

# ANNUAL REPORT 2022



# Corporate Outline (As of March 31, 2022)

<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

## Network

<b>Head Office and Branches:</b>	75
<b>Number of Employees:</b>	1,318
<b>Stock Exchange Listing:</b>	Prime Market of Tokyo Stock Exchange
<b>Share 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>	11,799

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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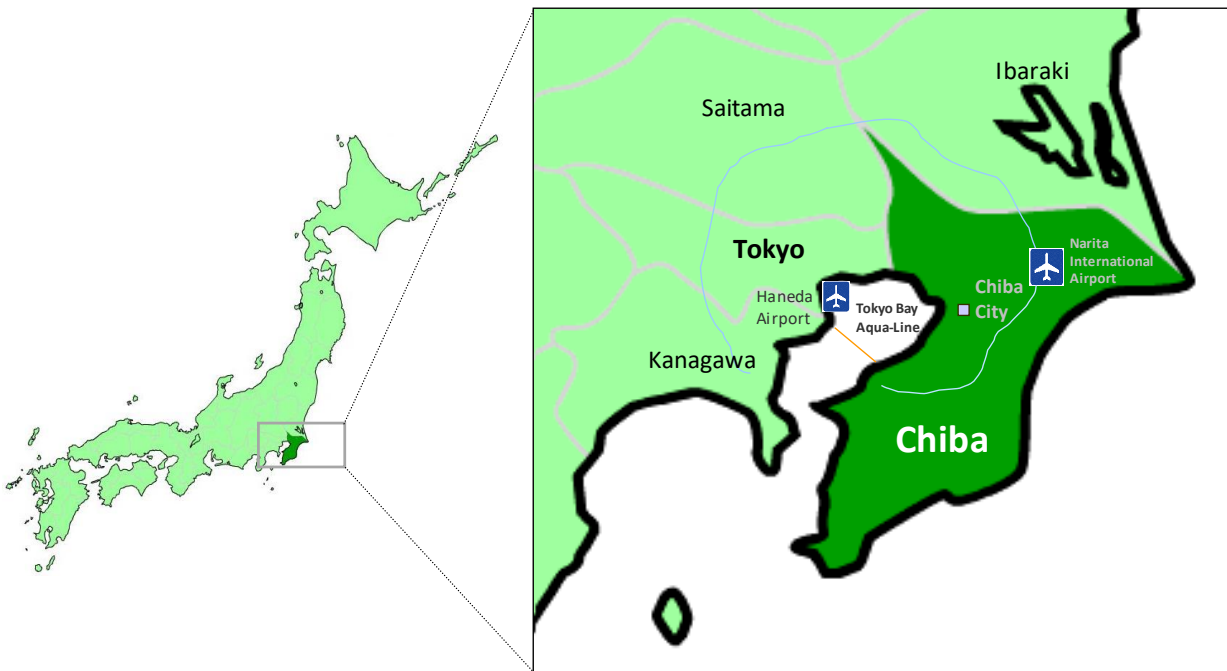
# Chiba Prefecture – Our Business Base

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.



<b>Population</b> <b>6.27 Million</b> 6 th among Japanese Prefectures	<b>Balance of Deposits</b> <b>¥34.3 Trillion</b> 6 th among Japanese Prefectures	<b>Balance of Loans</b> <b>¥15.7 Trillion</b> 7 th among Japanese Prefectures	<b>Gross Prefecture Product (nominal)</b> <b>¥21.0 Trillion</b> 8 th among Japanese Prefectures
<b>Agricultural Output</b> <b>¥385 Billion</b> 4 th among Japanese Prefectures	<b>Fishery Production Volume</b> <b>99K Tons</b> 8 th among Japanese Prefectures	<b>Manufacturing Output</b> <b>¥11.8 Trillion</b> 8 th among Japanese Prefectures	<b>Retail Sales</b> <b>¥0.9 Trillion</b> 7 th among Japanese Prefectures

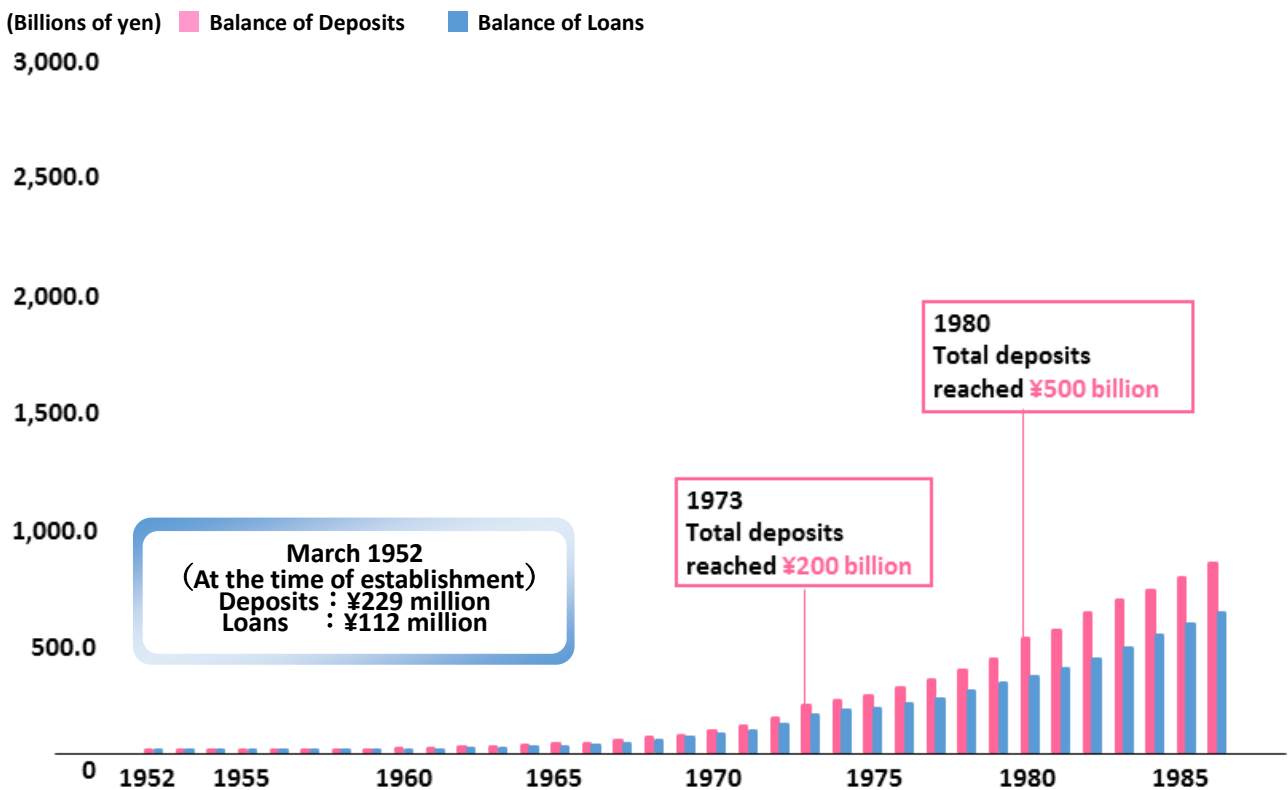
Source: 2021 Population Estimates, Report on Internal Migration in Japan, Statistics Bureau of Japan, Mar.31.2021 Bank of Japan, Annual Report on Prefectural Accounts, 2018 Cabinet Office, 2020 Statistics of Agricultural Income Produced, 2020 Production Statistics for the Fishing and Aquaculture Industries, Ministry of Agriculture, Forestry and Fisheries, Census of Manufactures 2021, Current Survey of Commerce 2021, Ministry of Economy, Trade and Industry

# History of the Chiba Kogyo Bank

On March 3rd, 2022, we the Chiba Kogyo Bank were able to celebrate the 70th anniversary of our establishment.

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.

Based on the founding spirit of “acting as a reliable adviser to small- and medium-sized enterprises in Chiba Prefecture”, we have made every effort to develop Chiba Prefecture, as a financial institution rooted in the local community. We will continue to contribute to the sustainable development and prosperity of the region.



## 1950's ~

1952

- Establishment  
Share capital : ¥50 million



## 1970's ~

1972

- Built the new head office building



1973

- Listed on 1st section of the Tokyo Stock Exchange

1974

- Deposits online began operation

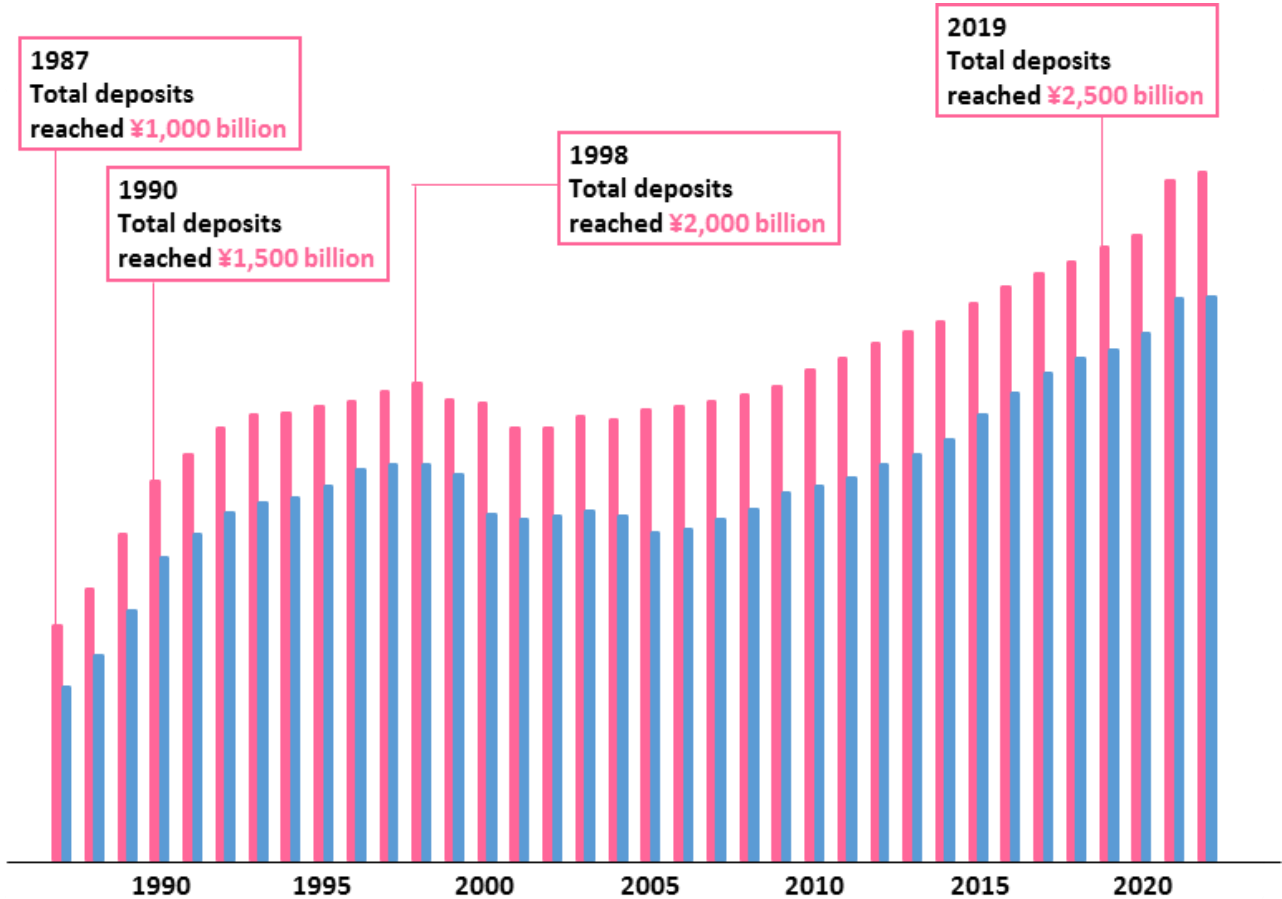
**Corporate Philosophy**  
 “Moving Forward with the Region,  
 with Heartfelt Kindness Toward Customers”



**the Bank symbol**  
 the cosmos flower

**March 2022**

**Deposits : ¥2,816.7 billion**  
**Loans : ¥2,306.5 billion**



**1990's ~**

**1991**

- Formulation of a corporate philosophy and adoption of the cosmos flower as the Bank symbol

**2000**

- Injection of ¥60.0 billion of public funding

**2004**

- Established The Chiba Kogin “Keiei Juku”
- Transfer of core systems to NTT DATA’s Regional Bank Integrated Services Center

**2010's ~**

**2013**

- Repayment of ¥60.0 billion of public funding

**2018**

- Concluded “FinX Partnership” agreement
- Established “FinX Digital Co., Ltd.”

**2019**

- Entered the paid job-placement service business (human resources referral operations)

**2022**

- 70th anniversary of establishment



# The Chiba Kogyo Bank's 70th Anniversary Projects

Thanks to you, the Chiba Kogyo Bank celebrated its 70th anniversary of establishment on March 3rd, 2022. To express our sincere gratitude to our customers and local residents for their support over the years, we held various events as the Bank's 70th anniversary celebrations.

## ▶ "Single Flower Bouquet", Present for Our Customers

From February 28th to March 3rd, 2022, we gave "single flower bouquet" as a token of our gratitude to customers who visited our branches. This project also aimed to support flower producers in Chiba Prefecture, where consumption of flowering plants has declined due to restrictions on holding events because of COVID-19 spread.

For the "single flower bouquet", we used the flowers from Chiba Prefecture such as new variety of calla lily named "Brilliant Bell" which Chiba Prefecture took 10 years to develop. We also used spray-type carnation and Chiba Prefecture boasts top-class production of spray-type carnation in Japan. We promoted the appeal of various high-quality flowers from Chiba Prefecture to our customers through giving "single flower bouquet".



## ▶ Chiba Kogin Flower Garden

Together with our customers who are involved in the development of the next generation, including kindergartens, we created the "Chiba Kogin Flower Garden." In addition to supporting flower producers in the prefecture, this project was undertaken with the idea that it would contribute to the development of a sustainable community through various partnerships and to the social and emotional learnings for children through the experience of growing flowers.

Kindergarteners and employees of the Kindergarten Attached to Seitoku University, and the Bank's employees worked together to plant flowers from Chiba Prefecture, such as golden cosmos flowers and pansies, and created the "Chiba Kogin Flower Garden". In addition, we gave flowers in box planters to about 70 kindergartens, nursery schools, daycare centers, etc.



## ▶ Photo and Essay Contest

As part of the Bank's 70th anniversary projects, we held the "Photo and Essay Contest".

The purpose of this contest was discovering Chiba Prefecture's appeals and promoting them. Under the theme of "Chiba's appeal that I want to tell someone", we looked for photos and essays filled with the appeals of Chiba Prefecture's nature, culture, historic sites, food, sports, and etc.

This contest received 98 applications. After rigorous judging, we have selected 1 Grand Prize, 3 Excellence Awards, 3 Honorable Mention Awards, and 16 Chiba Kogin Prizes. The work that won the Grand Prize was Isamu Watanabe's "Yoake no Unkai", (English: Sea of Clouds at Dawn) taken in Kujukutani, Kimitsu City.

On March 28th, 2022, we held the award ceremony at the Chiba-Branch Hall inviting the top winners. All prize-winning works are introduced on our website. Please take a look.

<https://www.chibakogyo-bank.co.jp/lp/202203photocon/>

Grand Prize "Yoake no Unkai" photo by Isamu Watanabe



3 works that won Excellence Awards



Photo by Yukio Kasai



Photo by Hitomi Kurosu



Photo by Kenji Futatsugi

## ▶ The Bank's Mascot Character "CHIBA CORGI"

In order to improve Bank's recognition and image, we held an in-house competition to determine the design of the Bank's mascot character targeting employees and their family.

Created by one of our employee, "CHIBA CORGI" was selected. From now on, we will use "CHIBA CORGI" as the bank's mascot character for advertisement, sales promotion, and publicity activities.

"CHIBA CORGI" is named after our corporate's nickname "Chiba Kogin" and the Pembroke Welsh "Corgi" (dog breeds), which sound similar in Japanese.



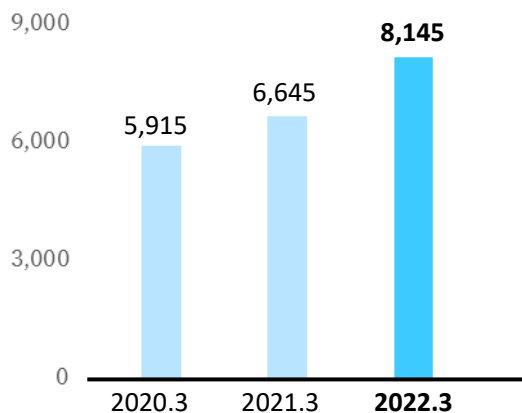
**CHIBA CORGI**

ちばコーギー

# Financial Highlights (Non-Consolidated)

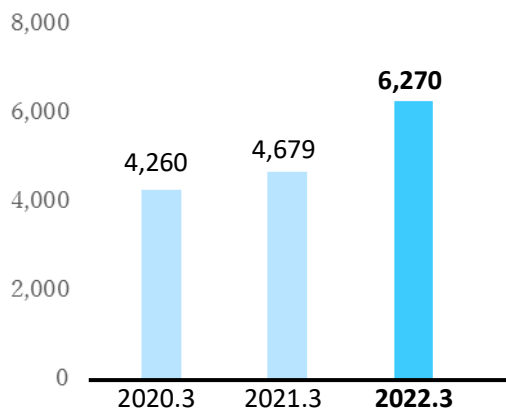
## Ordinary profit

(Millions of yen)



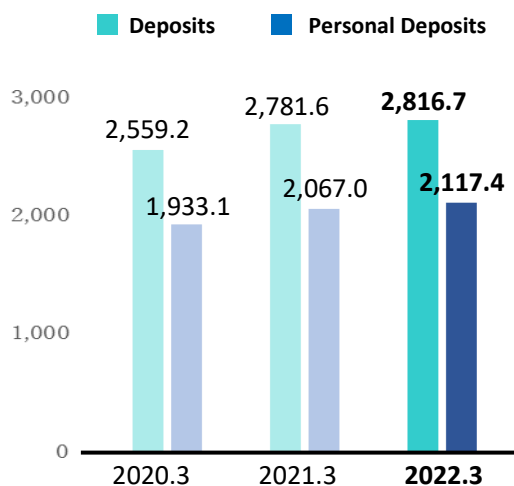
## Profit

(Millions of yen)



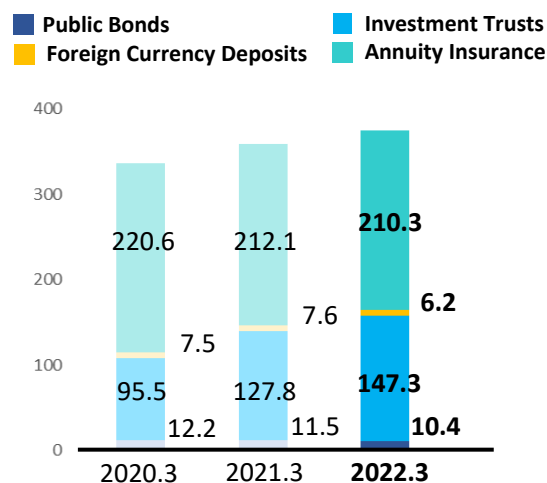
## Deposits

(Billions of yen)



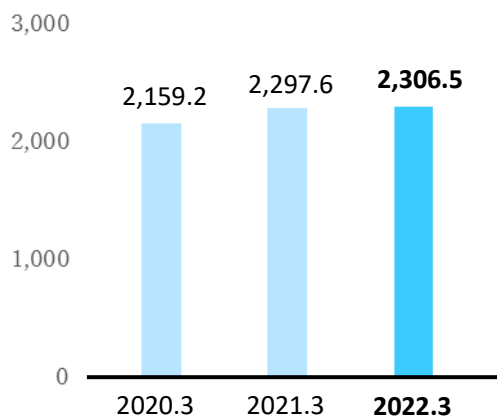
## Balance of Customer Assets under Custody

(Billions of yen)



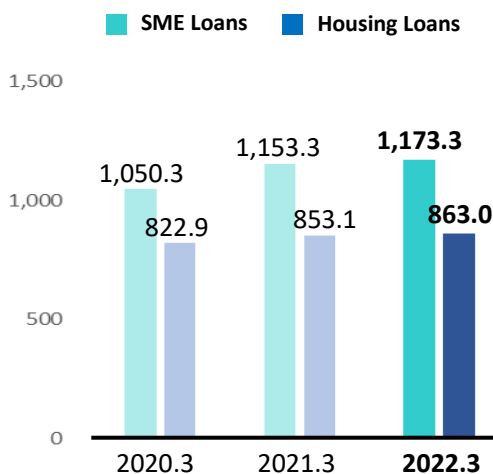
## Loans and Bills Discounted

(Billions of yen)



## SME Loans / Housing Loans

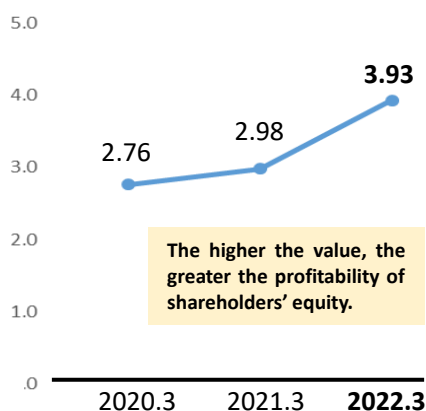
(Billions of yen)





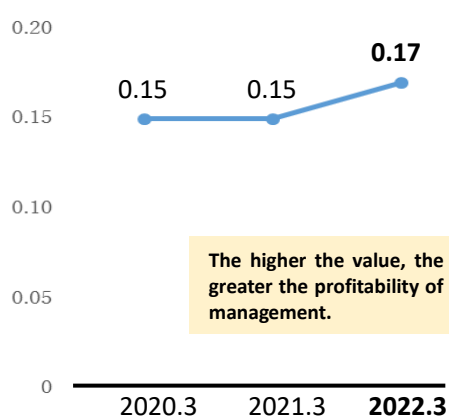
## ROE (Net income basis)

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



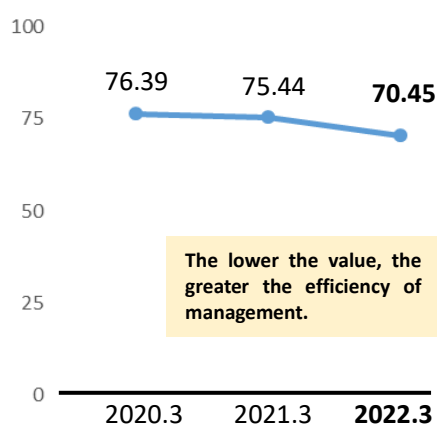
## ROA (Net income basis)

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



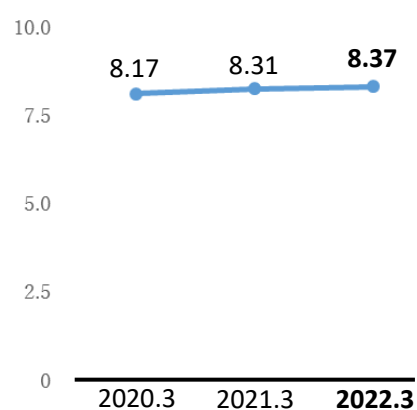
## Core OHR

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



## Equity Ratio

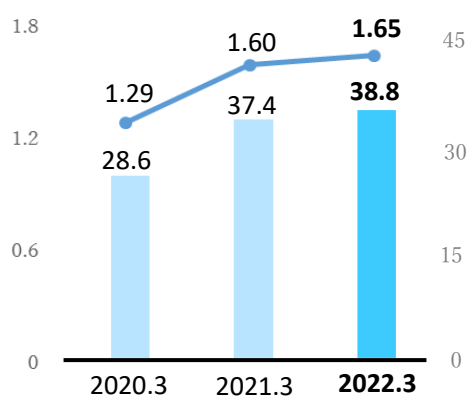
(%)



## Disclosed Claims under the Financial Reconstruction Law

(%), (Billions of yen)

● Ratio of disclosed claims ■ Balance of disclosed claims



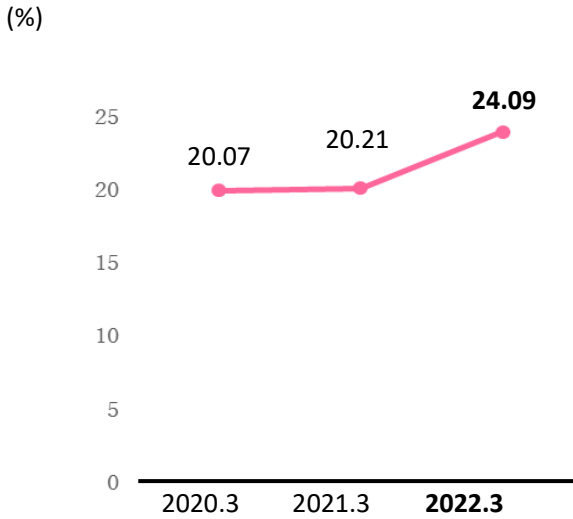
## Long-term Issuer Rating/Outlook (Japan Credit Rating Agency, Ltd.)

Rating Assignment Date		
September 18, 2019	October 12, 2020	September 17, 2021
A-	A-	A-
Stable	Stable	Stable

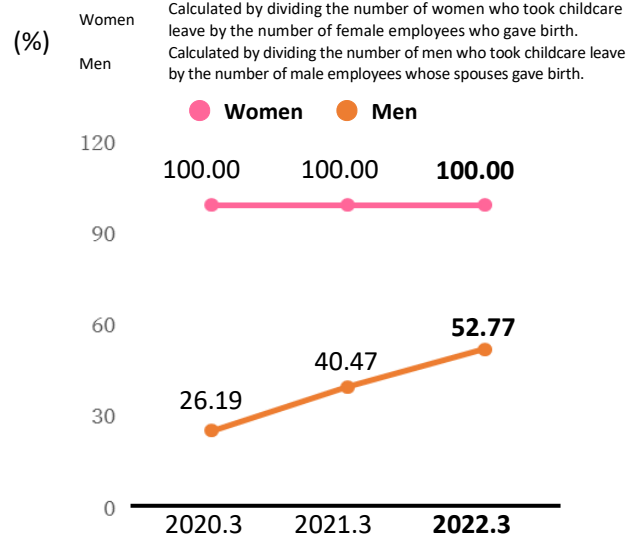
A Long-term Issuer Rating Scale enables comparison of the overall capacity of an obligor (issuer) to honor its entire financial obligations with such overall capacity of others.

# Non-Financial Highlights

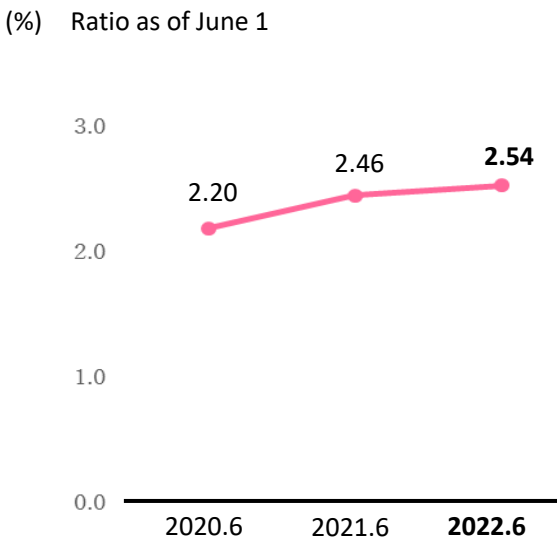
## Ratio of Female Officers (Manager level or above)



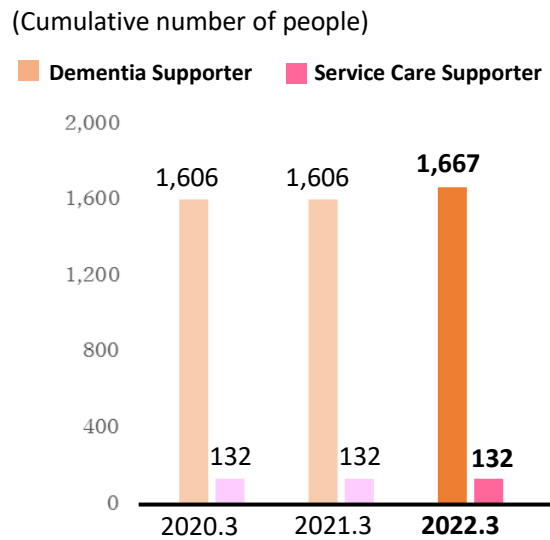
## Percentage of Employees Taking Childcare Leave



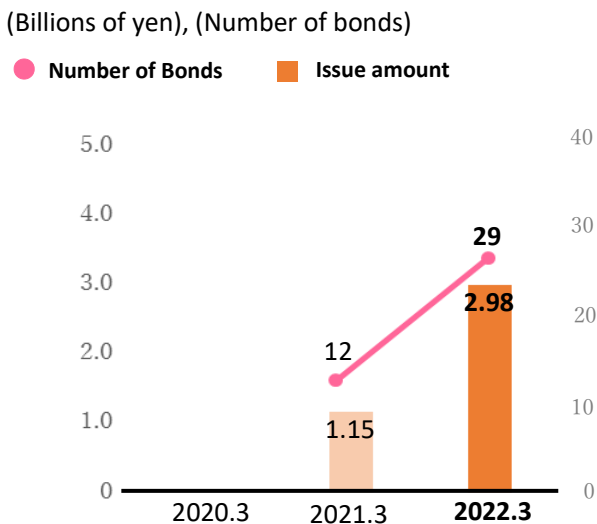
## Employment Rate of People with Disabilities



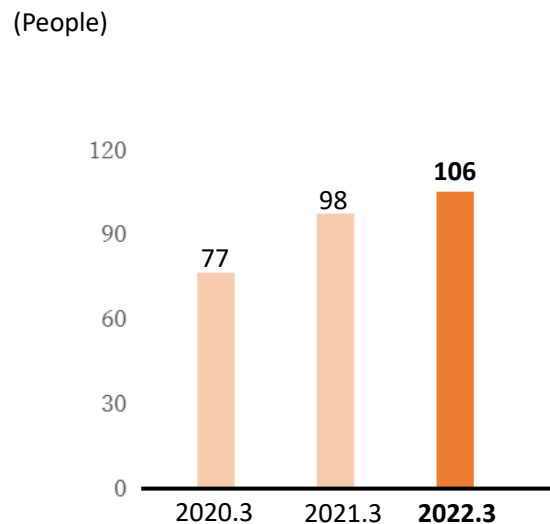
## Number of dementia Supporter / Service Care Supporter



## Issuance of Chiba Kogyo Bank SDGs Private Placement Bonds



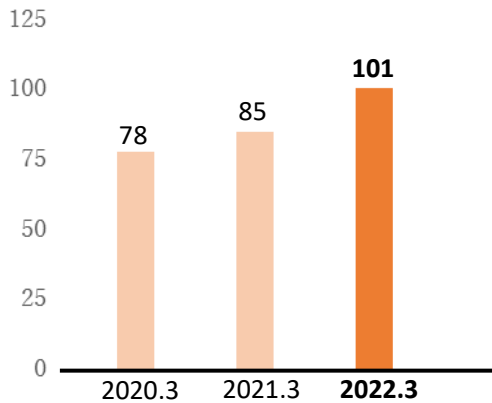
## Number of Employees Acquired 1st Grade Certified Skilled Professional of Financial Planning



\* Handling began from July 1, 2020

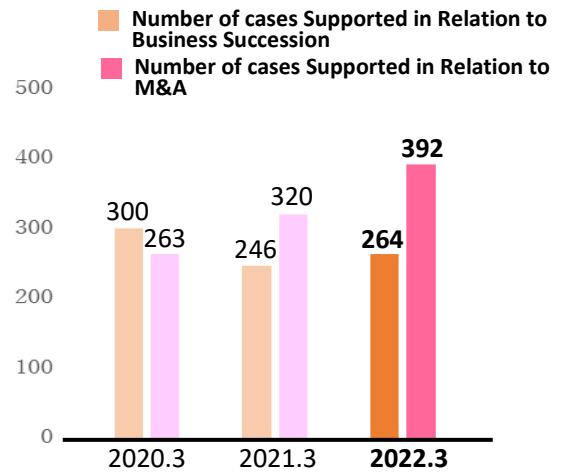
### Number of Employees Acquired M&A Senior Expert Accreditation

(People)



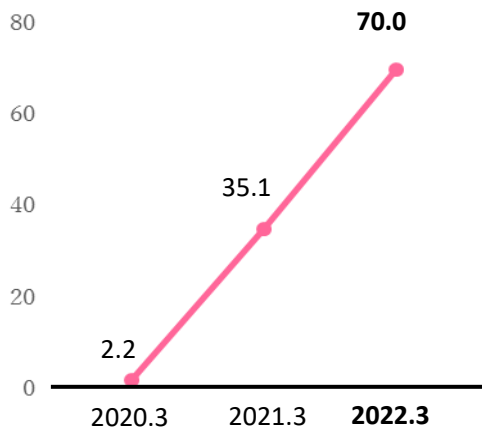
### Number of Companies Supported by Consulting Services

(Number of cases)



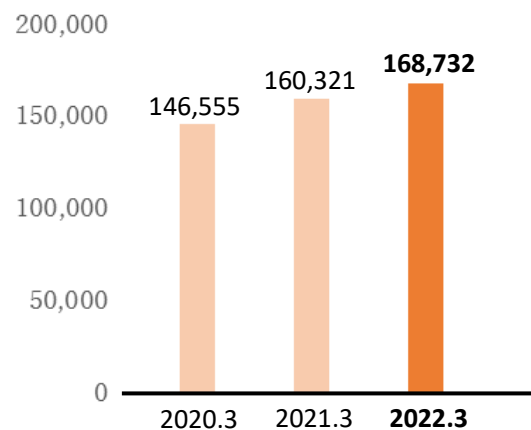
### Ratio of Paperless Operations

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



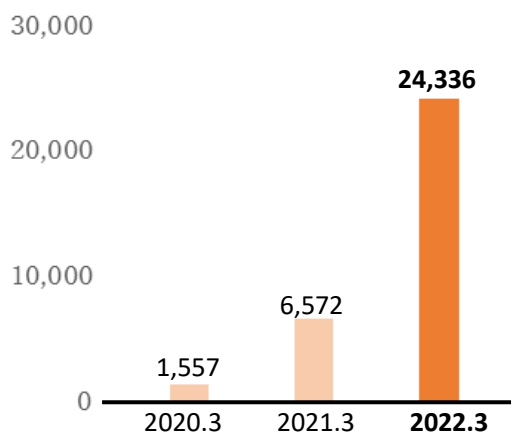
### Number of Internet Banking Agreements (Individual customers)

(Number)



### Number of Bankbook-free Accounts

(Number)



### External Evaluation



“Platinum Kurumin Plus” 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



**Hitoshi Umeda**  
President (CEO)

**Seeking to become a corporate group with an absolute presence indispensable to the area and our customers by facing customers as a kind partner and realizing everyone's happiness.**

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 2022,” 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.

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## **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. Because traffic to and from overseas has been restricted due to the impact of COVID-19, the number of air travelers at Narita Airport has dropped significantly. However, as the restriction is gradually eased, an improvement in the occupancy ratio of accommodation facilities in Chiba Prefecture and a recovery in demand for tourism are expected.

Moreover, in Chiba Prefecture which has access networks to land, sea and air partly due to the development of the Ken-O Expressway, further revitalization and growth of people, goods and money can be highly anticipated.

Recently, digital and decarbonization have been major issues in the society. Although many companies including the Bank and its business partners have already been working on environmentally-sound business activities, we think that it is necessary to work on thorough streamlining and create new value using digital technologies in order to realize decarbonization.

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## Formulate a new Long Term Management Vision and Long Term Management Strategy



Continue to design everyone's happiness together as a reliable partner



Design everyone's happiness together and establish "CKB Community," which is built based on solid relationships with stakeholders

The essence of the Bank is to face customers as a reliable advisor. On the other hand, while customer needs have changed and been diversified constantly, the feeling of "hoping to be happy" that is the essence of those needs never changes. Based on this recognition, we have decided to call for continuing to accompany customers toward realizing happiness through "Consulting Kodo" of always thinking and acting in the Long Term Management Vision. We have come up with the conclusion that making it our biggest and only mission to realize customers' happiness, pursuing this initiative and continuing to accompany customers will result in sustainable growth of the Bank, and we found the direction which the Bank

should follow in the next decade. We will seek to become a corporate group with an absolute presence indispensable to the area and our customers by realizing everyone's happiness.

The long term management strategy is to design everyone's happiness together and establish "CKB Community," which is built based on solid relationships with stakeholders. We aim to establish "CKB Community," a circle of links created by designing many "happiness" through trust and the utilization of information/networks that we can have because of being a regional financial institution, in not just traditional finance but various scenes.

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### "Digital" and "decarbonization"

As mentioned earlier, digital and decarbonization, which are pressing social issues, are fields into which the Bank will particularly put effort from now. As for digital, we think there are two things that the Bank must accomplish to implement the long term management strategy. The first one is "transformation of existing businesses." We will achieve improvement of convenience for customers and thorough streamlining by concluding all banking operations with a digital flow, and diverting a force generated as a result to consulting to double the Bank's earning power and asset efficiency. The second one is "creation of new value." We aim to make connections with customers which the Bank have accumulated so far further multi-layered by making use of digital technologies, and establish a posture that enables us to offer new value connecting stakeholders to each other.

As for decarbonization, we have set targets of a reduction in the Bank's CO2 emissions at (35)% compared with 2013 by 2025, and (46)% compared with 2013 by 2030.

In addition, we will not only cut CO2 emissions of the Bank itself but also provide support for decarbonization of business partners through carbon offset, measurement of carbon emissions, relational analysis of carbon emissions based on PL information such as net sales, and other means. We think that initiatives for decarbonized management are an important mission to companies, and will lead to improvement in corporate value of the Bank and business partners. Going forward, we will vigorously push forward such initiatives including disclosure of management strategies that respond to climate change.

So far, the Bank has taken initiatives that respond to the three major needs of business succession, labor shortages, and management streamlining, which are issues faced by many managers of local small and medium enterprises. Going forward, we will deploy initiatives for the five major needs with DX(Digital Transformation) and decarbonization newly added.



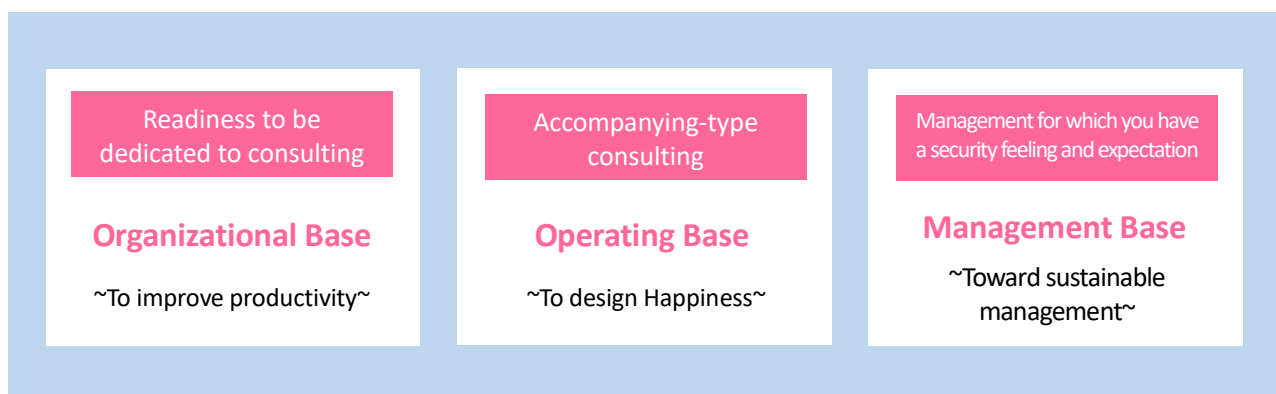
### Our new Medium Term Management Plan, which we implement in the next three years, started

The new Medium Term Management Plan was named “Happiness Design, KIZUNA Project 2025 ~ Toward Establishment of CKB Community 1st Stage ~.” The new plan is taken to be the stage for building three bases toward the establishment of the long term management strategy “CKB Community,” which are founded on outcomes of initiatives under the previous Medium Term Management Plan for the period from FY2019 to FY2021 by further enhancing these outcomes.

The first one of the three bases is an organizational base. This is an initiative for expanding actions for streamlining implemented under the previous Medium Term Management Plan such as paperless operations and BPR into the entire business model as a company-wide effort. We aim to change all banking transactions including deposits and loans to digital-based ones.

The second one is an operating base. The initiative for an operating base is, based on the basic stance for Consulting Kodo of “thinking and acting” which has been established to date, reinforcing this stance more effectively and efficiently, and deepening connections and also ties with customers more than ever to increase intimacy beyond the financial field, utilizing digital.

The third one is a management base. While fulfilling all the various social responsibilities and new requests required to be met, we will promote more transparent and efficient management than ever which are recognized by stakeholders. Especially, the new Medium Term Management Plan calls for enhance measures for return to common shareholders and reduction of preferred stock and cross-shareholdings as priority issues.



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### To utilize digital and provide a higher level of consulting, “people” is the key

To improve consulting capabilities, skills development of each employee who supports the operations is essential. We will develop consulting into a field that is an absolute strength of the Bank by establishing the most reliable support structure in the area, including enhancement of the structure of consulting support desk through recruitment of experts and other means as well as human resources development by strengthening training on consulting. Furthermore, consulting personnel is required to have not only a high level of expertise but also the thinking ability to think of business challenges, etc. of customers and propose solutions on their own. The Bank has developed an environment where employees learn voluntarily. To further strengthen consulting personnel, we will set up “Makuhari Gakumonjyo” where group discussions involving people in different industries,

experience learning, etc. are conducted, focusing training sessions on active learning type training.

In addition, aiming to develop self-directive human resources, we will provide opportunities for employees themselves to be lecturers, and further enrich contents of an in-house university that fosters culture where employees learn from each other. We believe that not only employees who belong to the dedicated IT department but also the entire organization has to acquire IT literacy to change all transactions to digital-based ones and expand actions for streamlining through digitalization into the entire business model as a company-wide effort. We also aim to increase the number of employees who hold the Information Technology Passport for which the examination is a national test to 550 people in three years.



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### **Mark the 70th anniversary of the establishment, and start running for the next decade**

Amid growing momentum toward establishing new banks that were more rooted in their regions, the 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 3rd, 1952. In March 2022, we greeted the 70th anniversary of the Bank’s establishment. 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.

Although we could not carry out a commemorative project on a large scale mainly due to the COVID-19 pandemic during the anniversary period, it is a great pleasure for us to reach this significant milestone with our stakeholders’ tremendous support.

The Bank has mapped out its new Long Term Management Vision, Long Term Management Strategy and Medium Term Management Plan, and started running for the next decade. We intend to implement these plans steadily and show further evolved the Chiba Kogyo Bank while offering value to our stakeholders and contributing to sustainable development of the region’s communities.

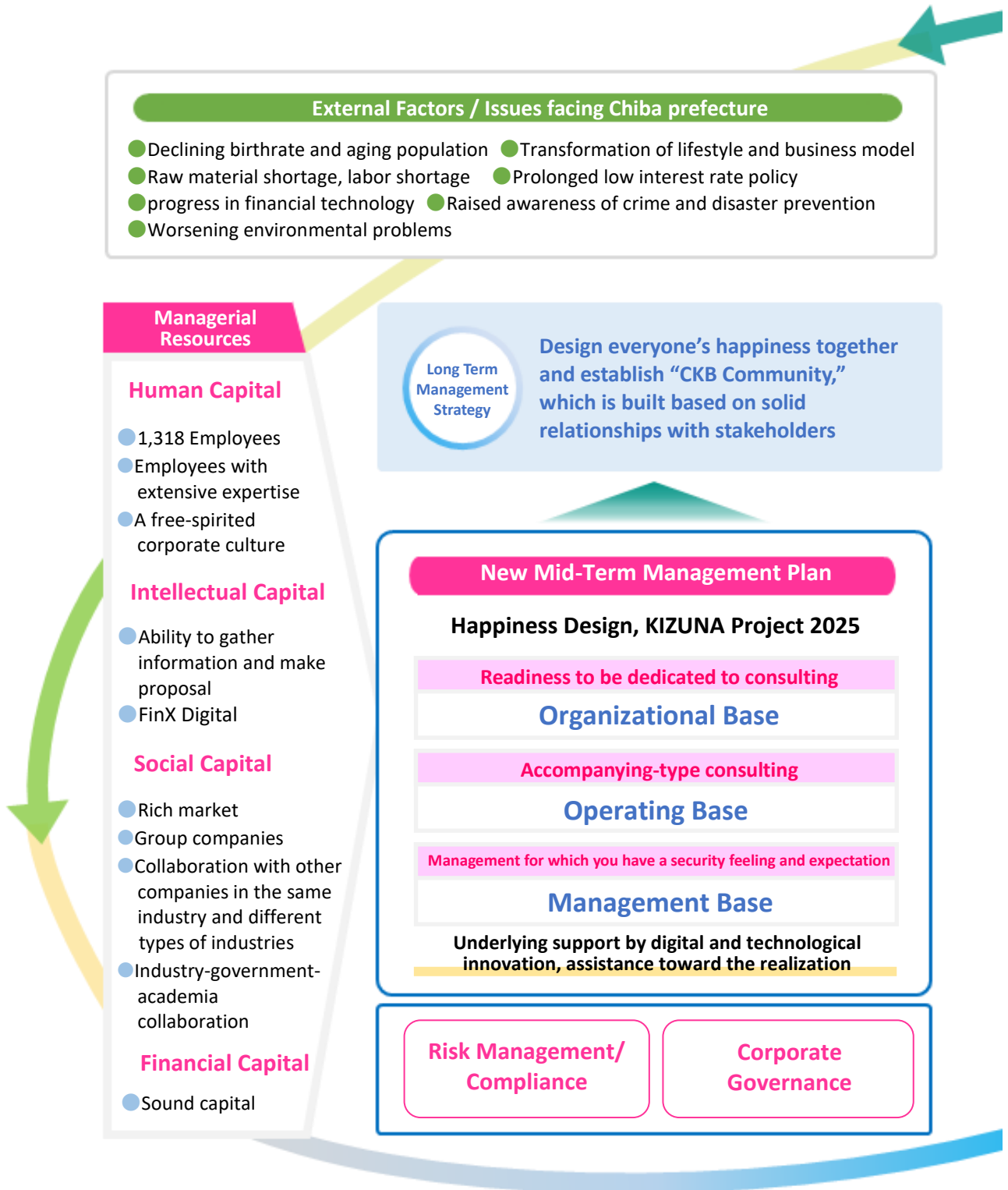
The Bank, with officers and employees joining together as one, will take initiatives in various issues to meet the expectations of shareholders, customers and community members. We sincerely ask for your continued guidance and support.

**July 2022**

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

# Value Creation Process

We aim to offer value to our stakeholders, contribute to sustainable development of the region's communities, and keep designing everyone's happiness together as a reliable partner by investing the Bank's managerial resources to develop corporate activities for solving various issues.



Long Term Management Vision

Continue to design everyone's happiness together as a reliable partner

**Creating Value for Stakeholders**

**Establishment of CKB Community**

**Shareholders**

- Sustainable improvement in corporate value
- Maintaining transparent and sound management

**Customers**

- Growth and development of customers

**Officers and Employees**

- Ensuring diversity
- Providing education and opportunities
- Improving whistle-blowing system

**Regional Communities**

- Growth and development of the region's communities
- Response to sustainability
- Collaboration with regional administration

**Contributing to Sustainability**

**the Sustainability Key Issues**

**Revitalizing industry and creating appeal for Chiba**



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



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



# Long Term Management Vision and Strategy

We have promoted community-based finance rooted in the regional area and contributed to the local economy and society, with the spirit of "acting as a reliable adviser to small- and medium-sized enterprises in Chiba Prefecture". Putting our corporate philosophy into practice, we will strive to be a bank that provides useful support to customers.

With Heartfelt Kindness All through the Ages. Although the business environment surrounding financial institutions has changed greatly, this is the Bank's unchanging identity regardless of changes in the environment and the times. What is kindness, and what the Bank can and should do for that. At the milestone of the 70th anniversary of the establishment, we thought afresh about the meaning of Bank's existence and formulated what we aim to be for the next decade as the Long Term Management Vision.

## Long Term Management Vision



**Continue to design everyone's happiness together as a reliable partner**

### **" Designing Happiness"**

**Sharing diverse potential needs that bring happiness to customers as a reliable advisor, and continuing to accompany them toward the realization**

### **" Group image that we aim to be "**

**A bank that continues to be chosen, with an absolute presence indispensable to the area and our customers**

While customer needs have changed and been diversified constantly, the feeling of "hoping to be happy" that is the essence of those needs never changes. Based on this recognition, we have decided to call for continuing to accompany customers toward realizing happiness through "Consulting Kodo" of always thinking and acting in the Long Term Management Vision.

By continuing to design everyone's happiness we aim to be a bank that continues to be chosen, with an absolute presence indispensable to the area and our customers.

## Long Term Management Strategy based on Long Term Management Vision



**Design everyone's happiness together and establish "CKB Community," which is built based on solid relationships with stakeholders**

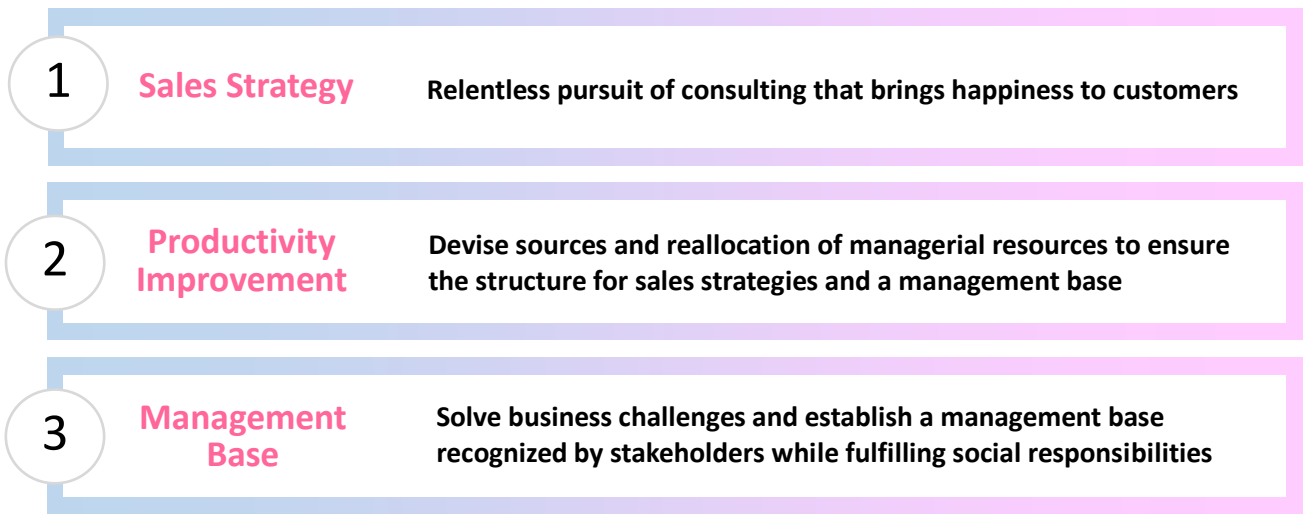
We aim to establish "CKB Community," a circle of links created by designing many "happiness" through trust and the utilization of information/networks that we can have because of being a regional financial institution, in not just traditional finance but various scenes.

To achieve the expansion of community, we will further develop consulting experience and connections with stakeholders accumulated under the previous Medium Term Management Plan, and keep expanding connections between the Bank and stakeholders and among stakeholders by also establishing a next-generation growth engine that enables the Bank to embody approachability and ease of consultation digitally.



**Basic Strategies**

"Three Basic Strategies" for designing more "Happiness" and strengthening relationships with stakeholders



**Two Major Business Transformations to Achieve the Long Term Management Strategy**



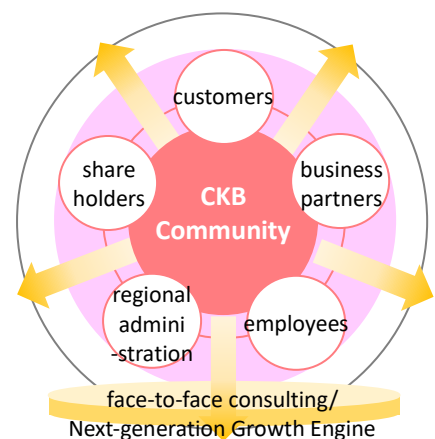
**Establishing "CKB Community", that connects stakeholders to each other**

● **CKB Community**

"CKB Community is a circle of links created by designing many "happiness" through trust and the utilization of information/networks that we can have because of being a regional financial institution, in not just traditional finance but various scenes.

● **To Establish and Expand the CKB Community**

Under the Long Term Management Strategy, we will establish a next-generation growth engine that also can generate connections with stakeholders digitally, in addition to the traditional face-to-face consulting, to achieve the expansion of community. We aim to realize a community that keeps expanding infinitely by entrenching this initiative.

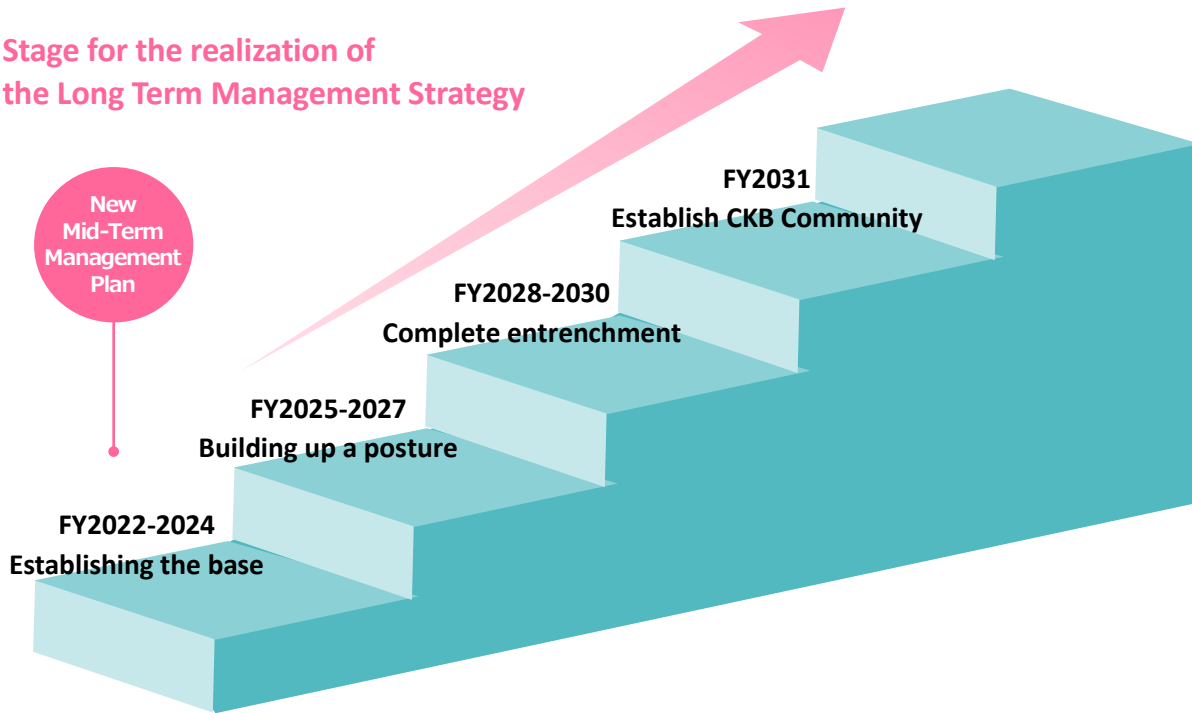


● **Next-generation Growth Engine**

This means a mechanism that generates connections among stakeholders, including consulting, digitally to achieve the expansion of community. We offer new value that connects stakeholders to each other, in addition to connections between the Bank and customers, by understanding needs based on a variety of information and data, and making use of digital technologies. Moreover, we deliver optimal information and consulting services tailored to customers in the next-generation growth engine.

The new Medium Term Management Plan “Happiness Design, KIZUNA Project 2025 ~ Toward Establishment of CKB Community 1st Stage ~.” is taken to be the stage for building three bases toward the establishment of the Long Term Management Strategy “CKB Community,” which are founded on outcomes of initiatives under the previous Medium Term Management Plan “Consulting Kodo Project 2022 ~ Together towards the future –Closer and Deeper– ~”.

## Stage for the realization of the Long Term Management Strategy



### Three “Foundations” for Establishing Long Term Strategy “CKB Community”

New Mid-Term Management Plan

## Happiness Design, KIZUNA Project 2025

Readiness to be dedicated to consulting

### Organizational Base

~To improve productivity~

Accompanying-type consulting

### Operating Base

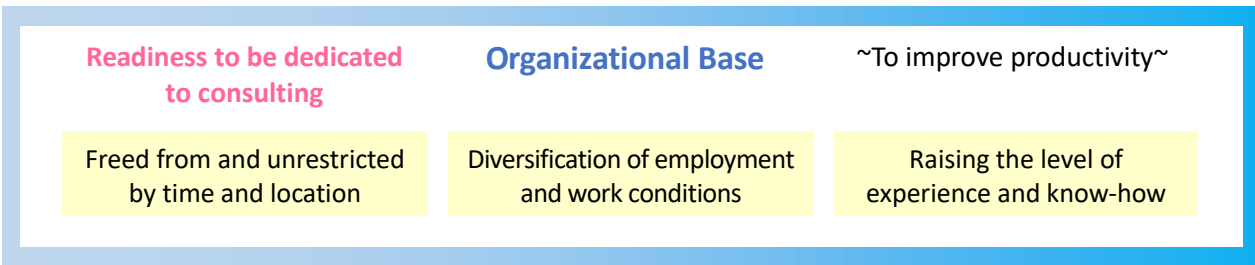
~To design Happiness~

Management for which you have a security feeling and expectation

### Management Base

~Toward sustainable management~

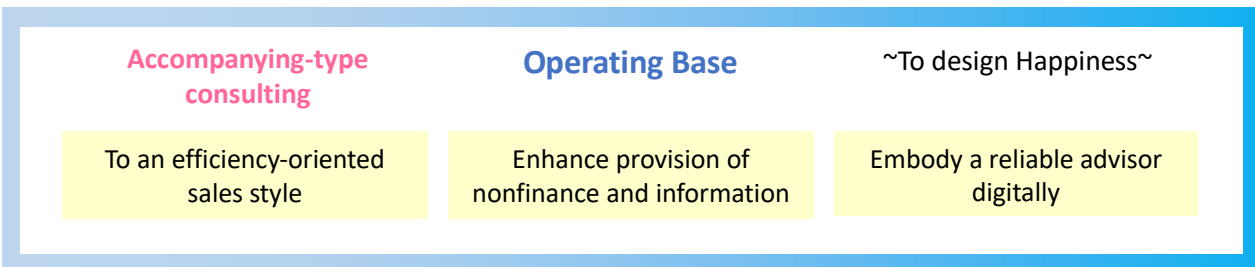
Underlying support by digital and technological innovation, assistance toward the realization



In the new Medium Term Management Plan, we further accelerate various initiatives that contribute to streamlining, which were also implemented under the previous Medium Term Management Plan, and initiatives in which employees can achieve growth actively and autonomously.

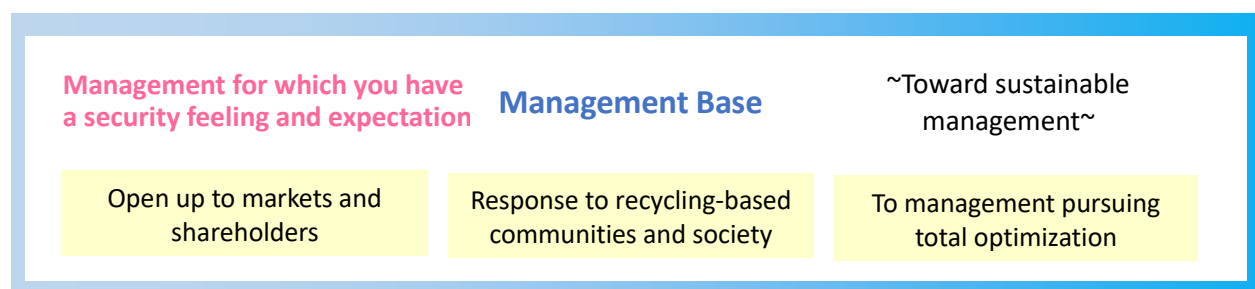
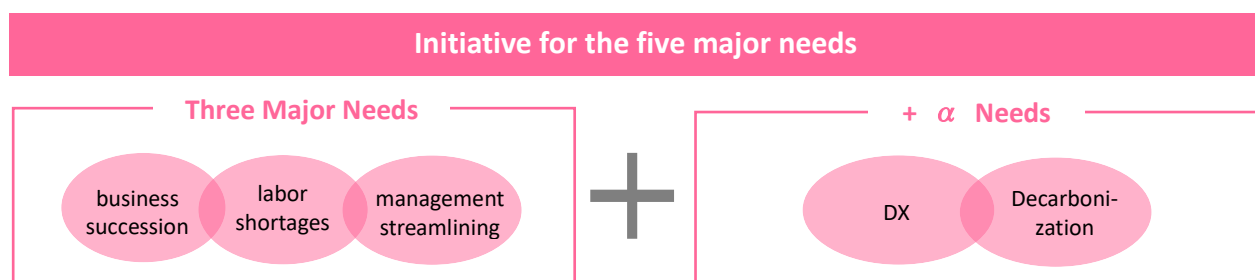
We aim to develop an environment in which we can focus more on consulting that serves as a foundation for the sales base and generate effects of created forces by changing all transactions to digital-based ones and establishing an operation base in the form of a digital flow.

Furthermore, we recognize that, in order to strengthen the organizational base, it is important to diversify employment and work conditions, and establish a structure that enables each employee to show his or her ability to the fullest and participate actively. We aim to provide a place for meritocratic utilization, proactive development, and promotion of active participation by human resources, regardless of age, gender and type of employment.



The initiative for an operating base is, based on the basic stance for Consulting Kodo of “thinking and acting” which has been established to date, reinforcing this stance more effectively and efficiently, and deepening connections and also ties with customers more than ever to increase intimacy beyond the financial field, utilizing digital.

Specifically, we aim to increase core corporate and individual business partners by further expanding value support operation and life planning while emphasizing efficiency and productivity. As for the reinforcement of our responding ability, which is central to consulting, we will strongly drive the effort based on the five major needs with needs for DX and decarbonization newly added to the previous three major needs.



While fulfilling all various social responsibilities and new requests required to be met, we will promote more transparent and efficient management than ever to strengthen the management base. Especially, the new Medium Term Management Plan calls for enhance measures for return to common shareholders and reduction of preferred stock and cross-shareholdings as priority issues.

## New Medium Term Management Plan, targets for management indicators and main business management items

	Main targets for management indicators	As of the end of March 2022	Plans (As of the end of March 2025)
profitability	Profit	¥6.2 billion yen	¥6.7 billion yen
efficiency	Core OHR	70.45%	69%
	ROE	3.93%	4%
soundness	Equity Ratio	8.37%	Around 8%
	Ratio of issued preferred stock	36.06%	30%

\*All of the above items are figures on a non-consolidated basis.

		Plans (As of the end of March 2025)
Corporate indicators	Increase in core corporate business partners	+ 1,000 compared with March 31, 2022
	Number of cases sharing five major needs	Cumulative number of sharing cases for three years: 10,000 cases
	Number of management improvement plans formulated	Cumulative number of formulated plans for three years: 250 cases
Individual indicators	Increase in core customers	+ 1,400 compared with March 31, 2022
	Increase in balance of assets under custody	+ ¥45.0 billion compared with March 31, 2022
	Number of cases in which we were able to respond to the inheritance needs	Cumulative number of cases in which we were able to respond for three years: 1,000 cases
Efficiency indicators	Reduction in administrative work time through digitalization	(133) thousand hours compared with FY2021
	Reduction in administrative operations at branches	(50)% compared with FY2019
Human resources-related	Number of those holding the Information Technology Passport	550
	Number of those who passed the second grade of the Official Business Skills Test in Bookkeeping	200
	Number of those who are the first grade Certified Skilled Worker of Financial Planning	110
	Number of workshops for cross-industrial exchange held	Cumulative number of workshops held for three years: 36 times
	Ratio of female officers	30%

## TOPICS

### ■ All executives and employees shared a vision in Management

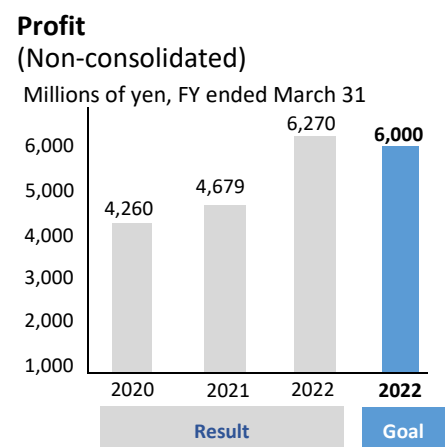
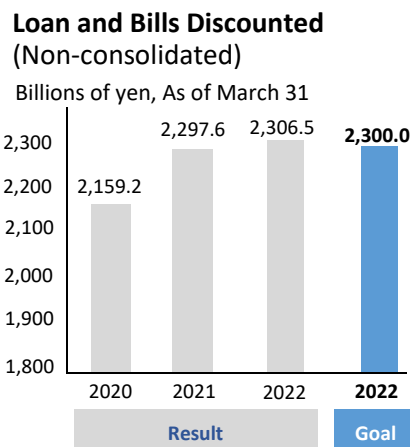
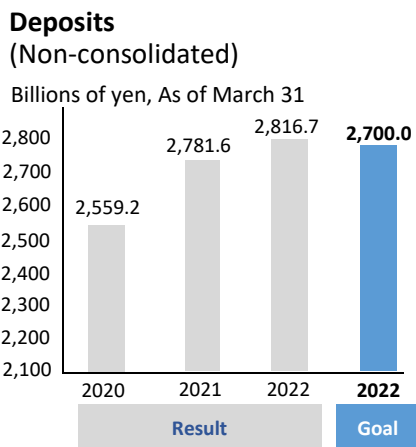
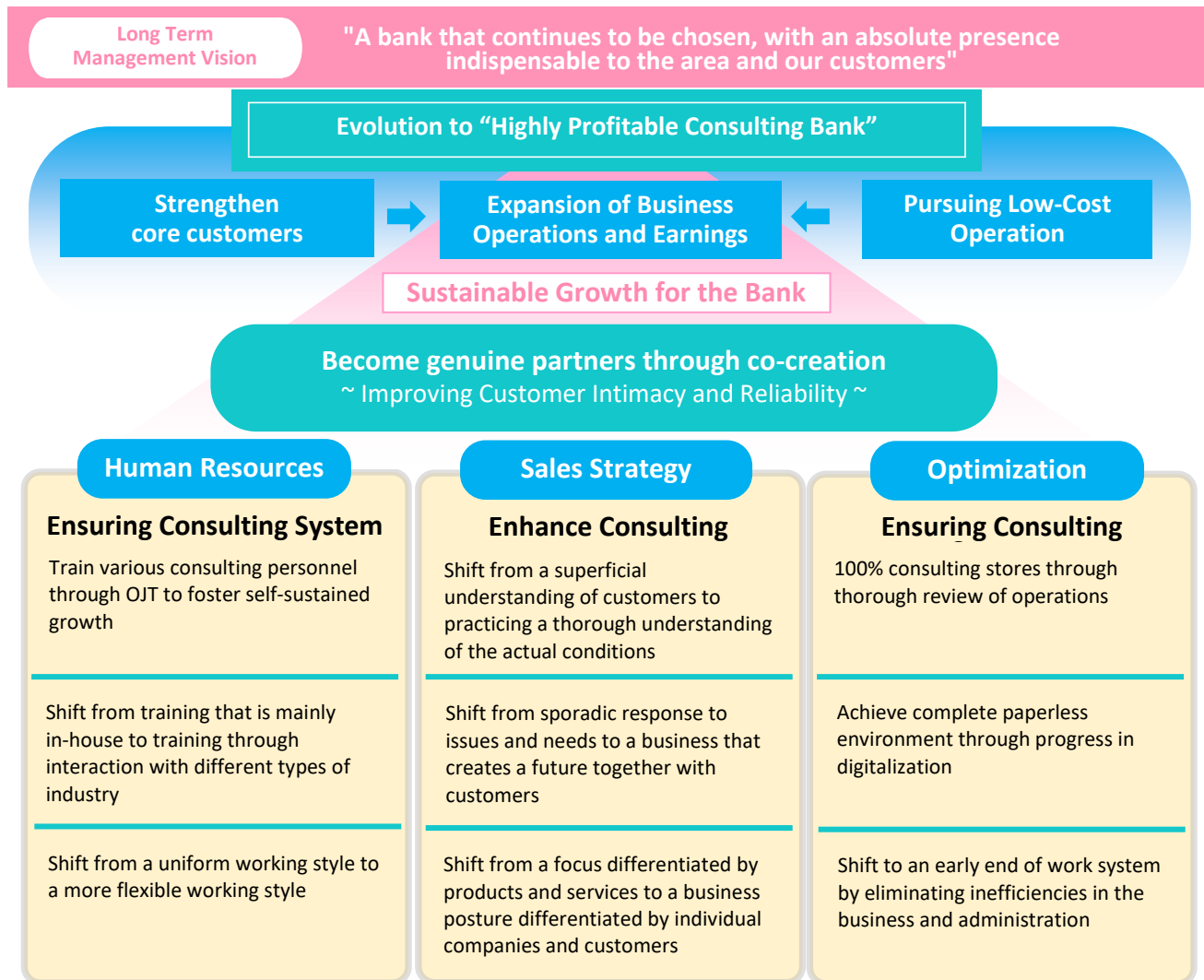
In order to deepen employees' understanding of the new management plans (Long Term Management Vision, Long Term Management Strategy, Medium Term Management Plan), the Bank's officers visited all our branches and shared a vision for the realization of the new management plans.

Young employees actively asked questions about the new management plans, and we have constructive discussions.



Under the previous Medium Term Management Plan commenced in April 2019, we supported local business partners as a genuine partner and worked on Consulting Kodo for the continuous future growth. In addition, we not only supported financing but also developed wide-ranging solutions, such as transformation of business models and initiatives for introduction of IT and proactively promoted various consulting services. As a result of vigorously pushing forward toward achievement of evolution to “Highly Profitable Consulting Bank” which we aim for, we ended with core indicators exceeding the targets.

The closing balance of deposits was ¥2,816.7 billion, an achievement ratio of 161.7% for the plan of ¥2,700.0 billion, the closing balance of loans and bills discounted was ¥2,306.5 billion, an achievement ratio of 103.1% for the plan of ¥2,300.0 billion, and profit was ¥6.2 billion, an achievement ratio of 104.5% for the plan of ¥6.0 billion. Thus, all the core indicators achieved the targets.





# Contribution to the Sustainable Development of the Region's Economy, Industry, and Society

## Basic Policies Regarding the Handling of Sustainability

In accordance with our Basic Policy Regarding Corporate Governance, we define the basic items for promoting the initiatives as the "Basic Policies Regarding the Handling of Sustainability."

The Basic idea is as follows; We 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. As a result, we will contribute to the sustainable development and prosperity of the region's economy, industry, and society.

## Chiba Kogyo Bank Sustainability Statement

We, the Chiba Kogyo Bank, 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.

## 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.



>> Plans

Key Issue

1

<b>Revitalization through Corporate Activities</b>	Support for Companies by Consulting/ Collaboration with Regional Administration	<b>Major Initiatives</b> <ul style="list-style-type: none"> <li>● the Chiba SDGs Promotion Network</li> <li>● Registration as Chiba SDGs Partner</li> <li>● Provision of SDGs consulting</li> <li>● Handling of Chiba Kogyo Bank SDGs Private Placement Bonds</li> </ul>
<b>Revitalization utilizing Local Resources</b>	Support for Agri-Food Businesses/ Medical and Nursing Care/ Leisure and Tourism	
<b>Revitalization by Innovation</b>	Support for the Creation and Promotion of New Businesses	

Key Issue

2

<b>Initiatives for Employees</b>	Human Resource Development/Diversity Management/ Reduction in Employee's Working Times/ Prohibition Harassment/ Mental Health Support	<b>Major Initiatives</b> <ul style="list-style-type: none"> <li>● Financial Education for the Next Generation</li> <li>● Online lectures for Seitoku University Students</li> <li>● Active Appointment of Women</li> <li>● Initiative to Support the Balance Between Work and Infertility Treatment</li> <li>● Started Handling Bank Account Transactions with Maiden Names</li> </ul>
<b>Initiatives for the Bank's Customers</b>	Support for Companies by Developing Human Resources/ Human Resources Referral Operations	
<b>Initiatives for the Region and Children</b>	Tackling the Child Poverty Issue/ Support for Financial Education	

Key Issue

3

<b>Environment</b>	Reduction in CO2 Emissions/ Endorsement of the TCFD Recommendations/ Cleanup Activities/ Decarbonization Solutions	<b>Major Initiatives</b> <ul style="list-style-type: none"> <li>● Sustainability Linked Loan Initiatives</li> <li>● Support for carbon offset transactions started</li> <li>● Donation to Food Bank</li> <li>● Donation-Type Vending Machines</li> <li>● Co-sponsored "Box that is Connected to the Future" Project</li> </ul>
<b>Creating Safe and Secure City</b>	Disaster and Crime Prevention/ Health and Welfare	
<b>Realization of an Abundant Society</b>	Sports Events, Cultural Events	

Results

Key Performance Indicator

	Economy	Society	Environment
	the Amount of Sustainable Finance	1. Ratio of Female Officers 2. Number of Participants in Financial Education	Reduction in CO2 Emissions
Targets for FY2030	500 billions of yen	1. More than 35% 2. Total 10,000 people	Reducing by (46)% compared with FY2013
Targets for FY2024	More than 150 billions of yen	1. More than 30% 2. Total 3,000 people	Reducing by (35)% compared with FY2013

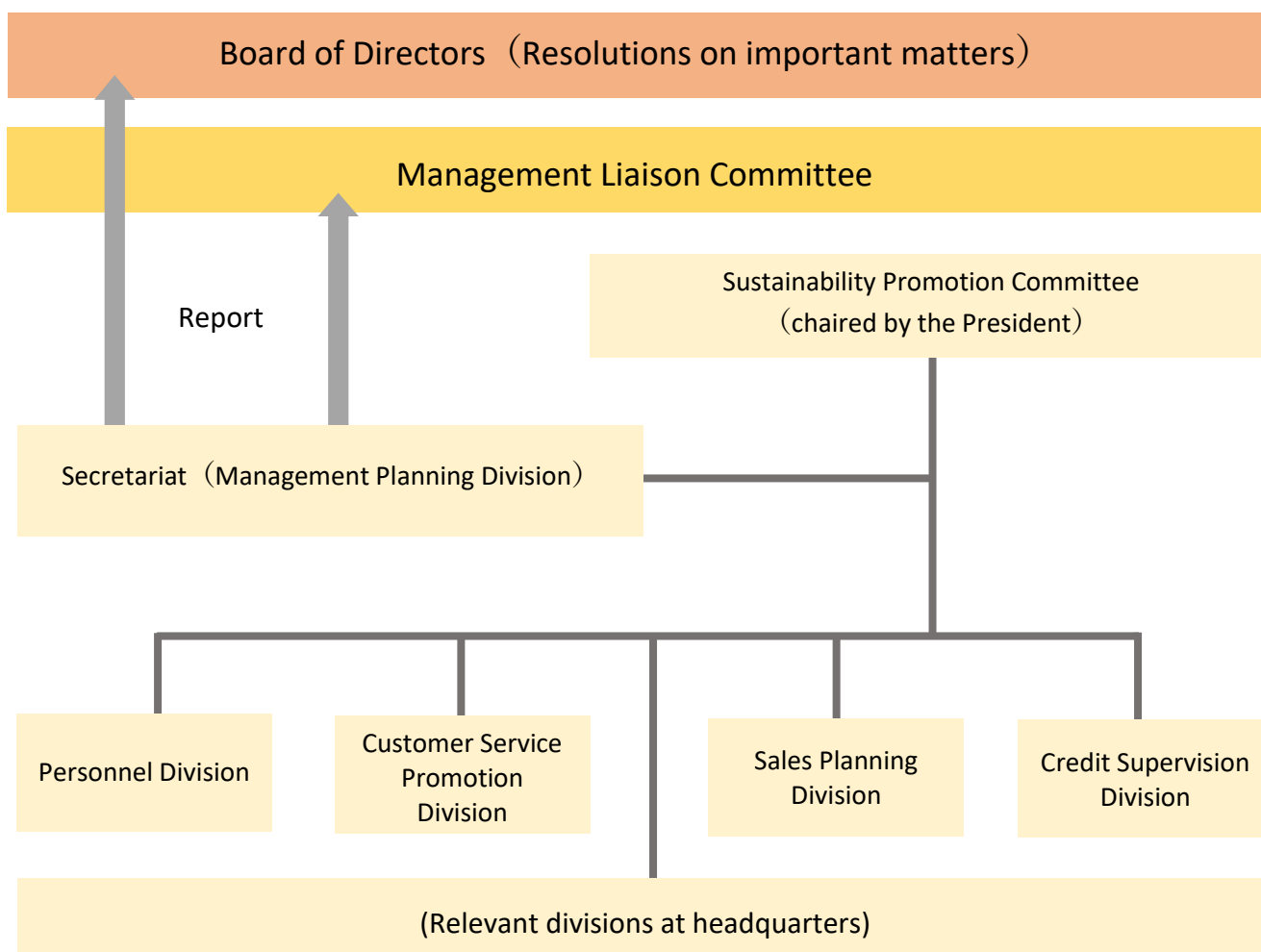
# Sustainability Promotion Framework

## 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.



# Policies for Investments and Loans

We have established the “Policies for Investments and Loans” to clarify our attitudes to responsible investment and lending. In addition, we have the following policies for investment and loans on specific industries and sectors that are considered to have a significant impact on the local environment and society.

Through responsible investment and lending based on these policies, we will contribute to the realization of a sustainable society together with customers who are working to solve environmental and social issues.

## Policies for Specific Industries and Sectors (Businesses)

### 1 Coal-Fired Power Generation Businesses

Due to the impact of carbon dioxide emissions on climate change, in principle, we do not invest in or lend to newly established coal-fired power generation businesses. However, when taking Japan’s energy policy into account and considering exceptional measures, we will carefully consider each project’s background and characteristics, such as power generation efficiency and performance, and impact on the environment.

### 2 Cluster Munition Manufacturers

We do not invest in or lend to businesses that manufacture inhumane weapons such as cluster munitions.

### 3 Palm Oil Farm Developments and Deforestation Businesses

We do not invest in or lend to palm oil farm developments and deforestation business that may lead illegal logging and human rights abuses such as infringing on the human rights of child labor. Before offering investments and loans for palm oil farm developments and deforestation business, we take a cautious approach, confirming the business in question has obtained international certification and has not caused any problems with local communities.

## Principles for Financial Action toward a Sustainable Society (Principles for Financial Action for the 21st Century)

The Bank has endorsed the intentions of the Principles for Financial Action for the 21st Century, and signed the said principles in December 2011. These principles were formulated as a course of action for financial institutions that want to fulfill the necessary responsibilities and roles for the formation of a sustainable society.

The Bank has taken various initiatives for forming a sustainable society, such as provision of environment-related loan products, use of environmentally-sound bankbooks, and creation of environmentally friendly branches. In addition to these initiatives, the Bank came to sign the principles to make its responsibilities and roles as a financial institution to society clearer.



# Major Sustainability Initiatives



## 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.



### ◆ Participation in the Chiba SDGs Suishin (Promotion) Network

The Bank has participated in the Chiba SDGs Suishin (Promotion) Network, which was established as a new framework for promotion of disseminating SDGs in the area.

This network has been joined by 12 organizations and companies, which consist of 11 organizations and companies including the Bank, and Chiba Prefecture, and is designed to support activities for solution of economic, social and environmental issues faced by the area and contribute to sustainable development of the local economy through close collaboration and cooperation toward the promotion of SDGs within Chiba Prefecture.

#### ■ Activities Description

- (1) Dissemination and enlightenment of SDGs to companies that have an office in Chiba Prefecture
- (2) Support for small and medium-sized companies, etc. that work on SDGs
- (3) Exchange of opinions and information sharing on measures, activities, etc. to promote SDGs
- (4) Other necessary activities to achieve goals of the network

### ◆ Registration as Chiba SDGs Partner

The Bank was registered as a partner company under the Chiba SDGs Partner Registration System, which was established by Chiba Prefecture (Registration Number 93). This system was established by Chiba Prefecture to back up the development of an atmosphere for promotion of SDGs in companies, etc. that have an office in Chiba Prefecture and their specific initiatives. Companies, etc. located in the prefecture which proactively work on SDGs, such as promoting specific initiatives, in three aspects of environment, society and economy are registered under the system.

Going forward, we will contribute to sustainable growth of the region's communities by making full use of the Chiba SDGs Suishin (Promotion) Network in which we have participated and further strengthening activities to support activities for dissemination and enlightenment of SDGs and SDGs-related initiatives, as well as existing activities.

### ◆ Provision of SDGs consulting

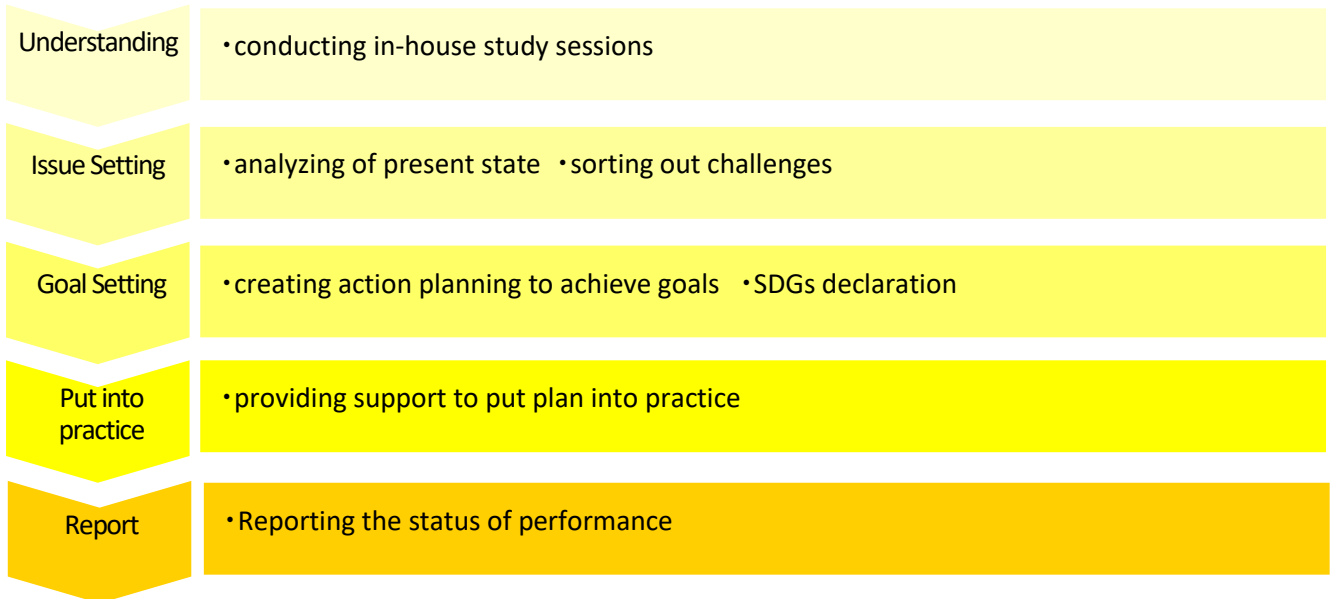
The Bank provides consulting services for solving various business challenges faced by customers and supporting growth, and also gives SDGs consulting services to comprehensively support customers' initiatives for SDGs. While working on management consulting for Yugengaisha Hanashima Kenzai, the Bank has provided support to the said company, including in-house study sessions, analysis of present state, sorting out challenges, action planning, monitoring of implementation of the plan, and even public announcement (establishing a website) since July 2021 as support for initiatives for SDGs. Recently we have also supported its application for the Chiba SDGs Partner Registration System (Registration Number 7).



## ■ SDGs consulting

This is a custom-made consulting service to comprehensively support customers' initiatives for SDGs.

In principle, the service is implemented through the steps in the chart below, and support is also provided for establishing an internal organizational structure in addition to service in the chart below, depending on customers' circumstances (support for only some of the steps is also possible). Under this service, which is centered around Small and Medium Enterprise Management Consultants who belong to the Bank, support is provided also through collaboration with external experts.



## ◆ Handling of Chiba Kogyo Bank SDGs Private Placement Bonds

On July 1st, 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. 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 customers, it will also enable customers to publicly showcase their approach to tackling the SDGs.

As of the end of March 2021, we have underwritten the issuance of ¥3.0 billion yen in SDGs private placement bonds.



## 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

To create a sustainable, diverse and inclusive society where no one is left behind, we will continue to contribute to financial education for students, its dissemination activities, and support for the development of the next generation.

#### Our Financial Education for the Next Generation

##### “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.

##### Workplace Tours

In response to requests from local elementary and junior high schools, all our branches are accepting workplace tours.

By talking about money and finance, we are raising students' understanding and interest in banking.

##### 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.

##### Internship Programs

This program is for college students. Through role-playing and group work based on the image of business negotiations with customers, the program is designed to help students understand banking operations and think about “working” as a member of society.

### ◆ Online Lectures for Seitoku University Students

The Bank's employee gave an online lecture on the theme of “Leadership Design to Become a Female Leader in the New Era”. This lecture was held for first and second-year students as part of a career education course at Seitoku University, and 62 students participated.

She introduced herself and talked about the kind of work she has been involved in and her career up to the point of becoming a general manager of one of headquarter divisions. She also shared the vital leadership skills women are going to need with students.



### ◆ Active Appointment of Women

As of March 31st, 2022, the ratio of female officer is 24.09%, an increase of 3.88% year-on-year.

In April 2022, we have newly appointed female employees to one executive officer, and five managers and deputy managers at branches. In addition, we are actively assigning women to loan-related work, which used to be dominated by men.

### ◆ Initiative to Support the Balance Between Work and Infertility Treatment

The Bank added a new system to support the balance between work and infertility treatment, providing new leave scheme called "Family Support Leave" that allows employees to take up to one year off for infertility treatment. It is available to all employees who have been with us for 1 year or more. In addition, we have introduced systems such as use of paid leave in units of one day, and flexitime that allows employees to balance infertility treatment without giving up work.

Recently, we have been certified as "Platinum Kurumin Plus" by the Director of the Chiba Labor Bureau in recognition of our achievements in creating an environment that makes it easy to balance work and infertility treatment. Our various initiatives, such as leave scheme for employees undergoing infertility treatment and uses courses for employees to promote better understanding among them were highly evaluated.

### ◆ External Evaluation of Diversity



#### "Platinum Kurumin Plus"

"Kurumin" 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.

In June 2022, we were certified as "Platinum Kurumin Plus" in recognition of our achievements in creating an environment that makes it easy to balance work and infertility treatment.



#### "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.

In 2016, we were certified by the Director of the Chiba Labor Bureau in recognition of our achievements in continuing efforts to promote the active participation of female employees.

### ◆ Started Handling Bank Account Transactions with Maiden Names

We have started handling bank account transactions with maiden name in response to requests from customers who want to continue using their maiden name on bank account transactions after marriage. This initiative is aim at creating an environment where everyone can work comfortably.

You can apply by presenting your driver's license, individual number card, or certificate of residence with your maiden name.

#### ■ Eligible Transaction

saving account, time deposit account, installment saving account, notice deposit account, issuing a cash card, ATM transaction, Chiba Kogin Direct (Internet banking) \*

\*If you have transactions such as loans, investment trusts, etc., you cannot apply.

## Major Sustainability Initiatives



### 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.



### ◆ Sustainability Linked Loan Initiatives for Nomura Real Estate Holdings, Inc.

We executed the Sustainability Linked Loan (the SLL) to Nomura Real Estate Holdings, Inc., based on its SLL framework.

The SLL is designed to enhance the sustainability performance of borrowers and support sustainable economic activities and growth. Borrowers set their Sustainability Performance Targets (SPTs), which is related to their SDGs and ESG goals. As loan terms such as interest rate depend on performance against SPTs, borrowers are either incentivized or disincentivized.

#### ■ Sustainability Linked Loan Overview

Borrower	Nomura Real Estate Holdings, Inc.
Date of execution	September 30th, 2021
SPTs	Targets for reduction of total greenhouse gas emissions
Incentive	Preferential interest rate spread according to the SPTs achievement status
Third-Party Opinions	Rating and Investment Information, Inc. (R&I)
Total amount of loans	¥1.0 billion
Use of loans	Operating funds (including refinance)
Form of loans	Deed loan

### ◆ Support for carbon offset transactions started

The Bank has been proactively working to support business partner companies who aim for decarbonization. As one of such initiatives, the Bank has started to support carbon offset transaction in alliance with ITOKI CORPORATION. Recently, the Bank has proposed carbon offset transactions to SANWA SOGYO CO., LTD as an initiative for carbon neutrality, and the said company has come to purchase J-Credit held by ITOKI CORPORATION (equivalent to 106 t of CO<sub>2</sub> amount).

In this transaction, of CO<sub>2</sub> emitted from business activities of SANWA SOGYO CO., LTD, emissions of the portion in which is inevitably difficult to reduce even after cutting efforts were made were offset in the form of purchasing credit. The purchased credit is J-Credit certified by the national government, since it is an investment made in CO<sub>2</sub> reduced through initiatives of Japanese companies and forest preservation, and activities that contribute to reduction in CO<sub>2</sub> emissions.

#### ■ J-Credit Scheme

Under the J-Credit Scheme, the government certifies the amount of greenhouse gas emissions (such as CO<sub>2</sub>) reduced or removed by sinks through efforts to introduce energy-saving devices and manage forests, as “credit”. The credits created by the system can be used for various purposes, such as promoting low-carbon investment and achieving targets of greenhouse gas emissions reduction. (Reference: Ministry of Economy, Trade and Industry)



### ◆ Donating Food Products to Those in Need through Food Bank Chiba

In Japan, it is said that a significant amount of food products is disposed due to surplus stocks and misprints on package labels even though they are still fit for consumption.

Reducing food waste and providing food to those in need, Food Bank Chiba, an organization based in Chiba Prefecture collects food products donated by businesses and individuals, and delivers them for free to welfare institutions and households in need of food support.

In support of these Food Bank Chiba activities, the Bank solicited donations of food from our employees and donated them to the organization. We also donated pre-packaged and instant meals purchased from businesses in Chiba Prefecture, and those funds are the donation collected from employees of the Bank through Chiba Kogin "Small Kindness" Movement.



### ◆ Installation of Donation-Type Vending Machines

We have installed donation-type vending machines in the cafeteria of the Bank's headquarter. A portion of the proceeds raised by purchasing every beverage from the vending machines is donated to charitable organizations.

The donation will be used to activities for school meal projects and agricultural productivity enhancement programs in developing countries, disaster relief efforts, humanitarian protections, environmental and biodiversity conservations, etc.

#### ■ Donation Recipients

- TABLE FOR TWO International
- Japanese Red Cross Society
- Children's Future Support Fund



### ◆ Co-sponsored "Mirai ni Tsunagu BOX" Project

The Bank co-sponsored "Mirai ni Tsunagu BOX (Box that is connected to the future)" project. This project aimed to promote recycling plastic bottles at the event "Chiba Jets Festa", held by professional basketball team Chiba Jets Funabashi in March 2022.

On the day of the event, we set up a recycling bin titled "Mirai ni Tsunagu BOX" at the event venue, so that the audiences who came to see the game would put plastic bottles in it.

We collected and recycled plastic bottles and caps into eco-friendly stationaries, and we distributed them to local children.



# 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."

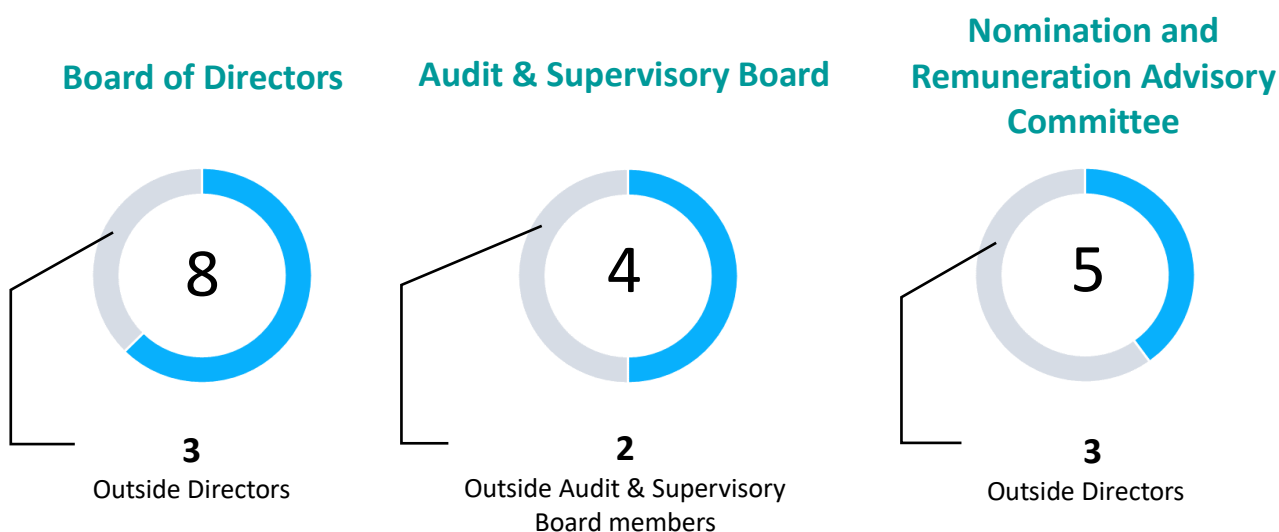
## Major Initiatives for Improving Corporate Governance

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
2022	Establishment of the Nomination and Remuneration Advisory Committee

## Corporate Governance System

Organizational form : A Company with an Audit & Supervisory Board

Advisory body to the Board of Directors : the Nomination and Remuneration Advisory Committee, Compliance Committee





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## Board of Directors

Number of meetings in FY2021 : 17 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 eight Directors of which three are appointed as Outside Directors.

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## Management Liaison Committee

Number of meetings in FY2021 : 54 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.

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## Nomination and Remuneration Advisory Committee

Number of meetings in FY2021 : 7 times

As for the Nomination and Remuneration Advisory Committee, of which a majority of members are independent outside Directors, a structure that enables the committee to appropriately engage in and provide advice from a fair and objective perspective on matters such as the appointment and dismissal of executives such as Directors and Corporate Auditors and matters related to remuneration has been established. By developing this structure, 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 of the Bank. Members of this committee comprise three independent outside Directors, Representative Director and President (CEO) and Representative Director and Vice President (COO), to give a total of five people, and it is chaired by an independent outside Director.

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## Compliance Committee

Number of meetings in FY2021 : 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.

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## Audit & Supervisory Board

Number of meetings in FY2021 : 16 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.

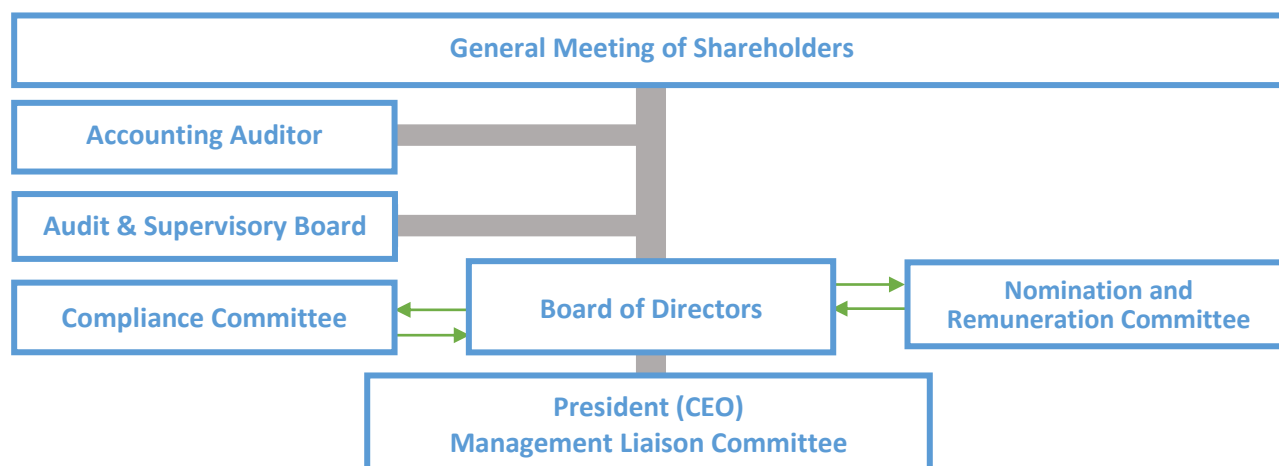
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## Accounting Auditor

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.

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### Corporate Governance System Structure



## Directors / Audit & Supervisory Board Members

### Policies and procedures for nomination of candidates for Directors and Audit & Supervisory Board Members, and appointment and dismissal of Directors and Audit & Supervisory Board Members

For candidates for Directors and Audit & Supervisory Board Members, we nominate persons who can be expected to contribute to the Bank's sustainable growth and improvement in corporate value based on the Bank's corporate philosophy and by comprehensively considering their past experience, insight, abilities and other factors.

Candidates for Directors are proposed by President based on reports from Nomination and Remuneration Advisory Committee, nominated by the Board of Directors, and resolved at the General Meeting of Shareholders. Candidates for Audit & Supervisory Board Members are proposed by President based on reports from Nomination and Remuneration Advisory Committee, nominated by the Board of Directors, and resolved at the General Meeting of Shareholders after approval from Audit & Supervisory Board is received.

If any Director or Audit & Supervisory Board Member performs an act that violates laws and regulations or public policy during his or her term of office or brings significant damage to the Bank's corporate value, or if it is deemed that duties expected of him or her are not performed appropriately after his or her appointment, the Board of Directors determines a proposal for his or her dismissal upon deliberation of Nomination and Remuneration Advisory Committee, and the proposal is resolved at the General Meeting of Shareholders.

### Reasons for the Appointments of Outside Directors and Outside Audit & Supervisory Board Members

Name (Appointment)	Reasons for the Appointments as Outside Directors	Attendance at Board of Directors Meetings in FY 2021
<b>Hisako Toya (June 2015)</b>	The Bank has appointed her considering that she is a suitable person with knowledge and experience to serve as Outside Director of the Bank, based on her long-term experience, performance, etc. in the area of regional administration in Chiba Prefecture	17 of 17
<b>Eiji Yamada (June 2017)</b>	The Bank has appointed him considering that he is a suitable person with knowledge and experience to serve as Outside Director of the Bank, based on his experience and achievements in system development, etc. at Japan Information Processing Service Co., Ltd.	16 of 17
<b>Tetsuro Sugiura (June 2019)</b>	He has ample business experience and is familiar with overall business operations as he has engaged in corporate planning business, etc. since he joined The Fuji Bank, Limited (current Mizuho Bank, Ltd.) in 1977. He also has ample experience in corporate management, having served as Vice-chairman of Mizuho Research Institute Ltd. (current Mizuho Research & Technologies, Ltd.). The Bank has appointed him considering that he is a suitable person with knowledge and experience to serve as Outside Director of the Bank, based on his experience and achievements.	17 of 17
Name (Appointment)	Reasons for the Appointments as Outside Audit & Supervisory Board Members	Attendance at Board of Directors Meetings (Audit & Supervisory Board Meeting) in FY 2021
<b>Takashi Kikugawa (June 2021)</b>	The Bank has appointed him considering that he is a suitable person with knowledge and experience to serve as Outside Audit & Supervisory Board Member of the Bank from objective perspectives, based on his long-term experience at Meiji Yasuda Life Insurance Company.	14 of 14 (12 of 12)
<b>Tatsuya Toyoshima (June 2022)</b>	The Bank has appointed him considering that he is a suitable person with knowledge and experience to serve as Outside Audit & Supervisory Board Member of the Bank from objective perspectives, based on his long-term experience at Yasuda Fire & Marine Insurance Co., Ltd. (current Sampo Japan Insurance Inc.) and other companies.	—

\*Since Takashi Kikugawa became Outside Audit & Supervisory Board Member of the Bank on June 25, 2021, the Board of Directors Meeting has met 14 times and Audit & Supervisory Board Meeting has met 12 times.

## Views on balance, diversity and size of the Board of Directors

The Board of Directors is the highest decision-making body and supervisory body of the Bank's management. For Directors who constitute the Board of Directors, the Bank formulates a skills matrix for their knowledge, experience and abilities based on the management strategies and management plan, and appoints them in view of the overall balance and diversity to ensure that its functions work effectively. With regard to diversity, the Bank has also taken into account gender, etc., and one of its independent Outside Directors is currently a female executive.

### ● Skill Matrix of Directors and Audit & Supervisory Board Members

Name	Position	Independence (outside officers)	Corporate management/ business administration	Legal affairs/ risk management	Accounting/ finance
Shunichi Aoyagi	Director		○		○
Hitoshi Umeda	Director		○		○
Ryuichi Matsumaru	Director		○		○
Yasumitsu Kanda	Director		○	○	○
Katsumi Shirai	Director				
Hisako Toya	Director	○			
Eiji Yamada	Director	○	○		
Tetsuro Sugiura	Director	○			
Shigeto Kato	Audit & Supervisory Board Member			○	
Hitoshi Yokoyama	Audit & Supervisory Board Member			○	
Takashi Kikugawa	Audit & Supervisory Board Member	○		○	
Tatsuya Toyoshima	Audit & Supervisory Board Member	○	○		

Name	Financing	Information/ digital technology	Corporate governance/ sustainability	Sales promotion	Administration/ regional economy
Shunichi Aoyagi	○	○	○		
Hitoshi Umeda	○	○	○		
Ryuichi Matsumaru	○		○	○	
Yasumitsu Kanda	○	○	○		
Katsumi Shirai				○	○
Hisako Toya			○		○
Eiji Yamada		○	○		
Tetsuro Sugiura	○		○		
Shigeto Kato					
Hitoshi Yokoyama	○				
Takashi Kikugawa			○		
Tatsuya Toyoshima			○		

# Directors, Audit & Supervisory Board Members and Executive Officers (As of June 24, 2022)

## Directors



- 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)

**Chairman of the Board  
(Representative Director)  
Shunichi Aoyagi**



- 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)

**President (CEO)  
(Representative Director)  
Hitoshi Umeda**



- Apr. 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)

**Vice President (COO)  
(Representative Director)  
Ryuichi Matsumaru**



- Apr. 1986 Joined The Fuji Bank, Limited (current Mizuho Bank, Ltd.)
- Apr. 2010 Associate Director-General of Finance and Public Corporation Administration Department of Mizuho Corporate Bank, Ltd. (current Mizuho Bank, Ltd.)  
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**  
**Yasumitsu Kanda**



- 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
- June 2020 Managing Director, Managing Executive Officer (current position)

**Managing Director**  
**Managing Executive Officer**  
**Katsumi Shirai**

## Outside Directors



**Director (Outside 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 (Outside 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)  
 External Director of Kyokuyo Co., Ltd. (current position)



**Director (Outside 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  
Takashi Kikugawa**

Apr. 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  
 June 2021 Outside Audit & Supervisory Board Member of the Bank (current position)  
 July 2021 Director of Meiji Yasuda Life Insurance Company (current position)



**Outside Audit &  
Supervisory Board Member  
Tatsuya Toyoshima**

Apr. 1982 Joined Yasuda Fire & Marine Insurance Co., Ltd. (current Sompo Japan Insurance Inc.)  
 Apr. 2005 General Manager of Shizuoka Automobile Sales Department of former Sompo Japan Insurance Inc. (current Sompo Japan Insurance Inc.)  
 Apr. 2008 General Manager of Osaka Automobile Sales I Department  
 Apr. 2011 Executive Officer, General Manager of Tokyo Chuo Branch  
 Apr. 2014 Representative Director and President of Sompo Credit Inc.  
 June 2014 Audit & Supervisory Board Member (part-time) of Penta-Ocean Construction Co., Ltd.  
 June 2017 Audit & Supervisory Board Member of Universe Development Co., Ltd.  
 June 2018 Audit & Supervisory Board Member of Marubeni Safenet Co., Ltd. (current position)  
 June 2020 Audit & Supervisory Board Member (part-time) of ZAIKEISHINYOHOSYO Co., Ltd. (current position)  
 June 2022 Outside Audit & Supervisory Board Member of the Bank (current position)

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

## Managing Executive Officers

Hiroshi Tanaka

Osamu Koda

Takashi Furuyama

Akira Miyamoto

## Executive Officers

Masahiko Miyamoto

Kunito Ozeki

Tsuyoshi Kanasugi

Maki Okada

Tsuyoshi Aoki

Hiroto Inoue

Shoichi Mori

Manabu Koiwai

Zenji Yoshikoshi

Junji Nakamura

# Consolidated Subsidiaries (As of June 30, 2022)

## 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%

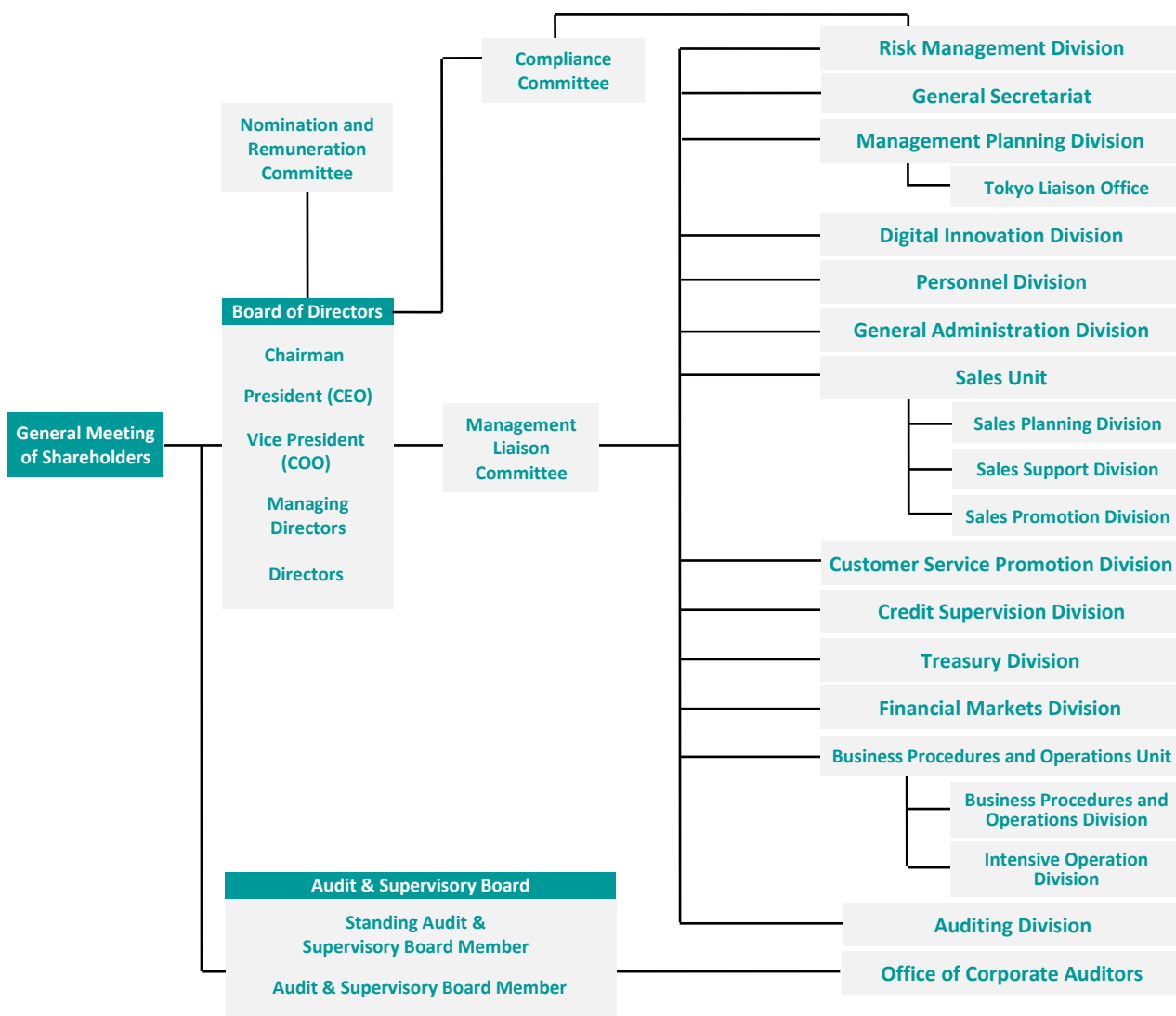
## Chiba General Lease Co., Ltd.

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, 2022)



# Summary of Selected Financial Data (Consolidated)

Fiscal year ended March 31	2018	2019	2020	2021	2022		
Consolidated ordinary income							
(Millions of yen)	¥50,525	¥50,831	¥50,391	¥49,986	¥51,248	\$418,659	
(Thousands of U.S. dollar)							
Consolidated ordinary profit							
(Millions of yen)	9,489	8,335	6,725	7,224	9,005	73,564	
(Thousands of U.S. dollar)							
Consolidated profit attributable to owners of parent							
(Millions of yen)	6,771	5,183	4,530	4,763	6,385	52,161	
(Thousands of U.S. dollar)							
Consolidated comprehensive income							
(Millions of yen)	7,934	9,592	(1,717)	16,770	2,770	22,629	
(Thousands of U.S. dollar)							
Consolidated net assets							
(Millions of yen)	156,621	172,583	166,892	182,491	175,445	1,433,257	
(Thousands of U.S. dollar)							
Consolidated total assets							
(Millions of yen)	2,739,444	2,814,394	2,851,390	3,248,236	3,570,502	29,168,385	
(Thousands of U.S. dollar)							
Net assets per share	(Yen)	1,554.72	1,674.88	1,687.69	1,938.72	1,950.75	15.94
(U.S. dollar)							
Basic earnings per share	(Yen)	78.79	53.36	51.75	57.34	85.75	0.70
(U.S. dollar)							
Diluted earnings per share	(Yen)	52.35	33.61	20.27	17.56	26.63	0.22
(U.S. dollar)							
Equity ratio	(%)	5.59	6.01	5.73	5.50	4.80	
Consolidated equity ratio (under Japanese standards)	(%)	8.40	8.70	8.26	8.49	8.58	
Consolidated return on equity	(%)	4.49	3.21	2.72	2.78	3.64	
Consolidated price earnings ratio	(Times)	5.83	5.60	4.88	5.17	3.06	
Cash flows from operating activities	(Millions of yen)	(19,686)	30,659	(17,954)	256,027	333,925	2,727,923
(Thousands of U.S. dollar)							
Cash flows from investing activities	(Millions of yen)	14,263	(4,367)	6,526	(28,049)	2,326	19,002
(Thousands of U.S. dollar)							
Cash flows from financing activities	(Millions of yen)	(2,060)	1,184	(3,998)	(1,261)	(9,885)	(80,753)
(Thousands of U.S. dollar)							
Cash and cash equivalents at end of period	(Millions of yen)	¥119,772	¥147,441	¥132,233	¥359,075	¥685,448	\$5,599,608
(Thousands of U.S. dollar)							
Number of employees		1,461	1,464	1,452	1,428	1,387	
[Separately, average number of temporary employees] (People)		[1,057]	[1,015]	[950]	[891]	[854]	

- Notes: 1. U.S. dollar amounts are the yen equivalent, calculated, for convenience only, at a rate of ¥122.41 = U.S. \$1, the approximate Tokyo foreign exchange market rate as of March 31, 2022.
2. 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.
3. 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 FY2021, although Japanese economy temporarily showed some signs of recovery due to the progress of vaccination against the COVID-19 and the easing of restrictions on activity, re-spread of infection with the variant strains, rising cost of resources and raw materials mean that the outlook remains uncertain. The economy of Chiba Prefecture, the base of the Bank's business, also received a severe blow due to the spread of COVID-19 infections. Although the economy is showing signs of gradual recovery due to various economic measures taken by the government, the economy is unstable, because an end to the pandemic is not in sight, and there are still downside risks such as the impact of the war in Ukraine.

Under such a financial and economic environment, to achieve the Medium Term Management Plan "Consulting Kodo Project 2022 ~ Together towards the future –Closer and Deeper- ~" that started in April 2019, the Bank, as a genuine partner for local customer companies, has worked to support local economy, and has engaged in consulting to sustain growth into the future. In addition to providing support for securing finance during the pandemic, the Bank provided various solutions such as transforming the business models of customer companies, advancing digitalization. We also actively put great effort on consulting business succession.

As a result, the Group's financial position and performance for FY2021 were as follows.

Ordinary income increased ¥1,262 million year on year to ¥51.248 billion, due to an increase in interest income and fees and commissions. Ordinary expenses decreased ¥518 million year on year to ¥42.243 billion, primarily due to the cost reduction effect by efficiency improvement. As a result, the Group posted ordinary profit of ¥9,005 million, an increase of ¥1,780 million year on year. Profit attributable to owners of parent increased ¥1,621 million year on year to ¥6,385 million.

Regarding the business performance by segment, ordinary income from banking business increased ¥2,404 million year on year to ¥42.880 billion, while its segment profit increased ¥1,500 million year on year to ¥8,145 million. Ordinary income from leasing business decreased ¥1,115 million year on year to ¥7,770 million, while its segment profit decreased ¥35 million to ¥118 million. Ordinary income from credit guarantee and credit card business increased ¥99 million year on year to ¥2,050 million, while its segment profit increased ¥240 million to ¥1,212 million. Ordinary income from other business segment decreased ¥543 million year on year to ¥1,468 million, while its segment profit decreased ¥9 million year on year to ¥70 million.

Deposits totaled ¥2,803.3 billion, an increase of ¥34.4 billion year on year, primarily due to an increase in individual deposits. Loans and bills discounted totaled ¥2,304.7 billion, an increase of ¥9.4 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 ¥519.9 billion, a decrease of ¥8.9 billion year on year.

As a result, total assets increased ¥322.2 billion year on year to ¥3,570.5 billion, and total net assets decreased ¥7.0 billion year on year to ¥175.4 billion at the end of FY2021.

The consolidated equity ratio (under Japanese standards) at the end of FY2021 rose 0.09 percentage points from the end of FY2020 to 8.58%.

# Consolidated Financial Statements

## (1) Consolidated Balance Sheets

	(Millions of yen)		(Thousands of U.S. dollars)*
	As of March 31, 2021	As of March 31, 2022	As of March 31, 2022
<b>Assets</b>			
Cash and due from banks	¥359,415	¥685,727	\$5,601,887
Monetary claims bought	97	97	792
Trading account securities	132	154	1,258
Securities	528,844	519,922	4,247,382
Loans and bills discounted	2,295,318	2,304,777	18,828,339
Foreign exchanges	3,377	3,750	30,635
Other assets	39,691	36,753	300,245
Tangible fixed assets	20,186	19,324	157,863
Buildings, net	6,380	5,979	48,844
Land	12,048	11,710	95,662
Leased assets, net	63	53	433
Construction in progress	—	0	1
Other tangible fixed assets	1,694	1,580	12,907
Intangible fixed assets	3,212	2,670	21,812
Software	2,824	2,420	19,770
Leased assets	4	1	8
Other intangible fixed assets	383	247	2,018
Deferred tax assets	505	261	2,132
Customers' liabilities for acceptances and guarantees	6,193	5,844	47,741
Allowance for loan losses	(8,737)	(8,781)	(71,734)
<b>Total assets</b>	<b>3,248,236</b>	<b>3,570,502</b>	<b>29,168,385</b>
<b>Liabilities</b>			
Deposits	2,768,896	2,803,335	22,901,193
Negotiable certificates of deposit	108,500	129,700	1,059,554
Payables under securities lending transactions	4,638	1,243	10,154
Borrowed money	145,202	423,646	3,460,877
Foreign exchanges	43	164	1,340
Other liabilities	23,741	25,303	206,707
Retirement benefit liability	5,446	3,993	32,620
Provision for retirement benefits for directors (and other officers)	58	38	310
Provision for reimbursement of deposits	295	154	1,258
Deferred tax liabilities	2,729	1,631	13,324
Acceptances and guarantees	6,193	5,844	47,741
<b>Total liabilities</b>	<b>3,065,745</b>	<b>3,395,056</b>	<b>27,735,120</b>
<b>Net assets</b>			
Share capital	62,120	62,120	507,475
Capital surplus	16,172	7,889	64,447
Retained earnings	83,613	88,440	722,490
Treasury shares	(937)	(937)	(7,655)
<b>Total shareholders' equity</b>	<b>160,969</b>	<b>157,512</b>	<b>1,286,758</b>
Valuation difference on available-for-sale securities	18,720	14,495	118,414
Remeasurements of defined benefit plans	(928)	(400)	(3,268)
Total accumulated other comprehensive income	17,792	14,094	115,138
Share acquisition rights	94	120	980
Non-controlling interests	3,635	3,718	30,373
<b>Total net assets</b>	<b>182,491</b>	<b>175,445</b>	<b>1,433,257</b>
<b>Total liabilities and net assets</b>	<b>¥3,248,236</b>	<b>¥3,570,502</b>	<b>\$29,168,385</b>

\* Please refer to the note 1 on page 43.



(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, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2022
Ordinary income	¥49,986	¥51,248	\$418,659
Interest income	27,205	28,294	231,141
Interest on loans and discounts	21,783	22,063	180,239
Interest and dividends on securities	5,123	5,322	43,477
Interest on call loans and bills bought	(0)	(0)	(4)
Interest on deposits with banks	155	764	6,241
Other interest income	143	143	1,168
Fees and commissions	10,833	11,781	96,242
Other ordinary income	535	529	4,322
Other income	11,411	10,643	86,946
Recoveries of written off receivables	655	918	7,499
Other	10,755	9,725	79,446
Ordinary expenses	42,761	42,243	345,094
Interest expenses	441	367	2,998
Interest on deposits	257	270	2,206
Interest on negotiable certificates of deposit	4	2	16
Interest on call money and bills sold	14	(8)	(65)
Interest on payables under securities lending transactions	26	9	74
Interest on borrowings and rediscounts	136	91	743
Other interest expenses	1	2	16
Fees and commissions payments	3,901	3,854	31,484
Other ordinary expenses	524	1,345	10,988
General and administrative expenses	25,743	25,353	207,115
Other expenses	12,151	11,321	92,484
Provision of allowance for loan losses	1,884	1,368	11,176
Other	10,266	9,953	81,309
Ordinary profit	7,224	9,005	73,564
Extraordinary loss	129	842	6,879
Loss on disposal of non-current assets	23	109	890
Impairment loss	105	732	5,980
Profit before income taxes	7,095	8,162	66,678
Income taxes - current	1,099	853	6,968
Income taxes - deferred	1,089	791	6,462
Total income taxes	2,188	1,645	13,438
Profit	4,907	6,517	53,239
Profit attributable to non-controlling interests	143	132	1,078
Profit attributable to owners of parent	¥4,763	¥6,385	\$52,161

\* Please refer to the note 1 on page 43.

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2022
Profit	¥4,907	¥6,517	\$53,239
Other comprehensive income	11,863	(3,747)	(30,610)
Valuation difference on available-for-sale securities	10,228	(4,274)	(34,915)
Remeasurements of defined benefit plans, net of tax	1,635	527	4,305
Comprehensive income	¥16,770	¥2,770	\$22,629
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	16,458	2,687	21,951
Comprehensive income attributable to non-controlling interests	312	82	670

\* Please refer to the note 1 on page 43.

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

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

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	62,120	16,172	83,613	(937)	160,969
Cumulative effects of changes in accounting policies			(13)		(13)
Restated balance	62,120	16,172	83,599	(937)	160,955
Changes during period					
Issuance of new shares	3,010	3,010			6,020
Transfer from share capital to other capital surplus	(3,010)	3,010			—
Dividends of surplus			(1,545)		(1,545)
Profit attributable to owners of parent			6,385		6,385
Purchase of treasury shares				(14,303)	(14,303)
Cancellation of treasury shares		(14,302)		14,302	—
Net changes in items other than shareholders' equity					
Total changes during period	—	(8,282)	4,840	(0)	(3,443)
Balance at end of period	62,120	7,889	88,440	(937)	157,512

	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	18,720	(928)	17,792	94	3,635	182,491
Cumulative effects of changes in accounting policies						(13)
Restated balance	18,720	(928)	17,792	94	3,635	182,478
Changes during period						
Issuance of new shares						6,020
Transfer from share capital to other capital surplus						—
Dividends of surplus						(1,545)
Profit attributable to owners of parent						6,385
Purchase of treasury shares						(14,303)
Cancellation of treasury shares						—
Net changes in items other than shareholders' equity	(4,225)	527	(3,697)	26	82	(3,589)
Total changes during period	(4,225)	527	(3,697)	26	82	(7,032)
Balance at end of period	14,495	(400)	14,094	120	3,718	175,445

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	507,475	132,113	683,057	(7,655)	1,314,999
Cumulative effects of changes in accounting policies			(106)		(106)
Restated balance	507,475	132,113	682,943	(7,655)	1,314,884
Changes during period					
Issuance of new shares	24,589	24,589			49,179
Transfer from share capital to other capital surplus	(24,589)	24,589			—
Dividends of surplus			(12,622)		(12,622)
Profit attributable to owners of parent			52,161		52,161
Purchase of treasury shares				(116,845)	(116,845)
Cancellation of treasury shares		(116,837)		116,837	—
Net changes in items other than shareholders' equity					
Total changes during period	—	(67,658)	39,539	(6)	(28,127)
Balance at end of period	507,475	64,447	722,490	(7,655)	1,286,758

	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	152,929	(7,581)	145,348	768	29,695	1,490,818
Cumulative effects of changes in accounting policies						(106)
Restated balance	152,929	(7,581)	145,348	768	29,695	1,490,712
Changes during period						
Issuance of new shares						49,179
Transfer from share capital to other capital surplus						—
Dividends of surplus						(12,622)
Profit attributable to owners of parent						52,161
Purchase of treasury shares						(116,845)
Cancellation of treasury shares						—
Net changes in items other than shareholders' equity	(34,515)	4,305	(30,202)	212	670	(29,320)
Total changes during period	(34,515)	4,305	(30,202)	212	670	(57,446)
Balance at end of period	118,414	(3,268)	115,138	980	30,373	1,433,257

\* Please refer to the note 1 on page 43.

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

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2022
<b>Cash flows from operating activities</b>			
Profit before income taxes	¥7,095	¥8,162	\$66,678
Depreciation	2,221	2,376	19,410
Impairment loss	105	732	5,980
Increase (decrease) in allowance for loan losses	691	43	351
Increase (decrease) in retirement benefit liability	(2,909)	(1,453)	(11,870)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(5)	(19)	(155)
Increase (decrease) in provision for reimbursement of deposits	(188)	(140)	(1,144)
Interest income	(27,205)	(28,294)	(231,141)
Interest expenses	441	367	2,998
Loss (gain) related to securities	(229)	(290)	(2,369)
Foreign exchange losses (gains)	(125)	(5)	(41)
Loss (gain) on disposal of non-current assets	23	109	890
Net decrease (increase) in trading account securities	(22)	(22)	(180)
Net decrease (increase) in loans and bills discounted	(138,457)	(9,458)	(77,265)
Net increase (decrease) in deposits	221,878	34,439	281,341
Net increase (decrease) in negotiable certificates of deposit	40,500	21,200	173,188
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	123,711	278,444	2,274,683
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	2	60	490
Net increase (decrease) in call money	(4,353)	—	—
Net increase (decrease) in payables under securities lending transactions	49	(3,394)	(27,726)
Net decrease (increase) in foreign exchanges - assets	1,911	(373)	(3,047)
Net increase (decrease) in foreign exchanges - liabilities	(12)	121	988
Interest received	27,151	28,169	230,120
Interest paid	(483)	(402)	(3,284)
Other, net	3,824	3,881	31,705
<b>Subtotal</b>	<b>255,614</b>	<b>334,254</b>	<b>2,730,610</b>
Income taxes paid	(628)	(572)	(4,673)
Income taxes refund	1,041	244	1,993
<b>Net cash provided by (used in) operating activities</b>	<b>256,027</b>	<b>333,925</b>	<b>2,727,923</b>
<b>Cash flows from investing activities</b>			
Purchase of securities	(100,959)	(93,712)	(765,558)
Proceeds from sales of securities	32,426	53,791	439,433
Proceeds from redemption of securities	42,641	43,962	359,137
Purchase of tangible fixed assets	(961)	(1,167)	(9,534)
Proceeds from sales of property, plant and equipment	12	—	—
Purchase of intangible assets	(1,208)	(547)	(4,469)
<b>Net cash provided by (used in) investing activities</b>	<b>(28,049)</b>	<b>2,326</b>	<b>19,002</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares	2,302	5,963	48,713
Purchase of treasury shares	(2,000)	(14,303)	(116,845)
Proceeds from sales of treasury shares	0	—	—
Dividends paid	(1,563)	(1,545)	(12,622)
<b>Net cash provided by (used in) financing activities</b>	<b>(1,261)</b>	<b>(9,885)</b>	<b>(80,753)</b>
Effect of exchange rate change on cash and cash equivalents	125	5	41
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>226,842</b>	<b>326,372</b>	<b>2,666,220</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>132,233</b>	<b>359,075</b>	<b>2,933,380</b>
<b>Cash and cash equivalents at end of period</b>	<b>¥359,075</b>	<b>¥685,448</b>	<b>\$5,599,608</b>

\* Please refer to the Note 1 on page 43.



## - Cash Flows

Cash flows during FY2021 and their causes are as follows.

### Cash flows from operating activities

Net cash provided by operating activities amounted to ¥333.9 billion (an increase of ¥77.8 billion from ¥256.0 billion provided by FY2020). The main contributory factors were ¥8.1 billion in profit before income taxes, an increase of ¥9.4 billion in loans and bills discounted, an increase of ¥34.4 billion in deposit and an increase of ¥278.4 billion in borrowed money.

### Cash flows from investing activities

Net cash provided by investing activities amounted to ¥2.3 billion (an increase of ¥30.3 billion from ¥28.0 billion used in FY2020). The main contributory factors were ¥97.7 billion in proceeds from sales and redemption of securities, and ¥93.7 billion in purchase of securities.

### Cash flows from financing activities

Net cash used in financing activities amounted to ¥9.8 billion (a decrease of ¥8.6 billion from ¥1.2 billion used in FY2020). The main contributory factors were ¥5.9 billion in proceeds from issuance of shares and ¥14.3 billion expended on the purchase of treasury shares. As a result, cash and cash equivalents at the end of FY2021 amounted to ¥685.4 billion (an increase of ¥326.3 billion year on year).

## Major Shareholders (Common Stock) (As of March 31, 2022)

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)	7,003,300	11.82
Custody Bank of Japan, Ltd. (trust account)	1,532,100	2.58
Chiba Kogyo Bank Employee Ownership	1,393,617	2.35
Sakamoto Feeds Co., Ltd.	1,249,700	2.10
Meiji Yasuda Life Insurance	1,158,200	1.95
DFA INTL SMALL CAP VALUE PORTFOLIO (Standing proxy: Citibank, N.A., Tokyo Branch)	1,115,442	1.88
Mizuho Trust & Banking Co., Ltd.	926,800	1.56
GOLDMAN, SACHS & CO. REG (Standing proxy: Goldman Sachs Japan Co., Ltd.)	800,051	1.35
Custody Bank of Japan, Ltd. (trust account-4)	695,500	1.17

Note: The proportion of the number of shares owned to total shares was calculated after deducting treasury shares (2,978,673 shares)

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