

June 9, 2023

The Chiba Bank, Ltd.
Chibagin Securities Co., Ltd.

Regarding the Securities and Exchange Surveillance Commission Recommendation to Issue an Administrative Action

June 9, 2023 – The Securities and Exchange Surveillance Commission (“SESC”) today announced its recommendation to the Prime Minister and Commissioner of the Financial Services Agency to issue an administrative action against the Chiba Bank, Ltd. (“Chiba Bank” or “the Bank”) and Chibagin Securities Co., Ltd. (“Chibagin Securities”) based on the SESC’s findings.

Chiba Bank would like to express its deepest and sincere apologies for any inconvenience or concern this recommendation may have caused for the Bank’s customers or any related party.

Chiba Bank and Chibagin Securities have accepted this recommendation with the utmost gravity, and we will continue our efforts to improve operations and prevent a recurrence of these issues while striving to rebuild the trust of all of our stakeholders, including our customers.

1. Facts Relevant to the Recommendation for Chiba Bank

Investor protection issues related to financial instruments intermediary service

- a) Encouraged purchase of structured bonds without confirmation or consideration of customer attributes
- b) Inadequate internal management system

2. Facts Relevant to the Recommendation for Chibagin Securities

Business operations conflicting with the suitability principle

- a) Ongoing, long-term solicitations that conflict with the suitability principle
- b) Insufficient system for compliance with the suitability principle