



# ANNUAL REPORT 2020



## Profile

As moves to establish new banks that were more community-based gathered momentum, the Chiba Kogyo Bank was founded in 1952 with the spirit of “acting as a reliable adviser to small- and medium-sized enterprises in Chiba Prefecture” and opened for business in Chiba City, Chiba Prefecture.

By putting into practice its corporate philosophy of “Moving Forward with the Region, with Heartfelt Kindness Toward Customers,” the Bank has gained trust from regional customers and has promoted community-based finance rooted in the regional area and contributed to the local economy and local society, striving to be “a bank that continues to be chosen, with an absolute presence indispensable to the area and our customers.”

## Corporate Outline (As of March 31, 2020)

<b>Name:</b>	The Chiba Kogyo Bank, Ltd.
<b>Date of Establishment:</b>	January 18, 1952 (Start of Business: March 3, 1952)
<b>Head Office:</b>	1-2, Saiwaicho 2-chome, Mihama-ku, Chiba 261-0001 Telephone: +81-43-243-2111 URL: <a href="https://www.chibakogyo-bank.co.jp/">https://www.chibakogyo-bank.co.jp/</a>
<b>Financial Market Division:</b>	2-2, Saiwaicho 2-chome, Mihama-ku, Chiba 261-0001 Telephone: +81-43-243-0852 SWIFT Address: CHIK JP JT Fax Number: +81-43-243-0235
<b>Network</b>	
<b>Head Office and Branches:</b>	74
<b>Number of Employees:</b>	1,348
<b>Stock Exchange Listing:</b>	1st Section of Tokyo Stock Exchange
<b>Paid-in Capital:</b>	¥62,120 million
<b>Number of Common Stock:</b>	Authorized: 296,000 thousand shares Issued and outstanding: 62,222,045 shares
<b>Number of Common Stock Shareholders:</b>	11,130

The Chiba Kogyo Bank, Ltd. is an affiliate under the equity method of Mizuho Financial Group, Inc.

Name	Location	Business category	Capital (Millions of yen)	Founded	Percentage of voting rights of the Bank
Mizuho Financial Group, Inc.	Chiyoda-ku, Tokyo	Holding company for financial service companies	2,256,767	Jan. 8, 2003	17.7% (17.7%)

Note: Figures in parentheses in the column “Percentage of voting rights of the Bank” represent the Bank’s shares held by subsidiaries of Mizuho Financial Group, Inc.

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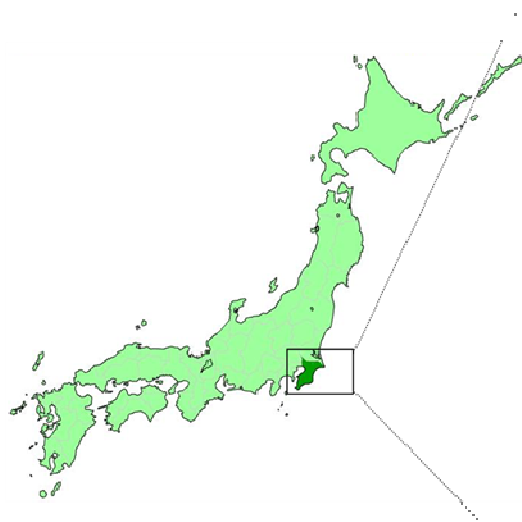
# Chiba Prefecture – Our Business Base

Chiba Prefecture, the Chiba Kogyo Bank's business base, is located adjacent to Tokyo, and plays an important role in the functions of the Greater Tokyo Area.

Industry inside the prefecture is extremely active and well-balanced, and the prefecture is in the top rank nationally -- in agriculture, marine products, industrial products, commercial trade and also gross prefectural product. Chiba Prefecture is also home to many of Japan's preeminent facilities, including Makuhari Messe, one of Japan's largest convention facilities, and Narita International Airport.

In addition, with the enhanced development of the Tokyo Bay Aqua-Line Expressway (Trans-Tokyo Bay Highway connecting Chiba Prefecture and Kanagawa Prefecture) and the beltway connecting the core cities of the Greater Tokyo Area, accessibility to the metropolitan center has been greatly improved, and thus the number of sightseeing visitors to Chiba Prefecture is on an increasing trend.

Chiba prefecture has plenty of potential to sustain and increase its growth at this time, amid a situation where it is continuously expected to reap economic benefits associated with the Tokyo Olympic and Paralympic Games despite of its one-year postponement, and has also been steadily developing its expressways and other infrastructure.



<b>Population</b> <b>6.25 Million</b> <b>6 th</b> among Japanese Prefectures	<b>Balance Deposit</b> <b>¥30.8 Trillion</b> <b>6 th</b> among Japanese Prefectures	<b>Balance of Loan</b> <b>¥14.8 Trillion</b> <b>7 th</b> among Japanese Prefectures	<b>Gross Prefecture Product (nominal)</b> <b>¥20.3 Trillion</b> <b>7 th</b> among Japanese Prefectures
<b>Agricultural Output</b> <b>¥425 Billion</b> <b>4 th</b> among Japanese Prefectures	<b>Fishery Production Volume</b> <b>111 K Tons</b> <b>7 th</b> among Japanese Prefectures	<b>Manufacturing Output</b> <b>¥13.1 Trillion</b> <b>7 th</b> among Japanese Prefectures	<b>Retail Sales</b> <b>¥0.8 Trillion</b> <b>7 th</b> among Japanese Prefectures

Source: 2019 Population Estimates, Report on Internal Migration in Japan, Statistics Bureau of Japan, Mar.31.2020 Bank of Japan, Annual Report on Prefectural Accounts, 2016, Cabinet Office, Statistics of Agricultural Income Produced, 2018, Production Statistics for the Fishing and Aquaculture industries, 2019, Ministry of Agriculture, Forestry and Fisheries, Census of Manufactures 2018, Current Survey of Commerce 2019, Ministry of Economy, Trade and Industry

## *Message from the President*

As always, I would like to express my sincere gratitude for your continued patronage and support for the Chiba Kogyo Bank (the “Bank”).

On this occasion, we have formulated the “Annual Report 2020,” which highlights the Bank’s management activities and operating results, and provides other initiatives. We would be pleased if stakeholders could take the time to peruse this document.

Chiba Prefecture, the basis for business of Chiba Kogyo Bank, has been seeing a continual influx of residents, and as of FY2019, it is home to over 6.27 million people. Moreover, the prefecture has plenty of potential to sustain and increase its growth at this time, amid a situation where it is continuously expected to reap economic benefits associated with the Tokyo Olympic and Paralympic Games despite of its one-year postponement, and has also been steadily developing its expressways and other infrastructure.

Spread of the novel coronavirus disease (COVID-19), however, has affected the economy and society in various ways, and we are entering into a new phase where values are forced to be transformed in every aspect, including daily life and work style.

Since the previous year, the Bank has been raising “Upgrade of Consulting Kodo” as a core strategy in its Medium-Term Management Plan. Now is exactly when its true value is put to question. We recognize that, the most important duty as a regional financial institution is to support and reinvigorate local economic activities and social life hard hit by the spread of COVID-19. With an eye toward “WITH CORONA,” Consulting Kodo that will create customers’ future is implemented, not only by business continuation support focusing on securing finance, but also by reviewing business models and business transaction flows of customer companies, improving efficiency through digital promotion, and conducting workstyle reform of employees such as through introduction of teleworking.

While preventing the infection spread of COVID-19, placing first to secure the health and safety of customers and bank employees, the Bank, with officers and employees joining together as one, will take initiatives in various issues to meet the expectations of shareholders, customers and community members. We sincerely ask for your continued guidance and support.



**Hitoshi Umeda**  
***President (CEO)***

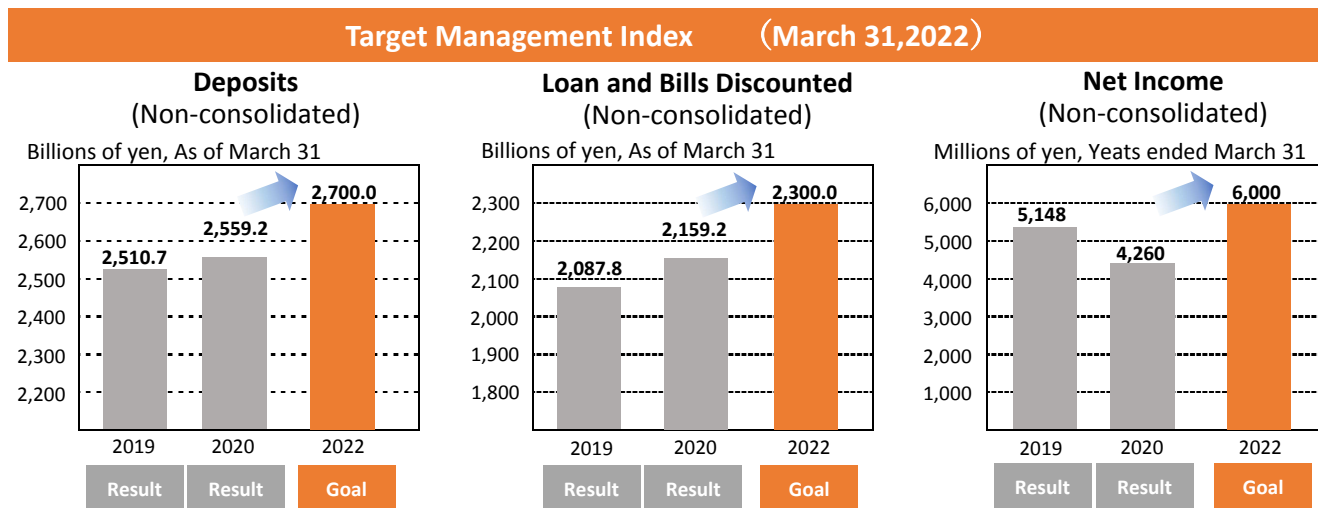
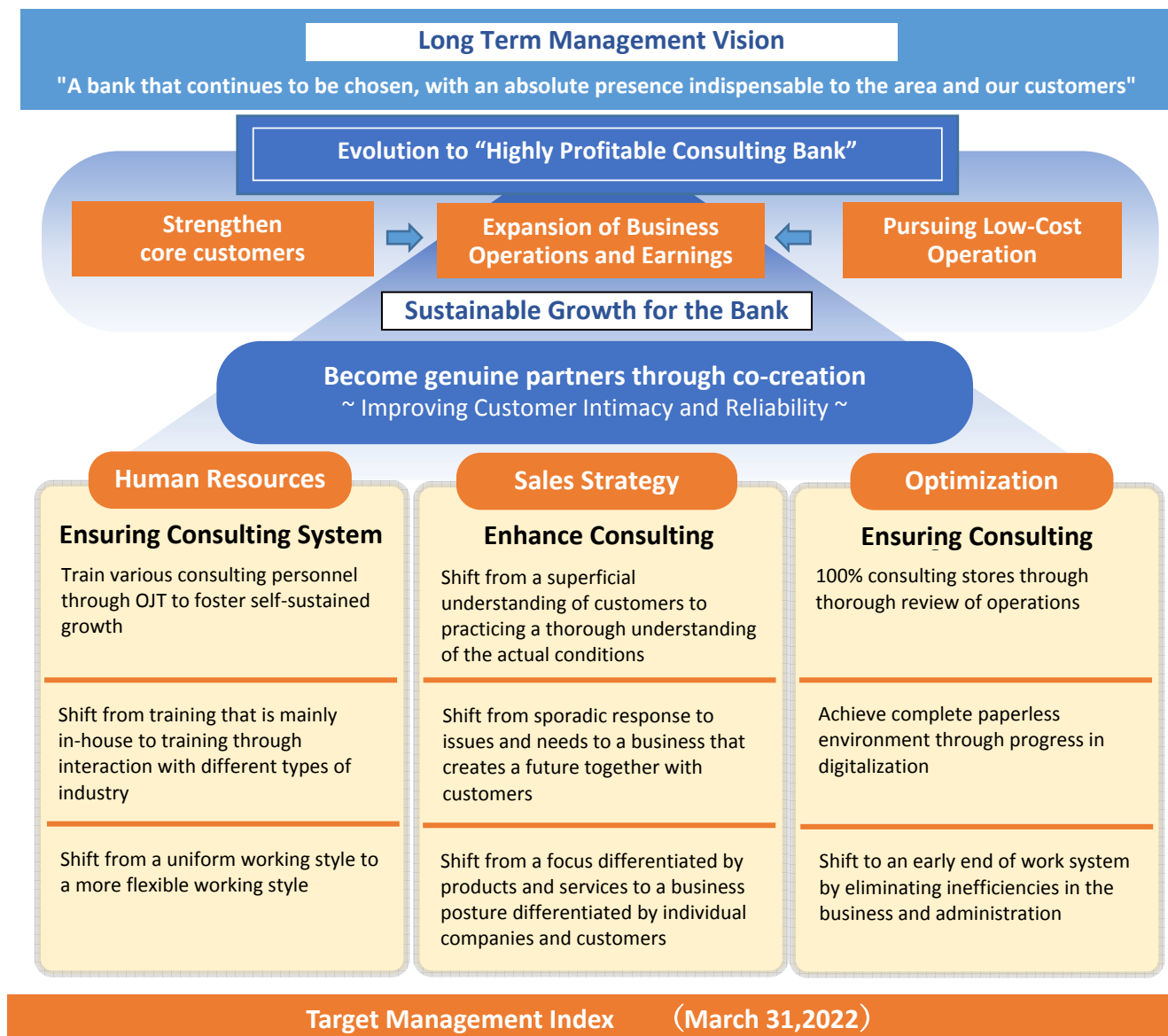


# Medium Term Management Plan

## Consulting Kodo Project 2022

~ Together towards the future –Closer and Deeper- ~

Under the Medium-Term Management Plan commenced in FY2019, the Bank will proceed to “advance consulting that will continuously follow the path with customers” so as to become “a bank that continues to be chosen, with an absolute presence indispensable to the area and our customers.” To do so, consulting force will be put together by improving the quality of consulting personnel through “personnel development where all employees will play a leading role” and “pursuit of low cost operation from improved efficiency.”



# Novel Coronavirus Disease (COVID-19) Initiatives

The global infection spread of COVID-19 is seriously affecting the economy. The Bank is endeavoring to respond promptly and conscientiously to consultation in regard to loans and repayments from customers affected by the infection spread of COVID-19. Moreover, various measures are being taken to secure the safety of customers and bank employees as well as for the continuance of marketing activities.

## To have customers visit Bank's service counter with a sense of security

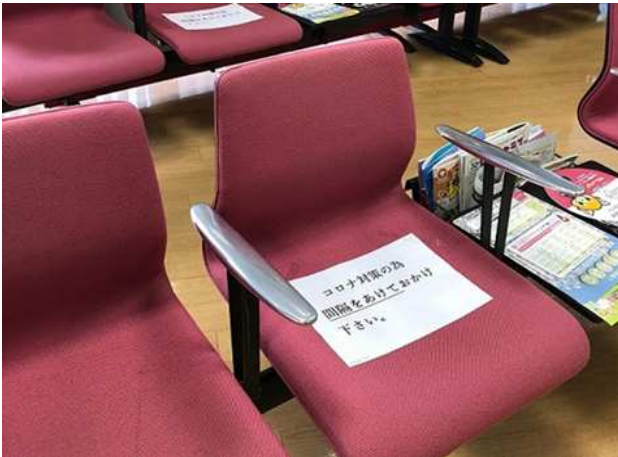
Acrylic panels to prevent droplet infection have been set up on the service counter and places such as registry tables and ATMs are cleaned with disinfectant agents. Furthermore, we are making sure that employees wear face masks, lobby staffs put on face shields, hands and mouths are washed, and sterilization with alcohol is conducted to maintain hygiene. Notices are also placed on seats in branch lobbies asking customers to sit spaced apart, and tapes are marked to line up spaced apart for ATMs.



Acrylic panels to prevent droplet infection



Lobby staffs putting on face shields



Notices placed on seats in branch lobbies



Tapes marked to line up spaced apart for ATMs

## Closing service counters during lunch hours in all branches

From the perspective of preventing the infection spread of COVID-19 and securing the business continuity system, service counters are temporarily closed during lunch hours since April 16, 2020.

ATMs set up inside branches are operating during lunch hours when service counters are closed, and therefore are available. Financial services allowing transaction without visiting branches are also provided. For details, please refer to p.7.

## Initiatives to support customers

Considering that customers' living environment and business environment is suddenly and drastically changing due to the increasing impact of COVID-19, consultation service counters are set up in all branches and loan plazas to promptly respond to consultation relating to business funds, various kinds of loans, and others. Please feel free to consult us.

Consultation service counters open holidays have been set up during the "Golden Week" period to expand the system to support customers.



## Donation to Chiba Prefecture relating to COVID-19 control measures

The Bank donated 2.50 million yen in total to Chiba Prefecture as a "donation for COVID-19 control measures" to be used for activities of healthcare professionals engaged in treatment of COVID-19 patients, etc. and other measures to control the disease. The donation is partially appropriated by the donation (500 thousand yen) collected from officers and employees of the Bank and associated companies through Chiba Kogin "Small Kindness" Movement Promotion Headquarters (General Manager Ryuichi Matsumaru/Deputy President of Chiba Kogyo Bank).



## Collaboration with Hana-Ippai Project

The Bank was collaborating with "Decorate with Flowers from Chiba! 'Hana-Ippai (flower-filled) Project'" implemented by Chiba Prefecture to increase consumption of flowering plants which demands are decreasing due to the increasing impact of COVID-19. All our branches were decorated with flowers from Chiba prefecture to entertain customers visiting us.



## Support in work

From the perspective of reducing viral contact infection from large number of unspecified individuals, staggered working hours and teleworking are adopted by some bank employees. Meetings and group trainings are performed through video conferencing system.

Employees who need to caretake due to simultaneous school closure by municipalities, obtainment of shorter working hours and special leaves, etc. are encouraged. A consultation service counter has been set up within the Personnel Division where matters such as taking one's children to work is also consulted.



# Fintech Initiatives

## Commencement of application to open web accounts

The Bank has started a service allowing savings account and investment trust account (including NISA account) to be newly opened via access to the Bank's website from one's PC and smartphones. Application can be made from homes and other places with ease, and procedures will be completed without having to visit the bank counter. Moreover, since the account is web-based, time and effort to keep bankbooks safe and make entries will not be needed. There will also be no worries against losing or having them stolen.

## Chiba Kogin Application

Chiba Kogin Application is a smartphone app allowing users to inquire on details of the balance and deposits/withdrawals in the savings account on a 24-hour basis.

(Inquiries on details of the account balance and deposits/withdrawals)  
Inquiries on details of the balance and deposits/withdrawals in the savings account registered in the app may be checked in real time. A maximum of 1,000 transaction details of deposits/withdrawals may be stored within the app, serving as a substitute for bankbooks.

(Notification of deposits and withdrawals)

When a deposit/withdrawal transaction takes place in a primary account, a notice will be sent to one's smartphone up to three times per day.

(Push notification)

Beneficial information including various campaigns and guides will be notified to one's smartphone.



## Chiba Kogin Direct

Various services are available from home and on the road without having to visit branches. Services include inquiries on the account balance and deposits/withdrawals, remittance and transfer, deposits and maturity cancellation contract of time deposits, deposits/withdrawals of installment savings, deposits/withdrawals and maturity cancellation contract of foreign-currency accounts, and purchase and cancellation of investment trusts.

(Internet banking)

Internet banking is a service allowing transaction via the internet from one's PC and smartphone.

(Mobile banking)

Transaction may be made while looking at one's cellular phone display. i-mode (NTT DOCOMO), Yahoo! Keitai (SoftBank mobile), and EZ-Web (KDDI<au>) shall be used.



\* Transaction may not be available depending on services.

\* Transaction may not be available on a certain date and time due to details of service, system maintenance, etc.

## Launch of payment using J-Coin Pay

J-Coin Pay is a smartphone payment service provided by Mizuho Bank, Ltd. free of charge. Various monetary transactions such as sending and receiving transfers, and making payments are completed on the smartphone app. By registering the Bank's account, deposits/withdrawals (charge/return to account) between J-Coin Pay and accounts are possible.

Cashless payment through J-Coin Pay was launched at a game held at ZOZO Marine Stadium, the home ground of Chiba Lotte Marines. With the introduction of J-Coin Pay, a discount campaign was carried out until the end of the 2019 regular season period, targeting those who used J-Coin Pay associated with beverage sales inside the Marine Stadium (buying drinks from salespersons).





# Development of Business Activities and Realization of Sustainability based on Corporate Philosophy

Chiba Kogyo Bank, as a “consulting bank”, will think deeply and act (Kodo) with closeness and kindness ever more than before to create the future with customers and the community.

Under the corporate philosophy of “Moving Forward with the Region, with Heartfelt Kindness Toward Customers,” the Bank is developing its business activities and CSR activities as a financial institution that takes root in, exists and progresses with its community.

Each and every employee will continue to earnestly and sincerely think and work to solve the challenges faced by the community and customers, and respond to society’s expectation by addressing to the ever changing environment such as through ESG and SDGs in pursuit of contribution to the local community and economy and realization of a sustainable society.

## Corporate Philosophy

“Moving Forward with the Region, with Heartfelt Kindness Toward Customers”

## Development of business activities based on Corporate Philosophy

### CSR (Corporate Social Responsibility) activities

Responsibility toward shareholders, customers, officers and employees, and community

## Medium Term Management Plan

### Consulting Kodo Project 2022 ~ Together towards the future –Closer and Deeper- ~

As a true partner, we will support local customers, and together will support the local economy. We will make concerted efforts to work on Consulting Kodo for the continuous future growth.

## Realization of Sustainability

### SDGs (Sustainable Development Goals) refers to ...

Global goals aiming to create a sustainable and better world by 2030, stated in the 2030 Agenda for Sustainable Development which was adopted at the United Nations Summit in September 2015.

The composed 17 goals and 169 targets are set for the world to realize sustainable development. Goals include ending of poverty and preservation of the natural environment.



## Environment

### Environmental initiatives

#### Participation in a demonstration test of “Auto Share” car sharing business in Tateyama City!

We participated in a demonstration test of “Auto Share” car sharing business launched by Idemitsu Kosan Co., Ltd. in Tateyama City.

“Auto Share” is a car sharing service utilizing “ultra-small EV” electric vehicles that run with renewable energy with outstanding environmental performance. We are endeavoring to reduce greenhouse gas emission by using the electric vehicle as our commercial vehicle on weekdays. On weekends, the vehicle is hired out as a car sharing vehicle for general use, serving as means of transportation for local residents who go out shopping.

The wrap design of the vehicle we use was thought out by Chiba University who we form industry-academia partnership with.



“Maiwai,” a local dyed clothing in Boso Area, was used as the vehicle wrap design.

## Social

### Community service activities

#### Disaster area support activities

We sent bank employees as volunteer workers to areas stricken by the typhoon and heavy rain that developed in the fall of 2019. Working as operation volunteers in respective disaster volunteer centers, they were involved in the reception, staff allocation, and arrangement of supplies. The volunteers also supported the restoration by supplying electricity to power outage areas via power generating cars, and providing supplies such as water and blue tarpaulins.

Moreover, we donated a contribution of 10 million yen to Chiba Prefecture to be used for the relief of sufferers and the restoration and reconstruction of disaster-hit areas.



Power generating cars sent to disaster-hit areas.

#### Sponsoring “BRIDGE CHIBA” Blue Seed Daisakusen

We took initiatives to support disaster reconstruction by sponsoring “BRIDGE CHIBA” Blue Seed Daisakusen. “BRIDGE CHIBA” Blue Seed Daisakusen is an initiative taken under the concept of “recycling of blue tarpaulins as seeds of Chiba’s reconstruction.” Specifically, blue tarpaulins used in the disaster-hit areas within Chiba Prefecture are collected, cleaned, cut, processed, and sold as tote bags. Part of the sales proceeds raised is donated to a reconstruction support association engaging in activities in Chiba Prefecture. As an official partner, we sponsored the project participated by many companies within the prefecture.



Tote bags recycled from blue tarpaulins.

### Overview of Corporate Governance Framework

The Bank has adopted the structure of a company with a Board of Corporate Auditors, and in terms of institutions it has set up the General Meeting of Shareholders, Board of Directors and Board of Corporate Auditors, and put an Accounting Auditor in place.

#### ■ Board of Directors

The Board of Directors consists of nine Directors of which three are appointed as Outside Directors. It is management's highest decision-making body and supervisory body which determines management policies and other matters, receives reports on the status of business execution, and supervises such in accordance with rules such as the Board of Directors rules.

Governance Committee and Compliance Committee is set up as an advisory body of the Board of Directors. The Governance Committee consists mainly of outside executives, and matters such as the nomination, appointment and remuneration of executives such as Directors and Corporate Auditors are deliberated from a fair and objective perspective. By developing a scheme to display Governance Committee functions to the fullest extent possible, the Bank strives to improve its effectiveness of the Board of Directors, and consequently achieve sustainable growth and increase medium- to long-term corporate value.

The Management Liaison Committee is set up as a subordinate organization to the Board of Directors. By partially assigning the Board of Directors authority to the committee, the Bank pursues to improve management efficiency and speed up business execution.

#### ■ Board of Corporate Auditors

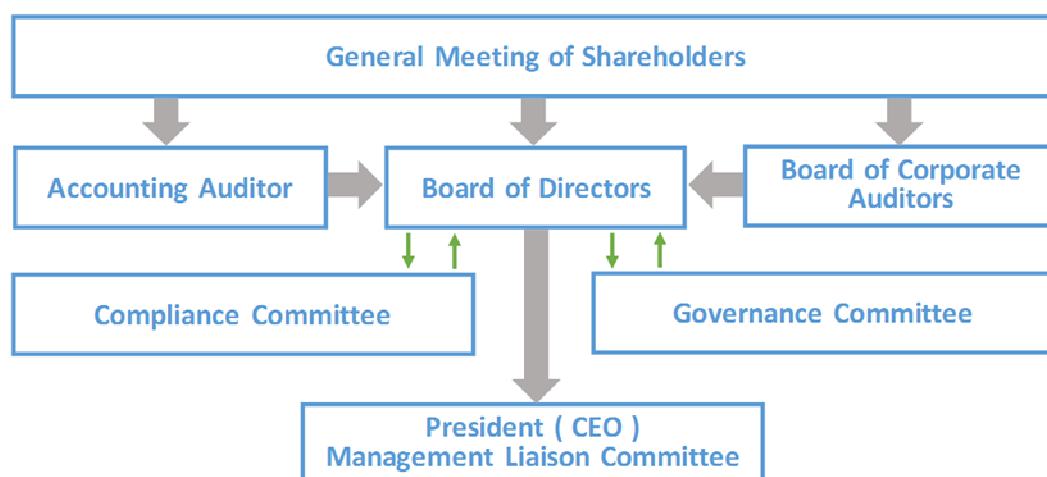
The Board of Corporate Auditors consists of four Corporate Auditors of which two are appointed as Outside Corporate Auditors. Corporate Auditors conduct audits of matters such as the status of development and operation of internal control systems including the status of decision-making by Directors, compliance with laws and regulations, risk management and disclosure of corporate information in accordance with the Corporate Auditors Audit Standards.

#### ■ Outside Directors, Outside Corporate Auditors

Outside Directors are appointed with an aim to strengthen the supervisory function in regard to Directors' business execution and further enhance management transparency while utilizing the knowledge of experts outside the company in the management.

Since persons with experience as manager in large-scale companies and with insight are appointed as Outside Corporate Auditors, in addition to legal auditing, the Bank is able to receive advice based on their experience and insight when decisions are made by the Board of Directors and business executed.

### Corporate Governance System





# Summary of Selected Financial Data (Consolidated)

Fiscal year ended March 31	2016	2017	2018	2019	2020	
Consolidated ordinary income						
(Millions of yen)	¥53,884	¥52,255	¥50,525	¥50,831	¥50,391	\$463,025
(Thousands of U.S. dollar)						
Consolidated ordinary profit						
(Millions of yen)	12,566	9,322	9,489	8,335	6,725	61,794
(Thousands of U.S. dollar)						
Consolidated profit attributable to owners of parent						
(Millions of yen)	7,901	6,388	6,771	5,183	4,530	41,625
(Thousands of U.S. dollar)						
Consolidated comprehensive income						
(Millions of yen)	1,174	3,631	7,934	9,592	(1,717)	(15,777)
(Thousands of U.S. dollar)						
Consolidated net assets						
(Millions of yen)	146,737	150,724	156,621	172,583	166,892	1,533,511
(Thousands of U.S. dollar)						
Consolidated total assets						
(Millions of yen)	2,612,058	2,694,580	2,739,444	2,814,394	2,851,390	26,200,404
(Thousands of U.S. dollar)						
Net assets per share	(Yen)	1,449.71	1,465.62	1,554.72	1,674.88	1,687.69
(U.S. dollar)						15.51
Basic earnings per share	(Yen)	101.99	67.41	78.79	53.36	51.75
(U.S. dollar)						0.48
Diluted earnings per share	(Yen)	75.03	45.34	52.35	33.61	20.27
(U.S. dollar)						0.19
Capital adequacy ratio	(%)	5.51	5.48	5.59	6.01	5.73
Consolidated capital adequacy ratio (under Japanese standards)	(%)	8.81	8.68	8.40	8.70	8.26
Consolidated return on equity	(%)	5.62	4.37	4.49	3.21	2.72
Consolidated price earnings ratio	(Times)	4.99	9.12	5.83	5.60	4.88
Cash flows from operating activities						
(Millions of yen)	18,108	23,856	(19,686)	30,659	(17,954)	(164,973)
(Thousands of U.S. dollar)						
Cash flows from investing activities						
(Millions of yen)	34,279	(10,978)	14,263	(4,367)	6,526	59,965
(Thousands of U.S. dollar)						
Cash flows from financing activities						
(Millions of yen)	6,231	273	(2,060)	1,184	(3,998)	(36,736)
(Thousands of U.S. dollar)						
Cash and cash equivalents at end of period	(Millions of yen)	¥113,766	¥127,073	¥119,772	¥147,441	¥132,233
(Thousands of U.S. dollar)						\$1,215,042
Number of employees		1,422	1,442	1,461	1,464	1,452
[Separately, average number of temporary employees] (Persons)		[1,106]	[1,095]	[1,057]	[1,015]	[950]

- Notes: 1. U.S. dollar amounts are the yen equivalent, calculated, for convenience only, at a rate of ¥108.83 = U.S. \$1, the approximate Tokyo foreign exchange market rate as of March 31, 2020.
2. In the accounting treatment for consumption taxes and local taxes of the Bank and its consolidated subsidiaries, the tax-excluded method is used with the exception of some consolidated subsidiaries.
3. Capital adequacy ratio is calculated by dividing (total net assets at the end of current period - share acquisition rights at the end of current period - non-controlling interests at the end of current period) by total assets at the end of current period.
4. The "Consolidated capital adequacy ratio (under Japanese standards)" has been calculated based on the "Criteria for Banks to Judge Whether Their Capital Adequacy Status Is Appropriate in Light of Their Assets, etc. Under Article 14-2 of the Banking Act" (Financial Services Agency Public Notice No. 19 of 2006).

# *Business Performance (Consolidated)*

In FY2019, the Japanese economy maintained a track of mild recovery, and corporate earnings and employment environment continuously remained stable. With the infection spread of COVID-19, however, economic activities were suppressed world-wide toward the end of FY2019.

The economy of Chiba Prefecture, which forms the basis for the Bank's business, was seriously damaged having been struck by natural disasters such as typhoon and heavy rain in the fall of 2019. Amidst the process of reconstruction, the region had to refrain from leaving home, stop holding large-scale events due to the infection spread of COVID-19. With production activities of enterprises slowing down, the outlook of Chiba Prefecture's economy is uncertain.

Under such financial and economic environment, the Bank started the three-year Medium-Term Management Plan, "Consulting Kodo Project 2022 ~Together towards the future – Closer and Deeper – ~," in April 2019. Since the beginning of the term, specific strategic measures have been actively developed to address business challenges. As concerns rose about the future day by day from community members with the infection spread of COVID-19, consulting business was put to focus, including support toward corporate and sole proprietor customers in terms of business continuity primarily through securing finance, and toward individual customers toward the end of the fiscal term.

To safeguard the health and safety of customers and bank employees with the highest priority, these initiatives are taken to continue business while also seeking to prevent infection spread of COVID-19 by making sure face masks are worn, hands are disinfected with alcohol, and acrylic panels are set up on service counters to prevent droplet infection and others.

As a result, the Group's financial position and performance for FY2019 were as follows.

Ordinary income decreased ¥440 million year on year to ¥50.391 billion, primarily due to a decrease in fees and commission despite an increase in interest income. Ordinary expenses increased ¥1.169 billion year on year to ¥43.666 billion, primarily due to the loss on devaluation of equity securities. As a result, the Group posted ordinary profit of ¥6.725 billion, a decrease of ¥1.609 billion year on year. Profit attributable to owners of parent decreased ¥653 million year on year to ¥4.530 billion.

Regarding the business performance by segment, ordinary income from banking business decreased ¥827 million year on year to ¥41.571 billion, while its segment profit decreased ¥1.849 billion year on year to ¥5.915 billion. Ordinary income from leasing business increased ¥101 million year on year to ¥8.414 billion, while its segment profit decreased ¥14 million to ¥90 million. Ordinary income from credit guarantee and credit card business decreased ¥18 million year on year to ¥2.020 billion, while its segment profit increased ¥99 million to ¥1.010 billion. Ordinary income from other business segment decreased ¥45 million year on year to ¥2.215 billion, while its segment profit increased ¥58 million year on year to ¥245 million.

Deposits totaled ¥2,547.0 billion, an increase of ¥47.9 billion year on year, primarily due to an increase in individual deposits. Loans and bills discounted totaled ¥2,156.8 billion, an increase of ¥72.3 billion year on year, as a result of efforts to discover latent financing needs through consulting sales activities, and proactive efforts toward financial needs of business partners. Securities holdings totaled ¥487.8 billion, a decrease of ¥18.3 billion year on year.

As a result, total assets increased ¥36.9 billion year on year to ¥2,851.3 billion, and total net assets decreased ¥5.6 billion year on year to ¥166.8 billion at the end of FY2019.

The consolidated capital adequacy ratio (under Japanese standards) at the end of FY2019 fell 0.44 percentage points from the end of FY2018 to 8.26%.

# Consolidated Financial Statements

## (1) Consolidated Balance Sheets

	(Millions of yen)		(Thousands of U.S. dollars)*
	As of March 31, 2019	As of March 31, 2020	As of March 31, 2020
<b>Assets</b>			
Cash and due from banks	¥148,100	¥132,574	\$1,218,175
Monetary claims bought	97	97	891
Trading account securities	102	110	1,011
Securities	506,188	487,853	4,482,707
Loans and bills discounted	2,084,516	2,156,861	19,818,625
Foreign exchanges	2,981	5,288	48,590
Other assets	44,090	41,997	385,895
Tangible fixed assets	20,906	20,628	189,543
Buildings, net	6,897	6,712	61,674
Land	12,144	12,144	111,587
Leased assets, net	60	62	570
Other tangible fixed assets	1,803	1,707	15,685
Intangible fixed assets	2,575	2,920	26,831
Software	2,075	2,471	22,705
Leased assets	111	59	542
Other intangible fixed assets	388	388	3,565
Deferred tax assets	2,860	3,978	36,552
Customers' liabilities for acceptances and guarantees	11,439	7,127	65,487
Allowance for loan losses	(9,463)	(8,046)	(73,932)
<b>Total assets</b>	<b>2,814,394</b>	<b>2,851,390</b>	<b>26,200,404</b>
<b>Liabilities</b>			
Deposits	2,499,075	2,547,017	23,403,630
Negotiable certificates of deposit	72,500	68,000	624,828
Call money and bills sold	4,440	4,353	39,998
Payables under securities lending transactions	11,026	4,589	42,167
Borrowed money	18,589	21,490	197,464
Foreign exchanges	65	56	515
Other liabilities	15,848	22,823	209,712
Retirement benefit liability	7,941	8,356	76,780
Provision for retirement benefits for directors (and other officers)	62	63	579
Provision for reimbursement of deposits	740	483	4,438
Deferred tax liabilities	81	134	1,231
Acceptances and guarantees	11,439	7,127	65,487
<b>Total liabilities</b>	<b>2,641,811</b>	<b>2,684,497</b>	<b>24,666,884</b>
<b>Net assets</b>			
Share capital	62,120	62,120	570,798
Capital surplus	17,798	15,802	145,199
Retained earnings	76,942	80,413	738,886
Treasury shares	(15)	(947)	(8,702)
<b>Total shareholders' equity</b>	<b>156,845</b>	<b>157,388</b>	<b>1,446,182</b>
Valuation difference on available-for-sale securities	14,277	8,661	79,583
Remeasurements of defined benefit plans	(1,891)	(2,563)	(23,550)
Total accumulated other comprehensive income	12,386	6,097	56,023
Share acquisition rights	69	83	763
Non-controlling interests	3,281	3,323	30,534
<b>Total net assets</b>	<b>172,583</b>	<b>166,892</b>	<b>1,533,511</b>
<b>Total liabilities and net assets</b>	<b>¥2,814,394</b>	<b>¥2,851,390</b>	<b>\$26,200,404</b>

\* Please refer to the note 1 on page 11.



## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

### (Consolidated Statements of Income)

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2020
Ordinary income	¥50,831	¥50,391	\$463,025
Interest income	27,883	28,641	263,172
Interest on loans and discounts	22,061	21,504	197,593
Interest and dividends on securities	5,444	6,778	62,281
Interest on call loans and bills bought	7	1	9
Interest on deposits with banks	113	98	900
Other interest income	255	258	2,371
Fees and commissions	10,070	9,819	90,223
Other ordinary income	1,414	1,001	9,198
Other income	11,463	10,929	100,423
Reversal of allowance for loan losses	1,346	545	5,008
Recoveries of written off receivables	269	1,216	11,173
Other	9,846	9,167	84,232
Ordinary expenses	42,496	43,666	401,231
Interest expenses	1,006	715	6,570
Interest on deposits	376	312	2,867
Interest on negotiable certificates of deposit	6	7	64
Interest on call money and bills sold	46	80	735
Interest on payables under securities lending transactions	369	127	1,167
Interest on borrowings and rediscounts	200	184	1,691
Other interest expenses	6	2	18
Fees and commissions payments	3,746	4,032	37,049
Other ordinary expenses	1,584	1,211	11,127
General and administrative expenses	25,627	26,020	239,088
Other expenses	10,531	11,686	107,378
Other	10,531	11,686	107,378
Ordinary profit	8,335	6,725	61,794
Extraordinary loss	117	52	478
Loss on disposal of non-current assets	60	49	450
Impairment loss	56	3	28
Profit before income taxes	8,217	6,672	61,307
Income taxes - current	1,436	502	4,613
Income taxes - deferred	1,419	1,598	14,683
Total income taxes	2,855	2,101	19,305
Profit	5,361	4,571	42,001
Profit attributable to non-controlling interests	178	41	377
Profit attributable to owners of parent	¥5,183	¥4,530	\$41,625

\* Please refer to the note 1 on page 11.

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2020
Profit	¥5,361	¥4,571	\$42,001
Other comprehensive income	4,230	(6,289)	(57,787)
Valuation difference on available-for-sale securities	4,147	(5,616)	(51,603)
Remeasurements of defined benefit plans, net of tax	83	(672)	(6,175)
Comprehensive income	¥9,592	¥(1,717)	\$(15,777)
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	9,547	(1,759)	(16,163)
Comprehensive income attributable to non-controlling interests	44	41	377

\* Please refer to the note 1 on page 11.

### (3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	62,120	9,402	73,818	(39)	145,301
Changes during period					
Issuance of new shares	16,325	16,325			32,650
Transfer from share capital to other capital surplus	(16,325)	16,325			—
Dividends of surplus			(2,059)		(2,059)
Profit attributable to owners of parent			5,183		5,183
Purchase of treasury shares				(24,242)	(24,242)
Disposal of treasury shares		(12)		24	12
Cancellation of treasury shares		(24,242)		24,242	—
Net changes in items other than shareholders' equity					
Total changes during period	—	8,395	3,124	24	11,543
Balance at end of period	62,120	17,798	76,942	(15)	156,845

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	9,996	(1,974)	8,022	59	3,237	156,621
Changes during period						
Issuance of new shares						32,650
Transfer from share capital to other capital surplus						—
Dividends of surplus						(2,059)
Profit attributable to owners of parent						5,183
Purchase of treasury shares						(24,242)
Disposal of treasury shares						12
Cancellation of treasury shares						—
Net changes in items other than shareholders' equity	4,281	83	4,364	9	44	4,418
Total changes during period	4,281	83	4,364	9	44	15,962
Balance at end of period	14,277	(1,891)	12,386	69	3,281	172,583



Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	62,120	17,798	76,942	(15)	156,845
Changes during period					
Dividends of surplus			(1,059)		(1,059)
Profit attributable to owners of parent			4,530		4,530
Purchase of treasury shares				(2,939)	(2,939)
Disposal of treasury shares		4		6	11
Cancellation of treasury shares		(2,000)		2,000	—
Net changes in items other than shareholders' equity					
Total changes during period	—	(1,995)	3,470	(932)	543
Balance at end of period	62,120	15,802	80,413	(947)	157,388

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	14,277	(1,891)	12,386	69	3,281	172,583
Changes during period						
Dividends of surplus						(1,059)
Profit attributable to owners of parent						4,530
Purchase of treasury shares						(2,939)
Disposal of treasury shares						11
Cancellation of treasury shares						—
Net changes in items other than shareholders' equity	(5,616)	(672)	(6,289)	13	41	(6,234)
Total changes during period	(5,616)	(672)	(6,289)	13	41	(5,690)
Balance at end of period	8,661	(2,563)	6,097	83	3,323	166,892

Fiscal year ended March 31, 2020

(Thousands of U.S. dollars)\*

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	570,798	163,539	706,993	(138)	1,441,193
Changes during period					
Dividends of surplus			(9,731)		(9,731)
Profit attributable to owners of parent			41,625		41,625
Purchase of treasury shares				(27,005)	(27,005)
Disposal of treasury shares		37		55	101
Cancellation of treasury shares		(18,377)		18,377	—
Net changes in items other than shareholders' equity					
Total changes during period	—	(18,331)	31,885	(8,564)	4,989
Balance at end of period	570,798	145,199	738,886	(8,702)	1,446,182

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	131,186	(17,376)	113,811	634	30,148	1,585,804
Changes during period						
Dividends of surplus						(9,731)
Profit attributable to owners of parent						41,625
Purchase of treasury shares						(27,005)
Disposal of treasury shares						101
Cancellation of treasury shares						—
Net changes in items other than shareholders' equity	(51,603)	(6,175)	(57,787)	119	377	(57,282)
Total changes during period	(51,603)	(6,175)	(57,787)	119	377	(52,283)
Balance at end of period	79,583	(23,550)	56,023	763	30,534	1,533,511

\* Please refer to the note 1 on page 11.

#### (4) Consolidated Statements of Cash Flows

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2020
<b>Cash flows from operating activities</b>			
Profit before income taxes	¥8,217	¥6,672	\$61,307
Depreciation	1,949	1,947	17,890
Impairment loss	56	3	28
Increase (decrease) in allowance for loan losses	(1,729)	(1,417)	(13,020)
Increase (decrease) in retirement benefit liability	(582)	414	(3,804)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	4	0	0
Increase (decrease) in provision for reimbursement of deposits	(352)	(256)	(2,352)
Interest income	(27,883)	(28,641)	(263,172)
Interest expenses	1,006	715	6,570
Loss (gain) related to securities	(21)	2,505	23,018
Foreign exchange losses (gains)	(192)	(218)	(2,003)
Loss (gain) on disposal of non-current assets	60	49	450
Net decrease (increase) in trading account securities	(32)	(7)	(64)
Net decrease (increase) in loans and bills discounted	(31,058)	(72,345)	(664,752)
Net increase (decrease) in deposits	61,171	47,942	440,522
Net increase (decrease) in negotiable certificates of deposit	7,500	(4,500)	(41,349)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	(765)	2,901	26,656
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	87	317	2,913
Net decrease (increase) in call loans	6	—	—
Net increase (decrease) in call money	4,440	(87)	(799)
Net increase (decrease) in payables under securities lending transactions	(7,319)	(6,437)	(59,147)
Net decrease (increase) in foreign exchanges - assets	126	(2,307)	(21,198)
Net increase (decrease) in foreign exchanges - liabilities	(14)	(8)	(74)
Interest received	28,198	28,988	266,360
Interest paid	(1,030)	(720)	(6,616)
Other, net	(10,240)	7,038	64,670
Subtotal	31,603	(17,450)	(160,342)
Income taxes paid	(943)	(604)	(5,550)
Income taxes refund	—	100	919
Net cash provided by (used in) operating activities	30,659	(17,954)	(164,973)
<b>Cash flows from investing activities</b>			
Purchase of securities	(194,740)	(129,776)	(1,192,465)
Proceeds from sales of securities	115,065	65,625	603,005
Proceeds from redemption of securities	76,754	72,670	667,739
Purchase of tangible fixed assets	(729)	(809)	(7,434)
Proceeds from sales of property, plant, and equipment	4	—	—
Purchase of intangible assets	(722)	(1,183)	(10,870)
Net cash provided by (used in) investing activities	(4,367)	6,526	(59,965)
<b>Cash flows from financing activities</b>			
Decrease in subordinated borrowings	(5,000)	—	—
Proceeds from issuance of shares	32,486	—	—
Purchase of treasury shares	(24,242)	(2,939)	(27,005)
Proceeds from sales of treasury shares	0	0	0
Dividends paid	(2,059)	(1,059)	(9,731)
Net cash provided by (used in) financing activities	1,184	(3,998)	36,736
Effect of exchange rate change on cash and cash equivalents	192	218	2,003
Net increase (decrease) in cash and cash equivalents	27,669	(15,208)	139,741
Cash and cash equivalents at beginning of period	119,772	147,441	1,354,783
Cash and cash equivalents at end of period	¥147,441	¥132,233	\$1,215,042

\* Please refer to the Note 1 on page 11.



## - Cash Flows

Cash flows during FY2019 and their causes are as follows.

### *Cash flows from operating activities*

Net cash used in operating activities amounted to ¥17.9 billion (a decrease of ¥48.6 billion from ¥30.6 billion provided in FY2018). The main contributory factors were ¥6.6 billion in profit before income taxes, an increase of ¥72.3 billion in loans and bills discounted and an increase of ¥47.9 billion in deposit.

### *Cash flows from investing activities*

Net cash provided by investing activities amounted to ¥6.5 billion (an increase of ¥10.8 billion from ¥4.3 billion used in FY2018). The main contributory factors were ¥138.2 billion in proceeds from sales and redemption of securities, and ¥129.7 billion in purchase of securities.

### *Cash flows from financing activities*

Net cash used in financing activities amounted to ¥3.9 billion (a decrease of ¥5.1 billion from ¥1.1 billion provided in FY2018). The main contributory factors were ¥2.9 billion expended on the purchase of treasury shares. As a result, cash and cash equivalents at the end of FY2019 amounted to ¥132.2 billion (a decrease of ¥15.2 billion year on year).

## Consolidated Subsidiaries (As of March 31, 2020)

### Chiba Kogin Card Service Co., Ltd.

Main business line: Credit card business, guarantees of housing and other loans  
 Established: April 1979  
 Capital: ¥100 million  
 Equity share of the Bank and subsidiaries: 100.0%

### Chiba Kogin Business Service Co., Ltd.

Main business line: Clerical operations for the Bank  
 Established: January 1986  
 Capital: ¥10 million  
 Equity share of the Bank and subsidiaries: 100.0%

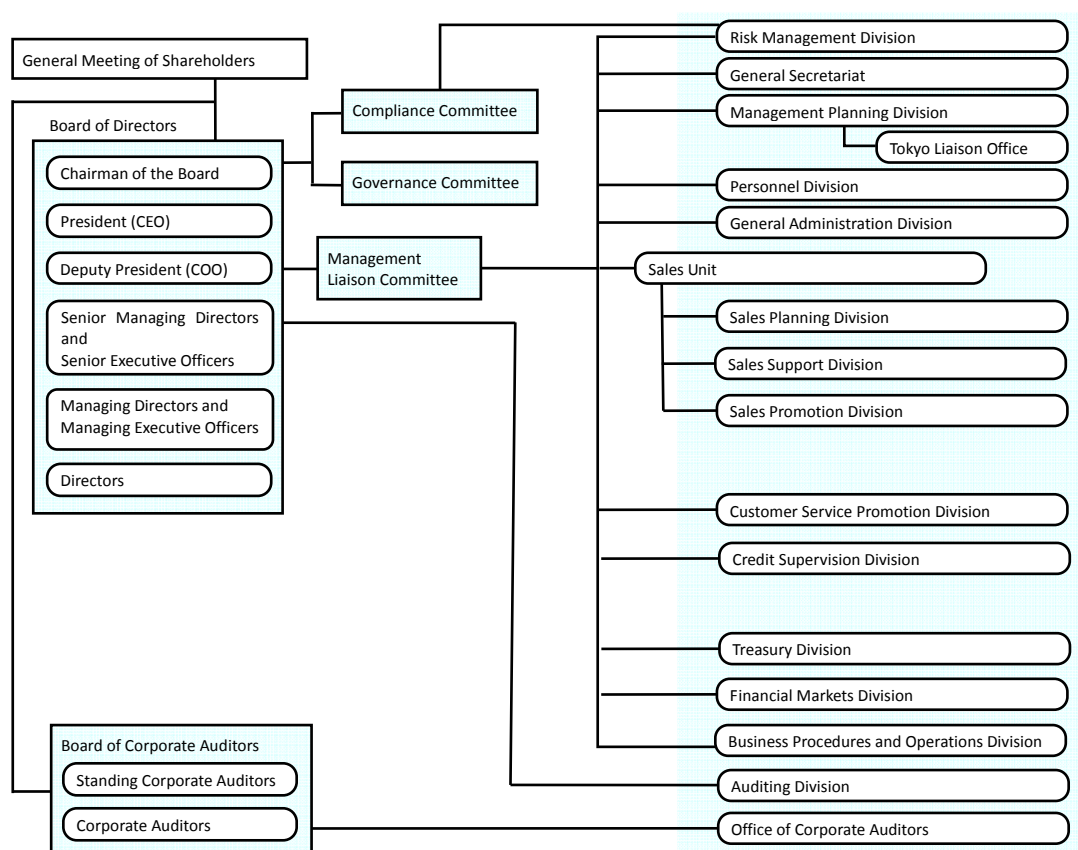
### Chiba General Lease Co., Ltd.

Main business line: Leasing, loans  
 Established: December 1982  
 Capital: ¥90 million  
 Equity share of the Bank and subsidiaries: 26.1%

### Chiba Kogin Computer Soft Co., Ltd.

Main business line: Development, sale and maintenance of computer systems  
 Established: July 1991  
 Capital: ¥30 million  
 Equity share of the Bank and subsidiaries: 55.0%

## Organization Chart (As of June 30, 2020)



# Board of Directors, Corporate Auditors and Executive Officers

(As of June 25, 2020)

<b>Chairman of the Board</b>	Shunichi Aoyagi
<b>President (CEO):</b>	Hitoshi Umeda
<b>Deputy President (COO):</b>	Ryuichi Matsumaru
<b>Senior Managing Director and Senior Executive Officer:</b>	Yoshiaki Tateno
<b>Managing Directors and Managing Executive Officers:</b>	Yasumitsu Kanda
	Katsumi Shirai
<b>Directors (Outside Directors):</b>	Hisako Toya
	Eiji Yamada
	Tetsuro Sugiura
<b>Managing Executive Officers:</b>	Akio Shimoma
	Hiroshi Tanaka
	Takashi Furuyama
	Osamu Koda
<b>Standing Corporate Auditors:</b>	Shigeto Kato
	Hitoshi Yokoyama
<b>Corporate Auditors (Outside Corporate Auditors):</b>	Masanori Ando
	Junichi Sakamoto
<b>Executive Officers:</b>	Kouichi Kyoumasu
	Akira Miyamoto
	Masahiko Miyamoto
	Tsuyoshi Kanasugi
	Tsuyoshi Aoki
	Shoichi Mori

## Major Shareholders (Common Stock) (As of March 31, 2020)

Name	Number of Shares Owned	Proportion of Total Shares (%)
Mizuho Bank, Ltd.	9,583,910	16.18
The Master Trust Bank of Japan, Ltd. (trust account)	2,620,400	4.42
Japan Trustee Services Bank, Ltd. (trust account)	2,544,400	4.29
Japan Trustee Services Bank, Ltd. (trust account-9)	1,285,600	2.17
Sakamoto Feeds Co., Ltd.	1,249,700	2.11
DFA Intl Small Cap Value Portfolio (Standing proxy: Citibank, N.A., Tokyo Branch)	1,221,300	2.06
Chiba Kogyo Bank Employee Ownership	1,173,817	1.98
Meiji Yasuda Life Insurance Co.	1,158,200	1.95
Japan Trustee Services Bank, Ltd. (trust account-5)	1,100,500	1.85
Government of Norway (Standing proxy: Citibank, N.A., Tokyo Branch)	940,800	1.58

Note: The proportion of the number of shares owned to total shares was calculated after deducting treasury shares (3,010,604 shares).

\* This document follows the Annual Select format for English-language disclosure developed by ZAIHON, INC. to increase the level of convenience of investors outside Japan based on Japanese-language statutory disclosure material, timely disclosure material prescribed by securities exchanges and voluntarily disclosed IR material. Annual Select is a registered trademark of ZAIHON, INC. Reproduction or copying without prior permission is prohibited.

\* While every best effort has been made to provide a translation meeting the quality standards required of professionals, the Bank does not guarantee it is 100% accurate. Therefore, please verify the original Japanese text for any final judgments made based on this information.