

Formulation of the 14th Medium Term Management Plan

- NEXT STEP 2023 ~ connect and go beyond, for the future ~ -

The Chiba Bank (President: Hidetoshi Sakuma) formulated the 14th medium term management plan with a three-year plan starting in April 2020. The outline of this plan is as follows.

1. Aims of "NEXT STEP 2023 ~ connect and go beyond, for the future ~"

- Our Group's mission is to "contribute to the sustainable development of local economies through the provision of the latest financial services as a partner for customers and regional communities." Based on this belief, we have adopted the title "NEXT STEP" in this medium term management plan to move forward into the future with customers and communities, deepening ties with them and going beyond the framework of existing banks.
- Under this medium term management plan, we will further deepen existing initiatives and actively implement new initiatives that are not bound by the framework of regional financial institutions, based on the management foundation established in the previous plan.

2. Background of Planning

- During the period of this plan, we anticipate that the environment surrounding our Group will become increasingly severe due to the rapid progress of digitization and the prolongation of ultra-low interest rates. Without self-transformation and the challenge of new businesses, sustainable growth will become difficult.
- In addition, corporate social responsibilities such as SDGs are increasing, and it is essential to develop business activities from a medium-to long-term perspective to build a sustainable society.

3. Vision

- The vision of this medium term management plan is to enhance customer experience by deepening financial functions and creating new models for regional finance.
- The term "customer experience" refers to the accumulation of customer experience gained through transactions with us, including future transactions.
- By advancing all initiatives from the customer's perspective, we aim to provide services that are truly useful.

4. Basic Policies

- Under this medium term management plan, we will pursue 12 key strategies based on the following four basic policies.

I. We will continue to evolve closely with our customers.

II. We will continue to create new value for our customers' future

III. We will advance alliance strategies

IV. We will realize sustainable management

5. Target Figures

	Targets for the Fiscal Year Ending March 31, 2023
Profit attributable to owners of parent	¥60.0 billion
Consolidated ROE※	Mid-6%
OHR (non-consolidated)	In the lower 50% range

※ Calculated using "Equity = Shareholders' equity"

End

Outline of "NEXT STEP 2023

NEXT STEP 2023

~ connect and go beyond, for the future ~

~ connect and go beyond, for the future ~

Our Group's Mission

Contribute to the sustainable development of regional economies through the provision of the updated financial services as a partner for customers and regional communities

Title

The 14th Medium Term Management Plan NEXT STEP 2023
~ connect and go beyond, for the future ~ (Plan period: April 1, 2020 to March 31, 2023)

Vision

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

Basic Policies

Basic Policy I

"We will continue to evolve closely with our customers"

- We will be a consulting partner that is closely linked to the lives of individual customers
- We will be the best partner as solving the diverse management issues of corporate customers
- We will continue to build branches that are both convenient and able to consult

Basic Policy II

"We will continue to create new value for our customers' future"

- We will provide new value to our customers by using digital technology and all kinds of information resources
- We will create new value by taking on challenges that go beyond the framework of banking

Basic Policy III

"We will advance alliance strategies"

- In order to provide new value and stand with our customers, we will further strengthen collaboration with other banks and companies in other industries

Basic Policy IV

"We will realize sustainable management"

- We will strive to build a rewarding company by enhancing human resource development and realizing diverse work styles
- We will further strengthen our internal control structures, including governance, compliance, and risk management

NEXT STEP 2023 ~ connect and go beyond, for the future ~

Changes in the external environment are forcing regional banks to make major changes in their business models. In order to establish a solid management foundation that will not be shaken by the severe business environment, we have been working on various measures under the previous medium term management plan.

As we enter the 2020 milestone, based on this solid management foundation, we will aim for a new form of financial group for the future

with deeper and broader understanding of our customers and communities, and group-wide reformation.

"We have deeper connections with customers and regions," "customers and customers have deeper connections," and "customers and regions have deeper connections."

"The tomorrow of our customers goes beyond today"

and "we go beyond our customers' expectations and the framework of banking."

In such manners, we will work move forward into the future with customers and regional communities as partners.

Target Figures

Item	For the Fiscal Year Ending March 31, 2023
Profit attributable to owners of parent	¥60.0 billion
Consolidated ROE (based on total shareholders' equity)	Mid-6%
OHR (non-consolidated)	In the lower 50% range

Approach aimed at

Providing value that "connects, for the future" [Deepen existing business]

Evolve our conventional approaches from the customer's perspective and provide truly valuable services to customers and communities

■ Four key strategies for evolving existing businesses

[Key Strategy ①]

Personal Business

Strengthen consulting functions that are closely linked to the lives of individuals

[Key Strategy ②]

Corporate Business

Increase capabilities for solving management issues as a partner

[Key Strategy ③]

Regional Revitalization

Strengthen initiatives for regional revitalization by increasing capabilities for solving regional issues

[Key Strategy ④]

Branches and Channels

Optimize branch functions and other aspects that support the enhancement of customer contact

Approach aimed at

Providing value that "goes beyond, for the future" [New services and business initiatives for the future]

Develop new services and business domains from the customer's perspective that are not bound by the framework of banks

■ Two key strategies for creating new services and businesses

[Key Strategy ⑤]

Digital and Information

Provide new value through the use of digital technologies and all types of information resources

[Key Strategies ⑥]

New Businesses

Create new services and operate new businesses beyond the existing framework

Approach aimed at

Deepen existing businesses and create new services and businesses that are difficult to achieve for us alone by enhancing collaboration with other banks and companies in other industries

■ Two key strategies for realizing Basic Policies I and II

[Key Strategy ⑦]

Collaboration with Other Banks

Advance collaboration with other banks

[Key Strategy ⑧]

Cross-industry Collaboration

Enhance collaboration with companies in other industries

Approach aimed at

- Build an organization that encourages employees to grow and take on self-directive challenges, and enables them to work with a high level of motivation
- Promote SDGs initiatives to support the sustainable growth of regional communities
- Establish a robust governance, compliance, and risk management structures to respond to changes in the external environment and support the creation of new businesses

■ Four key strategies that are the foundations for realizing the vision of the medium term management plan

[Key Strategy ⑨]

Human Resources

Build a rewarding company and enhance human resource development (organizational culture and human resources)

[Key Strategy ⑩]

BPR

Improve productivity and realize diverse work styles

[Key Strategy ⑪]

SDGs

Enhance SDGs initiatives together with the region

[Key Strategy ⑫]

Business Management Structures

Establish solid management foundation