



The Chiba Bank, Ltd.

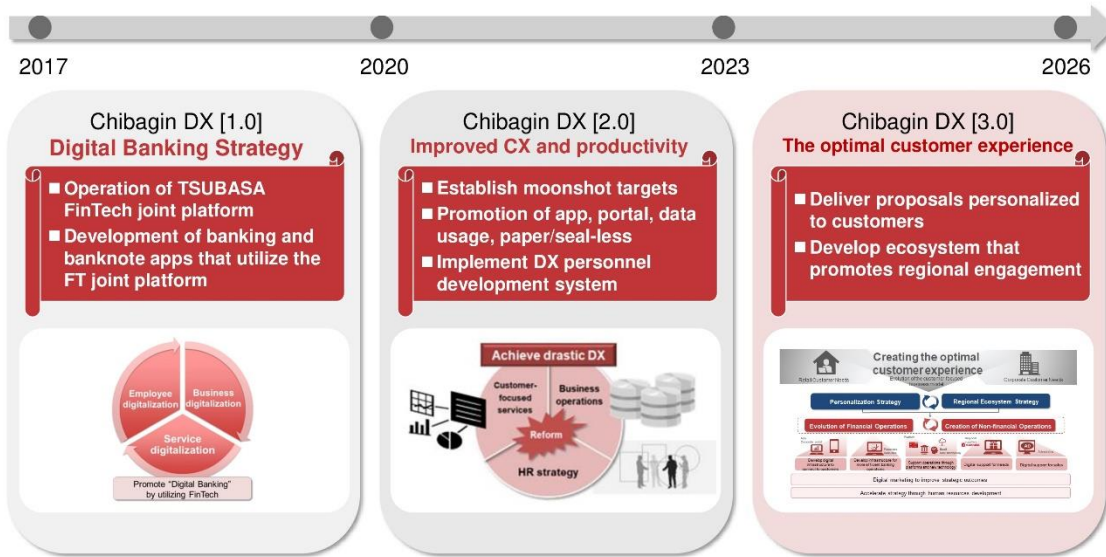
IR Day (Part 2)

April 10, 2023

Event Summary

[Company Name]	The Chiba Bank, Ltd.	
[Event Name]	IR Day (Part 2)	
[Date]	April 10, 2023	
[Time]	16:10 – 16:52 (Total: 42 minutes, Presentation: 21 minutes, Q&A: 21 minutes)	
[Number of Speakers]	3	
	Mutsumi Awaji	Director and Senior Executive Officer, Group Chief Strategy Officer, Group Chief Digital Transformation Officer
	Takashi Makinose	Managing Executive Officer, Group Chief Human Resources Officer
	Taro Kanzawa	General Manager of Corporate Planning Division

Creating maximum customer value through DX strategy



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Awaji: Thank you for joining us today. I am Mutsumi Awaji, the Group CSO and CDTO. I will be explaining our DX strategy within the Mid-term Plan.

Please turn to page three.

Since 2017, we have built a FinTech common platform in collaboration with the TSUBASA Alliance, which serves as the foundation for our digital banking services as part of our Mid-term Plan. In the previous Mid-term Plan starting in 2020, we further introduced digital infrastructure such as an app and corporate portal, promoted paperless and seal-less operations, and focused on developing digital personnel.

If we consider these stages of evolution as Chiba Bank DX 1.0 and 2.0, the new DX strategy in the current Mid-term Plan is positioned as Chiba Bank DX 3.0, with the fundamental policy of creating the optimal customer experience.

We aim to provide our customers with the best Chiba Bank experience by fully utilizing the digital infrastructure we have built so far.

Evolution of the customer-focused business model



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Please turn to page four. This is an overview of our DX strategy.

There are two strategic pillars for creating the optimal customer experience. One is our personalization strategy, which aims to deliver the most suitable proposals to each individual customer, and the other is the regional ecosystem strategy, which connects local corporate and individual customers to stimulate the economic cycle.

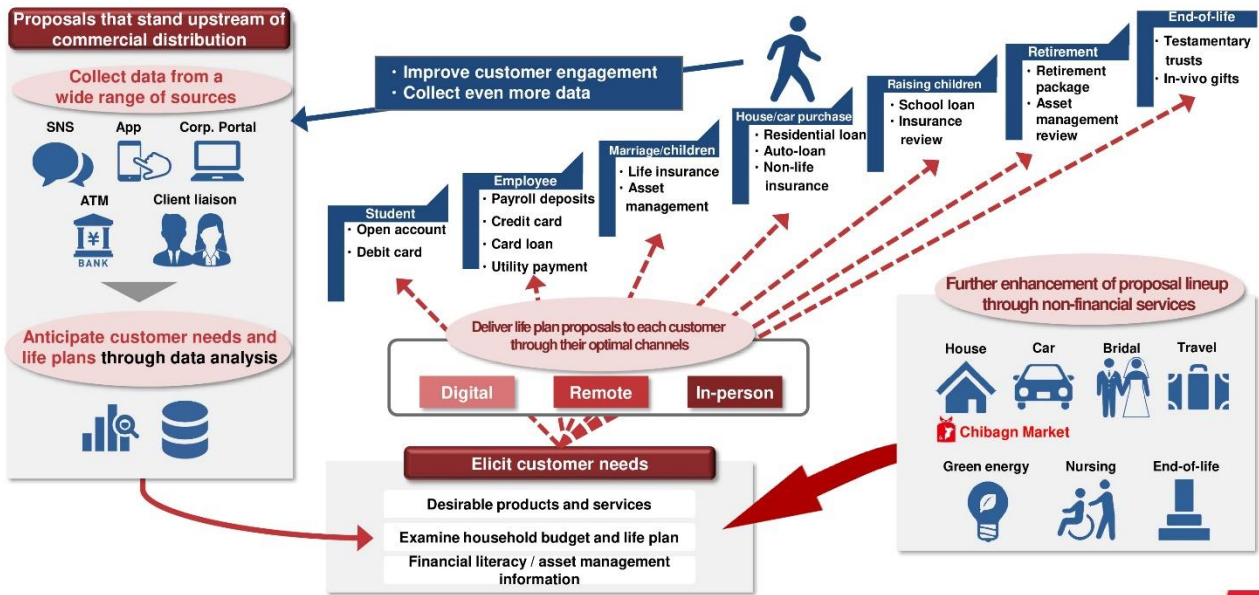
We will concurrently evolve our existing financial business and create new non-financial businesses across the entire Group.

In our financial operations, we will further improve the functionality of our digital infrastructure, such as the app and corporate portal, and promote business process efficiency through paperless operations and the further introduction of RPA.

In our non-financial operations, we will expand the business domain of Chiba Bank's branches, enter the advertising business, and actively utilize new technologies such as BaaS and the Metaverse space.

Digital marketing serves as the foundation for effectively providing both financial and non-financial services, and we will further accelerate the overall strategy by cultivating DX personnel.

Utilize data to make proposals that address each customer's issues in order to build a fanbase



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Please look at the next slide. This is our personalization strategy.

As mentioned earlier by President Yonemoto, this strategy involves utilizing the data from customers who use our digital services to make the most appropriate proposals at the most suitable time, ultimately improving the Chiba Bank experience for our customers.

We will aim to offer proposals that anticipate our customers' needs and life plans, not only through digital channels but also by utilizing the most suitable channels for each customer, such as in-person or remote. We want to earn their approval for the entire Chiba Bank experience and turn them into fans.

Connect local customers and businesses to build an economic cycle



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Please turn to page six. This is the second pillar, the regional ecosystem strategy.

This strategy aims to connect local customers and businesses, thereby building an economic cycle.

Until now, we have indirectly connected local companies and retail customers through deposits and loans. However, our aim is now to connect corporate and retail customers more broadly through the provision of new platforms such as cashless payments, crowdfunding and e-commerce sites at Chiba Bank's branches, and advertising businesses operations.

By revitalizing the regional economy through this regional ecosystem strategy and utilizing the data accumulated through these platforms, we will aim to create the optimal customer experience by providing personalized proposals tailored to each individual as part of the personalization strategy.

Developing an app that can solve any problem

Expand functionality

Familiar financial services via the app
Digitalize branch transactions

- Barcode payments
- Payments/transfers
- Balance/transaction statements
- Timed deposits, cancellations, account openings
- Notifications, eKYC, ongoing customer management
- Online account openings/transfers


Fulfillment of financial services
Convenient and safe services

- Loan repayment schedule
- In-app loans
- Trust inquiry
- Trust account openings
- Early repayment of residential loans
- Auto-transfer service
- Fund wrap/securities account balance
- Foreign currency deposits/insurance

Connect to life
Collaboration with other services

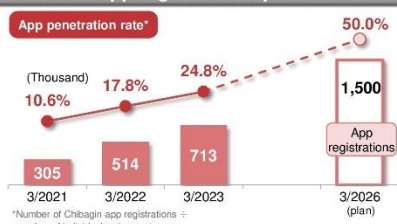
- Google Pay/Apple Pay
- Unified local tax QR
- API collaboration
- Collaboration with local governments, other industries, My Number system

Solve any problem through a single channel



Solid line: actual results Dotted line: future goal

Number of app registrations/penetration rate



App penetration rate*

Date	Penetration Rate (%)	Registrations (Thousand)
3/2021	10.6%	305
3/2022	17.8%	514
3/2023	24.8%	713
3/2026 (plan)	50.0%	1,500

*Number of Chibagin app registrations ÷ number of individual active customers

Increase customer contact points

Personalization
Transaction/asset visualization, proposals tailored to customers

- Asset/contract information listing
- Household accounting review/LP simulation
- Materials/service recommendations
- Advertising broadcast

Improved UI/UX

Comfortable smartphone experience
Simple operation, exciting design

- Customization
- Intuitive design
- Seamless authentication connection with other channels

Communication

Consulting anytime, anywhere
Smooth communication/coordination with in-person transactions

- Branch appointments
- Chat/online consulting, etc.

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Next, I will explain about the app and corporate portal. Please turn to page seven.

First, we released a feature in the app for handling investment trusts at the beginning of this month. In August, we will continue to upgrade the app, making it possible to open new accounts virtually.

As of the end of March, the number of app registrations has exceeded 730,000. Over the next three years of the Mid-term Plan, we will aim to increase the number of registrants to 1.5 million, which is half of the approximately 3 million total active accounts. To put this in perspective, it means that one in four people in Chiba Prefecture will be using the Chiba Bank app.

In the future, we will strive to create a world where we can have conversations with our customers through the app by providing services such as household budget diagnoses and life plan simulations, as well as product proposals utilizing data, further deepening our connection with them.


Portal site that is functional and easy-to-use for all customers



CHIBAGIN BIZ
BUSINESS PORTAL

- Portal site that is functional and easy-to-use for all customers
- Implement functions that allow for administrative streamlining as an online branch (corporate transaction consulting)

Aim to be a familiar bank online and in-person



1 Try the app
Complete transactions through the portal without needing to visit a branch

Deliver bank services
Concierge

Deposits
Complete transaction management online

Account balance/transaction statement | Transaction trends (graph)
Compare account info | Display accounts of other banks

Financing
Borrowing reference | Repayment schedule
Account borrowing/repayment receipt | Digitalization of documents

FOREX
Smooth collaboration with Web-EB

Notifications, etc.
Notification item change | Balance certificate issuance

Introduce to all customers

2 Understand services
Obtain the information you need, when you need it

Provide solutions

Information delivery
Chibagin manual
Information dispatch | Seminar information
Group solutions showcase
CO2 emissions measurement

New services
Improve collaboration with ext. services | Personalized recommendations
Online financing

Utilize contact points
Marketing

3 Consult/apply
Proper solutions for your company's issues

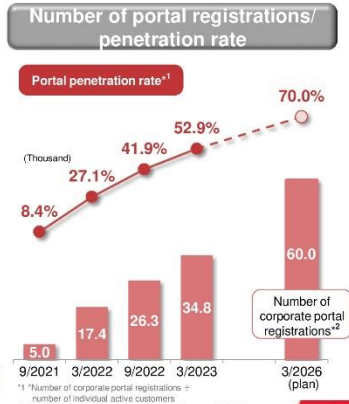
In-person transactions
Advanced operations
• Improve existing customer relationships
• Strengthen consulting capability

In-person transactions
Virtual transactions
Digital contact points
• Maintain/increase transactions with net depositors and small accounts
• Acquire new customer segments

Improve operational productivity
Transaction channels suitable for customers

Number of portal registrations/penetration rate

Portal penetration rate^{*1}



Date	Portal penetration rate ^{*1} (%)	Number of corporate portal registrations ^{*2} (Thousand)
9/2021	8.4%	5.0
3/2022	27.1%	17.4
9/2022	41.9%	26.3
3/2023	52.9%	34.8
3/2026 (plan)	70.0%	60.0

*1 Number of corporate portal registrations ÷ number of individual active customers
*2 Going forward, this result will now exclude accounts that have no history of logging in (updated retroactively)

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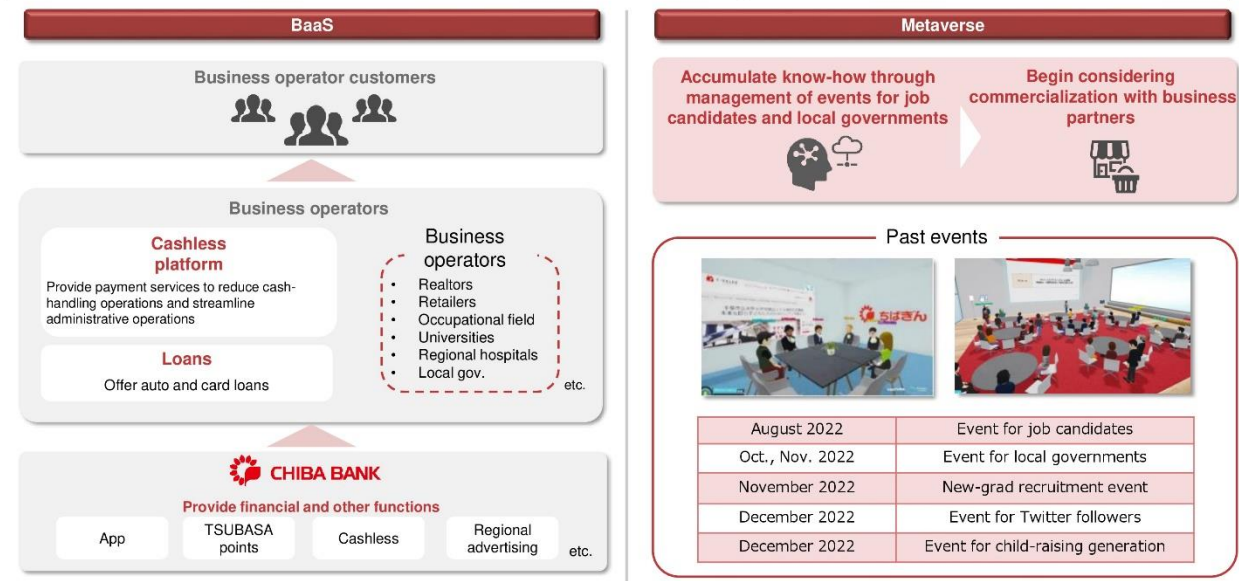
Please turn to page eight.

Next, we are working on adding features in order to achieve a functional and easy-to-understand corporate portal site for our customers.

As a corporate transaction concierge, we will provide banking services such as deposits, loans, FOREX services, and various notifications through the portal, aiming to become a bank that is close to customers even in digital corporate transactions.

At the moment, the number of registrations is steadily increasing, reaching around 35,000. Over the next three years of the Mid-term Plan, our goal is to raise the penetration rate among our borrowers to 70% and increase the number of portal registrants to 60,000.

Active use of new technology



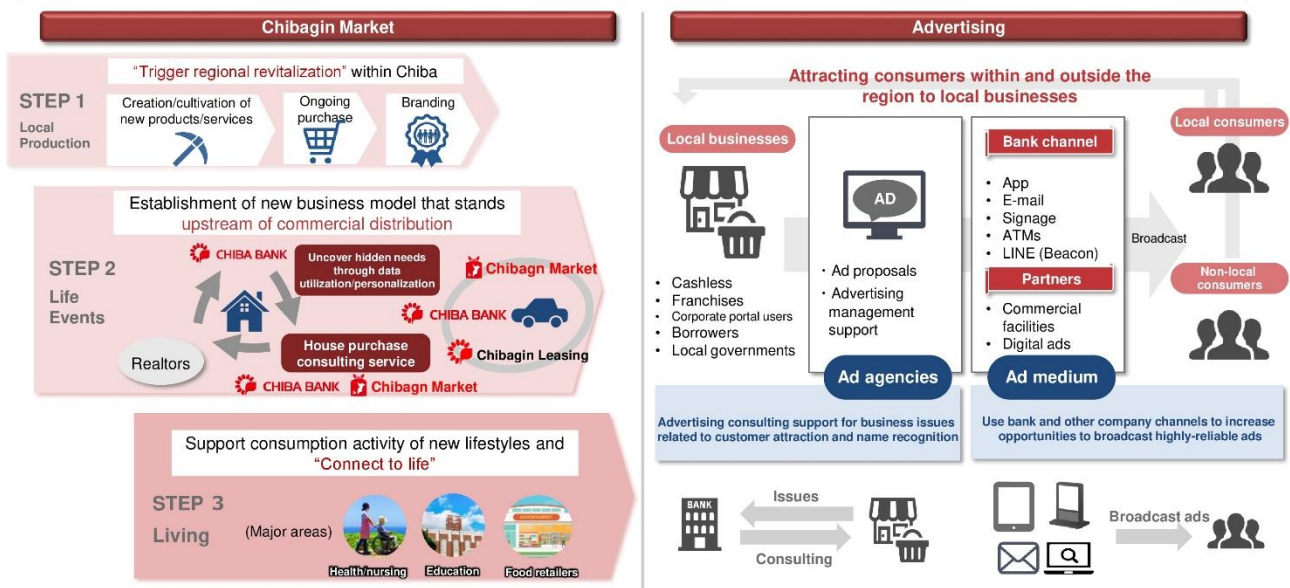
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Please turn to page nine.

Regarding our BaaS initiatives, we will aim to create a regional economic circulation system and regional ecosystem by providing platforms such as our app and cashless payments. We plan to offer our financial and non-financial platform features, such as financial- and life-related services, to leading regional businesses and universities through APIs. This will help build a system that circulates money within the regional economic sphere.

Additionally, we are currently conducting proof-of-concept experiments in the Metaverse. We have already held events for local government staff, job-seeking students, and those raising children. Although these people were in areas where direct contact would be difficult, their resistance to the Metaverse space was lower than we expected, and we feel it has potential for use. We will continue to discuss practical applications with our business partners.

Enhance non-financial operations



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Please turn to page 10.

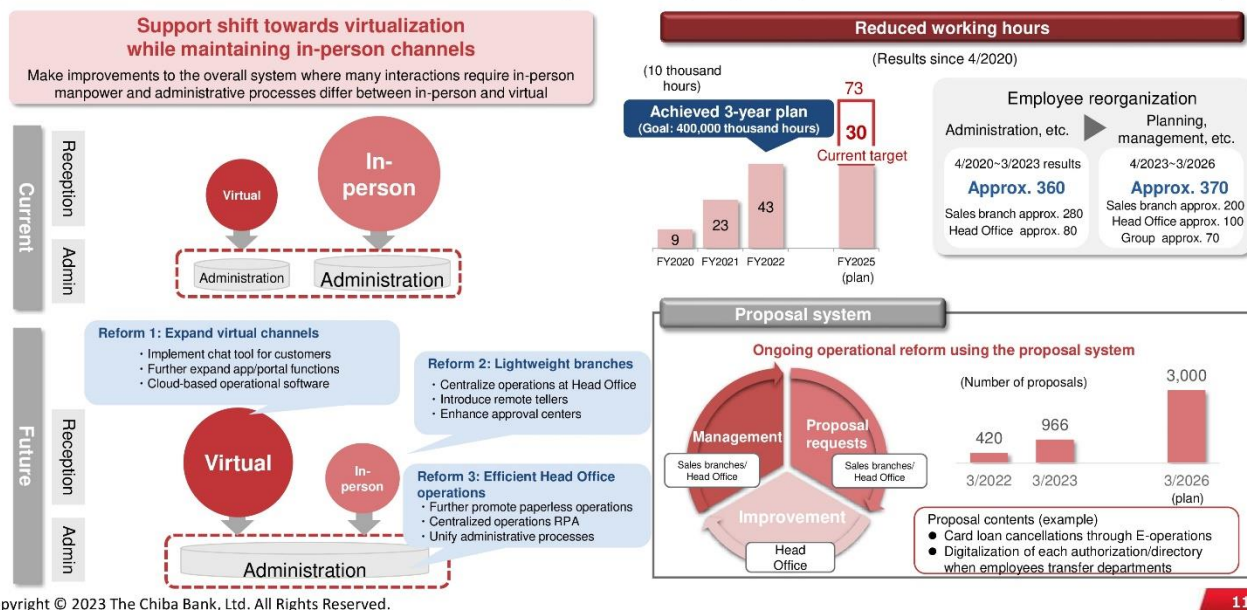
As step one at Chiba Bank's regional retailer, Chibagin Market, , we are continuing to discover and promote attractive local products through crowdfunding projects and e-commerce site operations.

Currently, in step two, we are working on creating a commercial flow related to life events. Since January of this year, we have started a small-scale concierge service for home purchases. In this concierge service, we extract customers with high prospects for purchasing a home using data, and by leveraging the regional information network, we can provide a series of services, from discovering needs to offering residential loans.

Moving forward, we will work on step three, where Chibagin Market can be used in various aspects of daily life, aiming to "connect to life."

Moreover, in our advertising business, we will begin test sales for advertising media from this month, April. Our goal is to provide advertising distribution opportunities by utilizing our channels, such as the app and in-branch signage, as well as outdoor billboards and other companies' channels. We believe that the trust we have built up so far will enhance the value of advertising broadcasts.

Achieve 300,000 hour reduction in working hours through ongoing operational reform initiatives



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Please turn to page 11. Next, I will discuss operational efficiency.

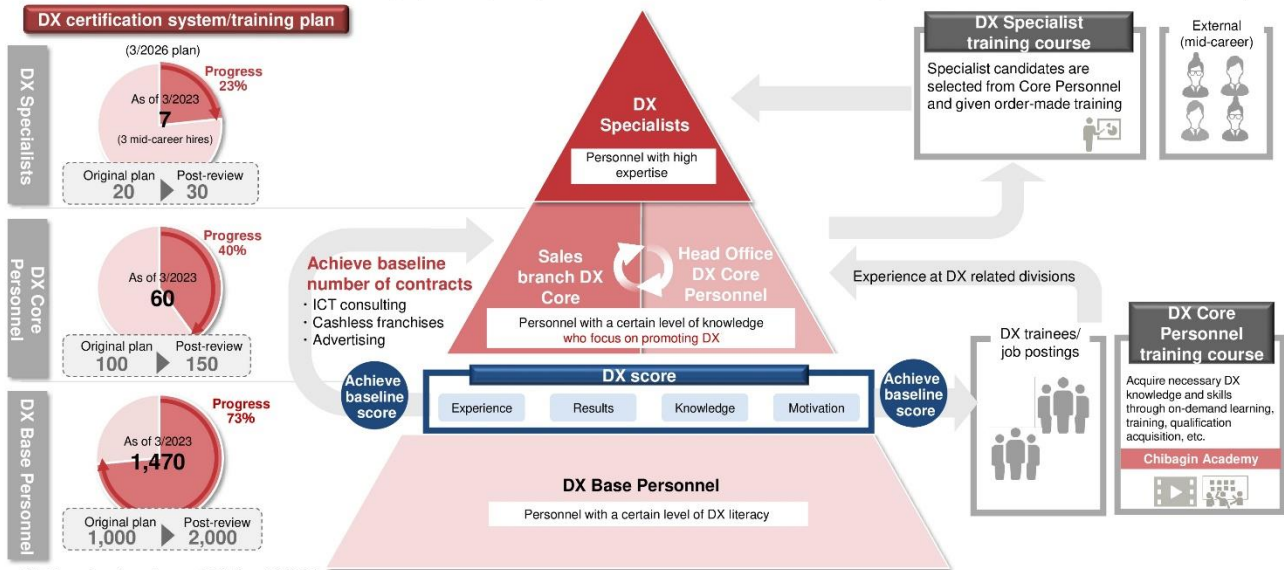
In order to shift to virtual channels while also maintaining in-person channels, we will work on three improvement measures: expanding virtual channels, reducing the burden of branches, and improving the efficiency of Head Office operations.

During the previous Mid-term Plan period, we achieved our goal of reducing work hours by 400,000 hours, and we plan to add an additional 300,000 hours saved in the next three years by continuing our efforts.

We have reallocated 360 personnel to sales and planning departments during the previous Mid-term Plan by focusing on improving efficiency, mainly in administrative departments, and our goal is to reallocate an additional 370 personnel in the current plan.

We have also been implementing operational reforms based on feedback from the field through our proposal system, and we will continue to work together with the Head Office and sales branches to improve operational efficiency.

Accelerate DX by spreading DX personnel out to all branches, including sales branches



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Please turn to page 12. Finally, I will explain about DX personnel development.

In order to systematically develop human resources to drive DX in the future, we introduced a DX certification system in October 2021. The development of base personnel with a certain level of DX literacy has been progressing rapidly, achieving the initial goal of 1,000 personnel in just six months. In the new Mid-term Plan, we have significantly increased our personnel development target, as shown in the graph, in order to strengthen our future promotion structure.

Even in sales branches that do not directly engage in DX initiatives, we have changed the certification system to recognize DX core personnel by including evaluation items that require DX-related knowledge, such as the number of successful ICT consulting cases. To further accelerate our DX strategy, we will roll out DX personnel development throughout the Bank.

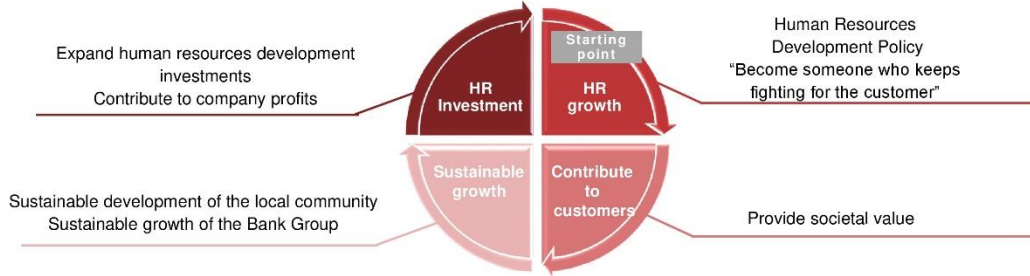
That concludes my presentation. Thank you very much.

Kanzawa: Next, we would like to discuss our human resources strategy.

Now, Managing Executive Officer Mr. Makinose, please go ahead.

Aiming for sustainable development of the Bank Group, starting with human resources development

"Human capital", the Chibagin Group's most important management resource, is indispensable for the sustainable growth of the Group. In order to achieve our Purpose "To create a local community better suited to bringing each person's hope to life, We have established a "Human Resources Development Policy" as part of our philosophy regarding the importance of human capital. In accordance with this policy, we will strive to proactively invest in the growth of our human resources, enhance the capabilities of each employee, and implement initiatives designed to lead to the sustainable growth of the local community as well as the Bank Group.



A virtuous cycle leading to HR growth, contribution to customers, and sustainable growth for the local community as well as the Bank Group

Makinose: I am Takashi Makinose, the Group CHRO. Thank you for joining us today, and I appreciate your time during this busy period. I will explain our newly established human resources development policy and human resources strategy in the new Mid-term Plan, following the materials provided.

Please turn to page 14. First, I will explain the basic concept of human resources in our bank group.

We have positioned human capital as the most important management resource, and we believe that the sustainable growth of the Group is achieved through the growth of our human resources.

As shown in the diagram in the middle of the page, the growth of our human resources is the starting point, and by developing human resources, we can provide social value to our customers which leads to the sustainable growth of the local community and our bank group. The revenue generated from this growth is then reinvested back into in human resources development, creating a virtuous cycle.

In order to achieve our newly established corporate Purpose to "create a local community better suited to bringing each person's hope to life", we have summarized what kind of growth we want our human resources to achieve and what kind of behavior is required in for a human resources development policy.

“Become someone who keeps fighting for the customer”

For the sake of customers, the region, friends, family, and oneself

Think things through Utilize your own strengths Gain more supporters

Please turn to page 15. This is our newly established human resource development policy.

The core of our policy is to “become someone who keeps fighting for the customer”. This policy was developed with the hope that each bank group employee will become a partner who keeps striving together with customers, the community, and colleagues as we aim to become an organization that brings together a diverse-range of experts to create new value.

We have established three core tenets: think things through, utilize your own strengths, and gain more supporters. In order to develop human resources in this way, we will provide a wide range of learning, challenging, and practical opportunities in our human resources strategy for the new Mid-term Plan.

Furthermore, this development policy is not just a policy; it must get through to each employee and lead to actual behavioral changes and growth. Therefore, we will also implement thorough penetration measures.

Building an organization that creates new social value supported by "2 HR strategies"



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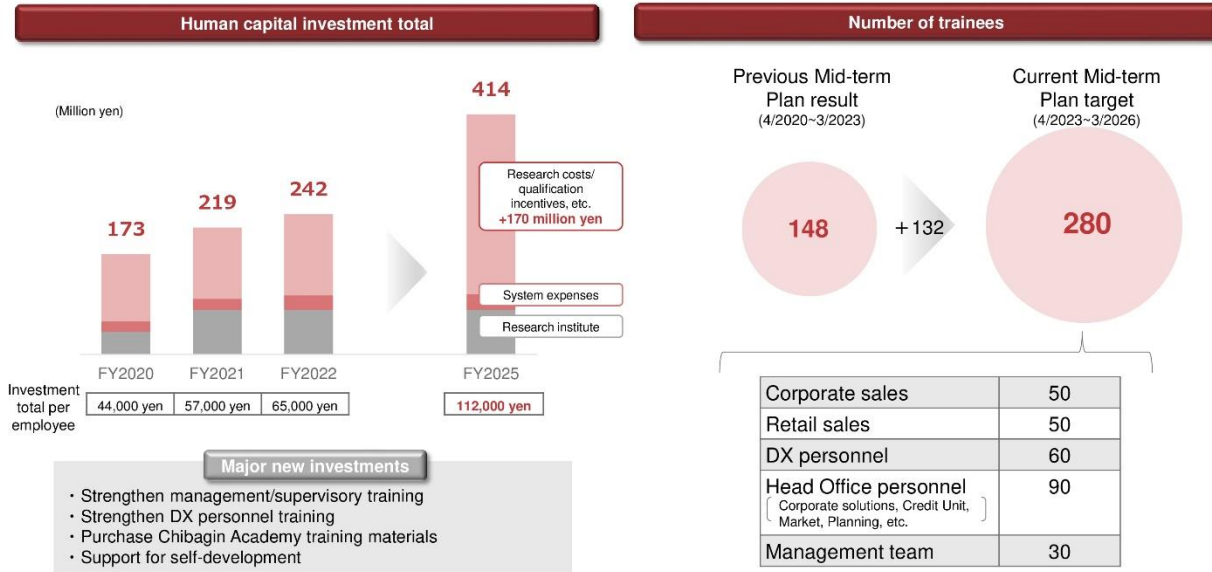
Please turn to page 16. From here, I will explain our human resources strategy in the new Mid-term Plan.

Our human resources strategy is to build an organization that creates new social value by focusing on two pillars: development of a Chiba Bank Group where people grow and creation of an organization with high personnel engagement.

As key strategies, we will implement various initiatives focusing on five points: career development, job satisfaction, diverse organization, unified Group management, and a human resources portfolio.

By promoting this human resources strategy, our bank group will become an organization with a diverse-range of experts who provide new social value, bring our customers' hopes to life, and contribute to the sustainable growth of the local community.

Expand investment total and number of trainees (investment targets)



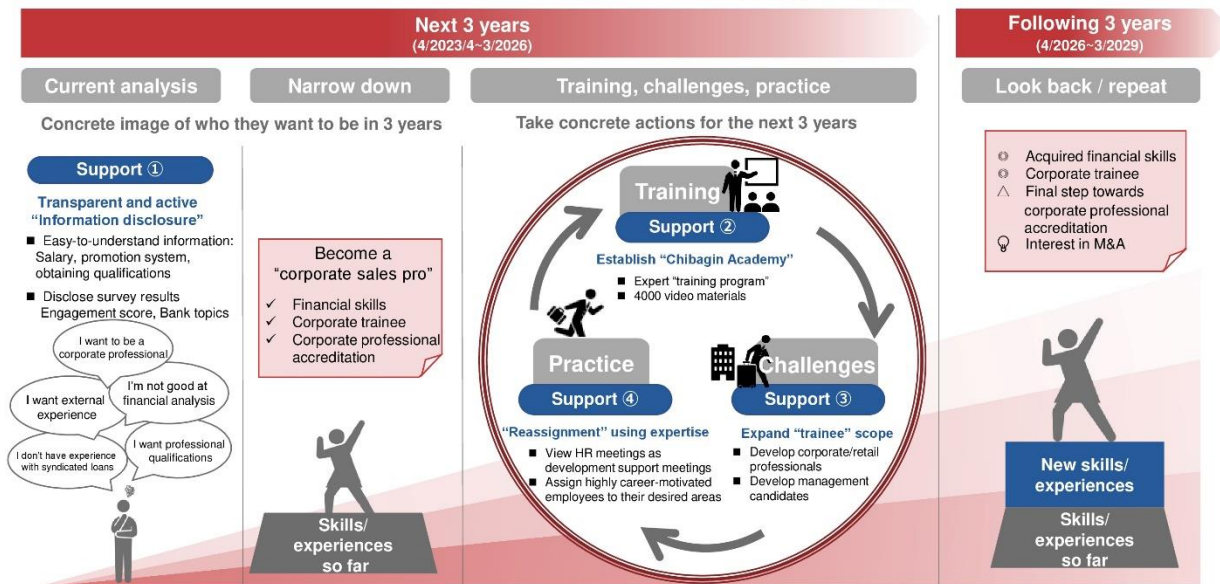
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Please turn to page 17.

In the new Mid-term Plan, we will significantly expand our investment in human capital and actively invest in human resources development. Our goal is to increase the total amount of human capital investment related to human resources development, such as training expenses, to 414 million yen by the end of FY2025, the third year of the Mid-term Plan. This would bring the total amount invested per employee to 112,000 yen, a 70% increase compared to the previous Mid-term Plan. Specifically, we will expand our investment in management and leadership development, DX personnel development, and self-development expenses.

We plan to train a total of 280 people over the next three years, about twice the number in the previous Mid-term Plan, through trainee programs and external dispatching. In particular, we plan to train 50 people in each corporate and retail sales, developing 10% of the workforce through a new trainee system.

Provide opportunities for training, challenges, and practice to help employees to become who they want to be in the next three years while strongly supporting their career steps



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Please turn to page 18. I will explain one of our key strategies, career step support.

In the new Mid-term Plan, we will strongly support the career development of each employee. We will establish a clear three-year period until the Mid-term Plan ends, and during that time, each employee will think about their career and take action.

First, each employee will analyze their current situation and organize their career-related needs, such as the skills they lack or experiences they would like to have in the future. From there, they will specifically imagine what they want to be like by the end of the three years when the new Mid-term Plan ends and set goals designed to help them achieve that. After setting these goals, they will take action to achieve them, and we will fully support their actions by providing opportunities for learning, challenges, and practice.

We believe that achieving the career goals that each employee aims for will lead to improved engagement.

Establishment of “Chibagin Academy”, which offers a personalized training curriculum

Whenever, wherever
Learning at any time
 During work hours | Privately

Personalized training curriculum
Recommended learning based on job responsibilities/title
 My syllabus | Personalization

Robust materials
Enhanced line-up of job and self-development materials
 As of 4/2023: approx. 800 titles (approx. 4,000 videos)

Digital badges/rankings
Lasting proof of learning accomplishments

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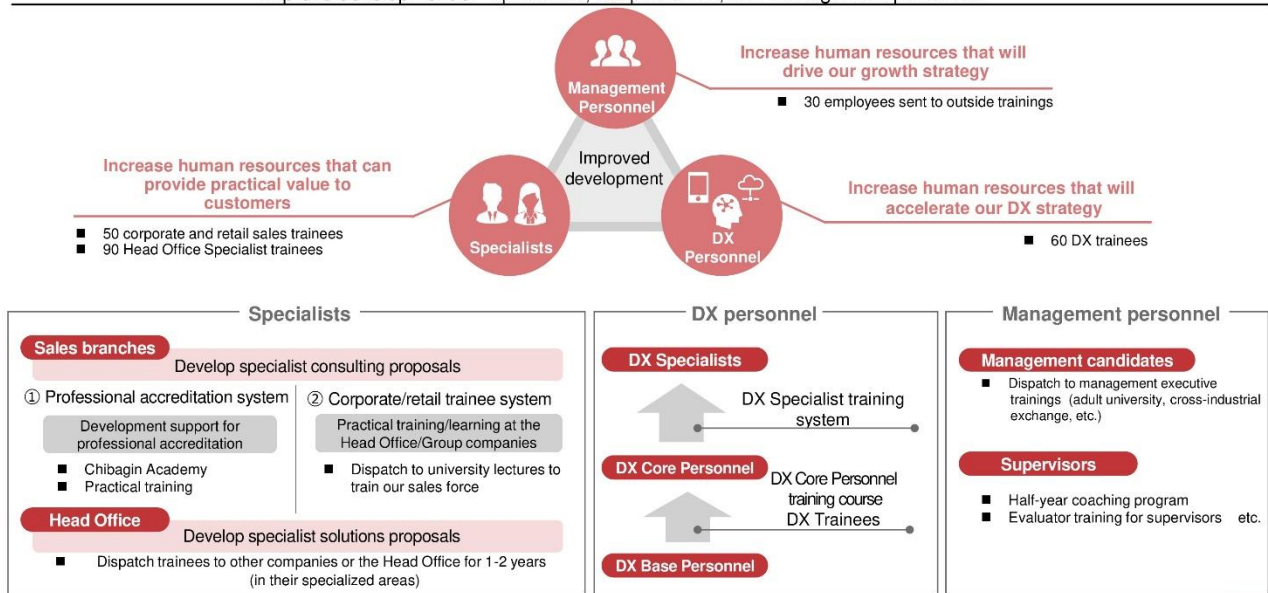
Please turn to page 19. I will discuss Chibagin Academy, a learning support tool.

The Chibagin Academy is an in-house university that supports learning tailored to each employee by utilizing online resources, and its release is planned for middle of this month. As the first among Japanese regional banks, we will implement Cornerstone OnDemand's learning management system, which is headquartered in the US.

Similar to YouTube, employees can watch videos that interest them anytime, anywhere, and each video is relatively short in duration, so it's easy to watch. There are about 4,000 video titles covering various genres that employees may be interested in.

A distinctive feature is the ability to recommend learning content that matches each employee's level and understand what videos are of most use to employees currently.

Improve development of “specialists, DX personnel, and management personnel”



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Please turn to page 20. Next, I will explain our approach to human resources development, which supports employees in taking on new challenges.

We will seek to improve the development of three employee types in the new Mid-term Plan: specialists, DX personnel, and management personnel.

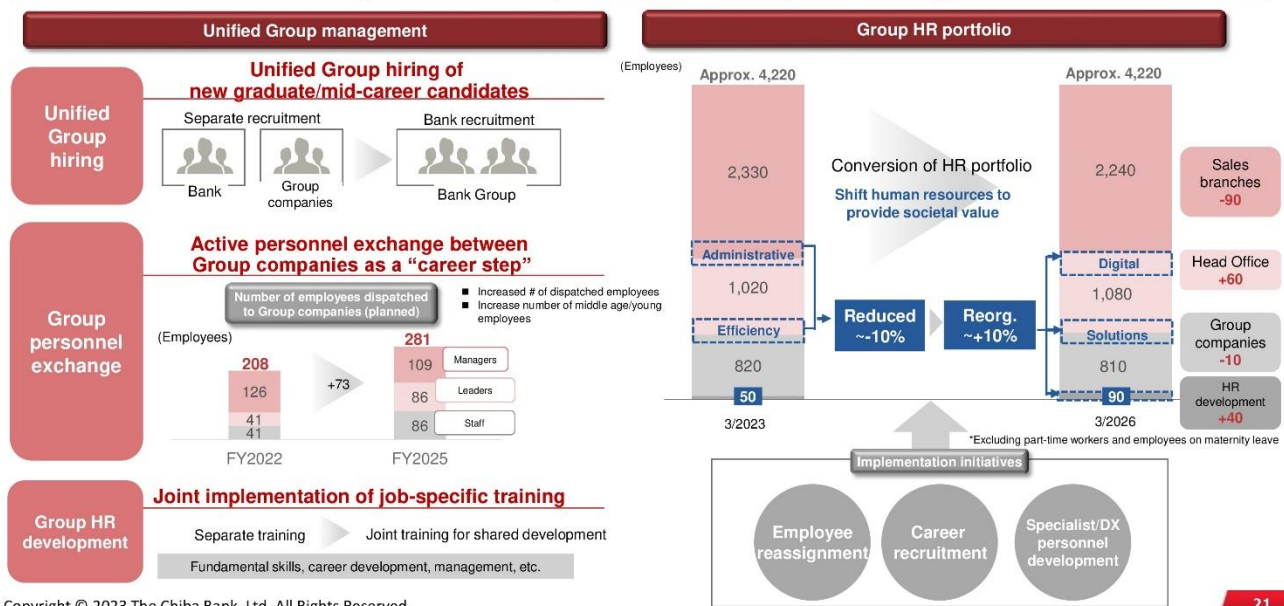
For management personnel, we will dispatch 30 people to external training programs to foster management strategies and managerial perspectives over the three years of the Mid-term Plan in order to increase the number of professionals who lead our Group's growth strategy.

In addition, we will work to develop 50 specialist personnel trainees each in both corporate and retail sales as well as 90 trainees as Head Office specialists in order to increase practical personnel who can provide value to our customers. In particular, the trainee system for corporate and retail sales involves a curriculum that includes cross-organizational learning with the Head Office and Group companies, as well as a wide range of practical and hands-on training opportunities, aiming to develop consulting proposal specialists at sales branches.

We will also dispatch 60 employees as DX trainees inside and outside the Bank over the next three years to increase personnel who will accelerate our DX strategy as well as implement a dedicated training program.

In addition to this training, we will increase our support for self-development by expanding incentives for obtaining qualifications and subsidizing expenses for participating in external seminars as well as support each employee in having their own strengths and expertise.

Building a human resources portfolio that follows our operational strategy



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Please turn to page 21. Lastly, I will discuss unified Group management and the human resources portfolio.

In the new Mid-term Plan, we will accelerate unified Group personnel management, start recruitment as a Group, and actively promote personnel exchanges with Group companies. In particular, we will increase career steps at the early stage of young employees' careers that broaden their field of activity by facilitating exchanges between the Bank and Group companies, and vice versa.

We will shift to a format for our human resources portfolio that aligns with our business strategy. We will reallocate about 10% of the workforce through operational efficiency improvements and sales structure reviews while maintaining the same number of employees while shifting the workforce to specialized fields, such as the digital, corporate, and solutions sectors which contribute to providing social value.

Regarding the gap in quality and quantity of human resources due to this reallocation, we will build a human resources portfolio aligned with our business strategy by actively promoting mid-career recruitment of professionals with a wide-range of specialized skills as well as implement the development measures I explained earlier.

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