

ANNUAL REPORT 2021



Corporate Outline (As of March 31, 2021)

Name:	The Chiba Kogyo Bank, Ltd.
Date of Establishment:	January 18, 1952 (Start of Business: March 3, 1952)
Head Office:	1-2, Saiwaicho 2-chome, Mihama-ku, Chiba 261-0001 Telephone: +81-43-243-2111 URL: https://www.chibakogyo-bank.co.jp/
Financial Market Division:	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
Network	
Head Office and Branches:	74
Number of Employees:	1,342
Stock Exchange Listing:	1st Section of Tokyo Stock Exchange
Share Capital:	¥62,120 million
Number of Common Stock:	Authorized: 296,000 thousand shares Issued and outstanding: 62,222,045 shares
Number of Common Stock Shareholders:	11,816

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	17.8% (17.8%)

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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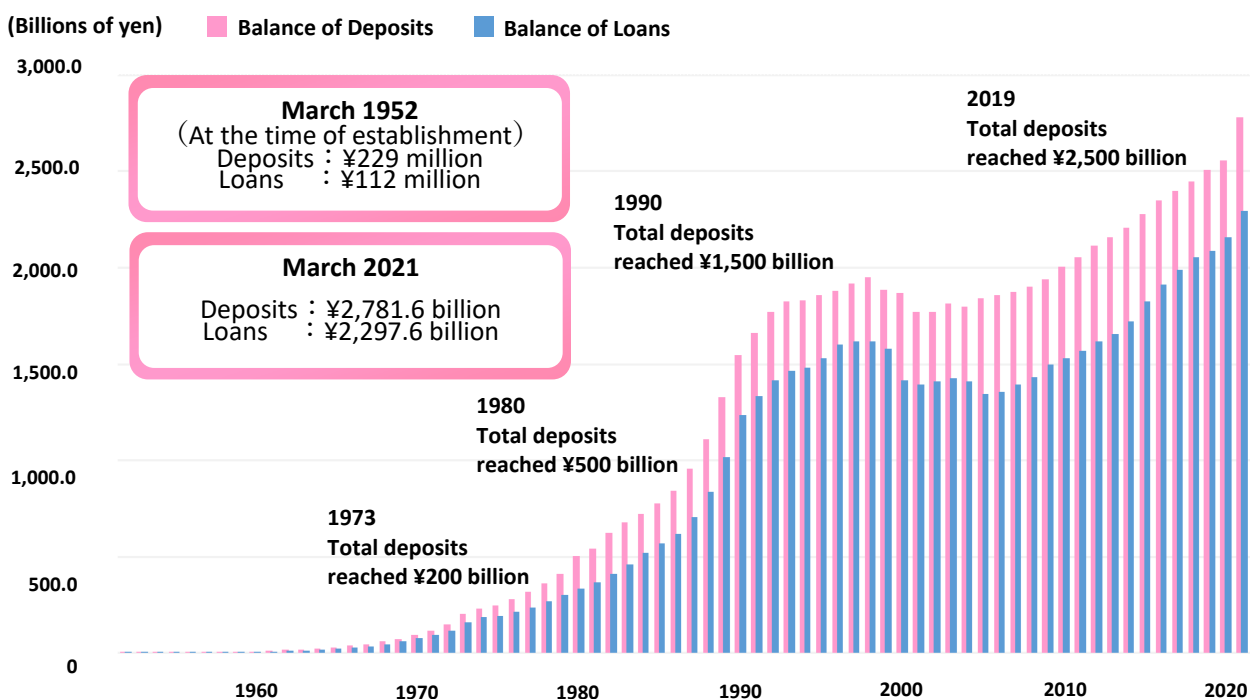
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History of the Chiba Kogyo Bank

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”. We have promoted community-based finance rooted in the regional area and contributed to the local economy and local society.

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

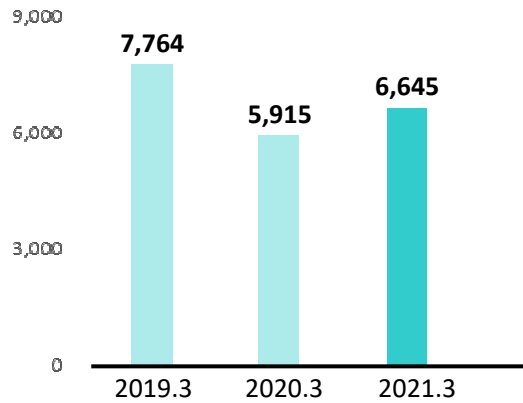
1952	<ul style="list-style-type: none"> ● Establishment Share capital : ¥50 million Deposit : ¥229 million Loans and bills discounted : ¥112 million
1972	<ul style="list-style-type: none"> ● Built the new Head Office building
1973	<ul style="list-style-type: none"> ● Listed on 1st section of the Tokyo Stock Exchange
1974	<ul style="list-style-type: none"> ● Deposits online begins operation
1991	<ul style="list-style-type: none"> ● Formulation of a corporate philosophy and adoption of the cosmos flower as the bank symbol
2000	<ul style="list-style-type: none"> ● Injection of ¥60.0 billion of public funding
2004	<ul style="list-style-type: none"> ● Established The Chiba Kogin “Keiei Juku” ● Transfer of core systems to NTT DATA’s Regional Bank Integrated Services Center
2013	<ul style="list-style-type: none"> ● Repayment of ¥60.0 billion of public funding
2018	<ul style="list-style-type: none"> ● Concluded “FinX Partnership” agreement ● Established “FinX Digital Co., Ltd.”
2019	<ul style="list-style-type: none"> ● Entered the paid job-placement service business (human resources referral operations)



Financial Highlights (Non-Consolidated)

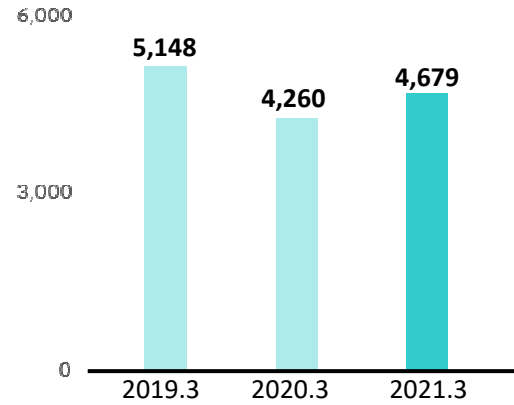
Ordinary profit

(Millions of yen)



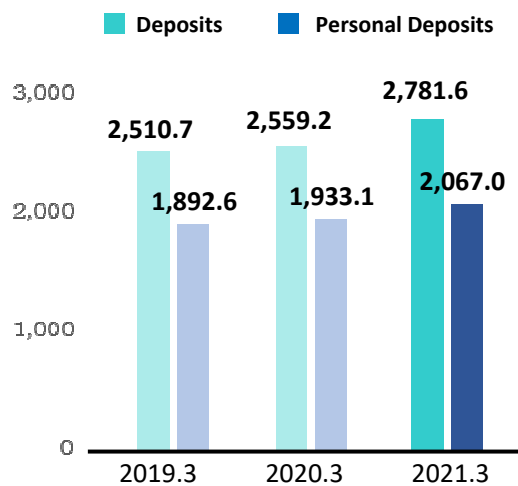
Profit

(Millions of yen)



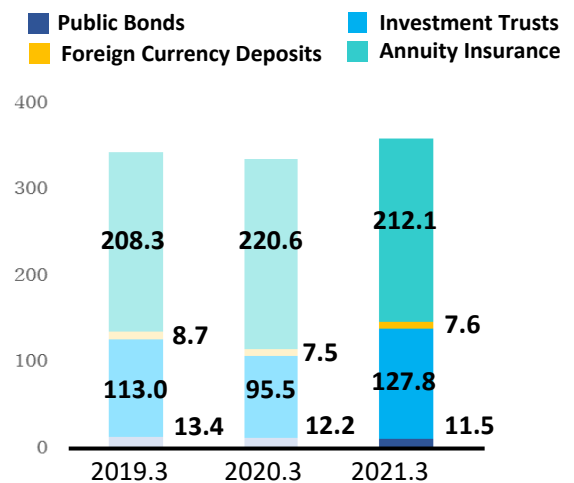
Deposits

(Billions of yen)



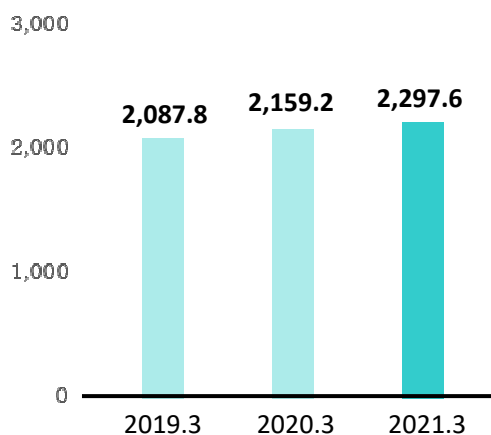
Balance of Customer Assets under Custody

(Billions of yen)



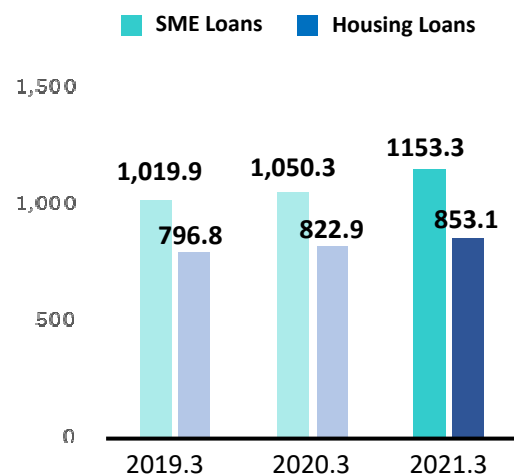
Loans and Bills Discounted

(Billions of yen)



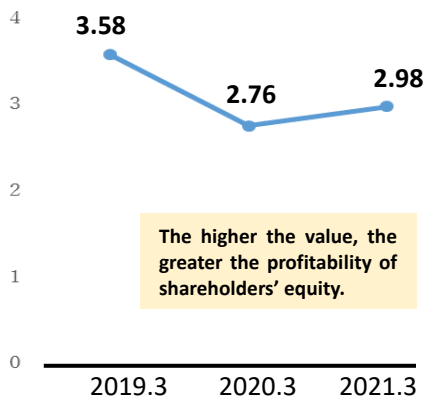
SME Loans / Housing Loans

(Billions of yen)



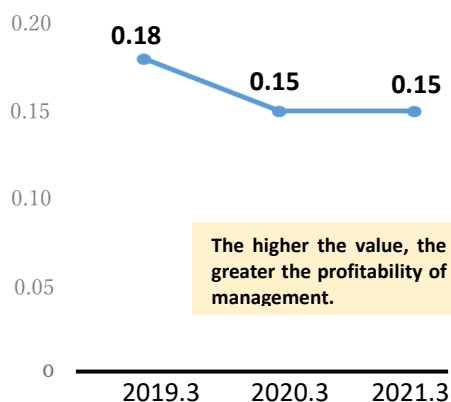
ROE (Net income basis)

(%) $[\text{Net income} \div (\text{average balance of total net assets} - \text{average balance of share acquisition rights})] \times 100$



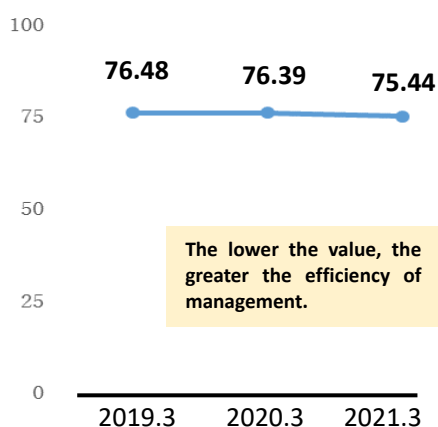
ROA (Net income basis)

(%) $[\text{Net income} \div \text{average balance of total assets for the period (excluding customers' liabilities for acceptances and guarantees)}] \times 100$



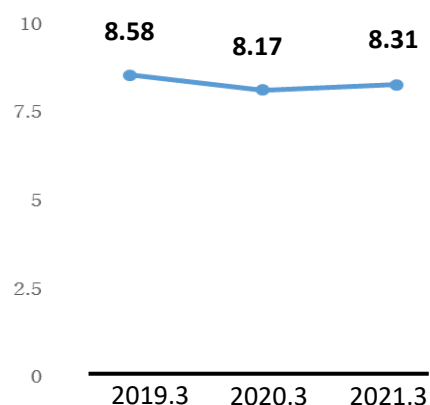
Core OHR

(%) $[\text{Expenses} \div \text{gross operating profit (excluding profit related to debentures, such as government bonds)}] \times 100$



Equity Ratio

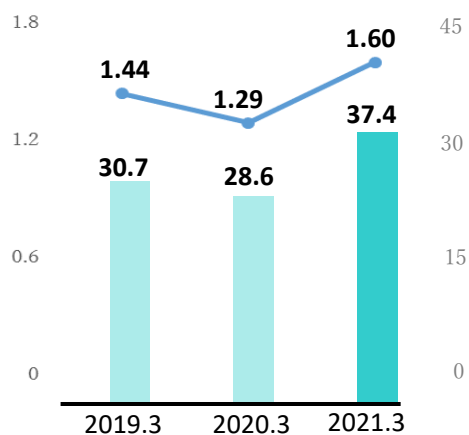
(%)



Disclosed Claims under the Financial Reconstruction Law

(%), (Billions of yen)

■ Balance of disclosed claims ● Ratio of disclosed claims



Long-term Issuer Rating/Outlook

(Japan Credit Rating Agency, Ltd.)

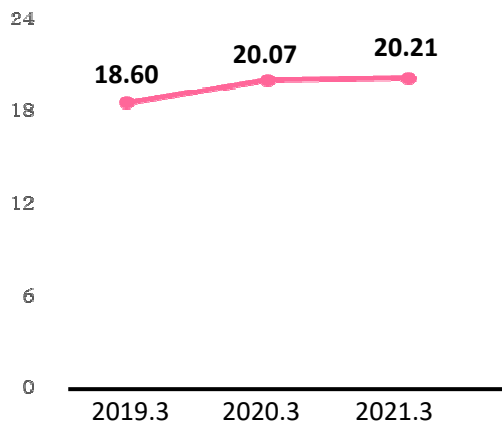
Rating Assignment Date		
September 21, 2018	September 18, 2019	October 12, 2020
A-	A-	A-
Stable	Stable	Stable

A Long-term Issuer Rating Scale enables comparison of the overall capacity of an obligor (issuer) to honor its entire financial obligations with such overall capacity of others.

Non-Financial Highlights

Ratio of Female Officers (Manager level or above)

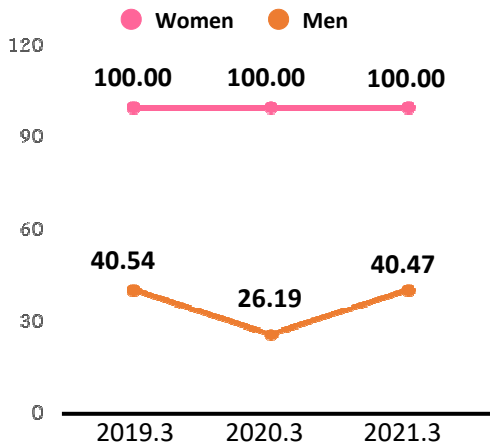
(%)



Percentage of Employees Taking Childcare Leave

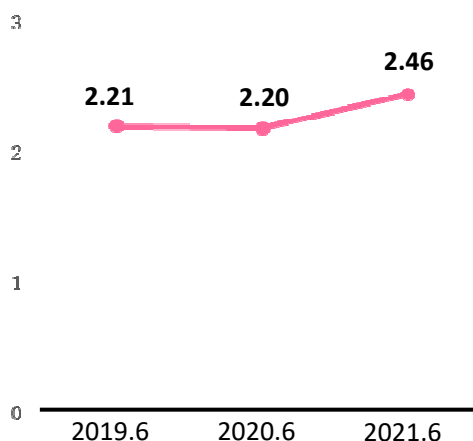
(%)

Women: Calculated by dividing the number of women who took childcare leave by the number of female employees who gave birth.
Men: Calculated by dividing the number of men who took childcare leave by the number of male employees whose spouses gave birth.



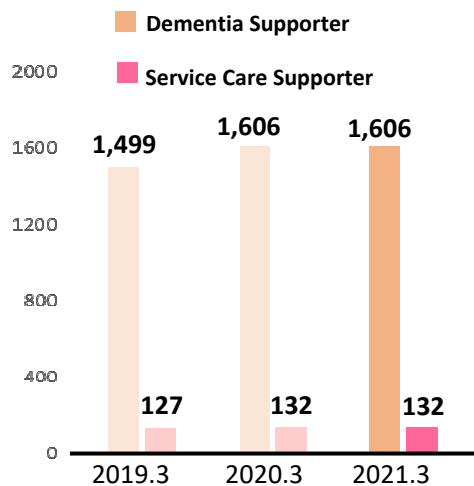
Employment Rate of People with Disabilities

(%) Ratio as of June 1



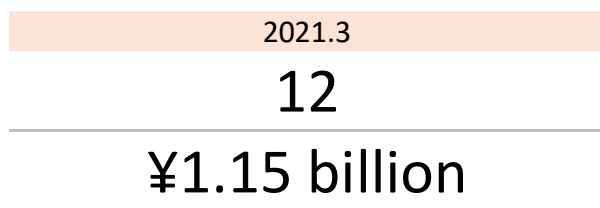
Number of dementia Supporter / Service Care Supporter

(Cumulative number of people)



Issuance of Chiba Kogyo Bank SDGs Private Placement Bonds

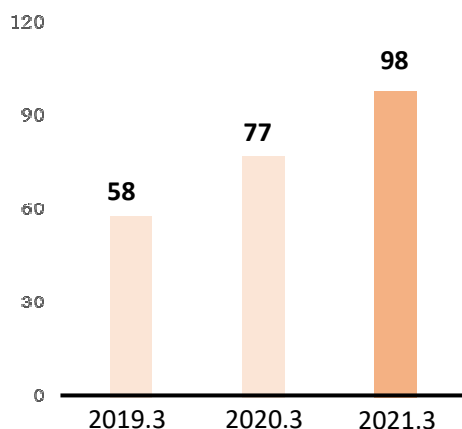
(Number of bonds, Issue amount)



* Handling began from July 1, 2020

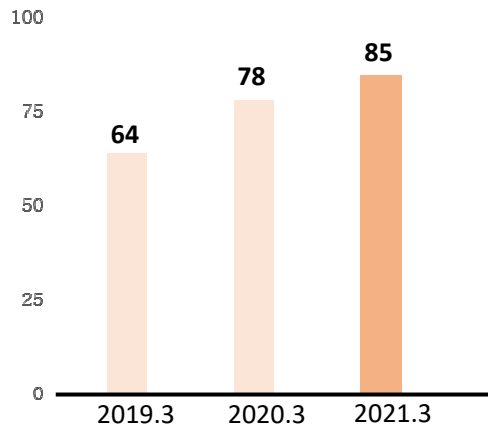
Number of Employees Acquired 1st Grade Certified Skilled Professional of Financial Planning

(People)



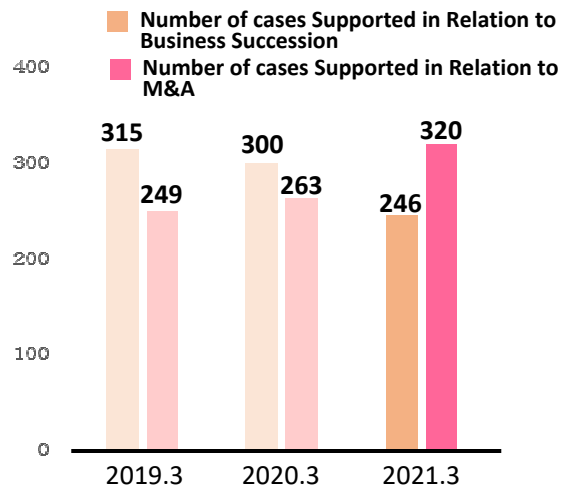
Number of Employees Acquired M&A Senior Expert Accreditation

(People)



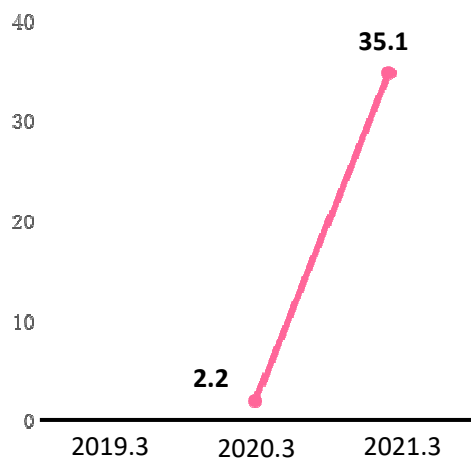
Number of Companies Supported by Consulting Services

(Number of cases)



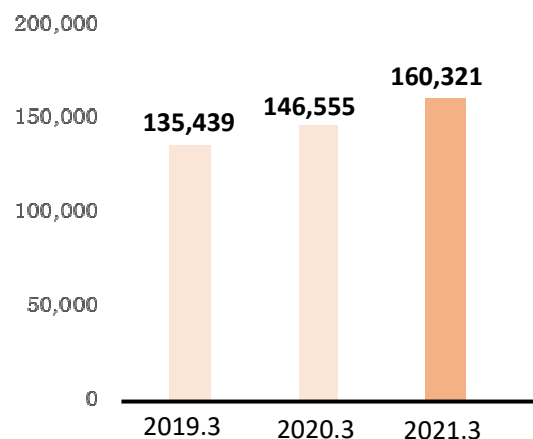
Ratio of Paperless Operations

(%) Ratio of reduction in photocopying and printing expenses compared to results for March 31, 2019



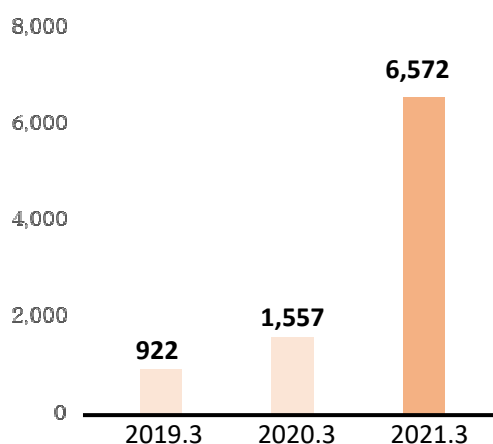
Number of Internet Banking Agreements (Individual customers)

(Number)



Number of Bankbook-free Accounts

(Number)



External Evaluation



“Platinum Kurumin” certified

This certification is awarded to companies that carry out measures to support employees with children to meet the higher standards of accreditation that is set by the Ministry of Health, Labor and Welfare.



“Eruboshi” highest grade designation

This certification is awarded by the Ministry of Health, Labor and Welfare to superior companies that promote women's participation and advancement.

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 2021,” 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.

Introduction

The spread of the novel coronavirus (COVID-19) disease, the Declaration of State of Emergency, and the implementation of Priority Preventive Measures have limited economic activity across Japan. Amid this, the economy of Chiba Prefecture, the base of Chiba Kogyo Bank’s business, has faced an even more difficult situation due to factors such as requests to restaurants to suspend operations or shorten business hours, and restrictions on the holding of large-scale events.

People’s lifestyles and businesses have been widely transformed by the COVID-19 pandemic for over a year. Our customers, including customer companies, are dealing with a variety of unprecedented concerns and challenges.

Within this kind of environment, we all the more recognize that the primary responsibility of regional financial institutions like ourselves is to respond flexibly and swiftly in order to support local economic activity and the lifestyles of people in the region. In addition to providing support for securing finance, the Bank is also putting even greater effort into business support that creates a future for our customers as a “consultant bank”, with a focus on the post-pandemic world. This support includes transforming the business models of customer companies, responding to personnel shortages, conducting workstyle reform, and advancing digitalization.

Business Environment

Chiba Prefecture, the base of the Bank's business, is a region with a variety of different characteristics, such as the bay area, which is close to central Tokyo and contains large amusement parks, shopping facilities, and factories, and the Minamiboso area, which offers beautiful, warm seas and verdant hills. Each year the prefecture is visited by many tourists. There has also been steady progress on the development of infrastructure, such as the Ken-O Expressway, which was designed to alleviate traffic congestion in the Tokyo Metropolitan area and to revitalize the region, and the strengthening of the functions of Narita Airport is expected to boost industry in the area around the airport. It could be said the prefecture has potential for further growth.

However, there are concerns due to factors such as the prolonged negative effects on economic activity caused by the COVID-19 pandemic and the increasing frequency of natural disasters, such as

heavy rains and typhoons like the one that caused significant damage in Chiba Prefecture in the autumn of the year before last, due to climate change.

Also, while the population of Chiba Prefecture as of March 31, 2021, was more than 6.27 million people, in the medium- to long-term it is expected to trend toward population decrease, and the aging population combined with falling birthrates. Furthermore, backed by the business challenges of the prefecture's small and medium enterprises' and individual customers' values and needs becoming increasingly diverse and sophisticated, in addition to currently continuing low interest rate environment, we anticipate an expansion of financial competition, including that involving other business lines, such as the progress in financial technology as represented by FinTech.

Summary of Financial Results

We will now provide an overview of our financial results for the fiscal year ended March 31, 2021.

Ordinary profit was ¥6,645 million, an increase of ¥729 million year on year. This was due to a big increase in profits from core operations caused by factors such as an increase in interest on loans and discounts due to support for securing finance accompanying the COVID-19 pandemic, and an increase in corporate processing fees in the consulting field in response to the three major needs of "business succession", "labor shortages", and "management streamlining", and an

increase in processing fees related to customer assets under custody, such as sales of investment trusts against the background of the steady performance of the stock market.

We recognize that Consulting Kodo, which puts customers first by not only providing financing support but also business support provided by the entire Bank working together to help solve the issues facing customers, including customer companies, leads to the securing of revenues.

Medium-Term Management Plan Progress

In FY2019, we launched Consulting Kodo Project 2022 ~ Together towards the future –Closer and Deeper~. The aim of this project is to evolve into a highly profitable consulting bank by putting together an operational force to focus on consulting activities that pursue low cost operations through optimization.

Out of our main business management items, we have been making steady progress on corporate and optimization indicators, including recording a high ratio of achievement overall, and we judge that we have been able to build a solid foothold for the final fiscal year of the plan. For individual customer indicators, the achievement ratio as a whole was low as we were unable to carry out proactive marketing activities due to the COVID-19 pandemic.

However, there was a steady increase in the number of cases in which we were able to respond to the succession needs of asset utilization customers meaning we have already exceeded an achievement ratio of 100% for the final year of the plan. Regarding the state of progress on core indicators, as of March 31, 2021, there was firm progress made. The balance of deposits was ¥2,781.6 billion, an achievement ratio of 143.1%, and the balance of loans and bills discounted was ¥2,297.6 billion, an achievement ratio of 98.9%, so it looks like we will be able to achieve our targets in the final year of the plan.

Message from the President

Our Strengths

Chiba Prefecture is one of the best prefectures in Japan for agriculture, forestry, and marine production due to blessings such as a warm climate in which a variety of flowers bloom all year round and abundant fishing grounds thanks to its position between Tokyo Bay and the Pacific Ocean.

We engage in business activities that utilize the prefecture's rich marketable resources to the maximum. For example, in regard to agri-food business, we are creating agriculture-commerce-industry partnerships, primarily through efforts such as business matching, and advancing sixth industrialization by diversifying integrated management spanning from production through to processing and sales. Furthermore, we are actively providing support and revitalizing regions through consulting by specialist teams in areas such as agricultural welfare programs.

In order to provide consulting in these kinds of specialist areas, we need to leverage advanced knowledge, information, and expertise in order to make proposals that meet customers' varied needs. To do so, securing and cultivating Bank employees is crucial. The Bank is striving to develop employees who will be active rather than passive, encouraging themselves to constantly work toward further growth, mainly through OJT.

We also support employees to acquire accreditation through initiatives such as providing support for the cost of acquiring accreditation, setting up incentive systems, and holding voluntary seminars. To date, 85 employees have acquired "M&A Senior Expert" accreditation and 98 employees have acquired "1st grade Certified Skilled Professional of Financial Planning". Currently, our headquarters is bringing in experts from other business fields and going forward we plan to dispatch bank employees of various ages to customer companies in order to build up a wide range of experience so that we can develop employees who have ideas beyond those which would have been found in banks before today.

We are continuing to foster an organizational culture that encourages employees to think and act for themselves and we have enhanced personnel systems in a way that anticipates the autonomy of each individual employee, such as introducing a flex-time system that enables each employee to set their daily working hours at their own discretion, and removing restrictions on secondary or dual employment. Our young employees are also actively coming up with ideas and our introduction of a year-round office casual dress code which does not require employees to wear neckties came from ideas from young employees.



Sustainability Initiatives

In order to realize management that takes into account value creation for a variety of stakeholders, including shareholders, customers, employees, and local communities, and to increase corporate value through the continuous and stable growth of the Bank, it is essential that we engage in sustainability initiatives.

The Bank has been aiming to realize a sustainable society for a long time and we have engaged in a variety of CSR (Corporate Social Responsibility) activities. Recently we formulated the "Chiba Kogyo Bank Sustainability Statement" to clarify our intent to make an even greater contribution to the sustainability of local communities through the selection of "Sustainability Key Issues."

Based on the concept that as a regional financial institution, realizing sustainability for Chiba Prefecture will lead to the growth and development of the Bank and our stakeholders, we have whittled down the "Sustainability Key Issues" by identifying which of the various issues facing the prefecture are priority issues for which we can leverage the Bank's strengths to contribute to a solution, so that we can make a further leap toward achieving a glistening Chiba that future generations can be proud of.

By advancing business activities that have a long-term focus, such as the "Sustainability Key Issues", we think we can contribute to achieving the "SDGs" adopted by the UN.

70th Anniversary of the Bank's Founding, New Mid-Term Management Plan, and Towards the Future

Amid growing momentum toward establishing new banks that were more rooted in their regions, Chiba Kogyo Bank was established with robust support from local people based on the founding spirit of "acting as a reliable adviser to small- and medium-sized enterprises in Chiba Prefecture". Operations began at our main branch in Chiba City on March 3, 1952, meaning that next year, in March 2022, we will greet the 70th anniversary of the Bank's founding. This has been achieved because of many years of support from local people and all officers and employees of the Bank would like to express our sincere gratitude.

Also, our new medium term management plan will start from April 2022. The business environment has changed greatly because of the COVID-19 pandemic and going forward we will have to overcome hurdles greater than ever before. We believe that the most important thing the Bank needs to do now is to figure out how to overcome these high hurdles, to

boldly reform things that were taken for granted if necessary, and to reform our organization into one where each and every one of us can think and act without fear of failure and always take on the challenge of achieving high goals. Under the new medium term management plan, we will aim to accelerate initiatives for providing new added value through more evolved Consulting Kodo. Also, in the medium- to long-term, we will aim to address environmental issues such as global warming, contribute to the revitalization of the region's communities and economy, and realize a sustainable society.

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.

July 2021

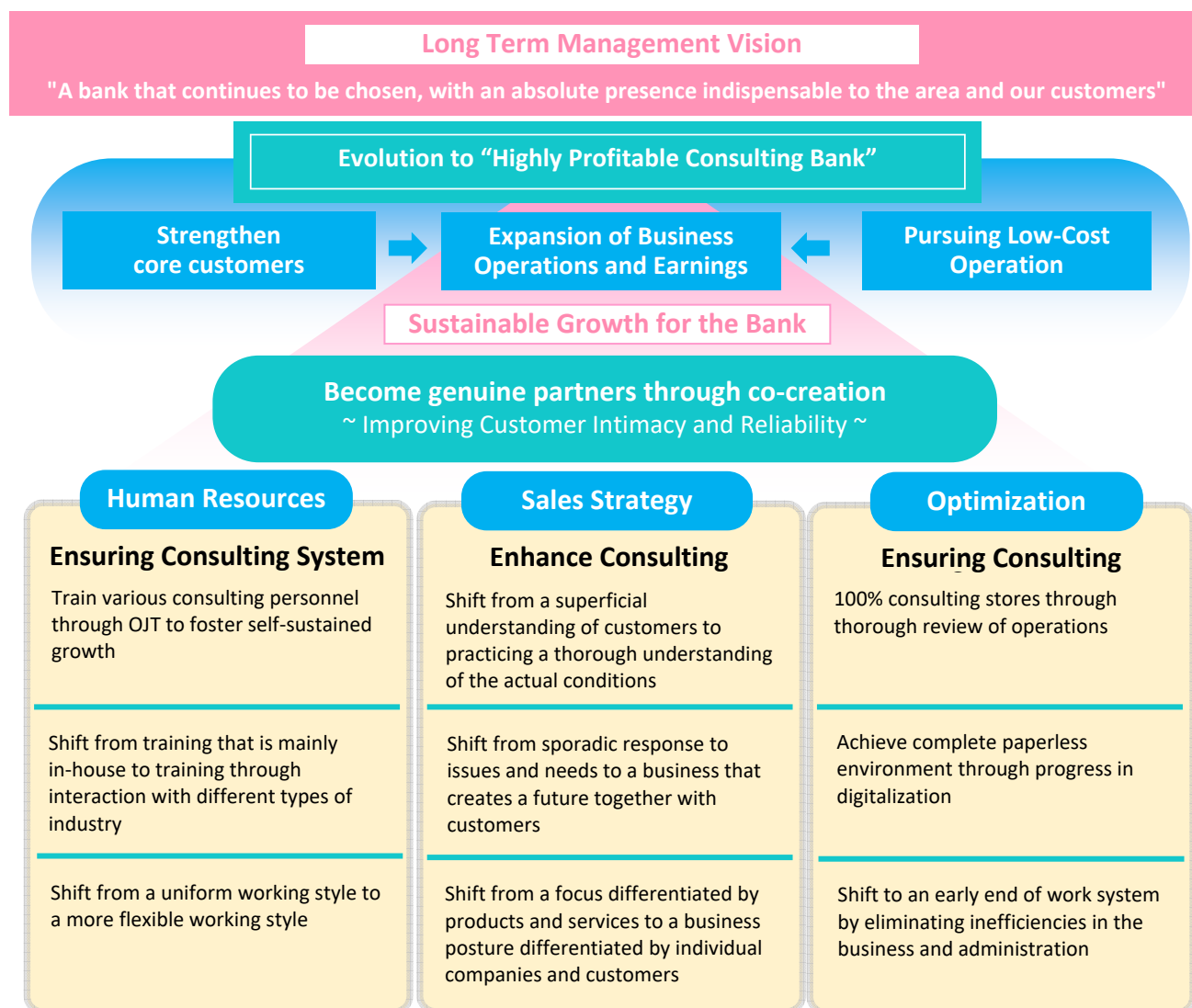
Hitoshi Umeda
President (CEO)

Medium Term Management Plan

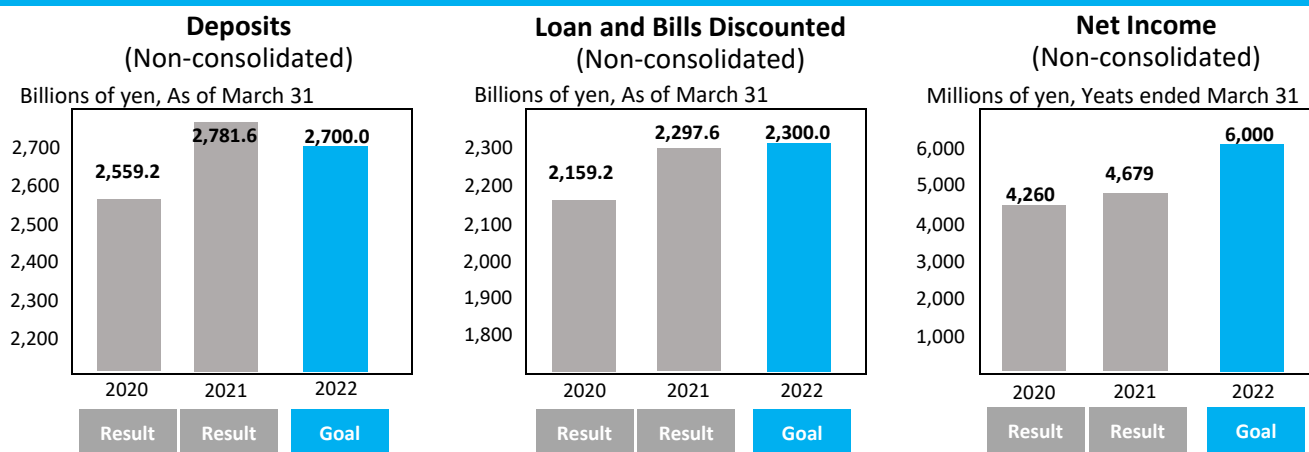
Consulting Kodo Project 2022

~ 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.”



Target Management Index (March 31, 2022)



Chiba Kogyo Bank Sustainability Statement

We, the Chiba Kogyo Bank, Ltd., will work to realize management that takes into account value creation for a variety of stakeholders and to increase corporate value through the continuous and stable growth of the Bank by tackling “Sustainability Key Issues” from a long-term perspective, in order to put the basic values of our corporate philosophy into practice. As a result, we will contribute to the sustainable development and prosperity of the region’s economy, industry, and society.

Corporate Philosophy

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

Approach to Setting the Sustainability Key Issues

Based on the concept that as a regional financial institution, realizing sustainability for Chiba Prefecture will lead to the growth and development of the Bank and our stakeholders, we have whittled down the key issues by identifying which of the various issues facing the prefecture are priority issues for which we can leverage the Bank’s strengths to contribute to a solution, so that we can make a further leap toward achieving a glistening Chiba that future generations can be proud of.

Key Issue
1

Revitalizing industry and creating appeal for Chiba

We will work to revitalize the local economy and create new appeal for Chiba through initiatives such as developing unique products that use local resources and nurturing local industries.



Key Issue
2

Cultivating the human resources that will be responsible for the future of Chiba

We will work to cultivate human resources who can support the growth of the region, as well as to improve work satisfaction and economic conditions for each individual.



Key Issue
3

Realizing a prosperous Chiba where people can live with peace of mind

We will engage in the development of a prosperous region where people can live with peace of mind through initiatives that prepare the region for disasters and for prevention of crimes, the establishment of healthcare systems, and initiatives that reduce impact on the environment.



By developing business activities with a long-term perspective based on the corporate philosophy, we will contribute to achieving the SDGs adopted by the UN.

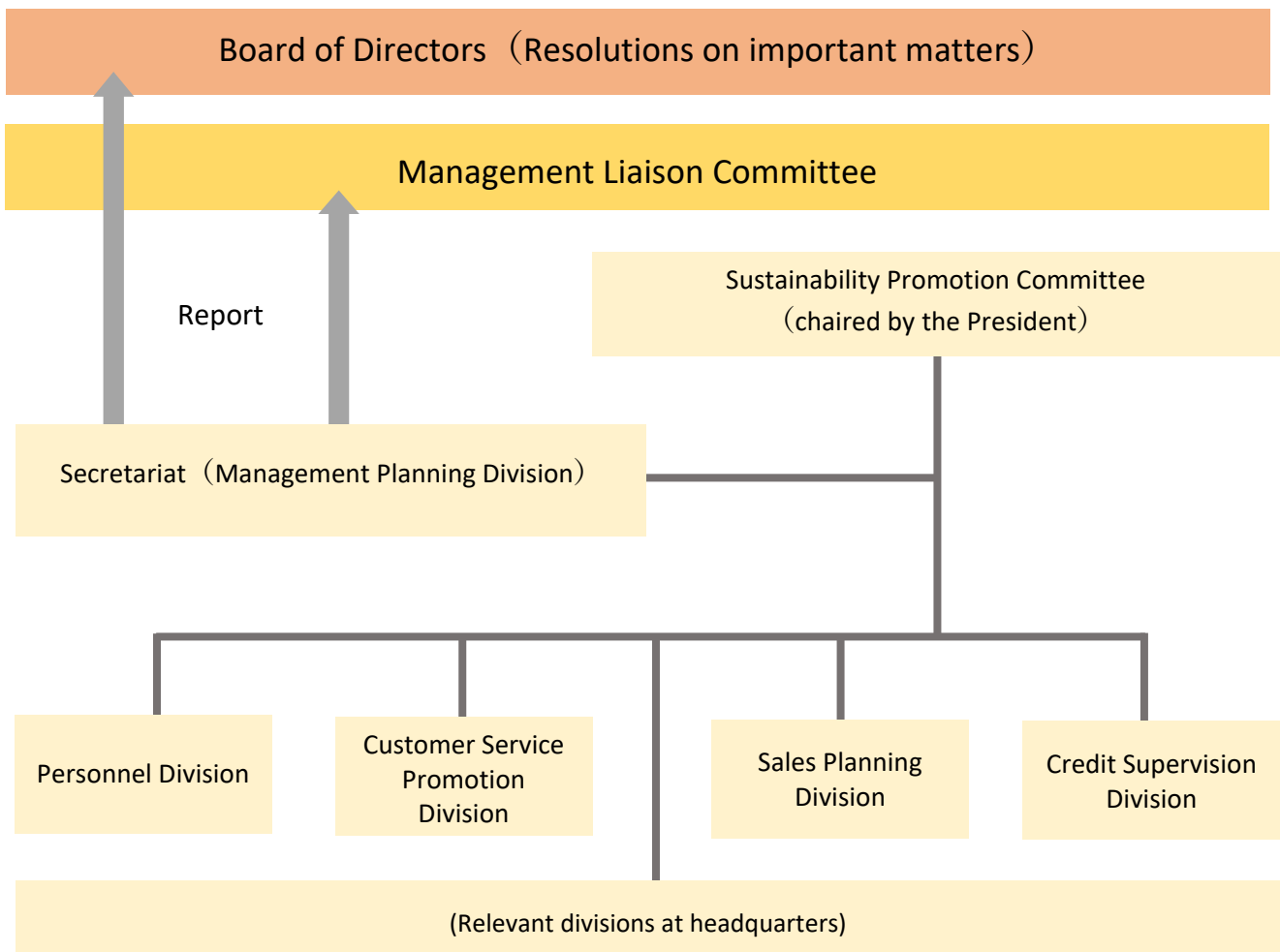
Sustainability Promotion Framework

Promotion Framework and Operation

- The Board of Directors resolves important matters concerning the Bank's sustainability in accordance with basic policies regarding the handling of sustainability.
- The Bank has established a Sustainability Promotion Committee chaired by the President which is responsible for promoting sustainability initiatives.
- A secretariat for the Sustainability Promotion Committee has been established within the Management Planning Division.
- When necessary, the secretariat provides the Board of Directors, Management Committee, and President with reports on matters such as the status of committee activities.

Promotion Methods

- In order to promote sustainability initiatives, the Bank formulates operations plans based on the Sustainability Key Issues.
- We put an emphasis on dialogue with stakeholders and strive to ensure that our sustainability initiatives are in line with social norms and expectations.



Major Sustainability Initiatives

Key Issue

1

Revitalizing industry and creating appeal for Chiba

We will work to revitalize the local economy and create new appeal for Chiba through initiatives such as developing unique products that use local resources and nurturing local industries.



Initiatives for Creating Regional Industry

Support for agri-food businesses

Chiba Prefecture is one of the best prefectures in Japan for agriculture, forestry, and marine production, and we are working to create regional industry by providing support for agri-food businesses, such as businesses entering the agricultural sector.

Our agri-food business team includes a member who is a certified “Agricultural Management Advisor” and it provides support for developing new products using local resources and for cultivating sales channels. Also, for businesses that are entering agriculture from other sectors due to reasons such as diversifying operations, we provide support including formulating plans for establishing agricultural corporations or agritourism farms, selecting product varieties and



cultivation systems, and cultivation technique support for raising seedlings and harvesting. Furthermore, we also carry out a wide range of collaborative proposals in the welfare field, such as agricultural welfare programs that engage disabled and elderly people in agriculture to create places that help them live well and find employment.

Initiatives for Solving the Personnel Shortages due to the Declining Birthrate and Aging Population

● Chiba Kogin “Cosmos Keiei Juku”

The Chiba Kogin “Cosmos Keiei Juku” was established and launched in September 2004 with the objective of training successor managers at the Bank’s customers. We provide a learning opportunity to private students such as the young and next generation managers who will be responsible for the future Chiba prefecture economy. The opening ceremony for the 9th Chiba Kogin “Cosmos Keiei Juku” was held in May 2021.



● Responding to Human Resource Needs

The Bank has been selected as an indirectly subsidized business in the “2020 Pioneering Human Resource Matching Project” promoted by the Japanese Cabinet Office. This is the second consecutive year that we have been selected as an indirectly subsidized business in this project. The “Pioneering Human Resource Matching Project” was created as part of the “Regional Human Resources Support Strategic Package” included in “the second phase of ‘the Cabinet Office’s Comprehensive Strategy for Overcoming Population Decline and Vitalizing Local Economy.’” It aims to realize the growth and improve the productivity of regional companies by supporting initiatives for matching high-level management personnel and other human resources through methods such as having regional financial institutions and other organizations investigate and analyze the human resources needs of regional companies and then coordinate with businesses such as employment agencies.

Also, in order to further strengthen our ability to respond to the human resource needs of customer companies, we are entering the paid job-placement service business (human resources referral operations). This is the first time a financial institution in Chiba Prefecture has entered human resources referral operations from a bank itself, not from its affiliated company. We are leveraging the manager-centric consulting capabilities we have cultivated to provide referral support focused on management-level personnel.

Furthermore, we are also providing customer companies with consulting aimed at solving human resources strategy issues. We conduct financial analysis and carry out questionnaires and interviews to ascertain how satisfied employees are with the management of their organization and their workplace, and what kind of issues they recognize. Through these processes, we provide support that ranges from devising improvement measures for issues concerning labor management, human resources evaluations, and workloads, to formulating and implementing medium- to long-term action plans.

Major Sustainability Initiatives

Key Issue

2

Cultivating the human resources that will be responsible for the future of Chiba

We will work to cultivate human resources who can support the growth of the region, as well as to improve work satisfaction and economic conditions for each individual.



Financial Education for the Next Generation

● Economics Koshien

We hold Chiba Tournament of the National High-School Financial and Economic Quiz Championship "Economics Koshien", which provide opportunities for high school students who will lead the next generation to learn about finance and economics while having fun.

The Chiba Prefectural Chiba Senior High School team, participated as a representative of Chiba Prefecture, won the national tournament (sponsored by Association for the Promotion of Financial Literacy) held online on February 14, 2021.



● "Summer Kids School" summer camp

We hold the "Summer Kids School" for elementary school students in Chiba Prefecture. Children attending this event learn about money and gain hands-on experience "working" at ZOZO Marine Stadium.

Unfortunately, the event in 2020 was canceled due to the spread of the COVID-19.

● A New Initiative for Tackling the Child Poverty Issue

We have begun to support efforts to tackle the child poverty issue by giving a donation to Chiba Kodomo Ouendan, a specified non-profit corporation that is addressing the issue primarily by supporting children and young people being raised under state care to become independent.

Although we have previously provided support for cultivating future generations as part of our CSR activities, tackling the child poverty issue, which has become increasingly important in recent years, is a new initiative for the Bank.

Specifically, the Bank's donation will be contributed into the "Children and Young People's Future Fund," which is managed by Chiba Kodomo Ouendan. The money will be used as "Emergency Support SOS" funding to support children who do not qualify for public assistance systems and other types of support. We intend to continue implementing this initiative on an annual basis going forward.



Start of Handling of Chiba Kogyo Bank SDGs Private Placement Bonds

On July 1, 2020, the Bank began handling "Chiba Kogyo Bank SDGs Private Placement Bonds". This product responds to our customers' needs to endorse the intentions of the SDGs and contribute to solving issues on a national level. It involves us using part of the processing fees received when our customers issue corporate bonds to make a donation to organizations and funds that are addressing the SDGs. In addition to ensuring long-term, stable funding for such organizations and funds, it will also enable customers to publicly showcase their approach to tackling the SDGs.

Key Issue
3

Realizing a prosperous Chiba where people can live with peace of mind

We will engage in the development of a prosperous region where people can live with peace of mind through initiatives that prepare the region for disasters and for prevention of crimes, the establishment of healthcare systems, and initiatives that reduce impact on the environment.



Participation in a Demonstration Test of “Auto Share” Car Sharing Business in Tateyama City

We are participating in a demonstration test of the “Auto Share” car sharing business launched by Idemitsu Kosan Co., Ltd. in Tateyama City, and is utilizing ultra-small electric vehicles (EVs) that run with renewable energy with outstanding environmental performance.

“Auto Share” is a car-sharing service that utilizes ultra-small EVs, which are used as the Bank’s business vehicles on weekdays, and parked at a car station near Tateyama Station on weekends and holidays to be hired out as a car sharing vehicle for general use, serving as a means of transportation for local residents and tourists to go shopping or sightseeing.

This demonstration test started in August 2019 in Hida City and Takayama City, Gifu Prefecture, and Tateyama City was the location of the second test in Japan. The test period is scheduled to last until the end of March 2022.

The wrapping of the car used by the Bank is based on the corporate color of bright pink, and the design is based on the pattern of “Maiwai,” a festive kimono worn traditionally in the Boso area to celebrate a big catch, and was thought out by Chiba University students, with which the Bank has formed an industry-academia partnership.



Bicycle Reflectors Donation

We donate bicycle reflectors with a wish of protection against traffic accidents to new junior high school students in Chiba Prefecture every year, and have donated a total of 406,400 such reflectors so far, over the last 27 years.

Holding a Chiba Kogyo Bank Cosmos Theater Performance

We sponsored the “Parent and Child Opera Viewing Debut ‘Carmen - Legend of the Red Rose’” Project staged by the Chiba Prefectural Cultural Promotion Foundation as a Chiba Kogyo Bank Cosmos Theater Performance.

This project aims to expose the children who will be responsible for the next generation to excellent culture and art in order to create many moving experiences, nurture sensitive spirits, and provide them with opportunities to appreciate the arts so that they can take care of the future of culture in Chiba. The “Parent and Child Opera” has no age restrictions so anyone from the age of zero can participate. It uses approachable opera works as a base to create “entry-level operas for parents and children to enjoy together” containing content that even children can understand.

Regional Revitalization

Support for the Sosa City’s version of the “Quality Lifelong Living” urban planning project

Apart from financial support, the Bank cooperated with business partners having expertise in regional regeneration and participated as the secretariat for the “Iigura Ekimae Chiku Community Association.”

As a result of discussion with members of the local community spanning a year, a business plan incorporating multifaceted ideas was completed, and the construction of certified center for early childhood education and care was completed in March 2018, which opened in April.

In March 2019, the special elderly nursing home was also completed, and progress is being made on the development of healthcare and nursing environment that allows multi generations to live in peace of mind.

Currently, the downtown residential zone and social zone are under construction and are scheduled to be completed in FY2021. We will continue to support the financing and consulting proposals necessary for this plan.



Certified center for early childhood education and care



Special elderly nursing home

4 zones in the business area of Sosa City's version of CCRC

Child rearing zone	Completed in FY2017	Certified centers for early childhood education and care
Downtown residential zone	Set to open in FY2021	Serviced housing for elderly residents
Elderly residents welfare zone	Completed in FY 2018	Special elderly nursing home, etc.
Social Zone	Set to open in FY2021	Facilities that act as community hubs

Promotion of sports in the community

Together with local people, we support sports teams based in Chiba Prefecture and we will contribute to the vitalization and development of the region by promoting sports in the prefecture.

● Chiba Lotte Marines (Baseball)

Each year we sell “Marines Supporter Time Deposits” for which a preferred interest rate on deposits received is set depending on the performance record of the Chiba Lotte Marines. These are well received by many customers each time.

On November 3, 2020, we also sponsored the game between the Chiba Lotte Marines and the Fukuoka SoftBank Hawks held at ZOZO Marine Stadium as Chiba Kogyo Bank Match Day.



● Chiba Jets Funabashi (Basketball)

An amount of the deposit balance of “Go! Chiba Jets! Supporter Time Deposits” that we handled up to March 31, 2021, which was calculated using a rate based on the performance record of Chiba Jets Funabashi, was donated to the team. Chiba Jets Funabashi supporters deposited a total of ¥10.7 billion, and as the team won the B.League championship, the rate was 0.01%, resulting in a donation of ¥1.07 million. The donation is being used to help the team carry out activities that contribute to the region.



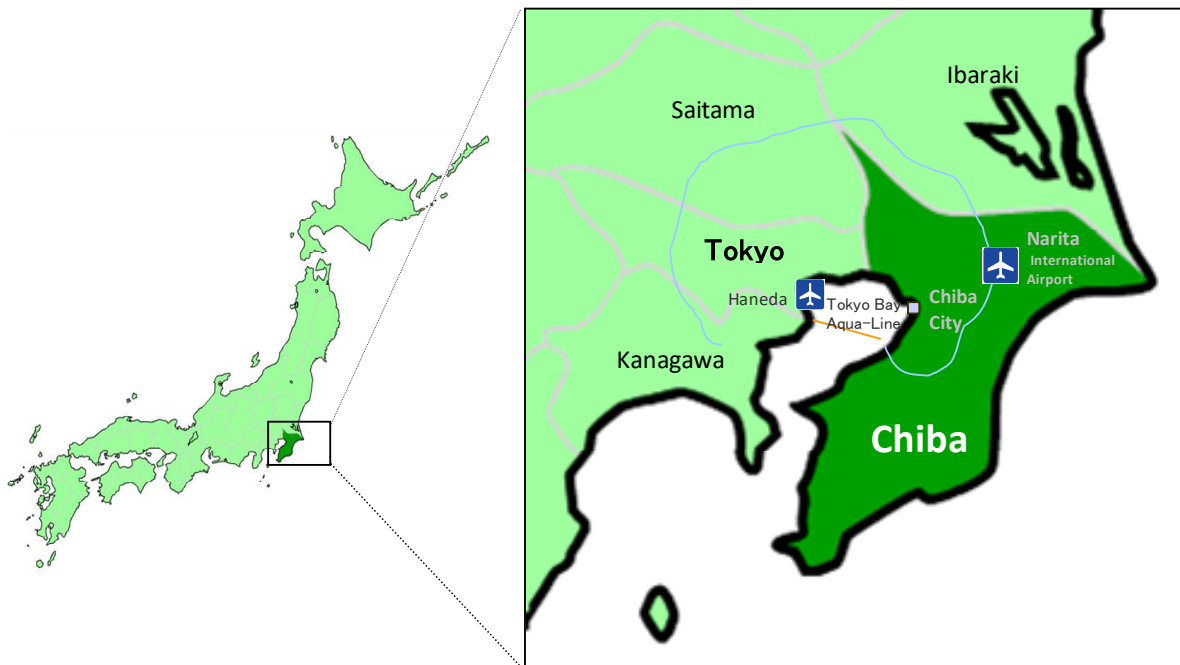
Chiba Prefecture – Our Business Base

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.

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, and has also been steadily developing its expressways and other infrastructure.



Population 6.25 Million 6 th among Japanese Prefectures	Balance of Deposits ¥33.2 Trillion 6 th among Japanese Prefectures	Balance of Loans ¥15.4 Trillion 7 th among Japanese Prefectures	Gross Prefecture Product (nominal) ¥21.1 Trillion 7 th among Japanese Prefectures
Agricultural Output ¥385 Billion 4 th among Japanese Prefectures	Fishery Production Volume 100K Tons 8 th among Japanese Prefectures	Manufacturing Output ¥12.5 Trillion 8 th among Japanese Prefectures	Retail Sales ¥0.8 Trillion 7 th among Japanese Prefectures

Source: 2019 Population Estimates, Report on Internal Migration in Japan, Statistics Bureau of Japan, Mar.31.2021 Bank of Japan, Annual Report on Prefectural Accounts, 2017 Cabinet Office, 2019 Statistics of Agricultural Income Produced, 2020 Production Statistics for the Fishing and Aquaculture industries, Ministry of Agriculture, Forestry and Fisheries, Census of Manufactures 2019, Current Survey of Commerce 2020, Ministry of Economy, Trade and Industry

Corporate Governance

Basic views

The Bank's corporate governance framework enables us to make decisions in a manner that is transparent, fair, expeditious, and resolute, upon having considered our shareholders, customers, officers and employees, community members and other stakeholders.

We regard the matter of strengthening and enhancing the Bank's corporate governance practices as one of our key managerial challenges, in order to put the basic values of our corporate philosophy into practice with respect to "Moving Forward with the Region, with Heartfelt Kindness Toward Customers."

Major Initiatives for Improving Corporate Governance

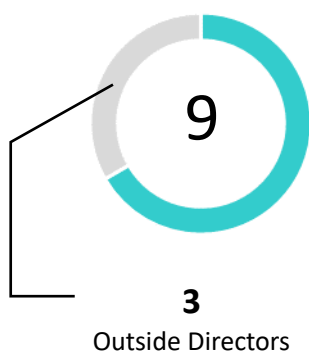
2014	Abolition of retirement benefits for directors (and other officers), Introduction of share remuneration-type stock options
2015	Formulation of the Basic Policy Regarding Corporate Governance, Appointment of one Outside Director
2016	Establishment of the Governance Committee, Increase of the number of Outside Directors by one Start of evaluations on the efficiency of the Board of Directors through a self-assessment method using anonymous questionnaires
2018	Establishment of the Disclosure Policy
2019	Assumption of office by Chairman, Increase of the number of Outside Directors by one

Corporate Governance System

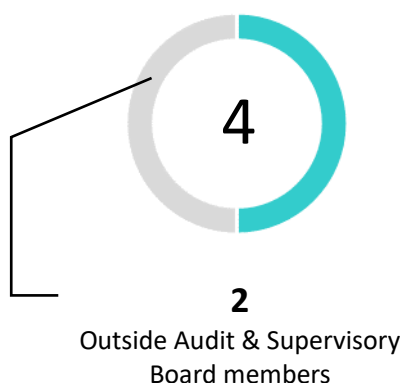
Organizational form : A Company with an Audit & Supervisory Board

Advisory body to the Board of Directors : Governance Committee (Equivalent to Nominating and Compensation Committee), Compliance Committee

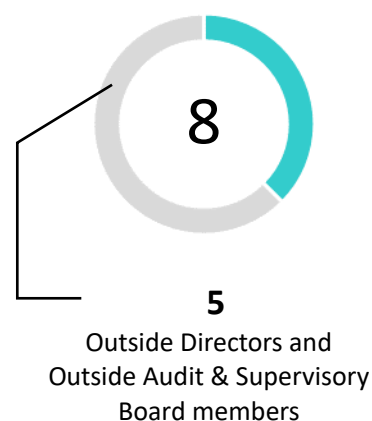
Board of Directors



Audit & Supervisory Board



Governance Committee



Board of Directors

Number of meetings in FY2020 : 15 times

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.

The Board of Directors consists of nine Directors of which three are appointed as Outside Directors.

Governance Committee

Number of meetings in FY2020 : 7 times

Established to increase the efficiency of the Board of Directors as part of a process for making decisions on important matters relating to management, such as officer personnel affairs and compensation. It aims to actively incorporate the external knowledge of independent officers and ensure independence and objectivity.

The members of this committee comprise three Representative Directors (inside Directors), three outside Directors, and two outside Audit & Supervisory Board Members to give a total of eight people. It is chaired by an independent outside Director.

Audit & Supervisory Board

Number of meetings in FY2020 : 14 times

The Audit & Supervisory Board consists of four Audit & Supervisory Board members of which two are appointed as Outside Audit & Supervisory Board members. Audit & Supervisory Board members 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 Auditing Standards.

Management Liaison Committee

Number of meetings in FY2020 : 49 times

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.

Compliance Committee

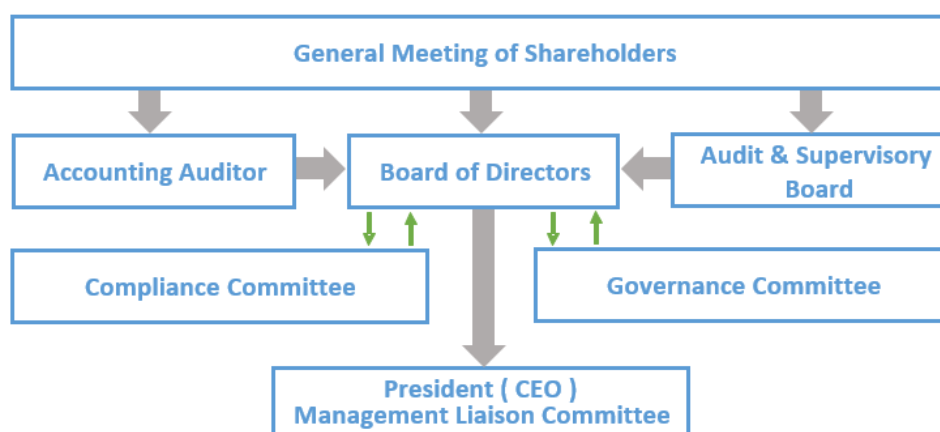
Number of meetings in FY2020 : 7 times

Based on recognition of the highly public nature and heavy social responsibilities of banks, we have positioned compliance as a fundamental principle of management. We have established the Compliance Committee and strive to take a Bank-wide approach to compliance and to determine any problem points.

Accounting Auditor

We have appointed Ernst & Young ShinNihon LLC as our accounting auditor and receive audits from a fair standpoint. We are expanding and strengthening the auditing function of audits by the accounting auditor etc. in order to verify the effectiveness and efficiency of operations, the reliability of financial statements, and the appropriateness and effectiveness of internal controls such as compliance with laws and regulations.

Corporate Governance System Structure



*Board of Directors, Audit & Supervisory Board Members and Executive Officers
(As of June 25, 2021)*

Directors



**Chairman of the Board
Shunichi Aoyagi**

Apr. 1980 Joined the Bank
 Aug. 1996 Assistant General Manager of International Division, General Manager of New York Representative Office
 July 2003 Associate Director-General, General Manager in charge of Management Planning Division
 May 2004 Associate Director-General, General Manager of Management Planning Division
 June 2004 Executive Officer, General Manager of Management Planning Division
 May 2007 Managing Executive Officer
 June 2007 Managing Director, Managing Executive Officer
 June 2009 President (CEO)
 Apr. 2019 Chairman of the Board (current position)



**President (CEO)
Hitoshi Umeda**

Apr. 1986 Joined the Bank
 Apr. 2006 General Manager of Yakuendai Branch
 July 2012 Associate Director-General, General Manager in charge of Management Planning Division
 Apr. 2014 Associate Director-General, General Manager of Management Planning Division
 June 2014 Executive Officer, General Manager of Management Planning Division
 Apr. 2016 Executive Officer, General Manager of Sales Division of Head Office
 May 2016 Managing Executive Officer, General Manager of Sales Division of Head Office
 Apr. 2017 Managing Executive Officer
 June 2018 Managing Director, Managing Executive Officer
 Apr. 2019 President (CEO) (current position)



**Vice President (COO)
Ryuichi Matsumaru**

April 1983 Joined The Fuji Bank, Limited (current Mizuho Bank, Ltd.)
 Apr. 2002 General Manager of Capital Markets Department IV of Mizuho Securities Co., Ltd.
 Feb. 2008 General Manager of Funabashi Branch, Mizuho Bank, Ltd.
 Aug. 2010 Executive Officer of Mizuho Investors Securities Co., Ltd. (current Mizuho Securities Co., Ltd.)
 June 2014 President and Representative Director of Defined Contribution Plan Services Co., Ltd.
 May 2017 Managing Executive Officer of the Bank
 June 2017 Vice President (COO) (current position)



**Senior Managing Director
Senior Executive Officer
Yoshiaki Tateno**

Apr. 1981 Joined the Bank
 July 2007 Associate Director-General, General Manager in charge of Credit Supervision Division
 June 2009 Executive Officer, General Manager of Credit Supervision Division
 Apr. 2012 Executive Officer, General Manager of Sales Division of Head Office
 Apr. 2013 Executive Officer
 May 2013 Managing Executive Officer
 June 2016 Managing Director, Managing Executive Officer
 June 2018 Senior Managing Director, Senior Executive Officer (current position)

Directors



**Managing Director
Managing Executive
Officer
Yasumitsu Kanda**

Apr. 1986 Joined The Fuji Bank, Limited (current Mizuho Bank, Ltd.)
Apr. 2010 Associate Director-General of Finance and Public Corporation Administration Department Seconded to the Bank, Vice General Manager of Management Planning Division
Apr. 2016 Seconded to the Bank, General Manager of Management Planning Division
June 2016 Executive Officer, General Manager of Management Planning Division
May 2017 Managing Executive Officer, General Manager of Management Planning Division
Apr. 2019 Managing Executive Officer
June 2020 Managing Director, Managing Executive Officer (current position)



**Managing Director
Managing Executive
Officer
Katsumi Shirai**

Apr. 1987 Joined the Bank
Nov. 2004 General Manager of Regional Corporation Department of Kashiwa Branch
Apr. 2007 General Manager of Urayasu Branch
Apr. 2010 Deputy General Manager of Sales Management Division
Apr. 2012 General Manager of Goi Branch
July 2013 Associate Director-General, General Manager of Goi Branch
Apr. 2014 Associate Director-General, General Manager in charge of Branch Support Division, and Manager of Group I of Branch Support Division
Apr. 2015 Associate Director-General, General Manager of Branch Support Division
June 2015 Executive Officer, General Manager of Branch Support Division
Apr. 2016 Executive Officer, General Manager of Corporate Strategy Division
May 2016 Executive Officer, Deputy General Manager of Sales Unit, and General Manager of Corporate Strategy Division
Apr. 2019 Managing Executive Officer, Regional Manager, and General Manager of Sales Division of Head Office
Apr. 2020 Managing Executive Officer, General Manager of Sales Unit
June 2020 Managing Director, Managing Executive Officer (current position)

Outside Directors



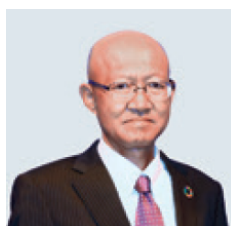
Director
Hisako Toya

Apr. 1975 Joined Chiba Prefectural Government
 Apr. 2000 Assistant General Manager of Children and Families Division of Health and Welfare Department, Head of Declining Birthrate Countermeasure Office
 Apr. 2002 Director-General of Women's Support Center of General Planning Department
 Apr. 2004 Manager of Gender Equality Division of General Planning Department, Deputy Counselor of General Affairs Department
 Apr. 2007 Deputy Director of Commerce and Labor Department, Counselor of General Affairs Department
 Apr. 2008 Deputy Director of Health and Welfare Department
 Apr. 2009 Director of Health and Welfare Department
 Apr. 2011 Director of Environmental and Community Affairs Department
 Mar. 2013 Retired from Chiba Prefectural Government
 Apr. 2013 Executive Advisor of Federation of National Health Insurance Associations of Chiba Prefecture
 June 2015 Outside Director of the Bank (current position)



Director
Eiji Yamada

Apr. 1978 Joined Nippon Telegraph and Telephone Public Corporation (current Nippon Telegraph and Telephone Corporation)
 June 2001 General Manager of Financial Business Planning Division of Financial Systems Sector of NTT DATA Corporation
 Apr. 2002 General Manager of Payment Business Division of IT Business Development Sector
 May 2004 Deputy General Manager of Payment Solutions Sector
 June 2005 Senior Vice President
 June 2011 Director, Executive Vice President
 June 2012 Representative Director and Senior Executive Vice President
 June 2015 Advisor
 President and Representative Director of Japan Information Processing Service Co., Ltd.
 June 2017 Outside Director of the Bank (current position)
 June 2021 Advisor of Japan Information Processing Service Co., Ltd. (current position)



Director
Tetsuro Sugiura

Apr. 1977 Joined The Fuji Bank, Limited (current Mizuho Bank, Ltd.)
 Apr. 2002 Related Business Department of Mizuho Bank, Ltd.
 Seconded to Fuji Research Institute Corporation (current Mizuho Research & Technologies, Ltd.)
 Executive Board Member and Chief Economist
 Apr. 2003 Group Strategy Department I of Mizuho Financial Group, Inc.
 Seconded to Mizuho Research Institute, Ltd (current Mizuho Research & Technologies, Ltd.). Chief Economist
 Apr. 2004 Corporate Planning Department
 Seconded to Mizuho Research Institute, Ltd. Chief Economist
 Apr. 2005 Executive Officer of Corporate Planning Department
 Managing Executive Officer, Chief Economist of Mizuho Research Institute, Ltd.
 Apr. 2007 Senior Executive Officer of Mizuho Research Institute Ltd.
 July 2011 Vice-chairman
 Apr. 2014 Senior Director of Japan Economic Research Institute
 June 2019 Director and Research Committee Chairman of Japan Economic Research Institute
 Outside Director of the Bank (current position)
 Nov.2019 Research Committee Chairman of Japan Economic Research Institute (current position)

Audit & Supervisory Board Members



**Standing Audit &
Supervisory Board
Member**
Shigeto Kato

Apr. 1982 Joined The Fuji Bank, Limited (current Mizuho Bank, Ltd.)
Nov. 2002 Seconded to the Bank, Associate Director-General of Finance and Public Corporation Administration Department of Mizuho Corporate Bank, Ltd. (current Mizuho Bank, Ltd.)
Apr. 2005 Deputy Director of Loan and Occupational Operations Department of Mizuho Bank, Ltd.
Mar. 2006 Head of Loan Operations Department
Feb. 2009 Seconded to the Bank, Associate Director-General in charge of Risk Management Division
Apr. 2009 Seconded to the Bank, Associate Director-General, General Manager of Risk Management Division
June 2009 Executive Officer, General Manager of Risk Management Division of the Bank
May 2010 Managing Executive Officer, General Manager of Risk Management Division
Apr. 2013 Managing Executive Officer
Apr. 2019 Executive Officer
June 2019 Audit & Supervisory Board Member (current position)



**Standing Audit &
Supervisory Board
Member**
Hitoshi Yokoyama

Apr. 1984 Joined the Bank
Jan. 2004 General Manager of Yotsukaido Branch
May 2005 General Manager of Umesato Branch
Jan. 2007 Deputy General Manager of Sales Management Division
Apr. 2008 Vice General Manager of Sales Management Division
Apr. 2009 General Manager of Financial Markets Division
July 2010 Associate Director-General, General Manager of Financial Markets Division
Oct. 2010 Associate Director-General, General Manager of Kashiwa Branch
Apr. 2013 Associate Director-General, General Manager of Risk Management Division
June 2014 Executive Officer, General Manager of Risk Management Division of the Bank
Apr. 2017 Executive Officer, General Manager of General Administration Division
Apr. 2018 Managing Executive Officer
Apr. 2020 Executive Officer
June 2020 Audit & Supervisory Board Member (current position)

Audit & Supervisory Board Members



**Outside Audit &
Supervisory Board
Member**
Junichi Sakamoto

Apr. 1981 Joined Yasuda Fire and Marine Insurance Co.,Ltd. (current Sompo Japan Insurance Inc.)
Apr. 2006 General Manager, Market Development Office, Sompo Japan Insurance Inc.
Apr. 2008 General Manager, North Hokkaido Branch
Apr. 2010 General Manager, Kobe Branch
Apr. 2012 Executive Officer and General Manager, Ibaraki Branch,
Apr. 2013 Executive Officer; Deputy General Manager, Kanto Area; General Manager, Ibaraki Branch; and General Manager, South Ibaraki Branch
Apr. 2014 President and Representative Director, Sompo Business Solutions Inc.
Apr. 2018 Chairman of the Board
June 2019 Outside Audit & Supervisory Board Member of the Bank (current position)



**Outside Audit &
Supervisory Board
Member**
Takashi Kikugawa

April 1983 Joined The Yasuda Mutual Life Insurance Company (current Meiji Yasuda Life Insurance Company)
Apr. 2001 General Manager of Kanazawa Branch
Jan. 2004 General Manager of Shinjuku Branch of Meiji Yasuda Life Insurance Company
Apr. 2006 General Manager of Sapporo Branch
Apr. 2009 General Manager of Compliance Control Department
Apr. 2012 General Manager of Agency Department
Apr. 2014 Operating Officer of Osaka Marketing Headquarters
Apr. 2016 Managing Executive Officer
Apr. 2020 Senior Managing Executive Officer
Apr. 2021 Full-time Advisor (current position)
June 2021 Outside Audit & Supervisory Board Member of the Bank (current position)

Hisako Toya, Eiji Yamada, Tetsuro Sugiura, Junichi Sakamoto and Takashi Kikugawa are independent officers pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.

Managing Executive Officers

Akio Shimoma
Hiroshi Tanaka
Takashi Furuyama
Osamu Koda
Akira Miyamoto

Executive Officers

Kouichi Kyomasu
Masahiko Miyamoto
Tsuyoshi Kanasugi
Tsuyoshi Aoki
Shoichi Mori
Zenji Yoshikoshi
Kunito Ozeki

Consolidated Subsidiaries (As of March 31, 2021)

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.

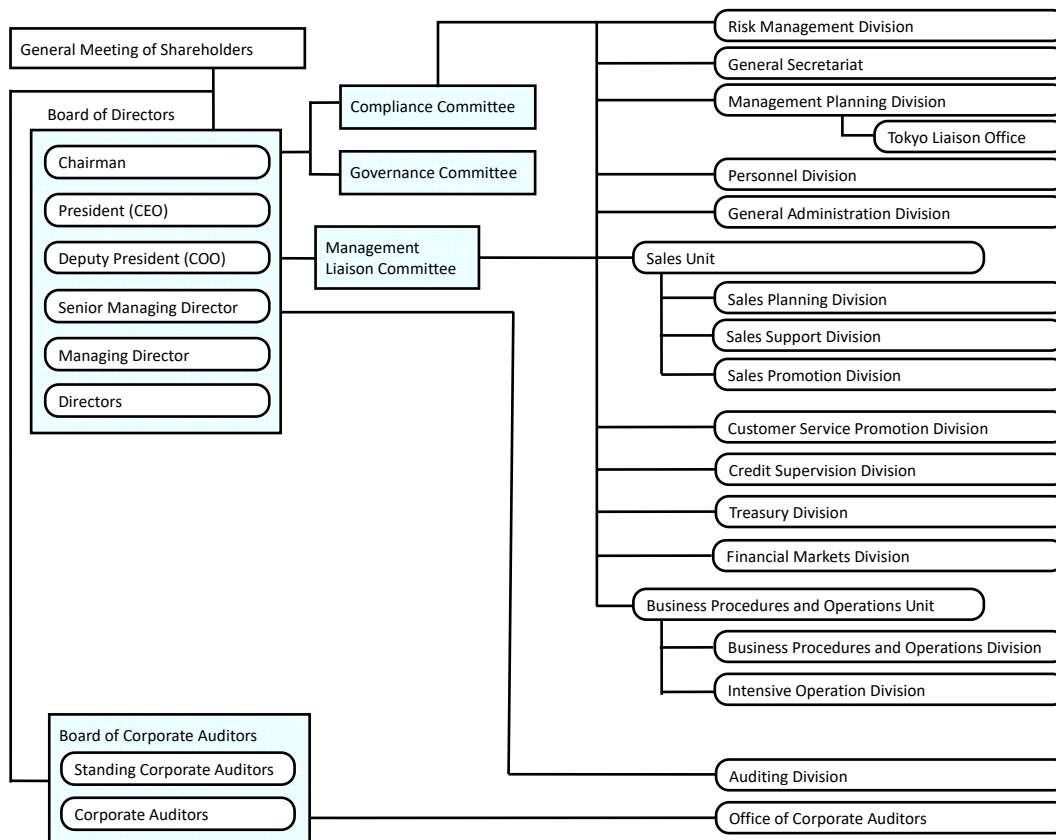
Main business line: Leasing, loans
 Established: December 1982
 Capital: ¥90 million
 Equity share of the Bank and subsidiaries: 26.1%

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%

* Chiba Kogin Business Service Co., Ltd. was absorbed into the Bank on April 1, 2021.

Organization Chart (As of June 30, 2021)



Summary of Selected Financial Data (Consolidated)

Fiscal year ended March 31	2017	2018	2019	2020	2021	
Consolidated ordinary income (Millions of yen) (Thousands of U.S. dollar)	¥52,255	¥50,525	¥50,831	¥50,391	¥49,986	\$451,463
Consolidated ordinary profit (Millions of yen) (Thousands of U.S. dollar)	9,322	9,489	8,335	6,725	7,224	65,246
Consolidated profit attributable to owners of parent (Millions of yen) (Thousands of U.S. dollar)	6,388	6,771	5,183	4,530	4,763	43,018
Consolidated comprehensive income (Millions of yen) (Thousands of U.S. dollar)	3,631	7,934	9,592	(1,717)	16,770	151,463
Consolidated net assets (Millions of yen) (Thousands of U.S. dollar)	150,724	156,621	172,583	166,892	182,491	1,648,221
Consolidated total assets (Millions of yen) (Thousands of U.S. dollar)	2,694,580	2,739,444	2,814,394	2,851,390	3,248,236	29,337,392
Net assets per share (Yen) (U.S. dollar)	1,465.62	1,554.72	1,674.88	1,687.69	1,938.72	17.51
Basic earnings per share (Yen) (U.S. dollar)	67.41	78.79	53.36	51.75	57.34	0.52
Diluted earnings per share (Yen) (U.S. dollar)	45.34	52.35	33.61	20.27	17.56	0.16
Equity ratio (%)	5.48	5.59	6.01	5.73	5.50	
Consolidated equity ratio (under Japanese standards) (%)	8.68	8.40	8.70	8.26	8.49	
Consolidated return on equity (%)	4.37	4.49	3.21	2.72	2.78	
Consolidated price earnings ratio (Times)	9.12	5.83	5.60	4.88	5.17	
Cash flows from operating activities (Millions of yen) (Thousands of U.S. dollar)	23,856	(19,686)	30,659	(17,954)	256,027	2,312,383
Cash flows from investing activities (Millions of yen) (Thousands of U.S. dollar)	(10,978)	14,263	(4,367)	6,526	(28,049)	(253,333)
Cash flows from financing activities (Millions of yen) (Thousands of U.S. dollar)	273	(2,060)	1,184	(3,998)	(1,261)	(11,389)
Cash and cash equivalents at end of period (Millions of yen) (Thousands of U.S. dollar)	¥127,073	¥119,772	¥147,441	¥132,233	¥359,075	\$3,243,091
Number of employees [Separately, average number of temporary employees] (People)	1,442 [1,095]	1,461 [1,057]	1,464 [1,015]	1,452 [950]	1,428 [891]	

- Notes: 1. U.S. dollar amounts are the yen equivalent, calculated, for convenience only, at a rate of ¥110.72 = U.S. \$1, the approximate Tokyo foreign exchange market rate as of March 31, 2021.
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. Equity ratio is calculated by dividing (total net assets at end of period – share acquisition rights at end of period - non-controlling interests at end of period) by total assets at end of period.
4. The “Consolidated equity 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 FY2020, the Japanese economy received a severe blow due to the suppression of socio-economic activity accompanying the spread of COVID-19 infections. Although there were signs of recovery in some areas due to various economic measures taken by the government and other actions, another wave of infections means that the outlook remains uncertain. In the economy of Chiba Prefecture, the base of the Bank's business, business conditions declined due to factors such as people refraining from leaving home for non-essential and non-urgent reasons, the cancellation of large-scale events, and the suppression of economic activity.

Under such a financial and economic environment, the Bank provided support as a true partner for local customer companies based on the Medium Term Management Plan that started in April 2019. For corporate and sole proprietor customers who have been impacted by the COVID-19 pandemic and its prolongation, we actively engaged in various consulting operations aimed at business continuity, such as support for securing finance, applications for subsidies, mediation with sales destinations, establishment of telework frameworks, and creation of management plans.

To safeguard the health and safety of customers and bank employees as the highest priority, we are continuing operations while also seeking to prevent the spread of COVID-19 infections through measures such as setting up acrylic panels on service counters and in reception spaces to prevent droplet infection.

As a result, the Group's financial position and performance for FY2020 were as follows.

Ordinary income decreased ¥404 million year on year to ¥49.986 billion, due to a decrease in interest income despite an increase in fees and commissions. Ordinary expenses decreased ¥904 million year on year to ¥42.761 billion, primarily due to the cost reduction effect by efficiency improvement. As a result, the Group posted ordinary profit of ¥7.224 billion, an increase of ¥0.499 billion year on year. Profit attributable to owners of parent increased ¥233 million year on year to ¥4.763 billion.

Regarding the business performance by segment, ordinary income from banking business decreased ¥1.095 billion year on year to ¥40.476 billion, while its segment profit increased ¥729 million year on year to ¥6.645 billion. Ordinary income from leasing business increased ¥470 million year on year to ¥8.885 billion, while its segment profit increased ¥64 million to ¥154 million. Ordinary income from credit guarantee and credit card business decreased ¥69 million year on year to ¥1.950 billion, while its segment profit decreased ¥38 million to ¥971 million. Ordinary income from other business segment decreased ¥203 million year on year to ¥2.011 billion, while its segment profit decreased ¥165 million year on year to ¥79 million.

Deposits totaled ¥2,768.8 billion, an increase of ¥221.8 billion year on year, primarily due to an increase in individual deposits. Loans and bills discounted totaled ¥2,295.3 billion, an increase of ¥138.4 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 ¥528.8 billion, an increase of ¥40.9 billion year on year.

As a result, total assets increased ¥396.8 billion year on year to ¥3,248.2 billion, and total net assets increased ¥15.5 billion year on year to ¥182.4 billion at the end of FY2020.

The consolidated equity ratio (under Japanese standards) at the end of FY2020 rose 0.23 percentage points from the end of FY2019 to 8.49%.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)		(Thousands of U.S. dollars)*
	As of March 31, 2020	As of March 31, 2021	As of March 31, 2021
Assets			
Cash and due from banks	¥132,574	¥359,415	\$3,246,161
Monetary claims bought	97	97	876
Trading account securities	110	132	1,192
Securities	487,853	528,844	4,776,409
Loans and bills discounted	2,156,861	2,295,318	20,730,835
Foreign exchanges	5,288	3,377	30,500
Other assets	41,997	39,691	358,481
Tangible fixed assets	20,628	20,186	182,316
Buildings, net	6,712	6,380	57,623
Land	12,144	12,048	108,815
Leased assets, net	62	63	569
Other tangible fixed assets	1,707	1,694	15,300
Intangible fixed assets	2,920	3,212	29,010
Software	2,471	2,824	25,506
Leased assets	59	4	36
Other intangible fixed assets	388	383	3,459
Deferred tax assets	3,978	505	4,561
Customers' liabilities for acceptances and guarantees	7,127	6,193	55,934
Allowance for loan losses	(8,046)	(8,737)	(78,911)
Total assets	2,851,390	3,248,236	29,337,392
Liabilities			
Deposits	2,547,017	2,768,896	25,008,092
Negotiable certificates of deposit	68,000	108,500	979,949
Call money and bills sold	4,353	-	-
Payables under securities lending transactions	4,589	4,638	41,889
Borrowed money	21,490	145,202	1,311,434
Foreign exchanges	56	43	388
Other liabilities	22,823	23,741	214,424
Retirement benefit liability	8,356	5,446	49,187
Provision for retirement benefits for directors (and other officers)	63	58	524
Provision for reimbursement of deposits	483	295	2,664
Deferred tax liabilities	134	2,729	24,648
Acceptances and guarantees	7,127	6,193	55,934
Total liabilities	2,684,497	3,065,745	27,689,171
Net assets			
Share capital	62,120	62,120	561,055
Capital surplus	15,802	16,172	146,062
Retained earnings	80,413	83,613	755,175
Treasury shares	(947)	(937)	(8,463)
Total shareholders' equity	157,388	160,969	1,453,839
Valuation difference on available-for-sale securities	8,661	18,720	169,075
Remeasurements of defined benefit plans	(2,563)	(928)	(8,382)
Total accumulated other comprehensive income	6,097	17,792	160,694
Share acquisition rights	83	94	849
Non-controlling interests	3,323	3,635	32,831
Total net assets	166,892	182,491	1,648,221
Total liabilities and net assets	¥2,851,390	¥3,248,236	\$29,337,392

* Please refer to the note 1 on page 27.

(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, 2020	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2020
Ordinary income	¥50,391	¥49,986	\$451,463
Interest income	28,641	27,205	245,710
Interest on loans and discounts	21,504	21,783	196,740
Interest and dividends on securities	6,778	5,123	46,270
Interest on call loans and bills bought	1	(0)	(0)
Interest on deposits with banks	98	155	1,400
Other interest income	258	143	1,292
Fees and commissions	9,819	10,833	97,841
Other ordinary income	1,001	535	4,832
Other income	10,929	11,411	103,062
Reversal of allowance for loan losses	545	-	-
Recoveries of written off receivables	1,216	655	5,916
Other	9,167	10,755	97,137
Ordinary expenses	43,666	42,761	386,208
Interest expenses	715	441	3,983
Interest on deposits	312	257	2,321
Interest on negotiable certificates of deposit	7	4	36
Interest on call money and bills sold	80	14	126
Interest on payables under securities lending transactions	127	26	235
Interest on borrowings and rediscounts	184	136	1,228
Other interest expenses	2	1	9
Fees and commissions payments	4,032	3,901	35,233
Other ordinary expenses	1,211	524	4,733
General and administrative expenses	26,020	25,743	232,505
Other expenses	11,686	12,151	109,745
Provision of allowance for loan losses	-	1,884	17,016
Other	11,686	10,266	92,720
Ordinary profit	6,725	7,224	65,246
Extraordinary loss	52	129	1,165
Loss on disposal of non-current assets	49	23	208
Impairment loss	3	105	948
Profit before income taxes	6,672	7,095	64,081
Income taxes - current	502	1,099	9,926
Income taxes - deferred	1,598	1,089	9,836
Total income taxes	2,101	2,188	19,762
Profit	4,571	4,907	44,319
Profit attributable to non-controlling interests	41	143	1,292
Profit attributable to owners of parent	¥4,530	¥4,763	\$43,018

* Please refer to the note 1 on page 27.

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2021
Profit	¥4,571	¥4,907	\$44,319
Other comprehensive income	(6,289)	11,863	107,144
Valuation difference on available-for-sale securities	(5,616)	10,228	92,377
Remeasurements of defined benefit plans, net of tax	(672)	1,635	14,767
Comprehensive income	¥(1,717)	¥16,770	\$151,463
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	(1,759)	16,458	148,645
Comprehensive income attributable to non-controlling interests	41	312	2,818

* Please refer to the note 1 on page 27.

(3) Consolidated Statements of Changes in Equity

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, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	62,120	15,802	80,413	(947)	157,388
Changes during period					
Issuance of new shares	1,183	1,183			2,366
Transfer from share capital to other capital surplus	(1,183)	1,183			—
Dividends of surplus			(1,563)		(1,563)
Profit attributable to owners of parent			4,763		4,763
Purchase of treasury shares				(2,000)	(2,000)
Disposal of treasury shares		3		10	14
Cancellation of treasury shares		(2,000)		2,000	—
Net changes in items other than shareholders' equity					
Total changes during period	—	369	3,200	10	3,580
Balance at end of period	62,120	16,172	83,613	(937)	160,969

	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	8,661	(2,563)	6,097	83	3,323	166,892
Changes during period						
Issuance of new shares						2,366
Transfer from share capital to other capital surplus						—
Dividends of surplus						(1,563)
Profit attributable to owners of parent						4,763
Purchase of treasury shares						(2,000)
Disposal of treasury shares						14
Cancellation of treasury shares						—
Net changes in items other than shareholders' equity	10,059	1,635	11,694	11	312	12,018
Total changes during period	10,059	1,635	11,694	11	312	15,598
Balance at end of period	18,720	(928)	17,792	94	3,635	182,491

Fiscal year ended March 31, 2021

(Thousands of U.S. dollars)*

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	561,055	142,720	726,273	(8,553)	1,421,496
Changes during period					
Issuance of new shares	10,685	10,685			21,369
Transfer from share capital to other capital surplus	(10,685)	10,685			—
Dividends of surplus			(14,117)		(14,117)
Profit attributable to owners of parent			43,018		43,018
Purchase of treasury shares				(18,064)	(18,064)
Disposal of treasury shares		27		90	126
Cancellation of treasury shares		(18,064)		18,064	—
Net changes in items other than shareholders' equity					
Total changes during period	—	3,333	28,902	90	32,334
Balance at end of period	561,055	146,062	755,175	(8,463)	1,453,839

	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	78,224	(23,148)	55,067	750	30,013	1,507,334
Changes during period						
Issuance of new shares						21,369
Transfer from share capital to other capital surplus						—
Dividends of surplus						(14,117)
Profit attributable to owners of parent						43,018
Purchase of treasury shares						(18,064)
Disposal of treasury shares						126
Cancellation of treasury shares						—
Net changes in items other than shareholders' equity	90,851	14,767	105,618	99	2,818	108,544
Total changes during period	90,851	14,767	105,618	99	2,818	140,878
Balance at end of period	169,075	(8,382)	160,694	849	32,831	1,648,221

* Please refer to the note 1 on page 27.

(4) Consolidated Statements of Cash Flows

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2021
Cash flows from operating activities			
Profit before income taxes	¥6,672	¥7,095	\$64,081
Depreciation	1,947	2,221	20,060
Impairment loss	3	105	948
Increase (decrease) in allowance for loan losses	(1,417)	691	6,241
Increase (decrease) in retirement benefit liability	414	(2,909)	(26,273)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	0	(5)	(45)
Increase (decrease) in provision for reimbursement of deposits	(256)	(188)	(1,698)
Interest income	(28,641)	(27,205)	(245,710)
Interest expenses	715	441	3,983
Loss (gain) related to securities	2,505	(229)	(2,068)
Foreign exchange losses (gains)	(218)	(125)	(1,129)
Loss (gain) on disposal of non-current assets	49	23	208
Net decrease (increase) in trading account securities	(7)	(22)	(199)
Net decrease (increase) in loans and bills discounted	(72,345)	(138,457)	(1,250,515)
Net increase (decrease) in deposits	47,942	221,878	2,003,956
Net increase (decrease) in negotiable certificates of deposit	(4,500)	40,500	365,788
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	2,901	123,711	1,117,332
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	317	2	18
Net increase (decrease) in call money	(87)	(4,353)	(39,315)
Net increase (decrease) in payables under securities lending transactions	(6,437)	49	443
Net decrease (increase) in foreign exchanges - assets	(2,307)	1,911	17,260
Net increase (decrease) in foreign exchanges - liabilities	(8)	(12)	(108)
Interest received	28,988	27,151	245,222
Interest paid	(720)	(483)	(4,362)
Other, net	7,038	3,824	34,538
Subtotal	(17,450)	255,614	2,308,652
Income taxes paid	(604)	(628)	(5,672)
Income taxes refund	100	1,041	9,402
Net cash provided by (used in) operating activities	(17,954)	256,027	2,312,383
Cash flows from investing activities			
Purchase of securities	(129,776)	(100,959)	(911,841)
Proceeds from sales of securities	65,625	32,426	292,865
Proceeds from redemption of securities	72,670	42,641	385,125
Purchase of tangible fixed assets	(809)	(961)	(8,680)
Proceeds from sales of property, plant and equipment	—	12	108
Purchase of intangible assets	(1,183)	(1,208)	(10,910)
Net cash provided by (used in) investing activities	6,526	(28,049)	(253,333)
Cash flows from financing activities			
Proceeds from issuance of shares	—	2,302	20,791
Purchase of treasury shares	(2,939)	(2,000)	(18,064)
Proceeds from sales of treasury shares	0	0	0
Dividends paid	(1,059)	(1,563)	(14,117)
Net cash provided by (used in) financing activities	(3,998)	(1,261)	(11,389)
Effect of exchange rate change on cash and cash equivalents	218	125	1,129
Net increase (decrease) in cash and cash equivalents	(15,208)	226,842	2,048,790
Cash and cash equivalents at beginning of period	147,441	132,233	1,194,301
Cash and cash equivalents at end of period	¥132,233	¥359,075	\$3,243,091

* Please refer to the Note 1 on page 27.

- Cash Flows

Cash flows during FY2020 and their causes are as follows.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥256.0 billion (an increase of ¥273.9 billion from ¥17.9 billion used in FY2019). The main contributory factors were ¥7.0 billion in profit before income taxes, an increase of ¥138.4 billion in loans and bills discounted, an increase of ¥221.8 billion in deposit and an increase of ¥123.7 billion in borrowed money.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥28.0 billion (a decrease of ¥34.5 billion from ¥6.5 billion provided by FY2019). The main contributory factors were ¥75.0 billion in proceeds from sales and redemption of securities, and ¥100.9 billion in purchase of securities.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥1.2 billion (an increase of ¥2.7 billion from ¥3.9 billion used in FY2019). The main contributory factors were ¥2.0 billion expended on the purchase of treasury shares. As a result, cash and cash equivalents at the end of FY2020 amounted to ¥359.0 billion (an increase of ¥226.8 billion year on year).

Major Shareholders (Common Stock) (As of March 31, 2021)

Name	Number of Shares Owned	Proportion of Total Shares (%)
Mizuho Bank, Ltd.	9,583,910	16.17
The Master Trust Bank of Japan, Ltd. (trust account)	3,757,900	6.34
Custody Bank of Japan, Ltd. (trust account)	2,012,000	3.39
Chiba Kogyo Bank Employee Ownership	1,283,017	2.16
Sakamoto Feeds Co., Ltd.	1,249,700	2.10
Meiji Yasuda Life Insurance Co.	1,158,200	1.95
Custody Bank of Japan, Ltd. (trust account-9)	1,028,700	1.73
Mizuho Trust & Banking Co., Ltd.	926,800	1.56
DFA Intl Small Cap Value Portfolio (Standing proxy: Citibank, N.A., Tokyo Branch)	862,100	1.45
Custody Bank of Japan, Ltd. (trust account-5)	770,100	1.29

Note: The proportion of the number of shares owned to total shares was calculated after deducting treasury shares (2,977,701 shares).

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