Message from the Group CEO

Continuing sustainable growth by contributing to the resolution of social issues and realizing our Purpose

President
(Representative Director,
Group Chief Executive Officer (CEO))

Tsutomu Yonemoto

My vision upon becoming President

Half a decade has passed since I was appointed President in June 2021. At the time, in addition to the COVID-19 pandemic, structural social issues—including the rapid advancement of digital technologies, and climate change—were becoming increasingly apparent. Conventional growth strategies had become difficult to envision, and our existing business model had reached a decisive turning point.

In this environment, I set forth a vision for the Chiba Bank Group to enhance personalized proposals starting from DX, transform customer experience through non-financial business initiatives, and build a regional ecosystem that generates a virtuous cycle in the local economy. Specifically, these include one-to-one marketing practices to refine our understanding of each customer and deliver optimal information at the optimal timing; our endeavors in non-financial areas, beginning with Chibagin Market, which handles the regional trading company business, to establish a position upstream of commercial distribution; and the regional ecosystem we create through our mobile app, designed to be a “local lifestyle infrastructure,” and our cashless platform, designed to be a “local payment infrastructure.”

Today, I feel a strong sense of tangible progress that a foundation has been established for realizing this vision, and that its initiatives are now entering the implementation phase. Furthermore, I am confident that as AI utilization progresses, the vision we are pursuing will not be confined to its initial framework, but will instead continue to rise to ever-greater heights.

The Chibagin app, which forms the cornerstone of this foundation, has grown into a key channel connecting us with our customers. It now has 1.50 million registered accounts, equivalent to roughly one-quarter of the population of Chiba Prefecture. Its monthly active users (MAU) stand at 1.05 million, representing 70% of its registered accounts.

Moreover, our cashless business now boasts over 1.00 million card members and a merchant network of more than 50,000 stores, and has expanded to approximately ¥1 trillion in transaction volume. Together, these factors indicate that it is becoming a “local payment infrastructure.”

Building on this foundation, the Bank Group has achieved significant progress, including the development of data analytics and marketing platforms that enable the centralized management and utilization of the diverse data scattered across different parts of the Group, as well as reaching a stage where in-house AI development is fully feasible through the integration of the AI solutions developer EDGE Technology into the Group and the development of AI engineers within the organization. I feel that the Group is steadily evolving into a “bank group capable of creating AI in-house,” and that the groundwork to realize the vision I set forth upon assuming office has been steadily laid.

This vision is embodied in our 16th Mid-term Plan, launched in April 2026, which presents a management strategy aimed at contributing more than ever to improving regional productivity and fostering regional sustainable growth, with “AI” and “regional ecosystem” as its core. In the area of AI, we will redesign all business processes assuming AI implementation, aiming for a swift and substantial increase in productivity. We consider the human resources who underpin the execution of our various strategies to be the bedrock of value creation, and we will redouble our efforts in human capital investment. We will enhance our human capital management in line with our business strategy and maximize productivity, thereby sustainably enhancing corporate value.

Summary of the previous Mid-term Plan and challenges for achieving further growth

Under our previous Mid-term Plan, we comprehensively implemented the planned strategies and measures. At the same time, in addressing the Business Improvement Order—our most critical challenge—, we conducted a thorough root cause analysis and earnestly addressed each and every improvement measure. It is our understanding that as a result of our concerted efforts to instill and thoroughly implement the Group’s Purpose and Vision and the Three Pledges, and the execution of the PDCA cycle, we have propelled the Group’s transformation into a bottom-up organization, marking a major milestone in the reform of organizational culture.

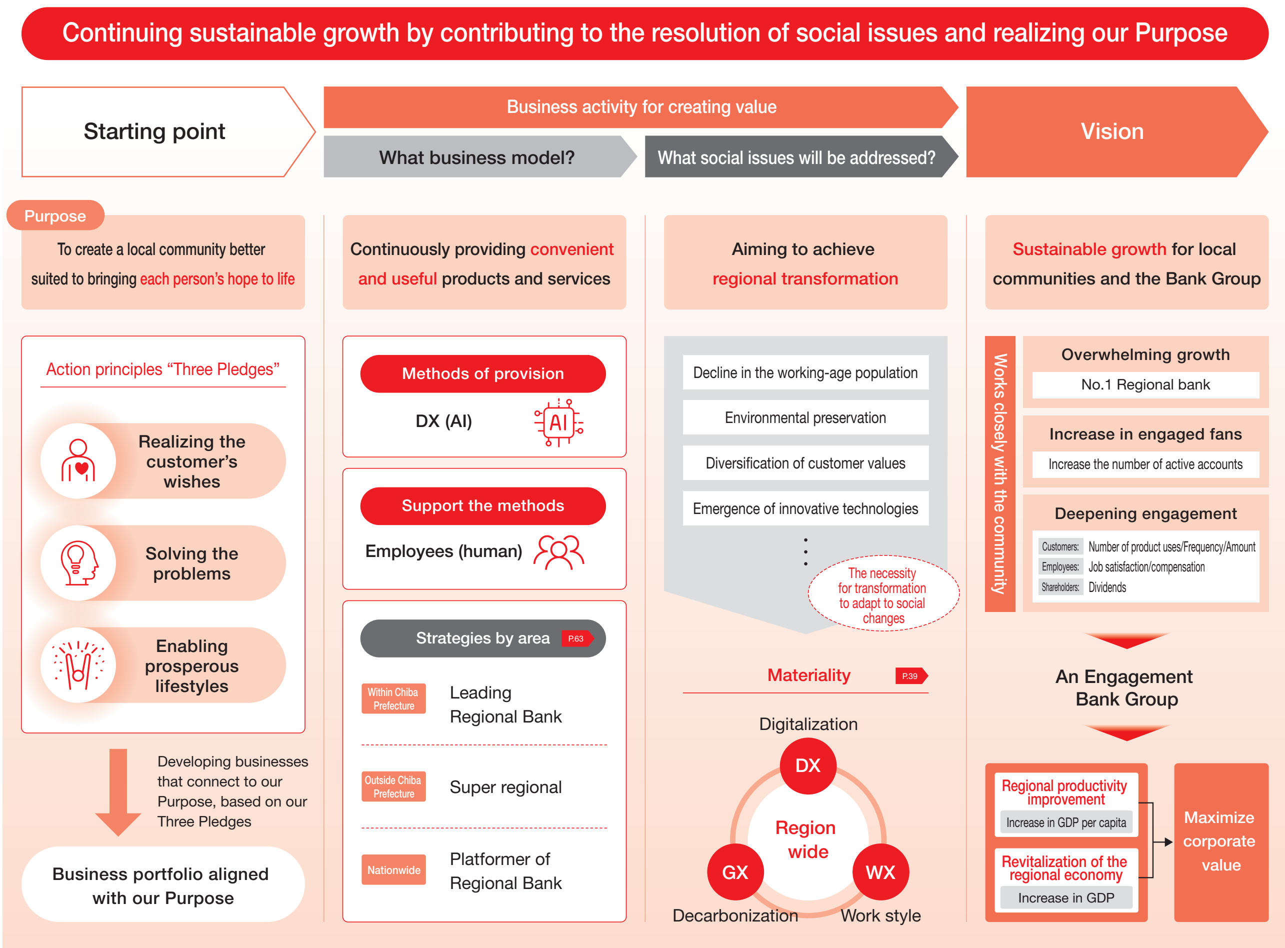
We have generally achieved our target financial indicators and have made significant progress, for instance, with net income attributable to owners of parent reaching ¥94.0 billion and consolidated ROE (based on shareholders' equity) reaching 8.93%.

In this way, while we can conclude that we have succeeded overall in laying the groundwork for sustainable growth, I also recognize three challenges for growth in the future: strengthening our retail business operations, strategically expanding deposits, and lifting the Group's overall profitability. I feel that we are once again being put to the test as to whether we can steadily address these challenges.

A value creation story with a view toward sustainable growth

At present, uncertainty over the future is intensifying further amid rising prices, worsening labor shortages, and escalating tensions in the Middle East. In addition, competition within the financial sector is becoming increasingly fierce, driven by a full-scale shift toward higher interest rates and the entry of non-financial players into the industry. At the same time, the importance of strengthening resilience, such as financial crime prevention and cybersecurity, is growing rapidly, and the environment surrounding our Group is evolving at an ever-faster pace.

I believe it is essential that we strategically assess these environmental changes and the signs of further change, to further evolve our stated strategies with agility and flexibility, and to enhance their effectiveness through timely and appropriate actions. From this perspective, and in order to steadily fulfill the social mission expected of the Group, and to meet the expectations of all our stakeholders, the first priority I set forth in formulating the Mid-term Plan was a "Value Creation Story" of "continuing sustainable growth by contributing to the resolution of social issues and realizing our Purpose."



The starting point for all our endeavors is our Purpose: "To create a local community better suited to bringing each person's hope to life." In taking action or making decisions, we always stop and consider the Three Pledges: whether this action or decision contributes to "realizing the customers' wishes", "solving the customers' problems", and "enabling prosperous lifestyles for customers". Our Three Pledges serve as the Group-wide guiding principles for our decisions and actions throughout this process. Building on this foundation, we construct a business portfolio through businesses that contribute to achieving our Purpose. We aim to further improve the customer experience by continuously providing convenient and useful new products and services, striving to "creating the optimal customer experience." We view "DX and AI" as the means to achieve this goal, and we recognize that it is our "human capital"—each and every employee—that underpins these efforts. We will therefore strengthen our investment in human capital more than ever before.

We will strategically deploy this business model across three areas. Within Chiba Prefecture, our core market, we will further increase our market share across all products and services by contributing to the region's sustainable growth as the "leading regional bank." Our management consolidation with The Chiba Kogyo Bank Ltd. will further accelerate this process.

Outside Chiba Prefecture, as "super regional", we will efficiently and swiftly strengthen our presence in the Tokyo metropolitan area while leveraging collaborations such as the Chiba-Musashino Alliance and the Chiba-Yokohama Partnership. We are progressively expanding our branch network—including the opening of the Shinjuku West Corporate Banking Office in June 2024, the Kyobashi Corporate Banking Office in March 2025, and the Akasaka Corporate Banking Office in June 2026—and will continue to actively open new branches and increase staffing, establishing our business operations outside Chiba Prefecture as a key growth driver.

Nationwide, we will build on the TSUBASA Alliance, which marked its 10th anniversary last year, to further enhance our position as a platformer. We are taking collaboration to the next level, with the number of app IDs exceeding 5.00 million, in addition to the consolidation of mainframes and subsystems. Most recently, the Group has further expanded the framework of its platform business. In addition to launching a new company "TSUBASA Joint Administrative Center", which aims to reduce costs and address staffing shortages through the consolidation of back-office operations, we are progressing in our collaboration with the TSUBASA/JUUDANKAI Joint Research Group.

"Region-wide DX, GX and WX" accelerate the evolution of our business model, while also being positioned at the center of our efforts to address social issues. By driving forward transformations in digitalization, decarbonization, and transformations related to work styles, human resources, and business succession, we will contribute to the realization of regional transformation.

As the vision that lies at the culmination of this story, we have set our sights on the following three points. The first point is achieving overwhelming growth for the Chiba Bank Group itself. Our growth is driven by the sustainable growth of the regional economy. We will achieve growth for the Group by further strengthening our support for customers and the local community by overcoming their challenges and enhancing their productivity.

The second point is increasing the number of engaged fans. We aim to further improve customer experience and increase the number of active accounts by continuing to offer new products and services that are convenient and useful.

The third point is deepening engagement with our stakeholders. We will work to expand our relationships with customers—not only by broadening their product usage, but also by promoting convenient and useful proposals that will help increase the frequency and volume of their transactions. For shareholders, we will further strengthen shareholder returns through the improvement of corporate value. For employees, we will enhance working conditions and create an attractive workplace where employees find their work rewarding. In doing so, we aim to contribute to improving regional productivity and revitalizing the regional economy, while simultaneously enhancing the Group's corporate value.

The 16th Mid-term Plan "Engagement Bank Group –Phase 2–"

In formulating our new Mid-term Plan, we adopted a "full-participation" approach, actively soliciting input from all Group officers and employees and carefully incorporating their perspectives through a bottom-up process.

Building on the strategic direction established in the previous Mid-term Plan, and based on the operational guideline of increasing our fan base by deepening engagement, we continue to position the following core policies: "creating the optimal customer experience," "enhancing the quality of existing business" and "providing new value" by "enhancing productivity through Human × AI." The foundations for value creation that underpin these goals consist of DX, GX, WX, alliances, and Group governance. The entire Group is united in its commitment to achieving our management KPIs.

In particular, we have identified four key strategic priorities: advancing AI utilization, building a regional ecosystem, improving the quality of our human capital to underpin these efforts, and Region-wide DX, GX and WX aimed at addressing social issues in the local region.

In the area of AI, following the inclusion of EDGE Technology into the Group, we are accelerating the cultivation of AI-native talent. This effort encompasses not only proprietary AI model development and the enhancement of customer-facing services, but also the rollout of educational programs, staff exchanges, and active encouragement for employees to earn the "G-Certificate" administered by the Japan Deep Learning Association (JDLA)—a credential already obtained by more than 1,100 employees. Through these measures, we are further strengthening our competitive advantage as a frontrunner in the banking industry.

We regard AI not simply as a tool to enhance efficiency but as an extension of our human capital—a "colleague". We anticipate a future in which AI assumes the workload of 2,000 employees, effectively expanding the workforce capacity of our approximately 4,000 employees to the equivalent of 6,000. Against the backdrop of rapidly advancing AI technologies, we will intensify our evolution into a "DX and AI company" by integrating AI into all business processes and accelerating its implementation, all while maintaining rigorous risk controls and reinforcing our governance framework. We have established milestones such as ¥5.0 billion in AI investment, the creation of 50 AI multi-agent systems, the creation of an AI workforce equivalent to 2,000 employees, and 2,000 employees with G-Certificate credentials. Through the synergy of people and AI, we aim to create the optimal customer experience and achieve dramatic productivity improvements across the entire region.

As we work toward building a regional ecosystem, our mobile app and cashless payment services have evolved into what can be described as a "local lifestyle infrastructure" and a "local payment infrastructure," respectively. At the same time, we have made progress in developing a platform to aggregate and utilize the diverse data scattered across different parts of the Group. These efforts have enabled us to build a solid customer base and the data infrastructure required for full-scale deployment. Building on this foundation, we plan to introduce a new points program and integrate it with the non-financial services offered through Chibagin Market, enabling us to make proactive recommendations that anticipate our customers' life plans and needs. At the same time, we will deepen collaboration with local merchant networks and other stakeholders to help revitalize the region's economic cycle. Through these initiatives, we seek to realize an ecosystem that benefits our customers, local businesses, and the Group alike.

In parallel, in terms of our efforts to strategic deposit growth—a priority we have placed alongside loan growth— we are committed to shifting our employees' perceptions of the strategic importance of deposits. By advancing a business model rooted in the regional ecosystem, we will intensify our focus on deposit initiatives that are less dependent on interest rates. Moreover, to reinforce the competitive edge that we derive from our high proportion of individual deposits and liquid deposits—which underpins our low funding costs—we will concentrate on cultivating highly sticky deposits while limiting interest rate sensitivity.

To further advance these key strategies, we established the Digital Strategy & Business Unit in June 2026, with overarching responsibility for all related businesses. In addition to the appointment of the General Manager of the Digital Strategy & Business Unit, we are also enhancing our DX promotion framework through a progressive review of the role of the Payment Card Business Division, which has previously been responsible for operations such as cashless payments and card issuance, renaming it the "Payments & Loyalty Business Division." These organizational changes will enable us to advance strategy execution in a coordinated and timely manner.

At the same time, we intend to invest a cumulative total of ¥3.5 billion over the next three years to elevate the quality of our human capital—the most essential asset supporting these strategies. This investment is designed to enhance the "professionalism of each employee" and to further deepen their specialized capabilities. To strengthen human resources development, we are reviewing and enhancing our training framework by area and job level. Through our professional certification system, which enables visualization of the skill levels of sales personnel, we are accelerating the development of specialized talent and utilizing this information to facilitate strategic personnel assignments. In addition, we are focusing on developing next-generation management talent and aim to further enrich our management talent

Overview of the 16th Mid-term Plan

Title	16th Mid-term Plan: Engagement Bank Group – Phase 2 – (Plan period: FY2026 to FY2028)
Operational Guideline	Increase our fan base by deepening engagement

Enhancing productivity through Human × AI

Basic Policy I: Creating the optimal customer experience	Deliver personalized proposals utilizing a wide range of data. Provide in person, remote, and digital channels most suited to the customer.
Basic Policy II: Enhancing the quality of existing business	Further increase the quality of solutions designed to address customer issues.
Basic Policy III: Providing new value	Provide new found value to customers by entering into new business areas.

Expansion of "Value Creation Bases"

Base I	Base II	Base III	Base IV	Base V
DX	GX	WX	Alliances	Group Governance

Management KPIs*1	Consolidated ROE (net assets basis)	Profit attributable to owners of parent	Consolidated common equity Tier 1 ratio*2	Consolidated OHR
	Approximately 11%	¥140.0 billion or more	10.5% to 11.5%	Approximately 40%

*1 Combined figures for the new financial group following the management consolidation
*2 Full implementation of finalized Basel III standards (excluding valuation differences on securities)

Realizing our Purpose and Vision

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

An Engagement Bank Group that works closely with the community

Bank Group Growth

Maximize corporate value through sustainable growth

Phase 1

Phase 2 [Plan Period] April 2026 to March 2029 (3 years) pool through initiatives such as the introduction of the new “Chibagin MBA” training program. Another of our key initiatives is to build a talent portfolio to realize our management strategy. We are optimizing personnel assignment through cross-organizational discussions and establishing mechanisms to advance recruitment, development, and placement via “talent profiling,” which facilitates data-driven talent management. In addition to improving employee treatment and compensation—through measures such as raising wages, increasing starting salaries, and enhancing employee benefits—we are also focusing on initiatives to boost employee engagement and enhance job satisfaction by actively incorporating employee feedback gathered through various surveys and questionnaires. We will continue our efforts to evolve into a bottom-up organization where employees are empowered to take ownership and act proactively.

Through our efforts to implement Region-wide DX, GX and WX to tackle social challenges, we aim to realize regional transformation by putting solutions into practice that deliver measurable change and by meeting our linked KPIs.

In terms of DX, we will contribute to digitalization and productivity improvements across the region through three approaches, the delivery of digital services and DX support for our customers, in addition to our own initiatives to become a “DX and AI company.”

For GX, we will intensify our efforts—including Himawari Green Energy’s power generation business—to achieve carbon neutrality for the Group, while also offering sustainable finance and other multifaceted solutions to assist customers and local governments in their decarbonization efforts, to realize carbon neutrality across the region.

For WX, we will engage in Group-wide collaboration to support business succession, human resources development and recruitment, and corporate value enhancement. By maintaining and reinforcing the region’s employment and industry foundations, we will contribute to enhancing vitality across the region.

Management consolidation with The Chiba Kogyo Bank to benefit all stakeholders

We believe that the management consolidation with The Chiba Kogyo Bank will drive the next stage of growth of the Chiba Bank Group. This consolidation represents our ultimate commitment to customers and the local community in Chiba Prefecture—the home market for both our institutions. To make this commitment unmistakably clear, we have named the newly established holding company Chiba Financial Group.

We are confident that this represents the “best option” for realizing a sustainable local community and delivering benefits to all stakeholders. By integrating and further developing the trust and relationships that both banks have cultivated over the years, we are embarking on a new chapter, one in which we aim to offer products and services of even greater value to every customer and every corporate client we serve.

To generate synergies, we will combine the strengths of both banks and thoroughly enhance management efficiency through measures such as the consolidation of back-office operations. In addition, we will further strengthen our regional financial functions through three core pillars: improving productivity by “strengthening the use of DX and AI,” advancing our solution capabilities by “strengthening our value creation capabilities,” and improving employee expertise and performance by “advancing human capital management.” We will pursue synergies across all areas, including collaboration on the large-scale development project around Narita Airport—which is estimated to generate an economic ripple effect of ¥55 trillion over the next 15 years—and we anticipate cumulative benefits of up to approximately ¥90.0 billion over 16 years through the integration of our core systems. Building on our proven experience in executing a range of alliance strategies, we aim to achieve an evolved model of management consolidation made possible by our experience.

Organizational harmony is critical to this

effort, and we believe that effective personnel exchanges, together with profiling that provides greater visibility into each individual employee and enhances their effectiveness, will be essential to driving this process forward. By enabling our employees to complement and reinforce each other’s strengths, we will pursue integrated human capital management across the Group, and on this basis, generate new value for our customers and the local community we serve.

The great potential of Chiba Financial Group

Looking ahead to the new organizational structure set to take effect in April 2027, we are further accelerating discussions aimed at realizing our vision of the “Strengthening of Regional Financial Capabilities through Two Brands of Trust and Respect.” This includes establishing a framework to contribute even more to the sustainable growth of our customers and local communities, enhancing our governance in light of revisions to Japan’s Corporate Governance Code, and creating an attractive work environment where each and every employee can continue to work with high motivation. Through ongoing and active discussions and a deepening of mutual understanding, we have gained strong confidence in the future of the newly formed financial group and have gained deeper confidence in the vast potential that lies ahead. We are convinced that we can further reinforce the strong bonds of trust and close engagement we have cultivated with the support of our many stakeholders, walking alongside them every step of the way.

As the Group reaches this historic turning point, we view this phase as an opportunity to achieve a new stage of growth and will continue to rise to the challenge as a united group. We will chart a growth story that exceeds your expectations and forge a future that fulfills the aspirations of all our stakeholders.

We sincerely appreciate your continued support and patronage.

Message from the Group CSO

Leveraging the strengths of the Bank Group, we will achieve stable earnings growth and efficient use of capital to further enhance corporate value

Director and Senior Executive Officer
(Group Chief Strategy Officer (CSO))

Takashi Makinose

Exceeded financial targets under the previous Mid-term Plan, achieving a PBR of over 1.0x

Under the previous Mid-term Plan—centered on the evolution of the customer-focused business model—we successfully balanced enhancing the quality of our existing businesses with investments in new growth areas such as AI, and delivered results that surpassed our financial targets. By effectively capitalizing on the rising interest rate environment, we increased interest income from domestic loans and deposits. At the same time, we strengthened our earnings base, with net fees and commissions—led by corporate solutions revenue—reaching a record high. As a result, consolidated ROE (shareholders' equity basis) reached 8.93%, significantly exceeding our original target of the lower 7% range, while consolidated net income reached a record high of ¥94.0 billion. The common equity Tier 1 capital ratio stood at 11.6%, slightly above the upper end of our target range of 11.5%. We will continue to pursue capital management that appropriately balances growth investments with shareholder returns. Despite rising expenses due to wage increases and strategic investments, the consolidated OHR declined to 41.5%, reflecting both rigorous cost discipline and robust top-line growth—an improvement beyond our target level of approximately 45%. Earnings per employee have also been steadily rising across the Group, and we view this as an indication that we are making progress not only in the "quantity" but also in the "quality" of our earnings. We believe that this improvement in ROE, together with market expectations of future profit growth, has contributed to achieving a PBR of over 1.0x. Under our new Mid-term Plan, we will further refine our capital management with a greater emphasis on capital costs, with the aim of achieving further improvements in capital efficiency.

Aiming for consolidated ROE (net assets basis) of approximately 11% under the new Mid-term Plan

The new Mid-term Plan is positioned as Phase 2, designed to further deepen management based on our Purpose—building on the foundation established under the previous plan—and to achieve sustainable growth. In formulating the plan, we adopted an "all-inclusive-participation" approach, carefully incorporating a wide range of opinions submitted by the Group's officers and employees into our initiatives. Similarly, our quantitative targets were developed through a process of aggregating data based on actual conditions on the ground, combined with repeated discussions on the direction that management aims to take, resulting in a plan with a high degree of feasibility. The financial targets for FY2028—the final year of the new Mid-term Plan—are set, assuming a policy interest rate of 1.0%, as aggregate figures for the new financial group: a consolidated ROE of approximately 11%, consolidated net income of ¥140.0 billion or more, a common equity Tier 1 capital ratio in the range of 10.5% to 11.5%, and a consolidated OHR of approximately 40%. These targets, however, do not take into account the synergies resulting from the management consolidation with The Chiba Kogyo Bank. Furthermore, with regard to capital policy, we aim to sustain the high growth rate in EPS (earnings per share) achieved under the previous Mid-term Plan. We will implement shareholder return measures that contribute to improving capital efficiency, while also delivering stable profit growth.

Implementing disciplined capital management to improve capital efficiency

In terms of capital management, we will maintain our common equity Tier 1 capital ratio within the target range of 10.5% to 11.5% and continue to pursue efficient capital utilization in order to achieve this objective. To further enhance capital efficiency, we plan to allocate capital generated from periodic profits in a balanced manner across three areas: accumulating risk assets, primarily through lending; pursuing growth investments, including system upgrades and inorganic opportunities; and delivering shareholder returns. With respect to shareholder returns, we intend to revise our return policy, raising the dividend payout ratio from "approximately 40%" to "40% or higher", and to pursue steady dividend increases commensurate with earnings growth. We will also conduct flexible share buybacks as needed to control the total number of shares outstanding, including any temporary increases arising from the management consolidation. Under the previous Mid-term Plan, we achieved a high growth rate, raising earnings per share (EPS) from ¥83.1 to ¥134.7. Under the new Mid-term Plan, we aim to sustain this high pace of growth in order to further enhance shareholder value. With regard to growth investments, we view the acquisition of EDGE Technology, an AI solutions company, as a subsidiary during the previous Mid-term Plan period as a critical step in our transformation into a DX and AI company, and a key factor in differentiating ourselves from competitors. Going forward, we will continue to proactively pursue opportunities that support the realization of our Purpose and Vision, as well as contribute to addressing regional challenges.

Strengthening our deposit base, the source of the Group's competitive advantage

With the transition to an economy with positive interest rates, it has grown increasingly important to attract deposits. Deposits are now critical, not only as a funding source for expanding lending assets but also from a profitability standpoint, as securing a stable supply of low-cost deposits and maintaining tight control over funding costs have become more essential than ever. Through the widespread adoption of user-friendly mobile banking applications, the expansion of cashless payment services, and the sustained presence of our branch network, The Chiba Bank has consistently built a competitive advantage in attracting liquid deposits with a low pass-through rate—particularly retail liquid deposits—relative to peer institutions. This has enabled us to establish a clear edge in funding capacity. As a result, the overall pass-through rate for deposit interest rates has remained at approximately 40% relative to the magnitude of policy rate increases. Looking ahead, we believe that the continued acquisition of retail and liquid deposits will be paramount to keeping the pass-through rate low, and that the development of a regional ecosystem is the key to achieving this objective. By integrating our mobile app with cashless services and offering a comprehensive suite of financial and non-financial services—including points, coupons, QR code payments, e-commerce, and crowdfunding—we aim to embed customer interactions into everyday life. Through these non-interest-based initiatives, we will continue to strengthen our deposit base while mitigating sensitivity to interest rate fluctuations.

Continued evolution of the alliance strategy, our primary strategy for differentiation

Alliances represent our most critical differentiation strategy, and we will continue to evolve them further. The TSUBASA Alliance, which began with the consolidation of core systems and celebrated its 10th anniversary in October 2025, has expanded its scope to include the consolidation of subsystems, a common API platform, the joint back-office operations, and the establishment of the AML Center. We have now begun disclosing the total value of synergies generated by the TSUBASA Alliance as a whole, which amounted to ¥25.6 billion for the fiscal year ended March 31, 2026, comprising top-line synergies and cost synergies. Going forward, we anticipate further increases in the value of synergies, driven by cost reductions resulting from the expansion of the shared operations infrastructure following the establishment of the TSUBASA Joint Administrative Center Co., Ltd., as well as the joint development of a system for inheritance-related procedures. Meanwhile, the Chiba-Musashino Alliance will accelerate its consolidation and standardization agenda under a new Phase 3 plan launched in April 2026. The Chiba-Yokohama Partnership, in turn, will promote the sharing of know-how between top regional banks and enhance our presence in the Tokyo metropolitan area.

Maximizing Group synergies by addressing regional challenges

One of the growth challenges identified through the previous Mid-term Plan was improving the profitability of Group companies. Under the new Mid-term Plan, we will intensify our efforts in integrated group management and pursue maximum synergies through closer functional collaboration. The expertise held by each Group company is essential to realizing our Purpose and Vision, as well as to addressing the challenges facing the region. Specific examples include the aforementioned EDGE Technology in the DX and AI sectors, Himawari Green Energy's power generation business in the GX sector; and Chibagin Capital's buyout funds in the areas of business succession and corporate value enhancement.

Going forward, we aim to further widen the difference between consolidated and non-consolidated by working as a unified corporate group to develop and provide solutions that contribute to the region's sustainable growth. To achieve this, we will enhance the information infrastructure linking the Bank and Group companies, while fostering a sense of unity through cross-Group dialogue and personnel exchanges to further strengthen the Group's execution capabilities.

Enhancing the quality of our dialogue with shareholders and investors, and improving engagement

We believe that enabling our stakeholders, including shareholders, to gain a clear understanding of our Group's strengths and unique strategies requires accurate and timely communication of our strategic approach and performance. We are convinced that reducing information asymmetry with investors through comprehensive disclosure will ultimately lower our capital costs, and we are therefore committed to enhancing the transparency of both financial and non-financial information.

Against a backdrop of shifting interest rates and growing interest from overseas institutional investors, we will expand our overseas investor relations opportunities and strengthen ongoing engagement by our management team. At the same time, we will take investor and analyst feedback seriously, reflect it in our management decisions, and uphold our accountability, thereby elevating the quality of our dialogue and strengthening trust with the market.

Communicating our growth story to the market to drive further growth in corporate value

Since taking office as Group CSO in April 2025, I have held extensive dialogues with investors, shareholders, and analysts. Through these exchanges, I have come to sense that the concerns of these stakeholders largely center on three key areas: financial results, shareholder returns, and growth potential. While financial results and shareholder returns are certainly important—and many companies are achieving strong performance while raising their dividend payout ratios and total return rates—I believe that gaining a deeper understanding of the Group's growth story is essential if investors, shareholders, and analysts are to select us as an investment destination.

The Group's growth story centers on continuing to expand our share of deposits and loans—and thereby increasing our top-line revenue—in Chiba Prefecture and the adjacent Tokyo metropolitan area, a region benefiting from sustained population and economic growth, including the ongoing expansion of Narita International Airport. Furthermore, as a frontrunner in alliance strategy, we will further strengthen our collaborative efforts. At the same time, we will leverage the strength of EDGE Technology—an AI solutions company—within the Group to dramatically improve productivity through the proactive use of AI.

As I noted at the outset, the Bank has achieved a PBR of over 1.0x. The PBR is a function of both ROE—an indicator of capital efficiency—and PER, which reflects market expectations of future growth. Under the new Mid-term Plan, we have established a consolidated ROE target of approximately 11%, and the entire Group is united in its commitment to achieving this goal. At the same time, to improve PER, it is essential that we articulate the Group's growth potential and the effectiveness of our strategies to investors in a clear and compelling manner, thereby deepening their understanding. I regard this as a key part of my role as Group CSO.

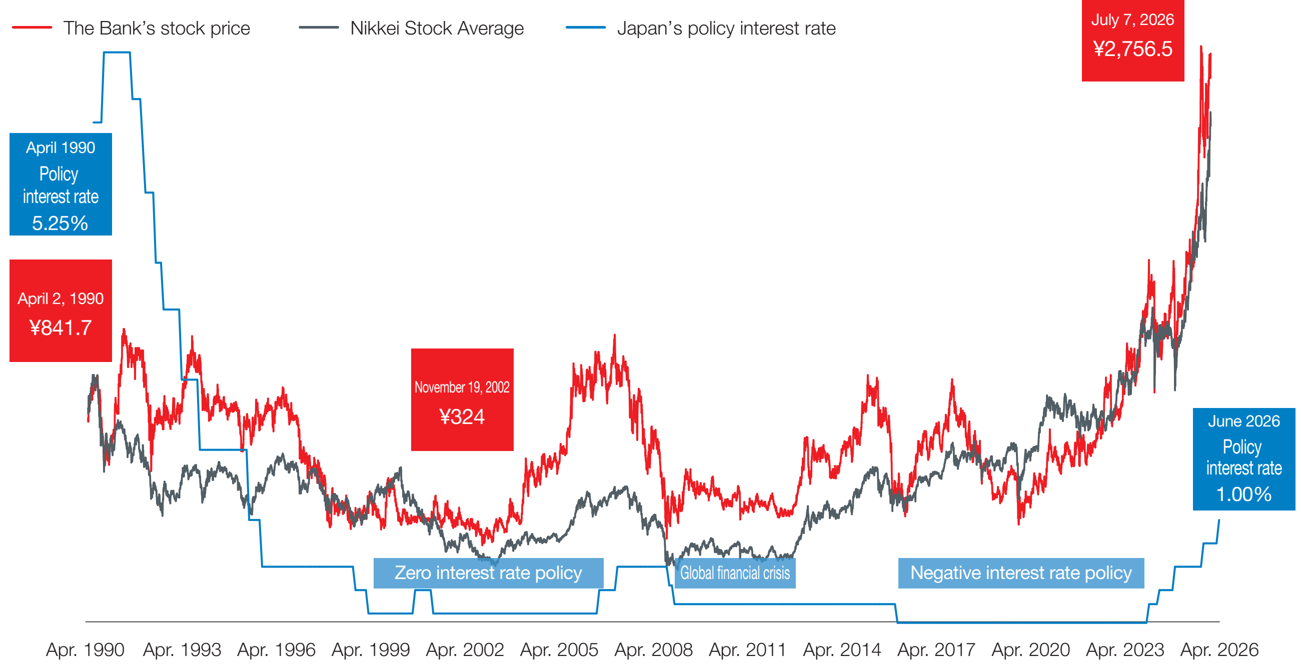
I joined The Chiba Bank in 1990. At that time, the Bank of Japan's policy rate stood at a high level of around 6%, as part of a monetary tightening cycle designed to rein in the asset bubble. Over subsequent years, the rate was gradually reduced, falling to zero in 1999 and entering negative territory in 2016, before finally being lifted in 2024. Today, with the policy rate reaching 1% for the first time in roughly three decades, we are witnessing a profound transition toward an economy with positive interest rates.

When I joined the Bank, its share price stood at approximately ¥800, yet it remained depressed for an extended period throughout the low, zero, and negative interest rate era, trading at around ¥400 for many years. Since 2024, as Japan has transitioned to an economy with positive interest rates, the share price has trended upward and has recently risen to levels exceeding ¥2,700. I believe that this shift in market valuation reflects not only the normalization of the interest rate environment, but also market expectations for the Group's profit growth and improved capital efficiency.

Furthermore, Chiba Prefecture's GDP, which remained flat during the economic downturn, is currently on an upward trajectory. According to estimates, once Narita International Airport reaches 500,000 annual aircraft movements under its "Second Opening" project, the resulting economic ripple effects are expected to increase by approximately ¥1.6 trillion annually compared with FY2024. This represents a significant impact equivalent to approximately 4% of Chiba Prefecture's economic output. By supporting Chiba Prefecture's growth potential through both financial and non-financial means, the Group will continue to pursue its own steady growth.

Looking ahead, we will remain committed to leveraging the Group's strengths to drive further increases in corporate value, striking a balance between stable earnings growth and efficient capital utilization.

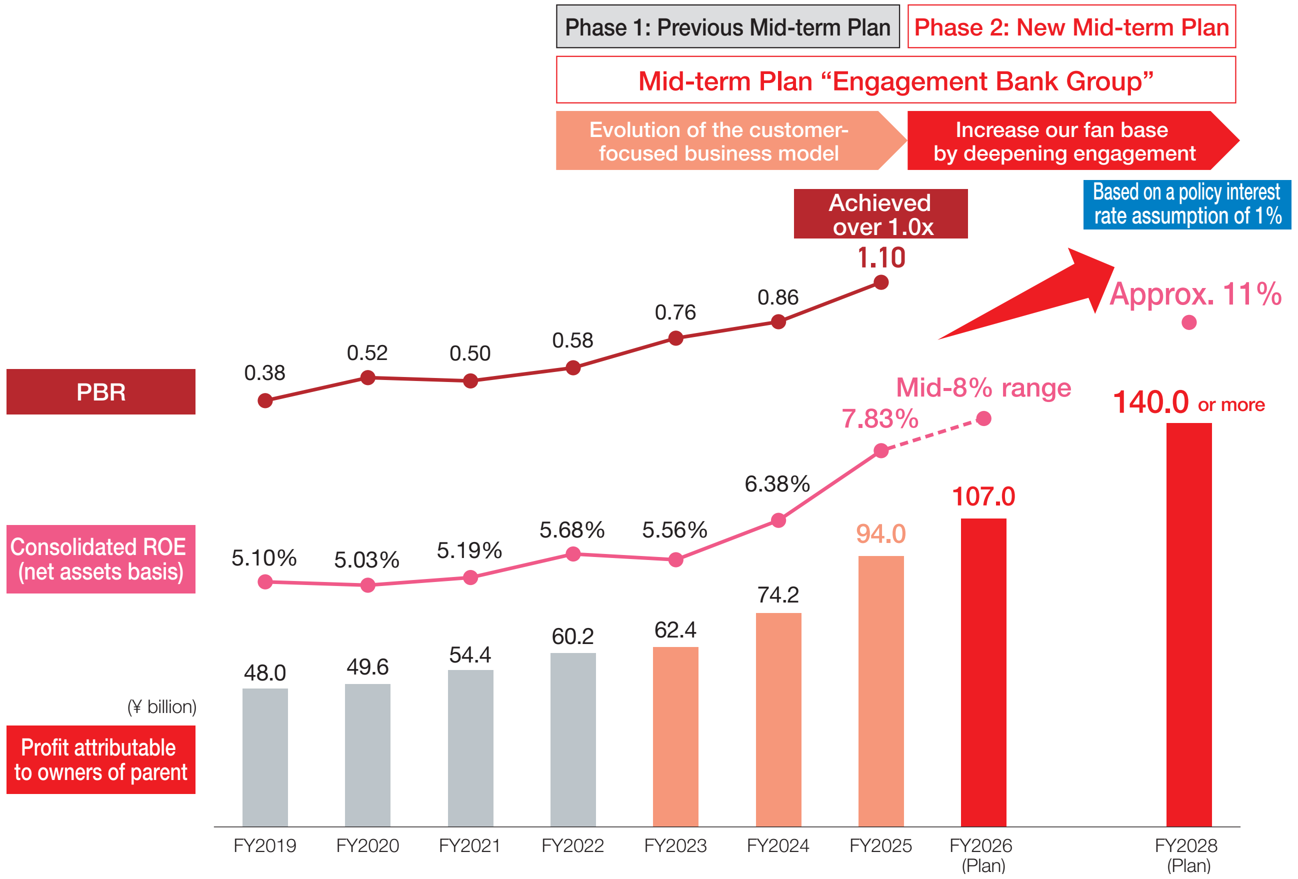
The Bank's stock price /Japan's policy interest rate



Note: The graphs of the Bank's stock price and the Nikkei Stock Average are indexed to the respective closing prices on April 2, 1990, which are shown as 100.

Improving Corporate Value

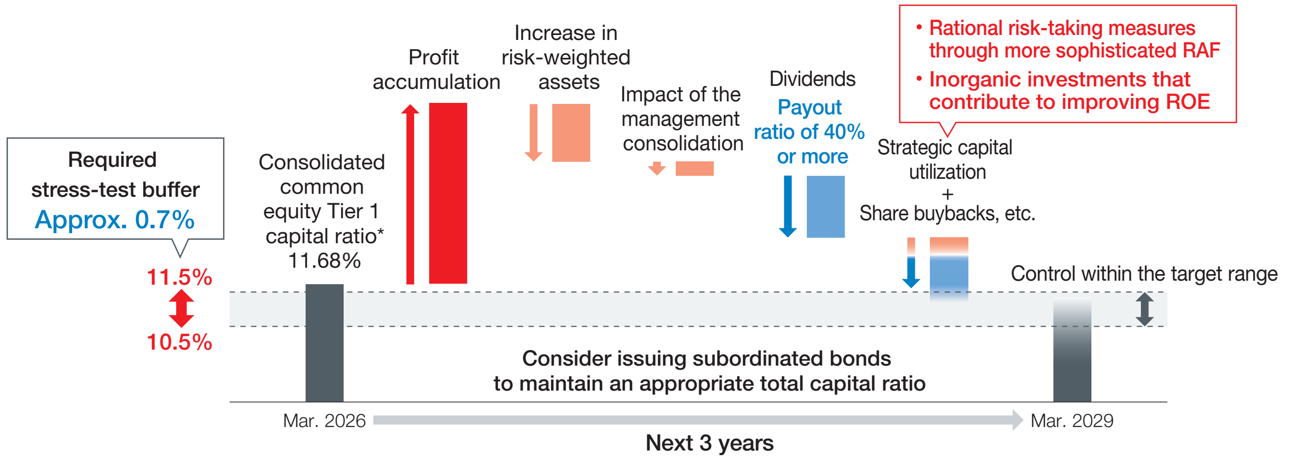
Price-to-Book Ratio (PBR) and consolidated ROE have steadily improved as a result of the efforts under the previous Mid-term Plan, achieving a PBR of over 1.0x. In Phase 2, under the new Mid-term Plan, we aim to build on these efforts to further enhance corporate value. We will use the next three years as a stepping stone to further advances, harnessing the tailwinds provided by changes in the interest rate environment.



Capital Policy

Capital allocation

We target a capital level equivalent to a consolidated common equity Tier 1 capital ratio of between 10.5% and 11.5%. We will allocate the capital generated from retained earnings in a balanced manner among three areas to further enhance capital efficiency: increasing risk-weighted assets, primarily through lending; pursuing growth investments, including system upgrades and inorganic investments; and delivering shareholder returns.



*Full implementation of finalized Basel III standards (excluding valuation differences on securities)

Shareholder return policy

We will revise our shareholder return policy, raising the dividend payout ratio from "approximately 40%" to "40% or more", and consider flexible share buybacks to support EPS growth.

① Control the "amount of capital" to improve ROE

Dividends	FY2025: Payout ratio of approx. 40% →	Payout ratio of 40% or more
Share buybacks	Flexible share buybacks	Maintain the high EPS growth rate from the previous Mid-term Plan

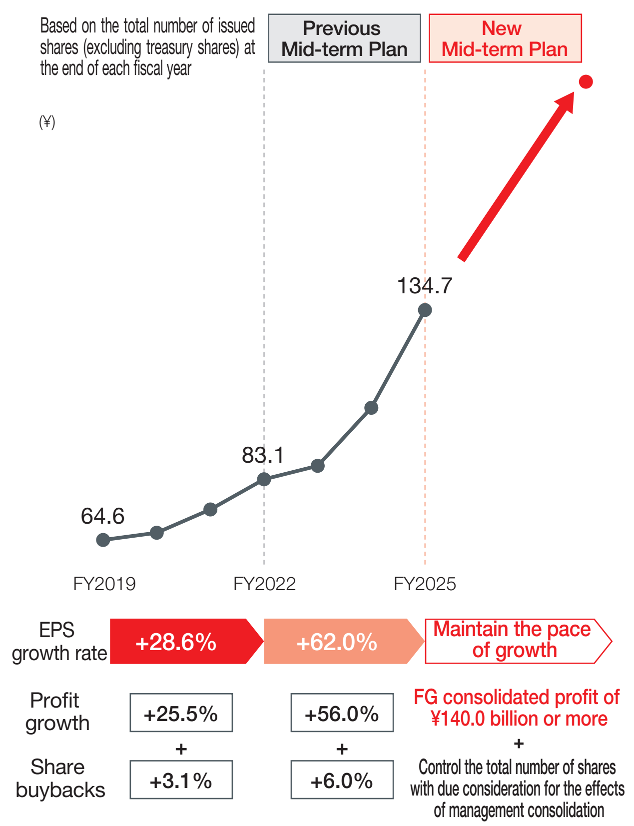
② Control the "number of shares" to grow EPS

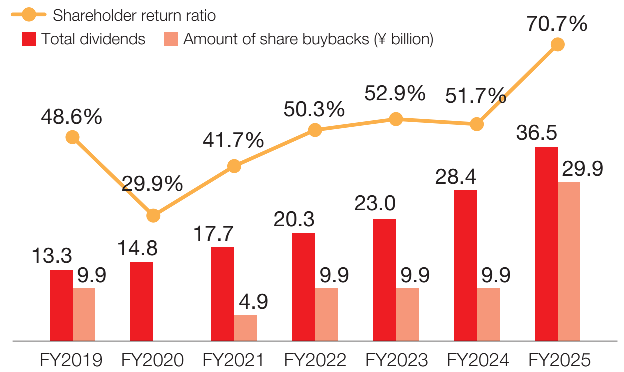
Earnings ↑	Consolidated profit attributable to owners of parent of ¥140.0 billion or more
Total number of shares* ↓	Control the number of shares, including temporary increase resulting from the management consolidation

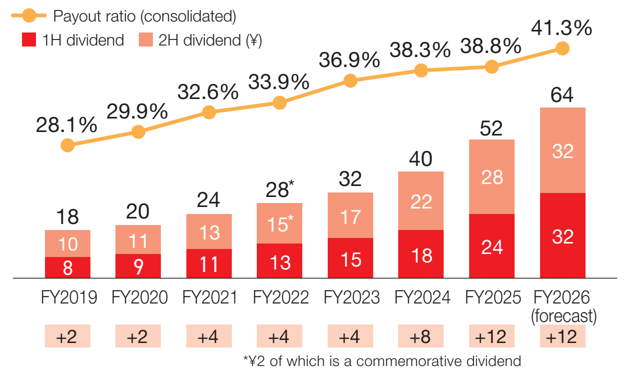
*Excluding treasury shares

EPS growth and shareholder return performance

Under the new Mid-term Plan, we aim to maintain the pace of EPS growth achieved under the previous Mid-term Plan. To this end, we will pursue profit growth while also implementing share buybacks, thereby managing the total number of shares in light of the management consolidation.







*¥2 of which is a commemorative dividend

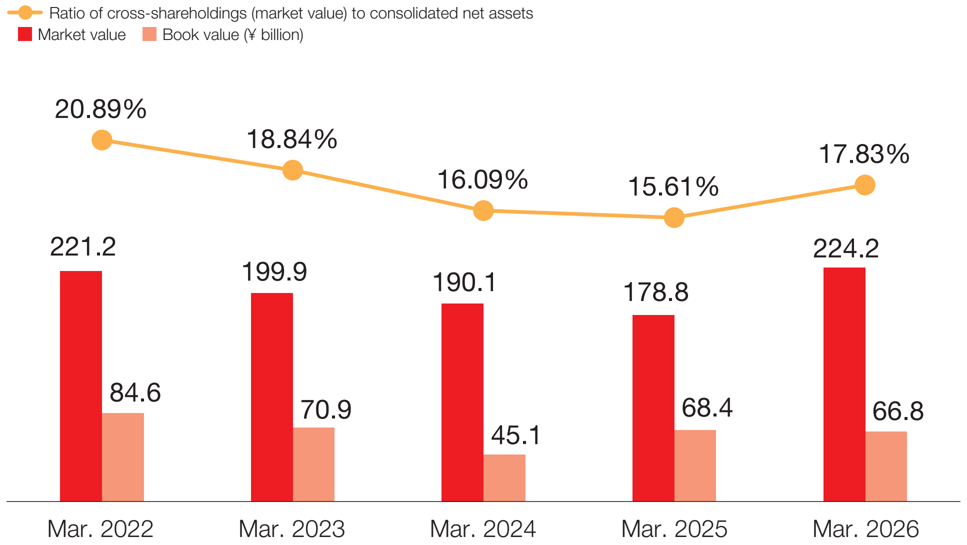
Reduction of cross-shareholdings

We maintain cross-shareholdings only in cases where there is a clear benefit, such as sustaining or strengthening key business relationships. We are actively working to reduce cross-shareholdings, while engaging in thorough dialogue with clients, with a continued focus on improving capital efficiency and controlling shareholding risks. The Bank's Board of Directors conducts annual reviews of each cross-shareholding to assess the appropriateness of continued ownership. These reviews encompass not only profitability but also financial condition, business performance, and expected future stock value prospects. In FY2025, this review was performed based on the status as of March 31, 2026. We have also set a target to reduce the market value of our cross-shareholdings to below 15% of the Group's total capital (consolidated net assets) by the end of March 2029, the final year of the current Mid-term Plan, while remaining mindful of potential fluctuations in share prices.

We sold holdings in 25 issues during FY2025, and as of March 31, 2026, the market value of cross-shareholdings was ¥224.2 billion, accounting for 17.83% of total capital (consolidated net assets). Until FY2024, our disclosures on cross-shareholdings included the shares of affiliates. However, under applicable laws and regulations, shares of affiliates are not classified as investment securities. Moreover, the inclusion of the shares of companies that have become affiliates through investments, including M&A, made under the growth strategy set forth in the Mid-term Plan, could potentially obscure a clear understanding of our ongoing efforts to reduce cross-shareholdings. Accordingly, from FY2025, we disclose figures excluding the shares of affiliates.

Excluding affiliates

*Cross-shareholdings are presented on a non-consolidated basis



[Compared with Mar. 31, 2025]

Ratio of cross-shareholdings (market value) to consolidated net assets **+2.22%**

Market value **+ ¥45.4 billion**

Book value **- ¥1.6 billion**

Including affiliates

	Mar. 2022	Mar. 2023	Mar. 2024	Mar. 2025	Mar. 2026
Book value (¥ billion)	95.9	82.1	56.6	89.2	87.3
Market value (¥ billion)	232.5	211.1	201.6	199.7	244.7
Ratio of cross-shareholdings (market value) to consolidated net assets	21.95%	19.90%	17.06%	17.45%	19.46%

To below 15% by March 31, 2029

Financial Results

Financial Results for the Fiscal Year Ended March 31, 2026

Net interest income increased ¥41.2 billion year on year due to an increase in interest on loans and discounts and other factors, and net fees and commissions income increased ¥1.4 billion year on year. As a result, gross business profit increased by ¥29.6 billion year-on-year to ¥216.2 billion.

Although G&A expenses increased by ¥7.8 billion year on year mainly due to an increase in personnel costs resulting from wage increases and an increase in non-personnel expenses resulting from strategic investments, consolidated OHR declined by 4.9 points from the previous fiscal year to the 41% range, reflecting the Bank's continued high level of efficiency.

Net business income (before provisions to general allowance for loan losses) increased by ¥21.8 billion year on year to ¥118.6 billion. The Bank's core business income excluding gains/losses on the cancellation of investment trusts was strong, increased for seven consecutive fiscal years to ¥129.8 billion.

Credit-related expenses decreased by ¥0.6 billion year on year to ¥9.5 billion.

Ordinary profit increased by ¥29.5 billion year on year to ¥134.5 billion, and net income increased by ¥18.1 billion year on year to ¥92.3 billion. On a consolidated basis, ordinary profit increased by ¥31.3 billion year on year to ¥138.8 billion and profit attributable to owners of parent increased by ¥19.8 billion year on year to ¥94.0 billion. Thus, ordinary profit and net income reached record highs for four consecutive fiscal years on both a consolidated and non-consolidated basis.

Summary of financial results for the Fiscal Year Ended March 31, 2026

(¥ billion)

(Non-consolidated)	FY2024	FY2025	YoY
Gross business profit	186.5	216.2	29.6
Net interest income	156.7	198.0	41.2
Net fees and commissions	30.8	32.2	1.4
Net trading income	1.1	0.5	(0.5)
Net other ordinary income	(2.1)	(14.6)	(12.4)
Gains/losses related to bonds	(6.7)	(19.9)	(13.2)
G&A expenses (-)	89.7	97.6	7.8
Net business income (before provisions to general allowance for loan losses)	96.7	118.6	21.8
Core business income	103.4	138.5	35.1
Excl. gains/losses on the cancellation of investment trusts	100.8	129.8	28.9
Net provisions to general allowance for loan losses (-)	2.0	1.7	(0.3)
Net business income	94.6	116.8	22.1
Non-recurring gains/losses	10.3	17.6	7.3
Disposal of non-performing loans (-)	8.1	7.8	(0.3)
Reversal of loan loss reserves	—	—	—
Gains/losses related to stocks, etc.	18.1	27.0	8.8
Ordinary profit	105.0	134.5	29.5
Extraordinary gains/losses	(0.6)	(2.8)	(2.2)
Net income	74.2	92.3	18.1
Credit-related expenses (-)	10.2	9.5	(0.6)

(¥ billion)

(Consolidated)	FY2024	FY2025	YoY
Ordinary profit	107.5	138.8	31.3
Profit attributable to owners of parent	74.2	94.0	19.8
(Reference)			
Consolidated net business income (before provisions to general allowance for loan losses)	104.7	128.9	24.2

Earnings Projections for the Fiscal Year Ending March 31, 2027

For the fiscal year ending March 31, 2027, gross business profit is projected to increase ¥30.7 billion year on year to ¥247.0 billion due to an increase in net fees and commissions of ¥1.7 billion, in addition to an increase in net interest income of ¥28.9 billion reflecting an increase in domestic net interest income from loans and deposits, driven by loan growth and rising interest rates.

G&A expenses are projected to increase ¥9.6 billion year on year to ¥107.3 billion primarily due to wage increases and an increase in expenses related to strategic investments.

As a result, net business income (before provisions to general allowance for loan losses) is projected to increase ¥21.0 billion year on year to ¥139.7 billion, and core business income excluding gains/losses on the cancellation of investment trusts is projected to increase ¥9.8 billion year on year to ¥139.7 billion.

Credit-related expenses, on the other hand, are conservatively projected to increase ¥2.9 billion year on year to ¥12.5 billion in light of continued uncertainty surrounding the impact on the economy of factors such as rising prices, labor shortages, and the situation in the Middle East.

As a result, ordinary profit is projected to increase ¥15.8 billion year on year to ¥150.4 billion and net income is projected to increase ¥13.4 billion year on year to ¥105.8 billion.

On a consolidated basis, ordinary profit is projected to increase ¥15.4 billion year on year to ¥154.3 billion and profit attributable to owners of parent is projected to increase ¥12.9 billion year on year to ¥107.0 billion.

Earnings Projections

(¥ billion)

Policy interest rate 0.75%

(Non-consolidated)	FY2025	FY2026 (Plan)	YoY
Gross business profit	216.2	247.0	30.7
Net interest income	198.0	226.9	28.9
Net fees and commissions	32.2	34.0	1.7
Net trading income	0.5	1.3	0.7
Net other ordinary income	(14.6)	(15.2)	(0.6)
Gains/losses related to bonds	(19.9)	(18.0)	1.9
G&A expenses (-)	97.6	107.3	9.6
Net business income (before provisions to general allowance for loan losses)	118.6	139.7	21.0
Core business income	138.5	157.7	19.1
Excl. gains/losses on the cancellation of investment trusts	129.8	139.7	9.8
Net provisions to general allowance for loan losses (-)	1.7	2.0	0.2
Net business income	116.8	137.7	20.8
Non-recurring gains/losses	17.6	12.7	(4.9)
Disposal of non-performing loans (-)	7.8	10.5	2.6
Reversal of loan loss reserves	—	—	—
Gains/losses related to stocks, etc.	27.0	22.5	(4.5)
Ordinary profit	134.5	150.4	15.8
Extraordinary gains/losses	(2.8)	(0.3)	2.5
Net income	92.3	105.8	13.4
Credit-related expenses (-)	9.5	12.5	2.9

(¥ billion)

(Consolidated)	FY2025	FY2026 (Plan)	YoY
Ordinary profit	138.8	154.3	15.4
Profit attributable to owners of parent	94.0	107.0	12.9
(Reference)			
Consolidated net business income (before provisions to general allowance for loan losses)	128.9	148.9	19.9

Management Consolidation with The Chiba Kogyo Bank

Background and Aims of the Management Consolidation

On March 25, 2026, we reached a final agreement with The Chiba Kogyo Bank, Ltd. to establish a joint holding company, Chiba Financial Group, Inc., on April 1, 2027, through a joint share transfer (the Bank and The Chiba Kogyo Bank, Ltd. are hereinafter collectively referred to as the "Banks"). We believe that the management consolidation of the Banks, each headquartered in Chiba Prefecture, will contribute to the further development of the regional economy, the realization of the purposes of the Banks and the enhancement of their corporate value.

In undertaking this management consolidation, our guiding vision is the "Strengthening of Regional Financial Capabilities through Two Brands of Trust and Respect." Based on this vision, we are committed to making even greater contributions to the sustainable growth of our customers and the local community, while steadily pursuing the purposes of the Banks. While trusting and respecting the values and relationships with stakeholders that each of the banks has established over time, we aim to realize our respective purposes by leveraging each other's complementary strengths. Through this consolidation, we will strive to maximize the value we deliver to all of our stakeholders.

Purpose	Purpose
To create a local community better suited to bringing each person's hope to life (CHIBA BANK)	Create a thousand happinesses by always being there for our customers and community. Today, and for every tomorrow. (Chiba Kogyo Bank)

Strengthening of Regional Financial Capabilities through "Two Brands of Trust and Respect"

While trusting and respecting the values and relationships with stakeholders that each of the Banks has established, the Banks intend to strengthen their regional financial capabilities together by enhancing their roles in the region

Background of the Management Consolidation

- The needs of the regional community and the challenges that need to be addressed are becoming increasingly diverse and complex
- Competition in the financial sector will intensify with the arrival of a "world with positive interest rates"
- It is becoming increasingly vital to strengthen resilience, including measures against financial crimes and cybersecurity, and preparations for post-quantum cryptography

Purpose of the Management Consolidation

- Strengthen regional financial capabilities to contribute to regional revitalization and sustainable growth

  Provide customers and the community with a better customer experience

  Enhance products and services while building comprehensive in-person, remote, and digital channels

  Streamline through sharing management resources and overall optimization

  Consolidate and enhance various domains including personnel/investments/expense, administration/systems, and risk management

Customers: Creation of Diverse Customer Experiences that Exceed Expectations

- Provision of diverse products and services through the mutual usage of knowledge of both groups
- Optimization of "in-person, remote and digital" channels through mutual use of branches and ATMs, and transformation of customer experience through highly convenient digital services
- Increase in face-to-face customer touchpoints through back-office efficiency improvements and strengthened sales capabilities
- Provision of added value by enhancing financial intermediation function through expansion of capital resources

Region: Sustainable Solutions to Support Regional Development

- Realization of the resolution of regional issues through support for DX, GX, and WX
- Maintenance and expansion of regional employment by attracting growing companies and by strengthening business succession and M&A
- Acceleration of a local cycle through the joint development of cashless business by the Banks
- Enhancement of the attractiveness of the region through the regional promotion of sports, culture, and arts by the Banks

Chiba Financial Group — CHIBA BANK × Chiba Kogyo Bank

Employees: Achievement of Employee Satisfaction and Diverse Career Growth

- Enhancement of the engagement through sustained improvements in compensation and expanded employee benefits
- Support for self-fulfillment through career development support and the provision of a variety of options, etc.
- Creation of a secure working environment through a stronger presence in the region
- Active utilization of AI and achievement of the best customer experience and expansion of human resources through significant improvement of productivity

Shareholders: Realization of Enhancement of Corporate Value and Shareholder Returns that Continuously Meets Expectations

- Enhancement of sustainable corporate value through strengthened profitability and cost improvement via synergies
- Realization of stock price rise and stable shareholder returns through improvements in ROE and EPS

Chiba Financial Group's Management Strategy

At Chiba Financial Group, we aim to realize a sustainable local community based on three pillars for strengthening regional financial functions, supported by two foundations.

The first of these two foundations is the "utilization of business foundation under two brands," through which we combine the strengths cultivated by the Banks to further deepen customer engagement and enhance our products and services. The second is the "establishment of a shared foundation through the consolidation of operations," whereby we pursue thorough improvements in management efficiency by consolidating operations departments as well as second- and third-line functions.

Building on these foundations, we will accelerate our efforts to strengthen regional financial functions through three core pillars: improving productivity by "enhancing DX/AI utilization," advancing our solution function by "strengthening value creation capabilities," and improving employee expertise and performance by "advancing human capital management."

Realization of a Sustainable Regional Community

Three Pillars for Strengthening Regional Financial Functions

Enhancing DX/AI Utilization	Strengthening Value Creation Capabilities	Advancing Human Capital Management
• Providing enhanced services by system integration • Making personalized and tailored proposals utilizing data and AI • Enhancing regional productivity through DX and AI consulting	• Revitalizing the regional economy by deeply connecting regional customers and businesses through financial service • Continually creating convenient and user-friendly services that exceed expectations	• Enhancing personnel quality through the reinforcement of investment in personnel development by the entire group • Maximizing the value provided to customers through optimization of personnel portfolio • Expanding highly specialized personnel by consolidating headquarters functions

Two Foundations Supporting the Strengthening of Regional Financial Functions

Utilization of business foundation under two brands	Establishment of a shared foundation through the consolidation of operations
• Further deepening of the relationships with customers that the Banks have cultivated • Increasing contact points with customers through utilization of the Banks' networks and channels • Expanding product lineups and solution offerings by combining the Banks' expertise	• Reducing costs through the thorough consolidation of administrative and operative functions to enhance productivity as a group • Increasing touchpoints with customers by reallocating personnel resources to frontline positions • Strengthening resilience through sharing of specialized expertise

Synergies from the Management Consolidation

We anticipate that the management consolidation will generate synergies of approximately ¥4–6 billion in net business income on a single-year basis in two years, and ¥12–16 billion in five years. We intend to advance a range of synergy initiatives grounded in the two foundations: the "utilization of business foundation under two brands" and the "establishment of a shared foundation through the consolidation of operations." In parallel, we are currently advancing deliberations regarding the integration of our core systems, aiming to determine our strategic direction by the effective date of the management consolidation. Through the system integration, we expect to achieve cumulative benefits of up to approximately ¥90 billion over a 16-year period. Further details will be disclosed when we officially launch the Chiba Financial Group in April 2027.

Creating annual synergy of ¥4-6 billion in two years and ¥12-16 billion in five years after the management consolidation on a net business income basis.

Major Synergy Measures

Top-line Synergy Measures
- Collaboration on large-scale development projects within Chiba Prefecture
- Expansion of loan balances through joint activities in highly specialized areas such as structured finance
- Joint initiatives in new business areas
- Enhancement of non-financial revenue through joint product development and the sharing of expertise

Cost Synergy Measures
- Reallocation of personnel to growth areas through the streamlining of head office operations
- Expansion of joint operations and joint procurement

Management Indicators Targeted for FY2028	Level
Consolidated ROE (net assets basis)	Approx. 11%
Profit attributable to owners of parent	¥140.0 billion or more
Consolidated common equity Tier 1 capital ratio*	10.5～11.5%
Consolidated OHR	Approx. 40%

*Full implementation of finalized Basel III standards (excluding valuation differences on securities)

+System Integration Effect (Total of 2 cycles over 16 years) | Targeted Synergy Impact +¥90 billion

Currently considering the integration of core banking systems
The details to be determined by the effective date of the management consolidation

FY2028 Synergy Impact ¥4–6 billion

FY2031 Synergy Impact ¥12–16 billion

• Top-line synergy • Cost synergy

Establishment of a shared foundation through the consolidation of operations

Utilization of business foundation under two brands

*The mid-term plan of Chiba Financial Group is scheduled to be announced in April 2027, and the details of the above contents will be disclosed within that plan.

The Value Chiba Bank Aspires To | Chiba Bank's Value Creation | Growth Strategy for Value Creation | Contribution to Local Community, Society, and Environment | Management Base Supporting Value Creation

Outside Directors Roundtable Meeting

Leveraging diverse insights to support management for the sustainable development of the local community and the enhancement of the Group's corporate value

Director [Outside Director]
Mana Nabeshima

Director [Outside Director]
Ryoji Yoshizawa

Director [Outside Director]
Naoko Mizukoshi

Director [Outside Director]
Yasuko Takayama

Director [Outside Director]
Takahide Kiuchi

*Listed in the order of the photos

Outside Director Yasuko Takayama moderated a roundtable discussion with Outside Directors Takahide Kiuchi, Ryoji Yoshizawa, Mana Nabeshima, and Naoko Mizukoshi, who was newly appointed in June 2026. The discussion covered a range of topics, including the new Mid-term Plan, organizational culture transformation, and governance.

Assessment of the new Mid-term Plan

Takayama Under our new Mid-term Plan, we aim to contribute to addressing social issues, thus achieving sustainable growth for both the local community and the Group. How do you evaluate the new Mid-term Plan as outside directors?

Yoshizawa I believe that our role as outside directors is to contribute to the medium- to long-term enhancement of corporate value from a different perspective from the executive team, taking into account the viewpoints of various stakeholders, including shareholders, customers, and employees.

In formulating the new Mid-term Plan, I have been involved in discussions on the target levels the Group should aspire to achieve from an objective perspective, taking into account domestic and international banking systems as well as historical data. Chiba Prefecture is fully integrated with the Tokyo economic zone, and it is essential for us to offer competitive services with a broader outlook that extends beyond the prefecture in order to remain the bank of choice for our customers. In this sense, I regard the new Mid-term Plan's clear articulation of growth strategies by geographic area—within Chiba Prefecture, outside the prefecture, and nationwide—as a significant step forward.

Nabeshima In order to remain the bank of choice for our customers, I think it is important that, in addition to providing core financial services, we clearly articulate the unique value that only the Chiba Bank Group can provide. The new Mid-term Plan provides a solid framework for identifying the distinct needs of corporate and retail customers and clarifying the value propositions we can offer to each segment.

Going forward, it will be crucial to translate these strategies into day-to-day practices on the business frontline. I am confident that the plan's effectiveness can be further amplified by clearly communicating the strategic direction and decision-making principles that management intends to pursue, while simultaneously empowering frontline staff to think and act autonomously based on the realities of local communities and customers.

Kiuchi From a governance standpoint, the previous Mid-term Plan was a period in which we reviewed and refined our organization and operations based on the business improvement plan. The new Mid-term Plan is positioned as the stage on which we build upon those outcomes and reap the fruits of growth. At the same time, we must remain vigilant in ensuring that the improvements we have made are not merely temporary, and that customer-centric operations are firmly embedded throughout the organization.

Leveraging AI to drive productivity is a central pillar of the new Mid-term Plan. Improving productivity embodies the sanpo-yoshi philosophy—"benefit for all three parties," as it enhances employee engagement, elevates customer convenience and satisfaction, and supports the growth of the Group. As an outside director, I will continue to monitor the effectiveness of these endeavors.

Takayama I understand that Region-wide DX, GX and WX initiatives, which are pillars of our value creation story under the new Mid-term Plan, are initiatives to share with local customers, companies, and governments the knowledge and know-how that the Group has cultivated so far, so that we can create new value together. How do you view its effectiveness?

Kiuchi As I mentioned earlier, I feel that the Group is more advanced than many other banks when it comes to DX. One of our major strengths is that we have brought AI development in-house and work on projects that match both our internal needs and those of our customers.

Mizukoshi I believe that the Group has been ahead of the curve in formulating AI policies and adopting a proactive stance. In addition, by developing AI capabilities in-house, we have a genuine opportunity to accumulate frontline knowledge and data that can inform services designed to meet real-world needs.

Looking ahead, it is essential that we view DX and AI not merely as tools for efficiency, but as means of delivering tangible added value to our customers and the local community. To that end, I hope we can continue to develop services that customers can use with confidence, balancing greater convenience with the responsible and trustworthy use of data.

Yoshizawa Technological innovation has fundamentally transformed the pace at which services and new features can be developed and delivered. At the Chiba Bank Group, we recognize the importance of continuously assessing cost-effectiveness in step with technological progress, while making full use of the systems and frameworks we have developed.

As megabanks and online banks continue to leverage DX and AI, it has become even more important for regional financial institutions to provide value leveraging customer touchpoints and data from local customers. I am optimistic that the DX and AI initiatives set forth in the new Mid-term Plan will drive the evolution of our business model looking ahead 10 to 15 years.

Kiuchi With GX, we have reached a stage where the achievement of the Bank's own decarbonization targets is now within reach. Going forward, however, the focus will increasingly shift to supporting our customers and the local community in their decarbonization efforts. While WX is the most recent of the three areas, it holds significant potential. We can apply the insights gained through our own initiatives such as business succession support and human resources solutions to help address the challenges facing local businesses.

Nabeshima I appreciate the fact that the Group's GX initiatives contribute to regional decarbonization through projects such as Himawari Green Energy's power generation business, while also contributing to the Group's earnings. Going forward, I hope to see not just an increase in power generation capacity but also a clearer roadmap for translating non-financial value generated through region-wide decarbonization support into enhanced corporate value.

Transforming the organizational culture to enhance the effectiveness of management strategy

Takayama For the new Mid-term Plan to deliver its full potential, it is essential not only to have a sound strategy in place but also to foster an organizational culture that enables the steady execution of strategy at the frontline.

The Group aims to transform into a bottom-up organization. How do you view the progress of this cultural transformation?

Kiuchi The business improvement plan has served as a catalyst for steadily advancing reforms to our organizational culture. Notably, the mechanisms we put in place to capture and respond to feedback from both employees and customers—through engagement surveys, compliance questionnaires, and customer experience (CX) surveys—have begun to function effectively and lead to improvements. The fact that frontline perspectives are now being heard more actively and fed back into management represents a significant step forward.

Looking ahead, it will be essential to further enhance cross-departmental collaboration and to connect these efforts directly to improvements in customer satisfaction and productivity.

Nabeshima Our engagement survey process, I believe, is already quite rigorous—enabling us to identify notable trends through data analysis and, where needed, conduct on-site branch visits to examine root causes.

Going forward, however, it will be important to move beyond issue identification and ensure that frontline feedback feeds into discussions on improvement proposals and growth strategies. I believe that by creating more opportunities for dialogue within each workplace and encouraging employees to consider what they themselves can do, we can ensure that the transition to a bottom-up organization continues to gain momentum.

Yoshizawa In transitioning to a bottom-up organization, it is essential that management does not simply delegate thinking to frontline employees, but also provides the data and benchmarks necessary to inform sound decision-making. For example, by visualizing regional characteristics, customer base, staffing requirements, and workload distribution, individual branches and Head Office departments can better assess their own circumstances and develop more concrete objectives and action plans.

Establishing a framework in which frontline teams are empowered to think proactively and offer constructive input to management is critical to ensuring that a bottom-up approach delivers meaningful results.

Leveraging the strengths of both banks to enhance the value we deliver to the local community

Takayama We are planning a management consolidation with The Chiba Kogyo Bank in April 2027. What are your expectations regarding the management consolidation's role in contributing to the local community and enhancing corporate value?

Yoshizawa In a positive interest rate environment, bank management is increasingly defined by how effectively we secure and deploy management resources, including human capital, deposits, and capital. If both banks can utilize these resources more efficiently, we will be able to strengthen our ability to deliver better services to local customers in a more efficient manner.

To achieve this, it is essential that we prioritize function and efficiency, leverage the distinctive strengths of each institution, and remain unconstrained by precedent or established practices in our pursuit of optimal solutions. I am confident that a flexible approach—one that embraces each bank's best practices—will ultimately contribute to enhancing corporate value.

Nabeshima The services required vary depending on whether the customer is a corporation or an individual, as well as on the industry, the region, and life stage. By combining the expertise and customer bases of both banks, and by gaining a deeper understanding of customer needs while mutually leveraging the necessary tools and products, I believe we can significantly broaden

the scope of value we are able to deliver.
At the same time, in areas such as cybersecurity and AI-related investments, which are particularly demanding to manage independently, sharing knowledge and resources could enable us to offer more sophisticated services. I would also like to see it elevate the Group's perspective on what we should seek to achieve for the region.

Kiuchi Both banks have experience working closely with local customers for many years and have a strong awareness of the issues facing the region. By pooling this knowledge, we believe we can further advance our contribution to the region even more effectively than before. At the same time, as Director Nabeshima noted, it is essential that we clearly communicate to our customers how these efforts translate into improved services and more effective solutions to local issues.

Takayama To strengthen the value we deliver to the community, it is essential that the officers and employees of both banks develop a mutual understanding and operate with a shared sense of purpose. Guided by our Human Resources Development Policy—"gain more supporters"—we aim to deepen cross-organizational ties and, in doing so, contribute to the growth of the region.

Toward more sophisticated governance to support sustainable growth

Takayama How do you view the effectiveness of the Bank's Board of Directors?

Kiuchi The Board's effectiveness continues to improve steadily, driven by ongoing refinements informed by effectiveness evaluations. In addition to active dialogue between internal and outside directors, discussions among internal directors themselves have become increasingly active, broadening the scope of Board deliberations.
The Board has also reinforced its monitoring of the execution of duties by CxOs, further strengthening its role as a monitoring board. Looking ahead, as we transition to the Chiba Financial Group holding company structure, it will be essential to review the optimal

governance framework for a holding company.

Yoshizawa Considering the upcoming expansion of the organization through the transition to a holding company structure, it will be increasingly important to devote sufficient time to more fundamental discussions on the core businesses and strategies that lie at the heart of management. As the Board of Directors, it is vital that we thoroughly discuss themes that are directly linked to enhancing corporate value.

Nabeshima Following constructive and substantive discussions, requests and recommendations raised at Board meetings are categorized into short-term and long-term response plans. This is a very positive practice. I believe that having a robust system in place—one that reliably channels proposals into concrete next steps and drives continuous PDCA cycles—is a critical factor underpinning the effectiveness of the Board of Directors.

Takayama Director Mizukoshi, you have been newly appointed as an outside director of the Bank. Considering your experience at other companies, what aspects of the Bank's governance and Board operations are you interested in, and what kind of role do you see yourself taking on in the future?

Mizukoshi I think it would be effective if more opportunities were created for open discussion on medium- to long-term strategy, not only at formal Board meetings but also at earlier stages. Based on my experience at other companies, engaging in discussions before items are formally brought before the Board helps foster mutual understanding among the Directors and enhances the overall quality of strategic deliberation.
In such discussions, I hope to draw on my background in the IT industry and my legal expertise to contribute to the Bank's sustainable growth—particularly from the perspectives of digital transformation, data utilization, governance, and risk management.

Reflecting investors' perspectives in Board discussions

Takayama To conclude, I would like to hear your opinions, as outside directors, on how the Board of Directors should perceive investors' expectations and utilize their perspectives in discussions.

Yoshizawa As outside directors, our role is to provide objective oversight of management, giving due consideration to the perspectives of a broad range of stakeholders, including shareholders and investors. When it comes to capital policy, in particular, it is essential that we

strike an appropriate balance between growth investments, financial stability, and shareholder returns. Such decisions necessarily require careful attention to the views of investors.
In addition to the explanations offered by the management team, investors also pay close attention to how we, as outside directors, assess the direction of management and the nature of Board deliberations from an independent perspective.

Nabeshima I agree with Director Yoshizawa that it is also important to communicate to investors how we, as outside directors, view the Bank's management.
In this regard, including the content of this Roundtable Meeting in the Bank's Integrated Report offers an effective means of conveying outside directors' perspectives and providing a window into deliberations by the Board of Directors. I feel that this will make our approach to governance and management clearer.

Kiuchi Investor events such as IR Day provide us with valuable, concrete insight into the specific areas of interest for analysts and investors. At recent events, questions have been raised concerning the Group's future organizational structure and growth strategies, underscoring the importance of these forums in helping us better understand investor priorities. I believe that the perspectives gained through such opportunities should also be reflected in the deliberations of the Board of Directors.

Takayama The comments shared today have reaffirmed for me the importance of deepening Board deliberations with due attention to the interests and concerns of our investors. The Bank will enter a new phase of its history under the new Mid-term Plan.
Going forward, as outside directors, we will continue to assess the management team's thinking from an objective, external standpoint. Through multifaceted discussions on issues such as the effectiveness of the new plan, the transformation of organizational culture, and governance enhancements from a medium- to long-term standpoint, we hope to contribute to the sustainable development of the local community and the enhancement of the Chiba Bank Group's corporate value.