



## The Chiba Bank, Ltd.

IR Day (Part1)

April 8, 2024

### Event Summary


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<b>[Company Name]</b>	The Chiba Bank, Ltd.	
<b>[Event Name]</b>	IR Day (Part1)	
<b>[Date]</b>	April 8, 2024	
<b>[Time]</b>	15:00 – 16:01 (Total: 61 minutes, Presentation: 31 minutes, Q&A: 30 minutes)	
<b>[Number of Speakers]</b>	5	
	Tsutomu Yonemoto	President, Group Chief Executive Officer
	Mutsumi Awaji	Director and Senior Executive Officer, Group Chief Strategy Officer, Group Chief Digital Transformation Officer
	Yuko Tashima	Non-Standing Director (Outside Director and Chairman of the Appointment, Remuneration and Corporate Advisory Committee)
	Yasuko Takayama	Non-Standing Director (Outside Director and Chairman of the Board of Directors)
	Akira Eshita	Executive Officer, General Manager of Corporate Planning Division

# Chiba Bank Group Strengths

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

As to further strengthen our operating base, financial base and alliance strengths

	Current situation	Forecast for FY2025	In future	
Operating base	<p>Chiba prefecture population 6.28 million 6<sup>th</sup> nationwide</p> <p>Prefectural gross production ¥20 trillion 7<sup>th</sup> nationwide</p> <p>Deposits <b>growing faster</b> to exceed the mid-term plan of <b>+2.2%</b> <b>P4</b></p> <p>Loans <b>growing faster</b> to exceed the mid-term plan of <b>+3.8%</b> <b>P4</b></p> 	<p>Deposits /Mid-term plan ¥15.4 trillion → ¥16.1 trillion 2023/3 2026/3</p> <p><b>Growth exceeding ¥0.7 trillion</b></p> <p>Domestic loans /Mid-term plan ¥11.8 trillion → ¥13.1 trillion 2023/3 2026/3</p> <p><b>Growth exceeding ¥1.3 trillion</b></p>	<p>Interest on loans and deposits <b>Growth exceeding</b> the increase by <b>¥12.2 billion</b> in the mid-term plan</p> <p>Expected effects of interest rate hike <b>¥3.4 billion ~ ¥26.0 billion</b></p>	<p>Increase in loans and deposits due to branch strategy <b>P5</b></p> <p>Increase in personal liquid deposits due to improved customer experience through DX <b>P16~</b></p>
	Financial base	<p><b>Efficiency</b> <b>P7</b> Consolidated OHR maintained at lower than <b>50%</b></p>	Achievement of <b>45%</b> target in the mid-term plan	Improvement of top-line and cost reduction through DX
<p><b>Soundness</b> <b>P7</b> Non-performing loan ratio is <b>0.9%</b></p>		Maintenance of the low non-performing loan ratio	Solution Review Meeting to control credit costs	
<p><b>Stability</b> <b>P7</b> Consolidated CET1* <b>11.98%</b> (range limit +0.48%) <small>*Based III finalization basis (excluding unrealized gains/losses on securities)</small></p>		Maintenance of the level of consolidated CET1 ratio (If shareholder returns are achieved in line with the mid-term plan)	Further growth by leveraging capital <b>P8</b>	
Alliances	<p><b>TSUBASA Alliance</b> <b>P9</b></p> <p>Joint Research Group with JUUDANKAI</p> <p>Chiba-Musashino Alliance</p> <p>Chiba-Yokohama Partnership</p> <p>Collaboration with Sony Bank</p>	<p>Further strengthening of various alliances</p> <p>Further top-line growth</p> <p>Cost reduction</p>		

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**Yonemoto:** Hello everyone. I am Yonemoto, President of the Bank. Today's theme is Growth Strategy. First, please see the table of contents on page one of the document.

In order for the Bank to achieve sustainable growth, we believe it is necessary to further develop the Group's strengths, actively make inorganic investments in addition to deepening existing businesses and taking on the challenge of new businesses as a growth strategy, and utilize the Business Improvement Plan for future growth.

We also believe that the bottom line of these measures is to continue to create attractive, convenient, and useful products, services, and customer experiences, using DX as a means of change.

We would like to grow while expanding the number of clients, expanding the gross profit margin of each and every client, and moving the transactions themselves to digital, oriented toward lowering unit costs and further improving cost efficiency.

Please see page three of the document. Let me begin by explaining the strengths of the Chiba Bank Group. We believe that the three greatest strengths of the Chiba Bank Group are its operating base, financial base, and alliances.

First, with regard to the operating base mentioned in the first section, we believe that our strength lies in maintaining a strong business base and a high market share of loans in Chiba Prefecture, which has a large economy with a population of 6.28 million and a gross prefectural product of JPY20 trillion, and in the stability of our business by capturing the demand for funds brought about by this economy.

In addition, both deposits and loans have grown faster than planned in the mid-term plan, and interest on deposits and loans is expected to exceed the mid-term plan. In addition, as an effect of rising interest rates, interest on loans and deposits is expected to increase in the range of JPY3.4 billion to JPY26 billion in the final year of the medium-term management plan, according to the interest rate rise simulation. This will be explained later.

We believe that we can continue to maintain a stable funding base, primarily from personal liquid deposits, which will benefit from the growth in deposits and loans resulting from our branch strategy and the improved customer experience provided by DX.

The second section shows our financial base: consolidated OHR in the 40% range, NPL ratio in the 0.9% range, and consolidated CET1 ratio of 11.98%, excluding unrealized gains/losses on securities based on the December B/S on a fully implemented Basel III finalization basis.

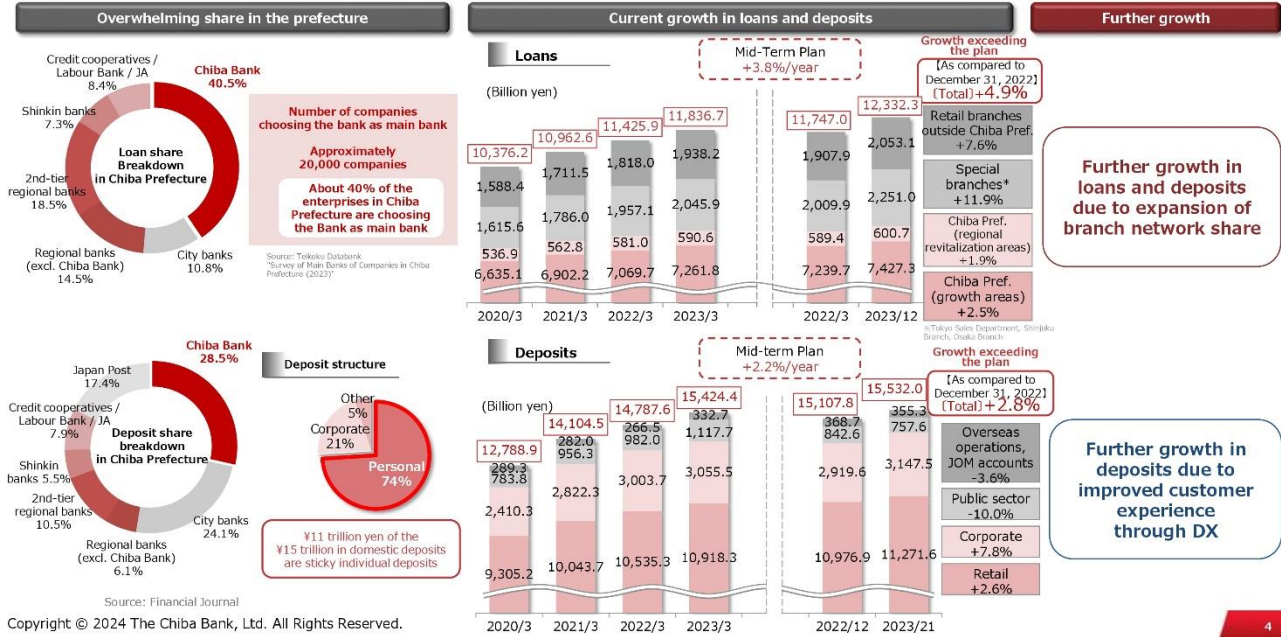
We aim to achieve OHR in the mid 40% range in the final year of the mid-term plan, and in the low 40% range in FY2030 by improving the top line through DX and promoting cost reduction. Credit costs are also maintained at a low level due to a strict risk management system and support for accompanying customers, mainly through solution review meetings. Furthermore, with regard to the CET1 ratio, we believe that we are in a position to utilize our capital for further growth strategies.

Finally, alliance, the third point, continues to be the Bank's biggest differentiation strategy and will be further deepened in the future. I will explain these measures in detail.

# Operating Base (Deposits / Loans)

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

Establishing an overwhelming operating base in Chiba Prefecture, where growth is continuing / Increasing loans and deposits in excess of the mid-term plan



See page four. First, regarding the operating base. I will explain using figures as of the end of December. As noted in the center, loans increased by more than JPY580 billion over the year, or 4.9% compared to the 3.8% target of the medium-term plan.

Deposits below also increased by more than JPY420 billion during the year, up 2.8% versus the 2.2% target of the medium-term plan.

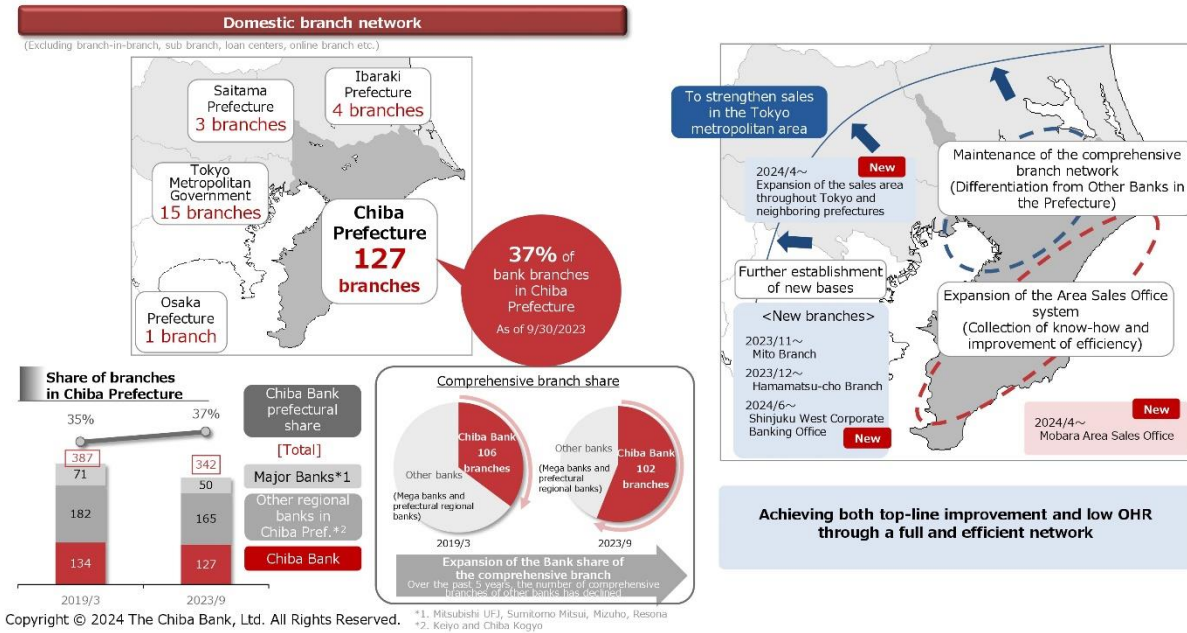
The second pie chart on the bottom left shows the composition of deposits. Of the Bank's JPY15 trillion in domestic deposits, JPY11 trillion are sticky individual deposits, of which approximately JPY9 trillion are liquid deposits. We believe that this thick individual liquidity deposit will be a major advantage in a world with interest rates.

By improving the customer experience through DX, we hope to further extend this advantage and strengthen our stable procurement base.

## Operating Base (Branch Network)

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

Expand the market share in the prefecture and strengthen sales in the Tokyo metropolitan area through our strong branch network and digital channel



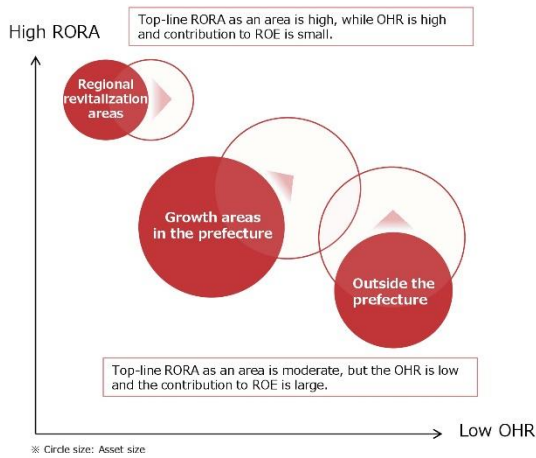
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See page five. For us, a strong branch network is a weapon that differentiates us from other banks. In the prefecture, the Bank maintains a comprehensive branch network capable of handling corporate loans, and as shown in the figure below center, the share of comprehensive branches in the prefecture has increased to approximately 60%.

The Bank will further expand its share of loans and corporate service transactions by highlighting its strengths in both online and brick-and-mortar customer contact.

As indicated by "New" in the figure on the right, the Mobarra Area Sales Office was newly established in April, becoming the third Area Sales Office following Tateyama and Togane. Outside of the prefecture, the Bank plans to continue opening new branches in areas where sustained growth can be expected, and in addition to the establishment of the Shinjuku West Corporate Banking Office in June, the Bank expanded its sales area to include all of Tokyo and neighboring prefectures.

Implementing strategies based on the RORA/OHR characteristics of each area



<b>Regional revitalization area</b>	<p>Maintenance of high RORA / control of OHR</p> <p>Improving the efficiency of the branch network through the Area Sales Office system</p> <p>Reinforcement of deal response capability through consolidation of sales force</p>
<b>Growth areas in the prefecture</b>	<p>Improvement of RORA / control of OHR</p> <p>Maintenance of well-developed comprehensive branch network (improved efficiency through DX)</p> <p>Expansion of market share within the prefecture and sophistication of growth support for enterprises within the prefecture</p>
<b>Areas outside the prefecture</b>	<p>Improvement of RORA / Maintenance of low OHR</p> <p>New branch openings (lightweight bases) / Additional personnel</p> <p>Asset accumulation utilizing high cost-efficiency</p> <p>Projects accumulation of highly advanced finance and non-finance</p>

See page six. Area characteristics by operating base are shown based on RORA and OHR. The top left "regional revitalization areas" have a high topline RORA but a high OHR, while the "growth areas in the prefecture" and "outside the prefecture" have a medium topline RORA but a low OHR and a high contribution to ROE.

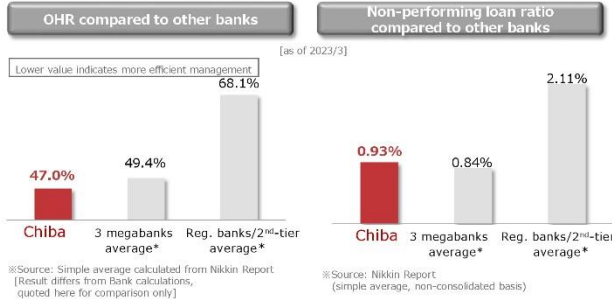
The high topline RORA and low OHR show an inverse correlation. We will mitigate this by implementing various measures in each area, and will continue to make improvements to achieve high RORA/low OHR in each area.

## Financial Base (Efficiency / Soundness / stability)

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

Building strong financial base through efficient business management and high soundness at the top level of Japanese banks, and stable capital management

### Low OHR/ Low non-performing loan ratio



■ Achieve high cost-efficient and stable performance due to low OHR and low Non-performing loan ratio

Controlling capital cost

### Consolidated capital adequacy ratio / risk-weighted asset total



(%)	2023/3	2023/12	Finalization First year*	Finalization completed*
Capital adequacy ratio	11.63	11.69	15.99	13.66
CET1 ratio	11.54	11.65	15.93	13.61
Excluding unrealized gains/losses on securities	10.57	10.28	14.03	11.98

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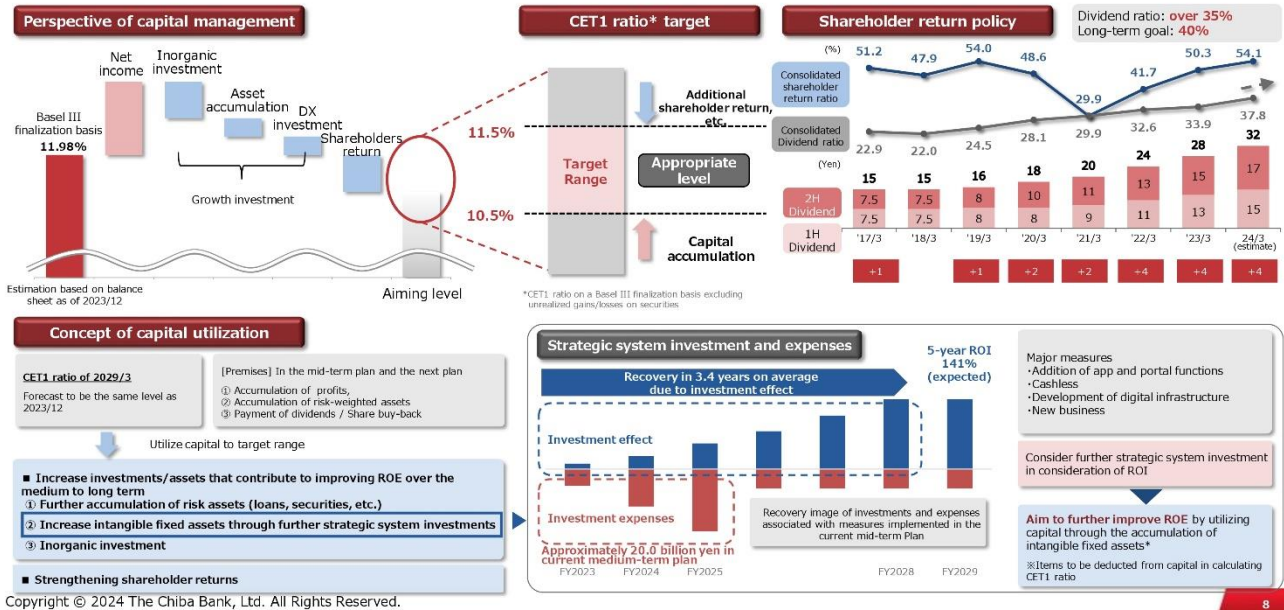
See page seven. Next, I will explain our financial base. The Bank maintains a low OHR, and we believe it operates in a cost-effective manner. In addition, our low NPL ratio is the result of rigorous risk management, including advanced entrance screening, as well as thorough support through solution study meetings, which will be explained later.

Against the backdrop of such financial strength, we have been able to maintain an adequate capital adequacy ratio of 11.98% on a B/S basis as of December 2023, which is the CET1 ratio on a Basel III finalization basis, excluding unrealized gains/losses on securities.

# Financial Base (Capital Management / Capital Utilization)

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

Maintaining the policy of target range of 10.5% to 11.5% for CET1 ratio\*



See page eight. Capital management and capital utilization will be explained.

First, regarding the current status of returns, as shown in the upper right-hand corner, we have increased the dividend by JPY4 for three consecutive years, and the total return ratio for the last fiscal year is expected to be 54.1%. While the target range for the CET1 ratio is between 10.5% and 11.5%, the ratio based on the December 2023 B/S is 11.98%, about 0.5 percentage points above the range.

In addition, based on simulations assuming that the Bank continues to post profits, build up risk-weighted assets, increase its annual dividend by JPY4 per share, and repurchase JPY10 billion of its own shares, the CET1 ratio is expected to exceed 12% in the year ending March 31, 2029, when the Basel III finalization reforms are fully implemented.

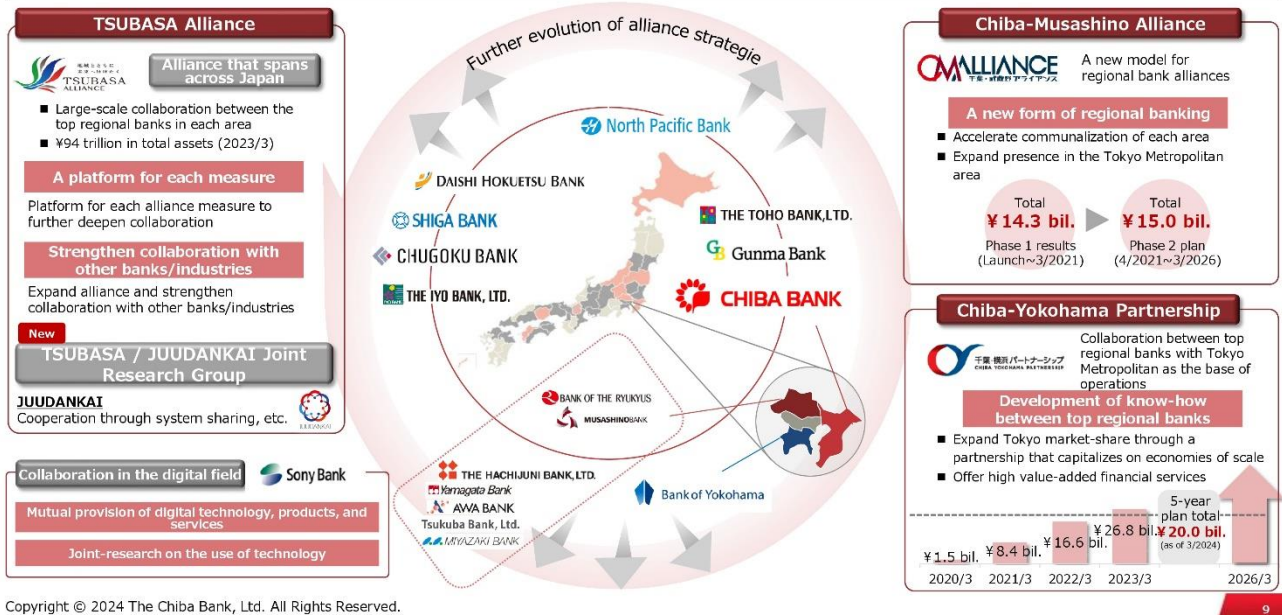
This surplus will be used to further build up risk-weighted assets, to build up intangible assets through further strategic system investments, to invest in growth through inorganic investments, and to strengthen returns, as shown on the lower left.



## Alliances (Deepening Alliances)

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

Increase the Alliance's overall contribution to the Bank's P/L



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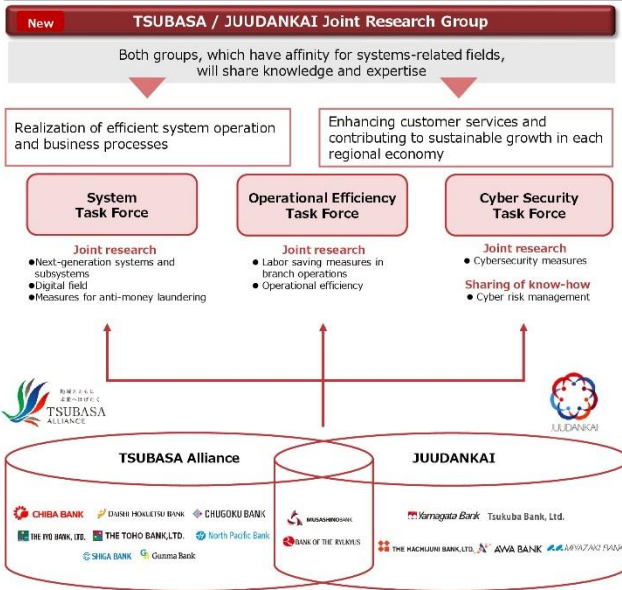
See page nine. The third point is alliances. The Bank is deepening its three main alliances, the Tsubasa Alliance, the Chiba-Musashino Alliance, and the Chiba-Yokohama Partnership, and is also working with Sony Bank on four task forces for various collaborations. Furthermore, the Tsubasa/Juudankai Joint Research Group has been newly established.

The alliance strategy has led to the Bank's low OHR. The annual effect of the three alliances on the Bank's P/L is approximately JPY6 billion in the top line and JPY2 billion in cost reduction, totaling approximately JPY8 billion. In the future, we hope to increase this to a level exceeding JPY10 billion per year.

# Alliances (Collaboration with JUUDANKAI / Deepening TSUBASA Alliance)

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

As we further deepen our alliance strategy



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### Deepening the TSUBASA Alliance

**Efforts to date**

Introduced in accordance with the circumstances of each bank using the method "only banks that wish to participate".

**Sharing of system and app**

- Core systems: 5 banks introduced
- Individual app: 7 banks introduced, passbook app: 6 banks introduced
- Subsystem: API common platform (10 banks), CRM system (5 banks), General-purpose paperless system (3 banks), Rating system (3 banks), TSUBASA Smile (3 banks), etc.

**Other joint and commissioned projects**

- Shared administration (Chiba bank, Daishi Hokuetsu Bank, Chugoku Bank)
  - ⇒ Enabling outsourcing to other banks
- Utilization of jointly invested companies: T&I Innovation Center, TSUBASA Alliance, On-Ad, TSUBASA-AML Center
- Inheritance-related business: Procedures are entrusted from 4 banks

**Renewal of the TSUBASA FinTech common platform**

(Full transition scheduled for May 2025)

**"T&I" Number of individual user IDs on the API platform**

Year	2018/9	2019/9	2020/9	2021/9	2022/9	2023/9
Chiba Bank	0.03	0.24	0.76	1.37	2.15	2.91
T&I total	0.03	0.19	0.46	0.84	1.39	1.95

**TSUBASA Alliance Co., Ltd. Business Strategy Department**

**Growing as a critical infrastructure supporting banks app**

**Upgrading due to renewal**

- Flexibility of resource expansion
- Business continuity
- Use of public clouds
- Use of multiple cloud centers
- Strengthening of operation and maintenance
- Strengthening of development environment

**Field1**

- Monetization of FinTech common platform

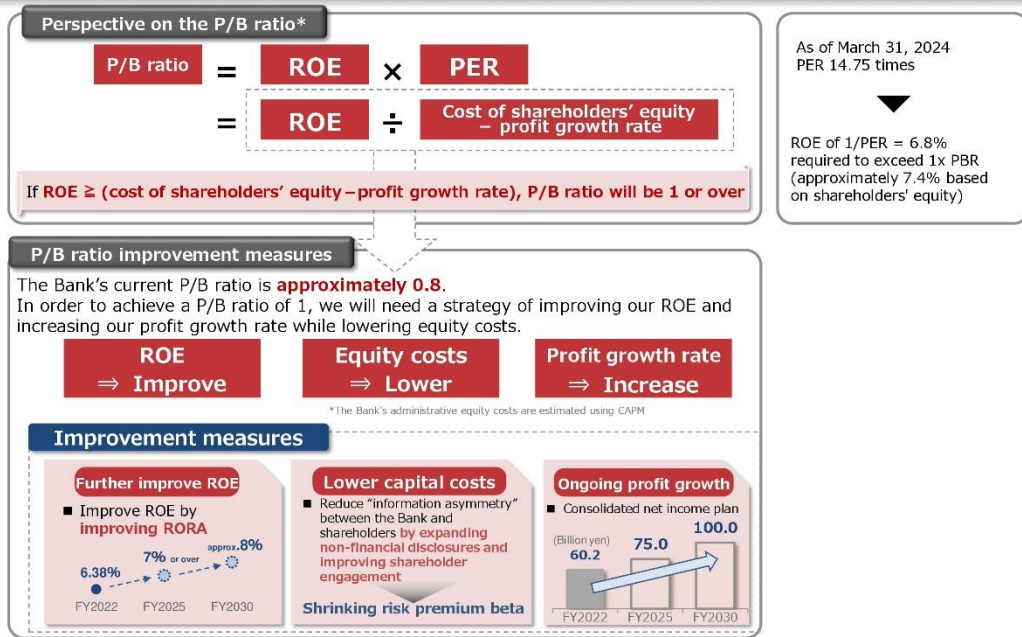
**Field2**

- Strengthening our approach to cooperate with net deposits

**New** Commence study to improve TSUBASA's economies of scale and brand value (from January 2024)

See page 10. As released in March, the TSUBASA/JUUDANKAI Joint Research Group was launched. The research group will establish task forces in the three areas of systems, business efficiency, and cyber security to promote joint research.

In addition, the right side of the page describes new initiatives in addition to the past efforts of the TSUBASA Alliance. We intend to continue to deepen our efforts through a wide range of collaboration that is not limited to systems, and we intend to share information on these efforts with the JUUDANKAI.



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See page 12. Next, I will explain our growth strategy. This has been included in the explanation so far, but I would like to reiterate our strategy for growth.

This chart was presented at the financial results meeting last May. In order to increase PBR, we will provide a solid explanation of RORA improvements to increase ROE, non-financial disclosures to lower the cost of capital, and sustainable profit growth, including growth strategies and projected interest rate effects, as we are doing this time.

# Growth Strategy

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

## FY2022 results

Net income... ¥60.2 bil.  
RORA... 0.75% ▶ ROE\*... 6.38%

## Resource allocation

### People

Identify 370 employees via rationalization/ review of branch network, and allocate them to growth areas

Reorganization	People	Note
Head Office (planning)	55	Strengthen sales branch support structure
Head Office (sales)	85	Enhance specialists
Head Office (administration)	40	Consolidate administration of sales branches at Head Office
Group companies	60	Prioritize sales divisions
Sales branch	110	Branch opening, enhance RM
HR development	20	RM development, DX trainee etc.
<b>Total</b>	<b>370</b>	

### Things/money

(Billion yen)

	Strategic investments	Expen. <small>2023</small>	Notes
Existing business	5.6	1.8	Branch network, sales branch terminal maintenance, etc.
Digital/new business	6.9	3.5	App, portal, BaaS, advertising, etc.
Other	3.5	8.7	Human capital, digital infrastructure, etc.
<b>Total</b>	<b>16.0</b>	<b>14.0</b>	<b>30.0</b>

## Fortify existing business

### Corporate

Increase market share in areas abandoned by other banks  
Increase loans via new branches

Improve consulting  
Improve proposals to non-borrowers

Enhance business succession, M&A

Diversified finance menu

### Retail

Comprehensive financial consulting

Financial product

Housing loan

Trust/Inheritance

Increase in net income from fortifying existing business... approx. ¥12.0 bil.  
RORA improvement... +0.05%

## Digital/new business

### Digital

Additional app, portal features

Four major measures for Invest trust

+1.4 bil.

Internet Loan Center

Transaction data, credit checks using AI, etc.

### New business

Cashless

Chibagin Market

Real estate fund

Advertising

BaaS

Energy business

+1.6 bil.

electric power business

Metaverse

On-Ad

Anti-money laundering center

Collaboration with Sony Bank

Increase in net income from new business initiatives... approx. ¥3.0 bil.  
RORA improvement... +0.03%

## FY2025 plan

Net income... ¥75.0 bil. ▶ ROE\*... 7% or over  
RORA... 0.83%

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※ ROE: Shareholders' equity basis

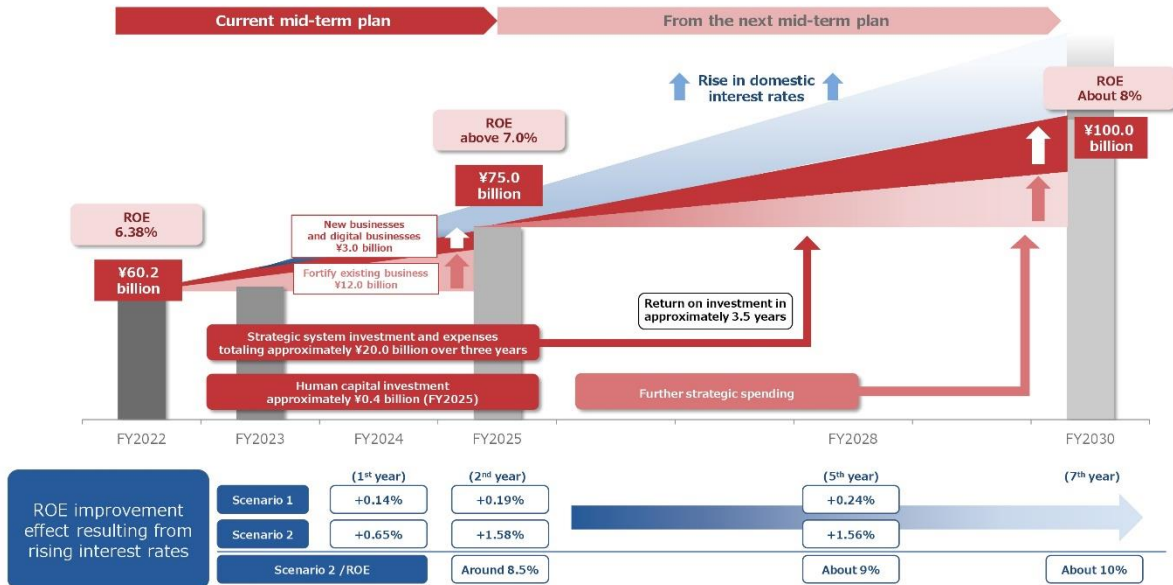
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See page 13. This is a revision of the growth concept in the medium-term management plan that we presented last year, taking into account our current efforts. We will firmly allocate human, material, and financial resources to growth, refine existing businesses, and promote new initiatives in digital and new businesses.

## Continuing Growth toward FY2030

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

Fortify existing business, strengthen new businesses and digital initiatives. Capture domestic interest rates hike as upside.



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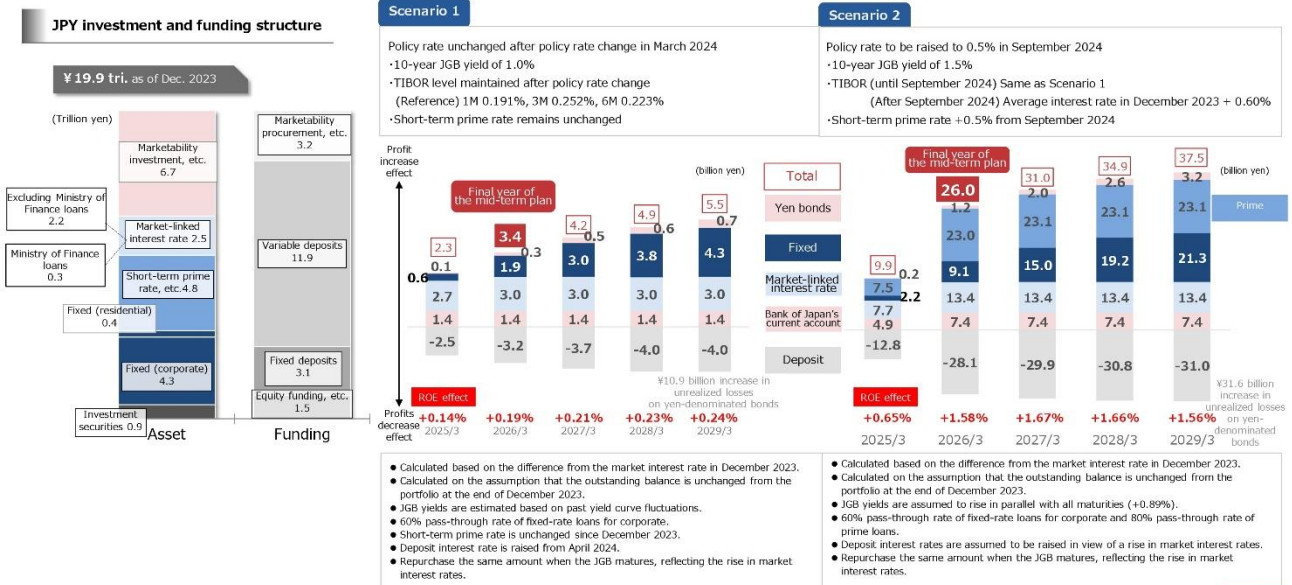
See page 14. We will strategically pursue initiatives to achieve consolidated net income of JPY100 billion and ROE of 8% for the fiscal year ending March 31, 2031. Toward the bottom line of JPY75 billion planned in the current mid-term plan, we will increase net income by JPY12 billion for existing businesses and by JPY3 billion for new businesses and digital businesses. In addition, we will make strategic system investments and expenditures totaling JPY20 billion over the three years of this medium-term management plan, and we will reap the benefits of these investments in the next medium-term management plan.

The impact on ROE of the current rise in interest rates is calculated under two scenarios. Under Scenario 2, ROE is expected to increase by plus 1.58% in the second year and by plus 1.56% in the fifth year, so under this scenario, 10% ROE is in sight for the fiscal year ending March 31, 2031. I will explain the impact of this interest rate increase.

# Interest Rate Rise Simulation

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

## Simulation of interest rate increase due to change in BOJ's policy rate



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See page 15. We ran two simulations: Scenario 1, in which the policy rate remains flat from the current level, and Scenario 2, in which the rate rises one more notch. The detailed assumptions are as stated. Scenario 1 assumes that TIBOR is maintained immediately after the policy rate change, but TIBOR has already exceeded this rate in the recent past, and market-linked lending is expected to increase beyond what is shown here.

In Scenario 2, the simulation was based on the assumption that the policy rate will be raised by 0.5% in September of this year. Under Scenario 1, the simulation results show an increase in profit of JPY3.4 billion in the final year of the medium-term management plan, and under Scenario 2, an increase in profit of JPY26 billion and a positive effect of 1.58% in ROE are expected.

# Transformation through DX ①

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

## Customer experience changes steadily by providing app

Providing highly convenient app

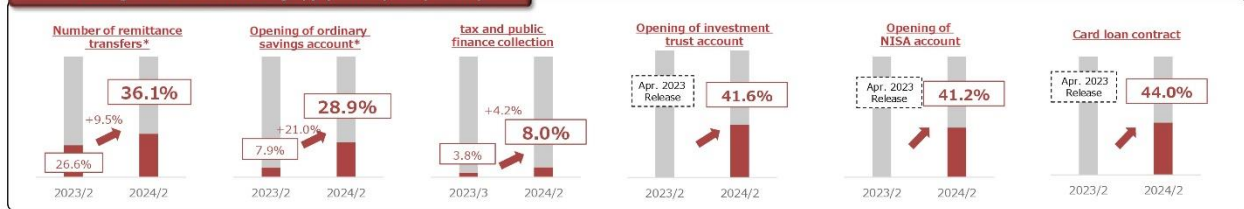
**At present**

Approximately 970,000 people registered for the app in March 2024, compared to approximately 3 million active accounts (Operating account penetration rate: **33%**)

Changing customer experience seen in numbers



### Percentage of transactions using app (monthly comparison)



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

※Overall number of remittance transfers increased. Although unit cost of commissions via app is set lower, overall commissions also increased.

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See page 16. In addition to providing attractive products and services, we believe that transforming the customer experience through DX is the most important way to enhance our corporate value and growth. As noted in the upper left corner, by providing more convenient applications through DX, the number of registered app users is currently approximately 970,000 out of approximately 3 million active accounts, and the penetration rate is 33%. The graph on the right shows the penetration rate for the total of approximately 4 million individual accounts.

Below is the percentage of transactions using the application. You can see that there has been a significant shift to digital transactions over the past year. The axis of transactions has shifted significantly to digital, with 36.1% for digital remittance transfers, 28.9% for opening an ordinary savings account, and 41.6% for opening an investment trust account.

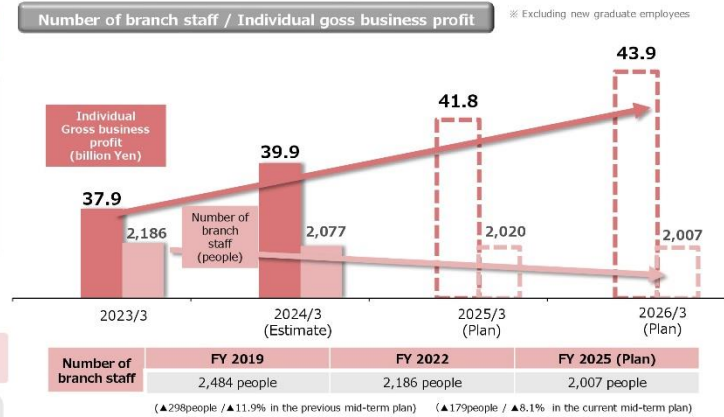
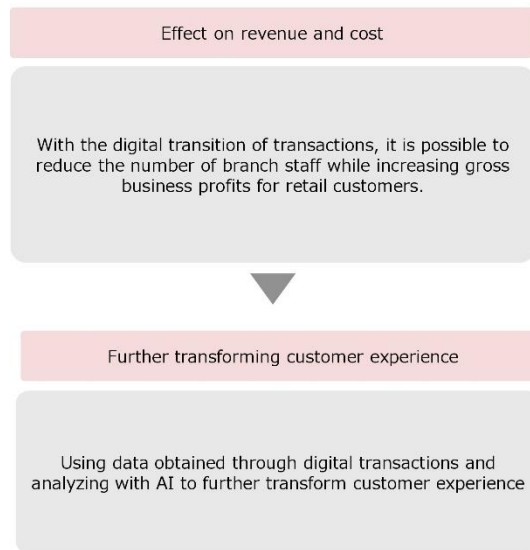
As noted at the bottom, especially for remittance transfers, the overall number of transfers and revenue increased by 28% and 24%, respectively, compared to three years ago due to improved convenience, although we have set lower fees for application transfers.

Approximately 60% of Chiba Prefecture residents hold accounts with us, and looking at active accounts, more than 40% of the prefecture's residents are customers. We believe that our DX-ization is linked to the DX-ization of the people of the prefecture, and we will continue our DX-ization efforts under the slogan "DX for the whole region."

## Transformation through DX ②

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

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



Aiming for Customer Experience

"Just when I was interested, I got a OO from Chiba Bank"

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See page 17. While the top line is increasing through DX-based transformation, we believe that further cost reductions can be achieved through labor savings from digitization of transactions.

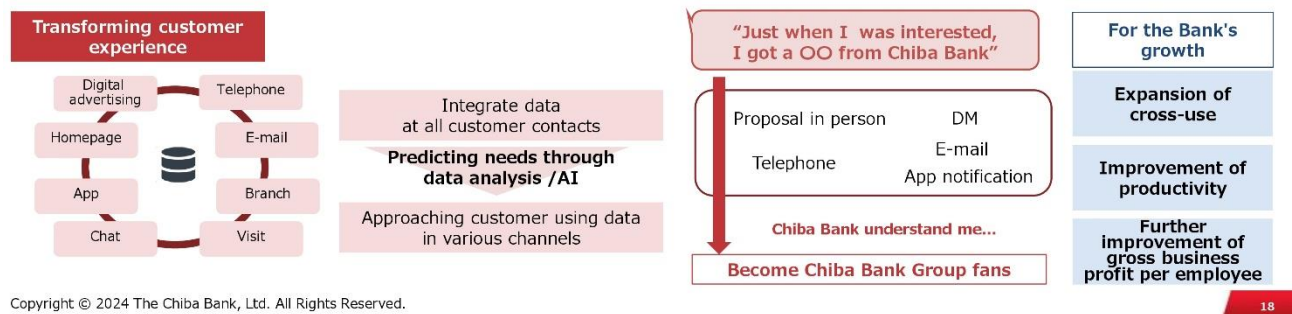
As shown in the chart on the right, the top line for individuals will increase by JPY6 billion from JPY37.9 billion in the year ending March 31, 2023 to JPY43.9 billion in the final year of the medium-term plan, while the number of staff at sales branches will decrease by 179 from 2,186 to 2,007, which we believe will achieve more efficient operations.

In the future, we will further transform the customer experience by utilizing data obtained from digital transactions and analyzing it through AI. By doing so, we hope to create a customer experience where the customer feels that "Just when I was interested, I got a OO from Chiba Bank." The OO could be words such as sales office, call center, DM, e-mail, etc.



**Transforming Customer Experience** *"Just when I was interested, I got a OO from Chiba Bank"* *To create a local community better suited to bringing each person's hope to life*

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



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See page 18. The upper row is an example of what is already being realized today. Using a variety of data, we are able to conduct e-mail marketing to customers based on predictions of their interests and needs, and to understand each and every customer who is highly interested in our products based on e-mail open status and other information.

By sharing this marketing data, the staff can make timely approaches to interested customers. The phrase "Just when I was interested, I got a OO from Chiba Bank" is the actual response we have received from a customer as a result of these efforts.

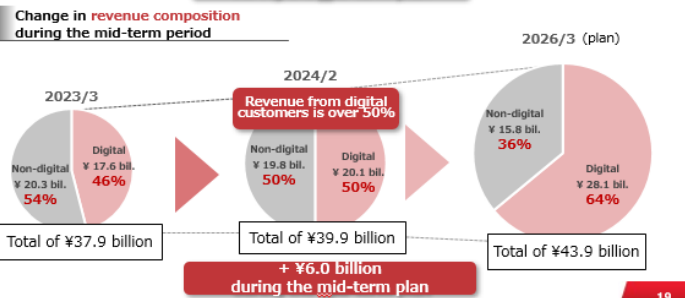
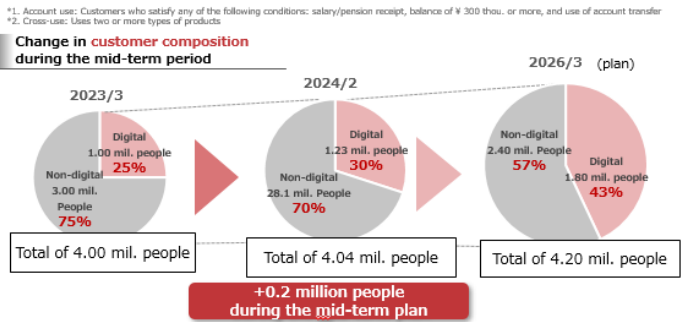
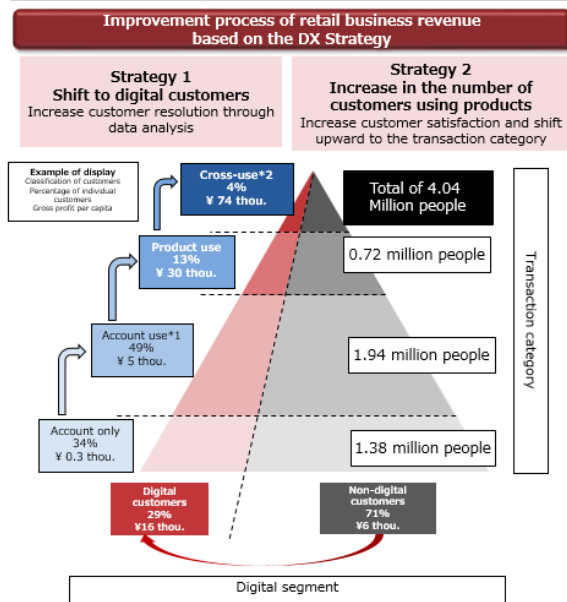
Through the use of data analysis and AI, Chiba Bank will provide in-person proposals and application notifications in a timely manner when customers are interested in some product. By doing so, we hope to improve the customer experience so that customers feel that Chiba Bank understands them well, and to increase the number of fans of the Bank Group.

As a result of these efforts, we believe we can reap economic value in the form of increased cross-use, higher productivity, and further improvement in gross business profit per employee.

# Retail Business (Increase in Gross Profit Per Customer Through DX)

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

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



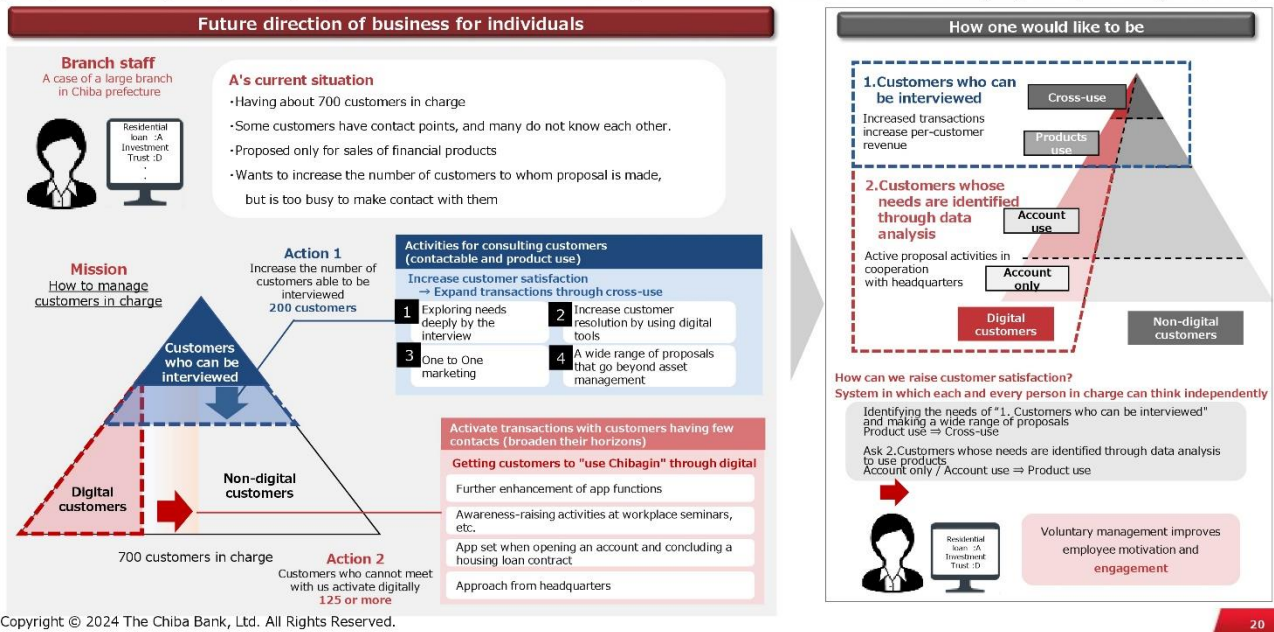
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See page 19. This presentation will describe our efforts to increase the number of individual digital customers as well as promote the use of our products and services.

Of the pyramid on the left, red indicates digital customers and gray indicates non-digital customers. The approach will be to transition gray non-digital customers to red digital customers, and to use the data obtained from transactions to increase customer resolution and transition customers from the bottom to the top of the transaction category. Details will be explained in Part 2, DX Strategy.

The revenue shown in the lower right corner is planned to increase by JPY6 billion during the three-year period of the medium-term management plan, aiming for JPY43.9 billion in the final year of the medium-term management plan as the total of digital and non-digital revenue. As of now, when one year has passed, the increase is JPY2 billion, as planned.

The person in charge will proactively approach the "customers to increase through interviews" and "customers to increase digitally" to improve the gross profit



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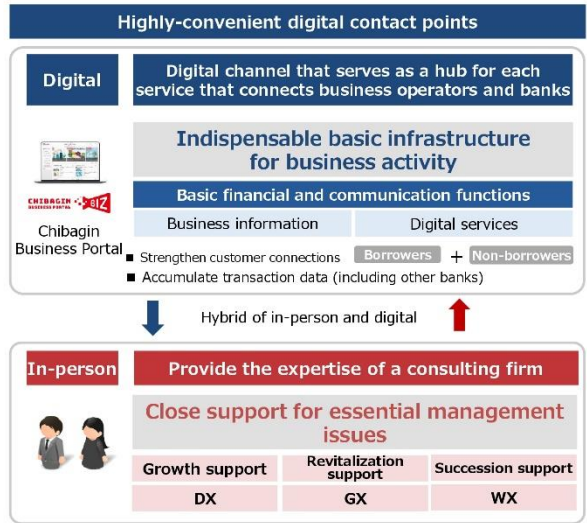
See page 20. The diagram here illustrates the shift to digital customers and the promotion of product use with a specific example. Each sales representative is responsible for an average of approximately 700 customers. Of these, we have set 200 customers as those with whom we will deeply explore their needs in person in order to promote cross-use.

Our goal is to increase the resolution of our customers through data analysis, so that we can proactively propose the services they need. For non-digital customers with whom we have less real contact, we will develop headquarters-led measures, as explained earlier on page 18.

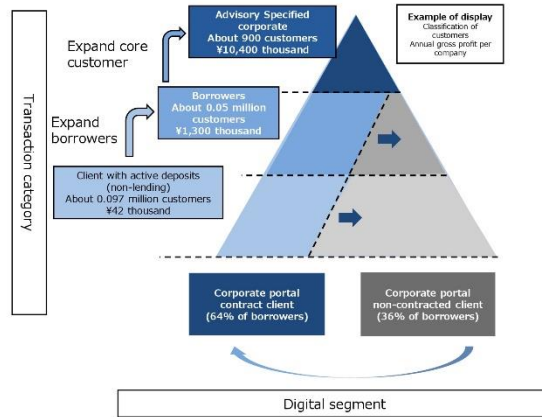
The person in charge proactively manages interviewees and digital clients with a sense of management. By making proposals tailored to each individual customer, the person aims to improve the gross profit per customer and thereby improves the gross profit of the 700 customers he/she is in charge of as a whole.

Contribute to solving social issues in the community by getting to know our clients well and providing continuous solution proposals as an assistant to management

**Form strong customer connections through digital and in-person channels**



**Improvement process of corporate business revenue**

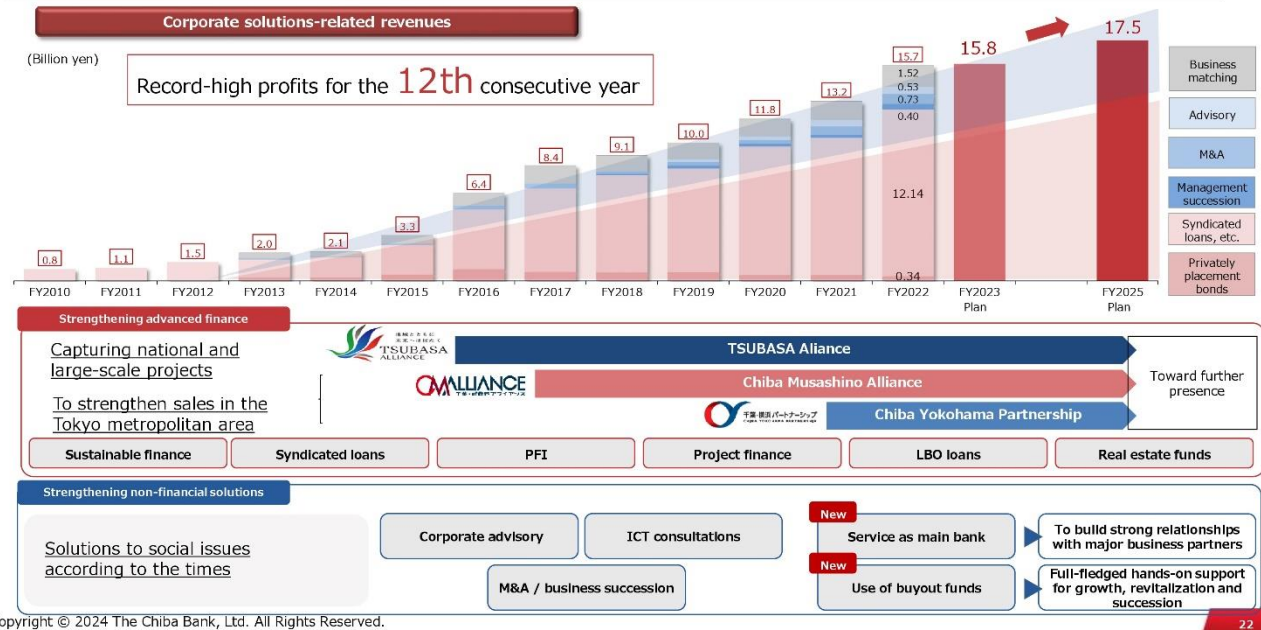


Next, I will explain our corporate business. See page 21. For corporate clients, as with individual clients, we will seek to improve gross profit margins through a hybrid of digital and brick-and-mortar contact. By increasing the set rate of the corporate portal and securing digital contacts, including non-financing clients, we will shift the transaction category upward from non-financing to financing and increase overall gross profit.

## Corporate business (Strengthening Corporate Solutions ①)

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

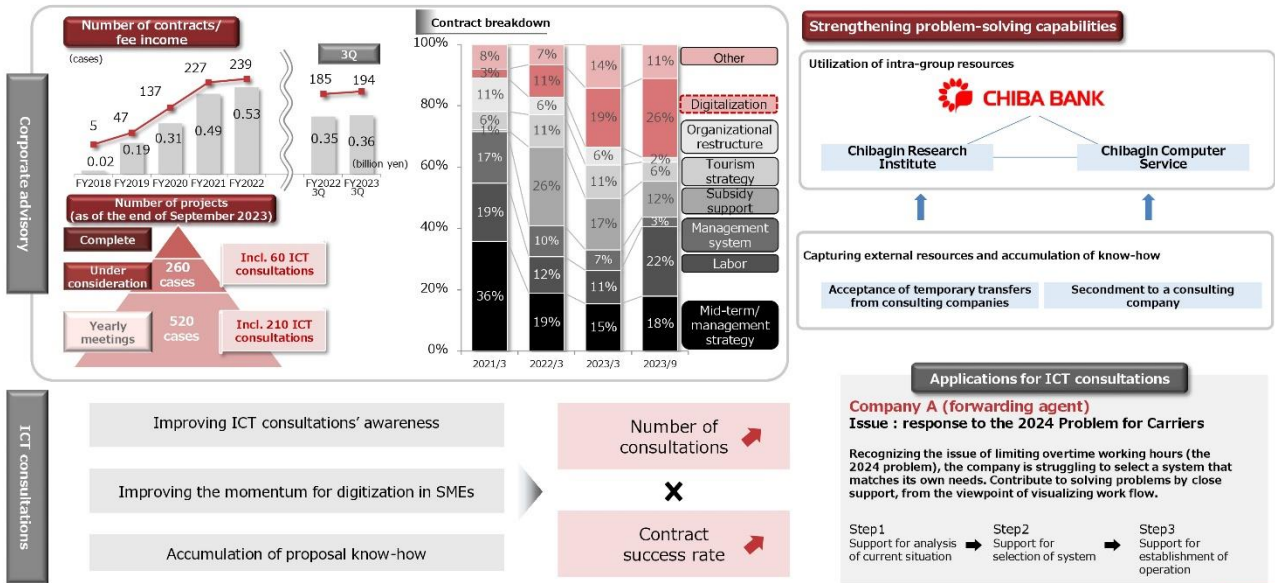
Corporate solutions will further expand both finance and non-financing



22

See page 22. Corporate solutions have been one of the Bank's growth drivers, with record profits for 12 consecutive fiscal years. As for financing, we are expanding our pipeline through alliances. The sustainable finance business is growing significantly as a new business, with revenues from sustainable finance increasing JPY400 million YoY as of Q3.

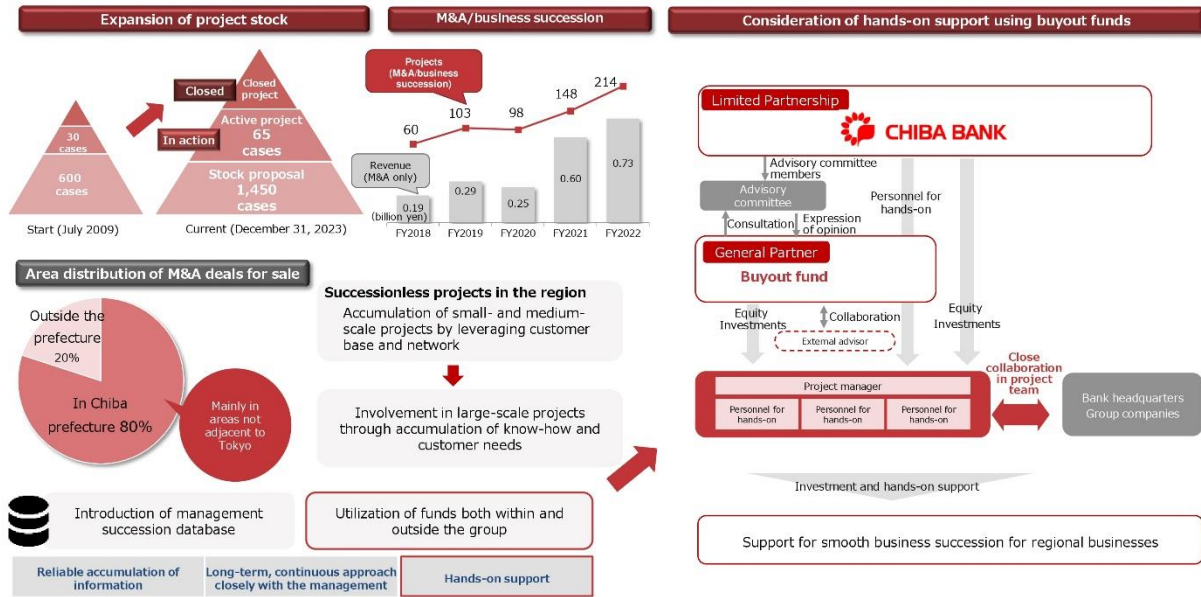
Thorough support as a management assistant



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I will discuss non-financing solutions. See page 23. Advisory services for businesses remained steady. ICT consulting is also becoming more and more common, where rather than proposing a fixed system, the most appropriate system is examined within a limited budget, starting with an IT diagnosis and other problem identification, followed by support for operation and establishment of the system.

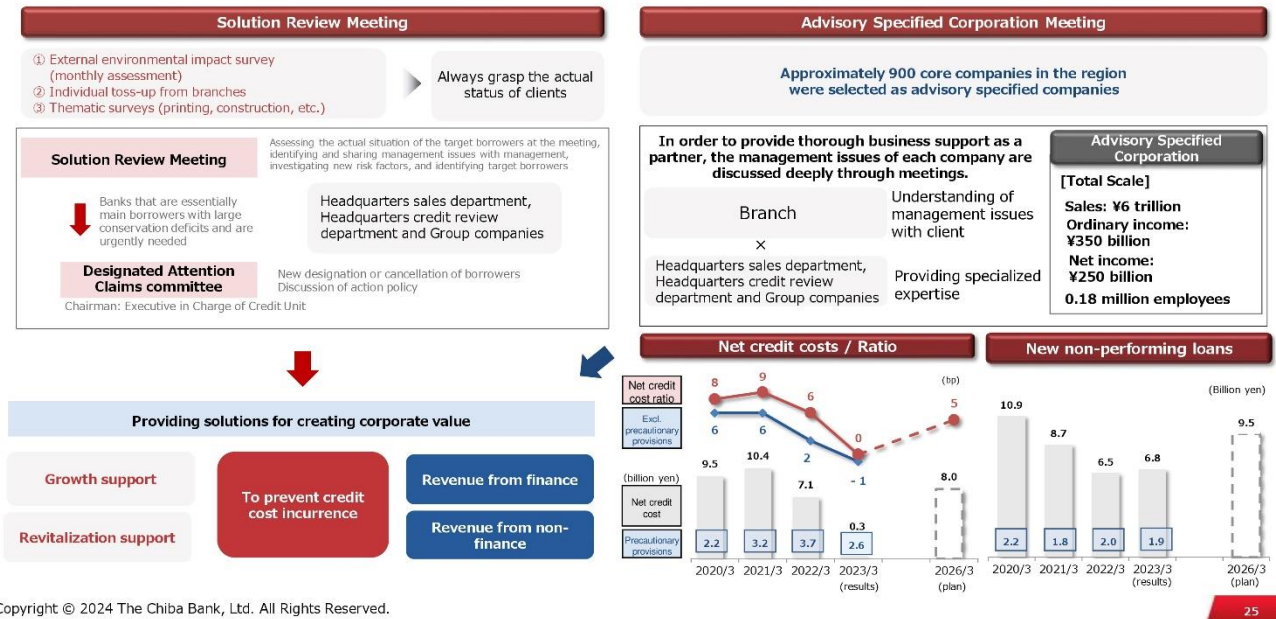
Acquisition of know-how on M&A and business succession → Value-up of regional businesses and support for smooth succession



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See page 24. In M&A and business succession, the number of project stock continues to increase. We will establish a new buyout fund that will own 100% of the target company's shares to provide full-scale hands-on support for growth, revitalization, and succession.

Solution Review Meeting x Advisory Specified Corporation Meeting to support for growth and revitalization

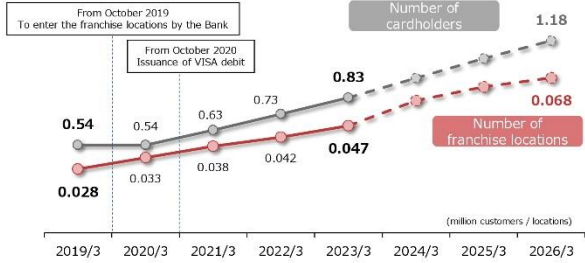


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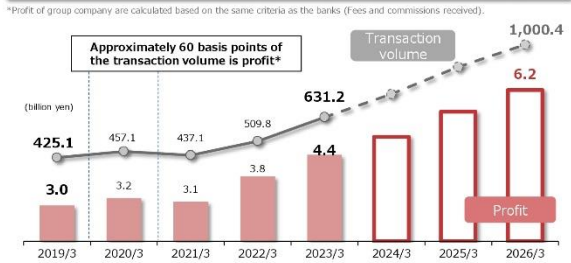
See page 25. One of our strengths in controlling the NPL ratio is the provision of solutions through solution review meetings. In addition, for advisory specified companies, which are selected as core companies in the region, the Bank is considering business support through collaboration among sales branches, each sales department, the examination department, and Group companies.



Number of group cardholders and franchise locations

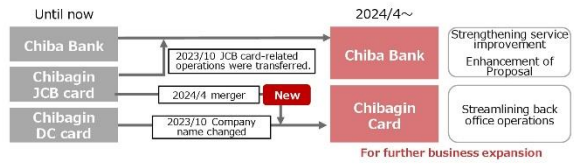


Group transaction volume and profit



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Completion of group business restructuring



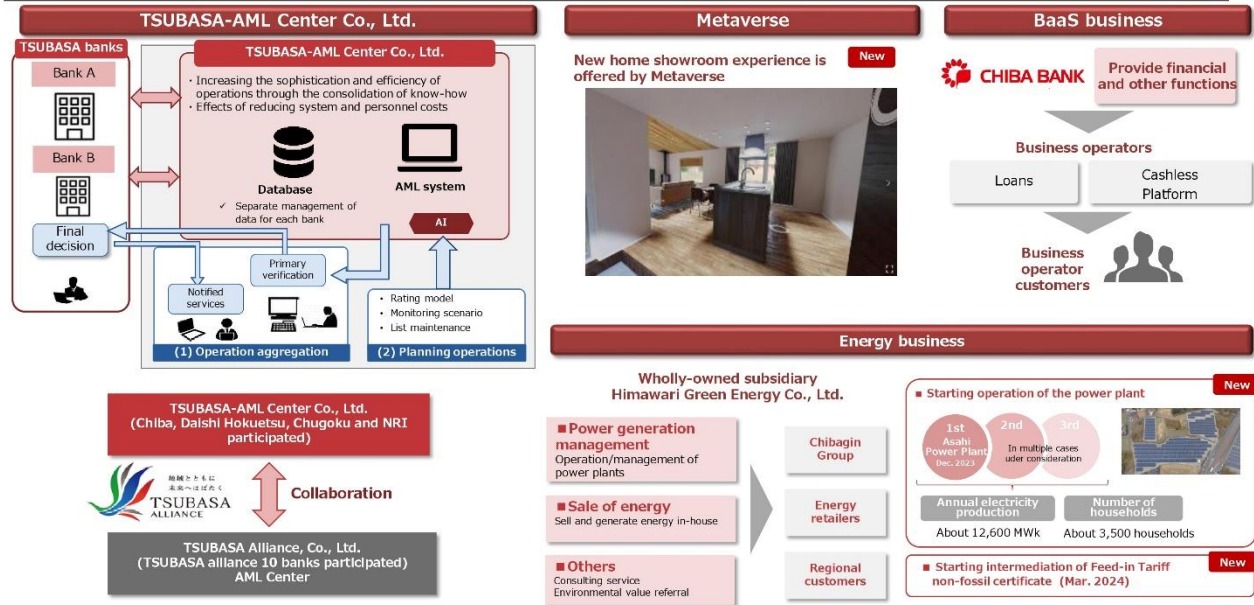
New Initiatives

- franchise locations by the Bank
  - Enhancement of point of sale register function
    - Linking point of sale register and payment terminals (For dispensing pharmacies)
    - Provision of mobile point of sale services
- Signing of agreement regarding referral of franchisees
  - Choshi Tourism Association (February 2024)
  - In the future, contracts to be signed with another tourism association
- Strengthening cooperation with app
  - Single sign-on connection from app to debit cardholders website (planned)
  - Application function (planned)

See page 26. The cashless business refers to actual results for the fiscal year ending March 31, 2023. The number of cardholders and member merchants has increased to over 900 thousand and 50 thousand, respectively, and transaction volume has grown steadily to approximately JPY750 billion per year. Details will be explained in Part 2.

**New Businesses (Anti-Money Laundering / Metaverse / Energy / BaaS)** *To create a local community better suited to bringing each person's hope to life*

Enhance non-financial services and diversify profits by entering new business fields



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Next, I will explain our new businesses. See page 27. The trial of the Metaverse new home showroom, shown in the center of the upper row, attracted more than 1,000 visitors during the period. We are currently studying the possibility of full-scale development.

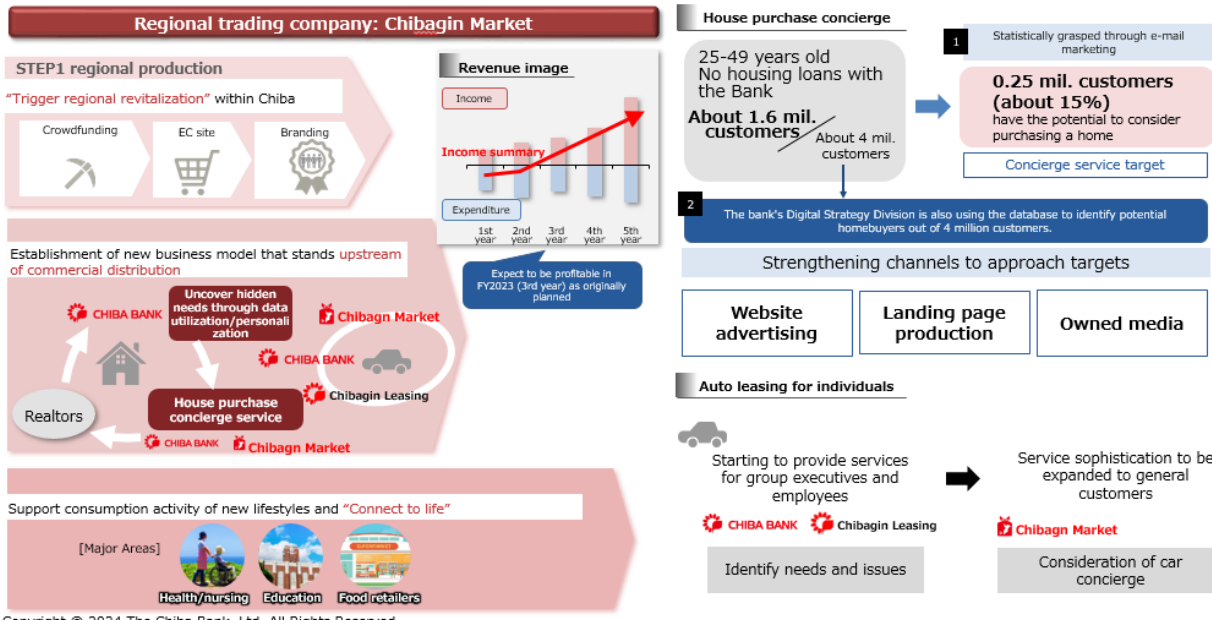
In the energy business on the bottom right, in addition to the Asahi Power Plant in December, we are considering several other projects, including a large company-owned project. In addition, the Bank started the intermediation of feed-in tariff non-fossil certificate in March 2024.

To date, we have been involved in financing and investing in solar, biomass, and other renewable energy-related projects equivalent to the electricity generated by approximately 550 thousand households in Chiba Prefecture. Under the slogan "GX for the whole region," we hope to further contribute to the GX of the region.

# New Business (Chibagin Market)

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

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



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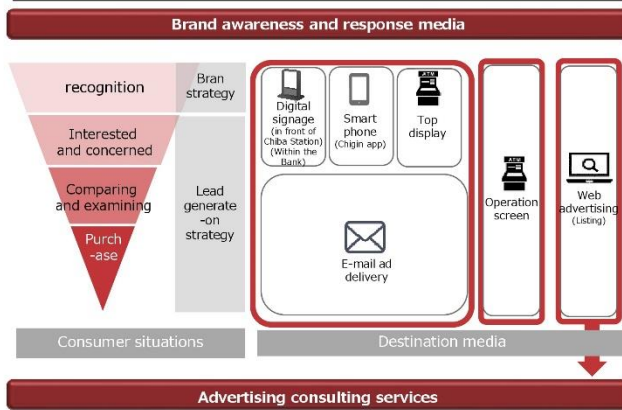
See page 28. Chibagin Market, a regional trading company, is promoting a home-buying concierge service with a small start. In addition to email marketing, we are analyzing our database to identify needs and customers.

We are currently in the process of analyzing and approaching approximately 250,000 potential purchasers, as shown in the upper right-hand corner. In March, some customers actually decided to purchase a home using the concierge service as an entry point.

# New Businesses (Advertising)

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

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



**Advertising media business**

- Digital signage in front of Chiba Station
- lobby signage
- ATM corner signage
- Chibagin app recommendation
- ATM top display
- e-mail\*

Type of media	Number of sites	Number of Ad space
Digital Signage in Chiba Station	One place	12 spaces
Branch lobby signage	152 stores	270 spaces
ATM signage	93 stores	270 spaces
ATM top display	12 stores	108 spaces
App (Number of Registrants)	0.94 million	3 spaces
<b>Total advertising spaces</b>		<b>663 spaces</b>

\* Under consideration

As of the end of March 2024  
Ratio of contract **About 34%**



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See page 29. All branches began handling advertising business in October. In the advertising business, needs have exceeded expectations since the start of proposals, and the utilization rate has been increasing every month. We believe that it is quite possible to achieve the goal of JPY300 million in gross business profit for the final year of the medium-term management plan.

# New Business (On Ad / Real Estate Fund / Joint Business Plan)

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

## Remote Financial Consulting Service: On ad

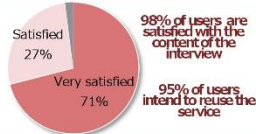
On Ad



Contribution to "Financial Wellness"



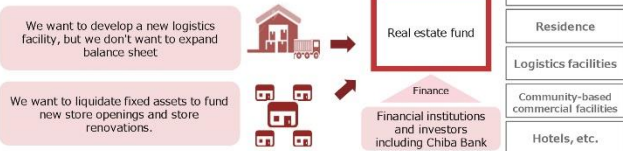
High rated by paying interviewees



## High-level solutions via real estate funds

Step-by-step expansion of the pipeline while deeply exploring each customer's management issues

Examples of management issues



Other ongoing projects
Office
Residence
Logistics facilities
Community-based commercial facilities
Hotels, etc.

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## Joint Business Plan (JBP) with Google Cloud

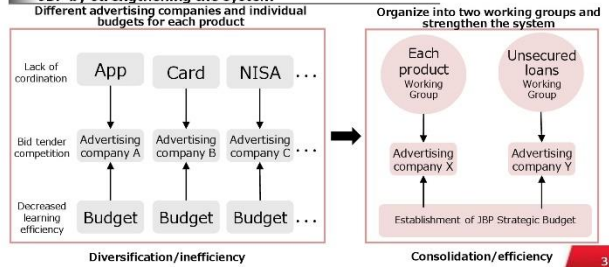
Agreed in January 2024 New



Utilization of Google's marketing tool, Google Cloud



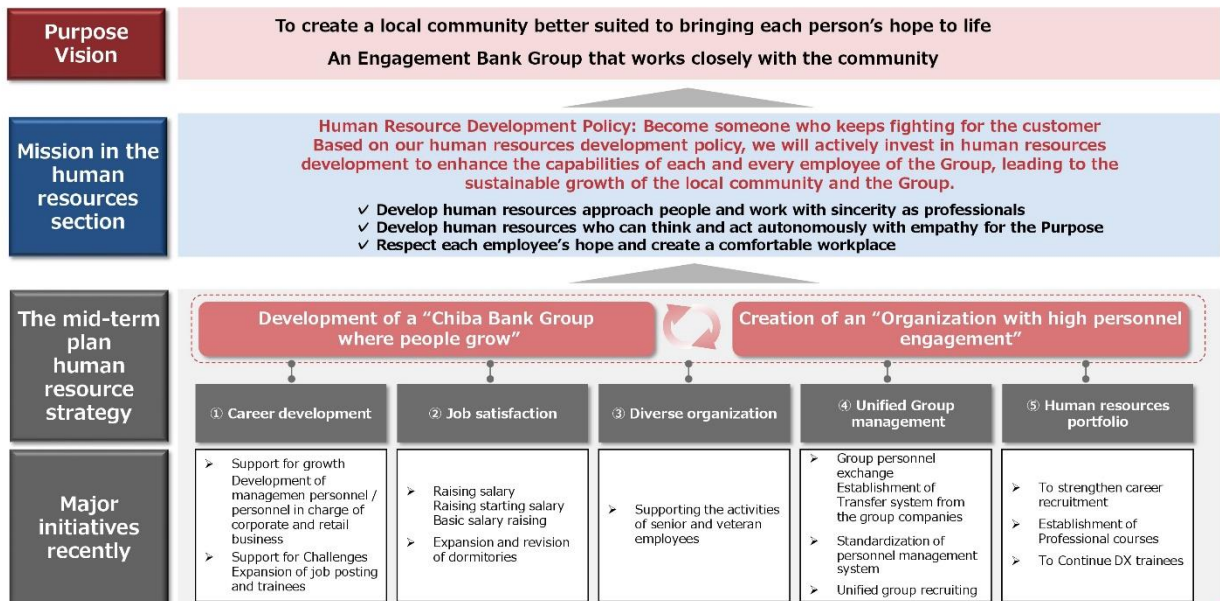
## Accelerating the accumulation of know-how through JBP by strengthening the system



See page 30. With regard to real estate funds, we are considering a variety of projects while expanding our pipeline to enhance the sophistication of our solutions. Currently, we have accumulated over JPY30 billion in projects under consideration, including liquidation projects for branches and logistics warehouses.

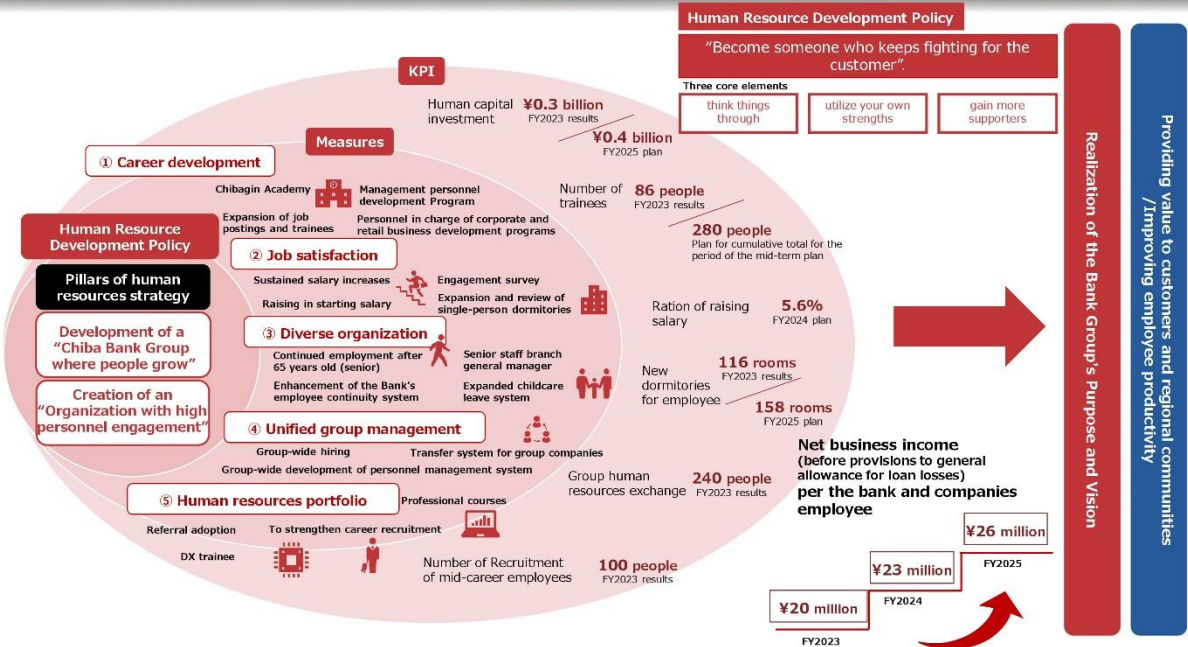
With regard to the joint business plan with Google Cloud described on the right side, we will work on the advancement of One-to-One marketing.

Build an organization that creates new social value based on the "two human resources strategies"



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See page 31. With regard to human capital, we have established a human resource development policy of "Become someone who keeps fighting for the customer." The three core elements are to "think things through, utilize your own strengths, and gain more supporters."

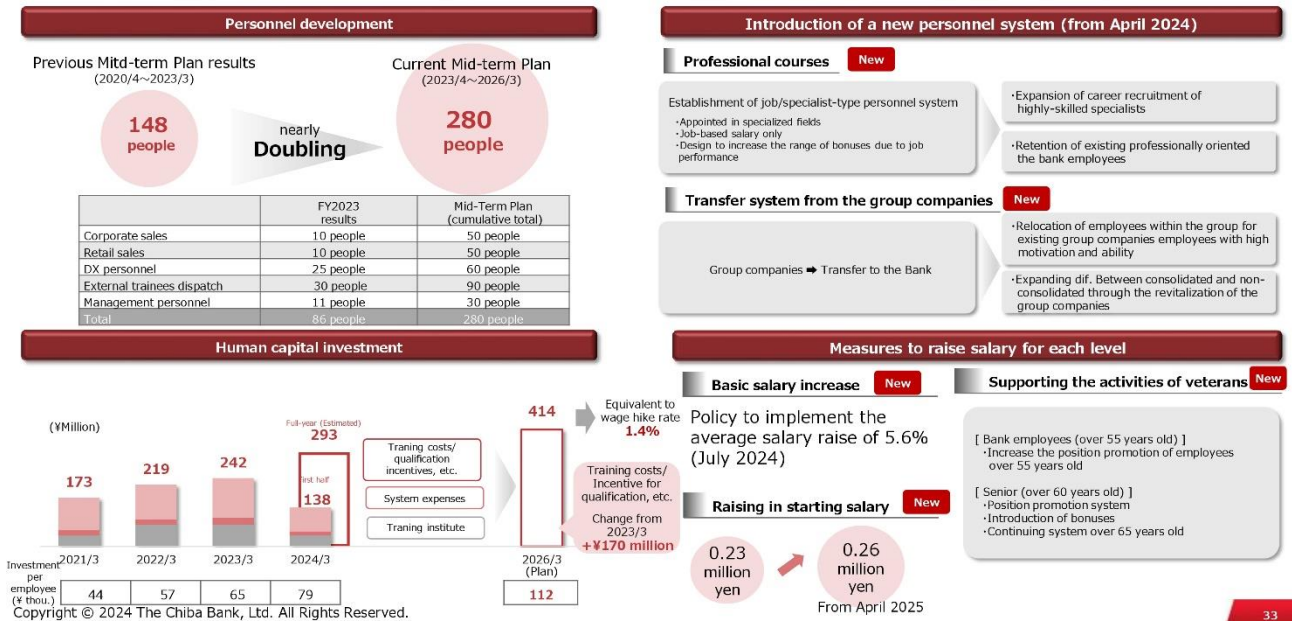


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See page 32. Centering on the human resource development policy, we are promoting various measures for the following five areas: career development, job satisfaction, diverse organization, unified Group management, and human resource portfolio.

Various KPIs are progressing as described. As you can see on the lower right, we would like to improve productivity per employee.

Expansion of investment amount and number of employees trained (investment target) / Development of the system that enables diverse human resources to play an active role



See page 33. This presentation will focus on new initiatives. As noted in the upper right corner, a new professional course was established this April for the promotion of professional personnel. In addition, a transfer system from Group companies was established this month to promote the revitalization of Group companies.

As indicated in the lower right-hand corner, we have decided to implement an average wage increase of 5.6%, including base salary increase. In addition to raising starting wages, we will improve compensation at all levels of the Bank, such as improving the compensation of veterans, in order to increase engagement.



# Human Capital ④

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

Expansion of investment amount and number of employees trained (investment target) / Development of the system that enables diverse human resources to play an active role

### Recruitment of mid-career employees

#### Career hiring trends

(People)

Fiscal Year	Number of People
FY2021	15
FY2022	30
FY2023	100

※Includes temporary employees, dispatched employees, and employees on secondment.

#### Recruitment channel

- Recruitment consultancy service
- Advertising placement
- Scouts from job information websites
- Referral
- Direct application from websites

### Group unified human resources management

#### Unified group recruiting (new graduates joining the bank in April 2024) New

- Chigin Computer Service (CCS)  
Joined the bank as the engineer course (13 employees) and assigned to CCS
- Chibagin Securities and Chibagin Leasing: Hired in the same course as the bank general employment

#### Enhancement of group human resources management (from April 2024) New

- Introduction of the bank-implemented talent management system to all group companies

- Implementation of group unified personnel measures
- Deepen understanding of personnel among group companies and work closely with together

### Chibagin Academy

Launched in April 2023, and released more than 5,000 titles under 1,511 titles.  
※Plan to expand the content in the future

#### Learning time results

(hours)

Fiscal Year	Hours
FY2022	16.0
FY2023 (IH)	21.9
FY2025 (Plan)	40.0

※ Calculated on average total study hours per person per year

At any time, anywhere, or many times

Unify learning tools

Individualized training programs

#### Breakdown of recruited career

(People)

Career	Number of People
Sales	17
Corporate solutions	19
DX	18
Other professional	36
Market	10

#### Breakdown of former industry

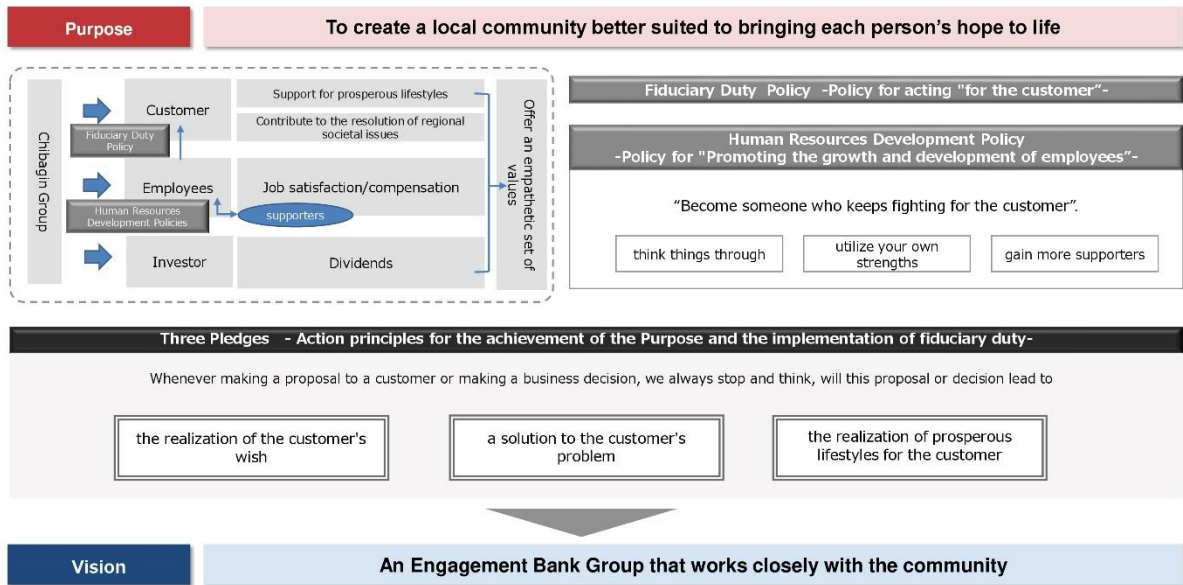
(People)

Industry	Number of People
Non financial industry	41
Financial industry	59

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See page 34. As shown in the upper right-hand corner, personnel hired as part of the unified group recruiting system joined the Bank in April. In addition, the number of career hires in the previous fiscal year was 100, and we expect them to be active in their respective fields.

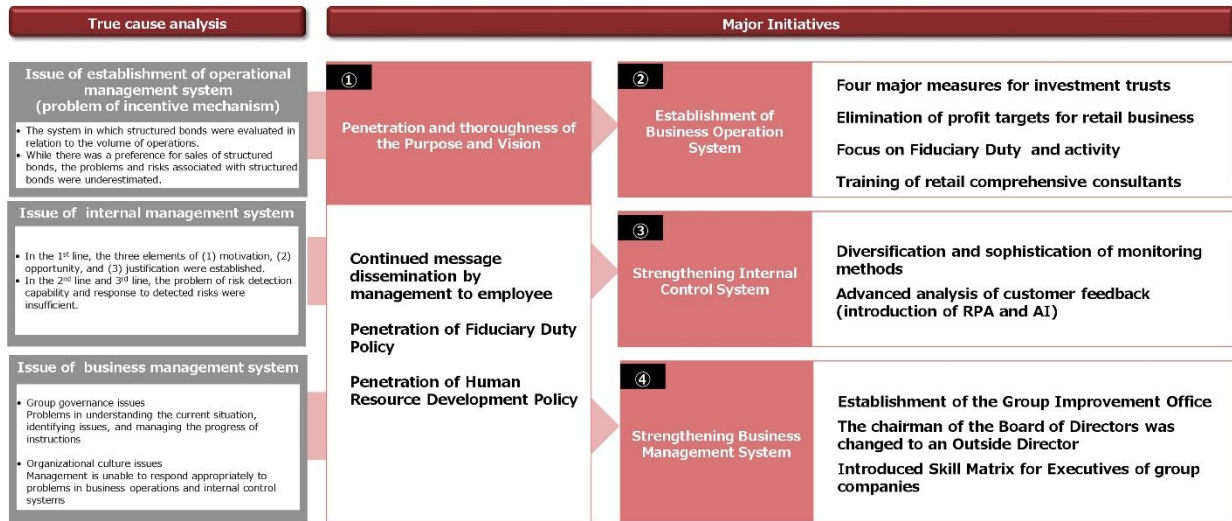
We plan to introduce the talent management system introduced at the Bank to the entire Group from this fiscal year, and to develop a group-wide unified personnel policy, etc.



See page 36. I would now like to explain the status of our actions based on the Business Improvement Plan. Details will be explained at the second IR Day scheduled for April 24.

Based on the Business Improvement Plan formulated last August, we are encouraging management centered on our Purpose and Vision. We have reviewed our FD policy and are working to disseminate it to ensure that all officers and employees act in accordance with the Three Pledges.

The most important initiative is the penetration and thoroughness of the Purpose and Vision etc., which are common to all issues.



See page 37. With regard to business improvement, the first true cause of the problem was the problem of the business management system, or the so-called incentive mechanism. The second was the issue of the internal management system, i.e., the first-, second-, and third-line mechanisms. We believe that the third true cause was a problem with the management control system, i.e., Group governance.

To address these issues, first and foremost, the Bank is working to permeate and thoroughly implement its Purpose, Vision, etc., and then to strengthen its business operation system, internal control system, and management control system.

## List of Major Measures

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

① Penetration and thoroughness of the Purpose and Vision	Implementation timing	Implement-ation*1	Add*2
Displaying the Purpose and Vision on internal PCs and business cards	September 2023	●	
Reviewed Fiduciary Duty Policy, established Fiduciary Duty Handbook	October 2023	●	
Established Three Pledges	October 2023	●	●
Monthly Fiduciary Duty study meeting by all employees	October 2023	●	
Career support based on human resource development policies at personnel interviews	October 2023	●	●
Discussion by project team (two subcommittees in the bottom)	December 2023	●	●
On the 23rd of every month, distributed video messages by Directors	December 2023	●	
Start of Fiduciary Duty hearing	December 2023	●	●
Senior management and compliance training	December 2023	●	
Implemented Fiduciary Duty Special Award	2H of FY2024	●	●
Linking performance reviews to human resource development policies	April 2024	●	●

② Establishment of the operational management system	Implementation timing	Implement-ation*1	Add*2
Implemented the four major measures concerning investment-type financial instruments	April 2023	●	
Specialist training in retail comprehensive consulting	April 2023	●	
Training and video distribution for Fiduciary Duty, behavioral change to focus on activity volume	September 2023	●	●
To eliminate banks' profit targets for the retail business	October 2023	●	
Eliminated return of profits incentives completely from the Securities transactions based on the Bank referrals	October 2023	●	

\*1 Including ongoing measures after implementation

\*2 Based on the findings obtained in the course of implementing measures, it was added from the operation improvement plan originally submitted.

\*3 The measures that are currently under consideration and have not yet been implemented are highlighted

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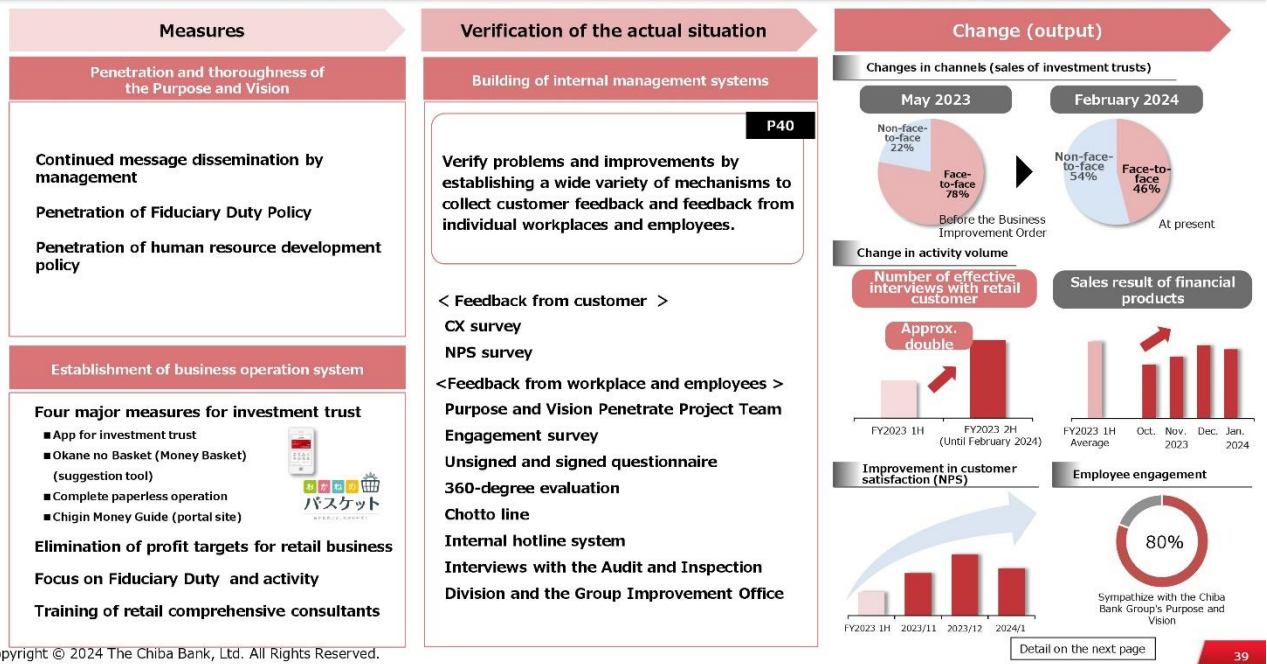
③ Strengthening internal control system	Implementation timing	Implement-ation*1	Add*2
Conducted engagement survey	September 2023	●	
Opened Chotto line to group companies	September 2023	●	
Newly established practical training for newly appointed internal administration supervisors	October 2023	●	
Introduced conformity verification tools	March 2024	●	
Introduced 360-degree evaluation to group companies	1H of 2024		
Review of the 2 <sup>nd</sup> line system (establishment of the Customer Support Monitoring Office)	October 2023	●	
Customer interviews by headquarters staff about sales of financial products	December 2023	●	●
Advanced analysis of customer feedback (introduction of RPA and AI)	September 2024		
Diversification and sophistication of monitoring methods (Phone recording system, voice and video recording of visits,)	September 2024		
President as in charge of the Audit Department and deeply involved in PDCA	October 2023	●	
Introduced culture audits	March 2024	●	
Through participation in the meetings of the Securities Audit Department by the Bank's Audit Department, strengthening group cooperation in the auditing department	September 2023	●	

④ Strengthening Business Management System	Implementation timing	Implement-ation*1	Add*2
Dispatch of Directors and general managers from the bank to the securities	April 2023	●	
Establishment of the Group Improvement Office	October 2023	●	
Implemented customer satisfaction surveys for all group companies customer	November 2023	●	●
The chairman of the Board of Directors was changed to an Outside Director	April 2024	●	
One on One meeting with the president of group company presidents	September 2023	●	
Opinion exchange meetings between the bank Directors and group companies	September 2023	●	
Introduced Skill Matrix for Executives of group companies	April 2024	●	

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See page 38. Here you see the list of major measures. We are steadily advancing individual measures for the four initiatives I have explained.

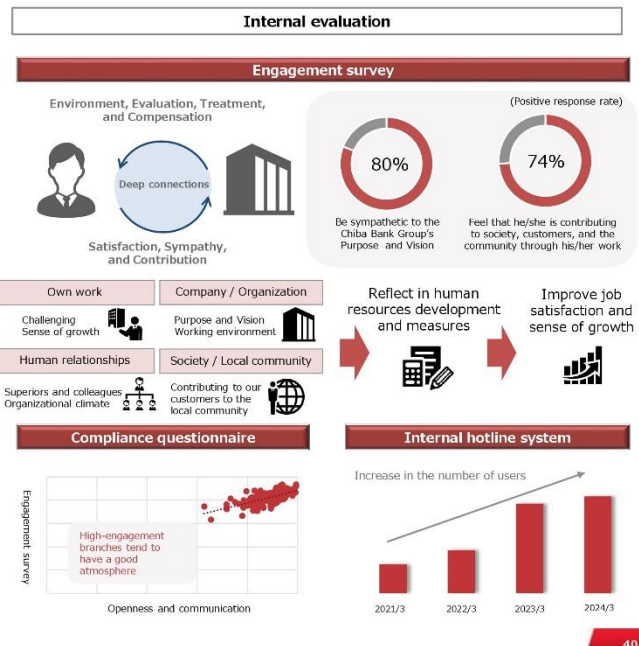
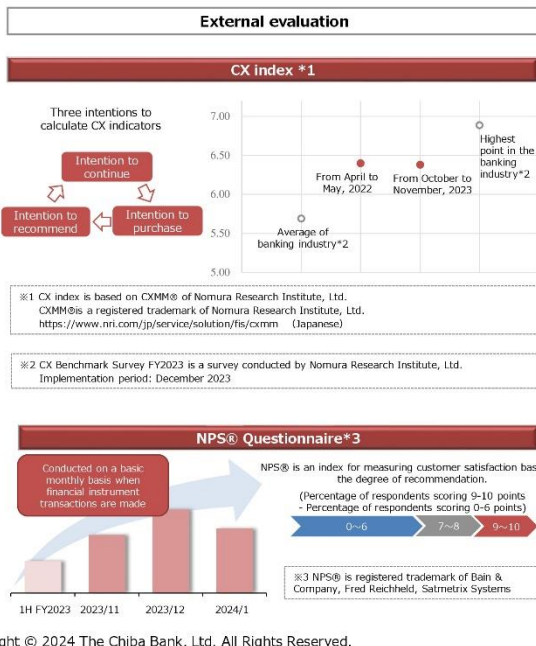


See page 39. As a result of the various measures being implemented, the changes listed on the far right are occurring as output. In terms of channel changes, non-personal sales rose from 22% to 54% as a result of the release of an app investment trust, which had previously been under consideration.

The number of interviews has doubled as a result of the change to the activity volume target, and the measures, although gradual, have led to solid sales results.

We believe that the way business is done is steadily changing in a tangible way. In addition, customer satisfaction has been increasing in the NPS surveys that have been conducted, and employee engagement has also shown the penetration of the Purpose and Vision.

Thus, positive changes are being seen as outputs. We believe that it is very important to take a firm approach toward verification of the actual situation, as described in the middle section.



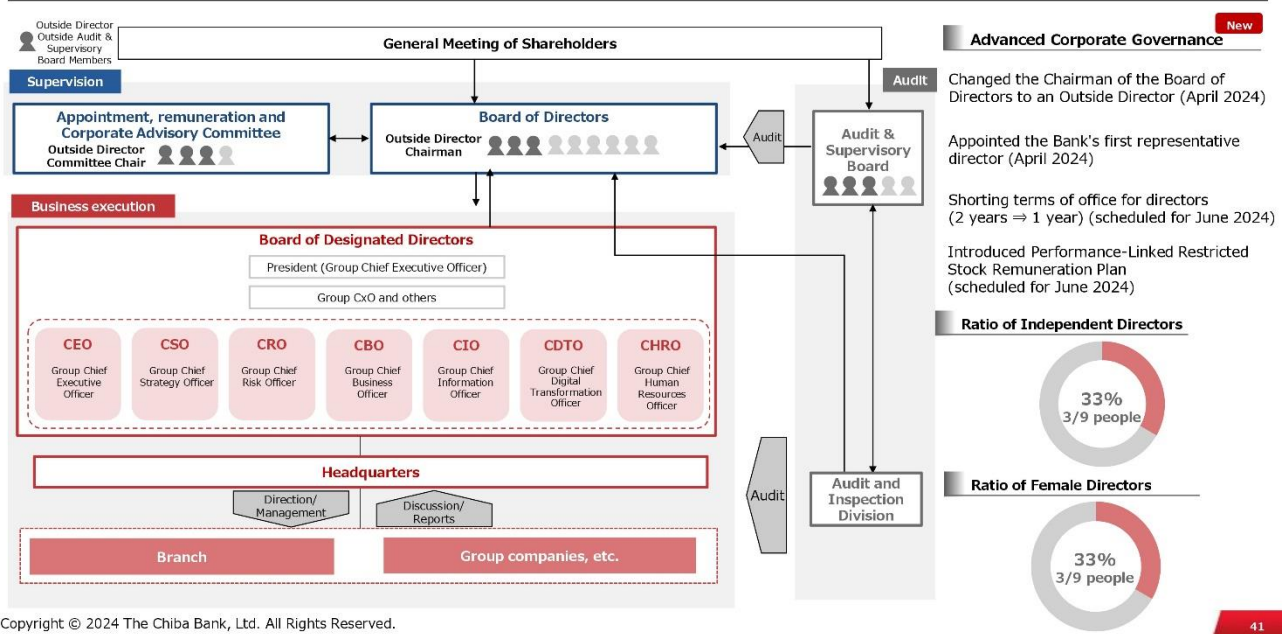
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See page 40. We are proceeding with both external investigations and internal verifications to ascertain the actual situation. The CX indicator in the upper left corner is a system for quantitatively measuring customer CX, and is positioned as the most important indicator for verifying whether the number of fans of the Bank is increasing.

As for NPS, we conduct monthly questionnaires for all customers who have traded financial products, and we are seeing an improving trend. On the right side, with regard to the Bank's internal evaluation, as part of our efforts, we are thoroughly implementing initiatives to pick up the voices of employees in the workplaces, such as through engagement surveys, compliance questionnaires, and whistle-blowing systems.

By analyzing the results of various surveys, such as engagement surveys, 360-degree assessments, and compliance questionnaires, it is now possible to identify which workplaces have problems and which groups in those workplaces are experiencing problems. This allows the Bank to take appropriate action in a timely manner.

Strengthen efforts to enhance governance



Page 41, please. We are making progress in upgrading governance, and new initiatives are listed in the upper right-hand corner. We will continue to enhance the level of governance centered on the Board of Directors. Details will be explained again at the IR Day on April 24.

That is all for the overall explanation. I have explained today's theme, growth investments, such as inorganic investments for growth strategies, on page eight. Specifically, we would like to proceed to work on several projects during this first half of the year.

That is all for the explanation.