

Chiba Kogyo Bank

**ANNUAL
REPORT
2015**



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Corporate Profile

Since its establishment in 1952, Chiba Kogyo Bank has contributed to the economic development of the local community under its corporate philosophy of “Moving Forward with the Region, with Heartfelt Kindness Toward Customers”. Chiba Prefecture, the Bank’s business base, is a leading industrial prefecture located on the eastern coast of Japan’s main island of Honshu, facing the Pacific Ocean. Adjoining Tokyo, the prefecture plays a key part in some of the capital’s functions. As such, the Bank seeks to fulfill its role as a leading regional financial institution under its corporate mission of gaining the confidence of the local community through its high profitability, achieved with a small but select staff.

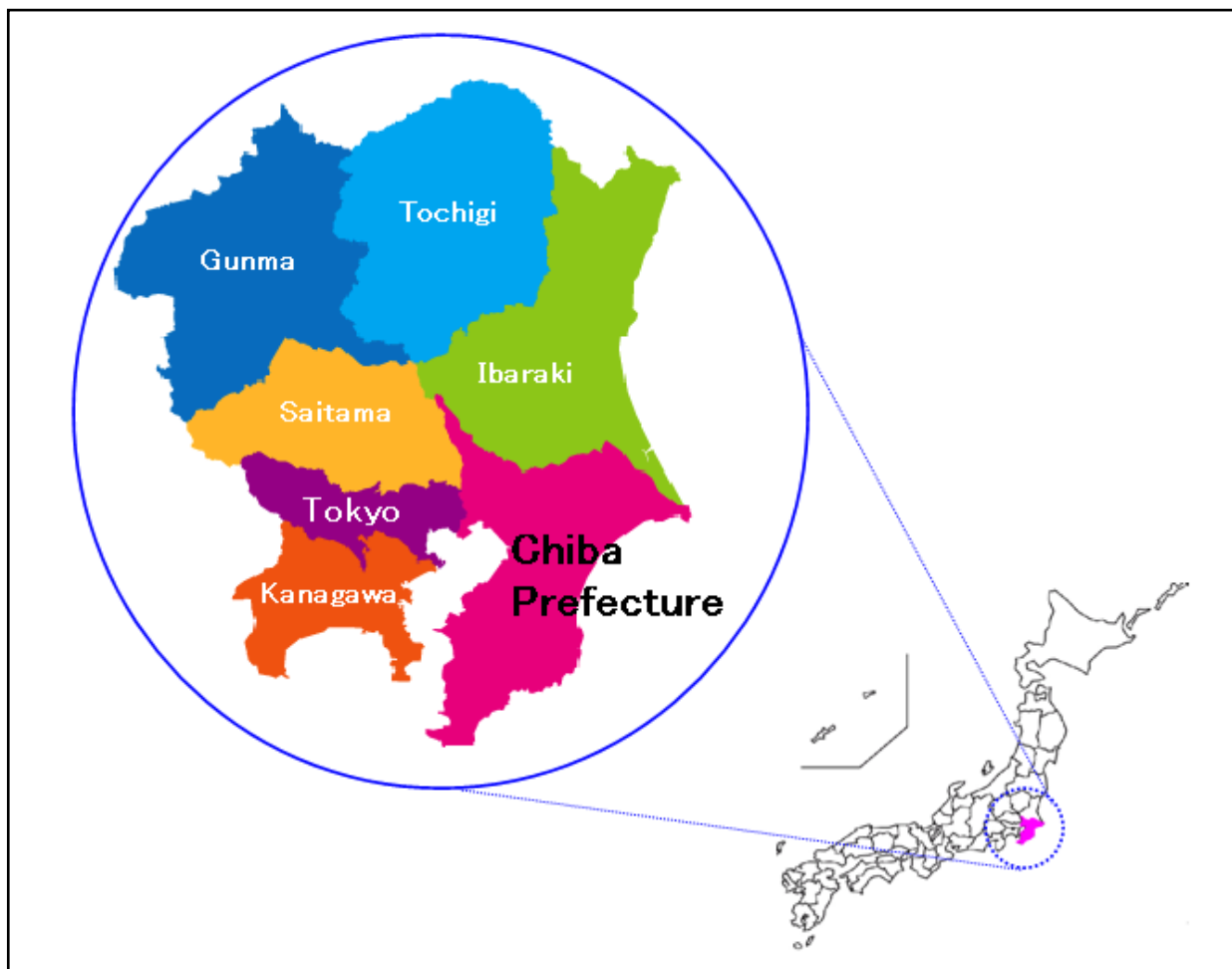
Economy of Chiba Prefecture – Our Business Base

Chiba Prefecture, Chiba Kogyo Bank's business base, is located adjacent to Tokyo. Part of the Greater Tokyo Area, its population exceeds 6 million.

Ranking sixth nationally in gross prefectural product, Chiba Prefecture has a warm climate and fertile land. Possessing both inner-bay and exposed-coast oceanic areas, it is also blessed with rich fishing areas. Accordingly, it boasts one of the largest agricultural outputs and fishery catch outputs in Japan.

Along its Tokyo Bay coastline, an expansive industrial area has formed, centered on the petrochemical and steel industries. With the value of shipments of manufactured goods ranked sixth nationally and the agriculture and marine products, industrial products and commercial trade all ranked in the top 10 nationally, Chiba Prefecture supports affluent lifestyles for its residents.

Chiba Prefecture is also home to Narita International Airport, a hub airport, and it serves as an important base for the people and logistics of the Greater Tokyo Area.



Gross Prefectural Product
(nominal)
19.1
Trillion
6th among
Japanese Prefectures

Balance of Deposits
26.5
Trillion
6th among
Japanese Prefectures

Balance of Loans
13.0
Trillion
7th among
Japanese Prefectures

Source: Cabinet Office statistical data (2012), Bank of Japan (End of March, 2015), Census of Manufactures by Ministry of Economy, Trade and Industry (December 31, 2012)

Summary of Selected Financial Data (Consolidated)

Fiscal year ended March 31	2011	2012	2013	2014	2015	
Consolidated ordinary income (Millions of yen) (Thousands of U.S. dollar)	¥52,424	¥52,416	¥53,990	¥52,555	¥53,262	\$442,854
Consolidated ordinary profit (Millions of yen) (Thousands of U.S. dollar)	6,736	9,859	11,046	11,864	13,182	109,603
Consolidated net income (Millions of yen) (Thousands of U.S. dollar)	7,436	8,066	8,675	8,555	8,442	70,192
Consolidated comprehensive income (Millions of yen) (Thousands of U.S. dollar)	4,223	8,543	16,482	7,960	19,785	164,505
Consolidated net assets (Millions of yen) (Thousands of U.S. dollar)	127,554	134,678	181,741	126,493	139,269	1,157,970
Consolidated total assets (Millions of yen) (Thousands of U.S. dollar)	2,256,208	2,312,063	2,405,813	2,397,895	2,502,720	20,809,179
Net assets per share (Yen) (U.S. dollar)	783.56	920.33	1,207.85	1,289.27	1,635.99	13.60
Net income per share (Yen) (U.S. dollar)	118.76	131.19	137.11	124.37	127.46	1.06
Diluted net income per share (Yen) (U.S. dollar)	60.21	65.70	64.63	76.11	79.34	0.66
Capital adequacy ratio (%)	5.59	5.75	7.47	5.18	5.46	
Consolidated capital adequacy ratio (under Japanese standards) (%)	10.22	10.42	12.95	8.91	8.42	
Consolidated return on equity (%)	5.96	6.22	5.54	5.62	6.45	
Consolidated price earnings ratio (Times)	4.01	3.68	6.63	5.75	6.28	
Cash flows from operating activities (Millions of yen) (Thousands of U.S. dollar)	59,087	(17,239)	(28,331)	86,807	6,871	57,130
Cash flows from investing activities (Millions of yen) (Thousands of U.S. dollar)	(10,520)	(27,856)	1,426	19,288	(16,538)	(137,507)
Cash flows from financing activities (Millions of yen) (Thousands of U.S. dollar)	(5,620)	(1,419)	35,385	(67,456)	(7,264)	(60,397)
Cash and cash equivalents at end of period (Millions of yen) (Thousands of U.S. dollar)	¥70,439	¥24,104	¥32,839	¥71,626	¥54,946	\$456,855
Number of employees [Separately, average number of temporary employees] (Persons)	1,452 [1,096]	1,412 [1,103]	1,368 [1,095]	1,371 [1,115]	1,393 [1,113]	

- Notes:
1. U.S. dollar amounts are the yen equivalent, calculated, for convenience only, at a rate of ¥120.27 = U.S. \$1, the approximate Tokyo foreign exchange market rate as of March 31, 2015.
 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, Net income per share and Diluted net income per share (hereinafter "Per Share Information"), "Accounting Standard for Earnings Per Share" (ASBJ Statement No. 2) and "Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4) 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 - minority interests at the end of current period) by total assets at the end of current period.



Shunichi Aoyagi
President (CEO)

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

On this occasion, we have formulated the “Annual Report 2015,” which highlights the Bank’s management activities and operating results for FY2014, 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 FY2014 showed signs of a moderate recovery. Notably, improvements were observed in the corporate sector with the number of bankruptcies keeping to a low level, while the employment situation continued on a general trend of improvement.

Against this financial and economic backdrop, the Bank focused on its three-year (FY2013–2015) Medium-Term Management Plan, named “2nd Stage of Transformation and Growth Strategy” and actively deployed various measures.

As a result, the Bank achieved strong earnings results, such as realizing the highest ever amount for ordinary profit.

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, which we expect to further grow as we get ready for the Tokyo Olympics to be held in five years from now. We will work together with everyone in the region to improve Chiba’s strong economic growth, and carry out various initiatives to fulfill our obligation as a regional financial institution.

FY2015 will be the final year of the Medium-Term Management Plan. Continuing our aim to be “the best consultant for our customers in the region” and “a bank that continues to be chosen, with an absolute presence indispensable to the area and our customers,” we intend to mobilize all the resources at the Chiba Kogyo Bank Group’s disposal and push ahead with our tasks.

I look forward to your further support in the future.

Business Performance (Consolidated)

In FY2014 ended March 31, 2015, the Japanese economy, despite having a temporary slowdown in business activity after the consumption tax hike, exhibited recovery overall. Notably, a situation of weak yen and rising stock prices was ongoing, driven mainly by the effect of the Government's economic measures and the Bank of Japan's additional monetary easing, and this, along with such factors as resource prices remaining at low levels led to improved corporate earnings. Like the national domestic economy, Chiba Prefecture's economy, which forms the basis for Chiba Kogyo Bank's business base, was on a track of mild recovery, as characterized by improved corporate earnings, the number of bankruptcies keeping to a low level, and the employment situation continuing in a healthy state, among other factors.

Against this financial and economic backdrop, the Bank focused on its three-year (FY2013–2015) Medium-Term Management Plan, named "2nd Stage of Transformation and Growth Strategy" and actively deployed 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 ¥2,269.1 billion, an increase of ¥70.0 billion compared with the end of FY2013, primarily due to an increase in individual deposits. Loans and bills discounted amounted to ¥1,822.1 billion, an increase of ¥102.0 billion compared with the end of FY2013, as a result of efforts to discover latent financing needs through consulting sales activities. Securities holdings amounted to ¥553.6 billion, up ¥32.6 billion from the end of FY2013.

From a profit and loss standpoint, ordinary income increased ¥706 million year on year to ¥53.262 billion, owing to an increase in fees and commissions due to higher sales of investment trusts and insurance products, and an expansion in earnings such as from a leasing subsidiary. Ordinary expenses decreased ¥611 million year on year to ¥40.079 billion owing to a significant decrease in credit-related expenses resulting from efforts to improve management of clients, despite an increase in general and administrative expenses. As a result, the Group posted its highest ever ordinary profit of ¥13.182 billion, an increase of ¥1.318 billion year on year. Net income, on the other hand, decreased ¥113 million year on year to ¥8.442 billion, owing to the reversal of deferred tax assets due to the effect of tax reform, and a year-on-year increase in total income taxes of ¥1.486 billion.

Business performance by segment was as follows. Ordinary income from banking business increased ¥105 million year on year to ¥44.383 billion, while its segment profit increased ¥1.812 billion to ¥12.440 billion. Ordinary income from leasing business increased ¥613 million year on year to ¥9.027 billion, while its segment profit decreased ¥120 million to ¥320 million. Ordinary income from credit guarantee and credit card business decreased ¥293 million year on year to ¥2.010 billion, while its segment profit decreased ¥263 million to ¥873 million. Ordinary income from other business segment decreased ¥135 million year on year to ¥2.287 billion, while its segment profit decreased ¥51 million to ¥97 million.

The consolidated capital adequacy ratio (under Japanese standards) at the end of FY2014 dropped 0.49 percentage points from the end of FY2013 to 8.42%.

Basic Rationale Behind Promoting Region-Based Financing

Corporate Philosophy

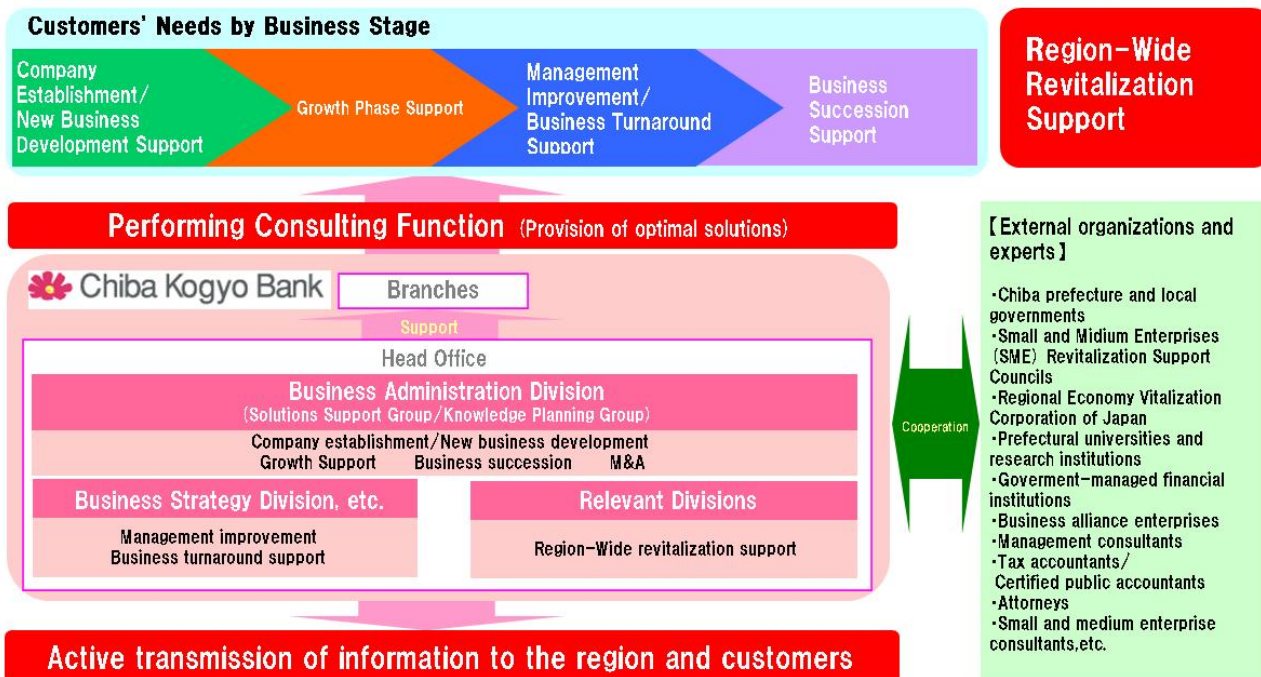
Moving Forward with the Region, with Heartfelt Kindness Toward Customers

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.

Provision of Systems Offering Management Support for Small and Medium Enterprises

In its efforts to improve the management of small and medium enterprises, etc. and revitalize the region, the Bank ensures coordination between Head Office and Branches and utilizes and cooperates with external organizations and experts. In this way we are offering systems that provide appropriate consulting functions for the management issues faced by our small and medium enterprise customers. Moreover, we have received accreditation under the SME Business Capabilities Enhancement Support Act as a *Keiei kakushintou shien kikan*.



Support for Medical Treatment and Nursing Care Sectors

We are providing consulting functions to clients in this sector by allocating 21 Medical Care Promotion Leaders to branches in areas with many medical care and nursing care operators and cooperating with medical care related consultancy firms and tax accountancy firms with strengths in the medical care sector.

Assistance to deploy overseas operations

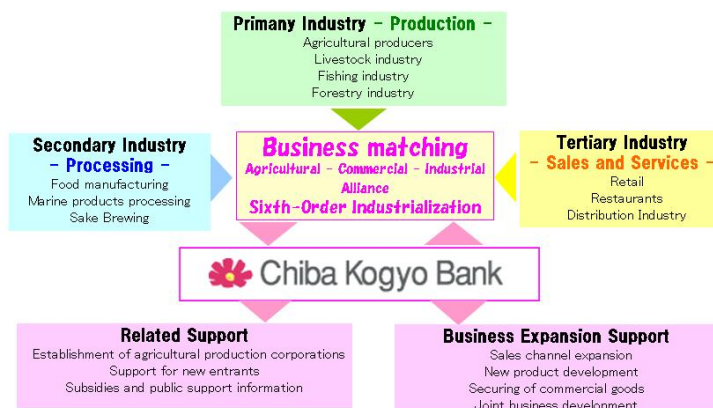
The Bank is actively developing support for expansion to the Southeast Asian countries (ASEAN) that are undergoing rapid economic growth, and other globalization needs.

Through establishing cooperation with external functions, we are providing information related to the overseas investment environment, and introducing experts and consultants and holding business seminars and the like for our corporate clients who are considering expanding their businesses overseas or extending their sales channels.

Moreover, we are constructing systems that can respond to inquiries concerning financing and loan guarantees for overseas business expansion.

Support for Agri-food Businesses

Through agricultural-commercial-industrial alliances we are working on initiatives to revitalize agri-food businesses such as by assigning experts in agriculture, a major industry of Chiba Prefecture, to the Business Administration Division, providing support for the development and sales channel creation of new products through public subsidies, and providing support for the establishment of agricultural corporations.



Support for Business Succession

From April 2014, we now have business succession experts in the Business Administration Division and are actively engaged in business succession and M&A measures for owner companies in Chiba.

We are also jointly holding business succession seminars with Chiba Industry Advancement Center and carrying out other activities in cooperation with specialist organizations.

Initiatives to support development of next-generation managers

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. Thus far, we have provided learning opportunities to more than 200 participants, and from May 2015, we began activities for our sixth class of students.



Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)		(Thousands of U.S. dollars)*
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Assets			
Cash and due from banks	¥78,146	¥62,590	\$520,412
Call loans and bills bought	5,000	–	–
Monetary claims bought	1,327	747	6,211
Trading account securities	110	128	1,064
Securities	521,051	553,652	4,603,409
Loans and bills discounted	1,720,148	1,822,154	15,150,528
Foreign exchanges	2,823	3,232	26,873
Other assets	28,762	28,991	241,049
Tangible fixed assets	20,155	19,799	164,621
Buildings, net	6,608	6,485	53,920
Land	10,937	10,934	90,912
Leased assets, net	50	39	324
Construction in progress	–	7	58
Other tangible fixed assets	2,558	2,332	19,390
Intangible fixed assets	2,763	2,469	20,529
Software	2,321	2,043	16,987
Leased assets	52	37	308
Other intangible fixed assets	389	389	3,234
Deferred tax assets	16,756	8,098	67,332
Customers' liabilities for acceptances and guarantees	14,374	13,702	113,927
Allowance for loan losses	(13,526)	(12,847)	(106,818)
Total assets	2,397,895	2,502,720	20,809,179

	(Millions of yen)		(Thousands of U.S. dollars)*
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Liabilities			
Deposits	2,199,040	2,269,118	18,866,866
Negotiable certificates of deposit	8,540	12,200	101,438
Call money and sale draft	–	2,405	19,997
Borrowed money	19,312	37,821	314,467
Foreign exchanges	34	13	108
Other liabilities	20,367	20,118	167,274
Net defined benefit liability	8,672	6,999	58,194
Provision for directors' retirement benefits	174	56	466
Provision for reimbursement of deposits	884	1,016	8,448
Acceptances and guarantees	14,374	13,702	113,927
Total liabilities	2,271,401	2,363,451	19,651,210
Net assets			
Capital stock	57,941	57,941	481,758
Capital surplus	4,566	2,792	23,214
Retained earnings	55,819	59,011	490,654
Treasury shares	(66)	(69)	(574)
Total shareholders' equity	118,260	119,677	995,069
Valuation difference on available-for-sale securities	7,363	17,433	144,949
Remeasurements of defined benefit plans	(1,251)	(301)	(2,503)
Total accumulated other comprehensive income	6,112	17,131	142,438
Subscription warrant	–	15	125
Minority interests	2,120	2,444	20,321
Total net assets	126,493	139,269	1,157,970
Total liabilities and net assets	¥2,397,895	¥2,502,720	\$20,809,179

* Please refer to the note 1 on page 3.

(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, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Ordinary income	¥52,555	¥53,262	\$442,854
Interest income	30,402	30,396	252,731
Interest on loans and discounts	25,399	24,849	206,610
Interest and dividends on securities	4,564	5,053	42,014
Interest on call loans and bills bought	65	50	416
Interest on deposits with banks	157	223	1,854
Other interest income	215	219	1,821
Fees and commissions	8,897	9,804	81,517
Other ordinary income	2,208	987	8,207
Other income	11,046	12,074	100,391
Recoveries of written off claims	1,711	1,760	14,634
Other	9,335	10,313	85,749
Ordinary expenses	40,691	40,079	333,242
Interest expenses	1,342	1,386	11,524
Interest on deposits	1,078	1,080	8,980
Interest on negotiable certificates of deposit	4	20	166
Interest on call money and bills sold	0	2	17
Interest on payables under securities lending transactions	0	10	83
Interest on borrowings and rediscounts	246	249	2,070
Other interest expenses	11	22	183
Fees and commissions payments	2,699	2,783	23,140
Other ordinary expenses	218	246	2,045
General and administrative expenses	25,162	25,475	211,815
Other expenses	11,268	10,188	84,709
Provision of allowance for loan losses	977	17	141
Other	10,290	10,170	84,560
Ordinary profit	11,864	13,182	109,603
Extraordinary losses	88	118	981
Loss on disposal of non-current assets	31	61	507
Impairment loss	56	56	466
Income before income taxes and minority interests	11,776	13,064	108,622
Income taxes - current	843	436	3,625
Income taxes - deferred	2,059	3,953	32,868
Total income taxes	2,903	4,389	36,493
Income before minority interests	8,873	8,674	72,121
Minority interests in income	317	232	1,929
Net income	¥8,555	¥8,442	\$70,192

* Please refer to the note 1 on page 3.

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Income before minority interests	¥8,873	¥8,674	\$72,121
Other comprehensive income	(913)	11,111	92,384
Valuation difference on available-for-sale securities	(913)	10,161	84,485
Remeasurements of defined benefit plans, net of tax	–	949	7,891
Comprehensive income	¥7,960	¥19,785	\$164,505
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	7,630	19,461	161,811
Comprehensive income attributable to minority interests	329	324	2,694

* Please refer to the note 1 on page 3.

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	57,941	64,792	48,991	(64)	171,661
Changes of items during period					
Dividends of surplus			(1,727)		(1,727)
Net income			8,555		8,555
Purchase of treasury shares				(60,228)	(60,228)
Retirement of treasury shares		(60,226)		60,226	-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(60,226)	6,827	(1)	(53,400)
Balance at end of current period	57,941	4,566	55,819	(66)	118,260

	Accumulated other comprehensive income			Subscription warrant	Minority 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	8,289	-	8,289	-	1,790	181,741
Changes of items during period						
Dividends of surplus						(1,727)
Net income						8,555
Purchase of treasury shares						(60,228)
Retirement of treasury shares						-
Net changes of items other than shareholders' equity	(925)	(1,251)	(2,177)	-	329	(1,847)
Total changes of items during period	(925)	(1,251)	(2,177)	-	329	(55,247)
Balance at end of current period	7,363	(1,251)	6,112	-	2,120	126,493

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)
Net income			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	Minority 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)
Net income						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, 2015

(Thousands of U.S. dollars)*

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	481,758	37,965	464,114	(549)	983,288
Depends on changing in the bill policy			1,979		1,979
Balance at beginning of current period on changing in the bill policy	481,758	37,965	466,093	(549)	985,275
Changes of items during period					
Dividends of surplus			(18,325)		(18,325)
Net income			70,192		70,192
Purchase of treasury shares				(42,064)	(42,064)
Retirement of treasury shares		(42,039)		42,039	-
From retained earnings to capital surplus		27,297	(27,297)		-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(14,742)	24,553	(17)	9,786
Balance at end of current period	481,758	23,214	490,654	(574)	995,069

	Accumulated other comprehensive income			Subscription warrant	Minority 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	61,221	(10,402)	50,819	-	17,627	1,051,742
Depends on changing in the bill policy						1,979
Balance at beginning of current period on changing in the bill policy	61,221	(10,402)	50,819	-	17,627	1,053,729
Changes of items during period						
Dividends of surplus						(18,325)
Net income						70,192
Purchase of treasury shares						(42,064)
Retirement of treasury shares						-
From retained earnings to capital surplus						-
Net changes of items other than shareholders' equity	83,720	7,891	91,619	125	2,694	94,446
Total changes of items during period	83,720	7,891	91,619	125	2,694	104,240
Balance at end of current period	144,949	(2,503)	142,438	125	20,321	1,157,970

* Please refer to the note 1 on page 3.

(4) Consolidated Statements of Cash Flows

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Cash flows from operating activities			
Income before income taxes and minority interests	¥11,776	¥13,064	\$108,622
Depreciation	2,240	2,247	18,683
Impairment loss	56	56	466
Increase (decrease) in allowance for loan losses	(666)	(679)	(5,646)
Increase (decrease) in net defined benefit liability	587	(1,304)	(10,842)
Increase (decrease) in provision for directors' retirement benefits	36	(118)	(981)
Increase (decrease) in provision for reimbursement of deposits	185	131	1,089
Gain on fund management	(30,402)	(30,396)	(252,731)
Financing expenses	1,342	1,386	11,524
Loss (gain) related to securities	(1,676)	(834)	(6,934)
Foreign exchange losses (gains)	(146)	(250)	(2,079)
Loss (gain) on disposal of non-current assets	31	61	507
Net decrease (increase) in trading account securities	21	(18)	(150)
Net decrease (increase) in loans and bills discounted	(65,177)	(102,006)	(848,142)
Net increase (decrease) in deposit	45,773	70,078	582,672
Net increase (decrease) in negotiable certificates of deposit	3,370	3,660	30,432
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	3,248	18,509	153,895
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	1,132	(1,124)	(9,346)
Net decrease (increase) in call loans	82,179	5,580	46,396
Net increase (decrease) in call money	-	2,405	19,997
Net decrease (increase) in foreign exchanges - assets	(654)	(408)	(3,392)
Net increase (decrease) in foreign exchanges - liabilities	10	(21)	(175)
Proceeds from fund management	31,300	31,060	258,252
Payments for finance	(1,413)	(1,446)	(12,023)
Other, net	4,332	(2,261)	(18,799)
Subtotal	87,486	7,370	61,279
Income taxes paid	(679)	(498)	(4,141)
Net cash provided by (used in) operating activities	86,807	6,871	57,130
Cash flows from investing activities			
Purchase of securities	(142,884)	(114,681)	(953,530)
Proceeds from sales of securities	93,160	64,608	537,191
Proceeds from redemption of securities	70,936	34,990	290,929
Purchase of tangible fixed assets	(1,158)	(915)	(7,608)
Purchase of intangible assets	(765)	(540)	(4,490)
Net cash provided by (used in) investing activities	19,288	(16,538)	(137,507)

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Cash flows from financing activities			
Decrease in subordinated borrowings	(5,500)	–	–
Cash dividends paid	(1,727)	(2,204)	(18,325)
Purchase of treasury shares	(60,228)	(5,059)	(42,064)
Net cash provided by (used in) financing activities	(67,456)	(7,264)	(60,397)
Effect of exchange rate change on cash and cash equivalents	146	250	2,079
Net increase (decrease) in cash and cash equivalents	38,786	(16,680)	(138,688)
Cash and cash equivalents at beginning of period	32,839	71,626	595,543
Cash and cash equivalents at end of period	¥71,626	¥54,946	\$456,855

* Please refer to the Note 1 on page 3.

Consolidated Subsidiaries (As of March 31, 2015)

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%

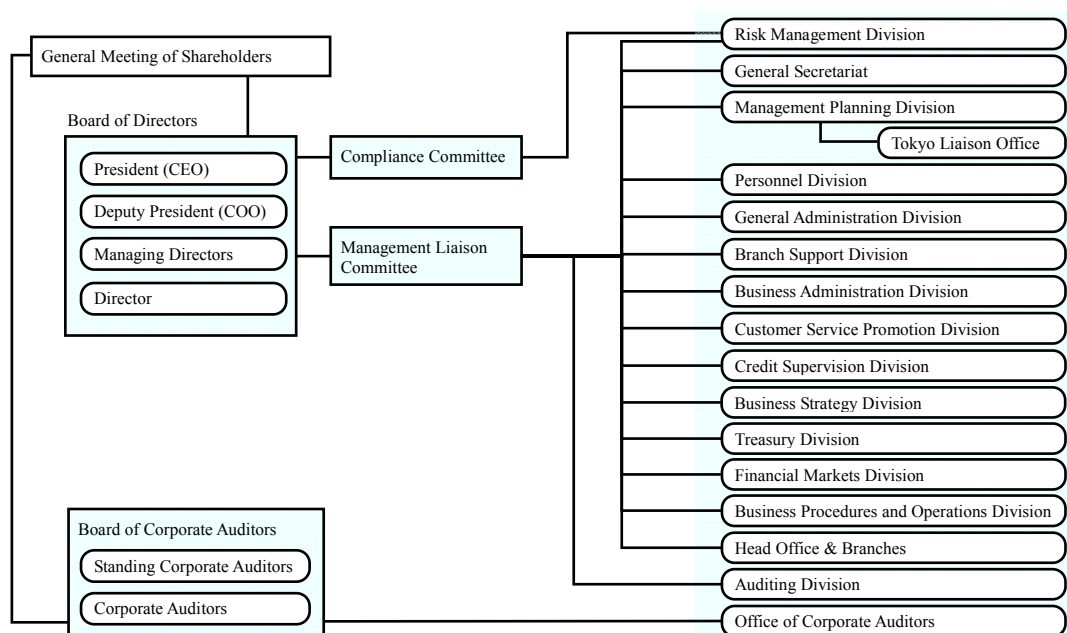
Chiba General Lease Co., Ltd.

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, 2015)



Board of Directors, Corporate Auditors and Executive Officers (As of June 30, 2015)

President (CEO):	Shunichi Aoyagi
Deputy President (COO):	Seiji Umemura
Managing Directors:	Satoshi Hoshino Shigeo Okamoto
Director (Independent Director):	Hisako Toya
Managing Executive Officers:	Shigeto Katoh Yoshiaki Tateno Hironari Itoh
Standing Corporate Auditors:	Yasumi Inaba Kazuto Matsui
Corporate Auditors (Independent Corporate Auditors):	Nobuya Suzuki Takahiro Itsukaichi
Executive Officers:	Ryu-ichiro Ochi Masakazu Ohba Yasuo Toda Shigeki Ikeda Hitoshi Yokoyama Hitoshi Umeda Akio Shimoma Katsumi Shirai

Major Shareholders (Common Stock) (As of March 31, 2015)

Name	Number of Shares Owned	Proportion of Total Shares (%)
Mizuho Bank, Ltd.	9,583,910	18.91
Japan Trustee Services Bank, Ltd. (trust account)	1,254,000	2.47
Sakamoto Shiryo Co., Ltd.	1,249,700	2.46
Meiji Yasuda Life Insurance Co.	1,158,200	2.28
Sompo Japan Nipponkoa Insurance Inc.	942,000	1.85
Mizuho Trust & Banking Co., Ltd.	926,800	1.82
The Master Trust Bank of Japan, Ltd. (trust account)	897,400	1.77
Chiba Kogyo Bank Employee Ownership	793,017	1.56
Japan Trustee Services Bank, Ltd. (trust account-9)	744,600	1.46
Japan Trustee Services Bank, Ltd. (trust account-4)	681,500	1.34

Corporate Outline (As of March 31, 2015)

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:	72
Number of Employees:	1,271
Stock Exchange Listing:	1st Section of Tokyo Stock Exchange
Paid-in Capital:	¥57,941 million
Number of Common Stock:	Authorized: 296,000 thousand shares Issued and outstanding: 50,722,045 shares
Number of Common Stock Shareholders:	10,395

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	2,255,404	Jan. 8, 2003	20.8% (20.8%)

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.

* 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.