



**CHIBA BANK**

## **The Chiba Bank, Ltd.**

IR Day

April 11, 2022

### **Event Summary**

---

<b>[Company Name]</b>	The Chiba Bank, Ltd.	
<b>[Event Name]</b>	IR Day	
<b>[Date]</b>	April 11, 2022	
<b>[Number of Speakers]</b>	7	
	Tsutomu Yonemoto	President (Representative Director), Group Chief Operating Officer
	Mutsumi Awaji	Director and Managing Executive Officer, Group Chief Digital Transformation Officer, Group Chief Human Resources Officer
	Taro Kanzawa	General Manager of Corporate Planning Division

**Kanzawa:** We will now begin the IR Day meeting of The Chiba Bank, Ltd.

My name is Taro Kanzawa from the Corporate Planning Division, and I will be your moderator for today's meeting.

Thank you for taking time out of your busy schedules at the beginning of the fiscal year to participate in our IR Day meeting today. We would like to thank you again for your continued understanding and cooperation in our IR activities.

I would like to explain today's schedule. The meeting will consist of three parts. In the first part, Mr. Yonemoto, President, and Ms. Awaji, Managing Executive Officer, Group CDTO, and Group CHRO, will explain the DX strategy. The session, including Q&A, will last approximately 50 minutes.

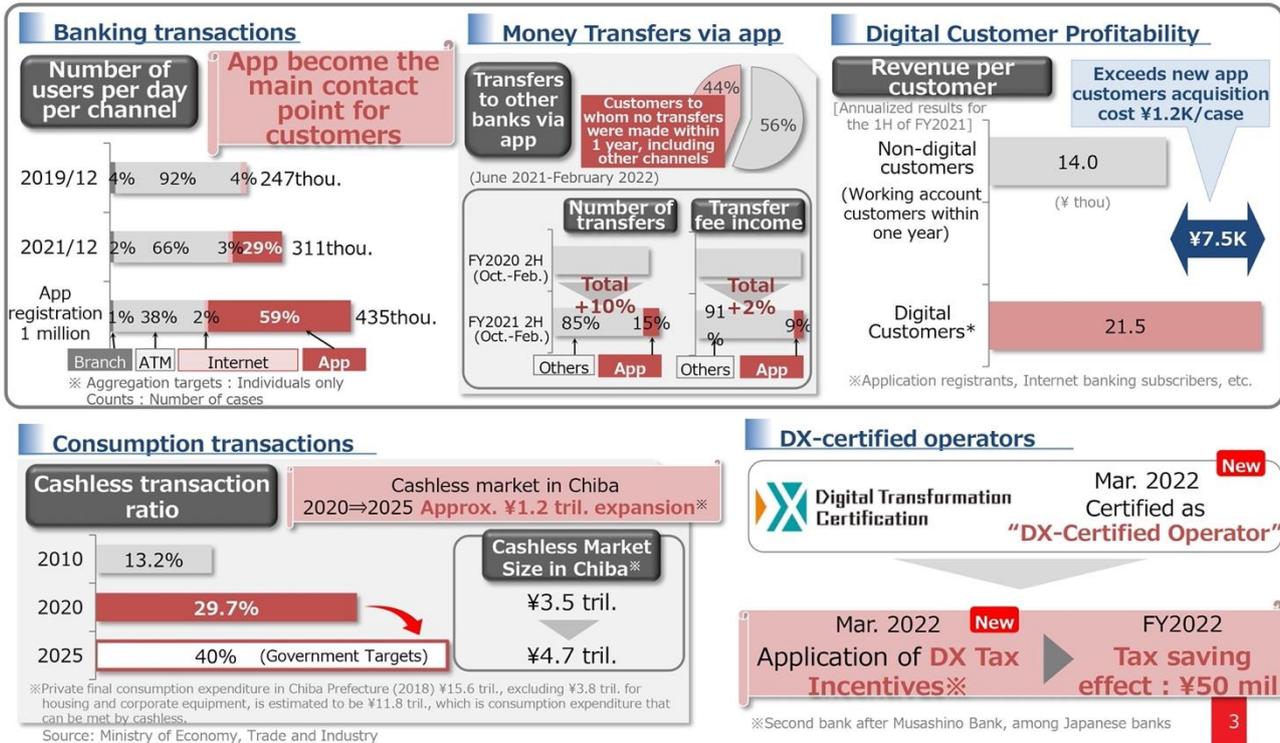
After a 10-minute break, Mr. Shinozaki, Senior Executive Officer and Group CSO, will give a presentation on sustainability in the second part, which is scheduled to last about 30 minutes, including a Q&A session.

The third part, perhaps the first of its kind at a regional bank, will be a roundtable discussion with the Bank's three outside directors. The total time will be approximately 40 minutes, and the scheduled end time will be around 5:10 PM.

Please also note that we are unable to answer questions regarding the details of the fiscal year's financial results.

Let us begin with the first part, DX Strategy. President Yonemoto will provide a presentation first.

Accelerated progress in digitization due to the impact of the COVID-19



**Yonemoto:** Hello, everyone. This is Tsutomu Yonemoto, President and Group COO. Thank you for taking time out of your busy schedules to join Chiba Bank's IR Day today.

I would like to talk about our DX strategy. Please see page three.

First, let me talk about our environmental awareness, et cetera. The spread of the new coronavirus infections has triggered significant changes in the values and behavior of consumers. While the number of customers visiting our branches decreased, the use of the app has been growing significantly, and we expect that the app will become the main source of customer contact in the future.

As shown in the middle graph in the upper row, over 40% of customers who made money transfers via the app were customers to whom no transfers had been made with the Bank in the past, and the app registration was a trigger for cross-selling.

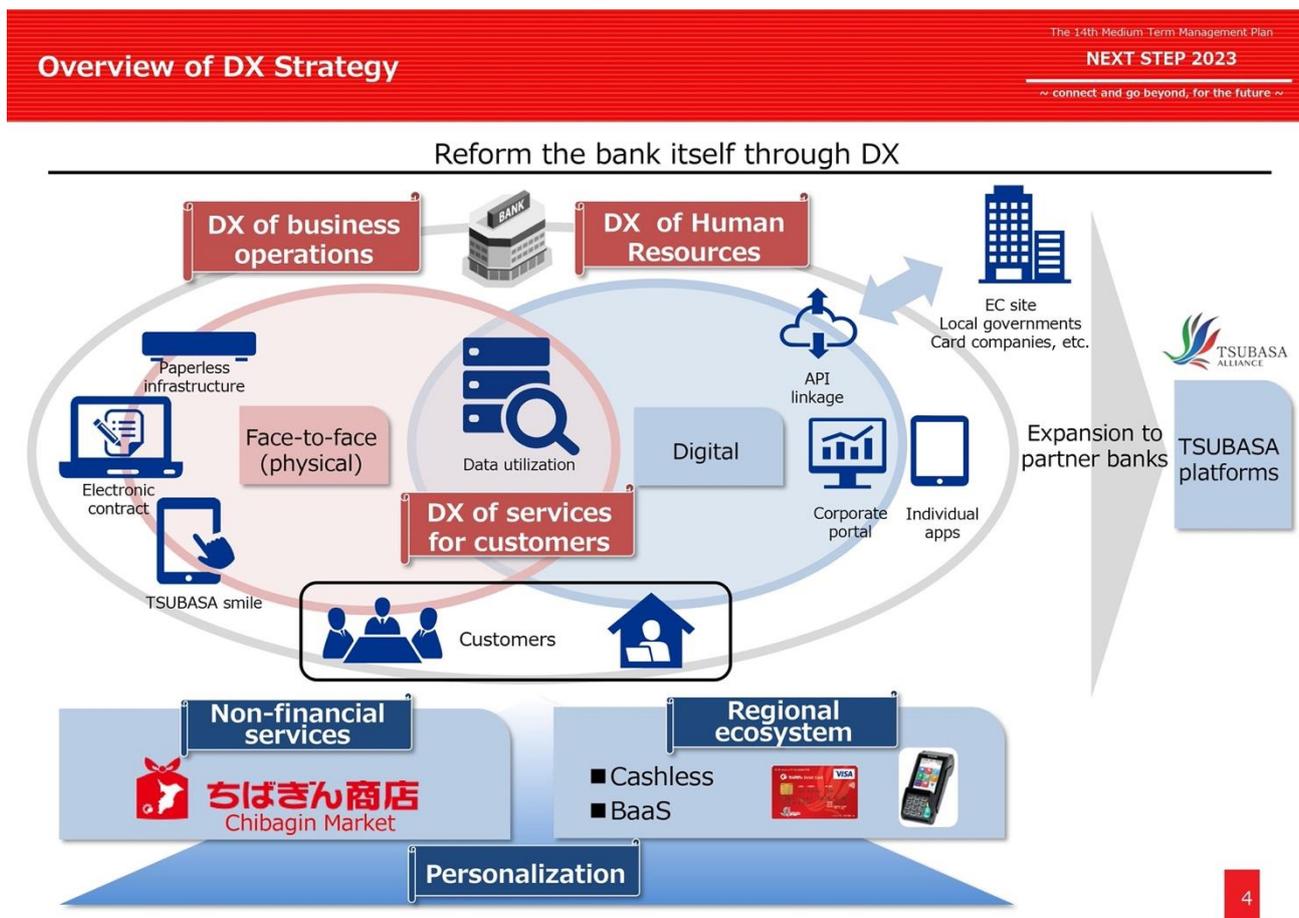
In fact, a comparison of before and after the app enabled transfers to other banks to be made shows that both the number of transfers and fees have increased.

As shown in the upper right corner, digital customers who use the app and other means generate over JPY7,000 more in revenue per customer per year than non-digital customers, far exceeding the JPY1,200 cost of acquiring new app customers per case. This is expected to contribute to the expansion of our earnings.

Regarding consumption transactions, as shown in the graph below left, the ratio of cashless transactions is expected to increase at an accelerating pace and the cashless market in Chiba Prefecture is expected to expand by JPY1.2 trillion, and we believe there are significant business opportunities in the cashless business that we are promoting.

Under this environmental awareness, as shown in the lower right corner, the Bank was certified by the Ministry of Economy, Trade and Industry as a DX Certified Operator in March, and has been recognized for its excellent

efforts in formulating a management vision for DX promotion and developing a framework for realizing the DX strategy.



Please see page four. This is the overview of the DX strategy that the Bank is working on.

Although the overall picture has been revised due to the rapidly changing environment, the fundamental idea of developing the digital banking function of the Bank, with non-face-to-face transactions through DX, remains the same.

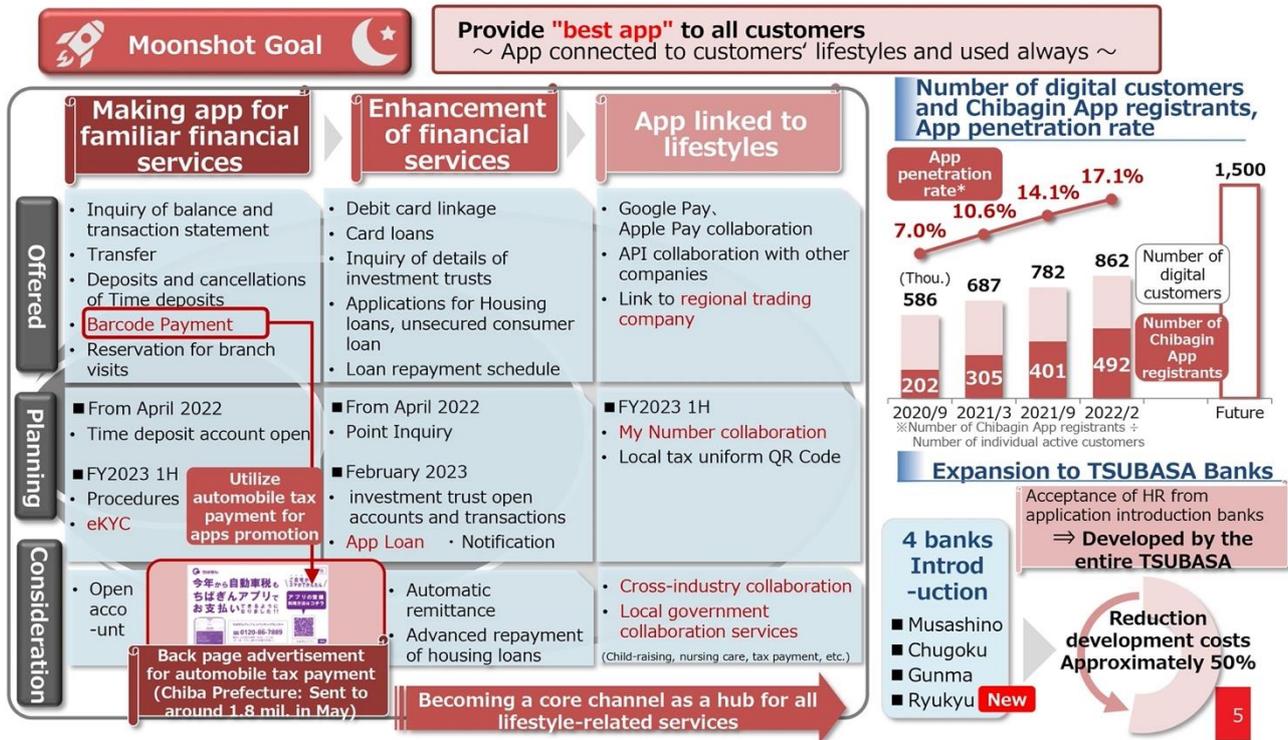
Putting DX of services for customers, DX of business operations, and DX of human resources as the pillars of our DX strategy, we will expand the number of transactions that can be done digitally and connect the digital and physical worlds. First, we aim to become a concierge for money by enhancing financial services in the digital field, and then to become a concierge for life by providing non-financial services and services for the local ecosystem.

We will utilize personalized data to step into the customer's needs for goods and services and build a system that enables us to make accurate proposals upstream in the purchasing process. We will try to make customers feel the value of our customer-oriented products and services and enhance the local ecosystem and customer data by increasing the number of transactions with our customers.

We believe that these efforts will lead to top-line growth, cost reductions, and productivity improvements.

By expanding these business models to our partner banks, we will establish the TSUBASA digital platforms.

Continue upgrading for "app linked to lifestyles"



I will continue with an explanation of the progress of the Moonshot Goal being pursued in the current Medium-Term Management Plan. Please see page five.

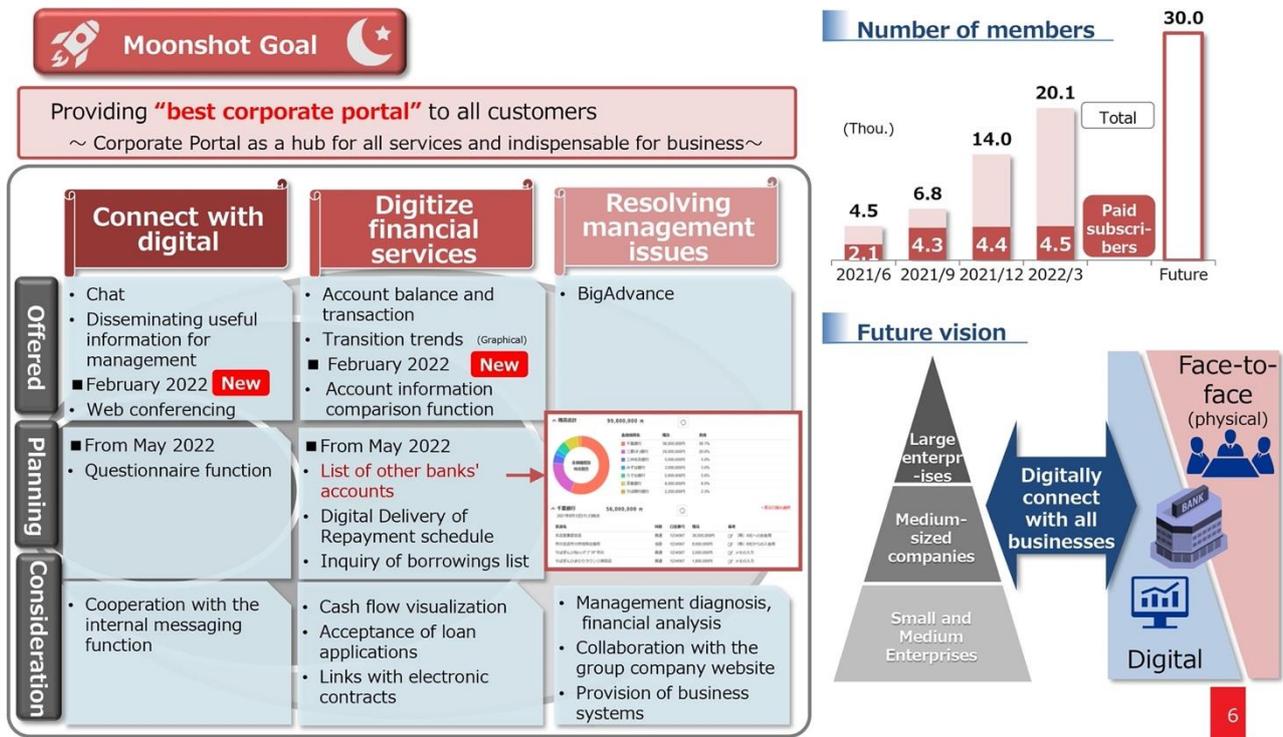
As of the end of March, the number of app registrants exceeded 500,000 people. We continue upgrading the app with the aim of providing the best app to customers. We are on track to include the financial services that are familiar to our customers in the app.

We will continue to add more functions to the app with the aim of enhancing financial services and connecting it with people's lives. In addition to the regional trading company function and cashless services offered by the Bank, we will develop the app to become a hub for all lifestyle-related services through cross-industry collaboration with businesses in medical treatment, education, and retail, as well as cooperation with local governments.

Moreover, four TSUBASA banks have already introduced the Chibagin app platform, and the entire TSUBASA Alliance group is developing the platform by accepting personnel from the banks that have introduced the platform or plan to do so in the future.

In addition, the joint development has reduced development costs by approximately 50%, and the strengthened system has also led to faster addition of new functions and improvements.

Digital channel that will serve as a hub for all services linking corporate customers and the Bank



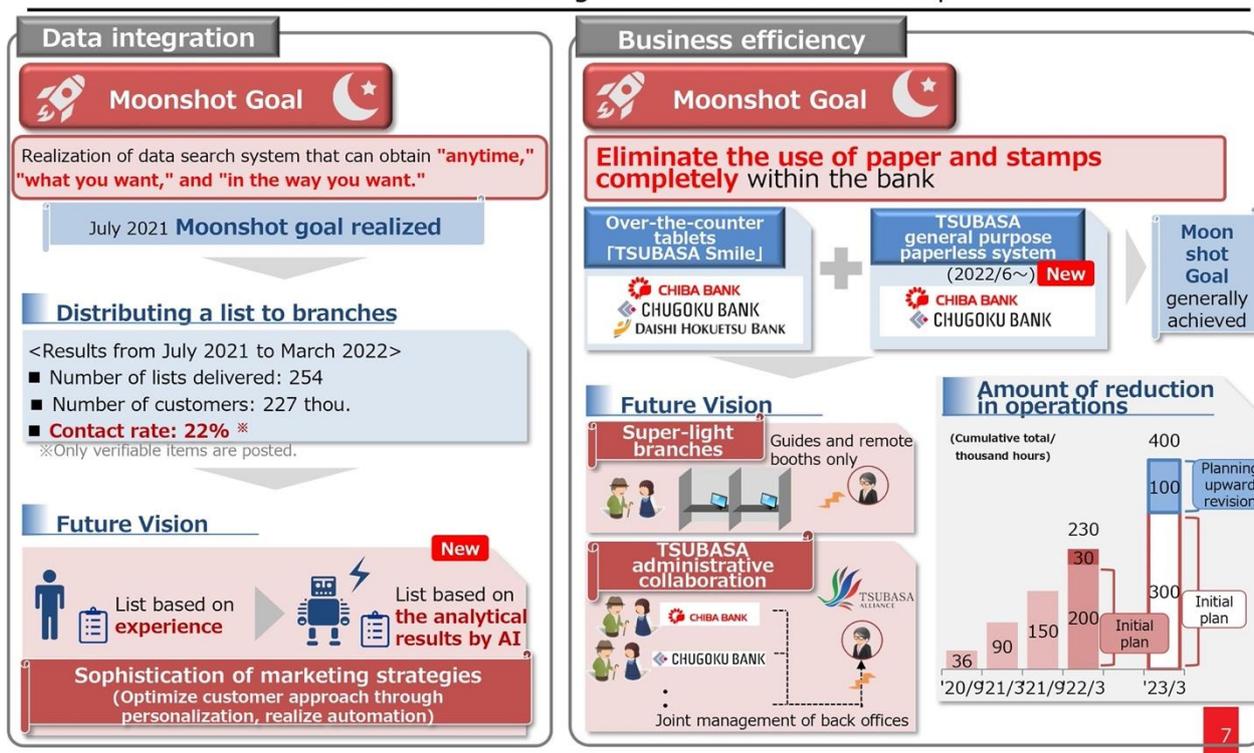
Please see page six.

With the goal of providing the best corporate portal, we launched Chibagin Business Portal in April last year, and the number of subscribers has been steadily increasing.

In addition to the chat function and other functions that were available at the beginning, we added web conferencing and account information comparison functions in February. In May, we will add new functions, such as displaying the list of accounts at other banks, to enhance customer convenience.

In the future, we aim to connect the portal with all businesses and make it become a digital channel that serves as a hub for all services.

Realize moonshot goals ⇒ Go to the next step



Please see page seven.

With regard to data integration, last July we introduced a data search system that can obtain "anytime," "what you want," and "in the way you want," and we have achieved the moonshot goal.

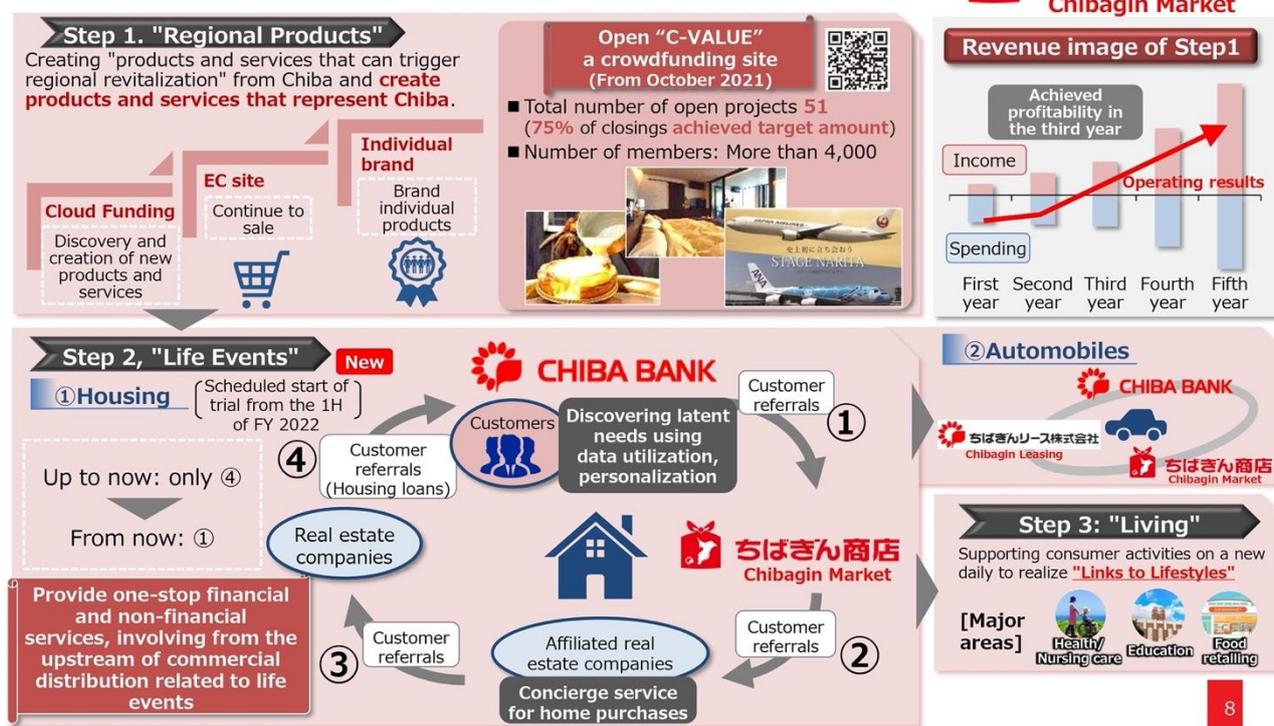
As a result of distributing a list to branches, the revenue effect has exceeded JPY100 million. In the future, we will distribute a list based on AI analysis, which will lead to more sophisticated marketing strategies and more efficient sales activities.

With regard to operational efficiency, which is explained on the right side of the page, the TSUBASA general-purpose paperless system, which will be introduced in June, is expected to largely achieve the goal of eliminating the use of paper and seals within the Bank.

We will proceed with integrating the stamp of approval business at the head office. In the future, we will consider the transition to super-light branches with only information desks and remote booths, as well as the joint operation of back-office functions among the TSUBASA partner banks.

In addition, the amount of business reductions is progressing at a faster pace than originally planned due to increased efficiency, and the personnel generated by these reductions will be reallocated to the sales and planning departments to expand the Bank's top-line performance.

Building a regional ecosystem with "non-financial services" as a hub



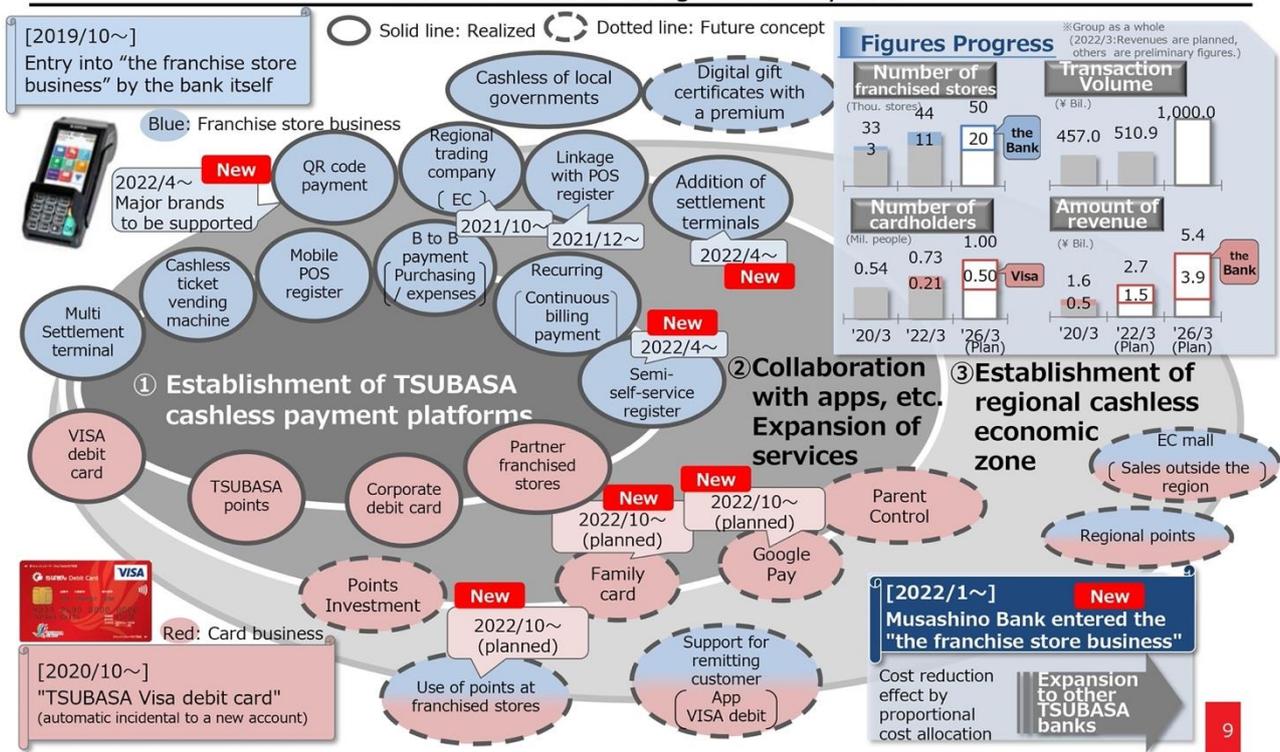
Please see page eight. I will now explain our separate measures.

First, Chibagin Market, a regional trading company, opened a crowdfunding site and an e-commerce site last year to sell regional products, which represent Step One of our non-financial services. We have steadily been achieving results, with a cumulative total of 51 projects released in six months.

In addition, we are currently preparing for the formation of commercial distribution related to Step Two, Life Events, and we plan to start a trial related to housing during H1 of the current fiscal year.

Specifically, the Bank will utilize its data and other resources to identify latent customer needs and establish a one-stop system to provide financial and non-financial services from the stage where a customer considers buying a home to that of taking out a mortgage. In the future, we will go even further beyond the banking needs to the needs of goods and services to connect with people's lives.

Establishment of a regional ecosystem



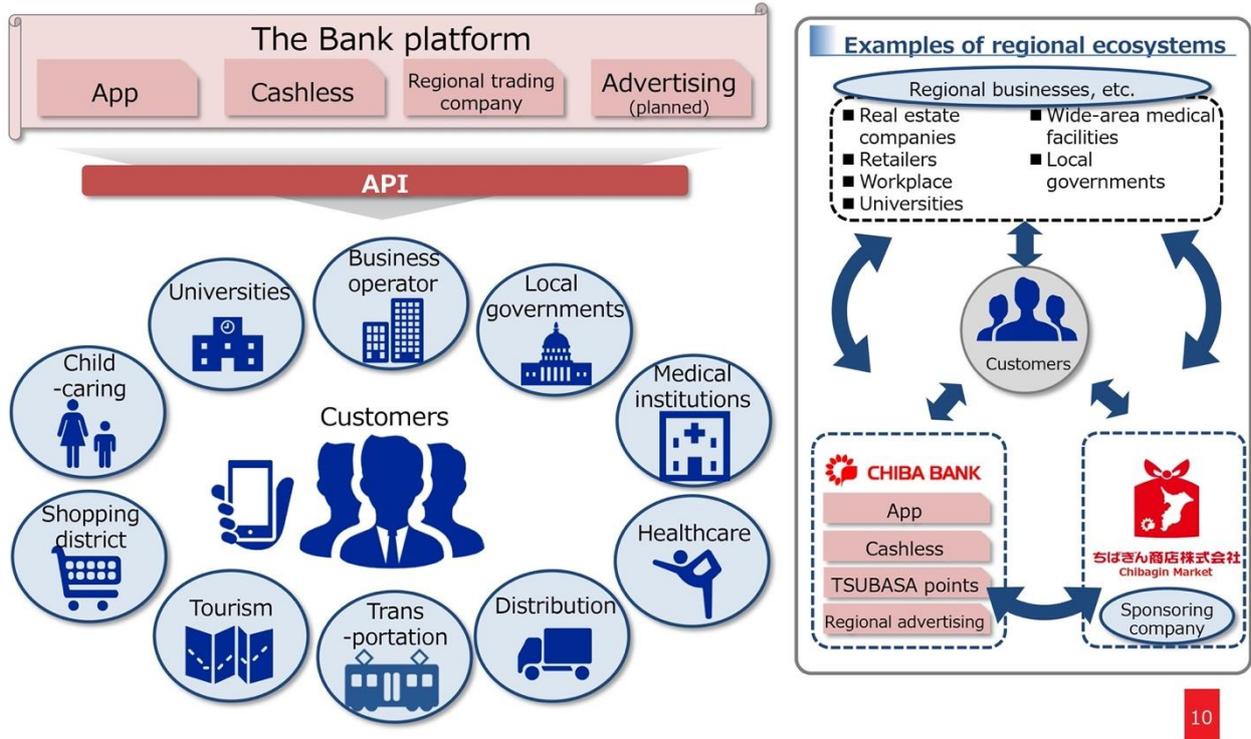
Please turn to page nine.

In the cashless business, although the transaction volume and revenue amount have lagged behind the initial plans due to the impact of COVID-19, the number of franchised stores and that of cardholders, which form the foundation of the business, have steadily increased, and are expected to make a significant contribution to the Group's income in the future.

In addition, Musashino Bank joined the franchise store business in January, so a cost reduction by proportional allocation of expenses is expected. We aim to establish a platform of the cashless business by expanding into other TSUBASA partner banks.

We will continue to expand its functions to enhance convenience, increase the numbers of franchised stores and cardholders, and build a cashless economic zone in the region.

Providing the Bank platform as "BaaS" and building regional ecosystem

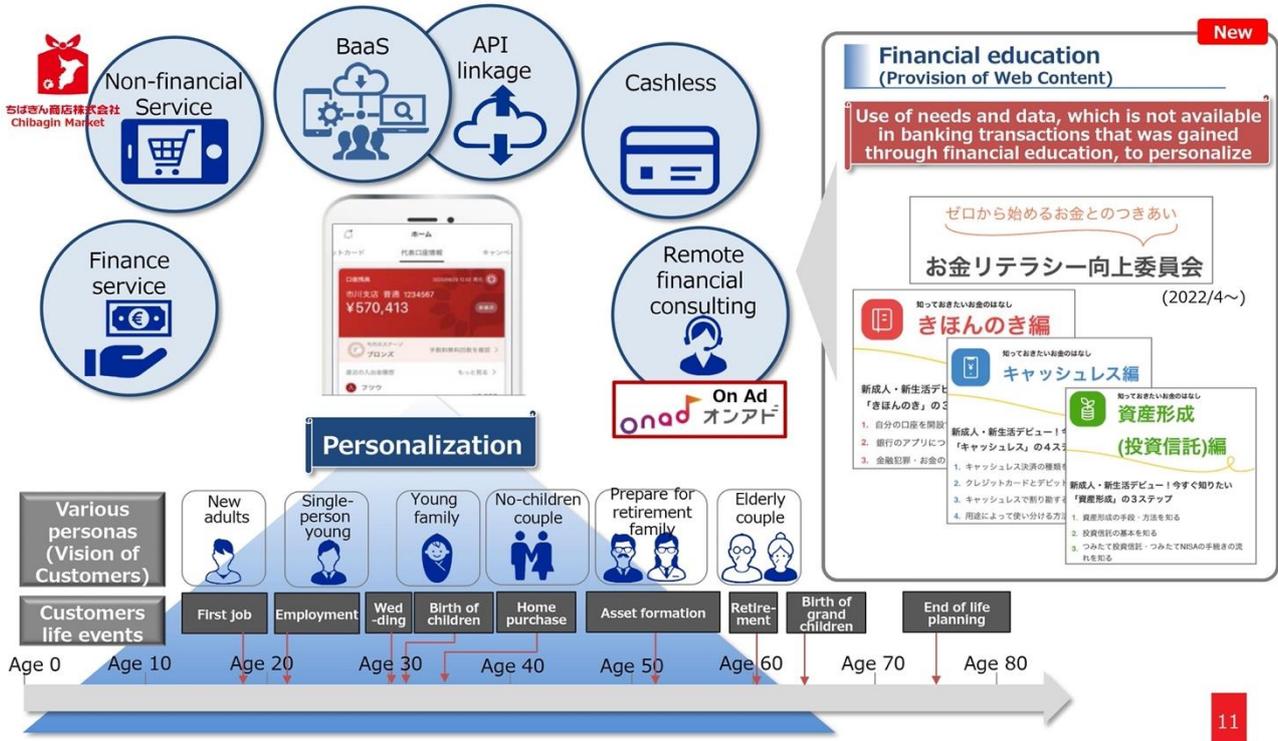


Please see page 10.

The Bank has already built a platform for the app and cashless services, and, by offering the platform as BaaS, we will consider forming a regional ecosystem within our region.

Specifically, by way of API, the Bank will provide major local business operators, universities, and other institutions with the functions provided by the Bank's financial and non-financial platforms, such as finance-related services and lifestyle-related services, and they will provide those functions to their respective customers, with the aim of creating a mechanism to circulate money within the regional economic zone.

Identify latent needs based on data analysis and make precise proposals tailored to persona and life events



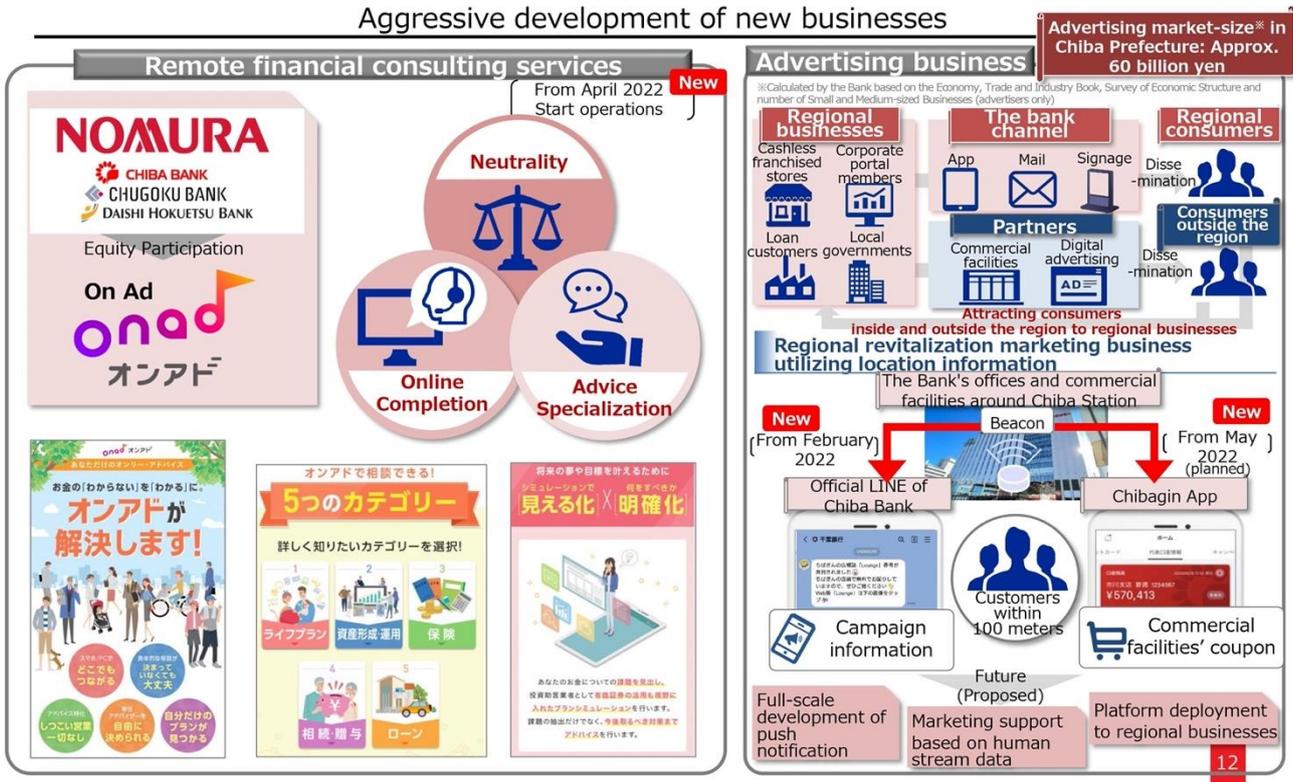
Please turn to page 11.

Personalization is important to establish a one-stop system for financial and non-financial services by standing upstream the commercial flow of life events, or in other words, upstream the purchasing process, which is built in Step Two of the regional trading company.

We will use integrated data to identify latent needs, envision life events tailored to personas, and make appropriate proposals at the right time to enter the customer journey. Since the app is at the heart of these services, increasing the number of app registrants is an important strategy for the Bank.

In addition, as we begin offering financial education services through our website and app this month, the needs and data obtained from these services will also be incorporated into our service offerings.

Aggressive development of new businesses



Please see page 12.

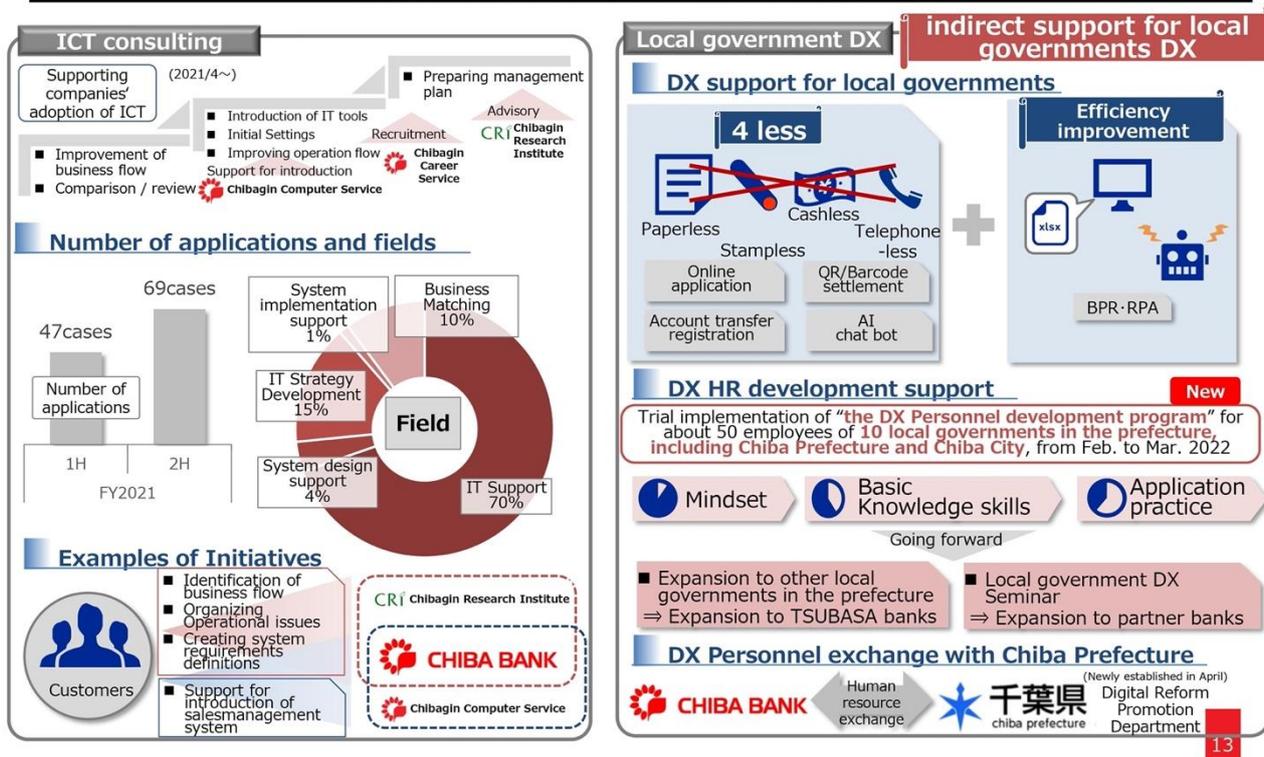
In April, we established On Ad, a remote financial consulting service company, jointly with Nomura Securities and other TSUBASA partner banks. On Ad, which features neutrality, online completion, and specialization in advice, aims to be profitable in the fourth year.

In February, we also started marketing for the advertising business, and are currently testing the effectiveness of location-based push notification and digital advertising.

The Bank aims to expand its business in the future through the full-scale development of push notification and platform expansion to local business operators.

We see deregulation as a business opportunity and will continue to take on the challenge of creating a variety of new services.

Support DX in Chiba Prefecture as a whole



Please see page 13. I will explain the system to support DX throughout Chiba Prefecture.

Since April last year, we have provided the ICT consulting service to support ICT for corporate clients, and the number of applications received during the past year exceeded 100. We are steadily accumulating expertise through an increasing number of initiatives that serve as good examples, such as the design of core systems and support for web promotions. In the future, we will expand into comprehensive advisory services, such as recruitment of system personnel and preparing management plans.

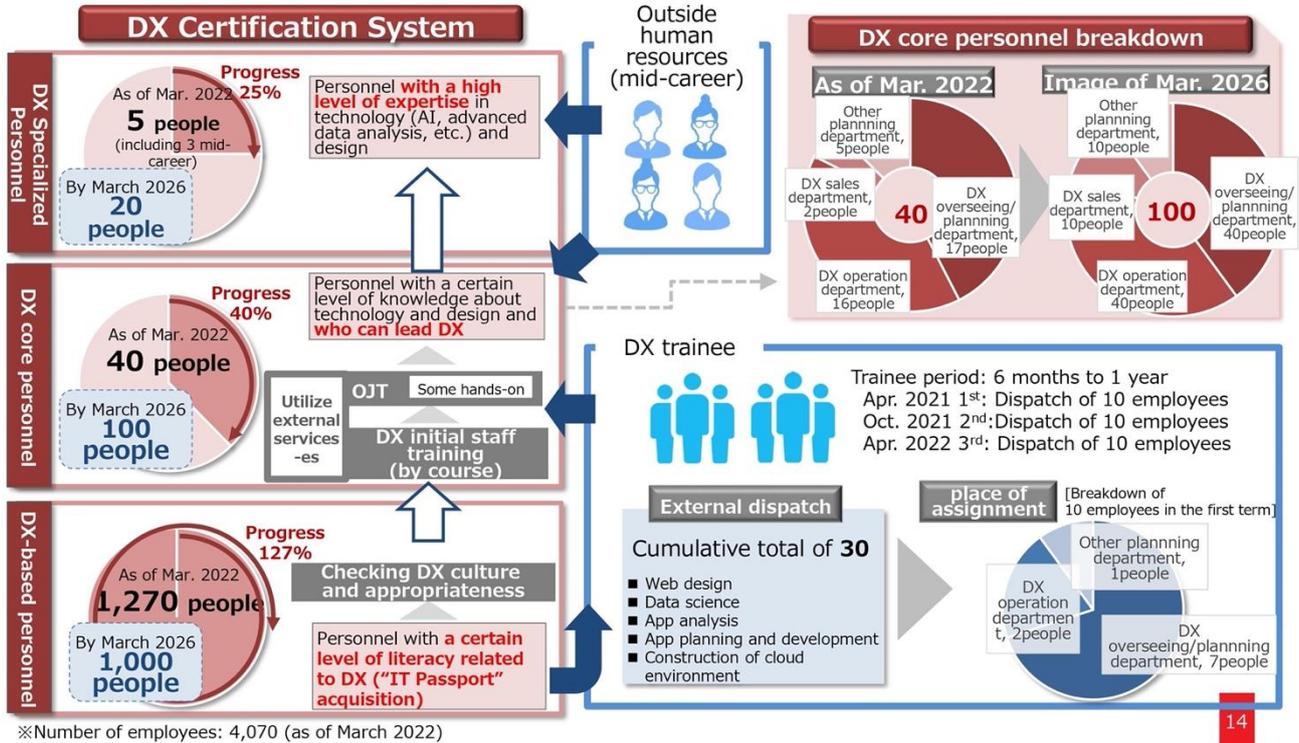
We have also been actively providing DX support to local governments, and from February to March, we conducted a trial of a DX personnel development program for 10 local governments in the prefecture.

We will extend this DX personnel development support to other local governments in the prefecture and TSUBASA partner banks to provide support for DX promotion by local governments. Since April, we have exchanged personnel with Chiba Prefecture's DX department and will promote various initiatives with the prefecture and Chiba City.

That's all for my explanation.

Next, Ms. Awaji will give an explanation on DX personnel. Ms. Awaji has been in charge of human resources of our group as CHRO since June last year and has also been in charge of DX as CDTO since April this year.

Dividing DX personnel into three levels and establishing certification requirements for each category



**Awaji:** This is Mutsumi Awaji. I am in charge of personnel and DX for our Group, as CHRO and CDTO.

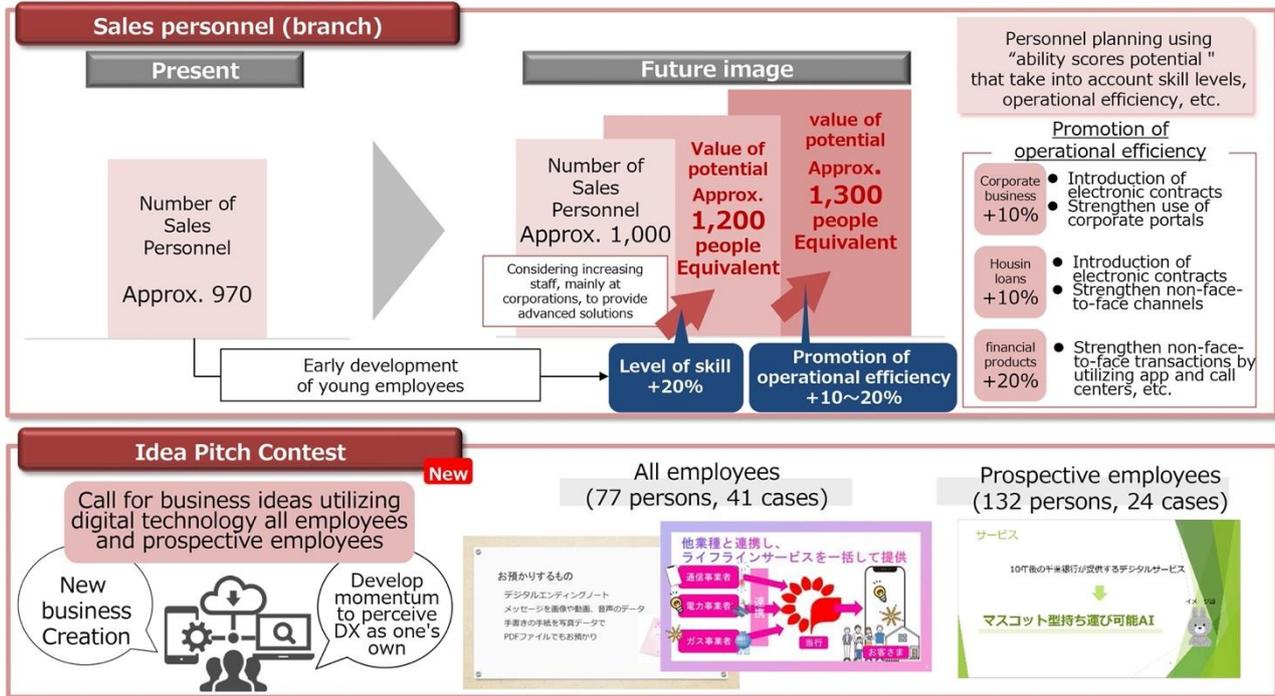
I would like to explain the details of our DX personnel. Please see page 14.

The Bank has a policy of procuring in-house personnel specializing in DX measures, including app development, and introduced a DX certification system last October in order to systematically train personnel who will be responsible for promoting DX in the future.

As a result of positioning DX-based personnel as those who acquired the IT Passport and encouraging employees to become the personnel, we were able to achieve our goal of having 1,000 such employees in 6 months. We have dispatched these employees with a certain level of DX literacy as DX trainees to external institutions as base personnel, and after completing the training, we expect them to become core DX personnel who can promote the Bank's DX activities.

We are engaged in a proactive and aggressive personnel management program that provides our employees with recurrent and reskilling training to acquire new business knowledge, and at the same time, we hire outside human resources, mid-career, with expertise and business experience in specialized areas and integrate them within the Bank.

Aiming to build an optimal portfolio of personnel utilizing ability scores



Please see page 15. I will explain the sales personnel plan for branches.

The Bank is considering the use of the concept of ability scores, for which we take into account skill levels and operational efficiency, in assigning personnel.

In the future, we plan to increase about 30 sales representatives through personnel reallocation based on work volume reductions due to efficiency improvements. We also envision a workforce plan in which the value of potential workforce is equivalent to 1,300 employees through the improvement of the skill levels of employees and the enhancement of operational efficiency through the progress of digitization. We hope that this will lead to an increase in net business income per employee and top-line growth.

In addition, we implemented an Idea Pitch Contest last year to call on all employees and all prospective employees to provide business ideas utilizing digital technology.

We will further strengthen our DX strategy by linking these efforts to the development of an atmosphere for employees to view DX as their own personal matter and the creation of new businesses.

That's all for my explanation. Thank you for listening.

**Kanzawa:** We will now begin the second session.

In the second session, Mr. Shinozaki, Senior Executive Officer, and Group CSO, will explain about sustainability. The session will last approximately 30 minutes, including Q&A.

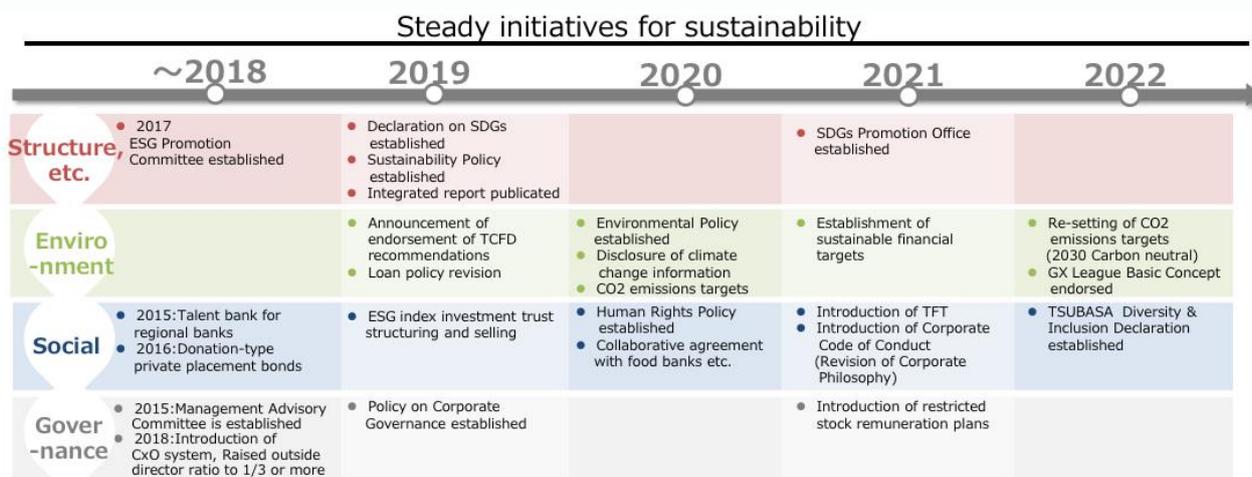
Now, Mr. Shinozaki will give a presentation.

**Shinozaki:** Hello, my name is Tadayoshi Shinozaki.

The Bank’s sustainability is an important initiative for us, as we aim for sustainable growth together with the local community, and we are currently working on ESG issues to achieve the Chiba Bank’s SDGs Declaration.

The 14th Medium Term Management Plan  
**NEXT STEP 2023**  
~ connect and go beyond, for the future ~

## Efforts to Date · External Evaluation

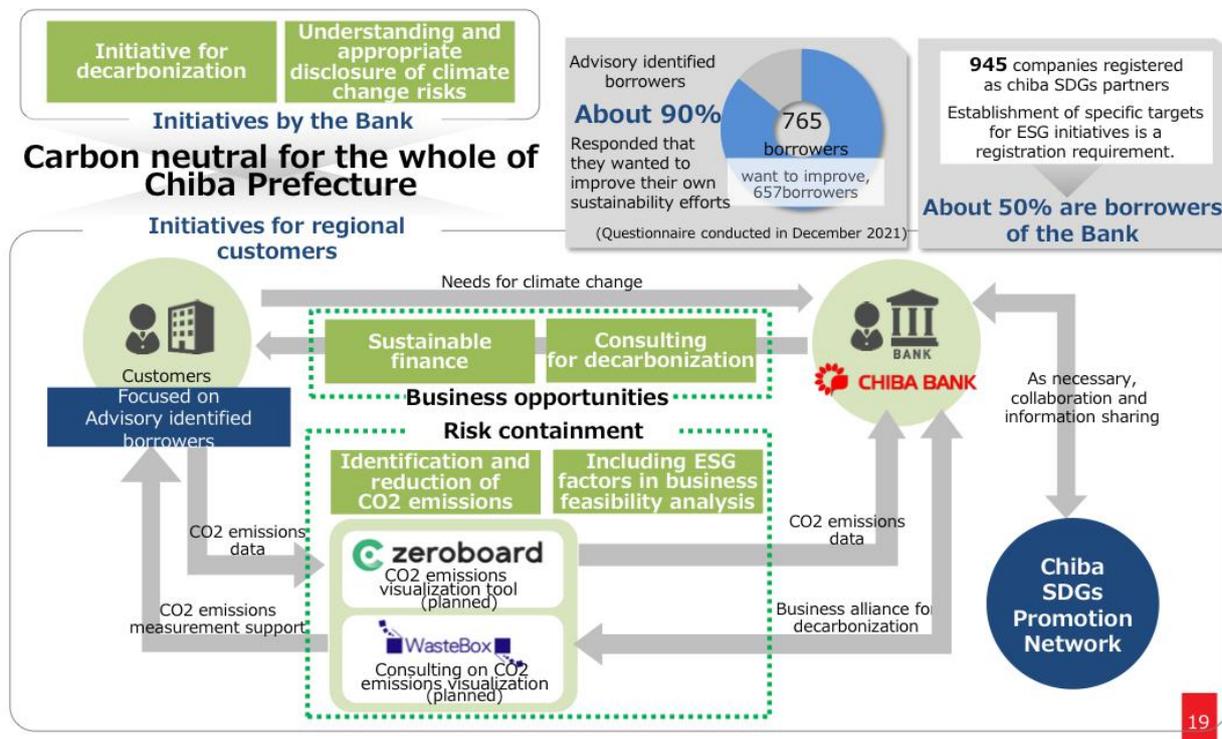


Now, please see page 18. We would like to report the flow of our activities to date.

In 2017, we established the ESG Promotion Committee, chaired by the President, to discuss this issue and other Group-wide sustainability initiatives, and we are in the process of strengthening our initiatives.

In December last year, CDP, a UK-based environmental impact information organization, gave our climate change initiatives an A- climate change score, the highest among Japanese banks, and we have received high external recognition. We will continue to strive to improve the quality of our products and services.

Promoting efforts for the Bank and regional customers to achieve carbon neutral for Chiba Prefecture as a whole



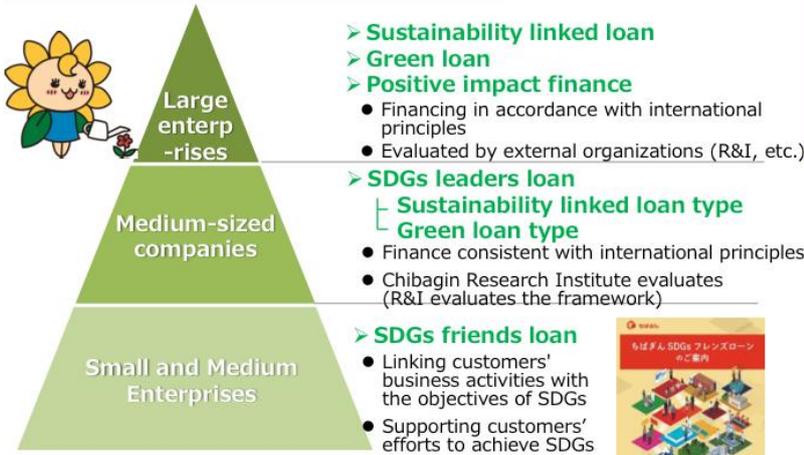
Please turn to page 19.

We recognize that our efforts toward decarbonization are an important issue, and we are working to first decarbonize our own operations and to understand and disclose appropriate information on climate change risks. At the same time, to meet the climate change needs of our customers, we will provide financing, consulting, and other solutions to help them reduce their CO2 emissions and decarbonize their businesses.

We conducted a survey to our major customers called advisory identified borrowers, and 90% of them are interested in improving their own sustainability initiatives, including decarbonization. We recognize this as a new business opportunity to which we hope to provide active support. We are also working to achieve carbon neutrality in the prefecture through regional cooperation. This is being done in collaboration with the Chiba SDGs Promotion Network, which was launched in January with members including Chiba Prefecture, three regional banks in Chiba, and economic organizations.

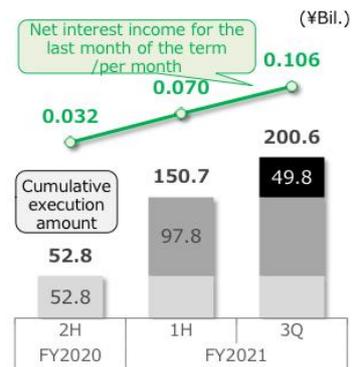
Providing financing solutions tailored to customers

Finance for corporate customers



➢ **Simple diagnosis service for SDGs**  
 ※Provide through Corporate Portal (from January 2022)  
 Prepared a simple report with graphs showing customers' level of compliance with the SDGs

SDGs friends loan  
 Cumulative execution amount / Net interest income



Finance for individual customers

- Application of a discount rate to loan for environmentally friendly uses

**Loans by Purpose**

- Car Loan
- Home Renovation loan

**Housing loans**

- Sustainable housing loans

Please continue to page 20. This is the area of finance solutions.

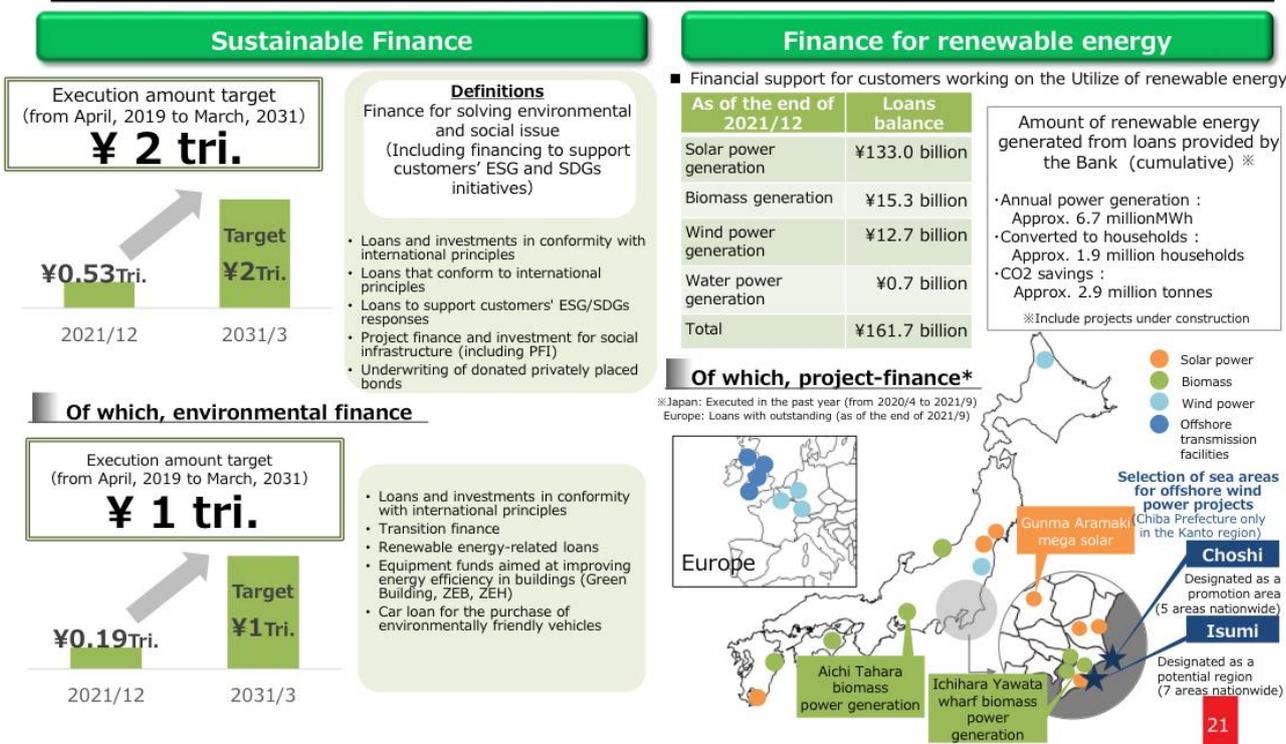
This is in line with our desire to offer products tailored to the size and situation of our customers.

Sustainability linked loan, conforming to international principles, is for large companies, and SDG Leaders loan, conforming to international principles, is for medium-sized companies.

In addition, the SDG Friends loan for small- and medium-sized enterprises has already been in operation for one year and three months, and the cumulative amount of loans disbursed has exceeded JPY200 billion.

We also offer loans to individual customers for specific purposes with preferential interest rates for environmentally-friendly initiatives.

Proactively Promoting Sustainable Finance

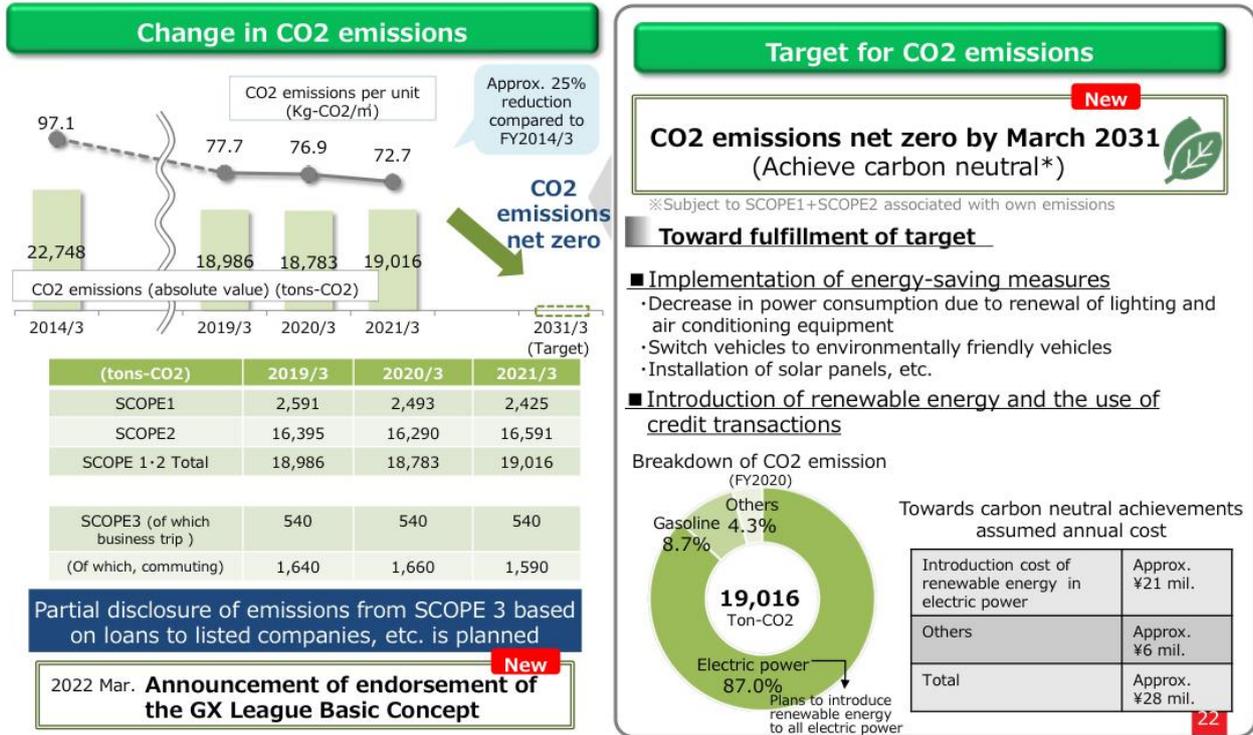


Please turn to page 21.

To realize a decarbonized society, we have set a target of JPY2 trillion in sustainable finance by March 2031, including JPY1 trillion in environment-related finance. In the field of environmental finance, we are actively involved not only in Chiba Prefecture, but also in a wide range of areas throughout Japan and overseas.

The amount of renewable energy generated by the Bank's loans is equivalent to the electricity demand of approximately 1.9 million households, of which 540,000 are in Chiba Prefecture alone, accounting for 20% of the total 2.8 million households in the prefecture.

Establish targets for CO2 emissions and strengthen efforts to de-carbon

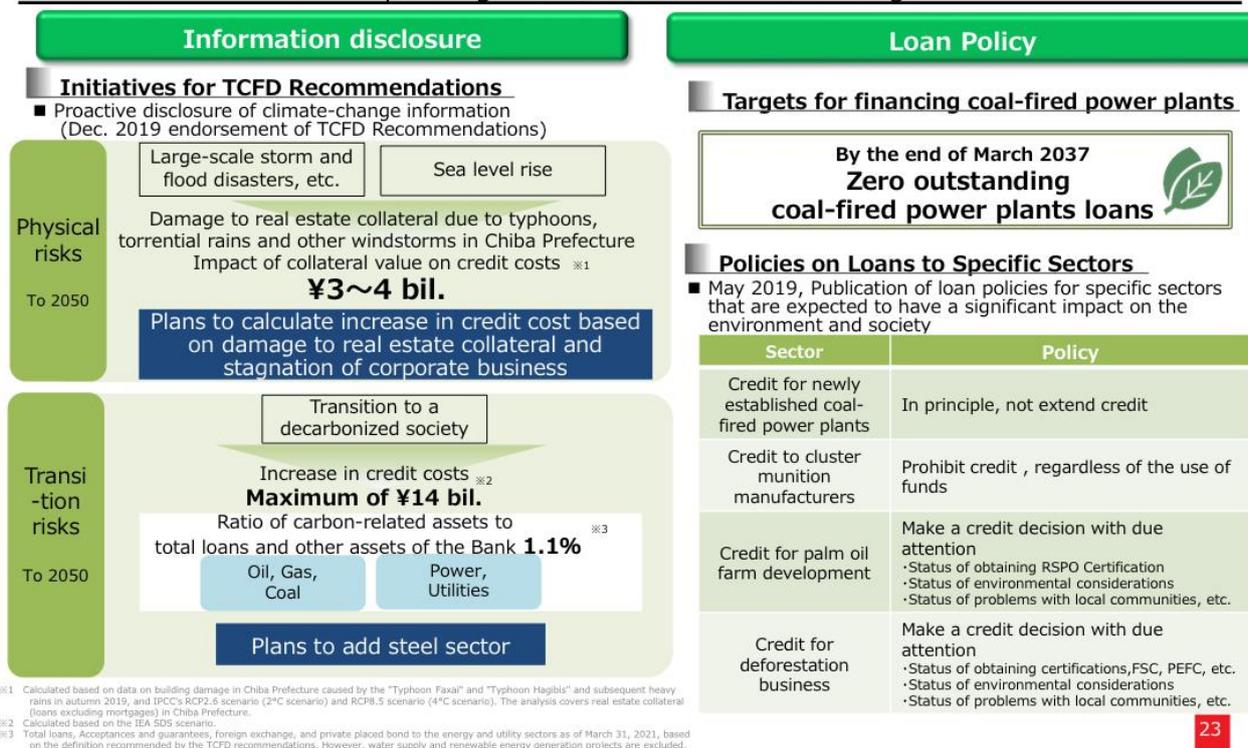


Next, please see page 22.

As announced in March, we have revised our CO2 emission reduction targets and hope to achieve carbon neutrality by March 2031. We are now promoting various energy-saving measures to achieve this goal, such as updating facilities with low environmental impact, one by one, considering what we can do.

In addition, we are in the process of gradually introducing renewable energy to all buildings for electricity, which accounts for about 85% of the Bank's CO2 emissions.

### Expanding Disclosures on Climate Change



Please turn to page 23.

In response to the TCFD recommendations, we have been conducting scenario analysis for physical and transition risks since last year. We have confirmed that the total impact on credit-related expenses is approximately JPY18 billion, which is not at a level that would have a significant impact on the Bank's operations.

This estimate is still in the early stages of development. In conjunction with the publication of this year's integrated report, we will disclose the amount of impact from business stagnation in terms of physical risk, and the amount of impact from transition risk with steel as a newly added sector. Our policy is to subsequently proceed with measurements of the amount of impact on a wide scale.

We have also set a goal of reducing the balance of loans for coal-fired power generation to zero by March 2037, and we will continue to ensure that our financing efforts are in line with this policy.

## Utilization of diverse personnel

### Promotion of diversity · Numerical targets

	FY2020	FY2021	Target in 2026 July
Percentage of leadership positions held by women (No. of persons)※	24.4% (453) As of April 1, 2021	25.4% (465) As of April 1, 2022	30%
Percentage of employees taking paid leave	70%	-	80%
Percentage of men taking child-care leave	112.7%	-	100% Continued

※Staff with subordinates and staff in equivalent positions, such as branch manager, who are responsible for organizational management as responsible for operations.

### External Evaluation



"Nadeshiko Brand" selected by METI and Tokyo Stock Exchange

**Fifth consecutive year**



2022



ちばぎん証券 Chibagin Securities Platinum Eruboshi acquisition

**First in the bank**



Eruboshi acquisition

### TSUBASA Diversity & Inclusion Declaration

Declaration of proactive efforts to position diversity and inclusion as a source of competitiveness in order to realize sustainable growth in the region (established in April 2022)

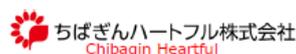
**New**



### Promotion the active participation of people with disabilities

156 employees with disabilities

※Figures for calculating the Group's employment rate of people with disabilities in FY 2021



- Established in 2006 to promote employment of people with disabilities.

**Acquisition of "Monisu certification"**  
(Ministry of Health, Labour and Welfare)



**First banking subsidiary in East Japan and Kanto region to be certified**

### Efforts to address human rights issues

2020 Nov. Human Rights Policy Established	2021 Apr. Corporate Code of Conduct Revision	2021 Sep. British Modern Slave Act statement
<ul style="list-style-type: none"> <li>Clarification of respect for human rights</li> <li>Incorporate requests for cooperation for suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Revision of Corporate Philosophy and clarification of respect for human rights</li> </ul>	<ul style="list-style-type: none"> <li>Shift from response as London Branch to the Bank response</li> </ul>

Please turn to page 24.

From the perspective of diversity, we are leading the industry in promoting the advancement of women. Together with Chiba Bank, the Group's activities have earned a strong reputation from external organizations, such as becoming the first bank to acquire the Platinum Eruboshi.

In terms of employment of people with disabilities, including those employed by Chibagin Heartful, a special subsidiary established in 2006, the entire Group employs a total of about 160 people with disabilities, and we are promoting the utilization of not only of women, but also of diverse human resources.

We are also strengthening our efforts to address human rights issues. The Chiba Bank Group Human Rights Policy, established in 2020, reiterates the Group's commitment to respect human rights, and calls on customers and suppliers to respect human rights and not to infringe on them.

Supporting customers in the COVID-19 pandemic and contributing to regional communities

Response to the COVID-19

Providing the Chiba Bank Training Center as a temporary medical facility and overnight treatment facility for the COVID-19

- Indoor: 110 beds for short-term hospitalization
- Outdoor: 50 prefabricated residential treatment facilities



Donations



Nov. 2021  
Chiba University Hospital  
ECMO-car donation  
(Donated ¥10 million for purchase)



May 2020  
Chiba University Hospital  
8,000 sets of face shield  
donation

Contribution to regional communities

SDGs Private placement bonds

- Miraihagumi type
- Sports support type
- Medical support type
- Environmentally friendly type
- Project Support type

Cumulative total (to Dec. 2021)

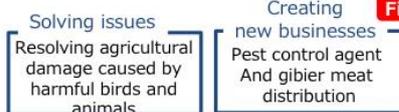
Number of issues	793 cases
Issuance amount	¥79.4 bil.
<b>Amount of donations</b>	<b>¥132 mil.</b>

Donations to Chiba Environmental Restoration Fund or organizations engaged in environmental conservation activities

Crowdfunding for dedicated projects in C-Value

**New**  
Apr. 2022  
Newly added

FY2021 Unique Example of a Financial Institution, etc. Providing Funding for Regional Revitalization



**Five consecutive years**



Sustainable agriculture  
Realization of local production for local consumption of local resources

**CHIBA BANK**  
Support for the establishment of schemes

**ちばぎん商店**  
Chibagin Market  
Support for expansion of sales channels

Next, please see page 25.

As for our response to COVID-19, we are taking serious steps to maintain our financial functions and support our customers through the smooth supply of funds, fully aware of the role required of regional financial institutions.

In addition to donations to medical institutions on the front lines, the Bank's Inage Training Center itself has been provided as a temporary medical facility and lodging and is still being used effectively.

In addition, the cumulative amount of donations through donation-type private placement bonds, which we began handling in 2016, has exceeded JPY100 million.

In April, we expanded our menu to include environmentally-friendly and project support-type donations, such as cooperation in crowdfunding for projects operated by Chibagin Market, so that customers can choose the recipients of their donations and gifts.

Regional revitalization through Chibagin Market and collaboration with local governments

Initiatives by Chibagin Market

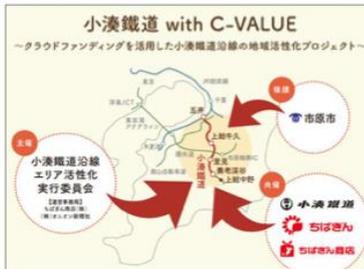
Narita cruise flight (JAL-ANA Collaboration) **New**

First Project in History! JAL special circle flight & ANA in-flight special conference (February 2022)



**C-VALUE**  
 > Crowdfunding  
 Target achievement rate **295%**  
 > Be involved in event planning  
**Boosting the Narita Airport area depressed by the COVID-19**

Special for areas along the Kominato Railway (scheduled to start in late April 2022) **New**



**C-VALUE**  
 > Crowdfunding  
 > Various support  
 ● Support for product development and planning and start-up  
 ● Promotional support  
 ● Market development assistance  
 ● Strategy formulation support, etc.  
**Aim at regional revitalization through tourism and new businesses**

Cooperation with local governments

Chiba SDGs Promotion Network

Chiba SDGs partner-registration system  
 Number of registered companies  
**945 companies**  
 (January to February, 2022)

Number of Certification System Registrations of Other Prefectures  
 No.1 Nagano 1,329 companies  
 No.2 Kumamoto 1,012 companies  
**Number of registrations of Chiba Prefecture is at the top level nationwide, in the first two months of recruitment**  
 Tabulation based on information as of March 25, 2022



Establishment of the Chiba SDGs partner-registration system



- > Dissemination, awareness-raising of SDGs, **working together to support**
- > Information sharing and collaboration among network members



Eight other organizations

Supporting other local governments to promote regional revitalization SDGs

Sammu City

- Agreement signed in October 2021
- SDGs Seminar held in February 2022
- Released SDGs declaration system in March 2022

Matsudo City

- Agreement signed in October 2021
- SDGs Forum held in February 2022

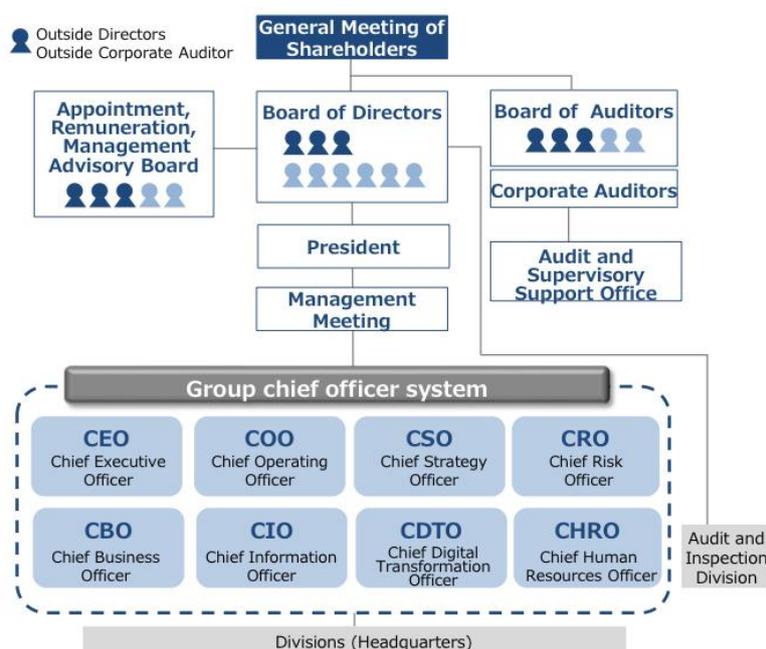
Next is page 26.

C-VALUE, the crowdfunding site operated by Chibagin Market, is a site that offers products and services that originate in Chiba and that promote the charms of Chiba that have yet to be discovered. We have been involved from the planning stage in such distinctive projects as a scenic flight from Narita and a special feature on the areas along the Kominato Railway line, and we are strengthening our efforts to contribute to regional revitalization.

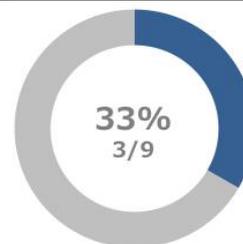
We are also strengthening our partnerships with local governments. By utilizing the Chiba SDGs Promotion Network, we will contribute to promotional and educational activities for the SDGs. By further strengthening our support for SDGs initiatives, we aim to contribute to the sustainable development of local communities.

The number of companies registered under the Chiba SDGs Partner Registration System is approximately 1,000, ranking third among all prefectures in Japan. Within two months of its launch, the number of registrations has reached one of the top levels nationwide.

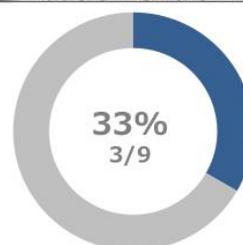
### Sophistication of Group Governance



**Ratio of Independent Outside Directors**



**Ratio of Female Directors**



Next, please see page 27. This is the page on governance.

More than one-third of the members of the Board of Directors and a majority of the members of the Board of Auditors and the Appointment, Remuneration, Management Advisory Board comprise of outside directors. We will continue to make every effort to further upgrade our governance system, including that of our group companies in order to fulfill our management oversight function.

In June 2021, Awaji, who participated in the first part of the meeting, became the first woman to be nominated a female Director from among our employees, bringing the ratio of female directors to one-third.

We intend to transform ourselves into a new financial group by building a solid management foundation that will support the creation of new businesses by responding with speed to changes in the environment surrounding our group.

Thank you.