



CHIBA BANK



10th



20th



30th



40th



50th



60th



70th
Anniversary

Annual Report | 2013

Year ended March 31, 2013

The Chiba Bank

As a regional bank with its main operating base in Chiba Prefecture, the Chiba Bank has achieved growth in step with growth in its region by actively responding to financial needs generated by the development of Chiba Prefecture.

With deposits of ¥9,969.8 billion and loans outstanding of ¥7,912.1 billion, it is Japan's second-largest regional bank.

The Chiba Bank has also maintained a high standard of soundness, as indicated by a consolidated total capital ratio of 14.05% and a non-consolidated ratio of 13.21%.



Deposits
(Non-consolidated)
Including NCD **¥9.9 trillion**
2nd among Japanese Regional Banks

Loans
(Non-consolidated) **¥7.9 trillion**
2nd among Japanese Regional Banks

Net Income
(Non-consolidated) **¥41.2 billion**
2nd among Japanese Regional Banks

Total Capital Ratio
(Consolidated) **14.05%**

Total Capital Ratio
(Non-consolidated) **13.21%**

Credit Ratings		
	Long-term	Short-term
Standard & Poor's	A	A-1
Moody's	A1	P-1
Rating and Investment Information	AA-	—

As of March 2013



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Together
with
Our Region



Chiba Prefecture

Located close to Tokyo, Chiba Prefecture has excellent potential for future growth and development.

In addition to its geographical advantages and warm climate, it also boasts one of the highest prefectural populations in Japan, a balanced industrial structure, and a highly developed transportation infrastructure.

Sources:

Population and Number of Households: Natural Census (October 2010)

Gross Prefectural Product: Economic and Social Research Institute, Cabinet Office (FY 2010)

Balance of Deposits and Loans: The Bank of Japan (As of March 2013)

Population

6.2 million

6th among Japanese Prefectures

Number of Households

2.5 million

6th among Japanese Prefectures

Gross Prefectural Product

¥19.0 trillion

6th among Japanese Prefectures

Balance of Deposits

¥24.8 trillion

6th among Japanese Prefectures

Balance of Loans

¥12.3 trillion

7th among Japanese Prefectures



***The Chiba Bank,
continuous growth
with the area***

Hidetoshi Sakuma

Hidetoshi Sakuma, President



On March 31, 2013, the Chiba Bank celebrated the 70th anniversary of its founding.

We shall implement a “customer first policy,” and aim to be a first-rate retail bank with boundless creativity that meets the expectations of all customers.

Q.1

You recently celebrated the 70th anniversary of the founding of the Chiba Bank.

The Chiba Bank was established 70 years ago on March 31, 1943 through the merger of the three banks. Since the oldest of these predecessor banks was founded in 1878, we have a history of 135 years.

Our continual growth and development through this long history is entirely attributable to the continuing support and patronage of our customers, shareholders and regional society, for which I would like to express the sincere gratitude of all the directors and employees of the Chiba Bank Group.

Q.2

How are you commemorating the 70th anniversary?

We are carrying out a variety of commemorative projects designed to express our gratitude to our customers. One of those initiatives was the opening of the “Chiba Bank Financial Library” in April 2013. This facility houses fascinating exhibits not only about the history of the Chiba Bank, but also the financial history of Chiba Prefecture, and visitors can enjoy learning about money. The exhibits have been designed to make them interesting for children as well as adults, and we hope it will be used as a venue for financial education.

Other commemorative projects include forestry developments in Chiba Prefecture, the donation of a mobile blood bank, and the staging of “Chibagin Himawari* Concerts”. Our main purpose in all of these activities is to contribute to regional society.

In the year ended March 2013, we also paid a year-end dividend of ¥6.5, including a commemorative dividend of ¥1 per share, bringing the total dividends for the year to ¥12.

Q.3

How would you sum up recent trends in the economic environment?

I believe that the Japanese economy has started to move toward a recovery, aided by an improvement in consumer confidence based on expectations generated by the monetary and fiscal policies of the new government and the Bank of Japan.

Many development projects are still in progress in Chiba Prefecture. In April 2013, transportation access in the region improved with the completion of the “Kisarazu-higashi–Togane” section of the Ken-O Expressway. A number of major commercial facilities have also been opened in Chiba Prefecture, including the “Outlet Park Kisarazu” in April 2012. These facilities are expected to attract customers from both within and beyond Chiba Prefecture.

Further evidence of the potential of this region can be found in the ongoing construction of large-scale housing developments and logistics facilities.

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



Q. 4

What were your financial results for the year ended March 2013?

Sustained growth in our main market, which centers on Chiba Prefecture, was reflected in healthy growth in our lending and deposit activities. Domestic loans increased by ¥306.2 billion year on year to ¥7,811.3 billion as of March 31, 2013, while domestic deposits were ¥261.7 billion higher at ¥9,537.2 billion.

Non-consolidated ordinary profit increased by ¥4.6 billion year on year to ¥66.4 billion, and non-consolidated net income by ¥5.2 billion to ¥41.2 billion. Consolidated ordinary income increased by ¥5.8 billion over the previous year's result to ¥72.7 billion, and consolidated net income by ¥3.3 billion to ¥44.1 billion.

We want our customers to feel confident in the Chiba Bank, and we have a strong commitment to financial soundness. We have consistently maintained high total capital ratios, which are indicators of the soundness of financial institutions. Based on the Basel III standard, which was introduced in the year under review, we have a consolidated ratio of 14.05% and a non-consolidated ratio of 13.21%. Our success in maintaining our financial soundness is also apparent from our non-performing loan ratio of 2.28%.

Q. 5

Please outline your specific management policies and initiatives.

We are currently implementing our 11th medium-term management plan, "Frontier 70," which covers the period from April 2011 to March 2014. Our aims under this plan are to contribute to regional economic development and prosperity, while strengthening our capacity to adapt to future environmental changes by building robust operating and management structures and developing our earning potential.

One specific focus under this plan is to ensure that our corporate customers continue to access funds efficiently. We have also stepped up our efforts to help companies expand into growth areas, such as medical, nursing, agriculture and the environment. These efforts are being coordinated by the Growth Business Support Office, which we established within our Corporate Business Division.

We have also established the Wealth Management Group, also within the Corporate Business Division, to enhance our ability to propose solutions to business owners and high-net-worth clients in such areas as asset management, business inheritance and other inheritance-related matters.

For individual customers, we have continued to expand our line-up of services to meet a wide range of asset management needs. We have also strengthened our collaboration with our affiliated securities company, Chibagin Securities, which has excellent products and extensive expertise in the field of securities.

We also strengthened our operations in the area of unsecured loans. For example, we established the "Chibagin Loan Direct" call center service, operating 7 days a week, which provides customers with readily accessible advice about our unsecured loans, which include education loans, auto loans and card loans.

Q. 6

What is your branch strategy?

We are actively expanding the Chiba Bank's branch network as part of our efforts to provide customers with convenient access to our services. In the year ended March 2013, we opened the Tsukuba Branch within the Moriya Branch and started preparations for opening in January 2014. We also relocated or rebuilt the Osaka Branch, the Togane Branch and the Kamogawa Branch.

In the year ending March 2014, we plan to open the Shinagawa Corporate Business Office, which will cover the Minato-ku, Shinagawa-ku and Ota-ku areas of Tokyo, in October 2013. This will be followed in December 2013 by the opening of the “Chibagin Himawari Lounge Tsudanuma,” a new type of compact branch specializing in services for individual customers.

Q.7

What is the significance of your customer first policy?

The fact that we have been able to celebrate the 70th anniversary of the Chiba Bank is attributable to the support that we have received from our customers. The “customer first policy” is our fundamental management philosophy. It expresses our determination to achieve continuing evolution toward our vision as a bank by working to provide the value sought by our customers.

The year ending March 2014 will be the final year of our 11th medium-term management plan, “Frontier 70.” In line with our fundamental customer first policy, we are determined to live up to the expectations of our customers as a first-rate retail bank with boundless creativity. Our most important management priorities will continue to be the reinforcement of our financial intermediation capabilities, including our ability to facilitate the supply of funds into our region, and the provision of financial services based on close regional links, such as support for customers who need to improve their financial soundness. We will achieve these aims through the development of business operations based on our consultation role.

We, all the directors and employees of the Chiba Bank Group, shall work together as one in seeking to meet the expectations of our stakeholders, such as our customers, shareholders and regional society. We truly look forward to your further support and patronage.

The 11th Medium-Term Management Plan

“Frontier 70”

We shall implement a customer first policy and aim to be a first-rate retail bank, full of creativity, which will meet the expectations of customers in the region.

— From April 2011 to March 2014 (3 years) —

1
Subject

Strengthening the business structure

2
Subject

Assisting the regional economy

3
Subject

Enhancing the management system

4
Subject

Improving staff training

Summary of income

Consolidated ordinary profit increased by ¥5.8 billion compared with the previous fiscal year, to ¥72.7 billion, and net income increased by ¥3.3 billion compared with the previous fiscal year, to ¥44.1 billion.

Non-consolidated ordinary profit increased by ¥4.6 billion compared with the previous fiscal year, to ¥66.4 billion and net income increased by ¥5.2 billion compared with the previous fiscal year, to ¥41.2 billion.

Both on a consolidated basis and on a non-consolidated basis, income exceeded the projection at the beginning of the fiscal year, and consolidated income increased for the fourth successive fiscal year.

Loans and Bills Discounted (Non-consolidated)

A positive approach towards meeting the financial needs of customers brought an increase in the balance of loans of ¥330.4 billion from the previous fiscal year-end, to ¥7,912.1 billion.

The balance of loans to small and medium-sized enterprises, increased by ¥63.2 billion compared with the level at the end of the previous fiscal year to ¥3,289.9 billion.

Housing loans outstanding also increased by ¥123.6 billion from the balance at the end of the previous fiscal year to ¥2,782.2 billion. This growth resulted from the expansion of our business territory through the opening of new branches, as well as our strong determination to meet the housing finance needs of our customers.

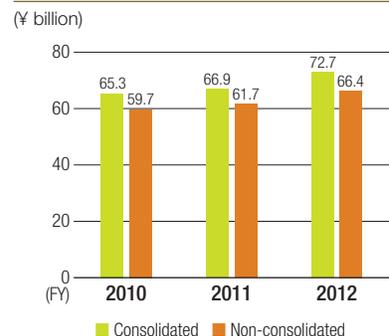
Note: Small and medium-sized enterprises also include sole proprietorships.

Deposits (Non-consolidated)

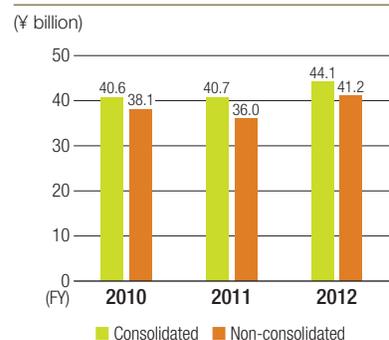
The balance of deposits, including negotiable certificates of deposit (NCD) increased by ¥291.9 billion compared with the previous fiscal year-end, to ¥9,969.8 billion.

Personal deposits increased by ¥219.0 billion from the balance at the end of the previous fiscal year to ¥7,401.9 billion.

Ordinary Profit



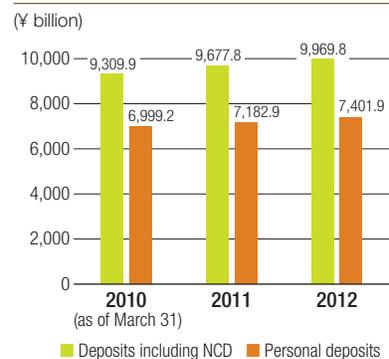
Net Income



Loans and Bills Discounted



Deposits

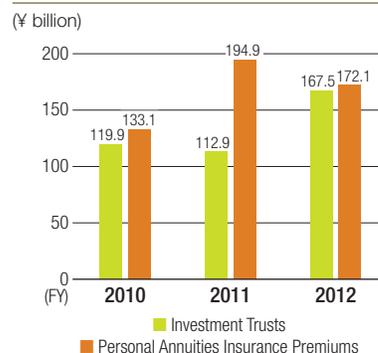


Investment-Type Financial Products (Non-consolidated)

Sales of investment-type financial products increased by ¥54.5 billion year on year to ¥167.5 billion. This growth reflects our success in offering products that matched customer needs.

The volume of personal annuities insurance premiums handled was ¥22.8 billion lower year on year at ¥172.1 billion.

Sales of Investment-Type Financial Products



Capital Ratio (Basel III)

Total capital ratio under Basel III was 14.05% on a consolidated basis, and 13.21% on a non-consolidated basis. These ratios exceed not only the 8% minimum for banks with overseas branches under the Basel III capital adequacy standard, which was introduced at the end of March 2013, but also the 10.5% minimum that must be achieved by the end of March 2019.

Common Equity Tier 1 capital ratios also exceed the 3.5% minimum stipulated in the Basel III standard, with a consolidated ratio of 12.9% and a non-consolidated ratio of 12.24%.

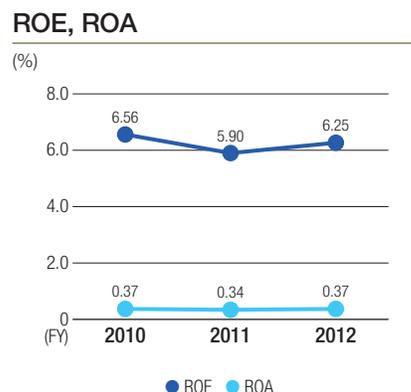
Capital Ratio (As of March 2013)

	Consolidated	Non-Consolidated
Total Capital Ratio	14.05%	13.21%
Tier1 Capital Ratio	12.90%	12.24%
Common Equity Tier1 Capital Ratio	12.90%	12.24%

Management Indicators (Non-consolidated)

Our overhead ratio (OHR), which reflects the efficiency of bank management, is 55.14%.

Our return on assets (ROA) ratio, which indicates the efficiency with which assets are invested, stands at 0.37%, while capital efficiency is indicated by the return on equity (ROE) ratio, which is 6.25%.



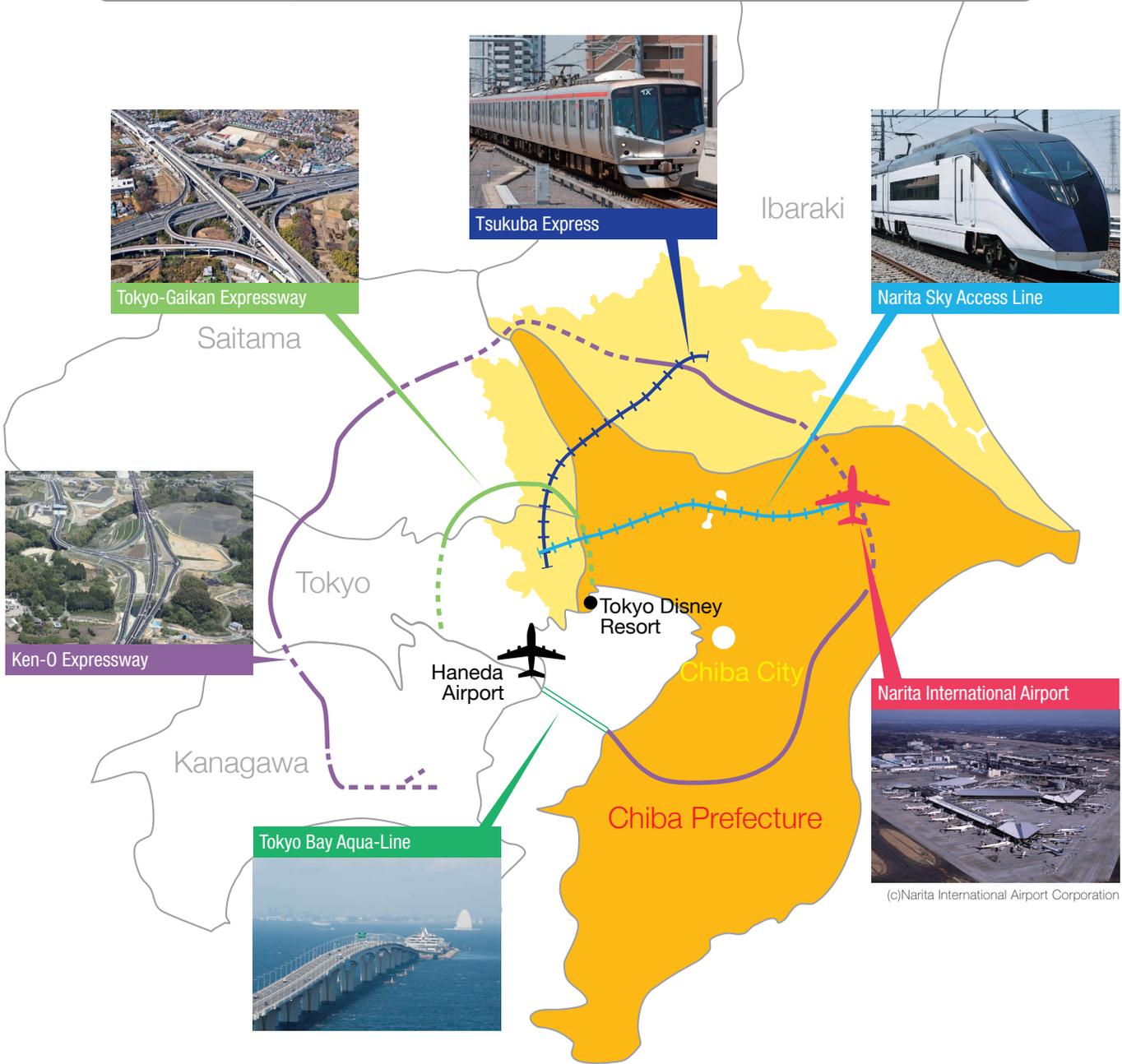


Feature

Our Operating Area

—The Growing and Dynamic Wider Chiba Area

	Chiba Prefecture		Neighboring Areas		The Wider Chiba Area
Population	6 million	+	6 million	=	12 million
Households	2.5 million	+	2.5 million	=	5 million



The Wider Chiba Area

The territory of the Chiba Bank consists of Chiba Prefecture and the surrounding region consisting of eastern Tokyo, eastern Saitama Prefecture and southern Ibaraki Prefecture. This Wider Chiba Area has a substantial population. Chiba Prefecture itself has a population of 6 million, while the combined population of the entire region is 12 million.

Since 2005, the Chiba Bank has actively sought to harness the growth potential of this territory by opening new branches. With loans outstanding of ¥432.5 billion at the end of March 2013, these new branches are making a major contribution to growth in the Chiba Bank's total lending activities.

The Wider Chiba Area has excellent growth potential and is expected to achieve significant development in the future.



Narita International Airport

Narita International Airport, Japan's biggest international air hub, is located in Chiba Prefecture. In addition to its role as a key Asian terminal, Narita International Airport is also ranked seventh in the world in terms of freight volumes and 13th in terms of passenger numbers.

It makes an important contribution to the regional economy as an essential facility for business activities, logistics and tourism. The economic benefits provided by Narita International Airport are expected to expand still further in fiscal 2014 with an increase in the maximum number of aircraft movements from the present level of 270,000 to 300,000, as well as the completion of a new terminal designed specifically for low-cost carriers (LCCs).



(c)Narita International Airport Corporation

Transportation Access

Recent improvements to transportation access in the Wider Chiba Area include the launch of the Tsukuba Express and Narita Sky Access rail lines, further population growth is anticipated with the development of new communities along these new commuter rail lines.

The completion of the "Kisarazu-higashi-Togane" section of the Ken-O Expressway in April 2013 has improved access to international logistics terminals, including Narita International Airport, the Port of Chiba and Haneda Airport. This is expected to encourage companies to site facilities in the region, further stimulating economic activity.



Industries in Chiba Prefecture

In addition to its thriving agricultural and fishing industries and excellent tourism resources, Chiba Prefecture also has one of Japan's biggest industrial areas along the coast of Tokyo Bay. Ranked seventh in Japan in terms of the value of manufactured goods shipped, and fourth in terms of agricultural products shipped, the region has a well-balanced industrial structure.

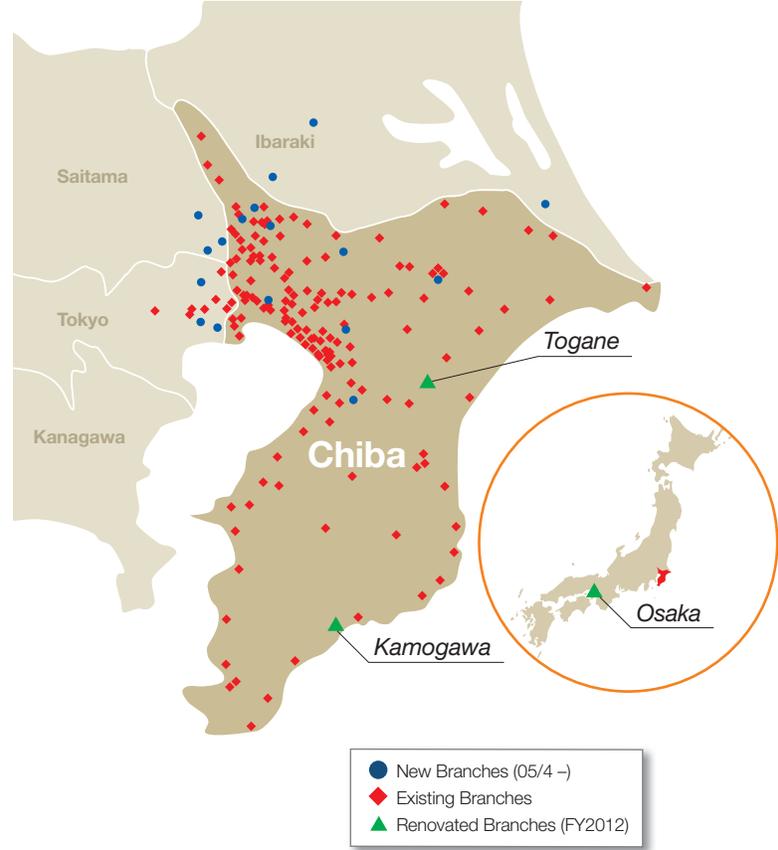


(c)Chiba-prefecture

Retail Banking

Branch and ATM Network

The Chiba Bank is actively expanding its network of branches and ATMs, especially in Chiba Prefecture and neighboring regions. As of March 31, 2013, we had 175 branches in Japan, which is the biggest network of any bank based in Chiba Prefecture and one of the biggest among Japan's regional banks. In addition to the installation of our own ATMs in highly convenient locations in shopping malls, stations and other facilities, we have expanded our ATM partnerships with other regional banks. As of March 31, 2013, our customers were able to use ATMs in 39,143 locations.



RENOVATED BRANCHES



Osaka Branch

In December 2012, the Osaka Branch was relocated to a position on Midosuji Boulevard in central Osaka.



Togane Branch

In January 2013, the Togane Branch moved to a location on the east side of JR Togane Station in Chiba Prefecture.



Kamogawa Branch

In March 2013, the Kamogawa Branch was relocated to a site in front of JR Awa-Kamogawa Station in Chiba Prefecture.

Expansion of Consulting Services

The Chiba Bank has established "Chibagin Consulting Plazas" at three locations in Chiba Prefecture to provide its customers with consultation services after banking hours, at weekends and on public holidays. A specialist staff provides full, clear responses to questions on topics ranging from simple money-related matters to asset management, insurance, and taxation issues. We also host various seminars in dedicated seminar rooms almost every day.

There are also three "Chibagin Loan Plazas" in Chiba Prefecture. Staff provide customers with advice about loan products, such as housing loans, and recommend the best products to meet each customer's needs.



Consulting Plaza Chiba



Consulting Plaza Funabashi



Consulting Plaza Kashiwa

Loans for Individual Customers

The Chiba Bank offers a variety of loan products, including housing loans, education loans, auto loans and card loans, to meet the wide-ranging needs of individual customers.

In May 2012, we established the “Chibagin Loan Direct” call center service, specializing in unsecured loan products. Customers can obtain advice and submit provisional applications after banking hours, at weekends and on public holidays. There has been a steady increase in the number of inquiries handled by the call center.

As of March 31, 2013, consumer loans outstanding amounted to ¥2,873.0 billion, an increase of ¥122.3 billion over the position a year earlier.



Investment-Type Financial Products

The Chiba Bank offers a variety of deposits and other products to help customers build and manage assets according to their life plans.

An upward trend in stock prices since the fall of 2012 has been reflected in strong sales of stock investment trusts. We have enhanced our ability to advise customers about investment-type financial products. For example, our staff are now equipped with tablet PCs.

Sales of investment trusts increased by ¥54.5 billion year on year to ¥167.5 billion, personal annuities insurance premiums handled amounted to ¥172.1 billion.



Development Heartful Branches

We have taken various steps to ensure that all customers, including the aged and people with disabilities, can use our branches with confidence and peace of mind.

- Installation of Braille floor tiles, handrails and slopes
- Installation of ATMs designed for the visually impaired (all Chiba Bank ATMs)
- Provision of wheelchairs at Inage Branch, Yotsukaido Branch, Mobara-higashi Branch and Togane Branch
- Use of role-playing to train staff in all branches about assisting people with disabilities





Feature

Corporate Banking

Support for Growth Businesses

The Chiba Bank provides the greatest possible support for businesses that contribute to regional growth. The Growth Business Support Office in the Corporate Business Division has staff specializing in various growth areas, including medical/nursing, agriculture, tourism, the environment, social infrastructure (PFI*) and international business. These specialists work closely with our branches to support customers. In addition to financial support, we also work with customers to find solutions to various management issues through business matching, the use of public support systems and other approaches.

Medical/ Nursing

Medical institutions and nursing care providers need to expand their business structures and enhance their services to meet the needs of Japan's expanding aged population. The Growth Business Support Office helps to find solutions to the various challenges confronting business owners in this field.

Agriculture

Chiba Prefecture is a major supplier of food, especially farm products, to Greater Tokyo. The Growth Business Support Office has specialist farm management advisors with extensive knowledge of agricultural support systems. These people are working to bring new vitality to the regional economy by responding to the needs of agricultural businesses.

Tourism

Chiba Prefecture has excellent tourism resources, including a mild climate and a rich culinary heritage. Improvements to regional transportation infrastructure, which includes an international airport and an expressway network, are expected to bring large numbers of Japanese and international visitors to the region. The Growth Business Support Office is helping to energize the regional economy by actively disseminating information about the attractions of Chiba Prefecture and supporting tourism promotion activities.

Environment

Businesses today need to ensure that their activities are friendly to the environment, such as by implementing measures to combat global warming. In addition to the presentation of seminars, the dynamic support provided by the Growth Business Support Office in this area also includes the arrangement of finance through various schemes.

Social Infrastructure (PFI*)

The Private Finance Initiative (PFI) method is being used increasingly to mobilize private sector financial resources and expertise for the development of public facilities. By providing advice and finance to private sector businesses participating in PFI projects and local governments planning such projects, the Growth Business Support Office is contributing to the development of social infrastructure and the provision of enhanced public services in the region.

*PFI: Private Finance Initiative

International Business

The Chiba Bank has a total of five overseas bases, of which three are in Asia (Hong Kong, Shanghai, and Singapore), one in the United States (New York) and one in Europe (London). We also work with foreign banks, local governments and other organizations to help our customers adapt to economic globalization through trade, overseas expansion and other means.

Overseas Network

Banking Alliance Partners

Bank of Communications
Bangkok Bank
Standard Chartered Bank
CIMB NIAGA
State Bank of India
Metropolitan Bank and Trust Company



Business Matching Events, Seminars

The Chiba Bank helps its customers to expand their sales channels by actively organizing business-matching events and hosting seminars on business strategies and the solution of management issues.

Main Business Matching Events and Seminars in the Year Ended March 2013

- Agri-Business Talk Association (July 2012)
- Japanese Food Trade Fair in Singapore 2012 (August 2012)
- Food Products Talk Association in Ulaanbaatar (September 2012)
- Indonesia Seminar (October 2012)
- Foodex Japan 2013 (March 2013)



Strengthening Human Resource Development

The Chiba Bank is continually enhancing its personnel education systems, which include not only group training but also highly effective on-the-job training.

- Agricultural and factory experiences to improve the sense of cooperation and discipline in young employees
- Transferring skills and expertise to young employees
- Overseas training tours and trainee system



Group CSR Activity Policy

The Chiba Bank Group is contributing to social sustainability in its region through its core business activities, including its financial intermediation role. In addition, all executives and employees are aware of the need to contribute to the solution of various issues confronting regional society, including climate change and other global environmental problems, and we are working actively to contribute in these areas. We are also determined to ensure that all business activities are conducted fairly and in good faith.

By disclosing information about the Chiba Bank Group's activities in these areas, we aim to build good relationships with all stakeholders while also providing a positive vision for a new regional society.

Nurturing the Future of "People"

Chibagin Himawari Concerts

The Chiba Bank has been holding Chibagin Himawari Concerts regularly since 1989 as a way of building relationships with our regional customers through music with free admission. We staged special 70th anniversary concerts in November 2012 and April 2013 to thank our customers for their warm support and patronage.



Donation of Mobile Blood Bank

The Chiba Bank supports the initiatives led by the Chiba branch of the Japanese Red Cross Society to improve blood collection programme in Chiba Prefecture. In March 2013, we donated a mobile blood bank.



Financial Education Activities

We provide workplace experience activities at the Chiba Bank's head office and branches for elementary, junior and senior high school students in its region. Participants visit branches and ATM corners and experience various aspects of work, including business manners. We also provide financial education courses for elementary schools in our region.



Chibagin Heartful Welfare Fund

The Chibagin Heartful Welfare Fund is a charitable trust established to provide financial support to social welfare organizations and voluntary groups that are active in Chiba Prefecture. By March 2013, the Fund had made grants amounting to approximately ¥19 million to a cumulative total of 37 recipients.



Nurturing the Future of “The Environment”

Environmental Conservation Activities

The V-Net Club, a voluntary organization made up of current and retired employees of the Chiba Bank, regularly undertakes clean-up campaigns at locations around Chiba Prefecture. Members are also continually involved in forestry developments through the Chibagin Forest with the aim of increasing the carbon dioxide absorption program.



Chibagin Energy Saving and Eco Seminar

The Chiba Bank held a seminar for business owners with an interest in energy saving and the environment. Participants learned about energy saving, including specific methods for reducing energy consumption.



Registration under the Chiba Prefecture Energy-Ecology Business Declaration Scheme

In April 2013, the head office of the Chiba Bank became the first business premises in Chiba Prefecture to be registered under the Chiba Prefecture Energy-Ecology Business Declaration scheme. This scheme provides recognition for environmental protection initiatives, including support for the “Cool Biz**” energy-saving programs, forestry developments, and the introduction of electric vehicles.

**Government policy encouraging workers to dress lightly during the summer months to reduce air-conditioner use.



Nurturing the Future of “Business”

Himawari Venture Development Fund

Since 1998, the Himawari Venture Development Fund has been providing development grants to assist new venture businesses that are active in Chiba Prefecture. By March 2013, the Fund had made grants amounting to ¥464 million to a cumulative total of 154 recipients.



The Chibagin Marché

In May 2013, Chiba City hosted the 1st Kemigawa Beach Festival. The Chiba Bank supported this event by organizing the Chibagin Marché, a trade fair for farm products from Chiba Prefecture. Twenty Chiba Bank customers participated.



Job-Hunting Seminar for Students of 28 Universities in Chiba Prefecture

In June 2013, the Chiba Bank held the 2013 job-hunting seminar in collaboration with 28 universities in Chiba Prefecture with the aim of assisting local firms with their recruitment activities while contributing to regional economic revitalization. These seminars, of which this was the fifth, provide students aiming to find jobs within Chiba Prefecture with opportunities for interviews with local companies. Companies from a wide range of industries participated.





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.

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.

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.

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.

Prevention of Money Laundering and Financial Crimes

The Chiba Bank has established the 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 documentation, particularly deposit account regulations, bank transaction agreements, and loan agreements, and is actively adding more measures to counteract antisocial forces.

Management Policy to Prevent Money Laundering and Terrorism Financing Activities

The Chiba Bank recognizes the importance of preventing money laundering and terrorism financing activities ("money laundering, etc.," hereinafter) and has established appropriate internal systems for the prevention of money laundering, etc.

(1) Unified control

The roles and responsibilities of managers and others who are responsible for preventing money laundering, etc., are clearly defined and control is centralized based on the suitable cooperation of all related departments.

(2) Appropriate administrative procedures

The Chiba Bank has established and upgraded administrative procedures that are needed for the prevention of money laundering, etc., such as verification of customer identification, confirming of frozen assets and other measures, and reports about suspicious transactions.

(3) Employee training programs

There are continuous employee training programs on the prevention of money laundering, etc., to ensure that all employees are aware of the related laws and regulations and administrative procedures.

(4) Verification of effectiveness

The Chiba Bank monitors its internal management system regarding the prevention of money laundering, etc., verifies the effectiveness of these systems, and takes additional steps to upgrade these systems based on the outcomes of monitoring.

Financial and Corporate Information

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Five-Year Summary (Consolidated)

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

	Millions of Yen					Thousands of U.S. Dollars
	2013	2012	2011	2010	2009	2013
For the Year:						
Total Income	¥ 222,731	¥ 225,435	¥ 229,583	¥ 241,443	¥ 262,859	\$ 2,368,226
Total Expenses	150,700	155,950	159,417	178,087	248,118	1,602,347
Income before Income Taxes and Minority Interests	72,030	69,485	70,166	63,356	14,741	765,879
Net Income before Minority Interests	45,046	41,487	41,458	38,246	12,789	478,964
Net Income	44,152	40,770	40,611	37,579	12,392	469,455
At Year-End:						
Total Assets	¥11,373,741	¥10,916,760	¥10,552,989	¥10,261,464	¥10,062,926	\$120,932,919
Loans and Bills Discounted	7,886,033	7,554,923	7,346,143	7,130,386	6,955,624	83,849,371
Securities	2,174,866	2,106,492	1,920,113	1,977,849	1,893,075	23,124,575
Deposits	9,926,630	9,639,615	9,275,235	8,966,015	8,654,989	105,546,309
Net Assets	729,243	664,076	625,990	605,598	537,671	7,753,785
Capital Ratio (BIS guidelines)	14.05%	14.35%	13.37%	12.80%	11.70%	
PER (Times)	13.26	11.36	10.20	13.29	34.98	
PBR (Times)	0.80	0.70	0.67	0.84	0.82	
Per Share:						
Net Income	¥ 50.88	¥ 46.47	¥ 45.65	¥ 42.04	¥ 13.86	\$0.54
Net Assets	839.15	747.90	692.74	662.90	587.51	8.92

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 ¥94.05 to \$1.00, the exchange rate prevailing at March 31, 2013.

Management's Discussion and Analysis

Financial and Economic Environment

In the early months of the year ended March 2013 the Japanese economy staged a rally driven by demand stimuli, including increased public investment in post-earthquake reconstruction and the eco-car subsidy. However, the economy subsequently weakened as both production and exports declined under the impact of the European financial crisis and decelerating growth in emerging economies. By the end of the period under review, another rally was in progress, this time led mainly by consumer spending. Contributing factors included an improvement in the export environment and growing consumer confidence.

On the financial front, the unsecured overnight call rate remained below 0.1% throughout the period. Secondary market yields on long-term government bonds hovered around the 0.7–0.8% range before dropping to below the 0.5% range in response to expectations of further monetary easing by the Bank of Japan. The Nikkei stock price average fell from over ¥10,000 at the start of the period to around ¥8,200. By the end of the period, however, the average had climbed back to over ¥12,000 under the impetus of expectations of a recovery in business performance driven by economic and financial measures implemented by the new administration of Prime Minister Abe.

Business Performance

We offer a wide range of financial products and services for depositors. During the year ended March 2013, we undertook a variety of activities to encourage households to use the Chiba Bank as their main bank by establishing accounts for salary transfers, pension income, and other purposes. These efforts were reflected in the year-end balance of deposits, which increased by ¥287.0 billion year on year to ¥9,926.6 billion.

Loans outstanding as of March 31, 2013 amounted to ¥7,886.0 billion, an increase of ¥331.1 billion over the level a year earlier. This reflects the Chiba Bank's determined efforts to respond to the borrowing needs of both corporate and individual customers.

Marketable securities increased by ¥68.3 billion year on year to ¥2,174.8 billion as of March 31, 2013.

On this basis, total assets reached ¥11,373.7 million as of March 31, 2013, an increase of ¥456.9 billion over the level a year earlier.

Income and Expenses

Despite increased income from services and other sources and growth in other ordinary income, such as proceeds from the sale of shares, consolidated total income declined by ¥2,704 million to ¥222,731 million. The lower figure reflects a reduction in interest income due to lower interest rates. Consolidated total expenses were ¥5,250 million below the previous year's level at ¥150,700 million, in part because of the reduction of other ordinary expenses, such as losses on sales of shares.

Consolidated net income increased by ¥3,381 million to ¥44,152 million.

Consolidated Cash Flows

Net cash provided by operating activities amounted to a net inflow of ¥158.4 billion, an increase of ¥98.5 billion over the previous year's figure. Reasons for the higher figure include an increase in deposits.

Net cash used by investing activities amounted to a net inflow of ¥3.9 billion, a year on year increase of ¥191.9 billion (compared with a net outflow of ¥188.0 billion in the previous year), including proceeds from sales and redemptions of marketable securities.

Net cash used in financing activities amounted to a net outflow of ¥57.3 billion, a year on year decline of ¥41.4 billion (compared with a net outflow of ¥15.8 billion in the previous year), including the redemption of subordinated bonds.

Based on these changes, net cash and cash equivalents amounted to ¥380.0 billion as of March 31, 2013, an increase of ¥105.2 billion over the position a year earlier.

Dividend Policy

Our basic policy, which reflects the important public role of the Chiba Bank, is to ensure proper financial soundness while actively providing returns to shareholders through reliable dividends and share buyback programs and using our capital effectively to achieve growth. Our basic policy also provides for the payment of dividends twice yearly. The date of record for the interim dividend is September 30, while that for the final dividend is March 31. The Board of Directors sets the interim dividend, and the final dividend is set at the General Meeting of Shareholders.

The regular General Meeting of Shareholders approved a final dividend of ¥6.5 yen per share for the business year ended March 31, 2013. This includes a commemorative dividend of ¥1 to mark the 70th anniversary of the founding of the Chiba Bank. The total annual dividend, including the interim dividend, was ¥12 per share.

Outlook for the Year Ending March 2014

We estimate that the Chiba Bank Group will earn ordinary profit of ¥74.0 billion and net income of ¥45.0 billion in the year ending March 31, 2014. Our non-consolidated forecasts for the Chiba Bank are ordinary profit of ¥68.0 billion and net income of ¥42.0 billion.

We plan to pay an annual dividend of ¥12 per share, including an interim dividend of ¥6, in the year ending March 31, 2014. This is the same as the dividend for the year ended March 2013, which included a ¥1 commemorative dividend.

Estimates and dividends for the year ending March 31, 2014 are based on the Financial Summary Report.

Asset Quality

The Chiba Bank is constantly working on preserving and improving the quality of its assets by using measures such as proper handling of non-performing loans, prevention of new occurrences of non-performing loans, and support to the financial rehabilitation of borrowers.

Non-performing loans are loans and other claims for which the collection of principal and interest are in doubt because of a bankruptcy or poor business performance.

Interest income from loans and other assets is the primary source of income for a bank. Consequently, difficulties in the collection of loans may have a material impact on a bank's financial condition. To maintain the quality of assets, we have upgraded and enhanced thorough credit screening and risk management systems.

Claims disclosed under the Financial Reconstruction Law were ¥183.4 billion as of March 31, 2013, and the non-performing loan ratio was 2.28%.

The headquarters office and branch offices of the Chiba Bank will continue to work together, while using the resources of Small and Medium Enterprises Revitalization Support Councils and other external organizations, to extend support that enables customers to improve their business operations.

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 for whom loan repayment terms have been eased are classified as Substandard Debtors.

Disposal of Non-Performing Assets

The Chiba Bank has taken appropriate measures to dispose of non-performing assets by implementing write-offs and providing allowances at the end of each quarter on the basis of the results of a rigorous self-assessment of assets. With respect to major debtors, the Chiba Bank calculates the allowance for loan losses using the Discounted Cash Flow (DCF) method for Substandard Assets and Potentially Bankrupt Assets.

Moreover, the allowance for loan losses from Bankrupt Debtors and Effectively Bankrupt Debtors makes up the full amount of the

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, 2012	As of March 31, 2013	As of March 31, 2012	As of March 31, 2013
Loans to Bankrupt Borrowers	4.4	2.9	4.0	2.7
Delinquent Loans	97.2	113.8	96.7	112.4
Loans Past Due 3 Months or More	3.6	2.2	3.6	2.2
Restructured Loans	54.5	64.0	54.6	64.1
Total	159.9	183.1	159.1	181.5

claims not covered by 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 collateral and guarantees stands at 73.2%, 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 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 Chiba 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, 2012	As of March 31, 2013
Bankrupt and Substantially Bankrupt Claims	23.5	20.1
Doubtful Claims	78.3	96.9
Substandard Claims	58.2	66.3
Total	160.1	183.4
Total Claims Outstanding	7,700.5	8,023.6
Non-performing Loan Ratio (%)	2.08	2.28
Coverage Ratio (%)	72.1	73.2

Comparison of Classifications under Self-Assessment, Financial Reconstruction Law and Risk-Monitored Loans

(Non-Consolidated) (As of March 31, 2013)

(¥ Billion)

Assets Classification under Self-Assessment		Risk-Monitored Loans under the Banking Law		Disclosed Claims under the Financial Reconstruction Law	
Bankrupt Assets and Effectively Bankrupt Assets	20.1	Loans to Bankrupt Borrowers	2.9	Bankrupt and Substantially Bankrupt Claims	20.1
		Delinquent Loans	113.8		
Potentially Bankrupt Assets	96.9			Doubtful Claims	96.9
Substandard Assets	80.7	Loans Past Due 3 Months or More	2.2	Substandard Claims	66.3
		Restructured Loans	64.0		
Assets Requiring Caution	1,351.6			Normal Claims	7,840.1
Other Assets Requiring Caution	1,270.8				
Normal Assets	6,554.8				
Total Assets	8,023.6	Loans Outstanding	7,912.1	Total Claims	8,023.6

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 those risks to control within acceptable overall limits.

Accordingly, in addition to assigning divisions to manage overall risk in the Group for each form of risk, the Chiba 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 Chiba 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 Chiba 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 sectors 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 sector and treasury sector 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 debtors. Credit risk accounts for a major portion of risk in banking operations.

The Chiba 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. In the self-assessment of assets, the Chiba Bank implements appropriate write-offs and provisions and has introduced a rating and self-assessment system linked to internal credit ratings to upgrade credit risk management.

Also the Chiba 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 executing section (banking offices and the sales promotion divisions). 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 executing sections, is a credit risk management section that engages in unified management of overall credit risk. The Risk Management Department in the Risk Management Division is a unified risk management section 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 meets regularly and 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 Chiba 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 debtors. The internal credit rating system is the core of credit risk management and is extensively used in actual management, such as credit pricing standard and approval authorization.

Individual Asset Credit Management

The banking branches or offices 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 Department in the Business Support Division provides support for the financial soundness of borrowers who need to improve their operations, and the Credit Administration Department in the Business Support Division engages in resolution and collection activities with regard to Bankrupt Debtors and other borrowers. The Chiba Bank strives to accumulate high-quality loan assets and minimize future losses through this practice of advanced screening and supervision after credit has been extended.

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 sectors, the Chiba 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 Chiba 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 branches), 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 section.

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 section 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 Chiba 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 Chiba 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 Chiba 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 Chiba 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 Chiba Bank's reputation.

In its risk management structure, the Chiba 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 Human Resources Division for human risk, and Corporate Administration Division for tangible asset risk), and the divisions collaborate in risk management under the overall management of the Risk Management Department in the Risk Management Division, which is 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 Chiba 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 Chiba 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 Chiba Bank as well as preventing problems from occurring by evaluating the adequacy of the Chiba 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 Chiba 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 headquarters, 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 at least once a year and conducts rigorous audits of all clerical work in accordance with auditing standards. The division promptly notifies the branches, offices, and headquarters 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 Chiba Bank or the unauthorized use, failure, or incorrect operation of computer systems. The Chiba 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 Chiba 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 Chiba 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 Chiba 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 Chiba Bank was forced to suspend during an emergency.

After the Great East Japan Earthquake, the Chiba Bank has installed emergency in-house power generators at more branches, upgraded countermeasures against tsunami risk, expanded measures for persons unable to return home due to a disaster, and taken other steps to continue business operations following a disaster.

Basel III Compliance

The Basel III capital adequacy regulation was first applied in the fiscal year ended March 31, 2013. Changes to the new regulation compared with the earlier Basel II regulation include tighter rules for items included in capital and an increase in the number of items excluded with the aim of improving the quality of capital. Other changes include additional provision for risks relating to transactions with large financial institutions and derivative transactions. Banks will also be required to meet minimum capital adequacy standards based on three capital ratios: Total Capital Ratio, Tier 1 Capital Ratio and Common Equity Tier 1 Capital Ratio, respectively.

The Basel III consists 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 regulation, 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 Chiba Bank is proactively complying with the regulation as part of its policy of building an integrated risk management system. With regard to the calculation of minimum required capital, we have been adopting 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) and are more thoroughly reflecting risk in capital ratio.

A number of new requirements will be introduced under Basel III, including leverage and liquidity ratios (Liquidity Coverage Ratio and Net Stable Funding Ratio).

The Chiba Bank is currently developing and strengthening management systems to comply with these regulations.

Consolidated Balance Sheet

The Chiba Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2013

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Assets			
Cash and Due from Banks (Note 27)	¥ 442,958	¥ 473,117	\$ 4,709,817
Call Loans and Bills Bought	227,511	74,621	2,419,044
Receivables under Resale Agreements	29,994	29,992	318,918
Monetary Claims Bought	24,778	30,995	263,460
Trading Assets (Notes 6, 12 and 32)	285,577	327,044	3,036,442
Money Held in Trust (Note 34)	41,190	28,899	437,966
Securities (Notes 7, 12 and 32)	2,174,866	2,106,492	23,124,575
Loans and Bills Discounted (Notes 8, 12 and 32)	7,886,033	7,554,923	83,849,371
Foreign Exchanges (Note 9)	6,386	2,205	67,903
Other Assets (Notes 10 and 12)	92,614	93,810	984,740
Tangible Fixed Assets (Note 11)	98,639	98,567	1,048,798
Intangible Fixed Assets	10,621	10,221	112,938
Deferred Tax Assets (Note 30)	14,513	34,506	154,321
Customers' Liabilities for Acceptances and Guarantees	93,586	101,464	995,072
Allowance for Loan Losses	(55,531)	(50,101)	(590,447)
Total Assets	¥11,373,741	¥10,916,760	\$120,932,919
Liabilities			
Deposits (Notes 12, 13 and 32)	¥ 9,926,630	¥ 9,639,615	\$105,546,309
Call Money and Bills Sold	54,172	34,095	576,000
Payables under Securities Lending Transactions (Note 12)	74,402	77,347	791,098
Trading Liabilities (Notes 14 and 32)	30,352	29,403	322,728
Borrowed Money (Notes 12 and 15)	280,672	162,635	2,984,293
Foreign Exchanges (Note 16)	358	229	3,807
Bonds Payable (Note 17)	20,000	40,000	212,653
Other Liabilities (Note 18)	127,911	132,840	1,360,034
Provision for Retirement Benefits (Note 19)	19,490	19,531	207,237
Provision for Directors' Retirement Benefits	199	228	2,118
Provision for Reimbursement of Deposits	1,850	1,522	19,674
Provision for Point Loyalty Programs	388	397	4,134
Reserve under the Special Laws	15	17	166
Deferred Tax Liabilities (Note 30)	1,225	113	13,033
Deferred Tax Liabilities for Land Revaluation (Note 20)	13,240	13,240	140,778
Acceptances and Guarantees	93,586	101,464	995,072
Total Liabilities	¥10,644,497	¥10,252,684	\$113,179,134
Net Assets			
Capital Stock (Note 21)	¥ 145,069	¥ 145,069	\$ 1,542,468
Capital Surplus	122,134	123,591	1,298,608
Retained Earnings	401,813	376,039	4,272,340
Treasury Stock	(7,581)	(8,480)	(80,608)
Total Shareholders' Equity	661,435	636,220	7,032,808
Valuation Difference on Available-for-sale Securities (Note 35)	51,396	13,268	546,480
Deferred Gains or Losses on Hedges	(1,167)	(1,549)	(12,413)
Revaluation Reserve for Land (Note 20)	9,983	9,393	106,152
Total Accumulated Other Comprehensive Income	60,212	21,112	640,219
Subscription Rights to Shares	277	231	2,951
Minority Interests	7,317	6,511	77,805
Total Net Assets	¥ 729,243	¥ 664,076	\$ 7,753,785
Total Liabilities and Net Assets	¥11,373,741	¥10,916,760	\$120,932,919

See notes to consolidated financial statements.

Consolidated Statement of Income

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the year ended March 31, 2013

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Income			
Interest Income:			
Interest on Loans and Discounts	¥121,646	¥126,320	\$1,293,424
Interest and Dividends on Securities	18,990	18,764	201,919
Other Interest Income	908	1,464	9,663
Trust Fees	1	1	13
Fees and Commissions	42,120	40,445	447,848
Trading Income (Note 22)	2,391	1,987	25,426
Other Ordinary Income (Note 23)	6,344	5,979	67,456
Other Income (Note 24)	30,328	30,473	322,477
Total Income	¥222,731	¥225,435	\$2,368,226
Expenses			
Interest Expenses:			
Interest on Deposits	¥ 5,151	¥ 5,952	\$ 54,770
Interest on Borrowings and Rediscounts	1,300	1,163	13,823
Other Interest Expenses	4,783	4,528	50,857
Fees and Commissions Payments	15,723	15,495	167,178
Trading Expenses	3	—	33
Other Ordinary Expenses (Note 25)	841	3,193	8,948
General and Administrative Expenses	88,943	88,381	945,707
Other Expenses (Note 26)	33,955	37,235	361,033
Total Expenses	¥150,700	¥155,950	\$1,602,347
Income before Income Taxes and Minority Interests	72,030	69,485	765,879
Income Taxes—Current	26,864	20,579	285,645
Income Taxes—Deferred	119	7,417	1,271
Net Income before Minority Interests	45,046	41,487	478,964
Minority Interests in Income	894	716	9,508
Net Income	¥ 44,152	¥ 40,770	\$ 469,455

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the year ended March 31, 2013

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Income before Minority Interests	¥45,046	¥41,487	\$478,964
Other Comprehensive Income (Note 28)			
Valuation Difference on Available-for-sale Securities	38,240	14,299	406,602
Deferred Gains or Losses on Hedges	382	(290)	4,065
Revaluation Reserve for Land	—	1,883	—
Share of Other Comprehensive Income of Associates Accounted for using Equity Method	23	0	249
Total Other Comprehensive Income	38,646	15,892	410,915
Comprehensive Income	¥83,693	¥57,380	\$889,879
(Breakdown)			
Comprehensive Income Attributable to Owners of the Parent	¥82,662	¥56,748	\$878,920
Comprehensive Income Attributable to Minority Interests	¥ 1,030	¥ 632	\$ 10,959

See notes to consolidated financial statements.

Consolidated Statement of Changes in Net Assets

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the year ended March 31, 2013

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	Total Accumulated Other Comprehensive Income	Subscription Rights to Shares	Minority Interests	Total Net Assets
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
Net Income	—	—	40,770	—	40,770	—	—	—	—	—	—	40,770
Cash Dividends	—	—	(9,654)	—	(9,654)	—	—	—	—	—	—	(9,654)
Purchase of Treasury Stock	—	—	—	(6,121)	(6,121)	—	—	—	—	—	—	(6,121)
Disposal of Treasury Stock	—	211	—	3,999	4,211	—	—	—	—	—	—	4,211
Reversal of Revaluation Reserve for Land	—	—	38	—	38	—	—	—	—	—	—	38
Net Changes of Items other than Shareholders' Equity	—	—	—	—	—	14,384	(290)	1,844	15,938	122	(7,220)	8,840
Total of Items during FY2011	—	211	31,155	(2,122)	29,244	14,384	(290)	1,844	15,938	122	(7,220)	38,085
Balance at March 31, 2012	¥145,069	¥123,591	¥376,039	¥(8,480)	¥636,220	¥13,268	¥(1,549)	¥9,393	¥21,112	¥231	¥6,511	¥664,076
Net Income	—	—	44,152	—	44,152	—	—	—	—	—	—	44,152
Cash Dividends	—	—	(9,613)	—	(9,613)	—	—	—	—	—	—	(9,613)
Purchase of Treasury Stock	—	—	—	(9,470)	(9,470)	—	—	—	—	—	—	(9,470)
Disposal of Treasury Stock	—	(38)	—	552	513	—	—	—	—	—	—	513
Retirement of Treasury Stock	—	(1,418)	(8,398)	9,816	—	—	—	—	—	—	—	—
Reversal of Revaluation Reserve for Land	—	—	(367)	—	(367)	—	—	—	—	—	—	(367)
Net Changes of Items other than Shareholders' Equity	—	—	—	—	—	38,127	382	590	39,100	45	806	39,952
Total of Items during FY2012	—	(1,457)	25,773	898	25,215	38,127	382	590	39,100	45	806	65,167
Balance at March 31, 2013	¥145,069	¥122,134	¥401,813	¥(7,581)	¥661,435	¥51,396	¥(1,167)	¥9,983	¥60,212	¥277	¥7,317	¥729,243

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	Total Accumulated Other Comprehensive Income	Subscription Rights to Shares	Minority Interests	Total Net Assets
Balance at March 31, 2012	\$1,542,468	\$1,314,107	\$3,998,296	\$ (90,166)	\$6,764,705	\$141,081	\$(16,478)	\$ 99,876	\$224,480	\$2,466	\$69,234	\$7,060,885
Net Income	—	—	469,455	—	469,455	—	—	—	—	—	—	469,455
Cash Dividends	—	—	(102,215)	—	(102,215)	—	—	—	—	—	—	(102,215)
Purchase of Treasury Stock	—	—	—	(100,698)	(100,698)	—	—	—	—	—	—	(100,698)
Disposal of Treasury Stock	—	(413)	—	5,877	5,464	—	—	—	—	—	—	5,464
Retirement of Treasury Stock	—	(15,085)	(89,294)	104,379	—	—	—	—	—	—	—	—
Reversal of Revaluation Reserve for Land	—	—	(3,904)	—	(3,904)	—	—	—	—	—	—	(3,904)
Net Changes of Items other than Shareholders' Equity	—	—	—	—	—	405,399	4,065	6,276	415,740	486	8,571	424,796
Total of Items during FY2012	—	(15,498)	274,044	9,558	268,103	405,399	4,065	6,276	415,740	486	8,571	692,899
Balance at March 31, 2013	\$1,542,468	\$1,298,608	\$4,272,340	\$ (80,608)	\$7,032,808	\$546,480	\$(12,413)	\$106,152	\$640,219	\$2,951	\$77,805	\$7,753,785

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the year ended March 31, 2013

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Cash Flows from Operating Activities:			
Income before Income Taxes and Minority Interests	¥ 72,030	¥ 69,485	\$ 765,879
Depreciation and Amortization	8,258	7,340	87,813
Impairment Loss	185	139	1,973
Gain on Negative Goodwill	—	(3,408)	—
Equity in (Earnings) Losses of Affiliates	(152)	(119)	(1,620)
Increase (Decrease) in Allowance for Loan Losses	5,430	(8,646)	57,737
Increase (Decrease) in Provision for Retirement Benefits	(41)	293	(438)
Increase (Decrease) in Provision for Point Loyalty Programs	(8)	(667)	(93)
Increase (Decrease) in Provision for Reimbursement of Deposits	327	572	3,481
Increase (Decrease) in Provision for Directors' Retirement Benefits	(29)	(0)	(314)
Interest Income	(141,545)	(146,549)	(1,505,006)
Interest Expenses	11,234	11,644	119,449
Loss (Gain) Related to Securities	(5,203)	8,288	(55,326)
Loss (Gain) on Money Held in Trust	(886)	52	(9,424)
Loss (Gain) on Foreign Exchange Transactions	(155)	30	(1,659)
Loss (Gain) on Disposal of Fixed Assets	545	727	5,801
Net Decrease (Increase) in Trading Assets	41,467	(42,409)	440,908
Net Increase (Decrease) in Trading Liabilities	949	2,728	10,097
Net Decrease (Increase) in Loans and Bills Discounted	(331,109)	(208,779)	(3,520,571)
Net Increase (Decrease) in Deposits (excluding Negotiable Certificates of Deposit)	289,873	234,594	3,082,126
Net Increase (Decrease) in Negotiable Certificates of Deposit	(2,858)	129,785	(30,398)
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowings)	136,037	(94,073)	1,446,436
Net Decrease (Increase) in Due from Banks (excluding Due from BOJ)	135,417	(47,688)	1,439,843
Net Decrease (Increase) in Call Loans and Bills Bought and Others	(146,675)	(33,774)	(1,559,545)
Net Increase (Decrease) in Call Money and Bills Sold	20,077	(4,700)	213,476
Net Increase (Decrease) in Payables under Securities Lending Transactions	(2,944)	26,571	(31,307)
Net Decrease (Increase) in Foreign Exchanges—Assets	(4,181)	828	(44,456)
Net Increase (Decrease) in Foreign Exchanges—Liabilities	128	(250)	1,363
Interest and Dividends Received	141,509	148,600	1,504,619
Interest Paid	(12,022)	(13,609)	(127,833)
Other, net	(36,902)	47,223	(392,368)
Subtotal	¥ 178,755	¥ 84,228	\$ 1,900,643
Income Taxes Paid	(20,256)	(24,259)	(215,375)
Net Cash Provided by (Used in) Operating Activities	¥ 158,499	¥ 59,969	\$ 1,685,268
Cash Flows from Investing Activities:			
Purchase of Securities	¥(523,652)	¥(786,022)	\$(5,567,812)
Proceeds from Sales of Securities	282,862	337,430	3,007,571
Proceeds from Redemption of Securities	266,127	274,630	2,829,644
Increase in Money Held in Trust	(12,800)	(9,960)	(136,098)
Decrease in Money Held in Trust	1,721	9,101	18,306
Purchase of Tangible Fixed Assets	(7,194)	(9,704)	(76,496)
Purchase of Intangible Fixed Assets	(3,211)	(4,451)	(34,144)
Proceeds from Sales of Tangible Fixed Assets	50	872	541
Proceeds from Sales of Intangible Fixed Assets	—	10	—
Net Cash Provided by (Used in) Investing Activities	¥ 3,904	¥(188,091)	\$ 41,513
Cash Flows from Financing Activities:			
Decrease in Subordinated Borrowings	¥ (18,000)	¥ —	\$ (191,388)
Issuance of Subordinated Bonds	—	10,000	—
Redemption of Subordinated Bonds	(20,000)	(10,000)	(212,653)
Cash Dividends Paid	(9,613)	(9,654)	(102,215)
Cash Dividends Paid to Minority Shareholders	(224)	(150)	(2,388)
Purchase of Treasury Stock	(9,470)	(6,121)	(100,698)
Proceeds from Sales of Treasury Stock	6	52	73
Net Cash Provided by (Used in) Financing Activities	¥ (57,301)	¥ (15,873)	\$ (609,269)
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ 155	¥ (30)	\$ 1,659
Net Increase (Decrease) in Cash and Cash Equivalents	¥ 105,257	¥(144,026)	\$ 1,119,171
Cash and Cash Equivalents at Beginning of Period	¥ 274,838	¥ 418,865	\$ 2,922,261
Cash and Cash Equivalents at End of Period (Note 27)	¥ 380,096	¥ 274,838	\$ 4,041,432

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the year ended March 31, 2013

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 ¥94.05 to \$1.00, the exchange rate prevailing at March 31, 2013.

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. (Chibagin Securities) and other subsidiaries. The number of consolidated subsidiaries as of March 31, 2013 was 9 (9 as of March 31, 2012).

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 income, net income, retained earnings and other comprehensive income 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 six limited partnerships (five as of March 31, 2012). The investments in these unconsolidated subsidiaries are not accounted for by the equity method since net income, retained earnings and other comprehensive income of these subsidiaries is not significant and would not have a material impact on the consolidated financial statements of the Bank. One SPC (two as of March 31, 2012) is not included since that company is not significant and would not have a material impact, and another goes into liquidation. 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 in the year of acquisition.

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 arbitrating short term fluctuations in interest rates, currency values and market prices, other benchmarks in the traded securities' market prices and by arbitrating differentials between markets (hereafter "trading purposes") are accounted for under "Trading Assets" or "Trading Liabilities" on the balance sheet. Profit or loss from such transactions is recorded under "Trading Income" or "Trading Expenses" on the consolidated statement 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.

(Changes in accounting principles which are difficult to distinguish from changes in accounting estimates)

In accordance with the amendment of the Corporation Tax Act, effective from the current fiscal year, the Bank and its consolidated subsidiaries have changed their depreciation method for those tangible fixed assets acquired on or after April 1, 2012. This change has little impact on the financial results.

(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, 2013 was ¥38,880 million (¥47,135 million as of March 31, 2012). 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 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.

(8) 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.

(9) 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.

(10) Provision for Point Loyalty Programs

Provision for point loyalty programs which is provided for accumulation of points granted to customers using the credit card of the Bank or the consolidated subsidiaries is based on the estimated amounts equivalent to expected future usage of the points.

(11) Reserve under the Special Laws

Reserve under the special laws is a Reserve for Financial Products Transaction Liabilities provided by Chibagin Securities. 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.

(12) 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.

(13) 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.

(14) 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 for a part of assets and liabilities the deferral hedge accounting method or exceptional treatments permitted for interest rate swaps.

(15) 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.

(16) Consumption Taxes

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

(17) 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. Accounting Standard and Guidance Issued but not yet Effective

The "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, issued on May 17, 2012) and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, issued on May 17, 2012)

(1) Overview

Revisions apply mainly to (a) the accounting treatments for unrecognized actuarial gains and losses as well as unrecognized prior services costs and broadening disclosure, and (b) the calculation methods for retirement benefit obligations as well as service cost taking into consideration improvements to financial reporting and international trends.

(2) Scheduled Effective Date

(a) will be scheduled to take effect from the beginning of the consolidated accounting period that commences after April 1, 2013, and (b) will be scheduled to take effect from the beginning of the consolidated accounting period that commences after April 1, 2014.

(3) The Impact of the Adoption of the Revised Accounting Standard and Guidance

The impact of the Adoption of the Revised Accounting Standard and Guidance are currently under evaluation.

5. Securities Borrowing Transactions

As for securities purchased under resale agreements or securities accepted as collateral for derivative transactions, ¥30,701 million was held in hand on March 31, 2013 (¥31,738 million on March 31, 2012).

6. Trading Assets

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Trading Account Securities	¥ 9,018	¥ 10,223	\$ 95,896
Derivatives of Trading Securities	—	6	—
Trading-related Financial Derivatives	31,142	29,829	331,125
Other Trading Assets	245,416	286,985	2,609,421
Total	¥285,577	¥327,044	\$3,036,442

7. Securities

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Japanese Government Bonds	¥1,081,313	¥1,064,937	\$11,497,221
Japanese Local Government Bonds	365,217	361,251	3,883,228
Japanese Corporate Bonds	213,044	224,898	2,265,228
Japanese Stocks	174,535	137,139	1,855,777
Other Securities	340,754	318,265	3,623,120
Total	¥2,174,866	¥2,106,492	\$23,124,575

Securities included investments in non-consolidated subsidiaries and affiliates of ¥3,530 million on March 31, 2013 (¥3,314 million on March 31, 2012).

Guarantee obligations for bonds in private placement (defined in Article 2 (3) of Financial Instruments and Exchange Act) included in Japanese Corporate Bonds was ¥30,604 million as of March 31, 2013 (¥33,680 million as of Mar 31, 2012).

8. Loans and Bills Discounted

(1) Loans and bills discounted :

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Bills Discounted	¥ 22,490	¥ 24,531	\$ 239,131
Loans on Bills	153,460	163,012	1,631,692
Loans on Deeds	7,127,713	6,826,284	75,786,430
Overdrafts	582,368	541,094	6,192,119
Total	¥7,886,033	¥7,554,923	\$83,849,371

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, 2013 was ¥23,314 million (¥25,111 million as of March 31, 2012).

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 ¥2,004,934 million relating to these contracts, including ¥1,917,809 million of which the term of contracts is less than one year or revocable at any time as of March 31, 2013 (The respective amounts were ¥2,044,681 million and ¥1,958,444 million as of March 31, 2012).

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, 2013 was ¥971,775 million (¥977,243 million as of March 31, 2012). General Accounts are the Ordinary Deposit Accounts that its depositors can overdraw up to the amounts calculated by multiplying incidental Time Deposits and so on by certain weight.

(2) Risk monitored loans :

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Loans to Bankrupt Borrowers	¥ 2,702	¥ 4,095	\$ 28,732
Delinquent Loans	112,475	96,771	1,195,916
Loans Past Due 3 Months or More	2,266	3,686	24,101
Restructured Loans	64,133	54,604	681,910
Total	¥181,578	¥159,158	\$1,930,659

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.

9. Foreign Exchange Assets

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Due from Foreign Banks (our accounts)	¥4,742	¥1,163	\$50,428
Foreign Bills Bought	830	585	8,830
Foreign Bills Receivable	813	456	8,645
Total	¥6,386	¥2,205	\$67,903

10. Other Assets

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Domestic Exchange Settlement Account, debit	¥ —	¥ 0	\$ —
Accrued Income	14,850	12,248	157,905
Prepaid Expenses	469	412	4,994
Derivatives	3,865	10,014	41,100
Lease Investment Assets	35,619	34,475	378,734
Other	37,808	36,659	402,007
Total	¥92,614	¥93,810	\$984,740

11. Tangible Fixed Assets

Depreciation was computed using the declining-balance method. Tangible fixed assets were shown at net of the following accumulated depreciation:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
	¥91,636	¥89,965	\$974,342

Deferred gain on real estate deductible for tax purposes amounted to ¥11,300 million on March 31, 2013 (¥11,274 million on March 31, 2012).

12. Assets Pledged

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Securities	¥806,082	¥772,956	\$8,570,792
Loans and Bills Discounted	69,523	82,288	739,222

Liabilities related to the above pledged assets were as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Deposits	¥ 61,361	¥ 40,250	\$ 652,430
Payables under Securities Lending Transactions	74,402	77,347	791,098
Borrowed Money	265,172	129,135	2,819,487

In addition, the following was pledged as collateral for settlements of exchange or margins for futures transactions.

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Securities	¥86,985	¥167,771	\$924,887

Initial margins of futures markets of ¥74 million and guarantee deposits of ¥6,702 million were included in Other Assets as of March 31, 2013 (The respective amounts were ¥84 million and ¥6,432 million as of March 31, 2012).

13. Deposits

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Current Deposits	¥ 190,913	¥ 189,116	\$ 2,029,918
Ordinary Deposits	5,581,007	5,350,233	59,340,856
Savings Deposits	239,419	241,022	2,545,660
Deposits at Notice	6,423	6,465	68,303
Time Deposits	3,453,649	3,412,545	36,721,421
Other Deposits	156,703	138,860	1,666,176
Subtotal	¥9,628,118	¥9,338,244	\$102,372,334
Negotiable Certificates of Deposit	298,512	301,371	3,173,974
Total	¥9,926,630	¥9,639,615	\$105,546,309

14. Trading Liabilities

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Derivatives of Trading Securities	¥ 7	¥ —	\$ 82
Trading-related Financial Derivatives	30,344	29,403	322,647
Total	¥30,352	¥29,403	\$322,728

15. Borrowed Money

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Borrowings from the Bank of Japan and Other Financial Institutions	¥280,672	¥162,635	\$2,984,293

Subordinated Borrowings of ¥15,000 million was included in Borrowed Money as of March 31, 2013 (¥33,000 million as of March 31, 2012).

16. Foreign Exchange Liabilities

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Foreign Bills Sold	¥332	¥194	\$3,540
Foreign Bills Payable	25	35	266
Total	¥358	¥229	\$3,807

17. Bonds Payable

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Issuer: The Bank (Subordinated Bonds)	¥20,000	¥40,000	\$212,653

18. Other Liabilities

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Domestic Exchange Settlement Account, credit	¥ 945	¥ 1,453	\$ 10,054
Accrued Expenses	10,251	10,511	109,005
Unearned Revenue	24,559	23,254	261,132
Income Taxes Payable	16,666	10,057	177,207
Derivatives	15,093	13,205	160,485
Other	60,394	74,357	642,152
Total	¥127,911	¥132,840	\$1,360,034

19. 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 were as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Retirement Benefit Obligation	¥(67,094)	¥(68,906)	\$(713,397)
Plan Assets at Fair Value	48,223	41,326	512,739
Unfunded Retirement Benefit Obligation	(18,871)	(27,580)	(200,658)
Unrecognized Actuarial Gain or Loss	2,992	10,908	31,820
Net Amount Accrued on the Balance Sheets	(15,879)	(16,672)	(168,837)
Prepaid Pension Cost	3,611	2,859	38,400
Provision for Retirement Benefits	¥(19,490)	¥(19,531)	\$(207,237)

(2) The components of retirement benefit cost were as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Service Cost	¥ 2,041	¥ 1,910	\$ 21,707
Interest Cost	1,367	1,322	14,535
Expected Return on Plan Assets	(1,445)	(1,381)	(15,367)
Amortization of Actuarial Gain or Loss	1,982	1,847	21,074
Other (nonrecurring additional retirement allowance paid and other)	21	21	229
Net Periodic Retirement Benefit Cost	¥ 3,966	¥ 3,721	\$ 42,178

(3) Assumptions used in accounting for the above plans were as follows:

	2013	2012
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

20. 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 ¥35,882 million as of March 31, 2013 (¥35,390 million as of March 31, 2012).

21. Capital Stock

The number of the Bank's authorized shares was 2,500,000,000 as of March 31, 2013 and 2012.

	Number of Shares	
	2013	2012
Shares in Issue	875,521,087	895,521,087

The number of treasury shares held by the Bank was 15,553 thousand as of March 31, 2013 (16,627 thousand as of March 31, 2012).

22. Trading Income

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Gains on Trading Account Securities Transactions	¥1,187	¥ 764	\$12,622
Income from Trading-related Financial Derivatives Transactions	845	804	8,985
Other Trading Income	359	418	3,819
Total	¥2,391	¥1,987	\$25,426

23. Other Ordinary Income

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Gains on Foreign Exchange Transactions	¥1,453	¥1,483	\$15,452
Gains on Sales of Bonds	4,695	4,128	49,923
Income from Derivatives other than for Trading or Hedging	195	366	2,079
Other	0	0	4
Total	¥6,344	¥5,979	\$67,456

24. Other Income

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Gains on Sales of Stocks and Other Securities	¥ 2,814	¥ 328	\$ 29,925
Gains on Money Held in Trust	886	379	9,427
Revenue on Lease	13,672	13,867	145,379
Recoveries of Written-off Claims	3,615	3,274	38,443
Reversal of Allowance for Loan Losses	—	2,161	—
Gain on Negative Goodwill	—	3,408	—
Other	9,339	7,052	99,303
Total	¥30,328	¥30,473	\$322,477

25. Other Ordinary Expenses

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Loss on Sales of Bonds	¥501	¥ 285	\$5,331
Loss on Redemption of Bonds	283	2,889	3,013
Loss on Devaluation of Bonds	56	17	604
Total	¥841	¥3,193	\$8,948

26. Other Expenses

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Provision of Allowance for Loan Losses	¥ 9,794	¥ —	\$104,139
Written-off of Loans	5,388	10,205	57,297
Losses on Sales of Stocks and Other Securities	22	8,673	235
Losses on Devaluation of Stocks and Other Securities	1,442	878	15,338
Loss on Money Held in Trust	0	432	3
Cost of Leased Assets	11,693	11,686	124,329
Provision for Reimbursement of Deposits	980	1,305	10,421
Loss on Disposal of Noncurrent Assets	569	740	6,060
Impairment Losses on Fixed Assets	185	139	1,973
Other	3,878	3,174	41,238
Total	¥33,955	¥37,235	\$361,033

27. Cash and Cash Equivalents

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Cash and Due from Banks	¥442,958	¥ 473,117	\$4,709,817
Interest-bearing Deposits included in Due from Banks (excluding Due from BOJ)	(62,861)	(198,278)	(668,385)
Cash and Cash Equivalents	¥380,096	¥ 274,838	\$4,041,432

28. Other Comprehensive Income

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Valuation Difference on Available-for-sale Securities			
Gains (Losses) Arising during the Fiscal Year	¥ 63,966	¥ 13,682	\$ 680,136
Reclassification Adjustment to Profit or Loss	(4,727)	8,606	(50,265)
Amount before Income Tax Effect	59,239	22,289	629,870
Income Tax Effect	(20,998)	(7,990)	(223,269)
Total	38,240	14,299	406,602
Deferred gains or Losses on Hedges			
Gains (Losses) Arising during the Fiscal Year	¥ (3,130)	¥ (3,759)	\$ (33,283)
Reclassification Adjustment to Profit or Loss	3,722	3,473	39,576
Amount before Income Tax Effect	591	(286)	6,293
Income Tax Effect	(209)	(4)	(2,228)
Total	382	(290)	4,065
Revaluation Reserve for Land			
Gains (Losses) Arising during the Fiscal Year	¥ —	¥ —	\$ —
Reclassification Adjustment to Profit or Loss	—	—	—
Amount before Income Tax Effect	—	—	—
Income Tax Effect	—	1,883	—
Total	—	1,883	—
Share of other Comprehensive Income of Associates Accounted for Using Equity Method			
Gains (Losses) Arising during the Fiscal Year	23	¥ 0	249
Reclassification Adjustment to Profit or Loss	—	—	—
Amount before Income Tax Effect	23	0	249
Income Tax Effect	—	—	—
Total	23	0	249
Total Other Comprehensive Income	¥ 38,646	¥ 15,892	\$ 410,915

29. Lease Transactions

(1) Finance Lease Transactions

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Lessee Side			
Amount Corresponding to the Purchased Prices of the Leased Assets	¥283	¥306	\$3,011
Amount Corresponding to Accumulated Depreciation	80	88	851
Amount Corresponding to Balance at Fiscal Year-end	¥203	¥217	\$2,159
	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Amount Corresponding to Lease Payables (within 1 year)	¥ 13	¥ 14	\$ 148
Amount Corresponding to Lease Payables (over 1 year)	189	203	2,011
Total	¥203	¥217	\$2,159

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Lease Fees Paid	¥14	¥16	\$157
Amount Corresponding to Depreciation	14	16	157

(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.

(Note iii) The amount corresponding to Lease Payables 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)
	2013	2012	2013
Lessee Side (Lease Payables related to Non-cancelable Operating Lease Transactions)			
Amount Corresponding to Lease Payables (within 1 year)	¥151	¥135	\$1,614
Amount Corresponding to Lease Payables (over 1 year)	187	299	1,994
Total	¥339	¥435	\$3,608

30. Tax Effect

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Deferred Tax Assets:			
Allowance for Loan Losses	¥27,494	¥27,751	\$292,339
Write-offs of Securities	1,309	1,132	13,928
Provision for Retirement Benefits	7,031	6,994	74,768
Other	9,229	9,603	98,129
Subtotal	¥45,065	¥45,481	\$479,164
Valuation Allowance	(1,683)	(2,442)	(17,896)
Total Deferred Tax Assets	¥43,382	¥43,039	\$461,268
Deferred Tax Liabilities:			
Valuation Difference on Available-for-sale Securities	¥28,071	¥ 7,073	\$298,479
Reserve for Advanced Depreciation	60	60	646
Prepaid Pension Cost	1,239	981	13,179
Other	721	531	7,677
Total Deferred Tax Liabilities	¥30,094	¥ 8,646	\$319,980
Net Deferred Tax Assets	¥13,288	¥34,392	\$141,288

For the years ended March 31, 2013 and 2012, 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, 2011 to March 31, 2012) and this fiscal year (from April 1, 2012 to March 31, 2013)

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

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 in 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 discusses plans and actions on credit portfolios based on consideration of credit risk situations.

The details of credit risk management are as 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 is ¥111,623 million as of March 31, 2013 (¥85,965 million as of March 31, 2012). In case of 99% confidence level, VaR is ¥84,030 million as of March 31, 2013 (¥64,714 million as of March 31, 2012).

(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 is ¥23 million as of March 31, 2013 (¥33 million as of March 31, 2012). In case of 99% confidence level, VaR is ¥17 million as of March 31, 2013 (¥25 million as of March 31, 2012).

(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 anomalous market situations.

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, 2013 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)					
	March 31, 2013			March 31, 2012		
	Consolidated Balance Sheet Amount	Fair Value	Difference*1	Consolidated Balance Sheet Amount	Fair Value	Difference*1
(1) Securities						
Available-for-sale Securities	¥2,162,243	¥ 2,162,243	¥ —	¥2,092,188	¥2,092,188	¥ —
(2) Loans and Bills Discounted	7,886,033			7,554,923		
Allowance for Loan Losses*2	(52,714)			(46,753)		
	7,833,318	7,943,896	110,577	7,508,169	7,612,968	104,798
Total Assets	¥9,995,562	¥10,106,139	¥110,577	¥9,600,358	¥9,705,157	¥104,798
(1) Deposits	9,628,118	9,628,868	(750)	9,338,244	9,339,448	(1,204)
(2) Negotiable Certificates of Deposit	298,512	298,513	(1)	301,371	301,373	(2)
Total Liabilities	¥9,926,630	¥ 9,927,381	¥ (751)	¥9,639,615	¥9,640,821	¥ (1,206)
Derivative Transactions*3						
Not Qualifying for Hedge Accounting	982	982	—	984	984	—
Qualifying for Hedge Accounting	[8,345]	[8,345]	—	[5,584]	[5,584]	—
Total Derivative Transactions	¥ [7,362]	¥ [7,362]	¥ —	¥ [4,600]	¥ [4,600]	¥ —

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

(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, 2013	March 31, 2012
	Consolidated Balance Sheet Amount	Consolidated Balance Sheet Amount
(1) Non-listed Stocks (*1)(*2)	¥6,540	¥ 8,142
(2) Investments in Limited Partnerships, etc.(*3)	2,551	2,845
Total	¥9,092	¥10,988

(*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 ¥21 million (¥76 million for the previous fiscal year) was recorded on these non-listed stocks in the current fiscal year.

(*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, 2013						
	Within 1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	Over 10 Years
Securities	¥ 293,014	¥ 593,809	¥ 524,850	¥201,241	¥225,190	¥ 81,439
Held-to-maturity Bonds	—	—	—	—	—	—
Available-for-sale Securities with Maturities	293,014	593,809	524,850	201,241	225,190	81,439
Government Bonds	173,200	270,000	259,000	195,500	158,800	—
Local Government Bonds	34,268	152,375	120,080	1,240	51,600	—
Short-term Corporate Bonds	—	—	—	—	—	—
Corporate Bonds	41,182	93,462	55,158	2,379	11,919	8,355
Loans (*)	1,402,856	1,416,945	934,357	603,266	683,004	2,149,134
Total	¥1,695,871	¥2,010,755	¥1,459,208	¥804,507	¥908,194	¥2,230,573

(*) 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 ¥696,468 million in total.

Millions of Yen (Note 1)						
March 31, 2012						
	Within 1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	Over 10 Years
Securities	¥ 245,012	¥ 577,306	¥ 557,215	¥179,391	¥272,620	¥ 79,331
Held-to-maturity Bonds	—	—	—	—	—	—
Available-for-sale Securities with Maturities	245,012	577,306	557,215	179,391	272,620	79,331
Government Bonds	95,000	314,200	275,500	140,500	221,700	—
Local Government Bonds	38,892	101,545	140,470	29,525	44,940	—
Short-term Corporate Bonds	—	—	—	—	—	—
Corporate Bonds	55,437	97,033	57,924	328	4,000	10,809
Loans (*)	1,266,526	1,459,985	951,643	570,810	638,912	2,024,549
Total	¥1,511,539	¥2,037,292	¥1,508,858	¥750,202	¥911,532	¥2,103,880

(*) 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 ¥642,495 million in total.

(Note iv) Repayment schedule of interest-bearing liabilities:

Millions of Yen (Note 1)						
March 31, 2013						
	Within 1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	Over 10 Years
Deposits (*)	¥8,875,860	¥695,081	¥40,909	¥5,218	¥11,047	¥—
Negotiable Certificates of Deposit	298,173	338	—	—	—	—
Total	¥9,174,033	¥695,420	¥40,909	¥5,218	¥11,047	¥—

Millions of Yen (Note 1)						
March 31, 2012						
	Within 1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	Over 10 Years
Deposits (*)	¥8,612,667	¥656,705	¥53,817	¥4,365	¥10,689	¥—
Negotiable Certificates of Deposit	301,232	138	—	—	—	—
Total	¥8,913,899	¥656,844	¥53,817	¥4,365	¥10,689	¥—

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

33. Market Value of Securities
(1) Trading Securities

Millions of Yen (Note 1)		
	March 31, 2013	March 31, 2012
	Unrealized Gains (Losses) Included in the Consolidated Statement of Income	Unrealized Gains (Losses) Included in the Consolidated Statement of Income
Trading Securities	¥111	¥88

(2) Marketable Securities Held-to-Maturity

Millions of Yen (Note 1)							
		March 31, 2013			March 31, 2012		
		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	2,377	2,381	4	4,952	4,970	17
	Subtotal	¥2,377	¥2,381	¥ 4	¥ 4,952	¥ 4,970	¥ 17
(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	5,472	5,442	(29)	9,171	9,124	(46)
	Subtotal	¥5,472	¥5,442	¥(29)	¥ 9,171	¥ 9,124	¥(46)
	Total	¥7,849	¥7,824	¥(25)	¥14,124	¥14,095	¥(28)

(3) Marketable Securities Available for Sale

Millions of Yen (Note 1)							
		March 31, 2013			March 31, 2012		
		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	¥ 132,328	¥ 73,243	¥ 59,084	¥ 82,546	¥ 58,133	¥ 24,413
	Bonds:	1,514,121	1,494,377	19,744	1,428,631	1,414,049	14,582
	Japanese Government Bonds	956,623	943,754	12,868	895,640	888,056	7,584
	Japanese Local Government Bonds	357,370	352,427	4,943	336,446	331,448	4,997
	Japanese Short-term Corporate Bonds	—	—	—	—	—	—
	Japanese Corporate Bonds	200,128	198,195	1,932	196,545	194,544	2,000
	Other	238,513	227,120	11,393	162,729	159,598	3,130
	Foreign Bonds	193,092	189,892	3,200	147,400	145,078	2,322
	Subtotal	¥1,884,963	¥1,794,741	¥ 90,222	¥1,673,907	¥1,631,781	¥ 42,126
(b) Securities for which the fair value does not exceed the amortized acquisition cost	Stocks	¥ 33,111	¥ 39,398	¥ (6,286)	¥ 44,131	¥ 56,112	¥(11,980)
	Bonds:	145,454	146,400	(946)	222,454	224,067	(1,612)
	Japanese Government Bonds	124,690	125,549	(859)	169,297	170,672	(1,375)
	Japanese Local Government Bonds	7,847	7,853	(6)	24,804	24,843	(38)
	Japanese Short-term Corporate Bonds	—	—	—	—	—	—
	Japanese Corporate Bonds	12,916	12,997	(81)	28,353	28,551	(198)
	Other	98,713	102,144	(3,431)	151,694	159,909	(8,215)
	Foreign Bonds	81,951	83,776	(1,825)	117,675	119,098	(1,423)
	Subtotal	¥ 277,279	¥ 287,944	¥(10,664)	¥ 418,281	¥ 440,089	¥(21,808)
	Total	¥2,162,243	¥2,082,685	¥ 79,557	¥2,092,188	¥2,071,870	¥ 20,318

(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, 2013			March 31, 2012		
	Proceeds from Sales	Gain	Loss	Proceeds from Sales	Gain	Loss
Stocks	¥ 4,136	¥1,596	¥ 17	¥ 10,147	¥ 328	¥6,804
Bonds:	176,004	4,063	52	223,792	3,596	67
Japanese Government Bonds	128,467	1,566	52	167,259	1,079	54
Japanese Local Government Bonds	44,480	2,491	—	51,932	2,445	—
Japanese Short-term Corporate Bonds	—	—	—	—	—	—
Japanese Corporate Bonds	3,055	5	—	4,600	72	12
Other	86,521	1,848	453	78,636	531	2,087
Foreign Bonds	80,208	631	448	74,472	531	218
Total	¥266,661	¥7,509	¥523	¥312,576	¥4,457	¥8,959

(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, impairment losses was ¥1,499 million (Stocks; ¥1,442 million, Corporate bonds; ¥56 million) (¥896 million (Stocks; ¥878 million, Corporate bonds; ¥17 million) for the previous fiscal year).

"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, effectively 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.

Effectively 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)
	2013	2012	2013	
Consolidated Balance Sheet Amount	¥36,890	¥25,677	¥392,245	
Unrealized Gains (Losses) Included in the Consolidated Statement of Income	4,054	1,056	43,108	

(2) Money Held in Trust for Other Purposes

	Millions of Yen (Note 1)			Thousands of U.S. Dollars (Note 1)
	2013	2012	2013	
Acquisition Cost	¥4,300	¥3,221	¥45,720	
Consolidated Balance Sheet Amount	4,300	3,221	45,720	
Valuation Differences	—	—	—	
Gains	—	—	—	
Losses	—	—	—	

35. Valuation Difference on Available-for-sale Securities

	Millions of Yen (Note 1)			Thousands of U.S. Dollars (Note 1)
	2013	2012	2013	
Valuation Difference	¥79,557	¥20,318	¥845,909	
Securities Available for Sale	79,557	20,318	845,909	
Other Money Held in Trust	—	—	—	
Deferred Tax Liabilities (Assets)	28,071	7,073	298,479	
Valuation Difference, Net of Taxes	¥51,485	¥13,244	¥547,431	
Amount Attributable to Minority Interests	164	27	1,745	
Net Unrealized Gains on Securities Available for Sale Owned by Subsidiaries, which is Attributable to the Parent	74	51	795	
Valuation Difference on Available-for-sale Securities	¥51,396	¥13,268	¥546,480	

36. Derivative Transactions

(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, 2013				
	Notional Principal or Contract Amount		Fair Value	Unrealized Gains (Losses)
	Total	Over 1 Year		
Listed:				
Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Bought	—	—	—	—
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-counter:				
FRAs:				
Sold	—	—	—	—
Bought	—	—	—	—
Swaps:				
Receive Fixed / Pay Float	1,508,436	1,222,032	30,030	30,030
Receive Float / Pay Fixed	1,485,867	1,205,777	(29,205)	(29,205)
Receive Float / Pay Float	100,700	69,700	12	12
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Other:				
Sold	19,083	11,678	(7)	(7)
Bought	3,000	3,000	2	2
Total	¥ —	¥ —	¥ 832	¥ 832

1. The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statement 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.

Millions of Yen (Note 1)				
March 31, 2012				
	Notional Principal or Contract Amount		Fair Value	Unrealized Gains (Losses)
	Total	Over 1 Year		
Listed:				
Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Bought	—	—	—	—
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-counter:				
FRAs:				
Sold	—	—	—	—
Bought	—	—	—	—
Swaps:				
Receive Fixed / Pay Float	1,840,601	1,486,515	28,274	28,274
Receive Float / Pay Fixed	1,822,530	1,453,615	(27,950)	(27,950)
Receive Float / Pay Float	118,410	81,340	60	60
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Other:				
Sold	23,778	17,014	(13)	(13)
Bought	10,000	3,000	21	21
Total	¥ —	¥ —	¥ 392	¥ 392

1. The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statement 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, 2013				
	Notional Principal or Contract Amount		Fair Value	Unrealized Gains (Losses)
	Total	Over 1 Year		
Listed:				
Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Bought	—	—	—	—
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-counter:				
Currency Swaps	180,861	124,073	132	132
Forward Foreign Exchange:				
Sold	13,361	—	(118)	(118)
Bought	9,235	—	83	83
Currency Options:				
Sold	36,810	—	(1,121)	1,505
Bought	36,810	—	1,121	(753)
Other:				
Sold	1,105	279	(104)	(104)
Bought	1,105	279	152	152
Total	¥ —	¥ —	¥ 145	¥ 896

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

Millions of Yen (Note 1)				
March 31, 2012				
	Notional Principal or Contract Amount		Fair Value	Unrealized Gains (Losses)
	Total	Over 1 Year		
Listed:				
Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Bought	—	—	—	—
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-counter:				
Currency Swaps	265,681	144,350	208	208
Forward Foreign Exchange:				
Sold	18,672	—	88	88
Bought	14,694	—	174	174
Currency Options:				
Sold	82,378	—	(5,349)	900
Bought	82,378	—	5,349	832
Other:				
Sold	1,827	946	162	162
Bought	1,827	946	(70)	(70)
Total	¥ —	¥ —	¥ 564	¥ 2,297

1. The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statement 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, 2013				
	Notional Principal or Contract Amount		Fair Value	Unrealized Gains (Losses)
	Total	Over 1 Year		
Listed:				
Futures:				
Sold	¥1,883	¥—	¥ (7)	¥ (7)
Bought	—	—	—	—
Futures Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-counter:				
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Other:				
Sold	—	—	—	—
Bought	—	—	—	—
Total	¥ —	¥—	¥ (7)	¥ (7)

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

Millions of Yen (Note 1)				
March 31, 2012				
	Notional Principal or Contract Amount		Fair Value	Unrealized Gains (Losses)
	Total	Over 1 Year		
Listed:				
Futures:				
Sold	¥1,994	¥—	¥ 6	¥ 6
Bought	—	—	—	—
Futures Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-counter:				
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Other:				
Sold	—	—	—	—
Bought	—	—	—	—
Total	¥ —	¥—	¥ 6	¥ 6

- The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statement of income.
- The fair value of listed transactions is based on the final price issued by Tokyo Stock 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, 2013				
	Notional Principal or Contract Amount		Fair Value	Unrealized Gains (Losses)
	Total	Over 1 Year		
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	111	111	(18)	(18)
Receive Float / Pay Fixed	111	111	31	31
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Total	¥ —	¥ —	¥ 12	¥ 12

- The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statement of income.
- 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.
- Fuels were underlying assets of the above derivative transactions.

Millions of Yen (Note 1)				
March 31, 2012				
	Notional Principal or Contract Amount		Fair Value	Unrealized Gains (Losses)
	Total	Over 1 Year		
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	184	172	(17)	(17)
Receive Float / Pay Fixed	184	172	38	38
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Total	¥ —	¥ —	¥ 21	¥ 21

- The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statement of income.
- 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.
- 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 method 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, 2013					
Hedged item		Notional Principal or Contract Amount		Fair Value	
		Total	Over 1 Year		
Principle Method					
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		162,667	135,413	(3,086)	
Receive Float / Pay Float		—	—	—	
Other		3,000	—	(49)	
Exceptional Accrual Method					
Interest Swap	Loans				
Receive Fixed / Pay Float		—	—	—	
Receive Float / Pay Fixed		4,702	2,801	*3	
Receive Float / Pay Float		—	—	—	
Total		¥ —	¥ —	¥(3,136)	

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.
3. Since derivative transactions qualifying for the exceptional accrual method are treated as a unit of loans, those fair values are included in fair values of such loans in "32. Financial Instruments."

Millions of Yen (Note 1)					
March 31, 2012					
Hedged item		Notional Principal or Contract Amount		Fair Value	
		Total	Over 1 Year		
Principle Method					
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		135,901	96,810	(3,600)	
Receive Float / Pay Float		—	—	—	
Other		8,000	3,000	(174)	
Exceptional Accrual Method					
Interest Swap	Loans				
Receive Fixed / Pay Float		—	—	—	
Receive Float / Pay Fixed		1,643	1,643	*3	
Receive Float / Pay Float		—	—	—	
Total		¥ —	¥ —	¥(3,775)	

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.
3. Since derivative transactions qualifying for the exceptional accrual method are treated as a unit of loans, those fair values are included in fair values of such loans in "32. Financial Instruments."

(b) Currency derivatives

Method of hedge accounting; Principle method

Millions of Yen (Note 1)				
March 31, 2013				
Hedged item		Notional Principal or Contract Amount		Fair Value
		Total	Over 1 Year	
Currency Swap	Foreign currency denominated loans, securities, deposits and foreign exchanges	¥195,444	¥4,860	¥(5,209)
Total		¥ —	¥ —	¥(5,209)

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 or option pricing models.

Millions of Yen (Note 1)				
March 31, 2012				
Hedged item		Notional Principal or Contract Amount		Fair Value
		Total	Over 1 Year	
Currency Swap	Foreign currency denominated loans, securities, deposits and foreign exchanges	¥168,294	¥4,609	¥(1,809)
Total		¥ —	¥ —	¥(1,809)

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 or option pricing models.

(c) Equity derivatives

None.

(d) Bond derivatives

None.

37. Per Share Data

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Net Assets per Share of Common Stock	¥839.15	¥747.90	\$8.92
Net Income per Share of Common Stock	50.88	46.47	0.54
Diluted Net Income per Share of Common Stock	50.84	46.44	0.54

1. Basis on calculating Net Assets per Share was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Consolidated Net Assets	¥729,243	¥664,076	\$7,753,785
Less: Subscription Rights to Shares	277	231	2,951
Less: Minority Interest	7,317	6,511	77,805
Consolidated Net Assets Attributable to Common Stockholders	721,648	657,332	7,673,028

	Number of Shares	
	2013	2012
Number of Shares of Common Stock Used for Calculating Net Assets per Share	859,967,258	878,893,482

2. Basis on calculating Net Income per Share was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Consolidated Net Income	¥44,152	¥40,770	\$469,455
Consolidated Net Income not Attributable to Common Stockholders	—	—	—
Consolidated Net Income Attributable to Common Stockholders	44,152	40,770	469,455

	Number of Shares	
	2013	2012
Average Number of Shares of Common Stock (excluding Treasury Stock)	867,749,525	877,319,233

The increased number of shares of common stock for stock options is 693 thousand (523 thousand for the previous fiscal year), 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, 2013 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 fiscal year-end
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 of ¥563 million	Loan	¥540 million

The Watanabereisyoku Co., Ltd. is no longer a related party, because Katsuhiko Watanabe resigned as the Director at the shareholders meeting on June 28, 2012. The percentage of voting rights held by the Bank is the percentage at the previous fiscal year-end, the amounts of the transactions is the average amount of the term during which it was a related party, and the balance at the fiscal year-end is the balance at the time it became no longer a related party. The terms of transactions and policies of determining the terms are similar to 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, 2012 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 fiscal year-end
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 of ¥571 million	Loan	¥575 million

The terms of transactions and policies of determining the terms are similar to 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, 2012 were as follows:

Resolution	Category of Shares	Millions of Yen (Note 1)	Yen (Note 1)	Record Date	Date of Effectuation
		Total Amounts of Cash Dividends Paid	Cash Dividends per Share		
Annual General Shareholders Meeting, at June 29, 2011	Common Stock	¥4,860	¥5.50	March 31, 2011	June 30, 2011
Board of Directors, at November 11, 2011	Common Stock	¥4,794	¥5.50	September 30, 2011	December 9, 2011

II. Cash Dividends Paid for the fiscal year ended March 31, 2013 were as follows:

Resolution	Category of Shares	Millions of Yen (Note 1)	Yen (Note 1)	Record Date	Date of Effectuation
		Total Amounts of Cash Dividends Paid	Cash Dividends per Share		
Annual General Shareholders Meeting, at June 28, 2012	Common Stock	¥4,838	¥5.50	March 31, 2012	June 29, 2012
Board of Directors, at November 12, 2012	Common Stock	¥4,784	¥5.50	September 30, 2012	December 5, 2012

III. Cash Dividends with the record date in the fiscal year ended March 31, 2013 and the effective date in the fiscal year ending March 31, 2014 were as follows:

Approval	Category of Shares	Millions of Yen (Note 1)	Source of Dividends	Yen (Note 1)	Record Date	Date of Effectuation
		Total Amounts of Cash Dividends Paid		Cash Dividends per Share		
Annual General Shareholders Meeting, at June 27, 2013	Common Stock	¥5,589	Retained earnings	¥6.50	March 31, 2013	June 28, 2013

40. Stock Options

1. Line Item where Stock Option Expense is Presented and the Amount

	Millions of Yen (Note 1)	2012	Thousands of U.S. Dollars (Note 1)
	2013		2013
General and Administrative Expenses	¥142	¥151	\$1,515

2. The Stock Option Activity

(1) Outline of the Stock Option

		The first subscription rights	The second subscription rights	The third subscription rights
Number of Grantees	Directors	9	9	9
	Executive officers	9	9	9
Number of Stock Options	Common stock	311,100	343,600	344,700
Date of Grant		July 20, 2010	July 20, 2011	July 20, 2012
Requirement for Determination of Rights		Not fixed	Not fixed	Not fixed
Target Period		Not fixed	Not fixed	Not fixed
Exercise Period		From July 21, 2010 to July 20, 2040	From July 21, 2011 to July 20, 2041	From July 21, 2012 to July 20, 2042

(2) Size and Situation of the Stock Option

(a) The number of the stock option

	Number of Shares		
	The first subscription rights	The second subscription rights	The third subscription rights
Non-vested			
As of March 31, 2012	—	—	—
Granted	—	—	344,700
Forfeited	—	—	—
Vested	—	—	344,700
Outstanding	—	—	—
Vested			
As of March 31, 2012	250,500	343,600	—
Vested	—	—	344,700
Exercised	91,400	121,400	—
Forfeited	—	—	—
Outstanding	159,100	222,200	344,700

(b) Price information

	Yen (Note 1)		
	The first subscription rights	The second subscription rights	The third subscription rights
Exercise Price	1	1	1
Average Price at Exercise	490	474	—
Fair Value at Grant Date	467	446	403

3. The Estimations Used to Measure Fair Value of Stock Option

(1) Valuation Method

The Black-Scholes option pricing model

(2) Main Figures and the Way of Estimation

	The third subscription rights
Volatility of Stock Price (*1)	38.928%
Estimated Remaining Outstanding Period (*2)	5 years
Estimated Dividend (*3)	¥11 per share
Risk-free Interest Rate (*4)	0.176%

*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 2012.

*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.

Independent Auditor's Report



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Independent Auditor's Report

The Board of Directors
The Chiba Bank, Ltd.

We have audited the accompanying consolidated financial statements of The Chiba Bank, Ltd. and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2013, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Chiba Bank, Ltd. and its consolidated subsidiaries as at March 31, 2013, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 1.

Ernst & Young ShinNihon LLC

June 24, 2013

A member firm of Ernst & Young Global Limited

Non-Consolidated Balance Sheet (Unaudited)

The Chiba Bank, Ltd.
As of March 31, 2013

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Assets			
Cash and Due from Banks	¥ 442,128	¥ 472,367	\$ 4,700,992
Call Loans	224,011	69,621	2,381,829
Receivables under Resale Agreements	29,994	29,992	318,918
Monetary Claims Bought	15,294	21,468	162,616
Trading Assets	284,594	326,779	3,025,990
Money Held in Trust	36,890	25,799	392,245
Securities	2,176,011	2,111,610	23,136,753
Loans and Bills Discounted	7,912,140	7,581,708	84,126,961
Foreign Exchanges	6,386	2,205	67,903
Other Assets	44,710	47,752	475,385
Tangible Fixed Assets	93,529	93,301	994,469
Intangible Fixed Assets	10,474	10,067	111,373
Deferred Tax Assets	6,982	27,043	74,238
Customers' Liabilities for Acceptances and Guarantees	73,438	78,052	780,847
Allowance for Loan Losses	(44,200)	(39,255)	(469,973)
Total Assets	¥11,312,385	¥10,858,514	\$120,280,549
Liabilities			
Deposits	¥ 9,969,843	¥ 9,677,871	\$106,005,781
Call Money	54,172	34,095	576,000
Payables under Securities Lending Transactions	74,402	77,347	791,098
Trading Liabilities	30,352	29,403	322,728
Borrowed Money	279,349	161,682	2,970,219
Foreign Exchanges	358	229	3,807
Bonds Payable	20,000	40,000	212,653
Other Liabilities	87,407	95,650	929,374
Provision for Retirement Benefits	18,936	19,011	201,348
Provision for Reimbursement of Deposits	1,850	1,522	19,674
Provision for Point Loyalty Programs	143	145	1,523
Deferred Tax Liabilities for Land Revaluation	13,240	13,240	140,778
Acceptances and Guarantees	73,438	78,052	780,847
Total Liabilities	¥10,623,495	¥10,228,252	\$112,955,830
Net Assets			
Capital Stock	¥ 145,069	¥ 145,069	\$ 1,542,468
Capital Surplus	122,134	122,678	1,298,608
Retained Earnings	371,544	349,589	3,950,499
Legal Retained Earnings	50,930	50,930	541,523
Other Retained Earnings	320,614	298,659	3,408,977
Treasury Stock	(7,581)	(8,038)	(80,608)
Total Shareholders' Equity	631,166	609,298	6,710,968
Valuation Difference on Available-for-sale Securities	48,629	12,888	517,061
Deferred Gains or Losses on Hedges	(1,167)	(1,549)	(12,413)
Revaluation Reserve for Land	9,983	9,393	106,152
Total Valuation and Translation Adjustments	57,445	20,732	610,800
Subscription Rights to Shares	277	231	2,951
Total Net Assets	¥ 688,889	¥ 630,262	\$ 7,324,719
Total Liabilities and Net Assets	¥11,312,385	¥10,858,514	\$120,280,549

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 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 ¥94.05 to \$1.00, the exchange rate prevailing at March 31, 2013.

Non-Consolidated Statement of Income (Unaudited)

The Chiba Bank, Ltd.
For the year ended March 31, 2013

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Income			
Interest Income:			
Interest on Loans and Discounts	¥121,160	¥125,644	\$1,288,258
Interest and Dividends on Securities	19,389	19,184	206,163
Other Interest Income	784	1,335	8,336
Trust Fees	1	1	13
Fees and Commissions	33,591	32,428	357,168
Trading Income	1,326	1,445	14,099
Other Ordinary Income	6,338	5,975	67,396
Other Income	14,286	14,148	151,905
Total Income	¥196,878	¥200,163	\$2,093,340
Expenses			
Interest Expenses:			
Interest on Deposits	¥ 5,162	¥ 5,966	\$ 54,886
Interest on Borrowings and Rediscounts	1,297	1,159	13,797
Other Interest Expenses	4,756	4,502	50,575
Fees and Commissions Payments	18,104	17,913	192,503
Other Ordinary Expenses	841	3,193	8,948
General and Administrative Expenses	83,987	83,329	893,008
Other Expenses	16,848	23,121	179,139
Total Expenses	¥131,001	¥139,186	\$1,392,890
Income before Income Taxes	65,877	60,977	700,450
Income Taxes—Current	24,190	17,974	257,210
Income Taxes—Deferred	461	6,994	4,902
Net Income	¥ 41,225	¥ 36,007	\$ 438,337

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 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 ¥94.05 to \$1.00, the exchange rate prevailing at March 31, 2013.

Supplementary Information (Unaudited)

The Chiba Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2013

Consolidated Capital Ratio (BIS Guidelines)

	Millions of Yen	Thousands of U.S. Dollars
	2013	2013
Common Equity Tier 1 Capital: Instruments and Reserves	¥ 659,707	\$ 7,014,436
Capital Stock and Capital Surplus	267,203	2,841,077
Retained Earnings	401,813	4,272,340
Treasury Stock	(7,581)	(80,608)
Cash Dividends to be Paid	(7,090)	(75,389)
Subscription Rights to Shares	277	2,951
Instruments and Reserves (Transitional Arrangements)	5,084	54,066
Common Equity Tier 1 Capital: Regulatory Adjustments	14,458	153,731
Regulatory Adjustments Due to Insufficient Additional Tier 1 and Tier 2	14,458	153,731
Total Common Equity Tier 1 Capital	¥ 645,249	\$ 6,860,705
Additional Tier 1 Capital: Instruments	¥ 2,342	\$ 24,910
Adjusted Minority Interests, etc.	1,828	19,440
Instruments (Transitional Arrangements)	514	5,470
Additional Tier 1 Capital: Regulatory Adjustments	16,801	178,641
Regulatory Adjustments (Transitional Arrangements)	16,801	178,641
Total Additional Tier 1 Capital	—	—
Total Tier 1 Capital	¥ 645,249	\$ 6,860,705
Tier 2 Capital: Instruments and Provisions	¥ 73,976	\$ 786,562
Adjusted Minority Interests, etc.	404	4,299
Eligible Instruments (Transitional Arrangements)	27,000	287,081
General Allowance for Loan Losses and Eligible Provisions	269	2,862
Instruments and Provisions (Transitional Arrangements)	46,302	492,320
Tier 2 Capital: Regulatory Adjustments	16,732	177,907
Regulatory Adjustments (Transitional Arrangements)	16,732	177,907
Total Tier 2 Capital	¥ 57,243	\$ 608,655
Total Capital	¥ 702,493	\$ 7,469,360
Risk-Weighted Assets:		
Total Risk-Weighted Assets	¥4,999,884	\$53,161,983
Total Required Capital	¥ 399,990	\$ 4,252,959
Capital Ratios :		
Common Equity Tier 1 Capital Ratio	12.90%	12.90%
Tier 1 Capital Ratio	12.90%	12.90%
Total Capital Ratio	14.05%	14.05%

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 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 ¥94.05 to \$1.00, the exchange rate prevailing at March 31, 2013.

The Capital ratio has been calculated based on the new standard (Basel III) from the year ended March 31, 2013, considering the transitional arrangements.

The following approaches were adopted to calculate the new 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)

Total Required Capital is calculated by multiplying Total Risk-weighted Assets by 8%.

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

Millions of Yen (Note 1)		
March 31, 2013		
	Outstanding Balance	Composition
Domestic Operations:		
Manufacturing	¥ 693,745	8.91%
Agriculture and Forestry	8,851	0.11%
Fisheries	1,282	0.02%
Mining, Quarrying and Gravel	15,161	0.19%
Construction	286,120	3.68%
Electricity, Gas, Heat Supply and Water	21,515	0.28%
Information and Communications	50,478	0.65%
Transportation and Postal Service	235,164	3.02%
Wholesale and Retail Trade	682,094	8.76%
Finance and Insurance	368,611	4.73%
Real Estate and Leasing	1,803,762	23.17%
Services	482,251	6.19%
Government and Local Public Sector	243,421	3.13%
Others (Mainly Consumer Loans)	2,892,797	37.16%
Total	¥7,785,258	100.00%
Overseas Operations and JOM Account	¥ 100,774	—

Millions of Yen (Note 1)		
March 31, 2012		
	Outstanding Balance	Composition
Domestic Operations:		
Manufacturing	¥ 679,359	9.08%
Agriculture and Forestry	8,206	0.11%
Fisheries	885	0.01%
Mining, Quarrying and Gravel	13,753	0.18%
Construction	288,582	3.86%
Electricity, Gas, Heat Supply and Water	21,662	0.29%
Information and Communications	52,939	0.71%
Transportation and Postal Service	222,196	2.97%
Wholesale and Retail Trade	702,640	9.40%
Finance and Insurance	304,427	4.07%
Real Estate and Leasing	1,727,117	23.09%
Services	465,584	6.23%
Government and Local Public Sector	220,257	2.95%
Others (Mainly Consumer Loans)	2,770,748	37.05%
Total	¥7,478,359	100.00%
Overseas Operations and JOM Account	¥ 76,564	—



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 unwavering trust, thorough compliance with laws, rules and other fundamental principles, opposition to antisocial forces, transparent management, and other items. We are currently implementing "Frontier 70," our 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 ten directors, including one outside director. The directors make decisions about management policies and other important matters and supervise the execution of business by the directors and executive officers. In addition, the Board of Designated Directors, which consists of directors appointed by the Board of Directors, meets once each week as a rule to discuss important matters concerning business operations and other subjects for the purpose of responding swiftly and appropriately to changes in the operating environment.

Audit & Supervisory Board Members

The Chiba Bank has adopted a corporate auditor system with five audit & supervisory board members, including three highly independent outside audit & supervisory board members. In addition, two of the three outside audit & supervisory board members are standing audit & supervisory board members. They regularly attend meetings of the Board of Directors and other important meetings, check important documents, and perform other tasks to conduct objective and reasonable audits for verifying that business operations are sound and legal. The Chiba Bank believes that this system provides an adequate management supervisory function.

Executive Officer System

The Chiba Bank employs an executive officer system. Executive officers, who are appointed by the Board of Directors, are responsible for business operations in the departments under their supervision. This system provides for the clear separation of the roles of the directors, who reach decisions on important matters, supervise the execution of business operations, and perform other tasks, and the role of the executive officers, who conduct business operations. In addition, the Board of Directors and Executive Officers meets once each month as a rule. This board assists the directors in making decisions swiftly and properly, checks the business activities that are conducted by the executive officers, and assists executive officers in conducting business operations.

Internal Auditing

The Audit and Inspection Division, which is independent of the units subject to auditing, conducts internal audits of headquarters, 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 monthly 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

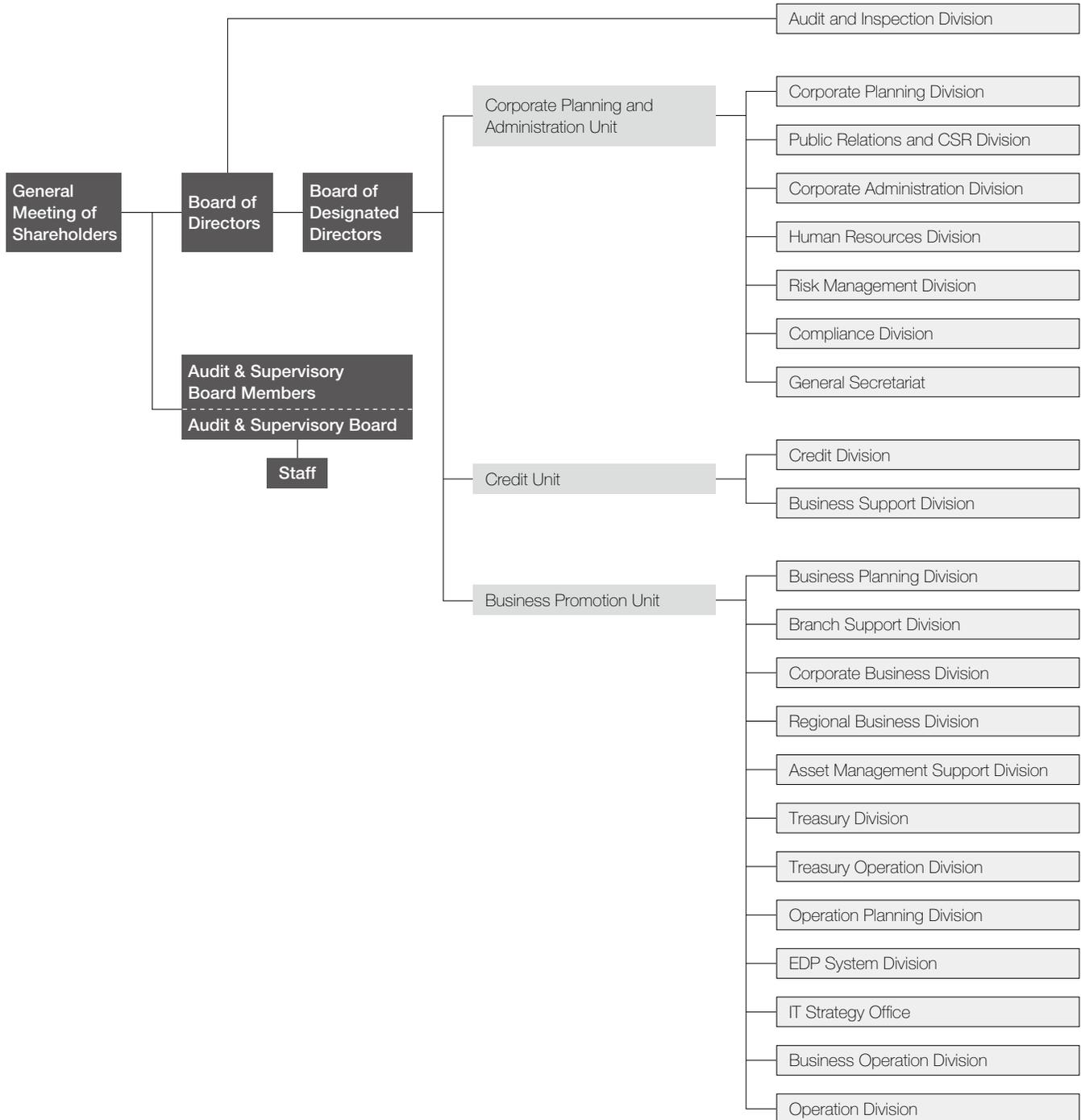
The Chiba Bank maintains a system under which subsidiaries decide their own regulations, in line with the Bank's Compliance Regulations and various risk management regulations, and the Bank's administrative departments control subsidiary compliance and risk management. The Chiba Bank's internal audit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

Basic Policy on Establishing Internal Control Systems

The Chiba 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 Chiba Bank is working to establish a high-quality management structure.

Organization

The Chiba Bank, Ltd.
As of June 27, 2013



Directors, Executive Officers and Audit & Supervisory Board Members

The Chiba Bank, Ltd.
As of June 27, 2013

Directors

President (Representative Director)

Hidetoshi Sakuma

Director and Senior Executive Officer
(Representative Director)

Tetsuya Koike

Head of Business Promotion Unit
Executive Officer in charge of
Business Planning Division, Branch Support Division,
Corporate Business Division, Regional Business Division
and Asset Management Support Division

Director and Senior Executive Officer

Kyoichi Hanashima

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

Director and Senior Executive Officer

Toshikazu Okubo

Head of Corporate Planning and Administration Unit
Executive Officer in charge of Corporate Planning Division
and Public Relations and CSR Division

Director and Managing Executive Officer

Masao Morimoto

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

Director and Managing Executive Officer

Osamu Kimura

Executive Officer in charge of Treasury Division and Treasury Operation Division

Director and Managing Executive Officer

Takeshi Kubo

Executive Officer in charge of
Corporate Administration Division,
Human Resources Division and General Secretariat

Director and Managing Executive Officer

Toru Nomura

Executive Officer in charge of Risk Management Division
and Compliance Division

Director and Managing Executive Officer

Shoichi Hatano

Executive Officer in charge of
Business Planning Division, Branch Support Division,
Corporate Business Division, Regional Business Division
and Asset Management Support Division

Non-Standing Director (Outside Director)

Toyokuni Yazaki

Executive Officers

Executive Officer

Masahiro Suzuki

General Manager, Funabashi Branch

Executive Officer

Masami Ohta

General Manager, Corporate Business Division

Executive Officer

Masaaki Sugiyama

General Manager, Tokyo Head Office

Executive Officer

Eiji Taniguchi

General Manager, Branch Support Division

Executive Officer

Tomoyuki Ikeda

General Manager, Mobara Branch

Executive Officer

Masahiro Owaku

General Manager, Corporate Planning Division

Executive Officer

Yukihiko Yoshida

General Manager, Human Resources Division

Executive Officer

Kazuyoshi Fukushima

General Manager, Audit and Inspection Division

Executive Officer

Hitoshi Ikeda

General Manager, Public Relations and CSR Division

Executive Officer

Daizo Iijima

General Manager, Head Office

Executive Officer

Kenichi Sawai

General Manager, Business Planning Division

Audit & Supervisory Board Members

Standing Audit & Supervisory Board Member

Tsutomu Nozawa

Standing Audit & Supervisory Board Member
(Outside Audit & Supervisory Board Member)

Kazuo Yamazoe

Standing Audit & Supervisory Board Member
(Outside Audit & Supervisory Board Member)

Kazuo Fukuda

Non-Standing Audit &
Supervisory Board Member

Susumu Maruyama

Non-Standing Audit &
Supervisory Board Member
(Outside Audit & Supervisory Board Member)

Akio Shirato

Subsidiaries

The Chiba Bank, Ltd.
As of July 1, 2013

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 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 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.

2-15-11, 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.

2-15-11, 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.

2-2-1, 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 Computer Service Co., Ltd.

6-12, Oyuminocho, 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 27, 2013

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

New York Branch

1133 Avenue of the Americas,
15th Floor,
New York, N.Y. 10036, U.S.A.
Telephone: 1-212-354-7777
Fax: 1-212-354-8575
SWIFT Address: CHBAUS33

Hong Kong Branch

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

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, 2013

Principal Shareholders

The ten largest shareholders of the Chiba Bank and their respective shareholdings as of March 31, 2013 were as follows:

	Number of Shares (in thousands)*1	Percentage of total shares issued*2 (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	47,314	5.40
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	35,414	4.04
The Master Trust Bank of Japan, Ltd. (Trust Account)	35,303	4.03
NIPPONKOA Insurance Company, Limited	29,998	3.42
Nippon Life Insurance Company	29,270	3.34
The Dai-ichi Life Insurance Company, Limited	26,230	2.99
SUMITOMO LIFE INSURANCE COMPANY	17,842	2.03
Meiji Yasuda Life Insurance Company	15,891	1.81
Chiba Bank Employees' Shareholding Association	12,795	1.46
Japan Trustee Services Bank, Ltd. (Trust Account 9)	12,581	1.43

*1 Except for the list above, there are 15,553 thousand (1.77%) of own shares.

(Excludes one thousand shares which, although registered in the name of Chiba Bank on the shareholders' list, are not actually owned by Chiba Bank.)

*2 Rounded down to the nearest thousand

*3 Rounded down to the second decimal places

Corporate Information

Established	March 1943		
Network	Domestic*1	175 Offices (156 branches, 17 sub-branches and 2 virtual branches)	
		39,143 Off-branch ATM locations (including 12,640 E-net ATM locations at convenience stores, 9,712 LAWSON ATM locations at convenience stores and 16,531 ATM locations jointly with Seven Bank, Ltd.)	
		3 Money exchange counters	
	Overseas	3 Branches (New York/Hong Kong/London) 2 Representative offices (Shanghai/Singapore)	
Number of Employees*2	4,282		
Total Assets	¥11,312.3 billion		
Loans and Bills Discounted	¥7,912.1 billion		
Deposits (including NCD)	¥9,969.8 billion		
Capital Stock	¥145.0 billion		
Total Capital Ratio (BIS guidelines)	14.05% (Consolidated) 13.21% (Non-consolidated)		
Authorized Number of Shares	2,500,000 thousand		
Number of Issued Shares	875,521 thousand		
Number of Shareholders*3	26,574		
TSE Code	8331		
Transfer Agent	Japan Securities Agents, Ltd. 1-2-4, Nihombashi Kayabacho Chuo-ku, Tokyo 103-8202		
Credit Ratings	Standard & Poor's Moody's Rating and Investment Information, Inc.	Long-term	Short-term
		A	A-1
		A1	P-1
		AA-	—

Figures as shown are presented on a non-consolidated basis.

*1 Tsukuba Branch opened on Oct.17, 2012

*2 Number of Employees includes transferred employees but excludes temporary staff and one-year contract employees.

*3 Stockholders with fewer than 1,000 shares are excluded.



Chiba Bank History

July 1953
Head office renewal and expansion



September 1963
Total deposits exceeded ¥100 billion



March 1973
New head office building completed at current location



November 1982
The Bank's logo mark "Himawari" (Sunflower) introduced



June 1992
Redesigned passbook and cash card introduced



March 2003
"Chibagin Forest" forestry developments launched



March 2013
Celebration of our 70th anniversary

THE CHIBA BANK, LTD.

1-2, Chiba-minato, Chuo-ku, Chiba-shi, Chiba 260-8720, Japan
Phone: 81-43-245-1111
e-mail: investor@chibabank.co.jp
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