

April 28, 2011

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**Announcement on turning the consolidated subsidiary “Chibagin Securities” into a wholly-owned subsidiary of the Chiba Bank through a Short-form Share Exchange**

The Chiba Bank, Ltd. (“Chiba Bank”) resolved, at a meeting of its board of directors held on April 28, 2011, to implement a share exchange (“Share Exchange”), which is to become effective on October 1, 2011, in order to make Chibagin Securities Co., Ltd. (“Chibagin Securities”), a consolidated subsidiary of Chiba Bank, into a wholly-owned subsidiary of Chiba Bank subject to obtaining regulatory permission and approval at a shareholder meeting of Chibagin Securities. A share exchange agreement (“Share Exchange Agreement”) has accordingly been executed between Chiba Bank and Chibagin Securities.

Since the Share Exchange is a short-form share exchange, making a consolidated subsidiary of Chiba Bank into a wholly-owned subsidiary, some parts of this release and its contents are simplified.

1. Purpose of the Share Exchange

Chibagin Securities (formerly known as Chuo Securities Co., Ltd.) has been supplying financial products and services to the region since it became a subsidiary of Chiba Bank in March, 1998, and has been one element of the bank’s “integrated regional financial services group.” In January, 2011, Chibagin Securities changed its name from “Chuo Securities” and moved its head office to Chiba city to define its position as the securities company of the Chiba Bank group, as well as being a regional securities company based on Chiba prefecture.

In the future, the trend of “from saving to investment” is expected to develop further. Accordingly, Chiba Bank has decided to make Chibagin Securities its wholly owned subsidiary to enable the group to respond in a timely and focused manner to the increasingly sophisticated and diverse financial needs of its customers, and to ensure a prompt decision-making process.

By owning the whole of Chibagin Securities, it becomes possible to manage the company efficiently, exchanging human resources and using Chiba Bank’s branch network. In this way we intend to meet the more sophisticated and diverse financial needs of customers appropriately and meticulously, responding to the expectations of our customers and shareholders.

2. Outline of the Share Exchange

(1) Schedule for the Share Exchange

Board of directors' meeting approving Share Exchange Agreement (both Chiba Bank and Chibagin Securities)	April 28, 2011
Execution of Share Exchange Agreement (both Chiba Bank and Chibagin Securities)	April 28, 2011
General shareholders' meeting at which approval of Share Exchange Agreement is sought (Chibagin Securities)	June 29, 2011 (Scheduled)
Scheduled date of Share Exchange ("Effective Date")	October 1, 2011 (Scheduled)

(Note 1) Pursuant to the short-form share exchange procedures provided in Paragraph 3, Article 796 of the Corporate Law of Japan, Chiba Bank intends to implement the Share Exchange without the approval of a general shareholders' meeting.

(Note 2) The effective date or schedule for the Share Exchange may be changed by agreement between Chiba Bank and Chibagin Securities.

(2) Method of Share Exchange

Chiba Bank will become the wholly-owning parent company and Chibagin Securities will become a wholly-owned subsidiary of Chiba Bank. Pursuant to the short-form share exchange procedures provided in Paragraph 3, Article 796 of the Corporate Law of Japan, Chiba Bank will implement the Share Exchange without the approval of a general shareholders' meeting. Also, Chibagin Securities will implement the Share Exchange, due to become effective as of October 1, 2011, upon obtaining the approval by resolution of the ordinary general shareholders' meeting of Chibagin Securities scheduled for June 29, 2011.

(3) Contents of allotment with respect to the Share Exchange

	Chiba Bank (Wholly-owning parent company in Share Exchange)	Chibagin Securities (Wholly-owned subsidiary in Share Exchange)
Contents of allotment with respect to the Share Exchange	1	0.50

(Note 1) Allotment ratio of shares

0.50 shares of common stock of Chiba Bank will be delivered by allotment for each share of common stock of Chibagin Securities. However, none of the 12,147,748 common stocks of Chibagin Securities owned by Chiba Bank will be allotted in the Share Exchange. The contents of the allotment with respect to the Share Exchange may be changed upon agreement between Chiba Bank and Chibagin Securities when there are significant changes in conditions of the calculation basis.

(Note 2) Number of shares to be delivered in the Share Exchange

In the Share Exchange, Chiba Bank will deliver 8,625,686 shares of common stock by allotment from own shares (11,859,902 shares as of March 31, 2011) and will issue no new shares.

In accordance with a resolution at a board of directors' meeting of Chibagin Securities that will be held no later than the day immediately preceding the effective date, Chibagin Securities intends to cancel all of its own shares held at the date immediately preceding the effective date of the Share Exchange (including its own shares to be acquired in Share Exchanges under claims for repurchase of shares based on Article 785 of the Corporate Law of Japan).

(Note 3) Treatment of shares of less than one unit

It is anticipated that in the Share Exchange shareholders of Chiba Bank will be newly created who own less than one unit of shares (less than 1,000 shares). Although shareholders may not sell shares constituting less than one unit on the Tokyo Stock Exchange, such shareholders may use the following systems for Chiba Bank shares.

System for the purchase of shares constituting less than one unit (sale of shares of less than one unit)

Pursuant to Paragraph 1, Article 192 of the Corporate Law of Japan, shareholders who own shares constituting less than one unit can request that Chiba Bank purchase those shares.

System for the sale of shares constituting less than one unit (purchase of shares of up to one unit)

Pursuant to Paragraph 1, Article 194 of the Corporate Law of Japan and the Articles of Incorporation of Chiba Bank, shareholders who own shares constituting less than one unit can request that Chiba Bank sell shares constituting less than one unit which will make up one unit when contained with shares already owned.

(Note 4) Treatment of fractions of less than one share

Pursuant to Article 234 of the Corporate Law of Japan, for shareholders of Chibagin Securities to whom less than one share of common stock of Chiba Bank is to be allotted in the Share Exchange, Chiba Bank plans to distribute cash in proportion to such fraction which is less than one share.

- (4) Treatment of stock acquisition rights and bonds with stock acquisition rights upon Share Exchange
- Chibagin Securities has not issued stock acquisition rights or bonds with stock acquisition rights.

3. Calculation Basis, etc. concerning allotments under the Share Exchange

(1) Calculation Basis

In order to ensure the fairness and appropriateness of the share exchange ratio for the Share Exchange, each company requested a calculation of the share exchange ratio from a third-party valuation institution independent of both parties. Chiba Bank and Chibagin Securities selected Nomura Securities Co., Ltd. (“Nomura Securities”) and Frontier Management Inc. (“Frontier Management”) respectively as the third-party valuation institutions to calculate the share exchange ratio.

Chiba Bank and Chibagin Securities did not receive an opinion about the fairness of the share exchange ratio (“Fairness Opinion”) from the third-party valuation institutions.

For the valuation of Chiba Bank, Nomura Securities adopted the average market price method of calculation and for the valuation of Chibagin Securities, it adopted the comparable company analysis and the dividend discount model analysis (“DDM Analysis”). The following table shows the results of each analysis. The calculation ranges for the share exchange ratio indicate the range of the number of Chiba Bank common stock allotted for one share of Chibagin Securities.

The average market price method, with April 26, 2011 as the base date (“Base Date”), was calculated on the basis of the closing share price on the Base Date, the average closing share price for the five business days from April 20, 2011 to the Base Date, and the average closing share price for the one month-period from March 28, 2011 to the Base Date.

Assessment method	Assessment range of the share exchange ratio
Comparable company analysis	0.31 ~ 0.32
DDM Analysis	0.37 ~ 0.54

Regarding the calculation of the share exchange ratio, Nomura Securities used information supplied by Chiba Bank and Chibagin Securities, and official information, etc. with the premise that materials and information, etc. were accurate and complete, and did not contact its own examination as to their accuracy or completeness. Regarding the assets and liabilities (including contingent liabilities) of Chiba Bank, Chibagin Securities and their related companies, Nomura Securities did not carry out its own valuation, appraisal or assessment, including an analysis and valuation of the assets and liabilities of each company, or request an appraisal or assessment from a third-party institution. The calculation of the share exchange ratio by Nomura Securities reflects information and economic conditions up to April 26, 2011. The financial projections of Chibagin Securities (including earnings plan and other information) are based on the premise that these are made or examined rationally based on the best estimates and judgments that could be made at that time by the directors of

Chiba Bank and Chibagin Securities.

Also, the future earnings plan for Chibagin Securities assumed by Nomura Securities for the DDM Analysis may be significantly increased for FY 2011 and FY 2013 due to strengthening sales skills.

For their part, Frontier Management, in view of the fact that there is a market share price for Chiba Bank, adopted the average market price method for the calculation of Chiba Bank, and the DDM Analysis and comparable company analysis for the calculation of Chibagin Securities. The results of each method are as follows. The chart shows the assessment range of the share exchange ratio that allots common stock of Chiba Bank for one share of Chibagin Securities.

Assessment method		Assessment range of the share exchange ratio
Chiba Bank	Chibagin Securities	
Average market price method	DDM Analysis	0.46 ~ 0.52
Average market price method	Comparable company analysis	0.37 ~ 0.57

For the average market price method, taking April 22, 2011 as the calculation base date, the analysis was based on the closing share price for the periods one week from April 18, 2011 to April 22, 2011 and one month from March 23, 2011 to April 22, 2011.

For the calculation of the share exchange ratio, Frontier Management used information provided by Chiba Bank and Chibagin Securities, and official information, etc. with the premise that materials and information, etc. were accurate and complete, and did not conduct its own examination as to their accuracy or completeness. Regarding the assets and liabilities (including contingent liabilities) of Chiba Bank, Chibagin Securities and their related companies, Frontier Management did not carry out its own valuation, appraisal or assessment, including an analysis and valuation of the assets and liabilities of each company or request an appraisal or assessment from a third-party institution. The calculation of the share exchange ratio by Frontier Management reflects information and economic conditions up to April 22, 2011. The financial projections of Chibagin Securities (including earnings plan and other information) are based on the premise that these are made or examined rationally based on the best estimates and judgments that could be made at that time by the directors of Chibagin Securities.

Also, the future earnings plan of Chibagin Securities assumed by Frontier Management for the DDM Analysis may be significantly increased for FY 2011, FY 2012 and FY 2013 due to strengthening sales skills.

(2) Calculation Process

Chiba Bank and Chibagin Securities have referred to the results of the analyses from Nomura Securities and Frontier Management respectively, and given all-round consideration to the financial condition, performance trends and stock price movements, etc. of both entities. Having negotiated carefully and consulted with each other on the share exchange ratio, they consider that the share exchange ratio represented in 2. (3) is fair and have today come to an agreement and final decision.

(3) Relationship with the calculation agencies

Nomura Securities and Frontier Management are valuation institutions independent of Chiba Bank and Chibagin Securities, are not related parties, and do not have any material interest to be noted in connection with the Share Exchange.

(4) Measures to ensure fairness

Since Chibagin Securities is a consolidated subsidiary of Chiba Bank, each company selected an independent third-party valuation institution and requested it to calculate the share exchange ratio in order to ensure fairness and appropriateness. Chiba Bank and Chibagin Securities commissioned Nomura Securities and Frontier Management as the third-party valuation parties to calculate the share exchange ratio respectively, and received the results. Chiba Bank and Chibagin Securities negotiated and consulted carefully referring to those calculations, and decided to implement the Share Exchange based on the agreed share exchange ratio.

Chiba Bank and Chibagin Securities did not receive a Fairness Opinion on the share exchange ratio from a third-party valuation institution.

4. Company profile of the parties to the Share Exchange (as of March 31, 2011)

	Wholly-owning parent company in Share Exchange	Wholly-owned subsidiary in Share Exchange
(1) Name	The Chiba Bank, Ltd.	Chibagin Securities, Co., Ltd.
(2) Head office	1-2, Chiba-minato, Chuo-ku, Chiba-city, Chiba	2-5-1, Chuo, Chuo-ku, Chiba-city, Chiba
(3) Name and title of representative	President Hidetoshi Sakuma	President Tetsuo Oiwa
(4) Business	Banking	Securities
(5) Capital	145,069 million yen	4,374 million yen
(6) Date established	March 31, 1943	March 27, 1944
(7) Number of issued shares	895,521,087 shares	29,424,044 shares

(8) Fiscal year end	March 31	March 31				
(9)Major shareholders and their shareholding ratio (As of September 30, 2010)	Japan Trustee Services Bank, Ltd. (Trust Account) 8.19%	The Chiba Bank, Ltd. 41.29%				
	The Master Trust Bank of Japan, Ltd. (Trust Account) 5.58%	Toho Kogyo Co., Ltd 4.75%				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd. 3.94%	Japan Trustee Services Bank, Ltd. (Trust Account 4) 3.80%				
	NIPPONKOA Insurance Company, Limited 3.33%	The Dai-ichi Life Insurance Company, Limited 3.76%				
	Nippon Life Insurance Company 3.25%	Mizuho Corporate Bank, Ltd. 3.69%				
	The Dai-ichi Life Insurance Company, Limited 2.86%	Mizuho Trust & Banking co., Ltd. 3.49%				
	SUMITOMO LIFE INSURANCE COMPANY 1.99%	Chibagin Guarantee Co., Ltd. 2.62%				
	Meiji Yasuda Life Insurance Company 1.73%	Chibagin Computer Service Co., Ltd. 2.24%				
	Chiba Bank Employees' Shareholding Association 1.29%	Chibagin JCB Card Co., Ltd. 2.24%				
	Japan Trustee Services Bank, Ltd. (Trust Account 4) 1.22%	Meiji Yasuda Life Insurance Company 2.12%				
(10) Operation results and financial conditions for the recent 3 years (million yen)						
	Chiba Bank (Consolidated)			Chibagin Securities (Non-consolidated)		
Fiscal year	FY 2007	FY 2008	FY 2009	FY 2007	FY 2008	FY 2009
Net assets	580,168	537,671	605,598	15,175	14,301	14,474
Total assets	9,835,939	10,062,926	10,261,464	20,478	19,257	19,991
Net assets per share [yen]	634.94	587.51	662.90	516.08	486.41	492.31
Ordinary income	268,883	257,019	234,355	4,615	2,950	3,406
Ordinary profits	79,184	9,399	56,870	629	(493)	175
Net income	45,980	12,392	37,579	446	(450)	252
Net income per share [yen]	51.43	13.86	42.04	15.18	(15.31)	8.59

5. Status after the Share Exchange

	Wholly-owning parent company in Share Exchange
(1) Name	The Chiba Bank, Ltd.
(2) Head office	1-2, Chiba-minato, Chuo-ku, Chiba-city, Chiba
(3) Name and title of representative	President Hidetoshi Sakuma
(4) Business	Banking
(5) Capital	Not changed in Share Exchange
(6) Fiscal year end	March 31

6. Forecasts

Since Chibagin Securities is already a consolidated subsidiary of Chiba Bank, the effect of the Share Exchange on consolidated financial results for FY 2011 will be limited.