



The Chiba Bank, Ltd.

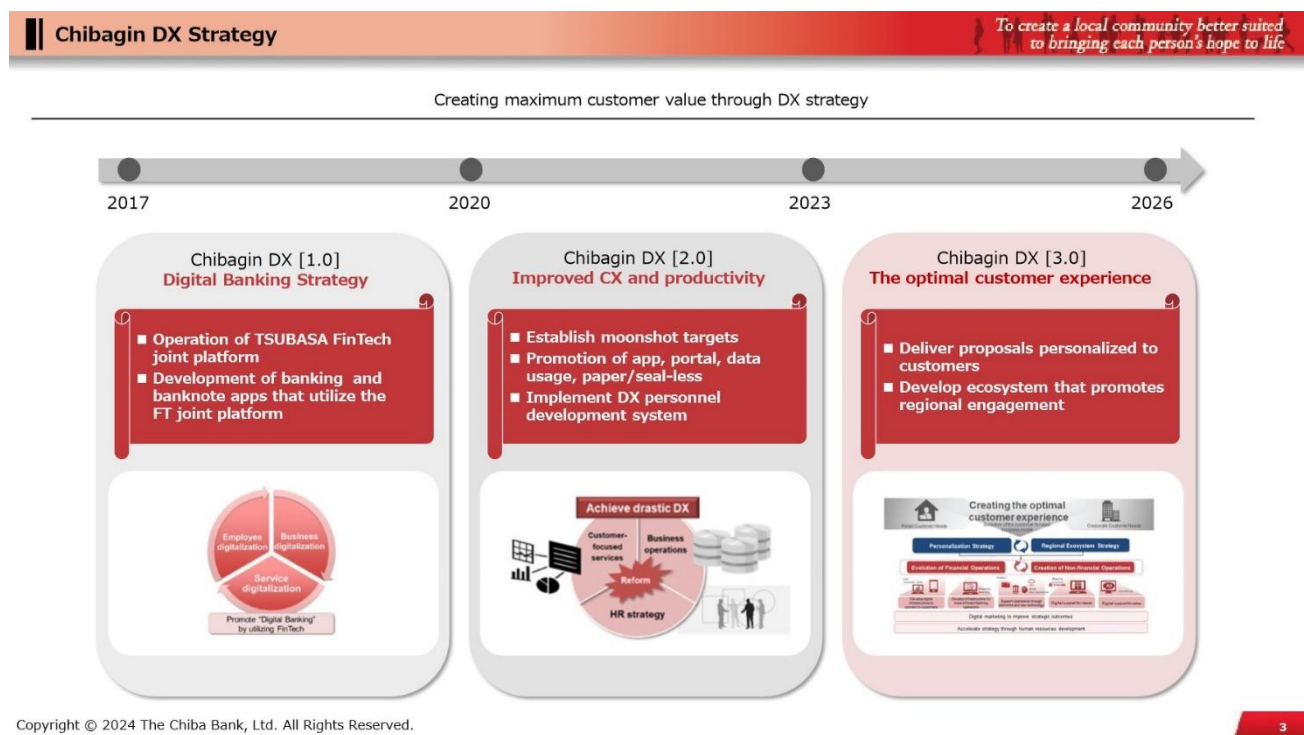
IR Day (Part 2)

April 8, 2024

Event Summary

[Company Name]	The Chiba Bank, Ltd.	
[Event Name]	IR Day (Part 2)	
[Date]	April 8, 2024	
[Time]	16:15 – 17:10 (Total: 55 minutes, Presentation: 29 minutes, Q&A: 26 minutes)	
[Number of Speakers]	2	
	Tsutomu Yonemoto	President, Group Chief Executive Officer
	Mutsumi Awaji	Director and Senior Executive Officer, Group Chief Strategy Officer, Group Chief Digital Transformation Officer
	Yuko Tashima	Non-Standing Director (Outside Director and Chairman of the Appointment, Remuneration and Corporate Advisory Committee)
	Yasuko Takayama	Non-Standing Director (Outside Director and Chairman of the Board of Directors)
	Akira Eshita	Executive Officer, General Manager of Corporate Planning Division

Awaji: Good afternoon, everyone. My name is Awaji. I will now discuss our growth strategy, focusing on our Digital Transformation (DX) strategy, which is a key component.



Please turn to page three.

First, an overview of our DX strategy.

Since 2017, we have initiated our DX strategy as Chibagin DX 1.0. In 1.0, we built a fintech joint platform, a digital service provision foundation in collaboration with banks participating TSUBASA Alliance, laying the groundwork.

Then, in our medium-term plan starting from 2020, Chibagin DX 2.0 introduced digital infrastructure such as apps and a corporate portal, advancing paperless and seal-less processes, and we began to focus on developing digital talent to carry forward our DX efforts.

Our new DX strategy, Chibagin DX 3.0, is based on maximizing the use of the digital infrastructure we have developed so far to provide our customers with the best Chibagin experience, that is, the creation of the best customer experience as our basic policy.

Evolution of the customer-focused business model



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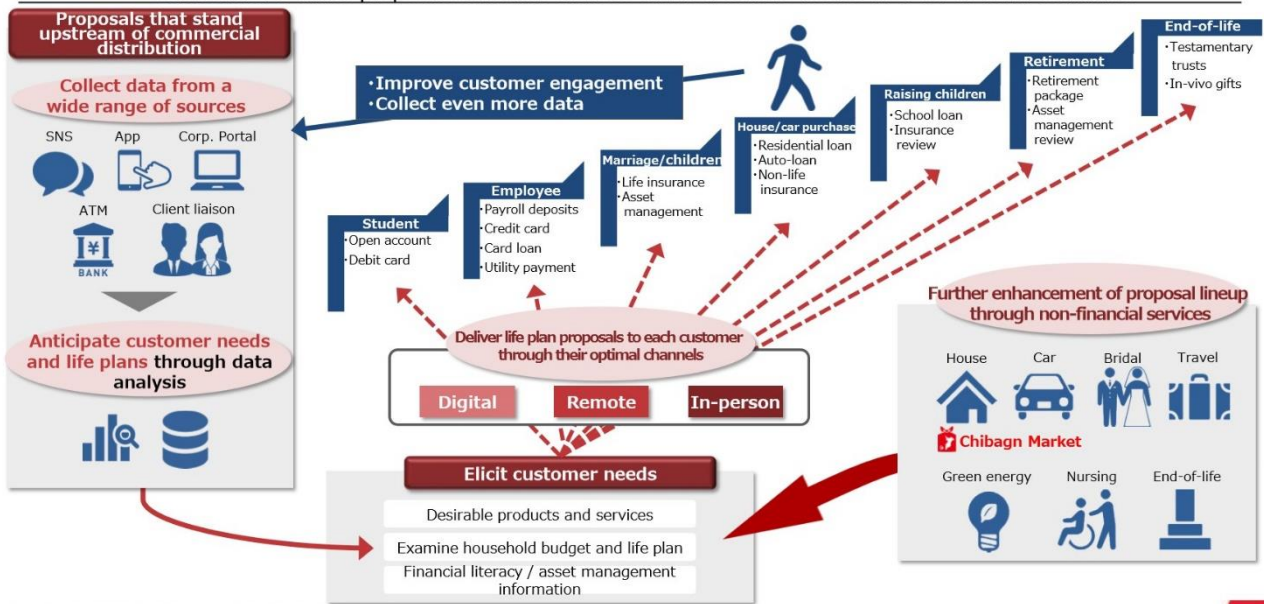
There are two main pillars of our strategy for creating the best customer experience. The first is the personalization strategy. This involves delivering the most suitable proposals to each individual customer.

The second is the regional ecosystem strategy. This connects our corporate and individual customers within the region, revitalizing the local economic cycle.

Over the past year, we have been advancing our core financial business and creating new non-financial businesses across our group. In financial operations, we have improved the functions of our digital infrastructure, such as apps and the corporate portal. In non-financial operations, we have expanded into the advertising business, which was fully launched last October, and have been advancing the business domain of the Chibagin Market.

As shown at the bottom of the diagram, digital marketing is a fundamental measure supporting the creation of the best customer experience in both financial and non-financial aspects. Similarly, by continuing the development of DX talent, we will accelerate the overall strategy.

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



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In our personalization strategy, we aim to make timely proposals through the optimal real or digital channels, including non-financial services, by utilizing the data of our customers who use our services.

On the left side of the diagram, analysis of data is becoming capable of inferring each customer's background and situation. This enables us to predict customers' needs and their future life plans, allowing for proposals that are optimized for their life stages, as shown at the top of the diagram.

We believe that by getting customers to understand and accept these approaches and proposals, thereby broadening their usage, we can turn them into fans.

Connect local customers and businesses to build an economic cycle



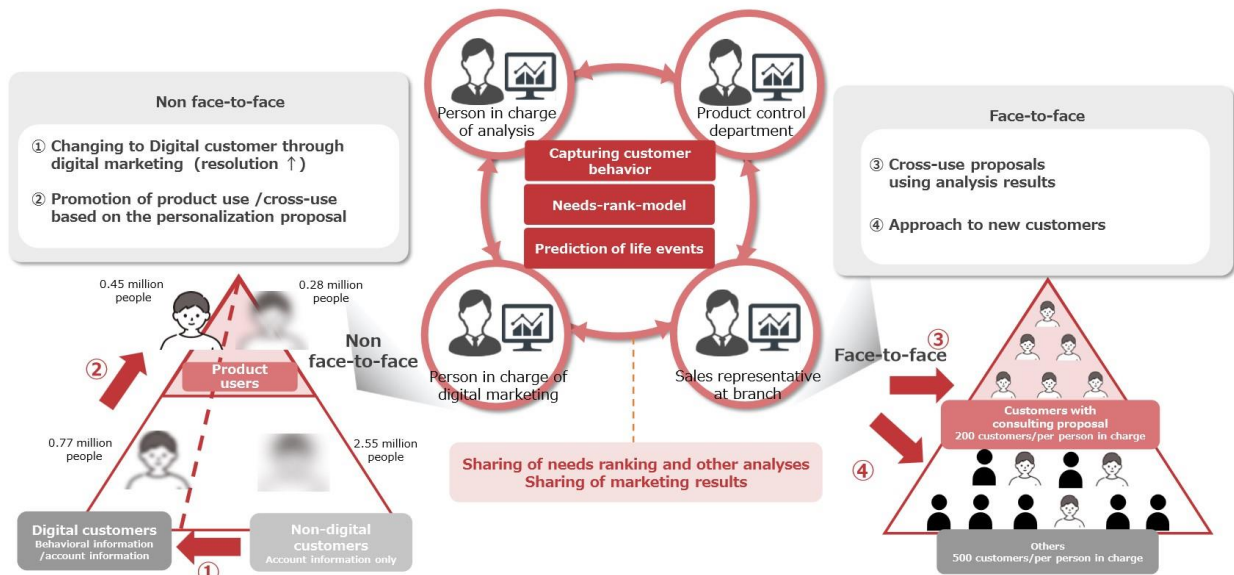
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The other pillar is our regional ecosystem strategy, which aims to revitalize the local economy by connecting local customers and businesses through our services. We believe that our efforts in cashless transactions, advertising business, Chibagin Market’s crowdfunding, and the provision of ecommerce sites are elements of the regional ecosystem.

Additionally, these initiatives accumulate data. By leveraging these data, we believe we can further accelerate our personalization strategy and lead to the creation of the best customer experience.

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



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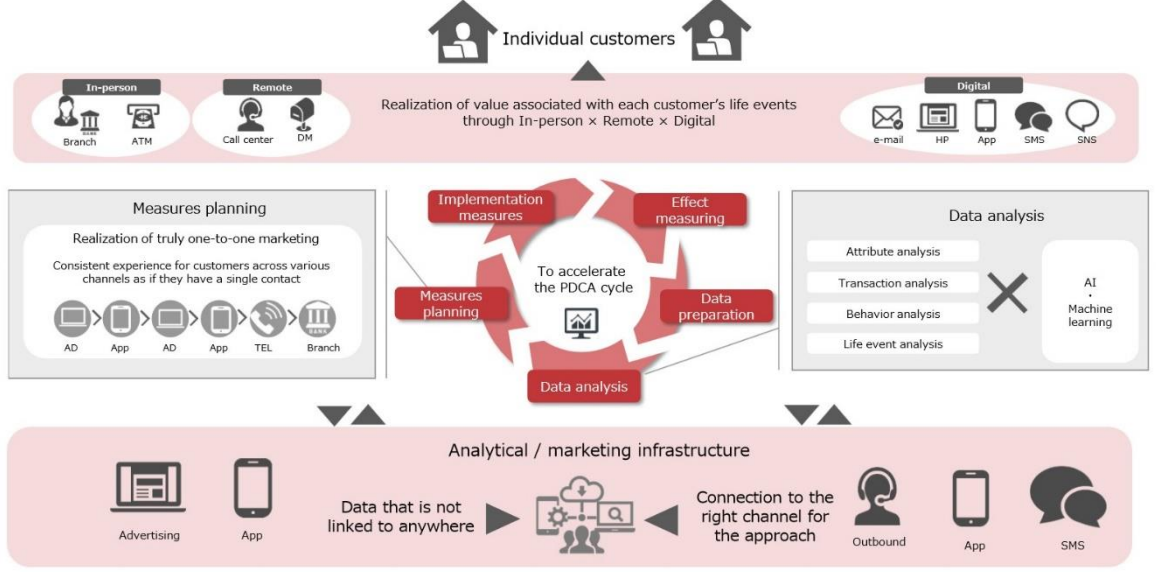
I will explain about individual strategies.

First, our vision for digital marketing. This diagram represents the goal of our sales activities utilizing data. The number of touchpoints with customers and digital transactions has increased through our DX strategy, allowing us to accumulate more data.

Traditionally, data accumulation for customers with accounts was limited to simple demographic data. However, as transactions through digital tools increase, we can accumulate behavioral information about customers. By analyzing these data, we can more clearly understand customers' lifestyles and interests, increasing the resolution with which we view our customers.

Based on these, the headquarters will promote personalized digital marketing to all account holders. Moreover, branches will establish a system to make proposals at the optimal timing to customers, based on the analysis results returned from the headquarters.

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



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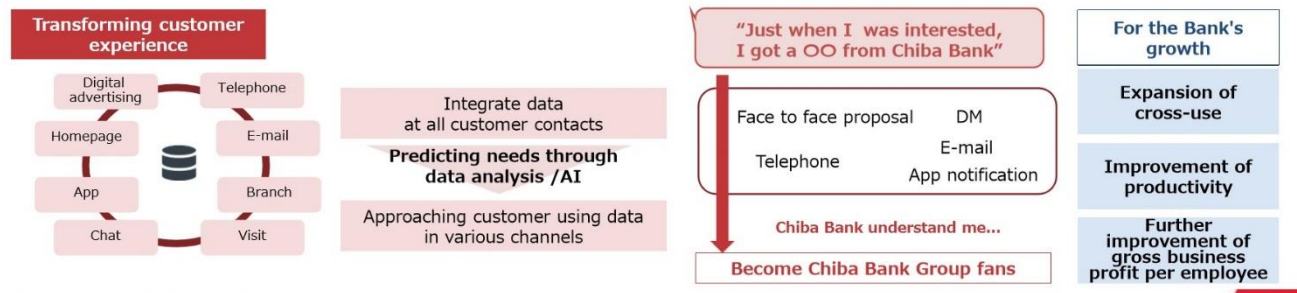
I will explain about the analysis and marketing infrastructure.

Traditional one-to-one marketing analyzed customer attributes and transaction data to infer needs and send suitable guidance via email. This was a uniform marketing approach where behavioral data from advertisements and apps were not integrated.

By establishing this marketing infrastructure, we can now centrally manage and analyze data that couldn't be linked before. This also enables us to approach customers not uniformly but through the most frequently used tools by the customers.

Furthermore, by utilizing AI, we can accelerate the PDCA cycle, from analyzing data with enhanced customer resolution, creating strategies from this analysis, and measuring the effectiveness of these strategies.

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



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Timely proposals utilizing this analysis and marketing foundation can also transform customer experiences.

As President Yonemoto explained earlier, we have already achieved the capability to approach customers at just the right time based on their interests, and we recognize that we are steadily working toward the envisioned state of sales activities utilizing data.

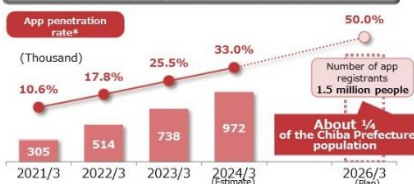
When customers have something they are interested in, Chibagin proposes timely suggestions during visits or through app notifications. We aim to increase such customer experiences and thereby increase the number of fans of our group.

Developing an app that can solve any problem



Solve any problem through a single channel

Number of app registrations / penetration rate



■ Number of app users per day About 150 thousand people
As of the end of February 2024

Expand functionality	Implemented already	FY3/25	Future plans
			From FY3/26
Familiar financial services via the app Digitalize branch transactions	<ul style="list-style-type: none"> Barcode payment Payments/transfers Balance/transaction statement Timed deposits/cancellations/account openings Online account openings/transfers 		<ul style="list-style-type: none"> Public personal authentication Registration of public money receipt account Notifications Ongoing customer management
Fulfillment of financial services Convenient and safe services	<ul style="list-style-type: none"> Loan repayment schedule In-app loan Trust Inquiry Trust account openings 	<ul style="list-style-type: none"> Early repayment of residential loans Fund wrap balance 	<ul style="list-style-type: none"> Securities account balance Foreign currency deposits/insurance
Connect to life Collaboration with other services	<ul style="list-style-type: none"> Google Pay/Apple Pay Unified local tax QR API collaboration 	<ul style="list-style-type: none"> Collaboration with local governments, other industries, My Number system 	
Increase customer contact points			
Personalization Transaction/asset visualization, proposals tailored to customers	<ul style="list-style-type: none"> App promotion incorporating data analysis results Notice of debit schedule 	<ul style="list-style-type: none"> Asset/contract information listing Engagement tool 	<ul style="list-style-type: none"> Household accounting review/LP simulation
Improved UI/UX			
Comfortable smartphone experience Simple operation, exciting design	<ul style="list-style-type: none"> Customization Passbook mode (detail search, memo registration, etc.) Continual improvement of conducting wire, buttons, etc. 	<ul style="list-style-type: none"> Continual improvement of UI/UX Authentication collaboration to other channels 	
Communication			
Consulting anytime, anywhere Smooth communication/coordination with in-person transactions	<ul style="list-style-type: none"> Branch appointments Introduction of friends Advertisement delivery 		<ul style="list-style-type: none"> Chat/online consulting, etc.

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Please turn to page 11.

In the app, as of February this year, we have added functionality such as applications for fixed-rate mortgages and inquiries into transaction details, and we intend to further enhance the app's functionalities.

As of the end of March, the number of registrants is 970 thousand, with approximately 150 thousand users utilizing the app daily. Our medium-term goal of 1.5 million registrants would mean one in four Chiba Prefecture residents uses our service, and we are on track to achieve this plan.

Moving forward, we aim to expand personalized features that can be used according to each individual customer, such as household account book diagnostics and life plan simulations, creating a world where we can have conversations with customers on the app.

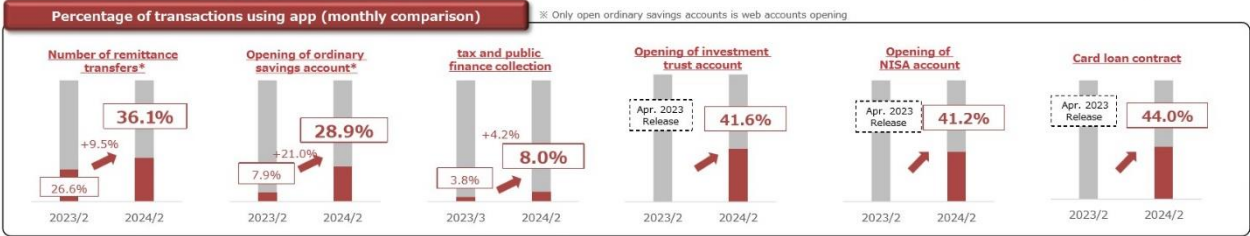
Customer experience changes steadily by providing app

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



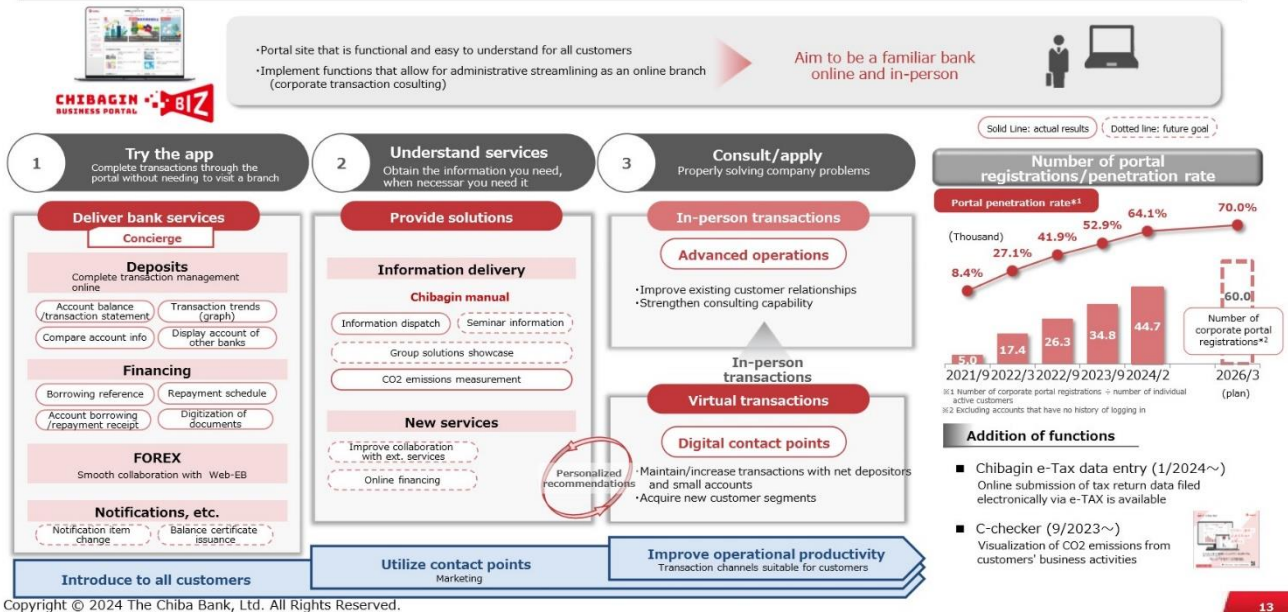
Overall remittance transfers	FY2020	FY2023(estimate)	Rate of Increase
Number of cases	5.44 million	6.97 million	+28%
Fees	¥1.58 billion	¥1.97 billion	+24%

※ Only open ordinary savings accounts is web accounts opening.
 ※ Overall number of remittance transfers increased. Although unit cost of commissions via app is set lower, overall commissions also increased.

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As President Yonemoto also mentioned earlier, currently, we have 3 million active account customers, with 970 thousand app registrants, which is a 33% penetration rate. Additionally, 30% to 40% of transactions have shifted to digital, and we believe that as this penetration increases, costs will be concurrently reduced.

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

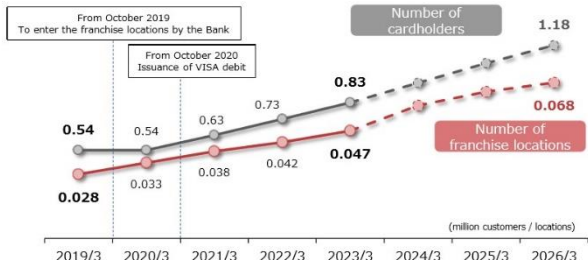


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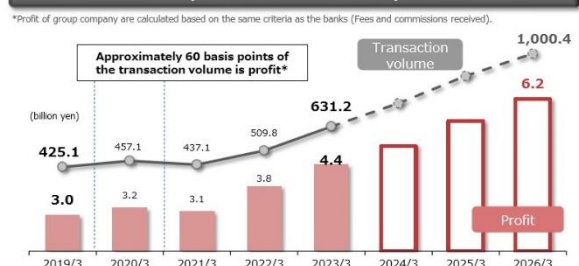
Regarding the corporate portal, we are working toward creating a functional portal site that is easy to understand for all customers. By providing banking services that can be completed through the portal, such as deposits, loans, foreign exchange, and various notifications, we aim to be a bank that is close to customers not just in real life but also digitally.

The number of contracts has reached 45 thousand. The penetration rate to loan customers is 65%, and we are aiming for 70% in the final year of the medium-term plan. We are making steady progress.

Number of group cardholders and franchise locations

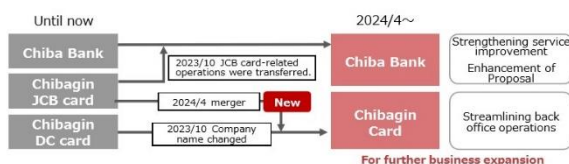


Group transaction volume and profit



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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
 - Signing of agreement regarding referral of franchisees
 - Choshi Tourism Association (February 2024)
 - In the future, contracts to be signed with another tourism association
- Visa Debit
 - Strengthening cooperation with app
 - Single sign-on connection from app to debit cardholders website (planned)
 - Application function (planned)

Please turn to page 14.

Regarding cashless transactions, as mentioned earlier, the number of members has exceeded 900 thousand, the number of franchise locations has surpassed 50 thousand, and the annual transaction volume has reached JPY750 billion. In the final year, we aim for 1.18 million members, 68 thousand franchise locations, and a transaction volume of JPY1 trillion.

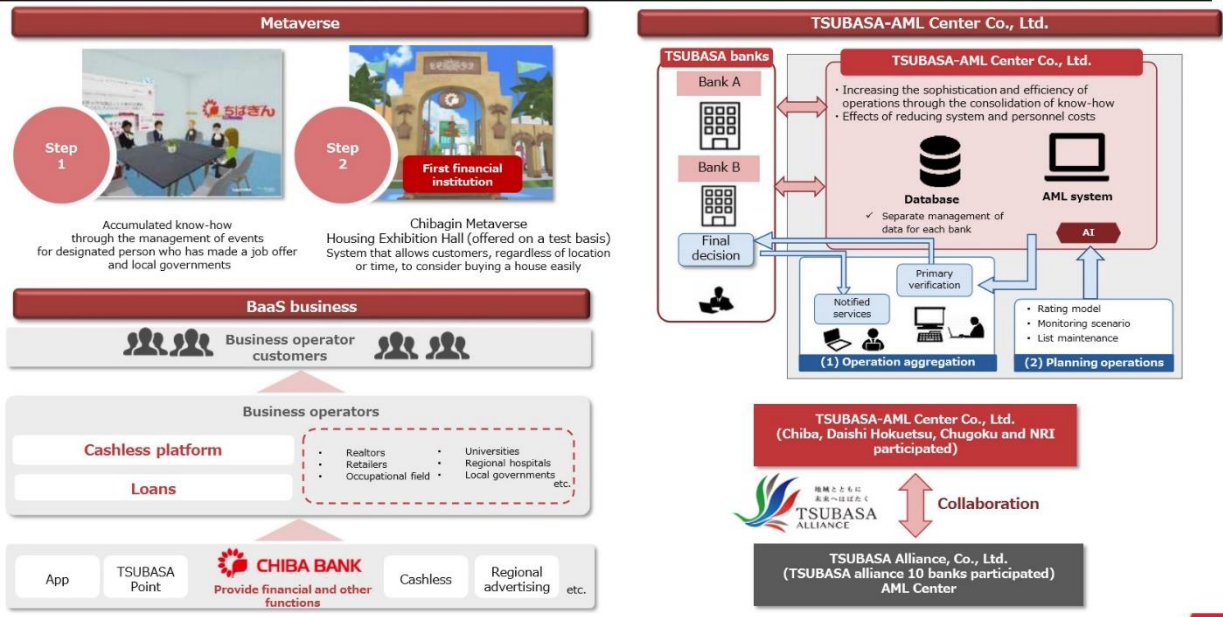
We completed the reorganization of group companies in April, and we will proceed with the consolidation of overlapping functions to improve back-office efficiency.

Additionally, regarding sales to franchise locations, proposals were previously made by separate representatives for JCB and other brands. After the reorganization, it will be possible to make one-stop proposals for all brands, which we believe will improve customer convenience.

Furthermore, we plan to aggressively expand functionalities, including new collaborations with POS register vendors and strengthening integration with Visa debit cards through the app.

Looking at Japan as a whole, the government aims to increase the cashless payment ratio from 36% in 2022 to 40% by 2025, and eventually to 80%. The transaction volume of credit cards is also growing, and we believe cashless transactions are a sector expected to see further growth.

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



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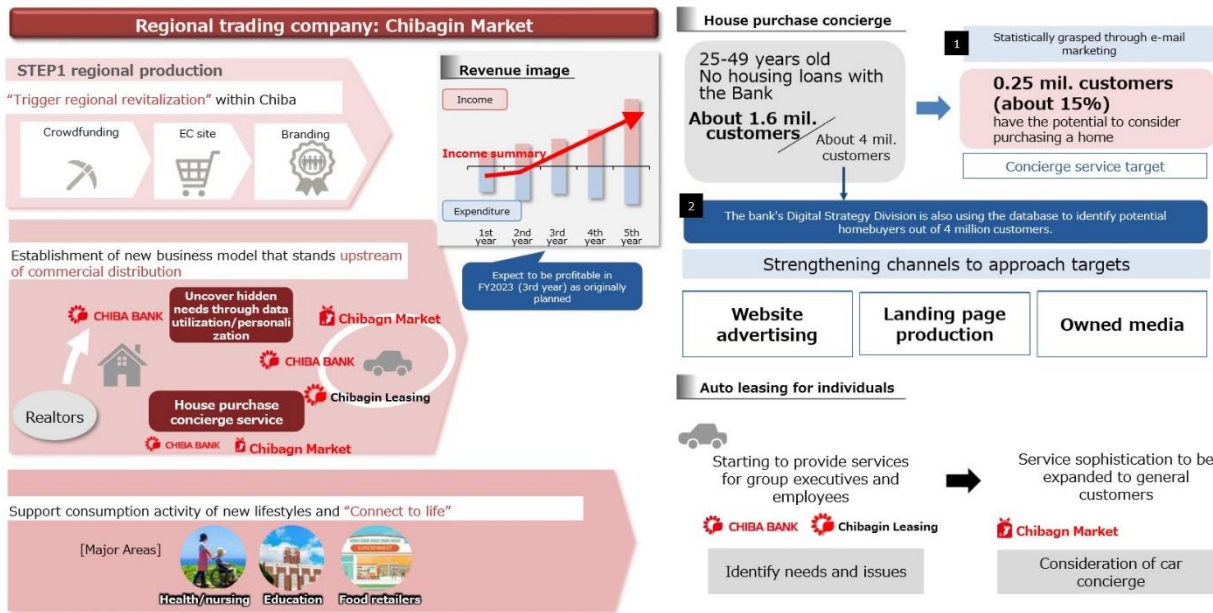
This page is about new businesses.

For the metaverse, as shown in the top left, we conducted a trial of a housing exhibition in collaboration with local housing businesses. This was the first initiative by a financial institution, attracting over 1,000 visitors.

The metaverse is not only familiar to younger generations but we consider it a communication tool that can appeal to customers interested in digital technologies across all age groups. We have been accumulating know-how on using this metaverse space as a venue for gathering customers. Going forward, we aim to move from proof of concept to the introduction phase, increasing the situations where it can be utilized.

Regarding BaaS at the bottom, we aim to form a regional ecosystem by providing platforms such as apps and cashless services.

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



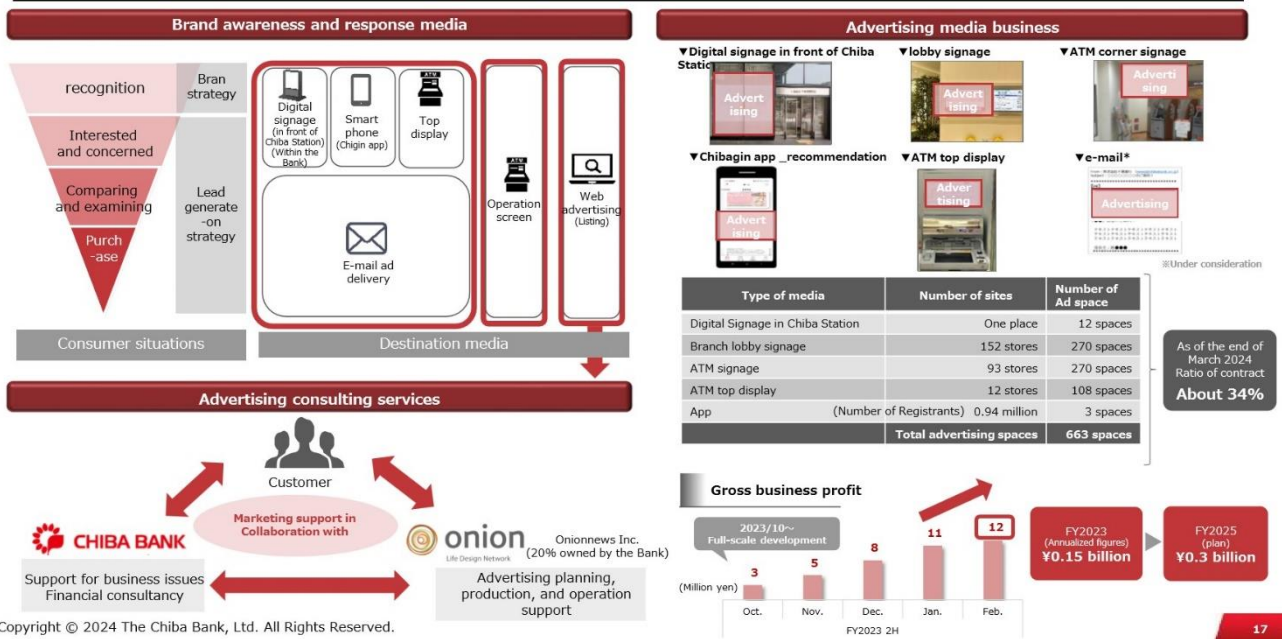
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On the left side, regarding the regional trading company, Chibagin Market, we continue to promote and discover Chiba’s attractions through our crowdfunding and ecommerce site platforms. As step 2, we are moving forward with a small start on concierge services related to housing purchases. This concierge service utilizes data to identify customers who are highly likely to purchase a home and provides them with information. When these customers’ needs become apparent, we offer a series of services including home loans.

In step 2, not only housing but also concierge services in the automotive sector are being considered. We started providing services to group employees as a small start, aiming to identify needs and issues to refine the service before offering it to a broader range of customers.

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



Please turn to page 17.

We started two pillars of the advertising business—advertising media business and advertising consulting services—in all stores from last October.

Regarding the advertising media business on the top right, this involves offering the bank’s digital signage and app media for advertising. In total, we have 663 advertising slots across various locations. While we are gradually expanding our media offerings, there has been more interest from customers than expected since the start, with a current contract rate of 34%, which is very favorable.

Also, as the app serves as an advertising medium, we believe its appeal will increase as more customers use it. We will strengthen the structure of our advertising business to further expand our media offerings.

On the bottom left is our advertising consulting service. Onionnews Inc., in which we hold a 20% stake, specializes in web advertising. By supporting customers’ web advertising operations, we believe this can lead to support for financing and other management challenges.

Remote financial consulting service: On Ad

Contribution to "Financial Wellness"

Individual Corporate Service

High rated by paying interviewees

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

Satisfied 27%

Very satisfied 71%

None 5%

Intention to reuse 95%

95% of users intend to reuse the service

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Joint Business Plan (JBP) with Google Cloud

Agreed in January 2024 New

CHIBA BANK | **Google Cloud**

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

Lack of coordination

App Card NISA ...

Bid tender competition

Advertising company A Advertising company B Advertising company C ...

Decreased learning efficiency

Budget Budget Budget ...

Diversification/inefficiency

Organize into two working groups and strengthen the system

Each product Working Group Unsecured loans Working Group

Advertising company X Advertising company Y

Establishment of JBP Strategic Budget

Consolidation/efficiency

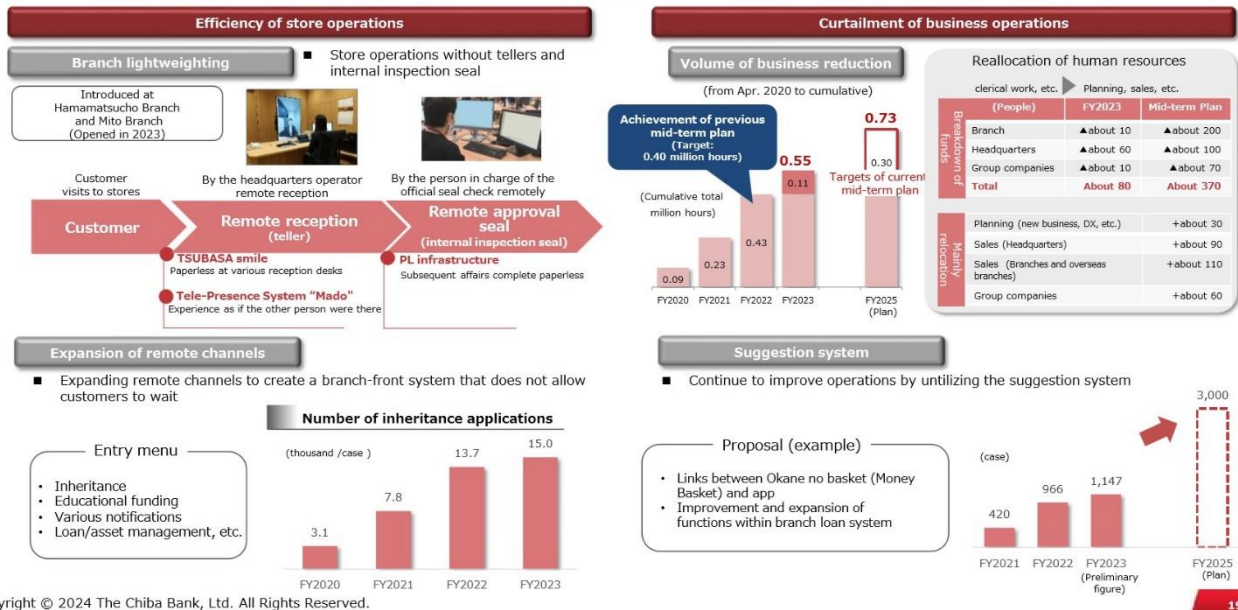
Please turn to page 18.

On the left side, we have the On Ad remote financial consulting service.

In an effort to strengthen our approach to financial wellness, we have started contracting corporate services. In paid consultations, 98% are satisfied with the content, and 95% intend to use it again, showing high satisfaction levels.

On the right side, we have a joint business plan with Google Cloud. This involves enhancing one-to-one marketing through the use of Google's marketing tools and Google Cloud.

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



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This page is about operational efficiency.

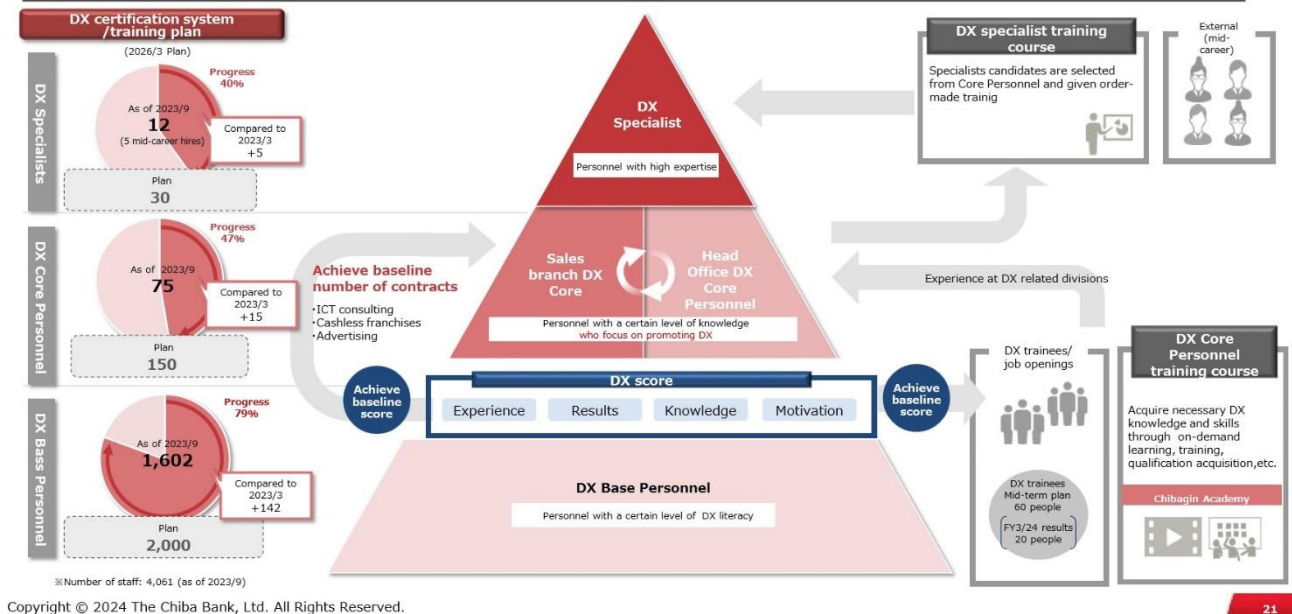
In terms of store operations, the newly opened Hamamatsucho and Mito branches have achieved operations without teller counters or internal inspection staffs.

Specifically, we use a tele-presence system called "Mado," a monitor that allows procedures with headquarters staff through remote transactions with high-quality imagery as if the person is actually there. The development of TSUBASA smile for paperless procedures and the introduction of a remote authentication platform have enabled us to realize stores without teller counters or internal staff seats.

For remote channels, especially for time-consuming inheritance procedures, we are currently accepting reservations for remote visits. As the number of cases increases, we are expanding our acceptance structure.

Our efforts in operational efficiency have resulted in a cumulative reduction of 550 thousand hours since 2020. We aim for a target of 730 thousand hours in the final year of the medium-term plan and will continue with various efficiency measures and business improvement efforts using the proposal system.

Developing DX personnel resources including sales branches



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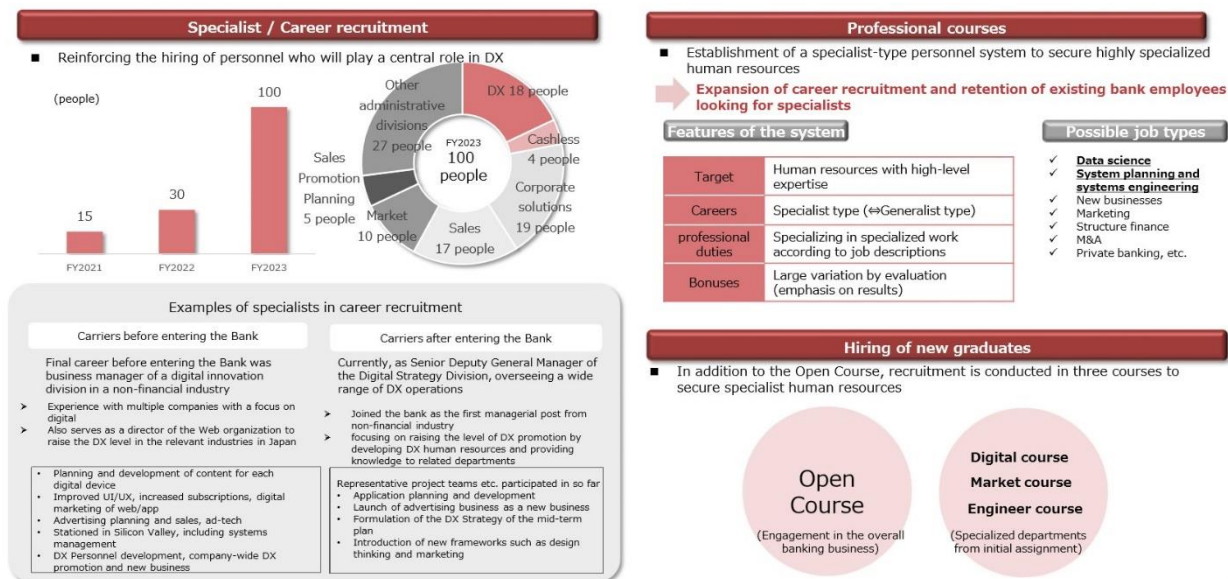
Regarding organizational transformation, first is the development of DX talent.

In October 2021, we introduced a DX certification system, as shown on the left. We are systematically developing personnel in three stages. At the start of the medium-term plan, we set a goal for the number of personnel to be trained, and for DX base personnel, we are currently making steady progress at about 80% toward the goal of 2,000 people.

Regarding DX trainees on the bottom right, we plan to have a total of 60 people during the medium-term period, aiming to increase our core personnel.

For the development of specialists with higher expertise, from this H2 of the year, we are considering implementing customized training tailored to each individual's skills. Now that we have been able to increase our base personnel, we will strengthen the development of personnel with more advanced skills toward accelerating our DX strategy.

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



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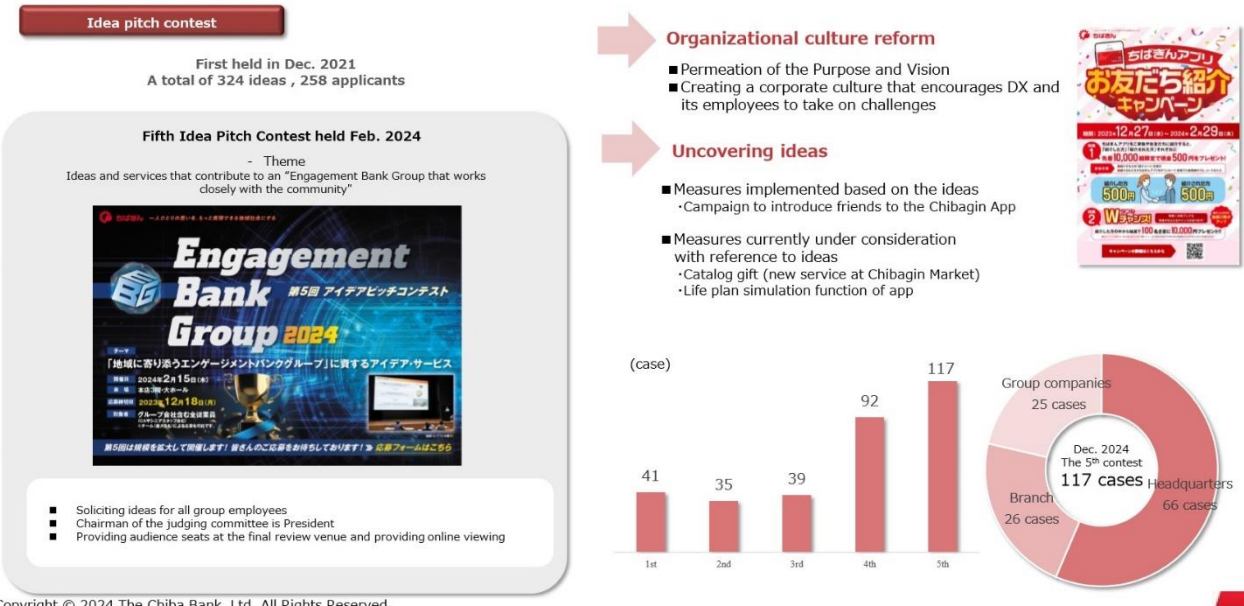
On the left side, we have specialist and career recruitment.

The number of mid-career hires for the fiscal year ending March 2024 has increased to 100, more than triple that of the previous period, with DX and cashless, among others, accounting for a quarter of these hires.

Today, with us at the venue, is Ms. Ito, the Head of Digital Strategy. He joined Chiba Bank in 2021 through mid-career recruitment. After gaining experience focusing on the digital field at several companies, he is making a significant contribution as our first management position hire from a non-financial institution. He is not only involved in formulating our medium-term DX strategy but also in leading the launch of the advertising business introduced earlier and the joint business plan with Google Cloud, as well as sharing knowledge with various related departments, elevating the overall DX consciousness and knowledge within the bank.

To expand mid-career recruitment, we have established a professional career track, and for new graduate hiring, we are also implementing recruitment in three specialized tracks, including digital.

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



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As an effort to raise the overall organization's awareness of DX, I'd like to introduce the Idea Pitch Contest that we've been conducting since 2021.

We held the fifth contest this February. Until now, I was the chair of the judging panel, but we changed the chairperson to the President and expanded the participation to the entire Group. As a result, as you can see in the bar graph the number of applications was the highest ever, with applications coming from various parts of the Company including headquarters, branches, affiliated companies, and even part-time staff. The proposals have become more sophisticated, growing into a company-wide initiative.

Now, let's take a look at a video digest of the actual pitch event on the previous screen.

[Video Begins]

How was it? The friend referral campaign has already been implemented, and we are currently considering the catalog gift service. These initiatives aim to permeate our purpose, vision, and medium-term plan, and to cultivate a culture that is not afraid of failure and encourages challenges. I believe this is also leading to the reform of our organizational culture.

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

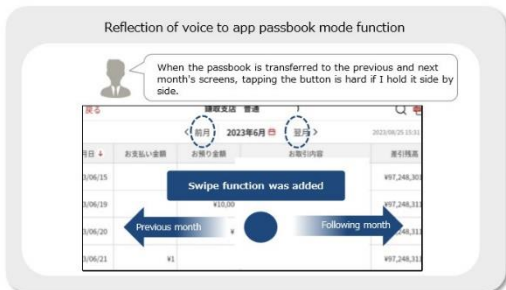
More than 2,000 employees participated

Demonstration experiment

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

Questionnaire

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



Chibagin Innovation Lounge

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



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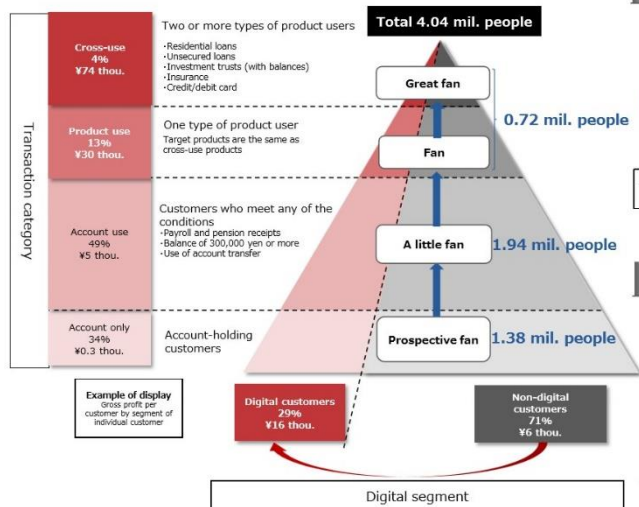
The DX Supporter system on the left is a scheme to gather feedback from employees, with over 2,000 staff participating. Through surveys and proof-of-concept experiments, we collect frank feedback from a customer perspective to improve our services.

On the right is the Innovation Lounge. We have provided digital experiences, including app campaigns and virtual reality. Moving forward, we aim to use it as a space for connecting with the region and experiencing our bank's initiatives, as well as for test marketing purposes.

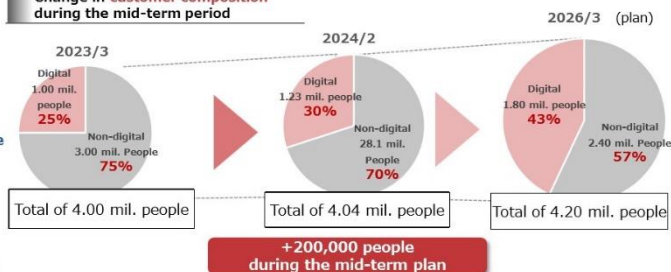
This photo shows customers wearing virtual reality headsets and playing games.

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

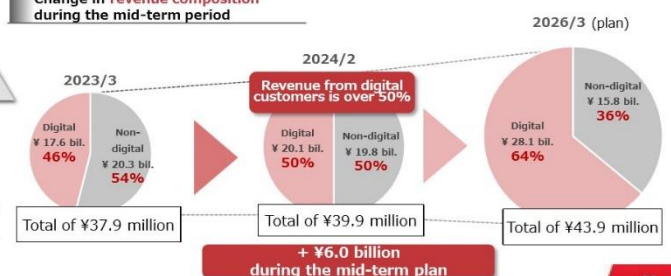
Improvement process of retail business revenue based on the DX Strategy



Change in customer composition during the mid-term period



Change in revenue composition during the mid-term period



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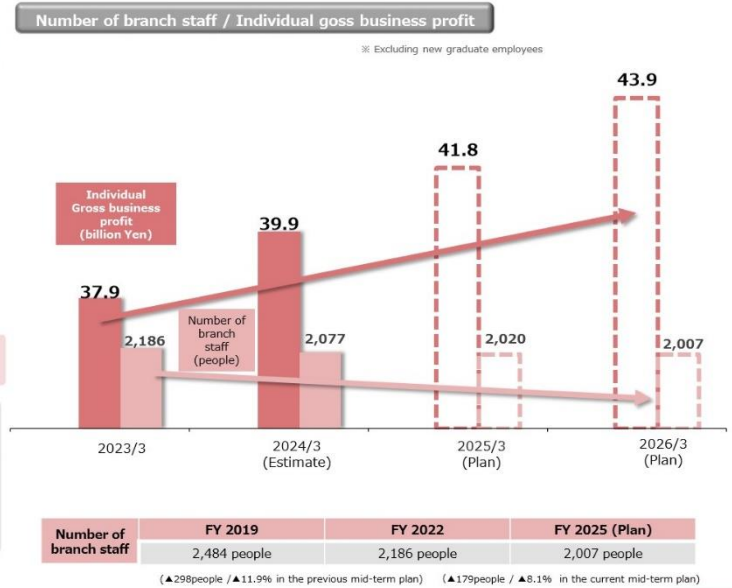
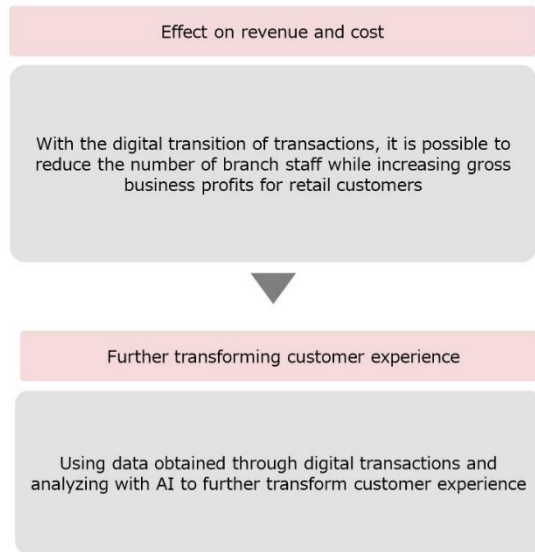
Please turn to page 26.

Regarding fans, by creating the best customer experience, we categorize our relationships with customers into those who just hold an account with us, which is somewhat unilateral but we aim to turn into fans. Customers who utilize their accounts are considered slight fans. Customers using our products are fans, and those using two or more products, engaging in cross-use, are called big fans, a unilateral naming but we aim to gradually transition customers upward.

On the upper right, regarding the change in customer composition, the proportion of digital customers was 25% at the start of the medium-term plan and is currently at 30%. We aim to increase this to over 40% by the end of the medium-term plan.

On the bottom right, the revenue structure. Digital and non-digital combined, we are targeting JPY43.9 billion for the final year of the medium-term plan. We aim to increase it by JPY6 billion during the medium-term period, and currently, it has already increased by JPY2 billion. The proportion of revenue from digital customers has been increasing, from 46% at the start of the medium-term plan to over 50% currently.

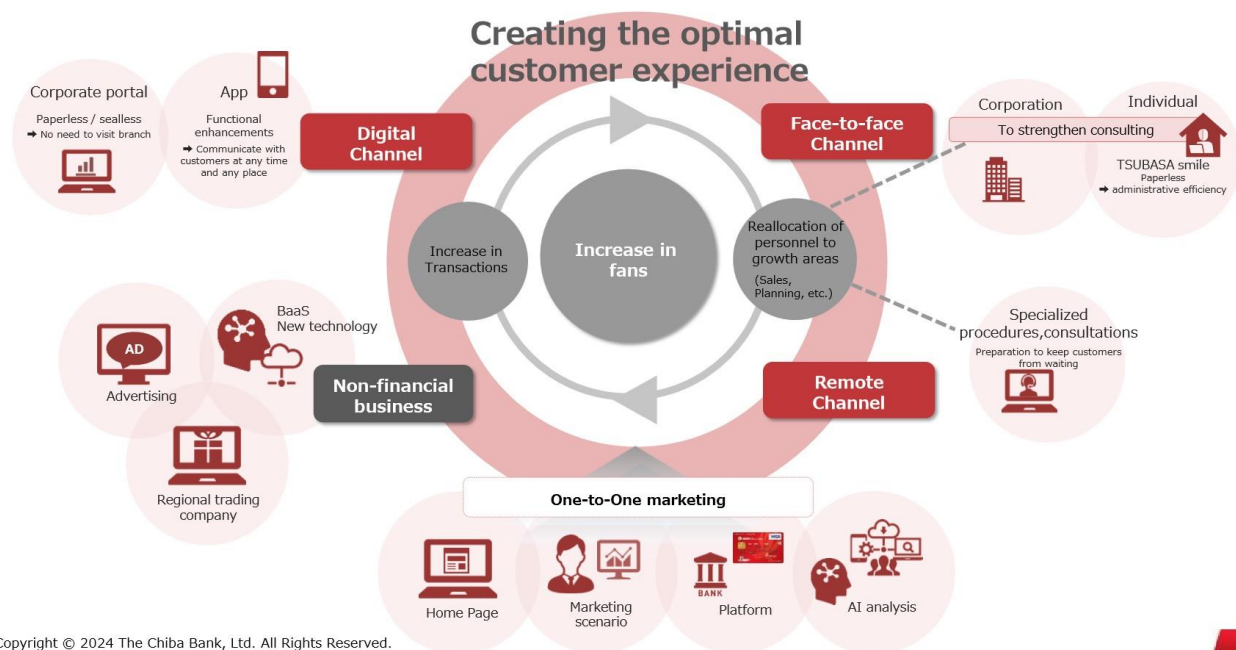
DX has increased revenues and reduced costs / further transforming customer experience



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Let's move on.

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This is an overview of the DX strategy. It encompasses digital channels, face-to-face channels, remote channels, and non-financial businesses.

We believe the DX strategy will accelerate by creating a virtuous cycle of increasing transactions and reallocating personnel to growth areas, and further advancing one-to-one marketing utilizing data. In the financial business, we aim to enhance the functions of real, remote, and digital channels, and in the non-financial business, we want to expand our lineup to meet a wide range of needs, including advertising and regional trading companies.

We will continue to enhance the functions of apps and portals, aiming to create a situation where customers can interact with us anytime, anywhere. Additionally, in face-to-face channels, by reallocating and training personnel, we will strengthen our consulting functions for corporate and individual customers.

Furthermore, utilizing remote channels, which lie between real and digital, currently applied to inheritance procedures, we believe we can establish a system that doesn't keep customers waiting by handling specialized procedures and consultations.

By enhancing the functions of each channel and making proposals through the optimal channels, we aim to create the best customer experience and increase the number of Chibagin fans.

That concludes my presentation.

Thank you.