

The Chiba Bank, Ltd.

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 Stock Exchange Listing: Tokyo (code: 8331)
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The Chiba Bank revises its earnings projections for the 6 months ended September 30, 2008 and fiscal year ending March 31, 2009

Based on recent earnings trends, the Chiba Bank hereby announces a revision of its previous earnings projections for the 6 months ended September 30, 2008 and fiscal year ending March 31, 2009, which was published on May 15, 2008.

Revision of Earnings Projections (Consolidated)

(1) For the 6 months ended September 30, 2008 (from April 1, 2008 to September 30, 2008)

	Ordinary Income 経常収益	Ordinary Profit 経常利益	Net Income 中間純利益	Net Income per Share 1株当たり中間純利益
	¥Million	¥Million	¥Million	¥
Previous Projections (A)	135,000	42,000	26,000	29.08
Revised Projections (B)	135,000	10,000	6,500	7.27
Difference (B)-(A)	0	(32,000)	(19,500)	—
Percentage Change (%)	0.0	(76.1)	(75.0)	—
(Ref.) 6 months ended September 30, 2007	136,000	43,619	27,911	31.22

(2) For the fiscal year ending March 31, 2009 (from April 1, 2008 to March 31, 2009)

	Ordinary Income 経常収益	Ordinary Profit 経常利益	Net Income 当期純利益	Net Income per Share 1株当たり当期純利益
	¥Million	¥Million	¥Million	¥
Previous Projections (A)	270,000	85,000	53,000	59.29
Revised Projections (B)	270,000	30,000	19,000	21.25
Difference (B)-(A)	0	(55,000)	(34,000)	—
Percentage Change (%)	0.0	(64.7)	(64.1)	—
(Ref.) Fiscal year ended March 31, 2008	268,883	79,184	45,980	51.43

Revision of Earnings Projections (Non-consolidated)

(1) For the 6 months ended September 30, 2008 (from April 1, 2008 to September 30, 2008)

	Ordinary Income 経常収益	Ordinary Profit 経常利益	Net Income 中間純利益	Net Income per Share 1株当たり中間純利益
	¥Million	¥Million	¥Million	¥
Previous Projections (A)	120,000	40,000	25,000	27.96
Revised Projections (B)	120,000	9,000	6,000	6.71
Difference (B)-(A)	0	(31,000)	(19,000)	—
Percentage Change (%)	0.0	(77.5)	(76.0)	—
(Ref.) 6 months ended September 30, 2007	119,855	38,406	27,270	30.50

(2) For the fiscal year ending March 31, 2009 (from April 1, 2008 to March 31, 2009)

	Ordinary Income 経常収益	Ordinary Profit 経常利益	Net Income 当期純利益	Net Income per Share 1株当たり当期純利益
	¥Million	¥Million	¥Million	¥
Previous Projections (A)	240,000	81,000	51,000	57.05
Revised Projections (B)	240,000	28,000	18,000	20.13
Difference (B)-(A)	0	(53,000)	(33,000)	—
Percentage Change (%)	0.0	(65.4)	(64.7)	—
(Ref.) Fiscal year ended March 31, 2008	237,606	70,055	44,678	49.98

Background to the revision

The bankruptcy of Lehman Brothers Holdings Inc. and the financial crisis in the US will likely result in losses on our holdings of foreign bonds. In addition, credit costs have increased and as a consequence the Bank has revised downwards its earnings projections for Ordinary profit and Net income.

No change is forecast for the dividend projection and the annual cash dividend per share will be ¥13 (¥6.5 for the interim dividend and ¥6.5 for the full year dividend).

<Reference> Summary of earnings projections (non-consolidated)

(¥Billion)

			Revised Projections		Previous Projections		Difference	
			For the 6 months ended September 30, 2008	Fiscal year ending March 31, 2009	For the 6 months ended September 30, 2008	Fiscal year ending March 31, 2009	For the 6 months ended September 30, 2008	Fiscal year ending March 31, 2009
Gross business profits	業務粗利益		72.5	150.5	86.9	174.0	(14.4)	(23.5)
Losses on sales and write-offs of bonds	うち債券売却損・償却	()	13.0	20.0	-	-	13.0	20.0
Core net business income	コア業務純益		45.0	88.0	46.0	92.0	(1.0)	(4.0)
Net business income	実質業務純益		32.0	68.0	46.0	92.0	(14.0)	(24.0)
Net transfer to general allowance for loan losses	一般貸倒引当金純繰入額	()	8.0	11.0	2.3	2.3	5.7	8.7
Net business income	業務純益		24.0	57.0	43.7	89.7	(19.7)	(32.7)
Non-recurrent income and losses	臨時損益		(15.0)	(29.0)	(3.7)	(8.7)	(11.3)	(20.3)
Disposal of non-performing loans	うち不良債権処理額	()	15.0	30.0	5.7	13.7	9.3	16.3
Write-offs of stocks	うち株式償却	()	1.4	1.4	-	-	1.4	1.4
Ordinary profit	経常利益		9.0	28.0	40.0	81.0	(31.0)	(53.0)
Extraordinary income (loss)	特別損益		2.0	3.5	2.0	4.0	-	(0.5)
Collection of written-off claims	うち償却債権取立益	()	2.0	4.0	2.0	4.0	-	-
Net Income	中間(当期)純利益		6.0	18.0	25.0	51.0	(19.0)	(33.0)
Net credit costs	実質信用コスト	()+()	21.0	37.0	6.0	12.0	15.0	25.0
Losses on securities	有価証券に係る損失	()+()	14.4	21.4	-	-	14.4	21.4
+			35.4	58.4	6.0	12.0	29.4	46.4

Reasons for the differences

(1) Core net business income (Net business income - Loss on sales and write-offs of bonds)

For Core net business income, which indicates the basic profitability of a bank, while Net interest income from loans and deposits is increasing steadily, the Bank has revised downwards its earnings projections from the previous estimate. The previous fiscal year's Core net business income was ¥42.1 billion for the 6 months ended September 30, 2007 and ¥84.8 billion for the full year. Compared with the previous year, the Bank has set its provisions ¥2.9 billion higher for the 6 months ended September 30, 2008, and ¥3.2 billion higher for the fiscal year ending March 31, 2009.

(2) Net credit costs

<For the 6 months ended September 30, 2008>

As several real estate developers have gone bankrupt and every industry is currently facing extremely difficult conditions, the Bank has adopted a conservative approach; it has modified the criteria in its classification of these debtors and has increased its provisions for loan losses strictly reflecting the historical ratio. As a result, the Bank sees ¥21.0 billion in net credit costs, an increase of ¥15.0 billion from the previous earnings projections.

< Fiscal year ending March 31, 2009>

In order to prevent the occurrence of new non-performing assets, the Bank has strengthened its monitoring processes compared with before. However, based on the current economic situation, the Bank sees conservatively almost the same level of disposals of non-performing assets for the 6 months ended September 30, 2008. As a result, Net credit costs will increase by ¥25.0 billion from the previous earnings projections to ¥37.0 billion.

(3) Losses related to securities

<For the 6 months ended September 30, 2008>

With the reduction in the value of foreign bonds due to the bankruptcy of Lehman Brothers Holdings Inc. and the recent turmoil in the US financial market, the Bank has recorded sales and impairment losses on several bonds. In addition, the Bank foresees ¥14.4 billion of actual losses (¥8.3 billion losses on sales and ¥6.1 billion impairment write-offs) arising out of the occurrence of impairment losses from the reduction in the domestic stock market.

< Fiscal year ending March 31, 2009>

The turmoil in international financial markets, mainly in the US, is still ongoing, which makes the situation uncertain. Under these circumstances, the Bank will aim to lessen risks by implementing the sale of several foreign bonds within this fiscal year ending March 31, 2009. As a consequence, the Bank anticipates losses of ¥7.0 billion on bonds for the rest of this fiscal year.