

August 31, 2023

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

**Overview of the Plans for Improvement and the Prevention of Recurrence, and
Disciplinary Actions to Persons Involved in the Administrative Actions Issued by Kanto
Local Finance Bureau**

On June 23, 2023, Chiba Bank, Ltd. (President: Tsutomu Yonemoto) (“Chiba Bank” or “the Bank”) was issued with the administrative actions (Business Improvement Order) for situations where a problem related to the investors’ protection was raised by the Kanto Local Finance Bureau, 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. (President: Yukihiro Inamura) (“Chibagin Securities”) was issued with the administrative actions (Business Improvement Order) from the Kanto Local Finance Bureau regarding business operations that violate the suitability principle for solicitation and sales of structured bonds.

On July 24, based on each business improvement order mentioned above, Chiba Bank and Chibagin Securities submitted their respective business improvement reports to the Kanto Local Finance Bureau. Today, Chiba Bank and Chibagin Securities concluded plans for improvement and the prevention of recurrence, and disciplinary actions to persons involved based on the results of respective investigations. An overview of plans to improve and prevent recurrence at Chiba Bank and Chibagin Securities and the disciplinary actions to persons involved is shown in the attachment hereto.

We deeply regret the fact that we have been ordered to improve our business operations, and we would like to express our sincere apologies again for any inconvenience or concern this may have caused to our customers or any related party.

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

End

Attachment

Overview of plans for improvement and prevention of recurrence, and the disciplinary actions to persons involved

I. Initiatives to prevent the reoccurrence based on the Administrative Actions against Chiba Bank issued by Kanto Local Finance Bureau

At Chiba Bank, we deeply regret the fact we have caused problems in terms of investors' protection with financial instruments intermediary business related to solicitation and sales of structured bonds which was caused by problems with the business operation system, internal control system and business management system. The Bank has formulated an improvement plan, including measures to prevent recurrence, based on an analysis of the fundamental problems, to initiate improvement for the future.

The entire Chiba Bank Group, all executives and employees, will make concerted efforts to improve and prevent recurrence. At the same time, we will continuously verify the status of implementation and its effectiveness, strive to drastically strengthen the internal control system and the business management system, build a proper and sound business operation system, and to regain the trust of all our stakeholders, including our customers.

1. Result of the analysis of fundamental problems

(1) Problems with the business operation system

As for financial instrument intermediary, the business arrangement was designed for Chiba Bank to receive 20% of the commission generated when a customer introduced by Chiba Bank to Chibagin Securities makes a deal at Chibagin Securities. At Chiba Bank, the "Projections" of fees and commissions were shared between the divisions related to business promotion and branches, and the commission from Chibagin Securities was included in the projections. In addition, Chiba Bank adopted an assessment system which considered 100% of the commission at Chibagin Securities as branch's revenue in terms of evaluation of branch's performance, i.e. five times the actual profit, with the aim of putting universal banking services model on track. As a result, for Chiba Bank's sales staff, more profitable structured bonds with no complicated administrative works were evaluated highly on their appraisal as compared to investment trusts and insurance which required more complicated administrative works on a volume-of-business basis.

Moreover, Chiba Bank applied the concept of the bank's balance based business, such as deposits and loans, to Chibagin Securities, regardless of the fact that the securities' flow based business is greatly influenced by market fluctuations. Based on such misconception, Chiba Bank suggested an earnings target level for Chibagin Securities that includes strong and stable growth expectations throughout the period of the Mid-term Plan. Even though Chibagin Securities formulated its Mid-term Plan ultimately by itself that included its original earnings targets and business plans, sales of structured bonds was made a strong driver to achieve the targets for both staff of Chiba Bank and Chibagin Securities. To attract new customers referred from the Bank, risks and suitability associated with selling structured bonds were

given lesser priority.

(2) Problem with the internal control system

a. Problem with the divisions and branches related to promotion (First line)

In divisions and branches involved in promotion, we found three factors caused the problems in protecting investors with regard to financial instrument intermediary business related to the sale of structured bonds: ① motivation, ② opportunity, and ③ justification. Specifically, there was motivation to sell structured bonds because ① performance rewards and personnel assessment gave motivation and pressures. In addition, ② the internal control by the internal administration supervisor and the sales administration supervisor within the divisions and branches involved in promotion was not effective and only formality performed, which resulted in problems in protecting investors. Furthermore, we believe that ③ there was an atmosphere in which they would be rewarded if they achieved the target, and would not be rewarded if not. In addition, customers sometimes asked for specific explanations of structured bonds, and there was a bad sense of security that Chibagin Securities side was ultimately responsible for explaining the sale, leading us to the justification for the inducement of structured bonds. As a result of these factors, the divisions and branches involved in promotion lacked awareness of the pursuit of customers' best interests. There was a lack of awareness of risk managements as the first line of the business.

b. Problem with the middle divisions (Second line)

In the middle divisions, we found the problems, such as: ① customer-oriented business operations were not fully performed; ② the responsibility was splitt among related divisions, and the ability to check the first line was weakened; ③ capability of risk assessment and analytical insight were not good enough (Specifically, the middle division had to look into complaints and to analyse causes of the complaints in financial instrument intermediary business. In addition, we overlooked the fact that only the verification of sales records in the first line was not good enough as a mechanism for detecting inappropriate behavior, and we were not able to think of the introduction of monitoring with a higher degree of checkings); and ④ insufficient response to the risks detected. (Specifically, we received multiple opinions to enhance the audit system through questionnaires and at the Risk and Compliance Audit Reporting Committee.) Although signs of risk and complaints were detected at the Chibagin Securities, no specific measures were taken.

c. Problem with the Audit and Inspection Division (Third Line)

In the Audit and Inspection Division, we found following problems: ① they were unable to report the identified information to the management in a timely and appropriate manner; ② they did not have good enough risk detection capability (specifically, we failed to respond appropriately to the complaints, because of the misperception that the complaints should be handled by Chibagin Securities, although it should have ascertained the current status of financial instrument intermediary services based on the information it had been collecting on an ongoing basis through the management of the Internal Audit Committee, and participation in the Complaint PT and the Risk Compliance and Audit Reporting

Committee, etc.); and ③their response to the detected risks was good enough, such as only formality followed.

(3) Problem with the business management system

In addition to problems with group governance, such as problems in grasping the current status of group companies, identifying issues, and managing the progress of instructions, the management was unable to respond appropriately to the fact that the three lines of internal control system was not well functioning as intended. As a result of problems with the organizational culture within Chiba Bank Group, there were problems with the operational control system.

2. Efforts to improve operations including prevention of recurrence

In April 2023, Chiba Bank established the "Purpose" (To create a local community better suited to bringing each person's hope to life) and the "Vision" (An Engagement Bank Group that works closely with the community). In addition, the Bank has established a set of operational guidelines in the new Mid-term Plan which is "the evolution of the customer-focused business model," and will strive to further improve engagement with its customers by changing its perspective on delivering products and services as a means towards creating the optimal customer experience.

The lack of a management philosophy that serves as the decision-making axis for all actions of executives and employees is one of the factors that led to an organizational culture that puts sales promotion in priority. We thoroughly promote this newly established "Purpose" and "Vision" as the decision-making axis for all group executives and employees through various opportunities.

By integrating and disseminating the "Policy on Customer-Oriented Business Operations" and the "Corporate Code of Conduct" with the "Purpose" and the "Vision," we will establish these policies as our corporate culture.

Furthermore, we will implement measures to repeatedly convey specific examples of the thorough implementation of activities for customers and regional communities, essential customer-oriented business operations, and management's determination on a semi-annual basis from the president, quarterly from the executives, and monthly from the head of department.

(1) Establishment of the business management system

(Initiatives already implemented)

- In July 2022, newly established was the strategic review committee of universal banking business, and froze the profit targets of Chibagin Securities. In addition, Chiba Bank stopped referral of customers to Chibagin Securities in principle, and in August 2022, new sales of structured bonds were completely suspended.
- In April 2023, launched the following four major measures to pursue the best interests of our customers and improve customer friendly service.
 - (i) Improve customers' financial literacy by publishing an asset management portal website
 - (ii) Provision of highly convenient non-face-to-face channels, including investment trusts trading functions in app

(iii) Specialization in "thorough explanation/reasonable proposals" through paperless investment trust procedures

(iv) Introduction of advanced consulting proposals by utilizing the proposal tool "Okane no Basket (Money Basket)"

- In April 2023, launched a training program to train specialists who are capable of providing comprehensive consulting services not only to promote financial products but also on their entire life plans, such as loans and will trusts to individuals.
- In April 2023, opened the Chibagin Academy, an inhouse university utilizing online platform. In addition to improving product knowledge, communication skills and other skills, the program also incorporates ethics training and other training to foster risk assessment.

(Initiatives to be implemented in the future)

- From October 2023, we plan to put an end to the profit target for the individual division at Chiba Bank and revise the appraisal system to pursue the best interests of customers (Fiduciary Duty) and contact with customers (volume of activities, etc.).
- From October 2023, we will introduce a customer from Chiba Bank to Chibagin Securities only if the customer wishes to do business with Chibagin Securities. In addition, we will completely remove the commission that had been generated by the contract made with at Chibagin Securities by customers introduced from Chiba Bank to Chibagin Securities.

(2) Strengthen the internal management system

a. Strengthen the sales divisions (First line)

(Initiatives already implemented)

- Since the second half of FY2021, regarding whistleblower system, the Chiba Bank Group has worked to develop an environment that makes it easier to report by taking measures to promote use of a whistleblowing hotline. The number of reports greatly increased from eight in FY2020 to 60 in FY2022, leading to the early detection of harassment and inappropriate administrative work.
- In addition, Chiba Bank has established a "Chotto Line" that allows employees to easily consult about their concerns with an in-house messenger system, conducts monthly self-assessments for young employees, 360-degree assessments, including questions on compliance and harassment, and holds 1on1 meetings with their head of department and/or supervisors.

(Initiatives to be implemented in the future)

- Conduct engagement surveys to measure the status of each individual's engagement, and utilize it in human resource development policies.
- Establish practical training for newly appointed internal administration supervisors and strengthen their guidance.
- In order to support the raising of the skill level required for conformity verification, consider the development of digitalized conformity verification tools, etc.
- Expand measures such as the establishment of a consultation desk for employees and 360-degree

evaluations which were launched at Chiba Bank, to all Chiba Bank Group companies.

b. Strengthen the management divisions (Second line)

(Initiatives to be implemented in the future)

- From October 2023, the Chief Risk Officer (Group CRO) will be assigned to the General Manager in charge of Corporate Management, and the Compliance and Risk Management Division and the Service Quality Management Division will be merged into one department as an organization under the control of the General Manager in charge of Corporate Management. In addition, we will reallocate additional personnel.
- The "Customer Support Monitoring Office" will be newly established in the Compliance and Risk Management Division in order to plan and implement effective monitoring based on the issues obtained through the honest and sincere analysis of the problems in dealing with complaints, requests, and inquiries as valuable customer opinions.
- The Customer Support Monitoring Office not only carries out checks on internal records such as briefing status and videos of business records, but also conducts monitoring through telephone checks and the dispatch of questionnaires. After discussions at the Board of Directors and the Board of Designated Directors, the results will be utilized to improve management.

c. Strengthen the Audit and Inspection Division (Third Line)

(Initiatives to be implemented in the future)

- In the branch audit, the practice of customer-oriented business operations will be verified through interviews with the person in charge regarding the status of explanations made to customers, etc.
- In thematic audits, the progress of improvement plans will be continuously reported to the Board of Directors and the Board of Designated Directors.
- In light of the fact that the information obtained by the Audit and Inspection Division through participation in various meetings was not fully utilized at the audit planning stage, a system will be developed to enable the establishment of effective audit procedures.
- In light of the fact that the Chiba Bank Audit and Inspection Division was not sufficiently involved in the Chibagin Securities Audit and Inspection Division, we will provide support to strengthen the structure of the Chibagin Securities Audit and Inspection Division.
- Introduce new cultural audits and conduct gap analyses with the "Purpose," the "Vision," and "Corporate Code of Conduct," and also audit the processes to ensure that these are permeated.

(3) Strengthening the business management system

(Initiatives already implemented)

- In February 2022, reorganized was the framework to ensure the appropriateness of the entire Chiba Bank Group operations, including the establishment of new Group Companies Management Regulations and a system for timely and appropriate consultation and reporting to Chiba Bank regarding the important business operations of Group companies.
- In July 2022, the strategic review committee of universal banking business was established to decide, among other things, to discontinue customer referrals from Chiba Bank, to suspend sales of structured

bonds, and to freeze revenue targets for Chibagin Securities.

- In April 2023, the Group Strategy Department was newly established to further strengthen Group governance, clarifying the reporting lines from Group companies to Chiba Bank's management, and strengthening the management system of Group companies.
- In April 2023, in light of the insufficient involvement of Chiba Bank in Chibagin Securities, Chiba Bank dispatched directors and department manager-level personnel from Chiba Bank as the manager of the administrative department of Chibagin Securities.
- In August 2023, decided to discuss the process of selecting products such as investment trusts and insurance products at the Board of Designated Directors in order to strengthen the involvement of management.

(Initiatives to be implemented in the future)

- From October 2023, establish the Group Improvement Office. As a team under the direct control of the top management, conduct direct interviews with the head office, sales branches, group companies, customers, business partners, etc. to ascertain the facts on the frontline, and position the organization to make suggestions for improvement measures to the management team in a state where the frontline is visible.
- From April 2024, the Board of Directors is scheduled to be chaired by an Outside Director, and the Board of Directors will strengthen its monitoring function through the selection of agenda from the objective viewpoint of outside directors, thereby ensuring the effectiveness of supervision.
- The content of reports to the Board of Directors by each Group Chief Officer will be reviewed and regularly reported to the Board of Directors after verifying and ascertaining issues from the customer's perspective in each management domain, including group companies, in order to enhance the governing function of the Group Chief Officer system.
- In addition to introducing a skill matrix for directors of Group companies, the appointment of presidents of Group companies will be subject to consultation with the Chiba Bank's Appointment, Remuneration and Corporate Advisory Committee. We will strengthen our group governance system by thoroughly allocating the right person to the right job through the development of management personnel and the utilization of outside personnel.
- We have already begun to unify group recruitment at Chiba Bank and promote two-way personnel exchanges among group companies. We will further develop these measures and strategically develop human resources at the Chiba Bank Group. In addition, by providing opportunities for the management of Chiba Bank and the management and staff of Group companies to communicate directly, we will strengthen our system for gripping the status of the entire Group.

II. Initiatives to prevent the reoccurrence based on the Administrative Actions against Chibagin

Securities issued by Kanto Local Finance Bureau

At Chibagin Securities, we deeply regret the fact we have caused problems in terms of business operations in violation of the principle of suitability related to solicitation and sales of structured bonds due to multiple issues, such as a defect in the business management system and internal control system. Chibagin Securities has formulated a business improvement plan, including measures to prevent recurrence, based on a fundamental analysis of the causes, as an initiative for future improvement.

All the executives and employees will make concerted efforts to implement improvement and prevent recurrence. At the same time, we will continuously verify the status of implementation and its effectiveness, strive to drastically strengthen the internal control system and the business management system, build a proper and sound business operation system, and to regain the trust of all our stakeholders, including our customers.

1. True cause analysis

(1) Motivation (revenue bias)

①The management's stance of strongly pursuing earnings, ②the mechanism for achieving highly set earnings targets (Specifically, when formulating the annual plan, etc., it was necessary to include high targets for highly profitable structured bond sales in order to achieve the demanding earnings targets. In addition, in the retail business, reliance on flow revenue was high, we heavily sought to achieve earnings by giving an excessive incentive to sales representatives), ③the performance-based evaluation system for individuals, and ④the development of human resources led to a preference for structured bonds with a high revenue capitalization rate, which formed an incentive to sell customers structured bonds without sufficient verification of conformity to customers.

(2) Opportunity (check-and-balance malfunction)

①As the three lines of defence were not functioning adequately, ②there were inadequate aspects in responding to complaints, ③there were problems in the process of selecting products to sell, and ④the checking function by Chiba Bank was not enough functioning, there was a business operation that violated the suitability principle for solicitation and sales of structured bonds.

(3) Justification (pressure from the bank as the referral source)

The power relationship between those who refer customers and those who are referred to (the relationship with the staff of Chiba Bank and The Musashino Bank,Ltd. ("Musashino Bank")) led to cause inappropriate behavior for the staff in charge of Chibagin Securities, and there were cases in which the verification of conformity and customer attributes was inadequate and led to the inducement of structured bonds.

(4) Business management system

Revenue from the sale of structured bonds was material to the management of Chibagin Securities, and compliance with the suitability principle became less material to all employees, including the

management of Chibagin Securities. Understanding the incentive structure of financial instruments intermediation, we believe that the reason for the solicitation of structured bonds with inadequate verification of suitability and customer attributes was inadequacy of the management team of Chibagin Securities, which failed to work on the bank to fully put into effect the appropriate financial instruments intermediary mechanism.

2. Efforts to improve operations including prevention of recurrence

(1) Strengthen the management system

a. Strengthen governance by management

- To raise the level of management, executives from Chiba Bank and regular executives will be trained to deepen their knowledge and ability of the securities business and their perspective as managers.
- In addition to introducing a skill matrix for directors, we will formulate succession plans and systematically train management personnel.
- To ensure fairness, transparency, and expertise, we will consider inviting outside personnel who are familiar with the securities business to the management team.
- In order to enhance the effectiveness of the Board of Directors and various committees, encourage a review of the conference body and active discussions by the management to strengthen the management control system and governance system.

b. Reforming organizational structure

- Revise the headquarters organization with the aim of strengthening the business management system and internal control system, and thoroughly implementing customer-oriented business operations.
- Within Chibagin Securities, establish a conference body for executive members to share important information, and a conference body for the whole company discussions on internal reforms and customer responses.
- Diversify human resources, including those from outside the company, who will be appointed to branch managers and headquarters to reform the management of sales branches and to upgrade the business operation system of the headquarters.

c. Reforming corporate culture

- Reform our organizational culture by strengthening the dissemination of information from management on the ideal image, strategies, and various measures of Chibagin Securities, as well as gathering feedback from employees and customers.

(2) Establishment of a business management system

a. Strengthen confirmation of the suitability principle

- In order to properly solicit in accordance with the suitability principle, interview sheets are introduced, and the method and procedure for confirming suitability in the Chibagin Securities are formally stipulated, and the criteria for judging suitability are clarified.
- For the time being, Chiba Bank will not actively introduce customers to Chibagin Securities. However,

if Chiba Bank introduces customers to Chibagin Securities based on the customer's request, only customers who satisfy specified standards after checking against interview sheets will be introduced to Chibagin Securities. Musashino Bank's policy is to continue introducing customers to Chibagin Securities, but they will limit this to customers who meet the introduction standards formulated by Musashino Bank, and introduce a system to check whether they meet specific standards set by Musashino Bank.

b. Sophistication of product selection process

- Based on our policy of aiming to become an “asset management-oriented business,” Chiba Bank Group will aim to develop a product lineup centered on medium-to long-term international diversification investment, targeting customers who are relatively high-risk tolerant and need dense after-sales follow-up in person. In light of these customer characteristics as a bank-affiliated securities company, the policy is to develop a system for introducing products and conduct ex post facto examinations in line with the Progress Report on Advancement of Asset Management Business by the Japanese Financial Services Agency and the Guidelines on Rational Compliance laid down by the Japan Securities Dealers Association. We will also consider the use of external consultants and other expertise.
- To strengthen the involvement of Chiba Bank in product selection, when Chibagin Securities introduces products, they will be discussed at the Chiba Bank meeting set.

c. Review of performance reward system and personnel evaluation system

- Review excessive incentives for banks by eliminating or reducing the return of individual profits at the time of and after customer referrals.
- With regard to incentives for personnel in charge of the Chibagin Securities performance reward, focus on understanding the true needs of customers, expanding our sales base based on proposals to solve customers' problems, and the results of customer surveys so that they are in line with the business model we aim to achieve.
- In order to correct the individual performance-based evaluation system, review the methods of bonus appraisals and personnel evaluations.

d. Review of Human Resource Development System and Training System

- Review the idea of person we seek at Chibagin Securities based on the following three points and rebuild our human resource development system. In addition, we will place top priority on the company-wide permeation of the “Integrity” concept.
 - Integrity, a highly ethical, honest and sincere advisor to customers
 - Professional, asset-building professionals who can put the customer first principle into practice
 - Challenge, that continues to rectify and grow toward self-transformation and organizational reform

(3) Strengthen the internal management system

a. Strengthen sales divisions (first line)

- Strengthen the check-and-balance function on first line by assigning dedicated internal administration supervisors to all sales branches and centralizing the authority to approve transactions.
- The “Internal Control Division” will be newly established to supervise the internal administration supervisor and strengthen companywide unified responses under the leadership of the head office.
- Consider the establishment of a new eligibility standard to serve as a guide for the appointment of an internal administration supervisor.

b. Strengthen management divisions (second line)

- Strengthen complaint response, monitoring, and customer-oriented business operations in second line Compliance Management Division. In particular, the Compliance Management Division Service Quality Management Group, which is under the jurisdiction of Fiduciary Duty, will develop, monitor, verify, and analyze the system from the three perspectives of solicitation and sales, products, and human resources.

c. Strengthen the Audit and Inspection Division (Third line)

- Third line, the Audit and Inspection Division will revise its traditional formal audit methods and focus on verifying the status of “customer-oriented business operations” and “compliance with the suitability principle.” In addition, the Audit and Inspection Division will conduct fundamental reviews to ensure effective content, such as verifying the appropriateness of monitoring by second line. We plan to utilize external consulting and other expertise in revising policies and implementation details to upgrade internal audits.

d. Strengthen Complaint Response

- Analyze the root causes of complaints after they occur and formulate measures to prevent recurrence, and raise awareness of complaints by management and strengthen responses by reporting to the committees.

e. Strengthen checks and balances by banks

- With a view to introducing products cautiously as we restructure the internal control system for Chibagin Securities, we will consider a system in which Chiba Bank and Musashino Bank, our partner, will monitor products Chibagin Securities introduces.
- Discuss various management issues with Chiba Bank and develop a system to discuss and report important matters to Chiba Bank in a timely and appropriate manner.

III. Build a group-wide business model for the banking and securities, including securities subsidiaries based on compliance with laws, etc. and proper and sound business operations.

1. Overview of the business model of Chibagin Securities

- As an asset management advisor for regional customers, Chibagin Securities aims to become a company that contributes to the realization of a more affluent and secure life for each customer. By shifting to an “asset management-oriented business,” we aim to conduct customer-oriented business operations and realize the best interests of our customers.
- As a securities company of the Chiba Bank Group, our product lineup will focus on medium-to long-term international diversified investment, including investment trusts, bonds, fund wrap, and stocks, targeting customers who are relatively high-risk tolerant within the Group and need deep after-sales follow-up face-to-face.
- In order to realize a new business model, during the period of the current medium-term management plan (from FY 2023 to FY 2025), we will not receive active customer referrals from Chiba Bank. We will focus on after-sales follow-up to existing customers and work to restore relationships of trust, while strengthening our business management system and internal control system, where issues were identified, and giving top priority to internal education.
- Taking into account the state of these internal systems, we aim to establish a new business model and achieve profitability from the next medium-term management plan (starting in FY 2026).

2. Future Relationship between Chiba Bank and Chibagin Securities

- Chiba Bank will continue to fully support the aforementioned efforts to realize a new business model for Chibagin Securities.
- The current cooperative system will be continued, and the situation will be shared by both management at the Bank and Securities in the strategic review committee of universal banking business.
- As Chiba Bank, we will create time for thorough dialogue with customers through the introduction of new proposal tools and digitization, thereby realizing customer-centric support. As one of our service lineups in providing value to customers, we will clarify the functions of Chibagin Securities by rules that we will introduce them only if and when customers require them, and contribute to the realization of a rich lifestyle for our customers as a group.
- Aiming to improve customer convenience by making the entire customer’s portfolio visible together, we will promote collaboration with Chibagin Securities through Chiba Bank’s Chibagin App.

IV. Disciplinary actions to persons involved

1. Chiba Bank

- In accordance with Article 51-2 of the Financial Instruments and Exchange Act, we take seriously the responsibilities of the relevant executive officers who have come to face problems in protecting investors with regard to the financial instruments intermediary business related to the solicitation and sales of structured bonds, and we will reduce the remuneration for the executive officers below.

Chairman (Representative Director)	Hidetoshi Sakuma	50% of monthly compensation x 6 months
President (Representative Director)	Tsutomu Yonemoto	50% of monthly compensation x 6 months
Director and Senior Executive Officer	Kiyomi Yamazaki	20% of monthly compensation x 3 months

- On March 31, 2024, Chairman (Representative Director) Hidetoshi Sakuma is scheduled to resign as Chairman and Representative Director, and to resign as Director at the conclusion of the General Meeting of Shareholders to be held in June of the same year.
- In addition, the following retired executive officers have been requested to return the following amount and Chiba Bank has received their acceptance.

Former Deputy President (Representative Director)	Yukihito Inamura	30% of monthly compensation x 3 months
Former Director Senior Executive Officer	Tadayoshi Shinozaki	50% of monthly compensation x 6 months
Former Managing Executive Officer	Kazuyoshi Takayama	50% of monthly compensation x 6 months
Former Managing Executive Officer	Kazuhiko Miyagi	20% of monthly compensation x 3 months
Former Managing Executive Officer	Hiroshi Seki	20% of monthly compensation x 3 months
Former Managing Executive Officer	Arihiko Totsuka	20% of monthly compensation x 3 months

2. Chibagin Securities

- In accordance with Article 51 of the Financial Instruments and Exchange Act, we take seriously the responsibilities of the relevant executive officers in the event of business operations that violate the suitability principle for solicitation and sales of structured bonds, and we will reduce the remuneration of executive officers below.

President (Representative Director)	Yukihito Inamura	50% of monthly compensation x 6 months
Director	Hayato Tsuchiya	30% of monthly compensation x 3 months
Director	Kohei Tadano	20% of monthly compensation x 3 months

- In addition, the following retired executive officers have been requested to return the following amount and Chiba Bank has received their acceptance.

Former President (Representative Director)	Osamu Kimura	100% of monthly compensation x 6 months
Former Chairman (Representative Director) Former President (Representative Director)	Kyoichi Hanashima	30% of monthly compensation x 3 months
Former Executive Director	Mamoru Maeda	30% of monthly compensation x 3 months
Former Executive Director	Fumio Shibuya	30% of monthly compensation x 3 months
Former Director	Hiroshi Ishi	10% of monthly compensation x 2 months

V. Explanations to customers and other stakeholders

1. Explanation to customers

We will continue to explain to customers who hold structured bonds by referrals from Chiba Bank to Chibagin Securities, the causes and details of this business improvement order as well as apologies for having caused a great deal of concern and inconvenience to each customer. In addition, we will respond to customer inquiries with great care, one by one.

2. About the future

Going forward, we will steadily implement the business improvement plan and report the efforts of Chiba Bank and Chibagin Securities on each company's website in a timely and appropriate manner.

End