

# Directors, Audit & Supervisory Board Members and Executive Officers

## Directors

(As of June 26, 2024)



President  
(Representative Director)  
Group Chief  
Executive Officer  
**Tsutomu Yonemoto**

- Apr. 1987 Joined the Bank
- Jun. 2016 Executive Officer, General Manager, Business Promotion Division, the Bank
- Jun. 2017 Director and Managing Executive Officer, Executive Officer in charge of Treasury Division and Treasury Operation Division, the Bank
- Jun. 2018 Director and Managing Executive Officer, Group Chief Business Officer, General Manager in charge of Business Promotion, the Bank
- Jun. 2019 Director and Senior Executive Officer, Group Chief Strategy Officer, General Manager, Corporate Planning Headquarters, Executive Officer in charge of Corporate Planning Division, Public Relations Division, New Head Office Project Office and Corporate Administration Division, the Bank
- Apr. 2020 Director and Senior Executive Officer, Group Chief Strategy Officer, Group Chief Digital Transformation Officer, General Manager, Corporate Planning Headquarters, Executive Officer in charge of Corporate Planning Division, Public Relations Division, New Head Office Project Office and Corporate Administration Division, the Bank
- Apr. 2021 Director and Senior Executive Officer, the Bank
- Jun. 2021 President, Group Chief Operating Officer, the Bank
- Apr. 2023 President, Group Chief Executive Officer, the Bank
- Oct. 2023 President, Group Chief Executive Officer, in charge of Audit and Inspection Division and Group Improvement Office, the Bank (current position)



Director and  
Senior Executive Officer  
(Representative Director)  
Group Chief Business Officer  
General Manager in charge of  
Business Promotion  
**Kiyomi Yamazaki**

- Apr. 1988 Joined the Bank
- Jun. 2016 General Manager, Consumer Loan Business Division, the Bank
- Jun. 2017 General Manager, Business Promotion Division, the Bank
- Jun. 2018 Executive Officer, General Manager, Chuo Branch and Keisei-ekimae Branch, the Bank
- Apr. 2019 Executive Officer, Deputy to Executive Officer in charge of Prefectural Block, the Bank
- Jun. 2019 Executive Officer in charge of Domestic Business, in charge of Business Planning Division, Customer Service Division, Business Promotion Division, Corporate Business Division, Regional Revitalization Division, Trust Business Division, Consumer Loan Business Division, Payment Card Business Division, the Bank
- Apr. 2020 Executive Officer, General Manager, Head Office and Saiwaicho Sub Branch, the Bank
- Jun. 2020 Managing Executive Officer, General Manager, Head Office and Saiwaicho Sub Branch, the Bank
- Apr. 2021 Senior Executive Officer, Group Chief Business Officer, General Manager in charge of Business Promotion, the Bank
- Jun. 2021 Director and Senior Executive Officer, Group Chief Business Officer, General Manager in charge of Business Promotion, the Bank (current position)



Director and  
Senior Executive Officer  
(Representative Director)  
Group Chief Strategy Officer  
Group Chief Digital  
Transformation Officer  
**Mutsumi Awaji**

- Apr. 1989 Joined the Bank
- Jun. 2018 General Manager, Regional Revitalization Division, the Bank
- Jun. 2019 Executive Officer, General Manager, Regional Revitalization Division, the Bank
- Apr. 2020 Executive Officer, General Manager, Corporate Business Division, the Bank
- Apr. 2021 Managing Executive Officer, Group Chief Human Resources Officer, Executive Officer in charge of Human Resources Division and Diversity Management Division, the Bank
- Jun. 2021 Director and Managing Executive Officer, Group Chief Human Resources Officer, Executive Officer in charge of Human Resources Division, Diversity Management Division and General Secretariat, the Bank
- Apr. 2022 Director and Managing Executive Officer, Group Chief Digital Transformation Officer, Group Chief Human Resources Officer, Executive Officer in charge of Digital Innovation Division, Human Resources Division, Diversity Management Division and General Secretariat, the Bank
- Apr. 2023 Director and Senior Executive Officer, Group Chief Strategy Officer, Group Chief Digital Transformation Officer, Executive Officer in charge of Corporate Planning Division, Group Strategy Division, Digital Strategy Division, Public Relations Division and Corporate Administration Division, the Bank (current position)



Director and  
Managing Executive Officer  
Group Chief Human  
Resources Officer  
**Takashi Makinose**

- Apr. 1990 Joined the Bank
- Jun. 2018 General Manager, Corporate Planning Division, the Bank
- Apr. 2019 General Manager, Hong Kong Branch, the Bank
- Apr. 2021 Executive Officer, General Manager, Human Resources Division, the Bank
- Apr. 2023 Managing Executive Officer, Group Chief Human Resources Officer, Executive Officer in charge of Human Resources Division, Diversity Management Division and General Secretariat, the Bank
- Jun. 2023 Director and Managing Executive Officer, Group Chief Human Resources Officer, Executive Officer in charge of Human Resources Division, Diversity Management Division and General Secretariat, the Bank (current position)

## Directors

(As of June 26, 2024)



Director and  
Managing Executive Officer  
Group Chief Risk Officer  
General Manager in charge of  
Corporate Management  
**Masayasu Ono**

- Apr. 1990 Joined the Bank
- Jun. 2015 General Manager, Hong Kong Branch, the Bank
- Jun. 2017 General Manager, Corporate Administration Division, the Bank
- Dec. 2018 General Manager, Compliance Division, the Bank
- Apr. 2019 General Manager, Corporate Planning Division, the Bank
- Jun. 2019 Executive Officer, General Manager, Corporate Planning Division, the Bank
- Oct. 2020 Executive Officer in charge of New Businesses, the Bank
- Apr. 2021 Corporate Planning Division and Human Resources Division, (Supervisor of regional trading company business), the Bank
- May 2021 President and Representative Director, Chibagin Market Co., Ltd.
- Apr. 2023 Managing Executive Officer, Group Chief Risk Officer, Executive Officer in charge of Compliance and Risk Management Division and Service Quality Management Division, the Bank
- Jun. 2023 Director and Managing Executive Officer, Group Chief Risk Officer, Executive Officer in charge of Compliance and Risk Management Division and Service Quality Management Division, the Bank
- Oct. 2023 Director and Managing Executive Officer, Group Chief Risk Officer, General Manager in charge of Corporate Management, Compliance and Risk Management Division, the Bank (current position)

## Outside Directors

(As of June 26, 2024)



Director (Outside Director, Chairperson of the Board of Directors)  
**Yasuko Takayama**

- Apr. 1980 Joined Shiseido Co., Ltd.
- Apr. 2006 General Manager, Consumer Information Center, Shiseido Co., Ltd.
- Oct. 2008 General Manager, Consumer Relations Department, Shiseido Co., Ltd.
- Apr. 2009 General Manager, Social Affairs and Consumer Relations Department, Shiseido Co., Ltd.
- Apr. 2010 General Manager, Corporate Social Responsibility Department, Shiseido Co., Ltd.
- Jun. 2011 Audit & Supervisory Board Member (standing), Shiseido Co., Ltd.
- Jun. 2015 Advisor, Shiseido Co., Ltd.
- Jun. 2015 Outside Director, the Bank (current position)
- Jun. 2015 Outside Director, Nippon Soda Co., Ltd.
- Jun. 2016 Outside Audit & Supervisory Board Member, Mitsubishi Corporation
- Jun. 2017 Outside Audit & Supervisory Board Member, Yokogawa Electric Corporation
- Jun. 2019 Outside Director (Audit and Supervisory Committee Member), Cosmo Energy Holdings Co., Ltd. (current position)
- Jun. 2024 Outside Director, Yokogawa Electric Corporation (current position)



Director (Outside Director)  
**Takahide Kiuchi**

- Apr. 1987 Joined Nomura Research Institute, Ltd.
- Jun. 2002 Head, Japanese Economic Research Unit, Economic Research Department, Nomura Research Institute, Ltd.
- Jun. 2004 Deputy Head, Economic Research Department and Head, Japanese Economic Research Section, Financial & Economic Research Center, Nomura Securities Co., Ltd.
- Jun. 2007 Managing Director, Head, Economic Research Department and Chief Economist, Financial & Economic Research Center, Nomura Securities Co., Ltd.
- Jul. 2012 Member of the Policy Board, the Bank of Japan
- Jul. 2017 Executive Economist, Nomura Research Institute, Ltd. (current position)
- Jun. 2020 Outside Director, the Bank (current position)

## Outside Directors

(As of June 26, 2024)



Director (Outside Director, Chairperson of Nomination, Remuneration and Corporate Advisory Committee)  
**Yuko Tashima**

- Apr. 1979 Prosecutor, Tokyo District Public Prosecutors Office
- Apr. 1992 Registered as Attorney at Law, Tokyo Bar Association Attorney at Law, Sawayaka Law Office (current position)
- Jul. 2006 Outside Director, Meiji Yasuda Life Insurance Company
- Jun. 2015 Outside Director, the Bank (current position)
- Oct. 2015 Outside Director, Kyushu Financial Group Inc.
- Jun. 2016 Outside Audit & Supervisory Board Member, Tokio Marine & Nichido Life Insurance Co., Ltd.
- Jun. 2021 Outside Director (Audit and Supervisory Committee Member), Kyushu Financial Group Inc. (current position)

## Directors, Audit & Supervisory Board Members and Executive Officers

### Audit & Supervisory Board Members

(As of June 26, 2024)



Standing Audit & Supervisory Board Member  
**Hironaga Fukuo**

Apr. 1987 Joined the Bank  
Apr. 2014 General Manager, Consumer Loan Business Division, the Bank  
Jun. 2016 General Manager, Kashiwa Branch, the Bank  
Jun. 2018 Executive Officer, General Manager, Human Resources Division, the Bank  
Apr. 2021 Managing Executive Officer in charge of the Credit Unit, the Bank  
Mar. 2023 Retired as Managing Executive Officer in charge of the Credit Unit, the Bank  
Jun. 2023 Audit & Supervisory Board Member, the Bank (current position)



Standing Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)  
**Kazuhiro Kikuchi**

Apr. 1983 Joined the Ministry of Finance  
Jul. 2011 Director General, Fukuoka Local Finance Branch Bureau  
Jul. 2012 Director, Urban Renaissance Agency  
Jul. 2014 Councillor, Cabinet Secretariat  
Jul. 2016 Executive Director, Federation of National Public Service Personnel Mutual Aid Associations  
Jul. 2017 Senior Executive Director, Federation of National Public Service Personnel Mutual Aid Associations  
Jun. 2021 Outside Audit & Supervisory Board Member, the Bank (current position)



Standing Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)  
**Norikazu Takahashi**

Apr. 1985 Joined the Bank of Japan  
Aug. 2008 General Manager, Okayama Branch, the Bank of Japan  
May 2012 Deputy Director-General, Currency Issue Department, the Bank of Japan  
Nov. 2013 General Manager, Sendai Branch, the Bank of Japan  
May 2015 General Manager, Information System Services Department, the Bank of Japan  
Jun. 2016 Executive Director, The Center for Financial Industry Information Systems Auditor, The Financial Futures Association of Japan  
Jun. 2021 Outside Audit & Supervisory Board Member, the Bank (current position)



Non-Standing Audit & Supervisory Board Member  
**Chigusa Saito**

Apr. 1988 Joined the Bank  
Oct. 2014 General Manager, Diversity Management Division, the Bank  
Jun. 2016 General Manager, Human Resources Division, the Bank  
Jun. 2017 Executive Officer, General Manager, Human Resources Division, the Bank  
Jun. 2018 Executive Officer, General Manager, Operation Planning Division, the Bank  
Apr. 2020 Executive Officer in charge of Special Appointment, the Bank  
Jun. 2020 President and Representative Director, Chibagin Heartful Co., Ltd.  
Jun. 2023 Audit & Supervisory Board Member, the Bank (current position)  
Jun. 2023 Standing Audit & Supervisory Board Member, Chibagin Computer Service Co., Ltd. (current position)



Non-Standing Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)  
**Wataru Takahashi**

Apr. 1975 Joined the Chiba Prefectural Government  
Apr. 2008 Secretary General, Prefectural Assembly, Chiba Prefectural Government  
Apr. 2009 Executive Director, Commerce, Industry and Labor Department, Chiba Prefectural Government  
Apr. 2010 Executive Director, Policy and Planning Department, Chiba Prefectural Government  
Apr. 2012 Executive Director, General Affairs Department, Chiba Prefectural Government  
Apr. 2013 Vice-Governor, Chiba Prefecture  
Jun. 2021 Outside Audit & Supervisory Board Member, the Bank (current position)

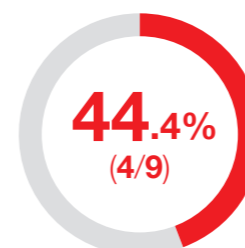
### Executive Officers

(As of June 26, 2024)

Managing Executive Officer (In charge of Market and International Business)  
**Nobukazu Odaka**  
Managing Executive Officer (In charge of Chiba Prefecture Business)  
**Yoichi Mataka**  
Managing Executive Officer (In charge of Credit Unit)  
**Kyota Izumi**  
Managing Executive Officer (Group Chief Information Officer)  
**Kazunari Tanaka**  
Managing Executive Officer (In charge of Business Outside Chiba Prefecture)  
**Yukio Mikami**  
Managing Executive Officer (General Manager of Funabashi Branch)  
**Masayuki Sugihara**  
Managing Executive Officer (General Manager of Head Office and Saiwaicho Sub Branch)  
**Masaki Miyaochi**  
Executive Officer (General Manager of Business Coordination Division)  
**Akihiro Nagaoka**  
Executive Officer (General Manager of Human Resources Division)  
**Atsushi Imai**

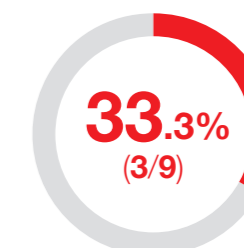
Executive Officer (General Manager of Corporate Planning Division)  
**Akira Eshita**  
Executive Officer (General Manager of Digital Strategy Division)  
**Hideki Shibata**  
Executive Officer (General Manager of Corporate Business Division)  
**Shinichi Ito**  
Executive Officer (General Manager of Operation Division)  
**Yumiko Mitsuoka**  
Executive Officer (General Manager of Narita Branch)  
**Yoshitaka Furumoto**  
Executive Officer (General Manager of Chuo Branch and Keisei-ekimae Branch)  
**Ryosuke Terauchi**  
Executive Officer (General Manager of Group Strategy Division)  
**Tatsuya Onishi**  
Executive Officer (In charge of Special Appointment)  
**Taro Kanzawa**  
Executive Officer (General Manager of Tokyo Head Office)  
**Shigeru Saito**

### Ratio of Independent Outside Directors



- Organizational structure: Company with an audit & supervisory board
- Number of Directors: 9
- Number of outside directors: 4 (All of them are independent officers)
- Number of female directors: 3
- Number of Audit & Supervisory Board members: 5

### Ratio of Female Directors



- Number of outside Audit & Supervisory Board members: 3 (All of them are independent officers)
  - Number of executive officers: 18
  - Number of female executive officers: 1
  - Attendance rate of the Board of Directors meetings\*: 98.6% (attendance rate for outside directors: 98.0%)
- \*For the Board of Directors meetings held in FY2023

(As of June 26, 2024)

### Skills Matrix

\*The matrix does not exhaustively show the specialty and experience of each of the Directors and Audit & Supervisory Board Members.

Name/Position	Specialties and Experience of Directors and Audit & Supervisory Board Members						
	Corporate management	Corporate finance and accounting/ Finance	Risk management/ Legal affairs	Regional sales	International businesses/ Market operations	IT/DX	Sustainability
Tsutomu Yonemoto President (Representative Director) Group Chief Executive Officer	●	●	●	●	●	●	
Kiyomi Yamazaki Director and Senior Executive Officer (Representative Director) Group Chief Business Officer, General Manager in charge of Business Promotion		●	●	●	●		
Mutsumi Awaji Director and Senior Executive Officer (Representative Director) Group Chief Strategy Officer, Group Chief Digital Transformation Officer		●	●			●	●
Takashi Makinose Director and Managing Executive Officer Group Chief Human Resources Officer		●	●	●	●		●
Masayasu Ono Director and Managing Executive Officer Group Chief Risk Officer, General Manager in charge of Corporate Management	●	●	●		●		
Yuko Tashima Director (Outside Director, Chairperson of Nomination, Remuneration and Corporate Advisory Committee)	●		●				
Yasuko Takayama Director (Outside Director, Chairperson of the Board of Directors)			●				●
Takahide Kiuchi Director (Outside Director)		●	●		●	●	
Ryoji Yoshizawa Director (Outside Director)		●	●		●		●
Hironaga Fukuo Standing Audit & Supervisory Board Member		●	●	●			
Kazuhiro Kikuchi Standing Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)		●	●		●		●
Norikazu Takahashi Standing Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)		●	●		●	●	
Chigusa Saito Non-Standing Audit & Supervisory Board Member	●	●	●				
Wataru Takahashi Non-Standing Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)		●	●				

Contents of each skill item  
 [Corporate management] Experience as a top executive of a company or other organization, with the ability to execute in order to maximize business results  
 [Corporate finance and accounting/Finance] Knowledge of banking finance and accounting, and financial business backed up by business experience  
 [Risk management/Legal affairs] The ability to correctly identify and assess the risks involved in banking. Knowledge of legal matters related to the banking industry and the ability to perform their duties in an appropriate and sound manner  
 [Regional sales] Familiarity with the products and services offered by the Bank, and to have the knowledge, experience and ability to contribute to the resolution of issues faced by regional customers  
 [International businesses/Market operations] Global perspective based on overseas experience, and to have knowledge, experience, and ability related to overseas business and market operations  
 [IT/DX] Knowledge of IT and DX, and able to contribute to the enhancement of the DX promotion system and the associated human resource development, utilization of new technologies, and advancement of cyber risk management  
 [Sustainability] Knowledge, experience and ability to contribute to the sustainable growth of the Bank by addressing environmental, social and community issues

# Corporate Governance Structure

The Bank Group bases all of its corporate activities on the Chiba Bank Group's Corporate Code of Conduct. In addition, in the mid-term plan, we have included "Group Governance" as one of our value creation bases as part of our drive to advance the level of corporate governance.

In complying with the Code and realizing these policies in our efforts to further strengthen and enhance corporate governance, we will contribute to the realization of a sustainable local community through appropriate cooperation with diverse stakeholders and strive for sustainable growth and the improvement of corporate value in the medium to long term.

## Initiatives to Strengthen Governance

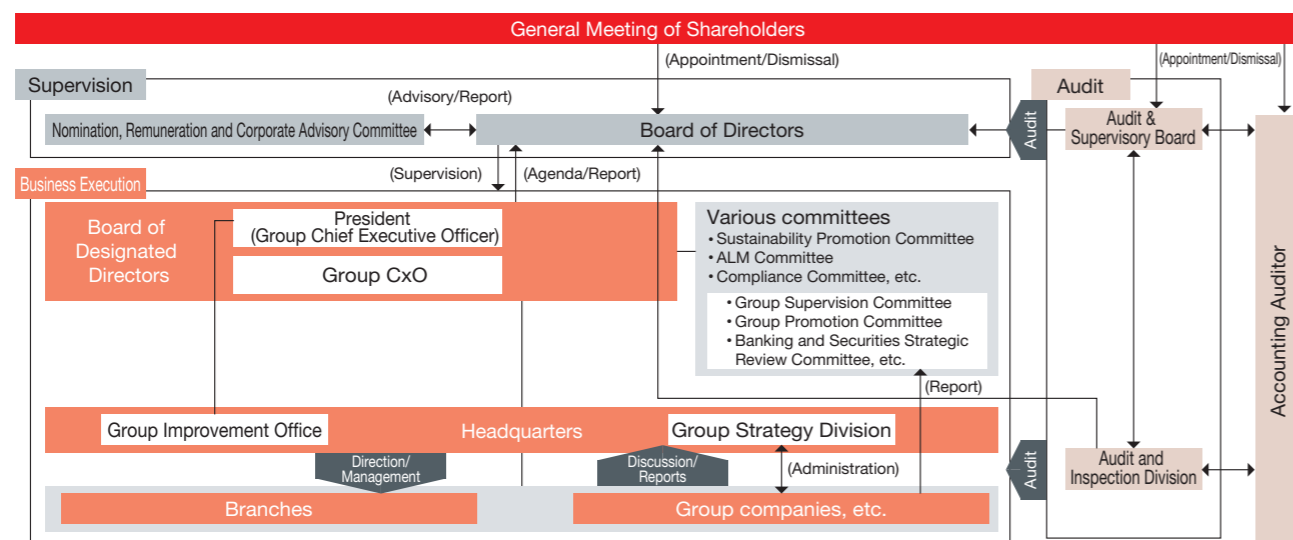
Corporate governance has been enhanced through such measures as the executive officer system introduced in 2003 and the appointment of outside directors which began in 2013.

Currently as of June 26, 2024, we have a 44.4% ratio of independent outside directors (4 out of 9) and a 33.3% ratio of female directors (3 out of 9).

2003	Introduced the executive officer system	2020	Assigned Group Chief Digital Transformation Officer (CDTO)
2010	Abolished directors' retirement benefits Introduced equity-based remuneration in the form of stock options	2021	Assigned Group Chief Human Resources Officer (CHRO) Revised the director remuneration framework (Introduced restricted stock remuneration system) Abolished the position of Advisor role and reviewed the content of Advisor to the President Assigned the first female internal director
2011	Put the Audit and Inspection Division under direct control of the Board of Directors	2022	Appointed an outside director as the Chairperson of the Nomination, Remuneration and Corporate Advisory Committee
2013	Appointed an outside director	2023	Established the Group Strategy Division that oversees overall business execution of Group companies
2015	Began evaluating the effectiveness of the Board of Directors Appointed two female outside directors Established the Corporate Advisory Committee (currently the Nomination, Remuneration and Corporate Advisory Committee)	2024	Appointed an outside director as Chairperson of the Board of Directors Assigned the first female representative director Changed the term of office of a director (shortened from 2 years to 1 year) Revised the director remuneration framework (Introduced the performance-linked restricted stock remuneration system)
2018	Formulated the Information Disclosure Policy Introduced the Group Chief Officer System Raised the ratio of outside directors on the Board of Directors to one-third		
2019	Conducted evaluation on the effectiveness of the Board of Directors by collaborating with an external evaluation firm Formulated the "Policy on Corporate Governance"		

## Corporate Governance Structure

As of June 26, 2024



## Board of Directors

The Board of Directors consists of nine directors, including four independent outside directors (the ratio of independent outside directors is 44.4%). The Board of Directors makes decisions about management policies and other important matters and supervises the execution of business by the directors and executive officers.

The Bank has also adopted an executive officer system. This system provides for the clear separation of the roles of the directors, who reach decisions on important matters, supervise the execution of business operations, and perform other tasks, and the role of the executive officers, who conduct business operations.

In response to the issuance of Business Improvement Orders by the Kanto Local Finance Bureau to Chiba Bank and Chibagin Securities in June 2023, we acknowledge the importance of actions such as advancing the level of Group governance, and we are engaging in efforts such as strengthening supervision by the Board of Directors, including appointment of an outside director as the Chairperson of the Board of Directors in April 2024.

Main Agenda Items and Decisions in FY2023		
1st quarter	<ul style="list-style-type: none"> <li>Status of cross-shareholdings</li> <li>Policy on response to human capital disclosure</li> <li>Dialogue with shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Progress status of non-financial and new businesses</li> <li>Evaluation of the effectiveness of the Board of Directors</li> <li>Initiatives for improving P/B ratio</li> </ul>
2nd quarter	<ul style="list-style-type: none"> <li>Compliance with the 2015 UK Modern Slavery Act and status of SDGs initiatives</li> <li>Submission of the business improvement report</li> <li>Partial revision of the internal audit plan</li> </ul>	<ul style="list-style-type: none"> <li>Group companies' activity reports</li> <li>Progress status of DX strategy</li> <li>Establishment of a joint venture with The Daishi Hokuetsu Bank, Ltd., The Chugoku Bank, Ltd., and Nomura Research Institute, Ltd.</li> </ul>
3rd quarter	<ul style="list-style-type: none"> <li>Report on business execution by Group Chief Strategy Officer</li> <li>Status of holding of meetings of the Nomination, Remuneration and Corporate Advisory Committee</li> <li>Status of initiatives for human resources strategy</li> </ul>	<ul style="list-style-type: none"> <li>Revision of the Policy on Customer-oriented Business Operations</li> <li>Report on business execution by Group Chief Digital Transformation Officer</li> <li>Policy on activities of the Group Improvement Office</li> </ul>
4th quarter	<ul style="list-style-type: none"> <li>Progress status of mid-term plan</li> <li>Selection of additional top risks</li> <li>Change of the term of office of a director and partial amendment to the Articles of Incorporation</li> </ul>	<ul style="list-style-type: none"> <li>Initiatives for enhancement of corporate value</li> <li>Business performance plan</li> <li>Revision of the executive remuneration system</li> </ul>

## Audit & Supervisory Board

The Bank has adopted the form of a company with an audit & supervisory board with five Audit & Supervisory Board members, including a majority of three outside Audit & Supervisory Board members. In particular, three of the Audit & Supervisory Board members, including two outside Audit & Supervisory Board members, are standing Audit & Supervisory Board members. They attend meetings of the Board of Directors and other important meetings, check important documents, and perform audits of the headquarters and branches to conduct objective and reasonable audits of the status of business execution. We believe that this system provides an adequate management supervisory function.

## Nomination, Remuneration and Corporate Advisory Committee

We have established the Nomination, Remuneration and Corporate Advisory Committee as an advisory body to the Board of Directors. To ensure objectivity, timeliness, and transparency of procedures, this Committee comprises four independent outside directors and three internal directors appointed by a resolution of the Board of Directors. In addition, since October 2022, an outside director serves as its chairperson to ensure the Committee's independence.

## Corporate Governance Structure

### Policies for Appointment and Dismissal of Directors and Nomination of Directors and Audit & Supervisory Board Members

#### <Candidates for Internal Directors>

Candidates for internal directors are determined by the Board of Directors, following deliberations by the Nomination, Remuneration and Corporate Advisory Committee the majority of which comprise independent outside directors, based on the President's recommendations of persons who, based on a deep understanding of the Bank's basic management policy, possess knowledge and experience to enable the appropriate, fair, and efficient execution of bank business management, as well as sufficient social trust, with the aim of achieving our management strategy. Representative directors are determined by the Board of Directors following deliberations by the Nomination, Remuneration and Corporate Advisory Committee on persons suitable for representing the Bank selected from among internal directors. In the event of occurrence of a serious obstacle to the execution of duties as a representative director or when a representative director falls under reasons for disqualification\*, dismissal of such representative director shall be determined by the Board of Directors following deliberations by the Nomination, Remuneration and Corporate Advisory Committee.

\*Reasons for disqualification

- The representative director is deemed to have a relationship with antisocial forces
- The representative director is deemed to have violated laws, regulations, or internal regulations

#### <Candidates for Outside Directors>

Candidates for outside directors are determined by the Board of Directors, following deliberations by the Nomination, Remuneration and Corporate Advisory Committee the majority of which comprise independent outside directors, based on the President's recommendations of persons who mainly possess specialist knowledge and experience in areas other than the Bank's business operations and are deemed capable of contributing to the Bank's sustainable growth and corporate value enhancement over the medium to long term based on their insights in view of the skill matrix.

#### <Candidates for Audit & Supervisory Board Members>

Candidates for Audit & Supervisory Board members are determined at a meeting of the Board of Directors that is participated by independent outside directors, following deliberations by the Nomination, Remuneration and Corporate Advisory Committee and consent by the Audit & Supervisory Board, based on the President's recommendations of persons who possess knowledge and experience to enable the appropriate, fair, and efficient performance of audits on the execution of duties by directors, as well as sufficient social trust.

### Succession Planning

Successors to the representative directors are determined by the Board of Directors following deliberations by the Nomination, Remuneration and Corporate Advisory Committee the majority of which comprise independent outside directors, in view of desired personnel requirements, personnel training policy and plan, as well as the status of training, etc. The status of deliberation is reported, as appropriate, to the Board of Directors.

#### <Desired personalities of candidates (nomination policy)>

Images of desired personalities of candidates are deliberated by the Nomination, Remuneration and Corporate Advisory Committee in view of qualities and abilities required as management, as well as the business environment surrounding our Group and the direction of its future business strategies, and are shared by the Board of Directors. Whether to review the images of desired candidates for successors or not in accordance with changes in the business environment, etc. is deliberated as appropriate.

#### <Review of candidates' personalities and training schemes>

The Nomination, Remuneration and Corporate Advisory Committee members review personalities of candidates based on a third-party evaluation, etc. by an external specialized organization. The committee then considers policies and plans for training candidates to help them become a person qualified for the position.

#### <Candidate selection process>

Candidates are proposed by the President (including reappointment, replacement and dismissal of directors including representative directors) and determined by the Board of Directors following deliberations on the consistency, etc. with the nomination policy and training policy by the Nomination, Remuneration and Corporate Advisory Committee.

### Reasons for the Appointments of Outside Directors and Audit & Supervisory Board Members

The Bank appoints outside directors who are deemed to be capable of contributing to the enhancement of corporate value over the medium to long term, through a further enhancement of the decision-making and supervisory functions of the Board of Directors, by leveraging the knowledge and experience of said persons in the Bank's management.

Name (Appointment)	Reasons for Appointment as Outside Director
Yuko Tashima (June 2015)	Has a high level of expertise as an attorney, with experience as an outside director at other non-financial companies as well as experience in public service, including as a member of the Financial System Council of the Financial Services Agency.
Yasuko Takayama (June 2015)	Has experience as a manager of customer service and CSR divisions and as a standing Audit & Supervisory Board member of a major cosmetics company, as well as experience as an outside director at other non-financial companies.
Takahide Kiuchi (June 2020)	Has both domestic and international experience as an economist and, in addition to having accumulated significant expertise, was responsible for carrying out deliberations regarding monetary policies as a member of the Policy Board, the Bank of Japan.
Ryoji Yoshizawa (June 2024)	Has experience in credit analysis of financial institutions as Managing Director of Financial Institutions Ratings, Japan at a major rating agency and in supervision of rating standards and analysis techniques for banks around the world as a member of the agency's highest internal council for analysis.

The Bank appoints outside Audit & Supervisory Board members who are deemed to help further strengthen the audit function by leveraging the knowledge and experience of said persons in the Bank's management.

Name (Appointment)	Reasons for Appointment as Outside Audit & Supervisory Board Member
Kazuhiro Kikuchi (June 2021)	Has a high level of expertise gained through experience as Councillor of Cabinet Secretariat and Senior Executive Director of the Federation of National Public Service Personnel Mutual Aid Associations, etc., as well as extensive knowledge in public administration overall.
Norikazu Takahashi (June 2021)	Has a high level of expertise gained through experience as General Manager of branches and General Manager of Information System Services Department of the Bank of Japan, etc., as well as extensive knowledge in finance overall.
Wataru Takahashi (June 2021)	Has extensive knowledge mainly in public administration gained through holding numerous important positions including Vice-Governor of Chiba Prefecture.

### Support Systems for Outside Directors and Audit & Supervisory Board Members

#### <Outside Directors>

The Bank has placed staff in the General Secretariat and Corporate Planning Division to support the outside directors and provides them with information and support necessary for the execution of their duties in an appropriate and timely manner to ensure that outside directors fully play their roles as supervisors of the management. We continuously give outside directors opportunities for deepening their understanding about the Bank's management strategy and activities with the aim of enhancing deliberations by the Board of Directors, by means such as provision of materials and explanations for the Board of Directors meeting in advance, provision of individual explanations on important matters, attendance at main committee meetings, engaging in dialogues with directors as well as general managers, visiting and holding dialogues at affiliated business offices in the Group, participation in main IR events, etc., and provision of information related to the Bank's activities whenever necessary. In addition, the Bank provides outside directors with opportunities to undergo training by third-party organizations at the Bank's expense.

#### <Outside Audit & Supervisory Board Members>

In order for Audit & Supervisory Board members to conduct audits, etc., and to operate the Audit & Supervisory Board smoothly, the Audit and Supervisory Support Office was established independent of the executive officers. The general manager of the Audit and Supervisory Support Office promptly reports to the Audit & Supervisory Board members and liaises and cooperates closely with them. In order to ensure independence from directors, the Bank obtains the consent of Audit & Supervisory Board members regarding personnel changes, etc. In addition, Audit & Supervisory Board members attend meetings of the Board of Directors and other important meetings and are provided with important documents of the Bank, which ensure that information is communicated timely and properly.

## Corporate Governance Structure

### Remuneration of Directors and Audit & Supervisory Board Members

The remuneration system for Directors and the percentage of remuneration by type are considered by the Nomination, Remuneration and Corporate Advisory Committee the majority of which comprise independent Outside Directors, as appropriate in response to changes in the business environment, with reference to companies of similar size to the Bank and related industries and business categories.

Remuneration of the Bank's directors is determined by the Board of Directors based on the remuneration regulations established by the Board of Directors, following deliberations by the Nomination, Remuneration and Corporate Advisory Committee to ensure transparency, fairness, and rationality.

#### Remuneration Structure and Components

##### Directors (Excluding Outside Directors)

- Remuneration consists of basic compensation (70%), bonuses (10%), and equity-based remuneration (fixed RS: 10%, performance-linked RS: 10%). (RS: Restricted stock)
- The amount of basic compensation, bonuses, and equity-based remuneration (fixed RS: 10%, performance-linked RS: 10%) is determined based on rank.
- The Bank introduced fixed RS and performance-linked RS remuneration plans with the objectives of more clearly linking the remuneration for Directors with the Bank's performance and share value, granting incentives aimed at sustainable improvement of the corporate value of the Bank through the achievement of the performance targets set forth in the Mid-term Plan and the medium- to long-term improvement of the Bank's performance, as well as further sharing value with shareholders.

##### Outside Directors

- Based on the role in supervising the execution of business, the remuneration system is not linked to performance, but rather is limited to "basic remuneration."

##### Audit & Supervisory Board Members

- In order to ensure independence, remuneration for Audit & Supervisory Board members is not linked to performance, but is limited to "basic remuneration."

### Group Management Systems

Group Chief Officers\* (CxO) are assigned responsibility for their areas of supervision, thereby creating a Group-wide corporate management system. Efforts are made to ensure proper operations in the Group. In addition to the assignment of responsible directors to supervise each Group company, the dispatch of Audit & Supervisory Board Members, audits by the Bank's Audit Division, and other initiatives under the Group Companies Management Regulations, Group companies are required to consult with and report to the Bank about their important business execution in accordance with the Prior Consultation and Reporting System. In FY2023, the Group Supervision Committee met twice with the aim of understanding the management status of each Group company and their various issues. The Group Promotion Committee also met twice with the aim of demonstrating synergy effects through further collaboration between the Bank and Group companies. The Group Strategy Division has been established to oversee overall business execution, including sales and administrative aspects of Group companies, to realize integrated group management and sophisticated Group governance. In addition, from the perspective of clarifying responsibility, one division from each company has been designated as that company's operations division, and a group management department has been established to realize optimal allocation of management resources in addition to the management of risk across the Group that has taken place until now.

#### \*The following Group Chief Officers are assigned:

- Group Chief Executive Officer (CEO)
- Group Chief Strategy Officer (CSO)
- Group Chief Risk Officer (CRO)
- Group Chief Business Officer (CBO)
- Group Chief Information Officer (CIO)
- Group Chief Digital Transformation Officer (CDTO)
- Group Chief Human Resources Officer (CHRO)

### Evaluation of the Effectiveness of the Board of Directors

Since FY2015, the Bank has been verifying whether the Board of Directors is properly performing the functions of decision making and supervision, which are expected of them. The Bank carries out an evaluation of the effectiveness of the Board of Directors annually to enhance those functions.

In FY2023, in order to objectively verify the effectiveness of the Board of Directors, we conducted questionnaires and interviews for each Director and Audit & Supervisory Board Member with the support of a third-party professional organization, and evaluated the effectiveness by referring to their evaluations, based on the fact that five years have passed since the last external evaluation by a third-party professional organization and that the Bank has received the Business Improvement Order. The evaluation covered the roles and functions of the Board of Directors, the content of its discussions, the status of its operations, and its composition, as well as the status of the Nomination, Remuneration and Corporate Advisory Committee and the self-evaluation of each individual Director and Audit & Supervisory Board Member. We also examined the state of group governance as an important issue. Some major Group companies were also assessed for effectiveness with the support of a third-party professional organization, while other Group companies were assessed for effectiveness by means of questionnaires.

The overview of the results of the evaluation of the effectiveness of the Board of Directors for FY2023 is as follows.

#### (1) Considering the findings below, the Bank has judged that the functions of decision making and supervision are performed properly by the Board of Directors and its effectiveness is ensured.

- All directors and Audit & Supervisory Board members, whether they are internal or outside officers, aim for the continuous growth of the Chiba Bank Group together with the local community. This is done through the provision of value based on the Purpose, against a backdrop of deep connections with stakeholders, including customers, employees, and shareholders. They are also deepening debate on key strategies, such as DX strategy, GX strategy, alliance strategy, and human resources strategy, and freely exchange their opinions based on mutual understanding with a strong sense of unity.
- Board discussions are displaying increasing depth as internal directors voice opinions based on their rich experience in every area of the financial business, and outside directors and Audit & Supervisory Board members make recommendations based on their specialized knowledge in diverse fields and voice their opinions from an independent and objective standpoint.
- The quality of debate in the Board of Directors has been improved by strengthening the provision of information to outside directors through such means as visits to Group companies and business offices, accompanying Audit & Supervisory Board members on on-site audits, interviews with senior management employees, and information exchange with Audit & Supervisory Board members.
- Efforts are also being made to further improve the effectiveness of the Board of Directors by strengthening the administration of requests and recommendations in the Board of Directors and reporting the status of responses.
- With the aim of enabling Group Chief Officers to further fulfill their roles, each CxO verified and grasped issues from the customers' perspectives in each management area, including Group companies, and reported to the Board of Directors, thereby strengthening Group governance.
- The Nomination, Remuneration and Corporate Advisory Committee also deepened its discussion not only on nomination and remuneration but also on matters related to important management issues and fulfilled its role appropriately. Efforts to ensure the objectivity, timeliness, and transparency of this committee were also made, including reporting by the outside director who chairs the committee on the committee's work to the Board of Directors.

#### (2) Based on the results of the evaluation, the Bank will further improve the effectiveness of the Board of Directors, improve business, and prevent recurrence by addressing the following issues. In addition, we will improve the objectivity of the Board of Directors by appointing an Outside Director as its chairperson from FY2024.

- The Bank has established the Purpose at the same time as the current Mid-term Plan, and are promoting the transformation of the organizational culture through the instilling of the Purpose. The Board of Directors will also monitor the instilling of the Purpose and ensure that all initiatives are based on the Purpose.
- Recognizing the need to reflect customer views in the management of the Bank Group, we will further enhance the collection and analysis of customer views and reflect them in our policies and measures.
- In order to enhance Group governance, we will strengthen our involvement in Group companies by ensuring fulfillment of the roles of the Group Chief Officers.

### Internal Audit

At the Bank, the Audit and Inspection Division, which is independent of the units subject to auditing, verifies and evaluates the appropriateness and effectiveness of the internal management systems including compliance and risk management. The division also makes recommendations, etc. on improvement methods for problem areas, in order to ensure the sound and proper management of business operations and thereby contribute to the achievement of management goals.

The Audit and Inspection Division reports directly to the Board of Directors and conducts internal audits of branches, headquarters, Group companies, etc. in accordance with the Internal Audit Regulations and the Internal Audit Plan, a plan established every fiscal year and approved by the Board of Directors. The division reports the results and findings of internal audits to the Internal Audit Committee and the Board of Directors, both of which, as a general rule, meet once a month. Problem areas from the perspective of compliance and risk management and improvement measures are examined during this process.

Moreover, the division strives to increase the sophistication of internal audits by implementing measures, such as enhancing the check and supervisory functions, adapting to changes in the environment, improving the audit quality (including external evaluation), training specialized human resources, and strengthening audits of overseas branches and Group companies.

Considering the issuance of the Business Improvement Order by the Kanto Local Finance Bureau to the Bank and Chibagin Securities to be a matter of the utmost gravity, we are implementing recurrence prevention measures, including the strengthening of collaboration between the Bank's Audit and Inspection Division and Chibagin Securities' Audit and Inspection Division and strengthening of the audit function.

## Compliance

The Bank Group is a corporate group that fulfills its social responsibility and public mission as a part of society. To instill awareness of compliance more firmly, the Group established the Chiba Bank Group's Corporate Code of Conduct in April 2021. To continue to be a bank that is trusted by customers, we are committed to thorough compliance and undertake business activities in an ethical and responsible way.

### Compliance Structure

The Bank positions compliance as the foundation of all its business operations, and believes it important to conduct all of our business activities fairly and in good faith, by complying with all laws and regulations relating to banking transactions, by observing all internal rules and regulatory requirements pertaining to our role in society, and by avoiding actions that would fall short of normal social expectations. The Bank thus works to instill compliance across its operations.

As for specific measures, the Bank regularly convenes the Compliance Committee, which is chaired by the President and consists of directors, executive officers, and general managers as members, to review concrete practical plans and measures, etc. to instill compliance. The Compliance and Risk Management Division oversees the Bank's overall compliance-related tasks such as through the administration of compliance regulations and manuals, the preparation and monitoring of training programs, and periodic checks on the compliance and risk management situations. In addition, each division of the headquarters monitors branch-level compliance and provides advice.

### Consistent Implementation of Basic Policies and Formulation of Compliance Program

We established The Chiba Bank Group's Corporate Code of Conduct to clarify the code of conduct for employees. We also established our Compliance Manual, which contains specific guidelines, to instill these rules.

Every fiscal year, the Board of Directors establishes a compliance program to provide a specific action plan for achieving further improvements in compliance activities.

The execution of this program is checked on a regular basis by the Board of Directors and the Compliance Committee.

#### The Chiba Bank Group's Corporate Code of Conduct

1. Establishing Unwavering Trust
2. Providing High-Quality Financial Services
3. Contribution to Regional Economy and Community
4. Thorough Compliance with Laws, Rules and Other Fundamental Principles
5. Transparent Management
6. Respecting Human Rights
7. Responsibility to Help Realize a Sustainable Society
8. Opposition to Antisocial Forces and Prevention of Money Laundering, Etc.

### Protecting Customers and Personal Information

To protect customers and offer them greater convenience, all employees of the Bank receive guidance and training designed to ensure that everyone conducts business with sincerity and fairness. We pay particular attention to complex financial products with risks that include the possible loss of principal and to derivative transactions. In these cases, we comply with the Financial Instruments and Exchange Act and always perform proper solicitation and sales activities in line with the Chiba Bank Solicitation Policy.

We sincerely listen to requests and complaints from customers and properly deal with disputes, if any, in accordance with the purport of the financial ADR system\*1.

We regard personal information\*2 as a valuable asset entrusted to us by our customers and strictly manage customer information in accordance with the Pronouncement of Policies Concerning Appropriate Protection and Utilization of Personal Information (Pronouncement Concerning Protection of Personal Information).

\*1 The financial ADR system is an out-of-court dispute settlement procedure in the financial sector, designed to solve disputes in a simplified and prompt manner without going to court through the involvement of a fair and neutral third-party organization. The Bank has signed a basic agreement to implement the procedure with the Japanese Bankers Association and the Trust Companies Association of Japan, which are designated dispute resolution organizations under laws and regulations.

\*2 Personal information includes personal identification numbers and specific personal information that includes a personal identification number.

### Initiatives to Prevent Money Laundering, etc. and Financial Crimes

In accordance with the Anti-Money Laundering and Anti-Terrorist Financing Policy, responding to changes in the internal and external environments, the Bank appropriately evaluates risks of money laundering, financing of terrorism, proliferation financing, and other violations of economic sanctions involved in transactions it carries out, and implements measures according to the risks involved. In addition, we are reinforcing measures to protect customers' assets from a variety of financial crimes such as wire transfer fraud.

Moreover, to respond appropriately to the expected increase in the complexity and sophistication of money laundering, etc. and financial crime techniques, we are devising measures to address these risks with the banks participating in the TSUBASA Alliance. In November 2023, the Bank, Daishi Hokuetsu Bank, Ltd., the Chugoku Bank, Ltd., and Nomura Research Institute, Ltd. established a joint venture company TSUBASA-AML Center Co., Ltd. Going forward, TSUBASA-AML Center will conduct transaction monitoring, filtering, etc. utilizing a joint system, and strive to enhance the measures and improve efficiency.

### Initiatives to Strengthen Compliance and Risk Management of the Group Companies

The Compliance and Risk Management Division is enhancing capabilities to oversee and manage Group companies by determining the status of compliance and the risk management of each Group company in a timely and appropriate manner and providing necessary support and guidance, etc. through mutual and detailed exchanges of opinions between the Division and the Group companies.

### Opposition to Antisocial Forces

The Bank maintains links with police authorities, lawyers, and other external organizations as a structure to provide appropriate countermeasures against unreasonable demands, interference, or other inappropriate approaches from antisocial forces. Moreover, the Bank has put organized crime disclaimers in various contract documents and deposit account regulations, and is actively taking measures to eliminate relationships with antisocial forces. Furthermore, the group companies are also taking measures similar to those of the Bank to counteract antisocial forces, and the status of implementation of such measures is controlled and managed by the Bank.

## Customer-oriented Business Operations

To improve our service and the marketability of the Group's financial products and various services, we compile feedback, including requests and complaints from customers and the opinions of branches, and step up our responses in our efforts to increase customer satisfaction. As a regional financial institution that works closely with its customers, we will continue to pursue customer-oriented business operations (fiduciary duties).

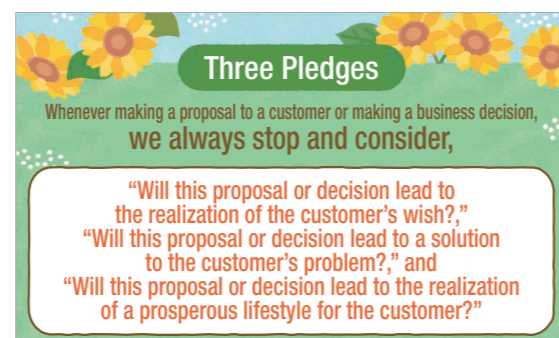
### Customer-oriented Business Operations (Fiduciary Duties)

#### Initiatives for Instilling Customer-oriented Business Operations (Fiduciary Duties)

On June 23, 2023, the Bank and Chibagin Securities received administrative actions (Business Improvement Order) for situations where a problem related to the protection of investors is recognized regarding the financial instruments intermediary business. Recognizing these to be matters of the utmost gravity, the Group is further strengthening customer-oriented initiatives to prevent recurrence and recover trust.

Specifically, we position the Policy on Customer-oriented Business Operations (Fiduciary Duties) as an important pillar for achievement of the Purpose and realization of customer-oriented business operations and have prepared the Fiduciary Duty Handbook, which outlines the mindset for customer-oriented business operations, and established the Three Pledges, which are action principles for putting customer-oriented business operations into practice. A card on which the Three Pledges are printed is distributed to officers and employees so they will always be aware of fiduciary duties.

Monthly study sessions are held at workplaces, including Group companies, using these items. Moreover, we established monthly "Fiduciary Duty Day." On Fiduciary Duty Day, video messages from the president, Group Chief Risk Officer, and Group Chief Business Officer are sent to officers and employees of the Group to communicate the management team's aspirations. In this way, we are striving to instill customer-oriented business operations.



#### Policy on Customer-oriented Business Operations (Fiduciary Duties)

In asset management-related services, based on our Policy on Customer-oriented Business Operations (Fiduciary Duties), we strengthened customer-oriented initiatives while regularly disclosing the status of these initiatives and reviewing the policy appropriately in an effort to further improve business operations. However, treating the issuance of the Business Improvement Orders by the Kanto Local Finance Bureau to the Bank and Chibagin Securities as a matter of the utmost gravity, as of October 31, 2023, we revised the policy to be more specific, easier to understand, and to help prevent recurrence from the perspective of being "customer-oriented."

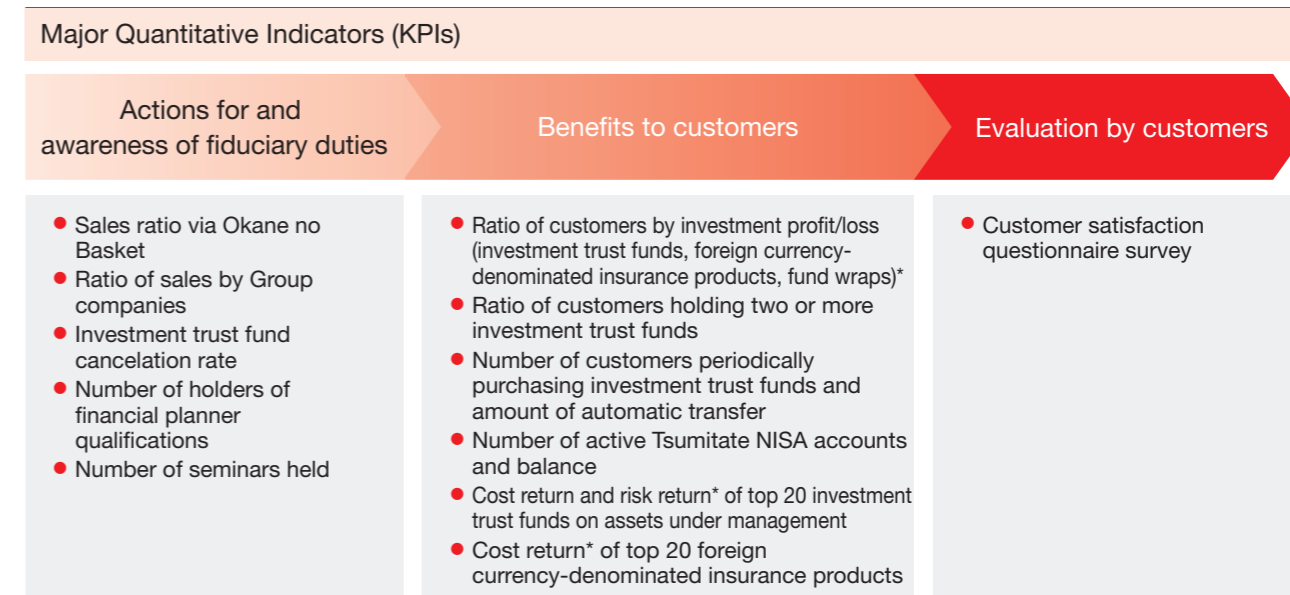
Policy items	
1. Pursuing the Best Interests of Customers	4. Provision of Important Information in an Easy-to-understand Manner
2. Appropriate Management of Conflicts of Interest	5. Provision of Services Suitable for Customers
3. Clarification of Fees, etc.	6. Frameworks, etc. for Appropriately Motivating Employees

The Policy on Customer-oriented Business Operations (Fiduciary Duties) is available on our website (Japanese only).  
<https://www.chibabank.co.jp/company/info/fd/>

#### Pursuing the Best Interests of Customers

Pursuing the best interests of our customers, we recommend asset diversification and time diversification, such as "long-term, diversified, and savings investments." Attending to our customers as their partner in life, we support the realization of affluent lifestyles through personalized, goal-based proposals for which we use our proposal tool "Okane no Basket."

Moreover, to measure the extent to which the Policy on Customer-oriented Business Operations (Fiduciary Duties) is practiced and the best interests of customers are pursued, we have established quantitative indicators (KPIs) and conduct regular monitoring. We also conduct qualitative evaluation through interviews with employees and other means. Necessary improvements are made based on the results of such evaluation.



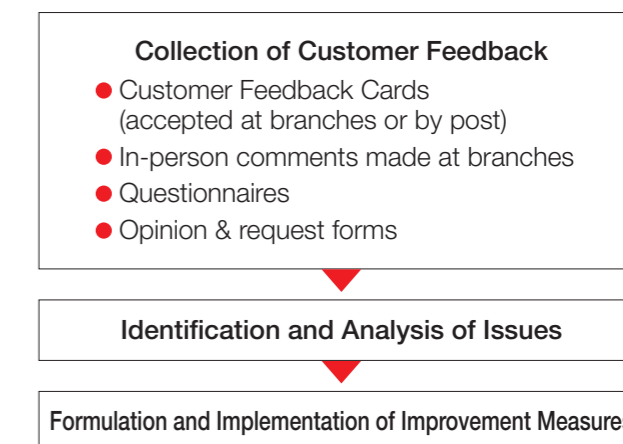
Marked with \* are indicators based on the "common KPIs comparable across investment trust distributors" and "common KPIs comparable across foreign currency-denominated insurance distributors" published by the Financial Services Agency in June 2018 and January 2022, respectively.

For the status of KPIs, please refer to the Status of Initiatives in FY2023 under the Policy on Customer-oriented Business Operations (Fiduciary Duties) available on our website (Japanese only).

<https://www.chibabank.co.jp/company/info/fd/pdf/fd.pdf>

#### Efforts to Improve Service Quality by Listening to Customer Feedback

We will step up guidance and oversight for the headquarters and branches with the aim of improving the quality of the Group's products and services by compiling a wide variety of feedbacks including requests and complaints from customers and opinions of branches. Specifically, for requests and complaints directly received from customers and gathered through questionnaires and other means, after analyzing the trends and causes we will create or revamp products and services from the customer's perspective. We will also test the effectiveness of these efforts and make further improvements to raise quality.



# Risk Management

As part of our efforts to maintain sound management, the Bank Group has developed a Basic Policy on Risk Management, which focuses on accurate understanding and analysis of risks, promotion of risk quantification and management through figures, and timely and appropriate reporting. We are working in line with this basic policy to build a robust risk management system to manage a variety of risks, including credit risk, market risk, liquidity risk, and operational risk.

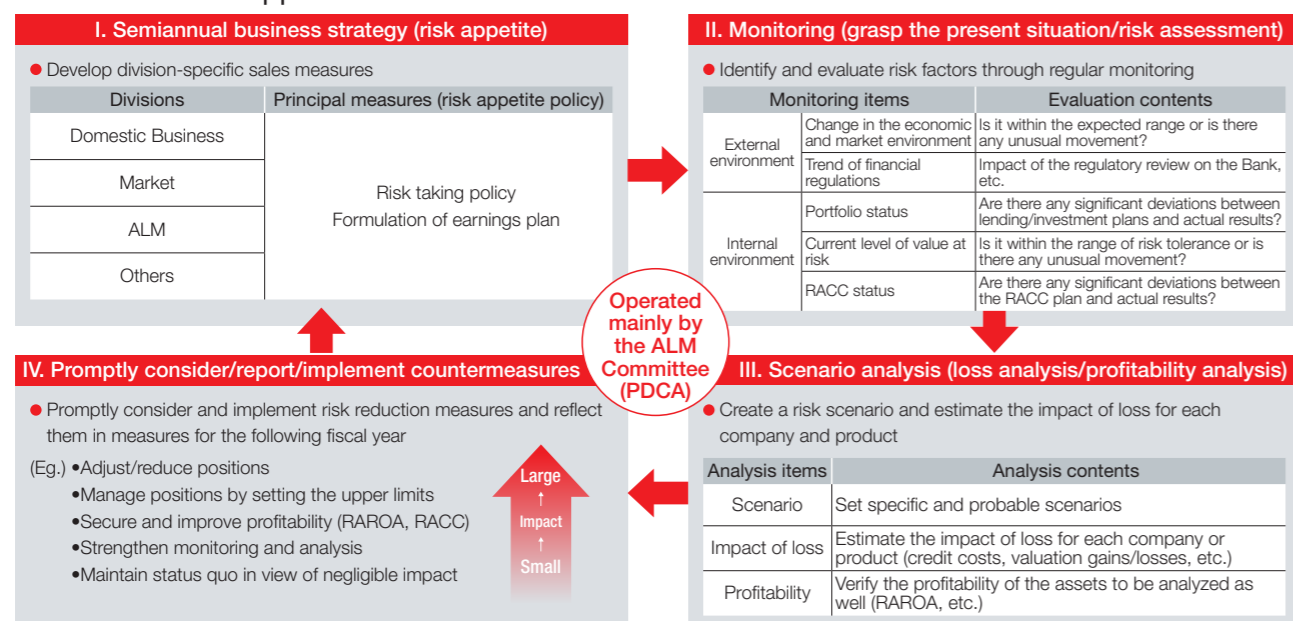
## Risk Appetite Framework (RAF)

The Bank utilizes a risk appetite framework (RAF), which is a system to verify the appropriateness of the risk-return balance and the estimated impact of loss in a stress scenario against its risk appetite (types and total amount of risk that needs to be assumed to achieve business plans).

Under the RAF, the Bank operates the risk capital allocation system, verifies the degree of capital adequacy by conducting stress tests, and verifies risk appetite based on highly probable scenario analysis that takes into account changes in the internal and external environment.

The Bank monitors return after capital cost (RACC) to manage risk capital used to earn returns. Using RACC, we verify whether or not we are earning profits that are commensurate with the risk capital used by each division or we can withstand losses caused by economic fluctuations.

### Overview of Risk Appetite Framework



\*RAROA: Risk Adjusted Return on Asset

## Top Risk Management

The Chiba Bank Group selects and manage those risks to our business that are highly significant in terms of impact and probability as “top risks.” In selecting top risks, a risk map covering a wide range of risk events inside and outside the Group is produced, also reflecting the opinions of external experts. Then, after discussion, including by the outside directors and Group companies, the Board of Directors selects top risks. For the selected top risks, risk scenarios (alarm points) are set under the management of Group CxO in charge of each top risk, and specific measures are considered and implemented. Through such top risk-based operations, we are striving to ensure deeper risk communications and sharing of risk awareness within the Group, leading to forward-looking risk management.

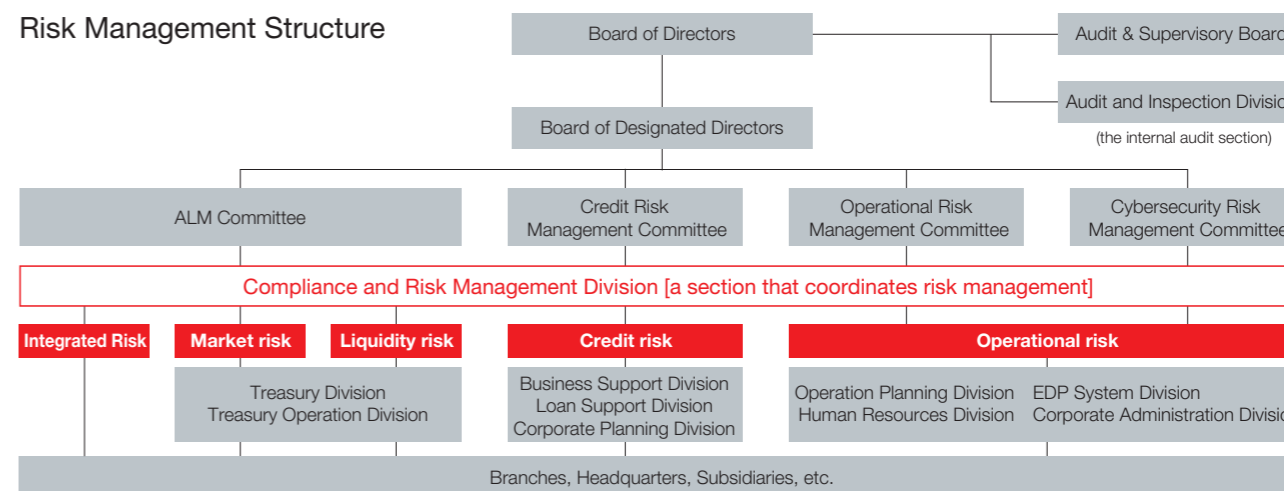
Top Risks in FY2024	
Top risks	Risk countermeasures (examples)
Decline in profitability due to deterioration in operating base	Expansion of revenue base through business expansion into new industries and new business lines Response to regional revitalization by providing accompanying support to local public bodies, etc.
Delays in digital transformation	Expanding app/portal features, systematic development of DX personnel
Stagnation of sustainable growth due to lack of human resources and talent	Enhancing staff engagement, providing support for career development, and strengthening recruitment
Loss of trust due to insufficient customer-oriented business operations	Thorough implementation and instilling of customer-oriented business operations (fiduciary duties)
Inappropriate acts or omissions by officers and employees	Ensuring fair and honest behavior and strengthening the instilling of appropriate corporate culture
Inadequate measures against money laundering	Thorough filtering and screening
Increase in credit costs	Vigorous management support, core business support, and business succession support to poorly performing customers
Decline in value of owned assets	Setting and managing profit/loss alarm points for each asset and issue
Cyberattack	Strengthening cybersecurity countermeasures
Major system failure	Prevention of occurrence and development of contingency plans
Suspension of business due to large-scale natural disaster, etc.	Reinforcement of business continuity preparedness through effective training, etc.
Delay in response to climate change	Sophisticated simulation of transition and physical risks

## Integrated Risk Management System

The Bank Group assigns departments to manage risks for each form of risk, the Compliance and Risk Management Division centrally monitors these risks, and each committee discusses risk countermeasures. The Group Chief Risk Officer (CRO) reports the status of risks to the Board of Directors.

To ensure an effective risk management system, the Audit and Inspection Division conducts audits for each risk category to determine whether risk is appropriately managed and reports the audit results to the Board of Directors.

### Risk Management Structure



**Three lines of defense:** The Bank's risk management system has been built in accordance with the three lines of defense model that the Basel Committee on Banking Supervision recommends in its Corporate Governance Principles for Banks.

**First line:** Operations divisions, which autonomously manage risks while conducting business operations in compliance with regulations, procedures, and other rules.

**Second line:** Corporate divisions that have jurisdiction over individual operational risks and the section that comprehensively oversees and manages the broader risks of the Group.

**Third line:** The internal audit section that evaluates and verifies the appropriateness and effectiveness of the Group's internal management systems from an independent standpoint.



## Risk Management

### Integrated Risk Management

The term “integrated risk” refers to the sum of the measurements of credit risk, market risk, and operational risk, which are forms of risk that can be managed by means of risk quantification. In the Group, verification of the adequacy of capital with respect to quantified integrated risk is conducted and the results are regularly reported to the Board of Directors and stress tests are also conducted. Stress tests are a means of verification of capital adequacy that involves the assumption of certain stress scenarios and forecasting the increase in the value at risk based on the scenarios. The results of stress tests are also reflected in capital policies such as dividends and acquisitions of treasury shares.

Furthermore, as a framework for integrated risk management, the Group has introduced and utilizes a risk capital allocation system to set and manage the maximum amount of risk capital used to control the occurrence of losses.

Credit Risk	Market Risk	Liquidity Risk		Operational Risk
		Funding Risk	Market Liquidity Risk	
The risk of incurring a loss because of a decline in, or total loss of, the value of owned assets as a result of deterioration in the financial soundness of debtors	The risk of incurring a loss due to a change in the value of owned assets as a result of fluctuations in interest rates, prices of securities or other financial instruments, or exchange rates	The risk of incurring a loss due to failure to maintain funding as a result of the inability to secure necessary funds or the necessity of procuring funds at significantly higher interest rates than usual due to the worsening of the financial institution’s financial position or other circumstances	The risk of incurring a loss due to the inability to trade on markets or the necessity of trading at prices significantly less favorable than usual due to market turmoil or other circumstances	The risk of incurring losses due to the inappropriateness of business processes, activities of directors and employees, or systems or external events

### Credit Risk Management

The Group has developed a rigorous credit risk management system centered on an internal credit rating system and engages in individual credit management and credit portfolio management. In the self-assessment of assets, the Group implements appropriate write-offs and provisions.

The Credit Risk Management Committee meets regularly, in order primarily to consider credit risk management policy and to monitor the operation of the internal credit rating system and the credit portfolio.

### Market Risk and Liquidity Risk Management

The Group manages risk by setting risk limits for the amount of market risk determined by VaR for each product, such as securities investments and other market transactions or loans and deposits, in an effort to ensure management soundness. In regard to market transactions, moreover, the Group sets upper limits for market investments according to the balance and alarm point of valuation differences, and implements risk control by reviewing investment policy each quarter.

The market section is divided into the transaction execution unit (Treasury Division and overseas branches) and the business administration unit (Treasury Operation Division), and the risk management unit (Market Risk Management Department in the Compliance and Risk Management Division) has been established, creating a reciprocal and mutually reinforcing management structure.

At the Bank, funding risk is managed by investing funds within a set limit so as not to procure excessive amounts of funds on the market and by maintaining a certain minimum level of assets that can be converted to cash in a short time. Market liquidity risk is controlled by setting position limits for each market transaction.

The section that manages risk strives to avoid increases in liquidity risk by identifying and assessing various factors that affect liquidity risk and monitoring the observance of limits.

The Bank has established a business continuity plan that provides for a rapid response across the Bank in the event of unforeseen circumstances that could affect the Bank’s funding.

### Operational Risk Management

The Group categorizes the various forms of operational risk into clerical risk, system risk and cybersecurity risk, human risk, tangible asset risk, and reputational risk, and the corporate divisions that have jurisdiction over operational risks collaborate in performing risk management under the overall management of the Risk Management Department in the Compliance and Risk Management Division.

The Group has established an Operational Risk Management Committee and developed a management structure for monitoring the state of operational risk losses and improving and correcting problem areas. In addition, to ensure the effectiveness of management, the Group has introduced Control Self Assessment (CSA).

Clerical Risk	System Risk	Cybersecurity Risk	Human Risk	Tangible Asset Risk	Reputational Risk
The risk of incurring a loss due to the failure to perform accurate clerical work, clerical accidents or fraud, or the failure to perform official obligations or provide explanations to customers	The risk of incurring a loss resulting from a leak or falsification of information owned by the Bank or the unauthorized use, failure, or incorrect operation of computer systems	The risk of incurring a loss from the occurrence of a risk event that falls under system risk due to cyber-attacks	The risk of incurring a loss due to workplace safety, discrimination, or the like	The risk of incurring a loss from damage to buildings or facilities, or the like	The risk of incurring a loss due to loss of public confidence resulting from deterioration of the Bank’s reputation or the like
Operation Planning Division	EDP System Division		Human Resources Division	Corporate Administration Division	Compliance and Risk Management Division Risk Management Department

\* The Compliance Management Department in the Compliance and Risk Management Division and the corporate divisions that have jurisdiction over operational risks jointly manage legal risk and compliance related risk included in the various risk categories.

### <System Risk and Cybersecurity Risk Management>

At the Bank, the EDP System Division and the Risk Management Department in the Compliance and Risk Management Division work together to implement various measures in response to system risks and cybersecurity risks, which have become increasingly important and noteworthy in recent years.

As specific measures against system risk, the Bank duplicates hardware and circuits for backbone systems to ensure continuation of business even in the event of a failure. In addition, the Bank has implemented the preparation of a contingency plan to provide for unforeseen circumstances such as large-scale disasters and conducts training in preparation for ATM failure on bank holidays.

As measures against cybersecurity risk, we have implemented measures to prevent the intrusion of unauthorized programs including computer viruses and have developed steps to ensure the data protection of important computer systems. We also carry out regular training to ensure the effectiveness of the management and readiness systems that we have developed for the event of a cyber-attack.

Regarding the internet based services that we provide to customers, we take measures to prevent denial-of-service attacks and computer system access by unauthorized persons as well as strictly confirm that each transaction is made by the actual customer. We regularly pursue initiatives to raise the awareness of our employees regarding the increasing sophistication of impersonation e-mails, as well as the handling of suspicious or unfamiliar e-mails.

As a result of the various measures, we have not experienced a cyber risk event such as a data breach. However, as cyber-attacks are becoming more sophisticated each year, we will continue to collect information and implement measures at appropriate times.

In addition, we endeavor to ensure the security of the laptops, video conferencing software, and other tools that the employees use when working from home or remotely. With these and many other measures, we seek to enhance customer safety and security.

### Business Continuity System

In addition to the risk management system described above, the Bank maintains a business continuity system to allow essential operations to continue for the preservation of the financial system during an unexpected disaster such as an earthquake or pandemic as well as the rapid restoration of operations that the Bank would be forced to suspend during an emergency and mitigation of the impact to strengthen resilience. While keeping in mind that human life is our first priority, in order to continue providing stable services to customers, the Bank is upgrading its management systems, including its countermeasures against a large-scale earthquake such as an earthquake directly under the Tokyo Metropolitan area, and a variety of risks including storm and flood damage, which has become increasingly severe in recent years, and epidemics.