

Message from the President

Evolve our AI-driven business model further to realize the regional transformation

Tsutomu Yonemoto President (Representative Director, Group Chief Executive Officer (CEO))



Using the Mid-term Plan as a stepping stone to the Group’s further advancement

We are now in the final year of our 15th Mid-term Plan “Engagement Bank Group – Phase 1 –,” which began in April 2023. In that time, I perceived that the environment surrounding the region, our customers, and the Group has become more uncertain than ever. In Japan, amid long-term structural changes in society, such as the population aging and digitalization trends, rising prices and labor shortages are becoming increasingly serious. Overseas, in addition to shifts in monetary policies in various countries and growing geopolitical risks, factors such as the impact of U.S. tariff policies are further heightening uncertainty about the future. Meanwhile, with the revision of the Bank of Japan’s monetary policy and the advent of “a world with interest rates,” the business environment for the Group has taken a significant turn for the better.

In such an environment, we have pursued a variety of initiatives for the “evolution of the customer-focused business model” that forms our guideline for operations in the Mid-term Plan. As a result, we have generally achieved our financial targets for the final year of the Mid-term Plan a year ahead of schedule. For this reason, we have upgraded our final year target for consolidated ROE (shareholders’ equity basis) by around 1% from the initial target to above 8%, and the target for consolidated profit by ¥10.0 billion to ¥85.0 billion, and we are accelerating the various measures to reach even greater heights.

In addition, we will work to enhance capital management by using accumulated profit to further strengthen shareholder returns and make strategic investments for the further growth of the Group, in our efforts to bring the hope of all stakeholders to life.

» Major metrics in the 15th Mid-term Plan

	FY2023 Results	FY2024 Results	FY2025 Targets	FY2030 Target Level
Consolidated ROE (based on shareholders’ equity)	6.40%	7.34%	Above 8% Above 7% ↗	8% → Expect to achieve in FY2025
Profit attributable to owners of parent	¥62.4 billion	¥74.2 billion	¥85.0 billion ¥75.0 billion ↗	¥100.0 billion → Expect to achieve during the next Mid-term Plan period
Consolidated net business income	¥91.7 billion	¥104.7 billion	¥125.1 billion ¥120.0 billion ↗	
Consolidated common equity Tier 1 capital ratio*1	11.87%	11.97%	10.5% – 11.5%*2	
Consolidated OHR	48.76%	46.47%	45%	

*1 Based on full implementation of finalized Basel III standards (excluding valuation differences on securities)
*2 Aim to achieve range convergence by March 31, 2029

Message from the President

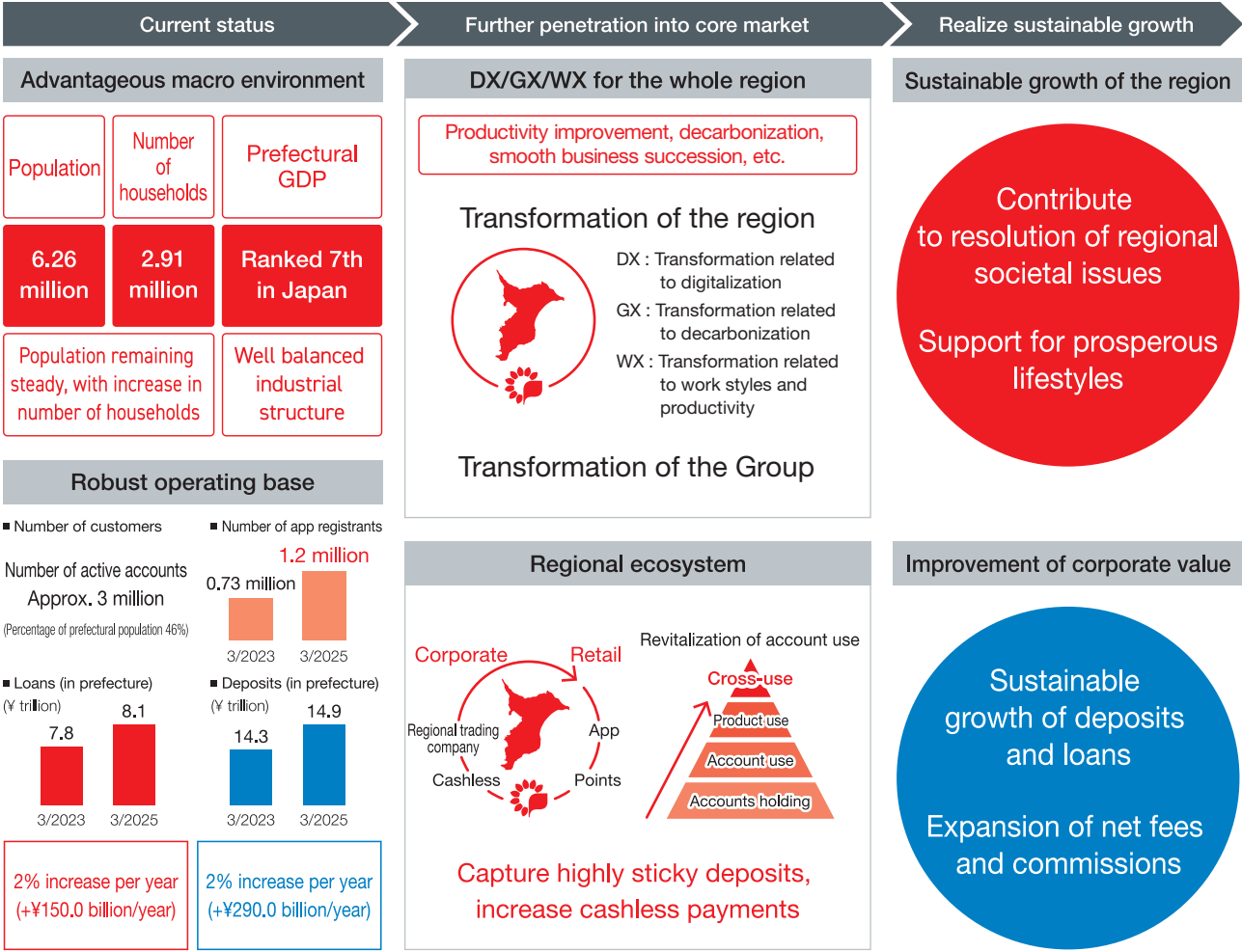
Three area-based growth strategies

The Chiba Bank Group is pursuing growth strategies from three area-specific perspectives, namely “Chiba Prefecture,” “outside Chiba” and “nationwide.”

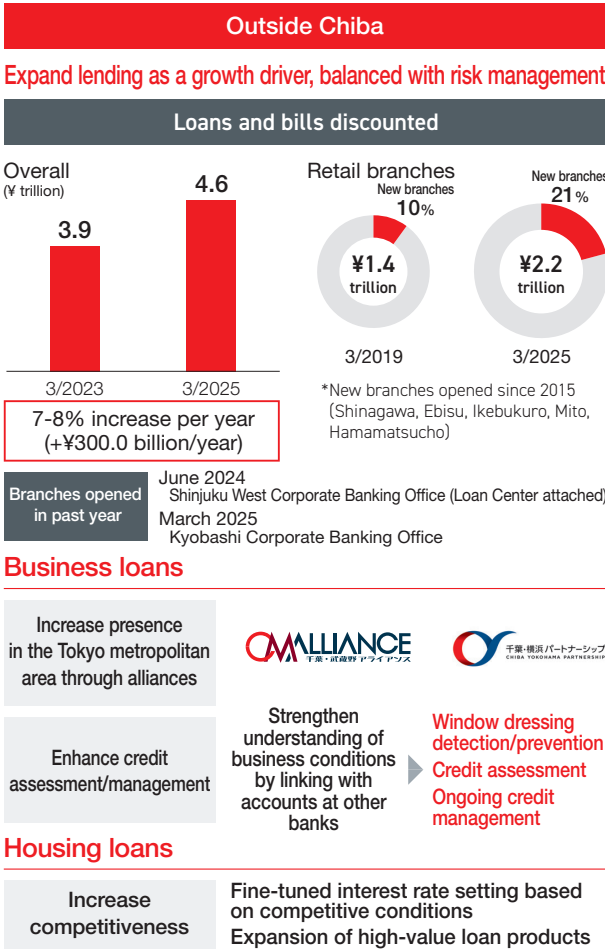
Firstly, for “Chiba Prefecture,” the Group’s core market, as a regional financial institution, we are committed to the enduring mission of contributing to the further advancement of Chiba Prefecture. We believe that the growth of the Group is indivisible from the sustainable growth of the local economy. We practice “sustainability management” that balances economic value and social value, and we will strengthen our commitment to sustainable growth more than ever.

Chiba Prefecture has an advantageous macro environment in terms of population, economic scale, and other attributes. With the relationships we have cultivated over the years, we have built a strong operating base, in which around 60% of Chiba Prefecture’s population hold accounts with Chiba Bank. Moreover, we will aim to increase our market share not only for deposits and loans, but also all manner of products and services through our efforts toward “Digital transformation (DX)/Green transformation (GX)/Work transformation (WX) for the whole region” to link the Group’s transformation in the areas of digital technology, decarbonization, work styles,

>> Growth strategy (Chiba Prefecture/core market)

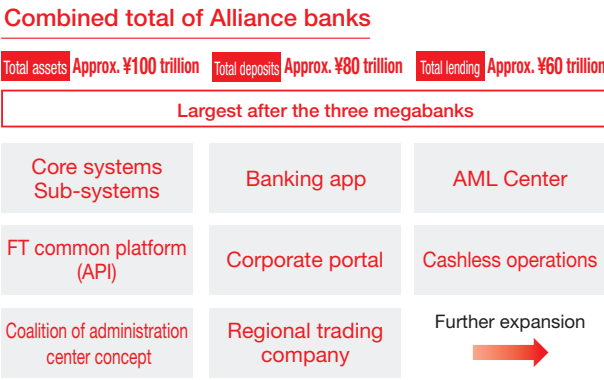
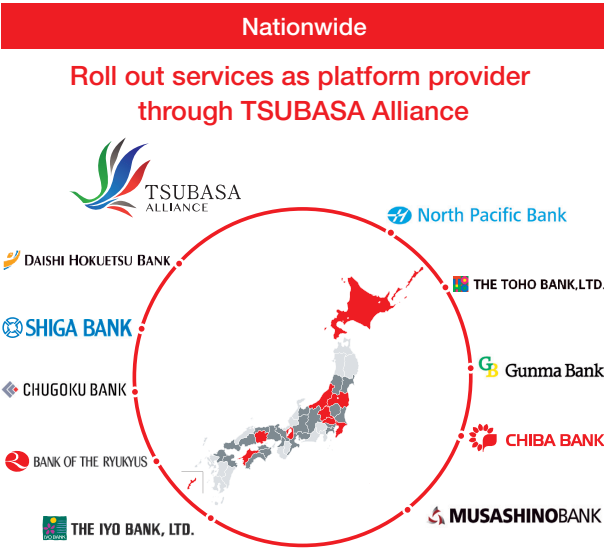


>> Growth strategy (outside Chiba/nationwide)



and productivity to the regional transformation.

Next, for the “outside Chiba” area, we have further increased our presence in the Tokyo metropolitan area, focused on central Tokyo. While controlling risk, we intend to further capture the upside of the Tokyo metropolitan area efficiently and with a sense of speed. In addition to opening new branches in growth regions that neighbor Chiba Prefecture, we will work to enhance early warning management through the use of AI and other technologies while expanding lending as a growth driver. Since opening our new Shinjuku West Corporate Banking Office in June 2024, we have been progressively expanding our network of branches, including the Kyobashi Corporate Banking Office in March 2025. As well as continuing this proactive branch opening strategy going forward, we will use frameworks



such as the Chiba-Musashino Alliance and Chiba-Yokohama Partnership to expand our market share in the Tokyo metropolitan area.

Finally, in the “nationwide” area, as a platform provider through collaboration with the TSUBASA Alliance and others, we intend to transform the services and functions into a platform in areas such as apps and AML, including core systems and sub-systems, and further deepen these collaborations and joint efforts to expand those domains, while aiming to improve our top-line revenue and reduce costs together with our alliance banks.

The TSUBASA Alliance has grown to a scale that rivals the megabanks. While taking maximum advantage of its economies of scale and networks, we will boldly and swiftly advance initiatives such as the collaboration and consolidation of various operations.

Message from the President

Three challenges for the Group's further growth

We recognize the following three points as our challenges for realizing the further growth of the Group.

The first point is the enhancement of the retail business. Amid efforts to promote the multi-skilling of personnel engaged in face-to-face proposals, we are making steady progress in our initiatives aimed at transforming the mindsets of those personnel, reskilling, and the optimization of our sales organization. In particular, to make the solid operating base we have built up in our core market of Chiba Prefecture even stronger, we will evolve the needs-based ranking model using customer data and be conscious of one-to-one marketing to increase transaction volumes and expand cross-use. Given the ongoing trend of expansion of the Group's retail business as a whole, as well as aiming to expand gross business profit by further increasing per-customer transactions, we will promote further digitalization to lower the cost per transaction, in our efforts to further improve productivity.

The second point is the enhancement of integrated group management. In our core market, as we maintain our high share of deposits and lending, which are the core transactions with customers, we believe that we can elevate the products and services offered by individual Group companies to the same level. In other words, I sense that there is room for high growth. In addition to the pursuit of synergies with Group companies, by actively investing in new businesses that will contribute to their revitalization and taking maximum advantage of their respective potential, we intend to greatly accelerate the growth of the entire Group.

The third point is the enhancement of the deposits business. With the advent of a world with interest rates, the prolonged low interest rate environment is shifting toward a phase in which deposits carry value, and the importance of attracting deposits is being re-examined. Under these circumstances, along with the increase in the utilization rate of the app, I sense that, through improvements to customer convenience and the revitalization of accounts, the retention rate of individual deposits is on the rise.

In addition, by pursuing our "regional ecosystem strategy," which aims to build an

economic zone that will create a virtuous cycle within the region, we expect to be able to improve our engagement with customers and further build up highly sticky deposits.

To address these challenges, it is important for the Group to unite as one for the further enhancement of the customer experience. In other words, by being of service to our customers, always earning their trust, and being a dependable presence to them over the long term, we will aim to increase the number of retail and corporate customers who are fans of the Group.

DX as a means of transformation and regional ecosystem strategy

We aim to further improve the customer experience by continuing to offer new products and services that are convenient and beneficial. DX is the means of that transformation, and our "regional ecosystem strategy" will be at the heart of our future strategies.

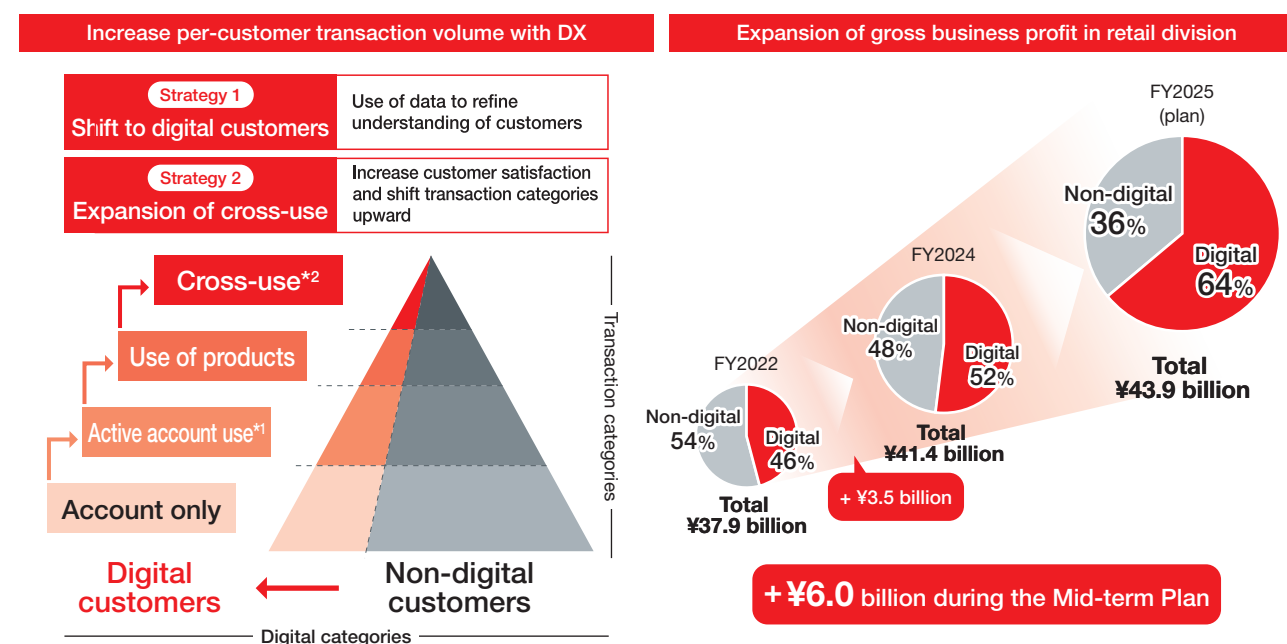
The Chibagin App serves as the starting point for transactions with our retail customers. By progressively adding financial and non-financial functions to the app to meet customers' needs, we have gained more than 1.2 million registered users, and transactions via the app now account for over 40% of total transactions.

The transition from face-to-face to the app for major transactions is reducing the cost per customer transaction, leading to the improvement of the Group's productivity.

In addition, by realizing our "regional ecosystem strategy," which extends beyond the app to include cashless services, a loyalty program, and non-financial services centered on Chibagin Market, we will stimulate economic circulation among regional customers. We hope to stimulate consumption within the region by encouraging customers to use the points accrued through bank transactions and to use their cards at member stores, as well as delivering useful information to customers via the app to drive customer traffic to those stores. The image we have in mind is of a world that benefits all of us—customers, the local community, and the Group.



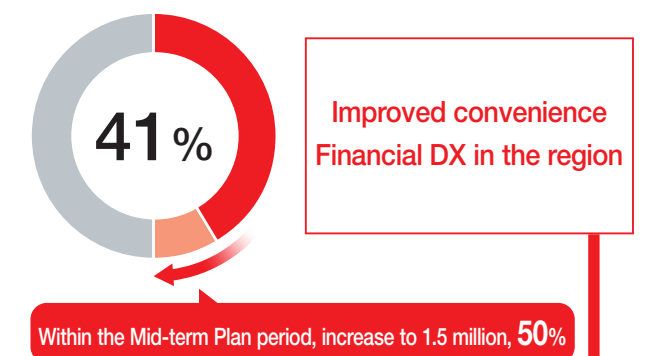
>> Enhancement of retail business



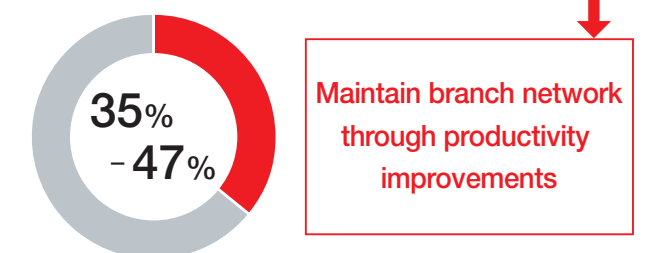
*1. Active account use: Customers that satisfy one of the following conditions: receipt of wages/pension; balance of at least ¥300,000; or use of account transfer

*2. Cross-use: User of at least two types of product

>> Percentage of app registrants among active accounts (as of March 2025)



>> App transactions* as percentage of all transactions (as of March 2025)



* Opening savings accounts, remittance transfers, opening investment trust accounts, opening NISA accounts, card loan contracts

Message from the President

Evolution of our AI-driven business model

In October 2024, we made the AI solution company, Edge Technology, part of our group companies. This was the first ever example of a regional bank acquiring a non-financial business through a TOB. We see this as a valuable opportunity to accelerate the advancement of our “DX for the whole region.”

In addition to the further strengthening of one-to-one marketing through the enhancement of products and services, by adding the AI domain to our ICT consulting services, we will be able to support our customers’ business transformation with services of higher quality. We will also promote the improvement of our own operational efficiency.

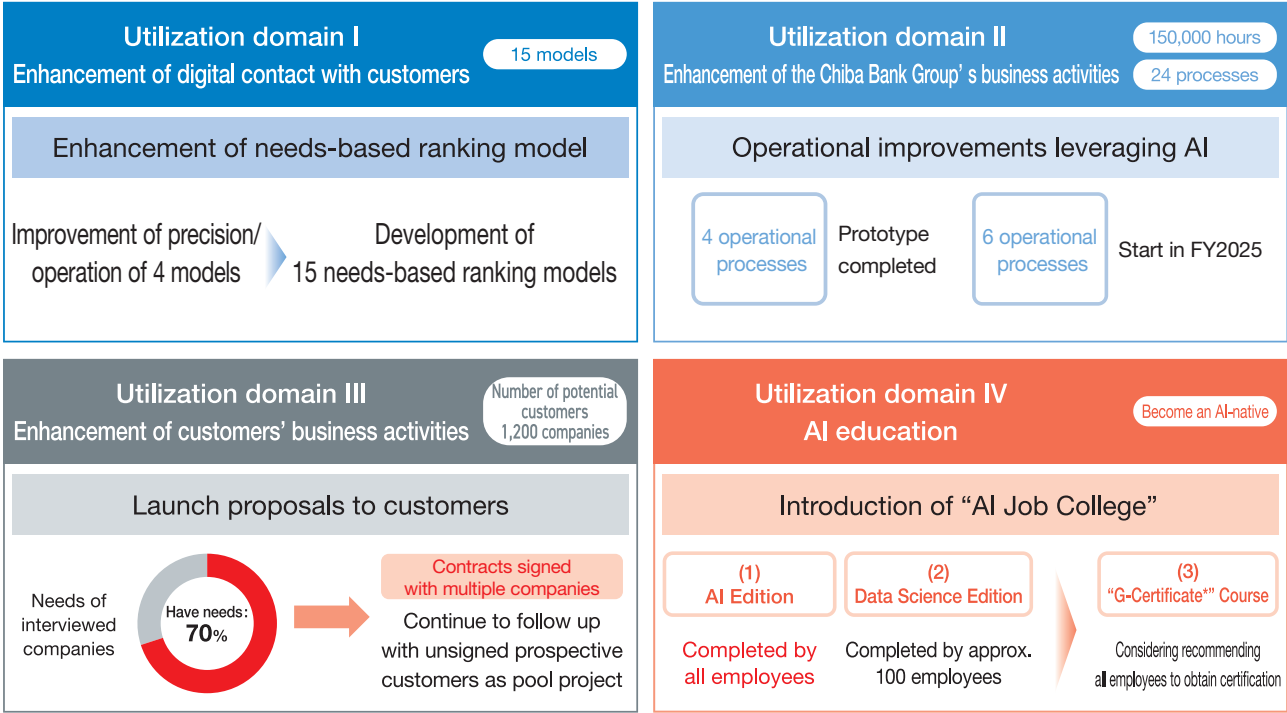
Specifically, we are strengthening the use of AI in four domains. In the first domain, “Enhancement of digital contact with customers,” we are advancing the development of 15 needs-based ranking models. In the second domain, “Enhancement of the Chiba Bank Group’s business activities,” we aim to reduce 150,000 hours of workload by reviewing

24 operational processes using AI. In the third domain, “Enhancement of customers’ business activities,” we are strengthening our approach to approximately 1,200 potential customers.

Finally, in the fourth domain, “AI Education,” we are reinforcing AI-related human resource development for the Bank Group’s employees. We have introduced the “AI Job Colle” educational program provided by EDGE Technology, with all employees completing the basic course and approximately 100 employees completing the specialized data science edition. Furthermore, we have set a goal of achieving 2,000 certifications for the “G-Certificate” conducted by the Japan Deep Learning Association.

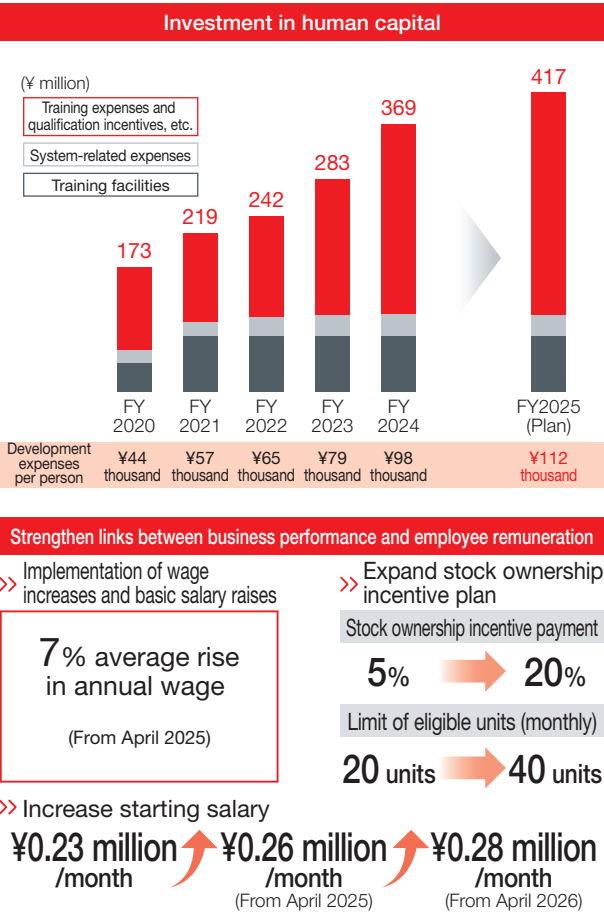
With the recognition that these various initiatives will be a major turning point for the Group’s business model, we have positioned this year as “First Year of AI,” and we will aim to realize the transformation of the entire region as an AI-native banking group.

>> DX/AI (collaboration with EDGE Technology)



*Deep Learning for GENERAL: JDLA Certificate, a certificate exam offered by Japan Deep Learning Association (JDLA) for the acquisition of AI and Deep Learning application literacy.

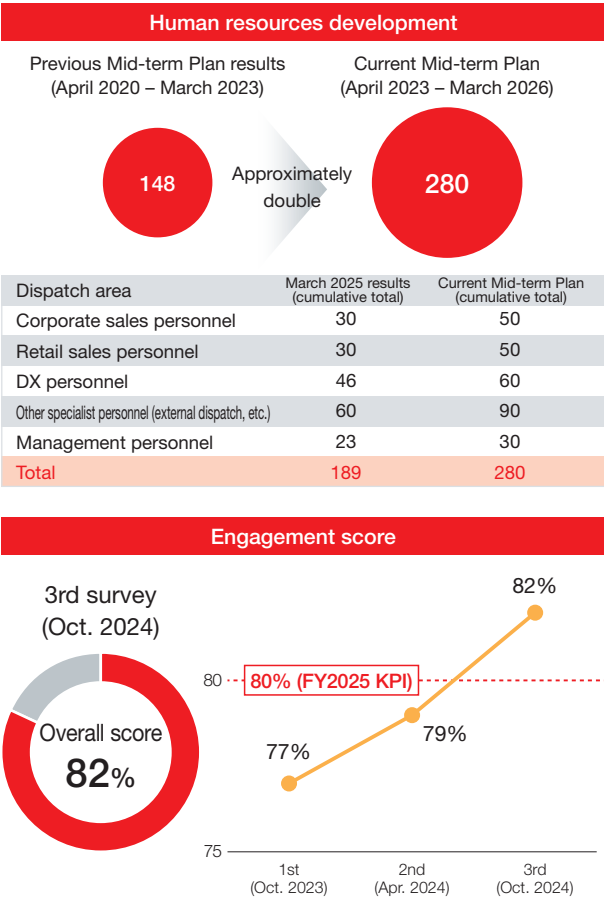
>> Human Capital Supporting Transformation



Pursuit of expertise through advances in human resources strategy

While DX and AI will become our means of transformation, it is our personnel who will support those means. Human capital investment, including in human resources development, is critical to ensuring the Group’s sustainable growth. Amid the growth in non-face-to-face transactions resulting from advances in digitalization, the provision of highly specialized services in face-to-face consulting operations will become a source of competitiveness, which we believe is a significant strength of the Group as a regional bank.

In line with the Group’s Human Resources Strategy, we are fundamentally strengthening our initiatives in human resources development to become a “group of diverse specialists” that realizes customers’ wishes. Leveraging the high degree of specialization thus acquired, as “individual comprehensive consultants,” our personnel will help our individual customers’ prosperous lifestyle through personalized



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the provision of better services to customers, or in other words, to the improvement of the customer experience.

Venturing into new businesses to help improve the customer experience

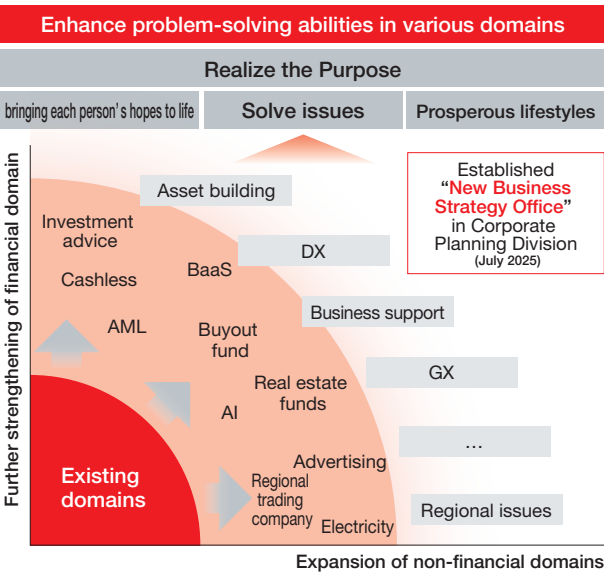
As customers’ needs become more diverse and complex, in our aim to further improve the customer experience, it is essential that we expand our businesses on both financial and non-financial fronts. To this end, we are accelerating our efforts to venture into new businesses.

At Chibagin Market, which operates business as a regional trading company, e-commerce site operations and the crowd-funding business for local products are steadily expanding. Work continues on the full-scale development of systems for the “Chibagin Housing Concierge” housing-related service. In addition, in response to corporate customers’ needs, we are concentrating efforts on the advertising business, real estate fund business, and buyout fund business as we work to deliver high value-added services to our customers.

In response to regional issues, Himawari Green Energy, which operates in the energy business, advanced its power plant projects in the cities of Kimitsu and Choshi in Chiba Prefecture, and we stepped up our “GX for the whole region” initiatives in close collaboration with individual local governments. Also, by incorporating agricultural business, Fresh Farm Chiba, into our group in March 2025, we are working to enhance our problem-solving capabilities in the region’s primary industries. In addition, in the metaverse and NFT fields, we have already partially realized business commercialization and are strengthening our initiatives to provide next-generation services to our regional customers in the future.

To further accelerate our new business initiatives, we established a New Business Strategy Office within the Corporate Planning Division and enhanced our systems for promoting new businesses. We will work on this with greater speed than ever to improve the customer experience and strengthen our responses to regional issues.

Strengthening of new business



Initiatives for business improvement and recurrence prevention

Regarding the progress of the business improvement plan, which is one of the Group’s most important management challenges, the Group united as one to promote initiatives for business improvement and recurrence prevention, and the implementation of all measures was completed. Viewing these initiatives as an opportunity to transform the Group’s organizational culture, we have focused our efforts on the penetration of the Purpose, Vision, and Three Pledges.

Also, in addition to external evaluation to gauge how customers feel about these initiatives, we also focused on internal evaluation of employees’ feelings. We have verified the effectiveness of the initiatives through various questionnaires and surveys, and by steadily running the PDCA cycle, we are facing each challenge squarely.

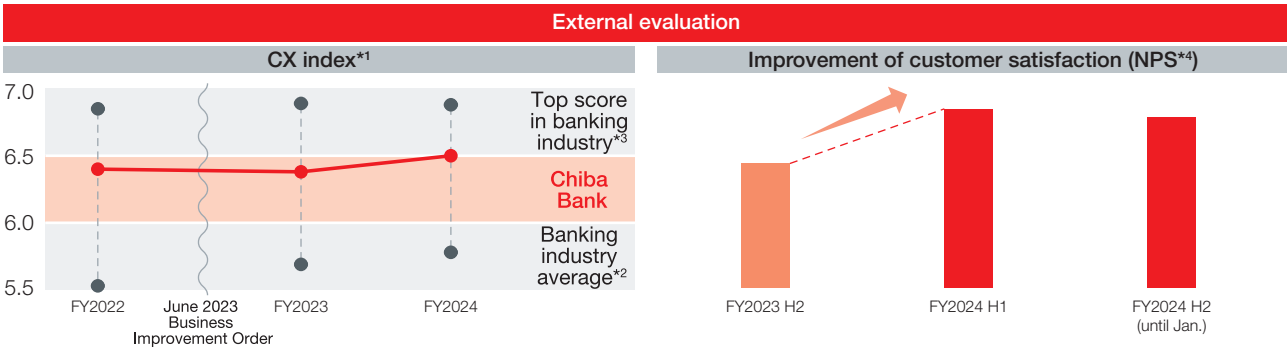
Further, to transform our organization from its previous top-down style to a bottom-up style, we are working to create a strong organization in which individuals think and act independently. Examples of initiatives in this regard include self-declared target setting by sales branches for the performance award system, and the formulation of the next Mid-term Plan for each sales branch. As these initiatives demonstrate, there is currently a tangible sense that change is happening across the entire Group. We will accelerate these moves further going forward

The Three Pledges — Action principles for achievement of the Purpose and the fulfillment of fiduciary duty —

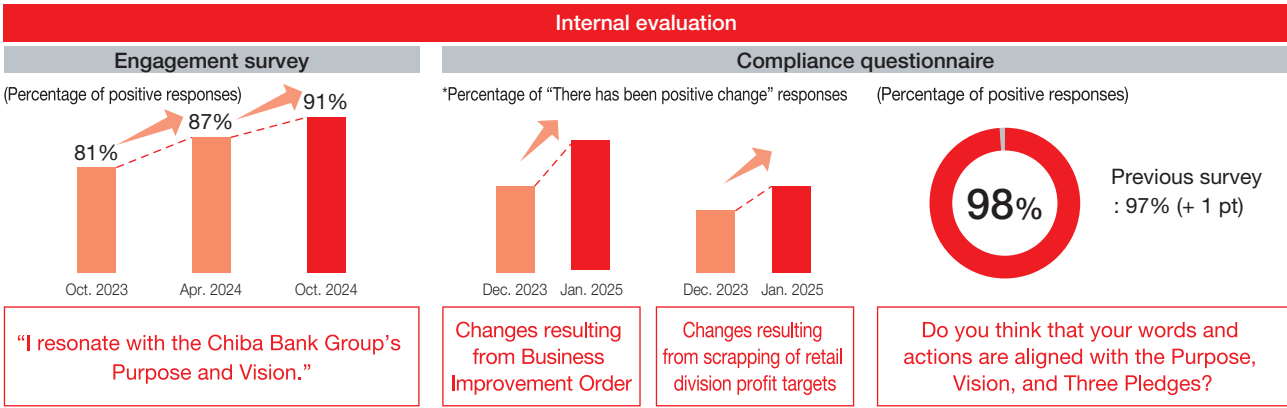
These pledges encourage employees to always pause and consider, before making customer proposals or business decisions, whether their actions contribute to:

- realizing the customer’s wishes
- solving the customer’s problems
- enabling prosperous lifestyles for customers

Changes due to business improvement measures and verification of situation



*1 CX index is based on CXMM® of Nomura Research Institute, Ltd. CXMM® is a registered trademark of Nomura Research Institute, Ltd. <https://www.nri.com/en/service/solution/fis/cxmm>
*2 The CX Benchmark Survey was conducted by Nomura Research Institute, Ltd.
*3 Top score among banks using CXMM® in the past year since the completion of analysis of the Bank’s survey in each fiscal year
*4 NPS® is a registered trademark of Bain & Company, Inc., Fred Reichheld, and NICE Systems, Inc.



and strive to restore the trust that our customers and stakeholders held in us.

Commitment to the sustainable growth of the region

With its proximity to Tokyo, population decline in Chiba Prefecture has been relatively moderate, and the prefecture has a well balanced industrial structure and abundance of tourism resources, making it one of the most favorable markets in Japan. The key to unlocking Chiba’s full potential will be the effective use of AI. We will work toward the realization of “DX/GX/WX for the whole region” from a long-term perspective, raising the productivity of not only the Group, but also our customers and the region as a whole. Our aim in doing so is to achieve sustainable growth alongside the region. Additionally, to strongly

advance these initiatives, in April 2025, we appointed a new Group Chief Sustainability Officer (CSuO) and established a new Sustainability Promotion Division.

In preparation for the next Mid-term Plan, which will start next fiscal year, we are proceeding with the formulation with “all-inclusive participation” as our key concept. Rather than top-down directives from head offices, we are adopting a bottom-up approach that values the opinions of each officer and employee of the Group and reflects them carefully in the Plan’s measures. In addition to the boost provided by rising interest rates, through business model transformations driven by AI and strategic investment, we intend to draw up exciting growth scenarios that will exceed the expectations of all our stakeholders, including our customers, shareholders, and employees.

We sincerely appreciate your ongoing support.

Outside Directors Roundtable Meeting

Aim to create a local community better suited to bringing each person's hope to life through sustainable management that continues to grow alongside the region

Ryoji Yoshizawa
Director
[Outside Director]

Mana Nabeshima
Director
[Outside Director]

Yasuko Takayama
Director
[Outside Director]

Takahide Kiuchi
Director
[Outside Director]

*Listed in the order of the photos



Outside Directors, Yasuko Takayama, Takahide Kiuchi, and Ryoji Yoshizawa, alongside newly appointed (in June) Outside Director Mana Nabeshima, held a roundtable meeting to exchange views on a range of topics, including expectations for the next Mid-term Plan (based on the current Plan), growth strategy, governance, and sustainability management.

How do you view this year, as the final fiscal year of the current Mid-term Plan?

Takayama The Group is on track to achieve most of the key financial targets outlined in its Mid-term Plan by FY2025. I see this year as a pivotal moment to lay the groundwork for the next Mid-term Plan. Looking ahead, accelerating inorganic growth, enhancing digital transformation (DX), and investing in human capital will be essential for expanding the Group's non-financial businesses.

The current Mid-term Plan, guided by the theme "Evolution of the customer-focused business model," sets a path toward FY2030. For the next plan, I hope we can take a backcasting approach—envisioning what we want the Group to look like in FY2035 or FY2040 and working backward to define the necessary steps.

So far, the Group has positioned DX, GX (green transformation), and WX (work transformation) as bases of value creation. I hope the Group will leverage its accumulated technologies and regional customer experience know-how to further advance its regional ecosystem strategy.

Yoshizawa I see this year as an opportunity to further build upon the successes of previous years, while simultaneously taking the critical first steps toward resolving the challenges highlighted in the FY2024 financial results.

One significant achievement from the past year was the substantial progress we made in the DX of the banking operations. Leveraging the scale of the TSUBASA Alliance, we advanced the development of our personal banking smartphone application. Furthermore,

to strengthen our anti-money laundering and counter-terrorist financing (AML/CFT) measures, TSUBASA-AML Center, a group company, began providing AML/CFT services, entrusted by four banks participating in the TSUBASA Alliance. I highly value this initiative not only for its contribution to the group's profitability but also for its role in improving operational efficiency of Japan's retail banking industry. Also, the addition of EDGE Technology, which offers AI solution services, to our group is another major positive, bringing significant benefits to our internal operations, product development, and customer transactions. We aim to further build upon these successes in the next Mid-term Plan.

On the other hand, a key challenge we face is the need for further evolution of our group strategy. The ratio of the consolidated net income to the non-consolidated net income has been declining, reaching 1.0x in FY2024. This indicates there's still significant room for growth within our group strategy. We need to meticulously examine each business operation, considering both synergies within the Group and the capital costs, to explore opportunities for rationalization and fundamental solutions.

What is your evaluation of the Bank's initiatives to increase PBR?

Yoshizawa To ensure the continued growth and success of the Group, we are boldly taking on new challenges, and central to this endeavor is advancing the risk management capabilities. While we are preparing to embrace necessary risks for growth, we are simultaneously maintaining tight control over those risks, ensuring we can continue to operate with sound and prudent management. For example, while some banks hold a large amount of held-to-maturity bonds to boost interest income, we have selectively limited our exposure in this area, but have consistently generated strong revenue through other conventional measures. Furthermore, our low Δ EVE*¹ (Economic Value of Equity) means our IRRBB (Interest Rate Risk in the Banking Book) ratio*² stood at a very conservative 4.73% as of March 31, 2025. This is well below the 15% limit set by Basel regulations and is a solid performance compared to both domestic and international banks.

Outside Directors Discussion Meeting

Conversely, with a consolidated Tier 1 common equity (CET1) ratio of 15.04% (as of March 31, 2025), our challenge lies in how to effectively leverage this robust capital base to execute the growth strategy. To improve our Return on Equity (ROE), we must continuously scrutinize the Internal Rate of Return (IRR) of both our existing and new businesses, ensuring they are projected to exceed our capital costs over the medium to long term.

Maintaining the lean and prudent management directly enhances the Bank's long-term corporate value, benefiting not only shareholders but all stakeholders. Therefore, we must continue to carefully evaluate the capital costs in our banking operations, aiming to improve our Price Book-value Ratio (PBR).

*1 ΔEVE: The change in a bank's Economic Value of Equity (EVE) in response to changes in interest rate.

*2 IRRBB Ratio: A metric that indicates the amount of Interest Rate Risk in the Banking Book (IRRBB) as a percentage of core capital (Tier 1 capital).

Could you tell us what kind of discussions took place regarding the acquisition of EDGE Technology?

Kiuchi To secure the Group's sustainable growth, actively investing its strong capital base is crucial. The acquisition of EDGE Technology was considered an appropriate use of capital, and all Outside Directors supported it positively.



However, since the bank is unfamiliar with AI business and EDGE Technology relies heavily on freelancers with specialized digital expertise, we carefully discussed the risks, especially given the business model's fundamental differences from banking. To mitigate the risk of losing key talent, we decided to maintain EDGE Technology's existing management and operational systems as much as possible post-acquisition.

Post-merger integration focuses on two key areas: "organizational unification and risk management" and "business promotion and contribution to the Chiba Bank Group's DX." In risk management, efforts are underway to align EDGE Technology's industry-specific risk standards with banking standards.

The Bank is currently generating synergies through AI-driven internal reforms and by offering AI solutions to customers. Key challenges include managing human resources and labor issues related to freelancers, as well as protecting their personal data, which must be addressed in line with new freelance laws.

We anticipate ongoing evaluation of acquisition opportunities and emphasize the importance of balancing active pursuit with careful risk management.



How do you assess the extent to which the Group's Vision, Purpose, and Three Pledges have been embraced across the organization?

Takayama The Bank established its Purpose and Vision in March 2023, aligning with the start of the current Mid-term Plan. Following the Business Improvement Order in June 2023, and driven by the management's strong commitment to transformation, the Group introduced the Three Pledges. These pledges encourage employees to always pause and consider, before making customer proposals or business decisions, whether their actions contribute to:

- realizing the customer's wishes,
- solving the customer's problems, or
- enabling prosperous lifestyles for customers.

The pledges apply across all operations and are easily understood by employees. To support their adoption, management has actively visited branches and workplaces, engaging employees through dialogue and various initiatives, effectively promoting the Purpose and Vision throughout the Group.

We are monitoring the state of that penetration from both internal and external perspectives. Internally, we conduct engagement surveys for employees every six months, through which we have confirmed increasing levels of awareness, understanding, and implementation of the Purpose and other principles. Externally, we annually conduct a customer experience (CX) survey of customers, and the positive changes in employees' behavior are reflected in the metrics of that survey.

The Board of Directors regards embedding the corporate philosophy and transforming corporate culture as key priorities. We will continue to support these efforts by having management provide timely progress reports, while Outside Directors oversee and offer recommendations from a supervisory standpoint.

Yoshizawa Since the second half of FY2024, we've shifted from a system of business goal



setting, where headquarters established sales targets, to one where each branch autonomously sets its own goals based on local and current market conditions. This change has enabled us to move towards a more customer-centric sales approach. We believe that by deeply embedding the Purpose, Vision, and Three Pledges, we are genuinely pursuing a customer-focused business model and have truly embraced the mindset of walking alongside our customers.

Mr. Kiuchi, you were recently appointed as Chairperson of the Nomination, Remuneration and Corporate Advisory Committee. What are your thoughts on the strengthening of governance?

Kiuchi Since Outside Directors make up a minority of the Board of Directors, influencing key matters such as executive nominations and compensation can be challenging. To address this, the Bank has established a voluntary Nomination, Remuneration, and Corporate Advisory Committee, primarily composed of Outside Directors. This committee aims to enhance the objectivity, timeliness, and transparency of the Board, thereby strengthening its governance and oversight functions through diverse, independent perspectives.

Outside Directors Discussion Meeting

As Chairperson of the Committee, I see it as my role to foster open and constructive dialogue. Given the Committee's smaller size, discussions tend to be more candid than those in the full Board of Directors meetings. However, a current challenge is that the insights and discussions from the Committee are not always effectively shared with internal directors. I am committed to finding better ways to communicate the essence of these discussions in a clear and accessible manner.

Ms. Nabeshima, you have recently been newly appointed as Outside Director. What kind of role do you hope to fulfill?

Nabeshima Throughout my career, I have worked with banks and securities firms across Japan and overseas, gaining experience in a variety of corporate cultures. I hope to apply this experience to governance through oversight and strategic advice, with the aim of enhancing the Group's corporate value.

While the Group is advancing its DX strategy, rapid societal changes demand further progress. Based on my experience at Singapore's DBS Bank, I believe acceleration requires technology divisions to lead management and the promotion of cross-functional, non-traditional initiatives.

To support new business development, strong governance is essential. Beyond training, robust oversight to make misconduct impossible and prompt issue escalation systems are critical. I will closely monitor risk management from this perspective.

With the recent appointment of a new Group Chief Sustainability Officer (CSuO), what are your expectations for the future direction of sustainability management within the Group?

Takayama Internal consensus on the importance of integrating financial and non-financial information is steadily growing. I believe the appointment of a Group CSuO at this point—when the foundation has been laid—is both timely and strategic. I expect the



Group CSuO to take comprehensive oversight of all non-financial domains within the Group.

Sustainability management plays a vital role in enhancing corporate value by building mutually beneficial relationships with stakeholders. At the core of that value lies intangible capital—such as intellectual, natural, human, and social capital, including brand equity. It is crucial for the Group to make these intangible assets more visible and measurable, to expand them, and to link them directly to long-term corporate value creation. Equally important is developing a compelling narrative that shows how each form of capital contributes to corporate value and how it will continue to do so. This will be essential in gaining the trust and support of investors and other stakeholders.

As Chairperson of the Board of Directors, I will continue to ensure that proposals related to management and strategy are thoroughly debated, while also closely monitoring the progress of the Group's value creation narrative and its associated KPIs.

Yoshizawa While we've observed a growing headwind against ESG in the United States, the Bank's commitment to incorporating ESG factors into the management—and more fundamentally, our pursuit of sustainable management—remains unchanged. We firmly believe it's crucial to focus on what is truly more sustainable, considering all



stakeholders, and to evolve our practices accordingly.

Change involves both “speed” and “scope,” and generally speaking, a common challenge for Japanese companies is that their changes tend to be slow and limited in breadth. In managing the Group, I want to ensure we support efforts to run the business with agility, unafraid to embrace change while carefully controlling risk, all with the aim of enhancing our corporate value over the medium to long term.

Nabeshima By closely examining whether our business strategies align with the Group's Purpose and Vision and contribute to solving social issues, we can uncover new business opportunities that support sustainability management. At the same time, advancing DX will reduce costs and increase profitability. As our customers realize sustainable management and achieve steady profits, the Group can grow alongside them.

“Impact accounting”—which quantifies the social and environmental effects of a company's activities in monetary terms and integrates them with financial accounting—is gaining attention. By strengthening its approach in this area, the Chiba Bank Group

can better define its position among financial institutions and maintain a competitive edge. Advancing sustainability management will also create new pathways for value creation.

Kiuchi The appointment of the new Group CSuO marks a significant advancement in the Group's sustainability management. To not only catch up with peer institutions but also to establish a distinctive identity, the Group must pursue greater originality—especially by reexamining sustainability through the lens of its deep ties to the local community. As global sentiment toward sustainability, particularly in the United States, grows more uncertain, it is all the more important for the Group to strengthen its own approach. This includes reaffirming and revisiting its core principles and policies to ensure a clear, consistent, and community-focused sustainability strategy.

There is also room for improvement in how the Group communicates its initiatives to stakeholders. While the Bank's website provides an explanation of its sustainability management, I see a need for more creativity and clarity in how this information is conveyed. Publishing accessible and engaging materials—such as sustainability reports—will be essential to ensuring stakeholders fully understand the Group's efforts.

Message from the CSO

We will achieve ROE above capital costs to enhance corporate value

Takashi Makinose
Director and Managing Executive Officer
(Group Chief Strategy Officer (CSO))

Steady progress in the Mid-term Plan.
We will strengthen our efforts to achieve a PBR of above 1

Having achieved the Return on Equity (ROE) target in the Mid-term Plan a year ahead of schedule, we anticipate achieving the level of around 8% ROE (based on shareholders' equity) that we had declared as our target for FY2030 within the current fiscal year. We have steadily improved our ROE by fortifying our existing businesses, venturing into new businesses, and capitalizing on the recent rises in interest rates. However, the Bank's Price Book-value Ratio (PBR) is currently around 0.9, and we aim to achieve ROE in excess of capital costs, that is, a PBR of above 1 at an early stage through further efforts to increase ROE and Price-to-Earnings Ratio (PER).

Increase ROE: We will enhance the Bank Group's strengths and realize highly capital-efficient management

Three strengths

We believe the Bank Group's defining strengths are in three areas: "the operating base," "the financial base," and "alliances."

In terms of the operating base, in Chiba Prefecture, which has a large economy, we hold a large share of individual customers, app registrants, and deposits and loans. By maintaining our network of branches in the prefecture as far as possible while also shifting 30-50% of transactions to digital enabled by improvements in the app's functions, we have enhanced both digital and face-to-face touchpoints with customers. While increasing our share in all metrics in the prefecture, by leveraging our stable procurement base to actively venture outside the prefecture as well, we will capture further growth opportunities, such as increasing loans and fees and commissions.

In terms of the financial base, we plan to lower the Over Head Ratio (OHR), which is a measure of cost efficiency, to around 45% for the current fiscal year.



Concurrently with continuing to make the necessary investments, by maintaining investment and cost discipline, we believe that it is possible to achieve even further reductions in OHR. Our non-performing loan ratio is also low at 0.91%. In addition to stringent risk management systems and accompanying support to our customers, we will continue our efforts to control credit costs through new initiatives such as the use of AI and linking with other banks' accounts through the corporate portal.

In terms of alliances, further deepening the TSUBASA Alliance, Chiba-Musashino Alliance, Chiba-Yokohama Partnership, and our collaboration with Sony Bank will not only improve our top-line revenue, but also contribute to lowering the OHR. By promoting an alliance strategy ahead of other banks, we believe that our ability to generate synergies through collaboration is among the best in the regional banking sector. Going forward, we will continue to strengthen our alliances even further as our most critical differentiation strategy.

Improve RORA

For the improvement of Return on Risk-weighted Assets (RORA), we are strengthening our three initiatives of "investment in high RORA assets," "strengthening of fees and commissions" and "cost control."

In terms of investment in high RORA assets, we are steadily leveraging the rise in interest rates, and RORA on both retail and corporate loans has improved significantly. In addition, profitability of growth investments, such as investments and loans in private real estate funds, which we strengthened under the current Mid-term Plan, is extremely high, contributing to the increase in the bank's overall RORA.

In terms of strengthening of fees and commissions, the expansion of profits that do not leverage risk

assets will help to increase RORA. In the current Mid-term Plan, we are expanding contact points with customers on both digital and face-to-face contact points by increasing the number of app users and enhancing our branch network. In the retail division, we are enhancing digital marketing with the use of AI and strengthening one-to-one marketing tailored to each customer. In the corporate division, we have seen a significant increase in advisory services and M&A consultations, and we will further expand corporate solutions income by helping business owners to solve their issues. These initiatives will serve to bolster fees and commissions.

Regarding cost control, OHR is expected to fall to around 45% in the current fiscal year, indicating our maintenance of top-class cost efficiency among regional banks. Assisted by the effectiveness of our alliances, we have been able to achieve extremely high cost efficiency in areas such as system costs. By maintaining investment and cost discipline while continuing to make the necessary investments, I believe that it will be possible to lower our OHR even further. In terms of our non-performing loan ratio as well, in addition to stringent risk management systems and accompanying support to our customers, we will continue our efforts to control credit costs by advancing new initiatives such as the use of AI and linking with other banks' accounts through the corporate portal.

Managing within a target range for common equity Tier 1 capital ratio

In terms of capital management, having maintained adequate soundness, we will promote the effective use of capital towards achieving a target range for the common equity Tier 1 capital ratio. Through the enhancement of the Risk Appetite Framework (RAF), while making rational judgements based on ROE, OHR, and other metrics, we plan to further accumulate risk assets and conduct inorganic

investments and DX investments. Regarding shareholder returns, as a result of the steady strengthening of dividends, we have revised our payout ratio to around 40%. Going forward, we will continue to pursue, in a well balanced manner, growth investments aimed at medium- to long-term increases in ROE and further shareholder returns to increase capital efficiency.

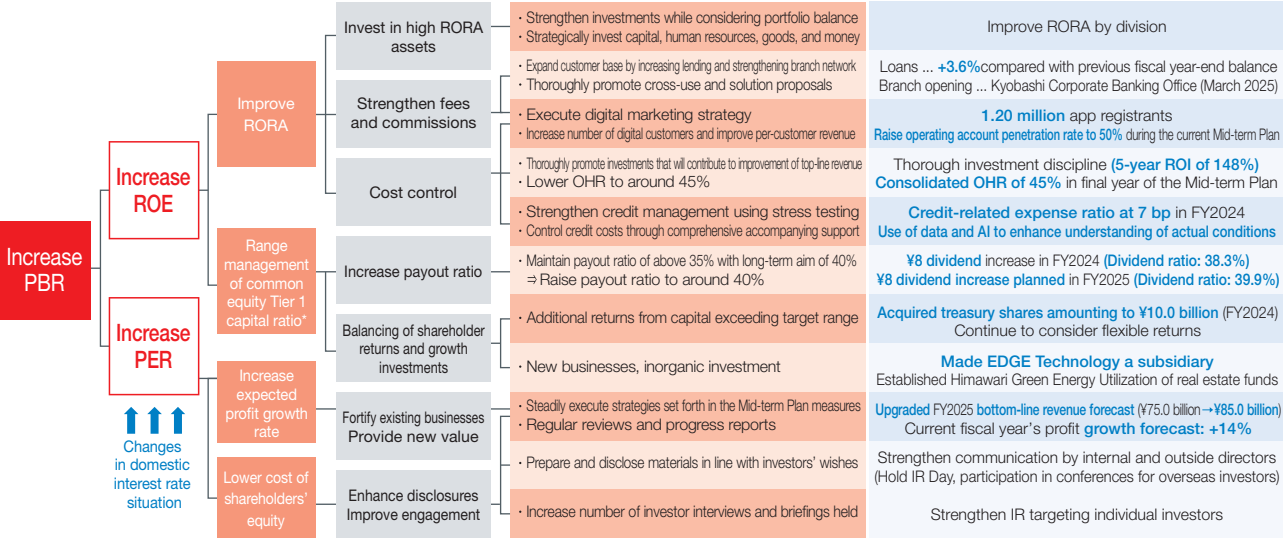
Increase PER: Disclose business risks appropriately to lower capital costs and strengthen IR activities

To lower our capital costs, we need to disclose the Bank's business risks appropriately and reduce investors' perceived risk. By lowering our OHR and non-performing loan ratio, whose low levels are already a strength of the Bank, even further and building a stable financial base, we will control earnings volatility and enhance the accuracy of our performance forecasts. In addition, by continuing to enhance our communication of these strengths and our strategies for medium- to long-term growth, we hope to raise expectations of the Bank Group's profit growth and achieve growth that exceeds those expectations.

Working closely with the local community to support bringing its hopes to life

To make the local community one that is able to bring all our stakeholders' hopes to life, including customers, shareholders and employees, the Bank Group will contribute to solving regional social issues. By steadily advancing initiatives in line with management strategy and growing sustainably alongside the region, we hope to realize the further enhancement of corporate value.

Logic tree for increasing PBR



*Full implementation of finalized Basel III standards (excluding valuation differences on securities)

Message from the CSuO



With our three “region-wide” transformations, we will help to solve social issues and contribute to the region’s sustainable growth

Mutsumi Awaji

Director and Senior Executive Officer
(Representative Director, Group Chief Sustainability Officer (CSuO))

DX, GX and WX for the whole region

The Bank Group has grown alongside the advancement of Chiba Prefecture. With deep roots in the community that has supported us, we have transformed ourselves in line with the changing times. We will extend that transformation to the local community, and by contributing to solutions to the region’s social issues, aim for the revitalization of economic activity and the growth of the Bank Group.

Digital transformation (DX) for the whole region

Through the development of the Chibagin app, the enhancement of its services, and the issuance of the Chibagin VISA debit card, we have worked to enhance our non-face-to-face financial services and cashless services. By spreading these digital technologies throughout the entire region, we will increase the productivity of the region and contribute to the revitalization of economic activity.

Our efforts in improving the operational efficiency and productivity of the Bank Group have enabled us to propose enhancements to our customers’ operational processes. We have extended those proposals even further to local governments. We have started offering AI-based proposals in collaboration with EDGE Technology, which became a Group company through TOB last year, with which we will significantly broaden the options available to customers for solving their issues.

Green transformation (GX) for the whole region

Chiba Prefecture has one of the highest CO₂ emissions in Japan. To date, we have supported our customers’ efforts to reduce their CO₂ emissions through sustainable finance and other means. We now have over 1,000 qualified decarbonization advisors, and we expect to reach our ¥2 trillion target for sustainable finance execution ahead of schedule.

Himawari Green Energy now has three solar power generation plants in Asahi, Kimitsu, and Choshi in Chiba Prefecture, with a power generation capacity equivalent to approximately 40% of the Group’s annual power consumption. Chiba Prefecture also has strong potential as a supplier of renewable energy, as evidenced by its designated candidate sites for offshore wind power off the coast of Choshi, Isumi, and Kujukuri, the highest number of approved agrivoltaic projects in Japan due to its abundant farmland, and the nation’s largest production of iodine, a raw material for perovskite solar panels.

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

“Chiba Bank Group Sustainability Policy”		
Materiality	Initiatives related to Materiality	
Regional Economy and Community Contribute to the vitalization of regional economy and communities	● Support for regional revitalization (pages 73 and 74) ● Advisory services for business operators (page 45)	● Use of real estate funds (page 46)
Aging population Support safe and secure lives for the elderly	● Inheritance-related services and trust business (page 44)	● Initiatives to prevent financial crimes including wire transfer fraud (page 102)
Financial services Provide financial services for a better life	● Expanding features of the Chibagin app (page 51) ● Expanding features of Chibagin Business Portal (page 51)	● Promoting sustainable finance (page 47)
Diversity Promote diversity and work style reforms	● Diversity forums (page 71) ● Achievement of flexible work styles (page 70)	● TSUBASA cross-mentor (page 71)
Environmental protection Contribute to preserving a sustainable environment	● Support customers' decarbonization (page 55) ● Climate change responses and natural capital preservation initiatives (page 79-86)	● Himawari Green Energy's initiatives (page 56)

We aim to expand our renewable energy business while closely monitoring developments in emerging energy technologies. Going beyond the achievement of carbon neutrality for the Bank Group in FY2030, we will contribute to the GX of the region through sustainable finance, intermediation in non-fossil certificates and promoting local production and consumption of renewable energy.

Work transformation (WX) for the whole region

The Bank Group has worked on the adoption of remote work and flextime systems and the improvement of operational efficiency using digital technologies in its efforts to promote flexible work styles that suit the changing times and improve productivity.

In addition, in our longstanding efforts for women to participate actively in the workplace, we introduced a quota system for assigning women to corporate sales roles, which we expect to see a further rise in the number of women in supervisory and managerial roles. Men’s work styles are also changing. The rate of childcare leave taken by men has reached 100%, and the average duration has extended to 28 days. Our investment in human resources is evolving into a system that supports growth and career advancement for all genders.

Going forward, we will share our promotion of diverse work styles, including balancing work with caregiving responsibilities, and our diversity & inclusion initiatives with local companies, thus contributing to work style reform and productivity improvement across the entire region.

We will engage in regional revitalization as a unified, Group-wide effort

Since establishing a Regional Revitalization Division in 2015, the Bank has engaged consistently in efforts to breathe new life into the region. In FY2024, as a regional tourism

development initiative, we worked to revitalize the areas along the Kominato Railway and Isumi Railway lines as part of the “Boso Cross Railway Tasuki Project.” Incorporating a digital stamp rally, NFT, and other digital technologies, this project involved many people in efforts to enhance the region’s appeal.

We have also strengthened our support of professional sports teams with roots in the region. We recently launched a new title sponsorship for a basketball match. Meanwhile, soccer’s Chibagin Cup will mark its 30th anniversary next year and remains much loved by many fans. We have also strengthened our career and finance education initiatives benefiting the region’s children. In our outreach classes for elementary and junior high school students in particular, we are teaching children about the significance of working and the role of financial institutions.

As a regional financial institution, we are committed not only to providing advanced financial intermediary functions to medium-sized companies and SMEs but also to contributing to the revitalization of the regional economy as a united Group effort by collaborating with local governments, companies, and residents of the region.

The challenge of balancing solutions to social issues and economic growth, based on our Purpose and Vision

We believe that the Bank Group’s corporate value can be enhanced by contributing to the growth of the region. As the inaugural CSuO, leveraging all of my experience to date, I will take on the challenge of balancing solutions to social issues and regional economic growth, and by sharing the benefits thus generated with the region, we aim to enhance the corporate value of the Bank Group.

Message from the CBO (on Sales Strategy)

Delivering high-quality services tailored to each and every individual and corporate customer with the optimal timing

Kiyomi Yamazaki

Director and Senior Executive Officer
(Representative Director, Group Chief Business Officer (CBO), General Manager in charge of Business Promotion)

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

If we are to realize the Purpose and Vision, it is important to have a better understanding of our customers and to identify their existing and latent needs. By understanding those needs and making optimal proposals for bringing customers' hopes to life and solving their issues, we will evolve our business model into a customer-oriented model in which the Bank will grow together with our customers.

A more sophisticated sales organization

Amid significant changes in the environment surrounding the Bank, such as the transition to a world of positive interest rates and intensifying competition from other banks, including online banks, to offer our customers high value-added services quickly, we reinforced the divisions responsible for the integrated oversight of corporate and retail banking operations. We will work to make our sales organization more sophisticated by restructuring it to integrate sales promotion and product planning.

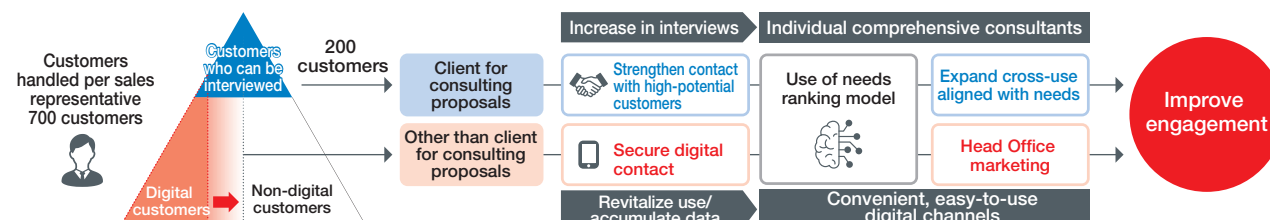
We have also established a new Main Bank Service Office to strengthen our accompanying support services to the region's core companies. Staffed by personnel with extensive frontline experience, the Main Bank Service Office will provide long-term support as a trusted business advisor for companies, through services such as the provision of high-quality information and solution proposals through advanced consultative sales.

Understanding our customers well to deliver optimal solutions

I will talk in specifics about our retail, corporate, and cashless businesses separately, starting with the retail business.

We will shift away from the conventional role-specific approach to proposals toward individual comprehensive consulting proposals that offer a variety of financial services tailored to our customers' diverse needs.

>> Review of individual sales activities



As individual comprehensive consultants, by making optimal proposals for diverse life events, we will offer customers the optimal customer experience and support them in achieving a prosperous lifestyle. We also hold regular seminars of various sizes for regional customers and employees of our corporate clients, with the aims of solving their money concerns and increasing their financial literacy. We aim to broaden our customer base by promoting awareness of our services as effective solutions to concerns and needs.

Next, in the corporate business, as "an assistant to management," Head Office, the branches, and Group companies will work together to gain a full picture of the management issues of individual corporate customers and promptly make proposals that will help support their core business. Specifically, to help companies to enhance their ability to grow, we will offer solutions to management issues such as DX (digital transformation) and GX (green transformation) based on their owners' vision and business plans. To support corporate revitalization and renewal, we will provide support through proposals for M&A, business succession planning, and buyout funds, leading the way among banks and other firms.

In addition, we hold Customer Contribution Information Meetings, where we share the needs and issues identified during interviews and discuss solutions that will contribute to our customers. We will provide more effective solutions to assist in solving social issues of the region.

In our cashless business, we are proceeding to build a "regional ecosystem" as a further evolution of our platform. This regional ecosystem connects individual and corporate customers through apps, cashless services, and

the regional trading company, with the aim of revitalizing the local economy. Our aim is to establish a win-win-win relationship, in which our individual customers, corporate customers, and the Bank all benefit, through initiatives such as enabling individual customers to shop more advantageously when shopping at our corporate clients' stores and by offering increased point reward rates when they use their cards at designated shops. As well as contributing to the revitalization of the local economy, we believe that these initiatives will lead to improved customer engagement, growth in sticky liquid deposits, the expansion of payment transaction volumes, and the maximization of lifetime value.

Continuing to grow alongside the region

The Bank possesses rock-solid business foundations that can be attributed to the relationships of trust that we have built up with our customers over many years.

Also, as the megabanks and other regional banks in the prefecture continue to close and amalgamate branches, Chiba Bank has been able to maintain its branch network, giving us a structure that allows us to respond promptly and carefully to customers when they seek our advice. In addition to our strength in face-to-face services, we will further strengthen our digital touchpoints, which are highly convenient for customers who have limited opportunities for direct contact with the Bank.

Through a hybrid of digital and face-to-face services, we aim to further deepen our relationships with our existing customers and develop new customers to take with us into the future, in our aim to be a banking group that continues to grow alongside the region.

>> Regional ecosystem

Build a win-win-win relationship with individual and corporate customers



Message from the CDTO



Aiming to be a banking group that serves its customers with “DX for the whole region”

Hideki Shibata
Managing Executive Officer (Group Chief Digital Transformation Officer (CDTO))

DX strategy initiatives

After serving as General Manager of the Digital Innovation Division from April 2021, and subsequently as General Manager of the Digital Strategy Division, I took on a new role as Group Chief Digital Transformation Officer (CDTO) in April this year. During that time, in addition to improving operational efficiency, we expanded our direct-channel products and services and built systems

for the integrated promotion of proposals that are individually tailored to each customer.

As well as expanding the functions available on the Chibagin app and the Chibagin Business Portal in our customer-targeted services, we promoted paperless and seal-less operational procedures within the Bank and focused our efforts on human resources development to support these strategies.

The cumulative number of registered account owners using the Chibagin app has exceeded 1.25 million as of June 30, 2025, and we are seeing growth in the use of digital channels for major transactions such as opening new accounts, transferring funds, and investment trusts. We have also taken on the challenge of an advertising business that leverages digital technologies and Web 3.0 initiatives in our endeavor to provide new customer experiences in non-financial businesses as well.

Creating the optimal customer experience

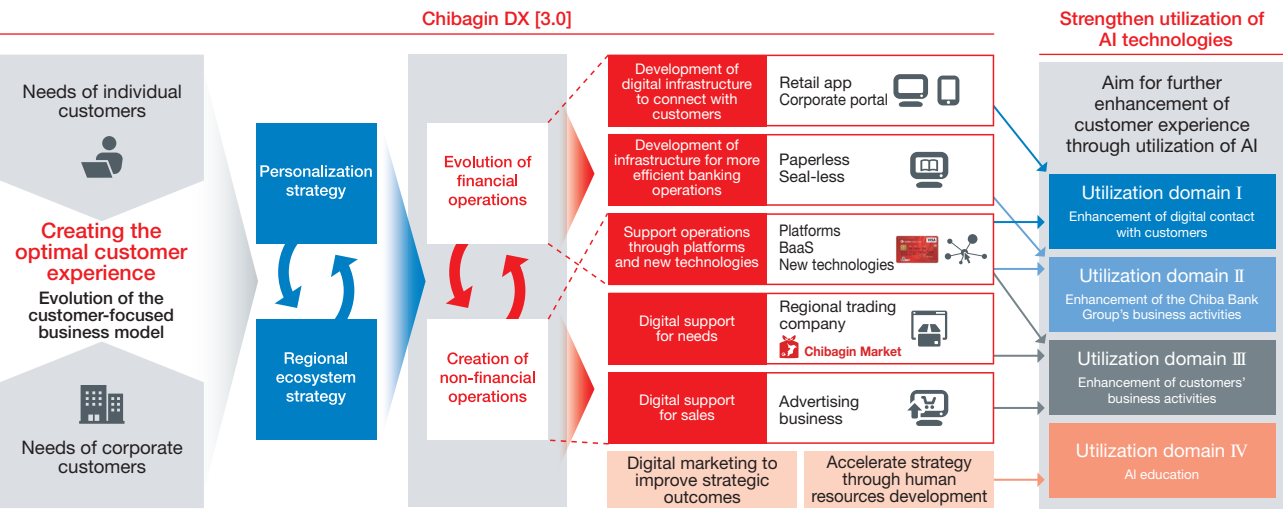
The top diagram on the opposite page shows the Bank’s overall DX strategy [3.0]. The central focus of our strategy is creating the optimal customer experience. The main pillars for realizing this goal are our personalization strategy and regional ecosystem strategy.

The Analysis and Marketing Foundation that began operating in March 2025 is a key mechanism supporting these strategies. In addition to the data that we have accumulated to date, we are now able to collect data through apps, e-mails, and other sources and speed up the process from analysis to measurement of effectiveness. I believe that the “optimal customer experience” that we are aiming for involves enhancing our digital infrastructure to increase the number of customer contact points, making appropriate proposals when customers want them, and connecting them to smooth, comfortable procedures, including follow-up inquiries. I feel certain that this provision of integrated services will drive the further deepening of our relationships of trust and engagement with our customers.

Utilization of AI technologies

Artificial intelligence (AI) continues to evolve as a key technology for solving increasingly complex issues. We have positioned AI as not merely a

>> DX Strategy (Chibagin DX [3.0])



means to improve efficiency, but as a core technology for the evolution of “creating the optimal customer experience.” We are leveraging it to enhance digital contact with customers, the Group’s business activities, and customers’ business activities.

In our AI Solution Lab, which we established in September 2024, AI engineers fostered within the Group are playing a central role in the development of AI applications, such as role-playing simulations for training that will contribute to human resources development. Further, we have made EDGE Technology, an AI and data analytics firm that owns one of Japan’s largest AI-based human resources databases, a wholly owned subsidiary, thus establishing a system for fully utilizing AI’s potential. With these initiatives, we are working

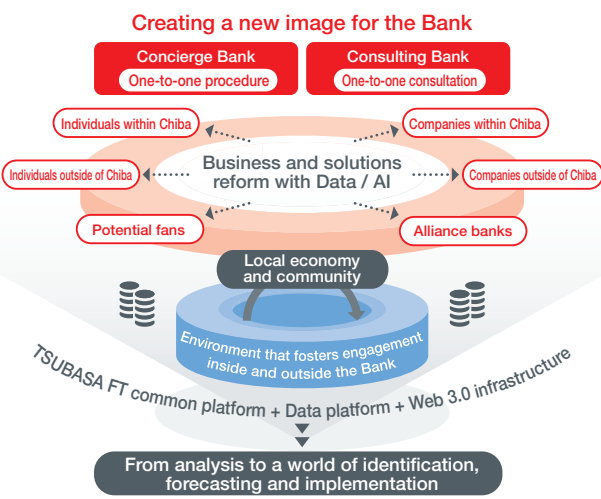
to create new value by tying technological innovation to solutions to regional issues.

Creating a new image for the Bank

The diagram at the bottom left shows the concept for DX Strategy [4.0], which we are considering for the next stage. In addition to our existing infrastructure, which includes the TSUBASA FinTech common platform and our data platform, we are considering the construction of Web 3.0 infrastructure. Using these digital platforms, we are aiming to improve the customer experience and make advances in the banking ecosystem through the use of collected data and AI-driven operational transformation.

I gain a real sense every day of the importance of creating value through the power of teamwork. As a financial institution that walks alongside customers in the local community, instead of relying solely on advances in digital technology, the power of the people who support and apply those technologies is crucial. The Group will continue to foster data- and AI-native professionals with the aim of creating new value through the power of teamwork. Further, by using the knowledge that we have cultivated to date to offer solutions and consulting services to customers, we hope to contribute to productivity gains in the region. Through deeper engagement with each customer, we will continue our challenge of realizing “DX for the whole region.”

>> DX Strategy (Chibagin DX [4.0])



Message from the CHRO

Developing diverse professionals to become a corporate group that is better able to bring customers' and employees' hope to life

Atsushi Imai

Managing Executive Officer (Group Chief Human Resources Officer (CHRO))



Aim to be “an organization that creates new value by bringing together diverse specialists”

The Chiba Bank Group views its “human resources” as its most important management capital and positions them as the foundation that supports sustainable growth. To become an organization that creates new value by bringing together diverse specialists, we are committed to investing in human capital, and we are establishing an environment where each one of the employees is able to demonstrate their abilities to their fullest potential. In particular, we have positioned “human resources development” and the “improvement of personnel engagement” as our key challenges, and we will align these challenges with the realization of the Group's Purpose by establishing a workplace environment in which diverse personnel can feel a sense of reward in their work.

“Human Resources Development Policy” for the realization of our Purpose

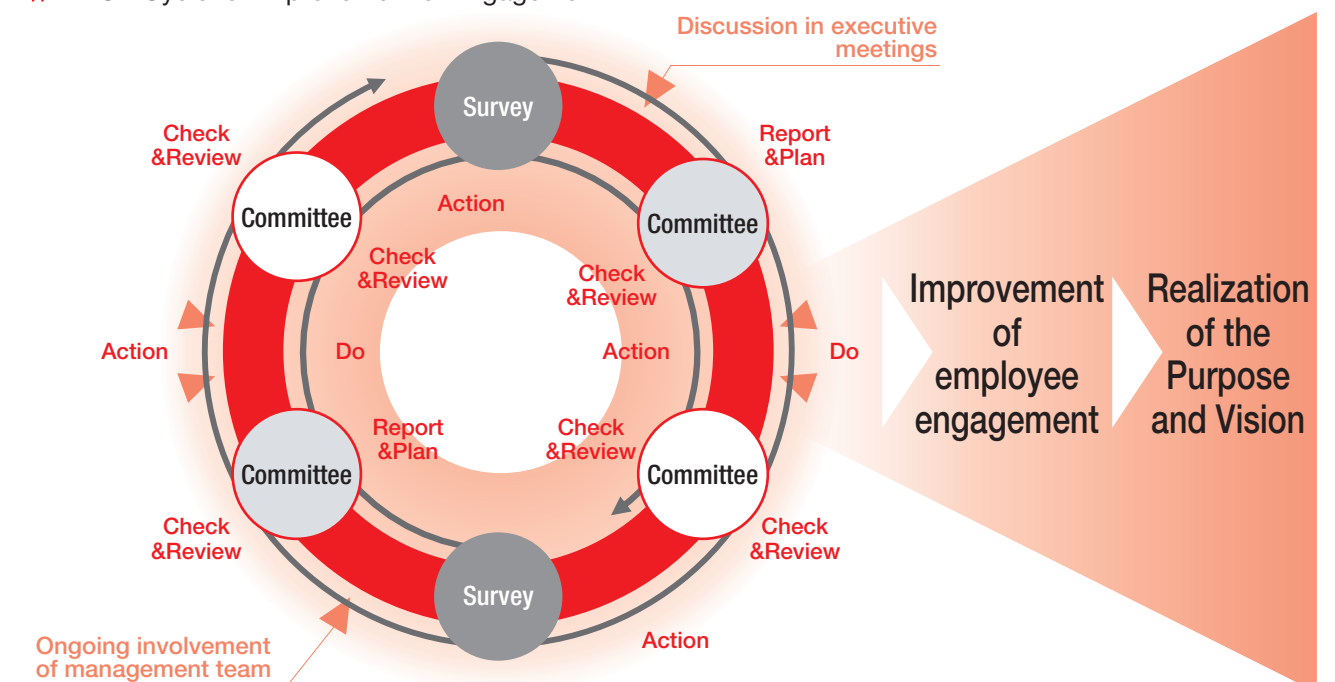
The Group has declared a human resources development policy of “Become someone who keeps running together,” and we are focusing efforts on the development of people who will “be a partner who continues to keep running with customers, the community and

colleagues.” To embody this policy, we have drastically reviewed our personnel evaluation system and reorganized it based on the three core elements of “Think things through,” “Utilize your own strengths,” and “Gain more supporters.” As this new evaluation system takes root, progress is also being made in enlightening employees, and we are endeavoring to instill a culture of more self-directed career development. I believe that providing employees with an environment that allows each of them to expand their own career potential and grow will lift up the entire organization and help to strengthen the value that we offer to the local community and our customers.

Develop personnel who bring customers' hope to life

The Group's top priority is to develop professionals who can respond flexibly to our customers' diverse values and to changes in the business environment for the realization of our Purpose. We are proceeding with the development of a learning environment with Chibagin Academy at its core, and we have increased the average study time per employee to over 50 hours. Through these efforts, a culture of voluntary, self-directed learning has been cultivated, making the advancement of specializations possible.

>> PDCA Cycle for Improvement of Engagement



To support employees taking on their first managerial positions at sales branches, the frontlines of customer experience, in confidently fulfilling their duties, we have introduced a Management Training Program aimed at developing their practical abilities by strengthening their knowledge, skills, and mindset. With three separate courses for branch general managers, senior deputy general managers for branch operations, and senior deputy general managers for sales and lending, the six-month program combines OJT, training, and video learning modules. This initiative will encourage employees to be more forward-thinking about their own careers and to take concrete action to realize their career goals.

These development measures create a virtuous cycle of the development of specialist professionals leading to the provision of “social value” to the local community and our customers. Through investment in human resources from many different angles, we will realize sustainable growth alongside the local community.

Bringing employees' hope to life

The realization of each employee's career goals and expected work styles is directly connected to improved engagement, the maximization of individual capabilities, and productivity improvements. Twice a year, the Group conducts a tailored engagement survey,

targeting all employees. Based on the results of this survey, we identify issues and incorporate them into various initiatives, including human resources development and personnel placement planning.

We have established an Engagement Improvement Committee that conducts cross-organizational discussion under the leadership of top management. We have established a structure for the thorough implementation of the PDCA cycle, from reporting of engagement survey results and identification of issues to consideration of responses and verification of the effectiveness of measures taken.

With this, we have responded swiftly to a variety of challenges, such as office environments, remuneration systems, and work volume optimization.

In addition, we have focused efforts on measures to support diverse work styles, including improving the employment terms and conditions for part-time workers. Through such initiatives, we are creating workplaces where employees can gain a sense of growth and fulfillment in their work, in our aim to be an organization in which each employee is able to bring their hope to life.

By providing an environment in which our employees feel that they want to grow in this company, we will improve engagement and spread the effects of those efforts to all stakeholders. In doing so, we will realize our Purpose and Vision.

Message from the CRO

Work on reform of organizational culture and strengthening of internal control systems to gain trust from customers

Masayasu Ono

Director and Managing Executive Officer
(Group Chief Risk Officer (CRO), General Manager in charge of Corporate Management)



Organizational culture reform under the Three Pledges

Since we were issued with administrative actions (Business Improvement Order) in June 2023, the Bank and Chibagin Securities have implemented Group-wide measures to improve business and prevent a recurrence, based on the business improvement plan.

In the administrative departments, we are promoting various measures with a sense of speed, focusing particularly on reforming our organizational culture and strengthening our internal control systems. Our business improvement measures are gaining a certain level of recognition, as evidenced by the steady increase in customer satisfaction ratings in our regular customer surveys.

Our objective in reforming our organizational culture is to correct the Group's predisposition toward focusing on profit maximization, which was behind the administrative actions (Business Improvement Order).

The improvement of performance is a major mission of corporate activities. However, I believe that it is also the result of our efforts to serve and satisfy our customers and local community, which is another of our key missions. By earning appropriate returns for serving and satisfying our customers, we aim to improve our business performance and strengthen our corporate strength. This, in turn, enables us to raise our stock price and dividend so we can receive stable investments, and maintain stable employment. We will also be able to expand the range of services that we provide through new businesses and investment in digital

transformation (DX), thereby driving further growth. Through the repetition of this cycle, we will provide firm support to our customers and local community and contribute firmly to their sustainable growth. I believe that the sustainable relationships among our customers, local community, and the Group, which is aligned with the traditional philosophy of *sanpo-yoshi* "benefit for all three parties," represents the very essence of what a regional financial institution should aspire to.

The Group established the Three Pledges, which serve as the standard of conduct and decision-making for all officers and employees. To ensure that the officers and employees constantly keep the Three Pledges in mind in all aspects of daily operations, we have continuously worked to instill and embed them by sending video messages from the president and other members of the management team on Fiduciary Duty (FD) Day every month. We are now receiving a significant increase in compliments and expressions of appreciation from our customers, and many of our employees are saying that they are able to put into practice that approach of listening carefully to customers and prioritizing what employees can and should do for them.

In addition, to instill this approach and put it into practice, the sales division is advancing reforms to its performance goal-setting and award systems. These initiatives are being continuously reviewed by incorporating opinions from a wide range of employees.

Strengthening internal control systems based on customer feedback

Regarding the strengthening of our internal control systems, we consolidated our second-line functions in the Compliance and Risk Management Division, for which I am responsible as the General Manager in charge of Corporate Management. We have also increased our staff numbers in this area, and established a Customer Support Monitoring Office. In FY2024, we worked primarily on the following three key measures.

(1) We began monitoring data from conversations recorded during product and service explanations (only where the customer has given their consent to the recording). To ensure the transparency and fairness of the sales process and to leverage this measure to improve quality in the future, we first implemented it for transactions of financial instruments (investment trust, insurance, etc.). Since then, we have extended its scope to some loan transactions of the Bank and some of Chibagin Securities' transactions.

(2) In addition to expanding the scope of customer surveys, we have begun face-to-face interviews with customers by the second-line function. As well as monitoring the progress of improvements through customer feedback (opinions, requests, complaints, etc.), to leverage that feedback for future improvement of quality, customer surveys, which had previously been conducted for financial instruments transactions at the Bank, now also cover some corporate transactions such as solution provision and some Group company transactions.

(3) We began qualitative and quantitative analysis with the introduction of text mining tools for the analysis of customer feedback collected from various channels. To share issues and make improvements more promptly, as well as to improve quality in the future, feedback received

from the customers of Group companies is now included in this process.

In these ways, in addition to the existing processes of checking documents and monitoring negotiation records, we are strengthening our initiatives based on customer feedback in our efforts to continuously improve the risk detection and response capabilities of the Group.

Business improvement is something for customers and the local community to evaluate

We are committed to creating social value and accomplishing the Group's Purpose, namely, "to create a local community better suited to bringing each person's hope to life," while offering practical value to achieve the Group's Vision, "an Engagement Bank Group that works closely with the community." We believe that the evaluation of business improvements that are still in progress should be received from customers and the local community, based on our attitude of responding sincerely to the expectations and trust of our customers and the local community through our continued efforts to implement and realize these measures.

Whenever I receive words of encouragement or criticism from customers, I recall my maxim: "Know what is sufficient." Remember, the point is not to constantly overextend yourself. The important thing is to proceed modestly and diligently, acting with a sense of satisfaction and gratitude while being aware of our own capacity. Exercise self-discipline while continuously endeavoring to remedy any insufficiency.

Never forgetting this mindset, we will continue to advance each initiative aimed at achieving our business improvements.

