



CHIBA BANK

THE CHIBA BANK, LTD.
ANNUAL REPORT 2005

Year Ended March 31, 2005



*Challenge &
Innovation*

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

Profile

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Chiba Bank Group is the dominant bank in Chiba Prefecture. As such it is dedicated to providing high-quality financial services, increasing customer satisfaction and contributing to regional development.

As a regional comprehensive financial services provider, it is pursuing various initiatives in a new spirit of flexibility and imagination, to win the highest-possible esteem of regional customers, shareholders and investors.

As of March 31, 2005, the Group comprised the Bank and its 14 subsidiaries and affiliates. In addition, Chiba Bank operates 144 domestic branches with 15 sub-branches, and has over 15,000 ATMs. Overseas, the Bank has three branches and one representative office.



Forward-Looking Statements

This annual report contains forward-looking statements concerning Chiba Bank's future plans, strategies and performance. These forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may materially differ from those contained in the forward-looking statements as a result of various factors. Important factors that might cause such a material difference include, but are not limited to, those economic conditions referred to in this annual report as assumptions.

In addition, the following are among the factors that could cause actual results to differ materially from the forward-looking statements in this annual report: business conditions in the banking industry, the regulatory environment, new legislation, competition with other financial services companies, changing technology and evolving banking industry standards.

Financial Highlights

The Chiba Bank, Ltd. and Consolidated Subsidiaries

Consolidated

Years Ended March 31	Millions of Yen*		Thousands of U.S. Dollars**
	2005	2004	2005
For the Year:			
Total Income	¥ 218,379	¥ 208,885	\$ 2,033,516
Total Expenses	151,409	160,719	1,409,900
Net Income	36,395	27,584	338,910
At Year-End:			
Total Assets	¥8,707,929	¥8,231,727	\$81,086,966
Cash and Due from Banks	494,332	283,134	4,603,152
Loans and Bills Discounted	5,844,581	5,645,137	54,423,890
Securities	1,710,389	1,457,660	15,926,894
Deposits	7,677,370	7,346,684	71,490,554
Total Stockholders' Equity	418,138	388,247	3,893,643
Common Stock	121,019	121,019	1,126,912

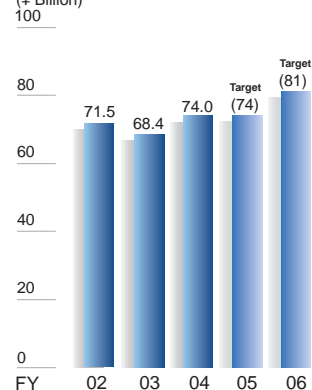
* Japanese yen amounts less than 1 million are rounded down.

** U.S. dollar amounts are shown solely for the convenience of the readers of this Annual Report and are translated at the rate of ¥ 107.39=\$1 effective on March 31, 2005.

Non-consolidated

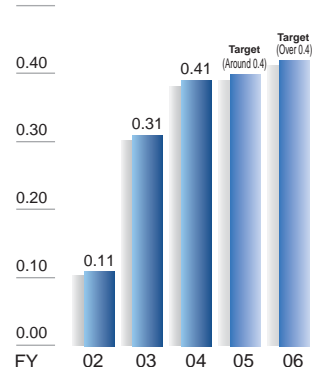
Net Business Income

(Before transfer to general reserve for possible loan losses)
(¥ Billion)



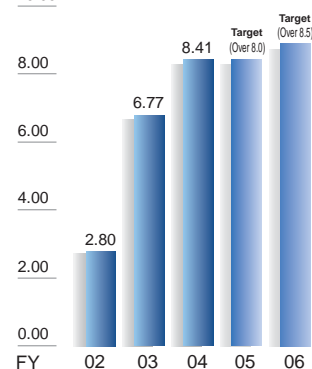
ROA (Net Income Basis)

(%)



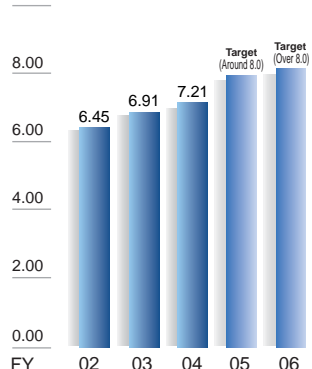
ROE (Net Income Basis)

(%)



Tier I Ratio

(%)



Message from the President

In April 2005, Chiba Bank launched its new medium-term management plan titled Towards “Creating Value” — 100 Weeks of Challenge and Innovation. We are vigorously implementing various policies in this effort, with value creation as our watchword, to maximize customer and shareholder satisfaction and trust.

Previous Medium-Term Management Plan — Achievements and Issues

Based on the previous medium-term management plan — “100 Weeks of Innovation and Speed” — for fiscal years 2003 and 2004, Chiba Bank has developed various policies under the slogan of “Best Practice for Bank Management” aimed at fulfilling the goal of building a high-quality comprehensive financial services group in the region.

To carry out the various policies in the plan, we

fully mobilized 14 creativity-driven project teams drawn from across the organization, and managed their progress on a week-by-week basis to instill a sense of urgency. As a result, we have enjoyed steady success in building sustainable earning power and assuring constant attention to the management systems, both priority issues for the management.



Tadashi Takeyama, *President*

With regard to strengthening the Bank's sustainable earning power, we achieved almost all our main goals. These included an increase in consolidated net earnings through expanded income from fees and commissions, rigorous cost-cutting and progress in non-performing loan disposals. In particular, we aggressively shifted management resources into businesses targeting individuals, and turned this into the major engine of profit growth, as shown by our marketing success in housing loans and sales of investment trusts and personal annuities. In corporate business, we further expedited efforts to strengthen our relationship banking functions, doing more to help troubled companies turn

around operations, helping companies access market financing, and supporting venture businesses.

Reform of management systems has been another priority. We introduced an independently developed executive officer system to strengthen our governance framework and deepen our compliance observance. Also, addition to increasing management transparency through rigorous investor relations and other activities, we laid the groundwork for greater effectiveness and efficiency through management-level measures such as the establishment of regional corporate banking departments and the transfer of headquarters staff to branch offices.

Targets / Results of the Previous Medium-term Management Plan

FY2004	Consolidated Net Income	Real Net Business Income	Return on Assets (ROA)	Return on Equity (ROE)	Overhead Ratio (OHR)	Tier I Ratio
Targets	¥ 30 billion	¥ 73 billion	Over 0.3%	Around 7%	Around 50%	Over 7%
Results	¥ 36 billion	¥ 74 billion	0.41%	8.41%	50.80%	7.21%

The Business Environment Five Years Ahead: Our Medium-to-Long-Term Vision

Although the operating environment for financial institutions has been greatly affected by the expansion of "pay-off*," the implementation of the program for further financial reforms, the introduction of new BIS standards and the further deregulation of over-the-counter insurance product marketing, progressive and healthy financial institutions have

*From April 2005 onwards, non-interest bearing deposits, the "Payment and Settlement Deposits," will be protected in full. In the case of time deposits, etc., the principal in the amount of no more than ¥10 million and the interest, etc. will be protected per person at each financial institution.

The "Payment and Settlement Deposits" must satisfy three conditions: Bearing no interest; Deposit redeemable on demand; and Provides normally required payment and settlement services.

been able to treat these developments as opportunities to generate new businesses.

To ensure continued growth while increasing customer satisfaction, we must create new value one step ahead of customer needs. To enable us to make swift and appropriate responses to this kind of business environment, Chiba Bank group has set specific profit, capital ratio and credit rating targets in its long-term five-year group vision aimed at securing growth into the future. All executives and employees are working jointly toward these targets. Our activities are based on the concept of all Bank employees taking the customer's perspective: being at the customer's side, thinking for the customer, and striding ahead with the customer.

New Medium-term Management Plan Towards “Creating Value” — 100 Weeks of Challenge and Innovation

Chiba Bank has launched its new medium-term management plan Towards “Creating Value” — 100 Weeks of Challenge and Innovation, to run from April 2005 to March 2007 (100 weeks). This plan, covering the first 100 weeks of the process of realizing the group’s vision for itself in five years’ time, lays down a roadmap for the group into the long term. It aims at continued growth into the future, and is the management guideline for realizing continued evolution as an integrated regional financial services group in the region.

The main tasks are ensuring a solid business base and paying constant attention to optimizing

management systems. Specific policies include our responses to the deregulation of the credit card, securities, insurance and other sectors, our flexible allocation of management resources, our enhanced governance, compliance and risk management systems, maintenance of streamlined and strong management structure, and our provision of the best products at the best time through the best channels. By taking the right action at the right time, we aim to increase our advantages in our market, develop sustainable earning power, and raise brand strength, and increase our market share in all regions and sectors within the prefecture.

Medium-term Management Plan: Towards “Creating Value” — 100 Weeks of Challenge and Innovation

Main Issues

Ensuring a Solid Business Base

Consumer Banking Business:

Provide the most suitable products and services to customers at the right time, through the best channels according to changing circumstances such as deregulation.

Corporate Banking Business:

Accurately identify customers’ needs and provide rapid and complete solutions.

Treasury Business:

Reinforce proficiency in market investment.

Constant Attention to the Management Systems

Improvement of the internal management systems

Quick and responsive allocation of management resources

Maintenance of streamlined and strong management structure

Practicing strategic profit management

Further Improvement in Market Share, Profitability and the Corporate Brand

Targets

	Consolidated Net Income	Net Business Income	Return on Assets (ROA)	Return on Equity (ROE)	Overhead Ratio (OHR)	Tier I Ratio
FY2005	¥ 38 billion	¥ 74 billion	Around 0.4%	Over 8.0%	Around 50%	Around 8%
FY2006	¥ 44 billion	¥ 81 billion	Over 0.4%	Over 8.5%	Below 50%	Over 8%
What Chiba Bank would like to become in 5 years	¥ 56 billion	¥ 100 billion	0.5%	10%	45%	8%

Chiba Prefecture: a Promising Market

Chiba Prefecture, our operating base, is one of Japan's leading prefectures in terms of shipments, production and marketing in sectors such as fisheries and agriculture, manufacturing, and commerce. In terms of industrial profile, too, Chiba Prefecture has a very balanced economy. With a population of over 6 million people and a healthy tone in economic indicators such as new housing starts (number of units), Chiba Prefecture has great potential as an operating base. We can expect further sustained growth in the future in light of the population growth rate, one of Japan's highest, and the opening of the Tsukuba Express, new metropolitan railway line.

The Tsukuba Express, which opened on August 24, 2005, is one of the largest projects in Japan, and has brought large-scale development to six areas centered around five stations in the northwest

of the prefecture. In addition, Chiba Prefecture is a gateway into Japan by air and sea, as well as being an important industrial and economic base, with Narita International Airport and Chiba Port, an international trade port whose volume of goods handled is the largest or second-largest in Japan.

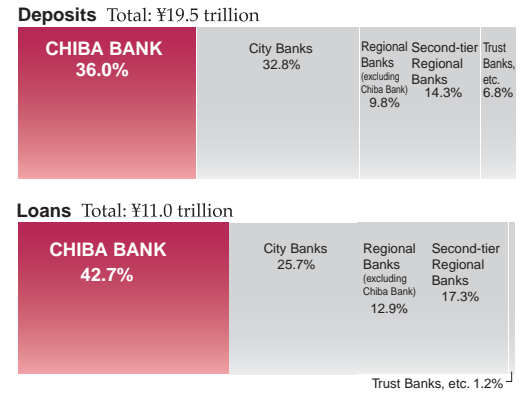
More recently, with the recent fostering of tourism in the prefecture, and the emergence of venture businesses in Makuhari New City and other areas to carry the local economy into the future, Chiba Prefecture is one of Japan's most promising domestic markets.

Tadashi Takeyama

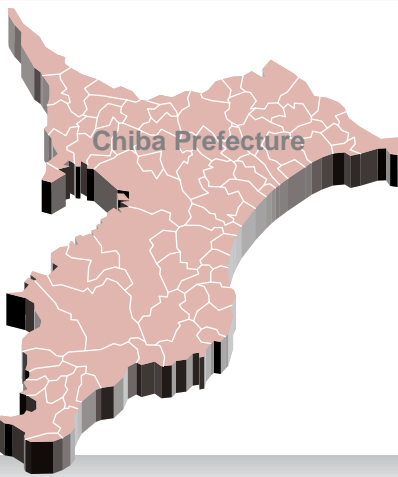
Tadashi Takeyama, *President*



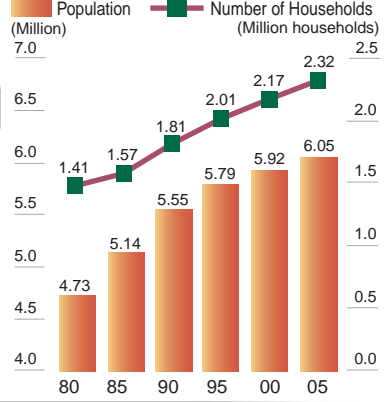
Business Share of Banks Operating in Chiba (As of March 31, 2004)



Source: Monthly KINYU JOURNAL Special Issue, 2005



Population & Number of Households in Chiba Prefecture



Source: National census (05: Data from "Monthly report on population of Chiba" as of January 05)

Management's Discussion & Analysis

Financial Review

Operating Environment and Financial Strategy

Although production levels were patchy in the latter half of the year, the Japanese economy continued to show signs of a moderate recovery in momentum in the period under review. Exports increased moderately, and capital expenditure was stepped up against a backdrop of sustained improvement in corporate earnings. In addition, an improving employment picture meant that disposable income and consumer spending bottomed out. Housing investment, however, remained almost flat, and public investment decreased.

In the short-term money market, the unsecured overnight call rate was close to zero, amid continuation of quantitative monetary easing policies by the Bank of Japan. However, the yield on long-term government bonds rose briefly on expectations of economic recovery, but fell back in the latter half of

the fiscal period in response to lingering cautiousness. The Nikkei average rose temporarily, but remained boxed in the ¥11,000-¥12,000 range throughout the term.

In this financial and economic environment, Chiba Bank implemented various measures under its concepts of “high creativity” and “speed” based on its medium-term management plan for fiscal years 2003 and 2004 titled “100 Weeks of Innovation and Speed” to achieve sustained earning power. In the current term, the last year in the plan, we reached almost all of our six targets:

Consolidated
Net Income of ¥30.0 billion
Non-consolidated
Real Net Business Income of ¥73.0 billion
Overhead Ratio (OHR) around 50%
ROA over 0.3%
ROE around 7.0%
Tier I Ratio over 7.0%

Consolidated Five-Year Summary

The Chiba Bank, Ltd. and Consolidated Subsidiaries

Years Ended March 31	Millions of Yen				
	2005	2004	2003	2002	2001
For the Year:					
Total Income	¥ 218,379	¥ 208,885	¥ 203,946	¥ 210,533	¥ 238,493
Total Expenses	151,409	160,719	187,744	256,065	216,702
Income (Loss) before Income Taxes and Minority Interests	66,970	48,165	16,202	(45,531)	21,790
Net Income (Loss)	36,395	27,584	8,770	(25,420)	13,191
At Year-End:					
Total Assets	¥8,707,929	¥8,231,727	¥8,021,618	¥8,145,849	¥7,942,695
Loans and Bills Discounted	5,844,581	5,645,137	5,601,309	5,752,206	5,608,711
Securities	1,710,389	1,457,660	1,343,972	1,406,706	1,487,836
Deposits	7,677,370	7,346,684	7,232,986	7,249,830	6,977,864
Total Stockholders' Equity	418,138	388,247	325,738	334,967	369,061
Capital Ratio (BIS guidelines)	11.16%	11.06%	10.42%	10.22%	10.56%
PER (Times)	16.06	17.74	32.81	—	25.20
PBR (Times)	1.39	1.25	0.88	1.03	0.97
Per Share:					
Net Income (Loss)	¥ 43.19	¥ 32.74	¥ 10.42	¥ (30.18)	¥ 16.90
Stockholders' Equity	496.87	461.54	387.29	397.77	438.21

Note: Japanese yen amounts less than 1 million are rounded down.

In April this year, we launched a new medium-term management plan for fiscal years 2005 and 2006, Towards “Creating Value” — 100 Weeks of Challenge and Innovation. Under this plan, we aim to achieve a great leap forward in terms of market strength, sustainable earnings and brand power by creating a solid business base and through continual management reform. The targets for fiscal year 2006 are:

Consolidated	
Net Income of ¥44.0 billion	
Non-consolidated	
Net Business Income of ¥81.0 billion	
ROA over 0.4%	
ROE over 8.5%	
OHR below 50 %	
Tier I Ratio over 8.0%	

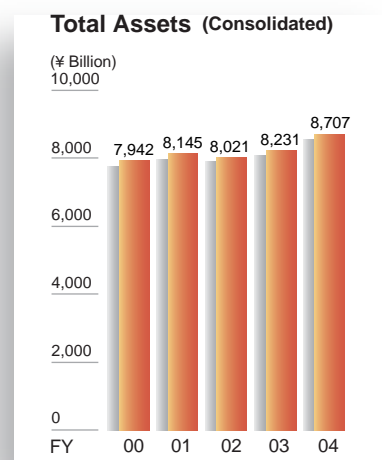
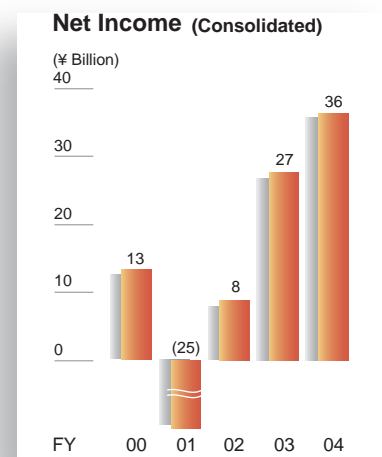
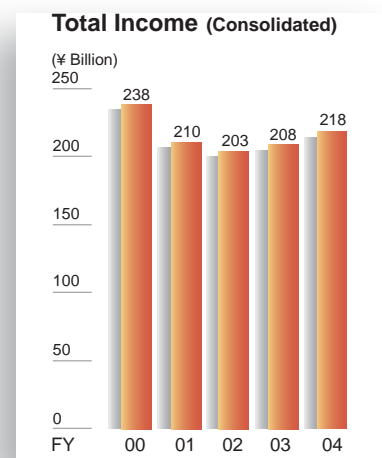
Results of Operations

Consolidated Total Income

In the reporting period ended March 31, 2005, consolidated total income increased by ¥9,494 million, or 4.5% in comparison to the previous fiscal year, to ¥218,379 million, on the back of increased interest and dividends on securities and income from fees and commissions, mainly increased fees and commissions from sale of investment trusts and personal annuities. There was also an increase in other income, chiefly from gains on collection of written-off claims. Net interest income as a whole increased by ¥2,904 million to ¥126,499 million, though interest income on loans decreased due to the decline in yields on domestic loans from 2.06% to 2.03% despite an increase in the total loan balance.

Consolidated Total Expenses

Consolidated total expenses decreased by ¥9,309 million (5.7%) to ¥151,409 million year on year. The main reason for this was that other expenses decreased due to the decline in the disposal of non-performing loans. A decrease in general and administrative expenses, due to cost-cutting and streamlining, also contributed to the decrease in total expenses.



Total expenses equaled 69.3% of total income, down 7.6 points year on year, and other expenses accounted for 22.5% of total income, down 5.1 points. In addition, general and administrative expenses equaled 36.0% of total income, down 2.5 points year on year, indicating a fall in the OHR.

Business Overview by Segment

Chiba Bank Group businesses are classified into three segments. The principal segment, banking, accounted for more than 85% of overall ordinary income. Then come Leasing, and Others, including securities and credit card businesses.

Ordinary income from banking business (including inter-segmental business) increased by 3.6% year on year to ¥184,065 million, and ordinary expenses decreased by 7.5% to ¥125,791 million. As a result, ordinary profit soared by 40.7% to ¥58,274 million. Ordinary income in leasing increased by 6.9% to ¥18,104 million, and ordinary expenses increased by 5.6% to ¥16,847 million. Ordinary profit increased by 27.4% to ¥1,257 million. Ordinary income in other business increased by 5.3% to ¥11,298 million and ordinary expenses decreased by 2.3% to ¥9,014 million. Ordinary profit jumped by 52.8% to ¥2,284 million.

Consolidated Net Income

As a result of the above, consolidated net income (after taxes and minority interests) increased by 31.9% or ¥8,811 million to ¥36,395 million. As a proportion of total income, consolidated net income increased from 13.2% to 16.6%, easily surpassing the target of ¥30,000 million in the medium-term management plan and boosting consolidated net income per share by ¥10.45 to ¥43.19, its highest level for five years.

Financial Position

Consolidated Assets

In the year ended March 31, 2005, consolidated assets (including customers' liabilities for acceptances and guarantees) increased by 5.7%, or ¥476,202 million, to ¥8,707,929 million, primarily reflecting increases in loans and bills discounted and

securities. Loans and bills discounted increased by 3.5%, or ¥199,443 million, to ¥5,844,581 million, chiefly on increases in consumer loans, especially housing loans. Housing loans increased by ¥120,609 million compared with the previous term-end, and accounted for 60% of the increase in loans and bills discounted. Loans to SMEs (including consumer loans) also increased by ¥139,727 million year on year to ¥4,478,572 million.

Securities increased by ¥252,728 million, or 17.3%, from the previous term-end to ¥1,710,389 million, due to an increase of corporate bonds and local government bonds, while government bonds decreased. In securities investment, we closely monitored the risk of increasing interest rates as we diversified our fund management. The average remaining period to maturity of yen-denominated bonds was 2.8 years. The rate of return on securities in domestic transactions was 0.80%, a 0.13 point increase from the previous term, reflecting a continuing shift toward corporate bonds which offer more attractive yields than government bonds, with due consideration to credit risk.

Consolidated Liabilities

The balance of consolidated liabilities increased by ¥445,629 million, or 5.6%, to ¥8,281,968 million, on increases in deposits (deposits and negotiable certificates of deposits) and increases in payables under securities lending transactions.

Deposits (deposits and negotiable certificates of deposits) increased by ¥330,686 million from the previous term-end to ¥7,677,370 million. This reflected marketing initiatives closely targeting household budgeting. We offered products such as the "payment and settlement deposits" ahead of the expansion of "pay-off," and a range of new financial instruments and services such as new types of foreign currency deposits. On a non-consolidated, domestic market basis, the balance of deposits by individual customers grew by 2.3%, while those of corporate customers rose by 8.4%. These performances reflected the recovery in the Japanese economy and the corporate need for the "payment and settlement deposits" ahead of the expansion of "pay-off." As a result of the above, the return on domestic deposits was 0.01%.

On a non-consolidated basis, the loan-to-deposit ratio fell from 77.0% last year to 76.4% on a term-end balance base, as growth in deposits exceeded that of loans.

In addition, payables under securities lending transactions increased by ¥69,190 million. Subordinated loans decreased by ¥3,000 million, leaving a balance of ¥75,000 million.

Consolidated Stockholders' Equity

Stockholders' equity increased by 7.6%, or ¥29,890 million, to total ¥418,138 million as of March 31, 2005, due to an increase in retained earnings.

The capital ratio on a consolidated basis (BIS guidelines) increased by 0.10 point from the previous term-end to 11.16%. This was the result of an increase in Tier I capital due to sustained profit growth and was despite a decline in Tier II capital. The non-consolidated Tier I ratio was 7.21%, in line with our target of around 7% in the medium-term management plan.

As a result, ROA and ROE were 0.41% and 8.41% on a non-consolidated basis, respectively. These percentages were easily above the 0.3% and 7% targets in the plan.

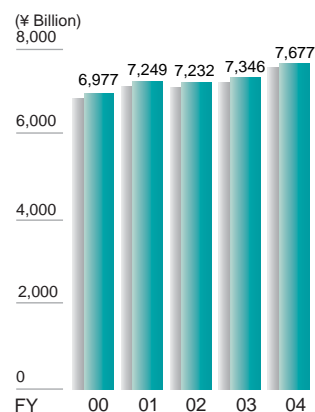
Consolidated Cash Flows

Net cash provided by operating activities amounted to ¥474,090 million compared with net cash totaling ¥80,158 million used in the previous term. This was due chiefly to an increase in deposits. Net cash used in investing activities was ¥251,995 million, compared with ¥63,934 million in net cash used in the previous fiscal year, reflecting acquisition of securities. Net cash used in financing activities totaled ¥7,979 million, compared with ¥14,285 million in net cash used in the previous term. As a result of the above, cash and cash equivalents at the end of the term increased by ¥214,135 million year on year, to ¥452,090 million.

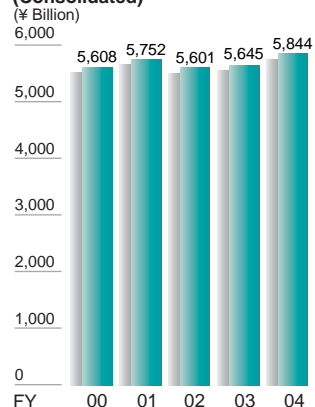
Outlook

For the period ending March 31, 2006, Chiba Bank Group forecasts ordinary income ¥220 billion, ordinary profit of ¥67 billion and net income of ¥40 billion.

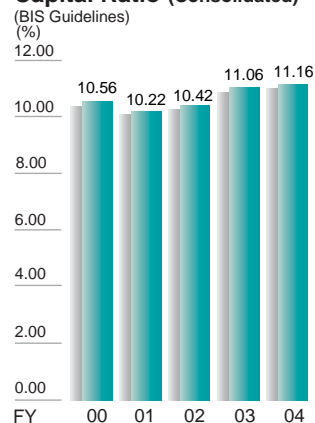
Deposits (Consolidated)



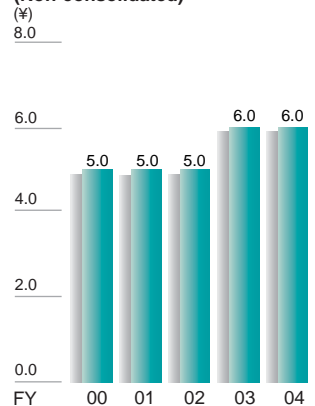
Loans and Bills Discounted (Consolidated)



Capital Ratio (Consolidated)



Cash Dividend Per Share (Non-consolidated)



Asset Quality

The Bank assigns the highest priority to constantly maintaining and raising the soundness of its assets by disposing of non-performing assets in an appropriate manner, preventing the occurrence of new non-performing loans, and by taking such measures as providing support for customers to help them improve their financial position.

The term of “non-performing assets” basically refers to the segment of loans and other debts undertaken by a financial institution about which there is concern regarding the recovery of principal or interest. This concern arises from such reasons as the bankruptcy or poor performance of borrowers.

The interest earned on loans is the core source of a bank’s earnings. Banks cannot avoid a serious adverse impact on their financial condition if problems reach the point where they experience difficulty in recovering the principal on the loans they extend. It is for these reasons that Chiba Bank is making every effort to further strengthen its credit screening and credit risk management systems.

Self-Assessment and Debtor Classification

Self-assessment of assets is the process whereby financial institutions assess and classify each of their

assets based on the risk of impairment to asset value and default. Loans and assets are classified according to the creditworthiness into five debtor categories based on the extent to which their value has been impaired or according to the degree of risk they entail. These debtor categories are: Normal Debtors, Debtors Requiring Caution, Potentially Bankrupt Debtors, Effectively Bankrupt Debtors, and Bankrupt Debtors. The “Debtors Requiring Caution” classification, including borrowers for whom loan repayment terms have been eased, is further subdivided into such categories as “Substandard Debtors.”

Disclosure of Non-Performing Assets

Under banking regulations, disclosure of non-performing assets includes reporting (1) Risk-Monitored Loans as defined in the Banking Law and (2) Disclosed Claims under the Financial Reconstruction Law. Chiba Bank discloses both types on the basis of its self-assessment of assets.

Disclosure of “Risk-Monitored Loans” includes only the amount of such loans, while “Disclosed Claims under the Financial Reconstruction Law” include, in addition to the amount of such loans, disclosure of customer liabilities for acceptance of guarantees, accrued interest, foreign exchange and other assets with the exception of “Substandard Assets.”

Debtor Classification

Normal Debtors	Debtors whose business situation is good and whose financial position gives no cause for concern.
Debtors Requiring Caution	Debtors who are viewed with concern because of stagnant or unstable business performance, including losses.
Potentially Bankrupt Debtors	Debtors who are not currently bankrupt but are seen as being at serious risk of bankruptcy.
Effectively Bankrupt Debtors	Debtors who are bankrupt in real terms, even though legal and formal bankruptcy proceedings have not been implemented.
Bankrupt Debtors	Debtors who have become bankrupt under various circumstances, including bankruptcy procedures, corporate liquidation, corporate rehabilitation and civil rehabilitation.

Risk-Monitored Loans

(¥ Billion)

	Non-consolidated		Consolidated	
	As of March 31, 2004	As of March 31, 2005	As of March 31, 2004	As of March 31, 2005
Loans to Bankrupt Borrowers	9.3	7.2	9.5	6.8
Delinquent Loans	201.4	146.4	203.6	148.7
Loans Past Due 3 Months or More	16.3	5.1	16.4	5.1
Restructured Loans	134.0	117.0	134.5	117.2
Total	361.1	275.8	364.1	277.9

Risk-Monitored Loans

“Loans to Bankrupt Borrowers” corresponds to “Bankrupt Assets” under the Bank’s classification under self-assessment, and in the same way “Delinquent Loans” refers to “Effectively Bankrupt Assets” and “Potentially Bankrupt Assets” under the Bank’s classification. By the same token, “Loans Past Due 3 Months or More” and “Restructured Loans” indicate “Substandard Assets” within “Assets Requiring Caution.”

Disclosed Claims under the Financial Reconstruction Law

The Financial Reconstruction Law requires disclosure of claims classified as “Bankrupt and Substantially Bankrupt Claims,” which under the Bank’s classification under self-assessment includes “Bankrupt Assets” and “Effectively Bankrupt Assets.” “Doubtful Claims” under the Financial Reconstruction Law refers to “Potentially Bankrupt Assets” in the Bank’s classification, while the “Substandard Claims” category would include the claims corresponding to “Loans Past Due 3 Months or More” and “Restructured Loans” of Risk-Monitored Loans under the Banking Law within the Bank’s “Assets Requiring Caution.”

Disposal of Non-Performing Loans

The Bank has made appropriate disposals of non-performing loans. In addition to write-offs and providing reserves based on the results of stringent self-assessment, the Bank has adopted the discounted cash flow method for large-scale debtors within the categories of Assets Requiring Caution and Effectively Bankrupt Assets so that it can calculate the appropriate provisions needed for the reserve for possible loan losses.

To enhance the quality of its assets, in fiscal year 2004, the Bank disposed of a total of ¥23.6 billion in non-performing loans.

In addition, with regard to the Reserve for Possible Loan Losses, we have calculated as a loss the full amount of loans to “Bankrupt Debtors” and “Effectively Bankrupt Debtors” (after deducting of amounts covered by collateral, etc.), and as a rule, we have provided a reserve for “Potentially Bankrupt Debtors” based on the historical loan-loss ratio. Overall, the Bank has achieved a high coverage ratio of 75.7% (the reserve amount plus collateral and guarantees) for Disclosed Claims under the Financial Reconstruction Law. Thus, concerns about the occurrence of future losses are limited.

At the same time, the Bank is making every effort to prevent the occurrence of new non-performing assets by strengthening its credit risk management system.

Disclosed Claims under the Financial Reconstruction Law (Non-consolidated)

(¥ Billion)

	As of March 31, 2004	As of March 31, 2005
Bankrupt and Substantially Bankrupt Claims	39.4	31.3
Doubtful Claims	171.5	122.5
Substandard Claims	150.3	122.1
Total	361.4	276.0
Total Claims Outstanding	5,800.8	6,001.6
Coverage Ratio (%)	78.4	75.7

Coverage ratio = (Reserve for possible loan losses + collateral and guarantees) / disclosed claims under the Financial Reconstruction Law

Comparison of Classifications under Self-Assessment, Financial Reconstruction Law and Risk-Monitored Loan (Non-consolidated)

(¥ Billion)

Assets under Self-Assessment		Disclosed Claims under the Financial Reconstruction Law	Risk-Monitored Loans under Banking Law
Bankrupt Assets	7.2	Bankrupt and Substantially Bankrupt Claims 31.3	Loans to Bankrupt Borrowers 7.2
Effectively Bankrupt Assets	24.0		Delinquent Loans 146.4
Potentially Bankrupt Assets	122.5	Doubtful Claims 122.5	
Assets Requiring Caution 840.0	Substandard Assets 154.0	Substandard Claims 122.1	Loans Past Due 3 Months or More 5.1
	Other Assets Requiring Caution 685.9	Normal Claims 5,725.6	Restructured Loans 117.0
Normal Assets	5,007.6		
Total Assets	6,001.6	Total Claims 6,001.6	Loans Outstanding 5,881.4

Governance System

With regard to management decision-making, and executive and supervisory functions, a rigorous auditing system is in place, with the Board of Directors at the top.

Corporate Governance

Chiba Bank regards corporate governance as one of the most important issues for the management. The Board of Directors and Corporate Auditors closely monitor and audit the executive functions of directors, and we have introduced an executive officer system in which executive officers (sometimes serving concurrently as directors) are selected by the Board of Directors to carry out duties in the Business Operation Unit.

Our Corporate Governance System

Board of Directors

The Board of Directors consists of eleven members (as of March 31, 2005). It makes decisions on management policies and other important matters and monitors the conduct of operations by directors and executive officers.

Corporate Auditors and the Board of Corporate Auditors

Chiba Bank has adopted a corporate governance system based on corporate auditors, and retains five corporate auditors including external auditors. Each corporate auditor oversees the conduct of business activities by the

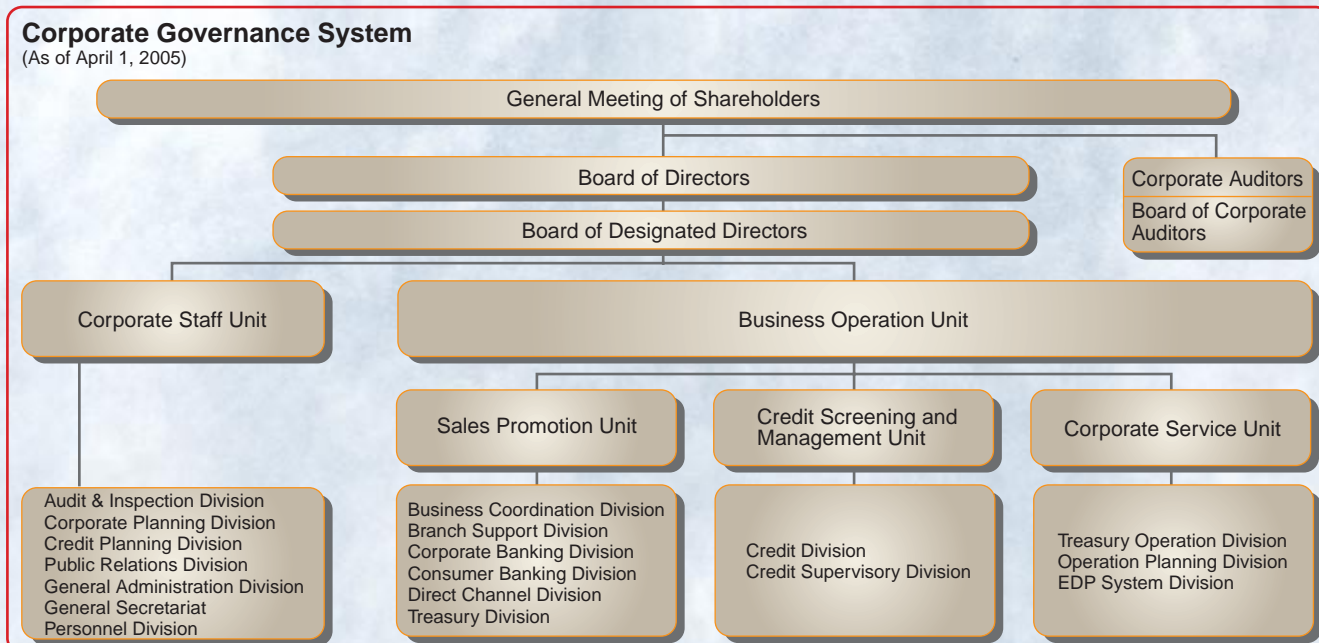
directors from various perspectives, with attendance at Board of Directors' meetings and meetings of the Board of Designated Directors, based on the auditing policy and plan drawn up by the Board of Corporate Auditors.

Board of Designated Directors

The Board of Designated Directors, consisting of directors appointed by the Board of Directors, normally meets once a week. In addition to discussing matters such as policy for carrying out important businesses, it responds appropriately and rapidly to changes in the management environment. Members of the Board of Directors and the Bank's Executive Officers meet twice a month as a rule. In addition to supervising the conduct of business by executive officers, it contributes to directors' decision-making, and executive officers' conduct of business.

Internal Control System

The headquarters organization is divided into the Corporate Staff Unit and Business Operation Unit (sales promotion, credit screening and management, and corporate services). With regard to the conduct of business, departmental functions have been divided into front, middle and back office functions, etc., thereby putting in place a system of mutual checks.



Compliance

Compliance Systems

Chiba Bank regards compliance as another key for the management. To ensure the rigorous observance of compliance, meetings of the Compliance Committee are held regularly, attended by directors, executive officers and divisional general managers. At these meetings, discussion focuses on specific measures for ensuring the scrupulous observance of laws and regulations relating to banking transactions, together with internal regulations, as well as the Bank's position in society at large.

Compliance Program

To ensure the highest degree of compliance, the Bank compiles a Compliance Program every year consisting of specific policies. In the program, there are concrete measures for the training and guidance of employees and checking of compliance issues. The drafting is approved by the Board of Directors, and the Audit & Inspection Division confirms implementation progress through audits and reports to the Board of Directors.

Compliance Training

We take every opportunity to give guidance and training to employees, enabling them to perform their business duties correctly in line with regulations. We are particularly painstaking in training, and make sure employees fully comply with regulations relating to the marketing of complex financial products, such as investment trusts and personal annuities, which are subject to the risk of erosion of capital.

Protection of Personal Information

Chiba Bank considers individual customer information as an important asset entrusted to it, and manages such information assiduously in line with its information management regulations. Furthermore, we regularly raise awareness of the appropriate methods of information management, and rigorously ensure that all employees have a high degree of appreciation of information handling at all times.

Risk Management

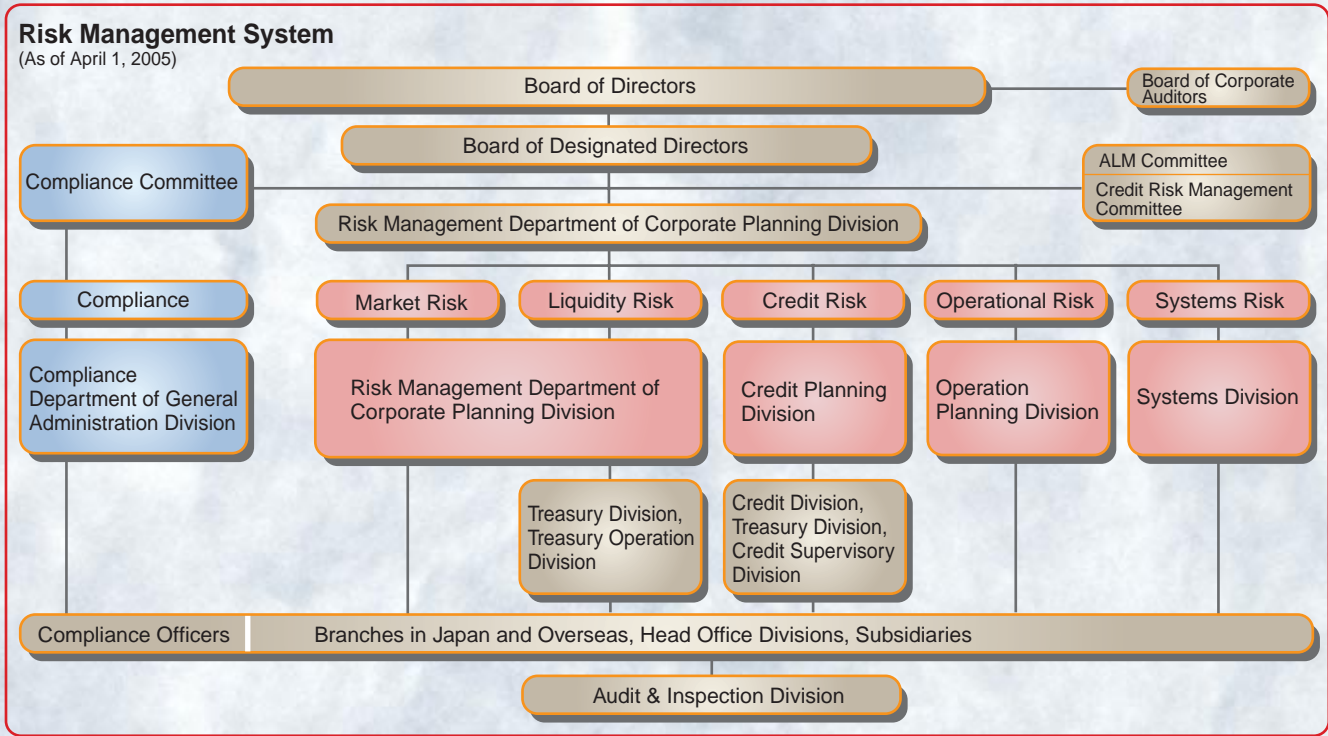
Integrated Risk Management

While innovations in banking technology and financial liberalization have opened up new businesses for banks, they have also greatly increased the diversity and complexity of risks facing the industry. Chiba Bank has a full awareness of the importance of accurately identifying, analyzing and managing risk in its management and operations, and is fortifying and expanding its risk management system.

The main risks to which banking operations are subject include credit, market, liquidity, and systems risk. In order to improve its profitability and ensure sound business operations, Chiba Bank not only monitors each of these risk categories individually,

but also considers it necessary to manage them collectively and keep them within acceptable overall limits.

The Bank has therefore appointed sections for handling each type of risks. The Risk Management Department of the Corporate Planning Division is charged with overseeing all risk management operations, and reports to the Board of Directors, with the ALM Committee and the Credit Risk Management Committee dealing with the fine-tuning of risk management and risk-related discussions. In addition, the Audit Department of the Audit & Inspection Division makes periodic audits to determine whether risk management is being appropriately carried out, and reports to the Board of Directors to ensure the effectiveness of internal controls.



Risk Capital Allocation

This system is used to enable the Bank to manage all kinds of risks within the parameters allowed by its capital ratio, the indicator of financial strength. Under this approach, the Bank pre-allocates risk capital to the sales promotion and treasury sections, within the acceptable risk range, and each division deploys capital efficiently to raise profitability whilst maintaining sound management of its business, with due focus on risk and returns.

Credit Risk Management

Credit risk, the possibility that principal and interest become uncollectible if the borrower gets into financial difficulty, accounts for much of the risk faced by banks in their operations. The Bank is tightening up its management to prevent the occurrence of new bad debts and improve the soundness of its assets.

Credit Screening and Management

The Bank's Credit Screening and Management Unit and the Sales Promotion Unit are separate units. The Audit & Inspection Division, which is separate from the Credit Screening and Management Unit, checks the credit management status of each borrower, as well as its impact on the Bank's self assessment, reserves for possible loan losses and credit ratings. Credit management of specific debtors is handled primarily by the Credit Division, which pays strict attention to all qualification criteria. The Credit

Division Turnaround Support Department assists mainly debtors requiring caution to improve their creditworthiness, and the Credit Supervisory Division is responsible for the collection and disposal process when borrowers become insolvent. The Credit Planning Division is responsible for credit portfolio management and risk quantification.

Credit Rating System

Chiba Bank regards credit ratings as the most basic element of credit risk management. We have introduced a corporate credit rating system with 21 categories based on the financial data of companies. Regular and randomly-timed ratings reviews are undertaken, to ensure the most comprehensive screening and most accurate understanding of a company's circumstances. This corporate credit rating system is widely used for customer management to achieve the optimal setting of loan interest rates and scope of authorization.

Self-Assessment of Assets

Under the Banking Law of Japan, financial institutions are obliged to assess their own assets and classify them according to the degree of erosion of value and potential uncollectability. At Chiba Bank, self-assessments are carried out at each branch office, and the loan approval sections in headquarters check the results prior to an audit by the Audit & Inspection Division. In addition, the Credit Planning Division

carries out the necessary write-offs and provisions to reserves based on the results. In this way, the Bank ensures the soundness of its assets.

Credit Risk Quantification

In credit risk quantification, predictions are made, based on statistical techniques, of the likely level of losses that could occur due to a deterioration of the financial situation of a debtor and a possible bankruptcy. Using this system, the Bank works to enhance the soundness of credit portfolios by calculating credit risk and accumulating and maintaining default histories and other data to generate more precise quantification. By incorporating the results of credit risk quantification research into profit management systems, we aim to get a firmer grasp of profitability in relation to credit risk, strengthen earning power, and fine-tune our risk management.

Market Risk Management

Chiba Bank has an ALM system, which handles market risk issues relating to interest rates, exchange rates, the price of securities and other instruments subject to market fluctuation. The ALM Committee, which is chaired by the President, meets on a regular basis to discuss and decide specific policy. In this way comprehensive risk management is carried out. Specifically, the Bank sets upper guideline limits and “alarm points” for each product within risk capital amounts, using the value at risk (VaR) formula. For market business, in addition to risk quantification management, it also sets upper limits for investment in the markets and carries out risk control through quarterly reviews of investment policies. For market transactions for trading purposes, VaR is calculated on a daily basis, and regular “stress tests” (worst-case loss scenarios in sudden market downturns) are applied, with trading limits set accordingly. Maximum trading limits and loss-cutting rules are also strictly enforced to further alleviate daily trading risk and prevent major losses.

The market section is divided into front office (Treasury Division and Overseas Branch Offices), back office (Treasury Operation Division) and middle office (Risk Management Department of the Corporate Planning Division), creating a reciprocal and mutually supervisory and supportive management structure.

Liquidity Risk Management

Liquidity risk refers to funding risk and market liquidity risk. Chiba Bank ensures appropriate management in this area on a day-to-day basis by setting ceilings for funding and taking measures to ensure that assets that can be quickly turned into cash as reserve liquidity are kept above a certain level. In addition, the Bank controls market-liquidity risk by setting limits for each daily position taken in market transactions. The Risk Management Department of the Corporate Planning Division identifies and monitors various market trends that may influence assets and liabilities, preventing the risk from rising above acceptable levels. The Bank also has a crisis management plan providing for a network-wide response to potential negative events that could cause a shortfall in the Bank’s cash position.

Operational Risk Management

The Operation Planning Division prevents accidents from occurring by ensuring that operations are carried out in accordance with the Bank’s strict administrative guidelines. The Bank sets precise standards for procedures in each function, and conducts training to ensure a steady improvement in operational standards. A strict audit is carried out across all activities by every branch office itself and by the Audit & Inspection Division. In this way we work to ensure operations are conducted accurately and that performance levels are raised.

System Risk Management

To ensure the stable operation of computer systems, hardware and circuitry for basic systems for customers’ accounts and information management are duplicated, and the Bank can switch to the back-up system immediately in the event of failure. In addition, for all computing systems, data is rigorously managed, barriers are in place against intruders and viruses, and we have a contingency plan drawn up for major disasters and other unforeseen events. In this way every precaution has been taken against crime and disaster.

The Audit & Inspection Division carries out a full inspection of the computing system, and an additional external audit is carried out by independent auditors.

Social Contributions and Environmental Activities

In addition to supporting cultural activities and sports events and dispatching an officer to an elementary school, Chiba Bank is building an affluent local community through measures such as strengthening business matchmaking functions through support for entrepreneurs and business expansion and diversification.

Strengthening Relationship Banking Functions

Chiba Bank has made steady progress in the implementation of its program of measures for strengthening relationship banking functions, and has met its initial targets in all areas. As a result, the Bank has been able to strengthen its relationship banking functions to a level that befits a core regional financial institution.

Activities to support new business startups and business expansion and diversification include strengthened venture capital functions through alliances with government-affiliated financial institutions and “industrial/academic” alliances with local universities. The Bank has also strengthened its business matchmaking functions through initiatives

such as the “Chibagin Business Forum.” In addition, through the “Chiba Prefecture CLOs” program (Collateralized Loan Obligations, with securitization of loan assets), the Bank has taken on the role of arranger providing smooth flows of funding for local SMEs.

To increase the effectiveness of each of these initiatives, the Bank has rigorously managed progress through regular meeting of the relationship banking committee, and disclosed its banking activities through its website and other avenues. Looking ahead, the Bank aims to continue to evolve into a financial institution with close links with the local community, based on its success in strengthening relationship banking functions.

Venture Business

Chiba Bank is aggressively involved in the creation of new businesses and in fostering venture businesses as part of efforts to revitalize the regional economy. Active support undertaken in partnership

with government institutions includes new funding for local companies, provision of grants to venture businesses through the Himawari Venture Development Fund, and grants for subsidizing firms that move into incubator facilities.

Teaching Banking at an Elementary School and Training Teachers

Chiba Bank has organized “lessons in banking” at an elementary school to spread understanding of the work and role of banks. Lecturers gave briefings that were easy to understand even for elementary school children, in matters such as the role of money and the way in which financial institutions

support companies and manage deposits. Also, the Bank this year was again selected by the Keizai Koho Center (the Japan Institute for Social and Economic Affairs) as one of a number of private enterprises offering in-house training for teachers. The Bank provided training to elementary and junior high school teachers in banking business.

Greening Activities

On the occasion of our 60th anniversary in March 2003, Chiba Bank launched a program of local tree-planting activities. In March 2005, the

Bank planted 3,600 Japanese cypress seedlings in the second “Chibagin Woods” in Futtsu City, Chiba Prefecture.

Support for Sports (Baseball and Soccer)

To promote health among local youngsters and contribute to local sports activities, Chiba Bank



supports the Chiba Prefecture Youth Baseball Tournament and the Chiba Prefecture Youth (Under-15) Soccer Championships. The “Chibagin Cup,” a soccer match specially sponsored by the Bank and two group companies, is held for the purpose of backing of prefectural J-League teams and local sports promotion, with attendance of disabled persons invited by the Bank.

Support for the Arts (Chibagin Art Gallery, Chibagin Himawari Concert)



The Chibagin Art Gallery was set up as a permanent art gallery in the second floor of the Chiba Bank Building in Nihombashi, Tokyo, as a contribution to the promotion of, and as a showcase for, art and cultural artifacts. Visitors have totaled more than 110,000 since doors opened in 1990.

Chibagin Himawari Concerts, held at locations all around Chiba Prefecture with the participation of a wide variety of artists, have provided opportunities for the local community to gather and enjoy music since their inauguration in 1989.

Major Initiatives and Financial Products

Corporate Banking

Business Forum (Business Discussion Meeting)

Chiba Bank held Chibagin Business Forum, gathering business partners in one venue, in January and



June 2005. The forum, which has a different theme each time, provides an opportunity to bring together companies offering technologies and services geared to the particular theme, and companies aiming to expand their client base through introducing new technology and improving infrastructure.

By suggesting a wide variety of highly effective concepts and proposals to help raise the earnings performance of corporate customers, the Bank is contributing to revitalization of the prefectural economy.

Chiba Prefecture CLOs

Following on from March 2004, Chiba Bank in February 2005 functioned as an arranger for “Chiba Prefecture CLOs” (Collateralized Loan Obligations, with securitization of loan assets) providing ¥15 billion funding for local SMEs.

The Chiba Prefecture CLOs were devised jointly with Chiba Prefecture, Chiba City, Chiba Prefecture Credit Guarantee Corporation and regional financial

institutions. Based on credit guarantees provided by Chiba Prefecture Credit Guarantee Corporation, the Bank and other regional financial institutions provided finance to local SMEs without collateral or third party guarantors. By using financial method of securitization, the Bank sold investment trusts to individual investors, and ABCP (Asset-Backed Commercial Paper) to institutional investors.

Business Loans

Chiba Bank takes only about three business days to process applications for its “Business Loan,” a product specially made for corporate customers with sales of below ¥500 million and that does not require collateral or third party guarantors.

Supplying a maximum of ¥30 million in finance for operating funds or capital investment funding for three years or less, the Bank responds to a wide variety of SME customer needs.



Service Ace

In February 2005, Chiba Bank launched its “Service Ace” a large-scale unsecured financing product. This product offers a maximum of ¥100 million over

up to five years and meets a wide range of customer needs. With this product, rapid credit screening is possible by using a scoring model.

Payment and Settlement Deposits

In February 2005, Chiba Bank began offering the payment and settlement deposits for corporate customers against the expansion of “pay-off.” This

is almost the same product as the current ordinary deposit except that it is interest-free and will be protected in full in the case of the Bank’s bankruptcy.

Consumer Banking

Chibagin Consulting Plaza

In October 2004, Chiba Bank opened a dedicated consultation outlet for personal customers, with opening hours that are convenient for a wider range

of customers. Here the Bank offers various financial services in areas such as asset management, personal annuities and loans.

Narita International Airport Branch

In October 2004, Chiba Bank opened a branch at Narita Airport, the gateway to Japan for over 30 million air travelers a year. The branch, which is located in the No. 2 Terminal Building, has enabled the Bank to greatly improve services to both airline passengers and staff who work at the airport.



Securities Agency Business

Chiba Bank entered the securities agency business in February 2005, to respond to the diversifying asset management needs of its customers, and to supply a wider range of products and strengthen asset management advisory functions.



Payment and Settlement Deposits

In February 2005, Chiba Bank began offering the payment and settlement deposits for personal customers against the expansion of “pay-off.” This is

almost the same product as the current ordinary deposit except that it is interest-free and will be protected in full in the case of the Bank’s bankruptcy.

Super Card

In April 2005, Chiba Bank began offering the “Chibagin Super Card,” a credit card issued by the Bank. The card serves as both credit and loan card. With it, annual fees are waived for the first fiscal year of Super Card membership, and no charge is

made to members when they withdraw cash at ATMs in convenience stores, as well as at Chiba Bank ATMs, even at out of business hours. The annual fees are also waived in the following year too, if a certain level of transactions using the card has been undertaken.

Chibagin Loan Station

“Chibagin Loan Station” is a service enabling initial applications for loans to be made by facsimile machine, the Internet, mobile phone, telephone banking or mail order, without the customer having to go to a branch. Applications can be made by

facsimile machine, the Internet, or mobile phone round the clock, 365 days a year. The facility can be used subject to the credit screening and after the contractual procedures completed at a branch office.

Financial Section

Report of Independent Auditors

The Board of Directors
The Chiba Bank, Ltd.

We have audited the accompanying consolidated balance sheets of The Chiba Bank, Ltd. and consolidated subsidiaries as of March 31, 2004 and 2005, and the related consolidated statements of income, stockholders' equity, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Chiba Bank, Ltd. and consolidated subsidiaries at March 31, 2004 and 2005, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2005 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Ernst & Young ShinNihon

June 29, 2005

FINANCIAL STATEMENTS

Consolidated Balance Sheets

The Chiba Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2005 and 2004

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
ASSETS			
Cash and Due from Banks (Note 10)	¥ 494,332	¥ 283,134	\$ 4,603,152
Call Loans and Bills Bought.....	21,981	172,663	204,693
Receivables under Securities Borrowing Transactions	2,578	10,467	24,012
Commercial Paper and Other Debt Purchased	18,667	2,012	173,825
Trading Assets (Notes 4, 10 and 31).....	314,816	361,219	2,931,527
Money Held in Trust (Note 32)	30,635	30,248	285,270
Securities (Notes 5, 10 and 31).....	1,710,389	1,457,660	15,926,894
Loans and Bills Discounted (Notes 6 and 10).....	5,844,581	5,645,137	54,423,890
Foreign Exchanges (Note 7).....	2,237	1,832	20,837
Other Assets (Notes 8 and 10)	110,752	102,838	1,031,310
Premises and Equipment (Note 9)	103,788	107,599	966,463
Deferred Tax Assets (Note 28)	54,819	77,250	510,472
Customers' Liabilities for Acceptances and Guarantees.....	92,200	93,883	858,562
Reserve for Possible Loan Losses.....	(93,852)	(114,220)	(873,942)
Total Assets	¥8,707,929	¥8,231,727	\$81,086,966
LIABILITIES, MINORITY INTERESTS AND STOCKHOLDERS' EQUITY			
Liabilities			
Deposits (Notes 10 and 11).....	¥7,677,370	¥7,346,684	\$71,490,554
Call Money and Bills Sold (Note 10).....	56,308	3,593	524,336
Payables under Repurchase Agreements (Note 10)	34,499	26,399	321,258
Payables under Securities Lending Transactions (Note 10)	171,600	102,409	1,597,919
Trading Liabilities (Note 12).....	6,341	7,644	59,048
Borrowed Money (Notes 10 and 13).....	84,866	92,397	790,268
Foreign Exchanges (Note 14).....	302	405	2,819
Subordinated Bonds (Note 15)	39,500	39,500	367,818
Other Liabilities (Note 16).....	88,067	91,094	820,075
Reserve for Employees' Retirement Benefits (Note 17).....	21,162	23,384	197,066
Reserves under Special Laws.....	142	104	1,331
Deferred Tax Liabilities (Note 28).....	194	139	1,807
Deferred Tax Liabilities on Land Revaluation (Note 18).....	9,409	8,693	87,622
Consolidation Difference.....	—	5	—
Acceptances and Guarantees.....	92,200	93,883	858,562
Total Liabilities	¥8,281,968	¥7,836,339	\$77,120,481
Minority Interests			
Minority Interests in Consolidated Subsidiaries.....	¥ 7,822	¥ 7,139	\$ 72,841
Stockholders' Equity			
Common Stock (Note 19)	¥ 121,019	¥ 121,019	\$ 1,126,912
Capital Surplus.....	98,250	98,178	914,890
Retained Earnings (Note 20)	158,107	127,850	1,472,275
Land Revaluation Excess (Note 18)	13,939	12,879	129,802
Net Unrealized Gains on Other Securities (Note 33).....	28,607	29,907	266,393
Foreign Currency Translation Adjustments.....	41	308	385
Treasury Stock.....	(1,827)	(1,895)	(17,015)
Total Stockholders' Equity	¥ 418,138	¥ 388,247	\$ 3,893,643
Total Liabilities, Minority Interests and Stockholders' Equity	¥8,707,929	¥8,231,727	\$81,086,966

See notes to consolidated financial statements.

Consolidated Statements of Income

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2005 and 2004

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Income			
Interest Income:			
Interest on Loans and Discounts.....	¥117,568	¥118,956	\$1,094,784
Interest and Dividends on Securities.....	19,861	15,114	184,952
Other Interest Income.....	693	443	6,458
Fee and Commission Income	38,384	36,900	357,427
Trading Income (Note 21).....	2,919	2,531	27,185
Other Operating Income (Note 22).....	5,040	3,350	46,936
Other Income (Note 23).....	33,910	31,588	315,773
Total Income	¥218,379	¥208,885	\$2,033,516
Expenses			
Interest Expenses:			
Interest on Deposits	¥ 4,201	¥ 3,536	\$ 39,127
Interest on Borrowings and Rediscounts	1,984	1,714	18,482
Other Interest Expenses	5,446	5,678	50,719
Fee and Commission Expenses.....	11,468	10,728	106,790
Other Operating Expenses (Note 24).....	432	577	4,031
General and Administrative Expenses	78,626	80,582	732,159
Other Expenses (Note 25).....	49,248	57,901	458,593
Total Expenses	¥151,409	¥160,719	\$1,409,900
Income before Income Taxes and Minority Interests.....	66,970	48,165	623,615
Income Taxes-Current	5,992	3,580	55,798
Income Taxes-Deferred	24,050	16,622	223,954
Minority Interests in Net Income	531	378	4,952
Net Income	¥ 36,395	¥ 27,584	\$ 338,910
		Yen (Note 1)	U.S. Dollars (Note 1)
Per Share of Common Stock			
Net Income per Share of Common Stock.....	¥ 43.19	¥ 32.74	\$0.40
Stockholders' Equity per Share of Common Stock.....	496.87	461.54	4.63

See notes to consolidated financial statements.

Consolidated Statements of Stockholders' Equity

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2005 and 2004

	Thousands	Millions of Yen (Note 1)							
	Issued Number of Common Stock	Common Stock	Capital Surplus	Retained Earnings	Land Revaluation Excess	Net Unrealized Gains (Losses) on Other Securities	Foreign Currency Translation Adjustments	Treasury Stock	Total Stockholders' Equity
Balance at March 31, 2003.....	845,521	¥121,019	¥98,178	¥104,431	¥12,960	¥ (9,148)	¥213	¥(1,914)	¥325,738
Net Income	—	—	—	27,584	—	—	—	—	27,584
Gains on Sales of Treasury Stocks.....	—	—	0	—	—	—	—	—	0
Cash Dividends, ¥5.00 per Share of Common Stock.....	—	—	—	(4,197)	—	—	—	—	(4,197)
Reversal of Land Revaluation Excess	—	—	—	81	(81)	—	—	—	—
Change in Interest in Subsidiary	—	—	—	(48)	—	—	—	—	(48)
Net Unrealized Gains on Other Securities.....	—	—	—	—	—	39,056	—	—	39,056
Change of Foreign Currency Translation Adjustments.....	—	—	—	—	—	—	95	—	95
Treasury Stock Transactions.....	—	—	—	—	—	—	—	18	18
Balance at March 31, 2004.....	845,521	¥121,019	¥98,178	¥127,850	¥12,879	¥29,907	¥308	¥(1,895)	¥388,247
Net Income	—	—	—	36,395	—	—	—	—	36,395
Gains on Sales of Treasury Stocks.....	—	—	71	—	—	—	—	—	71
Cash Dividends, ¥6.00 per Share of Common Stock.....	—	—	—	(5,038)	—	—	—	—	(5,038)
Reversal of Land Revaluation Excess	—	—	—	(1,060)	1,060	—	—	—	—
Bonuses to Directors.....	—	—	—	(40)	—	—	—	—	(40)
Net Unrealized Losses on Other Securities.....	—	—	—	—	—	(1,299)	—	—	(1,299)
Change of Foreign Currency Translation Adjustments.....	—	—	—	—	—	—	(267)	—	(267)
Treasury Stock Transactions.....	—	—	—	—	—	—	—	68	68
Balance at March 31, 2005.....	845,521	¥121,019	¥98,250	¥158,107	¥13,939	¥28,607	¥ 41	¥(1,827)	¥418,138

	Thousands	Thousands of U.S. Dollars (Note 1)							
	Issued Number of Common Stock	Common Stock	Capital Surplus	Retained Earnings	Land Revaluation Excess	Net Unrealized Gains (Losses) on Other Securities	Foreign Currency Translation Adjustments	Treasury Stock	Total Stockholders' Equity
Balance at March 31, 2004.....	845,521	\$1,126,912	\$914,226	\$1,190,528	\$119,928	\$278,495	\$2,873	\$(17,655)	\$3,615,308
Net Income	—	—	—	338,910	—	—	—	—	338,910
Gains on Sales of Treasury Stocks.....	—	—	664	—	—	—	—	—	664
Cash Dividends, ¥6.00 per Share of Common Stock.....	—	—	—	(46,918)	—	—	—	—	(46,918)
Reversal of Land Revaluation Excess	—	—	—	(9,873)	9,873	—	—	—	—
Bonuses to Directors.....	—	—	—	(372)	—	—	—	—	(372)
Net Unrealized Losses on Other Securities.....	—	—	—	—	—	(12,101)	—	—	(12,101)
Change of Foreign Currency Translation Adjustments.....	—	—	—	—	—	—	(2,488)	—	(2,488)
Treasury Stock Transactions.....	—	—	—	—	—	—	—	640	640
Balance at March 31, 2005.....	845,521	\$1,126,912	\$914,890	\$1,472,275	\$129,802	\$266,393	\$ 385	\$(17,015)	\$3,893,643

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2005 and 2004

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Cash Flows from Operating Activities:			
Income Before Income Taxes and Minority Interests	¥ 66,970	¥ 48,165	\$ 623,615
Depreciation of Premises, Equipment and Others.....	4,652	4,672	43,326
Amortization of Consolidation Difference	(5)	(5)	(48)
Investments Accounted for by the Equity Method	(314)	(289)	(2,924)
Decrease in Reserve for Possible Loan Losses.....	(20,367)	(112,535)	(189,660)
Decrease in Reserve for Losses on Sales of Loans.....	—	(12,175)	—
Decrease in Liability for Employees' Retirement Benefits	(2,221)	(5,638)	(20,686)
Interest Income	(138,124)	(134,515)	(1,286,194)
Interest Expenses.....	11,633	10,929	108,327
Gains on Investment Securities	(6,619)	(3,004)	(61,639)
Gains on Money Held in Trust.....	(462)	(254)	(4,305)
Foreign Exchange (Gains) Losses.....	(20)	77	(194)
Losses on Disposal of Premises and Equipment	935	676	8,713
(Increase) Decrease in Trading Assets.....	46,402	(114,073)	432,092
Decrease in Trading Liabilities	(1,302)	(74)	(12,132)
Increase in Loans and Bills Discounted.....	(199,443)	(43,828)	(1,857,193)
Increase in Deposits.....	326,386	89,321	3,039,259
Increase in Negotiable Certificates of Deposits.....	4,300	24,376	40,045
Decrease in Borrowed Money (excluding Subordinated Borrowings)	(4,530)	(16,757)	(42,188)
(Increase) Decrease in Due from Banks (excluding Deposits at BOJ)	2,937	(41,328)	27,356
Decrease in Call Loans and Bills Bought and Others	134,026	15,593	1,248,038
(Increase) Decrease in Receivables under Securities Borrowing Transactions	7,889	(5,025)	73,463
Increase (Decrease) in Call Money and Bills Sold.....	60,814	(6,533)	566,300
Increase in Payables under Securities Lending Transactions	69,190	70,001	644,294
(Increase) Decrease in Foreign Exchanges (Assets)	(405)	603	(3,774)
Decrease in Foreign Exchanges (Liabilities).....	(103)	(113)	(960)
Interest Received	137,874	137,852	1,283,869
Interest Paid	(11,104)	(13,606)	(103,408)
Others	(10,449)	29,842	(97,302)
Sub total	¥ 478,539	¥ (77,645)	\$ 4,456,090
Income Taxes Paid.....	(4,449)	(2,513)	(41,429)
Net Cash Provided by (Used in) Operating Activities.....	¥ 474,090	¥ (80,158)	\$ 4,414,660
Cash Flows from Investing Activities:			
Purchases of Securities	¥(1,403,069)	¥(1,067,411)	\$(13,065,179)
Proceeds from Sales of Securities.....	416,401	356,494	3,877,469
Proceeds from Maturities of Securities.....	737,996	664,362	6,872,113
Increase in Money Held in Trust	(934)	(14,605)	(8,698)
Decrease in Money Held in Trust.....	489	57	4,561
Purchases of Premises and Equipment.....	(3,715)	(4,678)	(34,596)
Proceeds from Sales of Premises and Equipment	836	1,845	7,785
Net Cash Used in Investing Activities.....	¥ (251,995)	¥ (63,934)	\$ (2,346,546)
Cash Flows from Financing Activities:			
Proceeds from Issuance of Subordinated Borrowings.....	¥ 21,000	¥ 11,000	\$ 195,549
Decrease in Subordinated Borrowings	(24,000)	(15,000)	(223,484)
Increase in Subordinated Bonds.....	—	10,000	—
Decrease in Subordinated Bonds	—	(16,000)	—
Dividends Paid	(5,038)	(4,197)	(46,918)
Dividends Paid for Minority Interests	(81)	(33)	(758)
Purchase of Treasury Stocks	(204)	(64)	(1,902)
Proceeds from Sales of Treasury Stocks.....	344	9	3,207
Net Cash Used in Financing Activities.....	¥ (7,979)	¥ (14,285)	\$ (74,307)
Effect of Exchange Rate Changes on Cash and Cash Equivalents.....	¥ 20	¥ (77)	\$ 194
Net Increase (Decrease) in Cash and Cash Equivalents.....	¥ 214,135	¥ (158,457)	\$ 1,994,000
Cash and Cash Equivalents at Beginning of Period.....	¥ 237,954	¥ 396,412	\$ 2,215,802
Cash and Cash Equivalents at End of Period (Note 26).....	¥ 452,090	¥ 237,954	\$ 4,209,803

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2005 and 2004

1. Basis of Presentation

The Chiba Bank, Ltd. (the "Bank") and its domestic subsidiaries maintain their books of accounts in accordance with the provisions set forth in the Japanese Commercial Code and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards. The Bank's foreign subsidiary maintains its book of accounts in conformity with accounting principles and practices of the country of its domicile.

The accompanying consolidated financial statements have been compiled from the consolidated financial statements prepared by the Bank as required by the Securities and Exchange Law of Japan. The classification of accounts is in conformity with the Enforcement Regulations concerning Banking Law of Japan.

In preparing the accompanying consolidated financial statements, in accordance with Enforcement Regulations concerning Banking Law of Japan, Japanese yen amounts are presented in millions of yen by rounding down figures below one million. As a result, the totals in Yen in the accompanying consolidated financial statements do not necessarily agree with the sums of individual amounts. Also, certain reclassifications and rearrangements have been made to the financial statements for the previous year to conform to the classification used in the financial statements for the current year.

U.S. dollar amounts are shown solely for the convenience of the readers of this Annual Report and are translated at the rate of ¥107.39 to \$1.00, the exchange rate prevailing at March 31, 2005.

2. Principles of Consolidation

The consolidated financial statements include the accounts of the Bank and its subsidiaries, including Chibagin Guarantee Co., Ltd., Chibagin Leasing Co., Ltd., Chuo Securities Co., Ltd. and other subsidiaries. The number of consolidated subsidiaries as of March 31, 2005 and 2004 was 10 and 12, respectively. Chibagin Loan Business Support Co., Ltd. was liquidated in the year ended March 31, 2004. Chibagin Cash Business Co., Ltd. has been merged with Chibagin Business Services Co., Ltd. and Chibagin General Management Co., Ltd. was liquidated in the year ended March 31, 2005.

All significant inter-company accounts and transactions have been eliminated. The consolidated financial statements do not include the accounts of the Chibagin Computer Service Co., Ltd. and three other subsidiaries, since the combined total assets, total revenue, net income and retained earnings of these subsidiaries are not significant and would not have a material impact on the consolidated financial statements of the Bank. Although, the investments in unconsolidated subsidiaries are carried using the equity method and are included in securities in the balance sheets.

The difference between the cost and the underlying equity in the net assets measured at their market value at dates of acquisition of consolidated subsidiaries is presented as consolidation difference and is amortized on a straight-line method over a period of five years, if significant in amount, or is charged or credited to income in the year of acquisition.

Fiscal year-ends of all consolidated subsidiaries are at the end of March except for one consolidated subsidiary whose fiscal year-end is at the end of December.

The financial statements of the consolidated subsidiary, for which fiscal year-end is December 31, are included in consolidation on the basis of its fiscal year after making appropriate adjustments for the significant transactions during the period from its year-end to the date of the Bank's fiscal year-end.

3. Significant Accounting Policies

(1) Trading Account

The following criteria are applied in accounting for the Bank's trading assets and liabilities, and trading income and expenses:

Transactions that aim to gain a profit by arbitraging short term fluctuations in interest rates, currency values and market prices, other benchmarks in the traded securities' market prices and by arbitraging differentials between markets (hereafter "trading purposes") are accounted under "Trading assets" or "Trading liabilities" in the balance sheets. Profit or loss from such transactions is recorded under "Trading income" or "Trading expenses" in the statements of income.

Trading securities and monetary claims, etc. held for trading purposes are stated at the market value at the end of the fiscal year. Trading-related financial derivatives such as swaps, futures or options are valued on the assumption that they were settled at the end of the fiscal year.

In the case of trading-related financial derivatives, "Trading income/expenses" includes the interest received/paid during the fiscal year and the difference between the amount of profit/loss based on the assumption that transactions were settled at the end of the current fiscal year and that at the end of the previous fiscal year.

(2) Securities

Securities whose current value can be estimated are stated at the market value at the fiscal year-end and other non-marketable securities are stated at the cost determined by the moving average method or amortized cost computed by the straight-line method. Unrealized gains and losses on other securities available for sale are included in stockholders' equity, net of income taxes. Securities included in money held in trust are stated at the market value.

Moreover, the same method was applied for the valuation of securities that were held as trust assets in individually managed money trusts with the principal objective of securities portfolio management.

(3) Derivatives

Derivatives for purposes other than trading are also stated at the market value.

(4) Premises and Equipment

Depreciation for premises and equipment is computed using the declining-balance method. Principal useful lives are as follows:

Buildings..... 6 years to 50 years

Equipment and furniture..... 2 years to 20 years

Premises and equipment of the consolidated subsidiaries are depreciated principally by the declining-balance method over the estimated useful lives.

(5) Software

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

(6) Reserve for Possible Loan Losses

Reserve made by the Bank was provided in accordance with the prescribed standards established by the Bank.

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings ("Bankrupt borrowers"), or borrowers that are not legally or formally insolvent but are regarded as substantially in the same situation ("Effectively bankrupt borrowers"), a reserve is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees.

For claims on borrowers that are not currently bankrupt but likely to become bankrupt in the future ("Potentially bankrupt borrowers"), a reserve is provided in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees.

For claims on potentially bankrupt borrowers and on borrowers whose loans are classified as "Loans past due 3 months or more" or "Restructured loans" over a certain amount, if cash flows of the payment of the claims and interest are reasonably estimated, the reserves for possible loan losses are calculated by "Discounted cash flow method," by which the reserves for possible loan losses is calculated as the difference between the booked amounts of the loans and the cash flows discounted by the original contracted interest rates.

For other claims, a reserve is provided based on the historical loan-loss ratio.

Also, regarding the reserve for loans to specific countries, the expected amount of the losses on such loans arising from political and economic conditions in those countries has been provided in the reserve for specific overseas loans.

The Bank conducts self-assessment of asset quality at its branches. The assessment is checked by the divisions authorized to approve loans, and the results are then audited by audit and inspection section in accordance with the Bank's policy and guidelines for the self-assessment of asset quality. Based on the assessment, an appropriate allowance is made for reserves for losses and write-offs of problem assets.

For collateralized or guaranteed claims on bankrupt borrowers and effectively bankrupt borrowers, the amount exceeding the estimated value of collateral and guarantees is deemed to be uncollectable and charged off against the total outstanding amount of the claims. The amount of write-off was ¥80,139 million.

Reserves are made by consolidated subsidiaries for general provision in the amount deemed necessary based on the loan loss experience, and for specific provision in the amount deemed uncollectable based on the respective assessments.

(7) Reserve for Employees' Retirement Benefits

The Bank has a reserve for employees' retirement benefits which is provided for the payments of employees' retirement benefits based on estimated amounts of the actuarial retirement benefit obligation and the pension assets.

The Bank received an approval from Ministry of Health, Labor and Welfare for exemption from future retirement benefit obligations with respect to the entrusted portion of employee pension fund, in accordance with the implementation of the "Defined Benefit Enterprise Pension Plan Law" on July 1, 2003. As a result, the Bank applied the temporary treatment stipulated in Article 47-2 of "Practical Guidelines of Accounting for Retirement Benefits (Interim Report)" (JICPA's Accounting Committee Report No. 13), and derecognized retirement benefit liabilities on the entrusted portion and plan assets equivalent to the amount to be returned on the day of approval.

The amount of expected return of plan assets was ¥19,194 million at March 31, 2004.

Consequently, the Bank recorded extraordinary gains of ¥4,975 million in the year ended March 31, 2004.

Prior service cost is amortized using the straight-line method, primarily over two years within the employees' average remaining service period at incurrence.

Net actuarial gain (loss) is amortized using the straight-line method over 10 years commencing from the next fiscal year of incurrence. The unrecognized net retirement benefit obligation at the adoption of new accounting standard was ¥20,385 million at April 1, 2000. Of which, ¥2,762 million, responding to the exemption from future retirement benefit obligations with respect to the entrusted portion of employee pension fund was charged-off and the rest is being amortized using the straight-line method over 5 years.

(8) Reserve under Special Laws

Pursuant to Article 51 of the Securities and Exchange Law and Article 35 of the Cabinet Office Ordinance on Securities Companies, reserve for contingent liabilities from brokering of securities transactions is provided by Chuo Securities Co., Ltd.

(9) Foreign Currency Transactions

The Bank's assets and liabilities denominated in foreign currencies and overseas branches accounts are translated into Japanese yen primarily at the exchange rate at the balance sheet date, except for stocks of subsidiaries and affiliates which are translated at prevailing rates at the time of acquisition.

As for the accounting method of foreign currency transactions, until the year ended March 31, 2003, the Bank applied the temporary treatment stipulated in "Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 25) to currency swaps and foreign exchange swaps for the purpose of hedging lending or borrowing funds in different currencies. Effective the year ended March 31, 2004, the Bank applies the hedge accounting pursuant to the basic provision of JICPA Industry Audit Committee Report No. 25.

Consequently, for the year ended March 31, 2004, the Bank has valued such foreign exchange swaps at the fair value and included their fair-valued assets and liabilities in

the consolidated balance sheets. Previously, profits or losses on the foreign exchange swaps were charged to income by periodical allocation. As a result, “Other assets” and “Other liabilities” decreased by ¥4 million each. However, this accounting change had no impact on profit or loss.

Foreign currency translation differences arising from other forward foreign exchange transactions were formerly accounted for as “Other assets” or “Other liabilities” on a net basis, but effective the year ended March 31, 2004, they are accounted for as “Other assets” or “Other liabilities” on a gross basis pursuant to JICPA Industry Audit Committee Report No. 25. Consequently, “Other assets” and “Other liabilities” increased by ¥1,154 million each.

Consolidated subsidiaries’ assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at the fiscal year-end of each company.

(10) Lease Transactions

Finance lease transactions, except for those that meet the conditions that the ownership of the leased assets is substantially transferred to the lessee, are accounted for as operating leases (See Note 27).

(11) Method of Hedge Accounting

i) Interest Rate Risk Hedge

As for the hedge accounting method applied to hedging transactions for interest rate risk arising from financial assets and liabilities, the Bank applies the deferred hedge accounting method in the “Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry” (JICPA Industry Audit Committee Report No. 24).

The Bank assesses the effectiveness of such hedges by monitoring offsetting movement of the fair value by the changes in interest rates, of the hedged items (such as deposits and loans) and hedging instruments (such as interest rate swaps) classified by their maturity.

A portion of deferred hedge losses and gains, which was previously under the “macro hedge” applied in order to manage interest rate risk arising from large-volume transactions, in loans, deposits and other interest-earning

assets and interest-bearing liabilities as a whole using derivatives pursuant to “Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry” (JICPA Industry Audit Committee Report No. 15), is charged to “Interest income” or “Interest expenses” over a four-year period from the fiscal year ended March 31, 2004 according to their notional principles or maturity. At the year ended March 31, 2005, gross amounts of deferred hedge losses on “macro hedges” were ¥21 million.

ii) Currency Exchange Rates Risk Hedge

As for the hedge accounting method applied to hedging transactions for currency risk arising from financial assets and liabilities, the Bank applies the deferred hedge accounting method in the “Treatment for Accounting and Auditing of Concerning Accounting for Foreign Currency Transactions in Banking Industry” (JICPA Industry Audit Committee Report No. 25).

The Bank assesses the effectiveness of currency swap and foreign exchange swap transactions executed for the purpose of offsetting the risk of changes in currency exchange rates by verifying that there are foreign-currency monetary claims and debts corresponding to the foreign-currency positions.

In addition to the above accounting, the Bank applies for a part of assets and liabilities the deferral hedge accounting method or exceptional treatments permitted for interest rate swaps.

(12) Consumption Taxes

Consumption tax and municipal consumption tax of the Bank and its domestic consolidated subsidiaries are accounted for using the tax-excluded method.

(13) External Based-Corporate Enterprise Taxes

With the implementation of the “Revision of the Local Tax Law” (Legislation No. 9, 2003) on March 31, 2003, a part of the tax basis of enterprise taxes comprises “amount of added value” and “amount of capital” from the fiscal year commenced April 1, 2004. As a result, the Bank and its consolidated domestic subsidiaries calculate enterprise taxes based on “amount of added value” and “amount of capital” and they are included in “General and administrative

expenses” from this fiscal year pursuant to “Practical Treatment for Presentation of External Based-Corporate Enterprise Taxes in the Statement of Income” (Accounting Standards Board, Practical Solution Report No. 12).

(14) Appropriation of Retained Earnings

Appropriation of retained earnings, cash dividends and bonuses to directors, are recorded in the fiscal year in which they are approved by the board of directors and by the general meeting of shareholders.

(15) Cash Flows

In preparing the consolidated statements of cash flows, cash and due from the Bank of Japan are considered to be cash and cash equivalents.

4. Trading Assets

Trading assets as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Trading Securities	¥ 39,523	¥ 4,782	\$ 368,041
Securities Related to Trading Transactions	1,920	61,551	17,882
Trading-Related Financial Derivatives	6,294	5,236	58,613
Other Trading Assets	267,078	289,647	2,486,992
Total	¥314,816	¥361,219	\$2,931,527

5. Securities

Securities as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Japanese National Government Bonds	¥ 398,426	¥ 475,026	\$ 3,710,089
Japanese Local Government Bonds	157,687	87,876	1,468,360
Japanese Corporate Bonds and Financial Debentures ...	532,225	410,971	4,956,005
Japanese Corporate Stocks	189,083	191,030	1,760,718
Other Securities	432,966	292,755	4,031,723
Total	¥1,710,389	¥1,457,660	\$15,926,894

Stocks of Non-consolidated subsidiaries of ¥1,148 million and ¥806 million are included in Securities as of March 31, 2005 and 2004, respectively.

6. Loans and Bills Discounted

(1) Loans and bills discounted as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Bills Discounted	¥ 42,125	¥ 48,113	\$ 392,271
Loans on Bills	301,093	332,551	2,803,743
Loans on Deeds	4,933,586	4,707,589	45,940,840
Overdrafts	567,774	556,883	5,287,037
Total	¥5,844,581	¥5,645,137	\$54,423,890

Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No. 24. The Bank has rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges without restrictions. Their total face value as of March 31, 2005 and 2004 were ¥42,378 million and ¥48,440 million respectively.

Contracts of overdraft facilities and loan commitment limits are the contracts that the Bank lends to customers up to the prescribed limits in response to customers' application of loan as long as there is no violation of any condition in the contracts.

The unused amount within the limits was ¥1,459,956 million relating to these contracts, including ¥1,431,084 million of which the term of contracts is less than one year or revocable at any time as of March 31, 2005.

Since many of these commitments expire without being utilized, the unused amount does not necessarily represent a future cash requirement. Most of these contracts have conditions that the Bank can refuse customers' application of loan or decrease the contract limits with proper reasons (e.g., changes in financial situation, deterioration in customers' creditworthiness). At the inception of contracts, the Bank obtains real estate, securities, etc. as collateral if considered to be necessary. Subsequently, the Bank performs periodic review of the customers' business results based on initial rules, and takes necessary measures to reconsider conditions in contracts and/or require additional collateral and guarantees.

(2) Risk monitored loans as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Loans to Bankrupt Borrowers.....	¥ 6,885	¥ 9,577	\$ 64,114
Delinquent Loans.....	148,742	203,635	1,385,067
Loans Past Due 3 Months or More.....	5,117	16,468	47,653
Restructured Loans.....	117,205	134,512	1,091,401
Total.....	¥277,950	¥364,193	\$2,588,235

Loans to bankrupt borrowers represent non-accrual loans to borrowers who are legally bankrupt as defined in Article 96-1-3 and 4 of the Japanese Tax Law Enforcement Regulation (Article 97 of 1965 Cabinet Order).

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

As noted on Note 3-(6), for collateralized or guaranteed claims on bankrupt borrowers and effectively bankrupt borrowers, the amount exceeding the estimated value of collateral and guarantees is deemed to be uncollectable and charged off against the total outstanding amount of the claims. Consequently, Loans to bankrupt borrowers and Delinquent loans decreased ¥32,503 million and ¥74,446 million respectively in the previous fiscal year.

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

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

7. Foreign Exchange Assets

Foreign exchange assets as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Due from Foreign Correspondents.....	¥1,613	¥1,312	\$15,021
Foreign Bills of Exchange Bought.....	282	355	2,626
Foreign Bills of Exchange Receivable.....	342	164	3,190
Total.....	¥2,237	¥1,832	\$20,837

8. Other Assets

Other assets as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Domestic Exchange Settlement.....	¥ 2,141	¥ 1,342	\$ 19,943
Accrued Income.....	12,763	11,112	118,849
Prepaid Expenses.....	617	691	5,746
Others.....	95,230	89,692	886,772
Total.....	¥110,752	¥102,838	\$1,031,310

9. Premises and Equipment

Fixed assets are depreciated on the declining-balance method. Premises and equipment as of March 31, 2005 and 2004 are shown at net of following accumulated depreciation:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
	¥93,898	¥92,479	\$874,365

10. Assets Pledged

Assets pledged as collateral as of March 31, 2005 and 2004 are as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Securities.....	¥213,989	¥172,712	\$1,992,637
Trading Assets.....	34,497	26,397	321,232
Cash and Due from Banks.....	40	40	372
Loans and Bills Discounted.....	326,647	—	3,041,689
Others.....	—	4,400	—

Liabilities related to above pledged assets as of March 31, 2005 and 2004 are as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Deposits	¥24,842	¥21,367	\$231,329
Payables under Repurchase Agreements.....	34,499	26,399	321,258
Bills Sold.....	8,100	—	75,426
Payables under Securities Lending Transactions	171,600	102,409	1,597,919
Borrowed Money	727	5,214	6,779

In addition, followings are pledged as collateral for settlement of exchange or as valuation margin as of March 31, 2005 and 2004 respectively.

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Trading Assets.....	¥ —	¥ 299	\$ —
Securities.....	105,645	106,020	983,757
Loans and Bills Discounted....	—	111,585	—

Leased deposits of ¥6,142 million and ¥6,265 million are included in premises and equipment as of March 31, 2005 and 2004 respectively. Initial margin for future contracts of ¥73 million and ¥106 million are included in other assets as of March 31, 2005 and 2004 respectively.

11. Deposits

An analysis of deposits as of March 31, 2005 and 2004 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Current Deposits	¥ 191,097	¥ 169,886	\$ 1,779,474
Ordinary Deposits.....	3,993,548	3,692,767	37,187,339
Savings Deposits.....	325,988	350,969	3,035,557
Deposits at Notice.....	9,755	14,484	90,837
Time Deposits.....	2,871,553	2,861,690	26,739,489
Other Deposits	181,628	157,386	1,691,294
Sub Total	¥7,573,571	¥7,247,185	\$70,523,991
Negotiable Certificates of Deposit	103,799	99,498	966,563
Total.....	¥7,677,370	¥7,346,684	\$71,490,554

12. Trading Liabilities

Trading liabilities as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Trading Account Securities Sold, Not Yet Purchased	¥ 719	¥1,501	\$ 6,702
Derivatives of Trading Securities.....	19	—	184
Trading Related Securities Sold for Short Sales	1,036	1,984	9,648
Derivatives of Securities Related to Trading Transactions.....	7	0	69
Derivatives	4,558	4,158	42,444
Total.....	¥6,341	¥7,644	\$59,048

13. Borrowed Money

Borrowed money as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Borrowings from the Bank of Japan and Other Financial Institutions.....	¥84,866	¥92,397	\$790,268
Bills Rediscounted.....	—	—	—
Total.....	¥84,866	¥92,397	\$790,268

Subordinated borrowings of ¥75,000 million and ¥78,000 million are included in Borrowed money as of March 31, 2005 and 2004.

14. Foreign Exchange Liabilities

Foreign exchange liabilities as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Foreign Bills Sold	¥285	¥361	\$2,656
Foreign Bills of Exchange Payable.....	17	43	163
Total.....	¥302	¥405	\$2,819

15. Subordinated Bonds

Subordinated bonds as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Issuer: The Bank.....	¥10,000	¥10,000	\$ 93,119
Issuer: Overseas Subsidiary, Chiba Capital Funding (Cayman) Ltd.	29,500	29,500	274,700
Total.....	¥39,500	¥39,500	\$367,818

16. Other Liabilities

Other liabilities as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Domestic Exchange Settlement	¥ 78	¥ 212	\$ 732
Accrued Expenses	7,631	7,400	71,066
Unearned Income.....	19,160	19,595	178,417
Accrued Income Taxes.....	4,462	2,924	41,557
Others.....	56,734	60,962	528,303
Total.....	¥88,067	¥91,094	\$820,075

17. Retirement Benefit Plans

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

(1) The liabilities/assets for employees' retirement benefit plans as of March 31, 2005 and 2004 were as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Retirement Benefit Obligation	¥(62,554)	¥(58,757)	\$(582,495)
Plan Assets at Fair Value...	30,518	28,054	284,180
Unfunded Retirement Benefit Obligation.....	(32,036)	(30,703)	(298,315)
Unrecognized Net Retirement Benefit Obligation at Transition...	—	2,498	—
Unrecognized Actuarial Gain or Loss	10,873	7,258	101,249
Unrecognized Prior Service Cost	—	(2,437)	—
Reserve of Employees' Retirement Benefits.....	¥(21,162)	¥(23,384)	\$(197,066)

(2) The components of retirement benefit cost for the years ended March 31, 2005 and 2004 were as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Service Cost	¥1,890	¥2,164	\$17,604
Interest Cost.....	1,431	1,642	13,332
Expected Return on Plan Assets.....	(985)	(884)	(9,178)
Amortization of Prior Service Cost	(2,431)	(2,437)	(22,639)
Amortization of Actuarial Gain or Loss	940	1,616	8,758
Amortization of Net Retirement Benefit Obligation at Transition ...	2,440	2,893	22,728
Net Periodic Retirement Benefit Cost.....	¥3,286	¥4,994	\$30,603

(3) Assumptions used in accounting for the above plans for the years ended March 31, 2005 and 2004 were as follows:

	2005	2004
Discount Rate.....	2.0%	2.5%
Expected Return Rate.....	3.5%	3.5%
Amortization Period of Prior Service Cost.....	2 years	2 years
Amortization Period of Actuarial Gain or Loss.....	10 years	10 years
Amortization Period of Net Retirement Benefit Obligation at Transition.....	5 years	5 years

18. Land Revaluation Excess

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

Date of the revaluation: March 31, 1998

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

The difference between the revalued carrying amount and the fair value of premises revalued pursuant to the Article 10 of the Law were ¥37,080 million and ¥37,431 million as of March 31, 2005 and 2004, respectively.

19. Common Stock

The number of the Bank's authorized shares was 2,500,000,000 as of March 31, 2005 and 2004.

The number of shares in issue as of March 31, 2005 and 2004 was as follows:

	Number of Shares	
	2005	2004
Shares in Issue.....	845,521,087	845,521,087

The number of treasury shares held by the Bank and subsidiaries was 4,096 thousand and 4,409 thousand as of March 31, 2005 and 2004.

20. Retained Earnings

Japanese Banks, including the Bank, are required to comply with the Banking Law of Japan (the "Banking Law").

In accordance with the Commercial Code of Japan (the "Code"), the Bank has provided a legal reserve by appropriation of retained earnings, which is included in retained earnings. The Code provided that neither additional paid-in capital nor the legal reserve was available for dividends, but both may be used to reduce or eliminate a deficit.

Under the Code, as amended effective on October 1, 2001, the Bank is required to appropriate as a legal reserve an amount equal to at least 10% of appropriations paid by cash until an aggregated amount of additional paid-in capital surplus and the legal reserve equals 25% of the common stock. This reserve is not capitalized by resolution of the Board of Directors. The aggregate amount of additional paid-in capital may be transferred to other capital surplus by resolution of the general meeting of shareholders and may be used to refund to shareholders.

The legal reserve of the Bank and the Bank's equity in the legal reserves of its consolidated subsidiaries are included in consolidated retained earnings.

The maximum amount that the Bank can distribute as dividends is calculated based on the non-consolidated financial statements of the Bank and in accordance with the Code.

In line with the Code Amendments, on June 29, 2001, amendments to the Banking Law were promulgated and became effective on October 1, 2001. The Amendments of the Banking Law provide that an amount at least equal to 20% of the aggregated amount of cash dividends and certain appropriations of retained earnings associated with cash outlays applicable to each fiscal period shall be appropriated and set aside as a legal reserve until the aggregate amount of legal reserve set aside as appropriation of retained earnings and the legal capital surplus equals 100% of common stock.

Prior to the Amendments of the Banking Law, the Banking Law provided that an amount at least 20% of the aggregate amount of cash dividends and certain appropriations of retained earnings associated with cash outlays applicable to each fiscal period shall be appropriated and set aside as

a legal reserve until such reserve equals 100% common stock. The retained earnings so appropriated may be used to eliminate or reduce a deficit by resolution of the shareholders or may be transferred to Common Stock by resolution of the Board of Directors.

21. Trading Income

The composition of trading income for the years ended March 31, 2005 and 2004 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Gains on Trading Securities.....	¥ 624	¥ 434	\$ 5,817
Gains on Securities Related to Trading Transactions....	9	47	88
Gains on Derivatives.....	2,168	1,878	20,196
Other Trading Income	116	170	1,085
Total.....	¥2,919	¥2,531	\$27,185

22. Other Operating Income

The composition of other operating income for the years ended March 31, 2005 and 2004 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Gains on Foreign Exchange Transactions	¥1,972	¥1,565	\$18,366
Gains on Sale of Bonds....	2,666	1,752	24,832
Others.....	401	32	3,738
Total.....	¥5,040	¥3,350	\$46,936

23. Other Income

The composition of other income for the years ended March 31, 2005 and 2004 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Gains on Sale of Securities.....	¥ 4,930	¥ 2,327	\$ 45,913
Gains on Money Held in Trust.....	466	281	4,348
Others.....	28,513	28,978	265,512
Total.....	¥33,910	¥31,588	\$315,773

24. Other Operating Expenses

The composition of other operating expenses for the years ended March 31, 2005 and 2004 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Losses on Sale of Bonds...	¥432	¥577	\$4,031
Total.....	¥432	¥577	\$4,031

25. Other Expenses

The composition of other expenses for the years ended March 31, 2005 and 2004 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Provision for Possible Loan Losses	¥ 6,796	¥12,783	\$ 63,290
Write-off of Loans and Bills Discounted.....	20,186	22,326	187,974
Losses on Sale of Securities.....	153	47	1,428
Losses on Devaluation of Securities.....	391	451	3,647
Losses on Money Held in Trust.....	4	27	43
Amortization of Net Retirement Benefit Obligation at Transition	2,440	2,893	22,728
Others.....	19,274	19,372	179,484
Total.....	¥49,248	¥57,901	\$458,593

26. Cash and Cash Equivalents

The reconciliation of cash and due from banks in the consolidated balance sheets to the cash and cash equivalents as of March 31, 2005 and 2004 is as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Cash and Due from Banks	¥494,332	¥283,134	\$4,603,152
Interest-bearing Deposits Included in Due from Banks (Other than Deposits with the Bank of Japan)	(42,241)	(45,179)	(393,349)
Cash and Cash Equivalents	¥452,090	¥237,954	\$4,209,803

27. Lease Transactions

(1) Finance Lease Transactions

Finance lease transactions, except where the ownership of the leased asset is regarded as being transferred to the lessee, are accounted for as operating leases. Pro forma information on these operating leases is as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Lessee Side			
Amount Corresponding to the Purchased Prices of the Leased Asset	¥164	¥305	\$1,528
Amount Corresponding to Accumulated Depreciation	113	260	1,058
Amount Corresponding to Balance at Fiscal Year-End.....	¥ 50	¥ 44	\$ 470

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Amount Corresponding to Lease Payable (within 1 year).....	¥22	¥22	\$208
Amount Corresponding to Lease Payable (over 1 year).....	28	21	261
Total	¥50	¥44	\$470

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Lease Fees Paid	¥29	¥33	\$276
Amount Corresponding to Depreciation	29	33	276

The lease period is set at the useful lifetime of the asset and the straight-line method of depreciation is used to compute the remaining value of the asset.

The amount corresponding to interest costs is the difference between total lease fees to be paid and the amount corresponding to the purchase prices of the leased asset. The interest method is used to allocate the amounts to applicable consolidated accounting years.

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Lessor Side			
Amount Corresponding to the Purchased Prices of the Leased Asset.....	¥95,177	¥88,761	\$886,275
Amount Corresponding to Accumulated Depreciation	52,596	47,943	489,774
Amount Corresponding to Balance at Fiscal Year-End.....	¥42,580	¥40,817	\$396,501
Receipt of Leasing Fee for the Year			
Depreciation			
Total			
Receipt of Leasing Fee for the Year			
Depreciation			
Total			

(2) Operating Lease Transactions

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Lessee Side			
Amount Corresponding to Lease Payable (within 1 year).....	¥—	¥—	\$—
Amount Corresponding to Lease Payable (over 1 year).....	—	—	—
Total	¥—	¥—	\$—
	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Lessor Side			
Amount Corresponding to Lease Receivable (within 1 year).....	¥234	¥214	\$2,181
Amount Corresponding to Lease Receivable (over 1 year).....	12	8	115
Total	¥246	¥222	\$2,295

28. Tax Effect

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Deferred Tax Assets:			
Reserve for Possible Loan Losses	¥57,743	¥72,713	\$537,703
Write-offs of Securities...	5,014	9,551	46,690
Reserve for Employees' Retirement Benefits	8,206	8,551	76,414
Others	9,459	6,698	88,086
Sub Total	¥80,423	¥97,515	\$748,893
Valuation Allowance	(6,242)	—	(58,131)
Total Deferred Tax Assets ..	¥74,180	¥97,515	\$690,761
Deferred Tax Liabilities:			
Unrealized Gains on Other Securities	¥19,507	¥20,357	\$181,650
Reserve for Advanced Depreciation	47	47	446
Others	0	0	0
Total Deferred Tax Liabilities.....	¥19,555	¥20,405	\$182,096
Net Deferred Tax Assets....	¥54,625	¥77,110	\$508,666

A reconciliation of the effective income tax rate reflected in the accompanying consolidated statements of income to the statutory tax rate for the year ended March 31, 2005 was as follows:

	2005
Statutory Tax Rate.....	40.3%
Social Expenses Exempted for Income Tax Purposes	0.1%
Dividends Exempted for Income Tax Purposes.....	(0.6%)
Valuation Allowance.....	5.1%
Others	(0.1%)
Effective Income Tax Rate	44.8%

For the year ended March 31, 2004, as the difference between statutory tax rate and effective income tax rate was less than 0.05 percent, the reconciliation of the effective income tax rate is not disclosed.

29. Segment Information

(1) Business Segment Information

	For the Year Ended March 31, 2005					
	Millions of Yen (Note 1)					
	Banking Business	Leasing Business	Other Business	Total	Elimination	Consolidated
Ordinary Income, Ordinary Profit/Loss						
Ordinary Income						
(a) Outside Customers	¥ 182,839	¥17,825	¥11,254	¥ 211,918	¥ —	¥ 211,918
(b) Inter-Segment	1,226	279	44	1,550	(1,550)	—
Total	¥ 184,065	¥18,104	¥11,298	¥ 213,469	¥ (1,550)	¥ 211,918
Ordinary Expenses	¥ 125,791	¥16,847	¥ 9,014	¥ 151,653	¥ (1,466)	¥ 150,187
Ordinary Profit/Loss	¥ 58,274	¥ 1,257	¥ 2,284	¥ 61,815	¥ (83)	¥ 61,731
Assets	¥8,677,588	¥48,527	¥54,693	¥8,780,809	¥(72,880)	¥8,707,929
Depreciation	7,543	13,848	156	21,548	—	21,548
Capital Expenditure	5,436	16,238	232	21,907	—	21,907

1. Ordinary income and Ordinary profit/loss are presented as counterparts of sales and operating profit of companies in other industries.

2. "Other business" includes securities and credit card businesses.

	For the Year Ended March 31, 2004					
	Millions of Yen (Note 1)					
	Banking Business	Leasing Business	Other Business	Total	Elimination	Consolidated
Ordinary Income, Ordinary Profit/Loss						
Ordinary Income						
(a) Outside Customers	¥ 176,478	¥16,668	¥10,690	¥ 203,837	¥ —	¥ 203,837
(b) Inter-Segment	1,043	261	37	1,342	(1,342)	—
Total	¥ 177,521	¥16,929	¥10,728	¥ 205,180	¥ (1,342)	¥ 203,837
Ordinary Expenses	¥ 136,129	¥15,943	¥ 9,234	¥ 161,307	¥ (1,299)	¥ 160,008
Ordinary Profit/Loss	¥ 41,392	¥ 986	¥ 1,494	¥ 43,872	¥ (43)	¥ 43,829
Assets	¥8,197,949	¥47,567	¥53,528	¥8,299,045	¥(67,318)	¥8,231,727
Depreciation	7,255	12,947	160	20,363	—	20,363
Capital Expenditure	6,926	16,829	128	23,885	—	23,885

1. Because the percentage of leasing business, previously included in "Other business," to the total of all segments has become considerably large, the leasing business is newly provided from the year ended March 31, 2004.

2. Ordinary income and Ordinary profit/loss are presented as counterparts of sales and operating profit of companies in other industries.

3. "Other business" includes securities and credit card businesses.

(2) Geographic Segment Information

The domestic share of Ordinary income exceeds 90 percent. Thus, segment information by geographic area is omitted.

(3) Ordinary Income from Overseas Operations

The share of Ordinary income from overseas operations is under 10 percent. Thus, Ordinary income from overseas operation is omitted.

30. Subsequent Events

The following appropriation of retained earnings of the Bank was approved at general meeting of shareholders held on June 29, 2005.

	Millions of Yen (Note 1)
Year-End Cash Dividends (¥3.5 per share)	¥ 2,956
Bonuses to Directors	40
Voluntary Reserves	28,000

31. Market Value of Securities

Current Year's Information on Market Value of Securities

(1) Trading Securities

	Millions of Yen (Note 1)	
	March 31, 2005	
	Amount in the Balance Sheets	Valuation Gain in Income before Income Taxes
Trading Securities	¥308,522	¥36

(2) Marketable Securities Held-to-Maturity

	Millions of Yen (Note 1)				
	March 31, 2005				
	Amount in the Balance Sheets	Market Value	Differences	Gain	Loss
Bonds:					
Government Bonds	¥ —	¥ —	¥—	¥—	¥—
Local Government Bonds	—	—	—	—	—
Corporate Bonds	—	—	—	—	—
Others	18,135	18,138	2	3	1
Total	¥18,135	¥18,138	¥ 2	¥ 3	¥ 1

(3) Marketable Other Securities Available for Sale

	Millions of Yen (Note 1)				
	March 31, 2005				
	Cost	Amount in the Balance Sheets	Valuation Differences	Gain	Loss
Stocks	¥ 135,506	¥ 181,657	¥46,150	¥48,986	¥2,835
Bonds:					
Government Bonds	396,128	398,426	2,297	2,384	86
Local Government Bonds	156,939	157,687	748	1,183	435
Corporate Bonds	513,276	515,591	2,314	2,318	3
Others	433,825	430,697	(3,128)	2,293	5,421
Total	¥1,635,676	¥1,684,060	¥48,383	¥57,165	¥8,781

(4) Other Securities Available for Sale Sold during the Year

	Millions of Yen (Note 1)		
	March 31, 2005		
	Proceeds from Sales	Gain	Loss
Other Securities Available for Sale	¥409,390	¥7,523	¥586

(5) Securities for Which Fair Value Is Not Readily Determinable

	Millions of Yen (Note 1)	
	March 31, 2005	
	Amount in the Balance Sheets	
Held-to-Maturity Bonds	¥	—
Other Securities Available for Sale:		
Non-listed Stocks		6,276
Private Notes		16,633

Non-listed stocks include investments in unconsolidated subsidiaries in the amount of ¥1,148 million.

(6) Repayment Schedule of Bonds Held

	Millions of Yen (Note 1)			
	March 31, 2005			
	Due in 1 year or less	Due from 1 year to 5 years	Due from 5 years to 10 years	Due after 10 years
Bonds:				
Government Bonds	¥ 10,167	¥ 236,260	¥ 15,351	¥136,647
Local Government Bonds	18,859	108,564	30,263	—
Corporate Bonds	96,429	424,857	10,938	—
Others	65,300	252,735	62,500	47,705
Total	¥190,757	¥1,022,417	¥119,053	¥184,352

Previous Year's Information on Market Value of Securities

(1) Trading Securities

	Millions of Yen (Note 1)	
	March 31, 2004	
	Amount in the Balance Sheets	Valuation Gain Included in Income before Income Taxes
Trading Securities	¥355,982	¥(16)

(2) Marketable Other Securities Available for Sale

	Millions of Yen (Note 1)				
	March 31, 2004				
	Cost	Amount in the Balance Sheets	Valuation Differences	Gain	Loss
Stocks	¥ 136,342	¥ 184,214	¥47,871	¥51,339	¥3,467
Bonds:					
Government Bonds	477,654	475,026	(2,628)	362	2,990
Local Government Bonds	87,836	87,876	40	903	863
Corporate Bonds	402,332	403,672	1,339	1,758	419
Others	288,161	292,036	3,874	5,657	1,782
Total	¥1,392,328	¥1,442,826	¥50,498	¥60,021	¥9,523

(3) Other Securities Available for Sale Sold during the Year

	Millions of Yen (Note 1)		
	March 31, 2004		
	Proceeds from Sales	Gain	Loss
Other Securities Available for Sale	¥335,250	¥4,080	¥624

(4) Securities for Which Fair Value Is Not Readily Determinable

	Millions of Yen (Note 1)
	March 31, 2004
	Amount in the Balance Sheets
Held-to-Maturity Bonds:	
Beneficiary Claims on Loans	¥1,500
Other Securities Available for Sale:	
Non-listed Stocks	6,008
Non-listed Foreign Securities	0
Private Notes	7,299

Non-listed stocks include investments in unconsolidated subsidiaries in the amount of ¥806 million.

(5) Repayment Schedule of Bonds Held

	Millions of Yen (Note 1)			
	March 31, 2004			
	Due in 1 year or less	Due from 1 year to 5 years	Due from 5 years to 10 years	Due after 10 years
Bonds:				
Government Bonds	¥137,013	¥195,849	¥9,792	¥132,371
Local Government Bonds	5,022	75,646	7,207	—
Corporate Bonds	52,707	350,112	8,152	—
Others	56,876	163,092	24,928	31,960
Total	¥251,619	¥784,699	¥50,081	¥164,331

32. Money Held in Trust

(1) Money Held in Trust for Trading Purposes

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Book Value	¥25,197	¥25,204	\$234,640
Valuation Losses Included in the Consolidated Statements of Income	8	(45)	77

(2) Money Held in Trust for Other Purposes

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Cost	¥4,237	¥4,044	\$39,456
Book Value	4,237	4,043	39,457
Valuation Differences	0	(0)	0
Gains	0	0	0
Losses	—	1	—

33. Net Unrealized Gains on Other Securities

Net Unrealized Gains on Other Securities as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Difference between Cost and Fair Value			
Other Securities	¥48,383	¥50,498	\$450,542
Other Money Held in Trust.....	0	(0)	0
Deferred Tax Liabilities	¥19,507	¥20,357	\$181,650
Difference between Cost and Fair Value, Net of Taxes	28,876	30,139	268,893
Amount Corresponding to Minority Interests.....	370	306	3,448
Amount Corresponding to Net Unrealized Gains on Other Securities Owned by Subsidiaries, Which Corresponds to the Shareholding of Their Investor Companies	101	74	949
Net Unrealized Gains on Other Securities, Net of Taxes	¥28,607	¥29,907	\$266,393

34. Derivative Transactions

(1) Risk Control for Derivative Transactions

(a) Details of Derivative Financial Products

Derivative financial products conducted by the Bank and its consolidated subsidiaries are as follows:

(i) Interest rate-related products

Futures, Futures options, FRAs (forward rate agreements), Options, Interest-rate caps and Interest-rate floors

(ii) Currency-related products

Swaps, Forward exchange, Options, and Futures

(iii) Bond-related products

Futures, Futures options, and Over-the-counter options

(iv) Stock-related products

Index futures, Index options and Stock options

(b) Purposes and Policies for Using Derivative Financial Products

The Bank and the consolidated subsidiaries use derivative financial products for the purposes below:

- (i) To respond to the diverse needs of customers.
- (ii) For risk controls related to the assets and liabilities as a part of asset and liability management.

(iii) For trading purposes.

As for risk controls related to assets and liabilities, the Bank and the consolidated subsidiaries utilize the deferred hedge accounting method for the management of the interest rate risk and currency risk. The method of hedge accounting is mentioned in the Note 3-(11).

The Bank and the consolidated subsidiaries engage in trading activities under strict management and limit possible losses.

(c) Risk

Main risks of derivative trading are as follows:

(i) Market Risk

The risk of incurring a loss because the value of the derivative products decrease caused by fluctuations in market risk factors such as interest rates, foreign exchange rates and bond and stock prices.

(ii) Credit Risk

The risk of incurring a loss because the counterparties are unable to fulfill their obligations due to bankruptcy or other reasons.

Amount of market risk and credit risk on derivative trading calculated into the capital ratio (BIS guidelines) as of March 31, 2005 are ¥5.0 billion and ¥32.5 billion respectively (consolidated base by current exposure method).

(d) Risk Management Structure

The Bank has established the Risk Management Department in Corporate Planning Division, to monitor risks of the entire portfolio, mainly market risk and credit risk. Also, the Bank has made a strict management system with various risk management guidelines.

Especially for risks related to derivative financial products, the Bank monitors with other market-related transactions. The Bank controls market risk by setting trading limits and stop-loss rules and monitors risks daily with VaR analysis. As for credit risk, credit section, independent of operating sections, sets credit lines for each counterparty. In addition, the consolidated subsidiaries have set trading limits, etc., and are reviewing daily gains/losses, market values, etc.

(e) Notional Principal or Contract Amount

Notional principal or contract amount in below (2) does not necessarily indicate the amount of risk.

(2) Market Value of Derivatives

Notional principal or contract amount, market value and valuation gain (losses) on derivatives

(a) Interest rate derivatives

	Millions of Yen (Note 1)							
	March 31, 2005				March 31, 2004			
	Notional Principal or Contract Amount		Market Value	Valuation Gain (Loss)	Notional Principal or Contract Amount		Market Value	Valuation Gain (Loss)
Total	Over 1 Year	Total			Over 1 Year			
Listed:								
Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Bought	748	—	0	0	9,486	—	1	1
Options:								
Sold	—	—	—	—	—	—	—	—
Bought	—	—	—	—	—	—	—	—
Over-the-counter:								
FRAs:								
Sold	—	—	—	—	—	—	—	—
Bought	—	—	—	—	—	—	—	—
Swaps:								
Receive Fixed / Pay Float	328,751	268,565	3,250	3,250	319,035	237,685	2,422	2,422
Receive Float / Pay Fixed	365,251	285,993	(2,058)	(2,058)	324,908	259,850	(1,289)	(1,289)
Receive Float / Pay Float	36,000	29,000	(12)	(12)	309	—	(6)	(6)
Options:								
Sold	—	—	—	—	—	—	—	—
Bought	—	—	—	—	—	—	—	—
Others:								
Sold	192,675	158,549	(454)	(454)	148,775	144,435	(1,223)	(1,223)
Bought	125,300	122,500	349	349	105,300	103,300	806	806
Total			¥1,074	¥1,074			¥ 710	¥ 710

1. Valuation gains (losses) are recognized in the consolidated statements of income. Derivatives which qualify for hedge accounting are not included in the above table.

2. Market value of exchange-traded transactions are based on closing prices on the Tokyo International Financial Future Exchange, etc. Market values of over-the-counter transactions are based on discounted cash flow method, option pricing models, etc.

(b) Currency derivatives

Millions of Yen (Note 1)

	March 31, 2005				March 31, 2004			
	Notional Principal or Contract Amount		Market Value	Valuation Gain (Loss)	Notional Principal or Contract Amount		Market Value	Valuation Gain (Loss)
	Total	Over 1 Year			Total	Over 1 Year		
Listed:								
Futures:								
Sold.....	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Bought	—	—	—	—	—	—	—	—
Options:								
Sold.....	—	—	—	—	—	—	—	—
Bought	—	—	—	—	—	—	—	—
Over-the-counter:								
Currency Swaps.....	383,341	303,700	481	481	329,445	246,258	307	307
Forward foreign exchange:								
Sold.....	5,318	—	(40)	(40)	4,265	—	54	54
Bought	3,388	—	12	12	3,404	—	(38)	(38)
Currency Options:								
Sold.....	42,685	—	(1,449)	341	18,708	—	568	11
Bought	42,360	—	1,197	(133)	18,708	—	555	164
Others:								
Sold.....	—	—	—	—	—	—	—	—
Bought	—	—	—	—	—	—	—	—
Total			¥ 202	¥661			¥1,448	¥500

1. Valuation gains (losses) are recognized in the consolidated statements of income.

Derivatives which qualify for hedge accounting and which are corresponded to the foreign-currency positions and are recognized in the consolidated balance sheets are not included in the above table.

2. Market values are based on the discounted cash flow method.

3. Other foreign exchange-related derivatives such as forward exchange contracts and currency options which were previously excluded from the above table, are now included in the above table. Derivatives such as currency swaps which qualify for hedge accounting based on JICPA Industry Audit Committee Report No. 25 are not included in the above table.

(c) Equity derivatives

There are no corresponding items.

(d) Bond derivatives

Millions of Yen (Note 1)

	March 31, 2005				March 31, 2004			
	Notional Principal or Contract Amount		Market Value	Valuation Gain (Loss)	Notional Principal or Contract Amount		Market Value	Valuation Gain (Loss)
	Total	Over 1 Year			Total	Over 1 Year		
Listed:								
Futures:								
Sold	¥3,597	¥—	¥(27)	¥(27)	¥137	¥—	¥(0)	¥(0)
Bought	—	—	—	—	—	—	—	—
Futures Options:								
Sold	—	—	—	—	—	—	—	—
Bought	—	—	—	—	—	—	—	—
Over-the-counter:								
Options:								
Sold	—	—	—	—	—	—	—	—
Bought	—	—	—	—	—	—	—	—
Others:								
Sold	—	—	—	—	—	—	—	—
Bought	—	—	—	—	—	—	—	—
Total			¥(27)	¥(27)			¥(0)	¥(0)

1. Valuation gains (losses) are recognized in the consolidated statements of income. Derivatives which qualify for hedge accounting are not included in the above table.

2. Market value of exchange traded transactions are based on closing prices on the Tokyo Stock Exchange, etc. Market values of over-the-counter transactions are based on option pricing models, etc.

(e) Commodity derivatives

There are no corresponding items.

(f) Credit derivatives

There are no corresponding items.

Non-Consolidated Balance Sheets

The Chiba Bank, Ltd.
As of March 31, 2005 and 2004

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
ASSETS			
Cash and Due from Banks	¥ 493,508	¥ 281,374	\$ 4,595,482
Call Loans and Bills Bought	21,981	172,663	204,693
Receivables under Securities Borrowing Transactions	2,578	10,467	24,012
Commercial Paper and Other Debt Purchased	18,667	2,012	173,825
Trading Assets	314,356	360,735	2,927,238
Money Held in Trust	25,983	25,204	241,955
Securities	1,710,562	1,458,700	15,928,512
Loans and Bills Discounted	5,881,472	5,678,111	54,767,417
Foreign Exchanges	2,237	1,832	20,837
Other Assets	51,557	45,629	480,097
Premises and Equipment	98,403	101,097	916,323
Deferred Tax Assets	50,691	73,369	472,033
Customers' Liabilities for Acceptances and Guarantees	114,524	115,295	1,066,435
Reserve for Possible Loan Losses	(87,822)	(108,695)	(817,790)
Total Assets	¥8,698,704	¥8,217,800	\$81,001,067
LIABILITIES AND STOCKHOLDERS' EQUITY			
Liabilities			
Deposits	¥7,697,814	¥7,365,960	\$71,680,926
Call Money and Bills Sold	56,308	3,593	524,336
Payables under Repurchase Agreements	34,499	26,399	321,258
Payables under Securities Lending Transactions	171,600	102,409	1,597,919
Trading Liabilities	6,341	7,644	59,048
Borrowed Money	113,680	116,990	1,058,573
Foreign Exchanges	302	405	2,819
Subordinated Bonds	10,000	10,000	93,119
Other Liabilities	55,470	57,379	516,533
Reserve for Employees' Retirement Benefits	20,786	22,657	193,560
Deferred Tax Liabilities on Land Revaluation	9,409	8,693	87,622
Acceptances and Guarantees	114,524	115,295	1,066,435
Total Liabilities	¥8,290,738	¥7,837,429	\$77,202,146
Stockholders' Equity			
Common Stock	¥ 121,019	¥ 121,019	\$ 1,126,912
Capital Surplus	98,181	98,178	914,255
Legal Reserve	50,930	50,930	474,255
Voluntary Reserves	61,971	41,971	577,065
Retained Earnings	34,368	26,224	320,033
Land Revaluation Excess	13,939	12,879	129,802
Net Unrealized Gains on Other Securities	27,981	29,395	260,556
Treasury Stock	(424)	(227)	(3,956)
Total Stockholders' Equity	¥ 407,966	¥ 380,370	\$ 3,798,921
Total Liabilities and Stockholders' Equity	¥8,698,704	¥8,217,800	\$81,001,067

Non-Consolidated Statements of Income

The Chiba Bank, Ltd.

For the Years Ended March 31, 2005 and 2004

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Income			
Interest Income:			
Interest on Loans and Discounts.....	¥114,949	¥116,260	\$1,070,393
Interest and Dividends on Securities.....	19,873	15,124	185,057
Other Interest Income.....	506	304	4,713
Fee and Commission Income	29,084	27,850	270,829
Trading Income	2,455	2,096	22,865
Other Operating Income	5,031	3,327	46,856
Other Income	14,568	14,061	135,660
Total Income.....	¥186,469	¥179,026	\$1,736,373
Expenses			
Interest Expenses:			
Interest on Deposits	¥ 4,205	¥ 3,539	\$ 39,157
Interest on Borrowings and Rediscounts.....	2,538	2,574	23,634
Other Interest Expenses	4,828	4,722	44,959
Fee and Commission Expenses.....	12,015	11,000	111,890
Trading Expenses	—	36	—
Other Operating Expenses.....	432	577	4,031
General and Administrative Expenses	72,587	74,356	675,922
Other Expenses.....	26,500	37,451	246,769
Total Expenses.....	¥123,107	¥134,258	\$1,146,361
Income before Income Taxes	63,361	44,768	590,011
Income Taxes-Current	4,699	1,872	43,762
Income Taxes-Deferred	24,348	17,116	226,726
Net Income	¥ 34,313	¥ 25,779	\$ 319,523

Supplementary Information (Unaudited)

The Chiba Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2005 and 2004

Capital Ratio (BIS Guidelines) (Consolidated)

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Tier I:			
Common Stock	¥ 121,019	¥ 121,019	\$ 1,126,912
Capital Surplus	98,250	98,178	914,890
Retained Earnings	154,917	124,701	1,442,572
Minority Interests in Consolidated Subsidiaries	7,452	6,833	69,393
Treasury Stock	(1,827)	(1,895)	(17,015)
Foreign Currency Translation Adjustments	41	308	385
Total Tier I Capital	¥ 379,853	¥ 349,145	\$ 3,537,139
Tier II:			
Unrealized Gains on Other Securities, after 55% Discount	¥ 21,849	¥ 22,779	\$ 203,463
Land Revaluation Excess, after 55% Discount	10,507	9,707	97,840
General Reserve for Possible Loan Losses	45,679	47,655	425,364
Subordinated Loans and Bonds	109,500	113,500	1,019,648
Total Tier II Capital	¥ 187,536	¥ 193,643	\$ 1,746,315
Deductions from Capital	¥ 1,749	¥ 1,408	\$ 16,295
Total Capital	¥ 565,640	¥ 541,380	\$ 5,267,159
Risk-Adjusted Assets:			
On-Balance-Sheet Items	¥4,897,119	¥4,731,049	\$45,601,261
Off-Balance-Sheet Items	104,967	109,454	977,441
Asset Equivalent of Market Risk	62,698	52,172	583,844
Total Risk-Adjusted Assets	¥5,064,785	¥4,892,676	\$47,162,546
Capital Ratio (BIS guidelines)	11.16%	11.06%	11.16%

Loans and Bills Discounted, Borrowers Classified by Industry (Consolidated)

	Millions of Yen (Note 1)			
	2005		2004	
	Outstanding Balance	Composition	Outstanding Balance	Composition
Domestic Operations:				
Manufacturing	¥ 437,428	7.50%	¥ 448,973	7.97%
Agriculture	11,795	0.20	12,904	0.23
Forestry	10	0.00	335	0.01
Fisheries	1,516	0.03	1,586	0.03
Mining	7,522	0.13	7,872	0.14
Construction	282,402	4.85	280,161	4.98
Electricity, Gas, Heat Supply and Water	7,334	0.13	7,056	0.12
Information and Communications	23,842	0.41	25,126	0.45
Transport	179,767	3.08	128,964	2.29
Wholesale and Retail Trade	548,675	9.41	575,211	10.22
Finance and Insurance	206,779	3.55	166,777	2.96
Real Estate	1,103,324	18.93	1,125,191	19.99
Various Services	459,491	7.88	456,295	8.10
Government and Local Public Sector	481,452	8.26	410,828	7.30
Others (Mainly Consumer Loans)	2,077,336	35.64	1,982,065	35.21
Total	¥5,828,674	100.00	¥5,629,347	100.00
Overseas Operations and JOM Account	¥ 15,906	—	¥ 15,790	—

Directors, Auditors and Executive Officers

The Chiba Bank, Ltd.
As of June 29, 2005

Chairman

Toshiaki Ishii

President

Tadashi Takeyama

Corporate Staff Unit

Senior Managing Director

Tetsuo Oiwa

Chief of Corporate Staff Unit
Director in charge of Corporate Planning Division and Credit Planning Division

Managing Director

Kazuo Ichimura

Director in charge of Audit & Inspection Division, Public Relations Division, General Administration Division, General Secretariat and Personnel Division

Director

Hidetoshi Sakuma

General Manager, Corporate Planning Division

Corporate Auditors

Standing Corporate Auditors

Yutaka Yamazaki

Hiroshi Nakajima

Yukio Saruhashi

Corporate Auditors

Minoru Shimasaki

Jiro Sakan

Business Operation Unit

Director and Senior Executive Officers

Nobuyoshi Imai

Chief of Business Operation Unit

Nobuhisa Yashiro

Executive Officer in charge of Business Coordination Division, Branch Support Division, Corporate Banking Division, Consumer Banking Division and Direct Channel Division

Director and Managing Executive Officers

Kenji Yasui

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

Toshio Yoshii

Executive Officer in charge of Treasury Division and Treasury Operation Division

Yoshiyuki Kumano

General Manager, Head Office

Managing Executive Officers

Yoshifumi Morooka

Executive Officer in charge of Credit Division and Credit Supervisory Division

Kazuo Uehara

General Manager, Chuo Branch

Katsuhiko Watanabe

General Manager, Branch Support Division

Executive Officers

Yuji Watanabe

General Manager, Kashiwa Branch

Toru Nishikawa

General Manager, Funabashi Branch

Yukio Hasegawa

General Manager, Business Coordination Division

Tomoya Nakamigawa

General Manager, Narita Branch

Gaku Maeda

General Manager, Tokyo Head Office

Nobuo Kawai

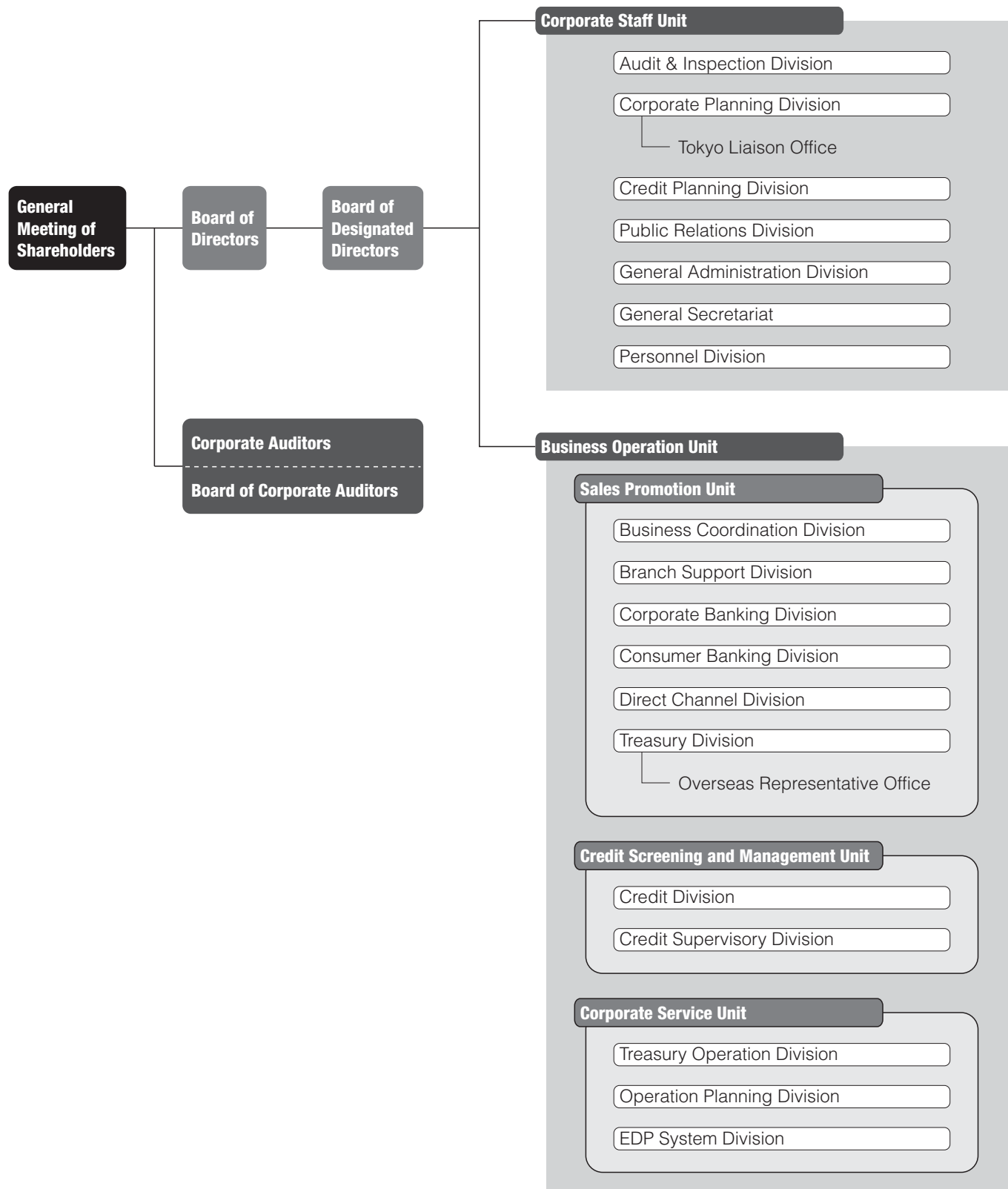
General Manager, Urayasu Branch

Masahisa Shiizu

General Manager, Credit Division

Organization

The Chiba Bank, Ltd.
As of July 1, 2005



Subsidiaries and Affiliates

The Chiba Bank
As of July 1, 2005

Sobu Co., Ltd.

1-7-12, Hanazono, Hanamigawa-ku,
Chiba City, Chiba 262-0025

Principal Business: Rental and maintenance of the Chiba Bank office buildings and welfare facilities; purchase and sale of supplies and consumer goods

Established: September 7, 1959

Capital: ¥20 million

Equity Ownership

By Chiba Bank: 100%

Chibagin Accounting Service Co., Ltd.

8-4, Chiba-minato, Chuo-ku, Chiba City,
Chiba 260-0026

Principal Business: Accounting, general administration and temporary staff services

Established: December 22, 1989

Capital: ¥20 million

Equity Ownership

By Chiba Bank: 100%

Chibagin Business Service Co., Ltd.

1-2, Chiba-minato, Chuo-ku, Chiba City,
Chiba 260-8720

Principal Business: Intensive back-office processing and cash and securities examinations

Established: March 25, 1993

Capital: ¥40 million

Equity Ownership

By Chiba Bank: 100%

Chiba Servicer Co., Ltd.

39-10, Sakae-cho, Chuo-ku, Chiba City,
Chiba 260-0016

Principal Business: Management and collection of claims

Established: October 1, 2001

Capital: ¥500 million

Equity Ownership

By Chiba Bank: 100%

Chibagin Guarantee Co., Ltd.

3-17-5, Inage-higashi, Inage-ku, Chiba City,
Chiba 263-0031

Principal Business: Housing-loan guarantees and collateral appraisal services

Established: May 1, 1978

Capital: ¥54 million

Equity Ownership

By Chiba Bank: 45.63%

By its subsidiaries: 42.87%

Chibagin Leasing Co., Ltd.

2-1-22, Hanazono, Hanamigawa-ku,
Chiba City, Chiba 262-0025

Principal Business: Leasing

Established: December 15, 1986

Capital: ¥100 million

Equity Ownership

By Chiba Bank: 49%

By its subsidiaries: 51%

Chuo Securities Co., Ltd.

1-5-3, Nihombashi Muromachi, Chuo-ku,
Tokyo 103-0022

Principal Business: Securities business

Established: March 27, 1944

Capital: ¥4,374 million

Equity Ownership

By Chiba Bank: 41.43%

By its subsidiaries: 7.36%

Chibagin JCB Card Co., Ltd.

1-14-11, Fujimi, Chuo-ku, Chiba City,
Chiba 260-0015

Principal Business: Credit card business

Established: November 1, 1982

Capital: ¥50 million

Equity Ownership

By Chiba Bank: 49%

By its subsidiaries: 21%

Chibagin DC Card Co., Ltd.

1-14-11, Fujimi, Chuo-ku, Chiba City,
Chiba 260-0015

Principal Business: Credit card business

Established: February 16, 1989

Capital: ¥50 million

Equity Ownership

By Chiba Bank: 40%

By its subsidiaries: 55%

Chibagin Computer Service Co., Ltd.

6-12, Oyuminochuo, Midori-ku, Chiba City,
Chiba 266-0032

Principal Business: Computer systems development and commissioned computation tasks

Established: April 1, 1980

Capital: ¥150 million

Equity Ownership

By Chiba Bank: 46%

By its subsidiaries: 20%

Chibagin Capital Co., Ltd.

8-4, Chiba-minato, Chuo-ku, Chiba City,
Chiba 260-0026

Principal Business: Consulting services concerned with the expansion of shareholders' equity, public issues, stock exchange listing, etc.

Established: May 29, 1984

Capital: ¥100 million

Equity Ownership

By Chiba Bank: 30%

By its subsidiaries: 30%

Chibagin Asset Management Co., Ltd.

1-5-3, Nihombashi Muromachi, Chuo-ku,
Tokyo 103-0022

Principal Business: Consulting for portfolio investments of client financial assets

Established: March 31, 1986

Capital: ¥200 million

Equity Ownership

By Chiba Bank: 35%

By its subsidiaries: 45%

Chibagin Research Institute, Ltd.

2-3-12, Konakadai, Inage-ku, Chiba City,
Chiba 263-0043

Principal Business: Information services and surveys, training services and consulting on computer systems, etc.

Established: February 28, 1990

Capital: ¥150 million

Equity Ownership

By Chiba Bank: 5%

By its subsidiaries: 70%

Chiba Capital Funding (Cayman) Ltd.

Ugland House, P.O. Box 309, George Town,
Grand Cayman, Cayman Islands,
British West Indies

Principal Business: Finance

Established: January 13, 1998

Capital: US\$1,000

Equity Ownership

By Chiba Bank: 100%

International Directory

The Chiba Bank
As of July 1, 2005

Head Office

1-2, Chiba-minato, Chuo-ku, Chiba City,
Chiba 260-8720, Japan
Telephone: 81-43-245-1111
<http://www.chibabank.co.jp/>

Treasury Operation Division

5-3, Nihombashi Muromachi 1-chome, Chuo-ku,
Tokyo 103-0022, Japan
Telephone: 81-3-3270-8459
Fax: 81-3-3242-1735
81-3-3271-1029
Cable Address: CHIBABK
SWIFT Address: CHBA JPJT

Treasury Division

5-3, Nihombashi Muromachi 1-chome, Chuo-ku,
Tokyo 103-0022, Japan
Telephone: 81-3-3231-1285
Fax: 81-3-3242-1736
SWIFT Address: CHBA JPJT

New York Branch

1133 Avenue of the Americas, 15th Floor,
New York, NY 10036, U.S.A.
Telephone: 1-212-354-7777
Fax: 1-212-354-8575
Telex: 251829 CHIBA NYK

Hong Kong Branch

Unit 2510, One Pacific Place, 88 Queensway, Hong Kong
Telephone: 852-2840-1222
Fax: 852-2840-0507
Telex: 62737 CHBK HX
SWIFT Address: CHBA HKHH

London Branch

3rd Floor, Atlas House 1 King Street,
London EC2V 8AU, U.K.
Telephone: 44-20-7315-3111
Fax: 44-20-7600-3452
Telex: 8812534 CHIBAL G

Shanghai Representative Office

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

Chiba Capital Funding (Cayman) Ltd.

Ugland House, P.O. Box 309, George Town,
Grand Cayman, Cayman Islands, British West Indies

Corporate Data

The Chiba Bank, Ltd.
As of March 31, 2005

Principal Shareholders

The ten largest shareholders of the Bank and their respective shareholdings at March 31, 2005 were as follows:

	Number of Shares (in thousands)*	Percentage of Total Shares in Issue**
Japan Trustee Services Bank, Ltd. (Trust Account)	57,881	6.84%
The Master Trust Bank of Japan, Ltd. (Trust Account).....	56,487	6.68
The Bank of Tokyo-Mitsubishi, Ltd.	38,893	4.59
Nippon Life Insurance Company	29,177	3.45
NIPPONKOA Insurance Co., Ltd.	28,905	3.41
The Dai-ichi Mutual Life Insurance Company.....	25,678	3.03
Meiji Yasuda Life Insurance Company	15,579	1.84
Sumitomo Life Insurance Company	13,842	1.63
Chiba Bank Employees' Shareholding Association.....	13,790	1.63
State Street Bank and Trust Company.....	11,087	1.31

* Rounded to the nearest thousand

** Rounded to two decimal places

Corporate Information

Established	March 1943
Network	Domestic
	159 Offices (142 branches, 15 sub-branches and 2 virtual branches) 15,394 Off-branch ATM locations (including 5,299 E-net ATM locations at convenience stores and 9,845 ATM locations jointly with IY Bank Co., Ltd.) 2 Money exchange counters
	Overseas
	3 Branches (New York/Hong Kong/London) 1 Representative office (Shanghai) 1 Subsidiary (Cayman Islands)
Number of Employees* ¹	3,787
Total Assets	¥8,698.7 billion
Loans and Bills Discounted	¥5,881.4 billion
Deposits	¥7,697.8 billion
Common Stock	¥121.0 billion
Capital Ratio (BIS guidelines)	10.88% (Non-consolidated) 11.16% (Consolidated)
Authorized Number of Shares	2,500,000 thousand
Number of Issued Shares	845,521 thousand
Number of Shareholders* ²	22,209
Ticker Code	8331
Transfer Agent	Japan Securities Agents, Ltd. 2-4, Nihombashi Kayabacho 1-chome Chuo-ku, Tokyo 103-8202

	Long-term	Short-term
Credit Ratings		
Standard & Poor's	A-	A-2
Moody's.....	Baa1	P-2
Rating and Investment Information, Inc.	A+	—

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

*¹ "Number of Employees" includes employees temporarily transferred to other companies but excludes temporary staff and one-year contract employees. The number of employees, excluding employees temporarily transferred to other companies, one-year contract employees and temporary staff, was 3,433.

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

THE CHIBA BANK, LTD.

1-2, Chiba-minato, Chuo-ku, Chiba City, Chiba 260-8720, Japan

Telephone : 81-43-245-1111

e-mail: investor@chibabank.co.jp

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



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