



The Chiba Bank website
[IR Library]



Chiba Bank IR Day (DX strategy)



April 8, 2024

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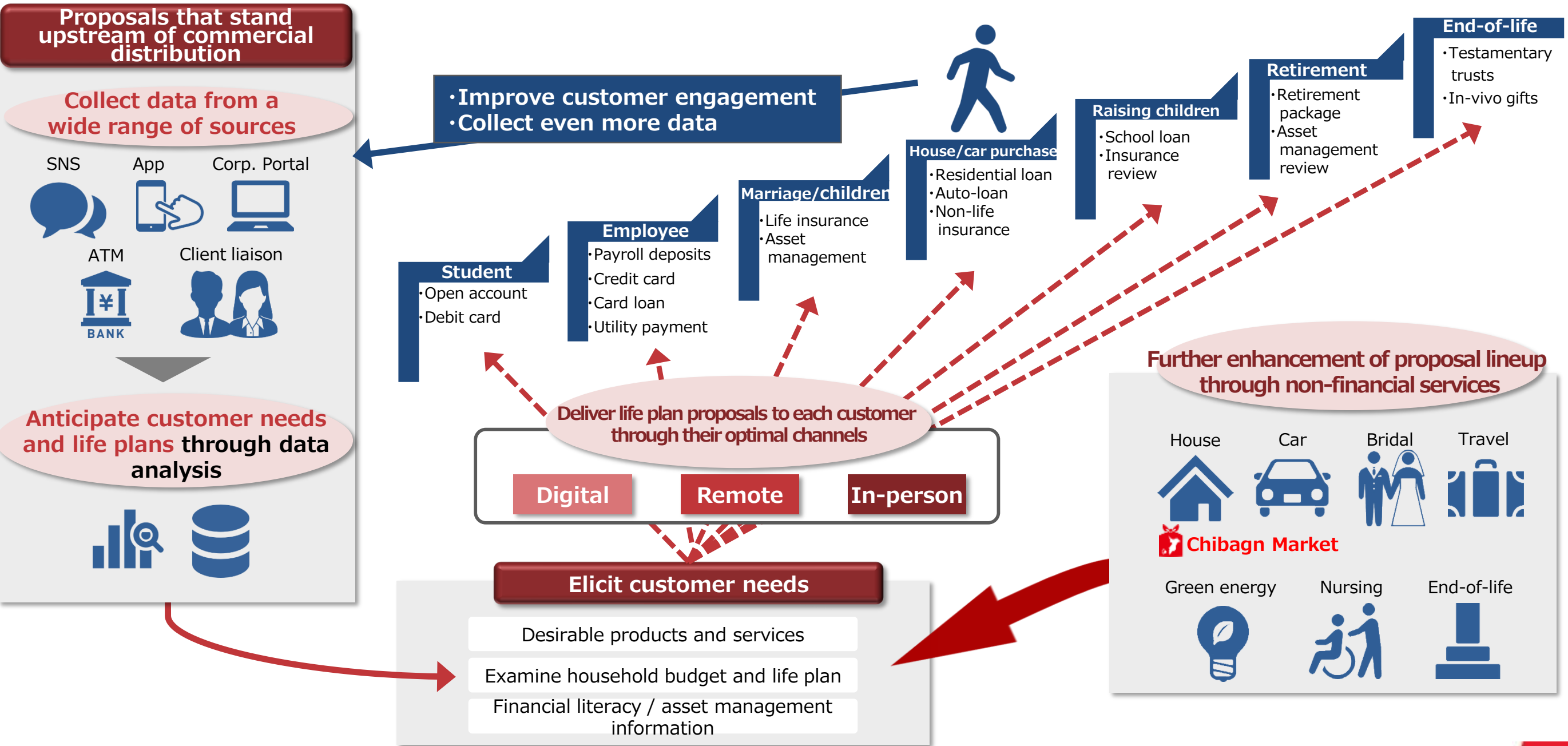
Overview of the DX Strategy



Evolution of the customer-focused business model



Utilize data to make proposals that address each customers' issues in order to build a fanbase



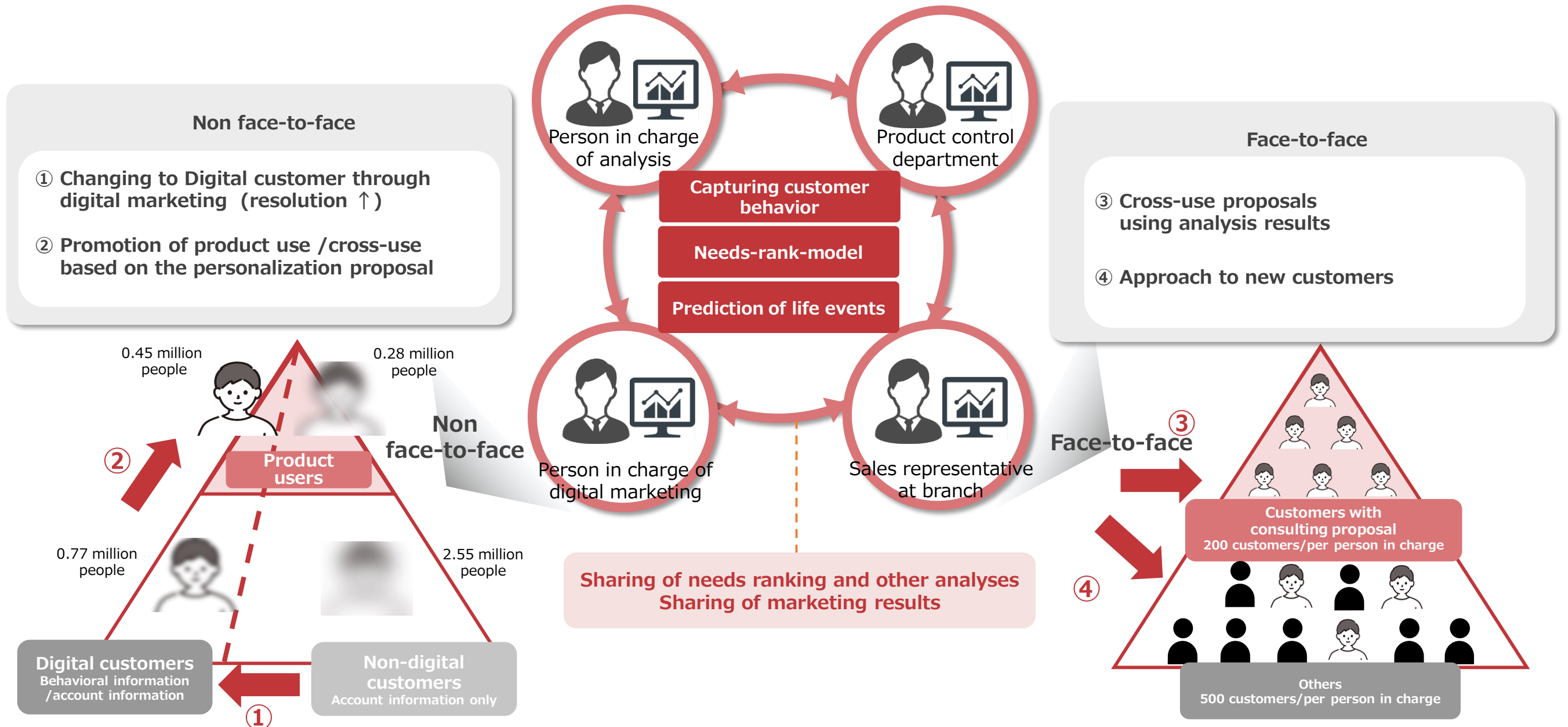
Connect local customers and businesses to build an economic cycle



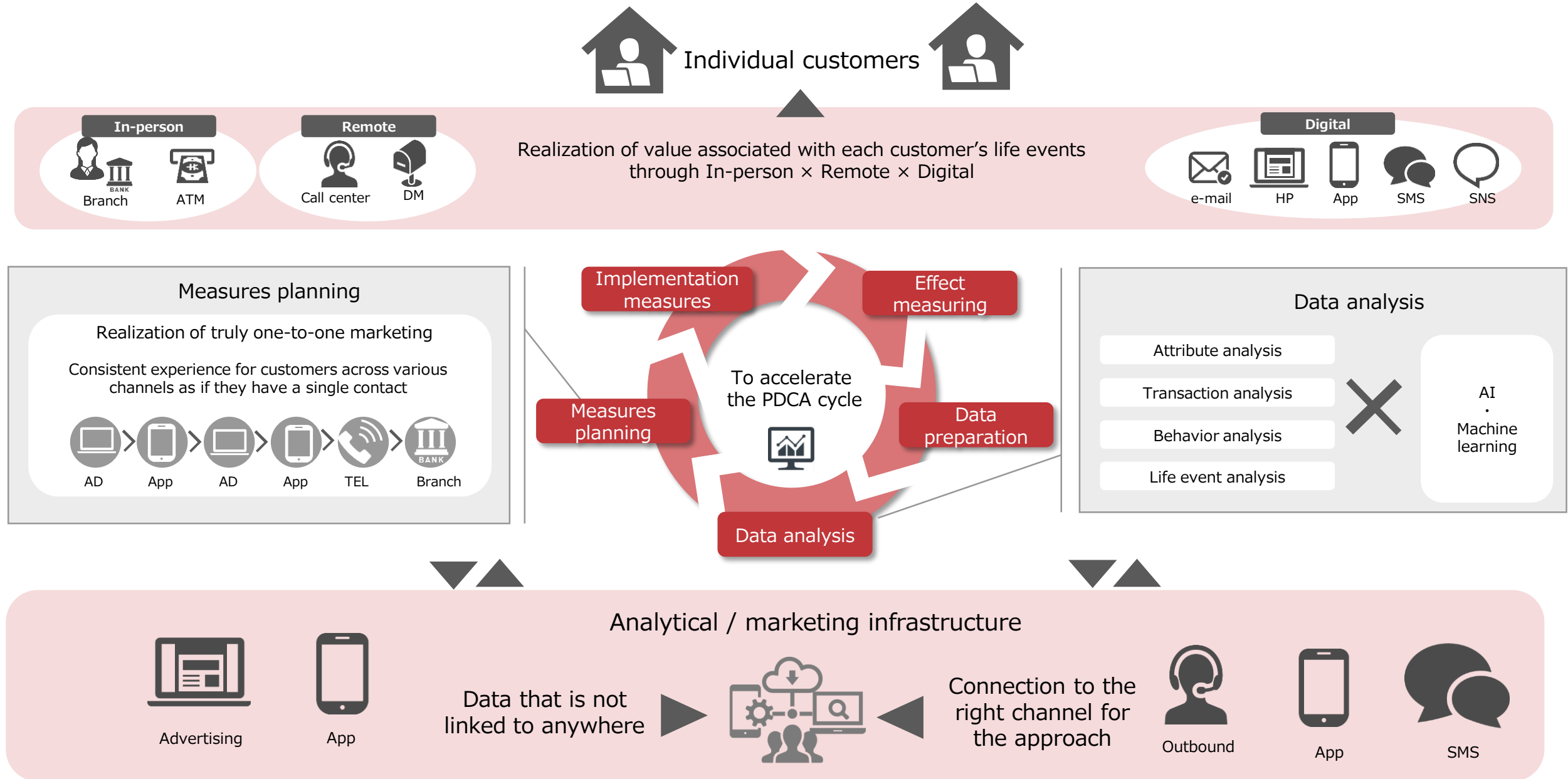
Creating the Optimal Customer Experience



Digital marketing by specialized division in headquarters × cross-use proposals made from sales representative at branch for each person using analysis results



By centralized management of all data, accelerate the marketing PDCA cycle from analysis to effectiveness measurement



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

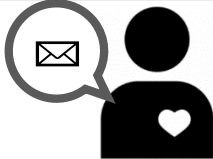
Approach by person in charge

Predicting interests and needs

We can see which customers are actually interested

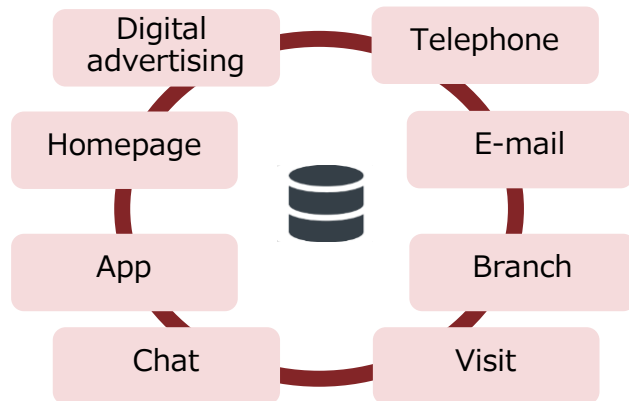
Timely approach to interested customers

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"

Face to face proposal DM
 Telephone E-mail
 App notification

Chiba Bank understand me...

Become Chiba Bank Group fans

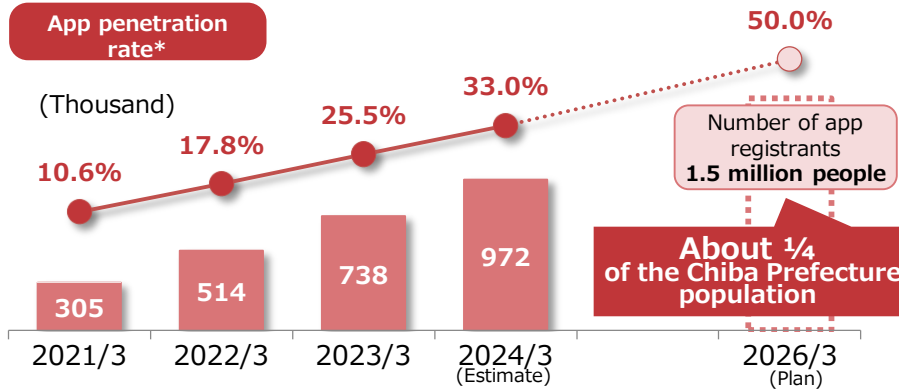
- For the Bank's growth
- Expansion of cross-use
- Improvement of productivity
- Further improvement of gross business profit per employee

Developing an app that can solve any problem



Solve any problem through a single channel

Number of app registrations / penetration rate



*Number of Chibagin app registrations ÷ number of individual active customers

■ Number of app users per day **About 150 thou. people**
As of the end of February 2024

Expand functionality

Familiar financial services via the app

Digitalize branch transactions

Fulfillment of financial services

Convenient and safe services

Connect to life

Collaboration with other services

Increase customer contact points

Personalization

Transaction/asset visualization, proposals tailored to customers

Improved UI/UX

Comfortable smartphone experience

Simple operation, exciting design

Communication

Consulting anytime, anywhere

Smooth communication/coordination with in-person transactions

Implemented already

Future plans

FY3/25

From FY3/26

- Barcode payment
- Payments/transfers
- Balance/transaction statement
- Timed deposits/cancelations/account openings
- Online account openings/transfers

- Loan repayment schedule
- In-app loan
- Trust Inquiry
- Trust account openings

- Google Pay/Apple Pay
- Unified local tax QR
- API collaboration

- App promotion incorporating data analysis results
- Notice of debit schedule

- Customization
- Passbook mode (detail search, memo registration, etc.)
- Continual improvement of conducting wire, buttons, etc.

- Branch appointments
- Introduction of friends
- Advertisement delivery

- Public personal authentication
- Registration of public money receipt account
- Notifications
- Ongoing customer management
- Securities account balance
- Foreign currency deposits/insurance

- Collaboration with local governments, other industries, My Number system

- Asset/contract information listing
- Engagement tool

- Continual improvement of UI/UX
- Authentication collaboration to other channels

- Chat/online consulting, etc.

Customer experience changes steadily by providing app

Providing highly convenient app

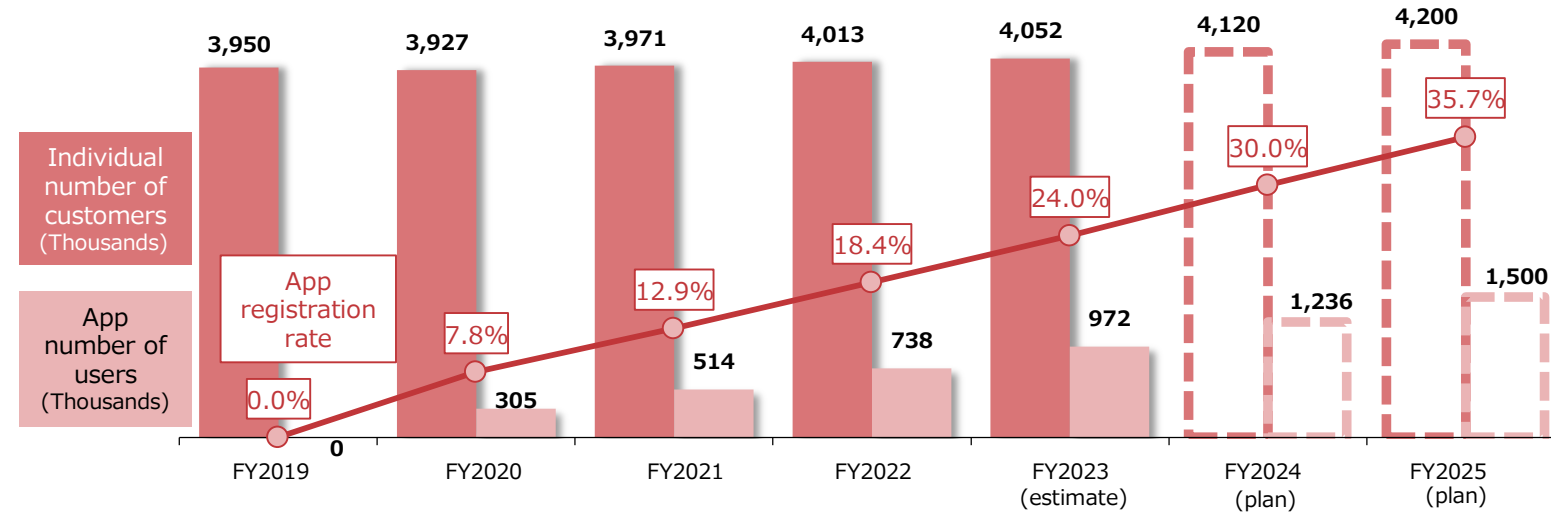


At present

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

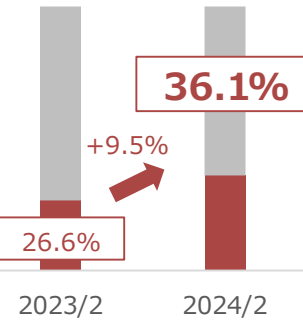
Number of individual customers / app account registrants



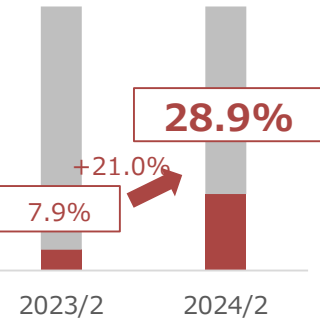
Percentage of transactions using app (monthly comparison)

※ Only open ordinary savings accounts is web accounts opening

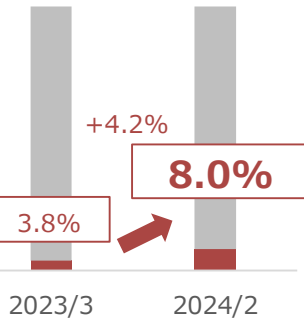
Number of remittance transfers*



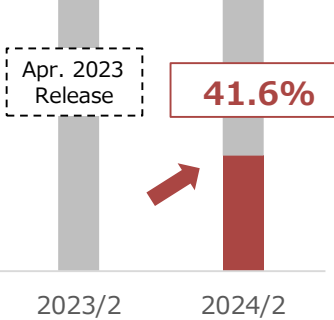
Opening of ordinary savings account*



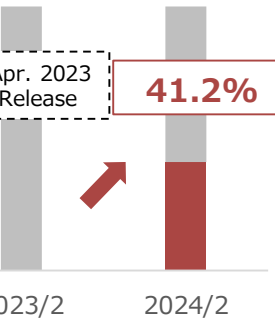
tax and public finance collection



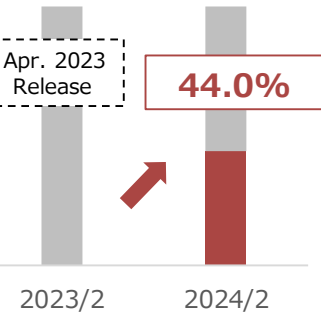
Opening of investment trust account



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.

Portal site that is functional and easy to understand for all customers



- Portal site that is functional and easy to understand for all customers
- Implement functions that allow for administrative streamlining as an online branch (corporate transaction consulting)

Aim to be a familiar bank online and in-person



1

Try the app

Complete transactions through the portal without needing to visit a branch

Deliver bank services

Concierge

Deposits

Complete transaction management online

Account balance / transaction statement

Transaction trends (graph)

Compare account info

Display account of other banks

Financing

Borrowing reference

Repayment schedule

Account borrowing / repayment receipt

Digitization of documents

FOREX

Smooth collaboration with Web-EB

Notifications, etc.

Notification item change

Balance certificate issuance

Introduce to all customers

2

Understand services

Obtain the information you need, when necessary you need it

Provide solutions

Information delivery

Chibagin manual

Information dispatch

Seminar information

Group solutions showcase

CO2 emissions measurement

New services

Improve collaboration with ext. services

Online financing

Utilize contact points

Marketing

3

Consult/apply

Properly solving company problems

In-person transactions

Advanced operations

- Improve existing customer relationships
- Strengthen consulting capability

In-person transactions

Virtual transactions

Digital contact points

- Maintain/increase transactions with net depositors and small accounts
- Acquire new customer segments

Improve operational productivity

Transaction channels suitable for customers

Personalized recommendations

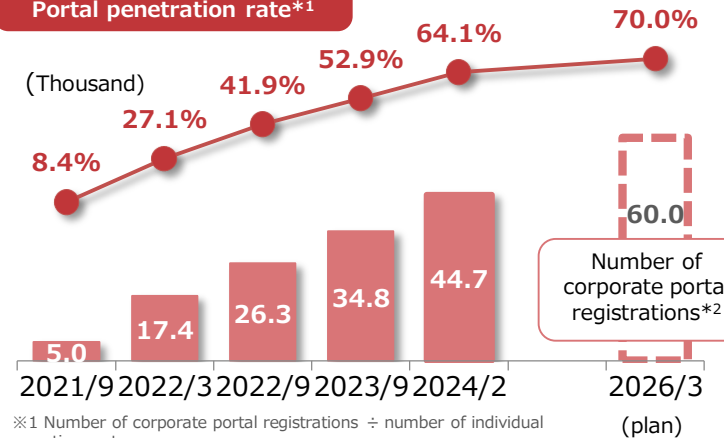
Solid Line: actual results

Dotted line: future goal

Number of portal registrations/penetration rate

Portal penetration rate*1

(Thousand)



*1 Number of corporate portal registrations ÷ number of individual active customers

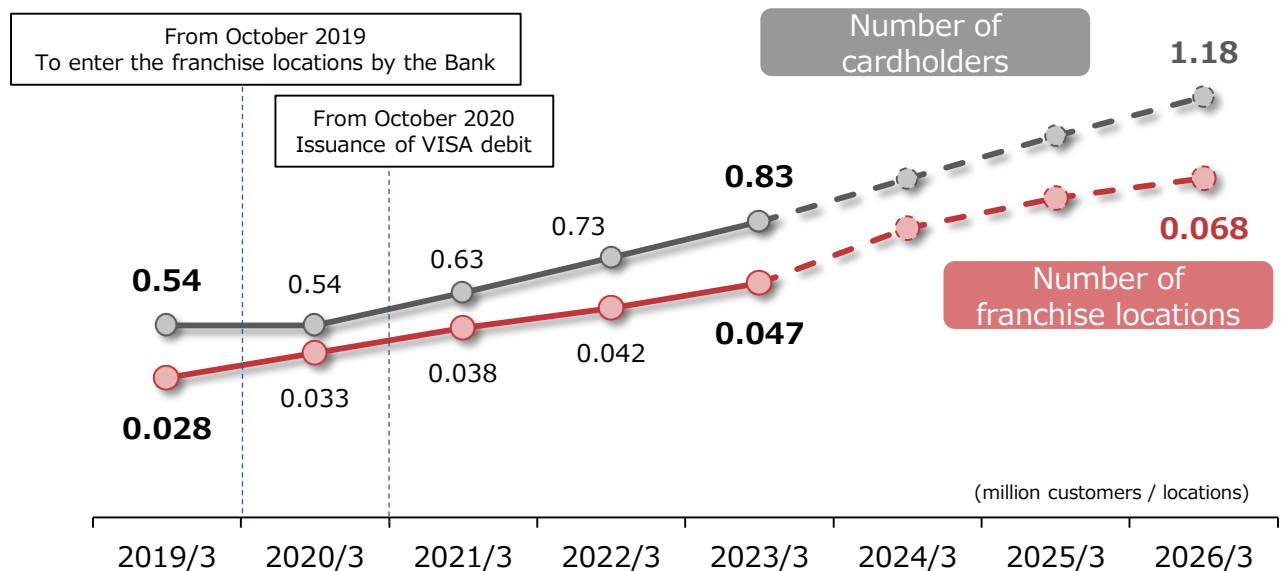
*2 Excluding accounts that have no history of logging in

Addition of functions

- Chibagin e-Tax data entry (1/2024~)
Online submission of tax return data filed electronically via e-TAX is available
- C-checker (9/2023~)
Visualization of CO2 emissions from customers' business activities

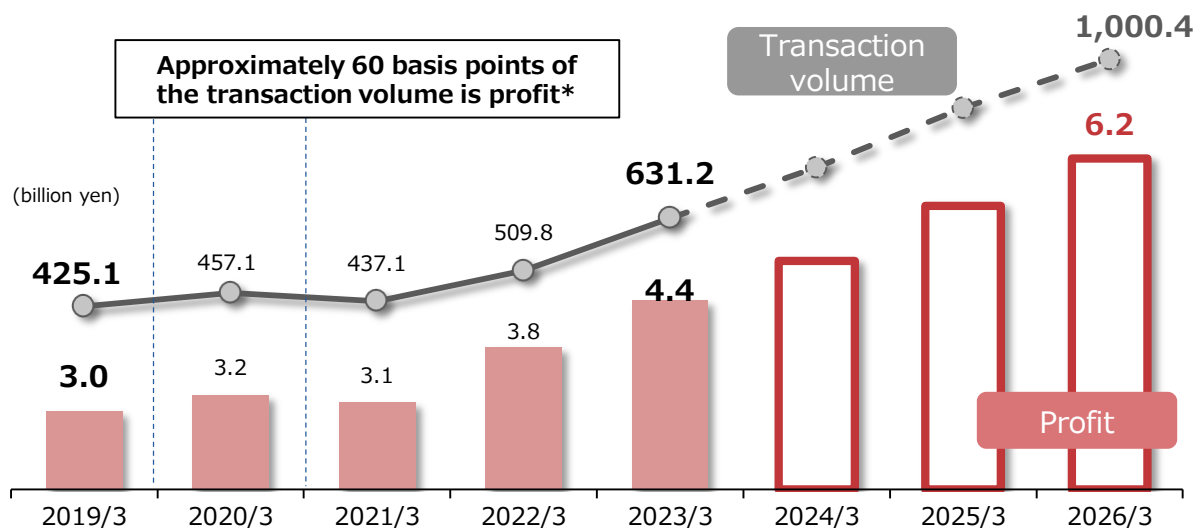


Number of group cardholders and franchise locations

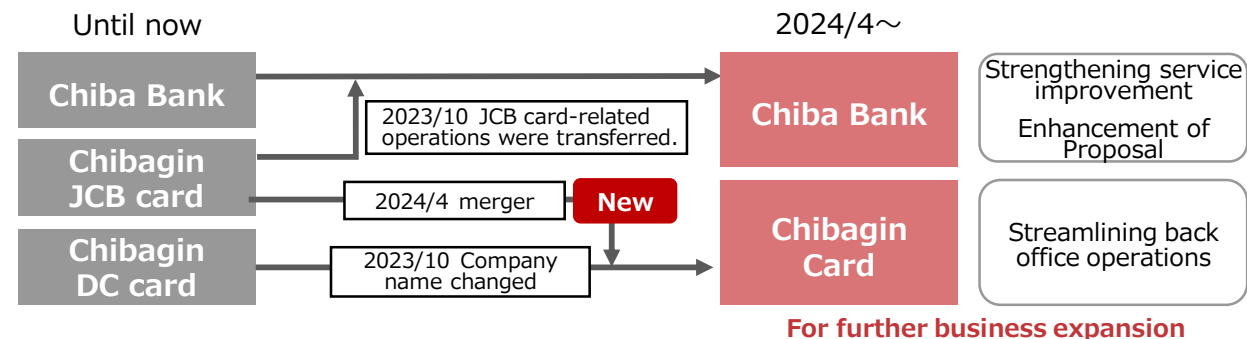


Group transaction volume and profit

*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

- 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

Visa Debit

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

Signing of agreement regarding referral of franchisees

Choshi Tourism Association (February 2024)

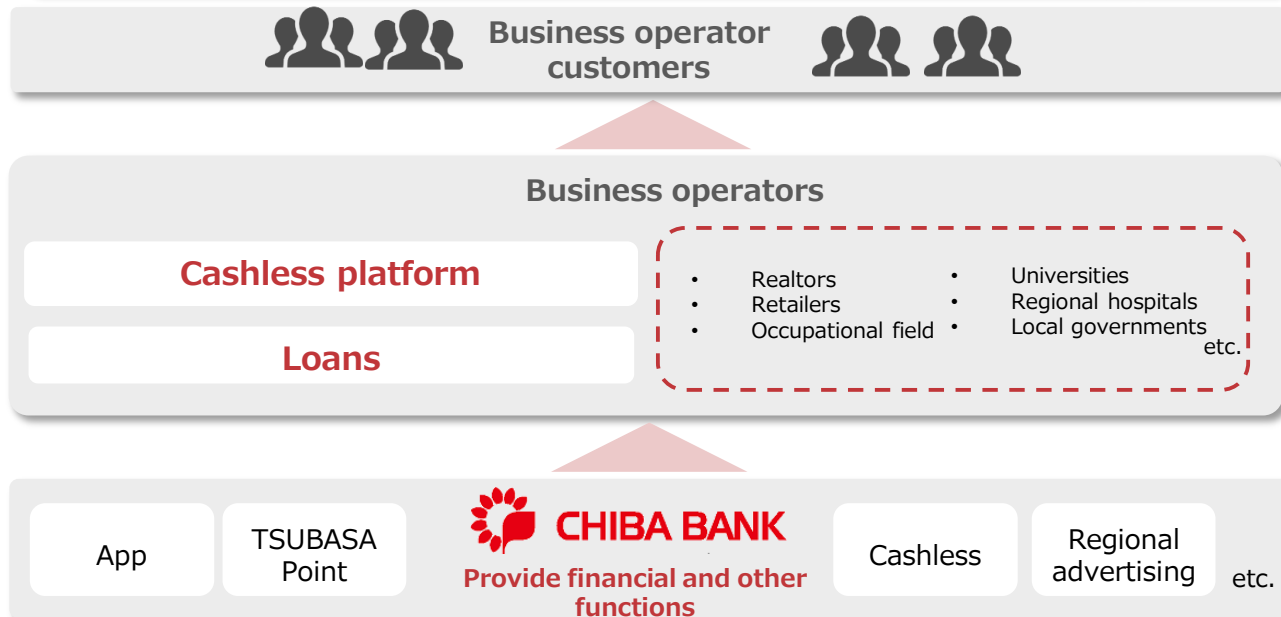
In the future, contracts to be signed with another tourism association

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

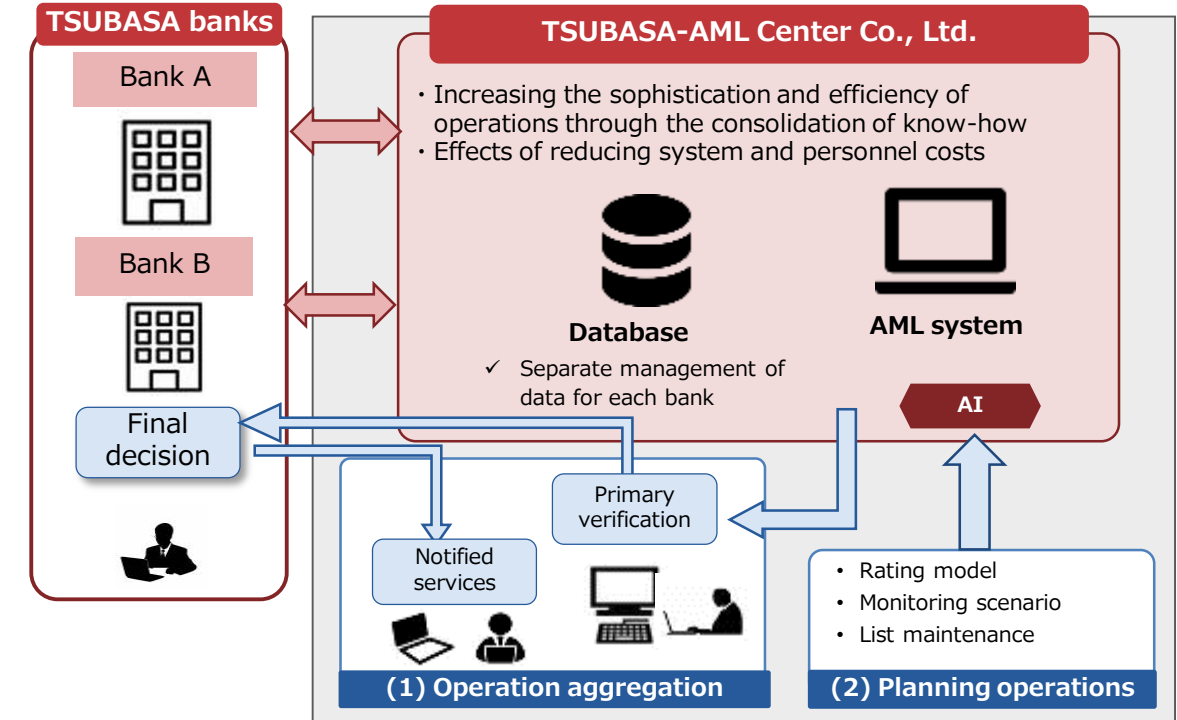
Metaverse



BaaS business



TSUBASA-AML Center Co., Ltd.



TSUBASA-AML Center Co., Ltd.
(Chiba, Daishi Hokuetsu, Chugoku and NRI participated)



Collaboration

TSUBASA Alliance, Co., Ltd.
(TSUBASA alliance 10 banks participated)
AML Center

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



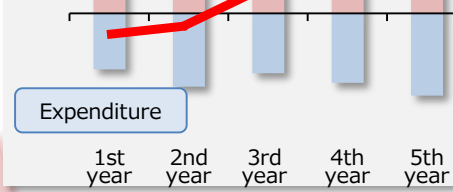
Branding



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



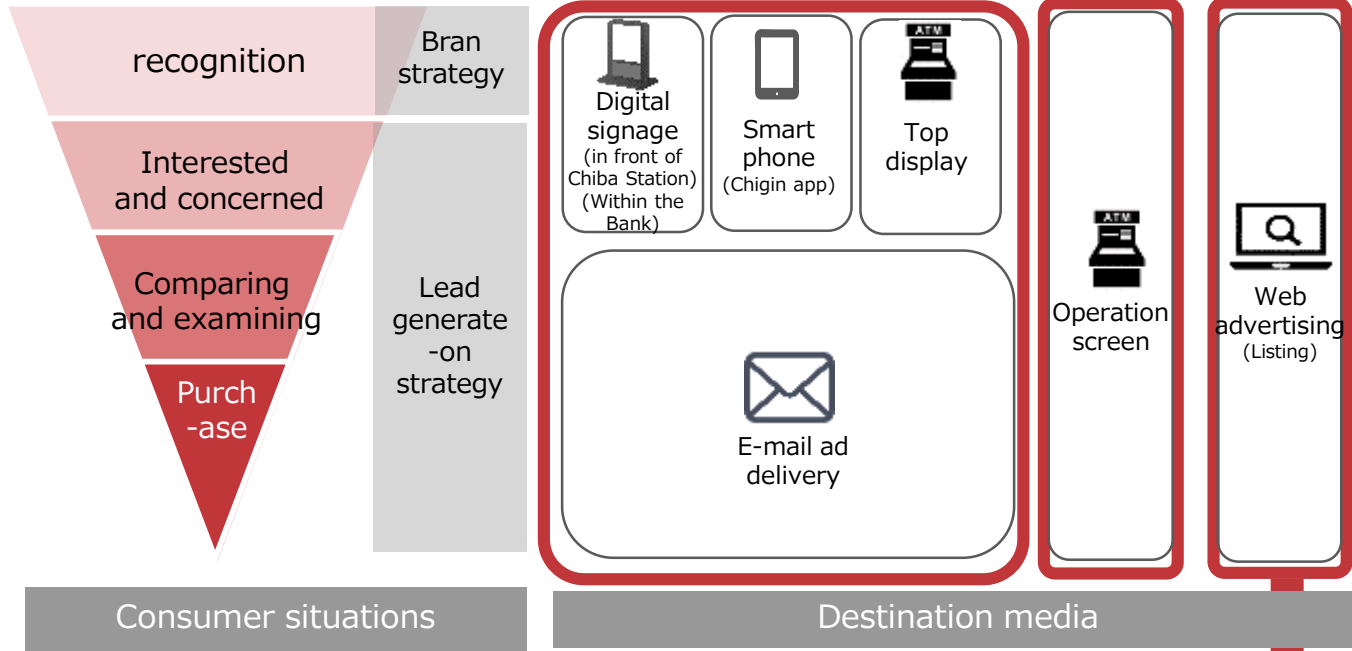
Education



Food retailers

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

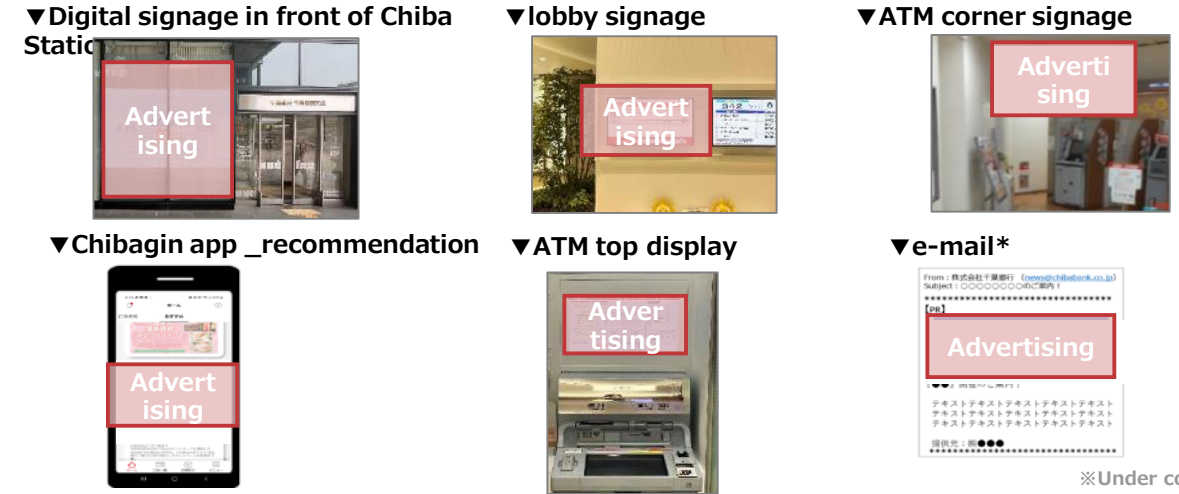
Brand awareness and response media



Advertising consulting services



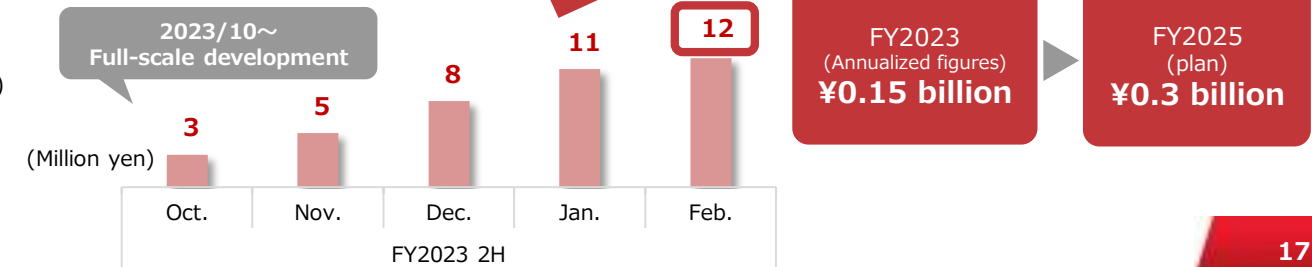
Advertising media business



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



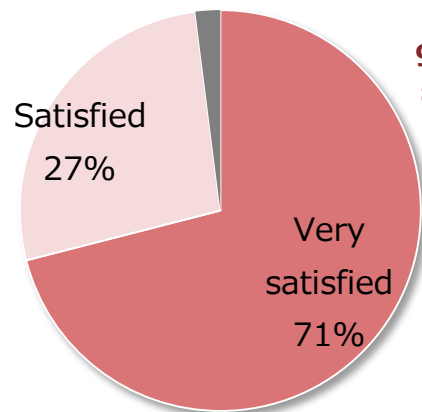
On Ad
onad
 オンアド
 Investment
NOMURA
 CHIBA BANK CHUGOKU BANK
 DAISHI HOKUETSU BANK

Contribution to "Financial Wellness"

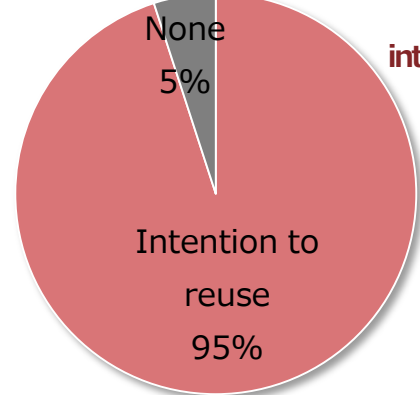
Individual

Corporate Service

High rated by paying interviewees



98% of users are satisfied with the content of the interview



95% of users intend to reuse the service

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

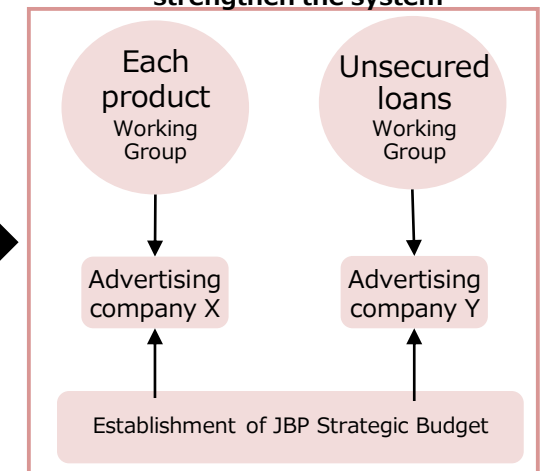
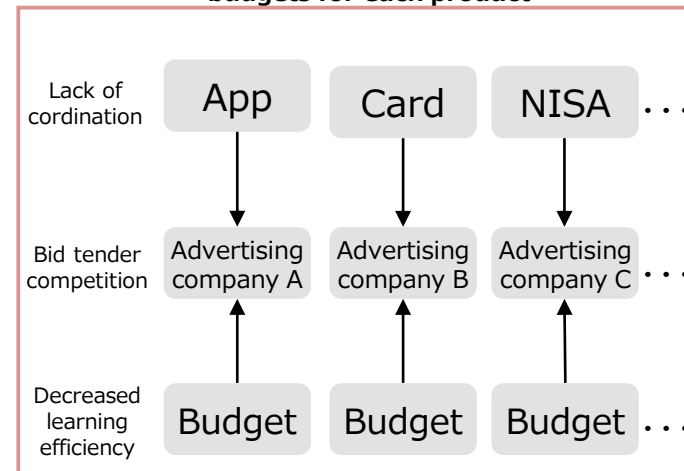


Enhancing One-to-One marketing

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

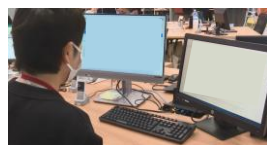
Consolidation/efficiency

Improving Efficiency of store operations to promote channel optimization and personnel reemployment in both directions

Efficiency of store operations

Branch lightweighting

Introduced at Hamamatsucho Branch and Mito Branch (Opened in 2023)



- Store operations without tellers and internal inspection seal

Customer visits to stores

By the headquarters operator remote reception

By the person in charge of the official seal check remotely

Customer

Remote reception (teller)

Remote approval seal (internal inspection seal)

TSUBASA smile

Paperless at various reception desks

Tele-Presence System "Mado"

Experience as if the other person were there

PL infrastructure

Subsequent affairs complete paperless

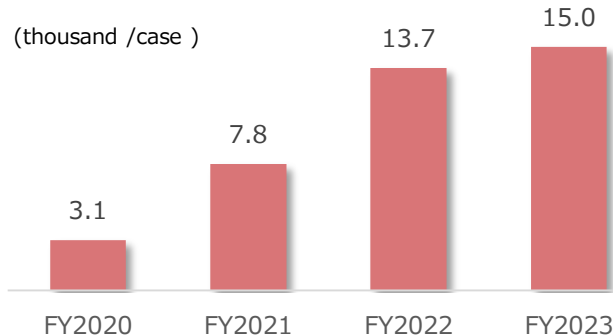
Expansion of remote channels

- Expanding remote channels to create a branch-front system that does not allow customers to wait

Entry menu

- Inheritance
- Educational funding
- Various notifications
- Loan/asset management, etc.

Number of inheritance applications



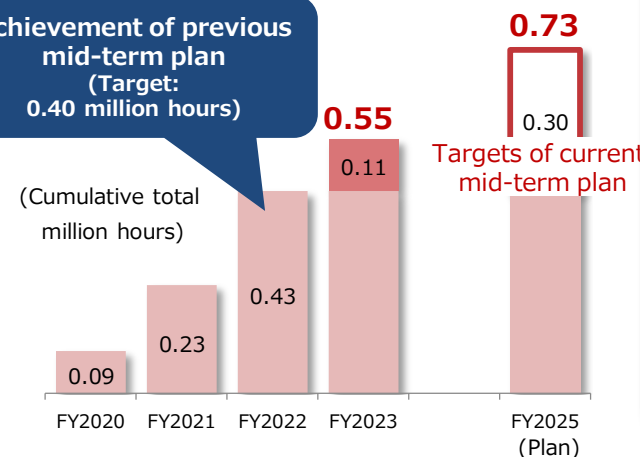
Curtailment of business operations

Volume of business reduction

(from Apr. 2020 to cumulative)

Achievement of previous mid-term plan (Target: 0.40 million hours)

(Cumulative total million hours)



0.30
Targets of current mid-term plan

Reallocation of human resources

clerical work, etc. → Planning, sales, etc.

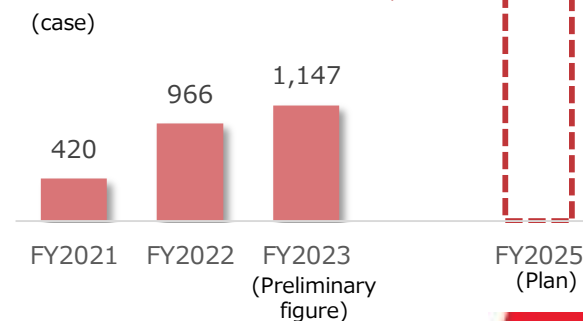
Breakdown of funds	(People)	FY2023	Mid-term Plan
	Branch	▲about 10	▲about 200
Headquarters	▲about 60	▲about 100	
Group companies	▲about 10	▲about 70	
Total		About 80	About 370
Mainly relocation	Planning (new business, DX, etc.)		+about 30
	Sales (Headquarters)		+about 90
	Sales (Branches and overseas branches)		+about 110
	Group companies		+about 60

Suggestion system

- Continue to improve operations by utilizing the suggestion system

Proposal (example)

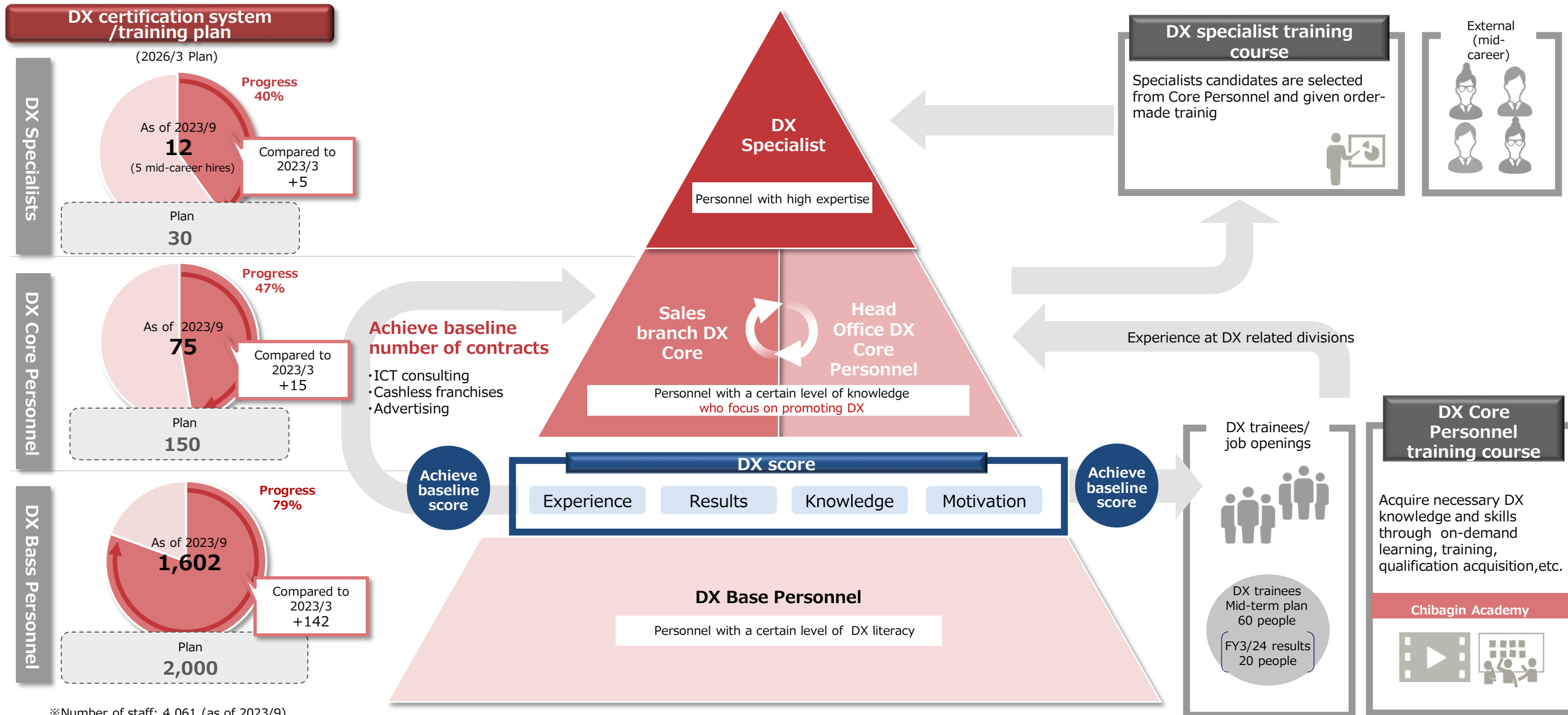
- Links between Okane no basket (Money Basket) and app
- Improvement and expansion of functions within branch loan system



Organizational Reform through DX



Developing DX personnel resources including sales branches

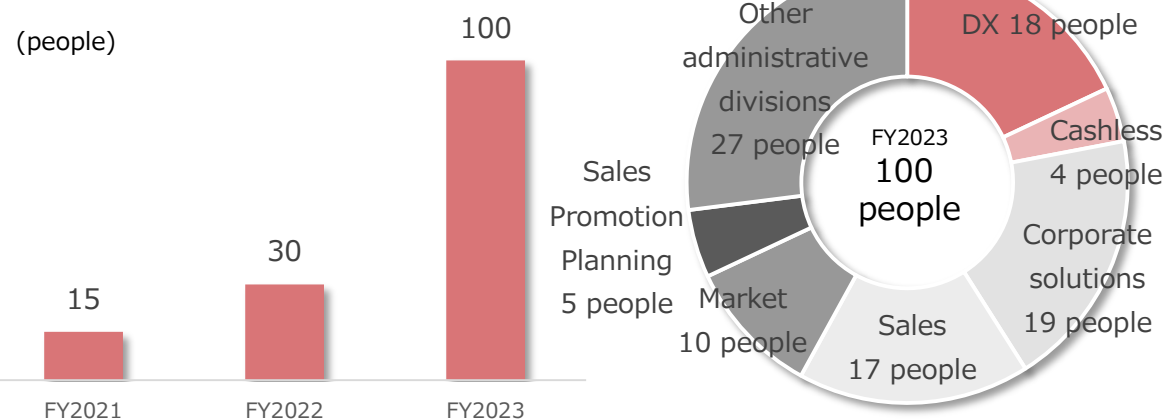


※Number of staff: 4,061 (as of 2023/9)

Accelerate DX by strengthening career recruitment and creating a new personnel system

Specialist / Career recruitment

- Reinforcing the hiring of personnel who will play a central role in DX



Examples of specialists in career recruitment

Carriers before entering the Bank

Final career before entering the Bank was business manager of a digital innovation division in a non-financial industry

- Experience with multiple companies with a focus on digital
- Also serves as a director of the Web organization to raise the DX level in the relevant industries in Japan

- Planning and development of content for each digital device
- Improved UI/UX, increased subscriptions, digital marketing of web/app
- Advertising planning and sales, ad-tech
- Stationed in Silicon Valley, including systems management
- DX Personnel development, company-wide DX promotion and new business

Carriers after entering the Bank

Currently, as Senior Deputy General Manager of the Digital Strategy Division, overseeing a wide range of DX operations

- Joined the bank as the first managerial post from non-financial industry
- focusing on raising the level of DX promotion by developing DX human resources and providing knowledge to related departments

- Representative project teams etc. participated in so far
- Application planning and development
 - Launch of advertising business as a new business
 - Formulation of the DX Strategy of the mid-term plan
 - Introduction of new frameworks such as design thinking and marketing

Professional courses

- Establishment of a specialist-type personnel system to secure highly specialized human resources

➔ Expansion of career recruitment and retention of existing bank employees looking for specialists

Features of the system

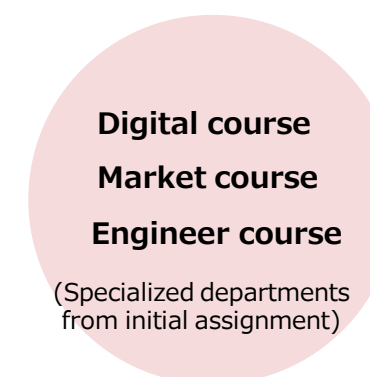
Target	Human resources with high-level expertise
Careers	Specialist type (⇔Generalist type)
professional duties	Specializing in specialized work according to job descriptions
Bonuses	Large variation by evaluation (emphasis on results)

Possible job types

- ✓ **Data science**
- ✓ **System planning and systems engineering**
- ✓ New businesses
- ✓ Marketing
- ✓ Structure finance
- ✓ M&A
- ✓ Private banking, etc.

Hiring of new graduates

- In addition to the Open Course, recruitment is conducted in three courses to secure specialist human resources



Creating a culture of taking on challenges by holding an idea pitch contest and realizing the idea as a measure

Idea pitch contest

First held in Dec. 2021
A total of 324 ideas , 258 applicants

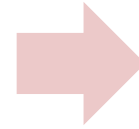
Fifth Idea Pitch Contest held Feb. 2024

- Theme

Ideas and services that contribute to an "Engagement Bank Group that works closely with the community"

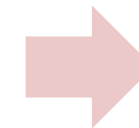


- Soliciting ideas for all group employees
- Chairman of the judging committee is President
- Providing audience seats at the final review venue and providing online viewing



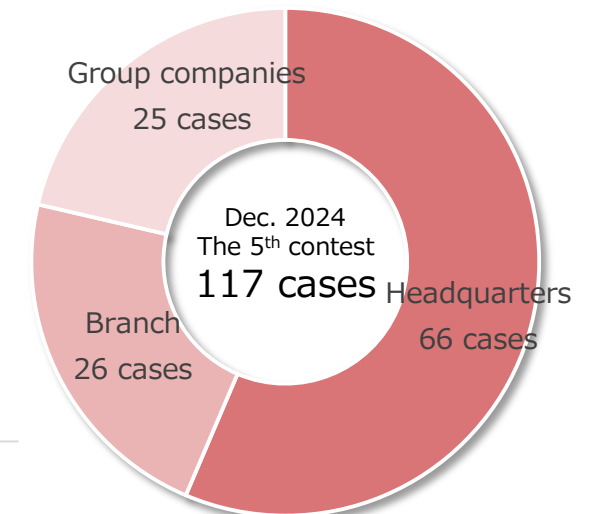
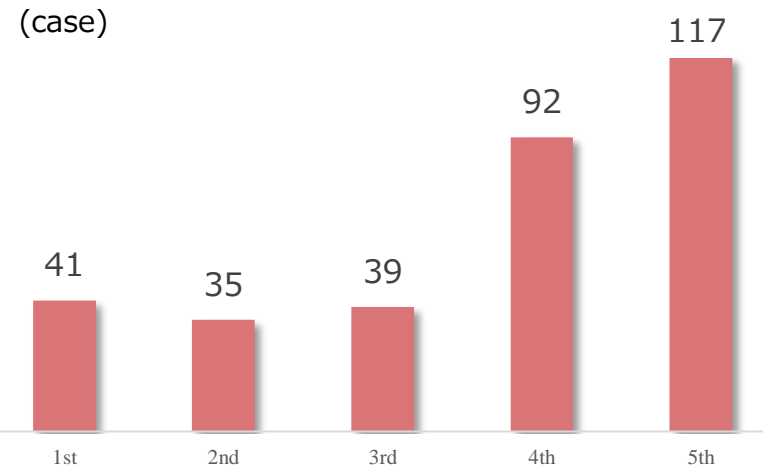
Organizational culture reform

- Permeation of the Purpose and Vision
- Creating a corporate culture that encourages DX and its employees to take on challenges



Uncovering ideas

- Measures implemented based on the ideas
 - Campaign to introduce friends to the Chibagin App
- Measures currently under consideration with reference to ideas
 - Catalog gift (new service at Chibagin Market)
 - Life plan simulation function of app



Creating an organization that encourages new ideas and challenges

DX Supporter System

- Before providing new services, collecting frank opinions from employees from the customer's viewpoint

➔ Providing services from the customer's point of view, and fostering a corporate culture at DX

More than 2,000 employees participated

Demonstration experiment

- Chibagin App
- Apple Watch/Passbook function
- Metaverse Housing Exhibition Hall, etc.

Questionnaire

- Chibagin Market Column
- Advertising, owned media, etc.

Reflection of voice to app passbook mode function



When the passbook is transferred to the previous and next month's screens, tapping the button is hard if I hold it side by side.

日付 ↓	お支払い金額	お預り金額	お取引内容	差引残高
3/06/15				¥97,248,301
3/06/19		¥10,000		¥97,248,311
3/06/20				¥97,248,311
3/06/21	¥1			¥97,248,311

Swipe function was added

Previous month Following month

Chibagin Innovation Lounge

- Experience and guidance on registering and operating Chibagin app, and organize various events

Disseminating the Bank Group's new initiatives

App campaign

NISA campaign
Smart payment campaign

In the future, using as a test marketing and depth interview place

※Interviewers and one-on-one qualitative survey

Digital experience

VR event (Mt. NOKIGIRIYAMA and CHIBA-UJI)
Virtual cycling
Paint Aquarium

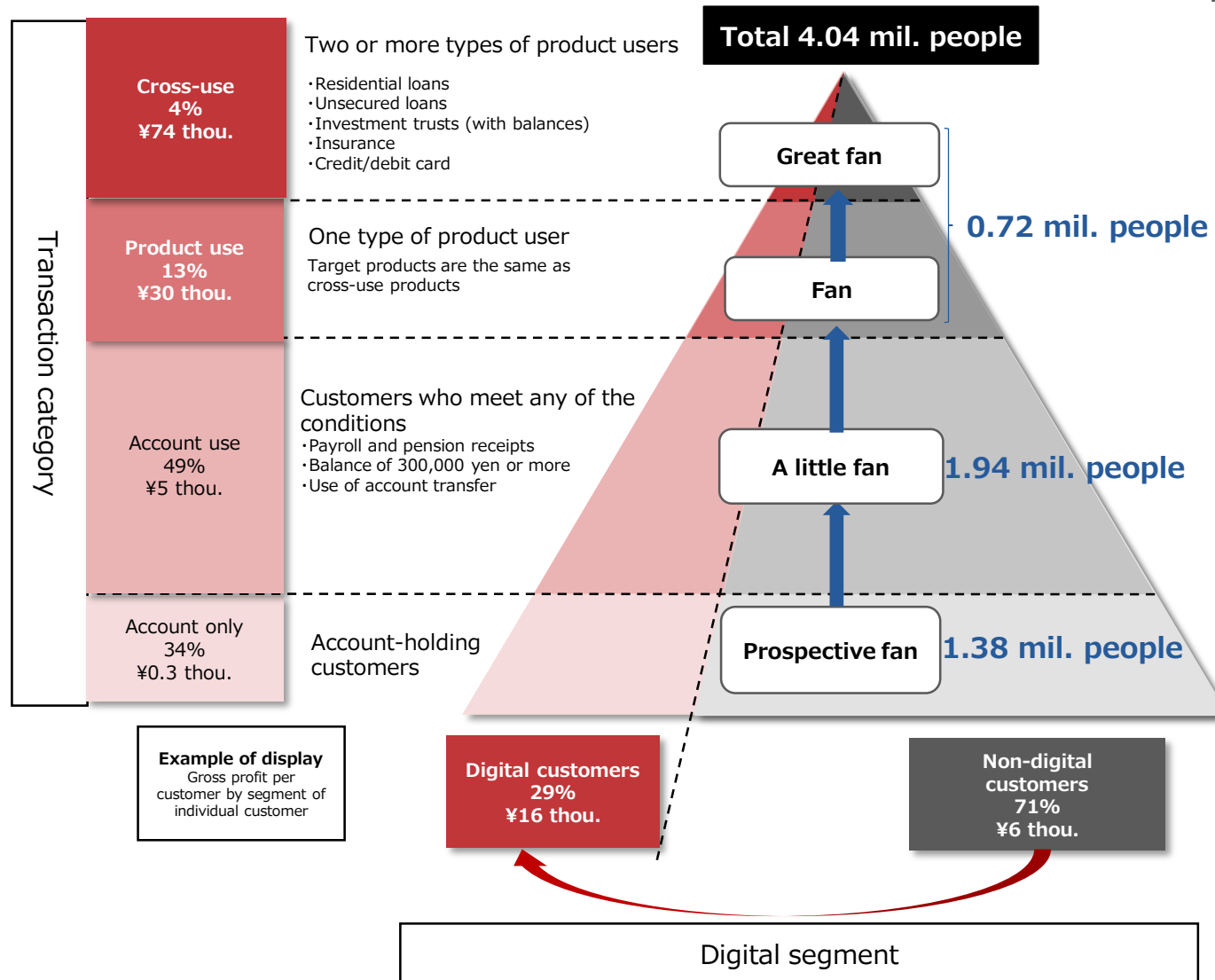


Future Vision

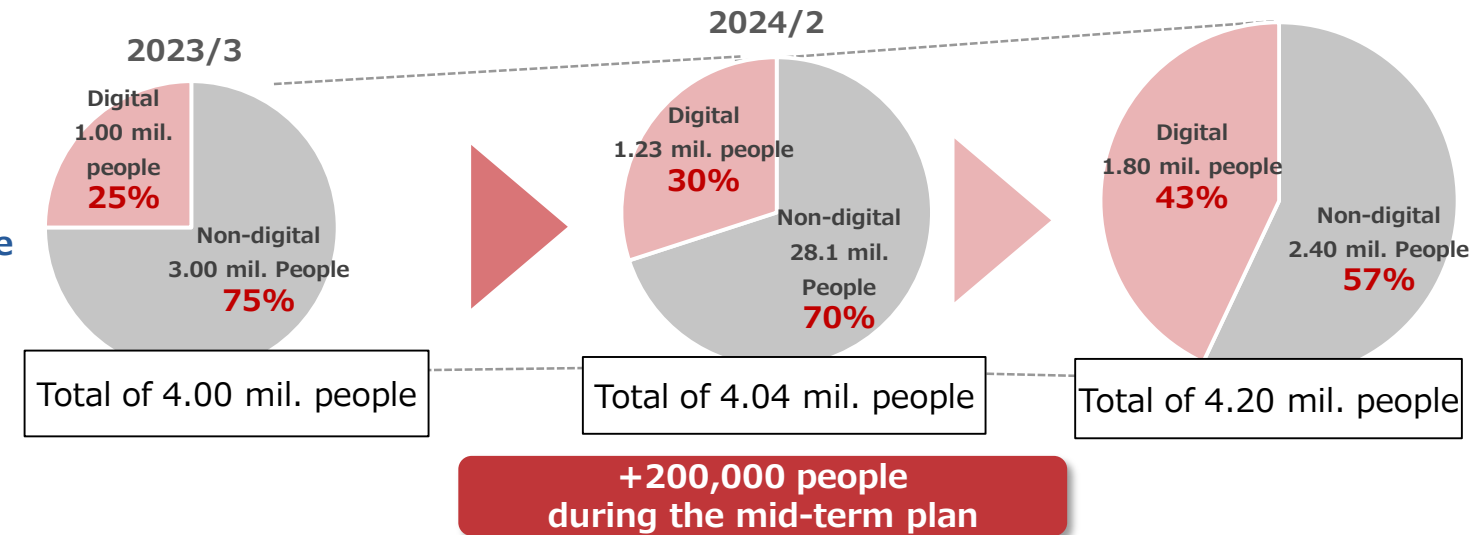


Aim to increase the number of digital customers and increase the unit price of customers by promoting the use of products and services

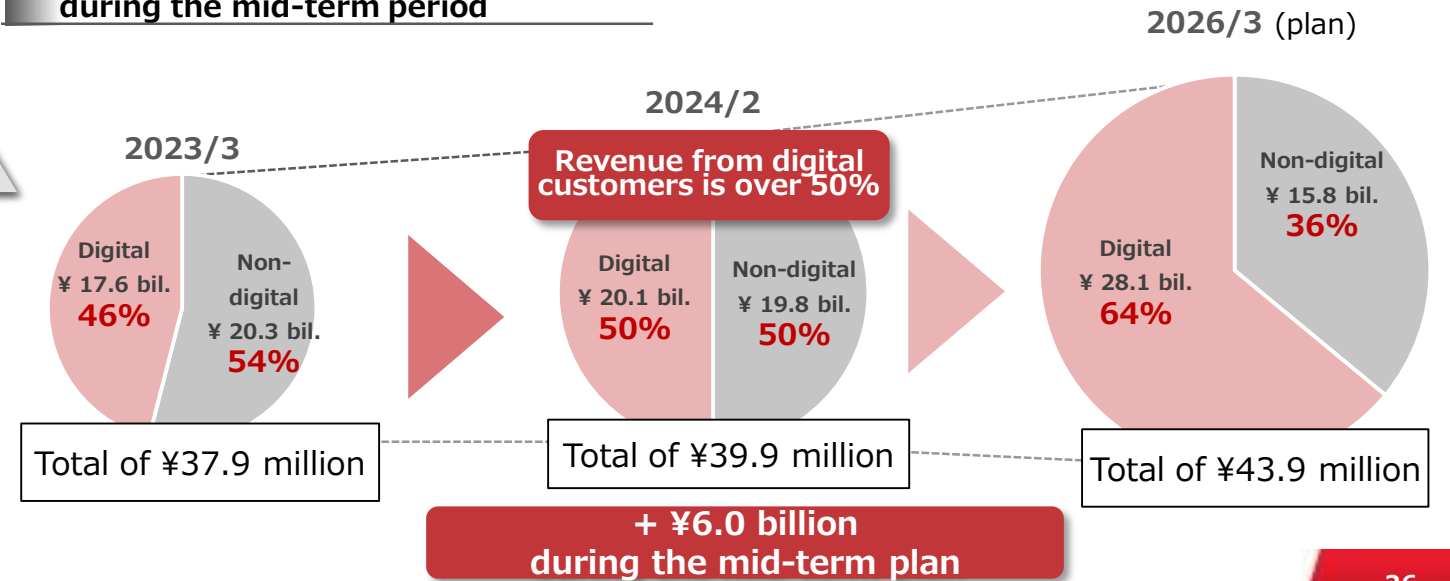
Improvement process of retail business revenue based on the DX Strategy



Change in customer composition during the mid-term period



Change in revenue composition during the mid-term period



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

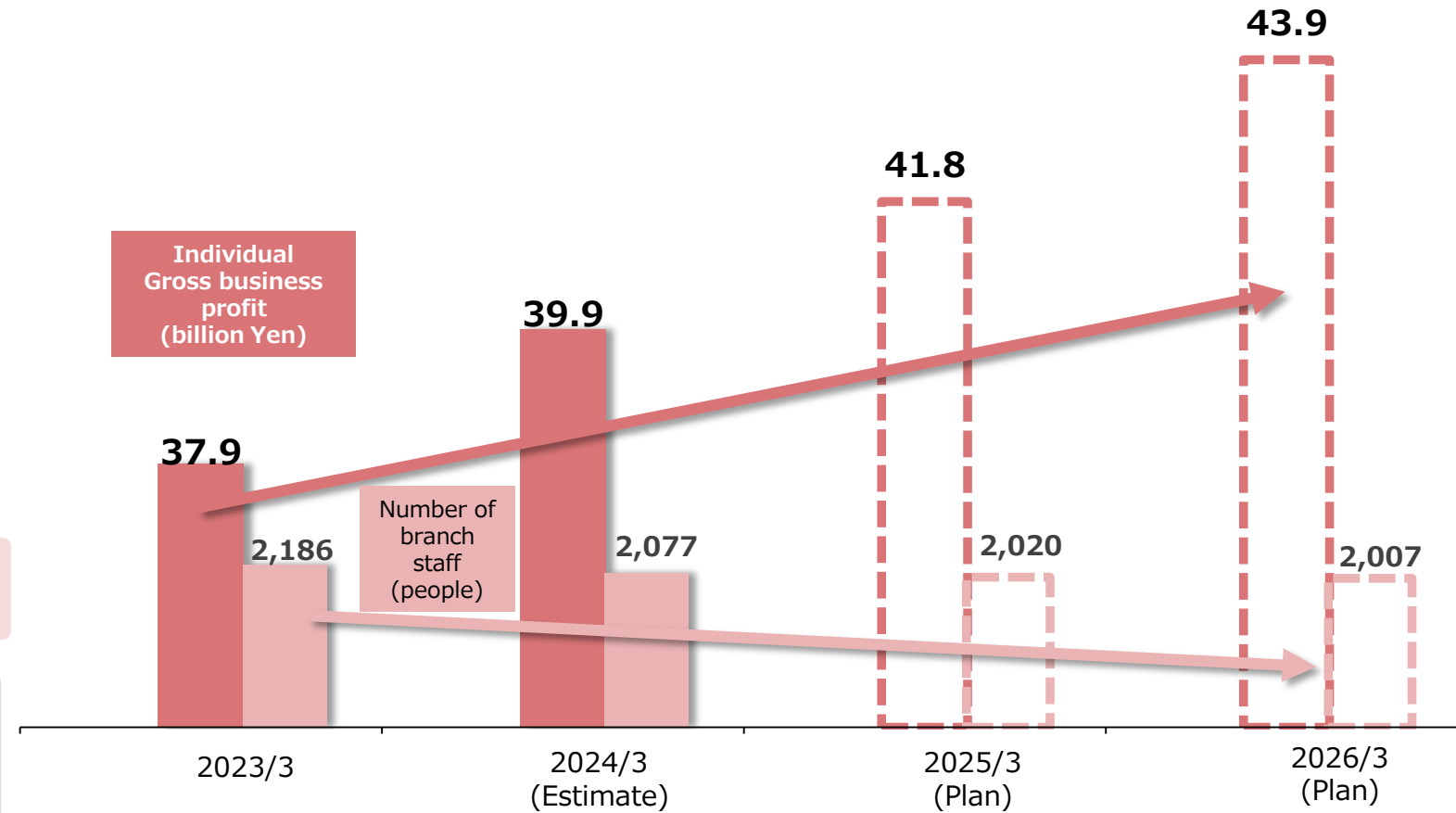


Further transforming customer experience

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

Number of branch staff / Individual gross business profit

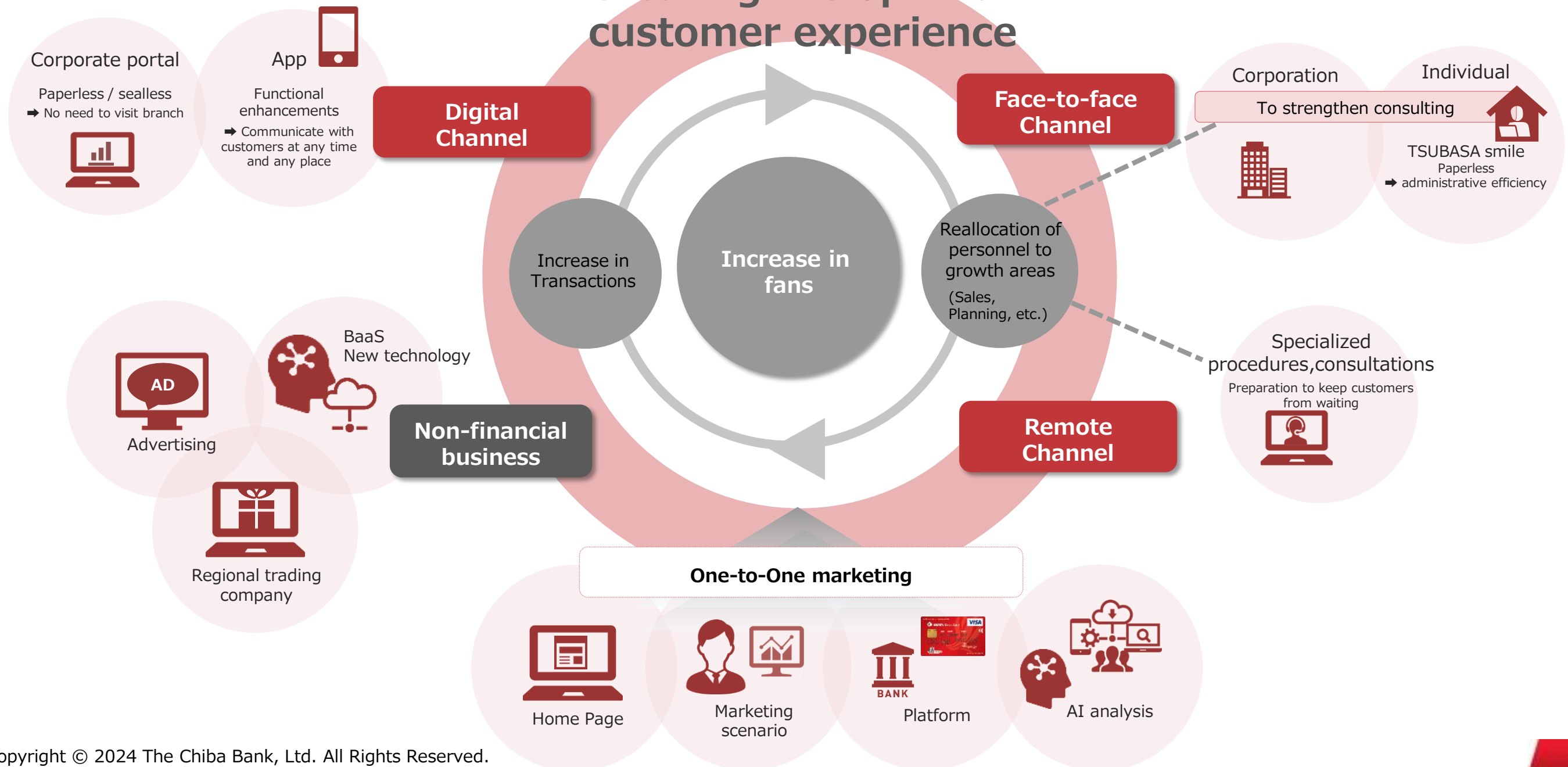
※ Excluding new graduate employees



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)

Creating the optimal customer experience



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