CHIBA BANK

Chiba Bank IR Day
(DX·AI)

April 4, 2025

Hello everyone, it's a pleasure to meet you. My name is Shibata, and I serve as the Group CDTO at The Chiba Bank, Ltd.

■Speakers

Hideki Shibata	Managing Executive Officer
Kyoko Ito	General Manager of Digital Strategy Division
Yuta Shimada	President and Representative Director of EDGE Technology Inc.

■Other participants

Tsutomu Yonemoto	President, Group Chief Executive Officer
Kiyomi Yamazaki	Director and Senior Executive Officer
Takashi Makinose	Director and Managing Executive Officer
Ryoji Yoshizawa	Outside Director
Shinichi Ito	Managing Executive Officer, General Manager of Corporate Planning Division
Taro Kanzawa	Executive Officer

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Chiba Bank
Managing Executive Officer
(Group Chief Digital Transformation Officer)
Hideki Shibata

Joined to Chiba Bank in 1994
Served as General Manager of overseas representative office, General Manager of branch in Chiba prefecture, General Manager of Human Resources Development Office, General Manager of Digital Innovation Division, Executive Officer and General Manager of Digital Strategy Division. He has been appointed to the current position since April 2025.

Chiba Bank
General Manager of
Digital Strategy Division
Kyoko Ito

Joined to Chiba Bank in 2021
Joined to the bank as a career hire after working for IT startup company and as the head of DX division of media company.
Served as General Manager of Digital Innovation Division and Business Planning Division, and the General Manager of the Digital Strategy Division. She has been appointed to the current position since April 2025.

EDGE Technology
President and
Representative Director
Yuta Shimada

Worked for 10 years in the Japanese subsidiary of Saxo Bank, a European bank specializing in electronic trading.
Director, EDGE Technology in charge of sales since 2019. In 2024, he was appointed to President and Representative Director.

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If I may briefly introduce myself—since April 2021, I have been involved in the digital field, serving as General Manager of the Digital Innovation Division and then the Digital Strategy Division, and now, as of this April, I have taken on the role of CDTO, continuing to be responsible for this domain. I appreciate your attention today.

As introduced just now, today I will be speaking alongside Ito, our General Manager of the Digital Strategy Division, and Shimada, the President and Representative Director of EDGE Technology, and the three of us would like to talk to you about our initiatives around DX and AI.

DX strategy

◆ **The number of registered Chibagin app is expected to reach 1.50 million in the final year of the current mid-term plan.**
About one-fourth of Chiba Prefecture's population has registered the app, and **DX of the Group contributes to the DX of the region itself.**

[App]

◆ After the renewal of the app in April 2020, expanded functionality through scratch development and **received high evaluation from the app store, while 30% to 40% of transactions shifted to digital.**

[TSUBASA Alliance]

◆ With the progress of digitization and paperless processing, **began to study the concept of a joint office center.**

[Non-Financial Business]

◆ **Expand efforts to utilize NFT, Metaverse, etc. Gradually incorporate AI know-how** through personnel exchange with Google (role-playing AI "Scenario-kun")

Strengthening AI utilization

◆ Aiming to generate synergy of 3 billion yen cumulative over 5 years by making Edge Technology a subsidiary and PMI

[Utilization Domain Ⅰ Enhancement of digital contact with customers]

◆ Aiming to enhance One-to-One marketing and further improve customer experience by enhancement of the Needs Rank Model.

[Utilization Domain Ⅱ Enhancement of the Chiba Bank Group's business activities]

◆ Achieve automation in an unprecedentedly wide range of business domains by the utilization of AI.

[Utilization Domain Ⅲ Enhancement of customer business activities]

◆ Provide optimal services tailored to the scale and needs of customers, and support data utilization in all areas.
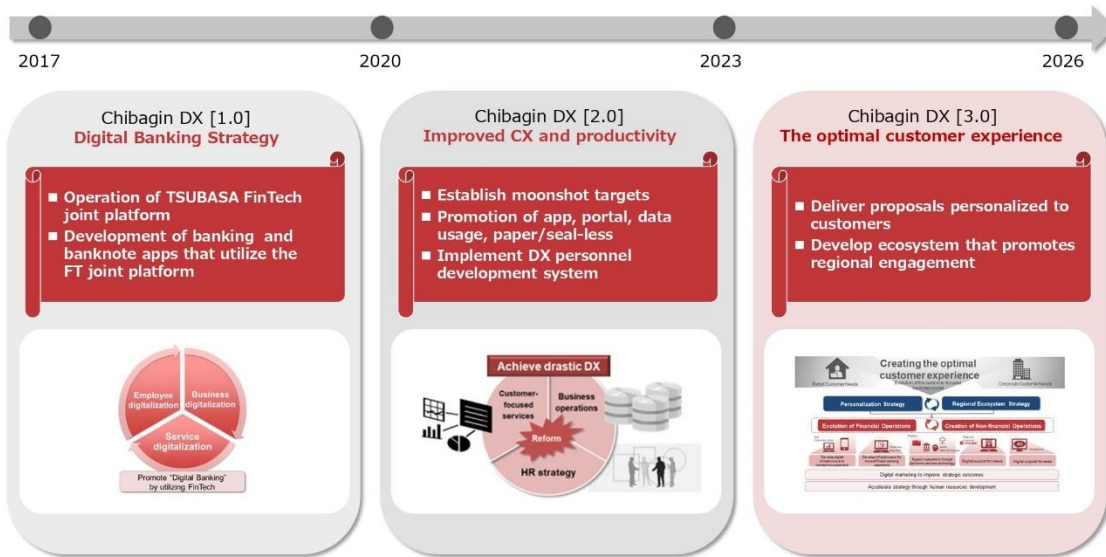
[Utilization Domain Ⅳ AI education]

◆ Aiming to become an AI-native company by raising the level of AI human resources development through cooperation with EDGE Technology.

DX

Creating maximum customer value through DX strategy

2017　　　　2020　　　　2023　　　　2026

Chibagin DX [1.0]
Digital Banking Strategy

- Operation of TSUBASA FinTech joint platform
- Development of banking and banknote apps that utilize the FT joint platform

Chibagin DX [2.0]
Improved CX and productivity

- Establish moonshot targets
- Promotion of app, portal, data usage, paper/seal-less
- Implement DX personnel development system

Chibagin DX [3.0]
The optimal customer experience

- Deliver proposals personalized to customers
- Develop ecosystem that promotes regional engagement

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Without further ado, please turn to page six of the presentation materials.

At our bank, under our medium-term management plan that began in 2017, we launched what we called Chibagin DX 1.0. In partnership with other banks in the TSUBASA Alliance, we initiated a digital service platform—TSUBASA FinTech joint platform—and began building the foundation for digital banking. This platform now serves as the base for the app I was just referring to.

Then in 2020, under the previous medium-term plan, we introduced Chibagin DX "2.0," which as we've spoken about in the past, included the Chibagin app and a portal for corporate customers—through these, we introduced digital infrastructure aimed at customers. We also pursued paperless and seal-less workflows for operations and administrative procedures, along with initiatives to develop digital talent.

Currently, under the DX strategy of our ongoing medium-term plan from 2023, we have entered the phase of Chibagin DX "3.0." Here, our core policy is to make full use of the digital infrastructure we've built to deliver the best possible Chibagin experience to our customers—so the focus of this strategy is on creating the best possible customer experience.

Evolution of the customer-focused business model

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This is the overall view of our current DX strategy. In order to realize this goal of delivering the best possible customer experience, we are building it around two key pillars: one is our personalization strategy, which aims to deliver the most suitable proposals to each individual customer; and the other is our regional ecosystem strategy, which aims to invigorate the local economy by connecting local businesses and individual customers.

To realize these strategies, our entire bank group is working to evolve our existing financial businesses while also creating new non-financial businesses. At the same time, we are focused on acquiring the necessary digital resources and developing human talent.

Utilizing AI technology in each business area to further advance the "Creating the Optimal Customer Experience"

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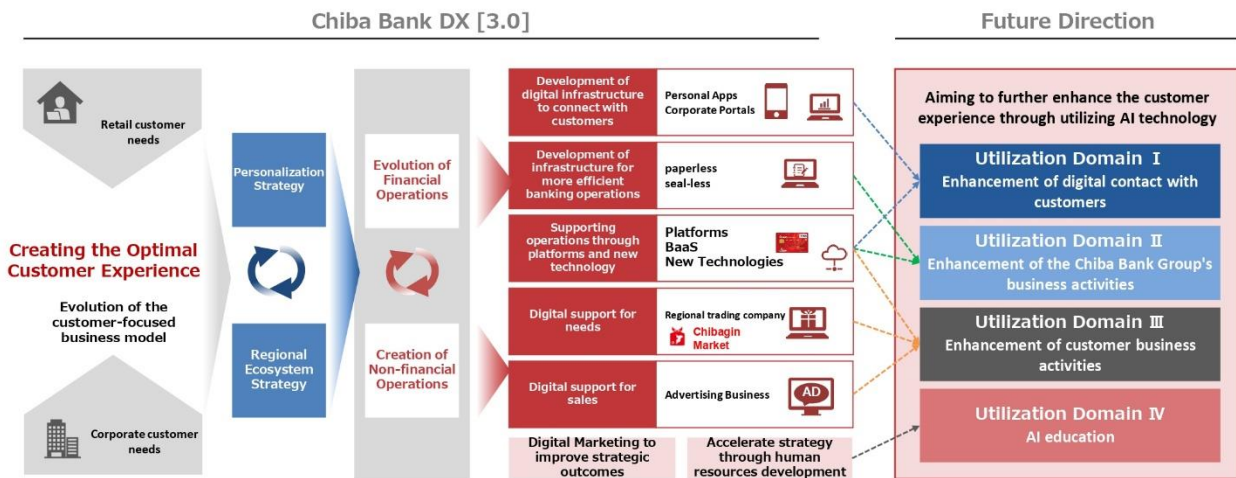
In order to further advance the strategy which we've been pursuing to deliver the best possible customer experience, we made the decision to proactively incorporate AI technologies. With that, in September of last year, we established the AI Solutions Lab within our Digital Strategy Division. On top of that, we have now made EDGE Technology a wholly owned subsidiary.

Through the use of AI, we intend not only to enhance the impact of our various strategies, but also to further advance our digital marketing capabilities, transform our operations to improve efficiency, expand the range of customer-facing solution offerings, and accelerate the development of data and AI talent.

As for this topic, we'll have Shimada from EDGE Technology provide more details a little later.

Aiming for the "Region-wide DX" to improve productivity in the region

DX of the Bank

Strengthening the organizational structure

Human Resource Development

Paperless

RPA

Offered value

DX platform

DX of the service

Provision of app and portals

Data utilization

ICT consulting

DX of the region

Percentage of working-age digital customers

53%

Digital transaction ratio

30% to 40%

Convenient financial and non-financial services

Personalized recommendation

Maintenance of branch network

Improved corporate productivity

Responding to labor shortages

Social value

Supporting an Enriched Lifestyle

Improving productivity in the region

Contribute to solving local social issues

Economic value

Increase in fans

Lower transaction costs

Increase in gross profit due to cross-use

Increase in advisory revenue

Growth investment

EDGE Technology

Accelerating transformation through the use of AI

DX investment | Software investment | Inorganic investment | TOB for AI company | Expanding efforts while expanding platform

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This DX strategy is centered on transforming the customer experience through highly convenient financial and non-financial services, and through this transformation, we believe that transactions will shift more and more into the digital domain. This shift to digital is something that, in itself, we see as directly contributing to improved productivity in our region.

Additionally, through our own initiatives, we aim to provide consulting and solution offerings in the field of DX and AI to businesses and local governments, and in doing so, we hope to contribute to improving the productivity of both enterprises and the broader regional community.

Continuing to provide the social value of enhancing regional productivity—in other words, driving the region-wide DX—is something we've positioned as one of our goals.

To accelerate this effort, we are pushing forward with growth investments, and continuing to pursue further transformation—that is where we currently stand.

TSUBASA Alliance / Coalition of Administration Concept

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

Progress in coalition including subsystems. Considering the possibility of coalition of administration center with other participating banks in the future.

Coalition of core systems

Deepening coalition of subsystems

Coalition of administration center

Further platform coalition

- ✓ Completed 5 banks coalition Completion
- ✓ Considering further coalition

- ✓ Banking App (8 banks)
- ✓ Paperless base (2 banks)
- ✓ Cashless (3 banks)
- ...

Considering sequential coalition for about 300 subsystems

- ✓ Administration coalition with Daishi Hokuetsu
  - ·Account transfer reception service
  - ·Bank transfer keystroke operations

- ✓ Began studying the construction of system infrastructure for administration coalition
  - · Middleware coalition through cloud lift

New

Coalition of administration center concept

Processing of subsequent affairs

TSUBASA ALLIANCE

Cloud common infrastructure

Each bank subsystem

Coalition centre

Can be processed anywhere in the country

Tele-commuting

- ✓ Cost reduction (coalition of server and middleware)
- ✓ Securing personnel in the future

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I'd like to take a moment to introduce one of the transformation initiatives we're currently pursuing—the concept of shared back-office operations with the TSUBASA Alliance banks. As mentioned briefly earlier, the TSUBASA Alliance began with collaboration on systems, and at this point, the core banking systems of five banks have already been consolidated. Now, we're in the process of sequentially examining the integration of approximately 300 additional subsystems.

With regard to administrative operations, we've already implemented shared processing with Daishi Hokuetsu Bank for tasks such as account transfers and remittance operations. Building on that, we've begun discussions on a concept for a joint operations center across the TSUBASA Alliance banks.
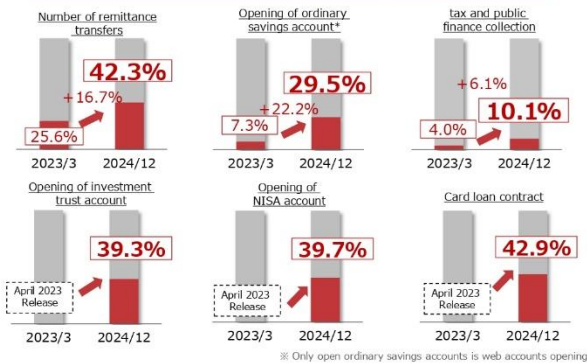
The idea is to build a shared infrastructure on the cloud and then migrate each bank's subsystems onto this platform. By doing so, the subsequent administrative processing could, in extreme terms, be carried out from anywhere across the country. Our aim with this concept is to reduce operational costs and make it easier to secure personnel for those operational roles.
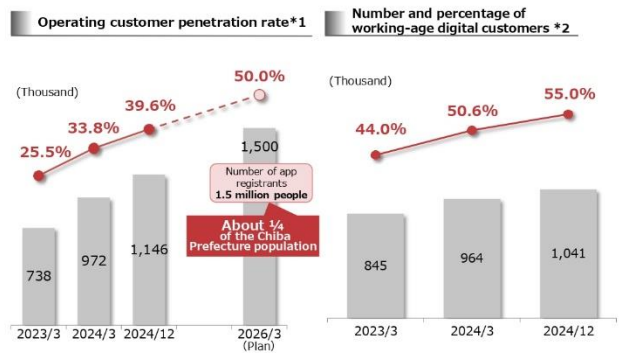
Transforming Customer Experience Through DX

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

Percentage of transactions using app (monthly comparison)

Number of remittance transfers
42.3%
+16.7%
25.6% (2023/3) → 2024/12

Opening of ordinary savings account*
29.5%
+22.2%
7.3% (2023/3) → 2024/12

tax and public finance collection
10.1%
+6.1%
4.0% (2023/3) → 2024/12

Opening of investment trust account
39.3%
April 2023 Release
2023/3 → 2024/12

Opening of NISA account
39.7%
April 2023 Release
2023/3 → 2024/12

Card loan contract
42.9%
April 2023 Release
2023/3 → 2024/12

※ Only open ordinary savings accounts is web accounts opening

Effect of digitization on outgoing transfers

Overall outgoing transfers	FY2020 1H	FY2024 1H	Rate of increase
Number of cases	2.69 million	3.76 million	+39%
Fees	0.76 billion yen	1.01 billion yen	+32%

Number of transfers ↗
Total transfer fees ↗
Transaction Cost ↘

Registration / Status of utilization / Evaluation

Operating customer penetration rate*1
(Thousand)
25.5% → 33.8% → 39.6% → 50.0%
738 (2023/3), 972 (2024/3), 1,146 (2024/12), 1,500 (2026/3 Plan)
Number of app registrants 1.5 million people
About ¼ of the Chiba Prefecture population

Number and percentage of working-age digital customers *2
(Thousand)
44.0% → 50.6% → 55.0%
845 (2023/3), 964 (2024/3), 1,041 (2024/12)

Ratio of monthly active users *3
79.4%
(Average of FY2024 1H)

Evaluation of application store
App store ★4.6/5
Google play ★4.5/5
(as of March 31, 2025)

*1 Number of borrowers registered to the corporate portal ÷ number of corporate borrowers
*2 Number of digital customers aged 15 to 64 ÷ number of customers aged 15 to 64
*3 Number of users who launched the app at least once a month / Number of registered users of the app at the end of the month

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This relates to changes in digital transactions. As of December last year, the percentage of active customers who had registered for the app was 39%. As of March this year, that figure has grown to 41%, and we've now reached as many as 1.2 million users. In particular, the number and proportion of digital users among the working-age population continues to increase steadily.

As a result—and this is shown on the left-hand side—roughly 30 to 40 percent of transactions have now shifted to the app.

As was mentioned earlier by Yonemoto, as shown in the bottom left, when we look at outward remittances, the number of transactions has grown significantly compared to the period when the app was first introduced.

As a result, fee income has also grown substantially compared to four years ago. While there are no figures listed on this page, if we compare it with the first half of the previous fiscal year, foreign exchange fees overall have increased by about JPY0.2 billion, and of that, the increase attributable to remittances via the app accounts for just under 40%.

The increase in transactions conducted via the app has substantially lowered the cost per transaction, which we see as contributing significantly to productivity.

Now, I'd like to hand things over to Ito, who has taken on the role of General Manager of the Digital Strategy Division as of this April, to provide some detail on this app and our other initiatives.

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

Developing an app that can solve any problem

	Implemented already	Future plans FY3/26	From FY3/27
Expand functionality			
Familiar financial services via the app — Digitalize branch transactions	· Barcode payment · Payments/transfers · Balance/transaction statement · Timed deposits/cancellations/account openings · Online account openings/transfers · Public personal authentication	· Notification function · Registration of public money receipt account · Ongoing customer management · special-purpose deposit	· Installment fixed deposit
Fulfillment of financial services — Convenient and safe services	· Loan repayment schedule · In-app loan · Trust Inquiry · Trust account openings · Early repayment of residential loans · Fund wrap balance		· Securities account balance · Foreign currency deposits/insurance
Connect to life — Collaboration with other services	· Google Pay/Apple Pay · Unified local tax QR · API collaboration		· Collaboration with local governments, other industries, My Number system
Increase customer cotact points			
Personalization — Transaction/asset visualization, proposals tailored to customers	· App promotion incorporating data analysis results · Notice of debit schedule · Engagement tool	· LP simulation	
Improved UI/UX			
Comfortable smartphone experience — Simple operation, exciting design	· Customization · Passbook mode (detail search, memo registration, etc.) · Continual improvement of conducting wire, buttons, etc.	· Continual improvement of UI/UX · Authentication collaboration to other channels	
Communication			
Consulting anytime, anywhere — Smooth communication/coordination with in-person transactions			· Chat/online consulting, etc

Solve any problem through a single channel

New — Add new functions

Money reports (Oct.2024)
- Daily transaction and deposit/withdrawal information visualized in graphs, reports, alerts, etc.
- Providing customers with "money awareness" and offer proposals that meet their individual needs

Application for VISA debit card (Oct.2024)

Linkage with Chibagin Market (Nov.2024)

Notification function (Scheduled for May 2025)

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Hello everyone, it's a pleasure to meet you. My name is Ito, and, I've been appointed General Manager of the Digital Strategy Division as of this April. As mentioned from the beginning of today's presentation, I'd like to start by showing you a short video that introduces our digital infrastructure, specifically the Chibagin app. Please have a look.

[Watch the video]

How was that? The three people you saw in the casual setting—those are actual employees in their real workplace, engaged in the planning and development of the app.
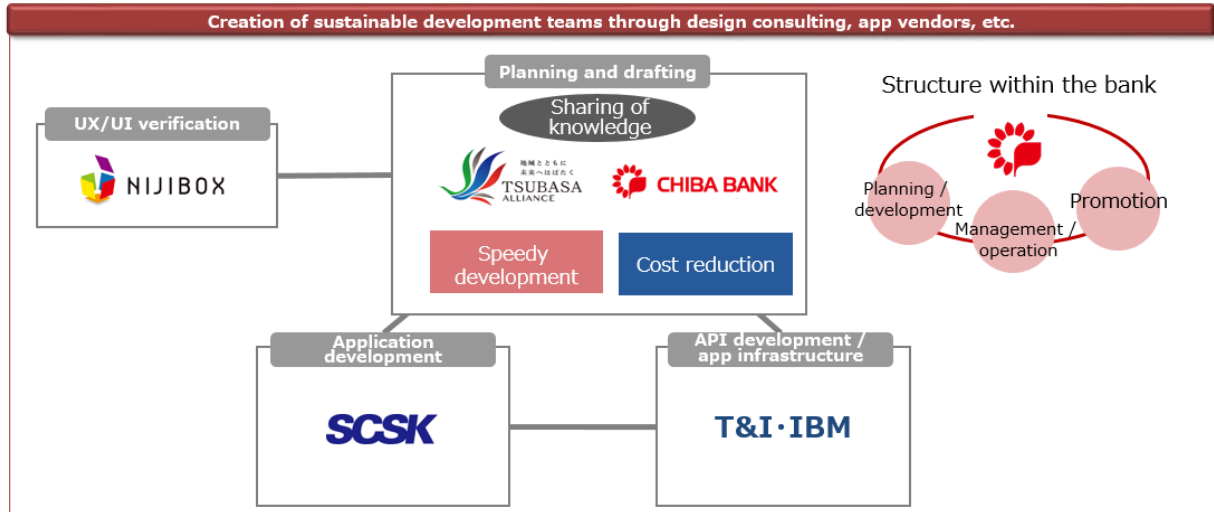
In October of last year, we added a new feature—the Money Reports function—which was also shown in the earlier video. This feature allows customers' daily transaction data to be visualized using graphs and similar tools, making it possible to deliver personalized recommendations tailored to each individual customer. As a result, even in the digital space, we're able to build relationships with customers that are just as deep as those at our physical branches.

Going forward, by continuing to provide features that meet the needs and preferences of our customers, we hope to encourage more people to use the app and to use it over the long term, thereby entering into what we call fan marketing. To achieve that, we will implement initiatives that enhance customer engagement—not just through banking functions, but by going beyond them.

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

Organizing a sustainable agile team

| In-house development | ▶ | Easy to design functions and make small-scale improvements. On the other hand, planning and development know-how from scratch is required. |

Creation of sustainable development teams through design consulting, app vendors, etc.

Planning and drafting

Sharing of knowledge

UX/UI verification

NIJIBOX

TSUBASA ALLIANCE

CHIBA BANK

Speedy development

Cost reduction

Structure within the bank

Planning / development

Management / operation

Promotion

Application development

SCSK

API development / app infrastructure

T&I·IBM

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This slide shows the structure behind our app development. Since the environment surrounding apps—including technology—is evolving on a daily basis, our bank has adopted an agile development approach and formed dedicated teams to handle development in-house. We are also jointly developing the app together with other banks in the TSUBASA Alliance, and we continue to strengthen our planning capabilities through personnel exchange. Of course, we are building this on top of the shared FinTech platform, and in the areas surrounding services and design, we are working in partnership with specialized firms. In this way, we are creating sustainable teams that allow us to achieve both rapid development and cost efficiency.
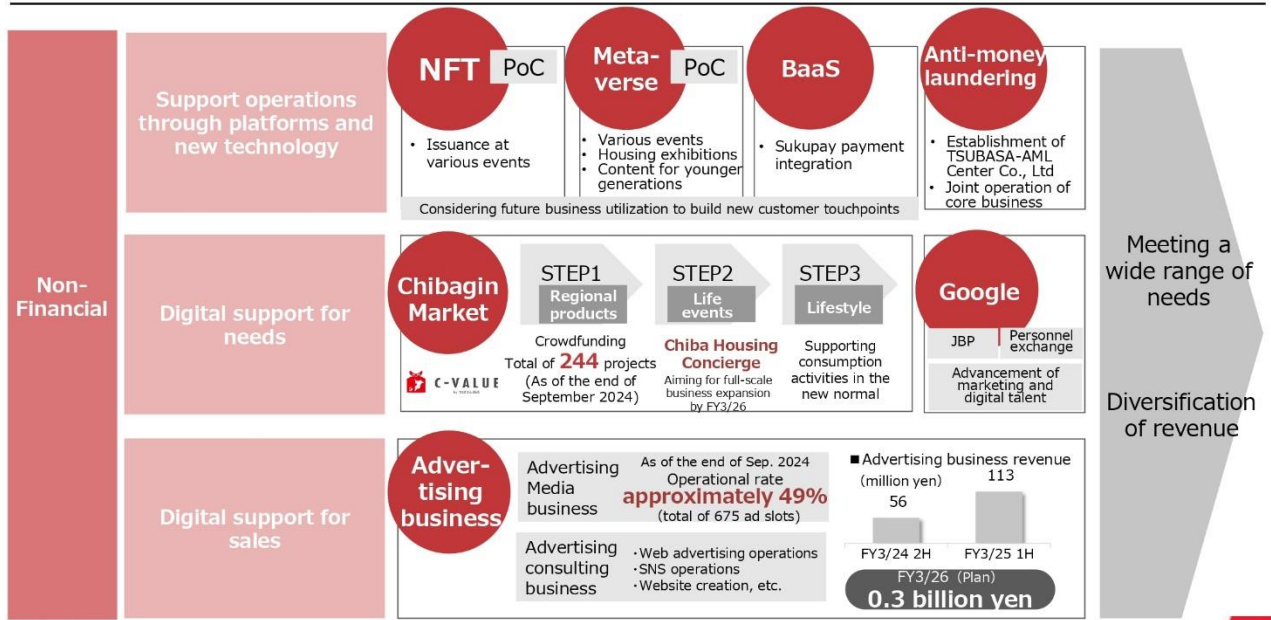
Now, this is about our non-financial business initiatives.

Here, too, we are looking to diversify our sources of revenue alongside advances in technology.

In terms of new technologies, we are utilizing NFTs, the metaverse, and BaaS to build new customer touchpoints. In the area of anti-money laundering, we have established a joint company and are operating core functions collaboratively, with an eye toward potentially developing this into a full-fledged platform in the future.

In our Chibagin Market initiative, in addition to crowdfunding campaigns for regional specialty products, we are also starting small-scale trials of a concierge service to assist with home purchases.

In the advertising business, we are accelerating our efforts toward achieving JPY0.3 billion in gross business profit by the end of this fiscal year.

Non-Financial Business: New Business ②

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

Investigating the acceptability of new technology through various PoCs and considering its use in the banking business in the future / Incorporating AI know-how through collaboration with Google

NFT

Aqua-Line Marathon (Nov. 2024)
race completion certificate
Approximately 14,000 cases

Chibagin Cup
J-League pre-season match (Feb. 2025)
Support certificate
Approximately 5,000 cases

Chiba Urban Monorail (Mar. 2025)
Augmented reality movable type
Now being distributed to approximately 1,600 plarail purchasers through crowdfunding

Chibagin Market
Purchasing-type crowdfunding site
C-VALUE

Boso Cross Railway Tasuki Project (Project started in Dec. 2024)

Chiba Urban Monorail Plarail (Mar. 2025)

Metaverse

housing exhibition hall (Mar. 2024) Approximately 1,350 people

Online game (Nov. 2024) Approximately 15,400 people (as of March 2025)

(completion of PoC)

(PoC in progress)

Google

Marketing area
Joint business plan (JBP)
(Jan. 2024 to Dec. 2024)
Google Cloud
→
Continued collaboration after JBP completion

Human Resources Exchange
Google Advanced Solutions Lab
(From Jan. 2024)
Dispatch of a total of 10 people
Lectures and practical training from Google Specialist
Lecture about AI ✕ Developping prototype

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There are a number of visuals here, and this page details our new businesses.

For each of these initiatives, we have conducted proof-of-concept testing to gauge customer receptiveness.

For NFTs, we've distributed them as participation rewards in events like the Chiba Aqua-Line Marathon, the Chibagin Cup, and crowdfunding campaigns on the Chibagin Market platform. In the metaverse space, we've been developing virtual housing exhibitions and online games to reach a broad range of customer segments.

In the bottom right corner, you'll see the marketing domain. Through our partnership with Google Cloud, we are advancing the development of marketing, digital, data, and AI talent. We've actually dispatched our bank employees to Google's office in Shibuya to be trained as AI engineers, and as a result, we've built up an internal structure capable of developing AI models in-house.

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

Developed AI application capable of generating talk scripts & conducting role-playing

Scenario-kun

シナリオくん

Web application that allows bank employees to easily create talk scripts and role-play

Talk scripting function

Before — Talk script created by headquarter
After — Create talk scripts with AI

■Talk script created by headquarter
- Discrepancy from what the frontline is looking for
- No opportunity for feedback from sales branches
- There is only a predetermined type of script

■Talk script created by AI
- Can make their own talk scripts
- Flexibility to change the content according to your customer's information
- Can be generated in seconds

Role-playing function

Before — Face-to-face role playing
After — Role-playing with AI

■Face-to-face role playing
- Branches with a small number of people are difficult to implement
- Coordinating schedules with the other party
- Participants feel nervous because of the presence of the other party
- Burden on the feedback side

■Role-playing with AI
- Can practice regardless of the number of people
- Can be done at any preferred timing
- Allows for trial and error since the opponent is AI
- Feedback from AI is also possible

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Now, I'd like to introduce one of the AI models that was actually developed in-house by one of our bank employees who is now an AI engineer. It's called "Scenario-kun," an AI for talk-script role-playing. We also have a demonstration video to show you. Please take a look.

Video: This time, we'd like to introduce "Scenario-kun," which is being developed by the AI Solutions Lab. To use the role-playing function, you first set the attributes of the counterpart. For this example, we've chosen a man in his 60s. You can see a variety of information displayed—name, occupation, family structure, and so on.

Let's try out the role-playing. "Hello, thank you very much for your time today." It gave us a solid response. We continued all the way through the role-play. You can also review the history of the conversation. Let's have the AI evaluate the role-play.

Here is the evaluation from the AI. It scores the conversation from multiple evaluation perspectives. It even points out areas for improvement. By looking at this, you can objectively reflect on your own talk.

Kyoko Ito: How was that? The video itself was actually made by the same AI engineer who built the model, so you may have noticed things like the use of AI voice and personal stylistic touches—and as you saw, this allows for creating personalized talk scripts for each customer, and makes it possible to run role-playing scenarios anytime, without limitations around who, where, when, or whether a trainer is available. We believe this can lead to significant improvements in both productivity and the quality of sales activities.

Next, I'd like to hand things over to Shimada, President of EDGE Technology, to explain our collaboration with them in more detail.
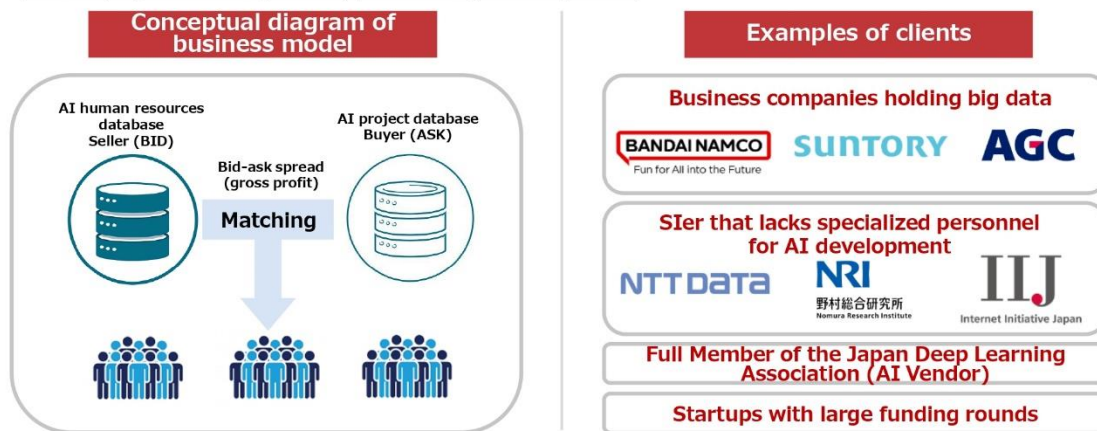
Strengthening AI utilization

Hello everyone, I'm Shimada, President of EDGE Technology. Today, I'd like to speak with you about strengthening our use of AI.

- While being the company that develops AI on a contract basis, one of its features and strengths is that it possesses **one of the largest databases of AI human resources in Japan**.
- The company offers three services: an AI solution service to support AI development, an education service to train AI personnel, and an AI product service specializing in new sales.
- The company provides a wide range of support to companies working on AI development, and most recently has **100 employees working with approximately 240 engineers**.

Conceptual diagram of business model

AI human resources database
Seller (BID)

AI project database
Buyer (ASK)

Bid-ask spread (gross profit)

Matching

Examples of clients

Business companies holding big data

BANDAI NAMCO
Fun for All into the Future

SUNTORY

AGC

SIer that lacks specialized personnel for AI development

NTT DaTa

NRI
野村総合研究所
Nomura Research Institute

IIJ
Internet Initiative Japan

Full Member of the Japan Deep Learning Association (AI Vendor)

Startups with large funding rounds

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To begin with, let me explain our business model. Our company was founded in 2014, and our core strength lies in what you see here—one of the largest AI talent databases in Japan.

As you know, Japan faces the pressing challenge of improving productivity amidst an aging and shrinking population. There are various ways to address this—such as increasing the participation of women in the workforce, or, in some cases, bringing in foreign workers—but what we aim to do is use data to drive productivity gains. That is the kind of company we are.

In particular, IT talent—and even more so, AI talent—is scarce. Our mission is to circulate that valuable human capital throughout every corner of Japan.

What you see in this chart is a conceptual diagram of our business model. In order to make good use of the talent database, you need quality projects. Through matching these two—people and projects—we're able to create an environment where more engineers can get to work, and that, in turn, drives our profits.

In the diagram, we refer to it as a database, and show both people and projects, but at the core of it all, we believe the most important thing is the people who run this system.

As for our client companies, we categorize them into four layers. At the top, you have businesses that hold large volumes of data. These include game companies and beverage manufacturers, for example—companies that possess a tremendous amount of data and are undertaking a wide range of initiatives.

The key term here is "fan marketing." Because they've been able to collect entirely new types of data, they're now gaining a much clearer picture of their customers, and that's become a hot topic recently.

The next layer consists of the so-called SIers—systems integrators. What we're seeing is that AI projects often start small, with proof-of-concepts typically involving five or six members.

In many cases, due to a shortage of people, these projects don't even get off the ground and are missed altogether. That's where we come in—by providing the necessary resources to help these projects materialize into business.

Looking ahead, we plan to expand beyond the companies currently shown here by also working with IBM, allowing us to broaden our reach even further.

The third layer includes AI vendors. We're a full member of the Japan Deep Learning Association, which was established by Professor Matsuo, and many of the AI vendors affiliated with that association are also our clients. That shows you just how severe the shortage of skilled personnel is.

Finally, the fourth layer includes startups that have raised large sums of funding. What this means is that, once a startup secures funding, they inevitably need to pursue development to drive up their valuation and that development translates directly into demand for engineers. Recently, we've been seeing an increase in mobility-related clients—that's the sense we're getting.

Complete Subsidiarization of EDGE Technology

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

Enhancing expertise and proposal capabilities through the provision of AI services to customers in the local community

CHIBA BANK

Purpose	To create a local community better suited to bringing each person's hope to life
Vision	An Engagement Bank Group that works closely with the community
Mid-term Plan	I : Creating the optimal customer experience II : Enhancing the quality of existing business III : Providing new value
DX Strategy	I : Personalization Strategy II : Regional Ecosystem Strategy

· Strengthening solutions in the AI domain

What we strive for in the area of collaboration

Enhancing expertise and proposal capabilities through the provision of AI services to regional customers

Customer analysis platform

Sales support — operational support

· Strengthening the customer base in the prefecture
· Strengthening of expertise in the financial sector

EDGE Technology

Corporate Philosophy	Bringing happiness to people around the world through technology
Basic Policies	I : For the happiness of people around the world II : The age when humans create AI III : Optimal AI services
Business Strategy	Collaboration among AI Solution Services, AI Education Services and AI Product Services

Develop human resources that will enable the realization of both companies' Purpose and Corporate Philosophy
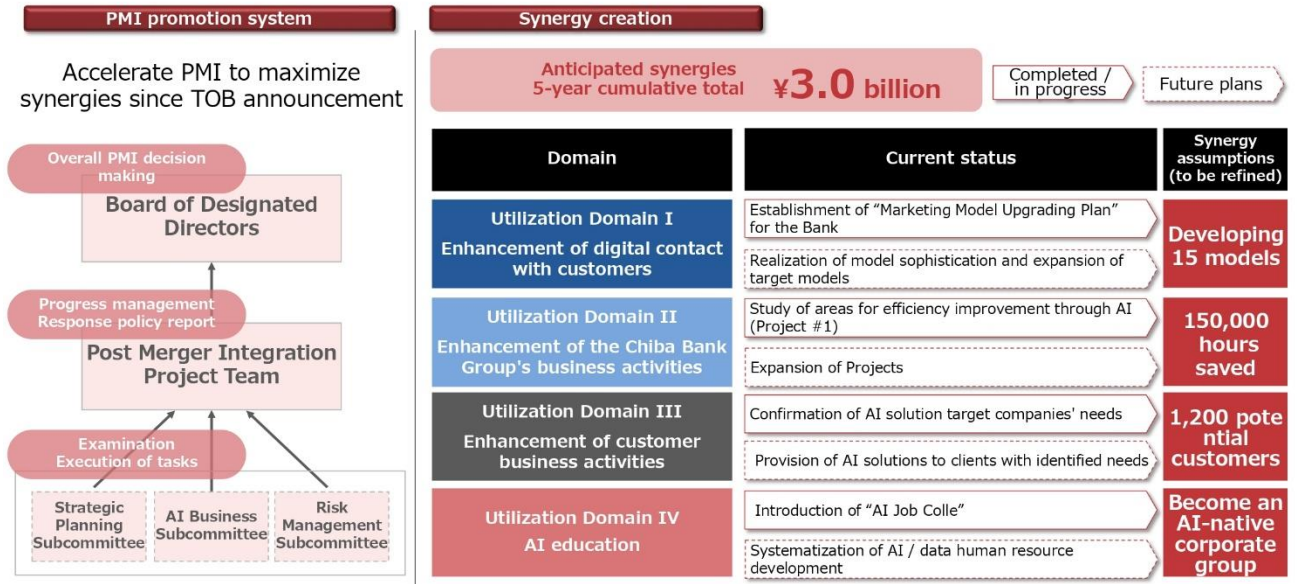
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Now that our company has joined the Chibagin Group, what we're seeing is a real merging of purpose, vision, and the DX strategy outlined in their medium-term management plan. The clearest example of that fusion is exactly what's written here in the center of the slide—customer analytics infrastructure, sales support, and operational support.

That said, and I've mentioned this before, the most important piece is what you see written in the band at the bottom. It's about developing people—people who can bring to life the shared purpose and corporate philosophies of both organizations.

I believe it's something we constantly have to think about: what can our company contribute to this partnership? What comes to mind most strongly, for me, is young people. How do we attract talented young professionals? The answer is that young people are drawn to modern environments where they can work with AI. That's the kind of value we want to offer to the Chibagin Group—creating that environment and attracting the next generation.

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

Promoting PMI for synergy creation. Concretize efforts in each synergy area.

PMI promotion system

Accelerate PMI to maximize synergies since TOB announcement

Overall PMI decision making
Board of Designated Directors

Progress management
Response policy report
Post Merger Integration Project Team

Examination
Execution of tasks

Strategic Planning Subcommittee	AI Business Subcommittee	Risk Management Subcommittee

Synergy creation

Anticipated synergies 5-year cumulative total **¥3.0 billion**

Completed / in progress → Future plans →

Domain	Current status	Synergy assumptions (to be refined)
Utilization Domain I — Enhancement of digital contact with customers	Establishment of "Marketing Model Upgrading Plan" for the Bank / Realization of model sophistication and expansion of target models	**Developing 15 models**
Utilization Domain II — Enhancement of the Chiba Bank Group's business activities	Study of areas for efficiency improvement through AI (Project #1) / Expansion of Projects	**150,000 hours saved**
Utilization Domain III — Enhancement of customer business activities	Confirmation of AI solution target companies' needs / Provision of AI solutions to clients with identified needs	**1,200 potential customers**
Utilization Domain IV — AI education	Introduction of "AI Job Colle" / Systematization of AI / data human resource development	**Become an AI-native corporate group**

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This page is about the progress of our PMI efforts and the creation of synergies. Looking back, we only have two more PMI project team sessions remaining, and I believe everyone involved would agree—we've been surprised by just how smoothly things have gone.

I think that's because both sides have really been working together with a shared view of a positive future. From my perspective, that mindset is what has led to the creation of synergies. You can see here we've set a synergy goal of JPY3 billion over five years.

The synergies are divided into four areas—1, 2, 3, and 4—and I'll go into more detail on the next slide.

[Utilization Domain Ⅰ] Enhancement of digital contact with customers
[Utilization Domain Ⅱ] Enhancement of the Chiba Bank Group's business activities

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

To accelerate the use of AI, we will scrutinize target operations for each technology used, prioritize them, and initiate development.

Use of data and AI to further strengthen One-to-One marketing

Business issues and operations to be upgraded collected from each department

Handling by means other than AI

Use AI

Prioritize operations with potential for AI application by carefully examining the technologies to be used, and strategically implement them

Utilization technology review / classification → Evaluation → Prioritization → Execution

Prioritization after careful examination of target operations

Classification by application technology to maximize cost-effectiveness

Structured data analysis	Unstructured data analysis	
Classification model	Image analysis (OCR)	LLM area
	Image analysis (Classification)	Classifi-cation/ analysis
Regression model		Extraction
	Speech analysis (Restart)	Correction/ calibration

Feasibility (High / Low) · Impact (Small / Big)

Priority execution

Start with high priority

Initiate development of each domain I and II

Utilization Domain I — Enhancement of digital contact with customers	Developing a model to quantify customer needs for loan products
Utilization Domain II — Enhancement of the Chiba Bank Group's business activities	Model development on business efficiency in financial product sales and monitoring

Future prospects

Establishment of a system for each technical area → Accelerate the use of AI through future expansion

<Technology area image>

Current location

12/2024 — 3/2029

■ ML ■ LLM
■ Image analysis ■ Speech analysis
■ Infrastructure ■ Other areas

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This slide explains how we're approaching the first two areas of activity. Starting from the top, you'll see that we've classified our initiatives based on whether or not they are appropriate for AI—whether it's something that should be done using AI or not.

After that, we move into the technical domain. It's written at the bottom of the slide—things like structured data analysis, unstructured data analysis—we evaluate which AI technologies should be applied. Then, based on feasibility and potential impact, we assess each idea and bring up specific projects accordingly.

[Utilization Domain Ⅰ]
Enhancement of digital contact with customers

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

Aiming to enhance One-to-One marketing and further improve customer experience by upgrading the Needs Rank Model

Establishment of "Marketing Model Upgrading Plan"

EDGE Technology

Needs rank model

Data analysis
- Attribute analysis
- Trade analysis
- Behavioral analysis
- Life event analysis

× AI and machine learning

✓ Analyze the characteristics of users of the Bank's products
✓ Ranking customers who resemble the characteristics

Existing needs rank model
- Housing loan
- Home-renovation loans
- Education loan
- Will trust
- Regular investment NISA

Challenges
✓ Few target products
✓ There is room for improvement in accuracy
✓ Only outputs with high needs

Support for upgrading

To expand and upgrade product recommendations

Recommend optimal approach channels
Branch   e-mail   App

New data utilization
Web   App   Advertising

Enhance One-to-One marketing

Improve the revenue

Utilization of freelance human resources

EDGE Technology

Improve AI development environment

Leverage freelance talent with EDGE Technology contacts

Operate AI platforms

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Regarding Utilization Domain 1, what has come out of this initiative is the advancement of our Needs Ranking Model, which will in turn allow us to strengthen our one-to-one marketing.

As things stand today, we already have an excellent level of digital utilization. You can see in the center of the slide the mention of the "Existing Needs Rank Model"—this model is already being used for things like housing loans, renovation loans, education loans, and so on.

To make this even better, we're looking to incorporate new kinds of data—especially behavioral data from customers—and use that to refresh and reinvigorate the model in real time. That's what we mean by "advanced support."

By doing this, we aim to move away from a one-size-fits-all digital marketing approach and instead realize marketing that is truly customized for each and every individual customer.

In addition to improving the efficiency of routine work, automation in a wide range of business areas will be realized by enhancing AI utilization

Improving operational efficiency to date

RPA | **Systemization** | **Review of Operations**

113 RPA in operation
- ✓ Alternative to routine human work
- ✓ Large-scale, rapid implementation of manual work

+

Acceleration of operational efficiency through the AI utilization

AI

Automation in an unprecedentedly wide range of business areas
- ✓ Efficiency in areas where automation with RPA was difficult
- ✓ Alternative brain tasks such as language comprehension and writing

Consideration of use in a wide range of fields (image)
- Fraudulent account detection
- Decorative detection
- Job turnover risk
- Default detection
- Financing review model

Volume of business reduction

(from Apr. 2020 to cumulative)

Targets of current mid-term plan

Achievement of previous medium-term plan (Target: 400,000 hours)

(Cumulative total million hours)

FY2020	FY2021	FY2022	FY2023	FY2024 (expectation)	FY2025 (Plan)
0.09	0.23	0.43	55 (0.12 / 0.43)	66 (0.22)	73 (0.30 / 0.43)

Achieving further efficiency through the use of AI

Prospect for reduction by AI Total of 150,000 hours in five years

Example of AI utilization

■ Monitoring of financial products sales (first installment)

Sound recording → **Recording the results of negotiations** → **Verification by HQ**

- ✓ In-house recording and transcription systems
- ✓ Automation of registration operations
- ✓ Automation of candidate monitoring target extraction

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Now onto Utilization Domain 2. Up until now, we've implemented 113 RPA initiatives. These were built up steadily through persistent effort. What we're looking at now is how to layer AI technology on top of those existing RPA efforts.

To give a specific example—we're talking about audio recording data here—in the area of financial product monitoring. When a salesperson sells financial products to a customer, they're required to log that interaction, and then someone has to check it from a risk management perspective. As you can imagine, that's a very tough, grueling task.

We're aiming to introduce AI technologies not only for transcribing the audio into text, but also to automatically scan those transcripts for dangerous keywords or problematic content. That's what we're moving toward.

Provide optimal services tailored to the size and needs of customers, and support the utilization of data in all directions

Three services provided

① AI solution service

Target: Large companies to medium-sized companies

- Supporting resources with the DX division, manufacturing division, etc.
- Individual development of AI using data held by customers

When market needs are high

Product development and consideration of sales targeting medium-sized companies and small and medium enterprises

② AI product service

Target: Medium-sized companies to Small and medium enterprises

- Sales of products developed in accordance with the business

Example: Sales support tool with artificial intelligence specialized for new business opportunities

③ AI education service

- Providing highly specialized training for R&D departments of large companies and consulting firms
- Through public solicitation of municipalities as part of the Digital Rural City initiative,
  ·providing AI and DX related training   ·accompanying advisory services.

Large companies

Medium-sized companies

Small and medium enterprises

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Now, we come to Utilization Domain 3, which is about advancing the sophistication of our customers' business activities.

This pyramid diagram breaks things down into large enterprises, mid-sized enterprises, and small businesses. We believe that all of the services we offer as a company can be applied across each of these layers.

Starting at the top, we offer AI solution services, and the primary target for these are large and mid-sized enterprises. These kinds of companies usually have a DX department or a manufacturing business unit, and in many cases, they've already made significant progress on internal development. That said, even in organizations with strong in-house capabilities, they can still lack specific technical expertise in certain areas. That's where we come in—we support them in pushing forward with their DX initiatives.

Also, as we engage in this kind of support, we often find that the same types of challenges appear across different companies. In those cases, we take what we've learned and productize it. Then, we can deliver that solution to mid-sized enterprises further down the pyramid as a SaaS-type service—allowing them to benefit from AI with a more manageable, monthly-cost-based approach. That's the kind of solution delivery we're aiming for.

And then, the third point here is our education services. Our company especially excels in face-to-face education. For example, we currently provide Python training programs for people in R&D divisions. We also work with consulting firms and have been providing training to them for four consecutive years now. We're confident in the high quality of our offerings. As I'll explain briefly in a moment, we also work with local governments to provide AI-related education and training programs in collaboration with them.

Industry : Manufacturing
Purpose of AI utilization : Utilization of personnel data
Project period: 5 months

Business issues

- The HR and Data Science departments were to work together on a data-driven HR strategy (people analytics), but the Data Science department did not have an employee with analytical experience in this area and needed expert advice.

AI utilization

- We researched and proposed data scientists who have been analyzing HR data for more than five years from the AI human resources database.
- Five months of accompanying support was provided for the use of data accumulated in talent management systems.

Effects

- After confirming the analytical requirements and organizing the data for the engagement survey, we advised on the analytical output and visualization methods.
- Creation of a business intelligence report visualizing the correlation between engagement, and performance, overtime, etc. for the HR department was completed.

25
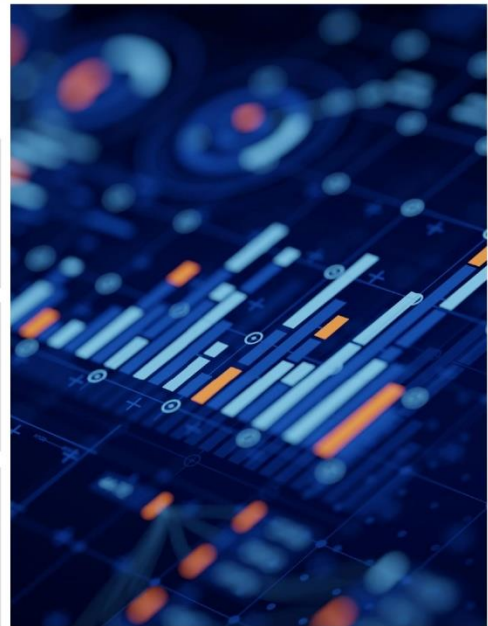
This slide features a case study from a major company—a name that everyone would recognize—where the theme was "People Analytics."

Now, it's quite rare to find someone who has both a deep background in human resources and is also a data scientist. Likewise, it's just as rare to find a data scientist with actual experience in HR.

Within that context, this particular company was not only working on DX initiatives, they also had a very ambitious vision of driving broader organizational transformation alongside DX and the key term they were using at the time was "People Analytics."

When they found that they were missing a critical piece needed to carry out both digital and business transformation, they reached out to us. This is an example of a case where we stepped in to support them.

Industry : Electricity and Gas
Purpose of AI utilization: Increasing operational efficiency
Project period: 9 months

Business issues

- The company has developed and is operating a model that automatically calculates tank operations, which are the key to fuel supply, taking into account fuel calorific value, available tank capacity, facility constraints, and changes in demand.
- To improve prediction accuracy, they would like to improve the model to take into account pump ratings (a measure of how much pressure, flow rate, and temperature a pump can safely operate at to transfer fuel).

AI utilization

- Using a mathematical optimization solver, the current script was changed to a script that takes pump ratings into account.
- The mathematical optimization problem became larger by considering the pump ratings. The problem of not being able to solve the problem in practical computation time arose, but the algorithm and the weighting of the objective variable were modified to cope with the problem.

Effects

- The model was modified to take pump ratings into account and to be usable in actual operation, and implemented in the production environment.
- The developed algorithms, scripts, and experimental results were documented.

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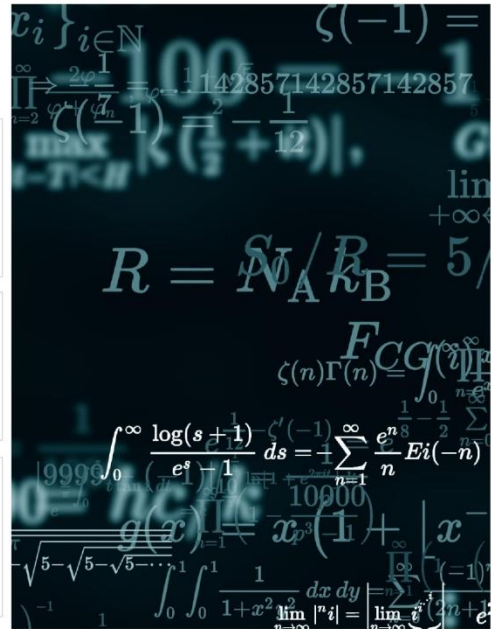
This case is about supporting improvements to a model used in the electricity and gas sector. In the section about AI utilization, you'll see the term "mathematical optimization solver"—a bit of a niche technical term, perhaps but the question was whether there were people capable of improving models using this kind of solver. In response, we drew on our database and were able to provide the necessary support resources for that need.

Industry: Information and communications
Purpose of AI utilization: Effective utilization of data
Project period: more than 28 months

Business issues

- As a strategic subsidiary of the group, it is responsible for strategic planning using data, but it was difficult to carry out the project at a satisfactory level due to the overwhelming lack of resources to solve the volume of issues commissioned by other group companies.

AI utilization

- Through in-depth discussions with the person in charge of overseeing the business division, the requirements for the necessary resources were clearly defined.
- We began procuring optimal resources from the AI human resource database for the three divisions under its control (Strategic Division 1, Strategic Division 2, and Development Division).

Effects

- The track record of supporting resources has increased over time, exceeding 20 employees in the 16th month.
- In order to strengthen the organization for the purpose of internalization, we are also supporting fee-based job placement (hiring from freelance to full-time employees).

Changes in the number of elapsed months and the number of employees

Legend: ■ Strategic Division 1 ■ Strategic Division 2 ■ Development Division

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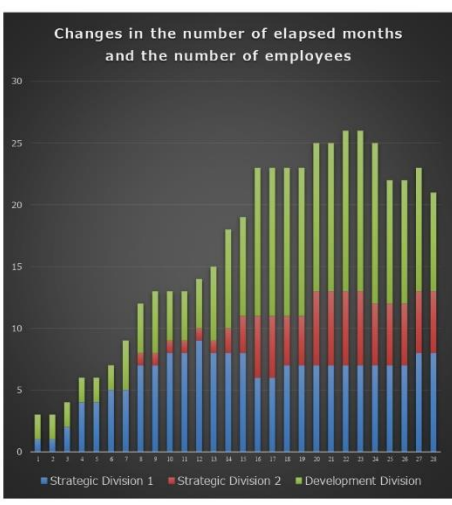
This is a company that holds a large volume of data. In addition to having a DX division and a manufacturing business unit, they had the intention of spinning off and establishing a strategic subsidiary. However, when it came time to actually hire full-time staff for this new subsidiary, they ran into difficulty—they simply couldn't attract enough people. That's where we came in to help.

Because every company has its own unique culture, we spent a great deal of time working closely with them to align on the kind of individuals they needed. Based on that alignment, we were able to build a team and deliver the type of solution you see here.

Our human resources are primarily freelancers—people who, for example, may have worked in the digital divisions of strategy consulting firms and then gone independent. These kinds of professionals are often difficult to recruit or internalize within a company. That's why we assemble a full team of such people and provide that as a service.

Earlier, there was a reference to the concept of "stickiness" in the context of interest rates. We believe that our services have that same kind of stickiness—once implemented, they continue to deliver value and maintain engagement.
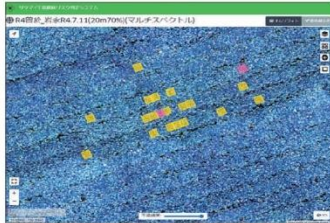
This page features our services for local governments, and we'd like to walk through a few specific examples.

There may be some doubt as to whether a Tokyo-based company like ours actually has a track record working in regional areas—but the answer is yes, we do.

We provide AI education as a service, and what we particularly excel at is in-person instruction. The reason we can offer that kind of direct, on-site support is because we maintain a flexible database of freelance AI professionals, which allows us to dispatch the right people to the right places as needed. What we're showing here are examples from Kagoshima Prefecture and Shizuoka Prefecture. Each region naturally faces its own specific challenges, and in those areas, local governments and central agencies are working on various initiatives to address them. We've been fortunate to be part of those efforts.

In Kagoshima, for example, there's a disease called motogusarebyo—a kind of bacterial rot that affects sweet potatoes. The local initiative there involved identifying and removing infected plants by analyzing the shape of sweet potato leaves. That effort was already underway, and we used it as a case study. We actually visited the site to observe the technology being used, and from there, we had discussions on how that technology could be further expanded and applied going forward.

Shizuoka is a similar story. The issue there relates to sorting mikan (mandarin oranges). Ordinarily, farmers have to sort them manually, which is very labor-intensive. To address that, Shizuoka Prefecture developed a smart factory that performs the sorting automatically. We visited that facility as well and had discussions about the technologies in use and how they could be effectively leveraged or extended.

As for Ibaraki Prefecture, this is a case from last fiscal year. What we did there went beyond just classroom-style lectures or fieldwork. As written on the slide, we collaborated with local companies to create digital action plans—essentially DX roadmaps—for how they could go about promoting digital transformation in their respective organizations. We believe that this kind of hands-on, collaborative support truly exemplifies what it means to walk alongside our partners in a meaningful way.

That concludes my portion of the explanation. From here, I'll hand it back over to Shibata.
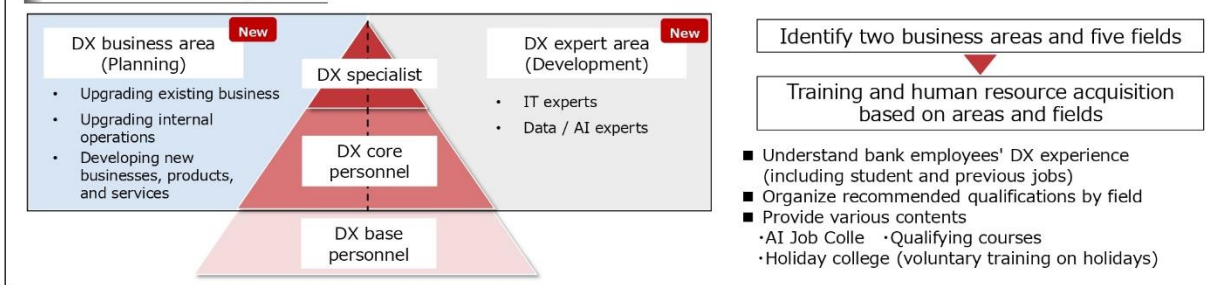
To create a local community better suited to bringing each person's hope to life
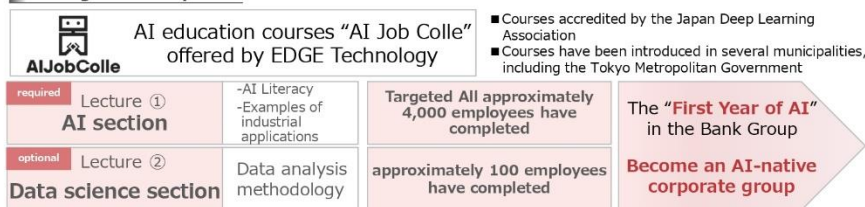
Aiming to become an AI-native company by raising the level of AI human resources development through cooperation with EDGE Technology

Securing DX and AI human resources

New DX certification system

DX business area (Planning) — New
- Upgrading existing business
- Upgrading internal operations
- Developing new businesses, products, and services

DX specialist
DX core personnel
DX base personnel

DX expert area (Development) — New
- IT experts
- Data / AI experts

Identify two business areas and five fields
↓
Training and human resource acquisition based on areas and fields

- Understand bank employees' DX experience (including student and previous jobs)
- Organize recommended qualifications by field
- Provide various contents
  · AI Job Colle · Qualifying courses
  · Holiday college (voluntary training on holidays)

Raising AI literacy levels

AIJobColle

AI education courses "AI Job Colle" offered by EDGE Technology

- Courses accredited by the Japan Deep Learning Association
- Courses have been introduced in several municipalities, including the Tokyo Metropolitan Government

| required | Lecture ① AI section | -AI Literacy -Examples of industrial applications | Targeted All approximately 4,000 employees have completed |
| optional | Lecture ② Data science section | Data analysis methodology | approximately 100 employees have completed |

The "First Year of AI" in the Bank Group

Become an AI-native corporate group

Raising the level of AI personnel through collaboration

EDGE Technology

Various collaborations with EDGE Technology
↓
Raising the level of AI know-how through projects

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※as of March 31, 2025

We've just finished introducing the contents of our collaboration with EDGE Technology, as well as details about their business.

To close things out, I'd like to say a few words about AI education.

What you see here in this triangular diagram is a model we've been using for the past three years—it's our DX certification system, which functions as a kind of pyramid model for human resource development.

Until now, we had three tiers: Specialist, Core, and Base. But now, as we incorporate the domains of data and AI, we've restructured this into two main tracks: one is the business domain—this would be the planning side—and the other is the expert domain, which refers to the development side. On top of that, we've newly defined five focus areas, depending on the specific field in which one operates.

We'll be promoting talent development and recruitment within each of these categories. In addition, by introducing EDGE Technology's education programs, we intend to elevate the baseline capabilities of our data and AI talent.
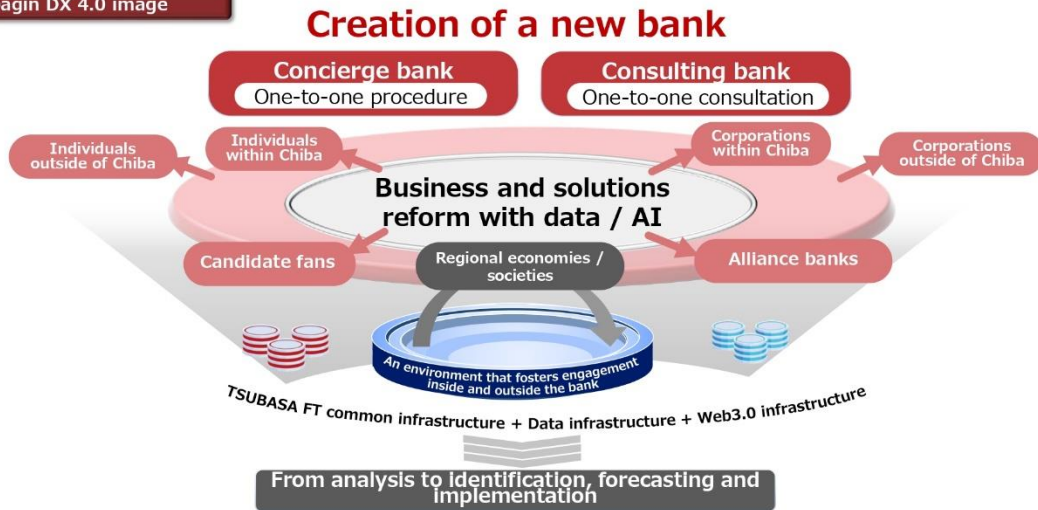
As shown at the bottom of the slide, EDGE Technology offers a program called "AI Job College," which is a video-based training course. The introductory AI module alone takes a fair amount of time to complete, but we've already had around 4,000 of our employees finish it.

Then, we also offered the data science module, which is a bit more advanced. This one was optional, but even so, 100 employees have already completed it.

We're positioning this year as the "First Year of AI" for our organization. Through our collaboration with EDGE Technology, we want to significantly raise the level of our human resources and challenge ourselves to become a truly AI-native company.

Use of AI to upgrade DX strategy and create a new bank

Chibagin DX 4.0 image

Creation of a new bank

Concierge bank
One-to-one procedure

Consulting bank
One-to-one consultation

Individuals outside of Chiba — Individuals within Chiba — Corporations within Chiba — Corporations outside of Chiba

Business and solutions reform with data / AI

Candidate fans — Regional economies / societies — Alliance banks

An environment that fosters engagement inside and outside the bank

TSUBASA FT common infrastructure + Data infrastructure + Web3.0 infrastructure

From analysis to identification, forecasting and implementation

- ■ Advance the customer experience, organizational culture, innovation, and the entire banking ecosystem through the use of AI
- ■ Develop a large number of data and AI natives to advance operations and improve consulting skills

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This slide outlines the future vision of our DX strategy. In addition to everything we've done so far, we will be incorporating AI for recognition, prediction, and execution. By doing so, we aim to drive data-based transformation across our operations and enhance both the customer experience and the entire banking ecosystem.

At the same time, by developing a large number of data- and AI-native personnel, and enabling them to make full use of these tools, we believe we can evolve our operations and also enhance our consulting capabilities.

Through ongoing business transformation and solution innovation, we want to build an environment that increases engagement both inside and outside the organization, and further expand the circle of engagement. That's the new future we want to create. Ultimately, what we're aiming for is to enhance profitability through capital-efficient business models and processes, and to boost our growth potential through the creation of customer experiences that extend into the future.

That concludes our presentation. Thank you very much for your attention.

Inquiries related to this presentation should be addressed to:

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