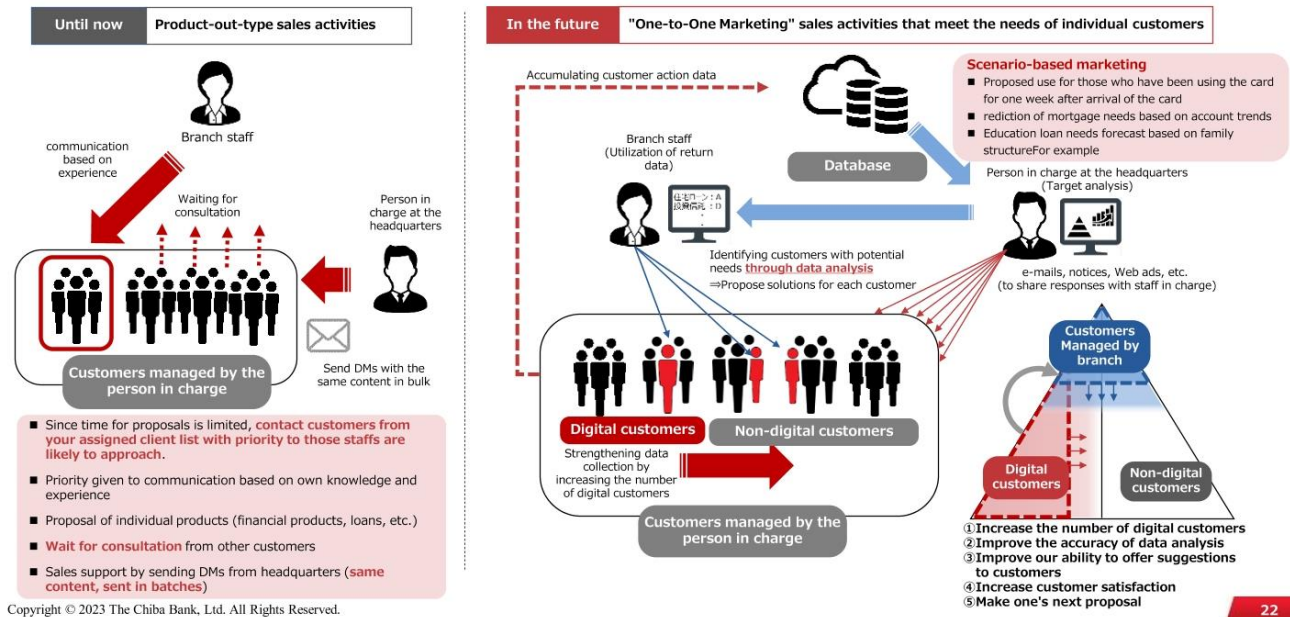
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21

Please see page 21.

We have implemented and intend to implement several improvement measures to strengthen the governance necessary for the organization's operation. In addition to changing the chairperson of the Board of Directors to an outside director, we will review the organizational structure to strengthen the management system, including the monitoring function, and enhance the Group management system.

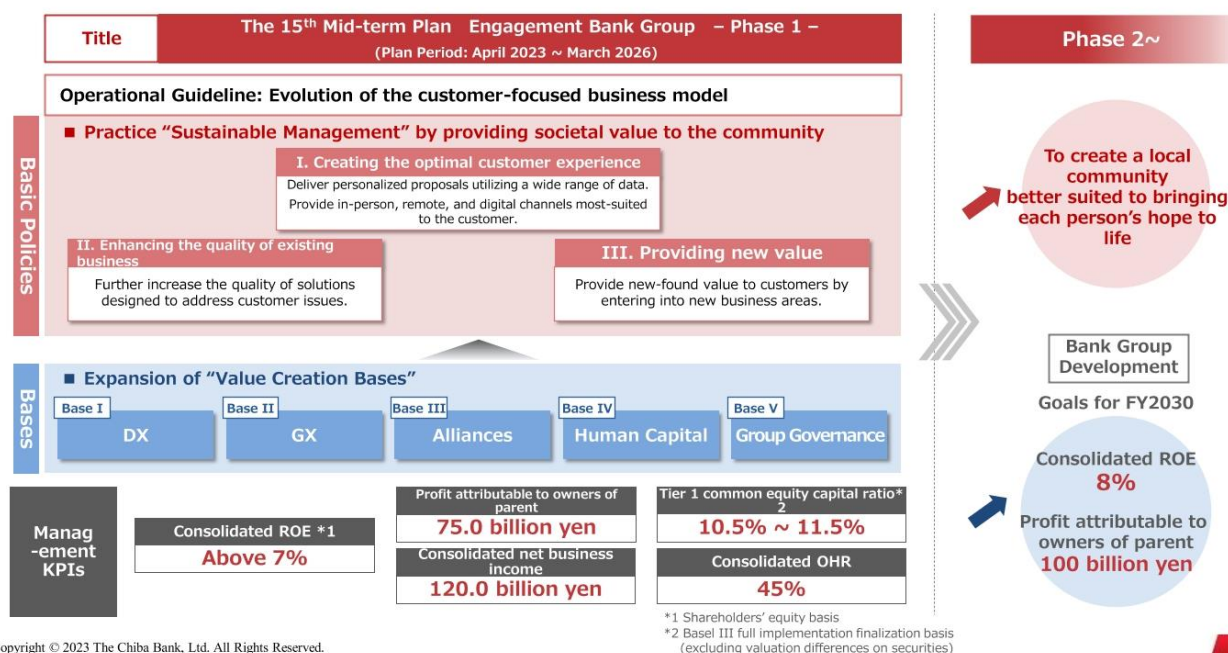
Accelerating One-to-One Marketing and thorough sales activities focusing on individual customers' ideas



Please see page 22.

The Bank has long been promoting One to One marketing, which is tailored to the life events of each individual customer, and we believe that this business improvement plan will further accelerate the speed of our efforts in this area.

Going forward, we will strengthen these sales activities to increase customer satisfaction and become the bank of choice for our customers.

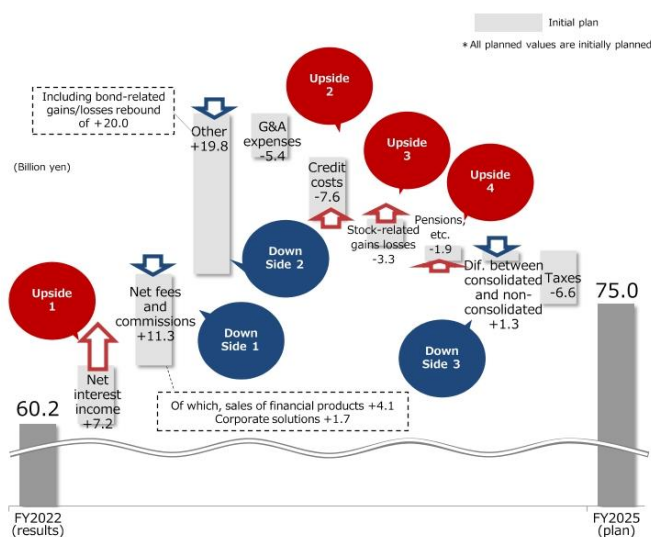


Next, I will explain the status of our medium-term management plan.

Please refer to page 24. 6 months have passed since the start of the current medium-term management plan, and there is no change in the direction in which we will continue to pursue our goals. We will achieve the financial indicators we have set as targets by thoroughly implementing our purpose and vision, working from a higher perspective than ever before, and continuing to meet the needs of our customers.

Aiming to Achieve 75.0 billion yen while controlling upside and downside

Upside/downside from initial forecast of the Mid-term Plan



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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 Gains/losses related to bonds
 - Portfolios restructured due to high overseas interest rates and rising yen interest rates
- 3 Dif. between consolidated and non-consolidated
 - Chibagin Securities: Subordinated earnings progress due to focus on post-sales follow-up

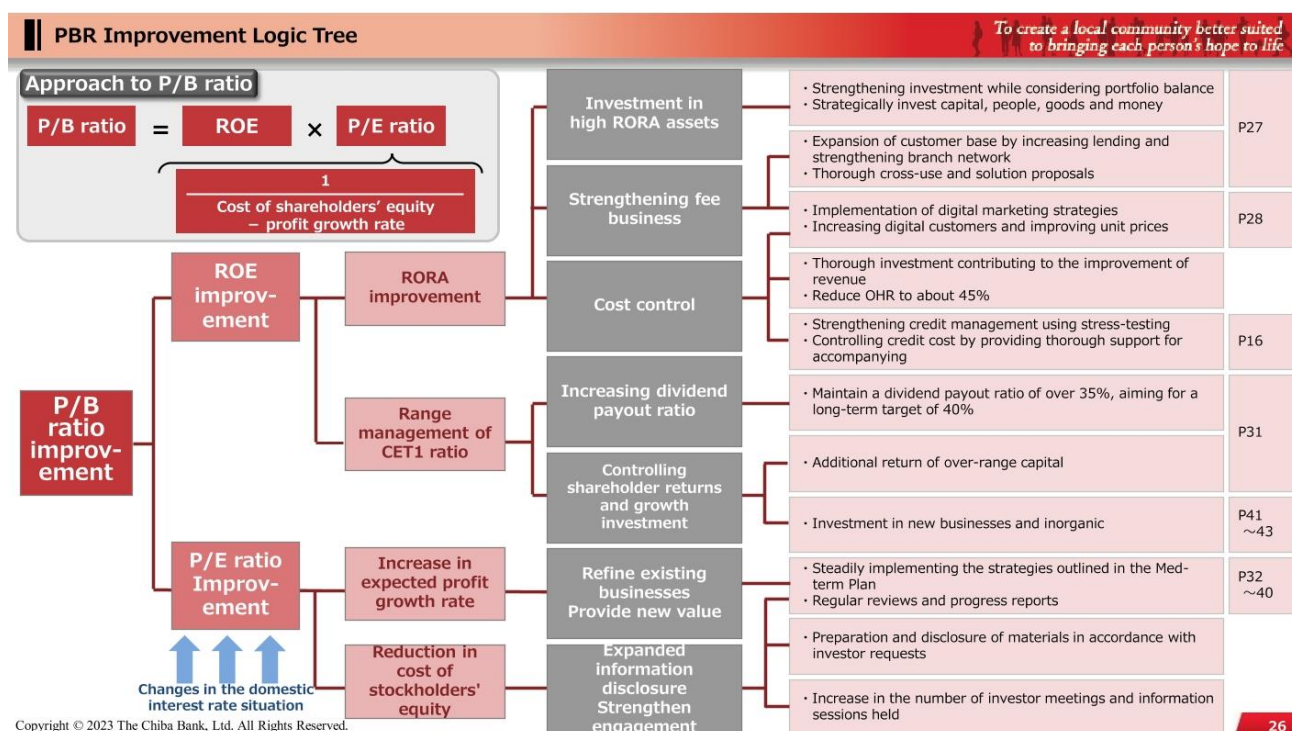
25

Please see page 25.

Changes in the business environment have created upside and downside factors in our efforts to achieve the consolidated net income of JPY75 billion that we plan in our medium-term management plan.

On the upside, in addition to an increase in domestic net interest income in net interest income, we expect to curb credit-related expenses and increase gains/losses on stock transactions, along with a decrease in pension liabilities due to higher long-term interest rates.

On the downside, we expect progress in financial product sales, the difference between consolidated and non-consolidated net income to be less than projected, and the possibility of a portfolio change in bond-related gains/losses.



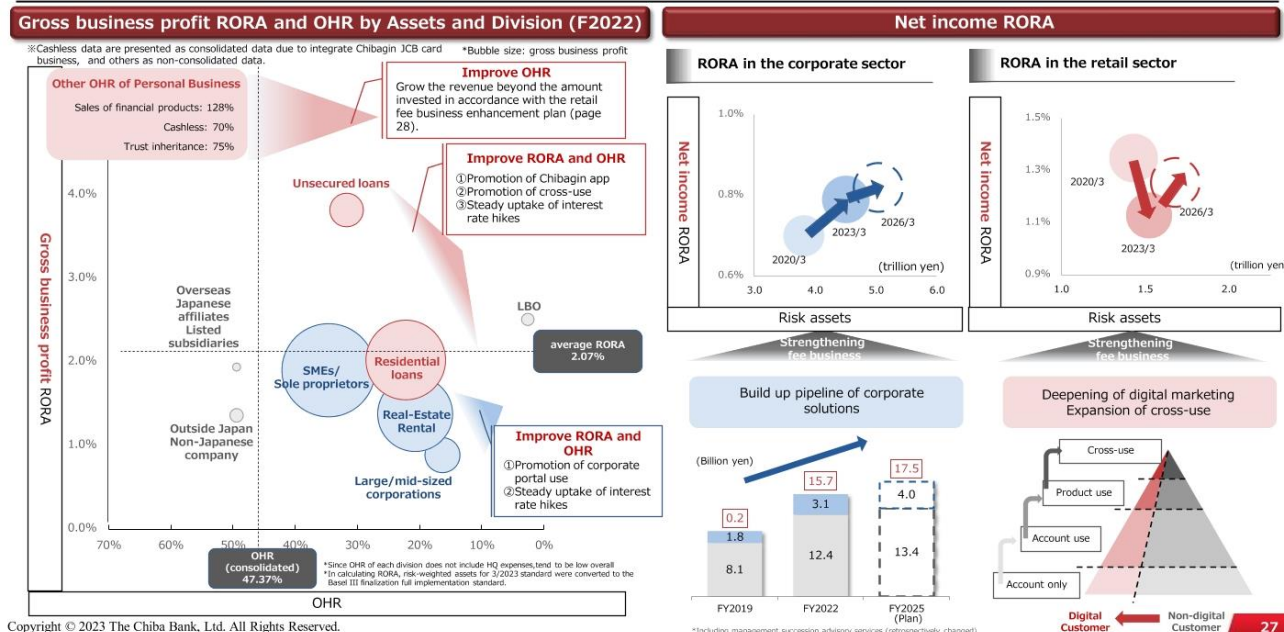
Please refer to page 26.

We have organized our efforts to improve PBR as a logic tree. There are many issues to be addressed in order to raise the P/B ratio to 1x, but I would like to start by explaining RORA improvement.

Improving RORA

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

Raising gross business profit RORA through strategies tailored to each division and asset, and bolstering net income RORA by strengthening commission transactions



Please refer to page 27.

On the left is a graph plotting RORA and OHR by asset and division of the Bank as of the end of the previous fiscal year, with the size of the circles representing gross business profit.

The Bank will promote the cross-use of financial products, cashless, etc., for further improvement in the retail segment, such as mortgages and unsecured loans, which are shown in red. In addition, we aim to lower the OHR further by utilizing apps.

With regard to cashless transactions, a portion of the business was transferred from Chiba Bank JCB Card in October, and we expect to improve OHR by increasing operational efficiency. The corporate division, shown in blue, includes service revenues related to corporate solutions. Here, we will thoroughly conduct sales activities with RORA in mind and steadily work to increase interest rates.

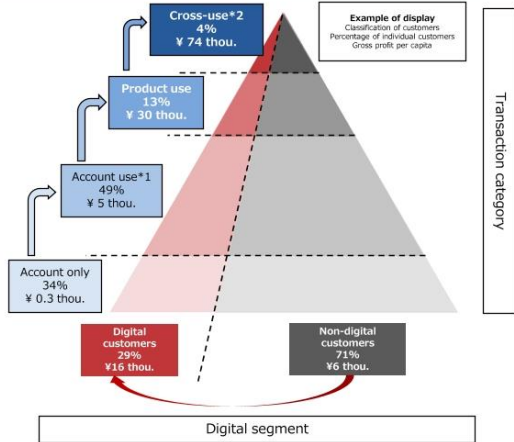
By implementing these measures, we will increase net income RORA for both the individual and corporate divisions.

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 personal fee business revenue based on the DX Strategy

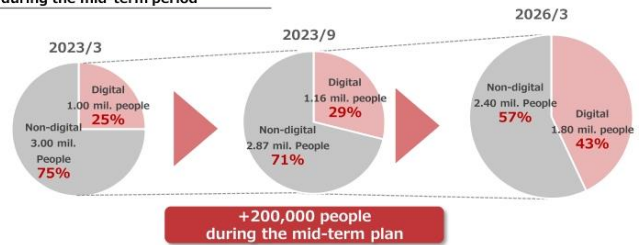
Strategy 1
Shift to digital customers
Increase customer resolution through data analysis

Strategy 2
Increase in the number of customers using products
Increase customer satisfaction and shift upward to the transaction category

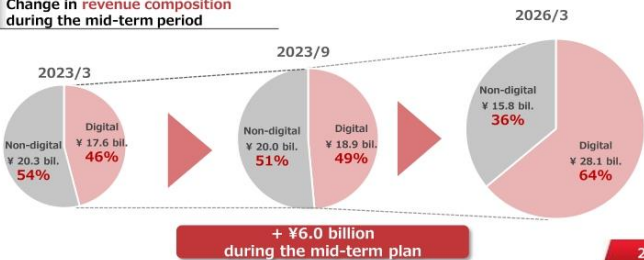


*1. Account use: Customers who satisfy any of the following conditions: salary/pension receipt, balance of ¥ 300 thou. or more, and use of account transfer
*2. Cross-use: Uses two or more types of products

Change in customer composition during the mid-term period



Change in revenue composition during the mid-term period



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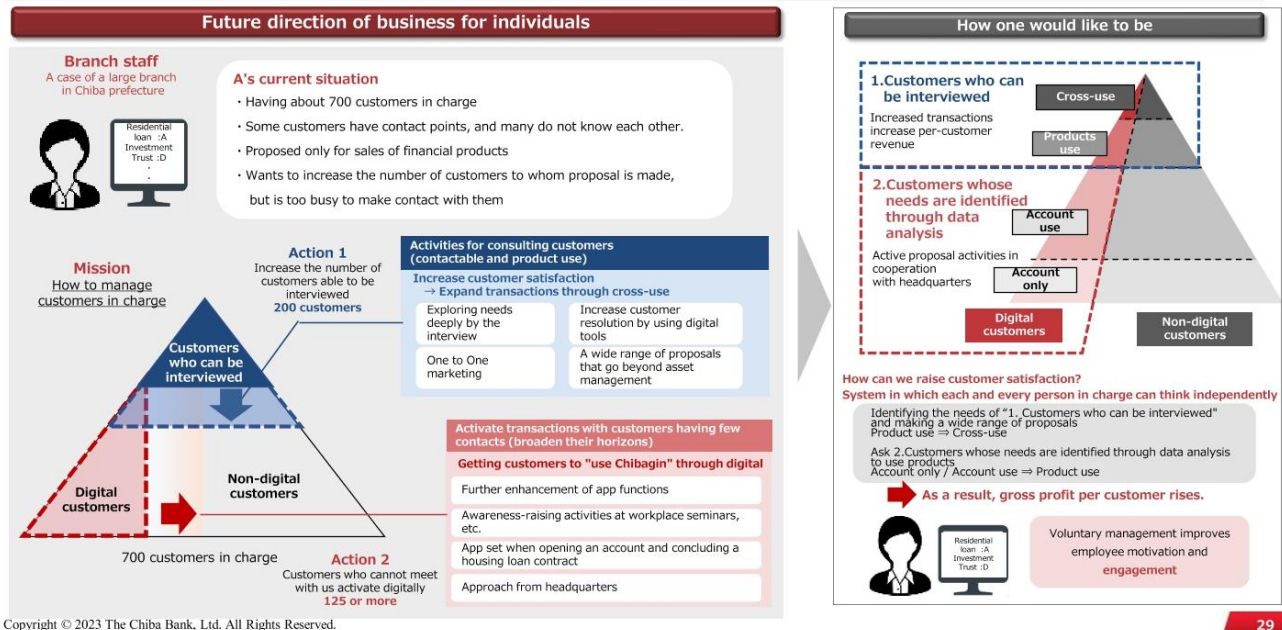
28

I will explain the measures taken by each department. Please see page 28.

This is an overview of the overall strategy for the individual division. In order to improve RORA and OHR, we will accelerate the promotion of cross-use and inducement of individual customers to digital channels, which we are currently promoting in the current medium-term management plan.

As shown in the pie chart on the top right, we plan to increase the number of digital customers to 1.8 million by the final year of the medium-term management plan, and we are making steady progress. Also, our plan to increase gross profit by JPY6 billion through the personalization strategy is also on track, with a current increase of JPY1.1 billion, as shown in the graph on the bottom right.

The person in charge will proactively approach the "customers to increase through interviews" and "customers to increase digitally" to improve the gross profit



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29

Please see page 29. The shift to digital customers and the promotion of product use are incorporated into specific examples in this chart.

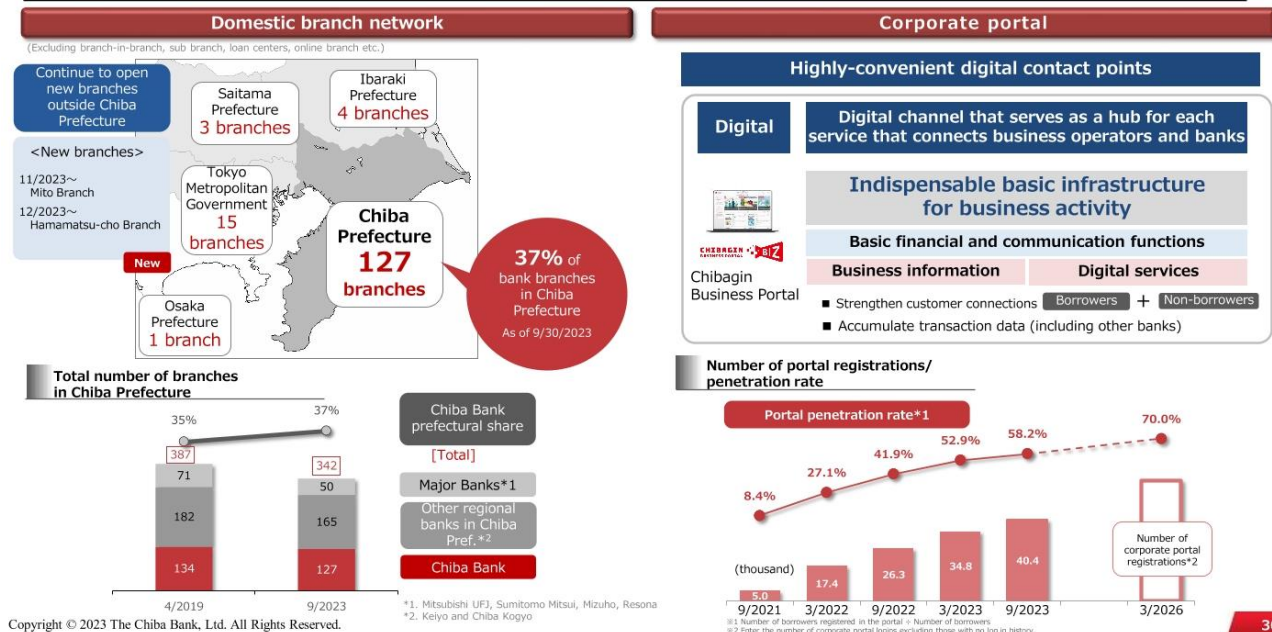
Each sales representative is responsible for approximately 700 customers on average, including customers with whom he/she can meet regularly and those with whom he/she is unable to meet. Of these, 200 customers are set as those whose needs are to be explored in depth through face-to-face meetings, and cross-use is to be promoted.

By raising the resolution of customers through data analysis, we will aim to propose the services they need ahead of time.

At the same time, we will aim to increase the number of digital customers from the current 29%, or about 210 customers, by more than 125 customers and to 43% by the final year of the medium-term management plan, aiming to revitalize transactions through applications and other means.

We believe that by proactively managing these interviewees and digital customers and providing tailored proposals to each customer, our staff members will be able to improve gross profit per customer and increase job satisfaction and employee engagement as a result.

Establish a system that allows customers to consult with us anytime through our strong branch network and digital channels

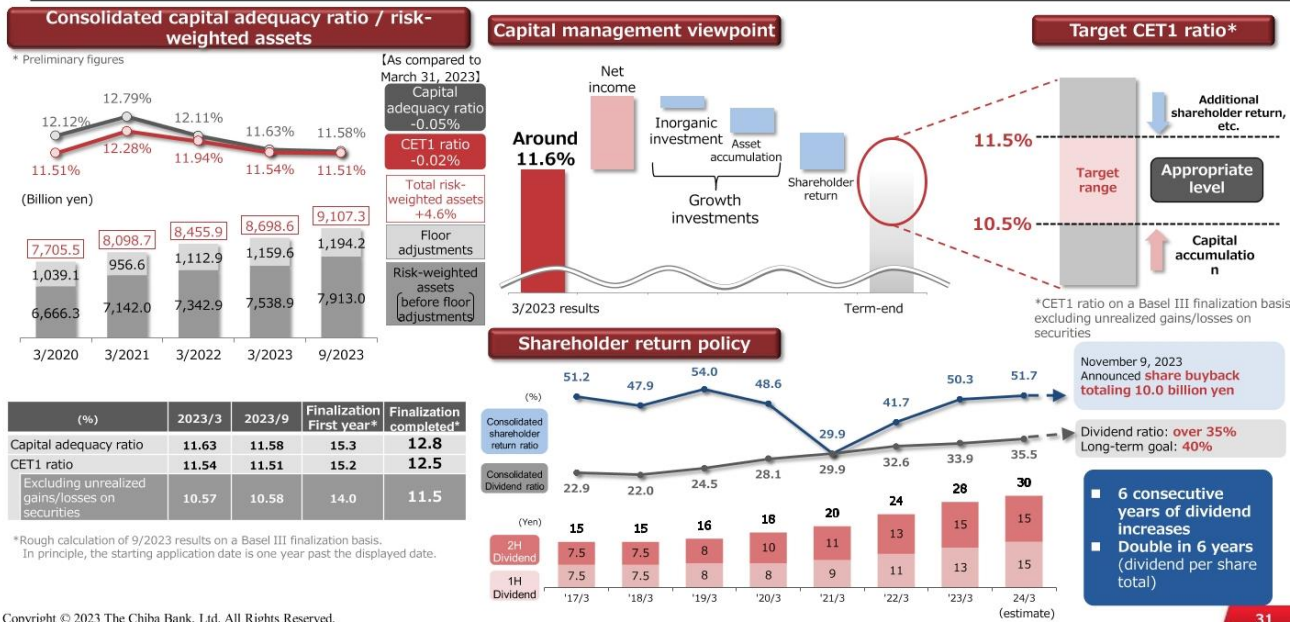


Next, I will explain our corporate business strategy. Please see page 30.

While advancing our digital strategy through our corporate portal, we will also pursue a strategy that leverages our branch network, which is one of the Bank's strengths. We have insisted on maintaining a comprehensive branch network that can handle corporate transactions. Currently, the Bank's share of the number of branches in Chiba Prefecture is 37%, but the share of comprehensive branches has increased to nearly 60%.

We will continue to enhance both digital and physical channels to increase the frequency of dialogue with management, thereby shortening the distance between us and them and helping resolve various management issues in our business activities as a management assistant.

Decided to buy back 10.0 billion yen of its own shares while controlling the CET1 ratio* from 10.5% to 11.5%.

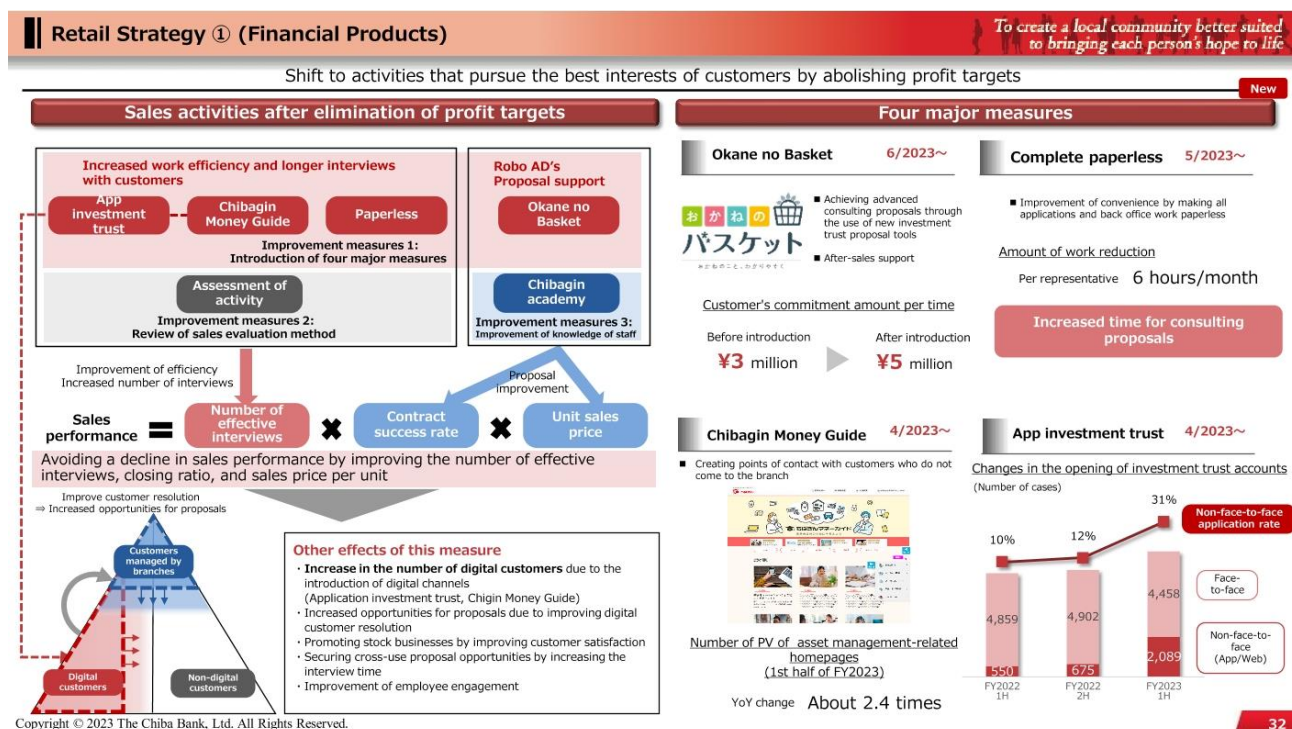


Next, I will explain our capital policy. Please refer to page 31.

Regarding our capital strategy, we have a policy to fully implement the Basel III finalization and control the CET1 ratio, excluding unrealized gains on securities in the range of 10.5% to 11.5%, and the ratio was 11.5% at the end of September. The dividend payout ratio is expected to be 35.5%, and the Company aims to achieve a long-term payout ratio of 40%.

In conjunction with the recent financial results, we have also decided to buy back JPY10 billion of our own shares in order to enhance returns to shareholders. As a result, the shareholder return ratio is expected to be around 51.7%.

We will continue to control the CET1 ratio in the target range and develop a solid strategy for the use of capital, including inorganic investments.



From here, I will explain individual measures. Please refer to page 32. I will now explain the sales of financial products in the retail segment.

In October, we eliminated the profit target for the retail division. After analyzing how we should be and what we should do to be chosen by our customers, we have changed our evaluation system to one that emphasizes FD and activity volume.

Specifically, FD is now evaluated in terms of customer satisfaction questionnaires and the degree of improvement in the investment profit/loss ratio. In contrast, activity is evaluated in terms of the number of appointments, interviews, and consulting proposals, as well as the increase in the balance and expansion of the customer base.

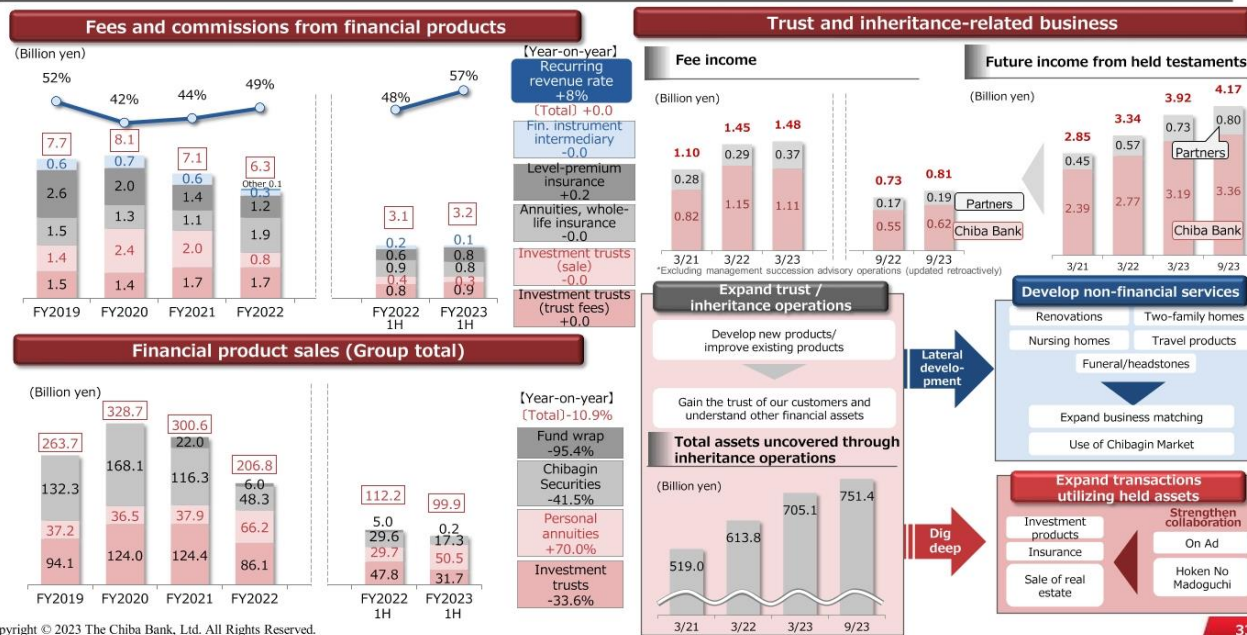
In order to achieve these goals, we will introduce digital tools, which we call the four major measures, and utilize the Chiba Bank Academy, a learning tool designed to improve staff members' knowledge.

Each of the four major measures introduced in H1 of the fiscal year has begun to produce the targeted results. In addition, the effects of the elimination of revenue targets have already begun to emerge. The average number of interviews per day since the beginning of October has increased significantly, although it has not yet reached our expectations.

LC and MC are the people who have been in charge up to now, and their activities are gradually taking root, with the number of clients signed by the people in charge reaching 90% of the level of H1. Although the current sales performance in October was slightly down YoY due to the prior implementation of these seeding activities, we will continue to make proposals that meet customers' needs and improve the closing rate and unit sales price.

We will further enhance this effect to both comply with FDs and increase sales revenue.

Lifetime support through suggestions tailored to the customer's life stage

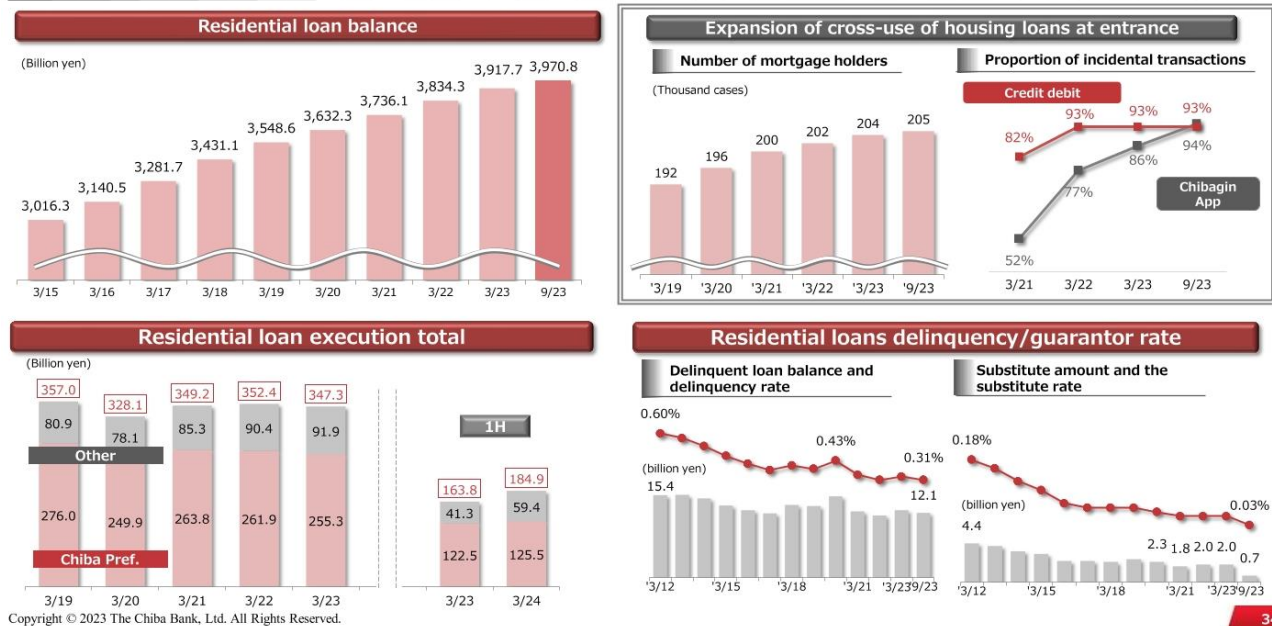


Please see page 33.

Financial product-related revenues are progressing in the direction the Bank is aiming for, with stock revenues accounting for 57% of total revenues. We will continue to enhance customer satisfaction and aim to be a bank where customers entrust their assets over the long term.

In addition, as the aging population in the prefecture continues to grow steadily, our trust and inheritance business is steadily growing. Long-term relationships with individual customers will eventually be passed on to the next generation, and we will strengthen our activities to enhance the relationship of trust with our customers so that they can entrust us with their assets until the very end.

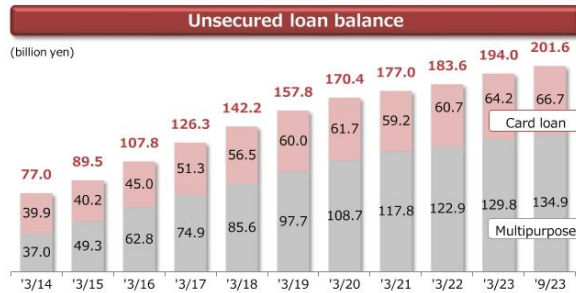
Optimize proposals at each stage: Review → Loan execution → Repayment



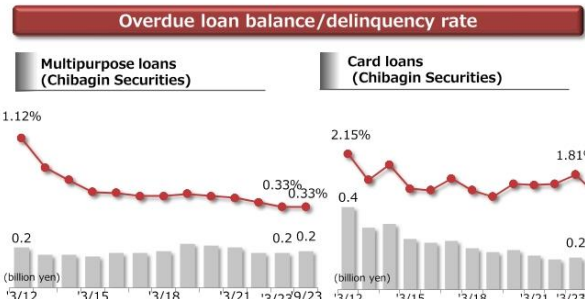
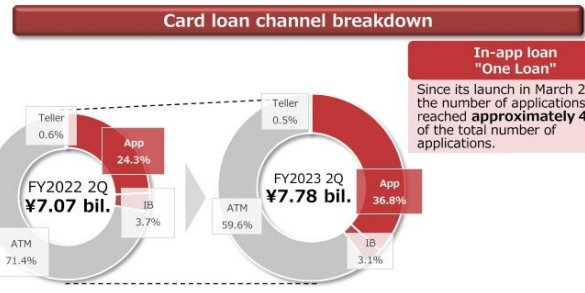
Please see page 34. As I explained earlier, we are stepping up our efforts in mortgage loans, which are the gateway product for individual transactions and an important pipeline for promoting cross-use afterward, and the amount of mortgage loans executed in H1 of the fiscal year was the highest ever.

At present, more than 90% of our mortgage customers have applied for credit cards, debit cards, and applications, and we are aiming to expand transactions by further enhancing customer satisfaction through these services.

Maintain asset health while increasing balances



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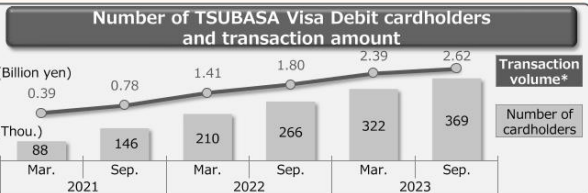
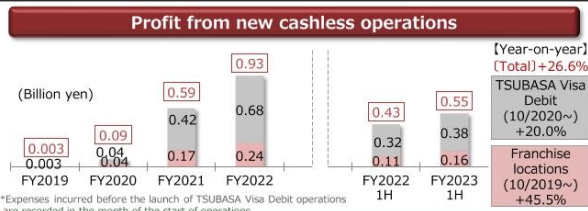


35

Please see page 35.

In the area of unsecured loans, both the balance of loans outstanding and the amount of executed loans are on an increasing trend as economic activities normalize. In addition, the use of the Chibagin App and One Loan, which were launched in March and allow transactions to be completed only through the app, has been growing, and we feel that the convenience of the app is widely spreading among our customers.

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



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Measures to expand the number of franchise locations

Local governments

Chiba Prefecture: Support for cashless installation of prefectural-run facilities

- Payment procedures at prefectural museums and art galleries, etc.
- Fee payment procedures at Driver's License Center and Police Station (Planned to commence in December)

Support for introduction to municipalities in and outside of the prefectures

- Certificate issuance fees, etc.
- 23 local governments and 267 locations (as of the end of September)

large-scale customer

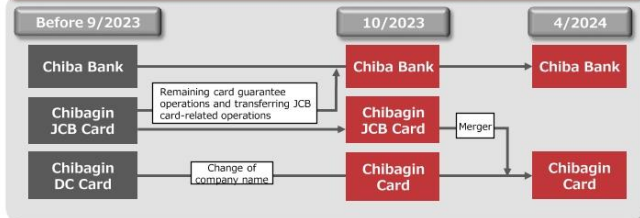
To start dealing with national retail chains

- More than 200 stores in multiple brands
- The estimated transaction amount is 30 billion yen or more.

Healthcare-related businesses

- Development of services tailored to the specific operations of medical institutions

Strengthening the structure by reorganizing group operations



Please refer to page 36.

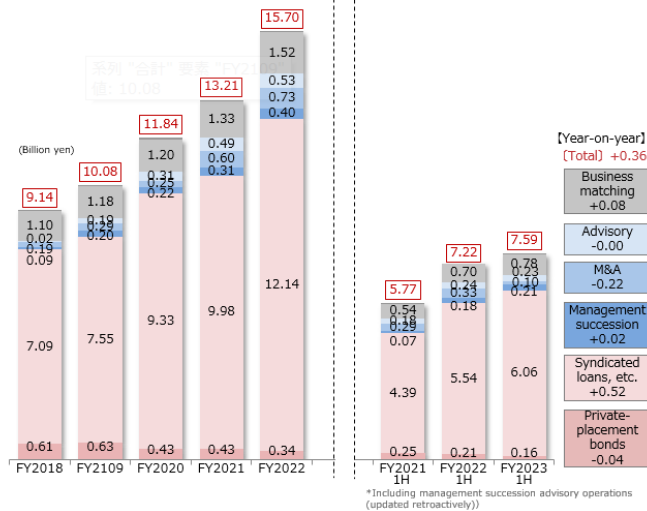
In cashless transactions, we will continue strengthening the expansion of member stores and cardholders, which is the foundation for improving transaction volume. In the merchant store business, we are expanding transactions with local governments and are also stepping up promotion to large customers, such as retail chains with nationwide operations.

In addition, the JCB card business was integrated into the main body of the Bank in October. Transaction data and other information obtained through this integration will be used to provide recommendations to customers and support businesses in sending customers to their locations.

Revenue from corporate solutions reached a record high for the 12th consecutive year

Corporate solutions-related revenue

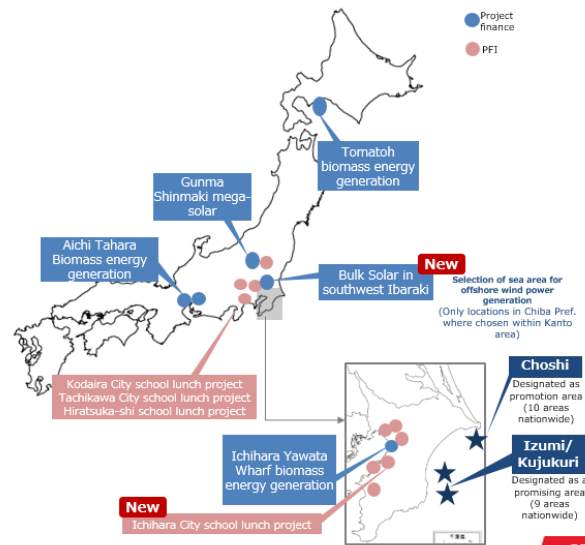
*No breakdown for "Other" (0.01 billion yen for FY2023 1H)



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Bank-arranged project finance / PFI

*Initiatives after April 2020



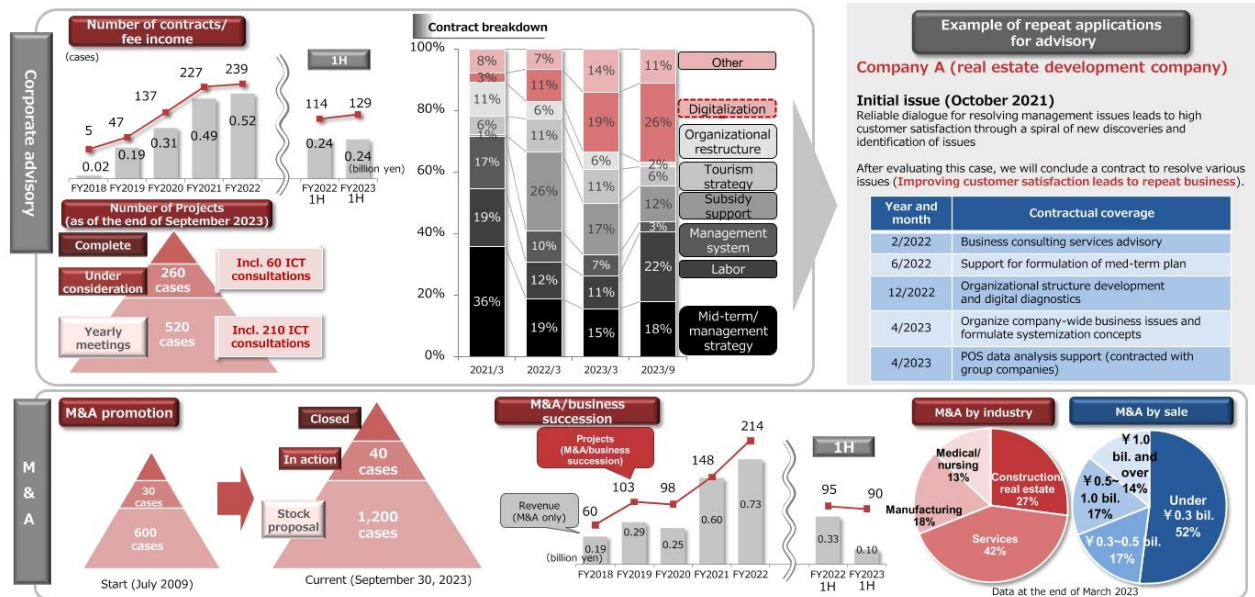
37

Please see page 37.

Corporate solutions revenue has been at a record high for 12 consecutive years, and first-half results also reached a record high.

In addition to strong finance-related revenues, we will continue to focus on non-finance-related revenues to improve RORA.

Aiming to be a "management assistant" that continues to meet the needs of customers and can be consulted on all kinds of issues



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Please see page 38.

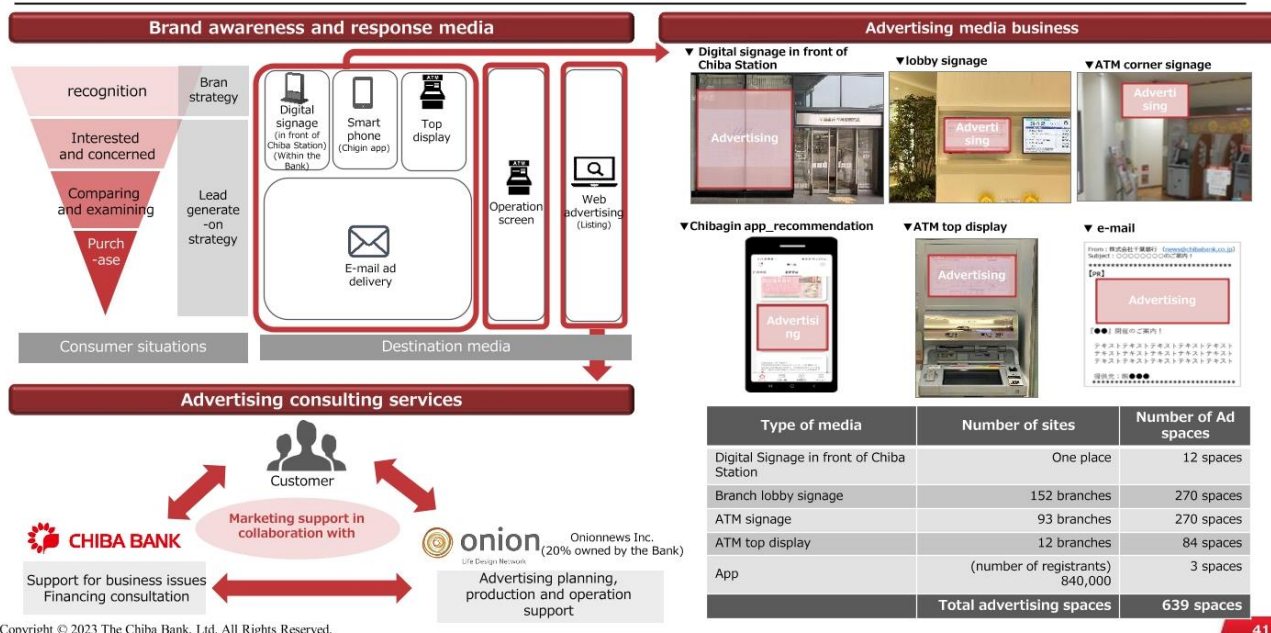
Advisory services for businesses have remained strong. In addition to new clients seeking advice, we have seen an increase in repeat applications for advisory contracts, which we believe is the result of improved client satisfaction.

In the M&A business, shown at the bottom of this page, many deals took time to close this fiscal year, and profits were down YoY. However, the number of deals in our stock of information from our branches has increased to about 1,200, and we expect this business field to continue to grow.

New Business ① 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



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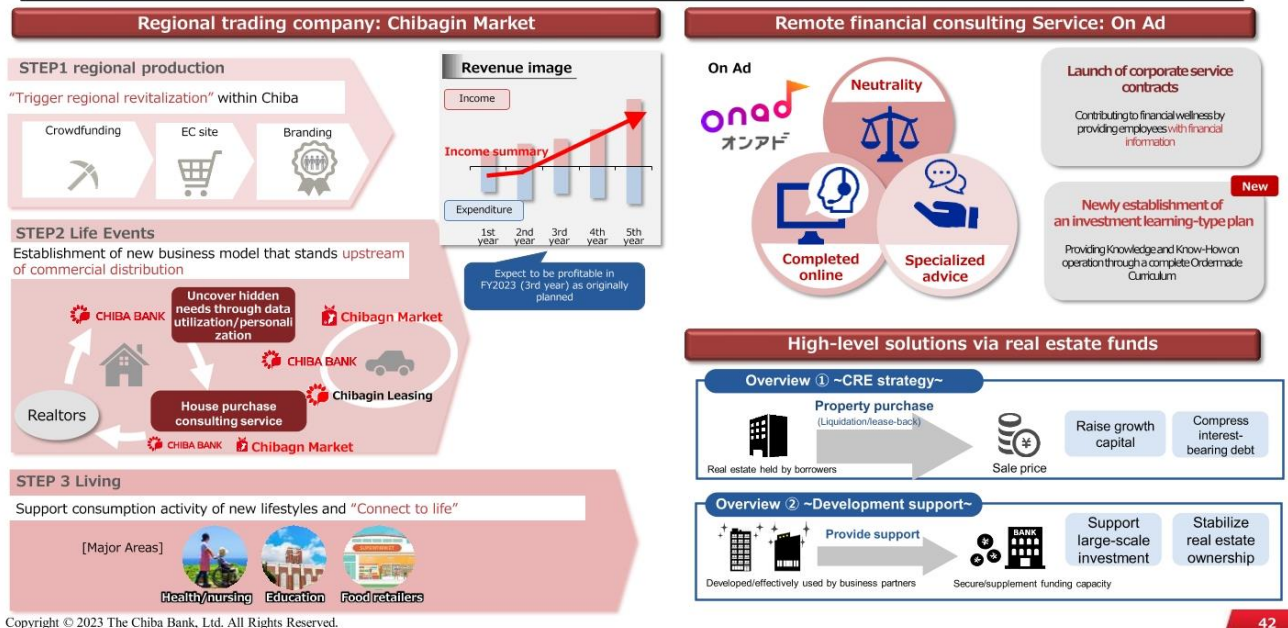
From here, I will explain our new business. Please skip two pages and turn to page 41.

All of our branches have handled the advertising business since October. In the advertising media business, we will promote the creation of a regional ecosystem that connects local businesses and consumers to revitalize the local economy.

We have established a total of 639 advertising slots at each of our locations, and we are off to a good start, with about 60 contracts already signed at this point and about 150 in January of next year.

In the advertising consulting business, we will provide services in collaboration with Onionnews, a company specializing in Web advertising, in which the Bank has a 20% stake. While supporting our customers' web advertising operations, we will provide comprehensive support for cash management and management issues.

New businesses launched in the previous mid-term plan enter the next stage of growth



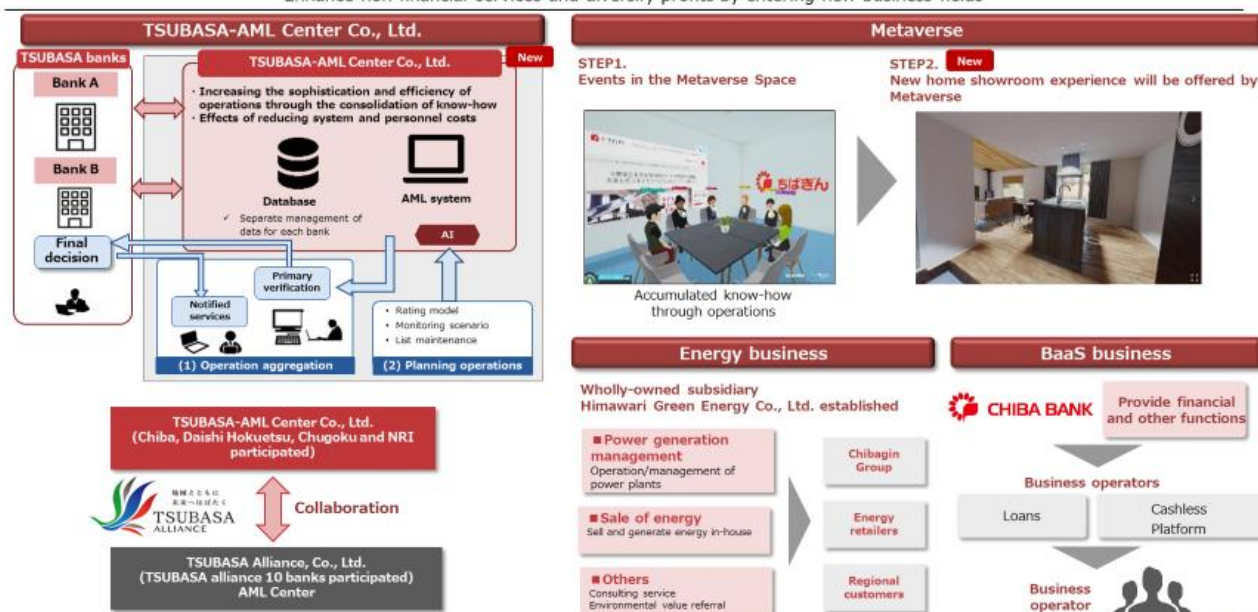
Please see page 42.

Regional trading company Chibagin Market expects to return to profitability in the current fiscal year, in its third year of establishment, as initially planned, thanks to the contribution to the growth of its regional revitalization business in addition to its crowdfunding and e-commerce site operations.

On Ad, a remote financial consulting service, has begun signing contracts for corporate services to strengthen its commitment to financial wellness. In addition, we will pick up financial education needs by establishing a new investment learning type plan.

In real estate funds, we will upgrade our solution functions to meet our customers' real estate liquidation needs.

Enhance non-financial services and diversify profits by entering new business fields



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Please see page 43.

On the 1st of this month, the Bank, together with Daishi Hokuetsu Bank, Chugoku Bank, and Nomura Research Institute, established a joint venture, Tsubasa-AML Center Co. Going forward, we will share our expertise in anti-money laundering to improve operational efficiency, and consolidate systems and human resources to increase efficiency.

In the future, we will work not only with alliance member banks but also with other regional financial institutions.

In the metaverse business, we have begun to apply the knowledge we have accumulated through the operation of events in the metaverse to the housing-related field.

In the future, we aim to build a business model that supports customers' consideration of purchasing a house in the metaverse space, leading to loan contracts.

In other businesses, such as the energy business and BaaS, we will continue our activities with an eye to achieving profitable results.

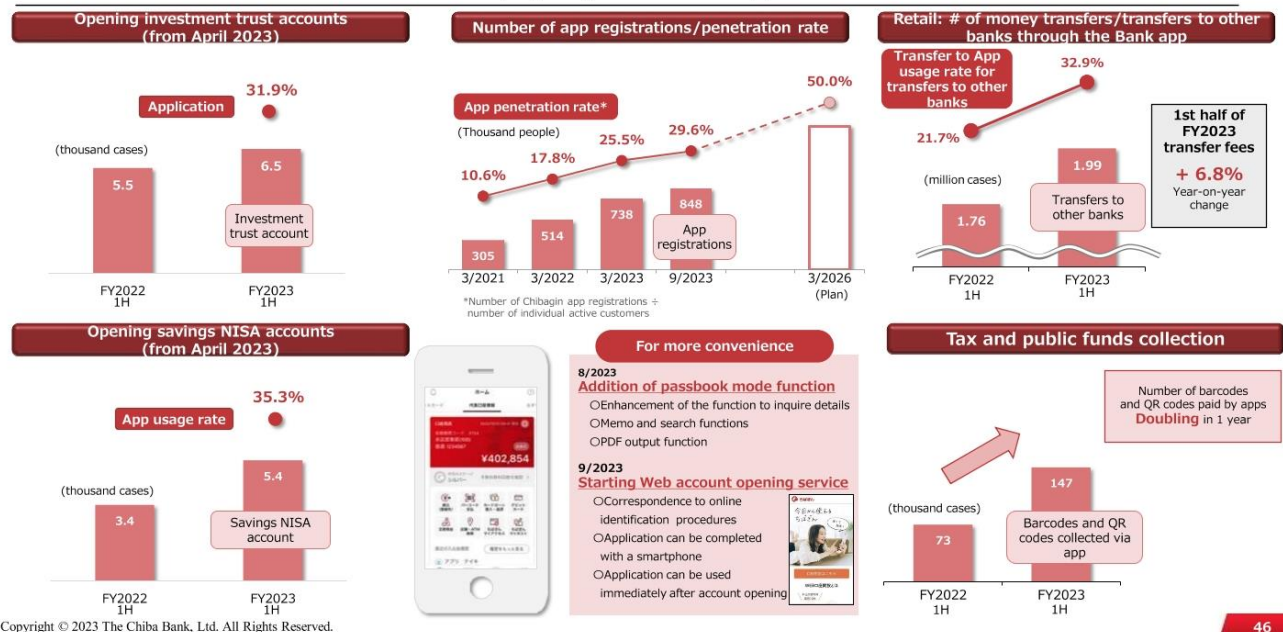
Evolution of our customer-focused business model



Next, I will explain the foundation for value creation. Please refer to page 45.

The DX strategy will continue to focus on the personalization strategy and the creation of regional ecosystems. Apps and portals will serve as the foundation for advancing the strategy, and we will continue to enhance their functions and expand their user base.

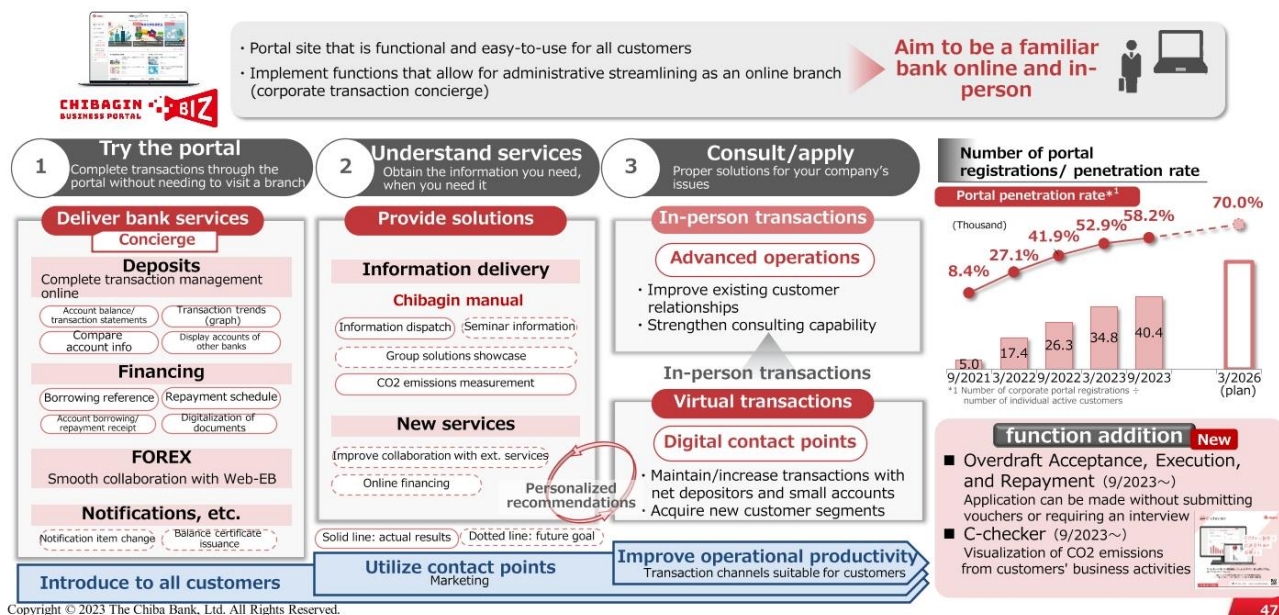
Developing an app that can solve any problem



Please see page 46.

The convenience of the application is steadily improving as new functions are continuously implemented and improved. The percentage of transactions via the application for personal transfers, tax and public money collection, and the opening of investment trust and NISA accounts continues to rise for all products and services. These increased transactions result in lower costs per transaction, leading to improved gross margins.

Portal site that is functional and easy-to-use for all customers

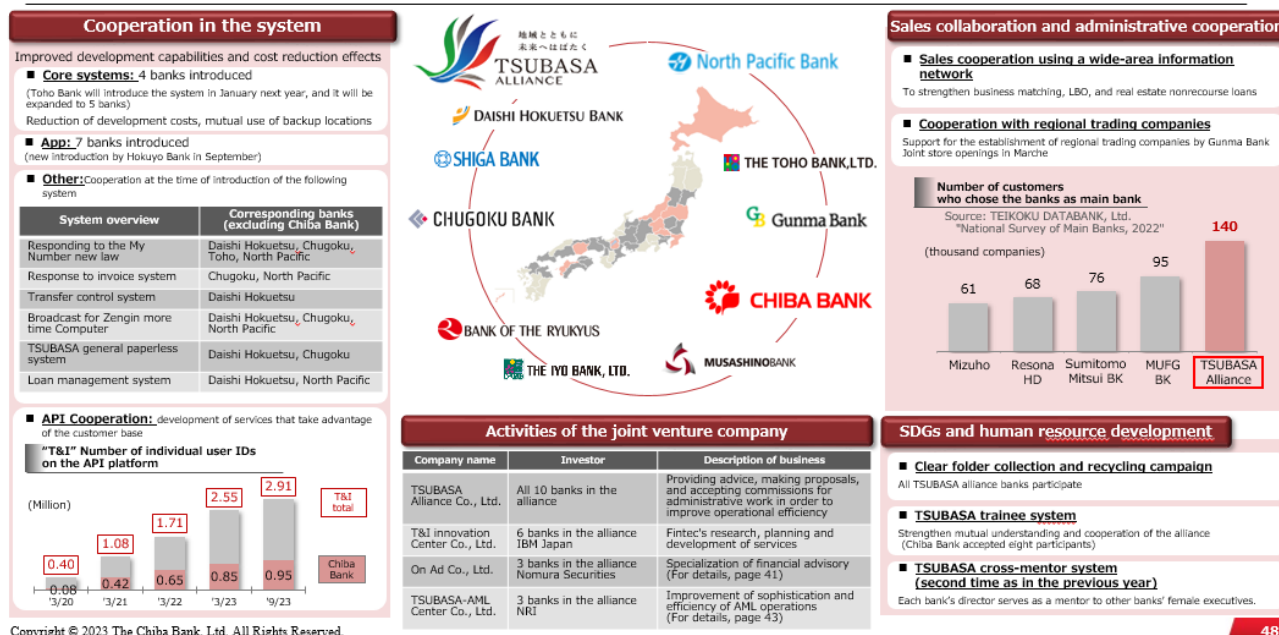


Please see page 47.

The number of corporate clients subscribing to the corporate portal is steadily increasing to about 40,000. We plan to increase the penetration rate to 70% of loan clients, which is currently less than 60%, by the final year of the medium-term management plan, bringing the total number of clients subscribing to the portal to 60,000, both loan clients and deposit clients.

We will continue to review our services and add new functions to create a more convenient website for our customers.

Expansion of cooperation in a wide range of fields, starting with system cooperation

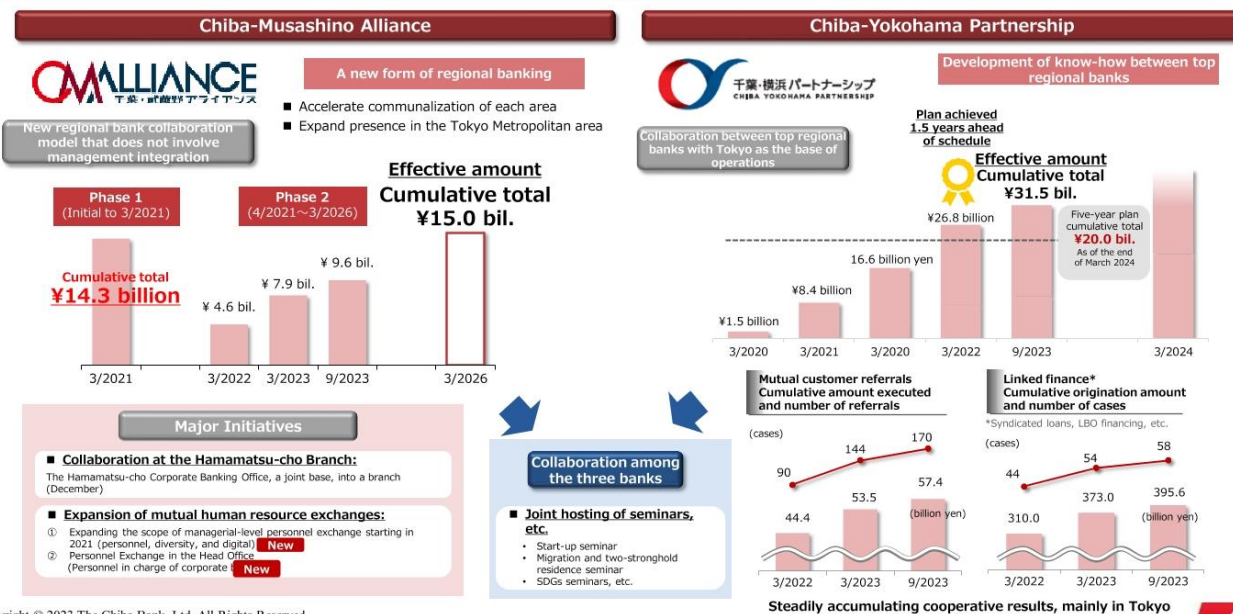


Next, I will explain our alliance strategy. Please refer to page 48.

The TSUBASA Alliance, a group of leading regional banks, has demonstrated top-line improvement and cost-containment effects through collaboration in various areas, starting with the core system.

In recent years, cooperation has also progressed in areas such as SDGs and human resource development, and the system has been enhanced in terms of corporate value improvement. Most recently, on November 1, we established TSUBASA-AML Center Co., Ltd. for anti-money laundering. We will continue to evolve our cooperative framework.

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



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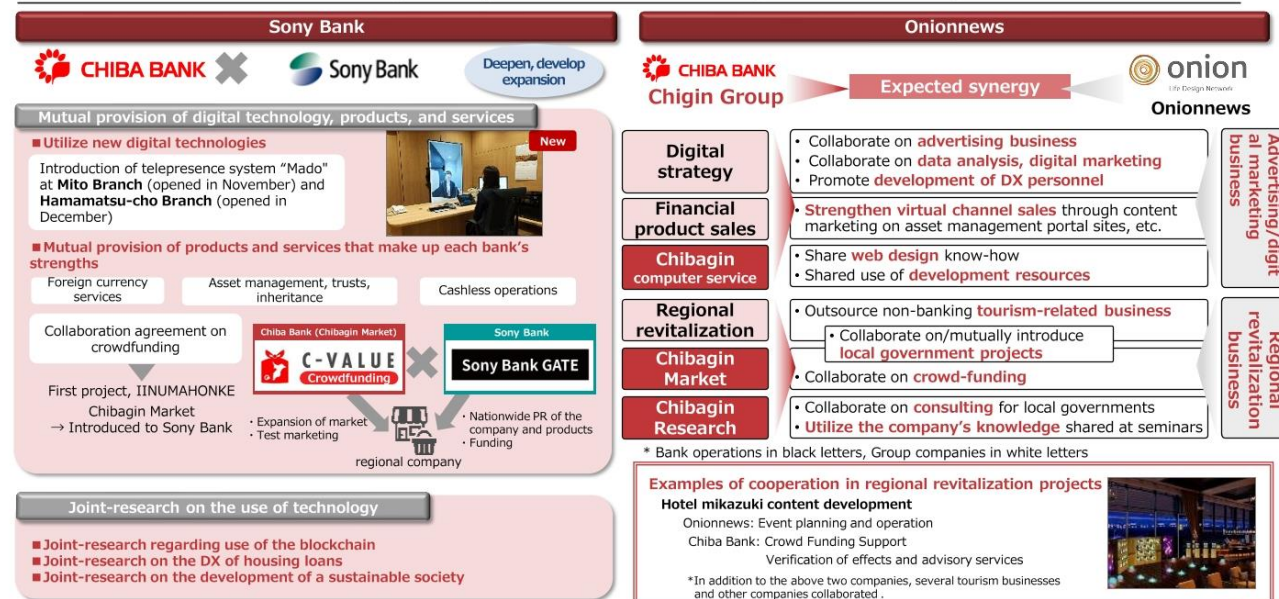
Please see page 49.

The Chiba-Musashino Alliance has been progressing steadily in Phase 2 and continues to produce favorable results against the partnership effectiveness target.

In the Chiba-Yokohama Partnership, the cooperative structure, especially at sales branches, is proving effective, with mutual customer referrals and finance deals such as syndicated loans steadily increasing, and the five-year cumulative effect target is expected to be exceeded by a wide margin.

The three banks are also collaborating to hold seminars and other activities. We will continue to strengthen our collaboration in the Tokyo metropolitan area further.

Increase the ability of the organization to deliver value through diverse cross-industry alliances



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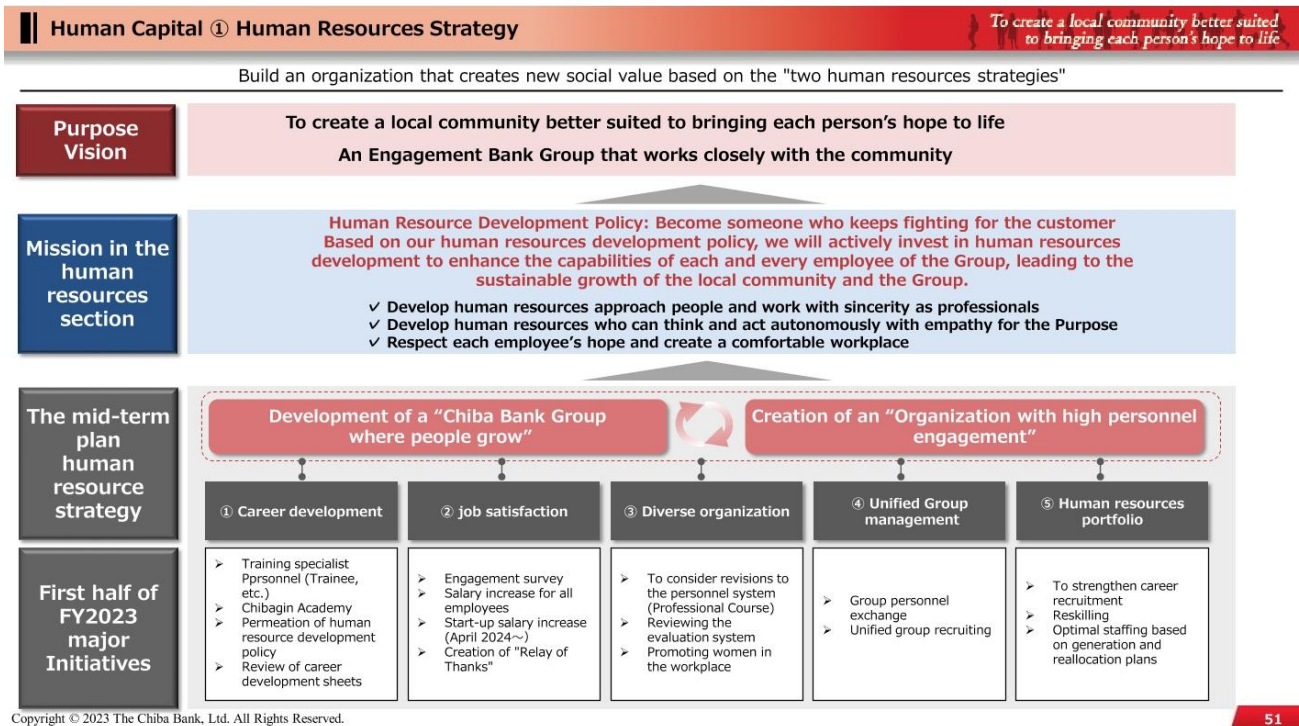
50

Please see page 50.

We have established various subcommittees with Sony Bank to continue discussions at the frontline level, and concrete results have been achieved.

The Mito Branch, which opened this month, and the Hamamatsucho Branch, which will open next month, have introduced telepresence systems "Mado" which have a proven track record at Sony Bank and remotized teller operations, and have realized unmanned teller windows, making them next-generation branches.

With Onionnews, we have begun full-scale collaboration in the advertising business, and we will also collaborate extensively in the community revitalization business, such as jointly supporting the holding of events for local business partners. Going forward, we will continue to collaborate with different industries proactively as a strategy to enhance the sophistication of our group services.



Next, I will explain our human resources strategy. Please refer to page 51.

In our human resource strategy, we have established a new human resource development policy, "Become someone who keeps fighting for the customer". The new human resource development policy is based on the three core elements of "Think things through," "Utilize your own strengths," and "Gain more supporters."

Enhance "job satisfaction" of employees and create an organization that contributes to the local community as a unified group

Creating an open workplace environment

Conducting the engagement survey

New

■ Background of the survey

- Until now, anonymous morale surveys have measured employee "job satisfaction"
- New design for analysis and countermeasures combined with other HR Information

■ Issues of survey results and future policy

- The overall score is generally good, but there are areas where improvement is required for individual items
- Prioritize work on areas that need improvement

Other initiatives

■ Internal hotline system

- As a result of our efforts to raise awareness and promote usage, the number of consultations is on the rise
- Contribute to early detection of inappropriate clerical work and harassment

■ Chibagin, Chotto line

- Mechanisms for easy consultation of daily concerns using in-house chat functions, etc.
- Average of 10 to 15 consultations per month
- From September, the scope was expanded to include group companies.

■ Questionnaire (signed or unsigned)

- Used to analyze trends in compliance awareness and reflect staff's opinions in various measures

■ To enhance communication and mutual understanding among employees

- 360-degree evaluation
- Conduct regular 1 on 1 meeting with supervisors

Group personnel exchange and unified group recruiting

■ Issues of group human resource management

- Most of the staff were replaced or substituted in fixed positions at each company
- In principle, each company recruiting its own staff, and there was little awareness for group-wide personnel exchange.

■ Future measures

- The Bank's human resources staff will interview all Group company employees to gain an understanding of the personnel situation at each company, individual career aspirations, etc., and to ensure that the right person is in the right position at the right time throughout the Group.
- Start group-wide recruitment and personnel exchange.

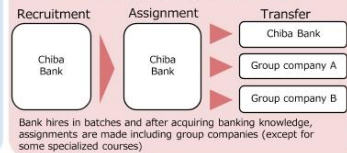
Unified group recruiting for new graduate

New

Hiring of new graduates



Hiring of new graduates in the future



Trends in the number of group personnel exchanges



Here, I would like to explain the initiatives we have strengthened, especially in response to the business improvement plan. Please see page 52.

The Bank has introduced a new engagement survey. This survey can be combined with other HR information, and we will prioritize areas that need improvement.

In terms of group personnel exchanges, we will expand exchanges to a wide range of generations, and we will also begin to hire new graduates in batches to eliminate barriers between the Group companies.

Increasing the investment amount and the number of employees trained (investment targets)

Personnel development

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

148 people

nearly
Doubling

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

280 people

	1H of FY2023	Mid-Term Plan (cumulative total)
Corporate sales	10 people	50 people
Retail sales	10 people	50 people
DX personnel	10 people	60 people
External trainees dispatch	13 people	90 people
Management personnel	4 people	30 people
Total	47 people	280 people

Corporate sales and retail sales development program

- Developing **consulting proposal specialists** through training at headquarters and group companies
- Emphasis on **practical programs**, with the first half positioned as input period and the second half positioned as output period

	Previous term (Input period)	Latter term (Output period)	After completion
Corporate course	Headquarters: Corporate sales, examination and management succession Group companies: Leasing, CCS and Research Institute	Head Office: Same as on left	Assignment to branch offices
Retail course	Headquarters: Trust inheritance, loan, and financial instruments Group companies: Securities and Asset Management	Head Office: Same as on left	
Common to all courses	External training (Negotiation skills implementation seminar, corporate counsel training seminar, etc.)		

Human capital investment



Chibagin Academy



Please see page 53.

Steady progress is being made in human resource development. Among others, in the training of corporate and individual staff at sales branches, we will aim to develop human resources who can experience across the business content of the head office and group companies and practice cross-use promotion as specialists in consulting sales.

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



	Regional banks	Major banks, etc.
A-	Chiba	MUFG SMFG Resona HD
B	Concordia FG Fukuoka FG Shizuoka FG	Mizuho FG SMTH
C	Mebuki FG	

2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

2023



Platinum Eruboshi



New

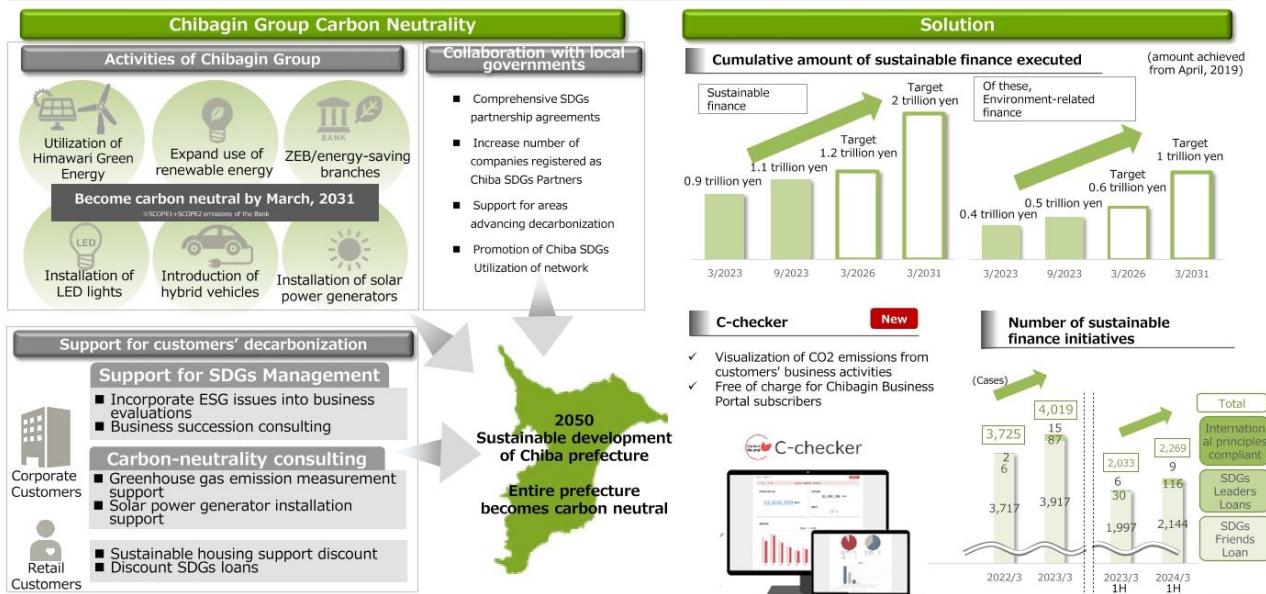
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Continuing on, I will explain only the main points regarding sustainability management.

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



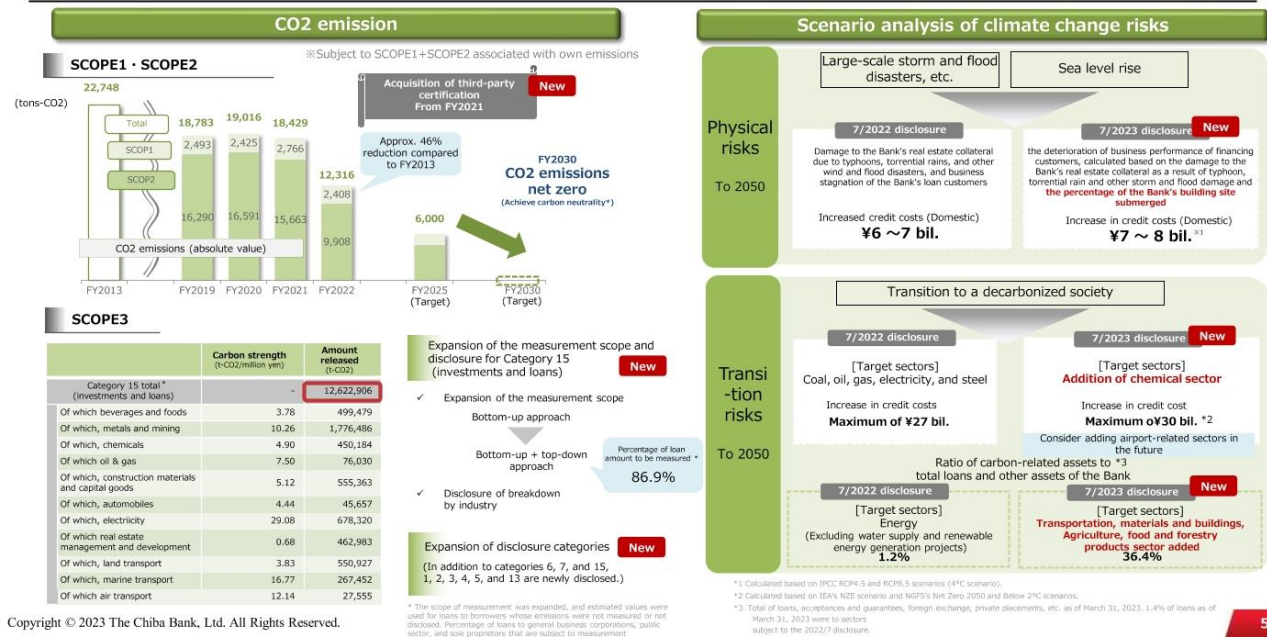
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Please see page 56.

In order to achieve carbon neutrality by 2031, we will further strengthen our sustainable finance initiatives. In September this year, we introduced the C-checker, which enables customers to visualize CO2 emissions from their business activities. The service is available free of charge to corporate portal subscribers, and we will continue to support our customers' decarbonization activities.

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



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Please see page 57.

We have further advanced the disclosure of SCOPE 3 category 15, Investments and Loans, and have now disclosed up to 86.9% of the total amount of investments and loans. We will continue to expand the information we can provide.

This concludes my explanation. Thank you all for your attention.