

# Consolidated Balance Sheets

The Norinchukin Bank and Subsidiaries  
As of March 31, 2009 and 2008

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2009	2008	2009
<b>Assets</b>			
Cash and Due from Banks (Notes 29 and 31)	¥ 2,773,412	¥ 1,096,901	\$ 28,228
Call Loans and Bills Bought	1,155,692	1,851,020	11,763
Receivables under Resale Agreements	—	258,135	—
Receivables under Securities Borrowing Transactions	140,422	1,108,779	1,429
Monetary Claims Bought	646,139	770,387	6,577
Trading Assets (Notes 3 and 31)	24,842	48,033	253
Money Held in Trust (Notes 5, 9 and 32)	5,654,876	7,964,516	57,556
Securities (Notes 4, 9, 21 and 31)	39,540,599	36,242,079	402,449
Loans and Bills Discounted (Notes 5, 9 and 20)	11,022,692	9,853,902	112,190
Foreign Exchange Assets (Note 6)	81,703	7,119	832
Other Assets (Notes 7 and 9)	938,415	1,452,979	9,551
Tangible Fixed Assets (Note 8)	134,384	136,254	1,368
Intangible Fixed Assets	33,026	18,417	336
Deferred Tax Assets (Note 18)	241,435	153,135	2,457
Customers' Liabilities for Acceptances and Guarantees (Note 19)	407,668	317,809	4,149
Reserve for Possible Loan Losses	(201,344)	(140,511)	(2,049)
Reserve for Possible Investment Losses	—	(53,455)	—
<b>Total Assets</b>	<b>¥62,593,968</b>	<b>¥61,085,505</b>	<b>\$637,089</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Deposits (Note 10)	¥37,492,819	¥38,804,362	\$381,606
Negotiable Certificates of Deposit	321,249	538,019	3,270
Debentures (Note 11)	5,252,065	4,821,975	53,456
Bonds (Note 12)	270,718	337,695	2,755
Call Money and Bills Sold (Note 9)	510,000	758,000	5,191
Payables under Repurchase Agreements (Note 9)	4,606,862	4,461,811	46,889
Payables under Securities Lending Transactions (Note 9)	530,276	496,637	5,397
Trading Liabilities (Note 13)	13,725	15,248	140
Borrowed Money (Notes 9 and 14)	5,647,557	998,700	57,481
Foreign Exchange Liabilities (Note 15)	51	2	1
Short-term Entrusted Funds	4,077,454	4,401,193	41,501
Other Liabilities (Note 16)	945,561	1,876,213	9,624
Reserve for Bonus Payments	4,608	5,826	47
Reserve for Employees' Retirement Benefits (Note 17)	921	832	9
Reserve for Directors' Retirement Benefits	838	791	9
Deferred Tax Liabilities (Note 18)	—	1,031	—
Deferred Tax Liabilities for Land Revaluation	18,819	19,452	192
Acceptances and Guarantees (Note 19)	407,668	317,809	4,149
<b>Total Liabilities</b>	<b>60,101,200</b>	<b>57,855,604</b>	<b>611,717</b>
<b>Net Assets</b>			
Paid-in Capital (Note 22)	3,421,370	2,016,033	34,823
Capital Surplus	25,020	25,020	255
Retained Earnings	803,522	1,457,413	8,178
Treasury Preferred Stock	(150)	—	(1)
<b>Total Owners' Equity</b>	<b>4,249,763</b>	<b>3,498,467</b>	<b>43,255</b>
Net Unrealized Losses on Other Securities, net of taxes	(1,872,359)	(296,711)	(19,057)
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes	76,840	(12,003)	782
Revaluation Reserve for Land, net of taxes	32,807	34,208	334
Foreign Currency Transaction Adjustments	(19)	(16)	(0)
<b>Total Valuation and Translation Adjustments</b>	<b>(1,762,730)</b>	<b>(274,523)</b>	<b>(17,941)</b>
Minority Interests	5,734	5,956	58
<b>Total Net Assets</b>	<b>2,492,768</b>	<b>3,229,901</b>	<b>25,372</b>
<b>Total Liabilities and Net Assets</b>	<b>¥62,593,968</b>	<b>¥61,085,505</b>	<b>\$637,089</b>

The accompanying notes are an integral part of the financial statements.

# Consolidated Statements of Operations

The Norinchukin Bank and Subsidiaries  
For the fiscal years ended March 31, 2009 and 2008

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2009	2008	2009
<b>Income</b>			
Interest Income:	<b>¥1,018,159</b>	¥1,941,088	<b>\$10,363</b>
Interest on Loans and Bills Discounted	<b>126,524</b>	151,179	<b>1,288</b>
Interest and Dividends on Securities	<b>815,221</b>	1,720,157	<b>8,297</b>
Interest on Call Loans and Bills Bought	<b>17,063</b>	12,545	<b>174</b>
Interest on Receivables under Resale Agreements	<b>2,032</b>	4,350	<b>21</b>
Interest on Receivables under Securities			
Borrowing Transactions	<b>4,772</b>	3,462	<b>49</b>
Interest on Due from Banks	<b>42,197</b>	38,006	<b>429</b>
Other Interest Income	<b>10,348</b>	11,386	<b>105</b>
Fees and Commissions	<b>17,097</b>	19,251	<b>174</b>
Trading Income (Note 23)	<b>1,739</b>	1,044	<b>18</b>
Other Operating Income (Note 24)	<b>115,633</b>	313,617	<b>1,177</b>
Other Income (Note 25)	<b>285,464</b>	428,822	<b>2,905</b>
Total Income	<b>1,438,094</b>	2,703,825	<b>14,637</b>
<b>Expenses</b>			
Interest Expenses:	<b>1,091,843</b>	1,732,433	<b>11,113</b>
Interest on Deposits	<b>248,490</b>	369,999	<b>2,529</b>
Interest on Negotiable Certificates of Deposit	<b>9,412</b>	58,634	<b>96</b>
Interest on Debentures	<b>57,286</b>	44,084	<b>583</b>
Interest on Borrowed Money	<b>40,513</b>	20,096	<b>412</b>
Interest on Call Money and Bills Sold	<b>3,835</b>	6,045	<b>39</b>
Interest on Payables under Repurchase Agreements	<b>48,343</b>	241,053	<b>492</b>
Interest on Payables under Securities Lending			
Transactions	<b>1,518</b>	4,548	<b>16</b>
Interest on Bonds	<b>12,055</b>	15,188	<b>123</b>
Other Interest Expenses	<b>670,387</b>	972,781	<b>6,823</b>
Fees and Commissions	<b>12,796</b>	10,616	<b>130</b>
Trading Expenses (Note 26)	<b>422</b>	201	<b>4</b>
Other Operating Expenses (Note 27)	<b>537,944</b>	304,967	<b>5,475</b>
General and Administrative Expenses	<b>115,574</b>	113,144	<b>1,177</b>
Other Expenses (Note 28)	<b>289,612</b>	117,177	<b>2,948</b>
Total Expenses	<b>2,048,193</b>	2,278,540	<b>20,847</b>
<b>Income (Loss) before Income Taxes and Minority Interests</b>	<b>(610,098)</b>	425,284	<b>(6,210)</b>
Income Taxes — Current	<b>1,606</b>	137,263	<b>16</b>
Income Taxes — Deferred	<b>(39,402)</b>	10,675	<b>(401)</b>
Total Income Taxes	<b>(37,795)</b>	147,939	<b>(385)</b>
Minority Interests in Net Income (Loss)	<b>(199)</b>	464	<b>(2)</b>
<b>Net Income (Loss)</b>	<b>¥ (572,102)</b>	¥ 276,880	<b>\$ (5,823)</b>
		Yen	U.S. Dollars (Note 1)
		2009	2009
Net Income (Loss) per Share	<b>¥(134.38)</b>	¥49.49	<b>\$(1.37)</b>

The accompanying notes are an integral part of the financial statements.

# Consolidated Statements of Capital Surplus and Retained Earnings

The Norinchukin Bank and Subsidiaries  
For the fiscal years ended March 31, 2009 and 2008

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2009	2008	2009
<b>Capital Surplus</b>			
Balance at the Beginning of the Fiscal Year	¥ 25,020	¥ 25,020	\$ 255
Balance at the End of the Fiscal Year	25,020	25,020	255
<b>Retained Earnings</b>			
Balance at the Beginning of the Fiscal Year	1,457,413	1,249,484	14,834
Additions:			
Net Income for the Fiscal Year	—	276,880	—
Transfer from Revaluation Reserve for Land, net of taxes	1,400	13,220	14
Deductions:			
Net Loss for the Fiscal Year	572,102	—	5,823
Dividends	83,188	82,171	847
Balance at the End of the Fiscal Year	¥ 803,522	¥1,457,413	\$ 8,178

*The accompanying notes are an integral part of the financial statements.*

# Consolidated Statements of Cash Flows

The Norinchukin Bank and Subsidiaries  
For the fiscal years ended March 31, 2009 and 2008

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2009	2008	2009
<b>Cash Flows from Operating Activities:</b>			
Income (Loss) before Income Taxes and Minority Interests	¥ (610,098)	¥ 425,284	\$ (6,210)
Depreciation	6,797	8,109	69
Losses on Impairment of Fixed Assets	1,058	1,103	11
Amortization of Goodwill	(36)	(55)	0
Equity in Losses (Earnings) of Affiliates	1,422	(519)	14
Net Increase (Decrease) in Reserve for Possible Loan Losses	60,833	(63,868)	619
Net Increase (Decrease) in Reserve for Possible Investment Losses	(53,455)	14,827	(544)
Net Increase (Decrease) in Reserve for Bonus Payments	(1,218)	794	(12)
Net Increase (Decrease) in Reserve for Employees' Retirement Benefits	88	(1,017)	1
Net Increase in Reserve for Directors' Retirement Benefits	47	600	0
Interest Income	(1,018,159)	(1,941,088)	(10,363)
Interest Expenses	1,091,843	1,732,433	11,113
Losses (Gains) on Securities	688,417	(20,791)	7,007
Losses (Gains) on Money Held in Trust	102,170	(11,575)	1,040
Foreign Exchange Losses	650,839	3,388,081	6,624
Losses on Disposals of Fixed Assets	1,037	32	11
Net Decrease in Trading Assets	23,191	4,516	236
Net Decrease in Trading Liabilities	(1,522)	(4,414)	(15)
Net Decrease (Increase) in Loans and Bills Discounted	(1,168,789)	3,000,777	(11,896)
Net Decrease in Deposits	(1,311,542)	(2,439,130)	(13,349)
Net Decrease in Negotiable Certificates of Deposit	(216,769)	(1,837,007)	(2,206)
Net Increase in Debentures	430,089	350,819	4,377
Net Increase in Borrowed Money (Excluding Subordinated Borrowed Money)	4,136,500	5,000	42,102
Net Increase in Interest-bearing Due from Banks	(969,917)	(383,784)	(9,872)
Net Decrease (Increase) in Call Loans and Bills Bought and Other	1,077,710	(1,215,036)	10,969
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	968,357	(545,497)	9,856
Net Decrease in Call Money and Bills Sold and Other	(102,948)	(3,287,667)	(1,048)
Net Increase (Decrease) in Short-term Entrusted Funds	(323,739)	1,532,226	(3,295)
Net Increase (Decrease) in Payables under Securities Lending Transactions	33,639	(848,387)	342
Net Increase in Foreign Exchanges Assets	(74,583)	(3,943)	(759)
Net Increase in Foreign Exchanges Liabilities	49	1	0
Interest Received	1,067,266	1,957,856	10,863
Interest Paid	(1,126,130)	(1,712,230)	(11,462)
Other, Net	387,954	(187,385)	3,949
Subtotal	3,750,403	(2,080,936)	38,172
Income Taxes Paid	(132,092)	(76,447)	(1,344)
Net Cash Provided by (Used in) Operating Activities	3,618,310	(2,157,384)	36,828

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2009	2008	2009
<b>Cash Flows from Investing Activities:</b>			
Purchases of Securities	(15,343,927)	(8,847,073)	(156,172)
Proceeds from Sales of Securities	2,596,380	7,240,315	26,426
Proceeds from Redemption of Securities	6,596,130	3,714,911	67,136
Increase in Money Held in Trust	(1,520,983)	(3,019,593)	(15,481)
Decrease in Money Held in Trust	2,947,148	2,615,657	29,996
Purchases of Tangible Fixed Assets	(5,444)	(4,771)	(55)
Purchases of Intangible Fixed Assets	(17,449)	(9,638)	(178)
Proceeds from Sales of Tangible Fixed Assets	1,970	2,177	20
Purchases of Stocks of Subsidiaries (No Impact on the Scope of Consolidation)	(55)	(86)	0
Proceeds of Stock of Subsidiaries (No Impact on the Scope of Consolidation)	158	—	2
Net Cash Provided by (Used in) Investing Activities	(4,746,071)	1,691,897	(48,306)
<b>Cash Flows from Financing Activities:</b>			
Proceeds from Issuance of Subordinated Borrowed Money	1,476,057	383,800	15,023
Repayment of Subordinated Borrowed Money	(963,700)	(521,632)	(9,809)
Proceeds from Issuance of Stock	1,405,337	532,016	14,304
Dividends Paid	(83,188)	(82,171)	(847)
Dividends Paid to Minority Interests	(47)	(47)	0
Net Cash Provided by Financing Activities	1,834,458	311,964	18,671
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>706,697</b>	<b>(153,521)</b>	<b>7,193</b>
<b>Cash and Cash Equivalents at the Beginning of the Fiscal Year</b>	<b>180,738</b>	<b>334,260</b>	<b>1,840</b>
<b>Cash and Cash Equivalents at the End of the Fiscal Year</b> (Note 29)	<b>¥ 887,436</b>	<b>¥ 180,738</b>	<b>\$ 9,033</b>

The accompanying notes are an integral part of the financial statements.

# Notes to the Consolidated Financial Statements

The Norinchukin Bank and Subsidiaries

## 1. Basis of Presentation

The consolidated financial statements have been prepared based on the accounting records maintained by The Norinchukin Bank (“the Bank”) and its consolidated subsidiaries in accordance with the provisions set forth in The Norinchukin Bank Law and in conformity with accounting principles and practices generally accepted in Japan, that are different in certain respects from the application and disclosure requirements of International Accounting Standards.

Certain items presented in the consolidated financial statements filed with the Ministry of Agriculture, Forestry and Fisheries of Japan have been reclassified for the convenience of readers.

The consolidated financial statements are intended only to present the consolidated financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in Japan.

Amounts in U.S. dollars are included solely for the convenience of readers. The exchange rate of ¥98.25=U.S.\$1, the approximate rate of exchange prevailing on March 31, 2009, has been used for translation purposes. The inclusion of such amounts is not intended to imply that Japanese yen amounts have been, or could be, readily converted, realized or settled in U.S. dollars at the aforementioned rate or at any other rate.

The yen figures disclosed in the consolidated financial statements are expressed in millions of yen and have been rounded down. Consequently, differences may exist between the sum of rounded figures and the totals listed in the annual report.

## 2. Summary of Significant Accounting Policies

### Accounting Changes

“Accounting Standard for Lease Transactions” (ASBJ Statement No.13, March 30, 2007) and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No.16, March 30, 2007) are applicable from the fiscal year beginning on or after April 1, 2008. The Bank has adopted the standard and guidance from the fiscal year ended March 31, 2009. The effect of this adoption on the Consolidated Financial Statements is immaterial.

“Tentative Solution on Reclassification of Debt Securities” (ASBJ Practical Issue Task Force (“PITF”) No.26, December 5, 2008) was released on December 5, 2008. The Bank has adopted the PITF from the fiscal year ended March 31, 2009, and reclassified certain debt securities from “Other Securities” to “Held-to-Maturity Debt Securities” on December 30, 2008, January 30, 2009 and March 31, 2009. As a result, compared with the valuation based on the former classification, Securities decreased by ¥1,130 million (\$12 million), Deferred Tax Assets and Net Unrealized Gains on Other Securities increased by ¥96,275 million (\$980 million) and ¥95,144 million (\$968 million), respectively. For the detail of the reclassified bonds, see “Securities Reclassified Holding Purpose” in “31. Fair Value of Securities.”

The definitions of securities in “Accounting Standard for Financial Instruments” (ASBJ statement No. 10) and in “Practical Guidelines on Accounting Standards for Financial Instruments” (JICPA Laws and Regulations Committee Report No. 14) were partially revised on June 15, 2007 and on July 4, 2007 respectively, which is applicable from the fiscal year ending on or after the effective date of Financial Instruments and Exchange Law. The Bank has adopted the revised standards and guidance from the fiscal year ended March 31, 2008.

Prior to March 31, 2007, taking into consideration mutually complementary relationship of the cash flows as well as functional characteristic, the operating assets were grouped into the head office, domestic branches and overseas branches, for which the operating results were separately measured on a periodical basis, while idle assets (including assets held for sale) were grouped by asset. Effective April 1, 2007, the Bank changed the grouping of the operating assets to aggregate the head office, domestic branches and overseas branches as one unit, while the grouping of the idle assets remains unchanged. This change was in line with revisions of the branch policies reflecting the newly established JA Bank Medium-Term Management Strategy (1. successive abolition of retail businesses related to funding and investing at domestic branches and integration of those businesses to the head office or “block offices,” 2. the revisions in the functions of each branch offices and the commencement of the above mentioned integration and abolition, and 3. integrated operation of investments and loans with overseas office).

### Additional information

As for floating-rate Japanese government bonds which are rarely transacted in the current market, the Bank determined that market prices are no longer deemed as fair value, and values them at reasonably estimated amounts as of March 31, 2009.

As a result, compared with the valuation using the market prices, Securities and Net Unrealized Gains on Other Securities increased by ¥425,664 million (\$4,332 million), respectively.

Reasonably estimated amounts of floating-rate Japanese government bonds are calculated by Discount Cash Flow method. The price decision variables include the yield of Japanese government bonds, swaption volatilities and other.

As for some of foreign bonds, such as securitization products, which are rarely transacted in the current market, the Bank determined that quoted prices provided by brokers or venders are no longer deemed as fair value, and values such bonds at reasonably estimated amounts as of March 31, 2009.

As a result, compared with the valuation using the broker or vender prices, Securities and Net Unrealized Gains on Other Securities increased by ¥1,094,767 million (\$11,143 million) and ¥501,260 million (\$5,102 million), respectively, and Other Operating Expenses and Loss before Income Taxes and Minority Interests decreased by ¥593,506 million (\$6,041 million), respectively.

Reasonably estimated amounts of such foreign bonds are calculated by Discount Cash Flow method. The price decision variables include default rates, recovery rates, pre-payment rates, discount rates and others.

## (1) Principles of Consolidation

### Scope of Consolidation

#### Subsidiaries

Subsidiaries are, in general, the companies in which the Bank 1) holds, directly and/or indirectly, more than 50% of the voting shares; 2) holds, directly and/or indirectly, 40% or more of the voting shares and, at the same time, exercises effective control over the decision-making body by directing business policy and deciding on financial and operating policies; or 3) holds more than 50% of the voting shares together with those entities that would vote or agree to vote with the Bank due to their close relationship with the Bank through sharing of personnel, provision of finance and technology and other relationships and, at the same time, has effective control over the decision-making body, unless evidence exists which shows that the Bank does not have such control.

The number of subsidiaries as of March 31, 2009 and 2008 was 8 and 9, all of which were consolidated, respectively.

The major consolidated subsidiaries are as follows:

The Norinchukin Trust & Banking Co., Ltd.

Kyodo Housing Loan Co., Ltd.

The date of the fiscal year-end of all consolidated subsidiaries is March 31.

Due to merger in April, 2008 with Nochu Information System Co., Ltd. which is a consolidated subsidiary, The JA Bank Computer System Co., Ltd. was excluded from the scope of consolidation in the fiscal year ended March 31, 2009.

#### Affiliates

Affiliates are, in general, the companies, other than subsidiaries, in which the Bank 1) holds, directly and/or indirectly, 20% or more of the voting shares; 2) holds, directly and/or indirectly, 15% or more of the voting shares and also is able to influence the decision-making body through sharing of personnel, provision of finance and technology, and other relationships; or 3) holds more than 20% of the voting shares together with those entities that would vote or agree to vote with the Bank due to their close relationship with the Bank through sharing of personnel, provision of finance and technology and other relationships and, at the same time, is able to influence the decision-making body in a material degree, unless evidence exists which shows that the Bank does not have such influence.

The number of affiliates as of March 31, 2009 and 2008 was 6 and 6, 5 and 5 of which were accounted for by the equity method, respectively, while the remaining immaterial affiliate is carried at cost. The major affiliate accounted for by the equity method is as follows:

Mitsubishi UFJ NICOS Co., Ltd.



Due to acquisition of its share, Mitsubishi UFJ NICOS Co., Ltd. and Ant Capital Partners Co., Ltd. were newly accounted for by the equity method in the fiscal year ended March 31, 2009, and Goodwill is amortized using the straight-line method over 20 years.

Due to establishment of joint holding company and share exchange transaction with Mitsui Leasing and Development, Ltd., Kyodo Leasing Co., Ltd. and Kyodo Auto Leasing Co., Ltd. were excluded from the affiliates in the fiscal year ended March 31, 2009.

## **(2) Transactions for Trading Purposes**

Transactions for trading purposes are those seeking gains arising from short-term market movements or from the arbitrage opportunities in interest rates, foreign exchange rates and other market related indices. Such transactions are reported as Trading Assets or Trading Liabilities in the consolidated balance sheet on a trade date basis.

Gains and losses arising from transactions for trading purposes are recorded in Trading Income and Trading Expenses on the Consolidated Statements of Operations.

Securities, monetary claims and certain other instruments held for trading purposes are valued at fair value prevailing at the end of the fiscal year. Derivatives held for trading purposes, such as swaps, futures and options, are valued on the assumption that they were settled at the end of the consolidated balance sheet date.

Trading Income and Trading Expenses include interest received and paid in the fiscal year, gains or losses resulting from any change in the fair value of securities and monetary claims from the end of the previous fiscal year and gains or losses of derivatives resulting from any change in the fair value, which is determined assuming they were settled at the end of the fiscal year, from the end of the previous fiscal year.

## **(3) Financial Instruments**

### **a. Securities**

Held-to-Maturity Debt Securities are valued at amortized cost (straight-line method), as determined by the moving average method. Investments in affiliates that are not accounted for by the equity method are valued at cost, as determined by the moving average method. Other Securities that have readily determinable fair value are valued at fair value, which is determined at the quoted market price if available, or other reasonable value at the consolidated balance sheet date (the cost of securities sold is calculated primarily by the moving average method). Other Securities that do not have readily determinable fair value are valued at cost determined by the moving average method or are valued at amortized cost. Net Unrealized Gains or Losses on Other Securities, net-of-taxes, are reported separately in Net Assets. Securities included in Money Held in Trust are valued using the same methods described above.

### **b. Derivatives**

Derivative transactions (other than transactions for trading purposes) are recorded at fair value.

### **c. Hedge Accounting**

#### **(a) Hedge of Interest Rate Risk**

The Bank applies the deferred method of hedge accounting to the hedge transactions to manage interest rate risk associated with various financial assets and liabilities, which is described in "Accounting and Auditing Treatment relating to the Adoption of 'Accounting for Financial Instruments' for Banks," issued by the Japanese Institute of Certified Public Accountants ("JICPA"), (JICPA Industry Audit Committee Report No. 24). Hedge effectiveness of a fair value hedge is assessed by identified groups of hedged items, such as loans and deposits, and the corresponding groups of hedging instruments, such as interest rate swaps within the same maturity buckets. Hedge effectiveness of a cash flow hedge is assessed based on the correlation of the interest rate risk indicators of the hedged items and that of the hedging instruments.

Deferred hedge gains or losses were recorded in the consolidated balance sheet as a result of applying the hedge accounting method described in "Tentative Accounting and Auditing Treatment relating to the Adoption of 'Accounting for Financial Instruments' for Banks" (JICPA Industry Audit Committee Report No. 15), to the macro hedges under which the Bank used



derivatives to manage the overall interest rate risk arising from various financial assets and liabilities, such as loans and deposits. Such deferred hedge gains or losses are amortized into Interest Income or Interest Expense over 7 years, the average remaining maturity, as calculated based on the maturity and notional amount of the hedging instruments, beginning in the fiscal year ended March 31, 2004.

The unamortized balances of deferred hedge losses and deferred hedge gains under the macro hedges, before deducting the tax effect, as of March 31, 2009 and 2008 were ¥6,456 million (\$66 million) and ¥43 million (\$0 million), and ¥15,715 million and ¥209 million, respectively.

#### (b) Hedge of Foreign Exchange Rate Risk

The Bank applies the deferred method of hedge accounting to the hedges to manage foreign exchange rate risk arising from various financial assets and liabilities denominated in foreign currencies, which is described in “Accounting and Auditing Treatment relating to Accounting for Foreign Currency Transactions in the Banking Industry” (JICPA Industry Audit Committee Report No. 25). Hedge effectiveness is assessed by reviewing whether the amount of the hedged items, such as financial monetary assets and liabilities denominated in foreign currencies, exceeds that of the hedging instruments, such as currency swap or foreign exchange swap transactions, entered into to mitigate the foreign exchange rate risk arising from the hedged items.

The deferred method or the fair value method of hedge accounting is applied to the portfolio hedges of foreign exchange risks associated with securities denominated in foreign currencies (other than debt securities), provided that (1) the securities denominated in foreign currencies are identified as hedged items in advance, and (2) foreign currency amounts of spot and forward liabilities exceeds those of the acquisition costs of the foreign currency securities designated as hedged items.

#### (c) Internal Derivative Transactions

Internal derivative transactions between trading accounts and banking accounts (or inter-division transactions), which are designated as hedges, are not eliminated. The related gains and losses are recognized in the consolidated statements of operations or are deferred in the consolidated balance sheet in accordance with the hedge accounting rules, because the internal interest rate swap and currency swap transactions, that are designated as hedging instruments, are traded in a non discretionary manner and are appropriately and ultimately covered by third party transactions, which are conducted in accordance with the standards stipulated in the JICPA Industry Audit Committee Report No. 24 and No. 25.

For certain other assets or liabilities, the Bank applies the deferred method or the accrual method of hedge accounting, as specifically permitted for certain interest rate swaps. Under the deferred method, the recognition of income or expenses associated with a hedging instrument is deferred to the period when the income or expense arising from the hedged item is recognized. A certain Bank’s consolidated subsidiary applies the accrual method of hedge accounting, as specifically permitted for certain interest rate swaps.

### (4) Tangible Fixed Assets (other than Lease Assets)

#### a. Depreciation

Depreciation of Tangible Fixed Assets of the Bank is calculated using the declining-balance method. However, depreciation on buildings acquired on or after April 1, 1998 (excluding annex facilities of buildings) is calculated using the straight-line method.

The useful lives of major Tangible Fixed Assets are as follows:

Buildings:	15 years to 50 years
Others:	5 years to 15 years

Depreciation of Tangible Fixed Assets of the consolidated subsidiaries is primarily calculated using the declining-balance method over their estimated economic useful lives.

#### b. Land Revaluation

In accordance with the Law Concerning the Revaluation of Land, effective as of March 31, 1998, land used for business purposes was revalued on March 31, 1998. Unrealized gains arising on revaluation, net of deferred tax, are disclosed as Revaluation Reserve for Land, net of taxes and included in Net Assets on the consolidated balance sheet. The related deferred

tax liability is recorded as Deferred Tax Liabilities for Land Revaluation.

The land prices used for the revaluation were reasonably calculated based on third-party appraisals in accordance with Article 2-5 of the enforcement ordinance for the Law Concerning the Revaluation of Land.

#### **(5) Intangible Fixed Assets (other than Lease Assets)**

Depreciation of Intangible Fixed Assets is calculated using the straight-line method.

The costs of computer software developed or obtained for internal use are capitalized and amortized using the straight-line method over an estimated useful life of five years.

#### **(6) Lease Assets**

##### **a. Depreciation**

Depreciation of lease assets in Tangible Fixed Assets and Intangible Fixed Assets which are finance leases where the ownership of assets is not transferred to the lessees is calculated using the straight-line method over the lease term with zero residual value unless residual value is guaranteed by the corresponding lease contracts from the fiscal year ended March 31, 2009.

##### **b. Accounting for Finance Leases**

Finance leases where the ownership of assets is not transferred to the lessees, which commenced in fiscal years beginning prior to April 1, 2008, are accounted for by the same accounting method as for operating leases. Rental expenses and leases expenses under operating leases are charged to income when incurred.

#### **(7) Debentures**

All the debenture issuance costs are charged to income when incurred.

#### **(8) Foreign Currency Translation**

Assets and liabilities denominated in foreign currencies, and accounts of overseas branches are translated into Japanese yen primarily using the exchange rates in effect at the consolidated balance sheet date.

Assets and liabilities of the consolidated subsidiaries denominated in foreign currencies are translated into Japanese yen using the respective exchange rates in effect at the balance sheet date.

#### **(9) Reserve for Possible Loan Losses**

Reserve for Possible Loan Losses of the Bank is computed as follows:

- a. Reserve for loans to debtors who are legally or substantially bankrupt under the Bankruptcy Law, Special Liquidation under the Company Law or other similar laws is provided based on the remaining book value of the loans after the direct write-off described below and the deduction of the amount expected to be collected through the disposal of collateral or the execution of guarantees. With respect to loans to borrowers who are legally or substantially bankrupt and that are secured by collateral or guarantees, the remaining book value of the loan, after the deduction of the amount of collateral or the execution of guarantees, is directly written off. Direct write-offs were ¥68,902 million (\$701 million) and ¥61,106 million for the fiscal years ended March 31, 2009 and 2008, respectively.
- b. Reserve for loans to debtors who are not currently bankrupt, but are likely to become bankrupt, is determined after taking into account a comprehensively evaluated repayment ability of debtors after deducting the amount expected to be collected through the disposal of collateral or the execution of guarantees.
- c. Reserve for loans to debtors with “Restructured Loans” (see Note 5) is provided based on the Discounted Cash Flow Method if the loan balance exceeds a specific amount and the future cash flows of the principal and interest of the loan can be reasonably estimated. Under the Discounted Cash Flow Method, the reserve is measured as the difference between the book value of the loan and its present value of expected future cash flows, discounted by the contractual interest rate before the terms of the loan were restructured.
- d. Reserve for loans other than those indicated above, is provided primarily at the amount calculated using the default rates which the Bank has calculated based on actual defaults experienced in the past.

e. Specific reserve for loans to certain countries with financial difficulties is provided based on the expected amount of losses taking into account the political, economic and other conditions in each country.

All claims are assessed by the Business Units based on the Bank's internal rules for the self-assessment of asset quality. The Asset Audit Department, which is independent from the Business Units, audits these self-assessments. Reserves described above are determined based on the results of these self-assessments.

Reserve for Possible Loan Losses for receivables of the Bank's consolidated subsidiaries is provided at the amount determined as necessary using the past default ratio. Reserve for Possible Loan Losses for problem receivables of the Bank's consolidated subsidiaries is provided by taking into account their recoverability and an estimate of uncollectible amount.

#### **(10) Reserve for Possible Investment Losses**

Reserve for Possible Investment Losses represents an amount determined to be necessary to cover the estimated loss from the investments, taking into account financial conditions and other factors of the issuer of the securities.

#### **(11) Reserve for Bonus Payments**

Reserve for Bonus Payments represents estimated costs of payment of employees' bonuses attributable each fiscal year.

#### **(12) Reserve for Employees' Retirement Benefits**

Reserve for Employees' Retirement Benefits, which is provided for the payment of employees' retirement benefits, is recorded as the required amount accrued at the end of the fiscal year, based on the estimated present value of projected benefit obligations ("PBO") and the estimated plan assets at the end of the fiscal year. In the case that plan assets exceed the amounts of the PBO adjusted by unrecognized actuarial differences, the excess portion is recorded as prepaid pension costs in Other Assets.

Unrecognized actuarial differences are amortized over a certain period of time (10 years) using the declining-balance method beginning in the fiscal year after the difference had been incurred.

Certain consolidated subsidiaries adopt the simplified method whereby the amount that would be payable if the eligible employees terminate the employment and certain other alternative measure may be used without employing actuarial calculations in accordance with the Accounting Standard for Retirement Benefit to calculate PBO.

#### **(13) Reserve for Directors' Retirement Benefits**

Reserve for Directors' Retirement Benefits for the payments of retirements benefits for directors and corporate auditors is recognized as the required amount accrued at the end of the fiscal year.

#### **(14) Consumption Taxes**

Consumption tax and local consumption tax incurred on taxable transactions are excluded from these transaction amounts.

#### **(15) Scope of Cash and Cash Equivalents in the Consolidated Statements of Cash Flows**

"Cash and Cash Equivalents" in consolidated statements of cash flows represents cash and non-interest bearing due from bank in "Cash and Due from Banks" of the consolidated balance sheets.

Non-interest bearing due from bank includes due from Bank of Japan for which interest is paid on excess reserve balance based on a temporary measure introduced by Bank of Japan.

#### **(16) Net Income (Loss) per Share**

Net Income (Loss) per Share is computed based upon the weighted average number of shares outstanding during the fiscal year.

The total dividends for Lower Dividend Rate Stocks and Preferred Stocks and total Special Dividends are deducted from the numerator, and the aggregate number of Lower Dividend Rate Stocks and Preferred Stocks are deducted from the denominator in the calculation of Net Income (Loss) per Share.

### 3. Trading Assets

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2009	2008	2009
Trading Securities	¥10,651	¥32,239	\$109
Derivatives of Trading Securities	25	48	0
Derivatives of Securities Related to Trading Transactions	14	—	0
Trading-related Financial Derivatives	14,151	15,745	144
<b>Total</b>	<b>¥24,842</b>	<b>¥48,033</b>	<b>\$253</b>

### 4. Securities

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2009	2008	2009
Japanese Government Bonds	¥14,135,956	¥ 8,816,383	\$143,877
Municipal Government Bonds	7,718	13,439	79
Corporate Bonds	357,572	455,332	3,639
Stocks	535,607	783,477	5,452
Other	24,503,744	26,173,446	249,402
Foreign Bonds	16,148,238	14,385,372	164,359
Foreign Stocks	55,826	66,947	568
Investment Trusts	7,470,664	10,739,253	76,037
Other	829,014	981,872	8,438
<b>Total</b>	<b>¥39,540,599</b>	<b>¥36,242,079</b>	<b>\$402,449</b>

The maturity profile of securities is as follows:

As of March 31, 2009	Millions of Yen				
	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years to 10 Years	Over 10 Years	With no maturity date
Bonds	¥4,693,469	¥1,841,741	¥2,351,183	¥5,614,853	¥ —
Japanese Government Bonds	4,666,411	1,580,245	2,288,198	5,601,100	—
Municipal Government Bonds	1,966	4,205	1,462	84	—
Corporate Bonds	25,091	257,290	61,522	13,668	—
Stocks	—	—	—	—	535,607
Other	484,334	7,480,150	4,857,510	3,328,283	8,353,465
Foreign Bonds	482,354	7,480,098	4,857,502	3,328,283	—
Foreign Stocks	—	—	—	—	55,826
Investment Trusts	1,980	51	8	—	7,468,624
Other	—	—	—	—	829,014
<b>Total</b>	<b>¥5,177,804</b>	<b>¥9,321,891</b>	<b>¥7,208,694</b>	<b>¥8,943,136</b>	<b>¥8,889,072</b>

As of March 31, 2008	Millions of Yen				
	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years to 10 Years	Over 10 Years	With no maturity date
Bonds	¥235,583	¥1,174,849	¥1,486,916	¥ 6,387,806	¥ —
Japanese Government Bonds	205,283	838,758	1,400,682	6,371,659	—
Municipal Government Bonds	6,159	4,417	2,227	634	—
Corporate Bonds	24,140	331,673	84,006	15,512	—
Stocks	—	—	—	—	783,477
Other	165,918	5,041,271	4,865,537	4,314,729	11,785,988
Foreign Bonds	165,918	5,039,230	4,865,508	4,314,714	—
Foreign Stocks	—	—	—	—	66,947
Investment Trusts	—	2,040	29	15	10,737,168
Other	—	—	—	—	981,872
<b>Total</b>	<b>¥401,502</b>	<b>¥6,216,121</b>	<b>¥6,352,453</b>	<b>¥10,702,536</b>	<b>¥12,569,466</b>

## Millions of U.S. Dollars

As of March 31, 2009	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years to 10 Years	Over 10 Years	With no maturity date
Bonds	\$47,771	\$18,745	\$23,931	\$57,148	\$ —
Japanese Government Bonds	47,495	16,084	23,290	57,008	—
Municipal Government Bonds	20	43	15	1	—
Corporate Bonds	256	2,618	626	139	—
Stocks	—	—	—	—	5,451
Other	4,929	76,134	49,440	33,876	85,023
Foreign Bonds	4,909	76,133	49,440	33,876	—
Foreign Stocks	—	—	—	—	568
Investment Trusts	20	1	0	—	76,017
Other	—	—	—	—	8,438
<b>Total</b>	<b>\$52,700</b>	<b>\$94,879</b>	<b>\$73,371</b>	<b>\$91,024</b>	<b>\$90,474</b>

## 5. Loans and Bills Discounted

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2009	2008	2009
Loans on Deeds	¥ 8,952,835	¥7,941,634	\$ 91,123
Loans on Bills	171,449	199,749	1,745
Overdrafts	1,888,097	1,696,757	19,217
Bills Discounted	10,309	15,761	105
<b>Total</b>	<b>¥11,022,692</b>	<b>¥9,853,902</b>	<b>\$112,190</b>

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2009	2008	2009
Loans to Borrowers under Bankruptcy Proceedings	¥ 13,115	¥ 1,234	\$ 133
Delinquent Loans	136,985	144,763	1,394
Loans Past Due for Three Months or More	474	706	5
Restructured Loans	56,867	54,332	579
<b>Total</b>	<b>¥207,442</b>	<b>¥201,036</b>	<b>\$2,111</b>

(1) Loans to borrowers under bankruptcy proceedings are loans whose interests accruals are suspended (excluding the parts written-off for possible loan losses, hereinafter referred to as "Non-accrual Loans") since the loans are determined to be uncollectible considering the period of time past due and other reasons, as stipulated in Article 96-1-3, 4 of Corporate Tax Law (Law No. 97, 1965).

(2) Delinquent loans are also non-accrual loans other than loans to borrowers under bankruptcy proceedings or loans whereby payments of interests are deferred in order to support the borrowers' rehabilitation.

In addition, Money Held in Trust includes delinquent loans of ¥16,308 million (\$166 million) as of March 31, 2009.

(3) Loans past due for three months or more are loans whose principal or interest is past-due for three months or more, other than loans to borrowers under bankruptcy proceedings and delinquent loans.

(4) Restructured loans are loans whereby its terms are modified in favor of the borrowers by reducing the interest rate, deferral of payments of interest or principal, waiving principal repayments, etc., in order to support the borrowers' rehabilitation and facilitate the collection of the loan.

## 6. Foreign Exchange Assets

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2009	2008	2009
Foreign Bills Bought	¥ —	¥ —	\$ —
Due from Foreign Banks	81,703	7,119	832
<b>Total</b>	<b>¥81,703</b>	<b>¥7,119</b>	<b>\$832</b>

## 7. Other Assets

	Millions of Yen		Millions of U.S. Dollars
	2009	2008	2009
As of March 31			
Prepaid Expenses	¥ 553	¥ 715	\$ 6
Accrued Income	106,923	200,119	1,088
Financial Derivatives	113,902	1,000,420	1,159
Other	717,036	251,723	7,298
<b>Total</b>	<b>¥938,415</b>	<b>¥1,452,979</b>	<b>\$9,551</b>

## 8. Tangible Fixed Assets

	Millions of Yen		Millions of U.S. Dollars
	2009	2008	2009
As of March 31			
Land	¥ 71,388	¥ 75,489	\$ 727
Buildings	46,349	47,284	472
Equipment	8,689	7,254	88
Lease Assets	1,811	—	18
Other	6,145	6,225	63
Total Net Book Value	134,384	136,254	1,368
Accumulated Depreciation Deducted	¥ 92,022	¥ 91,757	\$ 937

## 9. Assets Pledged

Assets pledged as collateral comprise the following:

	Millions of Yen		Millions of U.S. Dollars
	2009	2008	2009
As of March 31			
Securities	¥14,424,299	¥4,988,116	\$146,812
Loans and Bills Discounted	4,253,009	—	43,288

Liabilities related to the above pledged assets are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2009	2008	2009
As of March 31			
Call Money and Bills Sold	¥ 455,000	¥ 525,000	\$ 4,631
Payables under Repurchase Agreements	4,606,862	4,203,675	46,889
Payables under Securities Lending Transactions	457,581	276,693	4,657
Borrowed Money	4,126,500	—	42,000

In addition, as of March 31, 2009 and 2008, Securities (including transactions of Monetary Held in Trust) of ¥5,779,969 million (\$58,829 million) and ¥4,316,722 million, respectively, and Loans and Bills Discounted of ¥— and ¥3,999,307 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of March 31, 2009 and 2008, guarantee deposits of ¥5,643 million (\$57 million) and ¥5,531 million, and margins of futures transactions of ¥1,268 million (\$13 million) and ¥2,050 million, and cash collateral under financial derivatives transactions of ¥476,165 million (\$4,846 million) and ¥— were included in Other Assets, respectively.

## 10. Deposits

	Millions of Yen		Millions of U.S. Dollars
	2009	2008	2009
As of March 31			
Time Deposits	¥31,662,861	¥33,606,664	\$322,268
Deposits at Notice	38,892	30,373	396
Ordinary Deposits	1,099,184	1,007,262	11,188
Current Deposits	90,611	118,597	922
Other Deposits	4,601,269	4,041,464	46,832
<b>Total</b>	<b>¥37,492,819</b>	<b>¥38,804,362</b>	<b>\$381,606</b>

## 11. Debentures

As of March 31	Millions of Yen		Millions of U.S.
	2009	2008	Dollars 2009
One-year Discount Debentures	¥ —	¥ —	\$ —
Long-term Coupon Debentures	5,252,065	4,821,975	53,456
<b>Total</b>	<b>¥5,252,065</b>	<b>¥4,821,975</b>	<b>\$53,456</b>

## 12. Bonds

Bonds are subordinated bonds of ¥270,718 million (\$2,755 million) and ¥337,695 million as of March 31, 2009 and 2008, respectively.

## 13. Trading Liabilities

As of March 31	Millions of Yen		Millions of U.S.
	2009	2008	Dollars 2009
Derivatives of Trading Securities	¥ 0	¥ 96	\$ 0
Derivatives of Securities Related to Trading Transactions	47	3	1
Trading-related Financial Derivatives	13,678	15,147	139
<b>Total</b>	<b>¥13,725</b>	<b>¥15,248</b>	<b>\$140</b>

## 14. Borrowed Money

Borrowed Money include subordinated borrowings of ¥1,476,057 million (\$15,023 million) and ¥963,700 million as of March 31, 2009 and 2008, respectively.

## 15. Foreign Exchange Liabilities

As of March 31	Millions of Yen		Millions of U.S.
	2009	2008	Dollars 2009
Foreign Bills Sold	¥—	¥—	\$—
Foreign Bills Payable	51	2	1
Due to Foreign Banks	—	—	—
<b>Total</b>	<b>¥51</b>	<b>¥ 2</b>	<b>\$ 1</b>

## 16. Other Liabilities

As of March 31	Millions of Yen		Millions of U.S.
	2009	2008	Dollars 2009
Accrued Expenses	¥128,448	¥ 162,917	\$1,307
Income Taxes Payable	750	118,924	8
Unearned Income	1,938	2,582	20
Derivatives Other Than for Trading	745,449	142,255	7,587
Other	68,973	1,449,532	702
<b>Total</b>	<b>¥945,561</b>	<b>¥1,876,213</b>	<b>\$9,624</b>



## 17. Retirement Benefit Plans

The Bank and its consolidated subsidiaries fund a defined benefit pension plan and, in addition, have a lump-sum payment pension plan. Additional retirement benefits are paid to employees in certain cases. To fund the lump-sum payment pension plan, the Bank has established a retirement benefit trust.

The reserve for retirement benefits as of March 31, 2009 and 2008, are as follows:

As of March 31	Millions of Yen		Millions of U.S.
	2009	2008	Dollars 2009
Projected Benefit Obligations	¥(84,094)	¥(82,464)	\$(856)
Plan Assets	57,705	83,624	588
Unfunded Retirement Benefit Obligations	(26,389)	1,159	(268)
Unrecognized Actuarial Differences	31,444	4,360	320
Net Amounts Reported in the Consolidated Balance Sheets	5,055	5,519	52
Prepaid Pension Cost	5,976	6,352	61
Reserve for Employees' Retirement Benefits	¥ (921)	¥ (832)	\$ (9)

Note: Certain consolidated subsidiaries adopt the simplified method whereby the amount that would be payable if the eligible employees terminate the employment and certain other alternative measure may be used without employing actuarial calculations in accordance with the Accounting Standard for Retirement Benefit to calculate projected benefit obligations.

Assumptions used in the above calculation are as follows:

As of or for the fiscal years ended March 31	2009	2008
Discount Rate	2.0%	2.0%
Expected Rate of Return on Plan Assets	3.0%	3.0%
Method of Attributing the Projected Benefits to Periods of Service	Straight-line Basis	Straight-line Basis
Amortization of Unrecognized Actuarial Differences	10 years	10 years

## 18. Accounting for Income Taxes

As of March 31	Millions of Yen		Millions of U.S.
	2009	2008	Dollars 2009
Deferred Tax Assets:			
Reserve for Possible Loan Losses	¥ 46,785	¥ 28,341	\$ 476
Write-off of Loans	8,309	8,533	85
Losses on Revaluation of Securities	149,907	48,448	1,526
Reserve for Employees' Retirement Benefits	6,239	5,396	63
Depreciation Expense	952	1,122	10
Net Operating Losses Carried Forward	37,814	—	385
Unrealized Losses on Other Securities	169,591	134,699	1,726
Deferred Losses on Hedging Instruments	16,054	31,818	163
Unrealized Losses on Reclassification	166,412	—	1,694
Other	80,712	67,552	821
Subtotal	682,781	325,912	6,949
Valuation Allowance	(226,545)	(78,806)	(2,306)
Total Deferred Tax Assets	456,235	247,105	4,643
Deferred Tax Liabilities:			
Gain from Contribution of Securities to Employee Retirement Benefit Trust	(5,577)	(5,577)	(57)
Unrealized Gains on Other Securities	(44,640)	—	(454)
Deferred Gains on Hedging Instruments	(50,832)	(26,452)	(517)
Unrealized Gains on Reclassification	(70,137)	—	(714)
Other	(43,612)	(62,972)	(444)
Total Deferred Tax Liabilities	(214,799)	(95,001)	(2,186)
Net Deferred Tax Assets	¥241,435	¥152,104	\$2,457

## 19. Acceptances and Guarantees

As of March 31	Millions of Yen		Millions of U.S.
	2009	2008	Dollars 2009
Acceptance of Bills of Exchange	¥ —	¥ —	\$ —
Letters of Credit	9,475	12,541	96
Guarantees	398,193	305,267	4,053
<b>Total</b>	<b>¥407,668</b>	<b>¥317,809</b>	<b>\$4,149</b>

All contingent liabilities arising in connection with customers' foreign trade and other transactions are classified under Acceptances and Guarantees. As a contra account, Customers' Liabilities for Acceptances and Guarantees, is classified as an asset representing the Bank's right of indemnity from customers.

## 20. Commitments to Overdrafts and Loans

Commitments related to overdrafts and loans represent agreements to extend overdrafts or loans up to a pre-agreed amount at the customer's request as long as no violation of the conditions stipulated in the commitment agreement exists. The amount of undrawn commitments in relation to such agreements is ¥2,400,293 million (\$24,430 million) and ¥3,041,062 million as of March 31, 2009 and 2008, respectively. The amount, which the Bank and its consolidated subsidiaries could cancel at any time without penalty, is ¥1,551,595 million (\$15,792 million) and ¥2,005,832 million as of March 31, 2009 and 2008, respectively.

The amount of undrawn commitments does not necessarily affect the future cash flow of the Bank and its consolidated subsidiaries because the majority of such agreements are terminated without being exercised. Most of these agreements have provisions which stipulate that the Bank and its consolidated subsidiaries may not extend the loan or may decrease the commitment when there are certain changes in the financial condition of the borrower, certain issues relating to collateral and other reasons. At the time of extending loans to customers, the Bank and its consolidated subsidiaries are able to request collateral in the form of premises or securities as necessary. After extending loans, the Bank periodically checks the financial condition of its customers based on predefined policies and procedures and acts to secure loans as necessary.

## 21. Securities Loaned

The Bank held no securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) as of March 31, 2009 and 2008.

Securities Borrowed under unsecured borrowing agreements (Saiken Taishaku Torihiki) and securities purchased under resale agreements and cash-collateralized borrowing agreements, which can be sold or re-pledged by the Bank, include securities re-pledged out of ¥72,575 million (\$739 million) and ¥473,687 million as of March 31, 2009 and 2008, respectively, and securities held without re-pledge of ¥510,187 million (\$5,193 million) and ¥1,663,517 million as of March 31, 2009 and 2008, respectively.

## 22. Paid-in Capital

As of March 31	Millions of Yen		Millions of U.S.
	2009	2008	Dollars 2009
Common Stock	¥3,396,370	¥1,991,033	\$34,569
Preferred Stock	24,999	24,999	254
<b>Total</b>	<b>¥3,421,370</b>	<b>¥2,016,033</b>	<b>\$34,823</b>

The Common Stock account includes Lower Dividend Rate Stock with a total par value of ¥2,970,653 million (\$30,236 million) and ¥1,565,316 million as of March 31, 2009 and 2008, respectively.

Lower Dividend Rate Stock is similar to regular common stock but has been issued on the condition that the dividend yield will be set below that relating to common stock.

## 23. Trading Income

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2009	2008	2009
Income from Trading Securities and Derivatives	¥ 307	¥ 804	\$ 3
Income from Securities and Derivatives Related to Trading Transactions	—	225	—
Income from Trading-related Financial Derivatives	1,432	—	15
Other	—	14	—
<b>Total</b>	<b>¥1,739</b>	<b>¥1,044</b>	<b>\$18</b>

## 24. Other Operating Income

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2009	2008	2009
Gains on Sales of Bonds	¥ 57,793	¥263,578	\$ 588
Gains on Redemption of Bonds	2,677	—	27
Gains on Financial Derivatives	3,411	—	35
Other	51,752	50,038	527
<b>Total</b>	<b>¥115,633</b>	<b>¥313,617</b>	<b>\$1,177</b>

## 25. Other Income

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2009	2008	2009
Gains on Sales of Stocks and Other Securities	¥ 37,329	¥ 53,325	\$ 380
Gains on Money Held in Trust	237,425	309,150	2,416
Equity in Earnings of Affiliates	—	519	—
Gains on Disposals of Fixed Assets	193	835	2
Recoveries of Written-off Claims	7,525	4,719	77
Reversal of Reserve for Possible Loan Losses	—	58,482	—
Other	2,990	1,788	30
<b>Total</b>	<b>¥285,464</b>	<b>¥428,822</b>	<b>\$2,905</b>

## 26. Trading Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2009	2008	2009
Expenses on Trading Securities and Derivatives	¥ —	¥ —	\$ —
Expenses on Securities and Derivatives Related to Trading Transactions	422	—	4
Expenses on Trading-related Financial Derivatives	—	201	—
<b>Total</b>	<b>¥422</b>	<b>¥201</b>	<b>\$ 4</b>

## 27. Other Operating Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2009	2008	2009
Amortization of Debenture Issuance Costs	¥ 670	¥ 691	\$ 7
Losses on Foreign Exchange Transactions	71,828	1,162	731
Losses on Sales of Bonds	105,725	86,652	1,076
Losses on Redemption of Bonds	1,980	—	20
Losses on Revaluation of Bonds	316,632	168,763	3,223
Other	41,107	47,697	418
<b>Total</b>	<b>¥537,944</b>	<b>¥304,967</b>	<b>\$5,475</b>

## 28. Other Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2009	2008	2009
Write-off of Loans	¥ 9,349	¥ 3,389	\$ 95
Provision of Reserve for Possible Loan Losses	70,679	—	719
Losses on Sales of Stocks and Other Securities	79,319	31	807
Losses on Revaluation of Stocks and Other Securities	30,073	72,686	306
Losses on Money Held in Trust	89,917	8,060	915
Equity in Losses of Affiliates	1,422	—	15
Losses on Disposals of Fixed Assets	1,231	868	13
Provision of Reserve for Possible Investment Losses	—	14,827	—
Other	7,618	17,313	78
<b>Total</b>	<b>¥289,612</b>	<b>¥117,177</b>	<b>\$2,948</b>

## 29. Cash Flows

The reconciliation of Cash and Due from Banks in the consolidated balance sheets to Cash and Cash Equivalents at the End of the Fiscal Year is as follows:

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2009	2008	2009
Cash and Due from Banks	¥2,773,412	¥1,096,901	\$28,228
Less: Interest-bearing Due from Banks	(1,885,975)	(916,162)	(19,195)
<b>Cash and Cash Equivalents at the End of the Fiscal Year</b>	<b>¥ 887,436</b>	<b>¥ 180,738</b>	<b>\$ 9,033</b>

## 30. Segment Information

### a. Segment Information by Type of Businesses

Segment Information by Type of Businesses is not shown in this statement, since the business segments, other than the banking businesses, are immaterial.

### b. Segment Information by Geographic Areas

Fiscal year ended March 31, 2009	Millions of Yen					Elimination and Corporate Assets	Consolidated
	Japan	Americas	Europe	Asia	Total		
I. Ordinary Income							
(1) Ordinary Income from Third-parties	¥ 1,338,910	¥ 12,484	¥ 42,644	¥ 35,207	¥ 1,429,247	¥ —	¥ 1,429,247
(2) Inter-segment Ordinary Income	69,484	73,691	135,195	115,752	394,123	(394,123)	—
<b>Total</b>	<b>1,408,395</b>	<b>86,176</b>	<b>177,840</b>	<b>150,959</b>	<b>1,823,371</b>	<b>(394,123)</b>	<b>1,429,247</b>
Ordinary Expenses	2,050,781	61,561	176,465	151,219	2,440,027	(394,123)	2,045,903
Ordinary Profits (Losses)	¥ (642,386)	¥ 24,614	¥ 1,374	¥ (259)	¥ (616,656)	¥ —	¥ (616,656)
<b>II. Total Assets</b>	<b>¥66,426,718</b>	<b>¥6,906,332</b>	<b>¥3,236,050</b>	<b>¥2,780,004</b>	<b>¥79,349,106</b>	<b>¥(16,755,138)</b>	<b>¥62,593,968</b>

Fiscal year ended March 31, 2008	Millions of Yen					Elimination and Corporate Assets	Consolidated
	Japan	Americas	Europe	Asia	Total		
I. Ordinary Income							
(1) Ordinary Income from Third-parties	¥ 2,534,168	¥ 23,138	¥ 46,506	¥ 35,950	¥ 2,639,764	¥ —	¥ 2,639,764
(2) Inter-segment Ordinary Income	63,771	239,000	221,763	157,503	682,038	(682,038)	—
<b>Total</b>	<b>2,597,939</b>	<b>262,138</b>	<b>268,269</b>	<b>193,454</b>	<b>3,321,802</b>	<b>(682,038)</b>	<b>2,639,764</b>
Ordinary Expenses	2,256,583	245,589	263,517	192,916	2,958,607	(682,038)	2,276,568
Ordinary Profits	¥ 341,355	¥ 16,549	¥ 4,751	¥ 538	¥ 363,195	¥ —	¥ 363,195
<b>II. Total Assets</b>	<b>¥66,410,771</b>	<b>¥3,858,345</b>	<b>¥5,156,588</b>	<b>¥3,788,118</b>	<b>¥79,213,823</b>	<b>¥(18,128,317)</b>	<b>¥61,085,505</b>

Fiscal year ended March 31, 2009	Millions of U.S. Dollars						Elimination and Corporate Assets	Consolidated
	Japan	Americas	Europe	Asia	Total			
I. Ordinary Income								
(1) Ordinary Income from Third-parties	\$ 13,628	\$ 127	\$ 434	\$ 358	\$ 14,547	\$ —	\$ 14,547	
(2) Inter-segment Ordinary Income	707	750	1,376	1,178	4,011	(4,011)	—	
Total	14,335	877	1,810	1,536	18,558	(4,011)	14,547	
Ordinary Expenses	20,873	626	1,796	1,539	24,834	(4,011)	20,823	
Ordinary Profits (Losses)	\$ (6,538)	\$ 251	\$ 14	\$ (3)	\$ (6,276)	\$ —	\$ (6,276)	
II. Total Assets	\$676,099	\$70,294	\$32,937	\$28,295	\$807,625	\$(170,536)	\$637,089	

Notes: 1. The Bank reports Ordinary Income and Ordinary Profits that corresponds to Sales and Operating Profits for non-financial companies, for the Bank's head office, branches and the consolidated subsidiaries according to the classification of geographic areas. The geographic classification is effected by geographical proximity, similarities in economic activities and inter-relationships among these activities.

2. Americas includes the United States of America and Cayman Islands. Europe includes the United Kingdom and Asia includes the Republic of Singapore.

3. "Tentative Solution on Reclassification of Debt Securities" (ASBJ Practical Issue Task Force ("PITF") No.26, December 5, 2008) was released on December 5, 2008. The Bank has adopted the PITF from the fiscal year ended March 31, 2009, and reclassified certain debt securities from "Other Securities" to "Held-to-Maturity Debt Securities" on December 30, 2008, January 30, 2009 and March 31, 2009. As a result, compared with the valuation based on the former classification, Assets in Japan increased by ¥95,144 million (\$968 million).

4. As for floating-rate Japanese government bonds which are rarely transacted in the current market, the Bank determined that market prices are no longer deemed as fair value, and values them at reasonably estimated amounts as of March 31, 2009. As for some of foreign bonds, such as securitization products, which are rarely transacted in the current market, the Bank determined that quoted prices provided by brokers or venders are no longer deemed as fair value, and values such bonds at reasonably estimated amounts as of March 31, 2009. As a result, compared with valuation using the broker or vender prices, Assets in Japan increased by ¥1,520,432 million (\$15,475 million), and Ordinary Expenses and Ordinary Losses in Japan decreased by ¥593,506 million (\$6,041 million), respectively.

### c. Ordinary Income from International Operations

Fiscal years ended March 31	Ordinary Income from International Operations	Consolidated Ordinary Income	Ratio of Ordinary Income from International Operations over Consolidated Ordinary Income
	Millions of Yen		Percentage
2009	¥1,027,406	¥1,429,247	71.8%
2008	¥1,971,619	¥2,639,764	74.6%

  

2009	Ordinary Income from International Operations	Consolidated Ordinary Income	Ratio of Ordinary Income from International Operations over Consolidated Ordinary Income
	Millions of U.S. Dollars		Percentage
	\$10,457	\$14,547	71.8%

Notes: 1. Ordinary Income from International Operations is shown in place of Overseas Sales for non-financial companies.

2. Ordinary Income from International Operations comprises foreign currency transactions, yen-denominated trade bills, yen-denominated transactions with non-Japanese residents, transactions in the offshore market in Japan, transactions by overseas branches of the Bank and transactions by overseas consolidated subsidiaries (excluding Inter-segment Ordinary Income between consolidated entities). The composition of this substantial volume of transactions is not broken down by counter-party. Therefore, segment information by geographic areas has not been presented.

## 31. Fair Value of Securities

### For the Fiscal Year Ended March 31, 2009

#### Trading Securities

As of March 31, 2009	Millions of Yen		Millions of U.S. Dollars	
	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
Trading Securities	¥10,651	¥60	\$109	\$1

Note: The above analysis of Trading Securities includes Trading Securities disclosed as Trading Assets in the consolidated balance sheet.

#### Held-to-Maturity Debt Securities that have Fair Value

As of March 31, 2009	Millions of Yen				
	Consolidated Balance Sheet Amount	Fair Value	Net Unrealized Gain/Loss		
			Net	Gross Gain	Gross Loss
Japanese Government Bonds	¥ 7,615,885	¥ 7,658,643	¥42,758	¥42,759	¥ 0
Municipal Government Bonds	—	—	—	—	—
Corporate Bonds	—	—	—	—	—
Other	6,818,845	6,777,358	(41,487)	11,938	53,426
Foreign Bonds	6,818,845	6,777,358	(41,487)	11,938	53,426
Total	¥14,434,730	¥14,436,001	¥ 1,270	¥54,697	¥53,427

Millions of U.S. Dollars

As of March 31, 2009	Consolidated Balance Sheet Amount	Fair Value	Net Unrealized Gain/Loss		
			Net	Gross Gain	Gross Loss
Japanese Government Bonds	\$ 77,515	\$ 77,950	\$435	\$435	\$ 0
Municipal Government Bonds	—	—	—	—	—
Corporate Bonds	—	—	—	—	—
Other	69,403	68,981	(422)	122	544
Foreign Bonds	69,403	68,981	(422)	122	544
Total	\$146,918	\$146,931	\$ 13	\$557	\$544

Note: Fair value is based on the quoted market price if available, or other reasonable value at the consolidated balance sheet date.

## Other Securities that have Fair Value

Millions of Yen

As of March 31, 2009	Acquisition Cost	Consolidated Balance Sheet Amount	Net Unrealized Gain/Loss		
			Net	Gross Gain	Gross Loss
Stocks	¥ 289,874	¥ 313,373	¥ 23,499	¥ 55,549	¥ 32,049
Bonds	6,699,255	6,746,689	47,433	50,521	3,088
Japanese Government Bonds	6,473,143	6,520,071	46,928	47,887	959
Municipal Government Bonds	7,021	7,133	111	112	0
Corporate Bonds	219,090	219,484	393	2,522	2,128
Other	18,560,991	16,752,246	(1,808,745)	274,551	2,083,296
Foreign Bonds	8,892,721	8,923,094	30,373	246,490	216,117
Foreign Stocks	36,507	22,409	(14,097)	—	14,097
Investment Trusts	9,290,530	7,470,664	(1,819,865)	28,047	1,847,913
Other	341,232	336,077	(5,155)	13	5,168
Total	¥25,550,122	¥23,812,309	¥(1,737,812)	¥380,622	¥2,118,435

Millions of U.S. Dollars

As of March 31, 2009	Acquisition Cost	Consolidated Balance Sheet Amount	Net Unrealized Gain/Loss		
			Net	Gross Gain	Gross Loss
Stocks	\$ 2,950	\$ 3,189	\$ 239	\$ 565	\$ 326
Bonds	68,186	68,669	483	514	31
Japanese Government Bonds	65,884	66,362	478	487	9
Municipal Government Bonds	72	73	1	1	0
Corporate Bonds	2,230	2,234	4	26	22
Other	188,916	170,506	(18,410)	2,795	21,205
Foreign Bonds	90,511	90,820	309	2,509	2,200
Foreign Stocks	372	228	(144)	—	144
Investment Trusts	94,560	76,037	(18,523)	286	18,809
Other	3,473	3,421	(52)	0	52
Total	\$260,052	\$242,364	\$(17,688)	\$3,874	\$21,562

Notes: 1. The above analysis of Other Securities that have Fair Value includes Securities and negotiable certificates of deposit disclosed as Cash and Due from Banks in the consolidated balance sheet.

2. Investment Trusts include Japanese trusts and Foreign trusts.

3. Consolidated balance sheet amount is stated based on the closing fair value, which is determined at the quoted market price if available, or other reasonable value at the consolidated balance sheet date.

4. Certain other securities which have readily determinable fair values are revalued to their fair value, and the difference between the acquisition cost and the fair value is treated as a realized loss for the fiscal year ("revaluation loss"), if the fair value has significantly deteriorated from the acquisition cost (including amortized cost), and unless a recovery in the fair value is deemed probable.

The amount of revaluation loss for the fiscal year was ¥335,830 million (\$3,418 million) (including ¥15,051 million (\$153 million) on Stocks, ¥281,696 million (\$2,867 million) on Foreign Bonds, ¥4,135 million (\$42 million) on Foreign Stocks, and ¥34,946 million (\$356 million) on Investment Trusts).

The criteria for determining whether a security's fair value has "significantly deteriorated" are outlined as follows.

Securities whose fair values are 50% or less of their acquisition costs.

Securities whose fair values are more than 50% and 70% or less of their acquisition costs for a certain period.

(Additional information)

As for floating-rate Japanese government bonds which are rarely transacted in the current market, the Bank determined that market prices are no longer deemed as fair value, and values them at reasonably estimated amounts at the end of the fiscal year.

As a result, compared with valuation using the market prices, Securities and Net Unrealized Gains on Other Securities increased by ¥425,664 million (\$4,332 million), respectively.

Reasonably estimated amounts of floating-rate Japanese government bonds are calculated by Discount Cash Flow method. The price decision variables include the yield of Japanese government bonds, swaption volatilities and other.

As for some of foreign bonds, such as securitization products, which are rarely transacted in the current market, the Bank determined that quoted prices provided by brokers or vendors are no longer deemed as fair value, and values such bonds at reasonably estimated amounts at the end of the fiscal year.

As a result, compared with valuation using the broker or vendor prices, Securities and Net Unrealized Gains on Other Securities increased by ¥1,094,767 million (\$11,143 million) and ¥501,260 million (\$5,102 million), respectively, and Other Operating Expenses and Loss before Income Taxes and Minority Interests decreased by ¥593,506 million (\$6,041 million), respectively.

Reasonably estimated amounts of such foreign bonds are calculated by Discount Cash Flow method. The price decision variables include default rates, recovery rates, pre-payment rates, discount rates and others.

## Other Securities Sold during the Fiscal Year

Fiscal year ended March 31, 2009	Millions of Yen			Millions of U.S. Dollars		
	Sales Proceeds	Gains on Sales	Losses on Sales	Sales Proceeds	Gains on Sales	Losses on Sales
Other Securities	¥2,559,539	¥95,097	¥116,911	\$26,051	\$968	\$1,190

## Components and Consolidated Balance Sheet amount of Securities not stated at Fair Value

As of March 31, 2009	Millions of Yen	Millions of U.S. Dollars
Other Securities		
Unlisted Stocks	¥131,207	\$1,335
Municipal Government Bonds	585	6
Corporate Bonds	138,088	1,405
Foreign Bonds	406,298	4,135
Unlisted Foreign Stocks	33,416	340
Other	526,690	5,361

## Securities Reclassified to Held-to-Maturity

Floating-rate Japanese government bonds that were previously classified as “Other Securities” have been reclassified to “Held-to-Maturity Debt Securities” at ¥7,605,555 million (\$77,410 million) on December 30, 2008, and some of foreign bonds that were previously classified as “Other Securities” have been reclassified to “Held-to-Maturity Debt Securities” at ¥4,248,330 million (\$43,240 million) and ¥2,143,399 million (\$21,816 million) on January 30, 2009 and March 31, 2009, respectively. The Bank decided to make these reclassifications, taking into account unexpected significant changes which occurred in the market and have continued for an extended period, such as extreme small volume and number of transactions and significantly widening offer-bid spread. Under these market conditions, these securities are difficult to sell at their fair value.

As of March 31, 2009	Millions of Yen			Millions of U.S. Dollars		
	Fair Value	Consolidated Balance Sheet Amount	Net Unrealized Gains (Losses) on Other Securities, net of taxes	Fair Value	Consolidated Balance Sheet Amount	Net Unrealized Gains (Losses) on Other Securities, net of taxes
Japanese Government Bonds	¥7,642,897	¥7,600,279	¥155,022	\$77,790	\$77,357	\$1,578
Other	6,777,358	6,818,845	(367,817)	68,981	69,403	(3,744)
Foreign Bonds	6,777,358	6,818,845	(367,817)	68,981	69,403	(3,744)

## For the Fiscal Year Ended March 31, 2008

## Trading Securities

As of March 31, 2008	Millions of Yen		Millions of U.S. Dollars	
	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
Trading Securities	¥32,239	¥470	\$322	\$5

Note: The above analysis of Trading Securities includes “Trading Securities” disclosed as Trading Assets in the consolidated balance sheet.

## Held-to-Maturity Debt Securities that have Fair Value

As of March 31, 2008	Millions of Yen				
	Consolidated Balance Sheet Amount	Fair Value	Net Unrealized Gain		
			Net	Gross Gain	Gross Loss
Japanese Government Bonds	¥14,142	¥14,217	¥74	¥74	¥0
Total	¥14,142	¥14,217	¥74	¥74	¥0

  

As of March 31, 2008	Millions of U.S. Dollars				
	Consolidated Balance Sheet Amount	Fair Value	Net Unrealized Gain		
			Net	Gross Gain	Gross Loss
Japanese Government Bonds	\$141	\$142	\$1	\$1	\$0
Total	\$141	\$142	\$1	\$1	\$0

Note: Fair value is based on the closing market prices at the consolidated balance sheet date.



## Other Securities that have Fair Value

As of March 31, 2008	Millions of Yen				
	Acquisition Cost	Consolidated Balance Sheet Amount	Net Unrealized Gain/Loss		
			Net	Gross Gain	Gross Loss
Stocks	¥ 389,043	¥ 539,397	¥ 150,353	¥189,863	¥ 39,509
Bonds	9,223,420	9,125,061	(98,359)	66,803	165,162
Japanese Government Bonds	8,903,343	8,802,241	(101,102)	63,200	164,302
Municipal Government Bonds	12,629	12,803	173	173	—
Corporate Bonds	307,447	310,016	2,569	3,429	860
Other	25,805,910	25,210,091	(595,818)	651,469	1,247,288
Foreign Bonds	14,215,421	13,925,437	(289,984)	335,071	625,056
Foreign Stocks	26,740	23,379	(3,360)	562	3,923
Investment Trusts	11,040,626	10,739,253	(301,372)	314,995	616,368
Other	523,121	522,020	(1,100)	839	1,940
<b>Total</b>	<b>¥35,418,374</b>	<b>¥34,874,550</b>	<b>¥(543,823)</b>	<b>¥908,136</b>	<b>¥1,451,960</b>

As of March 31, 2008	Millions of U.S. Dollars				
	Acquisition Cost	Consolidated Balance Sheet Amount	Net Unrealized Gain/Loss		
			Net	Gross Gain	Gross Loss
Stocks	\$ 3,883	\$ 5,383	\$ 1,500	\$1,895	\$ 395
Bonds	92,050	91,068	(982)	666	1,648
Japanese Government Bonds	88,856	87,847	(1,009)	631	1,640
Municipal Government Bonds	126	128	2	2	—
Corporate Bonds	3,068	3,093	25	33	8
Other	257,544	251,598	(5,946)	6,502	12,448
Foreign Bonds	141,871	138,977	(2,894)	3,344	6,238
Foreign Stocks	266	233	(33)	6	39
Investment Trusts	110,186	107,178	(3,008)	3,144	6,152
Other	5,221	5,210	(11)	8	19
<b>Total</b>	<b>\$353,477</b>	<b>\$348,049</b>	<b>\$(5,428)</b>	<b>\$9,063</b>	<b>\$14,491</b>

Notes: 1. The above analysis of Other Securities that have Fair Value includes Securities and negotiable certificates of deposit disclosed as Cash and Due from Banks in the consolidated balance sheet.

2. Investment Trusts include Japanese trusts and Foreign trusts.

3. Consolidated balance sheet amount is stated based on the closing market prices at the consolidated balance sheet date.

4. Certain other securities which have readily determinable fair values are revalued to their fair value, and the difference between the acquisition cost and the fair value is treated as a realized loss for the fiscal year ("revaluation loss"), if the fair value has significantly deteriorated compared with the acquisition cost (including amortized cost), and unless a recovery in the fair value is deemed probable.

The amount of revaluation loss for the fiscal year was ¥194,249 million (\$1,939 million) (including ¥33,329 million (\$333 million) on Stocks and ¥160,919 million (\$1,606 million) on Foreign Bonds).

The criteria for determining whether a security's fair value has "significantly deteriorated" are outlined as follows.

Securities whose fair values are 50% or less of their acquisition costs.

Securities whose fair values are more than 50% and 70% or less of their acquisition costs for a certain period.

## Other Securities Sold during the Fiscal Year

Fiscal year ended March 31, 2008	Millions of Yen			Millions of U.S. Dollars		
	Sales Proceeds	Gains on Sales	Losses on Sales	Sales Proceeds	Gains on Sales	Losses on Sales
Other Securities	¥7,310,329	¥314,453	¥60,674	\$72,957	\$3,138	\$606

## Components and Consolidated Balance Sheet amount of Securities not stated at Fair Value

As of March 31, 2008	Millions of Yen	Millions of U.S. Dollars
Other Securities		
Unlisted Stocks	¥244,080	\$2,436
Municipal Government Bonds	636	6
Corporate Bonds	145,316	1,450
Foreign Bonds	459,935	4,590
Unlisted Foreign Stocks	43,567	435
Other	478,749	4,778

## 32. Fair Value of Money Held in Trust

### For the Fiscal Year Ended March 31, 2009

#### Money Held in Trust for Trading Purpose

	Millions of Yen		Millions of U.S. Dollars	
	Consolidated Balance Sheet Amount	Unrealized Loss Recognized as Expenses	Consolidated Balance Sheet Amount	Unrealized Loss Recognized as Expenses
<b>As of March 31, 2009</b>				
Money Held in Trust for Trading Purpose	<b>¥3,898</b>	<b>¥(987)</b>	<b>\$40</b>	<b>\$(10)</b>

#### Other Money Held in Trust (Money Held in Trust other than that for trading purpose or held to maturity)

	Millions of Yen				
	Acquisition Cost	Consolidated Balance Sheet Amount	Net Unrealized Loss		
			Net	Gross Gain	Gross Loss
<b>As of March 31, 2009</b>					
Other Money Held in Trust	<b>¥5,697,430</b>	<b>¥5,650,978</b>	<b>¥(46,452)</b>	<b>¥138,323</b>	<b>¥184,775</b>

	Millions of U.S. Dollars				
	Acquisition Cost	Consolidated Balance Sheet Amount	Net Unrealized Loss		
			Net	Gross Gain	Gross Loss
<b>As of March 31, 2009</b>					
Other Money Held in Trust	<b>\$57,989</b>	<b>\$57,516</b>	<b>\$(473)</b>	<b>\$1,408</b>	<b>\$1,881</b>

Note: Consolidated balance sheet amount is stated based on the closing fair value, which is determined at the quoted market price if available, or other reasonable value at the consolidated balance sheet date.

### For the Fiscal Year Ended March 31, 2008

#### Money Held in Trust for Trading Purpose

	Millions of Yen		Millions of U.S. Dollars	
	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
<b>As of March 31, 2008</b>				
Money Held in Trust for Trading Purpose	¥114,601	¥797	\$1,144	\$8

#### Other Money Held in Trust (Money Held in Trust other than that for trading purpose or held to maturity)

	Millions of Yen				
	Acquisition Cost	Consolidated Balance Sheet Amount	Net Unrealized Gain		
			Net	Gross Gain	Gross Loss
<b>As of March 31, 2008</b>					
Other Money Held in Trust	¥7,736,770	¥7,849,914	¥113,144	¥185,229	¥72,084

	Millions of U.S. Dollars				
	Acquisition Cost	Consolidated Balance Sheet Amount	Net Unrealized Gain		
			Net	Gross Gain	Gross Loss
<b>As of March 31, 2008</b>					
Other Money Held in Trust	\$77,213	\$78,342	\$1,129	\$1,849	\$720

Note: Consolidated balance sheet amount is stated based on the closing market prices at the consolidated balance sheet date.

### 33. Fair Value of Derivative Instruments

For the Fiscal Year Ended March 31, 2009

#### Interest Rate-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
<b>As of March 31, 2009</b>								
Exchange-traded Transactions								
Interest Rate Futures:								
Sold	¥ 9,696	¥ —	¥ (17)	¥ (17)	\$ 99	\$ —	\$ (0)	\$ (0)
Purchased	55,815	41,436	87	87	568	422	1	1
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Forward Rate Agreements:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps:								
Rec.: Fix.-Pay.: Flt.	1,639,081	1,374,208	46,045	46,045	16,683	13,987	469	469
Rec.: Flt.-Pay.: Fix.	753,727	446,063	(12,787)	(12,787)	7,672	4,540	(130)	(130)
Rec.: Flt.-Pay.: Flt.	65,800	50,800	38	38	670	517	0	0
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥33,366</b>	<b>¥33,366</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$340</b>	<b>\$340</b>

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments accounted for as hedges in accordance with "Accounting and Auditing Treatment relating to the Adoption of 'Accounting for Financial Instruments' for Banks" (JICPA Industry Audit Committee Report No. 24).

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo Financial Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.

## Currency-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain
<b>As of March 31, 2009</b>								
Exchange-traded Transactions								
Currency Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Currency Swaps								
Forwards:								
Sold	186,678	6,368	263	263	1,900	65	3	3
Purchased	507,131	6,368	734	734	5,162	65	7	7
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥998</b>	<b>¥998</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$10</b>	<b>\$10</b>

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments 1) accounted for as hedges in accordance with "Accounting and Auditing Treatment relating to Accounting for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee Report No. 25), or 2) designated to certain monetary receivables or payables denominated in foreign currencies and recorded on the consolidated balance sheet.

2. Determination of fair value:

Fair value is determined based on the discounted net present value model.

## Stock-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
<b>As of March 31, 2009</b>								
Exchange-traded Transactions								
Equity Price Index Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Equity Price Index Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Equity Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Equity Price Index Swaps:								
Rec.: Stock Index	—	—	—	—	—	—	—	—
Pay.: Flt. Rate	—	—	—	—	—	—	—	—
Rec.: Flt. Rate	—	—	—	—	—	—	—	—
Pay.: Stock Index	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	1,000	1,000	—	—	10	10	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥—</b>	<b>¥—</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$—</b>	<b>\$—</b>

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments accounted for as hedges.

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at Tokyo Stock Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.

3. Derivative instruments without a fair value included in "Over-the-counter Transactions, Other" are valued at cost.

## Bond-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
<b>As of March 31, 2009</b>								
Exchange-traded Transactions								
Bond Futures:								
Sold	¥9,446	¥—	¥(22)	¥(22)	\$96	\$—	\$ (0)	\$ (0)
Purchased	1,145	—	14	14	12	—	0	0
Bond Futures Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Bond Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ (7)</b>	<b>¥ (7)</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$ (0)</b>	<b>\$ (0)</b>

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments accounted for as hedges.

## 2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at Tokyo Stock Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on an option pricing model or other models as appropriate.

## Commodities-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no commodities-related derivative instruments as of March 31, 2009.

## Credit Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Loss
<b>As of March 31, 2009</b>								
Over-the-counter Transactions								
Credit Default Swaps:								
Sold	¥91,585	¥91,585	¥(7,221)	¥(7,221)	\$932	\$932	\$(74)	\$(74)
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥(7,221)</b>	<b>¥(7,221)</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$(74)</b>	<b>\$(74)</b>

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments accounted for as hedges.

## 2. Determination of fair value:

Fair value is determined based on the discounted net present value model.

3. "Sold" and "Purchased" indicate assumption and transfer of credit risk, respectively.

## For the Fiscal Year Ended March 31, 2008

## Interest Rate-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of March 31, 2008								
Exchange-traded Transactions								
Interest Rate Futures:								
Sold	¥ 171,680	¥ 50,114	¥ (981)	¥ (981)	\$ 1,713	\$ 500	\$ (10)	\$ (10)
Purchased	184,256	—	759	759	1,839	—	8	8
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Forward Rate Agreements:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps:								
Rec.: Fix.-Pay.: Flt.	1,173,732	766,104	11,693	11,693	11,714	7,646	117	117
Rec.: Flt.-Pay.: Fix.	1,169,641	770,073	(10,988)	(10,988)	11,673	7,685	(110)	(110)
Rec.: Flt.-Pay.: Flt.	55,800	55,800	(21)	(21)	557	557	(0)	(0)
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ 460</b>	<b>¥ 460</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$ 5</b>	<b>\$ 5</b>

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments accounted for as hedges in accordance with "Accounting and Auditing Treatment relating to the Adoption of 'Accounting for Financial Instruments' for Banks" (JICPA Industry Audit Committee Report No. 24).

## 2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo Financial Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.

## Currency-Related Derivative Instruments

As of March 31, 2008	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions								
Currency Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Currency Swaps:								
Forwards:								
Sold	417,486	6,009	13,153	13,153	4,167	60	131	131
Purchased	998,594	6,009	(16,124)	(16,124)	9,966	60	(161)	(161)
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ (2,970)</b>	<b>¥ (2,970)</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$ (30)</b>	<b>\$ (30)</b>

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments 1) accounted for as hedges in accordance with "Accounting and Auditing Treatment relating to Accounting for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee Report No. 25), or 2) designated to certain monetary receivables or payables denominated in foreign currencies and recorded on the consolidated balance sheet.

2. Determination of fair value:

Fair value is determined based on the discounted net present value model.

## Stock-Related Derivative Instruments

As of March 31, 2008	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions								
Equity Price Index Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Equity Price Index Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Equity Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Equity Price Index Swaps:								
Rec.: Stock Index	—	—	—	—	—	—	—	—
Pay.: Flt. Rate	—	—	—	—	—	—	—	—
Rec.: Flt. Rate	—	—	—	—	—	—	—	—
Pay.: Stock Index	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	1,000	1,000	—	—	10	10	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ —</b>	<b>¥ —</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$ —</b>	<b>\$ —</b>

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments accounted for as hedges.

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at Tokyo Stock Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.

3. Derivative instruments without a fair value included in "Over-the-counter Transactions, Other" are valued at cost.



## Bond-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of March 31, 2008								
Exchange-traded Transactions								
Bond Futures:								
Sold	¥26,192	¥—	¥(216)	¥(216)	\$261	\$—	\$ (2)	\$ (2)
Purchased	33,761	—	353	353	337	—	3	3
Bond Futures Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Bond Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ 136</b>	<b>¥ 136</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$ 1</b>	<b>\$ 1</b>

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments accounted for as hedges.

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at Tokyo Stock Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on an option pricing model or other models as appropriate.

## Commodities-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no commodities-related derivative instruments as of March 31, 2008.

## Credit Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Loss
As of March 31, 2008								
Over-the-counter Transactions								
Credit Default Swaps:								
Sold	¥79,339	¥79,339	¥(2,214)	¥(2,214)	\$792	\$792	\$(22)	\$(22)
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥(2,214)</b>	<b>¥(2,214)</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$(22)</b>	<b>\$(22)</b>

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments accounted for as hedges.

2. Determination of fair value:

Fair value is determined based on the discounted net present value model.

3. "Sold" and "Purchased" indicate assumption and transfer of credit risk, respectively.

**34. The Norinchukin Bank (Parent Company)****(a) Non-consolidated Balance Sheets**

As of March 31	Millions of Yen		Millions of U.S.
	2009	2008	Dollars 2009
<b>Assets</b>			
Cash and Due from Banks	¥ 2,763,329	¥ 1,095,094	\$ 28,125
Call Loans	1,155,692	1,833,020	11,763
Receivables under Resale Agreements	—	258,135	—
Receivables under Securities Borrowing Transactions	140,422	1,108,779	1,429
Monetary Claims Bought	646,139	770,387	6,577
Trading Assets	24,842	48,033	253
Money Held in Trust	5,653,984	7,963,664	57,547
Securities	39,558,840	36,262,384	402,635
Loans and Bills Discounted	10,947,810	9,795,662	111,428
Foreign Exchange Assets	81,703	7,119	832
Other Assets	932,219	1,445,050	9,488
Tangible Fixed Assets	132,562	134,502	1,349
Intangible Fixed Assets	31,959	17,164	325
Deferred Tax Assets	238,848	150,750	2,431
Customers' Liabilities for Acceptances and Guarantees	383,950	492,389	3,908
Reserve for Possible Loan Losses	(192,922)	(136,922)	(1,964)
Reserve for Possible Investment Losses	(103)	(53,494)	(1)
<b>Total Assets</b>	<b>¥62,499,278</b>	<b>¥61,191,721</b>	<b>\$636,125</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Deposits	¥37,501,564	¥38,813,327	\$381,695
Negotiable Certificates of Deposit	321,249	538,019	3,270
Debentures	5,255,031	4,822,176	53,486
Call Money	510,000	758,000	5,191
Payables under Repurchase Agreements	4,606,862	4,461,811	46,889
Payables under Securities Lending Transactions	530,276	496,637	5,397
Trading Liabilities	13,725	15,248	140
Borrowed Money	5,873,611	1,301,922	59,782
Foreign Exchange Liabilities	51	2	1
Short-term Entrusted Funds	4,077,454	4,401,193	41,501
Other Liabilities	930,267	1,863,773	9,468
Reserve for Bonus Payments	3,495	4,746	36
Reserve for Directors' Retirement Benefits	616	539	6
Deferred Tax Liabilities for Land Revaluation	18,819	19,452	192
Acceptances and Guarantees	383,950	492,389	3,908
<b>Total Liabilities</b>	<b>60,026,977</b>	<b>57,989,241</b>	<b>610,962</b>
<b>Net Assets</b>			
Paid-in Capital	3,421,370	2,016,033	34,823
Capital Surplus	25,020	25,020	255
Retained Earnings	788,100	1,435,601	8,021
<b>Total Owners' Equity</b>	<b>4,234,491</b>	<b>3,476,655</b>	<b>43,099</b>
Net Unrealized Losses on Other Securities, net of taxes	(1,871,867)	(296,521)	(19,052)
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes	76,870	(11,861)	782
Revaluation Reserve for Land, net of taxes	32,807	34,208	334
<b>Total Valuation and Translation Adjustments</b>	<b>(1,762,190)</b>	<b>(274,175)</b>	<b>(17,936)</b>
<b>Total Net Assets</b>	<b>2,472,301</b>	<b>3,202,479</b>	<b>25,163</b>
<b>Total Liabilities and Net Assets</b>	<b>¥62,499,278</b>	<b>¥61,191,721</b>	<b>\$636,125</b>





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## Report of Independent Auditors

The Board of Directors  
 The Norinchukin Bank

We have audited the accompanying consolidated balance sheets of The Norinchukin Bank (the "Bank") and consolidated subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of operations, capital surplus and retained earnings, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Norinchukin Bank and consolidated subsidiaries at March 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

As discussed in Note 2, to the consolidated financial statements, the Bank has adopted "Tentative Solution on Reclassification of Debt Securities" (ASBJ Practical Issue Task Force No. 26, December 5, 2008) from the fiscal year ended March 31, 2009, and reclassified certain debt securities from "Other Securities" to "Held-to-Maturity Debt Securities".

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2009 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1.

*Ernst & Young ShinNihon LLC*

June 25, 2009