

# ANNUAL REPORT 2023

## Corporate Philosophy

### Moving Forward with the Region, with Heartfelt Kindness Toward Customers

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.

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# Message from the President

**We establish CKB community by creating new value that connects stakeholders to each other and transforming existing businesses.**

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 2023,” 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.

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




## **Business environment**

Chiba Prefecture, the base of the Bank’s business, celebrated its 150-year anniversary this year. Chiba Prefecture 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 industry, such as agriculture, fisheries, manufacture, and commerce, has developed in a well-balanced manner, taking advantage of these regional resources.

As for economic conditions within Chiba Prefecture, business sentiment among prefectural enterprises has been showing signs of improvement amid a situation where the economy has been mounting a moderate recovery following on the COVID-19 pandemic spanning more than three years. On the other hand, the outlook going forward remains uncertain amid factors that include surging raw material prices and utility costs largely attributable to yen depreciation and supply chain issues, labor shortages amidst recovering demand, and a scenario of wage hikes, which serve as the foundation of a positive economic cycle, not keeping pace with rising prices.

Taking a long-term view, however, Chiba Prefecture with its population exceeding 6.2 million is poised for further growth going forward given that it boasts well-established infrastructure such as the Ken-O Expressway and Narita International Airport, along with its favorable location adjacent to Tokyo, which serves as a major consumer hub. Following on the hardships posed by the COVID-19 pandemic, we seek to wholeheartedly contribute to the region going forward serving as a regional financial institution with Chiba Prefecture poised to achieve further growth looking beyond its 150-year anniversary.

 P7  
Chiba  
Prefecture –  
Our Business  
Base

### To Establish the CKB Community

Our notion of the “CKB Community” refers to the network of connections among all of our stakeholders. We contend that new value and innovation is bound to emerge from a situation where ties become stronger not only between the Bank and its stakeholders, but also among our business partners and among our stakeholders within the region. This, we believe, will bring us ever closer to addressing social challenges and giving rise to happiness for all.

Under our Long Term Management Strategy, we seek to design everyone’s happiness together and establish the “CKB Community,” which is built based on solid relationships with stakeholders. To such ends, we will engage in initiatives that entail changing all banking transactions to digitally-based ones, establishing an organizational base capable of enlisting a specialized Consulting Kodo approach that involves continuous reflection and action more than ever before, developing an approach that enables us to offer new value connecting stakeholders to each other making use of digital technologies, and increasing the Bank’s earnings power and asset efficiency.

As one of the contents that connects stakeholders to each other, we have launched “Chibatoku!”, a website that provides information on products, services coupons, and etc. of our business partners. We believe that we will not only broaden the scope of our consulting proposals and deepen our relationship with our business partners by gaining better understanding of their actual conditions based on the website browsing analysis, but also contribute to their growth and regional revitalization by becoming a bridge between our business partners, coupon users, and the local community.

In addition, by upgrading non-face-to-face channels such as business portals and smart phone apps, and expanding the functions of over-the-counter tablets, we will greatly reduce and simplify bank transaction procedures and seek to improve customer convenience.

### Medium Term Management Plan Progress

The Medium Term Management Plan is positioned as the stage for building a platform toward pursuing the Long Term Management Strategy.

Looking back on what transpired during the first year of the Medium Term Management Plan, it was a year of numerous challenges that included market volatility due to rising prices and interest rate hikes in various countries, offset by moderate recovery of the prefecture’s economy in wake of the COVID-19 pandemic, as mentioned previously. Amidst that scenario, the Bank has been solidifying its commitment to rigorous consultancy and support accompanying its business partners to the extent that such commitment has come to be recognized externally as a strength of Bank. The Bank has attained record-high results in terms of fees and commissions, which is likely attributable largely to success it has achieved in serving its corporate customers by providing operational support encompassing initiatives to address the five major needs such as business succession, labor shortages, management streamlining, DX, and decarbonization, and in serving its retail customers by facilitating asset formation and making estate planning recommendations aligned with their life plans.

Meanwhile, the Bank has sought to heighten corporate value by striving to increase the value of its common stock through cancellation of its preferred stock, while going forward the Bank will continue to reduce the total amount of preferred stock issued by pursuing greater capital efficiency and accumulating retained earnings.

Also when it comes to the metrics cited as key performance indicators, we have gained recognition for having made solid progress toward the targets of the final fiscal year of the Medium Term Management Plan. This includes, profit of ¥6.4 billion against the target of ¥6.7 billion, core OHR of 70.02% against the target of 69%, ROE of 4.12% against the target of 4%, equity ratio of 8.67% against a target of the mid-8% range, and ratio of issued preferred stock of 34.39% against the target of 30%.

☐ P11  
Making the CKB  
Community a  
Reality

☐ P21  
Our  
Sustainability  
Initiatives

☐ P16  
Medium Term  
Management  
Plan

### Strengthening Consulting Personnel and Developing Human Resources for the Entire Region

In order to provide high-quality consulting services, we must create an environment in which we can specialize in consulting, and at the same time, our employees must have a high level of expertise and demonstrate their skills to the fullest extent.

We have established a well-developed system by assigning personnel with expertise in specialized fields such as business succession, M&A, medical care, agri-food business, and international operations to the Consulting Support Desk. Consulting requires a high level of specialized knowledge. Furthermore, it requires critical thinking skills to understand not only the business partners' current business issues, but also their potential needs and to propose solutions. In addition to providing practical consulting training through case studies, we are further strengthening our consulting personnel by creating an environment where employee can learn on their own initiatives through learning community sites and other means, and by curriculum that encourages logical thinking skills.

We established the "Makuhari Gakumonjo" at the site of the former Makuhari Techno Garden Branch as a dedicated facility for group discussions and hands-on learning, we hold cross-industrial exchange workshops at the Makuhari Gakumonjo, where employees of our business partners are invited to participate in training together with our employee for the purpose of networking with people outside the company and learning logical problem-solving methods.

Many of our business partners have told us that they cannot afford to provide business skills and other training to their employees. I believe that if we can contribute to their human resource development and ultimately their business growth through this kind of initiative, it will lead to sustainable growth for the entire region.

📖 P24  
Our  
Sustainability  
Initiatives

### Toward Sustainable Growth of the Region

In order for the region to continue to grow sustainably, we must not only prioritize economic development, but also solve many other issues, including human resource development, as I mentioned earlier. To contribute to the growth and development of a variety of stakeholders and to increase corporate value through the continuous and stable growth of the Bank, and thereby contribute to the sustainable development and prosperity of the local economy, industry and society, we have established a set of sustainability key issues ("Revitalizing industry and creating appeal for Chiba", "Cultivating the human resources that will be responsible for the future of Chiba", and "Realizing a prosperous Chiba where people can live with peace of mind") and are implementing a wide range of initiatives.

With regard to "decarbonization" in particular, we recognize that decarbonization management is an important mission for companies, and that the implementation of decarbonization management will lead to increased corporate value. In addition to disclose our management strategy in response to climate change, we are also strongly promoting decarbonization support for our business partners by measuring CO<sub>2</sub> emissions, provision of CO<sub>2</sub> emission reduction solutions, and carbon offset trading.

Last but not least, 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.

📖 P17  
Our  
Sustainability  
Initiatives

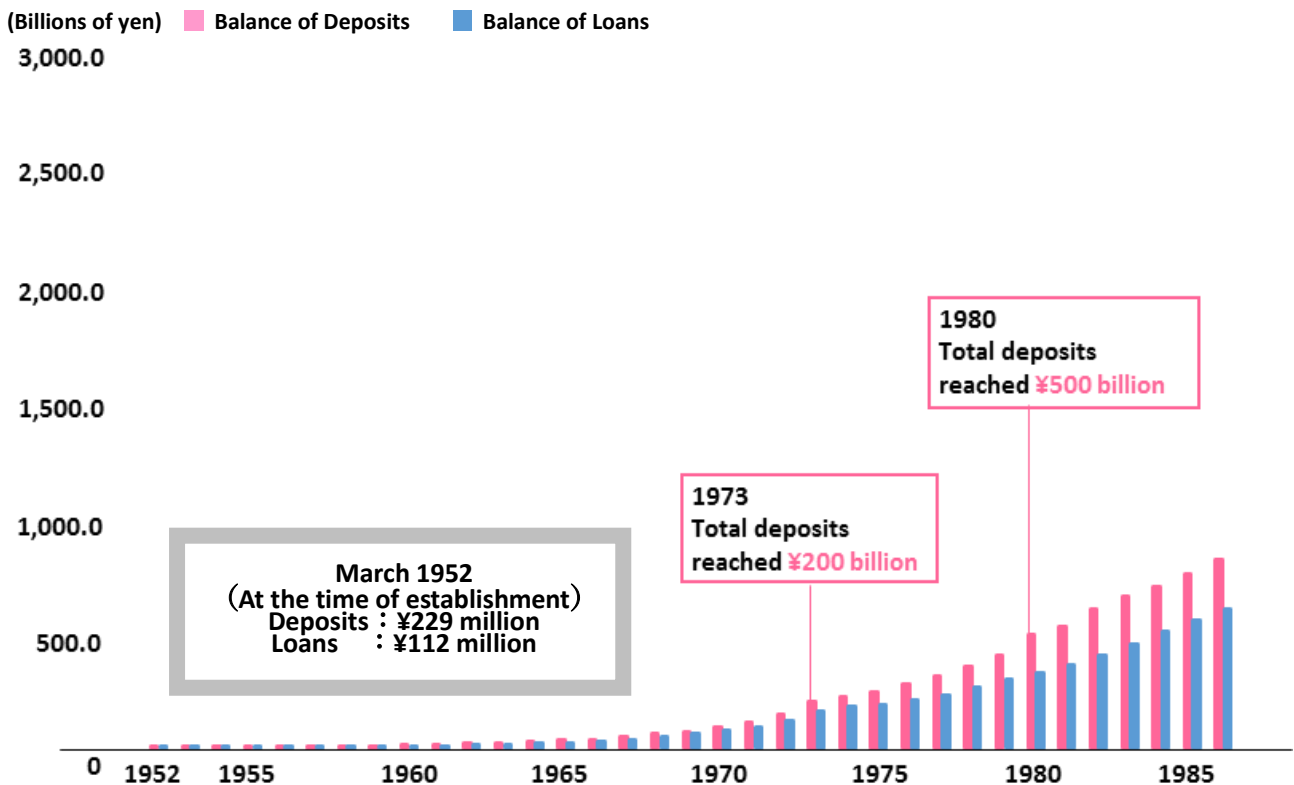
📖 P27  
Initiatives  
for TCFD  
Recommendations

July 2023

**Hitoshi Umeda**  
President (CEO)

# History of the Chiba Kogyo Bank

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.



**1952**  
● Establishment  
Share capital : ¥50 million



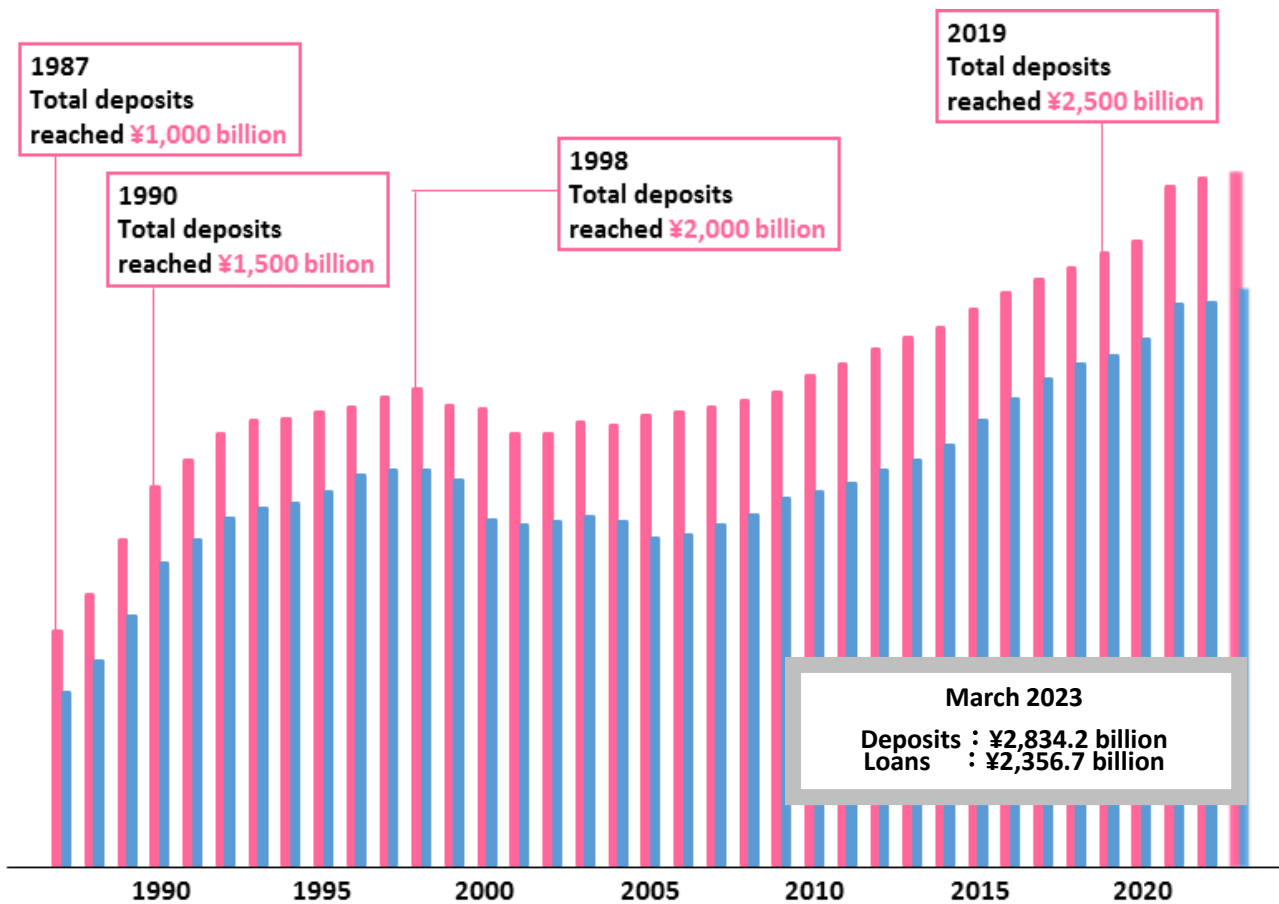
**1965**  
● Determine Bank's nickname as "Chiba Kogin"

**1972**  
● Built the new head office building

**1973**  
● Listed on 1st section of the Tokyo Stock Exchange

**1975**  
● Online transaction began operation





**1991**

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



The Bank Symbol  
The cosmos flower

**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

**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
- Started using “CHIBA CORGI” as the Bank’s mascot character





# Chiba Prefecture – Our Business Base

## • The population of Chiba Prefecture

Chiba Prefecture has a population of 6.26 million, the 6th largest in Japan. While the population is declining nationwide, the population of Chiba Prefecture remains at the same level. The net population influx into Chiba Prefecture in 2022 is 8,568, which is the 4th place in Japan. The prefecture remains attractive as a relocation destination.

## • Infrastructure of Chiba Prefecture






Chiba Prefecture is located adjacent to Tokyo, and plays an important role in the functions of the Greater Tokyo Area.

The prefecture is a hub of human flow and logistics, with access to all land, sea, and air networks. An extensive transportation network, including the Tokyo Bay Aqua-Line (Trans Tokyo Bay Highway connecting Chiba and Kanagawa Prefecture) and the beltway, connects the core cities of the Tokyo metropolitan area with Narita International Airport, Japan's air gateway, and the Chiba Port, one of Japan's leading trading ports. Chiba Prefecture is rich in tourism resources with various characteristics depending on the region, such as the bay area, which is close to central Tokyo and contains large amusement parks, international convention centers, and commercial facilities, and the Minami-Boso area, which offers warm and beautiful sea and verdant hills. The prefecture strives to attract companies and support immigration and it is expected to create more jobs and the local economy growth.



## • Diverse industries in Chiba Prefecture, which rank among the top in Japan

Industries inside the prefecture are extremely active and well-balanced, and the prefecture is in the top rank nationally - in agriculture, fishery, manufacture, commerce and also gross prefectural product.

	Gross Prefecture Product (nominal)	¥ 21.2 Trillion	7 th among Japanese Prefectures	2019
	Agricultural Output	¥ 347.1 Billion	6 th among Japanese Prefectures	2021
	Fishery Production Volume	105K Tons	7 th among Japanese Prefectures	2021
	Manufacturing Output	¥ 11.9 Trillion	8 th among Japanese Prefectures	2021
	Retail Sales	¥ 0.9 Trillion	7 th among Japanese Prefectures	2022

Source: 2022 Population Estimates, Report on Internal Migration in Japan, Statistics Bureau of Japan, 2019 Cabinet Office, 2021 Statistics of Agricultural Income Produced, 2021 Production Statistics for the Fishing and Aquaculture industries, Ministry of Agriculture, Forestry and Fisheries, Economic Census 2021, Statistics Bureau of Japan, Current Survey of Commerce 2022, Ministry of Economy, Trade and Industry



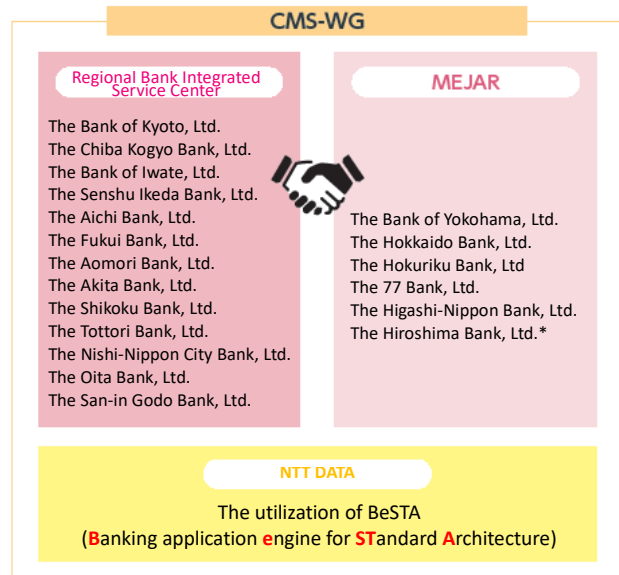
# Partnership with Regional Banks

## • NTT DATA Regional Bank Integrated Service Center / CMS-WG

The Bank has participated in the Regional Bank Integrated Service Center. The Center is managed by the NTT DATA Corporation and provides core banking systems for regional banks.

In order for each participating bank to stably provide financial services to customers even in the event of a large-scale disaster, NTT DATA and the participating banks have entered into an agreement for mutual cooperation in maintaining financial functions or early recovery in the event of a disaster.

In addition, the Bank also participates in "CMS-WG," which was established by the Regional Bank Integrated Service Center and MEJAR participating banks across group frameworks to improve the efficiency of system operation, as well as "CMS-CSIRT" a collaborative organization in the field of cybersecurity.



\*The Hiroshima Bank, Ltd. plans to join the MEJAR system sharing from FY2030.

## • Investment in "Regional Future co-creation Search Fund"

In an effort to contribute to solving regional and social issues such as the lack of successors for small and medium-sized businesses, the Bank has invested in the Regional Future Co-Creation Search Fund established by YAMAGUCHI CAPITAL Co., Ltd., a subsidiary of Yamaguchi Financial Group, Inc.

Search fund is an investment model that originated in the U.S. and was established with the purpose of solving business succession issues and supporting business growth of regional companies.

## • Fincross DIGITAL

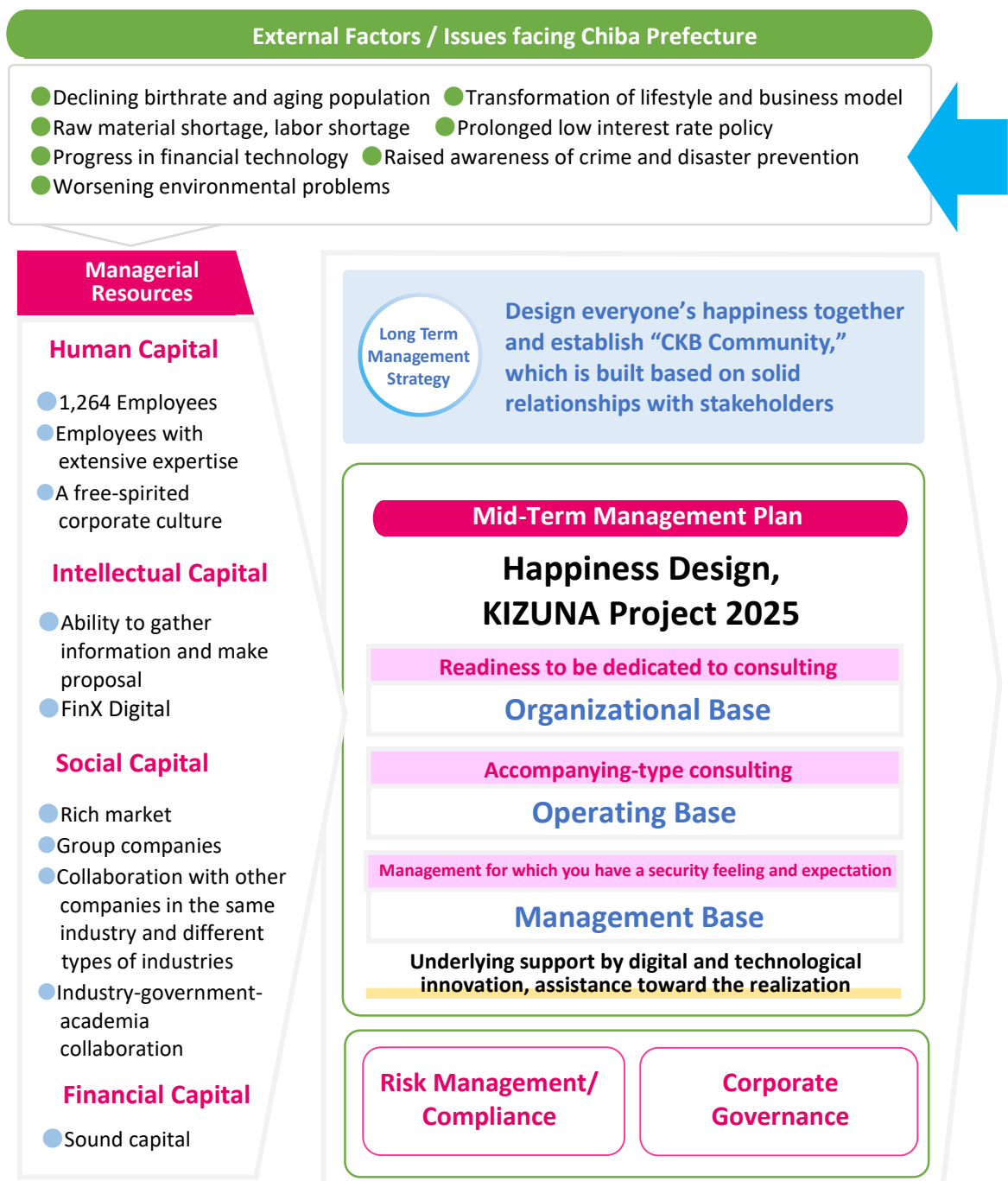
The Bank has participated in the Fincross Partnership which was established by eight regional banks, including the Bank, with the aim of promoting the digitization of each bank.

We have also established Fincross DIGITAL Co., Ltd., a joint venture for collaborative research and development based on the partnership that have agreed to work together in promoting the digitization of finance. Collaborative development and research by multiple banks is expected to have the effect of enabling the provision of new financial services, the introduction of technology, and advanced data analysis and utilization.



# 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.



We contribute to solving social issues by realizing our vision.

Long Term Management Vision

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

Offering Value to our Stakeholders

Establishment of CKB Community



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



- Growth and development of customers



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



- 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



KPI ▶ P19

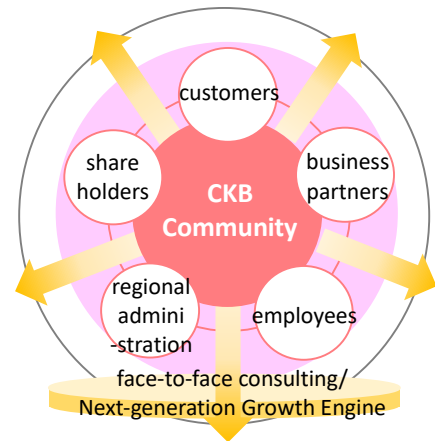
# Making the CKB Community a Reality

The Bank's long-term management strategy is to 'Design everyone's happiness together and establish "CKB Community," which is built based on solid relationships with stakeholders.'

## The CKB Community

Our notion of the "CKB Community" refers to the network of connections among all of our stakeholders, above and beyond solid relationships between the Bank and its stakeholders.

The Bank employs a Consulting Kodo approach which entails identifying the real challenges and needs of its partner regions and customers and earnestly taking action that involves presenting ideas for addressing solutions. Accordingly, the CKB Community derives from outcomes achieved by continuing to accompany our stakeholders toward realizing happiness while enlisting expertise we have gained through the aforementioned initiatives and drawing on the trust, information, and networks that are distinctive to a regional financial institution.



## Objectives to be achieved by establishing the CKB Community

We embrace an unwavering inherent desire to give rise to people's happiness. Since its founding, the Bank's ultimate mission has been that of consistently serving as a reliable advisor to its customers and giving rise to happiness of its customers. We seek to become a corporate group with an absolute presence indispensable to the area and our customers by breaking free from the confines of traditional banking while retaining our identity as a kind partner, and by continuing to give rise to growth and happiness of our stakeholders in various contexts beyond finance.

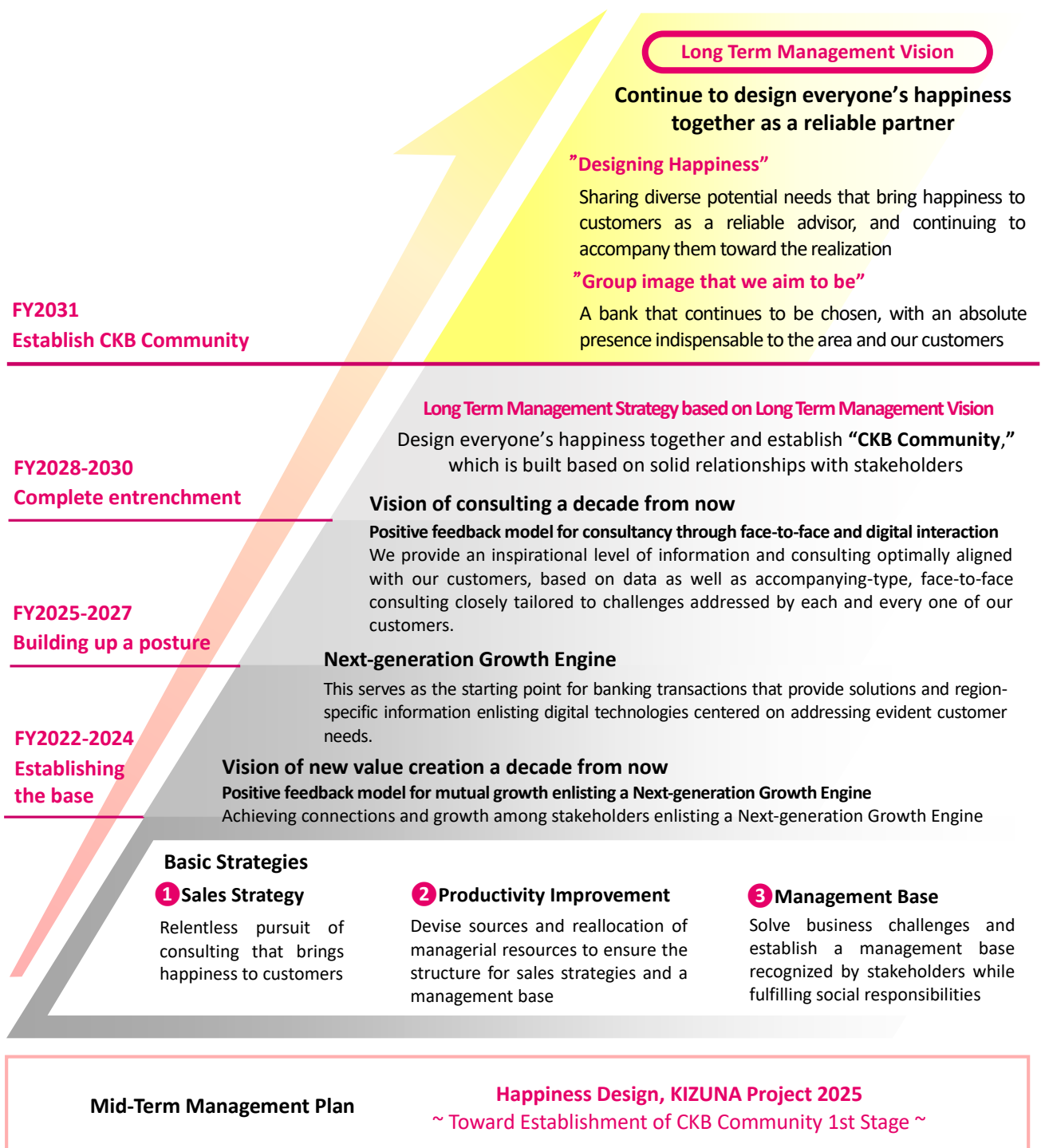
## To establish and expand the CKB Community

We seek to develop a community by shifting to digitally-based solutions for all of our banking transactions and by establishing an organizational base capable of placing more focus on enlisting a Consulting Kodo approach. Moreover, we will furthermore deepen our connections, ties and familiarity with our customers by gaining a more extensive understanding of each and every one of them as we engage in dialogue enlisting our basic stance of Consulting Kodo. We will also address diversifying expectations and demands of society and will build a transparent and efficient management base that is more highly valued by our stakeholders than ever before.

# Long Term Management Vision and Strategy

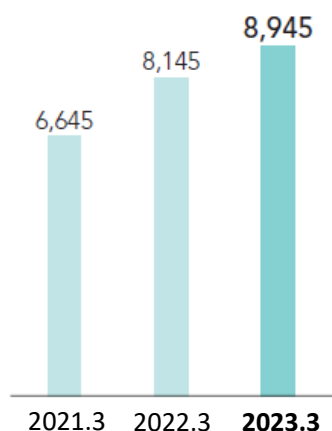
While customer needs have changed and been diversified constantly, the feeling of “hoping to be happy” that is the essence of those needs never changes. Based on this recognition, we have decided to call for continuing to accompany customers toward realizing happiness through “Consulting Kodo” of always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

Under the Long Term Management Strategy based on the Long Term Management Vision, 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.

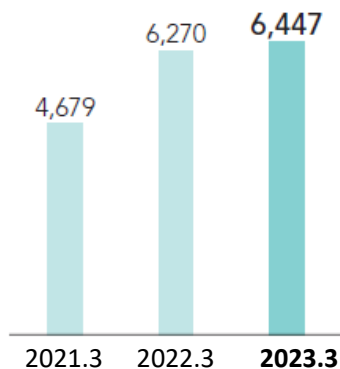


# Financial Highlights (Non-Consolidated)

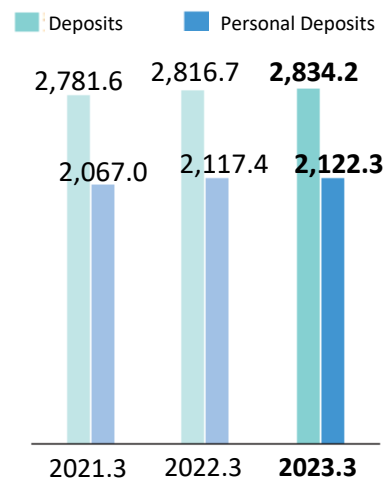
**Ordinary profit**  
(Millions of yen)



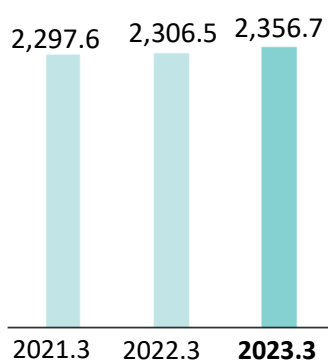
**Profit**  
(Millions of yen)



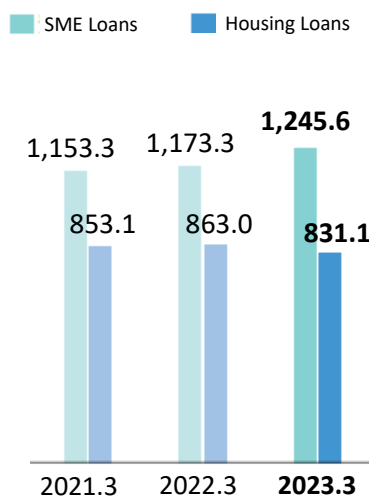
**Deposits**  
(Billions of yen)



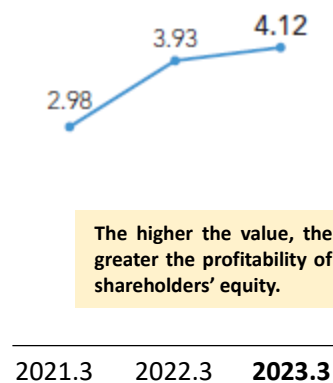
**Loans and Bills Discounted**  
(Billions of yen)



**SME Loans / Housing Loans**  
(Billions of yen)



**ROE (Net income basis)**  
(%)



**ROA (Net income basis)**  
(%)



**Core OHR**  
(%)



**Equity Ratio**  
(%)



2021.3 2022.3 2023.3

2021.3 2022.3 2023.3

2021.3 2022.3 2023.3

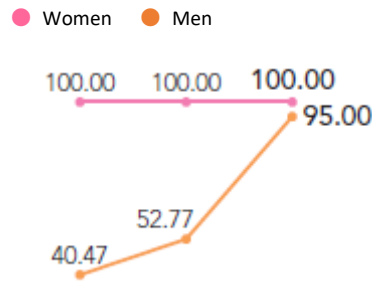
# Non-Financial Highlights

**Ratio of Female Officers  
(Manager level or above)**  
(%)



2021.3 2022.3 2023.3

**Percentage of Employees Taking  
Childcare Leave**  
(%)



2021.3 2022.3 2023.3

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

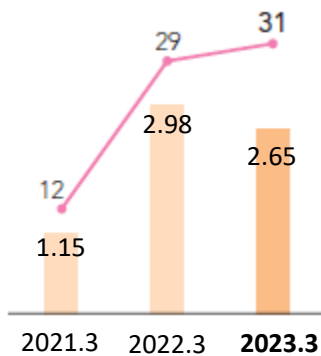
**Employment Rate of People with  
Disabilities**  
(%)



2021.6 2022.6 2023.6  
Ratio as of June 1

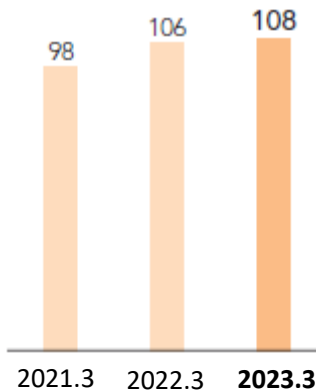
**Issuance of Chiba Kogyo Bank  
SDGs Private Placement Bonds**

■ Issue amount (Billions of yen)  
● Number of Bonds



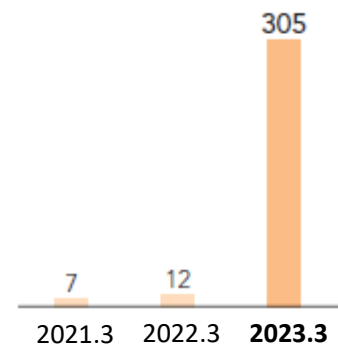
2021.3 2022.3 2023.3

**Number of Employees Acquired 1st  
Grade Certified Skilled Professional  
of Financial Planning**  
(People)



2021.3 2022.3 2023.3

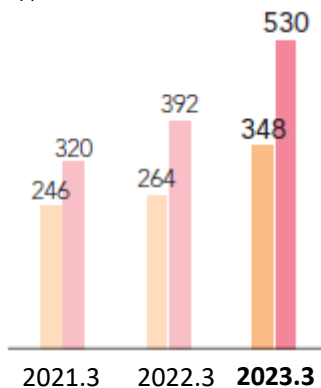
**Number of Employees Acquired  
Information Technology Passport  
Examination**  
(People)



2021.3 2022.3 2023.3

**Number of Companies  
Supported by Consulting Services**  
(Number of cases)

■ Supported in Relation to Business Succession  
■ Supported in Relation to M&A



2021.3 2022.3 2023.3

## 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.



The 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,”

Medium Term  
Management Plan

### Happiness Design, KIZUNA Project 2025

**Readiness to be  
dedicated to consulting**

**Organizational Base**  
~To improve productivity~

Freed from and unrestricted  
by time and location

Diversification of employment  
and work conditions

Raising the level of  
experience and know-how

**Accompanying-type  
consulting**

**Operating Base**  
~To design Happiness~

To an efficiency-oriented  
sales style

Enhance provision of  
nonfinance and information

Embody a reliable advisor  
digitally

Management for which you have  
a security feeling and expectation

**Management Base**  
~Toward sustainable  
management~

Open up to markets and  
shareholders

Response to recycling-based  
communities and society

To management pursuing  
total optimization

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

#### Organizational Base

We will promote efficiency by digitizing all transactions, including deposits, loans, and exchange, which are unique to banks, and develop an environment where management resources that have been spent on them can be focused on face-to-face consulting.

Furthermore, we will diversify employment and working conditions, and strengthen the organizational base by actively developing and utilizing human resources based on meritocracy.

#### Operating Base

We aim to increase the number of core business partners by further expanding "value support operation" for corporate customers and "life planning proposals" for retail customer, while emphasizing an efficient sales style that utilizes digital technology based on “consulting Kodo”.

In addition, by analyzing and utilizing a wide range of accumulated data, we will understand the latent needs beyond financial field of customers, and improve both the quality and quantity of our consulting services.

#### Management Base

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 Medium Term Management Plan calls for enhance measures for return to common shareholders and reduction of preferred stock and cross-shareholdings as priority issues.

## Targets for management indicators and Main business management items

	Main targets for management indicators	As of the end of March 2023	Plans (As of the end of March 2025)	Achievement ratio
profitability	Profit	¥6.4 billion yen	¥6.7 billion yen	95.5%
efficiency	Core OHR	70.02%	69%	98.5%
	ROE	4.12%	4%	103.3%
soundness	Equity Ratio	8.67%	Mid- 8% range	—
	Ratio of issued preferred stock	34.39%	30%	87.2%

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

		As of the end of March 2023	Plans (As of the end of March 2025)	Achievement ratio
Corporate indicators	Increase in core corporate business partners	+ 308	+ 1,000 compared with March 31, 2022	30.8%
	Number of cases sharing five major needs*1	3,405 cases	Cumulative number of sharing cases for three years: 10,000 cases	34.0%
	Number of management improvement plans formulated	71 cases	Cumulative number of formulated plans for three years: 250 cases	28.4%
Individual indicators	Increase in core customers	+127	+ 1,400 compared with March 31, 2022	9.0%
	Increase in balance of assets under custody	+ ¥14.2 billion	+ ¥45.0 billion compared with March 31, 2022	31.5%
	Number of cases in which we were able to respond to the inheritance needs	897 cases	Cumulative number of cases in which we were able to respond for three years: 1,000 cases	89.7%
Efficiency indicators	Reduction in administrative work time through digitalization	(7) thousand hours	(133) thousand hours compared with FY2021	5.5%
	Reduction in administrative operations at branches	(18)%	(50)% compared with FY2019*3	36.0%
Human resources-related	Number of those who passed the Information Technology Passport Examination	305	550	55.4%
	Number of those who passed the second grade of the Official Business Skills Test in Bookkeeping	135	200	67.5%
	Number of those who are the first grade Certified Skilled Worker of Financial Planning	108	110	98.1%
	Number of workshops for cross-industrial exchange held	12 times	Cumulative number of workshops held for three years: 36 times	33.3%
	Ratio of female officers*2	35.1%	30%	117.0%

\*1 business succession, labor shortages, management streamlining, DX, decarbonization

\*2 Calculated by dividing the number of female officers by the number of officers

\*3 The comparison target is FY 2019 in order to exclude the period when a state of emergency was declared and there were restrictions on going out and moving.

# Our Sustainability Initiatives

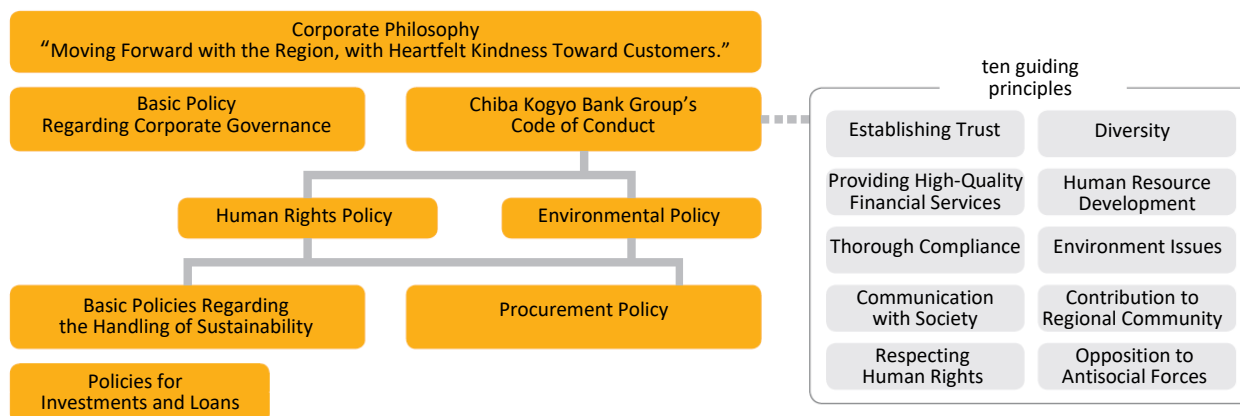
## ● Policies and guidelines for our sustainability initiatives

The Bank promotes sustainability management throughout the Group and has established policies and guidelines regarding sustainability initiatives in order to realize a sustainable society.

Please refer to our website (Japanese) for details of our policies and guidelines for our sustainability initiatives.

<https://www.chibakogyo-bank.co.jp/csr/policies/>

## Chart



### • Chiba Kogyo Bank Group's Code of Conduct

We seek to strengthen our structure for leading the region in terms of taking on environmental concerns, human rights issues and other such social challenges based on our corporate philosophy. We accordingly list ten guiding principles for ensuring that all officers and employees of the Group are able to fulfill their responsibilities toward achieving a sustainable society.

### • Environmental Policy

We promote efforts for helping to address environmental challenges and accordingly take initiative together with our regional communities toward building a sustainable environment and society.

### • Human Rights Policy

We seek to serve as a member of the regional economy in aiming to work with our stakeholders in creating a society that upholds human rights while also promoting efforts for helping to address social challenges and establishing a corporate culture characterized by an abundance of respect for human rights.

### • Procurement Policy

We aim to help achieve a sustainable society while also increasing our corporate value by promoting responsible procurement practices and procurement optimization, based on the Group's Environmental Policy and its Human Rights Policy. In addition, we will work together with our suppliers with respect to implementing socially and environmentally sound procurement practices throughout the supply chain.

### • 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 policies for investment and loans on specific industries and sectors that are considered to have a significant impact on the local environment and society.

## ● Chiba Kogyo Bank Sustainability Statement

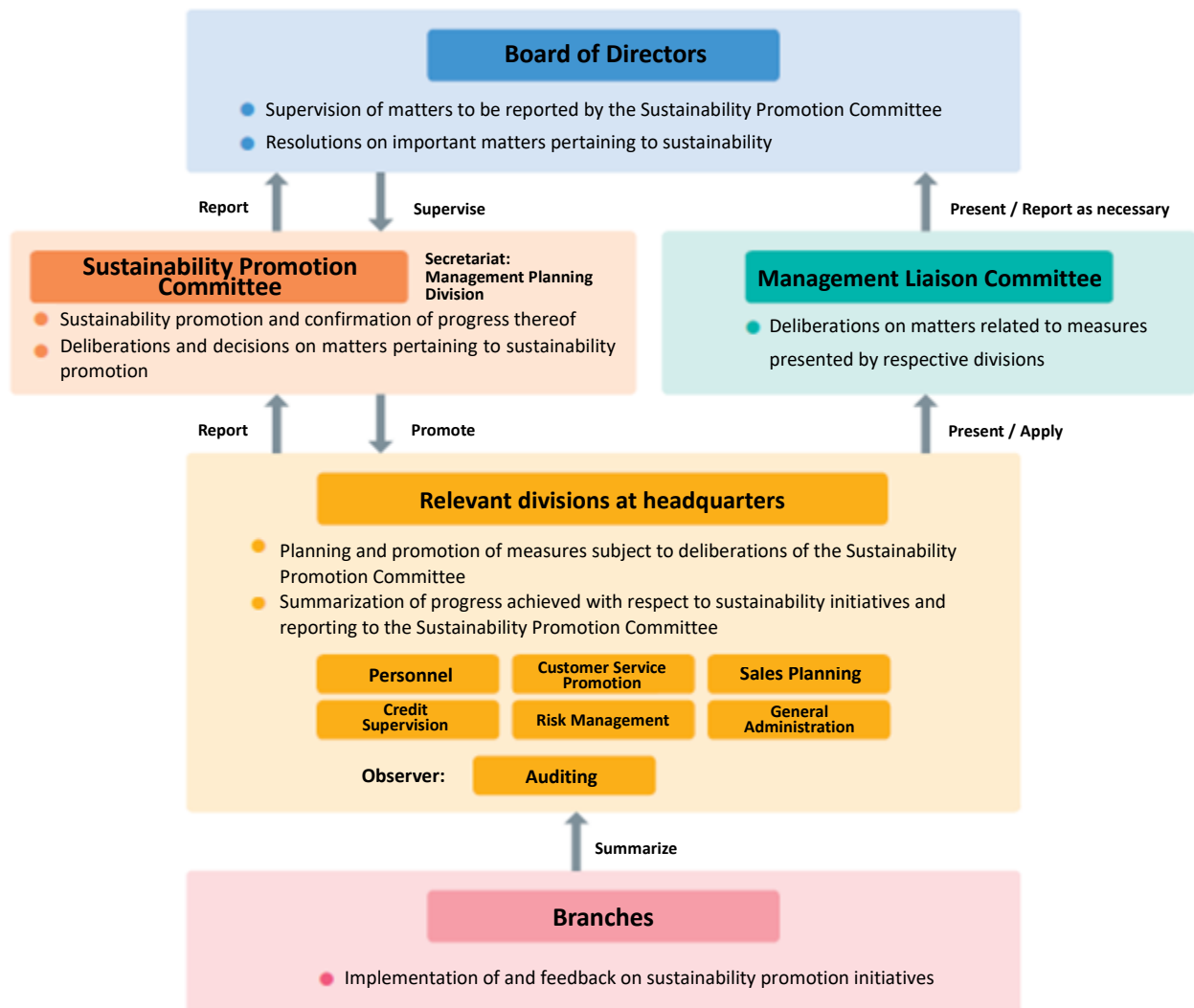
We will work to realize management that takes into account value creation for a variety of stakeholders and to increase corporate value through the continuous and stable growth of the Bank by tackling “Sustainability Key Issues” from a long-term perspective, in order to put the basic values of our corporate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

## ● Sustainability Promotion Framework

### • Promotion Framework and Operation

We have established the Sustainability Promotion Committee upon having restructured the former Sustainability Promotion Committee.

We have assigned more relevant divisions than before to the task of addressing all aspects of sustainability by establishing this committee, and will accordingly engage in planning and implementation of measures subject to deliberations of the committee.



## Our Sustainability Initiatives

### ● 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.

#### • the Sustainability Key Issues



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.



#### • Key Performance Indicators

		As of the end of March 2023	Targets for FY2024	Targets for FY2030
<b>Economy</b>	the Amount of ESG Investment and Finance/ Sustainable Finance	141.6 billions of yen	More than 150 billions of yen	500 billions of yen
<b>Society</b>	1. Ratio of Female Officers 2. Number of Participants in Financial Education	1. 35.1% 2. 1,216 people	1. More than 30% 2. Total 3,000 people	1. More than 35% 2. Total 10,000 people
<b>Environment</b>	Reduction in CO <sub>2</sub> Emissions	Reducing by (36.93)% compared with FY2013	Reducing by (35)% compared with FY2013	Reducing by (46)% compared with FY2013

\* The Bank has revised its targets upward on August 9, 2023.



## ● Annual initiatives rooted in the community

### Clean-Up Activities

Bank employees, staff and their family members participate in clean-up activities on the sidewalk from the head office parking lot to the Chiba Port Tower and inside the Chiba-port park.



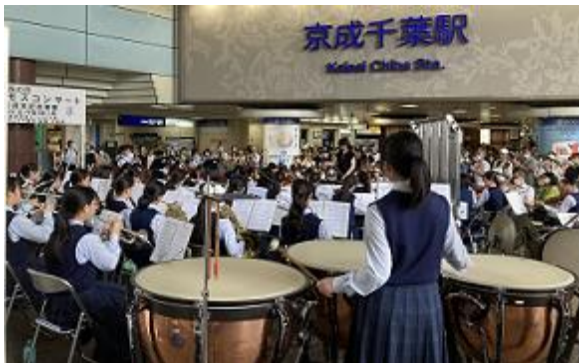
### Sponsoring the “Chiba Aqua-Line Marathon”

We support the Chiba Aqua-Line Marathon as an official sponsor and dispatch bank employees as volunteer staff to prepare drinks and light meals for the athletes.



### Chiba Kogin Cosmos Concert

We hold a mini concert by the Chiba Prefectural Chiba Girl’s High School Orchestra.



### Blood Donation Drive Campaign

As a Japanese Red Cross Society supporter, we hold a blood donation drive campaign at the head office twice in a year.



### Bicycle Reflectors Donation

We donate bicycle reflectors with a wish of protection against traffic accidents to new junior high school students in Chiba Prefecture, and have donated a total of 466,400 such reflectors so far, over the last 29 years.



### Holding a Chiba Kogyo Bank Cosmos Theater Performance

We sponsor the “Parent and Child Opera Viewing Debut Project staged by the Chiba Prefectural Cultural Promotion Foundation as a Chiba Kogyo Bank Cosmos Theater Performance.

### Chiba Kogin Tomoshihi no Kai

A donation activity that contributes to the welfare of the local community based on the funds collected from employees on the payday of each month.

### 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.

Key Issue

1

## Revitalizing industry and creating appeal for Chiba

### ◆ Start of Handling of Positive Impact Finance

The Bank has begun offering Positive Impact Financing(PIF). PIF is a financing method that comprehensively analyze the impact (positive and negative) of corporate activities on either environmental, social or economic aspects and supports efforts to improve identified positive impacts and reduce identified negative impacts.

We developed the product by properly evaluating the sustainability management of our customers who are actively working on the SDGs, while at the same time receiving advice from Japan Credit Rating Agency, Ltd.(JCR), at third-party evaluation agency, on a series of steps from product regulations, evaluating process, to items to be included in the evaluation report.

As the first project, we provided PIF to Wing co, ltd. Wing co, ltd. has contributed to SDGs through partnership-oriented corporate activities, including the use of domestic timber and the development of its business in cooperation with other companies in the same and different industries, utilizing the 2 × 4 business know-how it has cultivated over many years.

### ◆ Launch the Website "Chibatoku!"

As one of the services to create connections among stakeholders, the Bank has launched the website "Chibatoku!" which provides information on products, services, and coupons of our business partners. "Chibatoku!" is free of charge, and is intended to help solve the business challenges of our business partners and increase their corporate value through PR, sales expansion, new customer acquisition, and other means.

The coupons can be used by anyone. Through the coupons we will provide an opportunity for local residents and visitors to Chiba Prefecture to learn more about the products and services of our business partners and to obtain discounts and special offers.

A feature of "Chibatoku!" is that it includes recommendations by our sales staff in order to further convey the attractiveness of our business partners' products and services.

Click below for access to "Chibatoku!" (Japanese)

<https://chibatoku.chibakogyobank.com>





### ◆ The Chiba SDGs Suishin(Promotion) Network Receives Award from Minister

The Chiba SDGs Suishin (Promotion) Network's initiative has been awarded the second "Regional Revitalization SDGs Financial Award" sponsored by the Cabinet Office of the Government of Japan. The Cabinet Office established the "Regional Revitalization SDGs Financial Awards", commended by the Minister of State for Regional Revitalization, with the goal of promoting efforts to support local businesses in collaboration with local governments and regional financial institutions toward the realization of sustainable town development.



The Bank has participated in the Chiba SDGs Suishin (Promotion) Network. This network has been joined by Chiba Prefecture and 11 organizations and companies including the Bank, 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.

### ◆ Providing CO<sub>2</sub> Emissions Visualization and Reduction Solution

As part of our efforts towards decarbonization, the Bank and our group company, Chiba Kogin Computer Soft Co., Ltd. have begun collaborating with Fuji Electric IT Solutions Co., Ltd.

We provide CO<sub>2</sub> emissions visualization and reduction solutions to solve the decarbonization challenges faced by many small and medium-sized business owners, and support the decarbonization management of our business partners.

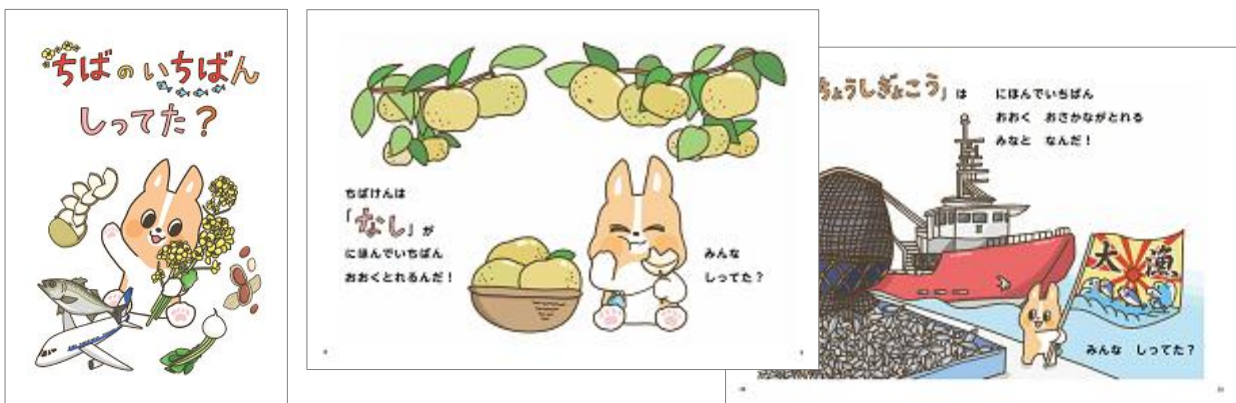
In addition, our group, in order to take its own lead in regional decarbonization, collaborated with Fuji Electric IT Solutions Co., Ltd. and Zeroboard Inc.

We decided to introduce "zeroboard" a cloud service for calculating CO<sub>2</sub> emissions to our group, and has begun measurement of CO<sub>2</sub> emissions.

### ◆ "Chiba no Ichiban Shitteta?" Picture Book for Children

We created a picture book for children and their parents with the aim of widely spreading the charms of Chiba, which the next generation can be proud of. In the picture book, our mascot character "Chiba Corgi" serves as a guide and introduces local specialties in Chiba such as peanuts, Japanese pears and soy sauce.

We donated the picture books to local nursery schools, kindergartens, hospitals with pediatric departments, and etc. All the illustrations in the picture book were newly drawn by one of our employee who is the creator of Chiba Corgi.



Key Issue

2

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

#### ◆ Start of Providing Online Learning Service for Employees of Business Partner Companies

We have started providing an online learning service for employees of our business partners for free. The purpose of this service is to help improve corporate value and solve problems such as insufficient education and training of employees and the inability to develop successors and middle managers, which are problems of small and medium-sized enterprises. We have prepared a wide range of approximately 1,450 teaching video materials, such as business manners and business skills for new employees, management strategies and management skills for managers. You can freely select and watch videos from categories according to age and position.

##### ■ Comment from our business partner

This service has a large number of categories, and the videos last only a few minutes, so it is easy to watch. We also find it attractive to be able to review with a confirmation test. The lecturer's way of speaking is easy to hear, so we can watch the videos without getting bored in the middle.

we expect more contents to be added in the future.  
Dainichi Corporation

##### ■ Comment from our business partner

Inviting lecturers to conduct in-house training each time will incur a lot of costs and time constraints, but this service is free and convenient for employees to use at their own timing. Currently, we use it on a trial basis in some departments within the company. We'd like to develop in-house systems encouraging active use of the service, and eventually make it available to all employees.  
Yamaichi Kousan Co.,Ltd.

#### ◆ Basic agreement on Cooperation Concluded with Chiba University of Commerce

The Bank has concluded a basic agreement on cooperation with Chiba University of Commerce (President: Sachihiko Harashina). This agreement aims to contribute to the local community, to promote academic and cultural development, to form a vibrant regional society and economy, and to advance educational and research activities.

In addition, the Bank provided special lectures (total of 13 times) to acquire practical financial knowledge. Our employees and the managers of our business partners served as lecturers to give lectures on the social responsibility of regional financial institutions, relationship with the regional economy, and efforts to contribute to the region, using specific examples.



##### ■ Comment from a student

I took the course because I thought it would be useful for my future life, with a view to working in the financial industry. Through the lectures, I learned what was required in the financial industry, and I'd like to take on the challenge of obtaining qualifications related to finance. The bankers gave us a lecture politely and clearly. The atmosphere among the participants was good and the group work was lively, so I felt that I could enjoy learning about the financial industry in earnest.

(3rd Year, Faculty of Humanities and Social Sciences)

### ◆ Holding Financial Education Classes for Local Junior High and High School Students

In order to spread financial literacy education to junior high and high school students who will lead the next generation, we held financial education classes for local junior high and high school students together with SMBC Consumer Finance Co., Ltd.

A lecture on the theme of asset management was provided by employees selected through the CKB Job Matching system, an internal system in which employees register their skills and the Bank introduces them to jobs that allow them to make the most of their skills. Students learned about the importance of asset formation and diversified investment through an investment experience game and an explanation of how investment trusts work.



### ◆ Donation for the Scholarship System Established by Chiba Prefecture

The Bank donated 3 million yen to help pay for the scholarship system established by Chiba Prefecture. The purpose of this scholarship system is to secure learning opportunities for children who have been forced to give up their studies due to financial reasons. In Chiba Prefecture, Chiba Council of Social Welfare, which is in charge of system administration, established a fund for this system from the perspective that whole society needs to support the realization of equal educational opportunities. They are planning to widely solicit donations for the benefit funds from citizens and companies in the prefecture.

### ◆ Establishment of New Training Facility "Makuhari Gakumonjo"

We established a new training facility, Makuhari Gakumonjo, and a multi-purpose space on the site of the former Makuhari Techno Garden branch. Taking advantage of good transportation access and the location where various companies are concentrated, we will utilize it as a base for employee training, seminars for customers, exchanges between different industries, recruitment activities, and etc. The layout and design of the training facility is based on the concept of "harmony and circle of people". The innovative design goes beyond the framework of bank facilities and is designed so that users can find it challenging.

As the first event after the establishment of "Makuhari Gakumonjo", we held a "cross-industry exchange workshop". We invited the employees of our business partners to a training session for our employees, and created opportunities to increase their personal connections outside the company and learn on the theme of logical thinking.





Key Issue

3

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

### ◆ The Second Phase of “Chiba Kogin Forest” Has Started

Since 2014, the Bank has supported the "Corporation Forest" project promoted by Chiba Prefecture.

As the first phase, we had proceeded the “Chiba Kogin Forest”, a forest maintenance activity including planting 5,000 trees and clearing underbrush, aiming to regenerate 1.0ha of prefectural forest in Sosa City which was damaged by pine weevils and the tsunami from the Great East Japan Earthquake.

The activity site has been moved to Sammu City, and the second phase of “Chiba Kogin Forest” has started. We will plant 4,500 trees over 5 years, with the aim of regenerating 0.9ha of protected forests.



### ◆ Introduction of the Ultra-Compact Battery Electric Vehicle "C+pod"

We have introduced the ultra-compact battery electric vehicle "C+pod" as a commercial vehicle for our Otakanomori and Edogawadai branches. It is an environmentally-friendly two-seater BEV, and the power stored in the battery and the charging equipment can be used as an emergency power supply in the event of a disaster.

In order to prevent global warming, the Bank has introduced electric vehicles and hydrogen vehicles for commercial use, which are equipped with excellent environmental performance that does not emit carbon dioxide or substances of environmental concern while driving.



### ◆ Investing in Japan Green Investment Corp. for Carbon Neutrality

Japan Green Investment Corp. for Carbon Neutrality(JICN) is a limited company operating a fund capitalized by fiscal investment and finance from the Japanese government and investments from the private sector. It supplies risk money to projects which contribute to carbon neutrality and advances the creation of opportunities to divert large sums of private ESG funds to investment in carbon neutrality.

We have invested 50 million yen in JICN, agreeing with its concept of supporting the enthusiastic efforts of private companies toward carbon neutrality.

## ◆ Promotion of Sports in the Community

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

### ■ Chiba Lotte Marines (Baseball)

Since 1992, when the Chiba Lotte Marines moved their home base to Chiba, The Bank has been supporting the Chiba Lotte Marines for many years. We have used the Chiba Lotte Marines' mascot character in the design of passbooks and cash cards, as well as displaying sponsorship advertising signs on the right stand side of the stadium.

In addition, we hold the title match "Chiba Kogin Day" and "Chiba Kogin Match Day" every year at the home games of the Chiba Lotte Marines. On the day of the game, together with the official fan club "TEAM26", we carry out initiatives that fans of the team and visitors can enjoy, such as jointly setting up an original booth and holding a fair.



### ■ Chiba Jets Funabashi (Basketball)

An amount of the deposit balance of "Go! Chiba Jets! Supporter Time Deposits" that we handled up every year, which was calculated using a rate based on the performance record of Chiba Jets Funabashi, is donated to the team. The donation is being used to help the team carry out activities that contribute to the region.

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 Chiba Jets Funabashi in March 2022. On the day of the event, we set up a recycling bin at the event venue, so that the audiences who came and watch the game would put plastic bottles in it. We collected and recycled plastic bottles and caps into eco-friendly stationary, and we distributed them to local children.



### ■ Briobecca Urayasu (Soccer)

The Bank supported the introduction of "J-Coin Pay\*," a smartphone payment service app using a two-dimensional code, to the soccer club "Briobecca Urayasu", whose hometown is Urayasu City, Chiba Prefecture.

When selling official merchandises, and etc., smooth accounting is now possible without the need for change. It also allows the team to collect cashless donations.

\*J-Coin Pay is a smartphone payment service app provided by Mizuho Bank, Ltd.



### ■ Orca Kamogawa FC (Soccer)

Orca Kamogawa FC is a women's soccer team whose hometown is Kamogawa City, and the Minamiboso region, Chiba Prefecture.

The Bank has sponsored the team since 2016, based on the belief that the success of Orca Kamogawa FC will lead to the revitalization of the Minamiboso region.

Since then, we have handled the "Orca Kamogawa FC Supporter Time Deposit" and support the team together with the fans.



# Initiatives for TCFD Recommendations

The Bank has endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in September 2022. We will appropriately respond to climate change, as enhancing the disclosure of information and improving the system based on the disclosure framework of the TCFD recommendations.



## ◆ Governance

Having established the Environmental Policy for addressing climate change and other environmental concerns, and the Human Rights Policy for addressing social challenges, the Bank regards sustainability as an important matter of its management strategy in terms of contributing to sustainable development and prosperity of the regional economy, industry, and society.

The Sustainability Promotion Committee, chaired by the President, deliberates on and makes decisions regarding sustainability initiatives, and periodically reports on matters such as the status of such initiatives to the Board of Directors no less than once per year. We have also established basic policies regarding sustainability initiatives, particularly with respect to promotion methods. This makes it possible for us to develop a framework for enabling the Board of Directors to appropriately supervise initiatives to address climate change.

### Matters presented and reported to the Board of Directors (FY2022)

1. Endorsement and disclosure of the TCFD recommendations  
Reviewed content of disclosure made based on four TCFD categories
2. Establishment of the Sustainability Promotion Committee  
Reorganized from the previous Sustainability Promotion Committee format to create a better developed organizational structure
3. Formulation of sustainability-related regulations, etc.  
Formulated the Environmental Policy, Human Rights Policy, and Procurement Policy, and revised regulations related to code of conduct, etc.
4. Status of sustainability initiatives  
Reviewed content of TCFD disclosure (scenario analysis), implemented initiatives on sustainable finance promotion methods and financial literacy education, etc.

## ◆ Strategy

- Awareness of risks and opportunities

The Bank deems that there are both risks(transition risks/physical risks) and opportunities associated with its efforts to address climate change in seeking to help achieve a sustainable society, and accordingly recognizes the following risks and opportunities based on three time horizons: 5-year short term (S) , 10-year medium term (M), and 30-year long term (L).

Classification	Type	Description	Time Horizon
Transition risks	Governmental policy and regulatory	Escalating credit costs associated with effects on customer business derived from implementation of more stringent government policy and regulation regarding climate change	M-L
	Technology and market	Difficulties raising funds or increasing fundraising costs due to market changes attributable to climate change	M-L
		Impairment of existing assets, etc. and deterioration of earnings due to introduction of new technologies, etc. and changes in industrial structure associated with the transition to a decarbonized society	M-L
	Reputational	Deteriorating reputation due to ongoing investment and lending to carbon-emitting sectors	S-L
Physical risks	Acute Chronic	Escalating credit costs attributable to effects of deteriorating financial performance and impairment of collateral value due to stagnation of customer business associated with wind- and water-related disaster due to typhoon or torrential rainfall	S-L
		Increasing administrative costs due to effects on business continuity associated with impairment of the Bank's assets caused by extreme weather events, etc.	S-L
		Occurrence of loss associated with damage to customer and Bank business locations due to rising sea levels	L
Opportunities	Products and services	Increasing volume of consultancy and financing support involving sustainability initiatives related to climate change	S-L
	Resource efficiency	Decreasing business costs by reducing resource and energy consumption and using renewable energy	S-L

- Risk

### 【Implementation of Scenario Analysis】

In FY2022, the Bank conducted scenario analysis that entailed analyzing risks under certain scenarios pursuant to the TCFD recommendations, with respect to heightened transition risk posed by revaluation of GHG-intensive financial assets accompanying transition to a low-carbon economy, and with respect to heightened physical risk posed by effects of flood risk due to climate change.

### 【Transition risks】

Upon having selected the energy sector characterized by relatively high GHG emissions for analysis, the Bank identified individual energy-related enterprises (enterprises associated with electric power, natural gas, coal, and petroleum) and steel-related enterprises.

The risk assessment entailed assessing risk materiality and business impact. Analysis of individual companies was performed with respect to large companies and publicly traded companies (Bottom-up approach), and estimates were extrapolated with respect to entities for which access to extensive information such as that pertaining to business plans and financial affairs was otherwise unavailable (Top-down approach).

Item	Description
Risk event	<ul style="list-style-type: none"> <li>• Increased costs due to introduction of carbon tax</li> <li>• Increase in capital expenditures and R&amp;D expenses associated with the transition to a decarbonized society</li> <li>• Effect on market associated with conversion to renewable energy</li> </ul>
Scenarios	Among the NGFS (Network for Greening the Financial System) scenarios, Net Zero 2050, less than 2°C scenario <ul style="list-style-type: none"> <li>• Net Zero 2050 : limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero CO2 emissions around 2050</li> <li>• Below 2°C : gradually increases the stringency of climate policies, limiting global warming to below 2°C.</li> </ul>
Analytical method	<ul style="list-style-type: none"> <li>• Bottom-up approach : Estimates made of financial position through to 2050 on an individual company basis</li> <li>• Top-down approach : Estimates made based on averages of profit margins and cost ratios derived from results of individual company analysis</li> </ul>
Target of analysis	Energy-related enterprises (enterprises associated with electric power, natural gas, coal, and petroleum) and steel-related enterprises
Analysis period	Through to 2050 with December 31, 2022 as the baseline
Analysis results	Credit cost: ¥0.3 billion to ¥1.4 billion cumulative

### 【Physical risks】

• In relation to locations of business partners and collateral, the Bank performed analysis regarding impact on borrower classification (borrower classification impact) and impact on preservation of such assets (preservation impact) at the time of a calamity, taking into account multiple probabilities of a flood occurring in a given year in conjunction with hazard maps (incorporating assumed maximum and estimated scales).

• Calculation of borrower classification impact entailed estimating monetary damage to buildings and tangible fixed assets owned by an enterprise (amount of direct damage) and estimating monetary damage associated with business suspension (amount of indirect damage). Then, an amount of increase in provisions was calculated upon having calculated the impact on the financial position of the enterprise assigning a borrower classification. Calculation of preservation impact entailed calculating an amount of increase in provisions attributable to collateral impairment of buildings, etc.

• Amounts of increase in provisions were calculated enlisting multiple scenarios, taking into account probabilities of the calculated amounts of provision increase occurring by the year 2050 and increases in flood frequency attributable to climate change.

• In addition, estimates were similarly made with respect to impairment of fixed assets caused by flooding of Bank head office and branches.

Item	Description
Risk event	Flooding <ol style="list-style-type: none"> <li>① Financial deterioration due to interruption of the client's business or direct damage to business locations</li> <li>② Damage to collateral</li> <li>③ Impairment of Bank head office and branch assets</li> </ol>
Scenarios	RCP (Representative Concentration Pathway) scenarios by IPCC (Intergovernmental Panel on Climate Change) (RCP2.6: 2°C scenario, RCP8.5: 4°C scenario)
Analytical method	<ul style="list-style-type: none"> <li>• Calculate amount of increase in credit costs taking into account amount of increase in flood probability and flood frequency up through 2050 as estimated based on respective scenarios, upon having enlisted hazard map data (incorporating assumed maximum and estimated scales) to calculate impact on financial position and impact on collateral (preservation) based on amount of direct damage and amount of indirect damage incurred by a business partner upon occurrence of flood</li> <li>• Calculate amount of building damage incurred by Bank head office and branches</li> </ul>
Target of analysis	Fixed assets of domestic corporations and individual business owners with loans, as well as those of Bank head office and branches
Analysis period	Through to 2050 with December 31, 2022 as the baseline
Analysis results	Credit cost: ¥0.3 billion to ¥0.5 billion, Amount of damage incurred by Bank head office and branches : maximum ¥0.1 billion



## Initiatives for TCFD Recommendations

### 【Analysis results】

Findings of scenario analysis indicate a limited impact on the overall portfolio based on the scope of analysis and the assumptions of the scenarios. Accordingly, credit costs range from a cumulative total of ¥0.3 billion to ¥1.4 billion with respect to transition risk, ¥0.3 billion to ¥0.5 billion with respect to physical risk, and maximum impairment of Bank head office and branch assets of ¥0.1 billion. We will continue to make improvements in part by increasing the number sectors subject to scenario analysis.

### 【Carbon-related assets】

Carbon-related assets\*<sup>2</sup> account for 31.79% of the Bank's credit balance\*<sup>1</sup>.

\*<sup>1</sup> The credit balance is the total of loans and bills discounted, acceptances and guarantees, foreign exchange, and bank-guaranteed private placement bonds as of March 31, 2023. The sector classification is based on industry classification listings prepared by the Bank of Japan, as determined by the bank (excluding solar power generation projects that serve as renewable energy projects).

\*<sup>2</sup> Carbon-related assets: The Bank defines carbon-related assets across four separate sectors, taking into account partial revision of the TCFD recommendations of October 2021.

Proportions of the Bank's credit balance in each of the four sectors are as follows.

Energy	transportation	Materials and Buildings	Agriculture, Food, and Forest Products
0.84%	2.95%	26.15%	1.85%

#### ▪ Opportunities

The bank actively engages in initiatives for reducing environmental impact and achieving decarbonization both regionally and among its customers, thereby enabling the Bank to help bring about a sustainable society and increase its corporate value, while contributing to resolution of environmental and social challenges.

Furthermore, the Bank is committed to realizing a decarbonized society by providing financing aligned with customer demand for funds and by offering consulting services and other such solutions associated with the transition to a decarbonized society. The Bank seeks to create even more business opportunities going forward by enhancing its services that support decarbonization, including those that assist customers in their efforts to reduce greenhouse gas emissions and increase energy efficiency.

### 【Our Sustainability Support Solution】

Customer Issues	Our Solution Lineup	
Commencing effective initiatives towards sustainability	Providing sustainable finance	<ul style="list-style-type: none"> <li>Positive impact finance</li> </ul>
Identifying decarbonization priorities, setting targets, and etc.	Visualizing customer greenhouse gas emissions, setting decarbonization targets	<ul style="list-style-type: none"> <li>Support for calculating GHG emissions</li> <li>Support for Science Based Targets initiative (SBTi) certification</li> </ul>
Commencing initiatives associated with SDGs	Supporting initiatives related to the SDGs	<ul style="list-style-type: none"> <li>Promotion of Chiba SDGs Partner registration</li> </ul>

### ◆ Risk Management

We recognize that there are various risks such as those involving climate change associated with sustainable development and prosperity of the regional economy, industry, and society. Moreover, we acknowledge that risks arising from climate change significantly affect not only on the global environment and regional economy but also business strategy and financial planning of the entire Group. As such, we will establish an integrated risk management framework to address such risks in part by enlisting credit risk management and operational risk management, while also assessing and analyzing effects of such risk.

We have policies for investment and loans on specific industries and sectors that are considered to have a negative 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.

## ◆ Indicators and Targets

### ■ ESG Investment and Finance/Sustainable Finance

The Bank defines “ESG investment and finance/sustainable finance” as financing that aims to contribute to regional environmental conservation and the sustainable development and prosperity of the economy, industry, and society and has strengthened our initiatives.

#### [ Main ESG investment and finance/sustainable finance products ]

- Loan products and bonds (purchased) provided in compliance with international principle such as Green Loan Principles and Sustainability Linked Loan Principles
  - Loan products to support customers’ efforts to achieve SDGs
  - Underwriting of SDGs-related private placement bonds
  - Financing and other services that contribute to sustainable development and prosperity of the region, in part by reducing environmental impact, promoting community revitalization, and developing human resources
- \*They include other products than the above.

Target for the amount of ESG investment and finance/sustainable finance and its results are as follows.

the Amount of ESG investment and finance/Sustainable Finance	Targets	As of the end of March 2023
Targets for FY2024	More than 150 billions of yen	141.6 billions of yen
Targets for FY2030	500 billions of yen	

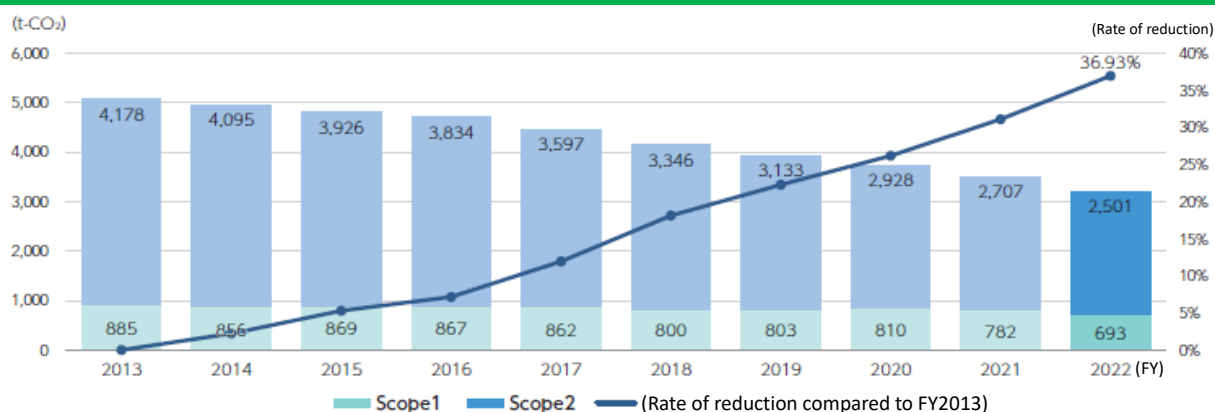
\* The Bank has revised its targets upward on August 9, 2023.

### ■ CO<sub>2</sub> emissions reduction results

We aim to reduce our CO<sub>2</sub> emissions by 35% by fiscal 2024 and by 46% by fiscal 2030 compared to fiscal 2013. The results are as follows.

\* The Bank has revised its targets upward on August 9, 2023.

#### CO<sub>2</sub> emissions and rate of reduction



## ◆ Participation in and endorsement of domestic and international initiatives

We participate in and endorse a variety of domestic and international initiatives to contribute to the realization of a sustainable society.



ちば SDGs パートナー 93 号

# 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."

Basic policy regarding corporate governance (Japanese)

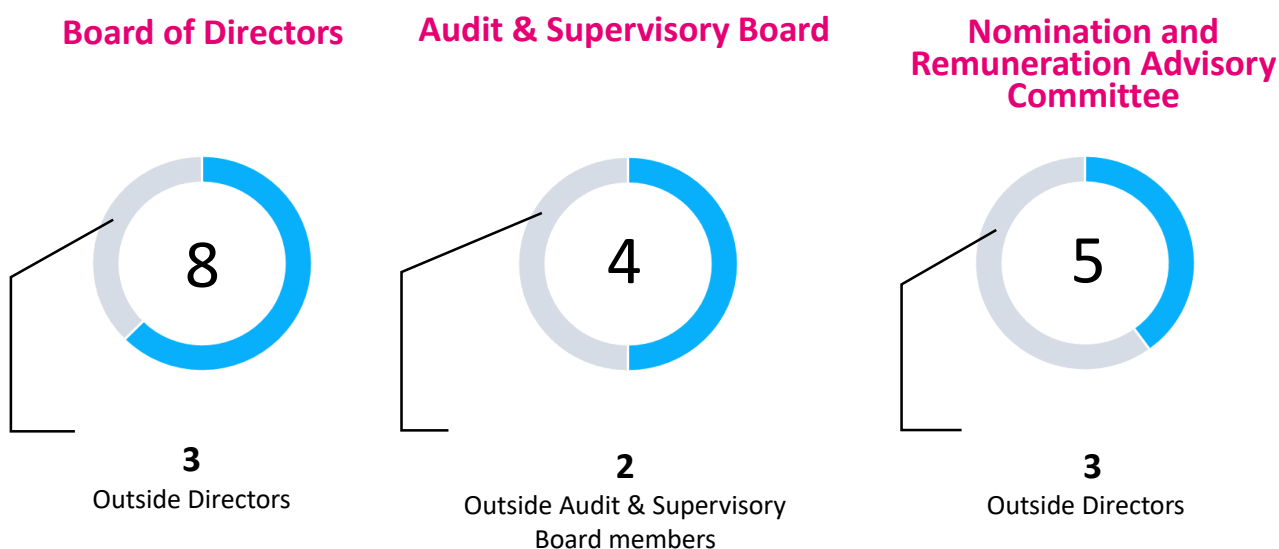
 [https://www.chibakogyo-bank.co.jp/company/pdf/governance\\_03.pdf](https://www.chibakogyo-bank.co.jp/company/pdf/governance_03.pdf)

## ● Major Initiatives for Improving Corporate Governance

2014	<ul style="list-style-type: none"> <li>Abolition of retirement benefits for directors (and other officers), Introduction of share remuneration-type stock options</li> </ul>
2015	<ul style="list-style-type: none"> <li>Formulation of the Basic Policy Regarding Corporate Governance, Appointment of one Outside Director</li> </ul>
2016	<ul style="list-style-type: none"> <li>Establishment of the Governance Committee, Increase of the number of Outside Directors by one</li> <li>Start of evaluations on the efficiency of the Board of Directors through a self-assessment method using anonymous questionnaires</li> </ul>
2018	<ul style="list-style-type: none"> <li>Establishment of the Disclosure Policy</li> </ul>
2019	<ul style="list-style-type: none"> <li>Assumption of office by Chairman, Increase of the number of Outside Directors by one</li> </ul>
2022	<ul style="list-style-type: none"> <li>Establishment of the Nomination and Remuneration Advisory Committee</li> </ul>

## ● 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



## Board of Directors

Number of meetings in FY2022 : 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.

## Management Liaison Committee

Number of meetings in FY2022 : 57 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.

## Nomination and Remuneration Advisory Committee

Number of meetings in FY2022 : 6 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.

## Compliance Committee

Number of meetings in FY2022 : 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.

## Audit & Supervisory Board

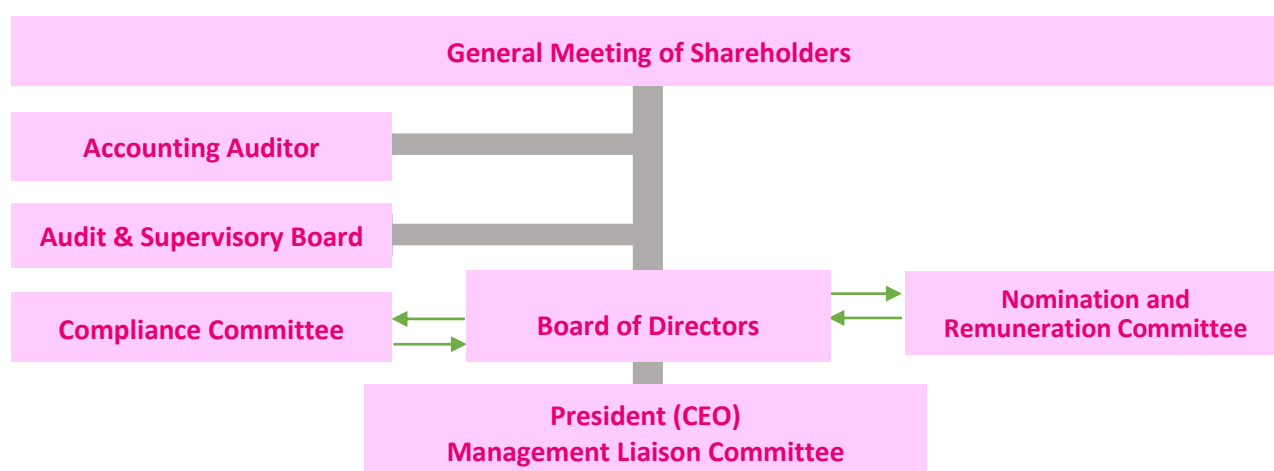
Number of meetings in FY2022 : 14 times

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

## Accounting Auditor

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

## Corporate Governance System Structure



## ● 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 2022
<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.	15 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 2022
<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.	17 of 17 (14 of 14)
<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.	13 of 14 (10 of 10)

\*Since Tatsuya Toyoshima became Outside Audit & Supervisory Board Member of the Bank on June 24, 2022, the Board of Directors Meeting has met 14 times and Audit & Supervisory Board Meeting has met 10 times.

## Independence Criteria for Outside Officers

When appointing independent Outside Directors and independent Outside Audit & Supervisory Board Members, the Bank effectively ensures that those appointed to serve as independent Outside Directors and independent Outside Audit & Supervisory Board Members are independent from the Bank based on its criteria for determining independence of outside officers.

Criteria for determining independence of outside officers (Japanese)

[https://www.chibakogyo-bank.co.jp/company/pdf/governance\\_04.pdf](https://www.chibakogyo-bank.co.jp/company/pdf/governance_04.pdf)

## 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			○		

### **System for supporting Outside Directors and Outside Audit & Supervisory Board Members**

Employees from the General Secretariat and the Office of Audit & Supervisory Board Members provide support for facilitating activities of the Outside Directors and Outside Audit & Supervisory Board Members. Prior to holding meetings of the Board of Directors, agendas are provided to the Outside Directors and Outside Audit & Supervisory Board Members, and individual explanations are furnished to heads of the General Secretariat and Office of Audit & Supervisory Board Members, and also to the Standing Audit & Supervisory Board Members. This enables the Bank to ensure adequate dissemination of information, accurate and fair business management, as well as rigorous execution of audits.

### **Policy for training of Directors and Audit & Supervisory Board Members**

The Bank provides its newly appointed and other Directors and Audit & Supervisory Board Members with sufficient quality and quantity of workshops, training, and other such learning opportunities as deemed necessary in order for them to gain and adequately update their knowledge, and it furthermore covers the associated costs. The Bank provides its outside officers in particular with sufficient quality and quantity of workshops, training, and other such learning opportunities taking into consideration the Bank's distinctive operations, and it furthermore covers the associated costs.

The Board of Directors periodically confirms whether or not the aforementioned training opportunities are being provided to the Directors and Audit & Supervisory Board Members.

### **Evaluating the effectiveness of the Board of Directors**

The Bank has evaluated the effectiveness its Board of Directors from the perspective of assessing the extent to which the Bank's Directors have been adequately fulfilling the roles of the Board of Directors as stipulated particularly in laws and regulations. Given that the evaluation consequently did not identify any events that would clearly serve as impediments to the process by which the Board of Directors fulfills its roles, we accordingly deem that the effectiveness of the Bank's Board of Directors has been ensured.

#### **• Evaluation method**

- (1) Questionnaires on matters that include operational status and deliberation content of the Board of Directors were administered to Directors and Audit & Supervisory Board Members who are members of the Board of Directors (hereinafter, the "FY3/23 Questionnaire").
- (2) The Nomination and Remuneration Advisory Committee analyzed and evaluated aggregated content of the FY3/23 Questionnaire.
- (3) Results of analysis and evaluation, and proposals from the Nomination and Remuneration Advisory Committee on improving effectiveness of the Board of Directors were appropriately reported to the Board of Directors.

#### **• Initiatives for improving effectiveness of the Board of Directors implemented during the fiscal year ended March 31, 2023**

- Procedures for adjusting the duration of explanations of each agenda item were implemented to ensure time for deliberations on important matters.
- Given the time consuming nature of explaining agenda items subject to extensive documentation amid a scenario of time constraints imposed on deliberations, time for explanations was reduced by structuring documents such that content deemed important for decision-making is to be presented separately from supplementary content.
- Initiatives were implemented to enhance the quality and comprehensiveness of deliberation content, in part by arranging workshops on important agenda items as warranted.

#### **• Further initiatives for improving effectiveness of the Board of Directors**

- Going forward, we will continue taking action to improve quality of deliberations on agenda items that are important for improving corporate value by arranging workshops as warranted and forums for exchanging opinions to serve as sessions for sharing information with Outside Directors.
- We will seek to further improve administrative aspects of the Board of Directors in part by ensuring ample time for deliberations by taking action that includes preparing more clearly defined documents that outline the essential points of deliberations.



## Officer remuneration

### ▪ Basic views

When it comes to officer remuneration, the Bank establishes remuneration structures that function by providing Directors and Audit & Supervisory Board Members with incentive to perform their roles to the fullest extent to ensure that the Bank achieves management outcomes that help create value for various stakeholders and that it increases its corporate value through sustained and consistent growth, pursuant to its basic policies of management and underpinned by the Bank's corporate philosophy. Meanwhile, the Bank furthermore pays remuneration to its Directors and Audit & Supervisory Board Members as consideration for the responsibilities they are expected to assume and for their achievements in carrying out such duties.

### ▪ Composition of remuneration for Directors and Audit & Supervisory Board Members

- Base remuneration
- Share remuneration-type stock options

Base remuneration is determined upon having taken into account factors that include an officer's professional duties, personal evaluations, and job performance with the aim of achieving management that contributes to creating value for various stakeholders and elevating motivation for contributing to increasing the Bank's corporate value. Additionally, the Bank has adopted a share remuneration-type stock option plan with the aim of enhancing Director performance, elevating motivation for contributing to increasing corporate value, and heightening managerial commitment to prioritizing shareholders. Remuneration for Audit & Supervisory Board Members and Outside Directors consists solely of a defined amount of remuneration to ensure greater neutrality and independence.

### ▪ Procedures for determining remuneration for Directors and Audit & Supervisory Board Members

With respect to total amounts of remuneration for the Bank's Directors and Audit & Supervisory Board Members, remuneration of Directors is determined by the Board of Directors and remuneration of Audit & Supervisory Board Members is determined by the Audit & Supervisory Board, within the range of officer remuneration limits resolved by the General Meeting of Shareholders.

### ▪ Total amount of remuneration for Directors and Audit & Supervisory Board Members

(Millions of yen)

Classification	Number of recipients (Number of eligible officers)	Total remuneration	Total by type of remuneration		
			Base remuneration		Non-monetary remuneration
			Fixed remuneration	Performance-linked remuneration	
Directors	9	155	114	30	11
Outside Directors among Directors	3	18	18	—	—
Audit & Supervisory Board Members	5	36	36	—	—
Outside Audit & Supervisory Board Members Among Audit & Supervisory Board Members	3	8	8	—	—
Total	14	192	150	30	11

\*The table above includes one Director and one Audit & Supervisory Board Member who resigned upon conclusion of the 100th Annual General Meeting of Shareholders held on June 24, 2022.

\*The non-monetary remuneration consists of share acquisition rights associated with share remuneration-type stock options.

# Directors, Audit & Supervisory Board Members and Executive Officers (As of June 28, 2023)

## ▪ Directors

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**Chairman of the Board**  
**Shunichi Aoyagi**

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



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

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



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

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)



**Managing Director**  
**Managing Executive Officer**  
**Yasumitsu Kanda**

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

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

▪ **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)  
 June 2022 External Director, Heiwa Real Estate 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  
 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 Sampo Japan Insurance Inc.)  
Apr. 2005 General Manager of Shizuoka Automobile Sales Department of former Sampo Japan Insurance Inc. (current Sampo 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 Sampo 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.  
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

Akira Miyamoto

Osamu Koda

Shoichi Mori

## ▪ Executive Officers

Masahiko Miyamoto

Hiroto Inoue

Tsuyoshi Kanasugi

Manabu Koiwai

Tsuyoshi Aoki

Junji Nakamura

Zenji Yoshikoshi

Minoru Shibata

Kunito Ozeki

Nobuhiro Nishimura

Maki Okada

# Corporate Outline (As of March 31, 2023)

<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>	80
<b>Number of Employees:</b>	1,264
<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>	11,743

Mizuho Financial Group, Inc. and Mizuho Bank, Ltd. had been classified as other affiliates but no longer qualify as other affiliates given that Mizuho Bank sold a portion of the shares it held in the Bank on February 28, 2023.

# Consolidated Subsidiaries (As of June 30, 2023)

## 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%

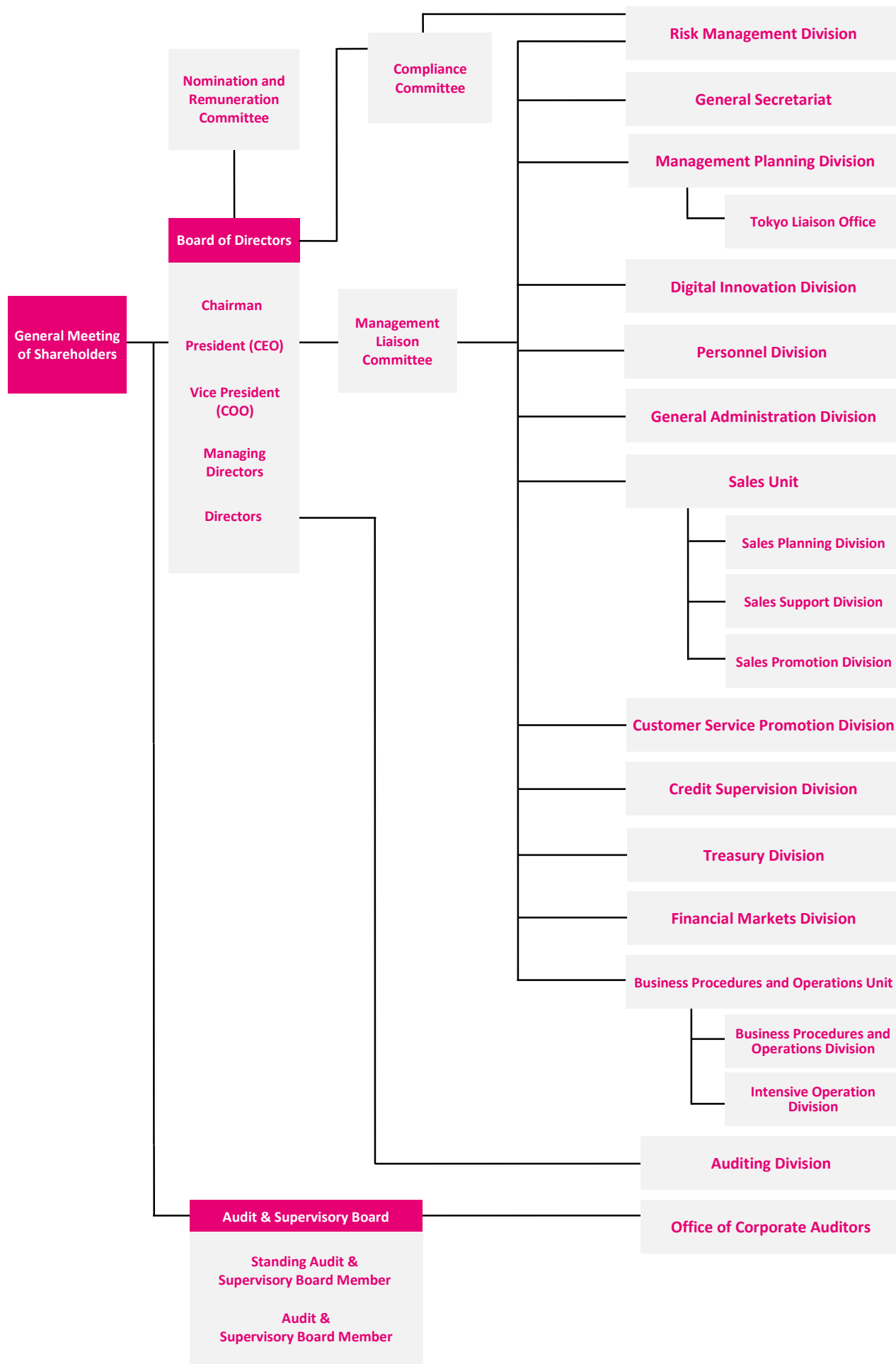
## Chiba General Lease Co., Ltd.

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, 2023)



# Summary of Selected Financial Data (Consolidated)

Fiscal year ended March 31	2019	2020	2021	2022	2023	
Consolidated ordinary income (Millions of yen) (Thousands of U.S. dollar)	¥50,831	¥50,391	¥49,986	¥51,248	¥51,303	\$384,177
Consolidated ordinary profit (Millions of yen) (Thousands of U.S. dollar)	8,335	6,725	7,224	9,005	9,671	72,420
Consolidated profit attributable to owners of parent (Millions of yen) (Thousands of U.S. dollar)	5,183	4,530	4,763	6,385	6,477	48,502
Consolidated comprehensive income (Millions of yen) (Thousands of U.S. dollar)	9,592	(1,717)	16,770	2,770	(275)	(2,059)
Consolidated net assets (Millions of yen) (Thousands of U.S. dollar)	172,583	166,892	182,491	175,445	170,718	1,278,403
Consolidated total assets (Millions of yen) (Thousands of U.S. dollar)	2,814,394	2,851,390	3,248,236	3,570,502	3,180,129	23,814,056
Net assets per share (Yen) (U.S. dollar)	1,674.88	1,687.69	1,938.72	1,950.75	1,964.23	14.71
Basic earnings per share (Yen) (U.S. dollar)	53.36	51.75	57.34	85.75	92.07	0.69
Diluted earnings per share (Yen) (U.S. dollar)	33.61	20.27	17.56	26.63	28.90	0.22
Equity ratio (%)	6.01	5.73	5.50	4.80	5.23	
Consolidated equity ratio (under Japanese standards) (%)	8.70	8.26	8.49	8.58	8.86	
Consolidated return on equity (%)	3.21	2.72	2.78	3.64	3.83	
Consolidated price earnings ratio (Times)	5.60	4.88	5.17	3.06	5.83	
Cash flows from operating activities (Millions of yen) (Thousands of U.S. dollar)	30,659	(17,954)	256,027	333,925	(430,231)	(3,221,739)
Cash flows from investing activities (Millions of yen) (Thousands of U.S. dollar)	(4,367)	6,526	(28,049)	2,326	10,813	80,972
Cash flows from financing activities (Millions of yen) (Thousands of U.S. dollar)	1,184	(3,998)	(1,261)	(9,885)	(4,479)	(33,541)
Cash and cash equivalents at end of period (Millions of yen) (Thousands of U.S. dollar)	¥147,441	¥132,233	¥359,075	¥685,448	¥261,551	\$1,958,597
Number of employees [Separately, average number of temporary employees] (People)	1,464 [1,015]	1,452 [950]	1,428 [891]	1,387 [854]	1,350 [773]	

- Notes: 1. U.S. dollar amounts are the yen equivalent, calculated, for convenience only, at a rate of ¥133.54 = U.S. \$1, the approximate Tokyo foreign exchange market rate as of March 31, 2023.
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 FY2022, whereas the Japanese economy has been mounting a gradual recovery amid progressive economic normalization in wake of the COVID-19 pandemic, business conditions persist in a state of instability amid an uncertain outlook regarding the prospect of expanding economic activity due to factors that include a depreciating yen, ongoing price and wage increase, the pace of recovery in consumer spending, a trend of corporations setting their sights on the post-corona landscape, and the monetary policy outlook.

The economy of Chiba Prefecture, the base of the Bank's business, similarly showed signs of gradual recovery particularly with respect to consumer spending, housing construction, business capital investment, and manufacturing activity, but such momentum has been diminishing amid uncertainties that mirror the situation nationwide.

Under this business environment, the Bank has been seeking to become a corporate group with an absolute presence by sharing diverse potential needs that bring happiness to customers as a reliable advisor and continuing to accompany them in that regard, underpinned by its Long Term Management Vision.

To such ends, we have been actively engaging in various measures under our Medium Term Management Plan, which was launched in 2022 and is positioned as the stage for building a platform toward establishing the CKB Community, which serves as our Long Term Management Strategy, based on our previous Medium Term Management Plan.

As a result, the Group's financial position and performance for FY2022 were as follows.

Ordinary income increased ¥54 million year on year to ¥51.303 billion, amid gains in fees and commissions and despite a downturn in interest income. Ordinary expenses decreased ¥610 million year on year to ¥41.632 billion, due to effects of reducing expenses associated with lower credit costs along with reducing and streamlining deposit insurance premiums, which was offset by increases in loss on sale of bonds and loss on redemption of bonds in part due to improvement of the marketable securities portfolio. As a result, the Group posted ordinary profit of ¥9,671 million, an increase of ¥665 million year on year. Profit attributable to owners of parent increased ¥91 million year on year to ¥6,477 million.

Regarding the business performance by segment, ordinary income from banking business increased ¥144 million year on year to ¥43.025 billion, while its segment profit increased ¥799 million year on year to ¥8,945 million. Ordinary income from leasing business increased ¥64 million year on year to ¥7,835 million, while its segment profit increased ¥77 million to ¥196 million. Ordinary income from credit guarantee and credit card business decreased ¥233 million year on year to ¥1,816 million, while its segment profit decreased ¥126 million to ¥1,085 million. Ordinary income from other business segment increased ¥227 million year on year to ¥1,696 million, while its segment profit increased ¥123 million year on year to ¥193 million.

Deposits totaled ¥2,821.8 billion, an increase of ¥18.4 billion year on year, primarily due to an increase in corporate and individual deposits. Loans and bills discounted totaled ¥2,354.2 billion, an increase of ¥49.5 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 ¥499.6 billion, a decrease of ¥20.2 billion year on year.

As a result, total assets decreased ¥390.3 billion year on year to ¥3,180.1 billion, and total net assets decreased ¥4.7 billion year on year to ¥170.7 billion at the end of FY2022.

The consolidated equity ratio (under Japanese standards) at the end of FY2022 rose 0.28 percentage points from the end of FY2021 to 8.86%.



# Consolidated Financial Statements

## (1) Consolidated Balance Sheets

	(Millions of yen)		(Thousands of U.S. dollars)*
	As of March 31, 2022	As of March 31, 2023	As of March 31, 2023
<b>Assets</b>			
Cash and due from banks	¥685,727	¥261,918	\$1,961,345
Monetary claims bought	97	97	726
Trading account securities	154	89	666
Securities	519,922	499,635	3,741,463
Loans and bills discounted	2,304,777	2,354,293	17,629,871
Foreign exchanges	3,750	3,174	23,768
Other assets	36,753	40,289	301,700
Tangible fixed assets	19,324	19,033	142,527
Buildings, net	5,979	6,045	45,267
Land	11,710	11,398	85,353
Leased assets, net	53	77	577
Construction in progress	0	58	434
Other tangible fixed assets	1,580	1,455	10,896
Intangible fixed assets	2,670	2,704	20,249
Software	2,420	2,451	18,354
Leased assets	1	5	37
Other intangible fixed assets	247	247	1,850
Deferred tax assets	261	1,117	8,365
Customers' liabilities for acceptances and guarantees	5,844	6,463	48,397
Allowance for loan losses	(8,781)	(8,687)	(65,052)
<b>Total assets</b>	<b>3,570,502</b>	<b>3,180,129</b>	<b>23,814,056</b>
<b>Liabilities</b>			
Deposits	2,803,335	2,821,828	21,130,957
Negotiable certificates of deposit	129,700	129,700	971,245
Payables under securities lending transactions	1,243	—	—
Borrowed money	423,646	21,830	163,472
Foreign exchanges	164	128	959
Other liabilities	25,303	25,533	191,201
Retirement benefit liability	3,993	3,420	25,610
Provision for retirement benefits for directors (and other officers)	38	33	247
Provision for share awards	—	105	786
Provision for reimbursement of deposits	154	70	524
Deferred tax liabilities	1,631	296	2,217
Acceptances and guarantees	5,844	6,463	48,397
<b>Total liabilities</b>	<b>3,395,056</b>	<b>3,009,410</b>	<b>22,535,645</b>
<b>Net assets</b>			
Share capital	62,120	62,120	465,179
Capital surplus	7,889	6,971	52,202
Retained earnings	88,440	92,795	694,885
Treasury shares	(937)	(2,350)	(17,598)
<b>Total shareholders' equity</b>	<b>157,512</b>	<b>159,536</b>	<b>1,194,668</b>
Valuation difference on available-for-sale securities	14,495	7,291	54,598
Deferred gains or losses on hedges	—	47	352
Remeasurements of defined benefit plans	(400)	(398)	(2,980)
<b>Total accumulated other comprehensive income</b>	<b>14,094</b>	<b>6,940</b>	<b>51,969</b>
Share acquisition rights	120	122	914
Non-controlling interests	3,718	4,119	30,845
<b>Total net assets</b>	<b>175,445</b>	<b>170,718</b>	<b>1,278,403</b>
<b>Total liabilities and net assets</b>	<b>¥3,570,502</b>	<b>¥3,180,129</b>	<b>\$23,814,056</b>

\* Please refer to the note 1 on page 44.

(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, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2023
Ordinary income	¥51,248	¥51,303	\$384,177
Interest income	28,294	26,961	201,895
Interest on loans and discounts	22,063	21,819	163,389
Interest and dividends on securities	5,322	4,357	32,627
Interest on call loans and bills bought	(0)	145	1,086
Interest on deposits with banks	764	490	3,669
Other interest income	143	148	1,108
Fees and commissions	11,781	12,436	93,126
Other ordinary income	529	1,088	8,147
Other income	10,643	10,817	81,002
Recoveries of written off receivables	918	1,021	7,646
Other	9,725	9,796	73,356
Ordinary expenses	42,243	41,632	311,757
Interest expenses	367	414	3,100
Interest on deposits	270	142	1,063
Interest on negotiable certificates of deposit	2	2	15
Interest on call money and bills sold	(8)	(20)	(150)
Interest on payables under securities lending transactions	9	17	127
Interest on borrowings and rediscounts	91	87	651
Other interest expenses	2	184	1,378
Fees and commissions payments	3,854	4,003	29,976
Other ordinary expenses	1,345	3,567	26,711
General and administrative expenses	25,353	24,413	182,814
Other expenses	11,321	9,234	69,148
Provision of allowance for loan losses	1,368	470	3,520
Other	9,953	8,763	65,621
Ordinary profit	9,005	9,671	72,420
Extraordinary income	—	12	90
Gain on disposal of non-current assets	—	12	90
Extraordinary losses	842	419	3,138
Loss on disposal of non-current assets	109	158	1,183
Impairment losses	732	261	1,954
Profit before income taxes	8,162	9,264	69,372
Income taxes - current	853	1,920	14,378
Income taxes - deferred	791	624	4,673
Total income taxes	1,645	2,545	19,058
Profit	6,517	6,719	50,315
Profit attributable to non-controlling interests	132	242	1,812
Profit attributable to owners of parent	¥6,385	¥6,477	\$48,502

\* Please refer to the note 1 on page 44.

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2022	<b>Fiscal year ended March 31, 2023</b>	<b>Fiscal year ended March 31, 2023</b>
Profit	¥6,517	¥6,719	\$50,315
Other comprehensive income	(3,747)	(6,995)	(52,381)
Valuation difference on available-for-sale securities	(4,274)	(7,044)	(52,748)
Deferred gains or losses on hedges	—	47	352
Remeasurements of defined benefit plans, net of tax	527	1	7
Comprehensive income	¥2,770	¥(275)	\$(2,059)
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	2,687	(677)	(5,070)
Comprehensive income attributable to non-controlling interests	82	401	3,003

\* Please refer to the note 1 on page 44.

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

Fiscal year ended March 31, 2022

(Millions of yen)

	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

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	<b>62,120</b>	<b>7,889</b>	<b>88,440</b>	<b>(937)</b>	<b>157,512</b>
Changes during period					
Dividends of surplus			<b>(1,298)</b>		<b>(1,298)</b>
Profit attributable to owners of parent			<b>6,477</b>		<b>6,477</b>
Purchase of treasury shares				<b>(4,318)</b>	<b>(4,318)</b>
Disposal of treasury shares		<b>257</b>		<b>906</b>	<b>1,164</b>
Cancellation of treasury shares		<b>(2,000)</b>		<b>2,000</b>	—
Transfer from retained earnings to capital surplus		<b>823</b>	<b>(823)</b>		—
Net changes in items other than shareholders' equity					
Total changes during period	—	<b>(918)</b>	<b>4,354</b>	<b>(1,412)</b>	<b>2,023</b>
Balance at end of period	<b>62,120</b>	<b>6,971</b>	<b>92,795</b>	<b>(2,350)</b>	<b>159,536</b>

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	<b>14,495</b>	—	<b>(400)</b>	<b>14,094</b>	<b>120</b>	<b>3,718</b>	<b>175,445</b>
Changes during period							
Dividends of surplus							<b>(1,298)</b>
Profit attributable to owners of parent							<b>6,477</b>
Purchase of treasury shares							<b>(4,318)</b>
Disposal of treasury shares							<b>1,164</b>
Cancellation of treasury shares							—
Transfer from retained earnings to capital surplus							—
Net changes in items other than shareholders' equity	<b>(7,203)</b>	<b>47</b>	<b>1</b>	<b>(7,154)</b>	<b>1</b>	<b>401</b>	<b>(6,751)</b>
Total changes during period	<b>(7,203)</b>	<b>47</b>	<b>1</b>	<b>(7,154)</b>	<b>1</b>	<b>401</b>	<b>(4,727)</b>
Balance at end of period	<b>7,291</b>	<b>47</b>	<b>(398)</b>	<b>6,940</b>	<b>122</b>	<b>4,119</b>	<b>170,718</b>



Fiscal year ended March 31, 2023

(Thousands of U.S. dollars)\*

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	<b>465,179</b>	<b>59,076</b>	<b>662,273</b>	<b>(7,017)</b>	<b>1,179,512</b>
Changes during period					
Dividends of surplus			<b>(9,720)</b>		<b>(9,720)</b>
Profit attributable to owners of parent			<b>48,502</b>		<b>48,502</b>
Purchase of treasury shares				<b>(32,335)</b>	<b>(32,335)</b>
Disposal of treasury shares		<b>1,925</b>		<b>6,784</b>	<b>8,716</b>
Cancellation of treasury shares		<b>(14,977)</b>		<b>14,977</b>	—
Transfer from retained earnings to capital surplus		<b>6,163</b>	<b>(6,163)</b>		—
Net changes in items other than shareholders' equity					
Total changes during period	—	<b>(6,874)</b>	<b>32,604</b>	<b>(10,574)</b>	<b>15,149</b>
Balance at end of period	<b>465,179</b>	<b>52,202</b>	<b>694,885</b>	<b>(17,598)</b>	<b>1,194,668</b>

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	<b>108,544</b>	—	<b>(2,995)</b>	<b>105,541</b>	<b>899</b>	<b>27,842</b>	<b>1,313,801</b>
Changes during period							
Dividends of surplus							<b>(9,720)</b>
Profit attributable to owners of parent							<b>48,502</b>
Purchase of treasury shares							<b>(32,335)</b>
Disposal of treasury shares							<b>8,716</b>
Cancellation of treasury shares							—
Transfer from retained earnings to capital surplus							—
Net changes in items other than shareholders' equity	<b>(53,939)</b>	<b>352</b>	<b>7</b>	<b>(53,572)</b>	<b>7</b>	<b>3,003</b>	<b>(50,554)</b>
Total changes during period	<b>(53,939)</b>	<b>352</b>	<b>7</b>	<b>(53,572)</b>	<b>7</b>	<b>3,003</b>	<b>(35,398)</b>
Balance at end of period	<b>54,598</b>	<b>352</b>	<b>(2,980)</b>	<b>51,969</b>	<b>914</b>	<b>30,845</b>	<b>1,278,403</b>

\* Please refer to the note 1 on page 44.

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

	(Millions of yen)	(Thousands of U.S. dollars)*	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2023
<b>Cash flows from operating activities</b>			
Profit before income taxes	¥8,162	¥9,264	\$69,372
Depreciation	2,376	2,084	15,606
Impairment losses	732	261	1,954
Increase (decrease) in allowance for loan losses	43	(93)	(696)
Increase (decrease) in retirement benefit liability	(1,453)	(572)	(4,283)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(19)	(5)	(37)
Increase (decrease) in provision for awards	—	105	786
Increase (decrease) in provision for reimbursement of deposits	(140)	(84)	(629)
Interest income	(28,294)	(26,961)	(201,895)
Interest expenses	367	414	3,100
Loss (gain) related to securities	(290)	1,394	10,439
Foreign exchange losses (gains)	(5)	(0)	(0)
Loss (gain) on disposal of non-current assets	109	145	1,086
Net decrease (increase) in trading account securities	(22)	64	479
Net decrease (increase) in loans and bills discounted	(9,458)	(49,515)	(370,788)
Net increase (decrease) in deposits	34,439	18,492	138,475
Net increase (decrease) in negotiable certificates of deposit	21,200	—	—
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	278,444	(401,815)	(3,008,949)
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	60	(87)	(651)
Net increase (decrease) in payables under securities lending transactions	(3,394)	(1,243)	(9,308)
Net decrease (increase) in foreign exchanges - assets	(373)	576	4,313
Net increase (decrease) in foreign exchanges - liabilities	121	(36)	(270)
Interest received	28,169	27,017	202,314
Interest paid	(402)	(544)	(4,074)
Other, net	3,881	(9,123)	(68,317)
<b>Subtotal</b>	<b>334,254</b>	<b>(430,264)</b>	<b>(3,221,986)</b>
Income taxes paid	(572)	(451)	(3,377)
Income taxes refund	244	485	3,632
<b>Net cash provided by (used in) operating activities</b>	<b>333,925</b>	<b>(430,231)</b>	<b>(3,221,739)</b>
<b>Cash flows from investing activities</b>			
Purchase of securities	(93,712)	(90,303)	(676,224)
Proceeds from sale of securities	53,791	68,595	513,666
Proceeds from redemption of securities	43,962	34,469	258,117
Purchase of tangible fixed assets	(1,167)	(1,098)	(8,222)
Proceeds from sale of property, plant and equipment	—	88	659
Purchase of intangible assets	(547)	(936)	(7,009)
<b>Net cash provided by (used in) investing activities</b>	<b>2,326</b>	<b>10,813</b>	<b>80,972</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares	5,963	—	—
Purchase of treasury shares	(14,303)	(4,318)	(32,335)
Proceeds from sales of treasury shares	—	1,138	8,522
Dividends paid	(1,545)	(1,298)	(9,720)
<b>Net cash provided by (used in) financing activities</b>	<b>(9,885)</b>	<b>(4,479)</b>	<b>(33,541)</b>
Effect of exchange rate change on cash and cash equivalents	5	0	0
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>326,372</b>	<b>(423,896)</b>	<b>(3,174,300)</b>
Cash and cash equivalents at beginning of period	359,075	685,448	5,132,904
Cash and cash equivalents at end of period	¥685,448	¥261,551	\$1,958,597

\* Please refer to the Note 1 on page 44.

## - Cash Flows

Cash flows during FY2022 and their causes are as follows.

### Cash flows from operating activities

Net cash used in operating activities amounted to ¥430.2 billion (a decrease of ¥764.1 billion from ¥333.9 billion provided by FY2021). The main contributory factors were ¥9.2 billion in profit before income taxes, an increase of ¥49.5 billion in loans and bills discounted, an increase of ¥18.4 billion in deposit and a decrease of ¥401.8 billion in borrowed money.

### Cash flows from investing activities

Net cash provided by investing activities amounted to ¥10.8 billion (an increase of ¥8.4 billion from ¥2.3 billion provided by FY2021). The main contributory factors were ¥103.0 billion in proceeds from sales and redemption of securities, and ¥90.3 billion in purchase of securities.

### Cash flows from financing activities

Net cash used in financing activities amounted to ¥4.4 billion (an increase of ¥5.4 billion from ¥9.8 billion used in FY2021). The main contributory factors were ¥4.3 billion expended on the purchase of treasury shares. As a result, cash and cash equivalents at the end of FY2022 amounted to ¥261.5 billion (a decrease of ¥423.8 billion year on year).

## Major Shareholders (Common Stock) (As of March 31, 2023)

Name	Number of Shares Owned	Proportion of Total Shares (%)
Mizuho Bank, Ltd.	7,483,910	12.61
ARIAKE MASTER FUND (Standing proxy: Tachibana Securities Co., Ltd.)	5,094,500	8.58
The Master Trust Bank of Japan, Ltd. (trust account)	4,011,100	6.76
Custody Bank of Japan, Ltd. (trust account-E)	2,100,000	3.53
Chiba Kogyo Bank Employee Ownership	1,389,817	2.34
Sakamoto Feeds Co., Ltd.	1,249,700	2.10
Meiji Yasuda Life Insurance	1,158,200	1.95
Custody Bank of Japan, Ltd. (trust account)	1,155,200	1.94
Mizuho Trust & Banking Co., Ltd.	926,800	1.56
SBI SECURITIES Co., Ltd.	914,545	1.54

- Notes: 1. The proportion of the number of shares owned to total shares was calculated after deducting treasury shares (2,894,313 shares)  
2. The number of treasury shares in the proportion of shares owned to total shares does not include the Bank's shares held by Custody Bank of Japan, Ltd. (trust account-E) as trust assets in the employee stock ownership plan(J-ESOP).

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