



The Chiba Bank, Ltd.

IR Day

April 24, 2024

Event Summary

[Company Name]	The Chiba Bank, Ltd.	
[Event Name]	IR Day	
[Date]	April 24, 2024	
[Time]	10:00 – 11:37 (Total: 97 minutes, Presentation: 37 minutes, Q&A: 60 minutes)	
[Number of Speakers]	8	
	Tsutomu Yonemoto	President, Group Chief Executive Officer
	Kiyomi Yamazaki	Director and Senior Executive Officer, Group Chief Business Officer, Head of Business Promotion Management Division
	Mutsumi Awaji	Director and Senior Executive Officer, Group Chief Strategy Officer, Group Chief Digital Transformation Officer
	Masayasu Ono	Director and Managing Executive Officer, Group Chief Risk Officer, Head of Corporate Management Division
	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)
	Takahide Kiuchi	Non-Standing Director (Outside Director)
	Akira Eshita	Executive Officer, General Manager of Corporate Planning Division

Yonemoto: Good morning, everyone. I am Yonemoto, President of the Bank.

Today we are holding our second IR Day this month as an opportunity to inform you of our efforts since the business improvement order last June. Today's theme is business improvement plan and governance.

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Please see table of contents. First, as shown above left, following the business improvement order of June 2023, we have conducted a thorough fact-finding and true cause analysis and developed a business improvement plan.

I will then present a general overview of our efforts and its details. As a result of numerous discussions during the planning process, it was recognized that the most important initiative for improvement and prevention of recurrence is the penetration and thorough implementation of the purpose, vision, etc. On this basis, we are strengthening our operational management, internal management, and business management systems. I will present an overview of those.

With regard to the banking and securities strategic business model on the bottom right, we would like to support the establishment of a self-driven business model in which Chibagin Securities Co., Ltd. aims for sustainable growth without depending on the Bank, with the group as a whole.

On June 23, 2023, Chiba Bank, Ltd. was issued with the administrative actions (Business Improvement Order) for situations where a problem related to the investors' protection was raised, pursuant to Article 51-2 of the Financial Instruments and Exchange Act, regarding the financial instruments intermediary business related to the solicitation and sales of structured bonds. In accordance with Article 51 of the Financial Instruments and Exchange Act, Chibagin Securities Co., Ltd. was issued with the administrative actions (Business Improvement Order) regarding business operations that violate the suitability principle for solicitation and sales of structured bonds.

Subsequently, in formulating business improvement plan, we investigated the cause of the problem and studied improvement measures over a period of about two months. As a result of a series of discussions while holding hearings with relevant parties, we came to the conclusion that **it is the most important effort to make the Purpose and Vision the axis of action and judgment.**

➤ In 2023

March 27: Announcement of Establishment of the Purpose, Vision and the 15th Medium-Term Management Plan*1

*1: Includes Human Resources Development Policy (toward the purpose)

June 09: Recommendation for administrative actions

June 23: Receiving Business Improvement Order

July 24: Submission of Business Improvement Plan

August 31: Publication of improvement and recurrence prevention measures

October 16: Announcement of the progress of improvement and recurrence prevention measures (based on September 30)

October 31: Customer-Oriented Business Management (Fiduciary Duty) Policy Announced*2

*2: Includes Three Pledges (Action principles for the achievement of the Purpose and the implementation of fiduciary duty)

➤ In 2024

January 15: Announcement of progress of improvement and recurrence prevention measures (based on December 31)

April 15: Announcement of progress of improvement and recurrence prevention measures (based on March 31)

April 24: Chiba Bank IRDay (Business Improvement Plan / Governance)

Why does the Bank Group exist in society?

Purpose

What position should we aim for?

Vision

What initiatives should we pursue in the mid-term?

Strategy for achieving our Purpose and Vision

Medium-term management plan

Universal

Flexible

For Our Customers

For Investors (for Shareholders)

For the benefit of Employees (for Colleagues)

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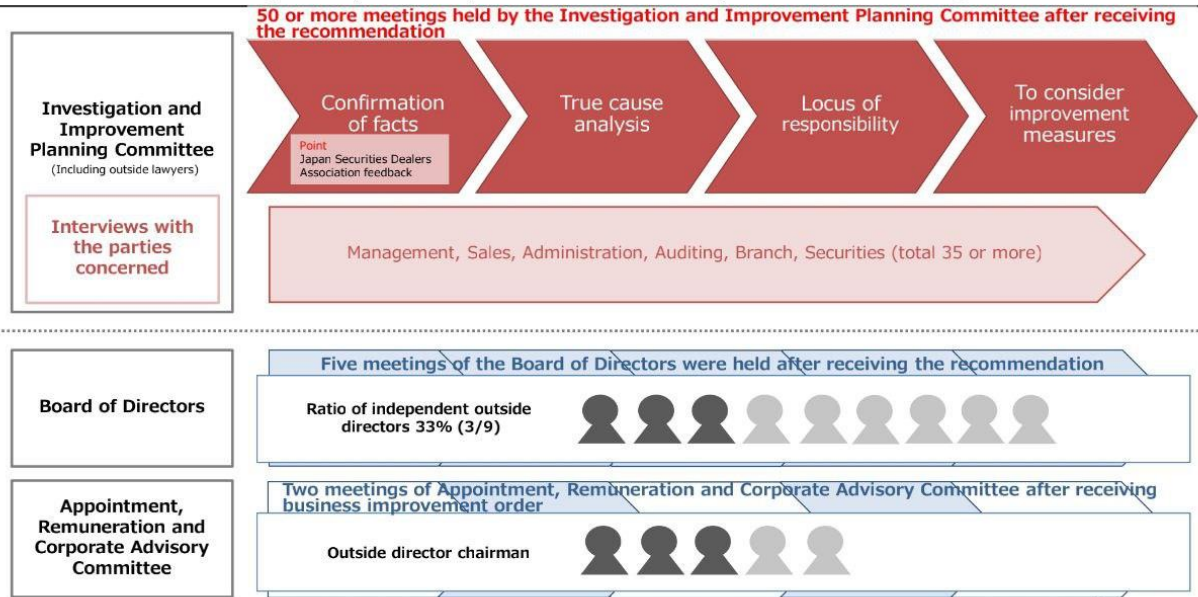
First, let me explain the timeline of facts. In formulating our medium-term management plan, which began in April 2023, we have considered what our day-to-day activities produce and what we should be to those who interact with the Chiba Bank Group and have established our Purpose and Vision for the Group.

Subsequently, in June 2023, the Bank was issued with the business improvement order as an administrative action related for situations where a problem related to the investors' protection was recognized in connection with the Bank's financial instruments intermediary business related to the solicitation and sales of structured bonds. In addition, Chibagin Securities was issued with the business improvement order as an administrative action regarding business operations that violate the suitability principle for solicitation and sale of structured bonds.

In response to those administrative actions, we held numerous discussions over a period of approximately two months and formulated the business improvement plan. This point will be explained on the next page.

After the business improvement plan is formulated, CxOs in charge of each improvement measure report on the progress of the plan at the monthly management meeting. In addition, we report progress to the Kanto Local Finance Bureau every three months based on the resolution by the Board of Directors, and the progress is also announced on our website.

Details of the business improvement plan and the disposition are decided based on the opinions of outside directors through close discussions.



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Outside Director

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This section describes the formulation of the business improvement plan. Immediately after receiving the recommendation for administrative actions, we established an Investigation and Improvement Planning Committee with outside attorneys as members, as described in the upper left-hand column, and began to ascertain the facts.

Specifically, we have examined all relevant documents of past meetings of the Board, management meetings, committee minutes, and other related meetings, conducted interviews with more than 35 persons involved, analyzed the true causes, verified where responsibility lies, and examined improvement measures.

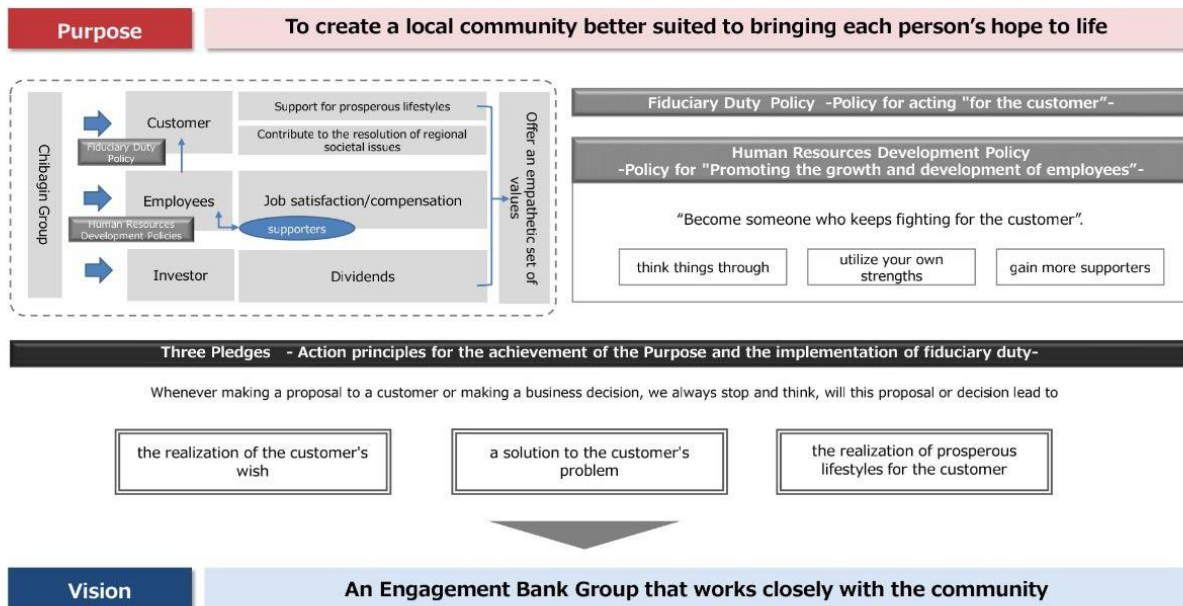
The committee meetings were held almost daily, more than 50 times in total, for thorough verification and discussion. As a result of such fact-finding process, it was found that the failure to take appropriate action when feedback was received from the Japan Securities Dealers Association or JSDA was a major factor that delayed the response to the problem.

Dispositions are determined by an approach that focuses on the disposition of the parties involved with the feedback. In deciding on the disposition, the Appointment, Remuneration and Corporate Advisory Committee, chaired by an outside director and majority of which are outside directors, and the Board held discussions and made a decision based on discussions at the Investigation and Improvement Planning Committee, which resulted in the announcement of the disposition at the end of August 2023.

From the receipt of the recommendation for administrative actions to the end of August, when the disposition was announced, the Board met five times and the Appointment, Remuneration and Corporate Advisory Committee held two discussions, as well as individual meetings with outside directors, in order to decide details of the business improvement plan and the disposition.

Establishment of the Purpose and Vision

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



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Once again, our raison d'être, the purpose, is "to create a community better suited to bringing each person's hope to life." In order to continue to demonstrate to society the significance of our existence, we have established the vision "An Engagement Bank Group that works closely with the community," which is the image we aim to achieve.

To achieve the Purpose and Vision, we have established the Fiduciary Duty or FD Policy shown above right as our policy for acting on behalf of our customers. In addition, we have a Human Resources Development Policy to promote the growth and development of our staff in order to realize our purpose.

In addition, in order to ensure that the Purpose and Vision are firmly established and permeate the organization, we have established the three pledges listed in the middle column as principles of conduct. The three pledges are to always stop and think, whenever making a proposal to a customer or making a business decision, whether this proposal or decision will lead to the realization of the customer's wish, whether this proposal or decision will solve the customer's problem, and whether this proposal or decision will lead to the realization of prosperous lifestyles for the customer.

We will strive to regain the trust of our customers and all other stakeholders by ensuring that this is the standard of conduct for all executives and employees, and that they put this standard into practice in every aspect of their work, thereby realizing the Purpose and Vision.

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



We have analyzed the three major causes of problems.

The first is the issue of incentive mechanisms in the operational management system described in the upper left-hand corner. The performance evaluation system adopted to strengthen cooperation between the Bank and the securities company resulted in a performance award system in which referral-based intermediaries were evaluated higher relative to their business volume, with a lighter administrative burden compared to mutual funds and insurance.

At the same time, for sales representatives of Chibagin Securities, receiving referrals through referral-based intermediaries was an effective means of acquiring new clients. As a result, sales representatives of both the Bank and Chibagin Securities had an incentive to actively engage in referral-based intermediaries, and sales of structured bonds through referral-based intermediaries were easily favored.

The second is the issue of the internal management system described in the middle left-hand column. It is a matter of mechanism. In the sales branches and sales departments, known as the first line, the pressure to have their earnings-related evaluations affect performance awards and personnel evaluations has motivated them to sell structured bonds. Pro forma checks by internal control managers and others also created opportunities for problems to arise.

Furthermore, the fact that there was an atmosphere in the sales field in which employees were evaluated as long as they achieved profitability, and the bad feeling of security that Chibagin Securities was ultimately accountable for the sales, justified the structured bond inducement.

In the second line, the administrative section, the check-and-balance function was not fully exercised due to problems with the organizational structure and other factors. The audit department, the third line, was also dysfunctional due to insufficient risk detection capabilities and analytical insight into detected risks and was unable to take appropriate action.

The third issue is in the business management system in the lower left-hand column. First, there were problems with group governance, such as understanding the current status of group companies. Second, management did not adequately address problems in operational management and internal management

systems. Third, we believe that there were also problems with the organizational culture within the Group, such as prioritizing sales promotion over complaint handling.

To address these issues, we are first and foremost working to ensure that the Purpose and Vision are thoroughly understood and implemented, and then we are strengthening our operational management, internal management, and business management systems.

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	Implementation*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 FY2023	●	●
Linking performance reviews to human resource development policies	April 2024	●	●

② Establishment of the operational management system	Implementation timing	Implementation*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	●	

③ Strengthening internal control system	Implementation timing	Implementation*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 2nd 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	Implementation*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	●	

*1 Including ongoing measures after implementation [All 57 measures (major measures are listed on this page)]
 *2 Addition from business improvement plan originally submitted [Nine additional initiatives (based on awareness)]
 *3 The measures that have not yet been implemented are highlighted [Three measures not yet been implemented (ongoing)]

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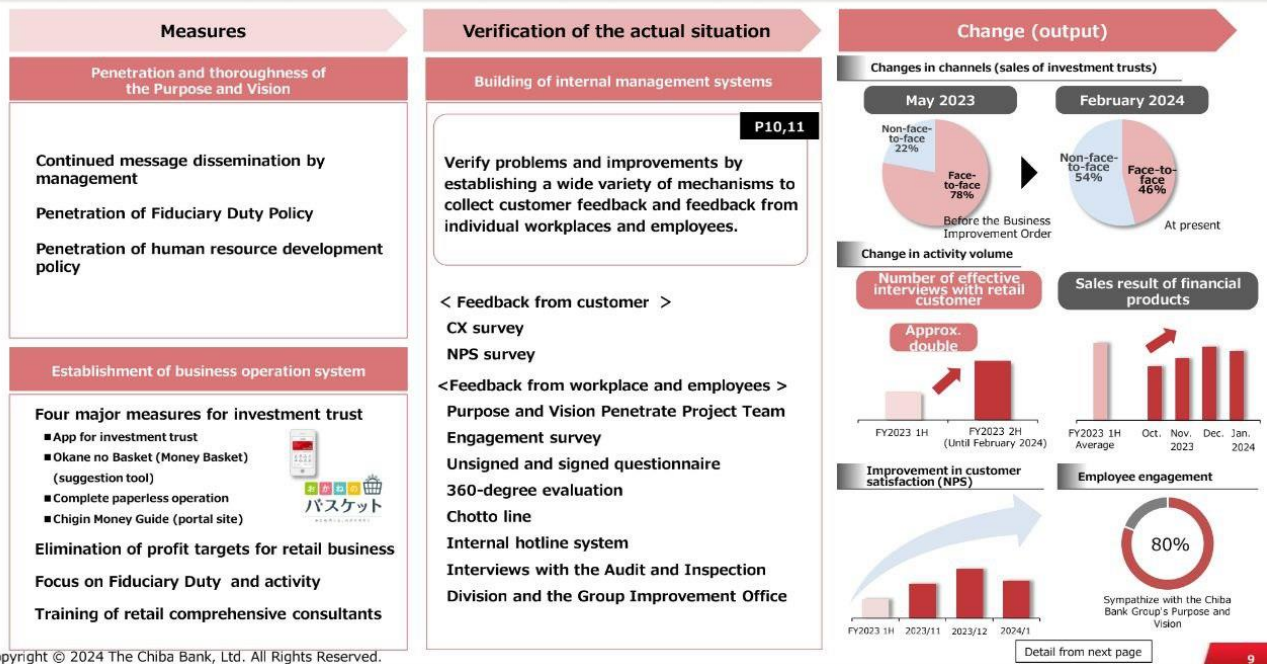
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Here is a list of key measures. We are steadily advancing individual measures for the four initiatives I have explained. There are a total of 57 measures broadly divided, and this list describes the major measures among them.

Of the measures listed, the three measures shaded in the table are those that have not yet been implemented due to system development and other reasons.

The other items have already been implemented and will be brushed up as we continue to implement them.

To date, we have added nine measures to the originally submitted improvement plan based on the insights gained in the course of implementing measures based on the improvement plan. In particular, many new initiatives are being implemented, with the most important being the penetration and thoroughness of Purpose and Vision.

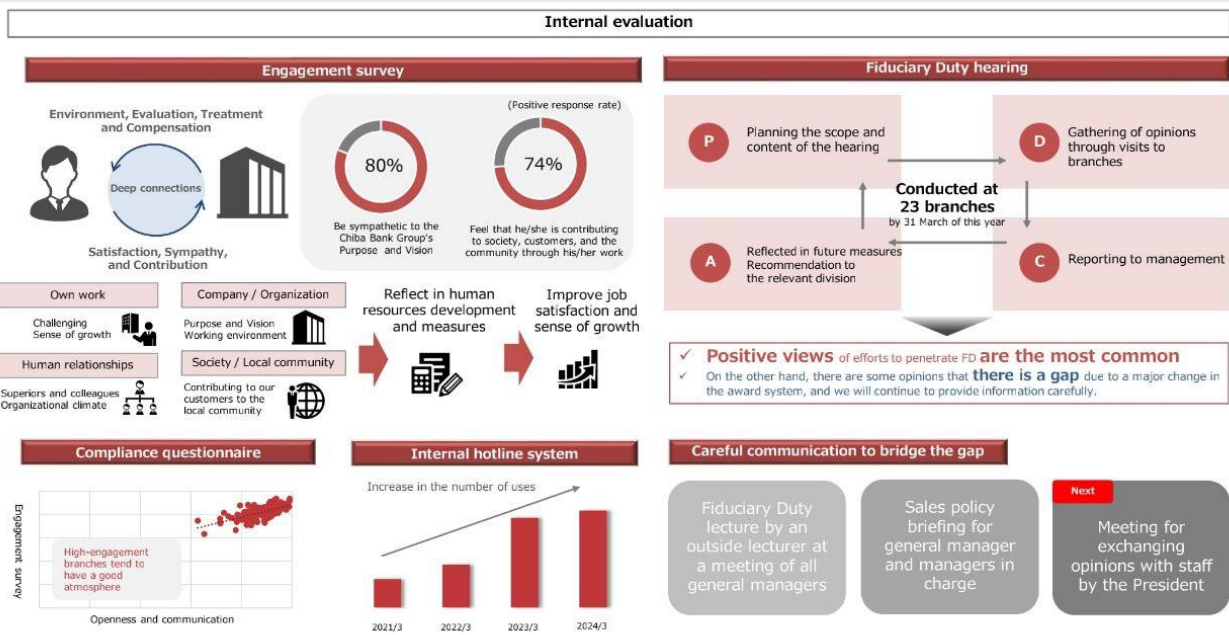


As a result of the promotion of various measures, the changes listed on the far right have occurred as output. As for changes in channels on the upper right, the release of the app for investment trust, which had been under consideration for some time, resulted in an increase in non-personal sales from 22% to 54%.

As noted in the middle right-hand column, the change to activity targets has led to a nearly doubling of the number of interviews, which is gradually but firmly linked to sales performance. We believe that the way business is done is steadily changing in a tangible way.

In addition, as noted in the lower right-hand corner, customer satisfaction has increased in the monthly NPS survey, and the Purpose and Vision have been permeated in employee engagement as well.

Although positive changes have been seen in the output, we believe that it is very important to take firm steps to verify the actual situation as described in the center of the report.



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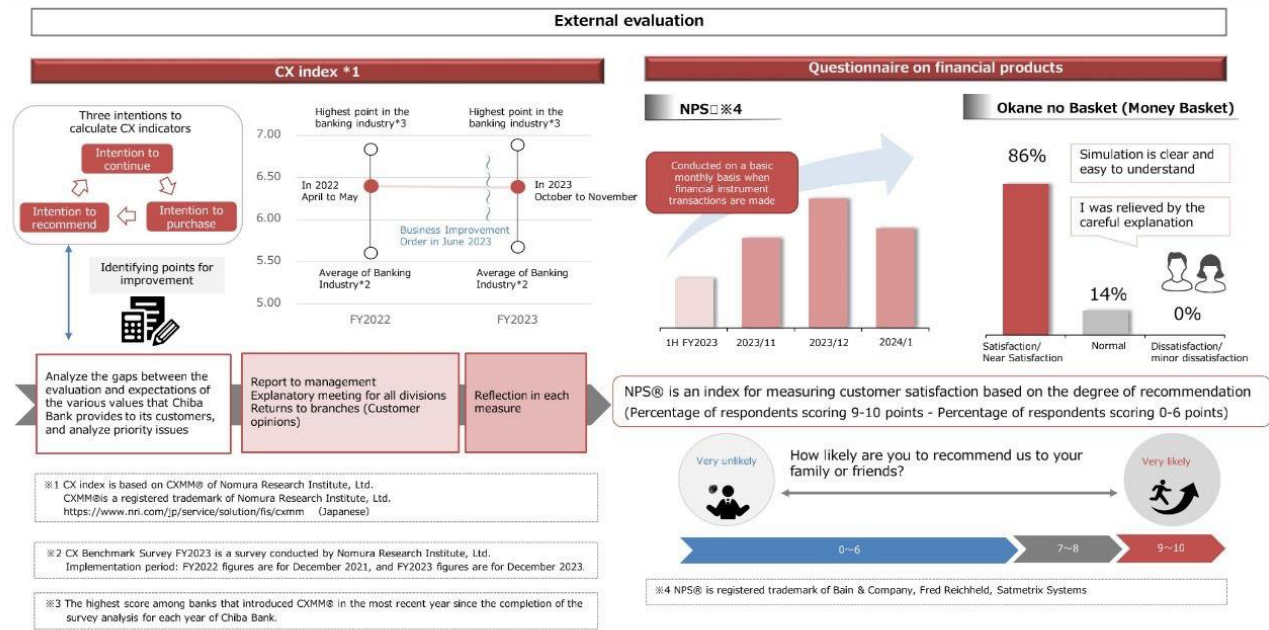
Regarding the understanding of the actual situation, we are proceeding with both internal and external evaluations. First, let me talk about internal evaluations. As part of our efforts, we are working to gather feedback from employees and workplaces through the engagement survey (top left), compliance questionnaire (bottom left), and internal hotline system.

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.

In addition to surveys and questionnaires, we also collect direct on-site opinions through FD on-site hearings by the second line, as described above right, and the Purpose and Vision penetrate project team, which also includes outside participants.

Such opinion gathering highlighted the issue that some staff members felt there was a gap in the award system, for example, because of the change in the award system. Believing that more careful dissemination was needed to fill this gap, we conducted a lecture on FD by an outside lecturer to branch managers, who are the key to penetration in the field. In addition, sales policy briefings are held for sales branch managers and staff in charge.

In addition, I have initiated new meetings to exchange opinions with staff members and am continuously conveying my thoughts in my own words.



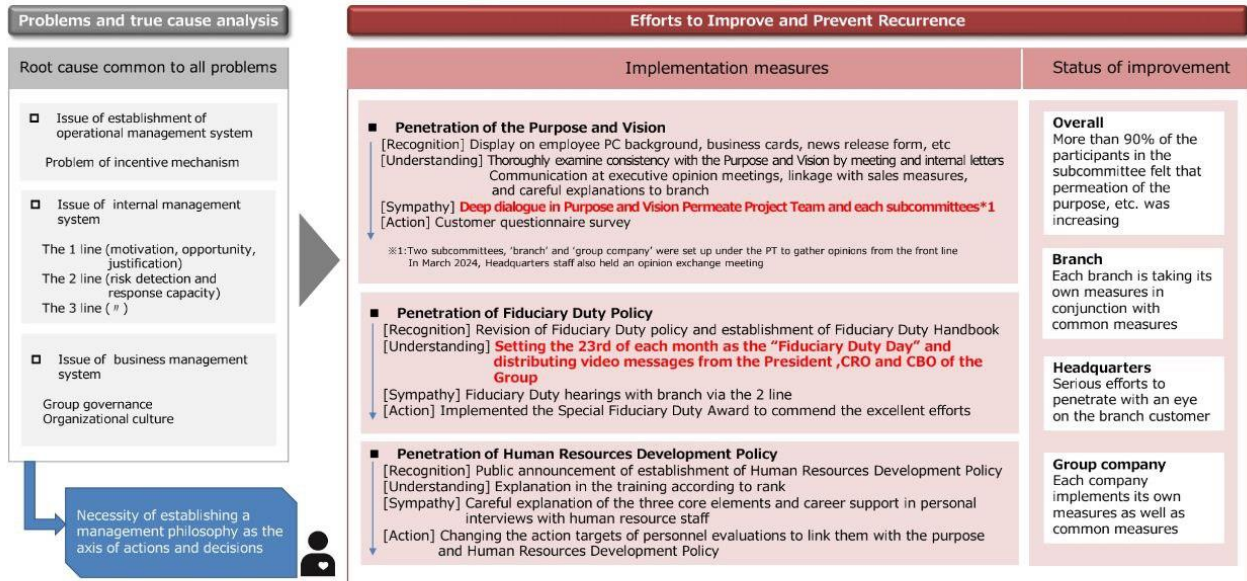
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Next, I will discuss external evaluation. The CX indicator in the upper left corner is a system for quantitatively measuring customer CX and is positioned as the most important indicator for verifying whether the number of fans of the Bank is increasing.

In surveying CX indicators, the Bank also analyzes issues that need to be prioritized by understanding the difference between evaluations and expectations with respect to the various values the Bank provides to its customers. The results of this analysis and the customer feedback received in the survey will be firmly reflected in each of our measures.

The NPS shown on the right side is conducted monthly for customers who made financial product transactions and is improving. We also received many positive comments in the survey about the Okane no Basket or Money Basket, which we will discuss later.

In addition to the above, the Customer Support Monitoring Office, newly established on the second line, plays a central role in collecting and analyzing customer feedback, in addition to direct interviews with customers by headquarters staff. We regard customer feedback as a valuable source of information for the Bank's growth, and we will analyze the true causes of complaints, requests, and inquiries based on a thorough analysis, and apply the results to improvements.



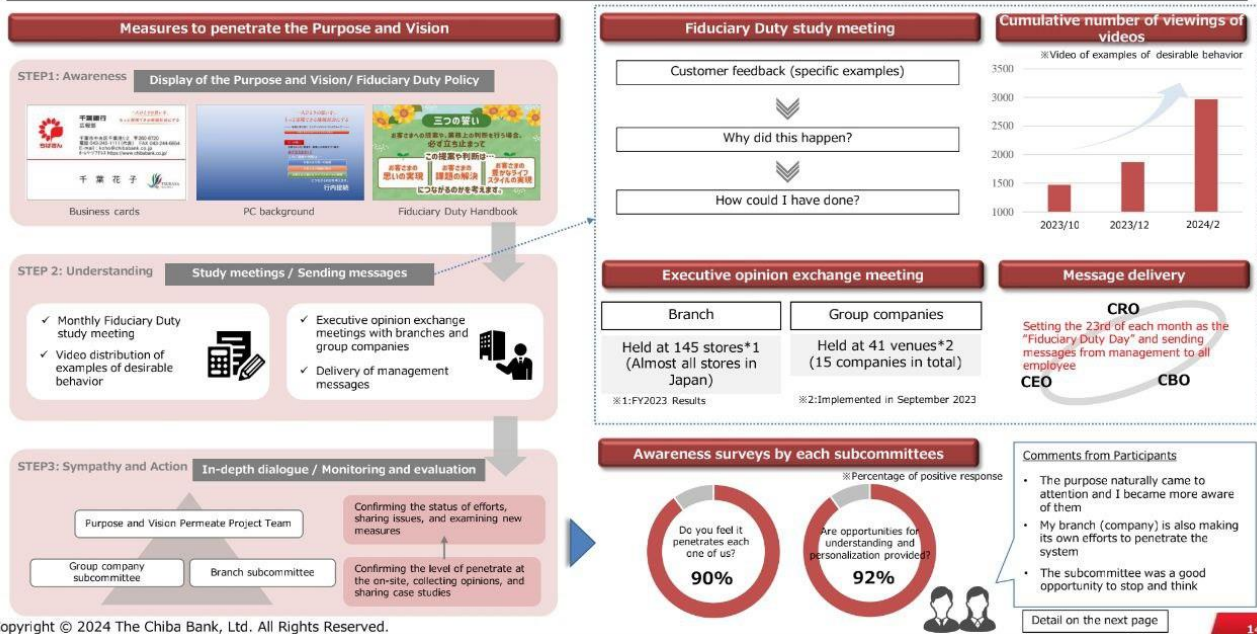
From here, I will explain in more detail the four initiatives for improvement and prevention of recurrence.

The first point is the penetration of the Purpose and Vision. Once again, we see this as the most important initiative common to all issues. We are working in unison across the organization to permeate each of the Purpose and Vision, FD Policy, and Human Resources Development Policy.

Measures in Accordance with the Penetration Process

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

Continuously and repeatedly implementing measures in accordance with the penetration process



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In the activities of the Purpose and Vision penetrate project team, which was newly established last December and in which outside participants also participate, we organized that the process of penetration of Purpose and Vision involves the processes of awareness, understanding, and sympathy and spontaneous action.

For the first process, awareness, we are working to spread the Purpose and Vision by displaying it on business cards, internal notices, and PC screens so that executives and employees can see it at all times, as shown in the upper left-hand corner of the page.

In addition, we published our revised FD Policy last October and established a new FD Handbook for internal use at the Bank. The FD Handbook includes the basic customer-oriented stance and approach that applies to all operations, the spirit of bad-news-first in internal reporting, and the three pledges I mentioned earlier. We distribute the handbook to all employees and read them together on a daily basis as a bible to ensure that they always keep the three pledges in mind.

For the second process, understanding, we hold monthly FD study sessions as described in the center, and we are continuously working on specific examples of customer complaints received on our website and having all staff think about why this happened and what we should have done about it.

In addition, as noted in the upper right corner, we are recommending that staff, including headquarters staff, view a video that clearly outlines examples of desirable behavior at sales branches, divided into OK and NG, and about three-quarters of the staff have already viewed the video.

In addition, as shown in the middle row, the Bank's officers regularly hold meetings to exchange opinions with sales branches and group companies. The Bank strives to instill a sense of unity and awareness of reform in all employees, including those at group companies, by directly communicating the Bank Group's goals to all employees and directly answering employees' questions and concerns.

In addition, the Group CEO, CRO, and CBO continue to distribute messages to all Group employees on the 23rd of each month as FD Day.

For the third, sympathy and action, the Purpose and Vision penetrate project team is playing a central role in cross-organizational and unified efforts. The opinions of staff obtained from in-depth dialogue through the two subcommittees of the Penetrate PT and other groups, various surveys and questionnaires within the Bank, and external opinions such as CX surveys and NPS questionnaires will be collected by the PT. We will then evaluate and reflect on existing efforts and consider new measures, thereby ensuring that the PDCA cycle functions properly.

Major opinions gathered through the activities of Purpose and Vision Permeate Project Team

Branch 	Appointments and interviews are also valued, so even if you don't earn revenue, you feel like your activities are recognized	Headquarters 	Recognizing that the branch is the customer for the headquarters, I have the impression that I myself sympathize with the purpose etc. and many of my colleagues also sympathize with them
	I think that the customer's satisfaction is increasing due to the fact that the explanation of commissions, etc. is more careful than before		The general manager's routinely communicates about the Purpose etc. so that employees can see it as their own personal matter
	More than ever, we are able to make proposals tailored to customers after talking with them	Group companies 	Lack of customer contact and lack of awareness or confidence on the part of some staff members
	I feel that the communication from the Headquarters is too strong and is said to be "unsuccessful," and I want you to trust more people in the field		Good impact on work by the establishment of "Purpose" and "Three Pledges"
	There is a gap from the past, and the Fiduciary Duty is becoming an excuse for not achieving the goal		We have been conscious of Fiduciary Duty for a long time, and there is a feeling that some measures are not new

Changes in Action Targets in Personnel Evaluation



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Here are a few more details for Sympathy and Action.

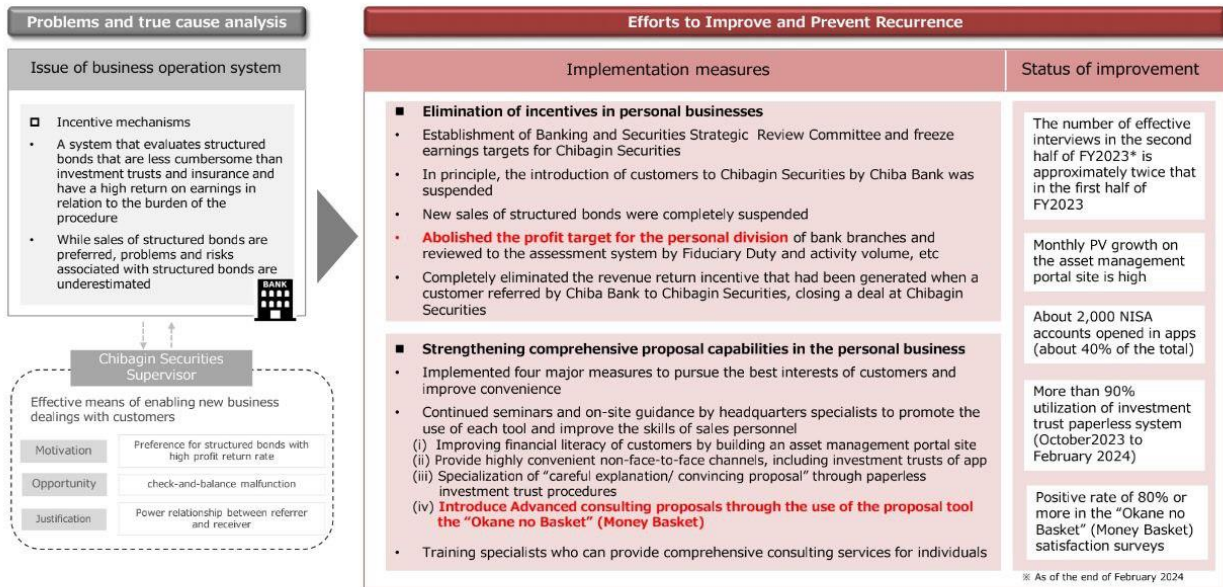
The top row shows the main opinions collected from staff at branches, headquarters, and group companies through the activities of the Purpose and Vision Penetrate Project Team and other means. There were many comments from the sales branches, headquarters, and group companies that they are all thinking about the issue, understanding it as their own, and putting it into practice, indicating that the concept has penetrated at a certain level.

On the other hand, we recognize that the challenges have become more apparent because a certain level of penetration has been achieved. For example, sales branches commented that they felt as if they were being told that they were not acting in accordance with the purpose in the field because the transmission from headquarters was too strong, and that they in the field want to be more trusted.

From this opinion, we recognized once again that fostering a sense that the Group is united in putting customers first must start from the inside. Just as we have changed the term "grievance handling" to "grievance response" in the past, we have immediately begun to change, even if only gradually, the way we express messages from our headquarters.

As described in the lower part, the personnel evaluation has not been directly linked to the Human Resources Development Policy. However, in order to make the evaluation system more conducive to motivating employees appropriately, we have completely revised the behavioral evaluation items in the personnel evaluation in accordance with the Human Resources Development Policy since April of this year. In addition, we have incorporated elements of FD into both personnel evaluations and bonus assessments.

Although it is expected that it will take time to permeate and thoroughly implement the Purpose and Vision, a culture change, and it may be difficult to see results, we will continue to work steadily to make it take root in the Group.



I will now explain the second initiative, the establishment of the business operation system. We recognize that the problem with the business operation system was a problem with the so-called incentive mechanism.

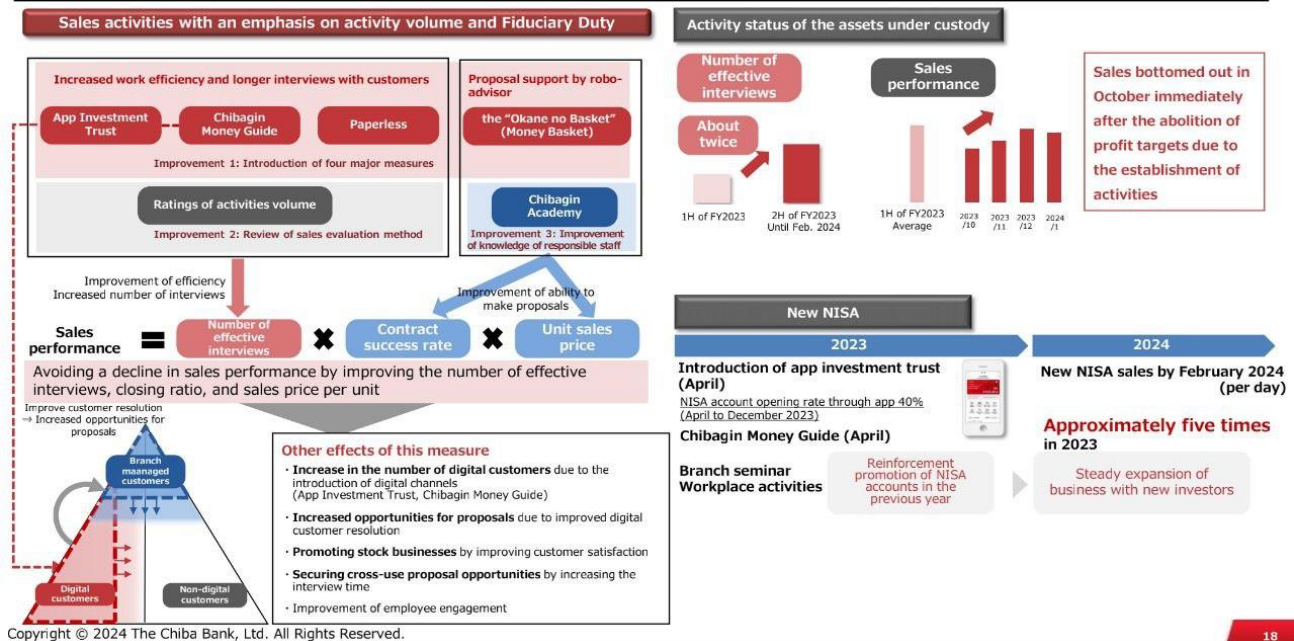
There are two main measures for improvement and prevention of recurrence. First, we completely eliminated incentives related to customer referrals to Chibagin Securities, as well as eliminated profit targets for the personal division in the performance award system and eliminated incentives in the personal businesses.

We then proceeded to revise the evaluation system to place more emphasis on FD efforts to pursue the best interests of customers and the volume of activities such as interviewing customers.

Second, we have strengthened our ability to make comprehensive proposals in personal businesses. Specifically, in addition to strengthening our four major investment trust measures, we are also training specialists who can provide comprehensive consulting services to individuals.

Details are explained on the following pages and beyond.

Steady penetration of activities that pursue the best interests of customers



The four major investment trust measures are listed in the upper left corner. The first is to provide highly convenient non-personal channels, including app investment trusts. Second, we will improve customers' financial literacy by building an asset management portal site. Third is specializing in paperless, detailed explanations of investment trust procedures. The fourth is the introduction of advanced consulting proposals through the use of the Okane no Basket, a proposal tool.

In addition to the app investment trust, portal site, and paperless system, the number of effective interviews with customers will be improved by revamping to activity assessment. We will also improve our sales staff's ability to make proposals through portfolio proposals that meet customers' needs by Okane no Basket and through group training and video training by Chibagin Academy.

As a result, we hope to avoid any negative impact on sales performance due to the elimination of the individual profit target and conduct sustainable personal businesses.

Results from each of the measures are gradually beginning to be seen: The number of effective interviews has doubled from the previous fiscal year, and sales performance is on a recovery track after bottoming out in October immediately after the elimination of the individual profit target. In addition, we have been focusing on proposing the new NISA both face-to-face and non-face-to-face, and have been steadily expanding transactions with new customers, with the current amount of new NISA sales since the beginning of 2024 being approximately five times that of the previous year.

Portfolio proposals by the "Okane no Basket" (Money Basket) and support for asset formation

A After-sales service

- Alarms are displayed on CRM's MY page
- For the portfolio
 - Profit and loss alert
 - Allocation Variation alert
 - On the frequency of interviews
 - Regular interview alert
- ※ To delete an alarm, it is necessary to register in the exclusive negotiation history

P Plan making

- Automatic color coding of money Presentation of model by age
- All switching display for Chiba Bank only
- Propose optimal combinations from simulations linked from simple QA / data
- Sales materials are available in PDF Paperless

C Current status grasping

- Linkable transactions
 - Purchase and realize
 - Application for investment trust savings
- Linkage of brand, quantity, transfer month, and increase month

D Order linkage

Evaluations of the "Okane no Basket" (Money Basket)

Positive response rates in customer questionnaires

86%

Customer satisfaction surveys

※Survey of financial product sales destinations

Period	Response Rate
1H of FY2023	~75%
2023/11	~80%
2023/12	86%
2024/1	~85%

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The proposal tool, Okane no Basket, aims to contribute to clients' long-term stable asset formation and improvement of their profit/loss ratio by proposing portfolios based on their goals and risk tolerance for in-person clients.

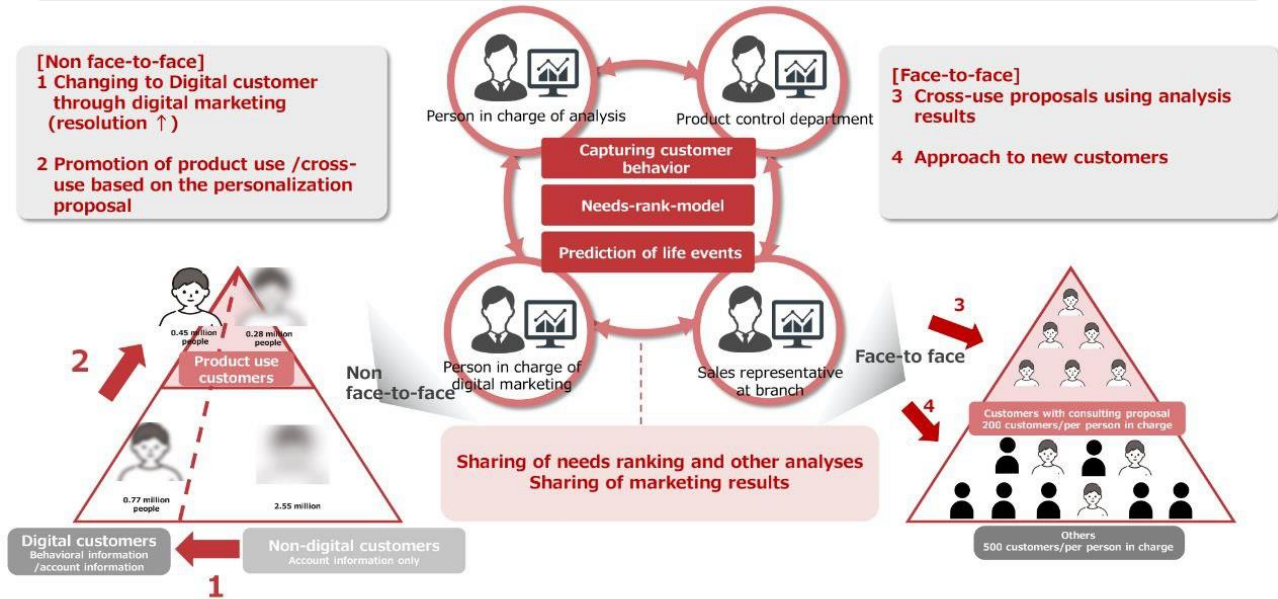
As shown in the middle right-hand side, a survey of customers who have used the service shows that 86% of the responses were positive, indicating that many customers are satisfied with the service.

Through these four major measures, we will continue to help our customers realize affluent lifestyles.

Reform of Individual Business Model (to be Aiming for by Utilizing Data)

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

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



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This page explains the goal of personal businesses through the use of data. This is our goal for digital marketing and data-driven sales activities.

Our DX strategy to date has resulted in an increase in touch points with customers and digital transactions, as shown in the pyramid on the left. From these, we feel that we are now able to accumulate more data. Until now, only simple attribute data could be obtained from account-holding customers, but as transactions through digital tools increase, it will become possible to accumulate information on customer behavior and other data.

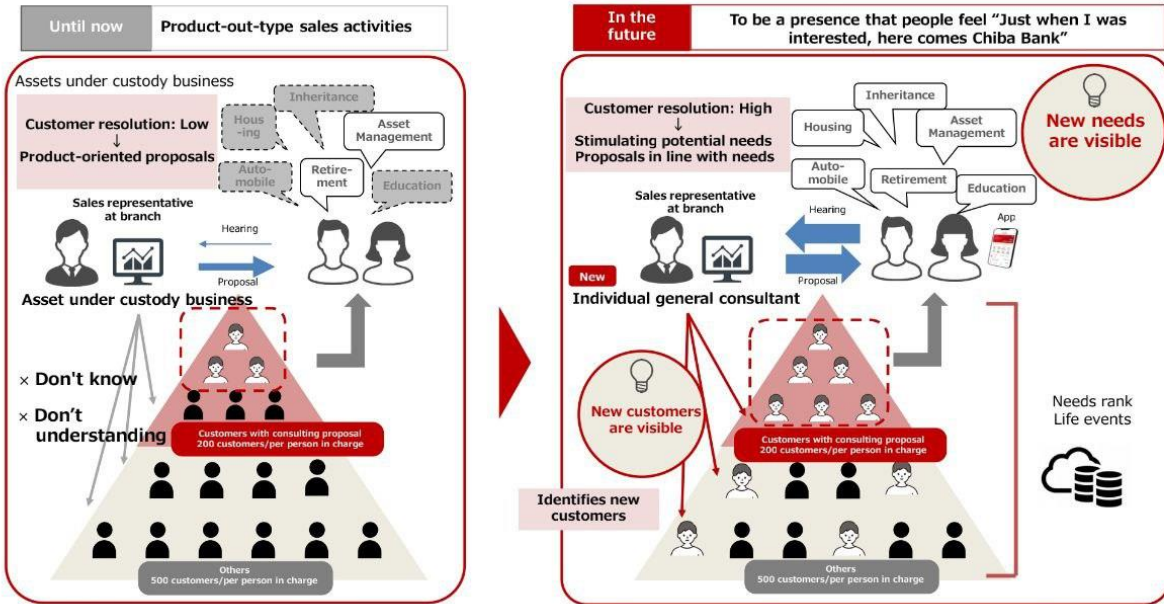
By analyzing this data, we are able to gain a clearer picture of our customers' lifestyles, interests, and concerns, and are increasing the resolution of our customers. Based on these, the headquarters will promote personalized digital marketing to account holders.

In addition, as shown in the pyramid on the right, we will return the results of this analysis to our sales branches to build a system that will enable them to make proposals to their customers at the appropriate time.

Reform of Personal Business Model (World of Realization at Branches)

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

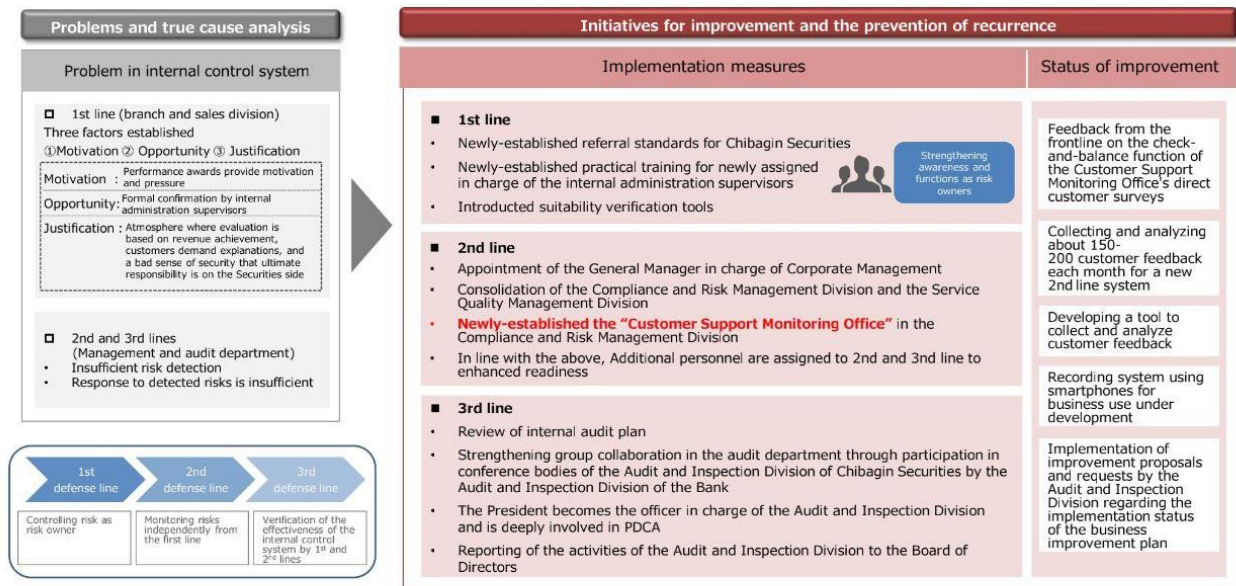
Digital Marketing enhances customer resolution, identifies potential needs, and identifies new customers



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This is a diagram that puts the shift to digital customers and the promotion of product use into concrete examples.



From this point forward, I will talk about strengthening our internal control system.

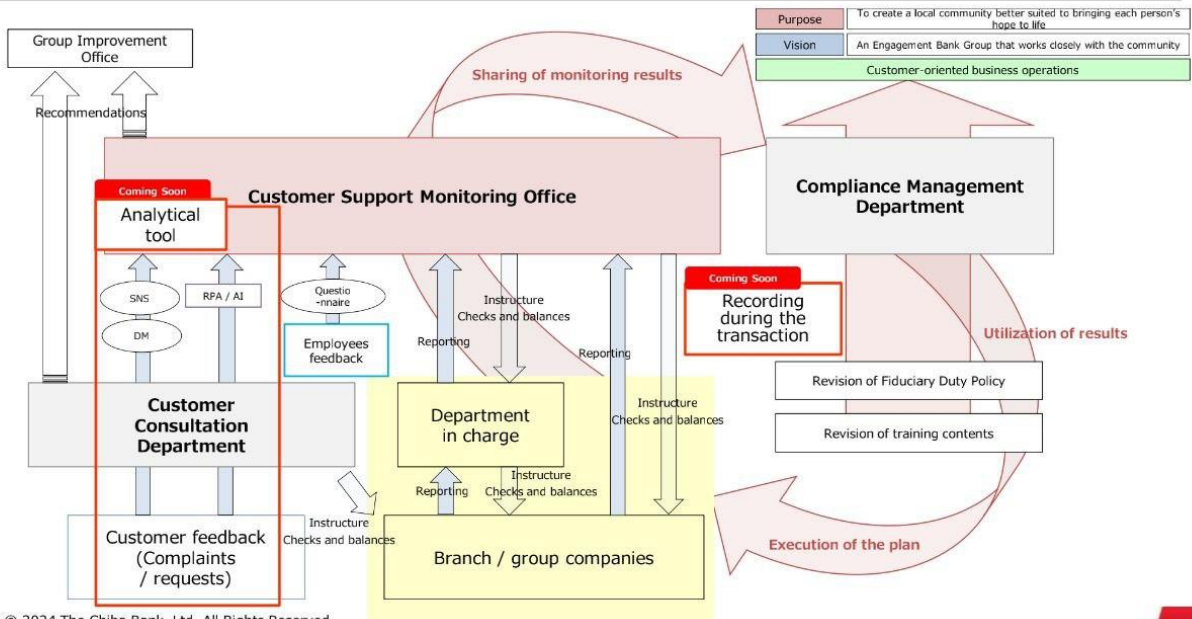
With regard to the internal control system, we recognize that there were problems in the first line, second line, and third line, respectively, as described to the left. In the first line, three elements were created: motivation, opportunity, and justification. The second and third lines had problems with risk detection and inadequate responses to detected risks.

As for improvement measures in the first line, we are firmly raising awareness as a risk owner by spreading the Purpose and Vision and FD mentioned earlier, and also strengthening functions such as training for internal control managers and introducing tools for conformity checks.

In the second line, a general manager in charge of corporate management, who has the same rank as the general manager of the sales division, has been appointed to strengthen the check-and-balance function and voice of the administration division. In addition, we will centrally manage customer feedback, including complaints, requests, inquiries, and survey results, in order to enhance the sophistication of our analysis. In addition, the Service Quality Management Division was integrated into the Compliance and Risk Management Division to strengthen the check-and-balance function for the first line, and the monitoring office was newly established in the same division to strengthen the monitoring function.

In the third line, I have become the director in charge of the Audit and Inspection Division and am fundamentally reviewing its activities, as well as strengthening support for the Audit and Inspection Division of Chibagin Securities.

Three groups within the Compliance and Risk Management Division work in unison to effect the 2nd line function



The functions of the second line are explained on this and subsequent pages. The Customer Support Monitoring Office, newly established in October last year, will play a central role in this effort, treating complaints as valuable customer feedback, taking them seriously, and faithfully applying them to improve management.

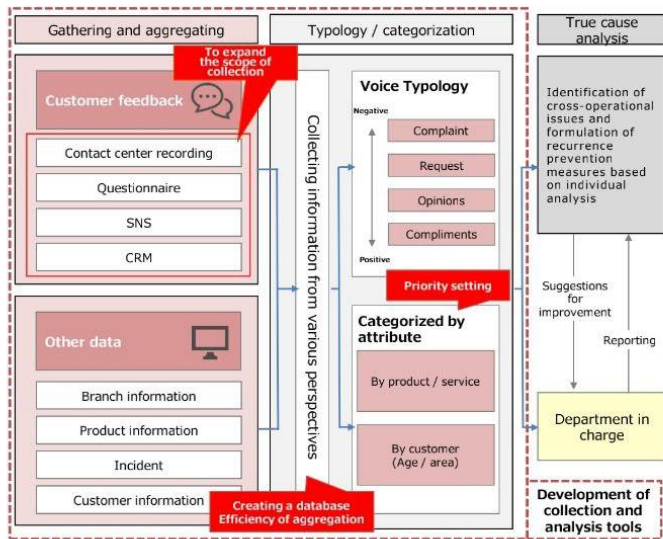
Specifically, complaints, requests, and inquiries to the Group from various angles are collected, compiled, analyzed for causes, reported to management through committees and management meetings, and discussed at board meetings for management improvement.

In the past, we have analyzed complaints to identify the causes of complaints and to improve our response. However, the improvements were only limited to measures that were attributable to individual cases.

Since the establishment of the monitoring office, we have been addressing and improving individual cases based on a composite view of the causes leading to complaints. Furthermore, we analyze the true cause of the problem, consider whether or not it is necessary to prevent recurrence across the business, and provide guidance on corrective measures and effective monitoring. In the future, we will improve the accuracy of analysis of customers' voices by introducing system tools and other measures.

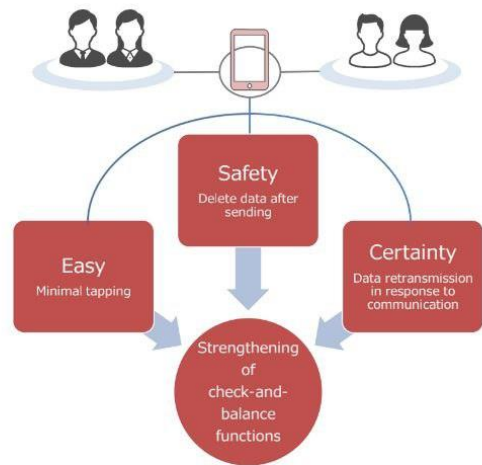
In addition to conventional monitoring, we are also promoting monitoring to directly confirm interactions with customers in order to increase effectiveness and checks and balances. In addition to conducting monthly NPS questionnaires to investment-type financial instruments clients, the monitoring office has started direct interviews with customers and trial recording monitoring during interviews with customers.

Tool for gathering and analyzing customer feedback



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Recording system using smartphones for business use



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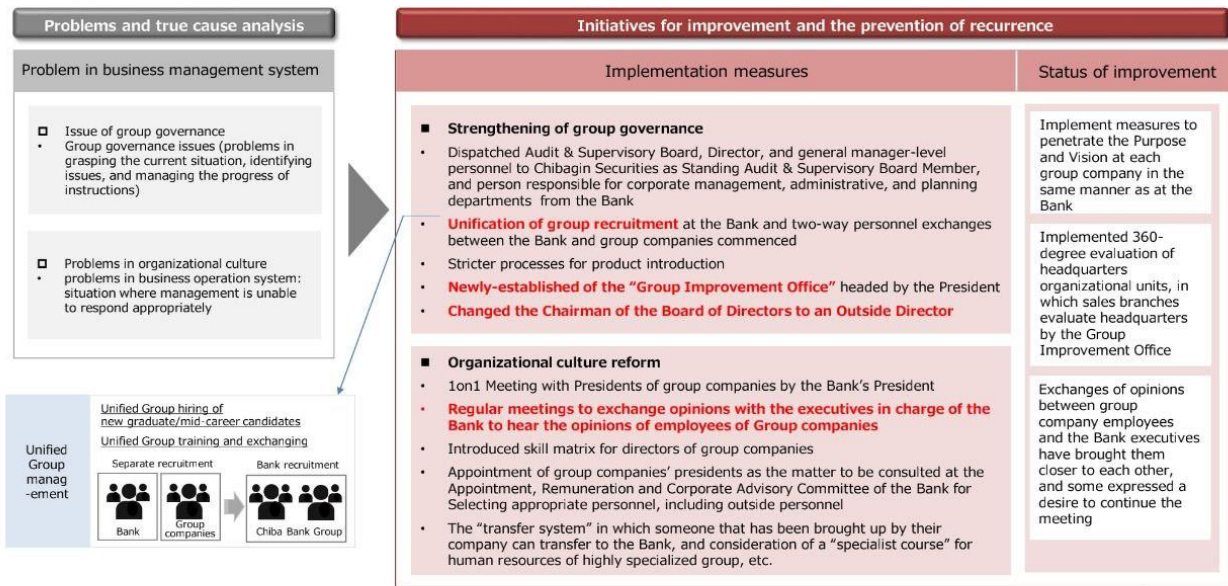
I will now explain the analytical tools and recording monitoring during transactions that we are currently working to implement.

The figure on the left is a tool for collecting and analyzing customer feedback that is being considered for implementation. Regarding customer feedback, complaints, requests, and inquiries received through all channels, including face-to-face, chatbot, and website, will be centrally managed by the monitoring office and compiled into a database, which will be used to improve operations and enhance monitoring.

Current collection and analysis methods include channels that are not fully collected due to inadequate systemization, and channels that do not collect the real voices of customers due to manual recording. With the introduction of a new collection and analysis tool, we aim to collect and centrally manage all customer feedback, enabling early detection and analysis of risks and seamless linkage to the competent departments, with the PDCA cycle running at a high speed.

As for the recording of transactions shown in the figure on the right, we are experimentally recording customer interviews at the time of sales of financial products using business-use smartphones at three branches as a more effective monitoring method to prevent fraud and checks and balances against FD. Interviews will be conducted with sales branches regarding the challenges of actually conducting recordings for customers, and the development of such recordings for all branches will be considered in the future.

Since actual customer responses can be checked through recordings, we believe we can conduct more effective CRM monitoring than we have been able to do so far.



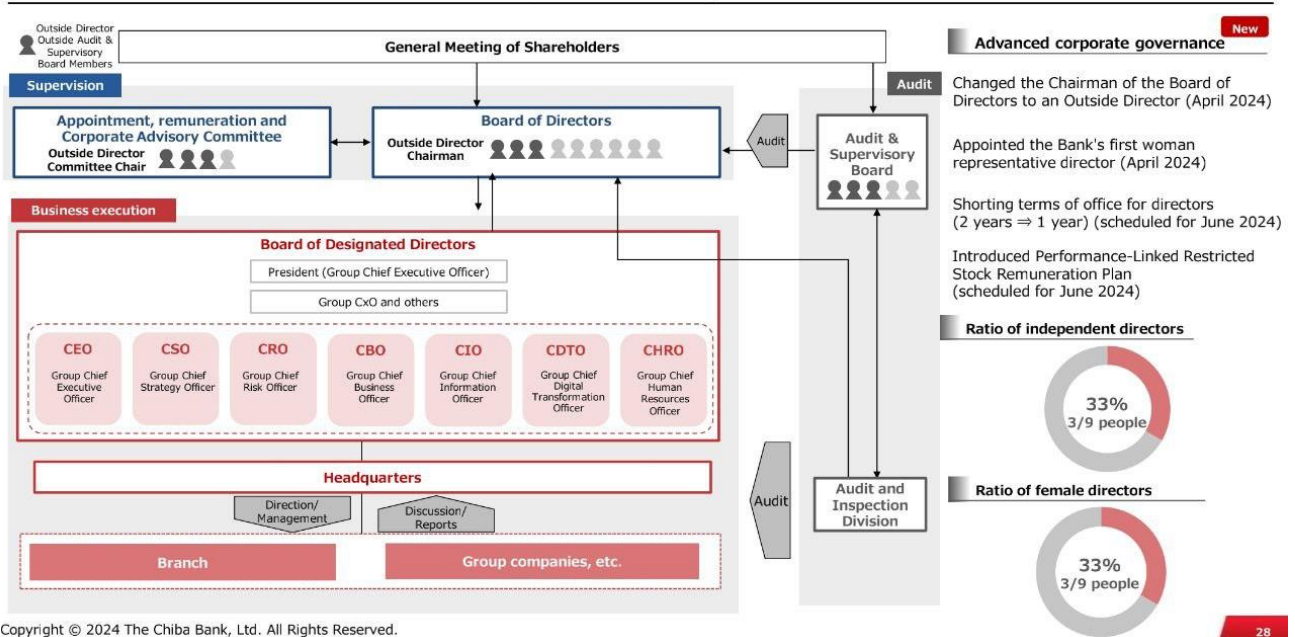
From this point forward, I will talk about the strengthening of business management system.

We believe that there were two problems with the business management system. The first is the issue of group governance. We believe that there were problems with group governance, including problems in understanding the current situation, identifying issues, and managing the progress of instructions, which resulted in delays in responding to the problems identified in the recent business improvement order.

The second issue is organizational culture. We believe that there were problems in the organizational culture, such as a lack of awareness that complaints are valuable customer feedback, which should be taken seriously and utilized to improve management.

Efforts for improvement and prevention of recurrence include integrated group management of human resources and the establishment of a new Group Improvement Office.

Strengthen efforts to enhance governance



I would now like to explain the advancement of our governance structure. In addition to the Bank's governance structure chart, as a new initiative, the Chairman of the Board was changed from the Chairman of the Board to Director Takayama, an outside director, as shown in the upper right corner.

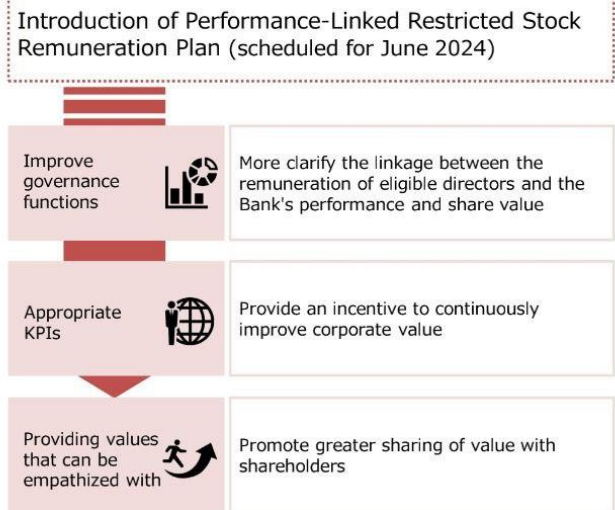
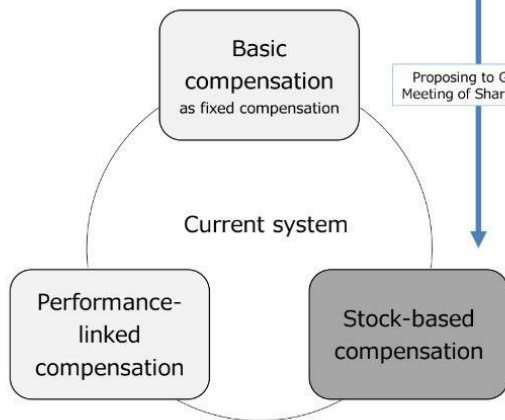
We will further strengthen our management oversight function to improve our ability to respond to a rapidly changing environment. We also believe that further stimulating discussion will be facilitated and encouraged by the Chairperson of the Board to speak, which will promote discussion from more diverse perspectives than ever before. In addition, we believe that having an outside director as chairman will enable more objective management of the Board, including the selection of proposals.

In addition, the Bank has appointed its first female representative director, and plans to propose a reduction in the term of office of directors from two years to one year at the annual general meeting of shareholders scheduled to be held in June.

In addition, the introduction of a performance-linked restricted stock compensation plan will be proposed at the meeting.

Agenda will be proposed to the 118th Ordinary General Meeting of Shareholders scheduled for June this year

Reviewed the remuneration system for directors



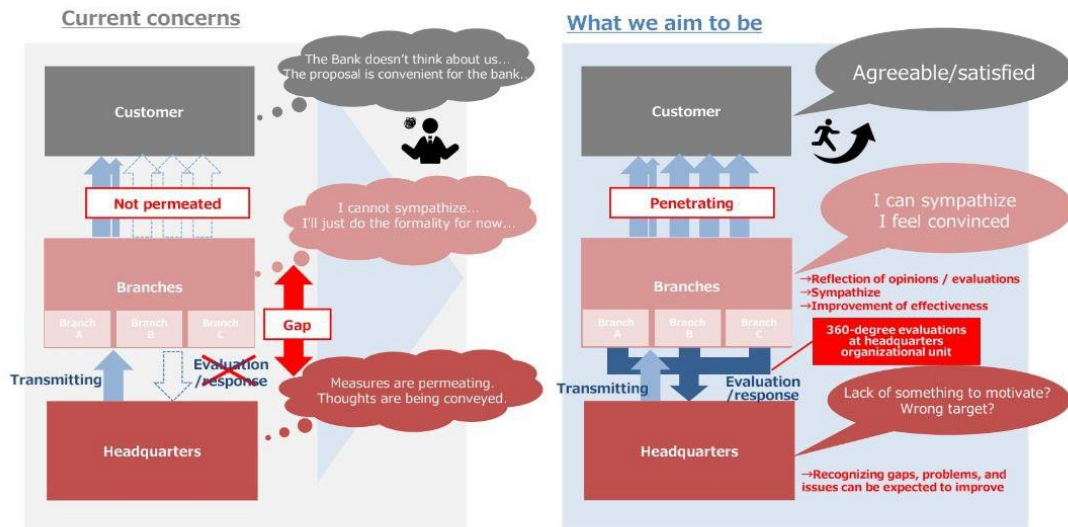
As previously announced in a press release, at a meeting of the Board held on March 22, 2024, the Board reviewed the executive compensation system, discussed and resolved to introduce a performance-linked restricted stock compensation plan, and decided to submit a proposal regarding this plan to the general meeting of shareholders scheduled to be held in June 2024.

In order to provide an incentive to sustainably increase corporate value, the Bank is considering the establishment of appropriate KPIs.

As a mid-term performance link, we are considering KPI items such as consolidated ROE for financial items, CX indexes for customer engagement for non-financial items, the percentage of positive responses in the engagement survey, the ratio of women in leadership positions and above, and progress in carbon neutrality.

More reliably execute customer-oriented business operations by closing the gap between headquarters and branches

Example: Implementation of 360-degree evaluations at headquarters organizational unit



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In light of the problem of management’s inability to properly understand the current situation, including that of group companies, the Group Improvement Office was newly established as an organization that reports directly to top management, and through direct interviews with headquarters, sales branches, group companies, customers, and others, accurately understands the actual situation on the ground and proposes measures for improvement.

The 360-degree evaluation of the headquarters organizational unit described is an example of this activity. This 360-degree evaluation at headquarters is a survey of sales branch staff regarding their evaluations and reactions to each of the headquarters’ divisions. The unsigned questionnaire provided many candid opinions, and by disclosing the survey results to all officers and employees, it provided a good opportunity to learn how the head office is viewed by the sales branches.

In response to the survey, the Group Improvement Office conducted hearings with each division of the head office and is already working to improve those divisions and offices that have problems in dealing with sales branches and those that can respond quickly.

In addition, we are implementing cross-departmental improvement activities based on shared recognition of issues that require a certain amount of time to resolve, such as proposals for operations and products, and the way personnel should be allocated.

List of Major Measures (Chigin Securities)

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	Implementation* 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	●	
Discussions at the Group Company Subcommittee under the project team	December 2023	●	●
On the 23rd of every month, distributed video messages by Directors	December 2023	●	

2 Strengthening the Business Management System	Implementation timing	Implementation* 1	Add* 2
Dispatch of Auditor, Directors and general managers from the Bank to the Securities	April 2023	●	
Chiba Bank's outside directors delivered a lecture to the Securities executive officers	November 2023	●	
Introduction of the assessment of effectiveness of the Board of Directors using external institution	January 2024	●	
Transition to a three-headquarters structure for the Corporate Management Division, Business Support Division, and Advisor Support Division	April 2023	●	
Introduced the "Headquarters Evaluation System" to strengthen the system for management to provide appropriate instructions	October 2023	●	
Established "Business Process Reform Project Team" to review administrative procedures at branches and headquarters	November 2023	●	●
Implemented NPS® survey to measure customer loyalty	December 2023	●	●
Began interviewing all employees by Chiba Bank's Human Resource Development Division	February 2024	●	●

*1 Including ongoing measures after implementation

[Total 46 measures (this page lists the major measures)]

*2 Added from the business improvement plan originally submitted

[Additional 6 measures (Based on awareness)]

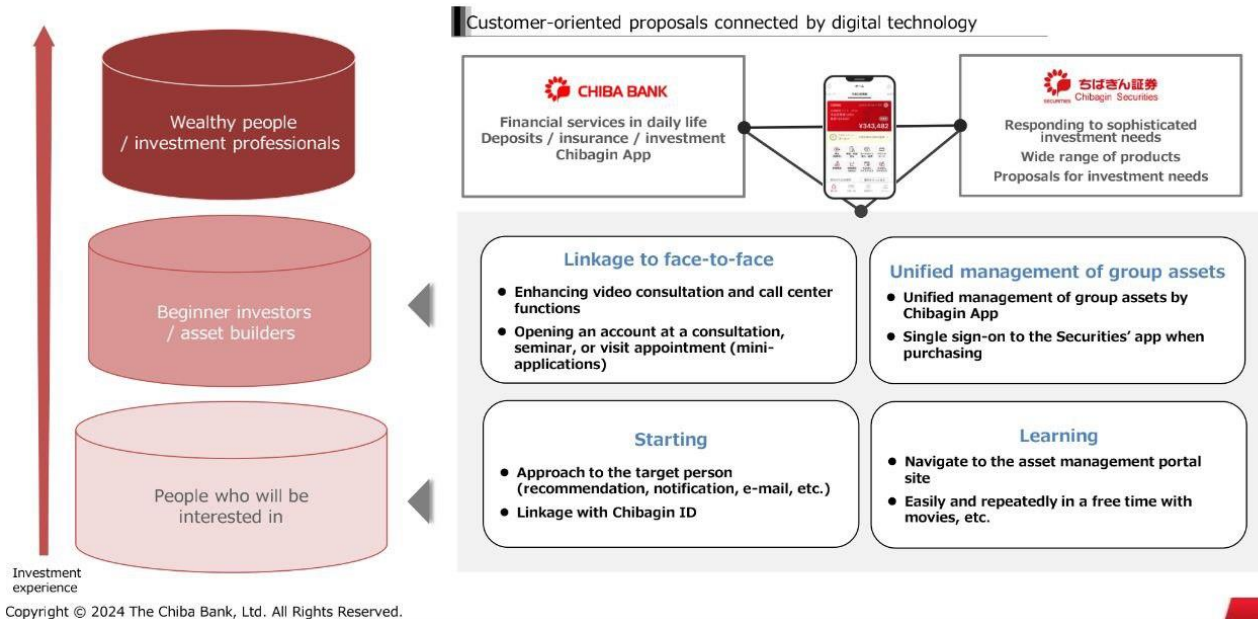
3 Establishment of Business Operation system	Implementation timing	Implementation* 1	Add* 2
Introduced interview sheets	April 2023	●	
Newly-established criteria for referral from Chiba Bank to Chigin Securities	April 2023	●	
Revised Internal Control Manual for Branches	March 2024	●	
Approval by Chiba Bank's "Banking and Securities Strategic Review Committee" and "Investment-Type Financial Products Selection Committee" is mandatory for product selection	June 2023	●	
Introduced external evaluation in the product selection process	February 2024	●	
Elimination of return of earnings to Chiba Bank from referral-based intermediaries	October 2023	●	
Reviewed performance award system	2H of FY2023	●	
Reviewed the bonus assessment method	2H of FY2023	●	
Revised the personnel salary system	March 2024	●	
Formulated an overview of our human resource development system based on the three personalities	October 2023	●	

4 Establishment of Business Management System	Implementation timing	Implementation* 1	Add* 2
Appointment of internal administration supervisors as a dedicated person in charge to all branches	October 2022	●	
Established eligibility criteria for internal administration supervisors	January 2024	●	
Changed the frequency of Compliance Committee and Fiduciary Duty Committee to monthly in principle	July 2023	●	
In addition to monthly monitoring, the system has been revised to verify transaction trends at all branches on an annual basis	February 2024	●	
Introduced external consultants to enhance audit sophistication	November 2023	●	
Assigned a person in the Audit and Inspection Division to work concurrently with Chiba Bank's Audit and Inspection Division	February 2024	●	
Created a collection of complaints examples	March 2024	●	●

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Here you see a list of major measures at Chibagin Securities. There are 46 measures in total, broadly divided, and this list includes the major measures among them.

Increase the number of asset builders through collaboration with Chibagin App, and propose highly specialized services that will satisfy even the investment professionals



In order to realize the new business model, Chibagin Securities will not receive active customer referrals from Chiba Bank during the current mid-term business plan period but will focus on follow-up services for existing customers. While working to restore relationships of trust, we are giving top priority to strengthening our business management and internal control systems, which has been a challenge, as well as to internal training.

Based on this, we intend to establish a new business model and aim to return to profitability from the next medium-term management plan onward, while taking into account the status of internal system development.

That is all for the explanation. Thank you.