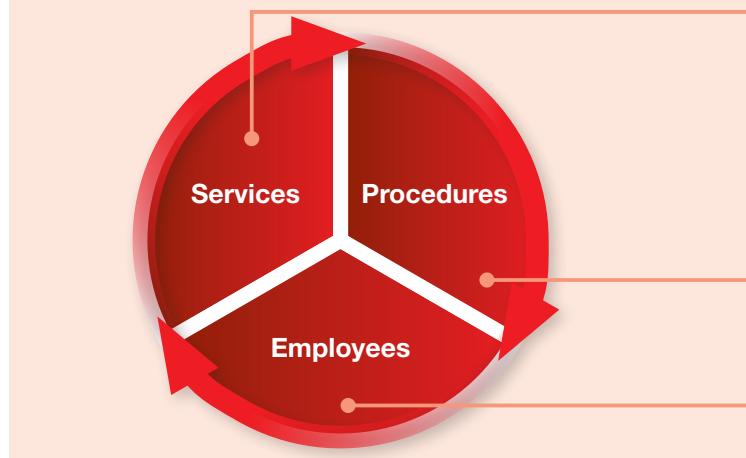


Digital Banking

Digital Banking Strategy

In light of the rapid proliferation of digital technology in society, the Chiba Bank is focusing on applying digital technology across all operations, including the digitalization of “services,” such as by enhancing the features of its Chibagin app, the digitalization of “procedures,” such as by introducing a next-generation bank branch model, and the digitalization of “employees” through work style reforms.

Response to digitalization



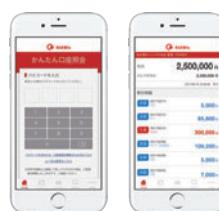
FinTech

TSUBASA Alliance banks and T&I Innovation Center Co., Ltd. hold the TSUBASA Alliance Finovation Challenge, a business idea contest about using FinTech to solve issues faced by regional communities. During the contest, 119 submissions were received from 110 entrants inside and outside Japan for services that would create new business opportunities for local companies and ideas that would revitalize regional economies. In April 2017, six finalists gave presentations about their ideas. We are examining the feasibility of implementing these ideas.

T&I Innovation Center Co., Ltd., along with IBM Japan, Ltd., has launched a project to build the TSUBASA FinTech Platform, an open API platform. The aim of this project is to build a shared platform that can be connected to by external parties such as FinTech companies. Plans call for offering it to financial institutions who are not members of the TSUBASA Alliance. The Chiba Bank has already commenced a service for checking account balances via a smartphone app that uses the API. By providing a shared platform, we aim to collaborate with a wider range of FinTech and other companies.

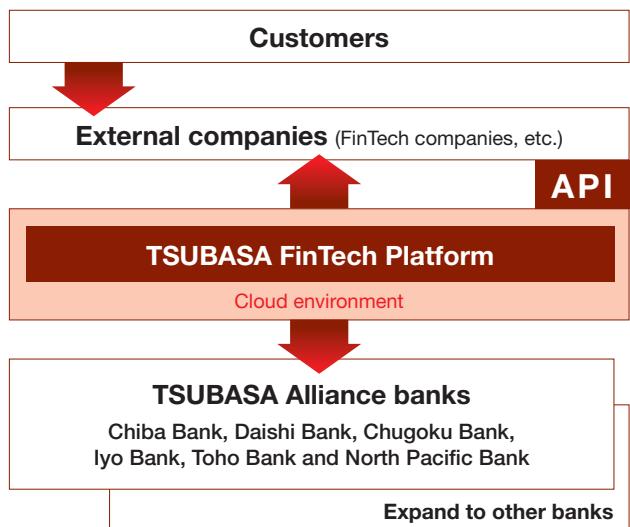
In addition, the Chiba Bank is involved in a joint regional bank project with an accounting software company that aims to automate and improve the

Chibagin app for smartphones



- Search our branches
- Push notifications
- Account inquiry service

API platform development project



accuracy of micro-credit screening for developing a credit screening model that uses AI.

Providing these advanced, high-value-added services will increase convenience for many customers, and lead to earnings growth at the Chiba Bank.

Mar. 2017	Account inquiry service for the Chibagin app by utilizing the API
Apr. 2017	Online application service for opening corporate accounts in cooperation with freee
Apr. 2017	Robo-advisor "Himarin's asset management simulation"
Sep. 2016 – May 2017	Demonstration of the next-generation branch model
Oct. 2016	Trial for using the AI platform "Watson"
Apr. 2017	Joint development of credit screening model utilizing AI with regional banks
Oct. 2016	Established the Workplace Revolution Development Division

Improve Business Efficiency

Without increasing the total number of employees, we plan to reallocate to growth fields the personnel who have been freed up by improvements in business efficiency.

Work reforms at the counters of bank branches are already being promoted through our next-generation branch model. Based on the outcome of these model experiments, we intend to roll out work reforms to other branches as quickly as possible. For example, customers enter their transaction details on tablets, reducing the amount of time spent filling out slips of paper and waiting in line. Moreover, we expect this innovation to reduce the volume of administrative work at the counter and in the back office. We are also reviewing loan operations in parallel with branch reforms. We aim to improve customer convenience and increase business efficiency by undertaking sweeping reforms of business processes and systems.

Work Style Reforms

In Japan, employees' scope of duties is expanding, and the content of their work is progressively becoming more sophisticated. At the same time, a serious shortage of labor is expected in the future due to the decreasing working-age population, and there are strong demands for companies to institute work style reforms that will curb long working hours and improve productivity.

The Chiba Bank's initiatives to institute work style reforms have been officially recognized, including by the Bank being certified as one of the Excellent Enterprises of Health and Productivity Management (White 500) by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi, and being honored by a Commendation Award in the Ministry of Health, Labour and Welfare's Awards for Enterprises and Workplaces with Pleasant Working Environments and High Productivity. We will continue to proactively push forward with work style reforms, centering on the actions of the Workplace Revolution Development Division.

Going forward, on the basis of our work style reforms in the four specific areas of "environment," "procedures," "system" and "awareness," we will build a work environment that enables work to be done in a rigorously "paperless" manner, and that enables employees to do work outside the office and communicate without having to rely on the telephone. We will develop systems that specialize in enabling high-value-added work to be done.

Work style reform for all employees

