

Company Name: The Chiba Bank, Ltd.
Representative: Tsutomu Yonemoto, President
Stock Exchange Listing: Tokyo (code: 8331)

Chiba Bank Announces Corporate Purpose/Vision Alongside the 15th Mid-term Plan

March 27, 2023 - The Chiba Bank (President: Tsutomu Yonemoto) (“Chiba Bank” or “the Bank”) today announced the formulation of the Bank Group’s Purpose and Vision alongside the 15th Mid-term Plan for the three-year period starting in April, 2023.

1. Purpose / Vision

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

- Chiba Prefecture, which serves as the major operating base of the Bank Group, has an ever-growing potential as a region such as the further construction of Narita Airport runways and development of the Ken-O expressway and Kita-Chiba highway. However, after facing rapid shifts in social and economic conditions including the COVID-19 pandemic, climate change, as well as emerging geo-political risk, the values and behavioral patterns of the prefecture’s residents are changing significantly.
- In light of these developments, the Bank Group is once again strengthening its commitment to **“providing societal value by contributing to the resolution of regional issues”**. In order to align its views with the Bank’s stakeholders, which include customers, shareholders, and employees, as well as continue to be a close presence for each person and company within the local community and “a place where our stakeholders’ hopes can come to life”, Chiba Bank has made its core purpose **“to create a local community better suited to bringing each person’s hope to life”**.
- In order to achieve this purpose, the Bank Group has established a corporate vision of **“an Engagement Bank Group that works closely with the community”** while aiming to become “a Bank Group that seeks to keep growing together along with the entire region by providing value through deep connections with all of its stakeholders including customers, shareholders, and employees”. Chiba Bank will strive to provide social value to the region by continually prioritizing this “deep connection” with its stakeholders, refining its existing business initiatives, and taking on challenges in new business areas.

2. The 15th Mid-term Plan “Engagement Bank Group – Phase 1 –”

(1) Operational Guidelines

Based on its Purpose and Vision, the Bank has established a set of operational guidelines in the new Mid-term Plan centered on **“the evolution of the customer-focused business model”** and will strive to further improve engagement with its customers by changing its perspective

CHIBA BANK NEWS

on delivering products and services as a means towards creating the optimal customer experience.

(2) Basic Policy/Value Creation Base

The new Mid-term Plan contains three “Basic Policies” designed to improve customer service and seeks to enhance the five “Value Creation Bases” that support these policies.

[Basic Policies]

I. Creating the optimal customer experience

Deliver personalized proposals utilizing a wide range of data

Provide in-person, remote, and digital channels most-suited to the customer

II. Enhancing the quality of existing business

Further increase the quality of solutions designed to address customer issues

III. Providing new value

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

[Value Creation Bases]

I. DX (Digital Transformation)

Enhance the Bank’s DX promotion framework and related personnel, utilize new technologies, strengthen cyber risk management

II. GX (Green Transformation)

Enhance initiatives designed to lead the region towards decarbonization

III. Alliances

Improve the Bank’s ability to provide value through alliances with other banks and industries

IV. Human Capital

Enhance human resources development through proactive investment in “human capital”, Chiba Bank’s most important management resource

V. Group Governance


Enhance Group governance designed to promote integrated Group management equivalent to a holding company structure

3. KPIs

	FY2025 Target	Goal for FY2030
Consolidated ROE* ¹	Above 7%	8%
Profit attributable to owners of parent	75.0 billion yen	100 billion yen
Consolidated net business income	120.0 billion yen	
Tier 1 common equity capital ratio* ²	10.5%~11.5%	
Consolidated OHR	45%	

*¹ Calculated assuming “capital = shareholders’ equity”

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



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

**The 15th Mid-term Plan
Engagement Bank Group
— Phase 1 —**

**Plan Period
FY2023 ~ FY2025**

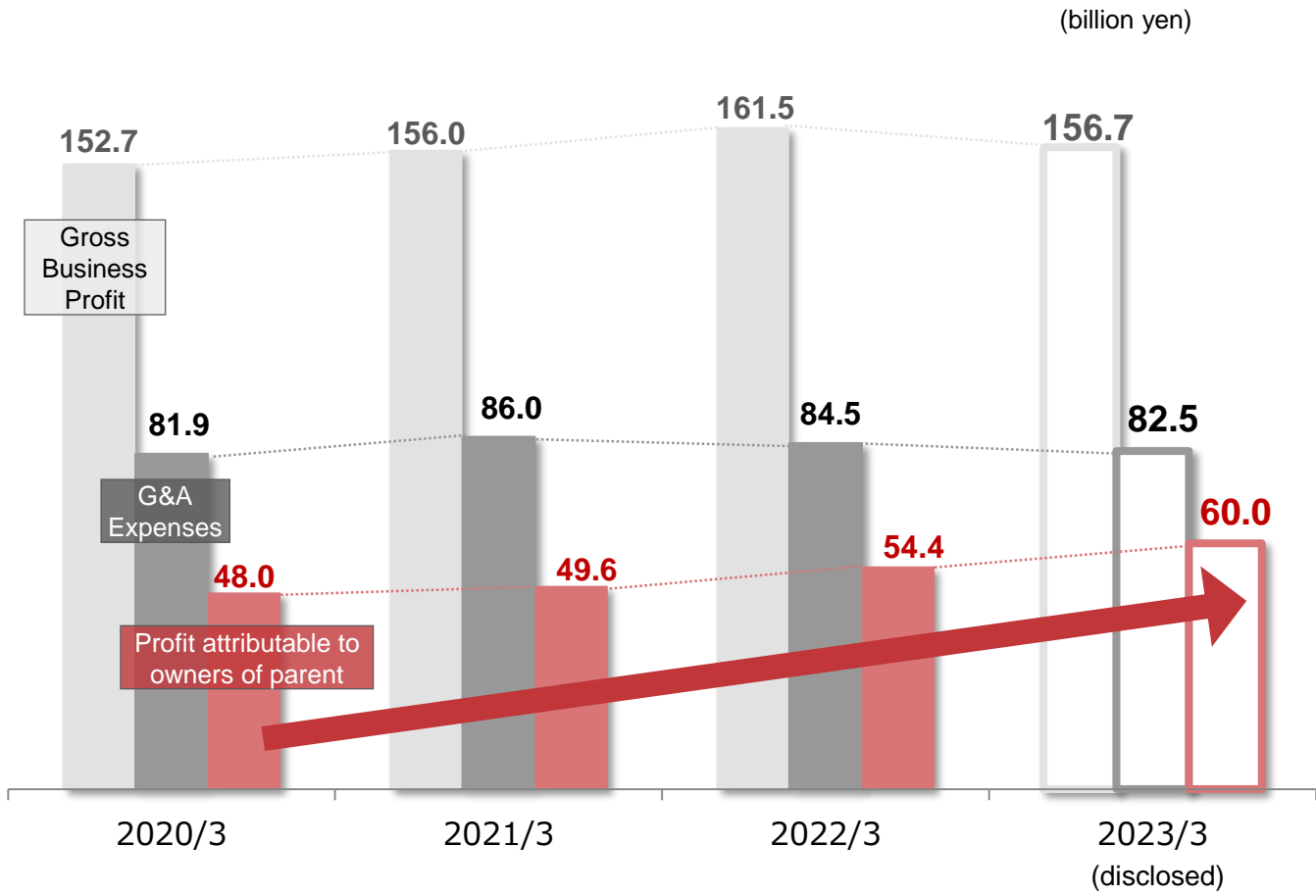


Defining our Purpose and Vision



Major Achievements of Management Goals

Basic Policy 1	Continue to evolve closely with our customers	
	Make proposals based on individual life plans	Virtual residential loan contract signing
Basic Policy 2	Enhance Corporate Solutions	Establish new Area Sales divisions
	Expand app/portal features	Expand cashless operations
Basic Policy 3	Establishment of Chibagin Market Co., Ltd.	Establishment of On Ad Co., Ltd.
	Strengthen our Alliance Strategy	
Basic Policy 4	TSUBASA Alliance Expand sharing of IT systems, including smartphone app	Chiba-Musashino Alliance Expand collaboration including cashless operations with franchise locations.
	Chiba-Yokohama Partnership Strengthen collaboration, including customer support	Alliance with Sony Bank
Basic Policy 5	Achieve sustainable management	
	Promotion of sustainable finance	Enhance carbon-neutral initiatives
Basic Policy 6	Expand climate-related disclosures	Development of DX personnel



KPIs for FY2022		Progress	Expected achievement
Profit attributable to owners of parent	60.0 billion yen	60.0 billion yen	(disclosed 11/2022)
Consolidated ROE	Around 6.5%	6.35%	(disclosed 11/2022)
Non-consolidated OHR	Around 55%	49.0%	(disclosed 11/2022)

Net business income per employee: 19.0 million yen (disclosed 11/2022)

Societal changes



- Acceleration of digitalization
- Living with COVID-19
- Intensification of climate change
- Emerging geo-political risk

Individual (consumer) changes



- Changing values
- Changing behavioral patterns

Policy Trends



- A new capitalism
- Impact of CBDC implementation
- Softening of regulations

Trends in Chiba Prefecture



- Completion of Ken-O expressway (2024)
- Improve Narita Airport facilities (~2029)
- Growing number of households
- Population decline/aging population
- Shortage of hospital beds in the pref.



Period of irreversible changes

Emerging regional issues

Increased Bank Group operational potential

Diversification of needs



Re-evaluation of the Bank's purpose and ideal position as a regional financial institution

Purpose

Why does the Bank Group exist in society?

Vision

What position should we aim for?

Universal

What initiatives should we pursue in the mid-term?

Strategy for achieving our Purpose and Vision

Flexible

= New Mid-term Plan

Purpose

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

The Bank Group exists to create “societal value” by contributing to the resolution of regional issues in addition to providing “functional value” to financial institutions.

In a constantly changing world, Chiba Bank aims to be “a place where our stakeholders' hopes can come to life” within the region.



*Regional societal issues: a wide range of issues concerning the sustainability of the local community, such as COVID-19, digitalization, SDGs, regional revitalization

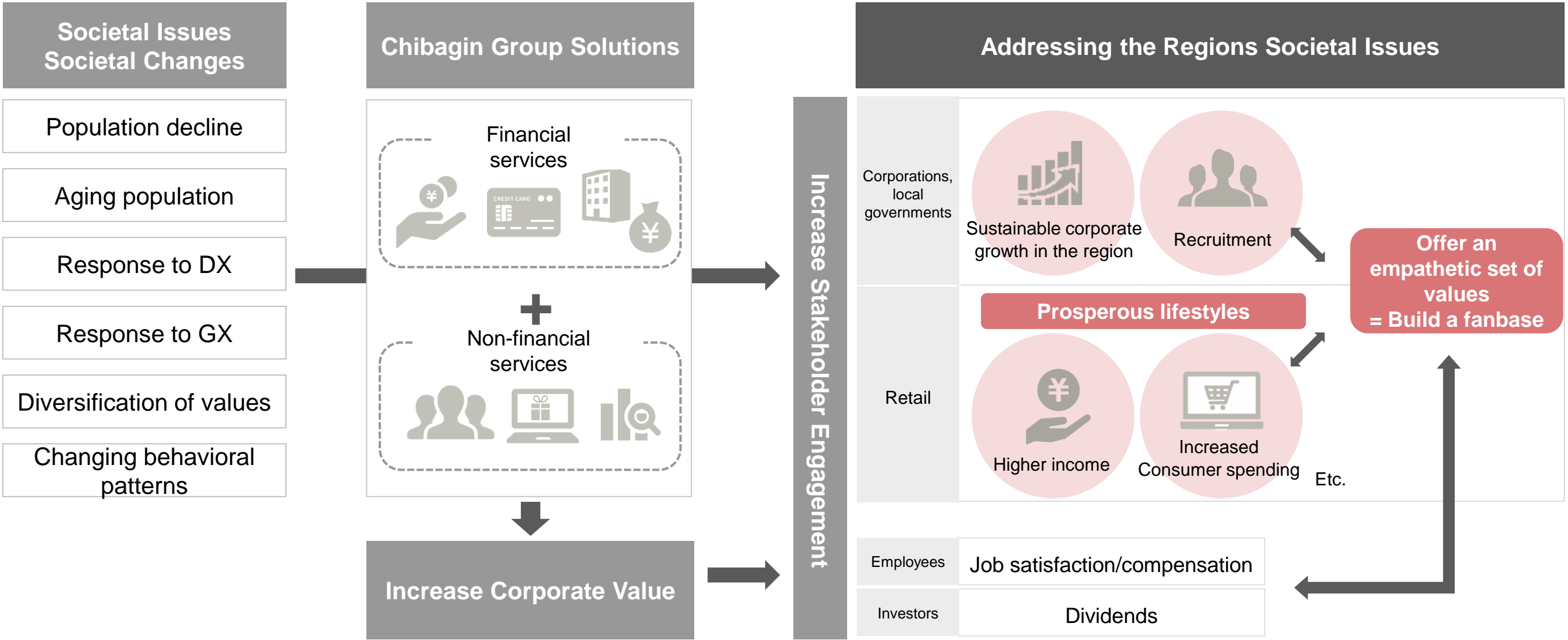
Vision

An Engagement Bank Group that works closely with the community

“Engagement Bank Group”

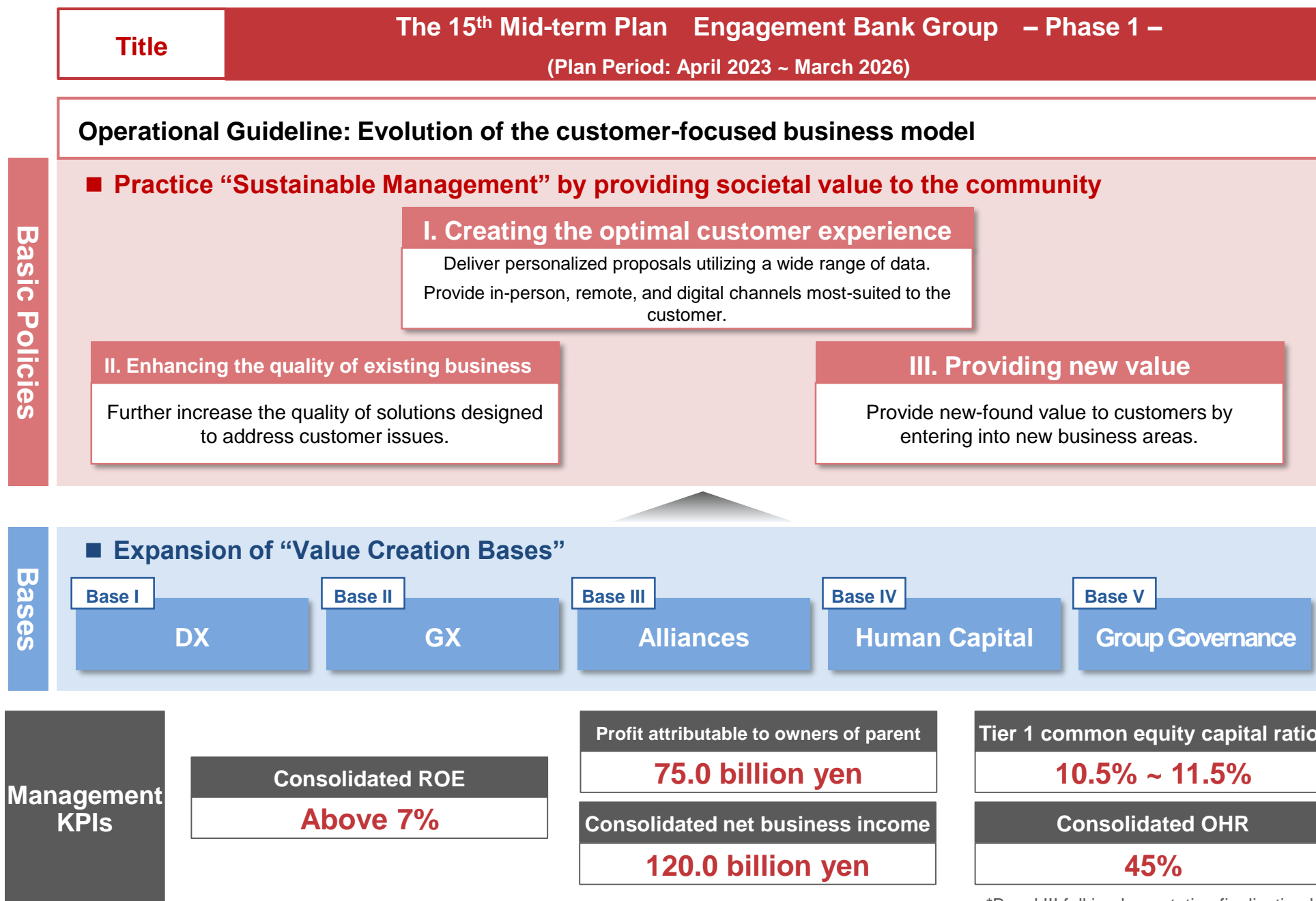
A Bank Group that seeks to keep growing together along with the entire region by providing value through deep connections with all of its stakeholders including customers, shareholders, and employees

Building a bigger fanbase by increasing the corporate value of the Bank Group as a direct result of addressing societal issues within the region and bringing each of our stakeholders' hopes to life



The New Mid-term Plan





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



Issues in our existing business model and changing customer needs

① Product-focused proposals

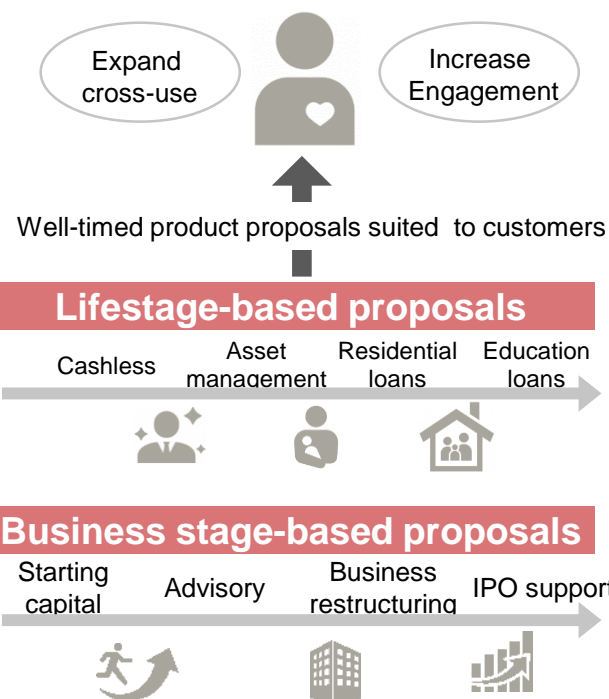
② Proposals to address emerging needs

③ Commodification of financial services

④ Changing values and behavioral patterns

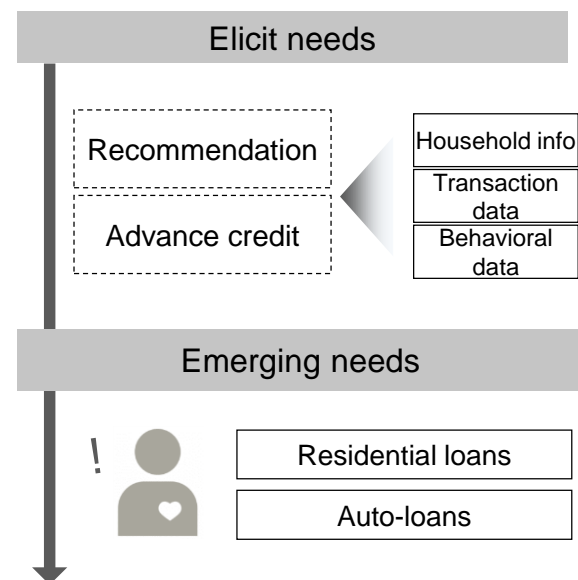
Evolution of our customer-focused business model = “Changing our perspective” on delivering products and services

Expand cross-use through optimal **personalized proposals**

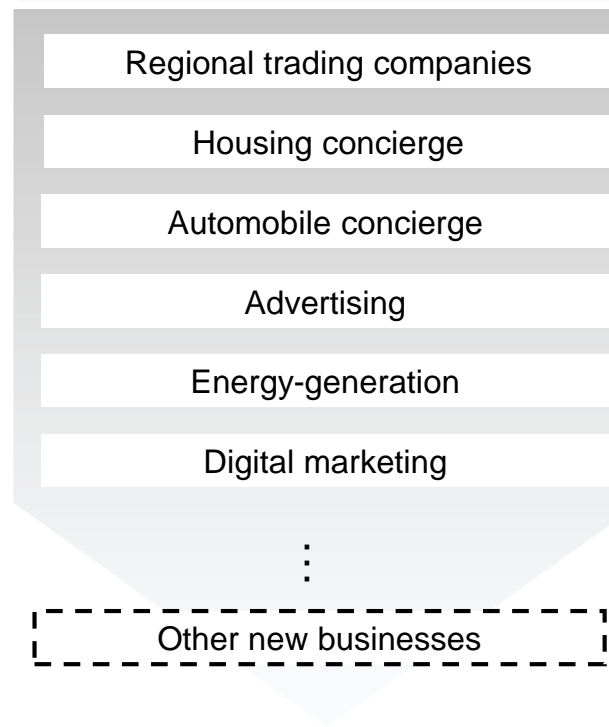


Proposals that anticipate customer needs and stand **upstream of commercial distribution**

One-to-One Marketing



Expand **non-financial services** based on customer needs



Establish optimal **contact points** for customer convenience

In-person

Aim for the expertise of a consulting firm



[Retail] Comprehensive financial planning
[Corporate] Assisting managers

Remote



Hybrid channel that combines the convenience of digital and added-value of in-person

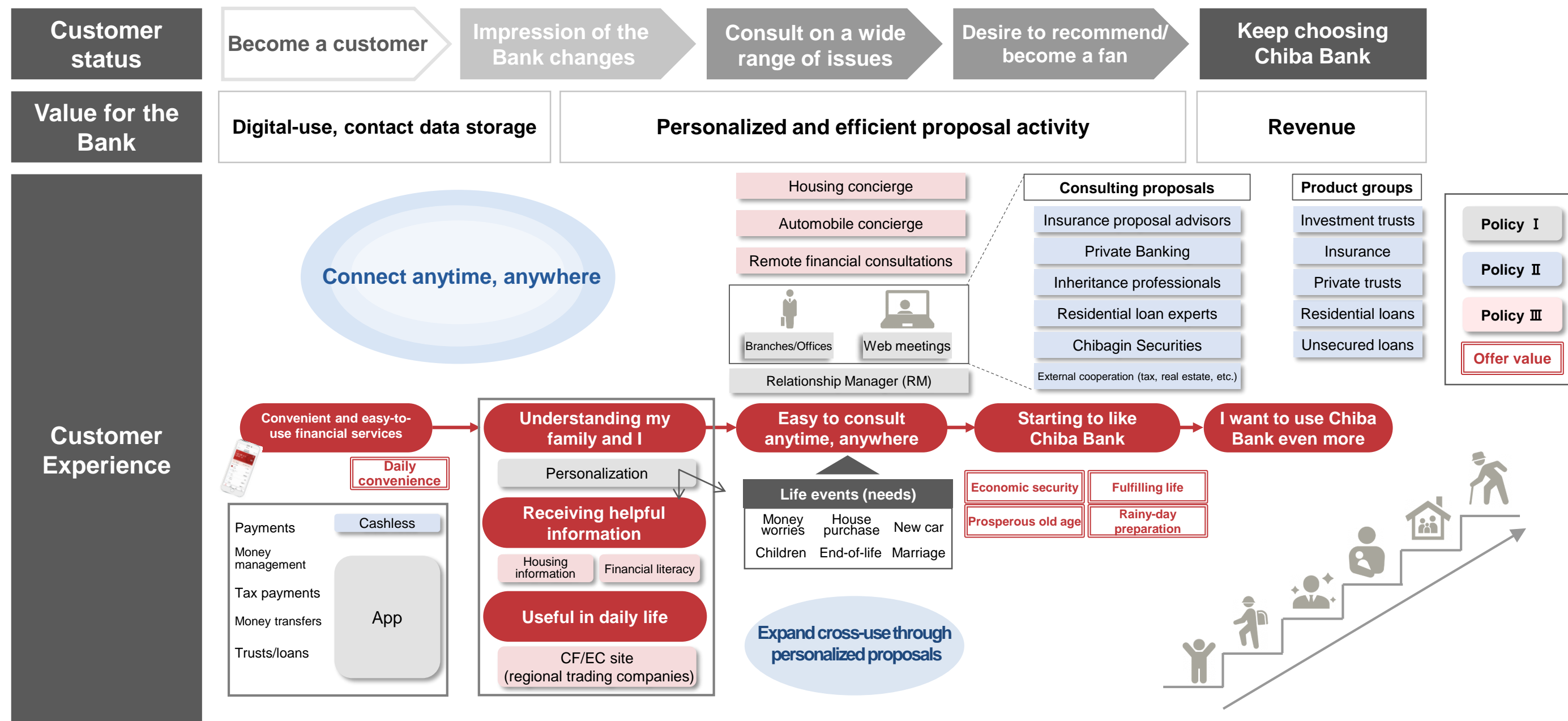
Digital

Aim for the convenience of a digital bank



Increase connectivity
Become a well-liked and easy-to-recommend bank

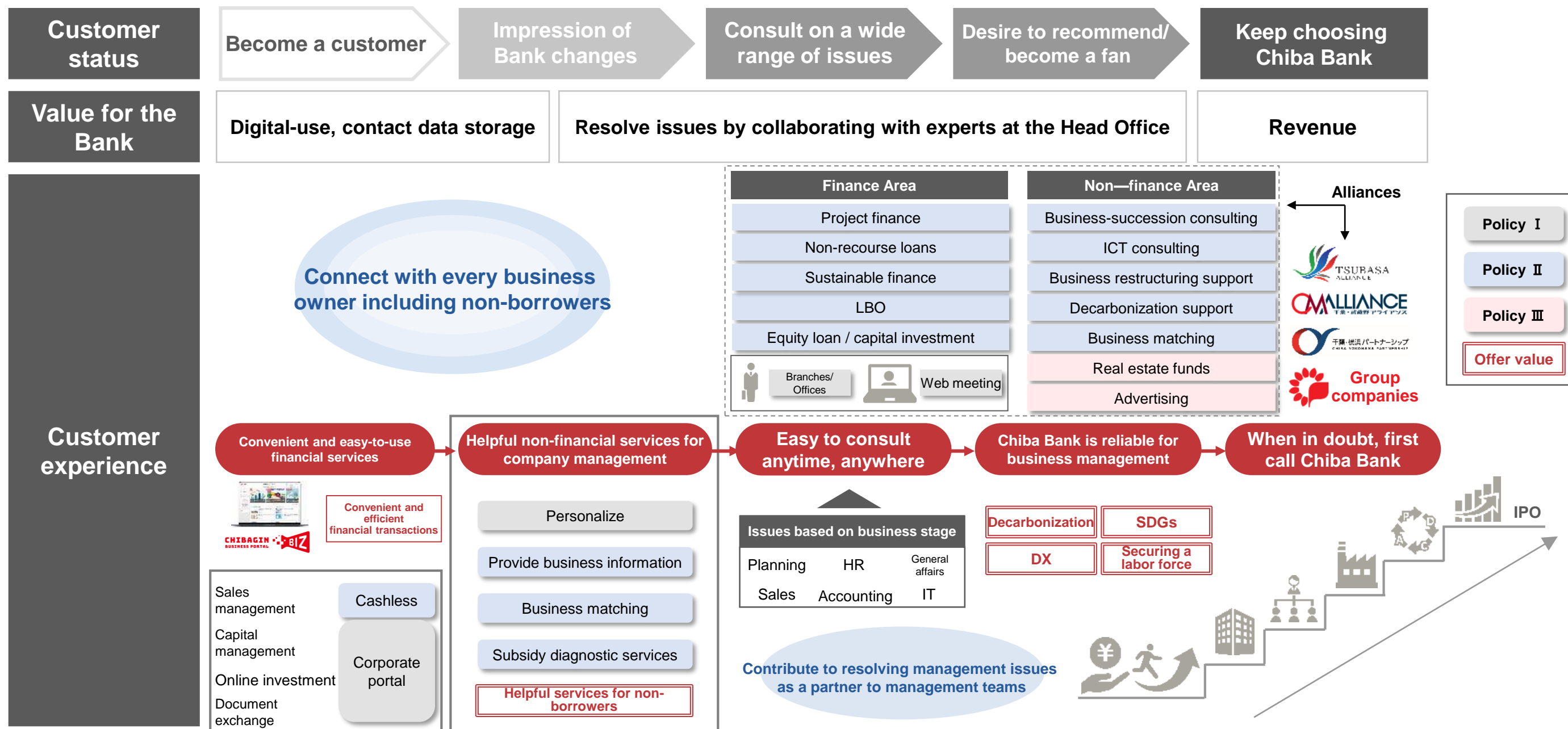
Provide value that closely matches the lifestyle of each customer through “in-person, remote, and digital” channels



Basic Policy Overview ②: Corporate Customer Journey

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

Provide convenient services and useful information through the corporate portal, contribute to resolving management issues of business operators as a partner to management teams

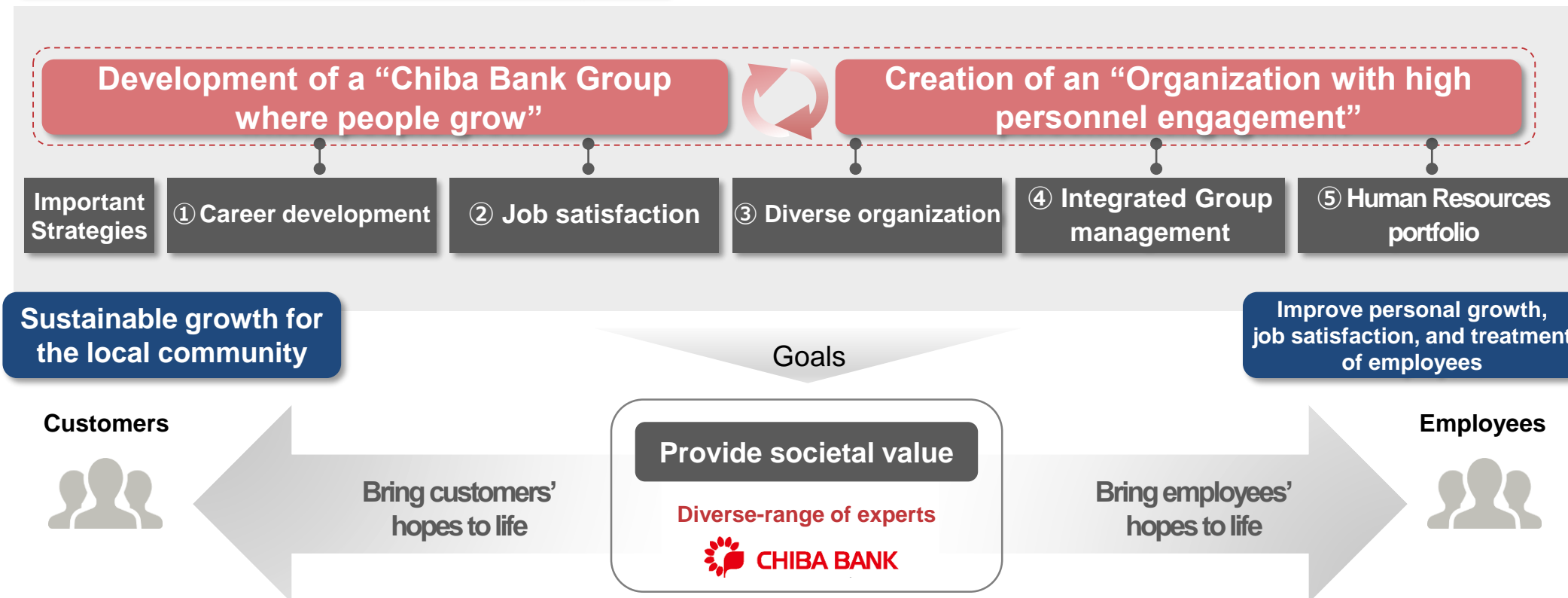


Positioning “human capital” as the Bank’s most important management resource
and developing an HR policy designed to train the personnel necessary to achieve our Purpose

Human Resources Development Policy
(working towards our corporate Purpose)

“Become someone who keeps fighting for the customer”. Think things through, utilize your own strengths, and gain more supporters

New Mid-term Plan Human Resources Strategy



of trainees

Previous Mid-term
Plan result

148

+ 132

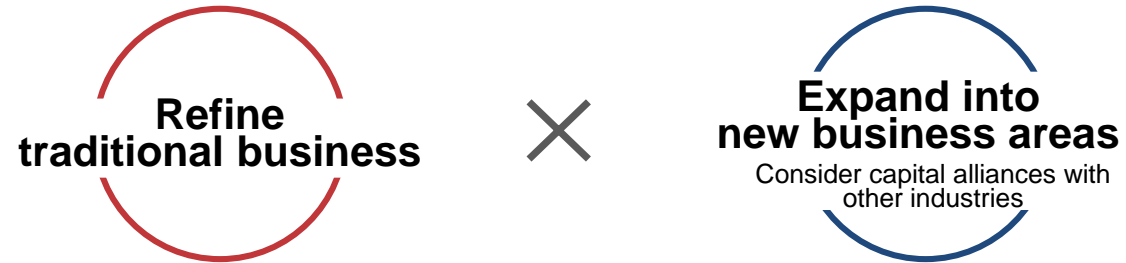
Current Mid-term
Plan target

280

Corporate sales	50
Retail sales	50
DX personnel	60
Head Office personnel	90
Corporate solutions, Credit Unit, Market, Planning, etc.	
Management team	30

Refine traditional business at existing group companies while expanding into new business areas

Expand Group Business



Finance

Chibagin Leasing

Chibagin Capital

New
Retail auto-leasing

New
Buy-out funds

Chibagin Guarantee

Chibagin Servicer

Asset Management

Chibagin Securities

Chibagin Asset Management

IT

Chibagin Computer Service

T&I Innovation Center

New Business Areas

Inside the Group

Chibagin Market

Chibagin Green Energy

Outside the Group

On Ad

New anti-money laundering company (under consideration)

Consulting/Solutions

Chibagin Research Institute

Chibagin JCB Card

Chibagin Career Service

Chibagin DC Card

Branch/facility management, etc.

Sobu

Special Subsidiary

Chibagin Heartful

... and further consideration of new businesses

Enhance Group Management Structure

Newly-established "Group Strategy Division"

Oversee all aspects of Group companies, including sales and management

Promote integrated Group management equivalent to a holding company structure

Group Strategy Division

Management Group

Consolidate risk management, management resource allocation, and policy measures, etc.

Business Promotion Group

Consolidate planning/promotion of each Group company

Risk management

Management resource allocation

Policy measures, etc.

Chibagin Securities

Chibagin Leasing

Chibagin Research

(All 15 Group companies)

Integrated management of Group personnel

Integrated Group recruiting

Fluid transfer of personnel