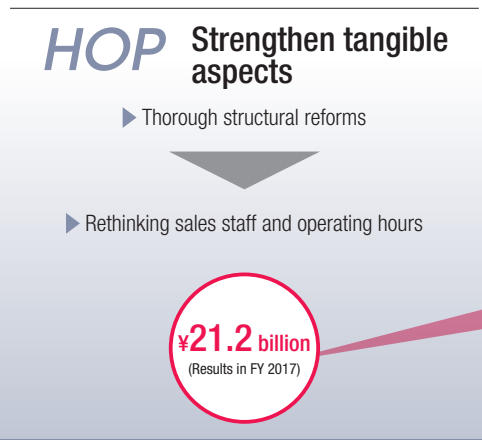


# Create with Our Community, Customers and Employees a Rich

In March 2017, we established our 10-year long-term management plan, “Vision 2027: Plan for Creating the Future Together.” Our aim with this plan is to build a sustainable business model that can rise to meet the challenges presented by a shrinking population and other societal changes, and one that will enable everyone, not just the Chugoku Bank Group, but also the entire region, our customers, and employees to share in a prosperous future.

The current three-year medium-term management plan is Stage II of this long-term management plan.



## STEP Strengthening intangible aspects (organization and human resources)

- ▶ Based on the results of the structural reforms carried out during the previous medium-term management plan (strategic investment, BPR), we will respond quickly to changes in the external environment and build a “business model unique to the Bank” that allows mutual growth, shared between the regional society and the Bank.
- ▶ We will strengthen intangible aspects (organization and human resources) by conducting a review of the “human resource system, internal training system, and performance award system, etc.”



FY 2017 to FY 2019 Stage I

FY 2020 to FY 2022 Stage II

The Long-Term Management Plan, “Vision 2027: Plan for Creating the Future Together”

### Progress and results of 5 pillars (summary)

	Initiatives thus far	Results from FY 2021	
<b>1</b>	<b>Strengthening our efforts in revitalization of regional economies and SDGs</b> <ul style="list-style-type: none"> <li>● Establishing a dedicated department and sustainability committee</li> <li>● Promoting revitalization of regional economies together with regions and customers</li> </ul>	Total of the number of start-ups for which we provided support <b>8 customers</b> (Compared to FY 2019: +5 customers)	Supporting efforts of local authorities <b>Decarbonization leading areas</b> (Nishiawakura Village) <b>Digital Rural Health Special Zone</b> (Kibichuo Town)
<b>2</b>	<b>“Deepening” the sales with customers first spirit</b> <ul style="list-style-type: none"> <li>● Introducing Regional Headquarter System and self-imposed targets</li> <li>● Deepening consulting sales business and acceleration of new businesses</li> </ul>	Corporate related income <b>¥11.9 billion</b> (Compared to FY 2019: +¥2.9 billion)	Individual related income <b>¥7.3 billion</b> (Compared to FY 2019: +¥0.8 billion)
<b>3</b>	<b>Revitalization of organization</b> <ul style="list-style-type: none"> <li>● “Major overhaul” to human resource system for the first time in 17-years</li> <li>● Promoting diversity</li> </ul>	New businesses <b>Newly established companies: 3 companies</b> (Consulting, recruitment, investments)	
<b>4</b>	<b>Strengthening the digital strategies</b> <ul style="list-style-type: none"> <li>● Accelerating digitalization of sales, administrative, and headquarters operations</li> <li>● Releasing “Chugin App”</li> </ul>	New personnel system <b>Increasing work fields / Fostering a culture of autonomy and challenge</b> (Intrapreneurship, establishment of new dedicated positions, lowering barriers on career paths, etc.)  Chugin App <b>70,000 users</b> (Total over nine months)	
<b>5</b>	<b>Establishing a sustainable growth model</b> <ul style="list-style-type: none"> <li>● Controlling expenses, reorganizing branches, reallocating staff, etc.</li> </ul>	OHR <b>64.7%</b> (Compared to FY 2019 (7.5pt))	

# Future that We Can All Share

## KPIs

Stakeholders	KPIs	Results in FY 2021	Final year of medium-term management plan (FY 2022)
Regional societies	Number of projects to address regional issues that contributed to the SDGs	Continuous improvement	Continuous improvement
	① Total of the number of start-ups for which we provided support*1 and the number of companies for which we provided support in business succession*2	133 customers (Total of two years)	Total of three years 200 customers
	② Activities contributing to the improvement of financial literacy, etc.*3	397 events (Total of two years) over 7,000 attendees	Continuous improvement
Customers	Customer satisfaction**4 (Individuals and corporate)	Corporate Survey FY2020 Customer satisfaction: 74% Individual Survey FY2021 Customer satisfaction: 65%	Continuous improvement
Employees	Labor share in core business net profit before payment of personnel expenses*5	49.75%	54% or higher
Shareholders, etc. (all stakeholders)	Net income attributable to owners of parent	¥18.3 billion	¥15.0 billion
	Consolidated capital adequacy ratio (Basel III)	13.83%	Remain stable at 12%
	Consolidated ROE	3.29%	—

\*1 Number of start-ups for which we provided support: Number of supported customers that started business through our events for start-up support

\*2 Number of companies for which we provided support in business succession: Number of entrusted contracts for business succession consulting services

\*3 Activities contributing to the improvement of financial literacy, etc.: Number of events and study meetings held for the improvement of financial literacy and business skills, etc.

\*4 Customer satisfaction: Number of answers indicating "Satisfied" or "Almost satisfied" in the customer questionnaires

\*5 Labor share in core business net profit before payment of personnel expenses: Personnel expenses divided by (core business net profit + personnel expenses)

## JUMP Compilation



### Chugin Financial Group, Inc.

Consolidated net income:  
**¥30 billion**  
(Target for FY 2026)

- ▶ Business axis expansion
- ▶ Efficient allocation of management resources
- ▶ Advancement of Group governance

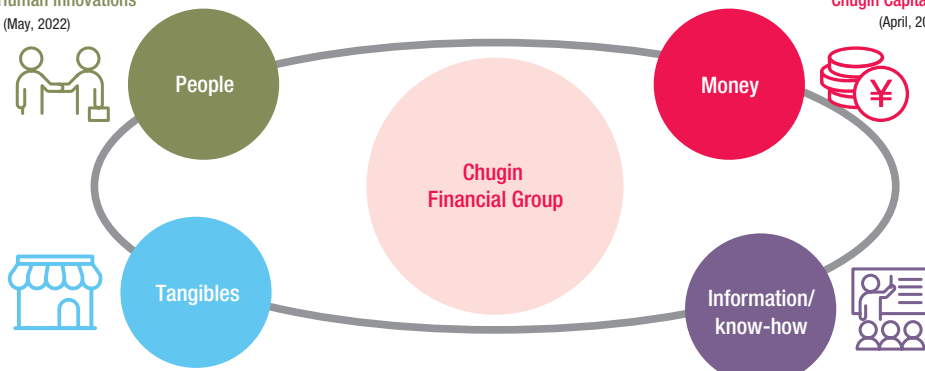
Advance to a comprehensive service bank centering on financing

FY 2023 to FY 2026 Stage III

### Initiatives for regional platformers

Chugoku Bank aims, under its key "5 pillars" policy, to build a "platform for co-creation" by playing a key role in cooperation with the regional society.

Chugin Human innovations  
(May, 2022)



SETONOWA (regional trading company)  
(November, 2020)

#### Establishment of new Group company

Realizing the provision of a broad solutions menu for "people," "tangibles," "money," and "information and know-how."

C Cube Consulting  
(September, 2022)

Further accelerate efforts for move toward next medium-term management plan

Become an organization that can continuously create new value to the region