

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

## **Chiba Bank Announces Corporate Purpose/Vision Alongside the 15<sup>th</sup> Mid-term Plan**

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

### 1. Purpose / Vision

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

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

### 2. The 15<sup>th</sup> Mid-term Plan “Engagement Bank Group – Phase 1 –”

#### (1) Operational Guidelines

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

## CHIBA BANK NEWS

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

### (2) Basic Policy/Value Creation Base

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

#### [Basic Policies]

##### I. Creating the optimal customer experience

Deliver personalized proposals utilizing a wide range of data

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

##### II. Enhancing the quality of existing business

Further increase the quality of solutions designed to address customer issues

##### III. Providing new value

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

#### [Value Creation Bases]

##### I. DX (Digital Transformation)

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

##### II. GX (Green Transformation)

Enhance initiatives designed to lead the region towards decarbonization

##### III. Alliances

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

##### IV. Human Capital

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

##### V. Group Governance

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

### 3. KPIs

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

\*<sup>1</sup> Calculated assuming “capital = shareholders’ equity”

\*<sup>2</sup> Basel III full implementation finalization basis (excluding valuation differences on securities)



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

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

**Plan Period  
FY2023 ~ FY2025**

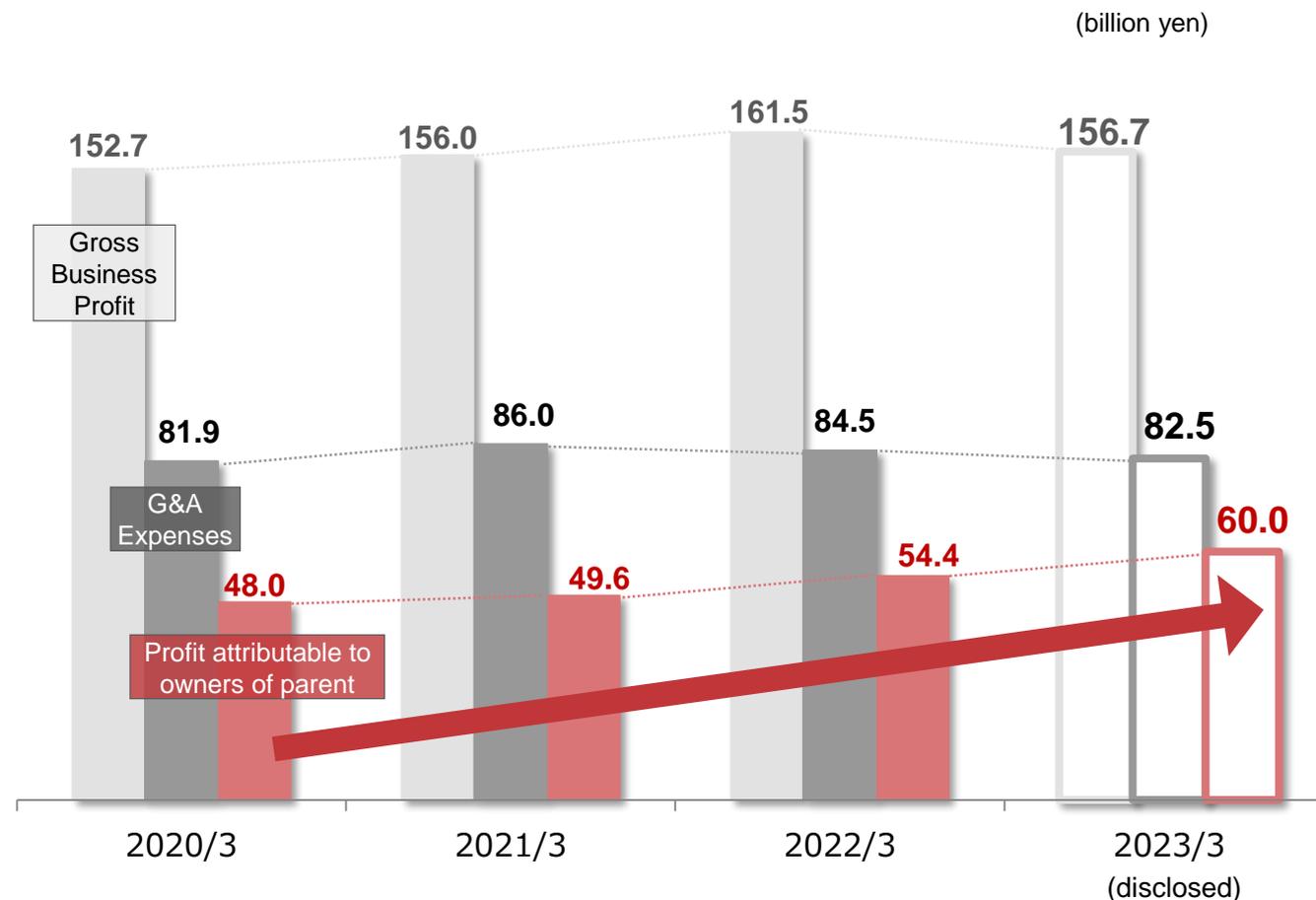


# Defining our Purpose and Vision



## Major Achievements of Management Goals

Basic Policy 1	Continue to evolve closely with our customers	
	Make proposals based on individual life plans	Virtual residential loan contract signing
Basic Policy 2	Continue to create new value for our customers' futures	
	Expand app/portal features	Expand cashless operations
Basic Policy 3	Strengthen our Alliance Strategy	
	TSUBASA Alliance Expand sharing of IT systems, including smartphone app	Chiba-Musashino Alliance Expand collaboration including cashless operations with franchise locations.
Basic Policy 4	Achieve sustainable management	
	Promotion of sustainable finance	Enhance carbon-neutral initiatives
	Expand climate-related disclosures	Development of DX personnel



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

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

**Societal changes**



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

**Individual (consumer) changes**



- Changing values
- Changing behavioral patterns

**Policy Trends**



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

**Trends in Chiba Prefecture**



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



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

**Purpose**

Why does the Bank Group exist in society?

**Vision**

What position should we aim for?

**Universal**



What initiatives should we pursue in the mid-term?

Strategy for achieving our Purpose and Vision

= **New Mid-term Plan**

**Flexible**

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

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

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

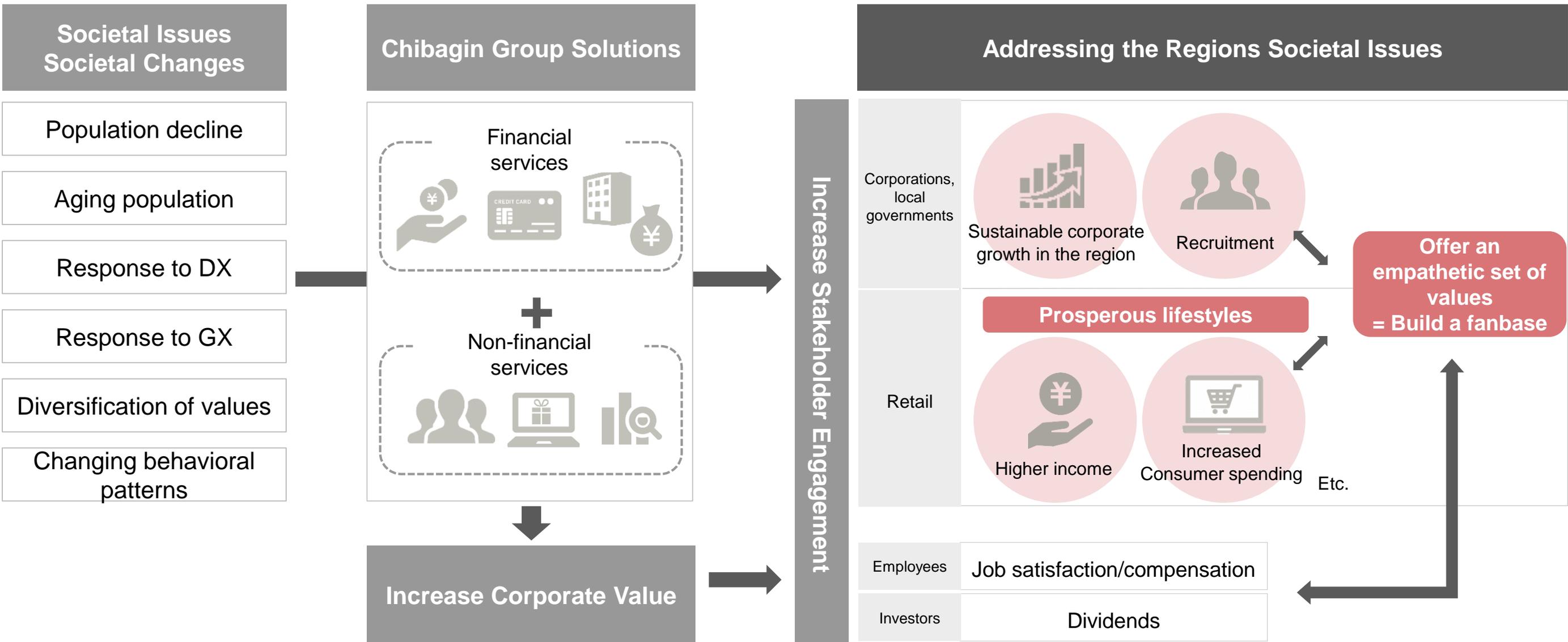


\*Regional societal issues: a wide range of issues concerning the sustainability of the local community, such as COVID-19, digitalization, SDGs, regional revitalization

**Vision** An Engagement Bank Group that works closely with the community

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

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



# The New Mid-term Plan



**Title** The 15<sup>th</sup> Mid-term Plan Engagement Bank Group – Phase 1 –  
(Plan Period: April 2023 ~ March 2026)

**Phase 2~**

**Operational Guideline: Evolution of the customer-focused business model**

Basic Policies

■ Practice “Sustainable Management” by providing societal value to the community

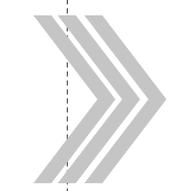
- I. Creating the optimal customer experience**  
Deliver personalized proposals utilizing a wide range of data.  
Provide in-person, remote, and digital channels most-suited to the customer.
- II. Enhancing the quality of existing business**  
Further increase the quality of solutions designed to address customer issues.
- III. Providing new value**  
Provide new-found value to customers by entering into new business areas.

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

Bases

■ Expansion of “Value Creation Bases”

- Base I: DX
- Base II: GX
- Base III: Alliances
- Base IV: Human Capital
- Base V: Group Governance



**Bank Group Development**

Goals for FY2030

Consolidated ROE **8%**  
Profit attributable to owners of parent **100 billion yen**

**Management KPIs**

Consolidated ROE	Profit attributable to owners of parent	Tier 1 common equity capital ratio*
<b>Above 7%</b>	<b>75.0 billion yen</b>	<b>10.5% ~ 11.5%</b>
	Consolidated net business income	Consolidated OHR
	<b>120.0 billion yen</b>	<b>45%</b>

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

## Issues in our existing business model and changing customer needs

① Product-focused proposals

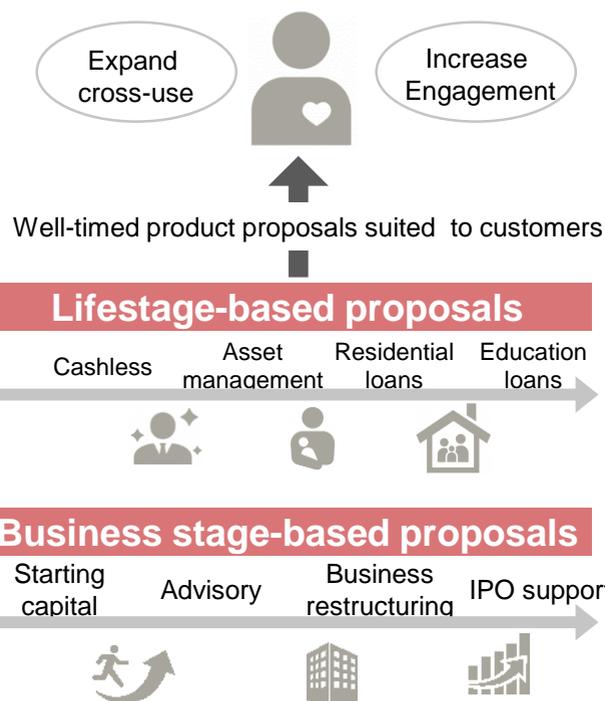
② Proposals to address emerging needs

③ Commodification of financial services

④ Changing values and behavioral patterns

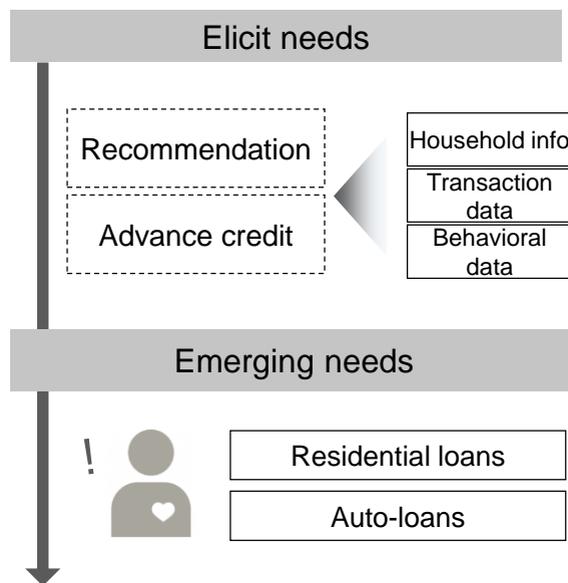
## Evolution of our customer-focused business model = "Changing our perspective" on delivering products and services

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

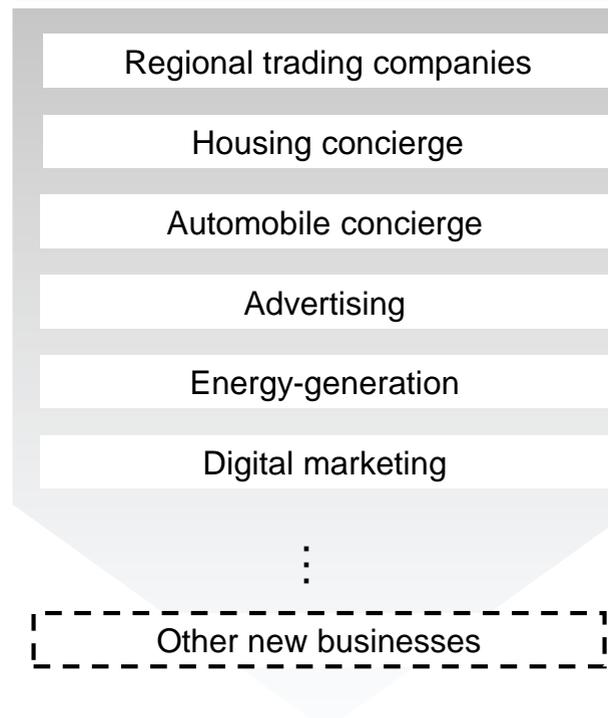


Proposals that anticipate customer needs and stand **upstream of commercial distribution**

### One-to-One Marketing



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



Establish optimal **contact points** for customer convenience

### In-person

**Aim for the expertise of a consulting firm**



[Retail] Comprehensive financial planning  
[Corporate] Assisting managers

### Remote



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

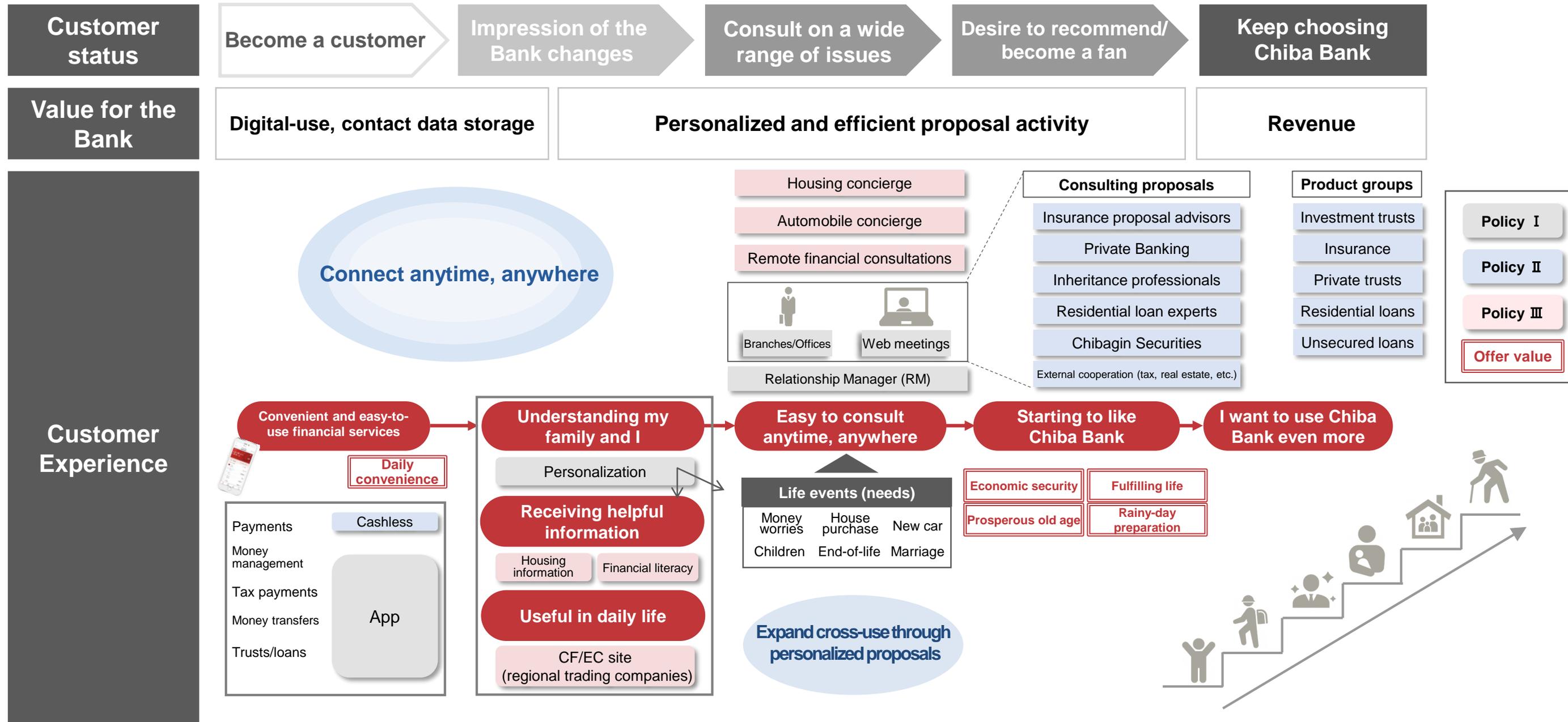
### Digital

**Aim for the convenience of a digital bank**

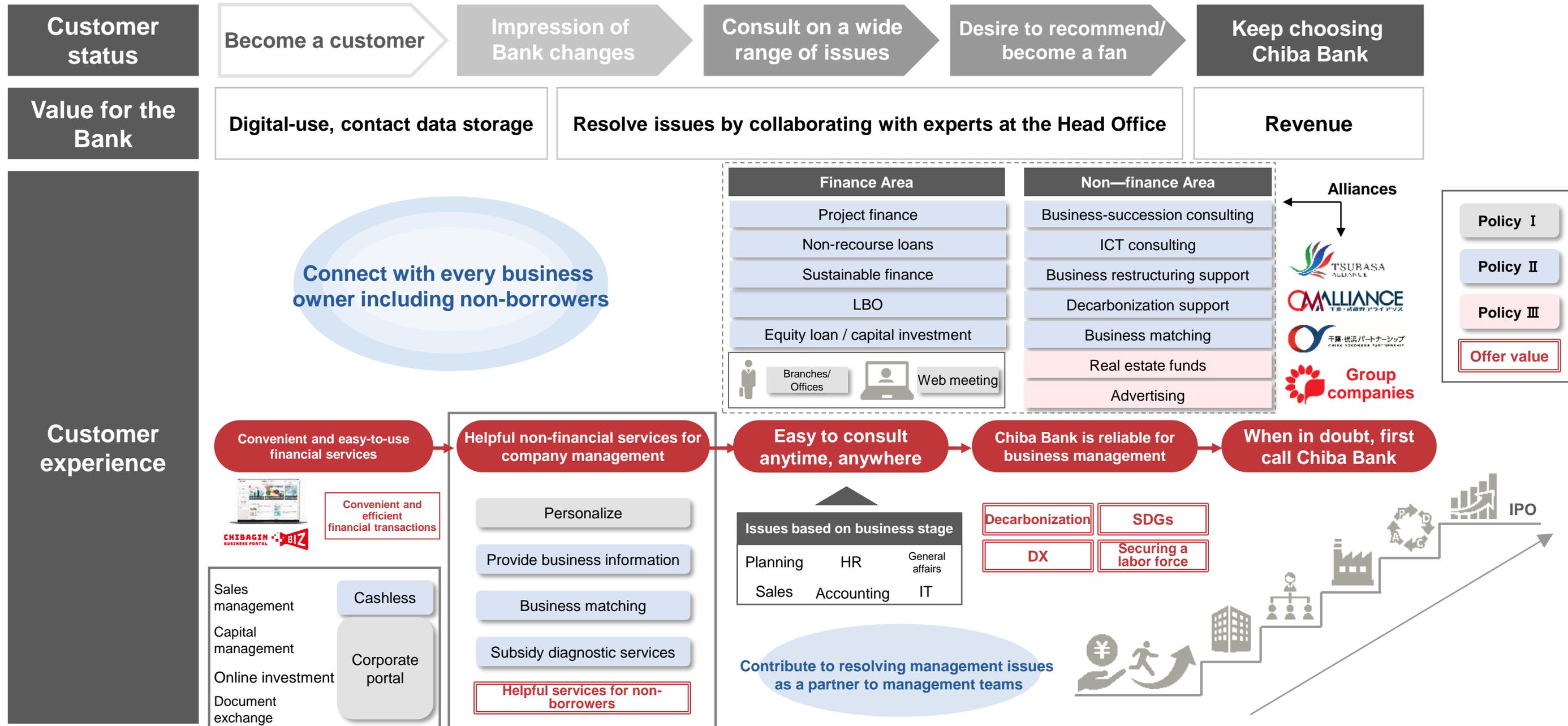


Increase connectivity  
Become a well-liked and easy-to-recommend bank

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



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

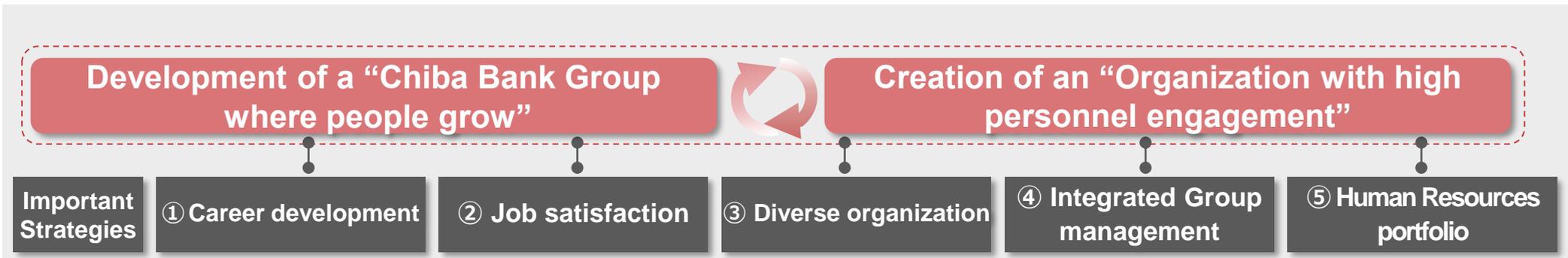


Positioning “human capital” as the Bank’s most important management resource and developing an HR policy designed to train the personnel necessary to achieve our Purpose

## Human Resources Development Policy (working towards our corporate Purpose)

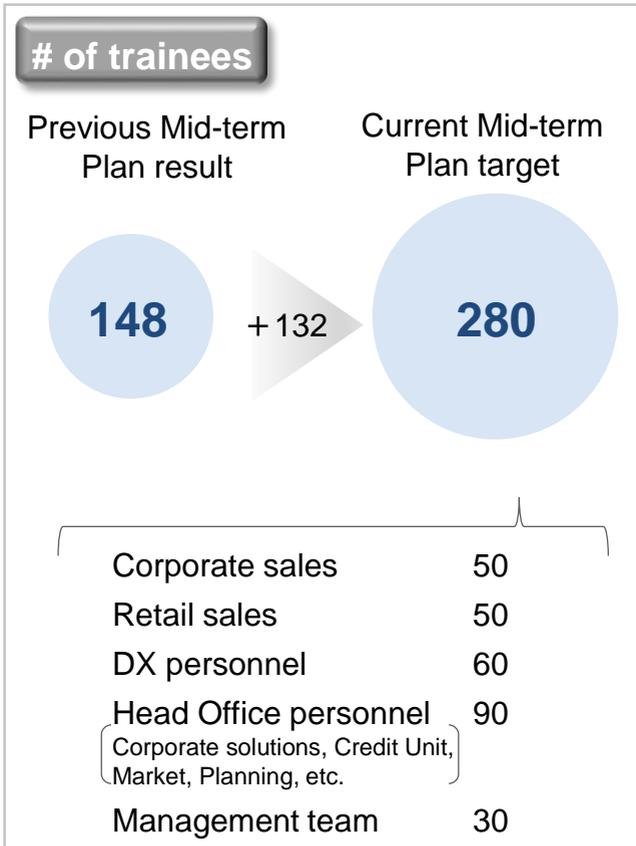
“Become someone who keeps fighting for the customer”. Think things through, utilize your own strengths, and gain more supporters

## New Mid-term Plan Human Resources Strategy



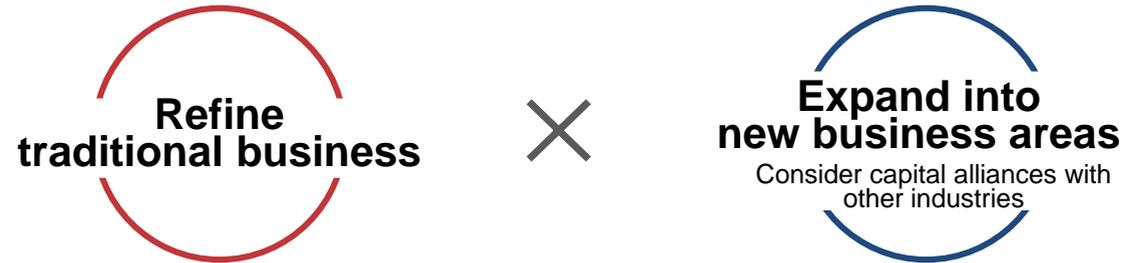
Sustainable growth for the local community

Improve personal growth, job satisfaction, and treatment of employees



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

## Expand Group Business



### Finance

Chibagin Leasing

Chibagin Capital

New

Retail auto-leasing

New

Buy-out funds

Chibagin Guarantee

Chibagin Servicer

### Asset Management

Chibagin Securities

Chibagin Asset Management

### IT

Chibagin Computer Service

T&I Innovation Center

### New Business Areas

#### Inside the Group

Chibagin Market

Chibagin Green Energy

#### Outside the Group

On Ad

New anti-money laundering company (under consideration)

### Consulting/Solutions

Chibagin Research Institute

Chibagin JCB Card

Chibagin Career Service

Chibagin DC Card

### Branch/facility management, etc.

Sobu

### Special Subsidiary

Chibagin Heartful

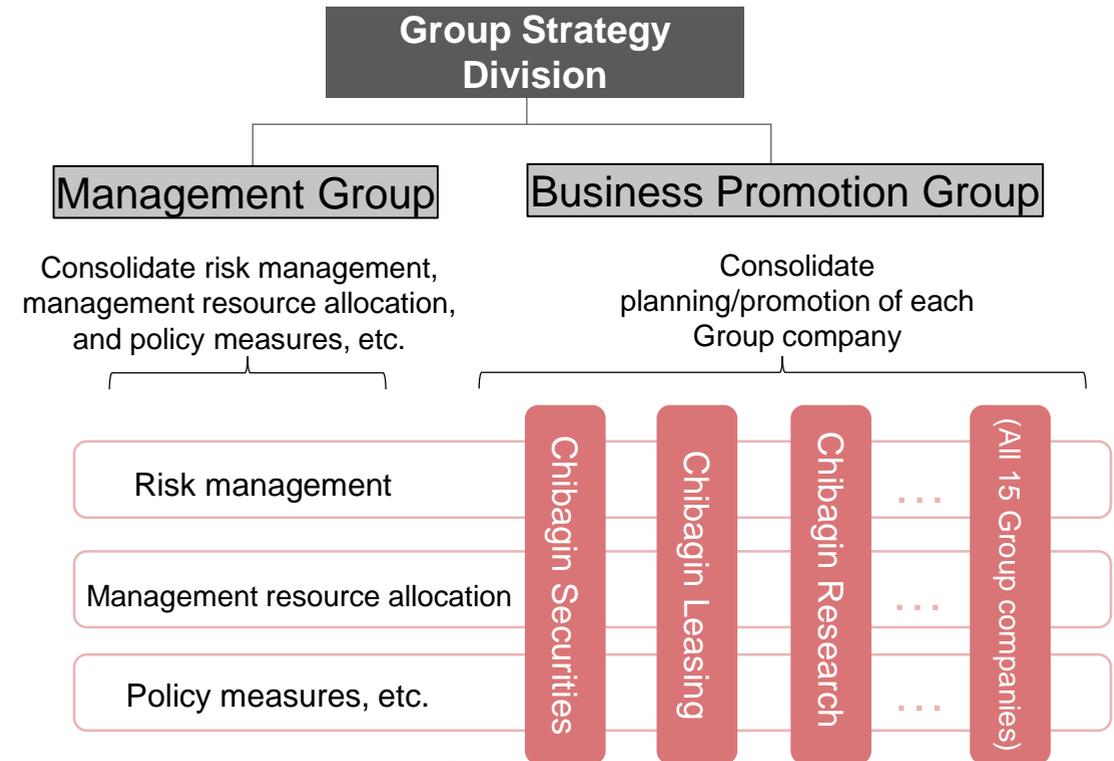
... and further consideration of new businesses

## Enhance Group Management Structure

### Newly-established "Group Strategy Division"

Oversee all aspects of Group companies, including sales and management

Promote integrated Group management equivalent to a holding company structure



### Integrated management of Group personnel

Integrated Group recruiting

Fluid transfer of personnel