



Annual Report 2016

Year ended March 31, 2016

Overview of Japanese Regional Banks

Number of regional banks in Japan*

64

Total deposits*

¥ **248.9** trillion

Total loans and bills discounted*

¥ **185.7** trillion

Japan's 64 regional banks each have a dense network of branches that center on the prefecture where their head office is located. The banks accommodate the diverse financial needs of individual customers and regional small, medium-sized and middle-market companies, playing a leading role in regional finance for the promotion and development of regional communities.

* Regional Banks Association of Japan (As of March 31, 2016)

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About the Chiba Bank



The Chiba Bank is a regional bank with its main operating base in Chiba Prefecture. Since its establishment in 1943, the Chiba Bank has continued to grow in step with the region by actively responding to financial needs generated by the development of Chiba Prefecture. As of March 31, 2016, total assets on a non-consolidated basis was ¥13.26 trillion, ranking the Bank second among Japan's regional banks.

The Chiba Bank has an expansive network of branches in Chiba Prefecture and neighboring areas. We have 160 branches in Chiba Prefecture, 13 in Tokyo, three in Saitama Prefecture, and one in Osaka Prefecture, in addition to overseas branches in New York, Hong Kong and London and representative offices in Shanghai, Singapore and Bangkok.

Our share of loans in Chiba Prefecture is approximately 40%, and our share of deposits is approximately 25%, both of which exceed all other financial institutions—we have a very powerful customer base in the region.

Total Assets

Non-consolidated (As of March 31, 2016)

¥ **13.2** trillion

2nd among
Japanese Regional
Banks

Profit Attributable to Owners of Parent (FY2015)

¥ **55.4** billion

Total Capital Ratio

Consolidated (As of March 31, 2016)

13.79 %

Credit Ratings (As of March 31, 2016)

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



Growth Potential of



About Chiba Prefecture

Chiba Prefecture, the Chiba Bank's primary operating base, is Japan's sixth largest in terms of both population and GDP. With favorable geographic conditions and a warm climate, the prefecture has thriving agriculture and fishing industries, and one of Japan's most prominent industrial areas along the coast of Tokyo Bay, giving the prefecture a well-balanced industrial structure.

In addition, a well-developed transportation network connected with the greater Tokyo metropolitan area, including Narita International Airport, supports people's daily lives and companies' business activities in the region. Moreover, further growth is expected going forward as various infrastructure and other development projects are carried out ahead of the Tokyo Olympic and Paralympic Games in 2020.

*1 Statistics Bureau, Ministry of Internal Affairs and Communications "Population Census" (October 2015)

*2 Economic and Social Research Institute, Cabinet Office "Prefectural Accounts" (FY2013)

*3 The Bank of Japan (As of March 2016)



Population*¹

6.2 million

6th among Japanese Prefectures



Number of Households*¹

2.6 million

6th among Japanese Prefectures



Gross Prefectural Product*²

¥ **19.8** trillion

6th among Japanese Prefectures



Balance of Deposits*³

27.2 trillion

6th among Japanese Prefectures



Balance of Loans*³

13.3 trillion

7th among Japanese Prefectures

Our Operating Area

Increasing Population

Following the Great East Japan Earthquake Disaster, Chiba Prefecture's population decreased briefly, but that trend has reversed, with the population increasing since 2013. The prefecture was just one of eight prefectures in the October 2015 population census to show a population increase compared to five years ago.

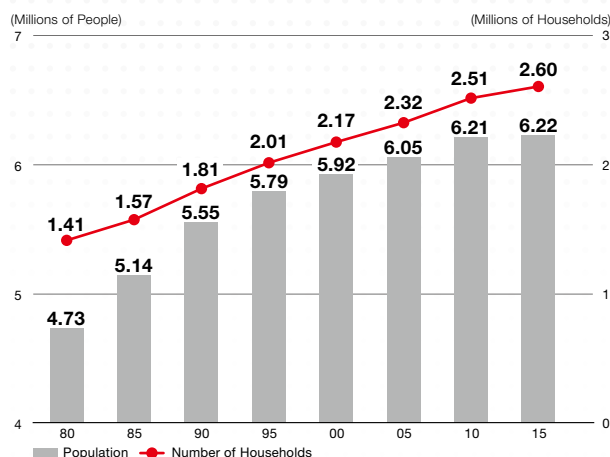
The number of households has also been increasing steadily, and as a neighboring bedroom community of the capital, Tokyo, there has been significant housing demand. New community development projects continue to be carried out, and commercial facilities, like large shopping malls that draw people from a wide area, continue to be established.

Development of Transportation Infrastructure

The Tokyo Bay Aqua-Line that opened in 1997 traverses Tokyo Bay to connect the capital with Kisarazu City in Chiba Prefecture by expressway and constitutes a portion of the network of expressways that ring the Tokyo metropolitan area. Tolls for the expressway were lowered in 2009, and traffic on the Aqua-Line has been increasing each year. The transportation infrastructure continues to be developed, and this includes extension of the Ken-O Expressway.

Based on the Land Market Value Publication released in January 2016, rates of appreciation have been increasing in Chiba Prefecture for residential, commercial and industrial land. In industrial districts in particular, development demand for logistics centers has been boosting land prices against a backdrop of the mounting need for same-day delivery in the Tokyo metropolitan area.

Population & Number of Households in Chiba Prefecture



Sources: Statistics Bureau, Ministry of Internal Affairs and Communications "Population Census"

National Strategic Special Zones

Chiba Prefecture is home to Japan's largest international airport, Narita International Airport, and with the opening of a new terminal (Narita International Airport Terminal 3) for low cost carriers (LCCs) in April 2015, the airport continues to strengthen its functions for the Tokyo metropolitan area.

Narita City is conducting urban development projects that utilize the airport and has been designated a National Strategic Special Zone with the aim of becoming a world-class city in the field of medical services. The city will be responding to increasing aging-related medical needs and further enhancing medical services for foreigners, so a number of medical institutions are expected to be established, including a medical university in April 2017, and medical professionals and other personnel will be trained, and this is expected to generate major economic benefits.

In addition, Chiba City was designated a National Strategic Special Zone in January 2016. Demonstration trials of services that make use of drones were initiated in Makuhari New City, a city complex with both corporate and residential areas.



Hidetoshi Sakuma
President (Representative Director)

Aiming for Together

Chiba Prefecture Is Livening Up

Last fiscal year, the year ended March 31, 2016, was full of good news for livening up Chiba Prefecture. For example, our prefecture gained a lot of attention when a low-cost carrier (LCC) terminal was opened at Narita International Airport in April 2015. I was happy to learn that Makuhari Messe, our local convention center, had been selected as a venue for the Tokyo 2020 Olympic and Paralympic Games to host three Olympic and four Paralympic events and that the Ken-O Expressway was extended in June.

Committing the Entire Group to Regional Revitalization

Last fiscal year was a year in which the Chiba Bank Group united to focus in particular on initiatives for revitalizing the region. Our subsidiary, Chibagin Research Institute, Ltd., formulated a “Strategic Plan for the Revitalization of Chiba Prefecture.” The analysis of local characteristics and recommended courses of action for communities in Chiba contained in this plan were highlighted by the government, Headquarters for Overcoming Population Decline and Vitalizing Local Economy in Japan, as a unique and outstanding example for others to emulate. We launched the operation of our Wider Chiba Regional Revitalization Fund and Chibagin Regional Revitalization Loan Program to provide various projects for starting companies and creating new businesses with financial support for contributing to regional revitalization. We also donated rental bicycles for use by tourists to promote tourism in Chiba.

Sustainable Growth with the Region

Comprehensive Alliance with The Musashino Bank

We also announced a comprehensive alliance with The Musashino Bank, Ltd. in March 2016. Under this alliance, we will leverage each other's expertise and business base with an eye to providing services with high added value, while maintaining management independence in our respective regions. We are expecting a high degree of synergy from this alliance because as regional banks, we are unique in that our branch networks do not overlap for the most part, even though we are both based in the Tokyo metropolitan area and share many issues. Hundreds of ideas for the alliance have already been proposed by both banks, and we plan to act swiftly on them going forward.

Steady Progress in Line with the Medium Term Management Plan

The fiscal year ended March 31, 2016 was also the second year in our medium term management plan, "Best Bank 2020—3 years of value creation." After making steady progress toward achieving the key upward performance indicators (KPIs), the plan was partially revised in November 2015, adding subjects to enhance our response to regional revitalization, as well as to address financial technology (FinTech) among other new issues.

Financial Results for the Fiscal Year Ended March 31, 2016

As of March 31, 2016, our balance of loans increased by ¥336.2 billion from the end of the previous fiscal year to ¥8,797.4 billion after we saw a steady increase primarily in loans to SMEs and housing loans. Total

deposits, including negotiable certificates of deposit (NCD), increased by ¥271.7 billion to ¥11,539.2 billion, mainly due to an increase in deposits from individual customers. As a result, consolidated ordinary profit increased by ¥1.3 billion year on year to ¥85.5 billion, and we reported ¥55.4 billion of profit attributable to owners of parent in the fiscal year ended March 31, 2016. Excluding a gain on negative goodwill, etc., recognized in the previous fiscal year, our profit level reached a new record high after increasing for seven consecutive years. In addition, we maintained a very high degree of financial soundness with a consolidated total capital ratio of 13.79% as of March 31, 2016.

Promotion of Diversity

We are also putting an effort into creating workplaces where women can have developing careers as a component of promoting diversity in our medium term management plan. There are limits to how much we can grow if we cling, as we have in the past, to a male-oriented mindset. Instead, we believe that the innovative ideas generated by a diverse workforce are crucial to ensuring the Bank's sustainable growth. So, we are now rethinking workstyles, including implementing operational reforms aimed at reducing overtime work. Other initiatives for providing our employees with career continuity support include taking part in the establishment of a talent pool among Japanese regional banks. If an employee must relocate because of marriage or their spouse being transferred, we can now introduce that person for re-employment at another regional bank in the area to which they relocate. We were praised for these initiatives and won a Prime Minister's Award at the Cabinet Office's Awards to Commend Leading Companies Where Women Shine in December 2015.

Promotion of Services Leveraging FinTech

FinTech, which is short for financial technology, refers to the use of IT in various innovative financial services. In November 2015, we established a new FinTech Business Promotion Office. Since then we have been developing advanced services that make use of big data and artificial intelligence. Smartphones and social networking services (SNS) are now the most ubiquitous communications channel among younger people. Having launched a LINE account in March 2016, we have also begun to use this channel to transmit information on the campaigns we are conducting, as well as on Chiba. In June 2016, we launched the Chibagin smartphone app to provide users with an optimum and timely information portal for checking our campaigns and notices.

Proactive Investments for the Future

As a branch strategy, we are now aggressively developing branches inside the 23 wards of Tokyo, which have been positioned as the strategic operating area. In 2015, we opened Shinagawa Branch in July and Ebisu Corporate Banking Office in October. In 2016, we plan to open Ikebukuro Corporate Banking Office in October as our 14th branch in Tokyo, which as a network

will provide us with full coverage of the 23 wards. Meanwhile, we are making headway with the renewal of our branches in Chiba Prefecture. The Kashiwanoha Campus Branch we relocated and reopened in June 2016 became our first branch open to the general public with extended bank teller hours on weekdays and bank tellers open for business on Saturdays, Sundays and holidays. We hope to respond to the needs of a wider range of customers through these and other investments for the future.

Activities for Proposing Solutions to Customers

In addition to engaging in regional revitalization as a regional bank, we at the Chiba Bank are also thinking of further expanding our business model for providing customers with solutions. We are nurturing human resources and reinforcing our structure so that we can propose management solutions important to our customers, including for expanding sales channels, streamlining business operations, and planning business succession as well as accepting deposits and providing loans. We want to play an increasingly important role in developing Chiba Prefecture and will do our best to live up to the expectations of investors and our other stakeholders in the region.

Regional Revitalization

In December 2014, the Cabinet of Japan approved a Comprehensive Strategy for Overcoming Population Decline and Vitalizing Local Economy in Japan as a measure for revitalizing local societies.

Chiba Prefecture is a region with high growth potential. However in areas of the prefecture far from Tokyo, populations and land prices have continued to decline, and regional revitalization has become a major issue for the local governments in the remote areas. As a result, the local governments are looking to the Chiba Bank Group with high expectations for help in forming local versions of the Cabinet's comprehensive strategy.

Of the 55 Local Governments in Chiba Prefecture

Chiba Bank's participation in promoting revitalization:

47 local governments

Consulting by Chibagin Research Institute:

12 local governments

Medium Term Management Plan

The 12th Medium Term Management Plan

April 1, 2014 → March 31, 2017 (3 years)

Best Bank 2020 3 years of value creation

The Chiba Bank shall aim to be a best retail banking group providing first-class value with a customer first policy and pursuing business vigorously.

New initiatives to this end were added in light of changes in the environment since the plan was launched.

Subjects to be addressed in the “3 years of value creation”

Creating new corporate value

- Supporting business growth and resolution of management issues of customers to realize regional revitalization
- Raising customer convenience by utilizing FinTech and enhancing the service channel and branch network

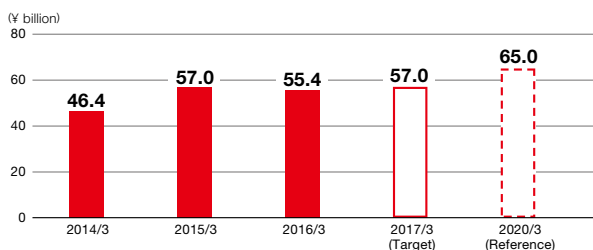
Further improving staff training

- Developing a highly professional workforce
- Promoting diversity, including by supporting the career advancement of women

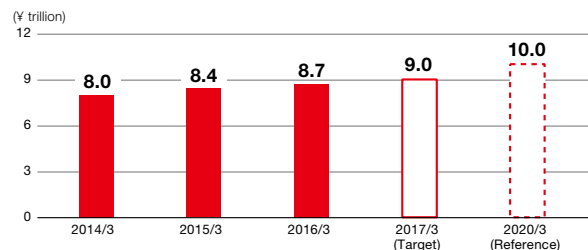
Building a sustainable management structure

- Improving business productivity to achieve sustainable growth
- Strengthening the risk management structure and compliance

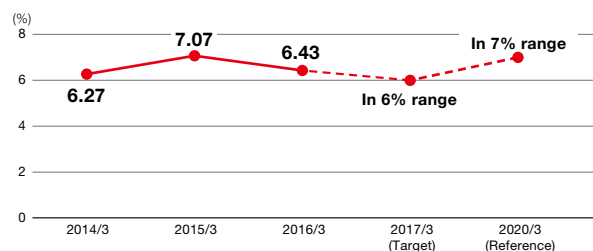
Profit Attributable to Owners of Parent



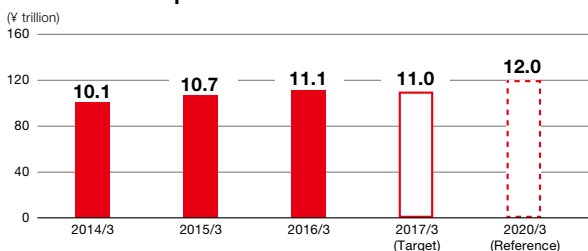
Balance of Loans



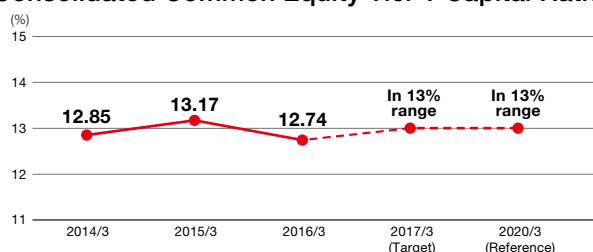
Consolidated ROE



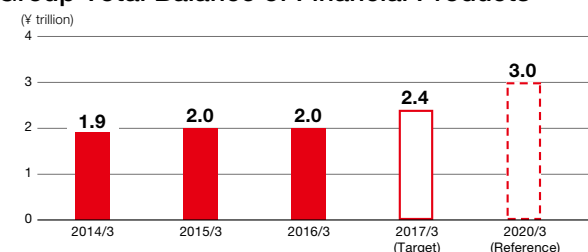
Balance of Deposits



Consolidated Common Equity Tier 1 Capital Ratio



Group Total Balance of Financial Products

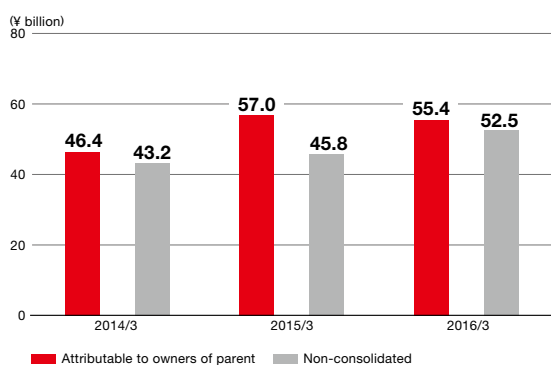


Financial Highlights

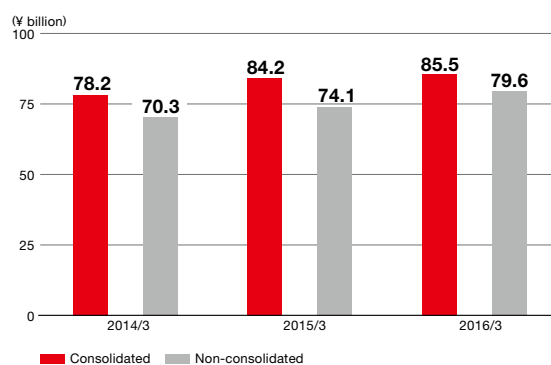
Consolidated ordinary profit for the fiscal year ended March 31, 2016 increased by ¥1.3 billion compared with the previous fiscal year to ¥85.5 billion. Profit attributable to owners of parent decreased by ¥1.5 billion compared with the previous fiscal year to ¥55.4 billion.

In exclusion of the gain on negative goodwill, etc. of ¥7.0 billion recognized in the previous year, profit attributable to owners of parent would have increased ¥5.4 billion year on year to yet another record.

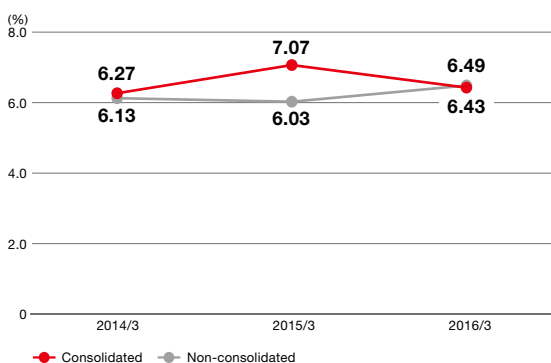
Profit



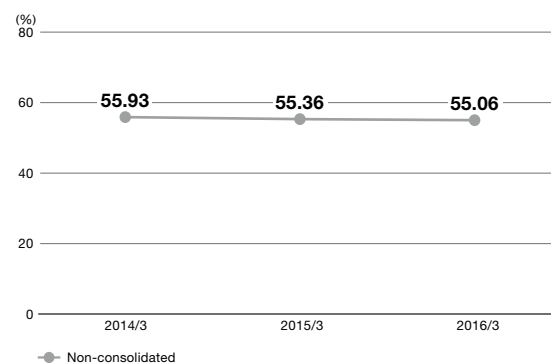
Ordinary Profit



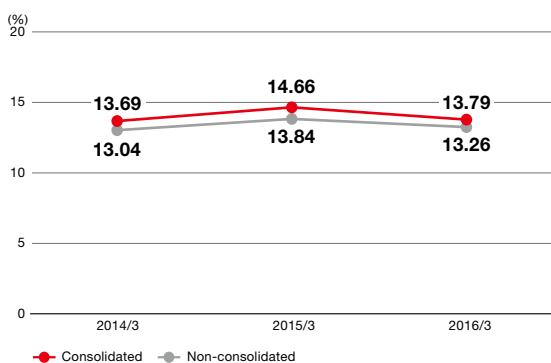
ROE



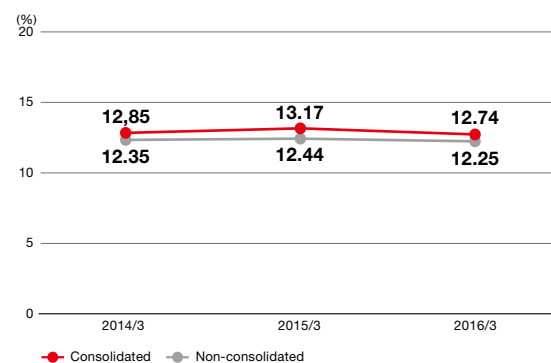
OHR



Total Capital Ratio (BIS Guidelines)



Common Equity Tier 1 Capital Ratio

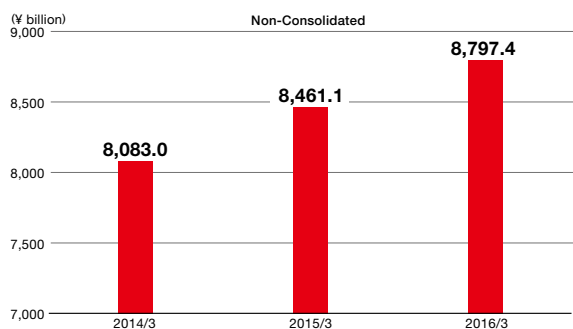


The total capital ratio was 13.79% on a consolidated basis and 13.26% on a non-consolidated basis.

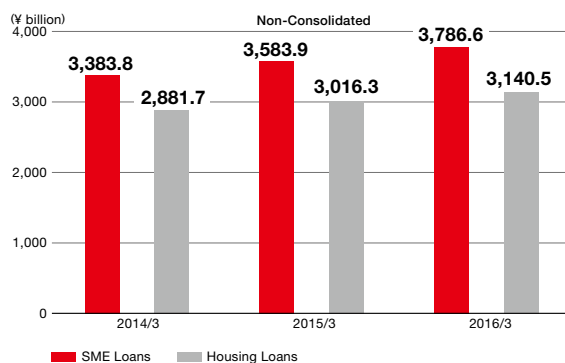
The balance of loans increased by ¥336.2 billion from the previous fiscal year-end to ¥8,797.4 billion. Among these, SME loans outstanding increased by ¥202.6 billion and housing loans outstanding increased by ¥124.1 billion from the balance at the end of the previous fiscal year.

The balance of deposits, including negotiable certificates of deposit (NCD) increased by ¥271.7 billion compared with the previous fiscal year-end to ¥11,539.2 billion.

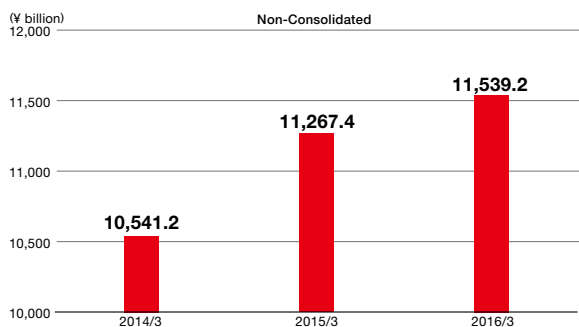
Balance of Loans



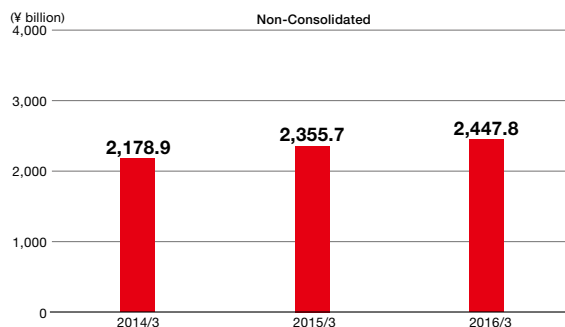
SME Loans and Housing Loans



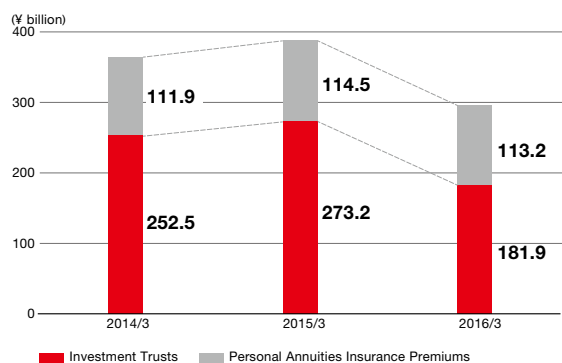
Balance of Deposits including NCD



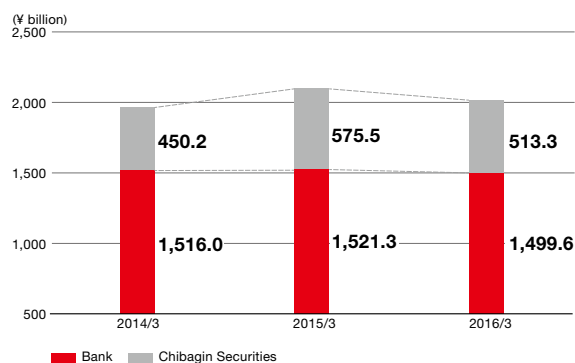
Balance of Investment Securities



Sales of Investment-Type Financial Products



Group Total Balance of Financial Products



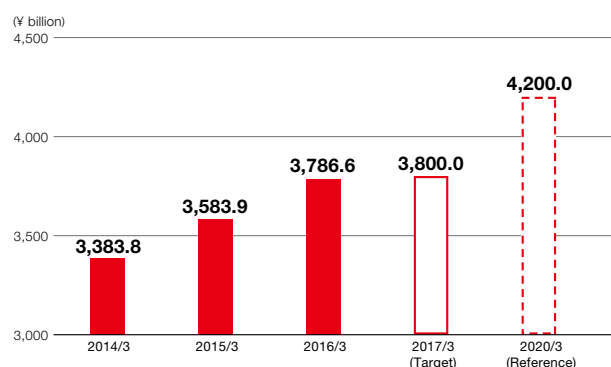
Corporate Banking

The Chiba Bank takes full advantage of its close proximity with local customers, born of an extensive regional branch network, to gather detailed information and conduct banking activities that seamlessly cover its operating areas.

According to an annual survey of main banks by the Teikoku Databank, more than 20,000 companies use Chiba Bank as their main bank—more than any other regional bank for the seventh consecutive year since the survey began.

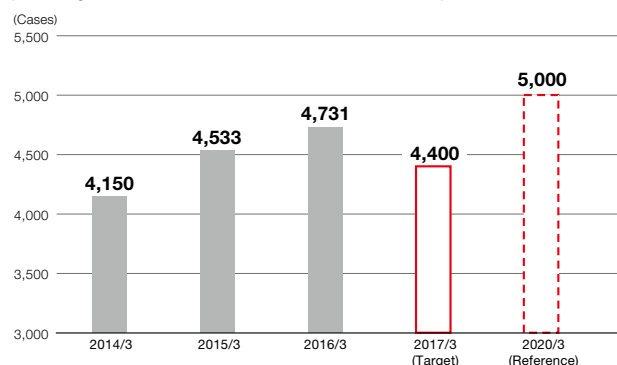
Results and Projections

Balance of SME loans



Number of new corporate loan customers

(Excluding customers of wholesale branches outside Chiba)



Loans to Small-and Medium-Sized Enterprises (SMEs)

Our balance of SME loans increased steadily over the course of the year, and we had acquired a record number of new corporate loan customers in the fiscal year ended March 31, 2016.

To underpin the growth of SMEs buttressing the local economy, we are actively engaged in providing support for their main business. Activities proposing solutions to customers have also resulted in the arrangement of syndicated loans and other financing, as well as business matchmaking, to drive banking revenues and profits from corporate solutions higher.

Loans for Regional Revitalization

In August 2015, the Chiba Bank established the Regional Revitalization / Regional Vitalization Committee chaired by the Bank's president. With both the Regional Revitalization Subcommittee and Evaluation of Customers' Business Potential Subcommittee driving specific measures, this committee has accelerated the Bank's regional revitalization initiatives. Under the committee, the Bank operates a loan program providing the financial support for contributing to employment and population gains in the region.

Achievements in FY 2015

Wider Chiba Regional Vitalization Fund

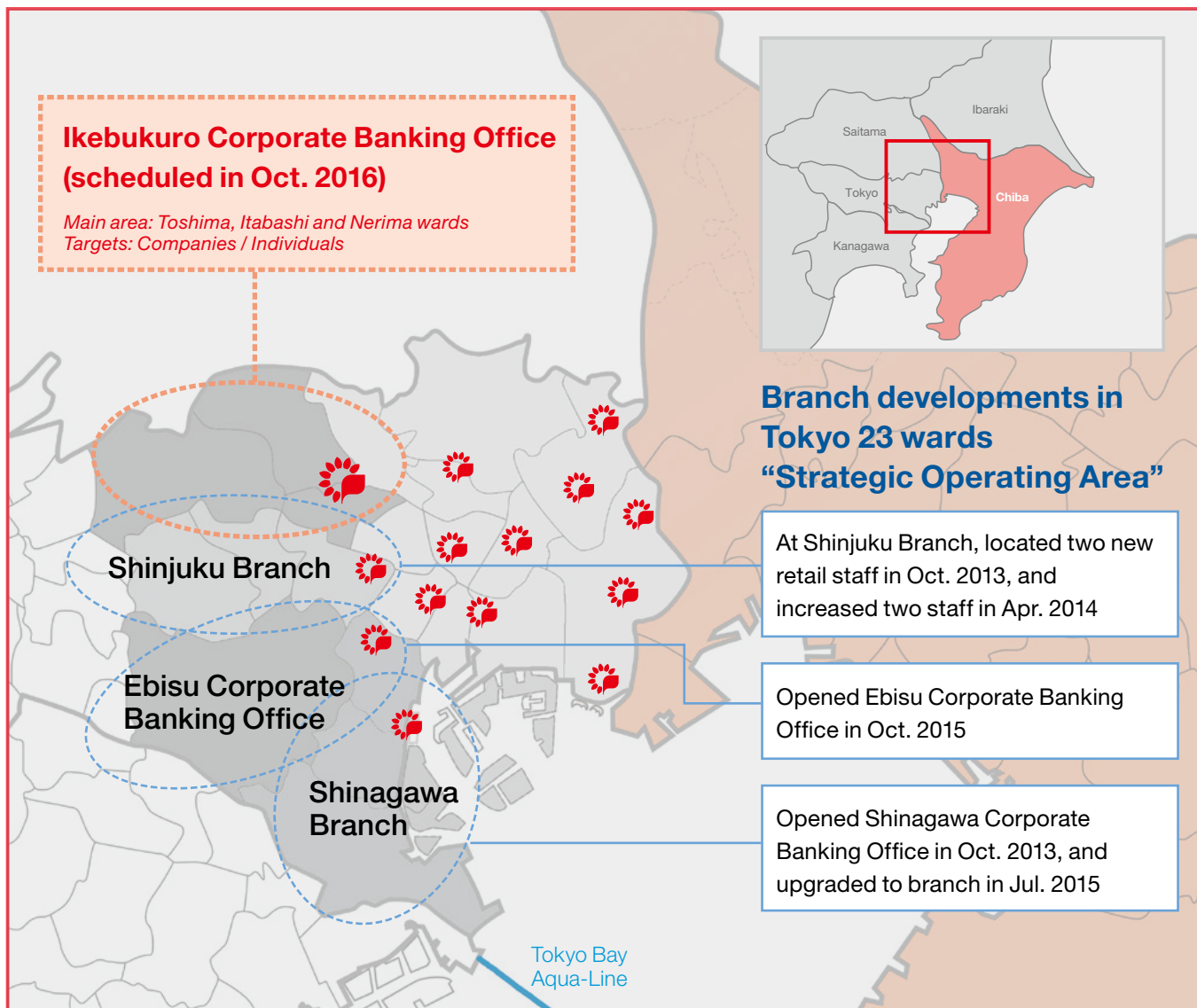
Investment projects:
Dance and music camp facilities, lodging facilities for inbound travelers from abroad



Chibagin Regional Revitalization Loan Program

Use of funds:
Purchase of agricultural land, construction of agricultural facilities / Construction of facilities supporting employment of people with disabilities

Strategic Operating Area

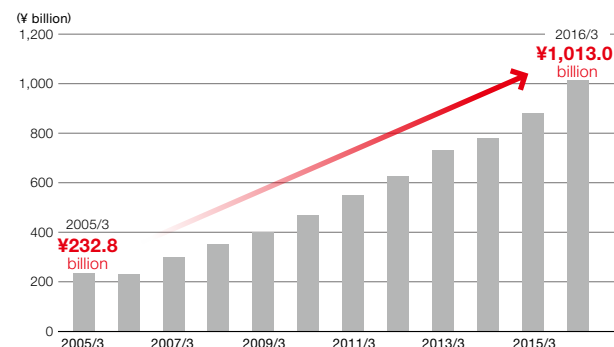


The Chiba Bank’s banking style has gained acceptance as well in areas outside of Chiba Prefecture. In fact, our balance of SME loans from branches outside Chiba Prefecture has roughly quadrupled in the past 10 years.

We are stepping up our banking activities in particular in the 23 wards of Tokyo, which have been positioned as the strategic operating area. Business sites newly developed in Shinjuku, Shinagawa and Ebisu in recent years have seen their balance of loans grow steadily, and we are planning to open Ikebukuro Corporate Banking Office in October 2016. Looking ahead, we will provide financial services to an even greater number of customers.

Balance of loans for retail branches outside Chiba prefecture*

*Excluding wholesale branches outside Chiba prefecture (Tokyo Head Office, Shinjuku Branch and Osaka Branch)



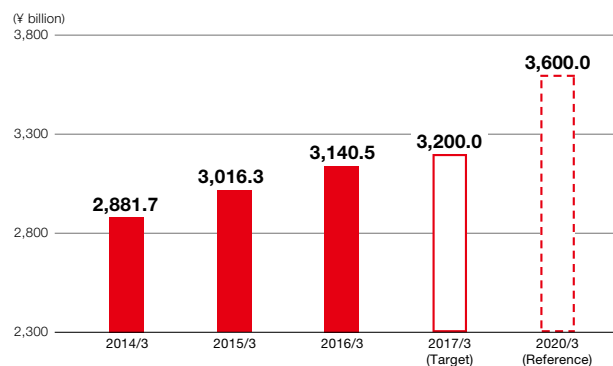
Retail Banking

The number of individual customer accounts at the Chiba Bank has exceeded 4 million. We have prepared various financial products and services, including deposits, investment trusts, insurance, and loans to meet the lifestyle plans of individual customers.

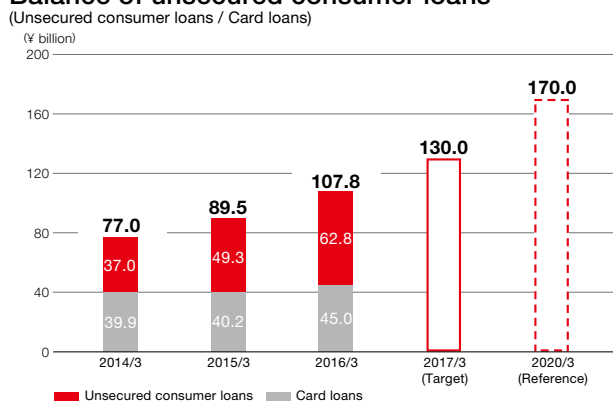
Efforts to further improve convenience for these customers include the development of a new type branches with extended teller service hours on weekdays that also operate on Saturdays and Sundays, as well as the enhancement of online banking services.

Results and Projections

Balance of housing loans



Balance of unsecured consumer loans



Enhancement of marketing focusing on internet commercials



Housing Loans

Our balance of housing loans increased steadily in step with the growth of the population and the number of households in Chiba Prefecture.

Having succeeded in cementing strong relationships with housing companies, we have also been able to maintain a high level of pre-application of housing loans. In addition, we are streamlining our operations by pooling the highly skilled loan officers, particularly in areas of Chiba Prefecture experiencing population growth, to respond proactively to the housing purchase needs of customers.

Unsecured Consumer Loans

Direct channels have accelerated growth in the balance of our unsecured consumer loans. This was attributable in part to the strengthening of sales promotions since 2015, particularly in terms of Internet advertising.

Our Internet Branch was used more frequently for certain card loan products after we improved the convenience of the loans by introducing an online service for processing the loans from application to execution of contracts.

Internet Branch



Asset Management Consulting

The Chiba Bank Group is responding to customers' investment needs by implementing activities contributing to the stable accumulation of assets. To enhance financial consulting capabilities, we organized our financial consultants into teams supervised by experienced leaders. These teams have attained per capita sales that are twice as high as the average for all our branches. In addition to the expansion of such activities, we have introduced tablets to streamline the clerical work while enhancing the functions served by our call center.

Meanwhile, we are also striving to improve our product line by introducing new investment trust and insurance products, including a wrap-type fund originated by Chibagin Asset Management Co., Ltd. Furthermore by referring customers to Chibagin Securities Co., Ltd., we are capable of proposing a broad range of asset management plans that include investments in stocks and structured bonds.

Going forward, we aim to increase the group total balance of financial products under management by strengthening the coordination between the banking, securities and asset management operations even further.



Chibagin Asset Management Co., Ltd

Asset amount: ¥ **61.3** billion
(As of March 31, 2016)

Chibagin Securities Co., Ltd

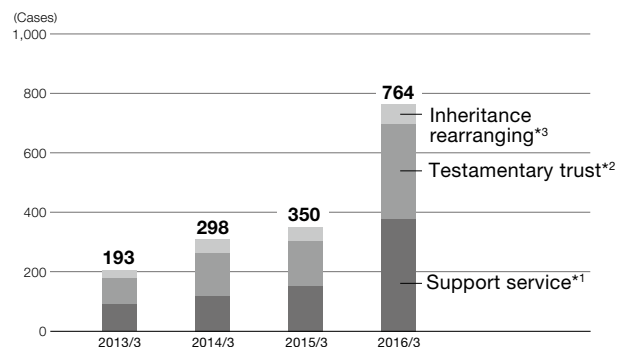
Number of branches: **17**
Of which, branches in Chiba prefecture: 14
(As of March 31, 2016)

Trust and Inheritance-related Business

We were the first regional bank in Japan to start trust banking operations, and has been providing inheritance-related services to customers since 2006. The need for facilitating the smooth inheritance of assets has risen dramatically against the backdrop of an increase in inheritance taxes and mounting business succession needs. As a result, we saw the number of applications in our inheritance-related business more than double, to a record high, over the course of the year ended March 31, 2016.

When accepting a testamentary trust, we need to develop a full picture of a customer's assets. Applying a panoramic perspective to providing effective advice on asset succession has resulted in the conclusion of many ancillary transactions with customers, including in insurance, asset management, and loans.

Number of contracts for inheritance-related services



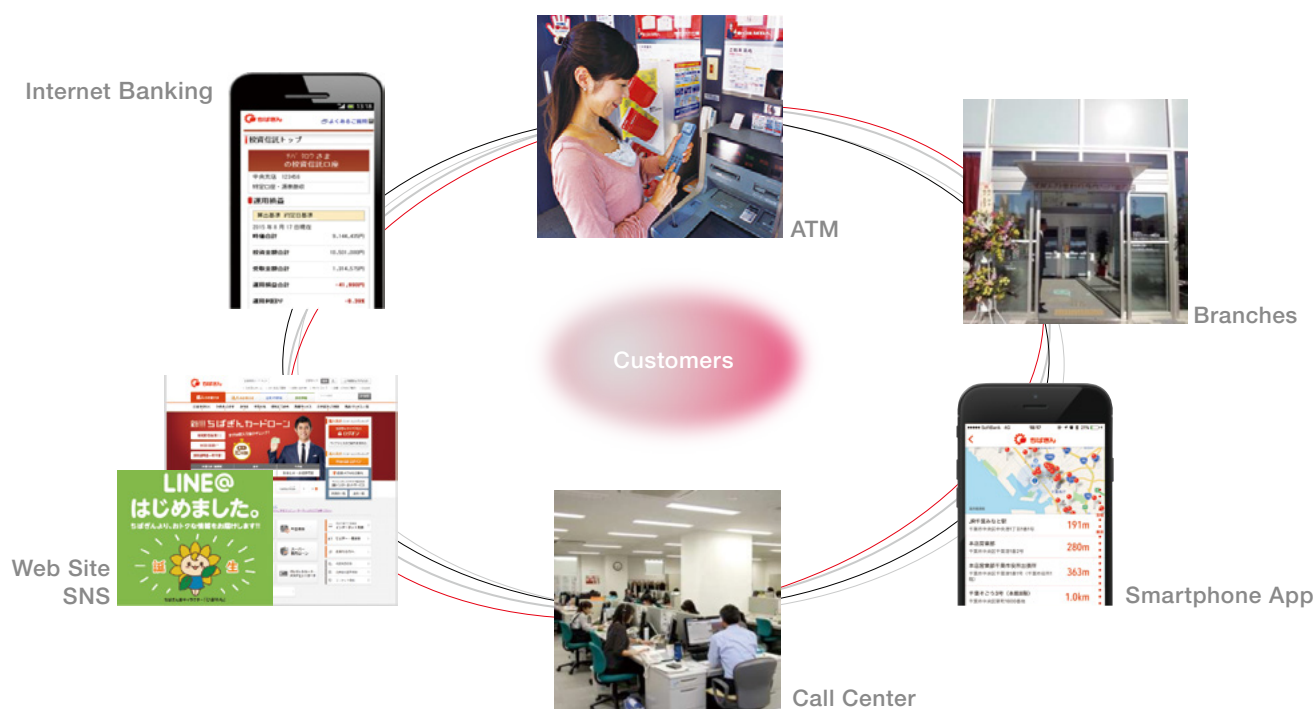
- *1 Support service:
Consulting for asset and business successions
- *2 Testamentary trust:
Support for drawing wills by notarized documents, safekeeping will documents and executing wills, are discussed while the customer is alive
- *3 Inheritance rearranging:
Representing inheritance procedures, including other banks', entrusted by successors

In November 2015, the Chiba Bank established a new FinTech Business Promotion Office to proactively provide advanced and highly convenient IT-driven services.

Now that data can track the vast majority of economic activity and the daily lives of our customers, we think that it's important to develop an approach for responding to fintech as a financial institution.

We aim to create new business opportunities from FinTech. To this end, we will develop individual profiles summarizing the lifestyle choices and preferences of our customers as marketing based on big data analysis grows more sophisticated. At the same time, we will develop an omni-channel capability that will enable us to recommend and cross-sell our entire line of products and services through all of our channels.

Developing and utilizing databases, strengthening marketing



Jul. 2016

Introduction of the PORT STAR Robot Financial Advisor

In July 2016, we introduced the PORT STAR robot financial advisor for providing customers with support in selecting certain issuances of investment trusts. This robot financial advisor is a system that uses computer analysis of risk tolerance to propose optimal investment trust portfolios to customers, based on them answering a brief online survey on investments. PORT STAR is available free of charge on our website.

Jun. 2016

Launch of the Chibagin App for Smartphones

The Chibagin app we launched for smartphones is an optimum and timely information portal for checking our campaigns and notices. It provides users with pushed notifications based on GPS data, a directory for locating our branches, ATMs and Chibagin partners*, as well as a variety of functions, including for viewing streaming images of our commercials and browsing the content of local information magazines.

* Chibagin partners are companies that provide incentive points, discounts and other local preferential services to users of our group's credit cards.

Strategic Alliances

The Chiba Bank is leveraging various alliance frameworks in seeking to provide customers in the region with a range of benefits. Such alliances shall have economic paybacks—in terms of improving our earnings and thereby increasing our corporate value—that are far greater than consolidating another bank in a merger.

Wider Area

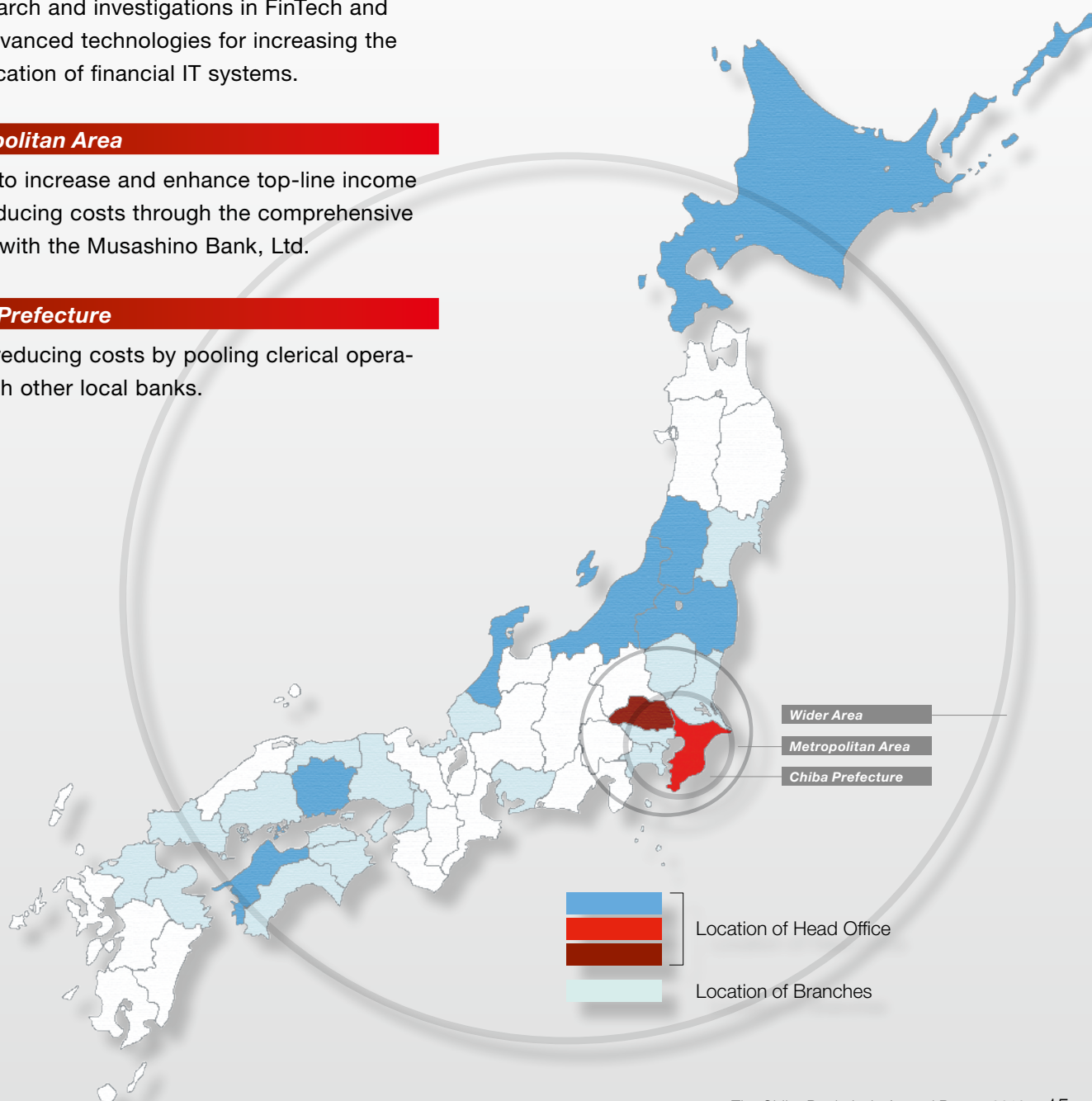
We will explore new venues of banking by strengthening the TSUBASA Alliance for conducting research and investigations in FinTech and other advanced technologies for increasing the sophistication of financial IT systems.

Metropolitan Area

We aim to increase and enhance top-line income while reducing costs through the comprehensive alliance with the Musashino Bank, Ltd.

Chiba Prefecture

We are reducing costs by pooling clerical operations with other local banks.



TSUBASA Alliance

TSUBASA Project

In March 2008, we launched the TSUBASA Project to address the importance of an IT system strategy in banking operations. The project was launched for numerous banks to jointly conduct systems development. The seven banks participating in the project (Chiba Bank, The Daishi Bank, Ltd., The Chugoku Bank, Ltd., The Iyo Bank, Ltd., The Toho Bank, Ltd., North Pacific Bank, Ltd., and The Hokkoku Bank, Ltd.) are all prominent regional banks with top market shares in their respective operating regions.

We began operating a new jointly-developed mainframe system in January 2016, which the Daishi Bank and the Chugoku Bank are also subsequently scheduled to launch for operation in 2017. Data centers will be established in Chiba Prefecture and Okayama Prefecture to provide mutual backup in the event of a natural disaster and other emergencies. The savings from operating the jointly developed mainframe system will amount to ¥0.5 billion a year for Chiba Bank compared to the cost of operating a system of its own.

Apart from systems development, TSUBASA has entered into a broad range of partnerships with the participating banks, jointly originating syndicated loans and the Chiba Bank accepting trainees from the other banks at its overseas branches.

TSUBASA Alliance

The TSUBASA Alliance was launched with the aim of enhancing top-line income and reducing costs through the research and development of FinTech.

In July 2016, six banks in the alliance (Chiba Bank, Daishi Bank, Chugoku Bank, Iyo Bank, Toho Bank, and North Pacific Bank) invested together with IBM Japan, Ltd. to establish a new joint venture named T&I Innovation Center Co., Ltd. The joint venture will conduct research and investigations on FinTech, as well as in fields such as the use of artificial intelligence where joint development can be expected to result in cost savings.

Participating banks

	Participating banks	Location of head office
Mar. 2008	Chiba Bank	Chiba
	Daishi-Bank	Niigata
	Chugoku Bank	Okayama
	Iyo Bank	Ehime
	Hokkoku Bank	Ishikawa
Apr. 2012	Toho Bank	Fukushima
Aug. 2015	North Pacific Bank	Hokkaido

Initiatives undertaken

Apr. 2014

Agreement on Emergency Backup

Sep. 2014

Cooperation in Market and International Businesses

TSUBASA Alliance for Enhancing Financial System



Investment



Research Investigations

T&I Innovation Center, Co. Ltd.

Established: Jul. 2016

Investment ratio:

Chiba Bank

40%

Daishi Bank, Chugoku Bank, Iyo Bank, Toho Bank, North Pacific Bank and IBM Japan

10% each

Chiba-Musashino Alliance

New alliance model for regional banks

In March 2016, the Chiba Bank concluded a comprehensive alliance with the Musashino Bank, which is based in Saitama Prefecture. Under this alliance, rather than a merger, the two banks will work swiftly to prioritize the enactment of measures from which tangible economic benefits can be expected, maintaining their strong regional commitments.



For what purpose?

Both banks aim to contribute further to regional revitalization and the development of their local economies by pooling their expertise for effective use and by maximizing their regional brand and operating base at the same time. The banks will provide their local customers with more convenient services while working in various ways to reduce their costs.

What to do?

The banks plan to co-market asset management products developed by subsidiaries of the Chiba Bank, as well as to jointly conduct research and investigations in the FinTech field. From a cost-cutting perspective, the banks are also examining the possibility of unifying back office operations, such as concentrating the processing divisions in their headquarters and call centers. The Chiba Bank and the Musashino Bank aim to realize cumulative alliance benefits of around ¥10 billion over the next five years from the hundreds of alliance measures and ideas they plan on commercializing.

Why with the Musashino Bank?

We think that the Chiba Bank and the Musashino Bank can achieve a high level of synergy from the alliance and become trustworthy best partners from the following perspectives.

- (1) The banks have matching philosophies that place their regional economies and customers first.
- (2) The banks have similar market environments and share issues that are characteristically common to the Tokyo metropolitan area.
- (3) The banks have branch networks that do not overlap for the most part, despite their close geographic proximity.



Corporate Governance

Fundamental Approach

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 "Best Bank 2020—3 years of value creation," our medium-term management plan, which covers the three-year period up to the fiscal year ending March 31, 2017. Subjects of the plan for building a sustainable management structure at the Chiba Bank include fostering high ethics and sense of compliance, and thoroughly severing any relations with antisocial forces.

We will uphold these points to further reinforce and enhance our corporate governance, while maintaining a good cooperative relationship with a wide range of stakeholders, to bring about a sustainable regional society as we continue to grow and enhance our corporate value over the medium to long term.

Corporate Governance Structure

The Chiba Bank Group has laid down the following structure for strengthening and enhancing corporate governance.

Directors, Board of Directors, and Corporate Advisory Committee

The Board of Directors consists of 13 directors, including three outside directors. The Board of Directors makes decisions about management policies and other important matters and supervises the execution of business by the directors and executive officers.

In addition, the Corporate Advisory Committee, whose members include independent outside directors, reviews the selection of candidates for director and their remuneration, among other important management issues.

Audit & Supervisory Board and Its Members

The Chiba Bank has adopted a corporate auditor system with five Audit & Supervisory Board members, including a majority of three highly independent outside Audit & Supervisory Board members. In particular, three of the Audit & Supervisory Board members, including two 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. 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.

Internal Audit

The Audit and Inspection Division, which reports directly to the Board of Directors and is independent of the units subject to auditing, conducts internal audits of headquarters, branches and subsidiaries in accordance with the Internal Audit Regulations and the Internal Audit Plan, established each year by the Board of Directors. The division reports the results and findings of internal audits on a monthly basis to the Board of Directors, in addition to an Internal Audit Committee, which meets once a month as a rule. Problem areas from the perspective of compliance and risk management and improvement measures are examined during this process.

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.

Internal Control System

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.

Corporate governance system	Corporate auditor system
Number of directors	13
Of which, outside directors	3
Number of Audit & Supervisory Board members	5
Of which, outside Audit & Supervisory Board members	3
Number of independent directors and Audit & Supervisory Board members	6 (3 outside directors, 3 outside audit & supervisory board members)

Outside Directors and Outside Audit & Supervisory Board Members (Relationship with the Chiba Bank)

The Chiba Bank has three outside directors and three outside Audit & Supervisory Board members. None of them have any personal relationships with other directors or auditors at the Chiba Bank, nor does the Chiba Bank have any particular beneficial relationships with them.

Name (Appointment)	Reason for Appointment as an Outside Director
Toyokuni Yazaki (June 2013)	Toyokuni Yazaki was appointed as an outside director because he can be expected to bring his long and abundant auditing experience as a certified public accountant (CPA) and business experience as an outside director of companies to bear on providing the Chiba Bank with objective, general management advice, thereby strengthening supervision of the Bank's business execution. Mr. Yazaki had been a CPA with Ernst & Young ShinNihon LLC, the Bank's independent auditor, until he left the firm in July 2003. Since then, there have been no business relationships between Mr. Yazaki and the Chiba Bank.
Yuko Tashima (June 2015)	Yuko Tashima was appointed as an outside director because she can be expected to bring her abundant knowledge and experience as a lawyer, corporate management experience, and astute public service insights to bear on providing the Chiba Bank with objective, general management advice, thereby strengthening supervision of the Chiba Bank's business execution and enhancing the Bank's corporate value over the medium to long term. Ms. Tashima's career as a lawyer includes appointment as an outside director of a major life insurance company, and serving as a member of the Financial System Council of the Financial Services Agency.
Yasuko Takayama (June 2015)	Yasuko Takayama was appointed as an outside director because she can be expected to bring her corporate experience and astute public service insights to bear on providing the Chiba Bank with objective, general management advice, thereby strengthening supervision of the Chiba Bank's business execution and enhancing the Chiba Bank's corporate value over the medium to long term. Ms. Takayama's career includes working in the customer service and CSR divisions and as a standing member of the Audit & Supervisory Board of a major cosmetics company, as well as serving as a member of the Legislative Council of the Ministry of Justice.

Name (Appointment)	Reason for Appointment as an Outside Audit & Supervisory Board Member
Kazuo Yamazoe (June 2013)	Kazuo Yamazoe was appointed as an outside audit & supervisory board member because he can be expected to bring his sophisticated professional experience as well as broad, general insights on finance to bear on providing the Chiba Bank with fair and objective advice on the validity of business execution, thereby strengthening management supervision of the Chiba Bank. In his career, Mr. Yamazoe has served as a director of the Hokuriku Local Finance Bureau and the Kanto-Shinetsu Region National Tax Tribunal.
Kazuo Fukuda (June 2013)	Kazuo Fukuda was appointed as an outside audit & supervisory board member because he can be expected to bring his sophisticated professional experience as well as broad, general insights on finance to bear on providing the Chiba Bank with fair and objective advice on the validity of business execution, thereby strengthening management supervision of the Chiba Bank. In his career, Mr. Fukuda has served as a general manager of a branch and director of the Administration Department of the Bank of Japan.
Akio Shirato (June 2011)	Akio Shirato was appointed as an outside audit & supervisory board member because he can be expected to bring his abundant public administration insights to bear on providing the Chiba Bank with fair and objective advice on the validity of business execution, thereby strengthening management supervision of the Chiba Bank. In his public service career, Mr. Shirato rose to serve as a vice-governor of Chiba Prefecture.

(Functions and roles in corporate governance)

The Chiba Bank has appointed three outside directors to further strengthen the management decision-making and supervisory functions of business operations. The outside audit & supervisory board members serve a management supervisory function for Chiba Bank, using their impartial viewpoints from outside of a company and auditing business operations objectively and reasonably.

They work to implement efficient and effective auditing, cooperating with the representative directors, internal audit units, accounting auditors and internal control departments through a periodical information exchange, and holding interviews as necessary.

(Standards regarding independence)

The Chiba Bank has established standards regarding the independence of outside directors and outside audit & supervisory board members in electing members that can satisfy independence while appropriately performing their duties. All the Chiba Bank's outside directors and outside audit & supervisory board members satisfy these standards regarding independence. We submitted the notification to the Tokyo Stock Exchange that the three outside directors and three outside audit & supervisory board members are independent and secure from any risk of conflicts of interests with general shareholders.

(Overview of liability limitation agreements)

Based on Article 427, Section 1 of the Companies Act, the Chiba Bank has entered into liability limitation agreements with the outside directors and outside audit & supervisory board members, for damages pursuant to Article 423, Section 1 of the Companies Act, with the minimum liability amounts set forth in Article 425, Section 1 of the Companies Act, when they have acted in good faith and are not grossly negligent in performing their duties.

Remuneration of Directors and Audit & Supervisory Board Members

Remuneration of the Chiba Bank's directors is based on remuneration regulations established by the Board of Directors, and is determined by the Board of Directors following deliberations by the Corporate Advisory Committee, whose members include independent outside directors, to ensure that the remuneration is transparent, fair and rational. To function as a sound incentive for the directors to strive for sustainable growth and enhance corporate value over the medium to long term, equity-based remuneration in the form of stock options, linked to the Chiba Bank's medium- to long-term earnings performance, is provided as a component of the remuneration packages. From the standpoint of emphasizing soundness as a financial institution, the Chiba Bank has not introduced remuneration linked to short-term earnings performance.

Remuneration Policies

- Remuneration of directors shall be comprised of a fixed remuneration based on duty positions and fluctuating remuneration linked to stock prices. Outside directors shall receive only a fixed remuneration.
- Fixed remuneration based on duty positions shall be paid to match the responsibility of each duty position.
- The proportion of fixed remuneration based on duty positions and stock options as compensation (equity-based remuneration in the form of stock options) shall be 80:20.

Remuneration Determination Procedure

- Remuneration of a director shall be determined by resolution of the Board of Directors within the scope of the total remuneration for directors established by resolution of the Annual General Meeting of Shareholders.

Regarding remuneration for audit & supervisory board members, a full fixed remuneration shall be determined through discussions with them in order to ensure their independence.

Compliance

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 accountability.

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 that 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 maintains links with police authorities, lawyers, and other external organizations as a structure to provide appropriate countermeasures against unreasonable demands, interference, or other inappropriate approaches from antisocial forces.

Moreover, the 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.

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.

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, confirmation of frozen assets and other measures, and reports about suspicious transactions.

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.

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.

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 adequacy 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 adequacy 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 appetite framework, which it uses to control the occurrence of losses. The framework monitors the current status of risk capital use and risk-return performance in each business sector. It also performs scenario analysis predicated on future environmental changes.

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.

Credit Portfolio Management

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

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

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

Self-Assessment of Assets

Self-assessment of assets is the practice whereby financial institutions review and analyze their own assets individually and classify them on the basis of asset value impairment and the risk of default. Self-assessment of assets is obligatory for financial institutions under the system of prompt corrective action under the

Banking Law. The system of prompt corrective action is a system by which administrative measures are triggered in accordance with the state of the capital ratio of financial institutions. A prerequisite to the accurate calculation of capital is implementation of appropriate write-offs and provisions and the preparation of financial statements that, to the extent possible, objectively reflect the actual state of asset quality.

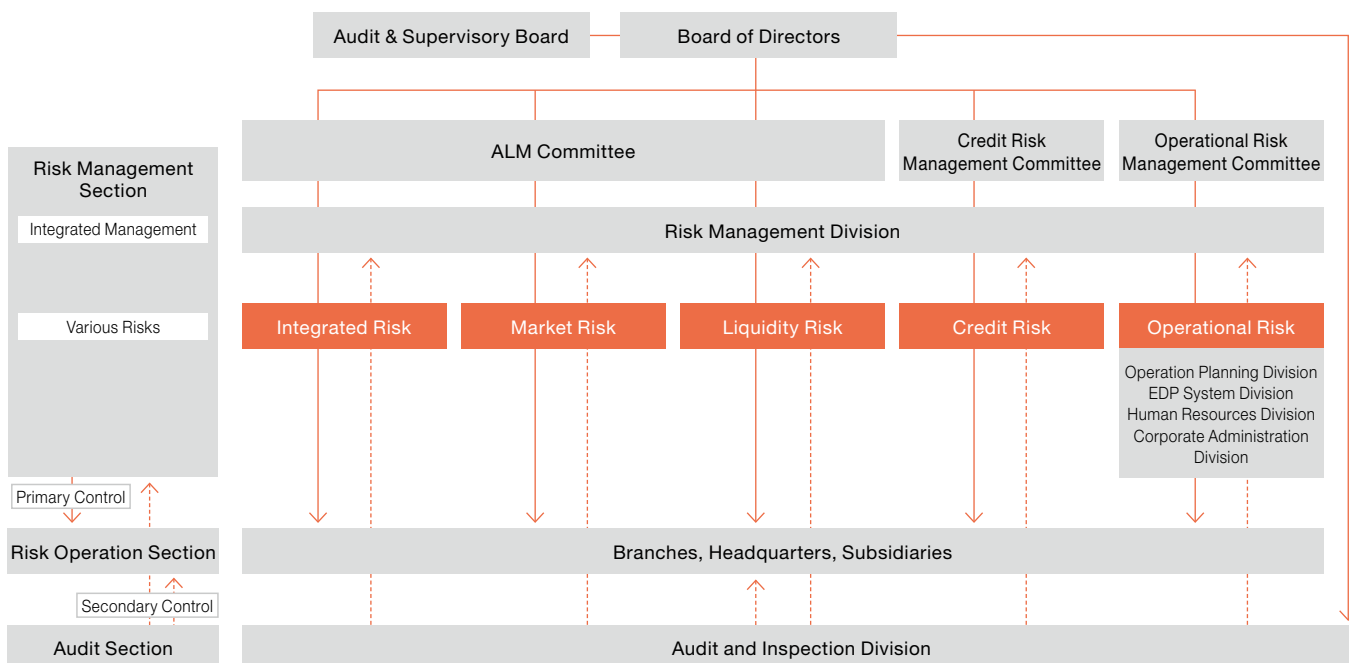
At the Chiba Bank, branches and offices conduct self-assessments of assets on the basis of Asset Self-Assessment Regulations, the credit screening and administrative sections check details of self-assessments. Next, the Audit and Credit Assessment Department in Audit and Inspection Division conducts an audit to verify the accuracy of the self-assessment results and process. According to the results of these assessments, the Credit Risk Management Department in the Risk Management Division calculates the amounts of provisions, and the Credit Administration Department in the Business Support Division implements write-offs. Finally, the Audit and Credit Assessment Department in Audit and Inspection Division conducts an audit. Through this process, the Chiba Bank rigorously maintains the soundness of its assets.

Market Risk Management

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

The Chiba Bank has introduced an ALM management system with respect to market risk. The ALM Committee meets periodically to discuss and decide detailed measures to counter interest rate

Risk Management System



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 risk limits 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 stop loss 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. This is based on scenarios prepared using loss events that have occurred at other banks or in other industries and devising 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 obtain 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 standard 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 a system risk event 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 has implemented a rigorous data management system, measures 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.

Moreover, in terms of cyber-security, the Bank continues to take measures to ensure customer safety and security.

As an audit system, 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 would be forced to suspend during an emergency.

Since 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 four capital ratios: Total Capital Ratio, Tier 1 Capital Ratio, Common Equity Tier 1 Capital Ratio, and Capital Buffer Ratio (applicable from the fiscal year ended March 31, 2016) respectively. 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 the 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 adopted 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 more thoroughly reflect risk in capital ratios.

Furthermore, for Pillar 3, disclosure of the leverage ratio was started as an indicator to complement the capital ratios.

Going forward, a number of new requirements will be introduced, including the Net Stable Funding Ratio. The Chiba Bank is currently developing and strengthening management systems to comply with these regulations.

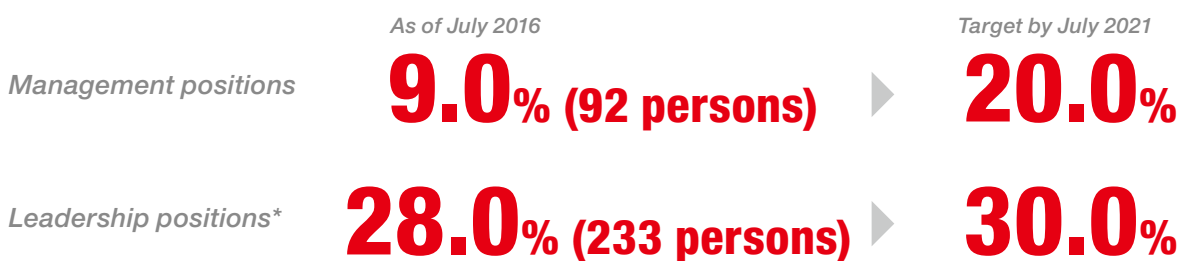
Promoting Diversity

The Chiba Bank is further accelerating its initiatives for promoting diversity with the aim of creating an organization that fosters mutual respect for diversity, where every employee can realize their full potential.

Action Plan Based on the Act to Advance Women's Success in Their Working Life

In April 2016, we formulated an action plan based on the Act to Advance Women's Success in Their Working Life. Having set numerical targets for promoting women to management positions, we are now working to achieve them by expanding occupational opportunities for women, supporting career development, and implementing workstyle reforms.

Women in management positions



* Leadership positions refer to employees who share organizational responsibilities for managing the Chiba Bank Group, in their roles as managers of their assigned operations. These employees are in positions supervising subordinates or hold an equivalent post.

IkuBoss Corporate Alliance

In September 2015, the Chiba Bank became a member of the IkuBoss Corporate Alliance established by the NPO, Fathering Japan. This alliance comprises a network of companies committed to reforming the mindset of staff members in management positions, so that they can become ideal supervisors (IkuBoss*) in Japan's new age. We signed the IkuBoss Declaration with the Mayor of Chiba City and other top executives of local companies and organizations in November 2015.



* An IkuBoss is a supervisor who is capable of achieving results while prioritizing the work-life balance of colleagues and subordinates. This is a supervisor who is capable of holistically supporting the careers and lifestyles of others, as well as enjoying a well-rounded life at work and in the privacy of the home.

External Awards

Mar. 2015

Ministry of Economy, Trade and Industry
Diversity Managements Selection 100



Dec. 2015

Cabinet Office
Awards to Commend Leading Companies Where Women Shine (Prime Minister's Award)

Mar. 2016

NPO J-Win
2016 J-Win Diversity Award (Basic Achievement Runner-Up Award)



Apr. 2016

Ministry of Health, Labour and Welfare
Top Eruboshi (L-Star) designation

CSR Activities

The Chiba Bank Group is conducting corporate social responsibility (CSR) activities driven by a concerted effort by all of its directors and employees. We fulfill the expectations of all stakeholders through the Group's main businesses, while ensuring that the Group helps to realize a sustainable regional society through these activities.

Chibagin Himawari* Concerts

We have been holding these concerts since 1989 to deepen our relationship with our regional customers through music.



Finance Education for Students

Our Head Office and branches accept students from local elementary schools, junior high schools and high schools for sessions providing hands-on experience on what it's like to work in a bank. Through these sessions, we try to teach the value of work and get the students interested in the banking business. A Chibagin Archive on Finance we established in commemoration of our 70th founding anniversary also provides educational exhibits on the history of finance and Chiba Prefecture.



Chibagin Business Idea Contest for College Students

We have been holding a Chibagin Business Idea Contest for College Students every year to rouse the entrepreneurial ambitions of students as the next generation of local economic leaders. This contest not only commends outstanding business ideas through awards but also provides support for awardees who wish to start up their business by inviting them to the seminars we sponsor and through face-to-face counseling.

Reforestation Activities

We conduct "Chibagin Forest" reforestation activities in various parts of Chiba Prefecture. After the seedlings for preventing sand and wind erosion are planted, our directors and employees, as well as volunteering Chiba Bank retirees, regularly carry out forest management activities, including cutting the underbrush, thereby helping to protect the region's environment.



Donation of Emergency Supplies

Recently, we donated 40 boxes, or 960 packages of hard-tack and 400 bottles, or 600 liters of water from our stock of emergency supplies to Food Bank Chiba, which then distributed them to welfare institutions and the needy within the prefecture. We plan to continue making donations from our supplies to reduce food waste and improve the amount of social welfare provided in Chiba Prefecture.

Charitable Trust "Chibagin Heartful Welfare Fund"

Through the "Chibagin Heartful Welfare Fund," which was established in 2009, we grant subsidies for the purpose of providing financial assistance to social welfare corporations and volunteer organizations with operations in Chiba Prefecture. To date, the fund has granted subsidies totaling ¥41 million to 76 recipients.

* Himawari means "sunflower" in Japanese, which is the symbol of the Chiba Bank.

Directors, Executive Officers and Audit & Supervisory Board Members

The Chiba Bank, Ltd.
As of June 28, 2016

Directors

President (Representative Director)

Hidetoshi Sakuma

Deputy President (Representative Director)

Osamu Kimura

Director and Senior Executive Officer

Masahiro Owaku

General Manager of Corporate Planning and Administration Headquarters
Executive Officer in charge of Corporate Planning Division and Public Relations and CSR Division

Director and Senior Executive Officer

Kenichi Sawai

General Manager of Business Promotion Headquarters
Executive Officer in charge of Business Promotion Division, Customer Service Division, Corporate Business Division and Regional Revitalization Division

Director and Managing Executive Officer

Daizo Iijima

Executive Officer in charge of Treasury Division and Treasury Operation Division

Director and Managing Executive Officer

Tomoyuki Ikeda

Executive Officer in charge of Risk Management Division and Compliance Division

Director and Managing Executive Officer

Kazuhiko Mizushima

Executive Officer in charge of Business Promotion Division, Trust Business Division, Consumer Loan Business Division, Retail Business Division and Asset Management Support Division

Director and Managing Executive Officer

Joji Sugo

Executive Officer in charge of Credit Division and Business Support Division

Director and Executive Officer

Norio Takatsu

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

Director and Executive Officer

Yukihito Inamura

Executive Officer in charge of Corporate Administration Division, Human Resources Division and Diversity Management Division

Non-Standing Director (Outside Director)

Toyokuni Yazaki

Non-Standing Director (Outside Director)

Yuko Tashima

Non-Standing Director (Outside Director)

Yasuko Takayama

Executive Officers

Managing Executive Officer

Shinji Kihara

General Manager, Head Office

Executive Officer

Shigenobu Sadachi

General Manager, Corporate Business Division

Executive Officer

Hiroaki Aso

General Manager, Chuo Branch and Keisei-ekimae Branch

Executive Officer

Tadashi Takahashi

General Manager, Narita Branch

Executive Officer

Shigeo Miyauchi

General Manager, Funabashi Branch

Executive Officer

Shunichi Ishii

General Manager, Tokyo Head Office

Executive Officer

Junya Wakabayashi

General Manager, Risk Management Division

Executive Officer

Satoru Maki

General Manager, Audit and Inspection Division

Executive Officer

Tsutomu Yonemoto

General Manager, Business Promotion Division

Executive Officer

Takayuki Hosokai

General Manager, Public Relations and CSR Division

Audit & Supervisory Board Members

Standing Audit & Supervisory Board Member

Toshikazu Okubo

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

Kazuyoshi Fukushima

Non-Standing Audit & Supervisory Board Member

(Outside Audit & Supervisory Board Member)

Akio Shirato

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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
	2016	2015	2014	2013	2012	2016
For the Year:						
Total Income	¥ 228,702	¥ 229,395	¥ 217,995	¥ 222,731	¥ 225,435	\$ 2,029,661
Total Expenses	143,826	141,162	140,775	150,700	155,950	1,276,416
Profit before Income Taxes	84,875	88,232	77,220	72,030	69,485	753,245
Profit	55,444	57,033	47,382	45,046	41,487	492,049
Profit Attributable to Non-controlling Interests	—	—	944	894	716	—
Profit Attributable to Owners of Parent	55,444	57,033	46,438	44,152	40,770	492,049
At Year-End:						
Total Assets	¥13,333,858	¥12,969,442	¥12,023,627	¥11,373,741	¥10,916,760	\$118,333,852
Loans and Bills Discounted	8,769,113	8,438,684	8,061,697	7,886,033	7,554,923	77,823,161
Securities	2,455,700	2,362,229	2,180,202	2,174,866	2,106,492	21,793,578
Deposits	11,486,430	11,218,113	10,495,839	9,926,630	9,639,615	101,938,500
Net Assets	866,398	858,747	766,187	729,243	664,076	7,689,018
Capital Ratio (BIS guidelines)	13.79%	14.66%	13.69%	14.05%	14.35%	13.79%
PER (Times)	8.36	12.96	11.71	13.26	11.36	8.36
PBR (Times)	0.53	0.85	0.71	0.80	0.70	0.53
Per Share:						
	Yen					U.S. Dollars
Profit	¥ 67.03	¥ 68.02	¥ 54.29	¥ 50.88	¥ 46.47	\$ 0.59
Net Assets	1,053.76	1,030.64	895.60	839.15	747.90	9.35

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 and are translated at the rate of ¥112.68 to \$1.00, the exchange rate prevailing at March 31, 2016.

Management's Discussion and Analysis

Financial and Economic Environment

In the fiscal year ended March 31, 2016, the Japanese economy showed signs of an upturn in capital investment, underpinned by improved corporate earnings and other factors. However, in the second half of the fiscal year, exports and production were impacted by a slowdown in emerging economies, along with a slight softening trend in personal consumption. Moreover, the price level remained mostly flat due to the impact of a drop in crude oil prices and other factors.

Turning to financial market conditions, the unsecured overnight call rate was running slightly below 0.1%, but tumbled to around 0.0% due to the impact of the introduction of a negative interest rate policy by the Bank of Japan in February 2016. Secondary market yields on long-term government bonds were in the range of 0.3% to 0.5%, but declined as far as around minus 0.1%. The Nikkei Stock Average rallied to around ¥21,000 at one point. However, in the second half of the fiscal year, the Nikkei declined to around ¥17,000 mainly based on a cautious view of prospects for the global economy, including emerging countries.

Review of FY 2015

In this financial and economic environment, Chiba Bank pushed ahead with "Best Bank 2020 – 3 years of value creation," a three-year medium-term management plan running from April 2014 to March 2017. Under this plan, we have vigorously implemented various measures to become a "Best Retail" Banking Group, providing the highest satisfaction and an amazing banking experience to regional customers, including individuals and small and medium-sized enterprises.

As a result, we achieved our key performance targets before the plan's final fiscal year. In addition, we revised certain parts of our medium-term management plan in November 2015, to strengthen our response to various changes in the environment, such as the establishment of regional revitalization as a key pillar of national growth strategy and the enactment of the Act to Advance Women's Success in Their Working Life.

Operating Results

Total income decreased by ¥0.6 billion from the previous fiscal year to ¥228.7 billion, mainly due to the absence of a gain on negative goodwill recognized in conjunction with share acquisitions of subsidiaries recorded in the previous fiscal year. Total expenses increased by ¥2.6 billion from the previous fiscal year to ¥143.8 billion, mainly due to an increase in interest expenses, including interest on bonds.

As a result, profit before income taxes decreased by ¥3.3 billion from the previous fiscal year to ¥84.8 billion. Profit attributable to owners of parent decreased by ¥1.5 billion to ¥55.4 billion.

Cash Flows

Net cash provided by operating activities was ¥350.9 billion (¥77.3 billion less than in the previous fiscal year), mainly due to an increase in deposits. Net cash used in investing activities

was ¥144.7 billion, (¥76.4 billion more than in the previous fiscal year), mainly due to the purchase of securities. Net cash used in financing activities was ¥21.6 billion, a change of ¥26.2 billion from net cash provided by financing activities in the previous fiscal year, mainly due to cash dividends. As a result, cash and cash equivalents was ¥1,197.2 billion as of March 31, 2016, an increase of ¥184.3 billion compared with the previous fiscal year-end. This increase was ¥180.3 billion less than the increase in cash and cash equivalents in the previous fiscal year.

Financial Condition

The balance of deposits as of March 31, 2016 was ¥11,486.4 billion, an increase of ¥268.3 billion from the previous fiscal year-end. This increase reflected our efforts to provide a variety of financial products and services, as well as a campaign to encourage customers to make Chiba Bank their main banking institution for salary and pension payments and other household needs.

The balance of loans increased by ¥330.4 billion from the previous fiscal year-end, to ¥8,769.1 billion as of March 31, 2016, reflecting our efforts to actively respond to the borrowing needs of both corporate and individual customers. The balance of securities increased by ¥93.4 billion from the previous fiscal year-end, to ¥2,455.7 billion as of March 31, 2016.

On this basis, the balance of total assets reached ¥13,333.8 billion as of March 31, 2016, an increase of ¥364.4 billion from a year earlier. The balance of net assets amounted to ¥866.3 billion as of the fiscal year-end, an increase of ¥7.6 billion from a year earlier.

Dividends Policy

In light of the vital public role of the banking sector, the Bank's basic policy is to actively return profits to shareholders through stable dividends and share buybacks while maintaining sound financial health, in conjunction with effectively deploying capital to drive growth. Moreover, our basic dividend policy is to pay out dividends twice a year via an interim dividend and a year-end dividend, with record dates of September 30 and March 31 every year, respectively. The interim dividend is approved by resolution of the Board of Directors, while the year-end dividend is approved by resolution at the general meeting of shareholders.

In terms of the dividends for the fiscal year ended March 31, 2016, a year-end dividend of ¥7 per share was approved by the annual general meeting of shareholders. As a result, the total annual dividend, including the interim dividend, was ¥14 per share.

Outlook for FY 2016

Our earnings forecasts for the fiscal year ending March 31, 2017 are ordinary profit of ¥76.5 billion and profit attributable to owners of parent of ¥52.0 billion.

For the fiscal year ending March 31, 2017, our annual dividend forecast is ¥15 per share, up ¥1 per share from the annual dividend for the fiscal year ended March 31, 2016. This annual dividend forecast includes a projected interim dividend of ¥7.5 per share.

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 ¥151.7 billion as of March 31, 2016, and the non-performing loan ratio was 1.70%.

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, 2015	As of March 31, 2016	As of March 31, 2015	As of March 31, 2016
Loans to Bankrupt Borrowers	2.1	3.1	1.6	2.7
Delinquent Loans	104.4	101.6	102.1	98.8
Loans Past Due 3 Months or More	0.6	1.7	0.6	1.7
Restructured Loans	52.4	44.7	52.4	44.7
Total	159.7	151.3	156.9	148.1

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 73.6%, indicating a high level of security on the basis of claims disclosed under the Financial Reconstruction Law and limited cause for concern about the occurrence of future losses.

Disclosure of Non-Performing Assets

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

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

Risk-Monitored Loans

In the classification of Risk-monitored Loans, Loans to Bankrupt Borrowers corresponds to Bankrupt Assets under self-assessment, Delinquent Loans corresponds to Effectively Bankrupt Assets and Potentially Bankrupt Assets under self-assessment, Loans Past Due Three Months or More and Restructured Loans correspond to loans delinquent 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, 2015	As of March 31, 2016
Bankrupt and Substantially Bankrupt Claims	20.0	19.6
Doubtful Claims	86.8	85.5
Substandard Claims	53.1	46.5
Total	160.0	151.7
Normal Claims	8,403.3	8,748.9
Non-performing Loan Ratio (%)	1.86	1.70
Coverage Ratio (%)	74.1	73.6

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

(Non-Consolidated) (As of March 31, 2016)

(¥ 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	19.6	Loans to Bankrupt Borrowers	3.1	Bankrupt and Substantially Bankrupt Claims	19.6
		Delinquent Loans	101.6		
Potentially Bankrupt Assets	85.5			Doubtful Claims	85.5
Assets Requiring Caution	1,057.8	Loans Past Due 3 Months or More	1.7	Substandard Claims	46.5
		Restructured Loans	44.7		
Other Assets Requiring Caution	1,003.9			Normal Claims	8,748.9
Normal Assets	7,737.6				
Total Assets	8,900.7	Loans Outstanding	8,797.4	Total Claims	8,900.7

Consolidated Balance Sheet

The Chiba Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2016

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Assets			
Cash and Due from Banks (Note 28)	¥ 1,397,413	¥ 1,227,256	\$ 12,401,607
Call Loans and Bills Bought	198,378	316,924	1,760,545
Receivables under Resale Agreements	4,999	14,996	44,371
Receivables under Securities Borrowing Transactions	—	2,091	—
Monetary Claims Bought	22,051	22,624	195,700
Trading Assets (Notes 7 and 34)	182,592	271,774	1,620,448
Money Held in Trust (Note 36)	36,893	44,450	327,421
Securities (Notes 8, 13, 34 and 35)	2,455,700	2,362,229	21,793,578
Loans and Bills Discounted (Notes 9, 13 and 34)	8,769,113	8,438,684	77,823,161
Foreign Exchanges (Note 10)	2,596	8,080	23,047
Other Assets (Notes 11 and 13)	109,881	95,225	975,167
Tangible Fixed Assets (Note 12)	101,971	102,423	904,963
Intangible Fixed Assets	10,934	11,091	97,043
Net Defined Benefit Asset (Note 20)	—	7,569	—
Deferred Tax Assets (Note 31)	5,928	6,082	52,615
Customers' Liabilities for Acceptances and Guarantees	76,214	82,896	676,381
Allowance for Loan Losses	(40,811)	(44,960)	(362,193)
Total Assets	¥13,333,858	¥12,969,442	\$118,333,852
Liabilities			
Deposits (Notes 13, 14 and 34)	¥11,486,430	¥11,218,113	\$101,938,500
Call Money and Bills Sold	134,500	39,878	1,193,646
Payables under Securities Lending Transactions (Note 13)	191,699	154,368	1,701,270
Trading Liabilities (Notes 15 and 34)	22,905	20,788	203,282
Borrowed Money (Notes 13 and 16)	268,485	308,712	2,382,721
Foreign Exchanges (Note 17)	640	767	5,684
Bonds Payable (Note 18)	107,545	76,020	954,435
Other Liabilities (Note 19)	121,252	143,989	1,076,077
Net Defined Benefit Liability (Note 20)	24,483	20,091	217,280
Provision for Directors' Retirement Benefits	166	185	1,474
Provision for Reimbursement of Deposits	2,275	2,093	20,199
Provision for Point Loyalty Programs	414	442	3,675
Reserve under Special Laws	27	27	244
Deferred Tax Liabilities (Note 31)	19,349	30,576	171,725
Deferred Tax Liabilities for Land Revaluation (Note 21)	11,069	11,742	98,241
Acceptances and Guarantees	76,214	82,896	676,381
Total Liabilities	¥12,467,459	¥12,110,695	\$110,644,835
Net Assets			
Capital Stock (Note 22)	¥ 145,069	¥ 145,069	\$ 1,287,443
Capital Surplus	122,134	122,134	1,083,902
Retained Earnings	524,817	480,803	4,657,595
Treasury Shares	(37,480)	(27,532)	(332,631)
Total Shareholders' Equity	754,540	720,474	6,696,309
Valuation Difference on Available-for-sale Securities (Note 37)	103,921	121,264	922,275
Deferred Gains or Losses on Hedges	231	414	2,058
Revaluation Reserve for Land (Note 21)	11,050	10,663	98,068
Remeasurements of Defined Benefit Plans	(3,861)	5,484	(34,273)
Total Accumulated Other Comprehensive Income	111,342	137,826	988,129
Subscription Rights to Shares	516	446	4,580
Total Net Assets	¥ 866,398	¥ 858,747	\$ 7,689,018
Total Liabilities and Net Assets	¥13,333,858	¥12,969,442	\$118,333,852

See notes to consolidated financial statements.

Consolidated Statement of Income

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the year ended March 31, 2016

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Income			
Interest Income:			
Interest on Loans and Discounts	¥110,307	¥112,582	\$ 978,946
Interest and Dividends on Securities	26,278	22,610	233,211
Other Interest Income	2,215	1,408	19,663
Trust Fees	2	3	24
Fees and Commissions	48,433	48,022	429,832
Trading Income (Note 23)	4,681	4,271	41,545
Other Ordinary Income (Note 24)	4,242	4,248	37,650
Other Income (Note 25)	32,540	36,246	288,789
Total Income	¥228,702	¥229,395	\$2,029,661
Expenses			
Interest Expenses:			
Interest on Deposits	¥ 5,872	¥ 5,123	\$ 52,115
Interest on Borrowings and Rediscounts	1,023	805	9,086
Other Interest Expenses	8,521	5,936	75,623
Fees and Commissions Payments	17,503	16,544	155,340
Other Ordinary Expenses (Note 26)	2,014	424	17,882
General and Administrative Expenses	87,626	89,039	777,658
Other Expenses (Note 27)	21,263	23,288	188,711
Total Expenses	¥143,826	¥141,162	\$1,276,416
Profit before Income Taxes	84,875	88,232	753,245
Income Taxes—Current	25,037	26,653	222,204
Income Taxes—Deferred	4,393	4,545	38,991
Profit	¥ 55,444	¥ 57,033	\$ 492,049
Profit Attributable to Owners of Parent	¥ 55,444	¥ 57,033	\$ 492,049

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the year ended March 31, 2016

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Profit	¥ 55,444	¥ 57,033	\$ 492,049
Other Comprehensive Income (Note 29)			
Valuation Difference on Available-for-sale Securities	(17,390)	61,042	(154,336)
Deferred Gains or Losses on Hedges	(182)	390	(1,616)
Revaluation Reserve for Land	580	1,207	5,154
Remeasurements of Defined Benefit Plans	(9,346)	4,618	(82,947)
Share of Other Comprehensive Income of Associates Accounted for using Equity Method	48	107	426
Total Other Comprehensive Income	(26,290)	67,365	(233,320)
Comprehensive Income	¥ 29,153	¥124,398	\$ 258,729
Comprehensive Income Attributable to Owners of Parent	¥ 29,153	¥124,398	\$ 258,729

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, 2016

Millions of Yen (Note 1)

	Shareholders' Equity					Accumulated Other Comprehensive Income							
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity	Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	Subscription Rights to Shares	Non-controlling Interests	Total Net Assets
Balance at March 31, 2014	¥145,069	¥122,134	¥437,645	¥(17,581)	¥687,267	¥ 59,757	¥ 23	¥ 9,834	¥ 866	¥ 70,482	¥374	¥ 8,064	¥766,187
Cumulative Effects of Changes in Accounting Policies	—	—	(4,161)	—	(4,161)	—	—	—	—	—	—	—	(4,161)
Restated Balance	145,069	122,134	433,483	(17,581)	683,106	59,757	23	9,834	866	70,482	374	8,064	762,026
Cash Dividends	—	—	(10,073)	—	(10,073)	—	—	—	—	—	—	—	(10,073)
Profit	—	—	57,033	—	57,033	—	—	—	—	—	—	—	57,033
Purchase of Treasury Shares	—	—	—	(10,062)	(10,062)	—	—	—	—	—	—	—	(10,062)
Disposal of Treasury Shares	—	—	(18)	111	93	—	—	—	—	—	—	—	93
Reversal of Revaluation Reserve for Land	—	—	378	—	378	—	—	—	—	—	—	—	378
Net Changes of Items other than Shareholders' Equity	—	—	—	—	—	61,506	390	829	4,618	67,344	72	(8,064)	59,352
Total of Items during FY2014	—	—	47,319	(9,951)	37,368	61,506	390	829	4,618	67,344	72	(8,064)	96,720
Balance at March 31, 2015	¥145,069	¥122,134	¥480,803	¥(27,532)	¥720,474	¥121,264	¥ 414	¥10,663	¥ 5,484	¥137,826	¥446	¥ —	¥858,747
Cash Dividends	—	—	(11,610)	—	(11,610)	—	—	—	—	—	—	—	(11,610)
Profit	—	—	55,444	—	55,444	—	—	—	—	—	—	—	55,444
Purchase of Treasury Shares	—	—	—	(10,065)	(10,065)	—	—	—	—	—	—	—	(10,065)
Disposal of Treasury Shares	—	—	(12)	116	103	—	—	—	—	—	—	—	103
Reversal of Revaluation Reserve for Land	—	—	193	—	193	—	—	—	—	—	—	—	193
Net Changes of Items other than Shareholders' Equity	—	—	—	—	—	(17,342)	(182)	386	(9,346)	(26,484)	69	—	(26,414)
Total of Items during FY2015	—	—	44,014	(9,948)	34,065	(17,342)	(182)	386	(9,346)	(26,484)	69	—	7,651
Balance at March 31, 2016	¥145,069	¥122,134	¥524,817	¥(37,480)	¥754,540	¥103,921	¥ 231	¥11,050	¥(3,861)	¥111,342	¥516	¥ —	¥866,398

Thousands of U.S. Dollars (Note 1)

	Shareholders' Equity					Accumulated Other Comprehensive Income							
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity	Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	Subscription Rights to Shares	Non-controlling Interests	Total Net Assets
Balance at March 31, 2015	\$1,287,443	\$1,083,902	\$4,266,982	\$(244,339)	\$6,393,988	\$1,076,185	\$ 3,674	\$94,636	\$ 48,674	\$1,223,169	\$3,960	\$ —	\$7,621,117
Cash Dividends	—	—	(103,044)	—	(103,044)	—	—	—	—	—	—	—	(103,044)
Profit	—	—	492,049	—	492,049	—	—	—	—	—	—	—	492,049
Purchase of Treasury Shares	—	—	—	(89,327)	(89,327)	—	—	—	—	—	—	—	(89,327)
Disposal of Treasury Shares	—	—	(113)	1,035	922	—	—	—	—	—	—	—	922
Reversal of Revaluation Reserve for Land	—	—	1,721	—	1,721	—	—	—	—	—	—	—	1,721
Net Changes of Items other than Shareholders' Equity	—	—	—	—	—	(153,910)	(1,616)	3,433	(82,947)	(235,041)	620	—	(234,421)
Total of Items during FY2015	—	—	390,613	(88,292)	302,321	(153,910)	(1,616)	3,433	(82,947)	(235,041)	620	—	67,900
Balance at March 31, 2016	\$1,287,443	\$1,083,902	\$4,657,595	\$(332,631)	\$6,696,309	\$ 922,275	\$ 2,058	\$98,068	\$(34,273)	\$ 988,129	\$4,580	\$ —	\$7,689,018

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the year ended March 31, 2016

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Cash Flows from Operating Activities:			
Profit before Income Taxes	¥ 84,875	¥ 88,232	\$ 753,245
Depreciation and Amortization	8,169	7,760	72,505
Impairment Loss	233	717	2,074
Gain on Negative Goodwill	—	(5,127)	—
Equity in (Earnings) Losses of Affiliates	(184)	(2,032)	(1,636)
Increase (Decrease) in Allowance for Loan Losses	(4,148)	(5,181)	(36,816)
Decrease (Increase) in Net Defined Benefit Asset	(1,102)	178	(9,787)
Increase (Decrease) in Net Defined Benefit Liability	(577)	(467)	(5,128)
Increase (Decrease) in Provision for Directors' Retirement Benefits	(19)	(31)	(171)
Increase (Decrease) in Provision for Reimbursement of Deposits	182	57	1,622
Increase (Decrease) in Provision for Point Loyalty Programs	(28)	29	(255)
Interest Income	(138,801)	(136,601)	(1,231,821)
Financing Expenses	15,417	11,865	136,824
Loss (Gain) Related to Securities	(5,010)	(3,265)	(44,467)
Loss (Gain) on Money Held in Trust	(409)	(135)	(3,637)
Foreign Exchange Losses (Gains)	100	(112)	895
Loss (Gain) on Disposal of Fixed Assets	447	421	3,969
Net Decrease (Increase) in Trading Assets	89,182	4,164	791,471
Net Increase (Decrease) in Trading Liabilities	2,117	(3,285)	18,788
Net Decrease (Increase) in Loans and Bills Discounted	(330,428)	(376,987)	(2,932,455)
Net Increase (Decrease) in Deposit (excluding Negotiable Certificates of Deposit)	404,788	610,739	3,592,376
Net Increase (Decrease) in Negotiable Certificates of Deposit	(136,471)	111,533	(1,211,145)
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowings)	(40,227)	21,723	(357,006)
Net Decrease (increase) in Due from Banks (excluding Due from BOJ)	14,220	(113,190)	126,205
Net Decrease (Increase) in Call Loans and Bills Bought and Others	129,115	104,676	1,145,861
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	2,091	(47)	18,560
Net Increase (Decrease) in Call Money and Bills Sold	94,621	(64,070)	839,736
Net Increase (Decrease) in Payables under Securities Lending Transactions	37,330	71,120	331,295
Net Decrease (Increase) in Foreign Exchanges – Assets	5,483	(1,832)	48,669
Net Increase (Decrease) in Foreign Exchanges – Liabilities	(126)	(163)	(1,127)
Increase (Decrease) in Issuance and Redemption of Straight Bonds	37,130	36,020	329,520
Interest and Dividends Received	135,636	134,514	1,203,735
Interest Paid	(15,426)	(11,430)	(136,909)
Other, net	(10,741)	(23,803)	(95,328)
Subtotal	¥ 377,440	¥ 455,989	\$ 3,349,664
Income Taxes Paid	(26,531)	(27,700)	(235,455)
Net Cash Provided by (Used in) Operating Activities	¥ 350,909	¥ 428,289	\$ 3,114,209
Cash Flows from Investing Activities:			
Purchase of Securities	¥(1,544,164)	¥ (953,000)	\$(13,703,984)
Proceeds from Sales of Securities	1,095,274	577,105	9,720,225
Proceeds from Redemption of Securities	306,558	322,683	2,720,614
Increase in Money Held in Trust	(6,300)	(7,500)	(55,911)
Decrease in Money Held in Trust	10,959	6,700	97,259
Purchase of Tangible Fixed Assets	(3,783)	(7,217)	(33,576)
Purchase of Intangible Fixed Assets	(3,237)	(4,372)	(28,728)
Payments for Retirement of Tangible Fixed Assets	(71)	(249)	(634)
Purchase of Investments in subsidiaries resulting in no change in scope of consolidation	—	(2,425)	—
Net Cash Provided by (Used in) Investing Activities	¥ (144,763)	¥ (68,275)	\$ (1,284,734)
Cash Flows from Financing Activities:			
Decrease in Subordinated Borrowings	¥ —	¥ (5,000)	\$ —
Issuance of Subordinated Bonds	—	30,000	—
Cash Dividends Paid	(11,610)	(10,073)	(103,044)
Cash Dividends Paid to Non-controlling Shareholders	—	(314)	—
Purchase of Treasury Shares	(10,065)	(10,062)	(89,327)
Proceeds from Sales of Treasury Shares	9	3	81
Net Cash Provided by (Used in) Financing Activities	¥ (21,667)	¥ 4,552	\$ (192,290)
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ (100)	¥ 112	\$ (895)
Net Increase (Decrease) in Cash and Cash Equivalents	¥ 184,377	¥ 364,678	\$ 1,636,290
Cash and Cash Equivalents at Beginning of Period	¥ 1,012,861	¥ 648,182	\$ 8,988,827
Cash and Cash Equivalents at End of Period (Note 28)	¥ 1,197,238	¥ 1,012,861	\$ 10,625,117

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the Year ended March 31, 2016

1. Basis of Presentation

The Chiba Bank, Ltd. (the "Bank") and its consolidated 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 ¥112.68 to \$1.00, the exchange rate prevailing at March 31, 2016.

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, 2016 was nine (nine as of March 31, 2015).

All significant inter-company balances and transactions have been eliminated in consolidation. 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, profit (based on the owned Interest), retained earnings (based on the owned Interest) and accumulated other comprehensive income (based on the owned Interest) 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 eight limited partnerships (eight as of March 31, 2015). The investments in these unconsolidated subsidiaries are not accounted for by the equity method since profit (based on the owned Interest), retained earnings (based on the owned Interest) and accumulated other comprehensive income (based on the owned Interest) of these subsidiaries are not significant and would not have a material impact on the consolidated financial statements of the Bank. The difference

between the cost and the underlying equity in the net assets measured at their market value at dates of acquisition of consolidated subsidiaries is amortized 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 arbitraging short term fluctuations in interest rates, currency values and market prices, other benchmarks in the traded securities' market prices and by arbitraging differentials between markets (hereafter "trading purposes") are accounted for under "Trading Assets" or "Trading Liabilities" on the balance 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 stated at fair value.

(4) Tangible Fixed Assets

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

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

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

(5) Intangible Fixed Assets

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

(6) Allowance for Loan Losses

Allowance for Loan Losses made by the Bank is 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, 2016 was ¥29,621

million (¥33,922 million as of March 31, 2015). Allowance made by consolidated subsidiaries for general claims is provided in the amount deemed necessary based on the historical loan-loss ratio, and for specific claims in the amount deemed uncollectible based on the respective assessments.

(7) Provision for Directors' 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.

(8) 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.

(9) 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.

(10) Reserve under Special Laws

Reserve under 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 Paragraph 46-5-1 of the Financial Instruments and Exchange Act and Paragraph 175 of the Cabinet Office Ordinance on Financial Instrument Business Operators, etc.

(11) Retirement Benefits

In retirement benefit obligation calculations, the method of allocating the estimated value of retirement benefits to the current fiscal year is based on the benefit formula method. The net actuarial gain (loss) is amortized using the straight-line method over 10 years from following fiscal year. Consolidated subsidiaries calculate the net defined benefit liability and retirement benefit cost using the simplified method which assumes the retirement benefit obligation to be equal to the necessary payments assuming the voluntary retirement of all employees at the fiscal year-end.

(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 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. Changes in Accounting Principles

(Application of the Accounting Standard for Business Combinations)

The Bank and its consolidated subsidiaries have applied "Revised Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013) and related guidance from the fiscal year ended March 31, 2016. Accordingly, the accounting methods have been changed to record the difference arising from changes in equity in subsidiaries which the Bank continues to control as capital surplus, and to record business acquisition costs as expenses for the fiscal year in which incurred. In addition, regarding business combinations occurring on or after April 1, 2015, the accounting method has been changed to retroactively reflect adjustments to the amount allocated to acquisition costs arising from the finalization of the provisional accounting treatment on the consolidated financial statements of the period in which the business combination occurs. Furthermore, presentation of profit and others has been changed and presentation of "minority interests" has been changed to "non-controlling interests." In order to reflect these changes in presentation of financial statements, reclassification was made accordingly in the consolidated financial statements for the fiscal year ended March 31, 2015.

In the consolidated statements of cash flows, the classification of cash flows has been changed to record cash flows related to purchase or sale of investments in subsidiaries not involving changes in the scope of consolidation in "Cash Flows from Financing Activities," and to record expenses associated with purchase of investments in subsidiaries involving changes in the scope of consolidation, or cash flows related to expenses associated with purchase or sale of investments in subsidiaries not involving changes in the scope of consolidation, in "Cash Flows from Operating Activities."

These Accounting Standard have been applied in accordance with the transitional treatments set forth in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, Paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures. The Bank has applied these standards prospectively from April 1, 2015.

The Bank has applied the transitional treatment stipulated in Paragraph 26-4 of the Practical Guidelines on Accounting Standards for Preparing Consolidated Statements of Cash Flows (Accounting System Committee Report No. 8, November 28, 2014), and did not reclassify comparative information in the consolidated statements of cash flows.

There was no effect on the consolidated financial statements and the per share information for the fiscal year ended March 31, 2016.

5. Accounting Standards and Guidance issued but not yet Applied

Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Implementation Guidance No. 26, March 28, 2016)

(1) Overview

The implementation guidance basically continues to apply the "Auditing Guidance No. 66, Auditing Treatment for Judgment of Recoverability of Deferred Assets," issued by the Japanese Institute of Certified Public Accountants, but certain accounting treatments were changed.

(2) Scheduled Effective Date

The Bank expects to adopt the implementation guidance from the consolidated fiscal year that begins on April 1, 2016.

(3) Impact of Adopting of the Implementation Guidance

The Bank is currently evaluating the impact on adopting the implementation guidance.

6. Securities Purchased under Resale Agreements

As for securities purchased under resale agreements or securities accepted as collateral for derivative transactions, ¥6,065 million was held in hand on March 31, 2016 (¥18,338 million on March 31, 2015).

7. Trading Assets

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Trading Account Securities	¥ 9,628	¥ 7,813	\$ 85,451
Derivatives of Trading Securities	2	—	25
Trading-related Financial Derivatives	26,039	22,207	231,092
Other Trading Assets	146,921	241,753	1,303,880
Total	¥182,592	¥271,774	\$1,620,448

8. Securities

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Japanese Government Bonds	¥ 834,956	¥ 879,018	\$ 7,409,976
Japanese Local Government Bonds	353,911	338,965	3,140,853
Japanese Corporate Bonds	288,236	243,138	2,558,010
Japanese Stocks	228,399	258,012	2,026,977
Other Securities	750,196	643,094	6,657,762
Total	¥2,455,700	¥2,362,229	\$21,793,578

Securities included investments in non-consolidated subsidiaries and affiliates of ¥7,470 million on March 31, 2016 (¥5,757 million on March 31, 2015).

Guarantee obligations for bonds in private placement (defined in Article 2 (3) of Financial Instruments and Exchange Act) included in Japanese Corporate Bonds was ¥35,663 million as of March 31, 2016 (¥29,427 million as of Mar 31, 2015).

9. Loans and Bills Discounted

(1) Loans and bills discounted:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Bills Discounted	¥ 16,003	¥ 18,632	\$ 142,023
Loans on Bills	119,332	141,381	1,059,041
Loans on Deeds	8,019,586	7,661,569	71,171,343
Overdrafts	614,191	617,101	5,450,754
Total	¥8,769,113	¥8,438,684	\$77,823,161

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, 2016 was ¥16,309 million (¥18,980 million as of March 31, 2015).

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 ¥2,072,563 million relating to these contracts, including ¥1,934,336 million of which the term of contracts is less than one year or revocable at any time as of March 31, 2016 (The respective amounts were ¥1,983,564 million and ¥1,856,177 million as of March 31, 2015).

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, 2016 was ¥936,904 million (¥955,211 million as of March 31, 2015). 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)
	2016	2015	2016
Loans to Bankrupt Borrowers	¥ 2,784	¥ 1,698	\$ 24,715
Delinquent Loans	98,878	102,106	877,517
Loans Past Due 3 Months or More	1,790	698	15,891
Restructured Loans	44,728	52,484	396,950
Total	¥148,182	¥156,987	\$1,315,073

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

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

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

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

10. Foreign Exchange Assets

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Due from Foreign Banks (our accounts)	¥1,692	¥6,689	\$15,025
Foreign Bills Bought	307	348	2,728
Foreign Bills Receivable	596	1,042	5,294
Total	¥2,596	¥8,080	\$23,047

11. Other Assets

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Accrued Income	¥ 13,687	¥ 14,668	\$121,468
Prepaid Expenses	710	606	6,303
Derivatives	14,461	5,350	128,342
Lease Investment Assets	40,236	35,881	357,085
Other	40,786	38,719	361,969
Total	¥109,881	¥95,225	\$975,167

12. 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)
	2016	2015	2016
Tangible Fixed Assets	¥94,584	¥93,959	\$839,411

Deferred gain on real estate deductible for tax purposes amounted to ¥11,368 million as of March 31, 2016 (¥11,300 million as of March 31, 2015).

13. Assets Pledged

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Securities	¥947,978	¥888,409	\$8,413,017
Loans and Bills Discounted	—	34,804	—

Liabilities related to the above pledged assets were as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Deposits	¥ 71,204	¥ 65,279	\$ 631,914
Call Money and Bills Sold	24,500	—	217,430
Payables under Securities Lending Transactions	191,699	154,368	1,701,270
Borrowed Money	265,427	305,568	2,355,588

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)
	2016	2015	2016
Securities	¥74,620	¥84,434	\$662,235

Initial margins of futures markets of ¥489 million, cash collateral paid for financial instruments of ¥8,098 million and guarantee deposits of ¥6,432 million were included in Other Assets as of March 31, 2016 (The respective amounts were ¥213 million, ¥8,867 million and ¥6,332 million as of March 31, 2015).

14. Deposits

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Current Deposits	¥ 228,099	¥ 204,318	\$ 2,024,311
Ordinary Deposits	6,681,666	6,388,780	59,297,717
Savings Deposits	243,218	242,188	2,158,489
Deposits at Notice	5,842	6,250	51,854
Time Deposits	3,665,701	3,619,653	32,531,966
Other Deposits	302,878	261,428	2,687,953
Subtotal	¥11,127,408	¥10,722,619	\$98,752,290
Negotiable Certificates of Deposit	359,022	495,494	3,186,210
Total	¥11,486,430	¥11,218,113	\$101,938,500

15. Trading Liabilities

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Trading Securities Sold for Short Sales	¥ —	¥1,042	\$ —
Derivatives of Trading Securities	18	0	168
Trading-related Financial Derivatives	22,886	19,745	203,114
Total	¥22,905	¥20,788	\$203,282

16. Borrowed Money

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Borrowings from the Bank of Japan and Other Financial Institutions	¥268,485	¥308,712	\$2,382,721

17. Foreign Exchange Liabilities

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Foreign Bills Sold	¥483	¥297	\$4,289
Foreign Bills Payable	157	469	1,395
Total	¥640	¥767	\$5,684

18. Bonds Payable

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Subordinated Bonds	¥ 40,000	¥40,000	\$354,988
Straight Bonds	67,545	36,020	599,448
Total	¥107,545	¥76,020	\$954,435

19. Other Liabilities

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Domestic Exchange Settlement Account, Credit	¥ 13	¥ 55	\$ 116
Accrued Expenses	9,806	9,817	87,032
Unearned Revenue	28,445	27,173	252,447
Income Taxes Payable	11,672	13,165	103,591
Derivatives	4,101	15,904	36,401
Other	67,212	77,873	596,490
Total	¥121,252	¥143,989	\$1,076,077

20. Retirement Benefit Plans

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

I. Defined Benefit Plans**(1) Retirement Benefit Obligation**

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Balance at the Beginning of Current Period	¥73,429	¥67,331	\$651,664
Cumulative Effect of Change in Accounting Principle	¥ —	6,441	\$ —
Restated Balance at the Beginning of Current Period	¥ —	¥73,773	\$ —
Service Cost	2,463	2,414	21,865
Interest Cost	727	731	6,459
Actuarial Gain or Loss	9,853	254	87,446
Retirement Benefits Paid	(4,122)	(3,744)	(36,590)
Balance at the End of Current Period	¥82,351	¥73,429	\$730,844

(2) Plan Assets at Fair Value

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Balance at the Beginning of Current Period	¥60,907	¥54,225	\$540,531
Expected Return on Plan Assets	1,826	1,625	16,206
Actuarial Gain or Loss	(3,267)	6,431	(29,001)
Contributions by the Company	824	838	7,315
Retirement Benefits Paid	(2,421)	(2,214)	(21,487)
Balance at the End of Current Period	¥57,868	¥60,907	\$513,564

(3) Net Defined Benefit Liability/Asset

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Funded Retirement Benefit Obligation	¥ 60,916	¥ 53,428	\$ 540,613
Plan Assets at Fair Value	(57,868)	(60,907)	(513,564)
Subtotal	¥ 3,047	¥ (7,478)	\$ 27,049
Unfunded Retirement Benefit Obligation	21,435	20,000	190,231
Net Amount Accrued on the Balance Sheets	¥ 24,483	¥ 12,522	\$ 217,280

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Net Defined Benefit Liability	¥24,483	¥20,091	\$217,280
Net Defined Benefit Asset	—	(7,569)	—
Net Amount Accrued on the Balance Sheets	¥24,483	¥12,522	\$217,280

(4) Retirement Benefit Cost

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Service Cost	¥ 2,463	¥ 2,414	\$ 21,865
Interest Cost	727	731	6,459
Expected Return on Plan Assets	(1,826)	(1,625)	(16,206)
Amortization of Actuarial Gain or Loss	(520)	558	(4,616)
Retirement Benefit Cost	¥ 845	¥ 2,079	\$ 7,502

(5) Remeasurements of Defined Benefit Plans included in Other Comprehensive Income (before Tax Effect)

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Actuarial Gain or Loss	¥(13,641)	¥6,736	\$(121,063)

(6) Remeasurements of Defined Benefit Plans included in Accumulated Other Comprehensive Income (before Tax Effect)

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Unrecognized Actuarial Gain or Loss	¥(5,563)	¥8,077	\$(49,378)

(7) Components of Plan Assets at Fair Value

	2016	2015
Stocks	37%	51%
General Accounts at Life Insurance Companies	30%	24%
Bonds	32%	24%
Other	1%	1%
Total	100%	100%

(8) Assumptions used in Accounting for the above Plans

	2016	2015
Discount Rate	0.2%	1.0%
Expected Rate of Long-term Return on Plan Assets	3.0%	3.0%
Expected Rates of Future Salary Increases	1.2%–3.2%	1.2%–3.1%

The expected rates of long-term return on plan assets has been estimated based on the anticipated allocation to each asset class and the expected long-term returns on assets held in each category.

II. Defined Contribution Plans

The required contribution amount of consolidated subsidiaries for the fiscal year ended March 31, 2016 was ¥22 million (¥21 million as of March 31, 2015).

21. Revaluation Reserve for Land

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

Date of the revaluation: March 31, 1998

The method of the revaluation (set forth in Article 3 (3) of the Law): Pursuant to Article 2 (4) of the Enforcement Ordinance for the Law concerning Revaluation of Premises, the premises price for the revaluation is determined based on the method established and published by the Director General of National Tax Agency in order to calculate the premises value for a basis of determining the taxable amount subject to premises value tax prescribed by Article 16 of the Premises Value Tax Law, reflecting appropriate adjustments for land shape and timing of the assessment.

The difference between the revalued carrying amount and the fair value of premises revalued pursuant to Article 10 of the Law was ¥32,694 million as of March 31, 2016 (¥33,435 million as of March 31, 2015).

22. Capital Stock

The number of the Bank's authorized shares was 2,500,000,000 as of March 31, 2016 and 2015.

	Number of Shares	
	2016	2015
Shares in Issue	875,521,087	875,521,087

The number of treasury shares held by the Bank was 53,818 thousand as of March 31, 2016 (42,737 thousand as of March 31, 2015).

23. Trading Income

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Gains on Trading Account Securities Transactions	¥2,296	¥2,353	\$20,381
Income from Securities and Derivatives related to Trading Transactions	346	—	3,074
Income from Trading-related Financial Derivatives Transactions	1,768	1,579	15,690
Other Trading Income	270	338	2,399
Total	¥4,681	¥4,271	\$41,545

24. Other Ordinary Income

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Gains on Foreign Exchange Transactions	¥1,271	¥1,330	\$11,286
Gains on Sales of Bonds	2,941	2,417	26,102
Gains on Redemption of Bonds	29	40	261
Income from Derivatives other than for Trading or Hedging	—	459	—
Other	0	0	1
Total	¥4,242	¥4,248	\$37,650

25. Other Income

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Gains on Sales of Stocks and Other Securities	¥ 3,366	¥ 1,327	\$ 29,876
Gains on Money Held in Trust	409	135	3,637
Revenue on Lease	13,394	13,336	118,873
Recoveries of Written-off Claims	2,680	3,885	23,788
Reversal of Allowance for Loan Losses	2,559	1,980	22,717
Equity in Earnings of Affiliates	184	2,032	1,636
Gain on Negative Goodwill	—	5,127	—
Other	9,945	8,421	88,262
Total	¥32,540	¥36,246	\$288,789

26. Other Ordinary Expenses

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Loss on Sales of Bonds	¥ 701	¥424	\$ 6,227
Loss on Devaluation of Bonds	37	—	333
Expenses on Derivatives other than for Trading or Hedging	1,275	—	11,322
Total	¥2,014	¥424	\$17,882

27. Other Expenses

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Written-off of Loans	¥ 3,954	¥ 5,483	\$35,091
Losses on Sales of Stocks and Other Securities	562	95	4,994
Losses on Devaluation of Stocks and Other Securities	24	0	218
Cost of Leased Assets	11,795	11,645	104,682
Provision for Reimbursement of Deposits	905	721	8,037
Loss on Disposal of Fixed Assets	456	423	4,050
Impairment Loss on Fixed Assets	233	717	2,074
Other	3,331	4,201	29,565
Total	¥21,263	¥23,288	\$188,711

28. Cash and Cash Equivalents

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Cash and Due from Banks	¥1,397,413	¥1,227,256	\$12,401,607
Interest-bearing Deposits included in Due from Banks (excluding Due from BOJ)	(200,174)	(214,395)	(1,776,490)
Cash and Cash Equivalents	¥1,197,238	¥1,012,861	\$10,625,117

29. Other Comprehensive Income

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Valuation Difference on Available-for-sale Securities			
Gains (Losses) Arising during the Fiscal Year	¥(20,464)	¥ 88,195	\$(181,619)
Reclassification Adjustment to Profit or Loss	(8,094)	(3,219)	(71,837)
Amount before Income Tax Effect	(28,559)	84,976	(253,456)
Income Tax Effect	11,168	(23,934)	99,120
Total	¥(17,390)	¥ 61,042	\$(154,336)
Deferred Gains or Losses on Hedges			
Gains (Losses) Arising during the Fiscal Year	¥ (5,805)	¥ (4,202)	\$ (51,524)
Reclassification Adjustment to Profit or Loss	5,529	4,775	49,074
Amount before Income Tax Effect	(276)	573	(2,450)
Income Tax Effect	93	(182)	834
Total	¥ (182)	¥ 390	\$ (1,616)
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	580	1,207	5,154
Total	¥ 580	¥ 1,207	\$ 5,154
Remeasurements of Defined Benefit Plans			
Gains (Losses) Arising during the Fiscal Year	¥(13,121)	¥ 6,177	\$(116,446)
Reclassification Adjustment to Profit or Loss	(520)	558	(4,616)
Amount before Income Tax Effect	(13,641)	6,736	(121,063)
Income Tax Effect	4,294	(2,118)	38,115
Total	¥ (9,346)	¥ 4,618	\$(82,947)
Share of Other Comprehensive Income of Entities Accounted for by the Equity Method			
Gains (Losses) Arising during the Fiscal Year	¥ 51	¥ 110	\$ 453
Reclassification Adjustment to Profit or Loss	(3)	(2)	(27)
Amount before Income Tax Effect	48	107	426
Income Tax Effect	—	—	—
Total	¥ 48	¥ 107	\$ 426
Total Other Comprehensive Income	¥(26,290)	¥ 67,365	\$(233,320)

30. Lease Transactions

Operating Lease Transactions

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Lessee Side (Lease Payables related to Non-cancelable Operating Lease Transactions)			
Amount Corresponding to Lease Payables (within 1 year)	¥166	¥169	\$1,479
Amount Corresponding to Lease Payables (over 1 year)	679	783	6,028
Total	¥845	¥952	\$7,507

31. Tax Effect

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Deferred Tax Assets:			
Allowance for Loan Losses	¥ 18,998	¥ 21,862	\$ 168,602
Net Defined Benefit Liability	6,106	6,647	54,195
Write-offs of Securities	1,072	1,137	9,516
Remeasurements of Defined Benefit Plans	1,701	—	15,105
Other	7,480	7,709	66,384
Subtotal	¥ 35,359	¥ 37,357	\$ 313,801
Valuation Allowance	(1,659)	(1,429)	(14,732)
Total Deferred Tax Assets	¥ 33,699	¥ 35,928	\$ 299,069
Deferred Tax Liabilities:			
Valuation Difference on Available-for-sale Securities	¥(45,697)	¥(56,865)	\$(405,548)
Net Defined Benefit Asset	(308)	—	(2,738)
Remeasurements of Defined Benefit Plans	—	(2,592)	—
Other	(1,114)	(963)	(9,894)
Total Deferred Tax Liabilities	¥(47,120)	¥(60,421)	\$(418,180)
Net Deferred Tax Assets (Liabilities)	¥(13,421)	¥(24,493)	\$(119,111)
			2016
Effective Statutory Tax Rate			32.8%
(Adjustments)			
Decrease in Deferred Tax Assets at Year-end due to the Tax Rate Change			1.5%
Other			0.3%
Effective Income Tax rate			34.6%

For the fiscal year ended March 31, 2015, 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.

The “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 15 of 2016) and the “Act for Partial Amendment of Local Tax Act, etc.” (Act No. 13 of 2016) were promulgated on March 29, 2016. As a result, the effective statutory tax rate used to measure the Bank’s deferred tax assets and liabilities was changed from the existing 32.1% to 30.7% for the temporary differences expected to be realized or settled in the fiscal years beginning April 1, 2016 and 2017, and to 30.5% for the temporary differences expected to be realized or settled in the fiscal year beginning April 1, 2018, respectively. As a result of this change in tax rate, deferred tax liabilities, after offsetting deferred tax assets, have decreased by ¥989 million, valuation difference on available-for-sale securities has increased by ¥2,371 million, remeasurements of defined benefit plans have decreased by ¥84 million and income taxes-deferred have increased by ¥1,297 million. And also, deferred tax liabilities for land revaluation have decreased by ¥580 million and revaluation reserve for land has increased by the same amount.

32. Material Subsequent Events

None.

33. Segment Information

I. Segment information of the current fiscal year (from April 1, 2015 to March 31, 2016) and the previous fiscal year (from April 1, 2014 to March 31, 2015)

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

II. 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

i) 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.

ii) 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.

III. Information about Impairment Loss of Fixed Assets by Reporting Segments

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

IV. Information about Amortization Expense and Unamortized Balance of Goodwill by Reporting Segments

Not applicable.

V. Information about Gains from Negative Goodwill by Reporting Segment

Not applicable for the current fiscal year (from April 1, 2015 to March 31, 2016).

Segment information of the previous fiscal year (from April 1, 2014 to March 31, 2015) was omitted, because the Group operates solely within the banking segment.

34. Financial Instruments

I. 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.

We have 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 ¥246,267 million as of March 31, 2016 (¥159,341 million as of March 31, 2015). In case of 99% confidence level, VaR is ¥185,390 million as of March 31, 2016 (¥119,952 million as of March 31, 2015).

(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 are used for risk limit monitoring. Our VaR of trading business is ¥72 million as of March 31, 2016 (¥10 million as of March 31, 2015). In case of 99% confidence level, VaR is ¥54 million as of March 31, 2016 (¥8 million as of March 31, 2015).

(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.

II. 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, 2016 with their difference. Note that the following table does not include unlisted 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, 2016			March 31, 2015		
	Consolidated Balance Sheet Amount	Fair Value	Difference*1	Consolidated Balance Sheet Amount	Fair Value	Difference*1
(1) Securities						
Held-to-maturity Bonds	¥ 8,130	¥ 8,118	¥ (11)	¥ 6,212	¥ 6,442	¥ 229
Available-for-sale Securities	2,429,756	2,429,756	—	2,341,254	2,341,254	—
(2) Loans and Bills Discounted	8,769,113			8,438,684		
Allowance for Loan Losses*2	(38,463)			(43,159)		
	8,730,650	8,858,282	127,631	8,395,524	8,499,398	103,873
Total Assets	¥11,168,537	¥11,296,157	¥127,620	¥10,742,991	¥10,847,094	¥104,103
(1) Deposits	11,127,408	11,128,168	(760)	10,722,619	10,723,036	(417)
(2) Negotiable Certificates of Deposit	359,022	359,022	—	495,494	495,494	(0)
Total Liabilities	¥11,486,430	¥11,487,190	¥ (760)	¥11,218,113	¥11,218,530	¥ (417)
Derivative Transactions*3						
Not Qualifying for Hedge Accounting	3,542	3,542	—	2,618	2,618	—
Qualifying for Hedge Accounting	2,016	2,016	—	[6,107]	[6,107]	—
Total Derivative Transactions	¥ 5,559	¥ 5,559	¥ —	¥ [3,488]	¥ [3,488]	¥ —

*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 term, its fair value approximates the carrying amount unless the credit-worthiness 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 "38. Derivative transactions."

(Note ii) The following table summarizes financial instruments whose fair value is extremely difficult to be estimated. 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, 2016 Consolidated Balance Sheet Amount	March 31, 2015 Consolidated Balance Sheet Amount
(1) Unlisted Stocks (*1)(*2)	¥ 5,393	¥5,638
(2) Investments in Limited Partnerships, etc. (*3)	4,949	3,367
Total	¥10,342	¥9,005

(*1) Unlisted 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 ¥24 million (¥0 million for the previous fiscal year) was recorded on these unlisted 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 unlisted stocks, of which fair value is extremely difficult to be estimated.

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

	Millions of Yen (Note 1)					
	March 31, 2016					
	Within 1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	Over 10 Years
Securities	¥ 273,157	¥ 683,617	¥ 526,562	¥220,933	¥ 259,411	¥ 108,182
Held-to-maturity Bonds	—	—	—	—	7,887	—
Available-for-sale Securities with Maturities	273,157	683,617	526,562	220,933	251,524	108,182
Government Bonds	143,500	317,000	135,000	108,000	100,500	8,000
Local Government Bonds	60,827	95,469	83,856	18,827	88,668	—
Short-term Corporate Bonds	—	—	—	—	—	—
Corporate Bonds	21,655	63,362	115,574	73,273	2,800	7,442
Loans (*)	1,222,451	1,498,885	1,084,091	729,653	865,993	2,654,701
Total	¥1,495,608	¥2,182,502	¥1,610,654	¥950,587	¥1,125,404	¥2,762,884

(*) 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 ¥713,336 million in total.

	Millions of Yen (Note 1)					
	March 31, 2015					
	Within 1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	Over 10 Years
Securities	¥ 273,285	¥ 647,051	¥ 606,741	¥194,555	¥171,589	¥ 86,617
Held-to-maturity Bonds	—	—	—	—	6,008	—
Available-for-sale Securities with Maturities	273,285	647,051	606,741	194,555	165,581	86,617
Government Bonds	96,500	318,000	257,000	112,000	77,500	—
Local Government Bonds	80,501	125,449	67,991	8,576	53,600	—
Short-term Corporate Bonds	—	—	—	—	—	—
Corporate Bonds	42,658	58,921	81,419	46,781	6,000	4,908
Loans (*)	1,316,931	1,403,067	1,070,963	689,736	803,489	2,436,347
Total	¥1,590,217	¥2,050,119	¥1,677,705	¥884,292	¥975,079	¥2,522,965

(*) 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 ¥718,148 million in total.

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

	Millions of Yen (Note 1)					
	March 31, 2016					
	Within 1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	Over 10 Years
Deposits (*)	¥10,350,546	¥705,037	¥52,473	¥6,669	¥12,681	¥—
Negotiable Certificates of Deposit	359,022	—	—	—	—	—
Total	¥10,709,568	¥705,307	¥52,473	¥6,669	¥12,681	¥—

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

	Millions of Yen (Note 1)					
	March 31, 2015					
	Within 1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	Over 10 Years
Deposits (*)	¥ 9,978,337	¥675,632	¥50,390	¥6,506	¥11,752	¥—
Negotiable Certificates of Deposit	495,294	200	—	—	—	—
Total	¥10,473,631	¥675,832	¥50,390	¥6,506	¥11,752	¥—

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

35. Market Value of Securities

(1) Trading Securities

	Millions of Yen (Note 1)	
	March 31, 2016	March 31, 2015
	Unrealized Gains (Losses) Included in the Consolidated Statement of Income	Unrealized Gains (Losses) Included in the Consolidated Statement of Income
Trading Securities	¥176	¥97

(2) Marketable Securities Held-to-Maturity

		Millions of Yen (Note 1)					
		March 31, 2016			March 31, 2015		
		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	3,211	3,240	29	8,967	9,205	238
	Foreign Bonds	1,153	1,177	23	6,212	6,442	229
	Subtotal	¥ 3,211	¥ 3,240	¥ 29	¥ 8,967	¥ 9,205	¥ 238
(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	8,536	8,492	(44)	1,910	1,897	(12)
	Foreign Bonds	6,976	6,941	(34)	—	—	—
	Subtotal	¥ 8,536	¥ 8,492	¥ (44)	¥ 1,910	¥ 1,897	¥ (12)
	Total	¥ 11,747	¥ 11,732	¥ (15)	¥ 10,877	¥ 11,103	¥ 225

(3) Marketable Securities Available for Sale

		Millions of Yen (Note 1)						
		March 31, 2016			March 31, 2015			
		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	¥ 206,254	¥ 92,602	¥ 113,652	¥ 242,817	¥ 103,749	¥ 139,068	
	Bonds:	1,440,033	1,418,995	21,038	1,331,084	1,319,900	11,183	
	Japanese Government Bonds	820,926	807,024	13,901	811,690	804,413	7,277	
	Japanese Local Government Bonds	342,461	337,966	4,494	312,593	310,165	2,428	
	Japanese Short-term Corporate Bonds	—	—	—	—	—	—	
	Japanese Corporate Bonds	276,645	274,004	2,641	206,799	205,321	1,477	
	Other	487,861	463,309	24,551	517,709	486,821	30,890	
	Foreign Bonds	372,250	365,897	6,352	380,944	375,291	5,653	
		Subtotal	¥ 2,134,150	¥ 1,974,908	¥ 159,242	¥ 2,091,611	¥ 1,910,471	¥ 181,142
	(b) Securities for which the fair value does not exceed the amortized acquisition cost	Stocks	¥ 10,973	¥ 13,062	¥ (2,089)	¥ 4,569	¥ 4,975	¥ (405)
Bonds:		37,070	37,181	(111)	130,037	130,417	(379)	
Japanese Government Bonds		14,029	14,085	(55)	67,327	67,564	(236)	
Japanese Local Government Bonds		11,449	11,459	(10)	26,371	26,438	(66)	
Japanese Short-term Corporate Bonds		—	—	—	—	—	—	
Japanese Corporate Bonds		11,590	11,636	(45)	36,338	36,413	(75)	
Other		247,563	255,205	(7,642)	115,034	117,550	(2,515)	
Foreign Bonds		169,830	173,675	(3,845)	104,499	106,956	(2,457)	
		Subtotal	¥ 295,606	¥ 305,449	¥ (9,843)	¥ 249,642	¥ 252,942	¥ (3,300)
		Total	¥ 2,429,756	¥ 2,280,358	¥ 149,398	¥ 2,341,254	¥ 2,163,414	¥ 177,841

(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, 2016			March 31, 2015		
	Proceeds from Sales	Gain	Loss	Proceeds from Sales	Gain	Loss
Stocks	¥ 6,569	¥3,075	¥ 75	¥ 2,557	¥ 991	¥ 0
Bonds:	981,640	2,187	377	473,121	1,726	219
Japanese Government Bonds	978,387	2,173	377	472,415	1,721	219
Japanese Local Government Bonds	—	—	—	—	—	—
Japanese Short-term Corporate Bonds	—	—	—	—	—	—
Japanese Corporate Bonds	3,253	13	—	706	4	—
Other	107,031	1,044	811	90,593	1,028	300
Foreign Bonds	93,226	583	324	82,114	368	205
Total	¥1,095,241	¥6,307	¥1,264	¥566,272	¥3,745	¥519

(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 ¥62 million (Stocks; ¥24 million, Corporate bonds; ¥37 million) (¥0 million (Stocks) 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 other categories.

36. Money Held in Trust

(1) Money Held in Trust for Trading Purposes

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Consolidated Balance Sheet Amount	¥29,314	¥36,450	\$260,160
Unrealized Gains (Losses) Included in the Consolidated Statement of Income	(682)	2,292	(6,057)

(2) Money Held in Trust for Other Purposes

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Acquisition Cost	¥7,579	¥7,999	\$67,261
Consolidated Balance Sheet Amount	7,579	7,999	67,261
Valuation Differences	—	—	—
Gains	—	—	—
Losses	—	—	—

37. Valuation Difference on Available-for-sale Securities

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Valuation Difference	¥149,282	¥177,841	\$1,324,836
Securities Available for Sale	149,282	177,841	1,324,836
Other Money Held in Trust	—	—	—
Deferred Tax Liabilities (Assets)	45,697	56,865	405,548
Valuation Difference, Net of Taxes	¥103,585	¥120,975	\$ 919,288
Net Unrealized Gains on Securities Available for Sale Owned by Subsidiaries, which is Attributable to the Parent	336	288	2,988
Valuation Difference on Available-for-sale Securities	¥103,921	¥121,264	\$ 922,275

38. 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, 2016				
Notional Principal or Contract Amount				
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)
Listed:				
Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Bought	—	—	—	—
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-counter:				
FRAs:				
Sold	—	—	—	—
Bought	—	—	—	—
Swaps:				
Receive Fixed / Pay Float	901,193	772,925	25,347	25,347
Receive Float / Pay Fixed	898,993	739,733	(22,294)	(22,294)
Receive Float / Pay Float	101,560	71,060	51	51
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Other:				
Sold	7,411	5,391	(2)	(2)
Bought	700	700	0	0
Total	¥ —	¥ —	¥ 3,102	¥ 3,102

- 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 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, 2015				
Notional Principal or Contract Amount				
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)
Listed:				
Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Bought	—	—	—	—
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-counter:				
FRAs:				
Sold	—	—	—	—
Bought	—	—	—	—
Swaps:				
Receive Fixed / Pay Float	1,084,827	729,452	19,997	19,997
Receive Float / Pay Fixed	1,081,603	698,933	(17,366)	(17,366)
Receive Float / Pay Float	146,560	100,560	39	39
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Other:				
Sold	9,949	6,789	(2)	(2)
Bought	3,700	700	1	1
Total	¥ —	¥ —	¥ 2,669	¥ 2,669

- 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 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, 2016				
Notional Principal or Contract Amount				
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)
Listed:				
Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Bought	—	—	—	—
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-counter:				
Currency Swaps	149,557	129,175	83	83
Forward Foreign Exchange:				
Sold	17,180	—	333	333
Bought	20,358	—	39	39
Currency Options:				
Sold	471	—	(5)	0
Bought	471	—	5	1
Other:				
Sold	—	—	—	—
Bought	—	—	—	—
Total	¥ —	¥ —	¥456	¥459

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

Millions of Yen (Note 1)				
March 31, 2015				
Notional Principal or Contract Amount				
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)
Listed:				
Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Bought	—	—	—	—
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-counter:				
Currency Swaps	130,953	57,685	93	93
Forward Foreign Exchange:				
Sold	17,197	—	(169)	(169)
Bought	23,894	—	23	23
Currency Options:				
Sold	1,439	—	(37)	3
Bought	1,439	—	37	5
Other:				
Sold	21	—	(6)	(6)
Bought	21	—	7	7
Total	¥ —	¥ —	¥ (51)	¥ (42)

- The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statement of income.
- 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, 2016				
	Notional Principal or Contract Amount			
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)
Listed:				
Futures:				
Sold	¥4,674	¥—	¥(16)	¥(16)
Bought	—	—	—	—
Futures Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-counter:				
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Other:				
Sold	—	—	—	—
Bought	—	—	—	—
Total	¥ —	¥—	¥(16)	¥(16)

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 Osaka 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, 2015				
	Notional Principal or Contract Amount			
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)
Listed:				
Futures:				
Sold	¥1,177	¥—	¥ (0)	¥ (0)
Bought	—	—	—	—
Futures Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-counter:				
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Other:				
Sold	—	—	—	—
Bought	—	—	—	—
Total	¥ —	¥—	¥ (0)	¥ (0)

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 Osaka 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

None as of March 31, 2016.

Millions of Yen (Note 1)				
March 31, 2015				
	Notional Principal or Contract Amount			
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)
Listed:				
Futures:				
Sold	¥—	¥—	¥—	¥—
Bought	—	—	—	—
Swaps:				
Receive Fixed / Pay Float	—	—	—	—
Receive Float / Pay Fixed	—	—	—	—
Over-the-counter:				
Commodity Forward:				
Sold	—	—	—	—
Bought	—	—	—	—
Swaps:				
Receive Fixed / Pay Float	21	—	2	2
Receive Float / Pay Fixed	10	—	(1)	(1)
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Total	¥—	¥—	¥ 1	¥ 1

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 OTC transactions is based on the price of the underlying asset, terms of contract and other factors which structure the contract.
3. Energy commodities 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 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, 2016				
Notional Principal or Contract Amount				
Hedged Item	Total	Over 1 Year	Fair Value	
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	218,428	176,042	(1,400)	
Receive Float / Pay Float	—	—	—	
Other	—	—	—	
Exceptional Accrual Method				
Interest Swap				
	Loans			
Receive Fixed / Pay Float	—	—	—	
Receive Float / Pay Fixed	24,869	20,331	*3	
Receive Float / Pay Float	—	—	—	
Total	¥ —	¥ —	¥(1,400)	

- 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).
- The fair value of the above transactions is based on the discounted cash flow method or option pricing models.
- 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 "34. Financial Instruments."

Millions of Yen (Note 1)				
March 31, 2015				
Notional Principal or Contract Amount				
Hedged Item	Total	Over 1 Year	Fair Value	
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	202,854	184,650	(1,156)	
Receive Float / Pay Float	—	—	—	
Other	—	—	—	
Exceptional Accrual Method				
Interest Swap				
	Loans			
Receive Fixed / Pay Float	—	—	—	
Receive Float / Pay Fixed	20,662	15,855	*3	
Receive Float / Pay Float	—	—	—	
Total	¥ —	¥ —	¥(1,156)	

- 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).
- The fair value of the above transactions is based on the discounted cash flow method or option pricing models.
- 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 "34. Financial Instruments."

(b) Currency derivatives

Method of hedge accounting; Principle method

Millions of Yen (Note 1)			
March 31, 2016			
Notional Principal or Contract Amount			
Hedged Item	Total	Over 1 Year	Fair Value
Currency Swap			
	Foreign currency denominated loans, securities, deposits and foreign exchanges		
	¥289,492	¥8,631	¥3,416
Total	¥ —	¥ —	¥3,416

- 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).
- The fair value is based on the discounted cash flow method or option pricing models.

Millions of Yen (Note 1)			
March 31, 2015			
Notional Principal or Contract Amount			
Hedged Item	Total	Over 1 Year	Fair Value
Currency Swap			
	Foreign currency denominated loans, securities, deposits and foreign exchanges		
	¥321,957	¥10,552	¥(4,950)
Total	¥ —	¥ —	¥(4,950)

- 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).
- The fair value is based on the discounted cash flow method or option pricing models.

(c) Equity derivatives

None.

(d) Bond derivatives

None.

39. Per Share Data

	Yen (Note 1)		U.S. Dollars (Note 1)
	2016	2015	2016
Net Assets per Share of Common Stock	¥1,053.76	¥1,030.64	\$9.35
Profit per Share of Common Stock	67.03	68.02	0.59
Diluted Net Income per Share of Common Stock	66.96	67.95	0.59

I. Basis on calculating Net Assets per Share

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Consolidated Net Assets	¥866,398	¥858,747	\$7,689,018
Less: Subscription Rights to Shares	516	446	\$4,580
Consolidated Net Assets Attributable to Common Stockholders	¥865,882	¥858,301	\$7,684,438

	Number of Shares	
	2016	2015
Number of Shares of Common Stock Used for Calculating Net Assets per Share	821,702,727	832,783,901

41. Cash Dividends Paid

I. Cash Dividends Paid for the Fiscal Year ended March 31, 2015

Resolution	Category of Shares	Total Amounts of Cash Dividends Paid	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen (Note 1)	Yen (Note 1)		
Annual General Shareholders Meeting, at June 27, 2014	Common Stock	¥5,076	¥6.00	March 31, 2014	June 30, 2014
Board of Directors, at November 7, 2014	Common Stock	¥4,996	¥6.00	September 30, 2014	December 5, 2014

II. Cash Dividends Paid for the Fiscal Year ended March 31, 2016

Resolution	Category of Shares	Total Amounts of Cash Dividends Paid	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen (Note 1)	Yen (Note 1)		
Annual General Shareholders Meeting, at June 25, 2015	Common Stock	¥5,829	¥7.00	March 31, 2015	June 26, 2015
Board of Directors, at November 9, 2015	Common Stock	¥5,781	¥7.00	September 30, 2015	December 4, 2015

III. Cash Dividends with the Record Date in the Fiscal Year ended March 31, 2016 and the Effective Date in the Fiscal Year ending March 31, 2017

Approval	Category of Shares	Total Amounts of Cash Dividends Paid	Source of Dividends	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen (Note 1)		Yen (Note 1)		
Annual General Shareholders Meeting, at June 28, 2016	Common Stock	¥5,751	Retained Earnings	¥7.00	March 31, 2016	June 29, 2016

II. Basis on calculating Profit per Share

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Profit Attributable to Owners of Parent	¥55,444	¥57,033	\$492,049
Profit Attributable to Owners of Parent not Attributable to Common Stockholders	—	—	—
Profit Attributable to Owners of Parent Attributable to Common Stockholders	¥55,444	¥57,033	\$492,049

	Number of Shares	
	2016	2015
Average Number of Shares of Common Stock (excluding Treasury Shares)	827,042,109	838,359,081

The increased number of shares of common stock for stock options is 895 thousand (870 thousand for the previous fiscal year), which is used for calculating Diluted Profit per Share.

40. Related Party Transactions

None.

42. Stock Options

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

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
General and Administrative Expenses	¥164	¥161	\$1,461

II. The Stock Option Activity

(1) Outline of the Stock Option

	The first subscription rights	The second subscription rights	The third subscription rights	The fourth subscription rights	The fifth subscription rights	The sixth subscription rights
Number of Grantees						
Directors	9	9	9	9	10	10
Executive officers	9	9	9	11	10	10
Number of Stock Options						
Common stock	311,100	343,600	344,700	229,400	243,000	180,700
Date of Grant	July 20, 2010	July 20, 2011	July 20, 2012	July 19, 2013	July 18, 2014	July 17, 2015
Requirement for Determination of Rights	Not fixed	Not fixed	Not fixed	Not fixed	Not fixed	Not fixed
Target Period	Not fixed	Not fixed	Not fixed	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	From July 20, 2013 to July 19, 2043	From July 19, 2014 to July 18, 2044	From July 18, 2015 to July 17, 2045

(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	The fourth subscription rights	The fifth subscription rights	The sixth subscription rights
Non-vested						
As of March 31, 2015	—	—	—	—	—	—
Granted	—	—	—	—	—	180,700
Forfeited	—	—	—	—	—	—
Vested	—	—	—	—	—	180,700
Outstanding	—	—	—	—	—	—
Vested						
As of March 31, 2015	98,100	142,400	218,200	184,100	243,000	—
Vested	—	—	—	—	—	180,700
Exercised	—	13,600	58,500	38,600	57,400	—
Forfeited	—	—	—	—	—	—
Outstanding	98,100	128,800	159,700	145,500	185,600	180,700

(b) Price information

	Yen (Note 1)					
	The first subscription rights	The second subscription rights	The third subscription rights	The fourth subscription rights	The fifth subscription rights	The sixth subscription rights
Exercise Price	1	1	1	1	1	1
Average Price at Exercise	—	937	937	937	937	—
Fair Value at Grant Date	467	446	403	686	673	913

III. 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 sixth subscription rights
Volatility of Stock Price (*1)	25.903%
Estimated Remaining Outstanding Period (*2)	5 years
Estimated Dividend (*3)	¥13 per share
Risk-free Interest Rate (*4)	0.110%

*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 ended March 31, 2015.

*4. Risk-free Interest Rate is based on bond yields of the Estimated Remaining Outstanding Period.

IV. 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, 2016, 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, 2016, 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, 2016

Non-Consolidated Balance Sheet (Unaudited)

The Chiba Bank, Ltd.
As of March 31, 2016

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Assets			
Cash and Due from Banks	¥ 1,393,999	¥ 1,224,180	\$ 12,371,308
Call Loans	198,378	316,924	1,760,545
Receivables under Resale Agreements	4,999	14,996	44,371
Receivables under Securities Borrowing Transactions	—	2,091	—
Monetary Claims Bought	12,501	13,130	110,946
Trading Assets	182,419	271,195	1,618,917
Money Held in Trust	31,393	38,450	278,610
Securities	2,447,857	2,355,778	21,723,976
Loans and Bills Discounted	8,797,479	8,461,180	78,074,897
Foreign Exchanges	2,596	8,080	23,047
Other Assets	54,027	44,029	479,479
Tangible Fixed Assets	96,934	97,250	860,262
Intangible Fixed Assets	10,729	10,952	95,222
Prepaid Pension Cost	1,070	—	9,503
Customers' Liabilities for Acceptances and Guarantees	61,924	66,864	549,564
Allowance for Loan Losses	(30,464)	(35,062)	(270,367)
Total Assets	¥13,265,847	¥12,890,041	\$117,730,280
Liabilities			
Deposits	¥11,539,237	¥11,267,490	\$102,407,149
Call Money	134,500	39,878	1,193,646
Payables under Securities Lending Transactions	191,699	154,368	1,701,270
Trading Liabilities	22,905	20,788	203,282
Borrowed Money	267,573	307,655	2,374,634
Foreign Exchanges	640	767	5,684
Bonds Payable	107,545	76,020	954,435
Other Liabilities	73,185	95,014	649,501
Provision for Retirement Benefits	19,320	19,991	171,461
Provision for Reimbursement of Deposits	2,275	2,093	20,199
Provision for Point Loyalty Programs	195	176	1,736
Deferred Tax Liabilities	18,594	25,536	165,019
Deferred Tax Liabilities for Land Revaluation	11,069	11,742	98,241
Acceptances and Guarantees	61,924	66,864	549,564
Total Liabilities	¥12,450,669	¥12,088,390	\$110,495,821
Net Assets			
Capital Stock	¥ 145,069	¥ 145,069	\$ 1,287,443
Capital Surplus	122,134	122,134	1,083,902
Retained Earnings	477,182	436,076	4,234,848
Legal Retained Earnings	50,930	50,930	451,990
Other Retained Earnings	426,252	385,146	3,782,859
Treasury Shares	(37,480)	(27,532)	(332,631)
Total Shareholders' Equity	706,905	675,747	6,273,563
Valuation Difference on Available-for-sale Securities	96,475	114,380	856,190
Deferred Gains or Losses on Hedges	231	414	2,058
Revaluation Reserve for Land	11,050	10,663	98,068
Total Valuation and Translation Adjustments	107,757	125,457	956,316
Subscription Rights to Shares	516	446	4,580
Total Net Assets	¥ 815,178	¥ 801,651	\$ 7,234,459
Total Liabilities and Net Assets	¥13,265,847	¥12,890,041	\$117,730,280

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 ¥112.68 to \$1.00, the exchange rate prevailing at March 31, 2016.

Non-Consolidated Statement of Income (Unaudited)

The Chiba Bank, Ltd.
For the year ended March 31, 2016

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Income			
Interest Income:			
Interest on Loans and Discounts	¥110,112	¥112,291	\$ 977,218
Interest and Dividends on Securities	28,707	24,366	254,768
Other Interest Income	2,037	1,222	18,082
Trust Fees	2	3	24
Fees and Commissions	39,052	38,135	346,582
Trading Income	3,276	2,652	29,075
Other Ordinary Income	4,233	4,231	37,567
Other Income	17,955	14,101	159,347
Total Income	¥205,377	¥197,005	\$1,822,663
Expenses			
Interest Expenses:			
Interest on Deposits	¥ 5,883	¥ 5,133	\$ 52,213
Interest on Borrowings and Rediscounts	1,021	803	9,070
Other Interest Expenses	8,493	5,910	75,377
Fees and Commissions Payments	20,017	18,908	177,646
Other Ordinary Expenses	2,014	424	17,882
General and Administrative Expenses	81,729	83,370	725,321
Other Expenses	7,185	9,410	63,770
Total Expenses	¥126,345	¥123,961	\$1,121,279
Profit before Income Taxes	79,031	73,043	701,384
Income Taxes—Current	22,172	23,232	196,778
Income Taxes—Deferred	4,323	4,003	38,366
Profit	¥ 52,535	¥ 45,807	\$ 466,239

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Supplementary Information (Unaudited)

The Chiba Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2016

Consolidated Capital Ratio (BIS Guidelines)

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Common Equity Tier 1 Capital: Instruments and Reserves	¥816,109	¥770,221	\$7,242,720
Capital Stock and Capital Surplus	267,203	267,203	2,371,346
Retained Earnings	524,817	480,803	4,657,595
Treasury Shares	(37,480)	(27,532)	(332,631)
Cash Dividends to be Paid	(5,751)	(5,829)	(51,046)
Subscription Rights to Shares	516	446	4,580
Accumulated Other Comprehensive Income and Other Disclosed Reserves	66,805	55,130	592,877
Instruments and Reserves (Transitional Arrangements)	—	—	—
Common Equity Tier 1 Capital: Regulatory Adjustments	28,405	30,212	252,094
Total Intangible Assets (excluding those Relating to Mortgage Servicing Rights)	4,557	3,011	40,448
Deferred Gains or Losses on Derivatives under Hedge Accounting	(769)	(466)	(6,826)
Shortfall of Eligible Provisions to Expected Losses	18,864	12,600	167,415
Securitization Gain on Sale	32	23	285
Net Defined Benefit Asset	—	2,051	—
Investments in Own Shares (excluding those Reported in the Net Assets Section)	17	18	152
Investments in the Capital of Banking, Financial and Insurance Entities that are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, where the Bank does not Own more than 10% of the Issued Share Capital (Amount above 10% Threshold)	—	4,273	—
Regulatory Adjustments due to Insufficient Additional Tier 1 and Tier 2	5,703	8,698	50,621
Total Common Equity Tier 1 Capital	¥787,703	¥740,009	\$6,990,626
Additional Tier 1 Capital: Instruments	¥ 605	¥ 947	\$ 5,374
Adjusted Non-controlling Interests, etc.	—	—	—
Instruments (Transitional Arrangements)	605	947	5,374
Additional Tier 1 Capital: Regulatory Adjustments	6,309	9,645	55,995
Investments in the Capital of Banking, Financial and Insurance Entities that are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, where the Bank does not Own more than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)	—	160	—
Regulatory Adjustments (Transitional Arrangements)	6,309	9,485	55,995
Total Additional Tier 1 Capital	—	—	—
Total Tier 1 Capital	¥787,703	¥740,009	\$6,990,626
Tier 2 Capital: Instruments and Provisions	¥ 71,066	¥ 94,324	\$ 630,696
Directly Issued Qualifying Tier 2 Instruments plus Related Capital Surplus of which: Classified as Liabilities under Applicable Accounting Standards	30,000	30,000	266,241
Adjusted Non-controlling Interests, etc.	—	—	—
Eligible Instruments (Transitional Arrangements)	10,000	10,000	88,747
General Allowance for Loan Losses and Eligible Provisions	126	142	1,119
Instruments and Provisions (Transitional Arrangements)	30,940	54,182	274,589
Tier 2 Capital: Instruments and Provisions	6,288	10,230	55,805
Investments in the Capital of Banking, Financial and Insurance Entities that are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, where the Bank does not Own more than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)	—	765	—
Regulatory Adjustments (Transitional Arrangements)	6,288	9,465	55,805
Total Tier 2 Capital	¥ 64,778	¥ 84,093	\$ 574,891
Total Capital	¥852,482	¥824,103	\$7,565,517

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Risk-Weighted Assets:			
Total Risk-Weighted Assets	¥6,181,872	¥5,618,183	\$54,862,202
Total Required Capital	¥ 494,549	¥449,454	\$ 4,388,976
Capital Ratios:			
Common Equity Tier 1 Capital Ratio	12.74%	13.17%	12.74%
Tier 1 Capital Ratio	12.74%	13.17%	12.74%
Total Capital Ratio	13.79%	14.66%	13.79%

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.

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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%.

Consolidated Leverage Ratio

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
On-Balance Sheet Exposures			
On-Balance Sheet Exposures before Adjustments	¥13,204,041	¥12,833,032	\$117,181,770
Total Assets Reported in the Consolidated Balance Sheet	13,333,858	12,969,442	118,333,852
The Amount of Assets that are Deducted from the Total Assets Reported in the Consolidated Balance Sheet (except Adjustment Items)	(129,816)	(136,409)	(1,152,083)
The Amount of Adjustments to Tier 1 Capital	(29,727)	(31,566)	(263,820)
Total On-Balance Sheet Exposures	¥13,174,314	¥12,801,465	\$116,917,950
Derivative Exposures			
Replacement Cost Associated with Derivatives Transactions	¥ 39,250	¥ 26,608	\$ 348,333
Add-on Amounts Associated with Derivatives Transactions	17,488	18,675	155,209
The Amount of Cash Collateral Provided in Derivatives Transactions	8,098	8,867	71,873
Total Derivative Exposures	¥ 64,837	¥ 54,151	\$ 575,415
Securities Financing Transaction (SFT) Exposures			
The Amount of SFT Assets	¥ 4,999	¥ 17,087	\$ 44,371
The Exposures for Counterparty Credit Risk for SFTs	2,061	2,926	18,294
Total SFT Exposures	¥ 7,061	¥20,013	\$ 62,664
Off-Balance Sheet Exposures			
Notional Amount of Off-Balance Sheet Exposures	¥ 3,224,403	¥ 3,153,062	\$ 28,615,576
The Amount of Adjustments for Conversion in Relation to Off-Balance Sheets	(2,747,820)	(2,680,289)	(24,386,052)
Total Off-Balance Sheet Exposures	¥ 476,582	¥472,773	\$ 4,229,523
Tier 1 Capital	¥ 787,703	¥ 740,009	\$ 6,990,626
Total Exposures	¥13,722,796	¥13,348,404	\$121,785,552
Leverage Ratio	5.74%	5.54%	5.74%

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 ¥112.68 to \$1.00, the exchange rate prevailing at March 31, 2016.

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

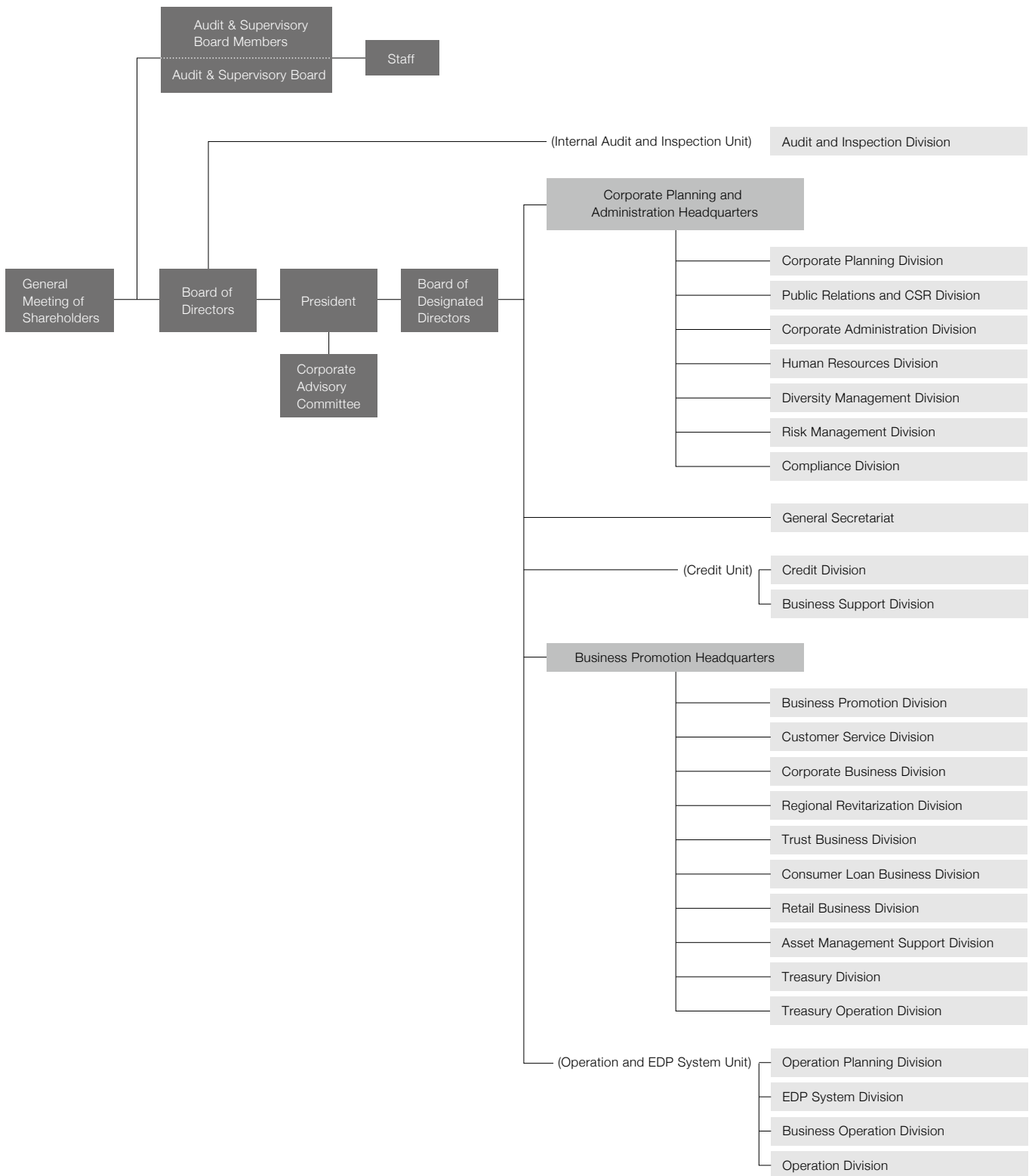
	Millions of Yen (Note 1)	
	March 31, 2016	
	Outstanding Balance	Composition
Domestic Operations:		
Manufacturing	¥684,059	7.95%
Agriculture and Forestry	8,910	0.10%
Fishery	1,184	0.01%
Mining, Quarrying and Gravel	14,801	0.17%
Construction	293,673	3.42%
Electricity, Gas, Heat Supply and Water	43,718	0.51%
Information and Communications	34,538	0.40%
Transport and Postal Service	233,712	2.72%
Wholesale and Retail Trade	696,507	8.10%
Finance and Insurance	389,626	4.53%
Real Estate and Leasing	2,224,578	25.87%
Services	500,566	5.82%
Government and Local Public Sector	208,313	2.42%
Others (Mainly Consumer Loans)	3,266,266	37.98%
Total	¥8,600,457	100.00%
Overseas operations and JOM Account	¥ 168,656	—

	Millions of Yen (Note 1)	
	March 31, 2015	
	Outstanding Balance	Composition
Domestic Operations:		
Manufacturing	¥676,048	8.17%
Agriculture and Forestry	9,369	0.11%
Fishery	1,053	0.01%
Mining, Quarrying and Gravel	9,496	0.11%
Construction	297,880	3.60%
Electricity, Gas, Heat Supply and Water	32,469	0.39%
Information and Communications	35,685	0.43%
Transport and Postal Service	232,181	2.81%
Wholesale and Retail Trade	716,404	8.66%
Finance and Insurance	401,602	4.85%
Real Estate and Leasing	2,046,388	24.72%
Services	476,488	5.76%
Government and Local Public Sector	210,260	2.54%
Others (Mainly Consumer Loans)	3,131,576	37.84%
Total	¥8,276,902	100.00%
Overseas operations and JOM Account	¥ 161,781	—

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.

Organization

The Chiba Bank, Ltd.
As of June 28, 2016



Subsidiaries

The Chiba Bank, Ltd.
As of July 1, 2016

Sobu Co., Ltd.

1-10-2, Nakase, Mihama-ku,
Chiba-shi, Chiba 261-0023
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 Career Service Co., Ltd.

1-10-2, Nakase, Mihama-ku,
Chiba-shi, Chiba 261-0023
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.

1-10-2, Nakase, Mihama-ku,
Chiba-shi, Chiba 261-0023
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 261-0011
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%

International Directory

The Chiba Bank, Ltd.
As of March 31, 2016

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

1-5-5, Nihonbashi Muromachi,
Chuo-ku, Tokyo 103-0022, Japan
Telephone: 81-3-3270-8459
Fax: 81-3-3242-1735
SWIFT Address: CHBAJPJT

Treasury Division

1-5-5, Nihonbashi Muromachi,
Chuo-ku, Tokyo 103-0022, Japan
Telephone: 81-3-3231-1285
Fax: 81-3-3242-1736

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 54.37%

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 51%

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 60%

Chibagin Leasing Co., Ltd.

1-10-2, Nakase, Mihama-ku,
Chiba-shi, Chiba 261-0023
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, Oyuminochuo, Midori-ku,
Chiba-shi, Chiba 266-0032
Principal Business: Computer systems development and commissioned computation tasks
Established: April 1, 1980
Capital: ¥150 million
Equity Ownership: Chiba Bank 46%
its subsidiaries 54%

Chibagin Capital Co., Ltd.

1-10-2, Nakase, Mihama-ku,
Chiba-shi, Chiba 261-0023
Principal Business: Consulting services, IPO's, etc.
Established: May 29, 1984
Capital: ¥100 million
Equity Ownership: Chiba Bank 30%
its subsidiaries 70%

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 65%

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 30%
its subsidiaries 70%

T&I Innovation Center, Co. Ltd.

1-5-5, Nihonbashi Muromachi,
Chuo-ku, Tokyo 103-0022
Principal Business: Investigations and research of advanced financial technologies, planning and development of financial services
Established: July 1, 2016
Capital: ¥100 million
Equity Ownership: Chiba Bank 40%

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: CHBAHKHH

London Branch

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

Shanghai Representative Office

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

Singapore Representative Office

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

Bangkok Representative Office

No.98 Sathorn Square Office
Tower, 20th Floor, Room 2008,
North Sathorn Road, Silom, Bangrak, Bangkok,
10500, Thailand
Telephone: 66-2-163-2723
Fax: 66-2-163-2725

Corporate Data

The Chiba Bank, Ltd.
As of March 31, 2016

Principal Shareholders

The ten largest shareholders of the Chiba Bank and their respective shareholdings as of March 31, 2016 were as follows:

	Number of shares (in thousands)*1	Percentage of total shares issued*2 (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	35,957	4.10
Japan Trustee Services Bank, Ltd. (Trust Account)	31,181	3.56
Nippon Life Insurance Company	26,870	3.06
The Dai-ichi Life Insurance Company, Limited	26,230	2.99
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	25,414	2.90
Sompo Japan Nipponkoa Insurance Inc.	24,537	2.80
Meiji Yasuda Life Insurance Company	18,291	2.08
SUMITOMO LIFE INSURANCE COMPANY	17,842	2.03
Japan Trustee Services Bank, Ltd. (Trust Account 9)	16,315	1.86
STATE STREET BANK AND TRUST COMPANY 505223	14,060	1.60

Except for the list above, there are 53,818 thousand (6.14%) 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.)

*1 Rounded down to the nearest thousand

*2 Rounded down to two decimal places

Corporate Information

Established	March 1943		
	180 Offices (157 branches, 20 sub-branches and 3 virtual branches)		
	45,602 Off-branch ATM locations (including 13,436 E-net ATM locations at convenience stores, 11,164 LAWSON ATM locations at convenience stores and 20,728 ATM locations jointly with Seven Bank, Ltd.)		
Network	Domestic	3 Money exchange counters	
	Overseas	3 Branches (New York/Hong Kong/London) 3 Representative offices (Shanghai/Singapore/Bangkok)	
Number of Employees*1	4,280		
Total Assets	¥13,265.8 billion		
Loans and Bills Discounted	¥8,797.4 billion		
Deposits (including NCD)	¥11,539.2 billion		
Capital Stock	¥145.0 billion		
Total Capital Ratio (BIS guidelines)	13.79% (Consolidated) 13.26% (Non-consolidated)		
Authorized Number of Shares	2,500,000 thousand		
Number of Issued Shares	875,521 thousand		
Number of Shareholders*2	25,269		
TSE Code	8331		
Transfer Agent	JAPAN SECURITIES AGENTS, LTD. 1-2-4, Nihombashi Kayabacho, Chuo-ku, Tokyo 103-8202		
		Long-term	Short-term
Credit Ratings	Standard & Poor's	A	A-1
	Moody's	A1	P-1
	Rating and Investment Information	AA-	—

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

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

*2 Shareholders with fewer than 1,000 shares are excluded.

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
<http://www.chibabank.co.jp/>

