

The Chiba Bank, Ltd.
Integrated Report

2022



Aiming to enhance “customer experience” as a partner to customers and regional communities

Management Policy

As a regional financial institution based in Chiba Prefecture, Chiba Bank Group recognizes that its mission is to “contribute to the sustainable development of regional economies through the provision of the latest financial services as a partner for customers and regional communities.” We will continue to maintain this stance and the entire Chiba Bank Group will work together to develop activities that improve customer satisfaction, such as providing high quality financial services and products, while also actively contributing to the development of the regional community. Through these efforts, we will work to gain support from our shareholders and investors.



Our Website

<https://www.chibabank.co.jp/>

Corporate and Investor Relations Information

<https://www.chibabank.co.jp/english/>

Sustainable Management (Japanese only)

<https://www.chibabank.co.jp/company/sustainability/>

IR Library

<https://www.chibabank.co.jp/english/ir/library/>

Note on Forward-looking Statements

This report contains forward-looking statements, including financial outlook. They are based on future outlook, assumptions and forecasts that form the basis for plans, which the Bank deems reasonable at the time of publication. They do not constitute a promise by the Bank that these will be realized. Actual results may differ from those expressed in the forward-looking statements due to changes in conditions.

Editorial Policy

This document has been edited in order for stakeholders to easily understand our initiatives aimed at achieving “Sustainable Management.” The International Integrated Reporting Framework advocated by the Value Reporting Foundation (VRF, former IIRC) and other guidelines were used for reference in the editing of this report. We hope that by reading this report you can understand our basic concept as we aim to enhance “customer experience.”

Reporting Period:

April 2021 – March 2022

(The document includes some information from April 2022 onwards.)

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Toward the Evolution of a Customer-centric Business Model

Since its establishment, we have continued to grow in step with customers and the regional communities as their partner in the face of rapidly changing environments.

Looking ahead, while responding to changes in the environment in a flexible manner, we will continue to evolve our business model by striving to “provide social value,” such as solutions to regional social issues and support for customers’ enriched lifestyles. In doing so, we will pursue sustainable growth together with our customers and regional communities.

Surrounding Business Environment

The COVID-19 pandemic brought major changes to the values and behaviors of individuals and has had a significant impact on our business environment. With the acceleration of digitalization and carbonization worldwide, long-term changes in social structures have also progressed.

Moreover, since the second half of the last fiscal year, various factors have brought more uncertainty than ever to the environment surrounding the banking sector. Those factors include inflationary pressures that have been made worse by the situation in Ukraine issue and supply constraints, as well as changes in interest rate policies mainly in Europe and U.S.

In line with these changes, we ourselves must also transform with a sense of speed. We believe that with change there always comes opportunity and that ideas for future businesses lie hidden within that tide of change. For this reason, we will continue to view these changes as a major opportunity.

Target Figures

	Results for FY2020 (First Fiscal Year)	Results for FY2021	Targets for FY2022 (Final Fiscal Year)
Profit attributable to owners of parent	¥49.6 billion	¥54.4 billion	¥60.0 billion
Consolidated ROE (based on shareholders’ equity)	5.65%	5.97%	Mid- 6%
OHR (non-consolidated)	55.00%	52.02%	Lower 50% range

Medium Term Management Plan Progress

The 14th medium term management plan (“NEXT STEP 2023 ~ connect and go beyond, for the future ~”) has been proceeding to schedule.

Financial results for the fiscal year ended March 31, 2022 were favorable, with non-consolidated net interest income reaching a ten-year high of ¥131.8 billion (up ¥7.2 billion year on year), net fees and commissions income reaching a record high of ¥27.5 billion (up ¥1.3 billion year on year), and gross business profit increasing for the fifth consecutive year to ¥161.5 billion (up ¥5.4 billion year on year).

In major target indicators in the medium term management plan as well, progress was made as per the plan as of the end of the plan’s second year. Profit attributable to owners of parent reached ¥54.4 billion against the final fiscal year target of ¥60.0 billion, and consolidated ROE reached 5.97% against the final fiscal year target of the mid 6% range. Further, OHR (non-consolidated), which is a strength of the Bank, was 52.02%, achieving

Tsutomu Yonemoto

President

Joined the Chiba Bank in 1987, Director since June 2017 and President since June 2021, after serving as General Manager of the Bank’s Hong Kong Branch and General Manager of the Corporate Planning Division and the Business Promotion Division.

the final fiscal year target level of the lower 50% range ahead of schedule. Through means such as the acceleration of DX, we will increase productivity with the aim of reaching the 40% range in the final fiscal year of the plan.

Going forward, we will strive to improve our business performance by further growing our three strengths of a solid operating base, strong financial base, and alliance strategy.

Work on the “Provision of Social Value” from a Viewpoint One Step Higher

Over the years, Chiba Bank has expanded its business by providing financial functions such as deposits, loans, and foreign exchange, as well as pursuing initiatives to fulfill its social responsibilities. It will emphasize the “provision of social value” even further from a viewpoint that is one step higher than before. By turning these initiatives themselves into our business, we will pursue sustainable growth.

Our first initiative for the “provision of social value” is “solutions to regional social issues.” This means contributing to solutions to issues faced by regional communities, such as measures against the current COVID-19 pandemic and responses to digital transformation (DX) and decarbonization. We believe that these are the kinds of issues that we should act on as our primary business.

The second initiative is “support for customers’ enriched lifestyles.” As an “enriched lifestyle” means different things for different customers, we need to stand with each individual customer and offer them personalized services. Personalized proposals, that is, proposals that are tailored to the individual customer, include services in non-financial areas that go beyond financial sphere. In this regard, we need to be proactive in taking on challenges in new business areas. We will also strive to build a “regional ecosystem” and enrich the lifestyles of each and every customer by combining DX strategies such as apps and cashless businesses.

The third initiative is “provision of values that resonate with customers.” We will encourage customers to empathize with our values, such as our *raison d’être* and our approach to management, and in doing so, strive to be a bank that continues to be trusted by customers and regional communities and is able to maintain sustainable dealings with them into the future.

Evolution of a Customer-centric Business Model

To support customers’ enriched lifestyles, Chiba Bank must change its business model to a “customer-centric business model.” A

Message from the President

“customer-centric business model” means providing all customers with personalized proposals that offer both financial and non-financial services that are relevant to customers’ daily lives.

If we are to offer proposals that are tailored to the individual customer, it is crucial that we face each customer squarely and get to know them better.

With the revision of the Banking Act and other developments, banks are now able to offer a greater range of services. We believe that will enable us to go deeper than ever in our dealings with individual customers. In doing so, we will aim to offer various forms of lifestyle-related support and strive toward our goal of being “Chiba Bank, the bank we can rely on for anything.”

The same may be said for our corporate customers. Our many different customers, including those that have loans with us and those that only have deposits, from large corporations to businesses that have only just launched, all have their own unique needs. For this reason, we stand with each of those customers and run alongside them in support.

In these ways, we will stand firmly with each and every one of our customers, both individuals and companies, and provide them with careful responses. In doing so, little by little, our transactions and connections with each of them will increase, and the accumulation of those transactions and connections will, we hope, lead to major growth for the Bank.

Standing Upstream of the Commercial Flow in Non-Financial Areas

In our personalized proposals, it is crucial that we stand upstream of the commercial flow or, in other words, anticipate our customers’ product and service needs and strengthen our responses to their non-financial requirements.

For customers who have made decisions on home or car purchases, if we were only to offer them loans, it would not be easy to build relationships of trust with them or to capture additional transaction opportunities. To respond to this challenge, we established our own regional trading company, Chibagin Market Co., Ltd. in May last year. Step 1 of this venture was the release of “C-VALUE,” a

purchasing-type crowdfunding website. This has been well received, with already more than 50 regional products and services bringing new value to Chiba Prefecture.

Currently, as Step 2, we are pursuing concrete deliberations of housing-related services with the aim of combining them with financial services. We are building a framework in which, anticipating customers’ envisaged housing needs for the kind of lifestyle they want to enjoy or the kind of home they want to live in and collaborating with external partners in the housing space, we will stand upstream of the commercial flow and offer optimal proposals to customers at just the right time. Looking ahead, we also hope to provide car-related services and a range of services connected to daily living, such as health, nursing care, education, food, and retail.

By standing upstream of the commercial flow in this way and providing beneficial services as a partner to our customers, we believe that the range of our transactions will expand significantly. First, having gotten to know our customers better, we will continue to offer optimal proposals at the appropriate times and, in doing so, become trusted as “a bank that offers services that suit me” and build relationships in which customer will come to us for advice in all manner of areas, both financial and non-financial. Further, we hope to realize a virtuous circle in which, as customers consult with us on more and more areas, we can expand our business domains to match.

Making Our Business Soar with More Sophisticated DX Strategies

DX initiatives will be a key strategy for providing customer-centric services. In particular, we see the Chiba Bank app as our most important non-face-to-face channel that is the starting point of dealings with customers. As such, we are constantly working to improve the app’s features to make it more convenient. By adding lifestyle-related services, from the financial to the non-financial, to the app, we will thoroughly pursue features that are convenient and beneficial for customers.

We are also further strengthening our initiatives in cashless operations such as debit and credit cards. The further promotion of the

transition to cashless transactions in the region will greatly enhance convenience for customers and also lead to personalized, high value-added proposals.

Moreover, through proactive points redemption and encouragement of customers to shop at local stores, we hope to create a “regional ecosystem” and build an environment in which our customers, regional communities, and the Bank are connected within that ecosystem.

We believe that the development of the digital bank functions of “non-financial,” “personalized” and “regional ecosystem” based on these non-face-to-face channels and the bold deployment of DX strategies such as the provision of BaaS will present us with unprecedented business opportunities. As well as strengthening our approaches to customers whom previously we could not have reached with face-to-face methods and actively pursuing collaborations with other banks and other industries, we will make our business soar.

Enhancing the Specialized Nature of Face-to-face Services and Realizing High Value-Added Proposals

We are now in an environment where, as digitalization has advanced, non-face-to-face transactions are becoming increasingly prevalent. For precisely this reason, one key initiative will be to leverage our network of branches, which are a strength of regional financial institutions, to enhance the specialized nature of our face-to-face services.

By leveraging DX to promote paperless operations and operations that do not require a seal in the further pursuit of operational efficiency improvements, our employees will be able to devote more effort to high value-added consulting services.

For individual customers, standing with them as individuals, we will provide comprehensive consulting on money-related issues, including asset management and advice regarding life events such as home purchases and inheritance. In this way, we aim to build lifelong relationships with our customers as their partner. For our corporate customers as well, as business proprietors’ “right hand,” we will work to contribute to their



business with consulting in all manner of areas, including sales, planning, personnel, general administration, and systems.

Approaches to SDGs in Unison with Customers and Regional Communities

Approaches to the SDGs are, by definition, “solutions to social issues,” and we see them as our duty, or in other words, our mission, as a regional financial institution.

In October 2021, we established a new SDGs Promotion Office in the Corporate Planning Division, and we are strengthening more than ever our groupwide initiatives for the achievement of the SDGs. There are 17 goals in the SDGs, and fundamentally, all of the Bank’s operations will lead to at least one of those targets. Contributing to solutions to regional social issues and working to provide social value will, by extension, lead to the sustainable growth of the Bank itself, which truly matches the objectives and thinking of the SDGs.

In our efforts to achieve the SDGs, it is crucial that, instead of going it alone, we work in unison with the region. In the Chiba SDGs Promotion Network that launched in January 2022, we are actively lobbying regional communities regarding the SDGs. Striving for responses that are constantly aware of what the region needs to act on and what we need to do as a regional financial institution, we will drive the region’s approaches to the SDGs.

The most important of the SDGs goals are those that deal with the environment and carbon neutrality, and we are strengthening our approaches to them in collaboration with regional communities. In March this year, the Bank announced the goal of “achieving carbon



neutral by FY2030,” and we are also focusing efforts on consulting proposals to customers for sustainable finance and decarbonization. Our particular focus in terms of renewable energy loans is on offshore wind power generation projects. Initiatives that would take advantage of the Chiba Prefecture’s geographical characteristics are currently being considered in Choshi City and Isumi City, and the Bank intends to provide firm back-up, primarily in the area of finance.

Regarding Diversity & Inclusion (D&I) initiatives, we already had a firm foundation in this area even before D&I became the focus of attention. We were the first bank in all of Japan to appoint a woman as branch general manager, and we have made efforts over the years to establish a comfortable workplace environment for our female employees. We were a pioneer in declaring the promotion of diversity as a key management strategy, establishing a dedicated Diversity Management Division, and the Bank’s executives and employees are united in devoting efforts to initiatives that will help women flourish in the Bank. These kinds of initiatives have been well received far and wide. For example, as well as becoming the first bank to obtain “Platinum Eruboshi” certification, we have also been selected as a “Nadeshiko Brand” for five consecutive years. Looking ahead, we will further deepen our D&I initiatives, such as providing meticulous support for women in the form of personalized career design according to their individual careers and skills.

Further Evolution of Collaborations with Other Banks

Collaboration with other banks is Chiba Bank’s greatest differentiation strategy and our most important strategy for pursuing a variety of more sophisticated policies. The TSUBASA Alliance has expanded into a nationwide alliance extending from Hokkaido in the north to Okinawa Prefecture in the south. It now has combined total assets of ¥96 trillion, and its customer base has grown to a scale to rival the megabanks, with 26 million individual customers and 2.2 million corporate customers. The Business Strategy Department, which was established in TSUBASA Alliance Co., Ltd. in October 2021, plays a central role in the speedy sharing and concentration of various operations and the promotion of platform transition, taking maximum advantage of the merit of scale.

In the metropolitan region, while seeking to enhance our collaborations in the Chiba-Musashino Alliance with Musashino Bank, which has its operational base in Saitama Prefecture, and the Chiba-Yokohama Partnership with the Bank of Yokohama, whose operational base is in Kanagawa Prefecture, we aim to improve our market share, primarily in the greater Tokyo metropolitan area where there is room for growth.

In the past, some people may have had their doubts about the effectiveness of these alliances, which are distinct from business mergers. However, the firm numbers they have produced have shown their effectiveness, and they are increasing their contributions to our performance every year. We believe that the major advantage of these kinds of alliances is that they achieve equal or greater benefits than business mergers but at a faster pace. We will continue to evolve our collaborations with other banks, with a focus on alliances.

Advances in Human Resources Development

For the “provision of values that resonate with customers,” we must first share the Bank’s values properly with the employees who work here, including its *raison d’être* and approach to management, and gain their empathy with

those values. Having done that, by concentrating our efforts into “investments in people,” including human resources development and career design support, we will strive for the enhancement of employee engagement. In addition, to realize more sophisticated strategies, it is essential that we secure people who have highly specialized skills, and we will further strengthen our initiatives to enhance our employees’ specializations.

In the current medium term management plan, we have established a human resources development quota to nurture specialists, with the aim of nurturing 50 people every year, for a total of 150 people over the three years of the plan. Under this scheme, we are actively dispatching trainees to other companies in a variety of fields. In particular, we are focusing efforts on the development of DX personnel by using the DX trainee system to upgrade specialist DX-related skills through in-house training, external companies, and technical schools. Further, we have established the DX certification system, in which DX personnel are categorized into three levels—“base personnel,” “core personnel,” and “specialists.” Targets for the number of personnel to be developed in each category have been set, and their development is being conducted in a systematic way. To improve the DX literacy of all employees, we encouraged employees to obtain the IT Passport, as a result of which, a total of over 1,300 people had obtained this certification by March 31, 2022. We expect that these personnel will actively participate in the further acceleration of our DX strategy.

Further, amid the rise in non-face-to-face transactions as digitalization has progressed, we believe that improving communication skills to allow for a deeper level of dialogue with customers in face-to-face situations will become a source of the Bank’s competitiveness. In addition, by honing our employees’ observational skills, so that they can become more perceptive of customers’ wishes, and their logical thinking skills, to help them develop hypotheses while making proposals, we aim to provide the kinds of functions that a consulting firm would offer, for both individual and corporate customers.

Moreover, in addition to standing with

individual employees and supporting them with personalized career design, we will aim for the realization of organizational management that takes maximum advantage of employees’ individual skills, to further elevate our organizational strengths. We will also nurture a corporate culture in which each and every employee is able to think about what they need to do and take action accordingly.

Sharing Values with All Stakeholders with Aim of Sustainable Growth

For Chiba Bank to achieve sustainable growth into the future, not only do we need to pursue short-term profits; we must also raise our viewpoint a step higher and strive to “provide social value,” while always standing with our customers and regional communities. In other words, by pursuing initiatives such as “solutions to regional social issues,” “support for customers’ enriched lifestyles,” and “provision of values that resonate with customers,” we will aim for sustainable growth together with customers and regional communities.

Further, just as important to the Bank as our customers and regional communities are the employees who work at the Bank. In their direct dealings with customers, working with vitality and a sense of reward themselves, our employees themselves will help to provide high value-added services. For this reason, we will strive to increase employee engagement through the sharing of values, human resources development, and other means, and devote our efforts to making Chiba Bank an appealing employer.

In closing, I would like to assure our shareholders and investors of our commitment to achieving results that exceed your expectations as we properly share our major growth strategies for the future. I ask for your continued support and patronage.

July 2022

Tsutomu Yonemoto
President

Features and Strengths of Chiba Prefecture (Tokyo Metropolitan Area)

Features and Strengths of Chiba Prefecture (Tokyo Metropolitan Area)

The main operating base of the Bank Group is Chiba Prefecture, which has one of the largest population and economic scales of the country with well-balanced industrial structure and high potential in economic growth. We will carry out sustainable management utilizing the “strength” of having Chiba Prefecture, located in a part of the Tokyo Metropolitan area with wealth and potential for growth, as an operating base.

Chiba Prefecture also has diverse and thriving fishing grounds that are surrounded by sea on three sides. Its total fishing aquaculture production is one of the largest in Japan with multiple fishing ports including Choshi Port, which features No.1 volume of fish catches in the country.

Additionally, Chiba Prefecture is famous for tourist spots and resort areas including Tokyo Disneyland, many beaches, Minamiboso Quasi-National Park, and Suigo-Tsukuba Quasi-National Park, and boasts one of the largest number of foreign tourists of all Japanese prefectures.

Chiba Prefecture, with various high-level industries as stated above, is the solid operating base that supports sustainable growth of the Bank Group.

Strength 1 Population of over 6 million and Japan's leading economic scale

●Population exceeding 6 million

The population of Chiba Prefecture, which is our main operating base, is 6.26 million (as of March 2022).

This is in the sixth place in the list of Japanese prefectures ranked by population, and is roughly four times as large as that of Kagoshima Prefecture (approximately 1.57 million), which is the median population (24th place) presented by ranking the Japanese 47 prefectures by population.



Source: "Population Census" (FY2020), Statistics Division, Policy and Planning Department, Chiba Prefectural Government, Statistics Bureau, Ministry of Internal Affairs and Communications, "Prefectural Accounts" (FY2018), Economic and Social Research Institute, Cabinet Office

●Japan's leading economic scale

Chiba Prefecture has Japan's leading economic scale with prefectural income of ¥19.5 trillion and gross prefectural product of ¥21.0 trillion, which are ranked sixth and seventh in Japan, respectively.

Strength 2 Well-balanced industrial structure

Chiba Prefecture has Japan's leading commerce, agriculture, and fishing industries and a high-level and well-balanced industrial structure.

In commerce and industry, Chiba Prefecture has the “Keiyo Industrial Zone” with an industrial complex of oil refineries, petrochemical, steel, and other companies along the Tokyo Bay, where raw materials and energy for the basis of various industries are supplied to the whole country.

The Tokatsu region has an industrial support facility of “Tokatsu Techno Plaza,” which was established to foster startups, and the government, industries and academic institutions are conducting research and development in close collaboration with colleges, hospitals and research institutes in the region. In the Kazusa region, there is “Kazusa Akademia Park,” which is the hub of research and development gathered by multiple cutting-edge technology industries, and the research of state-of-the-art technology is underway at “Kazusa DNA Research Institute,” which is the world's first research organization specializing in DNA, and other facilities.

In addition, the area around Narita Airport, the air gateway to Japan, has airport-related industries functioning as a hub of international distribution, and the prefecture has solid logistics infrastructure including Chiba Port, one of Japan's leading trade ports. The Makuhari New City area forms a multifunctional international business city anchored by “Makuhari Messe,” one of Asia's leading convention centers, and many international conferences were held there.

On the other hand, Chiba Prefecture also is foremost among Japan's agricultural prefectures. Various parts of the prefecture operate agriculture in suburban areas with high productivity, utilizing the climate which is warm in winter and cool in summer and the location adjacent to the large consumption area.

Industrial Data of Chiba Prefecture

Primary industry		Secondary industry		Tertiary industry	
Fourth in Japan	¥0.2 trillion	Ninth in Japan	¥5.2 trillion	Sixth in Japan	¥15.5 trillion

Source: "Prefectural Accounts" (FY2018), Economic and Social Research Institute, Cabinet Office

Strength 3 High potential in economic growth

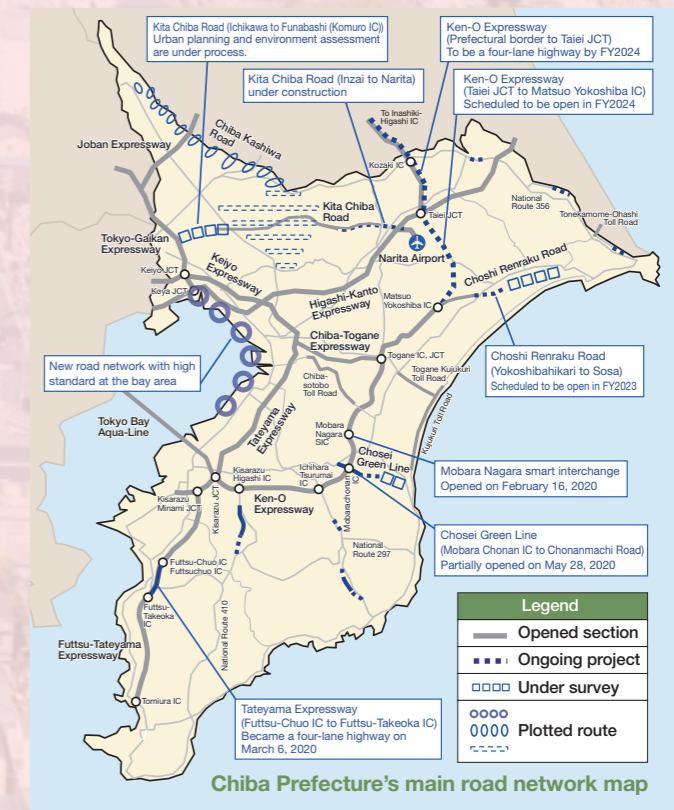
Chiba Prefecture, which is adjacent to Tokyo, is part of the “Tokyo Metropolitan area” (Tokyo, Kanagawa Prefecture, Saitama Prefecture, and Chiba Prefecture), which has a little under 30% of residents of Japan and boasts a huge economic scale.

The Tokyo Metropolitan area has networks of railways and roads that have already been developed in the wide area and will be gradually developed further. In Chiba Prefecture, the Ken-O Expressway is scheduled to be fully open in FY2024, and construction on roads such as the Kita Chiba Road, which connects Tokyo and Narita in the shortest time, and a northwest access road (Chiba Kashiwa Road) and new coastal roads are also planned for construction, which are expected to further expand distribution.

The Bank has expanded a branch network in the Metropolitan area beyond Chiba Prefecture since FY2010, by adding 4 branches in Tokyo, 2 in Saitama Prefecture, and 2 in Ibaraki Prefecture (including the Corporate Banking Office).

Chiba Prefecture, which is part of the metropolitan region adjacent to the Tokyo capital, is believed to have a high potential in economic growth due to the large population, huge economic scale, and further expansion of transportation networks.

With Chiba Prefecture as the operating base, the Bank is blessed with fundamental conditions which enable us to grow sustainably.



Source: Chiba Kenmin Dayori (Issue of October 2020)

History of the Chiba Bank Group

Since the Bank's establishment in 1943, we have continued to grow in step with the region by actively responding to financial needs generated by the development of Chiba Prefecture.



Our Transition

- 1943.3** Founded as a result of the merger of Chiba Godo Bank, Omitagawa Agricultural and Commercial Bank, and the Kujuhachi Bank
- 1960-** Deposits and loans grew in response to high economic growth
- 1964.2** Set a sunflower as the bank flower
- 1970.10** Listed on the 2nd section of the Tokyo Stock Exchange (changed to 1st section in August 1971)
- 1963.9** Total deposits reached ¥100 billion
- 1971.10** Started the first online system
- 1973.3** Built the new Head Office building and relocated the Head Office from Chuo to Chiba-minato
- 1986.10** Appointed the first female Branch General Manager in Japan
- 1987.4** Opened New York Branch
- 1989.4** Opened Hong Kong Branch
- 1991.2** Opened London Branch
- 1995.11** Opened Shanghai Representative Office
- 1998.3** Acquired Chuo Securities (currently Chibagin Securities) as a Group company
- 2006.12** Established Chibagin Heartful as a special subsidiary for the employment of people with disabilities
- 2008.3** Launched the TSUBASA project
- 2011.3** Opened Representative Office Registered in Singapore
- 2014.9** Opened Bangkok Representative Office
- 2015.10** Launched the TSUBASA Alliance
- 2016.3** Launched the Chiba-Musashino Alliance
- 2016.5 - 9** 9 group companies relocated to Chibagin Makuhari Building
- 2016.7** T&I Innovation Center Head of Loan Center
- 2019.7** Launched the Chiba-Yokohama Partnership
- 2020.9** Completed construction of Chibagin Head Office Building
- 2021.5** Established Chibagin Market

Flow of Society

- 1941 - 1945** Asia-Pacific War
- 1950 - 1953** Korean War
- 1960.12** Formulation of a construction plan for the Keiyo Coastal Industrial Zone Formulation of business plans
- 1964.10 - 11** Tokyo Olympics and Paralympics
- 1973.10** First oil crisis
- 1978.5** Opening of New Tokyo International Airport (Narita Airport)
- 1983.4** Opening of Tokyo Disneyland
- 1985.6** Full-scale start of financial liberalization
- 1985.9** Plaza Accord
- 1989.4** Introduction of consumption tax
- 1989.12** Nikkei Stock Average recorded highest price ¥38,915.87
- 1991.3** Collapse of bubble economy
- 1995.1** Great Hanshin-Awaji Earthquake
- 1997.12** Tokyo Bay Aqua-Line opened
- 2002.9** Population in Chiba Prefecture exceeded 6 million people
- 2005.4** Full implementation of the deposit payoff system
- 2008.9** Bankruptcy of Lehman Brothers
- 2009.3** Nikkei Stock Average reached ¥7,054.98, lowest price after the collapse of bubble economy
- 2011.3** Great East Japan Earthquake
- 2013.4** The Bank of Japan decided to introduce "Quantitative and Qualitative Finance Easing Policy"
- 2016.1** The Bank of Japan decided to introduce "Negative Interest Rate Policy"
- 2016.1** Typhoon Faxai
- 2019.9** Typhoon Faxai
- 2019.10** Consumption tax raised to 10%
- 2020.1** UK left the EU
- 2020.3** COVID-19 pandemic declared
- 2021.7 - 8** Tokyo Olympics and Paralympics
- 2022.2** Russia's invasion of Ukraine

Strengths of the Chiba Bank Group

Solid Operating Base

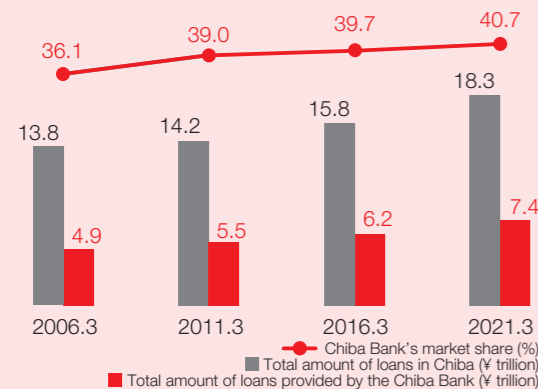
The Bank has a branch network of 185 domestic locations and 6 overseas locations as of March 31, 2022.

In recent years, we have maintained a certain number of locations, secured contact points with customers, and provided optimal services by opening new branches in central Tokyo, which is adjacent to Chiba Prefecture, Ibaraki Prefecture, and Saitama Prefecture, while also consolidating existing branches and reorganizing our branch network in the region.

With this branch network, we have won an overwhelming share of the market in Chiba Prefecture (40.7% share of lending and 27.2% share of deposits in the prefecture), our main operating base, and built a deeply diverse customer base.

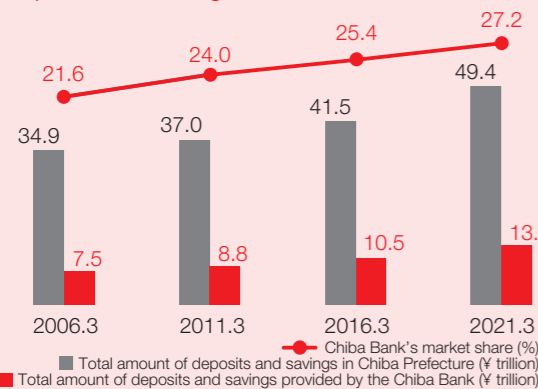
In overseas, we have branches in New York, Hong Kong, and London and representative

Loans in Chiba



Source: The Kinyu Journal

Deposits and savings in Chiba Prefecture*



* Including negotiable certificates of deposit.
Source: The Kinyu Journal

offices in various locations in Asia (Shanghai, Singapore, and Bangkok), which constitute a top-level overseas branch network as a regional bank.

The Bank serves as a main bank of over 20,000 companies to support their business activities, and is a designated financial institution of 44 out of 55 local governments in the prefecture. We also concluded Coordination

Solid Business Base

Domestic Network ¹	185 locations
Overseas Network	6 locations
Branches: New York, Hong Kong, London Representative Offices: Shanghai, Singapore, Bangkok	
Market Share of Loans in Chiba ²	40.7 %
Market Share of Deposits and Savings in Chiba Prefecture ²	27.2 %
Designated Financial Institution for	44 out of 55 local governments
Coordination Agreement for Regional Revitalization Concluded with	24 out of 55 local governments

¹ 182 branches and 3 money exchange counters
² Source: The Kinyu Journal, as of March 31, 2021

Deeply Diverse Customer Base

Number of Accounts Used to Receive Salaries	870 thousand accounts
Number of Accounts Used to Receive Pensions	490 thousand accounts
Number of Customers Receiving Housing Loans	200 thousand customers
Number of Companies Using Chiba Bank as Their Main Bank*	21 thousand companies

* Source: Teikoku Databank

(As of March 31, 2022 or for the fiscal year ended March 31, 2022, unless otherwise noted)

Agreement with 24 local governments as of March 31, 2022 and have strengthened coordination with local governments in the prefecture for regional revitalization.

As for transactions with individual customers, we have 870 thousand accounts used to receive salaries, 490 thousand accounts used to receive

pensions, and 200 thousand customers receiving housing loans. We have thus become indispensable for those living in Chiba Prefecture.

As stated above, we have an operating base as Chiba Prefecture's leading No.1 bank in terms of both quantity and quality.

Strong Financial Base

The Bank boasts a top-class asset size and profitability among the regional banks.

The total assets (consolidated) exceeds ¥19 trillion, and loans and bills discounted (non-consolidated) amount to the mid-11 trillion-yen level. Our consolidated profit (profit attributable to owners of parent) is ¥54.4 billion, which exceeds ¥50 billion.

Meanwhile, the low expense ratio is our major feature. The OHR (non-consolidated) is 52.02%, which has already reached the lower 50% range and is in the top-class level among Japanese banks, and our ROE (consolidated) is 5.97%. Both of them shows our efficient business operation.

In addition, our total capital ratio (consolidated) is 12.11% and common equity Tier 1 capital ratio (consolidated) is 11.94%, both of which maintain

sufficient level, and we also maintain high level of financial soundness with non-performing loan ratio (non-consolidated) of 0.96%, which is less than 1%.

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

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, 2022

Top-Class Asset Size Among the Regional Banks

Total Assets (Consolidated):	¥19,104.7 billion
Loans and Bills Discounted (Non-Consolidated):	¥11,691.3 billion
Deposits (Non-Consolidated):	¥14,787.6 billion

Robust Capital

Total Capital Ratio (Consolidated)	12.11 %
Common Equity Tier 1 Capital Ratio (Consolidated)	11.94 %

Top-Class Profitability Among the Regional Banks

Profit Attributable to Owners of Parent (Consolidated)	¥54.4 billion
ROE (Consolidated, Based on Shareholders' Equity)	5.97 %

Low Expense Ratio

OHR (non-consolidated)	52.02 %
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Sound Loan Assets

Non-Performing Loan Ratio (Non-consolidated and based on the Financial Reconstruction Law)	0.96 %
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Strengths of the Chiba Bank Group

Alliance Strategy

The Bank provides quality products and services through frameworks of various alliances. The advanced alliance strategy which was established prior to other banks differentiates us from others at a maximum level and has increased our presence. With the following three alliances, we achieved substantial economic impact equivalent to an increase of over ¥10 billion in the operating income (top line) and a cost reduction of over ¥5 billion in the past three years. We will strive to enhance corporate value of ourselves and our partner banks by utilizing the strength of and deepening the alliances.

TSUBASA Alliance



“TSUBASA Alliance” is the largest framework of regional alliance in Japan, consisting of 10 top regional banks with solid operating bases. Since its launch in October 2015, we have taken on initiatives to increase profit and reduce costs using the advantage of scale such as FinTech, use of joint clerical work and systems, inheritance-related services, international business, and utilization of group companies.

Starting with the use of joint core systems, the alliance aims to evolve and develop as a platformer by integrating functions and services that are common to all member banks, and has taken alliance activities in wide areas such as the use of a joint subsystem, building of API common infrastructure, inheritance-related services, and international business.

Chiba-Musashino Alliance



“Chiba-Musashino Alliance” is the comprehensive alliance launched in March 2016 with the Musashino Bank aiming at forging an alliance in various fields. The goal is to provide services with high added value sharing issues and knowhow between regional banks in close location in the Metropolitan area.

In the corporate sector, we have been working on syndicated loans in Tokyo and area around prefectural borders and operating joint branches in and outside Japan, while in the field of individual customer business, we have been working mainly on the alliance in security business and expanding the alliance to asset management, inheritance-related services, fund wraps, etc.

Chiba-Yokohama Partnership



“Chiba-Yokohama Partnership” is the alliance mainly of sales divisions with the Bank of Yokohama which was launched in July 2019. The alliance has created advanced services and new businesses utilizing the knowhow possessed by top-class regional banks based in the Tokyo Metropolitan area.

In the corporate sector, we have generated huge financial effect of alliance mainly in Tokyo by making syndicate loans together and introducing customers, while in the field of individual customer business, we have been working on activities such as joint development of insurance products and sharing of knowhow related to the sales of financial products.

Business Management Performed by the Entire Group

Comprehensive Financial Services Offered by the Entire Group to Meet the Diverse Needs of the Region

At the Bank Group, 15 group companies and the Bank work together to meet the diverse needs of regional customers, utilizing functions of each company such as securities and asset management, research and consulting, leasing and venture capital, credit cards, outsourcing and staffing services, credit guarantees and management, and a regional trading company.



Chibagin Securities has established a stable business foundation with 20 branches in the Tokyo Metropolitan area. It is also strengthening a group collaboration with securities companies of the financial institutions participating in the TSUBASA Alliance. In addition, in August 2021, the company's initiatives related to empowerment of women was highly recognized and the company received “Platinum Eruboshi” certification for the first time in Chiba Prefecture.

Chibagin Asset Management has been expanding its investment product portfolio such as a new global ESG fund investing in overseas stocks in July 2021, and has been increasing assets under management by providing it to the Bank of Yokohama and the Musashino Bank.

As the only think tank in the prefecture, **Chibagin Research Institute** has been entrusted with the formulation of comprehensive plans for local governments, etc. **Chibagin Computer Service** offers IT solutions and **T&I Innovation Center** conducts FinTech surveys, research, and development.

Chibagin Leasing leverages on the Bank's customer base, and the number of customers with contracts and leasing assets are steadily increasing. **Chibagin Capital** offers management for business succession and corporate value improvement funds.

Chibagin JCB Card and **Chibagin DC Card** recruit member stores and offers corporate credit cards for cashless payments.

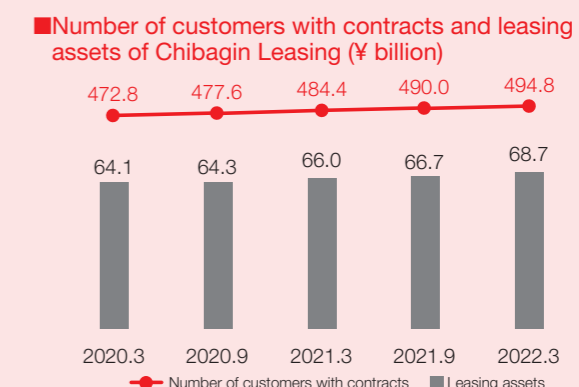
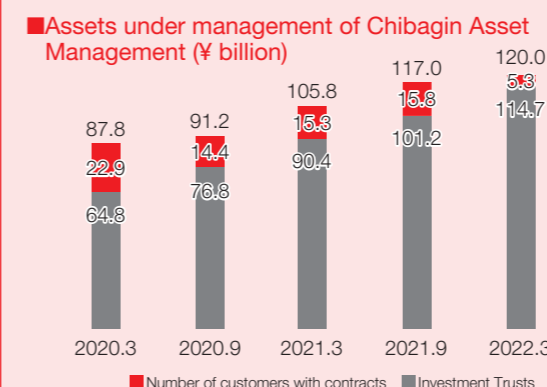
Chibagin Career Service offers staffing services in response to customers' needs for personnel.

Chibagin Heartful, a special subsidiary for the employment of people with disabilities, performs contracted clerical services for the Company, as well as makes business cards and rubber stamps, stuffs envelopes, and sends direct mails. In addition, in October 2021, the company was recognized as the one working in excellent initiatives in the employment of people with disabilities, and acquired “Monisu Certification.”

Sobu is engaged in the rental and maintenance of the Bank's office buildings and welfare facilities.

Chibagin Guarantee provides loan guarantee services for housing loans and unsecured loans, and **Chiba Servicer** manages and collects claims under entrustment and purchases such claims.

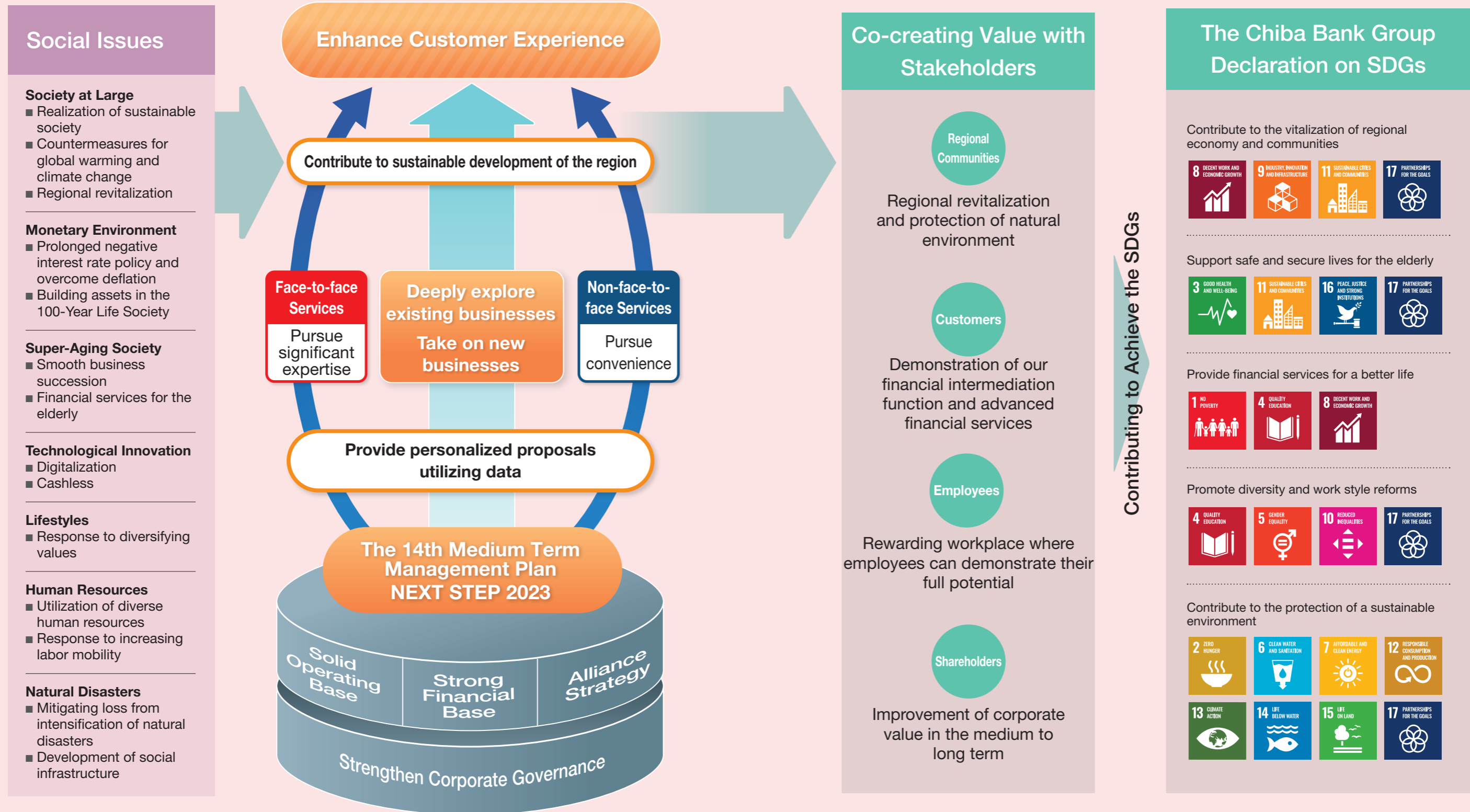
Chibagin Market, a regional trading company launched in May 2021, operates e-commerce and crowdfunding sites, and conducts planning and development for regional brand products.



Vision

Enhance "customer experience"

by deepening financial functions and creating new models for regional finance



Chiba Bank's Value Creation

Initiatives for “Sustainable Management”

The Bank Group established “Chiba Bank Group Sustainability Policy” for “sustainable management,” aiming at balancing economic value and social value over the long term, and, as a unified group, promotes initiatives that contribute to solving social issues through its business activities, focusing on five “materiality” (key issues) identified in the “Chiba Bank Group Declaration on SDGs.”

In addition, we established “SDGs Promotion Office” in the Corporate Planning Division in October 2021, and have accelerated initiatives to achieve SDGs in the entire group.

Establishment of SDGs Promotion Office

In October 2021, the Bank established “SDGs Promotion Office” in the Corporate Planning Division as an office supervising the whole initiatives to achieve SDGs (sustainable development goals) and carbon neutrality by 2050, which was declared by the government, to promote such initiatives in the entire group.

With the supervision of the SDGs Promotion Office, we will reduce CO₂ emissions in the entire group and collaborate with local governments and other authorities to support initiatives of customers in the region by sustainable financing and decarbonization consulting, etc.

Sustainability Policy and Sustainable Management

“Chiba Bank Group Sustainability Policy”

We aim to realize sustainable regional communities through our core businesses such as demonstrating the financial intermediation function. Additionally, we engage in honest and fair corporate activities, as well as activities to solve various issues facing the region, including climate change and other environmental problems, as part of sustainable management with the aim of balancing economic value and social value.

Each executive and employee of our group is actively working with awareness of their involvement in these activities. Through information disclosure, we will foster a better relationship of trust with our stakeholders and create a “new future for regional communities.”

What is sustainable management?

To aim at balancing economic value and social value by solving various issues facing the region as well as pursuing the company’s economic profit based on the honest and fair corporate activities over the long term.

Sustainable Management = Long-term Aim + Economic Value + Social Value (Solving Social Issues)

Process for Identifying Materiality (Key Issues)



“Chiba Bank Group Declaration on SDGs (Five Materiality Issues)” and Main Initiatives

We identified materiality in the five fields of “regional economy and community,” “aging population,” “financial services,” “diversity,” and “environmental protection,” in the Chiba Bank Group Declaration on SDGs enacted in May 2019. They are incorporated into the key strategies of the medium term management plan, and we are working on specific activities to solve local problems.

Chiba Bank Group Declaration on SDGs		Main Initiatives	Corresponding SDGs
Theme	Materiality	Related Pages	
Regional Economy and Community	Contribute to the vitalization of regional economy and communities	<ul style="list-style-type: none"> Support for regional revitalization P38 Support for tourism business P38 Participation in “Chiba SDGs Promotion Network” P47 Food assistance initiatives P48 	
Aging Population	Support safe and secure lives for the elderly	<ul style="list-style-type: none"> Inheritance-related services and trust business P34 Support for medical institutions P47 · 48 Initiatives to prevent financial crimes including wire transfer fraud ... P56 Use of Important Information Sheet P57 	
Financial Services	Provide financial services for a better life	<ul style="list-style-type: none"> Expansion of features in the Chiba Bank app P33 Chiba Bank Electronic Contract Service for housing loans ... P34 Chibagin Business Portal P35 Provision of remote financial consulting services P40 	
Diversity	Promote diversity and work style reforms	<ul style="list-style-type: none"> Implementation of Everyone's Feedback Project P44 Human Rights Policy P45 Corporate Code of Conduct P45 TSUBASA Diversity & Inclusion Declaration P46 	
Environmental Protection	Contribute to the protection of a sustainable environment	<ul style="list-style-type: none"> Offering of environmentally-friendly private placement bonds ... P48 Response to climate change (disclosure in compliance with the TCFD recommendations) P49-54 FY2030 Carbon Neutrality Declaration P53 Promotion of sustainable finance P54 	

The 14th Medium Term Management Plan **NEXT STEP 2023**

~ connect and go beyond, for the future ~ April 1, 2020 to March 31, 2023

Vision Enhance “customer experience”
by deepening financial functions and creating new models for regional finance

The term “customer experience (CX)” refers “not only to the value of products we offer and the satisfaction gained at the moment of transactions with the Bank but also to the total experience, spanning from present to future, including the emotion and sense gained by the customer as a result of interacting with the Bank.”

Basic Policy I “We will continue to evolve closely with our customers”
“Four key strategies” for evolving existing businesses

<p>Key Strategy 1 Personal Business</p> <p>Strengthen consulting functions that are closely linked to the lives of individuals</p>	<p>Key Strategy 2 Corporate Business</p> <p>Increase capabilities for solving management issues as a partner</p>
<p>Key Strategy 3 Regional Revitalization</p> <p>Strengthen initiatives for regional revitalization by increasing capabilities for solving regional issues</p>	<p>Key Strategy 4 Branches and Channels</p> <p>Optimize branch functions and other aspects that support the enhancement of customer contact</p>

Basic Policy II “We will continue to create new value for our customers’ future”
“Two key strategies” for creating new services and businesses

<p>Key Strategy 5 Digital and Information</p> <p>Provide new value through the use of digital technologies and all types of information resources</p>	<p>Key Strategy 6 New Businesses</p> <p>Create new services and operate new businesses beyond the existing framework</p>
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Basic Policy III “We will advance alliance strategies”
“Two key strategies” for realizing Basic Policy I and Basic Policy II

<p>Key Strategy 7 Collaboration with Other Banks</p> <p>Advance collaboration with other banks</p>	<p>Key Strategy 8 Cross-Industry Collaboration</p> <p>Enhance collaboration with companies in other industries</p>
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Basic Policy IV “We will realize sustainable management”
“Four key strategies” that are the foundations for realizing the vision of the Medium Term Management Plan

<p>Key Strategy 9 Human Resources</p> <p>Build a rewarding company and enhance human resource development (organizational culture and human resources)</p>	<p>Key Strategy 10 BPR</p> <p>Improve productivity and promote flexible work styles</p>
<p>Key Strategy 11 SDGs</p> <p>Enhance SDGs initiatives together with the region</p>	<p>Key Strategy 12 Business Management Structures</p> <p>Establish solid management foundation</p>

Target Figures

	Results for FY2020 (First Fiscal Year)	Results for FY2021	Targets for FY2022 (Final Fiscal Year)
Profit attributable to owners of parent	¥49.6 billion	¥54.4 billion	¥60.0 billion
Consolidated ROE (based on shareholders’ equity)	5.65%	5.97%	Mid- 6%
OHR (non-consolidated)	55.00%	52.02%	Lower 50% range

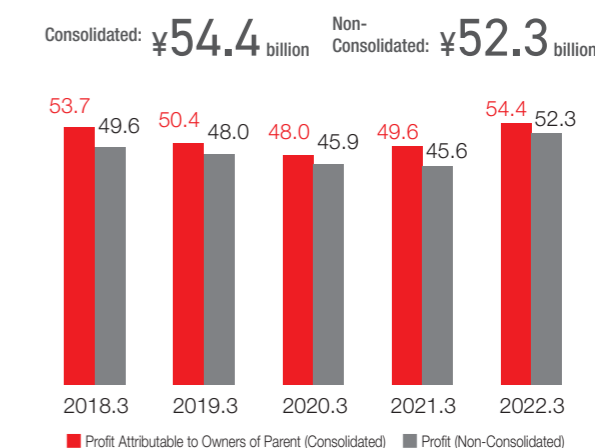
●Progress toward targets

The medium term management plan “NEXT STEP 2023 ~ connect and go beyond, for the future ~” is a three-year plan starting in April 2020 with the following figures as its target indicators: (1) profit attributable to owners of parent, (2) consolidated ROE (based on shareholders’ equity), and (3) OHR (non-consolidated).

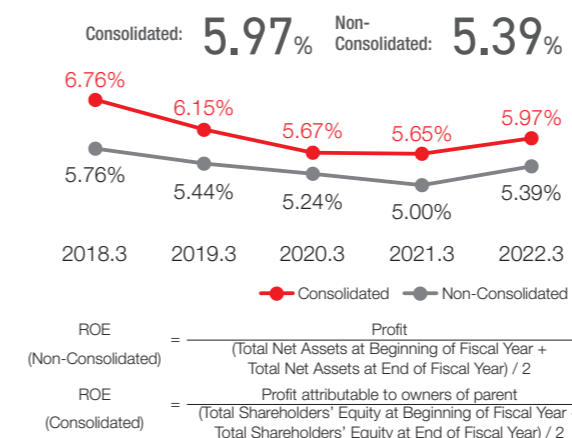
The effects of COVID-19 have been prolonged, and the business environment remains difficult, but we have actively made efforts to meet the financing needs of corporate and individual customers, thereby increasing our loans and net interest income.

Among the target figures, profit attributable to owners of parent made good progress at ¥49.6 billion in FY2020 and ¥54.4 billion in FY2021 versus a target of ¥60.0 billion in the final fiscal year. We are on track to achieve the target for the final fiscal year in both consolidated ROE (based on shareholders’ equity) and OHR (non-consolidated), and we will continue to strengthen profitability and improve capital efficiency to achieve the three target indicators in the final fiscal year.

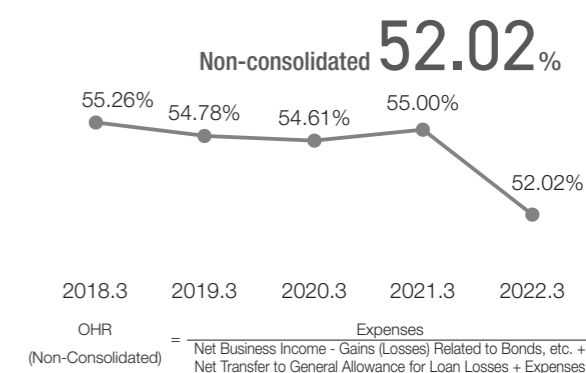
Profit (Consolidated/Non-Consolidated/¥ billion)



ROE (Consolidated/Non-Consolidated)



OHR (Non-Consolidated)



$$\text{ROE (Non-Consolidated)} = \frac{\text{Profit}}{\frac{\text{Total Net Assets at Beginning of Fiscal Year} + \text{Total Net Assets at End of Fiscal Year}}{2}}$$

$$\text{ROE (Consolidated)} = \frac{\text{Profit attributable to owners of parent}}{\frac{\text{Total Shareholders' Equity at Beginning of Fiscal Year} + \text{Total Shareholders' Equity at End of Fiscal Year}}{2}}$$

$$\text{OHR (Non-Consolidated)} = \frac{\text{Expenses}}{\text{Net Business Income} - \text{Gains (Losses) Related to Bonds, etc.} + \text{Net Transfer to General Allowance for Loan Losses} + \text{Expenses}}$$

Capital Policy

●Capital management

Consolidated common equity Tier 1 capital ratio as of March 31, 2022 was 11.94%, which was sufficient to meet the Basel requirements.

In addition, in the process of finalizing Basel III which is scheduled to be implemented in FY2023, consolidated common equity Tier 1 capital ratio and other ratios are expected to further improve. We will continue to maintain the financial soundness required for the stable provision of funding to the region.

●Reduction of cross-shareholdings

In terms of cross-shareholdings, our basic policy is to maintain cross-shareholdings on a limited basis if a meaningful rationale for holding the shares is recognized, such as maintaining and expanding transactions and relationships with customers, etc. as a regional financial institution, while reducing overall cross-shareholdings after having sufficient dialogue with customers. The ratio of the book value of stocks (with market value) to Tier 1 capital has decreased to 8.1% as of March 31, 2022. We will continue working to reduce cross-shareholdings further while appropriately verifying the validity of the rationale for holding each stock.

●Shareholder Returns

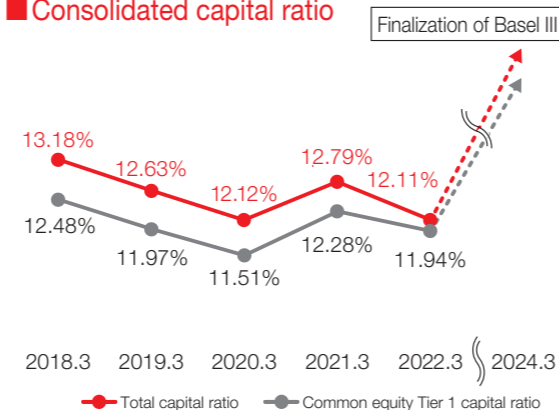
From the perspective of enhancing shareholder returns, in the fiscal year ended March 31, 2022, a dividend of ¥24 per share, an increase of ¥4 year on year, was paid. In the fiscal year ending March 31, 2023, as profit attributable to owners of parent is expected to increase to ¥60.0 billion, the dividend is forecasted at ¥26 per share, an increase of ¥2 year on year.

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.

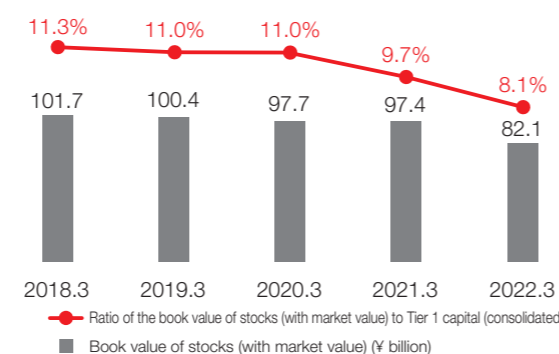
■Results of shareholder returns (consolidated)

	2018.3	2019.3	2020.3	2021.3	2022.3	2023.3 (forecast)
Profit attributable to owners of parent	53.7	50.4	48.0	49.6	54.4	60.0
Total cash dividends	11.7	12.2	13.3	14.8	17.7	18.9
Payout ratio	22.0%	24.5%	28.1%	29.9%	32.6%	31.9%
Total acquisition of treasury shares	13.9	14.9	9.9	—	4.9	TBD
Shareholder return ratio	47.9%	54.0%	48.6%	29.9%	41.7%	TBD

■Consolidated capital ratio



■Book value of stocks and ratio to common equity Tier 1 capital (consolidated)



Financial Results for the Fiscal Year Ended March 31, 2022

●Summary of financial results

In the fiscal year ended March 31, 2022, non-consolidated gross business profit increased ¥5.4 billion year on year to ¥161.5 billion.

Net interest income increased by ¥7.2 billion, net fees and commissions income increased by ¥1.3 billion, and core net business income excluding gains (losses) on cancellation of investment trusts increased by ¥8.9 billion. Net credit costs decreased by ¥3.2 billion due in part to the decrease in write-offs of loans and bills discounted.

As a result, non-consolidated profit was ¥52.3 billion and profit attributable to owners of parent was ¥54.4 billion.

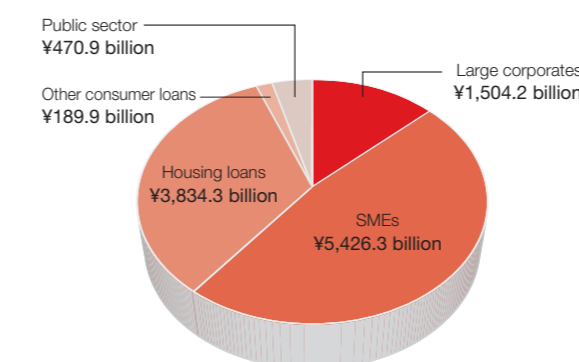
●Increase in domestic loans and bills discounted

The balance of domestic loans and bills discounted increased by ¥463.2 billion or 4.2% from the end of the previous fiscal year to ¥11,425.9 billion.

A steady growth was maintained as loans for business operations increased 4.4% and housing loans increased 2.6% due to efforts made in loans related to COVID-19.

Domestic loans and bills discounted by region saw 2.4% increase in branches in Chiba Prefecture and 7.9% in branches outside Chiba Prefecture, showing a steady increase in both regions.

■Balance of domestic loans and bills discounted (by category)



■Summary of financial results

(Non-consolidated)	2021/3	2022/3	YoY
Gross business profit	156.0	161.5	5.4
Net interest income	124.5	131.8	7.2
Net fees and commissions income	26.1	27.5	1.3
Trading income	1.7	1.1	(0.6)
Profit from other business transactions	3.5	1.0	(2.4)
Gains (losses) related to bonds	(0.3)	(1.4)	(1.0)
Expenses (-)	86.0	84.5	(1.4)
Real net business income	70.0	76.9	6.9
Core net business income	70.3	78.3	8.0
Excluding gains (losses) on cancellation of investment trusts	66.2	75.1	8.9
Net transfer to general allowance for loan losses (-)	3.2	1.5	(1.7)
Net business income	66.7	75.4	8.6
Non-recurrent income and losses	(2.5)	(1.7)	0.7
Disposal of non-performing loans (-)	7.1	5.6	(1.5)
Gains (losses) related to stocks, etc.	5.8	2.7	(3.1)
Ordinary profit	64.2	73.6	9.4
Extraordinary income (loss)	(0.3)	(0.3)	(0.0)
Profit	45.6	52.3	6.6
Net credit costs (-)	10.4	7.1	(3.2)

(Consolidated)	2021/3	2022/3	YoY
Ordinary profit	71.8	78.8	7.0
Profit attributable to owners of parent	49.6	54.4	4.8

■Balance of domestic loans and bills discounted (by region)

(Non-consolidated)	2021/3	2022/3	Change	% of Change
Domestic loans and bills discounted	10,962.6	11,425.9	463.2	4.2%
Branches in Chiba Prefecture	7,465.0	7,650.7	185.7	2.4%
Branches outside Chiba Prefecture	3,497.5	3,775.1	277.5	7.9%

■Non-performing loan ratio

(Non-consolidated)	2021/3	2022/3	Change
Non-performing loan ratio	1.02	0.96	(0.05)

Financial Results for the Fiscal Year Ended March 31, 2022

● Increase in net fees and commissions income

Net fees and commissions income increased ¥1.3 billion year on year to a record high of ¥27.5 billion.

Although financial product-related fees decreased ¥0.9 billion, corporate solution-related fees led overall with an increase of a record high of ¥1.2 billion due to proposals that met customer needs. Trust business and inheritance-related service-related fees and cashless business-related fees increased to a record high.

We will continue to strengthen our earning capability by providing a wide range of solutions for customer issues.

● Controlling interest rate risks while diversifying investments

The balance of securities (excluding unrealized gains (losses)) increased ¥116.7 billion from the end of the previous fiscal year to ¥2,315.1 billion.

Although the average duration of securities has become somewhat longer due to the low interest rate environment, we manage our portfolio by diversifying risks and pay close attention to the balance between liquidity and profitability.

● Low OHR

Expenses decreased ¥1.4 billion overall due to a decrease in expenses related to the new head office building after its completion in the previous fiscal year and continuous efforts in cost reduction through improvement of operational efficiency, despite forward-looking investments including those related to digital transformation (DX).

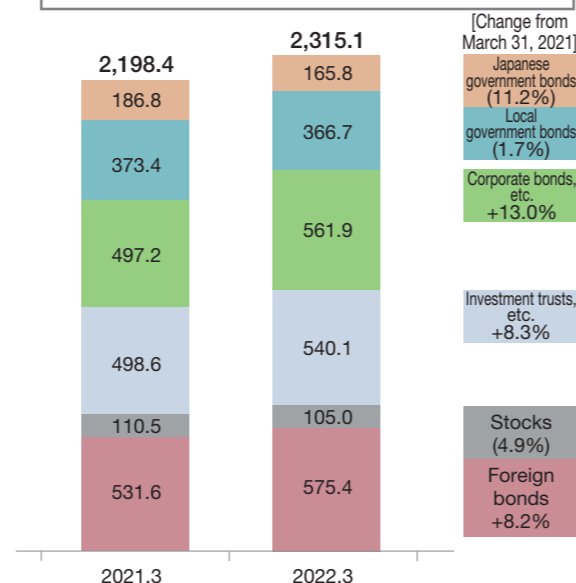
OHR decreased by 2 points year on year to 52.02%, but we still maintain a high enough efficiency compared with the averages of other banks.

■ Breakdown of net fees and commissions income

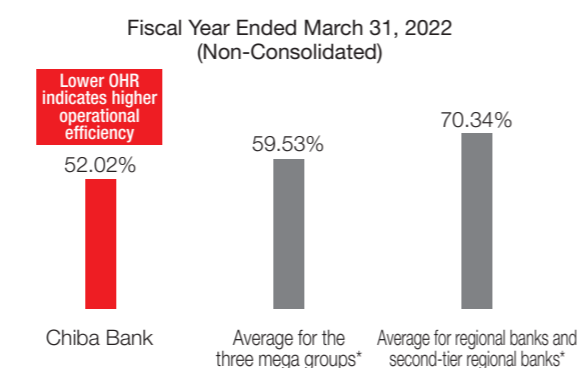
(Non-consolidated)	2021/3	2022/3	YoY
Net fees and commissions income	26.1	27.5	1.3
(Primary items)			
Financial products related	8.1	7.1	(0.9)
Corporate solutions related	11.6	12.8	1.2
Trust business and inheritance-related services related	1.3	1.7	0.4
Cashless business related	0.6	1.3	0.6

■ Balance of securities (excluding unrealized gains (losses)) (Non-consolidated)

Average duration of securities (including floating rate bonds)	2021.3	2022.3
Yen bonds	5.1 years	5.2 years
Foreign bonds	2.3 years	2.7 years



■ OHR (Over Head Ratio) level comparison with other banks



*Simple average calculation based on the Nikkin Report
Expenses ÷ (Non-consolidated gross business profit – Gains (losses) related to bonds)

Earnings Projections for the Fiscal Year Ending March 31, 2023

● Summary of earnings projections

For the fiscal year ending March 31, 2023, gross business profit is projected to increase ¥0.4 billion year on year to ¥162.0 billion. Net interest income and net fees and commissions income are expected to steadily increase, while a loss on sales of foreign bonds of ¥5.0 billion due to rising foreign currency interest rates is expected.

Net interest income is projected to be ¥134.4 billion owing in part to an expected increase in domestic interest on loans and bills.

Net fees and commissions income is projected to increase ¥0.7 billion to ¥28.3 billion, primarily owing to increases in solution-related income from corporate customers and income related to the cashless business.

Expenses, on the other hand, are projected to decrease ¥2.0 billion due to continued efforts to reduce expenses through improving operational efficiency and lowering the deposit insurance premium rate. As we expect a ¥1.8 billion increase in net credit costs, non-consolidated profit is projected to be ¥57.0 billion, up ¥4.6 billion year on year, and profit attributable to owners of parent is projected to increase ¥5.5 billion year on year to ¥60.0 billion.

Despite the difficult economic environment, we will continue to strengthen our earning capability by putting together various measures.

■ Net credit costs

(Non-consolidated)	2022/3	2023/3 (Projection)	YoY
Net credit costs (-)	7.1	9.0	1.8
Net transfer to general allowance for loan losses (-)	1.5	0.1	(1.4)
Disposal of non-performing loans (-)	5.6	8.9	3.2
Write-offs of loans and bills discounted / Net transfer to specific allowance for loan losses, etc. (-)	7.3	10.7	3.3
New downgrades (-)	6.5	10.0	3.4
Existing downgrades (-)	1.1	1.0	(0.1)
Collections, etc.	0.3	0.3	(0.0)
Recoveries of written-off claims	1.7	1.8	0.0

■ Earnings projections

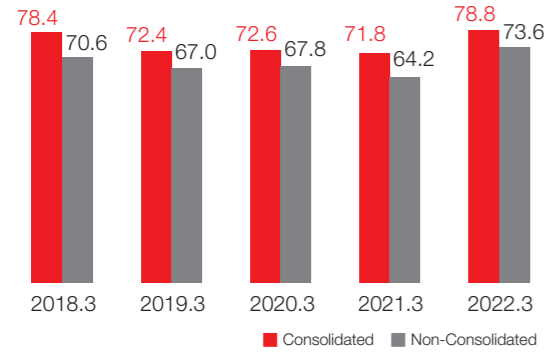
(Non-consolidated)	2022/3	2023/3 (Projection)	YoY
Gross business profit	161.5	162.0	0.4
Net interest income	131.8	134.4	2.5
Net fees and commissions income	27.5	28.3	0.7
Trading income	1.1	2.4	1.2
Profit from other business transactions	1.0	(3.1)	(4.1)
Gains (losses) related to bonds	(1.4)	(4.3)	(2.8)
Expenses (-)	84.5	82.5	(2.0)
Real net business income	76.9	79.5	2.5
Core net business income	78.3	83.8	5.4
Excluding gains (losses) on cancellation of investment trusts	75.1	78.5	3.3
Net transfer to general allowance for loan losses (-)	1.5	0.1	(1.4)
Net business income	75.4	79.4	3.9
Non-recurrent income and losses	(1.7)	0.6	2.3
Disposal of non-performing loans (-)	5.6	8.9	3.2
Gains (losses) related to stocks, etc.	2.7	8.0	5.2
Ordinary profit	73.6	80.0	6.3
Extraordinary income (loss)	(0.3)	(0.1)	0.2
Profit	52.3	57.0	4.6
Net credit costs (-)	7.1	9.0	1.8

(Consolidated)	2022/3	2023/3 (Projection)	YoY
Ordinary profit	78.8	86.5	7.6
Profit attributable to owners of parent	54.4	60.0	5.5

Financial Highlights

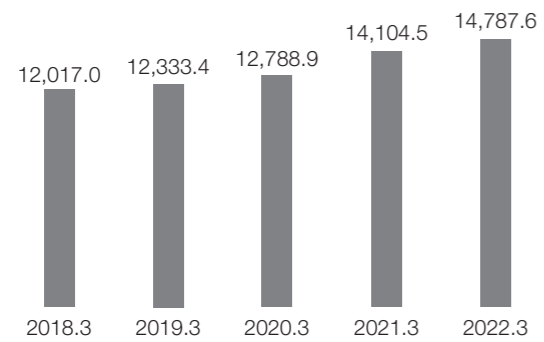
Ordinary Profit (Consolidated/Non-Consolidated/¥ billion)

Consolidated: **¥78.8** billion
Non-Consolidated: **¥73.6** billion



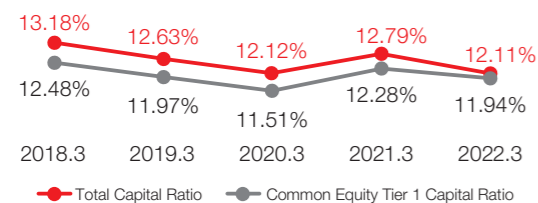
Deposits (Non-Consolidated/¥ billion)

Non-Consolidated: **¥14,787.6** billion



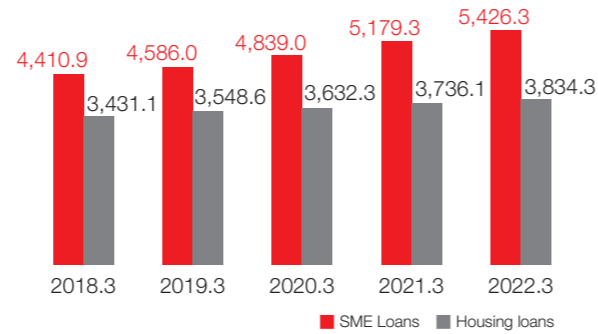
Capital Ratio (Consolidated)

Total Capital Ratio: **12.11%**
Common Equity Tier 1 Capital Ratio: **11.94%**



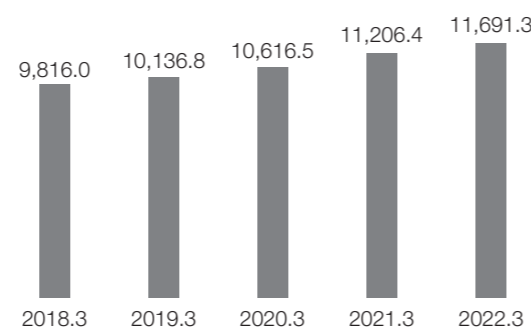
SME Loans/Housing Loans (Non-Consolidated/¥ billion)

SME Loans: **¥5,426.3** billion
Housing Loans: **¥3,834.3** billion



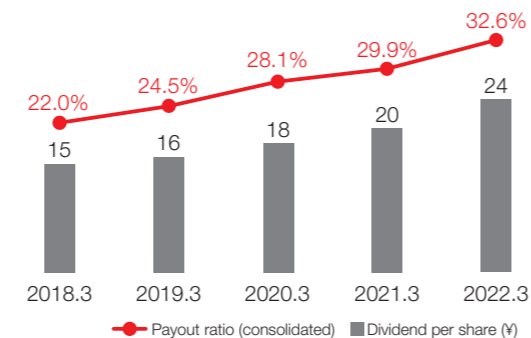
Loans and Bills Discounted (Non-Consolidated/¥ billion)

Non-Consolidated: **¥11,691.3** billion



Dividends Paid

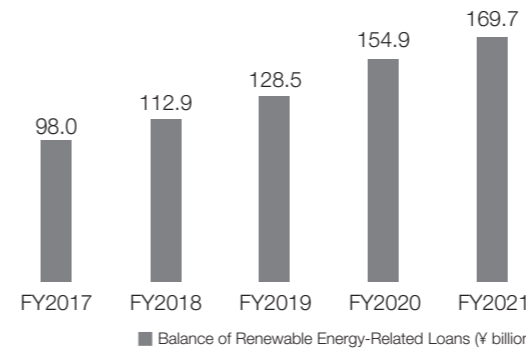
Payout Ratio (Consolidated): **32.6%**
Dividend per Share: **¥24**



Non-Financial Highlights

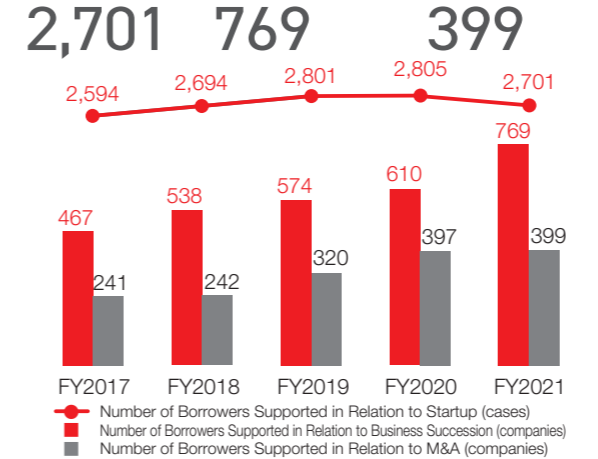
Initiatives to Promote Renewable Energy

Renewable Energy Related Loan Balance **¥169.7** billion



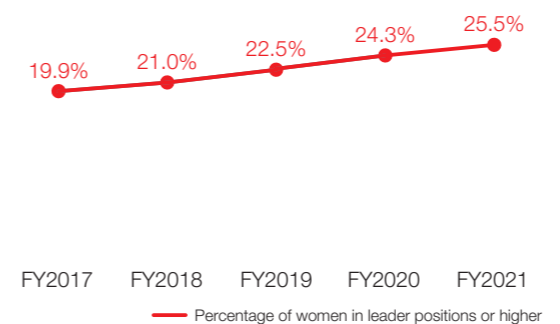
Number of Borrowers Supported in Relation to Startup/Business Succession/M&A

Number of Borrowers Supported in Relation to Startup: **2,701**
Number of Borrowers Supported in Relation to Business Succession: **769**
Number of Borrowers Supported in Relation to M&A: **399**



Initiatives to Promote the Active Participation of Women

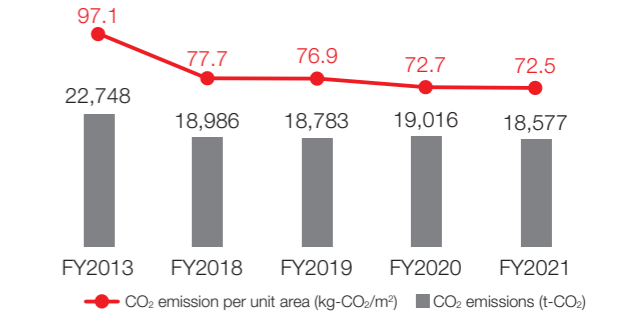
Percentage of Women in Leader Positions or Higher* **25.5%**



*Percentages as of July 1 of each fiscal year. The percentage of women in leader positions or higher as of July 1, 2022 was 27.2%.

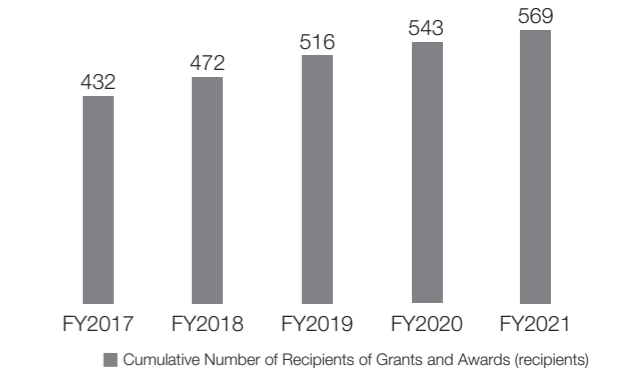
CO₂ Emissions (Scope 1 and 2)

CO₂ Emissions **18,577** t-CO₂
CO₂ Emission per Unit Area **72.5** kg-CO₂/m²



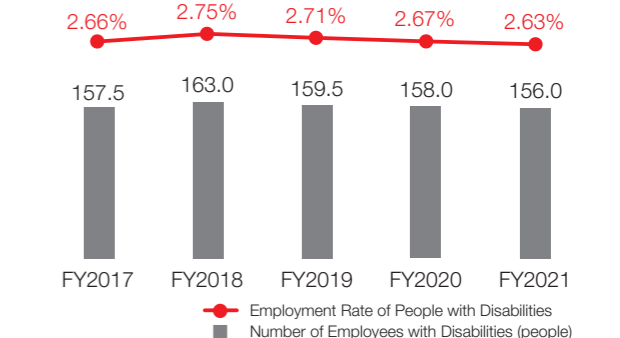
Support for Industrial Development and Technological Innovation

Cumulative Number of Recipients of Grants and Awards: **569** recipients



Efforts Toward the Employment of People With Disabilities

Employment Rate of People with Disabilities (Group): **2.63%**
Number of Employees with Disabilities (Group)*: **156** people



*The numbers of employees with disabilities may include a fraction of less than one as they are the figures used for calculating the employment rate of people with disabilities.

DX strategy has always been a priority for the Group. The TSUBASA Alliance has been promoting study and research on advanced financial technologies. In 2016, participating banks established the T&I Innovation Center together with IBM Japan and, in 2018, we developed a common platform for open application programming interfaces (API).

In the Bank's medium term management plan launched in April 2020, we deem it a key strategy to "provide new value through the use of digital technologies and all types of information resources" and strengthen our promotion of DX. Given the progress of digitalization in society, we believe it is essential for us to transform into a digital bank.

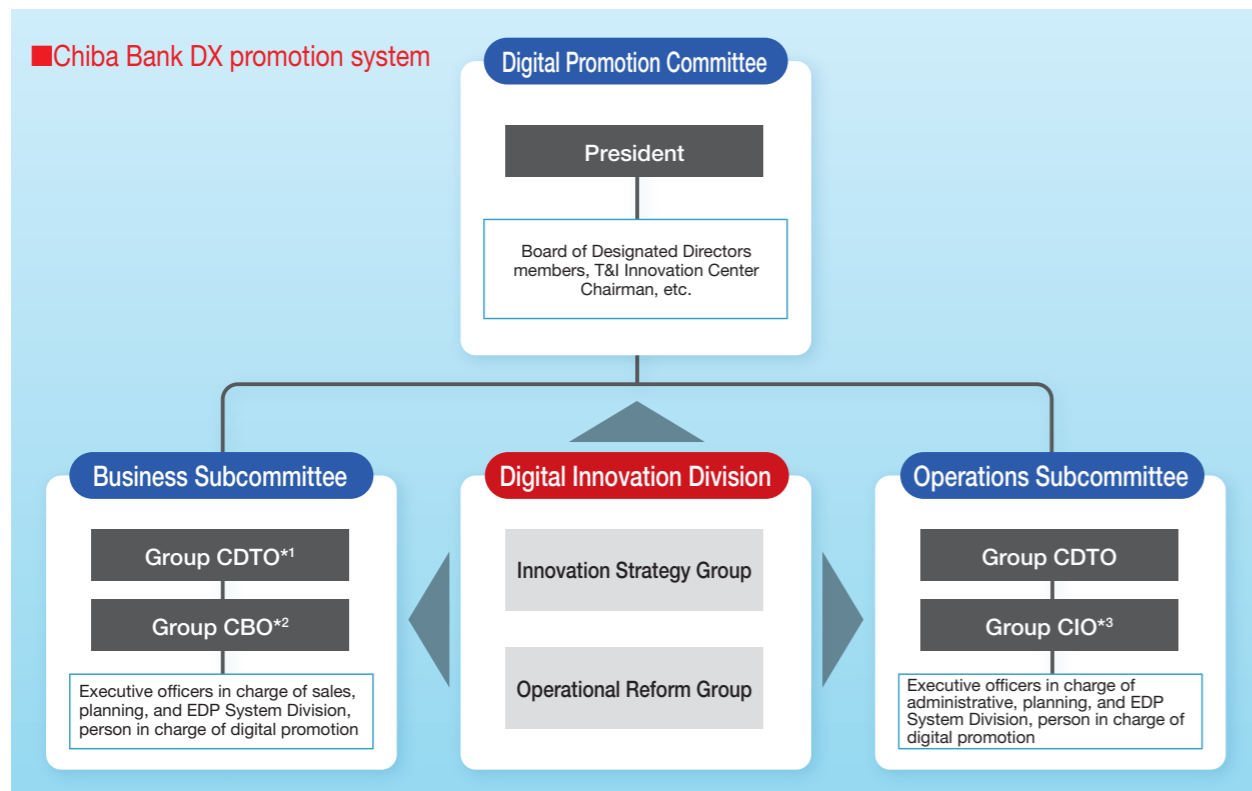
Environmental awareness

The spread of COVID-19 has greatly changed customer values and behavior. While the number of customers visiting our counters and ATMs has declined, the number using apps has significantly increased. Going forward, we believe that the main point of contact with customers will be via apps.

In addition, the percentage of cashless transaction has rapidly increased, and the cashless market in Chiba Prefecture is also expected to expand. We anticipate that various DX strategies, including apps and cashless business, will significantly help to increase the Bank's revenue.

Chiba Bank DX promotion system

We set up a Digital Innovation Division staffed by DX specialists in April 2021 and further strengthened our DX promotion structure. We will promote DX by having the division take the lead in advancing reforms based on discussions in the Digital Promotion Committee, to realize improved service convenience, increased revenue, and reduced costs.

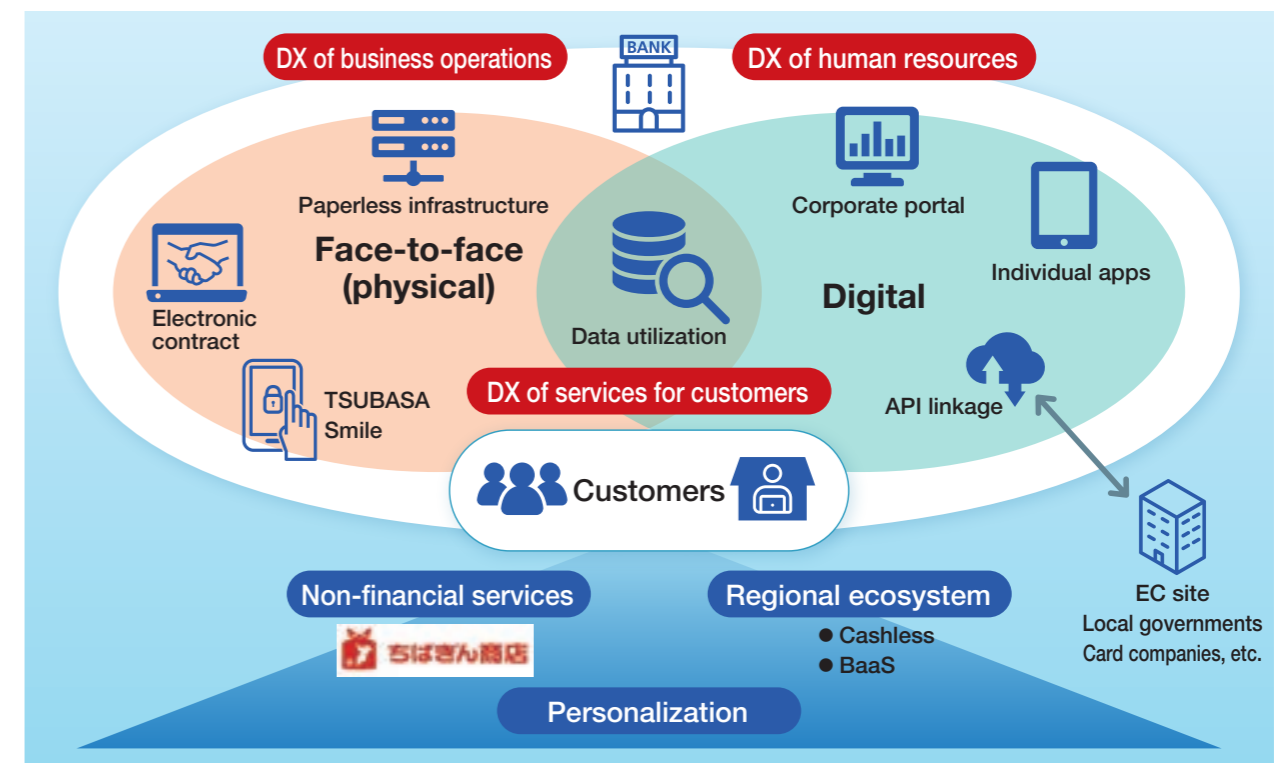


*1 Chief Digital Transformation Officer *2 Chief Business Officer *3 Chief Information Officer

Overview of Our DX Strategy

Placing services for customers, business operations, and human resources as the pillars of DX strategy, while using physical stores to the maximum extent, we will expand transactions that can be done digitally and connect the digital and physical worlds. First, we aim to become a concierge for money by enhancing financial services in the digital field, and then to become a concierge for life by providing non-financial services relating to homes.

We will utilize personalized data to step into the customer's needs for goods and services and build a system that enables us to make accurate proposals upstream in the purchasing process. We will try to make customers feel the value of our products and services by experiencing a customer-oriented journey and enhance the local ecosystem and customer data by increasing the number of transactions with our customers. We believe that these efforts will lead to the Bank's revenue increase and productivity improvements.



Key issues

We have determined the following seven areas as key issues that need to be specifically addressed. We intend to address these issues comprehensively across the whole Group in order to achieve our aims of improving customer experience (CX) and productivity.

- Digitize customer services
- Utilize data
- Improve operational efficiency
- Launch new businesses
- Digitalize business operations
- Enhance risk management
- Secure DX human resources

What we want to achieve through DX



Moonshot Goals

Moonshot goals are grand targets or challenges that involve great difficulties but have a great impact if achieved. We have pursued our DX strategy by setting three moonshot goals.

Moonshot goal 1 To provide the best apps and the best portals to all customers

Moonshot goal 1 is to provide the Chiba Bank app for individual customers as the best app that connects with customers' daily lives and can always be used for different situations and to provide the Chibagin Business Portal as the best portal that is designed for corporate customers to be an indispensable hub of various services for business activities.

We have gradually added new functions to this app and corporate portal and will continue to improve the convenience by reflecting customer feedback.

See page 33 for more on the Chiba Bank app and page 35 for more on the Chibagin Business Portal

	Chiba Bank app			Chibagin Business Portal		
	Making app for familiar financial services	Enhancement of financial services	App that connects with daily lives	Connect with digital	Digitize financial services	Resolving management issues
Offered	<ul style="list-style-type: none"> Inquiry of balance and transaction statement Transfer Deposits and cancellations of time deposits Barcode payment Reservations for branch visits April 2022 Time deposit account opening 	<ul style="list-style-type: none"> Debit card linkage Card loans Inquiry of details of investment trusts Applications for housing loans, unsecured consumer loans Loan repayment schedules April 2022 Point inquiry 	<ul style="list-style-type: none"> Google Pay, Apple Pay collaboration API collaboration with other companies Link to local trading company 	<ul style="list-style-type: none"> Chat Disseminating useful information for management February 2022 Web conferencing 	<ul style="list-style-type: none"> Account balances and transactions Transition trends (graphical) February 2022 Account information comparison function 	<ul style="list-style-type: none"> BigAdvance
Planning	<ul style="list-style-type: none"> FY2023 1H Procedures eKYC 	<ul style="list-style-type: none"> February 2023 Investment trust account opening and transactions App loans, notifications 	<ul style="list-style-type: none"> FY2023 1H My Number collaboration Local tax uniform QR Code 	<ul style="list-style-type: none"> May 2022 Questionnaire function 	<ul style="list-style-type: none"> May 2022 List of other banks' accounts Digital delivery of repayment schedules Inquiry of borrowings list 	
Consideration	<ul style="list-style-type: none"> Account opening 	<ul style="list-style-type: none"> Automatic remittances Advance repayment of housing loans 	<ul style="list-style-type: none"> Cross-Industry Collaboration Local government collaboration services (child-rearing, nursing care, tax payment, etc.) 	<ul style="list-style-type: none"> Cooperation with the internal messaging function 	<ul style="list-style-type: none"> Cash flow visualization Acceptance of loan applications Links with electronic contracts 	<ul style="list-style-type: none"> Management diagnosis, financial analysis Collaboration with the Group website Provision of business systems

*Planning and consideration as of April 2022

Moonshot goal 2 To realize a centralized system that enables customers to access any desired information from both inside and outside the Bank whenever and in whatever format they want

With regard to data integration in moonshot goal 2, in July 2021 we introduced a data search system that allows customers to access "any desired information" "whenever" "in whatever format they want," and achieved this moonshot goal.

Going forward, we will provide personalized proposals to customers while using a machine learning model and incorporating integrated in-house data, Web activity history, and external data.



Moonshot goal 3 To eliminate the use of paper and stamps completely within the Bank

With regard to moonshot goal 3, operational efficiency, the TSUBASA general-purpose paperless system, which was introduced in June 2022, is expected to largely achieve the goal of eliminating the use of paper and seals within the Bank.



Establishment of the Chibagin INNOVATION LOUNGE

The Chibagin INNOVATION LOUNGE was created on the first floor of the Chiba Ekimae Branch as a place to launch new efforts by the Group. At the Chibagin INNOVATION LOUNGE, professional staff explain how to register and use Chiba Bank apps and let customers try the apps on a demonstration device. There are also exhibits of some regional products offered on C-VALUE, the purchasing-type crowdfunding and e-commerce site operated by Chibagin Market.



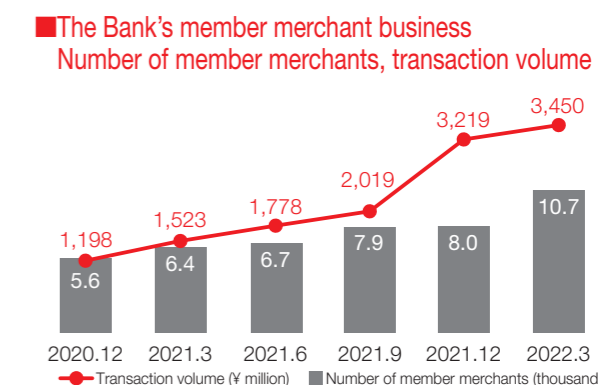
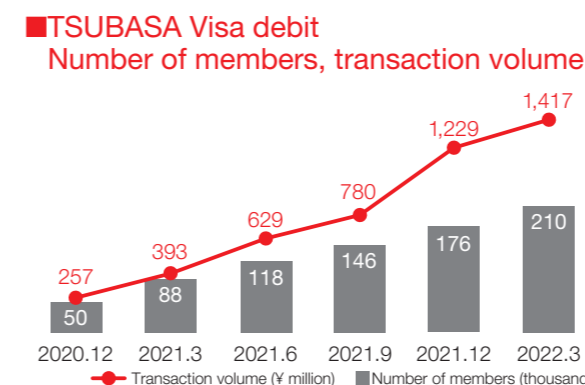
Cashless operations

Cashless operations is one of our key pillars for strengthening earnings growth in the medium term management plan. The number of member merchants and cardholders and the transaction volume have increased.

The TSUBASA-Chiba Bank Visa Debit Card, introduced in October 2020, has more than 200,000 cardholders as of March 2022. We have managed to attract a very large number of customers within just one and a half years.

In our TSUBASA-Chiba Bank Cashless Services for Merchants, we have expanded solutions to meet member merchant needs, including support for EC payments, in addition to the introduction of various devices such as cashless ticket-vending machines that can handle new 500-yen coins and automatic payment machines that are increasingly being introduced at medical institutions.

We will keep striving to build a cashless economic zone in the region and contribute to the earnings of the Bank and member merchants by creating a framework for regional customers to continue using the Bank's member merchants.



Regarding lifestyles in general including consumer behavior and work styles, individual values have diversified and the way customers think when choosing financial services has changed. In addition, with the advent of a super-aged society, banks are increasingly playing a vital role such as through post-retirement life planning and responses to dementia.

In order to grasp the status and needs of customers to provide optimal services to them, we deem it a key strategy in our medium term management plan to “strengthen consulting functions that are closely linked to the lives of individuals.”

Main Initiatives

Expansion of features in the Chiba Bank app

The number of Chiba Bank app registrants exceeds 500,000 people, and many customers use the app as their most familiar transaction channel. The app has secured a high active rate, with more than 80% of registrants using the app at least once per month.

In November 2021, we added the “barcode payment (payment service for taxes, utility bills, etc.)” function, which enables customers to complete instant payment without going to a bank or convenience store by using the camera function in the Chiba Bank app to scan the barcode with the PayB mark on the payment slip. We also added the “investment trust details inquiry”, which allows customers to easily and conveniently check details regarding their funds, such as investment amounts and profit/loss, via smartphone.

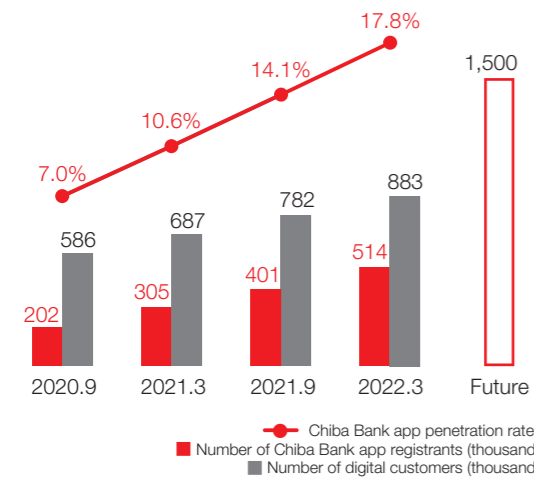
In addition, in May 2022, we added a function that allows customers to pay Chiba Prefecture automobile taxes and functions to open new time deposit accounts and inquire about TSUBASA points for Visa debit cards. We also have worked to make the app easier to navigate and improve convenience for customers, such as updating our homepage screen and one-click navigation to various transactions.

We will continue to accelerate the addition of functions in small development cycles, aiming to realize the best app that allows users to complete financial services almost the same as in-branch services in the palm of their hands.

Chiba Bank app

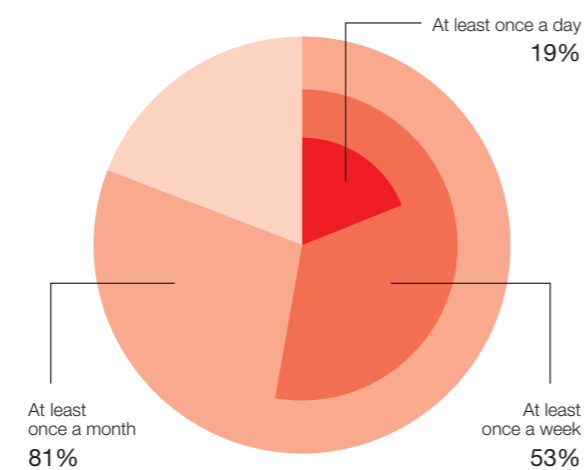


Number of digital customers and app registrants, app penetration rate



*Number of Chiba Bank app registrants ÷ Number of individual active customers

Chiba Bank app active rate*



*As of March 2022

“TSUBASA Smile” to improve branch procedure efficiency

The Bank started operating the TSUBASA Smile tablet-based counter reception system at all branches from August 2020.

TSUBASA Smile has improved customer convenience by reducing the amount of time needed for procedures at branches through enabling onsite staff to confirm details on the screen together with customers when completing complex procedures such as applying for a new account, changing their address details or reporting a lost card, etc. We introduced the TSUBASA general-purpose paperless system in June 2022, which enabled us to make low-counter operations fully paperless and stamp-less, including reception and back-office operations. We will continue to work on improving efficiency and services for customers.

Example of TSUBASA Smile input screen



Introduction of Chiba Bank Electronic Contract Service for housing loans

We began handling housing loans through the Chiba Bank Electronic Contract Service in November 2021. This service allows housing loan contract details to be confirmed online and completed using electronic signatures instead of filling out and affixing a seal on paper contracts. By using this service, customers do not need to spend time on procedures such as filling out and affixing a seal on paper contracts, which speeds up the contract process. In addition, customers can easily and safely manage their contracts by using a dedicated ID and password to check and print contracts from their own PCs.

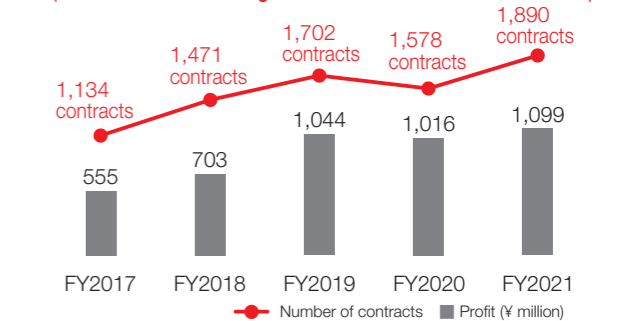
Inheritance-related services and trust business

Having obtained licenses for inheritance-related services and trust business, the Bank provides various services related to inheritance and trusts. In order to meet our customers’ needs, we provide professional inheritance-related consulting, and the number of contracts for testamentary trusts and will preparation support services has increased.

In December 2020, the Bank launched the Chibagin Asset Management Trust: Monitoring as a Family for Peace of Mind in order to deal with the risk of a decline in cognitive and judgment skills as people age. This service offers four functions: self-managing pensions, crime-prevention for the whole family, delegating to a family member, and monitoring as a family. When the contract holder’s cognitive and judgment abilities decline, a representative (e.g., a family member of the contract holder) can seek a refund of trust money on behalf of the contract holder.

Inheritance-related services	Trust business
<ul style="list-style-type: none"> Testamentary trust Will preparation support service Inheritance sorting service Family trust support service 	<ul style="list-style-type: none"> Land trust Public interest trust Specified gift trust Guardianship support trust Alternative testamentary trust Asset management trust

Number of contracts for inheritance-related services (excludes contracts signed for other banks in the alliance)





Business operators are required to quickly and appropriately respond to the management issues at hand amid vast changes in the business environment, such as the spread of COVID-19 and soaring resource prices.

We deem it a key strategy to “increase capabilities for solving management issues as a partner,” and conduct customer-oriented consulting after sharing management issues with customers through in-depth dialogues with them.

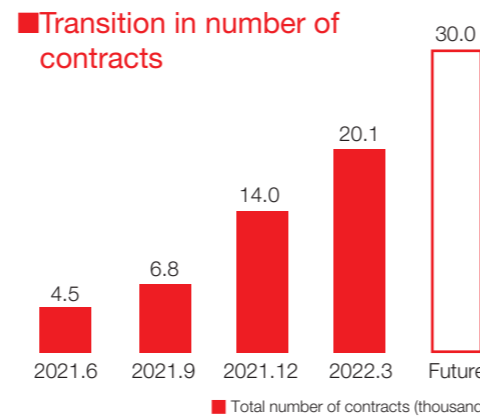
Main Initiatives

●Chibagin Business Portal

The Bank began providing the Chibagin Business Portal in April 2021 with the aim of further strengthening relations with customers and expanding opportunities to offer solutions. As of March 31, 2022, it is used by more than 20,000 business operators.

The Chibagin Business Portal is a digital channel that serves as a hub for all services, and we continue to add features based on customer feedback. In addition to confirming balances and transactions of registered accounts and receiving information that is useful in business activities, in May 2022, it became possible to check the borrowing information of the Bank information and to view account information of other banks by using the function to link other bank accounts.

We will continue to improve convenience and enhance the financial services and solutions that we provide through our portal.

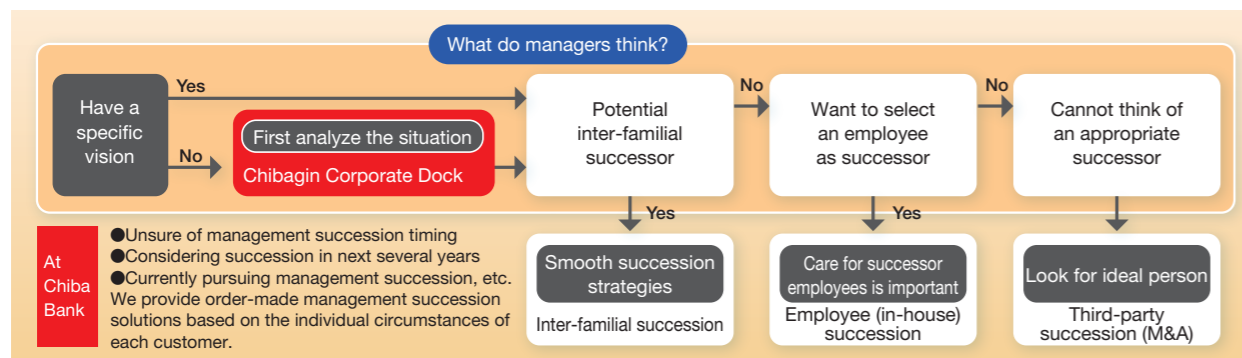


●Established the Business Succession Consulting Division

Business operators face various issues relating to management succession to the next generation, including the problem of finding successors due to the aging of managers, the spread of COVID-19, DX, and decarbonization.

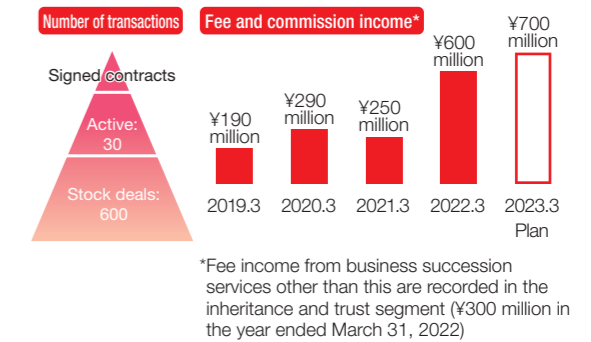
In order to increase the ability to solve these issues, we established the Business Succession Consulting Division in June 2021 to centralize and take charge of services previously handled by multiple departments. This division will provide detailed customer-oriented support for very important corporate management situations, such as M&A divestiture, business reorganization, and inter-familial business succession.

■What is management succession consulting?



●M&A advisory services

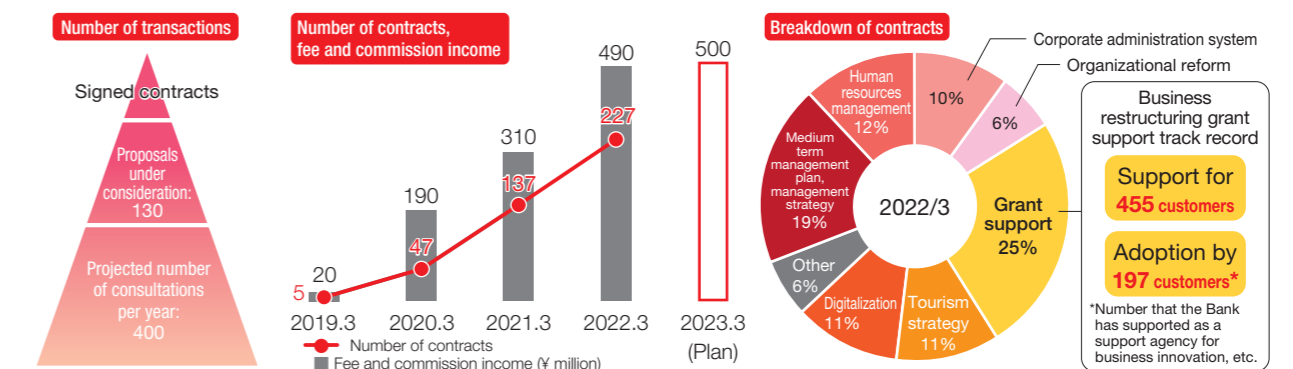
The number of contracts for M&A advisory services handled by the Business Succession Consulting Division has increased since the establishment of the division. The number of consulting applications from customers already exceeds 600, and through in-depth discussions, we will accurately meet customer needs.



●Advisory services for business operators

In advisory services for business operators, we provide various support, including support for forming management strategies and business plans in anticipation of business expansion, support for creating human resources management systems, and support for the use of business restructuring grants for customers who revamp their business models in response to changes in the business environment.

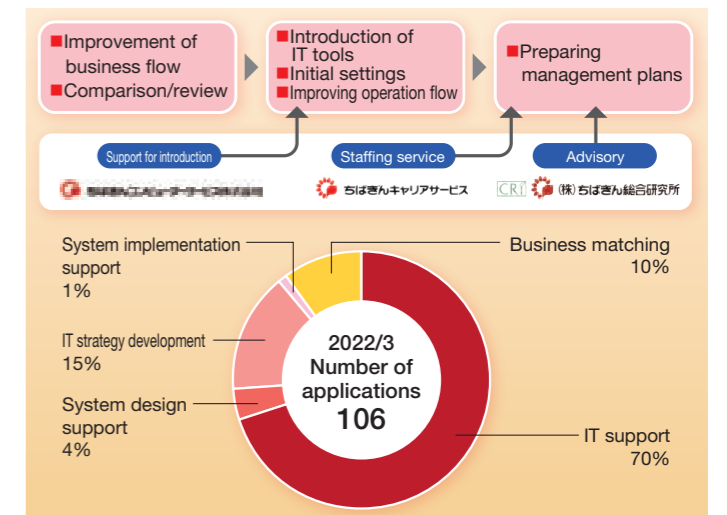
The number of contracts in FY2021 exceeded 200, which greatly contributed to the increase in the Bank's service income. Going forward, the specific number of consultations is expected to reach around 400 per year, and we will provide sophisticated consulting on our customers' management issues.



●ICT consulting service

In our ICT consulting service launched in April 2021, we provide services that support digitalization to help improve customer productivity. We offer consulting on the introduction of the optimal system and IT tools independently from IT service providers to help solve customer issues. Since then, the number of applications received has exceeded 100, and in addition to attendance management and salary calculation systems, we have increased consulting on the introduction of sales management and other core systems. Going forward, we will also offer internet marketing support.

■Supporting companies' adoption of ICT





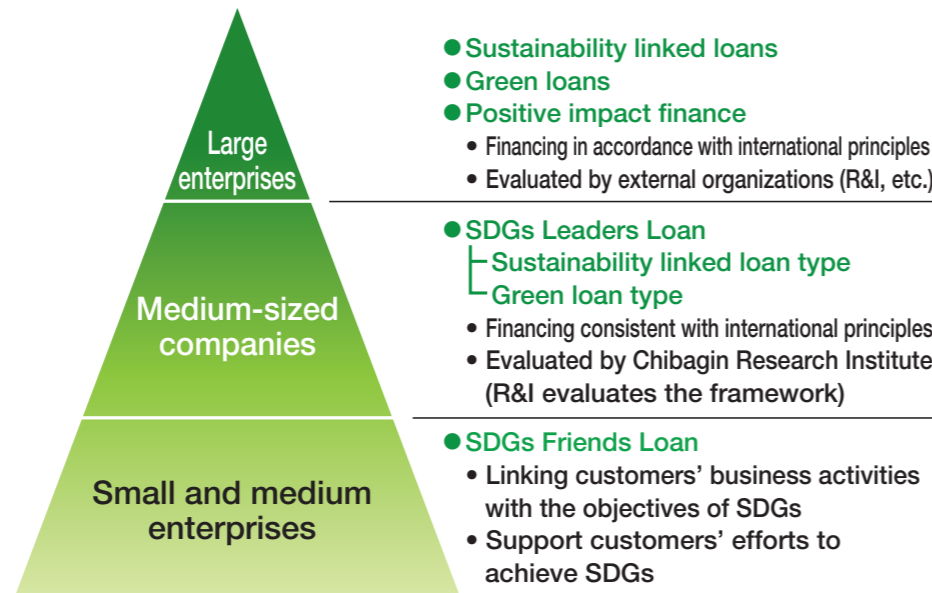
●Expansion of sustainable finance products

The Bank provides various loan products to promote customer sustainability initiatives.

In October 2021, we launched the Chiba Bank Sustainability Linked Loan and the Chiba Bank Green Loan primarily for large companies. These loans, conforming to international principles such as the Sustainability Linked Loan Principles, and support corporate initiatives that address environmental and social issues and sustainable economic activities.

In January 2022, the Bank began offering the Chiba Bank SDGs Leaders Loan primarily for medium-sized companies. This is a loan program evaluated and implemented by the Chibagin Research Institute, in which specialized departments of the Bank provide support to businesses that are working on sustainability management for setting effective targets and so forth according to business size and management conditions. We have received a third-party opinion from Rating and Investment Information, Inc. (R&I) regarding the conformity of this product's framework to international principles.

Since it was first offered in October 2020, the Chiba Bank SDGs Friends Loan, which supports efforts toward the achievement of SDGs, has been used by many customers, primarily small and medium enterprises, and a total of more than ¥250 billion has been loaned through March 2022.



Overseas business

●Overseas business support utilizing the overseas network

The Bank has an overseas network of six locations (three branches and three representative offices).

We provide support for overseas business expansion through our six overseas locations and partner banks, including the latest information on the investment environment to businesses overseas and customers considering overseas expansion, market development, and financial support for local subsidiaries.

■Overseas network



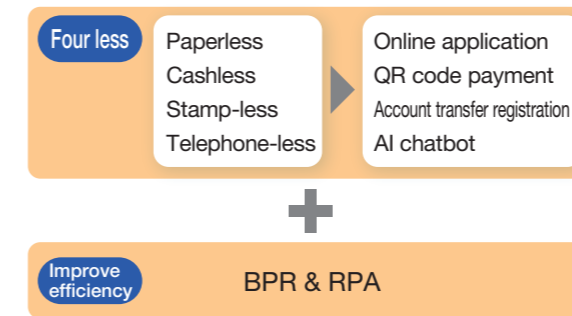
Regional Revitalization

●Local government DX

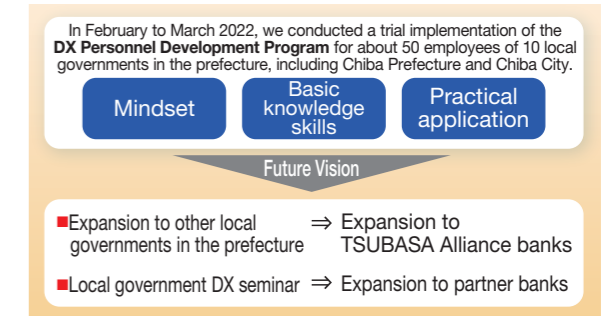
The Bank actively provides DX support for local governments as a regional revitalization initiative. In February 2022, we began a trial implementation of "the DX Personnel development program" for 10 local governments in the prefecture, including Chiba Prefecture and Chiba City.

In April 2022, we started exchanging personnel with the Chiba Prefecture Digital Reform Promotion Department, and we will continue to provide various support to local governments in the prefecture.

■DX support for local governments



■DX Human Resources Development Support



●Support for tourism business

As a consulting service for tourism business operators affected by COVID-19, the Bank provides support, including increasing the added value of regional tourism resources and tourism-related facilities, holding events to attract customers, and project planning, in part through the use of subsidies from Chiba Prefecture and related government agencies.

Projects that would be difficult for local tourism business operators to undertake alone can be realized through the active involvement of the Bank as a regional financial institution and by working together with the community as a whole.

In FY2021, the Bank provided support for projects in places such as Choshi City, Kamogawa City, and Minamiboso City.



●Operating the agricultural corporation Fresh Farm Chiba Co., Ltd.

The Bank established the agricultural corporation Fresh Farm Chiba together with 15 local companies in March 2018. This company has gradually expanded the amount of cultivated area, and in FY2021, we harvested 54 tons of Koshihikari rice and planted garlic, which is highly nutritious and resistant to damage by pests.

In order to develop new sales channels, we began selling Komekoji Minayoshi Amazake on C-VALUE, a website operated by local trading company Chibagin Market.

We will continue to work on agriculture with community members for the advancement of regional agriculture in the context of regional and community development.

■Harvest at Fresh Farm Chiba





Thanks to the ongoing deregulation of Japan's Banking Law, we are able to create new businesses and services that transcend existing business frameworks. The Chiba Bank Group is looking to promote new business initiatives by not only exploiting the multi-faceted expertise accumulated across the Group, but also cooperating with highly specialized external partners and other members of our banking alliance. We will continue to consider deregulation as a business chance and strive to create various new services.

Main Initiatives

●Opening of purchasing-type crowdfunding website by local trading company Chibagin Market

Chibagin Market Co., Ltd., a local trading company established in May 2021 with a 100% equity investment by the Bank, opened the purchasing-type crowdfunding website C-VALUE in October 2021 to provide market development and marketing support for excellent regional products and services.

The purpose of this website is to collect new products, services, and projects from Chiba, and to communicate and support the charms of Chiba that have yet to be discovered. It serves the role of connecting those who take on a challenge (originators) and those who support the challenge (supporters).

In addition to foods and other products from Chiba Prefecture, we have been involved in various new projects, such as planning events and tours in the prefecture. We opened an e-commerce site in December, enabling continuous sales of new products planned in crowdfunding.

■How C-VALUE purchasing-type crowdfunding works



The site is here (Japanese only): <https://www.c-value.jp/>

[Examples of projects implemented]



First project in Narita history
Special JAL flight tour & ANA in-flight conference

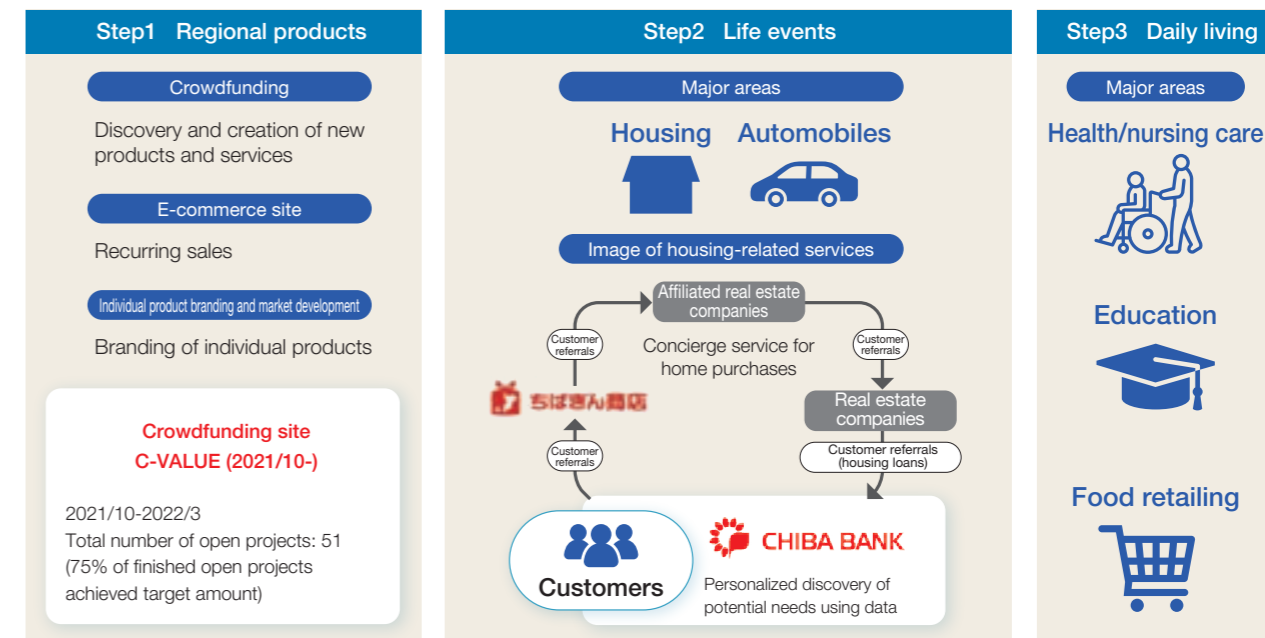
■Chibagin Market's Business Steps



In addition, we are considering housing-related services as an initiative for the "formation of commercial distribution related to life events," which is positioned as Step 2 of business. Specifically, the Bank will utilize its data and other resources to identify latent customer needs and establish a one-stop system to provide financial and non-financial services from the stage where a customer considers buying a home to that of taking out a mortgage.

In the future, we will go even further beyond banking needs to the need for goods and services, and create connections with people's daily lives.

■Regional ecosystem with "non-financial services" as a hub



●On Ad Co. Ltd. begins to provide remote financial consulting services

In April 2022, On Ad Co. Ltd., a joint venture company for the provision of remote financial consulting services established by the four parties of Daishi Hokuetsu Bank, Chugoku Bank, Nomura Holdings, and the Chiba Bank began operations.

The company provides various consulting services on asset formation and investment, asset succession (inheritance and gifts), insurance, and loans. As all processes are handled online, from member registration to making appointments and consulting, even customers who do not have time to come in person can use the services without specifying a time or place.

In addition, the company specializes in providing advice and does not sell any financial products or financial services. Customers can receive neutral advice based on a life plan simulation from advisors with a wealth of practical experiences in securities and banking.

■Remote financial consulting services



Alliances



The Bank seeks to forge multiple collaborative measures, including a cooperative sales framework through the wide-reaching TSUBASA Alliance of 10 regional banks and through our Chiba-Musashino Alliance and Chiba-Yokohama Partnership in the Tokyo Metropolitan area.

We will implement measures to maximize the effects of these alliances by expanding the top line and reducing costs through collaboration in the digital field, expansion of joint and common areas such as back office operations, sharing of information and expertise, and human resource exchanges.

Main Initiatives

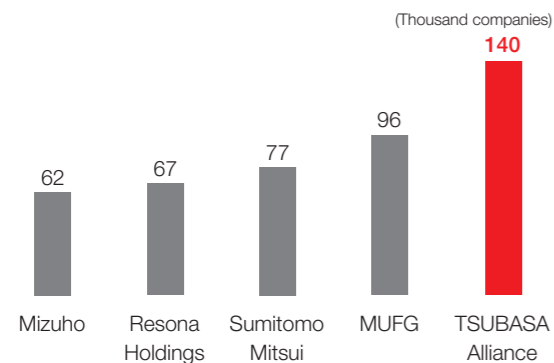
TSUBASA Alliance

In October 2021, we established the Business Strategy Division under TSUBASA Alliance Co., Ltd., the company jointly funded by TSUBASA Alliance participating banks. Located at the Chiba Bank Head Office, the Business Strategy Division staff members dispatched from the participating banks work closely with the planning departments of each bank to plan and make recommendations on how to collaborate, consolidate, and create platforms for important issues that are common to all banks, such as the promotion of DX-related measures, human resource development, diversity, ESG/SDGs, information aggregation and utilization, and new business initiatives.

We will continue to further advance collaborative efforts through the TSUBASA Alliance by consolidating the knowledge of the participating banks.

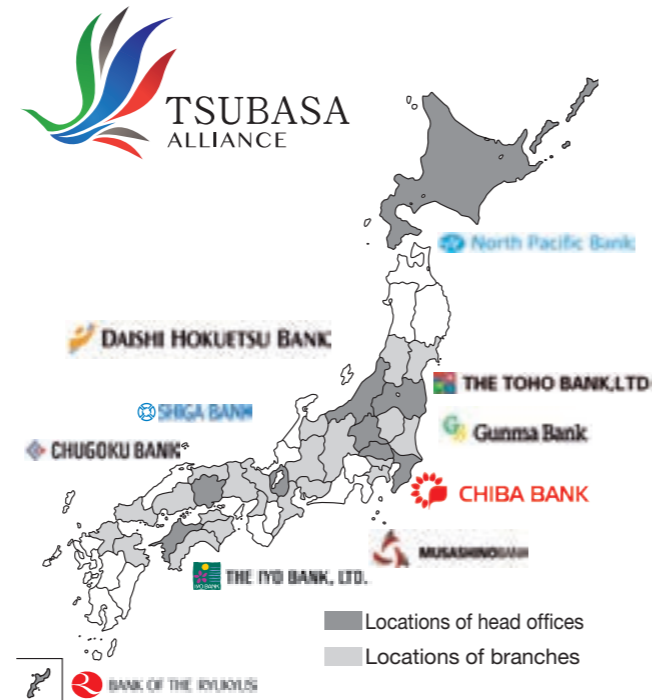
- Chosen as main bank by more customers than megabanks: 140,000 companies
- Asset size second to that of megabanks: ¥96 trillion (as of March 2022)
- Number of customers rivals that of megabanks: 26 million individual customers, 2.2 million corporate customers

Number of main bank customers

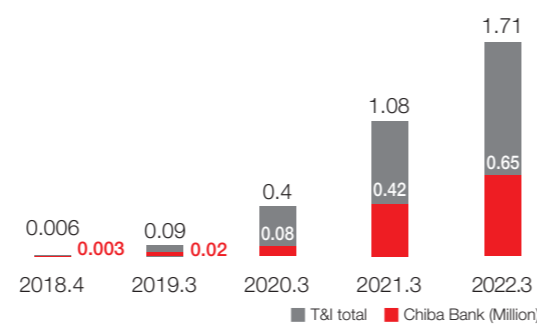


Source: Teikoku Databank, "National Survey of Main Banks, 2021"

TSUBASA Alliance (locations of branches of the participating banks)



T&I number of individual user IDs on the API platform



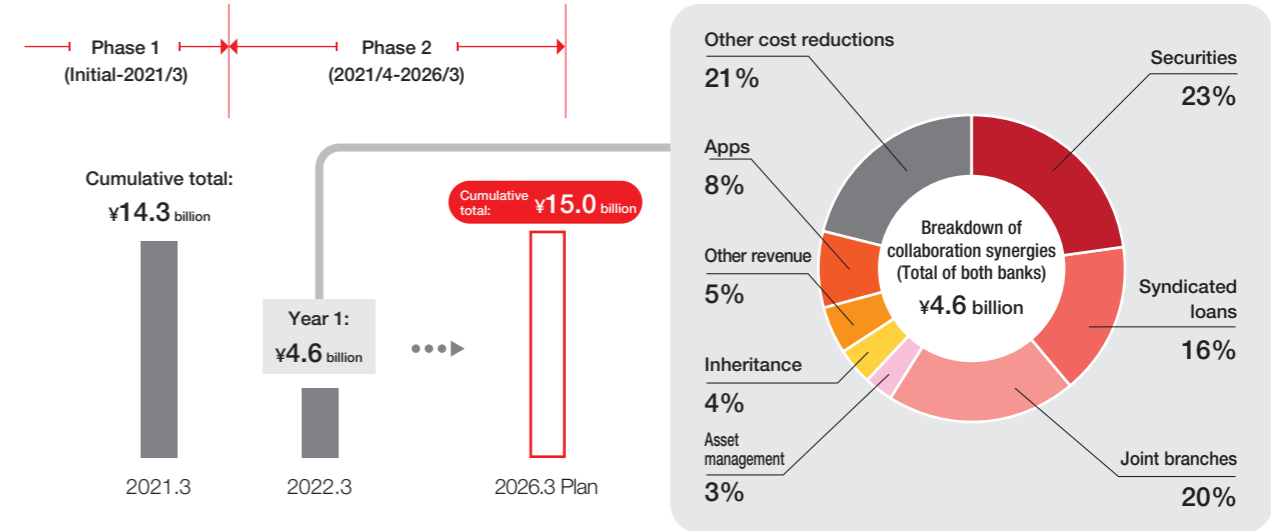
Chiba-Musashino Alliance



The Chiba-Musashino Alliance had collaboration synergies totaling ¥4.6 billion in FY2021. Continuing from Phase 1 (March 2016 to March 2021), we are making steady progress toward achieving a 5-year cumulative total of ¥15.0 billion in collaboration synergies in Phase 2, which started in April 2021.

In January 2022, Musashino Bank began using the cashless payment platform developed by the Bank to offer TSUBASA-Musashino Cashless Services for Merchants in support of business operators' shift to cashless payments. We will continue striving to collaborate in various areas.

Collaboration synergies (total of both banks)



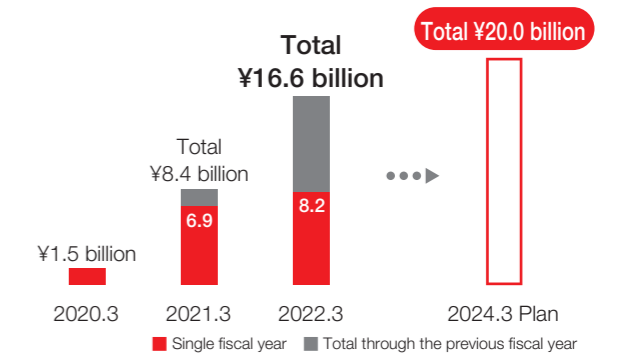
Chiba-Yokohama Partnership



Through joint efforts such as co-syndication of loans, co-development of SDGs Friends Loan, and co-introduction of asset management products, the Chiba-Yokohama Partnership achieved collaboration synergies of ¥8.2 billion in FY2021 and ¥16.6 billion total over three years since the start of the partnership. Various collaborative measures are expected to result in achieving the goal of ¥20.0 billion in total collaboration synergies through FY2023.

In addition, the two banks are collaborating widely in the area of SDGs, including sustainable financing for large enterprises, joint plans for decarbonization measures with local governments and business partners, and sharing of expertise on CO₂ reduction measures to achieve carbon neutrality by FY2030 at both banks.

Collaboration synergies (total of both banks)



It is necessary to secure human resources with high-level expertise to deal with diversification of business caused by the expansion of non-financial services and advancement of digitalization. We deem it a key strategy to “build a rewarding company and enhance human resource development (organizational culture and human resources).” We have been working on developing specialists of DX and other various fields and building an organization where all the employees can make the best of their capabilities.

Main Initiatives

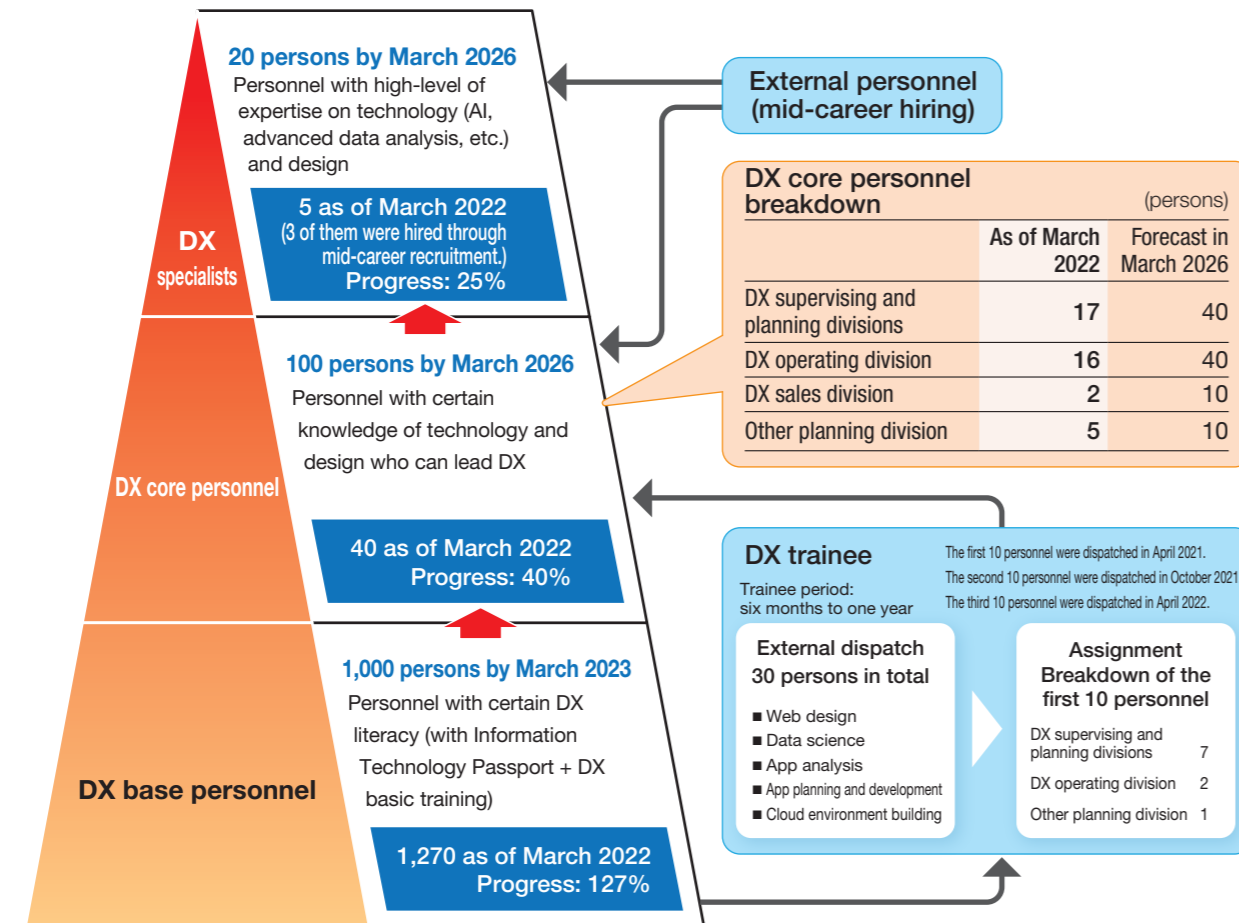
Planned development and hiring of DX personnel

The Bank introduced “DX certification system” in October 2021 to systematically develop personnel engaging in DX promotion including the development of apps. We divided the DX personnel into three levels: DX specialists, DX core personnel and DX base personnel. We set requirements to certify each level and work on recruitment and development.

In addition to securing DX specialists and DX core personnel through mid-career hiring from outside the Bank, we actively work to use and absorb knowledge by collaborating with outside organizations such as IT partners, consulting companies, universities, and venture companies.

We also achieved our goal of having 1,000 employees who hold the Information Technology Passport, a national certification of basic knowledge for DX personnel, in about half a year, and we have 1,270 employees of DX base personnel with a certain level of DX literacy as of March 31, 2022. In addition, we dispatch DX base personnel externally as DX trainees and receive training held by external services to develop DX core personnel as well.

DX certification system



Establishment of a quota for human resource development

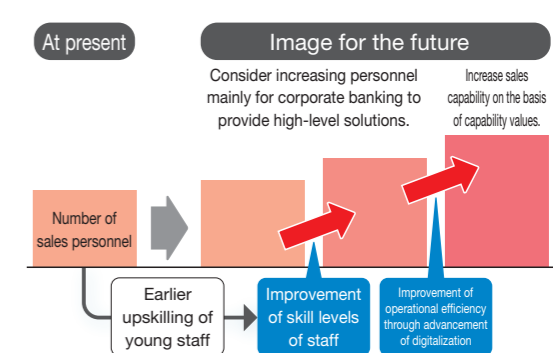
For the purpose of developing specialized personnel, we have set up a quota for human resource development of some 50 persons every year, and will develop a total of 150 specialists in the three years of the medium term management plan period that ends in March 2023. In addition to dispatch to financial institutions to review high-level financial methods and existing services including industry marketing research, we have actively dispatched personnel to other industries of DX and ICT consulting industry. So far 139 personnel have been dispatched outside the Bank in total. In the first half of FY2022, 23 personnel including DX trainees are dispatched. We will continuously focus on the development of specialists through personnel dispatch to fields with high-level expertise.

	Dispatch field	Dispatch destination
Outside the Bank	DX, digital	DX trainees, FinTech companies, consulting companies, local governments, etc.
	ICT consulting	FinTech companies, consulting companies, software manufacturers, etc.
	Corporate and advanced finance	Government-affiliated financial institutions, Japanese banks, securities companies, M&A intermediaries, consulting companies, etc.
	Industry marketing research	Research and development organizations, securities companies, Japanese banks, etc.
	Support of business management and rehabilitation	Consulting companies, government-affiliated financial institutions, public institutions, public-private funds, etc.
	Overseas service	Overseas banks, overseas branches of a Japanese bank, etc.
	Others	Economic organizations, etc.
Inside the Bank	Digital, operational efficiency improvement	FinTech, system, innovation, RPA, etc.
	Review of existing businesses	Credit, trust, marketing, corporate banking, consumer loan, group companies, etc.

Personnel planning using capability values

In order to realize strategic personnel assignment, the Bank is considering the use of capability values which are calculated taking into consideration the skill level of individual employees. We will define the capability value, work on data preparation for visualization and examine the values required in each area. For about 970 sales personnel, we will increase the number of staff by reallocating them and aim to increase sales capability on the basis of capability values by enhancing the skill level and streamlining the services.

Image for personnel planning using capability values



Implementation of Everyone's Feedback Project

We started Everyone's Feedback Project in November 2021 to incorporate employees' feedbacks received in human resources-related questionnaires in personnel measures and create a workplace where employees can work comfortably. So far, we have conducted seven measures including the introduction of multi-source assessment (360-degree feedback) and the establishment of a branch support team to strengthen the system of work assistance and support in branches.

We will verify its effect in FY2022 to review the measures and consider new ones.

- (1) Review of ritual customs
- (2) Introduction of Everyone's Report 360 (multi-source assessment)
- (3) Establishment of a branch support team (work assistance system)
- (4) Review of the personnel change system
- (5) Implementation of Thanx Shot (measures to give praise to each other in the workplace)
- (6) Drastic review of 1 on 1 talk
- (7) Enhancement of job recruitment and FA systems

Human Rights and Diversity



It is vital to eliminate all forms of discrimination and base all activities on respect for human rights to enable executives and employees to fully demonstrate their true power and potential. In the Chiba Bank Group, not only executives and employees but also customers and suppliers are working on respect for human rights.

For the promotion of diversity, executives and employees unite to support the employment of women and promote female employees as well as enlighten employees on diversity under the strong leadership of the management.

Initiatives for Respecting Human Rights

●Human Rights Policy

We established the Chiba Bank Group Human Rights Policy in November 2020.

This is to clarify our stance of respecting human rights based on the SDGs' most basic principle that is to leave no one behind.

The policy states that the Bank will not tolerate any form of discrimination or human rights violations, and also asks our customers and suppliers to respect, and not infringe, human rights.

For details of the Chiba Bank Group Human Rights Policy, see our website:
https://www.chibabank.co.jp/english/corporate/policy/human_rights/

●Corporate Code of Conduct

We declared the Chiba Bank Group's Corporate Code of Conduct in April 2021.

This code of conduct states the basic policy for carrying out ethical and responsible corporate activities as the Chiba Bank Group, which is a "company" to be a part of society and a "bank" to take social responsibility and public mission. For respecting human rights, the code of conduct states that the Chiba Bank Group respects the human rights of all people, including officers and employees and customers.

For details of the Chiba Bank Group's Corporate Code of Conduct, see our website:
https://www.chibabank.co.jp/english/corporate/policy/behavioral_guidelines/

●Complying with the UK Modern Slavery Act 2015

As Chiba Bank has a branch in London, the UK, we have published annual statements for the compliance with the UK Modern Slavery Act 2015 since its establishment.

In particular, the statement of FY2021 stated not only the operation in our London Branch but also an intention that we would eliminate the violation of human rights by slave labor, human trafficking, etc. in the operation Bank's overall operation to respect human rights, and clarified the non-existence of such human rights violations in suppliers to which our services are entrusted.

For details of the UK Modern Slavery Act 2015, see our website:
<https://www.chibabank.co.jp/english/corporate/pdf/ModernSlavery.pdf>

●Supplier Monitoring

The Chiba Bank Group explains the Chiba Bank Group Human Rights Policy to all the suppliers (to which our services are entrusted) to obtain the approval of compliance with the policy mainly for respect for human rights, and conducts monitoring once in six months to confirm that the suppliers have no violations of human rights.

Diversity & Inclusion Initiatives

●First bank to obtain "Platinum Eruboshi" certification

In February 2022, the Bank obtained the "Platinum Eruboshi" certification pursuant to the Act on Promotion of Women's Participation and Advancement in the Workplace for the first time in Japan as a banking business. "Platinum Eruboshi" certification was established in June 2020, and allows companies certified as "Eruboshi" to receive certification from the Minister of Health, Labour and Welfare if they are especially excellent business operators in the initiatives for achieving targets in an action plan and promoting women's participation and advancement.



●TSUBASA Diversity & Inclusion Declaration

In April 2022, the Bank established TSUBASA Diversity & Inclusion Declaration jointly with banks in the TSUBASA Alliance. It states that the banks will position diversity & inclusion as a source of competitiveness and actively work on it to realize sustainable growth of the region.

■Diversity-related initiatives

2007	Chibagin Heartful was certified as a special subsidiary pursuant to the Act to Facilitate the Employment of Persons with Disabilities as a regional bank.
2010	Established a short-time work system, work-life balance leave and health management leave.
2014	Established the Diversity Management Committee and the Diversity Management Division, and appointed female general managers (two persons).
2015	Established the Diversity Action Declaration, held a diversity forum, and appointed female Outside Directors (two persons). Signed the Chiba City Iku-Boss Joint Declaration and opened an in-house nursery facility "Himawari Nursery School."
2016	Introduced diversity management meeting for every workplace.
2017	Assigned the first female Executive Officer.
2019	Established the Chiba Bank Group Declaration on SDGs, the TSUBASA Declaration on SDGs, and the Chiba Bank Group Sustainability Policy.
2021	Assigned the first female internal director.
2022	Established the TSUBASA Diversity & Inclusion Declaration.

■Data on active participation of women

- (1) Number of women in senior positions
 - Director: **3**
 - Executive Officer and General Manager: **1**
 - General Manager: **3**
 - Positions of General Manager and Senior Deputy General Manager, etc.: **114**
- (2) Percentage of women in leader positions or higher: **27.2%**
(all items as of July 2022)

■Data on supporting balance between work and childcare

- (1) In-house nursery facilities: **3** in Chiba Prefecture
- (2) Percentage of men taking childcare leave: **102.9%**
(FY2021)

■Data on number of employees with disabilities

Number of employees with disabilities*: **156**
* Figure for calculating the Group's employment rate of people with disabilities in FY2021

■External evaluation of diversity



"Platinum Eruboshi" certified
(the first bank)



Selected as Nadeshiko Brand
(5th consecutive year)



Selected as New Diversity
Management Selection 100 Prime



Platinum Kurumin certified



2022 Certified Health & Productivity
Management Outstanding Organizations
Recognition Program, White 500 (4th time)

Strengthen Social Contribution Activities



The biggest mission for the Chiba Bank Group, which is the top bank in the region, is to solve regional social issues.

We also focus on the initiatives to raise awareness of SDGs, medical and food support, donation activities in line with the issuance of private placement bonds, fostering of startups and FinTech firms that supports regional economy, grants for students starting a business and various other activities to contribute to society to support sustainable growth in the local communities.

Main Initiatives

●Participation in “Chiba SDGs Promotion Network”

In January 2022, we participated in “Chiba SDGs Promotion Network,” which was established as a new initiative to raise awareness of SDGs in the region. In this network, 12 organizations and companies including economic organizations and financial institutions agreeing to the purpose of “Chiba SDGs Partner Registration System,” which was established by Chiba Prefecture, to support activities to solve regional economic, social and environmental issues.

The Bank is involved with the operation of the network as a secretariat, and will continuously contribute to the sustainable development of the regional economy.

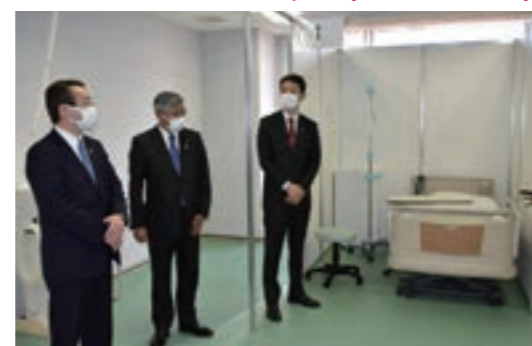
■Scene of inauguration ceremony



●Provision of Chibagin Training Center as a temporary medical facility

In November 2021, we provided Chibagin Training Center in Inage-ku, Chiba City, for the purpose of using it as a temporary medical facility and recovery accommodation facility to be established by Chiba Prefecture in preparation for another resurgence of COVID-19. The center has 13 training rooms with different area and types and 65 accommodation rooms in total. Chiba Prefecture has secured a space of training rooms on the first floor and 110 beds for short-term hospitalization in the part of the accommodation ward as well as 50 beds in 38 rooms in the outdoor pre-fabricated recovery accommodation facility, and has used the center as Chiba Prefecture Inage Temporary Medical Facility since February 2022.

■On-site visit to the temporary medical facility



●Donation of ECMO car to Chiba University Hospital

In November 2021, an ECMO car (an ambulance that can transport patients equipped with a heart-lung machine) of which the Bank supported the purchase was introduced in Chiba University Hospital.

The Bank supports the idea of introducing the ECMO car, and donated ¥10 million to the hospital for partial costs for purchasing it. Chiba University Hospital is the first hospital in Chiba Prefecture that introduced an ECMO car.

■Scene of donation ceremony



●Helping society by underwriting donation-type private placement bonds

From FY2016, the Bank offers Private Placement Bonds for Regional Revitalization, Private Placement Bonds for Sports Support, and Private Placement Bonds for Healthcare Support and commits to donate a portion of the bond issuance commission to a school, local authority, or other organization of the bond issuer’s choice. The total amount of private placement bonds underwriting by March 31, 2022 was ¥82 billion, and the total amount of donation reached ¥140 million.

These donation-type private placement bonds were renamed to “Chibagin SDGs Private Placement Bonds” in April 2022 to have more menus for donation.

Title	Chibagin SDGs Private Placement Bonds				
	Mirai Hagukumi-type (former Private Placement Bonds for Regional Revitalization)	Sport Support-type (former Private Placement Bonds for Sports Support)	Healthcare Support-type (former Private Placement Bonds for Healthcare Support)	Environment-Friendly-type	Project Support-type
Donated to	Institutions managing a school, child welfare facility, facility for the disabled, etc.	Local government, athlete, sports team and other organizations, school, etc.	Medical corporation managing a hospital or other medical facility, etc.	Chiba Environmental Restoration Fund or organizations conducting environmental conservation activities	Exclusive project in “C-VALUE” operated by Chibagin Market

* A purchasing-type crowdfunding website operated by the Group’s local trading company Chibagin Market.

●Fostering industry and new technology

We, as a top bank in the region, strive to foster and support industries and new technologies that will sustain the future regional economy. The Bank and the public interest foundations funded by the Bank donate to a broad range of grants, support, and award systems to assist industries and new technologies as follows.

■History of grants, support, and awards (total through March 31, 2022)

FinTech Business Contest	12 cases, ¥5 million
Himawari Venture Development Fund	Grants: 231 cases, ¥706 million Rent assistance: 124 cases, ¥66 million
Chibagin Research & Development Grant Program	54 cases, ¥53 million
Chibagin Student Business Idea Contest	41 cases
Sending personnel overseas by Chibagin Mirai Foundation	107

●Support for developing countries by TFT

The Table For Two (TFT) is a food aid program in which ¥20 per meal (equivalent to a price for a meal in developing countries) is donated to developing countries through the TFT secretariat when someone orders off the designated healthy menu at staff cafeterias and other places.

The Chiba Bank Group has been supporting developing countries by implementing the TFT program at the staff cafeterias of the head office building since January 2021, the Oyumino Center since January 2022, and the Chibagin Makuhari Building since June 2022.

●Support for people in need with foodbank

In September 2020, the Bank concluded a “comprehensive partnership agreement on food supply, etc.” with Foodbank Chiba and the Chiba Council of Social Welfare and has been engaged in social contribution activities to provide food to people in need. Group company Chibagin Securities has also concluded a similar three-way partnership agreement of its own and carries out such support.

Response to Climate Change



There have been a lot of abnormal weather conditions such as large-scale storm and flood damage and forest fires throughout the world in recent years, and response to global warming which is considered to be the cause for that is an important social issue both in and outside Japan.

The Chiba Bank Group will not only promote our initiatives for carbon neutrality and strengthen measures against climate change risks but also aim at realizing the regional carbon-free society by drastically supporting customers' initiatives for decarbonization through sustainable finance, etc.

Commitment to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations

The Bank announced its endorsement of the TCFD recommendations in December 2019, and has since proactively disclosed information on climate change impacts.

The disclosure related to Governance, Strategy, Risk Management, and Metrics and Targets based on the TCFD recommendations are as follows.

Governance

Policy, declaration, planning, etc.

Chiba Bank Group Sustainability Policy	The Chiba Bank Group Sustainability Policy states that we promote environmental initiatives including climate change throughout the entire Group.
Chiba Bank Group Declaration on SDGs	The Chiba Bank Group Declaration on SDGs stipulates that environmental protection is a key priority issue (materiality) to be dealt with, and various measures are being taken against climate change.
Chiba Bank Group Environmental Policy	Based on the recognition that addressing climate change risks is an important issue on the global environment, the Chiba Bank Group Environmental Policy states that the Group takes initiatives aimed at realizing a carbon-free society.
Medium Term Management Plan	The enhancement of SDGs initiatives, including response to climate change, is a key strategy incorporated in the medium term management plan that was started in April 2020 after discussion by the Board of Designated Directors and the Board of Directors meetings.

Meetings, organizations, etc.

Holding of ESG Promotion Committee	The ESG Promotion Committee that is chaired by the President is held every six months to discuss how to assess and manage climate change risks and determine various measures against climate change.
Supervision by the Board of Directors	Discussions in the ESG Promotion Committee are periodically reported to the Board of Directors. Key initiatives for climate change risks are determined and reported to the Board of Directors after separate discussion by the Board of Designated Directors.
Establishment of SDGs Promotion Office	The SDGs Promotion Office was established in the Corporate Planning Division in October 2021, and initiatives to solve SDGs-related issues including climate change risks, especially those to realize carbon-free society, are being carried out by the entire Group.

Strategy

Risks and opportunities generated by climate change

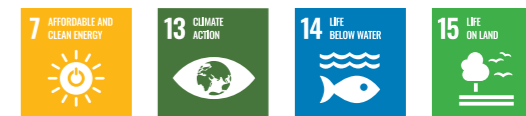
- We recognize risks and opportunities generated by climate change as follows.
- We qualitatively analyze each risk and opportunity over short-, medium-, and long-term time horizons, which are defined as five, 10, and 30 years, respectively.

Risks		Time horizon
Physical risks		
Credit risk	Risk that arises primarily as a result of large-scale storm and flood damage to real estate collateral	(Short to long term)
	Risk that arises as a result of customers' operations being hampered by damage from such disasters to their business locations	(Short to long term)
	Risk that arises as a result of customers closing down their operations due to damage from sea level rises to their business locations	(Long term)
Operational risk	Risk of interrupting or discontinuing our branch operation as a result of large-scale storm and flood damage to the branch	(Short to long term)
Transition risks		
Credit risk	Risk that arises as a result of revision to climate change regulations and taxes affecting customers' businesses	(Medium to long term)
	Risk that arises as a result of decarbonization technology failures and market changes affecting customers' businesses	(Medium to long term)
Reputational risk	Risk of lowering stock prices and financing risk as a result of continuous excessive investments and loans to businesses related to fossil fuels	(Short to long term)
Opportunities		
Products and services	Increases in sustainable finances including renewable energy-related loans and ESG-related investments	(Short to long term)
	Increases in consultation and services related to decarbonization support such as the measurement and reduction of greenhouse gas emissions	(Short to long term)
	Increases in demand for funds driven chiefly by infrastructure investment for disaster countermeasures and business continuation	(Short to long term)
Cost reduction	Reduction of operation costs by initiatives for saving of resources and energy	(Short to long term)

Initiatives corresponding to risks and opportunities

- We are taking following measures against risks and opportunities recognized as stated above.

CO₂ emissions reduction	As an initiative aiming at realizing a carbon-free society, the Group is striving to reduce CO ₂ emissions. We made "FY2030 Carbon Neutrality" declaration in March 2022 and announced that we would achieve virtual zero direct CO ₂ emissions (SCOPE 1 and 2) by FY2030. We proactively provide decarbonization support to our customers by introducing a system to support measurement of emitted CO ₂ and providing consultation.
Strengthening of sustainable finance	We proactively provide financial support to customers to strengthen sustainable finance such as loans related renewable energy that will contribute to mitigation of and adaptation to climate change risks. We aim to achieve the target of ¥ 2 trillion of the amount of sustainable finance from FY2019 to FY2030 (of which target for the amount of environmental finance ¥1 trillion).
Implementation of top risk management	We manage "Climate change (TCFD) / carbon neutrality responses" as a part of top risk management.
Enhancement of scenario analysis	We implement integrated risk management through credit risk management and operational risk management by strengthening the assessment of impact of physical and transition risks with enhanced scenario analysis.



<Scenario analysis>

■ Physical risks

- For physical risks, we estimate increases in net credit costs based on the damage to the Bank's real estate collateral and the stagnation of operations of our financing customers as a result of typhoon, torrential rain and other storm and flood damage.
- Chiba Prefecture, which is the Bank's main base of operations, was severely damaged by the "Typhoon Faxai (Boso Peninsula Typhoon)" and "Typhoon Hagibis (East Japan Typhoon)" in the fall of 2019 and the heavy rains that followed. Therefore, the Bank conducted an analysis of physical risks up to 2050 based on damage data from a series of storms and floods in Chiba Prefecture in the fall of 2019 and the assumption of damage caused by future storm and flood* based on 2°C and 4°C scenarios.

* The assumption of damage caused by future storm and flood was analyzed with the support of a weather information company Weathernews Inc.

- The results of our physical risk analysis are as follows:

Data and scenarios	Data on damage to buildings in Chiba Prefecture from Typhoon Faxai, Typhoon Hagibis, and subsequent heavy rainfall in the fall of 2019 RCP2.6 scenario (2°C scenario) and RCP8.5 scenario (4°C scenario) of the Intergovernmental Panel on Climate Change (IPCC)
Analysis objective	Analysis of increases in net credit costs caused by the stagnation of operations based on the damage to the Bank's real estate (building) collateral and the damage to production and sales-related facilities of our financing customers and their functional failure as a result of typhoon, torrential rain and other storm and flood damage
Analysis target	The Bank's real estate collateral (only that for non-mortgage, general lending) and production and sales-related facilities of our financing customers (general lending for corporates) (Japan)
Analysis period	Up to 2050
Quantity of risk	Increase in net credit costs: ¥6 to 7 billion

■ Transition risks

- As a result of the qualitative analysis of the sectors and industries, we have identified the oil and gas and coal industries and the electric utilities industry as ones deemed to be exposed to the highest transition risk, and we added the steel industry to the analysis target in this fiscal year.
- For the analysis of transitional risks, we referred to the Sustainable Development Scenario (SDS scenario) of the International Energy Agency (IEA)'s World Energy Outlook reports. We have used the resource demand projections, energy mix forecasts, carbon tax estimates, and other data to estimate changes in the borrowers' financial conditions and operating results up to 2050 and analyze changes in our net credit costs.

- The results of our transition risk analysis are as follows:

Scenario	IEA's SDS
Analysis target	Japan's and oversea oil and gas and coal industries, electric utilities industry and steel industry
Analysis period	Up to 2050
Quantity of risk	Increase in net credit costs: maximum ¥27.0 billion

Risk Management

Climate change risk identification and management structure

Risk recognition	The Bank recognizes climate change risks as vital risks that could have a serious impact on the global environment.
Top Risk Management	We identify and manage "Climate change (TCFD) / carbon neutrality responses" as a top risk. (Top risks are risks surrounding our business that are highly significant in terms of impact and probability. They are selected by the Board of Directors as part of integrated risk management. In addition to curbing these risks to the extent possible by setting and implementing concrete responses, we have put systems in place to enable us to respond flexibly should any of these risks manifest.)
Concrete risk management structure	In light of the results of qualitative and quantitative analyses of the physical and transition risks associated with climate change including scenario analysis, we conduct integrated risk management focusing on credit risk over borrowers' business activities and operational risk in continuous operation of our branch locations.

Announcement of Policies on Loans and stricter credit system

The Bank has announced its Policies on Loans to Specific Sectors, which apply to industries that have a huge environmental and social impact on in the form of climate change risk including global warming.

- The Policies clarify the Bank's approach to credit, most notably its stricter attitude to lending to coal-fired thermal power plants that have a huge impact on global warming. This can be seen in the statement that "in principle, we will not extend credit to newly established coal-fired thermal power plants."
- We have established a stricter credit examination system in which we determine the lending for carbon-related sectors* that are considered to have a huge impact on global warming after receiving opinions of divisions in charge of SDGs.

* The loans, acceptances and guarantees, foreign exchange, and private placement bonds (hereinafter the Loans, etc.) for the carbon-related sector (oil and gas, coal and electric utilities industries; however, excluding water supply businesses and renewable energy power generation businesses) accounts for around 1.2% of the Bank's Loans, etc. as of March 31, 2022.

For details on the Policies on Loans to Specific Sectors, see our website:
https://www.chibabank.co.jp/english/corporate/policy/specific_sectors/

CDP climate change survey

- In December 2021, the Bank obtained the score of A- in 2021 climate change survey conducted by CDP, the global authority for environmental assessment survey.
- We will continuously conduct climate change initiatives and proactively disclose climate change-related information.

CDP 2021 climate change survey (score)	A-
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Metrics and Targets

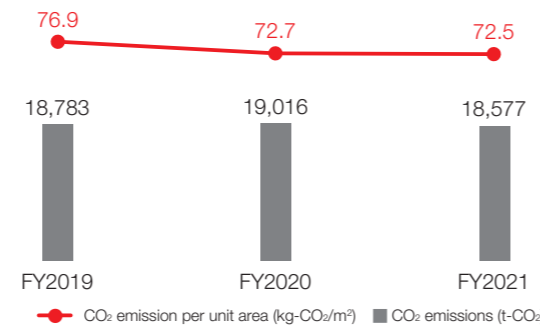
Changes in CO₂ emissions

The Group's CO₂ emissions have changed as shown in the graph on the right.

For FY2021, our CO₂ emissions totaled 18,577 t-CO₂; CO₂ emissions per unit area were 72.5kg-CO₂/m².

The rise in total CO₂ emissions in FY2020 was largely due to increased floor space resulting from the September 2020 completion of the new head office building.

■ Changes in CO₂ emissions (SCOPE 1 and 2)



FY2030 Carbon Neutrality Declaration

We reviewed the target for the reduction of CO₂ emissions in the Group, and made Carbon Neutrality Declaration to achieve virtual zero CO₂ emissions (SCOPE 1 and 2) in FY2030 in March 2022.

We will strengthen the initiatives for virtual zero CO₂ emissions by introducing electric power derived from renewable energy and taking other actions.

For further disclosure of SCOPE 3

The Bank is collecting information and strengthening analysis for further disclosure of SCOPE 3.

In particular, we will further strengthen the analysis of “investment and loan” (category 15), which we recognize is the key target for greenhouse gas reduction for the banking industry to realize carbon-free society.

■ Emissions by Scope over the past three years

	FY2019	FY2020	FY2021
SCOPE1	2,493	2,425	2,776
SCOPE2	16,290	16,591	15,801
SCOPE1+2	18,783	19,016	18,577

(Reference)

SCOPE3		FY2019	FY2020	FY2021
SCOPE3	Business trip	540	540	575
	Commute	1,660	1,590	1,391
	Investment and loan*	—	—	6,315,148

* About investment and loan
 • Targeted assets are primarily business loans, and analysis targets are listed companies and others which have already disclosed or measured greenhouse gas emissions.
 • The attribution factor was calculated with the analysis targets' share of our loans in the total loans.
 • The amount of investment and loans in this analysis is equivalent to 30.8% of loans for general business corporations (excluding real estate leasing corporations).

About sustainable finance

- As a financial institution, we realize that the initiative that we can make social contribution the most to realize a carbon-free society is financing through loans, etc.
- We regard the type of financing where proceeds are used to solve environmental and social issues as “sustainable finance,” and have strengthened our initiatives.

Main sustainable finance products

- Loan products and bonds (purchased) provided in compliance with international principle such as Green Loan Principles and Sustainability Linked Loan Principles
- Loan products to support customers' efforts to achieve ESG and SDGs
- Renewable energy-related loans
- Project finance for creating social infrastructure
- Underwriting of SDGs-related private placement bonds
- Loan products for improvement of energy efficiency in buildings
- Loans for purchasing environment-friendly vehicles for consumers, etc.

(Note) They include other products than the above.

Target for the amount of sustainable finance and its results

- We set the target of ¥2 trillion of the amount of sustainable finance from FY2019 to FY2030 (of which target for the amount of environmental finance ¥1 trillion).
- The amount of sustainable finance that has executed as of March 31, 2022 is ¥642.5 billion [32.1% of the target], and that of environmental finance in it is ¥258 billion [25.8% of the target].

	Target for the amount of sustainable finance (FY2019 to FY2030)	Results (FY2019 to FY2021)
Sustainable finance	¥2 trillion	¥642.5 billion
Of which environmental finance	¥1 trillion	¥258 billion

■ Renewable energy related loan balance (at the end of March 2022) (¥ billion)

	Balance of loans
Solar power generation	137.4
Biomass power generation	17.3
Wind power generation	14.3
Overseas	12.6
Hydroelectric power generation	0.7
Total	169.7

■ Power capacity of renewable energy-related loan projects (approximate number of households)

	Annual electricity generation	CO ₂ reduction	Power capacity in number of households*
Total (Japan)	6,770 GWh	3 million t-CO ₂	1.9 million
Chiba Prefecture	1,930 GWh	0.9 million t-CO ₂	0.55 million

* Calculated with 3.6MWh of electricity use in a household a year.



The Bank has been committed to thorough compliance and enhancement of administrative capabilities including protection of customers. In April 2021, in order to raise awareness of compliance and instill it further, we established The Chiba Bank Group's Corporate Code of Conduct through which we publicly stated a basic policy we abide by in undertaking business activities in an ethical and responsible way as a company that is a member of our society and as the Chiba Bank Group that is a bank with social responsibility and a public mission.

Compliance Structure

The Bank positions compliance at the foundation of all its business operations, and believes it important to conduct all of our business activities fairly and in good faith, by complying with all laws and regulations relating to banking transactions, by observing all internal rules and regulatory requirements pertaining to our role in society and by avoiding actions that would fall short of normal social expectations. The Bank thus works to instill compliance across the bank.

As for specific measures, the Bank regularly convenes the Compliance Committee, which is chaired by the Chairman and consists of directors, executive officers, and general managers as members, to review concrete practical plans and measures, etc. to instill compliance. The Compliance and Risk Management Division oversees the Bank's overall compliance-related tasks such as through the administration of compliance regulations and manuals, the preparation and monitoring of training programs, and periodic checks on the compliance and risk management situations. In addition, each division of the headquarters monitors branch-level compliance and provides advice.

Consistent Implementation of Basic Policies and Formulation of Compliance Program

We established The Chiba Bank Group's Corporate Code of Conduct to clarify the code of conduct for employees. We also established our Compliance Manual, which contains specific guidelines, to instill these rules.

Every fiscal year, the Board of Directors establishes a compliance program to provide a specific action plan for achieving further improvements in compliance activities.

The execution of this program is checked on a regular basis by the Board of Directors and the Compliance Committee.

The Chiba Bank Group's Corporate Code of Conduct

1. Establishing Unwavering Trust
2. Providing High-Quality Financial Services
3. Contribution to Regional Economy and Community
4. Thorough Compliance with Laws, Rules and Other Fundamental Principles
5. Transparent Management
6. Respecting Human Rights
7. Responsibility to Help Realize a Sustainable Society
8. Opposition to Antisocial Forces and Prevention of Money Laundering, Etc.

Protecting Customers and Personal Information

To protect customers and offer them greater convenience, all employees of the Bank receive guidance and training designed to ensure that everyone conducts business with sincerity and fairness. We pay particular attention to complex financial products with risks that include the possible loss of principal and to derivative transactions. In these cases, we comply with the Financial Instruments and Exchange Act and always perform proper solicitation and sales activities in line with the Chiba Bank Solicitation Policy. Furthermore, we plan to upgrade follow-up activities for customers who use these types of financial products.

We sincerely listen to requests and complaints from customers and properly deal with disputes, if any, in accordance with the purport of the financial ADR system^{*1}.

We regard personal information^{*2} as a valuable asset entrusted to us by our customers and strictly manage customer information in accordance with the Pronouncement of Policies Concerning Appropriate Protection and Utilization of Personal Information (Pronouncement Concerning Protection of Personal Information).

^{*1} The financial ADR system is an out-of-court dispute settlement procedure in the financial sector, designed to solve disputes in a simplified and prompt manner without going to court through the involvement of a fair and neutral third-party organization. The Bank has signed a basic agreement to implement the procedure with the Japanese Bankers Association and the Trust Companies Association of Japan, which are designated dispute resolution organizations under laws and regulations.

^{*2} Personal information includes personal identification numbers and specific personal information that includes a personal identification number.

Initiatives to Prevent Money Laundering and Financial Crimes

Responding to changes in the internal and external environments, the Bank appropriately evaluates risks of money laundering and financing terrorism involved in transactions it carries out, and takes measures responding to the risks involved, based on the "Management Policy to Prevent Money Laundering and Terrorism Financing Activities." In addition, we are reinforcing measures to protect customers' assets from a variety of financial crimes such as wire transfer fraud.

Moreover, to respond appropriately to the expected increase in complexity and sophistication of money laundering and financial crime techniques, we are working out measures to address them in collaboration with the banks participating in the TSUBASA Alliance, aiming to enhance the measures and improve efficiency.

Initiatives to Strengthen Compliance and Risk Management of the Group Companies

We are enhancing capabilities to oversee and manage Group companies by determining the status of compliance and the risk management of each Group company in a timely and appropriate manner and providing necessary support and guidance, etc. through mutual and detailed exchanges of opinions between the companies and the "Affiliates and Subsidiaries Support Department" in the Compliance and Risk Management Division.

Opposition to Antisocial Forces

The Bank maintains links with police authorities, lawyers, and other external organizations as a structure to provide appropriate countermeasures against unreasonable demands, interference, or other inappropriate approaches from antisocial forces. Moreover, the Bank has put organized crime disclaimers in various contract documents and deposit account regulations, and is actively taking measures to eliminate relationship with antisocial forces. Furthermore, the group companies are also taking measures similar with those of the Bank to counteract antisocial forces, and the status of implementation of such measures is controlled and managed by the Bank.

Quality Management



Our Service Quality Management Division centrally manages quality-related operations including the collection of, and responses to, customer requests/complaints and feedback from sales offices; various monitoring on functions such as customer protection; and provision of guidance to the headquarters and branches based on the monitoring results. With this structure, we will work to further improve customer satisfaction and reinforce our customer-oriented business operations.

Policy on Customer-Oriented Business Operations (Fiduciary Duties)

The Chiba Bank Group will strive to create a deeper connection with its customers and build a long-standing relationship with even more customers by providing truly useful, customer-oriented services of high-quality under its mission to “contribute to the sustainable development of regional economies through the provision of the latest financial services as a partner for customers and regional communities.”

In asset management-related services, based on the Policy Regarding Customer-oriented Business Operations (Fiduciary Duties), which we formulated and announced in June 2017, we will further strengthen customer-oriented initiatives while regularly disclosing the status of these initiatives and reviewing them appropriately in an effort to further improve business operations.

Policy on Customer-Oriented Business Operations (Fiduciary Duties)

[Policy items]

1. Pursuing the Best Interests of Customers
2. Appropriate Management of Conflicts of Interest
3. Clarification of Fees, etc.
4. Provision of Important Information in an Easy-to-understand Manner
5. Provision of Services Suitable for Customers
6. Frameworks, etc. for Appropriately Motivating Employees

●Pursuing the Best Interests of Customers

We provide optimal products and services through consulting and follow-up services by identifying customers’ needs accurately and placing the highest priority on the interests of our customers.

To propose optimal products and services that meet customers’ needs and answer their expectations, we use employee training and workshops and encourage employees to obtain official qualifications in our efforts to develop human resources who possess advanced expertise. Based on unwavering trust, we will strive to broaden our customer base and fulfill our duty to realize sustainable business as a partner for our customers.

●Provision of Important Information in an Easy-to-understand Manner/Launch of Important Information Sheets

In April 2022, we prepared Important Information Sheets (versions for financial operators and for individual financial products) and start using them. The Important Information Sheets (version for financial operators) are available on our website (Japanese only), and we present and explain them to customers who handle investment-type financial products for the first time at the Bank.

We have also started using the Important Information Sheets (version for individual financial products) for insurance for over-the-counter investment trusts and investment-type financial products. We present and explain them at the time of product explanation to facilitate comparison with other products.

Efforts to Improve Service Quality by Listening to Customer Feedback

We will step up guidance and oversight for the headquarters and branches with an aim to improve the quality of the Group’s products and services by compiling a wide variety of feedbacks including requests and complaints from customers and opinions of branches. Specifically, we will gather information on customer requests and complaints through questionnaires and other means, and after analyzing the trends and causes we will create or revamp products and services from the customer’s perspective. We will also test the effectiveness of these efforts and strive to further improve quality.

Collection of Customer Feedback

- Customer Feedback Cards (accepted at branches or by post)
- In-person comments made at branches
- Questionnaires
- Opinion & request forms

Identification and Analysis of Issues

Formulation and Implementation of Improvement Measures

Quantitative Indicators (KPIs)

Quantitative indicators (KPIs) have been established to check how well the Fiduciary Duties have been instilled. We conduct improvement activities as necessary based on regular monitoring in an effort to further improve our business operations.

Major KPIs		As of March 31, 2022 (FY2021)
Balance of assets under management of the Group	Actual Results (Combined) of the Bank + Chibagin Securities	¥2,194.5 billion
Number of holders of investment products	Actual Results (Combined) of the Bank + Chibagin Securities	286,546
Average holding period of investment trusts	Actual Results of the Bank	4.0 years
Ratio of sales of diversified funds in investment trusts	Actual Results of the Bank	35.2%
Ratio of sales of Group company products in investment trusts	Actual Results (Combined) of the Bank + Chibagin Securities	11.1%
Ratio of customers by investment profit/loss (ratio of plus customers)	Actual Results of the Bank	71.6%
Ratio of customers by investment profit/loss, including realized profit/loss (ratio of plus customers)	Actual Results of the Bank	74.7%
5-year return of top 20 issues by balance	Actual Results of the Bank	6.26%
5-year cost of top 20 issues by balance	Actual Results of the Bank	1.88%
5-year risk of top 20 issues by balance	Actual Results of the Bank	10.53%
Ratio of customers by investment profit/loss of foreign currency-denominated insurance (ratio of plus customers)	Actual Results of the Bank	76.3%
5-year return of top 20 issues by foreign currency-denominated insurance sales amount	Actual Results of the Bank	1.14%
5-year cost of top 20 issues by foreign currency-denominated insurance sales amount	Actual Results of the Bank	1.02%

The Policy Regarding Customer-oriented Business Operations (Fiduciary Duties) and the Status of Initiatives in FY2021 under the Policy Regarding Customer-oriented Business Operations (Fiduciary Duties) are available on our website (Japanese only).

Policy (URL) <https://www.chibabank.co.jp/company/info/fd/>

Status of Initiatives (URL) <https://www.chibabank.co.jp/company/info/fd/pdf/fd.pdf>

Risk Management



As part of our efforts to maintain sound management, we have developed a Basic Policy on Risk Management, which focuses on accurate understanding and analysis of risks, promotion of risk quantification and management through figures, and timely and appropriate reporting. We are working in line with this basic policy to build a robust risk management system to manage credit risk, market risk, liquidity risk, operational risk as well as integrated risk.

Integrated Risk Management System

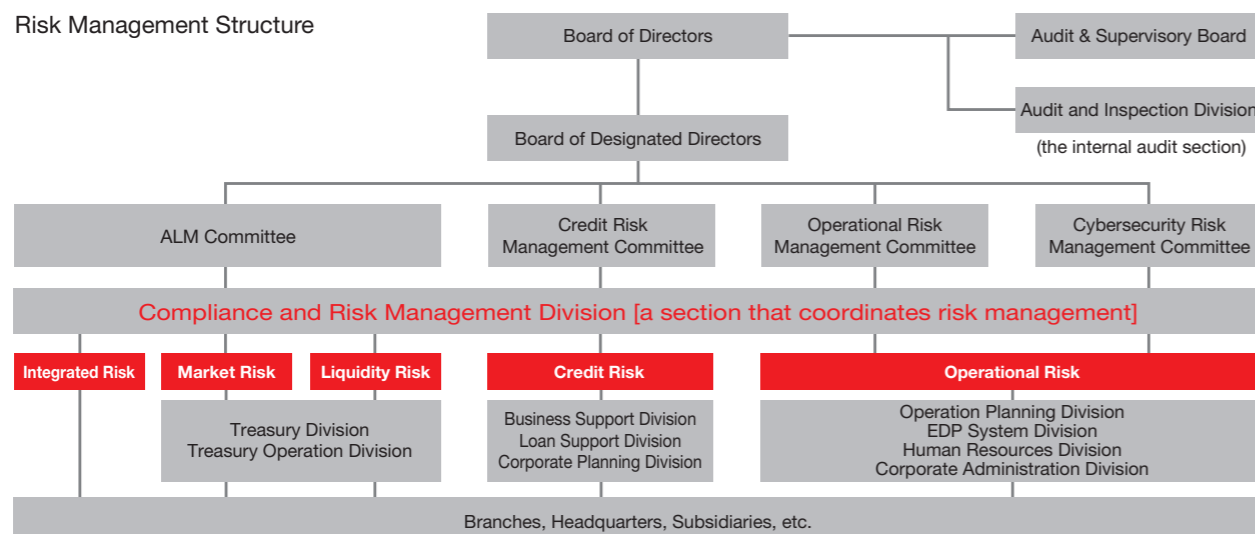
The principal forms of risk to which banking operations are subject include credit risk, market risk, and operational risk.

In order to improve profitability and ensure sound management, the Bank considers it necessary to not only manage each of these forms of risk individually, but also to monitor those risks centrally to control them within acceptable overall limits.

Accordingly, the Bank assigns divisions to manage risks for each form of risk, and the Compliance and Risk Management Division centrally monitors these risks and discusses risk countermeasures at meetings of the relevant committees. The Group Chief Risk Officer (CRO) reports the status of risks to the Board of Directors.

To ensure an effective risk management system, the Audit and Inspection Division conducts audits for each risk category to determine whether risk is appropriately managed and reports the audit results to the Board of Directors.

The Bank has introduced top risk management and risk appetite framework (RAF) to strengthen our comprehensive and accurate risk management system.



Three lines of defense: The Bank's risk management system has been built in accordance with the three lines of defense model that the Basel Committee on Banking Supervision recommends in its Corporate Governance Principles for Banks.

First line: Operations divisions, which autonomously manage risks while conducting business operations in compliance with regulations, procedures, and other rules.

Second line: Corporate divisions that have jurisdiction over individual operational risks and the section that comprehensively oversees and manages the broader risks of the Group.

Third line: The internal audit section that evaluates and verifies the appropriateness and effectiveness of the Group's internal management systems from an independent standpoint.

Top Risk Management

The Chiba Bank Group has designated and begun managing those risks surrounding our business that are highly significant in terms of impact and probability as "top risks." "Top risks" are selected by the Board of Directors as part of integrated risk management. In addition to curbing these risks to the extent possible by setting and implementing concrete responses, we have put systems in place to enable us to respond flexibly should any of these risks manifest.

<Top Risks in FY2022>

- Delays in digital transformation
- Decline in profitability due to deterioration in operating base
- Increase in credit costs
- Decline in value of owned assets
- Major system failure
- Cyberattack
- Penalties due to inadequate measures against money laundering
- Incidents of misconduct
- Suspension of business due to large-scale natural disaster/pandemic
- Climate change (TCFD) / carbon neutrality responses

● Integrated Risk Management

The term "integrated risk" refers to the sum of the measurements of credit risk, market risk, and operational risk, which are forms of risk that can be managed by means of risk quantification. The Risk Management Department in the Compliance and Risk Management Division conducts a comparison of quantified integrated risk and capital, verifies the adequacy of capital with respect to risk, and reports the results regularly to the Board of Directors. The department also conducts stress tests, a means of verification of capital adequacy that involves the assumption of certain stress scenarios, such as deterioration of the corporate environment in a period of recession, or a decrease in land prices, and forecasting the increase in the amount of risk based on the scenarios. The results of stress tests are also reflected in capital policies such as dividends and acquisitions of treasury shares.

Furthermore, as a framework for integrated risk management, the Bank has introduced and utilizes a risk capital allocation system to set and manage the maximum amount of risk capital used to control the occurrence of losses.

Credit Risk	Market Risk	Liquidity Risk		Operational Risk
		Cash Flow Risk	Market Liquidity Risk	
The risk of incurring a loss because of a decline in, or total loss of, the value of owned assets as a result of deterioration in the financial soundness of debtors	The risk of incurring a loss due to a change in the value of owned assets as a result of fluctuations in interest rates, prices of securities or other financial instruments, or exchange rates	The risk of incurring a loss due to failure to maintain cash flow as a result of the inability to secure necessary funds or the necessity of procuring funds at significantly higher interest rates than usual due to the worsening of the financial institution's financial position or other circumstances	The risk of incurring a loss due to the inability to trade on markets or the necessity of trading at prices significantly less favorable than usual due to market turmoil or other circumstances	The risk of incurring losses due to the inappropriateness of business processes, activities of directors and employees, or systems or external events

● Credit Risk Management

The Bank has developed a rigorous credit risk management system centered on an internal credit rating system and engages in individual credit management and credit portfolio management. In the self-assessment of assets, the Bank implements appropriate write-offs and provisions.

The Credit Risk Management Committee meets regularly, in order primarily to consider credit risk management policy and to monitor the operation of the internal credit rating system and the credit portfolio.

● Market Risk Management

As part of the risk capital allocation system, the Bank sets and manages risk limits, within the scope of the risk capital allocated to the business sectors, for the amount of market risk determined by VaR for each product, such as securities investments and other market transactions or loans and deposits, in an effort to ensure management soundness. In regard to market transactions, moreover, the Bank sets upper limits for market investments according to the balance and alarm point of valuation differences, and implements risk control by reviewing investment policy each quarter.

The market section is divided into the transaction execution unit (front office: the Treasury Division and overseas branches) and the business administration unit (back office: the Treasury Operation Division), and the risk management unit (middle office: the Market Risk Management Department in the Compliance and Risk Management Division) has been established, creating a reciprocal and mutually reinforcing management structure.

Risk Management



●Liquidity Risk Management

At the Bank, the Treasury Division is the section that manages cash flow. The division ascertains the market environment and analyzes the state of investment and procurement of funds. At the same time, it manages cash flow risk by investing funds within a set limit so as not to procure excessive amounts of funds on the market and by maintaining a certain minimum level of assets that can be converted to cash in a short time. In addition, the Bank manages market liquidity risk by setting limits on daily positions taken in market trading.

As the section that manages risk, the Market Risk Management Department in the Compliance and Risk Management Division strives to avoid increases in liquidity risk by identifying and assessing various factors that affect liquidity risk and monitoring the observance of limits.

For the control of foreign currency liquidity risk, in particular, the Bank holds current assets in an amount that matches cash outflow in stress scenarios, such as the financial crisis, and works to reduce a mismatch in procurement and investment of funds.

The Bank has established a business continuity plan that provides for a rapid response across the Bank in the event of unforeseen circumstances that could affect the Bank's cash flow.

●Operational Risk Management

The Bank categorizes the various forms of operational risk into clerical risk, system risk and cybersecurity risk, human risk, tangible asset risk, and reputational risk, and the corporate divisions that have jurisdiction over operational risks collaborate in performing risk management under the overall management of the Risk Management Department in the Compliance and Risk Management Division.

The Bank has established an Operational Risk Management Committee and developed a management structure for monitoring the state of operational risk losses and improving and correcting problem areas.

In addition, to ensure the effectiveness of management, the Bank has introduced Control Self Assessment (CSA).

Clerical Risk	System Risk	Cybersecurity Risk	Human Risk	Tangible Asset Risk	Reputational Risk
The risk of incurring a loss due to the failure to perform accurate clerical work, clerical accidents or fraud, or the failure to perform official obligations or provide explanations to customers	The risk of incurring a loss resulting from a leak or falsification of information owned by the Bank or the unauthorized use, failure, or incorrect operation of computer systems	The risk of incurring a loss from the occurrence of a risk event that falls under system risk due to cyber-attacks from outside parties	The risk of incurring a loss due to workplace safety, discrimination, or the like	The risk of incurring a loss from damage to buildings or facilities, or the like	The risk of incurring a loss due to loss of public confidence resulting from deterioration of the Bank's reputation or the like
Operation Planning Division	EDP System Division		Human Resources Division	Corporate Administration Division	Risk Management Department in the Compliance and Risk Management Division

* The Compliance Management Department in the Compliance and Risk Management Division and the corporate divisions that have jurisdiction over operational risks jointly manage legal risk and compliance related risk included in the various risk categories.

<Clerical Risk Management>

At the Bank, the Operation Planning Division prepares clerical standards that indicate detailed clerical procedures for each operation and promptly and thoroughly informs each branch regarding matters such as the introduction of new products and the establishment or revision of clerical procedures due to the amendment of laws. In addition, through monitoring, we verify and collect information regarding loss events and identify, evaluate, understand, and manage information regarding clerical risk as well as formulate measures to reduce risk and give guidance for improvement.

<System Risk and Cybersecurity Risk Management>

At the Bank, the EDP System Division and the Risk Management Department in the Compliance and Risk Management Division work together to implement various measures in response to system risks and cybersecurity risks, which have become increasingly important and noteworthy in recent years.

As specific measures against system risk, the Bank duplicates hardware and circuits for backbone systems to ensure continuation of business even in the event of a failure. In addition, the Bank has implemented the preparation of a contingency plan to provide for unforeseen circumstances such as large-scale disasters.

As measures against cybersecurity risk, we have implemented measures to prevent the intrusion of unauthorized programs including computer viruses and have developed steps to ensure the data protection of important computer systems. We also carry out regular training to ensure the effectiveness of the management and readiness systems that we have developed for the event of a cyber-attack.

Regarding the internet based services that we provide to customers, we take measures to prevent denial-of-service attacks and computer system access by unauthorized persons as well as strictly confirm that each transaction is made by the actual customer. We regularly make efforts to raise the awareness of our employees to the increasing sophistication of impersonation e-mails, as well as the handling of suspicious or unfamiliar e-mails.

As a result of the various measures, we have not experienced a cyber risk event such as a data breach (including information leakage). However, as cyber-attacks are becoming more sophisticated each year, we will continue to collect information and implement measures at appropriate times.

In addition, we endeavor to ensure the security of the laptops, video teleconferencing software, and other tools that the employees use when working from home or remotely. With these and many other measures, we seek to enhance customer safety and security.

Risk Appetite Framework (RAF)

The Bank utilizes a risk appetite framework (RAF), which is a system to verify the appropriateness of the risk- return balance and the estimated impact of loss in a stress scenario against its risk appetite (types and total amount of risk that needs to be assumed to achieve business plans).

Under the RAF, the Bank operates the risk capital allocation system, verifies the degree of capital adequacy by conducting stress tests, and verifies risk appetite based on highly probable scenario analysis that takes into account changes in the internal and external environment.

The Bank monitors return after capital cost (RACC) to manage risk capital used to earn returns. Using RACC, we verify whether or not we are earning profits that are commensurate with the risk capital used by each division or we can withstand losses caused by economic fluctuations.

Business Continuity System

In addition to the risk management system described above, at the Bank, the Risk Management Department in the Compliance and Risk Management Division and other sections maintain a business continuity system to allow essential operations to continue for the preservation of the financial system during an unexpected disaster such as an earthquake or pandemic disease as well as the rapid restoration of operations that the Bank would be forced to suspend during an emergency.

Currently, while keeping in mind that human life is our first priority, in order to continue providing stable services to customers, the Bank is upgrading its management systems, including its countermeasures against the COVID-19 pandemic, a large-scale earthquake such as an earthquake directly under the Tokyo Metropolitan area, and a variety of risks such as complex disasters involving tsunami or volcanic eruptions.

■Mobile branch vehicle



■Disaster response headquarters operation drill



Chairman, CDTO/CHRO, and Outside Directors Discussion Meeting — The Bank's Corporate Governance and Sustainability —

Chairman Hidetoshi Sakuma, Director and Managing Executive Officer (Group CDTO/CHRO) Mutsumi Awaji, and outside directors, Yuko Tashima, Yasuko Takayama, and Takahide Kiuchi held a discussion meeting on the Bank's corporate governance, the human resources that support the Bank, and sustainability issues such as diversity, human rights and climate change.



Firstly, could you please describe the corporate governance reforms that Chiba Bank has implemented to date?

Sakuma: In terms of corporate governance, it is essential that we continue to implement reforms to ensure that the Bank's management does not veer in the wrong direction. To this end, through a process of repeated trial and error over the years, we have strived to advance the level of our corporate governance systems.

In FY2003, the Bank adopted an executive officer system, which provides for the clear separation of the roles of the executive officers, who conduct business operations, and the directors, who supervise the execution of those business operations. This system was later reviewed, and we changed to a policy of

selecting directors from among the executive officers.

The Bank elected its first outside director in FY2013 and has since increased the ratio of outside directors on the Board of Directors to one-third in an effort to enhance the supervisory function of the Board. Further, the Corporate Advisory Committee (currently the Appointment, Remuneration and Corporate Advisory Committee) was established in FY2015 to ensure objectivity, timeliness, and transparency of the appointment and dismissal of directors and Audit & Supervisory Board members and their remuneration. This was followed by the introduction of the Group Chief Officer System in FY2018 to create a Group-wide corporate administration system, in which the Group Chief Officers were assigned to individual areas of supervision.

Further, in FY2019, we formulated the policy on corporate governance and introduced evaluation of the effectiveness of the Board of Directors by an external evaluation firm. In 2021, we abolished the Advisor system and revised the director remuneration framework in the form of the introduction of a restricted stock remuneration system.

In these ways, instead of bank management being influenced by short-term profit perspectives, it is important that we constantly keep reviewing and revising our corporate governance systems to ensure that we can steer the Bank's management from medium- and long-term perspectives.

Kiuchi: I can see that definite progress has been made in the Bank's corporate governance reforms in recent years. Specifically, the introduction of a restricted stock remuneration system as the director remuneration framework has raised management's awareness of the improvement of corporate value through further sharing of value with shareholders. The introduction of the Group Chief Officer System has also, I believe, adequately built a corporate administration system that has a sense of Group-wide unity.

As Chairman Sakuma remarked, corporate governance has no end and must undergo constant reform in line with changes in the environment.

What is your opinion of the roles and effectiveness of the Board of Directors at Chiba Bank?

Sakuma: Firstly, it is important for the Board of Directors to gather accurate information so that it can grasp the current situation and issues. Having done that, it needs to hold discussions from the dual perspectives of business execution and supervision and make swift resolutions in a limited timeframe. For this reason, instead of focusing on the finer details, the Board strives to conduct substantive debate on areas such as broad strategies and visions.

We must also aspire to be a progressive Board of Directors that incorporates regulatory trends in Japan and overseas in a timely fashion, as well as taking reference from the



examples of leading companies. In addition, unified control that also encompasses Group companies is needed to ensure that no inconsistency occurs within the Group.

Since our first outside director joined the Board of Directors, we have increased the number of female directors, and discussions have been invigorated dramatically. Further, led by our highly knowledgeable outside directors, the quality of discussions that include the internal directors has improved, and the effectiveness of the Board of Directors has increased.

Kiuchi: To raise the effectiveness of the Board of Directors, I believe that efforts to enhance its contents are essential to ensure that discussions do not become a formality. Also, after clarifying the roles of the internal and outside directors, the outside directors will be called on to present ways of thinking that differ from the conventional wisdoms found inside the Bank.

In the two years since I became a director of the Bank, an environment that makes it easier for the outside directors to demonstrate their roles has been established, such as securing time for debate by narrowing down the matters discussed in Board of Directors meetings and by the Chairman and President holding separate individual meetings with the outside directors. I have a real sense that these reforms have made it possible to hold constructive debate in the Board of Directors.

Takayama: I commend the Bank for the remarkable improvement in the effectiveness of its Board of Directors. It has achieved this by conducting evaluations of the effectiveness



Chairman, CDTO/CHRO, and Outside Directors Discussion Meeting

of the Board of Directors and implementing the PDCA cycle properly since FY2015.

For the improvement of the Board's effectiveness, four things are key—setting of the agenda, meeting proceedings that contribute to lively debate, improvement of the quality of debate, and feedback on the results of deliberations.

In terms of the agenda, I have noticed a shift in agenda items away from individual measures to focus on proposals from a more macro perspective, such as medium- to long-term strategies and the allocation of management resources, namely people, goods, and money. Also, whereas previously, the atmosphere in the vast conference room was not conducive to speaking up, but since the move to the headquarters building, the meeting room is a more appropriate size and has a more comfortable environment in terms of voicing opinions. Moreover, there is now more variation in the order of priority of agenda items, and my sense is that comments about agenda items that need to be debated are increasing, including from internal directors.

On the other hand, I do believe that there is still room for improvement in terms of the quality of debate. To increase the effectiveness of the Board of Directors, it is crucial that the outside directors be able to ask good questions that focus on essential issues from an opposing viewpoint. I believe that we outside directors also need to continue our efforts in that regard.

To raise the effectiveness of the Board of Directors even further, I believe that providing proper feedback to the outside directors of the

process of consideration and results of initiatives on the executive side would be valuable. I must add that the way in which the responsible divisions take so much time to brief us beforehand on the agenda items being put to the Board of Directors has been a tremendous help, as it has allowed me to settle any questions I may have.

Next, we would like to ask you about sustainability issues. Firstly, could you tell us your vision for the type of people that Chiba Bank wants and about diversity initiatives?

Awaji: In our medium term management plan, we have declared our aim to be “a partner for our customers.” In an era of turbulent change, we need people who can think and act for themselves and who can conduct operations from the customer's perspective. I also feel that we need people who can produce results as a team while communicating with those around them within the organization.

I was appointed Group Chief Human Resources Officer a year ago and I am in the process of sorting out new challenges in personnel policies, so I want to transition to human resources development that leans into each individual member of the Bank's staff.

Our bank has received high praise from outside for our diversity, but mindset reform remains an important policy. For example, we need to instill conscious diversity right down to the practical level, such as enabling both male and female employees to actively take childcare leave without it impeding the execution of operations.

I attend meetings of the Board of Designated Directors, so I make a point of expressing opinions about points that men may not notice as easily, in my efforts to invigorate debate.

Tashima: From my observations of diversity and opportunities for women at various companies, Chiba Bank is of an exceptionally high standard in this regard.

Currently, two of the three outside directors are female, and Ms. Awaji is also doing a wonderful job as an internal director. When Ms. Awaji first started at the bank, I doubt that she imagined that she would ever be



Director
[Outside Director]
Yuko Tashima

appointed as a director, but the fact that this has come to pass is due entirely to the awareness of top management.

I believe that the way in which women are flourishing in the Bank today is due in no small part to the way in which executives and employees came together to promote diversity after Chairman Sakuma, when he was President of the Bank, advocated for the promotion of diversity, describing it as “an important management strategy for the sustainable growth of the bank.” The revision of personnel systems, such as the abolition of course-based employment administration and of the “non-career-track” category, and the way in which the bank has actively established favorable environments, including establishing new in-house childcare facilities, have also, I believe, led to the high estimation in which the Bank is held.

Takayama: As Ms. Tashima says, because the top leadership has a tremendous amount of influence in the organization, it is crucial that the top executives themselves take the lead in promoting the various initiatives.

Looking ahead, as well as it becomes the norm for women to be present at important meetings, I look forward to them being on equal footing with men, presenting opinions and ideas from different perspectives from men and helping to create new value.

Sakuma: I had always believed in the need to create a gender-equal society, and when I saw how women were thriving quite naturally when I visited banks overseas, I decided to promote

diversity to make our bank as progressive as possible. We are still only halfway there, so I believe that we need to deepen our efforts even further.

Tashima: Even with all the talk of promoting active participation of women, it is no easy task to promote women who have not been given equal opportunities to flourish in the workplace until now. I commend the Bank for the support programs that it has put in place to respond to the challenge of supplementing female employees' lack of experience, such as individual training for women, support from mentors, and individual advice for executive candidates.

In an issue that is closely connected to diversity, could you give your opinions about Chiba Bank's human rights initiatives?

Awaji: Among the many different human rights issues, the prevention of harassment is a key theme for all companies. In the belief that we must be able to identify whether people are suffering harassment without others being aware, I am focusing efforts on establishing frameworks for prevention, instead of waiting until something happens before taking action. To achieve this, it is essential that we create an atmosphere in which people feel able to speak up when they believe something is wrong.

Also, to create an appealing organization for the employees working in the Bank, we are making an effort to establish an environment in which they will feel comfortable about going to their department manager or superior for advice.

Tashima: The Bank's anti-harassment measures have been strengthened, and there is a variety of support helplines available. However, I think that if good examples of people's concerns actually being resolved could be communicated across the whole bank, it would create an environment in which it is even easier for people to seek advice.

The Bank is also actively engaging in the elimination of discrimination. It responds flexibly to LGBT issues, and, through the Group company, Chibagin Heartful, it is giving people with disabilities the chance to flourish.



Director and Managing Executive Officer
Group Chief Digital Transformation Officer
Group Chief Human Resources Officer
Mutsumi Awaji

Chairman, CDTO/CHRO, and Outside Directors Discussion Meeting

Could you tell us about Chiba Bank's initiatives toward climate change, which is the sustainability issue that is attracting the most attention today?

Sakuma: While on the one hand, contemporary society has relied on the use of coal and other fossil fuels for economic development since the industrial revolution, on the flipside, this has also caused today's environmental problems. As a bank with the mission of supplying funds to regional communities, the Bank must address those environmental problems squarely.

The typhoon that struck the region in the fall of 2019 caused tremendous damage to the people who live in the region. Global warming has had a major impact in this regard. Also, in the future, sea levels are expected to rise due to the impact of global warming, and there are even concerns that Chiba Prefecture, which is surrounded by the sea, could be inundated. We must take proper ownership of environmental problems and deal with them with a great sense of crisis.

To date, the Bank has established the ESG Promotion Committee in FY2017 and adopted measures to combat climate change through discussion of environmental problems. Also, at the end of 2019, we announced our endorsement of the TCFD recommendations and disclosed information about climate change risks in our Integrated Report, based on the TCFD recommendations. In FY2020, the Bank rebuilt the headquarters building, taking environmental effectiveness into consideration, and established the environmental policy. These initiatives and disclosures have been well received, and we were able to obtain evaluation "A-" score in Climate Change 2021 by CDP.

In March this year, we declared our goal of achieving carbon neutrality by FY2030 and, together with our customers, we are striving to strengthen our efforts toward decarbonization.

On the other hand, there are concerns that the sudden elimination of fossil fuels from contemporary society, which has been built on the use of fossil fuels, could lead to the collapse of economic systems. When I have spoken to the top management of heavy industry companies that have large CO₂ emissions, I have sensed that they have a severe sense of crisis about the future of their industries. While

keeping the impact on these kinds of industries firmly in mind, we need to hold in-depth debate from practical perspectives about ways to transition to a carbon-free society.

Kiuchi: My own sense is that the Bank is a front-runner among regional banks in its carbon neutrality initiatives, but it needs to bring more in-depth responses into view.

For example, financial institutions have a role to play in carbon neutrality on the financing front, but sustainable finance is being seen as problematic around the world. Namely, the term "greenwashing" is being used to imply that such finance is green in appearance only. Chiba Bank also needs to address this challenge seriously, so I believe it should proceed with responses such as proper checks of how funds extended through sustainable finance will be used.

It is also crucial to encourage the region's smooth transition to a carbon-free society. Suddenly cutting off lending to companies with a large environmental footprint would not be realistic and could not be described as a customer-oriented action. I believe that it is important for the Bank to help such industries to reduce their environmental footprint by strengthening its transition finance initiatives, that is, extending financial support for technological innovations.

Awaji: At the beginning of this year, the Chiba Prefectural Government launched the "Chiba SDGs partner registration system." In addition, regional banks, including ours, business associations, and assurance societies joined forces to establish the Chiba SDGs Promotion Network. In these and other ways, efforts toward the achievement of the SDGs in the prefecture are picking up pace. By the end of February this year, the Partner Registration System had already registered 945 companies and organizations, including customers of the Bank, making it one of the leading regional governments in this regard. It is testament to the strong interest in the SDGs among business operators in the prefecture.

On the other hand, there are more than a few cases in which small and medium enterprises, in particular, lack sufficient expertise for strengthening these kinds of

initiatives, and finance is also an issue.

To provide firm support for these kinds of customers, the Bank is engaging in the transition to a carbon-free society together with the region, such as offering financial support through various sustainable finance products and consulting services regarding decarbonization.

Takayama: I do not envisage any major change in the direction toward a carbon-free society in which the entire world is heading.

Going forward, we can envisage moves such as the tightening of regulations, including the standardization of carbon neutrality information disclosures. However, with the recognition that "disclosure" is an outcome of "activities," we need to focus firmly on what kind of "activities" to implement and pursue initiatives steadily.

Finally, could you say a few words about your vision for the Chiba Bank of the future?

Kiuchi: The Bank has a mission to solve social issues and fulfill its social responsibility. I think it is important that the Bank strives to improve corporate value by seeking out new added value in non-financial areas, without being confined to traditional banking operations.

To achieve this, the Bank needs to listen sincerely to the opinions of its broader stakeholders about what society wants from the Bank.

Takayama: The Bank has a well-balanced blend of "urban acuity" and "regional comfort," and I feel that it has fostered a wonderful corporate culture. I also hope that it will continue to treasure its customer-oriented perspective, the speed of its decision-making, and the sense of unity in its organization as outstanding strengths.

Going forward, I will actively support the Bank as it takes on new challenges, but with any challenge comes risk, so I will not hesitate to point out anything I notice from a neutral, objective perspective, properly fulfilling my role as an outside director.

Tashima: I think that, as a regional bank, the Bank's core approach will be to stand

alongside the Chiba Prefecture and the citizens in the prefecture as it aims for sustainable growth together.

Also, going forward, the Bank needs to actively engage in new businesses that customers demand, without limiting itself to the banking business. I will work hard so that I can make recommendations from various perspectives, firmly incorporating any external insights.

Awaji: The Bank's worth lies in how much it can be of service to the region. I believe that we need to aim to be a company of value to Chiba Prefecture that current employees will be glad to work for and that job-hunters of the future will want to join.

Sakuma: I believe that we need to enhance our corporate value by fulfilling the Bank's mission of solving Chiba Prefecture's challenges.

Fortunately, given its location in the Tokyo Metropolitan area, Chiba Prefecture has a large population and a good balance of manufacturing, agriculture, and marine industries. It also has excellent infrastructure, such as Narita Airport and the Aqua-Line Expressway, so I believe the prefecture has a great deal of potential for economic growth.

On the other hand, the people who moved to Chiba Prefecture in the period of Japan's rapid economic growth are aging, as is the prefecture's infrastructure. Chiba also has both areas of depopulation and areas of high population density, and various social issues are becoming more apparent.

Here in Chiba Prefecture, with its various challenges amid its potential for growth, I believe that it is important that we stand close to each and every customer, both individuals and businesses, and aim to solve those challenges while offering the best proposals for our customers, including advanced financial services and services in non-financial areas. Unless we shift our thinking to the belief that profits will follow as a result of such efforts, we will be abandoned by the regional communities and by our customers. We are a bank for the region and our customers. We will always stand close to them as we continue to reform our business model and aim for sustainable growth.

(As of June 28, 2022)

Directors



Chairman
(Representative Director)
Group Chief Executive Officer
Hidetoshi Sakuma

Apr. 1976 Joined the Bank
Jun. 2003 Director, General Manager, Corporate Planning Division, the Bank
Jun. 2006 Director and Managing Executive Officer, General Manager, Head Office, the Bank
Jun. 2007 Director and Managing Executive Officer, Executive Officer in charge of Treasury Division and Treasury Operation Division, the Bank
Mar. 2009 President, the Bank
Jun. 2018 President, Group Chief Executive Officer, the Bank
Jun. 2021 Chairman, Group Chief Executive Officer, the Bank



President
(Representative Director)
Group Chief Operating Officer
Tsutomu Yonemoto

Apr. 1987 Joined the Bank
Jun. 2016 Executive Officer, General Manager, Business Promotion Division, the Bank
Jun. 2017 Director and Managing Executive Officer, Executive Officer in charge of Treasury Division and Treasury Operation Division, the Bank
Jun. 2018 Director and Managing Executive Officer, Group Chief Business Officer, General Manager, Business Promotion Management Division, the Bank
Jun. 2019 Director and Senior Executive Officer, Group Chief Strategy Officer, General Manager, Corporate Planning Headquarters, Executive Officer in charge of Corporate Planning Division, Public Relations Division, New Head Office Project Office and Corporate Administration Division, the Bank
Apr. 2020 Director and Senior Executive Officer, Group Chief Strategy Officer, Group Chief Digital Transformation Officer, General Manager, Corporate Planning Headquarters, Executive Officer in charge of Corporate Planning Division, Public Relations Division, New Head Office Project Office and Corporate Administration Division, the Bank
Apr. 2021 Director and Senior Executive Officer, the Bank
Jun. 2021 President, Group Chief Operating Officer, the Bank



Director and Senior Executive Officer
Group Chief Strategy Officer
Tadayoshi Shinozaki

Apr. 1988 Joined the Bank
Jun. 2017 Executive Officer, General Manager, Corporate Planning Division, the Bank
Jun. 2018 Director and Managing Executive Officer, Group Chief Strategy Officer, General Manager, Corporate Planning Headquarters, Executive Officer in charge of General Secretariat, Corporate Planning Division and Public Relations Division, the Bank
Jun. 2019 Director and Senior Executive Officer, Group Chief Business Officer, General Manager, Business Promotion Management Division, the Bank
Apr. 2021 Director and Senior Executive Officer, Group Chief Strategy Officer, Group Chief Digital Transformation Officer, Executive Officer in charge of Corporate Planning Division, Digital Innovation Division, Public Relations Division and Corporate Administration Division, the Bank
Apr. 2022 Director and Senior Executive Officer, Group Chief Strategy Officer, Executive Officer in charge of Corporate Planning Division and Public Relations Division and Corporate Administration Division, the Bank



Director and Senior Executive Officer
Group Chief Business Officer
General Manager, Business Promotion Management Division
Kiyomi Yamazaki

Apr. 1988 Joined the Bank
Jun. 2014 General Manager, Sakura Branch, the Bank
Jun. 2016 General Manager, Consumer Loan Business Division, the Bank
Jun. 2017 General Manager, Business Promotion Division, the Bank
Jun. 2018 Executive Officer, General Manager, Chuo Branch and Keisei-ekimae Branch, the Bank
Apr. 2019 Executive Officer, Deputy to Executive Officer in charge of Prefectural Block, the Bank
Jun. 2019 Executive Officer in charge of Business Planning Division, Customer Service Division, Business Promotion Division, Corporate Business Division, Regional Revitalization Division, Trust Business Division, Consumer Loan Business Division, Payment Card Business Division, the Bank
Apr. 2020 Executive Officer, General Manager, Head Office and Saiwaicho Sub Branch, the Bank
Jun. 2020 Managing Executive Officer, General Manager, Head Office and Saiwaicho Sub Branch, the Bank
Apr. 2021 Senior Executive Officer, General Manager, Business Promotion Management Division, Group Chief Business Officer, the Bank
Jun. 2021 Director and Senior Executive Officer, General Manager, Business Promotion Management Division, Group Chief Business Officer, the Bank

Directors



Director and Managing Executive Officer
Group Chief Information Officer
Norio Takatsu

Apr. 1985 Joined the Bank
Jun. 2015 Executive Officer, General Manager, EDP System Division, the Bank
Jun. 2016 Director, Executive Officer in charge of Operation Planning Division, EDP System Division, Business Operation Division and Operation Division, the Bank
Jun. 2017 Director and Managing Executive Officer, Executive Officer in charge of Operation Planning Division, EDP System Division, Business Operation Division and Operation Division, the Bank
Jun. 2018 Director and Managing Executive Officer, Group Chief Information Officer, General Manager, Operation Headquarters, Executive Officer in charge of Operation Planning Division, EDP System Division, Business Operation Division and Operation Division, the Bank
Apr. 2021 Director and Managing Executive Officer, Group Chief Information Officer, Executive Officer in charge of Operation Planning Division, EDP System Division, Business Operation Division and Operation Division, the Bank



Director and Managing Executive Officer
Group Chief Digital Transformation Officer
Group Chief Human Resources Officer
Mutsumi Awaji

Apr. 1989 Joined the Bank
Jun. 2018 General Manager, Regional Revitalization Division, the Bank
Jun. 2019 Executive Officer, General Manager, Regional Revitalization Division, the Bank
Apr. 2020 Executive Officer, General Manager, Corporate Business Division, the Bank
Apr. 2021 Managing Executive Officer, Group Chief Human Resources Officer, Executive Officer in charge of Human Resources Division and Diversity Management Division, the Bank
Jun. 2021 Director and Managing Executive Officer, Group Chief Human Resources Officer, Executive Officer in charge of Human Resources Division, Diversity Management Division and General Secretariat, the Bank
Apr. 2022 Director and Managing Executive Officer, Group Chief Digital Transformation Officer, Group Chief Human Resources Officer, Executive Officer in charge of Digital Innovation Division, Human Resources Division, Diversity Management Division and General Secretariat, the Bank

(As of June 28, 2022)

Outside Directors



Director (Outside Director)
Yuko Tashima

Apr. 1979 Prosecutor, Tokyo District Public Prosecutors Office
Apr. 1992 Registered as Attorney at Law, Tokyo Bar Association
Attorney at Law, Sawayaka Law Office (current position)
Jul. 2006 Outside Director, Meiji Yasuda Life Insurance Company
Jun. 2015 Outside Director, the Bank (current position)
Oct. 2015 Outside Director, Kyushu Financial Group Inc. (current position)
Jun. 2016 Outside Audit & Supervisory Board Member, Tokio Marine & Nichido Life Insurance Co., Ltd. (current position)



Director (Outside Director)
Yasuko Takayama

Apr. 1980 Joined Shiseido Co., Ltd.
Apr. 2006 General Manager, Consumer Information Center, Shiseido Co., Ltd.
Oct. 2008 General Manager, Consumer Relations Department, Shiseido Co., Ltd.
Apr. 2009 General Manager, Social Affairs and Consumer Relations Department, Shiseido Co., Ltd.
Apr. 2010 General Manager, Corporate Social Responsibility Department, Shiseido Co., Ltd.
Jun. 2011 Audit & Supervisory Board Member (standing), Shiseido Co., Ltd.
Jun. 2015 Advisor, Shiseido Co., Ltd.
Jun. 2015 Outside Director, the Bank (current position)
Jun. 2015 Outside Director, Nippon Soda Co., Ltd.
Jun. 2016 Outside Audit & Supervisory Board Member, Mitsubishi Corporation
Jun. 2017 Outside Audit & Supervisory Board Member, Yokogawa Electric Corporation (current position)
Jun. 2019 Outside Director, Cosmo Energy Holdings Co., Ltd. (current position)



Director (Outside Director)
Takahide Kiuchi

Apr. 1987 Joined Nomura Research Institute, Ltd.
Jun. 2002 Head, Japanese Economic Research Unit, Economic Research Department, Nomura Research Institute, Ltd.
Jun. 2004 Deputy Head, Economic Research Department and Head, Japanese Economic Research Section, Financial & Economic Research Center, Nomura Securities Co., Ltd.
Jun. 2007 Managing Director, Head, Economic Research Department and Chief Economist, Financial & Economic Research Center, Nomura Securities Co., Ltd.
Jul. 2012 Member of the Policy Board, the Bank of Japan
Jul. 2017 Executive Economist, Nomura Research Institute, Ltd. (current position)
Jun. 2020 Outside Director, the Bank (current position)

Directors, Audit & Supervisory Board Members and Executive Officers

Directors, Audit & Supervisory Board Members and Executive Officers

(As of June 28, 2022)

Audit & Supervisory Board Members



Standing Audit & Supervisory Board Member
Daizo Iijima
Apr. 1984 Joined the Bank
Jun. 2014 Executive Officer, General Manager, Human Resources Division, the Bank
Jun. 2015 Director and Managing Executive Officer, Executive Officer in charge of Treasury Division and Treasury Operation Division, the Bank
Jun. 2017 Director and Senior Executive Officer, Executive Officer in charge of Corporate Planning Division and Public Relations and CSR Division, the Bank
Jun. 2018 Director and President, Chibagin Heartful Co., Ltd.
Jun. 2020 Audit & Supervisory Board Member, the Bank (current position)



Standing Audit & Supervisory Board Member
Kazuhiro Kikuchi
Apr. 1983 Joined the Ministry of Finance
Jul. 2011 Director General, Fukuoka Local Finance Branch Bureau
Jul. 2012 Director, Urban Renaissance Agency
Jul. 2014 Councillor, Cabinet Secretariat
Jul. 2016 Executive Director, Federation of National Public Service Personnel Mutual Aid Associations
Jul. 2017 Senior Executive Director, Federation of National Public Service Personnel Mutual Aid Associations
Jun. 2021 Outside Audit & Supervisory Board Member, the Bank (current position)



Standing Audit & Supervisory Board Member
Norikazu Takahashi
Apr. 1985 Joined the Bank of Japan
Aug. 2008 General Manager, Okayama Branch, the Bank of Japan
May 2012 Deputy Director-General, Currency Issue Department, the Bank of Japan
Nov. 2013 General Manager, Sendai Branch, the Bank of Japan
May 2015 General Manager, Information System Services Department, the Bank of Japan
Jun. 2016 Executive Director, The Center for Financial Industry Information Systems Auditor, The Financial Futures Association of Japan
Jun. 2021 Outside Audit & Supervisory Board Member, the Bank (current position)



Non-Standing Audit & Supervisory Board Member
Yuichi Katayama
Apr. 1988 Joined the Bank
May 2014 General Manager, Matsugaoka Branch, the Bank
Jun. 2015 General Manager, Operation Planning Division, the Bank
Jun. 2018 Executive Officer, General Manager, EDP System Division, the Bank
Apr. 2021 Advisor to the President, Chibagin Computer Service Co., Ltd.
Jun. 2021 Audit & Supervisory Board Member, the Bank (current position)
Audit & Supervisory Board Member, Chibagin Computer Service Co., Ltd. (current position)
Audit & Supervisory Board Member, Chibagin Securities Co., Ltd. (current position)



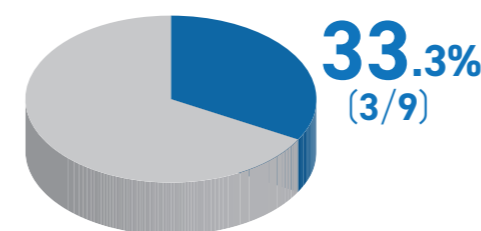
Non-Standing Audit & Supervisory Board Member
Wataru Takahashi
Apr. 1975 Joined the Chiba Prefectural Government
Apr. 2008 Secretary General, Prefectural Assembly, Chiba Prefectural Government
Apr. 2009 Executive Director, Commerce, Industry and Labor Department, Chiba Prefectural Government
Apr. 2010 Executive Director, Policy and Planning Department, Chiba Prefectural Government
Apr. 2012 Executive Director, General Affairs Department, Chiba Prefectural Government
Apr. 2013 Vice-Governor, Chiba Prefecture
Jun. 2021 Outside Audit & Supervisory Board Member, the Bank (current position)

Executive Officers

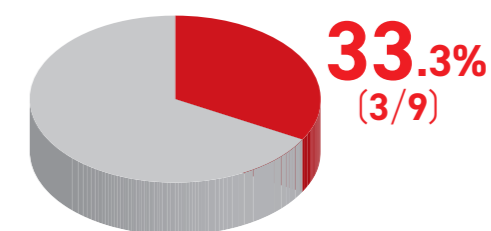
Arihiko Totsuka
Managing Executive Officer (Group Chief Risk Officer)
Hironaga Fukuo
Managing Executive Officer (In charge of Credit Unit)
Hiroaki Aso
Managing Executive Officer (In charge of Domestic Business)
Nobukazu Odaka
Managing Executive Officer (In charge of Market and International Business)
Yoichi Mataka
Managing Executive Officer (General Manager of Head Office and Saiwaicho Sub Branch)
Yusuke Nishimura
Executive Officer (General Manager of Tokyo Head Office)
Kyota Izumi
Executive Officer (General Manager of Business Support Division)
Kazunari Tanaka
Executive Officer (General Manager of EDP System Division)

Junji Nakamura
Executive Officer (General Manager of Funabashi Branch)
Takashi Makinose
Executive Officer (General Manager of Human Resources Division)
Yukio Mikami
Executive Officer (General Manager of Akihabara Branch)
Masayuki Sugihara
Executive Officer (General Manager of Chuo Branch and Keisei-ekimae Branch)
Eiji Odaka
Executive Officer (General Manager of Regional Revitalization Division)
Kazue Miyake
Executive Officer (General Manager of Audit and Inspection Division)
Masaki Miyauchi
Executive Officer (General Manager of Consumer Loan Business Division)

Ratio of Independent Outside Directors



Ratio of Female Directors



- Organizational structure: Company with an audit & supervisory board
- Number of Directors: 9
- Number of outside directors: 3 (All of them are independent officers)
- Number of female directors: 3
- Number of Audit & Supervisory Board members: 5

- Number of outside Audit & Supervisory Board members: 3 (All of them are independent officers)
- Number of executive officers: 15
- Number of female executive officers: 1
- Attendance rate of the Board of Directors meetings*: 100% (attendance rate for outside directors: 100%)

*For the Board of Directors meetings held in FY2021

(As of June 28, 2022)

Skill Matrix

Name	Position	Expertise and experience of Directors and Audit & Supervisory Board members					
		Corporate management/ Organizational management	Financial affairs/ Accounting/ Finance	Risk management/ Legal affairs	Regional sales/ Regional revitalization	International businesses/ Market management	IT/ Digital technology
Hidetoshi Sakuma	Chairman	●	●	●	●	●	●
Tsutomu Yonemoto	President	●	●	●	●	●	●
Tadayoshi Shinozaki	Senior Executive Officer	●	●	●	●	●	●
Kiyomi Yamazaki	Senior Executive Officer	●	●	●	●	●	●
Norio Takatsu	Managing Executive Officer	●	●	●	●	●	●
Mutsumi Awaji	Managing Executive Officer	●	●	●	●	●	●
Yuko Tashima	Outside Director	●	●	●	●	●	●
Yasuko Takayama	Outside Director	●	●	●	●	●	●
Takahide Kiuchi	Outside Director	●	●	●	●	●	●
Daizo Iijima	Audit & Supervisory Board Member	●	●	●	●	●	●
Kazuhiro Kikuchi	Outside Audit & Supervisory Board Member	●	●	●	●	●	●
Norikazu Takahashi	Outside Audit & Supervisory Board Member	●	●	●	●	●	●
Yuichi Katayama	Audit & Supervisory Board Member	●	●	●	●	●	●
Wataru Takahashi	Outside Audit & Supervisory Board Member	●	●	●	●	●	●

*The list does not represent all the expertise and experience possessed by each person.

Corporate Governance Structure

Chiba Bank bases all of its corporate activities on the Chiba Bank Group’s Corporate Code of Conduct. In addition, in the medium term management plan, we have included a commitment to “realize sustainable management” as one of our basic policies as part of our drive to advance the level of corporate governance.

In complying with the Code and realizing these policies in our efforts to further strengthen and enhance corporate governance, we will contribute to the realization of sustainable regional communities through appropriate cooperation with diverse stakeholders and strive for sustainable growth and the improvement of corporate value in the medium to long term.

Initiatives to Strengthen Governance

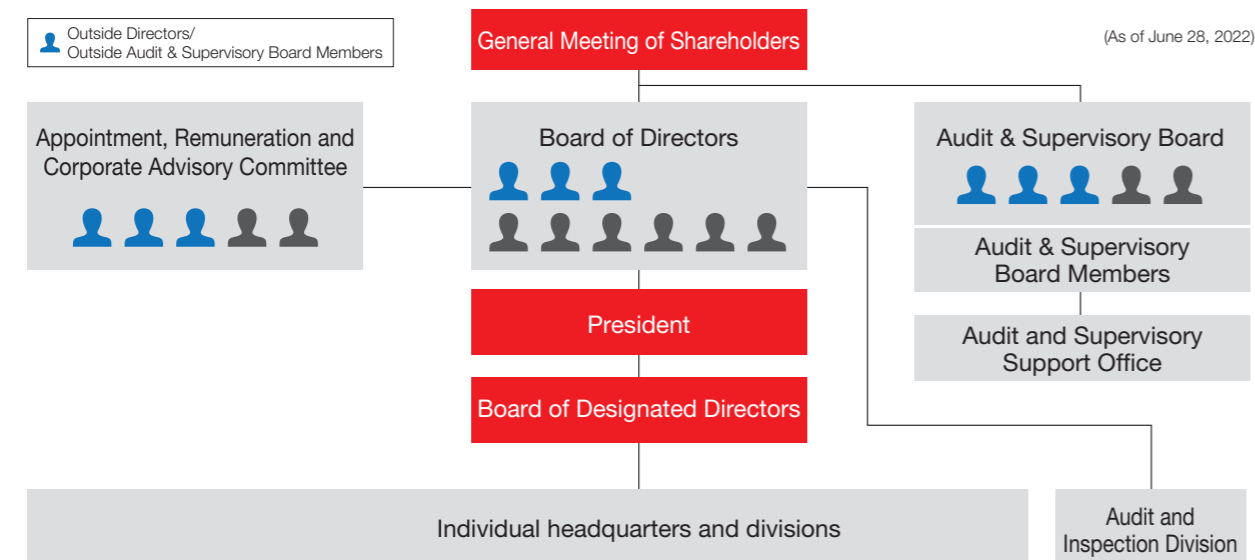
Corporate governance has been enhanced through such measures as the executive officer system introduced in 2003 and the appointment of outside directors which began in 2013.

Currently as of June 28, 2022, we have a 33.3% ratio of outside directors (3 out of 9) and 33.3% ratio of female directors (3 out of 9).

History of Initiatives Taken to Enhance Corporate Governance

2003	Introduced the executive officer system	2019	Conducted evaluation on the effectiveness of the Board of Directors by collaborating with an external evaluation firm Formulated the “Policy on Corporate Governance”
2010	Abolished directors’ retirement benefits Introduced equity-based remuneration in the form of stock options	2020	Assigned Group Chief Digital Transformation Officer (CDTO)
2011	Put the Audit and Inspection Division under direct control of the Board of Directors	2021	Assigned Group Chief Human Resources Officer (CHRO) Revised the director remuneration framework Abolished the position of Advisor role and reviewed the content of Advisor to the President Assigned the first female internal director
2013	Appointed an outside director		
2015	Began evaluating the effectiveness of the Board of Directors Appointed two female outside directors Established the Corporate Advisory Committee (currently the Appointment, Remuneration and Corporate Advisory Committee)		
2018	Formulated the Information Disclosure Policy Introduced the Group Chief Officer System Raised the ratio of outside directors on the Board of Directors to one-third		

Corporate Governance Structure



Board of Directors

The Board of Directors consists of nine directors, including three independent outside directors (the ratio of outside directors is 33.3%). The Board of Directors makes decisions about management policies and other important matters and supervises the execution of business by the directors and executive officers.

The Bank has also adopted an executive officer system. This system provides for the clear separation of the roles of the directors, who reach decisions on important matters, supervise the execution of business operations, and perform other tasks, and the role of the executive officers, who conduct business operations.

Main Agenda Items and Decisions in FY2021

	Main decisions and reports	
1st quarter	<ul style="list-style-type: none"> Status of cross-shareholdings Implementation status of anti-money laundering action plan Issuance of USD-denominated unsecured bonds 	<ul style="list-style-type: none"> Evaluation of the effectiveness of the Board of Directors Response to Act on Promotion of Women’s Participation and Advancement in the Workplace Abolition of the position of Advisor role and review of Senior Advisor, etc. Revision of the executive remuneration system
2nd quarter	<ul style="list-style-type: none"> Status of alliance and partnership activities Selection of new market segment Dialogue with shareholders 	<ul style="list-style-type: none"> Implementation status of measures to prevent money laundering and funding for terrorism Compliance with the 2015 UK Modern Slavery Act
3rd quarter	<ul style="list-style-type: none"> Progress status of DX initiatives Status of compliance program implementation Status of integrated risk management 	<ul style="list-style-type: none"> Response to revisions of the Corporate Governance Code Acquisition of treasury shares Progress status of medium term management plan
4th quarter	<ul style="list-style-type: none"> Status of SDGs initiatives Business performance plan Formulation of compliance program Investment, expense budget, and personnel plan 	<ul style="list-style-type: none"> Consignment agreement with TSUBASA Alliance Co., Ltd. Consignment agreement with Chiba-Musashino Alliance Co., Ltd. Internal Audit Plan

Audit & Supervisory Board

The Bank has adopted the form of a company with an audit & supervisory board with five Audit & Supervisory Board members, including a majority of three outside Audit & Supervisory Board members. In particular, three of the Audit & Supervisory Board members, including two outside Audit & Supervisory Board members, are standing Audit & Supervisory Board members. They attend meetings of the Board of Directors and other important meetings, check important documents, and perform audits of the headquarters and branches to conduct objective and reasonable audits of the status of business execution. We believe that this system provides an adequate management supervisory function.

Appointment, Remuneration and Corporate Advisory Committee

For the appointment of directors and Audit & Supervisory Board members, and remuneration of directors and Audit & Supervisory Board members, the Appointment, Remuneration and Corporate Advisory Committee has been established to ensure objectivity, timeliness, and transparency of procedures. The Board of Directors selects the members of the committee, a majority of which are independent outside directors.

Policies for Appointment and Dismissal of Directors and Nomination of Directors and Audit & Supervisory Board Members

<Candidates for Internal Directors>

Candidates for internal directors are determined by the Board of Directors, following deliberations by the Appointment, Remuneration and Corporate Advisory Committee, the majority of which comprise independent outside directors, based on the President's recommendations of persons who, based on a deep understanding of the Bank's basic management policy, possess knowledge and experience to enable the appropriate, fair, and efficient execution of bank business management, as well as sufficient social trust, with the aim of achieving our management strategy. Representative directors are determined by the Board of Directors following deliberations by the Appointment, Remuneration and Corporate Advisory Committee on persons suitable for representing the Bank selected from among internal directors. In the event of occurrence of a serious obstacle to the execution of duties as a representative director or when a representative director falls under reasons for disqualification*, dismissal of such representative director shall be determined by the Board of Directors following deliberations by the Appointment, Remuneration and Corporate Advisory Committee.

*Reasons for disqualification

- The representative director is deemed to have a relationship with antisocial forces
- The representative director is deemed to have violated laws, regulations, or internal regulations

<Candidates for Outside Directors>

Candidates for outside directors are determined by the Board of Directors, following deliberations by the Appointment, Remuneration and Corporate Advisory Committee, the majority of which comprise independent outside directors, based on the President's recommendations of persons who possess specialist knowledge and experience in areas other than the Bank's business operations and are deemed capable of contributing to the Bank's sustainable growth and corporate value enhancement over the medium to long term based on their insights.

<Candidates for Audit & Supervisory Board Members>

Candidates for Audit & Supervisory Board members are determined at a meeting of the Board of Directors that is participated by independent outside directors, following deliberations by the Appointment, Remuneration and Corporate Advisory Committee and consent by the Audit & Supervisory Board, based on the President's recommendations of persons who possess knowledge and experience to enable the appropriate, fair, and efficient performance of audits on the execution of duties by directors, as well as sufficient social trust.

Succession Planning

Successors to the representative directors are determined by the Board of Directors following deliberations by the Appointment, Remuneration and Corporate Advisory Committee, the majority of which comprise independent outside directors, in view of desired personnel requirements, personnel training policy and plan, as well as the status of training, etc. The status of deliberation is reported, as appropriate, to the Board of Directors.

<Desired personalities of candidates (nomination policy)>

Images of desired personalities of candidates are deliberated by the Appointment, Remuneration and Corporate Advisory Committee in view of qualities and abilities required as management, as well as the business environment surrounding our group and the direction of its future business strategies, and are shared by the Board of Directors. Whether to review the images of desired candidates for successors or not in accordance with changes in the business environment, etc. is deliberated as appropriate.

<Review of candidates' personalities and training schemes>

The Appointment, Remuneration and Corporate Advisory Committee members review personalities of candidates based on a third-party evaluation, etc. by an external specialized organization. The committee then considers policies and plans for training candidates to help them become a person qualified for the position.

<Candidate selection process>

Candidates are proposed by the President (including reappointment, replacement and dismissal of directors including representative directors) and determined by the Board of Directors following deliberations on the consistency, etc. with the nomination policy and training policy by the Appointment, Remuneration and Corporate Advisory Committee.

Reasons for the Appointments of Outside Directors and Audit & Supervisory Board Members

The Bank appoints outside directors who are deemed to be capable of contributing to the enhancement of corporate value over the medium to long term, through a further enhancement of the decision-making and supervisory functions of the Board of Directors, by leveraging the knowledge and experience of said persons in the Bank's management.

Name (Appointment)	Reasons for Appointment as Outside Director
Yuko Tashima (June 2015)	Has a high level of expertise as an attorney, with experience as an outside director at other non-financial companies as well as experience in public service, including as a member of the Financial System Council of the Financial Services Agency
Yasuko Takayama (June 2015)	Has experience as a manager of customer service and CSR divisions and as a standing Audit & Supervisory Board member of a major cosmetics company, as well as experience as an outside director at other non-financial companies
Takahide Kiuchi (June 2020)	Has both domestic and international experience as an economist and, in addition to having accumulated significant expertise, was responsible for carrying out deliberations regarding monetary policies as a member of the Policy Board, the Bank of Japan

The Bank appoints outside Audit & Supervisory Board members who are deemed to help further strengthen the audit function by leveraging the knowledge and experience of said persons in the Bank's management.

Name (Appointment)	Reasons for Appointment as Outside Audit & Supervisory Board Member
Kazuhiro Kikuchi (June 2021)	Has a high level of expertise gained through experience as Councillor of Cabinet Secretariat and Senior Executive Director of the Federation of National Public Service Personnel Mutual Aid Associations, etc., as well as extensive knowledge in public administration overall.
Norikazu Takahashi (June 2021)	Has a high level of expertise gained through experience as General Manager of branches and General Manager of Information System Services Department of the Bank of Japan, etc., as well as extensive knowledge in finance overall.
Wataru Takahashi (June 2021)	Has extensive knowledge mainly in public administration gained through holding numerous important positions including Vice-Governor of Chiba Prefecture.

Support Systems for Outside Directors and Audit & Supervisory Board Members

<Outside Directors>

The Bank provides outside directors with information and support necessary for the execution of their duties in an appropriate and timely manner to ensure that outside directors fully play their roles as a supervisor of the management. We continuously give outside directors opportunities for deepening their understanding about the Bank's management strategy and activities with the aim to enhance deliberations by the Board of Directors, by means such as provision of materials and explanations for the Board of Directors meeting in advance, provision of individual explanations on important matters, attendance to main committee meetings, engaging in dialogues with directors as well as general managers, visiting and holding dialogues at affiliated business offices in the group, participation in main IR events, etc., and provision of information related to the Bank's activities whenever necessary. In addition, the Bank provides outside directors with opportunities to undergo training by third-party organizations at the Bank's expense.

<Outside Audit & Supervisory Board Members>

In order for Audit & Supervisory Board members to conduct audits, etc., and to operate the Audit & Supervisory Board smoothly, the Audit and Supervisory Support Office was established independent of the executive officers. The general manager of the Audit and Supervisory Support Office assumes these roles and promptly reports to the Audit & Supervisory Board members and liaises and cooperates closely with them. In order to ensure independence from directors, the Bank obtains the consent of Audit & Supervisory Board members regarding personnel changes, etc. In addition, Audit & Supervisory Board members attend meetings of the Board of Directors and other important meetings and are provided with important documents of the Bank, which ensure that information is communicated timely and properly.

Remuneration of Directors and Audit & Supervisory Board Members

The remuneration system for Directors and the percentage of remuneration by type are considered by the Appointment, Remuneration and Corporate Advisory Committee, the majority of which comprise independent Outside Directors, as appropriate in response to changes in the business environment, with reference to companies of similar size to the Bank and related industries and business categories.

Remuneration of the Bank's directors is determined by the Board of Directors based on the remuneration regulations established by the Board of Directors, following deliberations by the Appointment, Remuneration and Corporate Advisory Committee to ensure transparency, fairness, and rationality.

● Remuneration Structure and Components

■ Directors (Excluding Outside Directors)

- Remuneration consists of basic compensation (75%), bonuses (5%), and equity-based remuneration (20%).
- The amount of basic compensation, bonuses, and equity-based remuneration is determined based on rank.
- Equity-based remuneration takes the form of a restricted stock remuneration system to strengthen the linkage of stock price of the Bank and remuneration for Directors, and to raise management awareness for improvement of corporate value through further value sharing with shareholders.

■ Outside Directors

- Based on the role in supervising the execution of business, the remuneration system is not linked to performance, but rather is limited to "basic remuneration."

■ Audit & Supervisory Board Members

- In order to ensure independence, remuneration for Audit & Supervisory Board members is not linked to performance, but is limited to "basic remuneration."

Group Management Systems

The Group Chief Officer System* was introduced and under the overall supervision of the Group CEO, the Group Chief Officers are assigned responsibility for their areas of supervision, thereby creating a Group-wide corporate management system. In April 2021, we also assigned a new Group Chief Human Resources Officer (CHRO) to oversee the human resources strategy for the whole Group in order to ensure our management strategy keeps pace with digitalization and other environmental changes. Under the Group Companies Management Regulations, a responsible director is assigned to supervise each Group company, and meetings of the Group Supervision Committee and the Group Promotion Committee are held to strengthen understanding, administration, and supervision of the management status of Group companies. In addition, the Bank's internal audit units conduct internal audits of subsidiaries and assure proper operations throughout the Group.

*The following Group Chief Officers are assigned:

- Group Chief Executive Officer (CEO)
- Group Chief Operating Officer (COO)
- Group Chief Strategy Officer (CSO)
- Group Chief Risk Officer (CRO)
- Group Chief Business Officer (CBO)
- Group Chief Information Officer (CIO)
- Group Chief Digital Transformation Officer (CDTO)
- Group Chief Human Resources Officer (CHRO)

Evaluation of the Effectiveness of the Board of Directors

Since FY2015, the Bank has been verifying whether the Board of Directors is properly performing the functions of decision making and supervision, which are expected of them. The Bank carries out an evaluation of the effectiveness of the Board of Directors annually to enhance those functions.

In FY2021, the Bank conducted a questionnaire survey and individual interviews with the directors and Audit & Supervisory Board members to evaluate effectiveness from both quantitative and qualitative aspects.

The overview of the results of the evaluation of the effectiveness of the Board of Directors for FY2021 is as follows.

(1) Considering the findings below, the Bank has judged that the functions of decision making and supervision are performed properly by the Board of Directors and its effectiveness is ensured.

- All directors and Audit & Supervisory Board members, whether they are internal or outside officers, aim together for the continuous growth of the Chiba Bank Group and regional communities from the perspective of stakeholders, including customers. They are also deepening debate on medium- and long-term issues such as progress towards a carbon-free society and digitalization and freely exchange their opinions based on mutual understanding with a strong sense of unity.
- Board discussions are displaying increasing depth as internal directors voice opinions based on their rich experience in every area of the financial business, and outside directors and Audit & Supervisory Board members make recommendations based on their specialized knowledge in diverse fields and voice their opinions from an independent and objective standpoint.
- The way in which the Board of Directors meetings are run and the proposals put to them were reviewed based on the results of the previous fiscal year's effectiveness evaluations, and free discussion was introduced. As a result, the quality of discussions in the Board of Directors has improved and been invigorated.
- The Appointment, Remuneration and Corporate Advisory Committee also deepened its discussion of corporate governance and fulfilled its role appropriately.

(2) The Bank recognizes the importance of deepening discussion on the formulation of the next medium term management plan, reflecting environmental changes surrounding the Chiba Bank Group, and of further strengthening group-wide management through the engagement of Group Chief Officers, while maintaining the direction of current initiatives. Through these efforts, the Bank will strive to further enhance the effectiveness of the Board of Directors.

Internal Audit

At the Bank, the Audit and Inspection Division, which is independent of the units subject to auditing, verifies and evaluates the appropriateness and effectiveness of the internal management systems including compliance and risk management. The division also makes recommendations, etc. on improvement methods for problem areas, in order to ensure the sound and proper management of business operations and thereby contribute to the achievement of management goals.

The Audit and Inspection Division reports directly to the Board of Directors and conducts internal audits of branches, headquarters, group companies, etc. in accordance with the Internal Audit Regulations and the Internal Audit Plan, a plan established every fiscal year and approved by the Board of Directors. The division reports the results and findings of internal audits to the Internal Audit Committee and the Board of Directors, both of which, as a general rule, meet once a month. Problem areas from the perspective of compliance and risk management and improvement measures are examined during this process.

In order to conduct efficient and effective internal audits, the Audit and Inspection Division works to conduct risk-based internal audits which determine the themes, frequencies and depths of audits based on the types and degrees of risk while taking into account the management team's recognition of risk. In addition, the division strives to increase the sophistication of internal audits by taking measures, such as enhancing the check and supervisory functions, adapting to environmental changes, improving the audit quality, training specialized human resources, strengthening audits of overseas branches and group companies, and collaborating on audits with alliance banks.

Financial and Corporate Data

Five-Year Summary (Consolidated)

The Chiba Bank, Ltd. and Consolidated Subsidiaries
Years ended March 31

	Millions of Yen*1					Thousands of U.S. Dollars*2
	2022	2021	2020	2019	2018	2022
For the Year						
Total Income	¥ 236,185	¥ 232,943	¥ 242,984	¥ 238,621	¥ 234,166	\$ 1,929,778
Total Expenses	157,807	161,481	174,208	166,399	157,077	1,289,379
Profit before Income Taxes	78,378	71,462	68,775	72,221	77,089	640,399
Profit	54,498	49,641	48,037	50,478	53,796	445,284
Profit Attributable to Non-controlling Interests	—	—	—	—	—	—
Profit Attributable to Owners of Parent	54,498	49,641	48,037	50,478	53,796	445,284
At Year-End						
Total Assets	¥19,104,764	¥17,898,168	¥15,609,936	¥14,964,129	¥14,381,815	\$156,097,434
Loans and Bills Discounted	11,646,721	11,166,329	10,565,697	10,090,072	9,774,912	95,160,726
Securities	2,482,224	2,401,246	2,118,588	2,095,049	2,169,542	20,281,270
Deposits	15,324,161	14,543,283	13,216,977	12,847,994	12,468,379	125,207,629
Net Assets	1,059,091	1,041,756	929,334	952,267	943,236	8,653,414
Capital Ratio (BIS guidelines)	12.11%	12.79%	12.12%	12.63%	13.18%	12.11%
PER (Times)	9.86	10.85	7.39	9.20	12.57	9.86
PBR (Times)	0.50	0.51	0.37	0.48	0.70	0.50

Per Share	Yen					U.S. Dollars
	2022	2021	2020	2019	2018	2022
Profit	¥ 73.47	¥ 66.82	¥ 63.99	¥ 65.30	¥ 67.98	\$ 0.60
Net Assets	1,436.74	1,401.40	1,250.41	1,250.05	1,207.15	11.74

*1 Japanese yen amounts are presented in millions of yen by rounding down figures below one million. As a result, the totals in Japanese yen in the supplementary information do not necessarily agree with the sums of individual amounts.

*2 U.S. dollar amounts are shown solely for the convenience of the readers of this Integrated Report and are translated at the rate of ¥122.39 to \$1.00, the exchange rate prevailing at March 31, 2022.

Consolidated Balance Sheet

The Chiba Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2022

	Millions of Yen*1		Thousands of U.S. Dollars*2
	2022	2021	2022
Assets			
Cash and Due from Banks	¥ 4,201,429	¥ 3,615,356	\$ 34,328,212
Call Loans and Bills Bought	152,070	81,039	1,242,506
Receivables under Resale Agreements	14,999	19,999	122,559
Monetary Claims Bought	21,404	20,600	174,891
Trading Assets	138,757	157,955	1,133,731
Money Held in Trust	9,879	21,647	80,718
Securities	2,482,224	2,401,246	20,281,270
Loans and Bills Discounted	11,646,721	11,166,329	95,160,726
Foreign Exchanges	5,970	6,725	48,786
Other Assets	279,891	248,729	2,286,880
Tangible Fixed Assets	125,937	126,881	1,028,988
Intangible Fixed Assets	14,450	14,447	118,073
Net Defined Benefit Asset	16,576	13,662	135,443
Deferred Tax Assets	3,924	4,015	32,066
Customers' Liabilities for Acceptances and Guarantees	25,771	32,388	210,569
Allowance for Loan Losses	(35,246)	(32,855)	(287,985)
Total Assets	¥19,104,764	¥17,898,168	\$156,097,434
Liabilities			
Deposits	¥15,324,161	¥14,543,283	\$125,207,629
Call Money and Bills Sold	681,777	463,298	5,570,529
Payables under Repurchase Agreements	13,945	10,792	113,944
Payables under Securities Lending Transactions	262,547	279,072	2,145,175
Trading Liabilities	10,448	16,792	85,369
Borrowed Money	1,336,732	1,198,092	10,921,907
Foreign Exchanges	576	505	4,710
Bonds Payable	103,331	83,160	844,279
Borrowed Money from Trust Account	8,883	3,743	72,586
Other Liabilities	233,541	177,239	1,908,174
Net Defined Benefit Liability	732	727	5,987
Provision for Directors' Retirement Benefits	152	190	1,249
Provision for Reimbursement of Deposits	1,296	1,140	10,593
Provision for Point Loyalty Programs	746	634	6,100
Reserve under Special Laws	24	21	199
Deferred Tax Liabilities	30,595	34,858	249,987
Deferred Tax Liabilities for Land Revaluation	10,407	10,470	85,035
Acceptances and Guarantees	25,771	32,388	210,569
Total Liabilities	¥18,045,673	¥16,856,412	\$147,444,019
Net Assets			
Capital Stock	¥ 145,069	¥ 145,069	\$ 1,185,302
Capital Surplus	122,134	122,134	997,909
Retained Earnings	714,455	676,994	5,837,528
Treasury Shares	(53,108)	(49,121)	(433,926)
Total Shareholders' Equity	928,550	895,076	7,586,814
Valuation Difference on Available-for-sale Securities	114,391	139,614	934,646
Deferred Gains or Losses on Hedges	5,198	(5,762)	42,477
Revaluation Reserve for Land	9,791	9,931	80,004
Remeasurements of Defined Benefit Plans	1,159	2,268	9,472
Total Accumulated Other Comprehensive Income	130,541	146,051	1,066,600
Subscription Rights to Shares	—	628	—
Total Net Assets	¥ 1,059,091	¥ 1,041,756	\$ 8,653,414
Total Liabilities and Net Assets	¥19,104,764	¥17,898,168	\$156,097,434

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Consolidated Statement of Income

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the year ended March 31, 2022

	Millions of Yen*1		Thousands of U.S. Dollars*2
	2022	2021	2022
Income			
Interest Income:			
Interest on Loans and Discounts	¥103,619	¥103,665	\$ 846,631
Interest and Dividends on Securities	30,795	28,876	251,620
Other Interest Income	3,655	1,555	29,872
Trust Fees	115	23	941
Fees and Commissions	56,915	55,094	465,031
Trading Income	4,153	5,989	33,934
Other Ordinary Income	4,148	6,043	33,898
Other Income	32,782	31,694	267,852
Total Income	¥236,185	¥232,943	\$1,929,778
Expenses			
Interest Expenses:			
Interest on Deposits	¥ 1,049	¥ 2,350	\$ 8,575
Interest on Borrowings and Rediscounts	(25)	692	(211)
Other Interest Expenses	8,969	9,547	73,287
Fees and Commissions Payments	18,338	18,316	149,837
Other Ordinary Expenses	3,163	2,506	25,846
General and Administrative Expenses	91,131	93,955	744,602
Other Expenses	35,180	34,111	287,443
Total Expenses	¥157,807	¥161,481	\$1,289,379
Profit before Income Taxes	78,378	71,462	640,399
Income Taxes—Current	21,130	22,667	172,645
Income Taxes—Deferred	2,750	(846)	22,470
Profit	¥ 54,498	¥ 49,641	\$ 445,284
Profit Attributable to Owners of Parent	¥ 54,498	¥ 49,641	\$ 445,284

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Non-Consolidated Balance Sheet

The Chiba Bank, Ltd.
As of March 31, 2022

	Millions of Yen*1		Thousands of U.S. Dollars*2
	2022	2021	2022
Assets			
Cash and Due from Banks	¥ 4,197,816	¥ 3,609,203	\$ 34,298,691
Call Loans	152,070	81,039	1,242,506
Receivables under Resale Agreements	14,999	19,999	122,559
Monetary Claims Bought	10,400	10,120	84,975
Trading Assets	137,929	157,387	1,126,964
Money Held in Trust	2,079	12,147	16,987
Securities	2,463,245	2,380,625	20,126,196
Loans and Bills Discounted	11,691,342	11,206,449	95,525,310
Foreign Exchanges	5,970	6,725	48,786
Other Assets	191,539	166,114	1,564,996
Tangible Fixed Assets	118,724	121,234	970,049
Intangible Fixed Assets	14,164	14,129	115,730
Prepaid Pension Cost	14,908	10,398	121,814
Customers' Liabilities for Acceptances and Guarantees	23,657	25,125	193,295
Allowance for Loan Losses	(27,638)	(24,882)	(225,825)
Total Assets	¥19,011,209	¥17,795,820	\$155,333,033
Liabilities			
Deposits	¥15,396,647	¥14,613,955	\$125,799,881
Call Money	681,777	463,298	5,570,529
Payables under Repurchase Agreements	13,945	10,792	113,944
Payables under Securities Lending Transactions	262,547	279,072	2,145,175
Trading Liabilities	10,448	16,792	85,369
Borrowed Money	1,324,536	1,185,635	10,822,262
Foreign Exchanges	576	505	4,710
Bonds Payable	103,331	83,160	844,279
Borrowed money from Trust Account	8,883	3,743	72,586
Other Liabilities	166,519	110,185	1,360,565
Provision for Reimbursement of Deposits	1,296	1,140	10,593
Provision for Point Loyalty Programs	432	328	3,533
Deferred Tax Liabilities	26,290	29,493	214,812
Deferred Tax Liabilities for Land Revaluation	10,407	10,470	85,035
Acceptances and Guarantees	23,657	25,125	193,295
Total Liabilities	¥18,031,298	¥16,833,700	\$147,326,567
Net Assets			
Capital Stock	¥ 145,069	¥ 145,069	\$ 1,185,302
Capital Surplus	122,134	122,134	997,909
Retained Earnings	647,883	612,593	5,293,598
Legal Retained Earnings	50,930	50,930	416,130
Other Retained Earnings	596,953	561,663	4,877,467
Treasury Shares	(53,108)	(49,121)	(433,926)
Total Shareholders' Equity	861,978	830,674	7,042,883
Valuation Difference on Available-for-Sale Securities	102,942	126,647	841,101
Deferred Gains or Losses on Hedges	5,198	(5,762)	42,477
Revaluation Reserve for Land	9,791	9,931	80,004
Total Valuation and Translation Adjustments	117,932	130,816	963,582
Subscription Rights to Shares	—	628	—
Total Net Assets	¥ 979,911	¥ 962,119	\$ 8,006,466
Total Liabilities and Net Assets	¥19,011,209	¥17,795,820	\$155,333,033

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Non-Consolidated Statement of Income

The Chiba Bank, Ltd.
For the year ended March 31, 2022

	Millions of Yen*1		Thousands of U.S. Dollars*2
	2022	2021	2022
Income			
Interest Income:			
Interest on Loans and Discounts	¥103,653	¥103,693	\$ 846,911
Interest and Dividends on Securities	34,560	31,971	282,379
Other Interest Income	3,562	1,464	29,108
Trust Fees	115	23	941
Fees and Commissions	46,303	45,013	378,331
Trading Income	1,113	1,763	9,096
Other Ordinary Income	4,207	6,034	34,376
Other Income	9,785	9,244	79,957
Total Income	¥203,302	¥199,208	\$1,661,100
Expenses			
Interest Expenses:			
Interest on Deposits	¥ 1,050	¥ 2,353	\$ 8,584
Interest on Borrowings and Rediscounts	(61)	669	(502)
Other Interest Expenses	8,963	9,525	73,234
Fees and Commissions Payments	18,866	18,865	154,155
Other Ordinary Expenses	3,163	2,506	25,846
General and Administrative Expenses	84,299	87,415	688,775
Other Expenses	13,758	13,950	112,414
Total Expenses	¥130,040	¥135,286	\$1,062,506
Profit before Income Taxes	73,261	63,922	598,594
Income Taxes—Current	18,375	19,464	150,140
Income Taxes—Deferred	2,558	(1,240)	20,903
Profit	¥ 52,328	¥ 45,698	\$ 427,551

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Group Companies

The Chiba Bank Group, which comprises the Bank and 15 group companies, provides customers with a wide-ranging lineup of financial products and services.

● Securities and asset management businesses

Company	Principal business	Corporate profile	
Chibagin Securities Co., Ltd.* Chiba Chuo Twin Building, 2nd Tower 2F, 2-5-1, Chuo, Chuo-ku, Chiba-shi, Chiba 260-0013	Securities business	Established: Capital: Bank's voting rights:	March 27, 1944 ¥4,374 million 100%
Chibagin Asset Management Co., Ltd. 2-13-7, Kotobashi, Sumida-ku, Tokyo 130-0022	Investment management, investment advice	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	March 31, 1986 ¥200 million 40% 30%

● Research and consulting business

Company	Principal business	Corporate profile	
Chibagin Research Institute, Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Research, surveys, and consulting	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	February 28, 1990 ¥150 million 31.77% 68.23%
Chibagin Computer Service Co., Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Software development, commissioned computation tasks	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	April 1, 1980 ¥150 million 48.67% 51.33%
T&I Innovation Center Co., Ltd. KABUTO ONE Building 11F, 7-1, Nihonbashi Kabuto-cho, Chuo-ku, Tokyo 103-0026	Research and investigation of IT and financial technologies, development and sales of software	Established: Capital: Bank's voting rights:	July 1, 2016 ¥100 million 40%

● Leasing and venture capital business

Company	Principal business	Corporate profile	
Chibagin Leasing Co., Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Leasing	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	December 15, 1986 ¥100 million 49% 51%
Chibagin Capital Co., Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Operation and management of investment funds, M&A advisory business	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	May 29, 1984 ¥100 million 30% 70%

● Credit card business

Company	Principal business	Corporate profile	
Chibagin JCB Card Co., Ltd. World Business Garden Marive East 9F, 2-6-1, Nakase, Mihama-ku, Chiba-shi, Chiba 261-7109	Credit card and credit guarantee business	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	November 1, 1982 ¥50 million 49% 51%
Chibagin DC Card Co., Ltd. World Business Garden Marive East 9F, 2-6-1, Nakase, Mihama-ku, Chiba-shi, Chiba 261-7109	Credit card and credit guarantee business	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	February 16, 1989 ¥50 million 40% 60%

● Staffing service and outsourcing business

Company	Principal business	Corporate profile	
Chibagin Career Service Co., Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Staffing service business, accounting and general administration entrustment service business	Established: Capital: Bank's voting rights:	December 22, 1989 ¥20 million 100%
Chibagin Heartful Co., Ltd. 4-1-10, Masago, Mihama-ku, Chiba-shi, Chiba 261-0011	Outsourcing of operational business	Established: Capital: Bank's voting rights:	December 1, 2006 ¥10 million 100%
Sobu Co., Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Rental and maintenance of the Chiba Bank's office buildings and welfare facilities, purchase and sale of supplies and consumer goods	Established: Capital: Bank's voting rights:	September 7, 1959 ¥20 million 100%

● Credit guarantees and management business

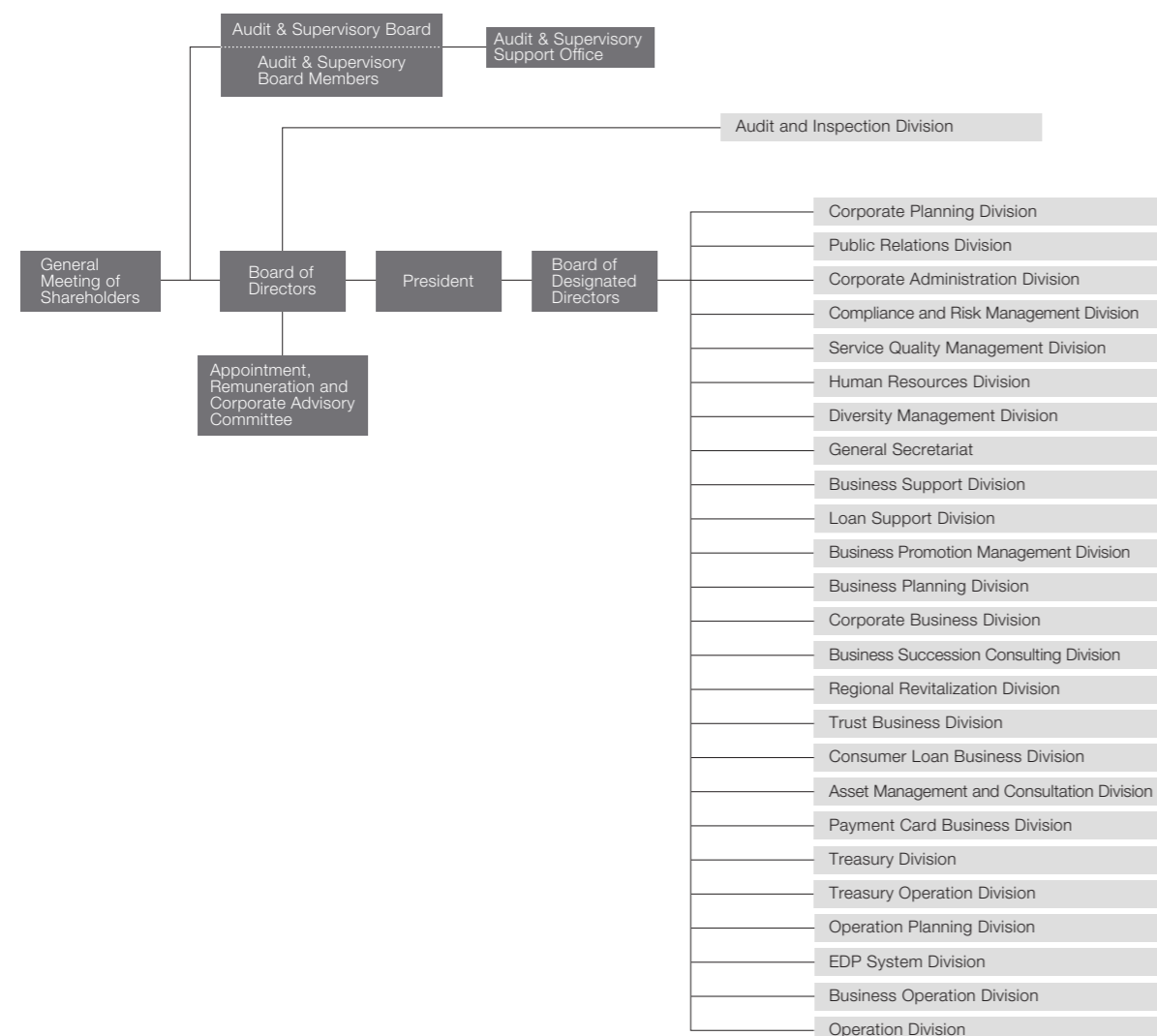
Company	Principal business	Corporate profile	
Chibagin Guarantee Co., Ltd. 3-17-5, Inage-higashi, Inage-ku, Chiba-shi, Chiba 263-0031	Loan guarantees, fee collection services	Established: Capital: Bank's voting rights: Subsidiaries' voting rights:	May 1, 1978 ¥54 million 45.63% 54.37%
Chiba Servicer Co., Ltd. Chibagin Makuhari Building, 1-10-2, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023	Management and collection of claims	Established: Capital: Bank's voting rights:	October 1, 2001 ¥500 million 100%

● Regional trading company

Company	Principal business	Corporate profile	
Chibagin Market Co., Ltd. Tsukamoto Dai-chiba Building 2F, 2-3-1 Fujimi, Chuo-ku, Chiba-shi, Chiba 260-0015	Regional trading company	Established: Capital: Bank's voting rights:	May 10, 2021 ¥100 million 100%

Organization

The Chiba Bank, Ltd.
As of June 28, 2022



International Directory

The Chiba Bank, Ltd.
As of June 27, 2022

Head Office
1-2, Chiba-minato, Chuo-ku, Chiba-shi,
Chiba 260-8720, Japan
Telephone: 81-43-245-1111
<https://www.chibabank.co.jp/english/>

Treasury Operation Division
1-5-5, Nihonbashi Muromachi, Chuo-ku,
Tokyo 103-0022, Japan
Telephone: 81-3-3270-8459 Fax: 81-3-3242-1735
SWIFT Address: CHBA JPJT

Treasury Division
1-5-5, Nihonbashi Muromachi, Chuo-ku,
Tokyo 103-0022, Japan
Telephone: 81-3-3231-1285 Fax: 81-3-3242-1736

New York Branch
1133 Avenue of the Americas, 15th Floor, New York, N.Y.
10036, U.S.A.
Telephone: 1-212-354-7777 Fax: 1-212-354-8575
SWIFT Address: CHBAUS33

Hong Kong Branch
Unit 2510, One Pacific Place, 88 Queensway, Hong Kong
Telephone: 852-2840-1222 Fax: 852-2840-0507
SWIFT Address: CHBAHKHH

London Branch
3rd Floor, Regina House, 1 Queen Street, London EC4N
1SW, United Kingdom
Telephone: 44-20-7315-3111 Fax: 44-20-7236-2205
SWIFT Address: CHBAGB2L

Shanghai Representative Office
Room 707, Shanghai International Trade Center,
2201 Yan-An Road (West),
Shanghai, P.R.C. 200336
Telephone: 86-21-62780482 Fax: 86-21-62780422

Representative Office Registered in Singapore
50 Raffles Place, #10-06 Singapore Land Tower,
Singapore 048623
Telephone: 65-6438-4525 Fax: 65-6438-6890

Bangkok Representative Office
No.98 Sathorn Square Office Tower, 20th Floor, Room 2008,
North Sathorn Road, Slom, Bangrak, Bangkok 10500, Thailand
Telephone: 66-2-163-2723 Fax: 66-2-163-2725

Corporate Data

The Chiba Bank, Ltd.
As of March 31, 2022

Principal Shareholders

The ten largest shareholders of the Bank and their respective shareholdings as of March 31, 2022 were as follows:

	Number of Shares (in thousands) ^{*1}	Percentage of Total Shares Issued ^{*2} (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	120,515	16.34
Custody Bank of Japan, Ltd. (Trust Account)	37,940	5.14
Nippon Life Insurance Company	26,870	3.64
The Dai-ichi Life Insurance Company, Limited	23,607	3.20
Sompo Japan Insurance Inc.	18,537	2.51
Meiji Yasuda Life Insurance Company	18,291	2.48
SUMITOMO LIFE INSURANCE COMPANY	17,842	2.42
MUFG Bank, Ltd.	17,707	2.40
STATE STREET BANK AND TRUST COMPANY 505223	14,534	1.97
The Keiyo Bank, Ltd.	10,187	1.38

Excluded from the figures above are 78,374 thousand treasury shares in the name of the Chiba Bank, Ltd. (Excludes one thousand shares which, although registered in the name of the Chiba Bank, Ltd. on the shareholder list, are not actually owned by the Bank.)

^{*1} Rounded down to the nearest thousand

^{*2} Rounded down to two decimal places

Corporate Profile

Established	March 1943
Network	182 offices (159 branches, 20 sub branches, 3 virtual branches)
	3 money exchange counters
	50,236 off-branch ATM locations (including 12,100 E-net ATM locations at convenience stores, 24,368 ATM locations jointly with Seven Bank, Ltd., 13,501 ATM locations jointly with Lawson Bank, Inc.)
	3 branches (New York/Hong Kong/London)
	3 representative offices (Shanghai/Singapore/Bangkok)
Number of Employees*	4,070
Total Assets	¥19,011.2 billion (Non-Consolidated)
Deposits	¥14,787.6 billion (Non-Consolidated)
Loans and Bills Discounted	¥11,691.3 billion (Non-Consolidated)
Capital Stock	¥145.0 billion
Total Capital Ratio (BIS guidelines)	12.11% (Consolidated) 11.44% (Non-Consolidated)
Authorized Number of Shares	2,500,000 thousand
Number of Issued Shares	815,521 thousand
Number of Shareholders	32,946
Stock Listing (Code)	Tokyo Stock Exchange (8331)
Transfer Agent	JAPAN SECURITIES AGENTS, LTD. 1-2-4, Nihonbashi Kayabacho, Chuo-ku, Tokyo 103-8202

Figures as shown are rounded down in principal.

* Number of employees includes transferred employees but excludes temporary staff and one-year contract employees.

THE CHIBA BANK, LTD.

1-2 Chiba-minato, Chuo-ku, Chiba-shi, Chiba 260-8720, Japan

Phone: 81-43-245-1111

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