

Financial Highlights for the Second Quarter (First Half) of FY2022 ending March 2023



Summary of Financial Results

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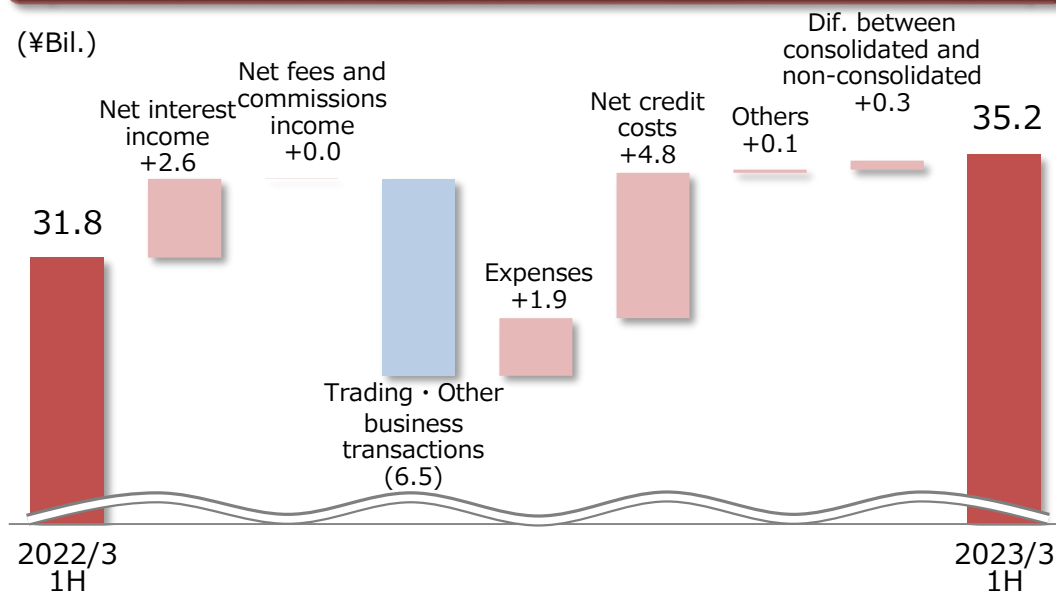
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| Non-consolidated (¥Bil.) | 2022/3 | 2023/3 | YoY |
|--|--------|--------|-------|
| | 1H | 1H | |
| Gross business profits | 86.4 | 82.6 | (3.8) |
| Net interest income | 69.7 | 72.3 | 2.6 |
| Net fees and commissions income | 14.7 | 14.7 | 0.0 |
| Trading income | 0.5 | 0.6 | 0.0 |
| Profit from other business transactions | 1.4 | (5.1) | (6.6) |
| Gains (losses) related to bonds (Government bonds, etc.) | 0.7 | (8.5) | (9.3) |
| Expenses (-) | 42.9 | 41.0 | (1.9) |
| Real net business income | 43.5 | 41.6 | (1.9) |
| Core net business income | 42.7 | 50.2 | 7.4 |
| Excluding gains (losses) on cancellation of investment trusts | 39.6 | 47.3 | 7.6 |
| Net transfer to general allowance for loan losses (-) | 0.5 | - | (0.5) |
| Net business income | 42.9 | 41.6 | (1.3) |
| Non-recurrent income and losses | 2.2 | 8.2 | 5.9 |
| Disposal of non-performing loans (-) | 1.2 | (2.9) | (4.2) |
| Reversal of allowance for loan losses | - | 2.0 | 2.0 |
| Gains (losses) related to stocks, etc. | 2.7 | 4.8 | 2.1 |
| Ordinary profit | 45.2 | 49.8 | 4.5 |
| Extraordinary income (loss) | 0.0 | (0.1) | (0.1) |
| Profit | 33.1 | 36.1 | 3.0 |
| Net credit costs (-) | 1.8 | (2.9) | (4.8) |

| Consolidated (¥Bil.) | 2022/3 | 2023/3 | YoY |
|---|--------|--------|-----|
| | 1H | 1H | |
| Ordinary profit | 45.4 | 50.7 | 5.2 |
| Profit attributable to owners of parent | 31.8 | 35.2 | 3.3 |

- ◆ Net interest income increased by ¥2.6 billion YoY, while gains (losses) related to bonds decreased ¥9.3 billion YoY due to the replacement of the foreign bond portfolio. As a result, gross business profits decreased by ¥3.8 billion.
- ◆ Core net business income increased by ¥7.4 billion YoY, record high as a first half for the first time in 14 years since 2008.
- ◆ Credit costs decreased significantly by ¥4.8 billion YoY.
- ◆ Non-consolidated and consolidated interim profit reached a record high for the first time, and progress toward the full-year plan was steady at 63.3% and 58.7%.

Breakdown of changes in profit attributable to owners of parent (Non-consolidated + Dif. between consolidated and non-consolidated)



Summary of Financial Results (Consolidated)

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| Consolidated | (¥Bil.) | 2022/3 | 2023/3 | YoY |
|---|---------|--------|--------|-------|
| | | 1H | 1H | |
| Gross business profits | | 89.6 | 84.7 | (4.8) |
| Net interest income | | 65.7 | 68.2 | 2.5 |
| Net fees and commissions income | | 20.1 | 20.4 | 0.3 |
| Trading income | | 2.3 | 1.1 | (1.1) |
| Profit from other business transactions | | 1.4 | (5.1) | (6.5) |
| General and administrative expenses (-) | | 46.1 | 44.2 | (1.9) |
| Net credit costs (-) | | 2.4 | (3.6) | (6.1) |
| Net transfer to general allowance for loan losses (-) | | 0.7 | - | (0.7) |
| Disposal of non-performing loans (-) | | 1.7 | (3.6) | (5.3) |
| Gains (losses) related to stocks, etc. | | 2.6 | 5.2 | 2.6 |
| Equity gains (losses) of affiliated companies | | 0.0 | 0.0 | (0.0) |
| Others | | 1.6 | 1.2 | (0.4) |
| Ordinary profit | | 45.4 | 50.7 | 5.2 |
| Extraordinary income (loss) | | (0.0) | (0.1) | (0.1) |
| Pre-Tax Profit | | 45.4 | 50.6 | 5.1 |
| Total income taxes (-) | | 13.5 | 15.3 | 1.7 |
| Profit | | 31.8 | 35.2 | 3.3 |
| Profit attributable to non-controlling interests | | - | - | - |
| Profit attributable to owners of parent | | 31.8 | 35.2 | 3.3 |
| (reference) | | | | |
| Consolidated net business income | | 45.7 | 43.8 | (1.9) |

Status of Subsidiaries

【Consolidated subsidiaries】 ※Showing the income after reclassification for consolidated financial statements (¥Bil.)

| Company name | Investment ratio (Including indirect) | Profit items (After deduction of inter-subsidiary dividends) | 2022/3 | 2023/3 | YoY |
|------------------------------|--|---|--------|--------|-------|
| | | | 1H | 1H | |
| Chibagin Securities Co.,Ltd. | 100% | Ordinary profit | 0.7 | 0.1 | (0.6) |
| | | Profit | 0.5 | 0.1 | (0.4) |
| Chibagin Leasing Co.,Ltd. | 100% | Ordinary profit | 0.4 | 0.5 | 0.0 |
| | | Profit | 0.3 | 0.3 | 0.0 |
| Chibagin Guarantee Co.,Ltd | 100% | Ordinary profit | 2.3 | 3.5 | 1.2 |
| | | Profit | 1.5 | 2.3 | 0.8 |
| Chibagin JCB Card Co.,Ltd | 100% | Ordinary profit | 0.4 | 0.5 | 0.0 |
| | | Profit | 0.3 | 0.3 | 0.0 |
| Total of 5 other companies | 100% | Ordinary profit | 0.3 | 0.3 | 0.0 |
| | | Profit | 0.2 | 0.2 | 0.0 |
| Total | | Ordinary profit | 4.4 | 5.2 | 0.8 |
| | | Profit | 2.9 | 3.4 | 0.5 |

【Equity method subsidiaries】

| | | | | |
|----------------------|-----------------------------------|-----|-----|-------|
| Total of 6 companies | Profit according to equity method | 0.0 | 0.0 | (0.0) |
|----------------------|-----------------------------------|-----|-----|-------|

| | | | |
|--|-------|-------|-----|
| Dividends to parent company(-) | 4.2 | 4.4 | 0.1 |
| Difference between consolidated and non-consolidated ※ | (1.2) | (0.8) | 0.3 |

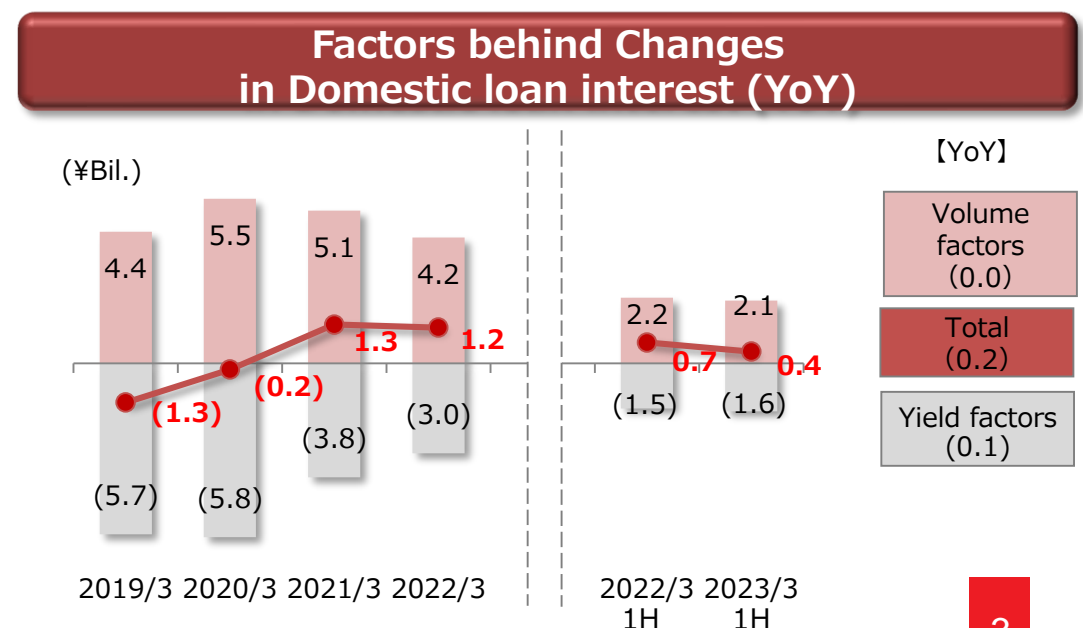
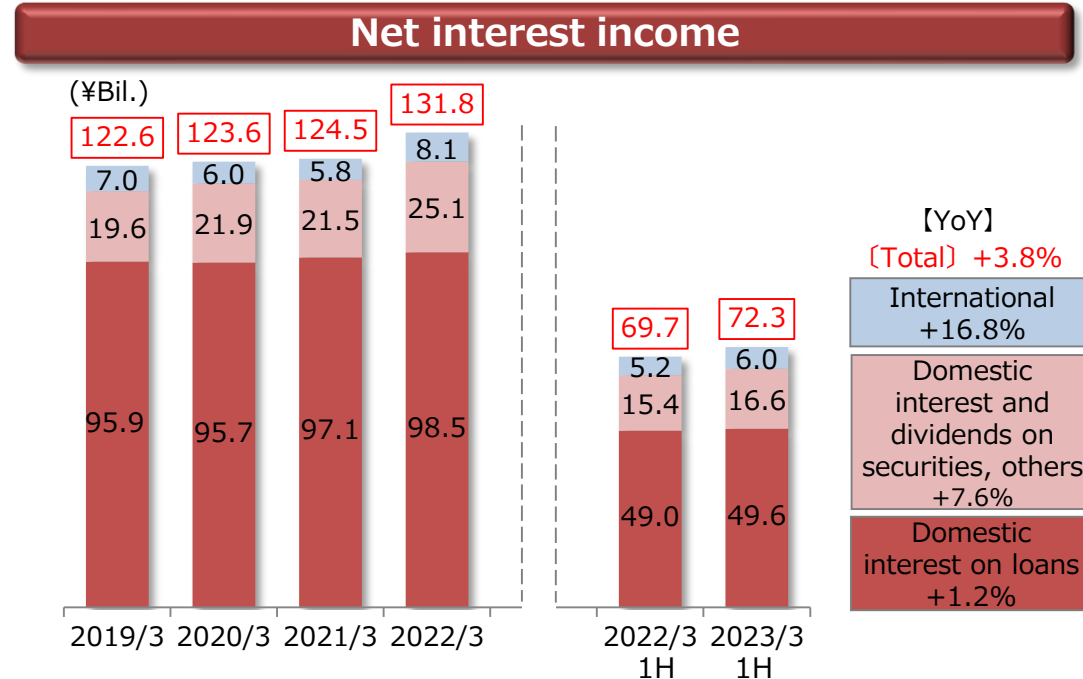
※After adjustment for unrealized gains, etc.

Net Interest Income

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| (¥Bil.) | 2022/3 1H | 2023/3 1H | YoY |
|---|--------------|--------------|-------|
| Net interest income | 69.7 | 72.3 | 2.6 |
| Domestic | 64.4 | 66.2 | 1.7 |
| Interest on Loans | 49.0 | 49.6 | 0.6 |
| Loans and bills discounted | 49.3 | 49.7 | 0.4 |
| Deposit (incl. NCD) | 0.3 | 0.1 | (0.1) |
| Interest and dividends on securities | 14.8 | 14.9 | 0.1 |
| Bonds | 1.2 | 1.8 | 0.5 |
| Stock dividends | 7.2 | 8.3 | 1.0 |
| Investment funds | 0.5 | 0.6 | 0.0 |
| investment trusts | 5.7 | 4.1 | (1.5) |
| Gains (losses) on cancellation | 2.3 | 0.9 | (1.4) |
| Others (Market operation, etc.) | 0.6 | 1.7 | 1.0 |
| International | 5.2 | 6.0 | 0.8 |
| Loans and bills discounted | 2.0 | 4.8 | 2.7 |
| Foreign Securities | 7.1 | 10.1 | 3.0 |
| Foreign Securities | 4.1 | 6.6 | 2.5 |
| Foreign currency funds | 2.2 | 1.5 | (0.6) |
| Investment trusts | 0.8 | 2.0 | 1.1 |
| Gains (losses) on cancellation | 0.7 | 1.9 | 1.1 |
| Others (Funding and market operation, etc.) | (4.0) | (8.9) | (4.9) |
| Net interest income (Excluding gains (losses) on cancellation of investment trusts) | 66.5 | 69.4 | 2.9 |
| Gains (losses) on cancellation of investment trusts | 3.1 | 2.8 | (0.2) |

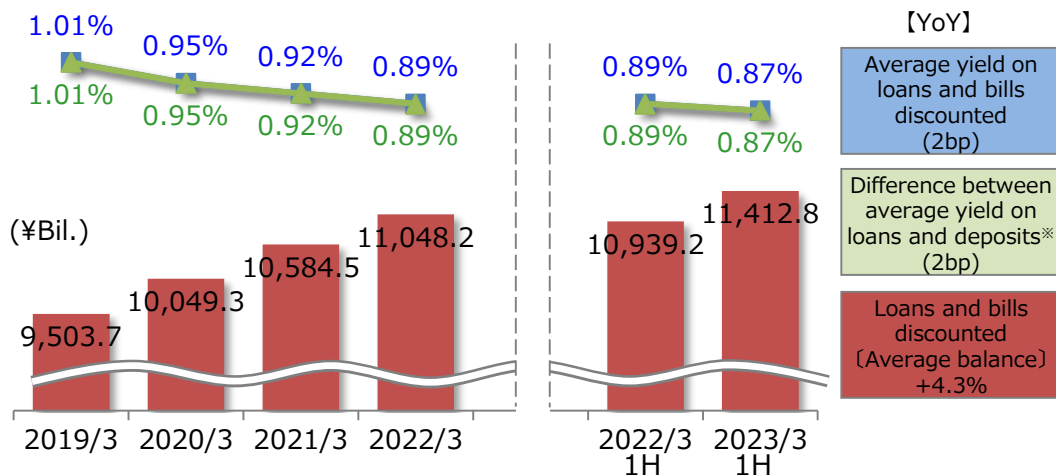


Yield · Interest on Loans

Domestic operations

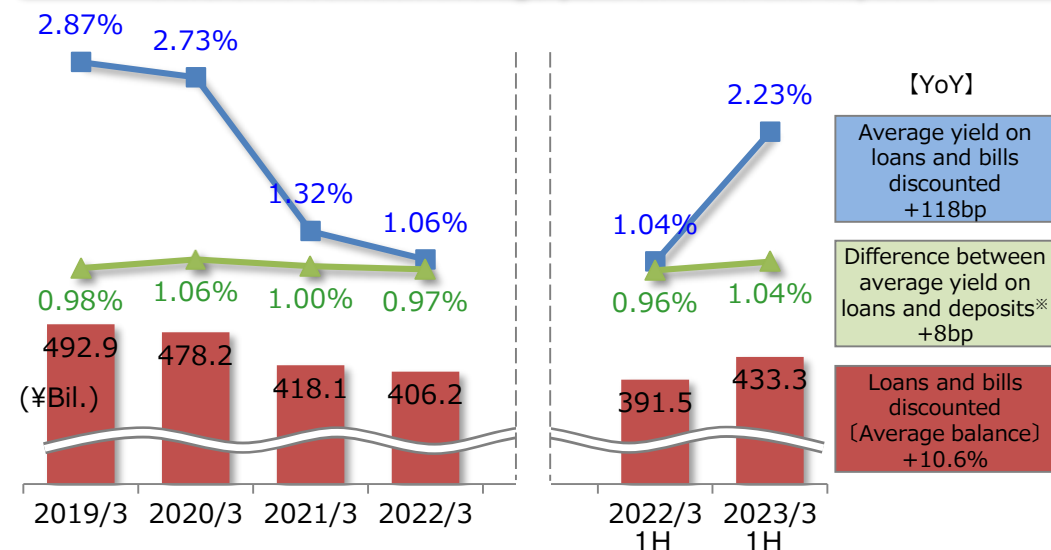
Loans and bills discounted (average balance) · Yield, Difference between average yield on loans and deposits

※① "Yield on loans and bills discounted" and ② "Yield on deposits" (including NCDs) are rounded down to second decimal places, and "Difference between average yield on loans and deposits" is the difference between ① and ②.

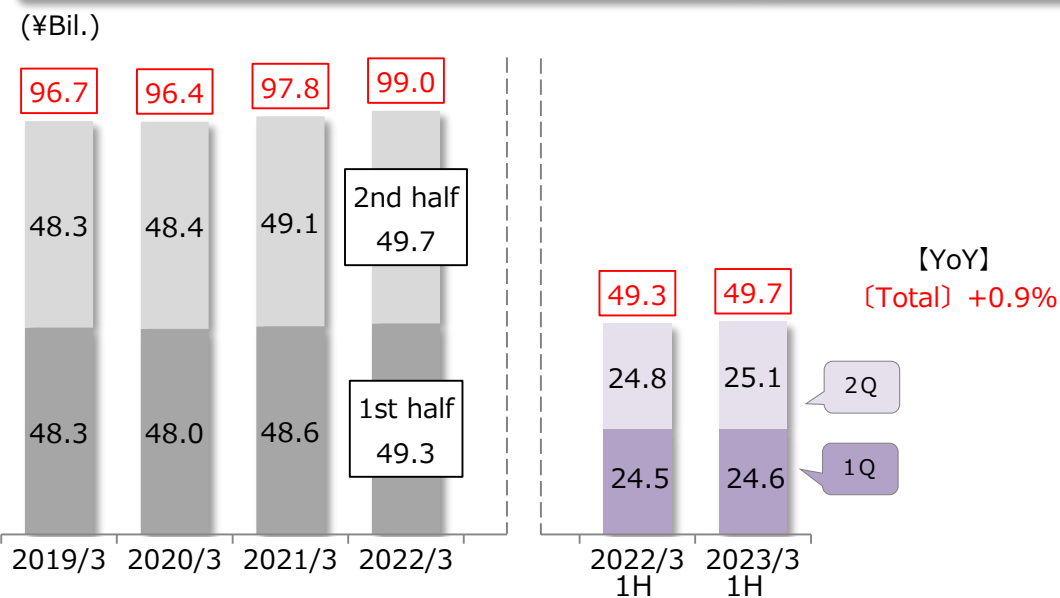


International operations

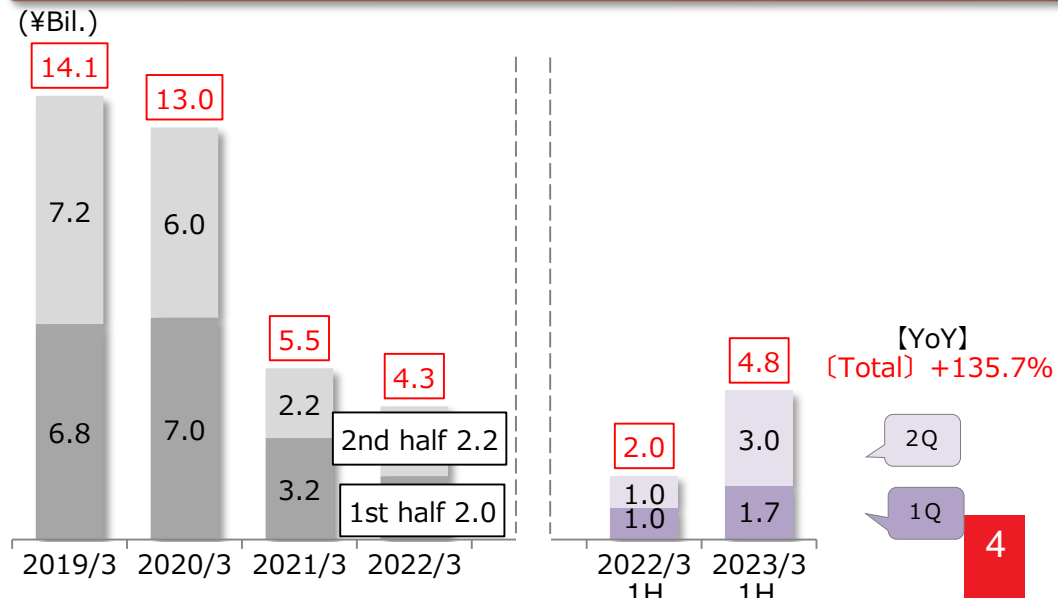
Loans and bills discounted (average balance) · Yield, Difference between average yield on loans and deposits



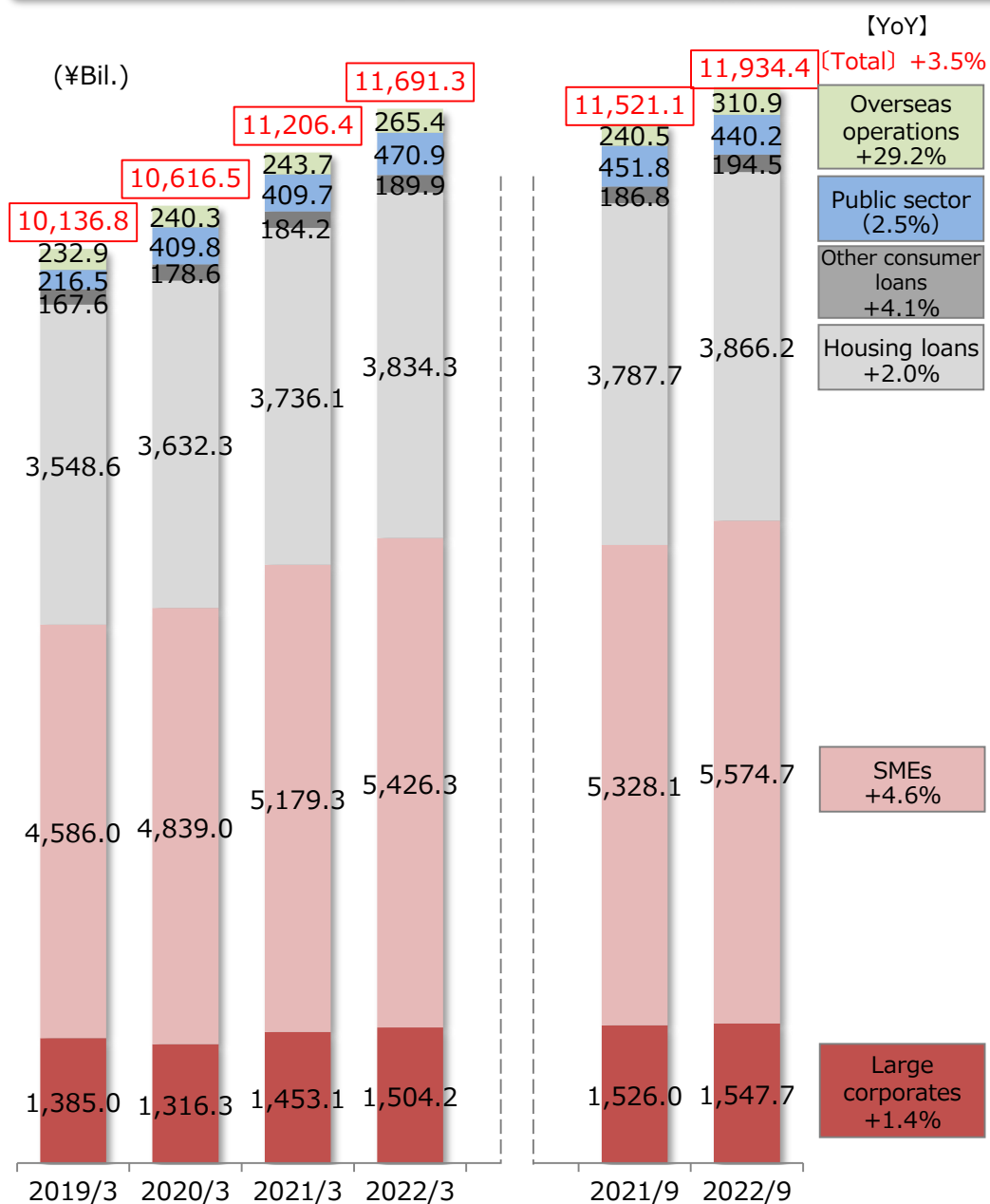
Interest on loans and bills discounted



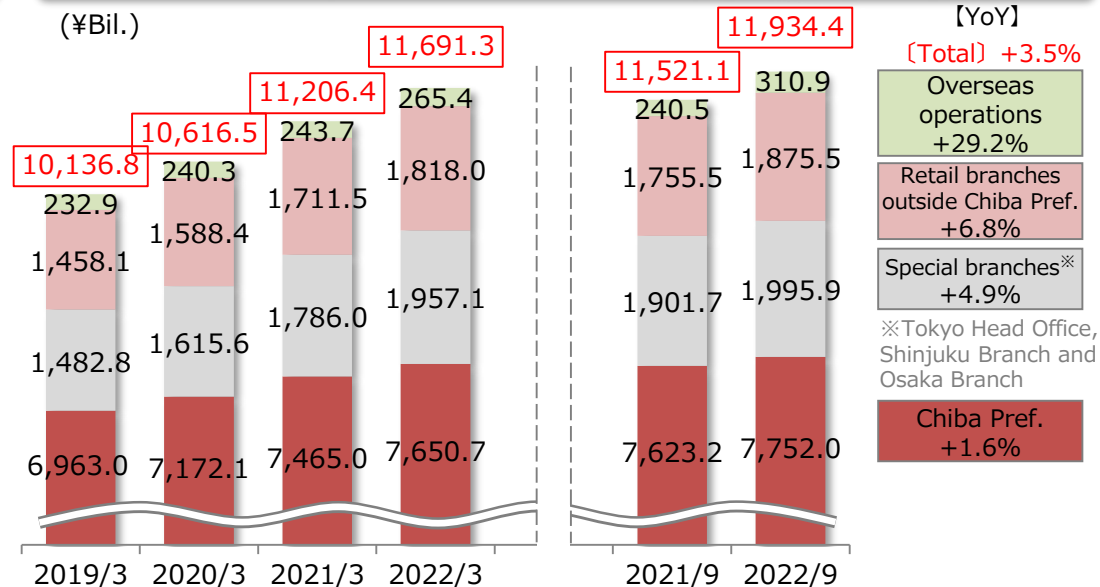
Interest on loans and bills discounted



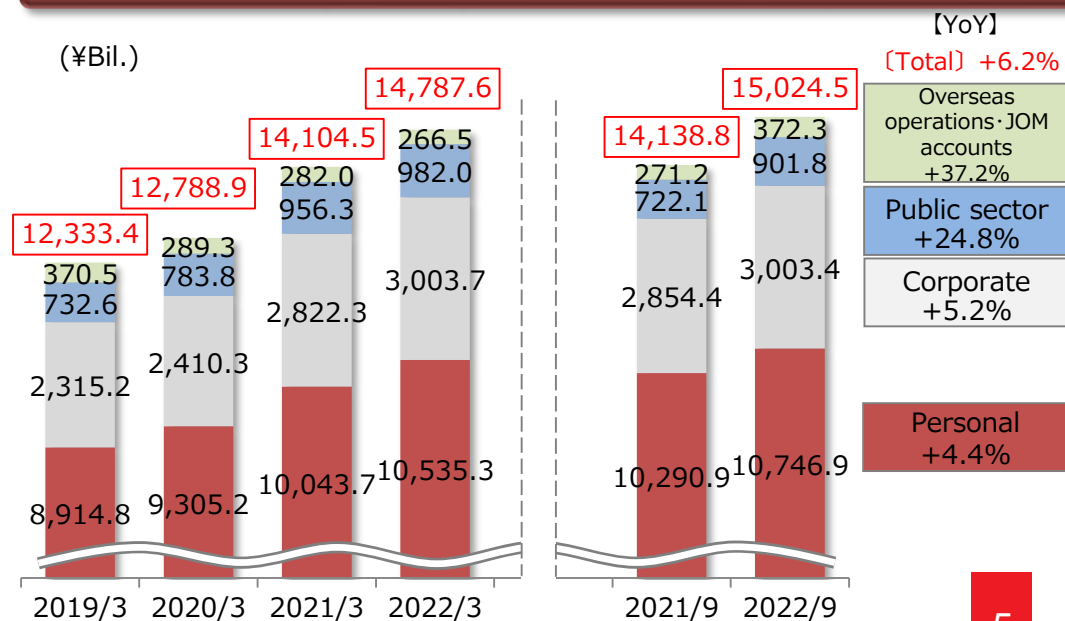
Loans (term-end balance)



Loans (term-end balance) [by region]

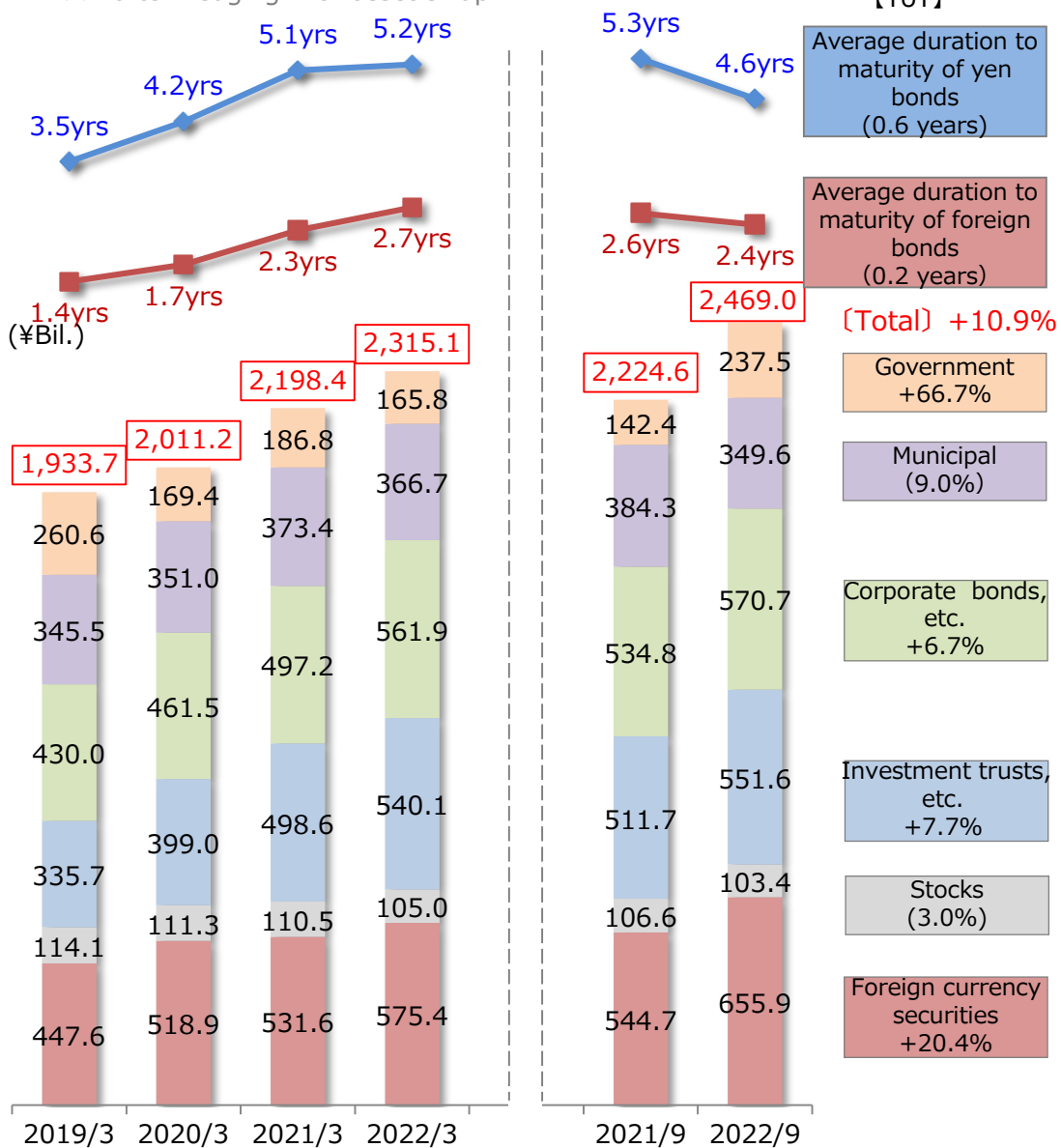


Deposits (term-end balance)



Balance of securities^{※1} · Duration of securities^{※2}

※2 after hedging with asset swap

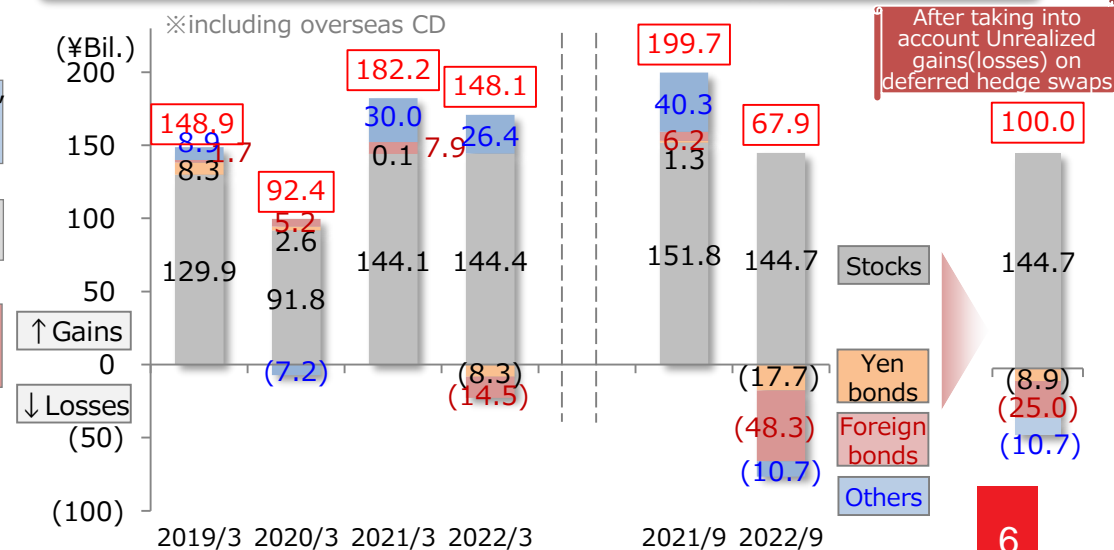


※1 excluding unrealized gains (losses)

Gain (loss) on securities

| | 2022/3 | | | 2023/3 | | |
|--|--------|-------|-------|--------|----|-----|
| | 1H | 1H | YoY | 1H | 1H | YoY |
| Interest income on securities | 21.9 | 25.1 | 3.1 | | | |
| Bonds | 5.4 | 8.5 | 3.1 | | | |
| Domestic | 1.2 | 1.8 | 0.5 | | | |
| International | 4.1 | 6.6 | 2.5 | | | |
| Stocks | 7.2 | 8.3 | 1.0 | | | |
| Investments trusts etc. | 9.3 | 8.2 | (1.0) | | | |
| Gains(losses) from investment trust cancellations | 3.1 | 2.8 | (0.2) | | | |
| Gains(losses) related to bonds(Government bonds, etc.) | 0.7 | (8.5) | (9.3) | | | |
| Gains on sales | 1.1 | 1.0 | (0.0) | | | |
| Gains(losses) related to stocks, etc. | 2.7 | 4.8 | 2.1 | | | |
| Gains on sales | 4.5 | 4.9 | 0.4 | | | |

Unrealized gains (losses) on other securities



Net Fees and Commissions Income

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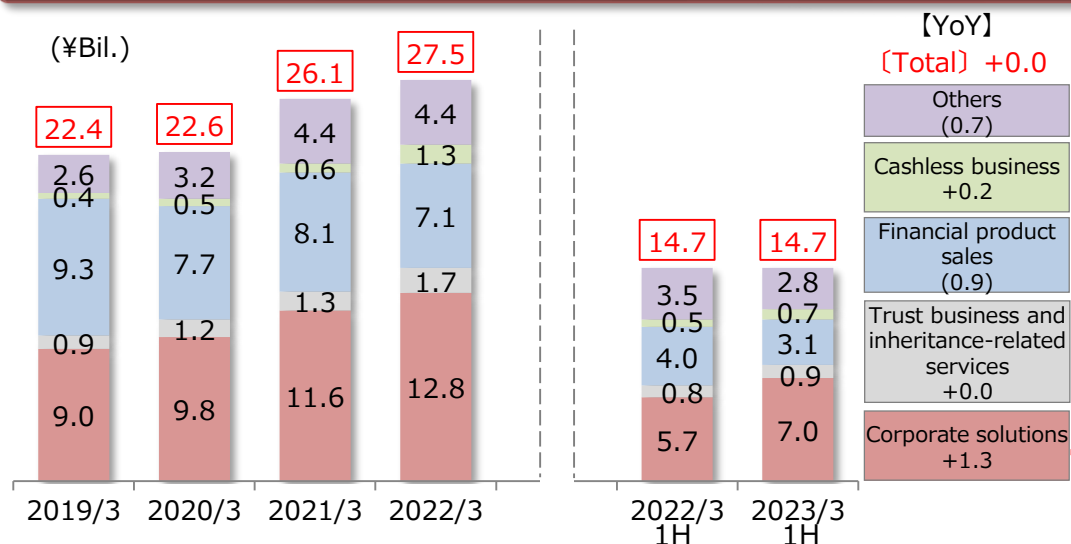
| | (¥Bil.) | 2022/3 | 2023/3 | YoY |
|---------------------------------------|---------|--------|--------|-----|
| | | 1H | 1H | |
| Net fees and commissions income | | 14.7 | 14.7 | 0.0 |
| Net fees and commissions revenue | | 23.0 | 23.6 | 0.5 |
| Net fees and commissions payments (-) | | 8.3 | 8.9 | 0.5 |

<Main breakdown>

| | | | | |
|---|--|-----|-----|-------|
| Investment trusts and personal annuities | | 4.0 | 3.1 | (0.9) |
| Investment trusts | | 2.2 | 1.3 | (0.9) |
| Annuities and whole life insurance | | 0.6 | 0.9 | 0.2 |
| Level paying life insurance | | 0.7 | 0.6 | (0.1) |
| Financial instrument intermediary | | 0.3 | 0.2 | (0.1) |
| Corporate solutions | | 5.7 | 7.0 | 1.3 |
| Private placement bonds | | 0.2 | 0.2 | (0.0) |
| Syndicated loans | | 4.3 | 5.5 | 1.1 |
| M&A and advisory contracts | | 0.4 | 0.5 | 0.0 |
| Business matching | | 0.5 | 0.7 | 0.1 |
| Trust business and inheritance-related services | | 0.8 | 0.9 | 0.0 |
| Cashless payment and card business | | 0.5 | 0.7 | 0.2 |
| Payment and settlement transactions | | 6.4 | 6.2 | (0.2) |
| Guarantee charges and group insurance costs (-) | | 4.7 | 5.3 | 0.5 |

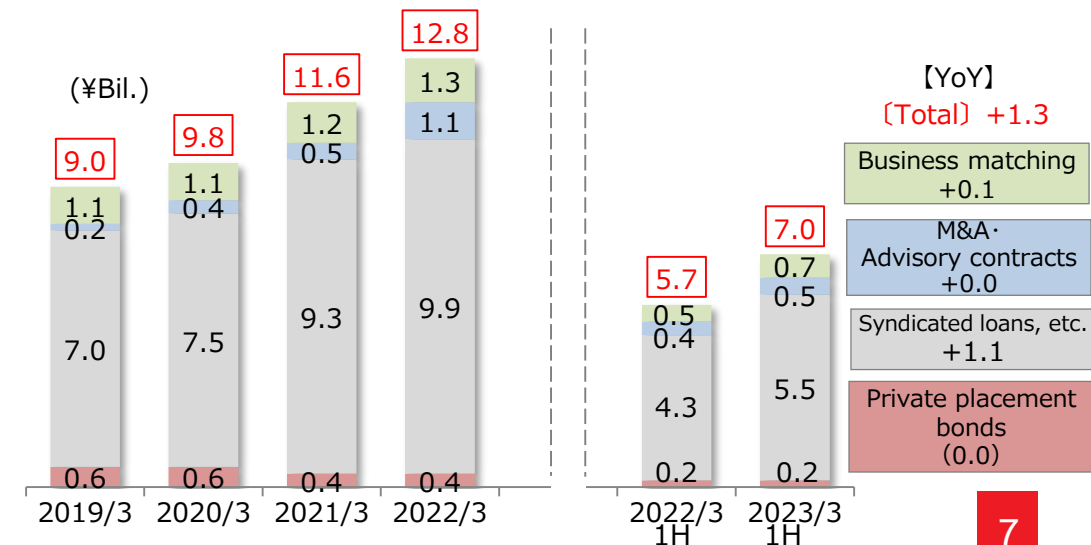
※ Trust business and inheritance-related services include trust fees from full year results for FY2022/3 (retroactively changed).

Net fees and commissions income



Fees and commissions income of corporate solutions

※ Corporate Portal revenue is not included in net fees and commissions income from from full year results for FY2022/3 (retroactively changed).

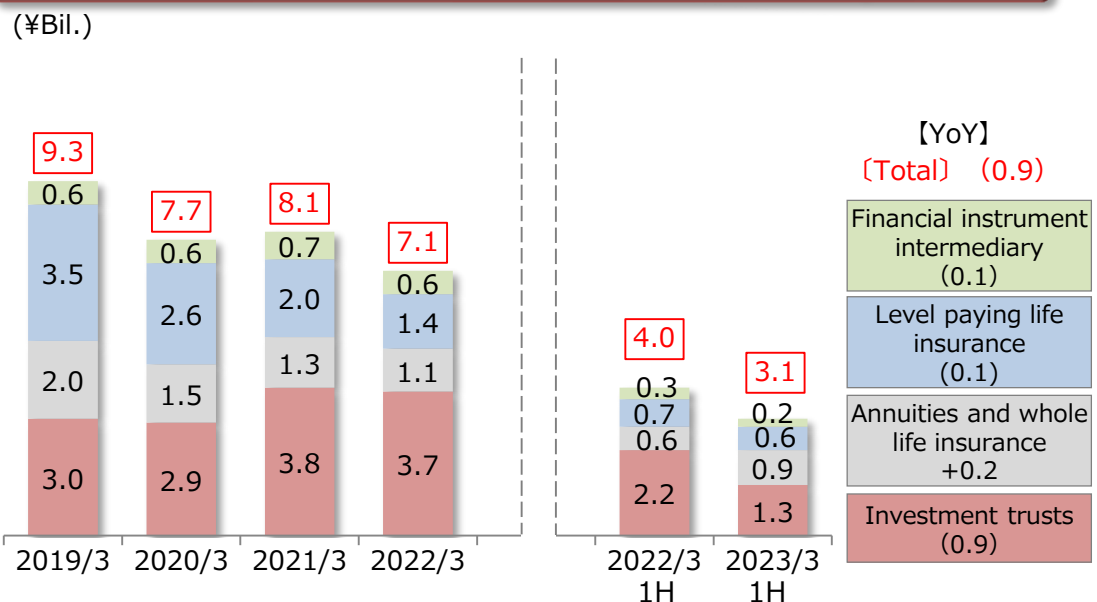


Financial Products

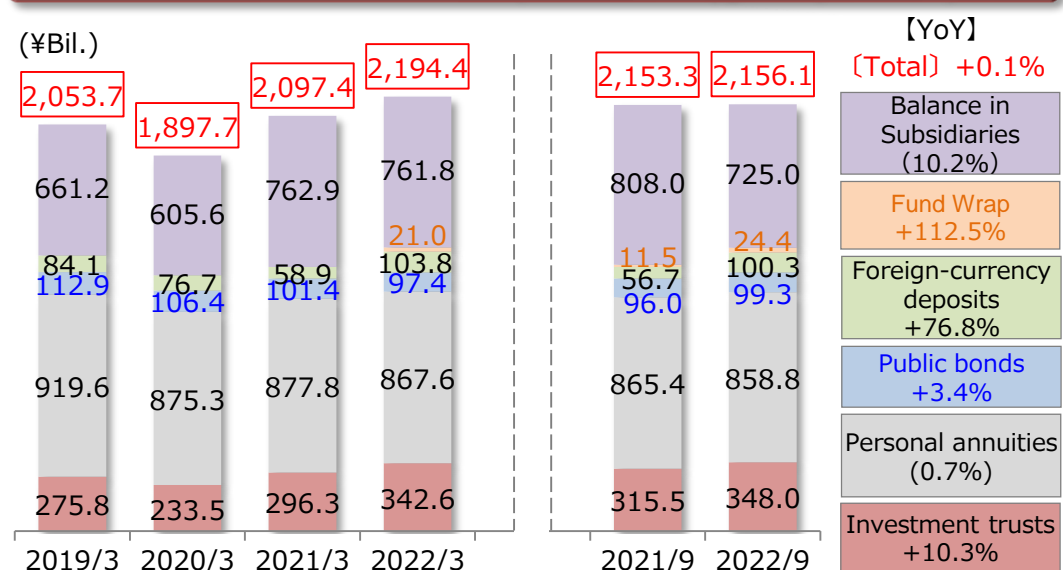
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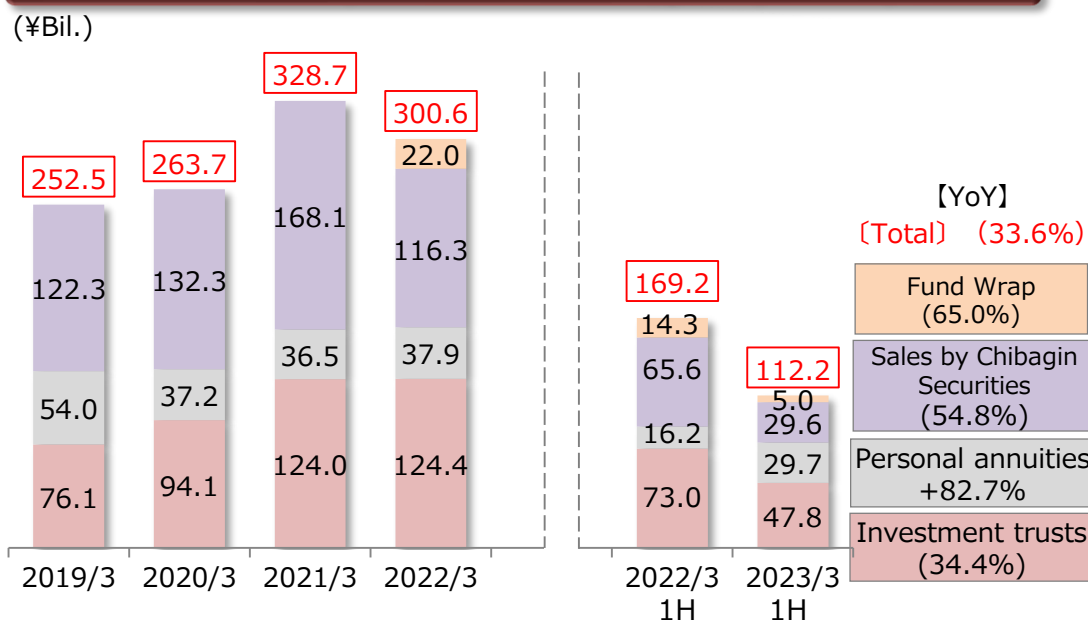
Fees and commissions income of financial products



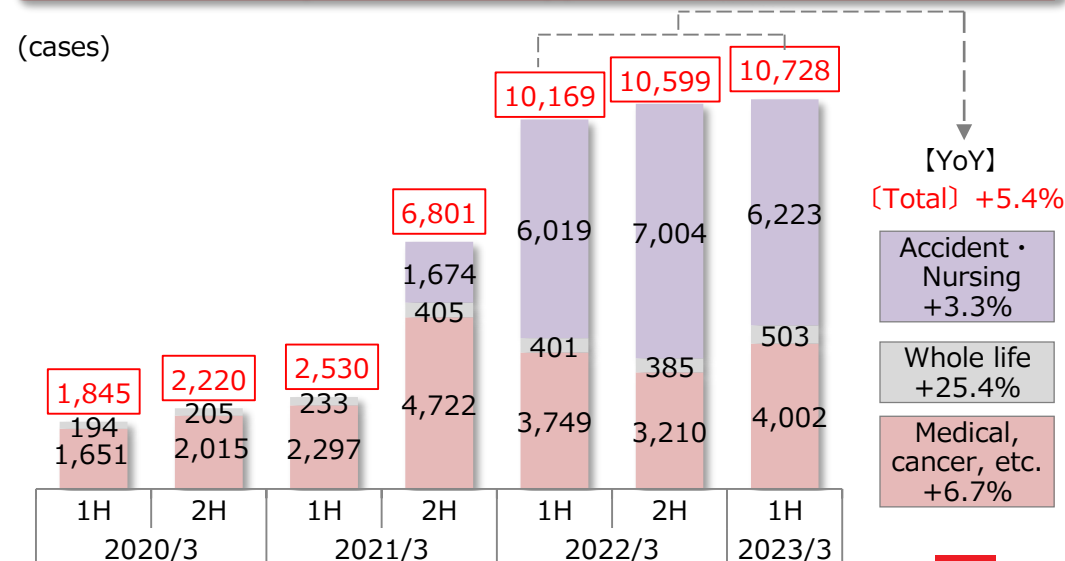
Balance of financial products (group total)



Financial products sales (group total)



Number of protection-type insurance contracts



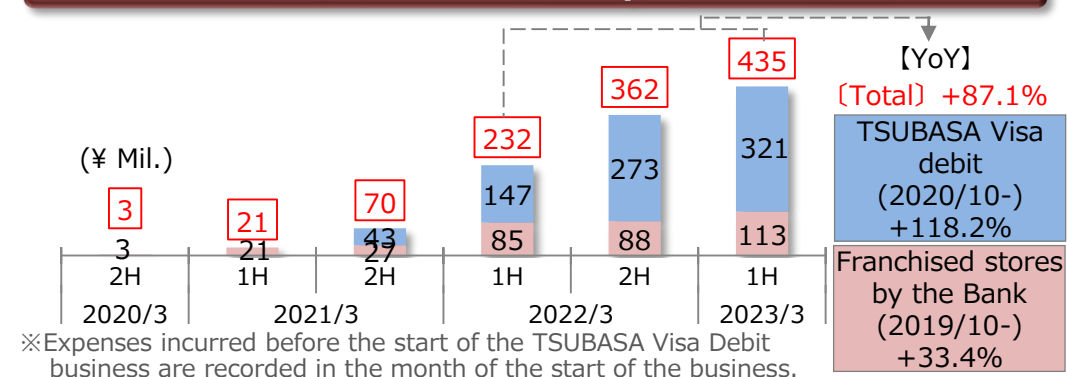
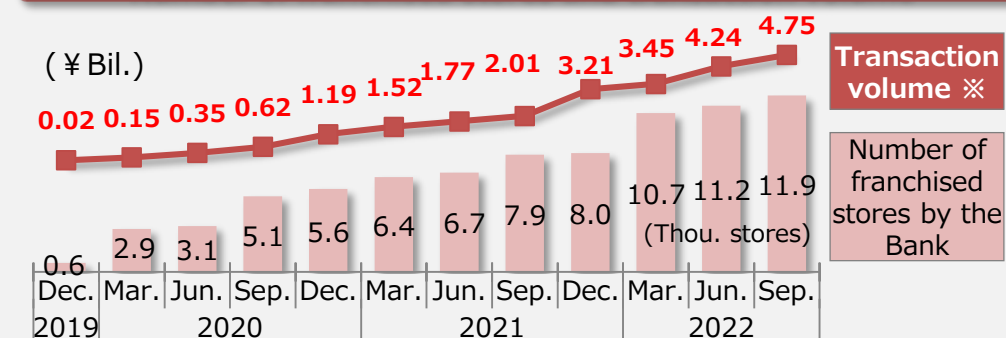
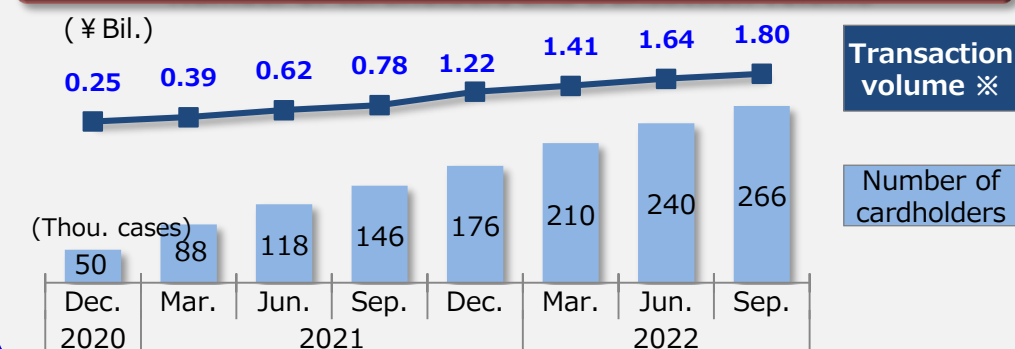
* The number of contracts based on application acceptance

Cashless business income and expenditure

| | | 2022/3 | 2023/3 | |
|---|-------------|--------|--------|-----|
| | | 1H | 1H | YoY |
| Total of new and existing business by the Bank | Profit | 552 | 797 | 244 |
| | Revenue | 1,498 | 2,124 | 626 |
| | Expenses(-) | 945 | 1,327 | 381 |
| Total of new business by the Bank | Profit | 232 | 435 | 202 |
| | Revenue | 467 | 1,053 | 586 |
| | Expenses(-) | 234 | 618 | 383 |
| Franchised stores by the Bank | Profit | 85 | 113 | 28 |
| | Revenue | 285 | 659 | 374 |
| | Expenses(-) | 200 | 546 | 345 |
| TSUBASA Visa debit | Profit | 147 | 321 | 174 |
| | Revenue | 182 | 393 | 211 |
| | Expenses(-) | 34 | 72 | 37 |
| Existing business by the Bank | Profit | 319 | 361 | 42 |
| | Revenue | 1,030 | 1,070 | 40 |
| | Expenses(-) | 710 | 708 | (1) |
| Subsidiaries (Chibagin JCB Card) (Chibagin DC Card) | Profit | 555 | 656 | 100 |
| | Revenue | 2,343 | 2,587 | 243 |
| | Expenses(-) | 1,788 | 1,931 | 142 |
| (reference) | | | | |
| Total of group | Profit | 1,108 | 1,453 | 345 |
| | Revenue | 3,842 | 4,711 | 869 |
| | Expenses(-) | 2,733 | 3,258 | 524 |

※Expenses of subsidiaries include personnel expenses and other operating expenses.

New business profit

"Franchised stores by the Bank business"
Number of franchised stores and transaction volume"TSUBASA Visa debit"
Number of cardholders and transaction volume

※Transaction volume : settlement amount for one month in the relevant month

Credit Costs · Disclosed Claims

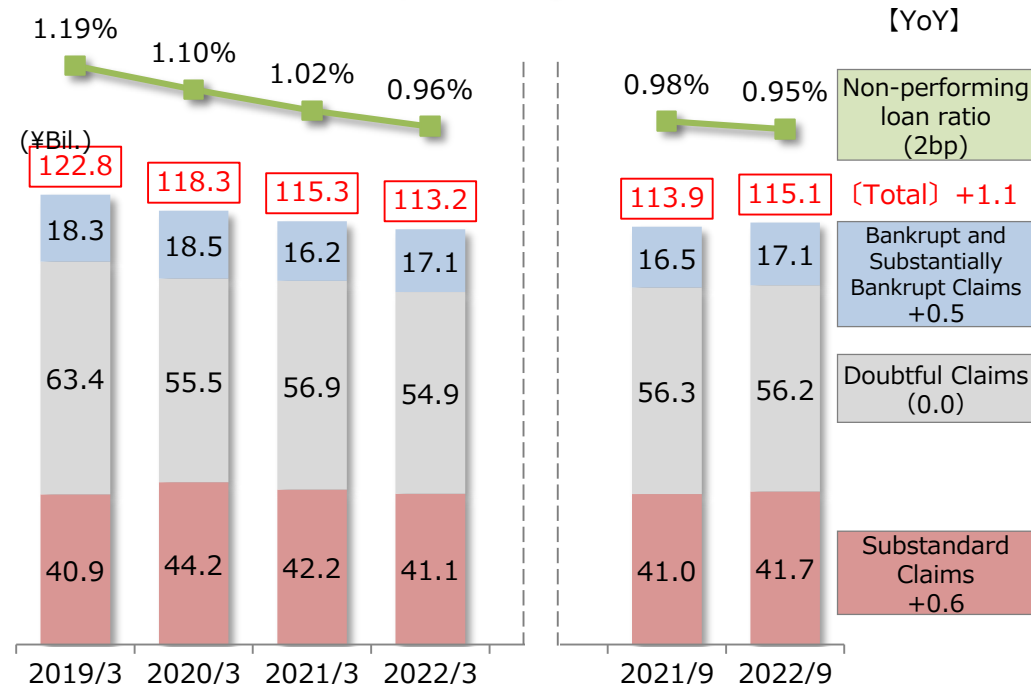
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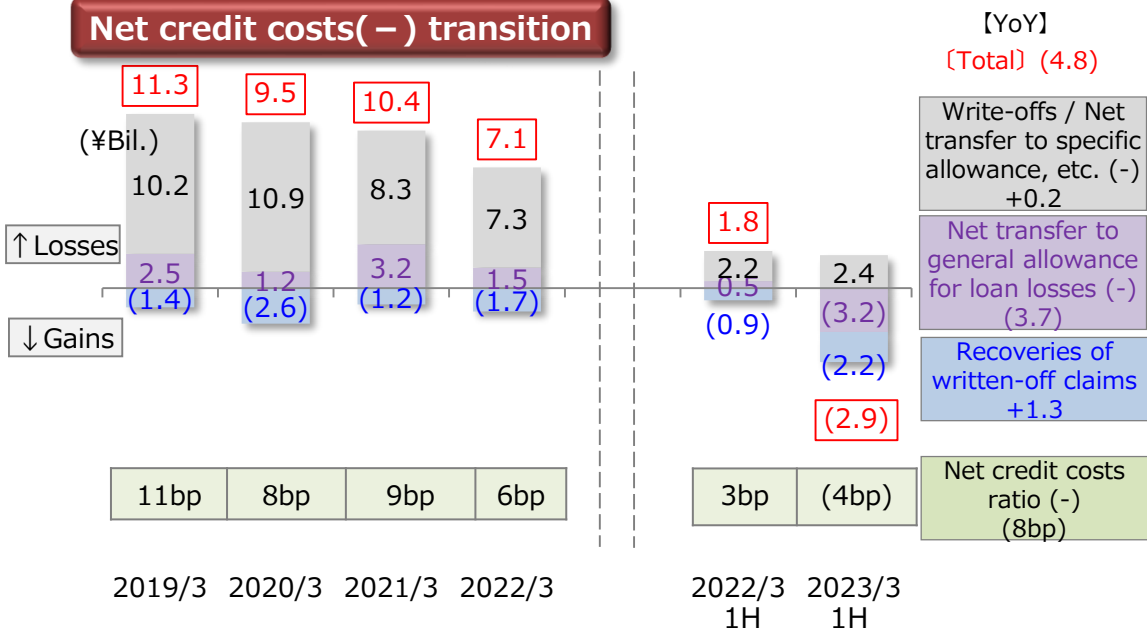
Net credit costs

| | 2022/3 | | 2023/3 | |
|---|---------|-----|--------|-------|
| | (¥Bil.) | 1H | 1H | YoY |
| Net credit costs (-) | | 1.8 | (2.9) | (4.8) |
| Net transfer to general allowance for loan losses (-) | | 0.5 | (3.2) | (3.7) |
| Disposal of non-performing loans (-) | | 1.2 | 0.2 | (1.0) |
| Write-offs / Net transfer to specific allowance, etc. (-) | | 2.2 | 2.4 | 0.2 |
| New downgrades (-) | | 2.0 | 2.4 | 0.4 |
| Existing non-performing loans (-) | | 0.4 | 0.4 | 0.0 |
| Collections etc. | | 0.2 | 0.4 | 0.2 |
| Recoveries of written-off claims | | 0.9 | 2.2 | 1.3 |
| Net credit costs ratio (-) | | 3bp | (4bp) | (8bp) |

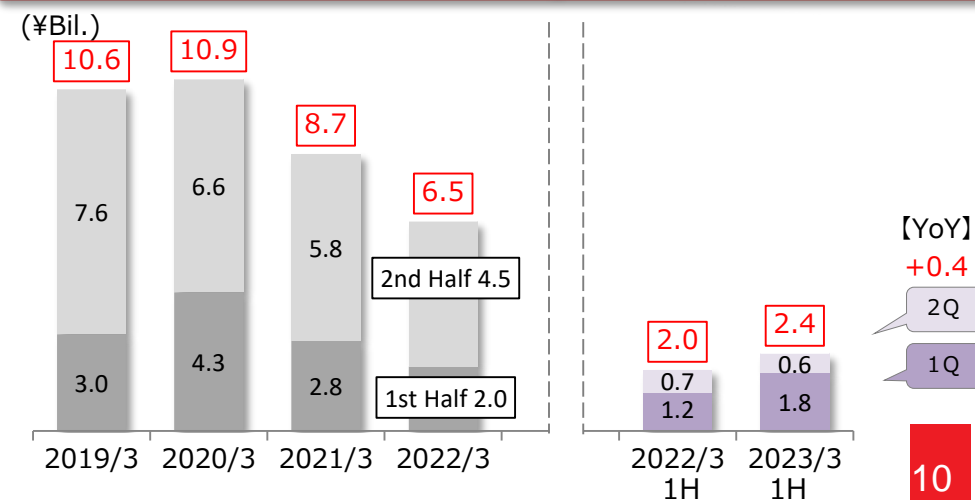
Disclosed claims under the Financial Reconstruction Law · Non-performing loan ratio



Net credit costs(-) transition



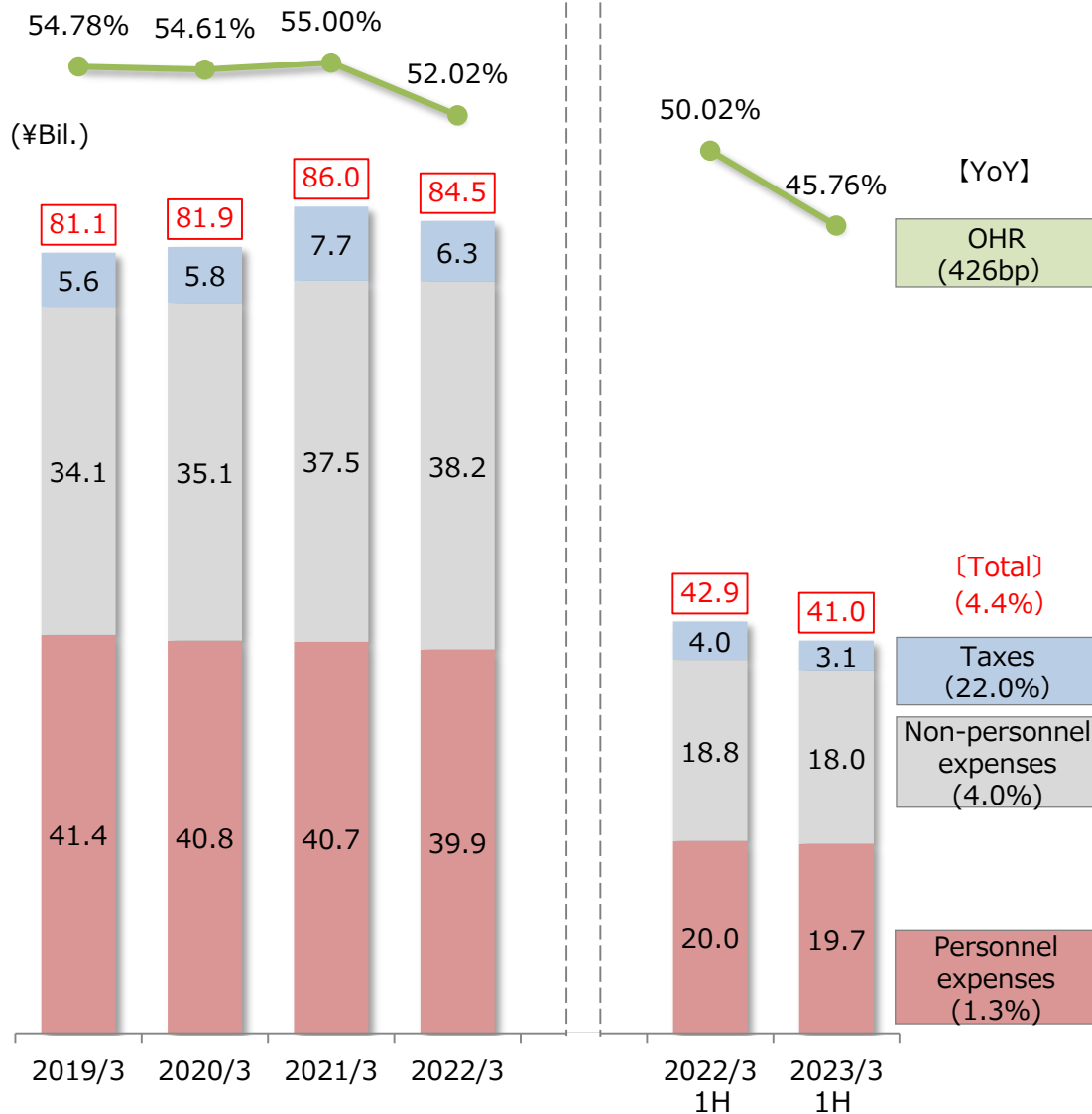
New downgrades



Expenses · Capital Ratios

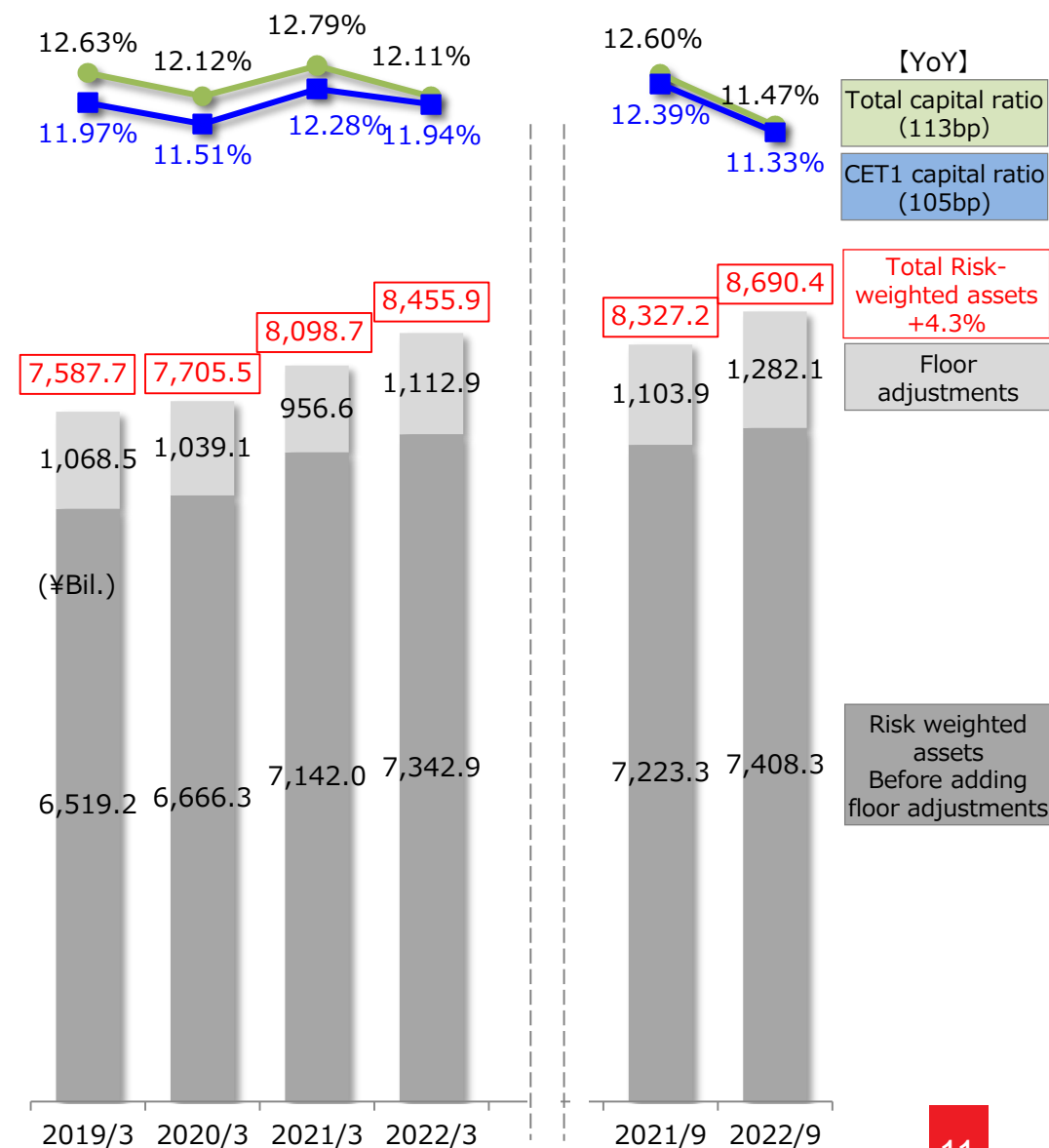
Expenses · OHR

※ OHR : Expenses / (Net business income – Gains (Losses) related to bonds, etc. + Net transfer to general allowance for loan losses + Expenses)



Capital ratios · Risk-weighted assets (Consolidated)

※ Preliminary figures



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