ANNUAL REPORT 2010

For The Year Ended March 31, 2010

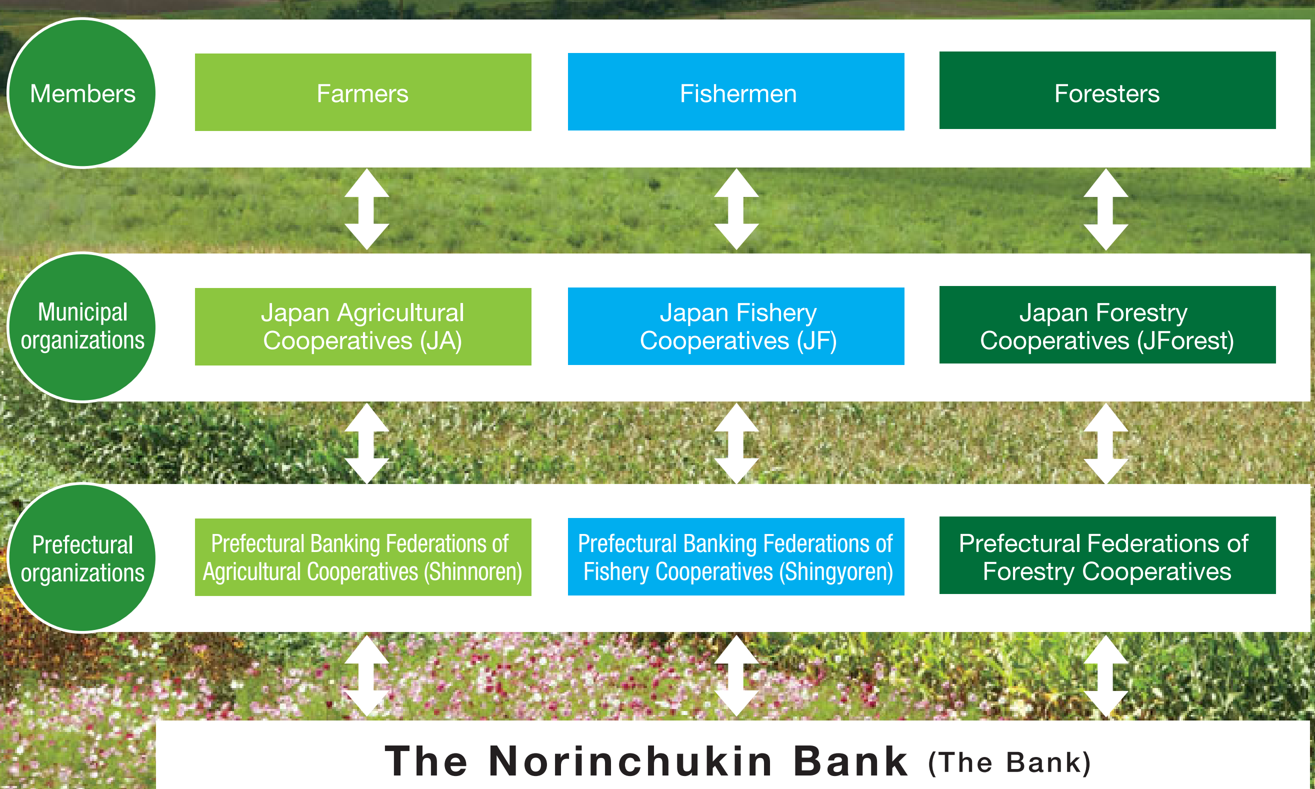
The Norinchukin Bank

Quality of life and an enduring source of nourishment

The Norinchukin Bank hopes that all people will be able to enjoy the benefits of nature's abundant offerings as well as the advantages of a comfortable life. Our mission is to fully support Japan's primary industries as the central bank for Japan's agricultural, forestry and fishery cooperative system. Through this support, the Bank aims to contribute to a better life for the people of Japan.

Supporting core farmers, who will be the backbone of the Japanese agricultural industry of tomorrow; reforesting lands to protect and preserve the natural environment and its resources; and, working to secure stable profits through global investments as one of Japan's leading institutional investors, are some of the major activities we undertake in fulfilling our mission.

The Norinchukin Bank is committed to continuing these activities to ensure prosperity for Japan's next generation.



Corporate Outline

Name
The Norinchukin Bank

Legal basis
The Norinchukin Bank Law (Law No. 93 of 2001)

Date of establishment
December 20, 1923

Chairman of the Supervisory Committee
Mamoru Moteki

President and Chief Executive Officer
Yoshio Kono

Paid-in capital
¥3,425.9 billion (US$ 36.8 billion) (As of March 31, 2010)
*All capital is from private parties (members and investors in preferred securities). The Bank receives no public funding and has never accepted the injection of public funds.

Total assets (On a consolidated basis)
¥68,676.7 billion (US$ 738.4 billion) (As of March 31, 2010)

Capital adequacy ratio (On a consolidated basis):
19.21% (As of March 31, 2010) (Basel II standard)

Members
Japan agricultural cooperatives (JA), Japan fishery cooperatives (JF), Japan forestry cooperatives (JForest), and related associations, as well as organizations that have invested in the Bank, including other agricultural, forestry, and fishery cooperatives (Number of shareholders: 3,988) (As of March 31, 2010)

Number of employees
3,181 (As of March 31, 2010)

Ratings

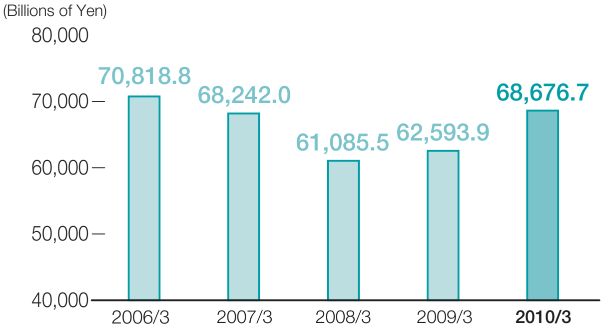
Ratings agency	Long-term debt	Short-term debt
Standard & Poor's	A+	A-1
Moody's Investors Service	Aa3	P-1

(As of March 31, 2010)

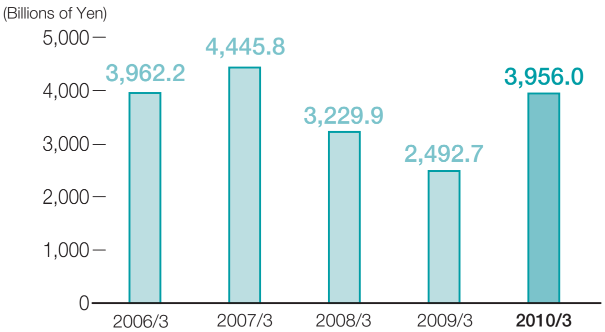
Forward-Looking Statements
This material contains forward-looking statements pertaining to the businesses and prospects of the Bank. These statements are based on our current expectations and are subject to the risks and uncertainties that may affect our businesses, which could cause actual results to differ materially from those currently anticipated.

Financial Highlights (Consolidated)

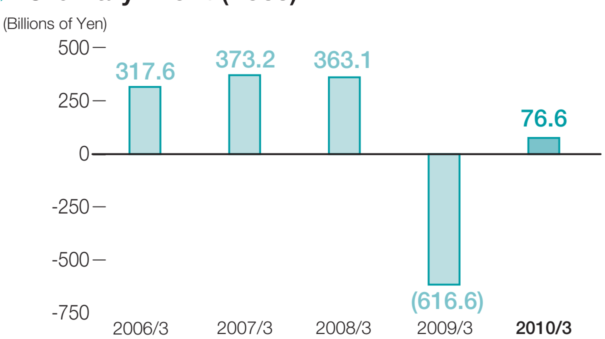
Total Assets



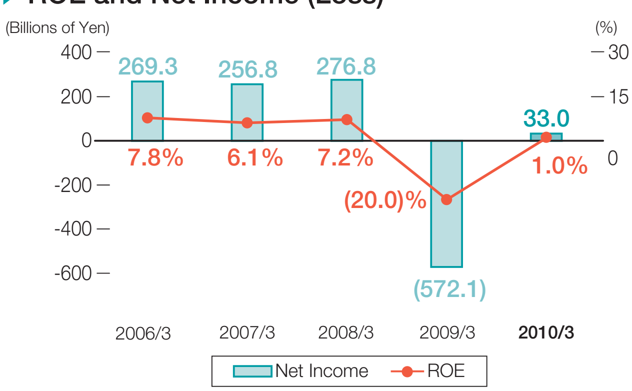
Net Assets



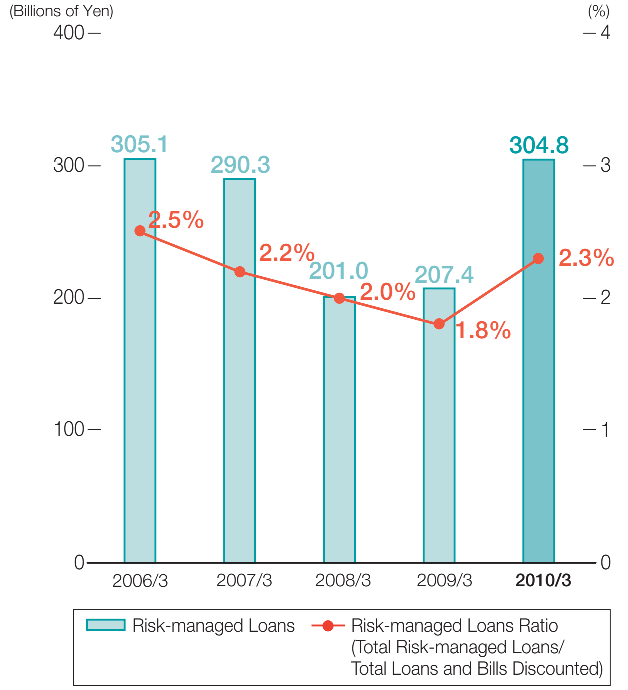
Ordinary Profit (Loss)



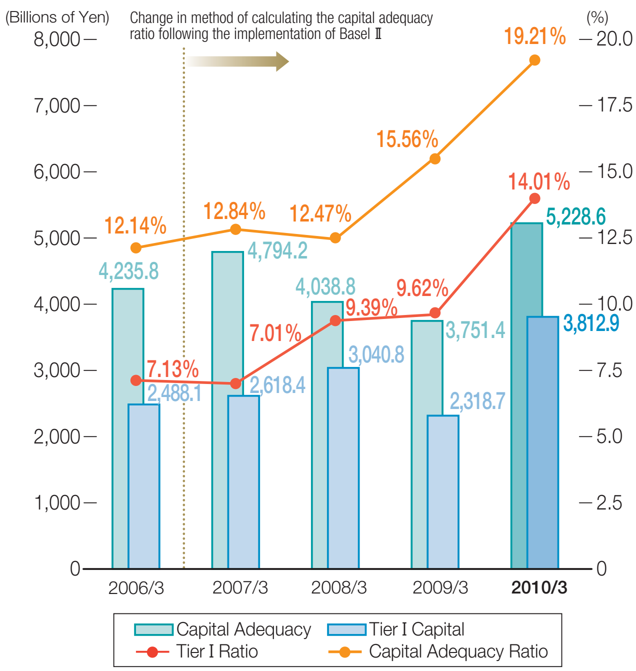
ROE and Net Income (Loss)



Risk-managed Loans



Capital Adequacy Ratio



Financial Review

■ Financial Results for the fiscal year ended March 31, 2010 (Consolidated)

The Norinchukin Bank's ("the Bank") financial results on a consolidated basis as of March 31, 2010 include the results of 8 consolidated subsidiaries and 6 affiliates (up 1 company from the previous year-end) which are accounted for by the equity method.

The following is a summary of Financial Results for the Fiscal 2009.

• Balance of Assets and Liabilities

Consolidated Total Assets increased by ¥6,082.7 billion from the previous fiscal year-end to ¥68,676.7 billion, and consolidated Total Net Assets increased by ¥1,463.3 billion from the previous fiscal year-end to ¥3,956.0 billion.

On the asset side, Loans and Bills Discounted increased by ¥2,074.9 billion to ¥13,097.6 billion, and Securities increased by ¥4,454.1 billion from the previous fiscal year-end to ¥43,994.7 billion.

On the procurement side, Deposits increased by ¥1,608.8 to ¥39,101.6 billion, and Debentures increased by ¥353.7 billion from the previous fiscal year-end to ¥5,605.7 billion.

• Income (Loss)

Consolidated Ordinary Profits*, were ¥76.6 billion, a ¥693.2 billion increase compared with consolidated Ordinary Losses* of ¥616.6 billion for the previous fiscal year. Consolidated Net Income was ¥33.0 billion, up ¥605.1 billion from consolidated Net Loss of ¥572.1 billion for the previous fiscal year.

* Ordinary Profits (Losses) represent Ordinary Income less Ordinary Expenses. Ordinary Income represents Total Income less certain special income, and Ordinary Expenses represent Total Expenses less certain special expenses.

• Capital Adequacy Ratio

The Bank's Consolidated Capital Adequacy Ratio (Basel II standard) was 19.21% as of March 31, 2010.

Key Management Indicators (Consolidated)

(Billions of Yen/Millions of U.S. Dollars (Note 1))

	2006/3	2007/3	2008/3	2009/3	2010/3	2010/3
Total Income	¥ 1,811.2	¥ 2,639.9	¥ 2,703.8	¥ 1,438.0	**¥ 1,270.5**	**$ 13,662**
Total Expenses	1,445.0	2,250.8	2,278.5	2,048.1	**1,194.8**	**12,848**
Net Income (Loss)	269.3	256.8	276.8	(572.1)	**33.0**	**356**
Total Net Assets (Note 2)	3,962.2	4,445.8	3,229.9	2,492.7	**3,956.0**	**42,538**
Total Assets	70,818.8	68,242.0	61,085.5	62,593.9	**68,676.7**	**738,459**
Capital Adequacy Ratio (%, BIS) (Note 3)	12.14	12.84	12.47	15.56	**19.21**	**19.21**

Notes: 1. U.S. dollars have been converted at the rate of ¥93.00 to U.S.$1, the effective rate of exchange at March 31, 2010.
2. Total Net Assets includes Net Deferred Gains or Losses on Hedging Instruments, net of taxes and Minority Interests in order to comply with the revision of "The Norinchukin Bank Law Enforcement Regulations" (Cabinet Office, the Ministry of Agriculture, Forestry, and Fisheries No.16, 2001) issued on April 28, 2006, which came into effect from the fiscal year ended March 31, 2007.
3. The calculation of the Bank's Consolidated BIS Capital Adequacy Ratio is based on the formula found in Notification No.4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank) issued in 2006, which came into effect from the fiscal year ended March 31, 2007. The former standards were applied in calculating the Capital Adequacy Ratio at the fiscal year ended March 31, 2006.

■ Financial Results for the fiscal year ended March 31, 2010 (Non-consolidated)

• Balance of Assets and Liabilities

Total Assets of the Bank increased by ¥5,971.1 billion to ¥68,470.3 billion from the previous fiscal year-end. Total Net Assets at the end of the fiscal year increased by ¥1,459.3 billion to ¥3,931.6 billion from the previous fiscal year-end.

On the asset side, Loans and Bills Discounted was ¥13,038.0 billion, and Securities was ¥44,013.7 billion. On the liability side, Deposits was ¥39,108.7 billion, and Debentures was ¥5,611.7 billion.

• Income (Loss)

On the economic climate, financial market was recomposed by some financial authorities' policies, while weak real economy was actualized lately. In this earning environment, the Bank accumulated interest income steadily under the conservative financial management, and net interest of the Bank were ¥129.0 billion, up ¥68.4 billion from the previous fiscal year.

Total credit cost increased by ¥78.7 billion to ¥152.9 billion from the previous fiscal year for additional reserve due to worsening business performance of our clients.

As for net gains on securities, net gains on sales were increased by ¥239.4 billion to ¥149.6 billion from the previous fiscal year by quickly responding to the fluctuation in the financial markets, meanwhile expenses for holding securities were decreased by ¥199.5 billion to ¥147.1 billion from the previous fiscal year.

As a result of the factors mentioned above, the Bank's Ordinary Profits were ¥71.6 billion, up ¥684.3 billion from the previous fiscal year and Net Income was ¥29.5 billion, up ¥595.2 billion from the previous fiscal year. The Bank's net operating profits were ¥69.3 billion and net operating profits (before provision of general reserve for possible loan losses) were ¥93.4 billion.

• Capital Adequacy Ratio

The Bank's Capital Adequacy Ratio (Basel II standard) was 19.26% as of March 31, 2010.

Key Management Indicators (Non-consolidated)

(Billions of Yen/Millions of U.S. Dollars (Note 1))

	2006/3	2007/3	2008/3	2009/3	2010/3	2010/3
Total Income	¥ 1,796.1	¥ 2,624.4	¥ 2,691.4	¥ 1,426.7	**¥ 1,259.4**	**$ 13,542**
Total Expenses	1,435.2	2,241.3	2,274.9	2,030.7	**1,189.0**	**12,785**
Net Income (Loss)	267.6	253.8	272.0	(565.7)	**29.5**	**318**
Paid-in Capital	1,465.0	1,484.0	2,016.0	3,421.3	**3,425.9**	**36,838**
Total Net Assets (Note 2)	3,947.7	4,423.0	3,202.4	2,472.3	**3,931.6**	**42,276**
Total Assets	70,764.1	68,487.2	61,191.7	62,499.2	**68,470.3**	**736,241**
Deposits	40,483.4	41,253.6	38,813.3	37,501.5	**39,108.7**	**420,524**
Debentures	4,787.7	4,471.3	4,822.1	5,255.0	**5,611.7**	**60,341**
Loans and Bills Discounted	11,948.7	12,804.4	9,795.6	10,947.8	**13,038.0**	**140,194**
Securities	45,607.4	43,750.5	36,262.3	39,558.8	**44,013.7**	**473,266**
Capital Adequacy Ratio (%, BIS) (Note 3)	12.10	12.84	12.55	15.65	**19.26**	**19.26**

Notes: 1. U.S. dollars have been converted at the rate of ¥93.00 to U.S.$1, the effective rate of exchange at March 31, 2010.
2. Total Net Assets includes Net Deferred Gains or Losses on Hedging Instruments, net of taxes in order to comply with the revision of "The Norinchukin Bank Law Enforcement Regulations" (Cabinet Office, the Ministry of Agriculture, Forestry, and Fisheries No.16, 2001) issued on April 28, 2006, which came into effect from the fiscal year ended March 31, 2007.
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A Message from the Management

Mamoru Moteki
Chairman
The Supervisory Committee

Yoshio Kono
President and Chief Executive Officer

First, we would like to sincerely thank all our stakeholders for their understanding and support for, and cooperation with, the Norinchukin Bank in its day-to-day operations.

This Annual Report for 2010 contains details of the financial position of the Bank for fiscal 2009, as well as a summary of operations over the year at the JA Bank, JF Marine Bank and the Forestry Cooperative System.

We believe that readers of this Report will continue to offer their support to the JA Bank, JF Marine Bank, the Forestry Cooperatives and the Norinchukin Bank itself.

The Basic Role the Norinchukin Bank Fulfills as the Central Organization for Cooperatives

As the central bank for the agricultural, forestry, and fishery cooperatives in Japan, the mission of the Norinchukin Bank is to contribute to the development of these industries and to national economic prosperity by providing smooth access to financial resources. To achieve its mission, with the stable funding base provided by capital from Japan's Agricultural Cooperatives (JA), Fishery Cooperatives (JF) and Forestry Cooperatives (JForest), as well as JA Bank and JF Marine Bank deposits from cooperative members and customers, the Bank lends funds to members, agricultural, forestry and fisheries workers, and companies related to the agricultural, forestry and fisheries industries as well as to local public organizations. As the ultimate manager of these funds, the Bank also conducts various lending and investment activities in Japan and abroad, efficiently manages funds and stably returns profits to its members.

Moreover, the Bank provides various financial services including a nationwide shared system infrastructure for supporting the cooperative banking business of JA and JF (Japan Fishery Cooperatives), the development of new products, and it responds to the financial needs of cooperative organizations. The Bank also provides operational guidance for the JA and JF cooperative banking business based on relevant rules and regulations and it is building a safety net for the JA Bank System and JF Marine Bank System.

The Bank continues to work to raise trust in its cooperative banking business while recognizing the importance of strengthening the competitiveness of its cooperative banking business.

Business Operations in Fiscal 2009

The Bank is enhancing business operations based on the Business Renewal Plan (fiscal 2009 through 2012), which was instituted in February 2009, for upgrading its financial and risk management methods and for further expanding its role as the central financial organization for cooperatives in Japan. In fiscal 2009, the Bank conducted financial management with the aim of securing steady profits while also reviewing its risk management methods. Thanks to the foregoing and to the market recovery, the Bank's performance was in line with its plan on both the earnings and financial fronts, with ordinary profit of ¥76.6 billion (consolidated) and a fiscal year-end capital adequacy ratio of 19.21% (consolidated).

In order to respond to the needs of customers including farmers, fishermen and foresters as a whole, the Bank has planned various measures to achieve smoother business operations for its members. It is also strengthening its financial services that support the agricultural, forestry and fisheries industries.

In accordance with the "JA Bank Medium-Term Management Strategy" (fiscal 2007 through fiscal 2009), its management and business strategy, not only is the JA Bank taking steps to improve its agricultural financing capabilities, it is also aggressively broadening retail financial service offerings, such as JA Bank loans, the JA Card and pensions, and is meeting the needs of its cooperative members and other customers. The balance of deposits under the JA Bank system as of March 31, 2010, amounted to ¥84,477.2 billion, a 1.4% increase compared with the previous fiscal year. Seeking to become a financial institution that wins the greater confidence and trust of its customers, we are taking steps to upgrade our business management system and maintaining and raising the Bank's soundness. With respect to important system infrastructure (the JASTEM System) for JA Bank business operations, the Bank is taking a number of measures to achieve secure operation by migrating to a next-generation IT system.

JF Marine Bank is increasing customer convenience with the promotion of primary accounts for household budgets and is reinforcing its financial services to the fisheries industry based on its "JF Marine Bank Medium-Term Business Promotion Policy" (fiscal 2009 through fiscal 2011). The balance of deposits under the JF Marine Bank system as of March 31, 2010, amounted to ¥2,243.4 billion, a 0.1% decrease compared with the previous fiscal year.

With the "Movement to Revitalize Forestlands, the Forestry Industry, and Rural Mountain Villages that Support the Environment and Livelihood," (fiscal 2006 through fiscal 2010), a cooperative campaign, as one of its pillars, the Forestry Cooperatives are providing aid to nurture and improve forest areas based on the Jointly Managed Project.

The Bank's Future Business Management Policies

The Bank recognizes that the achievement of its Business Renewal Plan is the most important task to be addressed. It therefore believes that upgrading its investment and loan operations and risk management, improving its financial standing and strengthening its efforts to respond to the needs of farmers, foresters and fishermen as a whole, in cooperation with all members, are important tasks.

The goal of the Bank is to raise its profile as a financial institution, both in terms of growth of the agricultural, forestry, and fisheries industries and of its members' business, as well as a more globalized approach to investment financing.

Conclusion

The Bank, JA Bank, JF Marine Bank and the Forestry Cooperatives want to become financial institutions and organizations that win the confidence and trust of all of their customers. Moreover, we will work through the business as a whole so that we fulfill our social responsibility by our varied efforts to stimulate the agricultural, forestry and fishing industries and the communities that they serve.

Finally, we would like to ask our readers for their continued support for JA Bank, JF Marine Bank, the Forestry Cooperatives and the Norinchukin Bank itself.

August 2010

Mamoru Moteki

Mamoru Moteki
Chairman
The Supervisory Committee

Yoshio Kono

Yoshio Kono
President and Chief Executive Officer

Management Strategy: Q&A

Below is a discussion of measures taken by the Bank, the central organization for cooperatives in Japan, and progress in initiatives under "The Business Renewal Plan."

The Bank's Role and the Business Renewal Plan

Question 1 Could you please explain the objectives of the Bank's Business Renewal Plan?

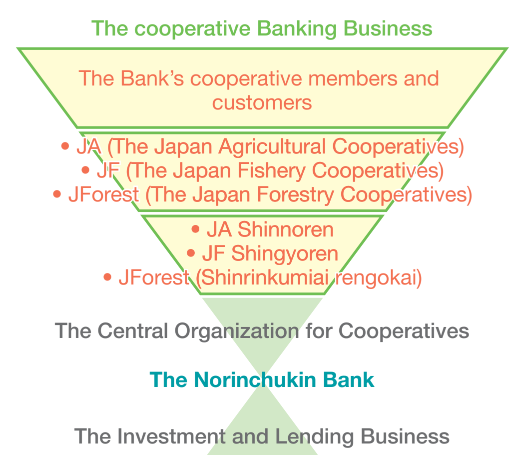
As a nationwide financial institution for Japan's agricultural, forestry, and fishery cooperatives, two pillars support the Bank's basic role: The first pillar is the stable return of profits to members including the Japan agricultural cooperatives (JA), the Japan fishery cooperatives (JF), and the Japan forestry cooperatives (JForest). With capital provided by members and the stable funding base provided by the JA Bank, and the JF Marine Bank systems, the Bank returns profits gained through the efficient and stable management of lending, securities, and its other banking businesses, to its members.

As for the second pillar, the Bank, as the central financial organization for cooperatives, is taking measures to strengthen business planning and operations at the JA Bank and the JF Marine Bank systems. At the same time, as a specialized financial institution based on the agricultural, forestry and fisheries industries, it is supporting people in these industries and providing them with financial capabilities suitable to their needs.

In fiscal 2009, the Bank initiated the four-year Business Renewal Plan with the goals of reforming fund management, reorienting the organization toward its members' interests and strengthening the role it plays as the central organization for cooperatives. The plan was instituted following losses incurred in fiscal 2008 due to the effects of the financial crisis and the realization of large capital increases through investments from its member cooperatives. However, the plan's objective is the contribution to the further development of the agricultural, forestry and fisheries industries by consistently distributing earnings to its members and by carrying out its mission as the central organization for cooperatives in Japan.

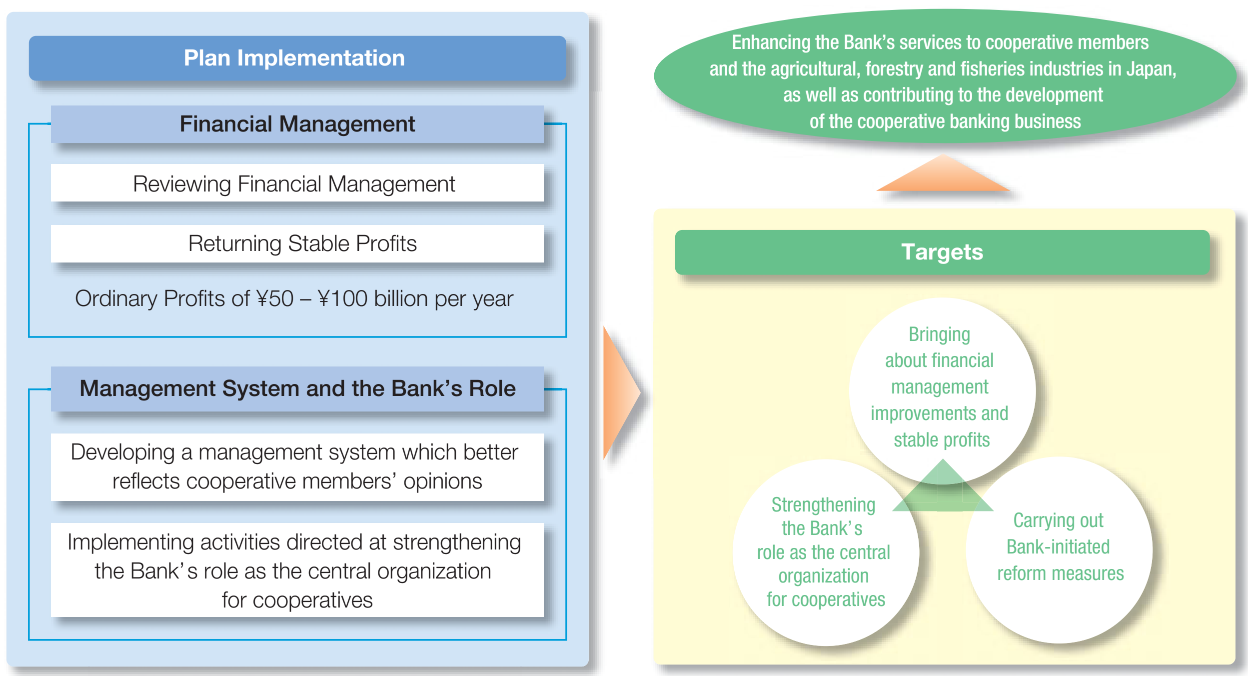
With the base of funds and capital it has raised from its members, the Bank intends to manage its funds in a more stable manner, secure an ordinary profit of ¥50 to ¥100 billion (on a non-consolidated basis) — the earnings target for the period of the plan — and return stable profits to its members. It also intends to further strengthen its capabilities as the central organization for cooperatives.

The Bank's Role



With the stable base of funds and capital it has raised from members, the Bank contributes to both its members and to the agricultural, forestry and fishing industries as well as to the cooperative banking business by returning the profits earned from its investment and lending businesses to its members.

Business Renewal Plan (FY2009 – FY2012)



Business Renewal Plan I: Towards “A Review of the Management of the Bank’s Finances and the Stable Return of Profits”

Question 2

What were the Bank’s non-consolidated financial results for fiscal 2009?

In fiscal 2009, the first year of the Business Renewal Plan, despite the increased costs of write-offs and provisions to reserves, reflecting the harshness of the real economy, financial markets returned to equilibrium, we secured stable cash flows and achieved an ordinary profit of ¥71.6 billion, which is within the target level of ¥50 to ¥100 billion of ordinary profit which we established in the Business Renewal Plan. While future economic conditions in Japan and abroad remain uncertain, the Bank is committed to achieving proper financial management, and aims to continue to secure ¥50 to ¥100 billion in ordinary profit during the Plan’s term.

(Billions of Yen)

	FY2008	FY2009
Ordinary Income	(612.7)	71.6
Net Income (Loss)	(565.7)	29.5

(Ref: Data on the market value of securities held by the Bank)		
Valuation Difference for Securities, etc.	(2,092.9)	(605.8)

¥1,487.0 billion improvement due to a rebound in market conditions.

The Bank’s capital adequacy ratio stands at 19.26%, and its Tier I regulatory capital ratio is 13.88%, both year-on-year increases. Moving forward, the Bank will maintain them at levels where it is possible to carry out stable financial management, even when there is market turmoil.

In light of the global financial crisis, the strengthening of regulations relating to bank capital adequacy levels is currently being investigated under the leadership of the Basel Committee on Banking

Supervision. The Bank will respond appropriately to any progress made in international deliberations which result in stronger regulations and create a more robust international financial system.

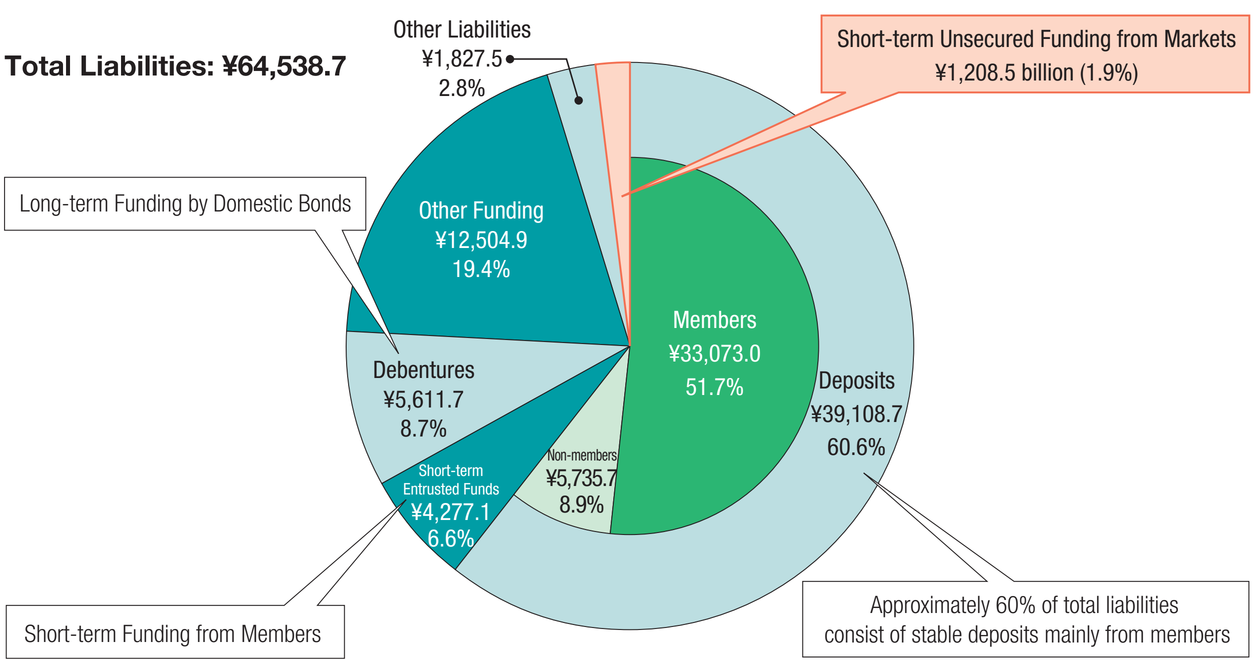
(Billions of Yen)

	FY2008	FY2009	Change from previous fiscal year end
Tier I Capital	2,300.6	3,790.8	1,490.2
Capital Stock and Capital Surplus	3,446.3	3,450.9	4.5
Earned Surplus	788.6	819.4	30.8
Unrealized Losses on Other Securities	(1,871.8)	(406.6)	1,465.2
Deductions	1,770.0	1,774.5	4.4
Total Capital	3,743.5	5,260.5	1,517.0
Risk Weighted Assets	23,917.1	27,307.5	3,390.4
BIS Capital Adequacy Ratio (%)	15.65	19.26	+3.61
Tier I Ratio (%)	9.61	13.88	+4.27

(Reference) Bank Feature: Secure Liquidity Amid Stable Funding Base

As the chart below shows, unsecured fund procurement from short-term financial markets accounted for only 1.9% (¥1,208.5 billion) of interest-bearing debt held by the Bank. The financial position of the Bank, the cornerstone of Japan's cooperative banking system, is completely different to that of investment banks, funds and other financial institutions, which tend to be dependent on the short-term financial markets. The Bank is always able to procure stable funding at low interest rates.

Funding Breakdown (As of the end of March 2010, on a non-consolidated basis) (¥billion)



Note: Other Funding includes Payables under Repurchase Agreements (secured), Payables under Securities Lending Transactions and Borrowed Money (secured, subordinated loans). Other Liabilities includes Acceptances & Guarantees and Reserves. Short-term Unsecured Funding from Markets includes Trading Liabilities, Negotiable Certificates of Deposit, and Call Money.

Question 3 Tell us how you are managing assets to achieve stable earnings.

In light of the turmoil in global financial markets in fiscal 2008, investment and lending were reviewed under the three themes of fund management, capital adequacy management and organizational reorientation. We have implemented specific policies that include stronger commitment to its asset management policies by its executives, a stronger credit risk examination framework and stricter monitoring of outsourcing asset management companies.

Fund Management Plan

- **Qualitative reform of the pattern of globally diversified investments:**

A shift from diversified investment based on a case-by-case matching of risk and return models, to a new model which takes into account the likelihood of market price fluctuations and the availability of market liquidity.

- **Overhaul of risk management methods:**

Having learned the lessons of overconfidence in our diversified investment model, we will select only lower-risk credit assets based on a sophisticated and rigorous analysis of stress scenarios.

Capital Adequacy Management

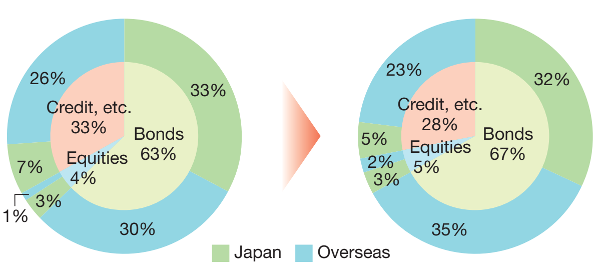
We will maintain suitable capital adequacy levels while giving due consideration to safe fund management and the strengths of particular business models. We will also maintain a high level of capital adequacy in anticipation of severe future stress and a tougher regulatory environment.

Organizational Reorientation

The Bank will achieve qualitative reform of globally diversified investments and reform its systems in order to further improve its analysis and credit-screening capabilities.

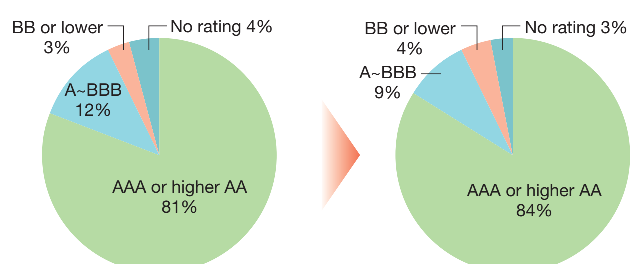
Breakdown of Market Assets by Risk

As of March 31, 2009 / As of March 31, 2010



Breakdown of Bands and Credit Assets by Rating

As of March 31, 2009 / As of March 31, 2010



Note: The aforementioned “market assets” show that the “Securities” and “Money Held in Trust” entries on the Bank’s non-consolidated balance sheets are divided according to the degree of risk (“bonds,” “equities,” “credit, etc.” [including securitized products]) as well as whether they are held in Japan or overseas.

Because the Bank’s market assets have been maintained under secure management policies which are, in turn, based on the Business Renewal Plan, “bonds,” particularly Japanese and overseas short- and medium-term government bonds, have increased, although “credit, etc.” has decreased.

Furthermore, by maintaining investments in assets with strong ratings — with over 80% of them rated at AAA or AA — we have been able to increase the ratio of AAA to AA rated holdings even further.

Question 4 What comments can you offer regarding securitized products?

As of March 31, 2010, the total exposure to securitized products held by the Bank stood at ¥5,457.1 billion, a year-on-year decline of ¥712.8 billion, due to redemption and other factors.

Since 2009, rating agencies have aggressively downgraded their ratings for securitized products; nevertheless, approximately 80% of the securitized products held by the Bank are rated at AAA or AA.

The Bank mainly holds primary securitized products such as asset-backed securities (ABSs) and collateralized loan obligations (CLOs), and most of these securitized products held by the Bank paid interest when due and were fully repaid at maturity.

Moreover, the balance of sub-prime loan products within our overall securitized product portfolio declined to ¥108.8 billion (a ¥30.6 billion decrease), only 2.0% of the total. This amount has virtually no material impact on the Bank's financial position.

Securitized Products Held by the Bank (Fiscal 2009, Non-consolidated)

■ **Securitized product exposure: ¥5,457.1 billion**

Of which **78.3% is rated AA or higher, and 62.0% is rated AAA or higher**

From 2009, ratings agencies introduced more stringent ratings for securitized products. Despite this, securitized products held by the Bank continued to retain their high ratings.

■ **Unrealized losses on securitized products: ¥189.7 billion**

An **improvement of ¥167.7 billion, due to market stabilization**

■ **Total value of products with sub-prime loan exposure: ¥108.8 billion**

Now accounting for only **2.0%** of the total value of securitized products

Investment on Securitized Products (Non-consolidated) (as of March 31, 2010) ~Securitization exposures (Note1)~

■ The majority of securitization exposures were highly-rated and primary securitized products (ABS)

1. Exposures by Product (Note 2)

(Billions of Yen)

	AAA	AA	A	BBB	below BBB	Total	Change from previous fiscal year end
ABS	2,461.9	1.7	57.7	8.0	1.8	2,531.4	(118.0)
RMBS (Note 3)	452.0	32.5	13.8	11.6	39.2	549.4	(103.1)
CMBS	121.8	150.3	96.4	62.9	50.8	482.4	(120.4)
CDO	349.0	703.6	362.4	151.4	233.4	1,800.0	(394.7)
CLO	284.4	635.6	349.4	113.5	185.5	1,568.6	(339.4)
Resecuritized Products (Note 4)	62.1	52.6	8.6	34.4	44.6	202.4	(14.8)
CBO and Others	2.5	15.3	4.3	3.4	3.2	28.8	(40.4)
Others	—	—	—	0.2	93.5	93.7	23.4
Total	3,384.9	888.2	530.5	234.2	419.0	5,457.1	(712.8)

2. Unrealized Gains/Losses and Total Losses by Product

(Billions of Yen)

	AAA	AA	A	BBB	below BBB	Total	Change from previous fiscal year end	Losses (Note 5)
ABS	(31.4)	(0.1)	(2.5)	0.0	(0.3)	(34.3)	34.4	—
RMBS (Note 3)	0.3	(1.4)	0.3	(1.3)	(2.6)	(4.7)	31.2	(10.0)
CMBS	(17.1)	(7.2)	(9.6)	(8.0)	(3.1)	(45.2)	(1.1)	(25.1)
CDO	(9.4)	(37.9)	(38.2)	(16.8)	(2.8)	(105.3)	103.2	(9.0)
CLO	(7.3)	(31.9)	(42.0)	(11.7)	(6.8)	(99.9)	53.1	(0.5)
Resecuritized Products (Note 4)	(1.9)	(4.2)	1.7	(7.3)	3.9	(7.7)	35.9	(10.7)
CBO and Others	(0.1)	(1.7)	2.0	2.2	—	2.3	14.1	(2.2)
Others	—	—	—	—	—	—	—	(0.6)
Total	(57.6)	(46.7)	(50.0)	(26.2)	(8.9)	(189.7)	167.7	(44.8)

3. Exposure by Currency

(Billions of Yen)

	Exposures	Change from previous fiscal year end	Unrealized Gains/Losses	Change from previous fiscal year end	Gains/Losses (Note 5)
U.S. dollars	3,900.9	(468.3)	(117.9)	136.7	(44.9)
Euro	716.4	(91.5)	(51.8)	28.4	3.7
Pounds sterling	43.9	(0.3)	(1.9)	0.3	(0.2)
Yen	795.8	(152.6)	(18.0)	2.1	(3.3)
Total	5,457.1	(712.8)	(189.7)	167.7	(44.8)

Notes: 1. Securitized Products are defined internally based on the definition in Basel II. Includes Sub-prime related products.
2. The amount of securitization exposure is net exposure after write-off and revaluation. For some CMBS, the amount of exposure ¥124.1 billion (Unrealized losses: ¥1.2 billion, losses: ¥1.9 billion) which should be included in Specialized Lending (SL) under Basel II, is not included here.
3. Includes Sub-prime RMBS. Not include mortgage-backed securities related with US Government sponsored entities.
4. Re-securitized Products such as ABS-CDO, CDO of CDO's. Includes ABS-CDO and CDO of CDO's that contain Sub-prime RMBS as underlying assets.
5. Total value of revaluation losses and unrealized losses of financial instruments with embedded derivatives as of fiscal year ended March 31, 2010.

Reference Calculating the Fair Value of Securitization Exposure

Securitization exposure includes investment securities, monetary claims bought and outstanding loans, as well as accrued income and undrawn commitments.

As for securitized products which are rarely traded (such as credit card debt securities ABS in ABS' and CLO in CDOs), the Bank has determined that the quoted prices provided by brokers or vendors are no longer regarded as fair value, and values such bonds at rationally estimated amounts at the end of the fiscal year.

The Bank's independent middle office comprehensively verifies the accuracy of fair value calculations.

Business Renewal Plan II: Toward a "Reorientation of the Organization to the Interests of its Members and a Strengthened Role as the Central Organization for Cooperatives"

Question 5

What specific steps are being taken to reorient the organization toward the interests of its members and strengthen its role as the central organization for cooperatives?

As the central organization for cooperatives in Japan, the Bank views the reorientation of the organization toward the interests of its members and its strengthened role as the central organization for cooperatives as major pillars of the Business Renewal Plan. We are committed to stronger planning and business management and better provision of financial services for agricultural, forestry and fisheries to raise the profile of the Bank by leveraging the brand recognition of the JA Bank and JF Marine Bank, of which the Bank itself is a member. We will work to deepen our integration with JA, JF, Shinnoren and Shingyoren.

Since the commencement of the Business Renewal Plan, the Bank has implemented the following measures and policies:

Key Initiatives to Strengthen the Bank's Capabilities

■ Increasing Disclosure

We consider it our obligation to all our members and other stakeholders to explain, as and when appropriate, the financial position of the Bank and report on progress made with regard to the Bank's Business Renewal Plan. The Bank has been disclosing such information on a quarterly basis since 2009, and will continue to expand opportunities to disclose information to our member cooperatives.

■ Strengthening the Exchange of Personnel

The Bank believes that all employees of the Bank, from executives on down, need to understand how business is done on the front lines of the cooperative banking business and to improve their work performance. Accordingly, it is necessary, as part of the Business Renewal Plan, to further strengthen the exchange of personnel with JA and Shinnoren. In practical terms, this means JA and Shinnoren accept employees from the Bank, who can learn from face-to-face retail businesses with customers in their localities, and incorporate such experiences into their planning and policy-making. At the same time, the Bank proactively accepts seconded staff and trainees from JA and Shinnoren.

Key Initiatives to Strengthen the Bank's Capabilities in Relation to the Cooperative Banking Business

■ The Promotion of JA Bank and JF Marine Bank Business Strategies

In April 2010, we initiated the three-year "JA Bank Medium-Term Management Strategy (fiscal 2010 through fiscal 2012) and have taken steps to become a bank that "contributes to agriculture and day-to-day prosperity, is the bank of choice, and continues to grow" as our basic objective. (Please see page 27 for further details)

The JF Marine Bank is working to improve the customer experience through the promotion of primary accounts for household budgets and is reinforcing the provision of financial services to the fisheries industry based on its "JF Marine Bank Medium-Term Business Promotion Policy (fiscal 2009 through fiscal 2011)." In addition, it is disposing of nonperforming loans and strengthening its approach to risk management so that it is reassuring to customers, while taking steps toward achieving low-cost management and building a stable and responsible JF cooperative banking business system (the JF Marine Bank Safety System).

Question 6 What can you tell us about the JA Bank Medium-Term Management Strategy (fiscal 2010 through fiscal 2012)?

In March 2010, the JA Bank initiated the three-year "JA Bank Medium-Term Management Strategy." The theme of this strategy is to strengthen the Bank's "capabilities as the main bank for the agricultural industry and for household budgets." The JA bank will deploy its efforts along two lines: First, it will start over from ground zero to reengineer the Bank as the main bank for Japan's agricultural industry, and second, it will contribute to the household budgets of local cooperative members as well as raise the level of customer satisfaction.

Strengthening its Role as the Main Bank for the Agricultural Industry

As a specific measure in strengthening its role as the main bank for the agricultural industry, its most important task, the Bank is visiting more than 100,000 of its members, not only small- and medium-sized enterprises, individuals and farmers, the core members of the cooperative, but also large farming households and agricultural corporations nationwide and providing them with professional advice and support. As part of this effort, we have set up Agricultural Financial Centers in prefectural Shinnoren, provided agricultural financial leaders with personnel training including 1,592 core financial leaders at 717 nationwide JA Banks as of April 1, 2010. We will continue to support customer visits in cooperation with JA and provide loans and advice to large agricultural corporations.

As part of responding to the need for stable capital funding at agricultural corporations, we established the Agri-Seed Fund in April 2010 (Please see page 19 for further details). To develop core farmers, in fiscal 2010, the JA Bank Agri-Support Project established the JA Bank Business to Encourage Employment in Agriculture, which partially subsidizes the costs of core farmers to train new applicants (trainees) for employment in agriculture.

Strengthening its Role as the Main Bank for Household Budgets

To strengthen its role as the main bank for household budgets, the Bank places a priority on the following products—pensions, credit cards and loans. With regard to pensions, the Bank is enhancing its counseling services for pension accounts with the aim of increasing its share of such accounts in each region. Services are being upgraded to JA standards and preferential services for home loan borrowers are being improved through the introduction of our own comprehensive point service for JA Card holders, which enables customers to accumulate points at JA produce stands.

In addition, we are taking steps to safeguard our customers and improve their overall experience by eliminating the fee associated with IC Card issuance and expanding the number of commission-free ATMs.

(Basic Objective) Bringing about a "JA Bank which contributes to both agricultural industry and people's daily lives, as well as one which is chosen by the people, and then continues to grow"

The JA bank will make a united effort with JA, Shinnoren and the Norinchukin Bank to carry out its medium-term strategy (FY2010-FY2012) in order to realize its basic objective

Specific Action Items (Framework) for the JA Bank Medium-Term Management Strategy (FY2010-FY2012)

Contributing to the JA Bank members, customers, local communities, and society

Enhancing the JA Bank's role as the "Main Bank for the Agricultural Industry"

- Enhancing the JA Bank's services to support farmers' financial needs
- Strengthening the JA Bank's line up of agricultural financial products
- Promoting agricultural-commercial-industrial cooperation, and providing support to workers who are entering the agriculture business, as well as improving and revitalizing the farmers' business
- Disclosing the achievements made by the JA Bank as a whole

Enhancing the JA Bank's role as the "Main Bank for the Local Residents"

- Increasing the number of customers who use the JA Bank as the primary bank for managing their household budgets
  -Furthering promotion of package sales, conducting pinpoint marketing, and strengthening the JA Bank's efforts to obtain new customers
- Improving protections for, and the overall satisfaction of, the JA Bank customers
  -Making a substantial shift to IC cash cards, promoting a JA point system service across all of JA, and preventing misuse of the JA Bank's financial services

Contributing to both local communities and society

- Launching the JA Bank Agri-support Project
  -Strengthening the JA Bank's efforts in the Food & Farming Education Support Project, reviewing the Interest Subsidy Project, proceeding with investment projects, and launching a project to support workers who are entering the agricultural industry

Establishing various systems and infrastructure as well as launching projects which will permit the JA Bank to make significant contribution

Stabilizing the operations of and facilitating the use of functions provided by JASTEM

Establishing the prefectural joint operation system at a prefectural level

- Establishing a center function (agricultural finance, loan, pension, centralized administration) on a prefectural level
- Establishing an MBO system on a prefectural level
- Establishing a unified channel strategy (branches, ATMs), and a unified human resource strategy (sales systems, etc.) on a prefectural level

Preparing to unify the various products and administrations

Enhancing and streamlining business management

- Establishing and employing numerical management targets based on the unified policy
- Introducing and establishing an approach to comprehensive risk volume management

Addressing structural improvements

- NPL issues
- The issue of small-scale JAs which have not yet merged

Initiatives to secure financial soundness → Based on the premise of launching the JA Bank's medium-term management strategy

The JA Bank's goals after completing its three-year strategy (FY2012)

- Fostering closer relationships with agricultural corporations and large-scale farmers as well as increasing the number of JA Bank customers
- Raising the satisfaction among the JA Bank members (farmers) and customers
- Increasing the number of customers in the next two generations
- Increasing the number of customers, improving the JA Bank's share of the regional market, and promoting the use of the JA Bank
- Strengthening JA's and the JA Bank's regional reputations

Question 7

What key initiatives is the Bank undertaking on behalf of people in the agricultural, forestry and fisheries industries?

We have held business conferences and business matching events that provide value to businesses in the agricultural, forestry and fisheries industries.

We are also reviewing existing funds in order to respond to the future financial needs of workers in the agricultural, forestry and fisheries industries. Along with this, we have established a framework for fund donation, which is aimed at the development of agricultural corporations.

Business Conferences and Business Matching Events

The JA Group has been holding a National Agricultural and Livestock Producers' Business Conference sponsored by the Central Union of Agricultural Cooperatives (JA Zenchu), JA Zen-Noh, the JA Bank and the National Mutual Insurance Federation of Agricultural Cooperatives (JA Kyosai). At the 4th JA Group National Agricultural and Livestock Producers Business Conference held at the Tokyo International Forum in March 2010, more than 200 organizations from across the nation exhibited, substantially more than in the previous year. The National Federation of Fishery Cooperative Associations exhibit marked the first time that an organization from the marine products sector has participated. More than 4,000 visitors, including buyers, attended the event, which was a significantly higher number than that in the previous year. We are also working on regional business conferences such as the Hokuriku Business Conference, which was held in November 2009.

Leveraging its distinction of being the nationwide organization for cooperatives, the Bank is reinforcing its efforts at business matching between members and workers in the agricultural, forestry and fisheries industries, and companies. Contracts have been signed for various projects, including corporate participation in agricultural projects. These projects involve the opening of markets for agriculture and livestock as well as the effective utilization of idle land.

The Establishment of the Agri-Seed Fund for Development of Agricultural Corporations

As part of an effort to improve the appeal of agricultural loan products through the JA Bank Medium-Term Management Strategy (fiscal 2010 through fiscal 2012), we set up a new framework (called the Agri-Seed Fund) for providing capital for the development of agricultural corporations, which we began using in April 2010. The Agri-Seed Fund aims to assist in the development of agricultural corporations which aspire to become large-scale farming corporations in local farming communities, through the provision of capital to those corporations that are technically competent, yet undercapitalized. Specifically, the Agribusiness Investment & Consultation Co., Ltd., a Bank-affiliated corporation, is backed by funds from the JA Bank Agri-Eco-Support Fund and invests in agricultural corporations based on referrals it receives from the JA Bank. In fiscal 2010, ¥1,000 million (in principle, a maximum of ¥10 million per corporation) in funding is planned through this comprehensive framework.

Question 8 What efforts are being made to facilitate Bank financing?

The Bank views the provision of an uninterrupted supply of needed funds to customers, including agricultural, forestry and fishery workers as well as to small- and medium-sized enterprises that are soundly managed, as one of its most important functions. The Bank is acutely aware of its public role and social responsibility and is working to properly execute its business duties. Under this fundamental approach, the Bank is taking the following actions:

Actions to Facilitate Bank Financing (excerpted from the Bank's "Basic Policy for Facilitating Financing" which was released on December 28, 2009)

1. Flexible handling of loan applications from customers
2. Responding to changing conditions with regard to applications for liability relief related to debt liquidation
3. Proactively dealing with customer business consultations and support efforts to improve customer business
4. Aggressive and swift responses to collaboration efforts between agricultural, forestry and fisheries industries and business and industry
5. Responding sincerely and courteously to customer requests

The Bank is setting up the following system to advance the above-mentioned actions:

1. Establish a management committee which is dedicated to the facilitation of financing

   To promote facilitated financing, the Board member in charge of credit and alternative portfolio planning will be designated as the committee chairperson and the relevant Board members and general managers will be designated as committee members.

2. Establish an Office for the Promotion of Facilitated Finance

   Make this office a specialized unit that plans, promotes and manages facilitated finance and establish an investment and lending planning division within the Credit & Alternative Portfolio Planning Division.

3. Establish a Complaints and Inquiry Counter

   Establish a complaints and inquiry counter in the Financing Facilitation Promotion Office and sales offices in order to enable the Bank to receive customer complaints and issues.
   (Main office: Credit & Alternative Portfolio Planning Division, Financing Facilitation Promotion Office—
   TEL: 03-5222-2143)

4. Establish the Position of Manager of Facilitated Finance

   Put the Credit & Alternative Portfolio Planning Division Manager in charge of the Management of Facilitated Finance and assign Managers for Facilitated Finance in each sales office.

As the central financial organization of the Japanese agricultural, forestry and fishery cooperatives, the Bank, in cooperation with relevant institutions, provides guidance and counseling so that JA Bank and JF Bank members are adequately prepared for facilitated finance.

Question 9 How will the next version of the JASTEM System work?

JASTEM is a centralized, nationwide online transaction processing system operated by JA Bank. It is one of the largest mass-retail type systems of its kind in Japan, covering 722 different JA product and service categories (as of July 1, 2010), with data processing capabilities covering approximately 46 million accounts and data from approximately 12,000 ATMs.

The JASTEM System was set up to take over joint operation of online systems that were managed by individual prefectural and regional units under the nationwide Shinnoren network. The system went online in October 1999. In 2002, the Bank took over development and operation of the system and, later, units from every prefecture in Japan began to join.

In order to provide services that are more satisfying to JA Bank customers, JASTEM system operation is scheduled for launch between January 2010 and May 2011 in a four-phase migration progressively covering all prefectures and regions of Japan. With the completion of the second-phase migration in May 2010, the next version of JASTEM migrated to a total of 20 prefectures and is now operating stably.

JA Bank customers in prefectures that have not yet migrated to the new system are asked to understand that the migration will involve repeated suspension of ATM and other services, which will cause inconvenience, so we ask for their understanding and cooperation.

Question 10 What is the Bank's approach to corporate social responsibility (CSR)?

The Bank has long been committed to CSR activities. In March 2005, the Bank contributed ¥1 billion to establish the Norinchukin 80th Anniversary Forest Rejuvenation Fund (FRONT80) and began supporting initiatives to revitalize private-sector forestry. Then, in fiscal 2007, the Bank contributed approximately ¥10 billion to the JA Bank Agri-Eco-Support Fund, founded by the JA Bank, and the JA Bank Agri-Support Project has evolved via this fund.

In fiscal 2008, the Bank deepened its CSR commitment through the establishment of a CSR Committee and a dedicated office and has published a CSR Report every year since 2008. Under the Business Renewal Plan, contributing to the development of the agricultural, forestry and fisheries industries and to environmental protection has been designated a management priority. While broadening the scope of the Bank's CSR activities in our capacity as the central organization for cooperatives in Japan, we are also committed to supporting, 1) member cooperatives, 2) the agricultural, forestry and fisheries industries, and 3) the community at large.

Policy for CSR Initiatives

The Norinchukin Bank is a financial institution rooted in the agricultural, forestry, and fisheries cooperatives of Japan as well as an active participant in global markets. To win trust from our wide range of stakeholders and to contribute to the sustainable development of the Japanese economy and society, we have determined that public trust in the Bank depends on a strong internal management system, including "A thoroughgoing compliance with laws and regulations" as well as "Human resources policies that enable a diversity of staff to play an active role." In all aspects of the Bank's activities, we continue to actively participate in:

1. **Contribution to the Bank's shareholders and members**
2. **Contribution to the promotion of the agricultural, forestry and fisheries industries**
3. **Contribution to society**

We proactively conduct CSR activities in order to make contributions by means of these three pillars.

JA Bank Agri-Support Project

In line with its policy of deploying more extensive measures for Japan's agricultural and farming villages, which are facing major agricultural system reform, as well as fulfilling its duties to society, the JA Bank has initiated the JA Bank Agri-Support Project.

Summary of Activities

Development of projects that contribute to promoting agriculture:

Providing support for core farmers

Offering assistance for activities that contribute to agriculture as well as regional communities

Business Entity

Limited liability intermediary corporation JA Bank Agri Eco Support Fund

Total Project Cost

Approx. ¥10 billion (provided by the Bank) over a three-year period beginning from fiscal 2007

Initiatives in Fiscal 2009

Providing support for core farmers	**Interest Subsidiary Project: Implemented a maximum 1% interest subsidiary for agricultural-related loans provided by JA** Granted subsidies for 48,000 agricultural loans provided by the Bank to customers for a total amount of ¥838 million. **Investment Project: Support via funding of corporations in the agricultural and environmental fields** Invested ¥2 billion through the Agri Eco Support Fund, which was established to support corporations actively engaged in promoting agriculture and contributing to the environment and society. Investments have been made in 17 corporations thus far and total ¥785 million. **Project to Encourage Employment in Agriculture: Support for Core Farmers to Train New Farmers (Trainees) for Employment in Agriculture** From April 2010, financial aid has been provided to farmers and JA who accept new trainees in order to train them to become core farmers in the future.
Offering assistance for activities that contribute to agriculture and regional communities	**JA Bank Food & Farming Education Support Project: Provides financial assistance for JA's food and farming education and creating and donating textbooks** **Textbook Donation Project:** JA Bank has created original textbooks for senior elementary school students on the subjects of food, farming, environmental and financial and economic education, and donated them to 21,000 schools, 97% of all elementary schools nationwide. These textbooks are used in classes together with prefecture-produced textbooks. **Educational Activities Aid Project:** Financial aid for JA's food and farming education-related activities are targeted at children throughout Japan. A program plan covering approx. 2,000 activities amounting to ¥725 million was accepted in fiscal 2009.

The Cooperative System and the Cooperative Banking Business

The cooperative banking business, through its network which covers all of Japan, contributes to the development of the agricultural, forestry, and fisheries industries in Japan, and provides financial support for the livelihood of the local citizens.

The Cooperative System and the Cooperative Banking Business

In addition to the cooperative banking business, which involves accepting deposits and making loans, our cooperative organizations also engage in a number of other activities. These include providing "guidance and supervision" on business and daily matters to farmers, fishermen, and foresters; performing a "marketing and supplying" function through the sale of agricultural, forestry, and fisheries products as well as the procurement of production materials; and engaging in the "mutual insurance" business to provide insurance coverage for various unforeseen events.

The cooperative organization that performs this wide range of activities comprises the Japan agricultural cooperatives (JA), the Japan fishery cooperatives (JF), and the Japan forestry cooperatives (JForest) at the municipal level, and their respective prefectural unions and federations as well as the national union and federations of the agricultural, forestry, and fishery cooperatives (as indicated in the accompanying chart). In general, this nationwide structure from the municipal level to the national level is known as the "cooperative system."

The framework and functions of (1) the banking businesses of JA and JF at the municipal level, (2) the Prefectural Banking Federations of Agricultural Cooperatives (Shinnoren) and the Prefectural Banking Federations of Fishery Cooperatives (Shingyoren) at the prefectural level, and (3) the Bank at the national level are referred to collectively as the "cooperative banking business."

Activities of the Cooperatives

• JA (The Japan Agricultural Cooperatives)

The Japan agricultural cooperatives (JA) are organizations, established under the Agricultural Cooperative Law, that conduct a comprehensive range of businesses and activities in the spirit of mutual assistance. The principal businesses of the JA encompass offering guidance for improving cooperative members' management of their farms and their standards of living; marketing and supplying activities related to farming, including the gathering and selling of crops, and supplying materials needed for production and daily living; provision of insurance, such as life insurance, automobile insurance, and other kinds of insurance; and provision of banking-related services, such as accepting deposits, making loans, remitting funds, and other financial services. As of April 1, 2010, 715 JA throughout Japan have been making contributions to the agricultural industry as well as the development of rural communities through their various business and other activities.

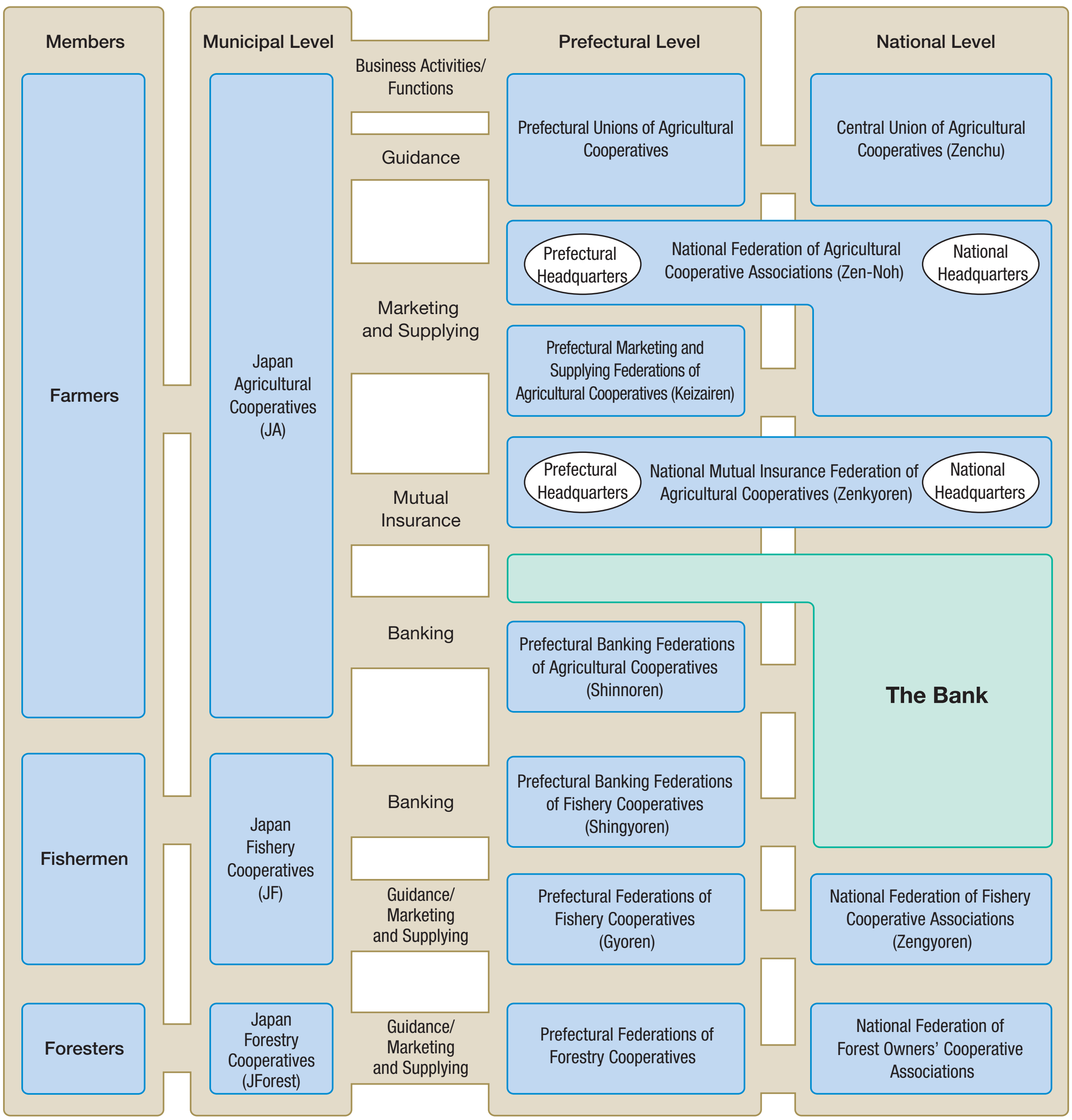
• JF (The Japan Fishery Cooperatives)

The Japan fishery cooperatives are organizations, established under the Fishery Cooperative Law, which have the dual objectives of overseeing both fisheries operations and the livelihoods of fishermen, and contributing to members and rural communities. The principal businesses of JF include offering guidance for the management of marine resources, such as improving the business operations of cooperative members and the standards of living of members; conducting marketing and supplying activities, such as the storage, processing, and sale of fish catches and other marine products of cooperative members: the supply of materials necessary for the business activities and daily lives of members and providing banking business services, which include the acceptance of deposits and lending of necessary funds and provision of life and property insurance.

As of April 1, 2010, there were 1,015 JF throughout Japan that contribute both to the fisheries industry and to the development of fisheries communities through a broad range of activities.

As of April 1, 2010, there were 162 JF nationwide in Japan that conduct banking business services of their own initiative. In addition to these JF, there are JF which act as agents of Shingyoren providing banking business services for fisheries communities throughout their respective prefectures.

Structure of the Agricultural, Forestry, and Fishery Cooperative System



• JForest (Shinrinkumiai) (The Japan Forestry Cooperatives)

The Japan forestry cooperatives are cooperative organizations for private owners of land containing forests, which were established under the Forestry Cooperative Law. A high percentage of these landowners in Japan possess small land parcels, and forestry cooperatives play an important role in organizing and representing their interests.

The principal business activities of the forestry cooperatives consist of undertaking operations which include planting, the removal of undergrowth, and the thinning of forests owned by cooperative members as well as the sale of forest products, such as logs and timber.

As of April 1, 2010 there were 691 forestry cooperatives nationwide in Japan. As core participants in cultivating and improving forestlands, the forestry cooperatives make a major contribution toward enabling forests to perform their extensive range of natural functions, including the preservation of national land, the formation of watersheds, the maintenance of the living environment, the provision of places for health and leisure as well as the supply of timber, and other forest resources.

Positioning of the Norinchukin Bank within the Cooperative Banking Business

The Bank was established in 1923 as the central bank for Japan's industrial cooperatives. It was renamed the Norinchukin Bank in 1943 and is now a private financial institution based on the Norinchukin Bank Law.

JA, JF, and JForest (Shinrinkumiai) were created with the aim of improving the economic and social positions of the agricultural, forestry, and fisheries industries through the cooperative efforts of their respective members under the slogan "one for all and all for one."

The Bank is a national level cooperative financial institution whose membership (i.e. shareholders) comprises the previously mentioned municipal cooperatives, the prefectural and national federations, and other organizations. Furthermore, the Bank plays a major role in Japanese society, as a contributor to the development of the nation's economy and as a supporter of the advancement of the agricultural, forestry, and fisheries industries for its members in accordance with the stipulations of Article 1 of the Norinchukin Bank Law.

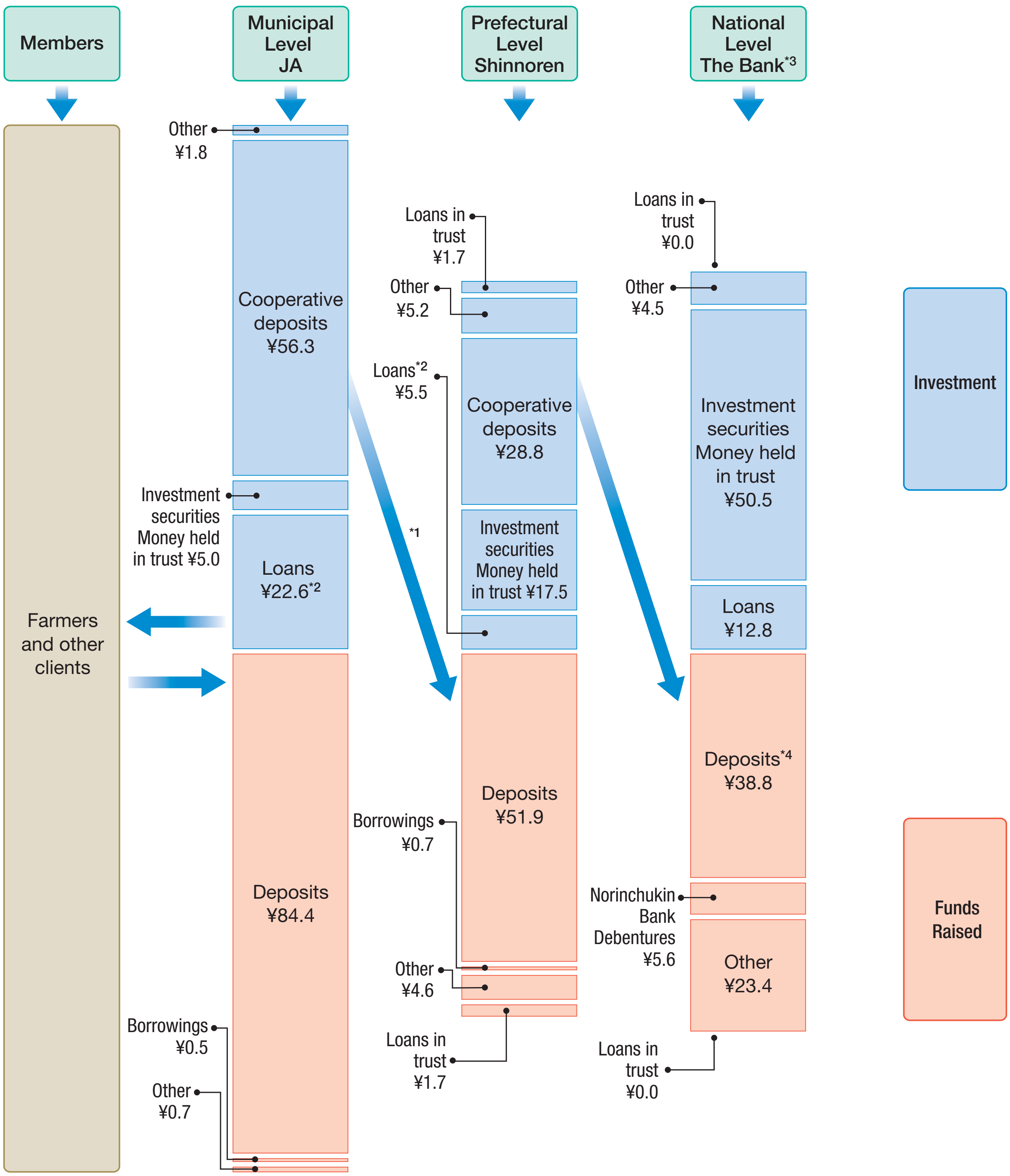
The Bank's funds are derived from deposits placed by members (the majority of the funds held at the Bank are deposits placed originally by members of JA and JF), and the issuance of Norinchukin Bank debentures. Additionally, the Bank also raises capital in the financial markets.

These financial resources are then lent to the agricultural, forestry, and fisheries industries, corporations connected to the agricultural, forestry, and fisheries industries; regional governments, as well as public entities. In addition to the aforementioned activities, the Bank manages its funds efficiently through investments in securities and other financial instruments. The Bank then provides stable returns to its members through earnings received from its investment and lending activities, as well as the provision of various other financial services. Through these various services and activities, the Bank plays a major role as the national level financial institution for cooperative organizations.

Article 1 of the Norinchukin Bank Law

As a financial institution which takes as its foundation the agricultural, forestry, and fishery cooperatives as well as other members of the agriculture, forestry, and fishery cooperative system, the Bank strives to contribute to the development of the nation's economy by supporting the advancement of the agricultural, forestry, and fisheries industries through the provision of financial services for the member organizations of the cooperative system.

Flow of Funds within JA Cooperative Banking System (As of March 31, 2010) (Trillions of Yen)



Calculated totals for "investment" and "funds raised" may disagree due to rounding errors.

Notes: *1. In some prefectures, JA may make direct deposits to the Bank.

*2. The loan balances of the JA and Shinnoren do not include lending to financial institutions.

*3. Overseas accounts have been excluded from the Bank's balances.

*4. The Bank's deposits include not only deposits from the JA Banking Cooperative System but also those from the JF Banking Cooperative System and Forestry Cooperative System, as well as other sources.

Operations of the JA Bank System

The members of the JA Bank, JA, Shinnoren, and the Norinchukin Bank, work under a framework for integrated and systematic cooperation for each business activity. We call this framework the "JA Bank System," and our aim is to become a financial institution that is both trusted to a greater degree and chosen more often by its members and customers.

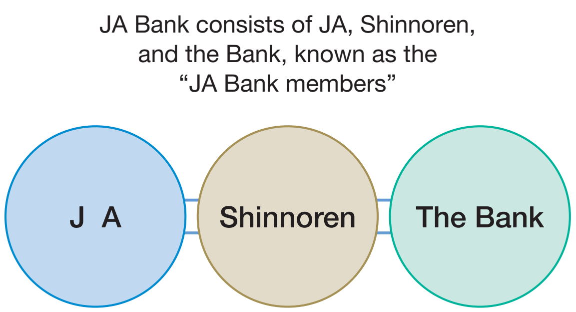
What is the "JA Bank?"

• The JA Bank System Comprises a Group of Financial Institutions

The JA Bank System consists of JA, Shinnoren, and the Norinchukin Bank, and together they are referred to as the "JA Bank members." The JA Bank System functions essentially as one financial institution, possessing one of the largest networks among private financial groups in Japan.

As of July 1, 2009, the JA Bank contains 743 JA, 36 Shinnoren, and the Norinchukin Bank, for a total of 780 entities.

▶ JA Bank



*Number of JA Bank members: 780 (as of July 1, 2009)

The JA Bank System

• A Framework for Integrated and Systematic Cooperation among JA Bank Members

To ensure that cooperative members and other customers have even stronger confidence in the cooperative banking system and make increased use of its services, we have established the JA Bank Basic Policy. This is based on the Reorganization and Strengthening Law (the law related to the reorganization and strengthening of the Cooperative Banking Business by the Bank and specified agricultural and fishery cooperative organizations) and is implemented with the consent of all JA Bank members. The framework for integrated and systematic cooperation among JA, Shinnoren, and the Bank is based on the JA Bank Basic Policy and is referred to as the "JA Bank System."

The JA Bank System is founded on two basic pillars. The first is the "promotion of unified operations," which aims to improve and strengthen the financial services provided by the JA Bank by taking advantage of both economies of scale and finely-tuned customer interactions. The second is the "the bankruptcy prevention system," which ensures the reliability of the JA Bank.

• Comperhensive Strategy of the JA Bank

The JA Bank has instituted the "JA Bank Medium-Term Management Strategy" as a comprehensive management and business strategy. In accordance with the "JA Bank Medium-Term Management Strategy (fiscal 2007 through fiscal 2009)," in fiscal 2009, the JA Bank promoted stronger, more unified operations among JA, Shinnoren, and the Norinchukin Bank, with the dual aims of further expanding its customer base, which is already one of the largest in Japan, and offering financial services that are carefully tailored to customer needs.

In addition, the Bank has established as its fundamental objective a vision of the JA Bank as an institution which "contributes to the agricultural industry and household budgets, is chosen by its members and continues to grow." It has also established the "JA Bank Medium-Term Management Strategy (fiscal 2010 through fiscal 2012), the main pillars of which are to strengthen its roles as "the main bank for the agricultural industry" and the "main bank for household budgets." The Bank has been successful in implementing its medium-term management strategy ahead of schedule.

• Initiatives to Strengthen its Role as the Main Bank for the Agricultural Industry

As the main bank for Japan's agricultural industry, the JA Bank, together with JA, Shinnoren and the Norinchukin Bank, is working to provide an improved level of financial services to the agricultural industry.

Specifically, JA, Shinnoren, and the Norinchukin Bank has proactively visited customers on a Group-wide basis in order to properly respond to the financial needs of farmers in local farming communities. It has also conducted financial consultations and made proposals including financing of various agricultural equipment, agricultural loans for working capital and providing capital for farming corporations. We have also set up and reinforced the Prefectural and Local Agricultural Financial Center, which trains the JA staff in charge of agricultural loans and provides support for their customer visits.

In addition, in fiscal 2010, we established the JA Bank Business to Encourage Employment in Agriculture as a business within the JA Bank Agri-Support Business. This business provides financial aid to core farmers who train new applicants (trainees) for employment in agriculture.

• Initiatives to Strengthen its Role as the Main Bank for Household Budgets

Seeking to be the main bank for the household budgets of cooperative members and other customers, the JA Bank, together with JA, Shinnoren and the Norinchukin Bank, have put a priority on a rigorous approach to caring for its customers and raising customer satisfaction.

Specific measures taken include an increase in the number of ATMs at other banks that can be used free of charge and issuing commission-free IC cash cards. In addition, we will successively expand pension account services and introduce JA's very own point service that employs the JA Card (a credit card) as its main vehicle. The JA Bank will continue to strive to ensure that it is regarded as both a financial institution which offers more convenient and reliable products and services, and is chosen proactively by its cooperative members and other customers.

• Initiatives to Develop Efficient Business Operations

The establishment of a unified nationwide IT system for the JA Bank (known as the JASTEM System) is currently being carried out by the Norinchukin Bank to create the core infrastructure needed to provide a consistent level of service to users everywhere in Japan. While fulfilling this social responsibility, we are building the system to create greater convenience for cooperative members and other customers and to both fulfill and streamline functions required for JA business operations.

We are currently renovating the system, and have completed two migrations (in 20 prefectures) in January and May 2010. We are now working on two remaining migrations scheduled for January and May 2011.

Moreover, we are creating a stronger internal control system by installing an even more reliable IT system at the JA Bank.

• Initiatives to Ensure a Sound and Stable JA Bank System

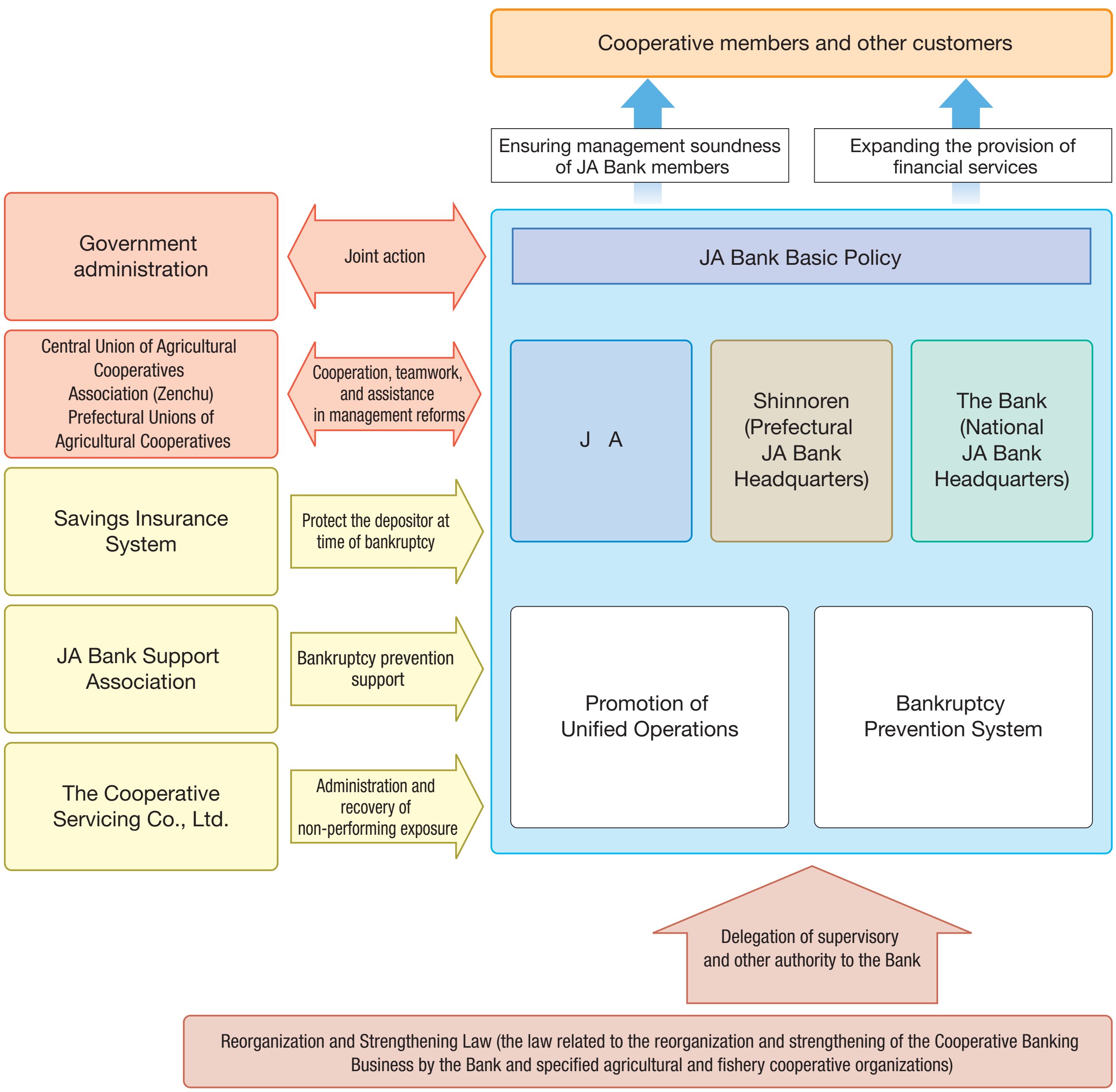
Under the "bankruptcy prevention system," the JA Bank Headquarters receives management-related information from all JA Bank members and reviews them to confirm that they meet certain standards. This system makes it possible to foresee potential issues well in advance and provide early guidance prior to any early stage corrective action by the government.

In addition, the JA Bank Support Association has established the JA Bank Support Fund with financial resources contributed by JA Bank members. This fund can provide capital injections and other support to JA Bank members when necessary.

Through these initiatives, we are working to ensure that the JA Bank enjoys an even greater degree of credibility and confidence from its cooperative members and other customers.

It is also important to note that JA, Shinnoren, and the Bank participate in the Savings Insurance System, which is a public system mandated by law.

Framework of the JA Bank System



Our Thoughts on Expanding the Business Scope of Japan Post Bank Co., Ltd.

If the Japan Post Bank is fully privatized in the future, we, at JA Bank and JF Marine Bank, are preparing to engage each other in friendly competition. As a cooperative that is based in local communities, we will continue to further enhance and improve services so that we contribute even more to cooperative members, customers and local communities and work hard so that we become a financial institution that is chosen by the people that it serves.

On the other hand, as long as government investment remains partially, and its public support continues, we believe that the Japan Post Bank should commit itself to complementing the private sector, and that raising the deposit limit, expanding the lending business and other measures should not be allowed.

Our Thoughts on Regulatory and System Reform Now under Review by the Administrative Reform Council

Beginning from March 2010, "the Sectional Meeting Concerning Regulatory and System Reform" and "the Agricultural Working Group" established under "the Administrative Reform Council" are now examining regulatory and system reforms for the agricultural sector.

With respect to these regulatory and system reforms, we strongly support the discussions—part of the New Growth Strategy for creating new demand—now being held on Japanese agriculture to build it into a sustainable industry into the future. We also support promoting discussions that contribute to raising the food self-sufficiency ratio.

From the view point of regional and agricultural rejuvenation, it is important that we discuss the protection of cooperative members' rights and interests, while taking into full account the functions and roles being fulfilled by the JA Group and cooperatives in agriculture and local communities.

As a rural area-based agricultural cooperative, the JA Group seeks to raise the food self-sufficiency ratio and vitalize agriculture and rural areas. We will continue to make greater efforts to respond to cooperative member and customer mandates through unceasing business and organizational reform. We will also promote understanding including that of cooperatives and the JA Group's social role.

Trends in the Agricultural Industry and the JA Cooperative Banking Business

• The Current State of the Agricultural Industry in Japan

Growing worldwide pressure on the supply of grain is causing a shift in the balance of supply and demand for food, from surplus to shortage.

As part of discussions held by the WTO with the aim of establishing new rules for trade liberalization in the agricultural industry, a revised WTO text was published in February of 2008. Discussions are continuing in an effort to reach an agreement on the subject of modalities (i.e. criteria for reducing protective standards applicable to all nations), particularly figures for tariff reduction ratios. Economic Partnership Agreements (EPA) and the Free Trade Agreements (FTA), discussions on the elimination of tariffs and other bilateral and regional measures, have so far been concluded with 11 countries and regional blocks (ASEAN), while negotiations continue with five countries and regional blocks (GCC).

Although commodity markets and grain prices, which have an impact on raw material prices associated with the production of agriculture, specifically the price of oil, have regained equilibrium compared with fiscal 2008, structural factors behind the tight global supply and demand for food have not yet been eliminated because of a higher demand for food resulting from economic growth in emerging countries and an unstable food supply caused by such constraints as global warming and the lack of water resources.

There are growing signs of a pickup in domestic agricultural and livestock products due to a heightening awareness of food safety and security issues. Nevertheless, because of decreasing agricultural income, an escalating shortage of people willing to run farms, increased abandonment of cultivated land and other factors, business conditions continue to be very difficult for the country's farmers and farming communities. Consequently, Japan's agricultural and land ownership system was reviewed and a new Basic Plan for Food, Agriculture, and Rural Areas was approved in a Cabinet meeting in March 2010. The purpose of the new plan is to achieve a food self-sufficiency ratio of 50% (on a calorie basis) by 2020 through policies including a system of income indemnification and a sixth industrialization of agriculture and farming communities.

Aiming to revitalize agriculture by collaborating with consumers, the JA Group has implemented various measures to increase the value of agricultural production and raise agricultural income as well as improve self-sufficiency through farmland use and farmer support. Furthermore, the Group is promoting JA Food and Agriculture Education and a project for producing good food for everyone. This is part of its effort to increase the public's understanding of the farming industry and build a consensus.

In April 2010, the damage from the first confirmed case of foot-and-mouth disease in 10 years in Miyazaki Prefecture spread dramatically. We would like to express our heartfelt sympathy to livestock farmers, meat processors and everyone who has suffered damage. The JA Group, in collaboration with the central government, prefectures and municipalities, is doing its utmost to support livestock farmers.

Financial Response in Association with Measures to Prevent a Foot-and-Mouth Disease Epidemic

As of June 23, 2010, the number of cloven-hoofed animals and farms that have been the target of measures (the destruction and burying of farm livestock and the decontamination of farms) to prevent a Foot-and-Mouth epidemic has reached 199,293 heads at 291 farms in Miyazaki Prefecture.

Farmers that had to destroy all of their livestock will be forced to incur a considerable amount of time and cost to resume and recover operation of their farms. Farms with livestock that neighbor the afflicted area have also been burdened by the suspension of trading on livestock markets and other measures taken to prevent an epidemic.

As a result, the JA Bank has set up a consultation service and has expended every possible means to financially support those affected by this tragedy.

The Bank will do everything within its power to help farmers recover and resume farm management.

• The Flow of Funds in the JA Cooperative Banking Business

Thanks to a continued steady increase in deposits from individuals as a result of the provision of financial services that responded to customer needs during fiscal 2009, JA deposits rose by 1.4% over the previous year, to a term-end balance of ¥84,477.2 billion.

Total JA loans rose by 1.3%, year-on-year, to a term-end balance of ¥22,674.1 billion due to an increase in individual loans, especially mortgage loans, thanks to home loan advisory events and other campaigns. Securities held by JA Bank posted a year-on-year increase of 4.1% to a term-end balance of ¥5,021.1 billion.

Deposits with Shinnoren increased year-on-year by 1.2%, to a term-end balance of ¥51,914.7 billion.

The balance of loans issued by Shinnoren declined, recording a year-on-year decrease of 0.9%, to a term-end balance of ¥5,591.6 billion. Securities (including money held in trusts) held by Shinnoren saw an annual increase of 5.3% to a term-end balance of ¥17,594.6 billion.

Reorganization of the JA Cooperative Banking Business

To deal effectively with changes in the operating environments of the agricultural industry, cooperative members, and JA, the JA Bank has made progress in improving efficiency and streamlining management.

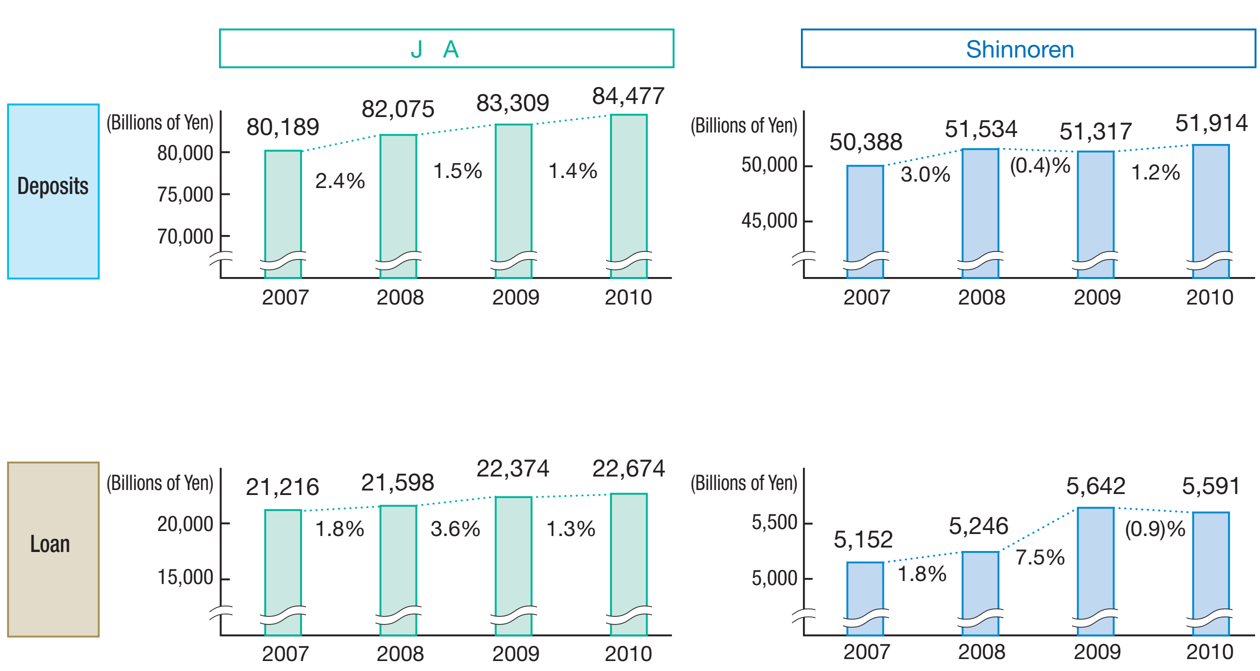
In the same way, at the Norinchukin Bank, the cooperative system has been streamlined in 10 prefectures from the three-tier structure consisting of the JA, the prefectural Shinnoren, and the Norinchukin Bank to a two-tier structure of the JA and the Bank alone. This was achieved through the consolidation of the Shinnoren from nine different prefectures (Miyagi, Akita, Yamagata, Fukushima, Tochigi, Toyama, Okayama, Nagasaki, and Kumamoto) and the transfer of their operations, as well as a partial transfer of the operations of Shinnoren in one prefecture (Aomori) to the Bank.

In October 2011, a portion of the operations of the Shinnoren of Gunma Prefecture is scheduled to be transferred to the Bank.

Elsewhere, the goal of "one JA in each prefecture," whereby the rights and obligations of both Shinnoren and Keizairen (The Prefectural Marketing and Supplying Federations of Agricultural Cooperatives) are integrated and taken over by a single JA, has been achieved in Okinawa and Nara Prefectures to date.

The Norinchukin Bank continues to steadily support internal efforts to enhance JA's organization and implement the steps the Bank is taking towards achieving efficiency and rationalization, with the aim of creating a cooperative banking structure capable of meeting the expectations and securing the trust of both cooperative members and other customers.

Deposits and Loans (As of March 31)



The JF Marine Bank's Operations

Providing Financial Support to Coastal Communities and Matched Financial Capabilities to Fisheries

What is the "JF Marine Bank"?

• The JF Marine Bank Comprises a Group of Financial Institutions

The JF Marine Bank consists of the Japan fishery cooperatives (JF, limited to those engaging in banking services), Shingyoren (Prefectural Banking Federations of Fishery Cooperatives), and the Bank as well as the IT systems company operated by Zengyoren.

As of April 1, 2010, there were 162 JF offering financial services and 30 Shingyoren, for a total of 193 members, including the Norinchukin Bank.

JF Marine Bank

The members of the JF Marine Bank	
• JF which offer financial services • Shingyoren • The Bank	Zengyoren

*Number of JF Marine Bank members: 193 (as of April 1, 2010)

Basic Policy Direction for the JF Marine Bank

• JF Marine Bank Basic Policy

The JF Marine Bank formulated its Basic Policy in January 2003, based on the provisions of the Reorganization and Strengthening Law. The objectives of this basic policy are: First, to protect depositors by ensuring that the JF Marine Bank conducts its business operations in a sound and proper manner; Second, to respond appropriately to the financial needs of cooperative members and other customers by carrying out reforms in JF Marine Bank's business activities, management and organization.

• A Framework for Preventing Bankruptcy

Taking into consideration various developments that have occurred in the financial environment, such as the complete discontinuation of blanket deposit insurance, and from the perspective of ensuring proper and sound operations, all members of the JF Marine Bank are required to provide management information to the JF Marine Bank Headquarters. Based on their examination of this information, the JF Marine Bank Headquarters can prevent organizations, such as JF, that have problems with their operations, from falling into bankruptcy by quickly identifying issues and taking preventative action, creating a system that is reassuring to customers. These activities are undertaken with the guidance of the Bank and Shingyoren.

In addition to the activities mentioned thus far, JF, Shingyoren, and the Norinchukin Bank have contributed jointly to create the "JF Marine Bank Support Fund," which also provides a framework to encourage cooperative members' autonomous activity, and is directed toward organizational and business reforms.

It is also important to note that JF, Shingyoren, and the Norinchukin Bank participate in the Savings Insurance System, which is a public system mandated by law.

• The JF Marine Bank Safety System (Stable and Responsible JF Cooperative Banking Business System)

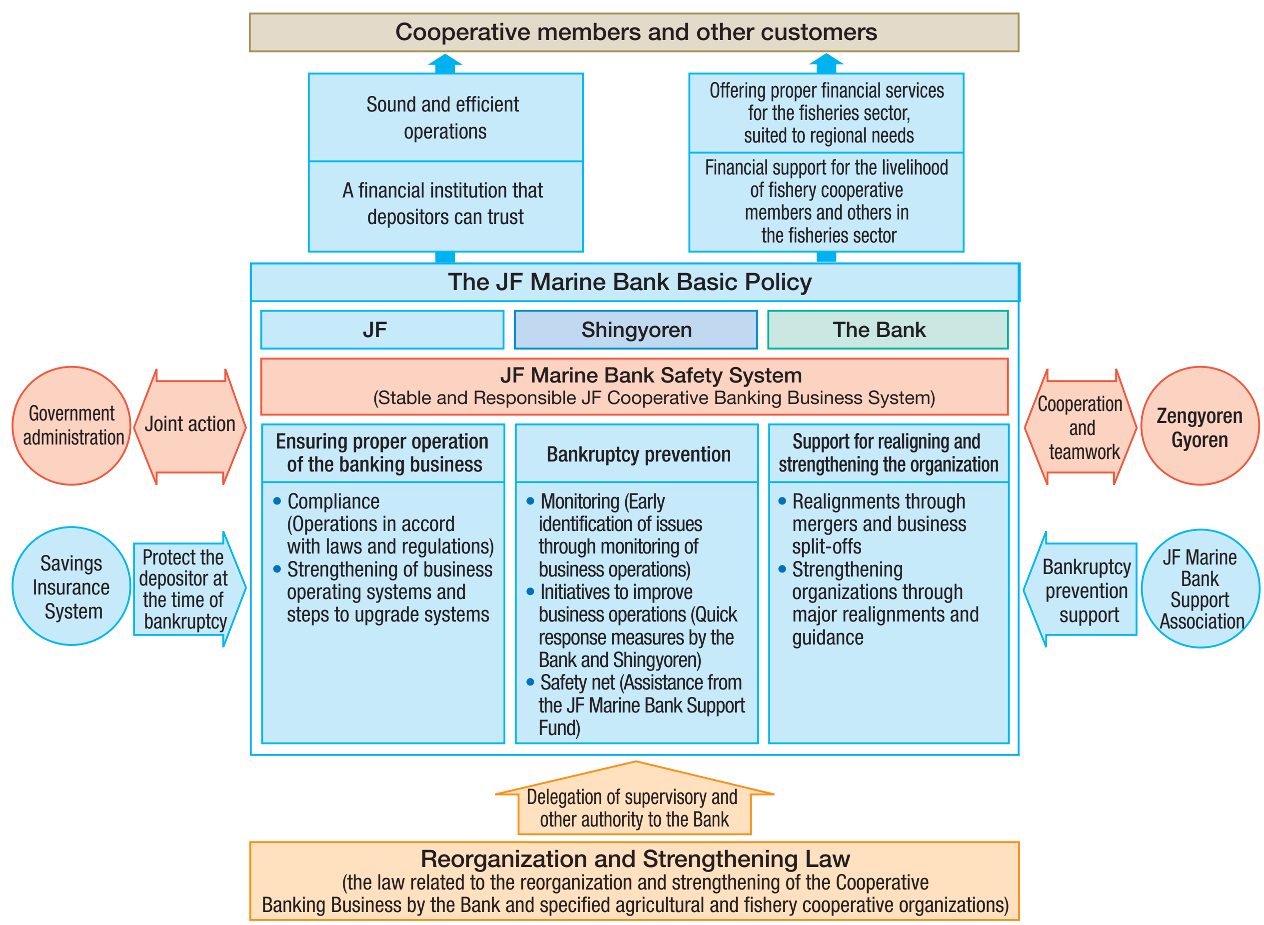
The JF Marine Bank provides financial services with regional coverage for members of the fisheries industry in their local communities and assumes an essential role in coastal communities. To make improvements that will ensure the JF Marine Bank has management systems appropriate for a bank that is a member of Japan's financial system, measures have been implemented to establish a "system of one fishery cooperative banking business in each prefecture." As a result, all prefectures had completed the development of a fishery cooperative banking business in each of their respective prefectures by the end of fiscal 2009.

With the goal of making this foundation even stronger and achieving sound and efficient business operations, we are setting up the JF Marine Bank Safety System (Stable and Responsible JF Cooperative Banking Business System) to manage our banking business by "integrating the prefectural banking business into Shingyoren", "creating an organization of multiple JF cooperatives centered on Shingyoren", "establishing one JF in each prefecture" and "creating a wide-area Shingyoren that transcends prefectural boundaries."

As part of its initiatives related to the cooperative banking business under the JF Marine Bank, a new "JF Marine Bank Medium-Term Business Promotion Policy" for the three years commencing from fiscal 2009 has been drawn up. Under this policy, the JF Marine Bank is continuing to take measures to improve its management and strengthen its financial position in line with its fundamental policies, while at the same time placing an even greater emphasis than before on the improvement of fishery operations, which is the basis for sound operations at the JF Marine Bank.

The JF Marine Bank aims to be a trusted provider of financial services for fishing communities. As a cooperative financial institution, it believes that its raison d'etre is to serve not only its members and other customers, but also communities and regional society as a whole.

Framework of the JF Marine Bank



Trends in the Fisheries Industry and the JF Cooperative Banking Business

• The State of the Fisheries Industry

The circumstances surrounding the fisheries industry and fisheries communities—the weakening productive structure including fluctuating material costs, such as for fuel and animal feed, falling resource levels in the territorial waters surrounding Japan, the increasing age of people engaged in the fisheries industry, and decreasing consumption of marine products—are growing increasingly harsh.

Despite this adverse environment, in the fiscal 2010 fisheries budget, the government is to strengthen Japan's fisheries industry and establish dynamic fisheries communities through a variety of measures. These include creating sustainable fisheries and aquaculture industries, restoring and managing marine resources that are now at low levels, supplying domestic marine products based on consumer needs and taking comprehensive measures to rejuvenate fisheries communities.

Specifically, as a policy to counter the sharply rising costs of fuel and mixed feed for aquatic farms, we created a business that provides a safety net for fisheries industry management, setting up a new mechanism for providing compensation for fuel and mixed feed costs when their prices rise sharply, based on contributions from fishery operators and the government. In addition, we continue to implement fisheries management stabilization policies by providing aid to the Federation of the Fishery Mutual Relief Insurance Associations and the Fishing Boat Insurance Associations. As a financial measure for the fisheries industry, fisheries industry emergency guarantee measures were extended and the guarantee framework was expanded in the fiscal 2009 supplementary budget.

The employment of some of these funds in the downstream marine product sector is expected to contribute to the development of industry participants and the stability of fishery cooperatives in the years ahead.

• The Flow of Funds in the JF Cooperative Banking Business

The balance of deposits held with JF decreased 0.1% from the previous fiscal year-end, to ¥2,243.4 billion, at the end of fiscal 2009.

The balance of loans at JF fell 1.1%, year-on-year, to ¥688.1 billion, due to such factors as the easing of demand for new financing.

Reorganization of the JF Cooperative Banking Business

The JF cooperative banking business is being reorganized to create more sound and efficient management systems by means of two methods: Mergers between various JF and the transfer of banking business activities from the JF to the Shingyoren.

These efforts have reduced the number of JF engaged in the banking business from 875 JF as of March 31, 2000, to 162 JF as of April 1, 2010.

The total number of JF, including those that are not engaged in the banking business, was reduced by 73 JF in fiscal 2009, and, as of April 1, 2010, the number stood at 1,015 JF, reflecting the progress being made toward consolidation.

In the future, greater emphasis will be placed on policies to strengthen and reorganize the JF cooperative banking business under the JF Marine Bank Safety System.

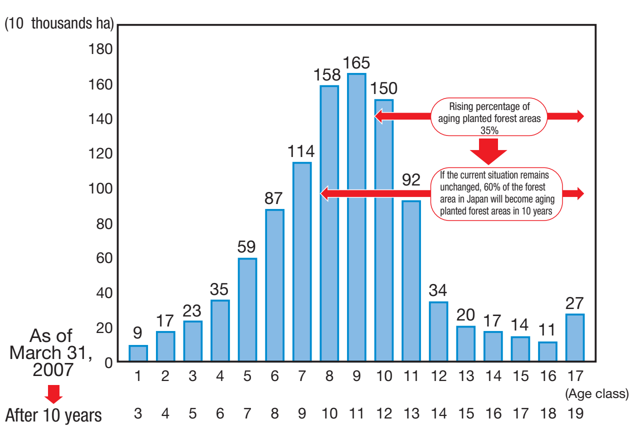
The Bank supports the aforementioned JF cooperative banking business initiatives.

Japan Forestry Cooperative Initiatives

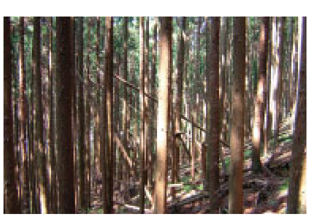
The Current State of the Forestry Industry in Japan and Cooperative Activities

Japan's forests cover 25 million hectares, or about two-thirds of the country's land mass. About 70% of the forest area in Japan is held by private landowners. Partly due to the aging of the Japanese population and the trend towards depopulation in rural mountain villages, factors that have caused a decline in forestry development, Japanese forest areas are not properly sustained and have become unproductive wilderness. This explains why the cedar and cypress forests that were planted after World War II are unable to properly perform their functions even though the trees have reached maturity.

Japan's Rising Percentage of Aging Planted Forest Areas



Source: Forestry Agency, "Fiscal 2009 Forestlands and Forestry Industry White Paper"



Untended forestland becomes backwoods

A forest that has been maintained by tree trimming

In addition to the recent tight global supply and demand for timber, with the new government administration having set its sights on achieving a "low-carbon society," things are looking upbeat for the restoration of the domestic timber industry, as more people are calling for the regeneration of forestlands and the forestry industry. In December 2009, the Ministry of Agriculture, Forestry and Fisheries instituted the "Forestland and Forestry Industry Regeneration Plan," a roadmap for the swift regeneration of forest areas as well as the forestry industry. The plan is to lay the foundation for an efficient and stable forestry industry and to develop a system for the stable supply and use of timber.

As a result, forestry cooperatives are building roads within forests and introducing high-performance forestry machinery, and taking practical steps to train personnel in a comprehensive manner. Forestry cooperatives are also expanding the "Movement to Revitalize Forestlands, the Forestry Industry, and Rural Mountain Villages that support the Environment and our Livelihood." Accordingly, based on the "Forestland and Forestry Industry Regeneration Plan" described earlier, a new cooperative campaign policy (for fiscal 2011 through fiscal 2015) is being studied and is to be passed at the National Federation of Forest Owners' Cooperative Association meeting scheduled for the fall of this year.

The Bank's policies include helping to strengthen the foundation for autonomy in the management of forestry cooperatives and substantially increasing support for their initiatives.

Safety Net for the Cooperative Banking System

The JA Bank System and the JF Marine Bank System have created a safety net consisting of the Bankruptcy Prevention System and the Savings Insurance System to provide an increased sense of security for their cooperative members and customers.

Bankruptcy Prevention Systems

The JA Bank System and JF Marine Bank System have developed their own respective bankruptcy prevention systems.

The specific functions of these systems include: (1) Monitoring of the management conditions of individual JA and JF to identify any problems at an early stage, (2) Taking steps at the earliest stage possible in order to prevent bankruptcy and (3) Infusing any necessary funds drawn from the JA Bank Support Fund or the JF Marine Bank Support Fund* (collected from all members of the JA Bank and the JF Marine Bank) in order to restore sound management to either JA or JF.

** As of March 31, 2010 the balance of the JA Bank Support Fund was ¥169.3 billion and that of the JF Marine Bank Support Fund was ¥25.3 billion.*

The Savings Insurance System (Savings Insurance System for Agricultural and Fishery Cooperatives)

When a member organization of the cooperative banking system, such as JA or JF, is unable to reimburse deposited funds to its members and other users, this system provides policy coverage for depositors and ensures the fulfillment of funds settlements, thereby contributing to the stability of the cooperative banking system.

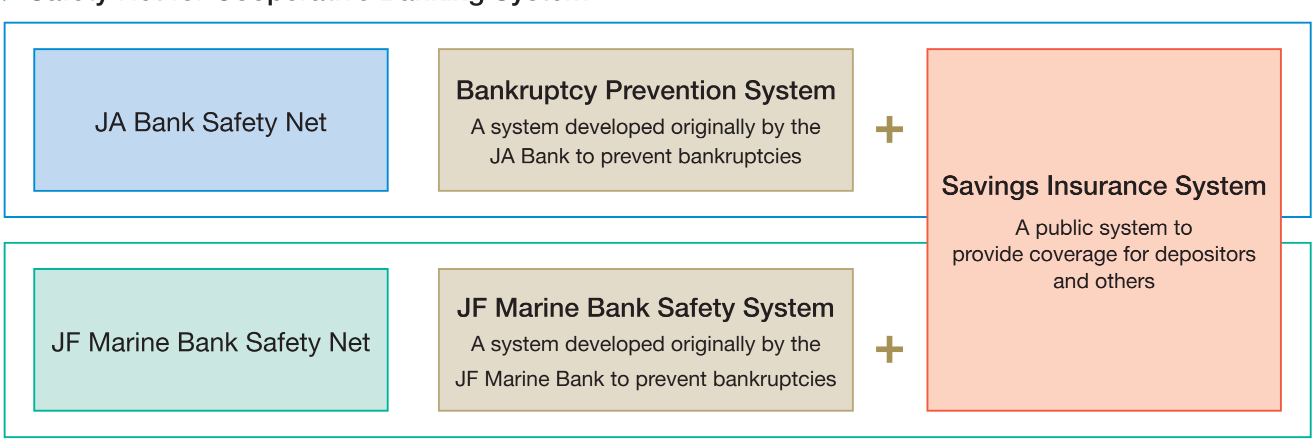
The Savings Insurance System is provided for under the Agricultural and Fishery Cooperative Savings Insurance Law. Its functions are carried out by the Agricultural and Fishery Cooperative Savings Insurance Corporation, which was established through joint investments by the Japanese government, the Bank of Japan, the Norinchukin Bank, Shinnoren, Shingyoren, and other entities.

When depositors place funds in agricultural or fishery cooperatives that are covered by the Savings Insurance System, their savings are automatically guaranteed by this insurance system.

Even though the blanket deposit insurance system was fully discontinued on April 1, 2005, checkable, payment, and settlement deposits are still fully protected by the system. However, all other types of deposits are only covered up to ¥10 million in principal (per depositor of each cooperative organization), plus interest accrued.

As of March 31, 2010 the balance of the reserve fund of the Savings Insurance System was ¥286.0 billion.

Safety Net for Cooperative Banking System



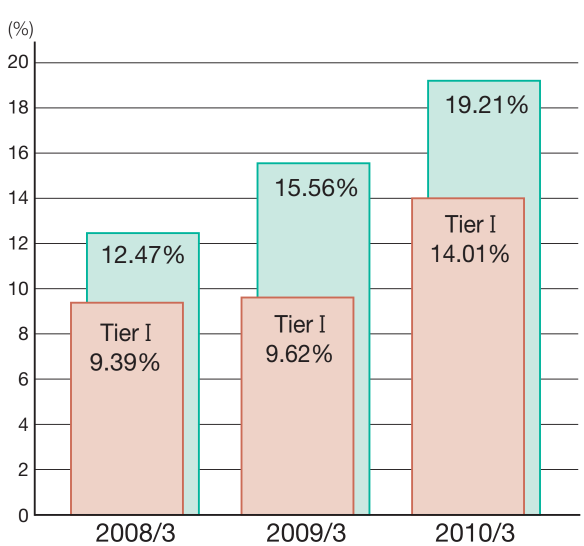
Capital Position

A Strong Capital Base Founded on the Strength of the Cooperative Membership

Capital Adequacy

The Bank considers it a major management priority to secure a sufficiently high level of capital resources in order to maintain and strengthen its financial position. It does so to ensure a stable return of profit to its members and to enhance its capabilities as the central bank for Japan's agricultural, forestry, and fishery cooperative system, contributing to those industries and the development of the cooperative banking business, and align itself with the diverse needs of its customers. As of March 31, 2010, the Bank's capital adequacy ratio was 19.21% on a consolidated basis (eight consolidated entities) and 19.26% on a non-consolidated basis. This was attributable to ordinary profit and a significant decrease in unrealized losses on securities resulting from the steady implementation of the Business Renewal Plan.

Capital Adequacy Ratio (consolidated)



Enhancing the Bank's Capital Adequacy and Financial Position

Amid the unprecedented financial crisis and market turmoil, the Bank implemented a large-scale capital increase during fiscal 2008. Its aim was to ensure operational soundness and also to meet the needs of members, customers, and domestic and overseas markets appropriately, and to maintain their confidence.

In March 2009, the Bank took another step to maintain sufficient levels of capital, the key indicator of soundness for financial institutions, especially for banks with international operations, even if the turmoil in financial markets worsens in the future. With the full understanding and support of members, the Bank raised ¥1,380.5 billion in lower dividend rate stocks, a form of common stock, and increased perpetual subordinated borrowings from ¥963.7 billion to ¥1,476.0 billion. The Bank intends to improve its capital adequacy ratio in both quality and quantity, and strengthen its financial position.

In fiscal 2009, the Bank effected mergers with the Kumamoto Shinnoren (Prefectural Banking Federations of Agricultural Cooperatives), raising ¥4.5 billion in lower dividend rate stocks and extending ¥9.9 billion in perpetual subordinated borrowings.

In the years ahead, we face a trend of strengthening international capital regulations in financial institutions. In line with its Business Renewal Plan, instituted at the time of the capital increase in 2008, the center of the Bank's management agenda will henceforth be to enhance the value the Bank will provide as the central financial institution of the cooperative banking system, maintaining its capital at a sufficiently high level, and to ensure a stable returns to its members.

Strong Capital Base

The Bank is rated by the two leading credit rating agencies in the United States—Standard & Poor's and Moody's Investors Service—and has received top-tier ratings among Japanese financial institutions. One of the main factors supporting these ratings is the strong capital base afforded by the membership of the cooperative system.

While major commercial banks in Japan have received injections of public funds to restore the soundness of financial system and support them to enhance the capability for credit extension, the Bank has yet to apply for such an injection of public funds, in viewing the level of capital adequacy of the Bank.

Methods of Capital Raising

The Bank's paid-in capital is funded from the following sources.

<table>
<tr><th></th><th colspan="2">Common Stocks</th><th>Preferred Stocks</th></tr>
<tr><td>Investors</td><td colspan="2">Members, as stipulated by the Norinchukin Bank Law</td><td>No restrictions</td></tr>
<tr><td>Voting rights</td><td colspan="2">Yes</td><td>No</td></tr>
<tr><td>Par value / Issue price</td><td colspan="2">¥100 / Issued at par value</td><td>¥100 / Issued at market value</td></tr>
<tr><td rowspan="2">Dividends</td><td rowspan="2">Dividend rates are approved by the Council of Delegates. Dividends are paid after the payment of dividends on preferred stocks. When dividends are paid on common stocks, participatory dividends are paid to holders of preferred stocks.</td><td>For lower dividend rate stocks</td><td rowspan="2">Dividend rates are approved by the Council of Delegates. Dividends on preferred stocks are composed of preferred dividends and participatory dividends. The priority for participatory dividends is the same as for common stocks.</td></tr>
<tr><td>Dividend rates are approved by the Council of Delegates. The priority of dividends is the same as for common stocks. Under the Bank's Articles of Association, dividends on lower dividend rate stocks have a lower priority than common stocks.</td></tr>
</table>

Risk Management

Approach to Risk Management

Essential components of the management of financial institutions are the generation of stable profits and the maintenance of an optimal portfolio. Management must also address various types of risk arising from changes in the business environment as well as volatilities in economic conditions and financial markets. Financial institutions must also maintain a high level of public confidence by providing reliable services and maintaining financial soundness.

The Bank's financial position has been significantly influenced by the unprecedented global financial crisis in fiscal 2008, but a substantial increase of capital in March 2009, and subsequent improvements in market conditions made it possible to achieve sufficient capital adequacy as of March 31, 2010. In keeping with the "Business Renewal Plan" instituted at the time of the capital increase in fiscal 2009, to carry out its mission of providing a stable profit return to members and as the central institution of the Japanese agricultural, forestry and fishery cooperatives, the Bank has recently reviewed its financial risk management methods and is conducting stable financial management in accordance with its basic concept of internationally diversified investment and lending, and based on the lessons learned from the financial crisis. From this perspective, it is a high priority for the Bank to make unceasing efforts to enhance its risk-management approach.

Initiatives of risk management by the Bank are stipulated in its Risk Management Policy. The policy identifies the types of risks to be managed by assessing the materiality of each risk at the operation and the basic framework for risk management, including organizational structure and methodology. In accordance with this policy, the Bank conducts risk management activities taking account of the inherent nature of each type of risk, measures the overall magnitude of these risks, making use of quantitative methods, and conducts integrated risk management by comparing the amount of risk with the Bank's financial strengths.

To implement integrated risk management, the Bank has set up the Risk Management Committee. The Committee enables the Bank's top management to discuss important issues relating to its risk management framework and capital adequacy. The Committee also ensures that the total risk amount is kept within the Bank's maximum tolerable risk. The structure also requires the integrated risk management situation (e.g. significant decisions made by the Risk Management Committee, current issues on overall risk management) to be regularly reported to the Board of Directors. The Bank has also established a number of committees according to the types of risk, i.e. the Market Portfolio Management Committee (market risk, liquidity risk), the Credit Committee, the Credit Portfolio Management Committee, the Cooperative Finance Committee (credit risk), and the Operational Risk Management Committee (operational risk), to enable the top management to discuss and decide the measures required for controlling risks that arise in the execution of management strategy and business policies within an acceptable level. In line with the control described above, applying various risk management frameworks, including economic capital management (please refer to P. 43) determined by the Risk Management Committee, the Bank places high priority on ensuring the safety and soundness of portfolio management and financial management, by cautiously watching the balance between return, capital, and risk amid the market fluctuations and the harsh economic and financial environment surrounding the Bank.

The Bank has set up a number of divisions to manage individual types of risks, as well as a division responsible for overall risk management. The roles and responsibilities of those divisions are clearly defined in the Bank's policy. The Bank also ensures the maintenance of appropriate internal controls among those divisions.

Complying with Basel II

Basel II (the new capital adequacy regulations), which went into effect in Japan in fiscal 2006, requires banks to comply with its three pillars. Pillar I is the introduction of a risk sensitive computational formula for capital adequacy. Pillar II is the financial institution's internal capital adequacy assessment process, consistent with its risk profile, followed by supervisory review. Pillar III is the proactive disclosure to secure the proper evaluation of the effectiveness of Pillar I and Pillar II by the market. The Bank is making constant efforts to address issues relating to these three pillars.

In the wake of the financial crisis stemming from the sub-prime loan problem in the United States, the Basel Committee on Banking Supervision (Basel Committee) is planning to partially implement the Basel II framework which is to be enhanced in fiscal 2010, and to review new capital adequacy and liquidity regulations with the goal of implementing them from 2012 and beyond. Therefore, the Bank will respond appropriately to any new regulatory requirements.

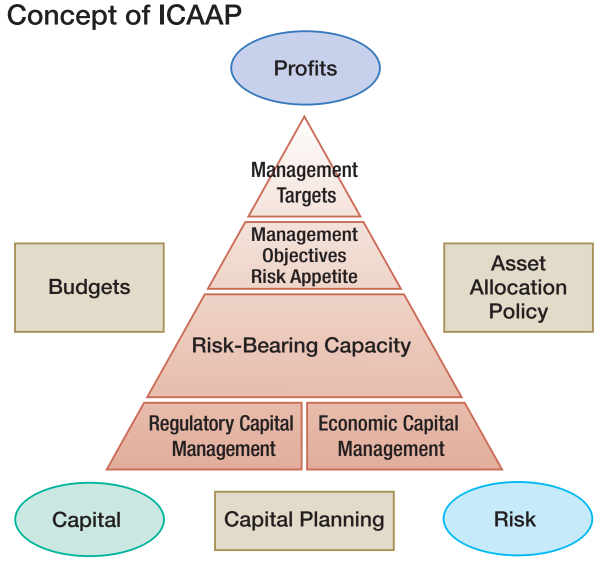
With regard to credit risk management, the Bank has worked to enhance its credit risk management infrastructure. The Bank has reinforced its existing internal rating framework (system in which borrowers are rated both on the basis of a quantitative assessment of financial data making use of a statistical model, and on the basis of qualitative analysis). The Bank also implements a method of measuring credit risk by estimating the probability of default for borrowers in each credit rank, based on historical data of actual defaults. For operational risk (risk arising from operating activities, such as clerical errors, system defects as well as lawsuits), the Bank has strengthened its comprehensive management systems through Risk and Control Self-Assessment (RCSA) exercises. These exercises identify the risk inherent in various business processes and assess the effectiveness of internal controls. The Bank adopted the "Foundation Internal Ratings-Based Approach (F-IRB)" for credit risk and "The Standardized Approach (TSA)" for operational risk, pursuant to the Norinchukin Bank Law Notification regarding Basel II.

Internal Capital Adequacy Assessment Process (ICAAP)

The Bank implements the Internal Capital Adequacy Assessment Process (ICAAP), an assessment process based on "International Convergence of Capital Measurement and Capital Standards: a Revised Framework" of the Basel Committee, to manage profits, capital, and risk in a consistent and efficient manner. Under the ICCAP, the Bank comprehensively manages its capital resources, from both capital (the numerator of the capital adequacy ratio) and risk assets (the denominator of the capital adequacy ratio) perspectives.

The ICAAP is a process to demonstrate the appropriateness of the risk management practice by addressing the risks that arise while achieving business objectives and maintaining the sufficient levels of internal capital to cover these risks. The purpose of ICAAP is to provide its various stakeholders with stronger confidence in the soundness of the Bank's operations.

Concept of ICAAP



Moreover, the Bank's ICAAP does not simply control capital and risk. ,but also, it goes beyond this framework and intends to simultaneously meet two distinct management goals: capital adequacy and profitability. The ICAAP recognizes capital adequacy as a "triangular" relationship among profit, capital and risk with consistency and good balance. This framework constitutes the core concept of the Bank's ICAAP.

Specifically, the ICAAP ascertains the consistency between "Risk Appetite" and "Risk-Bearing Capacity," both presented quantitatively as the amounts of risk and capital respectively. This process is achieved through two different types of frameworks to maintain capital adequacy: regulatory capital management and economic capital management.

• Risk Appetite

In implementing the Bank's strategies for attaining its management goals, Risk Appetite reflects specific views on risk-taking, and defines what types of risk and the magnitude of risk the Bank is willing to accept. The level of risk to be controlled is determined by various related indicators and from both a qualitative and a quantitative perspective. In other words, the setting of Risk Appetite interrelates management objectives (management strategy), risk, and capital within a single and consistent framework.

• Setting Risk-Bearing Capacity

The Bank stipulates the scope of the material risks and the measurement method (quantitative measurement) of risks it comprehensively manages, such as market risk, credit risk, and operational risk. The Bank then defines Risk-Bearing Capacity as "maximum tolerable risk," and manages the level of risk within its Risk-Bearing Capacity. When setting Risk-Bearing Capacity, the Bank clarifies each component of capital with the types of risk to be covered.

• Verification of Consistency between Risk and Risk-Bearing Capacity

The Bank established the checkpoint system in order to verify that the volume of risk taken, based on Risk Appetite, does not and absolutely will not exceed the Risk-Bearing Capacity.

The checkpoint provides a framework to ensure that the capital adequacy is maintained above a predetermined level regardless of volatilities due to various factors by monitoring key factors that causes fluctuations and by discussing action plans at an early stage. A specific checkpoint is determined according to the Bank's risk profiles. Under this mechanism, each checkpoint is determined from two perspectives, namely regulatory capital management and economic capital management, and appropriate levels of capital are maintained by closely monitoring two major variables: the level of unrealized gains and losses on securities, and degree of risk exposure.

• Implementation of Stress Tests

The stress tests are basically performed in conjunction with the fiscal year ICAAP implementation. By preparing very harsh stress scenarios that factor in specific timelines and the ripple effects of risks covering the Bank's entire portfolio, the Bank verifies the impact of those stresses on capital adequacy. Based on that, the Bank implements the Internal Capital Adequacy Assessment Process (ICAAP), which includes a review of countermeasures envisioned when stresses arise. In addition, the stress analysis is separately performed in conjunction with semi-annual budget planning. The impact of major changes in market risks and credit risks that are assumed in day-to-day portfolio management is verified by both the regulatory capital adequacy ratio and economic capital management and is used in decision making.

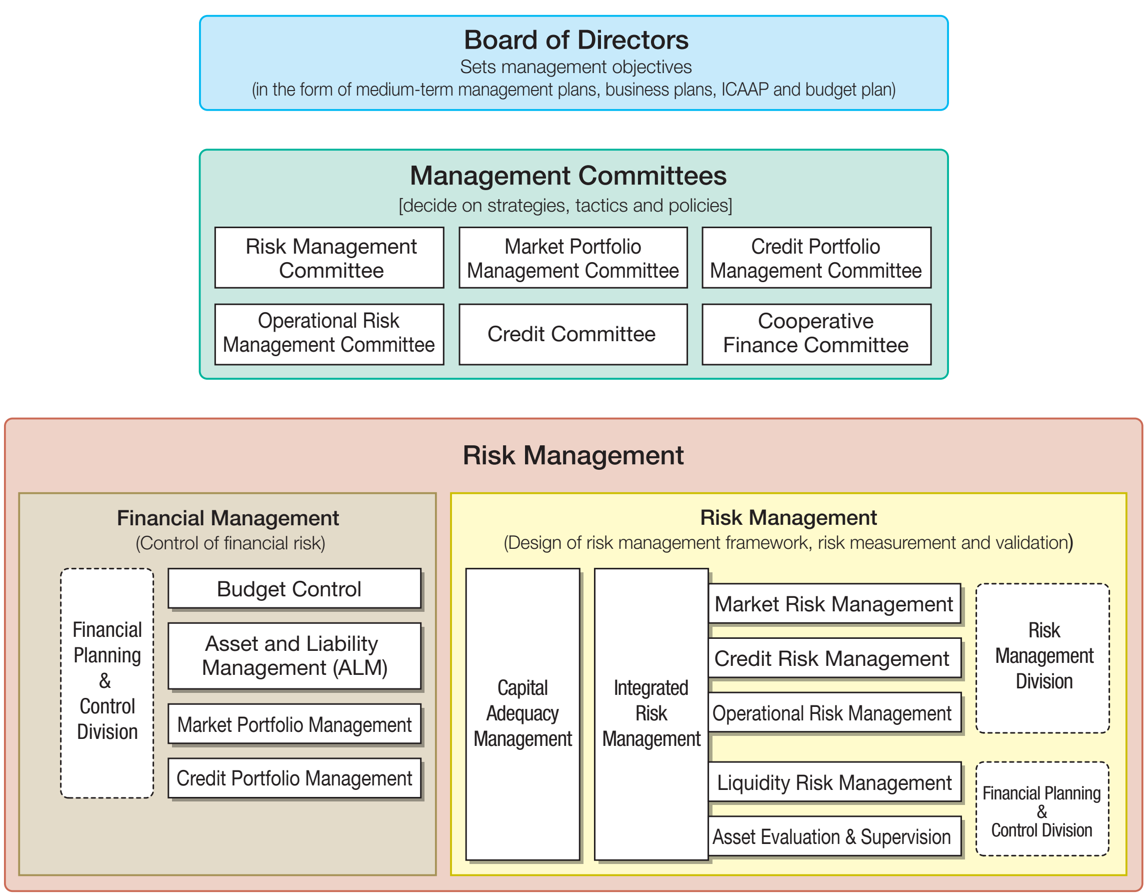
Integrated Risk Management

The Bank has drawn up its Risk Management Policy, and stipulates a core risk management framework that quantifies and manages risk comprehensively in comparison with capital, which represents the Bank's financial strength. The Bank has further developed this framework in the ICAAP (Internal Capital Adequacy Assessment Process), focusing on capital adequacy, as described above. The Bank manages overall risk on a comprehensive basis, in addition to the risk covered by regulatory capital management. The core function within the risk management process is economic capital management.

Under this economic capital management policy, the risks to be covered by capital are measured, and the economic capital is applied in advance. The amount of risk is controlled in order not to exceed the applied economic capital by monitoring the changes of amount of risk caused by market fluctuations and additional risk taking in timely manner during a fiscal year. The Bank manages economic capital both on a consolidated and non-consolidated basis.

In economic capital management, the capital measure normally used is Tier I capital in the same way as in the regulatory capital calculation. Tier II capital is viewed as a buffer for risk in stress situations. The Bank categorizes the types of risk to be controlled into

Risk Management System



market risk, credit risk and operational risk. To maximize the benefit of the globally diversified lending and investment concept, the Bank manages the economic capital on an aggregate basis instead of allocating to each asset class or to each business segment, as the Bank believes such an approach should fit in the business profile of the Bank. In addition, the applied capital and the economic capital management framework are determined by the Board of Directors, while its middle sections are responsible for monitoring the fluctuations in capital levels and the amount of risk during each fiscal year. Those results are reported to management on a regular basis.

Market risk is measured by the Value-at-Risk (VaR) method, using a historical simulation model, with a 99.50% confidence interval and one-year holding period. Credit risk is measured through the Value-at-Risk (VaR) method, using a Monte Carlo simulation model, with a 99.50% confidence interval and rating transition within a one-year holding period. Credit risk capital is defined as the credit risk amount measured by the method described above, deducting the expected losses. Operational risk is measured by The Standardized Approach (TSA), in line with the regulatory capital requirement. This amount is adopted as the operational risk capital.

Through these initiatives, the Bank manages risk via a comprehensive perspective, and plans to further refine its risk management framework going forward.

• Integrated Risk Management Consistent with Financial Management

The Bank's integrated risk management framework is conducted consistently with its financial management framework to maintain a balance between a sound financial position and adequate profitability. The Bank has specifically established the market risk management infrastructure to enable it to promptly respond to changes in the conditions of financial markets. The Bank conducts a wide range of analysis from various perspectives, including static and dynamic interest rate sensitivity analyses toward the impact on profit/loss, and price sensitivity analysis of its assets for impact on the interest rate changes. In addition, as a part of asset and liability management (ALM), the Bank measures the risk volume, taking account of price volatilities of bonds and stocks as well as volatilities in foreign currency exchange rates, and conducts scenario simulations under various stress assumptions. Through the analysis described above, the Bank strives for flexible financial management by understanding the impact of market volatilities on the value of its assets.

Credit Risk Management

Credit risk is the possibility of a loss arising from a credit event, such as a deterioration in the financial condition of a borrower, that causes an asset (including off-balance sheet items) to lose value or to be significantly impaired.

For the Bank, transactions involving credit risk are one of the most important sources of earnings from a strategic point of view. The Bank comprehensively manages credit risk on an entire credit portfolio basis as well as individual credit basis for whole credit risk assets. In this way, the Bank appropriately manages the amount of credit risk to secure a steady flow of earnings.

• Credit Risk Management Framework

The Bank's credit risk management framework comprises four committees that are managed by the directors and general managers involved in risk management. These committees determine the Bank's credit risk management framework as well as its credit investment policy. Front office sections execute loan transactions and credit investments in accordance with the credit policy and within the credit limits approved by the committees. Middle office sections, which are segregated from the front office sections, monitor changes in the credit risk portfolio and report them to the committees. That feedback is then used for upgrading the risk management framework and for future credit investment planning. Each of the four committees has a specific role assigned by the management.

The Risk Management Committee is responsible for the deliberation of the basic infrastructure for overall credit risk management, including the Bank's internal rating system, the self-assessment system, and the economic capital management system. The Credit Committee functions primarily to consider a number of credit ceiling systems which are employed to manage concentration risk.

The Credit Portfolio Management Committee and the Cooperative Finance Committee discuss basics strategies and policies regarding control of the credit risk infrastructure, and make decisions on business strategy for material transactions or transactions with large amounts.

Middle sections perform monitoring including the condition of the credit risk portfolio. In addition, the status of credit risk measurement (such as market overview; significant decision made by the Credit Committee, Credit Portfolio Management Committee, and Cooperative Finance Committee; overview of the credit risk portfolio; current approach to risk management) is regularly reported to the Board of Directors.

• Credit Risk Analysis Framework

As a result of the Bank's continuing efforts to further upgrade its credit risk analysis capabilities, the Bank performs highly specialized analysis for all outstanding credit according to borrower type, such as a cooperatives, corporates, public entities, financial institutions, overseas borrowers, and securitized products. Credit analyses on corporates and public entities are assigned according to sectors in order to utilize accumulated institutional knowledge on analysis for each industry. That framework is designed to take advantage of a sector-specialized senior credit administrator system. A senior credit administrator specialized in a certain sector reviews each debtor and its business conditions individually and compares it with other companies in the same industry utilizing its credit and sector research function. In analyses of loans to overseas borrowers the Bank reviews country risk, an inherently different category of risk from domestic corporations, by looking into economic and political conditions and makes effective use of the country ceiling system. Together with the region-specialized senior credit administrator system or evaluation of credit applications, the credit risk on overseas loans is appropriately managed. In addition, securitized products such as those backed by cash flows generated from residential mortgage, corporate lending, and commercial real estate are subjected to due diligence and credit analysis according to the risk profile of each product. In addition, in order to monitor and identify the risk, the Bank performs ongoing monitoring and review of performance indicators of underlying assets of these investment products.

Through this credit analysis system, the Bank maintains high-level credit risk management based on stringent analytical standards, proprietary methods of financial and cash flow analysis, and monitoring reviews after deals have taken place.

• The Bank's Internal Rating Framework

Outline of the Internal Rating Framework and Special Features

In addition to the Bank's traditional lending activities as a financial institution specialized in the agricultural, forestry, and fisheries industries, the Bank adopts a management strategy of diversified investment and pursues an optimized investment portfolio by diversifying investment assets according to product profile, region or industry. Accordingly, the Bank considers it crucial to manage credit risk exposure from an integrated perspective, as well as to manage regulatory capital by measuring the amount of credit risk, ensure financial soundness, and maintain profitability.

The Bank's internal rating framework is designed to evaluate and measure the Bank's credit risk portfolio consistently, and is considered a crucial tool for the integrated management of credit risk. It plays an important role in daily credit risk management and portfolio management, particularly in economic capital management.

Structure and Application of the Internal Rating Framework

The Bank's internal rating framework comprises three components: the Borrower Rating System, the Loan Recovery Rating System, and the Retail Exposure Internal Rating System.

The Borrower Rating System is designed to evaluate the exposure grades of corporate borrowers. The Bank has 15 borrower grades: 10 borrower grades for non-defaulted borrowers and 5 for defaulted borrowers. Each borrower grade defines the level of credit risk for a borrower.

In principle, ratings are evaluated and assigned using a combination of quantitative and qualitative factors. For certain assets subject to risk-weighted asset calculation for the investment fund, the Bank assigns its internal ratings by using external ratings as the primary factor, those of Standard & Poor's (S&P) and Moody's Investors Service (Moody's). The Bank maps clearly its internal grades to the scale used by credit rating agencies (e.g., internal grade "1-1" corresponds to the external grade "AAA" and "Aaa"). This mapping is based on comparisons of grades and default probabilities on the same borrowers between internal ratings and credit rating agencies' ratings.

The Loan Recovery Rating System is used to grade the recovery of collateral for corporate exposure. Ratings are assigned according to the expected recovery ratios, and are determined from the assessment of factors that may have an impact on the recoverability, such as loan security (collateral or guarantees), seniority (senior or subordinate), and other factors affecting recovery for defaulted exposures.

The Retail Exposure Internal Rating System estimates Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) on an exposure pool basis, and allocates exposure according to the type of pool.

As the Bank adopts the F-IRB approach, the internal rating system is the foundation of the calculation of the capital adequacy ratio for regulatory capital, the primary indicator for the financial soundness of a bank. The Bank applies the same PD figures calculated for capital adequacy ratio of regulatory capital to measure credit risk deriving from credit exposure to maintain consistency between the internal rating systems. In addition, the Bank differentiates interest rates according to the internal ratings and collateral provided, in order to maintain a sufficient level of returns in line with the degree of credit risk.

Management of the Internal Rating Framework and Validation Procedures

The internal rating system is managed by dedicated units of the Bank that are segregated from front section. The systems are designed to fit into the profile of the Bank's credit portfolio and implemented according to policies and procedures stipulating the objectives of the internal rating system, criteria for each rating grade, evaluation methods and mapping of ratings, approval authority and validation of rating system. Validation of the internal rating system and monitoring of it to ensure appropriate implementation is performed on a regular basis.

In addition, the Internal Audit Division periodically oversees and audits the Bank's credit risk management, including the appropriateness of estimated parameters and historical default rates, compliance with minimum requirements for the IRB Approach, and reports to the Board of Directors.

• Self-Assessments, Write-Offs, and Provisions to Reserves Based on Internal Ratings Framework

The Bank conducts self-assessment exercises on a quarterly basis at the end of March, June, September, and December.

The self-assessment process initially classifies

Relationship among Internal Rating, Self-Assessment, and Exposure Requiring Mandatory Disclosure under the Financial Revitalization Law

Internal rating	Self-Assessments: Debtor classification	Self-Assessments: Asset category	Self-Assessments: Definition of asset category	Exposure requiring mandatory disclosure under the Financial Revitalization Law
1-1, 1-2, 2, 3, 4, 5, 6, 7	Standard	Category I	Debtors who maintain favorable operating conditions and have no particular financial difficulties. Internal ratings 1-1 to 4 are equivalent to investment grade of credit rating agencies.	Standard
8-1, 8-2	Substandard	II	Debtors requiring close monitoring going forward	Standard
8-3	Other substandard debtors	II	Debtors requiring close monitoring going forward	Standard
8-4	Debtors under requirement of control	II	Debtors requiring close monitoring going forward	Special attention
9	Doubtful	III	Debtors who are highly likely to fall into bankruptcy	Doubtful
10-1	Debtors in default	IV	Debtor who have effectively fallen into bankruptcy, although no facts have emerged to indicate legal or formal bankruptcy	Bankrupt or de facto bankrupt
10-2	Debtors in bankruptcy	IV	Debtors who are legally and formally bankrupt	Bankrupt or de facto bankrupt

The Norinchukin Bank's Debtor Classification and Reserves for Possible Loan Losses (As of March 31, 2010) (On a Non-Consolidated Basis)

(Billions of Yen)

Self-Assessments: Debtor classification	Category I	Category II	Category III	Category IV	Reserves for possible loan losses	Claims disclosed under the Financial Revitalization Law	Risk-managed loans (Note 2)
Debtors in bankruptcy Debtors in default	Portion deemed to be recoverable through collateral or guarantees		Provisions are made to cover the entire amount	Full amount written off or provisions made	Specific reserve for possible loan losses 213.6	Bankrupt or De facto bankrupt 6.7	Loans to borrowers under bankruptcy proceedings 6.2
Doubtful debtors	Portion deemed to be recoverable through collateral or guarantees		Provision ratio: 67.2%			Doubtful 214.0	Delinquent loans 212.7
Substandard debtors: Special attention	Provision ratio of the uncovered portion: 23.9%				General reserve for possible loan losses 82.1 (Note 1)	Special attention 67.7	Loans with principal or interest payments three months or more in arrears —
Substandard debtors: (Claims on debtors under requirement of control)	Claims on substandard debtors other than "Special Attention"					Standard loans 13,128.7	Restructured loans 67.7
Substandard debtors: Other substandard debtors							
Standard debtors							

Notes: 1. The expected default ratios for computing the provisions to the general reserve for possible loan losses are 0.39% for standard debtors, 4.49% for substandard debtors (excluding claims under requirement of control), and 10.95% for claims under requirement of control.
2. The difference between the total of claims disclosed under the Financial Revitalization Law and the total of risk-managed loans is the inclusion of claims other than loans.
3. In addition, as of March 31, 2010, Money Held in Trust includes delinquent loans of ¥3.2 billion and doubtful of ¥0 billion, bankrupt or de facto bankrupt of ¥3.2 billion, respectively.

obligors in line with the Bank's internal ratings. There are five classifications: standard, substandard, doubtful, debtors in default, and debtors in bankruptcy.

Subsequently, within each of these categories, individual credit facilities are classified into four categories (I, II, III, and IV) according to expected recoverability.

• Criteria for Write-Offs and Provisions to Reserves

Write-offs and provisions to reserves for possible loan losses are made in accordance with the criteria set by the Bank for each classification of obligors determined for self-assessment exercises. For exposure to standard debtors and substandard debtors, the Bank makes provisions to the general reserve for possible loan losses for each category of borrowers based on the expected loss ratio, which is calculated from historical loss data, including losses from defaults. For debtors under control requirements with substantial exposure, provisions to specific loan loss reserves for possible loan losses are calculated by the discounted cash flow (DCF) method on an individual basis. For exposure to doubtful debtors or lower, provisions to specific reserves for possible loan losses are made, or write-offs are performed, for the amount not recovered by collateral or guarantee to the exposure classified as Category III, and the amount deemed necessary to the exposure classified as Category IV.

Criteria for Write-Offs and Reserves for Possible Loan Losses

Debtor classification		Criteria for write-offs and reserves for possible loan losses	Provision ratio as of March 31, 2010
Standard debtors		Provisions are made as the general reserve for possible loan losses multiplying the total credit exposure by the expected loss ratio based on the historical default ratio.	0.39%
Substandard debtors	Other substandard debtors	Initially, categorize debtors into two groups: "Debtors under requirement of control" or "Other substandard debtors," in accordance with credit quality of debtors. Debtors in the latter group are further classified into sub-categories. Applies Discount Cash Flow (DCF) method for a debtors with large exposure if classified as "Debtors under requirement of control." Provisions are made as general loan-loss provisions, multiplying the total credit exposure by the expected loss ratio based on the historical loss ratio for each category of borrowers.	4.49%
	Debtors under requirement of control		10.95% (Excluding borrowers the DCF method is applied)
Doubtful debtors		Provisions are made as specific reserve for possible loan losses the necessary amount estimated against the amount classified as Category III (amount not likely to be recovered from collateral or guarantee) on an individual borrower basis.	67.23% of the unrecoverable portion
Debtors in default		Provisions are made as specific reserve for possible loan losses on an individual borrower basis for the entire amount classified as Category III. Write-offs are performed on an individual borrower basis for the amount classified as Category IV (the amount estimated as uncollectible or unrecoverable), regardless of treatment under criteria in tax law.	The full amount of the unrecoverable portion is written off or provisioned
Debtors in bankruptcy			

Credit Costs in Fiscal 2009 (On a Non-consolidated Basis)

	Billions of Yen
Loan write-offs	¥ 12
Provision to general reserve for possible loan losses	24
Provisions to specific reserve for possible loan losses	114
Provision to reserve for specified overseas debts	—
Other	1
Total credit costs	¥152

• Credit Overconcentration Risk

Credit overconcentration risk is defined as the risk of incurring unexpected huge losses triggered by simultaneous credit event such as event of default, due to overconcentration of credit exposure to specific groups of borrowers, industries or regions. To mitigate such risk, the Bank has installed credit ceiling systems according to the profile of credit exposures, namely, Country Ceilings (for credit exposure to individual countries or regions), Corporate Ceilings (for credit exposure to corporates), and Bank Ceilings (for credit exposure to financial institutions). Total credit exposure for each ceiling category is monitored on a regularly basis and controlled to avoid any overconcentration of credit exposure.

Regarding the corporate ceiling, maximum lending limits are set for each borrower, based on the rankings assigned by the internal rating system. Limits are set and lending managed not only on an individual obligor basis but also on a corporate group basis. The Bank Ceiling is precisely managed and credit limits are set for each type of transaction. Regular reviews are also performed on credit exposure of each industry.

• Measuring Credit Risk

The Bank measures the amount of credit risk using statistical based methods, and applies it to economic capital management.

Methods for Measuring Credit Risk

The Bank uses the internal model for credit risk (the Monte Carlo Method) in estimating credit risk, and measures credit risk on a monthly basis. The scope of measurement includes loans, guarantees, foreign exchange, and securities (e.g. corporate bonds), as well as off-balance-sheet transactions (e.g. swaps). The Bank measures the amount of credit risk by defining it as the potential impairment amounts incurred from credit exposure.

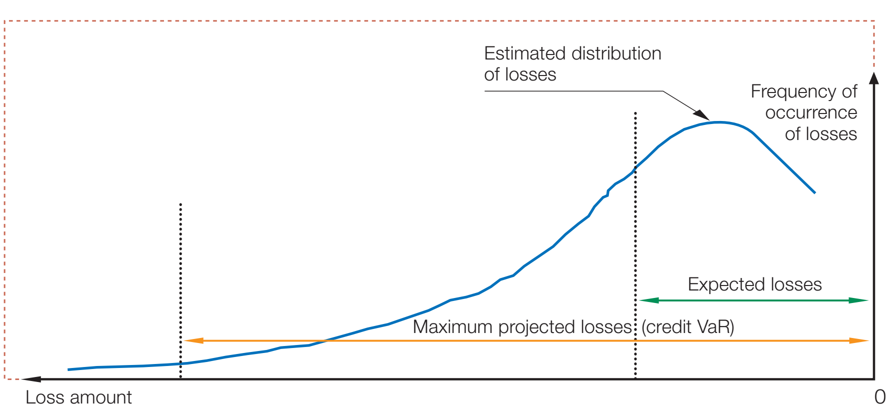
The method of measuring credit risk involves performing simulations on tens of thousands of scenarios using statistical models for the credit portfolio. Such exercise intends to simulate adverse changes of asset value due to rating changes of obligors or invested products, and losses incurred from defaults. Key parameters for the simulation include probability of defaults (PD) for each rating category, rating transition probability (likelihood for changes of one rating category to another rating category), and correlation among credit exposures. Using the simulation results, the Bank estimates the distribution of potential losses on the Bank's credit portfolio over the next year.

The economic capital of the Bank is managed by calculating two figures for the amount of credit risk, namely the "Expected Loss (EL)," the average indicator of losses on simulated scenarios, and the "Maximum Projected Loss," defined as the potential losses in the worst case scenario in the simulation. Utilizing EL and UL, the Bank monitors the utilization of allocated risk capital against the amount of risk under economic capital management.

Market Risk Management

The Bank deems market risk, such as interest risk and equity risk, to be one of the most significant risk factors affecting the Bank's earnings base, along with credit risk. Through active and appropriate risk-taking supported by a robust risk management framework, the Bank aims to retain a stable level of profit by constructing a sound and profitable market portfolio that balances profit, capital, and risk. The Bank's investment principle is to maintain a good balance of risk in its globally diversified investment portfolio in viewing the amount of aggregated market risk, the risk-return profile of each asset class, and the correlation among asset classes. Asset allocation is decided after considering the risk balance described above and other crucial factors, such as the financial position of the Bank and the market environment. To ensure the effectiveness of market risk management through the execution process of investments, the Bank ensures the segregation of duties among divisions in charge

Illustration of Credit Risk Measurement Model



The loss distribution of the Bank's credit portfolio is estimated based on the Bank's credit risk measurement model. Credit risk parameters, including expected loss and Credit Value-at-Risk (VaR) are calculated using this model.

of decision-making (planning) for allocation policy, execution of individual transactions, and monitoring of risk positions. Specifically, the Risk Management Committee is responsible for and discusses overall risk management, the Market Portfolio Management Committee sets market portfolio allocation policy, the front sections execute the transactions in accordance with allocation policy, and the middle sections conduct monitoring. Matters relevant to the market risk portfolio management activity (such as market conditions, major investment decisions made by the Market Portfolio Management Committee, condition of the market portfolio, and views on near-term market portfolio management) are reported to the Board of Directors on a regular basis. Going forward, the Bank will continue to upgrade its market risk management infrastructure by implementing various measures such as increasing the number of staff in charge, enhancing technical elements, such as the information technology infrastructure, and refining risk measurement techniques.

• Market Portfolio Management

The fundamental element of the Bank's market risk management is management of allocated capital under economic capital framework. The key objectives of risk management of the market portfolio are to construct an optimal market portfolio through active adjustment of the risk balance among asset classes according to the economic and financial conditions, in pursuit of efficient use of the allocated economic capital, and to manage the risk balance and the level of earnings of the market portfolio in line with the financial position of the Bank. Specifically, the risk balance of the market portfolio is managed by analyzing and understanding the situation of the market portfolio based on market risk measured by the middle sections, including the amount of aggregate risk, risk indicators, such as Value at Risk (VaR) and Basis Point Value, and correlation among asset classes. The Bank also analyzes and takes into account its financial position, based on the outlook for economic and financial conditions supported by research into macro-economic factors and the financial markets, and simulations of earnings, unrealized gains and losses of the portfolio, and the capital adequacy ratio. In principle, market risk measurement covers all financial assets and liabilities in the Bank's portfolio, and employs the Internal Model (historical simulation method) for the calculation of VaR.

The basic framework of market risk management is described in the following section.

Decision Making

Material decisions on market investments are made at the Board level. The Market Portfolio Management Committee—composed of relevant Board members as well as the general managers in charge of market portfolio management—examines, discusses, and makes decisions concerning specific policies related to market investments.

Decision-making for market investment is carried out after examining the investment environment, including the financial markets and the economic outlook, the current position of the securities portfolio, and the asset and liability management (ALM) situation of the Bank. The Market Portfolio Management Committee holds meetings on a weekly basis, as well as when needed, in a flexible manner, to enable prompt responses to changes in market conditions.

In addition, to facilitate close communication regarding the market environment on a regular basis, relevant board members and the general managers in charge of the market portfolio hold meetings to share information and awareness on a weekly basis to make both timely and appropriate decision.

Execution

Based on the investment decisions made by the Market Portfolio Management Committee, front office sections execute securities transactions and risk hedging. Front office sections are not only responsible for executing securities transactions and risk hedging but also monitoring market conditions closely and proposing new investment strategies. Additionally, they also make other recommendations to the Market Portfolio Management Committee.

Monitoring

The term "monitoring functions" refers to checking whether the execution of transactions made by front office sections is compliant with the investment decisions approved by the Market Portfolio Management Committee, and measuring the amount of risk in the Bank's investment portfolio. Risk measurements include risk calculation for economic capital management and measurements using various risk indicators to maintain a good risk balance among asset classes. Middle office sections independent of front sections are responsible for those risk measurements and regularly report to the Board of Directors about the results of monitoring, mainly conducted on a daily basis. Monitoring results reported to the Board are used to analyze the current situation of the market portfolio and as a data source for discussing the investment strategies of the Bank in the near future by the Market Portfolio Management Committee.

• Trading Operations

The Bank's trading operations are conducted to generate profits from short-term market fluctuations. The Bank maintains an organizational separation between front office sections, in charge of executing trading activities, and units undertaking other types of transactions. The front sections in charge of trading activities aim to achieve profit targets within the approved position and loss limits determined from a risk-return perspective.

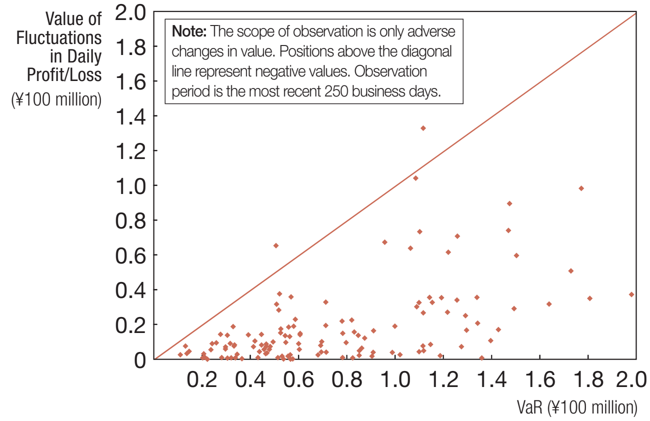
The risk involved in trading operations is managed under an integrated risk management framework and within the market risk management framework with economic capital management as a critical element of the framework. From a risk management perspective, the front office sections executing trades for the Trading accounts are explicitly separated from the front office sections executing trades for the Banking accounts. Targets for profits, and position and loss limits are revised semi-annually. Progress in achieving profit targets within approved limits is monitored on a daily basis.

When positions or losses exceed the approved limits, the middle office sections alert the front office sections to take appropriate action, including preparing corrective measures, reducing trading volume, or suspending trading altogether.

Risk Measurement Methods

The Bank measures the risk in its trading operations by adopting risk measurement techniques such as basis point value (BPV), slope point value (SPV), optional risk parameters, and value at risk (VaR) to monitor

▶ Results of Back Testing Performed (Trading Divisions, Interest Rate VaR (1day))



During the last 250 business days, including and ended on March 31, 2010, the adverse changes in value in daily profit and loss exceeded VaR (for a one-day holding period) twice. The Bank utilizes an internal model to calculate VaR, validated internally or by outside experts on a regular basis, and is working to incorporate cutting-edge financial and information technology into the model. Depending on results, the Bank also revises the internal model if discrepancies beyond certain level occur due to the designs of the model, based on back-testing and an analysis of the relevant factors if necessary.

Changes in Interest Rate Risk (with a one-day holding period) in the Trading Divisions

	VaR (¥100 million)
June 30, 2009	1.2
September 30, 2009	0.3
December 30, 2009	0.5
March 31, 2010	0.8

compliance with risk limits.

The Bank uses an internally developed model for risk measurements. The model employs a variance-covariance method with a one-tailed 99% confidence interval and a 10-business day holding period, and measures VaR on a daily basis. The Bank's model is internally developed and periodically validated by both the middle office sections and the Internal Audit Division, as well as by outside experts, from the quantitative and qualitative perspectives. The Bank continues to apply cutting-edge financial and information technologies to the upgrading of its risk measurement methods.

In addition, to validate the Bank's internal model, the amount of risk calculated by the model is compared with the volatilities in actual profit and loss on a daily basis (known as back testing). When discrepancies between the model's estimates and actual results due to the designs of the model go beyond a certain level, the Bank scrutinizes the relevant model factors and revises the model if necessary.

Glossary of Terms

BPV (basis point value)
BPV refers to the changes in the value with respect to a 0.01% change in interest rates given the current position. The Bank uses total delta as the indicator of the impact of the change assuming a parallel shift in the yield curve.

SPV (slope point value)
SPV is an indicator of the impact assuming a non-parallel shift in the yield curve. It is the aggregate of the absolute value for BPV for each yield curve grid. SPV indicates the changes in value of the Bank's positions when the interest rate moves against the Bank's positions by 0.01% in each grid.

Optional Risk Parameters
Financial products such as bond options have specific risk characteristics such that the position or value of the products might change according to the changes in the base indicator level, such as interest rates and volatilities. The Bank uses delta (changes in the value of options according to the change in the level of an indicator), gamma (changes in the the positions of options according to the change in the level of an indicator) and vega (changes in the value of options according to the changes in the volatility) to evaluate the degree of correlation and sensitivity between the value of options and market indicators.

VaR (value at risk)
VaR is the maximum possible loss over a specified holding period and within a certain confidence interval. The Bank calculates VaR by setting specific holding periods and confidence intervals, and applying the appropriate measurement method to measure the risk.

The Bank also performs a series of stress tests assuming extremely volatile market situations, such as the largest interest rate changes in the last five years, on a monthly basis. The Bank also monitors whether the amount of risk in the stress tests is within the maximum tolerable loss limit and within the capital allocated on a monthly basis for trading activities.

Liquidity Risk Management

The Bank defines liquidity risk as the following: "The risk towards financial losses incurred from a difficulty in securing funds required for activities of the Bank, or from being forced to procure funds at significantly higher funding costs than normal as a result of a maturity mismatch between investment and funding procurement, or as a result of an unforeseen fund outflow from the Bank (cash flow risk)." It is also defined as: "The risk towards financial losses arising from being unable to execute transactions in the market due to significant market turmoil, or from being forced to execute transactions under significantly less favorable conditions than normal occasions (market liquidity risk)." The Bank manages liquidity risk in accordance with its Policies and Procedures for Liquidity Risk Management.

The appropriate management of cash flow risk is a prerequisite for business continuity and reliable portfolio management. Considering the characteristics of the Bank, such as its stable fund procurement structure, which is primarily centered on deposits, together with the relatively less liquid assets that it holds, and examining the funding procurement capability under stressed environments, the Bank takes steps to diversify and enhance the varieties of its funding instruments, placing emphasis on the stability of cash flows.

Cash flow management is conducted on an aggregated basis at the head office—adopting various loss-limit management methods—according to currency, funding instrument, and funding operation center. The cash flow management plan is reviewed on a quarterly basis with the Bank's investment portfolio projection and its expected funding procurement capacity, and it is approved by the Market Portfolio Management Committee. The progress of the cash flow management plan and the result of the stress test conducted accordingly are reviewed on a monthly basis and its execution strategies are discussed on a weekly basis. This cash flow of the Bank is appropriately managed in response to circumstances by constantly monitoring market conditions.

Market liquidity risk is considered to be a crucial factor for investment decisions in order to maintain a flexible investment allocation framework that enables prompt responses to changes in market conditions. Investment strategies are also prepared through assessing the market liquidity (cash-convertibility) of each type of financial product. This market liquidity risk management framework is applied to the evaluation of stabilities on funding procurement as well. For this reason, middle office sections are regularly reviewing and analyzing the market liquidity of financial products, including the market size of each asset class and product. The results of these analyses are reported to the Risk Management Committee and the Market Portfolio Management Committee.

The operational status of liquidity risk management is also regularly reported to the Bank's Board of Directors.

Operational Risk Management

The Bank has the "Operational Risk Management Policy" which was adopted by the board of directors. Under this Policy, the Bank clearly states the definition, management framework, and basic management processes of operational risk.

• The objective of the Operational Risk Management

The objective of the operational risk management is to minimize the potential loss amounts and likelihood of operational risk events, arising from business operations which per se do not generate profits. In order to achieve this objective, the Bank allocates management resources effectively and efficiently by identifying various risks, such as processing risks, IT system risks, legal risks, and prioritizing them and handling them accordingly.

• Definition of Operational Risk

The Bank defines operational risk as the risk that arises in the course of business activities which per se do not generate profit. These risks are different from market risks, credit risks, and liquidity risks, the types of risks the Bank actively takes to generate profits.

The operational risk is further broken down to subcategories, such as processing risk, IT systems risk, legal risk, personnel risk, tangible assets risk, information security risk, business continuity risk, regulatory change risk, reputational risk.

• Organizational Structure of Operational Risk Management

The board of directors approves the basic policies and plans of operational risk management. Such policies and plans include amendment of the "Operational Risk Management Policy," and annual management plan of operational risk.

The board of directors has established the Operational Risk Management Committee. The committee consists of relevant board members and heads of relevant divisions. The Committee monitors current status of operational risk management, and promotes cross-sectional approaches among various operational risk factors and cross-divisional approaches among relevant divisions in order to enhance the effectiveness of operational risk management.

The board of directors has also established the central controlling unit of operational risk management that is independent of business lines, as well as functional units responsible for management of each sub-category of operational risk.

In addition, an operational risk administrator is designated in each branch and division who is in charge of operational risk management in the branch or division and acts as a liaison officer between the branch or division and a functional unit of the operational risk management.

• Basic approach of Operational Risk Management

Subcategories of operational risk are classified into 3 groups and different approaches are applied to each group of operational risks.

The first group consists of processing risk, legal risk IT systems risk, personnel risk, tangible assets risk and information security risk. Management of this type of risk is mainly focused on preventive actions for risk events. It is considered that occurrences of those risk events can be prevented by implementing various controls.

The Bank employs two common tools in order to identify, assess, monitor and reduce these risks. Firstly, the Bank carries out RCSA (Risk and Control Self Assessment) on a regular basis to identify and assess risks inherent in business activities. Secondly, the Bank accumulates and analyzes the data and information on actual incidents of operational risk events.

In addition to the above, each risk category in this group has its own risk management standard designed according to its risk profile and effectiveness of internal control.

RCSA is performed by each business unit. Risks inherent in each business unit and controls that has been implemented against the risks are identified. The effectiveness of those controls and residual risks are assessed by the most knowledgeable staff in the unit.

Action plans for major vulnerable points recognized as a result of RCSA exercise are reflected in the annual management plan and properly addressed.

In accumulating actual operational risk incident information, the Bank has clear-cut reporting criteria that cover all supervisory categories stipulated by Basel II. The information and data are compiled, analyzed and reported to The Operational Risk Management Committee on a quarterly basis.

Each major incident information is fed back to RCSA to clarify vulnerability of control measures, and appropriate action plans are implemented.

The second group consists of only one risk category which is business continuity risk. Management of this type of risk is mainly focused on post-incident measures for risk events.

It is, by no means, possible to prevent occurrence of those risk events such as big earthquake or pandemic etc. In order to reduce impact of these risk events, the Bank developed business continuity plans and regularly performs business continuity drills based on the business continuity plans.

The third group include all other risks such as regulatory change risk, reputational risk etc.

Management of these risks is closely tied up with business judgment. Therefore, senior managements proactively take actions to mitigate potential risks arising from those events. At the same time, the Bank continuously monitors these risks and tries to reflect them in the management strategy in a timely manner.

As mentioned above, operational risk information and data are compiled, analyzed and reported to the Operational Risk Committee on a quarterly basis and to the board of directors on a semiannual basis. Based on the report, the board of directors reviews the Operational Risk Management Policy as and when necessary.

The overall operational risk management framework is subject to thorough internal audit on a regular basis to improve its effectiveness continuously.

The Bank adopts the Standardized Approach (TSA) for calculating operational risk capital charges, as required in Basel II.

• Processing Risk Management

The Bank defines the processing risk as the risk of losses arising from inappropriate operation processes performed in the course of its business or inappropriate activities by executives or employees.

Specifically, it is regarded as the risk of losses due to failing to comply with the established procedure manuals, negligence, unauthorized transactions by executives or employees, or lack of procedure manuals itself and inadequate processes described in the procedure manuals.

In order to manage this risk, the Bank established the "Processing Risk Management Standards."

Specifically, based on the result of processing risk RCSA and accumulation and analysis of actual operational risk incident information, an annual processing risk management plan is established. The key components of the plan are: implementation of risk mitigation measures, enhancement of risk management framework etc. The progress of the plan is reported to The Operational Risk Management Committee on a regular basis.

In addition, various routine procedures, such as recurrence prevention procedure, self-checking and staff training, are implemented to mitigate processing risk.

When there is a major managerial environment changes e.g. mergers with Shinnoren, which should impact on business processes and operating manuals, such processes and manuals are carefully examined. The Bank identifies and addresses potential processing risks arising from those changes in advance.

• IT Systems Risk Management

The Bank defines IT systems risk as the risk of losses arising from computer system crashes, errors, system defects, improper computer use, or improper operation of system development projects.

In order to manage this risk, the Bank has introduced the "IT Systems Risk Management Standards."

Specifically, IT Systems risk RCSA is conducted based on industry-standard criteria such as the safety standard established by the Center for Financial Industry Information Systems (FISC). Based on the result of the RCSA exercise, the Bank develops an annual IT Systems Risk Management Plan, and works on risk mitigation and enhancement of risk management framework. At the same time, information of IT system failure and loss amount are accumulated, analyzed and reported to the IT systems committee and The Operational Risk Management Committee on a regular basis.

In addition to our mission of providing stable and reliable financial services as an integral part of the social infrastructure, the Bank has taken steps to further strengthen internal controls and the framework of IT systems risk management, in light of growing societal demands for more stringent information security management.

• Legal Risk Management

The Bank defines legal risk as the risk of incurring losses or facing problems related to a transaction due to violation of the law, or entering into inappropriate contracts in the course of management decisions or execution of individual business operations.

In order to manage the risk, the Bank established the "Legal Risk Management Standards."

As the Bank strives toward the refinement of the cooperative financial system, offers new financial services, and engages in investment activities in addition to providing traditional financial services, the Bank considers legal risk management to be a key management issue for all of its offices, and works to upgrade its ability to manage those risks.

• Business Continuity Risk Management

The Bank defines business continuity risk as the risk of being incapable of continuing critical businesses in an emergency such as: massive natural disaster, major systems failure and so on, due to lack of careful prior preparations and recovery plans.

To mitigate this risk, the Bank established the "Business Continuity Policy," the "Business Continuity

Standards" and the "Emergency Headquarters Set Up and Operation Procedure".

Based on the policy and the standards, the Bank developed business continuity plans for critical businesses against scenarios such as massive earthquake, pandemic of new infectious disease etc. The Bank has been conducting drills to test the effectiveness of the plans on a regular basis.

Facing a threat of the new H1N1 influenza virus in 2009, the Bank responded the threat appropriately by establishing the emergency headquarters and promptly prepared the BCP not only for less virulent influenza but also for virulent influenza.

Risk Management in Group Companies

The associated companies in the Norinchukin Bank Group are managed in accordance with the Bank's Management and Operation Policy for Group Companies. Each of these companies should prepare a feasible and effective risk management policy and framework, taking into account the Bank's Risk Management Policies as well as the nature of its own business activities and risk profile. The Bank and each Group company then confer and decide on a risk management system for the company in question, taking into consideration the characteristics of the risks the company bears.

At the sections responsible for supervision of all group companies, to ensure adequate risk management and compliance throughout the Group, those sections work together with relevant sections as and when necessary, and categorize group companies according to risk profiles and other characteristics. For each category of Group companies, the required risk management frameworks and controls are specified by the Bank in its policies. Risk management of Group companies is performed based on those policies. When deemed necessary, meetings between the Bank and its group companies are arranged and represented by the top management levels or operational levels. With regard to the risk management framework of Group companies and their administrative operations, the Bank's Internal Audit Division oversees and conducts audits in accordance with Internal Audit Policy and relevant policies and procedures.

In addition, the Bank performs economic capital management on a consolidated basis and ensures that it maintains its economic capital within the allocated capital by understanding and measuring the risks the Bank bears on an exhaustive basis including the risk of consolidated subsidiaries. Among consolidated entities, Norinchukin Trust & Banking Co., Ltd. and Kyodo Housing Loan Co., Ltd. manage market risk, credit risk, liquidity risk, and operational risk. Other consolidated entities manage operational risk.

Through the various initiatives described above, the Bank aims to refine the risk management framework of the Bank Group on a group basis.

Corporate Governance

The Norinchukin Bank's Management System

The Bank is both the central bank for Japan's agricultural, forestry, and fishery cooperatives as well as an institutional investor that plays a major role in the financial and capital markets through the investment of large amounts of funds in Japan and overseas. Naturally, the Bank adheres to decisions made within the Council of Delegates comprising representative members of all shareholders. At the same time, the Supervisory Committee and the Board of Directors, as stipulated by the Norinchukin Bank Law, are organized to share duties as well as coordinate on decision making for the Bank, while taking into consideration the internal and external situation of the organization.

The Supervisory Committee

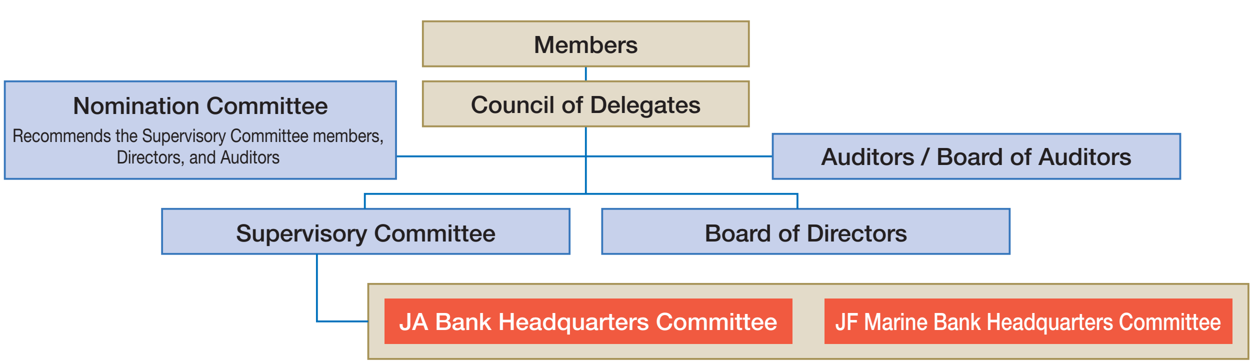
The Supervisory Committee is responsible for submitting agendas and reporting to the Council of Delegates as well as for making decisions on important issues related to the organization of the agricultural, forestry and fishery cooperatives. The Supervisory Committee also has the authority to oversee the execution of business policies by the directors.

This includes: (1) the authority to request the board members to attend meetings to explain their business activities and (2) the authority to request the Council of Delegates to seek the dismissal of board members.

At present, the Supervisory Committee has 18 members, selected from among the board members of cooperative organizations, people engaged in the agricultural, forestry, and fisheries industries as well as individuals with an in-depth knowledge of finance. Supervisory Committee members are recommended by the Nomination Committee, which mainly consists of representatives of cooperative members, and then are appointed by the Council of Delegates.

Under the jurisdiction of the Supervisory Committee are the JA Bank Headquarters Committee and the JF Marine Bank Headquarters Committee, which are composed of representative committee members of cooperative organizations and the Bank's directors. These committees deliberate on the basic policies of the banking business conducted by the agricultural and fishery cooperatives as well as on operational guidance to be provided to cooperative members acting under the name of the headquarters.

Management System of the Bank



Board of Directors

The Board of Directors makes decisions regarding the exercise of business activities, excluding those matters under the jurisdiction of the Supervisory Committee, and performs a mutual cross-checking function on the exercise of business affairs by the directors. The members on the Board of Directors are elected by the Supervisory Committee and assume their position upon approval by the Council of Delegates. There are currently 13 full-time board members, 2 of whom are selected as the representative directors, and, at the same time, as members of the Supervisory Committee. Hence, decisions made by both the Supervisory Committee and the Board of Directors are closely coordinated.

Auditors/Board of Auditors

Auditors are elected directly by the Council of Delegates and are responsible for auditing decisions made by the Supervisory Committee and the Board of Directors as well as for general oversight of the Supervisory Committee and board members' business activities. The Board of Auditors currently comprises 5 members (3 full-time auditors and 2 part-time auditors), 4 of which must satisfy the conditions stated in Article 24-2 of the Norinchukin Bank Law.* They are equivalent to external auditors in companies which list their shares.

* *According to Article 24-2 of the Norinchukin Bank Law, at least one of the auditors must satisfy the following conditions: They must not be a director or employee of a corporation that is a member of the Norinchukin Bank and must not have held any of the following positions in the five years before being appointed auditor: (1) director, member of the Supervisory Committee, or employee of the Norinchukin Bank or (2) director, accounting advisor (if the advisor is a corporation, then an employee who performs such duties), or executive officer or employee of one of the Bank's subsidiaries.*

Initiatives for Strengthening Internal Control

Basic Approach

For the Bank to fulfill its fundamental mission as the central bank for Japan's agricultural, forestry, and fishery cooperatives as well as its social responsibilities, the Bank has positioned the structuring of management control systems as its first priority. It has established basic policies for internal control to secure compliance with corporate ethics rules and the relevant laws and regulations, the proper management of risk, as well as effective and efficient business activities in general.

Content of Basic Internal Control Policy

1. Systems for Ensuring the Duties Exercised by the Directors and Employees Conform to the Relevant Laws and the Articles of Association

(i) To ensure sound management through compliance with laws and regulations, the Bank has established its Corporate Ethics Charter, Compliance Manual, etc. It has taken steps to make all management and staff fully aware of the importance of strictly observing laws and regulations, and performing their duties with both integrity and fairness.

(ii) To ensure that the directors act in compliance with laws and regulations, their activities are monitored and audited by other directors and auditors. In addition, the Compliance Division, which supervises the Bank's overall compliance matters, checks important decision-making in advance.

(iii) In terms of compliance matters, the Bank has set up a Compliance Hotline System which allows employees to turn to the Compliance Division or outside legal counsel for advice or to file a report.

(iv) The Bank prepares a "Compliance Program" on an annual basis and implements a program that includes such activities as promoting compliance and training employees.

(v) The Bank adopts a strong and resolute stance with regard to anti-social elements that pose a threat to social order and security, and maintains a policy to exclude such elements.

(vi) Regarding internal controls on financial reporting, the Bank has in place measures to ensure that such reporting is reliable and appropriate.

2. Systems for Retaining and Maintaining Information Related to the Duties Performed by the Directors

(i) Important documents related to carrying out the Bank's business, such as the minutes of the directors' meetings and other important meetings as well as approval documents, are maintained appropriately, as specified in our document retention standards and other control standards.

(ii) The Bank's business units are obliged, upon the directors' and auditors' request, to present information related to business activities for inspection.

3. Systems Related to the Policies & Procedures of the Risk Management

(i) The Bank views the proper implementation of risk management as a major business challenge to maintain a business that is safe and sound while simultaneously establishing a stable earnings base. Accordingly, the Bank has identified and defined the risks that the management must be made aware of, and has established basic policies for risk management that define risk management organizations and frameworks.

(ii) Managed risks are divided into two types. The first type consists of risks that the Bank takes on proactively and deliberately with the goal of earning income. These risks include credit risk, market risk, and liquidity risk. The second type of risk is operational risk. Based on the nature of these various kinds of risks, the Bank has established risk management policies and processes for managing these risks, and undertakes the conduct of risk management for the Bank and its other group companies from a comprehensive and unified perspective. To carry out such risk management activities properly, the Bank has established decision making organizations and operating units to be in charge, has clearly defined each of their roles and responsibilities, and has taken steps to implement an appropriate risk management system.

(iii) After assessing the various kinds of risk assumed, the Bank pursues more sophisticated comprehensive risk management, through economic capital management that ensures total risk capital remains within the scope of the Bank's regulatory required capital.

(iv) To comply with requirements for ensuring the soundness of operations set forth in the Norinchukin Bank Law, the Bank conducts regulatory capital management, based on the conditions stipulated in the legal provisions.

(v) In the case of major natural disasters, the Bank works to put into place the business continuity plan, which needs to be refined continuously.

4. Systems for Ensuring that the Directors Execute their Duties Efficiently

(i) The Bank establishes its Medium-Term Management Plan, annual business plans, and other plans in connection with the conduct of its operations and makes periodic assessments of progress towards the goals of each of these plans.

(ii) In order to carry out the decisions made by the Board of Directors efficiently, the Bank has formed committees composed of directors, to which the board delegates specific matters and tasks for implementation. The Bank has also formed councils to confer regarding management issues on a regular or as-needed basis, and its duties include the discussion of proposals regarding matters to be decided by the Board of Directors.

(iii) With the objective of having the directors and employees perform their duties efficiently, the Bank works to make improvements in its organizational systems, including clarifying the organizational structure, authorities, and responsibilities.

5. Systems for Ensuring that Operations are Conducted Properly at the Bank, its Subsidiaries, and other Group Companies

(i) To ensure the proper administration of the Norinchukin Bank Group, the Bank has established basic policies for the operation and management of its group companies.

(ii) The Bank and each of its other group companies have agreed on various matters to be discussed and reported to ensure smooth operation within its group. In addition, the Bank monitors the management, conduct of operations, and related issues in its group companies and gives appropriate guidance, advice, supervision and performance analysis, as needed.

6. Systems for Internal Auditing

(i) To contribute to the proper operations, the Bank has created the Internal Audit Division that is independent of the units conducting business operations. The Bank also maintains proper systems and frameworks where an internal audit is effectively carried out for the Bank's overall operations.

(ii) The scope of internal audits includes all aspects of the Bank's operations and group companies, and the internal audits are implemented based on an auditing plan approved by the Board of Directors.

(iii) The Internal Audit Division makes periodic reports on the results of its auditing activities to be submitted to the Board of Directors and related internal divisions.

(iv) Members of the Internal Audit Division meet periodically and on an as-needed basis with the auditors and the accounting auditors to exchange opinions and information as well as to better coordinate their auditing activities.

7. Details Regarding the Staff who Support the Auditors and their Independence from the Directors

(i) The Office of the Corporate Auditors, an independent unit, was formed by the Bank to assist the auditors in fulfilling their duties.

(ii) In principle, three or more full-time employees need to be assigned to the Office of the Corporate Auditors to conduct activities related to the operation of the Board of Auditors as well as other activities as directed by the auditors.

(iii) Employees assigned to the Office of the Corporate Auditors act in accordance with the auditor's instructions.

(iv) Regarding evaluations of the performance of employees assigned to the Office of the Corporate Auditors, and their reassignment to other departments, the full-time auditors' opinions will be obtained in advance and duly respected.

8. Systems for Directors and Employees to Report to the Auditors and other Systems for Reporting to the Auditors

(i) When a director discovers something that may result in serious damage to the Bank, such information and circumstances must be reported immediately to the Board of Auditors.

(ii) When the Compliance Division obtains important information regarding the facts that are material from a compliance perspective or that may affect the compliance system as a whole, the division reports these matters to the Board of Auditors.

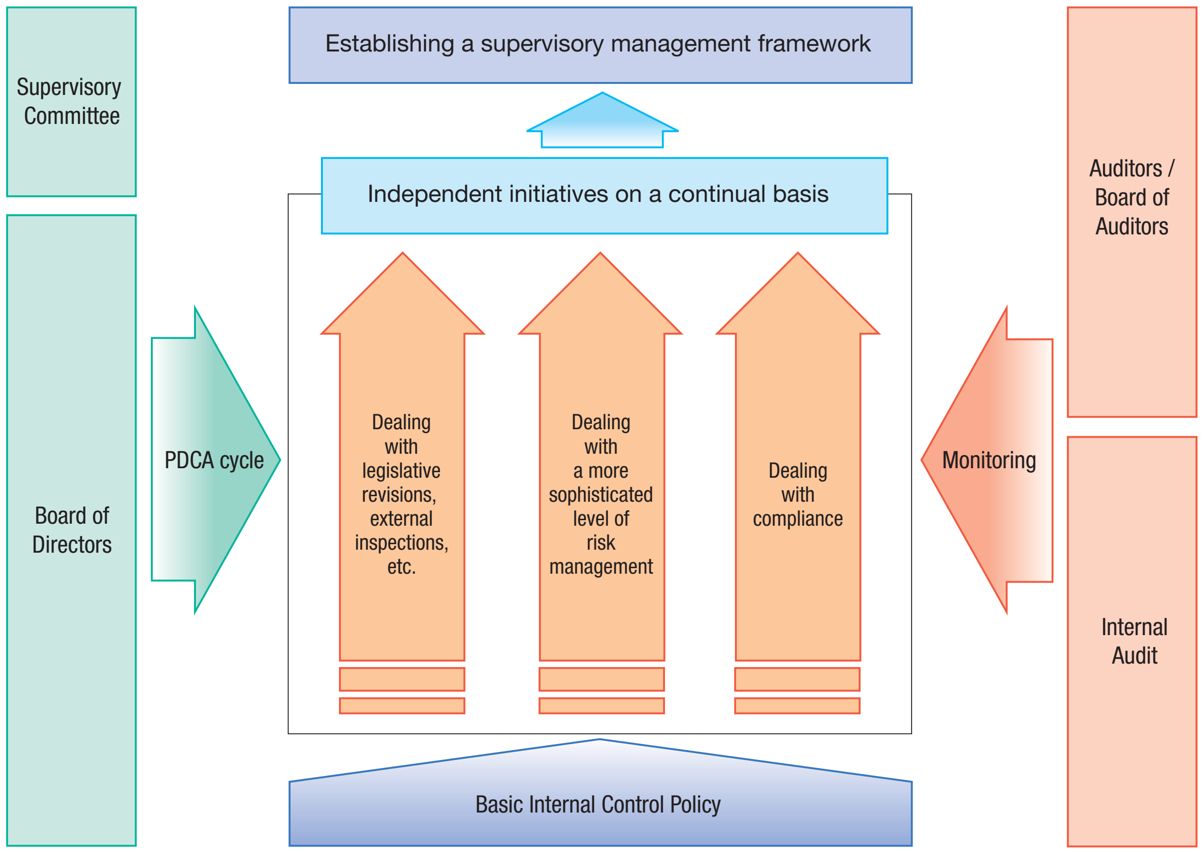
(iii) The Internal Audit Division reports its findings regarding internal audits of operations to the Board of Auditors, and the two exchange information on a periodic basis.

(iv) Documents related to major decisions and other important documents related to business operations are provided to the auditors for review.

9. Other Systems for Ensuring that the Auditing Activities of the Auditors are Conducted Effectively

The following system has been created to ensure that the auditors and their auditing activities are conducted effectively, as the Bank is fully aware of their importance and value.

Initiatives for Strengthening Internal Control



(i) The auditors are allowed to attend the Board of Directors meetings, the Supervisory Committee meetings, and other important meetings, and are free to express their opinions.

(ii) The representative directors and the auditors have periodic meetings to exchange opinions.

(iii) The directors and employees are to cooperate with the auditors' investigations and interviews.

(iv) In general, the directors and employees are to comply with matters specified in the Rules of the Board of Auditors and Standards for Audits.

Internal Auditing System

Positioning of the Internal Auditing Function

The Bank has established an internal auditing function, the Internal Audit Division, which operates independently from the other operations and business affairs of the Bank. The mission of this internal auditing function is to review and assess the appropriateness and effectiveness of internal controls from an objective and rational perspective, taking into account the special features of specific business processes and risk conditions.

The objective of this internal auditing function is to contribute to the proper conduct of operations by monitoring corrective action plans made by the audited division to resolve issues that have been identified as a result of its verification and assessment activities, and then to follow up to confirm that these corrective action plans have been effective.

The scope of activities of the Internal Audit Division includes all operations of all departments and branches of the Bank, its consolidated subsidiaries, and those operations that have been subcontracted to other companies, to the extent that such auditing activities are not in violation of legal regulations.

Outline of the Internal Auditing System

The Bank's Board of Directors has prepared its "Internal Audit Policies," which sets out the basic elements of the internal auditing functions, including definitions, objectives, scope of auditing, and positioning within the organization.

Based on these policies, the Bank has established the Internal Audit Division as an internal auditing unit that is independent from the other operations and business affairs of the Bank.

In addition, the Bank has formed the Internal Audit Committee, which includes the representative directors and senior managing directors, to consider and discuss matters related to internal audits in general—including planning, implementation, and improvements—and to improve and facilitate reporting of internal audit matters to management.

Moreover, the Internal Audit Division, the auditors, and the accounting auditors meet to exchange opinions and information on a periodic, as well as on an as-needed, basis in order to strengthen their cooperative efforts.

Preparation of Internal Audit Plans

Internal audits are implemented based on annual internal audit schedules, which are, in turn, based on a three-year, medium-term internal audit plan which is approved by the Board of Directors.

In preparing internal audit plans, and in order to conduct its auditing activities effectively and efficiently, the Internal Audit Division completes risk assessments of all of the Bank's operations, and determines the significant issues to be audited and the frequency and the depth of audits based on the types and volumes of risks identified by the risk-based approach.

Implementation of Effective Audits

To ensure the effectiveness and ongoing improvement of internal audits, auditors with a high level of specialized knowledge and practical experience from the Market, International, and Systems divisions are assigned to the Internal Audit Division to be in charge of auditing activities. Following their assignment, they will continue to upgrade their knowledge and skills through training and other activities, and they are encouraged to obtain qualifications from outside organizations.

In addition, the Internal Audit Division makes use of a variety of auditing methods in order to conduct internal audits effectively and efficiently. These include conducting unannounced audits, the implementation of off-site audits that do not require fieldwork, and off-site monitoring to gather audit-related and other information on a daily basis.

Reporting Methods and Following Up on the Audit Results

After audits are completed by the Internal Audit Division, the audited divisions or branches are then notified of the results by the Internal Audit Division.

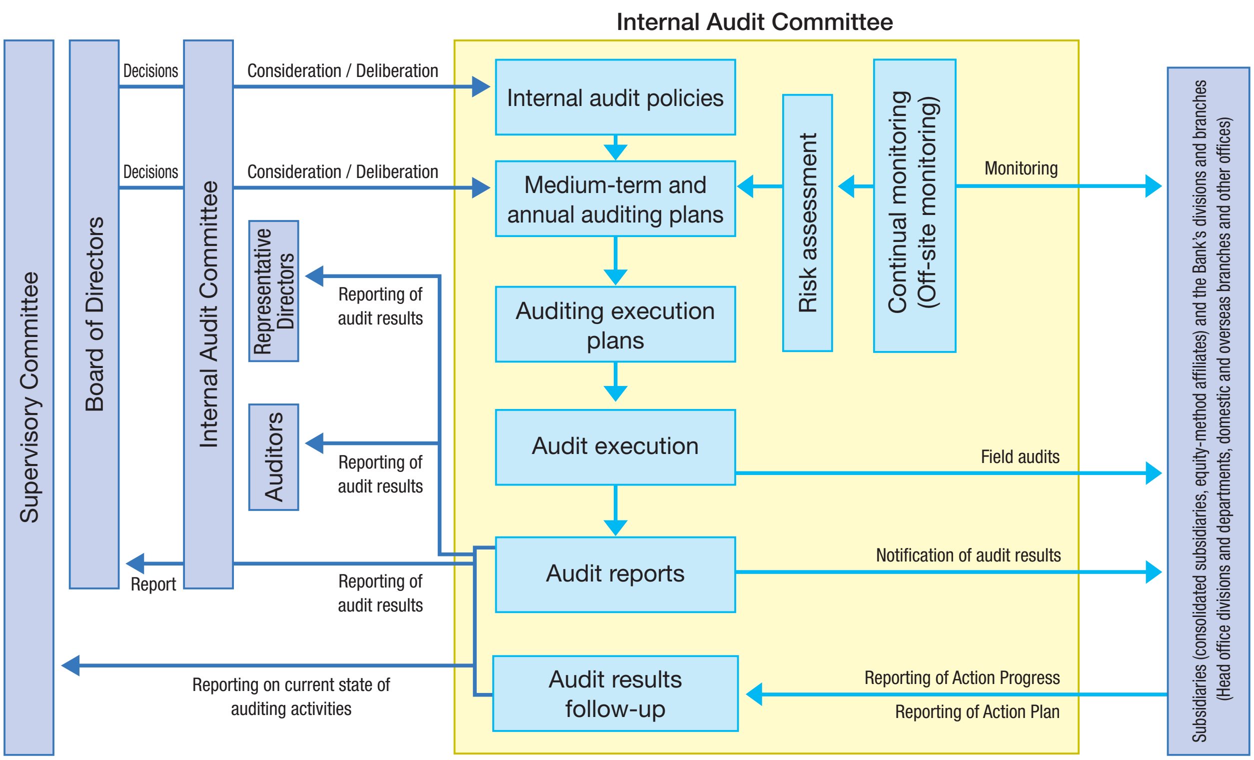
The audited divisions or branches are to take corrective actions toward recommendations made by the Internal Audit Division within a specified deadline. When necessary, they must prepare corrective action plans and report them to the Internal Audit Division.

The Internal Audit Division reports the results of its audits, and the audited divisions' management responses to the representative directors and the auditors. In addition, a summary of the audit results is reported to the Board of Directors on a quarterly basis, and reports on the conduct of internal audits are presented to the Supervisory Committee periodically. For issues which are considered to be significant, the division is to immediately report them to the representative directors, auditors, and the Board of Directors, and, when deemed necessary, to the Supervisory Committee.

Auditing of Assets

The Internal Audit Division conducts audits of the Bank's assets and strives to ensure the soundness of the Bank's asset portfolio through the verification of the accuracy, and appropriateness of its internal ratings, self-assessments, and loan write-offs, as well as the amount of capital set aside for reserves.

Overview of Internal Audit System



Continuing as a Financial Institution Trusted by the Public

COMPLIANCE INITIATIVES

Basic Compliance Policies

As a financial institution whose business is founded first and foremost on trust and confidence, the creation of a better, more effective compliance framework is becoming an increasingly important management objective, especially in light of strong public criticism of corporate and other organizational improprieties.

As a core member of Japan's financial system, a global financial institution, and a nationwide financial institution of the cooperative banking business, the Bank is committed to fulfilling its fundamental mission and social responsibilities as well as to taking full account of changes in the social and management environments to respond to the trust of its customers and members. Accordingly, the Bank is continuing to make proactive initiatives in the compliance area, by managing in conformity with social norms, including complying fully with rules and regulations, based on the principle of self-reliance, and is constantly striving to achieve a high degree of transparency by placing emphasis on proper disclosure and accountability.

As part of this endeavor, we have included our basic compliance policy in our Corporate Ethics Charter and code of conduct for all Bank directors and employees. To further ensure full compliance awareness among all directors and employees, we have compiled a Compliance Manual in line with our "Interpretation of laws and regulations to be observed by directors and employees of the Bank" and our "Outline of the compliance systems of the Bank." These measures

Corporate Ethics

The Bank's Fundamental Mission and Social Responsibility

1. Always cognizant of the importance of its fundamental mission and social responsibilities, as a financial institution, the Bank is committed to forging even stronger bonds of trust with society by fulfilling its mission and responsibilities through sound management policies.

Provision of High Quality Financial Services

2. By providing high-quality financial services that draw fully on the Bank's creativity and ingenuity, the Bank fulfills its role as a national-level financial institution rooted in the cooperative banking business, responding to the needs of our customers and protecting the interests of our end-users. The Bank also contributes to the development of Japan's economy and society as a member of the financial system.

Strict Compliance with Laws and Regulations

3. The Bank complies with all relevant laws and regulations, and conducts its operations in a fair and impartial manner in accord with social norms.

Disavowal of Anti-social Elements

4. The Bank takes a resolute stance against anti-social elements.

Creating an Organizational Culture Committed to Highly Transparent Disclosure

5. The Bank continually strives to improve communication with parties inside and outside the cooperative system, beginning with proactive and fair disclosure of business information. The Bank also works to maintain effective relationships with these parties while maintaining an organizational culture that is amenable to a high degree of transparency based on respect for human rights.

will ensure that compliance awareness is thoroughly understood and practiced by all employees as they go about their daily operations.

In response to a recent surge in demand for customer protection measures, the Bank operates a Customer Protection Management Policy and is working to reinforce management systems for providing information to customers, handling customer complaints or inquiries, and managing customer information, as well as for subcontractor management when tasks are outsourced. Combined with compliance initiatives, these measures are designed to give customers total confidence.

In addition, in response to recent revisions of the Financial Instruments and Exchange Law and the Norinchukin Bank Law, the Bank has established a policy regarding conflicts of interest in the management of business transactions (a summary of the policy has been posted on the Bank's website). The Bank is moving forward with such initiatives as establishing conditions for supervising transactions which take into account transactions with affiliated financial institutions, as well as initiatives aimed at achieving a higher level of quality in protecting our customers' interests.

Compliance Activities that are Directly Linked to Management

The Bank's compliance framework comprises the Compliance Committee (chaired by the Deputy President & Co-CEO) and the Compliance Division (which is in charge of overall compliance-activities), as well as the person responsible for compliance and the person in charge of compliance in the Bank's, Operating Supervisory Section, divisions and branches. The Compliance Committee, which is responsible for considering basic issues and policies related to compliance, was established as a unit reporting directly to the Board of Directors. Topics of high-level importance discussed in the Compliance Committee are subsequently approved by or reported to the Board of Directors.

In addition, basic matters relating to care for the Bank's customers are discussed by this committee.

Compliance Arrangements within the Bank

The compliance framework at individual branches and divisions is based on the combined efforts of each and every member of staff, revolving primarily around the head of the relevant branch or division, in the role of the person responsible for compliance, and a compliance supervisor. Appointed directly by the head of the Compliance Division, compliance supervisors in particular oversee all compliance-related matters at their branch or division. They are expected to keep track of day-to-day compliance activities, using checklists, to handle requests for advice or questions from other members of staff, to organize branch or divisional training and educational programs, and to liaise with, report to and handle requests from the Compliance Division.

The Compliance Division acts as the secretariat for the Compliance Committee, which is in charge of overall compliance activities. It also works to strengthen the Bank's compliance framework though activities such as conducting compliance reviews, responding to requests for advice from branches and divisions, and monitoring compliance, which includes visiting branches and divisions to check their compliance situation directly and providing direct guidance.

The Compliance Division has also put in place a Compliance Hotline to enable employees to provide information on compliance issues to the Compliance Division or outside legal counsel by telephone or email.

The Compliance Division is in charge of overall compliance activities with regard to customer protection as well, and works to ensure that branches and divisions are effectively implementing compliance while also supervising and advising other related divisions.

Compliance Program

Each fiscal year, the Bank formulates a Compliance Program outlining an agenda of measures designed to enhance and promote its compliance and management (customer protection and information security, etc.) frameworks and a series of related awareness and training activities. The Compliance Division implements the Compliance Program and monitors progress in an effort to further reinforce the Bank's overall compliance framework.

Cooperation with Subsidiaries and Affiliates

The Bank holds periodic meetings for the personnel in charge of compliance at its group companies to promote a common awareness of compliance initiatives. It is also implementing initiatives to strengthen compliance systems throughout its group.

Enhancing Disclosure

To improve and strengthen its disclosure initiatives, the Bank, in fiscal 2006, formed the Information Disclosure Committee to review and discuss the appropriateness of the Bank's information disclosure initiatives.

Measures to Prevent Money-Laundering

The Bank has developed a policy to combat money-laundering and is strengthening preventive measures in this area as part of an international cooperative effort.

Measures to Eliminate Anti-Social Elements

To ensure soundness of management, the Bank has devised a basic stance and set of measures for elimination of anti-social elements that pose a threat to social order and security, based on its rules for avoiding all transactions with such elements.

Measures to Combat Bank Transfer Fraud

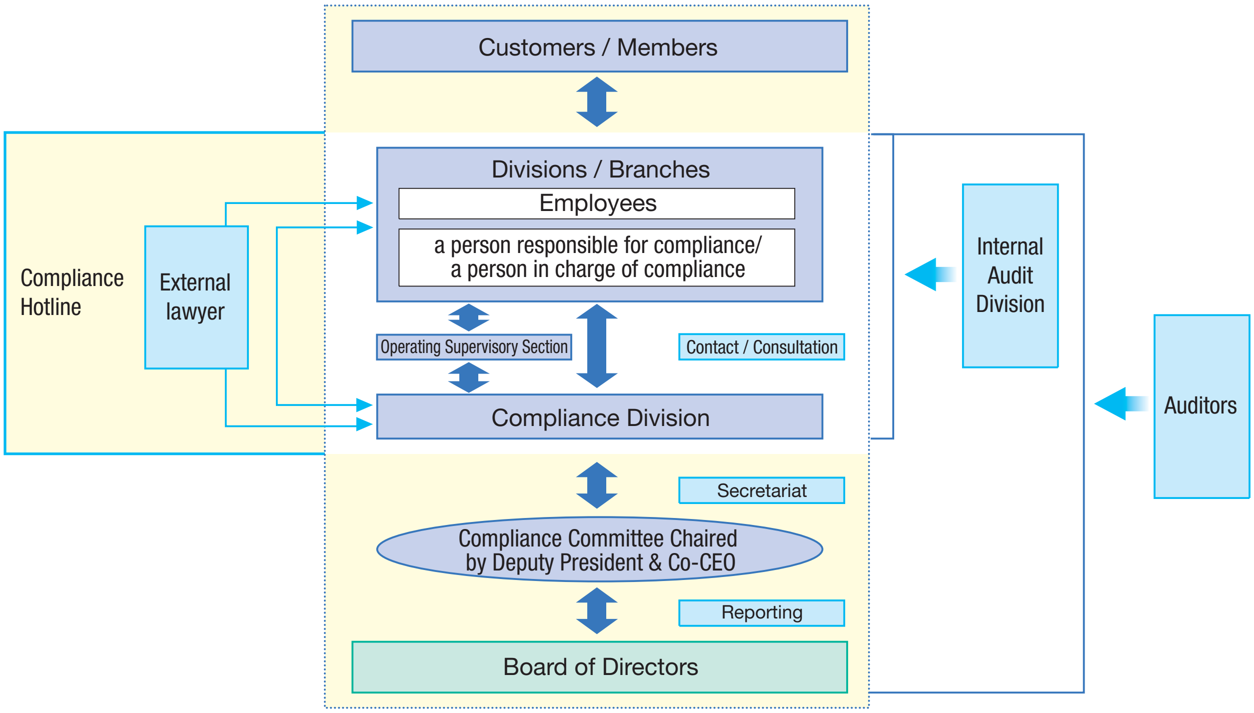
To help victims of bank transfer fraud and similar crimes, the Bank has compiled procedures based on the Law Concerning Remedies to Remittance Solicitation Fraud, and is taking measures for prevention of such fraud.

NORINCHUKIN CUSTOMER SERVICE

Offering Customer Consultation and Listening to Complaints

The Bank strives to enhance its ability to handle customer complaints by taking them seriously, responding to them quickly and systematically, as well as actively taking proper measures in its operations.

Compliance Framework



Disclosure Policy

The Bank, as the national-level financial institution for Japan's agricultural, forestry, and fishery cooperative organizations, positions as key management priorities the fulfillment of its fundamental mission and its social responsibilities, as well as the management of its business activities according to high standards of transparency through emphasis on information disclosure and accountability. Accordingly, the Bank complies with disclosure requirements, striving to disclose information appropriately, under applicable laws and regulations, including securities and exchange laws, in Japan and overseas.

Disclosure and Handling of Material Information

1. The Bank considers the following information material:
   (i) Information that must be disclosed under applicable laws and regulations, including securities and exchange regulations, in Japan and overseas.
   (ii) Information, other than mandatory disclosure in (i), that may have a significant influence on the decisions of investors.

Methods of Disclosure

2. For information that must be disclosed under applicable laws and regulations, including securities and exchange regulations in Japan and overseas, the Bank transmits the information through the stock exchanges in Japan and overseas in accordance with each country's respective disclosure procedures. In addition, the Bank is working to enhance disclosure through its website.

Fairness of Disclosure

3. When the above information is disclosed, the Bank strives to observe the principles of fair disclosure so that this information is made available in a timely and appropriate manner.

Disclosure of Forward-Looking Information

4. The Bank discloses information containing forecasts of future developments in order to enable capital market participants to make accurate assessments regarding its current status, future outlook, capabilities for debt repayment, and other matters. This forward-looking information is based on judgments regarding information that was obtainable at the time the forecasts were prepared, and may contain elements of risk and uncertainty. For this reason, actual results may differ substantially from the forecast because of changes in economic conditions and the operating environment influencing the Bank's operations.

Enhancement of Internal Systems

5. To conduct the disclosure of information in line with this Disclosure Policy, the Bank is striving to improve and expand the necessary internal systems.

Policy Regarding Market Rumors

6. When it is clear that the source of a rumor does not come from within the Bank, the Bank's fundamental policy is not to comment on such a rumors. However, when the Bank deems that the rumors may or will have a major impact on capital markets, when there are requests from the stock exchanges and other parties for an explanation, and when certain other circumstances are present, the Bank may comment on such rumors at its own discretion.

Information Security Initiatives

Importance of Information Security

Along with the growing diversity of the activities of financial institutions, deregulation, and the rapid development of information technology, the appropriate protection, management, and use of information assets (including both information and information systems) have become extremely important management issues.

In processing transactions for its customers, the Bank is in the position of being the recipient of information. It also possesses many kinds of its own information, including confidential data that is strategic from a management perspective, and uses this data in conducting its operations. On the other hand, the trend toward standardization and common systems has moved forward, and exchanging data with individuals has become common.

As a result of these and other developments, the environment and objectives for handling information has become rather varied. Accordingly, organized and systematic information security initiatives, especially in handling customer data appropriately, have become more important than in the past.

Control Structure

The Bank appoints information security supervisors (division/branch managers servicing concurrently as data managers) and staff in charge of information security in its divisions and branches, for systematic strengthening of information security, with central role of management section (Compliance Division) in charge of planning, implementation, and supervision of progress in the Bank's information security.

The Bank's Compliance Committee discusses the basic matters related to the Bank's information security.

Protection of Personal Information

The Personal Information Protection Law came into full effect in April 2005 in Japan, and the Bank, as an institution responsible for processing personal information, created the required framework to facilitate the proper handling of personal information. As part of these activities, the Bank conducts educational and training programs for employees, to ensure that such information is properly handled and managed in an efficient manner.

In addition, the Bank has enhanced its abilities in responding to complaints and inquiries related to the handling of personal information. It has conducted appropriate reviews, and made improvements in its measures to ensure the proper handling and secure management of personal information.

Creating Pleasant Working Environments

Offering Employees Job Opportunities

As a nationwide central financial institution for the agricultural, forestry, and fisheries cooperatives of Japan, the Bank handles a wide range of operations with a minimal workforce. For the Bank to fulfill its basic mission in every field, it is absolutely vital to create a pleasant working environment in which all employees can put the full range of their abilities to good use and feel motivated and fulfilled as they go about their work.

Creating a Working Environment where Human Rights are Respected

The Bank strives to maintain a highly transparent organizational culture underpinned by an ethical charter and respect for human rights, and organizes an ongoing program of educational and awareness activities dealing with a wide range of human rights issues for directors and employees.

Measures designed to ensure respect for human rights are discussed by the Human Rights Education Promotion Committee, and policies are finalized by the Board of Directors. Measures are implemented primarily by the Personnel Division's Human Rights Team and the personnel responsible for human rights assigned to each branch and division.

Training sessions featuring guest lecturers specializing in human rights-related fields are held at the Bank's head office, branches, and representative offices to ensure that directors and employees have an accurate understanding of human rights issues, and to raise awareness. Other steps include countermeasures against sexual harassment and abuse of authority. In addition to establishing a hotline within the Bank for lodging formal complaints, we have also set up an outside hotline. These are just some of the measures we have implemented.

As a member of the JA Group, we will work in close collaboration with the Central Union of Agricultural Co-operatives to further raise awareness throughout the Norinchukin Group regarding human rights issues.

Business Outline

SECURITIES INVESTMENT

• The Bank's Basic Asset Management Stance

The Bank is one of the largest financial institutions in Japan and, at the same time, is one of Japan's leading institutional investors. The Bank's total balance of securities and money held in trust is approximately ¥51 trillion and accounts for a major portion of the Bank's total assets under management.

The basic concept in the Bank's management of its securities is "globally diversified investment." The objective of this approach is to realize a high return in the medium-to-long term through investing in assets with diversified risk while minimizing the risks in cases such as rising interest rates and declining stock prices.

In terms of geographical area, the Bank invests in Japan, the United States, Europe, and other regions.

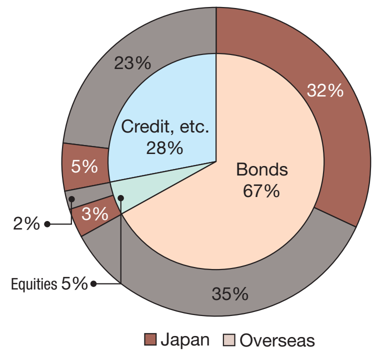
The Bank classifies its assets as bonds, equities, credit assets, and alternative investments, depending on the investment allocation.

The Bank conducts research related to these asset categories from a broad range of perspectives and adjusts the allocation of its assets in response to changes in market conditions.

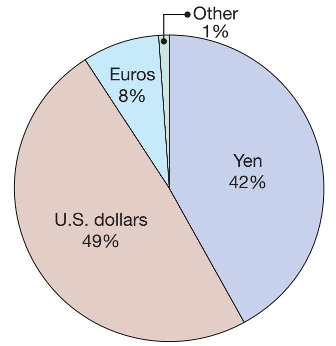
In pursuing returns on investments, the Bank makes use of external investment companies.

It should be noted that the Bank carefully reviews the investment processes, compliance systems, management philosophy and strategies, asset management record, and other matters concerning any external investment company that is under consideration. After selection, the Bank closely monitors the external investment company's performance from both a quantitative and a qualitative perspective. The Bank also systematically examines the performance of external investment companies on a continuing basis in order to decide whether or not to renew their mandates.

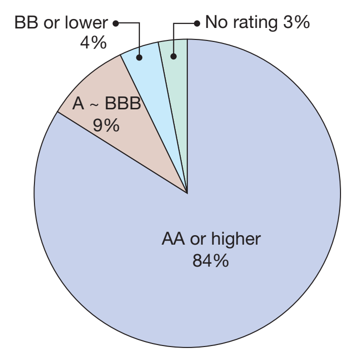
▶ Breakdown of Market Assets by Risk



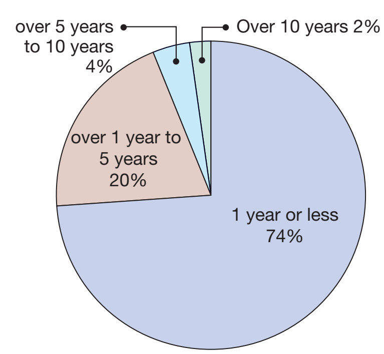
▶ Breakdown of Market Assets by Currency



▶ Breakdown of Bonds and Credit Assets by Rating



▶ Breakdown of Bonds and Credit Assets by Maturity



* All data are as of March 31, 2010, on a non-consolidated basis.

• **Investment Stance by Asset Type**

Investment in bonds, a core invested asset, accounts for a major portion of the Bank's assets due to their risk-return characteristics and other attributes. When making investment decisions, the Bank gives full attention not only to interest rate risk but also to credit and liquidity risks. The Bank has built up an efficient bond portfolio through investments in various types of bonds, including Japanese government bonds, bonds issued by other government agencies, mortgage-backed bonds, and foreign corporate bonds.

In selecting equity investments, the Bank considers risk-return characteristics as well as correlations with other asset classes and manages its portfolio with a long-term view. While the Bank's strategy for equity investments focuses on passive investing linked to various stock indices, the Bank complements this strategy with active investing aimed at generating returns above those obtained from the index-linked passive approach through diversified investment in domestic and foreign stocks.

In credit and alternative investments, the Bank selects low-risk assets based on an analysis of the global credit cycle, risk versus return in various investment asset classes, and the analysis of correlations with conventional assets (stocks and bonds).

It is also important to note that in the management of foreign currency assets, the Bank takes steps to limit the foreign exchange risk in most of these investments by employing various tools, such as the raising of funds in foreign currencies.

The System for Market Asset Management

Major decisions relating to the Bank's portfolios of market investments are reached systematically by the Market Portfolio Management Committee and the Credit Portfolio Management Committee, both of which are composed of board members and the heads of related sections. Moreover, in sections which are engaged in market transactions, the Bank has created a mutual checking system with separate front office sections (responsible for the execution of transactions), middle office sections (responsible for monitoring), and back office sections (responsible for processing and settlements).

The front office sections execute transactions based on the policies drawn up by each Portfolio Management Committee. Their functions also include focusing on optimizing the efficiency of transactions, close and constant monitoring of market trends, developing proposals for new transaction plans, and other activities. To put the Bank's concept of globally diversified investment into practice, the front office sections work to create a more efficient and effective management system where domestic and international investments are integrated within the categories of bonds, equities, and other investment instruments.

The middle office sections are responsible for checking the appropriateness of the activities of the front office sections, as well as the measurement of risk volumes, utilizing various methods such as stress tests.

Short-Term Money Market Transactions

In its role as the national level financial institution for Japan's agricultural, forestry, and fishery cooperatives, the Bank exercises efficient control over its available cash, principally surplus funds of the cooperative system, and manages these funds in domestic money markets. The Bank is a leading and active participant in the short-term money markets in Japan.

In addition, as a leading institutional investor, the Bank makes diversified investments in international capital markets and makes active use of foreign currency markets to fund these investments.

The proper management of liquidity risk is a prerequisite for the continuity of the Bank's operations and for the stable management of its portfolio. Accordingly, the Bank pays close attention to the cash flow of the cooperative banking system as a whole, as well as trends in domestic and international markets.

In Japan's domestic market, the Bank is an active participant not only in the interbank market but also in the repo and other money markets. The Bank also assumes a leadership position in these markets and plays a major role in working to expand market functionality.

Through its participation in the Research Committee for Revitalization of Short-Term Financial Markets and other organizations, the Bank also contributes to improvements in market practices.

In foreign currency markets, backed by its well-founded credit standing, the Bank conducts stable and efficient transactions, which are necessary for globally diversified investments. The management of foreign currency funds is conducted between teams in the Bank's head office and its three overseas branches in New York, London, and Singapore, utilizing various funding tools.

Additionally, the Bank accurately controls liquidity risk and settlement risk while simultaneously providing settlement functions at the Bank of Japan on behalf of cooperative organizations. The Bank also takes part in the Continuous-Linked Settlement (CLS) System, a framework for foreign currency settlement, and thus participates in and contributes to the creation of a network necessary for managing settlements in U.S. dollars, euros, and other major currencies.

Foreign Exchange Transactions

The Bank, as the market participant representing the cooperative banking system, has formed an efficient and highly skilled dealing team with the primary aim of responding to the needs of its customers, including cooperative organizations and companies related to the agricultural, forestry, and fisheries industries.

Trading Operations

The Bank trades in financial derivatives and various other financial products in order to meet the needs of its customers, while improving its dealing profitability from trading operations through arbitrage transactions, options, and a range of other techniques.

CORPORATE FINANCE

As a financial institution rooted in the agricultural, forestry, and fisheries industries, the Bank provides a wide selection of financial services for private enterprises that are connected to these sectors and to public enterprises.

In addition to companies in the food product and pulp and paper industries that process agricultural, forestry, and fisheries products, the chemical and machinery industries that supply production materials for the agricultural, forestry, and fisheries industries; trading, supermarket and restaurant industries that supply products to end consumers; and other industries directly involved in the agricultural, forestry, and fisheries industries, the Bank also deals with customers in a wide range of other fields, including leasing, credit, IT and telecommunications, real estate, and the services industry.

The Bank provides its customers with a diverse range of financial services drawing on its strong base, backed by the JA Bank System and the JF Marine Bank System, and its refined expertise as one of Japan's leading institutional investors. The Bank's fundamental investment policy is to contribute to the socioeconomic development of Japan as well as to the development of Japan's agricultural, forestry, and fisheries industries.

Through these contributions, the Bank hopes to grow and develop together with its customers.

Additionally, the Bank offers business matching services for its customers and business operators in the agricultural, forestry and fisheries industries, in order that it may further contribute to the growth of these sectors.

FINANCE FOR COOPERATIVE ORGANIZATIONS

As the main bank for the agricultural, forestry, and fisheries industries, the Bank has created a unique cooperative financing system called Agricultural, Forestry, and Fisheries Support Funding. The aim of this system is to provide financial support for the development of Japan's agricultural, forestry, and fisheries industries, as well as related cooperative organizations. This is accomplished through initiatives such as developing core workers in the agricultural, forestry, and fisheries sectors and promoting environmentally friendly agriculture.

This financial support, which is directly linked to the development of the agricultural, forestry, and fisheries sectors, is provided mainly to JA, JF, JForest, and other cooperative organizations, and has been positioned as the Bank's core lending business since its establishment.

Furthermore, effective July 2009, the Agriculture, Forestry & Fishery Finance Division was reorganized as the Agriculture, Forestry, Fishery & Ecology Business Division. The Bank is expanding the scope of its business domain in areas such as financing for the agricultural, forestry, and fisheries businesses, loan and investment expansion, and the provision of support for developing cooperation between the agricultural, forestry, and fisheries industries and commercial enterprise.

As a core component of this initiative, an Ecology & Food Business Promotion Department was established within the newly organized division to develop new loan products, coordinate between commercial enterprise and agricultural, forestry, and fisheries businesses, and to accurately ascertain the various needs of business operators in these industries.

▶ Outline of Types of Loans (As of March 31, 2010)

<table>
<tr><th></th><th colspan="2">General Loan Funding</th><th>Funding under Institutional Arrangements</th></tr>
<tr><td>Agriculture</td><td>Agriculture Promotion Fund</td><td rowspan="3">"Agriculture, Forestry, Fishery & Ecology Business Loans"</td><td>Agriculture Modernization Loans
Agricultural Management Assistance Support Fund
Agricultural Management Improvement Promotion Fund (Super-S Fund)
Intermediate and Mountainous Region Revitalization Fund, etc.</td></tr>
<tr><td>Fisheries</td><td>Fisheries Development Fund</td><td>Fisheries Modernization Fund
Fisheries Management Improvement Promotion Fund
Intermediate and Mountainous Region Revitalization Fund, etc.</td></tr>
<tr><td>Forestry</td><td>Forestry Development Fund</td><td>Forestry Development Promotion Fund
Intermediate and Mountainous Region Revitalization Fund, etc.</td></tr>
</table>

Loans to the Agricultural Sector

Japan's agricultural, forestry, and fisheries sectors are facing a challenging operating environment due to factors such as soaring global food prices, decreasing amounts of farmland, declining fishery resources, slumping prices for marine products, an aging and decreasing population of farm workers, and diminishing incomes.

Against this challenging backdrop, the Bank strongly recognizes its increasingly important financing role within the agricultural, forestry, and fisheries industries. In order that the Bank may quickly and assertively meet the needs of businesses in these sectors, we are actively engaged in the development of new products and reviewing existing products according to funding needs.

More specifically, in October of 2009 we introduced an Agricultural Corporation Development Loan (Agriseed Loan), laying the foundation for new business with the industry's core farmers. In addition, we modified our existing Agribusiness Loans, renaming them "Agriculture, Forestry, Fishery & Ecology Business Loans", allowing us to also offer businesses in the forestry and fisheries sectors access to funding without excessive insistence on collateral and guarantees. We are also establishing a Management Improvement Support Fund aimed at agricultural, forestry, and fisheries businesses actively engaging in management reform. The Bank is proactively offering its support to all parties engaged in these industries.

We will continue to support the growth of the agricultural, forestry, and fisheries industries through the financing services. For the agricultural sector, funding is provided through schemes that include loans directly relating to agricultural production and to the processing, distribution and sale of crops, as well as institutional arrangements such as the Agriculture Modernization Loans. For forestry sector financing, we supply funds to the forestry cooperative organization and forest owners, who are the key agents in improving the condition of forests in Japan, to both finance the cultivation of land for forests as well as offer financing for the producers, processors, and distributors of timber. With respect to fisheries sector financing, we provide funding for the production of marine products, including catching, aquatic farming, and other activities for the processing and distribution of these products, as well as provide access to financing schemes, such as those for the modernization of the fisheries industry.

As the main bank for primary industries, the Bank expediently and unerringly meets the business consulting and management needs of those engaged in the agricultural, forestry, and fisheries industries. We are proactively building productive relationships with everyone involved in these industries, through support for forming management improvement plans and the provision of business matching information

Business Matching: Fostering Partnerships Between Commerce and Industry, and Agriculture, Forestry, and Fisheries

In July, 2009 the Bank established an Ecology & Food Business Promotion Department within the Agriculture, Forestry, Fishery & Ecology Business Division, strengthening its support for project development undertaken by both its cooperative members and businesses in these primary industries.

Leveraging the special characteristics of the nationwide cooperative structure, we are bringing commercial enterprises into the agricultural sector by matching businesses with cooperative members, developing markets for brand-name goods, and effectively utilizing idle farmland.

Additionally, the Bank arranges regional business conferences. The 4th JA Group National Agricultural and Livestock Producers' Business Conference was held in March, 2010, sponsored by the Central Union of Agricultural Cooperatives (JA Zenchu), JA Zen-Noh, the JA Bank, and the National Mutual Insurance Federation of Agricultural Cooperatives (JA Kyosai). Also, the Hokuriku Business Conference was held in November 2009.

In March 2010, the Agri-Eco Business Seminar was also held for the first time to promote cross-industry exchange. The seminar was a resounding success attracting a great many participants, including clients of the Bank's Osaka Branch, agricultural corporations, and people from cooperatives in the Kinki region.

Funds for Agricultural Corporations

The Bank has continued to support the development of agricultural corporations in cooperation with the Agribusiness Investment & Consultation Co., Ltd. In line with newly establishing the Agriculture, Forestry, Fishery, & Ecology Business Division, the Bank is further strengthening initiatives for developing agricultural corporations that can grow into core farmers in local communities, as part of an effort to increase the appeal of its agricultural funds as financial products.

DEPOSIT OPERATIONS

Features of the Bank's Deposits

Deposits from cooperative members account for the majority of the Bank's deposits. Other deposits consist primarily of those from companies involved in the agricultural, forestry, and fisheries industries and non-profit organizations, such as local public bodies. This is due to the Bank's role as a nationwide cooperative financial institution for the agricultural, forestry, and fisheries industries.

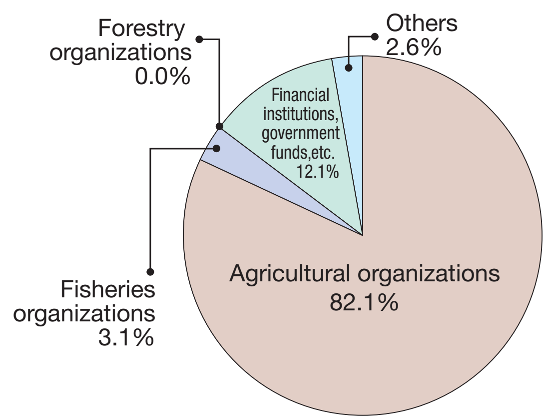
• Deposits from the JA Bank and the JF Marine Bank Members

Savings deposited with JA and JF by their members and other local people are used to finance members and local people, companies, local public bodies, and other such organizations. Surplus funds are then deposited with Shinnoren or Shingyoren. These funds in turn are used by Shinnoren or Shingyoren to finance agricultural and fisheries organizations, companies involved in the agricultural and fisheries industries, local public bodies, and other such organizations. Surplus funds are then deposited with the Bank.

In its capacity as a nationwide cooperative banking institution, the Bank is responsible for the central management of stable funds deposited in this manner.

To enable members and local people to deposit their valued savings with a sense of security, JA, JF, Shinnoren, Shingyoren, and the Bank are protected under the Agricultural and Fishery Cooperative Savings Insurance System, a public system which provides coverage for depositors.

▶ Balance of Deposits with the Bank



(As of March 31, 2010) **Total: ¥39.1087 trillion**

* Excludes negotiable certificates of deposit

NORINCHUKIN BANK DEBENTURES

In accordance with the Norinchukin Bank Law, the Bank is authorized to issue Norinchukin Bank Debentures as a source of funding. The Bank regularly issues two types of debentures; the Ritsuki Norinsai, which is primarily issued to institutional investors as a five-year investment product, and the Zaikeisai, which is issued as a savings product.

The balance of issued and outstanding debentures as of March 31, 2010 was ¥5,611.7 billion. The funds that have been raised through the issuance of Norinchukin Bank Debentures have been used for purposes which include financing the agricultural, forestry, and fisheries industries as well as financing companies related to these industries.

SETTLEMENTS

The Cooperative Financial Institutions, comprising JA, Shinnoren, JF, Shingyoren, and the Bank, have one of the largest networks among all the private financial institutions in Japan, with approximately 9,200 branches (as of March 31, 2010). At the heart of this network is the Cooperative Settlement Data Transmission System, which is operated jointly by the Cooperative Financial Institutions.

• Cash Dispenser and ATM Network

Through the JA savings net services and JF savings net services, the Cooperative Financial Institutions are developing a nationwide network of ATM machines and cash dispensers. In addition, as a member of the Multi-Integrated Cash Service (MICS) network, a cross-sector online alliance service of cash dispenser and ATM operators, the institutions are involved in the alliance of seven private sectors (major banks, regional and trust banks, second-tier regional banks, shinkin banks, credit associations and labor banks). This enables withdrawals of savings and balance inquiries at cash dispensers and ATMs, not only at the institutions, but also at almost all other financial institutions throughout Japan. Cash dispenser and ATM online alliances are also in place with Japan Post Bank and Seven Bank.

• Networks with Business Partners in Japan and Overseas

In addition to the Cooperative Settlement Data Transmission System, the Bank has formed a network which focuses on providing a Total Online System for its customers. It also offers a diversified range of sophisticated services, such as provision of remittance services through the "farm banking" system for cooperative banking customers, and carries out Society for Worldwide Interbank Financial Telecommunications (SWIFT) settlements between the Bank's Head Office, or overseas branches, and overseas financial institutions.

▶ Number of Cash Dispensers and ATMs

	No. of organizations*	No. of stores*	No. of ATMs and cash dispensers installed
Norinchukin (the Bank)	1	25	0
Shinnoren	36	59	660
JA	727	8,707	11,634
Shingyoren	30	132	288
JF	162	283	134
Total	956	9,206	12,716

* Number of organizations and branches that handle domestic exchange operations, as of March 31, 2010

HEAD OFFICE AND BRANCH OPERATIONS (DOMESTIC AND OVERSEAS)

The Bank's Domestic Offices

The domestic offices of the Bank comprise the head office, 21 branches located throughout Japan, and three representative offices (as of March 31, 2010).

• The Roles of The Domestic Branches

The principal business roles of the domestic branches and offices are to: (1) act as fund-receiving centers for deposits made by the Bank's members; (2) make loans to agricultural, forestry, and fisheries industry participants, corporations with relationships to the agricultural, forestry, and fisheries industries as well as local governments and their entities; and (3) conduct business related to the JA Bank System and the JF Marine Bank System.

• Branch Network Operation Policy

To manage the Bank's domestic branches and offices more effectively and efficiently, we are following a policy of dividing the country into regional blocs and concentrating lending activities for each bloc in a small number of loan centers. The policy also involves the reorganization of branches and offices.

In February 2011, we plan to fold the Morioka Branch into the Sendai Branch, the Kofu Office into the head office at Yurakucho, (Chiyoda-ku, Tokyo), the Matsue Branch and Tottori Office into the Okayama Branch, and the Miyazaki and Kagoshima Branches into the Fukuoka Branch.

The Bank's Overseas Branches and Representative Offices

To respond accurately to the changes in the globalization of domestic and overseas capital and financial markets, the Bank maintains branches in the world's key international financial centers, and works to expand and enhance its international finance business.

In addition to branches in New York, London, and Singapore, the Bank has representative offices in Beijing and Hong Kong.

The Norinchukin Group of Companies

The Bank, in line with its overall strategy for the cooperative banking business, works together with the companies of the Norinchukin Group, which are engaged in a wide range of business activities.

The Trust and Banking Company

The Norinchukin Trust & Banking Co., Ltd. provides trust products and services for cooperative organizations, corporations, and other customers. Assets under management and administration by this company exceed ¥10 trillion. Norinchukin Trust & Banking also focuses on asset management for JA cooperative members, including the provision of inheritance trust services.

Companies that Support the Organizational Base of the Cooperative Banking Business

- Norinchukin Research Institute Co., Ltd. is the think tank of the agricultural, forestry, and fishery cooperatives and supports the cooperative banking business through its survey and research activities.

- Kyodo Seminar Co., Ltd. is responsible for training employees of the agricultural and fishery cooperative financial institutions, conducting training courses and correspondence courses, and publishing training materials for the management and staff of cooperative financial institutions. In FY2009, more than 12,000 people took part in correspondence training courses offered by Kyodo Seminar Co., Ltd. and about 10,000 people undertook certification exams.

Companies that Complement the Business Base of the Cooperative Banking Business

- Kyodo Housing Loan Co., Ltd. provides mortgages in partnership with more than 200 companies in the fields of housing and real estate sales, housing manufacturing, and other related areas, in addition to providing guarantee services for the JA Bank's mortgages. The company also handles Flat 35 mortgages in alliance with the Japan Housing Finance Agency.

- Norinchukin-Zenkyoren Asset Management Co., Ltd., responds to the asset management needs of a range of financial institutions and institutional investors, including the agricultural cooperative organizations, through the development and offering of investment funds. This company is also responsible for offering the principal investment trust products sold in the branches and offices of the agricultural cooperative financial institutions.

- The Cooperative Servicing Co., Ltd., is a Ministry of Justice-approved debt collection company responsible for the management and recovery of non-performing loans held by agricultural cooperative organizations. It also seeks early repayment of delinquent loans.

- JA MITSUI LEASING, LTD. is a general leasing company that provides a range of rental, leasing and other services. It became one of our affiliate companies (accounted for according to the equity-method) in October 2009. This new affiliate will enable us to broaden our services to the cooperative system and people engaged in the agricultural, forestry and fisheries industries in Japan, and further increase customer convenience.

- The Agribusiness Investment & Consultation Co., Ltd. makes investments and provides other forms of financial support for agricultural corporations, with the dual objectives of helping them to secure financial stability and supporting their development.

- Mitsubishi UFJ Nicos Co., Ltd. is a leading Japanese credit card company. It handles issuance of the JA Card, a cash-and-credit card for the organization, and it arranges guarantees for JA Bank loans. In fiscal 2009, the number of JA Card holders surpassed one million.

Companies that Work to Modernize and Improve the Efficiency of the Cooperative Banking Business Operations

- Nochu Information System Co., Ltd. is entrusted with the tasks of developing and operating the Bank's various computer systems, including the backbone of the Bank's operating system. This company also plays a major role in the Bank's IT strategy.

  The company is responsible for all developmental and operational aspects of the nationwide JASTEM System, the JA Bank's mission-critical system (a large retail system, which administers approximately 45 million accounts and 12,000 ATMs).

Others

- Ant Capital Partners Co., Ltd., manages and operates private equity funds.

- Private Equity Funds Research and Investment Co., Ltd. is a private equity fund ratings and management company that was jointly established with Nomura Holdings Inc., among others.

- Norinchukin Finance (Cayman) Limited is a special purpose company which is located overseas and was established with the objective of raising capital for the Bank.

Consolidated Balance Sheets

The Norinchukin Bank and Subsidiaries
As of March 31, 2010 and 2009

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2010	2009	**2010**
Assets			
Cash and Due from Banks (Notes 29, 31 and 32)	**¥ 2,195,337**	¥ 2,773,412	**$ 23,606**
Call Loans and Bills Bought (Note 31)	**1,336,137**	1,155,692	**14,367**
Receivables under Securities Borrowing Transactions	**—**	140,422	**—**
Monetary Claims Bought (Note 31)	**490,182**	646,139	**5,271**
Trading Assets (Notes 3, 31 and 32)	**13,054**	24,842	**140**
Money Held in Trust (Notes 5, 9, 31 and 33)	**6,556,615**	5,654,876	**70,501**
Securities (Notes 4, 9, 21, 31 and 32)	**43,994,790**	39,540,599	**473,062**
Loans and Bills Discounted (Notes 5, 9, 20 and 31)	**13,097,635**	11,022,692	**140,835**
Foreign Exchange Assets (Note 6)	**12,925**	81,703	**139**
Other Assets (Notes 7, 9 and 31)	**384,535**	938,415	**4,135**
Tangible Fixed Assets (Note 8)	**143,169**	134,384	**1,539**
Intangible Fixed Assets	**54,310**	33,026	**584**
Deferred Tax Assets (Note 18)	**204,530**	241,435	**2,199**
Customers' Liabilities for Acceptances and Guarantees (Note 19)	**502,932**	407,668	**5,408**
Reserve for Possible Loan Losses	**(303,340)**	(201,344)	**(3,262)**
Reserve for Possible Investment Losses	**(6,094)**	—	**(65)**
Total Assets	**¥68,676,723**	¥62,593,968	**$738,459**
Liabilities and Net Assets			
Liabilities			
Deposits (Notes 10 and 31)	**¥39,101,635**	¥37,492,819	**$420,448**
Negotiable Certificates of Deposit (Note 31)	**702,799**	321,249	**7,557**
Debentures (Notes 11 and 31)	**5,605,767**	5,252,065	**60,277**
Bonds (Note 12)	**265,806**	270,718	**2,858**
Call Money and Bills Sold (Notes 9 and 31)	**948,151**	510,000	**10,195**
Payables under Repurchase Agreements (Notes 9 and 31)	**9,667,031**	4,606,862	**103,947**
Payables under Securities Lending Transactions (Note 9)	**98,543**	530,276	**1,060**
Trading Liabilities (Notes 13 and 31)	**12,576**	13,725	**135**
Borrowed Money (Notes 9, 14 and 31)	**2,043,307**	5,647,557	**21,971**
Foreign Exchange Liabilities (Note 15)	**1**	51	**0**
Short-term Entrusted Funds (Note 31)	**4,277,171**	4,077,454	**45,991**
Other Liabilities (Notes 16 and 31)	**1,469,168**	945,561	**15,797**
Reserve for Bonus Payments	**4,519**	4,608	**49**
Reserve for Employees' Retirement Benefits (Note 17)	**1,783**	921	**19**
Reserve for Directors' Retirement Benefits	**994**	838	**11**
Deferred Tax Liabilities for Land Revaluation	**18,439**	18,819	**198**
Acceptances and Guarantees (Note 19)	**502,932**	407,668	**5,408**
Total Liabilities	**64,720,631**	60,101,200	**695,921**
Net Assets			
Paid-in Capital (Note 22)	**3,425,909**	3,421,370	**36,838**
Capital Surplus	**25,020**	25,020	**269**
Retained Earnings	**837,448**	803,522	**9,005**
Treasury Preferred Stock	**(150)**	(150)	**(2)**
Total Owners' Equity	**4,288,228**	4,249,763	**46,110**
Net Unrealized Losses on Other Securities, net of taxes	**(406,850)**	(1,872,359)	**(4,375)**
Net Deferred Gains on Hedging Instruments, net of taxes	**36,923**	76,840	**397**
Revaluation Reserve for Land, net of taxes	**31,968**	32,807	**344**
Foreign Currency Transaction Adjustments	**(26)**	(19)	**(1)**
Total Valuation and Translation Adjustments	**(337,984)**	(1,762,730)	**(3,635)**
Minority Interests	**5,847**	5,734	**63**
Total Net Assets	**3,956,092**	2,492,768	**42,538**
Total Liabilities and Net Assets	**¥68,676,723**	¥62,593,968	**$738,459**

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, 2010 and 2009

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2010	2009	**2010**
Income			
Interest Income:	**¥ 719,196**	¥1,018,159	**$ 7,733**
Interest on Loans and Bills Discounted	**102,854**	126,524	**1,106**
Interest and Dividends on Securities	**566,640**	815,221	**6,093**
Interest on Call Loans and Bills Bought	**4,788**	17,063	**51**
Interest on Receivables under Resale Agreements	**60**	2,032	**1**
Interest on Receivables under Securities Borrowing Transactions	**583**	4,772	**6**
Interest on Due from Banks	**7,436**	42,197	**80**
Other Interest Income	**36,832**	10,348	**396**
Fees and Commissions	**16,964**	17,097	**183**
Trading Income (Note 23)	**106**	1,739	**1**
Other Operating Income (Note 24)	**247,406**	115,633	**2,660**
Other Income (Note 25)	**286,886**	285,464	**3,085**
Total Income	**1,270,560**	1,438,094	**13,662**
Expenses			
Interest Expenses:	**648,014**	1,091,843	**6,968**
Interest on Deposits	**110,857**	248,490	**1,192**
Interest on Negotiable Certificates of Deposit	**2,252**	9,412	**24**
Interest on Debentures	**66,535**	57,286	**716**
Interest on Borrowed Money	**95,088**	40,513	**1,023**
Interest on Call Money and Bills Sold	**583**	3,835	**6**
Interest on Payables under Repurchase Agreements	**20,414**	48,343	**220**
Interest on Payables under Securities Lending Transactions	**204**	1,518	**2**
Interest on Bonds	**12,594**	12,055	**135**
Other Interest Expenses	**339,483**	670,387	**3,650**
Fees and Commissions	**10,745**	12,796	**116**
Trading Expenses (Note 26)	**776**	422	**8**
Other Operating Expenses (Note 27)	**173,725**	537,944	**1,868**
General and Administrative Expenses	**114,880**	115,574	**1,235**
Other Expenses (Note 28)	**246,754**	289,612	**2,653**
Total Expenses	**1,194,895**	2,048,193	**12,848**
Income (Loss) before Income Taxes and Minority Interests	**75,664**	(610,098)	**814**
Income Taxes — Current	**6,477**	1,606	**70**
Income Taxes — Deferred	**36,000**	(39,402)	**387**
Total Income Taxes	**42,478**	(37,795)	**457**
Minority Interests in Net Income (Loss)	**98**	(199)	**1**
Net Income (Loss)	**¥ 33,087**	¥ (572,102)	**$ 356**

	Yen		U.S. Dollars (Note 1)
	2010	2009	**2010**
Net Income (Loss) per Share	**¥7.77**	¥(134.38)	**$0.08**

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, 2010 and 2009

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2010	2009	**2010**
Capital Surplus			
Balance at the Beginning of the Fiscal Year	**¥ 25,020**	¥ 25,020	**$ 269**
Balance at the End of the Fiscal Year	**25,020**	25,020	**269**
Retained Earnings			
Balance at the Beginning of the Fiscal Year	**803,522**	1,457,413	**8,640**
Additions:			
Net Income for the Fiscal Year	**33,087**	—	**356**
Transfer from Revaluation Reserve for Land, net of taxes	**838**	1,400	**9**
Deductions:			
Net Loss for the Fiscal Year	**—**	572,102	**—**
Dividends	**—**	83,188	**—**
Balance at the End of the Fiscal Year	**¥837,448**	¥ 803,522	**$9,005**

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, 2010 and 2009

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2010	2009	**2010**
Cash Flows from Operating Activities:			
Income (Loss) before Income Taxes and Minority Interests	**¥ 75,664**	¥ (610,098)	**$ 814**
Depreciation	**10,031**	6,797	**108**
Losses on Impairment of Fixed Assets	**2,570**	1,058	**28**
Amortization of Goodwill	**—**	(36)	**—**
Equity in Losses of Affiliates	**48,202**	1,422	**518**
Net Increase in Reserve for Possible Loan Losses	**101,995**	60,833	**1,097**
Net Increase (Decrease) in Reserve for Possible Investment Losses	**6,094**	(53,455)	**65**
Net Decrease in Reserve for Bonus Payments	**(88)**	(1,218)	**(1)**
Net Increase in Reserve for Employees' Retirement Benefits	**862**	88	**9**
Net Increase in Reserve for Directors' Retirement Benefits	**155**	47	**2**
Interest Income	**(719,196)**	(1,018,159)	**(7,733)**
Interest Expenses	**648,014**	1,091,843	**6,968**
Losses (Gains) on Securities	**(72,021)**	688,417	**(775)**
Losses on Money Held in Trust	**6,195**	102,170	**67**
Foreign Exchange Losses	**1,490,696**	650,839	**16,029**
Losses on Disposals of Fixed Assets	**691**	1,037	**7**
Net Decrease in Trading Assets	**11,787**	23,191	**127**
Net Decrease in Trading Liabilities	**(1,149)**	(1,522)	**(12)**
Net Increase in Loans and Bills Discounted	**(2,074,942)**	(1,168,789)	**(22,311)**
Net Increase (Decrease) in Deposits	**1,608,816**	(1,311,542)	**17,299**
Net Increase (Decrease) in Negotiable Certificates of Deposit	**381,549**	(216,769)	**4,103**
Net Increase in Debentures	**353,701**	430,089	**3,803**
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	**(3,614,200)**	4,136,500	**(38,862)**
Net Decrease (Increase) in Interest-bearing Due from Banks	**719,856**	(969,917)	**7,740**
Net Decrease (Increase) in Call Loans and Bills Bought and Other	**(36,320)**	1,077,710	**(391)**
Net Decrease in Receivables under Securities Borrowing Transactions	**140,422**	968,357	**1,510**
Net Increase (Decrease) in Call Money and Bills Sold and Other	**5,498,320**	(102,948)	**59,122**
Net Increase (Decrease) in Short-term Entrusted Funds	**199,716**	(323,739)	**2,147**
Net Increase (Decrease) in Payables under Securities Lending Transactions	**(431,733)**	33,639	**(4,642)**
Net Decrease (Increase) in Foreign Exchanges Assets	**68,777**	(74,583)	**739**
Net Increase (Decrease) in Foreign Exchanges Liabilities	**(50)**	49	**(1)**
Interest Received	**732,242**	1,067,266	**7,874**
Interest Paid	**(691,449)**	(1,126,130)	**(7,435)**
Other, Net	**101,562**	387,954	**1,092**
Subtotal	**4,566,777**	3,750,403	**49,105**
Income Taxes Paid	**(678)**	(132,092)	**(7)**
Net Cash Provided by Operating Activities	**4,566,098**	3,618,310	**49,098**

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2010	2009	**2010**
Cash Flows from Investing Activities:			
Purchases of Securities	**(34,389,377)**	(15,343,927)	**(369,778)**
Proceeds from Sales of Securities	**3,291,245**	2,596,380	**35,390**
Proceeds from Redemption of Securities	**26,992,585**	6,596,130	**290,243**
Increase in Money Held in Trust	**(2,309,489)**	(1,520,983)	**(24,833)**
Decrease in Money Held in Trust	**1,996,677**	2,947,148	**21,469**
Purchases of Tangible Fixed Assets	**(3,044)**	(5,444)	**(33)**
Purchases of Intangible Fixed Assets	**(18,631)**	(17,449)	**(200)**
Proceeds from Sales of Tangible Fixed Assets	**995**	1,970	**11**
Proceeds from Sales of Intangible Fixed Assets	**38**	—	**0**
Purchases of Stocks of Subsidiaries (No Impact on the Scope of Consolidation)	**—**	(55)	**—**
Proceeds of Stock of Subsidiaries (No Impact on the Scope of Consolidation)	**—**	158	**—**
Net Cash Used in Investing Activities	**(4,439,001)**	(4,746,071)	**(47,731)**
Cash Flows from Financing Activities:			
Proceeds from Issuance of Subordinated Borrowed Money	**9,950**	1,476,057	**107**
Repayment of Subordinated Borrowed Money	**—**	(963,700)	**—**
Proceeds from Issuance of Stock	**4,539**	1,405,337	**49**
Dividends Paid	**—**	(83,188)	**—**
Dividends Paid to Minority Interests	**(9)**	(47)	**(0)**
Net Cash Provided by Financing Activities	**14,479**	1,834,458	**156**
Net Increase in Cash and Cash Equivalents	**141,576**	706,697	**1,523**
Cash and Cash Equivalents at the Beginning of the Fiscal Year	**887,436**	180,738	**9,542**
Cash and Cash Equivalents at the End of the Fiscal Year (Note 29)	**¥ 1,029,012**	¥ 887,436	**$ 11,065**

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 Financial Reporting 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 ¥93.00=U.S.$1, the approximate rate of exchange prevailing on March 31, 2010, 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

The Bank and its consolidated subsidiaries have adopted the standard of "Partial Amendments to Accounting Standard for Retirement Benefits (Part3)" (ASBJ Statement No.19, July 31, 2008) at the end of the fiscal year ended March 31, 2010. However, as the discount rate was not impacted by this adoption, it did not have impact on the consolidated financial statements.

The Bank and its consolidated subsidiaries have adopted the standard of "Accounting Standard for Financial Instruments" (ASBJ Statement No.10, March 10, 2008) and "Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No.19, March 10, 2008) at the end of the fiscal year ended March 31, 2010. The effect of this adoption on the consolidated financial statements is immaterial.

"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 and its consolidated subsidiaries have 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, Deferred Tax Assets and Net Unrealized Gains on Other Securities increased by ¥96,275 million and ¥95,144 million, respectively. For the detail of the reclassified bonds, see "Securities Reclassified to Held-to-Maturity" in "32. Fair Value of Securities."

Additional Information

As for reasonably estimated amounts of some securitized products calculated according to the Discounted Cash Flow method, after considering the current market activity, the Bank determined that the estimates need to reflect the quoted prices provided by brokers or venders. The estimates for the valuations of some securitized products are calculated according to both the prices calculated by the Discounted Cash Flow method, using variables such as default rates, recovery rates, pre-payment rates, discount rates and other variables, and the quoted prices provided by brokers or venders at the end of the fiscal year ended March 31, 2010.

The effect of this change on the consolidated financial statements is immaterial.

As for some of foreign bonds, such as securitized products, which are rarely traded in the current market, the Bank determined that the quoted prices provided by brokers or venders are not deemed as fair value, and values such bonds at reasonably estimated amounts as of March 31, 2010 and 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 and ¥501,260 million, respectively, and Other Operating Expenses and Loss before Income Taxes and Minority Interests decreased by ¥593,506 million, respectively, as of March 31, 2009.

Reasonably estimated amounts of such foreign bonds are calculated according to the Discounted Cash Flow method. The price-determining variables include default rates, recovery rates, pre-payment rates, discount rates and other variables.

Concerning floating-rate Japanese government bonds which are rarely traded in the current market, the Bank determined that market prices are not deemed as fair value, and values them at reasonably estimated amounts as of March 31, 2010 and 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, respectively, as of March 31, 2009.

Reasonably estimated amounts of floating-rate Japanese government bonds are calculated according to the Discounted Cash Flow method. The price-determining variables include the yield of Japanese government bonds, swaption volatilities and other variables.

(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, 2010 and 2009 was 8 and 8, 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.

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, 2010 and 2009 was 7 and 6, 6 and 5 of which were accounted for by the equity method, respectively, while the remaining immaterial affiliate is carried at cost. Differences between the cost and the underlying net equity at fair value of investments in companies which are accounted for by the equity method have been amortized by the straight-line method over 20 years. However, immaterial goodwill and negative goodwill are charged or credited to income in the year of acquisition. The major affiliate accounted for by the equity method is as follows:

Mitsubishi UFJ NICOS Co., Ltd.

JA MITSUI LEASING, LTD

Due to acquisition of its share, JA MITSUI LEASING, LTD. was newly accounted for by the equity method in the fiscal year ended March 31, 2010

(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 which are extreamely difficult to determine the 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 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 bucket. 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 Expenses 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, 2010 and 2009 were ¥1,244 million ($13 million) and ¥—, and ¥6,456 million and ¥43 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 rate 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 statement 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 software developed or obtained for internal use are capitalized and amortized using the straight-line method over an estimated useful life of 5 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.

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 ¥74,286 million ($799 million) and ¥68,902 million for the fiscal years ended March 31, 2010 and 2009, respectively.

b. Reserve for loans to debtors who are not currently bankrupt, but are likely to become bankrupt (“doubtful debtors”), 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, 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 cost of payment of employees' bonuses attributable to the 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 prior service cost and actuarial differences, the excess portion is recorded as prepaid pension costs in Other Assets.

Unrecognized prior service cost is amortized over a certain period of time within the employees' average remaining service period (10 years) using the straight-line method beginning in the fiscal year which the difference had been incurred.

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

Some of Bank's 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 the 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 aggregate number of Lower Dividend Rate Stock and Preferred Stock is deducted from the denominator in the calculation of Net Income (Loss) per Share.

3. Trading Assets

As of March 31	Millions of Yen 2010	Millions of Yen 2009	Millions of U.S. Dollars 2010
Trading Securities	**¥ 78**	¥10,651	**$ 1**
Derivatives of Trading Securities	**—**	25	**—**
Derivatives of Securities Related to Trading Transactions	**4**	14	**0**
Trading-related Financial Derivatives	**12,971**	14,151	**139**
Total	**¥13,054**	¥24,842	**$140**

4. Securities

As of March 31	Millions of Yen 2010	Millions of Yen 2009	Millions of U.S. Dollars 2010
Japanese Government Bonds	**¥14,137,539**	¥14,135,956	**$152,017**
Municipal Government Bonds	**1,053**	7,718	**11**
Corporate Bonds	**265,613**	357,572	**2,856**
Stocks	**565,729**	535,607	**6,083**
Other	**29,024,854**	24,503,744	**312,095**
Foreign Bonds	**20,522,753**	16,148,238	**220,675**
Foreign Stocks	**62,801**	55,826	**675**
Investment Trusts	**7,692,580**	7,470,664	**82,716**
Other	**746,718**	829,014	**8,029**
Total	**¥43,994,790**	¥39,540,599	**$473,062**

The maturity profile of securities is as follows:

As of March 31, 2010	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	**¥6,596,463**	**¥ 102,250**	**¥2,786,167**	**¥4,919,324**	**¥ —**
Japanese Government Bonds	**6,431,445**	**13,633**	**2,785,727**	**4,906,733**	**—**
Municipal Government Bonds	**55**	**516**	**440**	**40**	**—**
Corporate Bonds	**164,962**	**88,100**	**—**	**12,550**	**—**
Stocks	**—**	**—**	**—**	**—**	**565,729**
Other	**3,028,139**	**13,636,146**	**3,165,015**	**2,096,741**	**7,098,812**
Foreign Bonds	**2,895,273**	**13,422,033**	**2,811,261**	**1,394,184**	**—**
Foreign Stocks	**—**	**—**	**—**	**—**	**62,801**
Investment Trusts	**113,221**	**20,729**	**42,971**	**523,086**	**6,992,572**
Other	**19,643**	**193,384**	**310,781**	**179,470**	**43,438**
Total	**¥9,624,602**	**¥13,738,396**	**¥5,951,182**	**¥7,016,066**	**¥7,664,541**

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
Total	¥5,177,804	¥9,321,891	¥7,208,694	$8,943,136	¥8,889,072

As of March 31, 2010	Millions of U.S. Dollars 1 Year or Less	Over 1 Year to 5 Years	Over 5 Years to 10 Years	Over 10 Years	With no maturity date
Bonds	**$ 70,930**	**$ 1,100**	**$29,959**	**$52,896**	**$ —**
Japanese Government Bonds	**69,155**	**147**	**29,954**	**52,761**	**—**
Municipal Government Bonds	**1**	**6**	**5**	**0**	**—**
Corporate Bonds	**1,774**	**947**	**—**	**135**	**—**
Stocks	**—**	**—**	**—**	**—**	**6,083**
Other	**32,560**	**146,625**	**34,032**	**22,546**	**76,331**
Foreign Bonds	**31,132**	**144,323**	**30,228**	**14,991**	**—**
Foreign Stocks	**—**	**—**	**—**	**—**	**675**
Investment Trusts	**1,217**	**223**	**462**	**5,625**	**75,189**
Other	**211**	**2,079**	**3,342**	**1,930**	**467**
Total	**$103,490**	**$147,725**	**$63,991**	**$75,442**	**$82,414**

Note: The above amount is based on the consolidated balance sheet amount at the end of the fiscal year.

5. Loans and Bills Discounted

As of March 31	Millions of Yen 2010	2009	Millions of U.S. Dollars 2010
Loans on Deeds	**¥11,524,120**	¥ 8,952,835	**$123,915**
Loans on Bills	**111,366**	171,449	**1,198**
Overdrafts	**1,455,323**	1,888,097	**15,649**
Bills Discounted	**6,824**	10,309	**73**
Total	**¥13,097,635**	¥11,022,692	**$140,835**

As of March 31	Millions of Yen 2010	2009	Millions of U.S. Dollars 2010
Loans to Borrowers under Bankruptcy Proceedings	**¥ 6,444**	¥ 13,115	**$ 69**
Delinquent Loans	**226,270**	136,985	**2,433**
Loans Past Due for Three Months or More	**320**	474	**4**
Restructured Loans	**71,796**	56,867	**772**
Total	**¥304,832**	¥207,442	**$3,278**

(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, as of March 31, 2010 and 2009, Money Held in Trust includes delinquent loans of ¥3,271 million ($35 million) and ¥16,308 million, respectively.

(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 2010	2009	Millions of U.S. Dollars 2010
Foreign Bills Bought	**¥ —**	¥ —	**$ —**
Due from Foreign Banks	**12,925**	81,703	**139**
Total	**¥12,925**	¥81,703	**$139**

7. Other Assets

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2010**	2009	**2010**
Prepaid Expenses	**¥ 777**	¥ 553	**$ 8**
Accrued Income	**133,463**	106,923	**1,435**
Financial Derivatives	**67,125**	113,902	**722**
Other	**183,169**	717,036	**1,970**
Total	**¥384,535**	¥938,415	**$4,135**

8. Tangible Fixed Assets

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2010**	2009	**2010**
Land	**¥ 73,935**	¥ 71,388	**$ 795**
Buildings	**45,345**	46,349	**487**
Equipment	**6,804**	8,689	**73**
Lease Assets	**17,077**	1,811	**184**
Other	**5**	6,145	**0**
Total Net Book Value	**143,169**	134,384	**1,539**
Accumulated Depreciation Deducted	**¥ 96,692**	¥ 92,022	**$1,040**

9. Assets Pledged

Assets pledged as collateral comprise the following:

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2010**	2009	**2010**
Securities	**¥14,110,113**	¥14,424,299	**$151,722**
Loans and Bills Discounted	**6,989,835**	4,253,009	**75,160**

Liabilities related to the above pledged assets are as follows:

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2010**	2009	**2010**
Call Money and Bills Sold	**¥ 455,000**	¥ 455,000	**$ 4,892**
Payables under Repurchase Agreements	**9,667,031**	4,606,862	**103,947**
Payables under Securities Lending Transactions	**84,008**	457,581	**903**
Borrowed Money	**532,300**	4,126,500	**5,724**

In addition, as of March 31, 2010 and 2009, Securities (including transactions of Monetary Held in Trust) of ¥8,658,580 million ($93,103 million) and ¥5,779,969 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of March 31, 2010 and 2009, margins of futures transactions of ¥2,199 million ($24 million) and ¥1,268 million, cash collateral under financial derivative transactions of ¥17,099 million ($184 million) and ¥476,165 million, and guarantee deposits of ¥5,928 million ($64 million) and ¥5,643 million were included in Other Assets, respectively.

10. Deposits

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2010**	2009	**2010**
Time Deposits	**¥33,440,190**	¥31,662,861	**$359,572**
Deposits at Notice	**39,168**	38,892	**421**
Ordinary Deposits	**1,002,256**	1,099,184	**10,777**
Current Deposits	**126,704**	90,611	**1,363**
Other Deposits	**4,493,315**	4,601,269	**48,315**
Total	**¥39,101,635**	¥37,492,819	**$420,448**

11. Debentures

As of March 31	Millions of Yen 2010	Millions of Yen 2009	Millions of U.S. Dollars 2010
One-year Discount Debentures	**¥ —**	¥ —	**$ —**
Long-term Coupon Debentures	**5,605,767**	5,252,065	**60,277**
Total	**¥5,605,767**	¥5,252,065	**$60,277**

12. Bonds

Bonds are subordinated bonds of ¥265,806 million ($2,858 million) and ¥270,718 million as of March 31, 2010 and 2009, respectively.

13. Trading Liabilities

As of March 31	Millions of Yen 2010	Millions of Yen 2009	Millions of U.S. Dollars 2010
Derivatives of Trading Securities	**¥ —**	¥ 0	**$ —**
Derivatives of Securities Related to Trading Transactions	**—**	47	**—**
Trading-related Financial Derivatives	**12,576**	13,678	**135**
Total	**¥12,576**	¥13,725	**$135**

14. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥1,486,007 million ($15,979 million) and ¥1,476,057 million as of March 31, 2010 and 2009, respectively.

15. Foreign Exchange Liabilities

As of March 31	Millions of Yen 2010	Millions of Yen 2009	Millions of U.S. Dollars 2010
Foreign Bills Sold	**¥—**	¥—	**$—**
Foreign Bills Payable	**1**	51	**0**
Due to Foreign Banks	**—**	—	**—**
Total	**¥ 1**	¥51	**$ 0**

16. Other Liabilities

As of March 31	Millions of Yen 2010	Millions of Yen 2009	Millions of U.S. Dollars 2010
Accrued Expenses	**¥ 85,187**	¥128,448	**$ 916**
Income Taxes Payable	**2,350**	750	**25**
Unearned Income	**1,621**	1,938	**17**
Derivatives Other Than for Trading	**349,816**	745,449	**3,761**
Account Payables for Securities Purchased	**924,564**	973	**9,942**
Other	**105,627**	68,000	**1,136**
Total	**¥1,469,168**	¥945,561	**$15,797**

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, 2010 and 2009, are as follows:

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2010**	2009	**2010**
Projected Benefit Obligations	**¥(85,915)**	¥(84,094)	**$(924)**
Plan Assets	**75,407**	57,705	**811**
Unfunded Retirement Benefit Obligations	**(10,508)**	(26,389)	**(113)**
Unrecognized Actuarial Differences	**7,941**	31,444	**85**
Unrecognized Prior Service Cost	**1,487**	—	**16**
Net Amounts Reported in the Consolidated Balance Sheets	**(1,079)**	5,055	**(12)**
Prepaid Pension Cost	**704**	5,976	**7**
Reserve for Employees' Retirement Benefits	**¥ (1,783)**	¥ (921)	**$ (19)**

Note: Some of the Bank's 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	**2010**	2009
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
Amortization of Unrecognized Prior Service Cost	**10 years**	—

18. Accounting for Income Taxes

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2010**	2009	**2010**
Deferred Tax Assets:			
Reserve for Possible Loan Losses	**¥ 78,917**	¥ 46,785	**$ 849**
Write-off of Loans	**7,168**	8,309	**77**
Losses on Revaluation of Securities	**151,057**	149,907	**1,624**
Reserve for Employees' Retirement Benefits	**8,207**	6,239	**88**
Depreciation Expense	**886**	952	**9**
Net Operating Losses Carried Forward	**—**	37,814	**—**
Unrealized Losses on Other Securities	**143,735**	169,591	**1,546**
Deferred Losses on Hedging Instruments	**3,769**	16,054	**41**
Unrealized Losses on Reclassification	**121,766**	166,412	**1,309**
Other	**79,187**	80,712	**851**
Subtotal	**594,696**	682,781	**6,394**
Valuation Allowance	**(246,178)**	(226,545)	**(2,647)**
Total Deferred Tax Assets	**348,518**	456,235	**3,747**
Deferred Tax Liabilities:			
Gain from Contribution of Securities to Employee Retirement Benefit Trust	**(5,577)**	(5,577)	**(60)**
Unrealized Gains on Other Securities	**(46)**	(44,640)	**(1)**
Deferred Gains on Hedging Instruments	**(20,482)**	(50,832)	**(220)**
Unrealized Gains on Reclassification	**(65,238)**	(70,137)	**(701)**
Other	**(52,643)**	(43,612)	**(566)**
Total Deferred Tax Liabilities	**(143,988)**	(214,799)	**(1,548)**
Net Deferred Tax Assets	**¥204,530**	¥241,435	**$2,199**

19. Acceptances and Guarantees

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2010**	2009	**2010**
Acceptance of Bills of Exchange	**¥ —**	¥ —	**$ —**
Letters of Credit	**3,890**	9,475	**42**
Guarantees	**499,041**	398,193	**5,366**
Total	**¥502,932**	¥407,668	**$5,408**

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 ¥2,524,614 million ($27,146 million) and ¥2,400,293 million as of March 31, 2010 and 2009, respectively. The amount, which the Bank and its consolidated subsidiaries could cancel at any time without penalty, is ¥1,653,804 million ($17,783 million) and ¥1,551,595 million as of March 31, 2010 and 2009, 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

Securities include securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) of ¥162,151 million ($1,744 million) and ¥— as of March 31, 2010 and 2009, respectively.

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 ¥15,369 million ($165 million) and ¥72,575 million as of March 31, 2010 and 2009, respectively, and securities held without re-pledge of ¥739,538 million ($7,952 million) and ¥510,187 million as of March 31, 2010 and 2009, respectively.

22. Paid-in Capital

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2010**	2009	**2010**
Common Stock	**¥3,400,909**	¥3,396,370	**$36,569**
Preferred Stock	**24,999**	24,999	**269**
Total	**¥3,425,909**	¥3,421,370	**$36,838**

The Common Stock account includes Lower Dividend Rate Stock with a total par value of ¥2,975,192 million ($31,991 million) and ¥2,970,653 million as of March 31, 2010 and 2009, 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

	Millions of Yen		Millions of U.S. Dollars
Fiscal years ended March 31	**2010**	2009	**2010**
Income from Trading Securities and Derivatives	**¥106**	¥ 307	**$ 1**
Income from Securities and Derivatives Related to Trading Transactions	**—**	—	**—**
Income from Trading-related Financial Derivatives	**—**	1,432	**—**
Other	**—**	—	**—**
Total	**¥106**	¥1,739	**$ 1**

24. Other Operating Income

	Millions of Yen		Millions of U.S. Dollars
Fiscal years ended March 31	**2010**	2009	**2010**
Gains on Foreign Exchange Transactions	**¥ 3,322**	¥ —	**$ 35**
Gains on Sales of Bonds	**175,839**	57,793	**1,891**
Gains on Redemption of Bonds	**16,454**	2,677	**177**
Gains on Financial Derivatives	**7,548**	3,411	**81**
Other	**44,242**	51,752	**476**
Total	**¥247,406**	¥115,633	**$2,660**

25. Other Income

	Millions of Yen		Millions of U.S. Dollars
Fiscal years ended March 31	**2010**	2009	**2010**
Gains on Sales of Stocks and Other Securities	**¥ 15,359**	¥ 37,329	**$ 165**
Gains on Money Held in Trust	**267,219**	237,425	**2,873**
Equity in Earnings of Affiliates	**—**	—	**—**
Gains on Disposals of Fixed Assets	**216**	193	**3**
Recoveries of Written-off Claims	**2,306**	7,525	**25**
Reversal of Reserve for Possible Loan Losses	**—**	—	**—**
Other	**1,785**	2,990	**19**
Total	**¥286,886**	¥285,464	**$3,085**

26. Trading Expenses

	Millions of Yen		Millions of U.S. Dollars
Fiscal years ended March 31	**2010**	2009	**2010**
Expenses on Trading Securities and Derivatives	**¥ —**	¥ —	**$—**
Expenses on Securities and Derivatives Related to Trading Transactions	**479**	422	**5**
Expenses on Trading-related Financial Derivatives	**297**	—	**3**
Total	**¥776**	¥422	**$ 8**

27. Other Operating Expenses

	Millions of Yen		Millions of U.S. Dollars
Fiscal years ended March 31	**2010**	2009	**2010**
Amortization of Debenture Issuance Costs	**¥ 523**	¥ 670	**$ 6**
Losses on Foreign Exchange Transactions	**—**	71,828	**—**
Losses on Sales of Bonds	**38,693**	105,725	**416**
Losses on Redemption of Bonds	**1**	1,980	**0**
Losses on Revaluation of Bonds	**80,459**	316,632	**865**
Other	**54,047**	41,107	**581**
Total	**¥173,725**	¥537,944	**$1,868**

28. Other Expenses

Fiscal years ended March 31	Millions of Yen 2010	Millions of Yen 2009	Millions of U.S. Dollars 2010
Write-off of Loans	**¥ 12,918**	¥ 9,349	**$ 139**
Provision of Reserve for Possible Loan Losses	**139,337**	70,679	**1,498**
Losses on Sales of Stocks and Other Securities	**2,920**	79,319	**31**
Losses on Revaluation of Stocks and Other Securities	**5,736**	30,073	**62**
Losses on Money Held in Trust	**16,932**	89,917	**182**
Equity in Losses of Affiliates	**48,202**	1,422	**518**
Losses on Disposals of Fixed Assets	**908**	1,231	**10**
Provision of Reserve for Possible Investment Losses	**6,094**	—	**66**
Other	**13,703**	7,618	**147**
Total	**¥246,754**	¥289,612	**$2,653**

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 2010	Millions of Yen 2009	Millions of U.S. Dollars 2010
Cash and Due from Banks	**¥2,195,337**	¥2,773,412	**$23,606**
Less: Interest-bearing Due from Banks	**(1,166,325)**	(1,885,975)	**(12,541)**
Cash and Cash Equivalents at the End of the Fiscal Year	**¥1,029,012**	¥ 887,436	**$11,065**

30. Segment Information

(1) 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.

(2) Segment Information by Geographic Areas

Fiscal year ended March 31, 2010	Millions of Yen Japan	Americas	Europe	Asia	Total	Elimination and Corporate Assets	Consolidated
I. Ordinary Income							
(1) Ordinary Income from Third-parties	**¥ 1,225,787**	**¥ 2,675**	**¥ 18,305**	**¥ 21,269**	**¥ 1,268,037**	**¥ —**	**¥ 1,268,037**
(2) Inter-segment Ordinary Income	**36,409**	**53,608**	**43,510**	**34,621**	**168,149**	**(168,149)**	**—**
Total	**1,262,196**	**56,283**	**61,815**	**55,890**	**1,436,186**	**(168,149)**	**1,268,037**
Ordinary Expenses	**1,210,003**	**36,087**	**57,841**	**55,634**	**1,359,566**	**(168,149)**	**1,191,416**
Ordinary Profits	**52,193**	**20,196**	**3,974**	**256**	**76,620**	**—**	**76,620**
II. Total Assets	**¥73,754,640**	**¥8,825,406**	**¥4,405,537**	**¥3,432,790**	**¥90,418,375**	**¥(21,741,652)**	**¥68,676,723**

Fiscal year ended March 31, 2009	Millions of Yen Japan	Americas	Europe	Asia	Total	Elimination and Corporate Assets	Consolidated
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)	—
Total	1,408,395	86,176	177,840	150,959	1,823,371	(394,123)	1,429,247
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)
II. Total Assets	¥66,426,718	¥6,906,332	¥3,236,050	¥2,780,004	¥79,349,106	¥(16,755,138)	¥62,593,968

Fiscal year ended March 31, 2010	Millions of U.S. Dollars						
	Japan	Americas	Europe	Asia	Total	Elimination and Corporate Assets	Consolidated
I. Ordinary Income							
(1) Ordinary Income from Third-parties	**$ 13,180**	**$ 29**	**$ 197**	**$ 229**	**$ 13,635**	**$ —**	**$ 13,635**
(2) Inter-segment Ordinary Income	**392**	**576**	**468**	**372**	**1,808**	**(1,808)**	**—**
Total	**13,572**	**605**	**665**	**601**	**15,443**	**(1,808)**	**13,635**
Ordinary Expenses	**13,011**	**388**	**622**	**598**	**14,619**	**(1,808)**	**12,811**
Ordinary Profits	**561**	**217**	**43**	**3**	**824**	**—**	**824**
II. Total Assets	**$793,060**	**$94,897**	**$47,371**	**$36,912**	**$972,240**	**$(233,781)**	**$738,459**

Notes: 1. Ordinary Income represents Total Income less certain special income, and Ordinary Expenses represent Total Expenses less certain special expenses.
2. Ordinary Profits (Losses) represent Ordinary Income less Ordinary Expenses.
3. 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 its 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.
4. Americas includes the United States of America and Cayman Islands. Europe includes the United Kingdom and Asia includes the Republic of Singapore.

(3) 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
2010	**¥ 921,174**	**¥1,268,037**	**72.6%**
2009	¥1,027,406	¥1,429,247	71.8%

	Millions of U.S. Dollars		Percentage
2010	**$9,905**	**$13,635**	**72.6%**

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 counterparty. Therefore, segment information by geographic areas has not been presented.

31. Financial Instruments

(1) Particulars of Financial Instruments

a. Policy on Financial Instruments

The Bank is a financial institution which takes as its foundation the Japanese agricultural, forestry, and fisheries industry cooperatives. The Bank mainly raises procurement funds from its cooperative members' deposits (mainly 1 year), issuance of debentures (term 5 years), various financial markets, and invests these funds mainly in loans and securities. The Bank oversees the management of its securities based on the fundamental concept of "globally diversified investment." In terms of geographic area, the Bank invests in Japan, the United States, Europe, and other regions. The Bank classifies its assets as bonds, equities, credit assets, and alternative investments, depending on the investment allocation. The Bank possesses various financial assets and liabilities, and its integrated risk management framework is conducted in concert with its financial management framework (asset and liability management ("ALM"), market portfolio management, credit portfolio management and others). In addition, these include derivative instruments. It is also important to note that in the management of foreign currency assets, the Bank takes steps to limit the foreign exchange rate risk in most of these investments by employing various tools, such as cross-currency swaps.

Some of the Bank's consolidated subsidiaries conduct banking business, mortgage loan business and other business.

b. Contents and Risk of Financial Instruments

The main financial assets of the Bank and its consolidated subsidiaries consist of Loans and Bills Discounted, Securities and Money Held in Trust.

Loans and Bills Discounted are exposed to credit risk. Securities and Money Held in Trust mainly consist of bonds, equities, credit and alternative assets, which are held for held-to maturity, available for sale, and trading purpose. These securities are exposed to the market risk arising from interest rates, currency exchange rates and price fluctuations, as well as the credit and liquidity risk.

The main financial liabilities of the Bank consist of Deposits from members, Debentures, Borrowed Money, Call Money and Payables under Repurchase Agreements. These financial liabilities are exposed to market risk arising from interest rates and currency exchange rates. Procurement fund from the financial markets is exposed to liquidity risk arising from market crashes and other forms of liquidity risk.

Derivative instruments include the transactions accounted for as hedge transactions, as part of our ALM. A portion of interest-related derivative instruments and currency-related derivative instruments are not accounted for as hedge transactions, and are exposed to the market risk arising from interest rates and currency exchange rates.

Ref: Summary of Significant Accounting Policies (3) Financial Instruments c. Hedge Accounting for hedge items and hedge instruments related to hedge accounting, hedge policy and hedge effectiveness

c. Risk Management for Financial Instruments

(a) Integrated Risk Management

The Bank has established its "Basic Policies for Risk Management," which specifies a core risk management framework that quantifies and manages the Bank's risk comprehensively in comparison with its capital, the Bank's financial strength. To implement integrated risk management, the Bank has established the Integrated Risk Management Committee. The Committee also ensures that the total amount of risk undertaken is kept within the Bank's financial strength. The Bank has also established a number of committees which are categorized according to the type of risk they handle, e.g. the Market Portfolio Management Committee (market risk, liquidity risk), the Credit Portfolio Management Committee (credit risk), and Other, to enable top management to discuss risk management policies, including planned risk-taking. The framework also requires the integrated risk management situation to be regularly reported to the Board of Directors.

The Bank's consolidated subsidiaries have managed to align each risk management framework in accordance with the Bank's "Management and Operation Policy for Group Companies," taking account of the Bank's "Basic Policies for Risk Management" as well as the nature of its own business activities and the risk profile.

(b) Credit Risk Management

The Bank has established its "Policies and Procedures for Credit Risk Management" and other rules for credit risk, and manages to align the credit risk management framework with the Bank's internal rating, credit risk analysis, credit ceiling, credit management and others.

As for credit risk assets, which consist of loans and various products for the item, area and business, the Bank comprehensively manages credit risk on an entire credit portfolio basis as well as an individual credit basis for whole credit risk assets.

The Bank's credit risk management framework is comprised of several committees (Including the Integrated Risk Management Committee, the Credit Portfolio Management Committee and other committees), which determine the credit risk management framework as well as credit investment policy. Front sections execute loan transactions and credit investments in accordance with the credit policy and within the credit limits approved by the committees. Middle sections, which are segregated from the front sections, monitor changes in the credit risk portfolio and report them to the committees. Those reports are used for upgrading the risk management framework and for future credit investment planning.

The Bank performs specialized analysis for all outstanding credit according to borrower type, such as cooperatives, corporates, public entities, financial institutions, overseas borrowers and securitized products.

The Internal Audit Division periodically oversees and audits credit risk management, and reports to the Board of Directors.

To mitigate credit over-concentration risk, the Bank has established credit ceiling systems. Total credit exposure for each ceiling category is monitored on a regular basis and controlled to avoid any over-concentration of credit exposure.

(c) Market Risk Management

The Bank has established its "Policies and Procedures for Market Risk Management" and other rules for market risk, and align its market risk management framework with other relevant frameworks, policies and procedures. Specifically, the risk balance of the market portfolio is managed by analyzing and understanding market portfolio conditions based on the degree of market risk measured by the middle sections, including the amount of aggregate risk, risk indicators such as Value at Risk (VaR) and Basis Point Value, and correlation among asset classes. The Bank also analyzes and takes into account its financial position, based on the outlook for economic and financial conditions supported by research into macro-economic factors and the financial markets, simulations of earnings, unrealized gains and losses of the portfolio and the capital adequacy ratio. In principle, market risk measurements cover all financial assets and liabilities in the Bank's portfolio and make use of the Internal Model for the calculation of VaR. Through the investment execution process, the Bank ensures the segregation of duties among divisions in charge for decisions (planning) on allocation policy, execution of individual transactions, and monitoring of risk positions. The Market Portfolio Management Committee sets market portfolio allocation policy, the front sections execute the transactions in accordance with allocation policy, and the middle sections conduct monitoring. From a risk management perspective, the front sections executing trades for the trading accounts are explicitly separated from the front sections executing trades for the Banking accounts. Targets for profits, and position and loss limits are revised semi-annually. Progress in achieving profit targets within approved limits is monitored on a daily basis. When positions or losses exceed approved limits, the middle sections alert the front sections to take appropriate action, which includes preparing corrective measures, reducing trading volumes, or suspending trading altogether.

(d) Liquidity Risk Management

The Bank manages liquidity risk in accordance with its "Policies and Procedures for Liquidity Risk Management." Considering the profiles of the Bank's ALM together with the relatively less liquid assets that it holds, the Bank takes initiatives to diversify and enhance the varieties of funding instruments, placing emphasis on the stability of cash flows. Cash flow management is conducted on an aggregate basis by the head office, for each currency, funding instrument and funding operation center. The cash flow management plan is approved by the Market Portfolio Management Committee.

d. Supplementary Explanations for the Fair Value of Financial Instruments and Other Items

The fair value of financial instruments is based on the quoted market price or a reasonably estimated amount, if the quoted market price is not available. As the reasonably estimated amounts are calculated based on certain assumptions, these estimates could be significantly affected by different assumptions.

(2) Disclosures Regarding the Fair Value of Financial Instruments and Other Items

"Consolidated Balance Sheet Amount," "Fair Value" and "Difference" as of March 31, 2010 are as follows:

Unlisted stocks and other financial instruments, the fair value of which is extremely difficult to determine, is excluded from the table below. (ref. Note 2)

	Millions of Yen			Millions of U.S. Dollars		
Fiscal year ended March 31, 2010	Consolidated Balance Sheet Amount	Fair Value	Difference	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and Due from Banks	¥ 2,195,337	¥ 2,195,337	¥ —	$ 23,606	$ 23,606	$ —
(2) Call Loans and Bills Bought	1,336,137	1,336,137	—	14,367	14,367	—
(3) Monetary Claims Bought (*1)	437,417	437,454	37	4,704	4,704	0
(4) Trading Assets (*2)						
Trading Securities	78	78	—	1	1	—
(5) Money Held in Trust (*1)						
Money Held in Trust for Trading Purpose	8,551	8,551	—	92	92	—
Other Money Held in Trust	6,540,639	6,563,386	22,746	70,329	70,574	245
(6) Securities						
Held-to-Maturity Debt Securities	15,606,157	16,007,662	401,504	167,808	172,125	4,317
Other Securities	27,515,174	27,515,174	—	295,862	295,862	—
(7) Loans and Bills Discounted	13,097,635			140,835		
Reserve for Possible Loan Losses (*1)	(213,692)			(2,298)		
	12,883,942	12,947,624	63,681	138,537	139,222	685
Total Assets	¥66,523,437	¥67,011,407	¥487,970	$715,306	$720,553	$5,247
(1) Deposits	¥39,101,635	¥39,101,955	¥319	$420,448	$420,451	$3
(2) Negotiable Certificates of Deposit	702,799	702,799	—	7,557	7,557	—
(3) Debentures	5,605,767	5,698,771	93,004	60,277	61,277	1,000
(4) Call Money and Bills Sold	948,151	948,151	—	10,195	10,195	—
(5) Payables under Repurchase Agreements	9,667,031	9,667,031	—	103,947	103,947	—
(6) Borrowed Money	2,043,307	2,043,307	—	21,971	21,971	—
(7) Short-term Entrusted Funds	4,277,171	4,277,171	—	45,991	45,991	—
Total Liabilities	¥62,345,864	¥62,439,188	¥ 93,323	$670,386	$671,389	$1,003
Derivative Instruments (*3)						
Transactions not accounted for as hedge transactions	¥ 1,818	¥ 1,818	¥ —	$ 20	$ 20	$ —
Transactions accounted for as hedge transactions	(284,536)	(284,536)	—	(3,060)	(3,060)	—
Total Derivative Instruments	¥ (282,717)	¥ (282,717)	¥ —	$ (3,040)	$ (3,040)	$ —

(*) 1. Monetary Claims Bought, Money Held in Trust and Loans and Bills Discounted are net of Reserve for Possible Loan Losses. Monetary Claims Bought and Money Held in Trust are presented by net on the consolidated balance sheet as the reserve amounts are immaterial.
2. Derivative instruments are excluded from Trading Assets.
3. Derivative instruments within Trading Assets, Trading Liability, Other Assets and Other Liabilities are shown by net position. Receivables and payables which arise from Derivative Instruments are shown on a net basis.

(Note 1) Calculation Methods for the Fair Value of Financial Instruments are as follows:

Assets

(1) Cash and Due from Banks

For Due from Banks without stated maturity, fair value approximates the carrying value. For Due from Banks with stated maturity, as the contractual terms are short-term (1 Year or Less), fair value approximates the carrying value. Concerning negotiable certificates of deposit, fair value is determined based on reasonably estimated amounts at the end of the fiscal year. The reasonably estimated amounts of negotiable certificates of deposit are calculated according to the Discounted Cash Flow method. The price-determining variable is the over-the-counter rate.

(2) Call Loans and Bills Bought

These contractual terms are short-term (1 Year or Less), and fair value approximates the carrying value.

(3) Monetary Claims Bought

Monetary Claims Bought are valued based on the quoted prices provided by brokers or venders.

(4) Trading Assets

Trading Securities are valued based on the closing price at the exchange or quoted price provided by the corresponding financial institution.

(5) Money Held in Trust

Loans and Bills Discounted and Securities included in Money Held in Trust are valued according to the same methods described in (6) and (7) below.

Relevant notes concerning the fair value of money held in trust of each classification are described in section 33. Fair Value of Money Held in Trust.

(6) Securities

Regarding the valuation of stocks, fair value is based on the closing price at the exchange. With respect to investment trusts, fair value is based on the net asset value (“NAV”) published or the quoted prices provided by brokers or venders. As for bonds, fair value is based on the quoted market price if available, reasonably estimated amounts (using the Discounted Cash Flow method and other methods of valuation), or the quoted prices provided by brokers or venders.

As for corporate bonds issued through private offerings, the fair value is based on reasonably estimated amounts which are calculated according to the Discounted Cash Flow method. The price-determining variables include the default rates based on each credit rating, recovery rates and other variables.

Concerning floating-rate Japanese government bonds which are rarely traded in the current market, the Bank continues to determine that market prices are not deemed as fair value, and that the fair value of these bonds is based on reasonably estimated amounts at the end of the fiscal year, which are calculated according to the Discounted Cash Flow method. The price-determining variables include the yield of Japanese government bonds, swaption volatilities and other variables.

As for reasonably estimated amounts of some securitized products calculated according to the Discounted Cash Flow method, after considering the current market activity, the Bank determined that the estimates need to reflect the quoted prices provided by brokers or venders. The estimates for the valuations of some securitized products are calculated according to both the prices calculated by the Discounted Cash Flow method, using variables such as default rates, recovery rates, pre-payment rates, discount rates and other variables, and the quoted prices provided by brokers or venders at the end of the fiscal year. The effect of this change on the Consolidated Balance Sheet Amount is immaterial.

As for investments for “Partnership” and “Limited Partnership” (“Investments in Partnership and Others”), fair value is based on the share of NAV which is valued assets of “Partnership” or “Limited Partnership,” if available.

Relevant notes about the fair value of securities of each classification are described in section 32. Fair Value of Securities.

(7) Loans and Bills Discounted

The carrying value of Loans and Bills Discounted with floating rates approximates the fair value since they are repriced reflecting market interest fluctuations within a short period, unless the creditworthiness of the debtors has been revised. Accordingly, the carrying value is deemed to be the fair value. As for Loans and Bills Discounted with fixed rates, the fair value is calculated according to the Discounted Cash Flow method. The price-determining variables include the default rates based on each credit rating, recovery rates, and other variables. As for mortgages, the fair value is calculated according to the Discounted Cash Flow method. The price-determining variables include the default rates, recovery rates, pre-payment rates and other variables.

As for Loans and Bills Discounted to doubtful debtors and others, the reserves for those assets are provided by the amount not expected to be recovered based on the present value of expected future cash flows or the recovery amount of collateral and guarantee. Accordingly, the carrying values net of the reserve approximate the fair value.

As for Loans and Bills Discounted without stated maturity, for which credit is extended up to the value of the collateral assets, the carrying value is deemed to approximate the fair value, taking into account expected maturity, interest rates and other terms.

Liability

(1) Deposits

With respect to demand deposits, the payment amounts required on the consolidated balance sheet date (the carrying value) are estimated at the fair value. Time deposits are calculated according to the Discounted Cash Flow method, and these discount rates are the currently-applied deposit rates. Some contractual terms are short-term (1 Year or Less), and fair value approximates the carrying value.

(2) Negotiable Certificates of Deposit

These contractual terms are short-term (1 Year or Less), and fair value approximates the carrying value.

(3) Debentures

As for Debentures, fair value is based on the quoted market price if available, or calculated according to the Discounted Cash Flow method. The price-determining variable of this method is the rate which would be applied if a similar debenture was issued.

(4) Call Money and Bills Sold, (5) Payables under Repurchase Agreements, (7) Short-term Entrusted Funds

These contractual terms are short-term (1 Year or Less), and the fair value approximates the carrying value.

(6) Borrowed Money

The carrying value of Borrowed Money with floating rates approximates the fair value since it is repriced reflecting market interest rate fluctuations within a short period (1 Year or Less), unless the creditworthiness of the Bank and consolidated subsidiaries has changed. Accordingly, the carrying value is deemed to be the fair value. Some contractual terms are short-term (1 Year or Less), and the fair value approximates the carrying value.

Derivative Instruments

Derivative instruments include interest rate-related derivative instruments (interest rate swaps and others) and currency-related derivative instruments (currency swaps and others). The fair value is based on the closing price at the exchange, a discounted net present value model, an option pricing model or other models as appropriate.

The accrual method of hedge accounting, as specifically permitted for certain interest rate swaps, is valued with the valuation of hedge items, so that the fair value is included in the fair value of Loans and Bills Discounted and other items.

Relevant notes regarding the fair value of derivative Instruments are described in section 34. Fair Value of Derivative Instruments.

(Note 2) The following table lists financial instruments, the fair value of which is extremely difficult to determine:
"Assets (6) Other Securities" of fair value of financial instruments exclude the transactions of the table below.

As of March 31, 2010	Millions of Yen	Millions of U.S. Dollars
Unlisted Stocks (*1) (*4)	**¥188,987**	**$2,032**
Bonds (*2)	**292,292**	**3,143**
Investments in Partnership and Others (*3)	**388,757**	**4,180**
Total	**¥870,036**	**$9,355**

(*) 1. Unlisted Stocks are excluded from "Disclosures Regarding the Fair Value of Financial Instruments and Other Items," since there are no market prices and their fair value is extremely difficult to determine.
2. Out of Bonds (include foreign bonds), real estate backed bonds, which are extremely difficult to estimate cash flow and to determine fair value, are excluded from "Disclosures Regarding the Fair Value of Financial Instruments and Other Items." With respect to doubtful bonds, the Bank has set aside Reserve for Possible Loan Losses of ¥61,165 million ($658 million), in accordance with the Bank's internal rules.
3. Out of Investments in Partnership and Others, certain "Partnership" or "Limited Partnership" whose fair value is extremely difficult to determine are excluded from "Disclosures Regarding the Fair Value of Financial Instruments and Other Items."
4. The amount of revaluation losses for Unlisted Stocks was ¥4,345 million ($47 million).

(Note 3) The redemption schedule of money claims and securities with stated maturities after the consolidated balance sheet date is as follows:

	Millions of Yen					
As of March 31, 2010	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Due from Banks (*1)	¥ 2,041,689	¥ —	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	1,336,137	—	—	—	—	—
Monetary Claims Bought	726	109,499	52,813	36,959	—	302,058
Securities						
Held-to-Maturity Debt Securities	234,449	3,339,520	2,902,397	889,891	3,253,291	5,274,566
Other Securities held that have Maturity	9,408,058	4,468,482	3,155,671	1,013,024	795,977	1,517,635
Loans and Bills Discounted (*2)	9,657,188	1,629,250	1,295,075	224,266	158,452	117,047
Total	¥22,678,250	¥9,546,753	¥7,405,958	¥2,164,142	¥4,207,721	¥7,211,307

	Millions of U.S. Dollars					
As of March 31, 2010	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Due from Banks (*1)	$ 21,953	$ —	$ —	$ —	$ —	$ —
Call Loans and Bills Bought	14,367	—	—	—	—	—
Monetary Claims Bought	8	1,177	568	397	—	3,248
Securities						
Held-to-Maturity Debt Securities	2,521	35,909	31,209	9,569	34,981	56,716
Other Securities held that have Maturity	101,162	48,048	33,932	10,893	8,559	16,319
Loans and Bills Discounted (*2)	103,841	17,519	13,925	2,411	1,704	1,258
Total	$243,852	$102,653	$79,634	$23,270	$45,244	$77,541

(*) 1. Demand deposits within Due from Banks are included in the entry for "1 Year or Less."
2. Loans and Bills Discounted, overdrafts and other loans without stated maturity, are included in the entry for "1 Year or Less."
Debtors in bankruptcy, debtors in default, loans to doubtful debtors and others of ¥16,354 million ($176 million), for which the redemption date cannot be estimated, are excluded from the table above.

(Note 4) The redemption schedule of borrowed money and other Interest-bearing liabilities after the consolidated balance sheet date is as follows:

	Millions of Yen					
As of March 31, 2010	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Deposits (*1)	¥39,076,782	¥ 15,872	¥ 8,980	¥—	¥—	¥ —
Negotiable Certificates of Deposit	702,799	—	—	—	—	—
Debentures	1,021,538	2,413,092	2,171,130	6	—	—
Call Money and Bills Sold	948,151	—	—	—	—	—
Payables under Repurchase Agreements	9,667,031	—	—	—	—	—
Borrowed Money (*2)	552,300	5,000	—	—	—	1,486,007
Short-term Entrusted Funds	4,277,171	—	—	—	—	—
Total	¥56,245,774	¥2,433,964	¥2,180,111	¥ 6	¥—	¥1,486,007

	Millions of U.S. Dollars					
As of March 31, 2010	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Deposits (*1)	$420,180	$ 171	$ 97	$—	$—	$ —
Negotiable Certificates of Deposit	7,557	—	—	—	—	—
Debentures	10,984	25,947	23,345	0	—	—
Call Money and Bills Sold	10,195	—	—	—	—	—
Payables under Repurchase Agreements	103,947	—	—	—	—	—
Borrowed Money (*2)	5,939	54	—	—	—	15,979
Short-term Entrusted Funds	45,991	—	—	—	—	—
Total	$604,793	$26,172	$23,442	$ 0	$—	$15,979

(*) 1. Demand deposits within Deposits are included in the entry for "1 Year or Less."
2. Permanent subordination borrowing within Borrowed Money are included in the entry for "Over 10 Years."

32. Fair Value of Securities

For the Fiscal Year Ended March 31, 2010

Trading Securities

As of March 31, 2010	Millions of Yen Unrealized Gain Recognized as Income	Millions of U.S. Dollars Unrealized Gain Recognized as Income
Trading Securities	**¥0**	**$0**

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

Held-to-Maturity Debt Securities

		Millions of Yen		
As of March 31, 2010	Type	Consolidated Balance Sheet Amount	Fair Value	Difference
Transactions for Fair Value exceeded Consolidated Balance Sheet Amount	Japanese Government Bonds	**¥ 7,600,268**	**¥ 7,843,348**	**¥243,079**
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	**5,947,829**	**6,211,558**	**263,728**
	Foreign Bonds	**5,947,829**	**6,211,558**	**263,728**
	Sub total	**13,548,098**	**14,054,906**	**506,808**
Transactions for Fair Value not exceeded Consolidated Balance Sheet Amount	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	**2,058,059**	**1,952,755**	**(105,303)**
	Foreign Bonds	**2,058,059**	**1,952,755**	**(105,303)**
	Sub total	**2,058,059**	**1,952,755**	**(105,303)**
	Total	**¥15,606,157**	**¥16,007,662**	**¥401,504**

		Millions of U.S. Dollars		
As of March 31, 2010	Type	Consolidated Balance Sheet Amount	Fair Value	Difference
Transactions for Fair Value exceeded Consolidated Balance Sheet Amount	Japanese Government Bonds	**$ 81,723**	**$ 84,337**	**$2,614**
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	**63,955**	**66,791**	**2,836**
	Foreign Bonds	**63,955**	**66,791**	**2,836**
	Sub total	**145,678**	**151,128**	**5,450**
Transactions for Fair Value not exceeded Consolidated Balance Sheet Amount	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	**22,130**	**20,997**	**(1,133)**
	Foreign Bonds	**22,130**	**20,997**	**(1,133)**
	Sub total	**22,130**	**20,997**	**(1,133)**
	Total	**$167,808**	**$172,125**	**$4,317**

Other Securities

As of March 31, 2010	Type	Millions of Yen		
		Consolidated Balance Sheet Amount	Acquisition Cost	Difference
Transactions for Consolidated Balance Sheet Amount exceeded Acquisition Cost	Stocks	¥ 312,310	¥ 197,125	¥ 115,184
	Bonds	1,256,998	1,256,721	277
	Japanese Government Bonds	1,205,194	1,205,048	145
	Municipal Government Bonds	660	628	32
	Corporate Bonds	51,143	51,044	99
	Other	12,106,101	11,769,715	336,385
	Foreign Bonds	9,116,203	8,960,169	156,034
	Foreign Stocks	—	—	—
	Investment Trusts	2,916,670	2,737,149	179,520
	Other	73,228	72,397	830
	Sub total	13,675,410	13,223,562	451,847
Transactions for Consolidated Balance Sheet Amount not exceeded Acquisition Cost	Stocks	97,612	121,645	(24,032)
	Bonds	5,459,988	5,463,153	(3,165)
	Japanese Government Bonds	5,332,075	5,332,655	(580)
	Municipal Government Bonds	392	395	(3)
	Corporate Bonds	127,519	130,102	(2,582)
	Other	8,746,664	9,724,125	(977,461)
	Foreign Bonds	3,195,318	3,396,646	(201,327)
	Foreign Stocks	29,621	32,392	(2,771)
	Investment Trusts	4,775,910	5,534,961	(759,050)
	Other	745,813	760,125	(14,312)
	Sub total	14,304,265	15,308,924	(1,004,659)
	Total	¥27,979,675	¥28,532,487	¥ (552,812)

As of March 31, 2010	Type	Millions of U.S. Dollars		
		Consolidated Balance Sheet Amount	Acquisition Cost	Difference
Transactions for Consolidated Balance Sheet Amount exceeded Acquisition Cost	Stocks	$ 3,359	$ 2,120	$ 1,239
	Bonds	13,516	13,513	3
	Japanese Government Bonds	12,959	12,957	2
	Municipal Government Bonds	7	7	0
	Corporate Bonds	550	549	1
	Other	130,173	126,556	3,617
	Foreign Bonds	98,024	96,346	1,678
	Foreign Stocks	—	—	—
	Investment Trusts	31,362	29,432	1,930
	Other	787	778	9
	Sub total	147,048	142,189	4,859
Transactions for Consolidated Balance Sheet Amount not exceeded Acquisition Cost	Stocks	1,050	1,308	(258)
	Bonds	58,709	58,744	(35)
	Japanese Government Bonds	57,334	57,341	(7)
	Municipal Government Bonds	4	4	(0)
	Corporate Bonds	1,371	1,399	(28)
	Other	94,050	104,560	(10,510)
	Foreign Bonds	34,358	36,523	(2,165)
	Foreign Stocks	319	348	(29)
	Investment Trusts	51,354	59,516	(8,162)
	Other	8,019	8,173	(154)
	Sub total	153,809	164,612	(10,803)
	Total	$300,857	$306,801	$ (5,944)

Notes: 1. The above analysis of Other Securities includes Securities, negotiable certificates of deposit disclosed as Cash and Due from Banks and trust beneficiary interest in Monetary Claims Bought in the consolidated balance sheet.
2. Investment Trusts include Japanese trusts and Foreign trusts.

Held-to-Maturity Debt Securities Sold during Fiscal Year

	Millions of Yen			Millions of U.S. Dollars		
Fiscal year ended March 31, 2010	Sales Costs	Sales Proceeds	Losses on Sales	Sales Costs	Sales Proceeds	Losses on Sales
Japanese Government Bonds	¥ —	¥ —	¥ —	$ —	$ —	$ —
Other	20,328	12,373	(7,955)	219	133	(86)
Foreign Bonds	20,328	12,373	(7,955)	219	133	(86)
Total	¥20,328	¥12,373	¥(7,955)	$219	$133	$(86)

Cause for Sales: Serious deterioration for the credit standing of bond.

Other Securities Sold during the Fiscal Year

	Millions of Yen			Millions of U.S. Dollars		
Fiscal year ended March 31, 2010	Sales Proceeds	Gains on Sales	Losses on Sales	Sales Proceeds	Gains on Sales	Losses on Sales
Stocks	¥ 27,717	¥ 15,025	¥ 2,756	$ 298	$ 162	$ 30
Bonds	2,507,836	55,268	10,029	26,966	594	108
Japanese Government Bonds	2,451,444	52,739	—	26,359	567	—
Municipal Government Bonds	6,667	106	3	72	1	0
Corporate Bonds	49,723	2,422	10,025	535	26	108
Other	710,314	79,642	38,642	7,638	856	415
Foreign Bonds	702,340	79,301	38,423	7,552	853	413
Foreign Stocks	5,821	328	153	63	3	2
Investment Trusts	683	1	53	7	0	0
Other	1,469	11	12	16	0	0
Total	¥3,245,868	¥149,936	¥51,427	$34,902	$1,612	$553

Securities Reclassified to Held-to-Maturity

	Millions of Yen			Millions of U.S. Dollars		
As of March 31, 2010	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	¥7,832,669	¥7,589,728	¥141,224	$84,222	$81,610	$1,519
Other	6,259,835	6,106,456	(266,167)	67,310	65,661	(2,862)
Foreign Bonds	6,259,835	6,106,456	(266,167)	67,310	65,661	(2,862)

Securities Recognized for Revaluation Loss

Certain securities (other than trading purpose) which have readily determinable fair values are revalued to their fair value, and the difference between the acquisition cost (and other) and the fair value is treated as a realized loss for the fiscal year ended March 31, 2010 ("revaluation loss"), if the fair value has significantly deteriorated from the acquisition cost (and other), and unless a recovery in the fair value is deemed probable.

The amount of revaluation loss for the fiscal year was ¥87,194 million ($938 million) (including ¥1,390 million ($15 million) on Stocks, ¥545 million ($6 million) on Corporate Bonds, ¥79,913 million ($859 million) on Foreign Bonds and ¥5,344 million ($58 million) on Other).

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 (and other)

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

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

As of March 31, 2009	Millions of U.S. Dollars				
	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

As of March 31, 2009	Millions of Yen				
	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

As of March 31, 2009	Millions of U.S. Dollars				
	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 (including ¥15,051 million on Stocks, ¥281,696 million on Foreign Bonds, ¥4,135 million on Foreign Stocks, and ¥34,946 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 some of foreign bonds, such as securitized products, which are rarely traded in the current market, the Bank determined that the quoted prices provided by brokers or venders 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 the valuation using the broker or vender prices, Securities and Net Unrealized Gains on Other Securities increased by ¥1,094,767 million and ¥501,260 million , respectively, and Other Operating Expenses and Loss before Income Taxes and Minority Interests decreased by ¥593,506 million , respectively.
Reasonably estimated amounts of such foreign bonds are calculated according to the Discounted Cash Flow method. The price-determining variables include default rates, recovery rates, pre-payment rates, discount rates and other variables.
Concerning floating-rate Japanese government bonds which are rarely traded 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 the valuation using the market prices, Securities and Net Unrealized Gains on Other Securities increased by ¥425,664 million , respectively.
Reasonably estimated amounts of floating-rate Japanese government bonds are calculated according to the Discounted Cash Flow method. The price-determining variables include the yield of Japanese government bonds, swaption volatilities and other variables.

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 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 and ¥2,143,399 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.

	Millions of Yen			Millions of U.S. Dollars		
As of March 31, 2009	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)

33. Fair Value of Money Held in Trust

For the Fiscal Year Ended March 31, 2010

Money Held in Trust for Trading Purpose

	Millions of Yen		Millions of U.S. Dollars	
As of March 31, 2010	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
Money Held in Trust for Trading Purpose	**¥8,551**	**¥321**	**$92**	**$3**

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

	Millions of Yen				
As of March 31, 2010	Consolidated Balance Sheet Amount	Acquisition Cost	Net Unrealized Gain/Loss	Transactions for Consolidated Balance Sheet Amount exceeded Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeded Acquisition Cost
Other Money Held in Trust	**¥6,548,064**	**¥6,419,450**	**¥128,614**	**¥168,161**	**¥39,547**

	Millions of U.S. Dollars				
As of March 31, 2010	Consolidated Balance Sheet Amount	Acquisition Cost	Net Unrealized Gain/Loss	Transactions for Consolidated Balance Sheet Amount exceeded Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeded Acquisition Cost
Other Money Held in Trust	**$70,409**	**$69,026**	**$1,383**	**$1,808**	**$425**

Note: "Transactions for Consolidated Balance Sheet Amount exceeded Acquisition Cost" and "Transactions for Consolidated Balance Sheet Amount not exceeded Acquisition Cost" of "Net Unrealized Gain/Loss" is gross valuation of the difference between the acquisition cost and the consolidated balance sheet amount.

For the Fiscal Year Ended March 31, 2009

Money Held in Trust for Trading Purpose

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

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		
As of March 31, 2009			Net	Gross Gain	Gross Loss
Other Money Held in Trust	¥5,697,430	¥5,650,978	¥(46,452)	¥138,323	¥184,775

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

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.

34. Fair Value of Derivative Instruments

For the Fiscal Year Ended March 31, 2010

(1) Derivative Instruments not accounted for as hedges

Regarding the Derivative instruments which are not accounted for as hedge transactions, Contract Amount or Notional Amount, Fair Value and Unrealized Gain or Loss for each type of derivative transactions, respectively, at the end of the consolidated balance sheet date, and Determination of fair value are as follows.

Contract Amount or Notional Amount does not show itself market risk of derivative instruments.

Interest Rate-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
As of March 31, 2010	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								
Interest Rate Futures:								
Sold	**¥1,843,813**	**¥ 13,806**	**¥ 841**	**¥ 841**	**$19,826**	**$ 148**	**$ 9**	**$ 9**
Purchased	**1,124,107**	**20,448**	**(323)**	**(323)**	**12,087**	**220**	**(3)**	**(3)**
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Forward Rate Agreements:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps:								
Rec.: Fix.-Pay.: Flt.	**510,243**	**371,820**	**12,777**	**12,777**	**5,486**	**3,998**	**137**	**137**
Rec.: Flt.-Pay.: Fix.	**493,608**	**374,122**	**(12,455)**	**(12,455)**	**5,308**	**4,023**	**(134)**	**(134)**
Rec.: Flt.-Pay.: Flt.	**61,800**	**41,800**	**81**	**81**	**665**	**449**	**1**	**1**
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	**¥ /**	**¥ /**	**¥ 921**	**¥ 921**	**$ /**	**$ /**	**$ 10**	**$ 10**

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations.
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			
As of March 31, 2010	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	**¥ —**	**¥ —**	**¥ —**	**¥ —**	**$ —**	**$—**	**$—**	**$—**
Purchased	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Currency Options:								
Sold	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Purchased	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Over-the-counter Transactions								
Currency Swaps	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Forwards:								
Sold	**445,336**	**4,207**	**(3,820)**	**(3,820)**	**4,789**	**45**	**(41)**	**(41)**
Purchased	**854,993**	**4,206**	**4,645**	**4,645**	**9,193**	**45**	**50**	**50**
Currency Options:								
Sold	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Purchased	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Other:								
Sold	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Purchased	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total	**¥ /**	**¥ /**	**¥ 824**	**¥ 824**	**$ /**	**$ /**	**$ 9**	**$ 9**

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations.
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			
As of March 31, 2010	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**	**—**	**—**	**11**	**11**	**—**	**—**
Total	**¥ /**	**¥ /**	**¥—**	**¥—**	**$ /**	**$ /**	**$—**	**$—**

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations.
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

As of March 31, 2010	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								
Bond Futures:								
Sold	**¥ 1,851**	**¥—**	**¥ 4**	**¥ 4**	**$ 20**	**$—**	**$ 0**	**$ 0**
Purchased	—	—	—	—	—	—	—	—
Bond Futures Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Bond Options:								
Sold	**148,800**	—	**68**	**(485)**	**1,600**	—	**1**	**(5)**
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	**¥ /**	**¥ /**	**¥72**	**¥(481)**	**$ /**	**$ /**	**$ 1**	**$ (5)**

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations.
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, 2010.

Credit Derivative Instruments

As of March 31, 2010	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
Over-the-counter Transactions								
Credit Default Swaps:								
Sold	¥ —	¥ —	¥—	¥—	$ —	$ —	$—	$—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	**12,500**	**12,500**	—	—	**134**	**134**	—	—
Total	**¥ /**	**¥ /**	**¥—**	**¥—**	**$ /**	**$ /**	**$—**	**$—**

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations. As for Derivative transactions which are listed on "Other" of "Over-the-counter Transactions," these transactions are excluded from the consolidated balance sheet and consolidated statement of operations, since there are no market prices and their fair value is extremely difficult to determine.
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.

(2) Derivative Instruments accounted for as hedges

Regarding the Derivative instruments which are accounted for as hedge transactions, Contract Amount or Notional Amount, and Fair Value for each type of derivative transactions, respectively, at the end of the consolidated balance sheet date, and Determination of fair value are as follows.

Contract Amount or Notional Amount does not show itself market risk of derivative instruments.

Interest Rate-Related Derivative Instruments

As of March 31, 2010

			Millions of Yen			Millions of U.S. Dollars		
Method of Hedges	Type of Derivative Instruments	Hedge Items	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Contract Amount or Notional Amount	Over 1 Year	Fair Value
The Deffered Method	Interest Rate Swaps (Rec.: Fix.-Pay.: Flt.)	Debentures and Others	**¥1,017,184**	**¥813,474**	**¥33,747**	**$10,937**	**$8,747**	**$363**
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted and Others	**64,151**	**58,930**	Notes 3	**690**	**634**	Notes 3
Total			**¥ /**	**¥ /**	**¥33,747**	**$ /**	**$ /**	**$363**

Notes: 1. Primarily, the Bank applies the deferred method of hedge accounting 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).

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.

3. The accrual method of hedge accounting, as specifically permitted for certain interest rate swaps, is valued with the valuation of hedge items, so that the fair value is included in the fair value of Loans and Bills Discounted and other items (Ref: 31. Financial Instruments (2) Disclosures Regarding the Fair Value of Financial Instruments and Other Items).

Currency-Related Derivative Instruments

As of March 31, 2010

			Millions of Yen			Millions of U.S. Dollars		
Method of Hedges	Type of Derivative Instruments	Hedge Items	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Contract Amount or Notional Amount	Over 1 Year	Fair Value
The Deffered Method	Currency Swaps	Foreign Currency Denominated Securities and Others	**¥8,063,437**	**¥3,291,202**	**¥(180,302)**	**$86,704**	**$35,389**	**$(1,939)**
	Forex Forward		**5,607,562**	**—**	**(137,980)**	**60,296**	**—**	**(1,483)**
Total			**¥ /**	**¥ /**	**¥(318,283)**	**$ /**	**$ /**	**$(3,422)**

Notes: 1. Primarily, the Bank applies the deferred method of hedge accounting 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).

2. Determination of fair value:
Fair value is determined based on the discounted net present value model.

Stock-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Stock-Related Derivative Instruments as of March 31, 2010.

Bond-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of March 31, 2010.

For the Fiscal Year Ended March 31, 2009

Interest Rate-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
As of March 31, 2009	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								
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	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥33,366	¥33,366	$ /	$ /	$340	$340

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement 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, 2009	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
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	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥998	¥998	$ /	$ /	$10	$10

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement 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, 2009	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	—	—
Total	¥ /	¥ /	¥—	¥—	$ /	$ /	$—	$—

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement 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

As of March 31, 2009	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								
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	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥ (7)	¥ (7)	$ /	$ /	$ (0)	$ (0)

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement 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

As of March 31, 2009	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
Over-the-counter Transactions								
Credit Default Swaps:								
Sold	¥91,585	¥91,585	¥(7,221)	¥(7,221)	$932	$932	$(74)	$(74)
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥(7,221)	¥(7,221)	$ /	$ /	$(74)	$(74)

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement 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.

35. The Norinchukin Bank (Parent Company)

(1) Non-consolidated Balance Sheets

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2010**	2009	**2010**
Assets			
Cash and Due from Banks	**¥ 2,180,393**	¥ 2,763,329	**$ 23,445**
Call Loans	**1,336,137**	1,155,692	**14,367**
Receivables under Securities Borrowing Transactions	**—**	140,422	**—**
Monetary Claims Bought	**490,182**	646,139	**5,271**
Trading Assets	**13,054**	24,842	**140**
Money Held in Trust	**6,555,624**	5,653,984	**70,491**
Securities	**44,013,720**	39,558,840	**473,266**
Loans and Bills Discounted	**13,038,081**	10,947,810	**140,194**
Foreign Exchange Assets	**12,925**	81,703	**139**
Other Assets	**381,057**	932,219	**4,097**
Tangible Fixed Assets	**141,131**	132,562	**1,518**
Intangible Fixed Assets	**53,191**	31,959	**572**
Deferred Tax Assets	**202,355**	238,848	**2,176**
Customers' Liabilities for Acceptances and Guarantees	**354,512**	383,950	**3,812**
Reserve for Possible Loan Losses	**(295,778)**	(192,922)	**(3,180)**
Reserve for Possible Investment Losses	**(6,199)**	(103)	**(67)**
Total Assets	**¥68,470,391**	¥62,499,278	**$736,241**
Liabilities and Net Assets			
Liabilities			
Deposits	**¥39,108,744**	¥37,501,564	**$420,524**
Negotiable Certificates of Deposit	**702,799**	321,249	**7,557**
Debentures	**5,611,743**	5,255,031	**60,341**
Call Money	**948,151**	510,000	**10,195**
Payables under Repurchase Agreements	**9,667,031**	4,606,862	**103,947**
Payables under Securities Lending Transactions	**98,543**	530,276	**1,060**
Trading Liabilities	**12,576**	13,725	**135**
Borrowed Money	**2,284,402**	5,873,611	**24,564**
Foreign Exchange Liabilities	**1**	51	**0**
Short-term Entrusted Funds	**4,277,171**	4,077,454	**45,991**
Other Liabilities	**1,449,309**	930,267	**15,584**
Reserve for Bonus Payments	**3,621**	3,495	**39**
Reserve for Retirement Benefits	**899**	—	**10**
Reserve for Directors' Retirement Benefits	**764**	616	**8**
Deferred Tax Liabilities for Land Revaluation	**18,439**	18,819	**198**
Acceptances and Guarantees	**354,512**	383,950	**3,812**
Total Liabilities	**64,538,714**	60,026,977	**693,965**
Net Assets			
Paid-in Capital	**3,425,909**	3,421,370	**36,838**
Capital Surplus	**25,020**	25,020	**269**
Retained Earnings	**818,500**	788,100	**8,801**
Total Owners' Equity	**4,269,430**	4,234,491	**45,908**
Net Unrealized Losses on Other Securities, net of taxes	**(406,661)**	(1,871,867)	**(4,373)**
Net Deferred Gains on Hedging Instruments, net of taxes	**36,940**	76,870	**397**
Revaluation Reserve for Land, net of taxes	**31,968**	32,807	**344**
Total Valuation and Translation Adjustments	**(337,752)**	(1,762,190)	**(3,632)**
Total Net Assets	**3,931,677**	2,472,301	**42,276**
Total Liabilities and Net Assets	**¥68,470,391**	¥62,499,278	**$736,241**

(2) Non-consolidated Statements of Operations

	Millions of Yen		Millions of U.S. Dollars
For the fiscal years ended March 31	**2010**	2009	**2010**
Income			
Interest Income:	**¥ 714,561**	¥1,013,410	**$ 7,684**
Interest on Loans and Bills Discounted	**98,426**	121,898	**1,059**
Interest and Dividends on Securities	**566,443**	815,150	**6,091**
Interest on Call Loans and Bills Bought	**4,788**	17,015	**51**
Interest on Receivables under Resale Agreements	**60**	2,032	**1**
Interest on Receivables under Securities Borrowing Transactions	**583**	4,772	**6**
Interest on Due from Banks	**7,426**	42,193	**80**
Other Interest Income	**36,832**	10,348	**396**
Fees and Commissions	**12,758**	12,346	**137**
Trading Income	**106**	1,739	**1**
Other Operating Income	**245,431**	111,449	**2,639**
Other Income	**286,543**	287,810	**3,081**
Total Income	**1,259,400**	1,426,757	**13,542**
Expenses			
Interest Expenses:	**647,953**	1,091,656	**6,967**
Interest on Deposits	**110,870**	248,523	**1,192**
Interest on Negotiable Certificates of Deposit	**2,252**	9,412	**24**
Interest on Debentures	**66,590**	57,298	**716**
Interest on Borrowed Money	**107,561**	52,344	**1,157**
Interest on Call Money and Bills Sold	**583**	3,835	**6**
Interest on Payables under Repurchase Agreements	**20,414**	48,343	**220**
Interest on Payables under Securities Lending Transactions	**204**	1,518	**2**
Other Interest Expenses	**339,476**	670,380	**3,650**
Fees and Commissions	**11,546**	10,599	**124**
Trading Expenses	**776**	422	**8**
Other Operating Expenses	**173,669**	537,734	**1,868**
General and Administrative Expenses	**107,812**	107,938	**1,159**
Other Expenses	**247,250**	282,375	**2,659**
Total Expenses	**1,189,010**	2,030,727	**12,785**
Income (Loss) before Income Taxes	**70,390**	(603,969)	**757**
Income Taxes — Current	**5,035**	87	**54**
Income Taxes — Deferred	**35,794**	(38,345)	**385**
Total Income Taxes	**40,829**	(38,257)	**439**
Net Income (Loss)	**¥ 29,561**	¥ (565,712)	**$ 318**

	Yen		U.S. Dollars
	2010	2009	**2010**
Net Income (Loss) per Share	**¥6.94**	¥(132.88)	**$0.07**

36. Appropriation of Retained Earnings

No dividends were declared at the shareholders' meeting held on June 25, 2010.

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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, 2010 and 2009, 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, 2010 and 2009, 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, 2010 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, 2010

Capital Adequacy (Consolidated) [Disclosure under Basel II Pillar III]

Disclosure Regarding Capital Adequacy (Basel II Pillar III)

Basel II, applied from fiscal 2006 (ended March 31, 2007), comprises three pillars. Pillar I is a new method for computing bank capital adequacy ratios. Pillar II is composed of an internal capital adequacy assessment process by industry and a supervisory review and evaluation process. Pillar III is appropriate disclosure regarding capital adequacy to be evaluated fairly by the market. The requirements for the Bank relating to disclosure are contained in Article 112 of the Implementation Ordinances of the Norinchukin Bank Law (available for public inspection, specific details to be covered in the Bank's disclosure document) and in Item 5-2 of that Article, "Items to Be Specified Separately by the Minister of Agriculture, Forestry and Fisheries and the head of Japan's Financial Services Agency: Disclosure Regarding Capital Adequacy," the Notification Regarding Basel II Pillar III Disclosure. The Bank makes qualitative disclosures (the original Japanese version of this document) once a year (for the fiscal year ended March 31, which is released by July 31) and quantitative disclosure twice a year, once for the interim period ended September 30 (released by the end of January of the immediate following year) and once for the end of the fiscal year on March 31, which is released by July 31 (the original Japanese version of this document). In addition, the Bank issues quantitative disclosure on a quarterly basis (which includes information on the capital adequacy ratio and other principal indicators), once for the quarterly period ending June 30, which is released by October 31, and once for the quarterly period ending December 31, which is released by April 30.

Under Basel II Pillar III, the principal content disclosed is as follows: (1) information related to Pillar I (namely, the balances of each asset category used as the basis for computation of the capital adequacy ratio) and (2) information related to Pillar II (namely, information on interest rate risk and an explanation of risk management policy). The information related to assets to be disclosed in compliance with Basel II Pillar III includes credit risk exposure, including assets that are subject to Internal Ratings-Based Approach (IRB), securitization exposures, risk weighted asset calculation for investment fund (money in trust other than money trusts under the reporting bank's management, investments in funds and other assets held in some form, but not directly) and assets subject to market risk, operational risk or some other risk. The Bank discloses exposure, exposure at default (EAD) and the definition of regulatory required capital. (For details, please refer to the Glossary of Terms below and on the following page.) Please note that qualitative disclosure requirements under the Notification Regarding Basel II Pillar III disclosure, on a consolidated and non-consolidated basis, have been specified, such as explanations of the risk management policy, etc. However, since the Bank conducts its primarily businesses on a non-consolidated basis, the Bank has disclosed relevant information essentially on a non-consolidated basis. (For consolidated subsidiaries, information is provided in the section "Risk Management of Consolidated Subsidiaries.") In addition, for the convenience of readers of this document, we have included the relevant information in the sections Capital Position and Risk Management as well as Capital Adequacy (Consolidated).

The objective of this detailed disclosure under Basel II Pillar III is to inform readers how the categories of bank's assets, the main components of the denominator of capital adequacy ratio, are managed and calculated to provide them with a better understanding of the Bank's risk management activities. Going forward, in addition to the accounting information, which is a primary component of disclosure, the Bank continues to enhance its disclosure under Basel II Pillar III of risk-related information and has taken initiatives to enhance convenience for users of disclosed information throughout its disclosure activities.

■ Glossary of Terms

Exposure

Exposure is defined as those amounts (before credit risk mitigation) appeared as the on-balance sheet assets, subject to the credit risk, plus amounts (before credit risk mitigation) appeared as the off-balance items, subject to credit risk.

Risk-Weighted Assets for Credit Risk (RA)

RA is the amount of credit risk computed from exposure, in accordance with the credit risk volume and applied to the computation of the capital adequacy ratio. Since the Bank adopts the Foundation Internal Ratings-Based Approach (F-IRB), certain parameters—namely, probability of default (PD), loss given default (LGD) and exposure at default (EAD)—are required for calculating the amount of risk-weighted assets for credit risk.

Probability of Default (PD)

The probability of default is the likelihood that the obligor will be in default in a one-year period.

Loss Given Default (LGD)

Loss given default is the percentage of losses that are incurred from the exposure in default. The loss referred here is the economic loss, and the cost of recovering the exposure should be included. In addition, the discount effect with respect to the collection period is also taken into account.

Exposure at Default (EAD)

EAD is the amount of the exposure at the time of default. Since the Bank adopts the Foundation Internal Ratings-Based Approach (F-IRB), it is required to estimate EAD for retail exposure. Regarding corporate, sovereign, and bank exposure, however, the Bank computes EAD using the calculation method described in the Notification Regarding Capital Adequacy.

Risk Weights (RW)

RW indicates the ratio of the credit risk-weighted asset to EAD. The following formula applies:

EAD x RW (%) = Amount of Risk-weighted assets

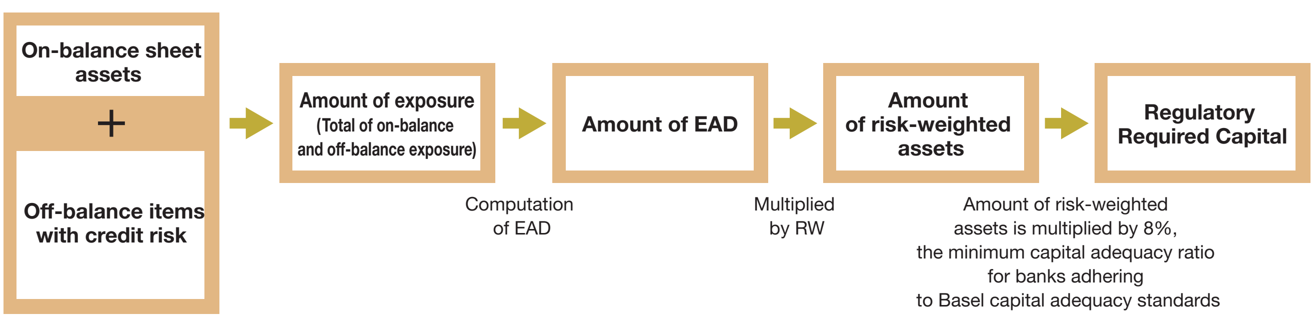
The Bank adopts the Foundation Internal Ratings-Based Approach (F-IRB). RW may differ as the PD corresponding to the grade of the internal credit rating varies.

Regulatory Required Capital

Regulatory required capital is the amount, calculated from the amount of risk, the denominator of the capital adequacy ratio, multiplied by 8%. The 8% figure is the minimum capital adequacy ratio that banks adhering to Basel capital adequacy standards and with international operations must maintain. Required regulatory capital is computed according to the following formula:

Amount of risk-weighted assets x 8% = Regulatory required capital

■ Outline of the Computation Process



■ Exposure Classification under Basel II

The Bank's exposure classification used under Basel II is as follows:

<table>
<tr><td rowspan="12">Assets subject to computation as risk-weighted assets for credit risk</td><td rowspan="12">Assets for which Internal Ratings-Based Approach (IRB) can be applied</td><td rowspan="10">Assets to which Internal Ratings-Based Approach (IRB) are applied</td><td rowspan="5">Corporate, sovereign and bank exposure</td><td rowspan="2"></td><td colspan="2">Sovereign exposure</td></tr>
<tr><td colspan="2">Bank exposure</td></tr>
<tr><td rowspan="3">Corporate exposure</td><td rowspan="2">Corporate exposure</td><td>Resident corporate</td></tr>
<tr><td>Non-resident corporate</td></tr>
<tr><td colspan="2">Specialized Lending (SL)</td></tr>
<tr><td colspan="4">Retail exposure</td></tr>
<tr><td colspan="4">Equity exposure</td></tr>
<tr><td colspan="4">Securitization exposure</td></tr>
<tr><td colspan="4">Risk-weighted assets for investment fund (look-through approach, etc.)</td></tr>
<tr><td colspan="4">Other assets (cash, fixed assets, etc.)</td></tr>
<tr><td colspan="5">Roll-out assets from Standardized Approach to F-IRB Approach</td></tr>
<tr><td colspan="5">Non-IRB applicable assets (assets for Standardized Approach)</td></tr>
<tr><td colspan="7">Assets subject to evaluation at market risk (Trading account)</td></tr>
<tr><td colspan="7">Amounts deducted from capital (goodwill, etc.)</td></tr>
<tr><td colspan="7">Assets not subject to risk computations</td></tr>
</table>

■ Items for Quantitative Disclosure Related to Capital Adequacy Condition (Basel II Pillar III)

Capital adequacy conditions of the Bank in line with Basel II are described on the following pages.

Capital Adequacy

Contents of principal capital items are described as follows.

Items		Content of principal quantitative disclosure	Consolidated disclosure (Page)	Non-consolidated disclosure (Page)
Items related to composition of capital	Capital adequacy ratio	Detailed components of Tier I capital and Tier II capital	128	159
	Explanation of computation of capital adequacy ratio	Scope of consolidation	130	—
Items relating to capital adequacy		For the purpose of capital adequacy assessment, total amounts of regulatory required capital and details of principal exposure (credit risk exposure, market risk, operational risk, etc.) are disclosed.	131	161

Risk Exposures

This section describes detailed amounts of the Bank's various risks and exposures (including credit risk exposure, securitization exposure, market risk, equity exposure, Risk-weighted asset calculation for investment fund and interest rate risk), which form the basis for the computation of the capital adequacy ratio. This section also describes factors that affect the risk profiles, such as credit risk mitigation.

<table>
<tr><th colspan="3">Items</th><th>Content of principal quantitative disclosure</th><th>Consolidated disclosure (Page)</th><th>Non-consolidated disclosure (Page)</th></tr>
<tr><td rowspan="7">Items related to credit risk</td><td colspan="2">Credit risk exposure</td><td>Credit risk exposure (excluding securitization exposure and funds), details on the reserve for possible loan losses by region and industry</td><td>132</td><td>162</td></tr>
<tr><td rowspan="5">Exposure subject to Internal Ratings-Based Approach (IRB)</td><td>Corporate, sovereign, and bank exposure</td><td>Details on PD, LGD, RW and EAD for corporate, sovereign, bank, and equity subject to the PD/LGD approach</td><td>137</td><td>166</td></tr>
<tr><td>Retail exposure</td><td>Details on PD, LGD, RW and EAD</td><td>140</td><td>168</td></tr>
<tr><td>Actual losses, etc., on exposure to corporate, sovereign, bank and retail</td><td>Actual losses, long-term comparison between estimated losses and actual losses</td><td>142</td><td>170</td></tr>
<tr><td>Exposure to Specialized Lending subject to supervisory slotting criteria</td><td>Amount of exposure by RW</td><td>143</td><td>171</td></tr>
<tr><td>Equity exposure subject to the simple risk-weighted method</td><td>Amount of exposure by RW</td><td>143</td><td>171</td></tr>
<tr><td colspan="2">Exposure subject to Standardized Approach</td><td>Amount of exposure by RW</td><td>144</td><td>172</td></tr>
<tr><td colspan="3">Items related to credit risk mitigation</td><td>Coverage/application of collateral, guarantees, etc.</td><td>145</td><td>173</td></tr>
<tr><td colspan="3">Items related to counterparty risk in derivative transactions</td><td>Derivative transaction activity</td><td>148</td><td>174</td></tr>
<tr><td colspan="3">Items related to securitization exposure</td><td>Details on securitization exposure</td><td>150</td><td>175</td></tr>
<tr><td colspan="3">Items related to market risk</td><td>VaR and amount of market risk in trading account</td><td>153</td><td>177</td></tr>
<tr><td colspan="3">Items related to equity exposure</td><td>Details of equity exposure those directly held</td><td>155</td><td>178</td></tr>
<tr><td colspan="3">Items related to exposure subject to risk-weighted asset calculation for investment fund</td><td>Risk-weighted assets for investment fund</td><td>157</td><td>180</td></tr>
<tr><td colspan="3">Items related to interest rate risk</td><td>Interest rate risk for internal management purposes</td><td>158</td><td>181</td></tr>
</table>

1. Capital Structure (Consolidated)

(1) CAPITAL ADEQUACY RATIO (CONSOLIDATED)

Consolidated Capital Adequacy Ratio (Basel capital adequacy standards) (Basel II)

Note: The Bank's capital adequacy ratio for the fiscal year ended March 31, 2010 and 2009, was computed according to Basel II.

As of March 31

Items			Millions of yen		Millions of U.S. dollars
			2010	2009	2010
Tier I capital	Capital stock		3,425,909	3,421,370	36,837
	Included as non-cumulative, perpetual preferred stock		24,999	24,999	268
	Deposit for subscription to preferred stock		—	—	—
	Capital surplus		25,020	25,020	269
	Earned surplus		837,439	803,359	9,004
	Less: Amount corresponding to the decrease in capital due to merger of subsidiaries		—	—	—
	Less: Treasury stock		150	150	1
	Deposit for subscription to treasury stock		—	—	—
	Unrealized loss on other securities		(406,871)	(1,872,404)	(4,374)
	Foreign currency transaction adjustment		(26)	(19)	(0)
	Stock acquisition rights		—	—	—
	Minority interest of consolidated subsidiaries		5,868	5,779	63
	Including preferred securities issued by overseas special-purpose corporations		—	—	—
	Less: Amount corresponding to operating rights		—	—	—
	Less: Amount corresponding to consolidated adjustments		—	—	—
	Less: Intangible assets acquired via business combination		—	—	—
	Less: Goodwill and others		—	—	—
	Less: Amount corresponding to the increase in capital due to securitization transactions		—	—	—
	Less: Amount equivalent to 50% expected losses in excess of qualifying allowance		74,206	64,200	797
	Subtotal	(A)	3,812,984	2,318,755	40,999
	Including preferred securities with interest rate step-up clause		—	—	—
	(Ratio of the value of such preferred securities to Tier I capital)		—	—	—
Tier II capital	45% of unrealized gains on other securities		—	—	—
	45% of unrealized gains on land		22,684	23,231	243
	General reserve for possible loan losses		33	64	0
	Qualifying subordinated debt		1,751,813	1,746,775	18,836
	Included as perpetual subordinated bonds and loans		1,486,007	1,476,057	15,978
	Included as dated subordinated bonds, loans, and preferred stock		265,806	270,718	2,858
	Subtotal		1,774,531	1,770,072	19,080
	Tier II capital included as qualifying capital	(B)	1,774,531	1,770,072	19,080
Tier III capital	Short-term subordinated debt		—	—	—
	Including amount added to capital	(C)	—	—	—
Deductions	Deductions	(D)	358,872	337,375	3,858
Total Capital	(A)+(B)+(C)-(D)	(E)	5,228,643	3,751,452	56,221
Risk-weighted assets	Risk-weighted assets for credit risk	(F)	25,257,242	22,573,253	271,583
	Including on-balance sheet		23,892,729	21,039,106	256,911
	Including off-balance sheet		1,364,513	1,534,147	14,672
	Assets equivalent to market risk (H)/8%	(G)	1,400,525	730,398	15,059
	(For reference: actual market risk volume)	(H)	112,042	58,431	1,204
	Amount corresponding to operational risk (J)/8%	(I)	553,334	790,748	5,949
	(For reference: amount corresponding to operational risk)	(J)	44,266	63,259	475
	Total risk-weighted assets (F)+(G)+(I)	(K)	27,211,103	24,094,399	292,592
Basel II Capital Adequacy Ratio (Basel capital adequacy standards) = (E)/(K) × 100%			19.21%	15.56%	19.21%
Tier I ratio = (A)/(K) × 100%			14.01%	9.62%	14.01%
Consolidated required capital (K) × 8%			2,176,888	1,927,551	23,407

Notes: 1. The Bank's capital adequacy ratio was computed according to the stipulations outlined in Notification No. 4 of the 2006 Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries of Japan (Standard for Judging the Management Soundness of the Norinchukin Bank) (hereinafter, Notification Regarding Capital Adequacy). Note that the Bank adopts Foundation Internal Ratings-Based Approach (F-IRB) in computing risk-weighted assets for credit risk and the Standardized Approach (TSA) in computing the amount corresponding to operational risk.

2. Regarding the calculation of capital adequacy ratio, certain procedures were performed by Ernst & Young ShinNihon LLC pursuant to "Treatment of Inspection of Capital Ratio Calculation Framework Based on Agree-upon Procedures" (JICPA Industry Committee Report No. 30). It does not constitute a part of the audit on financial statements by law, but a review on agree-upon procedures on internal control of capital adequacy calculation. Accordingly, Ernst & Young ShinNihon LLC does not address any opinion as a result of the review.

3. The Tier II capital item "general reserve for possible loan losses" is limited to the amount corresponding to assets which is calculated according to a Standardized Approach in terms of risk-weighted assets for credit risk.

4. Those are items of Deductions: (1) the total amount of the value corresponding to intentional holdings of capital investments issued by other financial institutions, (2) holdings of instruments issued for raising capital, issued by affiliated corporations conducting financial service businesses, (3) 50% of the expected losses on exposure to corporate, sovereign and bank, and expected losses on retail exposure over the value of qualified reserves, (4) expected losses on equity exposure, and (5) securitization exposure subject to deduction from capital (Notification Regarding Capital Adequacy, Article 8).

5. In computing risk-weighted assets for credit risk, the Bank has applied a scaling factor of 1.06 to the amount of risk-weighted assets for credit risk computed based on its Foundation Internal Ratings-Based Approach (F-IRB), as provided for in the Notification Regarding Capital Adequacy, Article 129.

(2) REMARKS ON COMPUTATION OF THE CONSOLIDATED CAPITAL ADEQUACY RATIO

Companies with Less than the Regulatory Required Capital and the Amounts

Those companies whose capital is less than the regulatory required capital and the amounts of shortfall in capital among those companies that are subject to capital deduction as provided for in the Notification Regarding Capital Adequacy, Article 8-1-2 a and b.

None of the Bank's Group companies fall under this category.

Scope of Consolidation

There are no discrepancies between the companies belonging to the Bank's Group that are required to compute a consolidated capital adequacy ratio, as specified in the Notification Regarding Capital Adequacy, Article 3, (hereinafter, the Consolidated Group) and the companies to be included in the scope of consolidation, based on regulations relating to terminology, format, methods of preparation of the consolidated financial statements (under Ministerial Ordinance No. 28, issued by the Ministry of Finance in 1976).

As of March 31, 2010, the Bank had eight consolidated subsidiaries. The names and principal lines of business of the primary subsidiaries are as follows:

1. Norinchukin Trust & Banking Co., Ltd.: Trust and banking business
2. Kyodo Housing Loan Co., Ltd.: Loans for housing and related purposes

The Bank has no companies that are subject to capital deduction under the Notification Regarding Capital Adequacy, Article 8-1-2 a and b.

There were no associated companies that conducted financial service business that were subject to the provisions of the Notification Regarding Capital Adequacy, Article 9.

As of March 31, 2010, there was one company that conducted closely related business activities, as specified in Article 72-1-8 and 9 of the Norinchukin Bank Law (Law No. 93, 2001), but was not included in the scope of consolidation.

The company was Daiichi Life Norinchukin Building Management Co., Ltd.

There are no restrictions on the transfer of funds and capital among the members of the Consolidated Group.

2. Capital Adequacy (Consolidated)

(Minimum amount of regulatory required capital and breakdown for each risk category as required under Basel II)

Regulatory Required Capital

(Billions of yen)

Items	As of March 31, 2010		As of March 31, 2009	
	EAD	Regulatory Required Capital	EAD	Regulatory Required Capital
Amount of regulatory required capital for credit risk	**81,620**	**2,585**	76,012	2,256
Exposure subject to Internal Ratings-Based Approach	**81,572**	**2,584**	75,954	2,254
Corporate exposure (excluding Specialized Lending)	**5,462**	**498**	6,148	460
Corporate exposure (Specialized Lending)	**777**	**150**	763	109
Sovereign exposure	**37,264**	**0**	32,970	0
Bank exposure	**13,005**	**89**	12,280	103
Retail exposure	**590**	**27**	474	24
Retail exposure secured by residential properties	**550**	**21**	435	19
Qualifying revolving retail exposure	**—**	**—**	—	—
Other retail exposure	**39**	**5**	38	5
Securitization exposure	**5,455**	**300**	6,168	193
Equity portfolios	**787**	**148**	477	63
Equity portfolios subject to PD/LGD approaches	**109**	**17**	104	18
Equity portfolios subject to simple risk-weighted method	**37**	**12**	41	13
Equities under the internal models approach	**276**	**87**	9	4
Grandfathered equity exposure	**364**	**30**	321	27
Exposure subject to risk-weighted asset calculation for investment fund	**17,628**	**1,332**	16,107	1,263
Other debt purchased	**47**	**4**	58	1
Other exposures	**553**	**31**	506	33
Exposure subject to Standardized Approach	**47**	**0**	57	1
Assets subject to Standardized Approach on a non-consolidated basis	**5**	**0**	16	1
Assets subject to Standardized Approach in consolidated companies (excluding securitization exposure)	**42**	**0**	38	0
Assets subject to Standardized Approach in consolidated companies (securitization exposure)	**0**	**0**	1	0
Amount of regulatory required capital for market risk	**/**	**112**	/	58
Standardized Approach	**/**	**111**	/	57
Interest rate risk category	**/**	**—**	/	—
Equity risk category	**/**	**—**	/	—
Foreign exchange risk category	**/**	**111**	/	57
Commodity risk category	**/**	**—**	/	—
Option transactions	**/**	**—**	/	—
Internal models Approach	**/**	**0**	/	0
Amount of regulatory required capital for operational risk	**/**	**44**	/	63
Offsets on consolidation	**/**	**2,741**	/	2,378

Notes: 1. Regulatory required capital for credit risk = 8% of risk-weighted assets for credit risk + Expected losses + Deductions from capital

2. "Risk-weighted asset calculation for investment fund" is risk-weighted assets as calculated according to the method specified in Notification Regarding Capital Adequacy, Article 144.

3. Article 13 of the Notification Regarding Capital Adequacy contains a grand fathering provision for computing the amount of risk assets related to equity exposures that meet specified criteria.

4. Under "The Standardized Approach (TSA)," which is a method for computing the amount corresponding to operational risk, the gross profit for one year is allocated among the business activities as specified in Appendix Table 1 of the Notification Regarding Capital Adequacy. The multiplier specified for each business activity classification is multiplied by the gross profit, and the average of the annual totals for the past three years is taken to be the amount corresponding to operational risk (Notification Regarding Capital Adequacy, Article 282).

3. Credit Risk (Consolidated)

(Funds and securitization exposures are excluded.)

(1) CREDIT RISK EXPOSURE

For Fiscal 2009, ended March 31, 2010

Geographic Distribution of Exposure, Details in Significant Areas by Major Types of Credit Exposure

(Billions of yen)

Region	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	15,124	14,958	5	3,164	33,252	290
Asia except Japan	54	32	0	825	912	—
Europe	22	4,325	0	3,614	7,962	0
The Americas	258	10,859	2	5,621	16,741	0
Other areas	23	719	0	0	743	—
Amounts held by consolidated subsidiaries	605	30	—	38	674	18
Total	16,087	30,926	8	13,264	60,287	309

Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of yen)

Industry	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure	Write-off of loans (amounts of partial direct write-off)
Manufacturing	2,314	295	1	0	2,611	56	1
Agriculture	47	0	—	0	48	7	0
Forestry	37	—	—	—	37	1	0
Fishing	32	—	—	0	32	24	0
Mining	8	—	—	0	8	—	—
Construction	139	17	—	0	156	5	—
Utility	134	15	0	0	149	—	—
Information/telecommunications	82	14	—	0	96	9	11
Transportation	691	64	2	0	758	2	6
Wholesaling, retailing	1,585	61	0	0	1,647	27	0
Finance and insurance	1,411	6,670	3	12,668	20,754	26	—
Real estate	491	379	—	0	872	102	0
Services	1,248	75	0	1	1,326	27	0
Municipalities	264	12	—	—	277	—	—
Other	6,992	23,287	—	555	30,835	0	—
Amounts held by consolidated subsidiaries	605	30	—	38	674	18	1
Total	16,087	30,926	8	13,264	60,287	309	21

Note: "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.

Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of yen)

Term to maturity	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
In 1 year	**11,813**	**9,017**	**0**	**11,593**	**32,425**
Over 1 year to 3 years	**1,540**	**6,614**	**2**	**56**	**8,213**
Over 3 years to 5 years	**1,480**	**4,033**	**1**	**2**	**5,517**
Over 5 years to 7 years	**366**	**935**	**1**	**—**	**1,303**
Over 7 years	**266**	**9,456**	**3**	**—**	**9,726**
No term to maturity	**15**	**838**	**—**	**1,574**	**2,427**
Amounts held by consolidated subsidiaries	**605**	**30**	**—**	**38**	**674**
Total	**16,087**	**30,926**	**8**	**13,264**	**60,287**

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2009.
2. The amounts of credit-risk exposure held by consolidated subsidiaries are less than 1% of consolidated risk exposure, so only the total amounts held by these subsidiaries are shown.
3. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥47.6 billion.
4. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

For Fiscal 2008, ended March 31, 2009

Geographic Distribution of Exposure, Details in Significant Areas by Major Types of Credit Exposure

(Billions of yen)

Region	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	13,215	14,977	5	3,919	32,118	244
Asia except Japan	74	32	0	1,815	1,922	—
Europe	74	2,501	1	1,919	4,497	5
The Americas	274	8,064	2	6,523	14,865	1
Other areas	23	17	0	0	42	—
Amounts held by consolidated subsidiaries	492	29	—	37	559	17
Total	14,156	25,622	9	14,216	54,004	269

Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of yen)

Industry	Loans, commit-ments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure	Write-off of loans (amounts of partial direct write-off)
Manufacturing	2,340	282	1	0	2,623	50	5
Agriculture	44	0	—	0	44	5	1
Forestry	41	—	—	—	41	1	0
Fishing	36	—	—	—	36	26	2
Mining	18	1	—	0	19	—	—
Construction	161	17	—	0	179	5	1
Utility	147	48	0	0	196	—	—
Information/telecommunications	108	32	—	0	141	6	—
Transportation	706	69	3	0	778	10	—
Wholesaling, retailing	1,664	54	0	0	1,719	24	0
Finance and insurance	1,464	4,186	4	13,656	19,312	5	0
Real estate	463	160	—	0	624	87	1
Services	1,364	54	0	1	1,420	27	4
Municipalities	337	35	—	—	373	—	—
Other	4,762	20,651	—	519	25,933	0	0
Amounts held by consolidated subsidiaries	492	29	—	37	559	17	1
Total	14,156	25,622	9	14,216	54,004	269	19

Note: "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.

Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of yen)

Term to maturity	Loans, commit-ments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
In 1 year	9,861	5,128	0	12,068	27,059
Over 1 year to 3 years	1,541	3,686	3	50	5,281
Over 3 years to 5 years	1,389	4,890	0	6	6,287
Over 5 years to 7 years	470	1,763	1	4	2,238
Over 7 years	327	9,653	3	—	9,985
No term to maturity	72	471	—	2,049	2,593
Amounts held by consolidated subsidiaries	492	29	—	37	559
Total	14,156	25,622	9	14,216	54,004

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2008.
2. The amounts of credit-risk exposure held by consolidated subsidiaries are less than 1% of consolidated risk exposure, so only the total amounts held by these subsidiaries are shown.
3. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥57.9 billion.
4. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

(2) RESERVES FOR POSSIBLE LOAN LOSSES

Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specific Reserve for Loans to Countries with Financial Problems by Region

(Billions of yen)

Region	As of March 31, 2010	As of March 31, 2009	Increase/(decrease)
General reserve for possible loan losses	**73**	47	**25**
Specific reserve for possible loan losses	**136**	100	**35**
Japan	**135**	98	**37**
Asia except Japan	**—**	—	**—**
Europe	**0**	1	**(1)**
The Americas	**—**	0	**(0)**
Other areas	**—**	—	**—**
Amounts held by consolidated subsidiaries	**10**	10	**(0)**
Offsets on consolidation	**(3)**	(2)	**(0)**
Specified reserve for loans to countries with financial problems	**—**	—	**—**
Total	**216**	155	**60**

Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specified Reserve for Loans to Countries with Financial Problems by Industry

(Billions of yen)

Industry	As of March 31, 2010	As of March 31, 2009	Increase/(decrease)
General reserve for possible loan losses	**73**	47	**25**
Specific reserve for possible loan losses	**136**	100	**35**
Manufacturing	**19**	12	**7**
Agriculture	**4**	2	**2**
Forestry	**0**	0	**0**
Fishing	**11**	13	**(1)**
Mining	**—**	—	**—**
Construction	**1**	0	**1**
Utility	**—**	—	**—**
Information/telecommunications	**7**	3	**3**
Transportation	**1**	6	**(4)**
Wholesaling, retailing	**5**	15	**(9)**
Finance and insurance	**14**	1	**12**
Real estate	**58**	35	**23**
Services	**9**	7	**1**
Municipalities	**—**	—	**—**
Other	**0**	—	**0**
Others	**—**	—	**—**
Amount held by consolidated subsidiaries	**10**	10	**(0)**
Offsets on consolidation	**(3)**	(2)	**(0)**
Specified reserve for loans to countries with financial problems	**—**	—	**—**
Total	**216**	155	**60**

(3) EXPOSURE SUBJECT TO THE INTERNAL RATINGS-BASED APPROACH

Types of Exposure by Portfolio and Overview of Procedures for the Internal Rating

■ Corporate, Sovereign and Bank Exposure

Types of Exposure

Corporate, sovereign and bank exposure include exposure to corporate, sovereign, bank and Specialized Lending.

Within these categories, corporate is subdivided into resident and non-resident corporate, depending on location of head office.

Specialized Lending is subdivided into Income-Producing Real Estate (IPRE), High-Volatility Commercial Real Estate (HVCRE), Object Finance (OF) and Project Finance (PF).

Outline of Internal Rating Procedure

Assigning internal ratings to the obligor of corporate exposure is in accordance with the following procedure. The front sections prepare a draft proposal for the internal ratings. The draft proposal is then reviewed and approved by the credit risk management section. Specifically, this process is stipulated in Internal Rating Manuals prepared for each type of exposure, such as corporate, sovereign, bank and Specialized Lending.

Work Flow for Assigning Internal Ratings

All the available, important and relevant information which are the most recent is considered when internal ratings are assigned. In addition, internal ratings are subject to more than annual "periodic reviews," when the latest financial results of the borrower are reflected in the revised ratings. When there are events that may trigger the changes in internal ratings, the Bank conducts an "ad-hoc review."

	Items for Review	Content of Review
1	Financial rating	Based on qualitative data of the obligor, including financial information, the appropriate quantitative model according to the risk profile of the obligor is used to assign the internal rating.
2	Adjustments in financial rating	In addition to the process stated above, the Bank may consider the events which should affect the rating, and determined a rating.
3	Qualitative evaluation	Among significant elements to evaluate creditworthiness of the obligor, those elements which may not be captured by qualitative evaluation are evaluated.
4	Country adjustments	Adjust a rating of obligor by applying the rating of country where substantial risk of obligor belongs to as the ceiling on the rating the Bank will assign.
5	Consideration of external information	Supplemental to quantitative and qualitative evaluation, the Bank may consider other elements, such as changes in agency rating, or stock price, and adjust the rating.
6	Determination of debtor classification	Determine the classification of a obligor in accordance with Procedure for Self-Assessment Exercise.
7	Final ratings	To reflect the situation of the obligor more accurately, supplemental evaluation may be conducted before the final decision of the internal rating.

Note that the internal auditing units of the Bank, which are independent of the front sections and the credit risk management sections, also audit the ratings to ensure the appropriateness of the internal ratings and the accuracy of internal rating results.

■ Equity Exposure

Internal ratings are assigned to equity exposure, according to the same process as in assigning ratings to corporate exposure whenever possible.

■ Retail Exposure

For retail exposure, eligible criteria for retail pool, the pool which requires risk management framework for retail exposure, is stipulated in Procedures for Internal Rating of Retail Exposure. For each type of retail exposure, having residential properties, qualifying revolving retail exposure as underlying, clustering of exposures into the pools (equivalent to the rating of corporate, sovereign and bank exposures) is determined according to risk profile. Ratings for individual retail exposure are assigned in accordance with Internal Rating Manual for Retail Exposure.

a. Corporate, Sovereign and Bank Exposure

Internal Ratings and Estimation of Parameters

The table of probability of default for various internal ratings is divided into four categories: resident corporate, non-resident corporate, sovereign and bank. The methods for estimating these probabilities of default are (a) the internal estimate method: the Bank estimates the long-term average for probability of default according to internal rating grades based on internal default data of the Bank and (b) mapping technique: the Bank maps internal grades to rating grades used by a credit rating agency and applies the default rate for a rating grade of the agency to a corresponding grade of internal rating of the Bank.

Please note that the Bank's definition of default used in estimating the probability of default and in validation satisfies the criteria stipulated in Notification Regarding Capital Adequacy.

Please note that for Specialized Lending, the Bank applies slotting criteria to compute risk-weighted assets.

Fiscal 2009 (Ended March 31, 2010)

(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD		
					EAD (on-balance sheet)	EAD (off-balance sheet)
Corporate Exposure	6.63%	44.91%	114%	5,462	4,744	717
1-1 to 4	0.22%	44.99%	43%	3,727	3,151	575
5 to 7	2.52%	44.75%	127%	835	752	83
8-1 to 8-2	19.29%	44.70%	351%	701	644	56
Subtotal	3.12%	44.92%	97%	5,264	4,548	715
8-3 to 10-2	100.00%	44.64%	560%	197	195	1
Sovereign Exposure	0.00%	44.99%	0%	37,264	34,049	3,215
1-1 to 4	0.00%	44.99%	0%	37,264	34,049	3,215
5 to 7	—	—	—	—	—	—
8-1 to 8-2	—	—	—	—	—	—
Subtotal	0.00%	44.99%	0%	37,264	34,049	3,215
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.06%	23.77%	9%	13,005	6,323	6,682
1-1 to 4	0.05%	23.74%	8%	12,985	6,310	6,674
5 to 7	3.04%	41.55%	157%	14	8	6
8-1 to 8-2	7.07%	29.66%	142%	5	4	0
Subtotal	0.06%	23.77%	9%	13,005	6,323	6,682
8-3 to 10-2	100.00%	45.00%	563%	0	0	0
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	1.41%	90.00%	196%	109	107	2
1-1 to 4	0.14%	90.00%	127%	84	84	—
5 to 7	3.81%	90.00%	385%	21	19	2
8-1 to 8-2	19.91%	90.00%	783%	2	2	—
Subtotal	1.41%	90.00%	196%	109	107	2
8-3 to 10-2	100.00%	90.00%	1,125%	0	0	—

Notes: 1. Weighted averages of PD, LGD and risk weights are computed based on EAD (including on-balance and off-balance items).
2. Risk weights are equivalent to 8% of the total of the amount of risk-weighted assets and expected loss, divided by EAD.
3. "Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach" does not take account of Rider No. 13 to the Notification Regarding Capital Adequacy (regarding provisional measures for equity exposure).

Fiscal 2008 (Ended March 31, 2009)

(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Corporate Exposure	5.01%	44.88%	94%	6,148	5,430	717
1-1 to 4	0.18%	44.99%	38%	4,476	3,847	629
5 to 7	2.75%	44.50%	131%	1,007	951	55
8-1 to 8-2	19.53%	44.70%	355%	486	458	27
Subtotal	2.19%	44.88%	80%	5,971	5,257	713
8-3 to 10-2	100.00%	44.73%	560%	177	172	4
Sovereign Exposure	0.00%	45.00%	0%	32,970	27,819	5,151
1-1 to 4	0.00%	45.00%	0%	32,970	27,819	5,151
5 to 7	7.78%	45.00%	211%	0	0	—
8-1 to 8-2	—	—	—	—	—	—
Subtotal	0.00%	45.00%	0%	32,970	27,819	5,151
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.06%	25.50%	11%	12,280	6,305	5,975
1-1 to 4	0.05%	25.48%	10%	12,255	6,287	5,967
5 to 7	2.66%	42.40%	153%	17	10	7
8-1 to 8-2	7.07%	20.73%	103%	7	6	0
Subtotal	0.06%	25.50%	10%	12,280	6,304	5,975
8-3 to 10-2	100.00%	45.00%	563%	0	0	0
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	1.31%	90.00%	218%	104	97	7
1-1 to 4	0.19%	90.00%	149%	77	77	—
5 to 7	4.53%	90.00%	415%	26	19	7
8-1 to 8-2	—	—	—	—	—	—
Subtotal	1.30%	90.00%	217%	104	97	7
8-3 to 10-2	100.00%	90.00%	1,125%	0	0	—

Notes: 1. Weighted averages of PD, LGD and risk weights are computed based on EAD (including on-balance and off-balance items).
2. Risk weights are equivalent to 8% of the total of the amount of risk-weighted assets and expected loss, divided by EAD.
3. "Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach" does not take account of Rider No. 13 to the Notification Regarding Capital Adequacy (regarding provisional measures for equity exposure).

b. Retail Exposure

Retail Pools and Risk Components

On retail exposure, the Bank estimates parameters, namely PD, LGD, and EAD for each retail pool. Each of those parameters are estimated based on observed internal default data and loss data adjusting recovery amount. It should be noted that applied EAD is the end balance, since the Bank has no exposure for revolving products. Balances for revolving products may be changed within the predetermined credit lines upon request from the obligors.

The weighted average risk weight of the overall residential properties retail exposure is 64%. The weighted average risk weight of the other retail exposure is 177%. The weighted average risk weight in the overall retail exposure becomes 70%.

Please note that the Bank's definition of default used in estimating and validating the parameters satisfies the criteria stipulated in Notification Regarding Capital Adequacy.

Fiscal 2009 (Ended March 31, 2010)
Details on PD, LGD, RW and EAD Assets

(Billions of yen)

Type of exposure	Weighted-average PD	Weighted-average LGD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Retail exposure secured by residential properties	**2.59%**	**47.94%**	**89.40%**	**81.50%**	**64%**	**843**	**431**	**411**
Not default Not delinquent	**0.45%**	**47.95%**	/	/	**39%**	**811**	**400**	**410**
Not default Delinquent	**27.57%**	**47.39%**	/	/	**440%**	**19**	**18**	**0**
Not default Subtotal	**1.07%**	**47.94%**	/	/	**48%**	**830**	**418**	**411**
Default	**100.00%**	/	**89.40%**	**81.50%**	**1,117%**	**12**	**12**	**0**
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	**8.95%**	**67.46%**	**106.84%**	**97.42%**	**177%**	**42**	**35**	**7**
Not default Not delinquent	**1.03%**	**67.48%**	/	/	**76%**	**38**	**31**	**6**
Not default Delinquent	**25.95%**	**66.54%**	/	/	**376%**	**0**	**0**	**0**
Not default Subtotal	**1.39%**	**67.46%**	/	/	**81%**	**38**	**32**	**6**
Default	**100.00%**	/	**106.84%**	**97.42%**	**1,336%**	**3**	**3**	**0**
Total	**2.89%**	**48.87%**	**92.90%**	**84.70%**	**70%**	**885**	**466**	**418**
Not default Not delinquent	**0.48%**	**48.84%**	/	/	**40%**	**849**	**431**	**417**
Not default Delinquent	**27.52%**	**47.94%**	/	/	**438%**	**19**	**18**	**1**
Not default Subtotal	**1.09%**	**48.82%**	/	/	**49%**	**869**	**450**	**418**
Default	**100.00%**	/	**92.90%**	**84.70%**	**1,161%**	**16**	**15**	**0**

Notes: 1. Purchased retail receivables in investment funds using estimated parameters have been included in the amount subject to quantitative disclosure.
2. "Not default Delinquent" does not fall under the default definition in the Notification Regarding Capital Adequacy, but past-due.
3. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).
4. For defaulted exposure, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).
5. As of March 31, 2010, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

Fiscal 2008 (Ended March 31, 2009)

Details on PD, LGD, RW and EAD Assets

(Billions of yen)

Type of exposure	Weighted-average PD	Weighted-average LGD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Retail exposure secured by residential properties	2.77%	46.60%	89.26%	82.01%	65%	767	475	291
Not default Not delinquent	0.42%	46.65%	/	/	37%	731	440	291
Not default Delinquent	22.92%	44.85%	/	/	386%	22	21	0
Not default Subtotal	1.08%	46.60%	/	/	47%	753	462	291
Default	100.00%	/	89.26%	82.01%	1,116%	13	13	0
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	8.54%	64.87%	104.84%	95.31%	166%	41	33	8
Not default Not delinquent	1.04%	64.79%	/	/	72%	38	30	7
Not default Delinquent	24.76%	68.48%	/	/	365%	0	0	0
Not default Subtotal	1.55%	64.87%	/	/	79%	38	31	7
Default	100.00%	/	104.84%	95.31%	1,311%	2	2	0
Total	3.07%	47.55%	92.15%	84.47%	70%	808	508	299
Not default Not delinquent	0.45%	47.55%	/	/	38%	769	470	299
Not default Delinquent	22.98%	45.72%	/	/	385%	22	22	0
Not default Subtotal	1.11%	47.50%	/	/	48%	792	493	299
Default	100.00%	/	92.15%	84.47%	1,152%	16	15	0

Notes: 1. Purchased retail receivables in investment funds using estimated parameters have been included in the amount subject to quantitative disclosure.

2. "Not default Delinquent" does not fall under the default definition in the Notification Regarding Capital Adequacy, but past-due.

3. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).

4. For defaulted exposure, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).

5. As of March 31, 2009, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

c. Actual Losses on Exposure to Corporate, Sovereign, Bank, and Retail Exposure

Actual Losses for the Previous Period, Comparison with the Year before Last Results and Analysis of Causes

(Billions of yen)

Type of exposure	As of March 31, 2010	As of March 31, 2009	Increase/(decrease)
Corporate exposure	**43**	25	17
Sovereign exposure	**—**	—	—
Bank exposure	**—**	—	—
Equity exposure subject to PD/LGD approach	**0**	0	0
Retail exposure secured by residential properties	**0**	0	0
Qualifying revolving retail exposure	**—**	—	—
Other retail exposure	**0**	0	0

Note: Actual losses are defined as losses due to direct write-offs, partial direct write-offs, specific reserve for possible loan losses, general reserve for possible loan losses and loan sales of exposure that defaulted up to the end of the previous period.

Estimated Losses Depend on Historical Long-Term Results, Comparison with Actual Losses

(Billions of yen)

Type of exposure	As of March 31, 2010		As of March 31, 2009		As of March 31, 2008		As of March 31, 2007	
	Estimated losses	Actual losses	Estimated losses	Actual losses	Estimated losses	Actual losses	Estimated losses	Actual losses
Corporate exposure	**55**	**43**	46	25	29	7	27	18
Sovereign exposure	**0**	**—**	1	—	1	—	1	—
Bank exposure	**0**	**—**	0	—	0	—	0	—
Equity exposure subject to PD/LGD approach	**1**	**0**	0	0	1	0	0	0
Retail exposure secured by residential properties	**1**	**0**	1	0	1	0	—	—
Qualifying revolving retail exposure	**—**	**—**	—	—	—	—	—	—
Other retail exposure	**0**	**0**	0	0	0	0	0	0

Notes: 1. Comparisons of estimated and actual long-term losses for 10 years accumulatively are scheduled to be disclosed from the year following the application of Basel II (the year ending March 31, 2007).
2. The scope of actual and estimated losses includes the following accounts on balance sheet: loans, foreign exchange, accrued interests in other assets, suspense payable and customers' liabilities for acceptances and guarantees, as well as securities without quoted market values, money trusts without quoted market values, and monetary claims purchased.
3. Estimated losses of each year are amount of expected losses.

Year-on-year comparison of actual losses and factor analysis of difference between estimated losses and actual losses

For fiscal 2009 (ended March 31, 2010) the actual loss amount increased year-on-year due to an increase in losses due to defaults of corporate borrowers.

Actual loss amounts have basically maintained at lower levels than the estimated losses at the beginning of the term, for the four fiscal years stated above.

d. Exposure to Specialized Lending Products Subject to Supervisory Slotting Criteria by RW

Amount of Specialized Lending Exposure Subject to Supervisory Slotting Criteria by RW

(Billions of yen)

Classification	As of March 31, 2010	As of March 31, 2009
Specialized Lending exposure subject to supervisory slotting criteria	**777**	763
Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE)	**609**	591
Risk weight of 50%	**7**	55
Risk weight of 70%	**252**	280
Risk weight of 90%	**2**	150
Risk weight of 115%	**159**	5
Risk weight of 250%	**93**	24
Risk weight of 0% (default)	**94**	75
High-Volatility Commercial Real Estate (HVCRE)	**167**	171
Risk weight of 70%	**2**	66
Risk weight of 95%	**—**	3
Risk weight of 120%	**—**	10
Risk weight of 140%	**75**	10
Risk weight of 250%	**79**	81
Risk weight of 0% (default)	**10**	—

Notes: 1. "Specialized Lending" refers to loans for Project Finance (PF), Object Finance (OF), Commodity Finance (CF) and Income-Producing Real Estate (IPRE) (as defined in the Notification Regarding Capital Adequacy, Article 1-1-41).

2. "High-Volatility Commercial Real Estate (HVCRE)" refers to loans that are the financing of commercial real estate that exhibits a higher rate of loss volatility compared to other types of Specialized Lending, as specified in the Notification Regarding Capital Adequacy, Article 1-1-43.

3. "Specialized Lending exposure subject to supervisory slotting criteria" refers to the amounts of Specialized Lending, subject to the Bank's internal rating system, and have been allotted to the risk asset classifications given in the Notification Regarding Capital Adequacy, Article 130-3 and Article 130-5, after taking account of risk weights.

4. For risk weights, the Bank has applied the stipulations contained in the Notification Regarding Capital Adequacy, Article 130-3 and Article 130-5.

e. Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach by RW

Amount of Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach

(Billions of yen)

Classification	As of March 31, 2010	As of March 31, 2009
Equity exposure subject to the simple risk-weighted method of the market-based approach by RW	**37**	41
Risk weight of 300%	**—**	—
Risk weight of 400%	**37**	41

Note: The "simple risk-weighted method of the market-based approach by RW" is a method for computing the amount of risk-weighted assets of equity and other investments. Under this method, the market value of listed stocks is multiplied by a risk weight of 300%, and the estimated value of unlisted stocks is multiplied by a risk weight of 400% (Notification Regarding Capital Adequacy, Article 143-4).

(4) EXPOSURE SUBJECT TO STANDARDIZED APPROACH BY RISK WEIGHT

Overview

The Bank adopts Internal Rating Based Approach in computing risk assets. However, for the assets listed below, the Bank considers that the percentage of such assets in overall credit risk assets is minuscule and that they are not regarded as significant from a credit risk management perspective. Accordingly, the Bank partially applies the Standardized Approach specifically to those assets and does not plan to apply the IRB Approach to them.

- The on-balance sheet assets and off-balance sheet items of its consolidated subsidiaries, with the exception of Kyodo Housing Loan Co., Ltd.
- The following assets held by the Bank and Kyodo Housing Loan: Suspense payable (with the exception of payable account for securities), prepayment costs, among foreign currency forward contracts those for foreign currency deposits of cooperative organizations and current account overdrafts (to holders of the Bank's debentures).

Please note that Kyodo Housing Loan has adopted the Foundation Internal Ratings-Based Approach (F-IRB) from March 31, 2008.

The Bank applies the ratings of five qualified credit rating agencies (External Credit Assessment Institution (ECAI)) in computing its risk assets, namely Standard & Poor's, Moody's Investors Service, Fitch Ratings, Ltd., Rating & Investment Information, Inc. and Japan Credit Rating Agency, Ltd. The Bank, applies a risk weight of 100% to its exposure to corporate and others (excluding past due exposure for three months or more) in accordance with the Notification Regarding Capital Adequacy, Article 44, regardless of the ratings assigned by these qualified rating agencies.

Amount of Exposure Subject to Standardized Approach

(Billions of yen)

Classification	As of March 31, 2010		As of March 31, 2009	
	Exposure	Refer to ECAI	Exposure	Refer to ECAI
Exposure subject to Standardized Approach	**47**	**—**	57	—
Risk weight of 0%	**34**	**—**	29	—
Risk weight of 10%	**—**	**—**	—	—
Risk weight of 20%	**3**	**—**	2	—
Risk weight of 35%	**—**	**—**	—	—
Risk weight of 50%	**—**	**—**	1	1
Risk weight of 75%	**—**	**—**	0	—
Risk weight of 100%	**9**	**—**	22	—
Risk weight of 150%	**—**	**—**	—	—
Amount deducted from capital	**—**	**—**	—	—
Others	**0**	**—**	1	—

Note: Others include investment funds which are measured credit risk assets by look-through approach and the assets which are more than 150% risk weight.

4. Methods of Credit Risk Mitigation Techniques (Consolidated)

Overview of Risk Management Policy and Procedures Related to Credit Risk Mitigation Techniques

■ Outline of Evaluation, Administrative Policy and Procedures for Collateral

The Bank regards future cash flows generated from the businesses it lends to as the normal source of funds for recovery of its claims on those businesses. Collateral is viewed only as a supplement to cash flow. The recovery of claims from collateral occurs when the debtor experiences difficulty in meeting its obligations. Thus, the Bank applies the collateral evaluation methods to ensure that the valuation of the collateral would not fall below actual recoveries from the collateral.

The Bank evaluates collateral in line with the objective data such as reports of appraisers, official land valuations for inheritance tax purposes, and market value. The Bank has established procedures for such evaluations to avoid wide variations in assessments. In addition, the Bank also stipulates the frequency of collateral valuation update according to types of collateral and the credit condition of obligors in its procedures. The Bank also implements the mechanism to ensure the timely collateral valuation update, such as self-assessment exercise or management plan update exercise for each obligor. The Bank applies haircut to the result of collateral valuation to calculate the estimate for recovery amount from collateral, and uses that estimate as an expected recovery amount for the purpose of credit analysis or provision for possible loan losses. Even in the case of valuations of real estate, the type of collateral for which precision of valuation may vary according to the methods employed, the result of valuation is done by adjusting haircut.

In addition, when evaluating the credit strength of guarantors, the Bank basically assigns internal ratings. Based on the assigned rating, the Bank determines the value the Bank applies to the guarantee as security for its claims.

As a part of collateral management, the Bank stipulates the procedures of reviewing the legal efficacy and enforceability of collateral not only at the time of the collateral pledge but also periodically.

■ Principal Types of Collateral

The principal types of collateral are securities, commercial notes and real estate.

■ Types of Guarantors and Principal Counterparties in Credit Derivatives and Explanation of Their Credit Standing

The types of guarantors in such transactions are mainly sovereigns, including central governments and local governments, and high grade corporates. Note that there is no transaction which uses credit derivatives for the credit risk mitigation.

■ Credit Risk Mitigation Techniques

The principal methods adopted by the Bank to mitigate credit risk are as follows.

Eligible Financial Collateral

Taking account of the conditions stated in the Notification Regarding Capital Adequacy (the Notification) and the Bank's operating practices, the Bank adopts the following methods for accepting monetary assets as collateral to mitigate credit risk: (1) for repo-type transactions, the Bank recognizes the effectiveness of credit risk mitigation as stipulated in Notification Regarding Capital Adequacy and (2) other than repo-type transactions, the Bank recognizes the effectiveness of credit risk mitigation only in case if deposits with the Bank (including Norinchukin Bank Debentures) or stocks are pledged as collateral. No other monetary assets are recognized effective to mitigate credit risk.

Other Eligible IRB Collateral

Taking account of the conditions stated in the Notification Regarding Capital Adequacy and the Bank's operating practices, the Bank does not recognize the effectiveness of credit risk mitigation for collateral such as real estate, commercial notes, and certain other assets as collateral.

On-Balance Sheet Netting for Loans and Deposits

Taking account of the provisions of the Notification and the Bank's operating practices, the Bank does not recognizes the effectiveness of credit risk mitigation for deposits held with the Bank unless pledged as collateral.

Legally Binding Netting Contracts for Derivatives and Repo-Style Transactions

The Bank considers legally binding bilateral netting contracts for derivatives as a means of mitigating credit risk.

The Bank has a policy of entering into derivative transactions, in principle, only with counterparties with legally binding netting contracts.

In its administration of legally binding netting contracts, the Bank confirms the scope of transactions as and when necessary.

In addition, when the Bank calculates the amount of credit risk exposure, the Bank considers transactions made under the International Swap and Derivatives Association (ISDA) Master Agreement as transactions under legally binding netting agreements.

Regarding repo-style transactions, although the Bank has concluded legally binding netting agreements with its major counterparties, taking account of the stipulations of the Notification and the Bank's operating practices, the Bank does not consider these agreements as a means of mitigating credit risk.

■ Information about (Market or Credit) Risk Concentrations arising from Credit Risk Mitigations

For exposure where the credit risk has been transferred from a guaranteed party to a guarantor, as a result of credit risk mitigation techniques, the Bank monitors the concentrations of credit risk, and manages exposures accordingly. Regarding market risk, there is no exposure of credit derivatives included in the Bank's trading accounts.

Amount of Exposure Subject to Credit Risk Mitigation Techniques (Eligible Financial Collateral, Other Eligible IRB Collateral, Guarantees, Credit Derivatives)

(Billions of yen)

Classification	As of March 31, 2010	As of March 31, 2009
Foundation Internal Ratings-Based Approach	**7,381**	4,769
Eligible financial collateral	**5,703**	4,620
Corporate exposure	**10**	15
Sovereign exposure	**3**	—
Bank exposure	**5,689**	4,604
Other eligible IRB collateral	**—**	—
Corporate exposure	**—**	—
Sovereign exposure	**—**	—
Bank exposure	**—**	—
Guarantees, Credit Derivatives	**1,677**	148
Corporate exposure	**129**	135
Sovereign exposure	**47**	13
Bank exposure	**1,501**	—
Retail exposure secured by residential properties	**—**	—
Qualifying revolving retail exposure	**—**	—
Other retail exposure	**—**	—
Standardized Approach	**—**	—
Eligible financial collateral	**—**	—
Guarantees, Credit Derivatives	**—**	—

Notes: 1. The amount of exposure for which credit risk mitigation techniques have been used is limited to the portion for which such effects have been taken into account.
2. Exposure subject to treatment as credit risk exposure is not included.

5. Counterparty Credit Risk in Derivative Transactions (Consolidated)

Overview of Risk Management Policy and Procedures for Counterparty Credit Risk in Derivatives and Transactions with a Long Settlement Period

■ Policy for Allocation of Risk Capital and Credit Lines

To manage the credit risk involved in derivative transactions where the counterparty is a financial institution, the Bank places a ceiling according to the creditworthiness of the counterparty. The Bank sets a ceiling on unsecured exposure to financial institution groups according to the Bank's internal ratings and sectors of those groups. The Bank manages its total unsecured exposure to such groups, including the credit risk amount in derivative transactions, within the ceiling. This ceiling system is known as the "Bank Ceiling System." Within the limits of this ceiling, each of the front sections is allocated a position limit according to a specific entity within the group and a type of transaction (such as derivatives, loans, money market transactions). Exposures are managed so as not to exceed risk limits, including derivative transactions. Note that under the bank ceiling system, replacement costs, one component of current exposure in the BIS framework, are considered as the exposure amounts of derivatives to be managed. The ceiling on unsecured exposure, according to internal rating and sector, is approved by Credit Committee, including the member of the board in charge of risk management as a member of the committee. When the internal rating of the financial institution counterparty is downgraded due to a decline in creditworthiness, the ceiling may be automatically lowered. Compliance with the ceiling is monitored by the Risk Monitoring Division on a daily basis. When the total exposure exceeds a preset percentage limit, the Risk Monitoring Division sends a notice to the front section in charge and the Credit Risk Management Division. Based on this notice, Credit Risk Management Division and the relevant divisions consider and implement action plans. However, when an immediate action is required, instead of having discussion with the relevant divisions, Credit Risk Management Division exercises its authority and take immedate actions, such as ordering the front section to suspend any new transaction.

■ Policy for Calculating the Value of Collateral as Security for Claims and Reserve for Possible Loan Losses

For derivative transactions, the Bank has concluded a Credit Support Annex (CSA) with its major counterparty among financial institutions. In some cases, the Bank receives collateral from these financial institution counterparties. The collateral to be posted may vary depending on the condition of a CSA entered, but it mainly consists of Japanese government bonds (JGBs), yen cash, U.S. Treasury bonds, and U.S. dollar cash. Regarding replacement costs, the Bank conducts self-assessment exercises and makes provisions to reserves for possible loan losses against possible replacement costs according to the internal rating of the financial institution counterparty.

■ Remarks on Impact in case the Bank is Required to Post Additional Collateral when the Bank's Credit Standing Deteriorates

In general, if the Bank's creditworthiness deteriorates, such as downgrading by credit rating agency, financial institution counterparty dealing with the Bank will reduce their credit risk limits and may request the Bank to post collateral. Especially under CSA agreements, the credit risk limits applicable to that bank are automatically adjusted according to the credit rating of a bank assigned by a rating agency. If the Bank's credit rating declines, it will be required to post collateral in accordance with its agreements. However, if the Bank has abundant holdings of liquid financial instruments, such as government bonds, it will have a sufficient level of assets to post as collateral, and Market Portfolio Management Committee monitors the level of these assets ongoing basis. For this reason, even if the Bank is required to post additional collateral, the impact on the Bank's activities will be minimal.

Methods Used for Calculating Amount of Credit Exposure

The current exposure method is adopted.

Breakdown of the Amount of Credit Exposure

(Billions of yen)

Classification		As of March 31, 2010	As of March 31, 2009
Total gross replacement costs (limited to items with a value of greater than zero)	(A)	**76**	124
Total gross add-ons	(B)	**287**	354
Gross credit exposure	(C) = (A)+(B)	**364**	479
Including, foreign exchange related		**304**	356
Including, interest rate related		**57**	110
Including, equity related		**2**	3
Including, credit derivatives		**—**	9
Including, transactions with a long settlement period		**0**	—
Reduction in credit exposure due to netting contracts	(D)	**233**	321
Amount of credit exposure before taking into account credit risk mitigation techniques due to collateral	(E) = (C)–(D)	**130**	157
Amount of collateral		**0**	—
Including eligible financial collateral		**0**	—
Amount of credit exposure after taking into account credit risk mitigation techniques due to collateral		**130**	157

Notes: 1. Derivatives transactions included in risk-weighted assets calculation for investment funds are not included.
2. Under the stipulations of the Notification Regarding Capital Adequacy, Article 56-1, the amount of credit exposure not computed has not been included.

Notional Principal Amount of Credit Derivatives Included in Computation of Credit Exposure

(Billions of yen)

Classification	As of March 31, 2010	As of March 31, 2009
To buy protection	**—**	—
Including credit default swaps	**—**	—
To sell protection	**—**	91
Including credit default swaps	**—**	91
Notional principal amount of credit derivatives taking into consideration the effect of credit risk mitigation techniques	**—**	—

Notes: 1. Credit derivatives included in risk-weighted assets for investment funds have not been taken into consideration.
2. Under the stipulations of the Notification Regarding Capital Adequacy, Article 10 and Article 56, the amount of credit risk assets not computed has not been included.

6. Securitization Exposure (Consolidated)

Outline of Risk Management Policy and Procedures for Securitization Exposure

As part of its credit risk transactions, the Bank conducts transactions in securitized (structured finance) instruments. Securitized transactions have a certain type of assets as the underlying assets and make it possible to effectively and efficiently mitigate and acquire credit risk and other forms of risk. The Bank's policy is to continuously invest in such instruments while managing the risk arising from those transactions appropriately.

The Bank invests in securitization exposure as part of its policy of effectively generating earnings, globally from geographical perspective and from credit to individuals and corporations from a perspective of underlying assets. In terms of risk management framework for these investments, the Bank has established a risk management infrastructure of credit and market risk, including credit ceilings, internal ratings, self-assessment, and economic capital management. According to that framework, the Bank implements the cycle mainly consists of investment policy setting, due diligence (comprehensive analysis at the time of initial investment), credit analysis, execution, and monitoring.

In view of the risk profiles of securitization exposure, the Bank has established the process of risk evaluation, including the differentiation of approval limits on investment according to credit rating, assessment of methodology adopted by credit rating agency and quantitative analysis for repayment capability of the exposure. The Bank monitors the credit conditions of these investment products ongoing basis and performs analysis and assessment of market environments, considering performances of underlying assets.

Regarding its securitization exposure, the Bank appropriately calculates the amounts of credit risk assets based on the Notifications regarding Capital Adequacy. As part of its comprehensive risk management, it examines migrations in credit ratings. In addition, based on the risk properties of the securitization exposure, the Bank computes risk volumes and engages in other initiatives to enhance the accuracy and sophistication of its risk management.

Please note that, as of March 31, 2010, the Bank has no securitization transaction in which the Bank acts as an originator and recognized effects of credit risk mitigation for a regulatory purpose.

Computation of Risk-Weighted Assets for Credit Risk in Securitization Exposure

The Bank computes the amount of risk-weighted assets for securitization exposure by applying the "Ratings-Based Approach (RBA)," "Supervisory Formula (SF)" and "deduction from capital."

The Bank treats securitized instruments in accordance with the "Accounting Standards for Financial Products" and "Practical Guidelines for Accounting for Financial Products" for accounting purpose.

To determine risk weights assigned to its securitization exposure, the Bank uses five qualified rating agencies (External Credit Assessment Institution (ECAI)): Standard & Poor's, Moody's Investors Service, Fitch Ratings, Ltd., Rating & Investment Information, Inc., and Japan Credit Rating Agency, Ltd.

Detail of Securitization Exposure Held as Originator

(Billions of yen)

Classification	As of March 31, 2010	As of March 31, 2009
Total amount of underlying assets	**—**	—
Amounts of securitization exposure	**—**	—
Increase in capital due to securitization transactions	**—**	—
Deducted from capital	**—**	—
Amounts of securitized exposure	**—**	—
Gains (losses) on sales of securitization transactions	**—**	—

As of March 31, 2010, the Bank has not been an originator for securitization exposure, having effects of credit risk mitigation.

Details of Securitization Exposure Held as Investor by Exposure Type

(Billions of yen)

Classification	As of March 31, 2010		As of March 31, 2009	
	Amount of exposure	Deductions from capital	Amount of exposure	Deductions from capital
Total amount of securitization exposure	**5,457**	**162**	6,171	79
Individuals				
Asset-Backed Securities (ABS)	**2,531**	**0**	2,649	18
Residential Mortgage-Backed Securities (RMBS)	**549**	**21**	652	1
Real estate				
Commercial Mortgage-Backed Securities (CMBS)	**482**	**20**	604	1
Corporates				
Subtotal of CDOs (CLO, ABS-CDO, CBO)	**1,800**	**111**	2,194	40
Collateralized Loan Obligations (CLO)	**1,568**	**83**	1,908	30
Asset-Backed Securities CDOs (ABS-CDO)	**202**	**28**	217	9
Collateralized Bond Obligations (CBO)	**28**	**—**	69	—
Others	**93**	**8**	70	18

Note: "Deductions from capital" is equity exposure deducted from capital under Article 224 of the Notification Regarding Capital Adequacy.

Amount of Securitization Exposure Held as Investor and Regulatory Required Capital by Risk-Weighted Category

(Billions of yen)

Classification	As of March 31, 2010		As of March 31, 2009	
	Amount of exposure	Regulatory Required Capital	Amount of exposure	Regulatory Required Capital
Amount of securitization exposure	**5,457**	**300**	6,171	194
Risk weight: 20% or less	**4,473**	**33**	5,418	43
Risk weight: exceeding 20% to 50% or less	**391**	**11**	292	8
Risk weight: exceeding 50% to 100% or less	**177**	**12**	197	13
Risk weight: exceeding 100% to 250% or less	**92**	**19**	128	22
Risk weight: exceeding 250% to less than 1,250%	**159**	**61**	55	26
Deductions from capital	**162**	**162**	79	79

Risk-Weighted Assets Computed through Application of Appendix Article 15 of the Notification Regarding Capital Adequacy

Not applicable

7. Market Risk (Consolidated)

Methods for Computation of Market Risk Amount and Appropriate Valuation Method

The Bank utilizes an internal models approach to measure "general market risk in a trading account." The Bank applies the standardized method for measuring "individual risks in a trading account," "foreign currency exchange risk," "commodity risk," "assets and liabilities related to a trading account in consolidated subsidiaries" and "foreign currency exchange risk and commodity risk in consolidated subsidiaries."

The financial products handled in a trading account, for which the internal models approach is applied to measure general market risk, are limited to products and transactions with abundant liquidity, such as interest rate futures, bond futures, interest rate swaps and other items. In computing the amount of market risk within "general market risk in a trading account," the Bank takes account of the profiles of the products handled and assumes a holding period of 10 business days.

Computation of the Market Risk Amount by the Internal Models Approach

■ Scope of Market Risk Amounts Computed by the Internal Models Approach

The model covers general market risk within a trading account. The scope is the same on a consolidated and non-consolidated basis. The following risks are computed according to the standardized method: individual risks in a trading account, foreign currency exchange risk, commodity risk and all the market risks with consolidated subsidiaries.

■ Descriptions of the Internal Models Approach

(1) Applied Method: Variance-covariance matrix

(2) Holding period: 10 business days

(3) Confidence interval: Computations assume a standard normal distribution, a 99th percentile, one-tailed confidence interval (Computed for a holding period of one business day by multiplying by the square root of 10).

■ VaR

(Millions of yen)

	Fiscal 2009	Fiscal 2008
Base date of computation	**2010. 3. 31**	2009. 3. 31
VaR (For the most recent 60 business days)		
Base date of computation	**259**	333
Maximum	**283**	531
Minimum	**96**	138
Average	**173**	258

■ Amounts of Market Risk

(Millions of yen)

		Fiscal 2009	Fiscal 2008
For the portion computed with the internal models approach (B)+(E)	(A)	**519**	776
Value at Risk (MAX (C, D))	(B)	**519**	776
Amount on base date of computation	(C)	**259**	333
Amount determined by multiplying (F) by the average for the most recent 60 business days	(D)	**519**	776
Additional amount at the time of measuring individual risk	(E)	**0**	0
(Multiplier)	(F)	**3.0**	3.0
(Times exceeding VaR in back testing)	(G)	**2**	2

Note: With regard to validation of the Bank's internal model, the amount of risk calculated by the model is compared with the volatilities in actual profit and loss on a daily basis (known as back testing). When discrepancies between the model's estimates and actual results due to the designs of the model go beyond a certain level, the Bank scrutinizes the relevant model factors and revises the model if necessary.

8. Equity Exposure (Consolidated)

(Includes items such as shares, excludes items in a trading account)

Outline of Risk Management Policy and Procedures Related to Equity Exposure

The Bank's exposure to equity comprises stocks classified as other securities and stocks of subsidiaries and other associated companies. The amounts of risk-weighted assets for credit risk are computed by the methods specified by the Notifications Regarding Capital Adequacy. However, for internal management purposes, the Bank conducts comprehensive risk management within its economic capital management framework, as described in the section, "Norinchukin Risk Management."

■ Equities Classified as Other Securities

Risk management of equities classified as other securities is managed under a framework of overall market risk management (including interest rate risk and foreign currency exchange risk). That framework mainly consists of the economic capital management framework. Further details can be found in "Norinchukin Risk Management."

■ Stocks of Subsidiaries and Other Associated Companies

The stocks of subsidiaries and other associated companies are recognized as credit risk assets and managed within the economic capital management framework.

■ Principal Accounting Policies

For accounting purposes, among exposure to equity and other investments, stocks of subsidiaries and other associated companies are valued at cost, determined by the moving average method. Exposure to equity and other investments classified in other securities is valued at the market value prevailing on the date of the closing of accounts, in the case of equities with quoted market values (with book values mainly determined by the moving average method). Equities without market values are valued at cost, determined by the moving average method. In addition, the valuation difference on other securities is entered directly in the net assets account.

■ Computation of Risk-Weighted Assets Using the Internal Models Approach

The Bank applies the PD/LGD approach to calculation of risk-weighted assets for equity exposures, and the simple risk-weight method and internal model method for calculation under the market-based approach.

Amounts on the Balance Sheet and Market Value

(Billions of yen)

Classification	As of March 31, 2010		As of March 31, 2009	
	Amounts on the balance sheet	Market value	Amounts on the balance sheet	Market value
Equity exposure	**839**	**839**	477	477
Exposure to publicly traded equity	**679**	**679**	331	331
Exposure to privately held equity	**160**	**160**	145	145

Notes: 1. No stocks included in this table are fund-raising instruments of other financial institutions that the Bank holds deliberately as specified in the Notification Regarding Capital Adequacy, Article 8-1-1.
2. Regarding "market value," equities with quoted market values are evaluated at market, and those without market values are valued using the total amounts entered in the balance sheet.

Amount of Gain (Loss) due to Sale or Write-Off

(Billions of yen)

Item	Fiscal 2009			Fiscal 2008		
	Gains from sale of equities, etc.	Losses from sales of equities, etc.	Write-offs of equities, etc.	Gains from sale of equities, etc.	Losses from sales of equities, etc.	Write-offs of equities, etc.
Equity exposure	**15**	**2**	**55**	37	79	30

Note: Amounts reflect relevant figures posted in the consolidated income statements.

Amount of Valuation Gains (Losses)

(Billions of yen)

Item	As of March 31, 2010	As of March 31, 2009
Amount of valuation gains (losses) recognized on the balance sheet and not recognized in the statements of operations	**98**	9

Notes: 1. Exposure is to equity shares issued by both domestic and overseas companies.
2. No stocks included in this table are fund-raising instruments of other financial institutions that the Bank holds deliberately, as specified in the Notification Regarding Capital Adequacy, Article 8-1-1.

Unrealized Gains (Losses) Not Recognized on Consolidated Balance Sheets or Consolidated Statements of Income

Not applicable

Amount Included in Supplementary Capital (Tier II) Under Stipulations of the Notification Regarding Capital Adequacy, Article 6-1-1

(Billions of yen)

Item	As of March 31, 2010	As of March 31, 2009
Amount included in supplementary capital under the stipulations of the Notification Regarding Capital Adequacy, Article 6-1-1	**—**	—

Note: "Amount included in supplementary capital under the stipulations of the Notification Regarding Capital Adequacy, Article 6-1-1" is 45% of the total value of exposure to equity and other investments (excluding equities, etc., that are fund-raising instruments of other financial institutions that the Bank holds deliberately, as specified in the Notification Regarding Capital Adequacy, Article 8-1-1) classified under other securities at market value, minus the total book value of these securities.

Equity Exposure Subject to Treatment Under the Notification Regarding Capital Adequacy, Appendix Article 13

(Billions of yen)

Classification	As of March 31, 2010	As of March 31, 2009
	Amounts on the balance sheets	Amounts on the balance sheets
Equity exposure subject to treatment under the Notification Regarding Capital Adequacy, Appendix Article 13	**377**	322
Corporate	**364**	310
Bank	**7**	6
Sovereign	**5**	5

Note: Appendix Article 13 of the Notification Regarding Capital Adequacy specifies provisional methods for calculating the value of credit risk assets in exposure to equity and other investments that meets certain specified standards.

9. Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund (Consolidated)

Overview of Risk Management and Procedures Related to Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund

Exposure subject to risk-weighted asset calculation for the investment fund consists mainly of assets managed in investment trusts and money trusts and include equities, bonds and credit assets, which are the Bank's primary investment assets. Risk management policies are stipulated for each category of the asset classes. An outline is provided in the section "Norinchukin Risk Management." In addition to direct investment, the Bank allocates investments to funds. Relevant procedures are described in "Policies and Procedures for Management of Fund Investments." Risk is managed by applying methods appropriate for various asset categories. When these assets are entrusted with managers, the Bank performs through due-diligence, including on operating systems, risk management systems, compliance framework, management philosophy and strategies as well as past performance of the managers to be chosen, before making decisions for manager selection. In addition, after entrusting these assets to managers, the Bank monitors their performance from quantitative and qualitative perspectives and conducts reviews of performance on a continuous basis to assess whether to continue or replace individual managers.

Amount of Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund

(Billions of yen)

Classification	As of March 31, 2010		As of March 31, 2009	
	Exposure	(For reference) Weighted-average risk weight	Exposure	(For reference) Weighted-average risk weight
Look-through approach	**13,178**	**62%**	13,072	69%
Majority approach	**498**	**324%**	541	337%
Mandate approach	**—**	**—**	—	—
Market-based approach	**1,741**	**249%**	1,258	235%
Others (simple approach)	**253**	**472%**	274	448%
Total	**15,672**	**95%**	15,147	98%

Notes: 1. The "Look-through approach" is a method for computing the risk-weighted assets in fund by totaling the amount of risk-weighted assets for credit risk in individual asset categories. (Please refer to Notification Regarding Capital Adequacy, Article 144-1.)

2. The "Majority approach" is a method for computing the risk-weighted assets in fund by applying risk weight to the fund as well as equity exposure when the exposure of equity, in terms of value, is major in a fund. (Please refer to the Notification Regarding Capital Adequacy, Article 144-2.)

3. The "Mandate approach" is a method for computing the risk-weighted assets in fund where only the investment mandate of the fund is known. The risk-weighted assets are computed as follows; It is assumed that the fund first invests, to the maximum extent allowed under its mandate, in the asset classes attracting the highest capital requirement, and then continues making investments in descending order until the maximum total investment level is reached. (Please refer to the Notification Regarding Capital Adequacy, Article 144-3.)

4. The "Market-based approach" is a method for computing the credit risk of exposure regarded as credit risk assets using the Bank's internal model (which is a value-at-risk (VaR) model based on the historical simulation method). (Please refer to the Notification Regarding Capital Adequacy, Article 144-4.)

5. The "Others (simple approach)" is a method for computing the risk-weighted assets in fund by applying risk weight of 400%, when it is judged the probability that the weighted-average risk weight will be less than 400%. In all other cases, risk weight of 1,250% is applied to funds. (Please refer to the Notification Regarding Capital Adequacy, Article 144-5.)

6. (For reference) Weighted-average risk weight = {Total risk-weighted assets + (Expected losses + Deductions from capital) / 8%} / EAD

10. Interest-Rate Risk (Consolidated)

(Interest-rate risk (excluding trading account) is the gain or loss from interest-rate shocks or the increase or decrease in economic value used for internal management purposes.)

Overview of Risk Management and Procedures for Interest-Rate Risk

As described in the section of "Norinchukin Risk Management," in its economic capital management, the core concept of the Bank's risk management framework, the principal business model is the globally diversified investments. Accordingly, the Bank manages risk by taking into account correlation among or within asset classes, principally bonds, equities, credit assets, and diversification effects among asset classes.

In managing "interest-rate risk," the Bank analyzes interest-rate risk by performing scenario analysis on profit-and-loss impact simulations based on many types of scenarios and carries out various types of interest-rate sensitivity analysis, including BPV and yield-curve risk. In addition, the Bank conducts static and dynamic profit-and-loss impact analyses in major currencies. The Bank manages interest-rate risk in the banking book through a framework to properly capture the impact from interest-rate risk arising from various factors.

Combining this type of interest-rate risk management with the management of other major risks, the Bank has established checkpoints for application of its Internal Capital Adequacy Assessment Process (ICAAP). By conducting sets of stress testing and implementing other measures, the Bank always ensures the proper operation of risk management at all times, from the point of view of the assessment of capital adequacy as well.

Crucial Assumptions for Interest-Rate Risk Management, Frequency of Risk Measurement

As mentioned in the previous section, the core of the Bank's risk management activities is economic capital management. The Bank measures the risk of its securities portfolio on a daily basis. In the banking book, the Bank's internal rule applies one year holding period and five year historical observation period as criteria for interest-rate risk volatility measurements. The Bank calculates the declines in economic value on a monthly basis by taking the first and 99th percentile risk measure. Note that in principle, these measurements cover all financial assets and liabilities, while the measurement process does not take account of inter-grid factors and correlations with other assets at all.

Interest-Rate Risk Volume Computed with the Internal Model in Core Business Accounts (The Banking Accounts)

(Billions of yen)

Classification	As of March 31, 2010	As of March 31, 2009
Interest-rate risk	**1,337**	1,125
Yen interest-rate risk	**18**	6
U.S. dollar interest-rate risk	**1,181**	1,014
Euro interest-rate risk	**133**	97
Interest-rate risk in other currencies	**4**	6

Notes: 1. Interest-rate risk in consolidated subsidiaries is limited in view of the size of their assets, so the interest-rate risk volume for the Bank on a non-consolidated basis is shown here.

2. Regarding core deposits, since the balances of deposits, etc., without maturity dates are limited, the Bank does not currently measure their risk volume. In addition, regarding repayments of mortgage-backed securities and callable securities before maturity, risk volume is measured after taking account of negative convexity and option vega due to call conditions and other factors.

1. Capital Structure (Non-Consolidated)

(1) CAPITAL ADEQUACY RATIO (NON-CONSOLIDATED)

Non-Consolidated Capital Adequacy Ratio (Basel capital adequacy standards) (Basel II)

Note: The Bank's capital adequacy ratio for the fiscal year ended March 31, 2010 and 2009, was computed according to Basel II.

As of March 31

Items			Millions of yen		Millions of U.S. dollars
			2010	2009	**2010**
Tier I capital	Capital stock		**3,425,909**	3,421,370	**36,837**
	Included as non-cumulative, perpetual preferred stock		**24,999**	24,999	**268**
	Deposit for subscription to preferred stock		**—**	—	**—**
	Capital surplus		**25,020**	25,020	**269**
	Earned surplus		**819,450**	788,617	**8,811**
	Less: Amount corresponding to the decrease in capital due to merger of subsidiaries		**—**	—	**—**
	Less: Treasury stock		**—**	—	**—**
	Deposit for subscription to treasury stock		**—**	—	**—**
	Unrealized loss on other securities		**(406,661)**	(1,871,867)	**(4,372)**
	Foreign currency transaction adjustment		**(26)**	(19)	**(0)**
	Stock aquisition rights		**—**	—	**—**
	Less: Amount corresponding to operating rights		**—**	—	**—**
	Less: Goodwill and others		**—**	—	**—**
	Less: Amount corresponding to the increase in capital due to securitization transactions		**—**	—	**—**
	Less: Amount equivalent to 50% expected losses in excess of qualifying allowance		**72,828**	62,479	**783**
	Subtotal	(A)	**3,790,864**	2,300,641	**40,761**
	Including preferred securities with interest rate step-up clause		**—**	—	**—**
	(Ratio of the value of such preferred securities to Tier I capital)		**—**	—	**—**
Tier II capital	45% of unrealized gains on other securities		**—**	—	**—**
	45% of unrealized gains on land		**22,684**	23,231	**243**
	General reserve for possible loan losses		**16**	43	**0**
	Qualifying subordinated debt		**1,751,813**	1,746,775	**18,836**
	Included as perpetual subordinated bonds and loans		**1,486,007**	1,476,057	**15,978**
	Included as dated subordinated bonds, loans, and preferred stock		**265,806**	270,718	**2,858**
	Subtotal		**1,774,514**	1,770,051	**19,080**
	Tier II capital included as qualifying capital	(B)	**1,774,514**	1,770,051	**19,080**
Tier III capital	Short-term subordinated debt		**—**	—	**—**
	Including amount added to capital	(C)	**—**	—	**—**
Deductions	Deductions	(D)	**304,823**	327,154	**3,277**
Total Capital	(A)+(B)+(C)-(D)	(E)	**5,260,555**	3,743,538	**56,565**
Risk-weighted assets	Risk-weighted assets for credit risk	(F)	**25,378,556**	22,421,771	**272,887**
	Including on-balance sheet		**24,111,417**	20,951,361	**259,262**
	Including off-balance sheet		**1,267,138**	1,470,409	**13,625**
	Assets equivalent to market risk (H)/8%	(G)	**1,400,525**	730,398	**15,059**
	(For reference: actual market risk volume)	(H)	**112,042**	58,431	**1,204**
	Amount corresponding to operational risk (J)/8%	(I)	**528,504**	764,948	**5,682**
	(For reference: amount corresponding to operational risk)	(J)	**42,280**	61,195	**454**
	Total risk-weighted assets (F)+(G)+(I)	(K)	**27,307,586**	23,917,117	**293,629**
Basel II Capital Adequacy Ratio (Basel capital adequacy standards) = (E)/(K) × 100%			**19.26%**	15.65%	**19.26%**
Tier I ratio = (A)/(K) × 100%			**13.88%**	9.61%	**13.88%**
Non-consolidated required capital (K) × 8%			**2,184,606**	1,913,369	**23,490**

Notes: 1. The Bank's capital adequacy ratio was computed according to the stipulations outlined in Notification No. 4 of the 2006 Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries of Japan (Standard for Judging the Management Soundness of the Norinchukin Bank) (hereinafter, Notification Regarding Capital Adequacy). Note that the Bank adopts Foundation Internal Ratings-Based Approach (F-IRB) in computing risk-weighted assets for credit risk and the Standardized Approach (TSA) in computing the amount corresponding to operational risk.

2. Regarding the calculation of capital adequacy ratio, certain procedures were performed by Ernst & Young ShinNihon LLC pursuant to "Treatment of Inspection of Capital Ratio Calculation Framework Based on Agree-upon Procedures" (JICPA Industry Committee Report No. 30). It does not constitute a part of the audit on financial statements by law, but a review on agree-upon procedures on internal control of capital adequacy calculation. Accordingly, Ernst & Young ShinNihon LLC does not address any opinion as a result of the review.

3. The Tier II capital item "general reserve for possible loan losses" is limited to the amount corresponding to assets which is calculated according to a Standardized Approach in terms of risk-weighted assets for credit risk.

4. Those are items of Deductions: (1) the total amount of the value corresponding to intentional holdings of capital investments issued by other financial institutions, (2) 50% of the expected losses on exposure to corporate, sovereign and bank, and expected losses on retail exposure over the value of qualified reserves, (3) expected losses on equity exposure, and (4) securitization exposure subject to deduction from capital (Notification Regarding Capital Adequacy, Article 20).

5. In computing risk-weighted assets for credit risk, the Bank has applied a scaling factor of 1.06 to the amount of risk-weighted assets for credit risk computed based on its Foundation Internal Ratings-Based Approach (F-IRB), as provided for in the Notification Regarding Capital Adequacy, Article 129.

2. Capital Adequacy (Non-Consolidated)

(Minimum amount of regulatory required capital and breakdown for each risk category as required under Basel II)

Regulatory Required Capital

(Billions of yen)

Items	As of March 31, 2010		As of March 31, 2009	
	EAD	Regulatory Required Capital	EAD	Regulatory Required Capital
Amount of regulatory required capital for credit risk	**81,195**	**2,586**	75,645	2,233
Exposure subject to Internal Ratings-Based Approach	**81,189**	**2,585**	75,628	2,231
Corporate exposure (excluding Specialized Lending)	**5,571**	**501**	6,245	453
Corporate exposure (Specialized Lending)	**777**	**150**	763	109
Sovereign exposure	**37,263**	**0**	32,968	0
Bank exposure	**13,005**	**89**	12,280	103
Retail exposure	**6**	**2**	6	2
Retail exposure secured by residential properties	**—**	**—**	—	—
Qualifying revolving retail exposure	**—**	**—**	—	—
Other retail exposure	**6**	**2**	6	2
Securitization exposure	**5,455**	**300**	6,168	193
Equity portfolios	**885**	**172**	528	70
Equity portfolios subject to PD/LGD approaches	**170**	**37**	130	22
Equity portfolios subject to simple risk-weighted method	**37**	**12**	41	13
Equities under the internal models approach	**276**	**87**	9	4
Grandfathered equity exposure	**401**	**34**	347	29
Exposure subject to risk-weighted asset calculation for investment fund	**17,627**	**1,332**	16,105	1,263
Other debt purchased	**47**	**4**	58	1
Other exposures	**549**	**31**	502	32
Exposure subject to Standardized Approach	**5**	**0**	16	1
Overdrafts	**0**	**0**	0	0
Prepaid expenses	**1**	**0**	6	0
Suspense payments	**3**	**0**	10	0
Other	**—**	**—**	—	—
Amount of regulatory required capital for market risk	**/**	**112**	/	58
Standardized Approach	**/**	**111**	/	57
Interest rate risk category	**/**	**—**	/	—
Equity risk category	**/**	**—**	/	—
Foreign exchange risk category	**/**	**111**	/	57
Commodity risk category	**/**	**—**	/	—
Option transactions	**/**	**—**	/	—
Internal models Approach	**/**	**0**	/	0
Amount of regulatory required capital for operational risk	**/**	**42**	/	61
Offsets on consolidation	**/**	**2,740**	/	2,352

Notes: 1. Regulatory required capital for credit risk = 8% of risk-weighted assets for credit risk + Expected losses + Deductions from capital

2. "Risk-weighted asset calculation for investment fund" is risk-weighted assets as calculated according to the method specified in Notification Regarding Capital Adequacy, Article 144.

3. Article 13 of the Notification Regarding Capital Adequacy contains a grandfathering provision for computing the amount of risk assets related to equity exposures that meet specified criteria.

4. Under "The Standardized Approach (TSA)," which is a method for computing the amount corresponding to operational risk, the gross profit for one year is allocated among the business activities as specified in Appendix Table 1 of the Notification Regarding Capital Adequacy. The multiplier specified for each business activity classification is multiplied by the gross profit, and the average of the annual totals for the past three years is taken to be the amount corresponding to operational risk (Notification Regarding Capital Adequacy, Article 282).

3. Credit Risk (Non-Consolidated)

(Funds and securitization exposures are excluded.)

(1) CREDIT RISK EXPOSURE

For Fiscal 2009, ended March 31, 2010

Geographic Distribution of Exposure, Details in Significant Areas by Major Types of Credit Exposure

(Billions of yen)

Region	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	15,124	14,958	5	3,164	33,252	290
Asia except Japan	54	32	0	825	912	—
Europe	22	4,325	0	3,614	7,962	0
The Americas	258	10,859	2	5,621	16,741	0
Other areas	23	719	0	0	743	—
Total	15,482	30,895	8	13,226	59,613	291

Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of yen)

Industry	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure	Write-off of loans (amounts of partial direct write-off)
Manufacturing	2,314	295	1	0	2,611	56	1
Agriculture	47	0	—	0	48	7	0
Forestry	37	—	—	—	37	1	0
Fishing	32	—	—	0	32	24	0
Mining	8	—	—	0	8	—	—
Construction	139	17	—	0	156	5	—
Utility	134	15	0	0	149	—	—
Information/telecommunications	82	14	—	0	96	9	11
Transportation	691	64	2	0	758	2	6
Wholesaling, retailing	1,585	61	0	0	1,647	27	0
Finance and insurance	1,411	6,670	3	12,668	20,754	26	—
Real estate	491	379	—	0	872	102	0
Services	1,248	75	0	1	1,326	27	0
Municipalities	264	12	—	—	277	—	—
Other	6,992	23,287	—	555	30,835	0	—
Total	15,482	30,895	8	13,226	59,613	291	20

Note: "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.

Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of yen)

Term to maturity	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
In 1 year	**11,813**	**9,017**	**0**	**11,593**	**32,425**
Over 1 year to 3 years	**1,540**	**6,614**	**2**	**56**	**8,213**
Over 3 years to 5 years	**1,480**	**4,033**	**1**	**2**	**5,517**
Over 5 years to 7 years	**366**	**935**	**1**	**—**	**1,303**
Over 7 years	**266**	**9,456**	**3**	**—**	**9,726**
No term to maturity	**15**	**838**	**—**	**1,574**	**2,427**
Total	**15,482**	**30,895**	**8**	**13,226**	**59,613**

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2009.
2. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥5.2 billion.
3. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

For Fiscal 2008, ended March 31, 2009

Geographic Distribution of Exposure, Details in Significant Areas by Major Types of Credit Exposure

(Billions of yen)

Region	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	13,215	14,977	5	3,919	32,118	244
Asia except Japan	74	32	0	1,815	1,922	—
Europe	74	2,501	1	1,919	4,497	5
The Americas	274	8,064	2	6,523	14,865	1
Other areas	23	17	0	0	42	—
Total	13,663	25,592	9	14,179	53,445	252

Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of yen)

Industry	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure	Write-off of loans (amounts of partial direct write-off)
Manufacturing	2,340	282	1	0	2,623	50	5
Agriculture	44	0	—	0	44	5	1
Forestry	41	—	—	—	41	1	0
Fishing	36	—	—	—	36	26	2
Mining	18	1	—	0	19	—	—
Construction	161	17	—	0	179	5	1
Utility	147	48	0	0	196	—	—
Information/telecommunications	108	32	—	0	141	6	—
Transportation	706	69	3	0	778	10	—
Wholesaling, retailing	1,664	54	0	0	1,719	24	0
Finance and insurance	1,464	4,186	4	13,656	19,312	5	0
Real estate	463	160	—	0	624	87	1
Services	1,364	54	0	1	1,420	27	4
Municipalities	337	35	—	—	373	—	—
Other	4,762	20,651	—	519	25,933	0	0
Total	13,663	25,592	9	14,179	53,445	252	17

Note: "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.

Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of yen)

Term to maturity	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
In 1 year	9,861	5,128	0	12,068	27,059
Over 1 year to 3 years	1,541	3,686	3	50	5,281
Over 3 years to 5 years	1,389	4,890	0	6	6,287
Over 5 years to 7 years	470	1,763	1	4	2,238
Over 7 years	327	9,653	3	—	9,985
No term to maturity	72	471	—	2,049	2,593
Total	13,663	25,592	9	14,179	53,445

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2008.
2. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥16.9 billion.
3. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

(2) RESERVES FOR POSSIBLE LOAN LOSSES

Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specific Reserve for Loans to Countries with Financial Problems by Region

(Billions of yen)

Region	As of March 31, 2010	As of March 31, 2009	Increase/(decrease)
General reserve for possible loan losses	**73**	47	**25**
Specific reserve for possible loan losses	**136**	100	**35**
Japan	**135**	98	**37**
Asia except Japan	**—**	—	**—**
Europe	**0**	1	**(1)**
The Americas	**—**	0	**(0)**
Other areas	**—**	—	**—**
Specified reserve for loans to countries with financial problems	**—**	—	**—**
Total	**209**	147	**61**

Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specified Reserve for Loans to Countries with Financial Problems by Industry

(Billions of yen)

Industry	As of March 31, 2010	As of March 31, 2009	Increase/(decrease)
General reserve for possible loan losses	**73**	47	**25**
Specific reserve for possible loan losses	**136**	100	**35**
Manufacturing	**19**	12	**7**
Agriculture	**4**	2	**2**
Forestry	**0**	0	**0**
Fishing	**11**	13	**(1)**
Mining	**—**	—	**—**
Construction	**1**	0	**1**
Utility	**—**	—	**—**
Information/telecommunications	**7**	3	**3**
Transportation	**1**	6	**(4)**
Wholesaling, retailing	**5**	15	**(9)**
Finance and insurance	**14**	1	**12**
Real estate	**58**	35	**23**
Services	**9**	7	**1**
Municipalities	**—**	—	**—**
Other	**0**	—	**0**
Others	**—**	—	**—**
Specified reserve for loans to countries with financial problems	**—**	—	**—**
Total	**209**	147	**61**

(3) EXPOSURE SUBJECT TO THE INTERNAL RATINGS-BASED APPROACH

a. Corporate, Sovereign and Bank Exposure

Fiscal 2009 (Ended March 31, 2010)

(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD		
					EAD (on-balance sheet)	EAD (off-balance sheet)
Corporate Exposure	6.27%	44.91%	113%	5,571	4,854	717
1-1 to 4	0.22%	44.99%	43%	3,727	3,151	575
5 to 7	2.41%	44.78%	125%	963	879	83
8-1 to 8-2	19.28%	44.69%	351%	698	641	56
Subtotal	3.08%	44.92%	97%	5,388	4,672	715
8-3 to 10-2	100.00%	44.62%	559%	183	181	1
Sovereign Exposure	0.00%	44.99%	0%	37,263	34,048	3,215
1-1 to 4	0.00%	44.99%	0%	37,263	34,048	3,215
5 to 7	—	—	—	—	—	—
8-1 to 8-2	—	—	—	—	—	—
Subtotal	0.00%	44.99%	0%	37,263	34,048	3,215
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.06%	23.77%	9%	13,005	6,323	6,682
1-1 to 4	0.05%	23.74%	8%	12,984	6,310	6,674
5 to 7	3.04%	41.55%	157%	14	8	6
8-1 to 8-2	7.07%	29.66%	142%	5	4	0
Subtotal	0.06%	23.76%	9%	13,004	6,322	6,682
8-3 to 10-2	100.00%	45.00%	563%	0	0	0
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	2.84%	90.00%	278%	170	168	2
1-1 to 4	0.14%	90.00%	127%	84	84	—
5 to 7	4.30%	90.00%	409%	81	79	2
8-1 to 8-2	19.91%	90.00%	783%	3	3	—
Subtotal	2.55%	90.00%	276%	169	167	2
8-3 to 10-2	100.00%	90.00%	1,125%	0	0	—

Notes: 1. Weighted averages of PD, LGD and risk weights are computed based on EAD (including on-balance and off-balance items).
2. Risk weights are equivalent to 8% of the total of the amount of risk-weighted assets and expected loss, divided by EAD.
3. "Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach" does not take account of Rider No. 13 to the Notification Regarding Capital Adequacy (regarding provisional measures for equity exposure).

Fiscal 2008 (Ended March 31, 2009)

(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD		
					EAD (on-balance sheet)	EAD (off-balance sheet)
Corporate Exposure	4.70%	44.88%	91%	6,245	5,527	717
1-1 to 4	0.18%	44.99%	38%	4,598	3,968	629
5 to 7	2.74%	44.49%	130%	1,001	945	55
8-1 to 8-2	19.53%	44.70%	355%	482	454	27
Subtotal	2.14%	44.89%	78%	6,082	5,369	713
8-3 to 10-2	100.00%	44.71%	560%	163	158	4
Sovereign Exposure	0.00%	45.00%	0%	32,968	27,817	5,151
1-1 to 4	0.00%	45.00%	0%	32,968	27,817	5,151
5 to 7	7.78%	45.00%	211%	0	0	—
8-1 to 8-2	—	—	—	—	—	—
Subtotal	0.00%	45.00%	0%	32,968	27,817	5,151
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.06%	25.50%	11%	12,280	6,304	5,975
1-1 to 4	0.05%	25.48%	10%	12,255	6,287	5,967
5 to 7	2.66%	42.40%	153%	17	10	7
8-1 to 8-2	7.07%	20.73%	103%	7	6	0
Subtotal	0.06%	25.50%	10%	12,279	6,304	5,975
8-3 to 10-2	100.00%	45.00%	563%	0	0	0
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	1.80%	90.00%	220%	130	123	7
1-1 to 4	0.17%	90.00%	141%	96	96	—
5 to 7	4.75%	90.00%	424%	33	25	7
8-1 to 8-2	19.91%	90.00%	783%	0	0	—
Subtotal	1.42%	90.00%	216%	129	122	7
8-3 to 10-2	100.00%	90.00%	1,125%	0	0	—

Notes: 1. Weighted averages of PD, LGD and risk weights are computed based on EAD (including on-balance and off-balance items).
2. Risk weights are equivalent to 8% of the total of the amount of risk-weighted assets and expected loss, divided by EAD.
3. "Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach" does not take account of Rider No. 13 to the Notification Regarding Capital Adequacy (regarding provisional measures for equity exposure).

b. Retail Exposure

Fiscal 2009 (Ended March 31, 2010)

Details on PD, LGD, RW and EAD Assets

(Billions of yen)

Type of exposure	Weighted-average PD	Weighted-average LGD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Retail exposure secured by residential properties	5.51%	44.06%	85.90%	78.24%	96%	291	291	—
Not default Not delinquent	0.54%	44.08%	/	/	39%	266	266	—
Not default Delinquent	28.01%	43.80%	/	/	409%	15	15	—
Not default Subtotal	2.05%	44.06%	/	/	60%	281	281	—
Default	100.00%	/	85.90%	78.24%	1,074%	10	10	—
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	25.61%	80.71%	106.10%	97.56%	403%	8	4	4
Not default Not delinquent	1.60%	80.72%	/	/	105%	6	2	4
Not default Delinquent	29.02%	80.45%	/	/	469%	0	0	0
Not default Subtotal	1.95%	80.71%	/	/	110%	6	2	4
Default	100.00%	/	106.10%	97.56%	1,326%	2	1	0
Total	6.09%	45.12%	89.30%	81.49%	104%	300	295	4
Not default Not delinquent	0.56%	44.95%	/	/	41%	272	268	4
Not default Delinquent	28.01%	44.00%	/	/	409%	15	15	0
Not default Subtotal	2.05%	44.90%	/	/	61%	288	283	4
Default	100.00%	/	89.30%	81.49%	1,116%	12	12	0

Notes: 1. As of March 31, 2010, most of the retail exposures are purchased retail receivables in investment funds. Those using estimated parameters have been included in the amount subject to quantitative disclosure.

2. "Not default Delinquent" does not fall under the default definition in the Notification Regarding Capital Adequacy, but past-due.

3. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).

4. For defaulted exposure, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).

5. As of March 31, 2010, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

Fiscal 2008 (Ended March 31, 2009)

Details on PD, LGD, RW and EAD Assets

(Billions of yen)

Type of exposure	Weighted-average PD	Weighted-average LGD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Retail exposure secured by residential properties	4.72%	41.97%	84.82%	78.39%	80%	330	330	—
Not default Not delinquent	0.41%	42.01%	/	/	31%	301	301	—
Not default Delinquent	22.31%	41.26%	/	/	348%	18	18	—
Not default Subtotal	1.68%	41.97%	/	/	49%	320	320	—
Default	100.00%	/	84.82%	78.39%	1,060%	10	10	—
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	20.47%	78.48%	103.04%	94.78%	322%	9	4	5
Not default Not delinquent	1.44%	78.32%	/	/	88%	7	2	4
Not default Delinquent	22.23%	82.40%	/	/	397%	0	0	0
Not default Subtotal	2.26%	78.48%	/	/	100%	7	2	4
Default	100.00%	/	103.04%	94.78%	1,288%	1	1	0
Total	5.17%	43.01%	87.57%	80.86%	87%	340	335	5
Not default Not delinquent	0.43%	42.90%	/	/	32%	309	304	4
Not default Delinquent	22.31%	41.94%	/	/	349%	18	18	0
Not default Subtotal	1.70%	42.85%	/	/	50%	328	323	4
Default	100.00%	/	87.57%	80.86%	1,095%	12	11	0

Notes: 1. As of March 31, 2009, most of the retail exposures are purchased retail receivables in investment funds. Those using estimated parameters have been included in the amount subject to quantitative disclosure.

2. "Not default Delinquent" does not fall under the default definition in the Notification Regarding Capital Adequacy, but past-due.

3. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).

4. For defaulted exposure, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).

5. As of March 31, 2009, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

c. Actual Losses on Exposure to Corporate, Sovereign, Bank, and Retail Exposure

Actual Losses for the Previous Period, Comparison with the Year before Last Results and Analysis of Causes

(Billions of yen)

Type of exposure	As of March 31, 2010	As of March 31, 2009	Increase/(decrease)
Corporate exposure	**42**	23	**19**
Sovereign exposure	**—**	—	**—**
Bank exposure	**—**	—	**—**
Equity exposure subject to PD/LGD approach	**0**	0	**0**
Retail exposure secured by residential properties	**—**	—	**—**
Qualifying revolving retail exposure	**—**	—	**—**
Other retail exposure	**0**	0	**0**

Note: Actual losses are defined as losses due to direct write-offs, partial direct write-offs, specific reserve for possible loan losses, general reserve for possible loan losses and loan sales of exposure that defaulted up to the end of the previous period.

Estimated Losses Depend on Historical Long-Term Results, Comparison with Actual Losses

(Billions of yen)

Type of exposure	As of March 31, 2010		As of March 31, 2009		As of March 31, 2008		As of March 31, 2007	
	Estimated losses	Actual losses	Estimated losses	Actual losses	Estimated losses	Actual losses	Estimated losses	Actual losses
Corporate exposure	**55**	**42**	45	23	28	6	27	18
Sovereign exposure	**0**	**—**	1	—	1	—	1	—
Bank exposure	**0**	**—**	0	—	0	—	0	—
Equity exposure subject to PD/LGD approach	**1**	**0**	0	0	1	0	0	0
Retail exposure secured by residential properties	**—**	**—**	—	—	—	—	—	—
Qualifying revolving retail exposure	**—**	**—**	—	—	—	—	—	—
Other retail exposure	**0**	**0**	0	0	0	0	0	0

Notes: 1. Comparisons of estimated and actual long-term losses for 10 years accumulatively are scheduled to be disclosed from the year following the application of Basel II (the year ending March 31, 2007).
2. The scope of actual and estimated losses includes the following accounts on balance sheet: loans, foreign exchange, accrued interests in other assets, suspense payable and customers' liabilities for acceptances and guarantees, as well as securities without quoted market values, money trusts without quoted market values, and monetary claims purchased.
3. Estimated losses of each year are amount of expected losses.

Year-on-year comparison of actual losses and factor analysis of difference between estimated losses and actual losses

For fiscal 2009 (ended March 31, 2010) the actual loss amount increased year-on-year due to an increase in losses due to defaults of corporate borrowers.

Actual loss amounts have basically maintained at lower levels than the estimated losses at the beginning of the term, for the four fiscal years stated above.

d. Exposure to Specialized Lending Products Subject to Supervisory Slotting Criteria by RW

Amount of Specialized Lending Exposure Subject to Supervisory Slotting Criteria by RW

(Billions of yen)

Classification	As of March 31, 2010	As of March 31, 2009
Specialized Lending exposure subject to supervisory slotting criteria	**777**	763
Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE)	**609**	591
Risk weight of 50%	**7**	55
Risk weight of 70%	**252**	280
Risk weight of 90%	**2**	150
Risk weight of 115%	**159**	5
Risk weight of 250%	**93**	24
Risk weight of 0% (default)	**94**	75
High-Volatility Commercial Real Estate (HVCRE)	**167**	171
Risk weight of 70%	**2**	66
Risk weight of 95%	**—**	3
Risk weight of 120%	**—**	10
Risk weight of 140%	**75**	10
Risk weight of 250%	**79**	81
Risk weight of 0% (default)	**10**	—

Notes: 1. "Specialized Lending" refers to loans for Project Finance (PF), Object Finance (OF), Commodity Finance (CF) and Income-Producing Real Estate (IPRE) (as defined in the Notification Regarding Capital Adequacy, Article 1-1-41).

2. "High-Volatility Commercial Real Estate (HVCRE)" refers to loans that are the financing of commercial real estate that exhibits a higher rate of loss volatility compared to other types of Specialized Lending, as specified in the Notification Regarding Capital Adequacy, Article 1-1-43.

3. "Specialized Lending exposure subject to supervisory slotting criteria" refers to the amounts of Specialized Lending, subject to the Bank's internal rating system, and have been allotted to the risk asset classifications given in the Notification Regarding Capital Adequacy, Article 130-3 and Article 130-5, after taking account of risk weights.

4. For risk weights, the Bank has applied the stipulations contained in the Notification Regarding Capital Adequacy, Article 130-3 and Article 130-5.

e. Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach by RW

Amount of Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach

(Billions of yen)

Classification	As of March 31, 2010	As of March 31, 2009
Equity exposure subject to the simple risk-weighted method of the market-based approach by RW	**37**	41
Risk weight of 300%	**—**	—
Risk weight of 400%	**37**	41

Note: The "simple risk-weighted method of the market-based approach by RW" is a method for computing the amount of risk-weighted assets of equity and other investments. Under this method, the market value of listed stocks is multiplied by a risk weight of 300%, and the estimated value of unlisted stocks is multiplied by a risk weight of 400% (Notification Regarding Capital Adequacy, Article 143-4).

(4) EXPOSURE SUBJECT TO STANDARDIZED APPROACH BY RISK WEIGHT

Amount of Exposure Subject to Standardized Approach

(Billions of yen)

Classification	As of March 31, 2010		As of March 31, 2009	
	Exposure	Refer to ECAI	Exposure	Refer to ECAI
Exposure subject to Standardized Approach	5	—	16	—
Risk weight of 0%	—	—	—	—
Risk weight of 10%	—	—	—	—
Risk weight of 20%	—	—	—	—
Risk weight of 35%	—	—	—	—
Risk weight of 50%	—	—	—	—
Risk weight of 75%	—	—	—	—
Risk weight of 100%	5	—	16	—
Risk weight of 150%	—	—	—	—
Amount deducted from capital	—	—	—	—
Others	—	—	—	—

4. Methods of Credit Risk Mitigation Techniques (Non-Consolidated)

Amount of Exposure Subject to Credit Risk Mitigation Techniques (Eligible Financial Collateral, Other Eligible IRB Collateral, Guarantees, Credit Derivatives)

(Billions of yen)

Classification	As of March 31, 2010	As of March 31, 2009
Foundation Internal Ratings-Based Approach	**7,381**	4,769
Eligible financial collateral	**5,703**	4,620
Corporate exposure	**10**	15
Sovereign exposure	**3**	—
Bank exposure	**5,689**	4,604
Other eligible IRB collateral	**—**	—
Corporate exposure	**—**	—
Sovereign exposure	**—**	—
Bank exposure	**—**	—
Guarantees, Credit Derivatives	**1,677**	148
Corporate exposure	**129**	135
Sovereign exposure	**47**	13
Bank exposure	**1,501**	—
Retail exposure secured by residential properties	**—**	—
Qualifying revolving retail exposure	**—**	—
Other retail exposure	**—**	—
Standardized Approach	**—**	—
Eligible financial collateral	**—**	—
Guarantees, Credit Derivatives	**—**	—

Notes: 1. The amount of exposure for which credit risk mitigation techniques have been used is limited to the portion for which such effects have been taken into account.
2. Exposure subject to treatment as credit risk exposure is not included.

5. Counterparty Credit Risk in Derivative Transactions (Non-Consolidated)

Methods Used for Calculating Amount of Credit Exposure

The current exposure method is adopted.

Breakdown of the Amount of Credit Exposure

(Billions of yen)

Classification		As of March 31, 2010	As of March 31, 2009
Total gross replacement costs (limited to items with a value of greater than zero)	(A)	**76**	124
Total gross add-ons	(B)	**287**	354
Gross credit exposure	(C) = (A)+(B)	**364**	479
Including, foreign exchange related		**304**	356
Including, interest rate related		**57**	110
Including, equity related		**2**	3
Including, credit derivatives		**—**	9
Including, transactions with a long settlement period		**0**	—
Reduction in credit exposure due to netting contracts	(D)	**233**	321
Amount of credit exposure before taking into account credit risk mitigation techniques due to collateral	(E) = (C)–(D)	**130**	157
Amount of collateral		**0**	—
Including eligible financial collateral		**0**	—
Amount of credit exposure after taking into account credit risk mitigation techniques due to collateral		**130**	157

Notes: 1. Derivatives transactions included in risk-weighted assets calculation for investment funds are not included.
2. Under the stipulations of the Notification Regarding Capital Adequacy, Article 56-1, the amount of credit exposure not computed has not been included.

Notional Principal Amount of Credit Derivatives Included in Computation of Credit Exposure

(Billions of yen)

Classification	As of March 31, 2010	As of March 31, 2009
To buy protection	**—**	—
Including credit default swaps	**—**	—
To sell protection	**—**	91
Including credit default swaps	**—**	91
Notional principal amount of credit derivatives taking into consideration the effect of credit risk mitigation techniques	**—**	—

Notes: 1. Credit derivatives included in risk-weighted assets for investment funds have not been taken into consideration.
2. Under the stipulations of the Notification Regarding Capital Adequacy, Article 21-2 and Article 21-3, the amount of credit risk assets not computed has not been included.

6. Securitization Exposure (Non-Consolidated)

Detail of Securitization Exposure Held as Originator

(Billions of yen)

Classification	As of March 31, 2010	As of March 31, 2009
Total amount of underlying assets	**—**	—
Amounts of securitization exposure	**—**	—
Increase in capital due to securitization transactions	**—**	—
Deducted from capital	**—**	—
Amounts of securitized exposure	**—**	—
Gains (losses) on sales of securitization transactions	**—**	—

As of March 31, 2010, the Bank has not been an originator for securitization exposure, having effects of credit risk mitigation.

Details of Securitization Exposure Held as Investor by Exposure Type

(Billions of yen)

Classification	As of March 31, 2010		As of March 31, 2009	
	Amount of exposure	Deductions from capital	Amount of exposure	Deductions from capital
Total amount of securitization exposure	**5,457**	**162**	6,170	79
Individuals				
Asset-Backed Securities (ABS)	**2,531**	**0**	2,649	18
Residential Mortgage-Backed Securities (RMBS)	**549**	**21**	652	1
Real estate				
Commercial Mortgage-Backed Securities (CMBS)	**482**	**20**	602	1
Corporates				
Subtotal of CDOs (CLO, ABS-CDO, CBO)	**1,800**	**111**	2,194	40
Collateralized Loan Obligations (CLO)	**1,568**	**83**	1,908	30
Asset-Backed Securities CDOs (ABS-CDO)	**202**	**28**	217	9
Collateralized Bond Obligations (CBO)	**28**	**—**	69	—
Others	**93**	**8**	70	18

Note: "Deductions from capital" is equity exposure deducted from capital under Article 224 of the Notification Regarding Capital Adequacy.

Amount of Securitization Exposure Held as Investor and Regulatory Required Capital by Risk-Weighted Category

(Billions of yen)

Classification	As of March 31, 2010		As of March 31, 2009	
	Amount of exposure	Regulatory Required Capital	Amount of exposure	Regulatory Required Capital
Amount of securitization exposure	**5,457**	**300**	6,170	193
Risk weight: 20% or less	**4,473**	**33**	5,418	43
Risk weight: exceeding 20% to 50% or less	**391**	**11**	290	8
Risk weight: exceeding 50% to 100% or less	**177**	**12**	197	13
Risk weight: exceeding 100% to 250% or less	**92**	**19**	128	22
Risk weight: exceeding 250% to less than 1,250%	**159**	**61**	55	26
Deductions from capital	**162**	**162**	79	79

Risk-Weighted Assets Computed through Application of Appendix Article 15 of the Notification Regarding Capital Adequacy

Not applicable

7. Market Risk (Non-Consolidated)

Computation of the Market Risk Amount by the Internal Models Approach

■ VaR

(Millions of yen)

	Fiscal 2009	Fiscal 2008
Base date of computation	**2010. 3. 31**	2009. 3. 31
VaR (For the most recent 60 business days)		
Base date of computation	**259**	333
Maximum	**283**	531
Minimum	**96**	138
Average	**173**	258

■ Amounts of Market Risk

(Millions of yen)

		Fiscal 2009	Fiscal 2008
For the portion computed with the internal models approach (B)+(E)	(A)	**519**	776
Value at Risk (MAX (C, D))	(B)	**519**	776
Amount on base date of computation	(C)	**259**	333
Amount determined by multiplying (F) by the average for the most recent 60 business days	(D)	**519**	776
Additional amount at the time of measuring individual risk	(E)	**0**	0
(Multiplier)	(F)	**3.0**	3.0
(Times exceeding VaR in back testing)	(G)	**2**	2

8. Equity Exposure (Non-Consolidated)

(Includes items such as shares, excludes items in a trading account)

Amounts on the Balance Sheet and Market Value

(Billions of yen)

Classification	As of March 31, 2010		As of March 31, 2009	
	Amounts on the balance sheet	Market value	Amounts on the balance sheet	Market value
Equity exposure	**882**	**882**	520	520
Exposure to publicly traded equity	**679**	**679**	331	331
Exposure to privately held equity	**203**	**203**	188	188

Notes: 1. No stocks included in this table are fund-raising instruments of other financial institutions that the Bank holds deliberately as specified in the Notification Regarding Capital Adequacy, Article 20-1-1.
2. Regarding "market value," equities with quoted market values are evaluated at market, and those without market values are valued using the total amounts entered in the balance sheet.

Amount of Gain (Loss) due to Sale or Write-Off

(Billions of yen)

Item	Fiscal 2009			Fiscal 2008		
	Gains from sale of equities, etc.	Losses from sales of equities, etc.	Write-offs of equities, etc.	Gains from sale of equities, etc.	Losses from sales of equities, etc.	Write-offs of equities, etc.
Equity exposure	**15**	**2**	**55**	37	79	30

Note: Amounts reflect relevant figures posted in the income statements.

Amount of Valuation Gains (Losses)

(Billions of yen)

Item	As of March 31, 2010	As of March 31, 2009
Amount of valuation gains (losses) recognized on the balance sheet and not recognized in the statements of operations	**98**	9

Notes: 1. Exposure is to equity shares issued by both domestic and overseas companies.
2. No stocks included in this table are fund-raising instruments of other financial institutions that the Bank holds deliberately, as specified in the Notification Regarding Capital Adequacy, Article 20-1-1.

Unrealized Gains (Losses) Not Recognized on Non-Consolidated Balance Sheets or Non-Consolidated Statements of Income

Not applicable

Amount Included in Supplementary Capital (Tier II) Under Stipulations of the Notification Regarding Capital Adequacy, Article 18-1-1

(Billions of yen)

Item	As of March 31, 2010	As of March 31, 2009
Amount included in supplementary capital under the stipulations of the Notification Regarding Capital Adequacy, Article 18-1-1	**—**	—

Note: "Amount included in supplementary capital under the stipulations of the Notification Regarding Capital Adequacy, Article 18-1-1" is 45% of the total value of exposure to equity and other investments (excluding equities, etc., that are fund-raising instruments of other financial institutions that the Bank holds deliberately, as specified in the Notification Regarding Capital Adequacy, Article 20-1-1) classified under other securities at market value, minus the total book value of these securities.

Equity Exposure Subject to Treatment Under the Notification Regarding Capital Adequacy, Appendix Article 13

(Billions of yen)

Classification	As of March 31, 2010	As of March 31, 2009
	Amounts on the balance sheets	Amounts on the balance sheets
Equity exposure subject to treatment under the Notification Regarding Capital Adequacy, Appendix Article 13	**401**	347
Corporate	**368**	314
Bank	**27**	26
Sovereign	**5**	5

Note: Appendix Article 13 of the Notification Regarding Capital Adequacy specifies provisional methods for calculating the value of credit risk assets in exposure to equity and other investments that meets certain specified standards.

9. Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund (Non-Consolidated)

Amount of Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund

(Billions of yen)

Classification	As of March 31, 2010		As of March 31, 2009	
	Exposure	(For reference) Weighted-average risk weight	Exposure	(For reference) Weighted-average risk weight
Look-through approach	**13,177**	**62%**	13,071	69%
Majority approach	**498**	**324%**	541	337%
Mandate approach	**—**	**—**	—	—
Market-based approach	**1,741**	**249%**	1,258	235%
Others (simple approach)	**253**	**472%**	274	448%
Total	**15,671**	**94%**	15,146	98%

Notes: 1. The "Look-through approach" is a method for computing the risk-weighted assets in fund by totaling the amount of risk-weighted assets for credit risk in individual asset categories. (Please refer to Notification Regarding Capital Adequacy, Article 144-1.)

2. The "Majority approach" is a method for computing the risk-weighted assets in fund by applying risk weight to the fund as well as equity exposure when the exposure of equity, in terms of value, is major in a fund. (Please refer to the Notification Regarding Capital Adequacy, Article 144-2.)

3. The "Mandate approach" is a method for computing the risk-weighted assets in fund where only the investment mandate of the fund is known. The risk-weighted assets are computed as follows; It is assumed that the fund first invests, to the maximum extent allowed under its mandate, in the asset classes attracting the highest capital requirement, and then continues making investments in descending order until the maximum total investment level is reached. (Please refer to the Notification Regarding Capital Adequacy, Article 144-3.)

4. The "Market-based approach" is a method for computing the credit risk of exposure regarded as credit risk assets using the Bank's internal model (which is a value-at-risk (VaR) model based on the historical simulation method). (Please refer to the Notification Regarding Capital Adequacy, Article 144-4.)

5. The "Others (simple approach)" is a method for computing the risk-weighted assets in fund by applying risk weight of 400%, when it is judged the probability that the weighted-average risk weight will be less than 400%. In all other cases, risk weight of 1,250% is applied to funds. (Please refer to the Notification Regarding Capital Adequacy, Article 144-5.)

6. (For reference) Weighted-average risk weight = {Total risk-weighted assets + (Expected losses + Deductions from capital) / 8%} / EAD

10. Interest-Rate Risk (Non-Consolidated)

(Interest-rate risk (excluding trading account) is the gain or loss from interest-rate shocks or the increase or decrease in economic value used for internal management purposes.)

Interest-Rate Risk Volume Computed with the Internal Model in Core Business Accounts (The Banking Accounts)

(Billions of yen)

Classification	As of March 31, 2010	As of March 31, 2009
Interest-rate risk	**1,337**	1,125
Yen interest-rate risk	**18**	6
U.S. dollar interest-rate risk	**1,181**	1,014
Euro interest-rate risk	**133**	97
Interest-rate risk in other currencies	**4**	6

Note: Regarding core deposits, since the balances of deposits, etc., without maturity dates are limited, the Bank does not currently measure their risk volume. In addition, regarding repayments of mortgage-backed securities and callable securities before maturity, risk volume is measured after taking account of negative convexity and option vega due to call conditions and other factors.

Status of Capital and Shareholders

Members and Share Ownership (As of March 31, 2010)

(1) Common Stocks (Including lower dividend rate stocks)

The face value of one common stock is ¥100.

Type of Organization	Number of Members	Stocks Owned
Agricultural Cooperatives	917 (138)	5,237,141,140 (4,356,000,000)
Federations of Agricultural Cooperatives	117 (36)	27,710,201,170 (24,793,790,000)
Forestry Cooperatives	681 (0)	19,584,580 (0)
Forestry Production Cooperatives	11 (0)	14,650 (0)
Federations of Forestry Cooperatives	47 (0)	22,942,240 (0)
Fishery Cooperatives	1,068 (4)	126,379,391 (66,520,000)
Fishery Production Cooperatives	27 (0)	225,240 (0)
Federations of Fishery Cooperatives	89 (30)	860,625,249 (535,610,000)
Marine Products Processing Cooperatives	45 (0)	660,000 (0)
Federations of Marine Products Processing Cooperatives	6 (0)	693,750 (0)
Mutual Insurance Federation of Fishery Cooperative Associations	1 (0)	7,064,800 (0)
Agricultural Mutual Relief Insurance Associations	34 (0)	375,700 (0)
Federations of Agricultural Mutual Relief Insurance Associations	42 (0)	983,100 (0)
Fishing Boat Insurance Associations	20 (0)	2,454,350 (0)
Agricultural Credit Guarantee Fund Associations	10 (0)	139,650 (0)
Fishery Credit Guarantee Fund Associations	35 (0)	16,158,600 (0)
Fishery Mutual Relief Insurance Associations	12 (0)	132,000 (0)
Federation of Fishery Mutual Relief Insurance Associations	1 (0)	292,800 (0)
Land Improvement Districts	803 (0)	2,883,040 (0)
Federations of Land Improvement Districts	4 (0)	2,850 (0)
Medium and Small-Sized Enterprise Cooperative Associations Related to Sericulture, Forestry or Salt Production	18 (0)	144,000 (0)
Total	3,988 (208)	34,009,098,300 (29,751,920,000)

(2) Preferred Stocks

The face value of one stock is ¥100.

Type of Organization	Number of Members	Stocks Owned
Financial Institutions	9	26,787,410
Securities Companies	3	5,577,700
Other Corporations	19	23,426,340
Total	31	55,791,450

Voting Rights of Members

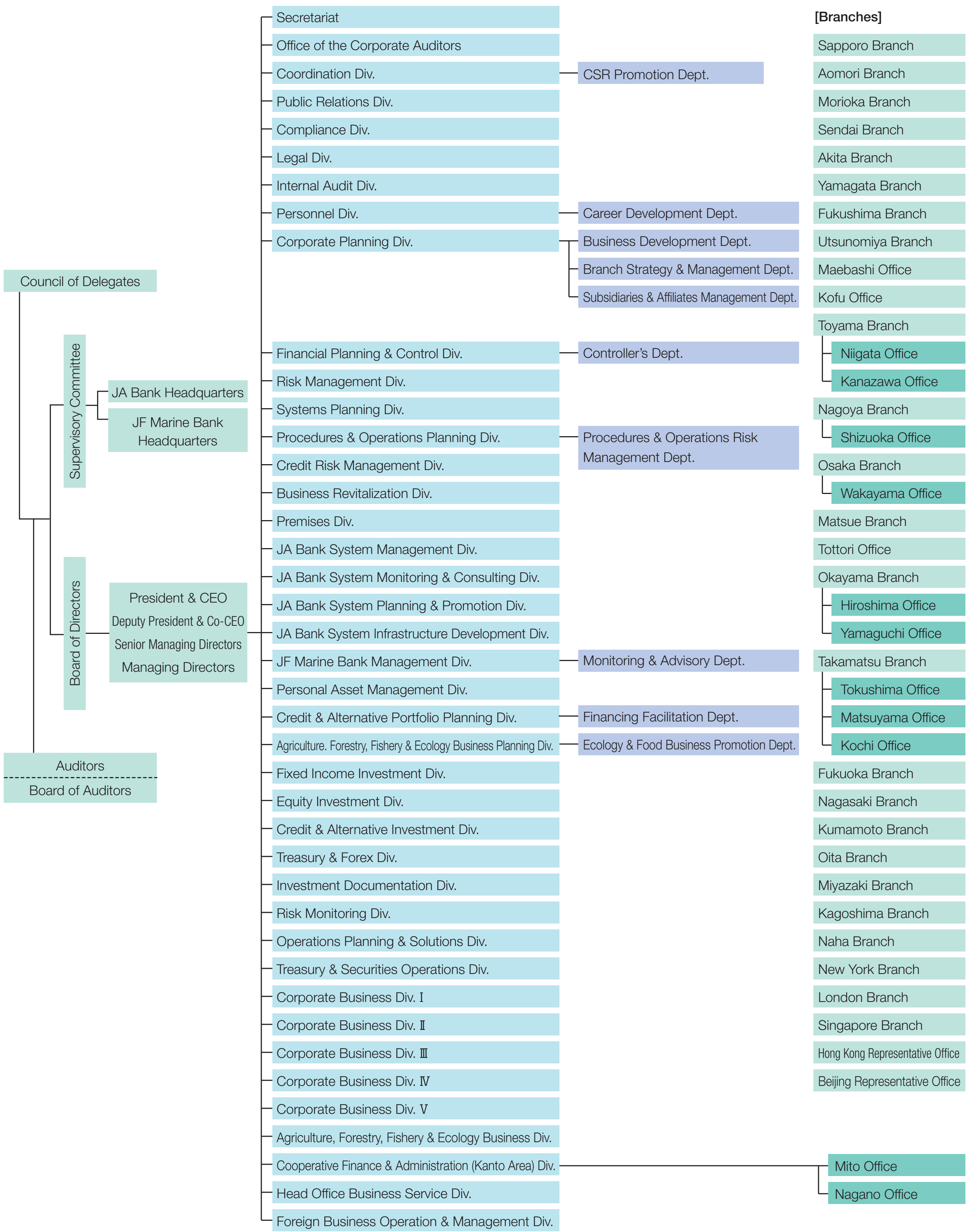
The Norinchukin Bank is the central financial institution for Japan's agricultural, forestry, and fishery cooperative system. The supreme management decision-making organization for the Bank is the Council of Delegates, which consists of representative members and substitutes for the general meetings of all shareholders. Unlike stock companies, where one share represents one vote, the voting rights of the members of the Council of Delegates are equal regardless of the number of investment units they own. For this reason, a list of major shareholders has not been included in this report.

Trends in the Bank's Capital

Millions of yen

Date	Increase in Capital	Capital after Increase	Method of Increase
November 30, 1983	15,000	45,000	Allotment
November 30, 1990	30,000	75,000	Allotment
November 30, 1992	25,000	100,000	Allotment
February 16, 1995	24,999	124,999	Private placement
September 25, 1997	150,000	274,999	Allotment
March 25, 1998	850,000	1,124,999	Allotment
November 29, 2002	100,000	1,224,999	Allotment
December 1, 2005	225,717	1,450,717	Allotment
March 30, 2006	14,300	1,465,017	Allotment
September 29, 2006	19,000	1,484,017	Allotment
November 26, 2007	15,900	1,499,917	Allotment
February 28, 2008	12,900	1,512,817	Allotment
March 25, 2008	503,216	2,016,033	Allotment
December 29, 2008	24,800	2,040,833	Allotment
March 31, 2009	1,380,537	3,421,370	Allotment
September 28, 2009	4,539	3,425,909	Allotment

Organizational Diagram (As of July 1, 2010)



Directors and Auditors (As of July 1, 2010)

Supervisory Committee

Mamoru Moteki

Kiyoshi Ishii

Ichio Kuramitsu

Shigeyoshi Hirano

Ikuhiro Hattori

Masahiro Hayashi

Kiichi Sugawara

Masahiko Sawada

Masashi Mochizuki

Shigeyasu Nakao

Hisami Sunada

Yoshinori Ando

Motonori Baba

Hakusaburo Tezen

Mikio Wakatsuki

Hideaki Kubori

Yoshio Kono

Junichi Mukaichi

Board of Directors

President & Chief Executive Officer

Yoshio Kono

Deputy President &
Co-Chief Executive Officer

Junichi Mukaichi

Senior Managing Directors

Masataka Miyazono

Shuzo Furuya

Kazumi Torii

Managing Directors

Norihiro Takahashi

Kazuo Yoshida

Takahiro Ishida

Hideaki Iida

Naoki Oshikubo

Yusuke Ikegami

Shoji Yukimoto

Shinichi Saito

Board of Auditors

Masaaki Tanaka

Kozo Konishi

Takeshi Iwabuchi

Yasuhiko Kishi

Tatsuhiko Tanaka

History

Milestones in the Bank's 85-Year History

1923 • The Bank established with government funds under special legislation as the central bank for Japanese cooperatives, "Sangyo Kumiai"

1938 • Gyokyo joins the Bank

1943 • Forestry cooperatives (Shinrinkumiai) join the Bank
• The Bank's name officially changed to the Norinchukin Bank

1950 • The first Norinchukin Bank debentures issued

1959 • Redemption of the government's equity stake completed, thereby becoming a private bank

1974 • Foreign exchange operations begin

1977 • Investment and trading in foreign currency denominated bonds begin

1982 • A representative office opens in New York (the Bank's first overseas foothold)

1984 • The New York Representative Office upgraded to branch status

1985 • A representative office opens in London

1986 • Fiduciary services for corporate bonds begin
• Norinchukin International plc opens in London

1989 • The Bank's U.S. dollar denominated notes issued in the Euromarket

1990 • A representative office opens in Singapore

1991 • The London Representative Office upgraded to branch status

1993 • The Singapore Representative Office upgraded to branch status
• Norinchukin Securities Co., Ltd., established
• Norinchukin Investment Trust Management Co., Ltd., established

1995 • Preferred stocks issued, opening the way for capital increases through the participation of ordinary investors
• The Norinchukin Trust & Banking Co., Ltd., established

1996 • Laws concerning the integration of the Bank and Shinnoren enacted

1998 • Issuance of ¥1 trillion in lower dividend rate stock to Shinnoren and Shingyoren and ¥0.5 trillion in subordinated loan transaction completed
• Substantial reorganization of the market risk investment sections, updating these to match global asset management styles
• Representative offices open in Hong Kong and Beijing

2000 • Norinchukin-Zenkyoren Asset Management Co., Ltd., established

2001 • The Norinchukin Bank Law is revised
• The law concerning the reorganization and strengthening of credit business by the Bank and specified cooperatives is revised

2002 • The JA Banking System begins
• A capital increase of ¥100 billion in common stock is conducted, and ¥183 billion in funds is procured through the permanently subordinated loans
• The consolidation of Shinnoren with the Bank begins

2003 • JF Marine Bank implements fundamental policies

2004 • Norinchukin Securities Co., Ltd., liquidated

2005 • Increase in capital of ¥225 billion in common stock and perpetual subordinated loans of ¥212 billion

2006 • Final integration of Okayama Shinnoren and Nagasaki Shinnoren (January)
• JASTEM made available in all prefectures (May)
• Capital increase through issue of subordinated bonds with maturity dates (September)
• Capital increase through issue of lower dividend rate stock (¥19.0 billion) (September)
• Merger of Kyodo Credit Service Co., Ltd., with UFJ Nicos Co., Ltd. (October)
• Acquisition of Financial Holding Company (FHC) status in the United States (December)
• JA savings deposits top ¥80 trillion (December)

2007 • Final integration of Akita Shinnoren (February)
• JA Bank Agri-Support business established (June)
• Final integration of Tochigi Shinnoren (October)
• Capital increase through issue of lower dividend rate stock (¥15.9 billion) (November)

2008 • Final integration of Yamagata Shinnoren and Toyama Shinnoren (January)
• Capital increase through issue of lower dividend rate stock (¥12.9 billion) (February)
• Capital increase through issue of lower dividend rate stock (¥503.2 billion), and permanently subordinated loan (March)
• Final integration of Fukushima Shinnoren (October)
• Capital increase through issue of lower dividend rate stock (¥24.8 billion) (December)

2009 • Final integration of Kumamoto Shinnoren (January)
• Capital increase through issue of lower dividend rate stock (¥1,380.5 billion), and permanently subordinated loan (March)
• Capital increase through issue of lower dividend rate stock (¥4.5 billion) (September)
• Partial Integration of Aomori Shinnoren (September)

List of Group Companies

As of March 31, 2010

Company Name	Address	Nature of Business	Date of Establishment	Capital (Millions of yen) Percentage of Voting Rights (%)
The Norinchukin Trust & Banking Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan	Trust & Banking	August 17, 1995	20,000 100.0
Kyodo Seminar Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan	Training	May 25, 1981	20 100.0
Norinchukin Research Institute Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan	Research	March 25, 1986	300 100.0
Nochu Business Support Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan	Various Operations, Talent Provider on behalf of The Norinchukin Bank	August 18, 1998	100 100.0
Kyodo Housing Loan Co., Ltd.	15-3, Chuocho 1-chome, Meguro-ku, Tokyo 152-0001, Japan	Mortgage Loans	August 10, 1979	10,500 91.52
Nochu Information System Co., Ltd.	5-3, Musashino 3-chome, Akishima-City, Tokyo 196-0021, Japan	System Development & Maintenance	May 29, 1981	100 90.0
Norinchukin Zenkyoren Asset Management Co., Ltd.	7-12, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan	Asset Management & Investment Advice	September 28, 1993	1,920 50.91
Ant Capital Partners Co., Ltd.	2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan	Private Equity Investments & Fund Management	October 23, 2000	3,086 38.0
The Cooperative Servicing Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan	Management and Collection of Non-Performing Loans	April 11, 2001	500 37.96
JA MITSUI LEASING, LTD.	10-2, Higashi-Gotanda 2-chome, Shinagawa-ku, Tokyo 141-0022, Japan	Leasing Business	April 1, 2008	32,000 28.48
Private Equity Fund Research and Investments Co., Ltd.	7-9, Nihonbashi 1-chome, Chuo-ku, Tokyo 103-0027, Japan	Private Equity Fund Ratings, Investment Management	October 19, 2007	1,000 30.0 (5.00)
The Agribusiness Investment & Consultation Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan	Investment Consultation to the Agricultural Companies	October 24, 2002	4,070 19.97
Mitsubishi UFJ NICOS Co., Ltd.	14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo 101-8960, Japan	Credit Card Business	June 7, 1951	109,312 15.01
Daiichi Life Norinchukin Building Management Co., Ltd.	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-8420, Japan	Building Maintenance	April 1, 1993	10 27.0
Norinchukin Finance (Cayman) Limited	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Issue of Subordinated Bonds, Borrowing of Subordinated Loans	August 30, 2006	$50,000 100.0

Notes: 1. Figure in parentheses () in the voting rights column indicate voting rights held indirectly via subsidiaries.
2. Due to acquisition of its share in October, 2009, JA MITSUI LEASING, LTD. was newly accounted for by the equity method.

Global Network (As of August 1, 2010)

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SWIFT: NOCUUS 33

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Company number: BR001902

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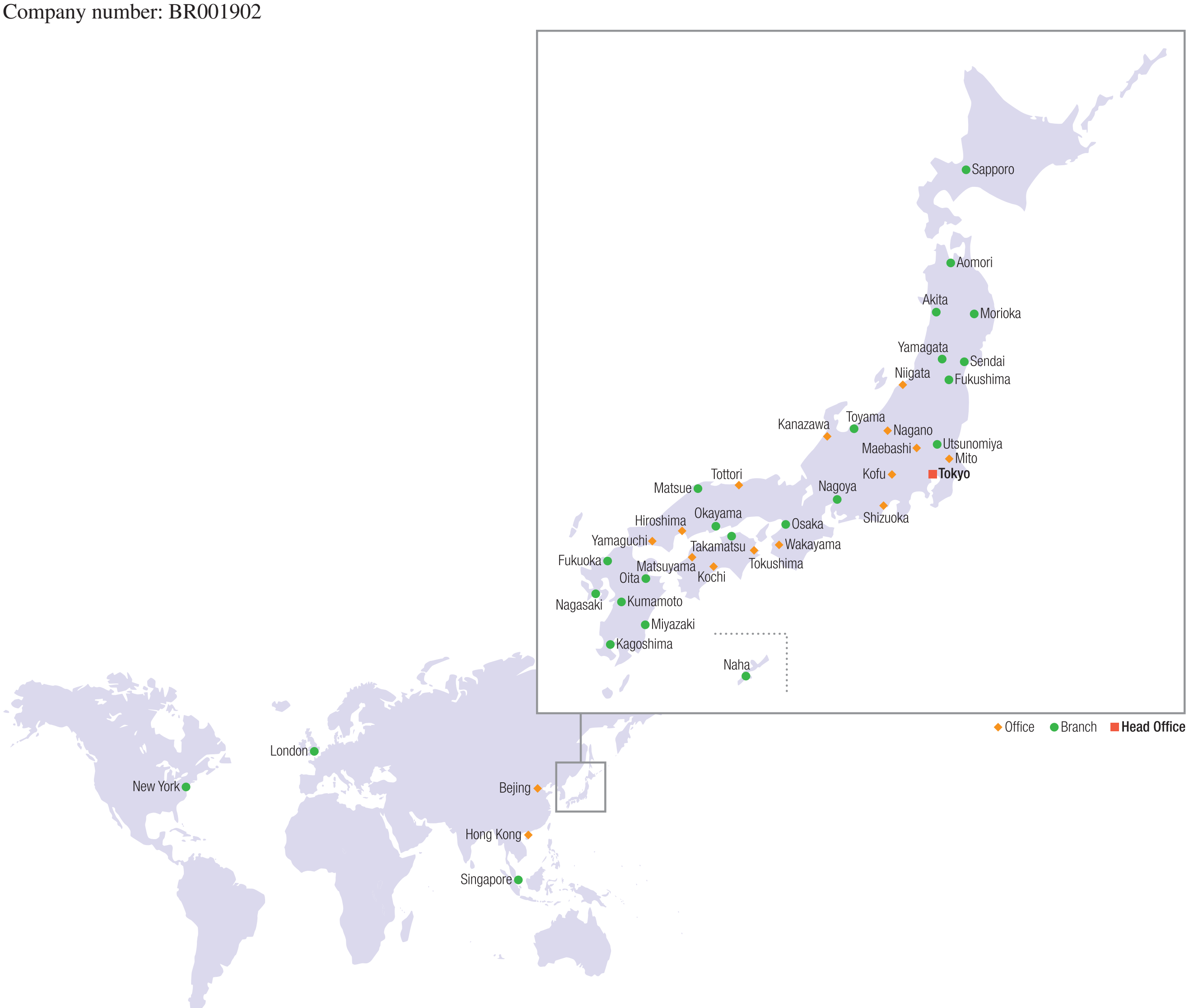

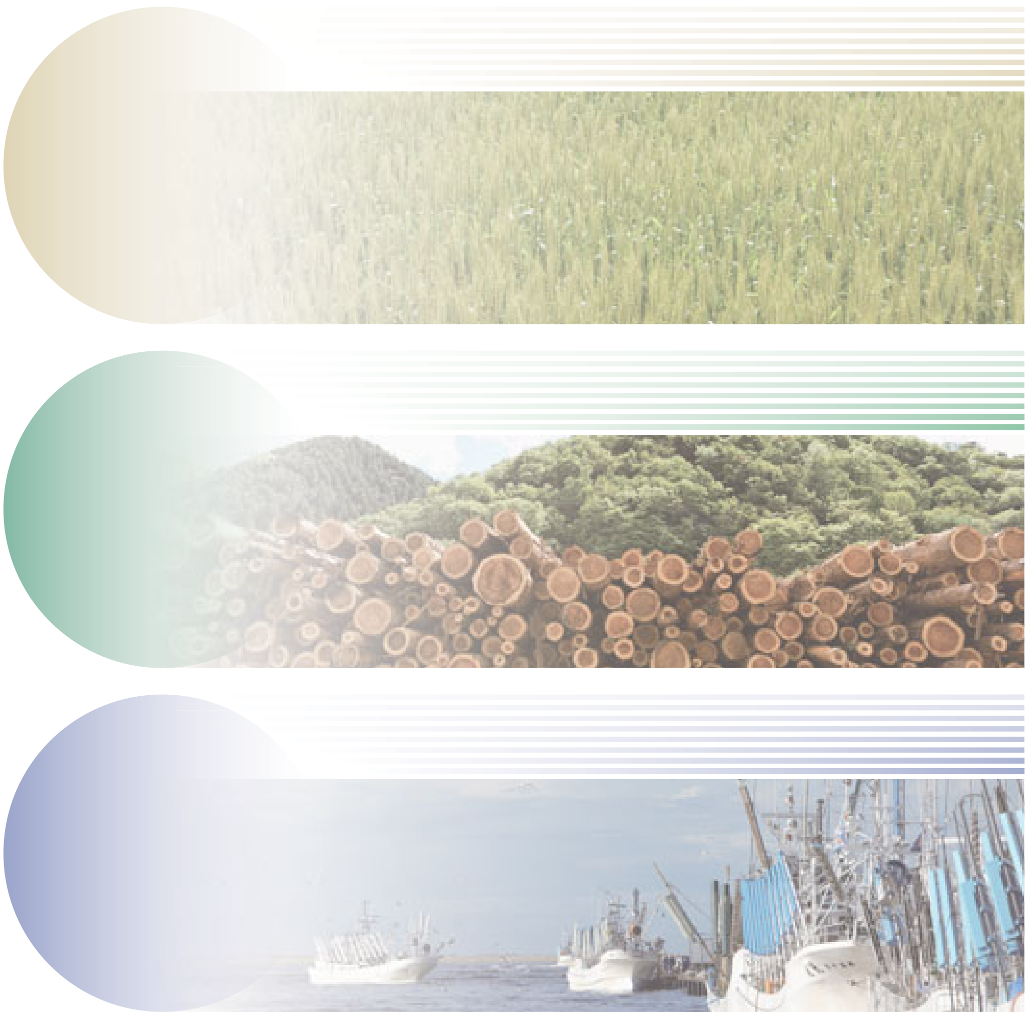

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SWIFT: NOCUJPJT

The Norinchukin Bank