CHIBA BANK

The Chiba Bank, Ltd.

Annual Report 2011

Year ended March 31, 2011

Working together by providing real strength.

Sharing concerns, offering solutions.

CONTENTS

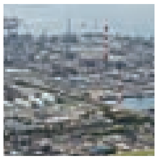
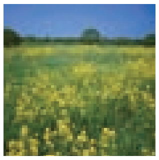
March 1943
The Chiba Bank established
Capital stock: ¥10 million
Employees: 725
Branches: 70
Deposits: ¥247 million
Loans: ¥51 million
(As of March 1943)

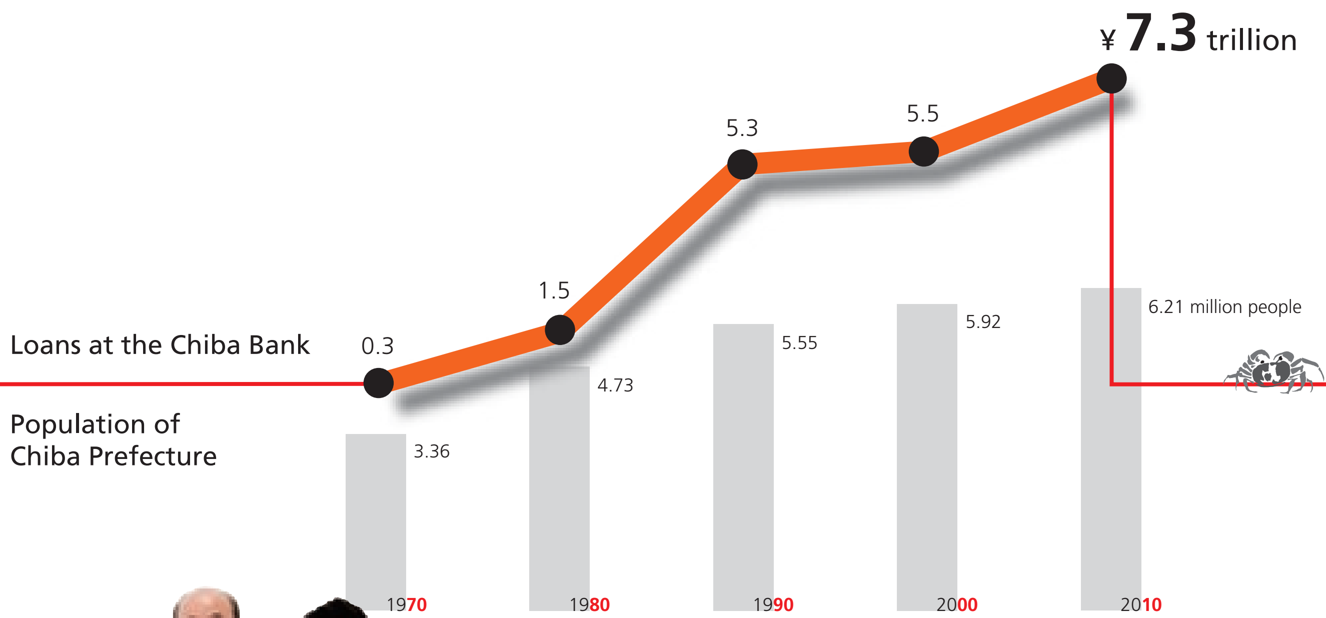
April 1964
Designated financial institution clerical procedures contract signed with Chiba Prefecture

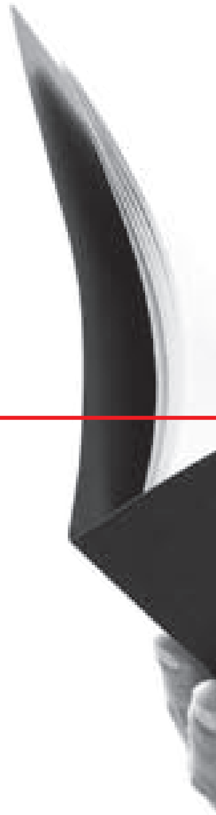
October 1970
Shares listed on second section of Tokyo Stock Exchange (Moved to first section in August 1971)

March 1973
Head office moved to newly constructed building at present location

September 1975
Total deposits surpassed ¥1 trillion



"Since we opened an account at the Chiba Bank, we've used the bank for many consultations, such as talking about our housing loan and investing our retirement payments. The first consultant we talked to is now the branch general manager. We plan to be Chiba Bank customers for a long time."

October 1986

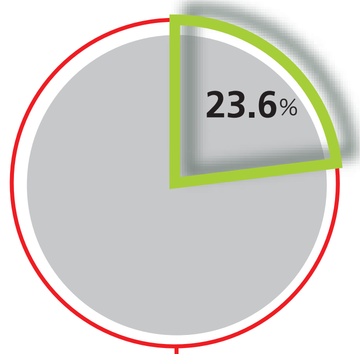
The Chiba Bank became the first bank in Japan to appoint a female branch general manager

Growing together

Chiba Prefecture, the operation base of the Chiba Bank, has one of Japan's largest industrial areas that includes many large plants along Tokyo Bay. Industrial activity is well-balanced because the prefecture also has large fishing, agriculture, commercial and tourism sectors. Conveniently located for Tokyo commuters, Chiba Prefecture is consistently growing as the population increases and the urban areas expand. Over the past 40 years, the population has almost doubled to more than 6 million. By meeting the steadily growing demand in this region, we have increased loans from ¥0.3 trillion in 1970 to more than ¥7 trillion. This makes the Chiba Bank one of the largest regional banks in Japan.

Growing together

Deposits Share in Chiba Prefecture
As of March 31, 2010



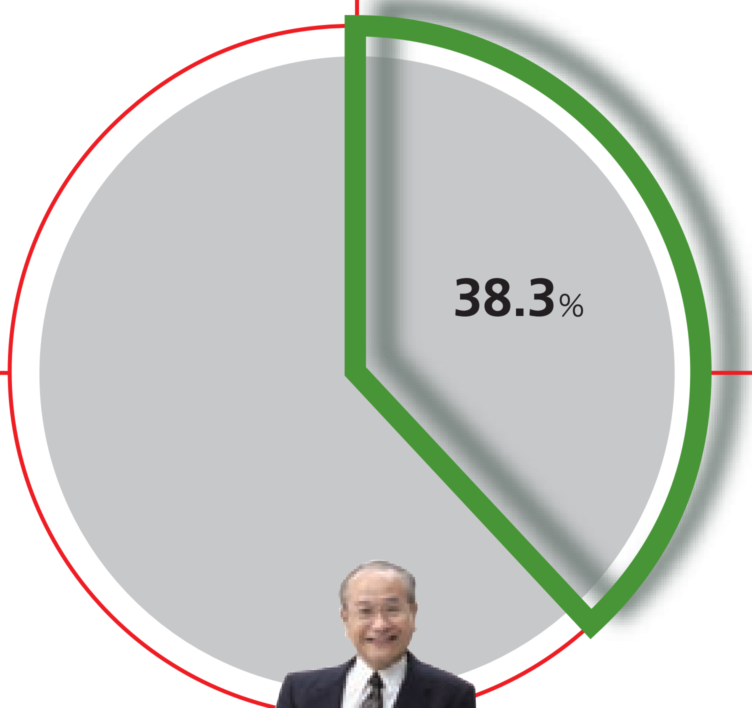
April 1987
Opened New York Branch
Hong Kong Branch: April 1989
London Branch: February 1991
Shanghai Representative Office: November 1995
Singapore Representative Office: March 2011

March 1998
Chuo Securities became a member of the Chiba Bank Group
(Renamed Chibagin Securities in January 2011)

December 1998
Started offering investment trusts
(Started offering telephone banking for investment trust in April 1999)

October 2004
Opened Chibagin Consulting Plaza to offer a variety of consultation services for individuals

Loans Share in Chiba Prefecture
As of March 31, 2010



June 2006
Entered into trust and inheritance-related business

October 2009
Established CSR (Corporate Social Responsibility) Promotion Office

July 2010
Established alliance with Lombard Odier Darier Hentsch Trust (Japan) Ltd.

October 2010
Conducted the first program for the acquisition of treasury stock (10 million shares)
Second program: May and June 2011 (12 million shares)

"The Chiba Bank provides assistance extending from our cash flows to introductions to new customers. I know I can count on them because they always put the needs of local companies above all else."

Being there

The Chiba Bank has a high-quality customer base that is located primarily in Chiba Prefecture. We have the largest share of deposits and loans in the prefecture—almost 40% of all loans, which places us far ahead of other banks in the prefecture's loan market. Furthermore, we rank first among Japan's 63 regional banks with more than 18,000 companies* that use us as their main bank. As our home region continues to grow, we will expand as well by earning the trust of customers as the leading bank playing a vital role in our home region.

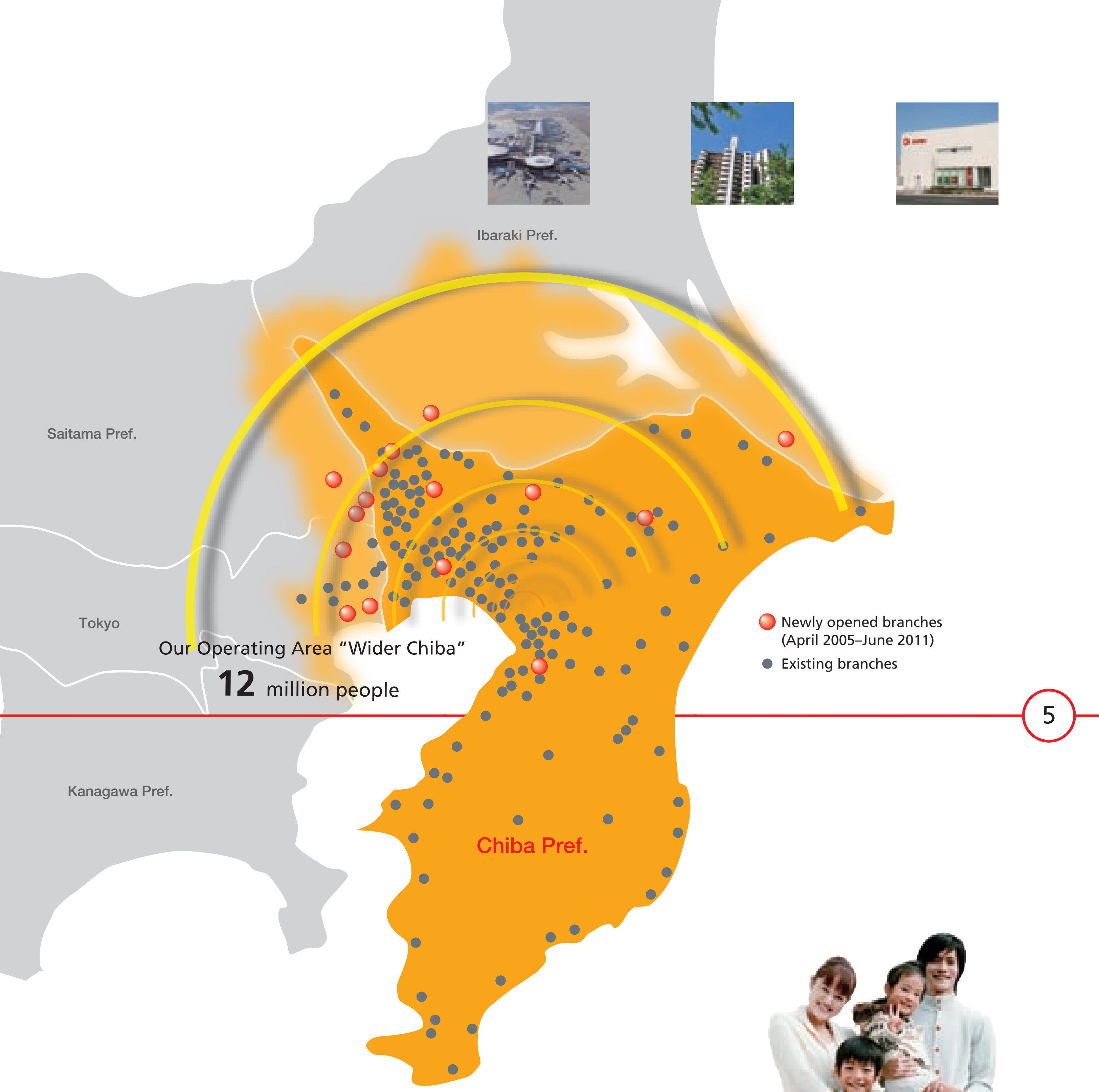
*2010 Japan Main Bank Survey (Source: Teikoku Databank, Ltd.)

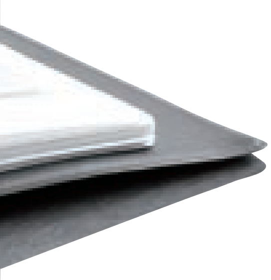
Being there

Going further

Chiba is one of the few prefectures in Japan with a growing population as the nation's overall population declines through a lower number of children and an aging society. There are many sources of economic vitality in the prefecture. These include expansion in the capacity of Narita International Airport as well as the new Narita Sky Access Line and the Tsukuba Express along with housing developments and other investments along the new rail lines. In addition to its home prefecture, the Chiba Bank serves the neighboring areas of eastern Tokyo, eastern Saitama Prefecture and southern Ibaraki Prefecture. We call this area "Wider Chiba." We serve this vibrant region with an extensive network in Chiba and an expanding network of branches in neighboring prefectures. "Wider Chiba" has a population of about 12 million and much potential for more growth. The Chiba Bank is determined to become more profitable by building an even stronger presence in this area.

Going further





"Mom and I went to the Chiba Bank right after we moved here. Everyone at the bank is always friendly to me."

I would like to start by expressing my sincere appreciation for the ongoing support that Japan is receiving following the tragic Great East Japan Earthquake in March 2011. Although this disaster affected our home region of “Wider Chiba” in various ways, the economy in this region is currently staging a recovery.

“Wider Chiba” has about 12 million residents and one of the highest population growth rates in Japan. Furthermore, there are good prospects for more growth as several large projects are planned for this region. “Wider Chiba” will resume its economic growth as progress continues with earthquake recovery and reconstruction measures.

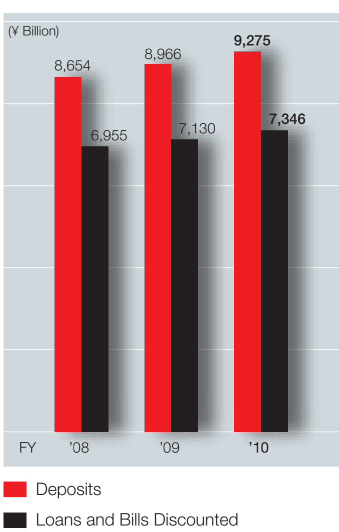
Business Performance

In the fiscal year ended March 31, 2011, deposits and loans at the Chiba Bank increased steadily even as total loans for all banks in Japan declined. However, the interest rate margin between deposits and loans narrowed mainly due to lower interest rates on interest-earning assets, which caused net business income (before transfer to the general allowance for loan losses) to fall ¥3.3 billion to ¥78.4 billion.

Ordinary profit increased ¥6.3 billion to ¥59.7 billion and net income was up ¥1.9 billion to ¥38.1 billion compared with the previous fiscal year. Both increases were attributable mainly to lower credit costs. On a consolidated basis, ordinary profit increased ¥8.4 billion to ¥65.3 billion and net income increased ¥3.0 billion to ¥40.6 billion compared with the previous fiscal year.

We retained a sound financial position as the consolidated capital ratio was 13.37% and the non-consolidated capital ratio was 12.76% at the end of the fiscal year ended March 31, 2011. Cash dividends paid to shareholders for the fiscal year were unchanged at ¥11 per share. Following our first treasury stock acquisition program in October 2010, our second acquisition program in May and June 2011 further demonstrates our strong commitment to returning earnings to shareholders.

Deposits/Loans and Bills Discounted
(Consolidated)



Completion of the "1st1st"—'DOUBLE FIRST' Medium-Term Management Plan

We completed the "1st1st"—'DOUBLE FIRST' medium-term management plan in March 2011. The plan had three main subjects: 1) Strengthening financial intermediation functions and providing high-quality financial services, 2) Establishing a robust management structure, and 3) Improving the development of human resources. Actions we took during the plan led to significant improvements regarding both our business and administrative operations.

New loan customers surpassed the plan's target of 4,000 in both the fiscal years ended March 31, 2010 and 2011. We also opened branches in areas with growing markets. These accomplishments allowed us to increase the balance of loans to small and medium-size enterprises and housing loans, thereby consistently increasing our share of loans in the areas we serve. Deposits by individuals are also increasing. The increase of ¥237.0 billion in the balance of these deposits in the fiscal year ended March 31, 2011 was the highest among Japan's regional banks. In addition, we took advantage of an alliance with a Swiss financial institution and utilized other measures to make our products and services more diverse and advanced. Improvements in asset management consulting capabilities by upgrading employees' skills were another area of progress during the DOUBLE FIRST plan.

We took many actions to bolster risk management and credit assessment that reflected lessons learned from the 2008 financial crisis. For example, we strengthened credit assessment controls over market operations and adopted an organizational unit system that gives the credit assessment units even greater autonomy. The result was a decrease in the non-performing loan ratio to 1.94%. Furthermore, we improved business processes and centralized branch clerical operations at the head office. This allowed us to shift some head office personnel and branch clerical personnel to sales positions.

"Frontier 70" – Our New Medium-Term Management Plan

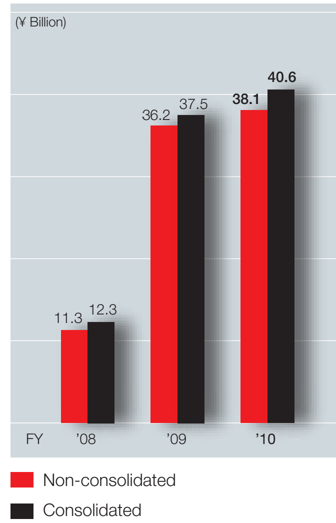
In the fiscal year ended March 31, 2012, we have started our 11th medium-term management plan: "Frontier 70." This three-year plan includes the Chiba Bank's 70th anniversary in March 2013. Our operating environment is undergoing enormous changes. Japan's population is aging rapidly and customers' needs are shifting as a result. Competition among financial institutions is becoming more heated, and the government is imposing more regulations on the banking sector. To succeed, we must create our own pathways to reach our goals. Accomplishing this will require going beyond our current boundaries to enter new business domains. This is why we named the new plan "Frontier 70."

At the beginning of "Frontier 70," the Chiba Bank will do everything possible to support economic revitalization in the areas we serve by efficiently supplying loans, assisting clients with business operations, and providing other forms of assistance. Moreover, we are determined to make a significant contribution to realizing the substantial growth potential of "Wider Chiba."

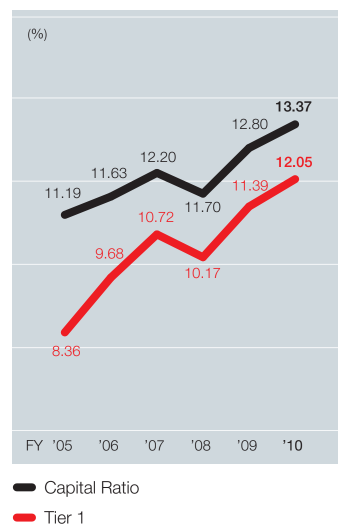
Specifically, we will take many actions during "Frontier 70" to achieve four goals: 1) Strengthening the business structure, 2) Assisting the regional economy, 3) Enhancing the management system, and 4) Improving the development of human resources. Initiatives will not be limited to conventional thinking; we will reexamine all our operations from a fresh viewpoint. Overall, our objective is to build stable bases for our operations and management so that we can overcome challenges posed by shifts in future market conditions.

"Frontier 70" includes several targets for the fiscal year ending March 31, 2014. We are aiming for core net business income of ¥88.0 billion, which is ¥13.5 billion higher than in the fiscal year ended March 31, 2011. We also plan to increase non-consolidated net income by ¥8.9 billion to ¥47.0 billion and consolidated net income by ¥9.4 billion to ¥50.0 billion during "Frontier 70." In addition, we have an overhead ratio (OHR) target of less than 50% and a consolidated capital ratio target of about 13% under Basel III.

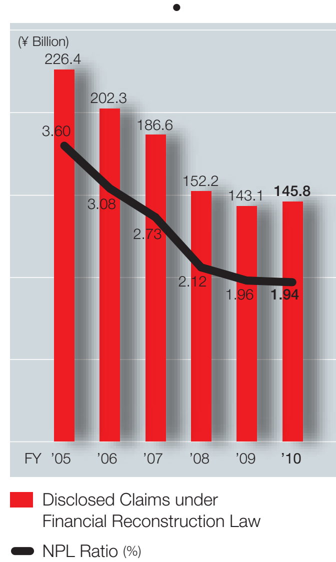
Net Income



Tier 1 Ratio and Capital Ratio
(Consolidated)



Non-Performing Loans
(Non-consolidated)



Strengthening the Business Structure/Assisting the Regional Economy

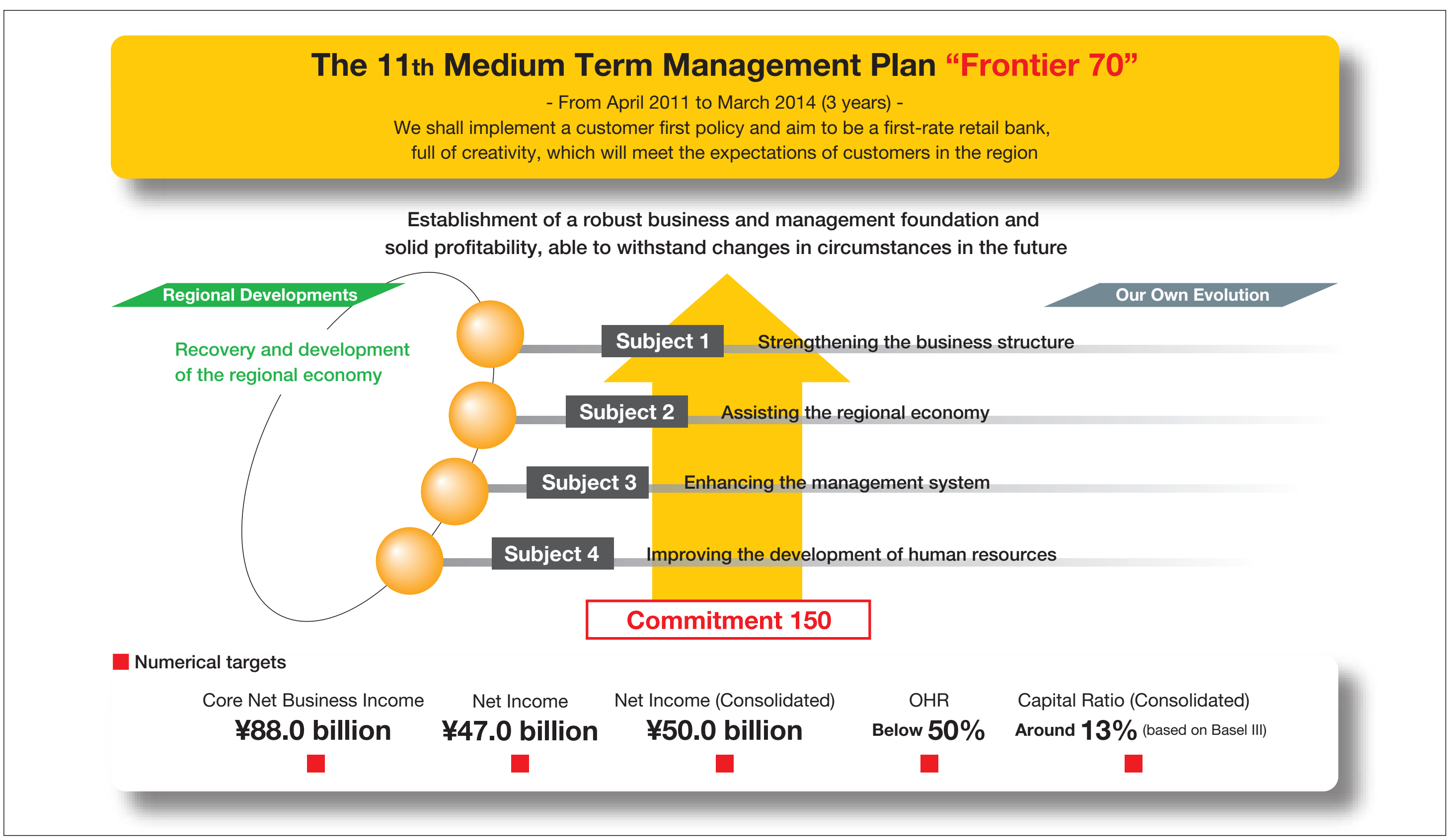
We established the Regional Business Division in June 2011. This new division will improve our ability to gather and disseminate regional information, better enable us to participate in public-private sector projects, and provide other benefits. We established the Corporate Business Division as well. One of the roles of this division is providing support for the operations of customers in growing fields such as environmental preservation and medical and nursing care. We will also use this division to increase activities involving social infrastructure projects with schemes that include private-sector funds.

We are also committed to meeting the diversifying needs of customers for assistance with asset management. Starting in the fiscal year ending March 31, 2012, we are assigning Client Advisers to branches. These advisers are highly trained in asset management, taxes and other subjects. Working more closely with Chibagin Securities, which will become a wholly owned subsidiary, will give us an even better base for offering asset management services.

Enhancing the Management System

The disaster last March reinforced our awareness of the importance of our role in ensuring that payment processing system operations continue to function. To heighten the effectiveness of systems to maintain operations when a disaster occurs, we will expand our emergency power systems and make branch office buildings even more resistant to earthquakes.

In previous years, we have been enlarging our lineup of products and services and expanding our branch network. From now on, we will place greater emphasis on operating more efficiently. We will rigorously analyze the profitability of individual areas and products to improve branch locations and our product lineup. At the same time, we will reduce costs wherever possible, including the elimination of some activities. Taking these actions will allow us to use our resources more effectively and become more profitable. The establishment of the Corporate Administration Division in June 2011 by combining the Personnel and General Affairs Divisions gives us a single division that can oversee expenses for our workforce, buildings and other property.



Improving the Development of Human Resources

One of our highest priorities is giving young employees the skills they need to become productive as quickly as possible. We have improved various training programs for this purpose. Now we are focusing on on-the-job training activities as well. Providing this training will strengthen practical skills and give employees a better grasp of the knowledge they need.

We are concentrating on training activities at branches and other front-line locations and on passing on expertise about credit assessment and other tasks to younger employees. In addition, we want to increase the vitality of our organization by making greater use of younger employees and women.

The Role of the Chiba Bank and Our Goals

More than 18,000 companies use the Chiba Bank as their main bank, placing us first among Japan's 63 regional banks in this category. We have a large volume of information about our customers and home region along with an extensive network. I believe that we must use these resources to support the sustained growth of this region. This will require a determined effort to disseminate information and assistance for creating business relationships among our customers. Examples include the construction of multi-purpose commercial facilities that combine stores, financial institutions, and hospitals. We also plan to participate in programs to attract companies and establish centers for specific industries by working with local governments and the research institutes of universities and other organizations.

Our customer first policy will be the basis for all our activities. We are reexamining everything we do from the standpoint of customers. We are firmly committed to becoming "a first-rate retail bank," gaining a competitive edge by prioritizing action and speed in order to earn the support of all our stakeholders.

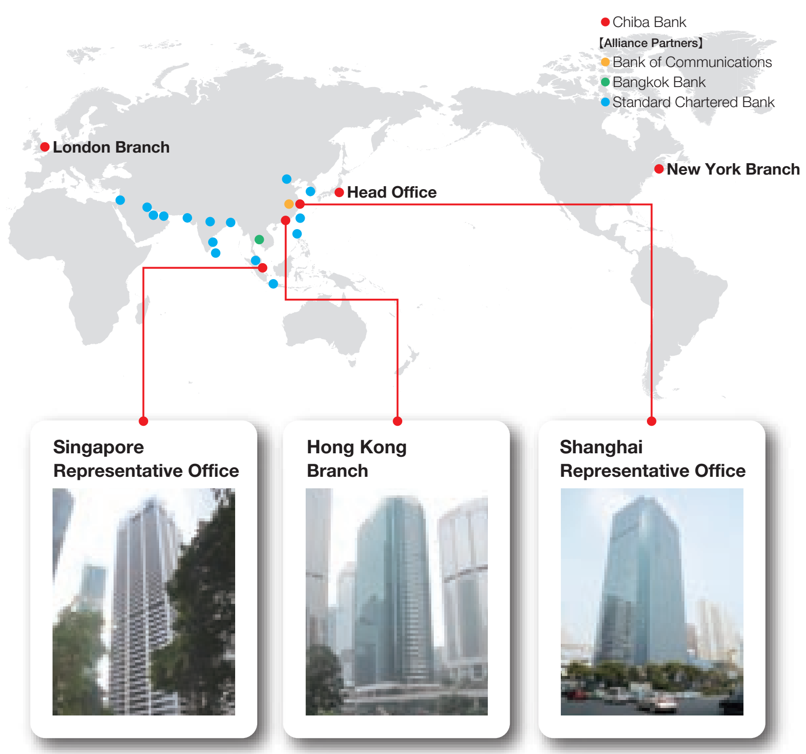
Hidetoshi Sakuma, President

Overseas Operations

To meet the diverse needs of our customers in the growing economies of Asian countries, we opened a branch in Hong Kong in 1989 and a representative office in Shanghai in 1995. In 2008, we established business alliances with Bangkok Bank PCL in Thailand and Bank of Communications in China. These actions give us a strong base for helping our customers operate outside Japan.

To further strengthen our network in Asia as economies in this region continue to grow rapidly, we opened a representative office in Singapore in March 2011. This office serves customers operating overseas or considering overseas operations by distributing information and providing other business support. In February 2011, we sent an employee to work at Bangkok Bank. In June, we formed a business alliance with Standard Chartered Bank, which enables us to support our customers' operations throughout Asia. In addition, we started handling overseas remittances denominated in Chinese Yuan at all branches in Japan. These actions demonstrate our commitment to providing financial services that closely match the needs of our customers.

The Chiba Bank overseas network consists of branches in New York, Hong Kong, and London, with representative offices in Shanghai and Singapore.



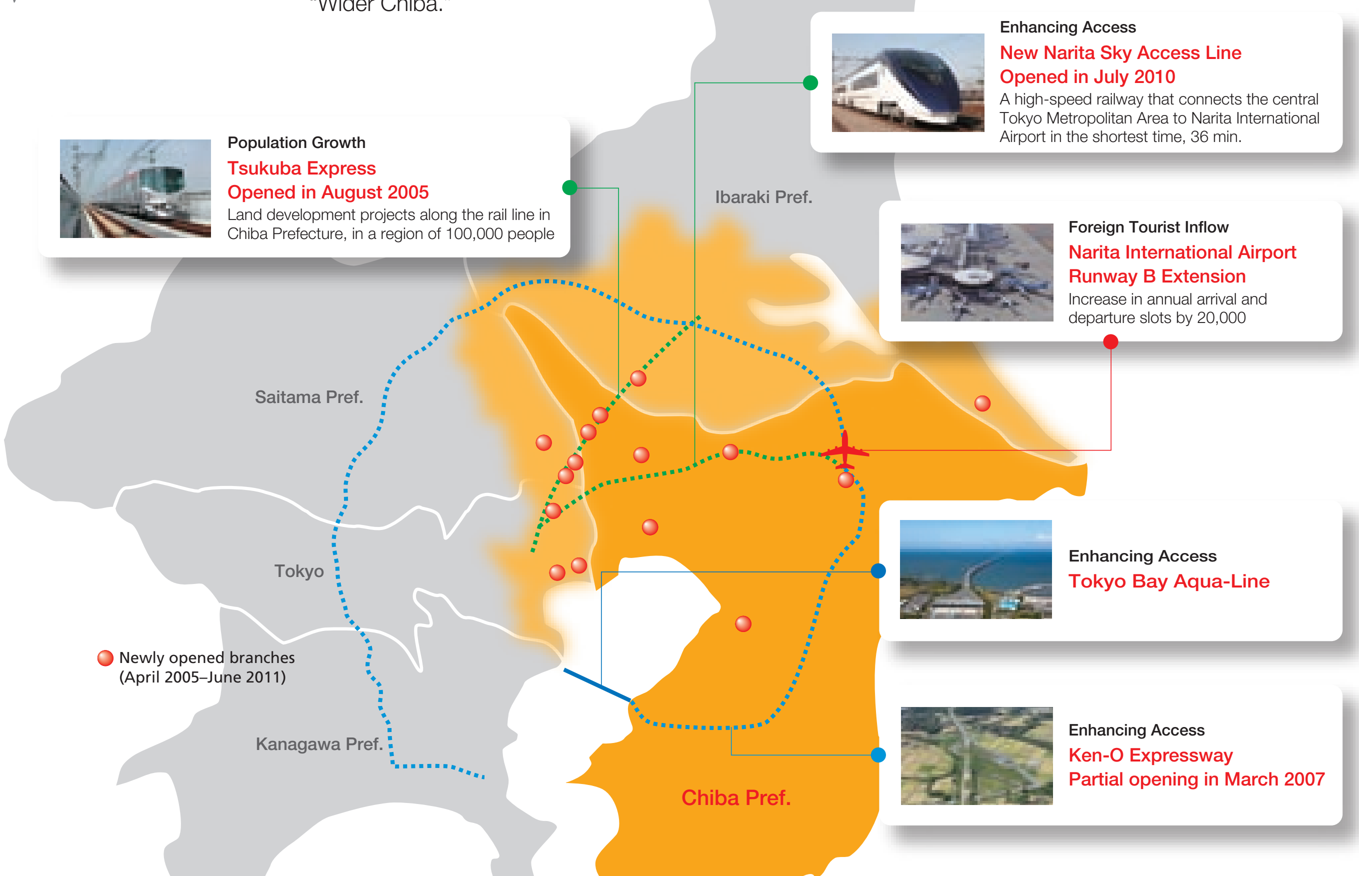
The Growth Potential of “Wider Chiba”

“Wider Chiba” has excellent growth potential because of a consistently increasing population and several development projects.

We define “Wider Chiba” as Chiba Prefecture and the neighboring areas of eastern Tokyo, eastern Saitama Prefecture and southern Ibaraki Prefecture. This is where the Chiba Bank operates. Although Japan’s population is declining, the number of residents in “Wider Chiba” has increased 3.7% over the past five years. Part of this region was damaged by the Great East Japan Earthquake of March 2011. However several large projects are planned for the region, as well as earthquake reconstruction activity.

Among these projects, at Narita International Airport in Chiba Prefecture, extension of runway B in October 2009 increased annual takeoff and landing slots from 200,000 to 220,000. Furthermore, an agreement was reached in October 2010 with nearby residents to raise this figure to 300,000 by March 2015. More slots would have an estimated economic benefit of about ¥1 trillion and produce about 30,000 jobs. These economic benefits are drawing attention as high-potential business opportunities.

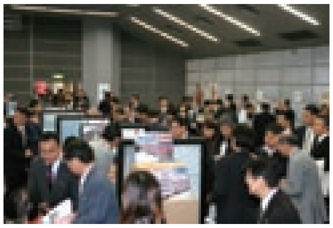
Two new rail lines have sparked large-scale housing developments along these routes. The Narita Sky Access Line links the Narita International Airport with Tokyo and the Tsukuba Express links Tokyo, Saitama, Chiba, and Ibaraki Prefectures. Developments to create new communities are also under way in Kisarazu, Chiba Prefecture, which is a gateway to the Tokyo Bay Aqua-Line. Completion of a large part of the Ken-O Expressway, which is scheduled for the fiscal year ending March 31, 2013, will further enhance the excellent prospects for growth in “Wider Chiba.”



Chiba Prefecture **6** million people **+** Neighboring areas **6** million people **=** Population of “Wider Chiba” **12** million people

Stronger Corporate Sales Capabilities

The Chiba Bank established the Corporate Business Division and Regional Business Division in June 2011. These new divisions will better enable the Bank to actively contribute to the reconstruction and growth of "Wider Chiba" and at the same time bring growth to the Bank.

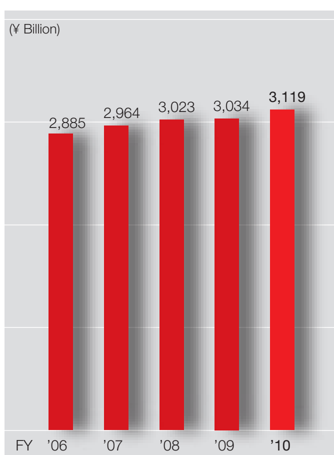


The Corporate Business Division has personnel assigned exclusively to environmental businesses, medical and nursing care, and agriculture, all areas with good prospects for growth. Through this division, the Chiba Bank provides companies with assistance for business operations, sales channels, and other activities. Furthermore, the division provides a way to strengthen support for corporate clients in areas that require highly specialized knowledge, such as M&A and syndicated loans. Chiba Prefecture ranks third in Japan in the volume of Private Finance Initiatives after Tokyo and Osaka. The Chiba Bank will conduct even more activities aimed at meeting the demand for funds associated with infrastructure upgrade, replacement projects, and earthquake reconstruction.

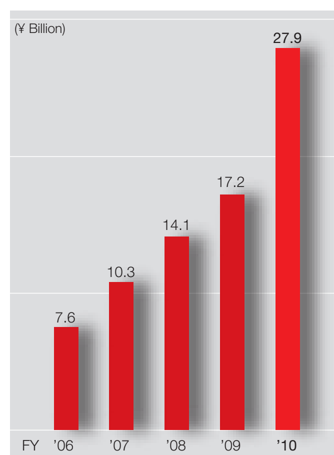
Companies continue to start operations and make capital expenditure in "Wider Chiba." The result is growth in the number of the Bank's loan customers. We plan to extend loans to more new customers in order to increase our market share.

The Regional Business Division was formed to contribute in many ways to economic growth in "Wider Chiba." The division heightens our ability to use the extensive Chiba Bank network to collect information about areas with development projects and improve the ability to supply information that helps customers expand business operations. In addition, by deepening ties with research institutes and local governments, the division is playing a leading role in creating new communities and districts for specific industries.

Loans to SMEs Balance



Loans to PFI Balance



Survey of Main Banks (2010)

Rank	Bank	Companies
1	Chiba	18,560
2	NISHI-NIPPON CITY	18,226
3	Fukuoka	16,595
4	Shizuoka	16,016
5	Yokohama	14,360

Note: Taken from among 63 regional banks
(Source: Teikoku Databank, Ltd.)

The Number of PFI Cases in Each Prefecture

Rank	Prefecture	Companies
1	Tokyo	52
2	Osaka	25
3	Chiba	24
4	Aichi	22
4	Kanagawa	22
4	Saitama	22

(Source: PFI Promotion Office)

Upgrading Sales Activities for Investment-Type Financial Products

To meet the increasingly diverse needs of customers, the Chiba Bank will heighten sales capabilities for investment-type financial products by refining our skills in creating asset management proposals and by working more closely with Chibagin Securities.

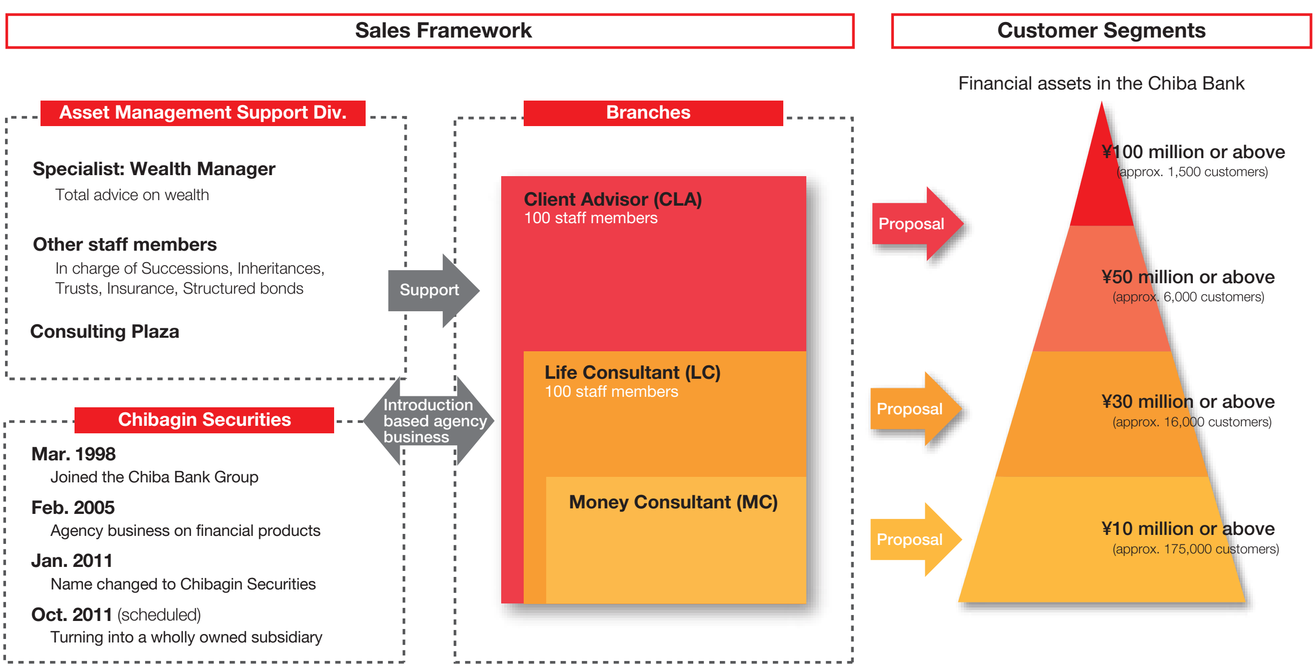
The Chiba Bank has established a framework capable of providing the best financial products for each customer. For example, we offer investment trusts and personal annuities. Furthermore, we were the first regional bank in Japan to enter into inheritance-related trust business.

To further strengthen business activities that serve high-net-worth individuals, we have appointed 100 Client Advisers since May 2011. Located at branch offices, these advisers are highly trained in asset management, tax, and other fields. At the head office, we increased the number of Wealth Managers, who are in charge of general sales operations for high-net-worth individuals. Together, these actions allow us to use the head office and branch offices in a unified manner to serve a broad range of customer needs.

We are expanding our securities business by increasing cooperation with our subsidiary in the securities field. In January 2011, this subsidiary was renamed Chibagin Securities and its head office was moved to Chiba City. Using the Chibagin* name clearly shows that this company belongs to the Chiba Bank Group. Going one step further, we plan to make Chibagin Securities a wholly owned subsidiary in October 2011 and aim to use this collaboration to improve earnings for the entire Chiba Bank Group.

* "Chibagin" is the abbreviation in Japanese of the Chiba Bank's name.

Strengthening the sales framework on investment-type financial products in keeping with customer needs



The Chiba Bank brings its complete power to bear on maintaining comprehensive systems for compliance and customer protection management.

The Chiba Bank Code of Ethics

Earning Unwavering Trust

Remaining constantly aware of the social responsibility and public mission of a bank, the Chiba Bank will strive to earn the unwavering trust of society through sound, appropriate business operations based on the principle of self-responsibility.

Thorough Compliance with Laws, Rules and Other Fundamental Principles

Complying strictly with all laws and rules and never deviating from social standards, the Chiba Bank will conduct fair and honest business activities.

Opposition to Antisocial Forces

The Chiba Bank will firmly oppose antisocial forces and groups that threaten the order and safety of society and undermine healthy economic and social development.

Transparent Management

The Chiba Bank will provide active and fair disclosure of management information and manage its operations in a transparent manner.

Compliance Structure

The Chiba Bank is constantly working on making compliance activities even more effective. We are determined to conduct all of our business activities fairly and in good faith, by complying with all laws and regulations relating to banking transactions, by observing all internal rules and regulatory requirements pertaining to our role in society and by avoiding actions that would fall short of normal social expectations.

Specific action plans and measures to ensure compliance are formulated at regular meetings of the Compliance Committee. This committee is chaired by the President and consists of directors, executive officers, and divisional general managers.

The Compliance Division is responsible for various compliance-related tasks, including the administration of compliance regulations and manuals, the preparation and monitoring of training programs and periodic checks on the compliance situation. They also monitor branch-level compliance and provide advice, including on-site guidance.

Consistent Implementation of Basic Policies

We have a clearly defined code of conduct for employees in the form of the Chiba Bank Code of Ethics. To ensure that these rules are understood and observed, all employees receive a copy of our Compliance Manual, which contains specific guidelines.

Compliance Program

Every year, the Board of Directors establishes a compliance program to provide a specific action plan for achieving further improvements in compliance activities. The execution of this program is checked on a regular basis by the Board of Directors and Compliance Committee.

Protecting Customers and Personal Information

To protect customers and offer them greater convenience, employees of the Chiba Bank receive guidance and training designed to ensure that everyone conducts business with sincerity and fairness. We pay particular attention to complex financial products with risks that include the possible loss of principal and to derivative transactions. In these cases, we comply with the Financial Instruments and Exchange Law and always perform proper solicitation and sales activities in line with the Chiba Bank Solicitation Policy. Furthermore, we plan to upgrade follow-up activities for customers who use these types of financial products.

We take all complaints from customers very seriously. If a complaint becomes a dispute with the customer, we deal with the issue in an appropriate manner in accordance with the financial alternate dispute resolution (ADR) system (a non-judicial procedure for resolving disputes in the financial sector).

We view all personal information of customers as a valuable asset. Handling of personal information strictly complies with the Chiba Bank Policy for Appropriate Protection and Use of Personal Information (Personal Information Protection Declaration).

Prevention of Money Laundering and Financial Crimes

The Chiba Bank has established a Management Policy to Prevent Money Laundering and Terrorism Financing Activities and follows this policy in making thorough efforts aimed at preventing these problems. In addition, we are reinforcing measures to protect customers from a variety of financial crimes.

Opposition to Antisocial Forces

The Chiba Bank has added organized crime disclaimers to all transaction regulations, particularly deposit account regulations, bank transaction agreements, and loan agreements, and is actively adding more measures in opposition to antisocial forces.

Group CSR Activities Policy ●

As a regional bank that grows along with the area it serves, the Chiba Bank uses business operations and other activities to meet the expectations of all stakeholders. We also contribute to the creation of a sustainable regional community. The Group CSR Activities Policy embodies these principles and serves as the basis for the dedication of all Group employees to CSR activities.

Our CSR activities aim to help create a sustainable regional society. To that end, everyone at the Chiba Bank Group will work hard with a strong spirit of involvement in measures 1) to leverage the Group's financial intermediary functions and other core business operations, 2) to conduct sincere and fair business activities, and 3) to resolve a broad range of social issues, including climate change and other environmental problems.

The Group is committed to the disclosure of information relating to CSR activities for the purposes of deepening relationships with stakeholders and defining a common vision of a "new local community/regional society."

The Chiba Bank Group CSR Concept

The Chiba Bank Group is actively involved in CSR activities for a sustainable regional community

Customer Satisfaction
Compliance

Demonstrating a Financial Intermediary Function (core business)

Focused on a smooth supply of funds through products and services that closely fit the region and through financial facilitation

Contributing to the Local Community (social contribution)

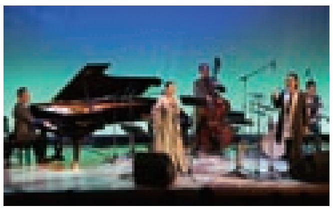
Advancing contributions to society through "Nurturing the Future"—its people, the environment and business

Improving the Development of Human Resources

All managers and employees acting as one to acquire the necessary expertise and skills for making accurate responses to customer needs

CSR Activities: Contributing to the Local Community

Nurturing the Future of People



Financial Education Activities

The Chiba Bank employees visit local junior high schools to hold finance classes, and the Bank holds events to improve the financial knowledge of high school students. At Chiba University, the Chiba Bank sponsors a course that gives students practical knowledge about finance and economics.

Donations from Investment Trust Sales

Through the Nikko World Bank Bond Fund “World Supporter” fund, the Chiba Bank has donated a constant rate of its sales to support developing countries. In May 2011, The Chiba Bank donated 7 million yen respectively to the International Development Association and the Japanese Red Cross Society, Chiba Division. The total amount donated since the start of the fund is ¥236 million.

Himawari* Concerts

The Chiba Bank sponsors Chibagin Himawari Concerts to which we invite customers from throughout Chiba Prefecture at no cost.

Nurturing the Future of the Environment

Environmental Vehicles

The Chiba Bank is replacing vehicles with hybrid models, mainly for the fleet used by head office sales personnel. The first electric vehicle joined the fleet in March 2011.

PET Bottle Cap Recycling Campaign

The Chiba Bank has collected about 3.41 million caps since this campaign started in February 2010. This is equivalent to a reduction of about 27 tons of CO_2 emissions. Proceeds from recycling the caps provided funds for vaccines for 4,270 children in developing countries.

Participation in UNEP FI

The Chiba Bank is a participant in the United Nations Environment Program Finance Initiative (UNEP FI), which is a global partnership between the UNEP and the global financial sector.

Nurturing the Future of Business

Himawari* Venture Development Fund

Himawari Venture Development Fund has been donating development grants to provide assistance to new business ventures in Chiba Prefecture. Grants have been bestowed to 134 recipients through February 2011.

Chiba Prefecture Tourism Convention

In December 2010, The Chiba Bank held the Chiba Prefecture Tourism convention to promote growth of the tourism industry in the prefecture. The seminar was attended by a total of 40 tourism-related vendors in Chiba Prefecture. They called attention to the travel industry.

Shanghai Business Forum

The Chiba Bank and four other Japanese regional banks held this event in January 2011 to give companies operating in China the latest economic information on the Chinese economy and a place to share information about business ideas and opportunities.

* “Himawari” is Japanese for “sunflower,” and the symbol of the Chiba Bank.

Five-Year Summary (Consolidated)

The Chiba Bank, Ltd. and Consolidated Subsidiaries
Years ended March 31

	Millions of Yen					Thousands of U.S. Dollars
	2011	2010	2009	2008	2007	**2011**
For the Year:						
Total Income	**¥ 229,583**	¥ 241,443	¥ 262,859	¥ 274,252	¥ 270,310	**$ 2,761,082**
Total Expenses	**159,417**	178,087	248,118	192,792	181,386	**1,917,223**
Income Before Income Taxes and Minority Interests	**70,166**	63,356	14,741	81,460	88,923	**843,859**
Net Income	**40,611**	37,579	12,392	45,980	52,538	**488,413**
At Year-End:						
Total Assets	**¥10,552,989**	¥10,261,464	¥10,062,926	¥9,835,939	¥9,736,917	**$126,915,089**
Loans and Bills Discounted	**7,346,143**	7,130,386	6,955,624	6,624,687	6,377,598	**88,348,093**
Securities	**1,920,113**	1,977,849	1,893,075	2,045,011	2,416,149	**23,092,168**
Deposits	**9,275,235**	8,966,015	8,654,989	8,504,095	8,479,222	**111,548,235**
Net Assets	**625,990**	605,598	537,671	580,168	598,822	**7,528,454**
Capital Ratio (BIS guidelines)	**13.37%**	12.80%	11.70%	12.20%	11.63%	
PER (Times)	**10.20**	13.29	34.98	13.16	17.65	
PBR (Times)	**0.67**	0.84	0.82	1.06	1.58	

	Yen					U.S. Dollars
Per Share:						
Net Income	**¥ 45.65**	¥ 42.04	¥ 13.86	¥ 51.43	¥ 58.89	**$0.55**
Net Assets	**692.74**	662.90	587.51	634.94	655.89	**8.33**

Note: Japanese yen amounts less than 1 million have been rounded down.
U.S. dollar amounts are shown solely for the convenience of the readers of this Annual Report and are translated at the rate of ¥83.15 to $1.00, the exchange rate prevailing at March 31, 2011.

CONTENTS

Financial and Economic Environment

The Japanese economy continued to stage a recovery in the first half of FY2010, the year ended March 31, 2011. Strong overseas demand and economic stimulus measures by the Japanese government supported recoveries in exports and consumer spending. The pace of the economic recovery slowed in the second half as the growth in exports weakened and demand for some durable goods fell after a period when buyers rushed to make purchases. After the Great East Japan Earthquake, damage to manufacturing equipment, electricity shortages, and other problems caused production activity to drop. Consumer spending was sluggish as well. In addition, the year-on-year decline in prices of all consumer products except perishable food narrowed throughout FY2010 because of the higher cost of commodities and other factors.

In financial markets, the unsecured overnight call rate in the short-term market remained at about 0.1% during the entire fiscal year. However, the interest rate in the secondary market for long-term government bonds decreased from the 1.3% level in April 2010 to the 0.8% level in October. The slowing economic recovery and additional monetary easing measures by the Bank of Japan were the main causes. This interest rate then returned to the 1.3% level in February 2011 primarily because of rising expectations for an economic recovery and higher long-term interest rates in Europe and the United States. The Nikkei Stock Market Index started FY2010 at about ¥11,000 but was at the ¥8,000 level in August because of the financial crisis in Europe and the yen's strength. The index briefly rebounded to the ¥10,000 level but then fell sharply to the ¥9,000 level at the end of the fiscal year after the earthquake. The yen appreciated throughout FY2010 and reached a new record high against the U.S. dollar.

Business Performance

Deposits increased ¥309.2 billion from the end of the previous fiscal year to ¥9,275.2 billion. We offered a diverse lineup of financial products and services with the aim of serving as the main bank for more households, such as for accounts used for receiving salaries or pension payments.

Loans and bills discounted increased ¥215.7 billion to ¥7,346.1 billion due to our extensive measures to meet the funding requirements of corporate and individual customers. As a result, total assets at March 31, 2011 increased ¥291.5 billion from the end of the previous fiscal year to ¥10,552.9 billion.

Income and Expenses

Consolidated total income decreased ¥11,859 million to ¥229,583 million mainly because of a decrease in interest income resulting from a decline in interest rates. Consolidated total expenses decreased ¥18,670 million to ¥159,417 million. An Improvement in disposal of non-performing loans and a decrease in interest expenses including interest on deposits were the primary reasons.

Consolidated net income increased ¥3,031 million to ¥40,611 million. Net income per share was ¥45.65.

The consolidated capital ratio as calculated according to BIS international guidelines was 13.37%, an increase of 0.57% from the end of the previous fiscal year.

Cash Flows

Net cash provided by operating activities, including a net increase in deposits and other items, decreased by ¥11.3 billion from the previous fiscal year to a net inflow of ¥81.4 billion. Net cash provided by investing activities, including proceeds from sales of securities and proceeds from redemption of securities, increased by ¥64.2 billion to a net inflow of ¥32.6 billion. Net cash used in financing activities, including cash dividends paid and other items, decreased by ¥28 million to a net outflow of ¥15.1 billion. As a result, there was a net increase of ¥98.8 billion (¥52.8 billion more than the increase in the previous fiscal year) in cash and cash equivalents to ¥418.8 billion at the end of FY2010.

Dividend Policy

The basic policy of the Chiba Bank is to return a substantial amount of earnings to shareholders by paying a stable dividend, repurchasing treasury stock and taking other steps while maintaining sufficient financial soundness in consideration of the important public role of the banking business. In addition, capital is used effectively to achieve growth. In line with this policy, we make two dividend payments in each fiscal year: an interim dividend with a September 30 date of record and a year-end dividend with a March 31 date of record. The interim dividend is determined by the Board of Directors and the year-end dividend at the general meeting of shareholders. For FY2010, shareholders approved a year-end dividend of ¥5.50 per share. With the interim dividend, this results in a total FY2010 dividend of ¥11 per share.

Outlook for FY2011

In the fiscal year ending March 31, 2012, the Chiba Bank Group expects ordinary profit of ¥65.5 billion and net income of ¥41.5 billion on a consolidated basis.

On a non-consolidated basis, we are predicting ordinary profit of ¥62.0 billion, and net income of ¥40.0 billion. The dividend forecast for the fiscal year is ¥11 per share, the sum of interim and year-end dividends of ¥5.50 each.

Asset Quality

The Chiba Bank always endeavors to maintain and improve the quality of its assets by such measures as properly handling non-performing loans, preventing new occurrences of non-performing loans, and supporting the financial rehabilitation of borrowers.

Non-performing loans are obligations in which the recovery of principal and interest are in doubt because of a corporate bankruptcy or poor business performance.

Interest income from loans and other assets is a core source of income for a bank. However, problems involving the collection of loans may have a material effect on the bank's financial condition. To maintain the quality of assets, we have put in place thorough credit screening and risk management systems.

Claims disclosed under the Financial Reconstruction Law stood at ¥145.8 billion as of March 31, 2011, an increase of ¥2.7 billion from the end of the previous fiscal year. The non-performing loan ratio declined by 0.01 point to 1.94% from one year earlier.

During the fiscal year, 668 loan customers were provided with assistance for business rehabilitation and the debtor classifications of 44 of these customers were upgraded.

Self-Assessment and Debtor Classification

Self-assessment of assets is the process whereby financial institutions individually review and analyze assets and classify them on the basis of asset value impairment and the risk of default. Loans and other assets are classified into five categories according to debtor creditworthiness: Normal Debtors, Debtors Requiring Caution, Potentially Bankrupt Debtors, Effectively Bankrupt Debtors, and Bankrupt Debtors. In the Debtors Requiring Caution category, borrowers such as those for whom loan repayment terms have been eased are classified as Substandard Debtors.

Disposal of Non-Performing Assets

The Bank has taken appropriate measures to dispose of non-performing assets by implementing write-offs and making provisions at the end of each quater on the basis of a rigorous self-assessment of assets. With respect to major debtors, the Bank calculates the allowance for loan losses using the discounted cash flow method for Claims of Substandard Debtors and Claims of Potentially Bankrupt Debtors.

Debtor Classification

Normal Debtors	Debtors whose business situation is good and whose financial position gives no cause for concern.
Debtors Requiring Caution	Debtors who are viewed with concern because of stagnant or unstable business performance, including losses.
Potentially Bankrupt Debtors	Debtors who are not currently bankrupt but are seen as being at serious risk of bankruptcy.
Effectively Bankrupt Debtors	Debtors who are bankrupt in real terms, even though legal and formal bankruptcy proceedings have not been implemented.
Bankrupt Debtors	Debtors who have become bankrupt under various circumstances, including bankruptcy procedures, corporate liquidation, corporate rehabilitation and civil rehabilitation.

Risk-Monitored Loans

(¥ Billion)

	Non-Consolidated		Consolidated	
	As of March 31, 2010	As of March 31, 2011	As of March 31, 2010	As of March 31, 2011
Loans to Bankrupt Borrowers	8.5	3.2	8.1	3.0
Delinquent Loans	80.6	83.8	82.1	84.5
Loans Past Due 3 Months or More	3.5	4.1	3.5	4.1
Restructured Loans	49.9	54.2	50.0	54.3
Total	142.6	145.5	143.9	146.0

Moreover, the allowance for loan losses from Bankrupt Debtors and Effectively Bankrupt Debtors makes up the full amount of the claims not covered by mortgages and other collateral. The allowance for loan losses from Potentially Bankrupt Debtors is equal to the amount of expected losses calculated on the past loan loss ratio, as a rule.

The coverage ratio, calculated as the allowance for loan losses added to mortgages and guarantees stands at 70.6%, indicating a high level of security on the basis of claims disclosed under the Financial Reconstruction Law and limited cause for concern about the occurrence of future losses.

Disclosure of Non-Performing Assets

Under banking regulations, disclosure of non-performing assets includes reporting of 1) risk-monitored loans as defined in the Banking Law (hereinafter Risk-monitored Loans) and 2) disclosed claims under the Financial Reconstruction Law.

Disclosure of Risk-monitored Loans includes only the amount of such loans, while disclosed claims under the Financial Reconstruction Law include customer’s liabilities for acceptances and guarantees other than loans, accrued interest, foreign exchange, and other assets, with the exception of Substandard Claims.

Risk-Monitored Loans

In the classification of Risk-monitored Loans, Loans to Bankrupt Borrowers corresponds to Bankrupt Assets under self-assessment, Delinquent Loans corresponds to Effectively Bankrupt Assets and Potentially Bankrupt Assets under self-assessment, Loans Past Due Three Months or More and Restructured Loans correspond to loans delinquent by three months or more and loans for which repayment terms have been eased, respectively, in Assets Requiring Caution.

Disclosed Claims under the Financial Reconstruction Law

With regard to disclosure of claims under the Financial Reconstruction Law, the Bank discloses Claims of Bankrupt Debtors and Effectively Bankrupt Debtors under self-assessment as Bankrupt and Substantially Bankrupt Claims, Claims of Potentially Bankrupt Debtors under self-assessment as Doubtful Claims, and loans delinquent by three months or more and loans for which repayment terms have been eased in Claims of Debtors Requiring Caution under self-assessment as Substandard Claims.

Disclosed Claims under the Financial Reconstruction Law (Non-Consolidated) (¥ Billion)

	As of March 31, 2010	As of March 31, 2011
Bankrupt and Substantially Bankrupt Claims	28.9	19.2
Doubtful Claims	60.6	68.1
Substandard Claims	53.5	58.4
Total	143.1	145.8
Total Claims Outstanding	7,280.1	7,494.9
Non-performing Loan Ratio (%)	1.96	1.94
Coverage Ratio (%)	72.8	70.6

Comparison of Classifications under Self-Assessment, Financial Reconstruction Law and Risk-Monitored Loans
(Non-Consolidated) (As of March 31, 2011) (¥ Billion)

<table>
<tr><th colspan="3">Assets under Self-Assessment</th><th colspan="2">Risk-Monitored Loans under the Banking Law</th><th colspan="2">Disclosed Claims under the Financial Reconstruction Law</th></tr>
<tr><td colspan="2" rowspan="2">Bankrupt Assets and Effectively Bankrupt Assets</td><td rowspan="2">19.2</td><td>Loans to Bankrupt Borrowers</td><td>3.2</td><td rowspan="2">Bankrupt and Substantially Bankrupt Claims</td><td rowspan="2">19.2</td></tr>
<tr><td rowspan="2">Delinquent Loans</td><td rowspan="2">83.8</td></tr>
<tr><td colspan="2">Potentially Bankrupt Assets</td><td>68.1</td><td>Doubtful Claims</td><td>68.1</td></tr>
<tr><td rowspan="3">Assets Requiring Caution 1,308.6</td><td rowspan="2">Substandard Assets</td><td rowspan="2">69.2</td><td>Loans Past Due 3 Months or More</td><td>4.1</td><td rowspan="2">Substandard Claims</td><td rowspan="2">58.4</td></tr>
<tr><td>Restructured Loans</td><td>54.2</td></tr>
<tr><td>Other Assets Requiring Caution</td><td>1,239.3</td><td colspan="2" rowspan="2"></td><td rowspan="2">Normal Claims</td><td rowspan="2">7,349.0</td></tr>
<tr><td colspan="2">Normal Assets</td><td>6,098.9</td></tr>
<tr><td colspan="2">Total Assets</td><td>7,494.9</td><td>Loans Outstanding</td><td>7,371.4</td><td>Total Claims</td><td>7,494.9</td></tr>
</table>

Risk Management

Integrated Risk Management System

The principal forms of risk to which banking operations are subject include credit risk, market risk, and operational risk. In order to improve profitability and ensure sound business operations, the Chiba Bank considers it necessary to not only individually manage each of these forms of risk, but also to centrally monitor risk to control it within acceptable overall limits.

Accordingly, in addition to assigning divisions to manage overall risk in the Group for each form of risk, the Bank has an integrated risk management system in which the Risk Management Division centrally monitors these risks. The division engages in detailed management and discussions of risks at meetings of the ALM Committee, Credit Risk Management Committee, and Operational Risk Management Committee and reports to the Board of Directors on risk-related matters. In addition, the division is developing an integrated risk management system for considering and implementing risk countermeasures.

To ensure an effective risk management system, the Audit and Inspection Division periodically conducts audits to determine whether risk management is appropriately implemented and reports the audit results to the Board of Directors.

Integrated Risk Management

The basis of risk management at the Bank is the integrated management of various risks using uniform measures to the extent possible. The term Integrated risk refers to the sum of credit risk, market risk, and operational risk measurement, forms of risk that can be managed by means of risk quantification.

The Risk Management Department in the Risk Management Division, the section responsible for integrated risk management, conducts a comparison of quantified integrated risk and capital, verifies the sufficiency of capital with respect to risk, and reports the results quarterly to the Board of Directors. The division also conducts stress tests, a means of verification of capital sufficiency in times of stress that involves the assumption of certain stress scenarios, such as deterioration of the corporate environment in a period of recession, or a decrease in land prices, and forecasting the increase in the amount of risk based on the scenarios.

The Bank has introduced a risk capital allocation system as a concrete framework for integrated risk measurement. A risk capital allocation system is a mechanism for engaging in business operations that duly recognizes risk and return, such as profitability improvement at business units and the effective utilization of capital. The system ensures management soundness by means of the pre-allocation of risk capital (the amount of acceptable risk) to areas such as the domestic banking sections and treasury sections within the scope of capital, an indicator of financial strength.

Credit Risk Management

Credit risk is the risk of incurring a loss because of a decline in, or total loss of, the value of owned assets as a result of deterioration in the financial soundness of borrowers. Credit risk accounts for a major portion of risk in banking operations.

The Bank has developed a rigorous credit risk management system centered on an internal credit rating system and engages in individual credit management and credit portfolio management. For the self-assessment of assets, the Bank implements appropriate write-offs and provisions and uses a rating and self-assessment system linked to internal credit ratings to upgrade credit risk management.

Also the Bank has long ensured the independence of the sections involved in credit risk. Specifically, the credit screening and administrative sections manage credit risk for individual business transactions in the credit operating sections (banking offices and the sales promotion sections). The Credit Risk Management Department in the Risk Management Division, whose organization and operation are independent from the credit screening and administrative sections and the credit operating sections, is a credit risk management unit that engages in unified management of overall credit risk. The Risk Management Department in the Risk Management Division is a unified risk management unit that engages in the integrated management of all forms of risk, including credit risk. The Audit and Inspection Division audits operations in the business units involved in credit risk management.

The Credit Risk Management Committee receives reports from the Credit Risk Management Department in the Risk Management Division, considers credit risk management policy, monitors the operation of the internal credit rating system and the credit portfolio, and works to ensure the quality of loan assets.

Internal Credit Rating System

The Bank uses an internal credit rating system to place borrowers into 15 credit rating categories on the basis of financial data such as financial condition and cash flow. We strive to enhance the identification and examination of the financial circumstances at companies, the starting point of credit risk management, by means of periodic annual reviews and reviews at other times in accordance with the status of individual borrowers. The internal credit rating system is the core of credit risk management and is extensively used in actual management, such as in loan rate pricing and loan approvals.

Individual Asset Credit Management

The banking office or branch and the Credit and Supervisory Department in the Credit Division take the lead with regard to examining individual applications for credit, engaging in rigorous investigations in accordance with screening criteria on the basis of the basic principles of credit (safety, profitability, liquidity, growth potential and public good). The Business Support Division provides support for the financial soundness of borrowers who need to improve their operations, and the Credit Supervisory Division engages in resolution and collection activities with regard to Bankrupt Debtors and other borrowers. The Bank strives to accumulate high-quality loan assets and minimize future losses through this practice of advance screening and supervision after credit has been extended.

Credit Portfolio Management

Credit portfolio management is the management of the risk of incurring a major loss at one time due to the concentration of individual loans in specific countries or specific industries. The Credit Risk Management Department in the Risk Management Division monitors the state of credit risk from various perspectives, such as by country, by industry, and by customer credit rating.

In credit portfolio management, the Bank engages in the quantification of credit risk. The quantification of credit risk is the forecasting by statistical methods of the amount of future losses (the amount of risk) forecasted to occur due to circumstances such as borrower bankruptcy or worsening business performance. We measure value at risk (VaR: the assumed maximum loss) as the amount of risk and strive to increase the soundness of the credit portfolio by further elaborating and developing quantification by accumulating and organizing default data and loan recovery data from defaulted borrowers.

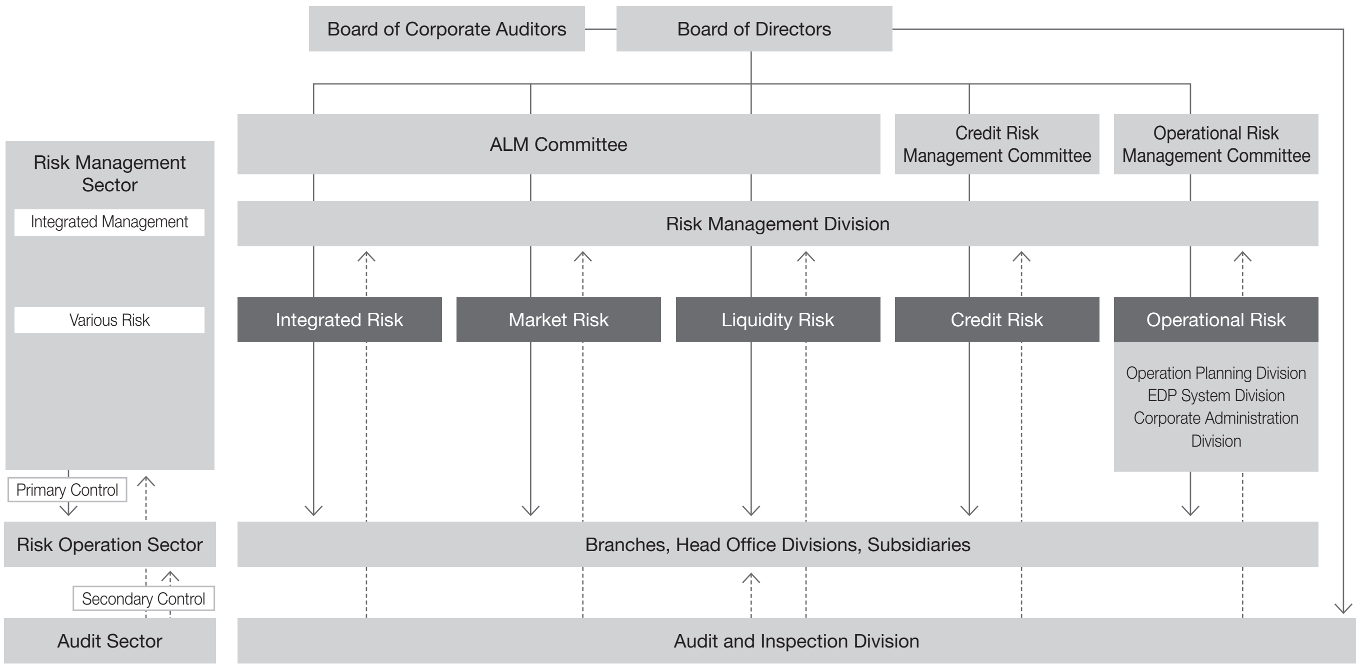
By importing the quantitative results into various systems, we utilize them in loan rate pricing that reflects credit risk and other processes. In this way, we aim to ensure more appropriate interest rate levels than were previously possible and refine risk management.

Self-Assessment of Assets

Self-assessment of assets is the practice whereby financial institutions individually review and analyze their own assets and classify them on the basis of asset value impairment and the risk of default. Self-assessment of assets is obligatory for financial institutions under the system of prompt corrective action under the Banking Law. The system of prompt corrective action is a system by which administrative measures are triggered in accordance with the state of the capital ratio of financial institutions. A prerequisite to the accurate calculation of capital is implementation of appropriate write-off s and provisions and the preparation of financial statements that to the extent possible objectively reflect the actual state of asset quality.

At the Chiba Bank, branches and offices conduct self-assessments of assets on the basis of Asset Self-Assessment Regulations, the credit screening and administrative sections checks details of self-assessments. Next, the Audit and Credit Assessment Department in Audit and Inspection Division, performs an audit to verify the accuracy of the self-assessment results and process. According to the results of these assessments, the Credit Risk Management Department in the Risk Management Division calculates the level of provisions, and the Credit

Risk Management System



Supervisory Division conducts write-offs. Finally, the Audit and Credit Assessment Department in Audit and Inspection Division perform an audit. Through this process, the Bank rigorously maintains the soundness of its assets.

Market Risk Management

Market risk is the risk of incurring a loss due to a change in the value of owned assets as a result of fluctuations in interest rates, prices of securities or other financial instruments, or exchange rates.

The Bank has introduced an ALM management system with respect to market risk. The ALM Committee, which is chaired by the President, meets periodically to discuss and decide detailed measures to counter interest rate risk, foreign exchange risk and price fluctuation risk, and manage overall market risk.

Specifically, as part of the Risk Capital Allocation System, within the scope of the risk capital allocated to the business sections the Bank sets and manages upper guideline limits and alarm points for the amount of market risk (value at risk or VaR: the assumed maximum loss) for each product, such as securities investments and other market transactions or loans and deposits. In this way, we strive to ensure management soundness. In addition to VaR management of market transactions, the Bank sets upper limits for market investments according to the balance and alarm point of valuation differences and implements risk control by reviewing investment policy each quarter.

With regard to market risk for market transactions for trading purposes (trading with the aim of earning profit by means of short term fluctuations in interest rates or prices), VaR is calculated on a daily basis, periodic stress tests (the estimation and testing of losses in worst-case scenarios that assume sudden market fluctuations) are conducted, and risk is limited and the occurrence of major losses avoided through the setting of maximum trading limits and the rigorous application of loss-cutting rules.

The allotment of market operations among the front office (the Treasury Division and overseas branch offices), back office (Treasury Operation Division), and middle office (the Market Risk Management Department in the Risk Management Division) results in the mutual control of each division.

Liquidity Risk Management

Liquidity risk consists of cash flow risk and market liquidity risk. Cash flow risk is the risk of incurring a loss due to failure to maintain cash flow as a result of the inability to secure necessary funds or the necessity of procuring funds at significantly higher interest rates than usual due to the worsening of the financial institution's financial position or other circumstances. Market liquidity risk is the risk of incurring a loss due to the inability to trade on markets or the necessity of trading at prices significantly less favorable than usual due to market turmoil or other circumstances.

At the Chiba Bank, the Treasury Division is the business unit that manages cash flow. The division ascertains the market environment and analyzes the state of investment and procurement of funds. With respect to cash flow risk, the division engages in appropriate day-to-day cash flow management through such means as the establishment of upper limits to ensure that the amount of funds procured on the market is not excessive and the maintenance of a certain minimum level of assets as a liquidity reserve that can be converted to cash in a short time. The Bank manages market liquidity risk by setting limits on daily positions taken in market trading.

As the section that manages risk, the Market Risk Management Department in the Risk Management Division strives to avoid increases in liquidity risk by identifying and assessing various factors that affect liquidity risk and monitoring the observance of limits. The ALM Committee meets to discuss and decide matters related to liquidity risk, as it does with market risk. The Bank also maintains a crisis management plan that provides for a rapid, network-wide response in the event of unforeseen circumstances that could affect the Bank's cash flow.

Operational Risk Management

Operational risk is the risk of incurring losses due to the inappropriateness of business processes, employee activities, or systems or external events. The Bank classifies operational risk into clerical risk (described below), system risk (described below), human risk, tangible asset risk, and reputational risk. Human risk is the risk of a loss occurring due to the workplace safety environment, discrimination, or the like. Tangible asset risk is the risk of a loss occurring due to damage to buildings or facilities or the like. Reputational risk is the risk of a loss occurring due to loss of public confidence resulting from deterioration of the Bank's reputation.

In its risk management structure, the Bank decides the corporate divisions having jurisdiction over the various forms of operational risk (the Operation Planning Division for clerical risk, the EDP System Division for system risk, the Corporate Administration Division for human risk and tangible asset risk), and the divisions collaborate in risk management under the overall management of the Risk Management Department in the Risk Management Division, the division responsible for central oversight of risk. The Risk Management Department in the Risk Management Division directly manages reputational risk and, the Compliance Division jointly manages legal risk and compliance-related risk included in the various risk categories with the corporate divisions that have jurisdiction.

The Bank has an Operational Risk Management Committee. On the basis of direct involvement in management, the committee receives reports concerning the state of operational risk losses and develops a management structure for improving and correcting problem areas by means of a PDCA cycle involving the preparation of a risk management plan, development of management regulations, and evaluation and improvement. To ensure the effectiveness of management by means of this PDCA cycle, the Bank has introduced Control Self-Assessment (CSA), by which it formulates and implements measures to identify, assess, monitor, and manage the details of risk, as well as to reduce risk. Management by means of CSA entails responding to operational risk loss events that have occurred at the Bank as well as preventing problems from occurring by evaluating the adequacy of the Bank's management system based on scenarios prepared by using loss events that have occurred at other banks or in other industries and the devising of countermeasures as necessary.

Clerical Risk Management

Clerical risk is the risk of incurring a loss due to the failure to perform accurate clerical work, clerical accidents or fraud, or the failure to perform official obligations or provide explanations to customers.

The Bank considers accurate clerical work to be essential to obtaining the trust of customers, and the Operation Planning Division plays a central role in the performance of exact clerical work in accordance with basic procedures and in the effort to prevent clerical accidents. Specifically, the division prepares clerical standards that indicate detailed clerical procedures for each operation, ensures the correct handling of cash, promissory notes, passbooks, and other important items, provides guidance on clerical management systems at branches, offices, and the head office, and conducts training to raise the level of clerical work. The branches and offices periodically conduct self-assessments and strive to ensure clerical accuracy and raise the level of clerical work through monitoring and verification by the Operating Planning Division.

With regard to the auditing system, the Audit and Inspection Division visits all branches, offices, and headquarters sections and conducts rigorous audits of all clerical work in accordance with auditing standards. The division promptly notifies the branches, offices, and sections of the audit results, periodically reports to the Board of Directors, and implements a framework for reflecting audit results in clerical improvements.

System Risk Management

System risk is the risk of incurring a loss resulting from a leak or falsification of information owned by the Bank or the unauthorized use, failure, or incorrect operation of computer systems. The Bank possesses customer transaction data and various other types of information and has developed systems to process that information. To ensure the provision of various services to customers, the role of computer systems in banking operations is increasing year by year, and the event of a system risk would result in great inconvenience to customers. For this reason, we regard system risk management as increasingly important.

The EDP System Division plays a central role in devising measures to ensure the stable operation of computer systems. Specifically, the Bank duplicates hardware and circuits for account systems, information systems, and other backbone systems and maintains a framework for rapidly switching to the backup system so that business can continue in the event of failure. In addition, for all computer systems, including those used individually at departments, the Bank takes every means to prevent crime and guard against disaster, including rigorous data management, barriers to prevent unauthorized access or the introduction of viruses, and the preparation of a contingency plan to provide for unforeseen circumstances such as large-scale disasters. The Audit and Inspection Division conducts audits of computer systems throughout the organization.

Business Continuity System

In addition to the risk management system described above, the Bank maintains a business continuity system to allow essential operations to continue for the preservation of the financial system during an unexpected disaster such as an earthquake or pandemic influenza. Centered in the Risk Management Department in the Risk Management Division, this system focuses on the rapid restoration of operations that the Bank was forced to suspend during an emergency.

To ensure the effectiveness of this system, we carry out planned emergency drills. Following the Great East Japan Earthquake, the Bank immediately established a Disaster Response Headquarters to maintain the business operations.

Basel II Compliance

Implementation of Basel II (new capital adequacy regulations) began in fiscal 2006. The new regulations consist of three pillars: Pillar 1 is a minimum capital ratio, which is the level of capital required to cover a bank's risk. Pillar 2 is the development of capital strategies by banks and verification by regulatory authorities. Pillar 3 is assurance of market discipline through the increased disclosure of information. Under the new regulations, each bank selects a method of calculating minimum required capital according to its risk profile and risk management method.

The basic policy of the Chiba Bank is to expand its business by upgrading internal management, and the Bank is proactively complying with the new regulations as part of its policy of building an integrated risk management system. With regard to the calculation of minimum required capital, we have been using the Foundation Internal Ratings-Based (FIRB) Approach for credit risk and Standardized Approach for operational risk (both approaches require the approval of the regulatory authorities) since FY2006 and are more thoroughly reflecting risk in the minimum capital ratio.

Consolidated Balance Sheets

The Chiba Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2011 and 2010

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Assets			
Cash and Due from Banks (Note 28)	¥ 569,455	¥ 370,500	$ 6,848,531
Call Loans and Bills Bought	54,700	69,500	657,847
Receivables under Resale Agreements	9,996	—	120,227
Receivables under Securities Borrowing Transactions (Note 6)	—	6,270	—
Monetary Claims Bought	37,137	47,492	446,634
Trading Assets (Notes 7, 13 and 32)	284,635	310,517	3,423,151
Money Held in Trust (Note 34)	28,929	28,959	347,923
Securities (Notes 8, 13 and 32)	1,920,113	1,977,849	23,092,168
Loans and Bills Discounted (Notes 9 and 13)	7,346,143	7,130,386	88,348,093
Foreign Exchanges (Note 10)	3,034	2,811	36,491
Other Assets (Notes 11 and 13)	100,099	127,609	1,203,846
Tangible Fixed Assets (Note 12)	96,469	95,328	1,160,187
Intangible Fixed Assets	9,751	9,098	117,282
Deferred Tax Assets (Note 30)	49,839	53,239	599,396
Customers' Liabilities for Acceptances and Guarantees	101,429	90,305	1,219,836
Allowance for Loan Losses	(58,747)	(58,404)	(706,524)
Total Assets	¥10,552,989	¥10,261,464	$126,915,089
Liabilities			
Deposits (Notes 13 and 14)	¥ 9,275,235	¥ 8,966,015	$111,548,235
Call Money and Bills Sold (Note 13)	23,797	41,062	286,202
Payables under Repurchase Agreements (Note 13)	14,998	146,580	180,374
Payables under Securities Lending Transactions (Note 13)	50,776	110,905	610,658
Trading Liabilities (Note 15)	26,674	22,591	320,804
Borrowed Money (Notes 13 and 16)	256,709	106,025	3,087,301
Foreign Exchanges (Note 17)	480	214	5,777
Bonds Payable (Note 18)	40,000	40,000	481,058
Other Liabilities (Note 19)	100,237	94,257	1,205,504
Provision for Directors' Bonuses	—	56	—
Provision for Retirement Benefits (Note 20)	19,238	19,282	231,365
Provision for Directors' Retirement Benefits	229	1,180	2,761
Provision for Reimbursement of Deposits	950	957	11,426
Provision for Point Loyalty Programs	1,065	1,119	12,814
Reserve under the Special Laws	18	27	218
Deferred Tax Liabilities (Note 30)	—	38	—
Deferred Tax Liabilities for Land Revaluation (Note 21)	15,158	15,245	182,300
Acceptances and Guarantees	101,429	90,305	1,219,836
Total Liabilities	¥ 9,926,998	¥ 9,655,866	$119,386,635
Net Assets			
Capital Stock (Note 22)	¥ 145,069	¥ 145,069	$ 1,744,668
Capital Surplus	123,380	123,383	1,483,827
Retained Earnings	344,884	313,990	4,147,739
Treasury Stock	(6,358)	(1,257)	(76,465)
Total Shareholders' Equity	606,975	581,185	7,299,769
Valuation Difference on Available-for-sale Securities (Note 35)	(1,115)	5,754	(13,417)
Deferred Gains or Losses on Hedges	(1,259)	(2,139)	(15,144)
Revaluation Reserve for Land (Note 21)	7,548	7,662	90,785
Total Accumulated Other Comprehensive Income	5,174	11,277	62,225
Subscription Rights to Shares	108	—	1,310
Minority Interests	13,732	13,135	165,150
Total Net Assets	¥ 625,990	¥ 605,598	$ 7,528,454
Total Liabilities and Net Assets	¥10,552,989	¥10,261,464	$126,915,089

See notes to consolidated financial statements.

Consolidated Statements of Income

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the years ended March 31, 2011 and 2010

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Income			
Interest Income:			
Interest on Loans and Discounts	¥130,776	¥139,283	$1,572,777
Interest and Dividends on Securities	20,571	22,045	247,406
Other Interest Income	967	1,127	11,637
Trust Fees	2	1	36
Fees and Commissions	40,035	39,644	481,482
Trading Income (Note 23)	1,614	3,519	19,417
Other Ordinary Income (Note 24)	7,116	5,006	85,589
Other Income (Note 25)	28,498	30,816	342,737
Total Income	¥229,583	¥241,443	$2,761,082
Expenses			
Interest Expenses:			
Interest on Deposits	¥ 8,458	¥ 13,095	$ 101,723
Interest on Borrowings and Rediscounts	1,136	1,370	13,663
Other Interest Expenses	4,381	3,990	52,690
Fees and Commissions payments	15,110	14,759	181,731
Other Ordinary Expenses (Note 26)	799	3,315	9,609
General and Administrative Expenses	88,017	87,982	1,058,535
Other Expenses (Note 27)	41,514	53,573	499,272
Total Expenses	¥159,417	¥178,087	$1,917,223
Income before Income Taxes and Minority Interests	70,166	63,356	843,859
Income Taxes—Current	21,405	15,667	257,429
Income Taxes—Deferred	7,302	9,442	87,828
Net Income before Minority Interests	41,458	38,246	498,601
Minority Interests in Income	847	666	10,188
Net Income	¥ 40,611	¥ 37,579	$ 488,413

See notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the years ended March 31, 2011 and 2010

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Income before Minority Interests	¥41,458	¥38,246	$498,601
Other Comprehensive Income			
Valuation Difference on Available-for-sale Securities	(6,927)	39,112	(83,318)
Deferred Gains or Losses on Hedges	880	(301)	10,584
Foreign Currency Translation Adjustment	—	0	—
Share of Other Comprehensive Income of Associates accounted for using Equity Method	(5)	20	(61)
Total Other Comprehensive Income	(6,052)	38,831	(72,796)
Comprehensive Income	¥35,405	¥77,077	$425,805
(Breakdown)			
Comprehensive Income Attributable to Owners of the Parent	¥34,621	¥76,312	$416,375
Comprehensive Income Attributable to Minority Interests	¥ 784	¥ 765	$ 9,430

See notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the years ended March 31, 2011 and 2010

	Millions of Yen (Note 1)												
	Shareholders' Equity					Accumulated Other Comprehensive Income							
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Income	Subscription Rights to Shares	Minority Interests	Total Net Assets
Balance at March 31, 2009	¥145,069	¥123,387	¥285,233	¥(1,219)	¥552,469	¥(33,279)	¥(1,837)	¥7,777	¥ (0)	¥(27,340)	¥ —	¥12,541	¥537,671
Net Income	—	—	37,579	—	37,579	—	—	—	—	—	—	—	37,597
Cash Dividends	—	—	(8,937)	—	(8,937)	—	—	—	—	—	—	—	(8,937)
Purchase of Treasury Stock	—	—	—	(55)	(55)	—	—	—	—	—	—	—	(55)
Disposal of Treasury Stock	—	(4)	—	17	13	—	—	—	—	—	—	—	13
Reversal of Revaluation Reserve for Land	—	—	115	—	115	—	—	—	—	—	—	—	115
Net Changes of Items other than Shareholders' Equity	—	—	—	—	—	39,034	(301)	(115)	0	38,617	—	593	39,211
Total of Items during FY2009	—	(4)	28,757	(37)	28,715	39,034	(301)	(115)	0	38,617	—	593	67,926
Balance at March 31, 2010	¥145,069	¥123,383	¥313,990	¥(1,257)	¥581,185	¥ 5,754	¥(2,139)	¥7,662	¥—	¥ 11,277	¥ —	¥13,135	¥605,598
Net Income	—	—	40,611	—	40,611	—	—	—	—	—	—	—	40,611
Cash Dividends	—	—	(9,831)	—	(9,831)	—	—	—	—	—	—	—	(9,831)
Purchase of Treasury Stock	—	—	—	(5,114)	(5,114)	—	—	—	—	—	—	—	(5,114)
Disposal of Treasury Stock	—	(2)	—	14	11	—	—	—	—	—	—	—	11
Reversal of Revaluation Reserve for Land	—	—	113	—	113	—	—	—	—	—	—	—	113
Net Changes of Items other than Shareholders' Equity	—	—	—	—	—	(6,869)	880	(113)	—	(6,103)	108	596	(5,397)
Total of Items during FY2010	—	(2)	30,893	(5,100)	25,790	(6,869)	880	(113)	—	(6,103)	108	596	20,392
Balance at March 31, 2011	**¥145,069**	**¥123,380**	**¥344,884**	**¥(6,358)**	**¥606,975**	**¥ (1,115)**	**¥(1,259)**	**¥7,548**	**¥—**	**¥ 5,174**	**¥108**	**¥13,732**	**¥625,990**

	Thousands of U.S. Dollars (Note 1)												
	Shareholders' Equity					Accumulated Other Comprehensive Income							
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Income	Subscription Rights to Shares	Minority Interests	Total Net Assets
Balance at March 31, 2010	$1,744,668	$1,483,862	$3,776,196	$(15,122)	$6,989,604	$ 69,205	$(25,728)	$92,148	$—	$135,625	$ —	$157,975	$7,283,205
Net Income	—	—	488,413	—	488,413	—	—	—	—	—	—	—	488,413
Cash Dividends	—	—	(118,232)	—	(118,232)	—	—	—	—	—	—	—	(118,232)
Purchase of Treasury Stock	—	—	—	(61,514)	(61,514)	—	—	—	—	—	—	—	(61,514)
Disposal of Treasury Stock	—	(35)	—	170	135	—	—	—	—	—	—	—	135
Reversal of Revaluation Reserve for Land	—	—	1,363	—	1,363	—	—	—	—	—	—	—	1,363
Net Changes of Items other than Shareholders' Equity	—	—	—	—	—	(82,622)	10,584	(1,363)	—	(73,401)	1,310	7,174	(64,916)
Total of Items during FY2010	—	(35)	371,544	(61,343)	310,165	(82,622)	10,584	(1,363)	—	(73,401)	1,310	7,174	245,249
Balance at March 31, 2011	**$1,744,668**	**$1,483,827**	**$4,147,739**	**$(76,465)**	**$7,299,769**	**$(13,417)**	**$(15,144)**	**$90,785**	**$—**	**$ 62,225**	**$1,310**	**$165,150**	**$7,528,454**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the years ended March 31, 2011 and 2010

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Cash Flows from Operating Activities:			
Income before Income Taxes and Minority Interests	¥ 70,166	¥ 63,356	$ 843,859
Depreciation and Amortization	6,538	6,554	78,639
Impairment Loss	317	403	3,813
Equity in (Earnings) Losses of Affiliates	(146)	(152)	(1,765)
Increase (Decrease) in Allowance for Loan Losses	342	(2,594)	4,121
Increase (Decrease) in Provision for Directors' Bonuses	(56)	16	(678)
Increase (Decrease) in Provision for Retirement Benefits	(44)	300	(539)
Increase (Decrease) in Provision for Point Loyalty Programs	(53)	495	(645)
Increase (Decrease) in Provision for Reimbursement of Deposits	(7)	(5)	(94)
Increase (Decrease) in Provision for Directors' Retirement Benefits	(951)	(194)	(11,439)
Interest Income	(152,315)	(162,456)	(1,831,821)
Interest Expenses	13,975	18,456	168,076
Loss (Gain) Related to Securities	825	2,058	9,929
Loss (Gain) on Money Held in Trust	(340)	(48)	(4,096)
Loss (Gain) on Foreign Exchange Transactions	97	20	1,172
Loss (Gain) on Disposal of Fixed Assets	100	157	1,214
Net Decrease (Increase) in Trading Assets	25,882	81,886	311,278
Net Increase (Decrease) in Trading Liabilities	4,083	3,871	49,110
Net Decrease (Increase) in Loans and Bills Discounted	(215,757)	(174,762)	(2,594,796)
Net Increase (Decrease) in Deposits (excluding Negotiable Certificates of Deposit)	328,859	273,469	3,955,019
Net Increase (Decrease) in Negotiable Certificates of Deposit	(19,639)	37,557	(236,198)
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowings)	150,683	(136,164)	1,812,189
Net Decrease (Increase) in Due from Banks (excluding Due from BOJ)	(100,114)	5,776	(1,204,024)
Net Decrease (Increase) in Call Loans and Bills Bought and Others	15,158	(23,683)	182,301
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	6,270	4,079	75,408
Net Increase (Decrease) in Call Money and Bills Sold	(148,847)	(63,458)	(1,790,110)
Net Increase (Decrease) in Payables under Securities Lending Transactions	(60,129)	43,613	(723,141)
Net Decrease (Increase) in Foreign Exchanges - Assets	(223)	(60)	(2,684)
Net Increase (Decrease) in Foreign Exchanges - Liabilities	265	(222)	3,197
Interest Received	155,537	165,855	1,870,566
Interest Paid	(15,990)	(19,587)	(192,304)
Other, net	33,647	(23,471)	404,664
Subtotal	¥ 98,135	¥ 101,064	$ 1,180,219
Income Taxes Paid	(16,722)	(8,323)	(201,117)
Net Cash Provided by (Used in) Operating Activities	¥ 81,412	¥ 92,741	$ 979,101
Cash Flows from Investing Activities:			
Purchase of Securities	¥(655,382)	¥(728,504)	$(7,881,934)
Proceeds from Sales of Securities	378,554	221,127	4,552,670
Proceeds from Redemption of Securities	320,565	484,772	3,855,265
Increase in Money Held in Trust	(1,588)	(19,241)	(19,108)
Decrease in Money Held in Trust	982	18,466	11,814
Purchase of Tangible Fixed Assets	(8,967)	(6,841)	(107,846)
Purchase of Intangible Fixed Assets	(3,958)	(4,295)	(47,606)
Proceeds from Sales of Tangible Fixed Assets	2,410	2,826	28,994
Proceeds from Sales of Intangible Fixed Assets	31	61	382
Net Cash Provided by (Used in) Investing Activities	¥ 32,647	¥ (31,629)	$ 392,631
Cash Flows from Financing Activities:			
Increase in Subordinated Borrowings	¥ —	¥ 15,000	$ —
Decrease in Subordinated Borrowings	—	(21,000)	—
Cash Dividends Paid	(9,831)	(8,937)	(118,232)
Cash Dividends Paid to Minority Shareholders	(187)	(171)	(2,250)
Purchase of Treasury Stock	(5,114)	(55)	(61,514)
Proceeds from Sales of Treasury Stock	11	13	135
Net Cash Provided by (Used in) Financing Activities	¥ (15,121)	¥ (15,150)	$ (181,861)
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ (97)	¥ (20)	$ (1,172)
Net Increase (Decrease) in Cash and Cash Equivalents	¥ 98,840	¥ 45,940	$ 1,188,700
Cash and Cash Equivalents at Beginning of Period	¥ 320,024	¥ 274,083	$ 3,848,765
Cash and Cash Equivalents at End of Period (Note 28)	¥ 418,865	¥ 320,024	$ 5,037,465

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the Years ended March 31, 2011 and 2010

1. Basis of Presentation

The Chiba Bank, Ltd. (the "Bank") and its subsidiaries maintain their books of accounts in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards. The classification of accounts is in conformity with the Ordinance for Enforcement of Banking Act of Japan.

The accompanying consolidated financial statements have been compiled from the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. Certain reclassifications and rearrangements have been made to the financial statements for the previous year to conform to the classification used in the financial statements for the current year. In addition, the accompanying notes include information that is not required under accounting principles generally accepted in Japan, but is presented herein for the convenience of readers.

Japanese yen amounts are presented in millions of yen by rounding down figures below one million. As a result, the totals in Japanese yen in the accompanying consolidated financial statements do not necessarily agree with the sums of individual amounts.

U.S. dollar amounts are shown solely for the convenience of the readers of this Annual Report and are translated at the rate of ¥83.15 to $1.00, the exchange rate prevailing at March 31, 2011.

2. Principles of Consolidation

The consolidated financial statements include the accounts of the Bank and its subsidiaries, including Chibagin Guarantee Co., Ltd., Chibagin Leasing Co., Ltd., Chibagin Securities Co., Ltd. and other subsidiaries. The number of consolidated subsidiaries as of March 31, 2011 and 2010 were 9. Chibagin Securities Co., Ltd. changed its name from Chuo Securities Co., Ltd.

All significant inter-company accounts and transactions have been eliminated. The consolidated financial statements do not include the accounts of the Chibagin Computer Service Co., Ltd. and three other subsidiaries, since the combined total assets, total revenue, net income and retained earnings of these subsidiaries are not significant and would not have a material impact on the consolidated financial statements of the Bank. Nevertheless, the investments in these unconsolidated subsidiaries are carried using the equity method and are included in securities in the balance sheets. Also, the consolidated financial statements do not include the accounts of five limited partnerships. The investments in these unconsolidated subsidiaries are not accounted for by the equity method since net income and retained earnings of these subsidiaries are not significant and would not have a material impact on the consolidated financial statements of the Bank.

The difference between the cost and the underlying equity in the net assets measured at their market value at dates of acquisition of consolidated subsidiaries is amortized on a straight-line method over a period of five years, if significant in amount, or is charged or credited to income in the year of acquisition.

(Changes in accounting policy)

The Bank adopted ASBJ Statement No. 16 "Accounting Standard for Equity Method of Accounting for Investments" (March 10, 2008) and ASBJ Guidance No. 24 "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (March 10, 2008) from the current fiscal year. This adoption did not affect the consolidated financial statements.

Fiscal year-ends of all consolidated subsidiaries are at the end of March.

3. Significant Accounting Policies

(1) Trading Account

The following criteria are applied in accounting for the Bank's trading assets and liabilities, and trading income and expenses:

Transactions that aim to gain a profit by arbitraging short term fluctuations in interest rates, currency values and market prices, other benchmarks in the traded securities' market prices and by arbitraging differentials between markets (hereafter "trading purposes") are accounted for under "Trading Assets" or "Trading Liabilities" on the balance sheets. Profit or loss from such transactions is recorded under "Trading Income" or "Trading Expenses" on the consolidated statements of income.

Trading securities and monetary claims, etc. held for trading purposes are stated at market value at the end of the fiscal year. Trading-related financial derivatives such as swaps, futures or options are valued on the assumption that they were settled at the end of the fiscal year.

In the case of trading-related financial derivatives, "Trading Income/Expenses" includes the interest received/paid during the fiscal year and the difference between the amount of profit/loss based on the assumption that transactions were settled at the end of the current fiscal year and that at the end of the previous fiscal year.

(2) Securities

Held-to-maturity bonds are stated at amortized cost determined by the moving average method. Investments in unconsolidated subsidiaries not accounted for by the equity method are stated at cost determined by the moving average method. Available-for-sale equity shares and investment trusts listed on Japanese markets are stated at the average market value during the last month of the fiscal year, and other available-for-sale securities whose fair value can be estimated are stated at fair value at the fiscal year end while their costs are calculated mainly by the moving average method. Other non-marketable securities whose fair value cannot be reliably estimated are stated at cost determined by the moving average method or amortized cost.

Unrealized gains and losses on available-for-sale securities are included in net assets, net of income taxes.

Moreover, the same way as above (1) and fair value method based upon the market value at the fiscal year end are applied for the valuation of securities that are held as trust assets in individually managed money trusts with the principal objective of securities portfolio management.

(3) Derivatives

Derivatives for purposes other than trading are also stated at fair value.

(4) Tangible Fixed Assets

Depreciation for tangible fixed assets of the Bank is computed using the declining-balance method. Principal useful lives are as follows:

Buildings .... 6 years to 50 years
Others .... 2 years to 20 years

Tangible fixed assets of the consolidated subsidiaries are depreciated principally by the declining-balance method over the estimated useful lives.

(5) Intangible Fixed Assets

Depreciation for intangible fixed assets is computed using the straight-line method. Especially, depreciation for capitalized software for internal-use is computed using the straight-line method based on useful life determined by the Bank and its consolidated subsidiaries (5 years).

(6) Allowance for Loan Losses

Allowance made by the Bank was provided in accordance with the internally established standards for write-offs and provisions.

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings ("Bankrupt Borrowers"), or borrowers that are not legally or formally insolvent but are regarded as substantially in the same situation ("Effectively Bankrupt Borrowers"), an allowance is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees.

For claims on borrowers that are not currently bankrupt but likely to become bankrupt in the future ("Potentially Bankrupt Borrowers"), an allowance is provided in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees.

For claims on Potentially Bankrupt Borrowers and on borrowers whose loans are classified as "Loans past due 3 months or more" or "Restructured Loans" over a certain amount, if future cash flows from the collection of principal and interest are reasonably estimated, the allowances for loan losses are calculated by "Discounted Cash Flow Method," by which the allowances for loan losses are calculated as the difference between the booked amounts of the loans and the cash flows discounted by the original contractual interest rates.

For other claims, an allowance is provided based on the historical loan-loss ratio.

The operating divisions assess all claims in accordance with the Bank's policy and guidelines for the self-assessment of asset quality, and the internal audit and inspection division, which is independent from the operating divisions, audits these assessments. The allowance for loan losses is provided based on the results of these assessments.

For collateralized or guaranteed claims on Bankrupt Borrowers and Effectively Bankrupt Borrowers, the amount exceeding the estimated value of collateral and guarantees is deemed to be uncollectible and written off against the total outstanding amount of the claims. The amount of write-off as of March 31, 2011 and 2010 were ¥46,493 million and ¥68,262 million, respectively.

Allowance made by consolidated subsidiaries for general claims is provided in the amount deemed necessary based on the historical loan-loss ratio, and for specific claims in the amount deemed uncollectible based on the respective assessments.

(7) Provision for Directors' Bonuses

The Bank has a provision for bonuses for directors and corporate auditors which is provided for payments of bonuses to directors and corporate auditors based on the estimated amounts of the payments corresponding to the fiscal year.

(8) Provision for Retirement Benefits

The Bank has a provision for retirement benefits which is provided for the payments of employees' retirement benefits based on the estimated amounts of the actuarial retirement benefit obligation and the plan assets.

Net actuarial gain (loss) is amortized using the straight-line method over 10 years commencing from the next fiscal year of incurrence.

(9) Provision for Directors' Retirement Benefits

Provision for directors' retirement benefits is provided for payment of retirement benefits to directors and corporate auditors of consolidated subsidiaries, in the amount deemed accrued until the fiscal year-end.

(10) Provision for Reimbursement of Deposits

Provision for reimbursement of deposits, which were derecognized from liabilities, is based on the possible losses on the future claims of withdrawal to prepare for depositor's needs of withdrawal.

(11) Provision for Point Loyalty Programs

The Bank has a provision for point loyalty programs which is provided for accumulation of points (the "Leaf Points") granted to customers in the Bank's point loyalty program, "Chibagin Leaf Point Present", based on the estimated amounts equivalent to expected future usage of the Leaf Points.

(12) Reserve under the Special Laws

Reserve under the special laws is a Reserve for Financial Products Transaction Liabilities of ¥18 million provided by Chibagin Securities Co., Ltd. This reserve is provided for losses from securities transactions pursuant to Article 46-5-1 of the Financial Instruments and Exchange Act and Article 175 of the Cabinet Office Ordinance on Financial Instrument Business Operators, etc.

(13) Translation of Foreign Currencies

The Bank's assets and liabilities denominated in foreign currencies and overseas branches' accounts are translated into Japanese yen primarily at the exchange rate at the balance sheet date. Consolidated subsidiaries' assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at the fiscal year-end of each company.

(14) Lease Transactions

(As lessees)

The Bank and consolidated subsidiaries account for as operating leases finance leases other than those that are deemed to transfer the ownership of leased properties to the lessees, which commenced in fiscal years beginning prior to April 1, 2008 (See Note 29).

(As lessors)

Finance leases other than those that are deemed to transfer the ownership of leased property to the lessees are accounted for as installment sales.

(15) Hedge Accounting

i) Hedge of Interest Rate Risk

As for the hedge accounting method applied to hedging transactions for interest rate risk arising from financial assets and liabilities, the Bank applies the deferral hedge accounting stipulated in the "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24).

The Bank assesses the effectiveness of such hedges by monitoring offsetting fluctuation of fair value by changes in interest rates, of the hedged items (such as deposits and loans) and hedging instruments (such as interest rate swaps) classified by their maturity.

ii) Hedge of Foreign Currency Fluctuation Risk

As for the hedge accounting method applied to hedging transactions for foreign currency fluctuation risk arising from foreign-currency-denominated financial assets and liabilities, the Bank applies the deferral hedge accounting stipulated in the "Treatment for Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 25).

The Bank designates certain currency swaps and foreign exchange swap transactions as hedges against fluctuation in foreign currency exchange rates arising from foreign-currency monetary claims and debts, and assesses the effectiveness of such hedges by verifying that the Bank holds foreign currency positions of the hedged items corresponding to the positions of the hedging instruments.

In addition to the above accounting, the Bank applies to a part of assets and liabilities the deferral hedge accounting.

(16) Cash Flows

In preparing the consolidated statements of cash flows, cash and due from the Bank of Japan are considered to be cash and cash equivalents.

(17) Consumption Taxes

Consumption tax and municipal consumption tax of the Bank and its domestic consolidated subsidiaries are accounted for using the tax-excluded method.

(18) Appropriation of Retained Earnings

Dividends are recorded in the fiscal year in which the proposed appropriation of retained earnings is approved by the Board of Directors and by the general meeting of shareholders. There is a limit for dividend by Article 18 of the Banking Act. An amount equal to 20% of the aggregated amount of dividends shall be set aside as a legal reserve or legal capital surplus, regardless of Article 445-4 of the Companies Act of Japan.

4. New Accounting Pronouncements

(1) Accounting Standard for Asset Retirement Obligations

The Bank adopted ASBJ Statement No. 18 "Accounting Standard for Asset Retirement Obligations" (March 31, 2008) and ASBJ Guidance No. 21 "Guidance on Accounting Standard for Asset Retirement Obligations" (March 31, 2008) starting from the current fiscal year. The effect of this adoption was not material.

(2) Consolidated Statements of Income

Net income before minority interests was presented in accordance with the Cabinet Office ordinance related to the revision of rules for financial statements (Cabinet Office ordinance No. 5, March 24, 2009), which is based on "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008).

5. Additional Information

The Bank adopted ASBJ Statement No. 25 "Accounting Standard for Presentation of Comprehensive Income" (June 30, 2010) starting from the current fiscal year. However, for the year ended March 31, 2010, amount of "Valuation and translation adjustments" and

"Total valuation and translation adjustments" were presented instead of "Accumulated other comprehensive income" and "Total accumulated other comprehensive income."

6. Securities Borrowing Transactions

As for securities borrowed under securities borrowing transactions which the Bank has the right to sell or pledge, ¥951 million was held in hand on March 31, 2011. The respective amount at March 31, 2010 was ¥4,624 million.

7. Trading Assets

Trading assets as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Trading Account Securities	¥ 9,477	¥ 16,468	$ 113,985
Derivatives of Trading Securities	1	10	15
Trading-related Financial Derivatives	26,889	21,452	323,387
Other Trading Assets	248,266	272,586	2,985,764
Total	¥284,635	¥310,517	$3,423,151

8. Securities

Securities as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Japanese Government Bonds	¥ 866,913	¥ 865,888	$10,425,897
Japanese Local Government Bonds	323,250	287,899	3,887,554
Japanese Corporate Bonds	264,965	307,458	3,186,602
Japanese Stocks	141,208	154,106	1,698,240
Other Securities	323,775	362,496	3,893,874
Total	¥1,920,113	¥1,977,849	$23,092,168

Securities included investments in non-consolidated subsidiaries and affiliates of ¥3,502 million and ¥3,614 million at March 31, 2011 and 2010, respectively.

Guarantee obligations for bonds in private placement (defined in Article 2 (3) of Financial Instruments and Exchange Act) included in Japanese Corporate Bonds were ¥40,800 million and ¥52,350 million as of March 31, 2011 and 2010, respectively.

9. Loans and Bills Discounted

(1) Loans and bills discounted as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Bills Discounted	¥ 22,620	¥ 21,544	$ 272,043
Loans on Bills	170,692	193,076	2,052,820
Loans on Deeds	6,547,478	6,280,748	78,742,973
Overdrafts	605,353	635,015	7,280,258
Total	¥7,346,143	¥7,130,386	$88,348,093

Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No. 24. The Bank has rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions. Their total face value as of March 31, 2011 and 2010 were ¥22,808 million and ¥21,977 million, respectively.

Contracts of overdraft facilities and loan commitment limits are the contracts that the Bank lends to customers up to the prescribed limits in response to customers' application of loan as long as there is no violation of any condition in the contracts. The unused amount within the limits was ¥1,855,235 million relating to these contracts, including ¥1,780,357 million of which the term of contracts is less than one year or revocable at any time as of March 31, 2011. The respective amounts were ¥1,922,238 million and ¥1,847,464 million as of March 31, 2010.

Since many of these commitments expire without being utilized, the unused amount does not necessarily represent a future cash requirement. Most of these contracts have conditions that the Bank can refuse customers' application of loan or decrease the contract limits with proper reasons (e.g., changes in financial situation, deterioration in customers' creditworthiness). At the inception of contracts, the Bank obtains real estate, securities, etc. as collateral if considered to be necessary. Subsequently, the Bank performs periodic review of the customers' business results based on initial rules, and takes necessary measures to reconsider conditions in contracts and/or require additional collateral and guarantees.

Additionally, the unused amount within the limits of overdraft facilities on General Accounts as of March 31, 2011 and 2010 were ¥989,717 million and ¥984,177 million, respectively. General Accounts are the Ordinary Deposit Accounts that its depositors can overdraw up to the amounts calculated by multiplying incidental Time Deposits and so by certain weight.

(2) Risk monitored loans as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Loans to Bankrupt Borrowers	¥ 3,057	¥ 8,134	$ 36,770
Delinquent Loans	84,501	82,173	1,016,254
Loans Past Due 3 Months or More	4,180	3,561	50,273
Restructured Loans	54,325	50,055	653,341
Total	¥146,064	¥143,926	$1,756,639

Loans to bankrupt borrowers represent non-accrual loans to borrowers who are legally bankrupt as defined in Article 96 (1) (iii) and (iv) of the Corporation Tax Act Enforcement Ordinance (Article 97 of 1965 Cabinet Order).

Delinquent loans represent non-accrual loans other than (i) loans to bankrupt borrowers and (ii) loans of which payments of interest are deferred in order to assist or facilitate the restructuring of borrowers in financial difficulties.

Loans past due 3 months or more represent loans on which the payment of principal and/or interest has not been received for 3 months or more from the due date, and which are not included in Loans to bankrupt borrowers or Delinquent loans.

Restructured loans are loans which have been restructured to support the rehabilitation of certain borrowers who are encountering financial difficulties, with the intention of ensuring recovery of the loans by providing easier repayment terms for the borrowers (such as by reducing the rate of interest or by providing a grace period for the payment of principal/interest, etc.) and are not classified in any of the above categories.

10. Foreign Exchange Assets

Foreign exchange assets as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Due from Foreign Banks (our accounts)	¥2,156	¥1,911	$25,938
Foreign Bills Bought	190	451	2,293
Foreign Bills Receivable	686	447	8,260
Total	¥3,034	¥2,811	$36,491

11. Other Assets

Other assets as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Domestic Exchange Settlement Account, debit	¥ 814	¥ 980	$ 9,793
Accrued Income	12,692	13,943	152,643
Prepaid Expenses	392	418	4,720
Derivatives	16,115	14,589	193,816
Lease Investment Assets	34,526	37,710	415,234
Other	35,558	59,966	427,639
Total	¥100,099	¥127,609	$1,203,846

12. Tangible Fixed Assets

Depreciation was computed using the declining-balance method. Tangible fixed assets as of March 31, 2011 and 2010 were shown at net of the following accumulated depreciation:

Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
2011	2010	2011
¥94,819	¥93,877	$1,140,345

Deferred gain on real estate deductible for tax purposes amounted to ¥11,232 million and ¥10,462 million on March 31, 2011 and 2010, respectively.

13. Assets Pledged

Assets pledged as collateral as of March 31, 2011 and 2010 were as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Securities	¥678,540	¥778,920	$8,160,436
Trading Assets	14,997	146,553	180,364
Loans and Bills Discounted	99,234	52,955	1,193,440

Liabilities related to the above pledged assets as of March 31, 2011 and 2010 were as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Deposits	¥ 30,397	¥ 35,130	$ 365,573
Payables under Repurchase Agreements	14,998	146,580	180,374
Call Money and Bills Sold	—	26,100	—
Payables under Securities Lending Transactions	50,776	110,905	610,658
Borrowed Money	223,109	72,425	2,683,212

In addition, the following was pledged as collateral for settlements of exchange or margins for futures transactions as of March 31, 2011 and 2010 respectively.

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Securities	¥172,761	¥136,082	$2,077,715

Initial margins of futures markets of ¥80 million and guarantee deposits of ¥6,078 million were included in Other Assets as of March 31, 2011.

The respective amounts were ¥146 million and ¥5,548 million as of March 31, 2010.

14. Deposits

An analysis of deposits as of March 31, 2011 and 2010 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Current Deposits	¥ 173,921	¥ 175,243	$ 2,091,660
Ordinary Deposits	5,073,725	4,745,815	61,018,947
Savings Deposits	242,828	248,637	2,920,368
Deposits at Notice	6,330	6,698	76,138
Time Deposits	3,451,275	3,445,422	41,506,624
Other Deposits	155,567	152,972	1,870,924
Subtotal	¥9,103,649	¥8,774,789	$109,484,661
Negotiable Certificates of Deposit	171,586	191,226	2,063,575
Total	¥9,275,235	¥8,966,015	$111,548,235

15. Trading Liabilities

Trading liabilities as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Trading Securities Sold for Short Sales	¥ —	¥ 1,694	$ —
Derivatives of Trading Securities	19	30	239
Trading-related Financial Derivatives	26,654	20,866	320,565
Total	¥26,674	¥22,591	$320,804

16. Borrowed Money

Borrowed money as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Borrowings from the Bank of Japan and Other Financial Institutions	¥256,709	¥106,025	$3,087,301

Subordinated Borrowings of ¥33,000 million was included in Borrowed Money as of March 31, 2011 and 2010.

17. Foreign Exchange Liabilities

Foreign exchange liabilities as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Foreign Bills Sold	¥435	¥196	$5,240
Foreign Bills Payable	44	18	537
Total	¥480	¥214	$5,777

18. Bonds Payable

Bonds payable as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Issuer: The Bank (Subordinated Bonds)	¥40,000	¥40,000	$481,058

19. Other Liabilities

Other liabilities as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Domestic Exchange Settlement Account, credit	¥ 6	¥ 22	$ 75
Accrued Expenses	12,791	14,801	153,838
Unearned Revenue	22,712	22,027	273,146
Income Taxes Payable	13,870	9,185	166,808
Derivatives	17,862	19,196	214,826
Other	32,994	29,023	396,811
Total	¥100,237	¥94,257	$1,205,504

20. Retirement Benefit Plans

The Bank and its consolidated subsidiaries have defined benefit plans, i.e., lump-sum payment plans, welfare pension fund plans and tax-qualified pension plans.

(1) The liabilities/assets for employees' retirement benefit plans as of March 31, 2011 and 2010 were as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Retirement Benefit Obligation	¥(66,623)	¥(65,559)	$(801,248)
Plan Assets at Fair Value	39,491	38,870	474,948
Unfunded Retirement Benefit Obligation	(27,131)	(26,689)	(326,301)
Unrecognized Actuarial Gain or Loss	9,888	8,583	118,929
Net Amount Accrued on the Balance Sheets	(17,242)	(18,105)	(207,372)
Prepaid Pension Cost	1,995	1,177	23,994
Provision for Retirement Benefits	¥(19,238)	¥(19,282)	$(231,365)

(2) The components of retirement benefit cost for the years ended March 31, 2011 and 2010 were as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Service Cost	¥ 1,927	¥ 1,977	$ 23,181
Interest Cost	1,294	1,296	15,573
Expected Return on Plan Assets	(1,359)	(1,152)	(16,349)
Amortization of Actuarial Gain or Loss	1,863	2,243	22,408
Other (nonrecurring additional retirement allowance paid and other)	20	21	241
Net Periodic Retirement Benefit Cost	¥ 3,746	¥ 4,387	$ 45,053

(3) Assumptions used in accounting for the above plans for the years ended March 31, 2011 and 2010 were as follows:

	2011	2010
Discount Rate	2.0%	2.0%
Expected Rate of Return on Plan Assets	3.5%	3.5%
Amortization Period of Actuarial Gain or Loss	10 years	10 years

21. Revaluation Reserve for Land

Pursuant to the Law concerning Revaluation of Premises, premises used for business operations have been revalued as of March 31, 1998. Premises revaluation gain was included in Net Assets, net of income taxes.

Date of the revaluation: March 31, 1998

The method of the revaluation (set forth in Article 3 (3) of the Law):

Pursuant to Article 2 (4) of the Enforcement Ordinance for the Law concerning Revaluation of Premises, the premises price for the revaluation is determined based on the method established and published by the Director General of National Tax Agency in order to calculate the premises value for a basis of determining the taxable amount subject to premises value tax prescribed by Article 16 of the Premises Value Tax Law, reflecting appropriate adjustments for land shape and timing of the assessment.

The difference between the revalued carrying amount and the fair value of premises revalued pursuant to Article 10 of the Law was ¥37,008 million and ¥31,343 million as of March 31, 2011 and 2010, respectively.

22. Capital Stock

The number of the Bank's authorized shares was 2,500,000,000 as of March 31, 2011 and 2010.

The number of shares in issue as of March 31, 2011 and 2010 was as follows:

	Number of Shares	
	2011	2010
Shares in Issue	**895,521,087**	895,521,087

The number of treasury shares held by the Bank was 11,859 thousand and 1,777 thousand as of March 31, 2011 and 2010.
(Excludes one thousand shares which, although registered in the name of Chiba Bank on the shareholders' list, are not actually owned by the Bank.)

23. Trading Income

The composition of trading income for the years ended March 31, 2011 and 2010 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	**2011**
Gains on Trading Account Securities Transactions	**¥ 491**	¥ 901	**$ 5,913**
Income from Securities and Derivatives Related to Trading Transactions	**—**	10	**—**
Income from Trading-related Financial Derivatives Transactions	**554**	1,336	**6,668**
Other Trading Income	**568**	1,270	**6,836**
Total	**¥1,614**	¥3,519	**$19,417**

24. Other Ordinary Income

The composition of other ordinary income for the years ended March 31, 2011 and 2010 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	**2011**
Gains on Foreign Exchange Transactions	**¥1,936**	¥2,471	**$23,288**
Gains on Sales of Bonds	**4,760**	2,154	**57,249**
Income from Derivatives other than for Trading or Hedging	**419**	379	**5,041**
Other	**0**	0	**12**
Total	**¥7,116**	¥5,006	**$85,589**

25. Other Income

The composition of other income for the years ended March 31, 2011 and 2010 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	**2011**
Gains on Sale of Stocks and Other Securities	**¥ 534**	¥ 2,010	**$ 6,427**
Gains on Money Held in Trust	**658**	265	**7,918**
Revenue on Lease	**14,992**	16,014	**180,309**
Recoveries of Written-off Claims	**5,478**	7,038	**65,885**
Other	**6,834**	5,488	**82,198**
Total	**¥28,498**	¥30,816	**$342,737**

26. Other Ordinary Expenses

The composition of other ordinary expenses for the years ended March 31, 2011 and 2010 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	**2011**
Loss on Sales of Bonds	**¥731**	¥ 616	**$8,792**
Loss on Redemption of Bonds	**—**	1,443	**—**
Loss on Devaluation of Bonds	**67**	1,069	**818**
Other	**—**	186	**—**
Total	**¥799**	¥3,315	**$9,609**

27. Other Expenses

The composition of other expenses for the years ended March 31, 2011 and 2010 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	**2011**
Provision of Allowance for Loan Losses	**¥ 5,804**	¥ 6,055	**$ 69,810**
Written-off of Loans	**12,123**	22,998	**145,800**
Losses on Sales of Stocks and Other Securities	**1,414**	2,770	**17,014**
Losses on Devaluation of Stocks and Other Securities	**3,906**	325	**46,981**
Loss on Money Held in Trust	**317**	216	**3,822**
Cost of Leased Assets	**12,585**	13,462	**151,362**
Provision for Reimbursement of Deposits	**493**	422	**5,936**
Impairment Losses on Fixed Assets	**317**	403	**3,813**
Other	**4,551**	6,918	**54,734**
Total	**¥41,514**	¥53,573	**$499,272**

28. Cash and Cash Equivalents

The reconciliation of cash and due from banks in the consolidated balance sheets to the cash and cash equivalents as of March 31, 2011 and 2010 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Cash and Due from Banks	¥ 569,455	¥370,500	$ 6,848,531
Interest-bearing Deposits included in Due from Banks (excluding Due from BOJ)	(150,590)	(50,475)	(1,811,066)
Cash and Cash Equivalents	¥ 418,865	¥320,024	$ 5,037,465

29. Lease Transactions

(1) Finance Lease Transactions

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Lessee Side			
Amount Corresponding to the Purchased Prices of the Leased Assets	¥377	¥424	$4,539
Amount Corresponding to Accumulated Depreciation	143	162	1,726
Amount Corresponding to Balance at Fiscal Year-End	¥233	¥261	$2,813

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Amount Corresponding to Lease Payables (within 1 year)	¥ 16	¥ 27	$ 193
Amount Corresponding to Lease Payables (over 1 year)	217	233	2,620
Total	¥233	¥261	$2,813

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Lease Fees Paid	¥27	¥37	$331
Amount Corresponding to Depreciation	27	37	331

(Note i) The lease period is set at the useful life of the asset and the straight-line method of depreciation is used to compute the remaining value of the asset.

(Note ii) The amount corresponding to the Purchased Prices of the Leased Assets presented above includes interest amounts calculated under the interest method, as the balances of Lease Payables are small as a percentage of the book value of total tangible fixed assets.

(2) Operating Lease Transactions

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Lessee Side (Lease Payables related to Non-cancelable Operating Lease Transactions)			
Amount Corresponding to Lease Payables (within 1 year)	¥131	¥109	$1,584
Amount Corresponding to Lease Payables (over 1 year)	440	248	5,293
Total	¥571	¥357	$6,878

30. Tax Effect

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Deferred Tax Assets:			
Allowance for Loan Losses	¥33,386	¥39,843	$401,516
Valuation Difference on Available-for-sale Securities	916	—	11,027
Write-offs of Securities	2,333	2,580	28,069
Provision for Retirement Benefits	7,772	7,790	93,476
Other	10,877	11,100	130,817
Subtotal	¥55,286	¥61,314	$664,905
Valuation Allowance	(4,699)	(3,986)	(56,523)
Total Deferred Tax Assets	¥50,586	¥57,328	$608,382
Deferred Tax Liabilities:			
Valuation Difference on Available-for-sale Securities	¥ —	¥ 3,707	$ —
Reserve for Advanced Depreciation	47	47	576
Prepaid Pension Cost	699	368	8,407
Other	0	2	2
Total Deferred Tax Liabilities	¥ 747	¥ 4,126	$ 8,985
Net Deferred Tax Assets	¥49,839	¥53,201	$599,396

For the year ended March 31, 2011 and 2010, as the difference between the statutory tax rate and the effective income tax rate was less than 5 percent of the statutory tax rate, the reconciliation of the effective income tax rate is not disclosed.

31. Segment Information

Segment Information of the previous fiscal year (from April 1, 2009 to March 31, 2010) and this fiscal year (from April 1, 2010 to March 31, 2011)

Since the Bank and its consolidated subsidiaries (the "Group") operate solely within the banking segment, segment information is omitted.

(Additional Information)

From the year ended March 31, 2011, the Bank adopted "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17, March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise about Related Information" (ASBJ Guidance No. 20, March 28, 2008) .

Related Information

1 Information by Service Type

Since the Ordinary income of banking business from external customers of the Group exceeds 90% of Ordinary income in the consolidated statements of income, segment information is omitted.

2 Information by Geographic Areas

(1) Ordinary Income

Since the Ordinary income from domestic external customers of the Group exceeds 90% of Ordinary income in the consolidated statements of income, segment information is omitted.

(2) Tangible Fixed Assets

Since the balance of the Group's tangible fixed assets located in Japan exceeds 90% of the balance of those in the consolidated balance sheets, segment information is omitted.

3 Information by Major Customers

Since there is no single customer with which the Group earns ordinary income exceeding 10% of Ordinary income in the consolidated statements of income, segment information by major customers is omitted.

Information about impairment loss of fixed assets by reporting segments

Since the Group operates solely within the banking segment, segment information is omitted.

Information about amortization expense and unamortized balance of goodwill by reporting segments

Not applicable.

Information about gains from negative goodwill by reporting segment

Not applicable.

32. Financial Instruments

1. Disclosure on Financial Instruments

(1) Policy on Financial Instruments

The Group conducts market businesses such as deposit-taking, lending and securities investments as a regional bank which is mainly based on Chiba Prefecture.

The Group takes deposits, which are its main financing source, and invests those deposits in corporate loans, personal housing loans and securities. In order to manage these assets and liabilities and also to make management plan in response to changes in market environment, we have established ALM management system led by ALM Committee.

(2) Types of and Risks Associated with Financial Instruments

Because of corporate and housing loans being our main financial assets, we are exposed to credit risk which is the risk of losses on receivable such as those arising from nonperformance of borrowers.

We hold securities primarily comprising bonds, stocks and investment trusts for investment and operating purposes. These securities have credit risk of the issuers and market risk arising from changes in interest rates, prices and exchange rates.

The Group's financial liabilities are mainly deposits from our individual customers in Chiba Prefecture which consist of liquid deposits and time deposits. These deposits have liquidity risk arising from unexpected outflows of fund in certain situations.

The Group has interest rate risk caused by a mismatch in terms of interest rates or time period between the assets (e.g., loans) and liabilities (e.g., deposits). We in part hedge the risk using interest rate swaps.

We also have foreign exchange risk arising from a position mismatch between the foreign currency denominated assets and liabilities, which we in part hedge using currency swaps.

We utilize derivatives for purposes of: addressing customer's various needs for investments and financing; managing risks from the assets and liabilities, and; trading (i.e., for a gain from sales in a short term). We enter into derivatives transactions to hedge interest rate and exchange rate risks from the assets and liabilities as follows:

	Hedged Item	Hedging Instrument
Interest rate risk hedge	Loans and bills discounted	Interest rate swaps
Foreign exchange risk hedge	Receivables and payables denominated in foreign currencies	Currency swaps Forward foreign exchange

We apply hedge accounting to these transactions. Derivatives bear market risk and credit risk like other transactions in markets.

Some of our subsidiaries have leasing credit and installment receivables which are subject to interest rate risk and credit risk.

(3) Risk Management Relating to Financial Instruments

i) Credit Risk Management

We have established the system of self-assessment of assets to provide appropriate allowance and write-offs. We also perform rigid credit risk management through individual credit management and credit portfolio management based on internal rating system. The Risk Management Division, which is responsible for credit risk management, has been placed as a division independent of the Credit Unit (including Credit Division) for a check-and-balance effect. Further, the Credit Risk Management Committee chaired by the President discusses plans and actions on credit portfolios considering based on credit risk situations.

The details of credit risk management are follows:

(Individual Credit Management)

Branches and the Credit Division take the lead in credit review in accordance with credit review standards under the basic principles of credit (safety, profitability, liquidity, growth potential and public good). The Business Support Division provides support for customers who need to improve business operations while the Credit Supervisory Division engages in resolution and collection activities with regard to Bankrupt Borrowers and others. The Bank strives to accumulate high-performing loan assets and minimize future losses through these in-advance review and after-the-fact administration.

(Credit Portfolio Management)

Credit portfolio management is to control risk of incurring a major loss at a time due to concentration of individual loans in specific countries or specific industries. The Risk Management Division monitors the state of credit risk from various perspectives, such as by country, by industry, and by customer credit rating. They also establish policies and take actions such as setting credit limits to control an increase in credit risk.

ii) Market Risk Management

We have established strict market risk management system including risk limit monitoring. The Risk Management Division, which is responsible for market risk management, has been placed as a division independent of the Treasury Division and overseas branches in business operation unit and the Treasury Operation Division in business management unit, for a check-and-balance effect. The ALM Committee chaired by the President discusses plans and actions on overall management of the assets and liabilities based on market risk situations. The following is how we set and monitor the upper guideline limits:

(Risk Limit Monitoring)

We set and monitor upper guideline limits to control market risk of financial assets such as securities, loans and deposits. In order to control an increase in market risk, we also set upper limits on investment balances, average duration, 10BPV and unrealized gains (losses) according to risk characteristics of transactions and products, and utilize such limits as additional management indicators. For trading, we set and monitor upper guideline limits on positions and losses.

(Quantitative Information on Market Risk)

(a) Financial Instruments of Banking Account

We use VaR (the assumed maximum loss) for quantitative analysis on market risk of financial instruments such as available-for-sale securities, loans and deposits. For calculating VaR, we have adopted the variance co-variance model (holding period of 1 year; confidence interval of 99.9%; and observation period of 1 year), and the changes of interest and stock price are considered. However, the VaR based on holding period of 10 days is used for a part of tradings such as market asset trading. Those VaR are used for risk limit monitoring. Our VaR of banking business as of March 31, 2011 is ¥117,327 million. In case of 99% confidence level, VaR is ¥88,324 million.

(b) Financial Instruments of Trading Account

We use VaR for quantitative analysis on market risk of financial instruments such as securities for trading and derivatives. For calculating VaR, we have adopted the variance co-variance model (holding period of 10 days; confidence interval of 99.9%; and observation period of 1 year). Those VaR is used for risk limit monitoring. Our VaR of trading business as of March 31, 2011 is ¥61 million. In case of 99% confidence level, VaR is ¥46 million.

(c) Validity of VaR

We check the validity of the market risk measurement made by VaR approach by the back-test which compares VaR calculated using the model with actual profit and loss. Since VaR estimates possible losses statistically under the certain probability from the past market changes, risk might not be complemented under anomaly market situations.

The above information is presented from this fiscal year.

iii) Liquidity Risk Management

We have established strict liquidity risk management system including limit monitoring. The Risk Management Division, which is responsible for liquidity risk management, has been placed as a division independent of Treasury Division in financing management unit for a check-and-balance effect. The ALM Committee chaired by the President discusses plans and actions on overall management of the assets and liabilities based on liquidity risk situations. Upon an event with a significant impact on the cash flows, we would immediately have a conference chaired by the President and discuss plans to address the event. The following is how we set and monitor limits for liquidity management:

(Limit Management)

We set and monitor the minimum level of liquid assets such as government bonds that can be converted to cash in a short time. We also set upper limits on financing from inter-bank and other markets in order to facilitate stable cash flows with our fund-raising capacity.

iv) Integrated Risk Management

We have established rigid integrated risk management system including risk capital allocation framework. The Risk Management Division is responsible for integrated risk management and is the unit that monitors various risks including credit and market risks. In order to ensure that we have capital sufficient for the risks we bear, the Risk Management Division also conducts stress test, the results of which the Board of Directors monitors on a regular basis and discuss actions to take as necessary. The following is the details of risk capital allocation framework:

(Risk Capital Allocation Framework)

Risk capital allocation framework is to distribute risk capital (tolerable risk) within the capital representing our financial strength, to divisions such as domestic business divisions and treasury divisions in advance. Each division then controls risks within the allocated risk capital. Through this framework, each division conducts its operations focusing on risk-return spectrum (e.g., improves profitability and/or utilize the capital in a more efficient manner) while the entire Bank's strength is maintained.

(4) Supplementary Explanation on Fair Value of Financial Instruments

The fair value of financial instruments includes, in addition to values determined based on market prices, those calculated on a reasonable basis if no market price is available. Since certain assumptions are used for the calculations, the result may vary if different assumptions are used.

2. Disclosure on Fair Value of Financial Instruments

The following table summarizes the amount stated in the consolidated balance sheets and the fair value of financial instruments as of March 31, 2011 and 2010 together with their difference. Note that the following table does not include non-listed equity securities and other securities for which fair value is extremely difficult to determine (Note ii). Furthermore, some items are not shown since the consolidated balance sheet amounts are insignificant.

	Millions of Yen (Note 1)					
	2011			2010		
	Consolidated Balance Sheet Amount	Fair Value	Difference*1	Consolidated Balance Sheet Amount	Fair Value	Difference*1
(1) Securities						
Available-for-sale Securities	**¥1,904,992**	**¥1,904,992**	**¥ —**	¥1,961,793	¥1,961,793	¥ —
(2) Loans and Bills Discounted	**7,346,143**			7,130,386		
Allowance for Loan Losses*2	**(55,168)**			(54,497)		
	7,290,975	**7,403,106**	**112,130**	7,075,888	7,191,166	115,277
Total Assets	**¥9,195,967**	**¥9,308,098**	**¥112,130**	¥9,037,682	¥9,152,959	¥115,277
(1) Deposits	**9,103,649**	**9,105,542**	**(1,893)**	8,774,789	8,777,977	(3,188)
(2) Negotiable Certificates of Deposit	**171,586**	**171,589**	**(3)**	191,226	191,230	(4)
Total Liabilities	**¥9,275,235**	**¥9,277,132**	**¥ (1,896)**	¥8,966,015	¥8,969,208	¥ (3,192)
Derivative Transactions*3						
Not Qualifying for Hedge Accounting	**671**	**671**	**—**	1,002	1,002	—
Qualifying for Hedge Accounting	**[3,531]**	**[3,531]**	**—**	[5,239]	[5,239]	—
Total Derivative Transactions	**¥ [2,860]**	**¥ [2,860]**	**¥ —**	¥ [4,237]	¥ [4,237]	¥ —

*1 Unrealized gains (losses) are presented.
*2 General and specific allowance for Loans and bills discounted is deducted here.
*3 Presents derivative transactions included in Trading assets/liabilities as well as those in Other assets/liabilities. Also presents assets or liabilities arising from derivative transactions on a net basis. Net liability positions are presented with brackets, [ ].

(Note i) Methods used for determining the estimated fair value of financial instruments

Assets

(1) Securities

The fair value of stocks is determined based on price quoted by the exchanges. The fair value of bonds is determined based on the Trading Reference Statistical Data published by Japanese Securities Dealers Association or prices provided by financial institutions. The fair value of investment trusts is determined based on the net asset value provided by financial institutions.

The fair value of privately placed bonds guaranteed by the Bank is determined based on a market interest rate adjusted with projected default rate. The fair value of domestic stocks and domestic investment trusts is based on the average market price during the month preceding the consolidated fiscal year end.

(2) Loans and bills discounted

Because a floating-rate loan reflects market interest rate within a short time, its fair value approximates the carrying amount unless the creditworthiness of the borrower has changed significantly since the loan origination. As such the carrying amount is deemed as the fair value. With respect to fixed rate loans, the fair value is calculated as total of principal and interest discounted at market interest rate adjusted with projected default rate for each category of loans based on type, internal rating and maturity length.

As for short-term loans with maturity of one year or less, the carrying amount is deemed as the fair value since the fair value approximates such carrying amount.

For loans to Bankrupt, Effectively Bankrupt and Potentially Bankrupt Borrowers, Allowance for loan losses is estimated based on present value of expected future cash flows or expected amount to be collected from collaterals and guarantees. Accordingly, the fair value approximates the consolidated balance sheet amount less the allowance, which is then deemed and used as the fair value in the above table.

For loans without a fixed maturity due to loan characteristics such as limiting loans to within the value of collateral, the carrying amount is deemed as the fair value since the fair value is considered to approximate such carrying amount in terms of expected duration and interest rate.

Liabilities

(1) Deposits and (2) Negotiable certificates of deposit

For demand deposits, the amount payable on demand as of the consolidated balance sheet date is considered to be the fair value. The fair value of time deposits and negotiable certificates of deposit are calculated as future cash flows discounted by time period. The discount rate used in the calculation is the interest rate that would be applied to newly accepted deposits. For short-term deposits, the carrying amount is deemed as the fair value since the fair value approximates such carrying amount because of the short contract term of one year or less.

Derivative transactions

See "36. Derivative transactions."

(Note ii) The following table summarizes financial instruments whose fair value is extremely difficult to estimate. These securities are not included in the amount presented under "Assets, (1) Available-for-sale Securities" in the above table.

	Millions of Yen (Note 1)	
	March 31, 2011	March 31, 2010
	Consolidated Balance Sheet Amount	Consolidated Balance Sheet Amount
(1) Non-listed Stocks (*1)(*2)	**¥ 8,331**	¥ 9,228
(2) Investments in Limited Partnerships, etc.	**3,287**	3,213
Total	**¥11,618**	¥12,441

(*1) Non-listed stocks do not carry quoted market prices. Since it is extremely difficult to estimate the fair value of these securities, the fair value is not disclosed.

(*2) An impairment loss of ¥14 million and ¥45 million was recorded on these non-listed stocks in the current fiscal year and the previous fiscal year respectively.

(*3) Fair value of investments in limited partnerships, etc. is not disclosed since such partnerships invest in assets, such as non-listed stocks, of which fair value is extremely difficult to estimate.

(Note iii) Redemption schedule of monetary claims and securities with maturities:

	Millions of Yen (Note 1)					
	March 31, 2011					
	Within 1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	Over 10 Years
Securities	**¥ 252,646**	**¥ 477,955**	**¥ 531,220**	**¥135,941**	**¥277,436**	**¥ 57,221**
Held-to-maturity Bonds	**—**	**—**	**—**	**—**	**—**	**—**
Available-for-sale Securities with Maturities	**252,646**	**477,955**	**531,220**	**135,941**	**277,436**	**57,221**
Government Bonds	**82,000**	**228,000**	**259,000**	**90,500**	**202,200**	**—**
Local Government Bonds	**24,480**	**53,549**	**137,737**	**32,495**	**69,190**	**—**
Short-term Corporate Bonds	**—**	**—**	**—**	**—**	**—**	**—**
Corporate Bonds	**82,556**	**100,818**	**65,471**	**395**	**4,000**	**9,838**
Loans (*)	**1,269,356**	**1,387,626**	**953,599**	**501,094**	**619,062**	**1,923,886**
Total	**¥1,522,003**	**¥1,865,582**	**¥1,484,819**	**¥637,035**	**¥896,499**	**¥1,981,108**

(*) These amounts do not include loans to Bankrupt, Effectively Bankrupt or Potentially Bankrupt Borrowers and other loans of which redemption amount cannot be projected and those which do not have specific maturities, amounting to ¥691,517 million in total.

	Millions of Yen (Note 1)					
	March 31, 2010					
	Within 1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	Over 10 Years
Securities	¥ 275,166	¥ 508,825	¥ 453,251	¥167,299	¥256,810	¥ 114,495
Held-to-maturity Bonds	—	—	—	—	—	—
Available-for-sale Securities with Maturities	275,166	508,825	453,251	167,299	256,810	114,495
Government Bonds	100,000	177,000	269,000	117,500	152,650	43,000
Local Government Bonds	44,499	51,266	77,529	12,329	97,099	—
Short-term Corporate Bonds	—	—	—	—	—	—
Corporate Bonds	68,668	145,814	66,697	7,905	2,000	13,355
Loans (*)	1,225,495	1,310,779	947,406	518,768	589,944	1,814,213
Total	¥1,500,661	¥1,819,605	¥1,400,657	¥686,067	¥846,755	¥1,928,709

(*) These amounts do not include loans to Bankrupt, Effectively Bankrupt or Potentially Bankrupt Borrowers and other loans of which redemption amount cannot be projected and those which do not have specific maturities, amounting to ¥723,778 million in total.

(Note iv) Repayment schedule of interest-bearing liabilities at March 31, 2010:

	Millions of Yen (Note 1)					
	March 31, 2011					
	Within 1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	Over 10 Years
Deposits (*)	**¥8,386,134**	**¥651,480**	**¥52,994**	**¥3,719**	**¥9,320**	**¥—**
Negotiable Certificates of Deposit	**171,247**	**200**	**138**	**—**	**—**	**—**
Total	**¥8,557,381**	**¥651,680**	**¥53,133**	**¥3,719**	**¥9,320**	**¥—**

(*) Demand deposits are included in "Within 1 year."

	Millions of Yen (Note 1)					
	March 31, 2010					
	Within 1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	Over 10 Years
Deposits (*)	¥8,066,204	¥645,813	¥51,144	¥3,281	¥8,345	¥—
Negotiable Certificates of Deposit	190,967	120	138	—	—	—
Total	¥8,257,171	¥645,933	¥51,283	¥3,281	¥8,345	¥—

(*) Demand deposits are included in "Within 1 year."

33. Market Value of Securities

(1) Trading Securities

	Millions of Yen (Note 1)	
	March 31, 2011	March 31, 2010
	Unrealized Gains (Losses) Included in the Consolidated Statements of Income	Unrealized Gains (Losses) Included in the Consolidated Statements of Income
Trading Securities	**102**	223

(2) Marketable Securities Held-to-Maturity

		Millions of Yen (Note 1)					
		March 31, 2011			March 31, 2010		
		Consolidated Balance Sheet Amount	Fair Value	Difference	Consolidated Balance Sheet Amount	Fair Value	Difference
(a) Securities for which the fair value exceeds the consolidated balance sheet amount	Bonds:						
	Japanese Government Bonds	**¥ —**	**¥ —**	**¥ —**	¥ —	¥ —	¥ —
	Japanese Local Government Bonds	**—**	**—**	**—**	—	—	—
	Japanese Short-term Corporate Bonds	**—**	**—**	**—**	—	—	—
	Japanese Corporate Bonds	**—**	**—**	**—**	—	—	—
	Other	**10,521**	**10,571**	**49**	16,916	17,000	84
	Foreign Bonds	**—**	**—**	**—**	—	—	—
	Subtotal	**¥10,521**	**¥10,571**	**¥ 49**	¥16,916	¥17,000	¥ 84
(b) Securities for which the fair value does not exceed the consolidated balance sheet amount	Bonds:						
	Japanese Government Bonds	**¥ —**	**¥ —**	**¥ —**	¥ —	¥ —	¥ —
	Japanese Local Government Bonds	**—**	**—**	**—**	—	—	—
	Japanese Short-term Corporate Bonds	**—**	**—**	**—**	—	—	—
	Japanese Corporate Bonds	**—**	**—**	**—**	—	—	—
	Other	**11,267**	**11,171**	**(96)**	14,835	14,613	(222)
	Foreign Bonds	**—**	**—**	**—**	—	—	—
	Subtotal	**¥11,267**	**¥11,171**	**¥(96)**	¥14,835	¥14,613	¥(222)
	Total	**¥21,789**	**¥21,742**	**¥(47)**	¥31,752	¥31,614	¥(137)

(3) Marketable Securities Available for Sale

		Millions of Yen (Note 1)					
		March 31, 2011			March 31, 2010		
		Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
(a) Securities for which the fair value exceeds the amortized acquisition cost	Stocks	**¥ 75,793**	**¥ 53,913**	**¥ 21,880**	¥ 105,700	¥ 76,881	¥ 28,818
	Bonds:	**995,807**	**982,238**	**13,569**	1,088,100	1,073,468	14,631
	Japanese Government Bonds	**576,683**	**570,914**	**5,769**	601,132	594,423	6,708
	Japanese Local Government Bonds	**228,067**	**222,594**	**5,473**	230,225	225,308	4,917
	Japanese Short-term Corporate Bonds	**—**	**—**	**—**	—	—	—
	Japanese Corporate Bonds	**191,056**	**188,729**	**2,326**	256,742	253,736	3,006
	Other	**98,596**	**97,362**	**1,233**	152,390	150,166	2,223
	Foreign Bonds	**94,978**	**93,866**	**1,111**	150,805	148,666	2,139
	Subtotal	**¥1,170,197**	**¥1,133,514**	**¥ 36,683**	¥1,346,190	¥1,300,517	¥ 45,673
(a) Securities for which the fair value does not exceed the amortized acquisition cost	Stocks	**¥ 54,752**	**¥ 71,883**	**¥(17,130)**	¥ 36,940	¥ 52,395	¥(15,455)
	Bonds:	**459,321**	**465,551**	**(6,229)**	373,145	379,826	(6,680)
	Japanese Government Bonds	**290,229**	**295,293**	**(5,063)**	264,756	270,714	(5,958)
	Japanese Local Government Bonds	**95,182**	**95,845**	**(663)**	57,673	57,859	(185)
	Japanese Short-term Corporate Bonds	**—**	**—**	**—**	—	—	—
	Japanese Corporate Bonds	**73,909**	**74,412**	**(502)**	50,715	51,252	(536)
	Other	**220,719**	**236,013**	**(15,293)**	205,978	219,934	(13,956)
	Foreign Bonds	**173,338**	**176,450**	**(3,112)**	157,822	160,442	(2,620)
	Subtotal	**¥ 734,794**	**¥ 773,448**	**¥(38,654)**	¥ 616,064	¥ 652,156	¥(36,092)
	Total	**¥1,904,992**	**¥1,906,962**	**¥ (1,970)**	¥1,962,255	¥1,952,673	¥ 9,581

(4) Securities Held-to-Maturity Sold during the Fiscal Year

None.

(5) Securities Available for Sale Sold during the Fiscal Year

	Millions of Yen (Note 1)					
	March 31, 2011			March 31, 2010		
	Proceeds from Sales	Gain	Loss	Proceeds from Sales	Gain	Loss
Stocks	¥ 2,837	¥ 534	¥1,414	¥ 16,069	¥1,499	¥2,384
Bonds:	284,744	3,898	347	167,320	1,251	103
Japanese Government Bonds	222,795	2,982	347	116,674	1,141	98
Japanese Local Government Bonds	55,975	905	—	41,180	53	4
Japanese Short-term Corporate Bonds	—	—	—	—	—	—
Japanese Corporate Bonds	5,972	9	—	9,465	55	0
Other	70,251	862	383	24,119	1,414	898
Foreign Bonds	70,251	862	383	19,171	891	174
Total	¥357,833	¥5,294	¥2,145	¥207,508	¥4,165	¥3,386

(6) Securities for which the Holding Purpose has been Altered

None.

(7) Impairment Losses on Securities

"Marketable securities available for sale are subject to write-downs when the market value or reasonably estimated value of these securities (collectively, "fair value") has declined considerably and it is not probable that the value will recover to the acquisition cost. In such case, any differences between fair value and acquisition cost are recognized as losses for the period. For the current fiscal year and previous fiscal year, impairment losses were ¥3,974 million (Stocks; ¥3,906 million, Corporate bonds; ¥67 million) and ¥1,394 million (Stocks; ¥325 million Corporate bonds; ¥1,069 million) respectively.

"Considerable decline in fair value" is determined based on the classification of issuers in accordance with the internal standards for self-assessment of assets as follows:

Bankrupt, effective bankrupt and potentially bankrupt

Fair value is lower than acquisition cost.

Requiring caution

Fair value has declined by 30% or more from acquisition cost.

Normal

Fair value has declined by 50% or more from acquisition cost, or fair value has declined by more than 30% but less than 50% from acquisition cost and stayed below a certain level.

Bankrupt issuer means one who has entered into bankruptcy, special liquidation proceedings, corporate rehabilitation, civil rehabilitation or similar legal proceedings or whose notes have been dishonored and suspended from processing through clearing houses.

Effective bankrupt issuer means one who is not legally or formally bankrupt but regarded as substantially in a similar condition.

Potentially bankrupt issuer means one who is not legally bankrupt but deemed to have high possibility of becoming bankrupt.

Requiring caution issuer means one who is financially weak and under close monitoring conducted by the Bank.

Normal issuer means one who does not belong to the others.

34. Money Held in Trust

(1) Money Held in Trust for Trading Purposes

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Consolidated Balance Sheet Amount	¥25,355	¥25,351	$304,942
Unrealized Gains (Losses) Included in the Consolidated Statements of Income	661	195	7,961

(2) Money Held in Trust for Other Purposes

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Acquisition Cost	¥3,574	¥3,607	$42,983
Consolidated Balance Sheet Amount	3,573	3,607	42,981
Valuation Differences	(0)	(0)	(2)
Gains	—	—	—
Losses	(0)	(0)	(2)

35. Valuation Difference on Available-for-sale Securities

Valuation difference on available-for-sale securities as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Valuation Difference	¥(1,971)	¥9,581	$(23,704)
Securities Available for Sale	(1,970)	9,581	(23,703)
Other Money Held in Trust	(0)	(0)	(2)
Deferred Tax Liabilities (Assets)	(916)	3,707	(11,027)
Valuation Difference, Net of Taxes	¥(1,054)	¥5,873	$(12,678)
Amount Attributable to Minority Interests	112	175	1,347
Net Unrealized Gains on Securities Available for Sale Owned by Subsidiaries, which is Attributable to the Parent	50	55	608
Valuation Difference on Available-for-sale Securities	¥(1,115)	¥5,754	$(13,417)

36. Derivative Transactions

For the Fiscal Year ended March 31, 2011

(1) Derivative Transactions to which Hedge Accounting is not Applied

With respect to the derivative transactions, contract amount or notional principal, fair value, unrealized gains (losses) and fair value calculation by transaction type as of the consolidated balance sheet date are as follows. Contract amount or notional principal does not necessarily represent market risk of the derivative transaction.

(a) Interest rate derivatives

	Millions of Yen (Note 1)			
	March 31, 2011			
	Notional Principal or Contract Amount			
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)
Listed:				
Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Bought	—	—	—	—
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-counter:				
FRAs:				
Sold	—	—	—	—
Bought	—	—	—	—
Swaps:				
Receive Fixed / Pay Float	2,035,039	1,771,552	22,464	22,464
Receive Float / Pay Fixed	2,049,964	1,740,934	(22,558)	(22,558)
Receive Float / Pay Float	121,110	97,110	93	93
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Other:				
Sold	66,594	60,704	(63)	(63)
Bought	52,000	52,000	93	93
Total	¥ —	¥ —	¥ 30	¥ 30

1. The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statements of income.
2. The fair value of listed transactions is based on the final price issued by Tokyo Financial Exchange or other exchange. The fair value of OTC transactions is based on the discounted cash flow method or option pricing models.

(b) Currency derivatives

	Millions of Yen (Note 1)			
	March 31, 2011			
	Notional Principal or Contract Amount			
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)
Listed:				
Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Bought	—	—	—	—
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-counter:				
Currency Swaps	359,862	274,394	359	359
Forward Foreign Exchange:				
Sold	17,801	—	92	92
Bought	10,675	—	34	34
Currency Options:				
Sold	125,114	—	(11,280)	(1,443)
Bought	125,114	—	11,280	3,963
Other:				
Sold	2,835	1,898	265	265
Bought	2,835	1,898	(126)	(126)
Total	¥ —	¥ —	¥ 626	¥ 3,145

1. The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statements of income.
2. The fair value is based on the discounted cash flow method.

(c) Equity derivatives

	Millions of Yen (Note 1)			
	March 31, 2011			
	Notional Principal or Contract Amount			
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)
Listed:				
Futures:				
Sold	¥ —	¥—	¥—	¥ —
Bought	—	—	—	—
Options:				
Sold	9,928	—	(6)	39
Bought	123	—	1	(1)
Over-the-counter:				
Securities:				
Sold	—	—	—	—
Bought	—	—	—	—
Swaps:				
Receive Index Rate / Pay	—	—	—	—
Short-term Floating Rate	—	—	—	—
of Interest	—	—	—	—
Receive Short-term Float				
Rate of Interest / Pay	—	—	—	—
Fixed Index Rate	—	—	—	—
Other:				
Sold	—	—	—	—
Bought	—	—	—	—
Total	¥ —	¥—	¥(4)	¥38

(d) Bond derivatives

	Millions of Yen (Note 1)			
	March 31, 2011			
	Notional Principal or Contract Amount			
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)
Listed:				
Futures:				
Sold	¥2,358	¥—	¥(13)	¥(13)
Bought	—	—	—	—
Futures Options:				
Sold		—		
Bought	—	—	—	—
Over-the-counter:				
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Other:				
Sold	—	—	—	—
Bought	—	—	—	—
Total	¥ —	¥—	¥(13)	¥(13)

1. The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statements of income.
2. The fair value of listed transactions is based on the final price issued by Tokyo Financial Exchange or other exchange. The fair value of OTC transactions is based on the discounted cash flow method or option pricing models.

(e) Commodity derivatives

	Millions of Yen (Note 1)			
	March 31, 2011			
	Notional Principal or Contract Amount			
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)
Listed:				
Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Bought	—	—	—	—
Swaps:				
Receive Fixed / Pay Float	—	—	—	—
Receive Float / Pay Fixed	—	—	—	—
Over-the-counter:				
Commodity Forward:				
Sold	—	—	—	—
Bought	—	—	—	—
Swaps:				
Receive Fixed / Pay Float	286	286	(35)	(35)
Receive Float / Pay Fixed	286	286	68	68
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Total	¥ —	¥ —	¥ 33	¥ 33

1. The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statements of income.
2. The fair value of OTC transactions is based on the price of the underlying asset, terms of contract and other factors which structure the contract.
3. Fuels were underlying assets of the above derivative transactions.

(f) Credit derivatives

None.

(2) Derivative Transactions to which Hedge Accounting is Applied

With respect to the derivative transactions, contract amount or notional principal, fair value, unrealized gains (losses) and fair value calculation by hedge accounting as of the consolidated balance sheet date are as follows. Contract amount or notional principal does not necessarily represent market risk of the derivative transaction.

(a) Interest rate derivatives

Method of hedge accounting ; Principle method

	Millions of Yen (Note 1)			
	March 31, 2011			
	Hedged Item	Notional Principal or Contract Amount		Fair Value
		Total	Over 1 Year	
Interest Swap	Interest-bearing financial assets and liabilities including loans, available-for-sale debt securities, deposits and negotiable certificates of deposit			
Receive Fixed / Pay Float		¥ —	¥ —	¥ —
Receive Float / Pay Fixed		129,838	117,571	(3,098)
Receive Float / Pay Float		—	—	—
Other		8,000	8,000	(303)
Total		¥ —	¥ —	¥(3,402)

1. Deferred hedge is primarily applied to the above transactions under the "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24).
2. The fair value of the above transactions is based on the discounted cash flow method or option pricing models.

(b) Currency derivatives

Method of hedge accounting ; Principle method

	Millions of Yen (Note 1)			
	March 31, 2011			
	Hedged Item	Notional Principal or Contract Amount		Fair Value
		Total	Over 1 Year	
Currency Swap	Foreign currency denominated loans, securities, deposits and foreign exchanges	¥29,801	¥14,971	¥(129)
Total		¥ —	¥ —	¥(129)

1. Deferred hedge is primarily applied to the above transactions under the "Treatment for Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 25).
2. The fair value is based on the discounted cash flow method.

(c) Equity derivatives

None.

(d) Bond derivatives

None.

For the Fiscal Year ended March 31, 2010

(1) Derivative Transactions to which Hedge Accounting is not Applied

With respect to the derivative transactions, contract amount or notional principal, fair value, unrealized gains (losses) and fair value calculation by transaction type as of the consolidated balance sheet date are as follows. Contract amount or notional principal does not necessarily represent market risk of the derivative transaction.

(a) Interest rate derivatives

	Millions of Yen (Note 1)			
	March 31, 2010			
	Notional Principal or Contract Amount			
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)
Listed:				
Futures:				
Sold	¥ 4,981	¥ —	¥ 0	¥ 0
Bought	—	—	—	—
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-counter:				
FRAs:				
Sold	—	—	—	—
Bought	—	—	—	—
Swaps:				
Receive Fixed / Pay Float	1,753,355	1,455,231	18,481	18,481
Receive Float / Pay Fixed	1,726,327	1,447,392	(18,262)	(18,262)
Receive Float / Pay Float	117,570	91,570	18	18
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Other:				
Sold	127,051	113,996	(151)	(151)
Bought	14,000	11,000	87	87
Total	¥ —	¥ —	¥ 174	¥ 174

1. The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statements of income.
2. The fair value of listed transactions is based on the final price issued by Tokyo Financial Exchange or other exchange. The fair value of OTC transactions is based on the discounted cash flow method or option pricing models.

(b) Currency derivatives

	Millions of Yen (Note 1)			
	March 31, 2010			
	Notional Principal or Contract Amount			
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)
Listed:				
Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Bought	—	—	—	—
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-counter:				
Currency Swaps	480,135	356,788	544	544
Forward Foreign Exchange:				
Sold	20,960	—	(153)	(153)
Bought	18,702	—	283	283
Currency Options:				
Sold	177,751	—	(11,732)	1,199
Bought	180,723	—	11,742	2,010
Other:				
Sold	2,824	2,062	186	186
Bought	2,824	2,062	(51)	(51)
Total	¥ —	¥ —	¥ 819	¥4,019

1. The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statements of income.
2. The fair value is based on the discounted cash flow method or option pricing models.

(c) Equity derivatives

None.

(d) Bond derivatives

	Millions of Yen (Note 1)			
	March 31, 2010			
	Notional Principal or Contract Amount			
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)
Listed:				
Futures:				
Sold	¥4,571	¥—	¥ 10	¥10
Bought	4,147	—	(0)	(0)
Futures Options:				
Sold	7,000	—	(29)	(0)
Bought	—	—	—	—
Over-the-counter:				
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Other:				
Sold	—	—	—	—
Bought	—	—	—	—
Total	¥ —	¥—	¥(20)	¥ 9

1. The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statements of income.
2. The fair value of listed transactions is based on the final price issued by Tokyo Financial Exchange or other exchange. The fair value of OTC transactions is based on the discounted cash flow method or option pricing models.

(e) Commodity derivatives

	Millions of Yen (Note 1)			
	March 31, 2010			
	Notional Principal or Contract Amount			
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)
Listed:				
Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Bought	—	—	—	—
Swaps:				
Receive Fixed / Pay Float	—	—	—	—
Receive Float / Pay Fixed	—	—	—	—
Over-the-counter:				
Commodity Forward:				
Sold	243	243	(1)	(1)
Bought	243	243	29	29
Swaps:				
Receive Fixed / Pay Float				
Receive Float / Pay Fixed				
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Total	¥ —	¥ —	¥28	¥28

1. The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statements of income.
2. The fair value of OTC transactions is based on the price of the underlying asset, terms of contract and other factors which structure the contract.
3. Fuels were underlying assets of the above derivative transactions.

(f) Credit derivatives

None.

(2) Derivative Transactions to which Hedge Accounting is Applied

With respect to the derivative transactions, contract amount or notional principal, fair value, unrealized gains (losses) and fair value calculation by hedge accounting as of the consolidated balance sheet date are as follows. Contract amount or notional principal does not necessarily represent market risk of the derivative transaction.

(a) Interest rate derivatives

Method of hedge accounting; Principle method

	Millions of Yen (Note 1)			
	March 31, 2010			
	Hedged Item	Notional Principal or Contract Amount		Fair Value
		Total	Over 1 Year	
Interest Swap	Interest-bearing financial assets and liabilities including loans, available-for-sale debt securities, deposits and negotiable certificates of deposit			
Futures:				
Receive Fixed / Pay Float		¥ —	¥ —	¥ —
Receive Float / Pay Fixed		162,987	114,138	(4,699)
Receive Float / Pay Float		—	—	—
Other		8,000	8,000	(391)
Total		¥ —	¥ —	¥(5,091)

1. Deferred hedge is primarily applied to the above transactions under the "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24).
2. The fair value of the above transactions is based on the discounted cash flow method or option pricing models.

(b) Currency derivatives

Method of hedge accounting; Principle method

	Millions of Yen (Note 1)			
	March 31, 2010			
	Hedged Item	Notional Principal or Contract Amount		Fair Value
		Total	Over 1 Year	
Currency Swap	Foreign currency denominated loans, securities, deposits and foreign exchanges	¥23,906	¥10,880	¥(147)

1. Deferred hedge is primarily applied to the above transactions under the "Treatment for Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 25).
2. The fair value is based on the discounted cash flow method.

(c) Equity derivatives

None.

(d) Bond derivatives

None.

37. Per Share Data

Consolidated Net Assets per Share and Consolidated Net Income per Share for the fiscal years ended March 31, 2011 and 2010 and related information were as follows:

	Yen (Note 1)		U.S. Dollars (Note 1)
	2011	2010	**2011**
Net Assets per Share of Common Stock	**¥692.74**	¥662.90	**$8.33**
Net Income per Share of Common Stock	**45.65**	42.04	**0.55**
Diluted Net Income per Share of Common Stock	**45.64**	—	**0.55**

1. Basis on calculating Net Assets per Share for the fiscal years ended March 31, 2011 and 2010 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	**2011**
Consolidated Net Assets	**¥625,990**	¥605,598	**$7,528,454**
Less: Subscription Rights to Shares	**108**	—	**1,310**
Less: Minority Interest	**13,732**	13,135	**165,150**
Consolidated Net Assets Attributable to Common Stockholders	**612,149**	592,462	**7,361,994**

	Number of Shares	
	2011	2010
Number of Shares of Common Stock Used for Calculating Net Assets per Share	**883,661,185**	893,743,096

2. Basis on calculating Net Income per Share for the fiscal years ended March 31, 2011 and 2010 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	**2011**
Consolidated Net Income	**¥40,611**	¥37,579	**$488,413**
Consolidated Net Income not Attributable to Common Stockholders	**—**	—	**—**
Consolidated Net Income Attributable to Common Stockholders	**40,611**	37,579	**488,413**

	Number of Shares	
	2011	2010
Average Number of Shares of Common Stock (excluding Treasury Stock)	**889,536,436**	893,773,830

The increased number of shares of common stock for stock options is 233 thousand, which is used for calculating Diluted Net Income per Share.

38. Related Party Transactions

I. Related party transactions for the fiscal year ended March 31, 2011 were as follows:

1 Related party transactions

(1) Transactions between the Bank and related parties

Directors of the Bank or major shareholders (individuals only), etc.

Party classification	Name of company or individual	Address	Capital	Type of business	Percentage of voting rights held by the Bank	Relations with related party	Type of transaction	Amounts of the transactions	Account classification	Balance at the end of year
Company, a majority of whose voting rights are owned by the close members of directors' respective families	**Watanabereisyoku Co., Ltd.**	**Kamogawa-city, Chiba Pref.**	**¥10 million**	**Food Manufacturing**	**0.00**	**—**	**Lending**	**Average balance ¥429 million**	**Loan**	**¥425 million**

Terms of transactions and policies of determinating the terms; Similar to the general cases

(2) Transactions between subsidiaries of the Bank and related parties

None

2 Notes to a parent company or major affiliated companies

None

II. Related party transactions for the fiscal year ended March 31, 2010 were as follows:

1 Related party transactions

(1) Transactions between the Bank and related parties

Directors of the Bank or major shareholders (individuals only), etc.

Party classification	Name of company or individual	Address	Capital	Type of business	Percentage of voting rights held by the Bank	Relations with related party	Type of transaction	Amounts of the transactions	Account classification	Balance at the end of year
Company, a majority of whose voting rights are owned by the close members of directors' respective families	Watanabereisyoku Co., Ltd.	Kamogawa-city, Chiba Pref.	¥10 million	Food Manufacturing	0.00	—	Lending	Average balance ¥419 million	Loan	¥429 million

Terms of transactions and policies of determinating the terms; Similar to the general cases

(2) Transactions between subsidiaries of the Bank and related parties

None

2 Notes to a parent company or major affiliated companies

None

39. Cash Dividends Paid

I. Cash Dividends Paid for the fiscal year ended March 31, 2010 were as follows:

Resolution	Category of Shares	Total Amounts of Cash Dividends Paid	Cash Dividends per Share	Record Date	Date of Effectuation
		Millions of Yen (Note 1)	Yen (Note 1)		
Annual General Shareholders Meeting, at June 26, 2009	Common Stock	¥4,022	¥4.50	March 31, 2009	June 29, 2009
Board of Directors, at November 13, 2009	Common Stock	¥4,915	¥5.50	September 30, 2009	December 10, 2009

II. Cash Dividends Paid for the fiscal year ended March 31, 2011 were as follows:

Resolution	Category of Shares	Total Amounts of Cash Dividends Paid	Cash Dividends per Share	Record Date	Date of Effectuation
		Millions of Yen (Note 1)	Yen (Note 1)		
Annual General Shareholders Meeting, at June 29, 2010	Common Stock	¥4,915	¥5.50	March 31, 2010	June 30, 2010
Board of Directors, at November 12, 2010	Common Stock	¥4,915	¥5.50	September 30, 2010	December 10, 2010

III. Cash Dividends with the record date in the fiscal year ended March 31, 2011 and the effective date in the fiscal year ending March 31, 2012 were as follows:

Approval	Category of Shares	Total Amounts of Cash Dividends Paid	Cash Dividends per Share	Record Date	Date of Effectuation
		Millions of Yen (Note 1)	Yen (Note 1)		
Annual General Shareholders Meeting, at June 29, 2011	Common Stock	¥4,860	¥5.50	March 31, 2011	June 30, 2011

40. Stock Options

For the Fiscal Year ended March 31, 2010

None

For the Fiscal Year ended March 31, 2011

1 Line item where stock option expense is presented and the amount

	Millions of Yen (Note 1)	Thousands of U.S. Dollars (Note 1)
General and administrative expenses	¥108	$1,310

2 The Stock Option Activity

(1) Outline of the Stock Option

	The first subscription rights	
Number of Grantees	Directors	9
	Executive officers	9
Number of Stock Options	Common stock	311,100
Date of Grant		July 20, 2010
Requirement for Determination of Rights		Not fixed
Target Period		Not fixed
Exercise Period	From July 21, 2010 to July 20, 2040	

(2) Size and Situation of the Stock Option

(a) The number of the stock option

	Number of Shares
	The first subscription rights
Non-vested	
As of March 31, 2010	—
Granted	311,100
Forfeited	—
Vested	311,100
Outstanding	—
Vested	
As of March 31, 2010	—
Vested	311,100
Exercised	—
Forfeited	—
Outstanding	311,100

(b) Price Information

	Yen (Note 1)
	The first subscription rights
Exercise Price	1
Average Price at Exercise	—
Fair Value at Grant Date	467

3 The Estimations Used to Measure Fair Value of Stock Option

The estimations used to measure fair value of the first subscription rights to shares in fiscal year ended March 31, 2011 is as follows.

(1) Valuation Method

The Black-Scholes option pricing model

(2) Main Figures and the Way of Estimation

	The first subscription rights
Volatility of Stock Price (*1)	40.659%
Estimated Remaining Outstanding Period (*2)	5 years
Estimated Dividend (*3)	¥11 per share
Risk-Free Interest Rate (*4)	0.341%

*1. Volatility of Stock Price is calculated based on the actual stock prices of Estimated Remaining Outstanding Period.

*2. Estimated Remaining Outstanding Period is estimated based on the average administration period of the directors from the past decade.

*3. Estimated Dividend is based on the actual results of the fiscal year 2009.

*4. Risk-Free Interest Rate is based on bonds' yields of the Estimated Remaining Outstanding Period.

4 Estimated number of stock options to be vested

The actual number of forfeited stock options alone is reflected because the number of stock options that will be forfeited in the future cannot be readily estimated.

41. Subsequent Events

1 The Bank and Chibagin Securities Co., Ltd. ("Chibagin Securities"), one of the Bank's consolidated subsidiaries, resolved at their Board of Directors meeting held on April 28, 2011, to implement a share exchange in order to convert Chibagin Securities into a wholly-owned subsidiary of the Bank. A share exchange agreement was executed between the Bank and Chibagin Securities on April 28, 2011.

(Summary of the share exchange)

0.50 shares of the Bank's common stock will be delivered by allotment for each share of common stock of Chibagin Securities. The Bank will utilize its treasury stock instead of issuing.

Pursuant to the short-form share exchange procedures provided in Paragraph 3, Article 796 of the Companies Act of Japan, the Bank will implement the share exchange without the approval of a general shareholders' meeting. Also, Chibagin Securities will implement the share exchange, which will become effective as of October 1, 2011 upon obtaining approval by the ordinary general shareholders' meeting of Chibagin Securities scheduled for June 29, 2011.

2 At the Board of Directors meeting held on April 28, 2011, the Bank resolved to repurchase its own shares under Article 156, as applied pursuant to Paragraph 3, Article 165, of the Companies Act, to ensure capital management policies to be flexibly executed in response to changes in the business environment.

(Type of shares to be repurchased)

Common stock

(Total number of shares to be repurchased)

Up to 12 million shares

(Total cost of repurchases)

Up to ¥6.0 billion

(Period of repurchases)

From May 2, 2011 to June 17, 2011

The Chiba Bank has completed the repurchases on June 17, 2011 and the results of the repurchases is as follows.

(Type of repurchased shares)

Common stock

(Total number of repurchased shares)

12 million shares

(Total cost of repurchases)

¥5,821 million

Ernst & Young ShinNihon LLC

Report of Independent Auditors

The Board of Directors
The Chiba Bank, Ltd.

We have audited the accompanying consolidated balance sheets of The Chiba Bank, Ltd. and consolidated subsidiaries as of March 31, 2011 and 2010, and the related consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Chiba Bank, Ltd. and consolidated subsidiaries at March 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2011 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1.

Ernst & Young ShinNihon LLC

June 24, 2011

Non-Consolidated Balance Sheets (Unaudited)

The Chiba Bank, Ltd.
As of March 31, 2011 and 2010

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	**2011**
Assets			
Cash and Due from Banks	**¥ 569,198**	¥ 369,978	**$ 6,845,448**
Call Loans	**50,000**	65,000	**601,323**
Receivables under Resale Agreements	**9,996**	—	**120,227**
Receivables under Securities Borrowing Transactions	**—**	6,270	**—**
Monetary Claims Bought	**28,459**	37,967	**342,271**
Trading Assets	**284,217**	310,106	**3,418,127**
Money Held in Trust	**25,729**	26,059	**309,440**
Securities	**1,920,351**	1,977,634	**23,095,032**
Loans and Bills Discounted	**7,371,452**	7,158,314	**88,652,465**
Foreign Exchanges	**3,034**	2,811	**36,491**
Other Assets	**57,553**	81,015	**692,167**
Tangible Fixed Assets	**91,028**	88,779	**1,094,752**
Intangible Fixed Assets	**9,586**	8,916	**115,293**
Deferred Tax Assets	**42,049**	45,838	**505,712**
Customers' Liabilities for Acceptances and Guarantees	**75,415**	62,004	**906,981**
Allowance for Loan Losses	**(47,493)**	(46,676)	**(571,176)**
Total Assets	**¥10,490,582**	¥10,194,020	**$126,164,552**
Liabilities			
Deposits	**¥ 9,309,982**	¥ 8,996,488	**$111,966,121**
Call Money	**23,797**	41,062	**286,202**
Payables under Repurchase Agreements	**14,998**	146,580	**180,374**
Payables under Securities Lending Transactions	**50,776**	110,905	**610,658**
Trading Liabilities	**26,668**	22,591	**320,730**
Borrowed Money	**255,810**	105,100	**3,076,488**
Foreign Exchanges	**480**	214	**5,777**
Bonds Payable	**40,000**	40,000	**481,058**
Other Liabilities	**67,797**	60,350	**815,368**
Provision for Directors' Bonuses	**—**	50	**—**
Provision for Retirement Benefits	**18,747**	18,820	**225,463**
Provision for Directors' Retirement Benefits	**—**	1,009	**—**
Provision for Reimbursement of Deposits	**950**	957	**11,426**
Provision for Point Loyalty Programs	**808**	857	**9,726**
Deferred Tax Liabilities for Land Revaluation	**15,158**	15,245	**182,300**
Acceptances and Guarantees	**75,415**	62,004	**906,981**
Total Liabilities	**¥ 9,901,391**	¥ 9,622,237	**$119,078,673**
Net Assets			
Capital Stock	**¥ 145,069**	¥ 145,069	**$ 1,744,668**
Capital Surplus	**122,134**	122,134	**1,468,841**
Retained Earnings	**323,197**	294,792	**3,886,923**
Legal Retained Earnings	**50,930**	50,930	**612,510**
Other Retained Earnings	**272,267**	243,862	**3,274,413**
Treasury Stock	**(6,358)**	(1,257)	**(76,465)**
Total Shareholders' Equity	**584,042**	560,738	**7,023,967**
Valuation Difference on Available-for-sale Securities	**(1,250)**	5,520	**(15,040)**
Deferred Gains or Losses on Hedges	**(1,259)**	(2,139)	**(15,144)**
Revaluation Reserve for Land	**7,548**	7,662	**90,785**
Total Valuation and Translation Adjustments	**5,039**	11,043	**60,602**
Subscription Rights to Shares	**108**	—	**1,310**
Total Net Assets	**¥ 589,190**	¥ 571,782	**$ 7,085,879**
Total Liabilities and Net Assets	**¥10,490,582**	¥10,194,020	**$126,164,552**

Non-Consolidated Statements of Income (Unaudited)

The Chiba Bank, Ltd.
For the years ended March 31, 2011 and 2010

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2011	2010	**2011**
Income			
Interest Income:			
Interest on Loans and Discounts	**¥129,944**	¥138,332	**$1,562,766**
Interest and Dividends on Securities	**20,864**	22,430	**250,929**
Other Interest Income	**817**	970	**9,837**
Trust Fees	**2**	1	**36**
Fees and Commissions	**31,717**	31,371	**381,450**
Trading Income	**1,144**	3,053	**13,767**
Other Ordinary Income	**7,109**	5,000	**85,504**
Other Income	**11,178**	12,539	**134,441**
Total Income	**¥202,780**	¥213,701	**$2,438,730**
Expenses			
Interest Expenses:			
Interest on Deposits	**¥ 8,488**	¥ 13,166	**$ 102,085**
Interest on Borrowings and Rediscounts	**1,128**	1,364	**13,574**
Other Interest Expenses	**4,350**	3,936	**52,325**
Fees and Commissions Payments	**17,603**	17,237	**211,710**
Other Ordinary Expenses	**799**	3,315	**9,609**
General and Administrative Expenses	**82,844**	82,918	**996,320**
Other Expenses	**23,380**	31,818	**281,184**
Total Expenses	**¥138,595**	¥153,757	**$1,666,808**
Income before Income Taxes	**64,185**	59,944	**771,923**
Income Taxes—Current	**18,417**	13,120	**221,493**
Income Taxes—Deferred	**7,642**	10,603	**91,912**
Net Income	**¥ 38,125**	¥ 36,220	**$ 458,517**

Supplementary Information (Unaudited)

The Chiba Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2011 and 2010

Capital Ratio (BIS Guidelines) (Consolidated)

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Tier I:			
Common Stock	¥ 145,069	¥ 145,069	$ 1,744,668
Capital Surplus	123,380	123,383	1,483,827
Retained Earnings	344,884	313,990	4,147,739
Treasury Stock	(6,358)	(1,257)	(76,465)
Expected Outflow from Net Assets	(5,578)	(5,524)	(67,093)
Stock Option	108	—	1,310
Minority Interests in Consolidated Subsidiaries	13,620	12,960	163,803
Net Unrealized Losses on Available-for-sale Securities	(3,677)	—	(44,221)
Amount Equivalent to Capital Increase due to Securitization Transaction	(78)	(82)	(947)
50% of Expected Loss Exceeding Eligible Provisions	(11,944)	(6,592)	(143,654)
Total Tier I Capital	¥ 599,425	¥ 581,946	$ 7,208,967
Tier II:			
45% of Unrealized Gains on Available-for-sale Securities	¥ —	¥ 678	$ —
45% of Land Revaluation Excess	10,218	10,308	122,888
General Allowance for Loan Losses	889	977	10,696
Qualifying Subordinated Debt	73,000	73,000	877,931
Total Tier II Capital	¥ 84,107	¥ 84,963	$ 1,011,516
Deductions from Capital	¥ 18,249	¥ 13,071	$ 219,475
Total Capital	¥ 665,283	¥ 653,838	$ 8,001,008
Risk-Weighted Assets, etc.:			
Credit Risk	¥4,566,319	¥4,683,927	$54,916,648
On-Balance-Sheet Items	4,280,488	4,435,969	51,479,114
Off-Balance-Sheet Items, etc.	285,830	247,957	3,437,534
Asset Equivalent of Market Risk	85,667	94,328	1,030,274
Asset Equivalent of Operational Risk	320,509	327,914	3,854,594
Total Risk-Weighted Assets	¥4,972,496	¥5,106,170	$59,801,516
Capital Ratio (BIS guidelines)	13.37%	12.80%	13.37%

Japanese yen amounts are presented in millions of yen by rounding down figures below one million. As a result, the totals in Japanese yen in the non-consolidated financial statements and supplementary information do not necessarily agree with the sums of individual amounts.

U.S. dollar amounts are shown solely for the convenience of the readers of this Annual Report and are translated at the rate of ¥83.15 to $1.00, the exchange rate prevailing at March 31, 2011.

The following approaches were adopted to calculate the capital ratio.

Credit Risk: Internal Ratings-Based Approach (using internal ratings for risk measurement)

Operational Risk: Standardized Approach (Gross Profits of every business line multiplied by the predetermined rate)

Loans and Bills Discounted, Borrower Classification by Industry (Consolidated)

	Millions of Yen	
	March 31, 2011	
	Balance	Composition
Domestic operations:		
Manufacturing	¥ 700,812	9.61%
Agriculture and Forestry	7,986	0.11%
Fisheries	909	0.01%
Mining, Quarrying and Gravel	15,913	0.22%
Construction	296,303	4.06%
Electricity, Gas, Heat Supply and Water	18,947	0.26%
Information and Communications	44,128	0.61%
Transportation and Postal Service	215,982	2.96%
Wholesale and Retail Trade	693,095	9.50%
Finance and Insurance	329,020	4.51%
Real Estate and Leasing	1,644,830	22.54%
Medical, Welfare and Other Services	456,606	6.26%
Government and Local Public Sector	202,268	2.77%
Others (Mainly Consumer Loans)	2,669,050	36.58%
Total	¥7,295,852	100.00%
Overseas Operations and JOM Account	¥ 50,291	—

	Millions of Yen	
	March 31, 2010	
	Balance	Composition
Domestic operations:		
Manufacturing	¥ 701,816	9.90%
Agriculture and Forestry	7,960	0.11%
Fisheries	1,260	0.02%
Mining, Quarrying and Gravel	15,435	0.22%
Construction	314,216	4.43%
Electricity, Gas, Heat Supply and Water	20,290	0.29%
Information and Communications	39,881	0.56%
Transportation and Postal Service	206,213	2.91%
Wholesale and Retail Trade	656,386	9.26%
Finance and Insurance	323,826	4.57%
Real Estate and Leasing	1,582,854	22.33%
Medical, Welfare and Other Services	446,893	6.31%
Government and Local Public Sector	191,381	2.70%
Others (Mainly Consumer Loans)	2,579,523	36.39%
Total	¥7,087,938	100.00%
Overseas Operations and JOM Account	¥ 42,447	—

Corporate Governance

The Chiba Bank's fundamental approach to corporate governance is to base all of the Bank's activities on the Chiba Bank Code of Ethics, which includes earning the absolute trust of the public, strict compliance with laws and regulations, opposition to anti-social organizations, transparent management, and other items. We are currently implementing the "Frontier 70" medium-term management plan, which covers the three-year period up to the fiscal year ending March 31, 2014. To earn the trust of our customers, upgrading management activities is a central theme of the plan. This includes conducting a rigorous compliance program, strengthening management systems for protecting customers, and other actions. We position the reinforcement and enhancement of corporate governance as one of our highest management priorities in order to accomplish these goals. Based on this stance, the Chiba Bank has the following framework for corporate governance.

Board of Directors

The Board of Directors consists of nine directors. The directors make decisions about management policies and other important matters and supervise the execution of business by the directors and executive officers.

Corporate Auditors

The Chiba Bank has adopted a corporate auditor system. Five corporate auditors, including three highly independent outside corporate auditors (two of whom are standing corporate auditors), attend meetings of the Board of Directors and other important meetings and monitor the execution of business by the directors.

Executive Officer System

The Bank employs an executive officer system in which executive officers appointed by the Board of Directors are responsible for business operations in the departments under their supervision.

Internal Auditing

The Audit and Inspection Division, which is independent of the units subject to auditing, conducts internal audits of the head office, branches and subsidiaries in accordance with the Internal Audit Plan established each year by the Board of Directors. Audit results and any observations are reported quarterly to the Board of Directors, and problem areas from the perspective of compliance and risk management and improvement measures are examined by the Internal Auditing Committee.

Group Management Systems

The Bank maintains a system under which subsidiaries decide their own regulations, in line with the Bank's Compliance Regulations and various risk management regulations, and the Bank's administrative departments control subsidiary compliance and risk management. The Bank's internal audit units conduct internal audits of subsidiaries and assure proper operations throughout the Chiba Bank Group.

Basic Policy on Establishing Internal Control Systems

The Bank introduced a basic policy for the establishment of systems to ensure the appropriateness of operations (Internal Control Systems) through the Board of Directors. In accordance with this policy, the Bank is working to establish a high-quality management structure.

Organization

The Chiba Bank, Ltd.
As of June 29, 2011

- General Meeting of Shareholders
  - Board of Directors
    - Audit and Inspection Division
    - Board of Designated Directors
      - Business Promotion Unit
        - Business Planning Division
        - Branch Support Division
        - Corporate Business Division
        - Regional Business Division
        - Asset Management Support Division
        - Treasury Division
        - Treasury Operation Division
        - Operation Planning Division
        - EDP System Division
        - Business Operation Division
        - Operation Division
      - Credit Unit
        - Credit Division
        - Business Support Division
        - Credit Supervisory Division
      - Corporate Planning and Administration Unit
        - Corporate Social Responsibility Promotion Office
        - Corporate Planning Division
        - Corporate Administration Division
        - Risk Management Division
        - Compliance Division
        - General Secretariat
  - Corporate Auditors / Board of Corporate Auditors
    - Staff

Directors, Executive Officers and Corporate Auditors

The Chiba Bank, Ltd.
As of June 29, 2011

Directors

President (Representing Director)

Hidetoshi Sakuma

Director and Senior Executive Officer (Representing Director)

Katsuhiko Watanabe

Head of Business Promotion Unit
Executive Officer in charge of Branch Support Division and Asset Management Support Division

Director and Senior Executive Officer (Representing Director)

Tadashi Ito

Head of Corporate Planning and Administration Unit
General Manager, Corporate Social Responsibility Promotion Office
Executive Officer in charge of Corporate Social Responsibility Promotion Office, Corporate Administration Division and General Secretariat

Director and Senior Executive Officer

Masahisa Shiizu

Head of Credit Unit
Executive Officer in charge of Credit Division, Business Support Division and Credit Supervisory Division

Director and Managing Executive Officer

Katsumi Ichihara

Executive Officer in charge of Risk Management Division and Compliance Division

Director and Managing Executive Officer

Tetsuya Koike

Executive Officer in charge of Business Planning Division, Corporate Business Division and Regional Business Division

Director and Managing Executive Officer

Kyoichi Hanashima

Executive Officer in charge of Treasury Division and Treasury Operation Division

Director and Managing Executive Officer

Masao Morimoto

Executive Officer in charge of Operation Planning Division, EDP System Division, Business Operation Division and Operation Division

Director and Managing Executive Officer

Toshikazu Okubo

Executive Officer in charge of Corporate Planning Division

Executive Officers

Managing Executive Officer

Kazuyasu Kurihara

General Manager, Head Office

Managing Executive Officer

Takayuki Miyazawa

General Manager, Funabashi Branch

Executive Officer

Osamu Kimura

General Manager, Branch Support Division

Executive Officer

Takeshi Kubo

General Manager, Corporate Administration Division

Executive Officer

Hiroshi Yoshino

General Manager, Narita Branch

Executive Officer

Toru Nomura

General Manager, Audit and Inspection Division

Executive Officer

Junichi Kaneko

General Manager, Risk Management Division

Executive Officer

Yoshinori Takeuchi

General Manager, Chuo Branch

Executive Officer

Shoichi Hatano

General Manager, Tokyo Head Office

Corporate Auditors

Standing Corporate Auditor

Tetsuhiro Kashima

Standing Corporate Auditor

Yukio Saruhashi

Standing Corporate Auditor

Junichiro Seo

Corporate Auditor

Jiro Sakan

Corporate Auditor

Akio Shirato

Subsidiaries

The Chiba Bank, Ltd.
As of July 1, 2011

Sobu Co., Ltd.
1-7-12, Hanazono, Hanamigawa-ku,
Chiba-shi, Chiba 262-0025
Principal Business: Rental and maintenance of the Chiba Bank's office buildings and welfare facilities; purchase and sale of supplies and consumer goods
Established: September 7,1959
Capital: ¥20 million
Equity Ownership: Chiba Bank 100%

Chibagin Accounting Service Co., Ltd.
8-4, Chiba-minato, Chuo-ku,
Chiba-shi, Chiba 260-0026
Principal Business: Accounting, general administration and temporary staff services
Established: December 22,1989
Capital: ¥20 million
Equity Ownership: Chiba Bank 100%

Chiba Servicer Co., Ltd.
39-10, Sakae-cho, Chuo-ku,
Chiba-shi, Chiba 260-0016
Principal Business: Management and collection of claims
Established: October 1, 2001
Capital: ¥500 million
Equity Ownership: Chiba Bank 100%

Chibagin Heartful Co., Ltd.
4-1-10, Masago, Mihama-ku,
Chiba-shi, Chiba 260-0011
Principal Business: Outsourcing of operational business
Established: December 1, 2006
Capital: ¥10 million
Equity Ownership: Chiba Bank 100%

Chibagin Guarantee Co., Ltd.
3-17-5, Inage-higashi, Inage-ku,
Chiba-shi, Chiba 263-0031
Principal Business: Housing-loan guarantees and fee collection services
Established: May 1,1978
Capital: ¥54 million
Equity Ownership: Chiba Bank 45.63%
its subsidiaries 42.87%

Chibagin JCB Card Co., Ltd.
1-14-11, Fujimi, Chuo-ku,
Chiba-shi, Chiba 260-0015
Principal Business: Credit card and credit guarantee business
Established: November 1,1982
Capital: ¥50 million
Equity Ownership: Chiba Bank 49%
its subsidiaries 21%

Chibagin DC Card Co., Ltd.
1-14-11, Fujimi, Chuo-ku,
Chiba-shi, Chiba 260-0015
Principal Business: Credit card and credit guarantee business
Established: February 16,1989
Capital: ¥50 million
Equity Ownership: Chiba Bank 40%
its subsidiaries 55%

Chibagin Leasing Co., Ltd.
2-1-22, Hanazono, Hanamigawa-ku,
Chiba-shi, Chiba 262-0025
Principal Business: Leasing
Established: December 15,1986
Capital: ¥100 million
Equity Ownership: Chiba Bank 49%
its subsidiaries 51%

Chibagin Securities Co., Ltd.
2-5-1, Chuo, Chuo-ku,
Chiba-shi, Chiba 260-0013
Principal Business: Securities business
Established: March 27,1944
Capital: ¥4,374 million
Equity Ownership: Chiba Bank 41.43%
its subsidiaries 7.36%

Chibagin Computer Service Co., Ltd.
6-12, Oyuminochuo, Midori-ku,
Chiba-shi, Chiba 266-0032
Principal Business: Computer systems development and commissioned computation tasks
Established: April 1,1980
Capital: ¥150 million
Equity Ownership: Chiba Bank 46%
its subsidiaries 20%

Chibagin Capital Co., Ltd.
8-4, Chiba-minato, Chuo-ku,
Chiba-shi, Chiba 260-0026
Principal Business: Consulting services, IPO's etc.
Established: May 29,1984
Capital: ¥100 million
Equity Ownership: Chiba Bank 30%
its subsidiaries 30%

Chibagin Asset Management Co., Ltd.
2-13-7, Kotobashi,
Sumida-ku, Tokyo 130-0022
Principal Business: Consulting for portfolio investments of client financial assets
Established: March 31,1986
Capital: ¥200 million
Equity Ownership: Chiba Bank 35%
its subsidiaries 45%

Chibagin Research Institute, Ltd.
2-3-12, Konakadai, Inage-ku,
Chiba-shi, Chiba 263-0043
Principal Business: Information services and surveys, and consulting
Established: February 28,1990
Capital: ¥150 million
Equity Ownership: Chiba Bank 5%
its subsidiaries 70%

International Directory

The Chiba Bank, Ltd.
As of June 29, 2011

Head Office
1-2, Chiba-minato, Chuo-ku,
Chiba-shi, Chiba 260-8720, Japan
Telephone: 81-43-245-1111
http://www.chibabank.co.jp/

Treasury Operation Division
2-2-1, Nihombashi Muromachi
Chuo-ku, Tokyo 103-0022, Japan
Telephone: 81-3-3270-8459
Fax: 81-3-3242-1735
81-3-3271-1029
SWIFT Address: CHBA JPJT

Treasury Division
2-2-1, Nihombashi Muromachi
Chuo-ku, Tokyo 103-0022, Japan
Telephone: 81-3-3231-1285
Fax: 81-3-3242-1736
SWIFT Address: CHBA JPJT

New York Branch
1133 Avenue of the Americas,
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New York, N.Y. 10036, U.S.A.
Telephone: 1-212-354-7777
Fax: 1-212-354-8575
Telex: 251829 CHIBA NYK

Hong Kong Branch
Unit 2510, One Pacific Place,
88 Queensway, Hong Kong
Telephone: 852-2840-1222
Fax: 852-2840-0507
SWIFT Address: CHBAHKHH

London Branch
3rd Floor, Regina House,
1 Queen Street, London EC4N 1SW,
The United Kingdom
Telephone: 44-20-7315-3111
Fax: 44-20-7236-2205
SWIFT Address: CHBAGB2L

Shanghai Representative Office
Room 707, Shanghai International
Trade Center,
2201 Yan-An Road (West), Shanghai,
P.R.C. 200336
Telephone: 86-21-62780482
Fax: 86-21-62780422

Singapore Representative Office
50 Raffles Place, #10-06 Singapore
Land Tower, Singapore 048623
Telephone: 65-6438-4525
Fax: 65-6438-6890

Corporate Data

The Chiba Bank, Ltd.
As of March 31, 2011

Principal Shareholders

The ten largest shareholders of the Chiba Bank and their respective shareholdings as of March 31, 2011 were as follows:

	Number of shares (in thousands)*1	Percentage of total shares issued*2 (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	68,110	7.60
The Master Trust Bank of Japan, Ltd. (Trust Account)	47,967	5.35
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	35,326	3.94
NIPPONKOA Insurance Company, Limited	29,905	3.33
Nippon Life Insurance Company	29,177	3.25
The Dai-ichi Life Insurance Company, Limited	25,678	2.86
SUMITOMO LIFE INSURANCE COMPANY	17,842	1.99
Meiji Yasuda Life Insurance Company	15,579	1.73
Chiba Bank Employees' Shareholding Association	11,943	1.33
Japan Trustee Services Bank, Ltd. (Trust Account 4)	10,351	1.15

Except for the list above, there are 11,859 thousand (1.32%) of own shares. (Excludes one thousand shares which, although registered in the name of the Chiba Bank on the shareholders' list, are not actually owned by the Chiba Bank.)
*1 Rounded down to the nearest thousand
*2 Rounded to two decimal places

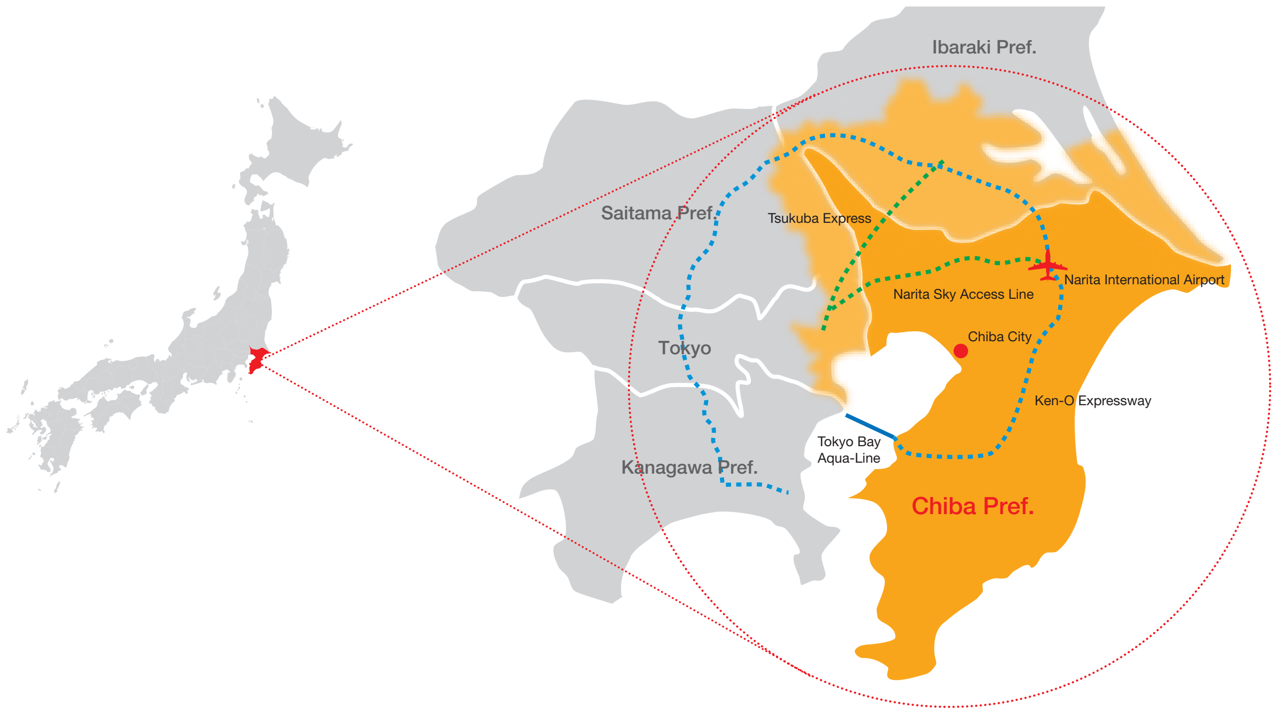
Corporate Information

Established		March 1943
Network	Domestic	172 Offices (152 branches, 18 sub-branches and 2 virtual branches) 33,885 Off-branch ATM locations (including 11,002 E-net ATM locations at convenience stores, 8,585 LAWSON ATM locations at convenience stores and 14,036 ATM locations jointly with Seven Bank, Ltd.) 3 Money exchange counters
	Overseas	3 Branches (New York/Hong Kong/London) 2 Representative office (Shanghai/Singapore)
Number of Employees*1		4,296
Total Assets		¥10,490.5 billion
Loans and Bills Discounted		¥7,371.4 billion
Deposits (including NCD)		¥9,309.9 billion
Common Stock		¥145.0 billion
Capital Ratio (BIS guidelines)		13.37% (Consolidated) 12.76% (Non-consolidated)
Authorized Number of Shares		2,500,000 thousand
Number of Issued Shares		895,521 thousand
Number of Stockholders*2		27,762
Ticker Code		8331
Transfer Agent		Japan Securities Agents, Ltd. 1-2-4, Nihombashi Kayabacho Chuo-ku, Tokyo 103-8202

		Long-term	Short-term
Credit Ratings (As of July 1, 2011)	Standard & Poor's	A	A-1
	Moody's	A1	P-1
	Rating and Investment Information, Inc.	AA-	—

Figures as shown are presented on a non-consolidated basis.
*1 Number of Employees includes transferred employees but excludes temporary staff and one-year contract employees.
*2 Shareholders with fewer than 1,000 shares are excluded.

About "Wider Chiba"—Our Operating Area



Chiba Prefecture, where the Chiba Bank is based, is a vibrant market with a population of 6.2 million. The prefecture is home to Narita International Airport, which ranks first in Japan in the value of imports and exports. The harbors in the cities of Chiba and Kisarazu provide gateways to the sea. Major industries are diverse, extending from manufacturing to fishing, agriculture, tourism, and other activities. This breadth gives the prefecture a well-balanced economic base. The population of Chiba continues to increase; the growth rate was 2.7% between 2005 and 2010.

We define the Chiba Bank's operating area as "Wider Chiba": Chiba Prefecture and the neighboring areas of eastern Tokyo and Saitama and southern Ibaraki Prefecture. "Wider Chiba" has a population of 12 million, with more population growth expected along with development projects near new rail lines, highways, and other infrastructure projects.

Population	**6.21** million	**6th** among Japanese Prefectures
New Housing Starts	**42** thousand units	**6th** among Japanese Prefectures
Prefectural Income	¥ **18** trillion	**6th** among Japanese Prefectures
Balance of Deposits	¥ **23.5** trillion	**6th** among Japanese Prefectures
Balance of Loans	¥ **11.9** trillion	**7th** among Japanese Prefectures

Sources: Population: Natural Census (October 2010)
New Housing Starts: Ministry of Land, Infrastructure, Transport and Tourism (2010)
Prefectural Income: Economic and Social Research Institute, Cabinet Office (FY 2008)
Balance of Deposits and Loans: The Bank of Japan (As of March 2011)

Population		
1	Tokyo	13.16
2	Kanagawa	9.04
3	Osaka	8.86
6	**Chiba**	**6.21**
		(Million)

New Housing Starts		
1	Tokyo	123
2	Kanagawa	71
3	Aichi	57
6	**Chiba**	**42**
		(Thousand units)

Prefectural Income		
1	Tokyo	53
2	Kanagawa	28
3	Osaka	26
6	**Chiba**	**18**
		(¥ Trillion)

Major Operating Indicators

As of March 31, 2011

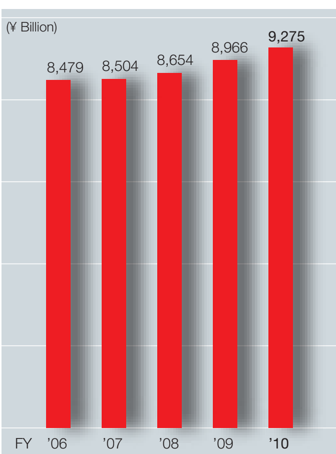
Deposits:*1	¥ 9.1 trillion	2nd among Regional Banks
Loan Outstanding:*2	¥ 7.3 trillion	2nd among Regional Banks
Net Income:	¥ 40.6 billion	2nd among Regional Banks
Capital Ratio:	13.37%	

Credit Ratings:			
	Standard & Poor's	L: A	S: A-1
	Moody's	L: A1	S: P-1
	Rating and Investment Information, Inc.	L: AA-	S: —

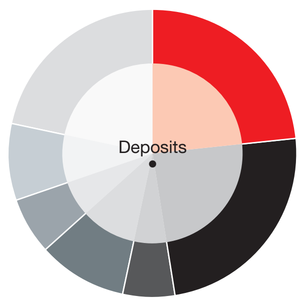
*1 Non-consolidated, excluding NCD
*2 Non-consolidated

L: Long-term S: Short-term

Deposits
(Consolidated)

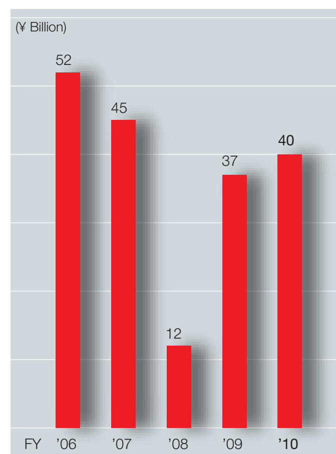


Business Share of Banks Operating in Chiba Pref.
(As of March 31, 2010)

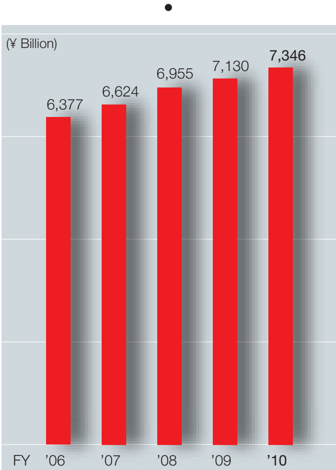


- 23.6% Chiba Bank
- 24.0% City Banks
- 6.0% Regional Banks (ex. the Chiba Bank)
- 9.8% Second-Tier Regional Banks
- 6.4% Shinkin Banks
- 8.8% JA Banks, others
- 21.4% Japan Post Bank

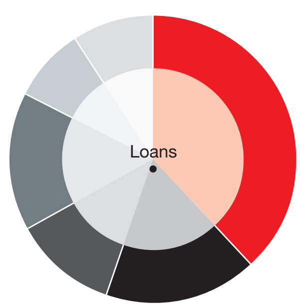
Net Income
(Consolidated)



Loans and Bills Discounted
(Consolidated)

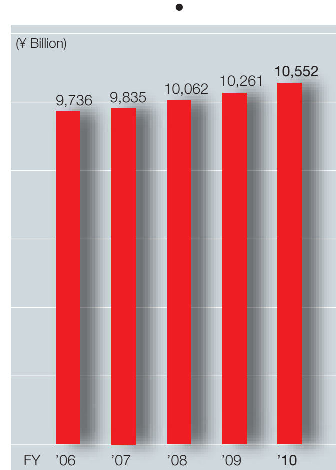


Business Share of Banks Operating in Chiba Pref.
(As of March 31, 2010)



- 38.3% Chiba Bank
- 17.2% City Banks
- 11.6% Regional Banks (ex. the Chiba Bank)
- 15.4% Second-Tier Regional Banks
- 8.5% Shinkin Banks
- 9.0% JA Banks, others

Total Assets
(Consolidated)



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VEGETABLE OIL INK