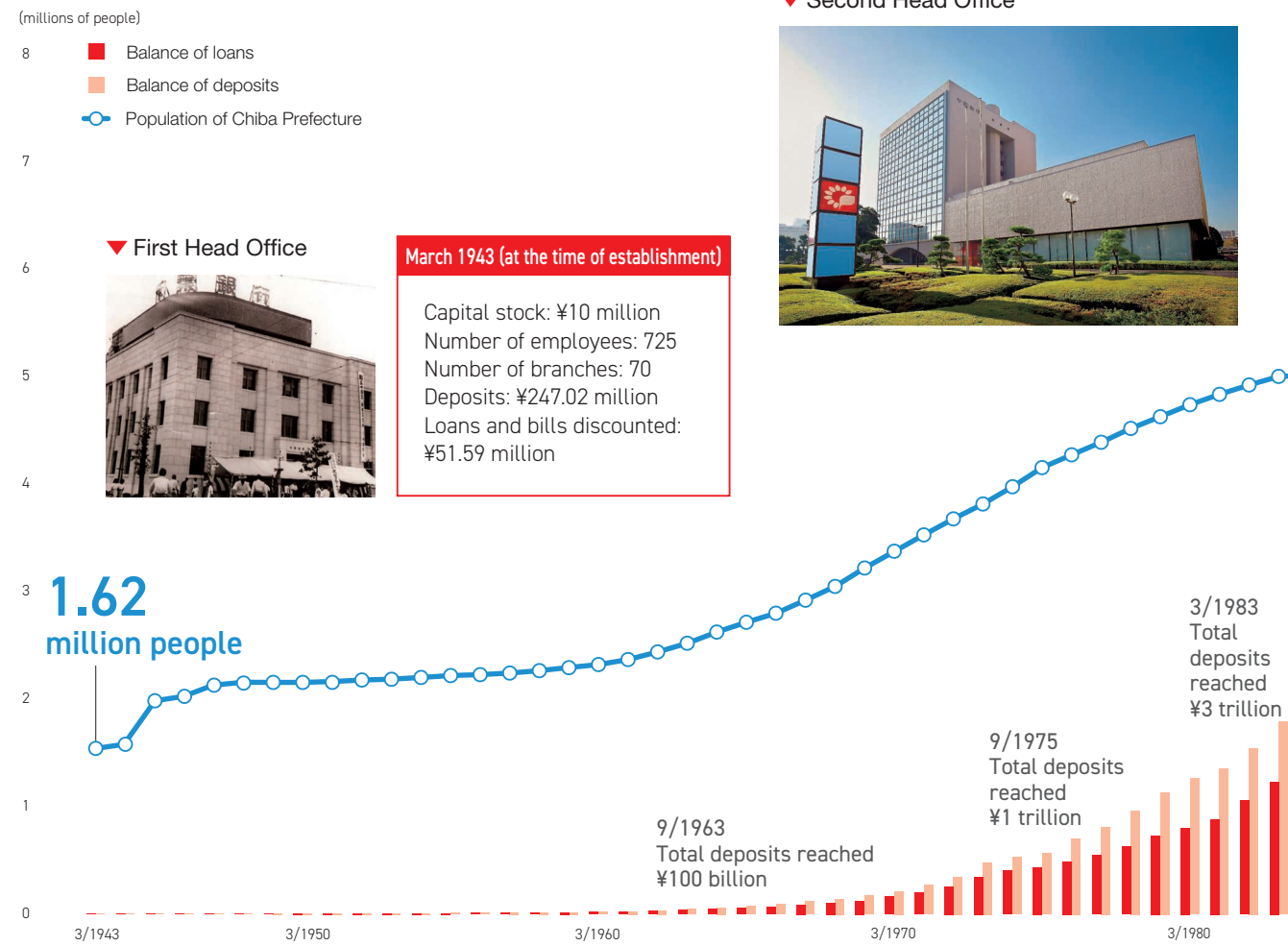


# History of the Chiba Bank Group

The Chiba Bank Group, as a regional financial institution, meets the diverse needs of our customers and is expanding the scale of our business. Looking ahead, we will pursue continuous growth together with our regional communities.



Establishment-	1960s-	1980s-
<p><b>Our Transition</b></p> <p><b>Mar.1943</b> Founded as a result of the merger of three banks, Chiba Godo Bank, Omigawa Agricultural and Commercial Bank, and the Kujuhachi Bank</p>	<p><b>1960-</b> Deposits and loans grew in response to high economic growth</p> <p><b>Apr.1964</b> Entered into an agreement with Chiba Prefecture to be a designated financial institution for business handling</p> <p><b>Oct.1970</b> Listed on the 2nd section (at that time) of the Tokyo Stock Exchange</p> <p><b>Aug.1971</b> Changed to the 1st section (at that time) of the Tokyo Stock Exchange</p> <p><b>Oct.1971</b> Started operation of the first online system</p> <p><b>Mar.1973</b> Built the new Head Office building and relocated the Head Office from Chuo to Chiba-minato</p> <p><b>Oct.1973</b> Introduced the first CD machine at the Chiba Ekimae Branch Issued "Chibagin Cash Card"</p>	<p><b>Oct.1986</b> Appointed the first female Branch General Manager among Japanese banks</p> <p><b>Apr.1987</b> Opened first overseas branch in New York</p> <p><b>Feb.1990</b> Established Chibagin Research Institute</p> <p><b>Oct.1991</b> Established Oyumino Center</p> <p><b>Mar.1995</b> Held the first "Chibagin Cup" (J. League pre-season match)</p> <p><b>Mar.1998</b> Acquired Chuo Securities (currently Chibagin Securities) as a Group company</p>

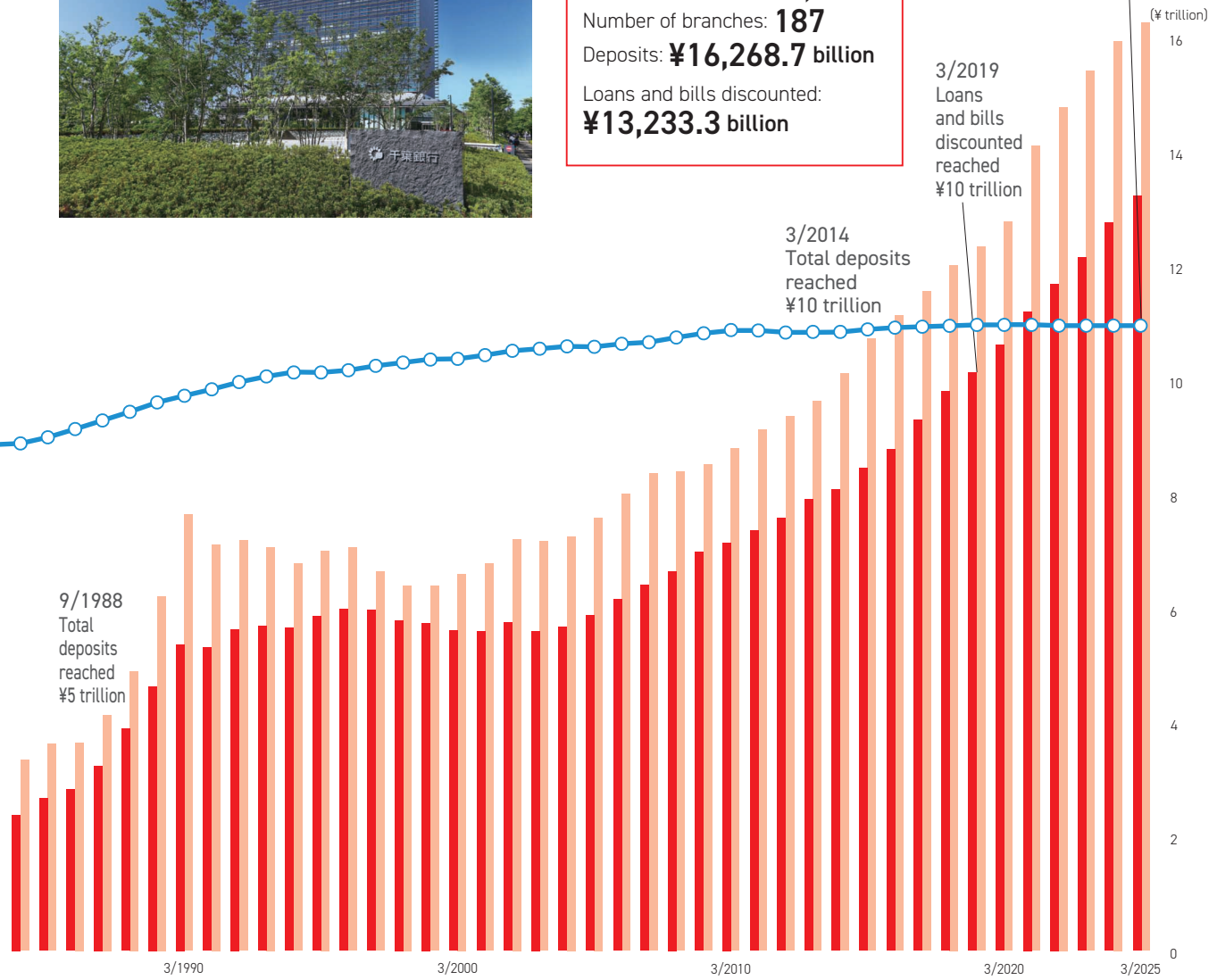
▼ Chibagin Head Office Building (completed construction in September 2020)



**March 2025**

Capital stock: **¥145 billion**  
Number of employees: **4,076**  
Number of branches: **187**  
Deposits: **¥16,268.7 billion**  
Loans and bills discounted: **¥13,233.3 billion**

**6.26 million people**



2000s-	2020s-
<p><b>Jan.2014</b> Completed construction of Muromachi Chibagin Mitsui Building</p> <p><b>Oct.2015</b> Launched the TSUBASA Alliance</p> <p><b>Mar.2016</b> The original character "Himarin" debuted</p> <p><b>Mar.2016</b> Launched the Chiba-Musashino Alliance</p> <p><b>Jul.2019</b> Launched the Chiba-Yokohama Partnership</p>	<p><b>Sep.2020</b> Completed construction of Chibagin Head Office Building</p> <p><b>May 2021</b> Established Chibagin Market</p> <p><b>Apr.2023</b> Established Himawari Green Energy</p> <p><b>Nov.2023</b> Established TSUBASA-AML Center</p> <p><b>Oct.2024</b> Acquired Edge Technology as a Group company</p> <p><b>Mar.2025</b> Acquired Fresh Farm Chiba as a Group company</p>

## Strengths of the Chiba Bank Group

### Operating Base

The Bank has a branch network of 186 domestic locations, mainly in Chiba Prefecture, and 6 overseas locations.

In Japan, we have secured contact points with customers, and provided optimal services that meet customers' needs in the region by opening branches in Ibaraki Prefecture and Saitama Prefecture in addition to central Tokyo, which is adjacent to Chiba Prefecture, while also optimizing existing networks.

Overseas, we have branches in New York, Hong Kong, London, and Singapore and representative offices in Shanghai and Bangkok, which constitute a top-level overseas branch network as a regional bank.

With this branch network, we have achieved an overwhelming share of the market in Chiba Prefecture (40.8% share of lending and 28.7% share of deposits in the prefecture), our main operating area, as we serve as the main bank for over 20,000 companies, supporting the business activities of customers, and we are the designated financial institution of 44 out of 55 local governments in the prefecture.

### Financial Base

The total assets (consolidated) of the Bank amounts to approximately ¥21.6 trillion, and loans and bills discounted (non-consolidated) exceeds ¥13 trillion. In addition, our consolidated profit (profit attributable to owners of parent) is ¥74.2 billion, boasting a top-class asset size and profitability among the regional banks.

Meanwhile, the low expense ratio is our major feature, with ROE (consolidated) at 7.34%, increasing for four consecutive terms, and OHR (consolidated) at 46.47%, in the mid-40% range. The stable ROE and low OHR show our efficient business operations.

Our total capital ratio (consolidated) is 15.04% and common equity Tier 1 capital ratio (consolidated) is 15.04%. We also maintain a high level of financial soundness with non-performing loan ratio (non-consolidated) of 0.91%, which is below 1%.

Thanks to these figures, the Bank remains high in external credit ratings (long-term) performed by credit rating agencies, such as A1 by Moody's, A- by Standard & Poor's, and AA- by Rating and Investment Information.

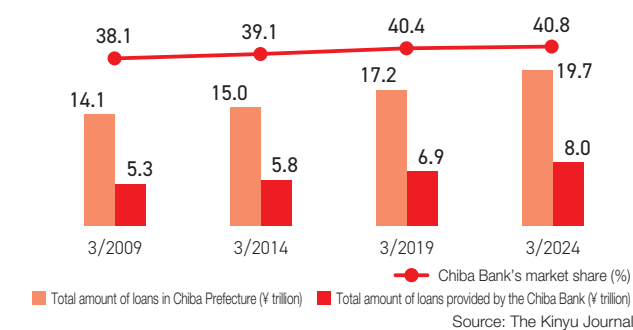
### Alliances



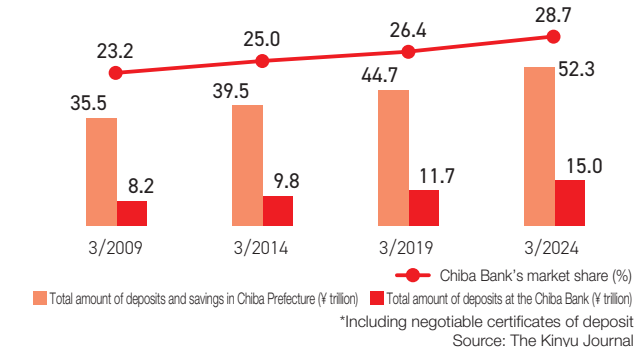
The Bank is deepening its alliances and partnerships with three main alliances, TSUBASA Alliance, Chiba-Musashino Alliance, and Chiba-Yokohama Partnership, and is collaborating with Sony Bank in various ways to improve our financial services through DX. The advanced alliance strategy which was established prior to other banks differentiates us from others to the greatest extent and has increased our presence.

The annual effect of the alliances on the Bank's PL is approximately ¥5.0 billion for the top line and approximately ¥3.0 billion for cost reduction, making a total of around ¥8.0 billion, which leads to the Bank's low OHR. We will strive to enhance corporate value of the Bank and our partner banks by utilizing the strength of the alliances and deepening collaboration. (See pages 57-60 for specific initiatives)

### Loans in Chiba Prefecture



### Deposits in Chiba Prefecture\*



(As of March 31, 2025 or for the fiscal year ended March 31, 2025, unless otherwise noted)

#### Solid business base

Domestic Network\*1 **186** locations

Overseas Network **6** locations

Branches: New York, Hong Kong, London, Singapore  
Representative Offices: Shanghai, Bangkok

Market Share of Loans in Chiba Prefecture\*2 **40.8** %

Market Share of Deposits in Chiba Prefecture\*2 **28.7** %

Designated Financial Institution for **44** out of 55 local governments

Coordination Agreement for Regional Revitalization Concluded with **26** out of 55 local governments

\*1 183 branches and 3 money exchange counters

\*2 Source: The Kinyu Journal, as of March 31, 2024

#### Top-Class Asset Size Among the Regional Banks

Total Assets (Consolidated): **¥21,631.2** billion

Loans and Bills Discounted (Non-Consolidated): **¥13,233.3** billion

Deposits (Non-Consolidated): **¥16,268.7** billion

#### Robust Capital

Total Capital Ratio (Consolidated) **15.04** %

Tier 1 Common Equity Capital Ratio (Consolidated) **15.04** %

#### Deeply Diverse Customer Base

Number of Accounts Used to Receive Salaries **859** thousand customers

Number of Accounts Used to Receive Pensions **497** thousand customers

Number of Housing Loans Customers **207** thousand customers

Number of Companies Using Chiba Bank as Their Main Bank\* **21** thousand companies

\*Source: Teikoku Databank

#### Top-Class Profitability Among the Regional Banks

Profit Attributable to Owners of Parent (Consolidated) **¥74.2** billion

ROE (Consolidated, based on Shareholders' Equity) **7.34** %

#### Low Expense Ratio

OHR (Consolidated) **46.47** %

#### Sound Loan Assets

Non-Performing Loan Ratio (Non-Consolidated and based on the Financial Reconstruction Act) **0.91** %

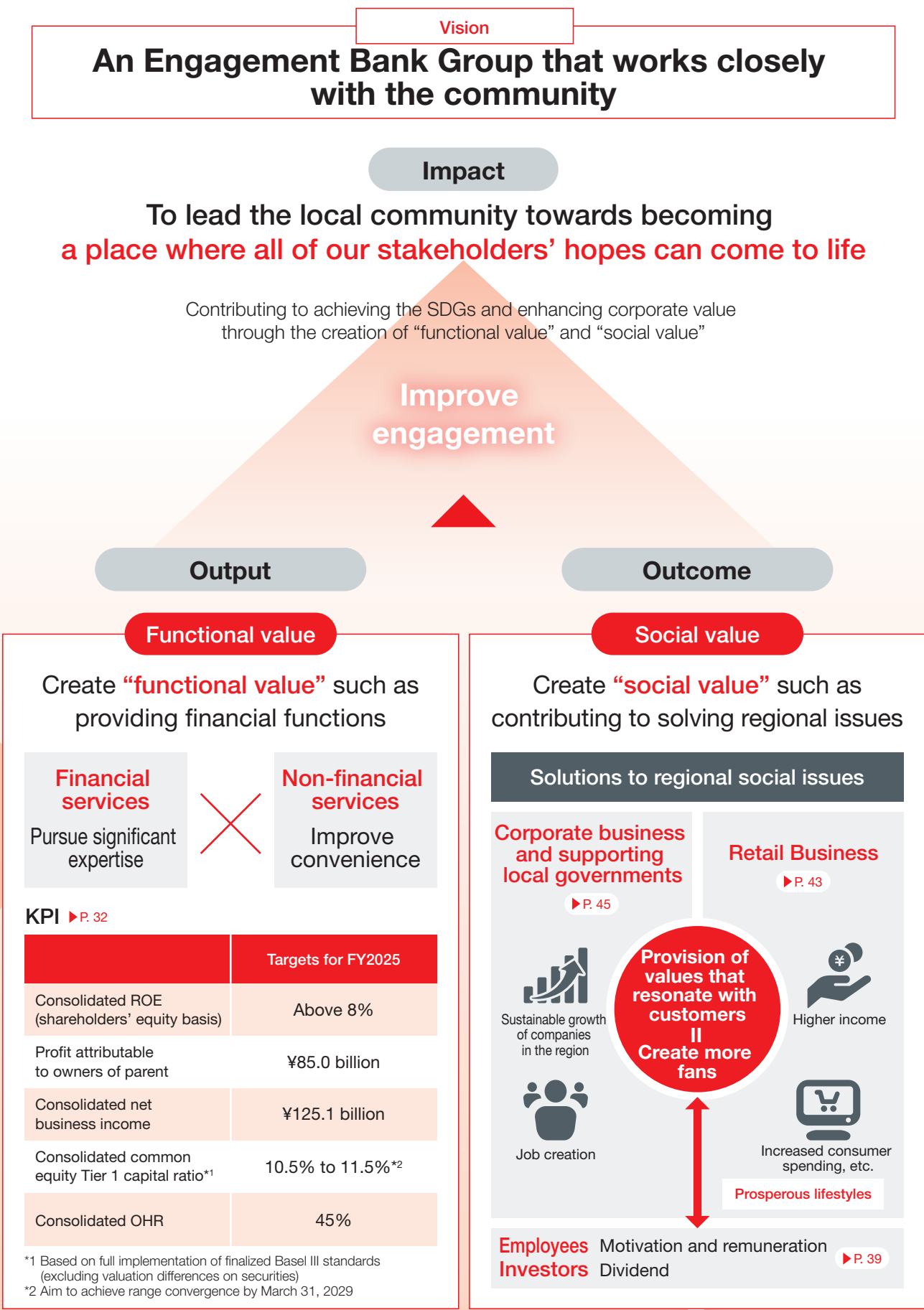
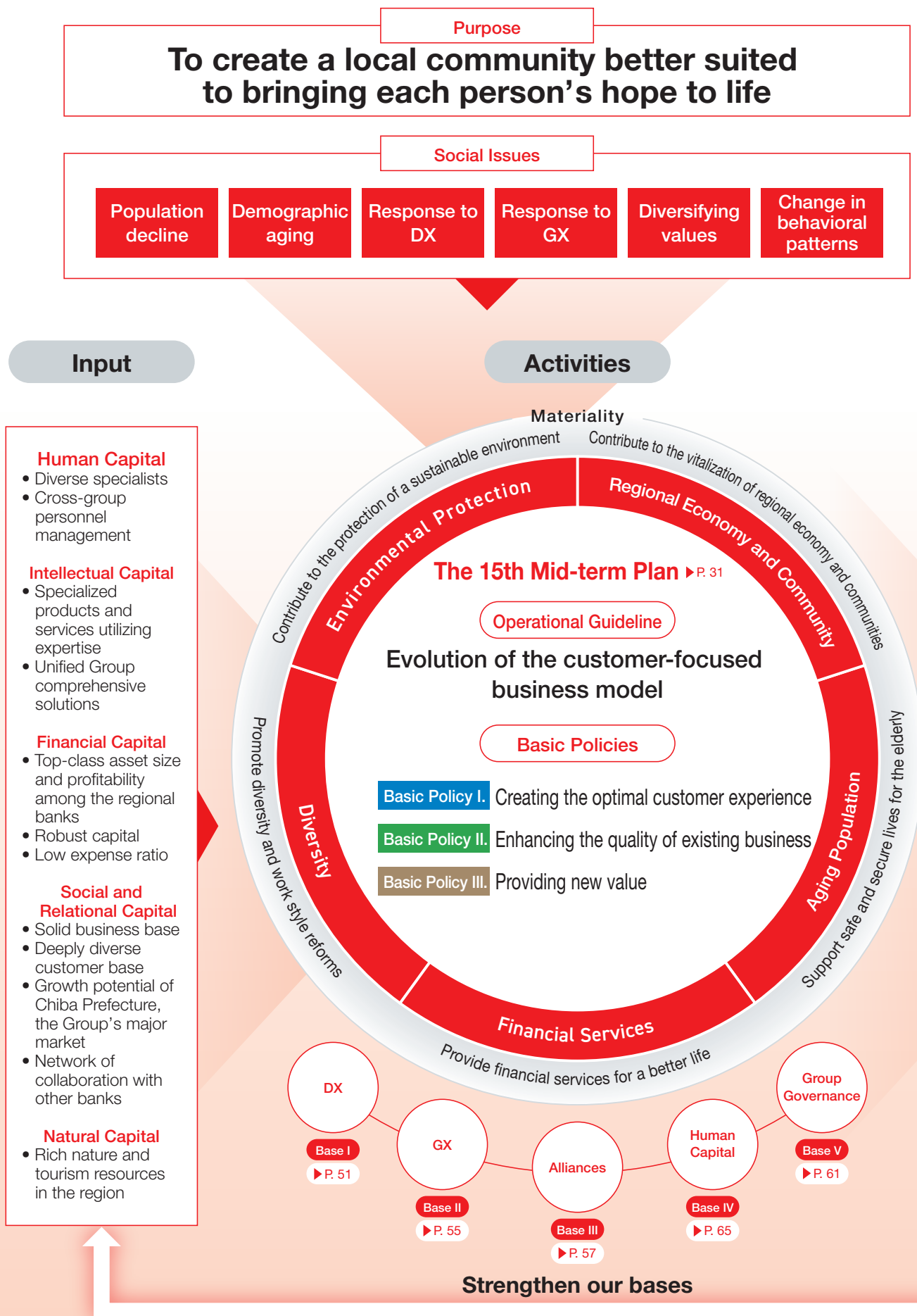
#### Excellent Ratings\*

Moody's **A1** (Long-term) **P-1** (Short-term)

Standard & Poor's **A-** (Long-term) **A-2** (Short-term)

Rating and Investment Information **AA-** (Long-term) \*As of July 1, 2025

Value Creation Process





Message from the Group CSuO



With our three “region-wide” transformations, we will help to solve social issues and contribute to the region’s sustainable growth

Mutsumi Awaji

Director and Senior Executive Officer  
(Representative Director, Group Chief Sustainability Officer (CSuO))

DX, GX and WX for the whole region

The Bank Group has grown alongside the advancement of Chiba Prefecture. With deep roots in the community that has supported us, we have transformed ourselves in line with the changing times. We will extend that transformation to the local community, and by contributing to solutions to the region’s social issues, aim for the revitalization of economic activity and the growth of the Bank Group.

Digital transformation (DX) for the whole region

Through the development of the Chibagin app, the enhancement of its services, and the issuance of the TSUBASA Chibagin VISA debit card, we have worked to enhance our non-face-to-face financial services and cashless services. By spreading these digital technologies throughout the entire region, we will increase the productivity of the region and contribute to the revitalization of economic activity.

Our efforts in improving the operational efficiency and productivity of the Bank Group have enabled us to propose enhancements to our customers’ operational processes. We have extended those proposals even further to local governments. We have started offering AI-based proposals in collaboration with EDGE Technology, which became a Group company through TOB last year, with which we will significantly broaden the options available to customers for solving their issues.

Green transformation (GX) for the whole region

Chiba Prefecture has one of the highest CO<sub>2</sub> emissions in Japan. To date, we have supported our customers’ efforts to reduce their CO<sub>2</sub> emissions through sustainable finance and other means. We now have over 1,000 qualified decarbonization advisors, and we expect to reach our ¥2 trillion target for sustainable finance execution ahead of schedule.

Himawari Green Energy now has three solar power generation plants in Asahi, Kimitsu, and Choshi in Chiba Prefecture, with a power generation capacity equivalent to approximately 40% of the Group’s annual power consumption. Chiba Prefecture also has strong potential as a supplier of renewable energy, as evidenced by its designated candidate sites for offshore wind power off the coast of Choshi, Isumi, and Kujukuri, the highest number of approved agrivoltaic projects in Japan due to its abundant farmland, and the nation’s largest production of

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

“Chiba Bank Group Sustainability Policy”		
Materiality	Initiatives related to Materiality	
<b>Regional Economy and Community</b> Contribute to the vitalization of regional economy and communities	● Support for regional revitalization (pages 73 and 74) ● Advisory services for business operators (page 45)	● Use of real estate funds (page 46)
<b>Aging population</b> Support safe and secure lives for the elderly	● Inheritance-related services and trust business (page 44)	● Initiatives to prevent financial crimes including wire transfer fraud (page 102)
<b>Financial services</b> Provide financial services for a better life	● Expanding features of the Chibagin app (page 51) ● Expanding features of Chibagin Business Portal (page 51)	● Promoting sustainable finance (page 47)
<b>Diversity</b> Promote diversity and work style reforms	● Diversity forums (page 71) ● Achievement of flexible work styles (page 70)	● TSUBASA cross-mentor (page 71)
<b>Environmental protection</b> Contribute to preserving a sustainable environment	● Support customers' decarbonization (page 55) ● Climate change responses and natural capital preservation initiatives (page 79-86)	● Himawari Green Energy's initiatives (page 56)

iodine, a raw material for perovskite solar panels. We aim to expand our renewable energy business while closely monitoring developments in emerging energy technologies. Going beyond the achievement of carbon neutrality for the Bank Group in FY2030, we will contribute to the GX of the region through sustainable finance, intermediation in non-fossil certificates and promoting local production and consumption of renewable energy.

Work transformation (WX) for the whole region

The Bank Group has worked on the adoption of remote work and flextime systems and the improvement of operational efficiency using digital technologies in its efforts to promote flexible work styles that suit the changing times and improve productivity.

In addition, in our longstanding efforts for women to participate actively in the workplace, we introduced a quota system for assigning women to corporate sales roles, which we expect to see a further rise in the number of women in supervisory and managerial roles. Men’s work styles are also changing. The rate of childcare leave taken by men has reached 100%, and the average duration has extended to 28 days. Our investment in human resources is evolving into a system that supports growth and career advancement for all genders.

Going forward, we will share our promotion of diverse work styles, including balancing work with caregiving responsibilities, and our diversity & inclusion initiatives with local companies, thus contributing to work style reform and productivity improvement across the entire region.

We will engage in regional revitalization as a unified, Group-wide effort

Since establishing a Regional Revitalization Division in 2015, the Bank has engaged consistently in efforts to breathe new life into

the region. In FY2024, as a regional tourism development initiative, we worked to revitalize the areas along the Kominato Railway and Isumi Railway lines as part of the “Boso Cross Railway Tasuki Project.” Incorporating a digital stamp rally, NFT, and other digital technologies, this project involved many people in efforts to enhance the region’s appeal.

We have also strengthened our support of professional sports teams with roots in the region. We recently launched a new title sponsorship for a basketball match. Meanwhile, soccer’s Chibagin Cup will mark its 30th anniversary next year and remains much loved by many fans. We have also strengthened our career and finance education initiatives benefiting the region’s children. In our outreach classes for elementary and junior high school students in particular, we are teaching children about the significance of working and the role of financial institutions.

As a regional financial institution, we are committed not only to providing advanced financial intermediary functions to medium-sized companies and SMEs but also to contributing to the revitalization of the regional economy as a united Group effort by collaborating with local governments, companies, and residents of the region.

The challenge of balancing solutions to social issues and economic growth, based on our Purpose and Vision

We believe that the Bank Group’s corporate value can be enhanced by contributing to the growth of the region. As the inaugural CSuO, leveraging all of my experience to date, I will take on the challenge of balancing solutions to social issues and regional economic growth, and by sharing the benefits thus generated with the region, we aim to enhance the corporate value of the Bank Group.

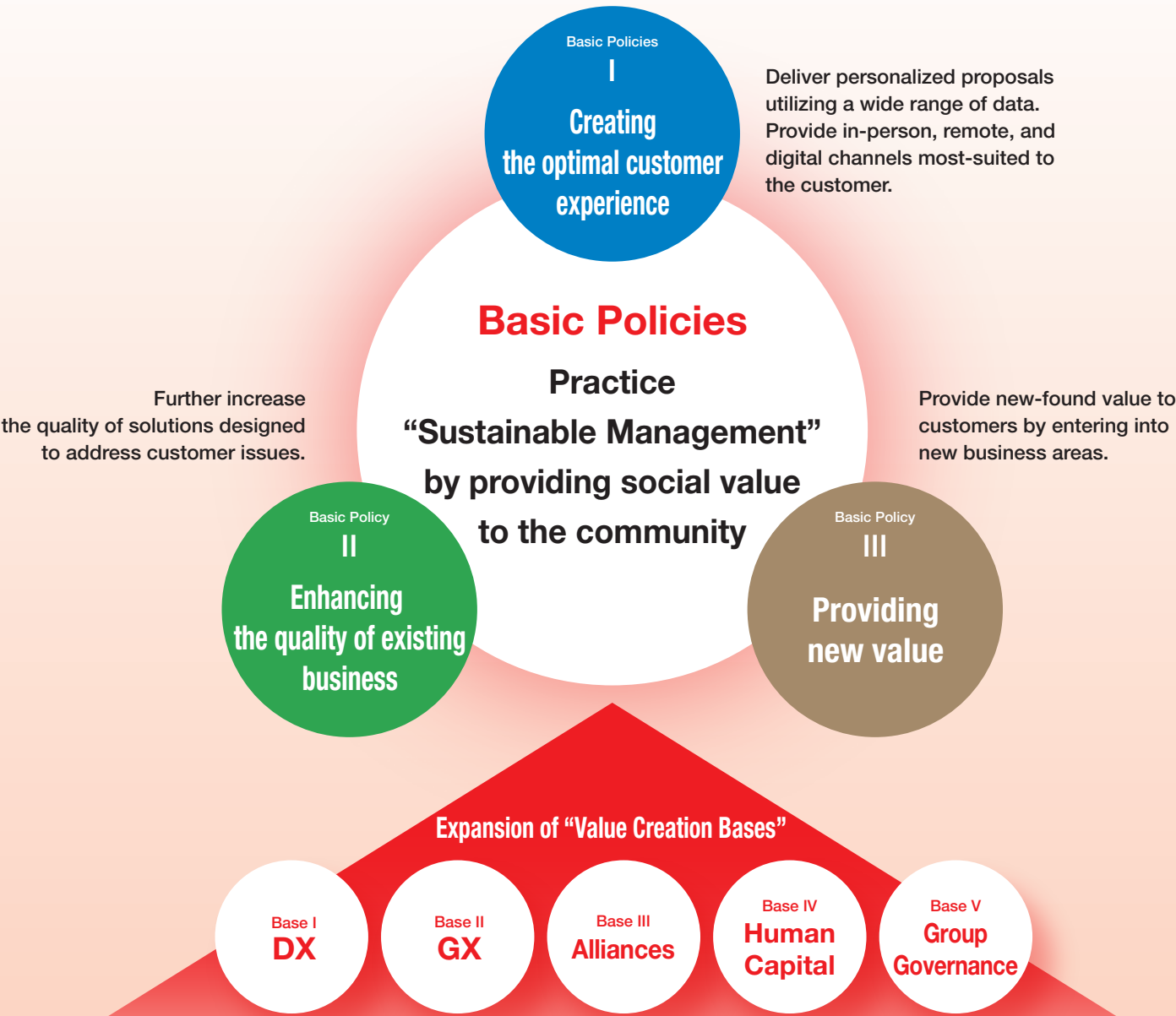
Initiatives for the Final Year of Mid-term Plan

In order to realize our Purpose and Vision, we have established “Evolution of the customer-focused business model” as our operational guideline in the Mid-term Plan “Engagement Bank Group - Phase 1 -.” Based on the Plan, we will further increase engagement with customers by changing our perspective in providing products and services and creating the optimal customer experience. Centered on the three “Basic Policies,” we will further improve our customer service, and strengthen and expand the five “Value Creation Bases,” which are the foundation of these policies.

The 15th Mid-term Plan Engagement Bank Group

Phase 1 Plan Period: April 1, 2023 to March 31, 2026

Operational Guideline Evolution of the customer-focused business model



Target Figures

	Previous Mid-term Plan		Current Mid-term Plan		Target level for FY2030
	Results for FY2022	Results for FY2023	Results for FY2024	Targets for FY2025	
Consolidated ROE (shareholders' equity basis)	6.38%	6.40%	7.34%	Above 8% Above 7%	8% →Expect to achieve in FY2025
Profit attributable to owners of parent	¥60.2 billion	¥62.4 billion	¥74.2 billion	¥85.0 billion ¥75.0 billion	¥100.0 billion →Expect to achieve during the next Mid-term Plan period
Consolidated net business income	¥81.8 billion	¥91.7 billion	¥104.7 billion	¥125.1 billion ¥120.0 billion	
Consolidated common equity Tier 1 capital ratio*1	10.57% (Before application of finalized Basel III standards)	11.87%	11.97%	10.5% to 11.5%*2	
Consolidated OHR	47.37%	48.76%	46.47%	45%	

\*1 Based on full implementation of finalized Basel III standards (excluding valuation differences on securities)  
\*2 Aim to achieve range convergence by March 31, 2029

Progress toward targets

The abovementioned five management KPIs, including a consolidated ROE, are set as financial targets in the Mid-term Plan “Engagement Bank Group - Phase 1 -.”

As long-term targets, we are aiming for a consolidated ROE of around 8% and a profit attributable to owners of parent of ¥100.0 billion in FY2030.

The business environment surrounding the Group has reached a major turning point with the advent of “a world with interest rates” and the rapid development of AI technology. At the same time, we also recognize that our social responsibility as a regional financial institution is more important than ever.

In this changing environment, the Group is focusing on enhancing the sophistication of its data utilization and expanding app and portal functions to create the optimal customer experience. In addition to further advancing the sophistication of deposit, lending, and consulting services, we are also promoting entry into new business areas utilizing digital technologies and AI to strengthen our efforts to solve customers’ issues.

As a result, all figures in the interim year of the Mid-term Plan made good progress, including ¥74.2 billion in profit attributable to owners of parent.

In light of this progress, the Group has decided to upwardly revise the final year targets of the current Mid-term Plan. In addition, we expect to achieve our long-term goal set for FY2030 ahead of schedule.

Future responses

We recognize that it is important for the Group to develop along with the growth of its customers by further deepening its contribution to the community in order for the Group to grow sustainably. In addition, it is essential to further strengthen existing businesses and continue to take on the challenge of entering new business areas as a growth strategy. Furthermore, the changes that we have made as a corporate group through our efforts in the business improvement plan must be linked to our future growth.

While strengthening these initiatives, we will improve our productivity and capital efficiency through provision of values that resonate with customers.



Financial Results and Conditions

Financial Results for the Fiscal Year Ended March 31, 2025

Overview

Net interest income increased ¥20.0 billion year on year due to an increase in interest on loans and discounts and other factors, and net fees and commissions income increased ¥0.7 billion year on year. As a result, gross business profit increased by ¥18.3 billion year on year to ¥186.5 billion.

Although G&A expenses increased by ¥4.6 billion year on year mainly due to an increase in personnel costs resulting from wage increases and an increase in non-personnel expenses resulting from strategic investments, consolidated OHR declined by 2.2% from the previous fiscal year to the 46% level and maintained a high efficiency.

Real net business income increased by ¥13.6 billion year on year to ¥96.7 billion. The Bank's core business income excluding gains/losses on the cancellation of investment trusts was strong, increasing for six consecutive terms to ¥100.8 billion.

Credit-related expenses increased by ¥4.3 billion year on year to a provision of ¥10.2 billion primarily due to making preventive provisions for some loans in light of the current environment.

Ordinary profit increased by ¥18.9 billion year on year to ¥105.0 billion, and net income increased by ¥13.6 billion year on year to ¥74.2 billion. On a consolidated group basis, ordinary profit increased by ¥17.2 billion year on year to ¥107.5 billion and profit attributable to owners of parent increased by ¥11.8 billion year on year to ¥74.2 billion. Thus, ordinary profit and net income reached record highs for three consecutive terms on both a consolidated and non-consolidated basis.

**Net interest income**

Net interest income increased by ¥20.0 billion year on year to ¥156.7 billion.

Domestic net interest income increased by ¥17.6 billion year on year. Interest on loans and bills discounted increased by ¥15.7 billion year on year due to a steady increase in domestic loans and a 0.09% increase in the yield on loans, while interest on deposits also increased by ¥9.5 billion. In addition, interest and dividends on securities increased by ¥6.3 billion, mainly due to higher bond yields.

Overseas net interest income also increased by ¥2.4 billion due to an increase in interest on loans and bills discounted and interest and dividends on securities.

>> Summary of financial results for the Fiscal Year Ended March 31, 2025

(Non-consolidated)	FY2023	FY2024	YoY
Gross business profit	168.2	186.5	18.3
Net interest income	136.6	156.7	20.0
Net fees and commissions	30.0	30.8	0.7
Net trading income	1.1	1.1	0.0
Net other ordinary income	0.3	(2.1)	(2.5)
Gains/losses related to bonds	(5.8)	(6.7)	(0.8)
G&A expenses (-)	85.1	89.7	4.6
Real net business income	83.1	96.7	13.6
Core business income	88.9	103.4	14.5
Excl. gains/losses on the cancellation of investment trusts	87.4	100.8	13.4
Net provisions to general allowance for loan losses (-)	—	2.0	2.0
Net business income	83.1	94.6	11.5
Non-recurring gains/losses	2.9	10.3	7.3
Disposal of non-performing loans (-)	5.8	8.1	2.2
Reversal of loan loss reserves	0.3	—	(0.3)
Gains/losses related to stocks, etc.	9.3	18.1	8.7
Ordinary profit	86.0	105.0	18.9
Extraordinary gains/losses	(0.2)	(0.6)	(0.3)
Net income	60.5	74.2	13.6
Credit-related expenses (-)	5.8	10.2	4.3

(¥ billion)

(Consolidated)	FY2023	FY2024	YoY
Ordinary profit	90.2	107.5	17.2
Profit attributable to owners of parent	62.4	74.2	11.8

(Reference)

Consolidated net business income (before provision to general allowance for loan losses)	91.7	104.7	12.9
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>> Breakdown of net interest income

	FY2023	FY2024	YoY
Net interest income	136.6	156.7	20.0
Domestic	132.2	149.8	17.6
Interest on loans and deposits	104.2	110.4	6.2
Loans and bills discounted	104.5	120.3	15.7
Interest and dividends on securities	26.0	32.4	6.3
Other (market operations, etc.)	1.9	6.9	5.0
Overseas	4.4	6.9	2.4
Loans and bills discounted	27.1	30.3	3.1
Foreign securities	27.0	33.3	6.3
Other (funding, market operations, etc.)	(49.7)	(56.7)	(7.0)
Net interest income (excl. gains on the cancellation of investment trusts)	135.1	154.1	19.0
Gains on the cancellation of investment trusts	1.5	2.6	1.0

Net fees and commissions

Net fees and commissions increased to ¥30.8 billion, reaching record high for five consecutive terms.

Attributable to proposals that were based on the needs of corporate customers, corporate solutions fees and commissions increased by ¥1.3 billion year on year to reach a record high and led to the overall increase in net fees and commissions.

Cashless operations fees also increased to a record high.

Fees and commissions from investment trusts and personal annuities declined overall by ¥0.9 billion year on year due to a decrease in life insurance fees, despite an increase in investment trust fees.

Earnings Projections for the Fiscal Year Ending March 31, 2026

For the fiscal year ending March 31, 2026, gross business profit is projected to increase ¥21.5 billion year on year to ¥208.1 billion due to an increase in net fees and commissions of ¥0.7 billion, mainly on corporate solutions, in addition to an increase in net interest income of ¥18.4 billion due to an increase in domestic interest on loans and deposits as a result of an increase in loans and bills discounted and rising interest rates.

G&A expenses are projected to increase ¥4.2 billion year on year to ¥94.0 billion primarily due to wage increases and a rise in cost of strategic investments.

As a result, real net business income is projected to increase ¥17.3 billion year on year to ¥114.1 billion, and core business income excluding gains/losses on the cancellation of investment trusts is projected to increase ¥13.7 billion year on year to ¥114.6 billion.

Credit-related expenses, on the other hand, are conservatively projected to increase ¥2.7 billion year on year to ¥13.0 billion in light of the environment where impact on the economy has remained uncertain, such as the U.S. reciprocal tariff and rising prices.

As a result, ordinary profit is projected to increase ¥16.5 billion year on year to ¥121.6 billion and net income is projected to increase ¥10.3 billion year on year to ¥84.6 billion.

On a consolidated group basis, ordinary profit is projected to increase ¥16.7 billion year on year to ¥124.3 billion and profit attributable to owners of parent is projected to increase ¥10.7 billion year on year to ¥85.0 billion.

>> Breakdown of net fees and commissions

(Non-consolidated)	FY2023	FY2024	YoY
Net fees and commissions	30.0	30.8	0.7
<Main breakdown>			
Investment trusts and personal annuities	5.9	4.9	(0.9)
Corporate solutions	16.6	18.0	1.3
Trust/inheritance-related business	1.5	1.5	(0.0)
Cashless operations	2.8	3.9	1.0
Payment and settlement transactions	12.9	13.1	0.1
Guarantee charges and group insurance costs (-)	13.9	14.6	0.7

>> Earnings projections

(Non-consolidated)	FY2024	FY2025 (Plan)	YoY
Gross business profit	186.5	208.1	21.5
Net interest income	156.7	175.2	18.4
Net fees and commissions	30.8	31.5	0.7
Net trading income	1.1	1.4	0.2
Net other ordinary income	(2.1)	(0.1)	2.0
Gains/losses related to bonds	(6.7)	(1.7)	5.0
G&A expenses (-)	89.7	94.0	4.2
Real net business income	96.7	114.1	17.3
Core business income	103.4	115.8	12.3
Excl. gains/losses on the cancellation of investment trusts	100.8	114.6	13.7
Net provisions to general allowance for loan losses (-)	2.0	3.0	0.9
Net business income	94.6	111.1	16.4
Non-recurring gains/losses	10.3	10.5	0.1
Disposal of non-performing loans (-)	8.1	10.0	1.8
Reversal of loan loss reserves	—	—	—
Gains/losses related to stocks, etc.	18.1	20.2	2.0
Ordinary profit	105.0	121.6	16.5
Extraordinary gains/losses	(0.6)	(1.7)	(1.0)
Net income	74.2	84.6	10.3
Credit-related expenses (-)	10.2	13.0	2.7

(¥ billion)

(Consolidated)	FY2024	FY2025 (Plan)	YoY
Ordinary profit	107.5	124.3	16.7
Profit attributable to owners of parent	74.2	85.0	10.7

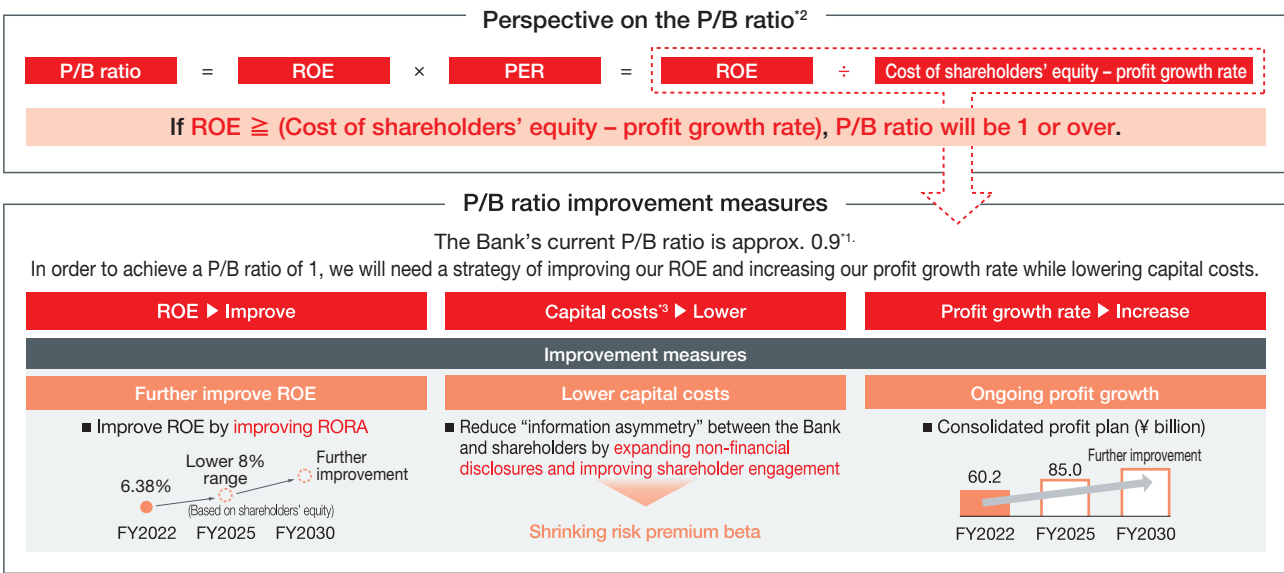
(Reference)

Consolidated net business income (before provision to general allowance for loan losses)	104.7	125.1	20.4
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# P/B Ratio, Growth Strategy, Capital Policy

## Improving Our P/B Ratio

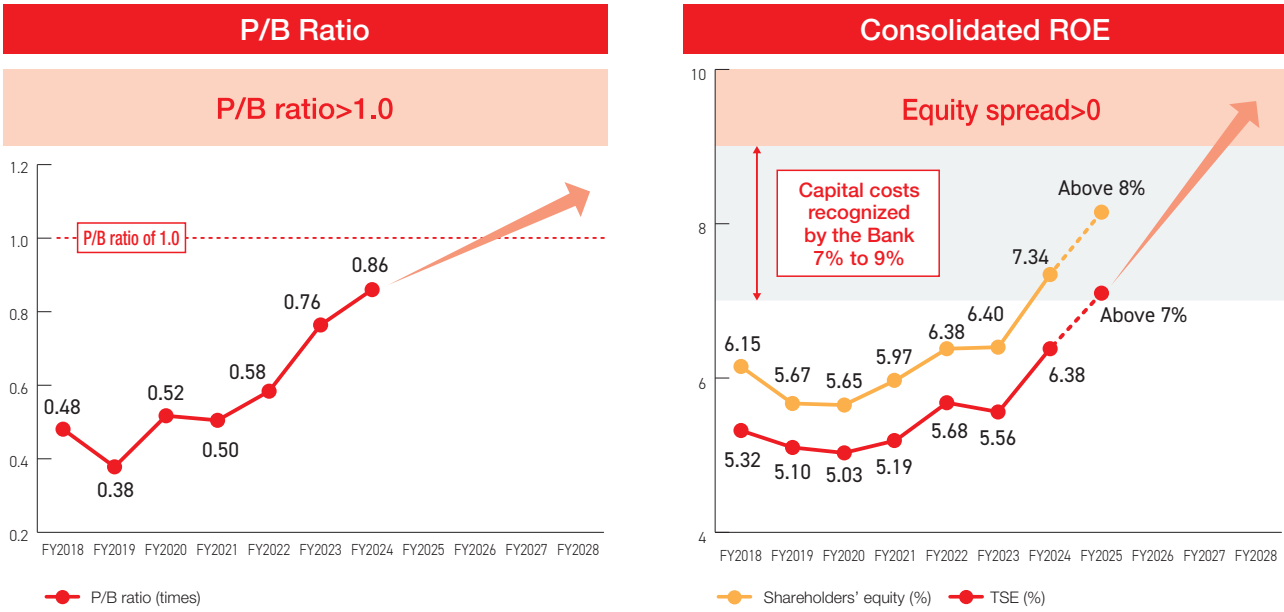
The Bank's P/B ratio is approximately 0.9\*1, which is a top-class figure for a regional bank. However, it has been trending below 1 for some time. In order to raise the ratio to a level higher than 1, we consider the ratio in terms of three factors: ROE, capital costs, and profit growth rate, and will implement a three-pronged improvement plan consisting of further improving our ROE, lowering capital costs, and sustainable profit growth.



\*1 Results for FY2024  
\*2 A more accurate formula is  $\text{P/B ratio} = 1 + (\text{ROE} - \text{cost of shareholders' equity}) \div (\text{cost of shareholders' equity} - \text{growth rate})$ . The formula shown here is presented as a practical simplified version.  
\*3 The Bank's administrative capital costs are estimated using CAPM and equity profit yields.

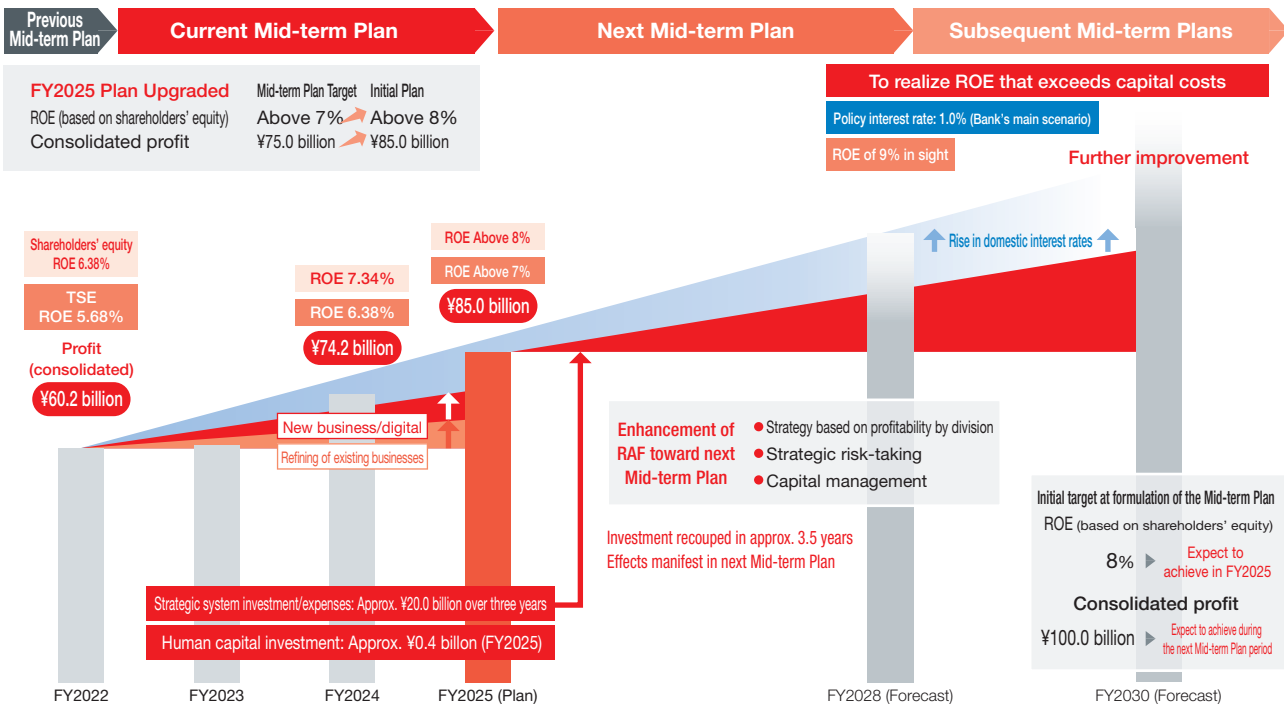
## Trends in P/B ratio and consolidated ROE

P/B ratio and consolidated ROE have steadily increased as a result of the efforts of the Mid-term Plan. The Bank's capital costs are recognized to be around 7% to 9% based on CAPM estimates and equity profit yields, and the Bank aims to achieve a Tokyo Stock Exchange-based ROE of over 9% with a positive equity spread and a P/B ratio of over 1.



## Growth Strategy

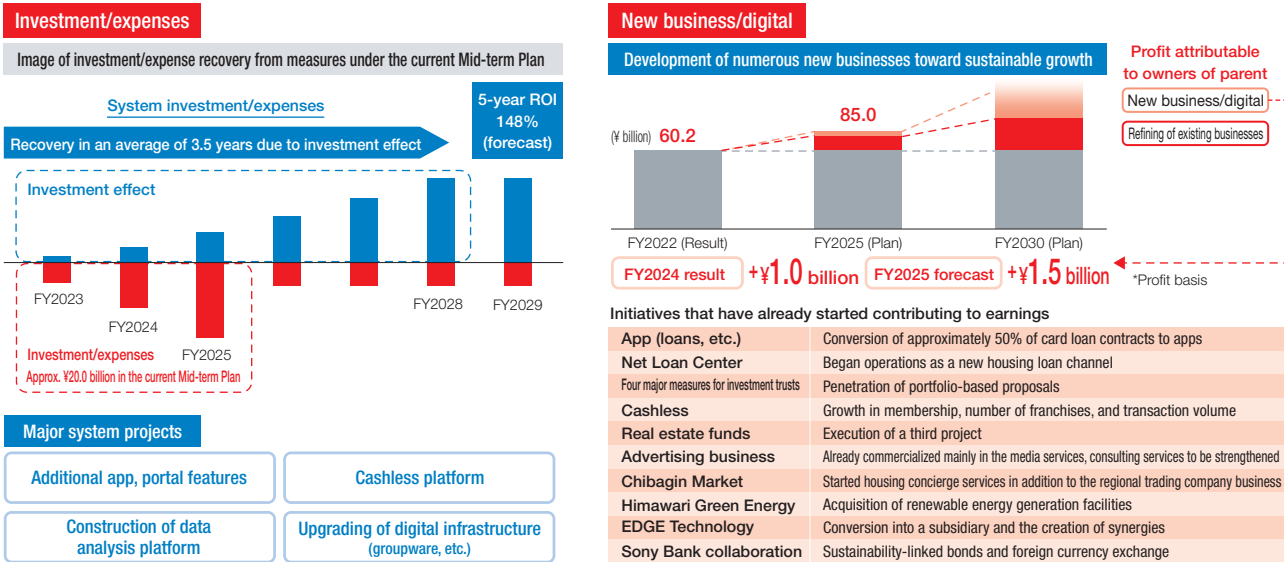
The financial targets for the final year of the Mid-term Plan were largely achieved one year ahead of schedule, and the final-year consolidated ROE (based on shareholders' equity) was revised upward from the lower 7% range to the lower 8% range, while consolidated profit was raised from ¥75.0 billion to ¥85.0 billion. We will strengthen our initiatives to achieve sustainable growth and capital efficiency in the next Mid-term Plan and beyond.



## Allocation of management resources and digital/new businesses

We plan to invest a cumulative total of approximately ¥20.0 billion in system investments and expenses in the Mid-term Plan, mainly for the construction of apps, portals, and data analysis platforms, and we expect to see the effects of these investments during the period of the next Mid-term Plan.

As a result of fortifying new business/digital initiatives for sustainable growth, the earnings effect was +¥1.0 billion in the previous fiscal year\* and +¥1.5 billion expected for the current fiscal year\*, and we will further strengthen our initiatives going forward.

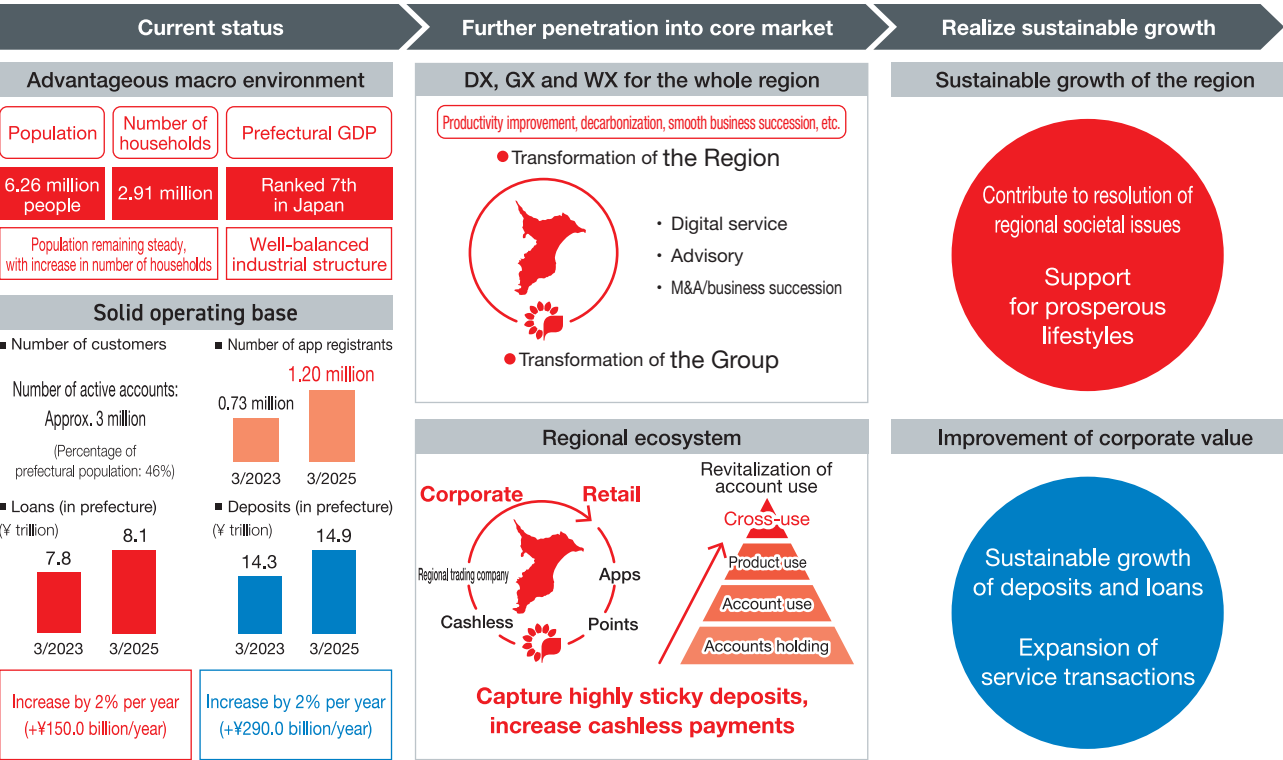




P/B Ratio, Growth Strategy, Capital Policy

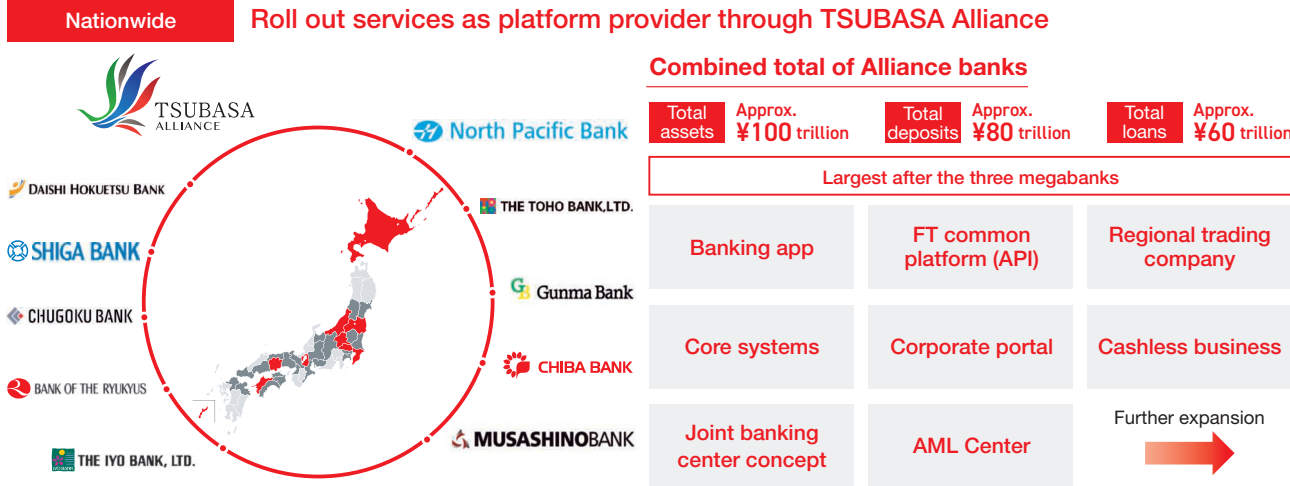
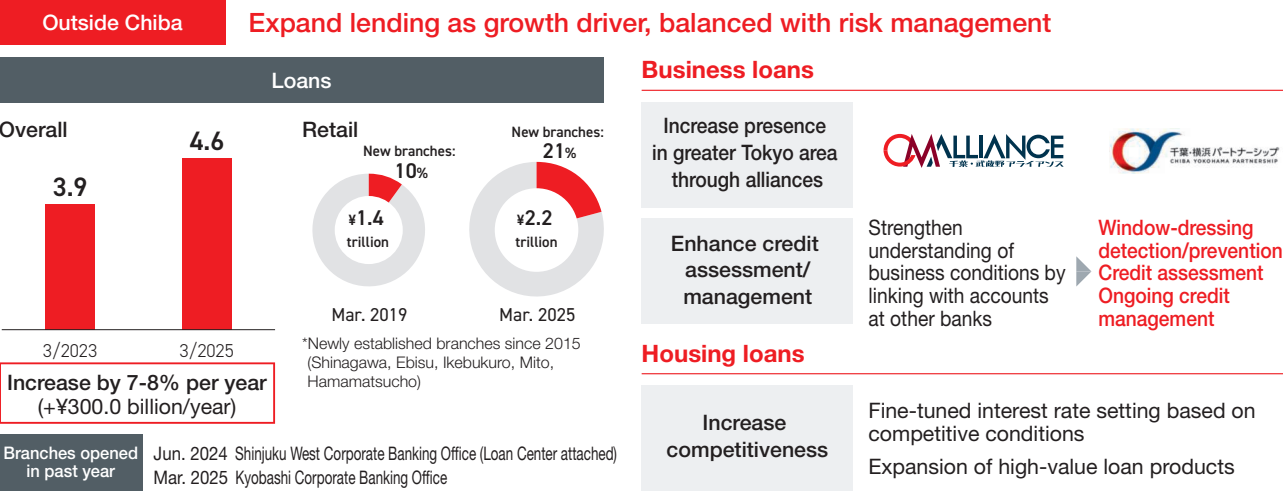
Growth strategy originating from three areas (Chiba Prefecture, outside the prefecture, nationwide)

In Chiba Prefecture, our core market where we have an advantageous macro environment in terms of demographics and economic scale, etc., we have built a strong operating base including the number of individual customers, app registrants, loans and deposits. We are promoting “DX, GX and WX for the whole region” that links the Group’s transformation in digital, decarbonization, working styles, and productivity with regional transformation, and aiming to build a regional ecosystem in which individuals and corporations generate a virtuous economic cycle within the region, thereby achieving both sustainable regional growth and an increase in our corporate value.



Outside Chiba Prefecture, we aim to expand lending as a growth driver while maintaining a balance with risk management. To this end, we will promote new branch openings and strengthen our understanding of management conditions by leveraging AI.

As for nationwide, we will expand various services and systems, including the banking app, as a platform through the TSUBASA Alliance.



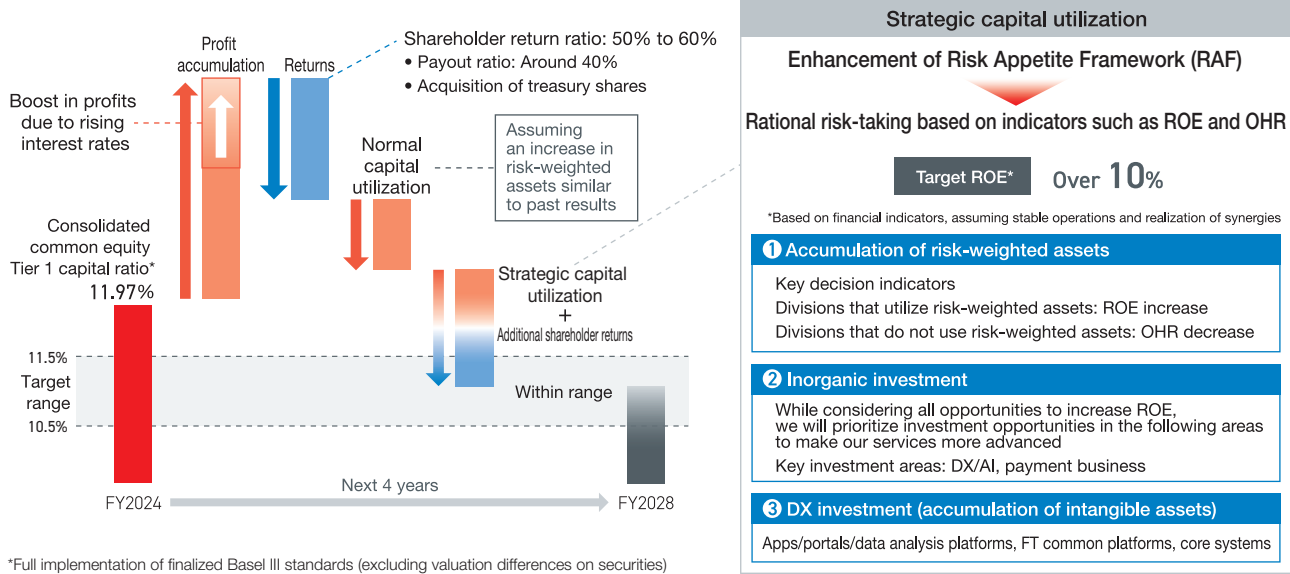
Capital Policy

Capital allocation

In terms of capital management viewpoint, our basic policy is to control the consolidated common equity Tier 1 capital ratio\* in the range of 10.5% to 11.5%.

In preparation for the next Mid-term Plan, we will apply the profits to be accumulated going forward to normal capital utilization centered on shareholder returns that serve as a base and an increase in loan balances, and subsequently use them for strategic capital utilization and additional returns to achieve the range mentioned above. With regard to strategic capital utilization, we are working to enhance the risk appetite framework (RAF) for full-scale utilization in the next Mid-term Plan, and we will engage in rational risk-taking based on indicators such as ROE and OHR. For divisions that utilize risk-weighted assets and inorganic investments, investment and loan decisions will be made with an ROE target of over 10%, and for divisions that do not use risk-weighted assets, decisions will be made based on whether they will contribute to lowering OHR. Moreover, we will continue to strengthen DX investment.

>> Current outlook for the next Mid-term Plan



\*Full implementation of finalized Basel III standards (excluding valuation differences on securities)



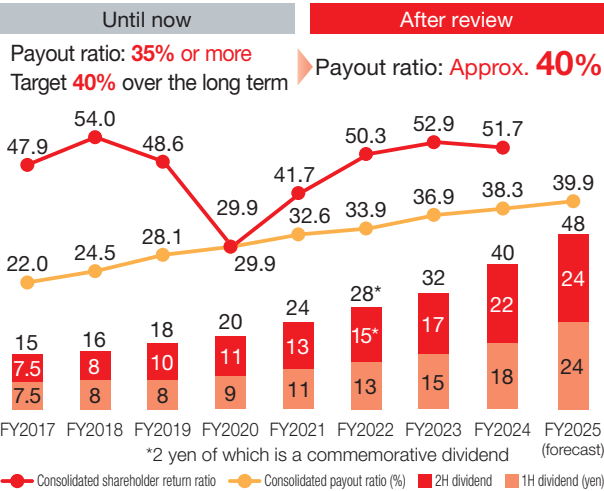
Shareholder returns

With regard to dividends, we have revised our return policy to aim for a payout ratio of approximately 40% as our long-term target.

We will also continue to consider flexible share buybacks.

We will improve earnings by steadily carrying out various measures and continue to implement shareholder returns that take into consideration the balance between investment for growth and a sound capital base.

Shareholder returns



Communication with Customers

The Bank utilizes customer feedback to improve management, and works to improve its services. Under the Mid-term Plan, we conduct CX (customer experience) surveys to quantitatively understand and verify the improvement of customer engagement and continuously pursue improvements to enhance customer satisfaction.

Communication with Shareholders

The Bank strives to enhance disclosure through the General Meeting of Shareholders, IR meetings, meetings with individual investors, and other IR events. In addition to IR meetings and individual meetings, we held briefings on the growth strategy and DX strategy in FY2024. Directors, including the President and outside directors, or Audit & Supervisory Board members participate in dialogues with shareholders and investors within a reasonable scope. In addition, feedback received in these dialogues is reported to directors and Audit & Supervisory Board Members through the Board of Directors. We will improve management based on that feedback.

Activity Results

Meetings, etc.	Number of times held	Presenter	Number of participants
The 118th Annual General Meeting of Shareholders	1	Directors, Audit & Supervisory Board members, etc.	93
Briefings for analysts and institutional investors			
IR meetings	2	President, CSO/CDTO	381
IR Day "Growth Strategy/DX Strategy"	1	President, CSO/CDTO	61
IR Day "Business Improvement Plan/Governance"	1	President	63
Small Meeting for financial results announcement	2	CSO/CDTO	149
Briefings for individual investors	8	CSO/CDTO	2,958
Individual meetings with analysts and institutional investors	Total of 267 (of which 115 were conducted by executives and 81 were with overseas investors)		

Dialogue details

Dialogues are held on a variety of topics, such as business performance, capital policy, alliance strategy, DX strategy, sustainability, and human capital. Q&A sessions in briefings for analysts and institutional investors are disclosed on the Bank's website.

Communication with Employees

Opinion exchange meeting with executives

To reflect the voice of frontline branch employees in management, we hold annual opinion exchange meetings with executives. Q&A sessions constitute the core part of the meetings, where branch employees ask questions related to management, share what they think of day-to-day work, and propose what measures should be taken. In FY2024, ten executives, including the President, held opinion exchange meetings at a total of 145 branches.

We also held opinion exchange meetings for the formulation of the next Mid-term Plan, where executives including the President engaged in repeated dialogue with employees from the headquarters, branches, and Group companies to discuss the ideal vision, current issues, and future initiatives. By directly exchanging opinions with a cumulative total of over 800 employees, we are strengthening the process of reflecting opinions from the frontline into management.

IR for employees (corporate briefing session)

IR for employees (corporate briefing session) was held for all Group employees as an opportunity for executives to directly explain information such as management strategies. The President and executives responsible for each strategy participated in the meeting and explained topics such as management strategy, group strategy, human capital management, and DX strategy. Real-time Q&A sessions were held to further deepen employee understanding of management and to deliver employee opinions directly to management, with the aim of realizing the Group's Purpose, which includes "each individual employee's hopes."



Reduction of cross-shareholdings

In terms of cross-shareholdings, our policy is to maintain cross-shareholdings on a limited basis if a meaningful rationale for holding the shares is recognized, while reducing overall cross-shareholdings after having sufficient dialogue with clients to control stockholding risk and capital efficiency, etc.

We verify the quantitative holding effects of listed shares using indicators such as RAROA (risk adjusted return on assets)\*.

The Board of Directors verifies the validity of the rationale for cross-shareholdings for each individual issue, based on the economic rationale and future prospects for the value of the shares, taking into consideration the financial and performance details of each company. For the fiscal year under review, these verifications were conducted as of the end of March 2025.

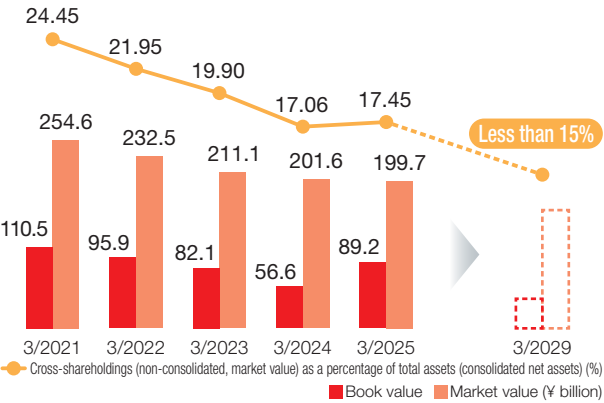
Even in cases where the rationale for cross-shareholdings is recognized to be reasonable, shares may be sold in accordance with the basic policy of reducing overall cross-shareholdings. Furthermore, we do not request continued holding of our shares by counterparties with which we mutually hold cross-shareholdings. If such counterparties express an intent to sell, etc. our shares, we do not interfere with such sales, etc.

The Bank intends to reduce the percentage of cross-shareholdings to less than 15% of total capital (consolidated net assets) on the balance sheet (market value) by the end of the next Mid-term Plan period (end of March 2029), while keeping a close eye on market price fluctuations due to rising stock prices.

In the current fiscal year, all shares of 9 stocks have been sold, and as of March 31, 2025, the amount of cross-shareholdings on the balance sheet (market value) was ¥199.7 billion, accounting for 17.45% of total capital (consolidated net assets).

Compared to the previous fiscal year, the number of stocks held has decreased while the percentage of cross-shareholdings has slightly increased, mainly due to the new acquisition of shares in Chiba Kogyo Bank and EDGE Technology.

Cross-shareholdings and ratio to total capital



\*RAROA (risk adjusted return on asset) is calculated by deducting assumed provisions for equity holdings and capital costs associated with stock holdings from income from deposits and loans, service income, and dividend income of the issuing corporate group, and we verify the economic rationality of such holdings based on standard values established by the Bank. However, in consideration not only of confidentiality with the issuing corporate group, but also of our own trade secrets as a financial institution, the need to maintain trust, and customer protection, we refrain from disclosing the specific standard values, etc. for each judgment factor.