



The Chiba Bank website
[IR Library]

Chiba Bank IRDay (Growth Strategy)



April 8, 2024

Chiba Bank Group Strengths

Chiba Bank Group Strengths	3
Operating Base	4
Deposits / Loans	4
Branch Network	5
Area Characteristics	6
Financial Base	7
Efficiency / Soundness / Stability	7
Capital Management / Capital Utilization	8
Alliances	9
Deepening Alliances	9
Collaboration with JUUDANKAI / Deepening TSUBASA Alliance	10

Growth Strategy

Improving P/B ratio	12
Growth Strategy	13
Continuing Growth toward FY2030	14
Interest Rate Rise Simulation	15
Refine Existing Businesses	16
Transformation through DX	16
Retail Business	19
Corporate Business	21
New Businesses	26
Cashless	26
Anti-Money Laundering / Metaverse / Energy / BaaS	27
Chibagin Market	28

Advertising	29
On Ad / Real Estate Fund / Joint Business Plan	30
Human Capital	31

Action based on Business Improvement Plan

Purpose / Vision / Three Pledges	36
True Cause Analysis of Problems / Four Measures	37
List of Major Measures	38
Changes through Business Improvement Measures / Verification of Actual Conditions	39
Efforts to Grasp the Actual Situation	40
Governance	41

Chiba Bank Group Strengths



As to further strengthen our operating base, financial base and alliance strengths

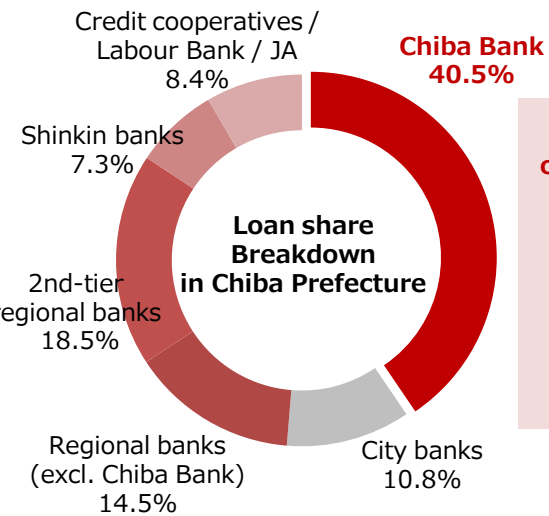
	Current situation	Forecast for FY2025	In future	
Operating base	<p>Chiba prefecture population 6.28 million 6th nationwide</p> <p>Prefectural gross production ¥20 trillion 7th nationwide</p>	<p>Deposits growing faster to exceed the mid-term plan of +2.2%</p> <p>Loans growing faster to exceed the mid-term plan of +3.8%</p>	<p>Deposits /Mid-term plan ¥15.4 trillion → ¥16.1 trillion 2023/3 → 2026/3</p> <p>Growth exceeding ¥0.7 trillion</p> <p>Domestic loans /Mid-term plan ¥11.8 trillion → ¥13.1 trillion 2023/3 → 2026/3</p> <p>Growth exceeding ¥1.3 trillion</p>	<p>Interest on loans and deposits Growth exceeding the increase by ¥12.9 billion in the mid-term plan</p> <p>+</p> <p>Expected effects of interest rate hike ¥3.4 billion ~ ¥26.0 billion</p>
				<p>Increase in loans and deposits due to branch strategy P5</p> <p>Increase in personal liquid deposits due to improved customer experience through DX P16~</p>
Financial base	<p>Efficiency P7</p> <p>Consolidated OHR maintained at lower than 50%</p>		<p>Achievement of 45% target in the mid-term plan</p>	<p>Improvement of top-line and cost reduction through DX</p>
	<p>Soundness P7</p> <p>Non-performing loan ratio is 0.9%</p>		<p>Maintenance of the low non-performing loan ratio</p>	<p>Solution Review Meeting to control credit costs</p>
	<p>Stability P7</p> <p>Consolidated CET1* 11.98% (range limit +0.48%) <small>※Basel III finalization basis (excluding unrealized gains/losses on securities)</small></p>		<p>Maintenance of the level of consolidated CET1 ratio (If shareholder returns are achieved in line with the mid-term plan)</p>	<p>Further growth by leveraging capital P8</p>
Alliances	<p>TSUBASA Alliance P9</p> <p>Joint Research Group with JUUDANKAI</p> <p>Chiba-Musashino Alliance</p> <p>Chiba-Yokohama Partnership</p> <p>Collaboration with Sony Bank</p>		<p>Further strengthening of various alliances</p> <p>Further top-line growth × Cost reduction</p>	

Operating Base (Deposits / Loans)

To create a local community better suited to bringing each person's hope to life

Establishing an overwhelming operating base in Chiba Prefecture, where growth is continuing / Increasing loans and deposits in excess of the mid-term plan

Overwhelming share in the prefecture



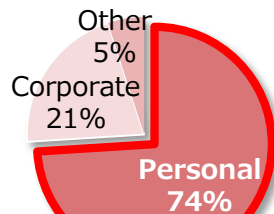
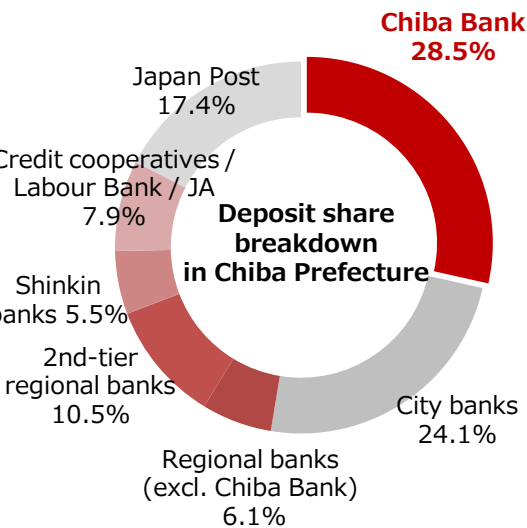
Number of companies choosing the bank as main bank

Approximately 20,000 companies

About 40% of the enterprises in Chiba Prefecture are choosing the Bank as main bank

Source: Teikoku Databank "Survey of Main Banks of Companies in Chiba Prefecture (2023)"

Deposit structure



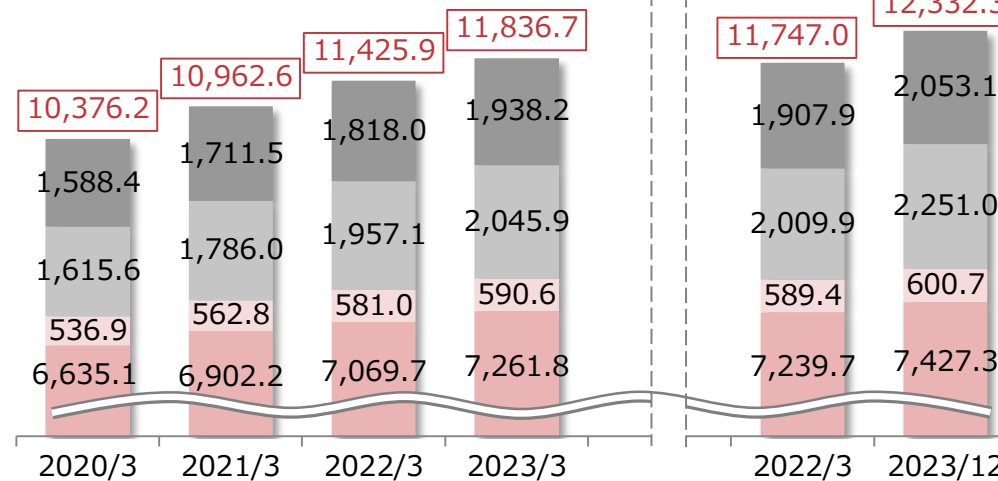
¥11 trillion yen of the ¥15 trillion in domestic deposits are sticky individual deposits

Source: Financial Journal

Current growth in loans and deposits

Loans

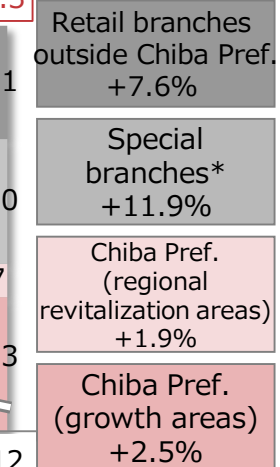
(Billion yen)



Mid-Term Plan +3.8%/year

Growth exceeding the plan

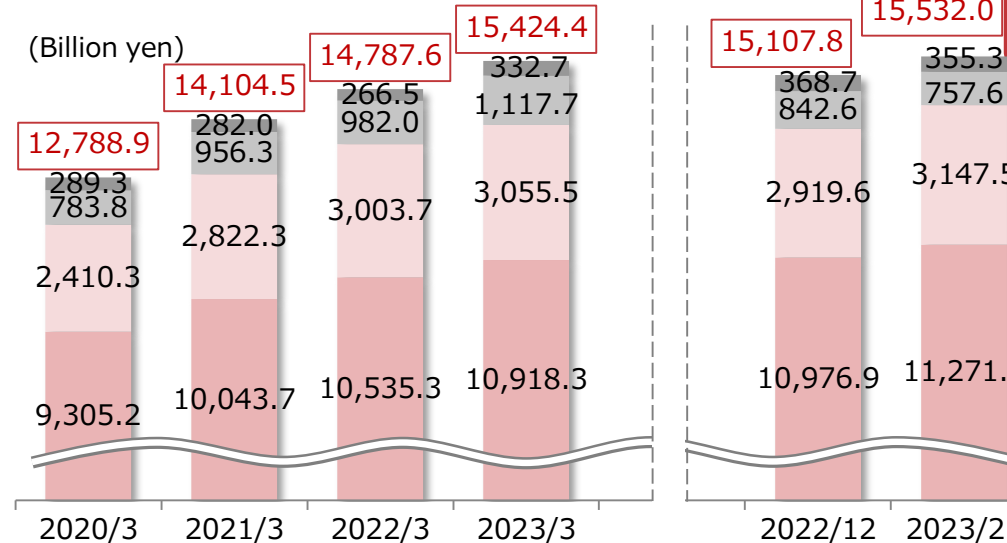
[As compared to December 31, 2022] (Total) +4.9%



Further growth in loans and deposits due to expansion of branch network share

Deposits

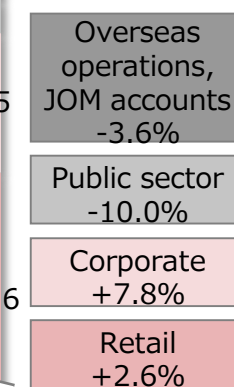
(Billion yen)



Mid-term Plan +2.2%/year

Growth exceeding the plan

[As compared to December 31, 2022] (Total) +2.8%



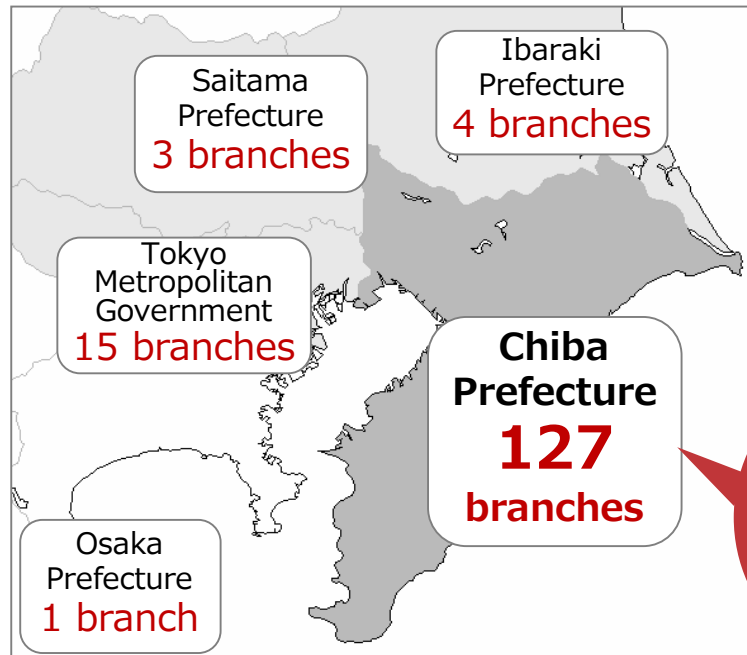
Further growth in deposits due to improved customer experience through DX

*Tokyo Sales Department, Shinjuku Branch, Osaka Branch

Expand the market share in the prefecture and strengthen sales in the Tokyo metropolitan area through our strong branch network and digital channel

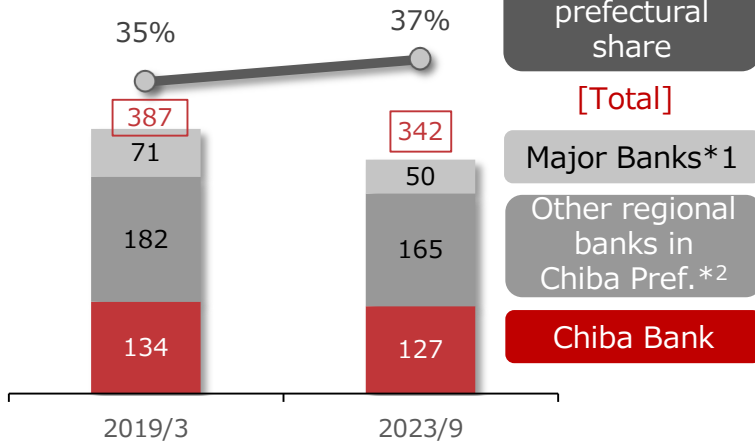
Domestic branch network

(Excluding branch-in-branch, sub branch, loan centers, online branch etc.)

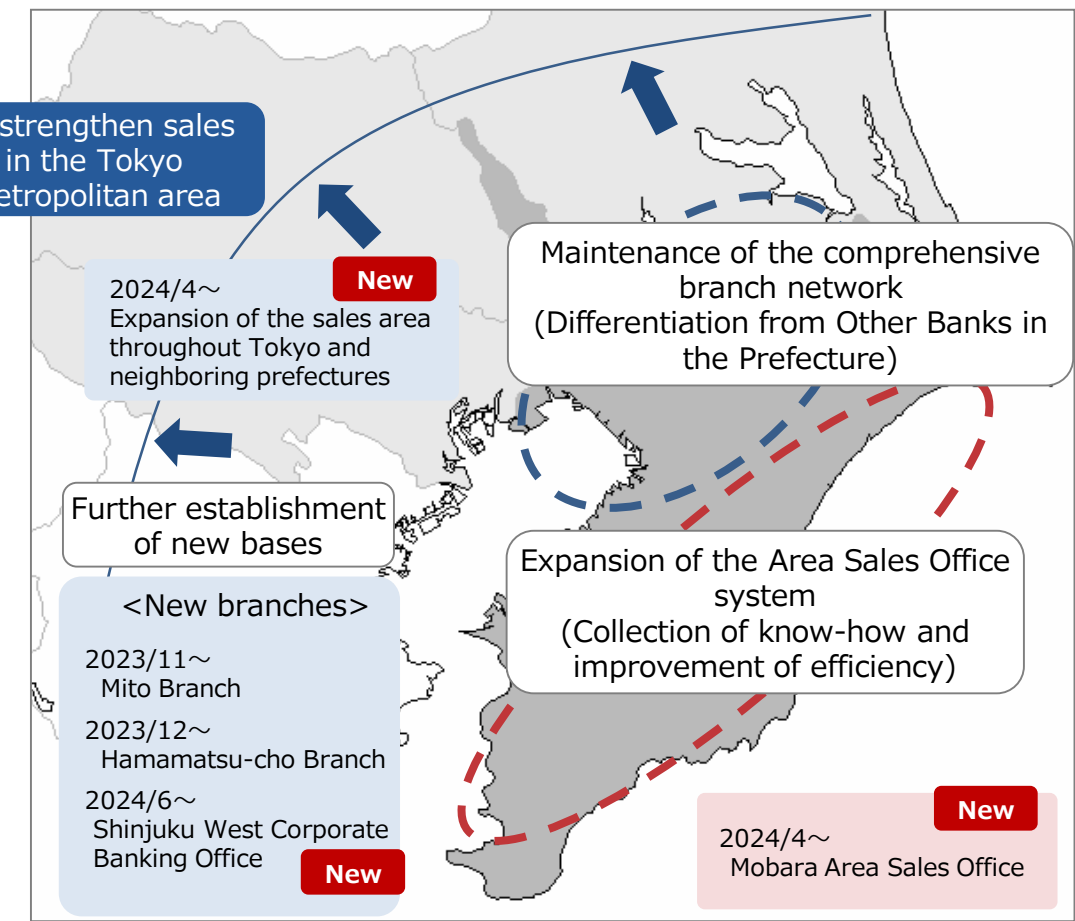
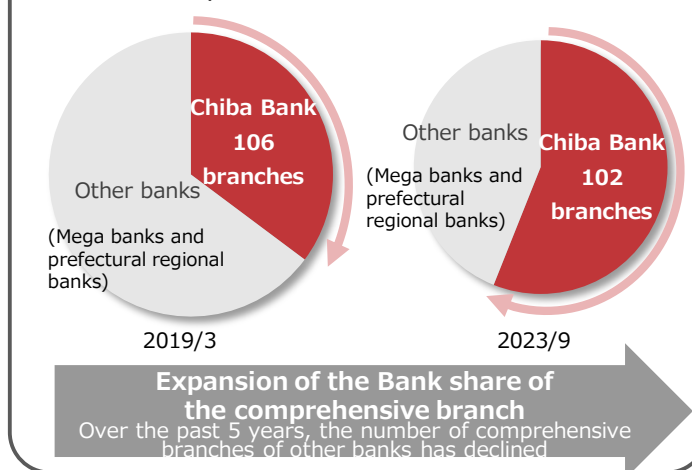


37% of bank branches in Chiba Prefecture
As of 9/30/2023

Share of branches in Chiba Prefecture



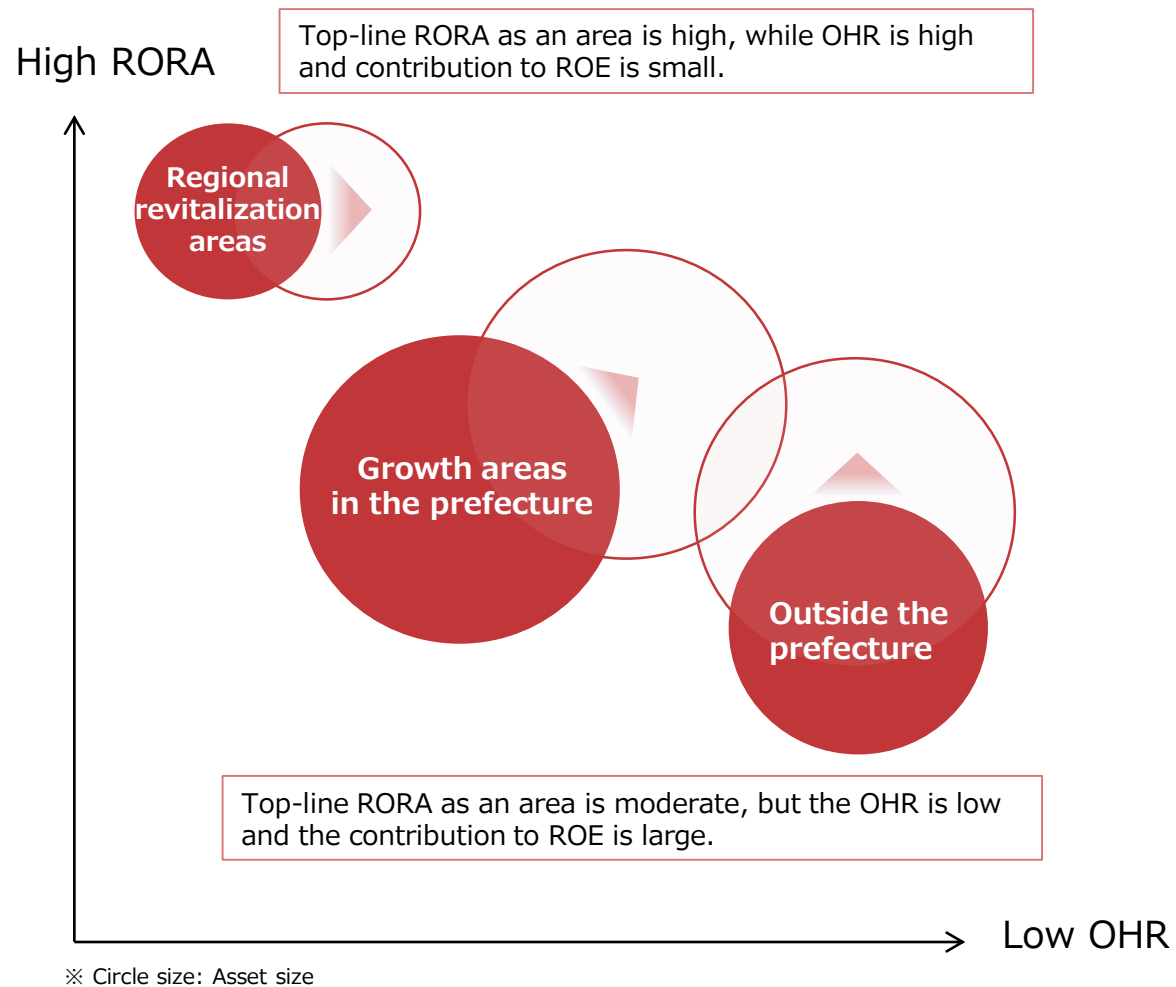
Comprehensive branch share



Achieving both top-line improvement and low OHR through a full and efficient network

*1. Mitsubishi UFJ, Sumitomo Mitsui, Mizuho, Resona
*2. Keiyo and Chiba Kogyo

Implementing strategies based on the RORA/OHR characteristics of each area



Regional revitalization area

Maintenance of high RORA / control of OHR

Improving the efficiency of the branch network through the Area Sales Office system
Reinforcement of deal response capability through consolidation of sales force

Growth areas in the prefecture

Improvement of RORA / control of OHR

Maintenance of well-developed comprehensive branch network (improved efficiency through DX)
Expansion of market share within the prefecture and sophistication of growth support for enterprises within the prefecture

Areas outside the prefecture

Improvement of RORA / Maintenance of low OHR

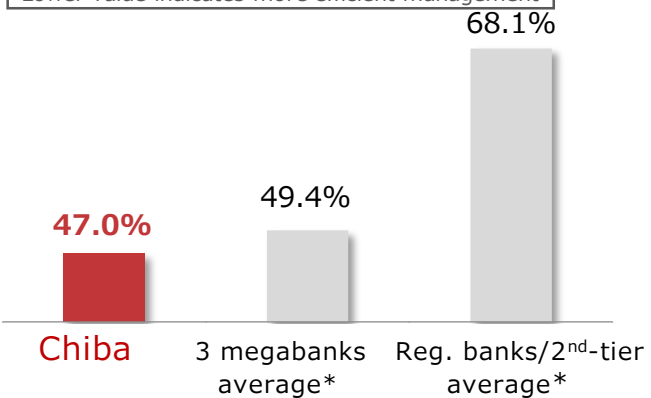
New branch openings (lightweight bases) / Additional personnel
Asset accumulation utilizing high cost-efficiency
Projects accumulation of highly advanced finance and non-finance

Building strong financial base through efficient business management and high soundness at the top level of Japanese banks, and stable capital management

Low OHR/ Low non-performing loan ratio

OHR compared to other banks

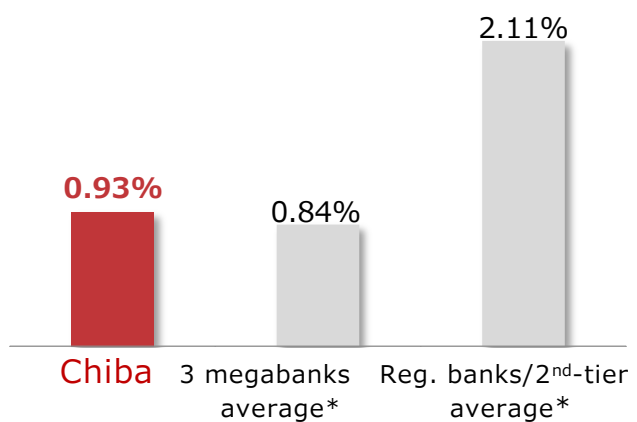
Lower value indicates more efficient management



※Source: Simple average calculated from Nikkin Report
[Result differs from Bank calculations, quoted here for comparison only]

Non-performing loan ratio compared to other banks

[as of 2023/3]



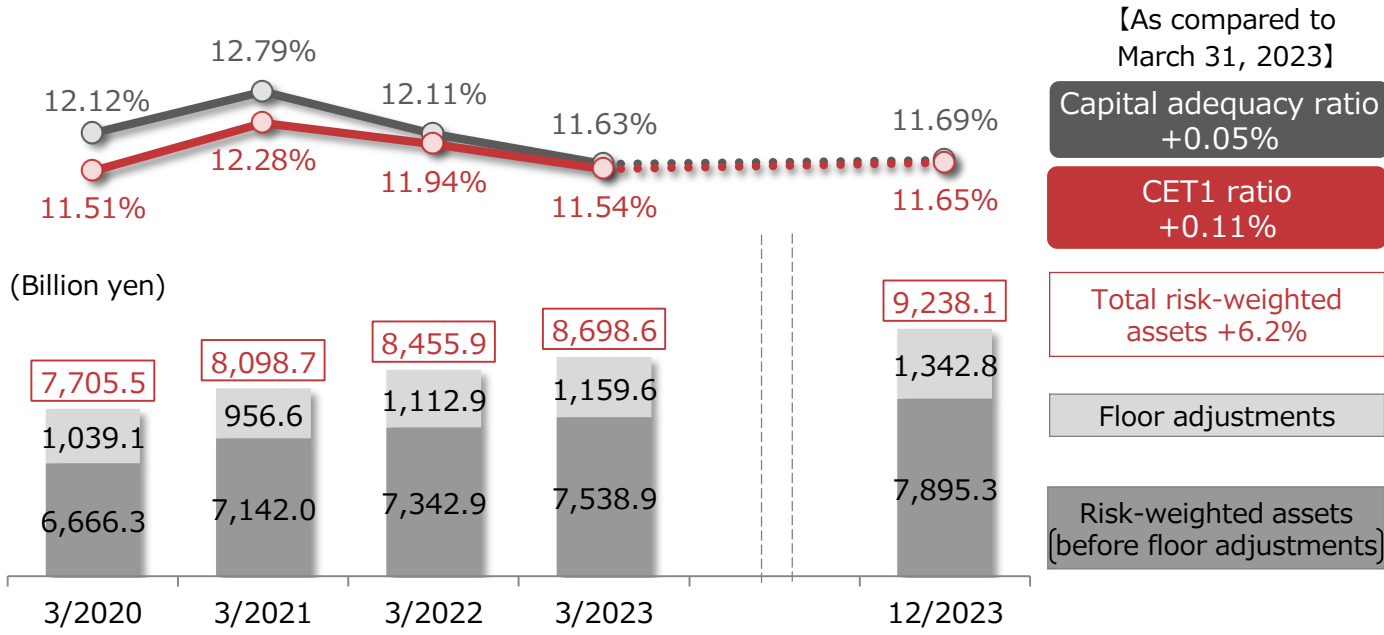
※Source: Nikkin Report (simple average, non-consolidated basis)

■ Achieve high cost-efficient and stable performance due to low OHR and low Non-performing loan ratio



Controlling capital cost

Consolidated capital adequacy ratio / risk-weighted asset total

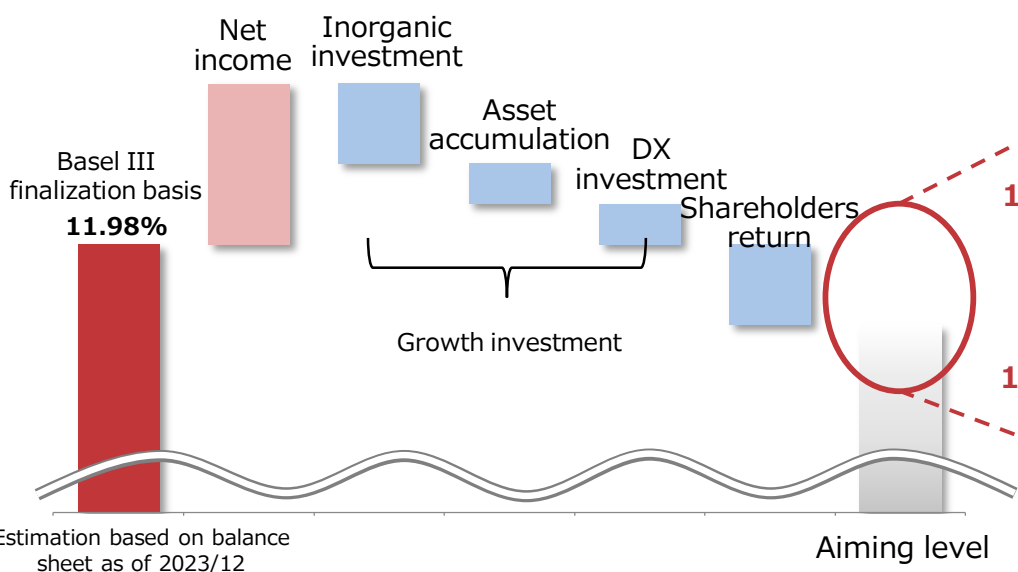


(%)	2023/3	2023/12	Finalization First year*	Finalization completed*
Capital adequacy ratio	11.63	11.69	15.99	13.66
CET1 ratio	11.54	11.65	15.93	13.61
Excluding unrealized gains/losses on securities	10.57	10.28	14.03	11.98

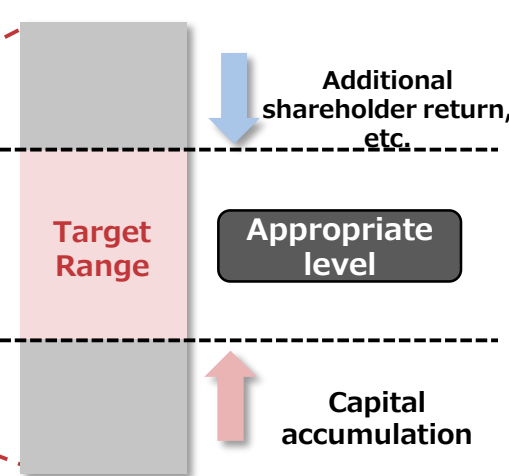
*Rough calculation of 12/2023 results on a Basel III finalization basis.

Maintaining the policy of target range of 10.5% to 11.5% for CET1 ratio*

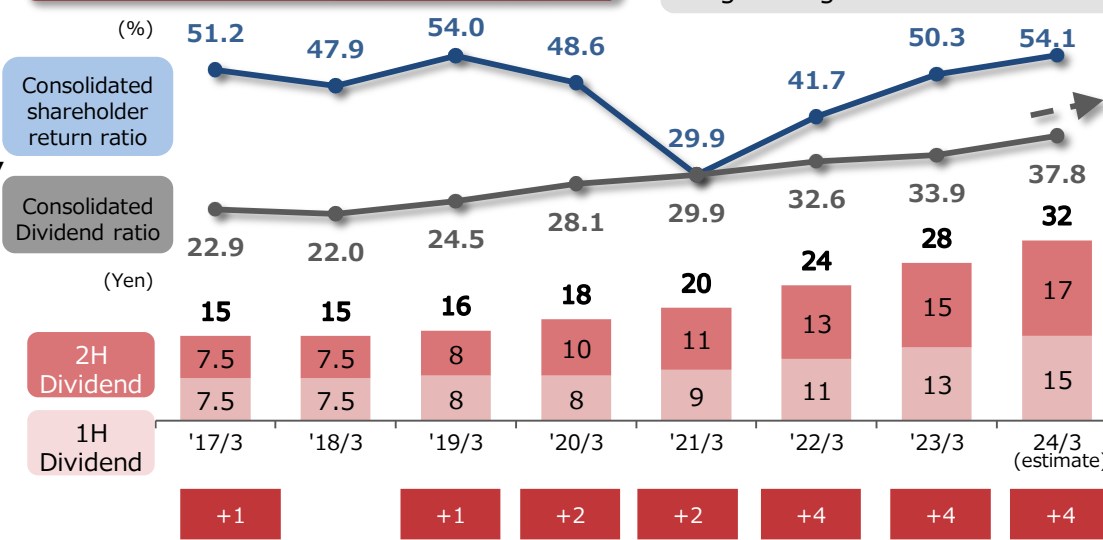
Perspective of capital management



CET1 ratio* target



Shareholder return policy



*CET1 ratio on a Basel III finalization basis excluding unrealized gains/losses on securities

Concept of capital utilization

CET1 ratio of 2029/3

Forecast to be the same level as 2023/12

[Premises] In the mid-term plan and the next plan

- Accumulation of profits,
- Accumulation of risk-weighted assets
- Payment of dividends / Share buy-back

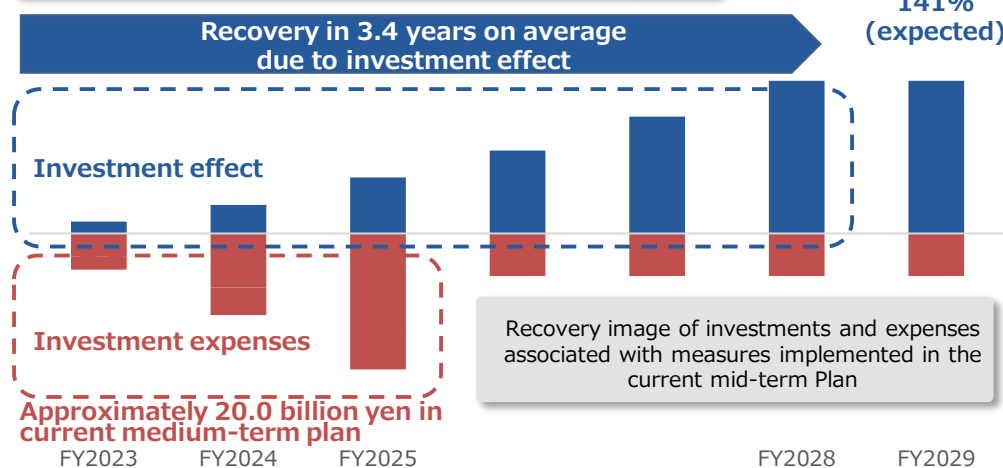
Utilize capital to target range

■ Increase investments/assets that contribute to improving ROE over the medium to long term

- Further accumulation of risk assets (loans, securities, etc.)
- Increase intangible fixed assets through further strategic system investments
- Inorganic investment

■ Strengthening shareholder returns

Strategic system investment and expenses



- Major measures
- Addition of app and portal functions
 - Cashless
 - Development of digital infrastructure
 - New business

Consider further strategic system investment in consideration of ROI

Aim to further improve ROE by utilizing capital through the accumulation of intangible fixed assets*

※Items to be deducted from capital in calculating CET1 ratio

Increase the Alliance's overall contribution to the Bank's P/L

TSUBASA Alliance



Alliance that spans across Japan

- Large-scale collaboration between the top regional banks in each area
- ¥94 trillion in total assets (2023/3)

A platform for each measure

Platform for each alliance measure to further deepen collaboration

Strengthen collaboration with other banks/industries

Expand alliance and strengthen collaboration with other banks/industries

New

TSUBASA / JUUDANKAI Joint Research Group

JUUDANKAI
Cooperation through system sharing, etc.

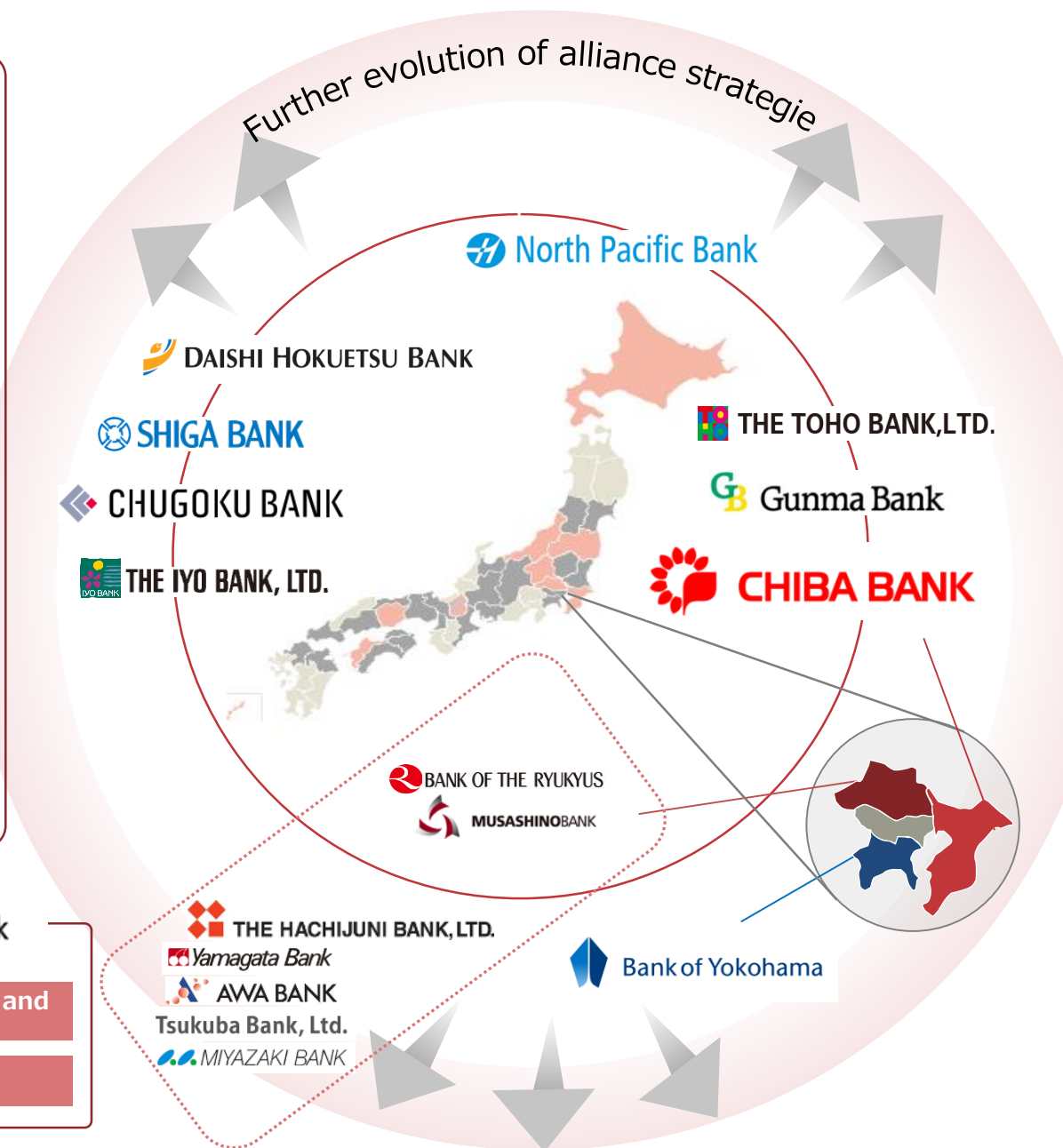


Collaboration in the digital field



Mutual provision of digital technology, products, and services

Joint-research on the use of technology



Chiba-Musashino Alliance



A new model for regional bank alliances

A new form of regional banking

- Accelerate communalization of each area
- Expand presence in the Tokyo Metropolitan area

Total
¥ 14.3 bil.

Phase 1 results
(Launch~3/2021)

Total
¥ 15.0 bil.

Phase 2 plan
(4/2021~3/2026)

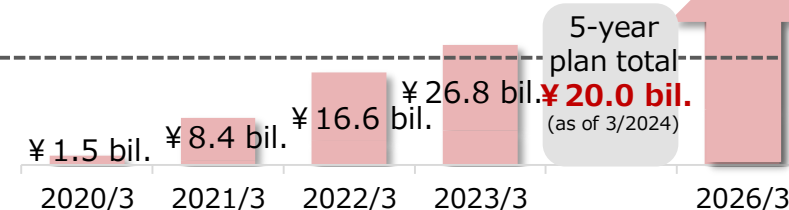
Chiba-Yokohama Partnership



Collaboration between top regional banks with Tokyo Metropolitan as the base of operations

Development of know-how between top regional banks

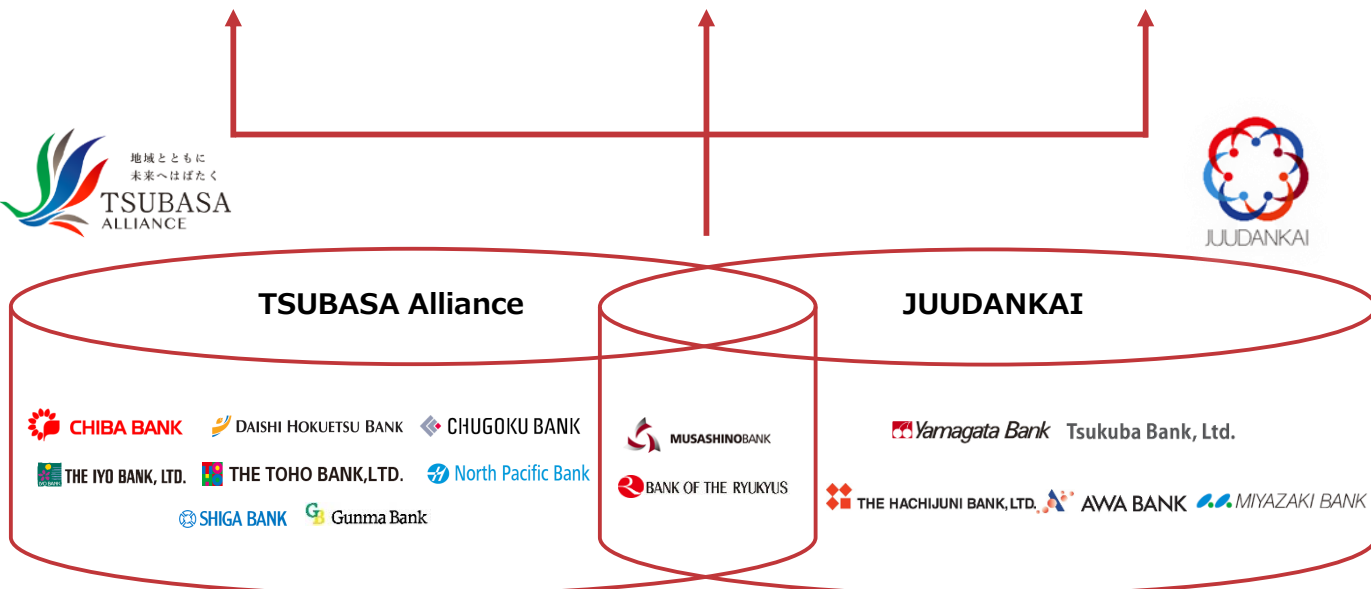
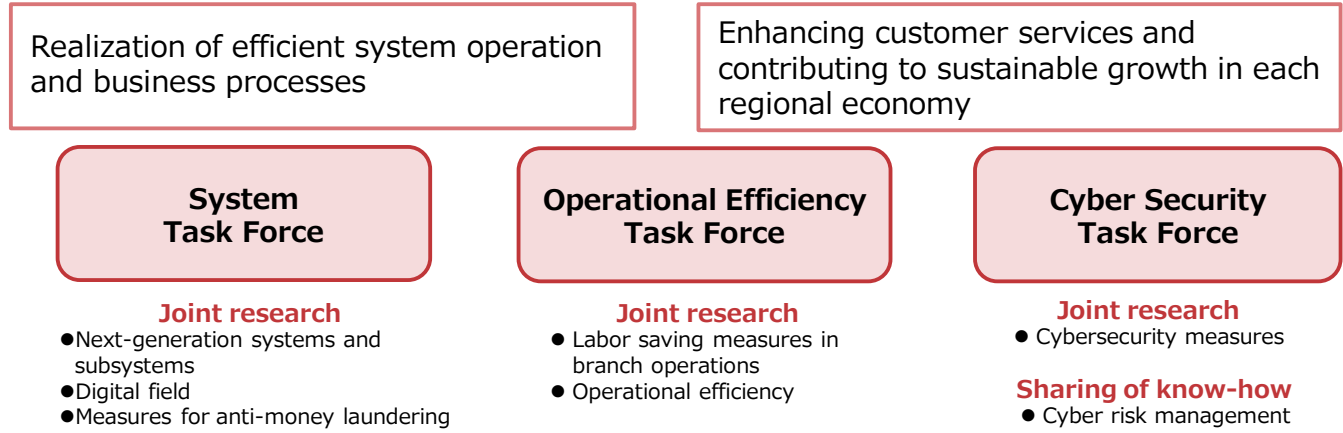
- Expand Tokyo market-share through a partnership that capitalizes on economies of scale
- Offer high value-added financial services



As we further deepen our alliance strategy

New TSUBASA / JUUDANKAI Joint Research Group

Both groups, which have affinity for systems-related fields, will share knowledge and expertise



Deepening the TSUBASA Alliance

Efforts to date

Introduced in accordance with the circumstances of each bank using the method "only banks that wish to participate".

Sharing of system and app

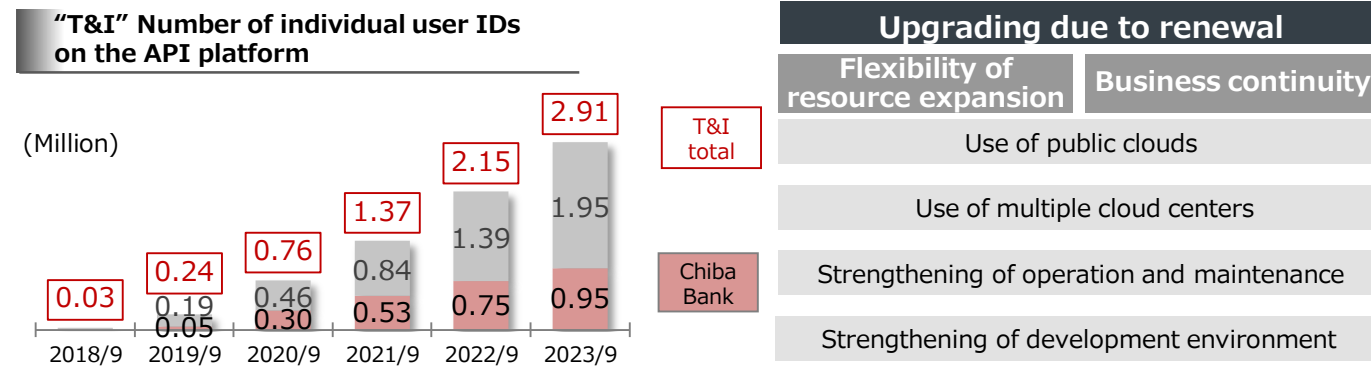
- **Core systems:** 5 banks introduced
- **Individual app:** 7 banks introduced, passbook app: 6 banks introduced
- **Subsystem:** API common platform (10 banks), CRM system (5 banks), General-purpose paperless system (3 banks), Rating system (3 banks), TSUBASA Smile (3 banks), etc.

Other joint and commissioned projects

- **Shared administration** (Chiba bank, Daishi Hokuetsu Bank, Chugoku Bank)
⇒ Enabling outsourcing to other banks
- **Utilization of jointly invested companies:** T&I Innovation Center, TSUBASA Alliance, On-Ad, TSUBASA-AML Center
- **Inheritance-related business:** Procedures are entrusted from 4 banks

New Renewal of the TSUBASA FinTech common platform

(Full transition scheduled for May 2025)



TSUBASA Alliance Co., Ltd. Business Strategy Department

New Commence study to improve TSUBASA's economies of scale and brand value (from January 2024)

Field1	Field2
Monetization of FinTech common platform	Strengthening our approach to cooperate with net deposits

Growing as a critical infrastructure supporting banks app

Upgrading due to renewal

- Flexibility of resource expansion
- Business continuity
- Use of public clouds
- Use of multiple cloud centers
- Strengthening of operation and maintenance
- Strengthening of development environment

Growth Strategy



Perspective on the P/B ratio*

$$\begin{aligned}
 \text{P/B ratio} &= \text{ROE} \times \text{PER} \\
 &= \text{ROE} \div \text{Cost of shareholders' equity} - \text{profit growth rate}
 \end{aligned}$$

If $\text{ROE} \geq (\text{cost of shareholders' equity} - \text{profit growth rate})$, P/B ratio will be 1 or over

As of March 31, 2024
PER 14.75 times



ROE of $1/\text{PER} = 6.8\%$
required to exceed 1x PBR
(approximately 7.4% based on shareholders' equity)

P/B ratio improvement measures

The Bank's current P/B ratio is **approximately 0.8**.

In order to achieve a P/B ratio of 1, we will need a strategy of improving our ROE and increasing our profit growth rate while lowering equity costs.

ROE
⇒ Improve

Equity costs
⇒ Lower

Profit growth rate
⇒ Increase

*The Bank's administrative equity costs are estimated using CAPM

Improvement measures

Further improve ROE

- Improve ROE by **improving RORA**



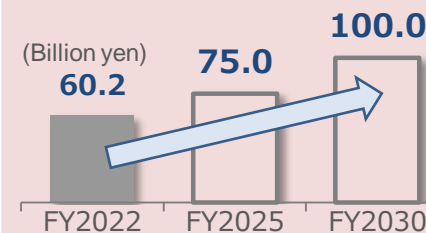
Lower capital costs

- Reduce "information asymmetry" between the Bank and shareholders by **expanding non-financial disclosures and improving shareholder engagement**

Shrinking risk premium beta

Ongoing profit growth

- Consolidated net income plan



FY2022 results

Net income... ¥ 60.2 bil.
RORA...0.75%

▶ ROE*...6.38%

Resource allocation

People

Identify 370 employees via rationalization/ review of branch network, and **allocate them to growth areas**

Reorganization	People	Note
Head Office (planning)	55	Strengthen sales branch support structure
Head Office (sales)	85	Enhance specialists
Head Office (administration)	40	Consolidate administration of sales branches at Head Office
Group companies	70	Prioritize sales divisions
Sales branch	110	Branch opening, enhance RM
HR development	20	RM development, DX trainee etc.
Total	370	

Things/money

(Billion yen)

	Strategic investments	Expenses	Notes
Existing business	5.6	1.8	Branch network, sales branch terminal maintenance, etc.
Digital/new business	6.9	3.5	App, portal, BaaS, advertising, etc.
Other	3.5	8.7	Human capital, digital infrastructure, etc.
Total	16.0	14.0	30.0

Fortify existing business

Corporate

Increase market share in areas abandoned by other banks
Increase loans via new branches

Enhance business succession, M&A

Improve consulting
Improve proposals to non-borrowers

Diversified finance menu

Retail

Comprehensive financial consulting

Financial product

Housing loan

Trust/Inheritance

Increase in net income from fortifying existing business... **approx. ¥ 12.0 bil.**
RORA improvement...**+0.05%**

Digital/new business

Digital

+1.4 bil.

Additional app, portal features

Internet Loan Center

Four major measures for invest trust

Transaction data, credit checks using AI, etc.

New business

+1.6 bil.

Cashless

Advertising

electric power business

Chibagin Market

BaaS

Metaverse

Real estate fund

Energy business

On-Ad

Anti-money laundering center

Collaboration with Sony Bank

Increase in net income from new business initiatives... **approx. ¥ 3.0 bil.**
RORA improvement...**+0.03%**

FY2025 plan

Net income... **¥ 75.0 bil.**
RORA...**0.83%**

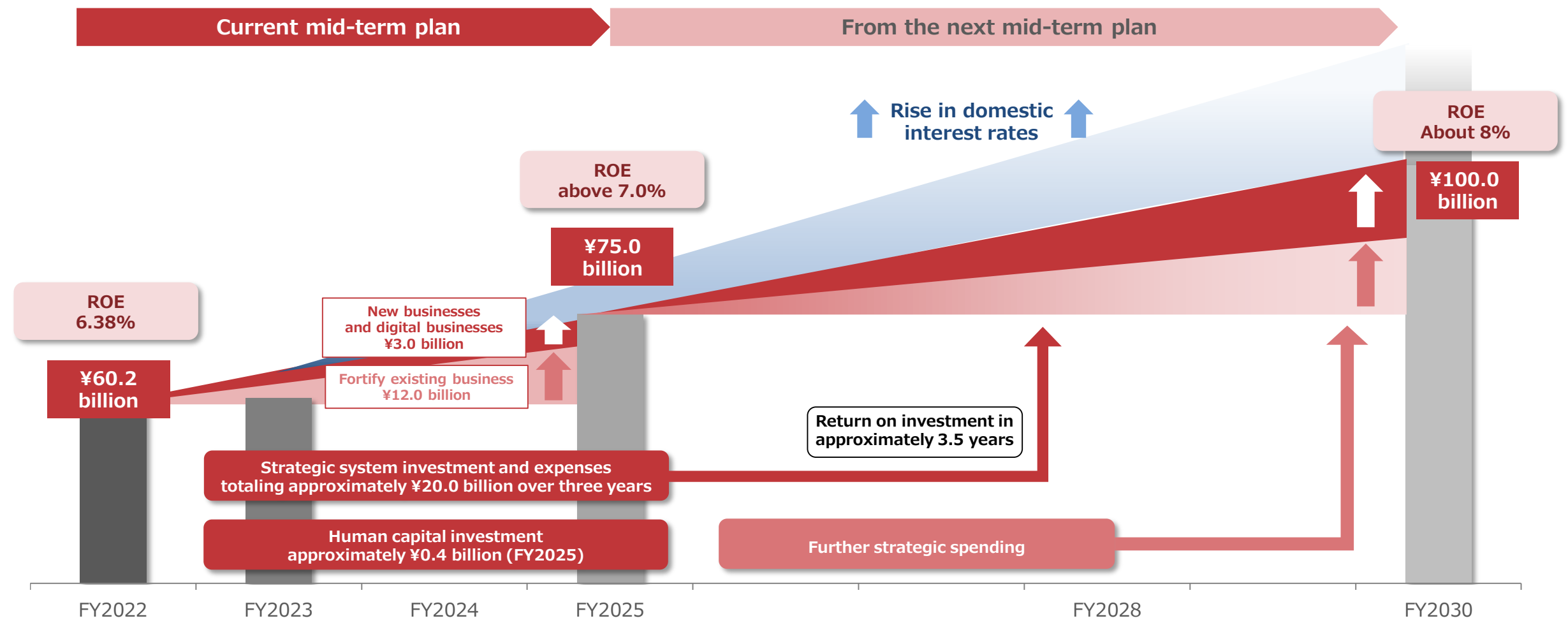
▶ ROE*...
7% or over

※ ROE: Shareholders' equity basis

Continuing Growth toward FY2030

To create a local community better suited to bringing each person's hope to life

Fortify existing business, strengthen new businesses and digital initiatives. Capture domestic interest rates hike as upside.

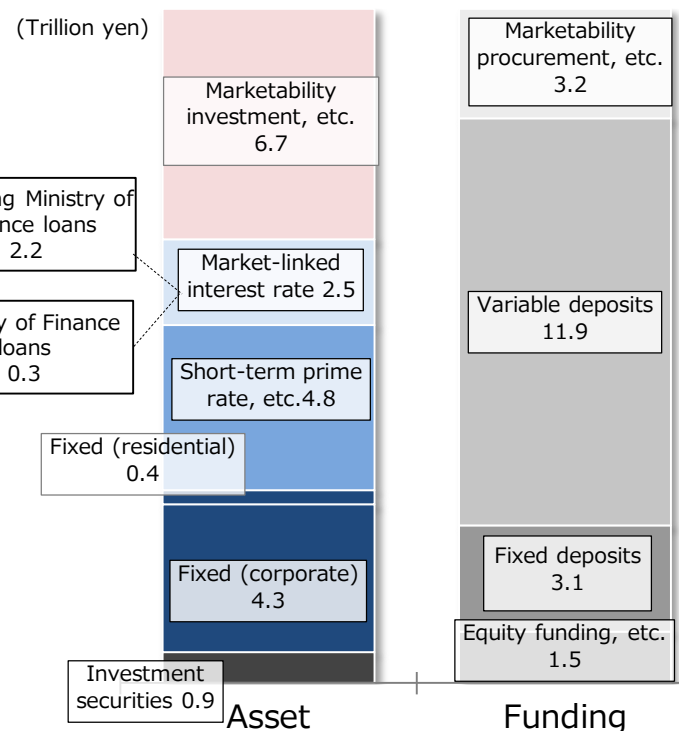


	(1 st year)		(2 nd year)		(5 th year)		(7 th year)	
	Scenario 1	Scenario 2	Scenario 1	Scenario 2	Scenario 1	Scenario 2	Scenario 1	Scenario 2
ROE improvement effect resulting from rising interest rates	+0.14%	+0.65%	+0.19%	+1.58%	+0.24%	+1.56%	+	+
Scenario 2 / ROE	Around 8.5%		About 9%		About 10%			

Simulation of interest rate increase due to change in BOJ's policy rate

JPY investment and funding structure

¥19.9 tri. as of Dec. 2023

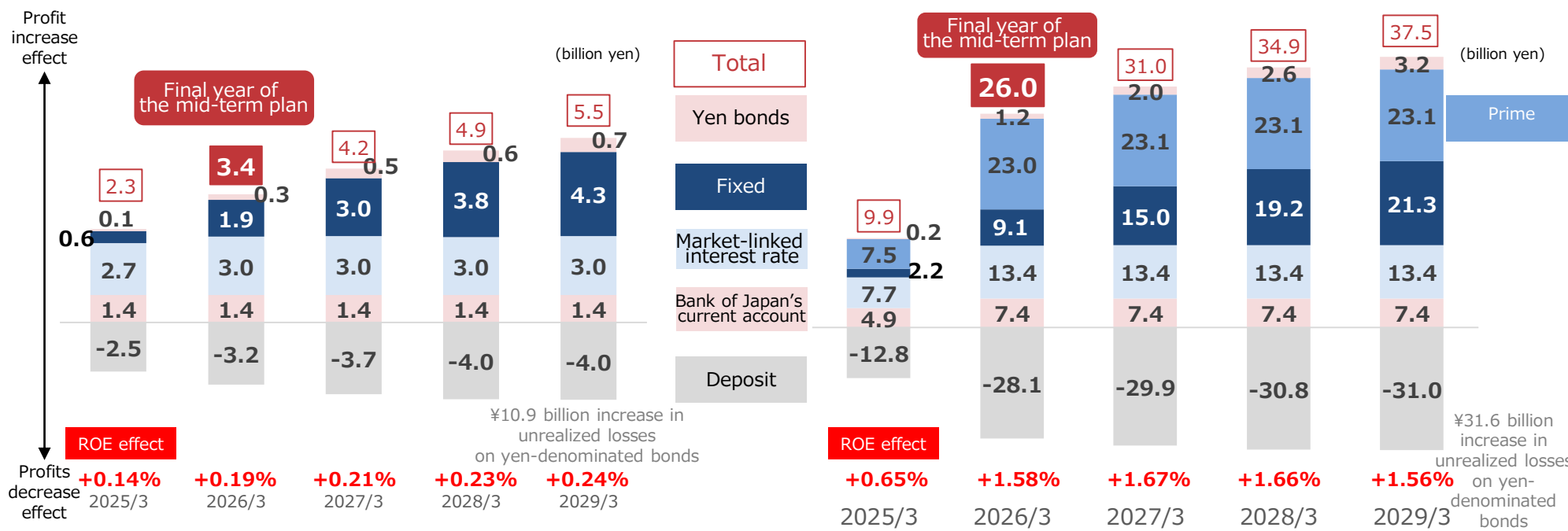


Scenario 1

Policy rate unchanged after policy rate change in March 2024
 • 10-year JGB yield of 1.0%
 • TIBOR level maintained after policy rate change (Reference) 1M 0.191%, 3M 0.252%, 6M 0.223%
 • Short-term prime rate remains unchanged

Scenario 2

Policy rate to be raised to 0.5% in September 2024
 • 10-year JGB yield of 1.5%
 • TIBOR (until September 2024) Same as Scenario 1 (After September 2024) Average interest rate in December 2023 + 0.60%
 • Short-term prime rate +0.5% from September 2024



- Calculated based on the difference from the market interest rate in December 2023.
- Calculated on the assumption that the outstanding balance is unchanged from the portfolio at the end of December 2023.
- JGB yields are estimated based on past yield curve fluctuations.
- 60% pass-through rate of fixed-rate loans for corporate.
- Short-term prime rate is unchanged since December 2023.
- Deposit interest rate is raised from April 2024.
- Repurchase the same amount when the JGB matures, reflecting the rise in market interest rates.

- Calculated based on the difference from the market interest rate in December 2023.
- Calculated on the assumption that the outstanding balance is unchanged from the portfolio at the end of December 2023.
- JGB yields are assumed to rise in parallel with all maturities (+0.89%).
- 60% pass-through rate of fixed-rate loans for corporate and 80% pass-through rate of prime loans.
- Deposit interest rates are assumed to be raised in view of a rise in market interest rates.
- Repurchase the same amount when the JGB matures, reflecting the rise in market interest rates.

Customer experience changes steadily by providing app

Providing highly convenient app

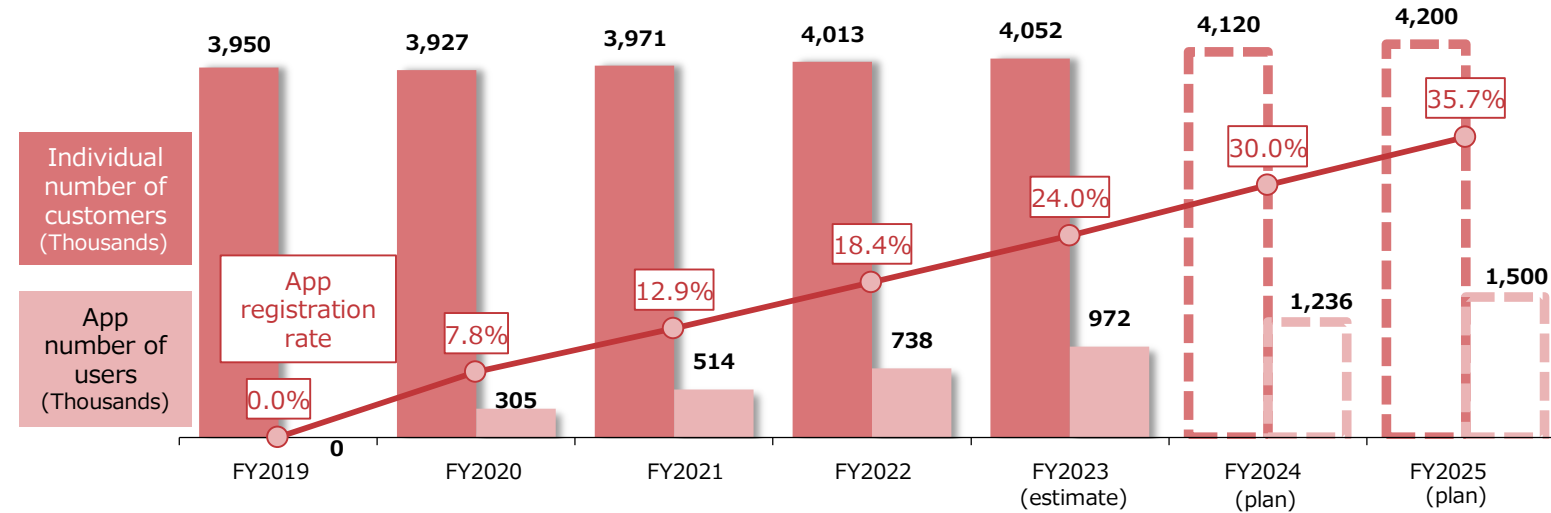
At present

Approximately 970,000 people registered for the app in March 2024, compared to approximately 3 million active accounts
(Operating account penetration rate: **33%**)



Changing customer experience seen in numbers

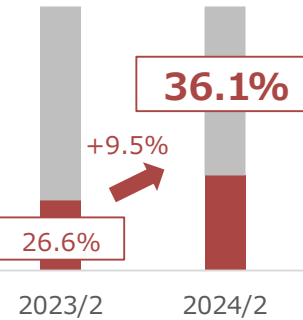
Number of individual customers / app account registrants



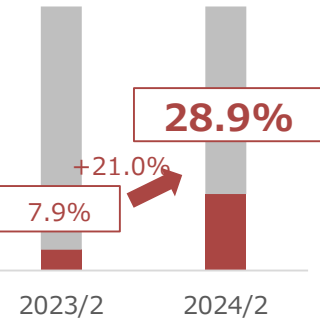
Percentage of transactions using app (monthly comparison)

※ Only open ordinary savings accounts is web accounts opening

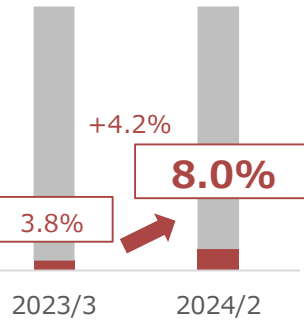
Number of remittance transfers*



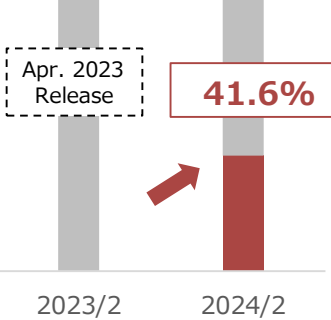
Opening of ordinary savings account*



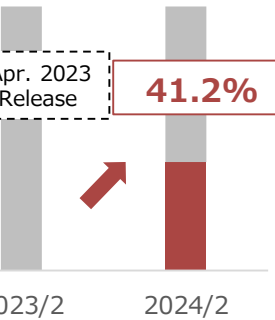
tax and public finance collection



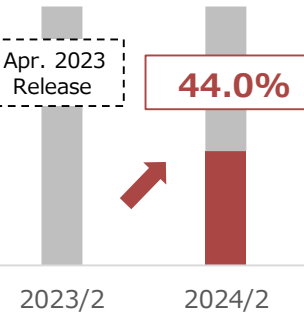
Opening of investment trust account



Opening of NISA account



Card loan contract



Overall remittance transfers	FY2020	FY2023(estimate)	Rate of increase
Number of cases	5.44 million	6.97 million	+28%
Fees	¥1.58 billion	¥1.97 billion	+24%

※Overall number of remittance transfers increased.
Although unit cost of commissions via app is set lower, overall commissions also increased.

DX has increased revenues and reduced costs / further transforming customer experience

Effect on revenue and cost

With the digital transition of transactions, it is possible to reduce the number of branch staff while increasing gross business profits for retail customers.

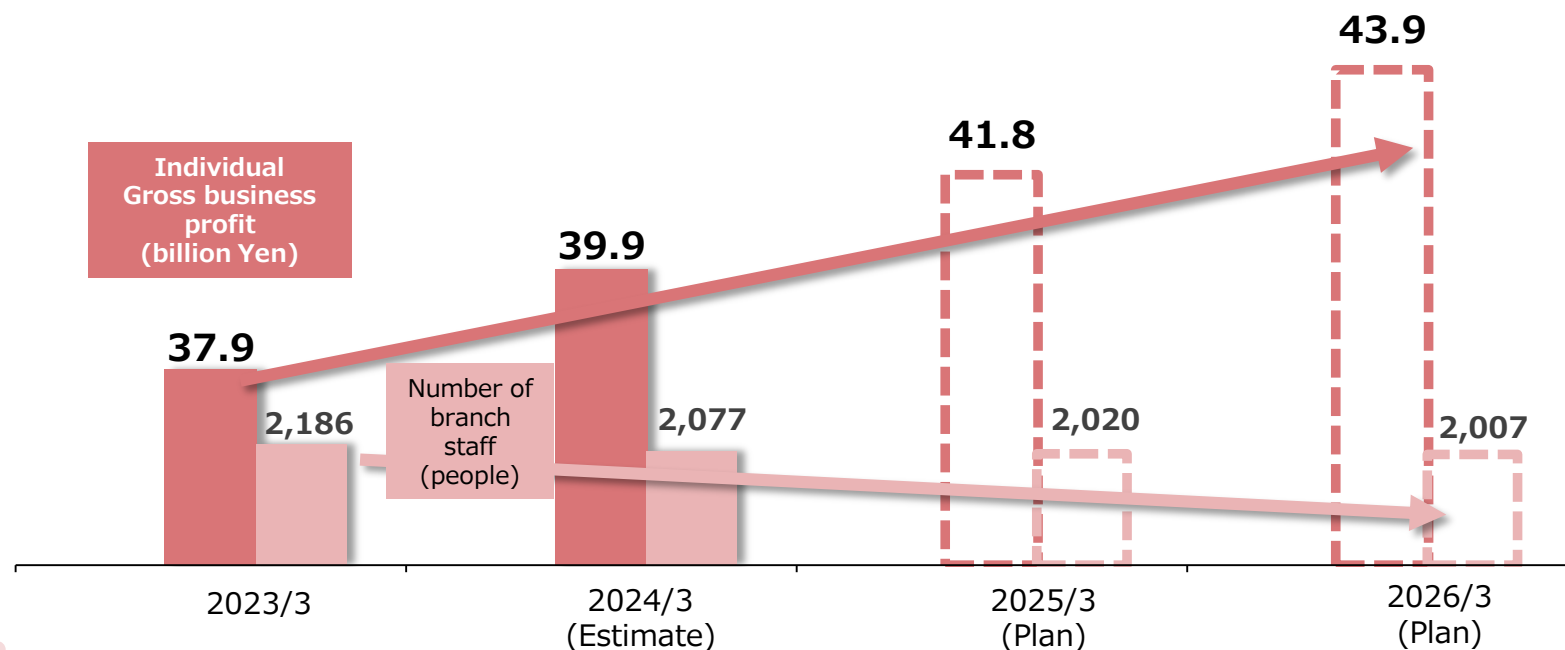


Further transforming customer experience

Using data obtained through digital transactions and analyzing with AI to further transform customer experience

Number of branch staff / Individual gross business profit

※ Excluding new graduate employees



Number of branch staff	FY 2019	FY 2022	FY 2025 (Plan)
	2,484 people	2,186 people	2,007 people

(▲298people / ▲11.9% in the previous mid-term plan) (▲179people / ▲8.1% in the current mid-term plan)

Aiming for Customer Experience

“Just when I was interested, I got a OO from Chiba Bank”

Transforming customer experience by achieving proposals that meet customer needs in a timely manner in all channels

Examples already realized

Building needs-rank-model

E-mail marketing

Approach by person in charge

Predicting interests and needs

We can see which customers
are actually interested

Timely approach to
interested customers

Data analysis



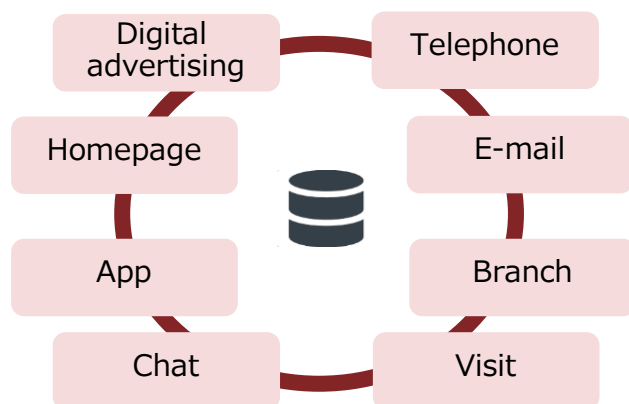
Click



E-mail opening

Proposal by person in charge using data

Transforming customer experience



Integrate data
at all customer contacts

Predicting needs through
data analysis /AI

Approaching customer using data
in various channels

“Just when I was interested,
I got a OO from Chiba Bank”

Proposal in person DM
Telephone E-mail
 App notification

Chiba Bank understand me...

Become Chiba Bank Group fans

For the Bank's
growth

Expansion of
cross-use

Improvement of
productivity

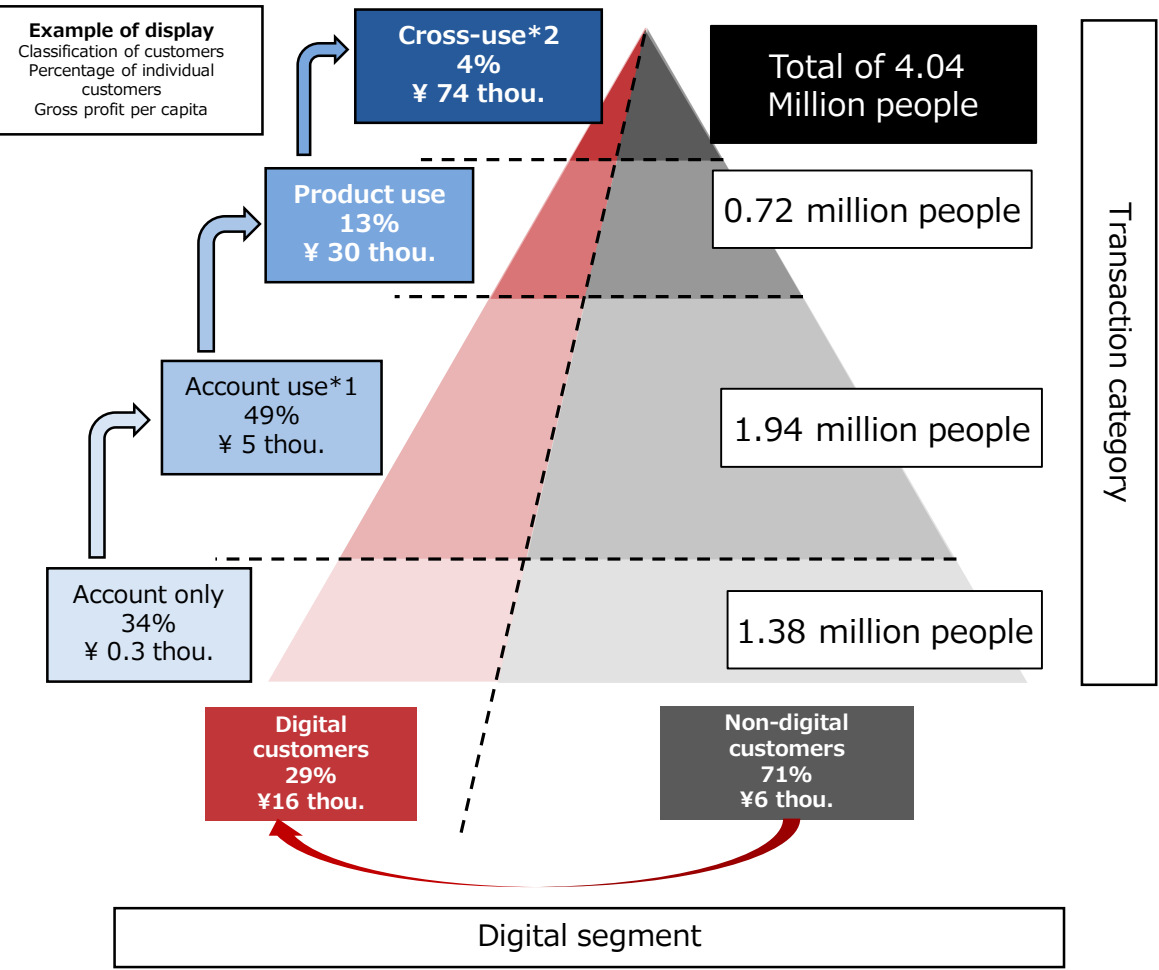
Further
improvement of
gross business
profit per employee

Aim to increase the number of digital customers and increase the unit price of customers by promoting the use of products and services

Improvement process of retail business revenue based on the DX Strategy

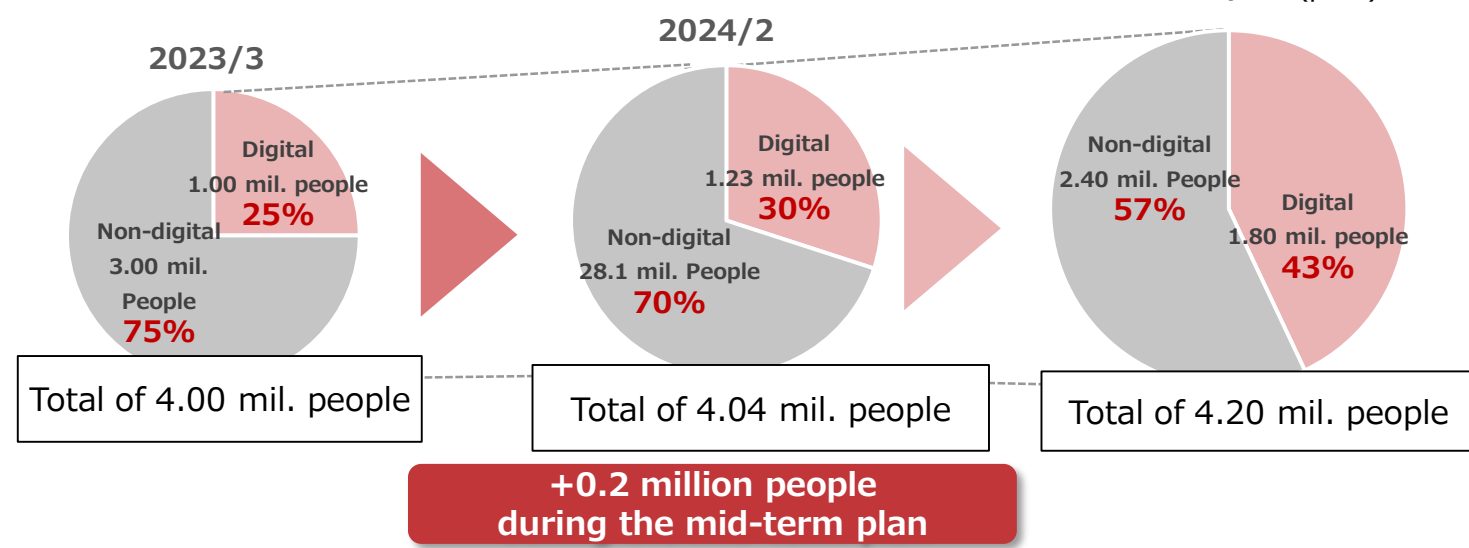
Strategy 1
Shift to digital customers
Increase customer resolution through data analysis

Strategy 2
Increase in the number of customers using products
Increase customer satisfaction and shift upward to the transaction category

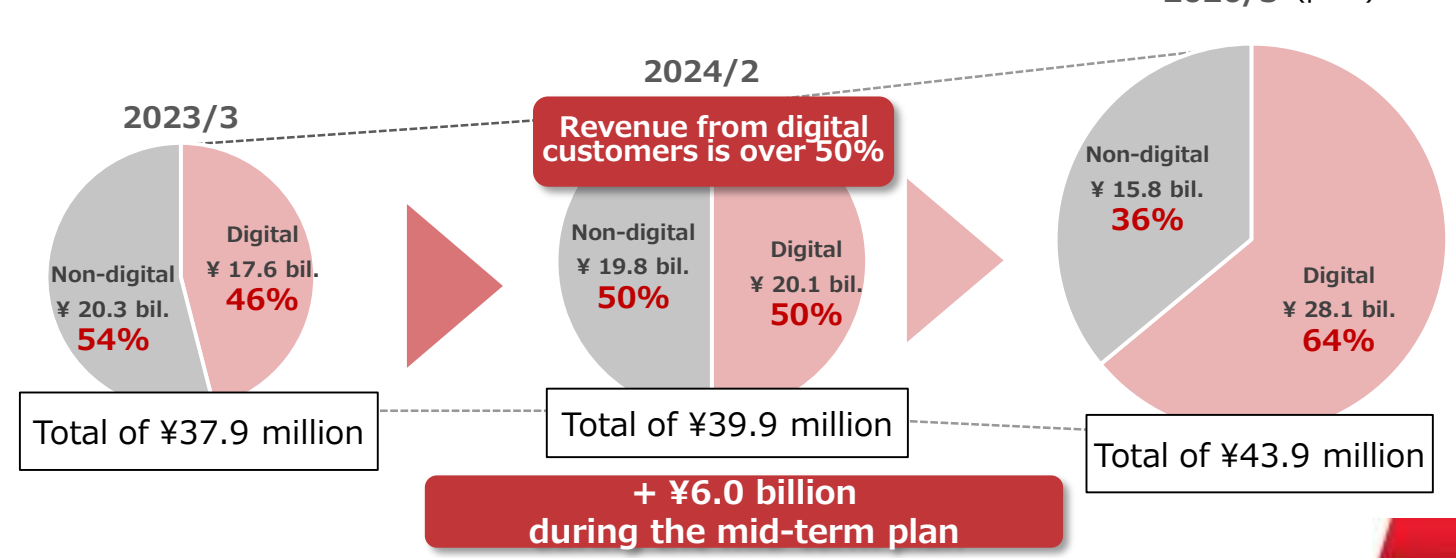


*1. Account use: Customers who satisfy any of the following conditions: salary/pension receipt, balance of ¥ 300 thou. or more, and use of account transfer
*2. Cross-use: Uses two or more types of products

Change in customer composition during the mid-term period



Change in revenue composition during the mid-term period



The person in charge will proactively approach the "customers to increase through interviews" and "customers to increase digitally" to improve the gross profit

Future direction of business for individuals

Branch staff

A case of a large branch in Chiba prefecture

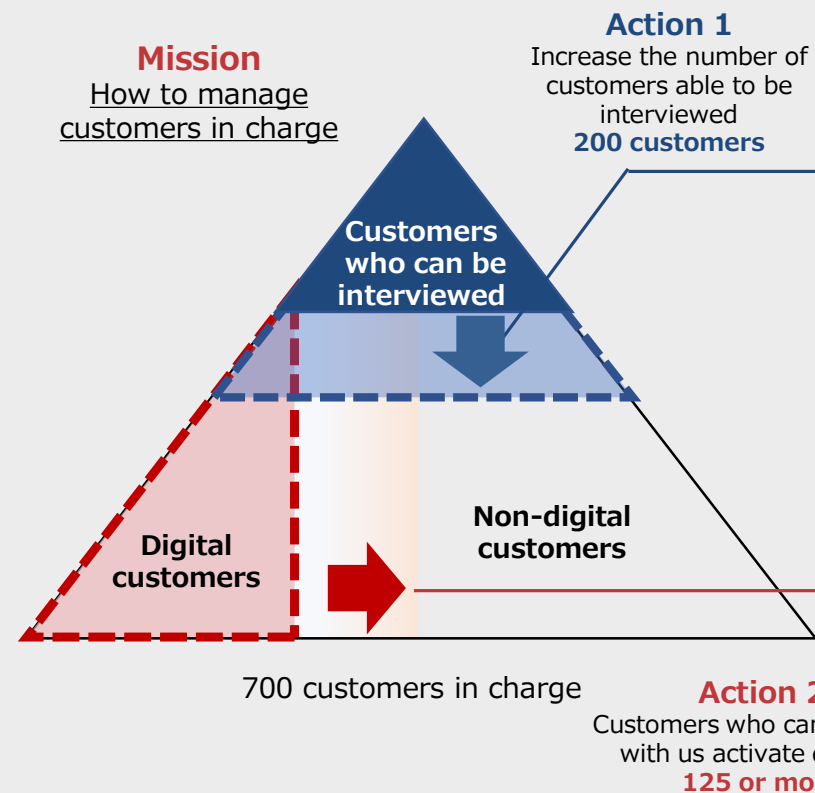


A's current situation

- Having about 700 customers in charge
- Some customers have contact points, and many do not know each other.
- Proposed only for sales of financial products
- Wants to increase the number of customers to whom proposal is made, but is too busy to make contact with them

Mission

How to manage customers in charge



Action 1

Increase the number of customers able to be interviewed
200 customers

Activities for consulting customers (contactable and product use)

Increase customer satisfaction
→ Expand transactions through cross-use

- | | |
|--|---|
| <p>1 Exploring needs deeply by the interview</p> <p>3 One to One marketing</p> | <p>2 Increase customer resolution by using digital tools</p> <p>4 A wide range of proposals that go beyond asset management</p> |
|--|---|

Activate transactions with customers having few contacts (broaden their horizons)

Getting customers to "use Chibagin" through digital

- Further enhancement of app functions
- Awareness-raising activities at workplace seminars, etc.
- App set when opening an account and concluding a housing loan contract
- Approach from headquarters

Action 2

Customers who cannot meet with us activate digitally
125 or more

How one would like to be

1. Customers who can be interviewed

Increased transactions increase per-customer revenue

Cross-use

Products use

2. Customers whose needs are identified through data analysis

Active proposal activities in cooperation with headquarters

Account use

Account only

Digital customers

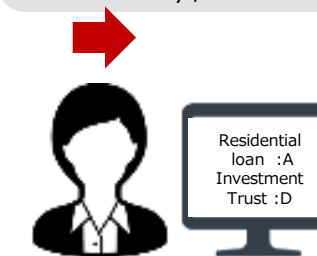
Non-digital customers

How can we raise customer satisfaction?

System in which each and every person in charge can think independently

Identifying the needs of "1. Customers who can be interviewed" and making a wide range of proposals
Product use ⇒ Cross-use

Ask 2. Customers whose needs are identified through data analysis to use products
Account only / Account use ⇒ Product use

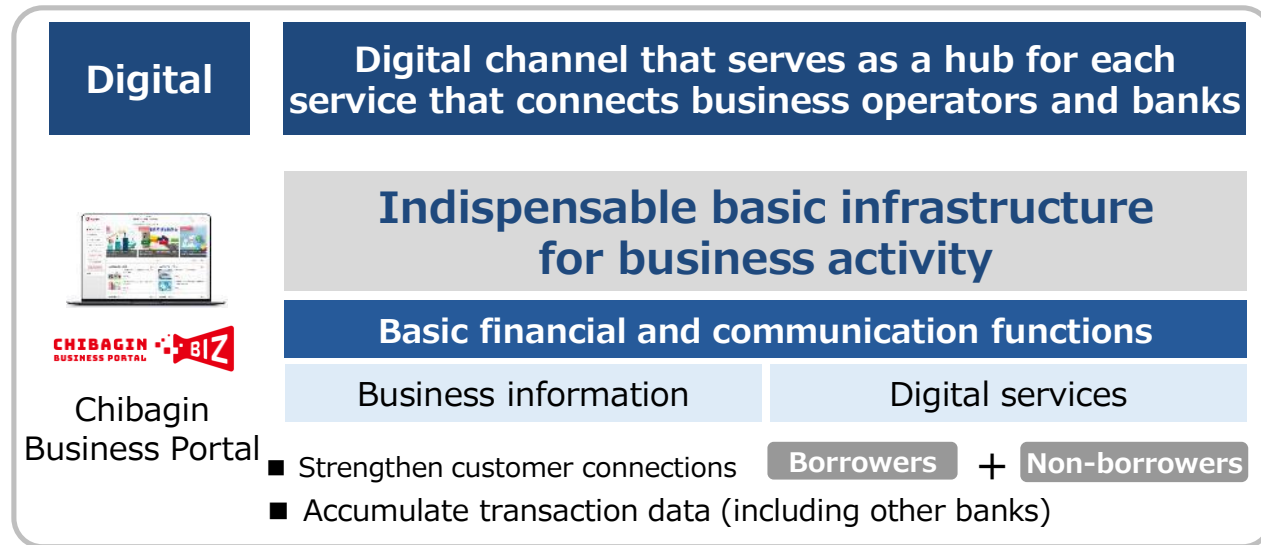


Voluntary management improves employee motivation and engagement

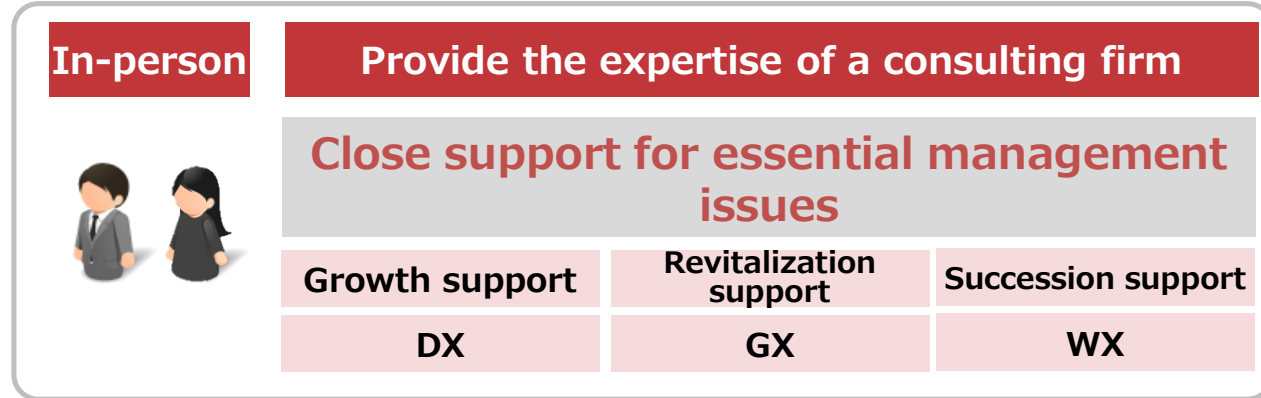
Contribute to solving social issues in the community by getting to know our clients well and providing continuous solution proposals as an assistant to management

Form strong customer connections through digital and in-person channels

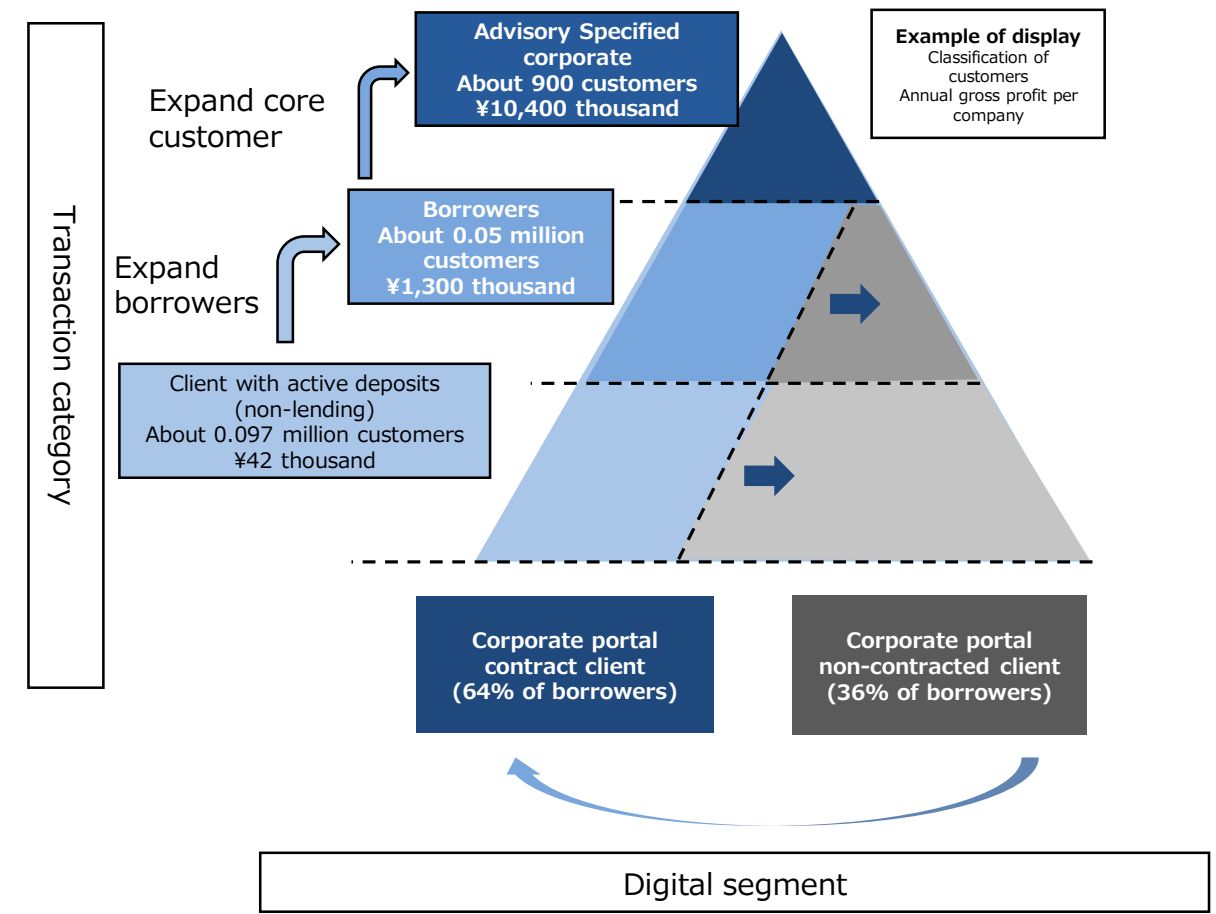
Highly-convenient digital contact points



Hybrid of in-person and digital



Improvement process of corporate business revenue

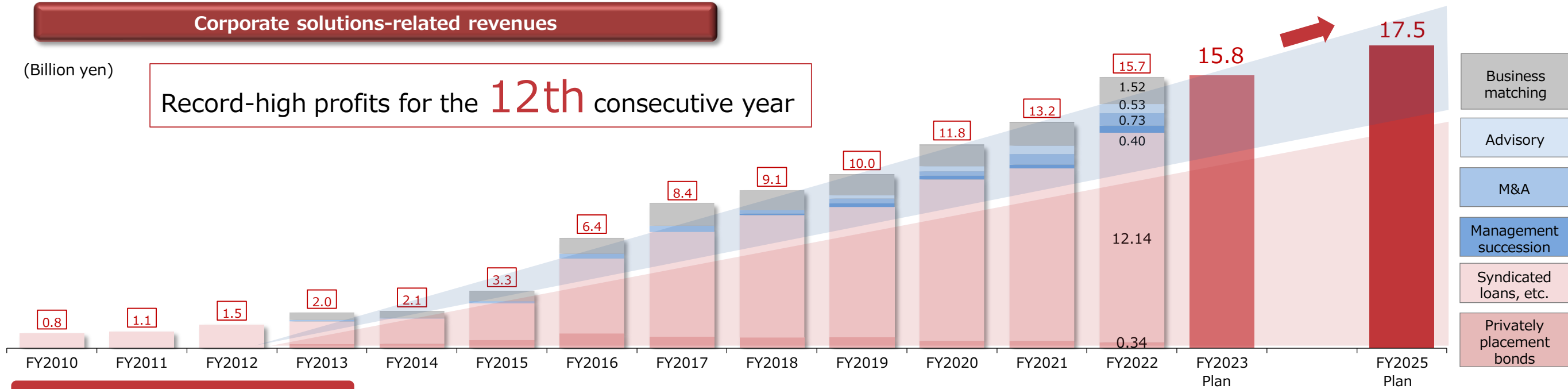


Corporate solutions will further expand both finance and non-financing

Corporate solutions-related revenues

(Billion yen)

Record-high profits for the **12th** consecutive year



Strengthening advanced finance

Capturing national and large-scale projects

To strengthen sales in the Tokyo metropolitan area



TSUBASA Alliance

Chiba Musashino Alliance

Chiba Yokohama Partnership

Toward further presence

Sustainable finance

Syndicated loans

PFI

Project finance

LBO loans

Real estate funds

Strengthening non-financial solutions

Solutions to social issues according to the times

Corporate advisory

ICT consultations

M&A / business succession

New

Service as main bank

To build strong relationships with major business partners

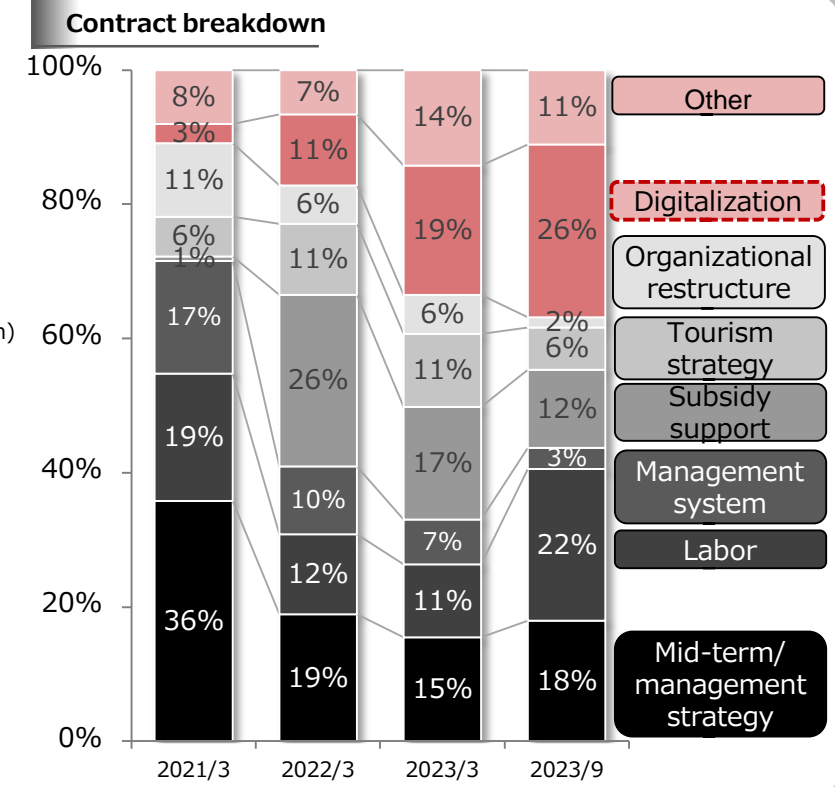
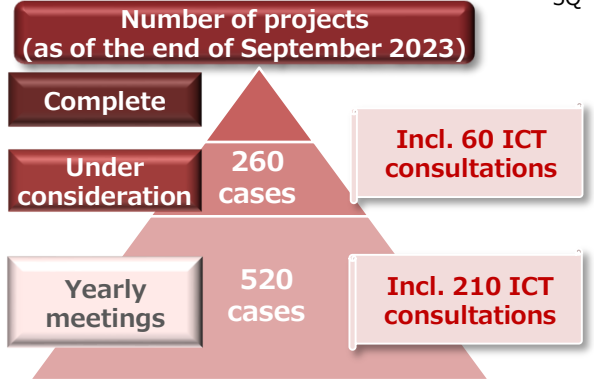
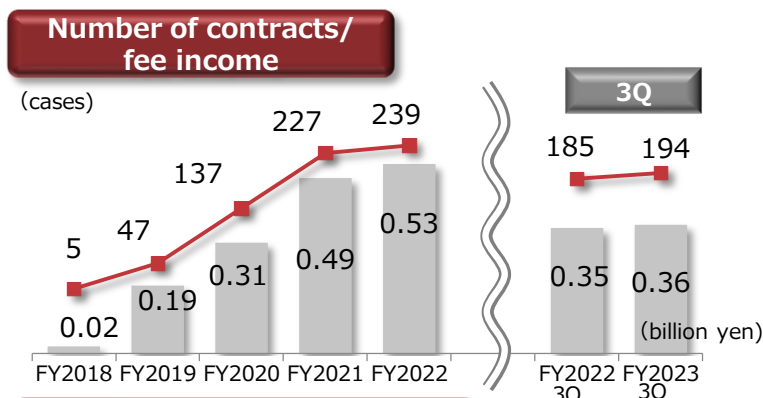
New

Use of buyout funds

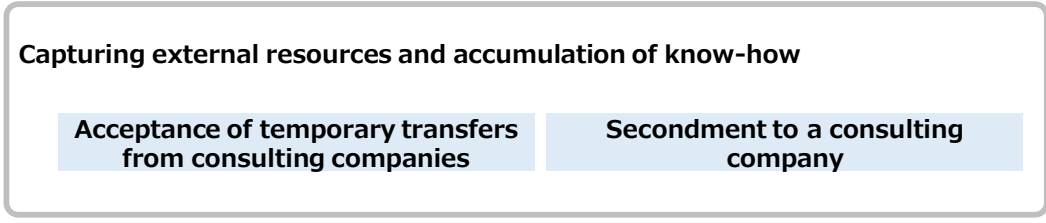
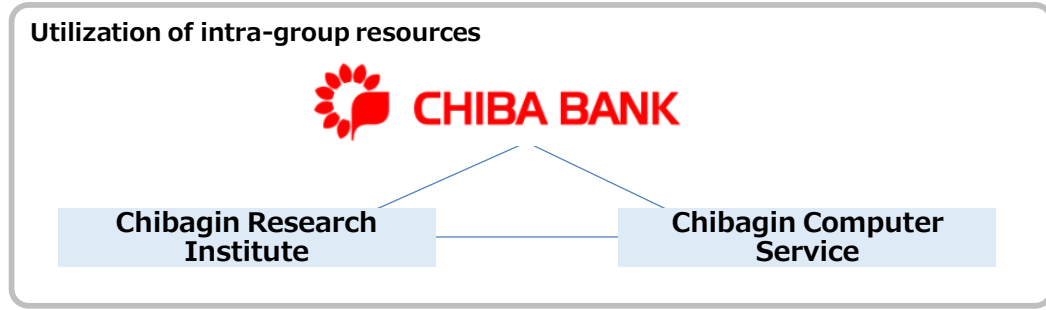
Full-fledged hands-on support for growth, revitalization and succession

Thorough support as an management assistant

Corporate advisory



Strengthening problem-solving capabilities



Applications for ICT consultations

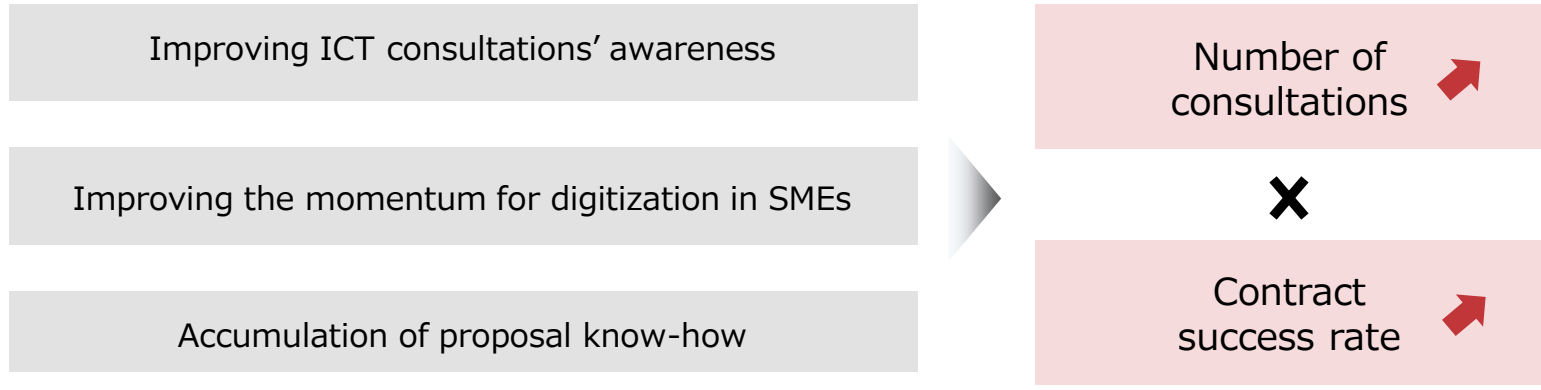
Company A (forwarding agent)

Issue : response to the 2024 Problem for Carriers

Recognizing the issue of limiting overtime working hours (the 2024 problem), the company is struggling to select a system that matches its own needs. Contribute to solving problems by close support, from the viewpoint of visualizing work flow.

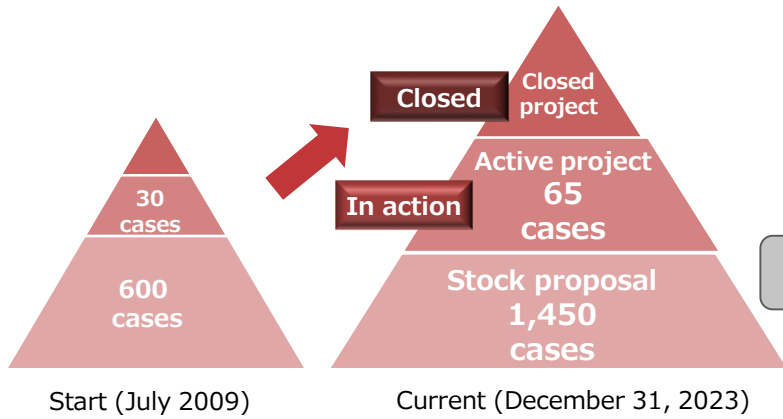
Step1 Support for analysis of current situation → Step2 Support for selection of system → Step3 Support for establishment of operation

ICT consultations

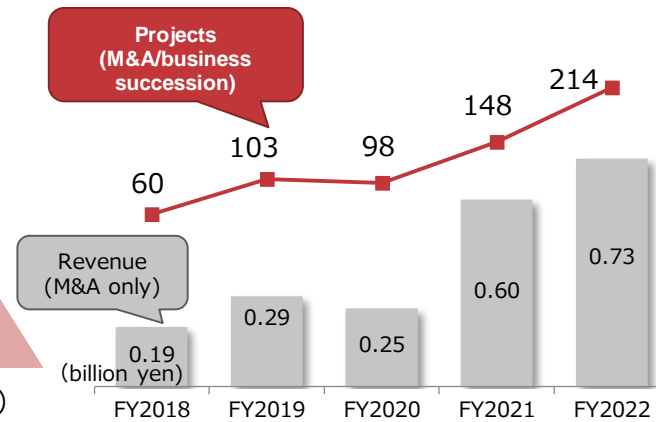


Acquisition of know-how on M&A and business succession → Value-up of regional businesses and support for smooth succession

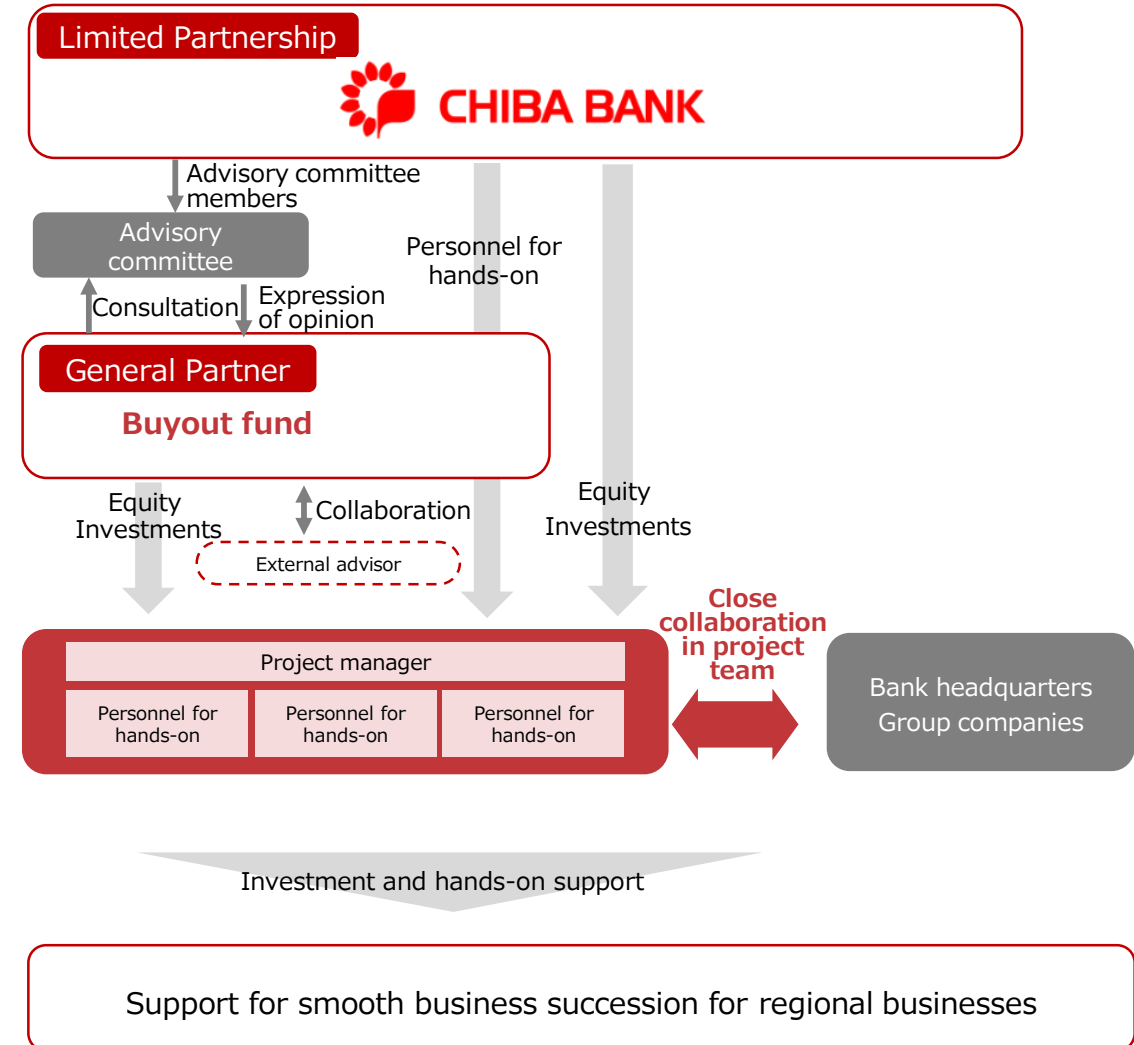
Expansion of project stock



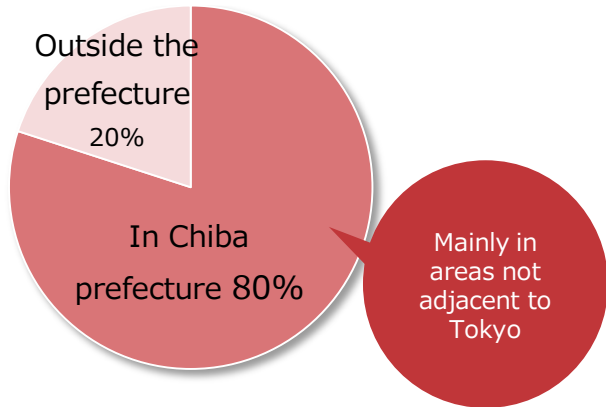
M&A/business succession



Consideration of hands-on support using buyout funds



Area distribution of M&A deals for sale



Successionless projects in the region
Accumulation of small- and medium-scale projects by leveraging customer base and network

Involvement in large-scale projects through accumulation of know-how and customer needs

Utilization of funds both within and outside the group

Introduction of management succession database

- Reliable accumulation of information
- Long-term, continuous approach closely with the management
- Hands-on support

Solution Review Meeting x Advisory Specified Corporation Meeting to support for growth and revitalization

Solution Review Meeting

- ① External environmental impact survey (monthly assessment)
- ② Individual toss-up from branches
- ③ Thematic surveys (printing, construction, etc.)

Always grasp the actual status of clients

Solution Review Meeting

Assessing the actual situation of the target borrowers at the meeting, identifying and sharing management issues with management, investigating new risk factors, and identifying target borrowers

↓
Banks that are essentially main borrowers with large conservation deficits and are urgently needed

Headquarters sales department, Headquarters credit review department and Group companies

Designated Attention Claims committee

New designation or cancellation of borrowers
Discussion of action policy

Chairman: Executive in Charge of Credit Unit

Advisory Specified Corporation Meeting

Approximately 900 core companies in the region were selected as advisory specified companies

In order to provide thorough business support as a partner, the management issues of each company are discussed deeply through meetings.

Branch

Understanding of management issues with client

×

Headquarters sales department, Headquarters credit review department and Group companies

Providing specialized expertise

Advisory Specified Corporation

[Total Scale]

Sales: ¥6 trillion
Ordinary income: ¥350 billion
Net income: ¥250 billion
0.18 million employees

Providing solutions for creating corporate value

Growth support

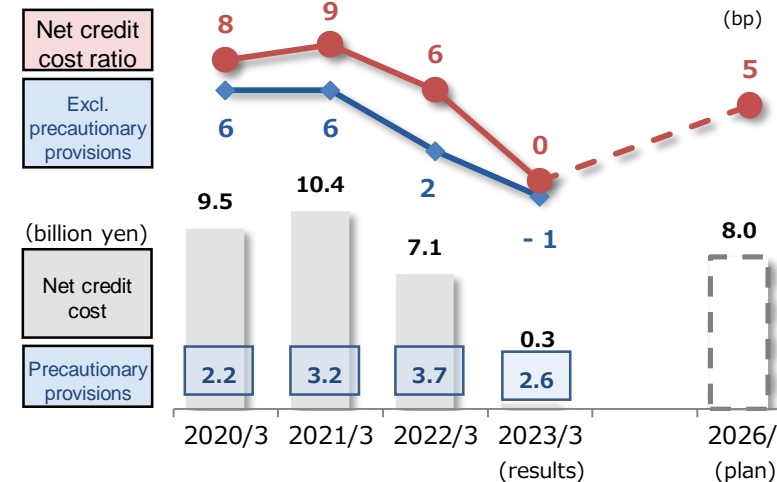
To prevent credit cost incurrence

Revitalization support

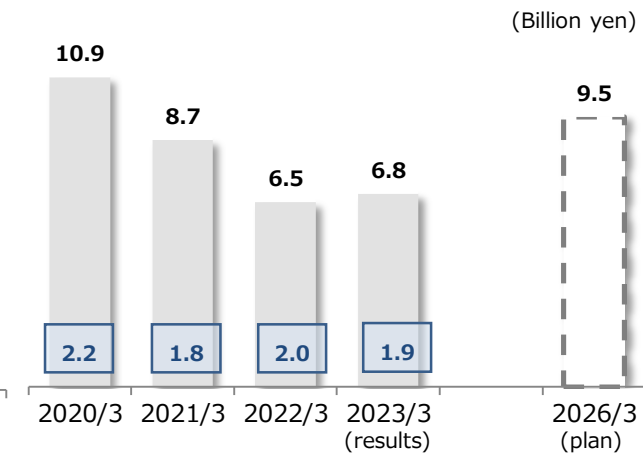
Revenue from finance

Revenue from non-finance

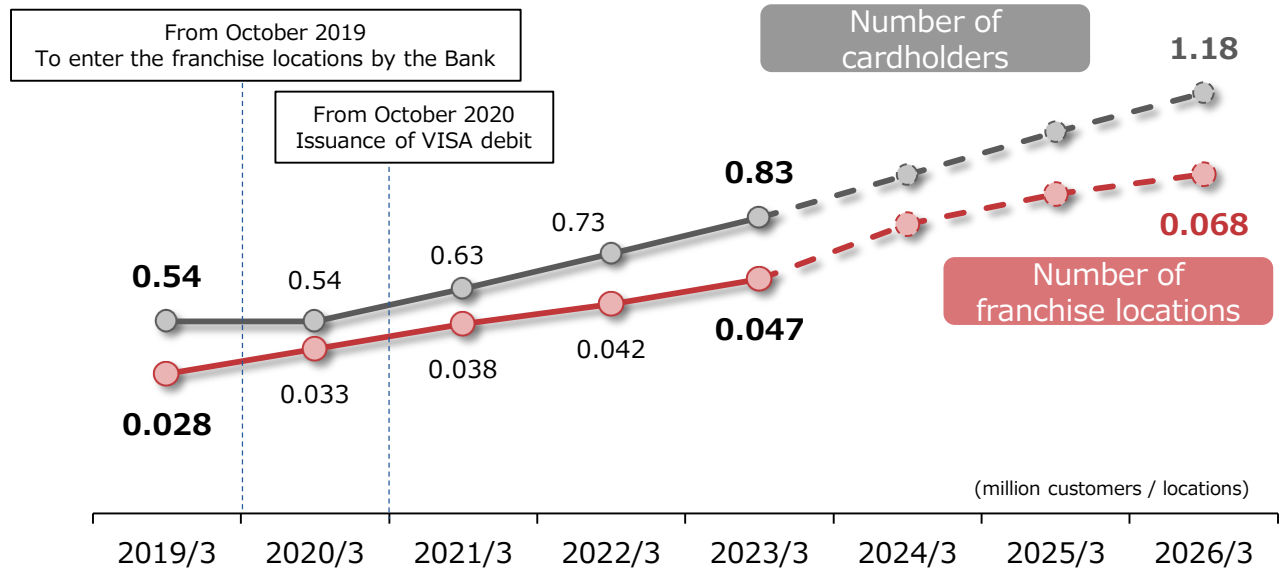
Net credit costs / Ratio



New non-performing loans

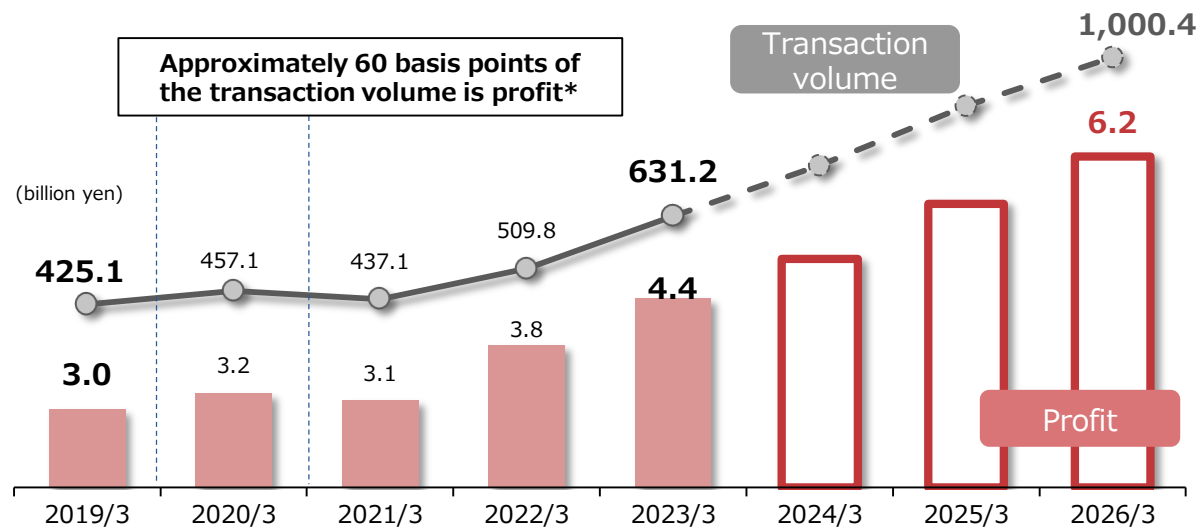


Number of group cardholders and franchise locations

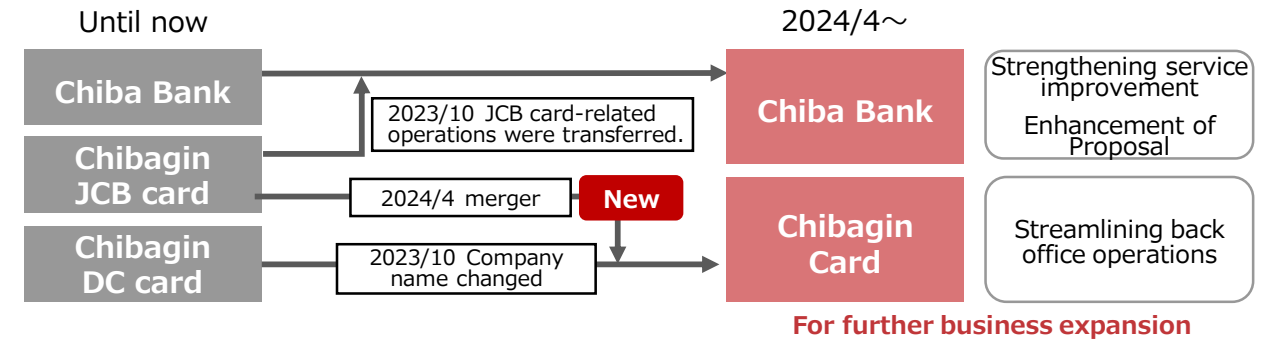


Group transaction volume and profit

*Profit of group company are calculated based on the same criteria as the banks (Fees and commissions received).



Completion of group business restructuring



New Initiatives

franchise locations by the Bank



Visa Debit



Enhancement of point of sale register function

- Linking point of sale register and payment terminals (For dispensing pharmacies)
- Provision of mobile point of sale services

Signing of agreement regarding referral of franchisees

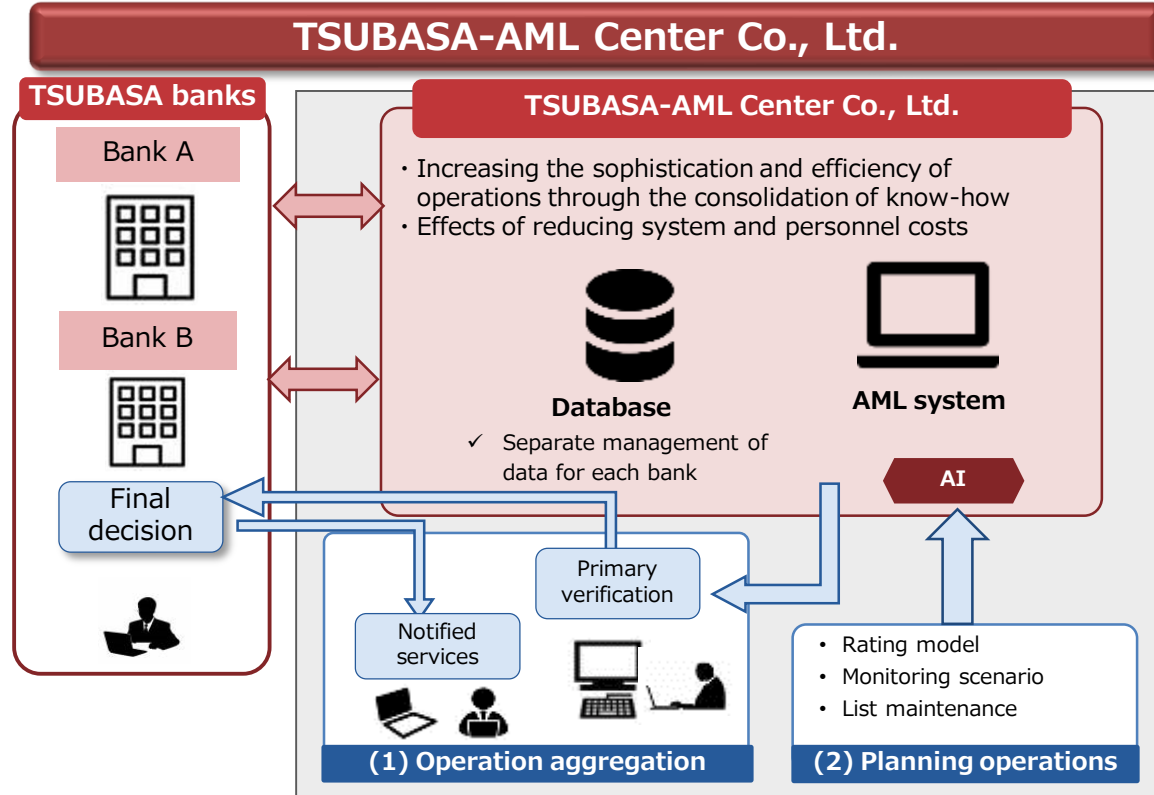
Choshi Tourism Association (February 2024)

In the future, contracts to be signed with another tourism association

Strengthening cooperation with app

- Single sign-on connection from app to debit cardholders website (planned)
- Application function (planned)

Enhance non-financial services and diversify profits by entering new business fields

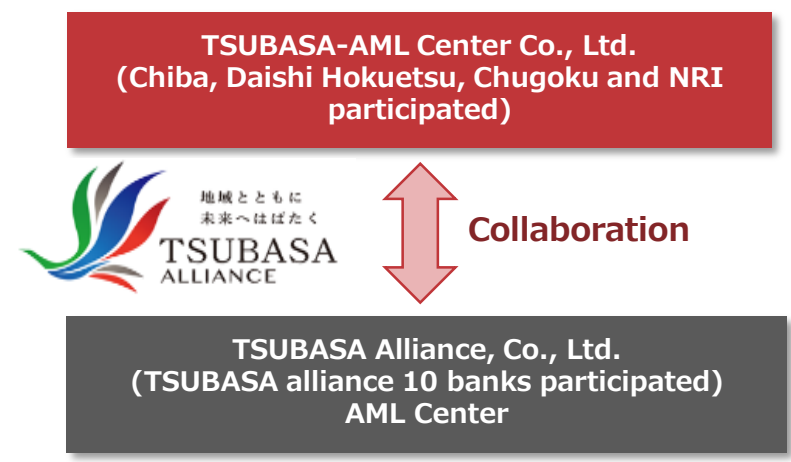


Metaverse

New home showroom experience is offered by Metaverse New



Energy business



Wholly-owned subsidiary Himawari Green Energy Co., Ltd.

- Power generation management**
Operation/management of power plants
- Sale of energy**
Sell and generate energy in-house
- Others**
Consulting service
Environmental value referral

Chibagin Group

Energy retailers

Regional customers

Starting operation of the power plant New

1st Asahi Power Plant Dec. 2023

2nd In multiple cases under consideration

3rd In multiple cases under consideration

Annual electricity production
About 12,600 MWk

Number of households
About 3,500 households

Starting intermediation of Feed-in Tariff non-fossil certificate (Mar. 2024) New

Continue to enter new business fields to enhance non-financial services and diversify profits

Regional trading company: Chibagin Market

STEP1 regional production

"Trigger regional revitalization" within Chiba

Crowdfunding



EC site



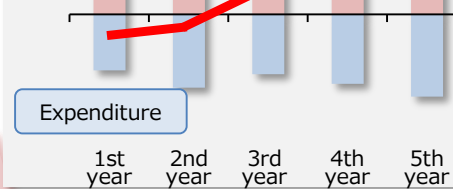
Branding



Revenue image

Income

Income summary



Expenditure

1st year 2nd year 3rd year 4th year 5th year

Expect to be profitable in FY2023 (3rd year) as originally planned

House purchase concierge

25-49 years old
No housing loans with the Bank

About 1.6 mil. customers

About 4 mil. customers

1

Statistically grasped through e-mail marketing

0.25 mil. customers (about 15%)

have the potential to consider purchasing a home

Concierge service target

2

The bank's Digital Strategy Division is also using the database to identify potential homebuyers out of 4 million customers.

Strengthening channels to approach targets

Website advertising

Landing page production

Owned media

Auto leasing for individuals



Starting to provide services for group executives and employees



Service sophistication to be expanded to general customers

CHIBA BANK Chibagin Leasing

Chibagin Market

Identify needs and issues

Consideration of car concierge

Establishment of new business model that stands upstream of commercial distribution

CHIBA BANK

Uncover hidden needs through data utilization/personalization

Chibagin Market

CHIBA BANK



Chibagin Leasing

House purchase concierge service

CHIBA BANK Chibagin Market

Realtors

Support consumption activity of new lifestyles and "Connect to life"

[Major Areas]



Health/nursing



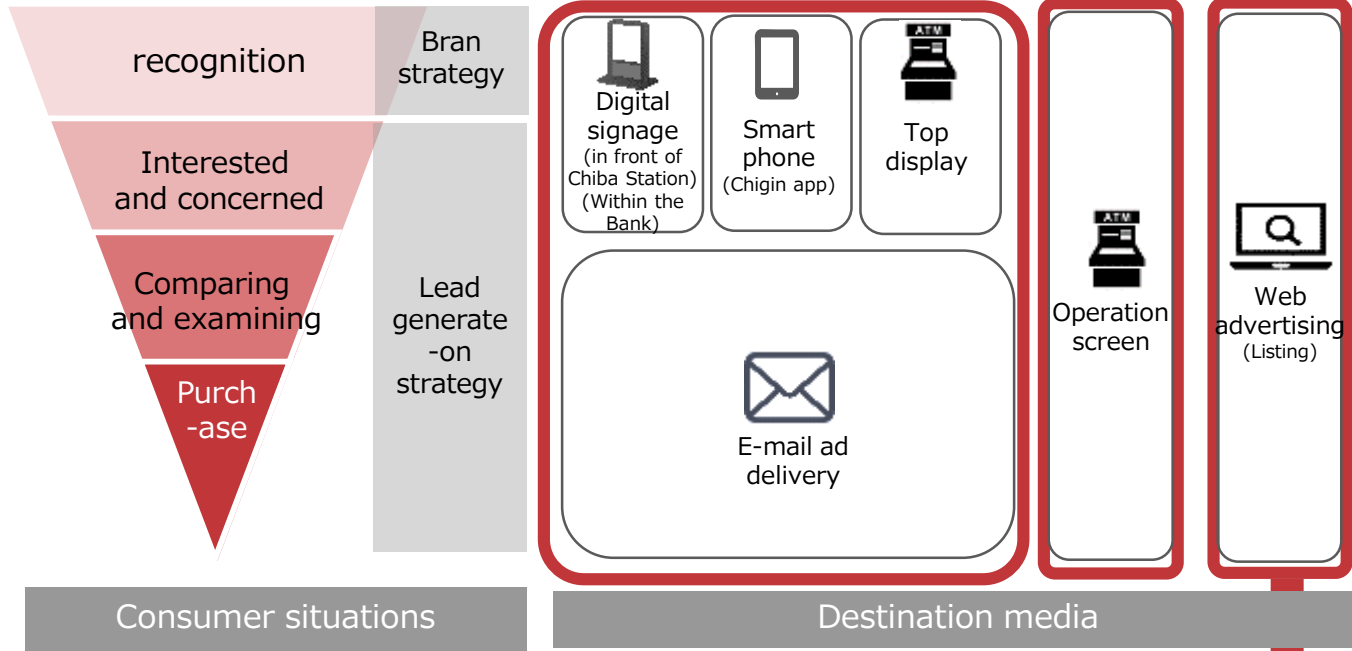
Education



Food retailers

Providing services at every stage, from brand recognition to purchase of products and services by consumers

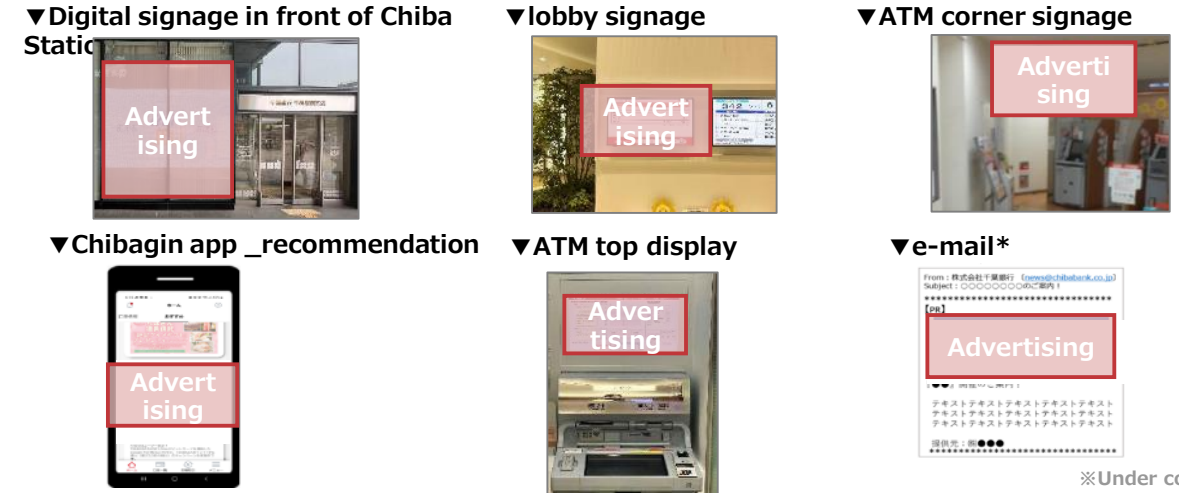
Brand awareness and response media



Advertising consulting services



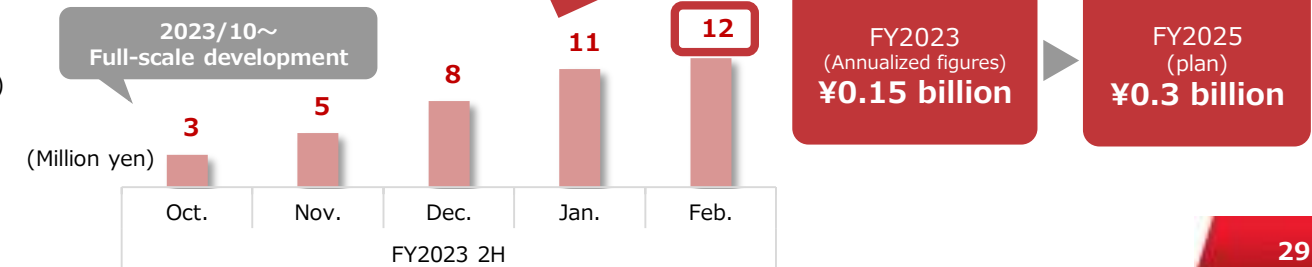
Advertising media business



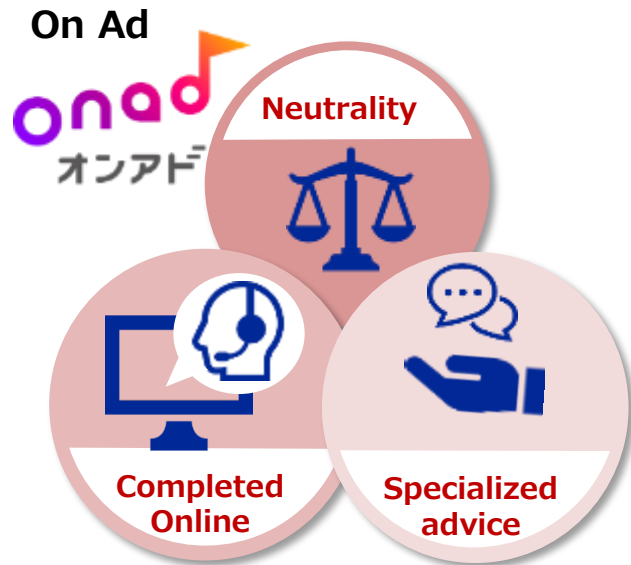
Type of media	Number of sites	Number of Ad space
Digital Signage in Chiba Station	One place	12 spaces
Branch lobby signage	152 stores	270 spaces
ATM signage	93 stores	270 spaces
ATM top display	12 stores	108 spaces
App (Number of Registrants)	0.94 million	3 spaces
Total advertising spaces		663 spaces

As of the end of March 2024
Ratio of contract
About 34%

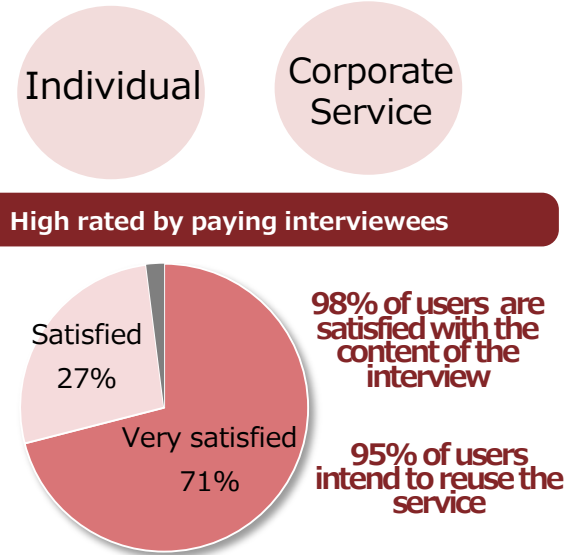
Gross business profit



Remote Financial Consulting Service: On ad



Contribution to "Financial Wellness"



High-level solutions via real estate funds

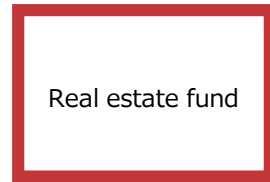
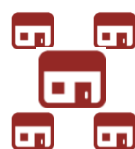
Step-by-step expansion of the pipeline while deeply exploring each customer's management issues

Examples of management issues

We want to develop a new logistics facility, but we don't want to expand balance sheet



We want to liquidate fixed assets to fund new store openings and store renovations.



Other ongoing projects
Office
Residence
Logistics facilities
Community-based commercial facilities
Hotels, etc.

Joint Business Plan (JBP) with Google Cloud

Agreed in January 2024 New



Utilization of Google's marketing tool, Google Cloud

Marketing with online advertising and video

Data analysis technology with Google Cloud's AI and machine learning

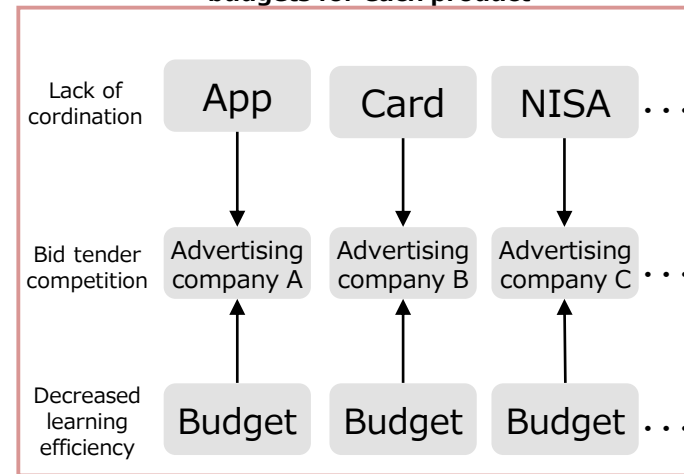
Development of cloud data environment

Enhancing One-to-One marketing

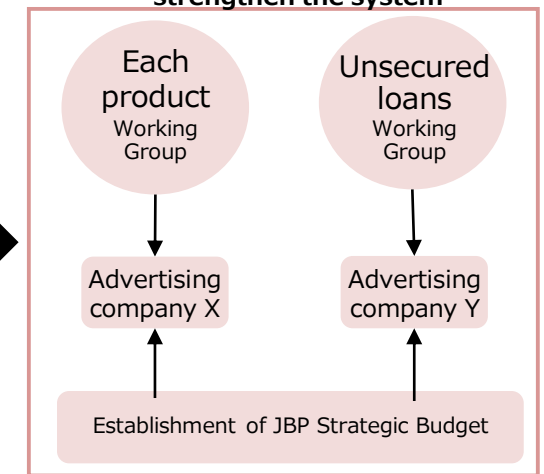
Accelerating the accumulation of know-how through JBP by strengthening the system

Different advertising companies and individual budgets for each product

Organize into two working groups and strengthen the system



Diversification/inefficiency



Consolidation/efficiency

Build an organization that creates new social value based on the "two human resources strategies"

Purpose Vision

To create a local community better suited to bringing each person's hope to life
 An Engagement Bank Group that works closely with the community

Mission in the human resources section

Human Resource Development Policy: Become someone who keeps fighting for the customer
 Based on our human resources development policy, we will actively invest in human resources development to enhance the capabilities of each and every employee of the Group, leading to the sustainable growth of the local community and the Group.

- ✓ Develop human resources approach people and work with sincerity as professionals
- ✓ Develop human resources who can think and act autonomously with empathy for the Purpose
- ✓ Respect each employee's hope and create a comfortable workplace

The mid-term plan human resource strategy

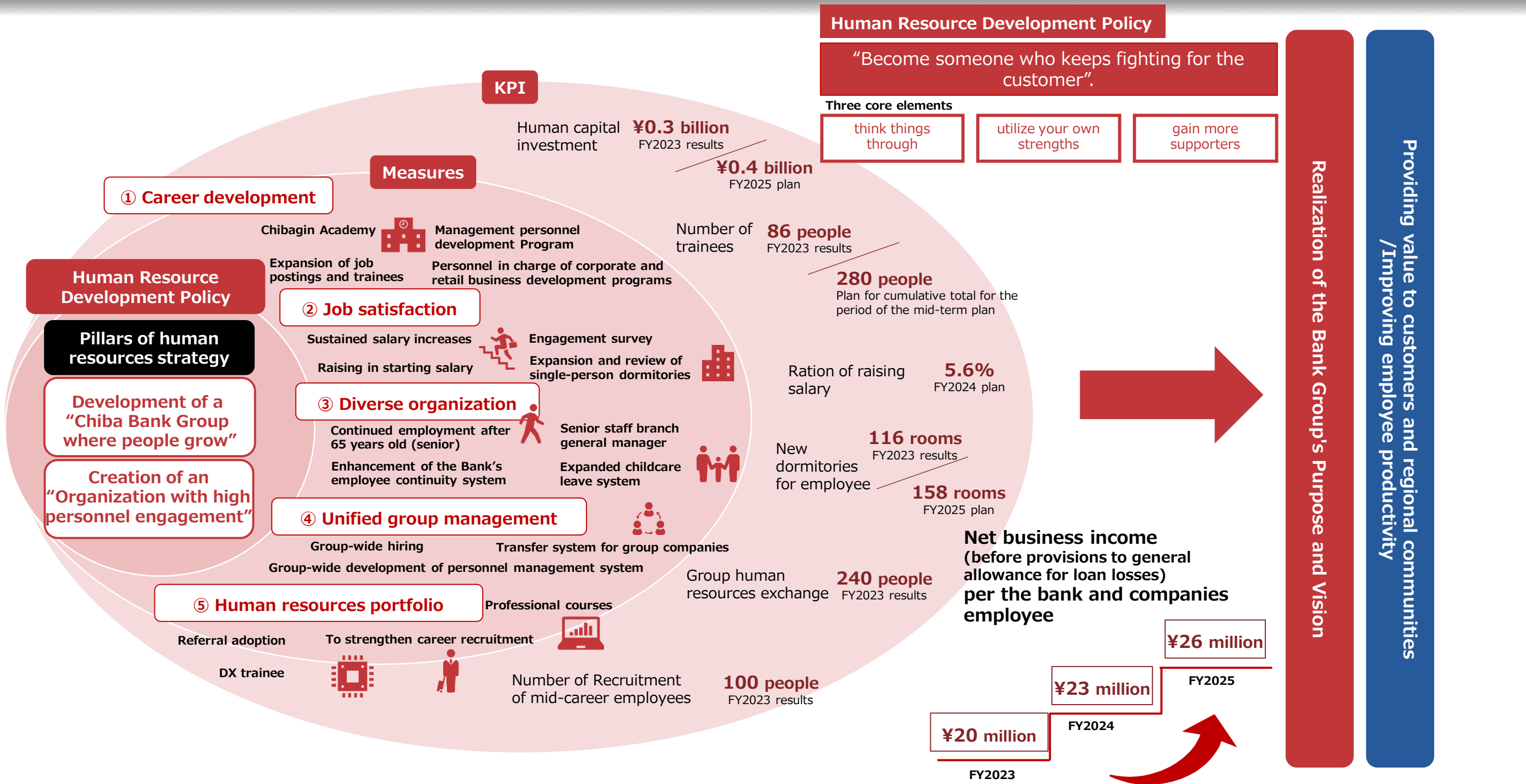
Development of a "Chiba Bank Group where people grow"



Creation of an "Organization with high personnel engagement"

Major initiatives recently

① Career development	② Job satisfaction	③ Diverse organization	④ Unified Group management	⑤ Human resources portfolio
<ul style="list-style-type: none"> ➢ Support for growth Development of management personnel / personnel in charge of corporate and retail business ➢ Support for Challenges Expansion of job posting and trainees 	<ul style="list-style-type: none"> ➢ Raising salary Raising starting salary Basic salary raising ➢ Expansion and revision of dormitories 	<ul style="list-style-type: none"> ➢ Supporting the activities of senior and veteran employees 	<ul style="list-style-type: none"> ➢ Group personnel exchange Establishment of Transfer system from the group companies ➢ Standardization of personnel management system ➢ Unified group recruiting 	<ul style="list-style-type: none"> ➢ To strengthen career recruitment ➢ Establishment of Professional courses ➢ To Continue DX trainees



Expansion of investment amount and number of employees trained (investment target) / Development of the system that enables diverse human resources to play an active role

Personnel development

Previous Mid-term Plan results
(2020/4~2023/3)

148 people

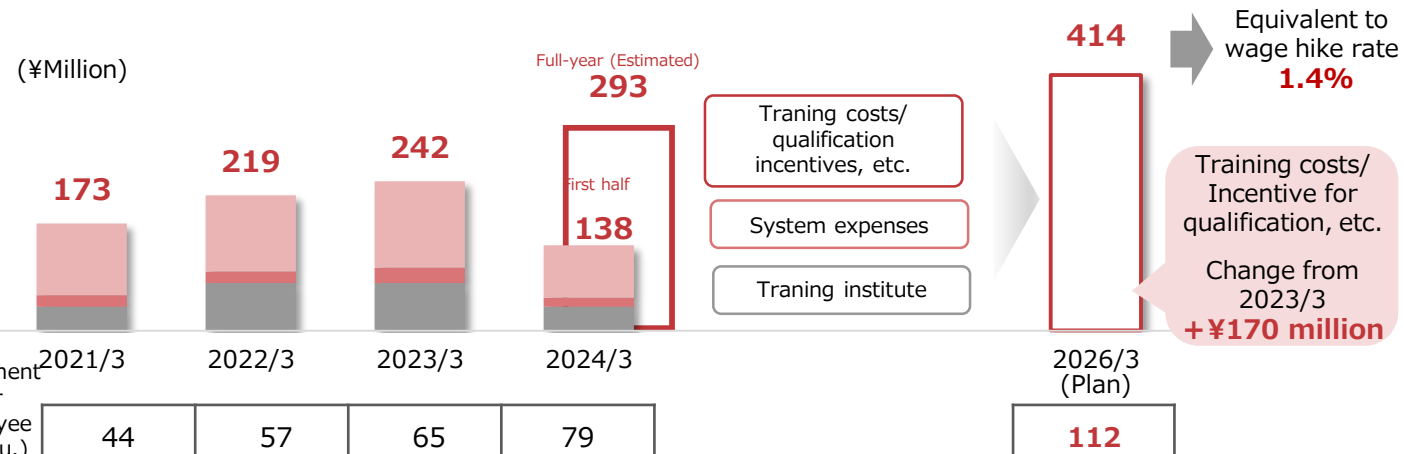
nearly **Doubling**

Current Mid-term Plan
(2023/4~2026/3)

280 people

	FY2023 results	Mid-Term Plan (cumulative total)
Corporate sales	10 people	50 people
Retail sales	10 people	50 people
DX personnel	25 people	60 people
External trainees dispatch	30 people	90 people
Management personnel	11 people	30 people
Total	86 people	280 people

Human capital investment



Introduction of a new personnel system (from April 2024)

Professional courses New

Establishment of job/specialist-type personnel system

- Appointed in specialized fields
- Job-based salary only
- Design to increase the range of bonuses due to job performance

• Expansion of career recruitment of highly-skilled specialists

• Retention of existing professionally oriented the bank employees

Transfer system from the group companies New

Group companies → Transfer to the Bank

• Relocation of employees within the group for existing group companies employees with high motivation and ability

• Expanding dif. Between consolidated and non-consolidated through the revitalization of the group companies

Measures to raise salary for each level

Basic salary increase New

Policy to implement the average salary raise of 5.6% (July 2024)

Raising in starting salary New

0.23 million yen

0.26 million yen

From April 2025

Supporting the activities of veterans New

[Bank employees (over 55 years old)]
• Increase the position promotion of employees over 55 years old

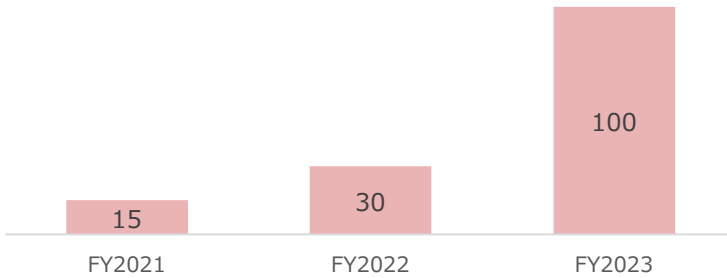
[Senior (over 60 years old)]
• Position promotion system
• Introduction of bonuses
• Continuing system over 65 years old

Expansion of investment amount and number of employees trained (investment target) / Development of the system that enables diverse human resources to play an active role

Recruitment of mid-career employees

Career hiring trends

(People)



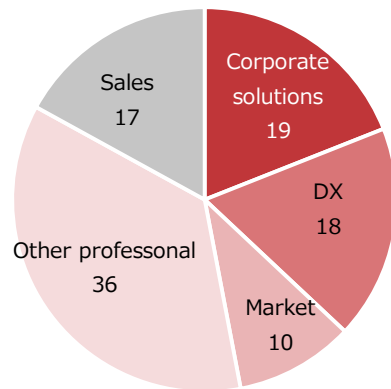
※Includes temporary employees, dispatched employees, and employees on secondment.

Recruitment channel

- Recruitment consultancy service
- Advertising placement
- Scouts from job information websites
- Referral
- Direct application from websites

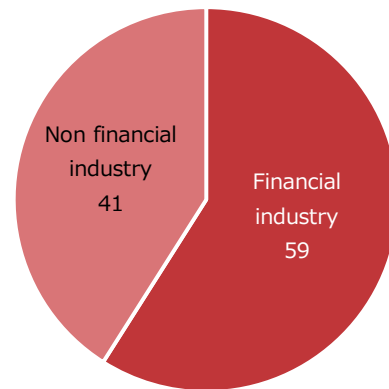
Breakdown of recruited career

(People)



Breakdown of former industry

(People)



Group unified human resources management

New

Unified group recruiting (new graduates joining the bank in April 2024)

- Chigin Computer Service (CCS)
Joined the bank as the engineer course (13 employees) and assigned to CCS
- Chibagin Securities and Chibagin Leasing: Hired in the same course as the bank general employment

Enhancement of group human resources management (from April 2024)

New

Introduction of the bank-implemented talent management system to all group companies

- Implementation of group unified personnel measures
- Deepen understanding of personnel among group companies and work closely with together

Chibagin Academy

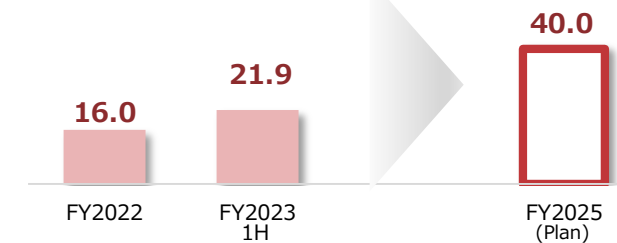
Launched in April 2023, and released more than 5,000 titles under 1,511 titles.

※Plan to expand the content in the future

Learning time results

※ Calculated on average total study hours per person per year

(hours)



At any time, anywhere, or many times

Unify learning tools

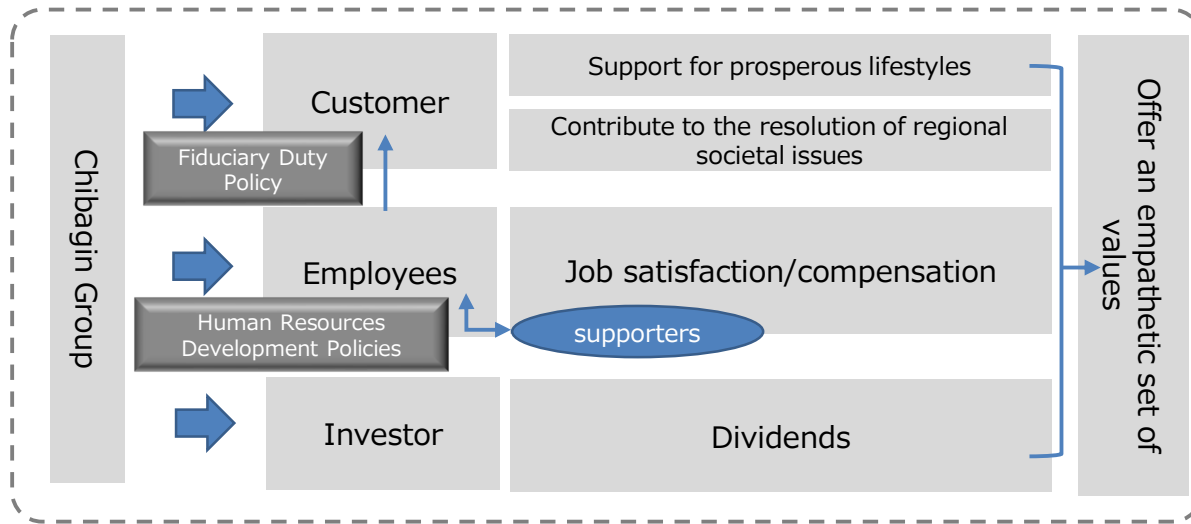
Individualized training programs

Action based on Business Improvement Plan



Purpose

To create a local community better suited to bringing each person's hope to life



Fiduciary Duty Policy -Policy for acting "for the customer"-

**Human Resources Development Policy
-Policy for "Promoting the growth and development of employees"-**

"Become someone who keeps fighting for the customer".

think things through

utilize your own strengths

gain more supporters

Three Pledges - Action principles for the achievement of the Purpose and the implementation of fiduciary duty-

Whenever making a proposal to a customer or making a business decision, we always stop and think, will this proposal or decision lead to

the realization of the customer's wish

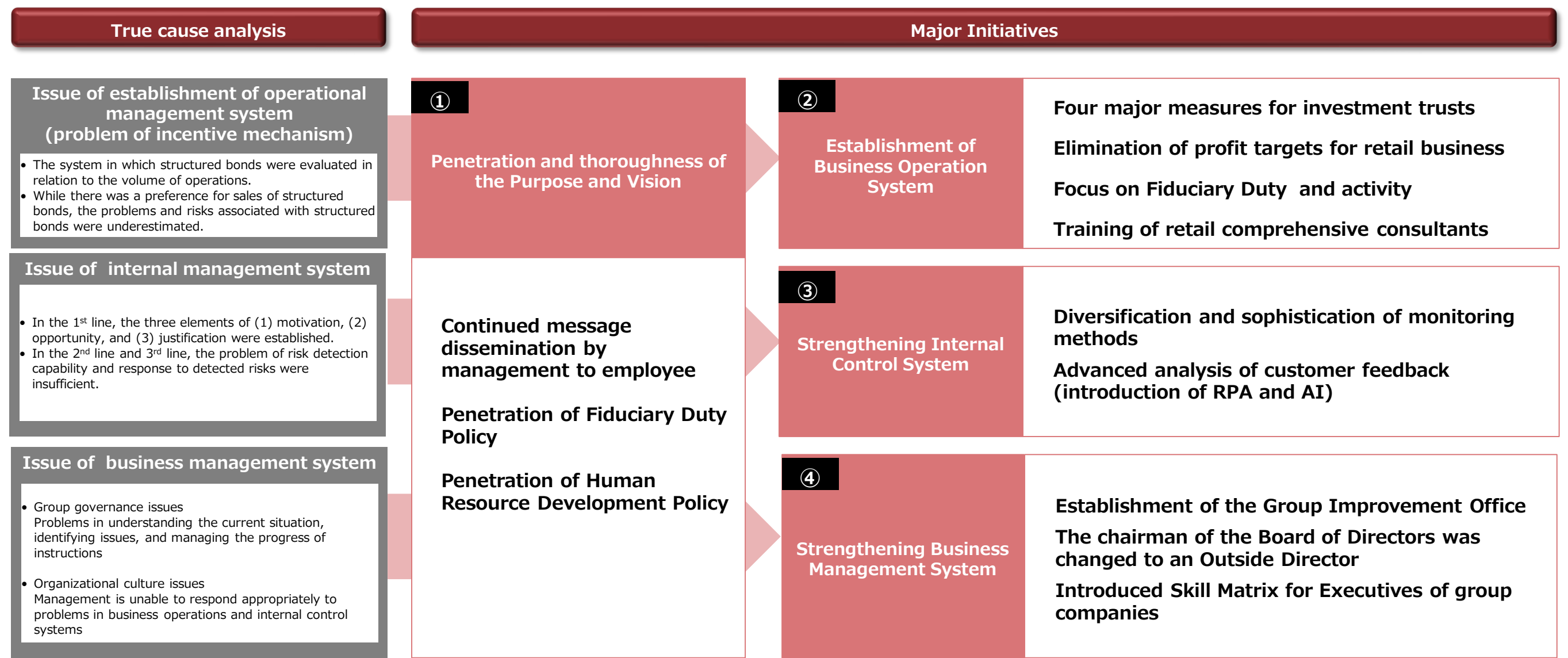
a solution to the customer's problem

the realization of prosperous lifestyles for the customer

Vision

An Engagement Bank Group that works closely with the community

The most important initiative is the penetration and thoroughness of the Purpose and Vision etc., which are common to all issues.



List of Major Measures

To create a local community better suited to bringing each person's hope to life

① Penetration and thoroughness of the Purpose and Vision	Implementation timing	Implementation*1	Add*2
Displaying the Purpose and Vision on internal PCs and business cards	September 2023	●	
Reviewed Fiduciary Duty Policy, established Fiduciary Duty Handbook	October 2023	●	
Established Three Pledges	October 2023	●	●
Monthly Fiduciary Duty study meeting by all employees	October 2023	●	
Career support based on human resource development policies at personnel interviews	October 2023	●	●
Discussion by project team (two subcommittees in the bottom)	December 2023	●	●
On the 23rd of every month, distributed video messages by Directors	December 2023	●	
Start of Fiduciary Duty hearing	December 2023	●	●
Senior management and compliance training	December 2023	●	
Implemented Fiduciary Duty Special Award	2H of FY2024	●	●
Linking performance reviews to human resource development policies	April 2024	●	●

② Establishment of the operational management system	Implementation timing	Implementation*1	Add*2
Implemented the four major measures concerning investment-type financial instruments	April 2023	●	
Specialist training in retail comprehensive consulting	April 2023	●	
Training and video distribution for Fiduciary Duty, behavioral change to focus on activity volume	September 2023	●	●
To eliminate banks' profit targets for the retail business	October 2023	●	
Eliminated return of profits incentives completely from the Securities transactions based on the Bank referrals	October 2023	●	

③ Strengthening internal control system	Implementation timing	Implementation*1	Add*2
Conducted engagement survey	September 2023	●	
Opened Chotto line to group companies	September 2023	●	
Newly established practical training for newly appointed internal administration supervisors	October 2023	●	
Introduced conformity verification tools	March 2024	●	
Introduced 360-degree evaluation to group companies	1H of 2024		
Review of the 2 nd line system (establishment of the Customer Support Monitoring Office)	October 2023	●	
Customer interviews by headquarters staff about sales of financial products	December 2023	●	●
Advanced analysis of customer feedback (introduction of RPA and AI)	September 2024		
Diversification and sophistication of monitoring methods (Phone recording system, voice and video recording of visits,)	September 2024		
President as in charge of the Audit Department and deeply involved in PDCA	October 2023	●	
Introduced culture audits	March 2024	●	
Through participation in the meetings of the Securities Audit Department by the Bank's Audit Department, strengthening group cooperation in the auditing department	September 2023	●	

④ Strengthening Business Management System	Implementation timing	Implementation*1	Add*2
Dispatch of Directors and general managers from the bank to the securities	April 2023	●	
Establishment of the Group Improvement Office	October 2023	●	
Implemented customer satisfaction surveys for all group companies customer	November 2023	●	●
The chairman of the Board of Directors was changed to an Outside Director	April 2024	●	
One on One meeting with the president of group company presidents	September 2023	●	
Opinion exchange meetings between the bank Directors and group companies	September 2023	●	
Introduced Skill Matrix for Executives of group companies	April 2024	●	

*1 Including ongoing measures after implementation
 *2 Based on the findings obtained in the course of implementing measures, it was added from the operation improvement plan originally submitted.
 *3 The measures that are currently under consideration and have not yet been implemented are highlighted

Measures

Penetration and thoroughness of the Purpose and Vision

Continued message dissemination by management

Penetration of Fiduciary Duty Policy

Penetration of human resource development policy

Establishment of business operation system

Four major measures for investment trust

- App for investment trust
- Okane no Basket (Money Basket) (suggestion tool)
- Complete paperless operation
- Chigin Money Guide (portal site)



Elimination of profit targets for retail business

Focus on Fiduciary Duty and activity

Training of retail comprehensive consultants

Verification of the actual situation

Building of internal management systems

P40

Verify problems and improvements by establishing a wide variety of mechanisms to collect customer feedback and feedback from individual workplaces and employees.

< Feedback from customer >

CX survey

NPS survey

< Feedback from workplace and employees >

Purpose and Vision Penetrate Project Team

Engagement survey

Unsigned and signed questionnaire

360-degree evaluation

Chotto line

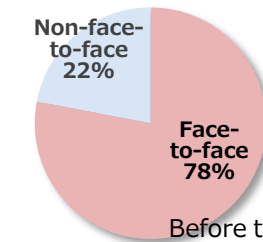
Internal hotline system

Interviews with the Audit and Inspection Division and the Group Improvement Office

Change (output)

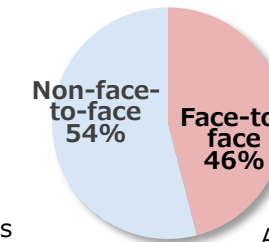
Changes in channels (sales of investment trusts)

May 2023



Before the Business Improvement Order

February 2024

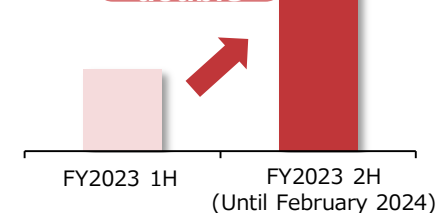


At present

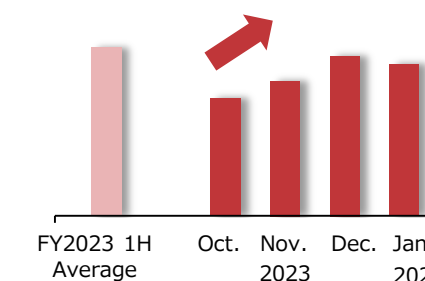
Change in activity volume

Number of effective interviews with retail customer

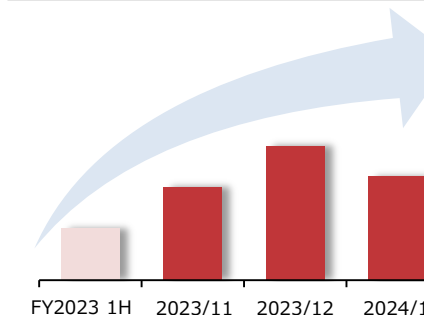
Approx. double



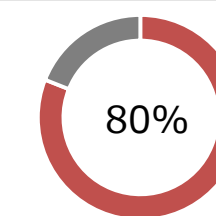
Sales result of financial products



Improvement in customer satisfaction (NPS)



Employee engagement



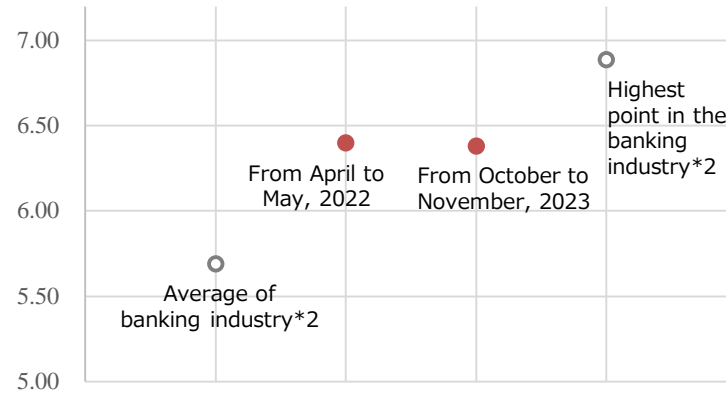
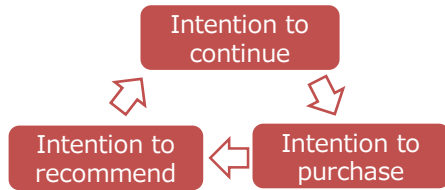
Sympathize with the Chiba Bank Group's Purpose and Vision

Detail on the next page

External evaluation

CX index *1

Three intentions to calculate CX indicators



※1 CX index is based on CXMM® of Nomura Research Institute, Ltd. CXMM® is a registered trademark of Nomura Research Institute, Ltd. <https://www.nri.com/jp/service/solution/fis/cxmm> (Japanese)

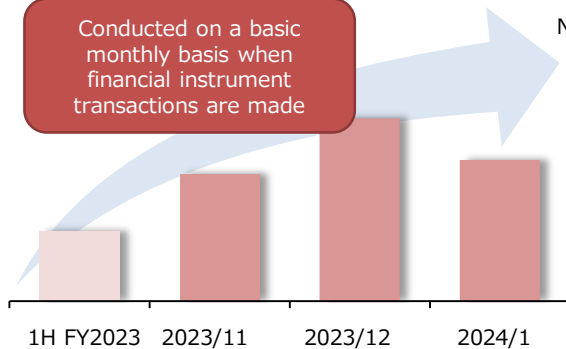
※2 CX Benchmark Survey FY2023 is a survey conducted by Nomura Research Institute, Ltd. Implementation period: December 2023

NPS® Questionnaire*3

Conducted on a basic monthly basis when financial instrument transactions are made

NPS® is an index for measuring customer satisfaction based on the degree of recommendation.

(Percentage of respondents scoring 9-10 points - Percentage of respondents scoring 0-6 points)

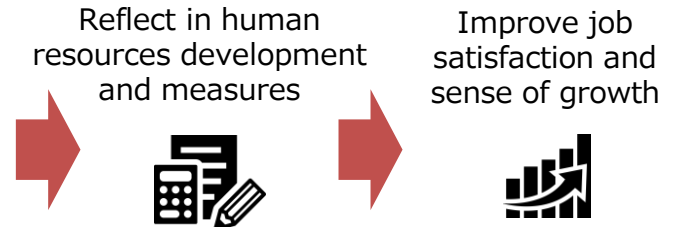
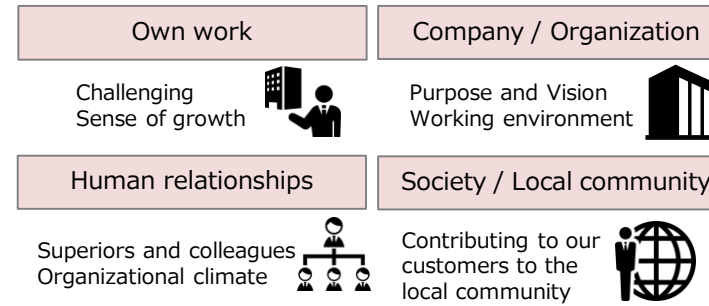
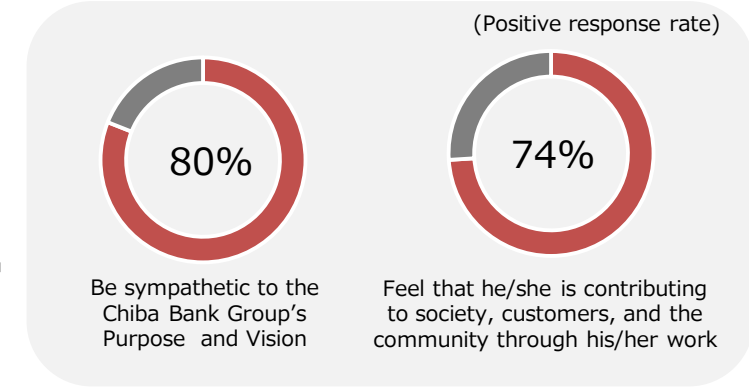
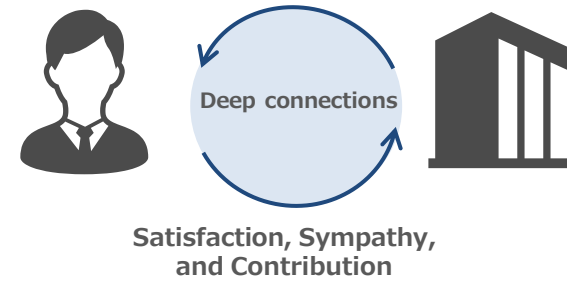


※3 NPS® is registered trademark of Bain & Company, Fred Reichheld, Satmetrix Systems

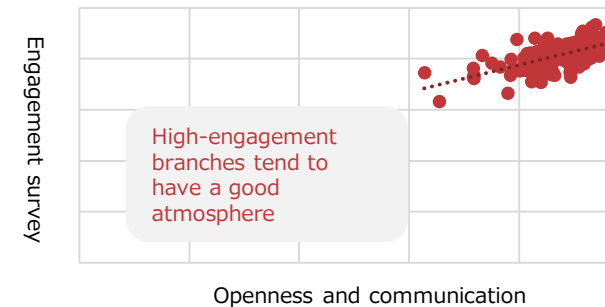
Internal evaluation

Engagement survey

Environment, Evaluation, Treatment, and Compensation

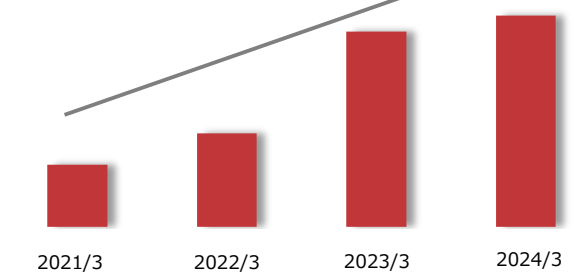


Compliance questionnaire

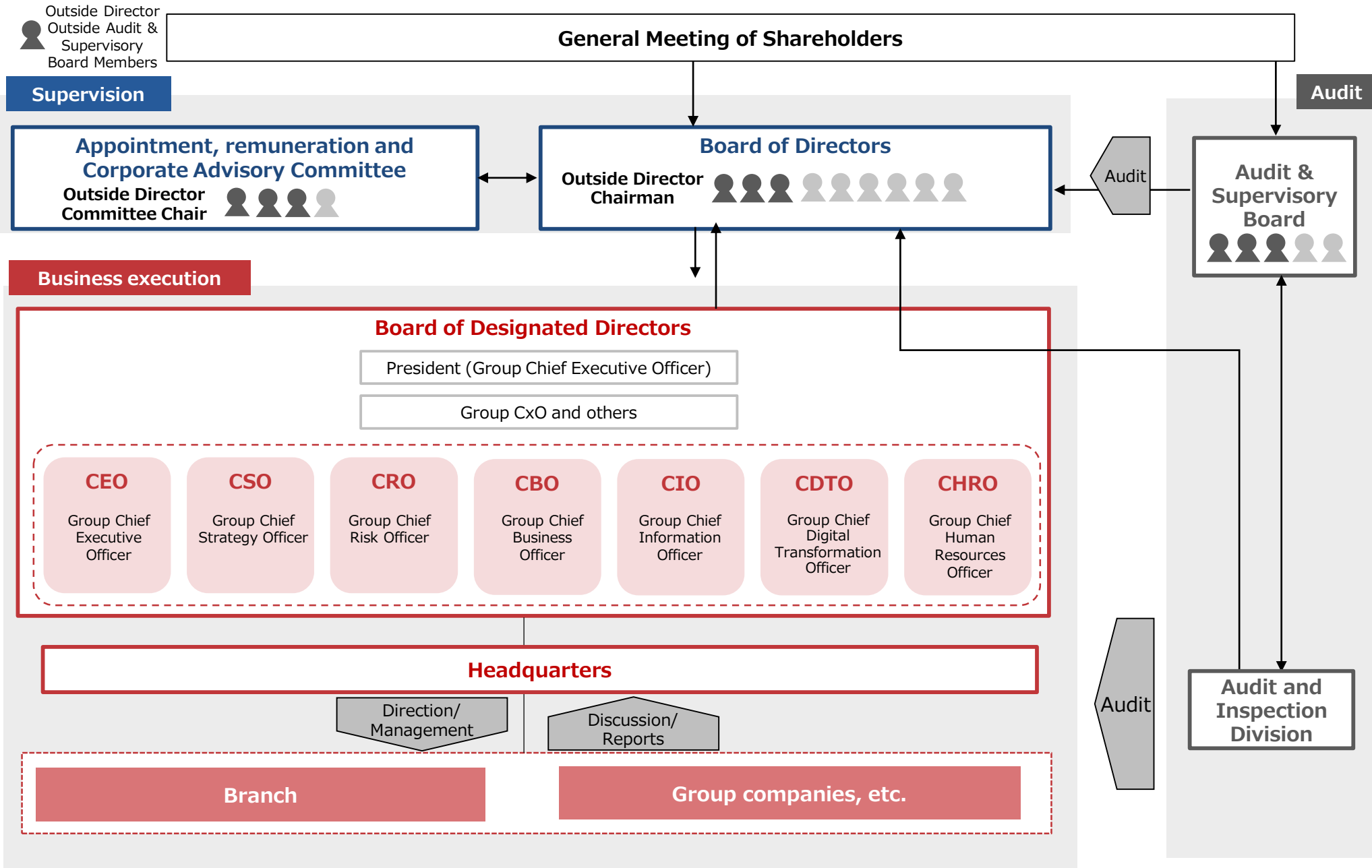


Internal hotline system

Increase in the number of users



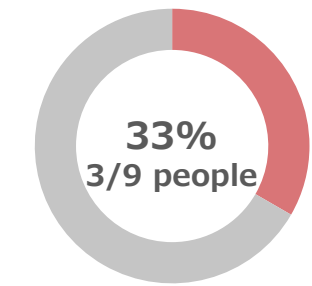
Strengthen efforts to enhance governance



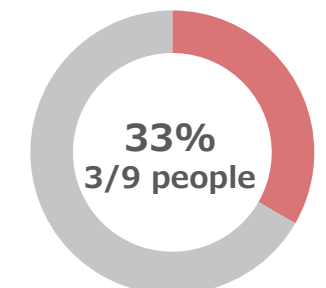
Advanced Corporate Governance New

- Changed the Chairman of the Board of Directors to an Outside Director (April 2024)
- Appointed the Bank's first representative director (April 2024)
- Shorting terms of office for directors (2 years ⇒ 1 year) (scheduled for June 2024)
- Introduced Performance-Linked Restricted Stock Remuneration Plan (scheduled for June 2024)

Ratio of Independent Directors



Ratio of Female Directors



Inquiries related to this presentation should be addressed to:

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