



Chiba Bank IRDay (Business Improvement Plan/ Governance)



April 24, 2024

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Formulation of Business Improvement Plan

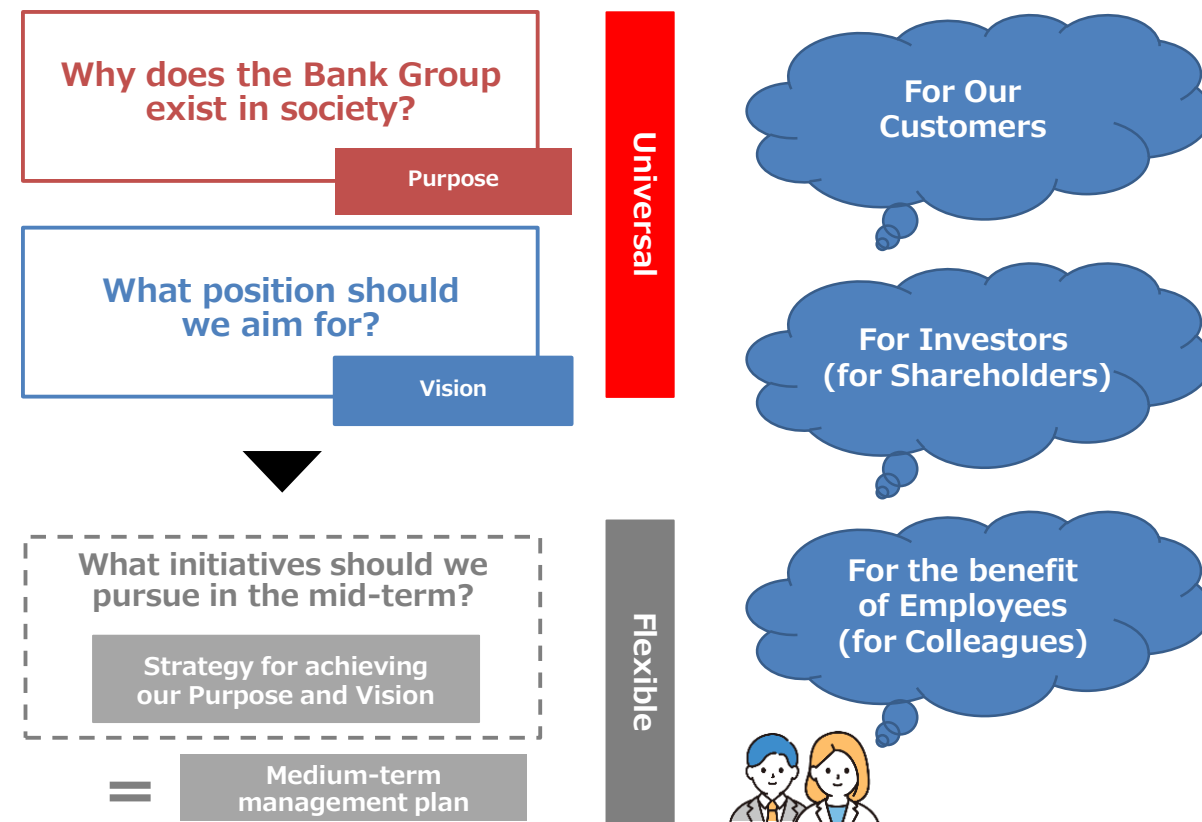


On June 23, 2023, Chiba Bank, Ltd. was issued with the administrative actions (Business Improvement Order) for situations where a problem related to the investors' protection was raised, pursuant to Article 51-2 of the Financial Instruments and Exchange Act, regarding the financial instruments intermediary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

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

- In 2023
 - March 27: Announcement of Establishment of Purpose, Vision and the 15th Medium-Term Management Plan*1
 - *1: Includes Human Resources Development Policy (toward the purpose)
 - June 09: Recommendation for administrative actions
 - June 23: Receiving Business Improvement Order
 - July 24: Submission of Business Improvement Plan
 - August 31: Publication of improvement and recurrence prevention measures
 - October 16: Announcement of the progress of improvement and recurrence prevention measures (based on September 30)
 - October 31: Customer-Oriented Business Management (Fiduciary Duty) Policy Announced*2
 - *2: Includes Three Pledges (Action principles for the achievement of the Purpose and the implementation of fiduciary duty)
- In 2024
 - January 15: Announcement of progress of improvement and recurrence prevention measures (based on December 31)
 - April 15: Announcement of progress of improvement and recurrence prevention measures (based on March 31)
 - April 24: Chiba Bank IRDay (Business Improvement Plan / Governance)

Detail on the next page

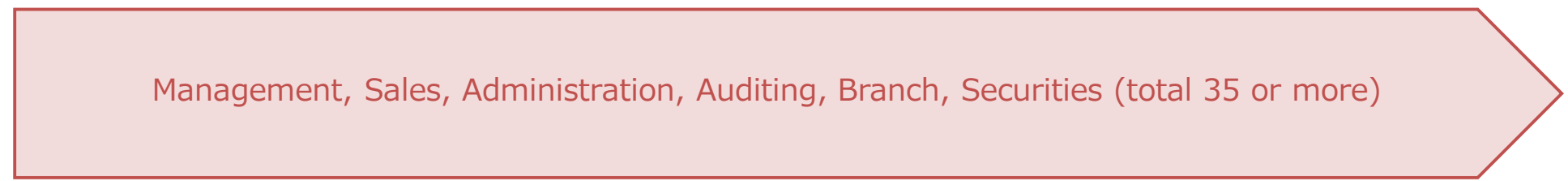


Details of the business improvement plan and the disposition are decided based on the opinions of outside directors through close discussions.

50 or more meetings held by the Investigation and Improvement Planning Committee after receiving the recommendation

Investigation and Improvement Planning Committee
(Including outside lawyers)

Interviews with the parties concerned



Board of Directors

Five meetings of the Board of Directors were held after receiving the recommendation

Ratio of independent outside directors 33% (3/9)

Appointment, Remuneration and Corporate Advisory Committee

Two meetings of Appointment, Remuneration and Corporate Advisory Committee after receiving business improvement order

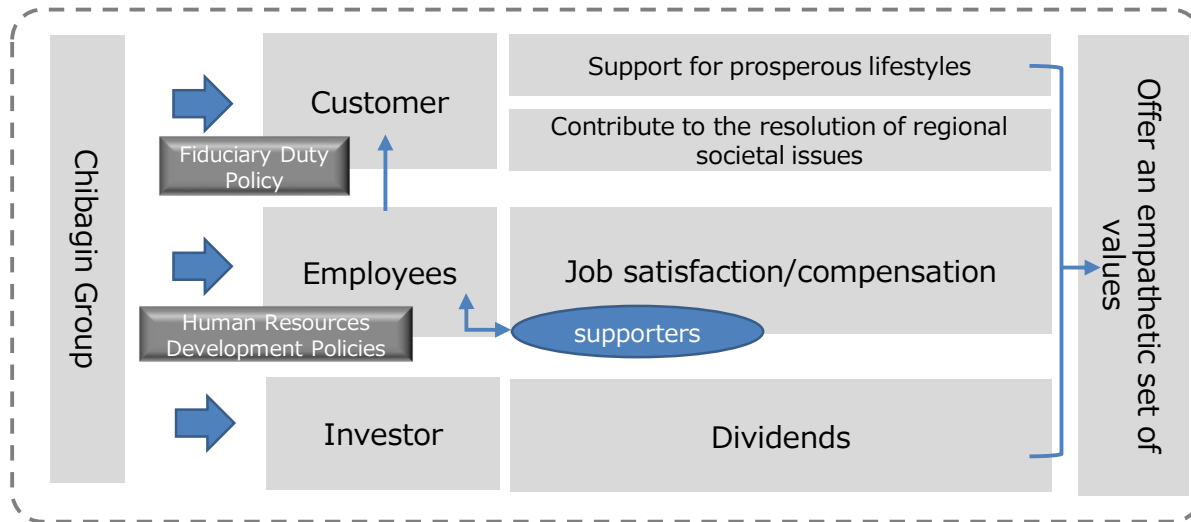
Outside director chairman

Overview of Efforts to Improve and Prevent Recurrence



Purpose

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



Fiduciary Duty Policy -Policy for acting "for the customer"-

Human Resources Development Policy
-Policy for "Promoting the growth and development of employees"-

"Become someone who keeps fighting for the customer".

think things through

utilize your own strengths

gain more supporters

Three Pledges - Action principles for the achievement of the Purpose and the implementation of fiduciary duty-

Whenever making a proposal to a customer or making a business decision, we always stop and think, will this proposal or decision lead to

the realization of the customer's wish

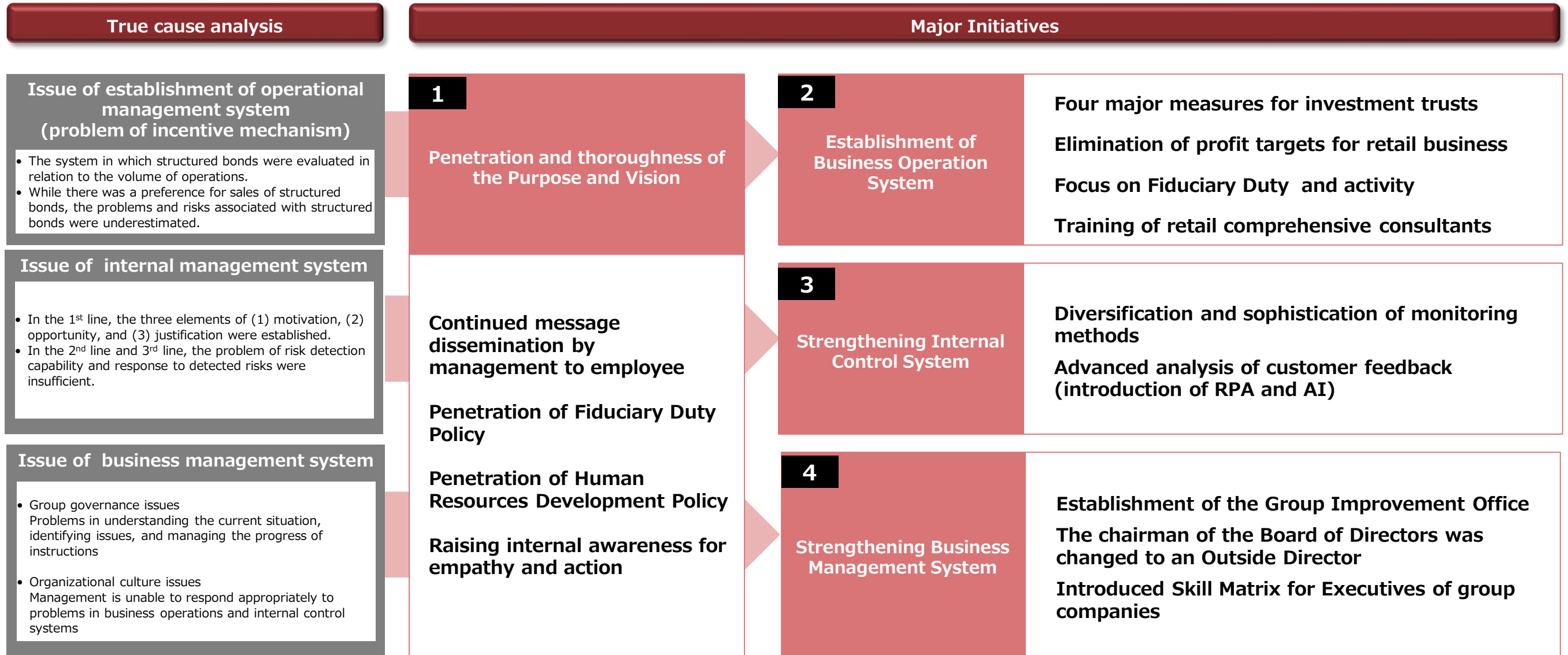
a solution to the customer's problem

the realization of prosperous lifestyles for the customer

Vision

An Engagement Bank Group that works closely with the community

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



① Penetration and thoroughness of the Purpose and Vision	Implementation timing	Implementation*1	Add*2
Displaying the Purpose and Vision on internal PCs and business cards	September 2023	●	
Reviewed Fiduciary Duty Policy, established Fiduciary Duty Handbook	October 2023	●	
Established Three Pledges	October 2023	●	●
Monthly Fiduciary Duty study meeting by all employees	October 2023	●	
Career support based on human resource development policies at personnel interviews	October 2023	●	●
Discussion by project team (two subcommittees in the bottom)	December 2023	●	●
On the 23rd of every month, distributed video messages by Directors	December 2023	●	
Start of Fiduciary Duty hearing	December 2023	●	●
Senior management and compliance training	December 2023	●	
Implemented Fiduciary Duty Special Award	2H of FY2023	●	●
Linking performance reviews to human resource development policies	April 2024	●	●

② Establishment of the operational management system	Implementation timing	Implementation*1	Add*2
Implemented the four major measures concerning investment-type financial instruments	April 2023	●	
Specialist training in retail comprehensive consulting	April 2023	●	
Training and video distribution for Fiduciary Duty, behavioral change to focus on activity volume	September 2023	●	●
To eliminate banks' profit targets for the retail business	October 2023	●	
Eliminated return of profits incentives completely from the Securities transactions based on the Bank referrals	October 2023	●	

③ Strengthening internal control system	Implementation timing	Implementation*1	Add*2
Conducted engagement survey	September 2023	●	
Opened Chotto line to group companies	September 2023	●	
Newly established practical training for newly appointed internal administration supervisors	October 2023	●	
Introduced conformity verification tools	March 2024	●	
Introduced 360-degree evaluation to group companies	1H of 2024		
Review of the 2 nd line system (establishment of the Customer Support Monitoring Office)	October 2023	●	
Customer interviews by headquarters staff about sales of financial products	December 2023	●	●
Advanced analysis of customer feedback (introduction of RPA and AI)	September 2024		
Diversification and sophistication of monitoring methods (Phone recording system, voice and video recording of visits,)	September 2024		
President as in charge of the Audit Department and deeply involved in PDCA	October 2023	●	
Introduced culture audits	March 2024	●	
Through participation in the meetings of the Securities Audit Department by the Bank's Audit Department, strengthening group cooperation in the auditing department	September 2023	●	

④ Strengthening Business Management System	Implementation timing	Implementation*1	Add*2
Dispatch of Directors and general managers from the bank to the securities	April 2023	●	
Establishment of the Group Improvement Office	October 2023	●	
Implemented customer satisfaction surveys for all group companies customer	November 2023	●	●
The chairman of the Board of Directors was changed to an Outside Director	April 2024	●	
One on One meeting with the president of group company presidents	September 2023	●	
Opinion exchange meetings between the bank Directors and group companies	September 2023	●	
Introduced Skill Matrix for Executives of group companies	April 2024	●	

*1 Including ongoing measures after implementation [All 57 measures (major measures are listed on this page)]

*2 Addition from business improvement plan originally submitted [Nine additional initiatives (based on awareness)]

*3 The measures that have not yet been implemented are highlighted [Three measures not yet been implemented (ongoing)]

Measures

Penetration and thoroughness of the Purpose and Vision

Continued message dissemination by management

Penetration of Fiduciary Duty Policy

Penetration of human resource development policy

Establishment of business operation system

Four major measures for investment trust

- App for investment trust
- Okane no Basket (Money Basket) (suggestion tool)
- Complete paperless operation
- Chigin Money Guide (portal site)



Elimination of profit targets for retail business

Focus on Fiduciary Duty and activity

Training of retail comprehensive consultants

Verification of the actual situation

Building of internal management systems

P10,11

Verify problems and improvements by establishing a wide variety of mechanisms to collect customer feedback and feedback from individual workplaces and employees.

< Feedback from customer >

CX survey

NPS survey

< Feedback from workplace and employees >

Purpose and Vision Penetrate Project Team

Engagement survey

Unsigned and signed questionnaire

360-degree evaluation

Chotto line

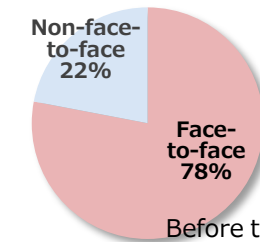
Internal hotline system

Interviews with the Audit and Inspection Division and the Group Improvement Office

Change (output)

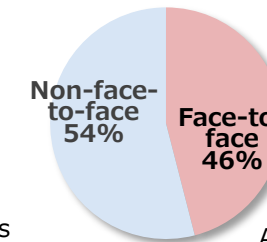
Changes in channels (sales of investment trusts)

May 2023



Before the Business Improvement Order

February 2024

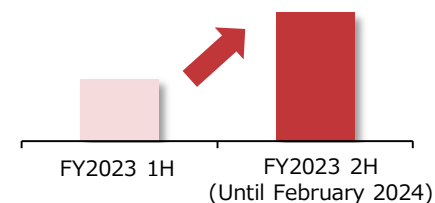


At present

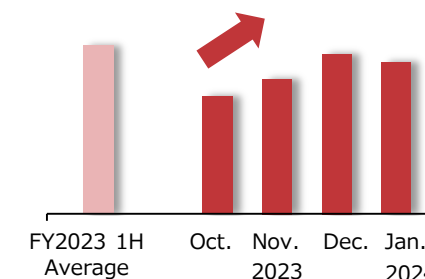
Change in activity volume

Number of effective interviews with retail customer

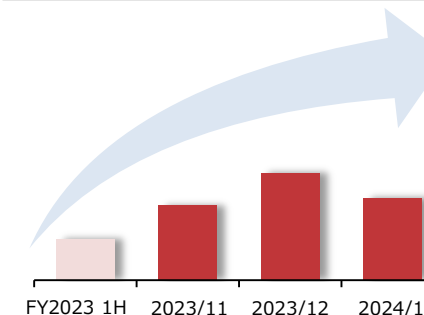
Approx. double



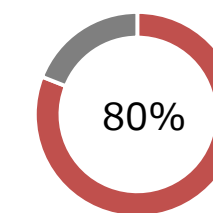
Sales result of financial products



Improvement in customer satisfaction (NPS)



Employee engagement



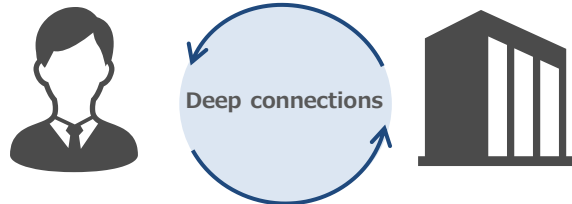
Sympathize with the Chiba Bank Group's Purpose and Vision

Detail from next page

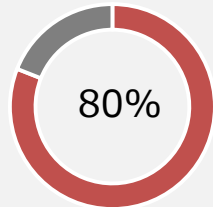
Internal evaluation

Engagement survey

Environment, Evaluation, Treatment and Compensation

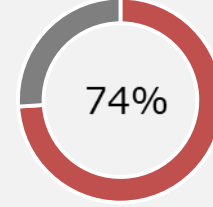


Satisfaction, Sympathy, and Contribution



Be sympathetic to the Chiba Bank Group's Purpose and Vision

(Positive response rate)



Feel that he/she is contributing to society, customers, and the community through his/her work

Own work

Challenging Sense of growth

Human relationships

Superiors and colleagues
Organizational climate

Company / Organization

Purpose and Vision
Working environment

Society / Local community

Contributing to our customers to the local community

Reflect in human resources development and measures → Improve job satisfaction and sense of growth



Compliance questionnaire

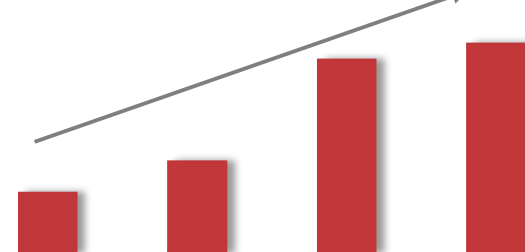
Engagement survey



Openness and communication

Internal hotline system

Increase in the number of uses



2021/3 2022/3 2023/3 2024/3

Fiduciary Duty hearing

P

Planning the scope and content of the hearing

D

Gathering of opinions through visits to branches

Conducted at 23 branches by 31 March of this year

A

Reflected in future measures Recommendation to the relevant division

C

Reporting to management

- ✓ **Positive views** of efforts to penetrate FD are the most common
- ✓ On the other hand, there are some opinions that **there is a gap** due to a major change in the award system, and we will continue to provide information carefully.

Careful communication to bridge the gap

Fiduciary Duty lecture by an outside lecturer at a meeting of all general managers

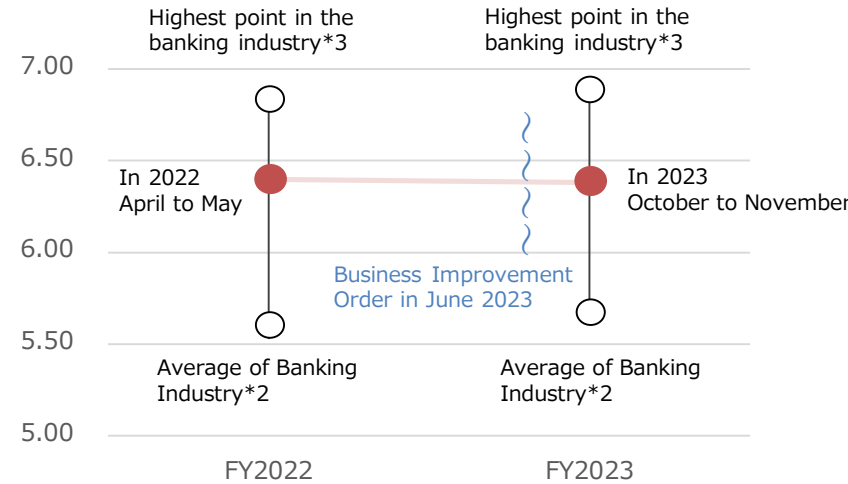
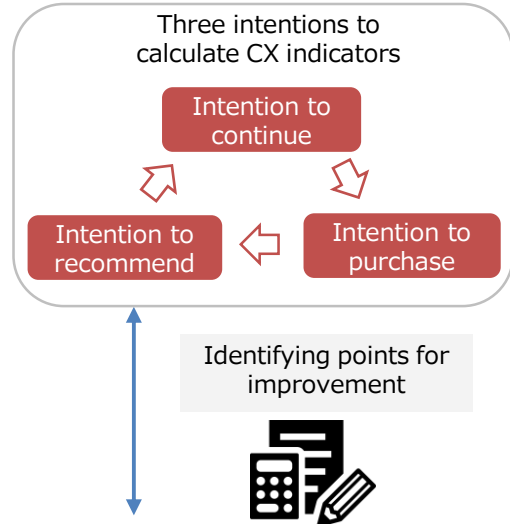
Sales policy briefing for general manager and managers in charge

Next

Meeting for exchanging opinions with staff by the President

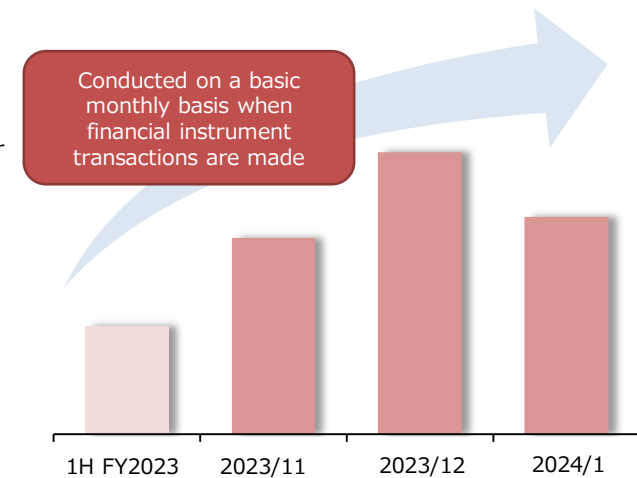
External evaluation

CX index *1

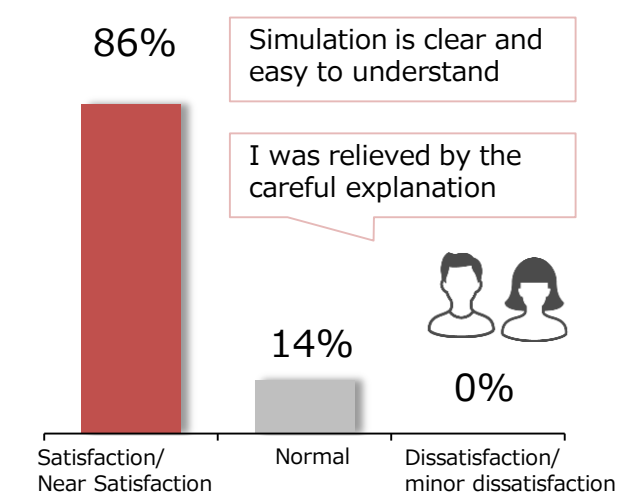


Questionnaire on financial products

NPS® ※4



Okane no Basket (Money Basket)

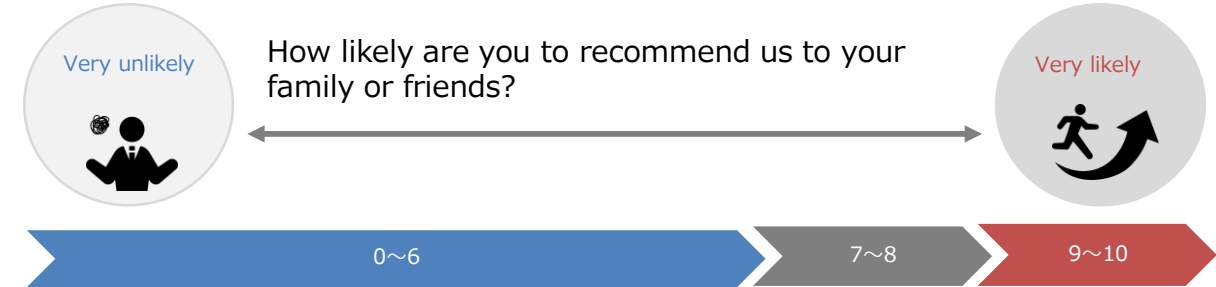


Analyze the gaps between the evaluation and expectations of the various values that Chiba Bank provides to its customers, and analyze priority issues

Report to management
Explanatory meeting for all divisions
Returns to branches (Customer opinions)

Reflection in each measure

NPS® is an index for measuring customer satisfaction based on the degree of recommendation (Percentage of respondents scoring 9-10 points - Percentage of respondents scoring 0-6 points)



※1 CX index is based on CXMM® of Nomura Research Institute, Ltd. CXMM® is a registered trademark of Nomura Research Institute, Ltd. <https://www.nri.com/jp/service/solution/fis/cxmm> (Japanese)

※2 CX Benchmark Survey FY2023 is a survey conducted by Nomura Research Institute, Ltd. Implementation period: FY2022 figures are for December 2021, and FY2023 figures are for December 2023.

※3 The highest score among banks that introduced CXMM® in the most recent year since the completion of the survey analysis for each year of Chiba Bank.

※4 NPS® is registered trademark of Bain & Company, Fred Reichheld, Satmetrix Systems

Penetration and Thoroughness of the Purpose and Vision



Problems and true cause analysis

Root cause common to all problems

- Issue of establishment of operational management system

Problem of incentive mechanism

- Issue of internal management system

The 1 line (motivation, opportunity, justification)

The 2 line (risk detection and response capacity)

The 3 line (")

- Issue of business management system

Group governance
Organizational culture

Necessity of establishing a management philosophy as the axis of actions and decisions



Efforts to Improve and Prevent Recurrence

Implementation measures

Status of improvement

Penetration of the Purpose and Vision

[Recognition] Display on employee PC background, business cards, news release form, etc

[Understanding] Thoroughly examine consistency with the Purpose and Vision by meeting and internal letters
Communication at executive opinion meetings, linkage with sales measures, and careful explanations to branch

[Sympathy] **Deep dialogue in Purpose and Vision Permeate Project Team and each subcommittees*1**

[Action] Customer questionnaire survey

※1:Two subcommittees, 'branch' and 'group company' were set up under the PT to gather opinions from the front line
In March 2024, Headquarters staff also held an opinion exchange meeting

Penetration of Fiduciary Duty Policy

[Recognition] Revision of Fiduciary Duty policy and establishment of Fiduciary Duty Handbook

[Understanding] **Setting the 23rd of each month as the "Fiduciary Duty Day" and distributing video messages from the President, CRO and CBO of the Group**

[Sympathy] Fiduciary Duty hearings with branch via the 2 line

[Action] Implemented the Special Fiduciary Duty Award to commend the excellent efforts

Penetration of Human Resources Development Policy

[Recognition] Public announcement of establishment of Human Resources Development Policy

[Understanding] Explanation in the training according to rank

[Sympathy] Careful explanation of the three core elements and career support in personal interviews with human resource staff

[Action] Changing the action targets of personnel evaluations to link them with the purpose and Human Resources Development Policy

Overall

More than 90% of the participants in the subcommittee felt that permeation of the purpose, etc. was increasing

Branch

Each branch is taking its own measures in conjunction with common measures

Headquarters

Serious efforts to penetrate with an eye on the branch customer

Group company

Each company implements its own measures as well as common measures

Continuously and repeatedly implementing measures in accordance with the penetration process

Measures to penetrate the Purpose and Vision

STEP1: Awareness

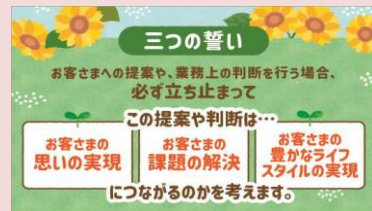
Display of the Purpose and Vision/ Fiduciary Duty Policy



Business cards



PC background



Fiduciary Duty Handbook

STEP 2: Understanding

Study meetings / Sending messages

- ✓ Monthly Fiduciary Duty study meeting
- ✓ Video distribution of examples of desirable behavior



- ✓ Executive opinion exchange meetings with branches and group companies
- ✓ Delivery of management messages



STEP3: Sympathy and Action

In-depth dialogue / Monitoring and evaluation

Purpose and Vision Permeate Project Team

Group company subcommittee

Branch subcommittee

Confirming the status of efforts, sharing issues, and examining new measures

Confirming the level of penetrate at the on-site, collecting opinions, and sharing case studies

Fiduciary Duty study meeting

Customer feedback (specific examples)

Why did this happen?

How could I have done?

Executive opinion exchange meeting

Branch

Held at 145 stores*1
(Almost all stores in Japan)

※1:FY2023 Results

Group companies

Held at 41 venues*2
(15 companies in total)

※2:Implemented in September 2023

Message delivery

CRO

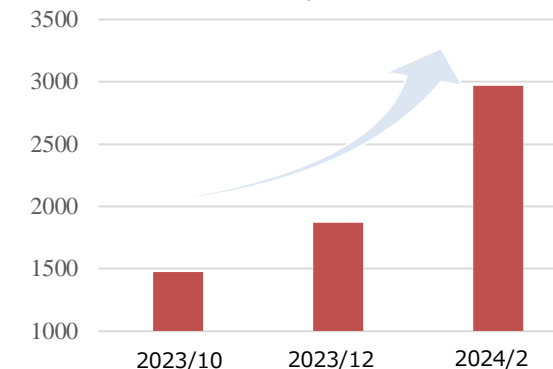
Setting the 23rd of each month as the "Fiduciary Duty Day" and sending messages from management to all employee

CEO

CBO

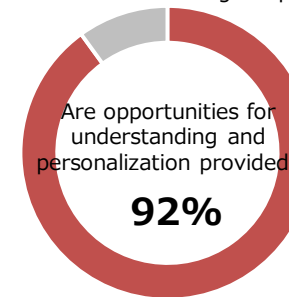
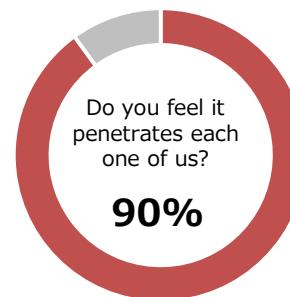
Cumulative number of viewings of videos

※Video of examples of desirable behavior



Awareness surveys by each subcommittees

※Percentage of positive response

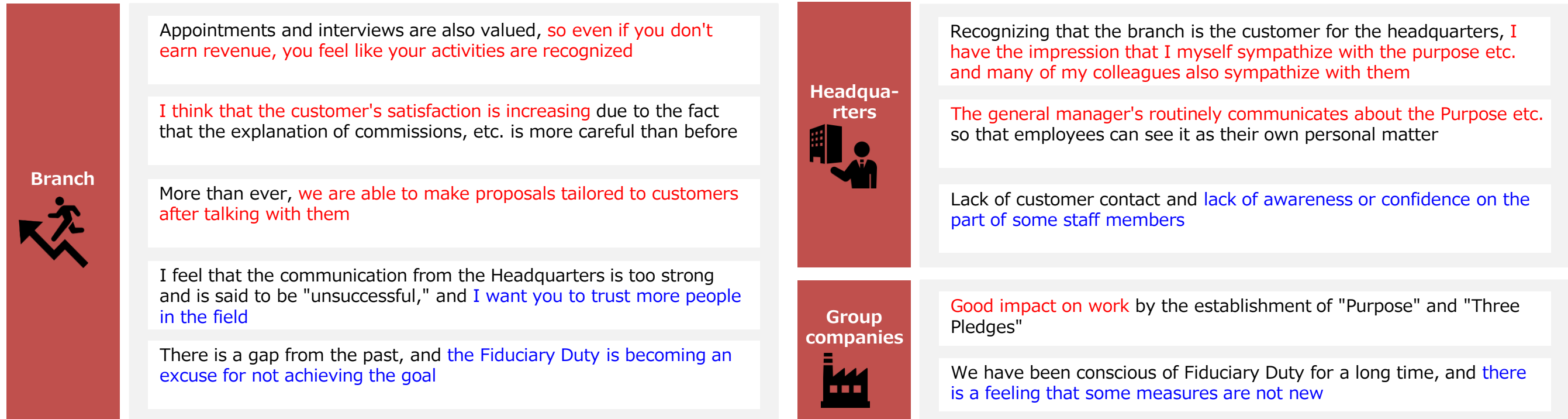


Comments from Participants

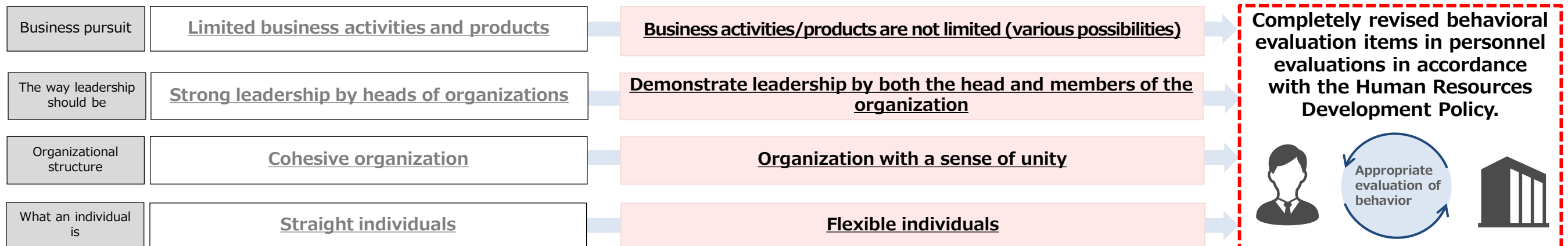
- The purpose naturally came to attention and I became more aware of them
- My branch (company) is also making its own efforts to penetrate the system
- The subcommittee was a good opportunity to stop and think

Detail on the next page

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



Changes in Action Targets in Personnel Evaluation



Establishment of Business Operation System



Problems and true cause analysis

Issue of business operation system

- ❑ Incentive mechanisms
 - A system that evaluates structured bonds that are less cumbersome than investment trusts and insurance and have a high return on earnings in relation to the burden of the procedure
 - While sales of structured bonds are preferred, problems and risks associated with structured bonds are underestimated



Chibagin Securities Supervisor

Effective means of enabling new business dealings with customers

Motivation

Preference for structured bonds with high profit return rate

Opportunity

check-and-balance malfunction

Justification

Power relationship between referrer and receiver

Efforts to Improve and Prevent Recurrence

Implementation measures

- **Elimination of incentives in personal businesses**
 - Establishment of Banking and Securities Strategic Review Committee and freeze earnings targets for Chibagin Securities
 - In principle, the introduction of customers to Chibagin Securities by Chiba Bank was suspended
 - New sales of structured bonds were completely suspended
 - **Abolished the profit target for the personal division** of bank branches and reviewed to the assessment system by Fiduciary Duty and activity volume, etc
 - Completely eliminated the revenue return incentive that had been generated when a customer referred by Chiba Bank to Chibagin Securities, closing a deal at Chibagin Securities
- **Strengthening comprehensive proposal capabilities in the personal business**
 - Implemented four major measures to pursue the best interests of customers and improve convenience
 - Continued seminars and on-site guidance by headquarters specialists to promote the use of each tool and improve the skills of sales personnel
 - (i) Improving financial literacy of customers by building an asset management portal site
 - (ii) Provide highly convenient non-face-to-face channels, including investment trusts of app
 - (iii) Specialization of "careful explanation/ convincing proposal" through paperless investment trust procedures
 - (iv) **Introduce Advanced consulting proposals through the use of the proposal tool the "Okane no Basket" (Money Basket)**
 - Training specialists who can provide comprehensive consulting services for individuals

Status of improvement

The number of effective interviews in the second half of FY2023* is approximately twice that in the first half of FY2023

Monthly PV growth on the asset management portal site is high

About 2,000 NISA accounts opened in apps (about 40% of the total)

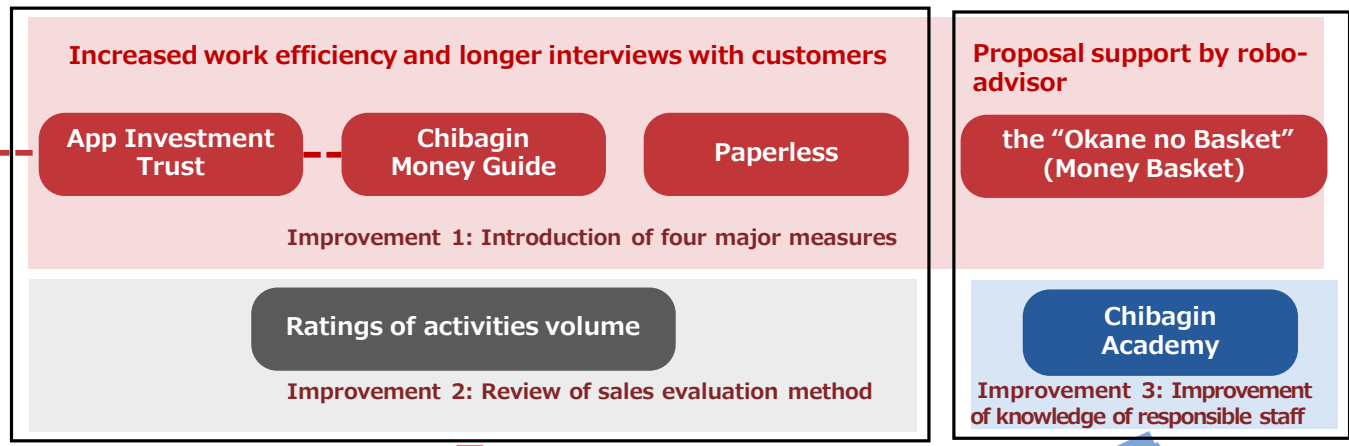
More than 90% utilization of investment trust paperless system (October2023 to February 2024)

Positive rate of 80% or more in the "Okane no Basket" (Money Basket) satisfaction surveys

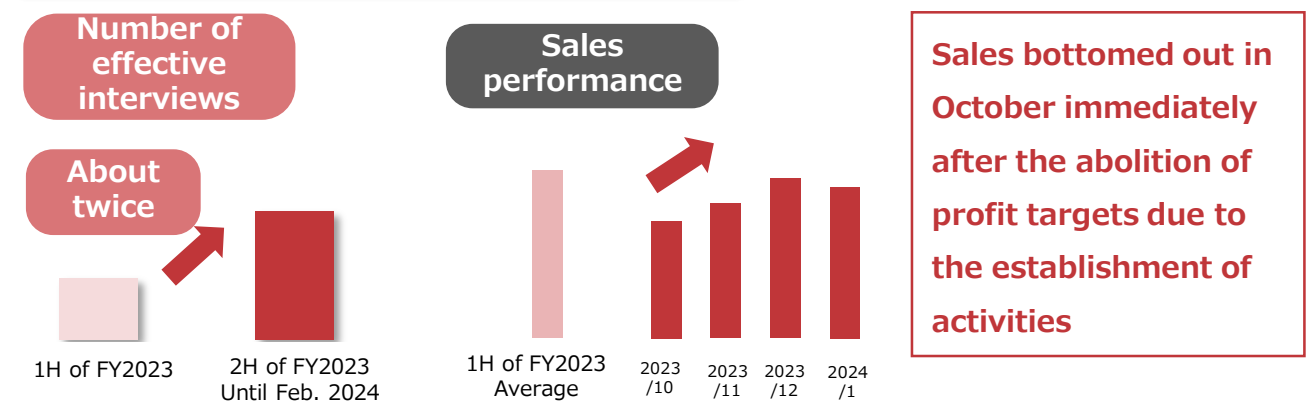
※ As of the end of February 2024

Steady penetration of activities that pursue the best interests of customers

Sales activities with an emphasis on activity volume and Fiduciary Duty



Activity status of the assets under custody



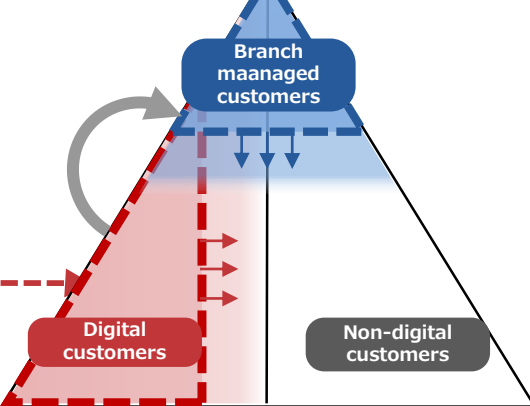
Improvement of efficiency
Increased number of interviews

Improvement of ability to make proposals

$$\text{Sales performance} = \text{Number of effective interviews} \times \text{Contract success rate} \times \text{Unit sales price}$$

Avoiding a decline in sales performance by improving the number of effective interviews, closing ratio, and sales price per unit

Improve customer resolution
⇒ Increased opportunities for proposals



- Other effects of this measure**
- **Increase in the number of digital customers** due to the introduction of digital channels (App Investment Trust, Chibagin Money Guide)
 - **Increased opportunities for proposals** due to improved digital customer resolution
 - **Promoting stock businesses** by improving customer satisfaction
 - **Securing cross-use proposal opportunities** by increasing the interview time
 - Improvement of employee engagement

New NISA

2023 | 2024

Introduction of app investment trust (April)

NISA account opening rate through app 40% (April to December 2023)

Chibagin Money Guide (April)

Branch seminar Workplace activities

Reinforcement promotion of NISA accounts in the previous year

New NISA sales by February 2024 (per day)

Approximately five times in 2023

Steady expansion of business with new investors

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

● Alarms are displayed on CRM's MY page

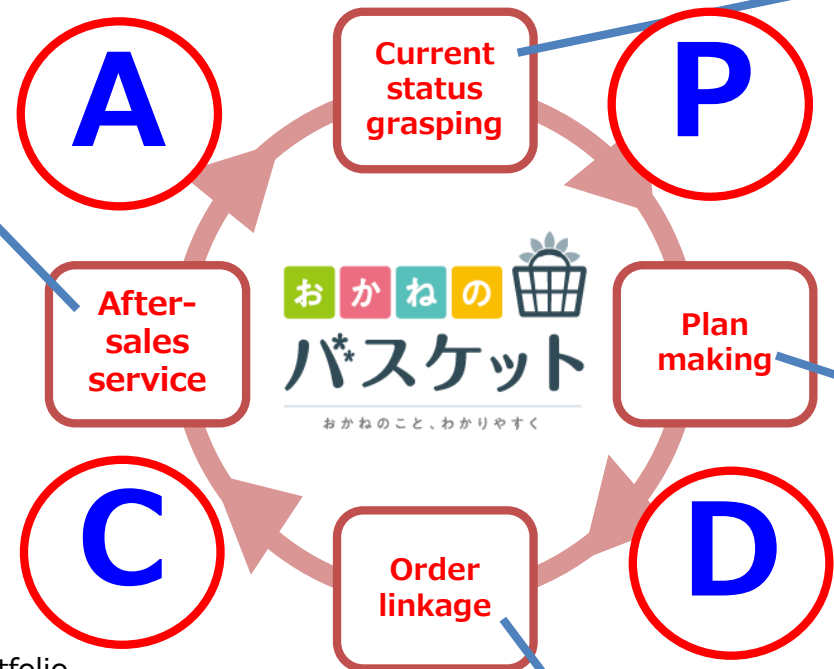
- EBM情報
- 新着情報
- ニーズ情報
- 注意情報
- 交渉結果
- IB投信取引確認 ※1ヶ月以内のうち3日まで表示
- 画定約定日
- 投信見守りアラート
 - 定期面談
 - 換益
 - 配分異常

● Alarms are displayed on CRM's MY page

● Automatic color coding of money Presentation of model by age ● All switching display for Chiba Bank only

お客さまの資産状況 総資産 39,739,012円

円流動性	62.1%	円流動性	3.1%
6,000,000円		円固定性デリバティブ/信託	3,000,000円
国内債券	6.1%	終身保険/その他保険	2,550,000円
3,500,000円		投資信託	4,000,000円
外貨預金/海外債券/仕組債	2.1%	株式/ETF/REIT	1,000,000円
2,000,000円			
年金保険	21.2%		
5,500,000円			



● For the portfolio

- Profit and loss alert
- Allocation Variation alert

● On the frequency of interviews

- Regular interview alert

● Linkable transactions

- Purchase and realize
- Application for investment trust savings

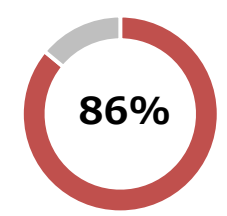
Linkage of brand, quantity, transfer month, and increase month

ポートフォリオ作成メニュー

投資の意向

銘柄	銘柄名	金額
債券	国内債券	2,910,000円
債券	円固定性デリバティブ/信託	640,000円
債券	終身保険/その他保険	170,000円
債券	投資信託	2,530,432円
債券	株式/ETF/REIT	9,999,200,000円

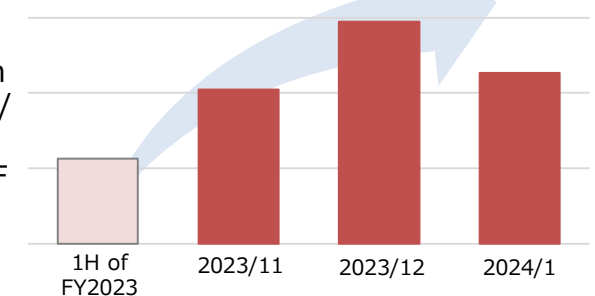
Evaluations of the "Okane no Basket" (Money Basket)



Positive response rates in customer questionnaires

Customer satisfaction surveys

※Survey of financial product sales destinations



※ To delete an alarm, it is necessary to register in the exclusive negotiation history

● Propose optimal combinations from simulations linked from simple QA / data

● Sales materials are available in PDF Paperless

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

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

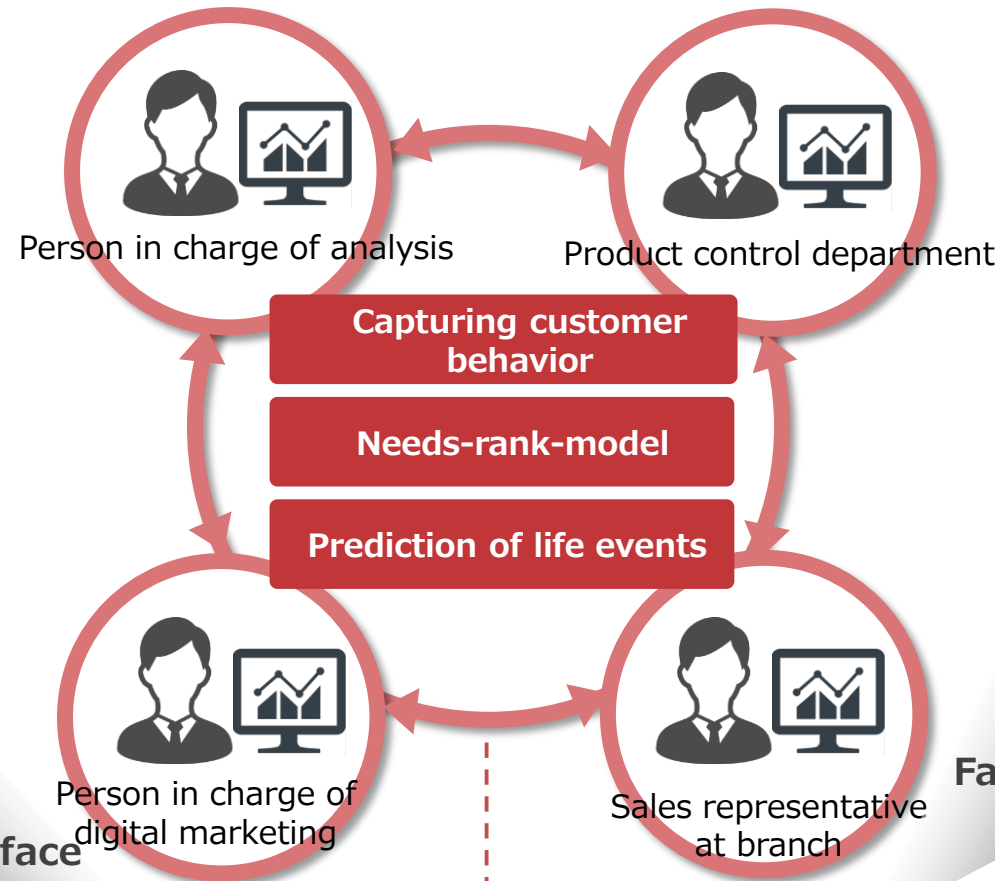
Digital marketing by specialized division in headquarters + cross-use proposals made from sales representative at branch for each person using analysis results

[Non face-to-face]
1 Changing to Digital customer through digital marketing (resolution ↑)

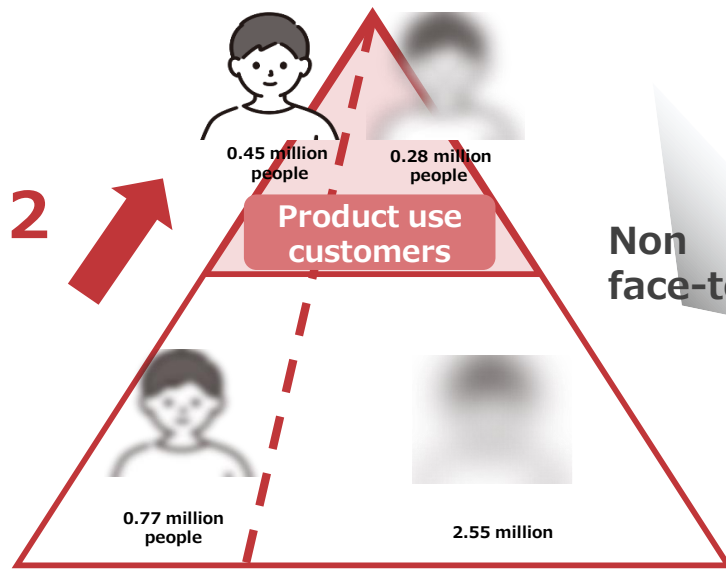
2 Promotion of product use /cross-use based on the personalization proposal

[Face-to-face]
3 Cross-use proposals using analysis results

4 Approach to new customers

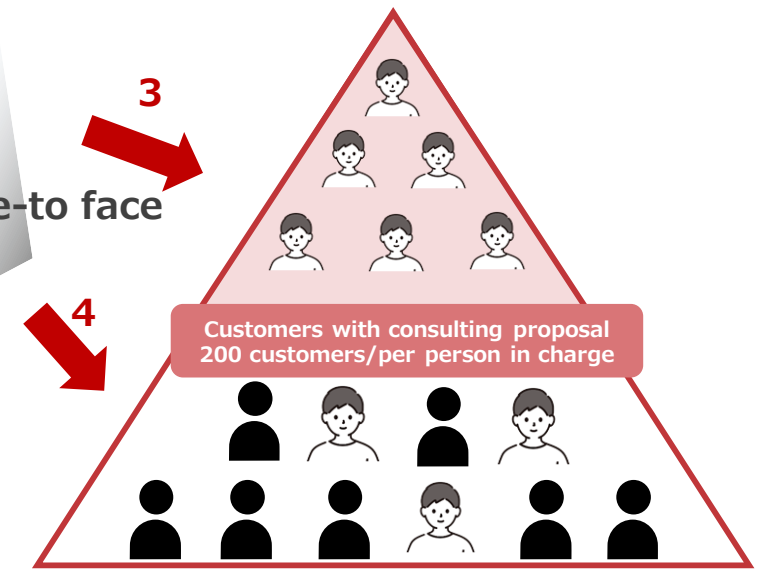


Sharing of needs ranking and other analyses
Sharing of marketing results



Non face-to-face

Face-to face



Digital customers
 Behavioral information /account information

Non-digital customers
 Account information only

1

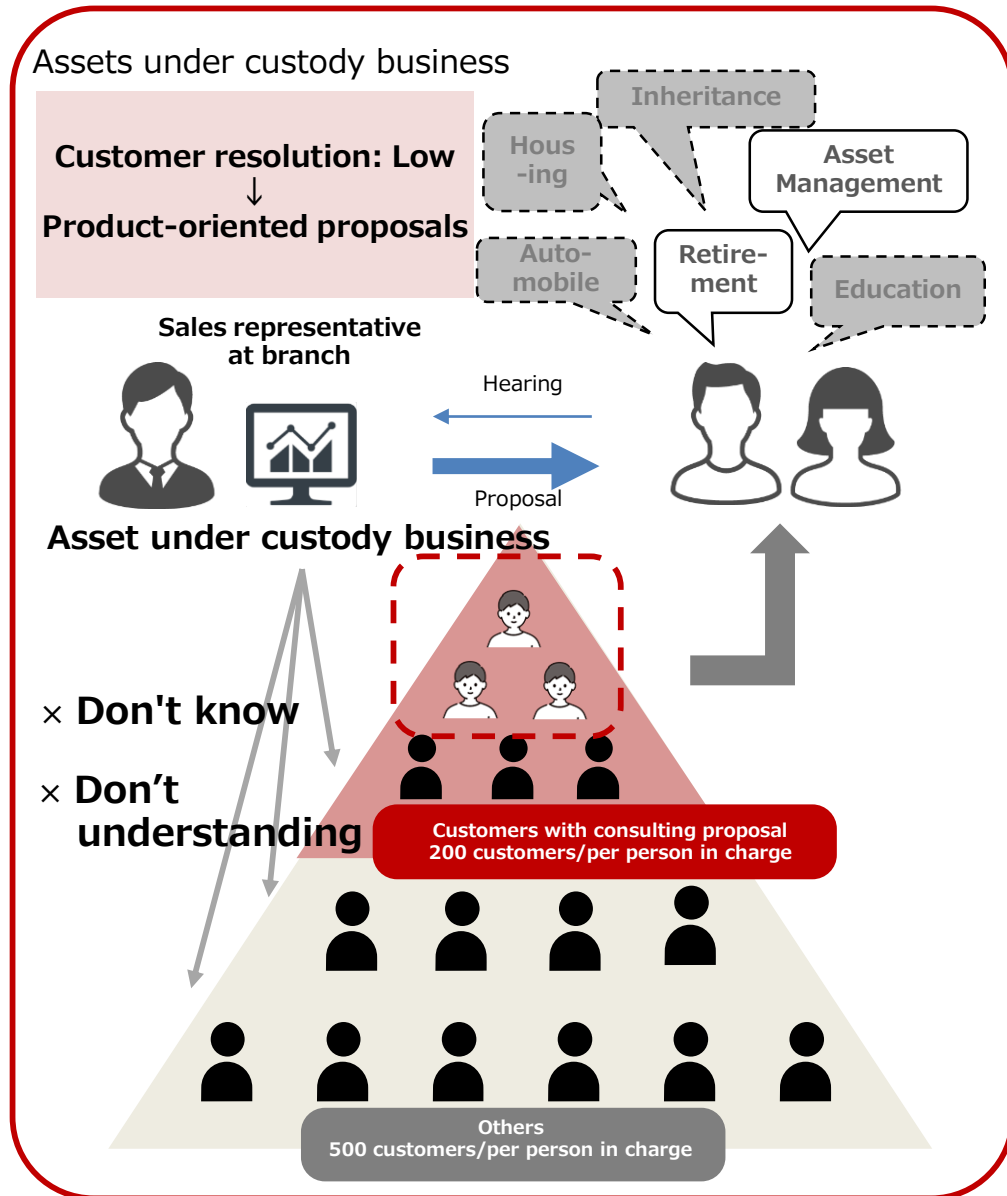
Others
 500 customers/per person in charge

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

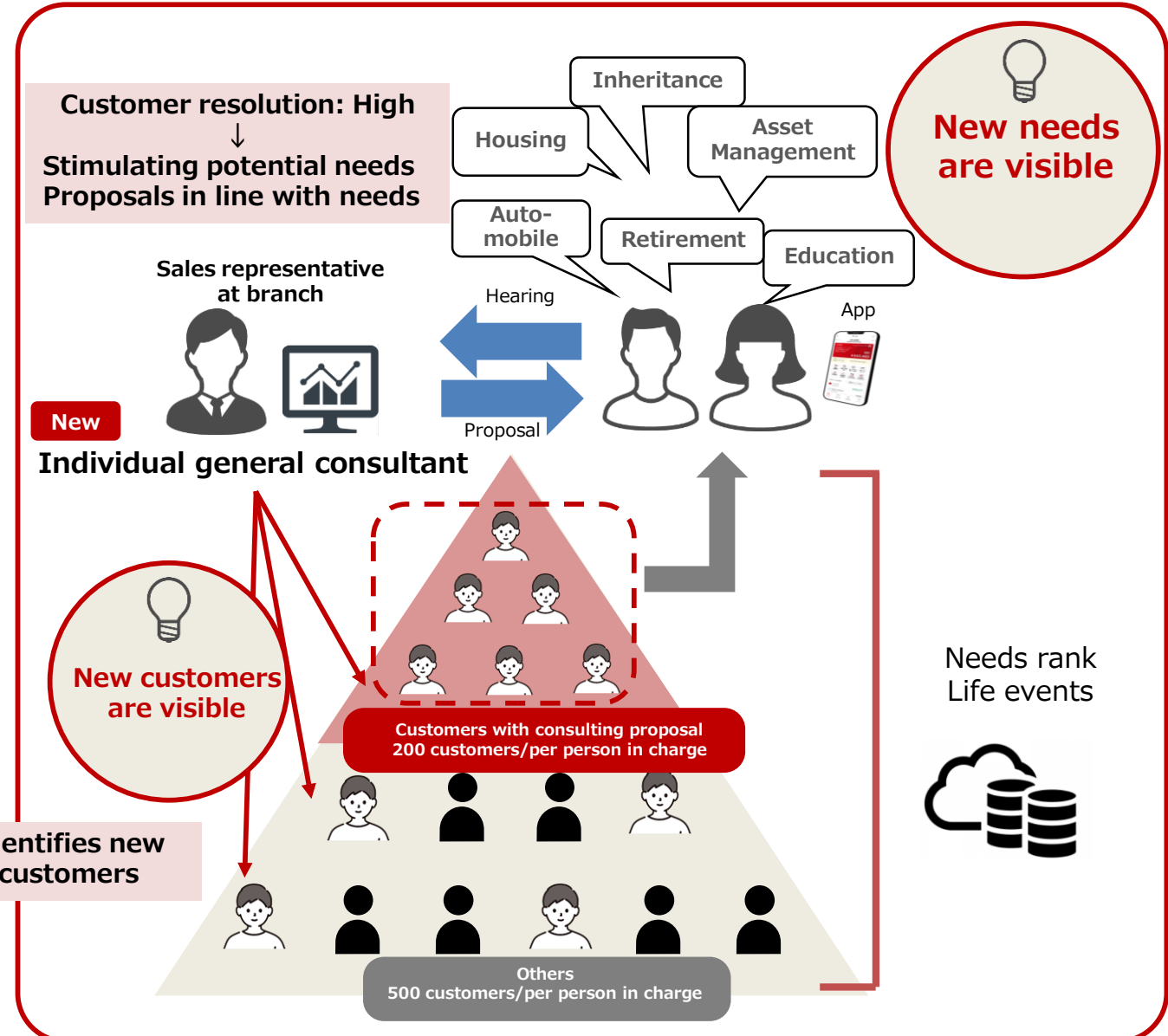
To create a local community better suited to bringing each person's hope to life

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

Until now Product-out-type sales activities



In the future To be a presence that people feel "Just when I was interested, here comes Chiba Bank"



Strengthening of Internal Control System



Problems and true cause analysis

Problem in internal control system

1st line (branch and sales division)

Three factors established

① Motivation ② Opportunity ③ Justification

Motivation : Performance awards provide motivation and pressure

Opportunity: Formal confirmation by internal administration supervisors

Justification : Atmosphere where evaluation is based on revenue achievement, customers demand explanations, and a bad sense of security that ultimate responsibility is on the Securities side

2nd and 3rd lines

(Management and audit department)

- Insufficient risk detection
- Response to detected risks is insufficient



Initiatives for improvement and the prevention of recurrence

Implementation measures

Status of improvement

1st line

- Newly-established referral standards for Chibagin Securities
- Newly-established practical training for newly assigned in charge of the internal administration supervisors
- Introduced suitability verification tools



Strengthening awareness and functions as risk owners

Feedback from the frontline on the check-and-balance function of the Customer Support Monitoring Office's direct customer surveys

2nd line

- Appointment of the General Manager in charge of Corporate Management
- Consolidation of the Compliance and Risk Management Division and the Service Quality Management Division
- **Newly-established the "Customer Support Monitoring Office"** in the Compliance and Risk Management Division
- In line with the above, Additional personnel are assigned to 2nd and 3rd line to enhanced readiness

Collecting and analyzing about 150-200 customer feedback each month for a new 2nd line system

Developing a tool to collect and analyze customer feedback

3rd line

- Review of internal audit plan
- Strengthening group collaboration in the audit department through participation in conference bodies of the Audit and Inspection Division of Chibagin Securities by the Audit and Inspection Division of the Bank
- The President becomes the officer in charge of the Audit and Inspection Division and is deeply involved in PDCA
- Reporting of the activities of the Audit and Inspection Division to the Board of Directors

Recording system using smartphones for business use under development

Implementation of improvement proposals and requests by the Audit and Inspection Division regarding the implementation status of the business improvement plan

1st defense line

2nd defense line

3rd defense line

Controlling risk as risk owner

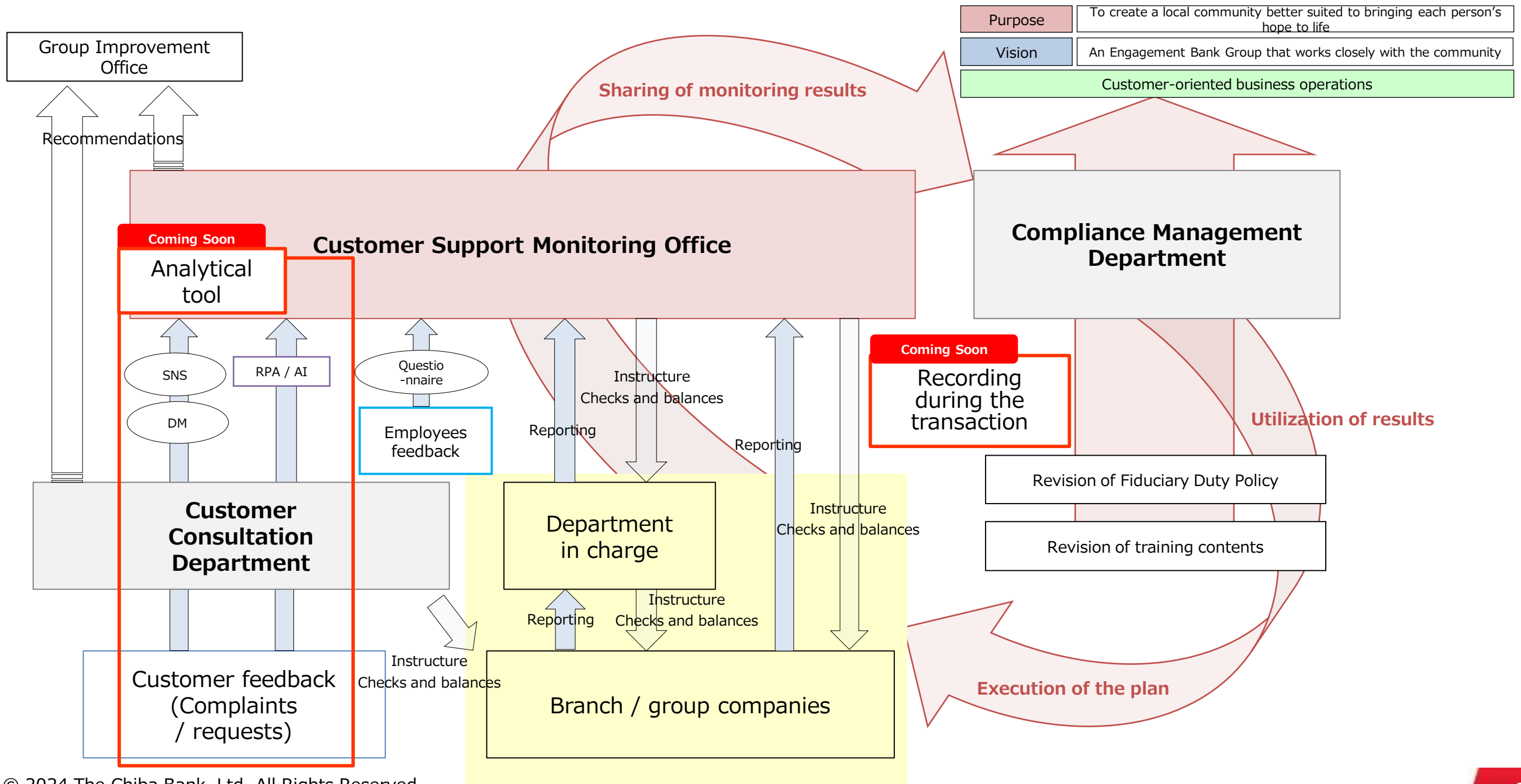
Monitoring risks independently from the first line

Verification of the effectiveness of the internal control system by 1st and 2nd lines

PDCA image centered on the Customer Support Monitoring office

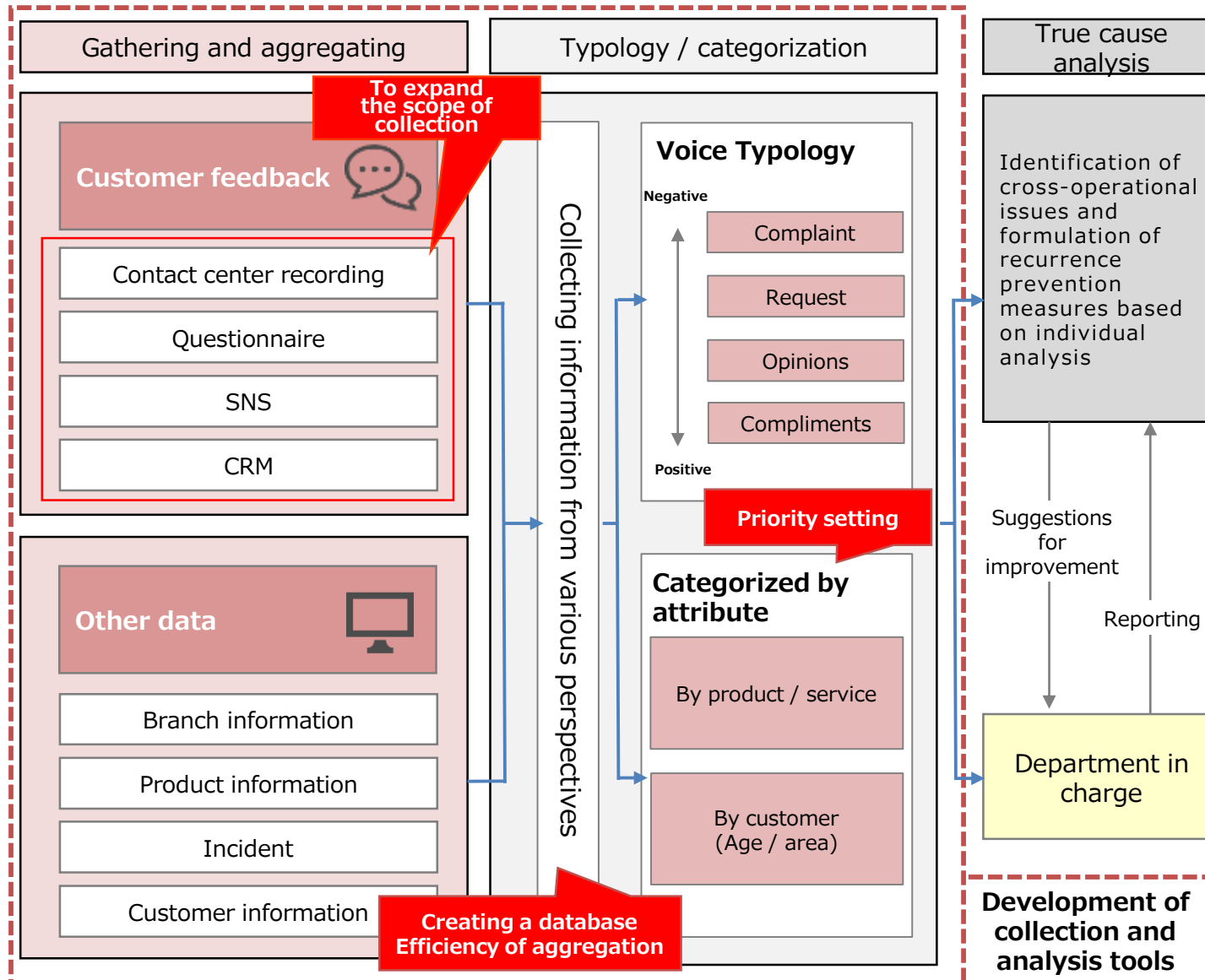
To create a local community better suited to bringing each person's hope to life

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

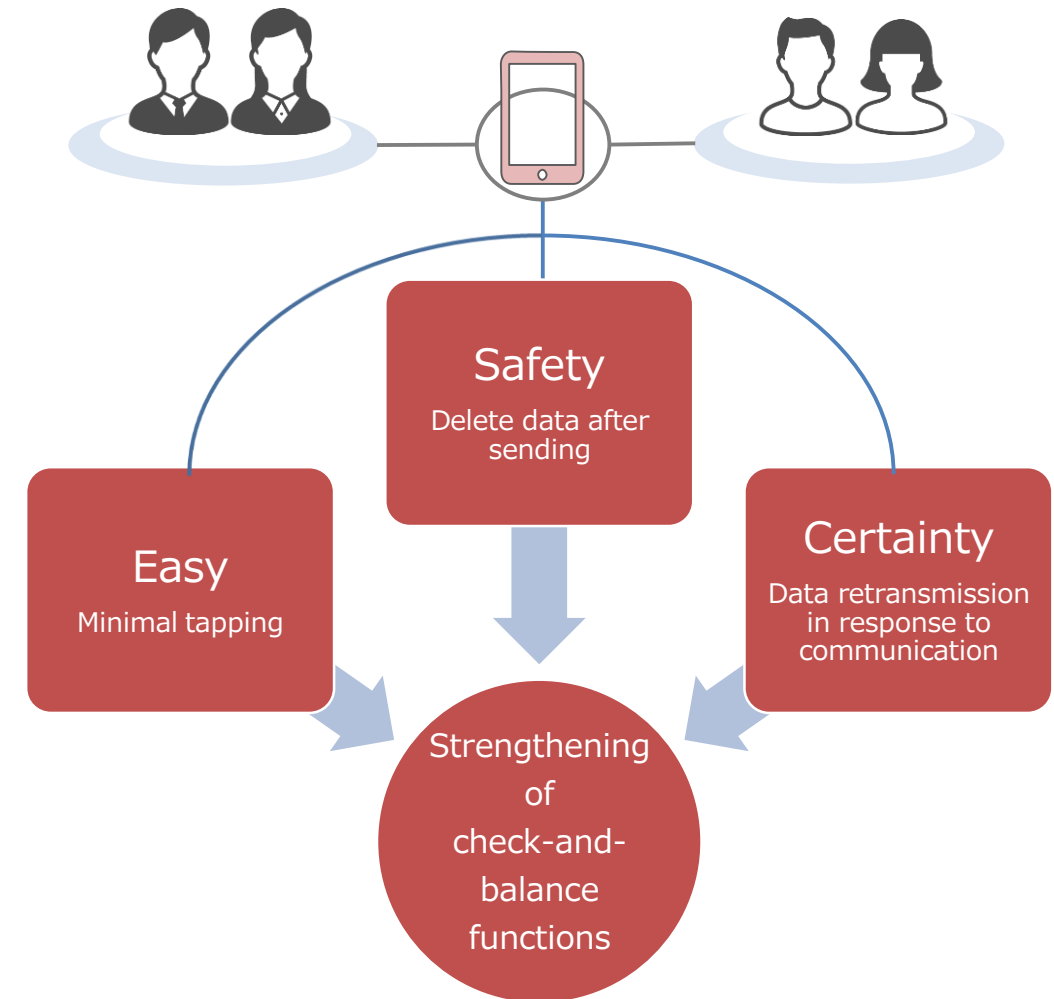


New infrastructure for effective 2nd functionality

Tool for gathering and analyzing customer feedback



Recording system using smartphones for business use



Strengthening of Business Management System



Problems and true cause analysis

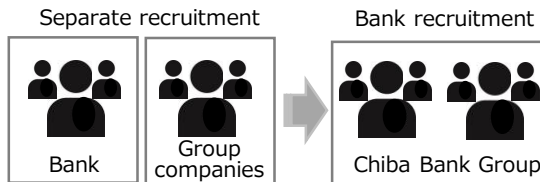
Problem in business management system

- ❑ Issue of group governance
 - Group governance issues (problems in grasping the current situation, identifying issues, and managing the progress of instructions)

- ❑ Problems in organizational culture
 - problems in business operation system: situation where management is unable to respond appropriately

Unified Group management

Unified Group hiring of new graduate/mid-career candidates
Unified Group training and exchanging



Initiatives for improvement and the prevention of recurrence

Implementation measures

- **Strengthening of group governance**
 - Dispatched Audit & Supervisory Board, Director, and general manager-level personnel to Chibagin Securities as Standing Audit & Supervisory Board Member, and person responsible for corporate management, administrative, and planning departments from the Bank
 - **Unification of group recruitment** at the Bank and two-way personnel exchanges between the Bank and group companies commenced
 - Stricter processes for product introduction
 - **Newly-established of the "Group Improvement Office"** headed by the President
 - **Changed the Chairman of the Board of Directors to an Outside Director**

- **Organizational culture reform**
 - 1on1 Meeting with Presidents of group companies by the Bank's President
 - **Regular meetings to exchange opinions with the executives in charge of the Bank to hear the opinions of employees of Group companies**
 - Introduced skill matrix for directors of group companies
 - Appointment of group companies' presidents as the matter to be consulted at the Appointment, Remuneration and Corporate Advisory Committee of the Bank for Selecting appropriate personnel, including outside personnel
 - The "transfer system" in which someone that has been brought up by their company can transfer to the Bank, and consideration of a "specialist course" for human resources of highly specialized group, etc.

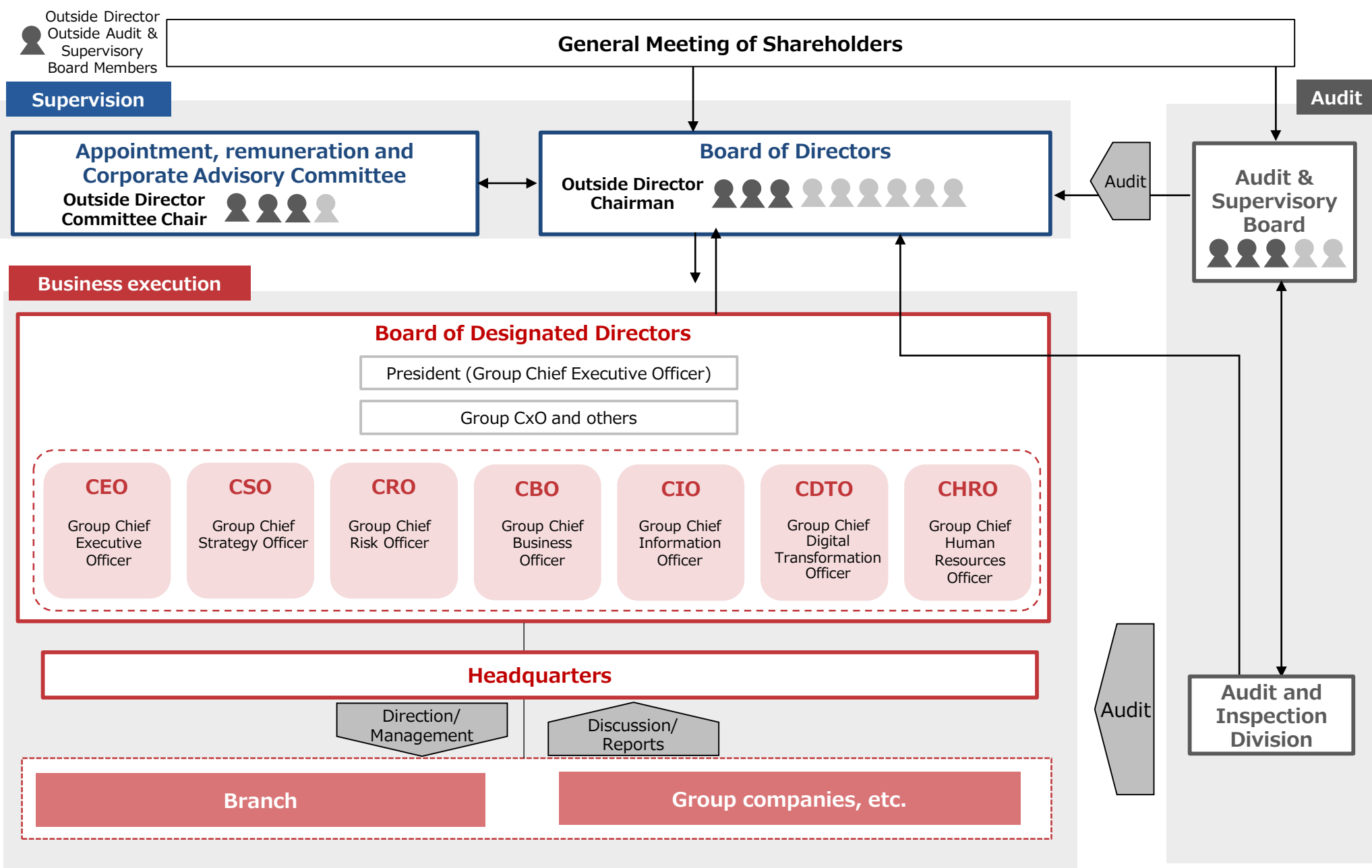
Status of improvement

Implement measures to penetrate the Purpose and Vision at each group company in the same manner as at the Bank

Implemented 360-degree evaluation of headquarters organizational units, in which sales branches evaluate headquarters by the Group Improvement Office

Exchanges of opinions between group company employees and the Bank executives have brought them closer to each other, and some expressed a desire to continue the meeting

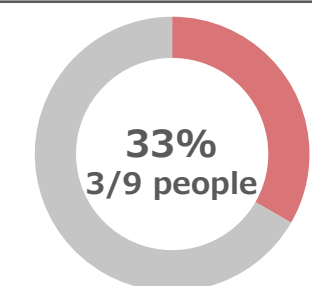
Strengthen efforts to enhance governance



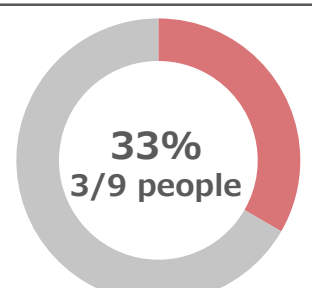
Advanced corporate governance New

- Changed the Chairman of the Board of Directors to an Outside Director (April 2024)
- Appointed the Bank's first woman representative director (April 2024)
- Shorting terms of office for directors (2 years ⇒ 1 year) (scheduled for June 2024)
- Introduced Performance-Linked Restricted Stock Remuneration Plan (scheduled for June 2024)

Ratio of independent directors

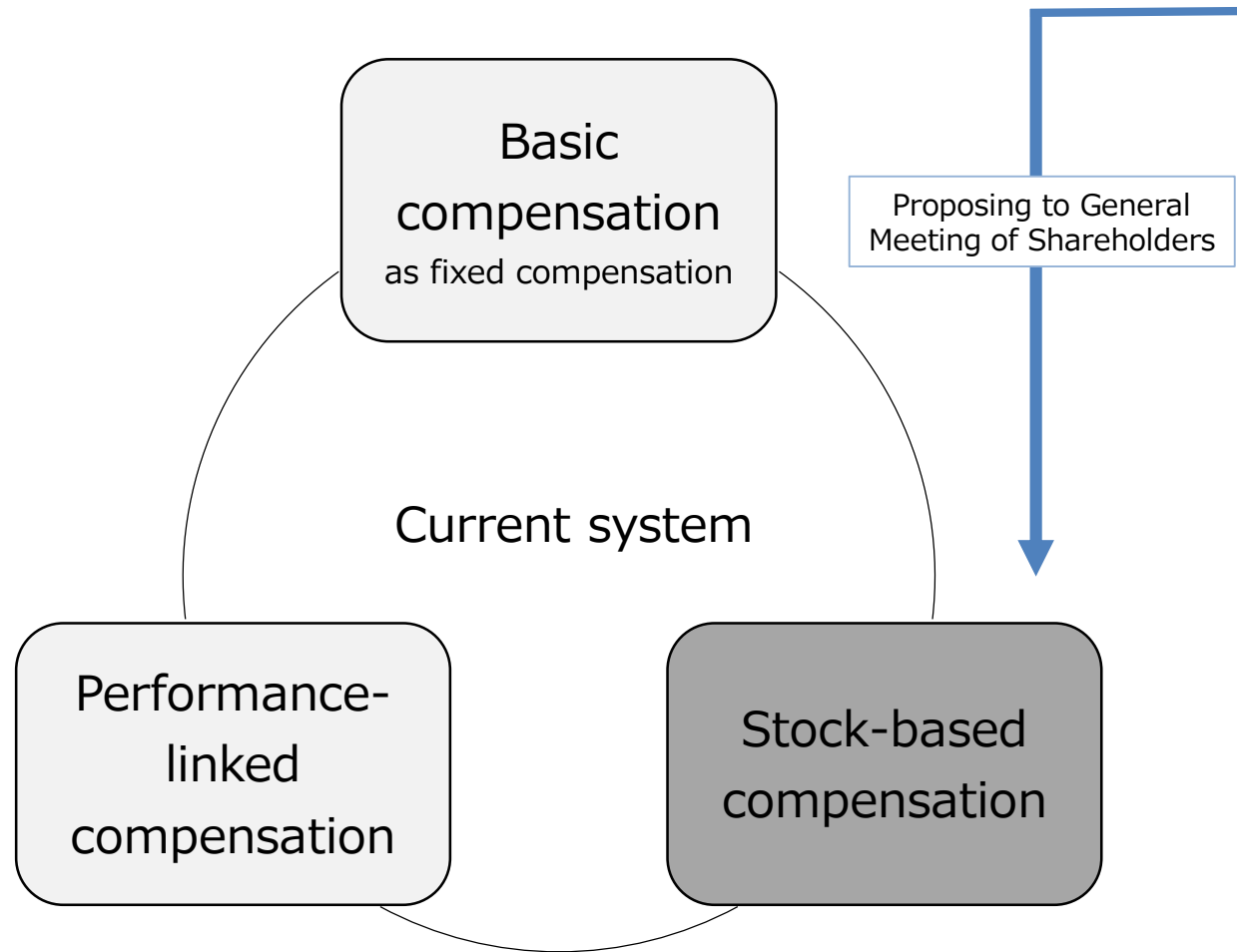


Ratio of female directors

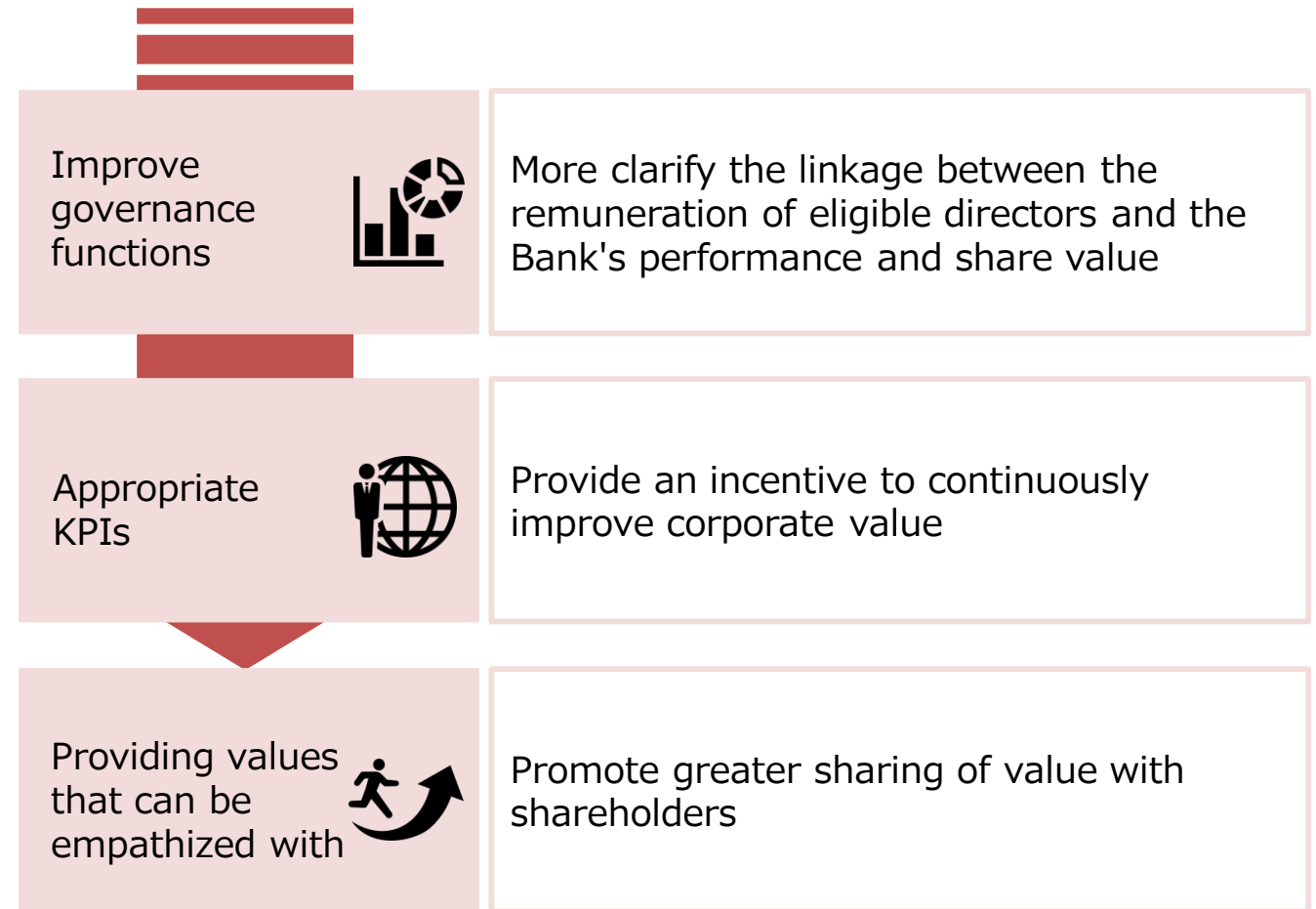


Agenda will be proposed to the 118th Ordinary General Meeting of Shareholders scheduled for June this year

Reviewed the remuneration system for directors

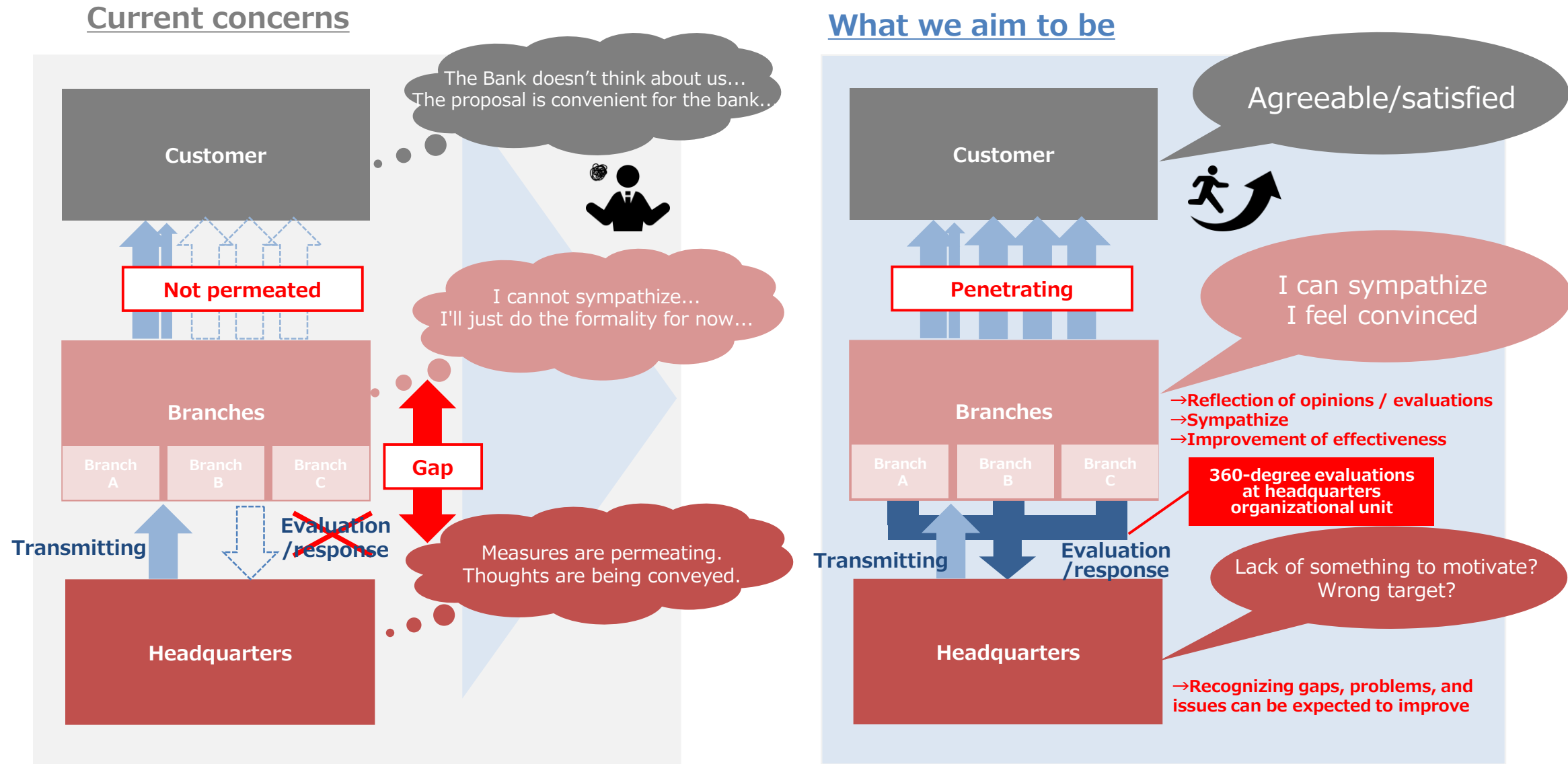


Introduction of Performance-Linked Restricted Stock Remuneration Plan (scheduled for June 2024)



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

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



Banking and Securities Strategic Business Model



True cause analysis

Motivation (pursuit of profits)

- Management's stance of strongly pursuing earnings
- Mechanism for achieving highly established earnings targets
- Evaluation system that emphasizes performance-based evaluation for individuals
- Issues such as human resources development

Opportunity (check-and-balance malfunction)

- 3 lines management was not fully functioning
- Inadequate response to the complaint
- Problems in the process of selecting products to sell
- Inadequate checks and balances by Chiba Bank

Justification (pressure from the bank as the referral source)

Relationships with the staff of Chiba Bank and Musashino Bank lead to justification for improper behavior for those in charge of Chibagin Securities, resulting in cases in inducement to structured bonds with inadequate confirmation of suitability and customer attributes.

Business Management System, etc.

Revenue from sales of structured bonds was important for the management of Chibagin Securities, and compliance awareness with the suitability principle in all tiers, including the management of Chibagin Securities was weak.

Major initiatives

1
Penetration and thoroughness of the Purpose, Vision, etc.

Continuing to send out messages by management

Penetration of Fiduciary Duty Policy

Permeation of Human Resources Development Policy

Raising internal awareness for empathy and action

2
Strengthening the Business Management System

The assessment of effectiveness of the Board of Directors using an external organization

Introduction of headquarters evaluation system

Strengthening customer feedback gathering

Exchanges of opinions between employees and the Bank and the Securities executives

3
Establishment of Business Operation System

Strengthening confirmation of the compliance suitability principle (Introduction of interview sheets, etc.)

Introduction of external evaluation in the product selection process

Review of performance award system and personnel evaluation system

By reviewing the personnel development system based on the three personalities

Three personalities: Integrity, Professional, and Challenge

4
Strengthening the Internal Management System

Establishment of qualification standards for internal administration supervisors deployed to all branches

Strengthening the monitoring system

Introduction of external consulting for more sophisticated auditing

Discussions on Banking and Securities Strategic Review Committee by the Bank and the Securities

List of Major Measures (Chigin Securities)

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

1 Penetration and thoroughness of the Purpose and Vision	Implementation timing	Implementation* 1	Add *2
Displaying the Purpose and Vision on internal PCs and business cards	September 2023	●	
Reviewed Fiduciary Duty Policy, established Fiduciary Duty Handbook	October 2023	●	
Established Three Pledges	October 2023	●	●
Monthly Fiduciary Duty study meeting by all employees	October 2023	●	
Discussions at the Group Company Subcommittee under the project team	December 2023	●	●
On the 23rd of every month, distributed video messages by Directors	December 2023	●	

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

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

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

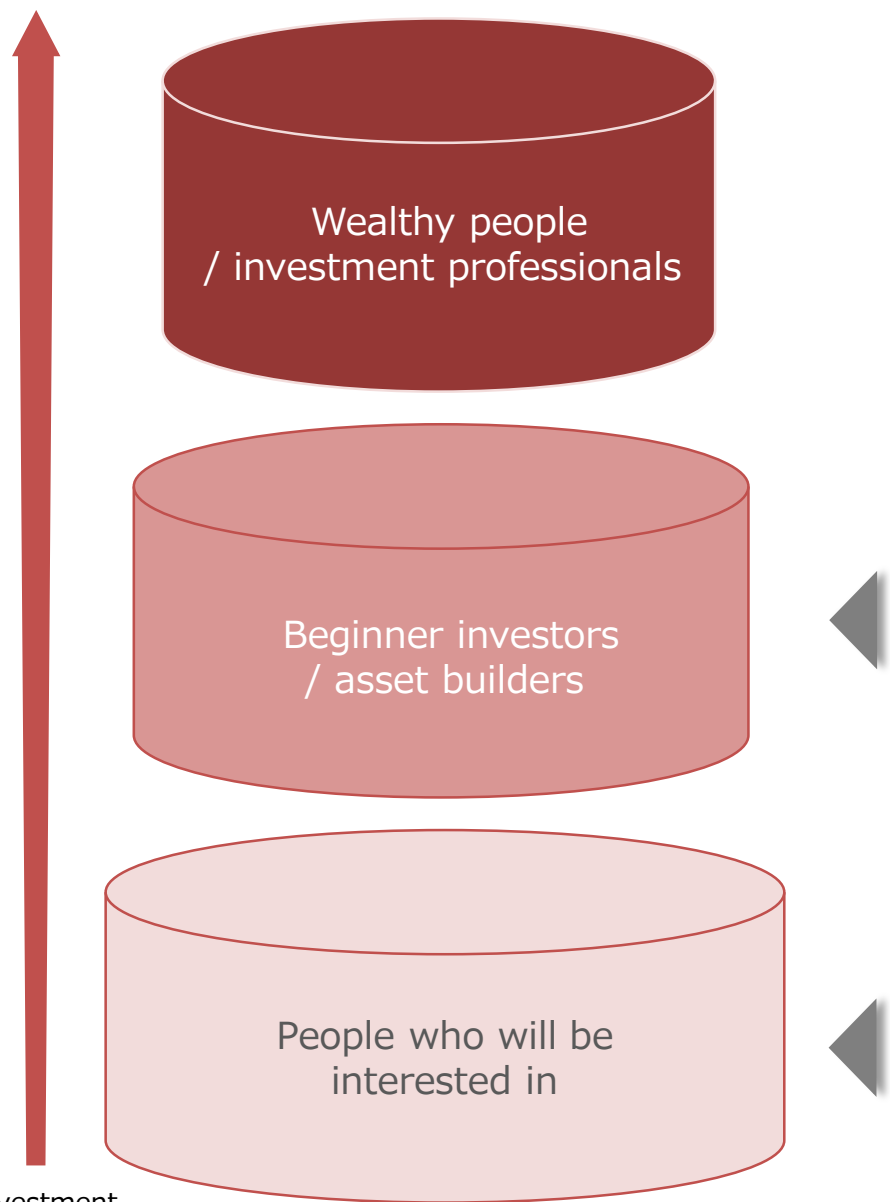
*1 Including ongoing measures after implementation

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

*2 Added from the business improvement plan originally submitted

[Additional 6 measures (Based on awareness)]

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



Customer-oriented proposals connected by digital technology



Linkage to face-to-face

- Enhancing video consultation and call center functions
- Opening an account at a consultation, seminar, or visit appointment (mini-applications)

Unified management of group assets

- Unified management of group assets by Chibagin App
- Single sign-on to the Securities' app when purchasing

Starting

- Approach to the target person (recommendation, notification, e-mail, etc.)
- Linkage with Chibagin ID

Learning

- Navigate to the asset management portal site
- Easily and repeatedly in a free time with movies, etc.

Investment experience

Inquiries related to this presentation should be addressed to:

The Chiba Bank, Ltd.
Corporate Planning Division
Investor Relations

Tel: 043-301-8459

Fax: 043-242-9121

E-Mail: ir@chibabank.co.jp

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