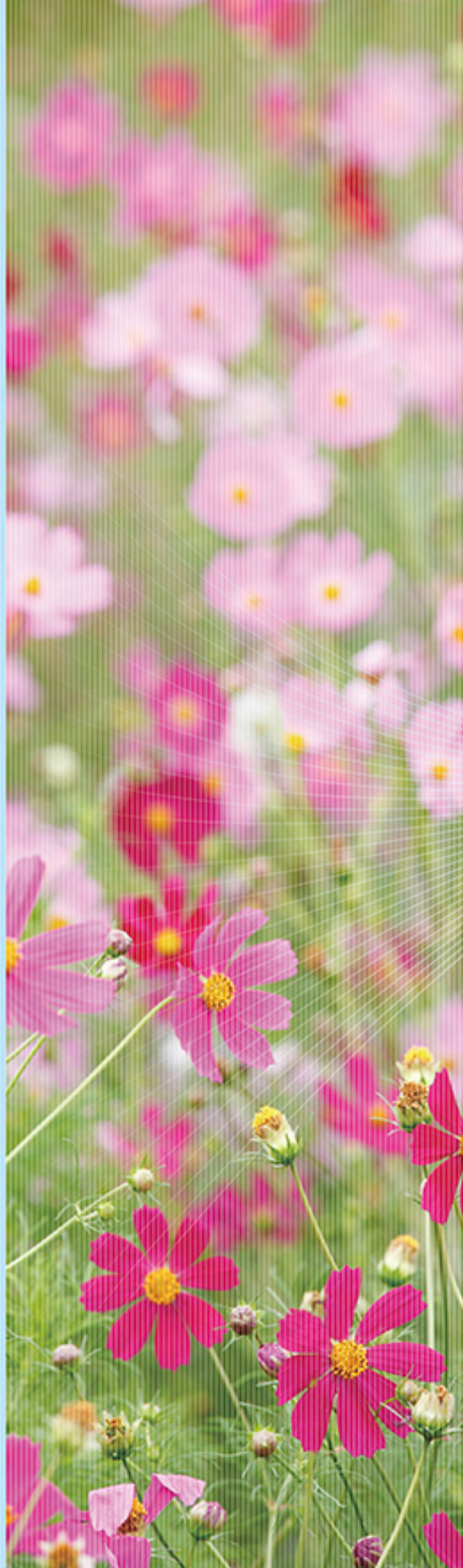




Chiba Kogyo Bank

ANNUAL
REPORT
2016



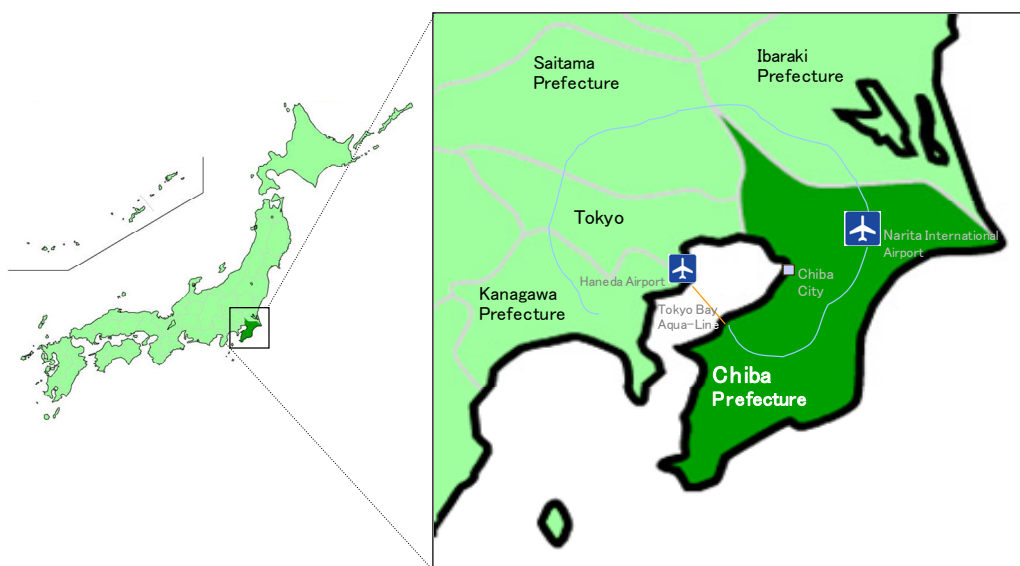
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Chiba Prefecture – Our Business Base

Chiba Prefecture, the Chiba Kogyo Bank's business base, is located adjacent to Tokyo, and plays an important role in the functions of the Greater Tokyo Area.

Industry inside the prefecture is extremely active and well-balanced, and the prefecture is in the top rank nationally -- in agriculture, marine products, industrial products, commercial trade and also gross prefectural product. Chiba Prefecture is also home to many of Japan's preeminent facilities, including Makuhari Messe, one of Japan's largest convention facilities, and Narita International Airport. In addition, with the enhanced development of the Tokyo Bay Aqua-Line Expressway (Trans-Tokyo Bay Highway connecting Chiba Prefecture and Kanagawa Prefecture) and the beltway connecting the core cities of the Greater Tokyo Area, accessibility to the metropolitan center has been greatly improved, and thus the number of sightseeing visitors to Chiba Prefecture is on an increasing trend. As preparations advance for the Tokyo Olympics and Paralympics in 2020, Chiba Prefecture is a prospering market, and is predicted to grow further in the future.



Population 6.22 Million 6 th among Japanese Prefectures	Balance Deposits ¥27.2 Trillion 6 th among Japanese Prefectures	Balance of Loans ¥13.3 Trillion 7 th among Japanese Prefectures	Gross Prefecture Product (nominal) ¥19.8 Trillion 6 th among Japanese Prefectures
Agricultural Output ¥414 Billion 3 th among Japanese Prefectures	Catch Quantities in Marine Fishery 135K Tons 7 th among Japanese Prefectures	Shipments of Manufactured Products ¥13.8 Trillion 6 th among Japanese Prefectures	Large-Scale Retail Sales ¥977 Billion 7 th among Japanese Prefectures

Source: Preliminary Counts of the 2015 Population Census; Ministry of Internal Affairs and Communications, (Mar.31 2016); Bank of Japan, Annual Report on Prefectural Accounts(2013); Cabinet Office, Statistics of Agricultural Income Produced(2013), Survey on Marine Fishery Production(2014); Ministry of Agriculture, Forestry and Fisheries, Census of Manufacturers(2014), Current Survey of Commerce(2014); Ministry of Economy, Trade and Industry

Corporate Profile

As moves to establish new banks that were more community-based gathered momentum, the Chiba Kogyo Bank was founded in 1952 with the spirit of “acting as a reliable adviser to small- and medium-sized enterprises in Chiba Prefecture” and opened for business in Chiba City, Chiba Prefecture.

By putting into practice its corporate philosophy of “Moving Forward with the Region, with Heartfelt Kindness Toward Customers,” the Bank has gained trust from regional customers and has promoted community-based finance rooted in the regional area and contributed to the local economy and local society, striving to be “a bank that continues to be chosen, with an absolute presence indispensable to the area and our customers.”



The Chiba Kogyo Bank, Ltd. H.O.
Chiba City

Corporate Outline (As of March 31, 2016)

Date of Establishment:	January 18, 1952 (Start of Business: March 3, 1952)
Head Office:	1-2, Saiwaicho 2-chome, Mihama-ku, Chiba 261-0001 Telephone: +81-43-243-2111
Financial Market Division:	2-2, Saiwaicho 2-chome, Mihama-ku, Chiba 261-0001 Telephone: +81-43-243-0852 SWIFT Address: CHIK JP JT Fax Number: +81-43-243-0235
Network	
Head Office and Branches:	73
Number of Employees:	1,307
Stock Exchange Listing:	1st Section of Tokyo Stock Exchange
Paid-in Capital:	¥62,120 million
Number of Common Stock:	Authorized: 296,000 thousand shares Issued and outstanding: 62,222,045 shares
Number of Common Stock Shareholders:	12,458

The Chiba Kogyo Bank, Ltd. is an affiliate under the equity method of Mizuho Financial Group, Inc.

Name	Location	Business category	Capital (Millions of yen)	Founded	Percentage of voting rights of the Bank
Mizuho Financial Group, Inc.	Chiyoda-ku, Tokyo	Holding company for financial service companies	2,255,790	Jan. 8, 2003	16.9% (16.9%)

Note: Figures in parentheses in the column “Percentage of voting rights of the Bank” represent the Bank’s shares held by subsidiaries of Mizuho Financial Group, Inc.

Message from the President



Shunichi Aoyagi
President (CEO)

As always, I would like to extend my sincerest appreciation for your patronage of the Chiba Kogyo Bank.

On this occasion, we have formulated the “Annual Report 2016,” which highlights the Bank’s management activities and operating results for FY2015, and provides an overview of our CSR and other initiatives. We would be pleased if stakeholders could take the time to peruse this document.

The economy of Chiba Prefecture in FY2015 continued to be on a recovery track in general, despite some partial weakness, while maintaining low bankruptcy numbers and continuing on an upward trend in the employment environment.

Against this financial and economic backdrop, the Bank took up the challenge of the final year of the previous three-year (FY2013-2015) Medium-Term Management Plan, named the “2nd Stage of Transformation and Growth Strategy,” and aggressively responded to funding needs of regional customers as well as strove to demonstrate consulting capabilities, and as a result, the Bank was able to achieve many targets such as loan balance, centering on financing to small and medium enterprises, and residential loans.

In realizing this achievement, we would like to express our sincerest gratitude for goodwill we received from our customers, shareholders and everyone in the region.

Chiba Prefecture, the Bank’s business base, is a prospering market blessed with a location adjacent to the capital city, and which we expect to grow further as preparations advance for the Tokyo Olympics and Paralympics to be held four years hence. Meanwhile, in the future business environment, business challenges of prefectural small and medium enterprises and individual customer’s needs will become even more diverse and sophisticated, while an excessive supply of products and services through financial competition expansion, including other business lines, is also predicted, due to the progress of the falling birthrate and aging population, population decline in the prefecture, prolonged low interest rates, and other factors.

Based on such business environment, in April 2016 the Bank started its new Medium-Term Management Plan, “**Consulting Kodo Project 2019.**” Positioning three years from this year as the stage toward realization of “Establishment as a Consulting Bank,” the configuration that the Bank must strive to become, and in order to be of greater help to the area and customers and to sustain growth together, the Bank will make concerted efforts with “Implementation of **Consulting Kodo**” as its core strategy.

I look forward to your further support in the future.

Medium Term Management Plan

“Consulting Kodo (to consider and act)” is to “pursue real challenges and problems of the Bank’s partners, area and customers, and seriously ponder and propose answers to the problems.”

While the business challenges of prefectural small and medium enterprises and individual customer’s needs will become even more diverse and sophisticated, in order to respond to changes in the business environment such as excess supply of products and services through financial competition expansion, including other business lines, the Bank considered that it must respond by changing its thinking and behavior to enable the establishment as a consulting bank that can respond to customer problems and needs flexibly and closely.

The highest priority acts for “establishment as a consulting bank” include transitioning from a legacy-type business model centered on the provision of products to a new business model built to diversify profits and create a profitable structure, and transitioning from “provision of financing and services” to **“Consulting Kodo.”**

Toward realization of “Establishment as a Consulting Bank,” the configuration three years hence, with a core strategy of “Implementation of **Consulting Kodo**” to consider the customer first, the Bank will make concerted efforts centering on key priorities for achievement of this, “reinforcement of its sales foundation” “reinforcement of its personnel and organizational foundations.”

Long Term Management Vision

“A bank that continues to be chosen, with an absolute presence indispensable to the area and our customers.”

New Medium-Term Management Plan (FY2016–2018)

“Consulting Kodo 2019”

Establishment as a Consulting Bank <3 years hence>

Core Strategy

“Implementation of Consulting Kodo”
to consider the customer first

Sales foundation
reinforcement

Personnel and organizational
foundation reinforcement

Financial foundation reinforcement

Governance system reinforcement

(FY2013-2015) “2nd Stage of Transformation and Growth Strategy”
Generating sales strength through improvements of efficiency and productivity, and expansion of customer foundation

(FY2011-2012) “Chiba Kogin Transformation and Growth Strategy”

Personnel and Organizational Foundation Reinforcement

- Reinforcement of organizational power (headquarter system)
 - Introduction of “Sales Headquarter System” → Improvement of strategy extension speed
 - Reinforcement of headquarters support for consulting
 - Reinforcement of promotion system for regional regeneration
- Reinforcement of human resource development
 - Consulting personnel development
 - Reinforcement of actual situation understanding capability and credit response ability
- External alliance
 - Reinforcement of collaboration with expert organization
 - Personnel dispatch to expert organization

Sales Foundation Reinforcement

- Enhancement of customer foundation
 - Expansion of core transaction partners
 - Expansion of range of transaction partners
 - Proposals based on customer segments
- Support of growth of local companies based on evaluation of business feasibility
 - Support of reinforcement of management of local small and medium sized companies
 - Reinforcement of efforts for growing fields (medical, nursing care, agri-food, tourism, etc.)
 - Reinforcement of support of small and medium sized companies to result in creation of new markets
 - Reinforcement of efforts for evaluation of business feasibility
- Branch strategy to respond to customer needs
 - Block sales system introduction
 - Opening new branches in growing areas

Target management index (FY 2018)

Deposits	¥2,560 billion
Loans and bills discounted	¥2,140 billion
Profit	¥6.5 billion
Common stock ROE	5.0%
Fees and commissions ratio	30%

Common stock ROE...ROE (return on equity) after deduction of factors by preferred stock Fees and commissions ratio...Comparison of fees and commissions to core business gross income

Basic Rationale behind Promoting Region-Based Financing

Corporate Philosophy

Moving Forward with the Region, with Heartfelt Kindness Toward Customers

We believe it is our practice of this corporate philosophy that enables us to realize region-based financing. We aim to fulfill our obligation as a regional financial institution by actively responding to the financing needs of small and medium enterprises, individual businesses owners, and also individual customers of the region, to provide a smooth supply of financing, while offering management support to the small and medium enterprises in the region and actively contributing to the revitalization of the region's economy.

In promoting region-based financing, the Bank takes a medium- to long-term outlook while continuously pushing forward with the Bank-wide initiatives of (1) providing consulting functions to client companies, (2) actively participating in region-wide revitalization, and (3) actively transmitting information to the region and customers. We believe these initiatives will lead to expansion of the Bank's customer base, and improvement in the Bank's profitability and financial soundness.

Business Highlights

Support for Agri-food Businesses

Revitalize agriculture with peanuts, a Chiba Prefectural specialty

Through expansion of production and improvement of the quality of Chiba-grown peanuts, for regeneration of agriculture of the region, the Bank cooperates with customers and promotes "peanut contract growing projects."

The Bank's coordinators with agricultural related qualifications such as Agricultural Management Advisors also participated and supported -- from engagement in farming to purchasing of products.

Technical development support

Support test product development of system using drones

Concerning "Test Product Development of Landslide Risk Zones Monitoring System using Drones," including "Manufacturing, Commercial and Service Renovation Subsidy" carried out by the Small and Medium Enterprise Agency as the certified supporting institution, the Bank provided support and advice for overall development including provision of plans, systems and information related to development



Assistance to deploy overseas operations

Support for establishment of local subsidiary in Vietnam

In the establishment of the first overseas base by a customer of the Bank, a major domestic mushroom production company, the Bank provided support with financing relating to the establishment of the local corporation and funds for construction of a local factory, making use of the overseas investment related guarantee system of a credit guarantee corporation.



Support for development of next-generation managers

Managed by Chiba Kogin "Keiei Juku"

The Chiba Kogin "Keiei juku" was established in September 2004 as an initiative to provide mentorship for local companies and support the training of successor managers.

We regularly hold observation meetings and seminars to impart a wide range of management viewpoints. Activities for our sixth class of students have been ongoing since May 2015.

Topics

The Chiba Kogyo Bank has been doing new construction, relocation or renewal of bank branches aiming at more usable, comfortable and functional branch buildings.

Higashi Matsudo Branch grand opening

On January 12, 2016, the Bank's 72nd branch, Higashi Matsudo Branch had its grand opening.

In a highly visible location across from the station roundabout, the branch is on the 2nd floor of the building, directly connected to the Higashi Matsudo Station of the Hokuso Line by a connecting passageway. The lobby of the branch uses wood grown in Chiba Prefecture, creating a space with a sense of openness.

In addition, a shared-use multi-story car parking facility is available (for 156 cars) so customers can easily visit the branch by car.



Corporate Social Responsibility (CSR)

As a bank in step with the community, the Bank will contribute to a regional society and economy.

COMUOON desktop dialogue support equipment installed in all branches

In order to enhance the attitude of kindly acceptance of the elderly and disabled, the Bank promotes barrier free approaches in branches, and is working to upgrade facilities with a variety of services and equipment by installing such things as the COMUOON desktop dialogue support equipment in all branches -- the first time in a financial institution nationwide.



Culture and sports activities

The Bank has supported and hosted a variety of events over many years to promote cultural and sports activities in the community.

Social service activities

With hopes for safety and sound development of future generations, the Bank has made active efforts for donation and fund-raising activities, etc.

COMUOON desktop dialogue support equipment

This is desktop-type dialog support equipment developed by Universal Sound Design, Inc., and the special feature is that when the special egg-shape speakers are oriented to persons with difficulty in hearing and when spoken into using a microphone, the voice will be heard clearly only by that person and the amplified voice will not leak very much to the surrounding people.

Environmental effort

The Bank strives to preserve and beautify the environment, and engages in activities to pass down the abundant natural environment of Chiba Prefecture to the future.

Participation in local events

The Bank participates and cooperates in local events with emphasis on communication with local people.

Summary of Selected Financial Data (Consolidated)

Fiscal year ended March 31	2012	2013	2014	2015	2016	
Consolidated ordinary income (Millions of yen) (Thousands of U.S. dollar)	¥52,416	¥53,990	¥52,555	¥53,262	¥53,884	\$478,161
Consolidated ordinary profit (Millions of yen) (Thousands of U.S. dollar)	9,859	11,046	11,864	13,182	12,566	111,509
Consolidated profit attributable to owners of parent (Millions of yen) (Thousands of U.S. dollar)	8,066	8,675	8,555	8,442	7,901	70,113
Consolidated comprehensive income (Millions of yen) (Thousands of U.S. dollar)	8,543	16,482	7,960	19,785	1,174	10,418
Consolidated net assets (Millions of yen) (Thousands of U.S. dollar)	134,678	181,741	126,493	139,269	146,737	1,302,130
Consolidated total assets (Millions of yen) (Thousands of U.S. dollar)	2,312,063	2,405,813	2,397,895	2,502,720	2,612,058	23,179,146
Net assets per share (Yen) (U.S. dollar)	920.33	1,207.85	1,289.27	1,635.99	1,449.71	12.86
Basic earnings per share (Yen) (U.S. dollar)	131.19	137.11	124.37	127.46	101.99	0.91
Diluted earnings per share (Yen) (U.S. dollar)	65.70	64.63	76.11	79.34	75.03	0.67
Capital adequacy ratio (%)	5.75	7.47	5.18	5.46	5.51	
Consolidated capital adequacy ratio (under Japanese standards) (%)	10.42	12.95	8.91	8.42	8.81	
Consolidated return on equity (%)	6.22	5.54	5.62	6.45	5.62	
Consolidated price earnings ratio (Times)	3.68	6.63	5.75	6.28	4.99	
Cash flows from operating activities (Millions of yen) (Thousands of U.S. dollar)	(17,239)	(28,331)	86,807	6,871	18,108	160,689
Cash flows from investing activities (Millions of yen) (Thousands of U.S. dollar)	(27,856)	1,426	19,288	(16,538)	34,279	304,188
Cash flows from financing activities (Millions of yen) (Thousands of U.S. dollar)	(1,419)	35,385	(67,456)	(7,264)	6,231	55,293
Cash and cash equivalents at end of period (Millions of yen) (Thousands of U.S. dollar)	¥24,104	¥32,839	¥71,626	¥54,946	¥113,766	\$1,009,548
Number of employees [Separately, average number of temporary employees] (Persons)	1,412 [1,103]	1,368 [1,095]	1,371 [1,115]	1,393 [1,113]	1,422 [1,106]	

- Notes:
1. U.S. dollar amounts are the yen equivalent, calculated, for convenience only, at a rate of ¥112.69 = U.S. \$1, the approximate Tokyo foreign exchange market rate as of March 31, 2016.
 2. In the accounting treatment for consumption taxes and local taxes of the Bank and its consolidated subsidiaries, the tax-excluded method is used with the exception of some consolidated subsidiaries.
 3. In the calculation of Net assets per share, Basic earnings per share and Diluted earnings per share (hereinafter "Per Share Information"), "Accounting Standard for Earnings Per Share" (ASBJ Statement No. 2, September 13, 2013) and "Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4, September 13, 2013) are applied.
 4. Capital adequacy ratio is calculated by dividing (total net assets at the end of current period - subscription rights to shares at the end of current period - non-controlling interests at the end of current period) by total assets at the end of current period.
 5. Effective from the fiscal year under review, the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013) and other standards have been applied, and "net income" has been changed to "profit attributable to owners of parent."

Business Performance (Consolidated)

In FY2015 ended March 31, 2016, the Japanese economy stayed on the track of a mild recovery, and improvements were seen in corporate earnings and the employment situation with the effects of the Government's economic measures and the decline of energy prices, etc. However, future predictions for the economy are rather uncertain as well, with concern about a downward swing of the economy intensifying due to the slowdown of the economies of emerging countries including China, and the trend of financial market instability toward the end of the fiscal year.

The economy of Chiba Prefecture, which forms the basis for the Chiba Kogyo Bank's business base, continued to be on a recovery track in general, despite some partial weakness, while maintaining low bankruptcy numbers and continuing on an upward trend in the employment environment.

Against this financial and economic backdrop, the Bank took up the challenge of the final year of its three-year (FY2013-2015) Medium-Term Management plan, named the "2nd Stage of Transformation and Growth Strategy" and actively carried out various measures, aiming to be "the best consultant for our customers in the region."

As a result, the Group's performance was as follows.

From an operational standpoint, deposits totaled ¥2,338.3 billion, an increase of ¥69.2 billion compared with the end of FY2014, primarily due to an increase in individual deposits. Loans and bills discounted amounted to ¥1,912.6 billion, an increase of ¥90.4 billion compared with the end of FY2014, as a result of efforts to discover latent financing needs through consulting sales activities, and proactive efforts toward financial needs of business partners. Securities holdings amounted to ¥512.4 billion, down ¥41.2 billion from the end of FY2014.

From a profit and loss standpoint, ordinary income increased ¥622 million year on year to ¥53.884 billion, due to efforts for improvement of fund management profits while the decline in interest rates continues, and also due to the increase in sales gains on securities. Ordinary expenses increased ¥1.237 billion year on year to ¥41.317 billion, owing to an increase in credit-related expenses, etc. despite efforts for reduction of general and administrative expenses. As a result, the Group posted ordinary profit of ¥12.566 billion, a decrease of ¥615 million year on year. Profit attributable to owners of parent decreased ¥540 million year on year to ¥7.901 billion.

Effective from the fiscal year under review, the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013) and other standards have been applied, and "net income" has been changed to "profit attributable to owners of parent."

Business performance by segment was as follows. Ordinary income from banking business increased ¥751 million year on year to ¥45.135 billion, while its segment profit decreased ¥695 million to ¥11.744 billion. Ordinary income from leasing business decreased ¥387 million year on year to ¥8.639 billion, while its segment profit decreased ¥75 million to ¥245 million. Ordinary income from credit guarantee and credit card business increased ¥45 million year on year to ¥2.055 billion, while its segment profit increased ¥65 million to ¥939 million. Ordinary income from other business segment increased ¥96 million year on year to ¥2.384 billion, while its segment profit increased ¥23 million to ¥121 million.

The consolidated capital adequacy ratio (under Japanese standards) at the end of FY2015 rose 0.39 percentage points from the end of FY2014 to 8.81%.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)		(Thousands of U.S. dollars)*
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Assets			
Cash and due from banks	¥62,590	¥121,844	\$1,081,232
Monetary claims bought	747	564	5,005
Trading account securities	128	153	1,358
Securities	553,652	512,436	4,547,307
Loans and bills discounted	1,822,154	1,912,615	16,972,358
Foreign exchanges	3,232	3,868	34,324
Other assets	28,991	28,346	251,540
Tangible fixed assets	19,799	19,903	176,617
Buildings, net	6,485	6,554	58,160
Land	10,934	10,955	97,214
Leased assets, net	39	44	390
Construction in progress	7	9	80
Other tangible fixed assets	2,332	2,339	20,756
Intangible fixed assets	2,469	2,416	21,439
Software	2,043	2,004	17,783
Leased assets	37	22	195
Other intangible fixed assets	389	388	3,443
Deferred tax assets	8,098	7,770	68,950
Customers' liabilities for acceptances and guarantees	13,702	14,159	125,646
Allowance for loan losses	(12,847)	(12,021)	(106,673)
Total assets	2,502,720	2,612,058	23,179,146

	(Millions of yen)		(Thousands of U.S. dollars)*
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Liabilities			
Deposits	2,269,118	2,338,359	20,750,368
Negotiable certificates of deposit	12,200	56,100	497,826
Call money and sale draft	2,405	–	–
Borrowed money	37,821	23,485	208,404
Foreign exchanges	13	74	657
Other liabilities	20,118	21,493	190,727
Net defined benefit liability	6,999	10,562	93,726
Provision for directors' retirement benefits	56	49	435
Provision for reimbursement of deposits	1,016	1,036	9,193
Acceptances and guarantees	13,702	14,159	125,646
Total liabilities	2,363,451	2,465,320	21,877,008
Net assets			
Capital stock	57,941	62,120	551,247
Capital surplus	2,792	6,971	61,860
Retained earnings	59,011	64,831	575,304
Treasury shares	(69)	(67)	(595)
Total shareholders' equity	119,677	133,856	1,187,825
Valuation difference on available-for-sale securities	17,433	13,278	117,828
Remeasurements of defined benefit plans	(301)	(3,090)	(27,420)
Total accumulated other comprehensive income	17,131	10,188	90,407
Subscription warrant	15	31	275
Non-controlling interests	2,444	2,661	23,613
Total net assets	139,269	146,737	1,302,130
Total liabilities and net assets	¥2,502,720	¥2,612,058	\$23,179,146

* Please refer to the note 1 on page 7.

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Income)

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Ordinary income	¥53,262	¥53,884	\$478,161
Interest income	30,396	30,787	273,201
Interest on loans and discounts	24,849	24,652	218,759
Interest and dividends on securities	5,053	5,625	49,916
Interest on call loans and bills bought	50	51	453
Interest on deposits with banks	223	287	2,547
Other interest income	219	170	1,509
Fees and commissions	9,804	9,465	83,991
Other ordinary income	987	2,140	18,990
Other income	12,074	11,491	101,970
Recoveries of written off claims	1,760	835	7,410
Other	10,313	10,655	94,551
Ordinary expenses	40,079	41,317	366,643
Interest expenses	1,386	1,512	13,417
Interest on deposits	1,080	1,127	10,001
Interest on negotiable certificates of deposit	20	54	479
Interest on call money and bills sold	2	49	435
Interest on payables under securities lending transactions	10	8	71
Interest on borrowings and rediscounts	249	256	2,272
Other interest expenses	22	15	133
Fees and commissions payments	2,783	2,983	26,471
Other ordinary expenses	246	1,081	9,593
General and administrative expenses	25,475	24,807	220,135
Other expenses	10,188	10,932	97,009
Provision of allowance for loan losses	17	930	8,253
Other	10,170	10,001	88,748
Ordinary profit	13,182	12,566	111,509
Extraordinary losses	118	90	799
Loss on disposal of non-current assets	61	29	257
Impairment loss	56	61	541
Profit before income taxes	13,064	12,476	110,711
Income taxes - current	436	622	5,520
Income taxes - deferred	3,953	3,738	33,171
Total income taxes	4,389	4,360	38,690
Profit	8,674	8,116	72,021
Profit attributable to non-controlling interests	232	214	1,899
Profit attributable to owners of parent	¥8,442	¥7,901	\$70,113

* Please refer to the note 1 on page 7.

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Profit	¥8,674	¥8,116	\$72,021
Other comprehensive income	11,111	(6,941)	(61,594)
Valuation difference on available-for-sale securities	10,161	(4,153)	(36,853)
Remeasurements of defined benefit plans, net of tax	949	(2,788)	(24,740)
Comprehensive income	¥19,785	¥1,174	\$10,418
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	19,461	957	8,492
Comprehensive income attributable to non-controlling interests	324	216	1,917

* Please refer to the note 1 on page 7.

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	57,941	4,566	55,819	(66)	118,260
Depends on changing in the bill policy			238		238
Balance at beginning of current period on changing in the bill policy	57,941	4,566	56,057	(66)	118,499
Changes of items during period					
Dividends of surplus			(2,204)		(2,204)
Profit attributable to owners of parent			8,442		8,442
Purchase of treasury shares				(5,059)	(5,059)
Retirement of treasury shares		(5,056)		5,056	-
From retained earnings to capital surplus		3,283	(3,283)		-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(1,773)	2,953	(2)	1,177
Balance at end of current period	57,941	2,792	59,011	(69)	119,677

	Accumulated other comprehensive income			Subscription warrant	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	7,363	(1,251)	6,112	-	2,120	126,493
Depends on changing in the bill policy						238
Balance at beginning of current period on changing in the bill policy	7,363	(1,251)	6,112	-	2,120	126,732
Changes of items during period						
Dividends of surplus						(2,204)
Profit attributable to owners of parent						8,442
Purchase of treasury shares						(5,059)
Retirement of treasury shares						-
From retained earnings to capital surplus						-
Net changes of items other than shareholders' equity	10,069	949	11,019	15	324	11,359
Total changes of items during period	10,069	949	11,019	15	324	12,537
Balance at end of current period	17,433	(301)	17,131	15	2,444	139,269

Fiscal year ended March 31, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	57,941	2,792	59,011	(69)	119,677
Changes of items during period					
Issuance of new shares	4,178	4,178			8,357
Dividends of surplus			(2,079)		(2,079)
Profit attributable to owners of parent			7,901		7,901
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(1)		3	2
From retained earnings to capital surplus		1	(1)		-
Net changes of items other than shareholders' equity					
Total changes of items during period	4,178	4,178	5,820	1	14,179
Balance at end of current period	62,120	6,971	64,831	(67)	133,856

	Accumulated other comprehensive income			Subscription warrant	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	17,433	(301)	17,131	15	2,444	139,269
Changes of items during period						
Issuance of new shares						8,357
Dividends of surplus						(2,079)
Profit attributable to owners of parent						7,901
Purchase of treasury shares						(1)
Disposal of treasury shares						2
From retained earnings to capital surplus						-
Net changes of items other than shareholders' equity	(4,154)	(2,788)	(6,943)	15	216	(6,711)
Total changes of items during period	(4,154)	(2,788)	(6,943)	15	216	7,467
Balance at end of current period	13,278	(3,090)	10,188	31	2,661	146,737

Fiscal year ended March 31, 2016

(Thousands of U.S. dollars)*

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	514,163	24,776	523,658	(612)	1,062,002
Changes of items during period					
Issuance of new shares	37,075	37,075			74,159
Dividends of surplus			(18,449)		(18,449)
Profit attributable to owners of parent			70,113		70,113
Purchase of treasury shares				(9)	(9)
Disposal of treasury shares		(9)		27	18
From retained earnings to capital surplus		9	(9)		-
Net changes of items other than shareholders' equity					
Total changes of items during period	37,075	37,075	51,646	9	125,823
Balance at end of current period	551,247	61,860	575,304	(595)	1,187,825

	Accumulated other comprehensive income			Subscription warrant	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	154,699	(2,671)	152,019	133	21,688	1,235,859
Changes of items during period						
Issuance of new shares						74,159
Dividends of surplus						(18,449)
Profit attributable to owners of parent						70,113
Purchase of treasury shares						(9)
Disposal of treasury shares						18
From retained earnings to capital surplus						-
Net changes of items other than shareholders' equity	(36,862)	(24,740)	(61,612)	133	1,917	(59,553)
Total changes of items during period	(36,862)	(24,740)	(61,612)	133	1,917	66,261
Balance at end of current period	117,828	(27,420)	90,407	275	23,613	1,302,130

* Please refer to the note 1 on page 7.

(4) Consolidated Statements of Cash Flows

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Cash flows from operating activities			
Income before income taxes and minority interests	¥13,064	¥12,476	\$110,711
Depreciation	2,247	2,151	19,088
Impairment loss	56	61	541
Increase (decrease) in allowance for loan losses	(679)	(825)	(7,321)
Increase (decrease) in net defined benefit liability	(1,304)	3,563	31,618
Increase (decrease) in provision for directors' retirement benefits	(118)	(6)	(53)
Increase (decrease) in provision for reimbursement of deposits	131	20	177
Gain on fund management	(30,396)	(30,787)	(273,201)
Financing expenses	1,386	1,512	13,417
Loss (gain) related to securities	(834)	(1,532)	(13,595)
Foreign exchange losses (gains)	(250)	(201)	(1,784)
Loss (gain) on disposal of non-current assets	61	29	257
Net decrease (increase) in trading account securities	(18)	(24)	(213)
Net decrease (increase) in loans and bills discounted	(102,006)	(90,461)	(802,742)
Net increase (decrease) in deposit	70,078	69,241	614,438
Net increase (decrease) in negotiable certificates of deposit	3,660	43,900	389,564
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	18,509	(14,336)	(127,216)
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	(1,124)	(433)	(3,842)
Net decrease (increase) in call loans	5,580	182	1,615
Net increase (decrease) in call money	2,405	(2,405)	(21,342)
Net decrease (increase) in foreign exchanges - assets	(408)	(636)	(5,644)
Net increase (decrease) in foreign exchanges - liabilities	(21)	61	541
Proceeds from fund management	31,060	31,358	278,268
Payments for finance	(1,446)	(1,531)	(13,586)
Other, net	(2,261)	(2,840)	(25,202)
Subtotal	7,370	18,533	164,460
Income taxes paid	(498)	(425)	(3,771)
Net cash provided by (used in) operating activities	6,871	18,108	160,689
Cash flows from investing activities			
Purchase of securities	(114,681)	(134,407)	(1,192,715)
Proceeds from sales of securities	64,608	75,710	671,843
Proceeds from redemption of securities	34,990	94,798	841,228
Purchase of tangible fixed assets	(915)	(1,121)	(9,948)
Purchase of intangible assets	(540)	(700)	(6,212)
Net cash provided by (used in) investing activities	(16,538)	34,279	304,188

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Cash flows from financing activities			
Proceeds from issuance of common shares	–	8,312	73,760
Purchase of treasury shares	(5,059)	(1)	(9)
Proceeds from sales of treasury shares	–	0	0
Cash dividends paid	(2,204)	(2,079)	(18,449)
Net cash provided by (used in) financing activities	(7,264)	6,231	55,293
Effect of exchange rate change on cash and cash equivalents	250	201	1,784
Net increase (decrease) in cash and cash equivalents	(16,680)	58,820	521,963
Cash and cash equivalents at beginning of period	71,626	54,946	487,585
Cash and cash equivalents at end of period	¥54,946	¥113,766	\$1,009,548

* Please refer to the Note 1 on page 7.

- Cash Flows

Cash flows during FY2015 and their causes are as follows.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥18.1 billion (an increase of ¥11.2 billion year on year). The main contributory factors were ¥12.4 billion in income before income taxes and minority interests, an increase of ¥90.4 billion in loans and bills discounted, an increase of ¥69.2 billion in deposit, an increase of ¥43.9 billion in negotiable certificates of deposit and a decrease of ¥14.3 billion in borrowed money.

Cash flows from investing activities

Net cash provided by investing activities amounted to ¥34.2 billion (an increase of ¥50.8 billion year on year). The main contributory factors were ¥170.5 billion in proceeds from sales and redemption of securities, ¥134.4 billion in purchase of securities and ¥1.1 billion in purchase of intangible assets.

Cash flows from financing activities

Net cash provided by financing activities amounted to ¥6.2 billion (an increase of ¥13.4 billion year on year). The main contributory factors were ¥8.3 billion in proceeds from issuance of common shares, resulting from capital increase through public offering of common stock, etc., and ¥2.0 billion in cash dividends paid.

As a result, cash and cash equivalents at the end of FY2015 amounted to ¥113.7 billion (an increase of ¥58.8 billion year on year).

Consolidated Subsidiaries (As of March 31, 2016)

Chiba Kogin Card Service Co., Ltd.

Main business line: Credit card business, guarantees of housing and other loans
 Established: April 1979
 Capital: ¥100 million
 Equity share of the Bank and subsidiaries: 100.0%

Chiba Kogin Business Service Co., Ltd.

Main business line: Clerical operations for the Bank
 Established: January 1986
 Capital: ¥10 million
 Equity share of the Bank and subsidiaries: 100.0%

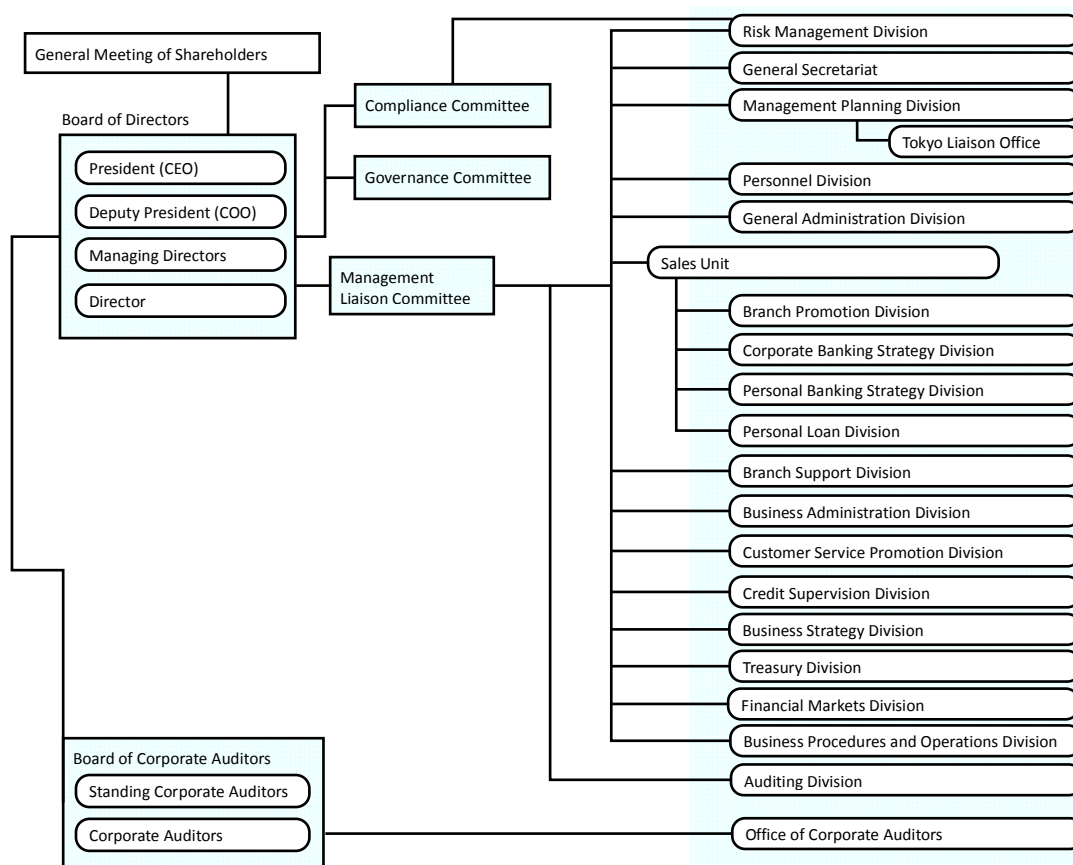
Chiba General Lease Co., Ltd.

Main business line: Leasing, loans
 Established: December 1982
 Capital: ¥90 million
 Equity share of the Bank and subsidiaries: 26.1%

Chiba Kogin Computer Soft Co., Ltd.

Main business line: Development, sale and maintenance of computer systems
 Established: July 1991
 Capital: ¥30 million
 Equity share of the Bank and subsidiaries: 55.0%

Organization Chart (As of June 30, 2016)



Board of Directors, Corporate Auditors and Executive Officers

(As of June 30, 2016)

President (CEO):	Shunichi Aoyagi
Deputy President (COO):	Seiji Umemura
Senior Managing Director:	Satoshi Hoshino
Managing Director:	Yoshiaki Tateno
Director (Outside Director):	Hisako Toya Yoshinori Hagino
Managing Executive Officers:	Shigeto Katoh Hironari Itoh Ryu-ichiro Ochi Hitoshi Umeda
Standing Corporate Auditors:	Yasumi Inaba Kazuto Matsui
Corporate Auditors (Outside Corporate Auditors):	Nobuya Suzuki Takahiro Itsukaichi
Executive Officers:	Yasuo Toda Shigeki Ikeda Hitoshi Yokoyama Akio Shimoma Katsumi Shirai Yasumitsu Kanda Hiroshi Tanaka

Major Shareholders (Common Stock) (As of March 31, 2016)

Name	Number of Shares Owned	Proportion of Total Shares (%)
Mizuho Bank, Ltd.	9,583,910	15.41
Japan Trustee Services Bank, Ltd. (trust account)	2,518,400	4.05
The Master Trust Bank of Japan, Ltd. (trust account)	1,988,000	3.19
Sakamoto Shiryō Co., Ltd.	1,249,700	2.01
Meiji Yasuda Life Insurance Co.	1,158,200	1.86
Japan Trustee Services Bank, Ltd. (trust account-9)	1,096,100	1.76
Chase Manhattan Bank GTS Clients Account Escrow (Standing proxy: Mizuho Bank, Ltd., Settlement Sales Department)	980,865	1.57
Mizuho Trust & Banking Co., Ltd.	926,800	1.49
Chiba Kogyo Bank Employee Ownership	848,717	1.36
CBNY DFA Intl Small Cap Value Portfolio (Standing proxy: Citibank Japan Ltd.)	827,200	1.33

* This document follows the Annual Select format for English-language disclosure developed by ZAIHON, INC. to increase the level of convenience of investors outside Japan based on Japanese-language statutory disclosure material, timely disclosure material prescribed by securities exchanges and voluntarily disclosed IR material. Annual Select is a registered trademark of ZAIHON, INC. Reproduction or copying without prior permission is prohibited.

* While every best effort has been made to provide a translation meeting the quality standards required of professionals, the Bank does not guarantee it is 100% accurate. Therefore, please verify the original Japanese text for any final judgments made based on this information.