



The Chiba Bank, Ltd. Financial Data 2023

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The Chiba Bank, Ltd. and Consolidated Subsidiaries
Years ended March 31

See notes to consolidated financial statements.

Consolidated Balance Sheet

The Chiba Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2023

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Assets			
Cash and Due from Banks (Note 28)	¥ 4,065,850	¥ 4,201,429	\$ 30,448,964
Call Loans and Bills Bought	335,089	152,070	2,509,471
Receivables under Resale Agreements	17,999	14,999	134,800
Receivables under Securities Borrowing Transactions	5,446	—	40,791
Monetary Claims Bought	22,612	21,404	169,343
Trading Assets (Notes 7 and 33)	162,444	138,757	1,216,537
Money Held in Trust (Note 35)	9,279	9,879	69,490
Securities (Notes 6, 8, 9, 13, 33 and 34)	2,576,106	2,482,224	19,292,344
Loans and Bills Discounted (Notes 9, 13 and 33)	12,107,066	11,646,721	90,669,265
Foreign Exchanges (Notes 9 and 10)	5,375	5,970	40,256
Other Assets (Notes 9, 11 and 13)	320,687	279,891	2,401,614
Tangible Fixed Assets (Notes 12 and 21)	124,473	125,937	932,173
Intangible Fixed Assets	14,222	14,450	106,515
Net Defined Benefit Asset (Note 20)	18,578	16,576	139,137
Deferred Tax Assets (Note 31)	3,088	3,924	23,129
Customers' Liabilities for Acceptances and Guarantees (Note 9)	31,822	25,771	238,314
Allowance for Loan Losses	(32,260)	(35,246)	(241,601)
Total Assets	¥19,787,882	¥19,104,764	\$148,190,541
Liabilities			
Deposits (Notes 13, 14 and 33)	¥15,903,940	¥15,324,161	\$119,103,876
Call Money and Bills Sold	810,859	681,777	6,072,488
Payables under Repurchase Agreements (Note 13)	17,160	13,945	128,517
Payables under Securities Lending Transactions (Note 13)	337,074	262,547	2,524,332
Trading Liabilities (Notes 15 and 33)	18,618	10,448	139,431
Borrowed Money (Notes 13 and 16)	1,206,808	1,336,732	9,037,730
Foreign Exchanges (Note 17)	724	576	5,427
Bonds Payable (Note 18)	110,038	103,331	824,072
Borrowed Money from Trust Account	13,439	8,883	100,651
Other Liabilities (Note 19)	237,725	233,541	1,780,317
Net Defined Benefit Liability (Note 20)	4,476	732	33,525
Provisions for Directors' Retirement Benefits	160	152	1,200
Provisions for Reimbursement of Deposits	910	1,296	6,822
Provisions for Point Loyalty Programs	838	746	6,278
Reserves under Special Laws	24	24	182
Deferred Tax Liabilities (Note 31)	21,742	30,595	162,828
Deferred Tax Liabilities for Land Revaluation (Note 21)	10,402	10,407	77,903
Acceptances and Guarantees	31,822	25,771	238,314
Total Liabilities	¥18,726,767	¥18,045,673	\$140,243,893
Net Assets			
Capital Stock (Note 22)	¥ 145,069	¥ 145,069	\$ 1,086,416
Capital Surplus	122,146	122,134	914,748
Retained Earnings	755,517	714,455	5,658,035
Treasury Shares	(62,943)	(53,108)	(471,382)
Total Shareholders' Equity	959,789	928,550	7,187,817
Valuation Difference on Available-for-sale Securities (Note 36)	83,907	114,391	628,379
Deferred Gains or Losses on Hedges	10,408	5,198	77,951
Revaluation Reserve for Land (Note 21)	9,921	9,791	74,304
Remeasurements of Defined Benefit Plans	(2,911)	1,159	(21,803)
Total Accumulated Other Comprehensive Income	101,326	130,541	758,830
Total Net Assets	¥ 1,061,115	¥ 1,059,091	\$ 7,946,647
Total Liabilities and Net Assets	¥19,787,882	¥19,104,764	\$148,190,541

See notes to consolidated financial statements.

Consolidated Statement of Income

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the year ended March 31, 2023

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Income			
Interest Income:			
Interest on Loans and Discounts	¥119,514	¥103,619	\$ 895,035
Interest and Dividends on Securities	44,035	30,795	329,779
Other Interest Income	6,025	3,655	45,128
Trust Fees	122	115	919
Fees and Commissions	60,106	56,915	450,134
Trading Income (Note 23)	1,995	4,153	14,941
Other Ordinary Income (Note 24)	7,615	4,148	57,035
Other Income (Note 25)	39,052	32,782	292,460
Total Income	¥278,467	¥236,185	\$2,085,432
Expenses			
Interest Expenses:			
Interest on Deposits	¥ 12,942	¥ 1,049	\$ 96,925
Interest on Borrowings and Rediscounts	1,222	(25)	9,156
Other Interest Expenses	18,891	8,969	141,477
Fees and Commissions Payments	19,744	18,338	147,864
Other Ordinary Expenses (Note 26)	22,448	3,163	168,116
General and Administrative Expenses	88,982	91,131	666,386
Other Expenses (Note 27)	27,565	35,180	206,439
Total Expenses	¥191,797	¥157,807	\$1,436,363
Profit before Income Taxes	86,670	78,378	649,068
Income Taxes—Current	21,611	21,130	161,849
Income Taxes—Deferred	4,781	2,750	35,810
Profit	¥ 60,276	¥ 54,498	\$ 451,410
Profit Attributable to Owners of Parent	¥ 60,276	¥ 54,498	\$ 451,410

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the year ended March 31, 2023

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Profit	¥ 60,276	¥ 54,498	\$ 451,410
Other Comprehensive Income (Note 29)			
Valuation Difference on Available-for-sale Securities	(30,648)	(25,122)	(229,526)
Deferred Gains or Losses on Hedges	5,209	10,961	39,017
Remeasurements of Defined Benefit Plans	(4,070)	(1,109)	(30,485)
Share of Other Comprehensive Income of Equity-method Affiliates	164	(100)	1,234
Total Other Comprehensive Income	(29,344)	(15,370)	(219,761)
Comprehensive Income	¥ 30,932	¥ 39,127	\$ 231,649
(Breakdown)			
Comprehensive Income Attributable to Owners of Parent	¥ 30,932	¥ 39,127	\$ 231,649

See notes to consolidated financial statements.

Consolidated Statement of Changes in Net Assets

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the year ended March 31, 2023

	Millions of Yen (Note 1)											
	Shareholders' Equity					Accumulated Other Comprehensive Income						
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity	Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	Subscription Rights to Shares	Total Net Assets
Balance at March 31, 2021	¥145,069	¥122,134	¥676,994	¥(49,121)	¥895,076	¥139,614	¥ (5,762)	¥9,931	¥ 2,268	¥146,051	¥ 628	¥1,041,756
Cumulative Effects of Changes in Accounting Policies	—	—	(639)	—	(639)	—	—	—	—	—	—	(639)
Restated Balance	145,069	122,134	676,355	(49,121)	894,437	139,614	(5,762)	9,931	2,268	146,051	628	1,041,117
Cash Dividends	—	—	(16,360)	—	(16,360)	—	—	—	—	—	—	(16,360)
Profit Attributable to Owners of Parent	—	—	54,498	—	54,498	—	—	—	—	—	—	54,498
Purchase of Treasury Shares	—	—	—	(5,006)	(5,006)	—	—	—	—	—	—	(5,006)
Disposal of Treasury Shares	—	—	(177)	1,020	842	—	—	—	—	—	—	842
Reversal of Revaluation Reserve for Land	—	—	139	—	139	—	—	—	—	—	—	139
Net Changes of Items Other than Shareholders' Equity	—	—	—	—	—	(25,223)	10,961	(139)	(1,109)	(15,510)	(628)	(16,138)
Total of Items during FY2021	—	—	38,099	(3,986)	34,112	(25,223)	10,961	(139)	(1,109)	(15,510)	(628)	17,974
Balance at March 31, 2022	¥145,069	¥122,134	¥714,455	¥(53,108)	¥928,550	¥114,391	¥ 5,198	¥9,791	¥ 1,159	¥130,541	—	¥1,059,091
Cash Dividends	—	—	(19,084)	—	(19,084)	—	—	—	—	—	—	(19,084)
Profit Attributable to Owners of Parent	—	—	60,276	—	60,276	—	—	—	—	—	—	60,276
Purchase of Treasury Shares	—	—	—	(10,005)	(10,005)	—	—	—	—	—	—	(10,005)
Disposal of Treasury Shares	—	12	—	170	182	—	—	—	—	—	—	182
Reversal of Revaluation Reserve for Land	—	—	(130)	—	(130)	—	—	—	—	—	—	(130)
Net Changes of Items Other than Shareholders' Equity	—	—	—	—	—	(30,483)	5,209	130	(4,070)	(29,214)	—	(29,214)
Total of Items during FY2022	—	12	41,062	(9,835)	31,239	(30,483)	5,209	130	(4,070)	(29,214)	—	2,024
Balance at March 31, 2023	¥145,069	¥122,146	¥755,517	¥(62,943)	¥959,789	¥ 83,907	¥10,408	¥9,921	¥(2,911)	¥101,326	—	¥1,061,115

	Thousands of U.S. Dollars (Note 1)											
	Shareholders' Equity					Accumulated Other Comprehensive Income						
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity	Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	Subscription Rights to Shares	Total Net Assets
Balance at March 31, 2022	\$1,086,416	\$914,657	\$5,350,521	\$(397,725)	\$6,953,869	\$ 856,672	\$38,934	\$73,330	\$ 8,682	\$ 977,617	—	\$7,931,486
Cash Dividends	—	—	(142,923)	—	(142,923)	—	—	—	—	—	—	(142,923)
Profit Attributable to Owners of Parent	—	—	451,410	—	451,410	—	—	—	—	—	—	451,410
Purchase of Treasury Shares	—	—	—	(74,933)	(74,933)	—	—	—	—	—	—	(74,933)
Disposal of Treasury Shares	—	91	—	1,276	1,367	—	—	—	—	—	—	1,367
Reversal of Revaluation Reserve for Land	—	—	(974)	—	(974)	—	—	—	—	—	—	(974)
Net Changes of Items Other than Shareholders' Equity	—	—	—	—	—	(228,293)	39,017	974	(30,485)	(218,787)	—	(218,787)
Total of Items during FY2022	—	91	307,513	(73,657)	233,948	(228,293)	39,017	974	(30,485)	(218,787)	—	15,161
Balance at March 31, 2023	\$1,086,416	\$914,748	\$5,658,035	\$(471,382)	\$7,187,817	\$ 628,379	\$77,951	\$74,304	\$(21,803)	\$ 758,830	—	\$7,946,647

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the year ended March 31, 2023

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Cash Flows from Operating Activities:			
Profit before Income Taxes	¥ 86,670	¥ 78,378	\$ 649,068
Depreciation and Amortization	9,439	9,909	70,690
Impairment Loss	140	85	1,055
Equity in (Earnings) Losses of Affiliates	(341)	(383)	(2,559)
Increase (Decrease) in Allowance for Loan Losses	(2,985)	2,390	(22,359)
Decrease (Increase) in Net Defined Benefit Asset	(2,002)	(2,914)	(14,993)
Increase (Decrease) in Net Defined Benefit Liability	3,743	5	28,038
Increase (Decrease) in Provisions for Directors' Retirement Benefits	7	(37)	55
Increase (Decrease) in Provisions for Reimbursement of Deposits	(385)	156	(2,887)
Increase (Decrease) in Provisions for Point Loyalty Programs	91	112	687
Interest Income	(169,575)	(138,070)	(1,269,942)
Financing Expenses	33,056	9,993	247,559
Losses (Gains) on securities	10,961	(1,290)	82,088
Losses (Gains) on Money Held in Trust	(119)	(191)	(893)
Foreign Exchange Losses (Gains)	(71)	(116)	(534)
Losses (Gains) on Disposal of Fixed Assets	172	363	1,289
Net Decrease (Increase) in Trading Assets	(23,686)	19,197	(177,389)
Net Increase (Decrease) in Trading Liabilities	8,169	(6,344)	61,184
Net Decrease (Increase) in Loans and Bills Discounted	(460,345)	(480,392)	(3,447,508)
Net Increase (Decrease) in Deposits (excluding Negotiable Certificates of Deposit)	636,989	683,369	4,770,388
Net Increase (Decrease) in Negotiable Certificates of Deposit	(57,210)	97,508	(428,450)
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowings)	(129,924)	138,639	(972,996)
Net Decrease (Increase) in Due from Banks (excluding Due from BOJ)	(2,316)	1,347	(17,345)
Net Decrease (Increase) in Call Loans and Bills Bought and Others	(187,226)	(66,835)	(1,402,132)
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	(5,446)	—	(40,791)
Net Increase (Decrease) in Call Money and Bills Sold	132,297	221,631	990,771
Net Increase (Decrease) in Payables under Securities Lending Transactions	74,526	(16,524)	558,123
Net Decrease (Increase) in Foreign Exchanges - Assets	595	754	4,460
Net Increase (Decrease) in Foreign Exchanges - Liabilities	148	71	1,110
Increase (Decrease) in Issuance and Redemption of Straight Bonds	—	36,655	—
Increase (Decrease) in Borrowed Money from Trust Accounts	4,556	5,140	34,121
Interest and Dividends Received	159,453	134,595	1,194,136
Interest Paid	(29,796)	(10,168)	(223,144)
Other, net	(87,922)	17,109	(658,448)
Subtotal	¥ 1,662	¥ 734,148	\$ 12,449
Income Taxes Paid	(22,046)	(24,107)	(165,108)
Net Cash Provided by (Used in) Operating Activities	¥ (20,384)	¥ 710,040	\$ (152,659)
Cash Flows from Investing Activities:			
Purchase of Securities	¥(1,219,533)	¥ (862,001)	\$ (9,133,029)
Proceeds from Sales of Securities	936,016	484,387	7,009,785
Proceeds from Redemption of Securities	205,547	294,668	1,539,336
Increase in Money Held in Trust	(3,000)	(6,560)	(22,467)
Decrease in Money Held in Trust	3,600	18,260	26,960
Purchase of Tangible Fixed Assets	(6,531)	(5,803)	(48,915)
Proceeds from Sales of Tangible Fixed Assets	93	326	704
Purchase of Intangible Fixed Assets	(4,685)	(4,647)	(35,091)
Net Cash Provided by (Used in) Investing Activities	¥ (88,492)	¥ (81,370)	\$ (662,716)
Cash Flows from Financing Activities:			
Redemption of Subordinated Bonds	¥ —	¥ (20,000)	\$ —
Cash Dividends Paid	(19,084)	(16,360)	(142,923)
Purchase of Treasury Shares	(10,005)	(5,006)	(74,933)
Proceeds from Sales of Treasury Shares	0	0	1
Net Cash Provided by (Used in) Financing Activities	¥ (29,090)	¥ (41,367)	\$ (217,854)
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ 71	¥ 116	\$ 534
Net Increase (Decrease) in Cash and Cash Equivalents	¥ (137,895)	¥ 587,420	\$ (1,032,695)
Cash and Cash Equivalents at Beginning of Period	¥ 4,183,054	¥3,595,634	\$31,326,705
Cash and Cash Equivalents at End of Period (Note 28)	¥ 4,045,159	¥4,183,054	\$30,294,009

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the year ended March 31, 2023

1. Basis of Presentation

The Chiba Bank, Ltd. ('Chiba Bank' or 'the Bank') and its consolidated subsidiaries ('the Group') produce their consolidated financial statements in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and other related accounting regulations and in accordance 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 classification of accounts is in compliance with Japan's Ordinance for Enforcement of the Banking Act.

The accompanying consolidated financial statements have been compiled from the consolidated financial statements issued domestically and presented in a form which is more familiar to readers outside Japan. Certain reclassifications and rearrangements have been made to the financial statements for the previous year in order to conform to the classifications used in the financial statements for the current year. In addition, the accompanying notes include information that is not required under the accounting principles generally accepted in Japan, but is presented herein for the convenience of readers outside Japan.

Japanese yen amounts are presented in millions of yen and figures of less than 1 million are truncated. As a result, the totals expressed in the accompanying consolidated financial statements do not necessarily add up to the sums of the individual amounts.

U.S. dollar amounts are shown solely for the convenience of readers of this Integrated Report and are calculated at a rate of ¥133.53 to \$1.00, the exchange rate as of March 31, 2023.

When we refer in this financial data "we," "us," "our," we mean the Bank or the Group.

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., Chibagin Securities Co., Ltd. ('Chibagin Securities') and other subsidiaries. The number of consolidated subsidiaries was nine as of March 31, 2023 (nine as of March 31, 2022).

All significant inter-company balances and transactions have been eliminated in consolidation. The consolidated financial statements do not include the accounts of Chibagin Computer Service Co., Ltd. and five other subsidiaries because the combined total assets, total income, profit (based on the owned interest), retained earnings (based on the owned interest) and accumulated other comprehensive income (based on the owned interest) of these subsidiaries are not significant and would not have a material impact on the consolidated financial statements of the Bank. Nevertheless, the investments in these unconsolidated subsidiaries are carried using the equity method and are included in securities in the consolidated balance sheet. Also, the consolidated financial statements do not include the accounts of nine limited partnerships (nine as of March 31, 2022).

The investments in these unconsolidated subsidiaries and affiliated companies, including the Chiba-Musashino Alliance Series 2

Investment Limited Partnership, HI0 Limited Company (anonymous association), established in the current fiscal year, as well as the liquidated Wide-Area Chiba Regional Revitalization Investment Limited Partnership, are not accounted for using the equity method because the profit (based on the owned interest), retained earnings (based on the owned interest) and accumulated other comprehensive income (based on the owned interest) of these subsidiaries and affiliated companies are not significant and would not have a material impact on the consolidated financial statements of the Bank.

The fiscal year ends on March 31 for all subsidiaries.

3. Significant Accounting Policies

(1) Trading Account

The following criteria are applied when accounting for the Bank's trading assets and liabilities as well as trading income and expenses:

Transactions for the purpose of capturing gains arising from short-term fluctuations in interest rates, currency exchange rates, market prices of securities and other market-related indices, or arbitrating differentials between markets (hereinafter referred to as "trading purposes") are included under "Trading Assets" or "Trading Liabilities" in the consolidated balance sheet. Profit or loss from transactions for trading purposes are recorded under "Trading Income" or "Trading Expenses" in the consolidated statement of income.

Trading securities and monetary claims, etc. which are held for trading purposes are reported at market value as of 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 at the end of the previous fiscal year.

(2) Securities

Held-to-maturity bonds are reported at amortized cost, which is determined by the moving average method. Investments in unconsolidated subsidiaries and affiliated companies not accounted for using the equity method are reported at cost as determined by the moving average method. Available-for-sale securities are recorded at market value while their costs are calculated mainly via the moving-average method. Stocks and other securities without a market price are recorded at the cost determined by the moving-average method.

Unrealized gains/losses on available-for-sale securities are included in net assets, net of income taxes. In addition, the valuation of securities that are held as trust assets in individually managed cash trusts with the principal objective of securities portfolio management is performed using the same method (1) and (2) above.

(3) Derivatives

Derivatives for purposes other than trading are reported at fair value.

(4) Tangible Fixed Assets

Depreciation of buildings owned by the Bank as well as its consolidated subsidiaries is calculated using the straight-line method, and depreciation of other tangible fixed assets is calculated using the declining balance method. The main useful lives of tangible assets are as follows:

Buildings.....	6 to 50 years
Other	2 to 20 years

(5) Intangible Fixed Assets (excluding lease agreements)

Amortization of intangible fixed assets is calculated using the straight-line method. Amortization of internal software systems is calculated using the straight-line method based on the estimated usable period as determined by the Bank and its consolidated subsidiaries (5 years).

(6) Allowance for Loan Losses

Allowance for loan losses made by the Bank is provided in accordance with the internally established standards for write-offs and provisions.

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"), an allowance 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"), an allowance 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 future cash flows from the collection of principal and interest are reasonably estimated, the allowance for loan losses is calculated by "Discounted Cash Flow Method," by which the allowance for loan losses is calculated as the difference between the booked amounts of the loans and the cash flows discounted by the original contractual interest rates.

For other claims, an allowance is mainly recorded based on the expected losses for the next one year or the next three years, and the expected losses are calculated by a loss ratio based on the historical average of the loan-loss ratio over a certain period of time, which is based on one or three years of actual loan loss experience, and adding necessary adjustments such as future projections.

The operating divisions review all claims in accordance with the Bank's policies and guidelines for the self-assessment of asset quality, and the internal Audit and Inspection Division, which is independent from the operating divisions, audits these assessments. Allowance for loan losses is determined based on the results of these assessments.

For collateralized or guaranteed claims to Bankrupt Borrowers or Effectively Bankrupt Borrowers, amounts exceeding the estimated value of collateral and guarantees is deemed to be uncollectible and written-off against the total outstanding amount of the loan. The total amount deemed to be uncollectible or written-off was ¥27,936 million as of March 31, 2023 (compared to ¥31,765 million as of March 31, 2022). Regarding the allowance for loan losses made by the Bank's consolidated subsidiaries, general allowances for loan losses are determined for the amount deemed necessary based on the historical loan-loss ratio and specific allowances for loan losses are provided based on an assessment of the collectability of individual loans.

(7) Provision for Directors' Retirement Benefits

Provisions are made for the retirement benefits are paid to directors and corporate auditors of consolidated subsidiaries in the amount deemed accrued until the end of the relevant fiscal year.

(8) Provision for Reimbursements for Dormant Deposits

Provisions are made for the reimbursement of dormant deposits that will no longer be recorded as liabilities in the amount deemed necessary to cover possible losses arising from potential future withdrawal claims from depositors.

(9) Provision for Loyalty Point Programs

Provisions are made for loyalty point programs in the amount deemed necessary to cover the potential future use of loyalty points accumulated by customers through the use of credit cards, etc. issued by the Bank or its consolidated subsidiaries.

(10) Reserves under Special Laws

Reserves under special laws are reserves for financial instruments transaction liability reserves recorded by Chibagin Securities. These reserves are provided for the compensation of losses from securities transactions pursuant to Article 46-5-1 of the Financial Instruments and Exchange Act and Article 175 of the Cabinet Office Ordinance on Financial Instrument Business Operators, etc.

(11) Accounting Methods related to Retirement Benefits

When calculating retirement benefit obligations, the estimated value of retirement benefits for the current fiscal year is allocated based on the benefit formula method. Prior service cost is amortized in gains/losses by the straight-line method over 10 years. The net actuarial gain/loss is amortized using the straight-line method over 10 years starting from following fiscal year. Consolidated subsidiaries calculate net defined benefit liabilities and retirement benefit costs using the simplified method which assumes the retirement benefit obligation to be equal to the amount of payments necessary if all employees were to voluntarily retire at the end of the fiscal year.

(12) Conversion of Foreign Currencies

The Bank's assets and liabilities denominated in foreign currencies as well as the accounts of overseas branches are converted into

Japanese yen based primarily on the exchange rate as of the end of the corresponding fiscal period. Consolidated subsidiaries' assets and liabilities denominated in foreign currencies are converted into Japanese yen based on the exchange rate as of the end of the fiscal period for each company.

(13) Lease Transactions

Revenues and expenses from the finance lease transactions to lessees of the Bank's consolidated subsidiaries are recorded on the net sales and cost of sales as of the contractual lease fee collection date.

(14) Hedge Accounting Practices

i) Hedging Interest Rate Risk

The Bank applies the deferred hedge accounting method to hedging transactions against interest rate risk arising from its financial assets and liabilities as stipulated in the "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Committee Practical Guidelines No. 24, March 17, 2022).

The Bank evaluates the hedge effectiveness of its hedged items (such as deposits and loans) and hedging instruments (such as interest rate swaps) designed to offset interest rate fluctuations by classifying them based on maturation period.

ii) Hedging Foreign Currency Fluctuation Risk

The Bank applies the deferred hedge accounting method to hedging transactions against foreign currency fluctuation risk arising from its foreign-currency-denominated financial assets and liabilities as stipulated in the "Treatment for Accounting and Auditing concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Committee Practical Guidelines No. 25, October 8, 2020).

The Bank designates certain currency swaps and foreign exchange swap transactions as hedges against foreign currency exchange rate fluctuations arising from foreign-currency monetary claims and debt obligations, and assesses hedge effectiveness by verifying that the Bank holds foreign-currency positions of the hedged items corresponding to the positions of the hedging instruments.

In addition to the aforementioned (i, ii) accounting methods, the Bank applies the deferred hedge accounting method or special treatment for interest rate swaps to a portion of its assets and liabilities.

(15) Amortization of goodwill

In principle, the entire amount is amortized in the year incurred.

(16) Scope of "Cash and Cash Equivalents" on Consolidated Statements of Cash Flows

When preparing the consolidated cash flow statement, cash and due from the Bank of Japan are considered to be "cash and cash equivalents" in the consolidated balance sheet.

(17) Appropriation of Retained Earnings

Dividends are recorded in the fiscal year in which the proposed appropriation of retained earnings is approved by the Board of Directors and at the general meeting of shareholders. There is a dividend limit specified under Article 18 of the Banking Act which states that an amount equal to 20% of the aggregated dividend amount shall be set aside as a legal reserve or legal capital surplus, regardless of Article 445-4 of the Companies Act of Japan.

4. Significant Accounting Estimates

In the consolidated financial statements for the current fiscal year, allowance for loan losses was recognized using accounting estimates, and this item could have a significant impact on the consolidated financial statements for the following fiscal year.

(1) Amount Recorded in the Consolidated Financial Statements for the Current Fiscal Year

Allowance for Loan Losses ¥32,260 million (¥35,246 million on March 31, 2022)

(2) Information That Contributes to Understanding the Contents of Significant Accounting Estimates for Identified Items

i) Calculation Method

The calculation method of allowance for loan losses is described in "Significant Accounting Policies 3 (6) Allowance for Loan Losses."

ii) Key Assumptions

The key assumptions related to the allowance for loan losses include "future performance outlooks of borrowers in determining borrower classification" and "indirect impacts including the COVID-19 impact". With regard to "future performance outlooks of borrowers in determining borrower classification", we evaluate and judge financial results, financial conditions, and repayment capacities of borrowers, in addition to other factors based on industry characteristics and regional economic trends. Regarding the "indirect impacts including the COVID-19 impact", we assume that borrower's repayment capacities could potentially decline due to indirect impacts of external factors such as the COVID-19 impact, and inflation, high commodity prices, and depreciation of the yen which are affected by international situation regarding Ukraine. The allowance for loan losses is recorded based on the assumption that there will be no significant impact on borrower classification to take surveys of the impact regularly and provide appropriate supports according to each borrower's situation. The "indirect impacts including the COVID-19 impact" is expected to continue into the next fiscal year and beyond.

iii) Impact on the Consolidated Financial Statements for the Following Fiscal Year

Such estimates can be affected by uncertainties that are difficult to predict, such as economic trends inside and outside Chiba Prefecture, Japan, changes in the financial and economic environment including real estate prices and interest rates and stock

prices, changes in the business conditions of client companies, the COVID-19 and situation in Ukraine. Changes in the assumptions used in the original estimates can materially affect the total amount of allowance for loan losses in the consolidated financial statements for the following fiscal year.

5. Changes in Accounting Policies

Application of Implementation Guidance on Accounting Standard for Fair Value Measurement

The "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) has been adopted from the beginning of the current fiscal year and the Bank applies new accounting policies prospectively in accordance with the transitional treatment prescribed in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. As a result, for investment trusts that do not have a trading price in the market, the net asset value is treated as the fair value after judging whether there are any significant restrictions that would require market participants to compensate for the risk of redemption, etc. There was no effect on the FY2022 full-year consolidated financial statements as a result of this change.

6. Securities Purchased under Resale Agreements

As for securities purchased under resale agreements or securities accepted as collateral for derivative transactions, ¥17,998 million was held in hand on March 31, 2023 (¥14,999 million on March 31, 2022).

7. Trading Assets

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Trading Account Securities	¥ 8,204	¥ 6,450	\$ 61,442
Derivatives of Trading Securities	3	12	25
Trading-Related Financial Derivatives	16,155	13,474	120,989
Other Trading Assets	138,080	118,818	1,034,080
Total	¥162,444	¥138,757	\$1,216,537

8. Securities

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Japanese Government Bonds	¥ 284,858	¥ 163,323	\$ 2,133,288
Japanese Local Government Bonds	308,074	365,453	2,307,159
Japanese Corporate Bonds	502,115	524,890	3,760,316
Japanese Stocks	270,467	265,829	2,025,520
Other Securities	1,210,590	1,162,727	9,066,060
Total	¥2,576,106	¥2,482,224	\$19,292,344

Securities included investments in non-consolidated subsidiaries and affiliates of ¥15,226 million on March 31, 2023 (¥13,187 million on March 31, 2022).

Guarantee obligations for bonds in private placement (defined in Article 2 (3) of Financial Instruments and Exchange Act) included in Japanese Corporate Bonds was ¥50,630 million as of March 31, 2023 (¥59,289 million as of March 31, 2022).

9. Loans and Bills Discounted

(1) Loans and Bills Discounted :

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Bills Discounted	¥ 8,162	¥ 10,096	\$ 61,130
Loans on Bills	153,984	158,461	1,153,180
Loans on Deeds	11,001,933	10,595,857	82,392,975
Overdrafts	942,986	882,306	7,061,980
Total	¥12,107,066	¥11,646,721	\$90,669,265

Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Committee Practical Guidelines No. 24.

The Bank has rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions. Their total face value as of March 31, 2023 was ¥8,165 million (¥10,099 million as of March 31, 2022).

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 ¥2,455,370 million relating to these contracts, including ¥2,167,083 million of which the term of contracts is less than one year or revocable at any time as of March 31, 2023 (respective amounts were ¥2,517,108 million and ¥2,263,039 million as of March 31, 2022).

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.

Additionally, the unused amount within the limits of overdraft facilities on General Accounts as of March 31, 2023 was ¥767,777 million (¥798,015 million as of March 31, 2022). General Accounts are the Ordinary Deposit Accounts that its depositors can overdraw up to the amounts calculated by multiplying incidental Time Deposits and so on by certain weight.

(2) Disclosed Claims under the Financial Reconstruction Law :

The following table presents claims under the Banking Law and the Law Concerning Emergency Measures for Reconstruction of Financial Functions. Claims refers to bonds (limited to those whose redemption of principal and all or part of the payment of interest thereon are guaranteed, and whose issuance is made through the private placement of securities (as set forth in Article 2, Paragraph 3 of the Financial Instruments and Exchange Act)) included in "Securities" on the consolidated balance sheet, loans, foreign exchanges, and accrued interest and suspense payments included in "Other assets," and items recorded under customers' liabilities for

acceptances and guarantees, as well as securities on loan among the securities with notes (limited to those based on loan-for-use agreements or loan agreements).

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Bankrupt and Substantially Bankrupt Claims	¥ 16,672	¥ 15,242	\$124,856
Doubtful Claims	52,989	55,091	396,839
Loans past due 3 months or more	190	656	1,426
Restructured Loans	43,719	40,525	327,412
Total	¥113,571	¥111,514	\$850,533

Bankrupt and substantially bankrupt claims are claims to borrowers who are subject to bankruptcy, corporate reorganization/rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.

Doubtful Claims are claims to obligors (other than bankrupt and substantially bankrupt claims) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered (Excludes bankrupt and substantially bankrupt claims).

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

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.

The above claims amounts are before deduction of allowance for loan losses.

10. Foreign Exchange Assets

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Due from Foreign Banks (our accounts)	¥4,224	¥4,862	\$31,638
Foreign Bills Bought	2	2	22
Foreign Bills Receivable	1,147	1,105	8,596
Total	¥5,375	¥5,970	\$40,256

11. Other Assets

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Accrued Income	¥ 16,212	¥ 13,272	\$ 121,412
Prepaid Expenses	1,460	1,482	10,939
Derivatives	79,090	56,533	592,302
Lease Investment Assets	54,931	52,353	411,383
Other	168,992	156,249	1,265,578
Total	¥320,687	¥279,891	\$2,401,614

12. Tangible Fixed Assets

Depreciation was computed using the declining-balance method.

Tangible fixed assets were shown at net of the following accumulated depreciation:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
	¥96,133	¥107,363	\$719,941

Deferred gain on real estate deductible for tax purposes amounted to ¥11,766 million as of March 31, 2023 (¥11,760 million as of March 31, 2022).

13. Assets Pledged

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Securities	¥1,001,636	¥ 935,853	\$7,501,212
Loans and Bills Discounted	1,182,829	1,299,855	8,858,155

Liabilities related to the above pledged assets were as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Deposits	¥ 44,702	¥ 74,836	\$ 334,775
Payables under Repurchase Agreements	17,160	13,945	128,517
Payables under Securities Lending Transactions	337,074	262,547	2,524,332
Borrowed Money	1,192,836	1,322,542	8,933,100

In addition, the following was pledged as collateral for settlements of exchange or margins for futures transactions.

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Securities	¥3,230	¥3,508	\$24,192

Initial margins of futures markets of ¥6,523 million, cash collateral paid for financial instruments of ¥108,965 million and guarantee deposits of ¥7,021 million were included in Other Assets as of March 31, 2023

(respective amounts were ¥4,202 million, ¥86,787 million and ¥7,098 million as of March 31, 2022).

14. Deposits

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Current Deposits	¥ 305,601	¥ 307,355	\$ 2,288,638
Ordinary Deposits	11,109,703	10,441,364	83,200,056
Savings Deposits	304,968	291,744	2,283,896
Deposits at Notice	6,436	6,183	48,202
Time Deposits	3,466,204	3,415,370	25,958,245
Other Deposits	215,277	309,183	1,612,205
Subtotal	¥15,408,192	¥14,771,202	\$115,391,241
Negotiable Certificates of Deposit	495,748	552,959	3,712,635
Total	¥15,903,940	¥15,324,161	\$119,103,876

15. Trading Liabilities

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Trading Securities Sold for Short Sales	¥ 5,427	¥ —	\$ 40,645
Derivatives of Trading Securities	2	—	15
Trading-related Financial Derivatives	13,188	10,448	98,770
Total	¥18,618	¥10,448	\$139,431

16. Borrowed Money

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Borrowings from the Bank of Japan and Other Financial Institutions	¥1,206,808	¥1,336,732	\$9,037,730

17. Foreign Exchange Liabilities

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Foreign Bills Sold	¥ 83	¥100	\$ 622
Foreign Bills Payable	641	475	4,805
Total	¥724	¥576	\$5,427

18. Bonds Payable

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Subordinated Bonds	¥ 30,000	¥ 30,000	\$224,669
Straight Bonds	80,038	73,331	599,403
Total	¥110,038	¥103,331	\$824,072

19. Other Liabilities

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Domestic Exchange Settlement Account, credit	¥ 31	¥ 54	\$ 238
Accrued Expenses	12,547	8,607	93,969
Unearned Revenue	39,428	38,004	295,281
Income Taxes Payable	8,004	8,439	59,943
Derivatives	87,296	74,566	653,756
Other	90,417	103,868	677,129
Total	¥237,725	¥233,541	\$1,780,317

20. Retirement Benefit Plans

The Bank and its consolidated subsidiaries have defined benefit plans, i.e., lump-sum payment plans, welfare pension fund plans and tax-qualified pension plans, as well as corporate-type defined contribution plans. The Bank has retirement benefit trusts for lump-sum payment plans since the end of March 2018.

Net retirement benefit liability and retirement benefit cost of the consolidated subsidiaries' lump-sum payment plans are calculated by the simplified method.

I. Defined Benefit Plans**(1) Retirement Benefit Obligation**

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Balance at the Beginning of Current Period	¥80,261	¥80,995	\$601,078
Service Cost	2,371	2,755	17,759
Interest Cost	160	160	1,203
Unrecognized Net Actuarial Gain or Loss	(654)	552	(4,900)
Retirement Benefits Paid	(4,161)	(4,202)	(31,169)
Unrecognized Prior Service Cost	811	—	6,081
Balance at the End of Current Period	¥78,789	¥80,261	\$590,052

(2) Plan Assets at Fair Value

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Balance at the Beginning of Current Period	¥96,106	¥93,931	\$719,735
Expected Return on Plan Assets	3,368	3,296	25,225
Unrecognized Net Actuarial Gain or Loss	(5,105)	(545)	(38,237)
Contributions by the Company	1,075	1,995	8,056
Retirement Benefits Paid	(2,552)	(2,571)	(19,115)
Balance at the End of Current Period	¥92,891	¥96,106	\$695,664

(3) Net Defined Benefit Liability/Asset

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Funded Retirement Benefit Obligation	¥ 78,207	¥ 79,668	\$ 585,691
Plan Assets at fair value	(92,891)	(96,106)	(695,664)
Subtotal	¥(14,684)	¥(16,437)	\$(109,972)
Unfunded Retirement Benefit Obligation	582	593	4,360
Net Amount Accrued on the Balance Sheet	¥(14,102)	¥(15,844)	\$(105,612)

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Net Defined Benefit Liability	¥ 4,476	¥ 732	\$ 33,525
Net Defined Benefit Asset	(18,578)	(16,576)	(139,137)
Net Amount Accrued on the Balance Sheet	¥(14,102)	¥(15,844)	\$(105,612)

(4) Retirement Benefit Cost

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Service Cost	¥ 2,371	¥2,755	\$ 17,759
Interest Cost	160	160	1,203
Expected Return on Plan Assets	(3,368)	(3,296)	(25,225)
Amortization of Unrecognized Net Actuarial Gain or Loss	(674)	(497)	(5,054)
Amortization of Unrecognized Prior Service Costs	81	—	608
Retirement Benefit Cost	¥(1,429)	¥ (877)	\$(10,708)

(5) Remeasurements of Defined Benefit Plans Included in Other Comprehensive Income(before Tax Effect)

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Prior Service Costs	¥ (730)	¥ —	\$ (5,473)
Net Actuarial Gain or Loss	(5,126)	(1,595)	(38,390)
Total	¥(5,856)	¥(1,595)	\$(43,863)

(6) Remeasurements of Defined Benefit Plans Included in Accumulated Other Comprehensive Income(before Tax Effect)

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Unrecognized Prior Service Costs	¥ (730)	¥ —	\$ (5,473)
Unrecognized Net Actuarial Gain or Loss	(3,458)	1,668	(25,898)
Total	¥(4,188)	¥1,668	\$(31,371)

(7) Components of Plan Assets at Fair Value

	2023	2022
Stocks	44%	42%
General Accounts at Life Insurance Companies	15%	14%
Bonds	41%	44%
Other	0%	0%
Total	100%	100%

(8) Assumptions used in Accounting for the above Plans

	2023	2022
Discount Rate	0.2%	0.2%
Expected Rate of Long-Term Return on Plan Assets	3.5%	3.5%
Expected Rates of Future Salary Increases	1.2%-5.8%	1.0%-3.3%

The expected rates of long-term return on plan assets has been estimated based on the anticipated allocation to each asset class and the expected long-term returns on assets held in each category.

II. Defined Contribution Plans

The required contribution amount of the Bank and its consolidated subsidiaries for the fiscal year ended March 31, 2023 was ¥468 million (¥446 million as of March 31, 2022).

21. Revaluation Reserve for Land

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

Date of the revaluation: March 31, 1998

The method of the revaluation (set forth in Article 3 (3) of the Law): Pursuant to Article 2 (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 Article 10 of the Law was ¥25,069 million as of March 31, 2023 (¥25,843 million as of March 31, 2022).

22. Capital Stock

The number of the Bank's authorized shares was 2,500,000,000 as of March 31, 2023 and 2022.

	Number of Shares	
	2023	2022
Shares in Issue	815,521,087	815,521,087

The number of treasury shares held by the Bank was 90,942 thousand as of March 31, 2023 (78,374 thousand as of March 31, 2022).

23. Trading Income

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Gains on Trading Account Securities Transactions	¥ 738	¥3,196	\$ 5,534
Income from Trading-Related Financial Derivatives Transactions	1,227	937	9,195
Other Trading Income	28	19	211
Total	¥1,995	¥4,153	\$14,941

24. Other Ordinary Income

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Gains on Foreign Exchange Transactions	¥2,323	¥1,987	\$17,398
Gains on Sales of Bonds	2,448	1,648	18,335
Income from Derivatives other than for Trading or Hedging	2,678	410	20,062
Other	165	102	1,241
Total	¥7,615	¥4,148	\$57,035

25. Other Income

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Gains on Sales of Stocks and Other Securities	¥ 9,679	¥ 6,109	\$ 72,491
Gains on Money Held in Trust	119	191	893
Revenue on Lease	17,449	17,075	130,681
Recoveries of Written-Off Claims	3,462	1,777	25,928
Reversal of Allowance for Loan Losses	1,352	—	10,132
Equity in Earnings of Affiliates	341	383	2,559
Other	6,646	7,245	49,775
Total	¥39,052	¥32,782	\$292,460

26. Other Ordinary Expenses

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Loss on Sales of Bonds	¥22,446	¥3,092	\$168,104
Loss on Devaluation of Bonds	1	8	12
Other	—	61	—
Total	¥22,448	¥3,163	\$168,116

27. Other Expenses

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Provision of Allowance for Loan Losses	¥ —	¥ 4,373	\$ —
Written-Off of Loans	4,310	4,728	32,285
Losses on Sales of Stocks and Other Securities	165	212	1,243
Losses on Devaluation of Stocks and Other Securities	474	3,153	3,555
Cost of Leased Assets	15,927	15,515	119,277
Loss on Disposal of Fixed Assets	262	456	1,967
Impairment Loss on Fixed Assets	140	85	1,055
Other	6,283	6,655	47,057
Total	¥27,565	¥35,180	\$206,439

28. Cash and Cash Equivalents

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Cash and Due from Banks	¥4,065,850	¥4,201,429	\$30,448,964
Interest-Bearing Deposits included in Due from Banks (excluding Due from BOJ)	(20,691)	(18,375)	(154,955)
Cash and Cash Equivalents	¥4,045,159	¥4,183,054	\$30,294,009

29. Other Comprehensive Income

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Valuation Difference on Available-for-Sale Securities			
Gains (Losses) Arising during the Fiscal Year	¥(46,043)	¥(31,669)	\$(344,818)
Reclassification Adjustment to Profit or Loss	2,090	(4,481)	15,658
Amount before Income Tax Effect	(43,952)	(36,150)	(329,159)
Income Tax Effect	13,303	11,028	99,633
Total	(30,648)	(25,122)	(229,526)
Deferred Gains or Losses on Hedges			
Gains (Losses) Arising during the Fiscal Year	¥ (4,457)	¥ 9,226	\$ (33,385)
Reclassification Adjustment to Profit or Loss	11,954	6,545	89,524
Amount before Income Tax Effect	7,496	15,771	56,139
Income Tax Effect	(2,286)	(4,810)	(17,123)
Total	5,209	10,961	39,017
Remeasurements of Defined Benefit Plans			
Gains (Losses) Arising during the Fiscal Year	¥ (5,182)	¥ (1,097)	\$ (38,809)
Reclassification Adjustment to Profit or Loss	(674)	(497)	(5,054)
Amount before Income Tax Effect	(5,856)	(1,595)	(43,863)
Income Tax Effect	1,786	486	13,378
Total	(4,070)	(1,109)	(30,485)
Share of Other Comprehensive Income of Equity-method Affiliates			
Gains (Losses) Arising during the Fiscal Year	¥ 164	¥ (39)	\$ 1,234
Reclassification Adjustment to Profit or Loss	—	(60)	—
Amount before Income Tax Effect	164	(100)	1,234
Income Tax Effect	—	—	—
Total	164	(100)	1,234
Total Other Comprehensive Income	¥(29,344)	¥(15,370)	\$(219,761)

30. Lease Transactions

Operating Lease Transactions

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Lessee Side (Lease Payables Related to Non-Cancelable Operating Lease Transactions)			
Amount Corresponding to Lease Payables (within 1 year)	¥222	¥223	\$1,667
Amount Corresponding to Lease Payables (over 1 year)	509	410	3,816
Total	¥732	¥634	\$5,483

31. Tax Effect

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Deferred Tax Assets:			
Allowance for Loan Losses	¥ 15,741	¥ 17,920	\$ 117,891
Net Defined Benefit Liability	5,267	5,229	39,449
Write-Offs of Securities	923	970	6,919
Remeasurements of Defined Benefit Plans	1,277	—	9,568
Other	8,114	8,907	60,768
Subtotal	¥ 31,325	¥ 33,027	\$ 234,595
Valuation Allowance	(1,547)	(1,523)	(11,586)
Total Deferred Tax Assets	¥ 29,778	¥ 31,503	\$ 223,009
Deferred Tax Liabilities:			
Valuation Difference on Available-for-Sale Securities	¥(36,658)	¥(49,962)	\$(274,534)
Net Defined Benefit Asset	(4,791)	(3,532)	(35,885)
Remeasurements of Defined Benefit Plans	—	(508)	—
Other	(6,982)	(4,171)	(52,289)
Total Deferred Tax Liabilities	¥(48,432)	¥(58,175)	\$(362,708)
Net Deferred Tax Assets (Liabilities)	¥(18,654)	¥(26,671)	\$(139,699)

For the fiscal years ended March 31, 2022 and 2023, as the difference between the statutory tax rate and the effective income tax rate

was less than 5 percent of the statutory tax rate, the reconciliation of the effective income tax rate is not disclosed.

32. Segment Information

I. Segment Information for the Current Fiscal Year (from April 1, 2022 to March 31, 2023) and the Previous Fiscal Year (from April 1, 2021 to March 31, 2022)

Since the Bank and its consolidated subsidiaries operate solely within the banking segment, segment information is omitted.

II. Related Information

(1) Information by Service Type

Since ordinary income from external customers in the banking business of the Group exceeds 90% of ordinary income in the consolidated statement of income, segment information by service type is omitted.

(2) Information by Geographic Areas

i) Ordinary Income

Since ordinary income from domestic external customers of the Group exceeds 90% of ordinary income in the consolidated statement of income, segment information by geographic areas is omitted.

ii) Tangible Fixed Assets

Since the balance of the Group's tangible fixed assets located in Japan exceeds 90% of the balance of those in the consolidated balance sheet, segment information on tangible fixed assets is omitted.

(3) Information by Major Customers

Since there is no single customer that accounts for more than 10% of ordinary income in the consolidated statement of income, segment information by major customer is omitted.

III. Information about Impairment Loss of Fixed Assets by Reporting Segments

Since the Group operates solely within the banking segment, segment information on impairment loss of fixed assets is omitted.

IV. Information about Amortization Expense and Unamortized Balance of Goodwill by Reporting Segments

Not applicable.

V. Information about Gains from Negative Goodwill by Reporting Segment

Not applicable.

33. Financial Instruments

I. Disclosure on Financial Instruments

(1) Policy on Financial Instruments

The Group conducts market businesses such as deposit-taking, lending and securities investments as a regional bank which is mainly based in Chiba Prefecture, Japan.

The Group takes deposits, which are its main financing source, and invests those deposits in corporate loans, retail housing loans and securities. In order to manage these assets and liabilities and also to make management plans in response to changes in market environment, we have established an ALM management system led by the "ALM Committee".

(2) Types of and Risks Associated with Financial Instruments

Because of corporate and housing loans being our main financial assets the Bank is exposed to credit risk which is the risk of losses on receivable such as those arising from any nonperformance of borrowers.

The Bank holds securities primarily comprising bonds, stocks and investment trusts for investment and operating purposes. These securities are exposed to credit risk of the issuers and market risk arising from changes in interest rates, prices and exchange rates.

The Group's financial liabilities are mainly deposits from retail customers in Chiba Prefecture, Japan, which consist of liquid deposits and time deposits. These deposits are exposed to liquidity risk arising from unexpected outflows of fund in certain situations.

The Group is exposed to interest rate risk caused by any interest rate mismatch or duration mismatch between the assets (e.g., loans) and liabilities (e.g., deposits). We in part hedge the risk using interest rate swaps.

We are also exposed to foreign exchange risk arising from a position mismatch between the foreign currency denominated assets and liabilities, which we in part hedge using currency swaps.

We utilize derivatives for purposes of: addressing customer's various needs for investments and financing, managing risks from the assets and liabilities, and trading (i.e., short term gains from sales). We enter into derivatives transactions to hedge interest rate and exchange rate risks from the assets and liabilities as follows:

	Hedged Items	Hedging Instruments
Interest rate risk hedge	Loans and bills discounted	Interest rate swaps
Foreign exchange risk hedge	Receivables and payables denominated in foreign currencies	Currency swaps Forward foreign exchange

Hedge accounting is applied to these transactions. Derivatives are subject to market risk and credit risk like other transactions on the market.

Certain subsidiaries have leasing credit and installment receivables which are subject to interest rate risk and credit risk.

(3) Risk Management Relating to Financial Instruments

i) Credit Risk Management

We have established the system of self-assessment of assets to provide appropriate allowance and write-offs. We also perform rigid credit risk management through individual credit management and credit portfolio management based on internal rating system. The Compliance and Risk Management Division, which is responsible for credit risk management, has been placed as a division independent of the Credit Unit (including the Business Support Division) for a check-and-balance effect. Further, the Credit Risk Management Committee discusses plans and actions on credit portfolios based on consideration of credit risk situations.

The details of credit risk management are as follows:

(Individual Credit Management)

Branches and the Business Support Division take the lead in credit review in accordance with credit review standards under the basic principles of credit (safety, profitability, liquidity, growth potential and public good). The Business Support Division provides support for customers who need to improve business operations and collection activities with regard to Bankrupt Borrowers and others. The Bank strives to accumulate high-performing loan assets and minimize future losses through these in-advance review and after-the-fact administration.

(Credit Portfolio Management)

Credit portfolio management is to control risk of incurring a major loss at a time due to concentration of individual loans in specific countries or specific industries. The Compliance and Risk Management Division monitors the state of credit risk from various perspectives, such as by country, by industry, and by customer credit rating. They also establish policies and take actions such as setting credit limits to control an increase in credit risk.

ii) Market Risk Management

We have established strict market risk management system including risk limit monitoring. The Compliance and Risk Management

Division, which is responsible for market risk management, has been placed as a division independent of the Treasury Division and overseas branches in business operation unit and the Treasury Operation Division in business management unit, for a check-and-balance effect. The ALM Committee discusses plans and actions on overall management of the assets and liabilities based on market risk situations. The following is how we set and monitor the upper guideline limits:

(Risk Limit Monitoring)

We set and monitor upper guideline limits to control market risk of financial assets such as securities, loans and deposits. In order to control an increase in market risk, we also set upper limits on investment balances, average duration, 10BPV and unrealized gains (losses) according to risk characteristics of transactions and products, and utilize such limits as additional management indicators. We set and monitor upper guideline limits on trading positions and losses.

(Quantitative Information on Market Risk)

(a) Financial Instruments of Banking Account

We use VaR (the assumed maximum loss) for quantitative analysis on market risk of financial instruments such as available-for-sale securities, loans and deposits. For calculating VaR, we have adopted the variance co-variance model (holding period of 1 year; confidence interval of 99.9%; and observation period of 1 year), and the changes of interest and stock price are considered. However, the VaR based on a holding period of 10 days is used for some trading activities, such as market asset trading. Those VaR are used for risk limit monitoring. Our VaR of banking business is ¥238,000 million as of March 31, 2023 (¥213,184 million as of 31, 2022). In case of a 99% confidence level, VaR is ¥182,989 million as of March 31, 2023 (¥168,637 million as of 31, 2022).

(b) Trading Account Financial Instruments

We use VaR for quantitative analysis on market risk of financial instruments such as securities for trading and derivatives. For calculating VaR, we have adopted the variance co-variance model (holding period of 10 days; confidence interval of 99.9%; and observation period of 1 year). Those VaR is used for risk limit monitoring. Our VaR of trading business is ¥130 million as of March 31, 2023 (¥62 million as of 31, 2022). In case of a 99% confidence level, VaR is ¥98 million as of March 31, 2023 (¥47 million as of 31, 2022).

(c) Validity of VaR

We check the validity of the market risk measurement made by VaR approach by the back-test which compares VaR calculated using the model with actual profit or loss. Since VaR estimates possible losses statistically under the certain probability from the past market changes, risk might not be complemented under anomalous market situations.

iii) Liquidity Risk Management

We have established strict liquidity risk management system including limit monitoring. The Compliance and Risk Management Division, which is responsible for liquidity risk management, has been positioned as a division independent of the Treasury Division within financing management unit in order to establish a checks-and-balances effect. The ALM Committee discusses plans and actions on overall management of the assets and liabilities based on liquidity risk situations. In the event of a situation that has a significant impact on cash flows, we would immediately hold a conference chaired by the President and discuss plans to address it. The following section outlines how limits for liquidity management are set and monitored.

(Limit Management)

We set and monitor the minimum level of liquid assets such as government bonds that can be converted to cash in a short time. We also set upper limits on financing from inter-bank and other markets in order to facilitate stable cash flows with our fund-raising capacity.

iv) Integrated Risk Management

We have established rigid integrated risk management system including a risk capital allocation framework. The Compliance and Risk Management Division is responsible for integrated risk management and is the unit that monitors various risks including credit and market risks. In order to ensure that we have capital sufficient for the risks we bear, the Compliance and Risk Management Division also conducts stress test, the results of which the Board of Directors monitors on a regular basis and discuss actions to take as necessary. The following section outlines the details of the Bank's risk capital allocation framework.

(Risk Capital Allocation Framework)

Risk capital allocation framework is to distribute risk capital (tolerable risk) within the capital representing our financial strength, to divisions such as domestic business divisions and treasury divisions in advance. Each division then controls risks within the allocated risk capital. Through this framework, each division conducts its operations focused on the risk-return spectrum (e.g., improves profitability and/or utilize the capital in a more efficient manner) while the entire Bank's financial strength is maintained.

(4) Supplementary Explanation on Fair Value of Financial Instruments

The fair value of financial instruments includes, in addition to values determined based on market prices, those calculated on a reasonable basis if no market price is available. Since certain assumptions are used for the calculations, the result may vary if different assumptions are applied.

II. Disclosure on Fair Value of Financial Instruments

The following table summarizes the amount stated in the consolidated balance sheet and the fair value of financial instruments as of March 31, 2023 with their difference. Note that stocks and others without a market price and investments in limited partnerships are excluded from the following table (Note i). Notes to cash and due from banks, call loans and bills bought, receivables under resale agreements, receivable under securities borrowing transactions, trading assets and liabilities (excluding derivative transactions), foreign exchanges (assets and liabilities), call money and bills sold, payables under repurchase agreements, and payables under securities lending transactions are not shown since the majority of these items are settled within a short period (within one year) and their fair value approximates their book value. Furthermore, some items are not shown since the consolidated balance sheet amounts are insignificant.

	Millions of Yen (Note 1)					
	March 31, 2023			March 31, 2022		
	Consolidated Balance Sheet Amount	Fair Value	Difference ^(*)	Consolidated Balance Sheet Amount	Fair Value	Difference ^(*)
(1) Securities						
Held-to-Maturity Bonds	¥ 9,385	¥ 9,204	¥ (181)	¥ 8,635	¥ 8,746	¥ 111
Available-for-Sale Securities	2,511,774	2,511,774	—	2,427,275	2,427,275	—
(2) Loans and Bills Discounted	12,107,066			11,646,721		
Allowance for Loan Losses ⁽²⁾	(30,110)			(32,669)		
	12,076,956	12,159,094	82,138	11,614,051	11,727,859	113,807
Total Assets	¥14,598,116	¥14,680,073	¥81,956	¥14,049,962	¥14,163,880	¥113,918
(1) Deposits	15,408,192	15,408,214	(21)	14,771,202	14,771,246	(43)
(2) Negotiable Certificates of Deposit	495,748	495,748	—	552,959	552,959	—
(3) Borrowed Money	1,206,808	1,198,814	7,993	1,336,732	1,333,873	2,858
Total Liabilities	¥17,110,748	¥17,102,777	¥ 7,971	¥16,660,893	¥16,658,078	¥ 2,815
Derivative Transactions ⁽³⁾						
Not Qualifying for Hedge Accounting	2,856	2,856	—	2,411	2,411	—
Qualifying for Hedge Accounting ⁽⁴⁾	10,886	10,886	—	2,341	2,341	—
Total Derivative Transactions	¥ 13,743	¥ 13,743	¥ —	¥ 4,752	¥ 4,752	¥ —

(*) Unrealized gains (losses) are presented.

(2) General and specific allowance for Loans and bills discounted is deducted here.

(3) Presents derivative transactions included in Trading assets/liabilities as well as those in Other assets/liabilities. Also presents assets or liabilities arising from derivative transactions on a net basis. Net liability positions are presented with brackets [].

(4) In the current fiscal year, interest rate swaps and currency swaps, etc., designated as hedging instruments to reduce the exposure to fluctuations in interest rates and foreign exchange rates on loans, securities, etc., which are hedged items, are mainly applied as deferred hedges. The Bank applies the "Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (Practical Solution No. 40) to these hedging relations.

(Note i) The following table summarizes stocks and others without a market price and investments in limited partnerships. These are not included in the amount presented under "Available-for-Sale Securities" in the above table.

	Millions of Yen (Note 1)	
	March 31, 2023	March 31, 2022
	Consolidated Balance Sheet Amount	Consolidated Balance Sheet Amount
(1) Unlisted Stocks ^(*) (2)	¥15,636	¥14,882
(2) Investments in Limited Partnerships, etc. ⁽³⁾	39,309	31,431
Total	¥54,946	¥46,314

(*) Fair value of unlisted stocks is not disclosed in accordance with Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19).

(2) An impairment loss of ¥38 million is recorded on these unlisted stocks in the current fiscal year.

(3) Fair value of investments in limited partnerships, etc., is not disclosed in accordance with paragraph 27 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31).

(Note ii) Redemption schedule of monetary claims and securities with maturities:

	Millions of Yen (Note 1)					
	March 31, 2023					
	Within 1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	Over 10 Years
Securities	¥ 179,531	¥ 455,032	¥ 337,664	¥ 162,762	¥ 237,245	¥ 747,193
Held-to-Maturity Bonds	6,676	2,670	—	—	—	—
Available-for-Sale Securities with Maturities	172,854	452,361	337,664	162,762	237,245	747,193
Japanese Government Bonds	10,000	50,000	—	—	—	235,000
Japanese Local Government Bonds	32,432	76,286	52,338	36,827	107,509	4,665
Japanese Short-Term Corporate Bonds	—	—	—	—	—	—
Japanese Corporate Bonds	29,240	97,644	63,124	18,726	20,400	282,499
Loans ^(*)	1,716,269	1,967,987	1,436,752	1,073,401	1,150,380	3,753,288
Total	¥1,895,801	¥2,423,020	¥1,774,416	¥1,236,164	¥1,387,625	¥4,500,482

(*) These amounts do not include loans to Bankrupt, Effectively Bankrupt or Potentially Bankrupt Borrowers and other loans of which redemption amount cannot be projected and those which do not have specific maturities, amounting to ¥1,008,986 million in total.

	Millions of Yen (Note 1)					
	March 31, 2022					
	Within 1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	Over 10 Years
Securities	¥ 153,107	¥ 419,687	¥ 358,046	¥ 121,838	¥ 388,309	¥ 528,626
Held-to-Maturity Bonds	—	7,343	1,223	—	—	—
Available-for-Sale Securities with Maturities	153,107	412,344	356,822	121,838	388,309	528,626
Japanese Government Bonds	12,500	15,000	15,000	—	31,000	88,500
Japanese Local Government Bonds	12,369	85,978	83,711	16,523	164,692	2,299
Japanese Short-Term Corporate Bonds	—	—	—	—	—	—
Japanese Corporate Bonds	37,953	90,506	89,399	16,968	33,200	259,366
Loans ^(*)	1,674,950	1,825,326	1,383,760	1,012,438	1,146,478	3,654,928
Total	¥1,828,057	¥2,245,013	¥1,741,806	¥1,134,277	¥1,534,788	¥4,183,555

(*) These amounts do not include loans to Bankrupt, Effectively Bankrupt or Potentially Bankrupt Borrowers and other loans of which redemption amount cannot be projected and those which do not have specific maturities, amounting to ¥948,839 million in total.

(Note iii) Repayment schedule of interest-bearing liabilities:

	Millions of Yen (Note 1)					
	March 31, 2023					
	Within 1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	Over 10 Years
Deposits ^(*)	¥14,664,978	¥690,111	¥37,462	¥4,863	¥10,777	¥ —
Negotiable Certificates of Deposit	495,748	—	—	—	—	—
Total	¥15,160,726	¥690,111	¥37,462	¥4,863	¥10,777	¥ —

(*) Demand deposits are included in "Within 1 year."

	Millions of Yen (Note 1)					
	March 31, 2022					
	Within 1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	Over 10 Years
Deposits ^(*)	¥13,994,598	¥707,542	¥54,637	¥4,130	¥10,293	¥ —
Negotiable Certificates of Deposit	552,959	—	—	—	—	—
Total	¥14,547,557	¥707,542	¥54,637	¥4,130	¥10,293	¥ —

(*) Demand deposits are included in "Within 1 year."

III. Fair Value Hierarchy

The fair value of financial instruments is categorized into three levels as shown below on the basis of the observability and materiality of the valuation inputs used in fair value measurements.

Fair value of Level 1: Fair value measured by quoted prices of the assets or liabilities which are given in active markets among observable valuation inputs

Fair value of Level 2: Fair value measured by inputs other than inputs included within Level 1 among observable valuation inputs

Fair value of Level 3: Fair value measured by unobservable valuation inputs

When several inputs that have significant impact on fair value measurement are used and those inputs are categorized into different levels, the fair value is categorized into the lowest priority level for fair value measurement among the levels in which each of the inputs belongs.

(1) Financial Instruments Recorded at Fair Value in the Consolidated Balance Sheet

	Millions of Yen (Note 1)				Millions of Yen (Note 1)			
	March 31, 2023				March 31, 2022			
	Fair Value				Fair Value ^(*)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities ⁽²⁾								
Available-for-Sale Securities								
Japanese Government Bonds	¥284,858	¥ —	¥ —	¥ 284,858	¥163,323	¥ —	¥ —	¥ 163,323
Japanese Local Government Bonds	—	308,074	—	308,074	—	365,453	—	365,453
Japanese Corporate Bonds	—	449,657	52,457	502,115	—	464,148	60,741	524,890
Stocks	254,830	—	—	254,830	250,947	—	—	250,947
Foreign Bonds	79,542	514,924	—	594,467	25,607	508,348	—	533,956
Other	59,442	479,191	—	538,633	1	—	—	1
Total Assets	¥678,673	¥1,751,848	¥52,457	¥2,482,979	¥439,878	¥1,337,951	¥60,741	¥1,838,571
Derivative Transactions ⁽³⁾								
Interest Rate-Related Transactions	¥ —	¥ 17,309	¥ —	¥ 17,309	¥ —	¥ 8,869	¥ —	¥ 8,869
Currency-Related Transactions	—	(2,865)	(700)	(3,566)	—	(3,602)	(527)	(4,129)
Stocks-Related Transactions	—	—	—	—	—	—	—	—
Bond-Related Transactions	0	—	—	0	12	—	—	12
Commodity-Related Transactions	—	—	—	—	—	—	—	—
Credit Derivative Transactions	—	—	—	—	—	—	—	—
Total Derivative Transactions	¥ 0	¥ 14,443	¥ (700)	¥ 13,743	¥ 12	¥ 5,267	¥ (527)	¥ 4,752

(*1) The amounts of investment trusts for which transitional measures are applied in accordance with Paragraph 26 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No.31 July 4, 2019) are not included in the table above. The relevant investment trust and others in the consolidated balance sheet for fiscal year 2021 is ¥588,703 million.

(*2) The amounts of investment trusts for which the treatments are applied in accordance with Paragraph 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No.31 June 17, 2021), where the Net Asset Value is deemed to be the fair value, are not included in Securities on the table above. The amount of the investment trusts and others in the consolidated balance sheet for fiscal year 2022 for which the treatment in Paragraph 24-9 is applied is ¥28,794 million yen.

(*3) The amounts collectively represent the derivative transactions which are recorded on "Trading assets," "Trading liabilities," "Other assets" and "Other liabilities." Debts and credits arising from derivative transactions are presented on a net basis, and items that are net liabilities in the total are presented in ().

(2) Financial Instruments Other than Financial Instruments Recorded at Fair Value in the Consolidated Balance Sheet

	Millions of Yen (Note 1)					Millions of Yen (Note 1)				
	March 31, 2023					March 31, 2022				
	Fair Value					Fair Value				
	Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total	
Securities										
Held-to-Maturity Bonds										
Japanese Government Bonds	¥	—	¥	—	¥	—	¥	—	¥	—
Japanese Local Government Bonds		—		—			—		—	
Other		9,204		9,204			8,746		8,746	
Loans and Bills Discounted		—	12,159,094	12,159,094			—	11,727,859	11,727,859	
Total Assets	¥	—	¥ 9,204	¥12,159,094	¥12,168,298	¥	—	¥ 8,746	¥11,727,859	¥11,736,605
Deposits	¥	—	¥15,408,214	¥	¥15,408,214	¥	—	¥14,771,246	¥	¥14,771,246
Negotiable Certificates of Deposit		—	495,748	—	495,748		—	552,959	—	552,959
Borrowed Money		—	1,186,244	12,570	1,198,814		—	1,321,638	12,234	1,333,873
Total Liabilities	¥	—	¥17,090,206	¥ 12,570	¥17,102,777	¥	—	¥16,645,843	¥ 12,234	¥16,658,078

(Note i) Explanation of valuation techniques and valuation inputs used in fair value measurements

Assets

Securities

Fair values of securities for which unadjusted quoted market prices in active markets as Level 1, which includes mainly listed stocks and government bonds. In the case the market is inactive even if the quoted market price is available, those securities are categorized as Level 2, which includes mainly municipal and corporate bonds. For investment trusts which has no market price, if there are no material restrictions that would require compensation for the risk from market participants with respect to cancellation or repurchase requests, the investment trust is classified as Level 2 fair value with Net Asset Value.

Fair values of private placement bonds are measured by discounting the total amount of principal and interest and others at interest rates based on the discount rate reflecting expected loss and various risk factors by categories based on the internal ratings and terms and are categorized as Level 3 since the discount rate is unobservable.

Loans and Bills Discounted

Fair values of loans and bills discounted are measured by discounting the total amount of principal and interest and others at interest rates based on the discount rate reflecting expected loss and various risk factors by categories according to the types, internal ratings and terms of the loans and bills discounted and are categorized as Level 3 since the discount rate is unobservable.

In addition, fair values of claims against bankrupt obligors, substantially bankrupt obligors, and intensive control obligors whose bad debts are measured at the present value of the expected future cash flows or the estimated amounts calculated based on the recoverability from collateral and guarantees approximate the amount of claims and others minus the amount of reserves for possible losses on loans in the consolidated balance sheet as of the consolidated balance sheet date and those amount are considered to be fair values which are categorized as Level 3.

Among the loans and bills discounted, for those without a fixed maturity due to loan characteristics such as limiting loans to within the value of pledged assets, book values are considered to be fair values since fair values are expected to approximate book values based on the estimated loan periods, interest rates and other conditions. Fair values of those loans and bills discounted are categorized as Level 3.

Liabilities

Deposits and Negotiable Certificates of Deposit

For demand deposits, the payment amounts required on the consolidated balance sheet date (i.e., book values) are considered to be fair values. In addition, fair values of time deposits and negotiable certificates of deposits are calculated by classifying them based on their terms and by discounting the future cash flows. The discount rates used in such calculations are the market interest rates. Since fair values of those whose deposit terms are short (i.e., within one year) approximate book values, the book values are considered to be fair values and those fair values are categorized as Level 2.

Borrowed Money

The present value of borrowed money with a fixed interest rate is calculated by discounting future cash flows at an interest rate that takes into account the remaining term of the relevant borrowings and credit risk. For those with short remaining terms (one year or less), the book value is used as the fair value because the fair value is considered to approximate the book value. The book value is used as the fair value of those with floating interest rates because the fair value is considered to approximate the book value since the floating interest rate reflects the market interest rate in a short period of time and the credit conditions of the Bank and its consolidated subsidiaries have not changed significantly since the execution of the loan. If significant unobservable inputs are used in the calculation of such fair value, the fair value is classified as Level 3; otherwise, the fair value is classified as Level 2.

Derivative Transactions

Derivative transactions that can be measured at unadjusted quoted prices in active markets are categorized as Level 1, which includes such transactions as bonds futures.

However, since most derivative transactions are over-the-counter transactions and there are no quoted market prices, market values are measured using valuation techniques such as the discounted cash flow method and the Black-Scholes model, depending on the type of transaction and the maturity period. The main inputs which are used in those valuation techniques are interest rate, currency rate, volatility and others. In addition, price adjustments based on credit risk of counterparty and credit risk of the Bank itself. When unobservable inputs are not used or impact of unobservable inputs are not material, transactions are categorized as Level 2, which includes such transactions as plain vanilla interest rate swaps and foreign exchange forwards. When significant unobservable inputs are used, transactions are categorized as Level 3, which includes transactions such as long-term currency-related transactions.

(Note ii) Information relating to fair values of Level 3 among the financial instruments recorded at fair value in the consolidated balance sheet

(1) Quantitative Information of Significant Unobservable Valuation Inputs

	Millions of Yen (Note 1)				Millions of Yen (Note 1)			
	March 31, 2023				March 31, 2022			
	Principal Valuation Technique	Significant Unobservable Valuation Input	Range of Valuation Input	Weighted Average	Principal Valuation Technique	Significant Unobservable Valuation Input	Range of Valuation Input	Weighted Average
Securities								
Available-for-Sale Securities								
Japanese Corporate Bonds								
Private Placement Bonds	Discounted cash flow method	Discount rate	0.00% - 3.54%	0.08%	Discounted cash flow method	Discount rate	0.01% - 4.33%	0.12%
Derivative Transactions								
Currency-Related Transactions	Option valuation model	Volatility	8.49% - 8.89%	—	Option valuation model	Volatility	8.90% - 10.78%	—

(2) Balances at the Beginning and the End of Current Period and the Unrealized Gains (Losses) Included in the Income (Expenses) for the Period

	Millions of Yen (Note 1)							
	March 31, 2023							
	Income (Expenses) for the Period/ Other Comprehensive Income							Unrealized Gains (Losses) on Financial Assets and Liabilities Held as of the Consolidated Balance Sheet Date Among the Amount Recorded to Income (Expenses) for the Period ⁽¹⁾
	Beginning Balance	Recorded to Income (Expenses) for the Period ⁽¹⁾	Recorded to Other Comprehensive Income ⁽²⁾	Net Amount of Purchase, Sale, Issue, and Settlement	Transfer to Fair Values of Level 3	Transfer from Fair Values of Level 3 ⁽³⁾	Ending Balance as of Period	
Securities								
Available-for-Sale Securities								
Japanese Corporate Bonds								
Private Placement Bonds	¥60,741	¥ 4	¥21	¥(8,310)	¥—	¥—	¥52,457	¥ —
Derivative Transactions								
Currency-Related Transactions	¥ (527)	¥(173)	¥—	¥ —	¥—	¥—	¥ (700)	¥(173)

(¹) Those amounts are included in Other Ordinary Income and Other Ordinary Expenses in the consolidated statement of income.

(²) Those amounts are included in Valuation Difference on Available-for-sale Securities of Other Comprehensive Income in the consolidated statement of comprehensive income.

Millions of Yen (Note 1)								
March 31, 2022								
	Income (Expenses) for the Period/ Other Comprehensive Income							Unrealized Gains (Losses) on Financial Assets and Liabilities Held as of the Consolidated Balance Sheet Date Among the Amount Recorded to Income (Expenses) for the Period ^(*)
	Beginning Balance	Recorded to Income (Expenses) for the Period ^(*)	Recorded to Other Comprehensive Income ^(*)	Net Amount of Purchase, Sale, Issue, and Settlement	Transfer to Fair Values of Level 3	Transfer from Fair Values of Level 3 ^(*)	Ending Balance as of Period	
Securities								
Available-for-Sale Securities								
Japanese Corporate Bonds								
Private Placement Bonds	¥68,567	¥ (1)	¥(101)	¥(7,723)	¥ —	¥ —	¥60,741	¥ —
Derivative Transactions								
Currency-Related Transactions	¥ (858)	¥644	¥ —	¥ (489)	¥ —	¥176	¥ (527)	¥644

(*) Those amounts are included in Other Ordinary Income and Other Ordinary Expenses in the consolidated statement of income.

(*) Those amounts are included in Valuation Difference on Available-for-sale Securities of Other Comprehensive Income in the consolidated statement of comprehensive income.

(*) Those are the transfers from Level 3 to Level 2, mainly due to increase of the observability of the input which is used in fair value measurements for options. The transfer was made on the end of the current fiscal year.

(3) Explanation of the Process of Fair Value Measurement

In the Group, middle-offices and back-offices have established policies and procedures related to the measurement of fair values and procedures related to usage of the valuation model. For the fair values and the level categories, the validity of the valuation techniques and valuation inputs used in fair value measurement are verified.

In fair value measurement, valuation models in which the nature, characteristics and risks of individual assets are most appropriately reflected are used. In addition, when quoted prices obtained from third parties are used, the validity of the prices is verified by appropriate methods such as confirmation of valuation techniques and used valuation inputs and comparison with the fair values of similar financial instruments.

(4) Explanation of the Impact on Fair Values in the Case where Significant Unobservable Inputs Are Fluctuated

Discount rate

The discount rate is an adjustment rate to a benchmark market interest rate such as TONA or swap rates. It primarily consists of a risk premium component which is the amount of compensation that market participants require due to the uncertainty inherent in the financial instruments' cash flows resulting from credit risk. A significant increase (decrease) in discount rate would generally significantly impact the valuation of the fair values of financial instruments negatively (positively).

Volatility

Volatility is a measure of the expected change in variables over a fixed period of time. Some financial instruments benefit from an increase in volatility and others benefit from a decrease in volatility. Generally, a significant increase (decrease) in volatility would result in a significant increase (decrease) in option values and, for a long position in an option, it would result in a significant increase (decrease) in the fair values of financial instruments.

34. Market Value of Securities**(1) Trading Securities**

	Millions of Yen (Note 1)	
	March 31, 2023	March 31, 2022
	Unrealized Gains (Losses) Included in the Consolidated Statement of Income	Unrealized Gains (Losses) Included in the Consolidated Statement of Income
Trading Securities	¥(86)	¥(61)

(2) Marketable Securities Held to Maturity

		Millions of Yen (Note 1)					
		March 31, 2023			March 31, 2022		
		Consolidated Balance Sheet Amount	Fair Value	Difference	Consolidated Balance Sheet Amount	Fair Value	Difference
(a) Securities for which the Fair Value Exceeds the Consolidated Balance Sheet Amount	Bonds:						
	Japanese Government Bonds	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
	Japanese Local Government Bonds	—	—	—	—	—	—
	Japanese Short-Term Corporate Bonds	—	—	—	—	—	—
	Japanese Corporate Bonds	—	—	—	—	—	—
	Other	—	—	—	8,635	8,746	111
	Foreign Bonds	—	—	—	8,635	8,746	111
Subtotal		¥ —	¥ —	¥ —	¥8,635	¥8,746	¥111
(b) Securities for which the Fair Value Does Not Exceed the Consolidated Balance Sheet Amount	Bonds:						
	Japanese Government Bonds	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
	Japanese Local Government Bonds	—	—	—	—	—	—
	Japanese Short-Term Corporate Bonds	—	—	—	—	—	—
	Japanese Corporate Bonds	—	—	—	—	—	—
	Other	9,385	9,204	(181)	—	—	—
	Foreign Bonds	9,385	9,204	(181)	—	—	—
Subtotal		¥9,385	¥9,204	¥(181)	¥ —	¥ —	¥ —
Total		¥9,385	¥9,204	¥(181)	¥8,635	¥8,746	¥111

(3) Marketable Securities Available for Sale

		Millions of Yen (Note 1)					
		March 31, 2023			March 31, 2022		
		Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
(a) Securities for which the Fair Value Exceeds the Amortized Acquisition Cost	Stocks	¥ 242,735	¥ 72,987	¥169,748	¥ 240,151	¥ 77,077	¥163,074
	Bonds:	420,949	416,220	4,729	339,081	337,986	1,094
	Japanese Government Bonds	176,420	172,125	4,295	63,243	62,800	442
	Japanese Local Government Bonds	130,713	130,475	237	138,554	138,180	373
	Japanese Short-Term Corporate Bonds	—	—	—	—	—	—
	Japanese Corporate Bonds	113,816	113,619	196	137,284	137,005	278
	Other	310,136	285,162	24,974	487,288	445,762	41,525
	Foreign Bonds	90,277	89,566	710	169,179	167,978	1,201
	Subtotal	¥ 973,822	¥ 774,369	¥199,452	¥1,066,521	¥ 860,826	¥205,694
(b) Securities for which the Fair Value Does Not Exceed the Amortized Acquisition Cost	Stocks	¥ 12,095	¥ 14,202	¥ (2,106)	¥ 10,795	¥ 14,190	¥ (3,395)
	Bonds:	674,098	690,282	(16,184)	714,585	724,006	(9,421)
	Japanese Government Bonds	108,437	110,625	(2,188)	100,079	103,037	(2,958)
	Japanese Local Government Bonds	177,361	180,337	(2,975)	226,899	228,591	(1,692)
	Japanese Short-Term Corporate Bonds	—	—	—	—	—	—
	Japanese Corporate Bonds	388,298	399,319	(11,020)	387,605	392,377	(4,771)
	Other	851,759	912,937	(61,178)	635,372	664,312	(28,939)
	Foreign Bonds	504,189	534,920	(30,730)	364,776	380,526	(15,750)
	Subtotal	¥1,537,952	¥1,617,422	¥ (79,469)	¥1,360,753	¥1,402,510	¥ (41,756)
Total		¥2,511,774	¥2,391,792	¥119,982	¥2,427,275	¥2,263,336	¥163,938

(4) Securities Held to Maturity Sold during the Fiscal Year

None.

(5) Securities Available for Sale Sold during the Fiscal Year

	Millions of Yen (Note 1)					
	March 31, 2023			March 31, 2022		
	Proceeds from Sales	Gain	Loss	Proceeds from Sales	Gain	Loss
Stocks	¥ 15,116	¥ 8,472	¥ 0	¥ 14,381	¥5,248	¥ 177
Bonds:	460,107	233	3,779	157,894	215	219
Japanese Government Bonds	385,126	228	2,060	134,186	185	210
Japanese Local Government Bonds	53,693	—	937	18,457	5	8
Japanese Short-Term Corporate Bonds	—	—	—	—	—	—
Japanese Corporate Bonds	21,286	4	781	5,250	25	—
Other	225,172	3,423	17,564	138,686	2,293	2,907
Foreign Bonds	146,548	292	14,556	118,459	1,176	2,792
Total	¥700,395	¥12,128	¥21,343	¥310,962	¥7,757	¥3,304

(6) Securities for Which the Holding Purpose Has Changed

None.

(7) Impairment Losses on Securities

Marketable securities available for sale (excluding stocks and others without a market price and investments in limited partnerships) are subject to write-downs when the market value or reasonably estimated value of these securities (collectively, “fair value”) (in principle, the market price on the last day of the fiscal year) has declined considerably and it is not probable that the value will recover to the acquisition cost. In such case, any differences between fair value and acquisition cost are recognized as losses for the period. For the current fiscal year, impairment losses were ¥438 million (Stocks; ¥436 million, Corporate bonds; ¥1 million) (¥3,162 million (Stocks; ¥3,153 million, Corporate bonds; ¥8 million) for the previous fiscal year).

“Considerable decline in fair value” is determined based on the classification of issuers in accordance with the internal standards for self-assessment of assets as follows:

Bankrupt, effectively bankrupt and potentially bankrupt

Fair value is lower than acquisition cost.

Requiring caution

Fair value has declined by 30% or more from acquisition cost.

Normal

Fair value has declined by 50% or more from acquisition cost, or fair value has declined by more than 30% but less than 50% from acquisition cost and stayed below a certain level.

Bankrupt issuer means one who has entered into bankruptcy, special liquidation proceedings, corporate rehabilitation, civil rehabilitation or similar legal proceedings or whose notes have been dishonored and suspended from processing through clearing houses.

Effectively bankrupt issuer means one who is not legally or formally bankrupt but regarded as substantially in a similar condition.

Potentially bankrupt issuer means one who is not legally bankrupt but deemed to have high possibility of becoming bankrupt.

Requiring caution issuer means one who is financially weak and under close monitoring conducted by the Bank.

Normal issuer means one who does not belong to the other categories.

35. Money Held in Trust**(1) Money Held in Trust for Trading Purposes**

None.

(2) Money Held in Trust for Held to Maturity Purposes

None.

(3) Money Held in Trust for Other Purposes

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Acquisition Cost	¥9,279	¥9,879	\$69,490
Consolidated Balance Sheet Amount	9,279	9,879	69,490
Valuation Differences	—	—	—
Gains	—	—	—
Losses	—	—	—

36. Valuation Difference on Available-for-Sale Securities

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Valuation Difference	¥119,868	¥163,820	\$897,687
Securities Available for Sale	119,868	163,820	897,687
Other Money Held in Trust	—	—	—
Deferred Tax Liabilities (Assets)	36,658	49,962	274,534
Valuation Difference, Net of Taxes	¥ 83,209	¥113,858	\$623,154
Net Unrealized Gains on Securities Available for Sale Owned by Subsidiaries, which is Attributable to the Parent	697	533	5,225
Valuation Difference on Available-for- Sale Securities	¥ 83,907	¥114,391	\$628,379

37. Derivative Transactions**(1) Derivative Transactions to Which Hedge Accounting Is Not Applied**

With respect to the derivative transactions, contract amount or notional principal, fair value, unrealized gains (losses) and fair value calculation by transaction type as of the consolidated balance sheet date are as follows. Contract amount or notional principal does not necessarily represent market risk of the derivative transaction.

(a) Interest Rate Derivatives

Millions of Yen (Note 1)					
March 31, 2023					
Notional Principal or Contract Amount					
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)	
Listed:					
Futures:					
Sold	¥ —	¥ —	¥ —	¥ —	—
Bought	—	—	—	—	—
Options:					
Sold	—	—	—	—	—
Bought	—	—	—	—	—
Over-the-Counter:					
FRA:					
Sold	—	—	—	—	—
Bought	—	—	—	—	—
Swaps:					
Receive Fixed / Pay Float	1,219,089	1,003,057	(8,881)	(8,881)	
Receive Float / Pay Fixed	1,145,682	928,740	11,712	11,712	
Receive Float / Pay Float	134,700	126,800	104	104	
Options:					
Sold	860	860	(4)	(4)	
Bought	—	—	—	—	
Other:					
Sold	380	310	(3)	(3)	
Bought	—	—	—	—	
Total	¥ —	¥ —	¥ 2,928	¥ 2,928	

(*) The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statement of income.

Millions of Yen (Note 1)					
March 31, 2022					
Notional Principal or Contract Amount					
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)	
Listed:					
Futures:					
Sold	¥ —	¥ —	¥ —	¥ —	—
Bought	—	—	—	—	—
Options:					
Sold	—	—	—	—	—
Bought	—	—	—	—	—
Over-the-Counter:					
FRA:					
Sold	—	—	—	—	—
Bought	—	—	—	—	—
Swaps:					
Receive Fixed / Pay Float	1,791,874	1,180,427	3,402	3,402	
Receive Float / Pay Fixed	1,800,023	1,107,376	(315)	(315)	
Receive Float / Pay Float	97,050	53,250	(106)	(106)	
Options:					
Sold	910	860	(5)	(5)	
Bought	—	—	—	—	
Other:					
Sold	510	430	(1)	(1)	
Bought	—	—	—	—	
Total	¥ —	¥ —	¥ 2,972	¥ 2,972	

(*) The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statement of income.

(b) Currency Derivatives

		Millions of Yen (Note 1)			
		March 31, 2023			
		Notional Principal or Contract Amount		Unrealized Gains (Losses)	
		Total	Over 1 Year	Fair Value	
Listed:					
Futures:					
Sold	¥	—	¥	—	¥
Bought		—	—	—	—
Options:					
Sold		—	—	—	—
Bought		—	—	—	—
Over-the-Counter:					
Currency Swaps		84,806	38,877	51	51
Forward Foreign Exchange:					
Sold		74,733	—	2,475	2,475
Bought		66,577	—	(2,103)	(2,103)
Currency Options:					
Sold		594,609	—	(47,425)	4,213
Bought		594,609	—	46,930	1,149
Other:					
Sold		—	—	—	—
Bought		—	—	—	—
Total	¥	—	¥	—	¥ (72) ¥ 5,785

(*) The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statement of income.

		Millions of Yen (Note 1)			
		March 31, 2022			
		Notional Principal or Contract Amount		Unrealized Gains (Losses)	
		Total	Over 1 Year	Fair Value	
Listed:					
Futures:					
Sold	¥	—	¥	—	¥
Bought		—	—	—	—
Options:					
Sold		—	—	—	—
Bought		—	—	—	—
Over-the-Counter:					
Currency Swaps		230,537	67,291	66	66
Forward Foreign Exchange:					
Sold		20,618	—	(705)	(705)
Bought		14,140	—	414	414
Currency Options:					
Sold		525,743	—	(47,573)	3,531
Bought		525,743	—	47,223	1,904
Other:					
Sold		—	—	—	—
Bought		—	—	—	—
Total	¥	—	¥	—	¥ (574) ¥ 5,212

(*) The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statement of income.

(c) Equity Derivatives

None.

(d) Bond Derivatives

		Millions of Yen (Note 1)			
		March 31, 2023			
		Notional Principal or Contract Amount		Unrealized Gains (Losses)	
		Total	Over 1 Year	Fair Value	
Listed:					
Futures:					
Sold		¥14,811	¥—	¥(0)	¥(0)
Bought		1,035	—	1	1
Futures Options:					
Sold		—	—	—	—
Bought		—	—	—	—
Over-the-Counter:					
Options:					
Sold		—	—	—	—
Bought		—	—	—	—
Other:					
Sold		—	—	—	—
Bought		—	—	—	—
Total	¥	—	¥—	¥ 0	¥ 0

(*) The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statement of income.

		Millions of Yen (Note 1)			
		March 31, 2022			
		Notional Principal or Contract Amount		Unrealized Gains (Losses)	
		Total	Over 1 Year	Fair Value	
Listed:					
Futures:					
Sold		¥2,557	¥—	¥12	¥12
Bought		—	—	—	—
Futures Options:					
Sold		—	—	—	—
Bought		—	—	—	—
Over-the-Counter:					
Options:					
Sold		—	—	—	—
Bought		—	—	—	—
Other:					
Sold		—	—	—	—
Bought		—	—	—	—
Total	¥	—	¥—	¥12	¥12

(*) The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statement of income.

(e) Commodity Derivatives

None.

(f) Credit Derivatives

None.

(2) Derivative Transactions to Which Hedge Accounting Is Applied

With respect to the derivative transactions, contract amount or notional principal, fair value, unrealized gains (losses) and fair value calculation by hedge accounting method as of the consolidated balance sheet date are as follows. Contract amount or notional principal does not necessarily represent market risk of the derivative transaction.

(a) Interest Rate Derivatives

Millions of Yen (Note 1)				
March 31, 2023				
	Hedged item	Notional Principal or Contract Amount		Fair Value
		Total	Over 1 Year	
Principle Method				
Interest Swap	Interest-bearing financial assets and liabilities including loans, available-for-sale debt securities, deposits and negotiable certificates of deposit			
Receive Fixed / Pay Float		¥ 45,400	¥ 45,400	¥ 355
Receive Float / Pay Fixed		806,761	706,414	14,025
Receive Float / Pay Float		—	—	—
Other		—	—	—
Exceptional Accrual Method				
Interest Swap	Loans			
Receive Fixed / Pay Float		—	—	
Receive Float / Pay Fixed		69,751	55,736	^{*2}
Receive Float / Pay Float		—	—	
Total	—	¥ —	¥ —	¥14,381

(*1) Deferred hedge is primarily applied to the above transactions under the "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Committee Practical Guidelines No. 24).

(*2) Since derivative transactions qualifying for the exceptional accrual method are treated as a unit of the underlying loans as the hedged items, those fair values are included in fair values of such loans in "33. Financial Instruments."

Millions of Yen (Note 1)				
March 31, 2022				
	Hedged item	Notional Principal or Contract Amount		Fair Value
		Total	Over 1 Year	
Principle Method				
Interest Swap	Interest-bearing financial assets and liabilities including loans, available-for-sale debt securities, deposits and negotiable certificates of deposit			
Receive Fixed / Pay Float		¥ —	¥ —	¥ —
Receive Float / Pay Fixed		561,017	463,390	5,896
Receive Float / Pay Float		—	—	—
Other		—	—	—
Exceptional Accrual Method				
Interest Swap	Loans			
Receive Fixed / Pay Float		—	—	
Receive Float / Pay Fixed		47,854	42,676	^{*2}
Receive Float / Pay Float		—	—	
Total	—	¥ —	¥ —	¥ 5,896

(*1) Deferred hedge is primarily applied to the above transactions under the "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24).

(*2) Since derivative transactions qualifying for the exceptional accrual method are treated as a unit of the underlying loans as the hedged items, those fair values are included in fair values of such loans in "33. Financial Instruments."

(b) Currency Derivatives

Method of hedge accounting : Principle method

Millions of Yen (Note 1)				
March 31, 2023				
	Hedged item	Notional Principal or Contract Amount		Fair Value
		Total	Over 1 Year	
Currency Swap	Foreign currency denominated loans, securities, deposits and foreign exchanges	¥484,012	¥187,782	¥(3,494)
Total	—	¥ —	¥ —	¥(3,494)

(*) Deferred hedge is primarily applied to the above transactions under the "Treatment for Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Committee Practical Guidelines No. 25).

Millions of Yen (Note 1)				
March 31, 2022				
	Hedged item	Notional Principal or Contract Amount		Fair Value
		Total	Over 1 Year	
Currency Swap	Foreign currency denominated loans, securities, deposits and foreign exchanges	¥314,267	¥150,181	¥(3,555)
Total	—	¥ —	¥ —	¥(3,555)

(*) Deferred hedge is primarily applied to the above transactions under the "Treatment for Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 25).

(c) Equity Derivatives

None.

(d) Bond Derivatives

None.

38. Per Share Data

	Yen (Note 1)		U.S. Dollars (Note 1)
	2023	2022	2023
Net Assets per Share of Common Stock	¥1,464.45	¥1,436.74	\$10.97
Profit per Share of Common Stock	82.52	73.47	0.62
Diluted Net Income per Share of Common Stock ^(*)	—	73.45	—

(*) Diluted Net Income per Share of Common Stock for current fiscal year is not shown in the above table, as there are no dilutive shares.

I. Basis on Calculating Net Assets per Share

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Total Net Assets	¥1,061,115	¥1,059,091	\$7,946,647
Less: Subscription Rights to Shares	—	—	—
Consolidated Net Assets Attributable to Common Stock	¥1,061,115	¥1,059,091	\$7,946,647

	Number of Shares	
	2023	2022
Number of Shares of Common Stock Used for Calculating Net Assets per Share	724,579,167	737,147,022

II. Basis on Calculating Net Income per Share

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2023	2022	2023
Profit Attributable to Owners of Parent	¥60,276	¥54,498	\$451,410
Not Attributable to Common Stock	—	—	—
Profit Attributable to Owners of Parent for Common Stock	¥60,276	¥54,498	\$451,410

	Number of Shares	
	2023	2022
Average Number of Shares of Common Stock (excluding Treasury Shares)	730,404,868	741,684,365

The increase in the number of shares of common stock represents stock options totaling 0 (250 thousand for the previous fiscal year), which are used for calculating diluted profit per share.

39. Related Party Transactions**I. Related Party Transactions****(1) Transactions between the Bank and Related Parties**

Directors of the Bank or major shareholders (individuals only), etc.

For the Fiscal Year Ended March 31, 2022

None.

For the Fiscal Year Ended March 31, 2023

Party Classification	Name of Company or Individual	Address	Capital	Type of Business	Percentage of Voting Rights Held by the Bank	Relations with Related Party	Type of Transaction	Amounts of the Transactions	Account Classification	Balance at the Fiscal Year-End
Company, a majority of whose voting rights are owned by the close members of directors' respective families	DAIICHI KYOSO CORPORATION	Kimitsu-shi, Chiba Pref.	¥0 million	General civil engineering and construction	Ownership direct 0.00	—	Lending	Average balance of ¥38 million	Loan	¥46 million

The terms of transactions and policies of determining the terms are similar to general cases.

(2) Transactions between Subsidiaries of the Bank and Related Parties

None.

II. Notes to the Parent Company or Major Affiliated Companies

None.

40. Cash Dividends Paid**I. Cash Dividends Paid for the Fiscal Year Ended March 31, 2022**

Resolution	Category of Shares	Total Amounts of Cash Dividends Paid Millions of Yen (Note 1)	Cash Dividends per Share Yen (Note 1)	Record Date	Effective Date
Annual General Shareholders Meeting, held on June 25, 2021	Common Stock	¥8,172	¥11.00	March 31, 2021	June 28, 2021
Board of Directors, held on November 8, 2021	Common Stock	¥8,188	¥11.00	September 30, 2021	December 3, 2021

II. Cash Dividends Paid for the Fiscal Year Ended March 31, 2023

Resolution	Category of Shares	Total Amounts of Cash Dividends Paid Millions of Yen (Note 1)	Cash Dividends per Share Yen (Note 1)	Record Date	Effective Date
Annual General Shareholders Meeting, held on June 28, 2022	Common Stock	¥9,582	¥13.00	March 31, 2022	June 29, 2022
Board of Directors, held on November 7, 2022	Common Stock	¥9,501	¥13.00	September 30, 2022	December 5, 2022

III. Cash Dividends with the Record Date in the Fiscal Year Ended March 31, 2023 and the Effective Date in the Fiscal Year Ending March 31, 2024

Resolution	Category of Shares	Total Amounts of Cash Dividends Paid Millions of Yen (Note 1)	Source of Dividends	Cash Dividends per Share Yen (Note 1)	Record Date	Effective Date
Annual General Shareholders Meeting, held on June 28, 2023	Common Stock	¥10,868	Retained Earnings	¥15.00	March 31, 2023	June 29, 2023

41. Stock Options

None.

42. Subsequent Events

None.



Independent Auditor's Report

The Board of Directors
The Chiba Bank, Ltd.

Opinion

We have audited the accompanying consolidated financial statements of The Chiba Bank, Ltd. and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2023, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Determination of the classification of borrowers for the purpose of determining allowance for loans losses	
Description of Key Audit Matter	Auditor's Response
In the Consolidated Balance Sheet, The Chiba Bank, Ltd. and its consolidated subsidiaries (the "Group") recorded the loans and bills discounted of ¥12,107,066 million (61.18% of total assets) and the allowance for loan losses of ¥32,260 million.	We mainly performed the following audit procedures to evaluate the classification of borrowers.



<p>The specific method applied for recording the allowance for loan losses by the Group is described in Note 3 “Significant Accounting Policies, (6) “Allowance for Loan Losses” and in Note 4 “Significant Accounting Estimates” in the notes to consolidated financial statements.</p> <p>The allowance for loan losses is determined in accordance with the Group’s policy and guidelines for the self-assessment of asset quality and internal standards for write-offs and provisions.</p> <p>The process for determining the allowance for loan losses involves certain estimates such as borrower classification, which is determined by assessing the borrower’s ability to repay loans in consideration of its repayment status, financial position, business performance and future prospects based on the aforementioned factors; assessment of estimated recoverable amounts of collateral; determination of the expected loss ratio based on the historical loan loss ratio; and necessary revisions in consideration of other future expectations and the like.</p> <p>These estimates include the impact of the COVID-19 and inflation and rising resource prices in supply chains due to the invasion of Ukraine by Russia on borrowers and their business partners inside and outside Chiba Prefecture, as well as other difficult-to-forecast uncertainties, such as fluctuations in real estate prices, interest rates, and stock prices.</p> <p>In particular, determining the classification of borrowers requires evaluation of the economic trends in the industries and regions specific to each borrower, and their financial position and ability to repay loans based on these trends.</p> <p>In cases of borrowers with poor business performance or facing financial difficulties, a high level of judgment by the Group is necessary on the prospect of future business performance recovery or the possibility of business improvement.</p>	<p>(Evaluation of internal controls)</p> <ul style="list-style-type: none"> • We mainly performed the following procedures to evaluate the design and operating effectiveness of the Group’s internal controls with respect to the items specified below related to the determining the classification of borrowers and to credit ratings that form the basis for such determination. • The implementation status of rules relating to credit ratings and self-assessments • Accuracy of the financial information about borrowers reflected in the system, which is used to determine credit ratings and perform self-assessments • Appropriateness of approval by the department responsible for the review of self-assessments <p>(Determining the classification of borrowers)</p> <ul style="list-style-type: none"> • We sampled individual borrowers subject to inspection in consideration of both quantitative and qualitative factors. With respect to quantitative factors, we considered the quantitative impact on the amounts recorded in the allowance for loan losses when borrowers were not appropriately classified. With respect to qualitative factors, we considered, for example, the status of the Group’s focus on credit management, the industry to which individual borrowers belong, and the impact of the economic environment (e.g., the COVID-19 and inflation and rising resource prices in supply chains due to the invasion of Ukraine by Russia). • We performed the following audit procedures to inspect the classification of individual borrower.
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<p>The degree of future uncertainty varies depending on factors such as the business type and operating region of the borrower. Especially, in the case of a borrower for which the Group is focusing on credit management and whose repayment status or financial position has deteriorated, it is important to make judgment on the outlook for improvement in these areas (including business improvement plans).</p> <p>The outlook for such improvement is affected by changes in the economic environment surrounding the borrower and the success or failure of the borrower's business strategy. Therefore, there is a higher degree of uncertainty in estimates and reliance on management's judgment.</p> <p>Accordingly, in light of the economic environment surrounding these borrowers, we have determined that determination of the classification of borrowers with respect to those borrowers for which the Group is focusing on credit management, is a key audit matter.</p>	<ul style="list-style-type: none"> • To ascertain the recent repayment status, financial position, and business performance of borrowers, we made inquiries of the persons responsible in departments in charge of oversight of loans as necessary (the Business Support Division and bank branches) and analyzed their responses. In addition, we inspected and examined a set of materials from the Group related to self-assessments (e.g., explanatory materials including a description of the business, materials regarding borrowing and repayment status, research materials providing an understanding of actual financial position, financial statements, and trial balances). • To evaluate the future outlook regarding the repayment status, financial position, and business performance of borrowers, we verified assessments performed by the Group with respect to the reasonableness and feasibility of business improvement plans of these borrowers. Furthermore, we made inquiries of the persons responsible in departments in charge of oversight of loans as necessary (the Business Support Division and bank branches) and analyzed their responses. • To assess the impact of economic trends inside and outside of Chiba Prefecture as well as the impact of COVID-19, inflation, and rising resource prices on the business performance of borrowers and determining their classification, we examined the content of research materials prepared by the Group. We also made inquiries of the persons responsible in departments in charge of loans as necessary (the Compliance and Risk Management Division, the Business Support Division, and bank branches) obtained necessary supporting documentation and analyzed their responses. Furthermore, we obtained and reviewed supporting evidence, including available external information.
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Other Information

The other information comprises the information included in the Financial Data 2023 that contains audited consolidated financial statements but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Corporate Auditor and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Corporate Auditor and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditor and the Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Corporate Auditor and the Board of Corporate Auditors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.



Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2023 are presented solely for convenience. Our audit also included the translation of Japanese 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 LLC
Tokyo, Japan

July 31, 2023

/s/Noboru Miura

Noboru Miura
Designated Engagement Partner
Certified Public Accountant

/s/Nobuko Kubo

Nobuko Kubo
Designated Engagement Partner
Certified Public Accountant

/s/Motoki Nagao

Motoki Nagao
Designated Engagement Partner
Certified Public Accountant

Non-Consolidated Balance Sheet (Unaudited)

The Chiba Bank, Ltd.
As of March 31, 2023

	Millions of Yen*1		Thousands of U.S. Dollars*2
	2023	2022	2023
Assets			
Cash and Due from Banks	¥ 4,061,582	¥ 4,197,816	\$ 30,417,003
Call Loans	335,089	152,070	2,509,471
Receivables under Resale Agreements	17,999	14,999	134,800
Receivables under Securities Borrowing Transactions	5,446	—	40,791
Monetary Claims Bought	10,982	10,400	82,249
Trading Assets	161,660	137,929	1,210,667
Money Held in Trust	2,079	2,079	15,570
Securities	2,554,340	2,463,245	19,129,337
Loans and Bills Discounted	12,153,618	11,691,342	91,017,887
Foreign Exchanges	5,375	5,970	40,256
Other Assets	228,007	191,539	1,707,534
Tangible Fixed Assets	117,499	118,724	879,948
Intangible Fixed Assets	13,976	14,164	104,669
Prepaid Pension Cost	19,009	14,908	142,363
Customers' Liabilities for Acceptances and Guarantees	29,727	23,657	222,627
Allowance for Loan Losses	(25,819)	(27,638)	(193,364)
Total Assets	¥19,690,575	¥19,011,209	\$147,461,807
Liabilities			
Deposits	¥15,979,239	¥15,396,647	\$119,667,786
Call Money	810,859	681,777	6,072,488
Payables under Repurchase Agreements	17,160	13,945	128,517
Payables under Securities Lending Transactions	337,074	262,547	2,524,332
Trading Liabilities	18,618	10,448	139,431
Borrowed Money	1,194,268	1,324,536	8,943,822
Foreign Exchanges	724	576	5,427
Bonds Payable	110,038	103,331	824,072
Borrowed money from Trust Account	13,439	8,883	100,651
Other Liabilities	166,448	166,519	1,246,526
Provisions for Reimbursement of Deposits	910	1,296	6,822
Provisions for Point Loyalty Programs	502	432	3,767
Deferred Tax Liabilities	18,834	26,290	141,049
Deferred Tax Liabilities for Land Revaluation	10,402	10,407	77,903
Acceptances and Guarantees	29,727	23,657	222,627
Total Liabilities	¥18,708,250	¥18,031,298	\$140,105,220
Net Assets			
Capital Stock	¥ 145,069	¥ 145,069	\$ 1,086,416
Capital Surplus	122,146	122,134	914,748
Retained Earnings	686,795	647,883	5,143,383
Legal Retained Earnings	50,930	50,930	381,414
Other Retained Earnings	635,865	596,953	4,761,969
Treasury Shares	(62,943)	(53,108)	(471,382)
Total Shareholders' Equity	891,067	861,978	6,673,166
Valuation Difference on Available-for-Sale Securities	70,926	102,942	531,167
Deferred Gains or Losses on Hedges	10,408	5,198	77,951
Revaluation Reserve for Land	9,921	9,791	74,304
Total Valuation and Translation Adjustments	91,257	117,932	683,421
Total Net Assets	¥ 982,325	¥ 979,911	\$ 7,356,587
Total Liabilities and Net Assets	¥19,690,575	¥19,011,209	\$147,461,807

*1 Japanese yen amounts are presented in millions of yen by rounding down figures below one million. As a result, the totals in Japanese yen in the non-consolidated financial statements do not necessarily agree with the sums of individual amounts.

*2 U.S. dollar amounts are shown solely for the convenience of the readers of this Integrated Report and are translated at the rate of ¥133.53 to \$1.00, the exchange rate prevailing at March 31, 2023.

Non-Consolidated Statement of Income (Unaudited)

The Chiba Bank, Ltd.
For the year ended March 31, 2023

	Millions of Yen*1		Thousands of U.S. Dollars*2
	2023	2022	2023
Income			
Interest Income:			
Interest on Loans and Discounts	¥119,557	¥103,653	\$ 895,357
Interest and Dividends on Securities	47,905	34,560	358,759
Other Interest Income	5,930	3,562	44,417
Trust Fees	122	115	919
Fees and Commissions	48,970	46,303	366,736
Trading Income	1,353	1,113	10,139
Other Ordinary Income	7,627	4,207	57,119
Other Income	13,927	9,785	104,302
Total Income	¥245,394	¥203,302	\$1,837,747
Expenses			
Interest Expenses:			
Interest on Deposits	¥ 12,943	¥ 1,050	\$ 96,934
Interest on Borrowings and Rediscounts	1,187	(61)	8,889
Other Interest Expenses	18,881	8,963	141,404
Fees and Commissions Payments	20,459	18,866	153,220
Other Ordinary Expenses	22,448	3,163	168,116
General and Administrative Expenses	82,123	84,299	615,016
Other Expenses	5,989	13,758	44,858
Total Expenses	¥164,033	¥130,040	\$1,228,438
Profit before Income Taxes	81,361	73,261	609,309
Income Taxes—Current	18,897	18,375	141,525
Income Taxes—Deferred	4,336	2,558	32,473
Profit	¥ 58,127	¥ 52,328	\$ 435,311

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Supplementary Information (Unaudited)

The Chiba Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2023

Consolidated Capital Ratio (BIS Guidelines)

	Millions of Yen*1		Thousands of U.S. Dollars*2
	2023	2022	2023
Common Equity Tier 1 Capital: Instruments and Reserves	¥1,050,247	¥1,049,508	\$ 7,865,252
Capital Stock and Capital Surplus	267,215	267,203	2,001,164
Retained Earnings	755,517	714,455	5,658,035
Treasury Shares	62,943	53,108	471,382
Cash Dividends to be Paid	10,868	9,582	81,395
Accumulated Other Comprehensive Income and Other Disclosed Reserves	101,326	130,541	758,830
Common Equity Tier 1 Capital: Regulatory Adjustments	46,306	39,702	346,786
Total Intangible Assets (Excluding Those Relating to Mortgage Servicing Rights)	9,878	10,035	73,977
Deferred Gains/Losses on Derivatives under Hedge Accounting	853	4	6,393
Shortfall of Eligible Provisions for Expected Losses	22,298	16,832	166,996
Gains/losses due to changes in own credit risk on fair value liabilities	228	201	1,708
Net Defined Benefit Asset	12,939	12,535	96,903
Investments in Own Shares (Excluding Those Reported in the Net Assets Section)	107	92	808
Total Common Equity Tier 1 Capital	¥1,003,940	¥1,009,805	\$ 7,518,466
Additional Tier 1 Capital: Instruments	—	—	—
Additional Tier 1 Capital: Regulatory Adjustments	—	—	—
Total Additional Tier 1 Capital	—	—	—
Total Tier 1 Capital	¥1,003,940	¥1,009,805	\$ 7,518,466
Tier 2 Capital: Instruments and Provisions	¥ 8,570	¥ 14,593	\$ 64,181
Directly Issued Qualifying Tier 2 Instruments plus Related Capital Surplus of which: Classified as Liabilities under Applicable Accounting Standards	8,489	14,482	63,576
General Allowance for Loan Losses and Eligible Provisions	80	110	605
Tier 2 Capital: Regulatory Adjustments	—	—	—
Total Tier 2 Capital	¥ 8,570	¥ 14,593	\$ 64,181
Total Capital	¥1,012,510	¥1,024,399	\$ 7,582,647
Risk-Weighted Assets:			
Total Risk-Weighted Assets	¥8,698,680	¥8,455,907	\$65,144,019
Total Required Capital	¥ 695,894	¥ 676,472	\$ 5,211,522
Capital Ratios:			
Common Equity Tier 1 Capital Ratio	11.54%	11.94%	11.54%
Tier 1 Capital Ratio	11.54%	11.94%	11.54%
Total Capital Ratio	11.63%	12.11%	11.63%

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*3 The following approaches were adopted to calculate Total Risk-Weighted Assets.

Credit Risk: Foundation Internal Ratings-Based Approach

Operational Risk: Standardized Approach

*4 Total Required Capital is calculated by multiplying Total Risk-Weighted Assets by 8%.

Consolidated Leverage Ratio

	Millions of Yen* ¹		Thousands of U.S. Dollars* ²
	2023	2022	2023
On-Balance Sheet Exposures			
On-Balance Sheet Exposures before Adjustments	¥15,680,254	¥14,889,411	\$117,428,702
Total Assets Reported in the Consolidated Balance Sheet	15,830,772	15,000,203	118,555,923
The Amount of Assets that Are Deducted from the Total Assets Reported in the Consolidated Balance Sheet (except Adjustment Items)	(150,517)	(110,792)	(1,127,222)
The Amount of Adjustments to Tier 1 Capital	(45,224)	(39,496)	(338,684)
Total On-Balance Sheet Exposures	¥15,635,029	¥14,849,914	\$117,090,017
Derivative Exposures			
Replacement Cost Multiplied by 1.4 Associated with Derivatives Transactions	56,087	51,107	420,037
Potential Future Exposure Multiplied by 1.4 Associated with Derivatives Transactions	48,426	35,529	362,667
Amount of Deductions of Receivables (Out of Those Arising from Providing Cash Variation Margin)	(32,277)	(23,006)	(241,725)
Total Derivative Exposures	¥ 72,236	¥ 63,630	\$ 540,979
Securities Financing Transaction (SFT) Exposures			
Amount of SFT Assets	¥ 23,446	¥ 14,999	\$ 175,592
Exposures of Counter-Party Credit Risk for SFTs	8,968	6,747	67,166
Total SFT Exposures	¥ 32,415	¥ 21,747	\$ 242,758
Off-Balance Sheet Exposures			
Notional Amount of Off-Balance Sheet Exposures	¥ 3,418,335	¥ 3,516,628	\$ 25,599,757
Amount of Adjustments for Conversion in Relation to Off-Balance Sheet Transactions	(2,881,806)	(2,977,399)	(21,581,717)
Total Off-Balance Sheet Exposures	¥ 536,528	¥ 539,228	\$ 4,018,040
Tier 1 Capital	¥ 1,003,940	¥ 1,009,805	\$ 7,518,466
Total Exposures	¥16,276,211	¥15,474,520	\$121,891,794
Leverage Ratio	6.16%	6.52%	6.16%

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Loans and Bills Discounted, Borrower Classification by Industry (Consolidated)

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	March 31, 2023		
	Outstanding Balance	Composition	Outstanding Balance
Domestic Operations:			
Manufacturing	¥ 782,426	6.64%	\$ 5,859,556
Agriculture and Forestry	17,065	0.15%	127,806
Fishery	1,404	0.01%	10,522
Mining, Quarrying, and Gravel	18,922	0.16%	141,712
Construction	442,723	3.76%	3,315,535
Electricity, Gas, Heat Supply and Water	195,908	1.66%	1,467,149
Information and Communications	58,553	0.50%	438,502
Transport and Postal Service	292,901	2.48%	2,193,525
Wholesale and Retail Trade	880,040	7.46%	6,590,586
Finance and Insurance	499,271	4.23%	3,739,022
Real Estate and Leasing	3,340,173	28.33%	25,014,408
Medical, Welfare, and Other Services	753,374	6.39%	5,641,988
Government and Local Public Sector	415,565	3.52%	3,112,149
Other (Mainly Consumer Loans)	4,091,817	34.71%	30,643,429
Total	¥11,790,150	100.00%	\$88,295,891
Overseas operations and JOM Account	¥ 316,916	—	\$ 2,373,373

	Millions of Yen (Note 1)	
	March 31, 2022	
	Outstanding Balance	Composition
Domestic Operations:		
Manufacturing	¥ 726,827	6.39%
Agriculture and Forestry	18,508	0.16%
Fishery	1,258	0.01%
Mining, Quarrying, and Gravel	15,479	0.14%
Construction	419,129	3.68%
Electricity, Gas, Heat Supply and Water	174,777	1.54%
Information and Communications	47,268	0.41%
Transport and Postal Service	323,713	2.84%
Wholesale and Retail Trade	837,873	7.36%
Finance and Insurance	455,063	4.00%
Real Estate and Leasing	3,157,812	27.74%
Medical, Welfare, and Other Services	739,343	6.50%
Government and Local Public Sector	464,129	4.08%
Other (Mainly Consumer Loans)	4,000,115	35.15%
Total	¥11,381,300	100.00%
Overseas operations and JOM Account	¥ 265,421	—

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