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Financial Results for the Six Months (First Half) of FY2024 ending March 2025



November 22, 2024

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Financial Summary

- ◆ Top-line **gross business profit reached a record high on both non-consolidated and consolidated basis** (96.8 billion yen, +9.9 billion yen year-on-year)
- ◆ **Net income reached record high on both non-consolidated and consolidated basis** (non-consolidated 39.8 billion yen, +3.3 year-on-year and consolidated 37.7 billion yen, +2.9 year-on-year)
- ◆ Credit-related expenses increased by 6.4 billion yen year-on-year. The amount of new downgrades is within the scope of stress-testing, but credit-related expenses exceeded the plan. Non-performing loan ratio remains low

Today's Point

- ◆ **Credit-related expenses**
New downgrades in the first half is within the range of stress-test forecasts, strengthen support for accompanying by utilizing data
- ◆ **Increasing corporate value through capital utilization**

[The first half initiatives: effect of▲0.25% on the assumed CET1 ratio* at the end of FY2025] ※Basel III finalization basis excluding unrealized gains/losses on securities
 - **Resolution to repurchase treasury stock 10.0 billion yen**, consolidated shareholder return ratio 50.8% (planned)
 - Increase in risk assets, increase in intangible fixed assets due to DX investment, and utilization in inorganic investment
- ◆ **DX × AI**
By making EDGE Technology a subsidiary, we will accelerate DX and promote "Region-wide DX" to contribute to the improvement of regional productivity.
- ◆ **Clarify policy to reduce cross-shareholdings and net investment shares**

Our Strengths

- Operating base: **Balance of loans at term-end increased 4.1% year-on-year** (up 5.8% for SMEs and up 23.1% for Capex)
Balance of deposits at term-end increased 2.6% year-on-year (56% of the increase is due to retail deposits)
- Financial base: 1) **Consolidated OHR is 46.19%**. From top-line improvement due to interest rate hike to disciplined human capital investment & strategic spending and OHR improvement
2) **Non-performing loan ratio is 0.94%, which means maintaining asset soundness**
3) **Accelerate growth investment by utilizing stable capital**
- Alliances: Continue to implement measures swiftly through alliances with TSUBASA, Musashino Bank, Yokohama Bank and Sony Bank

Summary of Financial Results



Strong top-line results in steady progress in net income

Non-consolidated	(Billion yen)	FY2023 1H	FY2024 1H	Change	FY2024 Plan*	Progress
Gross business profit		86.9	96.8	9.9	189.8	51.0%
Net interest income		70.2	78.8	8.6	153.9	
Net fees and commissions		14.9	16.7	1.8	32.2	
Net Trading income		0.8	0.5	-0.3	1.4	
Net other ordinary income		0.8	0.7	-0.1	2.2	
Gains/losses related to bonds		-2.0	-0.9	1.0	-0.2	
G&A expenses (-)		42.1	44.6	2.4	89.5	49.8%
Net business income (before provisions to general allowance for loan losses)		44.7	52.2	7.4	100.3	52.0%
Core business income		46.8	53.2	6.3	100.5	52.9%
Excl. gains/losses on the cancelation of investment trusts		46.0	51.7	5.6	97.2	53.2%
Net provisions to general allowance for loan losses (-)		-	1.4	1.4	2.7	
Net business income		44.7	50.8	6.0	97.6	52.0%
Non-recurring gains/losses		5.4	4.2	-1.1	1.2	
Disposal of non-performing loans (-)		-0.7	4.2	5.0	10.8	
Reversal of loan loss reserves		1.9	-	-1.9	-	
Gains/losses related to stocks, etc.		4.6	8.5	3.8	12.0	
Ordinary profit		50.1	55.0	4.8	98.8	55.7%
Extraordinary gains/losses		-0.0	-0.0	-0.0	-0.3	
Net income		36.4	39.8	3.3	70.0	56.8%
Credit-related expenses (-)		-0.7	5.6	6.4	13.5	42.1%

Consolidated	(Billion yen)	FY2023 1H	FY2024 1H	Change	FY2024 Plan*	Progress
Ordinary profit		49.9	54.3	4.3	98.8	54.9%
Profit attributable to owners of parent (Ref.)		34.7	37.7	2.9	70.0	53.9%
Consolidated net business income (before provisions to general allowance for loan losses)		47.0	54.0	6.9	108.6	49.6%

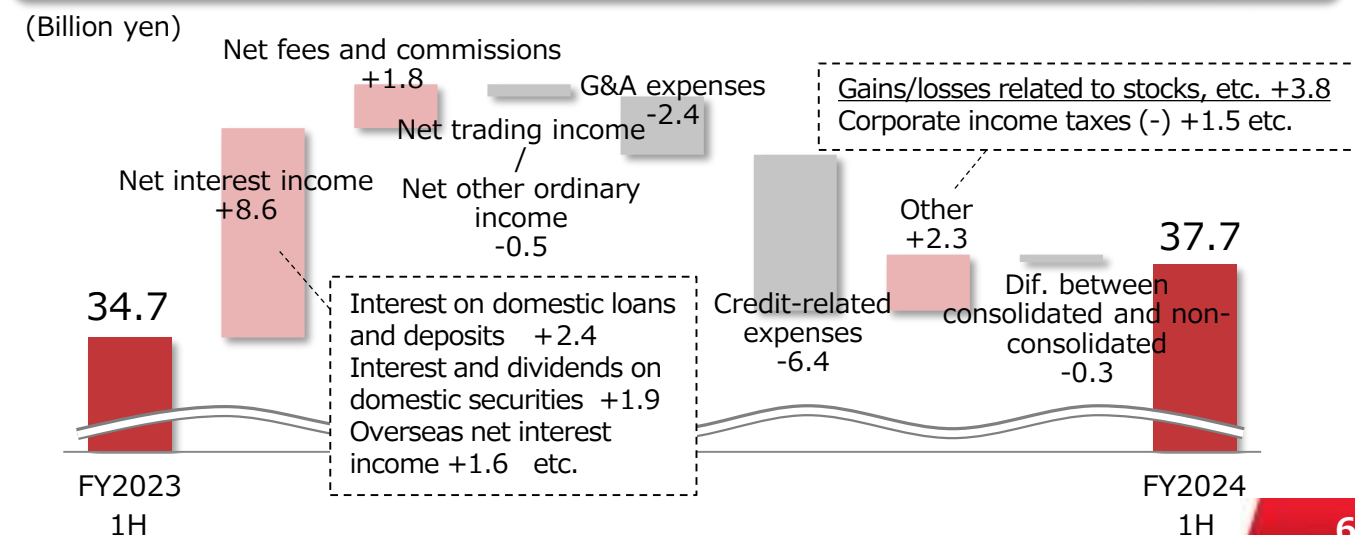
*Plan for FY2024 is revised from the figures disclosed on May 10, 2024 (disclosed on November 11, 2024)

- ◆ **Net interest income YoY +8.6 billion yen**
Balance of loans at term-end (YoY +4.1%)
Domestic operations yield of loans and bills discounted (YoY +0.04%)
- ◆ **Net Fees and Commissions YoY +1.8 billion yen
(5th consecutive record high for 1H)**
Corporate solutions (YoY +1.5 billion yen)
Cashless operations (YoY +1.0 billion yen)
- ◆ **G&A expenses YoY +2.4 billion yen**
- ◆ **Credit-related expenses YoY +6.4 billion yen**
- ◆ **Net income reached record highs on non-consolidated and consolidated basis**
- ◆ **Raised full-year consolidated net income plan to 70.0 billion yen**

**Results: Capturing rising interest rates
Increase in net fees and commissions**

Challenges: Reducing credit-related expenses

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



Summary of Financial Results (Consolidated)

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

Difference between consolidated and non-consolidated decreased year-on-year mainly due to the integration of the Group's cashless business

Consolidate	(Billion yen)	FY2023 1H	FY2024 1H	Change
Consolidated net revenue		88.8	97.4	8.5
Net interest income		66.0	74.5	8.5
Net fees and commissions		20.8	21.6	0.8
Net trading income		1.1	0.5	-0.6
Net other ordinary income		0.8	0.7	-0.1
G&A expenses (-)		45.9	47.6	1.6
Credit-related expenses (-)		-0.5	5.6	6.2
Net provisions to general allowance for loan losses (-)		-	1.4	1.4
Disposal of non-performing loans (-)		-0.5	4.2	4.8
Gains/losses related to stocks, etc.		5.0	9.1	4.1
Gains/losses on equity-method investments		0.1	0.0	0.0
Other		1.3	0.9	-0.3
Ordinary profit		49.9	54.3	4.3
Extraordinary gains/losses		-0.0	-0.0	-0.0
Net income pre-tax adjustment		49.9	54.2	4.3
Total corporate income taxes (-)		15.1	16.4	1.3
Net income		34.7	37.7	2.9
Profit attributable to non-controlling interests		-	-	-
Profit attributable to owners of parent		34.7	37.7	2.9
(Ref.)				
Consolidated net business income (before provisions to general allowance for loan losses)		47.0	54.0	6.9

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)	FY2023 1H	FY2024 1H	
					Change
Chibagin Securities Co., Ltd.	100%	Ordinary profit	-0.0	-0.0	0.0
		Net income	-0.0	-0.0	0.0
Chibagin Leasing Co., Ltd.	100%	Ordinary profit	0.4	0.3	-0.0
		Net income	0.2	0.2	-0.0
Chibagin Guarantee Co., Ltd.	100%	Ordinary profit	2.8	3.2	0.3
		Net income	1.9	2.1	0.2
Chibagin Card Co., Ltd.*	100%	Ordinary profit	0.6	0.1	-0.5
		Net income	0.4	0.0	-0.3
Total of 4 other companies	100%	Ordinary profit	0.2	0.1	-0.0
		Net income	0.1	0.1	-0.0
Total of 8 companies		Ordinary profit	4.1	3.8	-0.3
		Net income	2.7	2.5	-0.1

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

[Equity method subsidiaries]

Total of 6 companies	Net income according to equity method	0.1	0.0	-0.0
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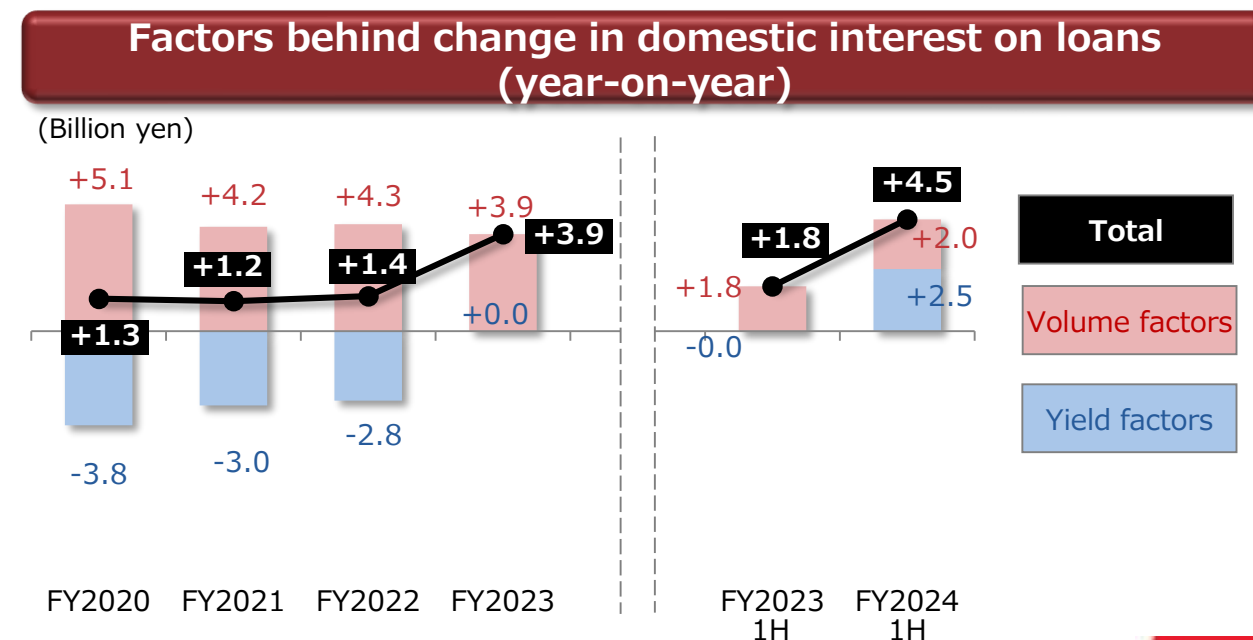
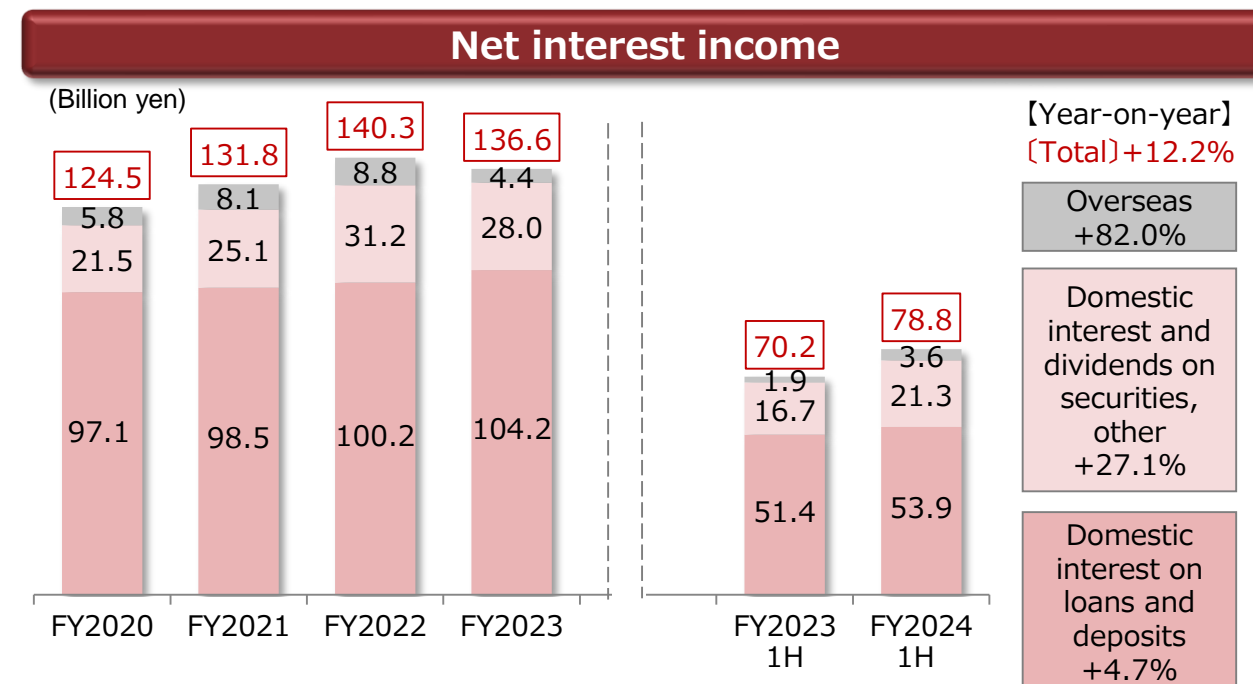
Dividends to parent company (-)	4.4	4.6	0.1
Dif. between consolidated and non-consolidated*	-1.6	-2.0	-0.3

*After adjusting for unrealized gains, etc.

Net interest income increased as a result of steady growth in domestic interest on loans and deposits

(Billion yen)	FY2023 1H	FY2024 1H	Change	FY2024 Plan	Change
Net interest income	70.2	78.8	8.6	153.9	17.2
Domestic	68.2	75.2	6.9	146.6	14.4
Interest on loans and deposits	51.4	53.9	2.4	109.5	5.3
Loans and bills discounted	51.6	56.1	4.5		
Deposits incl. NCDs (-)	0.1	2.2	2.1		
Interest and dividends on securities	15.9	17.9	1.9	30.6	4.5
Bonds	2.3	3.4	1.1		
Stock dividends	8.1	8.7	0.5		
Investment funds	0.8	1.6	0.7		
Investment trusts	4.6	4.1	-0.4		
Gains on cancellations	0.8	0.9	0.0	2.4	0.7
Other (market operations, etc.)	0.8	3.3	2.5	---	---
Overseas	1.9	3.6	1.6	7.2	2.7
Loans and bills discounted	12.5	14.9	2.4		
Foreign securities	12.5	16.2	3.6		
Foreign securities	11.6	14.4	2.7		
Foreign currency funds	0.7	1.0	0.2		
Investment trusts	0.1	0.7	0.6		
Gains on cancelations	-0.1	0.5	0.7	0.8	1.0
Other (funding, market operations, etc.)	-23.0	-27.5	-4.4		
Net interest income (excluding gains on the cancellation of investment trusts)	69.4	77.3	7.8	150.5	15.4
Gains on the cancellation of investment trusts	0.7	1.5	0.7	3.3	1.7

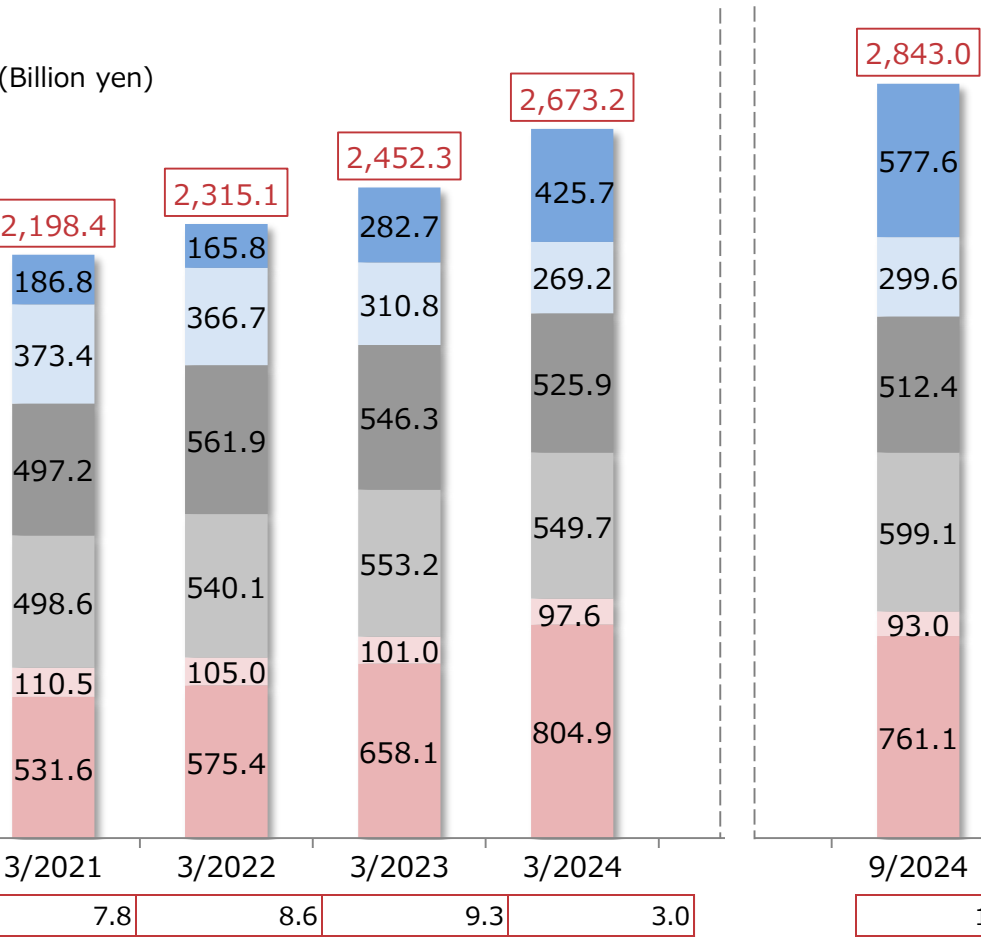
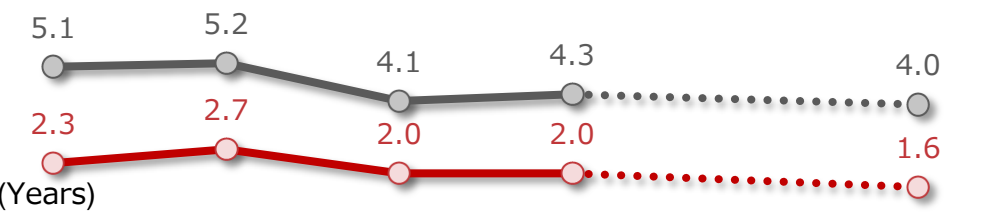
*Plan for FY2024 is revised from the figures disclosed on May 10, 2024 (disclosed on November 11, 2024)



Continue to manage portfolios with reduced risk, and maintain a high level of unrealized gains after taking into account hedges

Balance*1 / Average remaining maturity*2 of securities

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



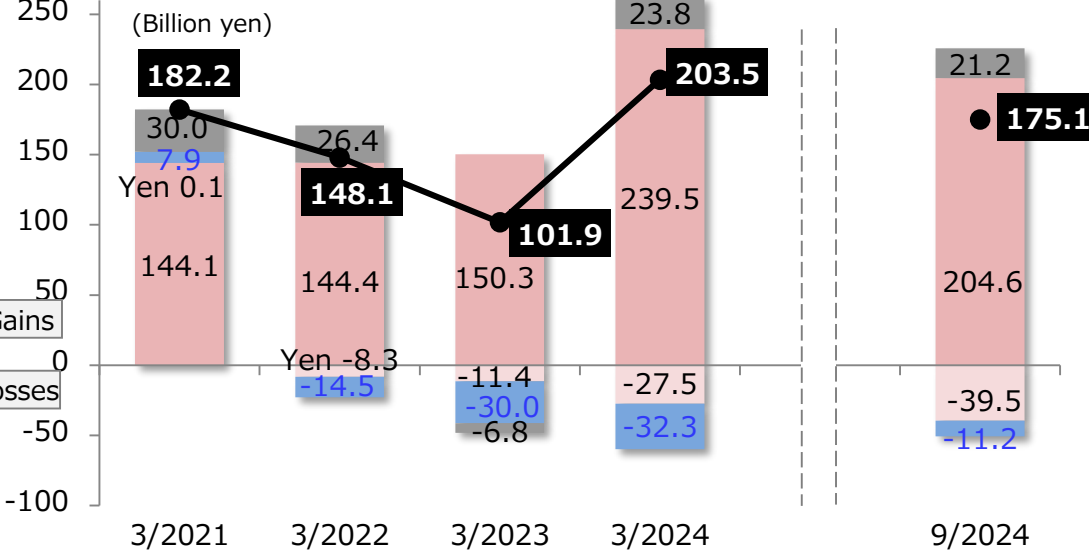
[As compared to March 31, 2024]

- Average remaining maturity of yen bonds -0.3 years
- Average remaining maturity of foreign bonds -0.4 years
- [Total] +6.3%
- Government bonds +35.6%
- Municipal bonds +11.3%
- Corporate bonds, etc. -2.5%
- Investment trusts, etc. +8.9%
- Stocks -4.7%
- Foreign currency securities -5.4%

■ Held-to-maturity bonds

Unrealized gains/losses on other securities

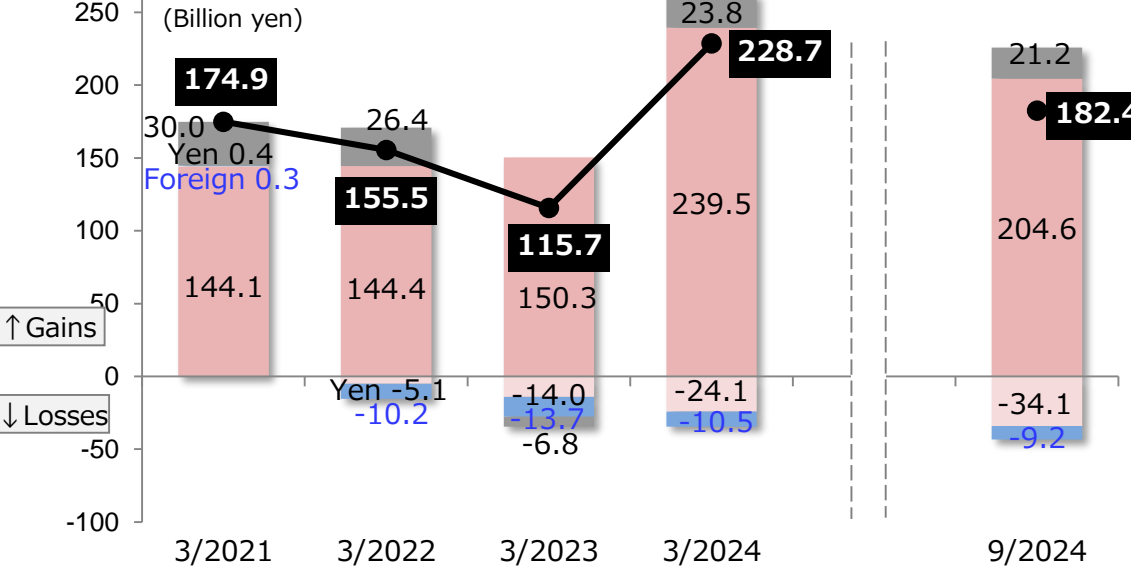
* Including overseas CDs



[As compared to March 31, 2024]

- Other -2.6
- Total -28.4**
- Stocks -34.9
- Yen bonds -11.9
- Foreign bonds +21.1

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



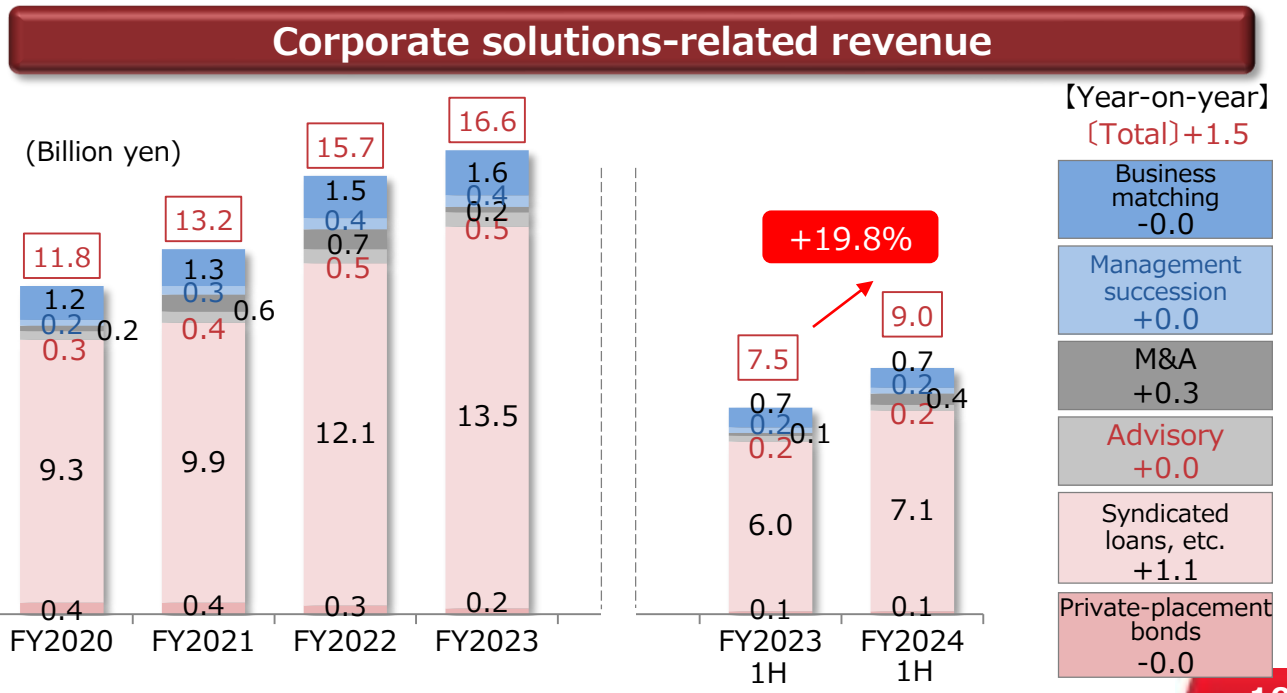
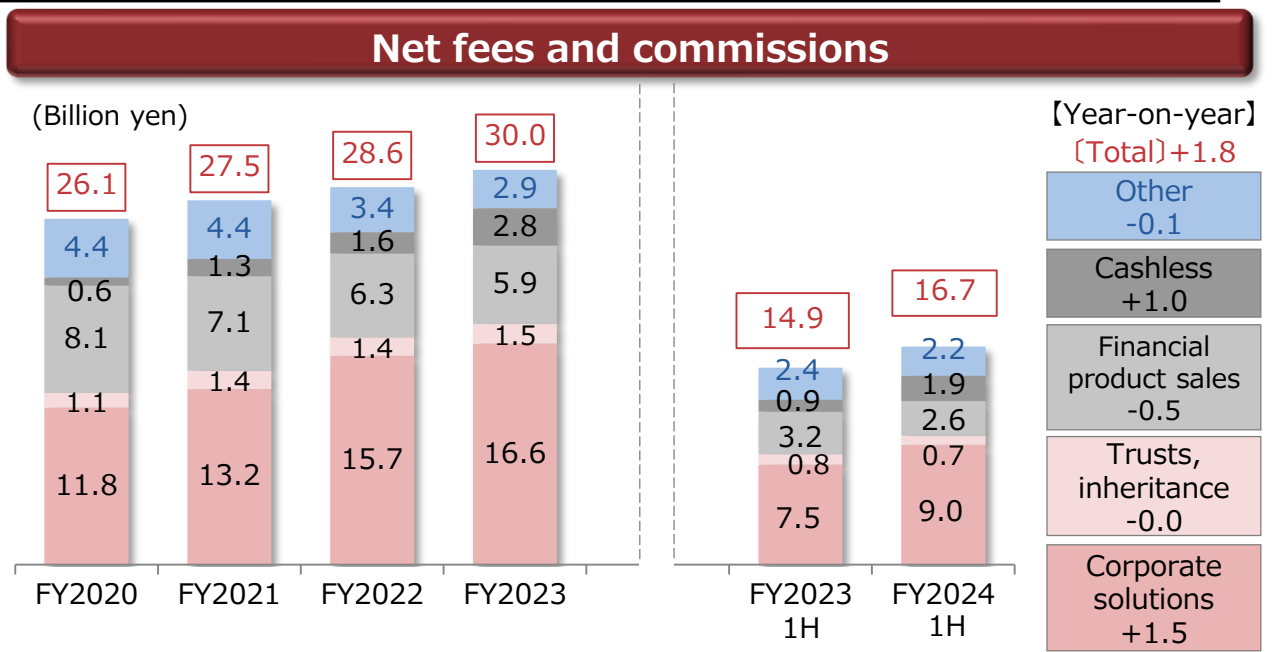
[As compared to March 31, 2024]

- Other -2.6
- Total -46.2**
- Stocks -34.9
- Yen bonds -9.9
- Foreign bonds +1.3

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

	(Billion yen)	FY2023 1H	FY2024 1H	Change	FY2024 Plan	Change
Net fees and commissions		14.9	16.7	1.8	32.2	2.2
Fees and commissions received		25.0	28.5	3.4	59.2	5.7
Fees and commissions payments (-)		10.1	11.7	1.6	27.0	3.5
<Main breakdown>						
Investment trusts and personal annuities		3.2	2.6	-0.5	5.6	-0.3
Investment trusts (trust fees)		0.9	0.9	0.0	1.9	0.1
Investment trusts (sales fees)		0.3	0.5	0.1	1.1	0.3
Annuities and whole-life insurance		0.8	0.5	-0.2	1.2	-0.0
Level-premium life insurance		0.8	0.5	-0.3	1.1	-0.5
Financial instrument intermediary		0.1	-	-0.1	-	-0.1
Corporate solutions		7.5	9.0	1.5	18.3	1.7
Private placement bonds		0.1	0.1	-0.0	0.2	0.0
Syndicated loans		6.0	7.1	1.1	14.6	1.1
Advisory contracts		0.2	0.2	0.0	0.5	0.0
M&A		0.1	0.4	0.3	0.8	0.5
Management succession		0.2	0.2	0.0	0.5	0.0
Business-matching		0.7	0.7	-0.0	1.5	-0.0
Trust/inheritance-related business		0.8	0.7	-0.0	1.6	0.0
Cashless operations		0.9	1.9	1.0	4.3	1.4
Payment and settlement transactions		6.4	6.6	0.2	13.0	0.1
Guarantee charges and group insurance costs (-)		5.8	6.2	0.3	14.7	0.8

*Plan for FY2024 is revised from the figures disclosed on May 10, 2024 (disclosed on November 11, 2024)



Expenses increased due to implementation of strategic investment, but OHR improved due to increase of top-line

G&A expenses / OHR

Non-consolidated (Billion yen)	FY2023 1H	FY2024 1H	Change	FY2024 Plan	Change
G&A expenses	42.1	44.6	2.4	89.5	4.3
Personnel expenses	20.2	20.7	0.5	41.6	1.1
Non-personnel expenses	18.7	20.4	1.7	41.3	2.9
Taxes	3.2	3.4	0.2	6.6	0.2
OHR	47.82%	45.41%	-2.41%	46.9%	-2.3%

Consolidated					
OHR	48.50%	46.19%	-2.30%	46.6%	-2.1%

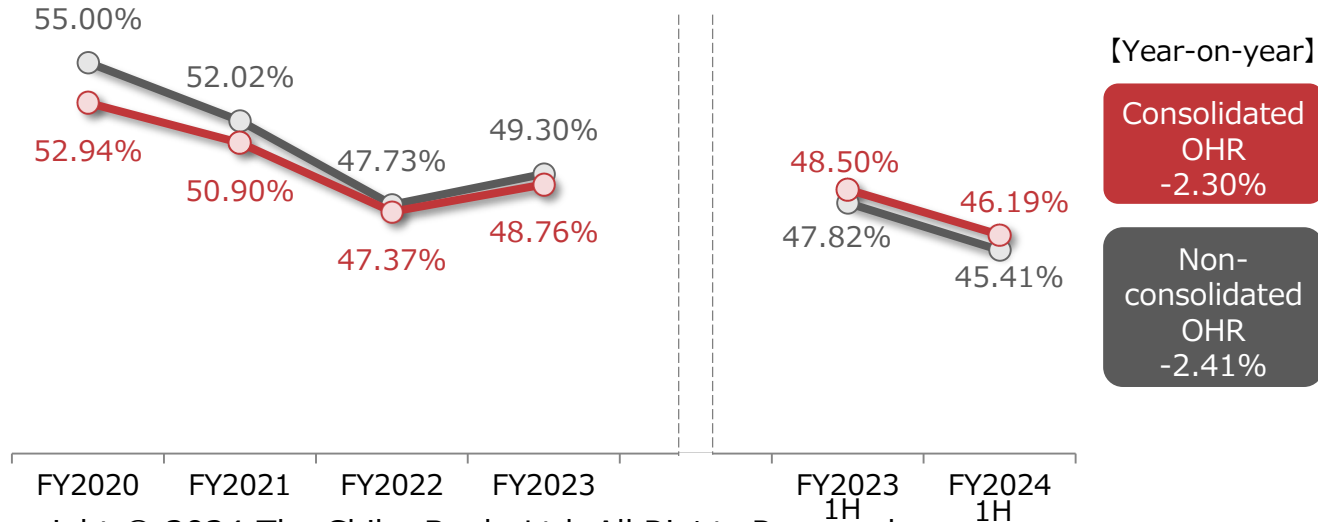
*OHR: Expenses / (net business income – bond-related gains/losses, etc. + net provisions to general allowance for loan losses + expenses)

*Plan for FY2024 is revised from the figures disclosed on May 10, 2024 (disclosed on November 11, 2024)

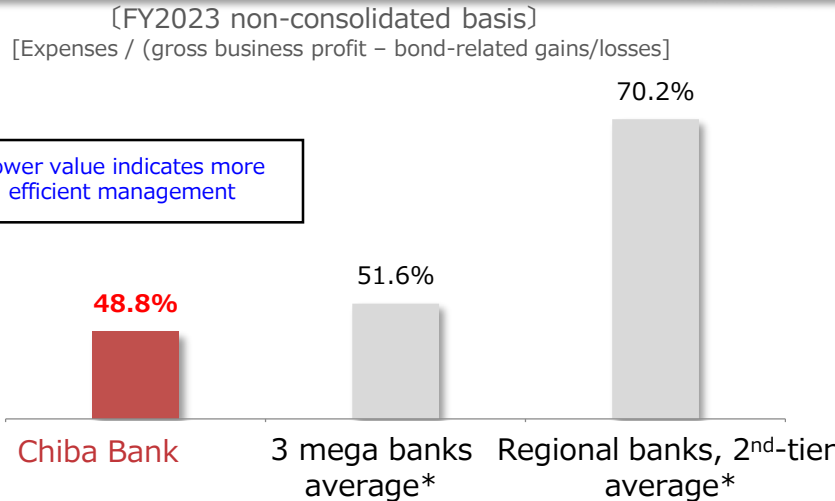
Major factors behind increase in G&A expenses

(Billion yen)		FY2024 1H (results)	FY2024 (plan)
Personnel (-)	+0.5	Pay raises +0.5	Pay raises +0.8 Expansion of the system to continue employment as a regular employee +0.7 Reduction of retirement benefit expenses -0.7
Non-personnel (-)	+1.7	Strategic investments +0.6 Increase in depreciation +0.8 New investments +0.4 Efficiency and cost reduction -0.1	Strategic investments +1.5 Increase in depreciation +0.8 New investments +0.8 (improvement of work environment, etc.) Efficiency and cost reduction -0.4
Taxes (-)	+0.2	Increase in consumption tax +0.2	Increase in consumption tax +0.2

OHR



OHR comparison with other banks



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

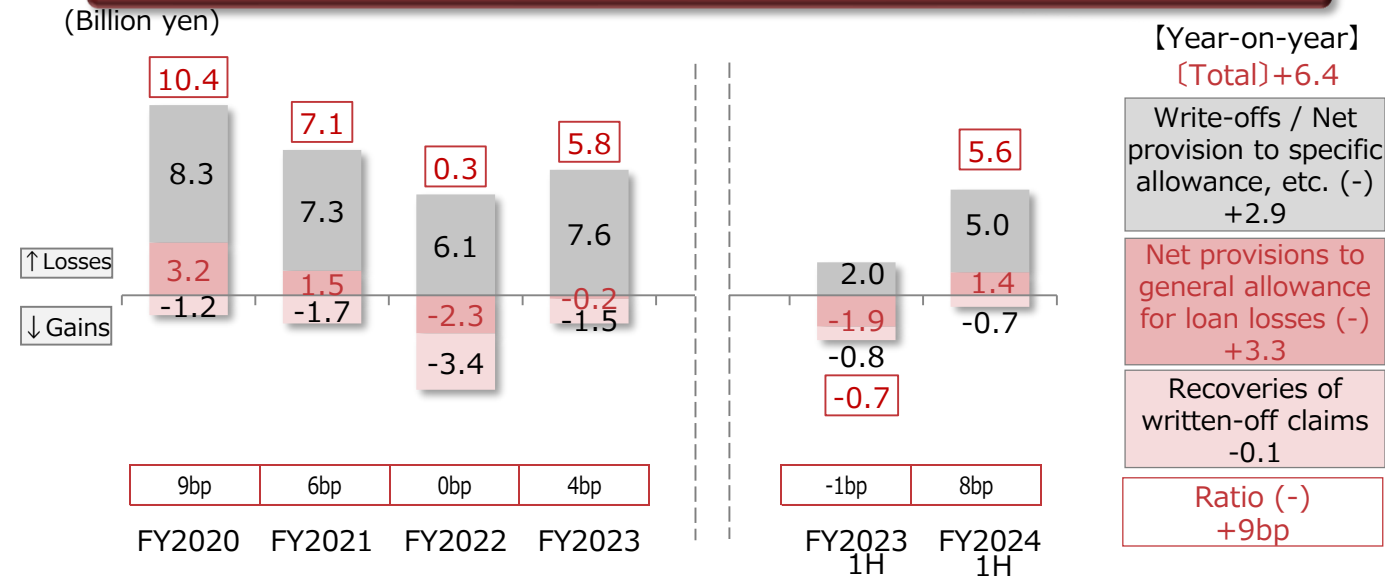
Despite an increase in credit-related expenses, the NPL ratio remains low

Credit-related expenses

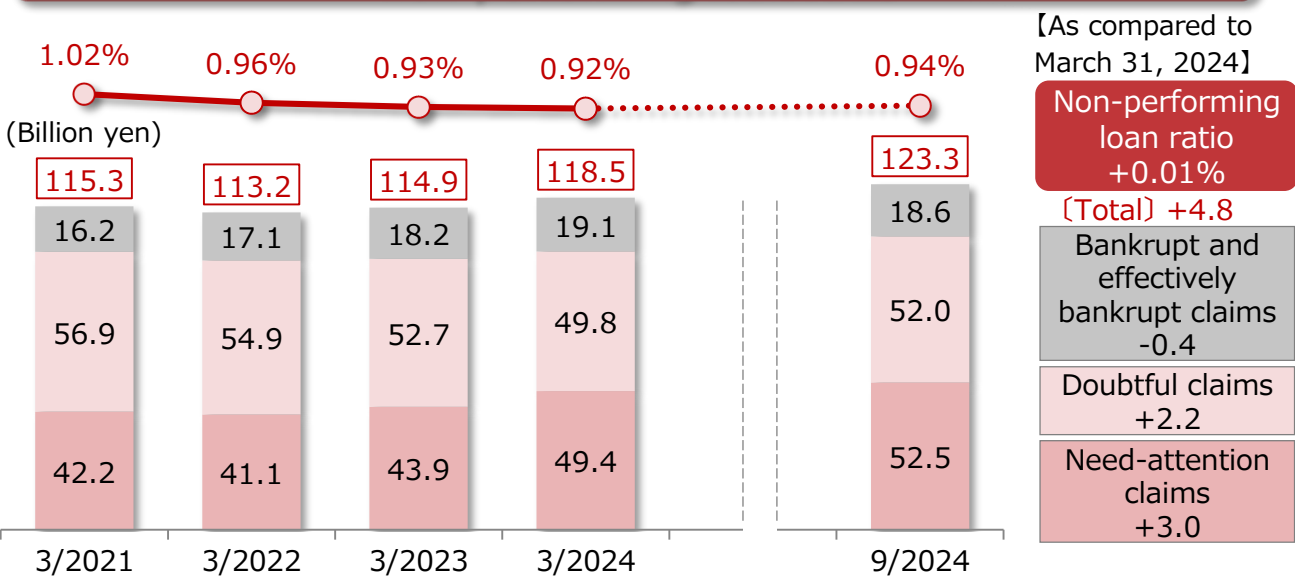
(Billion yen)	FY2023 1H	FY2024 1H	Change	FY2024 Plan	Change
Credit-related expenses (-)	-0.7	5.6	6.4	13.5	7.6
Net provisions to general allowance for loan losses	-1.9	1.4	3.3	2.7	2.9
Disposal of non-performing loans (-)	1.1	4.2	3.1	10.8	4.6
Write-offs/net provisions to specific allowance, etc. (-)	2.0	5.0	2.9	12.2	4.5
Net provisions to specific allowance for loan losses (-)	0.0	1.1	1.1	1.0	1.1
New downgrades (-)	2.7	5.4	2.6	13.0	4.3
Existing non-performing loans (-)	0.1	0.1	-0.0	0.4	0.1
Collections, etc.	0.8	0.6	-0.2	1.2	0.0
Recoveries of written-off claims	0.8	0.7	-0.1	1.4	-0.1
Net credit cost ratio (-)	-1bp	8bp	9bp	10bp	5bp

*Plan for FY2024 is revised from the figures disclosed on May 10, 2024 (disclosed on November 11, 2024)

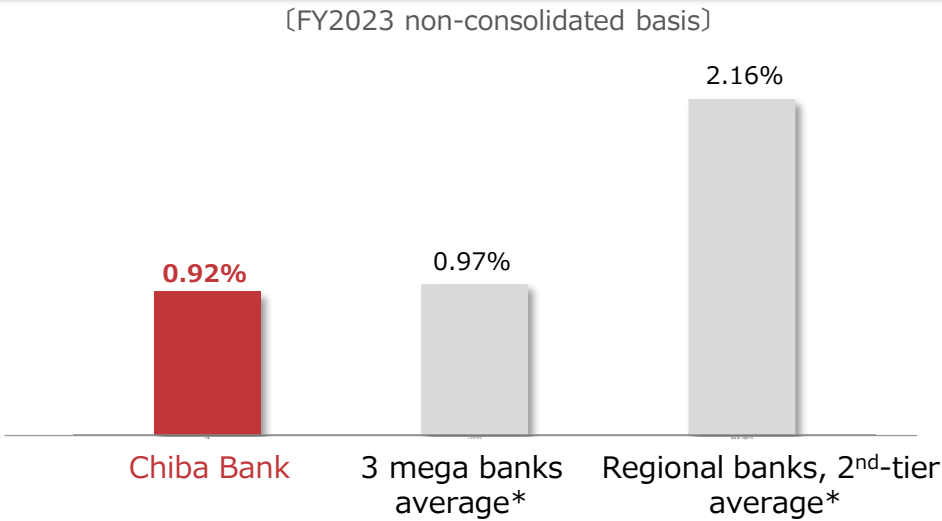
Net credit costs(－)transition



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



Non-performing loan ratio comparison with other banks



* Source: Simple average calculated from Nikkin Report

Non-consolidated	(Billion yen)	FY2023	FY2024				Change from initial plan	
			1H results	2H plan	Full year plan	Change		Progress
Gross business profit		168.2	96.8	92.9	189.8	21.5	51.0%	6.8
Net interest income		136.6	78.8	75.0	153.9	17.2		7.9
Net fees and commissions		30.0	16.7	15.4	32.2	2.1		0.5
Net Trading income		1.1	0.5	0.8	1.4	0.2		-0.8
Net other ordinary income		0.3	0.7	1.5	2.2	1.8		-0.8
Gains/losses related to bonds		-5.8	-0.9	0.7	-0.2	5.6		-1.6
G&A expenses (-)		85.1	44.6	44.8	89.5	4.3	49.8%	0.9
Net business income (before provisions to general allowance for loan losses)		83.1	52.2	48.0	100.3	17.1	52.0%	5.8
Core business income		88.9	53.2	47.3	100.5	11.5	52.9%	7.4
Excl. gains/losses on the cancelation of investment trusts		87.4	51.7	45.4	97.2	9.7	53.2%	6.8
Net provisions to general allowance for loan losses (-)		-	1.4	1.2	2.7	2.7		1.8
Net business income		83.1	50.8	46.7	97.6	14.4	52.0%	4.0
Non-recurring gains/losses		2.9	4.2	-3.0	1.2	-1.7		0.4
Disposal of non-performing loans (-)		5.8	4.2	6.5	10.8	4.9		4.2
Reversal of loan loss reserves		0.3	-	-	-	-0.3		-
Gains/losses related to stocks, etc.		9.3	8.5	3.4	12.0	2.6		5.0
Ordinary profit		86.0	55.0	43.7	98.8	12.7	55.7%	4.5
Extraordinary gains/losses		-0.2	-0.0	-0.2	-0.3	-0.0		-0.0
Net income		60.5	39.8	30.1	70.0	9.4	56.8%	3.1

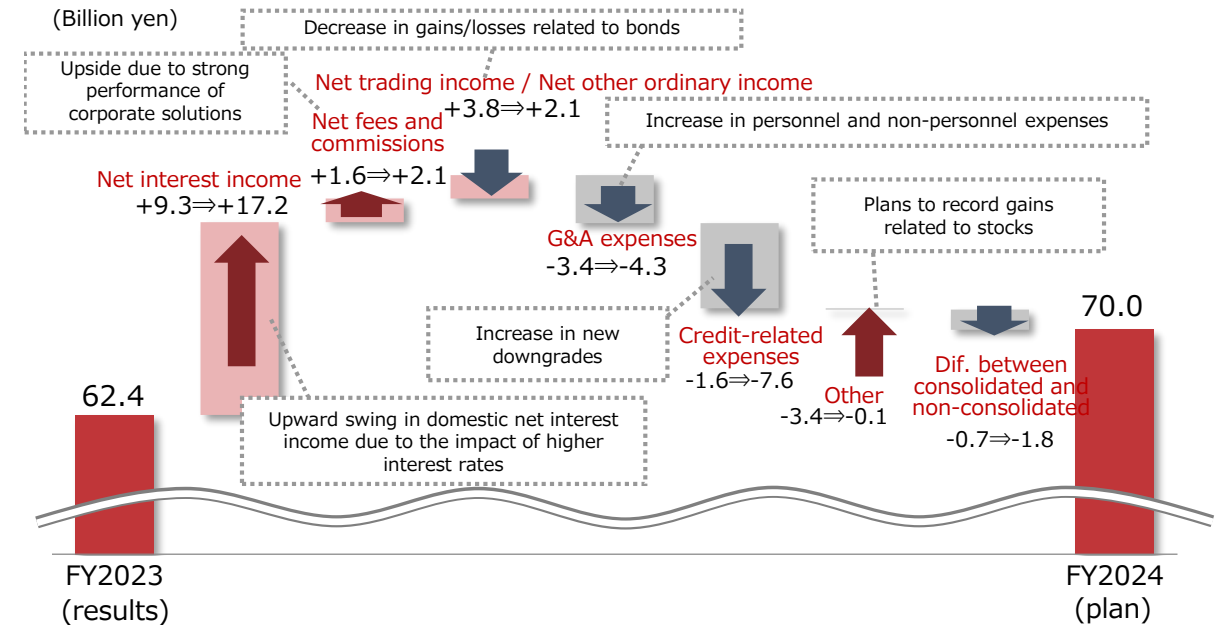
Credit-related expenses (-)	5.8	5.6	7.8	13.5	7.6	42.1%	6.0
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Consolidated	(Billion yen)	FY2023	FY2024				Change from initial plan	
			1H results	2H plan	Full year plan	Change		Progress
Ordinary profit		90.2	54.3	44.4	98.8	8.5	54.9%	0.9
Profit attributable to owners of parent		62.4	37.7	32.2	70.0	7.5	53.9%	2.0

(Ref.)

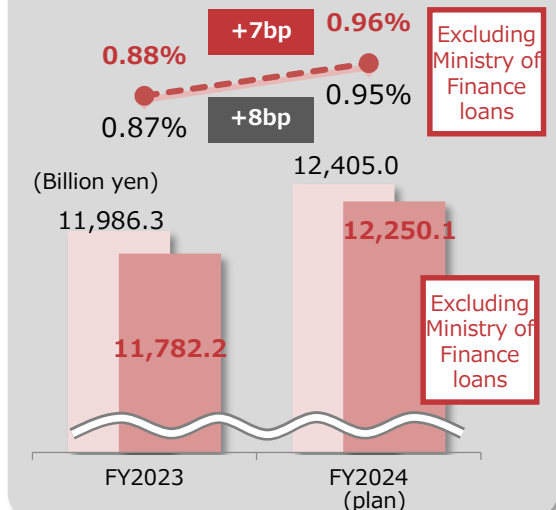
Consolidated net business income (before provisions to general allowance for loan losses)	91.7	54.0	54.6	108.6	16.9	49.6%	3.4
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Breakdown of Profit Attributable to Owners of Parent (difference between consolidated and non-consolidated results)



(Billion yen)	FY2023	FY2024 Plan	Change	Change from initial plan
Net interest income	136.6	153.9	17.2	7.9
Domestic	132.2	146.6	14.4	8.1
Interest on loans and deposits	104.2	109.5	5.3	1.2
Interest and dividends on securities	26.0	30.6	4.5	3.7
Gains/losses on cancellations	1.7	2.4	0.7	0.2
Overseas	4.4	7.2	2.7	-0.2
Gains/losses on cancellations	-0.1	0.8	1.0	0.3
Net fees and commissions	30.0	32.2	2.1	0.5
Investment trusts and personal annuities	5.9	5.6	-0.3	-0.4
Corporate solutions	16.6	18.3	1.7	1.2
Trust/inheritance-related business	1.5	1.6	0.0	0.0
Cashless operations	2.8	4.3	1.4	-0.1
Payment and settlement transactions	12.9	13.0	0.1	0.2
Guarantee charges and group insurance costs (-)	13.9	14.7	0.8	0.2

Domestic loan average balance/yield



Today's Point
Credit-related Expenses
Increase Corporate Value through Capital Utilization
Interest Rate Rise Simulation
DX×AI



New downgrades in the first half are within the stress-test forecast range

Stress testing

※Forecast revised at the end of the first half

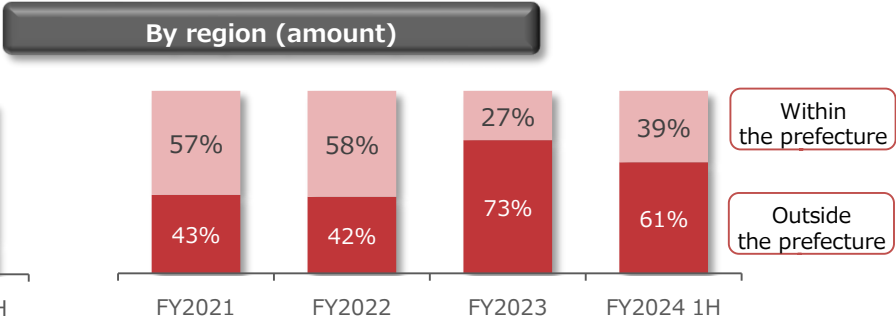
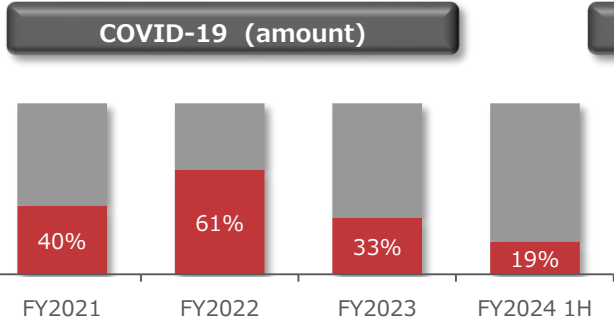
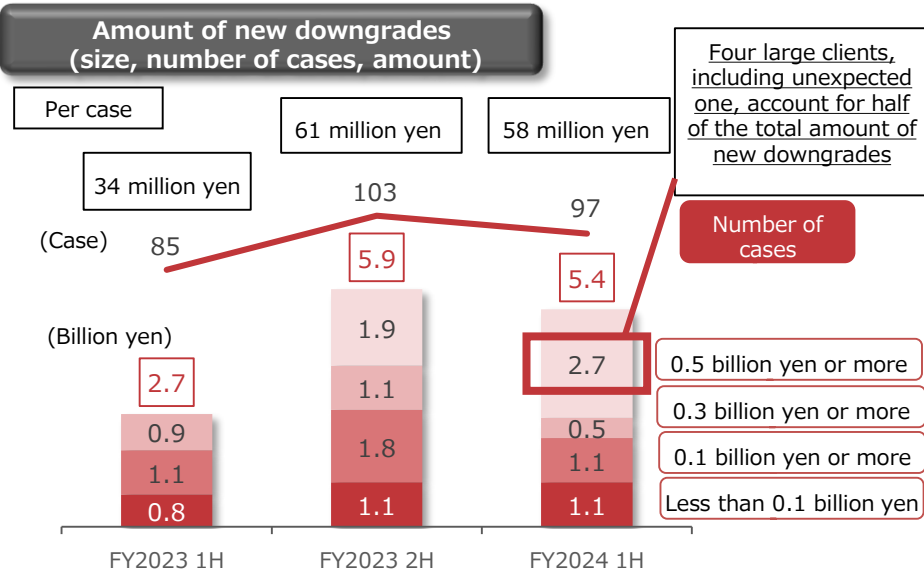
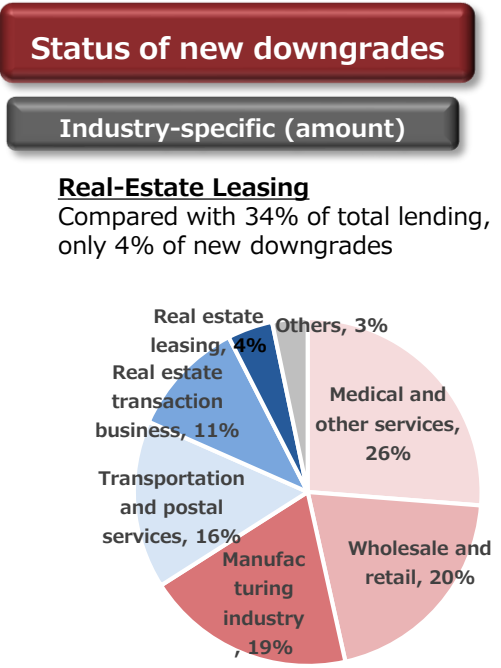
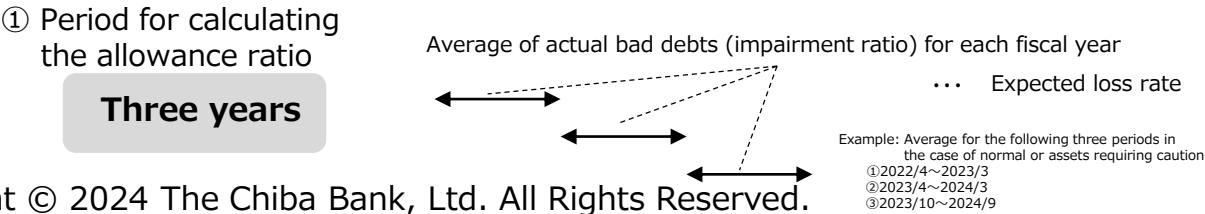
(Billion yen)	FY2022		FY2023		FY2024		Revised 2H plan	③
	1H	2H	1H	2H	1H	2H		
Stress test forecast	48	58※	42	59※	65	55	111	
New downgrades (actual)	24	44	27	59	54			①
New downgrades (planned)	45	35	45	55	40	60	76	②

- ① New downgrades in the first half of FY2024 continued to generate within the range of forecasted stress test (however, it exceeded new downgrades plan)
- ② Revision of new downgrades plan in the second half (+1.6 billion yen) due to the following factors
 - Some customers listed in the first half stress-testing remained healthy
 - Buffers for an unexpected occurrence
- ③ Stress test forecast increased due to an target expansion of solution review meeting clients utilizing AI ratings, bankruptcy predictions, AI scores and other factors.

【Number of stress testing targets/balance of loans】
FY2024 1H : 9.3 thousands / 1.5 trillion yen → FY2024 2H: 9.7 thousands / 1.8 trillion yen

Increase in general allowance for loan losses

Adopt conservative standards that are highly sensitive to the recent record of bad debts



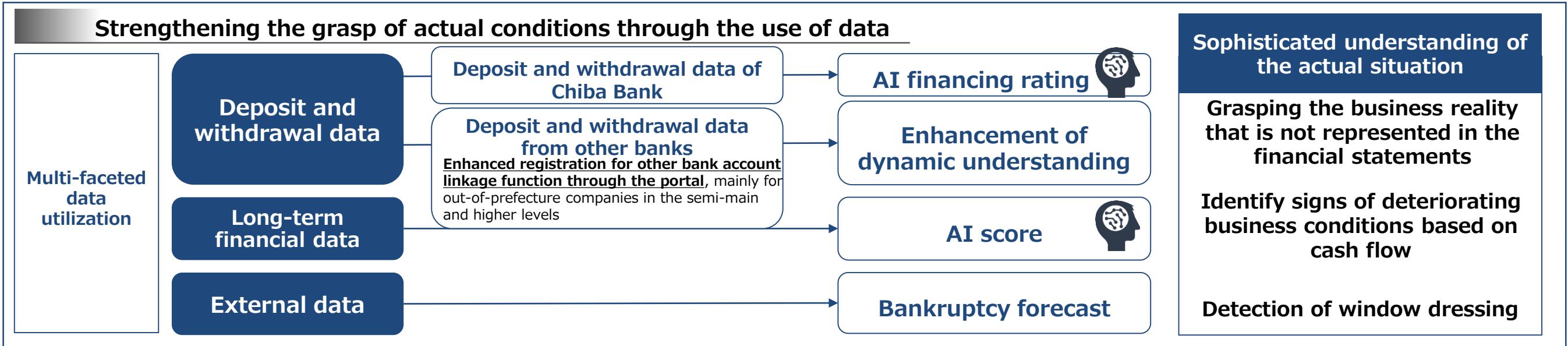
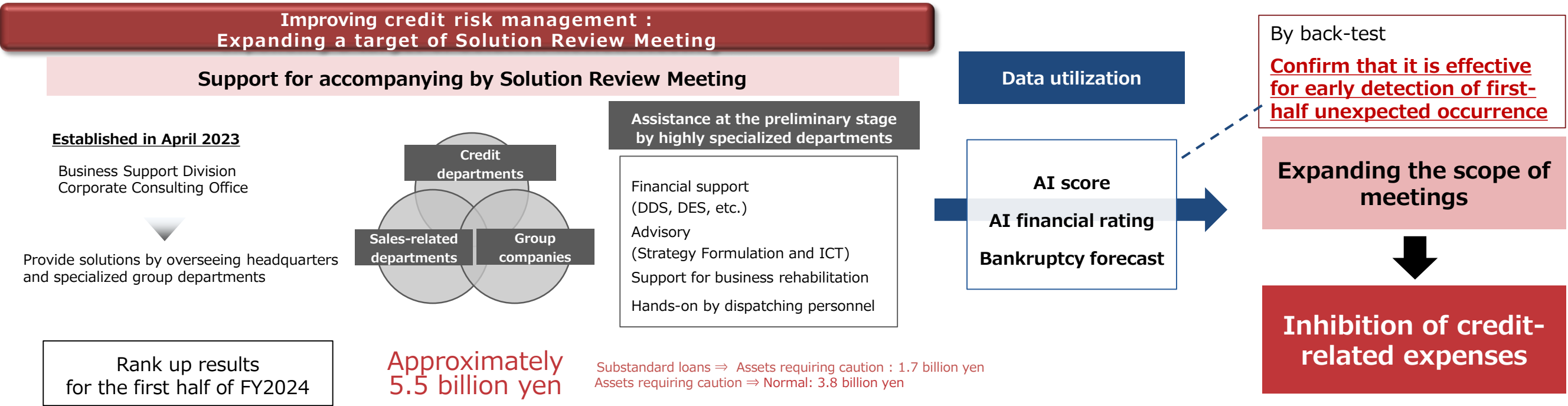
To a wide range of subjects for evaluation by the DCF

- ② Scope of application of DCF method (mainly loans to borrowers requiring substandard loans or less)

0.5 billion yen or more

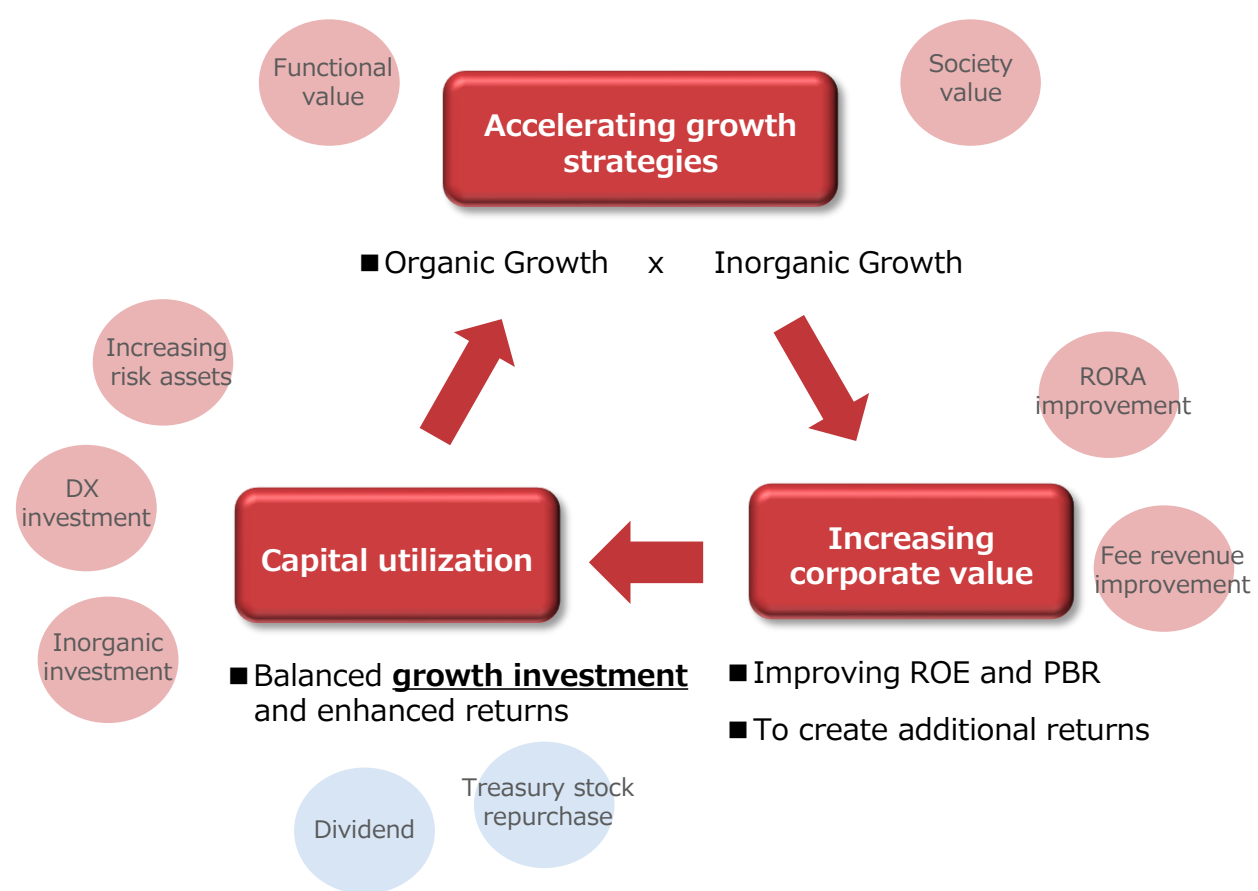
Many of the loans are evaluated based on detailed cash flows and reflect the impact of the cumulative default rate applied to the DCF method counterparties

Managing credit-related expenses by further strengthening support for accompanying and utilizing data






Accelerate growth strategies while making effective use of capital. A virtuous circle that generates further growth and returns while increasing corporate value


Cycle of increasing corporate value through capital utilization



Major Initiatives in the first half of FY2024

Increase in risk assets / inorganic investment		Profitability	CET1 ratio * ₁ effect
	Investments and loans in privately placed real estate funds backed by the World Business Garden (WBG) (September 2024)	(For loans and investment) Net income RORA Lower 2% range ※ ₂	▲0.13%
	Acquisition of renewable energy power generation facilities by Himawari Green Energy (April 2024)	(For investment) FY2024 Net income RORA Approximately 3% ※ ₂	
	TOB to EDGE Technology (September 2024)	(For investment) FY2027 Operating profit RORA Approximately 6% ※ ₂ ※ ₃	
		※ ₁ Impact of Basel III finalization basis in FY2024 ※ ₂ Basel III finalization basis / estimate using RW including floor adjustment ※ ₃ DD base case / synergy inclusion	

Shareholder Returns

	Treasury stock repurchase 10.0 billion yen	▲0.12%
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In the future Accelerate growth investment

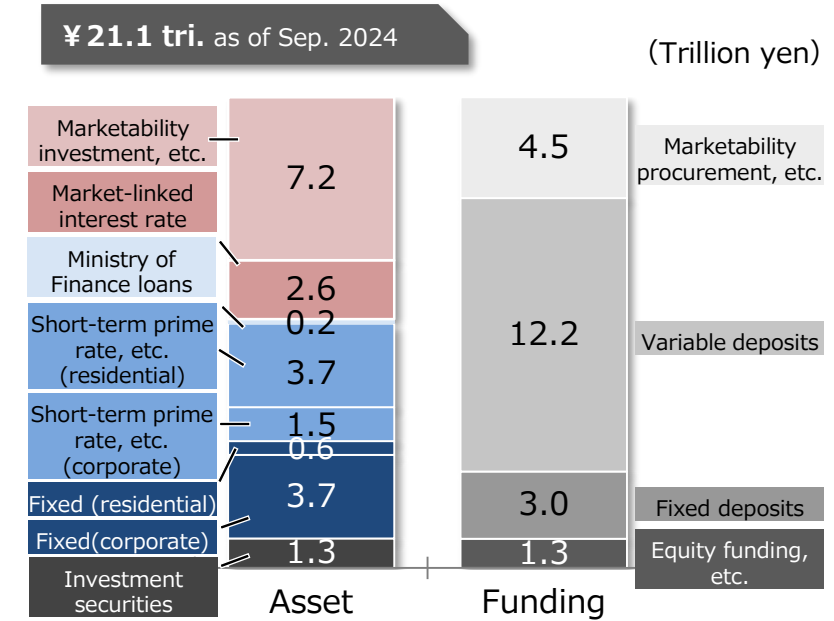
Accumulation of risk assets based on the advancement of RAF

DX investment and utilization of AI

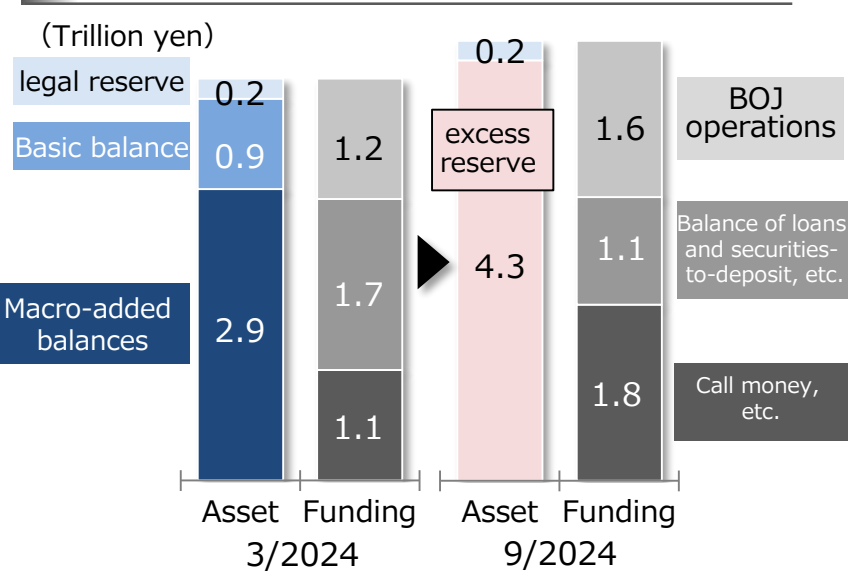
Further inorganic investment

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

JPY investment and funding structure

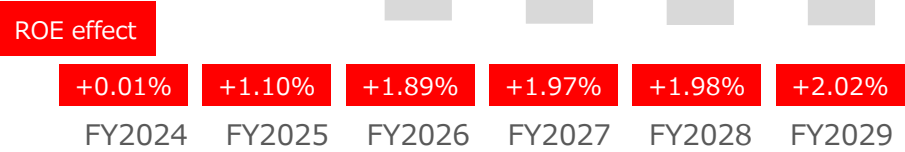
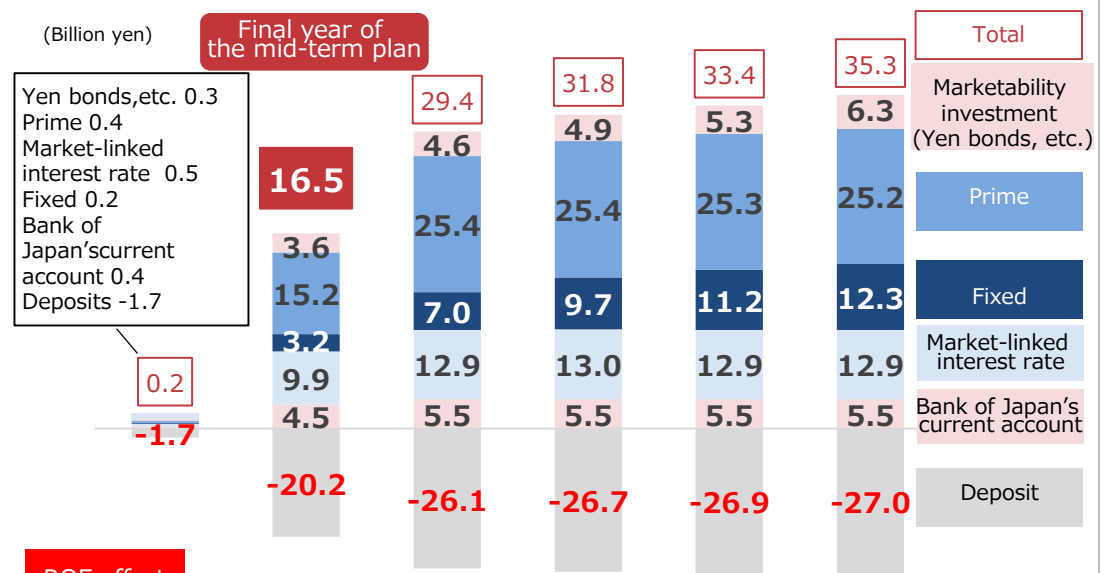


BOJ current account Changes in the structure of asset and funding



Interest rate rise scenarios

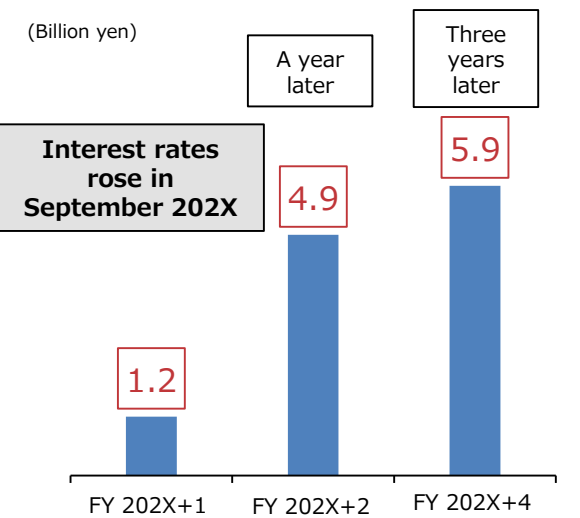
- Policy rate to be raised to 0.50% in January 2025.
Policy rate to be raised to 0.75% in July 2025.
- 10-year JGB yield of 1.3%
 - TIBOR (After January 2025) Average interest rate in September 2024 + 0.25%
(After July 2025) Average interest rate in September 2024 + 0.50%
 - Short-term prime rate (After February 2025) Current rate +0.25%
(After August 2025) Current rate +0.50%



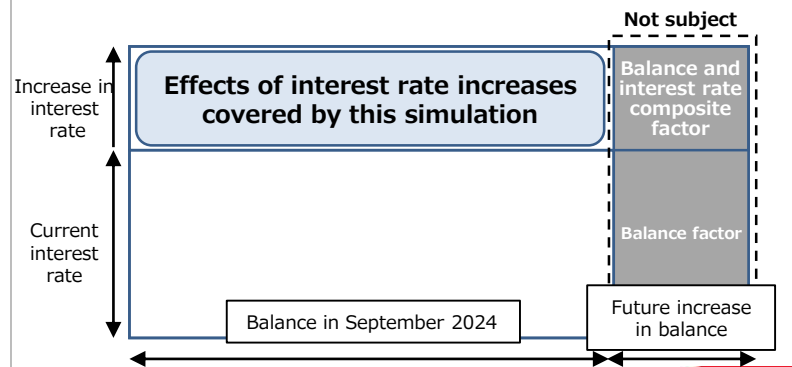
- Calculated based on **the difference from the market interest rate in September 2024** on net interest income
- Calculated on the assumption that the outstanding balance is unchanged from the portfolio at the end of September 2024
- 60% pass-through rate of fixed-rate loans for corporate and 80% pass-through rate of prime loans
- Deposit interest rates are assumed to be raised in view of a rise in market interest rates

Interest sensitivity

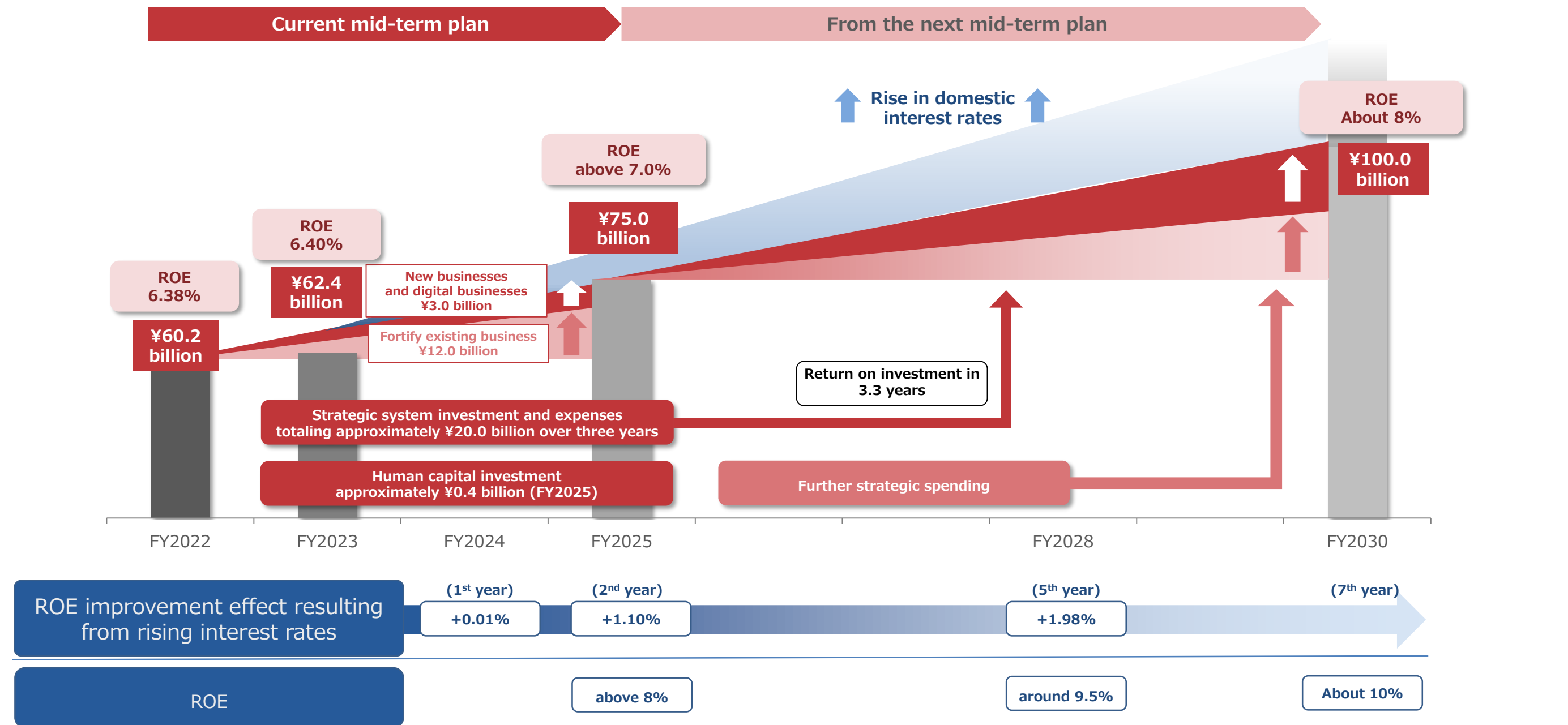
Impact of 10 bp increase in both long-term and short-term interest rates on net interest income



[Reference]
Image of simulation based on interest rate rise simulation

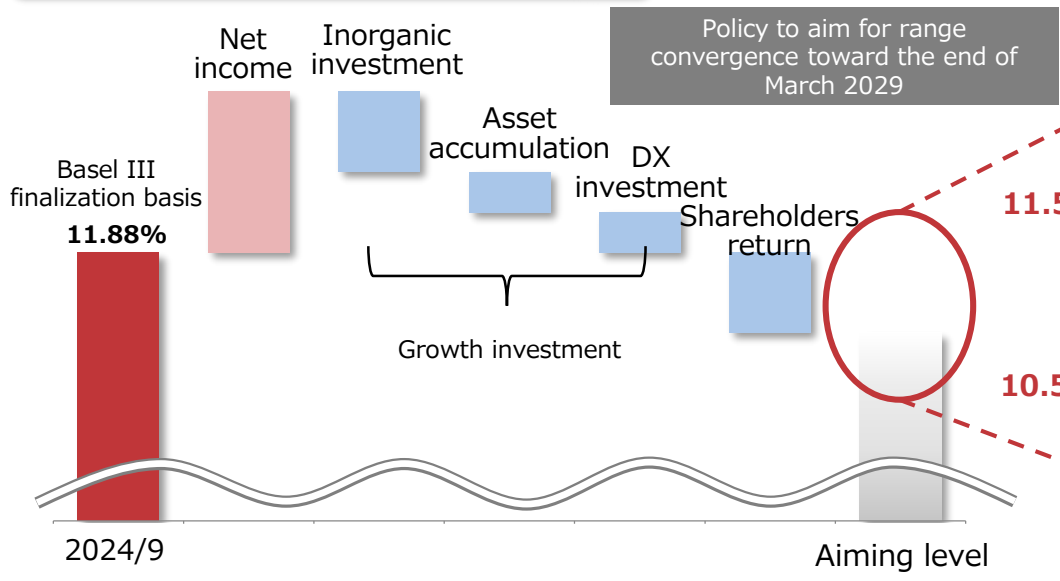


Fortify existing business, strengthen new businesses and digital initiatives. Capture domestic interest rates hike as upside.

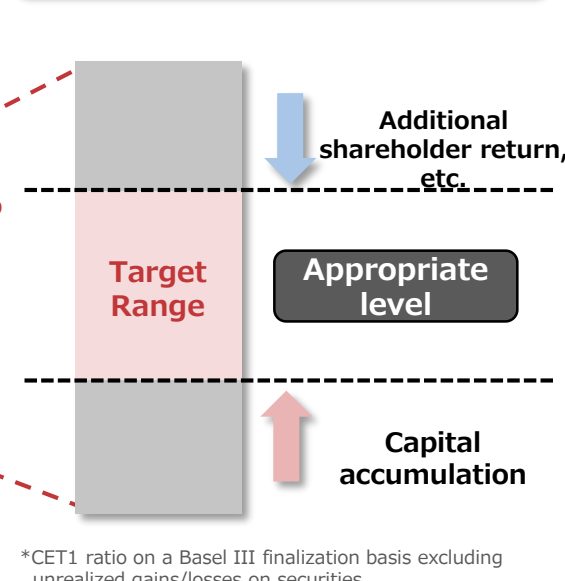


Based on the level of the CET1 ratio*, implementing growth investment and strengthening shareholder returns

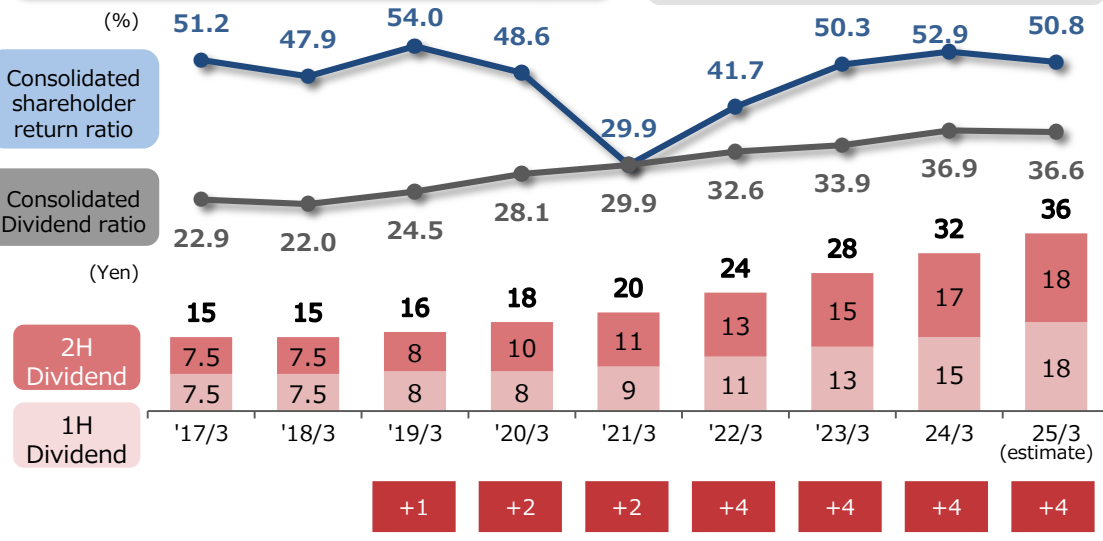
Perspective of capital management



CET1 ratio* target



Shareholder return policy



Concept of capital utilization

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

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

- ① Accumulation of profits,
- ② Accumulation of risk-weighted assets
- ③ Payment of dividends / Share buy-back

Utilize capital to target range

- Increase investments/assets that contribute to improving ROE over the medium to long term
 - ① Further accumulation of risk assets (loans, securities, etc.)
 - ② Increase intangible fixed assets through further strategic system investments
 - ③ Inorganic investment
- Strengthening shareholder returns

Strategic system investment and expenses

Recovery in 3.3 years on average due to investment effect

5-year ROI 131% (expected)

Investment effect

Investment expenses

Approximately 20.0 billion yen in current medium-term plan

Recovery image of investments and expenses associated with measures implemented in the current mid-term Plan

FY2023, FY2024, FY2025, FY2028, FY2029

Major measures

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

Consider further strategic system investment in consideration of ROI

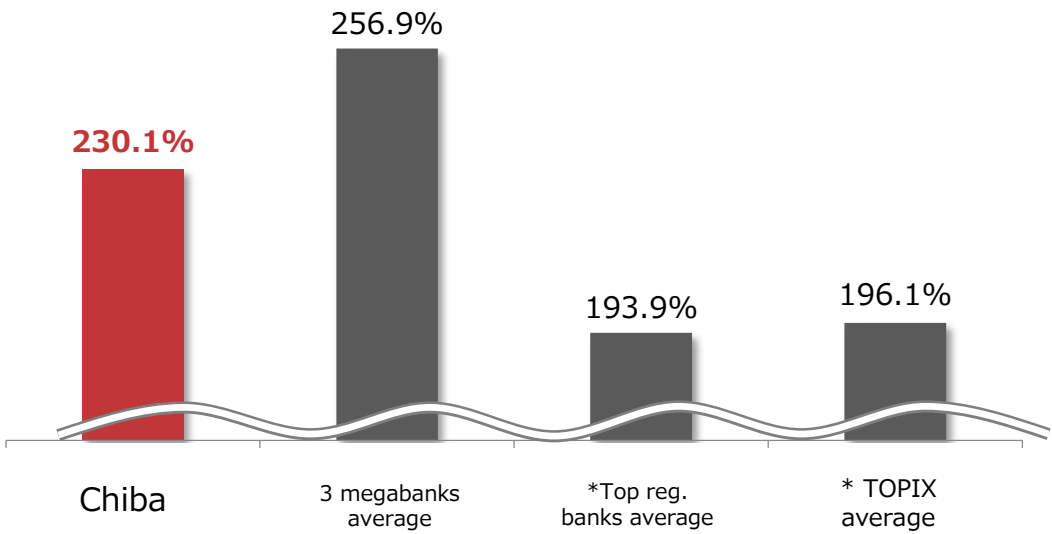
Aim to further improve ROE by utilizing capital through the accumulation of intangible fixed assets*

※Items to be deducted from capital in calculating CET1 ratio

Maintaining high TSR and Dividend Growth Rates on a stable financial basis

Total Shareholder Return

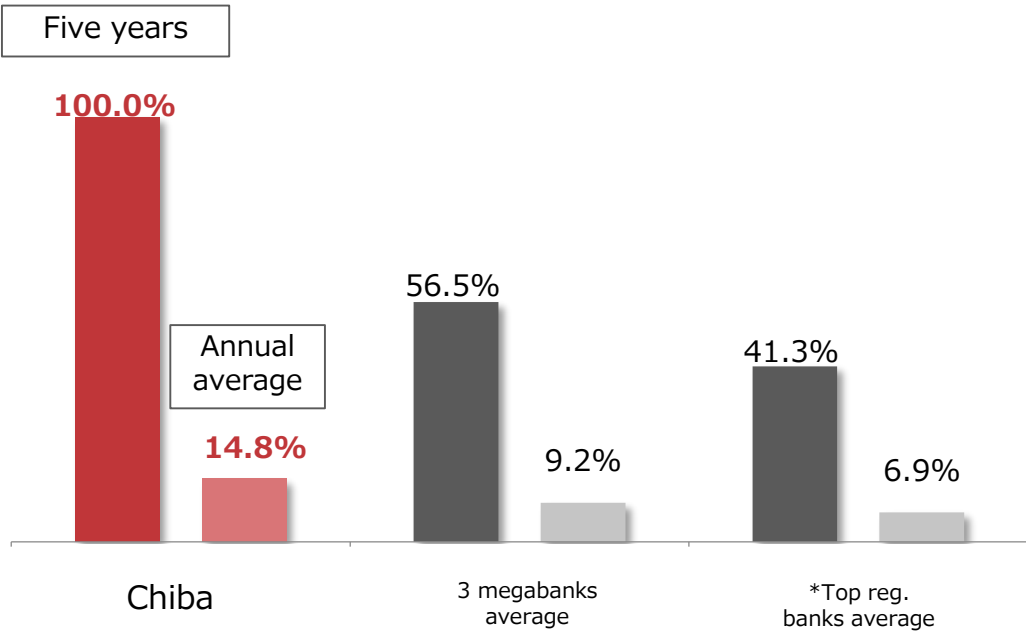
Five Years from March 2019 to March 2024



* Average of the top five regional banks in terms of total assets (four banks excluding Chiba)
* Average of TOPIX is calculated base on TOPIX Net Total Return Index
* Average of other banks is calculated as simple average.

Dividend Growth Rate (Dividend per Share)

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



* Average of the top five regional banks in terms of total assets (four banks excluding Chiba)
* Average of other banks is calculated as simple average.

FY 3/2025

Resolution to repurchase treasury stock in November 2024
(Upper limit: 10.0 billion yen)

Announced a ¥4 increase in dividends in May 2024

Making EDGE Technology a Subsidiary

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

By making EDGE Inc. a subsidiary, it secures access to AI freelance personnel. Promote the use of AI for customer contact, operations, and consulting

Making Edge Technology a Subsidiary

October 30, 2024

New

Made EDGE Technology a subsidiary through TOB
(First TOB for a non-operating company by a regional financial institution)



Business and Strengths



AI
Solution
Business



AI
Education
Business



AI
Product
Business

Knowledge scattered across markets
Prioritized access to human resources

AI
knowledge

AI personnel

Features

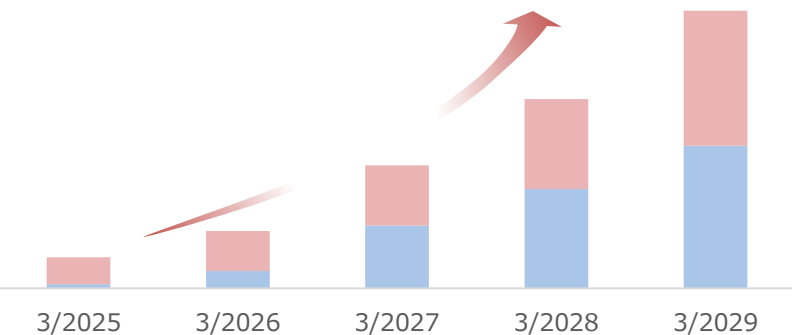
AI freelance personnel
Platform

Providing AI services to
companies in diverse industries
and sectors

Development and sales of AI
products

Pursuit of synergy

Domain	Examples of collaboration	
Utilization area I Sophistication of the digital contact with customers	Creation and advancement of needs prediction models	To change the customer experience
Utilization area II Sophistication of the Bank group's business activities	Automation of various in-house operations e.g. automatic generation of review information	Specialization in value-added proposal activities
Utilization area III Sophistication of customers' business activities	AI Consulting	Improving performance of local businesses



Group
Synergy effect

EDGE Inc.
Non-
consolidated
profit growth

Anticipated synergies
5-year cumulative total
¥3.0 billion

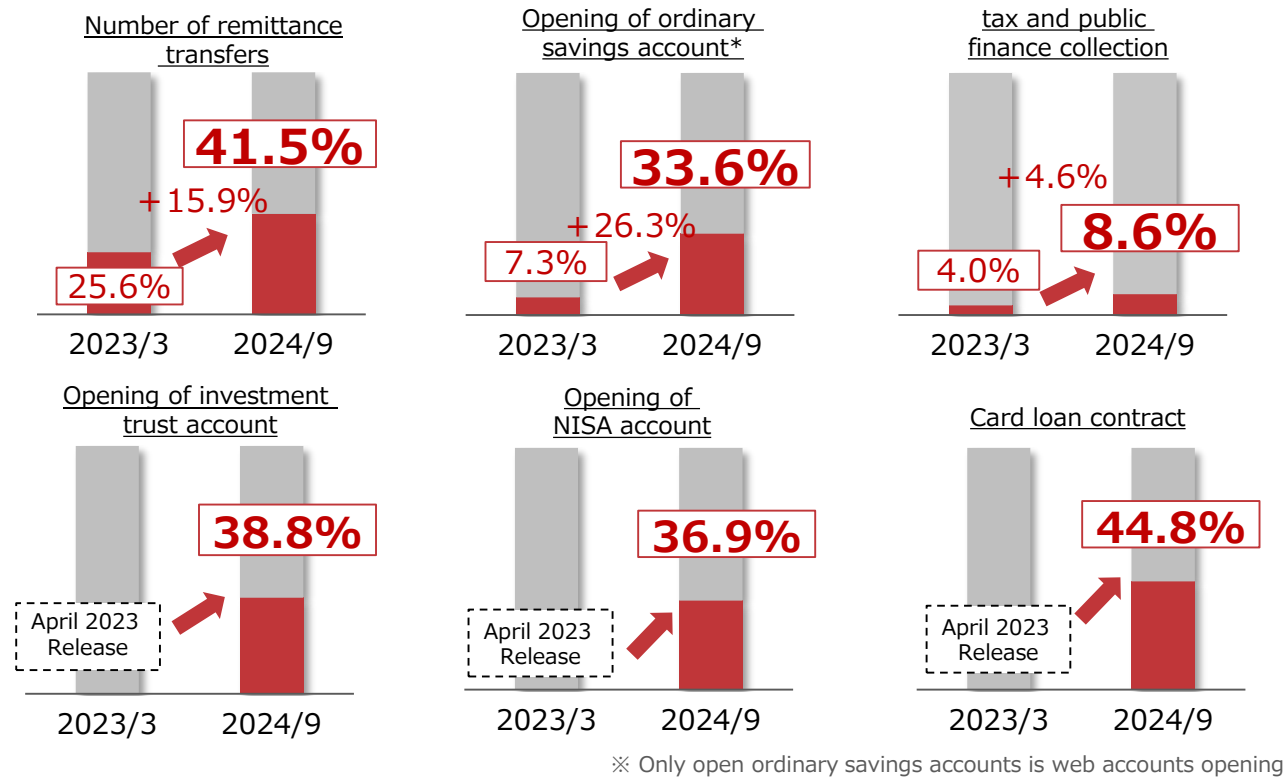
DD
Base
Case
(EDGE Inc.
Non-consolidated)

(billion yen)	FY2025/3	FY2028/3
Sales	3.3	About 10.0
Operating income	0.08	About 1.0

Three years later
Net operating income
after tax
RORA about 6%
※Including synergy

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

Percentage of transactions using app (monthly comparison)

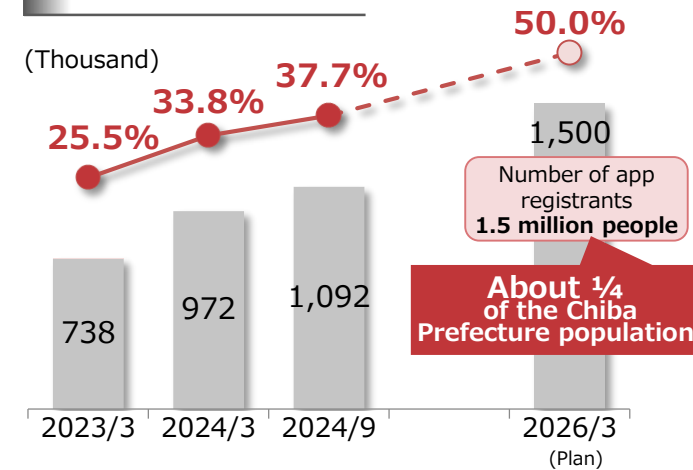


Effect of digitization on outgoing transfers

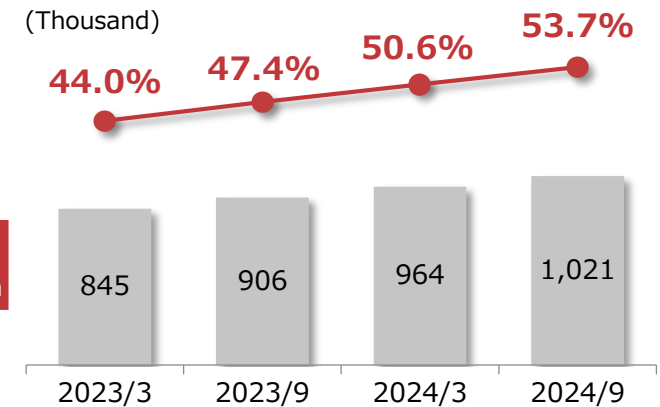
Overall outgoing transfers	FY2020 1H	FY2024 1H	Rate of increase	
Number of cases	2.69 million	3.76 million	+39%	Number of transfers
Fees	0.76 billion yen	1.01 billion yen	+32%	Total transfer fees
				Transaction Cost

Registration / Status of utilization / Evaluation

Operating customer penetration rate*



Number and percentage of working-age digital customers *2



Ratio of monthly active users *3

79.4%
(Average of FY2024 1H)

Evaluation of application store

App store Google play
★4.6/5 ★4.4/5
(as of November 1, 2024)

Add new functions **New**

Money reports (Oct.2024)

- Daily transaction and deposit/withdrawal information visualized in graphs, reports, alerts, etc.
- Providing customers with "money awareness" and offer proposals that meet their individual needs



Application for VISA debit card (Oct.2024)

- Applications for VISA debit cards are available from the app

Linkage with Chibagin Market (Scheduled for Nov.2024)

- Linking of Chibagin IDs and shopping accounts "C-VALUE" by Chibagin Market will be available

Notification function (Scheduled for May 2025)

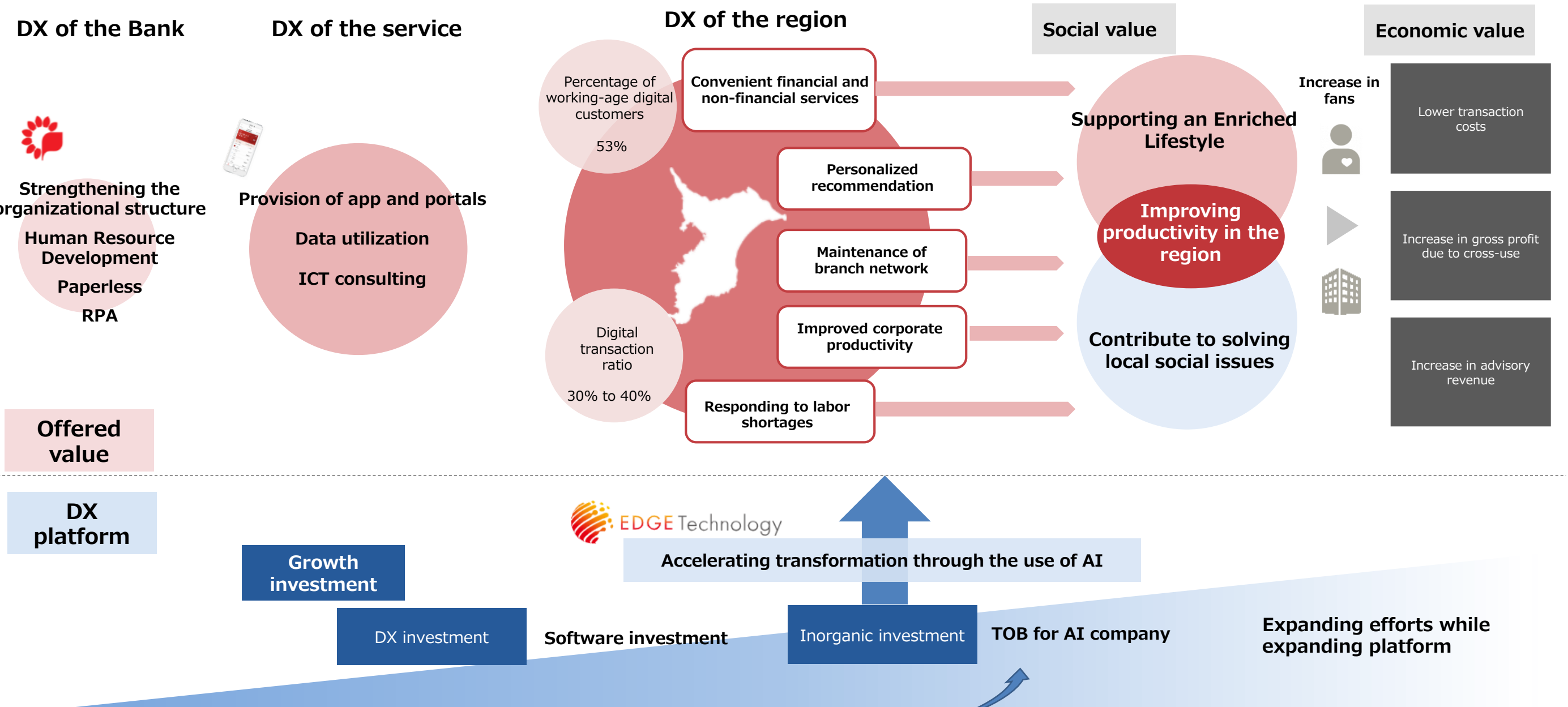
- Notifications can be made via the app

*1 Number of borrowers registered to the corporate portal ÷ number of corporate borrowers

*2 Number of digital customers aged 15 to 64 ÷ number of customers aged 15 to 64

*3 Number of users who launched the app at least once a month / Number of registered users of the app at the end of the month

Aiming for the “Region-wide DX” to improve productivity in the region



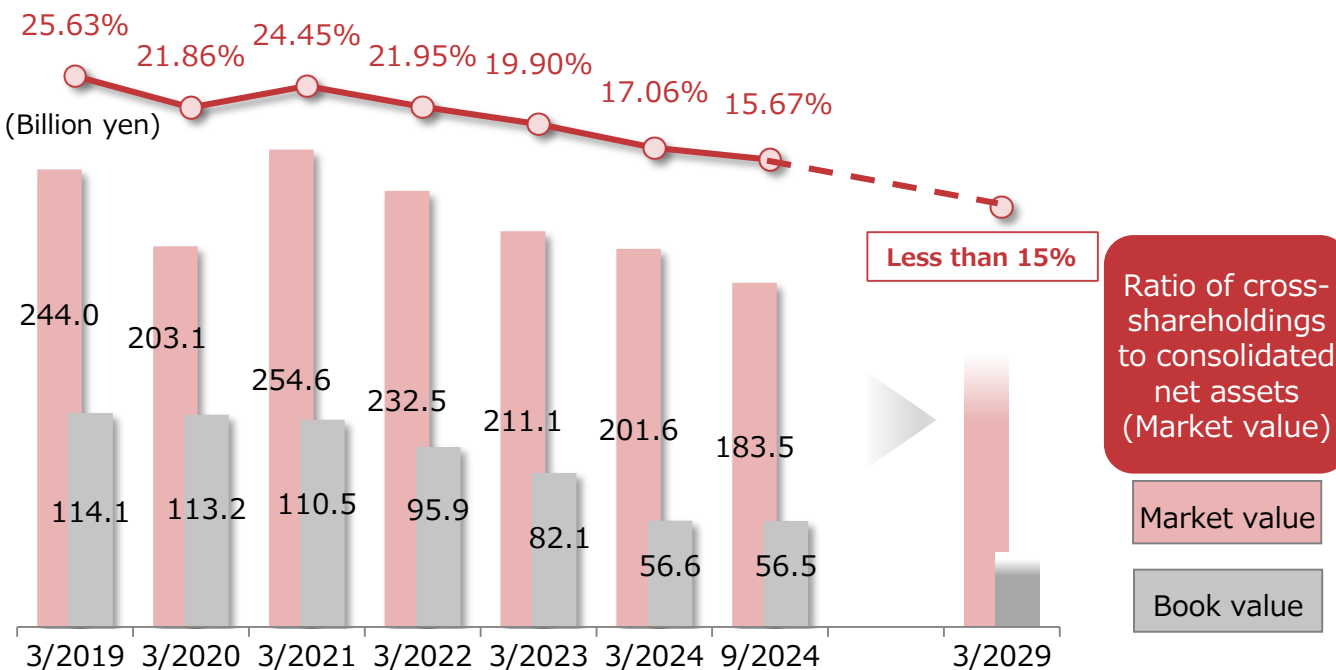
Clarification of policy to reduce cross-shareholdings

Status of holdings and reduction of cross-shareholdings

Reduction policy

By the end of the next medium-term management plan period (end of March 2029), **reduce the number of cross-shareholdings to less than 15% of consolidated net assets**, while paying attention to market price fluctuations caused by the rise in stock prices.

※Non-consolidated basis for cross-shareholdings



For cross-shareholdings

As a regional financial institution, through maintaining and developing good relationships with customers

Significance of holding

Development of the regional economy

Increase the Bank's corporate value

Exercising for voting right

In principle, voting rights shall be exercised on all the proposals of the stockholders. Based on the governance conditions of the policy holders, we will decide whether to approve or not on a proposal-by-proposal basis from **the standpoint of enhancing the corporate value of the Bank and its cross-shareholders**. As for the following important agenda items that can significantly **affect the medium-to long-term improvement of corporate value and the economic profit of the Bank**, the decision to approve or reject such agenda items shall be made as necessary through dialogue with the cross-shareholders

- Proposal for appropriation of surplus (Significant imbalance between financial soundness and retained earnings)
- Bill to revise executive compensation
- Proposals for the election of directors and corporate auditors and for the presentation of retirement benefits (In the event of a scandal or in the event of a deficit for a certain period in succession etc.)
- Proposals for organizational restructuring
- Proposals related to policies for dealing with acquisitions etc.

Verification by the board of directors

Verification of the validity of retention

Profitability

TSR (based on market value)*¹ 183.1%

Dividend Yield (based on market value)*² 1.79%

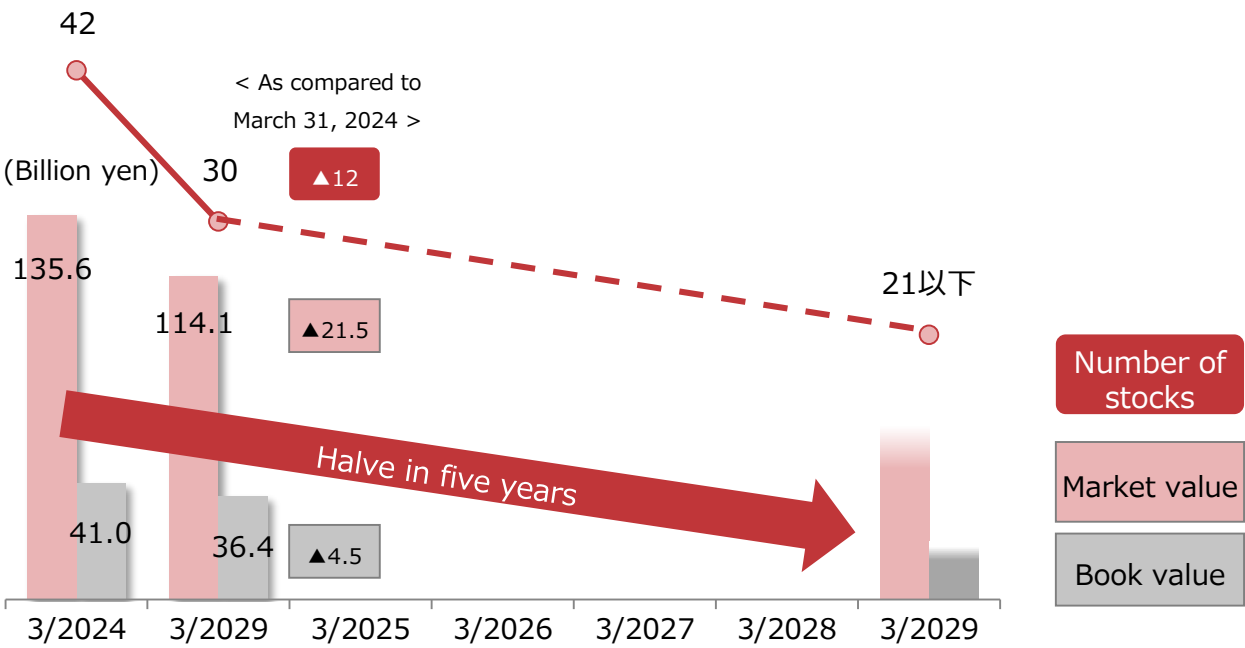
※¹ Standard as of the end of the most recent fiscal year, 5-year term ※² September 30 2024 base

We have also formulated a policy to reduce net investment shares. Exercise of voting rights from the perspective of maximizing the Bank's economic interests

Status of holdings and reduction of net investment shares

Reduction policy

We will proceed with the sale by the end of the next medium-term management plan (March 2029) and **halve the number of outstanding stocks and stocks by the end of March 2024.**



For net investment shares

Significance of holding

The Bank's economic interests

Selling gradually after discussing the specific timing of sale with customers, etc., taking into account the impact on profit plans, etc.

From the perspective of **maximizing the Bank's economic interests**, we will decide whether to approve or disagree with each proposal. Important proposals that may have a significant impact on **the maximization of the Bank's economic interests** will be **decided in favor of or against the following proposals**, if necessary, **through dialogue with net investment destinations**.

Exercising for voting right

- Proposal for appropriation of surplus (Significant imbalance between financial soundness and retained earnings)
- Bill to revise executive compensation
- Proposals for the election of directors and corporate auditors and for the presentation of retirement benefits (In the event of a scandal or in the event of a deficit for a certain period in succession)
- Proposals for organizational restructuring
- Proposals related to policies for dealing with acquisitions etc.

Verification by the board of directors

Verification of holding and sale status

Profitability

TSR (based on market value)*1 204.6%

Dividend Yield (based on market value)*2 2.73%

※1 Standard as of the end of the most recent fiscal year, 5-year term ※2 September 30 2024 base

Perspective on the P/B ratio*

P/B ratio

=

ROE

×

PER

=

ROE

÷

Cost of shareholders' equity
– profit growth rate

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

P/B ratio improvement measures

The Bank's current P/B ratio is **approximately 0.7**.
In order to achieve a P/B ratio of 1, we will need a strategy of improving our ROE and increasing our profit growth rate while lowering equity costs.

ROE
⇒ Improve

Equity costs
⇒ Lower

Profit growth rate
⇒ Increase

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

Improvement measures

Further improve ROE

■ Improve ROE by improving RORA

6.38%

7% or over

approx. 8%

FY2022

FY2025

FY2030

Lower capital costs

■ Reduce "information asymmetry" between the Bank and shareholders by expanding non-financial disclosures and improving shareholder engagement

Shrinking risk premium beta

Ongoing profit growth

■ Consolidated net income plan (Billion yen)

60.2

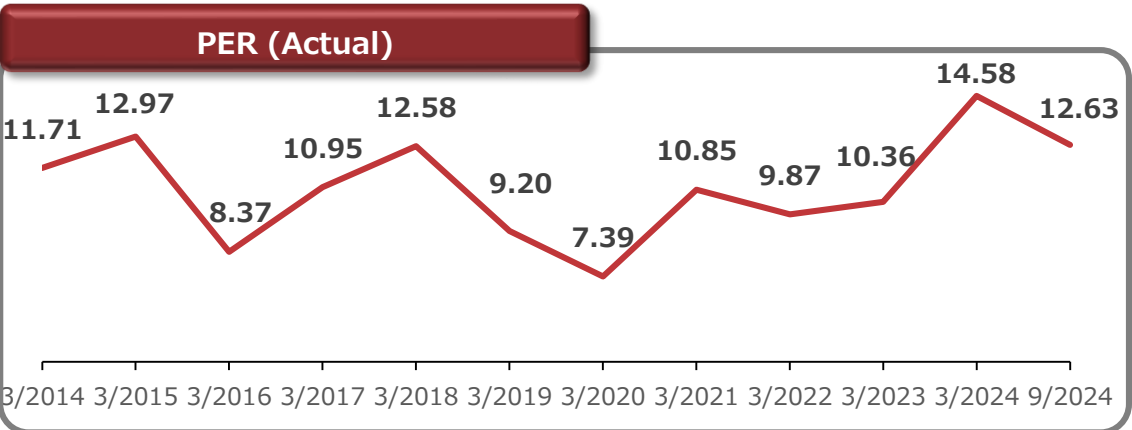
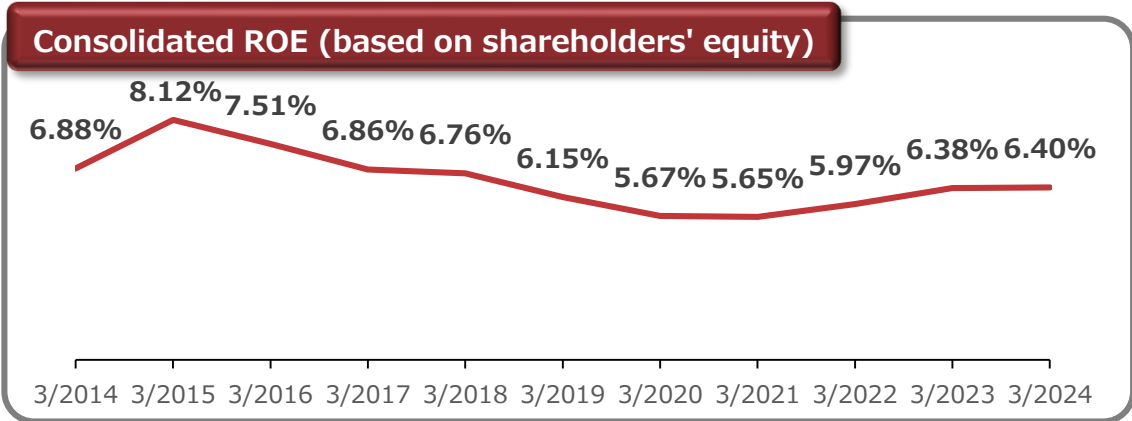
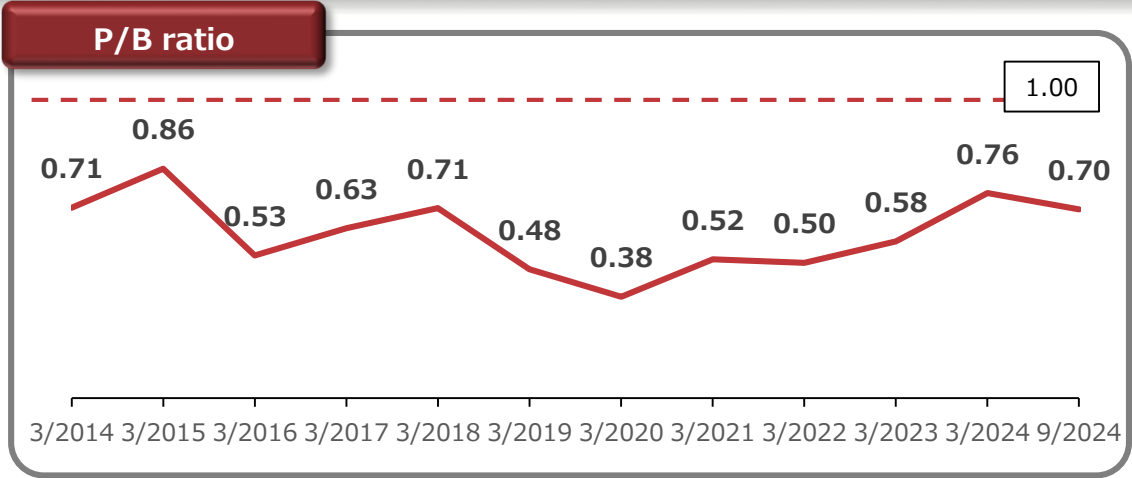
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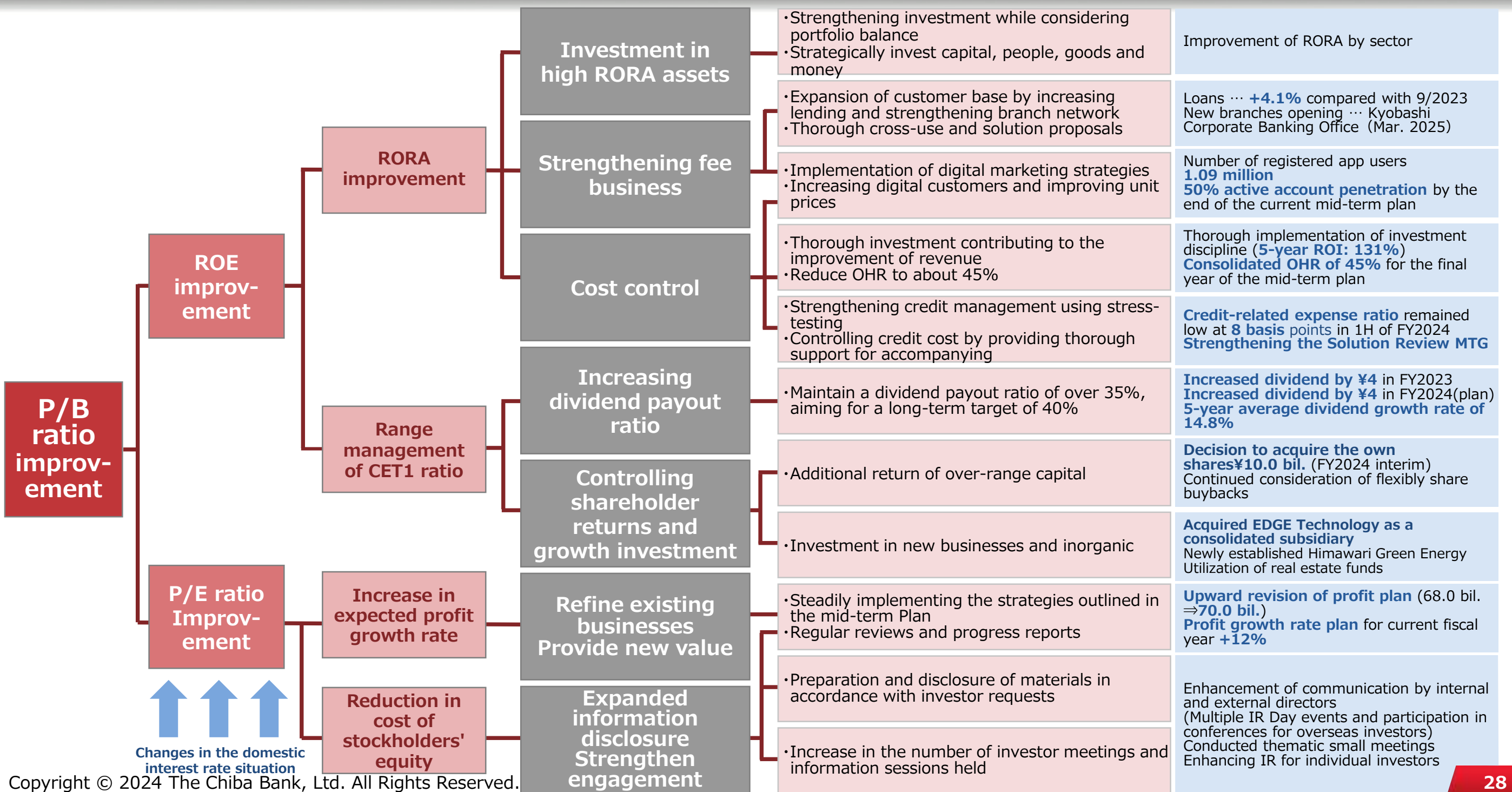
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FY2022

FY2025

FY2030

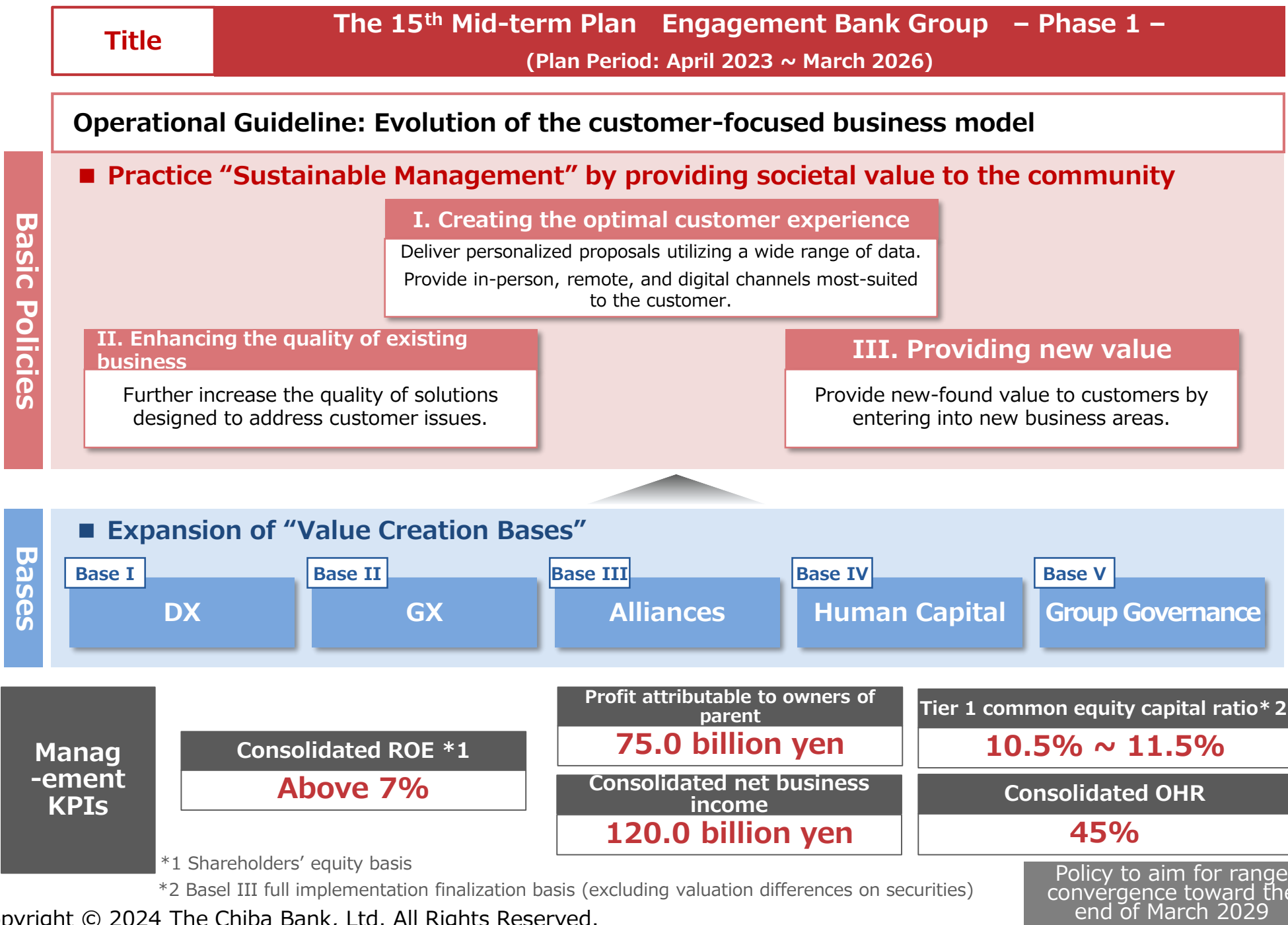




Changes in the domestic interest rate situation

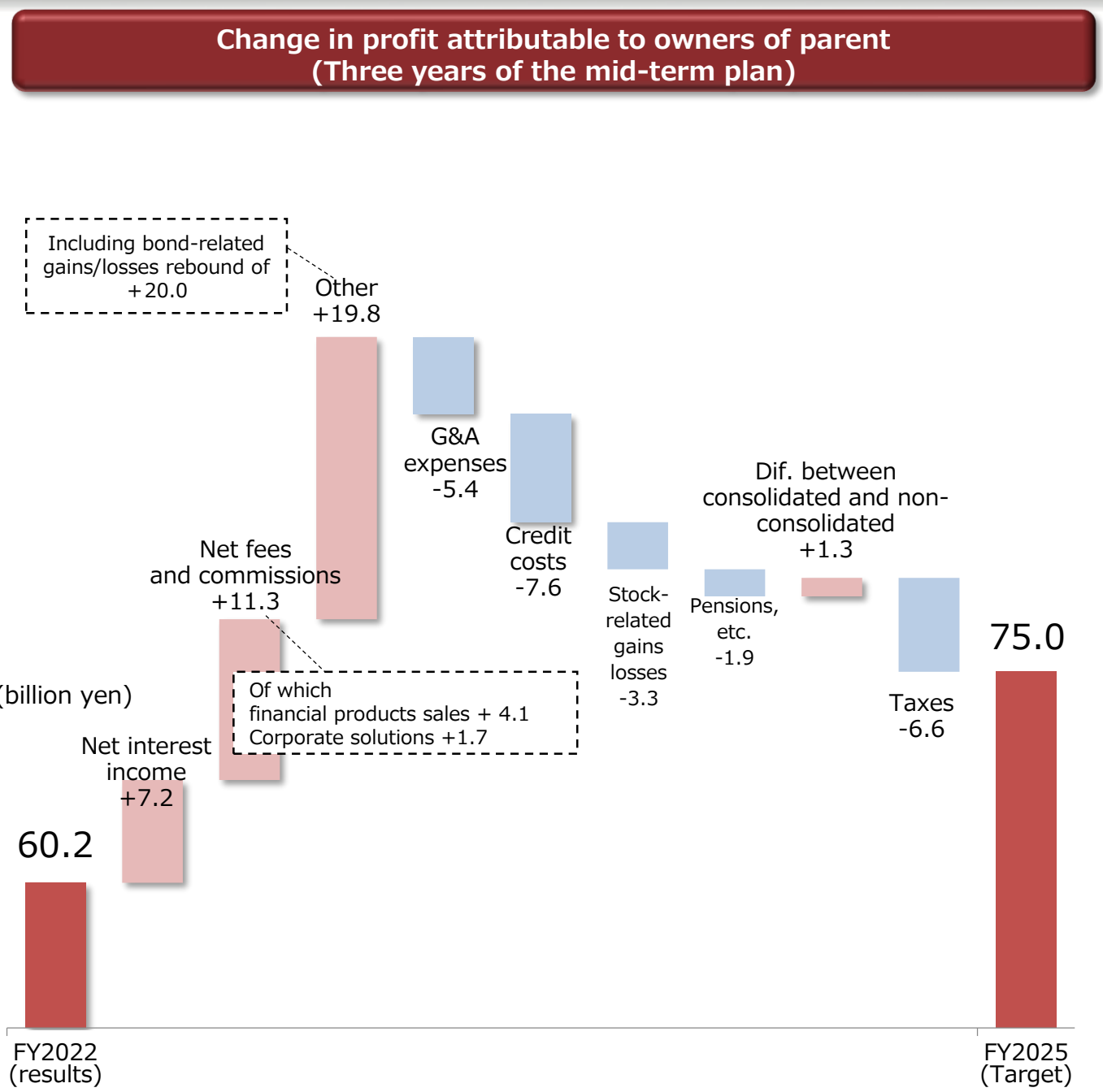
The Mid-Term Plan





(billion yen)					
	FY2022 Results	FY2023 Results	FY2024 Plan	FY2025 Target	Change from FY2022
Gross business profit	155.5	168.2	189.8	194.0	+38.4
G&A expenses (-)	82.5	85.1	89.5	88.0	+5.4
Net business income (before provisions to general allowance for loan losses)	73.0	83.1	100.3	106.0	+32.9
Credit-related expenses (-)	0.3	5.8	13.5	8.0	+7.6
Ordinary profit	81.7	86.0	98.8	1,01.6	+19.8
Net income	58.1	60.5	70.0	71.5	+13.3
Profit attributable to owners of parent company	60.2	62.4	70.0	75.0	+14.7

Consolidated net business income (before provisions to general allowance for loan losses)					
		81.8	91.7	108.6	120.0
					+38.1
Consolidated OHR					
		47.37%	48.76%	—	Around 45%
					—
Consolidated Tier 1 common equity capital ratio*					
		(10.57%)	11.87%	—	10.5% ~11.5%
					—
Consolidated ROE	Shareholders' equity basis	6.38%	6.40%	—	Above 7%
	TSE base	5.68%	5.56%	—	Around 6.0%

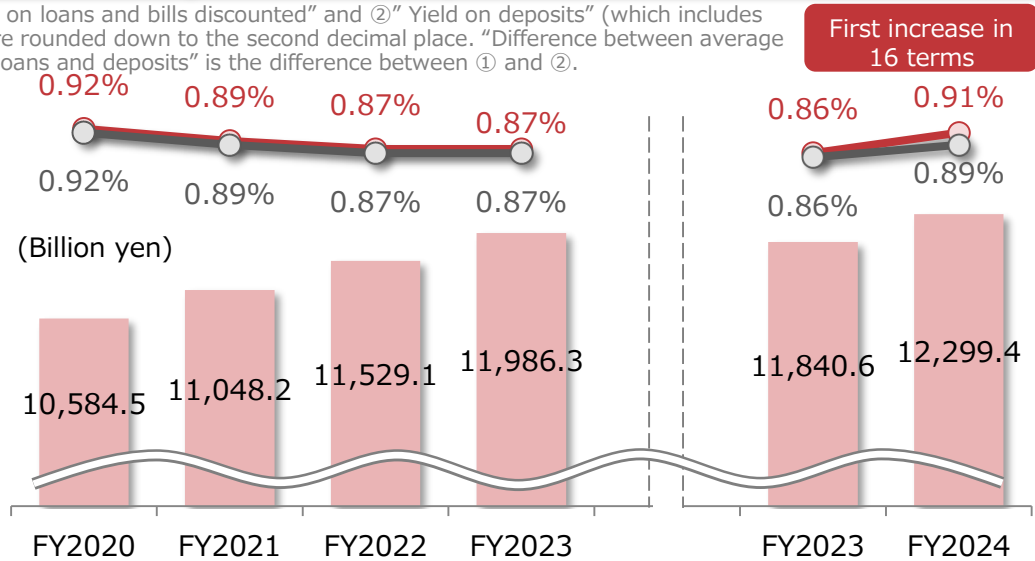


		Key KPIs	2023/3 results	2026/3 plan	2024/9 results	Progress rate	Evalu-ation	Remarks
Basic Policies	Basic Policy I Creating the optimal customer experience	Number of app registrants	730 thousand people	1,500 thousand people	1,090 thousand People	46%	×	•MAU and store review are high standard •Increase the number of registrants by further improving functions
		Number of portal registrants	34.8 thousand customers	60 thousand customers	52.5 thousand customers	70%	○	
		Increase in gross profit for individual customers	(¥37.9 billion)	+¥6.0 billion	+¥2.5 billion	41%	×	•Due to a decline in fee revenue from services such as assets in custody
		Increase in gross profit to digital customers* ₁	(¥17.6 billion)	+¥4.5 billion	+¥2.4 billion	53%	○	•Gross business profit of digital customers steadily increased
	Basic Policy II Enhancing the quality of existing business	Net interest income	¥140.3 billion	¥147.6 billion	¥78.8 billion	56%	○	•Deposits & loans and corporate solutions remained steady
		Revenues from corporate services	¥15.7 billion	¥17.5 billion	¥9.0 billion	51%	○	•Income from personal services is subordinated to progress due to a decrease in income from assets under custody. Sales of investment trusts have increased among the assets under custody, and digitization, including non-face-to-face transactions, has progressed
		Revenues from personal services	¥9.5 billion	¥18.5 billion	¥5.4 billion	29%	×	
	Basic policy III Providing new value	Increase in profit from new business	-	+¥1.6 billion	+¥0.7 billion * ₂	48%	×	•Advertising business and real estate funds become profitable. Aiming to increase profits by making AI-related companies a subsidiary
Expansion of Value Creation Bases	Base I DX	DX human resources (Professional + Core + Base)	-	2,180 employees	1,833 employees	84%	○	•DX human resources development is progressing smoothly and the target is expected to be achieved.
	Base II GX	Reduction in CO2 emissions	12,316t -CO2	4,800t -CO2	5,350-tCO2 (2024/3 results)	92%	○	•Achieved the initial target of reducing CO2 emissions to 6,000 tons ahead of schedule and reviewed the target
	Base III Alliance	Cumulative effect of Chiba-Musashino alliances (2021/4~2026/3)	¥7.9 billion	¥15.0 billion	¥13.8 billion	83%	○	•Accelerate the sharing of all fields to achieve targets.
		Cumulative effect of Chiba-Yokohama partnership (Initial to 2024/3)	-	¥20.0 billion (2024/3 plan)	¥35.9 billion (2024/3 results)	179%	○	•Start of new plan (target effect: ¥25.0 billion) from April 2024
	Base IV Human Capital	Engagement score (Percentage of positive responses)	77% (2023/10: 1st performance)	80%	79%	66%	○	•The scores of group companies alone also tended to be improved.
	Base V Group Governance							

Domestic loan yields improved by 4 basis points, and the amount of loans extended to private-sector firms has been favorable, particularly for equipment funds

Domestic Operations Average balance / yield of loans and bills discounted

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



First increase in 16 terms

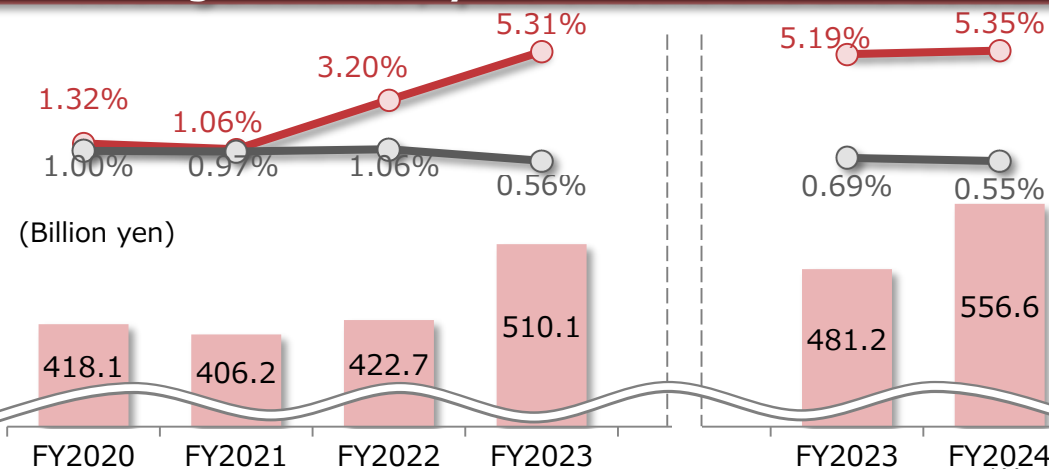
【Year-on-year】
Average yield on loans and bills discounted +0.04%
Difference between average yield on loans and deposits* +0.03%
Average balance of loans and bills discounted +3.8%
【Reference】
FY2024
Average yield on loans and bills discounted 1Q:0.89%→2Q:0.92%
Difference between average yield on loans and deposits* 1Q:0.88%→2Q:0.89%

Excluding Ministry of Finance loans

Avg. balance	10,391.5	10,844.0	11,276.1	11,782.2
Yield	0.94%	0.91%	0.89%	0.88%

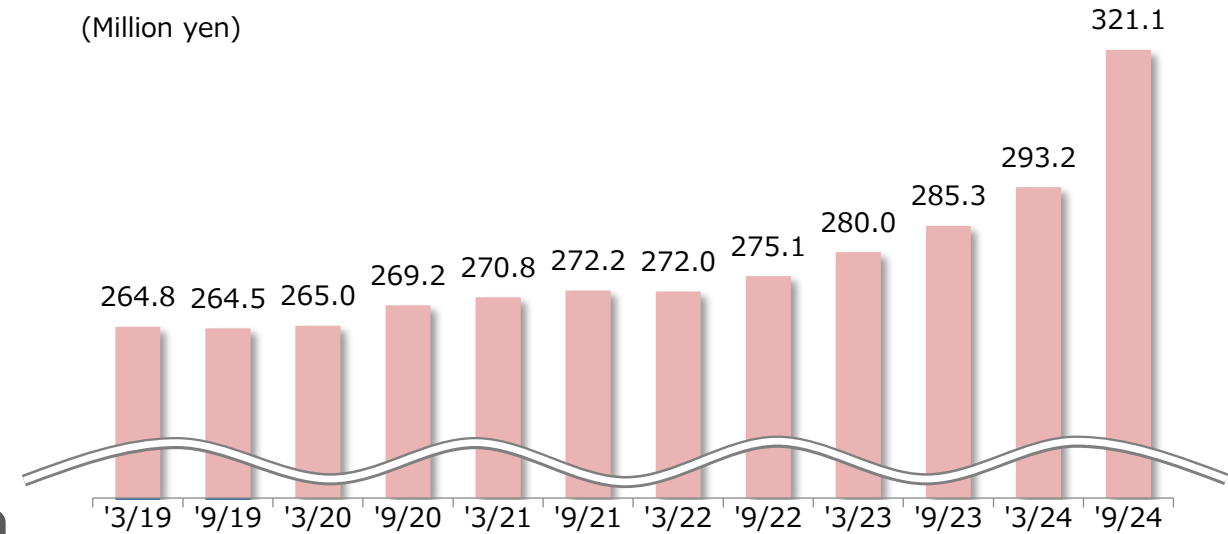
Avg. balance	11,643.9	12,129.6
Yield	0.88%	0.92%

Overseas Operations Average balance / yield of loans and bills discounted



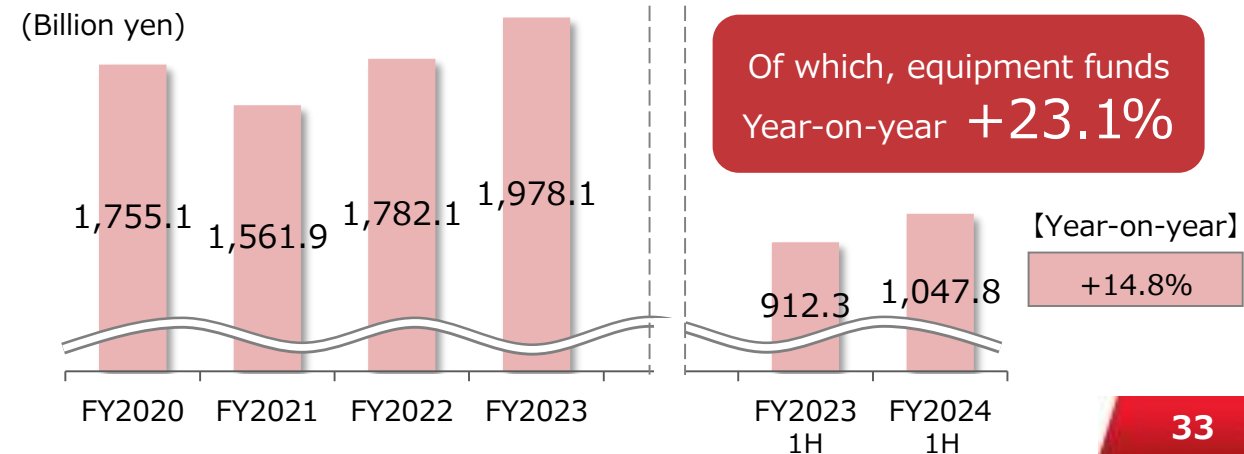
【Year-on-year】
Average yield on loans and bills discounted +0.15%
Difference between average yield on loans and deposits* -0.14%
Average balance of loans and bills discounted +15.6%

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



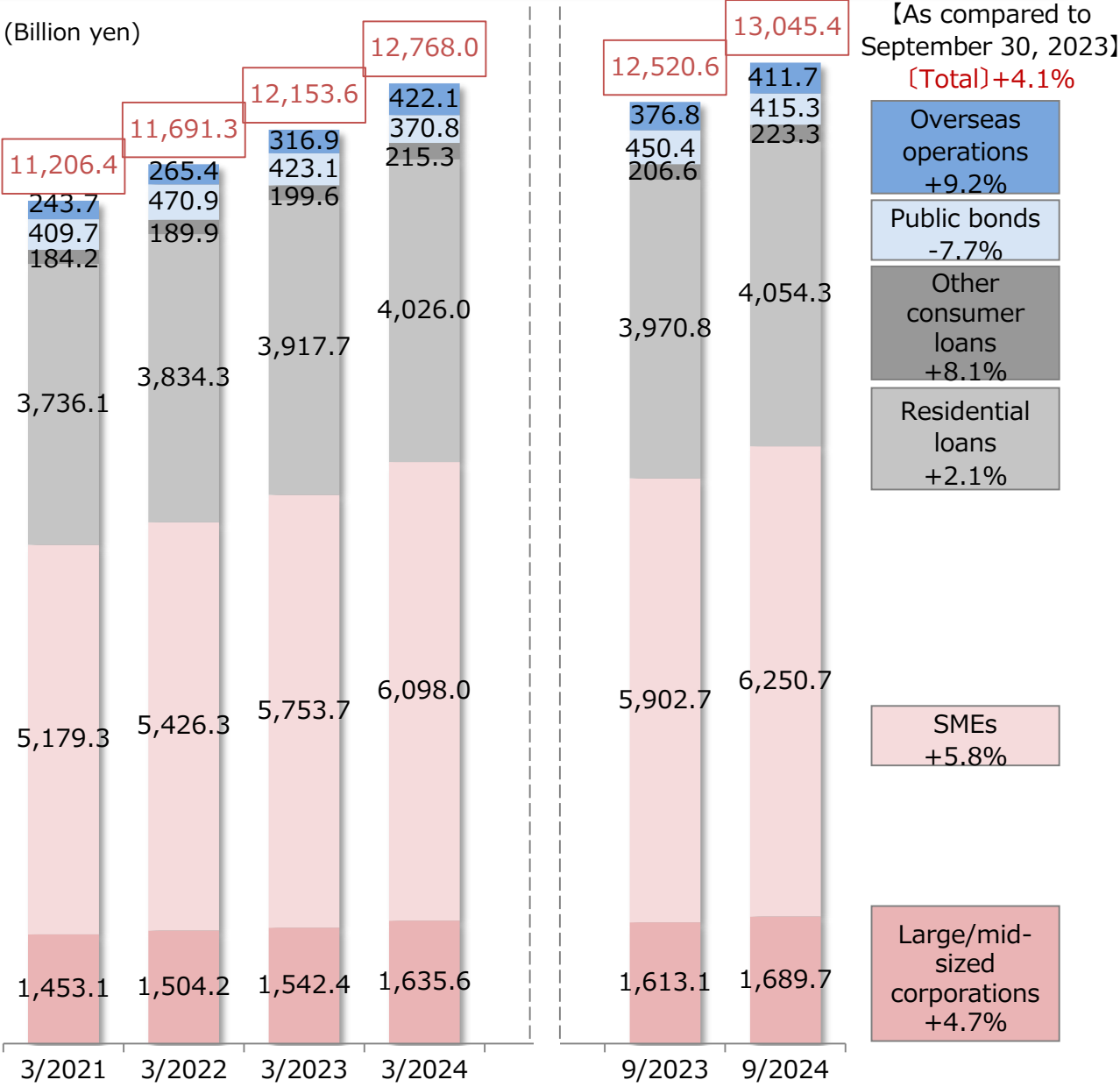
Trends in corporate loans amounts executed

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

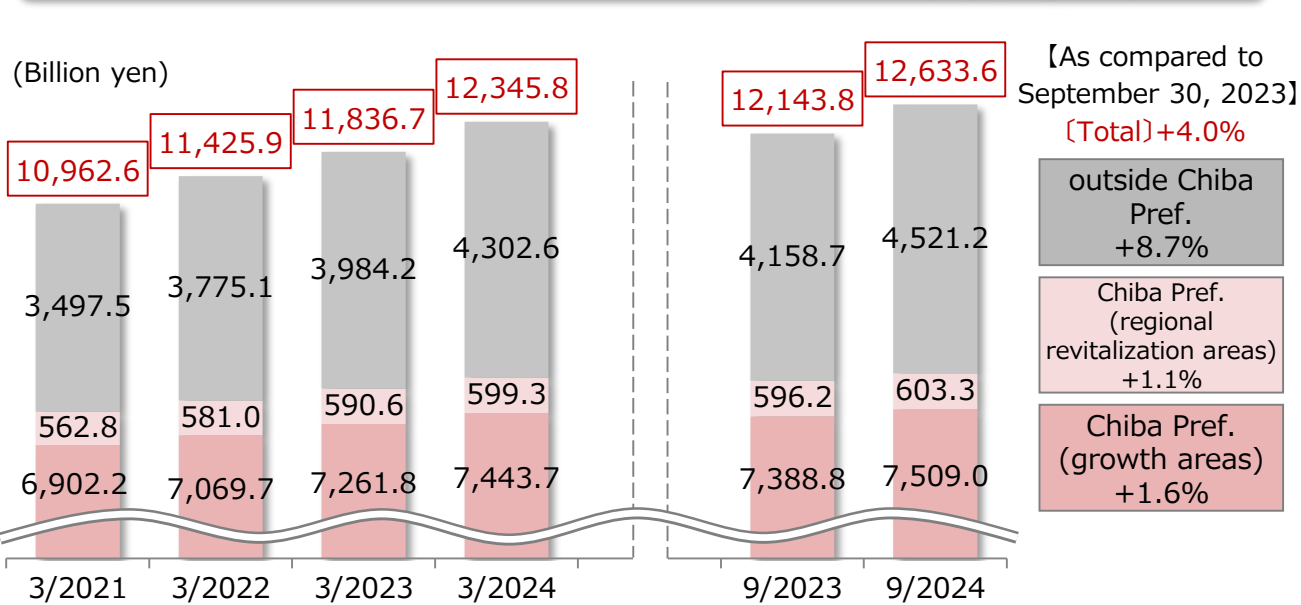


Loans to corporation loans, residential loans, and other consumer loans continued to increase, and deposits have also steadily increased

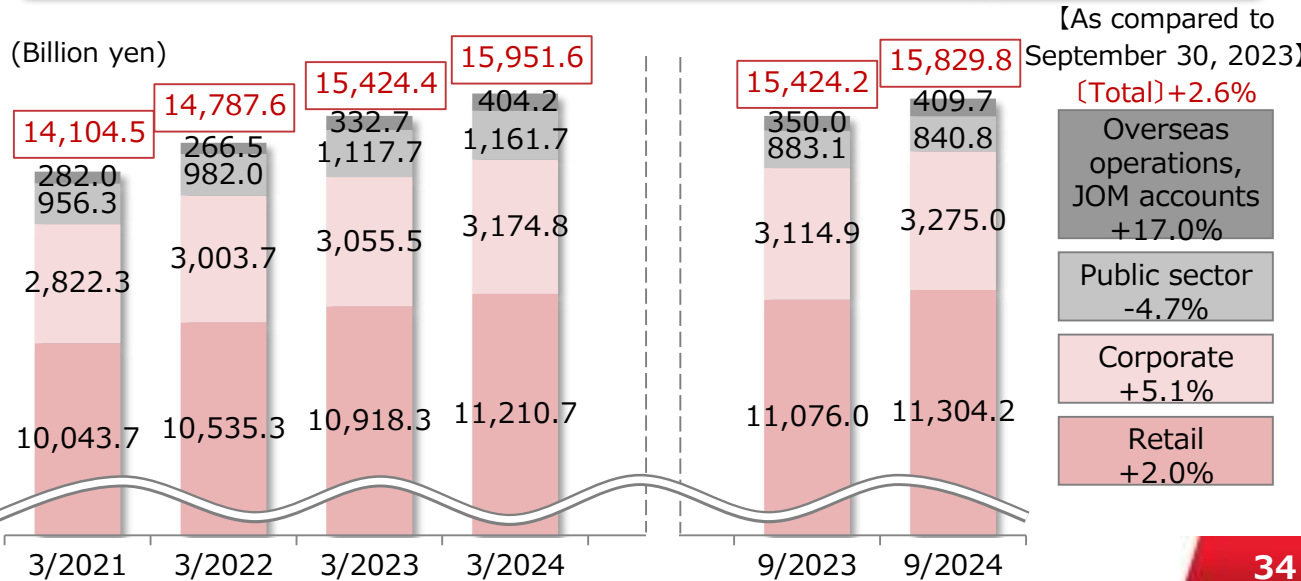
Balance of loans at term-end



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



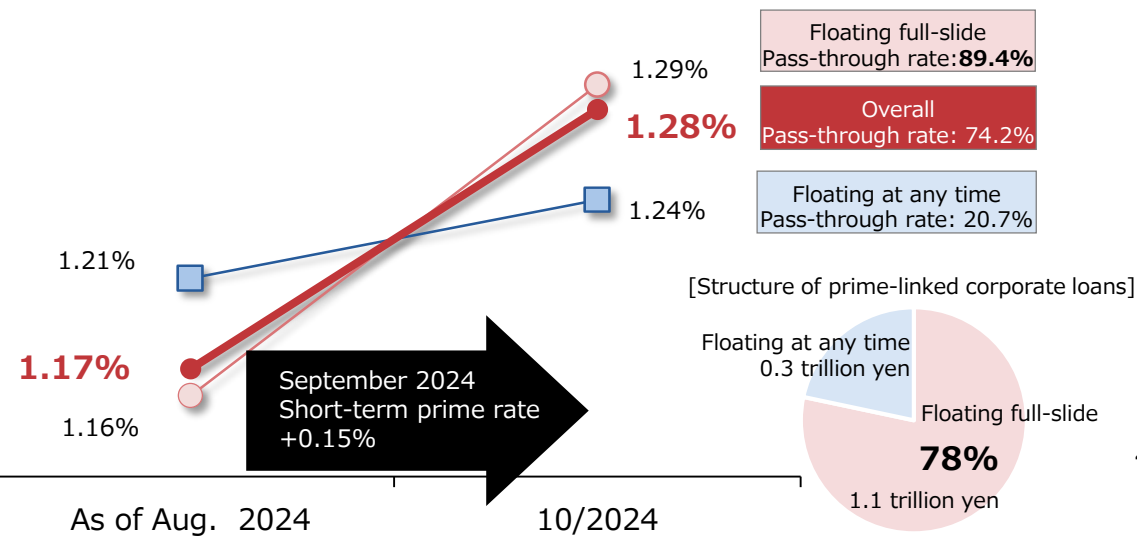
Balance of deposits at term-end



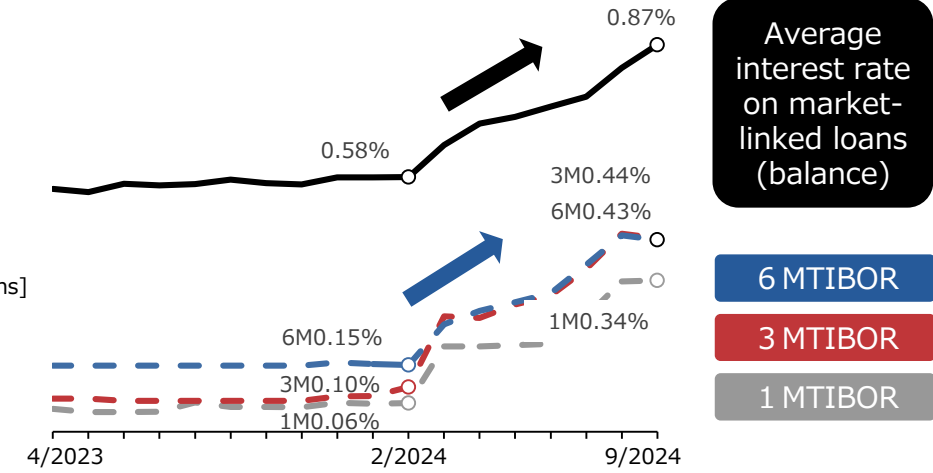
As policy interest rates rose, loan interest rates rose steadily. Increase in all loan interest rates regardless of interest rate sensitivity.

Improvement of yields on corporate loans

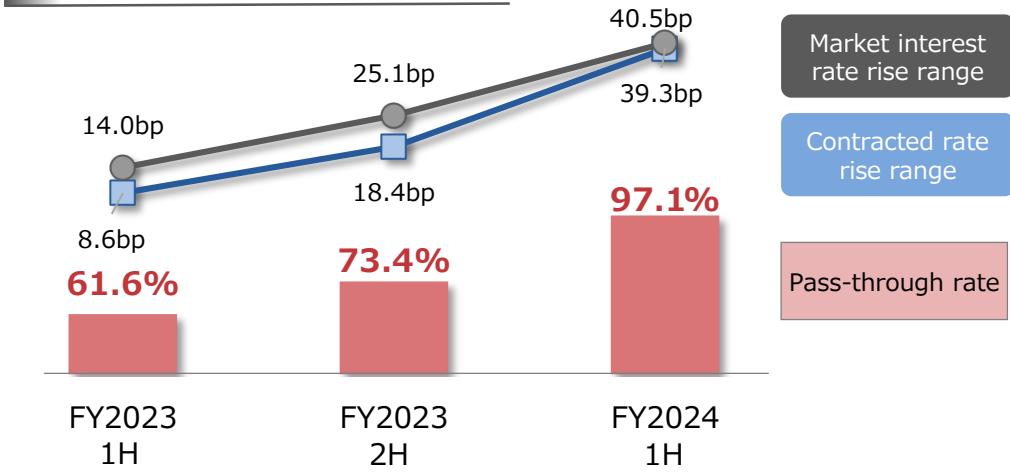
Prime-linked loans (average interest rates on loans)



Market-linked loans (average interest rates on loans)

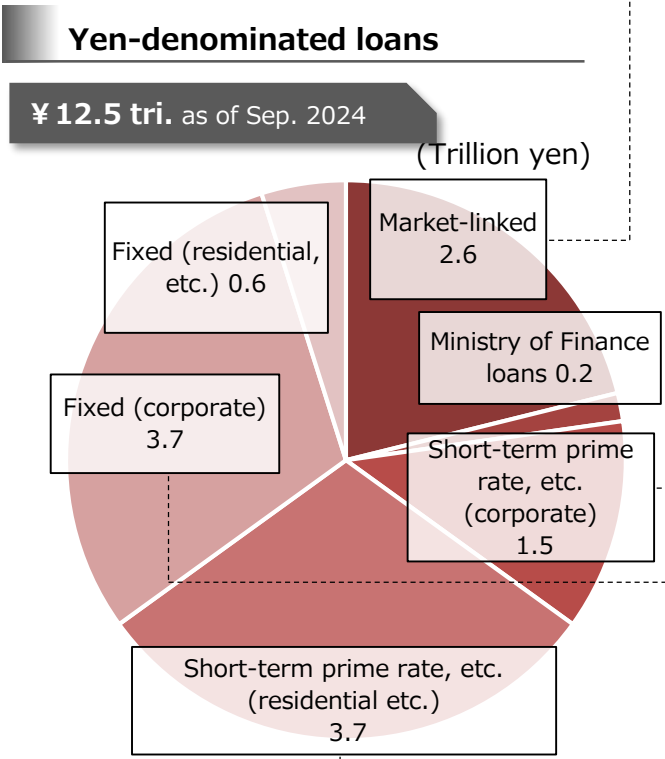


Fixed interest rate loans



(From January 2025)
Reflecting an increase in the short-term prime rate in the contracted interest rate

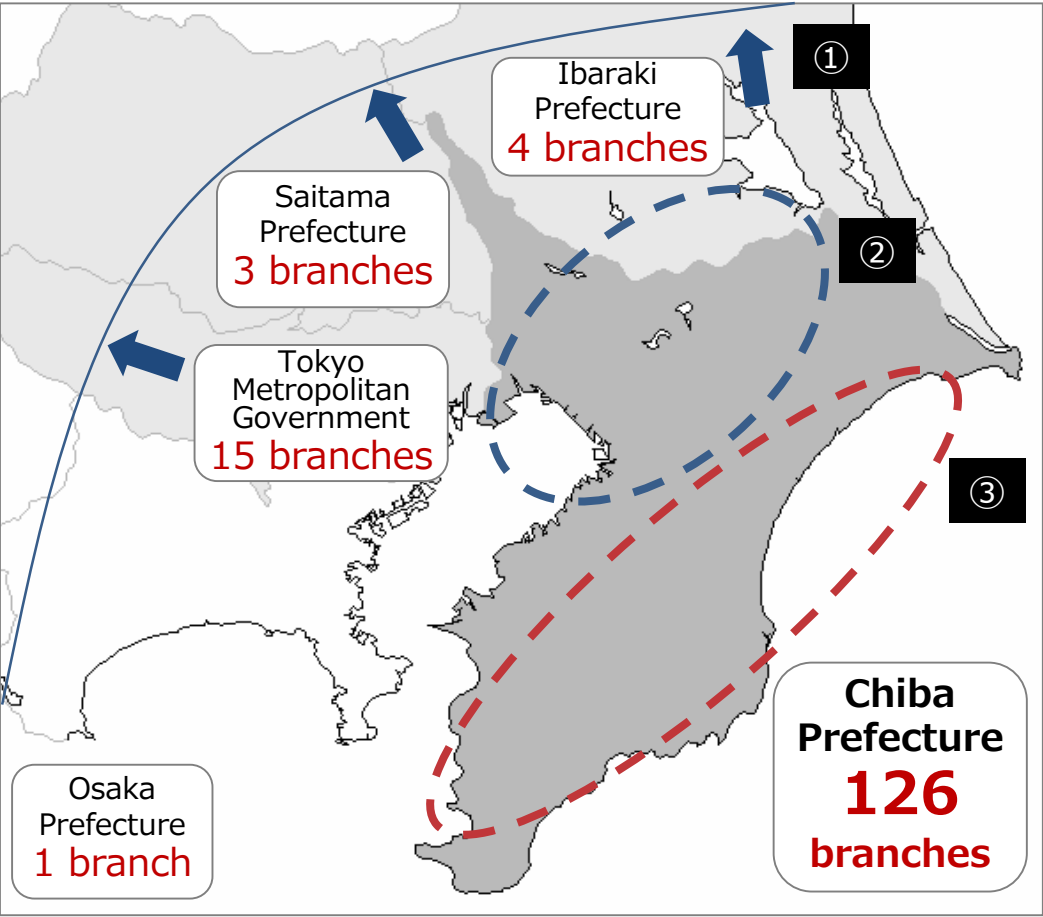
Housing loans account for about 30% of the loan portfolio
Interest rates on floating-rate loans rise



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

Domestic branch network

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



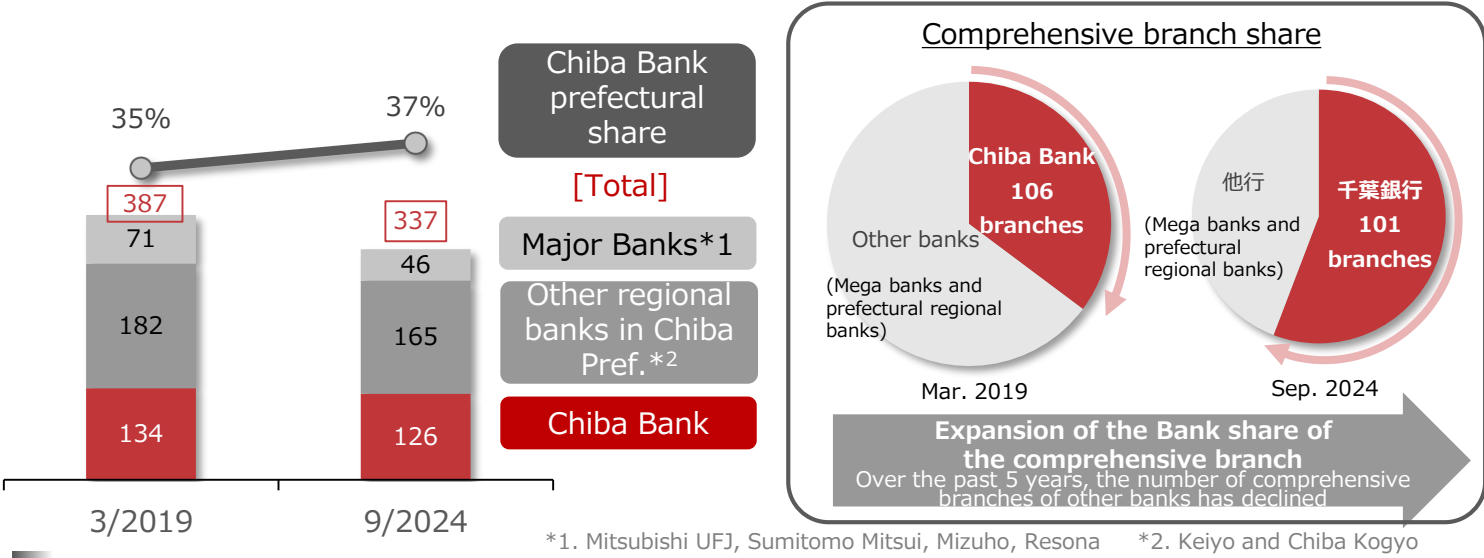
① Openings of new branches in areas of concentration of enterprises in Tokyo and other prefectures

New branch openings since the start of the Medium-Term Plan (from March 2023)

November 2023	Mito Branch	First half of FY2024 Rate of increase in loans	+8.9%
December 2023	Hamamatsucho Branch		+14.0%
June 2024	Shinjuku West Corporation Sales Office		
March 2025	Kyobashi Corporation Sales Office	New	

To further open new branches

② Maintenance of the comprehensive branch network



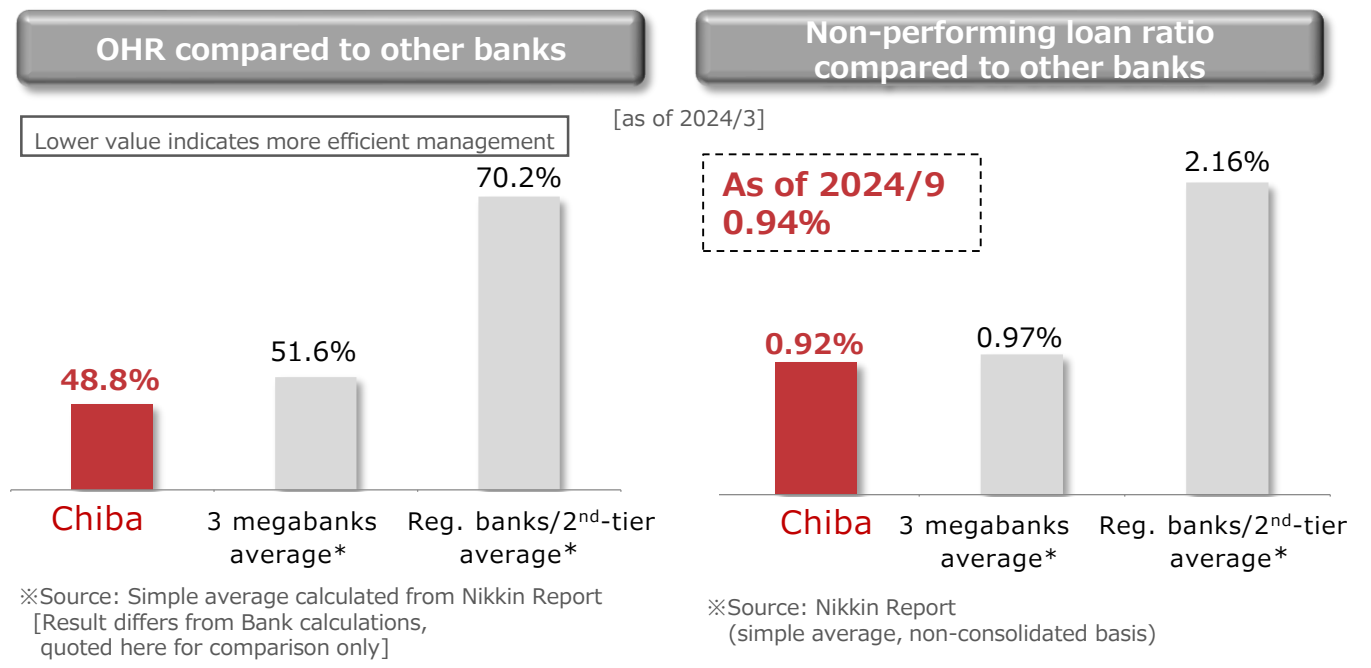
③ Expansion of the Area Sales Office system

April 2024 Mobara Area Sales office newly organized

To improve the efficiency of branch network

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

Low OHR/ Low non-performing loan ratio

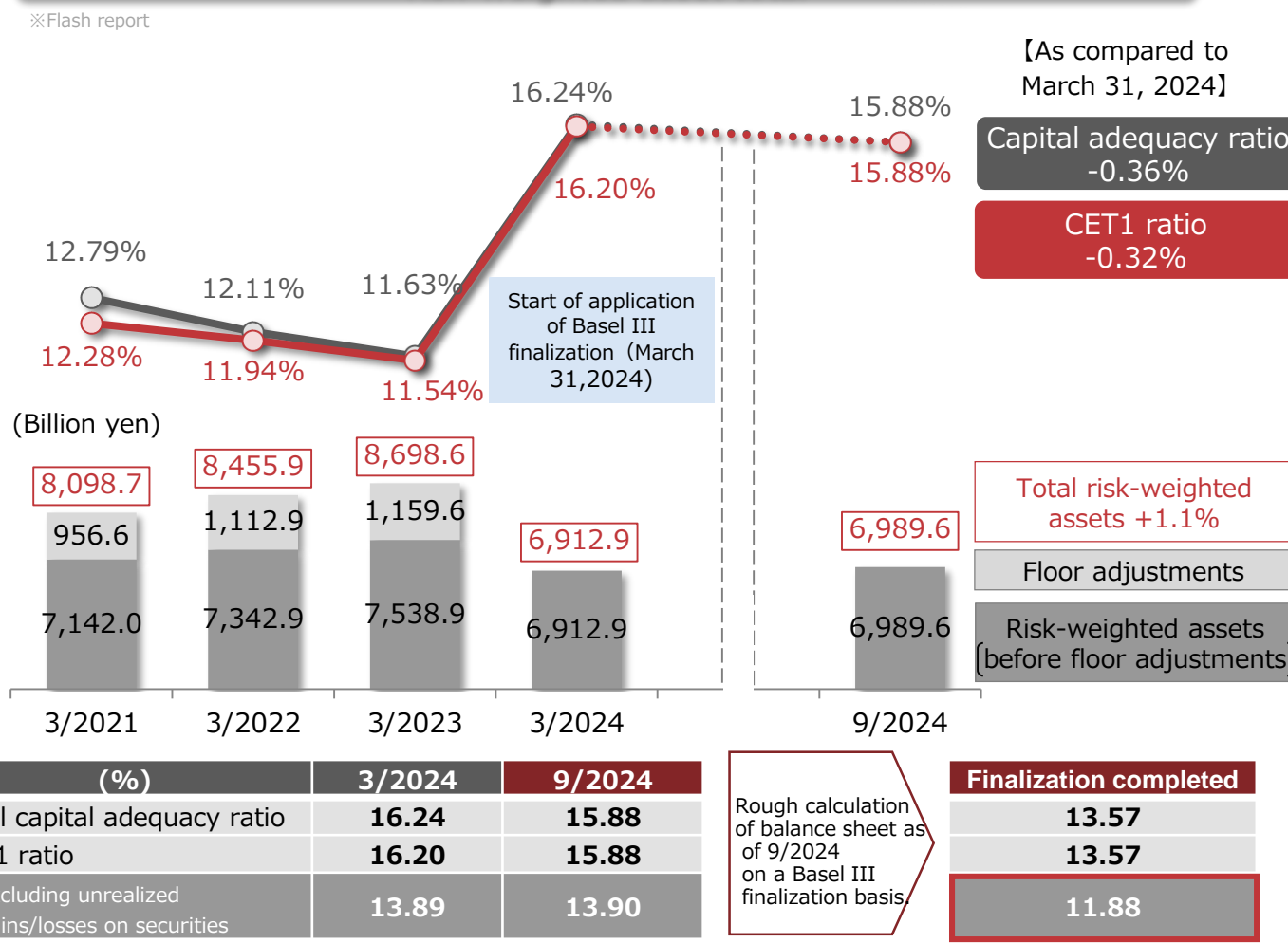


■ Achieve high cost-efficient and stable performance due to low OHR and low Non-performing loan ratio

↓

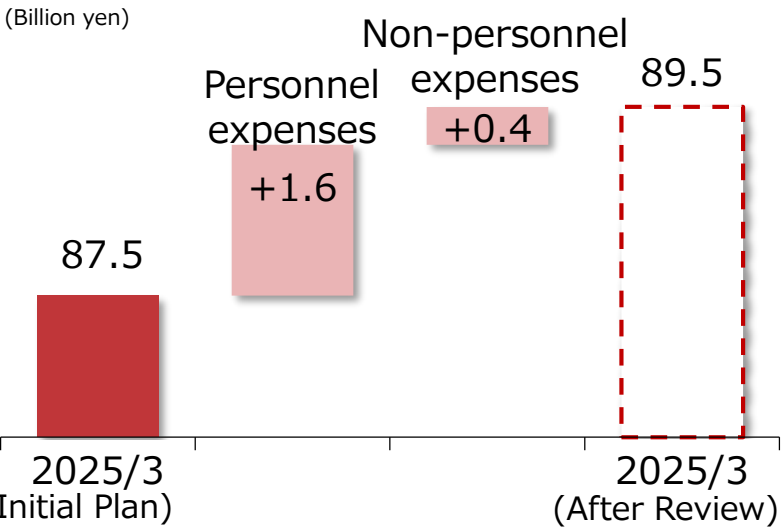
Controlling capital cost

Consolidated capital adequacy ratio / risk-weighted asset total



Improvement of net business income per employee through strict discipline on investment and expenses

Major Factors of Increase/Decrease in Expenses (Compared to Medium-Term Plan)



Non-personal expenses

Strategically important new expenditures

Curtailment of expenses for existing and new measures

Additional strategic expenses, etc. **+¥0.6 billion**

Ex.)
Reinforcing mid-career Employment and engaging employees
Strengthening web advertising with Google and JBP
New site construction costs

Human capital reinforcement
Top-line improvement

Increase in non-personal expenses
Reduction to +¥0.4 billion

Additional investment cost control and new cost reduction measures **-¥0.2 billion**

Personnel expenses

Engagement and productivity improvement through optimal allocation

Strategic personnel increases based on the business environment

Continued promotion to positions of 55 years old or above

Over 100 post managers, including branch managers and deputy branch managers

Raise starting salary, younger bears

Increase in the number of entries for new graduates and decrease in the turnover rate

Establishment of specialist course

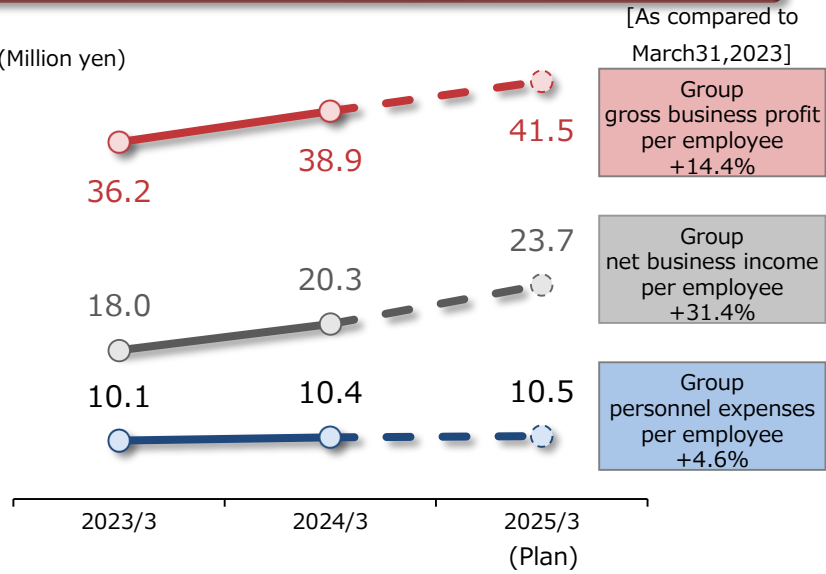
DX, M&A personnel, etc. appointed over 20 persons

Personnel plan for growth

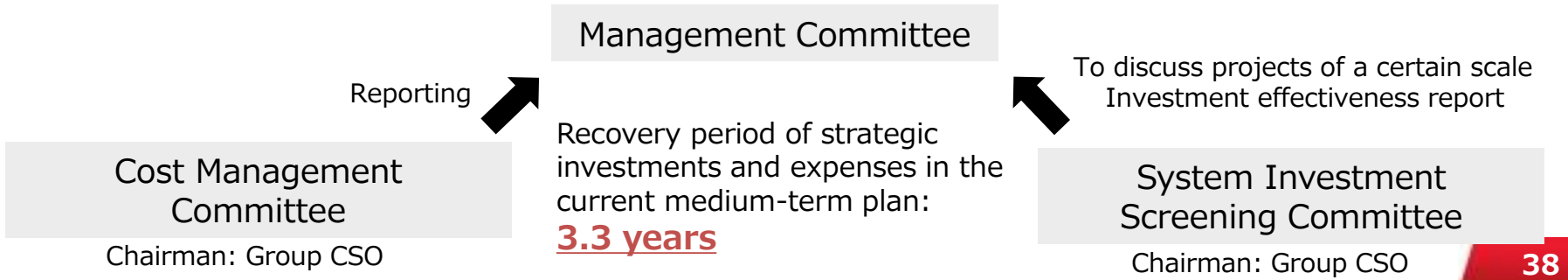
Group total and medium-term plan + 200 employees

2024
Rate of pay raises
Average of 5.6%

Indicator per group employee and employee



Strict investment and expense disciplines



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

System linkage

Improved development capabilities and cost reduction effects

■ Main frame system: five banks installed

Reducing development costs and mutual use of backup locations

New

■ App: seven banks installed and one bank is planning to install the system (in the second half of 2024).

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

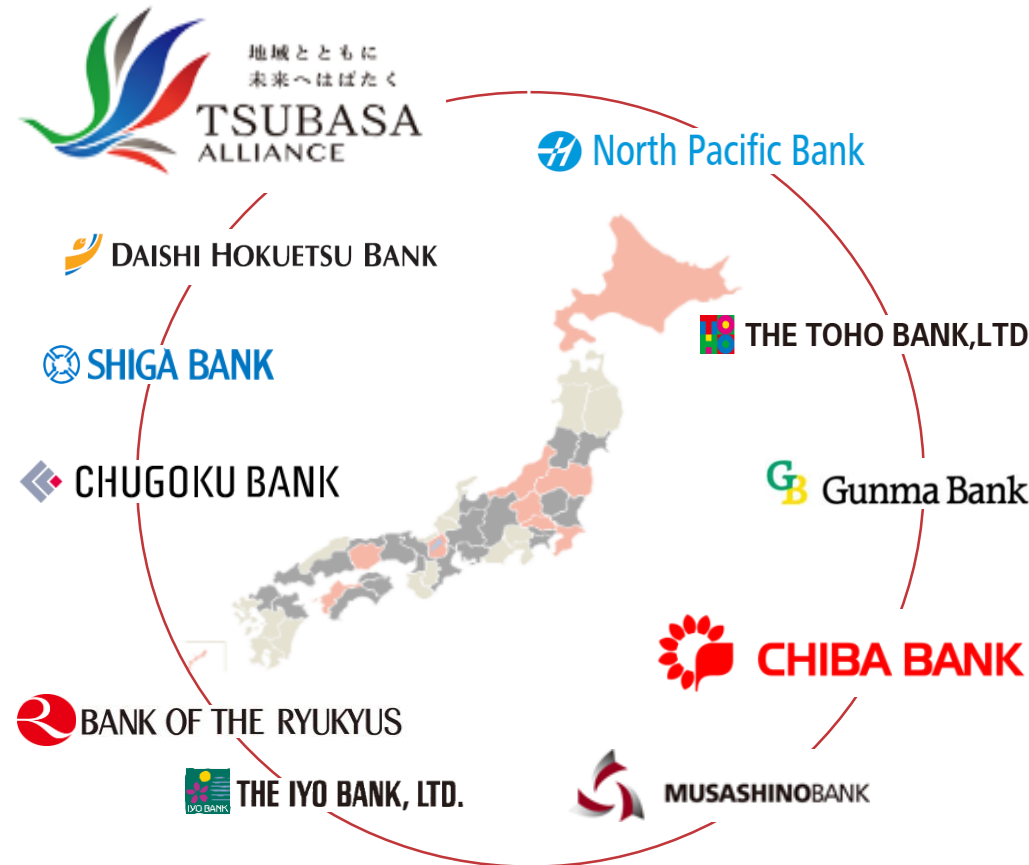
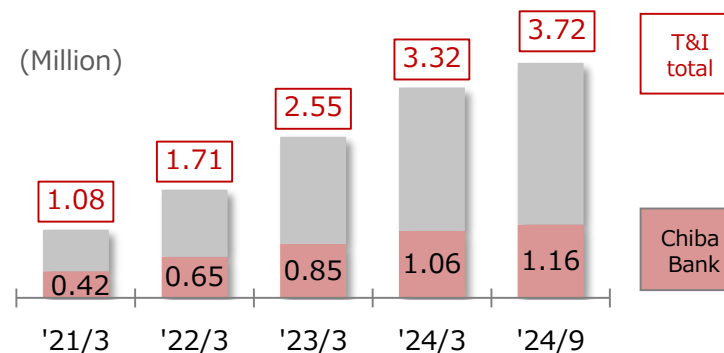
System overview	Corresponding banks (excluding Chiba)
Responding to the "My Number" new law	Daishi Hokuetsu, Chugoku, Toho, and North Pacific
Response to invoice system	Chugoku, North Pacific
Transfer control system	Daishi Hokuetsu
Broadcast for zengin more time system	Daishi Hokuetsu, Chugoku and North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

New

■ API linkage: developing services that leverage our customer base

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

(Million)



Sales collaboration and administrative collaboration

■ Sales collaboration using a wide-area information network

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

■ Cooperation with regional trading companies

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

■ Ten-Bank Joint Seminar

Simultaneous revision of medical fees and nursing care fees web seminar

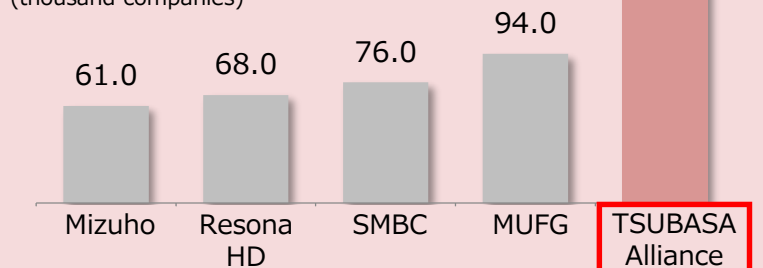
Number of main borrowers

Source: Teikoku Databank, Ltd.

"National Main Bank Trend Survey 2023"

140.0

(thousand companies)



Activities of the joint venture company

Company name	Investor	Description of business
TSUBASA Alliance Co., Ltd.	All 10 banks in the alliance	Advice and recommendations to improve operational efficiency, entrustment of office work
T&I innovation Center Co., Ltd.	6 banks in the alliance IBM Japan, Ltd	Fintec's research, planning and development of services
Onad Co., Ltd.	3 banks in the alliance Nomura Securities Co., Ltd.	Financial advisory specialization See page 69 for details
TSUBASA-AML Center Co., Ltd.	3 banks in the alliance Nomura Research Institute, Ltd.	Advanced and more efficient AML See page 69 for details

SDGs and Human Resource Development

■ Clear folder collection and recycling campaign

All TSUBASA member banks participate

■ TSUBASA Trainee System

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

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

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

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

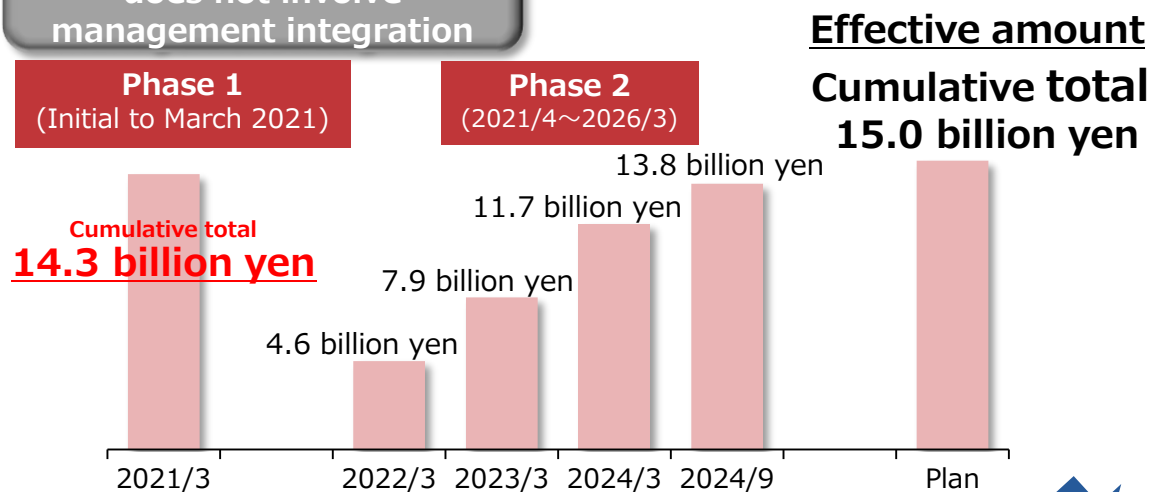
Chiba-Musashino Alliance



New regional bank
collaboration model that
does not involve
management integration

Realization of an evolved regional bank

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



Major Initiatives

■ Collaboration at the Hamamatsu-cho Branch:

Conversion of Hamamatsu-cho corporate sales office, a joint base, into a branch office(December 2023) and the Hamamatsu-cho corporate office of Musashino Bank became a branch (July 2024)

New

■ Collaboration on the Realization of a Carbon-Free Society:

In October 2024, Musashino Bank introduced the "C-checker (CO2 Emissions easurement Tool)" that the Bank began handling in September 2023

New

Collaboration among the three banks

- **Cooperation in the field of finance**
Syndicate loan composition in three banks

- **Joint hosting of business meetings and seminars**
Thai business fairs, etc.

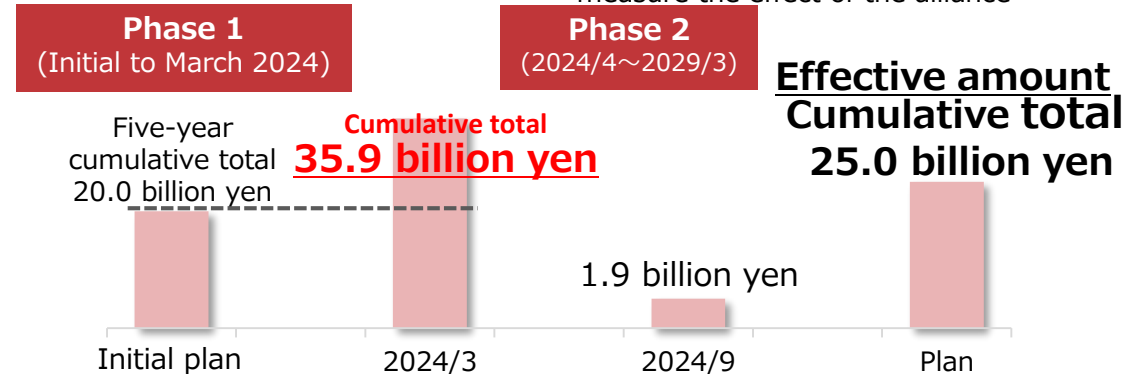
Chiba-Yokohama Partnership



Cooperation among top regional banks
in the Tokyo metropolitan area

Developing know-how among top regional banks

- Focus on highly effective measures mainly in the corporate sector
- In addition to the target effect amount, KPIs are set in each collaboration area to measure the effect of the alliance



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

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

Corporate

Expansion of sales branch collaboration, etc., centered on branches in Tokyo

Digital

Developing digital human resources and considering cooperative measures in the advertising business

Individual

Collaboration, etc. that contributes to the realization of Asset Management Nation

Sustainability

Strengthening efforts to contribute to the ESG strategies of both banks

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

JUUDANKAI

Both groups, which have affinity for systems-related fields, will share knowledge and expertise

Realization of efficient system operation and business processes

Enhancing customer services and contributing to sustainable growth in each regional economy

System Task Force

Joint research

- Next-generation systems and subsystems
- Digital field
- Measures for anti-money laundering

Operational Efficiency Task Force

Joint research

- Labor saving measures in branch operations
- Operational efficiency

Cyber Security Task Force

Joint research

- Cybersecurity measures
- Sharing of know-how**
- Cyber risk management



TSUBASA Alliance



JUUDANKAI



Sony Bank



Development with a view to deepening and developing

Mutual provision of digital technologies, products and services

Utilizing the latest digital technologies

"Large Naked Vision Stereoscopic Display" in the Innovation Lounge (through July)

Live event for housing loan customers (July)
"CHEMISTRY Special Hybrid Live 2024"

New

Mutual provision of products and services that are the strengths of both banks

Foreign currency services

Housing loan customer service

Trust and inheritance

Collaboration Agreement on Crowdfunding



- Expansion of market
- Test marketing

- Nationwide PR of the company's products
- Fund procurement

Local company

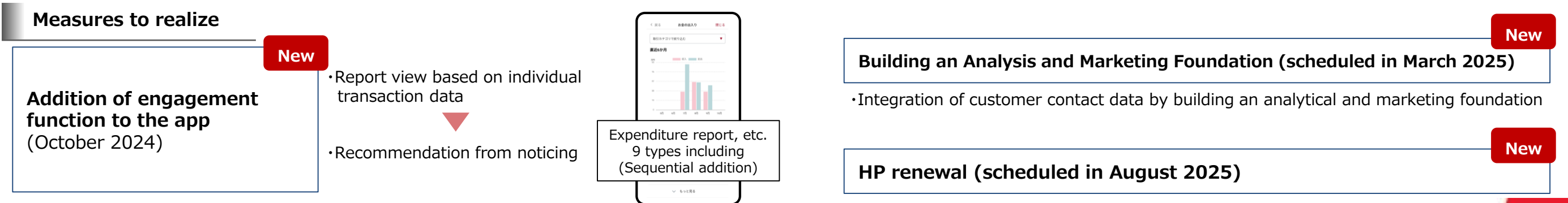
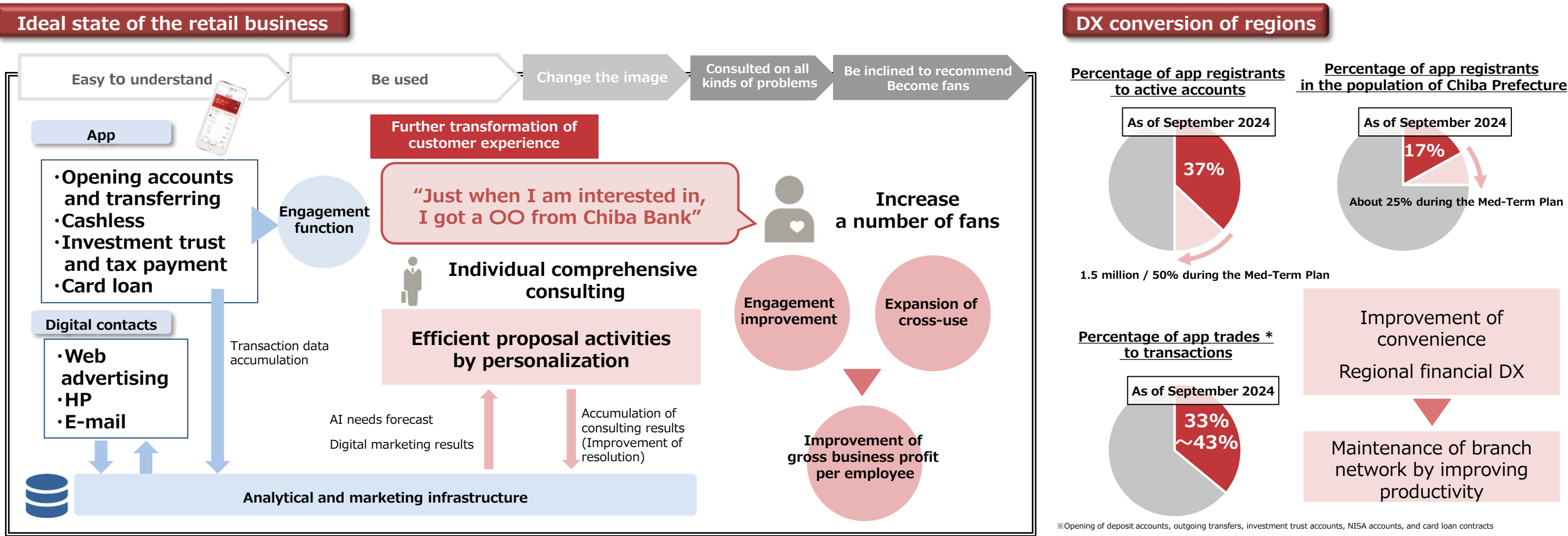
Joint research on the use of technology

- Joint research on the use of block chains
- Joint research on DX of housing loans
- Joint research for the development of a sustainable society

New

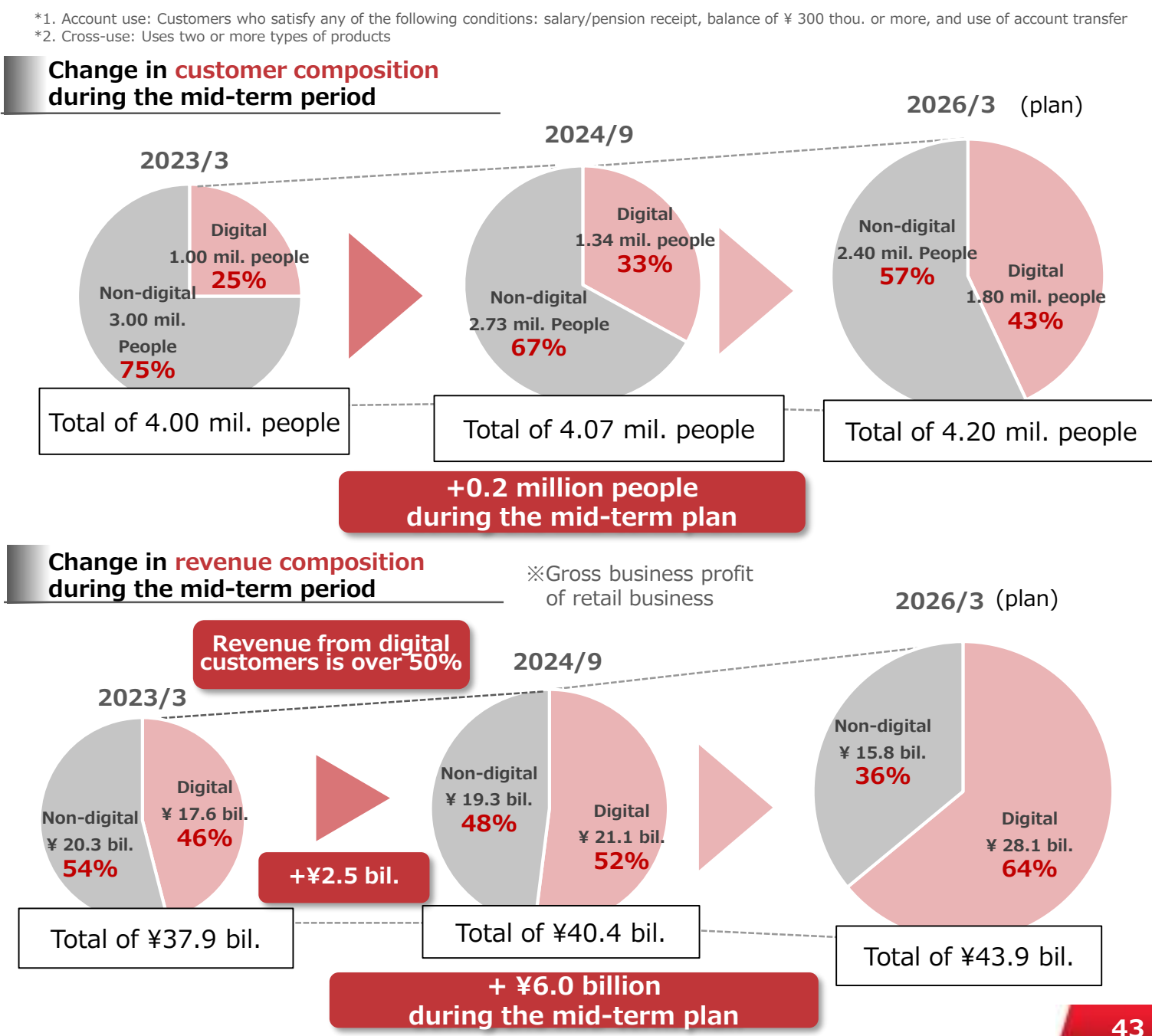
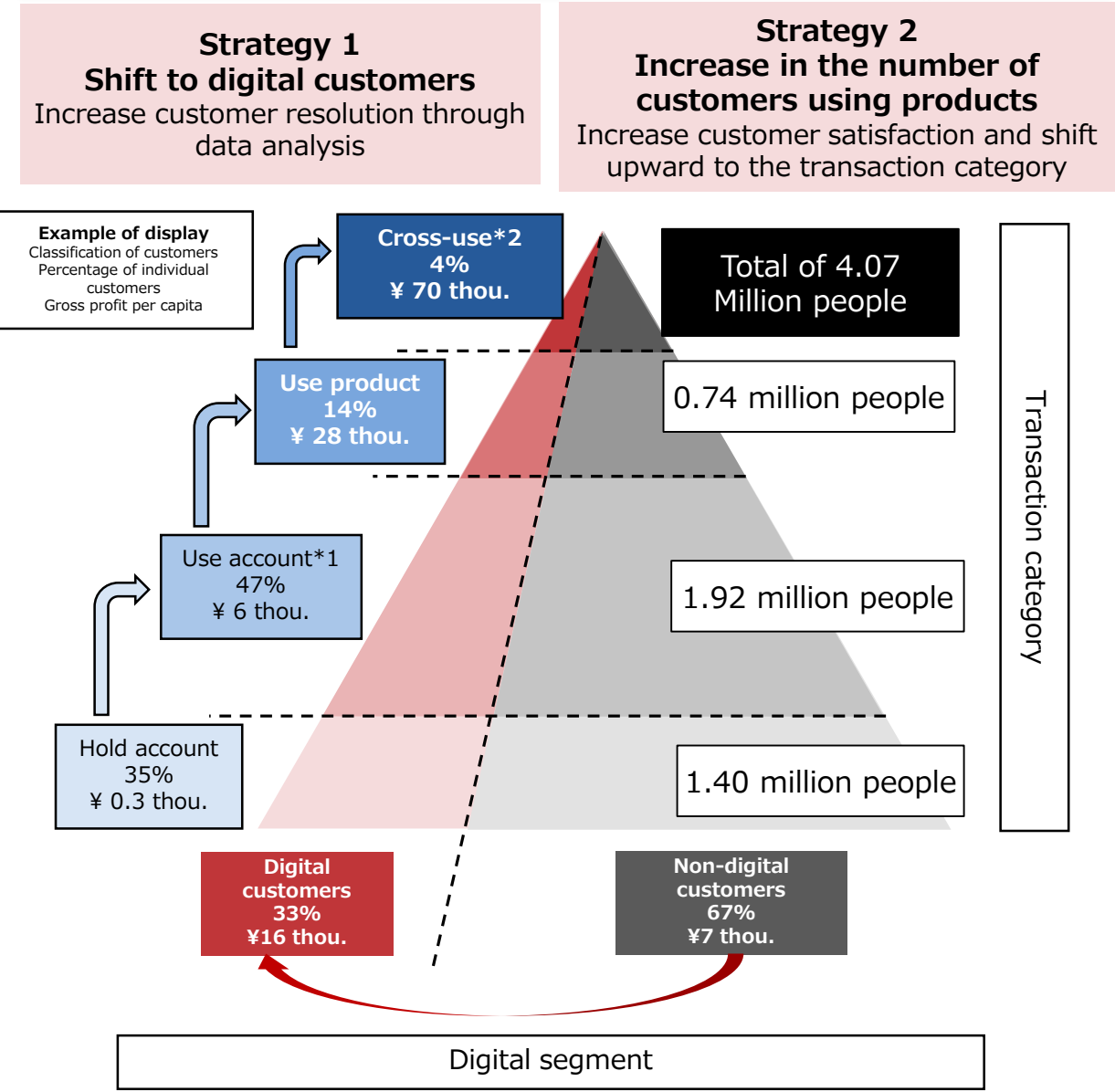
Investing in green bonds issued by Sony Bank (October 2024)

Increasing Digital Transactions by Increasing the Convenience of Apps/Increasing Customer Resolution and Reforming Customer Experiences



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

Improvement process of retail business revenue based on the DX Strategy



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

Form strong customer connections through digital and in-person channels

Highly-convenient digital contact points

Digital



Digital channel that serves as a hub for each service that connects business operators and banks

Indispensable basic infrastructure for business activity

Hybrid of in-person and digital

In-person



"assistant to management"

Support for solving social issues

Support for management issues

Provide the expertise of a consulting firm
Close support for essential management issues

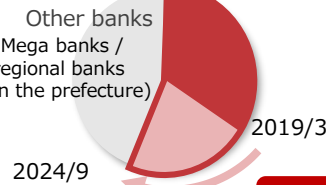
Improvement of expertise

- DX: ICT consulting, Use of EB and corporate portals
- GX: C-checker, Sustainable finance
- WX: Advisory (personnel system), Recruitment consultancy service

- Planning: Advisory Consulting services (Assignment of personnel in charge of industrial research), Funding measures
- Finance: Business matching
- General Affairs

Strengthening of real contact points

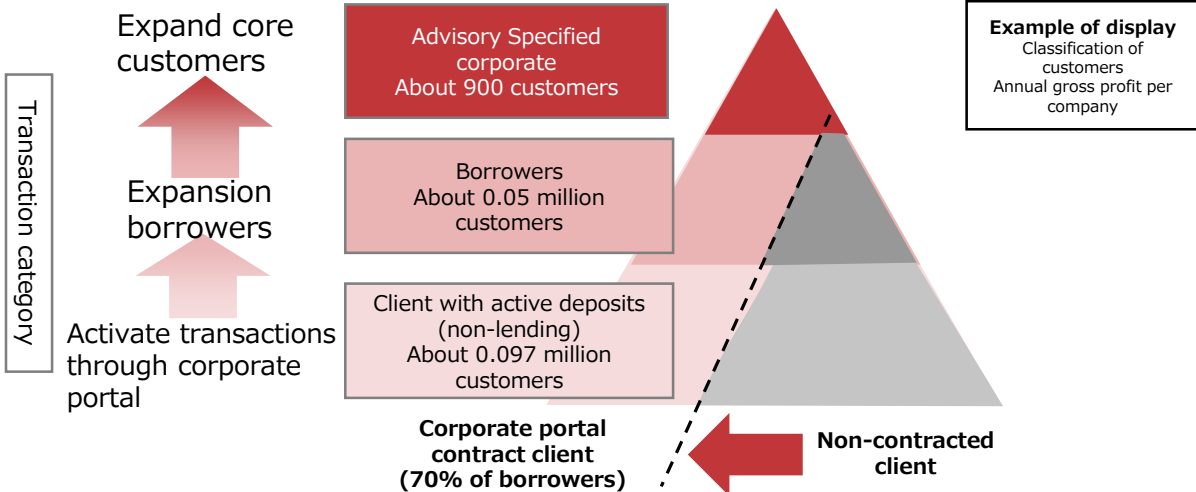
General branches share in Chiba prefecture



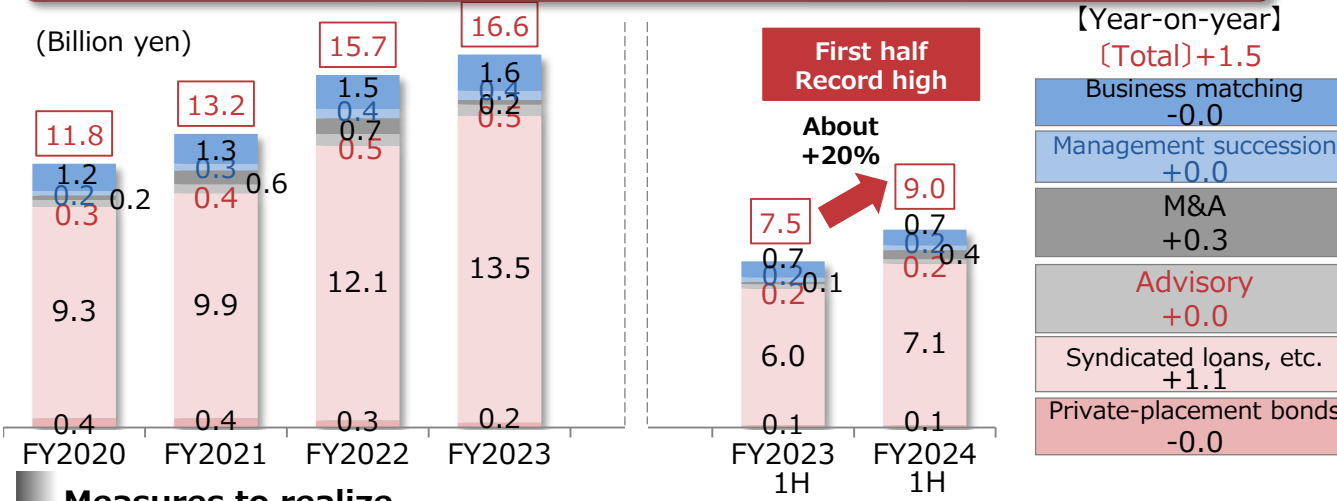
Establishment of Kyobashi Corporation Sales Office (March 2025)

Increase the number of corporate staff by 15% in the final year of the mid-term plan ※

Improvement process of corporate business revenue



Corporate solutions-related revenue



Measures to realize

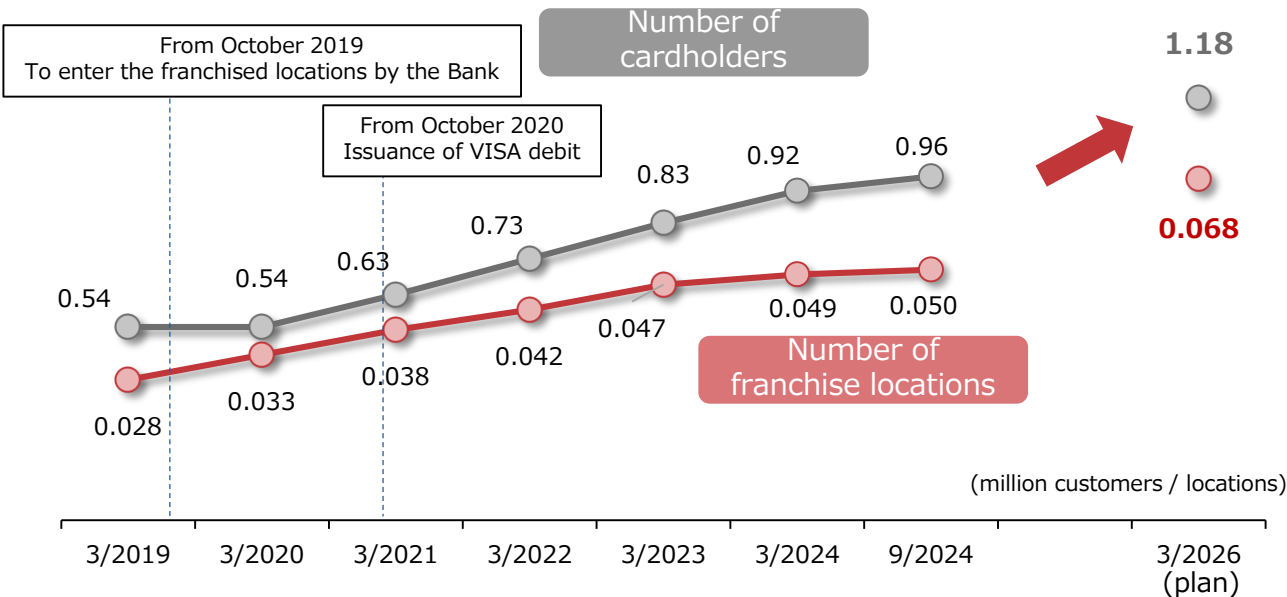
Establishment of engagement fund 1st (September 2024)

Support for acquisition of majority and business succession

Hands-on support by group

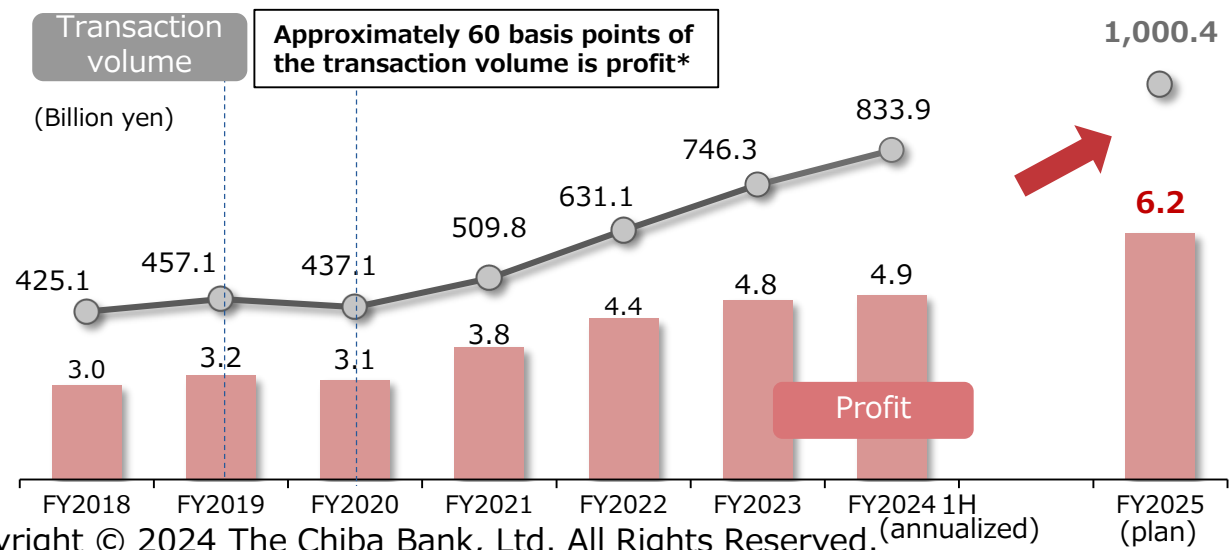
Expanding transactions with local governments and large chain stores to further strengthen the cashless base

Number of group cardholders and franchise locations



Group transaction volume and profits

*Profit of group company are calculated based on the same criteria as the banks (Fees and commissions received).



Various measures

franchise locations business

Expansion to alliance banks

Support for introduction to local governments

25 local governments
308 locations

TSUBASA ALLIANCE

MUSASHINOBANK (1/2022)

DAISHI HOKUETSU BANK (10/2024) **New**

Visa debit card

Integration of apps and payments

Usage by new account openers

Implementation of digital marketing (Distribution of promotional e-mails to new account openers)

Visa debit card application From app (10/2024)

Digitization of the card issuance business

- Virtual cards (cardless)
- Invitation upgrading

Visa debit usage amount +¥0.005 mil.

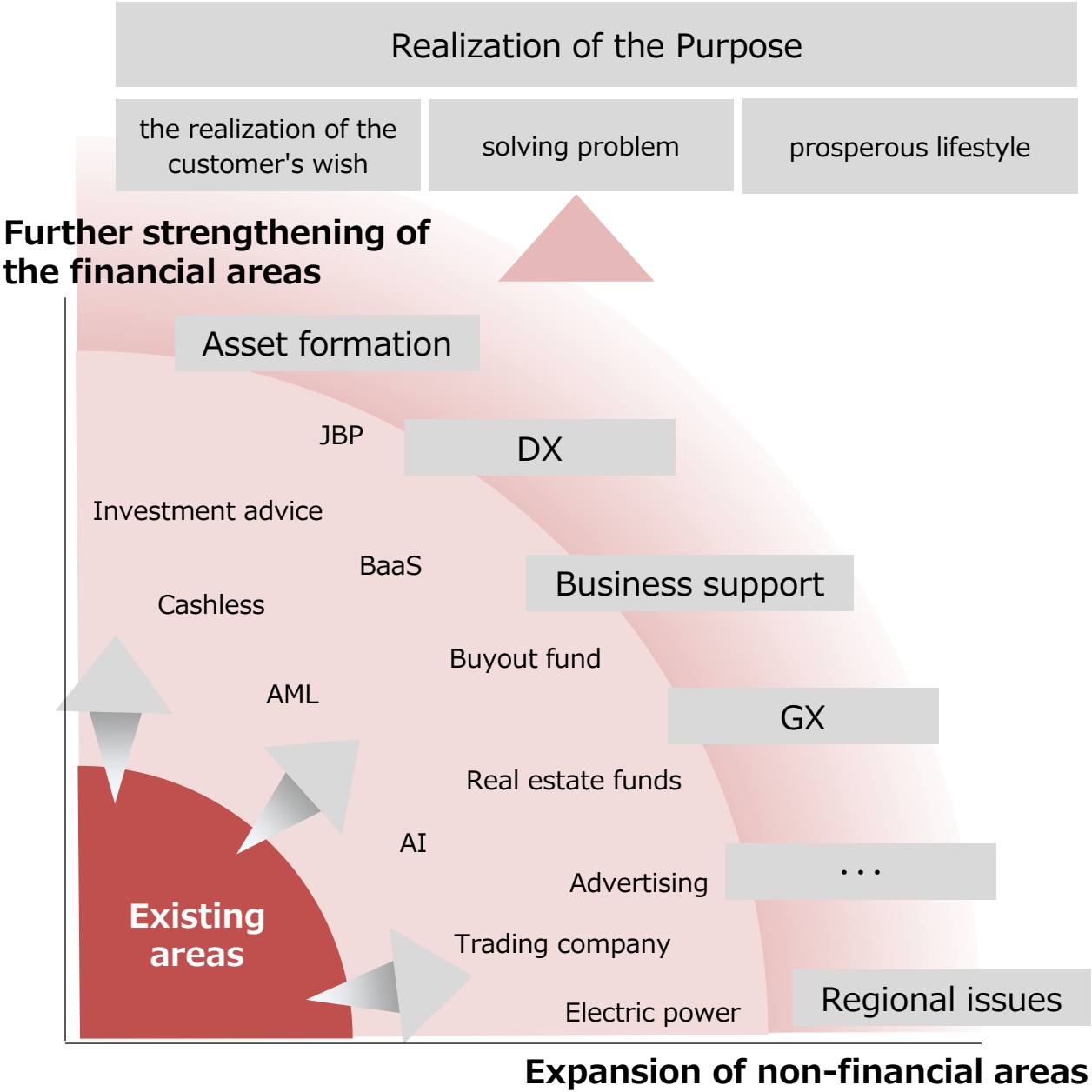
VISA debit Number of use +2 times

(million yen)


(times)

Period	Visa debit usage amount (million yen)	VISA debit Number of use (times)
FY2023 1H	0.071	21
FY2024 1H	0.076	23

Enhance problem-solving capabilities in various fields by strengthening new businesses



Major initiatives since the start of the mid-term management plan (Details: page 67)

**Chibagin Market**

Continued from previous mid-term plan

Expansion of EC and crowdfunding businesses

Continued from previous mid-term plan

Housing concierge service (under trial)

Developing car concierge and services linked to and lifestyle

Himawari Green Energy
Establishment of company 4/2023

12/2023

Launch of power plant operations

3/2024

Launch of FIT non-fossil certificate intermediation

Consideration of acquiring large-scale facilities such as offshore and onshore wind power

On-ad

5/2023

Launch of the corporate services contract (financial wellness)

Advertising business

10/2023

Launch of advertising business

- Advertising media business
- Advertising consulting business

Anti-Money laundering
Establishment of company 11/2023

1H FY2025 (scheduled)

Starting the business

Creating a platform for regional financial institutions

Buyout fund

9/2024

Established Chiba Engagement Fund 1

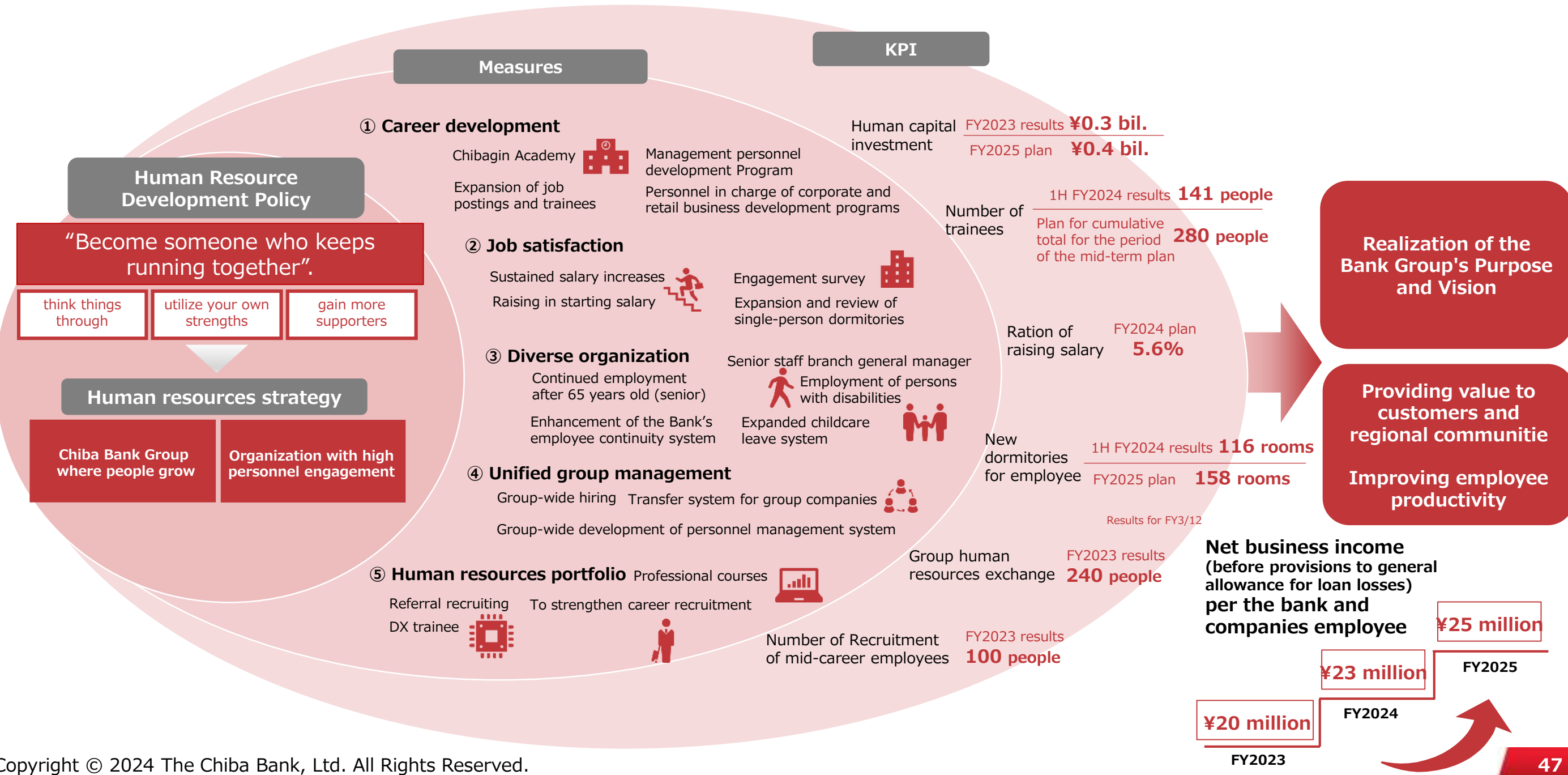
JBP*

1/2024

Use of Google's marketing tool, Google Cloud

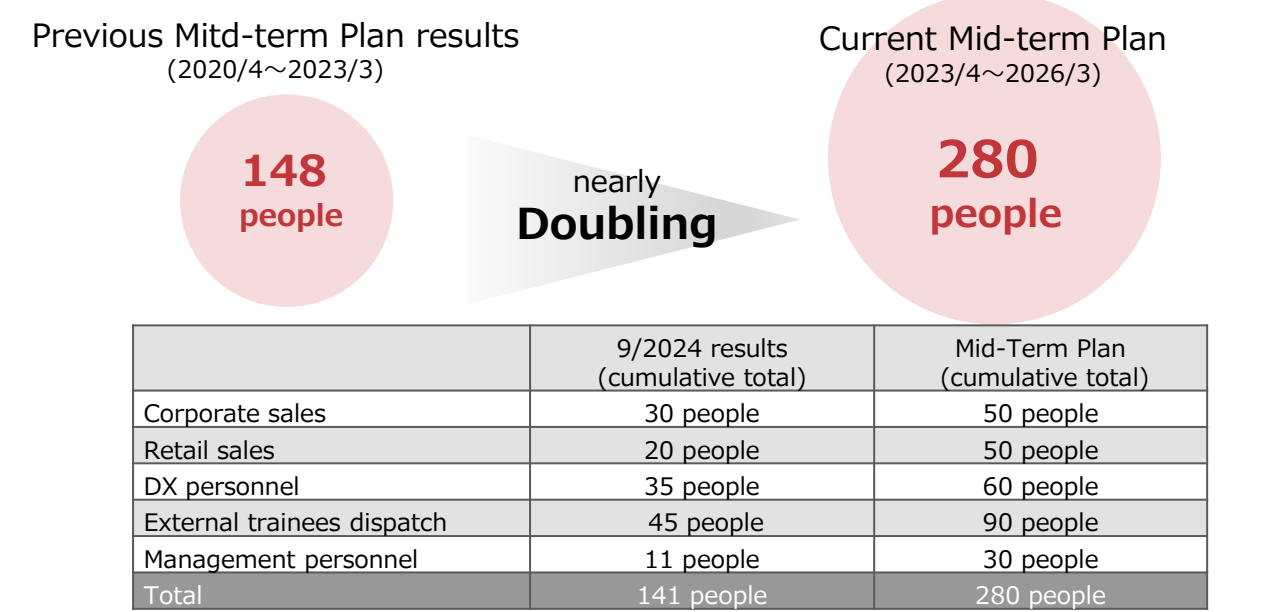
*joint business plan with Google Cloud

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

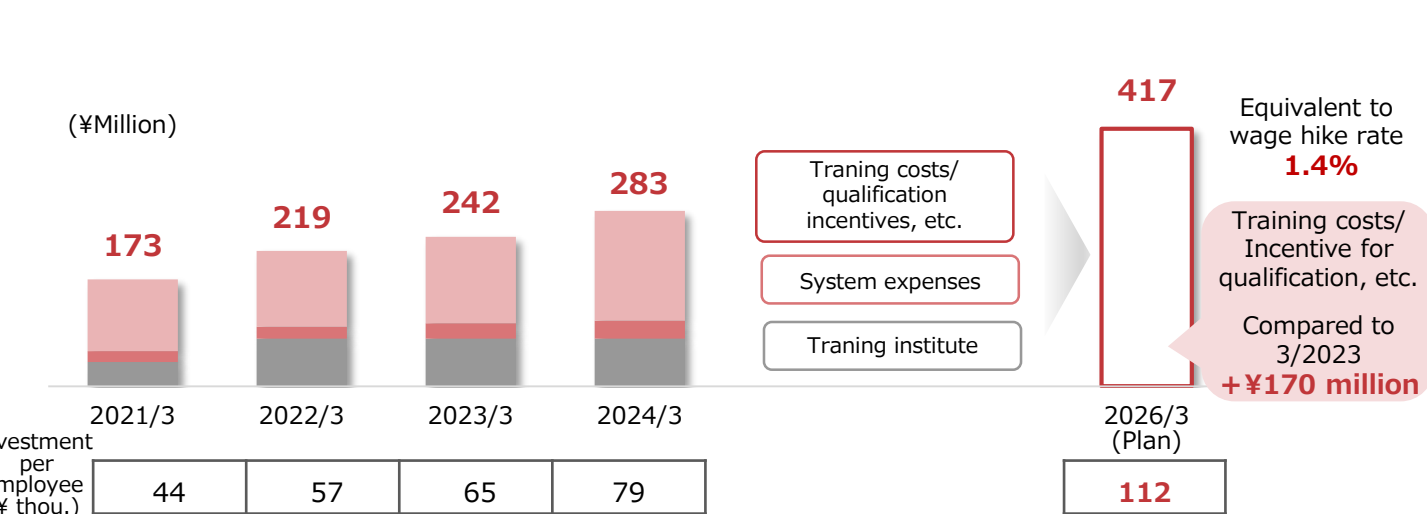


Expansion of investment amount and number of employees trained (investment target) / Development of the system that enables diverse human resources to play an active role

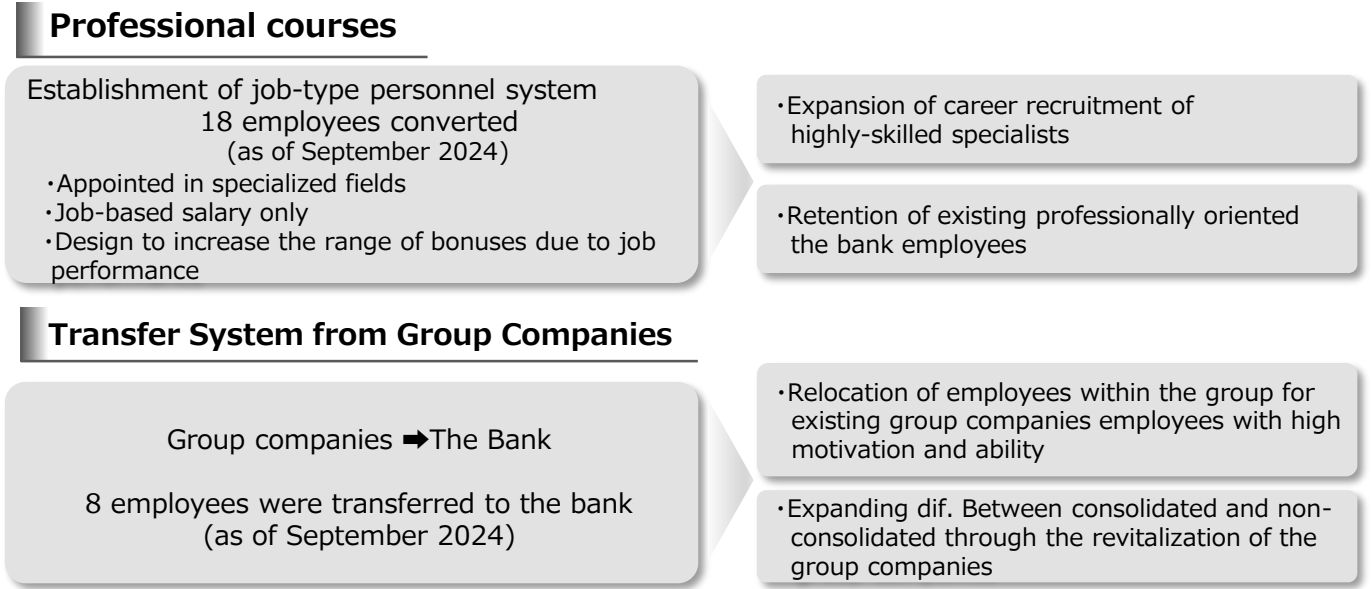
Personnel development



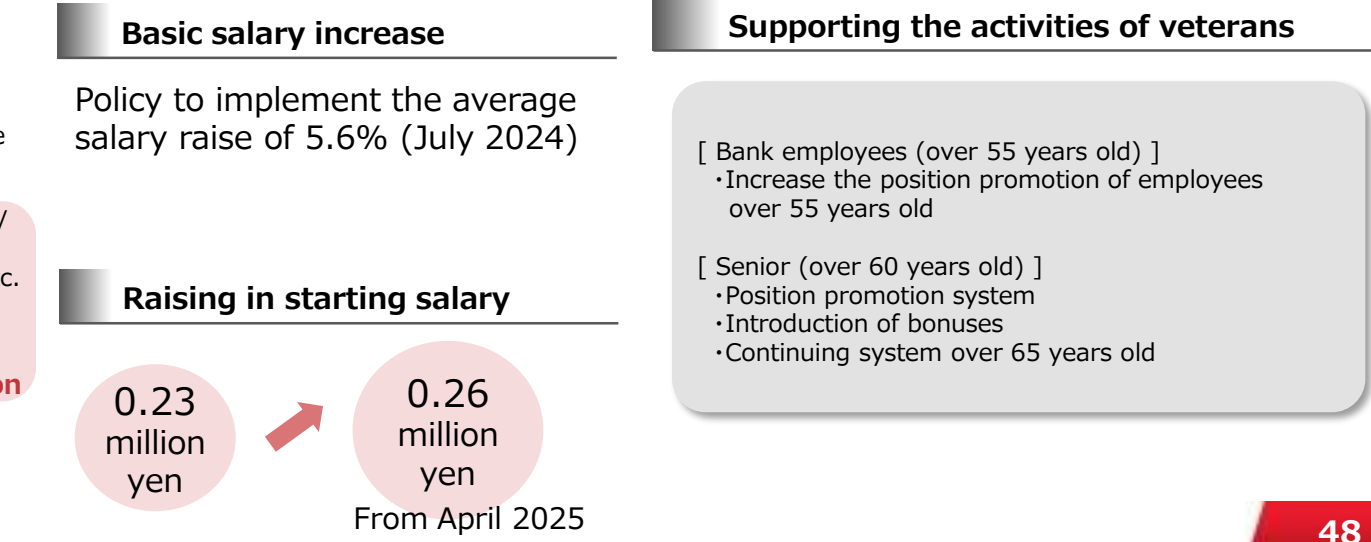
Human capital investment



Introduction of a new personnel system (from April 2024)

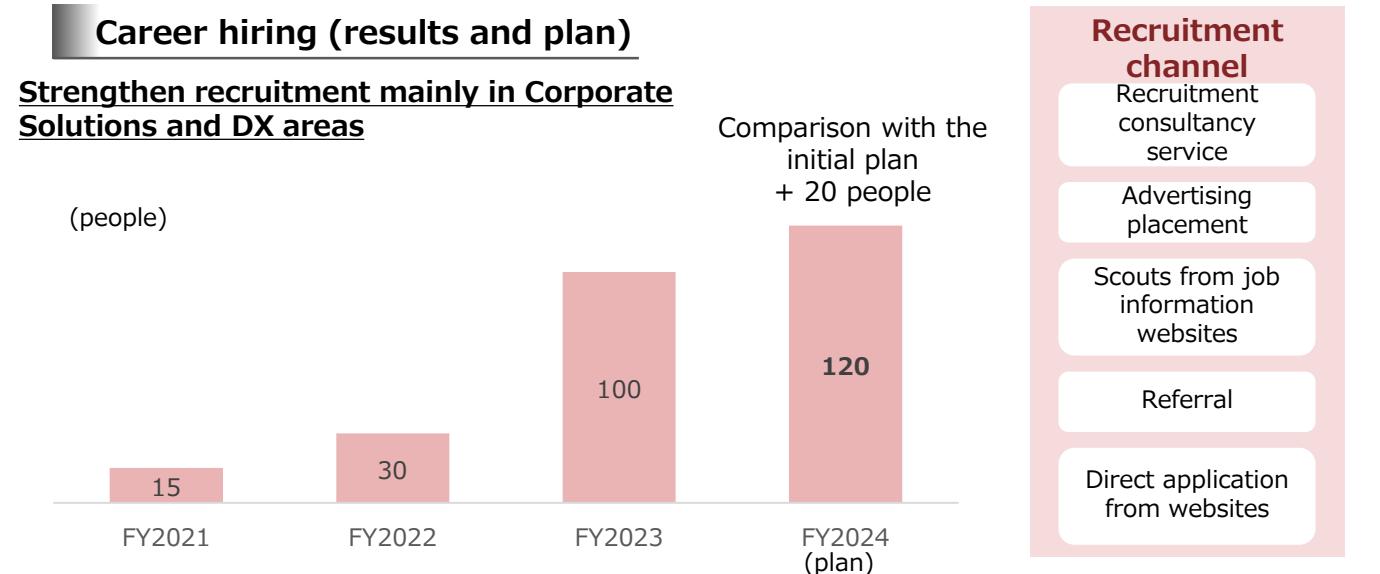
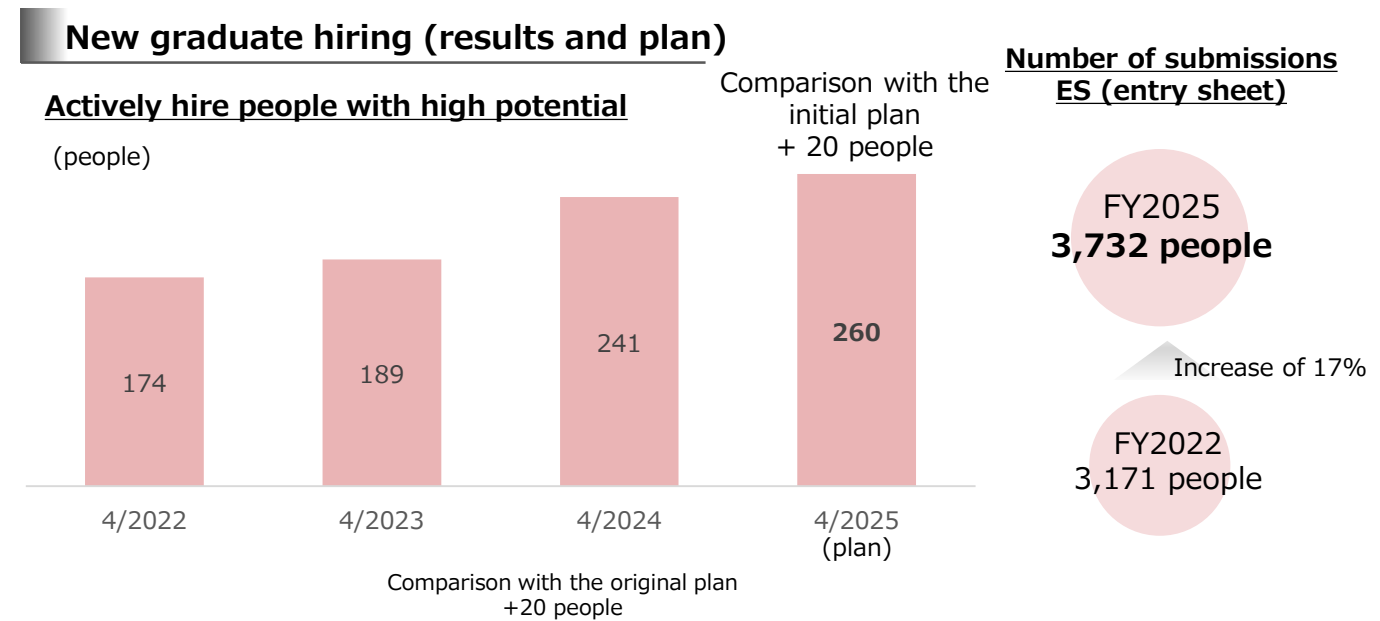


Measures to raise salary for each level

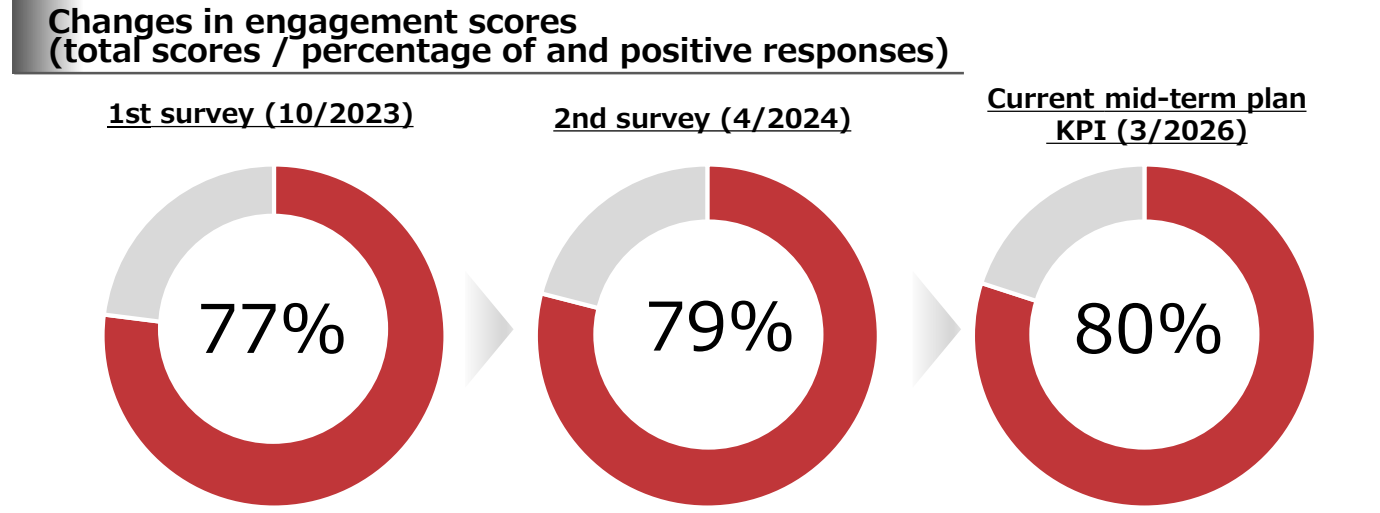


Expansion of investment amount and number of employees trained (investment target) / Development of the system that enables diverse human resources to play an active role

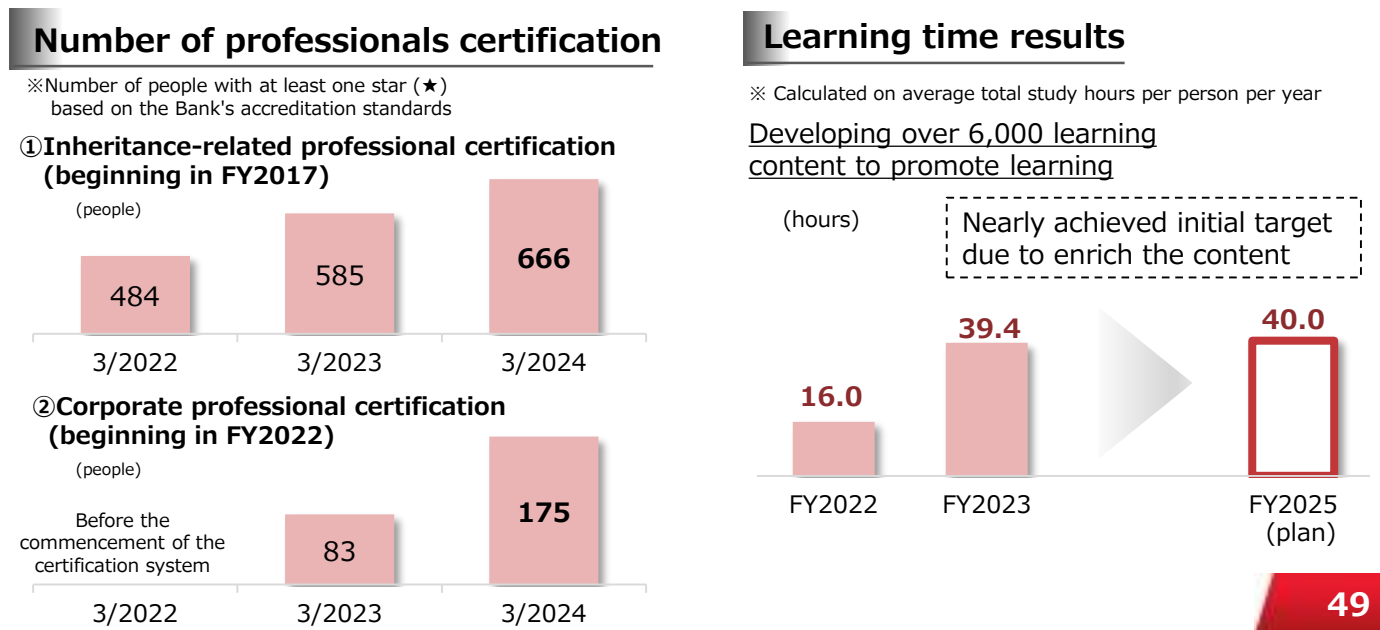
Reinforcing the hiring of new graduates and mid-career employees



Improvement of employee engagement



Increase in in-house professional personnel / Facilitate learning by providing infrastructure



Achieving Sustainable Management



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

Approaches to sustainability management

**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 / participation in initiatives

External Evaluation / Inclusion in indexes

Selected as “New Diversity Management Selection 100 Prime”

2024 健康経営優良法人
Health and productivity
“Health & Productivity Management Outstanding Organization” certified

“Platinum Eruboshi” certified

“Platinum Kurumin Plus” certified

CDP score for climate change survey
Obtained evaluation of “A-” for the third consecutive year

2024 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

2024 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX



Participation in initiatives

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

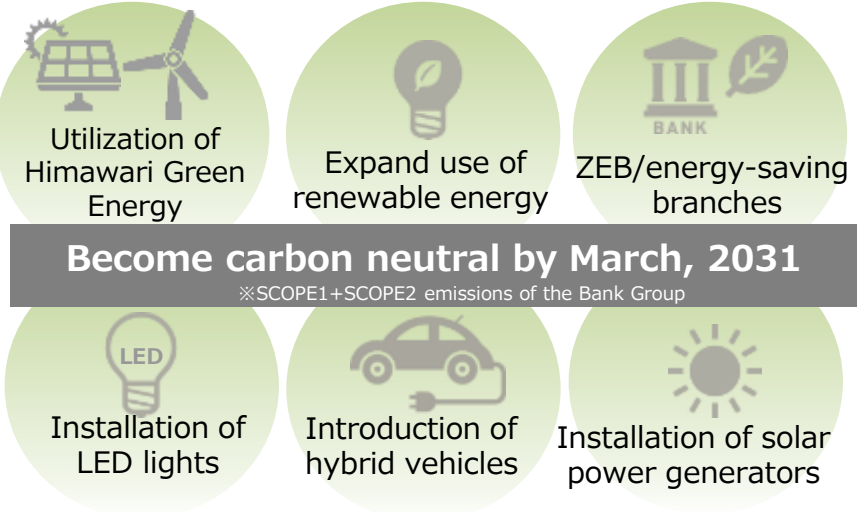
Partnership for Carbon Accounting Financials

Principles for Financial Action for the 21st Century

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

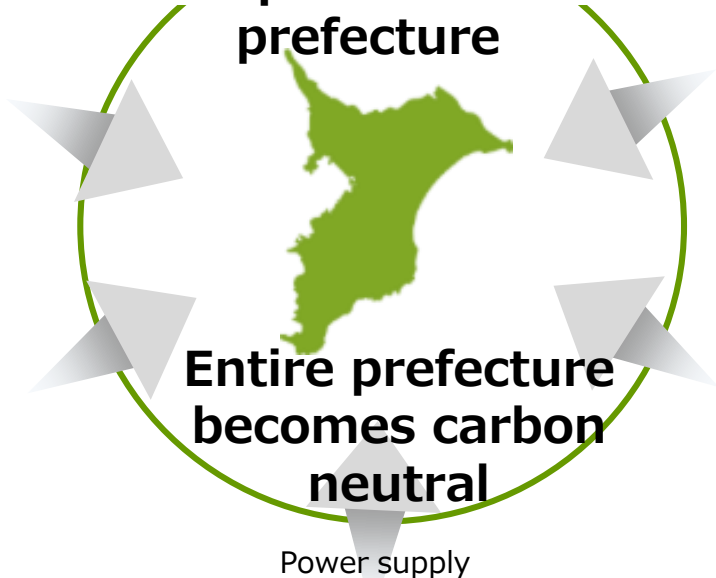
Decarbonization Initiatives of the Chigin Group



Collaboration with local governments

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

2050
Sustainable
development of Chiba
prefecture



Production of electricity
by Himawari Green Energy
(Asahi and Kimitsu Power Stations)



Annual number of households capable of supplying renewable
electricity through renewable energy financing and project finance

Domestic cumulative total **Approx. 2.42 mil.households**

Cumulative total within Chiba prefecture **Approx. 0.55 mil. households**

(Approx. 20% of the 2.8 million households in Chiba Prefecture)

Support for customers in decarbonizing



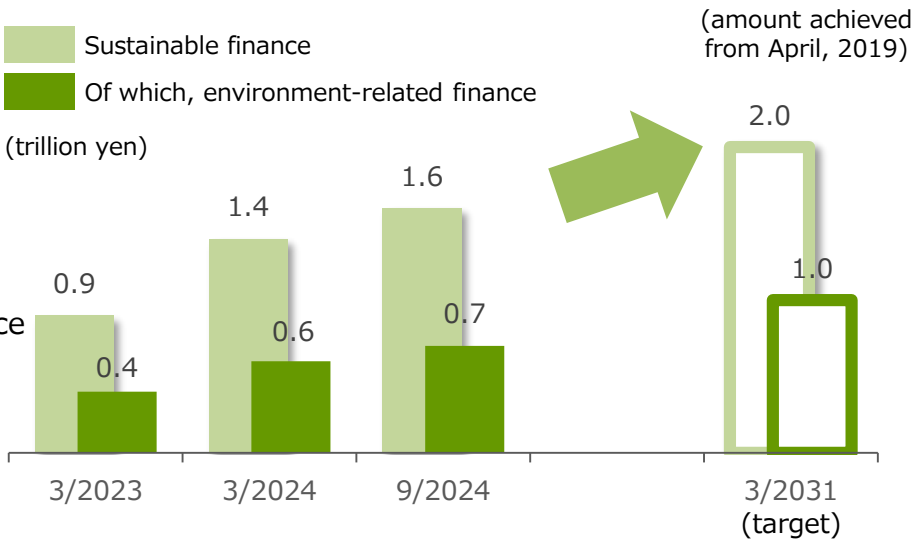
Support for SDGs Management

- Incorporate ESG issues into business evaluations
- Business succession consulting

Carbon-neutrality consulting

- Greenhouse gas emission measurement support
- Solar power generator installation support
- Sustainable housing support discount
- Discount SDGs loans

Cumulative amount of sustainable finance executed

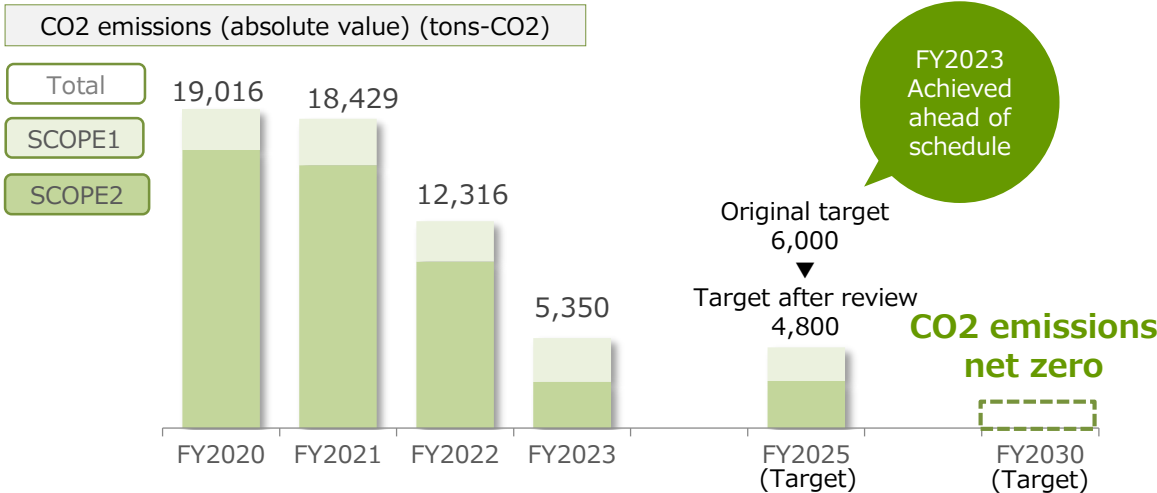


Responding to TCFD/TNFD Recommendations

CO2 emission

SCOPE1・SCOPE2

※SCOPE1+SCOPE2 emissions of the Bank Group



SCOPE3 (Category 15)

Total CO2 emissions of 12.9 Mt-CO2

Bottom-up + top-down approach

Utilization of C-checker



- From customers' business activities
Visualization of CO2 emissions
- Approximately 2,000 institutions
registered (2024/9)

Scenario analysis of climate change risks (to 2050)

Physical risks

Large-scale storm and
flood disasters, etc.

Business stagnation of the borrower,
calculated based on the percentage of
flooded building sites damaged by wind
and flood damage to the Bank's real
estate collateral

Increased credit costs (Domestic)

¥7.0 ~ ¥8.0 bil. ※1

Transition risks

Transition to a
decarbonized society

Coal Oil Gas Electric power
Steel Chemistry Air trans-
-portation Add

Increased credit costs

Maximum of ¥31.0 bil. ※2

Responding to natural capital

- ✓ Strengthen various initiatives for the conservation of natural capital including biodiversity based on TNFD recommendations.

Disclosure of resource usage fees and waste

(FY2023)

Water consumption (m3)	53,090
Paper consumption (tons)	49
Amount of waste (tons)	361



Forest improvement activities
in the "Chibagin Forest"

※1 The IPCC's RCP4.5 and RCP8.5 scenarios (4°C scenarios) are assumed.

※2 IEA NZE scenario, NGFS Net Zero 2050 and Below 2°C scenario.

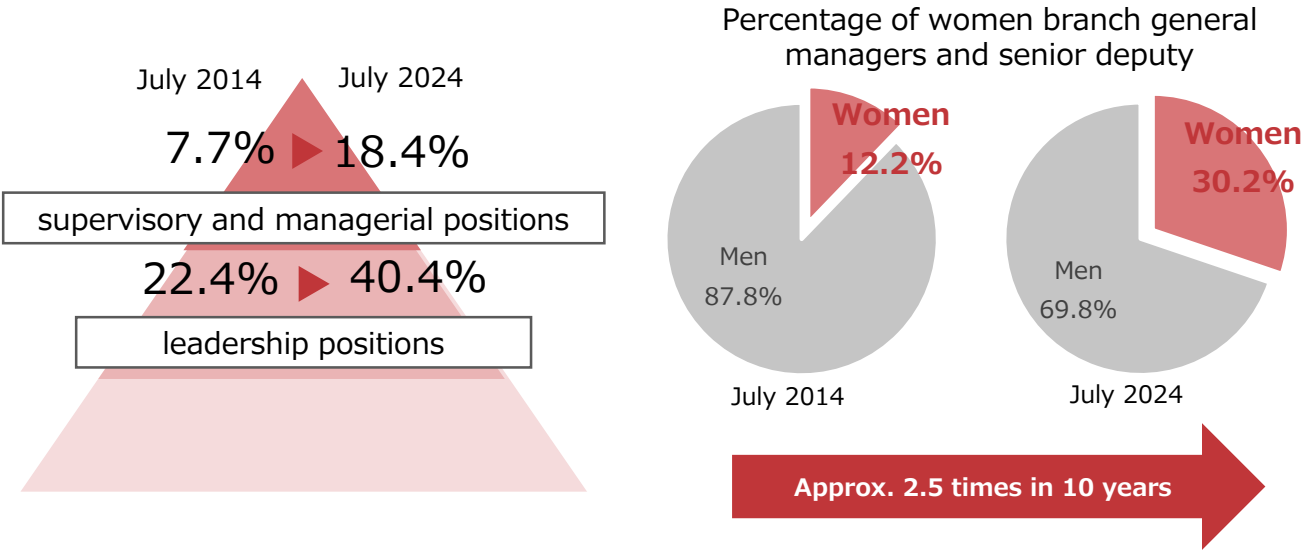
Strengthening the promotion of diversity as a corporate strategy / addressing regional issues as a group

Indicators related to diversity

	FY2021	FY2022	FY2023	Target in 2026 July
Percentage of leadership positions held by women* (No. of persons)	27.2% (523)	28.4% (551)	29.4% (590)	30%
Percentage of supervisory and managerial positions held by women (No. of persons)	17.9% (120)	18.8% (126)	18.4% (126)	-
Percentage of employees taking paid leave	77.1%	83.5%	-	80%
Percentage of men taking child-care leave	113.8%	112.4%	-	100% ongoing

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

Percentage of women in each level and position



Strengthen efforts to enhance governance

Initiatives since April
2024

April 2024 Changed the Chairman of the Board of Directors
Internal Director → Outside Director

(The Chairman of the Advisory Committee has been an outside
director since October 2022)

April 2024 Appointed the Bank's first female
representative director

June 2024 Shorted terms of the Board of Directors
2 years → 1 year

June 2024 Increase in the ratio of outside
directors

33% → 44%

June 2024 Introduced Performance-Linked
Restricted Stock Remuneration Plan

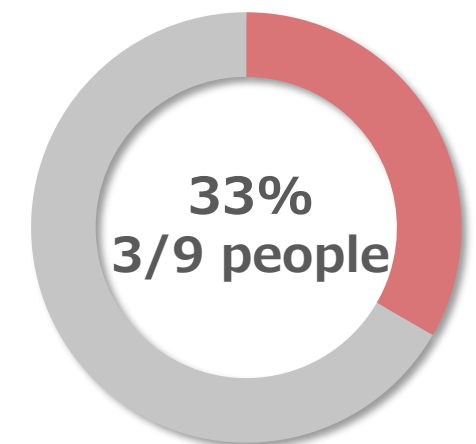
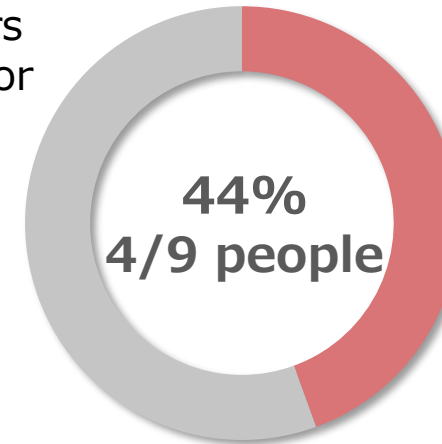
Advanced
governance

Diversification
of the Board
of Directors

Structure of the Board

Ratio of independent outside directors

Ratio of female directors



Performance-Linked Restricted Stock Remuneration Plan

System of Remuneration
for directors

basic remuneration"

Bonuses

stock remuneration

fixed
restricted
stock

performa
nce-
linked
restricted
stock

■ **Financial items** (weight 50% / range of linkage 0-150%)

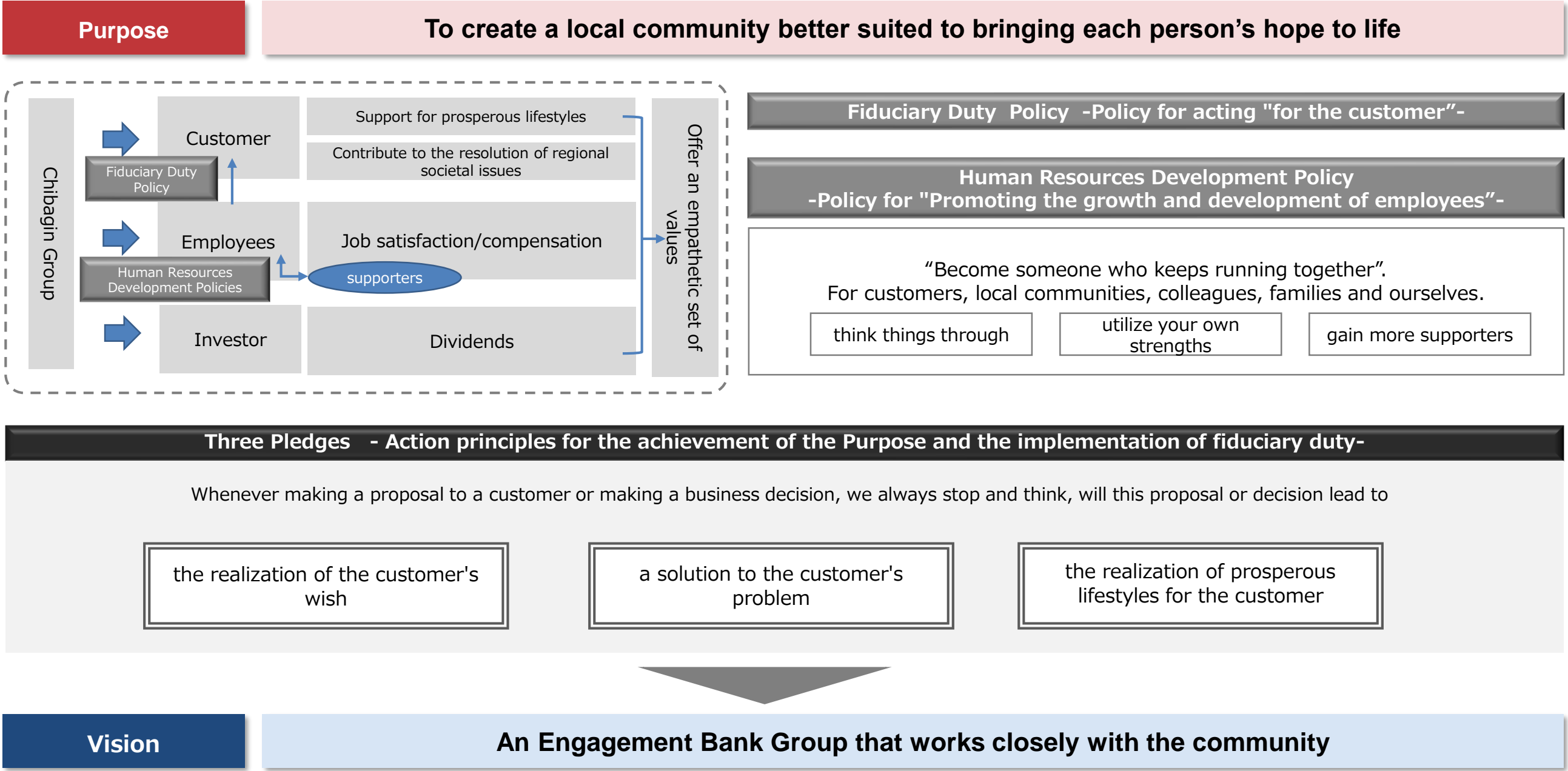
Financial indicators	Consolidated ROE
----------------------	------------------

■ **Non-financial items** (weight 50% / range of linkage 0-150%)

Customer experience	• Customer engagement
Human capital	• Employee engagement • Percentage of leadership positions held by women
Sustainability	• Carbon neutral • Community decarbonisation support

Progress of Business Improvement Plan





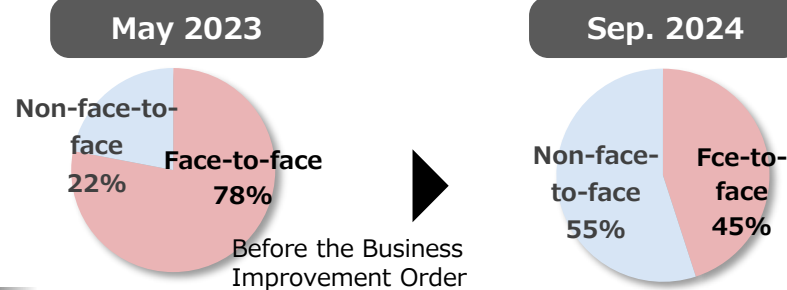
The most important initiative is the penetration and thoroughness of the Purpose and Vision etc., which are common to all issues.



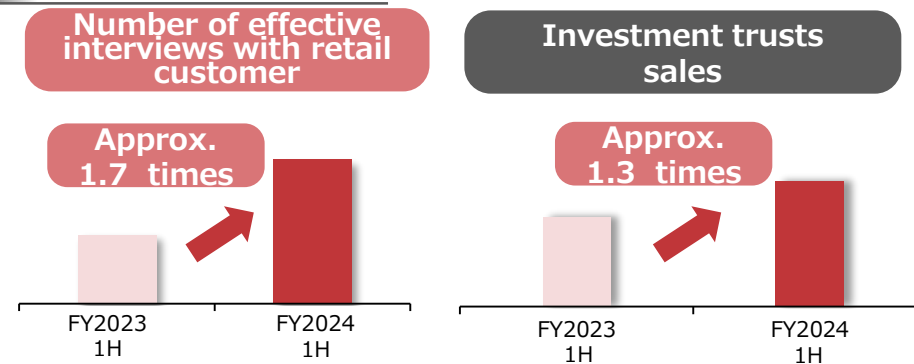
Business improvement measures have significantly changed how individual business should be/ Internal and external indicators are monitored to promote effective improvements

Status of Activities

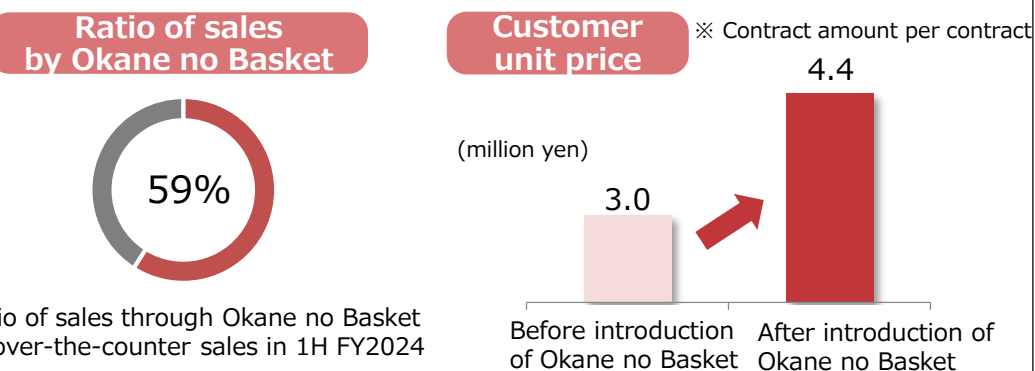
Changes in channels (sales of investment trusts)



Change in activity volume



Proposals by Okane no Basket (Money Basket)



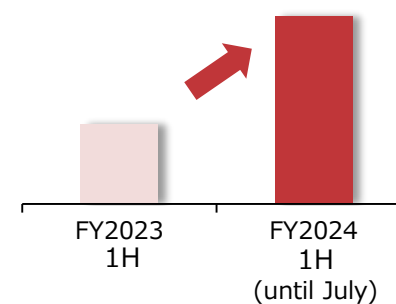
Ratio of sales through Okane no Basket to over-the-counter sales in 1H FY2024

Revision of evaluation standards for sales branches performance

- ✓ **Expansion of activity evaluation**
Expanding activity evaluation to the corporate sector as a review of the award system for evolution of the customer-focused business model
- ✓ **Strengthening evaluation of fiduciary duty**
Strengthening the evaluation by the second line based on customer feedback and survey results, etc.
- ✓ **Set targets based on sales branches' declarations**
Headquarters to ensure that branches play a supportive role in achieving their own targets

Collection and analysis of customer feedback

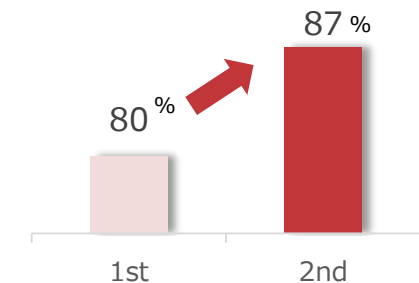
Improvement in customer satisfaction (NPS*1)



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

Collection and analysis of the Bank Group staffs feedback

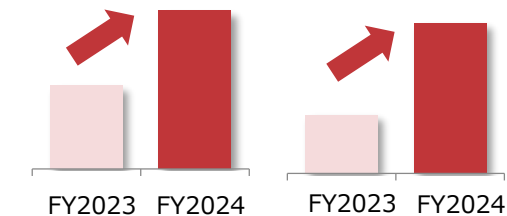
Engagement survey



To "sympathy with the Chiba Bank Group's Purpass Vision"
Percentage of positive responses

Compliance questionnaire

※Percentage of respondents who answered that there was a "good change"



Change due to business improvement order

Change due to abolishment of profit target of personal business

Strengthening consulting functions for corporate customers

Supporting the resolution of essential management issues

Headquarters
Establishment of corporate sales support team
Expansion of industry surveys

Sales branches
Customer Contribution Information Meeting
Increase the number of staffs in charge of corporate business

① Penetration and thoroughness of the Purpose and Vision		Implementation timing	Implem-entation*1	Add *2
Displaying the Purpose and Vision on internal PCs and business cards		September 2023	●	
Reviewed Fiduciary Duty Policy, established Fiduciary Duty Handbook		October 2023	●	
Established Three Pledges		October 2023	●	●
Monthly Fiduciary Duty study meeting by all employees		October 2023	●	
Career support based on human resource development policies at personnel interviews		October 2023	●	●
Discussion by project team (two subcommittees in the bottom)		December 2023	●	●
On the 23rd of every month, distributed video messages by Directors		December 2023	●	
Start of Fiduciary Duty hearing		December 2023	●	●
Senior management and compliance training		December 2023	●	
Implemented Fiduciary Duty Special Award		2H of FY2023	●	●
Linking performance reviews to human resource development policies		April 2024	●	●
② Establishment of the operational management system		Implementation timing	Implem-entation*1	Add *2
Implementated the four major measures concerning investment-type financial instruments	proposal ability	April 2023	●	
Specialist training in retail comprehensive consulting		April 2023	●	
Training and video distribution for Fiduciary Duty, behavioral change to focus on activity volume	Incentive	September 2023	●	●
To eliminate banks' profit targets for the retail business		October 2023	●	
Eliminated return of profits incentives completely from the Securities transactions based on the Bank referrals		October 2023	●	

*1 Including ongoing measures after implementation

[All 57 measures (major measures are listed on this page)]

*2 Addition from business improvement plan originally submitted

[Additional Nine measures (based on notices)]

③ Strengthening internal control system		Implementation timing	Implem-entation *1	Add*2
Conducted engagement survey	1 st line	September 2023	●	
Opened Chotto line to group companies		September 2023	●	
Newly established practical training for newly appointed internal administration supervisors		October 2023	●	
Introduced conformity verification tools		March 2024	●	
Introduced 360-degree evaluation to group companies		August 2024	●	
Review of the 2 nd line system (establishment of the Customer Support Monitoring Office)	2 nd line	October 2023	●	
Customer interviews by headquarters staff about sales of financial products		December 2023	●	●
Advanced analysis of customer feedback (introduction of RPA and AI)		September 2024	●	
Diversification and sophistication of monitoring methods (Phone recording system, voice and video recording of visits,)		August 2024	●	
President as in charge of the Audit Department and deeply involved in PDCA	3 rd line	October 2023	●	
Introduced culture audits		March 2024	●	
Through participation in the meetings of the Securities Audit Department by the Bank's Audit Department, strengthening group cooperation in the auditing department		September 2023	●	
④ Strengthening Business Management System		Implementation timing	Implem-entation *1	Add*2
Dispatch of Directors and general managers from the bank to the securities	Group governance	April 2023	●	
Establishment of the Group Improvement Office		October 2023	●	
Implementated customer satisfaction surveys for all group companies customer		November 2023	●	●
The chairman of the Board of Directors was changed to an Outside Director		April 2024	●	
One on One meeting with the president of group company presidents	Organizational culture	September 2023	●	
Opinion exchange meetings between the bank Directors and group companies		September 2023	●	
Introduced Skill Matrix for Executives of group companies		April 2024	●	

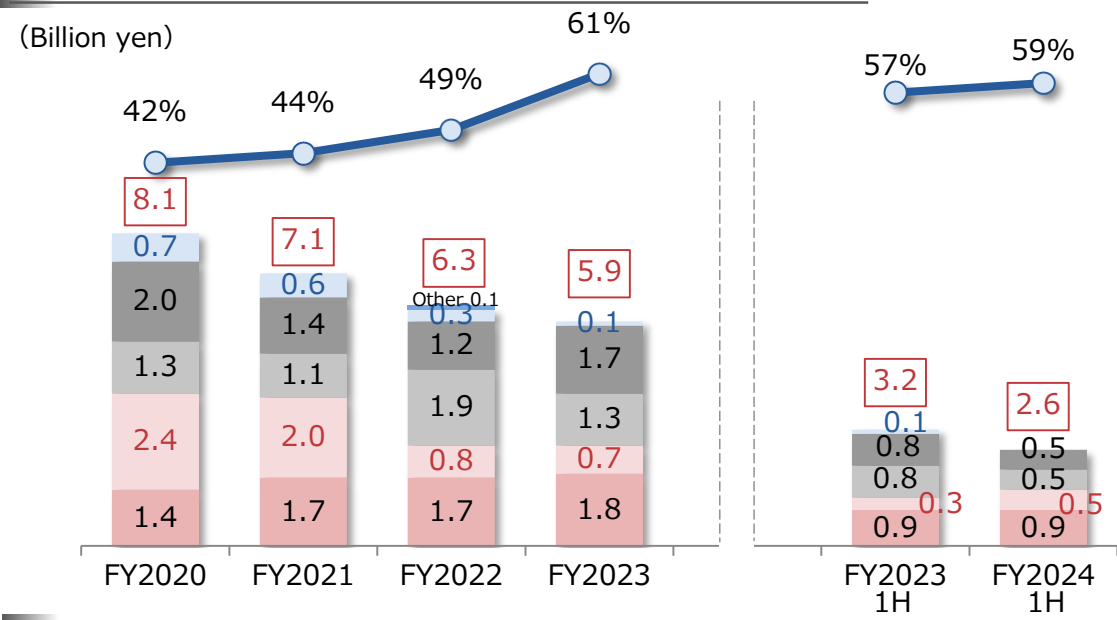
Appendix



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

Financial Products

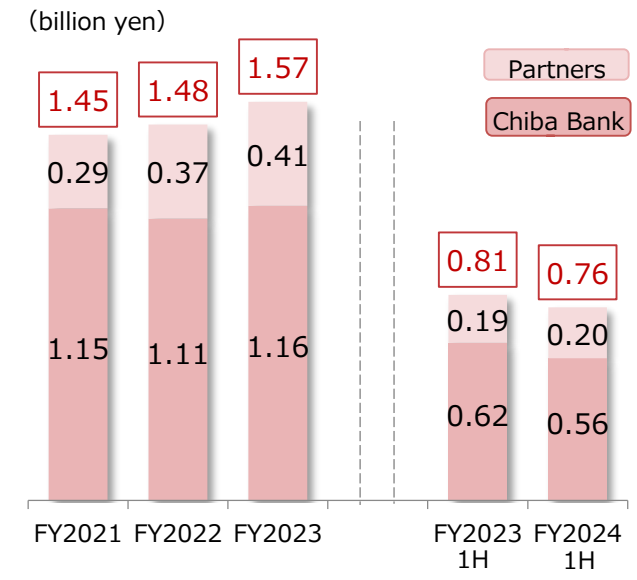
Fees and commissions from financial products



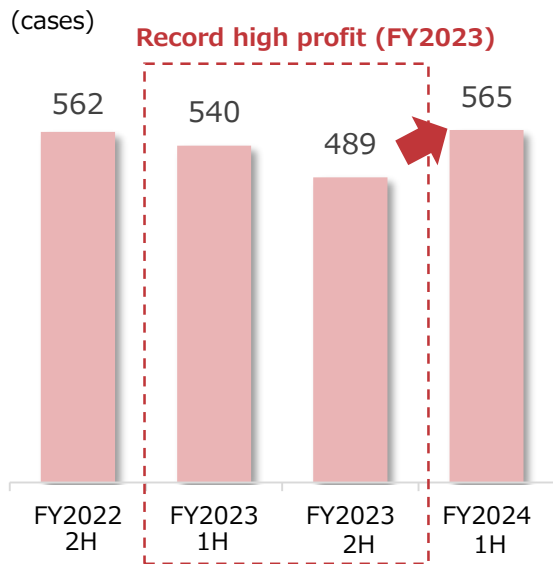
【Year-on-year】
Recurring revenue rate +2%
[Total] -0.5
Fin. instrument intermediary -0.1
Level-premium insurance -0.3
Annuities, whole-life insurance -0.2
Investment trusts (sale) +0.1
Investment trusts (trust fees) +0.0

Trust and inheritance-related business

Fees and commissions from Trust and inheritance-related business

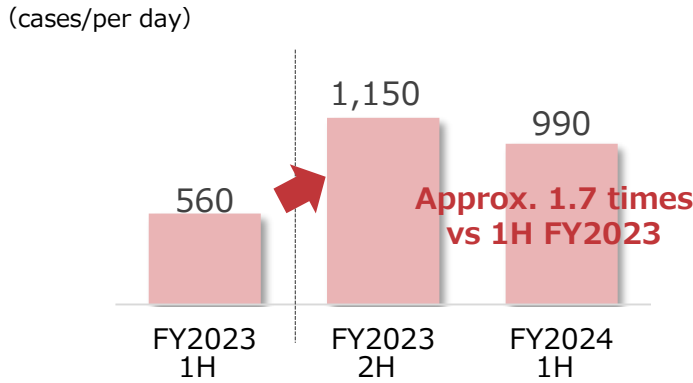


Number of applications

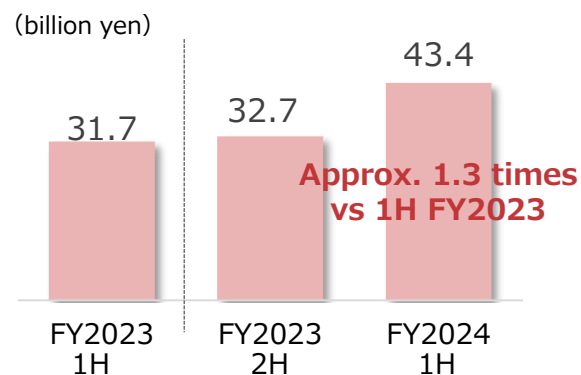


Sales activities after elimination of revenue targets

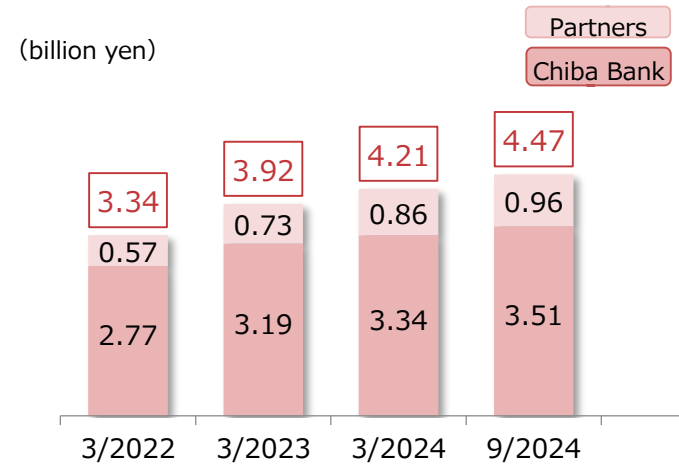
Number of effective interviews



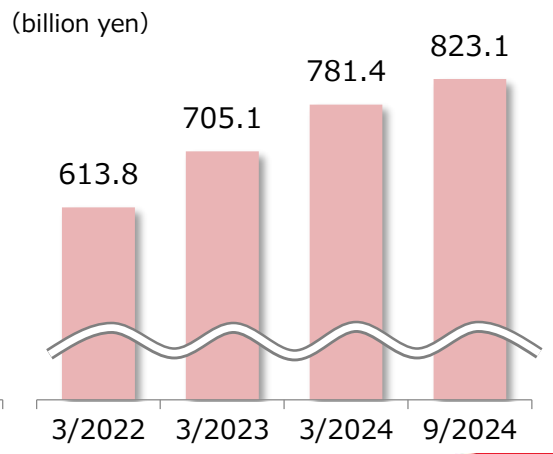
Investment trusts sales



Future income from held testaments



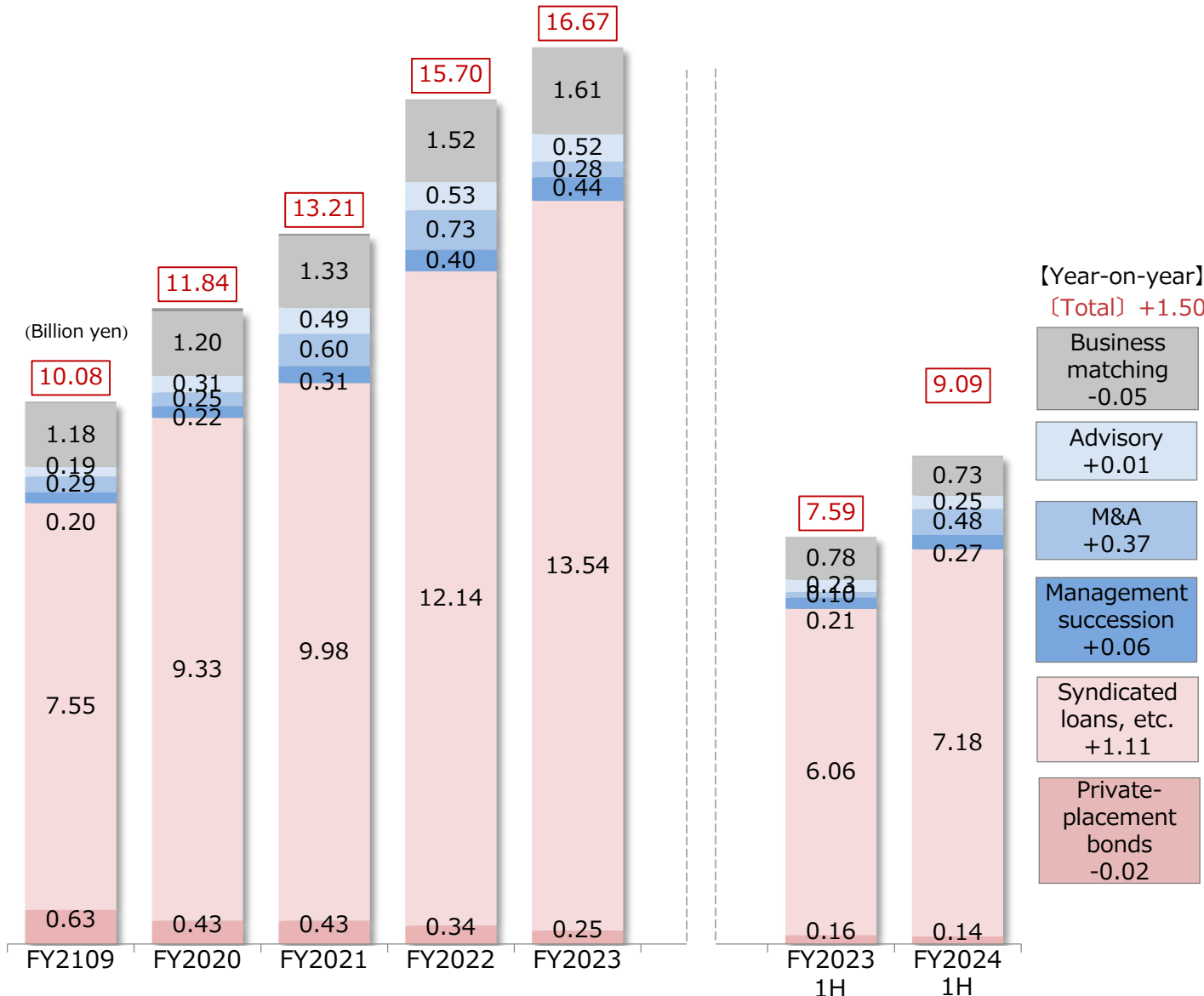
Total assets uncovered through inheritance operations



Revenue from corporate solutions reached a record high for the 5th consecutive year

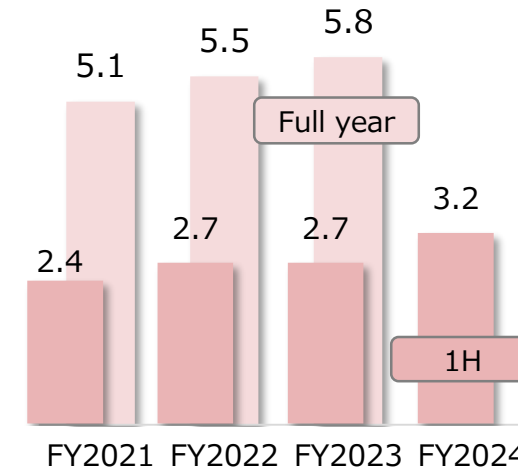
Corporate solutions-related revenue

*No breakdown for "Other" (0.01 billion yen for FY2024 1H)



Number of successful solutions contracts

(thousand cases)



Advisory Specified Corporation Meeting

Targeting approximately 900 regional core companies

Branches

Headquarters (sales department, credit review) / Group companies

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

Customer Contribution Information Meeting

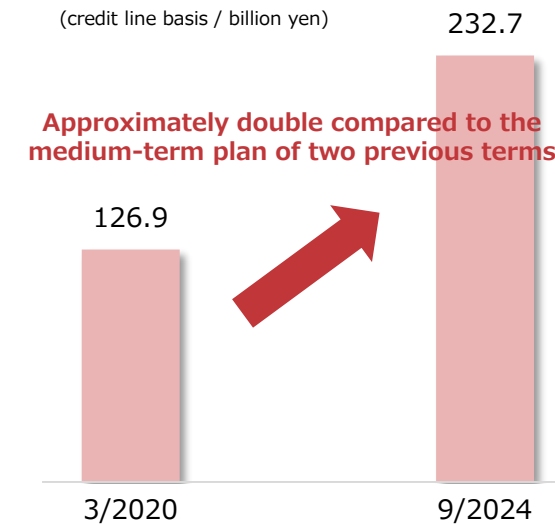
New

Sharing "How can we be of service to our customers" at weekly meetings

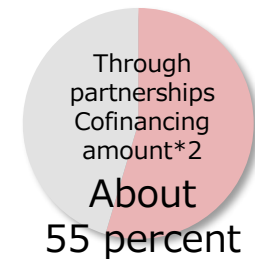
→ Proposals that focus on customers' thoughts, needs, and concerns

Balance of project finance

(credit line basis / billion yen)



Co-financing by the Alliance Banks as a ratio of the amount arranged by the Bank
(Cumulative from April 2020 to September 2024)



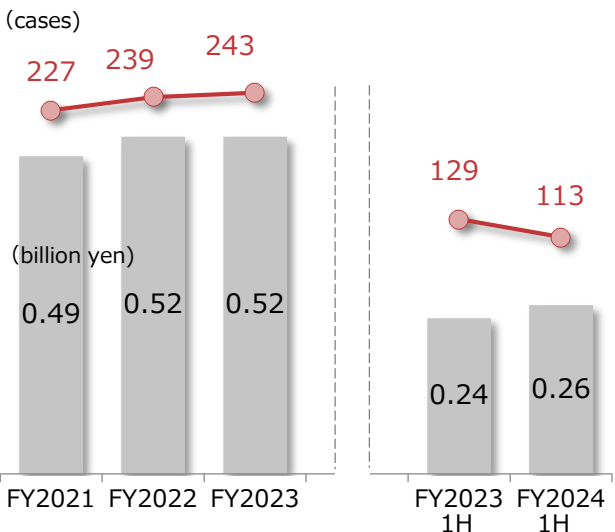
By leveraging its alliance strategy To strengthen large-scale projects

※1 Including core arrangers ※2 including the amount of loans extended by the Bank

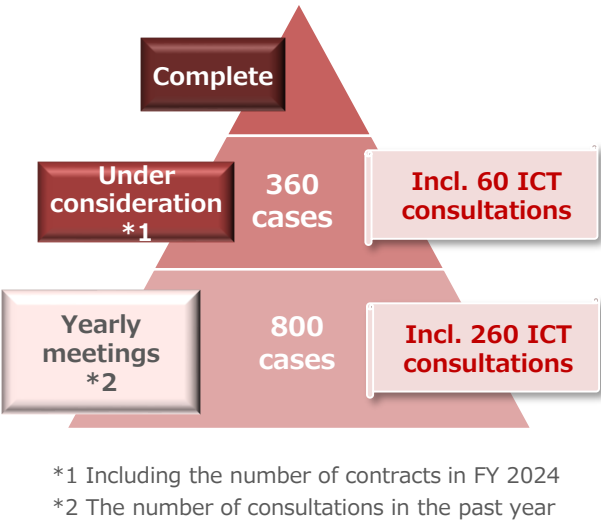
Thorough support as an assistant to management

Corporate advisory

Number of contracts/ fee income

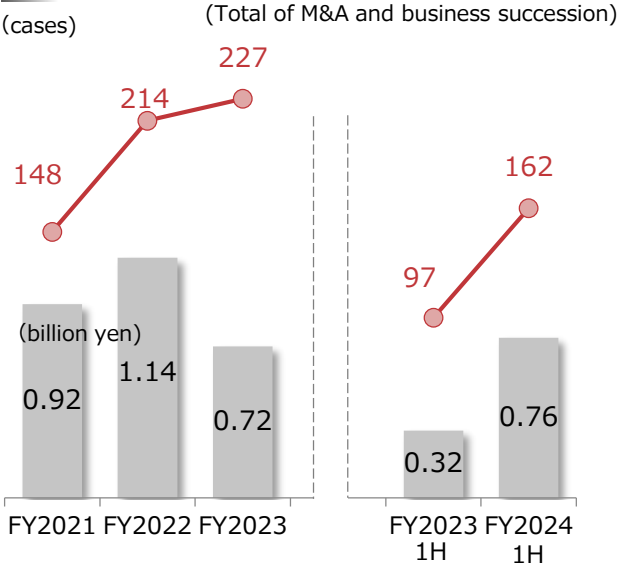


Number of projects

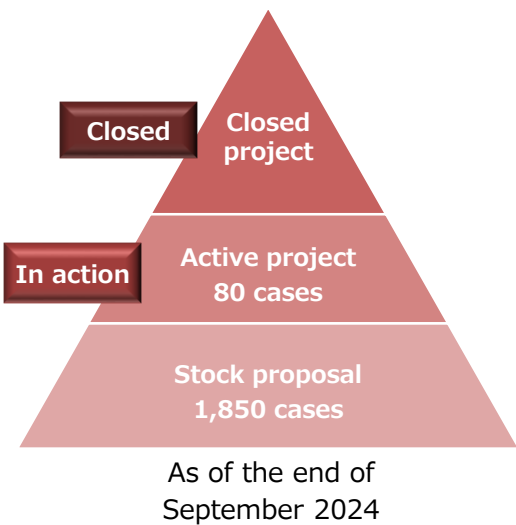


M&A and business succession

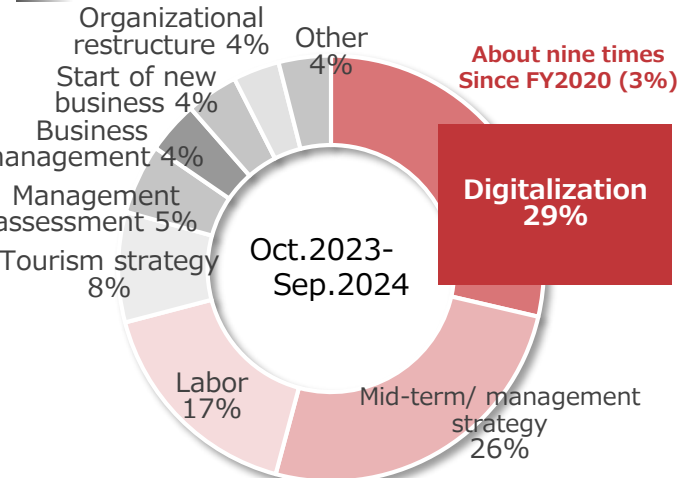
Number of contracts/ fee income



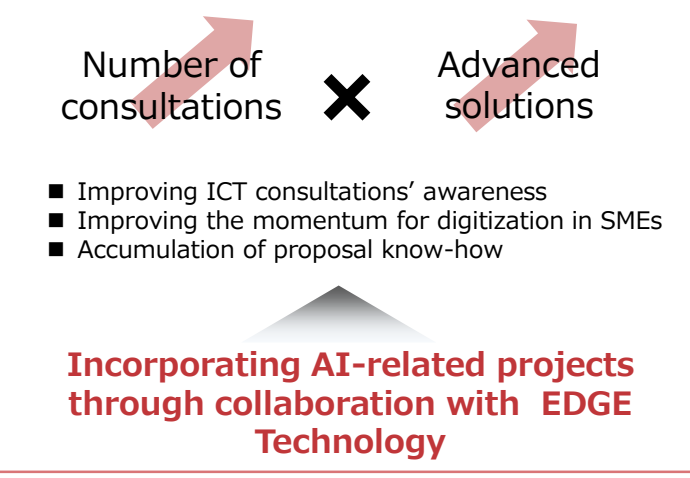
Number of projects



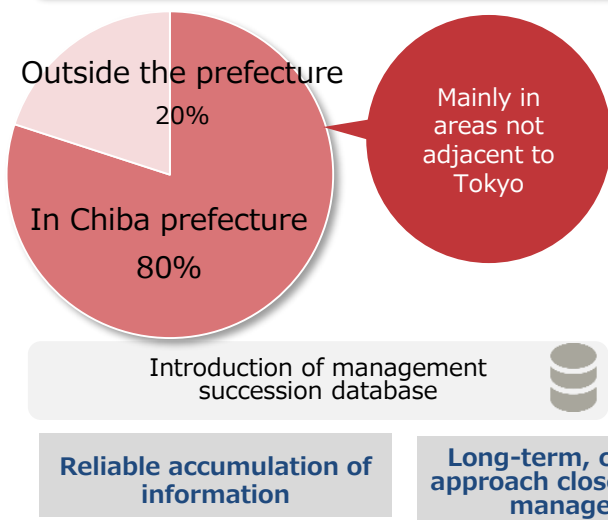
Breakdown



ICT consultations



Area distribution of M&A deals for sale



Accumulation of small- and medium-scale projects by leveraging customer base and network

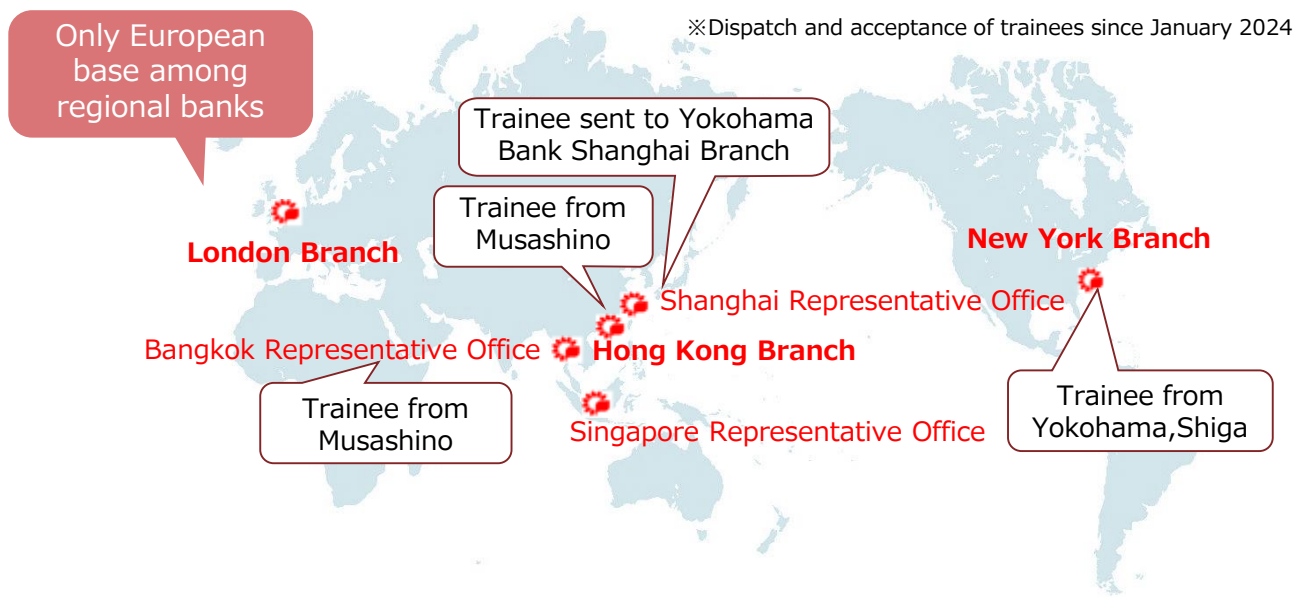
↓

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

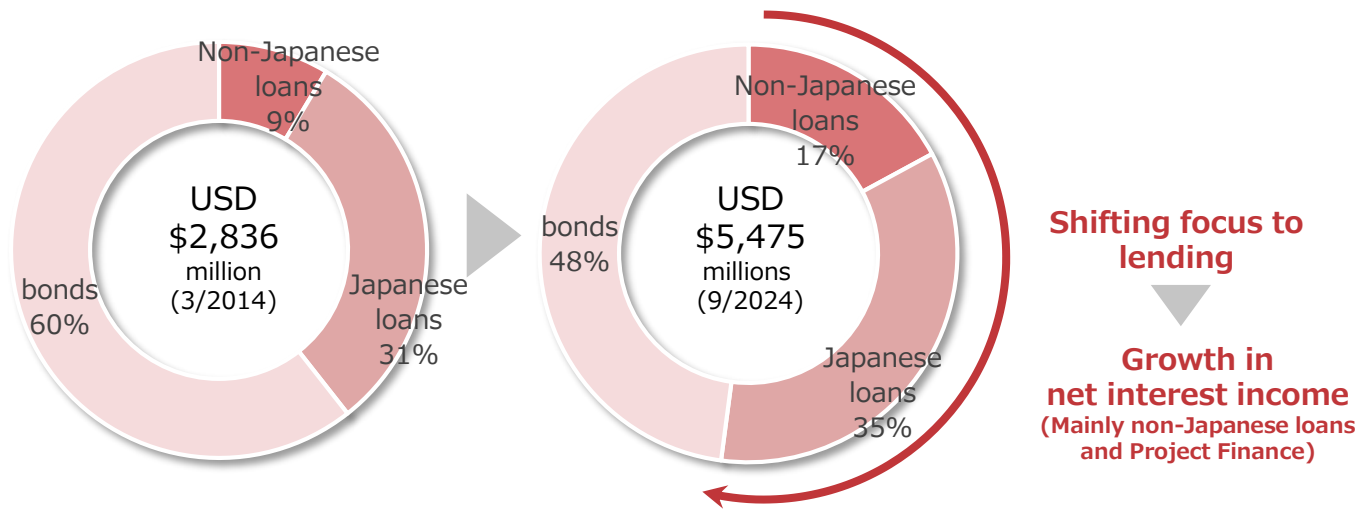
Utilization of funds both within and outside the group

Use of the largest overseas network among Japanese regional banks

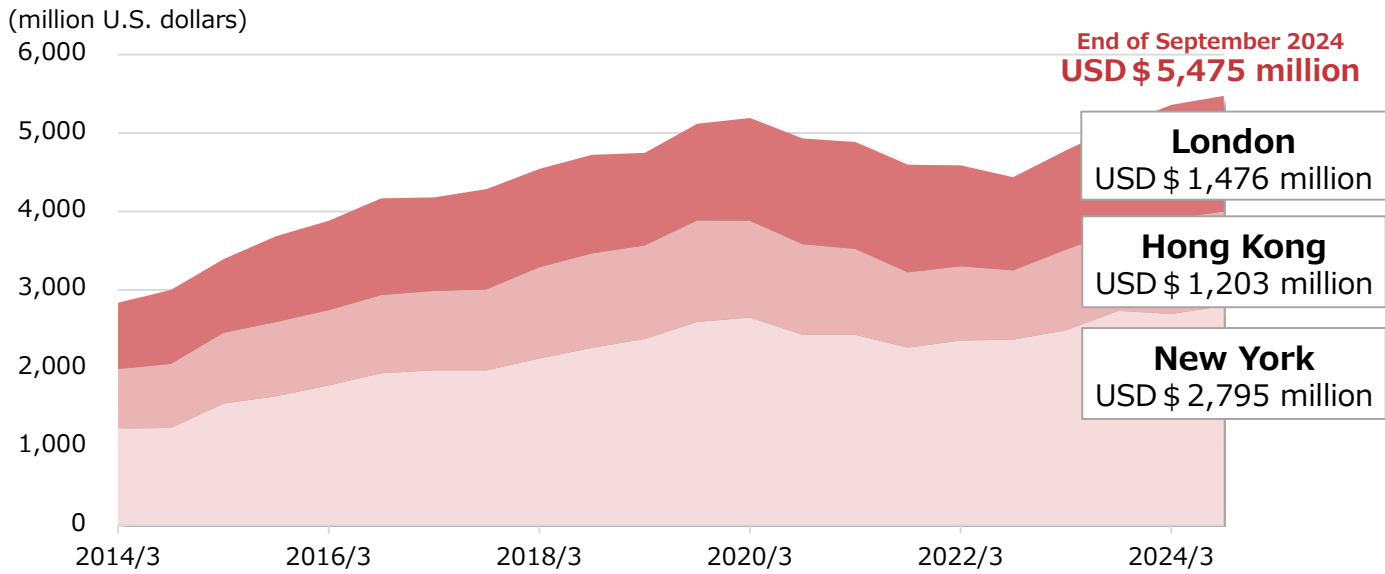
Overseas network



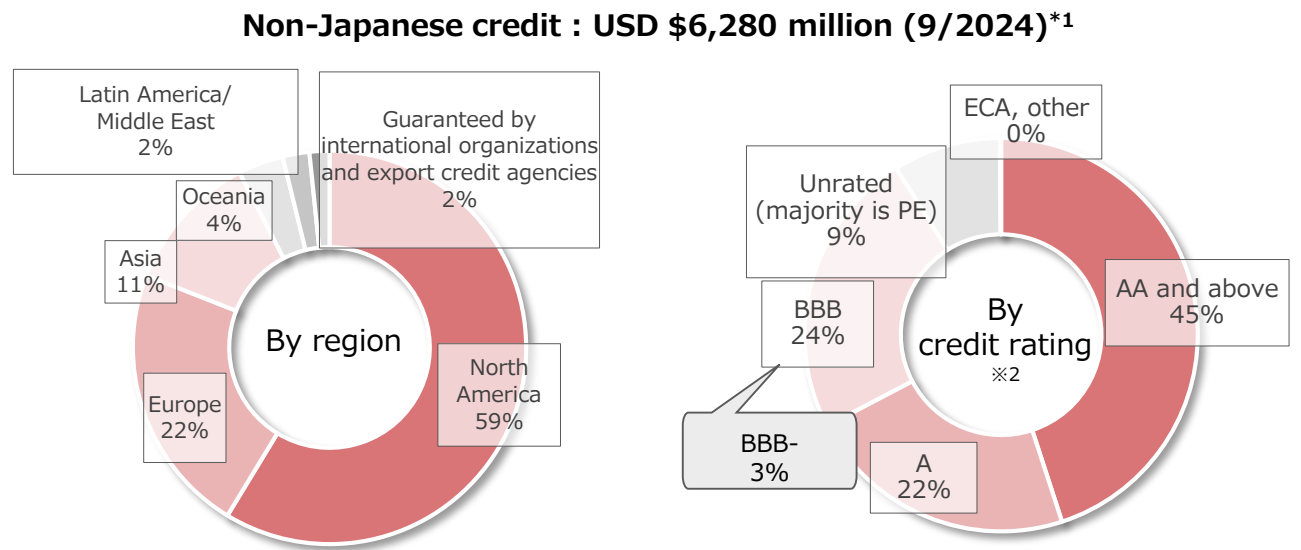
Breakdown of overseas branches assets



Overseas branches assets



Non-Japanese credit

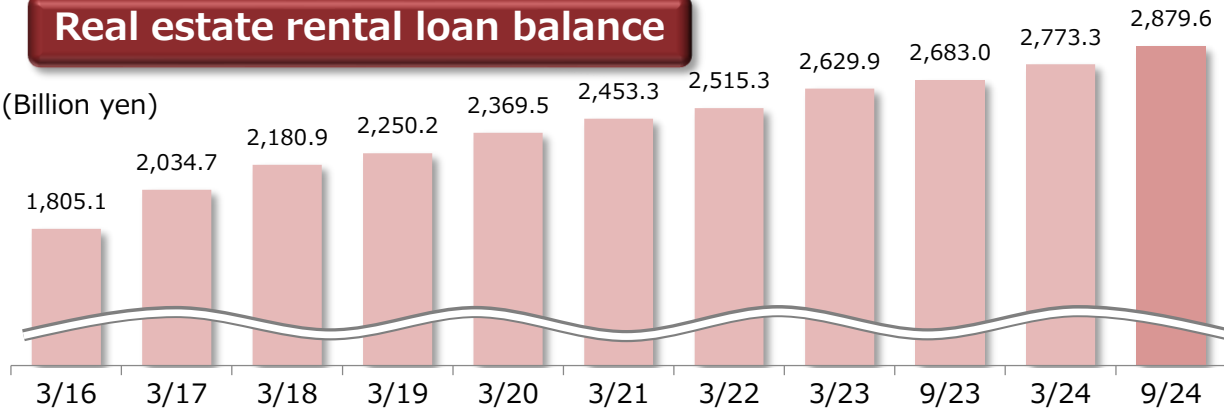


*1 Includes credit to non-Japanese companies in domestic branches and market divisions

*2 S&P/Moody's lower rating

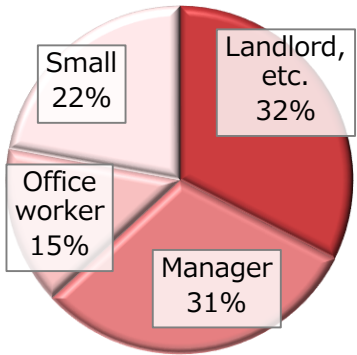
Real estate rental loans increased steadily while credit risk remained low

Real estate rental loan balance

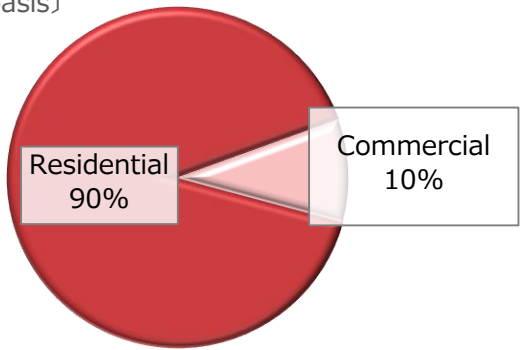


By borrower type

[9/2024 / case number basis]



By use



Occupancy rate

Average for Bank-financed properties: **95.7%**
(Residential 95.8% Commercial 94.2%)
*National average: 84.1%

DSCR

Average for Bank-financed properties: **146%**

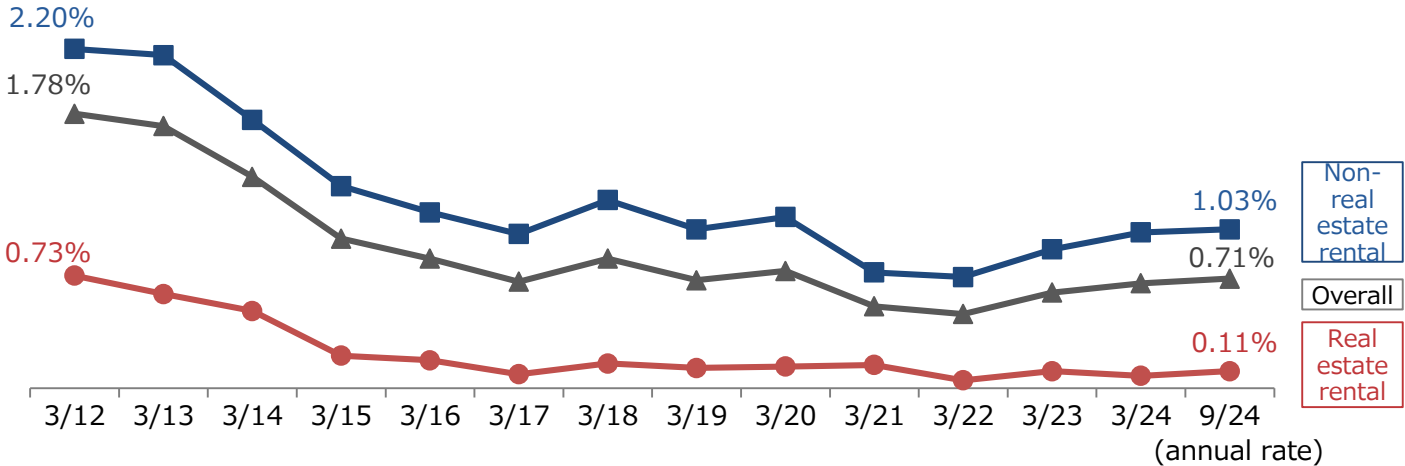
DSCR: Single property balance

(Cash flow before payment of principal and interest of the property ÷ Amount of principal and interest payment)

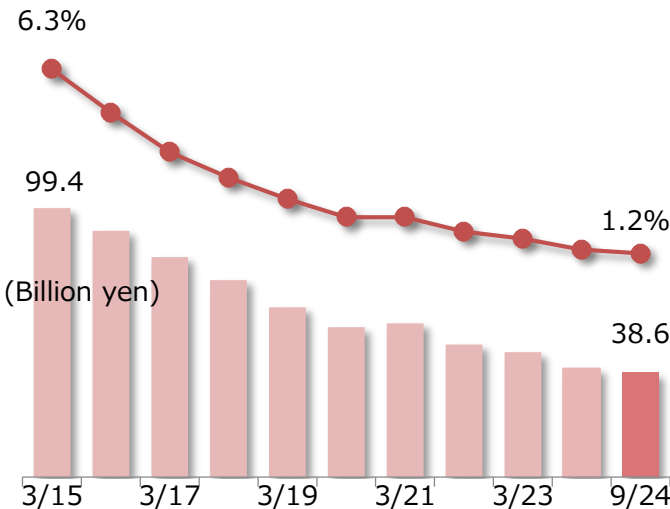
(If less than 100%, rental income cannot cover repayments and expenses.)

Default rate*

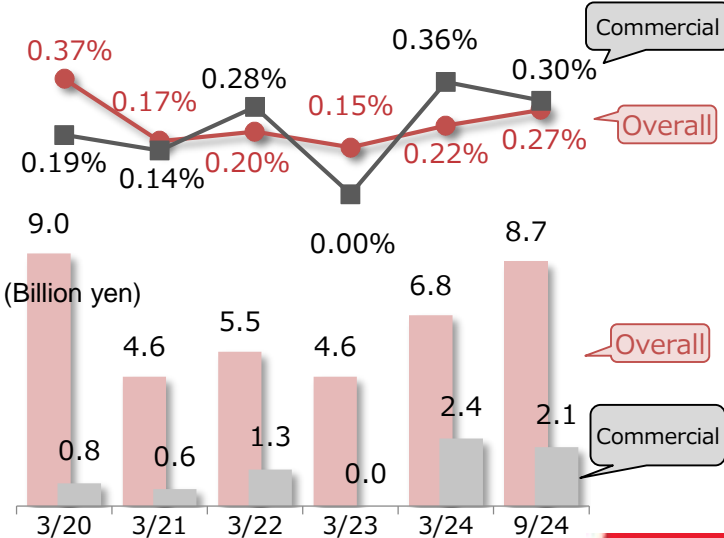
*Default: rank-down to "potential bankrupt" or below (case number basis)



Real estate rental business balance/ratio of modified loans



Real estate rental business Balance/ratio of overdue loans



Accelerating new initiatives in a wide range of group companies

Regional trading company: Chibagin Market

STEP1 regional products

"Trigger regional revitalization" within Chiba



Crowdfunding
Total of 244 projects
(As of the end of September 2024)

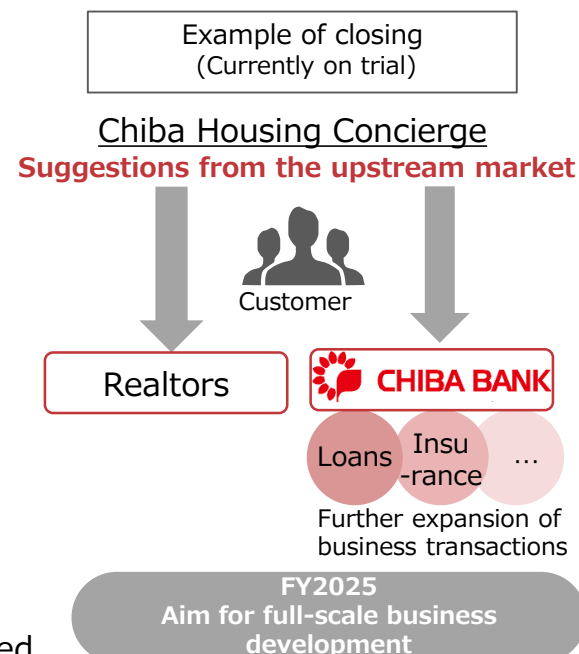
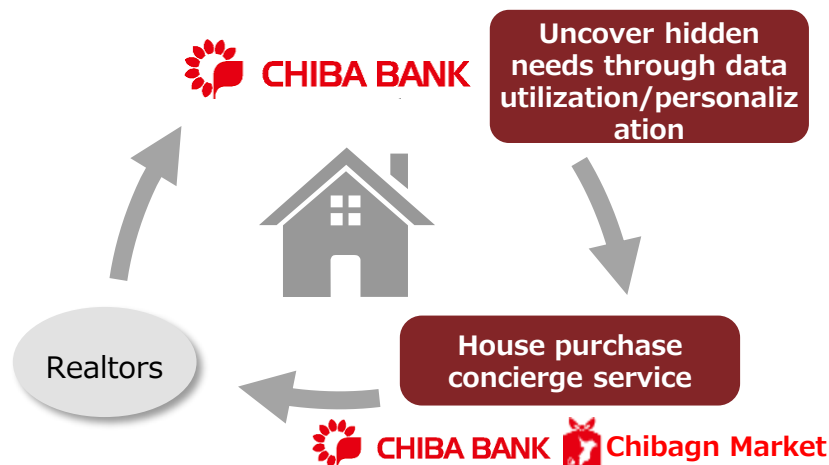
STEP2 life events

Establishment of new business model that stands **upstream of commercial distribution**

STEP 3 living

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

Chiba Housing Concierge (STEP2)



Energy business: Himawari Green Energy

Power generation management

Operation/management of power plants

Sale of energy

Sell and generate energy in-house

Others

Consulting service
Environmental value referral

Starting operation of the power plant

1st
Asahi Power Plant
Dec. 2023

2nd
Kimitsu Power Plant
Apr. 2024

In multiple cases under consideration



Annual electricity production
About 1,150万kWh

Number of households
About 3,200 households

Equivalent to about 35% of the Bank group's electricity consumption

Starting intermediation of Feed-in Tariff non-fossil certificate (Mar. 2024)

Other Group Companies' New Business

Auto leasing for individuals

Starting to provide services for group executives and employees



CHIBA BANK **Chibagin Leasing**

Identify needs and issues

Service sophistication to be expanded to general customers

Consideration of car concierge

FY2025 Aim for partial launch of services for general customers

Support services for formulation of business improvement program

As an approved support agency
Formulation of the business plan of the debtor and
Conduct monitoring



Targeting small and medium-sized companies mainly in Chiba Prefecture

1H of FY2024
Start of business

Providing a wide range of solutions as an advisor to management

High-level solutions via real estate funds

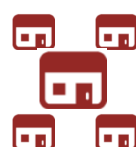
Step-by-step expansion of the pipeline while deeply exploring each customer's management issues

Examples of management issues

We want to develop a new logistics facility, but we don't want to expand balance sheet



We want to liquidate fixed assets to fund new store openings and store renovations.



Real estate fund

Finance
Financial institutions and investors including Chiba Bank

Other ongoing projects

Office

Residence

Logistics facilities

Community-based commercial facilities

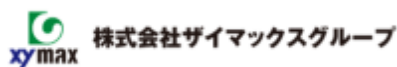
Hotels, etc.

Invested and loaned to a privately placed real estate fund backed by World Business Garden ("WBG")

New



Loan and investment



Investment and others

- Asset management
- Property management
- Building maintenance

Private real estate funds



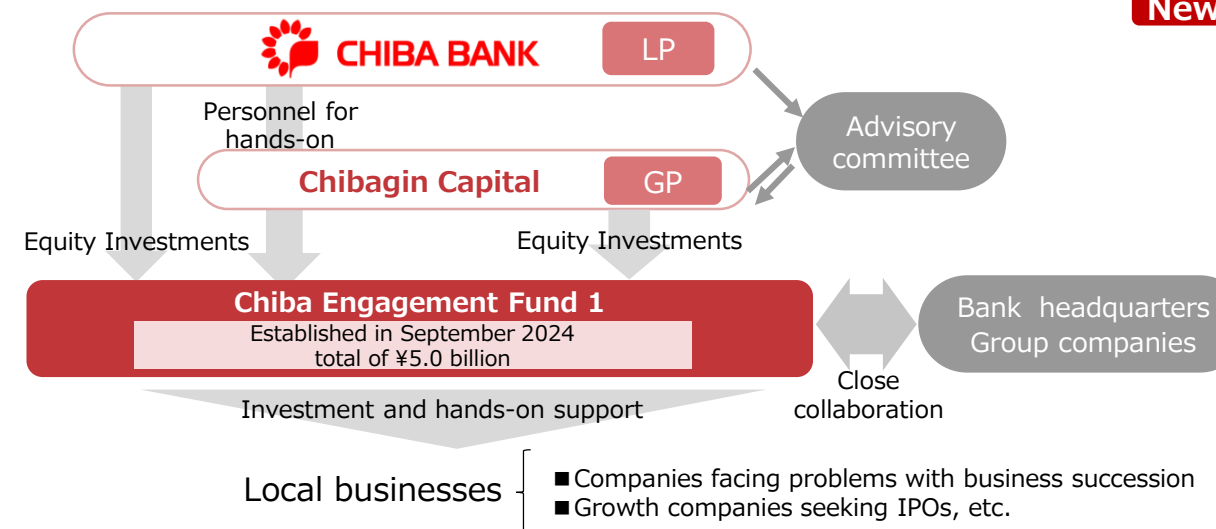
Largest office building in Chiba Prefecture "WBG"

Supporting the stable operation of WBG, a landmark in Makuhari area

Resolution of regional issues (Employment promotion and economic revitalization)

Hands-on support using buyout funds

New



Advertising business

Gross operating profit

(Million yen)

56

113

FY2023 1H

FY2024 1H

FY2025 (target)
0.3 billion yen

Advertising media business

As of 30/9/2024
rate of operation
approximately 49%
(Total of 675 advertising space)

Advertising consulting



- Web advertising management
- SNS management
- Site production, etc.

New Businesses ③ (Digital Related and Others)

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

We will continue to enter new business fields to improve services and diversify earnings by using DX

Joint Business Plan (JBP) with Google Cloud



Utilization of Google's marketing tool, Google Cloud

Marketing with online advertising and video

Data analysis technology with Google Cloud's AI and machine learning

Development of cloud data environment

Enhancing One-to-One marketing

Utilization of platform/new technology

Metaverse

Provision of content for young people (scheduled)

Games × Financial education



New

- Obstacle race
- Games that gather coins and items over time
- Quiz

BaaS business



Provide financial and other functions

Business operators

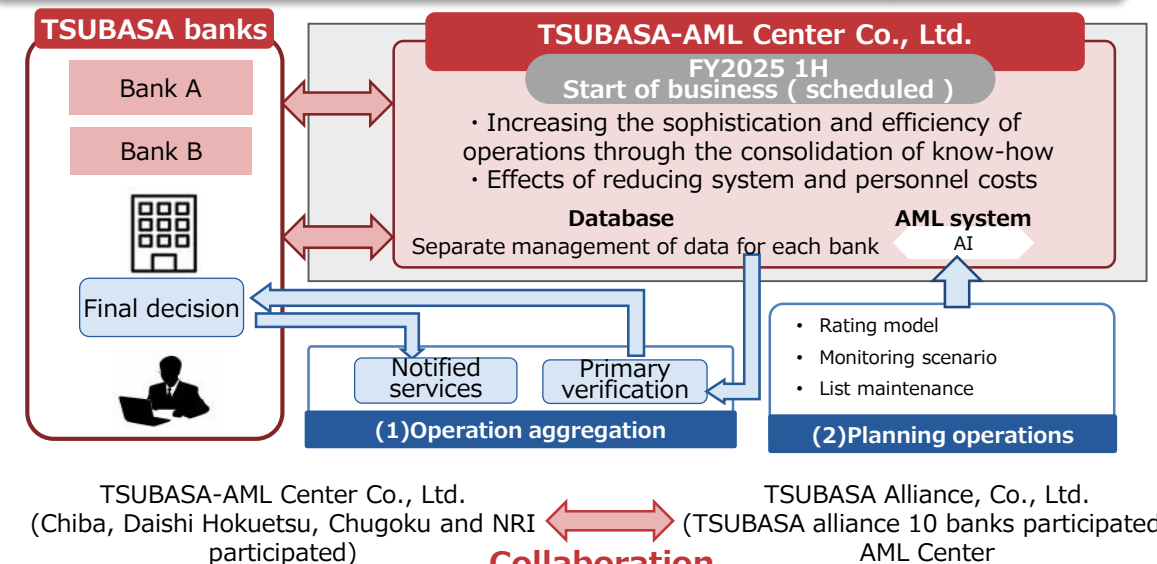
Loans

Cashless Platform

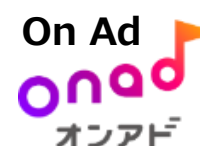
Business operator customers



TSUBASA-AML Center Co., Ltd.



Remote financial consulting service: On ad



Neutrality



Complete in online



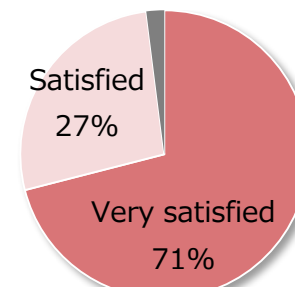
Specialized advice



Contributing to Financial Wellness

- Personal services
- Corporate service

High rated by paying interviews



98% of users are satisfied with the content of the interview

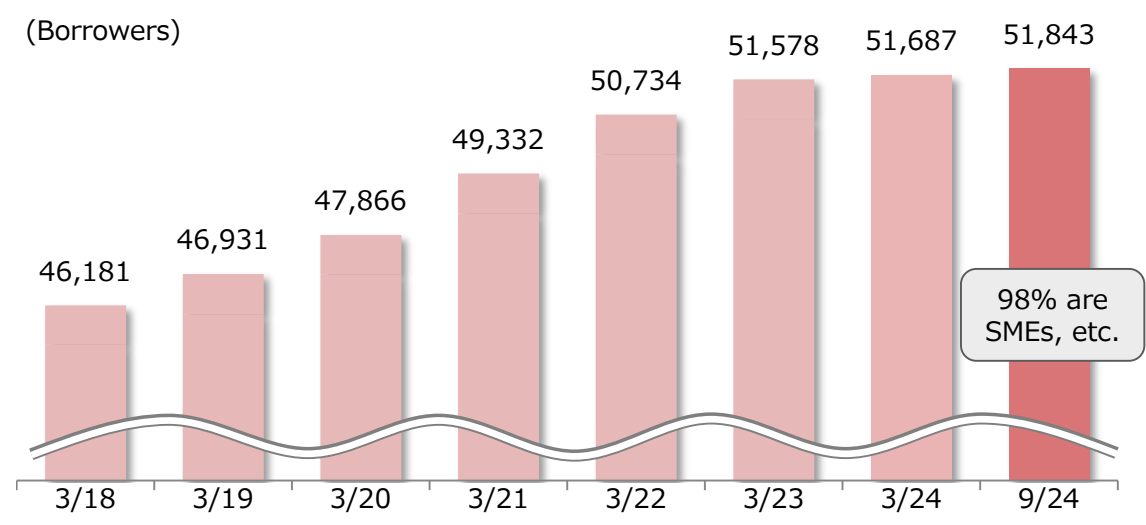
95% of users intend to reuse the service

Operating Base ① (Loans)

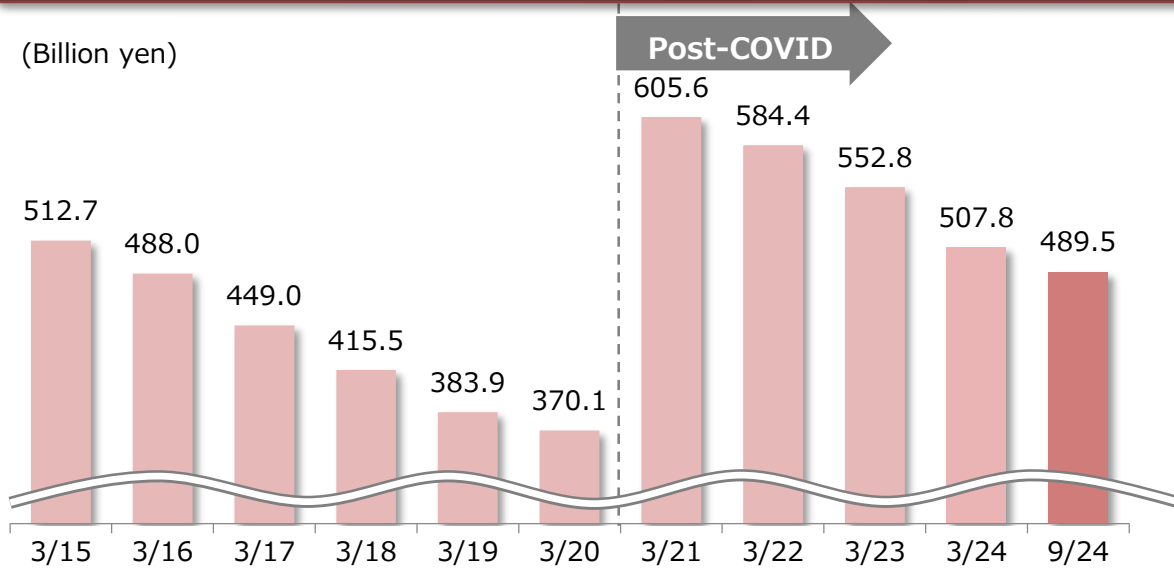
To create a local community better suited to bringing each person's hope to life

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

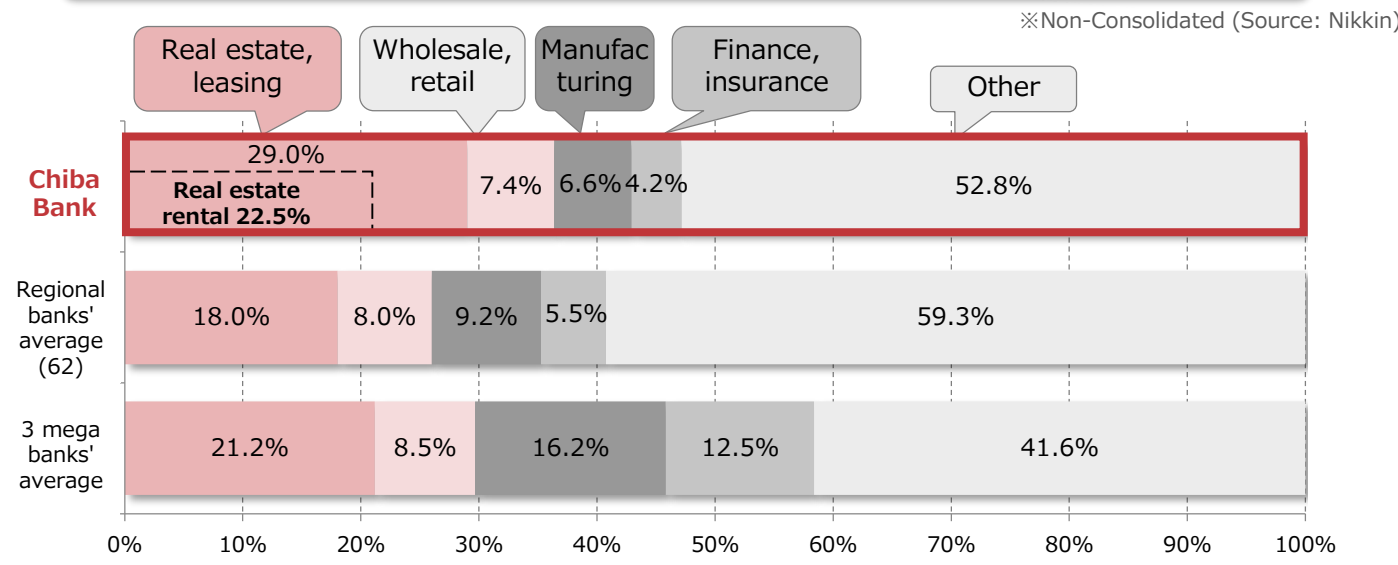
Number of corporate borrowers (domestic only, excl. public)



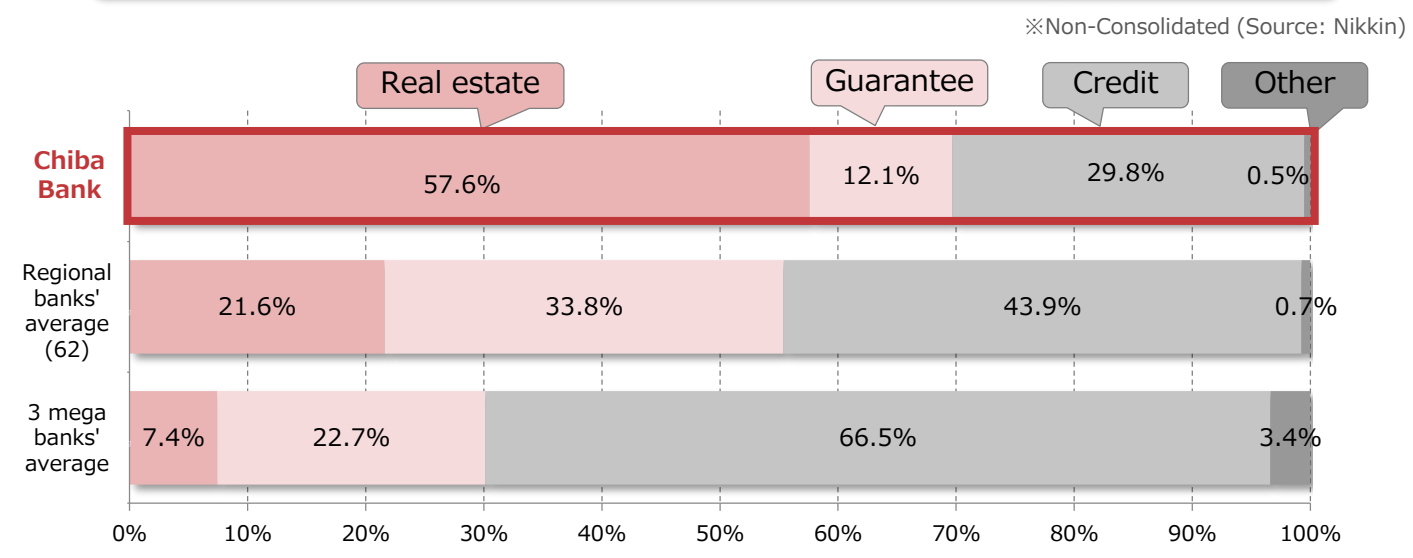
Guarantee association loan balance



Proportion of loans by industry (as of 3/2024)

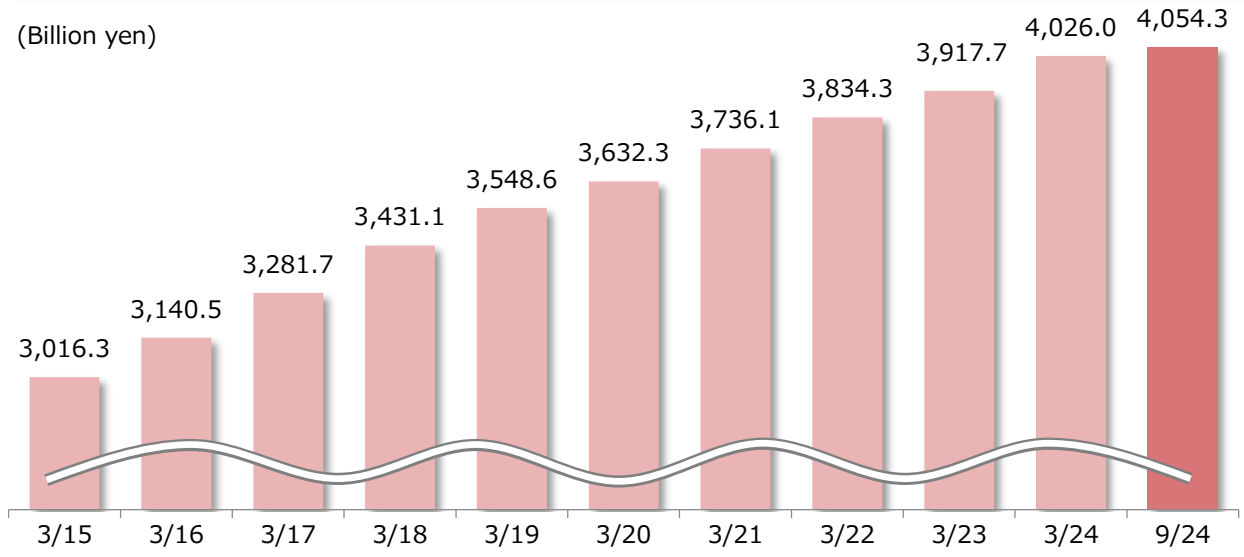


Proportion of loans by collateral (as of 3/2024)

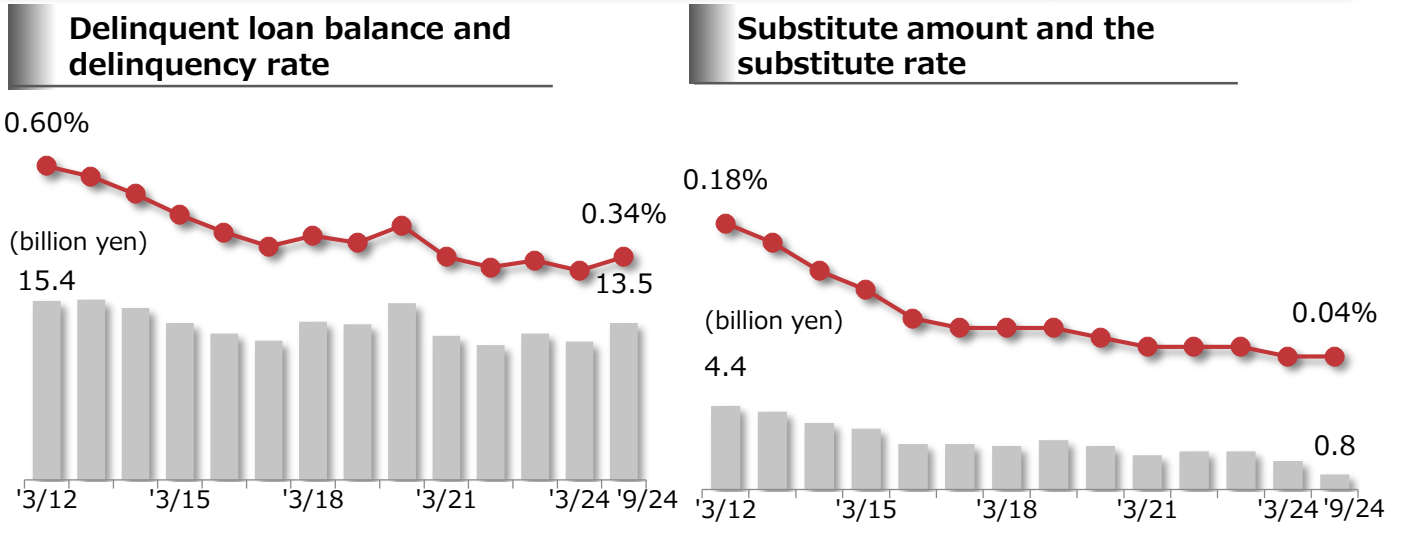


Optimize proposals at each stage: Review ➡ Loan execution ➡ Repayment

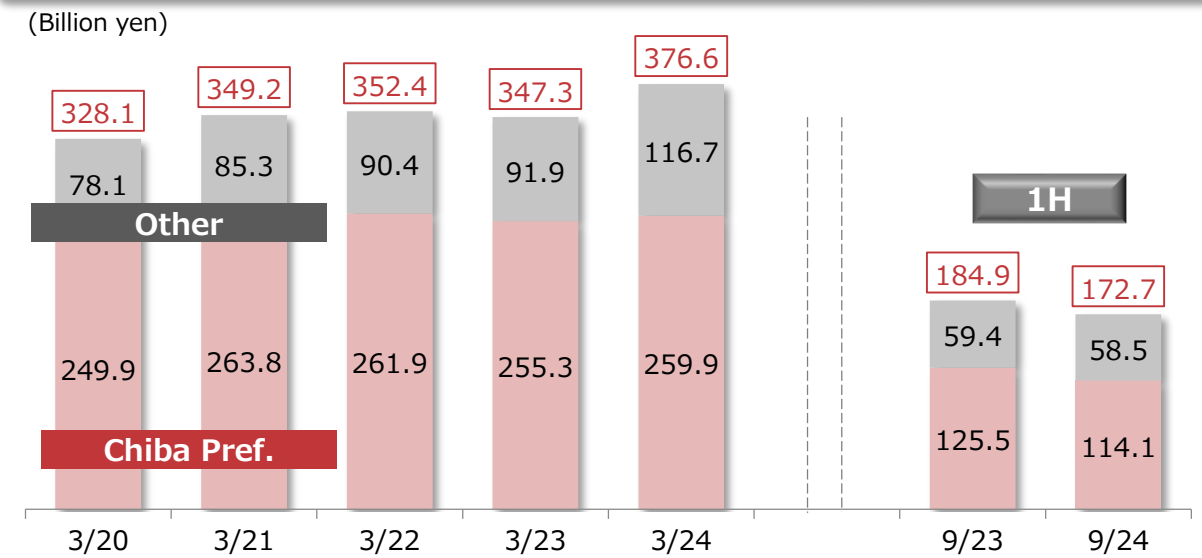
Residential loan balance



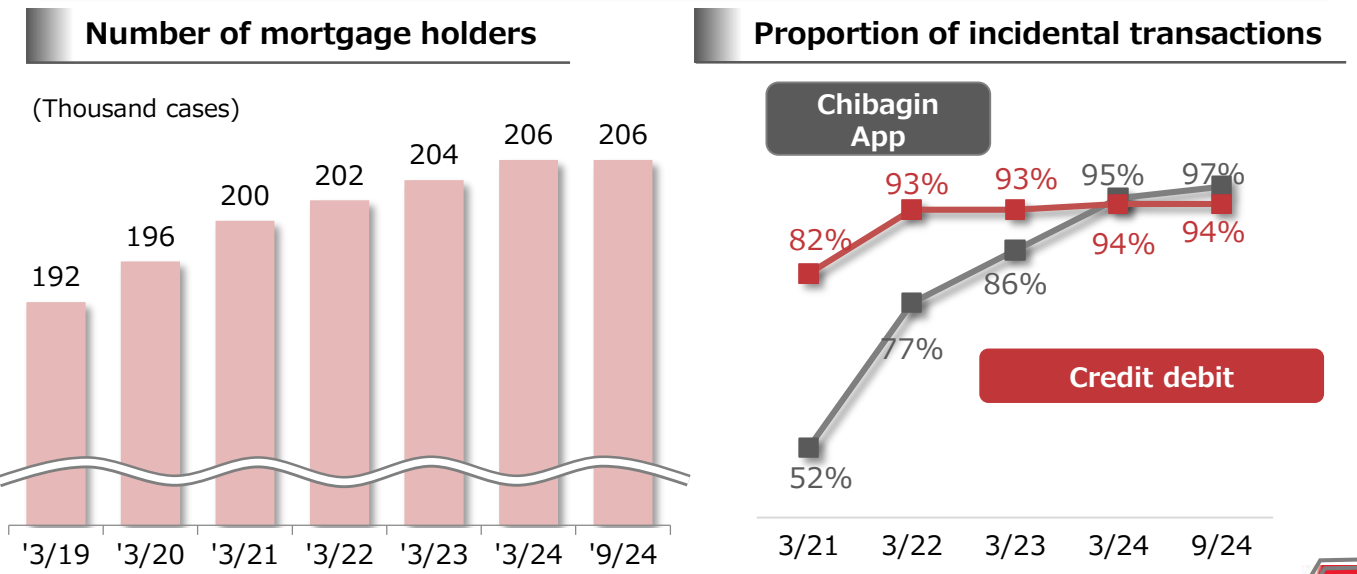
Residential loans delinquency/guarantor rate



Residential loan execution total



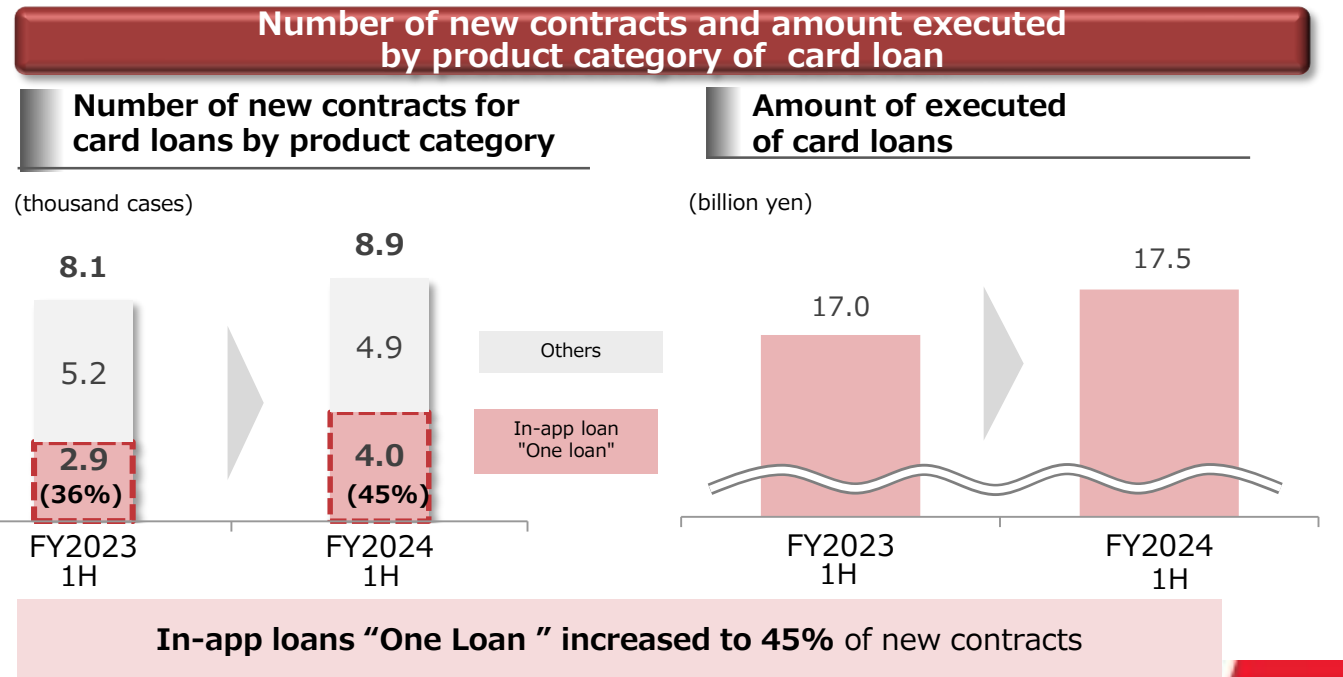
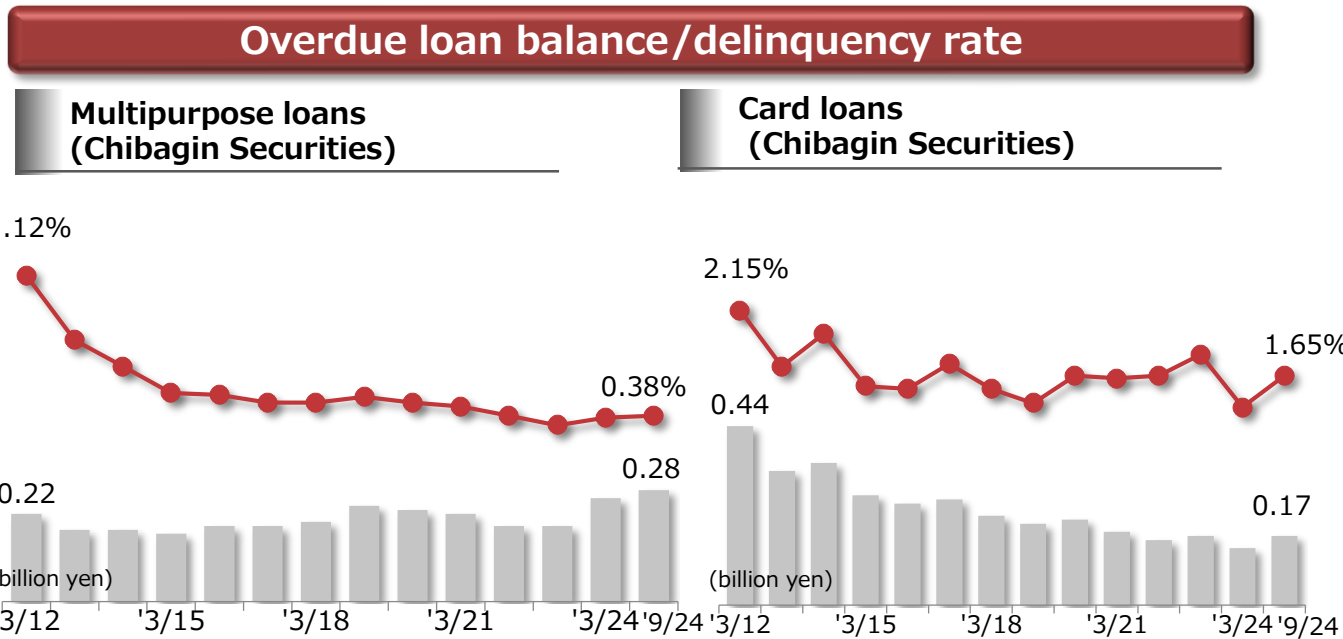
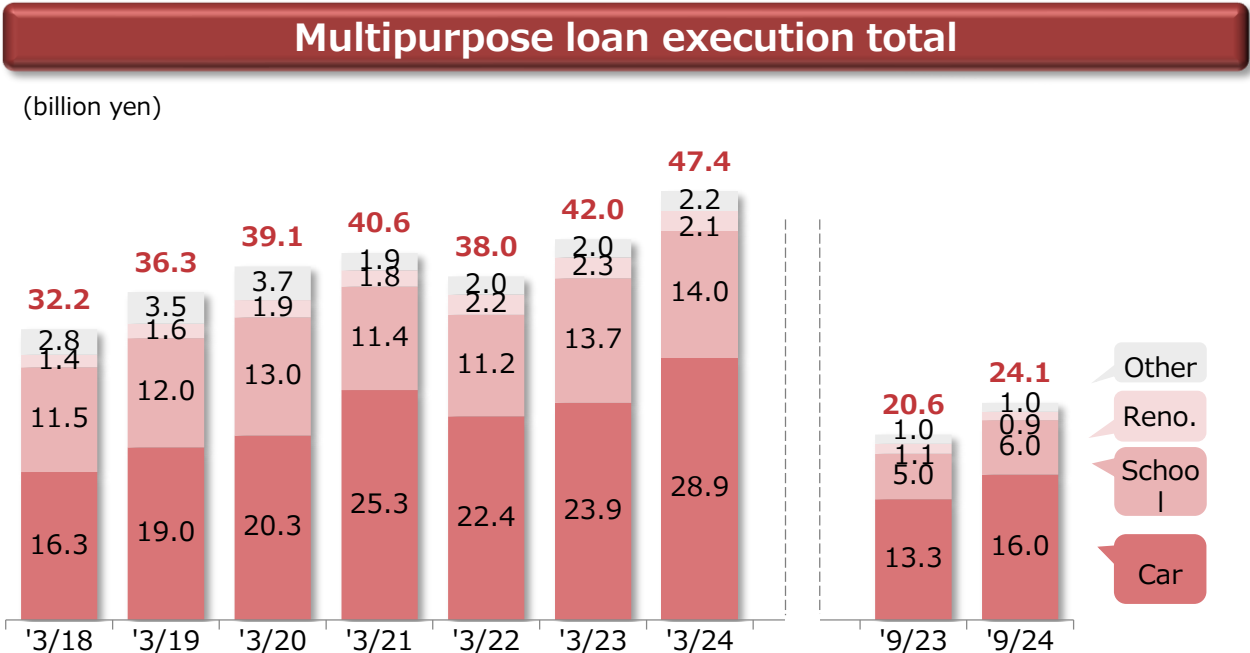
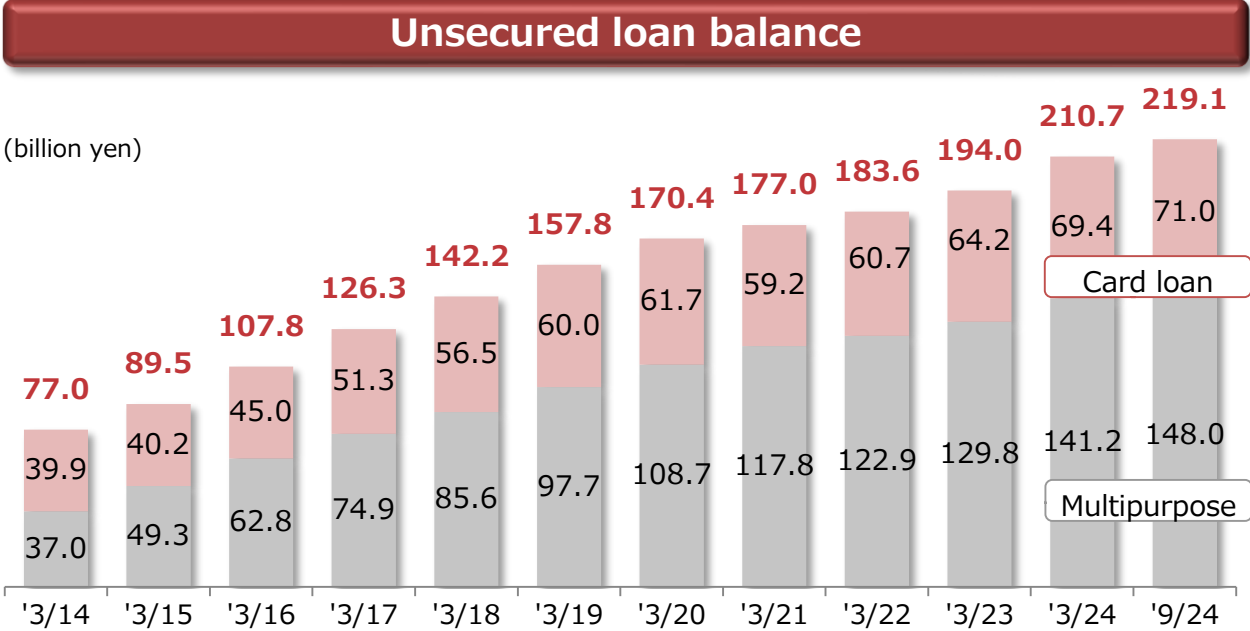
Expansion of cross-use of housing loans holder



Operating Base ③ (Unsecured Loans)

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

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



In-app loans "One Loan" increased to 45% of new contracts



The second half of FY2023

- ★ Established TSUBASA-AML Center Co., Ltd.
- ★ Migration to TSUBASA core system collaboration (Toho Bank)
- ★ Established TSUBASA / JUUDANKAI Joint Research Group
- ★ Joint sponsorship of "Simultaneous revision of medical and nursing care fees web seminar" (all 10 banks)

- ★ Conversion of Hamamatsu-cho corporate sales office into a branch office and co-transfer

- [CMA/CYP related seminar]
- ★ "Startup Seminar2023"
(Supported by Musashino Bank and Bank of Yokohama)
 - ★ "Online Seminar on Migration and Settlement"
(Joint sponsored by Chiba Bank, Musashino Bank, Bank of Yokohama and Kanagawa Bank)
 - ★ "SDGs Seminar"
(Joint sponsored by Chiba Bank, Musashino Bank and Bank of Yokohama)

- ★ Seminar on "Supporting People's Life 100 Years at the End of Life"
(Joint sponsored by Chiba Bank and Bank of Yokohama)

- ★ Introduction of telepresence system "Mado" at Mito Branch
- ★ Preferential foreign currency exchange campaign at Narita Airport Branch Office (the second time)
- ★ Invest in Sustainability Linked Bonds issued by Sony Bank
- ★ Joint donations to TABLE FOR TWO

The first half of FY2024

- ★ Sponsorship of the Osaka World Exposition (all 10 banks)
- ★ Holding a joint study meeting for headquarter GM
- ★ 3rd TSUBASA Cross Mentoring Program
- ★ Interactive use of BOJ-NET in the event of disaster or disability (Daishi Hokuetsu Bank)
- ★ TSUBASA/JUUDANKAI Kicked-off joint research

- ★ Musashino Bank Hamamatsu-cho office into a branch office
- ★ Implement management-level personnel exchanges and short-term personnel exchanges at sales branches (ongoing measures)

- [CMA/CYP related business meeting event]
- ★ Business Meeting in Thailand
(Joint sponsored by Bank of Yokohama and Musashino Bank)

- ★ Formulation of the new five-year plan
- ★ Co-sponsorship of the Chiba Bank / Bank of Yokohama Student Business Contest 2024

- ★ Installation of a large naked-eye stereoscopic display in the Innovation Lounge (April to July 2024)
- ★ Live event for housing loan customers
Joint sponsored "CHEMISTRY Special Hybrid Live 2024"
- ★ Preferential foreign currency exchange campaign at the Narita Airport Branch Office (3rd)

From the second half of FY2024

- ★ Introduction of TSUBASA Smile, PL infrastructure (North Pacific Bank)
- ★ Introduction of app (Toho Bank)
- ★ TSUBASA Alliance joint training (all 10 banks)

- ★ Introduction of tools for measuring CO2 emissions
- ★ "Southeast Asia Expansion Seminar" (Supported by Musashino Bank)

- ★ CYP joint training (Female bank staffs, staffs in charge of liaison in Tokyo Metropolitan area etc.)

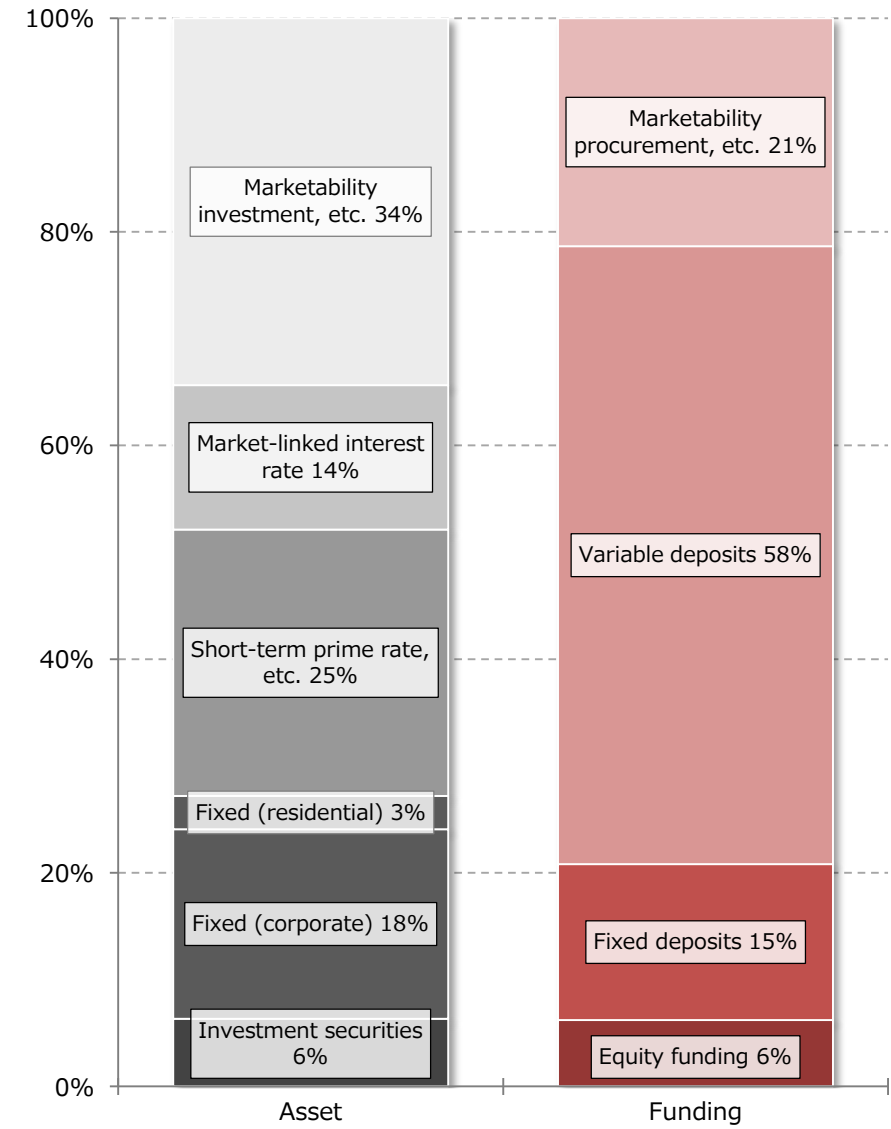
- ★ Preferential foreign currency exchange campaigns at the Narita Airport Branch Office



Securing net interest income by investing in floating-rate bonds during a period of rising interest rates while continuing to control interest rate risk

Investment and funding structure

Yen bonds ¥21.1 tri. as of Sep. 2024



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

Yen bond interest rate sensitivity by term (GPS)...

	~ 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
3/31/2024	-0.1	-0.4	-1.3	-0.9	-0.7	-1.0	-4.7
9/30/2024	-0.1	-0.3	-1.8	-0.9	-0.7	-0.9	-5.0

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

(Billion yen)

10BPV Total (① + ②)

Total -4.5 billion yen

Yen-denominated trust interest rate sensitivity...

Total +0.4 billion yen
(+0.1 billion yen change from Mar. 2024)

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

Changes in yen bond portfolio

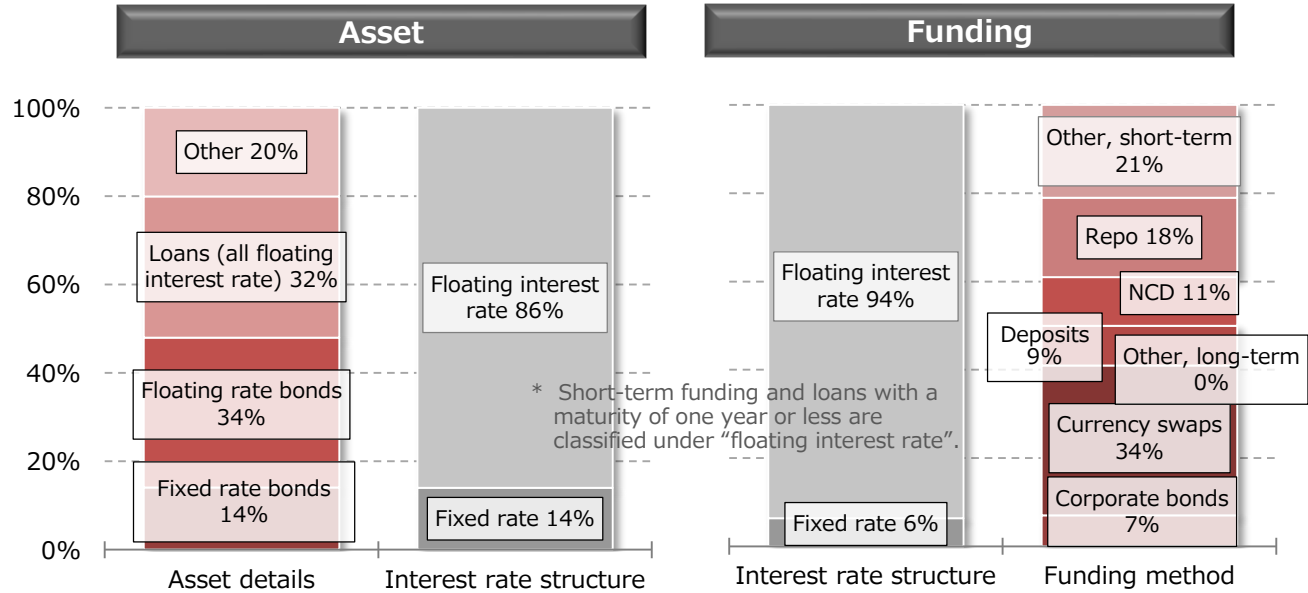
Yen bond	3/31/2024	9/30/2024
Balance (billion yen)	1,141.5	1,316.2
(Of which, Fixed Bonds)	920.6	1,024.6
Fixed Yield (%)	Around 0.25%	0.30%~0.35%
Unrealized gains/losses (billion yen)	-27.5	-39.5
After hedged (billion yen)	-24.1	-34.1

- Operations in the first half
 - In a period of low interest rates, invested in long-term JGBs with asset swaps to secure yields while controlling interest rate risk
 - Monitor interest rate trends and purchase fixed-rate bonds according to the timing of the rise.
- Investment policy for the current fiscal year
 - Carefully increasing the balance, especially in JGBs, to improve net interest income

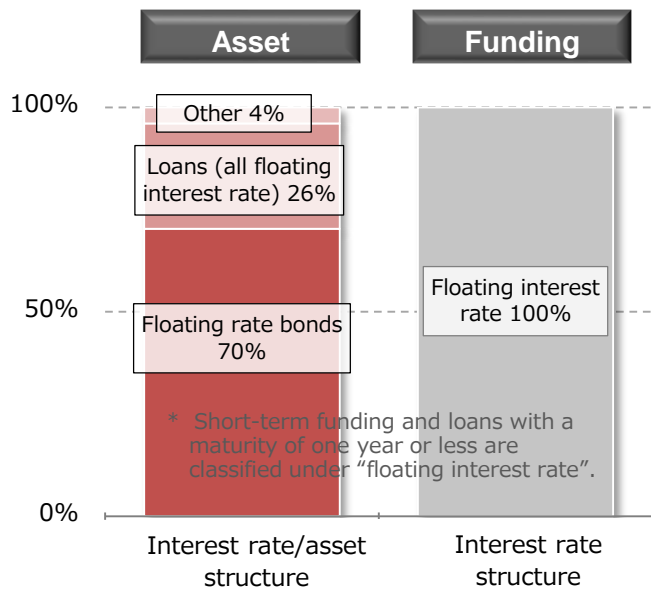
Improving interest margins on total foreign bonds as a result of the replacement of partial bonds

Asset and funding structure

USD **\$9,380 mil.** as of Sep. 2024



Euro **€870 mil.** as of Sep. 2024



Changes in the foreign bond portfolio

USD fixed bonds	3/31/2024
Balance (Billion yen)	216.6
Yield (%)	4.0%~4.5%
Procurement costs (%)	About 5%

Total foreign bonds	3/31/2024
Balance (Billion yen)	773.3
Interest margin (%)	About +0%
Unrealized gains/losses (Billion yen)	-32.3
After Hedge (Billion yen)	-10.5

Foreign bonds operations in the first half of FY2024

USD fixed bonds	Purchase	Sale and redemption	Foreign exchange factor
USD fixed bonds (Billion yen)	8.3	-32.4	-12.0
Yield (%)	5.26%	3.91%	-
Losses on sales (Billion yen)		-2.0	

USD fixed bonds	9/30/2024
Balance (Billion yen)	180.5
Yield (%)	4.0%~4.5%
Procurement costs (%)	4.5%~5.0%

Total foreign bonds	9/30/2024
Balance (Billion yen)	738.8
Interest margin (%)	0.0%~0.5%
Unrealized gains/losses (Billion yen)	-11.2
After Hedge (Billion yen)	-9.2

Operations in the first half

- Improved yields by partial sale of low-yield fixed-rate bonds
- Invested mainly in bonds with asset swaps

Investment policy for the current fiscal year

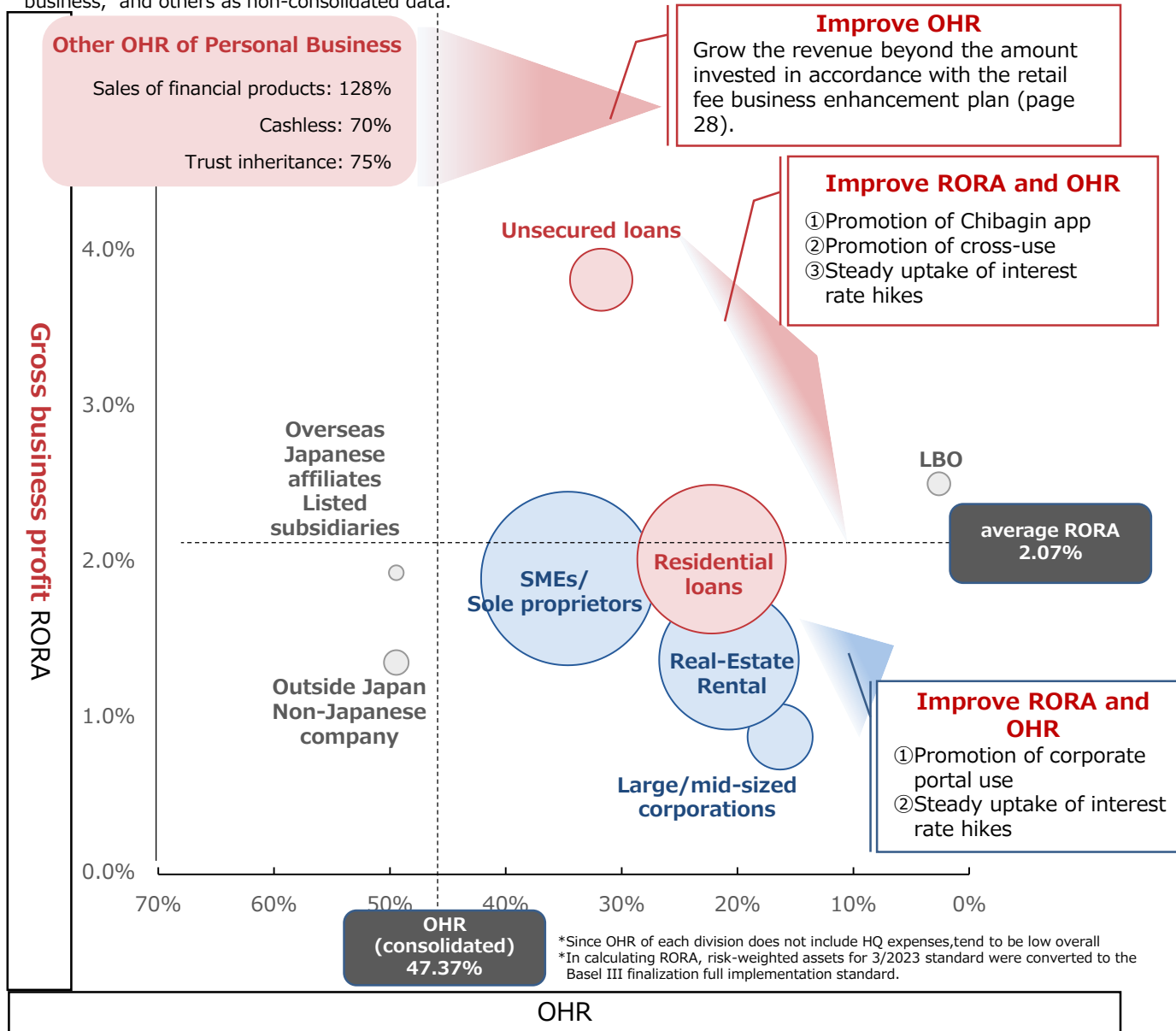
- Considering investments mainly in bonds with asset swaps toward expanding net interest income
- Determine the timing of fixed bond purchases based on interest rate trends

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

Gross business profit RORA and OHR by Assets and Division (F2022)

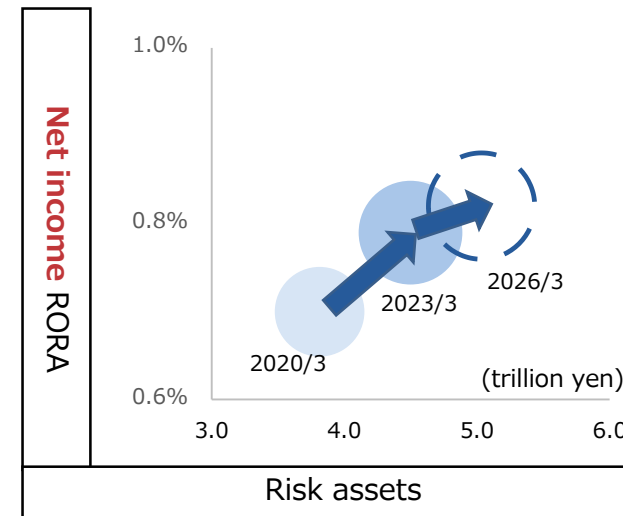
※Cashless data are presented as consolidated data due to integrate Chibagin JCB card business, and others as non-consolidated data.

*Bubble size: gross business profit

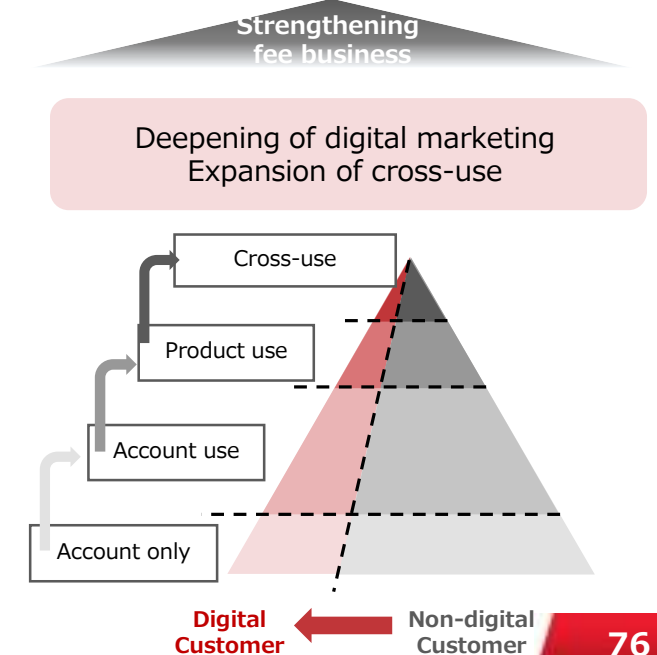
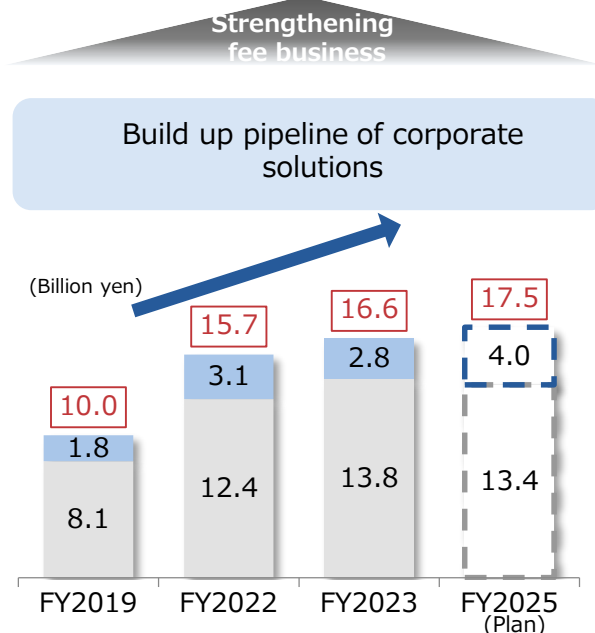
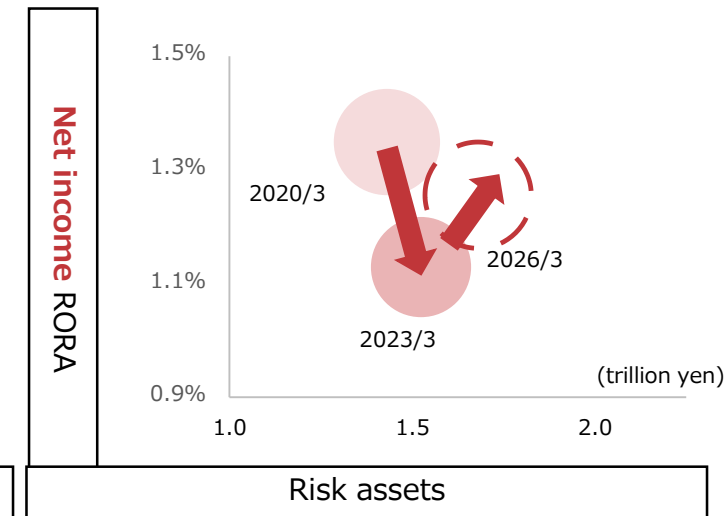


Net income RORA

RORA in the corporate sector



RORA in the retail sector



The economic environment in Chiba Prefecture is good.



6.28 million
No.6 nationwide



19.1 trillion yen
No.6 nationwide

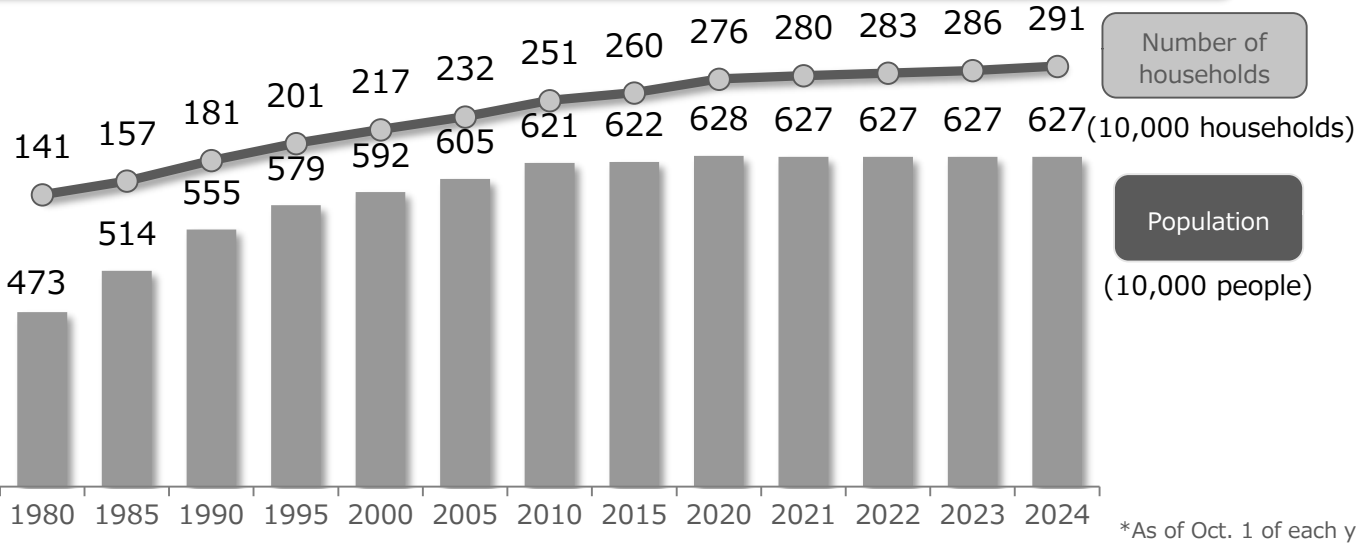


20.8 trillion yen
No.7 nationwide

Primary industry	No.7 nationwide	0.1 trillion yen
Secondary industry	No.9 nationwide	5.1 trillion yen
Tertiary industry	No.8 nationwide	15.2 trillion yen

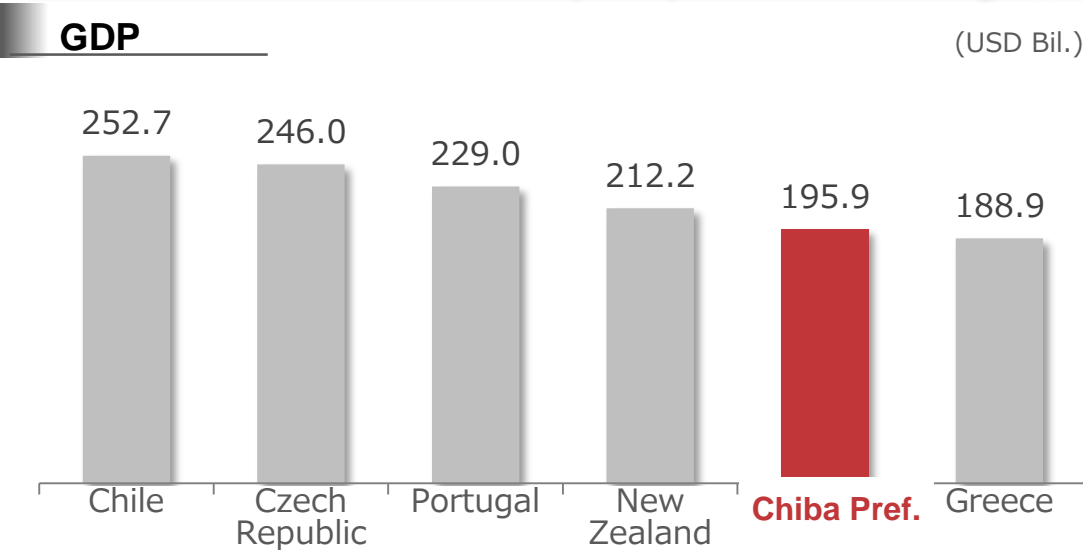
Sources: Ministry of Internal Affairs and Communications Statistics Bureau, "Population Census" (FY2020); Cabinet Office, Economic and Social Research Institute, "Prefectural Accounts" (FY2021)

Population and number of households in Chiba Prefecture

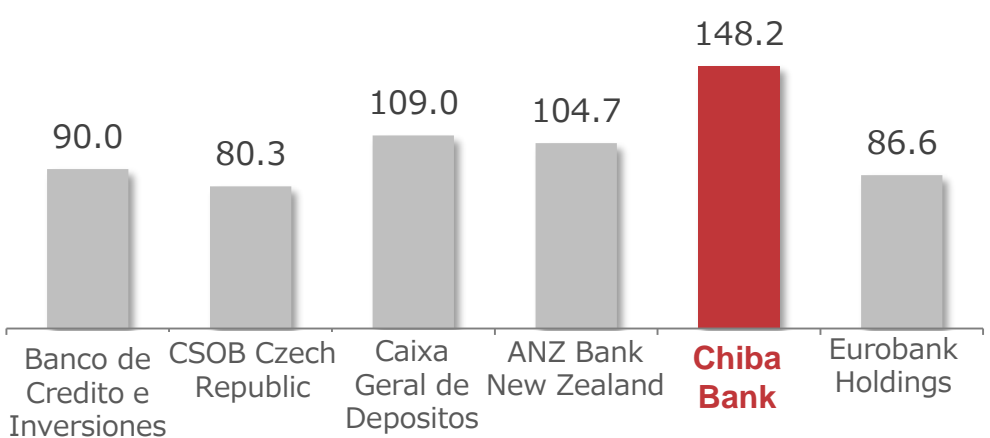


Sources: Statistics Bureau, Ministry of Internal Affairs and Communications, "National Census" (~2020)
Chiba Prefecture "Chiba Prefecture Monthly Permanent Resident Population Survey Monthly Report" (2021~)

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



Total assets of largest bank in each country/region



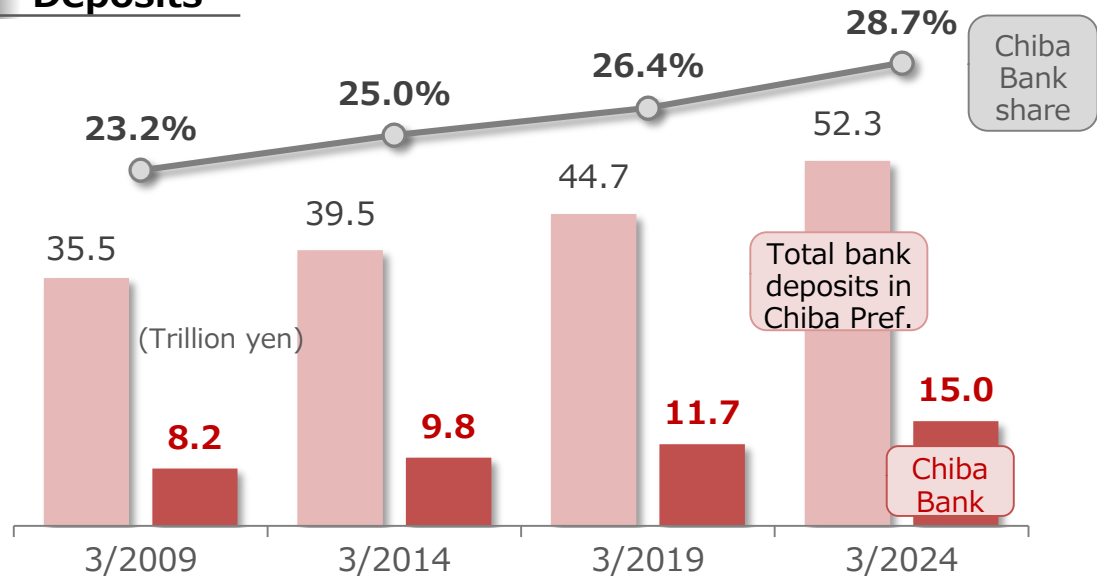
Sources: <GDP> Cabinet "Annual Accounts of the Japanese Economy for FY2021 (Flows) Point (released on December, 2022)" and OECD "Annual National Accounts Database (as of March 2023)".
< Total assets of the largest domestic banks >The Bankers (2023 edition), Calculated based on the exchange rate on the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

Establishing an overwhelming operating base in Chiba Prefecture

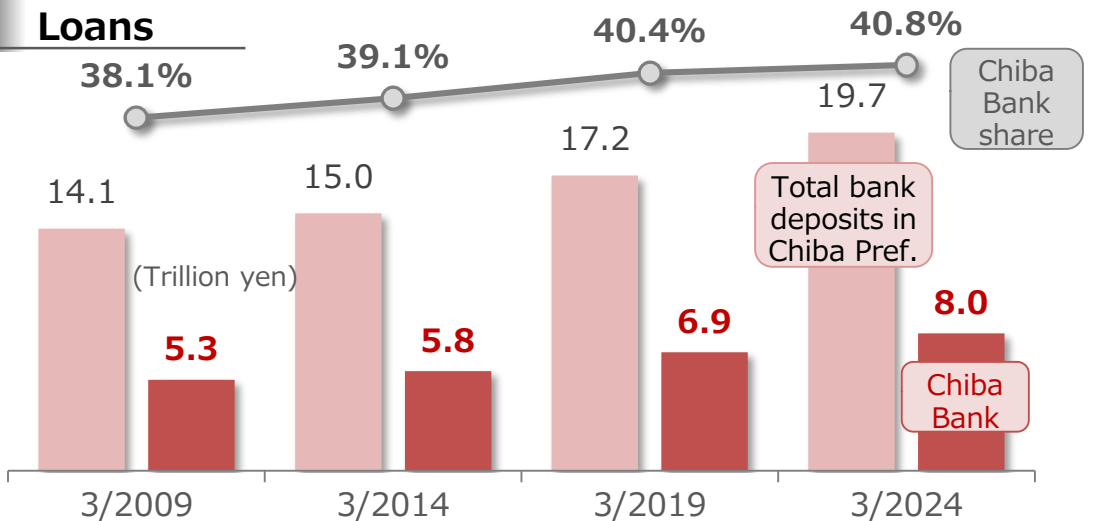
Loan and deposit balances in Chiba prefecture / share

Source: Finance Journal

Deposits

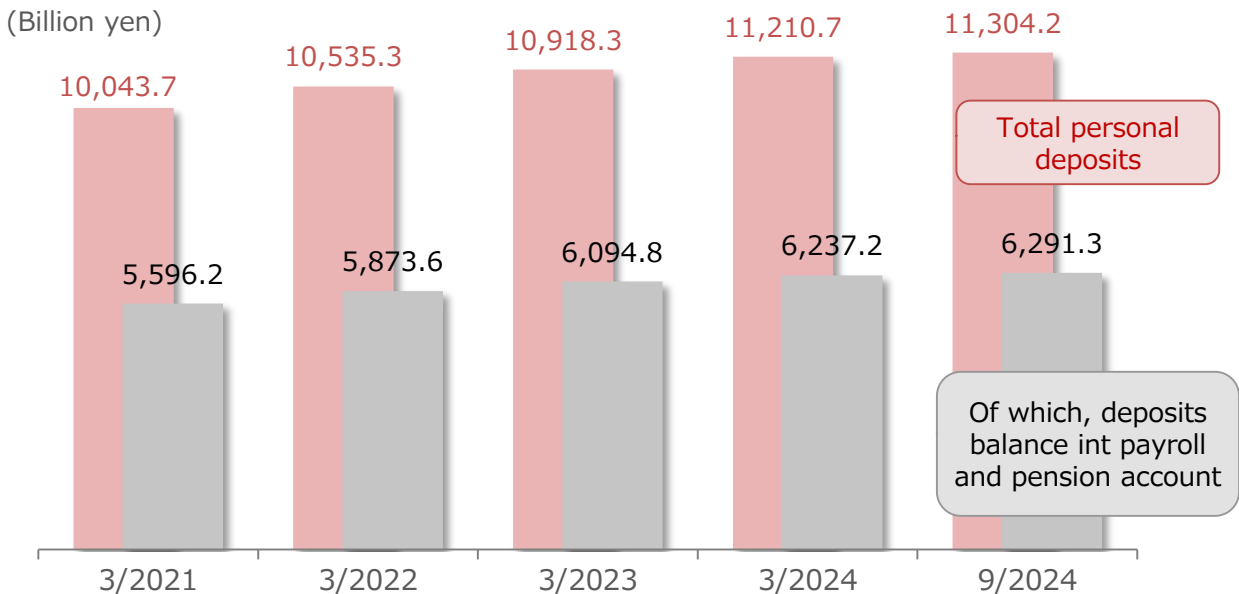


Loans



Trends in personal deposits balance

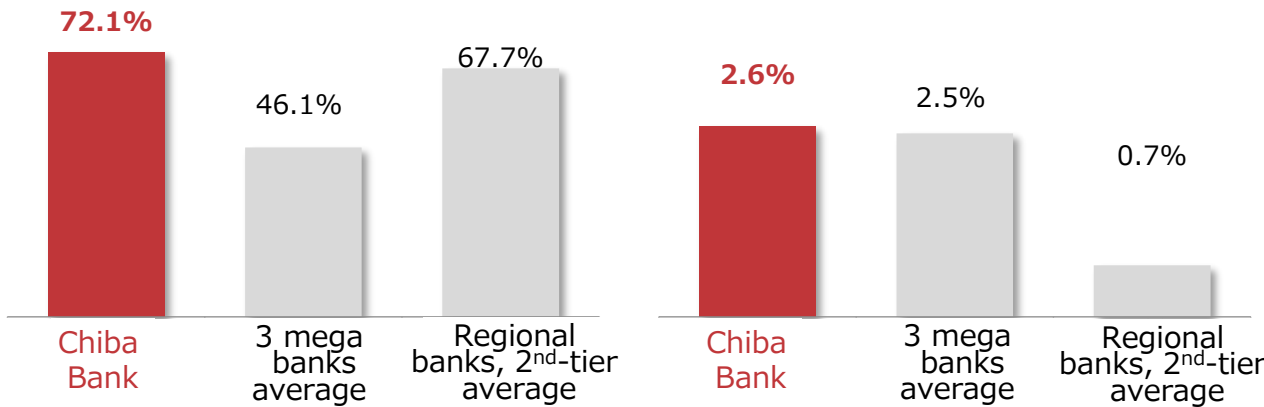
(Billion yen)



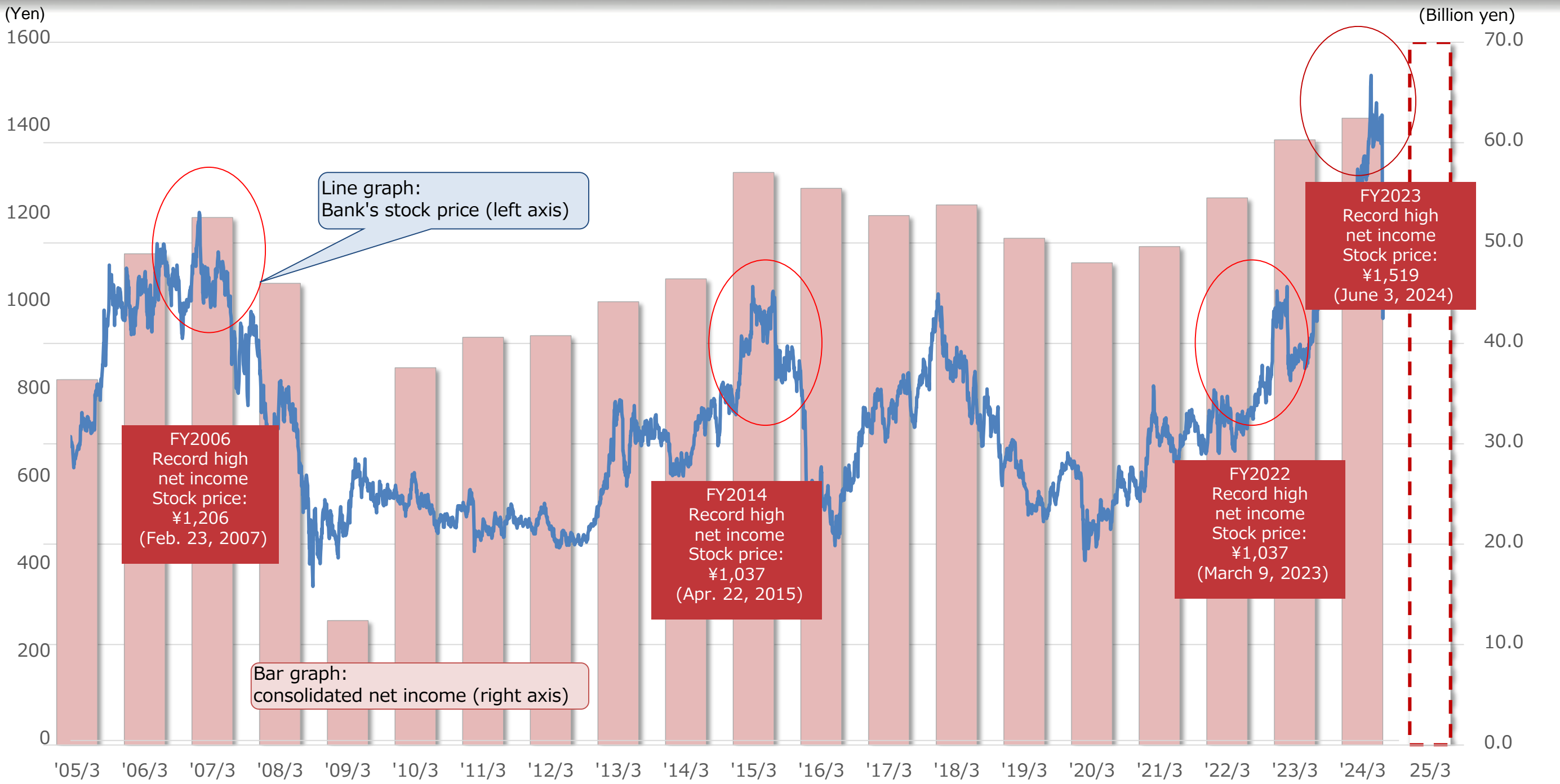
Personal deposits compared with other banks

Individual deposit ratio (3/2024)

Rate of increase (compared to 3/2023)



※Source: Simple average calculated from Nikkin Report (March 2024)



Inquiries related to this presentation should be addressed to:

The Chiba Bank, Ltd.
Corporate Planning Division
Investor Relations

Tel: 043-301-8459

E-Mail: ir@chibabank.co.jp

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